

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

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**Performance Audit of Preparedness for  
Implementation of Sustainable  
Development Goals**

Federated States of Micronesia



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July 04, 2019

His Excellency David W. Panuelo, President  
Honorable Members of the FSM Congress  
Federated States of Micronesia

**RE: Performance Audit Report: Preparedness for Implementation of United Nations' Sustainable Development Goals (SDGs)**

This audit report presents the result of work conducted by the Office of the National Public Auditor (ONPA) in collaboration with Office of Public Auditors of the four states (Pohnpei, Chuuk, Kosrae and Yap) with regard to localization or integration and implementation status of the UN's 17-Strategic Development Goals (SDGs).

This audit was conducted based on the initiatives made as part of a cooperative initiative undertaken by the Pacific Association of Supreme Audit Institutions (PASAI) with the support of the Asian Development Bank and INTOSAI Development Initiatives (IDI) aimed at ensuring that Supreme Audit Institutions (SAIs) of the Pacific Region participate in assisting governments and their agencies to improve in localizing, monitoring and reporting of SDGs. The audit began in July 2017 and it has taken more than 22 months up to finalization of this report. The length of the assignment was mainly due to the facts that FSM National Government and the State Governments have not established coordinated efforts in implementing the SDGs of which FSM National Government is a signatory along with other 192 members states of the UN (the resolution committing these nations to the 2030 Agenda for Sustainable Development was adopted in September 2015. The Agenda contains 17 SDGs and 169 targets, seeking to build on the Millennium Development Goals (MDGs) that ended in 2015).

The ONPA conducted this audit in accordance with the generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

The audit assessed the extent to which the actions implemented by the FSM Governments at the national level since the endorsement of the 2030 Agenda in September 2015, are adequate to support preparedness for the achievement of the SDGs. Specifically, the audit assessed whether, besides being a signatory to the UN resolution, the SDGs were adopted and integrated in national long-term and short-term plans; and the institutional framework, resource allocation system, communication *and engaging with stakeholders*, as well as whether monitoring and reporting mechanisms were developed and were in place as at May 2019. The audit also examined SDGs preparedness at the sub-national level since much of the SDGs implementation will

take place at the sub-national level. Appendix I, outline the key audit questions used to achieve the audit objectives.

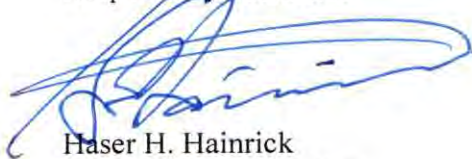
This report highlights the status of implementation of the said 17 SDGs and applicable targets. There are Seven Chapters in this report: Chapter one, Introduction; Chapter two (2) describes the system and process for adaptation and implementation for SDGs; Chapter three (3) provides audit findings on adaptation of SDGs; Chapter four (4) provides audit findings on resources identification and mobilization for implementing SDGs; Chapter five (5) provides findings on monitoring, follow-up, review and reporting the progress towards implementation of SDGs; Chapter six (6) provides conclusions for the audit; and Chapter seven (7) outlines recommendations to improve the current situation.

Based on our review we concluded that within the FSM National Government and the State Governments there are:

- (i) Inadequate mechanism for adaptation of UN's Sustainable Development Goals to FSM's National Context
- (ii) Inadequate identification and mobilization of resources and capacities; and
- (iii) Lack of mechanism to monitor, follow-up review and report on the progress towards the implementation UN's Sustainable Development Goals.

We discussed the findings and recommendations with the FSM's SDGs Working Group and it concurred with our findings, conclusion and recommendations.

Respectfully submitted



Haser H. Hainrick  
National Public Auditor

CC:     - Vice President, FSM National Government  
          - Governor, Chuuk State Government  
          - Governor, Kosrae State Government  
          - Governor, Yap State Government  
          - Governor, Pohnpei State Government  
          - Secretary of Resources and Development  
          - Secretary of Finance and Administration

## EXECUTIVE SUMMARY

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**Performance Audit on FSM Government and the Four State Governments on Preparedness for Implementation of Sustainable Development Goals** was conducted by the Office of the National Public Auditor in collaboration with the Office of the Public Auditor in Pohnpei State, Kosrae State and Yap State. The audit was a result of a cooperative initiative undertaken by the Pacific Association of Supreme Audit Institutions (PASAI) with the support of the Asian Development Bank and INTOSAI Development Initiative (IDI) aimed at ensuring that all Supreme Audit Institutions (SAIs) conduct high-quality performance audits of preparedness for implementation of the 2030 Agenda, thereby contributing to the value and benefits for citizens.

