

FEDERATED
STATES OF
MICRONESIA

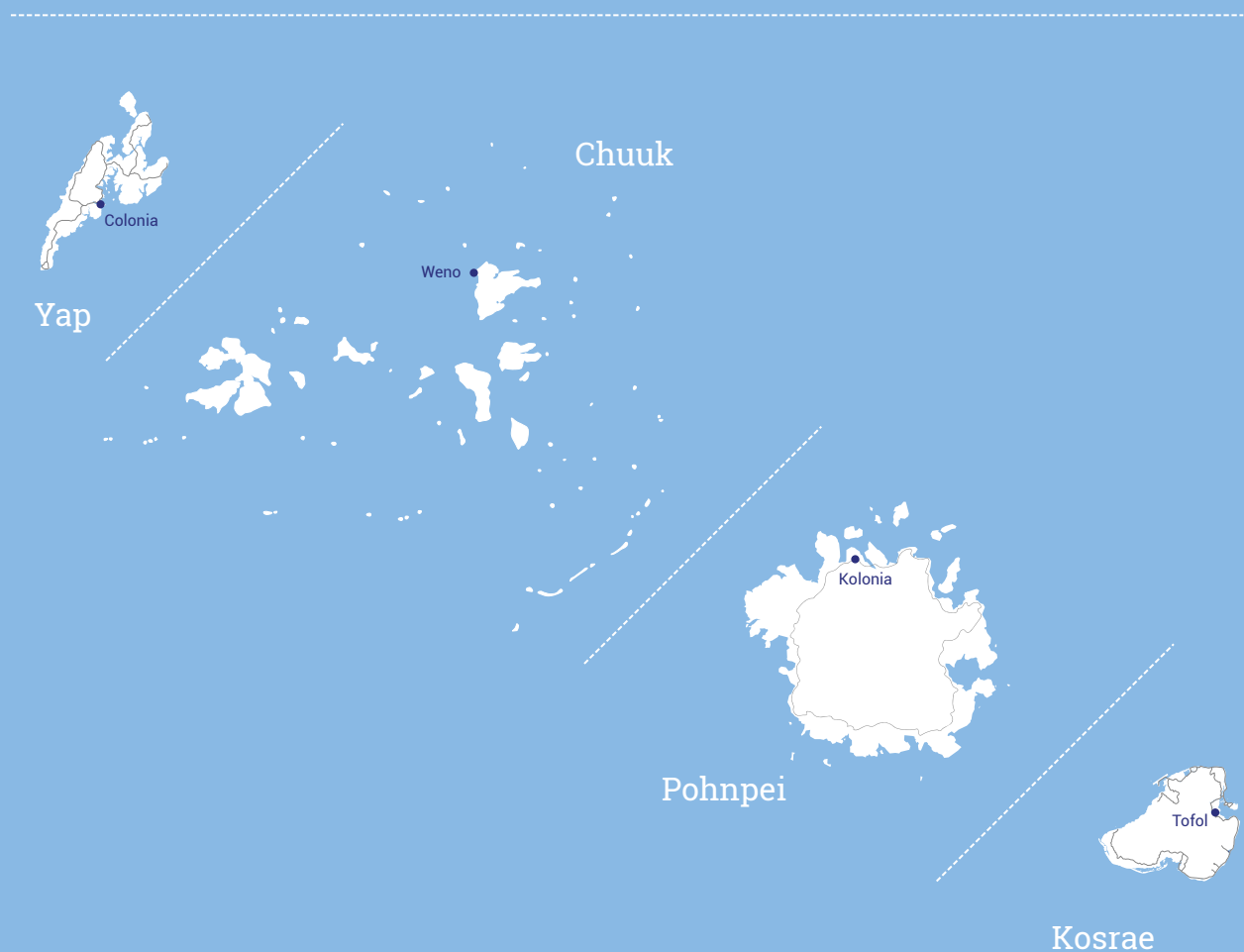
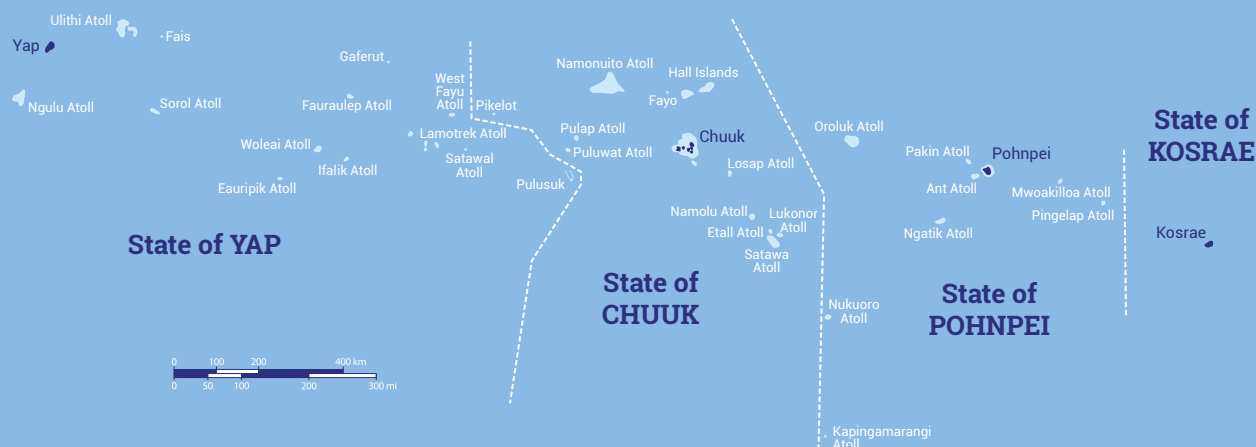


STRATEGIC
DEVELOPMENT PLAN

2024-2043



MAP OF THE FEDERATED STATES OF MICRONESIA





PRESIDENT'S MESSAGE

On behalf of the Leadership and Citizens of the Federated States of Micronesia (FSM), I extend warm and heartfelt greetings. KAMORALE!

I am pleased to present the second [FSM Strategic Development Plan](#) (SDP) for 2024 – 2043, a comprehensive framework aimed at steering our nation toward a sustainable and prosperous future. This strategic plan has emerged from months of thorough consultations with stakeholders across all sectors, including government, private industry, and civil society. The SDP articulates our government's strategic development goals for the next two decades and encapsulates our collective vision for the future we aspire to achieve by 2043.

The goals essential to realizing this vision are delineated within nine thematic areas. These areas emphasize actions that are ambitious, purpose-driven, robust, and responsive to the present and future

needs of our people. It is crucial that our investments are directed toward well-planned, targeted, and effectively managed initiatives to ensure long-term sustainable economic growth that benefits communities throughout the FSM.

As we reflect on our progress and embark on this continued journey, I am confident in our nation's capacity to achieve remarkable accomplishments. I urge all levels of government, the private sector, and civil society to actively support the effective implementation of the SDP. Furthermore, I encourage our development partners and allies to align your projects and activities with the SDP to ensure tangible results that contribute to a Unified and Prosperous FSM.

Finally, I extend my sincere gratitude to all stakeholders, the SDP Working Group, the SDP Coordination Team, consultants and the development partners for your steadfast support and invaluable contributions to the development of this strategic plan.

Thank you.

Wesley W. Simina
President

COUNTRY PROFILE

Independence	November 3, 1986
UN Membership	September 17, 1991
Capital	Palikir, Pohnpei
Geographical Location	Central-North Pacific
Constitution	Drafted in 1975, Ratified in 1978
Parliament	Representative Democracy
Official Languages	English common language (Chuukese, Kosraean, Pohnpeian, Yapese)
Land Area	702 sq. km.
Exclusive Economic Zone	2.9 million sq. km.
Population	102,843 (2010)
GNI per Capita	\$4,150
GDP	463 million current USD
Annual Average GDP Growth	2.03%
Labor Force	37,919 (2010)
Labor Force Participate Rate	58.6%
Life Expectancy at Birth	75 years
Human Development Index	0.628



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ECONOMIC OVERVIEW

2004-2023

AS PART OF THE DESIGN AND DEVELOPMENT OF THE STRATEGIC DEVELOPMENT PLAN (SDP) 2024-2043, A MACROECONOMIC OVERVIEW REPORT WAS COMPLETED. A SUMMARY OVERVIEW OF THIS REPORT IS PROVIDED BELOW.

INTRODUCTION

The Federated States of Micronesia (FSM), a remote and climate-vulnerable Small-Island Development State (SIDS), has faced significant economic challenges over the period of time from 2004 to 2023. The FSM can be classified as a MIRAB economy – reliant on Migration, Remittances, Aid, and Bureaucracy – with limited natural resources, a small labor force, and heavy dependence on external resource transfers. The FSM's economy is heavily supported by the Compact of Free Association (COFA) with the United States, which provides substantial direct grant assistance. As a small-open economy, the FSM is vulnerable to external shocks, such as the 2008 Global Financial Crisis and the COVID-19 pandemic, both of which caused sharp contractions in gross domestic product (GDP).

Macroeconomic Performance and Growth

From 2004 to 2023, the FSM's economic growth was weak, with real GDP increasing by less than 5% over the 20-year period, translating to an annualized growth rate of less than 0.3%. This is well below the regional average annual growth rate of 2.7% for Pacific Island nations. The FSM's economic performance can be divided into two phases: a "lost decade" from 2004 to 2013, marked by significant volatility and stagnation, followed by modest growth from 2014 to 2023, driven largely by increases in fishing license revenues, increased corporate tax receipts, and the resumption of COFA-funded infrastructure projects.

As the economy is highly reliant on imports, particularly of consumable goods, it is vulnerable to external price shocks. The consumer price index (CPI) saw significant inflation during the "lost decade" period, with domestic and imported goods rising by an annual average of 4.1% and 5.3%, respectively. However, these price increases moderated significantly in the second decade. The FSM does not have control over monetary policy and instead must rely on fiscal measures to manage inflationary pressures.

Balance of Payments and Economic Structure

The FSM runs a persistent trade deficit, importing far more in goods and services than it exports. The economy's balance of payments (BOP) is supported by fishing license fees and foreign aid. Fishing license revenues surged between 2014 and 2021, and these, combined with large one-off corporate tax receipts, helped FSM achieve occasional current account surpluses. Foreign direct investment (FDI) has been minimal, averaging less than \$1 million per year. The FSM economy is largely dominated by the public sector and household activities, with the private sector making up only 20% of GDP over the period. Most private sector activity is focused on non-tradable services like wholesale and retail trade.

Regional Disparities

The FSM's economy is also characterized by significant regional disparities. Of the four States – Pohnpei, Chuuk, Kosrae, and Yap – only Pohnpei has shown marked growth, with its economy growing by over 30% from 2004 to 2022.

The other States have seen minimal or negative growth, with Chuuk and Yap experiencing contractions. This disparity is largely due to Pohnpei's role as the center of government and host to many international organizations, while Chuuk and Yap, with significantly more dispersed populations, have economies that are more reliant on subsistence production. Pohnpei's per capita GDP in 2022 was over \$6,600, whereas Chuuk's was significantly lower, at around \$2,200.

Fiscal Policy and Financial Stability

The FSM's fiscal stability over the past 20 years has been largely sustained by COFA grants and revenues from fishing licenses. The FSM government has two major trust funds: The Compact Trust Fund (CTF) and the Domestic Trust Fund (DTF). The CTF, established in 2004 to ensure long-term financial stability, was originally projected to accumulate \$1.8 billion by 2023 but fell short, reaching \$1.036 billion. However, with the infusion of an additional \$500 million as part of the 2023 Amended Compact, the CTF is now expected to grow to \$4.7 billion, providing a solid fiscal foundation for the FSM once COFA sector grants end in 2043. Combined, the CTF and DTF are projected to provide between \$200 to \$300 million in revenue annually from 2044 onward, well in excess of the current COFA grants.

Employment and Private Sector Challenges

Employment in the FSM is dominated by the public sector, with public employees making up over 50% of all formal employment. The private sector, mainly comprising retail and hospitality, has struggled due to low wages and reliance on imported labor. Public sector wages are substantially higher than private sector wages, creating a significant wage premium and further limiting the competitiveness of the private sector. Real wages across the economy have stagnated or declined since 2004 due to a lack of indexing of COFA grants for inflation, limiting the ability of the public sector to support wage growth.

Growth Prospects and Models (2024-2043)

Looking forward, the FSM faces several potential growth scenarios:

- 1. Baseline Scenario:** Continuation of the current MIRAB economy with no substantial reforms. Under this scenario, GDP growth remains modest, reaching an estimated \$309 million by 2043 (in 2004 constant USD).
- 2. MIRAB Max Scenario:** Increased remittances from FSM citizens abroad would modestly improve economic growth, with GDP reaching \$330 million by 2043.
- 3. Tradable Goods Scenario:** Growth through increased production of exportable goods. This requires substantial public investment in infrastructure and labor productivity improvements. Under this scenario, GDP could grow to \$403 million by 2043.
- 4. Tradable Services Scenario:** Expansion of tourism and business services through institutional and regulatory reforms could propel growth to \$660 million by 2043, representing a 150% increase over the 20-year period.
- 5. Combined Scenario:** This scenario envisions growth driven by a mix of remittances, tradable goods, and services. If successful, GDP could reach \$735 million by 2043, an increase of 185%.

CONCLUSION

The FSM's economy has stagnated over the past two decades, hindered by external shocks and dependency on foreign aid. However, the continuation of COFA grants and trust fund investments provides long-term fiscal stability, allowing the FSM to pursue aggressive fiscal policies in support of private sector growth. This will require significant policy and institutional reforms to attract investment and stimulate productivity, potentially moving the FSM toward a higher income status by 2043.

SDP 2004-2023 Economic Review Report

INTRODUCTION AND CONTEXT SDP 2024-2043

The FSM Strategic Development Plan (SDP) 2024-2043 serves as a guide for planning and budgeting for the Federated States of Micronesia (FSM)¹ for the next 20 years.

The SDP 2024-2043 is designed as a high-level framework and includes broad strategic outcomes. Each of the States can align their priorities to the strategic outcomes through their state SDPs. The SDP 2024-2043 enables the FSM at both the national and state level to prioritize planning and budgeting in targeted sectors and industries, develop infrastructure, and attract investments. It also fosters innovation by providing the foundation for adapting new approaches and solutions to critical development issues.

The SDP 2024-2043 is a guiding framework for the FSM with regard to the use and investment of all funding streams, including the anticipated increased Compact Funding and the General Fund. Through strategic planning, and aligning the plan with appropriate funding, the FSM aims to enhance its competitiveness in the global marketplace while providing the needed public services that are aimed to improve the standard of living for its citizens.

Additionally, the SDP 2024-2043 provides the FSM the platform to work with donor partners to provide technical assistance that addresses national and state priorities. The SDP 2024-2043 (and the aligned state SDPs) provide all stakeholders with a clear understanding of the projected benefits of projects and provides a foundation for commitment from all parties involved.

The SDP 2024-2043 (and the aligned state SDPs) also provides the information needed to avoid wasteful overlap and duplication of effort as well as a platform for the FSM to attract investments (from donors and other development partners) that are aligned to clearly defined goals and priorities.

The SDP 2024-2043 serves as the guiding framework to coordinate and align the national and state development goals, outcomes and outputs. It should be viewed by stakeholders as the FSM Roadmap for development and progress. This SDP will be reviewed on a regular basis to ensure the continued relevance to meeting the expected outcomes. An evaluation and monitoring (M&E) framework will be developed once this SDP is approved.

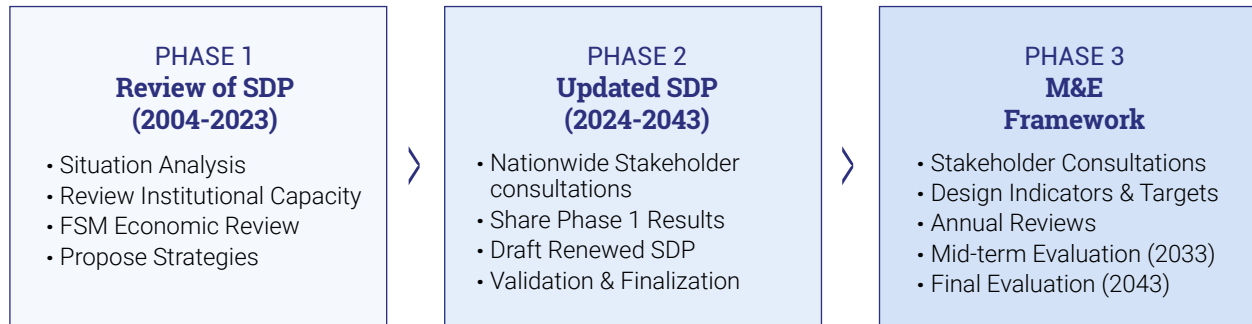
¹ FSM in this SDP refers to the National and State Governments together.



SDP 2024-2043 Design Methodology

The SDP enables the FSM national and state government leaders to articulate the direction of priorities over the coming 20 years and provides a pathway for implementation of national priorities. The design and development of the SDP 2024-2043 includes three (3) phases:

FSM Strategic Development Plan (2024-2043) - Phases Overview



PHASE 1

Review of SDP 2004-2023

- **Situation analysis of SDP 2004-2023's stated goals, strategic objectives and activities**
- **Review the institutional capacity, structure, organizational setup, financial and administrative systems against SDP 2004-2023's strategic objectives, key results and make recommendations for the development of the new SDP (or SDP 2024-2043), as warranted**
- **FSM Economic Review**
- **Propose strategies to aid facilitation for the new SDP**

The review of SDP 2004-2023 (Phase 1) resulted in a **Final Evaluation Report**. The results of this report were used to develop and draft the SDP 2024-2043 (Phase 2). A summary and a link to the full report is located in [Annex 2](#).

PHASE 2

Updated SDP 2024-2043

- **Conduct nationwide stakeholder consultations**
- **Share and learn from SDP 2004-2023 (Phase 1) review results, through consultations, review, validation and synthesis**
- **Drafting of new SDP (or SDP 2024-2043) with full consultations**
- **Validation of draft SDP 2024-2043**
- **Finalization of draft SDP 2024-2043**

PHASE 3

Monitoring and Evaluation Framework for SDP 2024-2043

- **Conduct nationwide stakeholder consultations**
- **Design of indicators, milestones and targets**
- **Annual reviews and comprehensive reviews (timing to be determined)**
- **Mid-term evaluation (2033)**
- **Final evaluation (2043)**

An M&E framework will be designed and used to monitor the implementation and progress of the SDP 2024-2043. The M&E framework will include a results framework outlining specific goals, outcomes, and outputs across the nine thematic areas of the SDP 2024-2043. This framework contains indicators at each results level. The SDP 2024-2043 will be implemented at the state level, with each State developing their own SDPs aligning with strategic outcomes. A summary overview of the M&E framework is located in [Annex 3](#). The M&E framework will incorporate alignment with the relevant Sustainable Development Goals (SDG) indicators for each SDP 2024-2043 thematic areas. The preliminary alignment is located in [Annex 4](#).

SDP 2004-2023

The SDP 2004-2023 has served as the cornerstone of the nation’s development agenda for the past two decades.

Work on the SDP 2004-2023 started late in 2003, as the FSM was entering into a new phase of its development with the implementation of the Amended Compact. While the new fiscal procedures required the FSM to submit a strategic development plan to the United States to provide the framework on which to base the annual requests for the annual Compact sector grants, the FSM more importantly required a process to identify its development strategy for the new era.

The FSM now enters a new era of Compact Funding as of 2023 with agreement to the Amended Compact of Free Association.

The review of SDP 2004-2023 recommended that the SDP 2024-2043 should prioritize adaptive planning methodologies, enhanced inter-governmental coordination, localization of development efforts, environmental sustainability, data-driven decision making, and comprehensive stakeholder engagement. Key focus areas should include economic diversification, climate resilience, human capital development, and strengthened institutional capacity for effective planning and implementation.²

SDP 2024-2043 Consultations

These Cultural Values identified during state consultations have guided the process and we believe that it will continue to guide the journey that this country embarks on.

a. **YAP**

Tarag: *a navigating term on the idea that sailors plan before setting sail.*

b. **CHUUK**

Fairo: *deep respect for our surroundings including the consciousness, people, environment, and spiritual realm.*

c. **KOSRAE**

Lulalfongi: *belief and respect of a higher power.*

d. **POHNPEI**

Kairoir Ehute: *a unified voice or vision.*

Consultation included national and state level departments and agencies, private sector, non-governmental organizations (NGOs) and all relevant stakeholders. A list of participants is located in **Annex 5**. The aim was to arrive at a broad consensus on the way forward with regards to the next 20 years and specifically how to align planning priorities and budgeting.

Round 1 - State Consultation

- Kosrae (April 30-May3)
- Chuuk (May 7-9)
- Pohnpei (May 14-16)
- Yap (May 21-23)

Round 2 - State Consultation

- Kosrae (August 20-23)
- Yap (August 26-30)
- Chuuk (September 2-6)
- Pohnpei (September 12-13)

National-State Consultation

- Palikir - October 7-11

Round 3 - State Consultation

- Kosrae (November 11-12)
- Chuuk (November 13-14)
- Yap (November 18-19)
- Pohnpei (November 29) / MEL Dept Visits: November 5-7

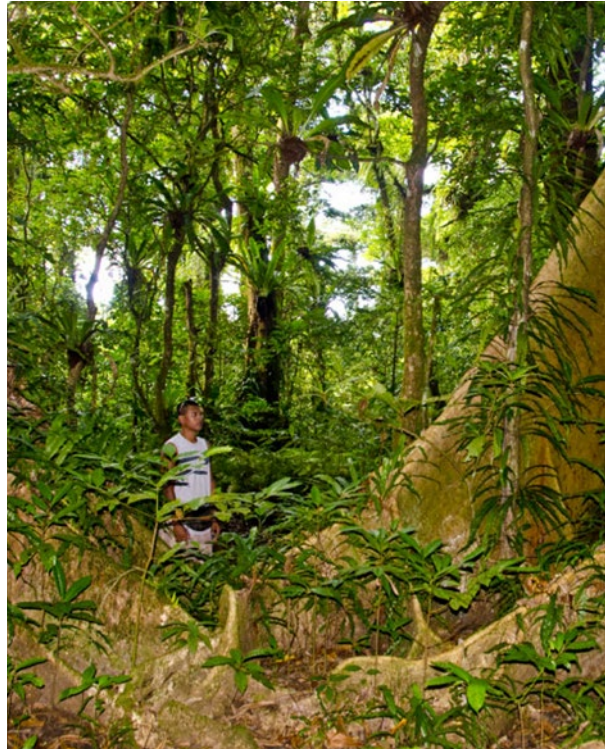
SDP Working Group Meetings

- December 19, 2023
- January 24, 2024
- February 21, 2024
- March 20, 2024
- April 17, 2024
- June 19, 2024
- September 19, 2024
- December 3, 2024

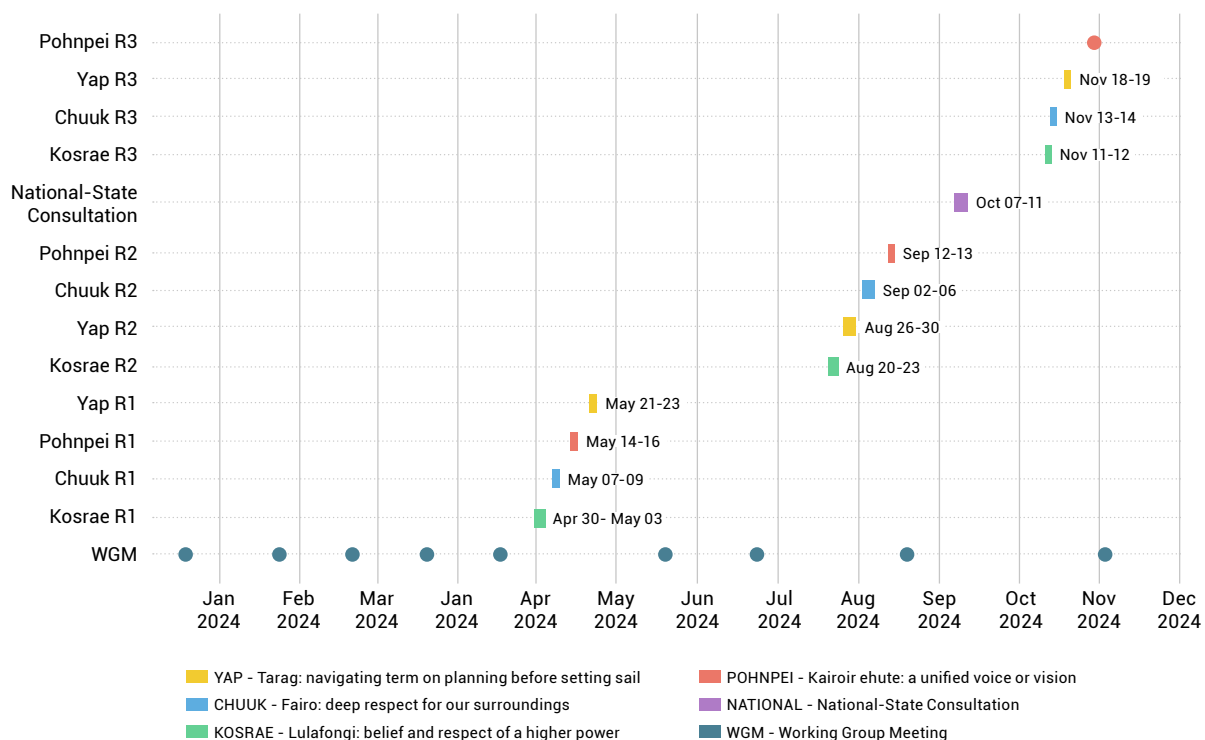
² Comprehensive Evaluation Report of the FSM Strategic Development Plan 2004-2023, September 2024.

A critical outcome of the stakeholder consultations was the identification of development issues, the root causes of these issues and the current context of these issues with regard to the nine thematic areas of the SDP 2024-2043. This information was used during the drafting of the SDP 2024-2043. The results are included in a **Results Matrix** located in **Annex 6**.

The consultations also resulted in the development of and the FSM **“Theory of Change”** document. This document, describes how the commitment of the FSM to transformative change, will lead to creating a better future. There will be both challenges and opportunities in the journey toward 2043. Through careful attention to risks and assumptions and by maintaining focus on the unified vision of the SDP 2024-2043 the FSM aims to create a sustainable and prosperous future for all its citizens. A summary of the Theory of Change document is located in **Annex 7**.



FSM SDP Consultation Timeline 2023-2024



FSM SDP 2024-2043 VISION STATEMENT

English

**“OUR LIVES, OUR
RESPONSIBILITY”**

Chuukese

“MANAWACH, WIISACH”

Kosraean

“MOUL LASR, MA KUNACSR”

Pohnpeian

**“ATAIL MOUR, ATAIL
PWUKOAH”**

Yapese

“YAFAS RODAD, BAY U PAADAD”

The FSM Vision was created and adopted at a forum of State and National SDP delegates and representatives during the National Consultation (October 7-11, 2024).

The vision exemplifies the FSM commitment to maintaining full responsibility for the continued development and prosperity of the country.



