



FEDERATED STATES  
OF MICRONESIA

# Executive Overview of the Infrastructure Development Plan



Pacific Region  
Infrastructure Facility

In 2025, the Federated States of Micronesia enters its third 10-year development cycle under the US Compact of Free Association. Under Compact III the US will provide **over \$350m of capital development**, with **more than \$1bn of additional investment** likely to come from multilateral and bilateral development partners, including US agencies. The state IDP's provide these investment partners with a clear set of prioritized projects that meet the development needs of its citizens.

## What is the Infrastructure Development Plan?

Public infrastructure is one of the corner stones of sustainable development across the Federated States of Micronesia. Affordable power supply, safe drinking water, quality health care and almost all other public services provided by government are dependent on having reliable, well-maintained infrastructure.

The primary aim of a multi-year Infrastructure Development Plan is to guide government and development partner investments in a coordinated approach to ensure the socio-economic development objectives of the nation are met.

An IDP allows the identification of clear priorities for infrastructure investments; it improves the alignment of expenditures with available resources; and it can secure better coordination of investments. These efforts ensure that the impacts of investments are maximized.

## Consultation to Identify Project Pipeline

Assembling the long-list of infrastructure investment needs over the next 5-10 years required a high degree of engagement across all public sectors agencies managing infrastructure.



**190+**  
**PARTICIPANTS**

consulted across 53 utilities and government departments



A combined  
**3,500 HOURS**  
**OF CONSULTATIONS**



Culminating in  
**550+ UNFUNDED**  
**DEVELOPMENT PROJECTS**  
to be screened and prioritized



# Funding for Infrastructure Development

Infrastructure often has a high cost, requires careful planning and multi-faceted design. It needs ongoing management and maintenance to deliver critical services to the public. By investing in our infrastructure, we aim to create a foundation for long-term prosperity and a higher quality of life for all residents.

At a national level, the pipeline of unfunded infrastructure projects is larger than the likely funding that will be available through Compact and development partners. Hence, there is a need to prioritize the pipeline and systematically review that pipeline as new development needs arise.

## 10-Year Funding Gap Estimate



'Investment Ready'  
Candidate Pipeline  
(2024)

**\$2.6 BILLION<sup>1</sup>**



Compact III  
capital development  
target

**\$350 MILLION<sup>2</sup>**



Expected capital  
investment from  
development partners

**\$800M-1.2B<sup>3</sup>**



Therefore it will be  
challenging to get  
development funding for  
**>50%**  
of the pipeline projects



## Current commitments



US Compact and development partners  
have current commitments of  
**~\$1.4 BILLION**  
to fund ongoing and budgeted  
development projects



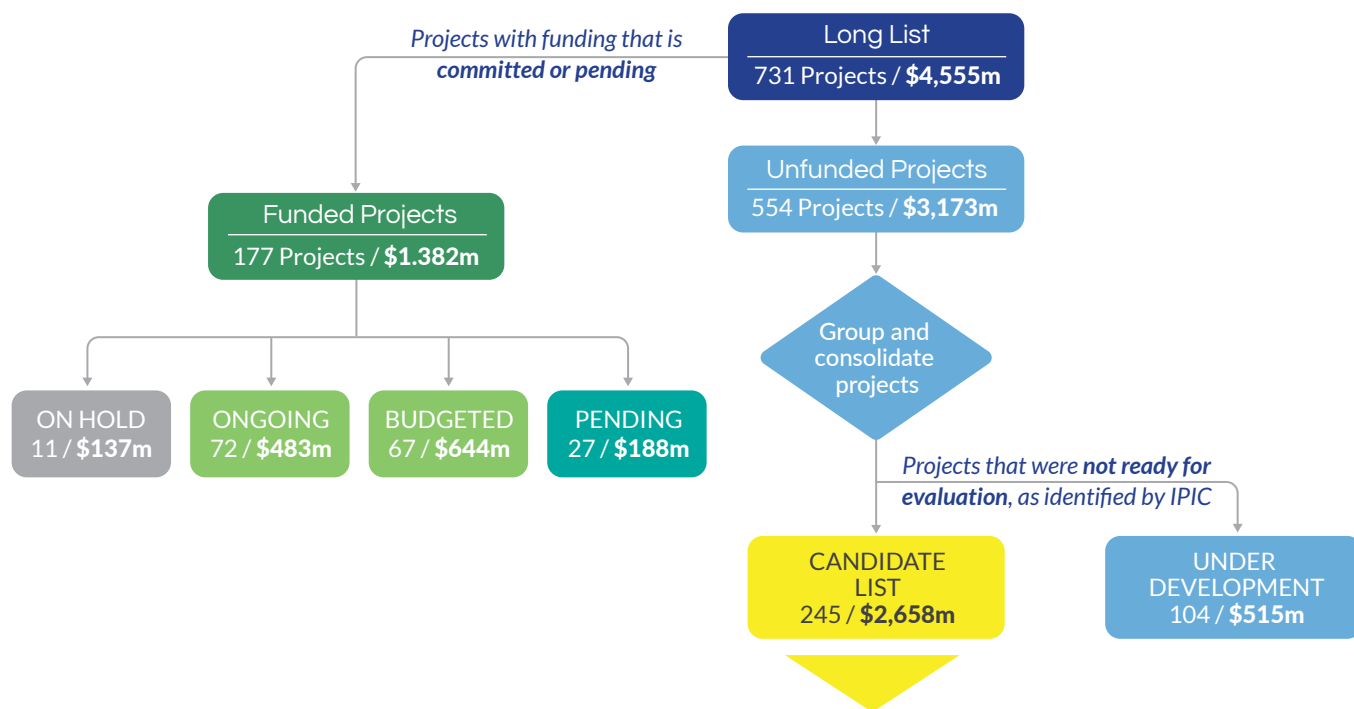
The projected expenditure from  
these commitments averages  
**~\$200 MILLION PER YEAR**  
for the next 3 years