Based on that initiative, the Office of the National and the States' Public Auditors conducted this audit, the main objective been: to assess the extent to which the actions implemented by the FSM governments at the national level and state level, since the endorsement of the 2030 Agenda in September 2015, are adequate to support various processes aimed at achieving the SDGs.

Based on that objective we assessed whether, besides being signatory to the UN resolution, the National Government and those of the four states have adopted and integrated the SDGs in national and states long-term and short-term plans; and whether the institutional framework, resource allocation system, communication *and engaging with stakeholders*, as well as monitoring and reporting mechanisms were developed and were in place as at May 2019. The audit also examined SDGs preparedness at the sub-national level since much of the SDGs implementation will take place at the sub-national level.

In order to achieve our objective, we developed key audit questions, which were used to achieve the audit objectives, as outline in Appendix I.

Our audit review involved the review of various documents that are available within the FSM Government and State's governments (online or otherwise); interviewed head of departments, components units, Community Based Organizations (CBOs), Civil Society Organizations (CSOs), FSM SDGs Working Group, etc.; reviewed the assessment report on SDGs indicators in the national strategic development plan 2004-2023 and their areas of priority, analyzed the linkage between the UN's Sustainable Development Goals and the FSM Strategic Development Plan's goals and objectives; reviewed information available online with regard to integration and implementation of UN's Sustainable Development Goals.

The letter from the President, FSM National Government of March 2016, established a joint government-UN SDGs Working Group consisting of eight (8) national departments/agencies. On March 28, 2017, the Working Group, based on the information availed to us, approved a UN's SDGs localization annual work plan with a roll-out process including:

- (i) Mainstreaming of SDGs into the SDP;

- (ii) SDGs Monitoring and Reporting;
- (iii) SDGs Acceleration Frameworks and Policy Support;
- (iv) Financing for Development; and
- (v) Program Management.

While there are some activities carried out since the FSM President established the SDGs Working Group, but in general, since the adoption of the UN's Sustainable Development Goals, the FSM National Government and the governments of the four states, have directed marginal resources to promote awareness on the SDGs and for preparation for localization. This is evidenced through the interviews we conducted with Head of FSM's departments and leaders at the State's level. Based on these interviews, there are senior public officers who are aware of the SDGs but they do not know where their office fits in or whether they have to do anything in relation to integration and implementation of the SDGs; there are those who didn't even know what is SDGs; and lastly there were those who have never heard about SDGs. The awareness gap resulted into having many FSM National government institutions, States' government institutions, etc. failing to integrate and implement the UN's SDGs.

The SDGs working group, which consists only of national government actors, is responsible for raising awareness about the 2030 global Development Agenda at national and state level; linking SDGs and integrating the SDGs into national development goals, national and sector development plans, national planning and monitoring frameworks; assessing opportunities to integrate the SDGs into the budget; assisting the government to review and tailor the SDGs targets and indicators to better fit the local sustainable development context; assist the governments to collect, baseline data and most recent data to monitor progress towards achieving SDGs at the national and state level.

Based on our review it is obvious that the main tools for localization or integration and implementation of UN' SDGs is the SDGs Working Group. However, as it is delineated under Conclusion and Recommendations Chapters, awareness gap between the SDGs Working Group and head of departments and state governments, other public institutions; and financing of its activities (which has negatively affected the implementation of the activities of the SDGs Working Group) are the main factors that bedevil the localization process. While the UN/UNDP Volunteer (who is the localization coordinator) is financed by UN, other expenditures such as awareness, collection of data etc. require additional funding from the FSM National Government.

This performance audit review was focused on status of preparedness and implementation, and therefore our conclusion and recommendations are also focused on FSM National Government and State Governments' need to take concerted steps to ensure that the UN's Sustainable Development Goals are localized through integration into our Strategic Development Plan and implementation.

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The following matrix (Table 1.0) shows the three main issues and seventeen (17) recommendations for improvement of the localization or integration and implementation of the SDGs.

