

Simplified Approval Process

Annex 9a: Legal due diligence



9.A Legal Due Diligence

Please provide the following information:

- *Details of any government or regulatory approvals, licenses or permits required for implementing and operating the project/programme, the relevant issuing authority, and the date of issuance or expected date of issuance.*

The Micronesia Conservation Trust, as the implementing entity, is accredited by the GCF for category C risk. Therefore (and also because this is a SAP proposal), none of the work proposed here involves activities that pose risks sufficient to trigger most government permitting and licensing requirements. There are no licenses or permits required for implementing the project.

The activities proposed here are in line with the normal operations of the relevant executing partners and will require no new permissions or permits. The types of farming involved are primarily small home and community gardens and traditional small-scale agroforestry on private lands, therefore, no special permits or licenses apply for communities, farmers groups or individual farmers. The implementing entity also has the legal authority to enter into the appropriate contracts and arrangements with the executing entities and has a long track record of successfully doing so.

The registration of farmers' association by the FSM Registrar of Corporations is a clearly defined streamlined procedure. Registering an organization in the FSM involves downloading a short form from the FSM Registrar's web page and completing it, providing information regarding the purpose of the organization. The form is then submitted with the group's Articles of Incorporation and with a US\$200 fee. The Attorney General's office then reviews the documents to validate the information provided. From start to finish, the process takes two weeks to one month.

- *Describe applicable taxes (or exemptions thereof) and foreign exchange regulations related to the project/programme.*

Some income tax will be paid on salaries for project staff. There will be no equipment imported for the project, farm equipment will be purchased locally and, therefore, there is no need to anticipate import taxes affecting costs. There are no other applicable taxes related to the project. The FSM National Government Department of Revenue and Taxes has confirmed this.

- *Details of any insurance policies or requirements related to the project/programme.*

There are no insurance policies or requirements related to the project. The FSM National Government's Department of Justice has confirmed this.