FSM SDP 2024-2043 MISSION STATEMENT

“Through unity we aim to achieve our vision through strong coordination, collaboration, accountability and intentionality.”

The SDP Mission underscores the FSM commitment to the FSM Vision with all levels of our Federation, national, state, and local governments, striving together in unity for the strategic development of the Federated States of Micronesia.

The mission emphasizes that it is the intention of the FSM to ensure development is brought about in a coordinated process with collaboration and accountability being essential to success.

Through effective implementation of the SDP 2023-2043 there is unlimited potential and opportunities to be realized by the FSM.

SDP STRUCTURE

THE UNIFYING GOAL OF THE SDP 2024-2043:

“To build a unified, resilient, and prosperous FSM that ensures sustainable development and high quality of life for all.”

The FSM SDP includes nine (9) Thematic Areas. Each of the Thematic Area includes related Strategic Outcomes. The Strategic Outcomes contain the related Development Priorities. The Development Priorities are used by the States for the alignment of implementation and outputs. Evaluation of the SDP 2024-2043 will focus on the Strategic Outcomes. **Diagram 1 (below)** provides a view of the overall structure of the SDP 2024-2043.

DIAGRAM 1: THEMATIC AREAS STRUCTURE

	Thematic Areas	Strategic Outcomes	Development Priorities
1	Cultural Heritage (3)	Cultural Safeguarding: Protect and promote cultural heritage, including use of local languages, as well as cultural knowledge, values and skills, in order to strengthen national identity, pride, and community engagement.	4
		Cultural Industries: Culture is integrated into development strategies, fostering a sense of belonging, stimulating creative and cultural industries and promoting diversity.	3
		Cultural and Historical Sites: Preservation and increased awareness of the importance of cultural and historical sites throughout the FSM.	2
2	Education and Human Capital (4)	Student Success: Maximize student achievement, foundational, career, technical, digital literacy and life skills through improvements to the quality of the FSM education system.	4
		Community Engagement: Access to local education systems for community and parental engagement is actively pursued and promoted including expanding the use of technology and e-communications.	2
		Qualities of Education Programs & Services: Education programs and services including development of human capital respond to the growing economic and technological demands of society.	2
		Education Information Management System (EIMS): An FSM education management information system providing high quality data collection promoting increased accountability for the FSM education system.	4
3	Health and Well-being (7)	Leadership, Governance, and Management: Strengthen accountability, sustainability, quantity, quality of health service delivery.	4
		Human Resources for Health (HRH): Accelerate progress towards universal health coverage (UHC) to achieve the vision of “Better Health for All” by ensuring equitable access to competent, performing, and motivated health workforce at all levels of health service delivery.	5

6	Health and Well-being (7)	Health Service Delivery: Achieve universal access to essential healthcare.	5
		Health Information, Planning, and Surveillance: National and state healthcare policies that align to ensure an effective health care system.	4
		Health Through the Life Course (From Womb to Tomb): Reduce morbidity, mortality, and promote well-being.	3
		Social and Environmental Determinants of Health: A supportive and sustainable social and physical environment to improve health.	5
		Health Financing: Increase financial stability and ensure universal access to health services.	2
4	Gender Equality and Social Inclusion (6)	Gender and Social Inclusion: Gender and social inclusion is advanced through cross-sectoral policy mainstreaming, promoting equitable access to services and resources.	5
		Disability: An inclusive and accessible society where people with disabilities enjoy equal rights, access, and freedoms, as well as experiencing equal opportunities and full participation in all aspects of everyday life.	2
		Human Rights and Culture: FSM cultural and local values are promoted in coordination with a strengthened human rights framework.	2
		Gender-based violence (GBV) and Child Protection: Effective prevention and protection mechanisms including laws, policies, services and programs protecting women and girls from violence, abuse, exploitation, and harmful practices.	5
		Aging and Social Protection: A comprehensive and inclusive social protection system ensuring the well-being, dignity, protection and participation of older adults.	2
		Youth: The development, well-being and leadership of youth is fostered through engagement in sports and physical wellness and encouraging active participation in social, cultural, political and economic activities.	6
5	Governance and Institutional Strengthening (6)	Service Delivery: All FSM citizens experience improved quality of life through the provision of, and access to, a broad range of public services, including health, education, transportation and basic utilities.	2
		Workforce: An efficient and effective public service workforce.	2
		Systems and Technology: A governance infrastructure system using available technology to monitor and manage the delivery of public services.	3
		Accountability and Transparency: Transparent and accountable processes and institutions, delivering efficient and effective public services.	3
		Public Financial Management (PFM): A PFM system promoting and enhancing transparency and institutional capacity in critical PFM areas including, but not limited to, improving resource mobilization, aligning planning and budgeting and strengthening of the overall Financial Management Information System (FMIS).	3
		Overseas Development Assistance (ODA): Oversight on the monitoring and evaluation of ODA and its impact on the economic development and social well-being of the FSM.	3

6	Peace and Security (5)	Conflict Prevention and Resolution: Mechanisms in place for identifying and addressing potential conflicts.	3
		Strengthen the Rule of Law: Legal frameworks and institutions in place ensuring justice, accountability, and protection of human rights.	2
		Regional Stability and Cooperation: Foster collaboration among Pacific Island nations to enhance collective security and address shared challenges, including 1) cyber security and data safety, 2) transnational crime, 3) human trafficking, and 4) controlling the spread of weapons in the region, particularly nuclear and other mass destruction weapons.	3
		Maritime/Border Security: Frameworks regarding national security, maritime security and border control addressing issues such as illegal fishing, human trafficking, migration and marine pollution through coordinated regional approaches and strengthened law enforcement.	5
		Environmental Security: Address existential threats of sea-level rise, environmental degradation and address climate change as security threats.	4
7	Sustainable Economic Development (8)	Private Sector and Business Environment: An economic environment that promotes private sector growth.	3
		Workforce Development (including small and medium-sized enterprises [SMEs]): A strong and diverse private sector workforce.	4
		Data and Information Systems: A workforce data management system providing information to enable informed decisions regarding private sector workforce development issues.	3
		Sustainable and Regenerative Tourism: Develop the FSM tourism sector to become a leading sustainable and regenerative tourism destination.	6
		Oceanic Resources: Optimized economic growth of oceanic resources for sustainable development.	5
		Marine Resources: Maximize the long-term value from marine resources for the benefit of the FSM's economy.	2
		Agriculture (Food Security/Commercial Farming/Forestry): A vibrant, robust and productive agriculture/forestry sector that sustainably supports food security, productive forestry, healthy lifestyles, strong social safety nets, and promotes a greener economy.	6
		Trade: Promote export-led sustainable economic growth, focusing on private sector.	7
8	Environment Sustainability and Climate Change (5)	Resiliency Adaptation and Mitigation: Mechanisms that ensure the social, economic, environmental and infrastructure framework is in place so that communities can withstand the impacts of natural disaster and climate change.	3
		Awareness and Reporting: Improve climate change and environmental awareness by increasing community involvement and dissemination of environment and climate related information.	2
		Environmental Quality: A healthy ecosystem and living environment throughout the FSM.	5
		Natural Resource Management: Environmental policies and plans that promote effective management of the FSM ecosystems and natural resources.	6
		Renewable Energy: Diversify energy options and improve energy access and security while reducing the carbon footprint of the FSM.	4

9	Infrastructure Development and Sustainability (5)	Service Access and Delivery: Equitable, affordable and sustainable access to services, including transportation, energy, communications, water/sanitation, health, education, solid waste collection and coastal/ environmental protection.	6
		Climate Resilient Infrastructure and Livelihoods: The quality of life and access to economic opportunities in the remote communities and the outer islands of the FSM is enhanced through expanding access to climate-resilient infrastructure, sustainable livelihoods and services that focus on connectivity, transportation, energy, clean water, public buildings and environmental protection.	3
		Investment for Productive Economic Activities: Increased opportunities for investment and productive economic activities, by expanding and upgrading economic infrastructure networks and facilities designed to meet the demands for sustainable development and economic diversification.	4
		Institutional Framework (Regulation, Management Sustainability): An effective institutional framework for the regulation, management, and sustainability of infrastructure services, primarily in the areas of maritime transportation, infrastructure maintenance, the management of public utilities, environmental protection and conservation and natural resources management.	5
		Information Communication Technology (ICT): Support the transition to a digital economy, positioning the country as a leader in technological adoption and economic competitiveness by leveraging e-digital and ICT advancements to drive innovation across all sectors and improve public services.	6
		49 Total Strategic Outcomes	184



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SDP AND STATE ALIGNMENT

The SDP 2024-2043 is structured to include:

- **National Vision**
- **National Mission**
- **Unifying Goal :**
 - Nine Thematic Areas :**
 - Thematic Area Goal
 - Thematic Area Strategic Outcomes
 - Strategic Outcome Development Priorities

intended to achieve national goals and outcomes is primarily implemented at state level, as such the alignment of these plans is critically important. In order to best appropriate and allocate funds, clear alignment of national and state priorities is essential.

The over-arching alignment of State Over-arching Goals with the National Thematic Goal is provided in each of the nine Thematic Areas.

This SDP 2024-2043 alignment with state SDPs is illustrated in a series of alignment matrixes included in a second document that supports the SDP 2024-2043. The secondary alignment level illustrates the alignment of state level priorities and outputs with the Strategic Outcomes in each Thematic Area. A draft example of this alignment is located in **Annex 8**.

The intent of the alignment is to provide flexibility for States to review and update their implementation activities based on ongoing results as well as ensure effective monitoring and evaluation.

National and State Planning

FSM Planning and budgeting occurs simultaneously at the national and state levels, as such it is imperative that the national SDP is in alignment and coordination with the SDPs of the four FSM States.

The national SDP is designed to align with the SDP of the four FSM States. Implementation of steps



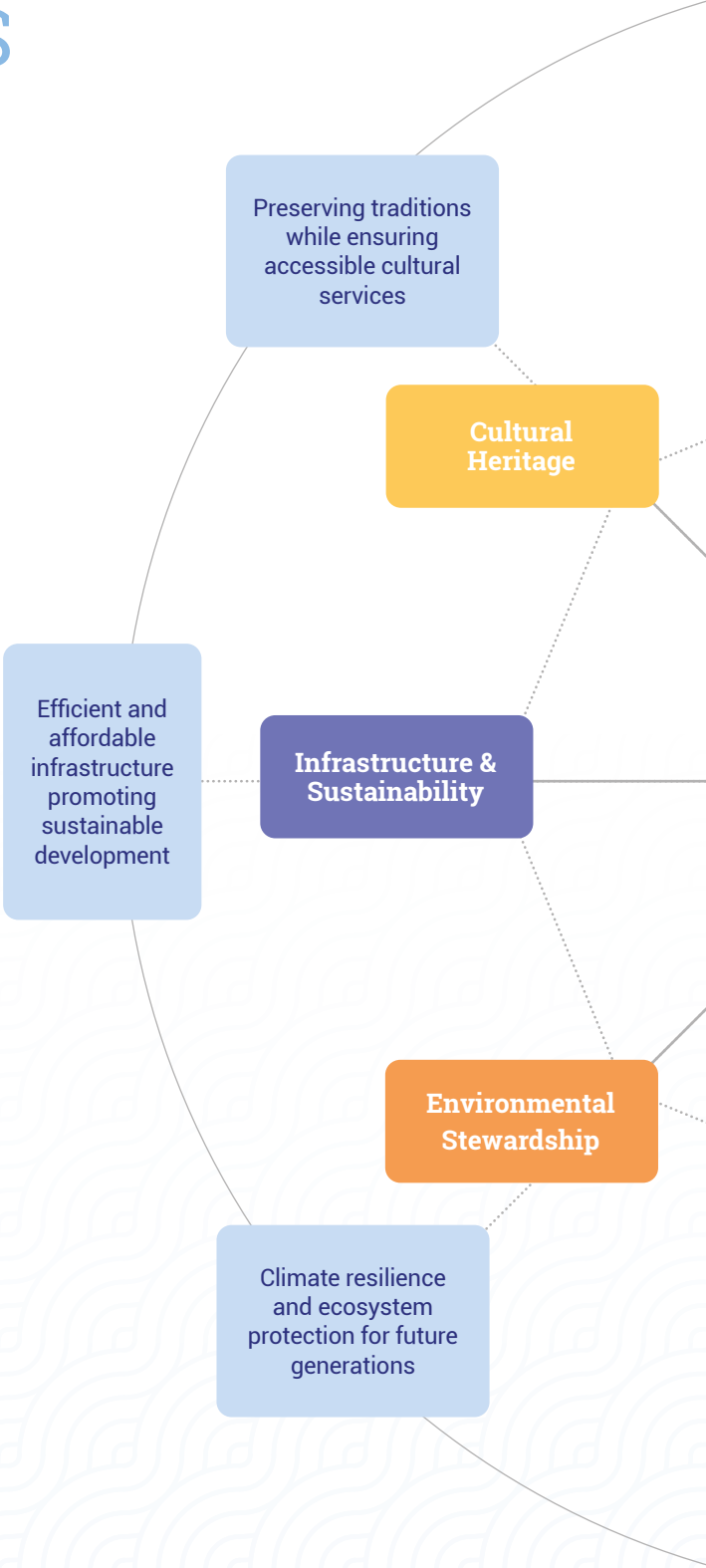
SDP UNIFYING GOAL AND ALIGNMENT WITH THEMATIC AREAS

«To build a unified,
resilient, and
prosperous FSM that
ensures sustainable
development and high
quality of life
for all.»

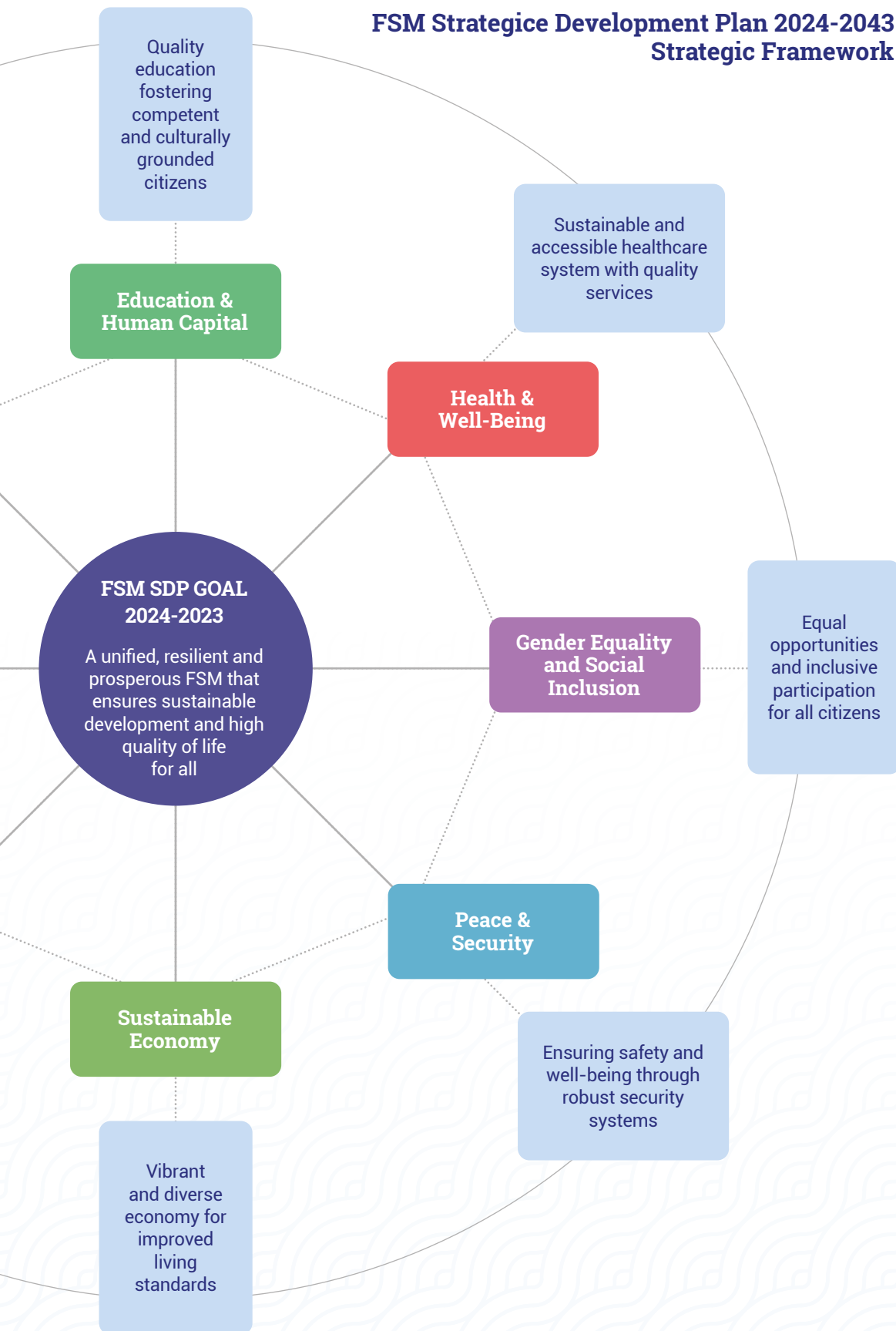
Alignment with Individual Thematic Area Goals

- UNIFIED:**
represents national cohesion and federation unity
- RESILIENT:**
addresses adaptation to challenges
(climate, economic, social)
- PROSPEROUS:**
captures economic and social advancement
- SUSTAINABLE DEVELOPMENT:**
maintains long-term perspective
- QUALITY OF LIFE:**
encompasses social, health, education outcomes
- FOR ALL:**
retains inclusivity principle

Diagram 2 (below) provides a graphic view of the alignment with the Thematic Areas.



FSM Strategic Development Plan 2024-2043 Strategic Framework



CULTURAL HERITAGE





Cultural Heritage Goal

THE FSM ASPIRES TO ENSURE CULTURE AND TRADITIONS ARE INTEGRATED AT ALL LEVELS OF SOCIETY PROMOTING UNITY AND ENSURING EQUITABLE AND ACCESSIBLE DEVELOPMENT.

Historical, traditional and cultural heritage is an integral part of the FSM. While there are many threads of shared heritage, it is also understood that each FSM State has its own unique cultures, traditions and histories that collectively shape the national identity of the FSM. The preservation of these histories, cultures and traditions is of the utmost importance. The safeguarding of culture can be integrated into economic, social, and environmental engagement activities in the community and therefore promote social unity and economic development.

This Thematic Area includes three (3) Strategic Outcomes:

1. Cultural Safeguarding

Protect and promote cultural heritage, including use of local languages, as well as cultural knowledge, values and skills, in order to strengthen national identity, pride, and community engagement.

2. Cultural Industries

Integrate culture into development strategies, promote diversity, and stimulate creative and cultural industries.

3. Cultural and Historical Sites

Preservation and increased awareness of the importance of cultural and historical sites throughout the FSM.

STRATEGIC OUTCOME 1

Cultural Safeguarding

Protect and promote cultural heritage, including use of local languages, as well as cultural knowledge, values and skills, in order to strengthen national identity, pride, and community engagement.

DEVELOPMENT PRIORITIES

- 1. Cultural education programs in schools emphasizing cultural diversity including a greater emphasis on language instruction and local language curriculum.
- 2. Storytelling and local language events focusing on community participation and maintaining the use of local dialects throughout the FSM.
- 3. Cultural related events are coordinated nationwide through schools and community programs and platforms (digital and traditional platforms).
- 4. Legal and policy framework ensuring safeguarding of intangible cultural heritage, including oral traditions languages, and musical expressions.

Safeguarding the cultural heritage of the FSM is the foundation of national identity and pride. Culture cannot survive if it is not shared and disseminated. Cultural safeguarding includes both conservation and preservation with corresponding frameworks to ensure that culture is kept alive for all to appreciate. Developing platforms for safeguarding the diverse traditions and cultures in the FSM is critical for providing all people avenues to share their traditions and engage in collaborative projects.

The introduction of cultural education programs, including language instruction in the schools will enhance appreciation for heritage and diversity in the FSM. Learning in the local language, especially during the first primary years, has been shown to help students improve their numeracy and problem-solving skills. Likewise, teachers may also teach more effectively in their native language.

STRATEGIC OUTCOME 2

Cultural Industries

Culture is integrated into development strategies, fostering a sense of belonging, stimulating creative and cultural industries and promoting diversity.

DEVELOPMENT PRIORITIES

- 1. The creative economy expands through investment, grants and incentives for artists, filmmakers, designers, and musicians.
- 2. Local economies stimulated through investments in tourism, creative industries (such as film, music, and arts), and cultural heritage preservation.
- 3. Targeted incubator programs for cultural entrepreneurs accelerating growth in creative sectors including art, fashion, publishing, and media.

Culture and cultural industries play a critical role to development, contributing to innovation and supporting economic growth. When integrated into development strategies, cultural industries promote diversity and stimulate cultural creativity. Additionally, support for the creativity and entrepreneurship skills of people will enable them to contribute to the long-term development of the FSM while also building their own personal development.

Support for cultural industries is realized through implementing actions including

- 1) development of “life skills” courses (cooking, local medicine, fishing and farming),
- 2) expanding outlets to showcase the FSM cultural industries, such as competition and expos, and
- 3) expanding cultural outreach programs through the creation of cultural heritage centers.

STRATEGIC OUTCOME 3

Cultural Industries

Preservation and increased awareness of the importance of cultural and historical sites throughout the FSM.

DEVELOPMENT PRIORITIES

1. Enhanced coordination among all stakeholders in order to identify, memorialize and commemorate FSM cultural and historical sites.
2. Framework for funding the registration and preservation of FSM cultural and historical sites.

The Historical Preservation Office (HPO) has responsibility for identifying and preserving cultural historical sites, however it is the obligation of all FSM citizens to preserve and protect these sites and the associated cultural histories. Preservation of cultural and historical knowledge includes actions such as digitizing oral histories, traditions, values and the documentation of paramount chiefs (kings and queens also) and lineages.

Additionally, procedures to protect artifacts, traditional practices, and traditional knowledge including working museums and cultural centers equipped with the technology to preserve and store this information are needed.

Diagram 3 (below) provides an illustration of how the Cultural Heritage Thematic Area goal aligns with the corresponding goals of each of the four States.

DIAGRAM 3

SDP 2024-2043 THEMATIC AREA LINKAGE WITH STATE SDPs THEMATIC AREAS

SDP 2024-2043 THEMATIC AREA CULTURAL HERITAGE GOAL

The FSM aspires to ensure culture and traditions are integrated at all levels of society promoting unity and ensuring equitable and accessible development.

STATE THEMATIC AREAS ALIGNMENT

POHNPEI SDP CULTURAL HERITAGE

To protect and promote the unique cultural identity of Pohnpei by preserving our language, traditional customs and practices, history, and valuable ways of life.

Cultural Goal 1: Preservation of the traditional knowledge and Historical sites.

Cultural Goal 2: Preservation and Practice of the Pohnpeian Language.

Cultural Goal 3: Establishment of Cultural Industries.

Cultural Goal 4: Documentation and utilization of traditional food and medicine.

KOSRAE SDP CULTURAL HERITAGE

By the end of FY2044, Kosraean Culture will be promoted at the State and Municipal levels.

By the end of FY2044 Traditions and Cultural heritages identifying Kosraeans as artisans of Oceania will be realized globally.

YAP SDP CULTURAL HERITAGE

To maintain a balance of socio-cultural, environmental and economic pillars of development in order to support and maintain cultural identity and practices & the security of being able to eat one's own food, speak one's own language and own and steward one's own lands and seas.

CHUUK SDP CULTURAL HERITAGE

To strengthen the importance of culture and advocate its role in the development of Chuuk State: By acknowledging and supporting cultural heritage, it can cultivate a sense of identity and community, which are essential for sustainable progress and growth in Chuuk and the FSM.

G1: Integrate culture/tradition into the education curriculum.

G2: Advocate preserving/reviving traditional knowledge and arts.

G3: Promote culture in various industries, especially tourism, fisheries, and farming.

G4: Continue to strengthen, preserve, and develop cultural knowledge, customs, and structures.

EDUCATION AND HUMAN CAPITAL





Education and Human Capital Goal

THE FSM ASPIRES TO AN EDUCATION SYSTEM THAT IS HIGH PERFORMING, INCLUSIVE, AND CULTURALLY GROUNDED.

Education and development of human capital is a priority for the FSM, as it ensures that our people possess the skills and knowledge necessary to be productive citizens. This priority is further underscored by the need to prioritize and allocate funding for education and capacity development effectively. The FSM maintains near-universal access to education; however, student achievement in both foundational and life skills is an area that will be prioritized. Teacher credentials, curriculum development and community engagement are also issues to be addressed moving forward.

Education and Human Capital includes four (4) Strategic Outcomes:

- 1. Student Success:** Maximize student achievement, foundational, career, technical, digital literacy and life skills through improvements to the quality of the FSM education system.
- 2. Community Engagement:** Access to local education systems for community and parental engagement is actively pursued and promoted including expanding the use of technology and e-communications.
- 3. Qualities of Education Programs & Service:** Education programs and services including development of human capital respond to the growing economic and technological demands of society.
- 4. Education Information Management System (EIMS):** An FSM education management information system providing high quality data collection promoting increased accountability.

STRATEGIC OUTCOME 1

Student Success

Maximize student achievement, foundational, career, technical, digital literacy and life skills through improvements to the quality of the FSM education system.

DEVELOPMENT PRIORITIES

1. Culturally relevant and inclusive curriculum in place resulting in enhancing the cultural awareness of all FSM students.
2. Improved teacher and school leadership capacity, retention, and well-being.
3. The latest teaching methods and technologies are available and accessible for the FSM teachers and education leaders.
4. Student performance maximized.

To ensure student achievement and success is maximized it is critical to focus on the quality of teachers and school leadership and the quality of curriculum and instructional materials.

An emphasis on high quality teaching and leadership standards ensures that all teachers and principals maintain up-to-date and relevant teaching/leadership credentials.

Curriculum reviews will result updates to the current curriculum, making certain it is relevant and provides the needed foundational, career, technical and life skills.

Student performance in all areas of education will benefit by ensuring high quality curriculum and teacher standards are in place.



STRATEGIC OUTCOME 2

Community Engagement

Access to local education systems for community and parental engagement is actively pursued and promoted including expanding the use of technology and e-communications.

DEVELOPMENT PRIORITIES

1. Inclusive community and parental engagement in education.
2. Community and parental engagement coordinated and expanded through access to teachers and school through digital platforms and comprehensive learning management systems.

Community and parental involvement in the education system is critical to student education success. Schools should be accountable to the local community.

Communities should be provided opportunities to learn about how the local education systems are managed.

Parent Teacher Associations (PTAs) and other parental and community organizations' inputs should be considered in the decision-making process.

Accessible technology platforms should be available to parents so that the local education systems are aware of parental and community expectations.

STRATEGIC OUTCOME 3

Qualities of Education Programs & Services

Education programs and services including development of human capital respond to the growing economic and technological demands of society.

DEVELOPMENT PRIORITIES

1. Strengthen formal and non-formal education programs, including but not limited to lifelong learning opportunities for adult education, vocational training and special education.
2. Scholarship and financial assistance opportunities expanded ensuring equitable access to funding sources.