*Table 1.0: SDGs Issues and Recommendations*

#	Issue	Recommendation
1.0	Adaptation of SDGs to the national context	<i>1.1 The FSM Government should</i>
		<i>(i) Develop national implementation strategy which will guide the implementation and achievement of SDGs at the national level in line with FSM's SDP and its successor plans.</i>
		<i>(ii) Analyze the content of the 2030 Agenda for SDGs and integrate them to SDP with consideration of timeframe, feasibility, and sustainability of the implementation of the integrated goals.</i>
		<i>(iii) Establish a mechanism for aligning national planning and budgeting processes with the SDGs.</i>
		<i>(iv) Involve multi-stakeholders, including local communities and citizens in awareness creation campaigns to enable the wide reach and thus enhance ownership of the process of implementation and tracking the progress of SDGs.</i>
		<i>(v) Conduct assessment of priority interventions with high impact to attain SDGs and determine the sequence of their implementation.</i>
		<i>(vi) Establish a responsive and inclusive mechanism of coordinating, monitoring and reporting the progress of implementation of SDGs in SDP.</i>
		<i>(vii) Conduct stakeholders mapping to identify the potential stakeholders to be involved and their prospective roles and responsibilities for implementation of the SDGs in the SDP, without losing sight of the importance of the States and community level.</i>
		<i>(viii) Translate the set targets into guidelines and ensure all sector departments/agencies and states and local governments review their strategic plans to integrate SDGs targets in line with national priorities and the resource envelope.</i>

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		<p><i>1.2 The States and Local Governments should:</i></p> <p>(i) <i>Conduct stakeholders mapping to identify potential stakeholders to be involved and their prospective roles and responsibilities for implementation of SDGs.</i></p>
		<p>(ii) <i>Review the current decentralization policy to put in place an effective mechanism for devolving powers and responsibilities to the local governments for effective implementation of development projects and service delivery.</i></p>
2.0	Identification of resources and capacities.	<p><i>2.1. FSM Government should</i></p> <p>(i) <i>Assess the effectiveness of resource mobilization efforts currently in place, and identify innovative methods with the view of widening the revenue (tax, etc.) base for mobilizing resources needed for implementation of SDGs and other national priorities.</i></p> <p>(ii) <i>Conduct needs assessment for the capacity needed for implementation of SDGs in the FSMSDP.</i></p> <p><i>2.2. The States and Local Government should ensure:</i></p> <p><i>Conduct capacity needs assessment for implementation of SDPs and SDGs interventions at state, local governments, and community levels.</i></p>
3.0	Mechanism for monitoring, evaluation and reporting on the implementation of SDGs	<p><i>3.1 FSM national government should:</i></p> <p>(i) <i>Ensure harmonization of data collection system and tools for quality, timely and adequately disaggregated statistical data;</i></p> <p>(ii) <i>Establish a mechanism for coordination, monitoring, and reporting on the implementation progress as an integrated part of the FSM SDP and with specific attention on global benchmarking; and</i></p> <p>(iii) <i>National Statistics Offices should use statisticians from departments/agencies and State and local governments to fasten mainstreaming of the remaining SDGs indicators into SDP.</i></p>

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		<b>3.2 National and States governments should:</b>
		<i>Establish a consolidated system which will capture all sectoral data from states and local governments to be used for monitoring the progress of implementation of development projects.</i>

It is on the basis of the findings which are listed under *chapter three (3) to five (5)* with regard to the issues described in the above matrix that we came up with the following general conclusion that:

*Despite the initial efforts made by the national government for preparation and implementation of SDGs, the implementation stage has been bogged down by lack of political will and concerted efforts both at the national and state governments level evidenced mainly by inability to allocate funds; dissemination of information to stakeholders; and awareness and involvement of head of departments, state governments, local governments, private sectors and non-governmental organizations. This resulted into failure of the FSM national and state governments to fully integrate the SDGs into the national context. Also, the governments have not identified the required resources and capacities to implement SDGs. In addition, the current mechanisms for monitoring and reporting will not be effective in supporting the implementation of SDGs.*

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## NOTES

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- (i) The Fiscal Year (FY) of the Government ends on 30<sup>th</sup> September
- (ii) In this report, "\$" refers to US dollars