1. Some states have large pipelines, with a degree of 'wish list' projects in that pipeline.
2. Under Section 266 of the 2023 Amended Compact, FSM is to receive grant payments of \$140 million per year FY2024 to FY2043. Not less than 25% is to be allocated to infrastructure
3. This range is based on partner discussions and an assessment of past and current funding commitment levels.

# Prioritizing Projects

Across the 12 infrastructure sectors, we see a wide-ranging set of projects from new roads to specialist hospital equipment and school classroom upgrades. To prioritize these projects on an equitable basis the team used a Multi-Criteria Analysis (MCA) framework that assessed a projects impact (alignment with SDP goals, consequence

of inaction and economic outcomes) versus effort (delivery risk, complexity and ongoing liabilities) and ranked them accordingly. This ranking was then reviewed and revised by the Infrastructure Planning and Implementation Committees (IPIC) to agree final state priority lists. These priorities are reviewed annually.



Summary of Unfunded “Investment Ready” Projects included in the IDP

SECTOR	National	Chuuk	Kosrae	Pohnpei	Yap	FSM Total
Agriculture/Fisheries	0.4	11.8	4.0	20.5	0.0	36.7
Aviation	0.0	152.4	156.3	181.8	11.0	501.5
Coastal/Environment	0.0	40.3	30.4	0.0	0.0	70.6
Education	67.9	64.5	45.3	37.5	32.5	247.7
Energy	32.0	36.5	32.3	84.5	24.5	209.8
Gov Buildings	36.6	36.0	51.5	28.4	45.6	198.0
Health	27.5	153.4	4.8	84.0	18.5	288.1
Maritime	0.0	31.8	149.3	80.6	76.8	338.4
Multi-Sector	133.3	11.2	0.0	0.0	0.0	144.4
Roads	24.3	72.7	39.4	243.5	35.7	415.5
Solid Waste	0.0	6.8	1.6	10.0	0.0	18.4
Telecom/ICT	0.0	0.7	0.5	0.0	0.0	1.2
Water/Sanitation	1.8	8.7	38.8	103.6	35.1	187.9
<b>TOTAL</b>	<b>323.6</b>	<b>626.6</b>	<b>554.1</b>	<b>874.3</b>	<b>279.7</b>	<b>2,658.4</b>

# Priority Investment Needs

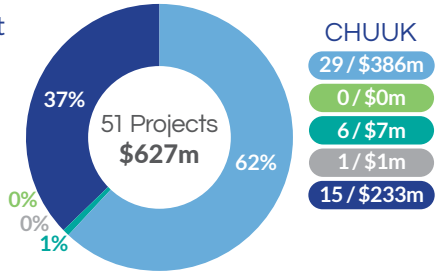


Below is a summary of the 10-year prioritized investment program extracted from the five IDP volumes. Full details on the projects and their priorities are maintained by the Infrastructure Planning and Implementation Committees (IPIC) and published in the 2025 IDPs.

