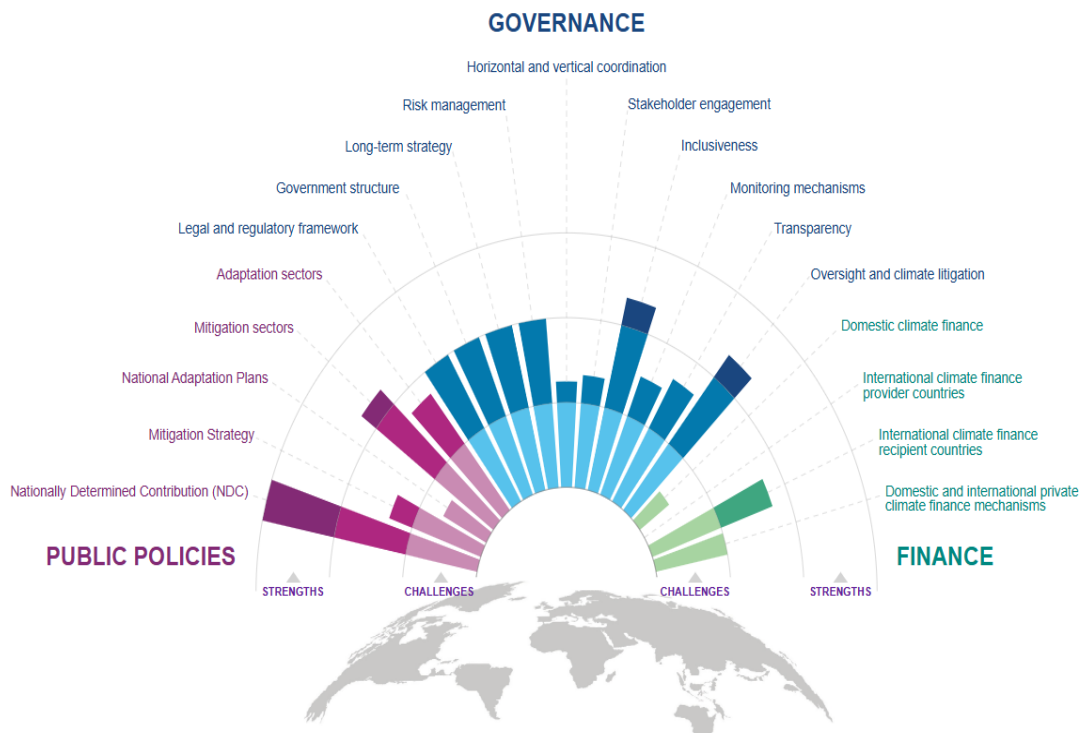


**OFFICE OF THE NATIONAL PUBLIC AUDITOR  
FEDERATED STATES OF MICRONESIA**



**Assessment of FSM Government's Performance on Climate Change Governance,  
Public Policy and Finance  
REPORT NO. 2026-01**



*Image courtesy of ClimateScanner*



# **FEDERATED STATES OF MICRONESIA**

## ***Office of The National Public Auditor***

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October 30, 2025

His Excellency President Wesley W. Simina  
Honorable Members of the 24th Congress  
Secretary of DECEM  
Federated States of Micronesia

### **RE: Climate Scanner Assessment Report – Federated States of Micronesia (FSM)**

This report presents an independent assessment of the Federated States of Micronesia's (FSM) current efforts to respond to climate change. It was conducted by the Office of the National Public Auditor (ONPA) using the international Climate Scanner methodology, which examines three key areas: mitigation, adaptation, and the means of implementation.

The Climate Scanner Global Assessment is a key project of the International Organization of Supreme Audit Institutions (INTOSAI), currently chaired by Brazil's Supreme Audit Institution (SAI). This initiative involves member SAs assessing their governments' climate change actions.

The ONPA was invited to participate in evaluating the Federated States of Micronesia's climate efforts.

### **Climate Scanner Framework Overview:**

Through SAs, Climate Scanner aims to:

- evaluate countries' compliance with commitments under the United Nations Framework Convention on Climate Change (UNFCCC).
- assess the public policies supporting those commitments, and
- review how climate finance resources are allocated and used.