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**ABBREVIATIONS**

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CCA	--	Climate Change Adaptation
COFA	--	Compact of Free Association
CBO	--	Community Based Organization
CSO	--	Civil Society Organization
DECEM	-	Department of Environment, Climate Change & Emergency Management
DHSA	--	National Department of Health & Social Adm.
DMEG	--	Data Monitoring & Evaluation Group
DOFA	-	Department of Finance & Administration
DR&D	-	Department of Resources & Development
DRM	-	Domestic Revenue Mobilization
DRR	-	Disaster Risk Reduction
FSM	-	Federated States of Micronesia
FY	-	Fiscal Year
IDI	-	INTOSAI Development Initiative
INTOSAI	--	International Organization of Supreme Audit Inst.
IOM	-	International Organization for Migration
JEMCO	-	Joint Economic Management Committee
LGA	--	Local Governments and Agencies
M&E	-	Monitoring & Evaluation
MDGs	-	Millennium Development Goals
NDAs	-	National Departments, Divisions and Agencies
NDOE	-	National Department of Education
NSDS	--	National Sustainable Development Strategy
NSO	-	National Statistics Office
ODA	-	Overseas Development Assistance
PASAI	-	Pacific Association of Supreme Audit Institutions
PICTs	-	Pacific Island Countries and Territories
SDGs	-	Sustainable Development Goals
SDP	-	Strategic Development Plan 2004 - 2024
SPC	-	Secretariat of Pacific Community
TTPI	-	Trust Territory of the Pacific Islands
UNV	--	United Nations Volunteer
UNDP	--	United Nations Development Program
UNPS	-	United Nations Pacific Strategy
USD	-	United States Dollar
WoG	--	Whole of Government

## **CHAPTER 1**

### **1.1. INTRODUCTION**

In September 2015, the FSM President along with 192 members States of the United Nations (UN) adopted a historic resolution committing themselves to the 2030 Agenda for Sustainable Development. The Agenda contains 17 Sustainable Development Goals (SDGs) and 169 targets, seeking to build on the Millennium Development Goals (MDGs) that ended in 2015. The Agenda is driven by the principle of leaving no one behind and it is rooted in universal human rights principles and standards.

The seventeen (17) SDGs aim to end poverty in all its form; Good health and wellbeing; Quality education; Gender equality; Clean water and sanitation; Affordable and clean energy; Decent work and economic growth; Industry innovation and infrastructure; Reduced inequalities; Sustainable cities and communities; Responsible consumption and production; Climate action; Life below water; Life on land; Peace justice and strong institutions; and Partnerships for the goals while restoring and sustainably managing natural resources. They integrate the three dimensions of sustainable development i.e. economic, social and environmental with closely interwoven targets. The SDGs are indivisible in the sense that no one goal is separate from the others, and all call for comprehensive and participatory approaches.

The FSM SAIs conducted this audit as part of a cooperative initiative undertaken by the Pacific Association of Supreme Audit Institutions (PASAI) with the support of the Asian Development Bank and INTOSAI Development Initiative (IDI). The purpose of this audit is to assess the FSM's preparedness for the implementation of the SDGs.

### **1.2. Audit Design: The audit objective, scope and methodology**

- 1.2.1. The audit assessed the extent to which the actions implemented by the FSM at the national level, since the endorsement of the 2030 Agenda in September 2015, are adequate to support preparedness for the achievement of the SDGs. Specifically, the audit assessed whether, besides being a signatory to the UN resolution, the SDGs were adopted and integrated in national long-term and short-term plans; and the institutional framework, resource allocation system, communication *and engaging with stakeholders*, as well as monitoring and reporting mechanisms were developed and were in place as at September 2018. The audit also examined SDGs preparedness at the sub-national level since much of the SDGs implementation will take place at the sub-national level. Appendix I, outline the key audit questions used to achieve the audit objectives.
- 1.2.2. The audit utilized the 'Whole of Government' cross-cutting approach as the implementation of the 2030 Agenda requires coordination of all sectors of government and the achievement of the SDGs depend on the combined outcomes of the departments, agencies and other stakeholders. We assessed the activities of key agencies to determine their efforts to integrate, coordinate and build capacity with other departments and agencies to ascertain FSM's level of preparedness for the implementation of the SDGs.

- 1.2.3. We planned and conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS), issued by the Comptroller General of United States of America. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
- 1.2.4. We also followed guidelines issued by the International Organization of Supreme Audit Institutions (INTOSAI). Our criteria were obtained from guidelines set out by the United Nations (UN) and INTOSAI Development Initiative (IDI) through document named: **Auditing Preparedness for Implementation of SDGs – A guidance for Supreme Audit Institutions** <https://www.idi.no/en/idi-library/global-public-goods/auditing-sustainable-development-goals/807-auditing-preparedness-for-implementation-of-sdgs-a-guidance-for-supreme-audit-institutions-version-0-english>.
- 1.2.5. As part of our methodology, we conducted interviews with management and staff of the office of the national and states Cabinets, DR&D, DOFA, DFA and the NSOs. In addition, we reviewed internal and external documents, made observations and conducted walkthroughs and focus group meetings. Risk assessments and issue analysis were developed along with questions that the audit sought to answer in order to form our opinions and conclusions. We conducted fieldwork between January and June 2018, to gather sufficient and appropriate evidence to support the audit findings, opinions and conclusions. We also conducted field work verification between December 2018 to February 2019.