**CHUUK state's** list of unfunded projects was similar in size to historic, 10-year investment levels. The **51** candidate projects were grouped and prioritized as:

- Compact funding priorities – 10 @ **\$221m**
- Development Partner funding priorities – 41 @ **\$405m**

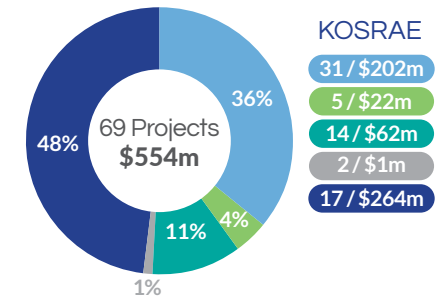
The priority projects include the construction of a new hospital, upgrades to outer island airports and lagoon island roads, improving the electricity to homes and water security among others.



**KOSRAE state's** list of unfunded projects was 2-3 times larger than historic, 10-year investment levels due in part to some very large projects. The **69** candidate projects were grouped and prioritized as:

- Compact funding priorities – 18 @ **\$48m**
- Large Development Partner funding priorities – 3 @ **\$259m**
- Priority 1 projects – 32 @ **\$202m**
- Priority 2 projects – 16 @ **\$46m**

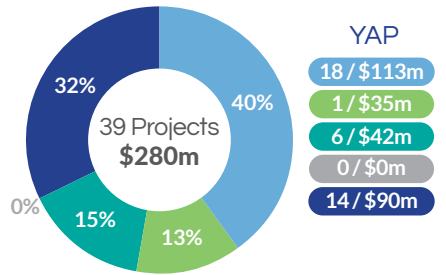
The three large projects include the airport runway resurfacing and expansion, and the Otak dock upgrade.



**YAP state's** list of unfunded projects was similar in size to historic, 10-year investment levels. The **39** candidate projects were grouped and prioritized as:

- Compact funding priorities – 12 @ **\$71m**
- Priority 1 projects – 18 @ **\$101m**
- Secondary projects (not yet ready for funding) – 9 @ **\$108m**

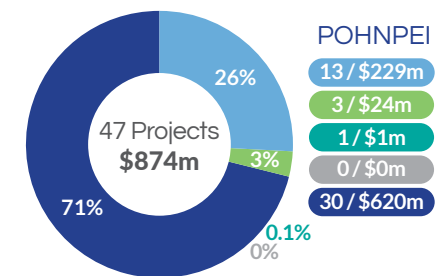
The priority projects include the construction of a new hospital, upgrades to outer island airports and lagoon island roads, improving the electricity to homes and water security among others.



**POHNPEI state's** list of unfunded projects was 2-3 times larger than historic, 10-year investment levels due in part to some very large projects. The **47** candidate projects were grouped and prioritized as:

- Compact funding priorities – 16 @ **\$184m**
- Large Development Partner funding priorities – 9 @ **\$419m**
- Priority 1 projects – 11 @ **\$140m**
- Priority 2 projects – 11 @ **\$131m**

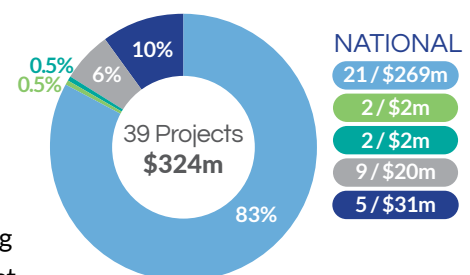
The large-scale priority projects include upgrading the port, reconstructing roads and bridges, an extension to the runway, a construction of a new hospital.



The **NATIONAL** list of unfunded, federal level projects was similar in size to historic, 10-year investment levels. The **39** candidate projects were grouped and prioritized as:

- Compact funding priorities – 12 @ **\$76m**
- Large Development Partner funding priorities – 1 @ **\$116m**
- Priority 1 projects – 13 @ **\$132m**

The Program Management Unit were progressing discussions on the \$116m national transport infrastructure program (ports and roads) with other priority projects including the FSM Integrated Trades Centre, and a national diagnostics centre among others. Most of the Compact funded projects relate to the College of Micronesia.





**Government of the  
Federated States of Micronesia**  
c/o Department of Transport,  
Communications & Infrastructure  
P.O. Box PS-2  
Palikir, Pohnpei, FM 96941

**Phone:** 691.320.2865 / 2381 / 2380  
**Email:** [pmu@tci.gov.fm](mailto:pmu@tci.gov.fm)  
**Website:** [www.tci.gov.fm](http://www.tci.gov.fm)



**Pacific Region  
Infrastructure Facility**

**PRIF Coordination Office**  
c/o Asian Development Bank  
Level 20, 45 Clarence Street  
Sydney, NSW 2000, Australia

**Phone:** +61 2 8270 9444  
**Email:** [enquiries@theprif.org](mailto:enquiries@theprif.org)  
**Website:** [www.theprif.org](http://www.theprif.org)