Climate Scanner is a review web tool divided into four sections:

- **Country Profile:** Provides general information, including geopolitical, social, economic data, and the country's climate profile [e.g., greenhouse gas (GHG) emissions, targets, vulnerable sectors].
- **Governance Axis:** Evaluates institutional structures, legislative framework, long-term strategies, risk management, coordination mechanisms, public and non-government stakeholder engagement, monitoring and transparency mechanisms, and accountability for climate action.
- **Public Policies Axis:** Reviews international commitments, the overall strategies for climate mitigation and adaptation, and specific plans for significant sectors such as agriculture, infrastructure, and energy.
- **Climate Finance Axis:** Assesses domestic and international climate finance, including public and private funding mechanisms.

FSM faces growing climate risks, and while steps have been taken to address them, the country is still in the early stages of building strong systems for climate action. This assessment highlights both progress made and areas where more work is needed.

### Key Highlights

- **Mitigation:** FSM has made climate commitments but needs clearer plans and stronger coordination to reduce greenhouse gas emissions.
- **Adaptation:** Climate risks are well recognized, but long-term planning and local implementation need improvement.
- **Means of Implementation:** While institutional frameworks exist, challenges remain in accessing climate finance, building technical capacity, and improving coordination between national and state governments.

### Main Challenges

- Limited technical and institutional capacity.
- Gaps in coordination between national and state levels.
- Inconsistent access to funding.
- Weak data and monitoring systems.

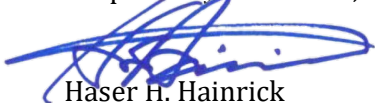
### Conclusions and Key Observations

- Strengthening coordination across government levels.
- Build capacity for planning, implementing, and tracking climate actions.
- Improve access to and management of climate finance.
- Develop better data systems to support decision-making.

This report serves as a baseline for FSM's climate efforts and a guide for strengthening future action. ONPA is committed to promoting transparency and accountability to support a more resilient and climate-ready FSM.

Should you have any questions and need further clarifications, please contact me or Brandon Rodriguez, Audit Manager, at 320-2862/2863.

Respectfully submitted,



Haser H. Hainrick  
National Public Auditor

Cc: Secretary, DECEM

Attachment: ClimateScanner Assessment Report

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## Abbreviations

|         |   |
|---------|---|
| CO2     | Carbon Dioxide  |
| EQ      | Equivalence   |
| FSM     | Federated States of Micronesia                        |
| GHG     | Greenhouse Gas  |
| INTOSAI | International Office of Supreme Audit Institution     |
| NAP     | National Adaptation Plan                              |
| NDCs    | Nationally Determined Contributions                   |
| ONPA    | Office of the National Public Auditor                 |
| PA      | Public Auditor  |
| SAI     | Supreme Audit Institution                             |
| SIDS    | Small Island Developing State                         |
| UNFCCC  | United Nations Framework Convention on Climate Change |
| USA     | United States of America                              |
| USD     | United States Dollar                                  |
| WGEA    | Working Group on Environmental Auditing               |

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**FSM Government's ClimateScanner Assessment**  
**Report No: 2026-01**

## **1. INTRODUCTION**

The Office of the National Public Auditor (ONPA) participated in an assessment called the ClimateScanner and evaluated the Federated States of Micronesia (FSM) Government's implementation of actions relating to climate change. This global initiative was led by the Federal Court of Accounts-Brazil (TCU), Supreme Audit Institution (SAI) Brazil, the current International Organization of Supreme Audit Institutions (INTOSAI) Chair, along with the INTOSAI Working Group on Environmental Auditing (WGEA).

We joined the ClimateScanner assessment due to the following reasons:

- Per the mandates of the Public Auditor (PA), PA is required and responsible to promote good governance, public integrity, and transparency.
- The ClimateScanner assessment was designed to help Supreme Audit Institutions (SAIs), and their governments track and monitor climate change actions. Climate Change is a threat to FSM islands. FSM's geography as an island nation makes it extremely vulnerable to climate change impacts, including rising sea levels, increased temperatures and extreme weather events, threatening communities and infrastructure. Participating in the ClimateScanner could help the FSM government identify its strengths and weaknesses relating to climate change.
- Also, the ClimateScanner assessment could also help ONPA become more familiar with climate actions and how to conduct climate-related audits.