### **1.3. Prior Years Audit:**

This is the first audit conducted of the SDGs preparedness for implementation in the FSM.

### **1.4. Conclusions:**

Despite the initial efforts made by the national government for preparation and implementation of SDGs, the implementation stage has been bogged down by lack of political will and concerted efforts both at the national and state governments level evidenced mainly by inability to allocate funds; dissemination of information to stakeholders; and awareness and involvement of head of departments, state governments, local governments, private sectors and non-governmental organizations. This resulted into failure of the FSM national and state governments to fully integrate the SDGs into the national context. Also, the governments have not identified the required resources and capacities to implement SDGs. In addition, the current mechanisms for monitoring and reporting will not be effective in supporting the implementation of SDGs.

## **CHAPTER TWO**

### **SYSTEM OF PREPARATIONS FOR IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS**

#### **2.1. Introduction**

- 2.1.1. This chapter describes systems and processes involved in the preparedness for implementation of SDGs; policies and legislations which provide the policy and legal framework for governing SDGs in the FSM; and the roles and responsibilities of key actors and stakeholders in the implementation of SDGs.
- 2.1.2. Following the UN Sustainable Development Summit where the President of the Federated States of Micronesia demonstrated his support to the 2030 Agenda and the country's commitment to realize the SDGs, the President, on March 2016, established a joint government–UN SDGs Working Group consisting of eight (8) national departments/agencies.
- 2.1.3. The Working Group includes the Secretary of Department of Resources and Development (SDGs Interim Chair); Secretary, Department of Justice (SDGs Member); Secretary, Department of Finance and Administration (SDGs member); Secretary, Department of Education (SDGs Member); Secretary, Department of Health and Social Affairs (SDGs Member); Secretary, Department of Environment, Climate Change & Emergency Management (SDGs Member); Administrator for ODA, Office of the President (SDGs Member); and Secretary, Department of Foreign Affairs.
- 2.1.4. On March 28, 2017, the Secretary of Foreign Affairs approved an SDGs Localization Annual Work Plan with a roll-out process including:
- (i) Mainstreaming of SDGs into the SDP
    - (a) Review the SDP(including the government corporate plans and annual work plans) and mainstream appropriate SDGs targets and indicators based on comprehensive and inclusive consultations to identify country specific development needs and issues.
    - (b) Prioritizing and tailoring of SDGs Targets and Indicators to suit the country context and development priorities/objectives.
  - (ii) SDGs Monitoring and Reporting
    - (a) Production of Annual SDGs Report Cards.
    - (b) Production of Comprehensive National Reports every 3 to 4 years.
    - (c) Production of Annual Development Reports of SDGs-based National Sustainable Development Strategies.
    - (d) Review the process of monitoring the implementation of the National Development and Sector Development Plans as well as Government department corporate plans and annual work plans and make recommendations for strengthening the linkage to policy formulation/ implementation and budget allocation.
  - (iii) SDGs Acceleration Frameworks and Policy Support

- (a) Review interventions of SDGs targets that are lagging behind in the form of legislation, policies, strategies and Action Plans to identify major bottlenecks that are impeding the progress of the existing interventions.
  - (b) Identify relevant partners to implement the pro-poor policies and/or legislations once formulated and/or revised.
  - (c) Prioritize the identified bottlenecks and develop appropriate solutions to address the prioritized bottlenecks.
  - (d) Identify relevant partners to implement the prioritized solutions.
  - (e) Identify policy gaps, review existing policies and formulate needed policies and strategies required for the achievement of the SDGs.
  - (f) Identify resource gaps to effectively implement policies and strategies for the achievement of the NSDS and SDGs.
  - (g) Assist Government to mobilize resources to address the gap.
- (iv) Financing for Development
- (a) Formulate integrated National Financing Frameworks (INFFs) to articulate much more complex and holistic financing structures of private and public sources both domestic and international designed to achieve the SDP and SDGs.
  - (b) Review the budget preparation process in terms of linking achievement of the SDP and SDGs with appropriate recommendations for addressing priority capacity gaps and other bottlenecks.
  - (c) Support Government lead donor coordination functions to mobilize resources for the implementation of the National Sustainable Development priorities including the SDGs.
  - (d) Provide capacity building support to government to strengthen donor coordination function and resource mobilization.
- (v) Program Management
- (a) Project coordination.
  - (b) South-South Coordination & Regional Community of Practice Forum.
  - (c) Knowledge Management.
  - (d) Communications, Awareness Raising and Advocacy.
  - (e) Project Audit.
  - (f) UNDP Monitoring & Evaluation.
  - (g) Mid and Terminal Evaluations.
  - (h) GMC.