Implementing high quality relevant education programs using evidence-based research planning and policies is critical for the development of human capital in the FSM.

These programs should follow best practices and provide lifelong learning opportunities, with specific focus on adult, vocational and special education programs.

An emphasis on improved student learning environments, ensuring equitable access to developing high performing workplace skill sets is also essential.

Providing opportunities for financial assistance so that everyone has equitable access to education programs is a priority.

STRATEGIC OUTCOME 4

Education Management Information System (EMIS)

An FSM education management information system providing high quality data collection and promoting increased accountability for the FSM education system.

DEVELOPMENT PRIORITIES

1. Education system infrastructure and technology access expanded.
2. Data collection, monitoring and accountability systems enhanced.
3. A standardized FSM School Accreditation system providing accreditation and monitoring of school performance.
4. Capacity development programs providing training in areas identified from the School Accreditation's results.

A strong EMIS is a priority. An effective EMIS includes elements that track, monitor, and ensure data privacy. Benefits of a high quality EMIS include the areas of :

- 1) decision-making, providing educators with the needed information about student and teacher performance,
- 2) transparency and accountability through tracking student and teacher performance and use of funds, and,
- 3) student outcomes by identifying information where students need additional support.



Diagram 4 (below) provides an illustration of how the Education and Human Capital Thematic Area goal aligns with the corresponding goals of each of the four States.

DIAGRAM 4
SDP 2024-2043 THEMATIC AREA LINKAGE WITH STATE SDPs THEMATIC AREAS

SDP 2024-2043 THEMATIC AREA EDUCATION AND HUMAN CAPITAL GOAL

The FSM aspires to an education system that is high performing, inclusive, and culturally grounded.

STATE THEMATIC AREAS ALIGNMENT

POHNPEI SDP EDUCATION AND HUMAN CAPITAL DEVELOPMENT

- To provide and ensure quality education is accessible to the people of Pohnpei through the establishment of educational programs, facilities, opportunities, and a strong collaboration with the community in order to prepare all students and to contribute to the local and global communities in a meaningful and positive way.
- Education Goal 1:** Improve the quality of instructional services for early childhood, elementary, and secondary education.
- Education Goal 2:** Provide increased opportunities for the successful completion of postsecondary education.
- Education Goal 3:** Improve the effectiveness of education support services and programs.
- Education Goal 4:** Ensure students are performing at their academic levels and are achieving their best.

KOSRAE SDP EDUCATION AND HUMAN CAPITAL DEVELOPMENT

- By the end of FY2044, establish and maintain an education system that is holistically conducive and responsive to student learning and development.
- To enhance the capacity of teachers to deliver instructions in a professional and effective manner.
- To revisit, update or realign the curriculum as necessary.
- To provide learning support services and necessary learning materials.

YAP SDP EDUCATION AND HUMAN CAPITAL DEVELOPMENT

- To make education available to all, and to graduate students educated in their own culture as well as the knowledge they will need to earn a living with dignity and respect, and make positive contributions to local and global communities.

CHUUK SDP EDUCATION AND HUMAN CAPITAL DEVELOPMENT

- The Education Sector will focus on the development of sustainable quality education for the young people of Chuuk in both Primary and Secondary levels, and provides opportunities for postsecondary education in areas of higher education or training toward skill enhancement for employability.
- To prepare every student with the academic, career, cultural life skills and character necessary to be college and career-ready in partnership.
- G1:** Develop effective educators who have the knowledge, skills, and behaviors to perform their responsibilities and integrate cultural practices and behaviors into their work.
- G2:** Create and maintain high-quality, effective instruction integrated with technology and informed by accurate and reliable data to increase student performance.
- G3:** Build and maintain infrastructure needs and a safe and healthy learning environment that is conducive to learning.
- G4:** Offer learning opportunities to build knowledge, wisdom (behaviors), and practical skills to pursue their aspirations/interests beyond school.
- G5:** Ensure equitable access to educational opportunities provided by an effective, efficient education system where stakeholders work together as learners and providers.



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HEALTH AND WELL-BEING



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Health and Well-being Goal

THE FSM ASPIRES TO A SUSTAINABLE, EQUITABLE, AND HIGH-QUALITY HEALTHCARE SYSTEM RESULTING IN THE ENHANCED HEALTH AND WELL-BEING OF ALL CITIZENS THROUGH IMPROVED ACCESS AND SERVICES.

A healthy society is essential to a productive economy. Current investments and support mechanisms should ensure that the quality of health services is delivered at appropriate standards. The FSM is committed to providing a high level of quality health care for all citizens. The FSM Department of Health and Social Affairs (DHSA) has developed a Health Communique, that is the foundation of the structure of this Health Thematic Area. The Health Communique Matrix is located in **Annex 9**.

This Thematic Area includes seven (7) Strategic Outcomes:

- 1. Leadership, Governance, and Management:** Strengthen accountability, sustainability, quantity, quality of health service delivery.
- 2. Human Resources for Health (HRH):** Accelerate progress towards universal health coverage (UHC) to achieve the vision of "Better Health for All" by ensuring equitable access to competent, performing, and motivated health workforce at all levels of health service delivery.
- 3. Health Service Delivery:** Achieve universal access to essential healthcare.
- 4. Health Information, Planning, and Surveillance:** National and state healthcare policies that align to ensure an effective health care system.

5. Health Through the Life Course (From Womb to Tomb): Reduce morbidity, mortality, and promote well-being.

6. Social and Environmental Determinants of Health: A supportive and sustainable social and physical environment to improve health.

7. Health Financing: Increase financial stability and ensure universal access to health services.



STRATEGIC OUTCOME 1

Leadership, Governance, and Management

Strengthen accountability, sustainability, quantity, quality of health service delivery.

DEVELOPMENT PRIORITIES

1. Strengthen and establish governance structures between national and state governments including health professional regulatory bodies, and state stakeholders resulting in enhanced health workforce planning, management, and development.
2. Strengthen and establish a partnership policy providing a framework outlining how governing bodies address issues such as human rights and gender equality.
3. Ensure efficient utilization of resources including workforce, health care facilities, transportation, equipment, pharmaceuticals, and finances.
4. Ensure accessibility to grants/funds/finances supporting healthcare challenges while focusing on coordination of health care financing.

Strengthened healthcare governance ensures that high quality healthcare services are accessible and affordable to the citizens of the FSM.

Additionally, this is critical to ensuring healthcare is delivered safely and in a fiscally responsible way. Effective healthcare management is essential for ensuring equity and social justice.

In order to meet the identified development priorities, the FSM DHSA intends to focus on implementing actions including

- 1) developing standards, policies, and regulations to improve the health care quality outcomes,
- 2) encouraging States to increase primary health care budgets, and
- 3) strengthening laboratory quality and management systems.

STRATEGIC OUTCOME 2

Human Resources for Health (HRH)

Accelerate progress towards universal health coverage (UHC) to achieve the vision of “Better Health for All” by ensuring equitable access to competent, performing, and motivated health workforce throughout health service delivery.

DEVELOPMENT PRIORITIES

1. Coordination with regard to developing health human resources capacity throughout the FSM.
2. Institutional linkages strengthened between the FSM health facilities and education institutions for programs providing specialized training for those health professionals requiring additional professional expertise skill sets.
3. Collaboration with development partners and donors regarding access to funding for priority fields of study in health.
4. Collaboration arrangements in place with the College of Micronesia-FSM (COM-FSM) to design courses regarding the requirements for identified categories of health workers.

5. Collaboration with the national/state Departments of Education (DOE) to 1) prioritize the required fields of study in health-related programs for scholarship opportunities, 2) implement the FSM Scholarship Agreement on returned services upon completion of education/training program, and 3) advocate for health career interests amongst the youth (primary school).

Human resource management focuses on developing and implementing strategies for career development and retention of quality employees.

In order to meet the identified development priorities, the FSM DHSA has identified implementing actions including

- 1) creation of 10 year Strategic Human Resources Plan (mid-term review after 5 years),
- 2) development of Health Workforce Guidelines,
- 3) development of hiring packages with internally comparable salary with benefits and incentives for both national and expatriate staff,
- 4) development of a training plan,
- 5) establishment of short-term training programs,
- 6) establishing long-term training certified programs, and
- 7) establishing an HRH database.



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STRATEGIC OUTCOME 3

Health Service Delivery

Achieve universal access to essential healthcare.

DEVELOPMENT PRIORITIES

1. Strategies for awareness regarding all aspects of primary, secondary and tertiary services.
2. Integrated planning to ensure appropriate maintenance is carried out and diagnostic services are in place.
3. Pharmaceutical capacity building at all levels of the healthcare system.
4. Internal and external partnerships between public and private clinics and hospitals are strengthened.
5. Service delivery covers the entire scope of health services. Services should be accessible without regard to cost or geography. In order to meet the identified development priorities, the FSM DHSA intends to focus on several implementing actions including 1) updating and implementing the Noncommunicable Diseases (NCD) Strategic Plan, 2) establishing a Behavioral Health division in the States, 3) reviewing and enacting mental health legislations, 4) amending the FSM Tobacco Act, 5) establishing eye care health facilities, 6) updating legislations that address communicable diseases, and 7) supporting the implementation of pharmaceutical legislations.

UHC is a health priority that aims to ensure all citizens have access to quality health services without financial hardship. Essential components of UHC include:

- 1) access: people have the opportunity and ability to obtain the health services they need,
- 2) affordability: people do not suffer financial hardship when using health services,
- 3) quality: services are effective, and responsive,
- 4) accessible: services are accessible to all people, including vulnerable and underserved populations, and
- 5) capacity: health workforce is motivated and has the right skills and tools to provide services, certified programs, and 7) establishing an HRH database.



STRATEGIC OUTCOME 4

Health Information, Planning, and Surveillance

National and state healthcare policies that align to ensure a seamless and effective health care system.

DEVELOPMENT PRIORITIES

1. Mechanisms providing standardization, oversight and security for all health systems.
2. Private sector participation in health information, collection, data sharing and reporting.
3. Health information planning and surveillance capacity building resulting in improved harmonization of health surveillance systems.
4. Expand the digital health infrastructure including strengthening data security.

Public health information is needed for measuring health system effectiveness. An effective health surveillance and planning system includes participation by government, healthcare providers (facilities) and the general population.

In order to meet the development priorities, the FSM DHSA intends to focus on various implementing actions including

- 1) investing in new innovation to strengthen the research capacity of the health sector,
- 2) developing and implementing strategic plans, and
- 3) establishing data management units for monitoring and evaluation purposes.

STRATEGIC OUTCOME 5

Health Through the Life Course (From Womb to Tomb)

Reduce morbidity, mortality, and promote well-being.

DEVELOPMENT PRIORITIES

1. Standards, guidelines and policies that address maternal and child health.
2. Expanded collaboration regarding guidelines for adolescent and youth health.
3. Community engagement in addressing health and well-being through the life course (respective of cultural norms and values).

From “Womb to Tomb” focuses on each stage of the life course from conception, through the key stages of adult life to old age and death. In the FSM, “Womb to Tomb” looks to ensure an overall healthier population at all ages.

The “Womb to Tomb” concept is intended to reduce “lifestyle” health issues including diabetes, stroke and obesity.

To address the identified development priorities, the FSM DHSA intends to focus on implementing actions including

- 1) developing standards and strengthening laws and policies that ensure good health throughout the course of life,
- 2) establishing an oral health care program, and
- 3) integrating primary health programs with oral health programs.



STRATEGIC OUTCOME 6

Social and Environmental Determinants of Health

A supportive and sustainable social and physical environment to improve health.

DEVELOPMENT PRIORITIES

1. Food safety and security (availability, affordability, accessibility, sustainability and utilization) is improved.
2. Age, gender, youth, child protection and disability programs strengthened.
3. Social protections and safety nets for the most vulnerable, high risk and remote populations expanded.
4. Secure access to funding supporting health development through expanded sports programs, coordinating with relevant stakeholders.
5. Data on social and environmental determinants of health is more accessible as a result of improved national and state health management information systems.

Social and environmental determinants of health impact health outcomes. Social factors include non-medical issues such as the conditions in which people are born, work, and live as well as the physical environment, including safe water, clean air, and healthy communities. Environmental factors include violence, conflict, natural disasters, and infectious diseases. To address the development priorities, the FSM DHSA intends to focus on implementing actions including

- 1) reviewing and revising the National Climate Change and Health Action Plan (2014),
- 2) developing and implementing a national water, sanitation and hygiene (WASH) framework,
- 3) enforcing policies and guidelines in primary and secondary schools regarding hygiene and nutrition,
- 4) establishing a human rights institution,
- 5) supporting the development and implementation of state Nutrition Action Plans,
- 6) developing and implementing a National Sports Act, and
- 7) establishing a country research mechanism.

STRATEGIC OUTCOME 7

Health Financing

Increase financial stability and ensure universal access to health services.

DEVELOPMENT PRIORITIES

1. Financial risk protection available for all FSM citizens with regard to access to health care services.
2. Increase access to grant opportunities to:
 - 1) strengthen the health sector to be more effective and efficient with regard to securing budget support, and 2) ensuring national, and/or state/local matching funds, that fulfill requirements for eligible health programs/ grants.

Healthcare financing has at its core the generation, allocation and use of financial resources in the health system.

The FSM health financing looks to effectively allocate finances resulting in improved access and reduced costs for everyone, especially vulnerable groups.

In order to meet the development priorities, the FSM DHSA intends to focus on various implementing actions including

- 1) implementing a UHC, that ensures financial risk protection,
- 2) conducting a feasibility study to explore other risk-pooling programs,
- 3) increasing domestic revenue collection for health via taxation, and
- 4) increasing investments in cost-effective, preventative health programs.



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Diagram 5 (below) provides an illustration of how the Health and Well-being Thematic Area goal aligns with the corresponding goals of each of the four States.

DIAGRAM 5

SDP 2024-2043 THEMATIC AREA LINKAGE WITH STATE SDPs THEMATIC AREAS

SDP 2024-2043 THEMATIC AREA HEALTH AND WELL-BEING GOAL

The FSM aspires to a sustainable, equitable, and high-quality healthcare system resulting in the enhanced health and well-being of all citizens through improved access and services.

STATE THEMATIC AREAS ALIGNMENT

POHNPEI SDP HEALTH AND WELL-BEING

To provide a holistic, integrated, and inclusive system of health care that optimizes quality of life for all Pohnpeian citizens, residents and visitors through effective health promotion/disease prevention efforts and quality health care services.

Health Goal 1: Strengthen public health outreach activities to improve the health of citizens, residents and visitors.

Health Goal 2: Improve primary health care services for citizens, residents, and visitors.

Health Goal 3: Improve secondary health care services for citizens, residents, and visitors.

Health Goal 4: Improve health care provider capacity and accountability.

Health Goal 5: Develop a sustainable financial system to support health care services..

KOSRAE SDP HEALTH AND WELL-BEING

By the end of the FY 2044, the health, social, and economic burden of communicable and non-communicable disease of Kosraean's is reduced by provisions of high-quality preventive and curative medical care for all patients and clients in a safe and caring environment.

YAP SDP HEALTH AND WELL-BEING

Better Health for All.

CHUUK SDP HEALTH AND WELL-BEING

To promote and maintain a holistic system of health care that will improve the health and longevity of Chuukese.

G1: Leadership, Governance, and Management – to inspire and ensure ethical operations through planning and execution of tasks to achieve essential objectives. Together, these elements are essential for success and sustainability.

G2: Human Resources for Health (HRH) – Creating a supportive environment for continuous learning and professional growth will increase job satisfaction and lead to better Health Care Services.

G3: Health Service Delivery – to provide accessibility, affordability, quality of care, patient-centeredness, and collaboration among providers and community stakeholders.

G4: Health Information, Planning, and Surveillance – Together, these elements must continue to be strengthened as they are essential for promoting and protecting public health.

G5: Health through the Life course (from Womb to Tomb) – to examine health from a developmental perspective in order to better appreciate the interplay between biological, social, and environmental influences that affect individuals from infancy to old age.

G6: Social and Environmental Determinants of Health – Fostering understanding of these elements is crucial as they significantly affect individual and community health outcomes, shaping well-being and quality of life.

G7: Health Financing – to create the strategies and mechanisms to be used to fund healthcare services and ensure access to medical care for populations.

GENDER EQUALITY AND
SOCIAL INCLUSION





Gender Equality and Social Inclusion Goal

THE FSM ASPIRES TO FOSTERING A NATION WHERE ALL INDIVIDUALS HAVE EQUAL OPPORTUNITIES TO ACCESS AND BENEFIT FROM SERVICES, ENSURING EQUITABLE INCLUSIVITY FOR ALL PEOPLE TO THRIVE.

Social inclusion in the FSM ensures equality and empowerment of all people, especially vulnerable groups. Gender and social inclusion policies and programs are cross-cutting involving numerous stakeholders and are relevant in most aspects of the FSM society, including education, health, and the workforce. Additionally, social issues are dynamic, based on evolving cultural and social norms. The FSM social inclusion policies are designed to provide ways for all members of the FSM society to contribute to the socio-economic well-being of the country, ensuring all FSM citizens have opportunities to thrive and be productive in their chosen areas.

This Thematic Area includes six (6) Strategic Outcomes:

- 1. Gender and Social Inclusion:** Gender and social inclusion is advanced through cross-sectoral policy mainstreaming, promoting equitable access to services and resources.
- 2. Disability:** An inclusive and accessible society where people with disabilities enjoy equal rights, access, and freedoms, as well as experiencing equal opportunities and full participation in all aspects of everyday life.
- 3. Human Rights and Culture:** FSM cultural and local values are promoted in coordination with a strengthened human rights framework.

4. **Gender-based violence (GBV) and Child Protection:**

Effective prevention and protection mechanisms including laws, policies, services and programs protecting women and girls from violence, abuse, exploitation, and harmful practices.

5. **Aging and Social Protection:**

A comprehensive and inclusive social protection system ensuring the well-being, dignity, protection and participation of older adults.

6. **Youth:** The development, well-being and leadership of youth is fostered through engagement in sports and physical wellness and encouraging active participation in social, cultural, political and economic activities.

STRATEGIC OUTCOME 1

Gender and Social Inclusion

Gender and social inclusion is advanced through cross-sectoral policy mainstreaming, promoting equitable access to services and resources.

DEVELOPMENT PRIORITIES

- 1. The FSM laws and policies, strategic development frameworks, and plans are inclusive and people centered.
- 2. The FSM gender, human rights, and social inclusion commitments in national, regional, and global development frameworks are aligned with the FSM legislation.
- 3. Monitoring and accountability mechanisms including disaggregated databases, facilitating improved understanding of social inclusion policy implementation.
- 4. A socio-economic, inclusive environment where all individuals regardless of gender, age, disability, or geographic location can lead, thrive and make impactful contribution to FSM society.

5. A coordinated framework for gender mainstreaming of public policies and legislation ensuring efficient allocation of resources, promoting equality.

The FSM acknowledges that women and men are equal partners in development.

The FSM remains committed to addressing gender inequality and ensuring all women, even those women with specific disadvantages (living in remote areas, physical or mental disabilities and age), can benefit from gender mainstreaming in development policies and programs.

The FSM continues to pursue gender mainstreaming strategies through consideration of gender issues in the design and implementation of programs and policies.

STRATEGIC OUTCOME 2

Disability

An inclusive and accessible society where people with disabilities enjoy equal rights, access, and freedoms, as well as experiencing equal opportunities and full participation in all aspects of everyday life.

DEVELOPMENT PRIORITIES

- 1. Coordinated policies promoting inclusion and participation of persons with disabilities in everyday life.
- 2. Coordination with NGOs and other stakeholders to identify gaps in current disability inclusion frameworks.

Social inclusion policies, especially those targeted at the disabled population are based on the concept of individual autonomy.

Every person has the right to the freedom of choice and should be provided meaningful pathways for effective participation in socio-economic development.

As such, the FSM continues to respect the importance of access, equal opportunity, full participation, independent living, and economic self-sufficiency for the disabled community.

STRATEGIC OUTCOME 3

Human Rights and Culture

FSM cultural and local values are promoted in coordination with a strengthened human rights framework.

DEVELOPMENT PRIORITIES

1. Cultural and local values are reflected with regard to international commitments to human rights, ensuring respect for the cultural diversity of the FSM.
2. Framework promoting human rights in the FSM centering around a national Human Rights Institution.

Cultural rights are an integral part of human rights. The FSM respects, promotes and protects the right of everyone to take part in cultural life, including the ability to access and enjoy cultural heritage.

Freedom of expression and equal access to the arts and to scientific and technological knowledge is not only a human right but a respected and important part of the varied cultural heritage of the FSM.



STRATEGIC OUTCOME 4

Gender-based violence (GBV) and Child Protection

Effective prevention and protection mechanisms including laws, policies, services and programs protecting women and girls from violence, abuse, exploitation, and harmful practices.

DEVELOPMENT PRIORITIES

1. A coordinated legal framework and enforcement mechanisms with regard to GBV and child protection.
2. Enhanced program delivery capacity for all stakeholders with regard to high quality, inclusive and integrated GBV and child protection services.
3. Communities are better informed, equipped, and supported to promote transformative, protection-based programs in order to prevent and address violence, abuse, exploitation and harmful practices.
4. Strengthened collaboration among government, private sector, NGOs, churches, traditional and community partners with regard to protection and prevention services and programs to eliminate all forms of GBV.
5. An enabling environment increasing access to safe spaces and support services for women and girls including access to online safety support programs.

It is important to integrate GBV and child protection issues into social programs and policies.

GBV prevention child protection strategies can be designed to promote resilience by strengthening national and community-based systems and by enabling those at risk to accessible care and support.

Additionally, it is important to aid recovery for survivors of GBV and child abuse by building local and national capacity to create lasting solutions.

STRATEGIC OUTCOME 5

Aging and Social Protection

A comprehensive and inclusive social protection system ensuring the well-being, dignity, protection and participation of older adults.

DEVELOPMENT PRIORITIES

- 1. Framework of adaptive social protection systems, mechanisms and programs including development and implementation of social protection policies and legislation.
- 2. Coordinated framework among relevant government and non-government stakeholders that improves access to programs including health care, nutrition, poverty alleviation, economic inclusion, and social protection for the aged population.

An effective and coordinated social protection framework is important in ensuring older people’s well-being, dignity and rights, while also supporting caregivers and families.

This social protection framework can include income security, access to health care, lifelong learning opportunities as well as ensuring against age discrimination.

The framework design should be mindful of the needs of caregivers and promote equal opportunities for women and men.

- 2. Coordination among relevant stakeholders to review, revise and strengthen physical education curriculum to promote healthy lifestyle awareness for all.
- 3. Link inclusive social and cultural events with sports and sport programs.
- 4. Empower youth with regard to participation in political and economic activities and with a focus on personnel well-being, leadership, and culture.
- 5. Empowerment of girls in sports and increasing girls’ participation in sports.
- 6. Increasing youth participation in organized sports programs in order to promote physical wellness, healthy lifestyles.

Social inclusion in sport and physical activities is important for developing healthy lifestyles of young people.

Activities that promote the development priorities include:

- 1) reviewing and revising physical education curriculum to promote healthy lifestyle awareness for all students,
- 2) providing equal access to training, resources, and mentorship programs as well as specific programs for girls’ teams and competitions,
- 3) coordinating organized state-level and national sports that include a diverse range of sports disciplines,
- 4) nationwide physical wellness campaigns in collaboration with schools, communities, and health departments,
- 5) youth leadership programs tied to sports activities, and
- 6) cross-cutting sports-related cultural exchange events or festivals. The framework should coordinate policies and legislation including a National Sports Act and a National Youth Policy.

STRATEGIC OUTCOME 6

Youth

The development, well-being and leadership of youth is fostered through engagement in sports and physical wellness and encouraging active participation in social, cultural, political and economic activities.

DEVELOPMENT PRIORITIES

- 1. A comprehensive policy framework guiding the development and coordination of sports initiatives throughout the FSM.



Diagram 6 (below) provides an illustration of how the Gender Equality and Social Inclusion Thematic Area goal aligns with the corresponding goals of each of the four States.

DIAGRAM 6

SDP 2024-2043 THEMATIC AREA LINKAGE WITH STATE SDPs THEMATIC AREAS

SDP 2024-2043 THEMATIC AREA GENDER EQUALITY AND SOCIAL INCLUSION GOAL

The FSM aspires to fostering a nation where all individuals have equal opportunities to access and benefit from services, ensuring equitable inclusivity for all people to thrive.

STATE THEMATIC AREAS ALIGNMENT

POHNPEI SDP GENDER EQUALITY AND SOCIAL INCLUSION

Pohnpei to become a socially equitable and inclusive champion and advocate for social justice at all levels of government and society.

KOSRAE SDP GENDER EQUALITY AND SOCIAL INCLUSION

A Kosrae where all individuals have equal opportunities to access and benefit from services, ensuring equitable inclusivity for all people to thrive.

YAP SDP GENDER EQUALITY AND SOCIAL INCLUSION

To cultivate equitable access to government services and resources; to protect the vulnerable; assist caregivers, families and communities to care for one another; to integrate respect for all into development programs and strategies; and meet gender, human rights, and social inclusion commitments in national, regional, and global development frameworks.

CHUUK SDP GENDER EQUALITY AND SOCIAL INCLUSION

Women's Equality and Inclusive Groups: Emphasizing gender inclusivity and empowering marginalized communities is essential to advancing equality and representation across various social spheres.

G1: To assist women in becoming more productive and self-sufficient members of our society through comprehensive programs that enhance the social, economic, and physical well-being of women and their families in Chuuk.

G2: Improving the quality of life of young people through Positive Youth Development in a safe and supportive environment, encouraging youth to become active, productive members of their communities.

G3: Improve the lives of people with disabilities in Chuuk by promoting rights, providing needed services, and allowing equal participation.

G4: Help Chuukese Seniors (older adults) live quality lives through needed services and supports.

GOVERNANCE AND INSTITUTIONAL STRENGTHENING





Governance and Institutional Strengthening Goal

THE FSM ASPIRES TO AN EFFECTIVE, EFFICIENT, TRANSPARENT, AND ACCOUNTABLE PUBLIC SECTOR, EMPOWERING STATE AND LOCAL GOVERNMENTS TO DELIVER QUALITY SERVICES.

The aim of good governance is to ensure results that meet the needs of society while simultaneously making the best use of all available resources. The FSM recognizes the importance of addressing the issues of good governance including but not limited to being accountable and responsive to the people as well as ensuring transparency and inclusiveness.

This Thematic Area includes six (6) Strategic Outcomes:

- 1. Service Delivery:** All FSM citizens experience improved quality of life through the provision of, and access to, a broad range of public services, including health, education, transportation and basic utilities.
- 2. Workforce:** An efficient and effective public service workforce.
- 3. Systems and Technology:** FSM cultural and local values are promoted in coordination with a strengthened human rights framework.
- 4. Accountability and Transparency:** Transparent and accountable processes and institutions, delivering efficient and effective public services.

5. Public Financial Management (PFM):

A PFM system promoting and enhancing transparency and institutional capacity in critical PFM areas including, but not limited to, improving resource mobilization, aligning planning and budgeting, and strengthening of the overall Financial Management Information System (FMIS).