The ClimateScanner assessment for FSM Government was based on a standardized framework with 19 components and 66 items across the three axes: **governance, public policies and climate finance**. Each item was scored based on its level of implementation, (advanced, intermediate, early and none), not effectiveness in meeting climate change targets. Implementation levels were color coded as shown below:

- **Gray** - No Implementation/Not Applicable: None of the relevant aspects of the criterion are present or not applicable.
- **Red** - Early Implementation: Few aspects are present, with significant room for improvement.
- **Blue** - Intermediate Implementation: Many aspects are present, but there is room for improvement.
- **Green** - Advance Implementation: All or nearly relevant aspects of the criterion are present.

Participating in this ClimateScanner assessment enabled us to get a better and clearer understanding of the FSM Government's **Country Profile**, and its progress in climate change **governance, public policies and climate financing**. ONPA published the results of the Climatescanner assessments in this report to inform the FSM Government stakeholders and the public.

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## **COUNTRY PROFILE**

### **1.1. Overview**

The FSM is an independent island nation in the western Pacific, consisting of four states: Chuuk, Kosrae, Pohnpei, and Yap. Despite a small area of about 702 km<sup>2</sup>, it spans a vast ocean of nearly 3 million km<sup>2</sup>. A sovereign nation since 1978, the FSM maintains a Compact of Free Association with United States of America (USA), which provided financial aid and defense in exchange for strategic access to its territory. Geographically, the FSM is an archipelago of about 607 islands, including high volcanic islands and low-lying coral atolls that spread across the western Pacific. The population of the FSM as official projection for 2024 was 105,381.

The FSM is a constitutional republic led by a President serving a four-year term. Its economy depends largely on fisheries, agriculture, tourism, and foreign aid, particularly from the United States. The nation adopted the U.S. dollar (USD) as its currency, gained independence from the U.S. in 1986, and joined the United Nations in 1991.

The FSM is located in the Pacific Ocean, about three-quarters of the way from Hawaii to Indonesia. Its geographic isolation and exposure to climate impacts, such as tropical storms and typhoons, pose significant challenges.

### **1.2. Climate Profile**

The FSM's UNFCCC classification placed it as a small island developing state (SIDS), a category that highlights its extreme vulnerability to climate change impacts like rising sea levels and extreme weather, despite its minimum contribution to global GHG emissions. Per the FSM's Nationally Determined Contributions (NDCs) of 2022, the nation targeted to reduce carbon dioxide (CO<sub>2</sub>) emissions from electricity generation by more than 65% below 2000 levels. The nation has not yet set its emission targets for 2050.

The net GHG emissions for the FSM by Sector for 2019 and 2020 were 200.00 thousands of tonnes of CO<sub>2</sub> equivalent (eq) and for 2021, 210.000. The breakdown for 2021 was as follows:

- 70.00 thousand tonnes of CO<sub>2</sub>eq were from the FSM's Agriculture Sector.
- 150.00 thousand tonnes of CO<sub>2</sub>eq from FSM's Energy.
- 10.00 thousand tonnes of CO<sub>2</sub>eq from Industrial processes.
- 10.00 thousand tonnes of CO<sub>2</sub> from Waste and
- <-30.00> thousand tonnes of CO<sub>2</sub> from land-use change and forestry.