## **2.2. Governing Policies, Laws and Regulations**

- 2.2.1. Generally, implementation of the SDGs in FSM is governed by the SDP, and various sector policies and legislations. There is neither comprehensive legislation nor policy to guide the implementation and coordination of the SDGs. The implementation is done through the pre-existed sector policies and

regulation. The existing plans which are being used or are intended to be used to guide policy, including:

- (a) Strategic Development Plan (SDP) 2004-2023;
- (b) FSM 2023 Action Plan;
- (c) The FSM Trade Policy, Department of Resources & Development, January 2011;
- (d) FSM National Export Strategy, Department of Resources & Development, November 2012;
- (e) Draft National Tourism Development Strategy, FSM, 2015 – 2019;
- (f) Agriculture Policy (2012);
- (g) Energy Policy (2012);
- (h) Information, Communication and Technology Policy (2012);
- (i) Nation Wide Integrated Disaster Risk Management and Climate Change Policy (2013);
- (j) Foreign Investment Guide (2014);
- (k) Kosrae State Strategic Development Plan, 2014 – 2023;
- (l) Pohnpei State Strategic Development Plan 2014 -2023;
- (m) Pohnpei State Agriculture Strategic Action Plan, 2011 – 2015;
- (n) Yap State Five Year Tourism Development Plan, 2013-2017; and
- (o) Public Financial Management Roadmap, SBOC, October 2014.

### **2.3. The Annual Budget Process**

- 2.3.1. The implementation of the FSM SDP/SDGs take place through the annual budget process. The budget draws on the SDP for direction and in particular from the identified strategic goals and policies. The list of activities and outputs, which may be undertaken in phases and delivered over a number of years, requires detailed specification for the upcoming budget year.
- 2.3.2. The national budgeting process involves all four state governments, the national government, and public enterprises submitting their respective budget to the FSM Department of Finance & Administration, who in turn send it over to the FSM Executive Budget Authorization Committee for review. After the Executive Budget Authorization Committee completes its review, the Budget is sent over to the FSM National Congress. The FSM National Congress has the authority to appropriate locally generated revenues and other external contribution, but does not have the authority to appropriate sectoral grants under the amended Compact Agreement. The authority to approve the use of amended Compact Agreement sectoral grants rests with the JEMCO. The amended Compact Agreement sectoral grants (70% of total budget) and the domestic revenue (30% of total budget) are the principal sources of funds for the Government Annual Budget. The Budgeting process normally takes place over a 7-month period (January to July) prior to the beginning of a new fiscal year. The fiscal year starts on October 1<sup>st</sup> and ends on September 30<sup>th</sup>.
- 2.3.3. The relationship between the SDP and the policy implementation process, including the setting of budgetary policies and priorities, is that funds for economic, social, and environmental activities are limited to what is allowable under the amended Compact Agreement on an annual basis. That means the set of priorities or activities that are laid out in the SDP are the basis for the budget.

Any shortfall within these sectors will have to be funded from locally generated revenues. The setting of priorities in the budgetary process is generally determined by the President and Congress. When there is difference in determined priorities and no compromise is reached, the Congress will often prevail over the President given that it has override authority.