6. Overseas Development Assistance

(ODA): Oversight on the monitoring and evaluation of ODA and its impact on the economic development and social well-being of the FSM.

**STRATEGIC OUTCOME 1****Service Delivery**

All FSM citizens experience improved quality of life through the provision of, and access to, a broad range of public services, including health, education, transportation and basic utilities.

DEVELOPMENT PRIORITIES

1. The scope of public services broadened and strengthened, ensuring equitable access to services throughout the FSM.
2. An enabling environment supporting the development of private sector capacity to supplement the delivery of public services.

Broadening the delivery of public services contributes to improving the quality of life for all FSM citizens. A specific focus of broadening public service delivery is vulnerable populations including those in rural areas. The FSM strives to ensure that every stakeholder receives the same level of high-quality service delivery.

Public service delivery is to be addressed through various implementing actions including:

- 1) standardizing and broadening service delivery criteria,
- 2) encouraging citizen participation by establishing feedback mechanisms, and
- 3) raising awareness of reforms and initiatives.

STRATEGIC OUTCOME 2**Workforce**

An efficient and effective public service workforce.

DEVELOPMENT PRIORITIES

1. A comprehensive public sector workforce development program outlining standards and service delivery expectations.
2. Public service workforce capacity building strategies including implementation of quality assurance programs.

The primary focus of public service workforce development is enhancing the skills and capabilities of the workforce.

Workforce development includes

- 1) enhanced employee productivity,
 - 2) improved retention of employees, and
 - 3) increased opportunities for advancement.
- Additionally, a well-trained workforce is better prepared to adapt to changing technologies in the workplace, allowing for innovation of current practices and programs resulting in improved service delivery.

STRATEGIC OUTCOME 3

Systems and Technology

A governance infrastructure system using available technology to monitor and manage the delivery of public services.

DEVELOPMENT PRIORITIES

1. Adaptive public sector management systems including monitoring, archiving, and reporting capabilities.
2. "Right sizing" of government structures and systems.
3. Design and implementation of e-government infrastructure and digital service platforms.

An adaptive public sector management system provides the capacity to manage the public sector and adapt to change.

Strong information collection and statistical databases provide the capacity to monitor the status of public service delivery.

Issues to be addressed with regard to the identified development priorities include:

- 1) data security and technology gaps, and
- 2) alignment of technologies and systems across all levels of government.

STRATEGIC OUTCOME 4

Accountability and Transparency

Transparent and accountable processes and institutions, delivering efficient and effective public services.

DEVELOPMENT PRIORITIES

1. Anti-corruption measures and accountability systems providing oversight to government actions and programs.
1. Collaborative platforms for public-private dialogue and civil society engagement providing information sharing at all levels of government.
3. Independent prosecutor providing oversight and effective enforcement of all laws and regulations.

The FSM combats corruption by ensuring that systems are in place promoting accountability and transparency.

Additionally, ensuring mechanisms are in place for information sharing, and monitoring governments' use of public funds and implementation of policies is a high priority.

The FSM aims to ensure that these mechanisms are culturally sensitive and provide adequate pathways for public participation in decision-making.

The establishment of an independent prosecutor unit strengthens anti-corruption efforts.

STRATEGIC OUTCOME 5

Public Financial Management (PFM)

A PFM system promoting and enhancing transparency and institutional capacity in critical PFM areas including, but not limited to, improving resource mobilization, aligning planning and budgeting and strengthening of the overall Financial Management Information System (FMIS).

DEVELOPMENT PRIORITIES

- 1. Revenue collection, public expenditure management and procurement is improved through capacity building, upgraded FMIS and increased oversight.
- 2. Automation and integration of PFM systems facilitating efficient and effective execution and compliance of all financial management processes.
- 3. Mitigate risks through enhanced controls during budget formulation, execution, monitoring and reporting.

PFM includes the means through which public resources are collected, allocated, spent and accounted for.

As such, PFM is an essential and underlying element for all government activities. PFM comprises the whole budget cycle, public procurement, audit practices and revenue collection.

Transparent and accountable PFM is critical to good governance, ensuring that public resources are used efficiently and responsibly improving both public service delivery and sustainable economic development.

STRATEGIC OUTCOME 6

Overseas Development Assistance (ODA)

Oversight on the monitoring and evaluation of ODA and its impact on the economic development and social well-being of the FSM.

DEVELOPMENT PRIORITIES

- 1. ODA appropriation is in alignment with development priorities as identified in the SDP (National and State).
- 2. The donor and income base are diversified resulting in an enhanced economic outlook of the FSM.
- 3. Establish a process of disseminating ODA opportunities that promotes transparency and is inclusive of all stakeholders.

Historically, the sectors that have received more ODA were in the health, education, and infrastructure sectors.

The FSM continues to strengthen its monitoring and evaluation of ODA and the impact on the economic development and social well-being of the FSM.

The continued monitoring of effectiveness of ODA along with proactive research of external opportunities will allow the FSM to develop a strategic plan on the effective use of ODA received ensuring alignment with priority areas of the nation.

Diagram 7 (below) provides an illustration of how the Governance and Institutional Strengthening Thematic Area goal aligns with the corresponding goals of each of the four States.

DIAGRAM 7

SDP 2024-2043 THEMATIC AREA LINKAGE WITH STATE SDPs THEMATIC AREAS

SDP 2024-2043 THEMATIC AREA GOVERNANCE AND INSTITUTIONAL STRENGTHENING GOAL

The FSM aspires to an effective, efficient, transparent, and accountable public sector, empowering state and local governments to deliver quality services.

STATE THEMATIC AREAS ALIGNMENT

POHNPEI SDP GOVERNANCE AND INSTITUTIONAL STRENGTHENING

To provide quality public services appropriate to the social and cultural environment of Pohnpei with transparency and accountability.

PUBLIC Goal 1: To continue to improve fiscal accountability based on sound management practices.

PUBLIC Goal 2: To enhance coordination and increase efficiency of operations among state and local government and institutions.

PUBLIC Goal 3: To enhance transparency of and Improve state government's engagement with the public.

PUBLIC Goal 4: To improve public sector productivity by ensuring that all public enterprises are fully functional and are effectively carrying out their mandated legal responsibilities.

PUBLIC Goal 5: To uphold the rule of law, keep Pohnpei safe, and protect civil rights.

PUBLIC Goal 6: To strengthen and build the professional capacity of Pohnpei's human resources.

PUBLIC Goal 7: Manage and distribute public lands to qualifying citizens for socio-economic development and homestead.

KOSRAE SDP GOVERNANCE AND INSTITUTIONAL STRENGTHENING

Goal 1: By the end of FY2044, Kosrae will have in place a changed FMIS and appropriate Government fiscal procedures and processes to direct, manage, and guide public policies, ensuring accountability, transparency, and proper fiscal ethics.

Goal 2: By the end of FY2044 Kosrae's municipal governments will develop a system of government that is efficient in delivery of the services with improved level of transparency and accountability.

Goal 3: A participatory and recognized civil society that contributes to the development of Kosrae State.

Goal 4: Strengthening institutional capacity and sound financial position and leverage.

YAP SDP GOVERNANCE AND INSTITUTIONAL STRENGTHENING

To strengthen government institutions and human resources to ensure adequate services to meet public needs, to increase transparency, efficiency, and accountability in public service delivery and administration.

To enforce FSM Telecommunications Act of 2014 to ensure equal treatment of telecommunications in order to meet government and public needs.

CHUUK SDP GOVERNANCE AND INSTITUTIONAL STRENGTHENING

Governance: It comprises the mechanisms, processes, and institutions through which citizens and groups articulate their interests, exercise their legal right.

G1: To safeguard the process of managing the use and development of land resources.

G2: Enhancing the skills and the condition of the workforce environment in Chuuk.

G3: To provide efficient and sustainable financial services and deliver adequate support to the operation of the government.

G4: Fostering development for the State of Chuuk through government best practices.





Peace and Security Goal

THE FSM ASPIRES TO THE SAFETY AND SECURITY OF THE PEOPLE AND PROTECTING THE ECONOMY, INFRASTRUCTURE, AND INFORMATION SYSTEMS FROM ALL MAN-MADE AND NATURAL INTERNAL AND EXTERNAL THREATS.

It is critical that the FSM ensures that the approach to national security is broad enough to encompass any and all threats to the peace and well-being of the country. The primary focus of national security is to protect the stability and well-being of the FSM from all threats, including military, economic, social, cyber and environmental. National security requires effective coordination with relevant agencies internally and externally and effective monitoring of ongoing processes. In order to maintain the peace and security of the FSM it is important to address both the traditional and non-traditional security challenges. These threats include environmental, transnational organized crime, cybercrime, illegal access to the FSM Exclusive Economic Zone (EEZ) and preventing cyber-security breaches to critical information systems.

This Thematic Area includes five (5) Strategic Outcomes:

- 1. Conflict Prevention and Resolution:** Mechanisms in place for identifying and addressing potential conflicts.
- 2. Strengthen the Rule of Law:** Legal frameworks and institutions in place ensuring justice, accountability, and protection of human rights.

3. Regional Stability and Cooperation:

Foster collaboration among Pacific Island nations to enhance collective security and address shared challenges, including 1) cyber security and data safety, 2) transnational crime, 3) human trafficking, and 4) controlling the spread of weapons in the region, particularly nuclear and other mass destruction weapons.

4. Maritime/Border Security: Frameworks regarding national security, maritime security and border control addressing issues such as illegal fishing, human trafficking, migration and marine pollution through coordinated regional approaches and strengthened law enforcement.

5. Environmental Security: Address existential threats of sea-level rise, environmental degradation and address climate change as security threats.

STRATEGIC OUTCOME 1

Conflict Prevention and Resolution

Mechanisms in place for identifying and addressing potential conflicts.

DEVELOPMENT PRIORITIES

- 1. Systems and personnel are in place to meet any and all internal and external threats to the national security of the FSM.
- 2. Coordination with international partners ensuring adequate capacity building is available as needed for security and diplomatic personnel training programs.
- 3. Enhancing awareness and empowering communities regarding local conflict prevention and resolution issues.

Understanding differing perspectives, communication and collaboration are three essential elements of peaceful conflict resolution.

To ensure that the FSM is prepared to address the area of conflict prevention and resolution a focus on several implementing actions include:

- 1) development and installation of early warning systems,
- 2) implementing training and capacity building programs on conflict resolution techniques that involve cultural sensitivity, and
- 3) training on diffusing existing or anticipated conflicts.

STRATEGIC OUTCOME 2

Strengthen the Rule of Law

Legal frameworks and institutions in place ensuring justice, accountability, and protection of human rights.

DEVELOPMENT PRIORITIES

- 1. A legal framework in place addressing gaps with regard to human rights.
- 2. Capacity of judges and legal practitioners strengthened regarding human rights and accountability.

Increasing the people’s understanding of their legal rights and available legal recourse is important for ensuring a fair system of justice.

The rule of law is based on the idea of respecting the rights of others and following constitutional procedures.

Understanding of and adhering to the rule of law is an essential component of maintaining peace and national security.

The FSM has identified several implementing actions that focus on the rule of law including:

- 1) conducting a comprehensive review of existing laws and regulations,
- 2) capacity building programs for judges and legal practitioners, and
- 3) launching awareness campaigns for the public.

STRATEGIC OUTCOME 3

Regional Stability and Cooperation

Foster collaboration among Pacific Island nations to enhance collective security and address shared challenges, including 1) cyber security and data safety, 2) transnational crime, 3) human trafficking, and 4) controlling the spread of weapons in the region, particularly nuclear and other weapons of mass destruction.

DEVELOPMENT PRIORITIES

1. Regional cooperation and understanding enhanced with regard to regional security challenges.
2. Capacity of local and regional law enforcement officials strengthened.
3. Regional information sharing using secure information sharing platforms including countries in the regions, NGOs and other stakeholders.

Regional cooperation is very important given the limited resources available for addressing national security threats. Cooperation, especially across Micronesia would allow for shared resources and a unified approach.

Additionally, the Pacific region has every reason to ensure that disarmament and non-proliferation policies are pursued given the geographic location of the FSM and neighboring countries.

As such, the FSM looks to implement several actions aimed at promoting regional security cooperation including:

- 1) establishing regular forums for Pacific Island nations to discuss security challenges and collaborative solutions,
- 2) conducting joint law enforcement and disaster response exercises,
- 3) creating secure channels for sharing intelligence on transnational crime and cybersecurity threats,
- 4) developing educational materials on the risks associated with weapons proliferation, and
- 5) collaborating with NGOs and other regional stakeholders promoting disarmament advocacy in communities.



STRATEGIC OUTCOME 4

Maritime/Border Security

Frameworks regarding national security, maritime security and border control addressing issues such as illegal fishing, human trafficking, migration and marine pollution through coordinated regional approaches and strengthened law enforcement.

DEVELOPMENT PRIORITIES

- 1. Coordination within the Pacific region to combat illegal, unreported and unregulated (IUU) fishing and human trafficking.
- 2. A strengthened legal and regulatory maritime and border security framework.
- 3. Coordination with the private sector to enhance monitoring and protection of maritime resources.
- 4. Capacity of border security personnel strengthened regarding accountability effectiveness and oversight.
- 5. Augment cybersecurity and cybercrime capacity for government and relevant stakeholders with relation to the implementation of regard to both the Boe Declaration and possible future accession to the Budapest Convention.

The border security of the FSM is one of the most essential concerns regarding national security. Given the size of the region, maritime security is an issue that lends itself to regional cooperation.

Border security development priorities are addressed through several implementing activities including:

- 1) improving coordination of maritime patrols among Pacific Island nations,
- 2) development and implementation of stricter laws and penalties for marine pollution and IUU fishing,
- 3) capacity building for border control personnel, including periodic evaluations of border security practices, and
- 4) development and implementation of cybersecurity protocols.

STRATEGIC OUTCOME 5

Environmental Security

Address existential threats of sea-level rise, environmental degradation and address climate change as security threats.

DEVELOPMENT PRIORITIES

- 1. Promote sustainable practices in agriculture, fishing, and resource management through community workshops, trainings and exercises.
- 2. National and Regional Environmental Cooperation Agreements: Foster agreements between the FSM States and Pacific nations to collectively address environmental threats.
- 3. Climate Change Adaptation Strategies: Create and implement region-specific strategies to mitigate the impacts of climate change on vulnerable communities.
- 4. Coordinated climate security risk assessment framework.

Environmental security involves cooperation between nations to solve environmental issues and promote political stability, economic development, and peace.

Environmental security issues include climate change impacts, resource scarcity, environmental degradation, and threats to livelihood.

Environmental security is a broad concept that includes climate change as one of its many issues. This differs from climate mitigation which consists of implementing specific actions to reduce climate change impacts.

Climate change can have security implications, such as increased competition for natural resources, food and water shortages, and forced migration.

Planning for climate change adaptation can be accomplished through climate security risk assessments, that will provide the basis for planning for climate change adaptation and mitigation efforts.

Diagram 8 (below) provides an illustration of how the Peace and Security Thematic Area goal aligns with the corresponding goals of each of the four States.

DIAGRAM 8

SDP 2024-2043 THEMATIC AREA LINKAGE WITH STATE SDPs THEMATIC AREAS

SDP 2024-2043 THEMATIC AREA PEACE AND SECURITY GOAL

The FSM aspires to the safety and security of the people and protecting the economy, infrastructure, and information systems from all man-made and natural internal and external threats.

STATE THEMATIC AREAS ALIGNMENT

POHNPEI SDP PEACE AND SECURITY

In Alignment with the FSM SDP 2024 -2043.

KOSRAE SDP PEACE AND SECURITY

By the end of FY2044, the public safety sector will maintain safety; ensure peace and order; and protect the rights of all people of the state of Kosrae.

To transform our small island communities into inclusive, peaceful, and a secured society with a resilient and an economically self-reliant populace, and a law-abiding citizenry.

To promote peaceful and safe environment at the Municipal levels.

YAP SDP GPEACE AND SECURITY

"To live together in peace and harmony", for "having known war, we hope for peace," and "we extend to all nations what we seek from each, peace, friendship and love in our common humanity." (from Preamble of the FSM Constitution).

Coordinate regionally and with private sector on border security, combatting illegal fishing (IUU) and cybersecurity.

Enable redundancy in telecommunications for backup.

Strengthen capacity of legal practitioners and public safety personnel to ensure justice and enforce laws.

Maintain a U.S. military liaison on Yap and ensure there is an acceptable process to communicate with, mitigate, and resolve issues between the Yap community and military operations.

CHUUK SDP GPEACE AND SECURITY

Law and Enforcement: Providing safety to the public through fair, compassionate, and impartial approaches by preventing and solving crimes and prosecuting offenders.

G1: Strengthen the capacity of related departments, agencies, and offices in law and enforcement.

G2: Improve productivity of law and enforcement processes.

G3: Provide adequate resources to carry out efficient and effective law and enforcement duties and responsibilities.

G4: Create and maintain the infrastructure needs of law and enforcement.

G5: Establish good governance operations of the law and enforcement sector to ensure compliance and transparency.

SUSTAINABLE ECONOMIC DEVELOPMENT





Sustainable Economic Development Goal

THE FSM ASPIRES TO A VIBRANT, DIVERSE, AND SUSTAINABLE ECONOMY THAT DRIVES SUSTAINABLE GROWTH AND IMPROVES LIVING STANDARDS.

Sustainable economic development is a process for improving the quality of life for people while also preserving the environment and natural resources for future generations. Sustainable economic development is essential for a prosperous FSM and involves the coordinated use of natural resources, investments, technologies with a focus on both today and tomorrow.

It is important that economic development is spread across the entirety of the FSM and also to the private sector. Strong leadership regarding Public Financial Management is essential in order to create and maintain the conditions leading to fair and sustainable economic development.

This Thematic Area includes eight (8) Strategic Outcomes:

1. Private Sector and Business

Environment: An economic environment that promotes private sector growth.

2. Workforce Development (Including SMEs):

A strong and diverse private sector workforce.

3. Data and Information Systems:

A workforce data management system providing information to enable informed decisions regarding private sector workforce development issues.

4. **Sustainable and Regenerative Tourism:**

Develop the FSM tourism sector to become a leading sustainable and regenerative tourism destination.

5. **Oceanic Resources:** Optimized economic growth of oceanic resources for sustainable development.

6. **Marine Resources:** Maximize the long-term value from marine resources for the benefit of the FSM's economy.

7. **Agriculture (Food Security/Commercial Farming/Forestry):** A vibrant, robust and productive agriculture/forestry sector that sustainably supports food security, productive forestry, healthy lifestyles, strong social safety nets, and promotes a greener economy.

8. **Trade:** Promote export-led sustainable economic growth, focusing on private sector.

STRATEGIC OUTCOME 1

Private Sector and Business Environment

An economic environment that promotes private sector growth.

DEVELOPMENT PRIORITIES

- 1. A business enabling environment that promotes a diversified economic base including import substitution, e-commerce, digital marketing, and loan guarantees.
- 2. Promoting environmental sustainability in the private sector.
- 3. Resilient infrastructure supporting sustainable and equitable trade.

In order to create a stronger private sector role in the economy, the FSM seeks to promote economic growth through innovation and enhanced opportunities.

Additionally, the enabling environment focus on equality of opportunities is designed to ensure the long-term sustainability of the private sector, specifically SMEs.

Enhancing the enabling environment focuses on easing some of the current economic and structural issues that limit private sector development.

STRATEGIC OUTCOME 2

Workforce Development (Including SMEs)

A strong and diverse private sector workforce.

DEVELOPMENT PRIORITIES

- 1. Prioritizing workforce development programs based on market needs.
- 2. Equitable access to formal and non-formal education in public schools.
- 3. Alignment of scholarship priorities, ensuring a diverse workforce is being developed.
- 4. Targeting technical assistance to promote workforce development priorities.

The FSM intends to pursue and promote a workforce development strategy designed to create economic prosperity for individuals, businesses, and communities.

This strategy focus is on state, community, and individual capacities that allows the workforce to develop skills they need for success.

Critical to successful workforce development is the design, implementation and access to training and capacity building programs.

This includes establishment of labor marketing centers providing ongoing coordination between government and private sector.

STRATEGIC OUTCOME 3

Data and Information Systems

A workforce data management system providing information to enable informed decisions regarding private sector workforce development issues.

DEVELOPMENT PRIORITIES

1. Accessible data and information systems throughout the private sector.
2. Digital data system network that enhances coordination among job seekers and employers, resulting in the right people in the right jobs.
3. Workforce related regulations ensuring the enforcement of equitable workforce policies.

Workforce data assists the private sector in exploring new approaches to attract and retain skilled workers. A workforce data management system provides information regarding upskilling and developing staff capacity needs. For the workers, the system should help participants make informed choices about their programs of study or desired sectors of employment.



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STRATEGIC OUTCOME 4

Sustainable and Regenerative Tourism

Develop the FSM tourism sector to become a leading sustainable and regenerative tourism destination.³

DEVELOPMENT PRIORITIES⁴

1. Improved governance and institutional strengthening in the tourism sector.
2. Increased tourism sector investment focusing on infrastructure, marketing and development of international markets.
3. Increased capacity building and workforce development in tourism related sectors by increasing availability of skilled tourism workforce for quality of services.
4. Destination management through expansion and diversification of product development (local products) for domestic and international markets.
5. Coordinate destination marketing with private sector, and international partners (tourism promotion and marketing).
6. Tourism industry quality standards developed implemented and maintained.

The national tourism policy explains that a two-pronged strategy serves as a framework to improve tourism. The first part of the strategy is to put in place the building blocks and consolidate and reform the FSM tourism industry. The second prong is to use this platform to develop future sustained growth.

Building blocks refer to the policy areas that need to be in place, as described by the development priorities outlined above.

³ SM National Tourism Policy 2015.

⁴ FSM National Tourism Policy 2015 Policy Areas.

STRATEGIC OUTCOME 5

Oceanic Resources

Optimized economic growth of oceanic resources for sustainable development.

DEVELOPMENT PRIORITIES⁵

- 1. A framework for management of oceanic resources coordinated by an oceanic management resources authority.
- 2. Maintain and enhance resource sustainability while supporting growth of fisheries private sector.
- 3. Increase fisheries contribution to sustainable economic growth through job creation, and establishment of public/private sector partnerships.
- 4. Promote and incentivize FDI in the oceanic fisheries through onshore investments and creation of support/manufacturing enterprises aimed at increasing the value of fisheries.
- 5. Facilitate and coordinate port side infrastructure investments directly targeted at supporting and promoting investments in oceanic fisheries and other related activities.

Oceanic resource management focuses on the sustainable governance of marine ecosystems and resources. This is important for supporting the livelihoods of those who depend on ocean resources.

Additionally, oceanic resource management can ensure sustainable access to food through sustainable fishing practices.

Establishment of marine protected areas and focusing on marine pollution control safeguard biodiversity and protect local ecosystems.

⁵ FSM National Oceanic Fisheries Investment Policy 2024-2029

STRATEGIC OUTCOME 6

Marine Resources

Promote export-led sustainable economic growth, with a focus on private sector.

DEVELOPMENT PRIORITIES

- 1. Sustainable development of marine resources.
- 2. Protection and conservation of marine environment and resources.

Protection and management of marine resources is essential for the economic development of the FSM. Creating and maintaining well-protected and sustainably managed marine resources is a challenge that must be met. An effectively protected marine environment allows the FSM to achieve a healthier and more resilient future.



STRATEGIC OUTCOME 7

Agriculture (Food Security/ Commercial Farming)

A vibrant, robust and productive agriculture/forestry sector that sustainably supports food security, productive forestry, healthy lifestyles, strong social safety nets, and promotes a greener economy.⁶

DEVELOPMENT PRIORITIES⁷

1. National food security, safety and nutritional health priorities are realized.
2. Bolster farm and forestry incomes, livelihoods and productivity with particular focus on gender and vulnerable groups.
3. Re-enforce socio-cultural safety nets in the areas of agriculture and forestry.
4. Preserve and protect culture, traditional knowledge and practices in agriculture
5. Enhance sustainable economic growth with regard to agriculture and forestry (balance of trade).
6. Strengthen management of all FSMs natural resources.

At the 1996 World Food Summit, food security was defined as *“when all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.”*

As per the most recent FSM Agriculture Policy, agriculture contributes significantly to the livelihoods and food security of a large proportion of the FSM population.

It is identified as one of the key productive sectors for sustainable economic growth. The policy further states *“that even though commercial agriculture remains relatively underdeveloped, agricultural subsistence activities based on localized small-scale family farm production are estimated to make a substantial contribution to the economy.”*

⁶ FSM Agriculture Policy.

⁷ FSM Agriculture Policy.

⁸ FSM Trade Policy Implementation Plan 2024.

STRATEGIC OUTCOME 8

Trade

Promote export-led sustainable economic growth, with a focus on private sector.

DEVELOPMENT PRIORITIES

1. Enhanced access for participation of women, youth and persons with special needs in private sector workforce.
2. Incentive programs to attract and retain domestic labor force coordinated across FSM.
3. Centralized and integrated Trade and Investment Database Management System (TIDMS) for planning and policy-making promoting local entrepreneurship.
4. Enhanced customs and trade management framework including a fully implemented Automated System for Customs Data (ASYCUDA).
5. Development and use of e-commerce platforms, and an FSM Trade Portal to be designed to diversify domestic trade markets.
6. Intellectual property rights (IPR) created resulting in domestic market innovation and expansion.
7. Enhance foreign investment regimes resulting in foreign capital infusions for the development of new industries, and the support of current industries.

A review of the 2011 FSM Trade Policy was conducted in 2023 resulting in the development of the FSM Trade Policy Implementation Plan 2024. The Implementation Plan comprises 11 Strategic Areas that are underpinned by 48 Initiatives to be implemented through 117 Actions.

The Actions identify one or more key implementing bodies at both national and state levels with indicative timelines. All actions are also envisaged to be implemented in coordination with the relevant agencies not identified in the Implementation Plan.⁸

The SDP 2024-2043 Trade Strategic Outcome includes broad development priorities that are coordinated and aligned with this Implementation Plan.

Diagram 9 (below) provides an illustration of how the Sustainable Economic Development Thematic Area goal aligns with the corresponding goals of each of the four States.

DIAGRAM 9
SDP 2024-2043 THEMATIC AREA LINKAGE WITH STATE SDPs THEMATIC AREAS

SDP 2024-2043 THEMATIC AREA SUSTAINABLE ECONOMIC DEVELOPMENT GOAL

The FSM aspires to a vibrant, diverse, and sustainable economy that drives sustainable growth and improves living standards.

STATE THEMATIC AREAS ALIGNMENT

POHNPEI SDP SUSTAINABLE ECONOMIC DEVELOPMENT

To Incentivize the development of an environment supportive of a competitive, growing, and sustainable private sector through Inclusive engagement with the private sector and the community.

PRIVATE Goal 1: Formalized capacity building efforts to incentivize private sector growth.

PRIVATE Goal 2: Amendments and creation of Legislation conducive to the private sector growth and expansion.

PRIVATE Goal 3: Enable access to State natural resources including land and water through zoning and land designation.