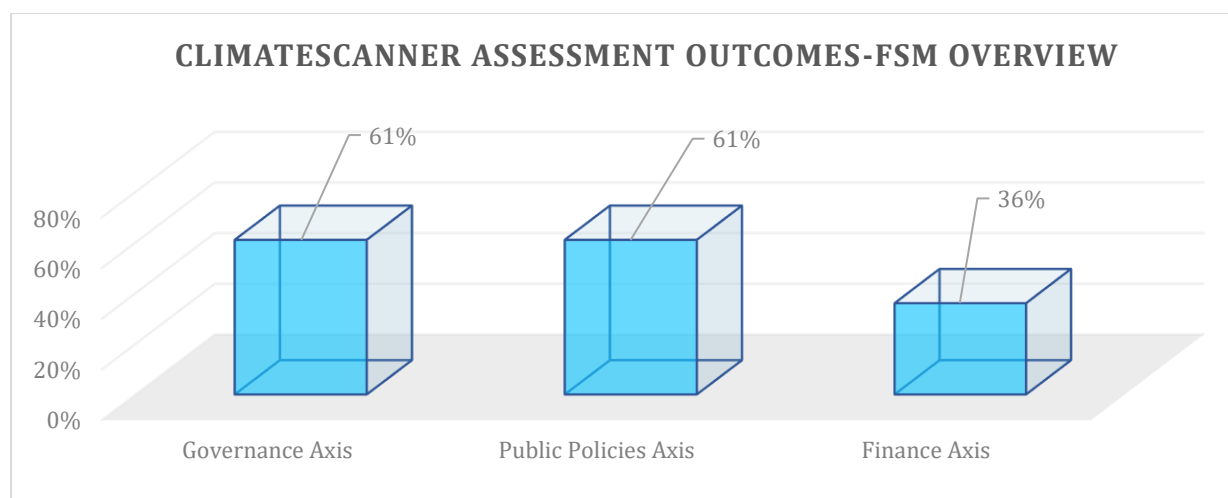
The key climate vulnerable areas were food and water security. Sea-level rise increased coastal erosion and thus threatened agriculture productivity and water security by intrusions of saltwater into the croplands and freshwater reservoirs. Climate change negatively impacted the quality and quantity of surface fresh water and groundwater. Worsening ocean acidification and coral reef bleaching damaged the reef ecosystems essential to food security.

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## **2. SUMMARIES AND CONCLUSIONS OF ASSESSMENTS**

### **2.1. FSM ClimateScanner Overview**

ONPA's assessment showed that the FSM Government was on the advanced level for 8 of the 19 components assessed, 8 at intermediate, 2 early and 1, no implementation or not applicable to FSM. Overall, the FSM Government was found to be implementing and addressing FSM's climate change requirements, goals and plans at the intermediate level, 61% in governance, 61%, public policies and 36%, financing as shown in the chart below.