## **2.4. Adaptation of SDGs**

2.4.1. Adaptation of SDGs into the national context is vital to ensure ownership of the SDGs. SDGs are global targets that should be adapted through national processes in line with the national circumstances and by defining national targets based on national priorities. The process for mainstreaming SDGs at the country level is presented in the subsequent sections:

### **2.4.2 Raising Public Awareness**

The 2030 Agenda for SDGs requires public awareness on SDGs at the country level to be raised at the context of the existing and forthcoming national development vision and plan. The rationale is to ensure that implementation of SDGs is a nationally owned process. Awareness raising process is supposed to consider the sub-national and community levels and involve the multiple actors such as private sector and civil society. Also, the results of the advocacy and awareness raising campaigns should be evaluated to ascertain its effectiveness. In FSM public awareness raising on SDGs is the responsibility of the DRD, DOFA, sector departments and states departments and, LGAs in collaboration with the non-state stakeholders, such as private sector, NGOs, CBOs and CSOs. The FSM SDGs Working Group conducted awareness workshops and training in year 2017: to youth in Pohnpei State during the UN Day Celebration; to Primary School Children code named 'FSM Youth for SDGs'; there was also consultation made with Department of Health and Social Affairs; and also localization workshop conducted for all four states of FSM where participants.

### **2.4.3 Applying Multi-Stakeholder Approaches**

Multi-stakeholder approach represents a logical starting point for raising public awareness and creating a broader media or social marketing campaign. The 2030 Agenda for SDGs highlights the importance of bringing different actors together in implementing the new approach to sustainable development. Like in other countries, the success of SDGs in FSM will largely depend on stakeholders' involvement and commitments. Stakeholders in SDGs implementation range from donors to the CSOs, private sector, academic and research think tanks, NGOs, CBOs, the government (departments and agencies) and village communities. Mobilization of all sectors of the community to include private sector and civil society is vital for the FSM, as they play important roles in sustainable development. This aspect is unique in the FSM considering the key roles played by civil societies in mobilizing resources and efforts to address some of the key challenges of sustainable development in the FSM. Their support through trainings and workshops are fundamental to a better understanding of the plethora of challenges they face on a daily basis. Through such trainings and

workshops, the communities in all States are empowered to make better decisions for their future.

#### **2.4.4 Tailoring SDGs to National, Sub-National and Local Contexts**

FSM is required to set its own national targets building on the global frameworks, but considering its own realities and national circumstances. The main steps for tailoring the SDGs into the national context includes incorporating the SDGs into national development plans, strategies and budgets; reviewing existing strategies and plans; making recommendations; setting national targets and formulating SDGs to align with the development plans. Steps involved are:

- (a) Tailoring global targets to national context;
- (b) Setting intermediate targets;
- (c) Translating target to policy; and
- (d) Cost interventions and aligning budget.

#### **2.4.5 Creating Policy Coherence**

Implementation of SDGs requires an integrated approach to promote all dimensions of sustainable development in a balanced manner, breaking down sectoral silos and connecting different levels of governmental action. Policy coherence is critical to capitalize on synergies among SDGs and targets, between different sectoral policies, and between diverse actions at the local, regional, national and international levels. It is also vital to consider the effects of policies on the sustainable development and well-being of people living in other countries, and of future generations. There are two forms of policy coherence which are:

- (i) Horizontal policy coherence and integration: refers to policy-making processes that consider the interdependencies between dimensions of sustainable development and sectors covered by different goal areas.
- (ii) Vertical policy coherence and integration: refers to the process of setting strategic linkages and coordinating government action and capacity on sustainable development across as much as possible of the governance process – from policy debate and agenda setting to the formulation of policies and budgets, as well as to their implementation and monitoring throughout different agencies and levels of government.

Strong vertical coherence and integration helps to ensure alignment among all levels of government to reinforce and support achieving the SDGs across different regions and facilitate implementation.

#### **2.4.6 Mobilizing Resources and Capacities**

The financing needs for the implementation of SDGs are enormous. Unlike MDGs the implementation of SDGs focused on country-led approaches and country-driven issues. For financing and other means of implementation of SDGs the UN adapted the Addis Ababa Action Agenda (AAAA) in July 2015 at the Third International Conference on Financing for Development. The AAAA on financing for development as well as SDGs 17 outlined an array of financing mechanisms which include: domestic public resources, domestic and

international private business and finance, international development cooperation, international trade, debt and debt sustainability.

The 2030 Agenda re-affirms a strong commitment to its full implementation, which requires effective mobilization of financial resources and partnerships. The agenda emphasizes on the cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks which will be at the heart of sustainable development efforts.

FSM SDGs working group is tasked with formulating an integrated National Financing Frameworks (INFFs) to articulate much more complex and holistic financing structures of private and public sources both domestic and international designed to achieve the SDP and SDGs. There is no reporting yet on the status of the task.