PRIVATE Goal 4: Establish a sustainable export industry in collaboration with relevant government agencies and communities.

Private Goal 5: Safeguard and protect the interest of private sector and consumers.

Private Goal 6: Collection and storage of data to support policy and decision-making.

AGRI-BUS Goal 5: Development of a local product-based agri-business that promotes and supports circular-economic efforts.

TOURISM Goal 6: Develop tourism strategies to create a high quality and sustainable economic sector.

FISHERIES Goal 11: Engage the private sector in the development of a niche Aqua-business within the State waters.

FISHERIES Goal 12: Establish plans and investment strategies to develop State's on-shore fisheries facilities and infrastructure.

KOSRAE SDP SUSTAINABLE ECONOMIC DEVELOPMENT

BA thriving economy in Kosrae driven by a business-friendly environment supporting sustainable development in agriculture, fisheries, tourism, and trade.

Goal 1: By the end of FY2044, the private sector will contribute a target of \$10 million to annual State GDP.

Goal 2: By the end of 2044, DREA will ensure agriculture activities to promote the use of sustainable resources to improve lifestyle by reducing poverty, create jobs, and many other aspects that contribute to FSM GDP.

Goal 3: By the end of FY2044, Fisheries activities are enhanced and promoted to support economic growth of Kosrae.

Goal 4: By the end of FY 2044, Kosrae will implement tourism strategies to make Kosrae tourism a leading economic activity.

Goal 5: By the end of 2044, Kosrae will implement strategies to ensure businesses are operated at optimal capacity to be able to contribute \$10M the State GDP.

Goal 6: Having a diversified and sustained programs and services.

Goal 7: From 2024 - 2044 TMG Municipalities will pursue economic growth through private sector development.

YAP SDP SUSTAINABLE ECONOMIC DEVELOPMENT

To provide an environment that supports equitable private sector development that is socially, environmentally and economically sound so as to meet the needs of the present generation without compromising the ability of future generations to meet their needs.

To develop e-commerce, high value, low impact regenerative tourism; and a portal to regulate access to local resources, thus enhancing their value.

CHUUK SDP SUSTAINABLE ECONOMIC DEVELOPMENT

Sustainable Economic Development emphasizes the formulation and implementation of effective policies and programs aimed at fostering economic growth while enhancing the quality of life for Chuukese through a sustainable framework.

G1: Chuuk's Private Sector must continue to strengthen its lead role in all areas of economic development to ensure efficiency, continuity, and growth.

G2: To enhance sustainable tourism development that carefully caters to visitors' needs, promotes environment care, and derives socioeconomic benefits.

G3: The agriculture sector provides support to farmers in Chuuk to build up capacity and improve productivity.

G4: To promote the development of coastal and oceanic fisheries, aiming to enhance capacity building and encourage strategic investments in this sector.

G5: Enhancing trade relations and fostering investment initiatives are essential strategies for improving the quality of life for Chuukese and driving sustainable economic growth.



An underwater photograph showing a diver in silhouette swimming above a vibrant coral reef. The water is clear blue, and numerous colorful fish, including many yellow-striped snappers, are swimming around the diver and the reef. The scene is well-lit, with sunlight filtering down from the surface.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RESILIENCE



Environmental Sustainability and Climate Resilience Goal

THE FSM ASPIRES TO SUPPORT ECOSYSTEM INTEGRITY AND DEVELOP A FRAMEWORK ON CLIMATE CHANGE RESPONSE FOCUSING ON MITIGATION, RESILIENCY AND MANAGEMENT OF NATURAL RESOURCES.

Environment and climate change issues are very important to the FSM and the Pacific region as a whole. The previous SDP 2004-2023 identified several critical areas to address including 1) encouraging States to establish and support a system of conservation areas, 2) sustainable environment financing mechanisms for, 3) a strong regulatory environment, and 4) cooperation and coordination between different levels of government.

This Thematic Area includes five (5) Strategic Outcomes:

- 1. Resiliency Adaptation and Mitigation:** Mechanisms that ensure the social, cultural, health, economic, environmental and infrastructure framework is in place so that communities can withstand the impacts of natural disaster and climate change.
- 2. Awareness and Reporting:** Improve climate change and environmental awareness by increasing community involvement and dissemination of environment and climate related information.

- 3. **Environmental Quality:** A healthy ecosystem and living environment throughout the FSM.
- 4. **Natural Resource Management:** Environmental policies and plans that promote effective management of the FSM ecosystems and natural resources.
- 5. **Renewable Energy:** Diversify energy options and improve energy security while transitioning to a low carbon economy in the FSM.

STRATEGIC OUTCOME 1

Resiliency Adaptation and Mitigation

Mechanisms that ensure the social, cultural, health, economic, environmental and infrastructure framework is in place so that communities can withstand the impacts of natural disaster and climate change.

DEVELOPMENT PRIORITIES

- 1. Climate-resilient infrastructure and early warning systems are operational across all states; net zero emissions targets are monitored and on track to meet the United Nations Framework Convention on Climate Change (UNFCCC) commitments.
- 2. Robust partnerships and funding mechanisms for environment projects are designed and coordinated in order to ensure prioritization of funds to meet climate and resiliency targets.
- 3. A flexible framework of adaptation and mitigation plans in place, that can respond to evolving climate challenges, ensuring the FSM has the capacity to address the impacts of natural and man-made disasters.

It is important that environment and climate change activities and planning is mainstreamed into the planning and budgeting processes.

As part of this mainstreaming, the need to ensure adequate resource allocation and government commitment is critical.

The result will be the development of a resilient infrastructure that ensures sustainable livelihoods and the safety and security of communities.

STRATEGIC OUTCOME 2

Awareness and Reporting

Improve climate change and environmental awareness by increasing community involvement and dissemination of environment and climate related information.

DEVELOPMENT PRIORITIES

- 1. A functional climate change and environmental monitoring and reporting system coordinated across all of the FSM providing information on climate change and resilience implementation.
- 2. Climate change and environmental awareness and education programs are integrated into all levels of society including the formal education system.

Raising awareness about climate change and the environment involves all stakeholders including governments, communities, schools and NGOs.

The FSM will create a coordinated monitoring and reporting system so that relevant climate and environmental information is available and easily accessible.

This information ensures that environmental awareness activities are prioritized in planning and budgeting.

STRATEGIC OUTCOME 3

Environmental Quality

A healthy ecosystem and living environment throughout the FSM.

DEVELOPMENT PRIORITIES

1. A healthy, non-toxic ecosystem and environment for all FSM citizens ensuring air soil and water quality meets international standards.
2. Coordinated project review process with regard to environmental impact assessments (EIA).
3. Recycling and composting facilities are available and accessible.
4. In coordination with development partners, design and implement resilient and accessible WASH programs (Water, Sanitation and Hygiene).
5. A coordinated response framework addressing solid and hazardous waste management.

Safe drinking water, sanitation, and hygiene (or WASH) is fundamental to improving standards of living for people.

Ensuring healthy living environments is important for promoting equality and supporting socioeconomic development.

As per the World Health Organization (WHO) WASH is not only a prerequisite to health, but contributes to livelihoods, school attendance and dignity and helps to create resilient communities living in healthy environments.



STRATEGIC OUTCOME 4

Natural Resource Management

Environmental policies and plans that promote effective management of the FSM ecosystems and natural resources.

DEVELOPMENT PRIORITIES

1. Comprehensive environmental policies and regulations enforced across all States.
2. A network of protected areas covering at least 50% of marine and 30% terrestrial ecosystems is established and effectively managed.
3. Sustainable resource management practices are widely adopted in fishing, agriculture, and waste management.
4. Sustainable utilization of renewable sources of energy to offset carbon emissions.
5. Coordinated framework focusing on managing critical issues including ecosystem integrity, biodiversity loss, waste management/pollution, and invasive species.
6. Design and development of systematic, evidence-based monitoring of ecosystems to assess the effectiveness of natural resource management strategies.

Fisheries are critical to the economy, and livelihoods of a large part of the FSM population. The marine resources that thrive in the EEZ (coastal and oceanic) are one of the foundations of sustainable socio-economic development. Agriculture production can also be impacted by climate change.

A significant portion of the population engage in fishing and/or agriculture to supplement their diets and incomes, especially where employment opportunities are limited. Safeguarding these opportunities from the possible impacts of climate change are a high priority.

STRATEGIC OUTCOME 5

Renewable Energy

Diversify energy options and improve energy security while transitioning to a low carbon economy in the FSM.

DEVELOPMENT PRIORITIES

- 1. Reduction of imported energy through expanded implementation of renewable energy sources.
- 2. Increase capacity building and employment opportunities in the energy field.
- 3. Diversified energy supply providing the FSM population with access to cleaner and less costly energy supply options.

- 4. Encourage increased engagement of energy stakeholders as well as cross-sector collaboration in order to improve renewable energy capacity.

Increasing the role of renewable energy is widely viewed as playing an essential role in climate change mitigation.

The FSM continues to pursue renewable energy goals including 1) reducing greenhouse gas emissions, 2) improving energy efficiencies, 3) lowering consumer costs, and 4) creating employment opportunities.

A focus on transitioning to renewable energy sources, as well as enhancing energy efficiency, are essential to combating the predicated impacts of climate change, especially sea level rise.

Diagram 10 (below) provides an illustration of how the Environmental Sustainability and Climate Resilience Thematic Area goal aligns with the corresponding goals of each of the four States.

DIAGRAM 10
SDP 2024-2043 THEMATIC AREA LINKAGE WITH STATE SDPs THEMATIC AREAS

SDP 2024-2043 THEMATIC ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RESILIENCE GOAL

The FSM aspires to support ecosystem integrity and develop a framework on climate change response focusing on mitigation, resiliency and management of natural resources.

STATE THEMATIC AREAS ALIGNMENT

POHNPEI SDP ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RESILIENCE

To protect, develop, and enhance the natural environment through sustainable practices, innovative solutions, and community engagements, ensuring healthier environmental quality for Pohnpei.

ENVIRONMENT Goal 1: Create a healthy human environment by improving waste management and pollution control measures.

ENVIRONMENT Goal 2: Equitable access to sustainable supply of water quality.

ENVIRONMENT Goal 3: Manage, Protect, and Conserve Pohnpei's terrestrial ecosystems.

ENVIRONMENT Goal 4: (Biodiversity): Manage, Protect, and Conserve Pohnpei's Marine Ecosystems.

ENVIRONMENT Goal 5: Involve communities in the management of Pohnpei's natural resources through education and awareness.

CLIMATE Goal 6: Integrate climate adaptation and mitigation measures into Pohnpei's environmental and resource management.

CONSERVATION Goal 1: Improve the health of the marine ecosystem (offshore/inshore) within Pohnpei's Exclusive Economic Zone.

FISHERIES Goal 4: Increase aquaculture activities sustainably.

AGRICULTURE Goal 6: Develop a sustainable local agriculture system.

KOSRAE SDP ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RESILIENCE

By the end of FY2044, Kosrae's environment will be managed and conserved for current and future generations.

Well capacitated to respond to the effects of a changing climate through response, mitigation, adaptation and effective management of Kosrae's natural resources.

KIRMA, KCSO, and other pro-environment partners will strengthen its organizational capacity through trainings, awareness programs, and policy development to better manage the sustainability of Kosrae's natural resources and local knowledge.

To promote sustainable uses of natural resources and maintain climate resilience.

HRDA will have an integrated climate change adaptation policy.

YAP SDP ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RESILIENCE

Recognize that our environment and our natural resources are all important for they are the foundations of our economies, our cultures, and our identity as Pacific Islanders.

Establish and maintain terrestrial and marine monitoring systems and management benchmarks and maintain a system of broadly defined protected areas with management informed by local knowledge, science and data.

Protect marine resources from illegal fishing, and develop a coordinated project review process to ensure that ecosystem integrity is protected to ensure food security.

Develop niche export products that do not limit production for local use.

Advocate for measures to curb global warming and mitigate and adapt to Climate Change.

Increase capacity of Yap EPA to address environmental issues related to large scale development projects. military expansion of airport, port and road. We are mindful that our environment and our natural resources are all important for they are the foundations of our economies, our cultures, and our identity as Pacific Islanders.

Declaration of First Micronesian Traditional Leadership Conference

CHUUK SDP ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RESILIENCE

Environment Protection/Preservation & Climate Resilience: to promote and sustain a healthy environment for both present and future generations of Chuuk State.

G1: to foster a healthy environment through conservation, protection, and mitigating efforts with the involvement of its people.

G2: To strengthen Chuuk's preparedness for the impact of climate change through mitigation and adaptation strategies.

G3: Help foster the development of terrestrial resources under a sustainable scheme while maintaining the capacity to mitigate the impacts of natural or man-made disasters.

G4: manage and develop the marine resources of the State of Chuuk to reach its full potential in providing social and economic benefits while preventing exploitation and maintaining the protection of marine biodiversity.

G5: To strengthen Chuuk's preparedness for the impact of climate change through mitigation and adaptation strategies.

INFRASTRUCTURE DEVELOPMENT AND SUSTAINABILITY





Infrastructure Development and Sustainability Goal

THE FSM ASPIRES TO BUILDING EFFICIENT, EFFECTIVE, AND AFFORDABLE INFRASTRUCTURE THAT MEETS COMMUNITY NEEDS WHILE PROMOTING SUSTAINABILITY.

Infrastructure plays a crucial role in sustainable economic development, environmental and climate resilience, and socio-economic well-being. The Infrastructure Development Plan (IDP) is a cross-cutting plan that touches on all nine (9) thematic areas of the SDP. The IDP illustrates the 10-year capital development roadmap ensuring the FSM public infrastructure investments meet the current and future demands. The SDP 2023-2043 has used the IDP as the foundation for the design of the Strategic Outcomes and Development Priorities. The text box below provides a snapshot of the IDP.

INFRASTRUCTURE DEVELOPMENT PLAN

Transportation: Improving road networks, air and seaports, to facilitate efficient and safe movement of people and goods, and driving productivity.

Energy: Upgrading energy grids and promoting renewable energy sources to ensure a reliable and sustainable power supply.

Water and Sanitation: Enhancing water supply systems and wastewater management to provide clean water and maintain public health.

Public Facilities: Building and renovating schools, hospitals, and recreational facilities to improve quality of life and community services.

Marine, Agriculture and Coastal: Protecting coastlines and communities from climate events and ensuring that primary economic sectors remain productive.

This Thematic Area includes five (5) Strategic Outcomes

- 1. Service Access and Delivery:** Equitable, affordable and sustainable access to services, including transportation, energy, communications, water/sanitation, health, education, solid waste collection and coastal/environmental protection.
- 2. Climate Resilient Infrastructure and Livelihoods:** The quality of life and access to economic opportunities in the remote communities and the outer islands of the FSM is enhanced through expanding access to climate-resilient infrastructure, sustainable livelihoods and services that focus on connectivity, transportation, energy, clean water, public buildings and environmental protection.
- 3. Investment for Productive Economic Activities:** Increased opportunities for investment and productive economic activities, by expanding and upgrading economic infrastructure networks and facilities designed to meet the demands for sustainable development and economic diversification.
- 4. Institutional Framework (Regulation, Management Sustainability):** An effective institutional framework for the regulation, management, and sustainability of infrastructure services, primarily in the areas of maritime transportation, infrastructure maintenance, the management of public utilities, environmental protection and conservation and natural resources management.
- 5. Information Communication Technology (ICT):** Support the transition to a digital economy, positioning the country as a leader in technological adoption and economic competitiveness by leveraging e-digital and ICT advancements to drive innovation across all sectors and improve public services.

STRATEGIC OUTCOME 1

Service Access and Delivery

Equitable, affordable and sustainable access to services, including transportation, energy, communications, water/sanitation, health, education, solid waste collection and coastal/environmental protection.

DEVELOPMENT PRIORITIES

1. Road networks throughout the FSM providing reliable transportation network.
2. Efficient power generation and distribution with capacity that meet state requirements.
3. Water and waste systems with the capacity to meet current and projected demands for the FSM.
4. Well-maintained public services infrastructure (government administration buildings, health, education, utilities) providing uninterrupted and timely services.
5. Enhanced climate proofing of government infrastructure, including coastal protection improvements.
6. Communication networks providing effective and efficient services to the FSM.

In order to meet the stated Strategic Outcome infrastructure implementing actions are identified in the IDP including 1) rehabilitating government buildings, 2) modernizing hospitals, 3) buildings providing specialized health care services, 4) rehabilitating dispensaries that are no longer functional, 5) re-building schools that have deteriorated beyond repair, 6) improving the infrastructure for primary, secondary, and post-secondary education, 7) improving sewer waste management on the main islands, 8) coastal protection works to protect critical infrastructure, 9) rehabilitating government buildings, 10) climate-proofing existing infrastructure, and 11) rehabilitation of road networks on the main islands.

STRATEGIC OUTCOME 2

Climate Resilient Infrastructure and Livelihoods

The quality of life and access to economic opportunities in the remote communities and the outer islands of the FSM is enhanced through expanding access to climate-resilient infrastructure, sustainable livelihoods and services that focus on connectivity, transportation, energy, clean water, public buildings and environmental protection.

DEVELOPMENT PRIORITIES

1. Enhance the quality of life and access to opportunities for the citizens in remote areas by improving infrastructure frameworks for maritime, air, water/sewage, solar and pedestrian facilities.
2. Expand ICT access to rural and marginalized population through extending broadband and fiber-optic services, including expanding 4G/5G coverage to remote, rural, and previously unconnected areas, ensuring broad access to voice and data services to those who currently do not have access to services.
3. Improve rural community water systems through improvements to water catchment systems and make water lens use more efficient.

Improving the quality of life and access to economic opportunities in the remote communities of the FSM continues to be a high priority. The SDP 2024-2043 Development Priorities, as well as activities in the IDP align with planned implementation projects including 1) refurbishment and climate proofing of schools, health care facilities and municipal buildings, 2) improving pedestrian facilities, 3) installing and rehabilitating micro-grids for solar power, 4) building of sea walls, 5) rehabilitating airports on the outer islands, 6) rehabilitation of outer island docks, and 7) extending high-speed broadband and fiber-optic networks to underserved and remote areas.

STRATEGIC OUTCOME 3

Investment for Productive Economic Activities

Increased opportunities for investment and productive economic activities, by expanding and upgrading economic infrastructure networks and facilities designed to meet the demands for sustainable development and economic diversification.

DEVELOPMENT PRIORITIES

1. Road networks with the capacity to support private sector development including fisheries, agriculture, tourism, and manufacturing.
2. Access to increased resources and capacity development for small scale fisheries development and aquaculture.
3. Renewable energy source capacity in line with the Energy Master Plan resulting in reduced costs of energy to businesses and households.
4. Economic and capacity-based incentives that focus on the development of a viable FSM construction industry.

Facilitating increased investment and diversification in the FSM economy can be realized by expanding and upgrading economic infrastructure networks and facilities. Several planned actions are included in the IDP including 1) upgrading and expanding commercial docks, 2) airport(s) expansion, 3) expanding and rehabilitating "farm" roads (agricultural productivity), and 4) development of private sector marine based infrastructure.

STRATEGIC OUTCOME 4

**Institutional Framework
(Regulation, Management
Sustainability)**

An effective institutional framework for the regulation, management, and sustainability of infrastructure services, primarily in the areas of maritime transportation, infrastructure maintenance, the management of public utilities, environmental protection and conservation and natural resources management.

DEVELOPMENT PRIORITIES

- 1. Knowledge base for environmental management and climate change adaptation expanded.
- 2. Capacity development for transportation agencies enhanced.
- 3. Robust natural resources management.
- 4. Institutional and legislative frameworks resulting in liberalized public services where relevant.
- 5. Enabling a conducive environment to implement project mobilization at the state level.

The institutional framework currently focuses on regulation, management, and sustainability of services. Implementing activities in this area focus on 1) liberalization of the public services where relevant, 2) institutional reform and capacity enhancement of the utilities including but not limited to, power, water, and wastewater, 3) Asset management systems for improved maintenance across all infrastructure sectors, and 4) environmental legislation reforms.

STRATEGIC OUTCOME 5

**Information Communication
Technology (ICT)**

Support the transition to a digital economy, positioning the country as a leader in technological adoption and economic competitiveness by leveraging

e-digital and ICT advancements to drive innovation across all sectors and improve public services.

DEVELOPMENT PRIORITIES

- 1. A seamless digital environment supported by a robust ICT infrastructure, integrating telecommunications and digital platforms supporting government services, businesses, and individuals.
- 2. Cybersecurity frameworks and policies that protect digital assets, safeguard public services, and maintain trust in digital infrastructure.
- 3. Modernization of business and government Infrastructure through the development of secure, high-speed telecommunications infrastructure enabling the adoption of digital services, cloud computing, and data-driven innovation resulting in efficient and secure digital service delivery for public and private sectors.
- 4. E-government platforms are available and accessible, allowing citizens to access essential services online, including healthcare, public safety and emergency communication networks.
- 5. Robust local capacity in managing, operating, and innovating within digital and telecommunications sectors, ensuring long-term sustainability and self-reliance.
- 6. Digital inclusion initiatives available ensuring equitable access to technology, digital literacy, and services for marginalized groups, including rural communities, women, and youth.

The FSM continues to look forward to becoming one of the leaders in the region in technology adaptation. The SDP 2024-2043 aligns with planned activities at the national and state level that focus on 1) ICT skills development programs, 2) developing and implementing the needed policies and legislation, and 3) increasing accessibility to technology and ICT services throughout the FSM.

Diagram 11 (below) provides an illustration of how the Infrastructure Development and Sustainability Thematic Area goal aligns with the corresponding goals of each of the four States.

DIAGRAM 11

SDP 2024-2043 THEMATIC AREA LINKAGE WITH STATE SDPs THEMATIC AREAS

SDP 2024-2043 THEMATIC AREA INFRASTRUCTURE DEVELOPMENT AND SUSTAINABILITY GOAL

The FSM aspires to the safety and security of the people and protecting the economy, infrastructure, and information systems from all man-made and natural internal and external threats.

STATE THEMATIC AREAS ALIGNMENT

POHNPEI SDP INFRASTRUCTURE DEVELOPMENT AND SUSTAINABILITY

To plan, promote, and implement sustainable economic and social infrastructure development programs and projects in support of public good, private sector investment, economic growth, and revenue generation within the State of Pohnpei.

KOSRAE SDP INFRASTRUCTURE DEVELOPMENT AND SUSTAINABILITY

Goal 1: By the end of FY2043, Department of Transportation and Infrastructure will effectively and efficiently maintain all state road segments, department's assets not limited to heavy equipment and vehicles and government owned infrastructures throughout Kosrae.

Goal 2: By the end of FY 2030, Kosrae will become less dependent on imported of fossil fuel and increase renewable energy sources by 30% in 2030.

Goal 3: To build public infrastructure and facilities necessary to support municipal sustainable development.

Goal 4: Improve and upgrade facilities.

Goal 5: Infrastructures to be made accessible to persons with disabilities.

YAP SDP INFRASTRUCTURE DEVELOPMENT AND SUSTAINABILITY

To ensure our public, and any U.S. Military infrastructure assets meet the current and future demands from our community, including Transportation, Energy, Water, Communications, Sanitation, Public facilities, Safety, and Marine, Agriculture and Coastal Protection; and to monitor the military expansion of the airport, port, roads and operations.

CHUUK SDP INFRASTRUCTURE DEVELOPMENT AND SUSTAINABILITY

The infrastructure goals encompass initiatives across various sectors, including Energy, Waterworks, Transportation, Communication, Social, Economic, and Environmental Infrastructure.

G1: Develop and maintain public facilities and structures.

G2: Support and improve quality services in transportation.

G3: Develop and expand access to public utility infrastructures.

G4: Extend access and maintain quality services in telecommunication.

G5: Develop infrastructure projects pertinent to economic development.

G6: Develop infrastructures pertinent to social development.

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ANNEX 1: ABBREVIATIONS and ACRONYMS

4G	Fourth Generation
5G	Fifth Generation
ASYCUDA	Automated System for Customs Data
BOP	Balance of Payment
BSAP	Biodiversity Strategic Action Plan
CM	Compact Management
CO2	Carbon Dioxide
COFA	Compact of Free Association
COM	College of Micronesia
CPI	Consumer Price Index
CSO	Civil Society Organization
CTF	Compact Trust Fund
CECEM	Department of Climate Change and Environmental Management
DFA	Department of Foreign Affairs
DHSA	Department of Health and Social Affairs
DOE	Department of Education
DOFA	Department of Finance and Administration
DOJ	Department of Justice
DR&D	Department of Resources and Development
DREA	Department of Resources and Economic Affairs
DTF	Domestic Trust Fund
EEZ	Exclusive Economic Zone
EIA	Environmental Impact Assessment
EMIS	Education Information Management System
EPA	Environmental Protection Agency
FDI	Foreign Direct Investment
FMIS	Financial Management Information System
FSM	Federated States of Micronesia
FY	Fiscal Year
GBV	Gender-based Violence
GDP	Gross Domestic Product
GNI	Gross National Income
HPO	Historical Preservation Office
HRDA	Housing and Rural Development Authority
HRH	Human Resources for Health
ICT	Information and Communications Technology
IDP	Infrastructure Development Plan
IHR	International Health Regulations
IPR	Intellectual Property Rights
IUU	Illegal, Unprotected and Unregulated
KCSO	Kosrae Conversation and Safety Organization
KIRMA	Kosrae Island Resource Management Authority

LTG	Lelu Town Government
M&E	Monitoring and Evaluation
MIRAP	Migration, Remittance, Aide, Bureaucracy
NCD	Noncommunicable diseases
NFC	National Fisheries Corporation
NGO	Non-Governmental Organization
NORMA	National Oceanic Resource Management Authority
ODA	Overseas Development Assistance
PAN	Protected Areas Network
PFM	Public Financial Management
PIO	Public Information Office
PTA	Parent Teacher Association
SAP	Strategic Action Plan
SDG	Strategic Development Goals
SDP	Strategic Development Plan
SIDS	Small-Island Development State
SME	Small and Medium-sized Enterprise
SPREP	South Pacific Regional Environment Program
SWM	Solid Waste Management
TC&I	Transportation, Communication and Infrastructure
TIDMS	Trade and Investment Database Management System
TMG	Tafunsak Municipal Government
UHC	Universal Health Coverage
UN	United Nations
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNFCCC	United Nations Framework Convention on Climate Change
USD	US Dollar
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization

ANNEX 2: SUMMARY OVERVIEW OF THE FSM SDP 2004-2023 EVALUATION

The final evaluation report was completed in November of 2024. The full report is available at [\(link here\)](#). This section provides a summary of the overview of the Comprehensive Evaluation Report of the FSM Strategic Development Plan 2004-2023.⁹

REPORT OVERVIEW

The FSM government undertook a comprehensive evaluation of its Strategic Development Plan 2004-2023 to inform the development of the new SDP 2024-2043¹⁰. This evaluation examined five fundamental criteria: relevance, effectiveness, impact, sustainability, and institutional arrangements, providing crucial insights that have shaped the direction of future strategic planning.