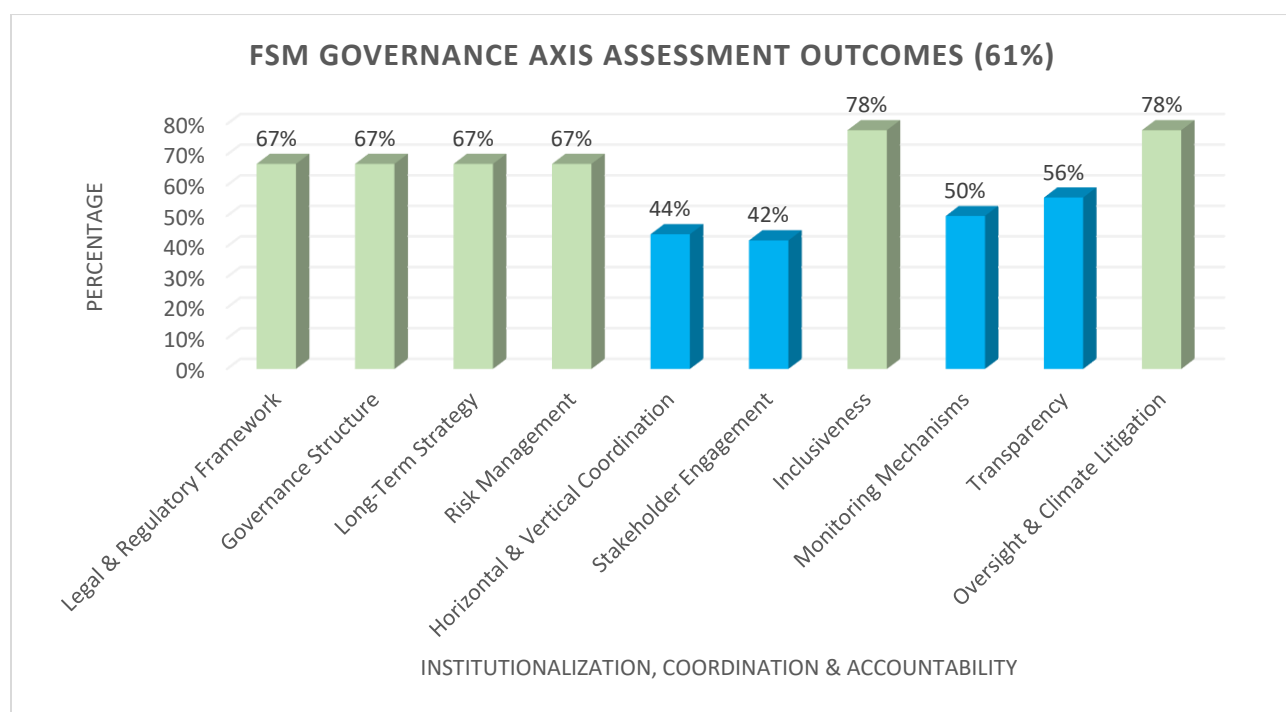
### **2.2. Governance**

Under the governance axis, ONPA evaluated FSM Government's climate response by assessing its institutional structures, legislative framework, long-term strategies, risk management, coordination mechanisms, public and non-government stakeholder engagement, monitoring and transparency mechanisms, and accountability for climate action. The assessment was focused on whether there were systems and structures in place.

As shown in the chart below, the FSM government was found to be at the advanced level in ensuring there were institutional legal and regulatory frameworks, governance structure, long term strategies and risk management approaches in place to address climate change actions. It also performed at an advanced level in promoting climate change inclusiveness, oversight, and litigation. However, the FSM Government was found at the intermediate level on the horizontal and vertical coordination, monitoring and ensuring transparency and accountability of institutional mechanisms in place. The chart presents the climatescanner assessment results in percentage and level, using color codes to illustrate FSM's governance performance.



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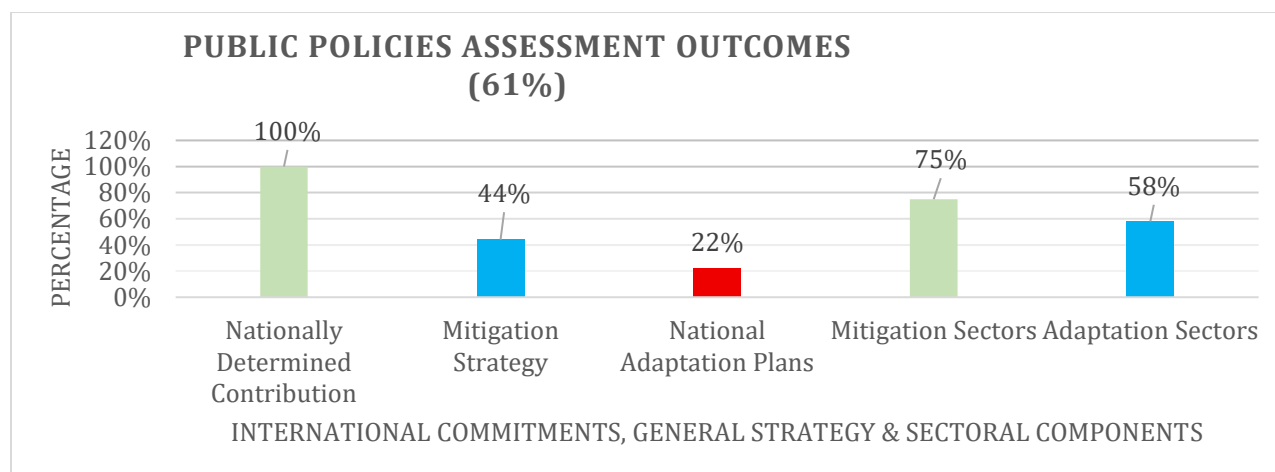


### **2.3. Public Policies**

Under the public policies axis, the ClimateScanner evaluated FSM Government's established international commitments, the overall strategies for climate mitigation and adaptation, and specific plans for significant sectors such as agriculture, infrastructure, and energy. It also assessed whether policies were designed to and implemented effectively, including mechanisms for monitoring progress and addressing sectoral challenges.

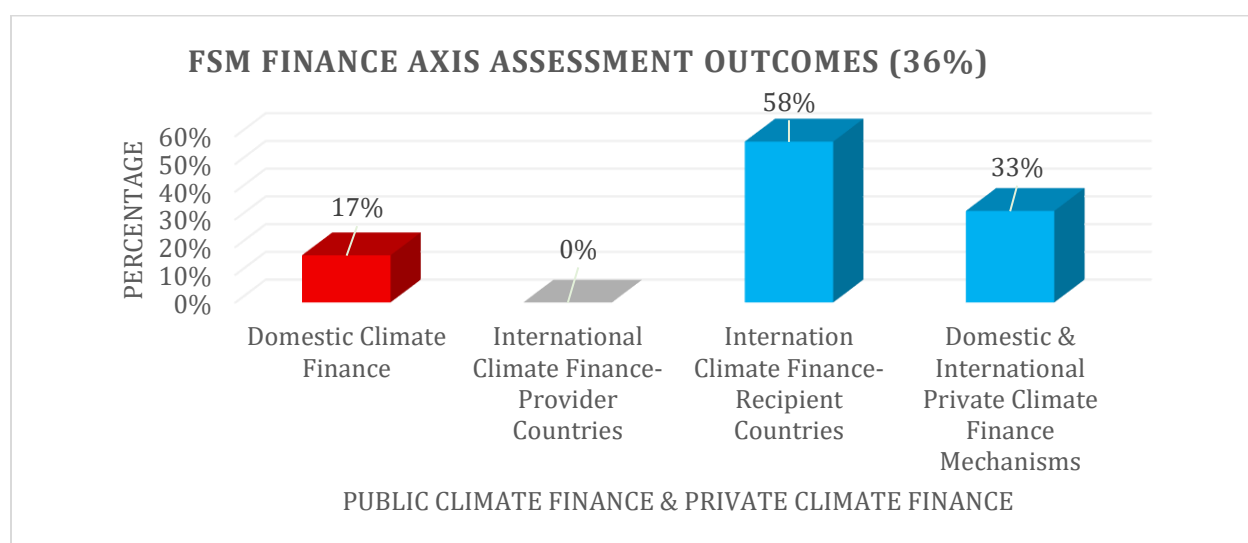
The FSM Government was found to be at an advanced level in fulfilling its international commitments. FSM Government 2022 Nationally Determined Contributions were submitted and communicated to UNFCCC. The NDC documented and reported FSM's goals for reducing GHG and adapting to climate change impacts, along with the policies and measures to achieve them, including the support needed, such as finance and technology needed to implement the FSM policies and plans for climate change. Also, there were policies in place to address climate change issues, however, FSM was placed under the intermediate level due to some outdated and not approved policies and plans. Also, as shown in the chart below, FSM Government is yet to develop a National Adaptation Plan (NAP) to improve its efforts in coordinating, implementing, monitoring and reporting of climate change mitigation and adaptation actions.

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## 2.4. Financing

Under the finance axis, ClimateScanner assessed FSM Government's public and private climate finance systems by examining the alignment of plans and budgets with climate goals, the mechanisms for tracking and reporting on domestic and international climate finance, and the process of mobilizing private finance. The assessment evaluated the existence of systems for finance management rather than the effectiveness of specific policies or budget choices. The FSM Government largely depended on donors to fund climate change actions in the FSM. There was no funding from the FSM Government. A climate finance strategy is still under development and is expected to be delivered through the ongoing GCF-funded FSM NAP Planning Project. A climate finance strategy is needed to allow better access, coordination, monitoring and accountability of climate change funds donated to FSM Government. The chart below showed FSM Government's implementation status on the finance axis.



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**3. ONPA CONTACT AND STAFF ACKNOWLEDGEMENTS**

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**ACKNOWLEDGEMENTS**

In addition to the contact's name above, the following staff made key contributions to this report during the period specified:

Brandon Rodriguez, Audit Manager  
Gillian Doone, Audit Supervisor  
Ethel J. Alik, Auditor in Charge  
Neong U. Yoma, Staff Auditor

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