KEY FINDINGS

RELEVANCE

The evaluation revealed that while the FSM SDP 2004-2023 established an ambitious and inclusive framework that aligned well with key sectors like fisheries and utilities, its relevance was significantly compromised by FSM's unique federated structure. The twenty-year timespan, though providing a stable long-term vision, proved problematic in maintaining relevance amid rapidly evolving economic, environmental, and social dynamics. This was particularly evident in the unforeseen growth of sectors like fisheries. Despite recent efforts by the ODA office to enhance alignment through priority validation and donor mapping, the SDP struggled to effectively bridge the gap between comprehensive planning and practical implementation, particularly at the state level.

EFFECTIVENESS

The SDP's effectiveness demonstrated a mixed pattern of achievements across its twenty-year implementation period. Significant progress was documented in several key sectors, with Public Sector Management achieving notable improvements in governance and financial systems. The Environment sector demonstrated strong commitment through climate change policies and biodiversity protection, while the Health and Education sectors marked substantial gains, exemplified by the dramatic increase in early childhood education enrollment from 34% to 85% between 2005 and 2019. However, these achievements were substantially offset by structural challenges inherent in FSM's federated system. The dismantling of SBOC created a significant void in centralized planning and coordination, while resource constraints in funding and skilled human resources limited the full realization of many initiatives.

⁹ Provided by Monitoring and Evaluation Advisor.
¹⁰ For a detailed analysis of the FSM SDP 2004–2023 evaluation findings and recommendations, refer to the full evaluation report available at [\[insert link or reference\]](#), or contact [\[relevant office/contact information\]](#).

IMPACT

The SDP generated significant but uneven impacts across the Federation. Notable successes were achieved in education through improved teacher qualifications and higher college enrollment rates. The fisheries sector demonstrated remarkable growth, contributing 17-19% of GDP and successfully transitioning to flag state status. Environmental protection saw substantial progress with the establishment of Marine Protected Areas covering 14.7% of reef areas. However, these achievements were accompanied by unintended consequences, including increased outmigration and potential brain drain, economic vulnerability due to overreliance on the fisheries sector, and uneven development impacts across states, particularly affecting outer islands' access to services and economic opportunities.

SUSTAINABILITY

The evaluation identified a complex interplay of enabling and constraining factors affecting the long-term viability of development achievements. While the SDP established promising foundations through institutional mechanisms, financial instruments like the Compact and FSM Trust Funds, and sector-specific strategies in fisheries and energy, its long-term sustainability faces substantial challenges. Critical vulnerabilities include the heavy reliance on Compact funding, persistent human capital limitations, and significant governance coordination issues between national and state levels. The evaluation notably identified a critical gap in explicit exit strategies and comprehensive transition plans for reducing external aid dependency.

INSTITUTIONAL ARRANGEMENTS

The institutional framework revealed a complex, multi-layered governance structure that both facilitates and constrains effective implementation. While the Department of Resources and Development leads national-level coordination through a network of coordinators, the absence of a permanent, dedicated SDP implementation unit represents a significant institutional gap. The implementation framework spans multiple government entities, demonstrating broad governmental engagement but risking fragmented efforts and diluted accountability. The dissolution of SBOC has notably weakened centralized oversight capabilities, creating challenges in coordinating and monitoring development initiatives effectively.

STRATEGIC RECOMMENDATIONS

Based on these findings, the evaluation recommended establishing a permanent National Development Coordination Office under the President's Office, supported by clear institutional frameworks and formal coordination mechanisms between national and state governments. The recommendations emphasized the need for comprehensive capacity building programs, standardized operating procedures, and technological integration through a centralized digital platform for project management and monitoring. These interconnected recommendations aim to create a more cohesive and effective institutional framework that enhances coordination, improves monitoring and implementation, and strengthens overall governance across all levels of government in FSM.

OPERATIONAL RECOMMENDATIONS

PLANNING AND IMPLEMENTATION SYSTEMS

The evaluation emphasized the need for practical implementation measures at the operational level. A centralized project management office should be established to oversee day-to-day implementation of SDP initiatives. This office would be responsible for developing and maintaining state-specific implementation plans tailored to local contexts, while ensuring alignment with national objectives. Digital progress tracking platforms should be implemented to enable real-time monitoring and reporting of development initiatives across all states.

CAPACITY BUILDING AND RESOURCE MANAGEMENT

To address human capital limitations, comprehensive capacity-building initiatives should be implemented through «train-the-trainer» programs and formal knowledge management systems. These programs should focus on developing local expertise and ensuring knowledge retention within government institutions. Special attention should be given to developing monitoring and evaluation capabilities, addressing the current gap where over 90% of government staff report lacking confidence in using advanced analytical tools.

COORDINATION AND COMMUNICATION

Regular coordination mechanisms should be established, including quarterly inter-state meetings, sector-specific working groups, and local advisory committees that include traditional leaders and community representatives. A comprehensive communication strategy should be developed to ensure effective information flow between national and state levels, while also maintaining engagement with external partners and the broader community.

RESOURCE MOBILIZATION AND SUSTAINABILITY

Practical measures for resource mobilization should include the development of statespecific funding strategies, establishment of a cross-sector innovation fund, and implementation of sustainable financing mechanisms. These should be supported by formal mechanisms for cross-state learning and sharing of best practices, particularly in successful sectors like fisheries and environmental protection.

MONITORING AND EVALUATION

Operational systems for monitoring and evaluation should include standardized reporting templates, regular data collection protocols, and clear key performance indicators linking SDP goals to measurable outcomes. Mandatory annual reviews should be instituted, with specific focus on tracking progress at both national and state levels.

WAY FORWARD

The comprehensive findings and recommendations from this evaluation, encompassing both strategic and operational aspects, have directly informed the development of the new SDP 2024-2043. This ensures that lessons learned are incorporated into future planning and implementation strategies while providing practical pathways for execution. The new SDP emphasizes more flexible and adaptive planning approaches, stronger coordination mechanisms, enhanced monitoring and evaluation systems, greater focus on sustainability and self-reliance, and improved alignment between national and statelevel priorities. By incorporating both strategic vision and operational practicality, the new SDP is better positioned to address the complex challenges and opportunities facing FSM in the coming decades.

SUMMARY OF EVALUATION RECOMMENDATIONS

The Comprehensive Evaluation Report of the FSM Strategic Development Plan 2004-2023¹¹ included critical issues identified in the evaluation. The issues that have been identified were used to help shape the design and development of the SDP 2024-2043. Incorporating the following elements into the design of the SDP 2024-2043 is critical to addressing past deficiencies. Additionally, this will assist in designing a more effective and responsive framework for monitoring and evaluation. This approach will enhance the overall effectiveness of the SDP, ensuring it meets the diverse needs of FSM's states while fostering accountability and continuous improvement.

STRENGTHENING M&E FRAMEWORKS

- **RECOMMENDATION:** Develop a robust, standardized monitoring and evaluation framework that includes regular data collection, analysis, and reporting mechanisms across all thematic areas of the SDP.
- **CONSIDERATION:** Emphasize the importance of establishing a comprehensive M&E system to track progress effectively and inform decision-making. Highlight past shortcomings in data collection and the need for a structured approach to facilitate adaptive management.
✓ Development begins in SDP Phase 3

ADDRESSING COORDINATION CHALLENGES

- **RECOMMENDATION:** Design and implement an inter-governmental coordination mechanism to improve alignment between national and state-level development efforts.
- **CONSIDERATION:** Acknowledge past coordination issues and propose solutions that ensure better integration of M&E efforts across different levels of government.
✓ State Alignment Annex Document.

PERFORMANCE INDICATORS AND OUTCOMES

- **RECOMMENDATION:** Establish a system of key performance indicators (KPIs) that link SDP goals to measurable outcomes (aligned with SDGs).
- **CONSIDERATION:** Stress the importance of defining clear, measurable KPIs that can gauge the effectiveness of the SDP and the impact on the population.
✓ SMART indicators that can be used to define SDP implementation success and failure.

CAPACITY BUILDING

- **RECOMMENDATION:** Implement regular capacity-building workshops for state-level officials on SDP implementation, monitoring, and reporting.
- **CONSIDERATION:** Emphasize the need for training and resources to build local expertise in implementation as well as M&E practices, ensuring sustainability and effectiveness in monitoring progress.
✓ Build ownership of SDP process at national and state.

STAKEHOLDER ENGAGEMENT

- **RECOMMENDATION:** Develop and implement a stakeholder engagement strategy that ensures grassroots participation in planning, implementation, and monitoring of development initiatives.
- **CONSIDERATION:** Highlight the importance of involving local communities and stakeholders in the implementation and the monitoring process, gathering diverse perspectives, and enhancing the relevance of data collected.
✓ Build ownership of SDP process at community level in each State.

ADAPTIVE MANAGEMENT AND CONTINUOUS LEARNING

- **RECOMMENDATION:** Introduce a mandatory annual review process for the SDP to assess ongoing relevance and make necessary adjustments.
- **CONSIDERATION:** Emphasize the need for a flexible M&E framework that allows for periodic reviews and adaptations based on findings, ensuring the SDP remains relevant in changing contexts.
 - ✓ Ensure SDP is reflective of ongoing implementation and results.

ANNEX 3: M&E OVERVIEW

SDP 2024-2043

MONITORING AND EVALUATION (M&E) OVERVIEW SECTION

The Monitoring and Evaluation (M&E) framework is a vital component of the Federated States of Micronesia (FSM) Strategic Development Plan (SDP) 2024-2044. It is designed to ensure accountability, enhance transparency, and promote continuous learning throughout the SDP's implementation. By systematically tracking progress against established goals and objectives, the M&E framework provides essential insights that inform decision-making and optimize resource allocation.

FSM SDP GOALS AND OUTCOMES

The primary goals of the SDP are to enhance the quality of life for all citizens, promote sustainable economic development, and strengthen institutional capacities across the FSM. The M&E framework will specifically focus on assessing progress towards these goals while ensuring alignment with the regional Pacific 2050 Strategy and the global United Nations Sustainable Development Goals (SDGs). A system of Key Performance Indicators (KPIs) will be established to link SDP goals to measurable outcomes, ensuring that interventions translate into tangible benefits for FSM citizens.

M&E FRAMEWORK OVERVIEW

The comprehensive M&E framework includes a results framework outlining specific goals, outcomes, and outputs across the nine thematic areas of the SDP. This framework contains indicators at each results level — goal, outcome, and output — essential for effectively measuring progress. The national SDP will be implemented at the state level, with each state developing its own 5-year strategic development plan that aligns with national objectives. This structure ensures that state specific needs are addressed while contributing to overarching national priorities.



³ FSM National Tourism Policy 2015.

Each department will implement activities through an annual work planning process, during which they will request funds from the Finance and SDP Planning Unit (the new unit under the President's Office). This unit will manage all funds from the Compact and other donors, ensuring effective allocation of financial resources to support the SDP's thematic areas and goals.

REPORTING AND REVIEW PROCESS

The M&E system will incorporate a robust reporting process, beginning with strengthened quarterly reporting that provides ongoing insights into progress and challenges. This will culminate in an annual review, synthesizing findings from quarterly reports, allowing for timely adjustments to strategies and actions. The annual review serves as a critical checkpoint for assessing the effectiveness of interventions and ensuring alignment with SDP goals.

Building on the annual reviews, a comprehensive three-year review will be conducted. This review is essential for several reasons:

1. **Learning and Adaptation:** It allows for deeper analysis of trends and patterns, facilitating critical learning and adaptation. This process assesses the overall impact of the SDP, enabling necessary adjustments based on evidence and stakeholder feedback.
2. **Strategic Alignment:** As the context and needs of the FSM evolve, the three-year review ensures that the SDP remains relevant and responsive to emerging challenges and opportunities.
3. **Stakeholder Engagement:** The review process will involve extensive consultations with stakeholders, fostering ownership and collaboration. Engaging stakeholders enhances collective learning and commitment to the SDP. Stakeholder Engagement should also highlight cultural values noting the uniqueness of the four autonomous States.

MID-TERM AND FINAL EVALUATIONS

To ensure comprehensive assessments of the SDP's effectiveness, two key evaluation points will be established:

- **Mid-Term Evaluation (2033):** A thorough evaluation will assess progress against the SDP's goals and objectives halfway through the implementation period. This evaluation will analyze data collected during the ten years, identify successes and challenges, and recommend necessary adjustments. Stakeholder consultations will be integral to this process, ensuring diverse perspectives are considered.
- **Final Evaluation (2044):** At the conclusion of the SDP period, a final evaluation will assess the overall impact and effectiveness of the SDP. This evaluation will focus on long-term outcomes achieved, lessons learned, and recommendations for future strategic planning, serving as a critical tool for informing the next phase of FSM's development strategy.

DATA COLLECTION AND ANALYSIS

Data will be collected using a variety of methods, including surveys, administrative records, and stakeholder consultations. Regular data collection will occur on a quarterly and annual basis to ensure timely and relevant information is available for analysis. Key stakeholders, including government agencies, non-governmental organizations, and community representatives, will play integral roles in the M&E process, ensuring a collaborative approach to data collection and analysis.

To address past challenges, a digital platform will be established for real-time tracking and reporting of SDP progress. This platform will facilitate data accessibility and transparency, enabling stakeholders to engage actively in the M&E process.

REPORTING AND UTILIZATION OF FINDINGS

Findings from M&E activities will be compiled into accessible reports and disseminated to stakeholders at all levels. These reports will highlight progress, identify challenges, and suggest areas for improvement. Insights gained from M&E will guide policy adjustments, resource reallocation, and enhance the effectiveness of interventions.

CAPACITY BUILDING AND REVIEW PROCESS

To ensure the successful implementation of the M&E framework, capacity-building initiatives will be undertaken to equip stakeholders with the necessary skills and knowledge. This will include training workshops and ongoing support for data collection and analysis. The M&E framework will be regularly reviewed and updated to reflect changing circumstances and emerging priorities, ensuring its continued relevance and effectiveness in guiding the FSM towards its strategic development goals.

INTER-GOVERNMENTAL COORDINATION

A formal mechanism for inter-governmental coordination will be established to improve alignment and collaboration between national and state-level development efforts. This will address past coordination challenges and ensure a unified approach to M&E across all levels of government.

ANNEX 4: RELEVANT SDG INDICATORS

RELEVANT SDG INDICATORS UNDER EACH OF THE THEMATIC AREAS FOR THE NEW FSM STRATEGIC DEVELOPMENT PLAN 2024-2044

1. THEMATIC AREA: CULTURAL HERITAGE

1	SDG11	11.4.1 Total per capita expenditure on the preservation, protection and conservation of all cultural and natural heritage, by source of funding (public, private), type of heritage (cultural, natural) and level of government (national, regional, and local/municipal)
2	SDG12	12.b.1 Implementation of standard accounting tools to monitor the economic and environmental aspects of tourism sustainability

2. THEMATIC AREA: EDUCATION AND HUMAN CAPITAL

1	SDG4	4.1.1 Proportion of children and young people (a) in grades 2/3; (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by sex
2	SDG4	4.1.2 Completion rate (primary education, lower secondary education, upper secondary education)
3	SDG4	4.2.1 Proportion of children aged 24 – 59 months who are developmentally on track in health, learning and psychosocial well-being, by sex
4	SDG4	4.2.2 Participation rate in organized learning (one year before the official primary entry age), by sex
5	SDG4	4.3.1 Participation rate of youth and adults in formal and nonformal education and training in the previous 12 months, by sex
6	SDG4	4.4.1 Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill
7	SDG4	4.5.1 Parity indices (female/male, rural/urban, bottom/to wealth quintile and others such as disability status, indigenous peoples and conflict-affected, as data become available) for all education indicators on this list that can be disaggregated
8	SDG4	4.6.1 Proportion of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, by sex
9	SDG4	4.7.1 Extent to which (i) global citizenship education and (ii) education for sustainable development are mainstreamed in (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment
10	SDG4	4.a.1 Proportion of schools offering basic services, by type of service
11	SDG4	4.b.1 Volume of official development assistance flows for scholarships by sector and type of study

12	SDG4	4.c.1 Proportion of teachers with the minimum required qualifications, by education level
13	SDG8	8.6.1 Proportion of youth (aged 15 – 24 years) not in education, employment or training

3. THEMATIC AREA: HEALTH AND WELL-BEING

1	SDG2	2.1.1 Prevalence of undernourishment
2	SDG2	2.1.2 Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)
3	SDG2	2.2.1 Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age
4	SDG2	2.2.2 Prevalence of malnutrition (weight for height >+ 2 or <- 2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)
5	SDG2	2.2.3 Prevalence of anemia in women aged 15 to 49 years, by pregnancy status (percentage)
6	SDG3	3.1.1 Maternal mortality ratio
7	SDG3	3.1.2 Proportion of births attended by skilled health personnel
8	SDG3	3.2.1 Under-5 mortality rate
9	SDG3	3.2.2 Neonatal mortality rate
10	SDG3	3.3.1 Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations
11	SDG3	3.3.2 Tuberculosis incidence per 100,000 population
12	SDG3	3.3.3 Malaria incidence per 1,000 population
13	SDG3	3.3.4 Hepatitis B incidence per 100,000 population
14	SDG3	3.3.5 Number of people requiring interventions against neglected tropical diseases
15	SDG3	3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease
16	SDG3	3.4.2 Suicide mortality rate
17	SDG3	3.5.1 Coverage of treatment interventions (pharmacological, psychosocial and rehabilitation and aftercare services) for substance use disorders
18	SDG3	3.5.2 Alcohol per capita consumption (aged 15 years and older) within a calendar year in liters of pure alcohol
19	SDG3	3.6.1 Death rate due to road traffic injuries

20	SDG3	3.7.1 Proportion of women of reproductive age (aged 15 – 49 years) who have their need for family planning satisfied with modern methods
21	SDG3	3.7.2 Adolescent birth rate (aged 10 – 14 years; aged 15 – 19 years) per 1,000 women in that age group
22	SDG3	3.8.1 Coverage of essential health services
23	SDG3	3.8.2 Proportion of population with large household expenditures on health as a share of total household expenditure or income
24	SDG3	3.9.1 Mortality rate attributed to household and ambient air pollution
25	SDG3	3.9.2 Mortality rate attributed to unsafe water, unsafe sanitation and lack of hygiene (exposure to unsafe Water, Sanitation and Hygiene for All (WASH) services)
26	SDG3	3.9.3 Mortality rate attributed to unintentional poisoning
27	SDG3	3.a.1 Age-standardized prevalence of current tobacco use among persons aged 15 years and older
28	SDG3	3.b.1 Proportion of the target population covered by all vaccines included in their national program
29	SDG3	3.c.1 Health worker density and distribution
30	SDG3	3.d.1 International Health Regulations (IHR) capacity and health emergency preparedness

4. THEMATIC AREA: GENDER EQUALITY AND SOCIAL INCLUSION

1	SDG1	1.3.1 Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable
2	SDG1	1.4.1 Proportion of population living in households with access to basic services
3	SDG1	1.4.2 Proportion of total adult population with secure tenure rights to land, (a) with legally recognized documentation, and (b) who perceive their rights to land as secure, by sex and type of tenure
4	SDG5	5.1.1 Whether or not legal frameworks are in place to promote, enforce and monitor equality and non-discrimination on the basis of sex
5	SDG5	5.2.1 Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age
6	SDG5	5.2.2 Proportion of women and girls aged 15 years and older subjected to sexual violence by persons other than an intimate partner in the previous 12 months, by age and place of occurrence
7	SDG5	5.3.1 Proportion of women aged 20 – 24 years who were married or in a union before age 15 and before age 18

8	SDG5	5.3.2 Proportion of girls and women aged 15 – 49 years who have undergone female genital mutilation, by age
9	SDG5	5.4.1 Proportion of time spent on unpaid domestic and care work, by sex, age and location
10	SDG5	5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local governments
11	SDG5	5.5.2 Proportion of women in managerial positions
12	SDG5	5.6.1 Proportion of women aged 15 – 49 years who make their own informed decisions regarding sexual relations, contraceptive use and reproductive health care
13	SDG5	5.6.2 Number of countries with laws and regulations that guarantee full and equal access to women and men aged 15 years and older to sexual and reproductive health care, information and education
14	SDG5	5.a.1 (a) Proportion of total agricultural population with ownership or secure rights over agricultural land, by sex; and (b) share of women among owners or rights-bearers of agricultural land, by type of tenure
15	SDG5	5.a.2 Proportion of countries where the legal framework (including customary law) guarantees women's equal rights to land ownership and/or control
16	SDG5	5.b.1 Proportion of individuals who own a mobile telephone, by sex
17	SDG5	5.c.1 Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment
18	SDG10	10.2.1 Proportion of people living below 50 per cent of median income, by sex, age and persons with disabilities
19	SDG10	10.3.1 Proportion of population reporting having personally felt discriminated against or harassed in the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law
20	SDG10	10.4.1 Labor share of GDP
21	SDG10	10.4.2 Redistributive impact of fiscal policy
22	SDG10	10.7.1 Recruitment cost borne by employee as a proportion of monthly income earned in country of destination
23	SDG10	10.7.2 Proportion of countries with migration policies that facilitate orderly, safe, regular and responsible migration and mobility of people
24	SDG10	10.7.3 Number of people who died or disappeared in the process of migration towards an international destination
25	SDG10	10.7.4 Proportion of the population who are refugees, by country of origin
26	SDG16	16.1.3 Proportion of population subjected to (a) physical violence, (b) psychological violence and/or (c) sexual violence in the previous 12 months
27	SDG16	16.1.4 Proportion of population that feel safe walking alone around the area they live after dark

28	SDG10	16.2.1 Proportion of children aged 1 – 17years who experienced any physical punishment and/or psychological aggression by caregivers in the past month
29	SDG16	16.2.2 Number of victims of human trafficking per 100,000 population, by sex, age and form of exploitation
30	SDG16	16.2.3 Proportion of young women and men aged 18 – 29 years who experienced sexual violence by age 18
5. THEMATIC AREA: GOVERNANCE AND INSTITUTIONAL STRENGTHENING		
1	SDG16	16.3.1 Proportion of victims of (a) physical, (b) psychological and/or (c) sexual violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms
2	SDG16	16.3.2 Unsented detainees as a proportion of overall prison population
3	SDG16	16.3.3 Proportion of the population who have experienced a dispute in the past two years and who accessed a formal or informal dispute resolution mechanism, by type of mechanism
4	SDG16	16.5.1 Proportion of persons who had at least one contact with a public official and who paid a bribe to a public official, or were asked for a bribe by those public officials, during the previous 12 months
5	SDG16	16.5.2 Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months
6	SDG16	16.6.1 Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)
7	SDG16	16.6.2 Proportion of population satisfied with their last experience of public services
8	SDG16	16.7.1 Proportions of positions in national and local institutions, including (a) the legislatures; (b) the public service; and (c) the judiciary, compared to national distributions, by sex, age, persons with disabilities and population groups
9	SDG16	16.7.2 Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group
10	SDG16	16.8.1 Proportion of members and voting rights of developing countries in international organizations
11	SDG16	16.10.1 Number of verified cases of killing, kidnapping, enforced disappearance, arbitrary detention and torture of journalists, associated media personnel, trade unionists and human rights advocates in the previous 12 months
12	SDG16	16.10.2 Number of countries that adopt and implement constitutional, statutory and/or policy guarantees for public access to information
13	SDG16	16.a.1 Existence of independent national human rights institutions in compliance with the Paris Principles
14	SDG17	17.14.1 Number of countries with mechanisms in place to enhance policy coherence of sustainable development
15	SDG17	17.15.1 Extent of use of country-owned results frameworks and planning tools by providers of development cooperation

16	SDG17	17.16.1 Number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the sustainable development goals
17	SDG17	17.18.1 Statistical capacity indicators
18	SDG17	17.18.2 Number of countries that have national statistical legislation that complies with the Fundamental Principles of Official Statistics
19	SDG17	17.18.3 Number of countries with a national statistical plan that is fully funded and under implementation, by source of funding
20	SDG17	17.19.1 Dollar value of all resources made available to strengthen statistical capacity in developing countries
21	SDG17	17.19.2 Proportion of countries that (a) have conducted at least one population and housing census in the last 10 years; and (b) have achieved 100 per cent birth registration and 80 per cent death registration

6. THEMATIC AREA: PEACE AND SECURITY

1	SDG16	16.1.1 Number of victims of intentional homicide per 100,000 population, by sex and age
2	SDG16	16.1.2 Conflict-related deaths per 100,000 population, by sex, age and cause
3	SDG16	16.4.1 Total value of inward and outward illicit financial flows (in current United States dollars)
4	SDG16	16.4.2 Proportion of seized, found or surrendered arms whose illicit origin or context has been traced or established by a competent authority in line with international instruments
5	SDG16	16.9.1 Proportion of children under 5 years of age whose births have been registered with a civil authority, by age
6	SDG16	16.a.1 Existence of independent national human rights institutions in compliance with the Paris Principles

7. THEMATIC AREA: SUSTAINABLE ECONOMIC DEVELOPMENT

1	SDG1	1.1.1 Proportion of the population living below the international poverty line by sex, age, employment status and geographic location (urban/rural)
2	SDG1	1.2.1 Proportion of population living below the national poverty line, by sex and age
3	SDG1	1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
4	SDG2	2.3.1 Volume of production per labor unit by classes of farming/pastoral/forestry enterprise size
5	SDG2	2.3.2 Average income of small-scale food producers, by sex and indigenous status
6	SDG2	2.4.1 Proportion of agricultural area under productive and sustainable agriculture
7	SDG2	8.1.1 Annual growth rate of real GDP per capita

8	SDG8	8.2.1 Annual growth rate of real GDP per employed person
9	SDG8	8.3.1 Proportion of informal employment in total employment, by sector and sex
10	SDG8	8.5.1 Average hourly earnings of employees, by sex, age, occupation and persons with disabilities
11	SDG8	8.5.2 Unemployment rate, by sex, age and persons with disabilities
12	SDG8	8.9.1 Tourism direct GDP as a proportion of total GDP and in growth rate
13	SDG9	9.2.1 Manufacturing value added as a proportion of GDP and per capita
14	SDG9	9.2.2 Manufacturing employment as a proportion of total employment
15	SDG9	9.3.1 Proportion of small-scale industries in total industry value added
16	SDG9	9.3.2 Proportion of small-scale industries with a loan or line of credit
17	SDG10	10.1.1 Growth rates of household expenditure or income per capita among the bottom 40 per cent of the population and the total population
18	SDG12	12.b.1 Implementation of standard accounting tools to monitor the economic and environmental aspects of tourism sustainability
19	SDG14	14.7.1 Sustainable fisheries as a proportion of GDP in small island developing States, least developed countries and all countries
20	SDG17	17.1.1 Total government revenue as a proportion of GDP, by source
21	SDG17	17.1.2 Proportion of domestic budget funded by domestic taxes
22	SDG17	17.3.1 Additional financial resources mobilized for developing countries from multiple sources
23	SDG17	17.3.2 Volume of remittances (in United States dollars) as a proportion of total GDP
24	SDG17	17.11.1 Developing countries' and least developed countries' share of global exports

8. THEMATIC AREA: ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RESILIENCE

1	SDG6	6.3.1 Proportion of domestic and industrial wastewater flows safely treated
2	SDG6	6.3.2 Proportion of bodies of water with good ambient water quality
3	SDG6	6.4.1 Change in water-use efficiency over time
4	SDG6	6.4.2 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources
5	SDG6	6.5.1 Degree of integrated water resources management
6	SDG6	6.5.2 Proportion of transboundary basin area with an operational arrangement for water cooperation

7	SDG6	6.6.1 Change in the extent of water-related ecosystems over time
8	SDG7	7.2.1 Renewable energy share in the total final energy consumption
9	SDG7	7.3.1 Energy intensity measured in terms of primary energy and GDP
10	SDG11	11.6.1 Proportion of municipal solid waste collected and managed in controlled facilities out of total municipal waste generated, by cities
11	SDG11	11.6.2 Annual mean levels of fine particulate matter (e.g.PM2.5 and PM10) in cities (population weighted)
12	SDG12	12.2.1 Material footprint, material footprint per capita, and material footprint per GDP
13	SDG12	12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP
14	SDG13	13.1.1 Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population
15	SDG13	13.1.2 Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015–2030
16	SDG13	13.1.3 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies
17	SDG13	13.2.1 Number of countries with nationally determined contributions, long-term strategies, national adaptation plans and adaptation communications, as reported to the secretariat of the United Nations Framework Convention on Climate Change
18	SDG13	13.2.2 Total greenhouse gas emissions per year
19	SDG14	14.1.1 (a) Index of coastal eutrophication; and (b) plastic debris density
20	SDG14	14.2.1 Number of countries using ecosystem-based approaches to managing marine areas
21	SDG14	14.3.1 Average marine acidity (pH) measured at agreed suite of representative sampling stations
22	SDG14	14.4.1 Proportion of fish stocks within biologically sustainable levels
23	SDG14	14.5.1 Coverage of protected areas in relation to marine areas
24	SDG15	15.1.1 Forest area as a proportion of total land area
25	SDG15	15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type
26	SDG15	15.2.1 Progress towards sustainable forest management
27	SDG15	15.3.1 Proportion of land that is degraded over total land area
28	SDG15	15.4.1 Coverage by protected areas of important sites for mountain biodiversity
29	SDG15	15.4.2 (a) Mountain Green Cover Index and (b) proportion of degraded mountain land

30	SDG15	15.5.1 Red List Index
9. THEMATIC AREA: INFRASTRUCTURE DEVELOPMENT AND SUSTAINABILITY		
1	SDG6	6.1.1 Proportion of population using safely managed drinking water services
2	SDG6	6.2.1 Proportion of population using (a) safely managed sanitation services and (b) a hand-washing facility with soap and water
3	SDG7	7.1.1 Proportion of population with access to electricity
4	SDG7	7.1.2 Proportion of population with primary reliance on clean fuels and technology
5	SDG9	9.1.1 Proportion of the rural population who live within 2 km of an all-season road
6	SDG9	9.1.2 Passenger and freight volumes, by mode of transport
7	SDG9	9.4.1 CO2 emission per unit of value added
8	SDG9	9.5.1 Research and development expenditure as a proportion of GDP
9	SDG9	9.5.2 Researchers (in full-time equivalent) per million inhabitants
10	SDG9	9.a.1 Total official international support (official development assistance plus other official flows) to infrastructure
11	SDG9	9.b.1 Proportion of medium and high-tech industry value added in total value added
12	SDG9	9.c.1 Proportion of population covered by a mobile network, by technology
13	SDG11	11.1.1 Proportion of urban population living in slums, informal settlements or inadequate housing
14	SDG11	11.2.1 Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities
15	SDG11	11.3.1 Ratio of land consumption rate to population growth rate
16	SDG11	11.3.2 Proportion of cities with a direct participation structure of civil society in urban planning and management that operate regularly and democratically
17	SDG11	11.7.1 Average share of the built-up area of cities that is open space for public use for all, by sex, age and persons with disabilities

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ANNEX 6: FSM DEVELOPMENT ISSUES MATRIX

FSM Development Problems, Root Causes and Current Context by FSM SDP 2024-2043 Thematic Areas¹²

LEVEL OF GOVERNMENT	PROBLEM STATEMENTS
1 - CULTURAL HERITAGE	
NATIONAL/ OVERARCHING (FSM)	SYSTEMIC ISSUES • Erosion of traditional cultural heritage across all states • Declinin intergenerational knowledge transfer • Limited cultural industry development nationwide • Inadequate preservation infrastructure • Weakening traditional governance systems
	COMMON CHALLENGES • Language preservation challenges • Limited documentation of traditional practices • Insufficient cultural education integration • Underutilized cultural tourism potential • Gap between traditional and modern systems
POHNPEI	• Declining usage of Pohnpeian language among youth • Limited documentation of traditional practices and knowledge systems • Insufficient integration of cultural education in formal schooling • Underutilized cultural tourism potential, particularly around Nan Madol • Weakening of traditional title system knowledge • Challenges in preserving traditional farming and navigation practices
KOSRAE	• Rapid decline in traditional crafts and skills • Limited platforms for cultural expression • Insufficient oral history documentation • Weak cultural industry development • Historical site maintenance challenges • Declining traditional resource management practices

¹² Compiled from a combination of sources: 1. SDP Round one State Consultations i.e. SWOT analysis, Futures Triangle Exercise. 2. SDP Round two Consultation i.e. SDP Evaluation Report – Key informant interviews, Sector Stock Take group meetings, Outcomes Harvesting, Sector and Development Partners Surveys. 3.Round three State Consultation – Draft SDP Validation and MEL Consultation Discussions.

CHUUK

- Fragmented preservation efforts across islands
- Limited access to cultural education
- Underdeveloped cultural tourism potential
- Declining traditional navigation knowledge
- Challenges in preserving WWII sites
- Dispersed cultural preservation efforts

YAP

- Threats to traditional social structures
- Limited documentation of traditional knowledge
- Challenges in maintaining stone money traditions
- Underdeveloped cultural industry potential
- Pressure on traditional dance practices
- Declining traditional resource management systems

**LEVEL OF
GOVERNMENT****ROOT CAUSES****1 - CULTURAL HERITAGE****NATIONAL/
OVERARCHING
(FSM)****STRUCTURAL CAUSES**

- Modernization and westernization impacts
- Limited national funding for cultural preservation
- Lack of coordinated preservation strategy
- Geographic challenges of island nation

SOCIO-ECONOMIC FACTORS

- Youth migration and brain drain
- Economic pressure for modern sector development
- Changes in family and social structures
- Limited economic incentives for cultural practices

INSTITUTIONAL FACTORS

- Fragmented preservation efforts
- Limited technical expertise
- Insufficient policy framework
- Resource constraints

POHNPEI

- Increasing influence of English in education and business.
- Youth preference for modern entertainment and lifestyle.
- Limited resources for cultural documentation
- Insufficient cultural education infrastructure
- Lack of economic incentives for cultural preservation
- Urbanization and changing family structures
- Limited funding for site preservation
- Gap between traditional and modern governance systems

KOSRAE

- Strong Christian influence affecting traditional practices
- Small population base limiting knowledge transfer
- Geographic isolation
- Limited economic opportunities in cultural sector
- Insufficient technical expertise for preservation
- Limited resources for documentation
- Modern lifestyle preferences

CHUUK	• Geographic dispersion of islands • Limited inter-island transportation • Resource constraints for outer islands • Insufficient coordination mechanisms • Limited funding for preservation • Migration to main islands and abroad • Challenges in maintaining traditional knowledge systems
YAP	• Modern governance influences on traditional systems • Youth migration and changing aspirations • Limited economic incentives for traditional practices • Insufficient resources for documentation • Challenges in stone money transportation • Modern technology impact on traditional practices
LEVEL OF GOVERNMENT	CURRENT CONTEXT
1 - CULTURAL HERITAGE	
NATIONAL/ OVERARCHING (FSM)	INSTITUTIONAL FRAMEWORK • National Cultural Heritage policies • State-level cultural offices • Traditional leadership structures • Resources • UNESCO World Heritage recognition • International partnership opportunities • Digital preservation potential CURRENT INITIATIVES • Cultural education programs • Tourism development efforts • Documentation projects CHALLENGES & OPPORTUNITIES • Growing awareness of preservation needs • Potential for cultural tourism development • Digital documentation opportunities • Traditional knowledge systems still active
POHNPEI	• Active traditional chieftain system still in place • Nan Madol UNESCO World Heritage status • Some cultural education programs in schools • Existing cultural tourism infrastructure • Strong traditional farming practices still present • Active cultural offices and institutions • Growing awareness of preservation needs
KOSRAE	• Strong Christian community influence • Well-preserved historical sites • Some cultural tourism initiatives • Active church-based community networks • Growing interest in cultural revival • Some documentation efforts ongoing

CHUUK

- Rich maritime heritage
- Significant WWII historical sites
- Active traditional navigation practices in some areas
- Growing tourism interest in wreck diving
- Some cultural education initiatives
- Traditional leadership structures

YAP

- Strong traditional governance system
- Active stone money social exchange practices
- Well-preserved dance culture
- Traditional navigation knowledge
- Active cultural tourism sector
- Strong community-based resource management
- Existing cultural preservation programs

**LEVEL OF
GOVERNMENT****PROBLEM STATEMENTS****2 - EDUCATION AND HUMAN CAPITAL****NATIONAL/
OVERARCHING
(FSM)****EDUCATION AND HUMAN CAPITAL**

- Inadequate student achievement in foundational and life skills
- Insufficient teacher credentials and capacity
- Limited curriculum relevance and effectiveness
- Gaps in digital literacy and technical education

INFRASTRUCTURE & MANAGEMENT

- Inadequate education data management systems
- Limited technology infrastructure
- Insufficient monitoring and accountability systems

ACCESS & EQUITY

- Limited access to lifelong learning opportunities
- Gaps in special education services
- Uneven distribution of educational resources

POHNPEI

- Lower than desired student performance metrics
- Need for improved teacher qualifications
- Limited technical and vocational education
- Insufficient digital infrastructure in schools

KOSRAE

- Limited specialized education programs
- Teacher retention challenges
- Need for improved school facilities
- Limited vocational training options

CHUUK

- Dispersed school system challenges
- Infrastructure gaps between islands
- Teacher qualification disparities
- Limited access to technology

YAP

- Need for improved technical education
- Limited specialized teaching resources
- Digital divide between main island and outer islands
- Cultural integration challenges

LEVEL OF GOVERNMENT	ROOT CAUSES
2 - EDUCATION AND HUMAN CAPITAL	
NATIONAL/ OVERARCHING (FSM)	STRUCTURAL - Limited financial resources - Geographic challenges of island nation - Infrastructure constraints INSTITUTIONAL - Insufficient professional development systems - Limited capacity for curriculum development - Weak data collection and management systems SOCIO-ECONOMIC - Resource constraints for technology adoption - Limited community engagement mechanisms - Challenges in teacher retention
POHNPEI	- Limited professional development opportunities - Resource constraints for technology - Insufficient community engagement - Gaps in curriculum localization
KOSRAE	- Small population base - Geographic isolation - Limited resources for specialization - Infrastructure maintenance challenges
CHUUK	- Geographic dispersion of schools - Transportation challenges - Resource distribution difficulties - Limited professional development access
YAP	- Limited specialized staff - Resource constraints - Traditional-modern education balance - Geographic isolation
LEVEL OF GOVERNMENT	CURRENT CONTEXT
2 - EDUCATION AND HUMAN CAPITAL	
NATIONAL/ OVERARCHING (FSM)	STRENGTHS - Near-universal access to education - Existing education framework - Recognition of education as priority CURRENT INITIATIVES - Development of EMIS - School accreditation system development - Scholarship programs OPPORTUNITIES - Growing focus on cultural integration - Technology integration potential - International partnership possibilities

POHNPEI	• Largest student population • Better infrastructure access • More diverse educational programs • Active community organizations
KOSRAE	• Strong community involvement • Compact education sector grants • Some technology integration • Active parent-teacher associations
CHUUK	• Ongoing infrastructure improvements • School consolidation efforts • Community education initiatives • Multiple island school systems
YAP	• Strong traditional education systems • Some technical education programs • Active cultural integration efforts • Community support systems
LEVEL OF GOVERNMENT	PROBLEM STATEMENTS
3 – HEALTH AND WELL-BEING	
NATIONAL/ OVERARCHING (FSM)	HEALTHCARE SYSTEM ISSUES • Gaps in universal health coverage • Limited healthcare workforce capacity • Inadequate health infrastructure • Financial sustainability challenges HEALTH OUTCOMES • High rates of NCDs • Maternal and child health concerns • Mental health service gaps MANAGEMENT ISSUES • Limited health information systems • Weak coordination between national and state levels • Insufficient surveillance systems
POHNPEI	• High NCD prevalence • Limited specialized care services • Healthcare workforce gaps • Mental health service needs
KOSRAE	• Limited specialized services • Healthcare workforce retention • Infrastructure maintenance needs • Remote population access issues
CHUUK	• Dispersed healthcare delivery challenges • Infrastructure gaps between islands • Limited specialized care • Healthcare workforce distribution

YAP	• Limited specialized healthcare • Workforce retention challenges • Outer island service delivery • Traditional medicine integration
LEVEL OF GOVERNMENT	ROOT CAUSES
3 – HEALTH AND WELL-BEING	
NATIONAL/ OVERARCHING (FSM)	STRUCTURAL • Geographic isolation • Limited financial resources • Infrastructure constraints • Health workforce retention challenges INSTITUTIONAL • Limited specialized training capacity • Weak regulatory frameworks • Insufficient data management systems SOCIO-ECONOMIC • Lifestyle-related health issues • Limited health literacy • Financial barriers to healthcare access
POHNPEI	• Limited professional training opportunities • Resource constraints • Lifestyle factors • Healthcare access disparities
KOSRAE	• Small population base • Geographic isolation • Limited resources • Professional development gaps
CHUUK	• Geographic dispersion • Transportation challenges • Resource distribution issues • Limited specialized staff
YAP	• Geographic isolation • Limited specialized resources • Traditional-modern healthcare balance • Workforce development needs

LEVEL OF GOVERNMENT	CURRENT CONTEXT
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3 – HEALTH AND WELL-BEING	
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NATIONAL/ OVERARCHING (FSM)	STRENGTHS
-----------------------------------	------------------

- | | |
|-----------------------------------|---|
| NATIONAL/
OVERARCHING
(FSM) | STRENGTHS |
| | <ul style="list-style-type: none"> Existing health framework Health Communique in place Strong development partner support |

NATIONAL/ OVERARCHING (FSM)	CURRENT INITIATIVES
-----------------------------------	----------------------------

- | | |
|-----------------------------------|---|
| NATIONAL/
OVERARCHING
(FSM) | CURRENT INITIATIVES |
| | <ul style="list-style-type: none"> Universal health coverage efforts NCD Strategic Plan Health workforce development |

NATIONAL/ OVERARCHING (FSM)	OPPORTUNITIES
-----------------------------------	----------------------

- | | |
|-----------------------------------|--|
| NATIONAL/
OVERARCHING
(FSM) | OPPORTUNITIES |
| | <ul style="list-style-type: none"> Digital health expansion Public-private partnerships International cooperation |

POHNPEI	STRENGTHS
---------	------------------

- | | |
|---------|---|
| POHNPEI | STRENGTHS |
| | <ul style="list-style-type: none"> Main referral hospital Better specialist access Active health programs Stronger infrastructure |

KOSRAE	STRENGTHS
--------	------------------

- | | |
|--------|---|
| KOSRAE | STRENGTHS |
| | <ul style="list-style-type: none"> Community health programs Basic healthcare infrastructure Active preventive care Strong community engagement |

CHUUK	STRENGTHS
-------	------------------

- | | |
|-------|--|
| CHUUK | STRENGTHS |
| | <ul style="list-style-type: none"> Ongoing facility improvements Mobile health initiatives Community health worker programs Multiple island facilities |

YAP	STRENGTHS
-----	------------------

- | | |
|-----|---|
| YAP | STRENGTHS |
| | <ul style="list-style-type: none"> Traditional medicine integration Basic healthcare infrastructure Community health programs Strong cultural practices |

LEVEL OF GOVERNMENT	PROBLEM STATEMENTS
4 – GENDER EQUALITY AND SOCIAL INCLUSION	
NATIONAL/ OVERARCHING (FSM)	POLICY & FRAMEWORK ISSUES • Limited gender mainstreaming in policies • Gaps in social protection systems • Weak monitoring mechanisms • Insufficient data collection systems SOCIAL ISSUES • Gender-based violence • Child protection concerns • Limited disability inclusion • Youth engagement challenges ACCESS & PARTICIPATION • Unequal access to services • Limited participation in decision-making • Geographic disparities • Economic inclusion gaps
POHNPEI	• GBV prevalence • Youth unemployment • Limited disability services • Social protection gaps
KOSRAE	• Limited specialized services • Youth outmigration • Elder care needs • Gender inequality issues
CHUUK	• Dispersed service delivery • GBV challenges • Youth engagement gaps • Disability access issues
YAP	• Traditional-modern balance • Youth opportunities • Elder care challenges • Gender role transitions

LEVEL OF GOVERNMENT	ROOT CAUSES
4 – GENDER EQUALITY AND SOCIAL INCLUSION	
NATIONAL/ OVERARCHING (FSM)	STRUCTURAL
	• Traditional social norms • Limited institutional capacity • Resource constraints • Geographic challenges
	INSTITUTIONAL
	• Weak policy implementation • Limited coordination mechanisms • Insufficient data systems • Resource allocation gaps
	SOCIO-ECONOMIC
	• Cultural practices vs modern rights • Gender stereotypes • Limited awareness • Social stigma
POHNPEI	• Urban-rural disparities • Traditional gender roles • Limited resources • Service access issues
KOSRAE	• Small population base • Limited opportunities • Resource constraints • Cultural transitions
CHUUK	• Geographic dispersion • Traditional practices • Resource distribution • Access limitations
YAP	• Strong traditional systems • Limited resources • Geographic isolation • Cultural preservation needs

LEVEL OF GOVERNMENT	CURRENT CONTEXT
4 – GENDER EQUALITY AND SOCIAL INCLUSION	
NATIONAL/ OVERARCHING (FSM)	STRENGTHS - Strong cultural values - Existing policy frameworks - NGO/CSO involvement - Community support systems CURRENT INITIATIVES - Gender mainstreaming efforts - Youth development programs - Disability inclusion policies - Social protection planning OPPORTUNITIES - International partnerships - Cross-sectoral integration - Cultural preservation - Youth engagement
POHNPEI	- Better service access - Active NGO presence - Youth programs - Social support networks
KOSRAE	- Strong community ties - Cultural preservation - Youth initiatives - Family support systems
CHUUK	- Traditional support systems - Community programs - Cultural strength - Youth activities
YAP	- Strong cultural identity - Traditional systems - Community support - Youth engagement

**LEVEL OF
GOVERNMENT**
PROBLEM STATEMENTS
5 – GOVERNANCE AND INSTITUTIONAL STRENGTHENING
**NATIONAL/
OVERARCHING
(FSM)**
SERVICE DELIVERY ISSUES

- Uneven access to public services
- Quality of service gaps
- Limited-service scope
- Infrastructure constraints

MANAGEMENT ISSUES

- Public workforce efficiency gaps
- Systems integration challenges
- Limited technological adoption
- PFM system weaknesses

OVERSIGHT ISSUES

- Transparency challenges
- Accountability mechanisms
- ODA monitoring gaps
- Anti-corruption enforcement

POHNPEI

- Service delivery gaps
- Workforce efficiency
- System modernization needs
- Resource management

KOSRAE

- Limited-service coverage
- Workforce retention
- Technology adoption
- Resource constraints

CHUUK

- Dispersed service delivery
- System integration
- Resource distribution
- Monitoring challenges

YAP

- Service accessibility
- Technology integration
- Resource management
- Workforce development

LEVEL OF GOVERNMENT	ROOT CAUSES
5 – GOVERNANCE AND INSTITUTIONAL STRENGTHENING	
NATIONAL/ OVERARCHING (FSM)	STRUCTURAL Geographic challenges Resource limitations Infrastructure gaps Technology constraints INSTITUTIONAL Limited capacity System fragmentation Workforce development needs Coordination challenges OPERATIONAL Limited automation Data management issues Process inefficiencies Resource allocation gaps
POHNPEI	Infrastructure limitations Capacity constraints System integration issues Resource allocation
KOSRAE	Small scale operations Limited resources Geographic isolation Capacity gaps
CHUUK	Geographic dispersion Infrastructure gaps Coordination issues Resource constraints
YAP	Geographic isolation Limited resources System constraints Capacity needs

LEVEL OF GOVERNMENT	CURRENT CONTEXT
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5 – GOVERNANCE AND INSTITUTIONAL STRENGTHENING

NATIONAL/ OVERARCHING (FSM)	STRENGTHS • Existing PFM framework • ODA support • Reform initiatives • Institutional structures CURRENT INITIATIVES • E-government development • FMIS improvements • Workforce development • Anti-corruption measures OPPORTUNITIES • Technology adoption • System integration • Donor diversification • Private sector engagement
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POHNPEI	• Better infrastructure • Stronger institutions • Active reforms • Service improvements
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KOSRAE	• Community engagement • Reform initiatives • Service coordination • System updates
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CHUUK	• Service improvements • System updates • Reform programs • Capacity building
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YAP	• Service coordination • Reform implementation • System modernization • Capacity development
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LEVEL OF GOVERNMENT	PROBLEM STATEMENTS
6 – PEACE AND SECURITY	
NATIONAL/ OVERARCHING (FSM)	SECURITY CHALLENGES • Maritime security threats • Cybersecurity vulnerabilities • Environmental security risks • Transnational crime INSTITUTIONAL ISSUES • Limited enforcement capacity • Resource constraints • Coordination gaps • Technology limitations ENVIRONMENTAL THREATS • Climate change impacts • Sea-level rise • Resource depletion • Environmental degradation
POHNPEI	• Maritime security • Law enforcement capacity • Environmental threats • Cybersecurity risks
KOSRAE	• Border control • Environmental security • Resource protection • Law enforcement needs
CHUUK	• Maritime surveillance • Resource protection • Environmental risks • Security coordination
YAP	• Border security • Resource protection • Environmental threats • Enforcement capacity

LEVEL OF GOVERNMENT	ROOT CAUSES
6 – PEACE AND SECURITY	
NATIONAL/ OVERARCHING (FSM)	GEOGRAPHIC • Vast maritime territory • Dispersed islands • Limited resources • Climate vulnerability INSTITUTIONAL • Capacity limitations • Resource constraints • Coordination challenges • Technology gaps EXTERNAL • Regional security dynamics • International crime • Climate change • Resource competition
POHNPEI	• Resource limitations • Enforcement gaps • Climate impacts • Technology needs
KOSRAE	• Limited resources • Geographic isolation • Climate vulnerability • Capacity constraints
CHUUK	• Geographic dispersion • Resource limitations • Enforcement challenges • Climate impacts
YAP	• Geographic isolation • Resource constraints • Climate vulnerability • Capacity needs

LEVEL OF GOVERNMENT	CURRENT CONTEXT
6 – PEACE AND SECURITY	
NATIONAL/ OVERARCHING (FSM)	STRENGTHS - Regional partnerships - International support - Legal frameworks - Maritime jurisdiction CURRENT INITIATIVES - Border security enhancement - Cybersecurity programs - Environmental protection - Law enforcement training OPPORTUNITIES - Regional cooperation - Technology adoption - International support - Resource protection
POHNPEI	- Port security measures - Environmental programs - Regional cooperation - Capacity building
KOSRAE	- Environmental initiatives - Security cooperation - Resource management - Training programs
CHUUK	- Maritime patrols - Environmental protection - Regional cooperation - Capacity development
YAP	- Security measures - Environmental programs - Regional collaboration - Training initiatives

LEVEL OF GOVERNMENT	PROBLEM STATEMENTS
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7 – SUSTAINABLE ECONOMIC DEVELOPMENT	
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NATIONAL/ OVERARCHING (FSM)	ECONOMIC STRUCTURE
	• Limited private sector growth • Narrow economic base • Trade imbalances • Infrastructure gaps
	SECTOR CHALLENGES
	• Underdeveloped tourism • Limited agricultural commercialization • Marine resource management • Workforce gaps
	SYSTEM ISSUES
	• Data management limitations • Market access constraints • Limited value addition • Resource sustainability

POHNPEI	• Private sector growth • Tourism infrastructure • Resource management • Workforce development
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KOSRAE	• Economic diversification • Tourism development • Resource utilization • Market access
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CHUUK	• Economic infrastructure • Tourism capacity • Resource management • Market development
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YAP	• Economic diversification • Tourism infrastructure • Resource utilization • Market integration
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LEVEL OF GOVERNMENT	ROOT CAUSES
7 – SUSTAINABLE ECONOMIC DEVELOPMENT	
NATIONAL/ OVERARCHING (FSM)	STRUCTURAL - Geographic isolation - Limited market size - Infrastructure constraints - Resource limitations INSTITUTIONAL - Capacity constraints - Policy implementation gaps - Limited investment - Coordination challenges MARKET-RELATED - Limited diversification - Skills mismatches - Technology gaps - Access to finance
POHNPEI	- Market limitations - Infrastructure gaps - Capacity constraints - Investment needs
KOSRAE	- Scale limitations - Access constraints - Resource management - Capacity needs
CHUUK	- Infrastructure gaps - Capacity constraints - Access limitations - Investment needs
YAP	- Access limitations - Capacity constraints - Infrastructure needs - Investment gaps

LEVEL OF GOVERNMENT	CURRENT CONTEXT
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7 – SUSTAINABLE ECONOMIC DEVELOPMENT	
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NATIONAL/ OVERARCHING (FSM)	STRENGTHS
	• Rich marine resources • Tourism potential • Agricultural base • Regional trade access
	CURRENT INITIATIVES
	• Trade policy implementation • Tourism development • Resource management • Workforce programs
	OPPORTUNITIES
	• Blue economy • Digital transformation • Regional integration • Sustainable tourism

POHNPEI	• Tourism initiatives • Marine resources • Trade development • Agricultural programs
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KOSRAE	• Tourism potential • Agricultural development • Marine resources • Trade opportunities
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CHUUK	• Tourism development • Marine resources • Agricultural potential • Trade initiatives
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YAP	• Tourism opportunities • Marine resources • Agricultural development • Trade potential
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LEVEL OF GOVERNMENT	PROBLEM STATEMENTS
8 – ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RESILIENCE	
NATIONAL/ OVERARCHING (FSM)	CLIMATE CHALLENGES • Sea level rise • Natural disasters • Ecosystem threats • Carbon emissions ENVIRONMENTAL ISSUES • Biodiversity loss • Resource depletion • Waste management • Water quality INFRASTRUCTURE GAPS • Energy dependency • WASH facilities • Early warning systems • Monitoring capacity
POHNPEI	• Coastal erosion • Resource management • Waste systems • Energy security
KOSRAE	• Sea level rise • Environmental quality • Resource protection • Energy access
CHUUK	• Climate impacts • Resource management • Environmental quality • Energy systems
YAP	• Climate resilience • Resource protection • Waste management • Energy security

LEVEL OF GOVERNMENT	ROOT CAUSES
8 – ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RESILIENCE	
POHNPEI	• Climate vulnerability • Infrastructure gaps • Resource pressure • Capacity needs
KOSRAE	• Geographic exposure • Infrastructure needs • Resource limitations • Capacity constraints
CHUUK	• Island vulnerability • Infrastructure gaps • Resource pressure • Implementation needs
YAP	• Climate exposure • Infrastructure needs • Resource constraints • Capacity gaps

LEVEL OF GOVERNMENT	CURRENT CONTEXT
8 – ENVIRONMENTAL SUSTAINABILITY AND CLIMATE RESILIENCE	
NATIONAL/ OVERARCHING (FSM)	STRENGTHS • Policy framework • International support • Conservation areas • Renewable potential CURRENT INITIATIVES • Climate Change Act • NBSAP implementation • Disaster management • Renewable energy OPPORTUNITIES • Climate financing • Regional cooperation • Technology adoption • Conservation programs
POHNPEI	• Conservation areas • Renewable projects • Waste management • WASH programs
KOSRAE	• Adaptation programs • Conservation efforts • Energy initiatives • Water management
CHUUK	• Resilience projects • Conservation areas • Energy programs • Water systems
YAP	• Adaptation measures • Conservation zones • Energy development • Environmental programs

LEVEL OF GOVERNMENT	PROBLEM STATEMENTS
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8 – INFRASTRUCTURE DEVELOPMENT AND SUSTAINABILITY	
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NATIONAL/ OVERARCHING (FSM)	INFRASTRUCTURE GAPS
	• Aging facilities • Limited connectivity • Service interruptions • Digital divide
	SERVICE CHALLENGES
	• Access inequity • Maintenance backlog • Capacity constraints • Resource limitations
	SYSTEM ISSUES
	• Digital infrastructure • Climate vulnerability • Utility management • Service delivery

POHNPEI	• Infrastructure quality • Service access • Digital connectivity • Maintenance needs
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KOSRAE	• Service delivery • Infrastructure resilience • Digital access • Maintenance systems
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CHUUK	• Infrastructure coverage • Service reliability • Digital infrastructure • Maintenance capacity
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YAP	• Service access • Infrastructure quality • Digital connectivity • Maintenance systems
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LEVEL OF GOVERNMENT	ROOT CAUSES
8 – INFRASTRUCTURE DEVELOPMENT AND SUSTAINABILITY	
NATIONAL/ OVERARCHING (FSM)	STRUCTURAL • Geographic dispersion • Limited resources • Climate exposure • Scale constraints INSTITUTIONAL • Capacity gaps • Funding limitations • Management challenges • Technical constraints SOCIO-ECONOMIC • Maintenance costs • Resource constraints • Implementation gaps • Service coordination
POHNPEI	• Resource constraints • Technical capacity • Climate impacts • Funding gaps
KOSRAE	• Geographic isolation • Resource limitations • Technical gaps • Climate vulnerability
CHUUK	• Resource constraints • Technical needs • Geographic challenges • Implementation gaps
YAP	• Resource limitations • Technical capacity • Geographic isolation • Climate impacts

**LEVEL OF
GOVERNMENT**
CURRENT CONTEXT
8 – INFRASTRUCTURE DEVELOPMENT AND SUSTAINABILITY
**NATIONAL/
OVERARCHING
(FSM)**
STRENGTHS

- IDP framework
- Development plans
- International support
- Regional cooperation

CURRENT INITIATIVES

- Infrastructure upgrades
- Digital transformation
- Climate resilience
- Service expansion

OPPORTUNITIES

- Digital economy
- Renewable energy
- Service integration
- Economic growth

POHNPEI

- Facility upgrades
- Digital projects
- Service improvements
- Infrastructure planning

KOSRAE

- Infrastructure development
- Service expansion
- Digital initiatives
- Resilience projects

CHUUK

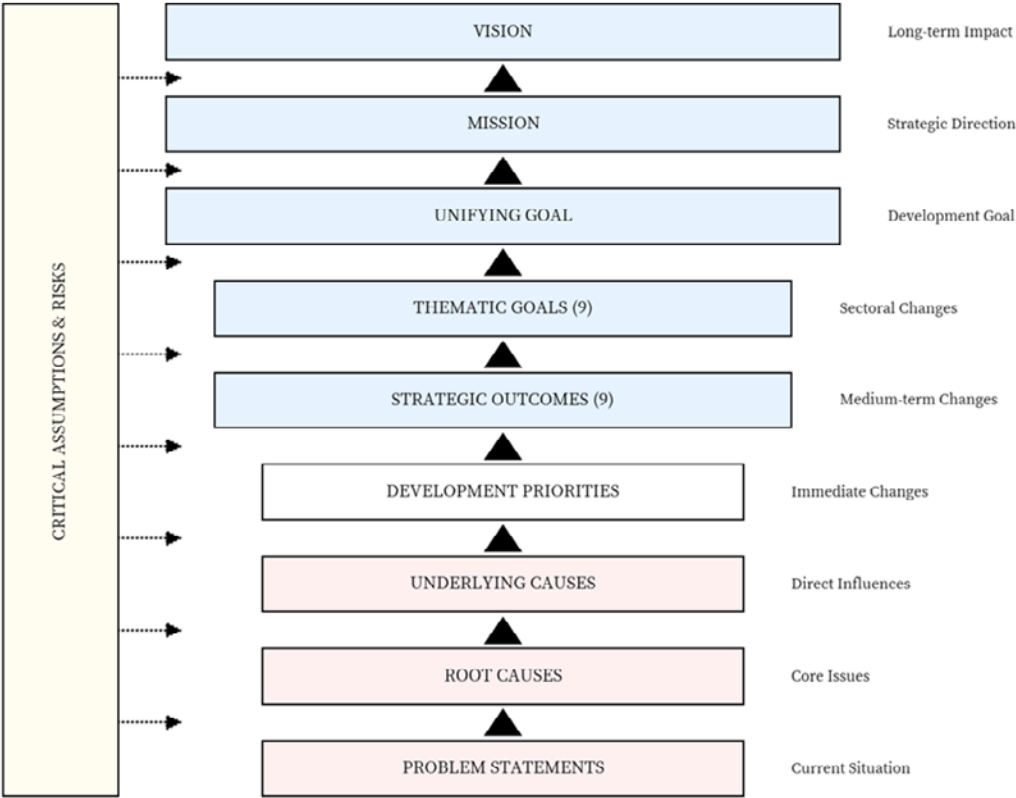
- Service improvements
- Digital expansion
- Infrastructure upgrades
- Capacity building

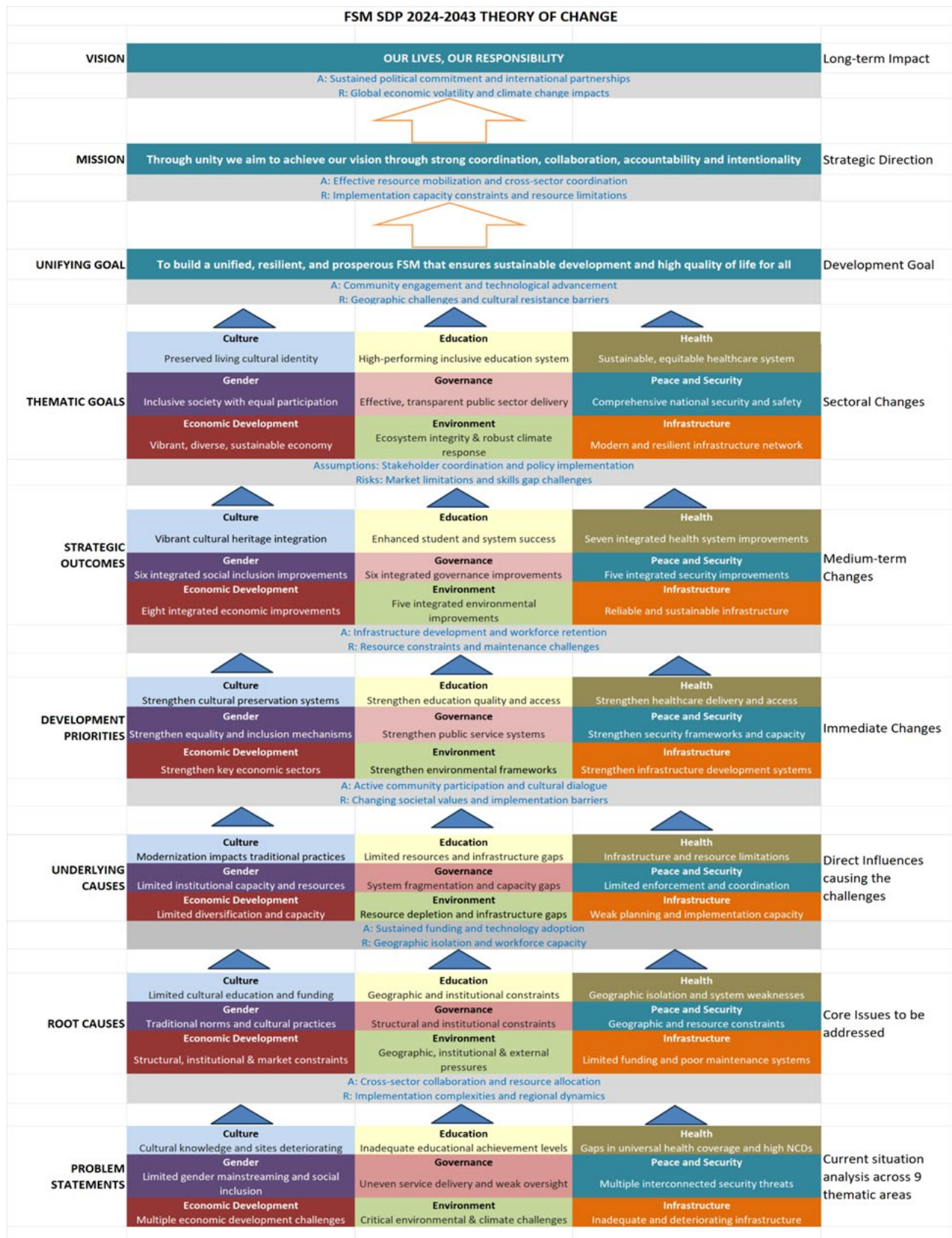
YAP

- Infrastructure development
- Service enhancement
- Digital projects
- Resilience initiatives

ANNEX 7: THEORY OF CHANGE SUMMARY

FSM SDP 2024-2043 Theory of Change Framework





The FSM Development Story: 2024-2043

INITIAL CONTEXT: STATE OF THE NATION AT THE END OF PREVIOUS SDP

As the previous Strategic Development Plan drew to a close in 2023, the Federated States of Micronesia found itself confronting multiple interconnected challenges across nine critical areas. Cultural knowledge and heritage sites were deteriorating, while gender mainstreaming and social inclusion remained limited. The nation grappled with multiple economic development challenges, inadequate educational achievement levels, and uneven service delivery with weak oversight in governance. Critical environmental and climate challenges loomed large, alongside gaps in universal health coverage and high rates of non-communicable diseases. Multiple interconnected security threats and inadequate, deteriorating infrastructure further complicated the development landscape.

ROOT CAUSES: UNDERSTANDING THE DEEP-SEATED CHALLENGES

These challenges stemmed from deep-rooted causes. Limited cultural education and funding threatened cultural preservation, while traditional norms and cultural practices impeded gender equality. Structural, institutional, and market constraints hampered economic development. Geographic and institutional constraints affected education, while structural and institutional constraints impacted governance. The environment faced pressures from geographic, institutional, and external forces. Health systems struggled with geographic isolation and systemic weaknesses, while security faced resource constraints. Infrastructure development was hindered by limited funding and poor maintenance systems.

UNDERLYING FACTORS: THE COMPLEX WEB OF CAUSATION

These root causes were further exacerbated by underlying factors. Modernization impacted traditional practices, while limited institutional capacity and resources affected gender initiatives. Economic diversification and capacity remained limited, education faced resource and infrastructure gaps, and governance struggled with system fragmentation. Environmental resources faced depletion, health systems confronted infrastructure limitations, security dealt with limited enforcement, and infrastructure development was hampered by weak planning capacity.

STRATEGIC RESPONSE: DEVELOPMENT PRIORITIES

To address these challenges, FSM established clear development priorities. These included strengthening cultural preservation systems, equality and inclusion mechanisms, key economic sectors, education quality and access, public service systems, environmental frameworks, healthcare delivery, security frameworks, and infrastructure development systems.

TARGETED OUTCOMES: BUILDING BLOCKS OF PROGRESS

These priorities were designed to achieve specific strategic outcomes: vibrant cultural heritage integration, six integrated social inclusion improvements, eight integrated economic improvements, enhanced student and system success, six integrated governance improvements, five integrated environmental improvements, seven integrated health system improvements, five integrated security improvements, and reliable and sustainable infrastructure.

THEMATIC GOALS: SECTOR-SPECIFIC ASPIRATIONS

Each thematic area established clear goals: preserving living cultural identity, creating an inclusive society with equal participation, developing a vibrant and diverse economy, establishing a high-performing inclusive education system, ensuring effective public sector delivery, maintaining ecosystem integrity with robust climate response, creating a sustainable healthcare system, ensuring comprehensive national security, and developing a modern infrastructure network.

UNIFIED DIRECTION: CONVERGENCE OF GOALS

These thematic goals collectively support the unifying goal: building a unified, resilient, and prosperous FSM that ensures sustainable development and high quality of life for all. This ambitious agenda is driven by a mission focused on unity, strong coordination, collaboration, accountability, and intentionality, ultimately working toward the vision of “OUR LIVES, OUR RESPONSIBILITY”.

CRITICAL SUCCESS FACTORS AND RISK MANAGEMENT

The success of this transformation depends on several critical factors. Cross-sector collaboration and resource allocation must overcome implementation complexities and regional dynamics. Sustained funding and technology adoption need to address geographic isolation and workforce capacity challenges. Active community participation and cultural dialogue are essential to navigate changing societal values and implementation barriers. Infrastructure development and workforce retention must be balanced against resource constraints and maintenance challenges.

IMPLEMENTATION FRAMEWORK AND FUTURE CONSIDERATIONS

Furthermore, stakeholder coordination and policy implementation need to address market limitations and skills gap challenges. Community engagement and technological advancement must overcome geographic challenges and cultural resistance barriers. Effective resource mobilization and cross-sector coordination are crucial to address implementation capacity constraints and resource limitations. Finally, sustained political commitment and international partnerships are vital to navigate global economic volatility and climate change impacts.

CONCLUSION: PATH TO 2043

This comprehensive development framework represents FSM's commitment to transformative change, acknowledging both the challenges and opportunities that lie ahead in the journey toward 2043. Through careful attention to risks and assumptions at each level, and by maintaining focus on the unified vision, FSM aims to create a sustainable and prosperous future for all its citizens.

ANNEX 8: EXAMPLE ALIGNMENT MATRIX (SAMPLE ONLY)

SDP 2024-2043	
Thematic Area: Education and Human Capital Goal <i>The FSM aspires to an education system that is high performing, inclusive, and culturally grounded.</i>	
Strategic Outcome: Education Information Management System (EIMS): An FSM education management information system providing high quality data collection promoting increased accountability for the FSM education system.	
Development Priorities 5. Education system infrastructure and technology access expanded. 6. Data collection, monitoring and accountability systems enhanced. 7. A standardized FSM School Accreditation system providing accreditation and monitoring of school performance. 8. Capacity development programs providing training in areas identified from the School Accreditation results.	
STATE LEVEL SDP ALIGNMENT	
Aligned Areas	Aligned Outputs
EDUCATION G3: Improve the effectiveness of education support services and programs. Strategic Area: <i>Support Services</i>	Output 9: Extend appropriate school technology resources to schools Output 10: Provide for the timely collection and storage of educational data Output 11: Proper accounting and management of all school funds and resources Output 12: Ensure Educational activities are matched with adequate resources. Output 13: Ensure schools are properly managed and are provided with adequate resources to carry-out activities
EDUCATION G3: Improve the effectiveness of education support services and programs. Strategic Area: <i>Support Services</i>	Output 4: Plan, Manage and maintain school facilities effectively Output 5: Continued monitor of the outer island schools Output 6: Provide adequate nutritional meals to students Output 7: Provide adequate, safe, and reliable school transportation system Output 8: Provide boarding (housing) to outer island students

SDP 2024-2043	
Thematic Area: Education and Human Capital Goal <i>The FSM aspires to an education system that is high performing, inclusive, and culturally grounded.</i>	
Strategic Outcome: Student Success: Maximize student achievement, foundational, career, technical, digital literacy and life skills through improvements to the quality of the FSM education system.	
Development Priorities	
5. Culturally relevant and inclusive curriculum in place resulting in enhancing the cultural awareness of all FSM students. 6. Improved teacher and school leadership capacity, retention, and well-being. 7. The latest teaching methods and technologies are available and accessible for FSM teachers and education leaders 8. Student performance maximized.	
STATE LEVEL SDP ALIGNMENT	
Aligned Areas	Aligned Outputs
EDUCATION G1: Improve the quality of instructional services for early childhood, elementary, and secondary education. Strategic Area: <i>Instructional Delivery</i>	Output 1: Increase the number of Certified Teachers Output 2: Increase Student performance on the NMCT Output 3: Enhance services to individuals with disabilities Output 4: Improve in service training for Teachers and Staff Output 5: Continuous upgrade of school-wide curriculum Output 6: Implement FSM School Accreditation system Output 7: Increase completion of the GED program Output 8: Increase student awareness of environmental issues
EDUCATION G2: Provide increased opportunities for the successful completion of postsecondary education. Strategic Area: <i>Successful completion of postsecondary education.</i>	Output 2: Increase the academic success of post-secondary students
EDUCATION G5: Ensure students are performing at their academic levels and are achieving their best. Strategic Area: <i>Student Achievement</i>	Output 1: 180 instructional days are dedicated to academic and relevant instructions. Output 2: Provide timely summative and formative assessments of students. Output 3: Increase student attendance. Output 4: Create Individual Educational Plans (IEP) for each student. Output 5: Provide effective after-school programs. Output 6: Provide for hand-on practical training for vocational students. Output 7: Increase the number of students taking college-level courses by 5% each year

SDP 2024-2043	
Thematic Area: Education and Human Capital Goal <i>The FSM aspires to an education system that is high performing, inclusive, and culturally grounded.</i>	
Strategic Outcome: Community Engagement: Access to local education systems for community and parental engagement is actively pursued and promoted including expanding the use of technology and e-communications.	
Development Priorities 1. Inclusive community and parental engagement in education 2. Community and parental engagement coordinated and expanded through access to teachers and school through digital platforms and comprehensive learning management systems.	
STATE LEVEL SDP ALIGNMENT	
Aligned Areas	Aligned Outputs
EDUCATION G4: Establish a strong collaboration with the community. Strategic Area: <i>Community Engagement</i>	Output 1: Strengthen Parent-teacher Association Output 2: Manage Strong School Improvement Team (SIT) Output 3: Establish effective collaborations with Community Organizations Output 4: High Schools to create community service as a requirement for graduation. Output 5: Schools (students) to participate in Community events to showcase skills learned and to be informed on cultural practices and knowledge.

SDP 2024-2043	
Thematic Area: Education and Human Capital Goal <i>The FSM aspires to an education system that is high performing, inclusive, and culturally grounded</i>	
Strategic Outcome: Qualities of Education Programs & Services: Education programs and services including development pf human capital respond to the growing economic and technological demands of society.	
Development Priorities 1. Strengthen formal and non-formal education programs, including but not limited to lifelong learning opportunities for adult education, vocational training and special education. 2. Scholarship and financial assistance opportunities expanded ensuring equitable access to funding sources.	
STATE LEVEL SDP ALIGNMENT	
Aligned Areas	Aligned Outputs
EDUCATION G3: Improve the effectiveness of education support services and programs. Strategic Area: <i>Support Services</i>	Output 1: Provide comprehensive vocational skills training programs Output 2: Provide cultural-skills certification program Output 3: Provide social skills training for professional employment
EDUCATION G2: Provide increased opportunities for the successful completion of postsecondary education. Strategic Area: <i>Successful completion of postsecondary education.</i>	Output 1: Ensure high-schoolers are provided with adequate scholarship

ANNEX 9: HEALTH COMMUNIQUE MATRIX

PRIORITY AREAS	STRATEGIC ACTIONS
LEADERSHIP, GOVERNANCE & MANAGEMENT SET TARGETS To strengthen accountability, sustainability, quantity and quality of health service delivery.	1. To develop standards, policies, and regulations to improve the health care quality outcomes. 2. To ensure efficient utilization of resources including workforces, facilities, transportation, equipment, drugs, and finances. 3. To establish and strengthen a partnership policy that will provide a framework that outlines governing bodies to address issues such as human right, gender equality. 4. To strengthen and establish governance structure between national and state including health professional regulatory bodies, and state stakeholders to lead to the health workforce planning, management, and development. 5. To encourage states to increase primary health care budget/finance at an affordable cost. 6. To ensure accessibility to grants/ funds/finances to support challenges. 7. To strengthen laboratory quality and management systems. 8. Ensure health care financing coordination amongst health leadership.
HUMAN RESOURCES FOR HEALTH (HRH) SET TARGETS To accelerate progress towards universal health coverage (UHC) in achieving the vision "Better Health for All" by ensuring equitable access to competent, performing, and motivated health workforce at all levels of health service delivery.	1. To establish governance structure between National (including health professional regulatory bodies) and State stakeholders to lead the health workforce planning, management, and development. 2. To establish HRH database for evidence-based policy and planning. 3. To create a 10-year Strategic Human Resources Plan (mid-term review after 5 years), which will include: a) Developing a workforce baseline positions needed specific fields. b) Standardizing health workforce positions. c) Identifying the skill mix of health workers at each level of health facilities. d) Exploring opportunities to recognize and optimize the role of community-based professions. 4. To develop Health Workforce Guidelines to include: 1) Retention Guidelines 2) Recruitment & Deployment guidelines a. National vs. Foreign-born 3) Training Guidelines (in compliance with FSM Scholarship Agreement Form and Expat Employment Agreement) a. Pre-service b. In-service: continuous professional development. 5. Develop hiring packages with internally comparable salary with benefits and incentives for both national and expat staff. 6. To develop Training Plan to be reviewed annually. 7. Establish short-term training programs including on the job, workshops, seminars, and capacity building. 8. Establish long-term training certified programs. 9. To establish coordination mechanisms for production of human resources for health 10. Collaborate with the College of Micronesia (COM) to producing course that correspond with needs for required categories of health workers including: a. Regular health professional training programs b. Cohorts based on needs identified.

- 11. Collaboration with the National/State Department of Education:
 - a. Prioritize the required field of study in health-related programs for scholarship opportunities
 - b. Implement the FSM Scholarship Agreement on returned services upon completion of education/training program
 - c. advocate for health career interests amongst the youth (primary school)
- 12. Collaboration with Development Partners and Donors to fund priority fields of study in health.
- 13. Establish institutional linkages for training programs that require additional teaching and learning facilities.

HEALTH SERVICE DELIVERY

SET TARGETS
To achieve universal access to an essential healthcare package.

- 1. To increase strategies for awareness to achieve all aspects of primary, secondary and tertiary services.
- 2. To prioritize infrastructure development and ensure appropriate maintenance and diagnostic services.
- 3. To improve internal and external partnerships between public and private clinics and hospitals.
- 4. To support the implementation of enacted pharmaceutical laws
- 5. To support pharmaceutical system strengthening efforts at all levels of the healthcare system
- 6. To establish a Behavioral Health to be a division under departments of health in the States.
- 7. Enact or review mental health laws, policies, and protocols in all states.
- 8. Amend the FSM Tobacco Act to increase the age of tobacco users from 18 to 21 years.
- 9. To update and implement the NCD Strategic Plan by 2034.
- 10. To establish eye care health facilities/units/ in all the States.
- 11. To enact or revise laws to address communicable diseases.
- 12. To increase diagnostic and other health service capacity.

HEALTH INFORMATION, PLANNING & SURVEILLANCE

SET TARGETS
To improve the availability, accessibility, quality and use of the health information for evidence-based decision making across all sectors.

- 1. To develop and implement national and state level strategic plans.
- 2. To evaluate improve, standardize and harmonize all health surveillance systems.
- 3. To improve, strengthen, and promote capacity building in Health Information Planning and Surveillance.
- 4. To establish a data management unit for monitoring and evaluation purposes (National and State Governments)
- 5. To expand and integrate digital health systems.
- 6. To strengthen and expand the digital health infrastructure.
- 7. To establish governance and mechanisms to provide oversight for standardization and security for all health systems and data security.
- 8. To strengthen and encourage the participation and cooperation of the private sectors in health information, collection, data sharing and reporting.
- 9. To invest in new innovation and strengthen the research capacity of the health sectors at the States and the National Governments.

HEALTH THROUGH THE LIFE COURSE (FROM WOMB TO TOMB)

SET TARGETS
To reduce morbidity, mortality and promote well-being.

- 1. To develop standards and strengthen laws and policies that ensure safety of the health outcome throughout the course of life.
- 2. To establish a program at the national level for Oral Health to have a unified partnership from all the states.
- 3. To integrate Oral Health program with other primary health programs such as Immunization, Cancer Program, Communicable Disease Programs.
- 4. Develop and strengthen standards, guidelines and policies that addresses maternal and child health.
- 5. Strengthen guidelines and expand collaboration to address adolescent and youth health
- 6. Strengthen community engagement in addressing health and well-being through the life course (respective cultural norms and values).

SOCIAL AND ENVIRONMENTAL DETERMINANTS OF HEALTH

SET TARGETS

To ensure supportive and sustainable social and physical environment to improve health.

1. To improve and strengthen food safety and security (availability, affordability, accessibility, sustainability and utilization).
2. To develop and implement a national water, sanitation and hygiene (WASH) Framework.
3. Introduce and enforce policies and guidelines in primary and secondary schools with regards to hygiene, nutrition.
4. To strengthen and improve age, gender, youth, child protection and disability programs.
5. To establish a human rights institution.
6. To secure funding to support health development through sports in the FSM.
7. To establish social protections and safety nets for the most vulnerable, high risk and remote populations.
8. To develop policies, systems and an environment that supports healthy living. To review, improve and implement the National Climate Change and Health Action Plan 2014.
9. To support the development and implementation of states Nutrition Action Plans.
10. To develop and implement the National Sports Act and improve health through sports and physical wellness program.
11. To develop a plan to improve all national and state management information systems of social and environment determinants of health.
12. To establish a country research mechanism.

HEALTH FINANCING

SET TARGETS

Increase financial stability and ensure universal access to health services.

1. To implement universal health coverage to ensure financial risk protection to:
 - a) reform Health Insurance Plans to improve coverage,
 - b) conduct a feasibility study to explore other risk-pooling schemes.
2. Increase domestic revenue collection for health via taxation.
3. Increase investments in cost-effective, preventative health measures.
4. To increase access to grants opportunities to:
 - a) strengthen the health sector to be more effective and efficient to secure budget support; and
 - b) to ensure national, and/or state/local matching funds, in order to fulfill requirements for eligible health programs/grants.

NOTES



FEDERATED
STATES OF
MICRONESIA

STRATEGIC
DEVELOPMENT PLAN

2024-2043