#### **2.4.7 Monitoring, Reporting and Accountability**

Monitoring will be used as a continuous feedback system involving the overseeing of periodic review of each activity at every level of implementation of SDGs. Monitoring system for implementation of SDGs will focus on meeting the information needs for reporting at the national, regional and global level. The system is required to ensure that there are performance indicators and targets to indicate the progress of implementation of SDGs. Nevertheless, the system will indicate the framework that ensures timely collection, analysis and sharing of implementation information.

The 2030 Agenda for SDGs outlines a follow-up and review framework at national, regional and global levels to promote accountability, support international cooperation and foster mutual learning and sharing of good practices.

In the first years, the review processes are expected to focus on the progress made in the integration of the SDGs into national development plans, strategies and policies, tailoring them to national circumstances, and adjusting or setting relevant institutional arrangements. Afterwards, the review will focus on the actual achievement of the SDGs, monitoring progress against targets and indicators, evaluating policies and programs and reporting on progress.

#### **2.4.8 The Review Framework**

The review processes will start at the national level and feed into regional and global levels. The global level involves several different components. National, regional and global reviews of SDGs implementation as well as the inputs of organizations and other actors outside the UN system are complementary.

FSM would be required to conduct regular and inclusive reviews of progress at the national and sub-national levels which are country-led and country driven. Such reviews should draw on contributions from indigenous people, civil society, the private sector and other stakeholders, in line with national circumstances, policies and priorities. The national congress, states legislature, as well as other institutions can also support these processes.

Review mechanisms and processes at the national level will include internal review, external review, peer review, inputs and information from audit and

oversight agencies, and evaluations of systems, policies and programs. The following are the stages for adaptation of SDGs into national context.

On March 1st 2019, the Government of the Federated States of Micronesia (FSM) through its permanent mission requested to take part in the Voluntary National Review on the implementation of SDGs in 2020 <https://sustainabledevelopment.un.org/memberstates/micronesia>

- (i) Public Awareness;
- (ii) Multi-Stakeholder approach;
- (iii) Tailoring SDGs to National, sub-national and local contexts (reviewing Plans and adapting to SDGs);
- (iv) Creating Policy Coherence;
- (v) Resource and Capacity mobilization (means of implementation);
- (vi) Monitoring, reporting and accountability; and
- (vii) Voluntary National Review (VNR) – for the FSM, this review is expected to be completed by year 2020.

## **2.5. Key Actors and their responsibilities**

The key players in the preparedness for implementation of Sustainable Development Goals are the President's Office and all the executive departments and agencies, the four states governments, local governments, private sector and civil societies. However, there are various actors who are directly/ indirectly involved in preparedness for implementation of SDGs as described below:

**2.5.1 Department of Resources and Development:** The entity that has been mandated to coordinate implementation of the National Strategic Development Plan.

**2.5.2 Office of the President:** The entity or person that assigns responsibility for actions and implementation as determined by SDGs or an equivalent national strategy is the President of the country. In his absence, the Vice President does it.

**2.5.3 FSM SDGs Working Group** (established July 2016) comprised of the following:

- (i) Department Secretary of Foreign Affairs;
- (ii) Department of Resources and Development (Chairman);
- (iii) Department of Finance and Administration;
- (iv) Department of Health and Social Affairs;
- (v) Department of Education;
- (vi) Department of Environment, Climate Change & Emergency Management (DECEM);
- (vii) Chief of Staff, Office of the President; and
- (viii) Overseas Development Assistance Unit.

**2.5.4** After the appointment of the member of the SDGs Working Group, the Secretary of each department, and head of government agencies, also appointed

a representative to the group. As of March 10<sup>th</sup>, the members of the working group were:

#	Name	Title	Institution
(i)	Stacy Yleizah	Focal Point	Department of Foreign Affairs
(ii)	Lomalinda Jibernai	SDGs Chair	Department of Resources & Development
(iii)	Edna Akullq		UN Volunteer/UNDP
(iv)	Brihmer Johnson	Member	Department of Resources & Development
(v)	Dickson Wichep	Member	Dept. Transport, Communication & Infrastructure
(vi)	Giannah Narruhn	Member	Department of Resources & Development
(vii)	Patti Pedrus	Member	Department of Environment, Climate Change & Emergency Management (DECEM)
(viii)	Davidson Syne	Member	National Department of Education
(ix)	Leonito Bacalando	Member	Department of Justice
(x)	Gillian Doone	Member	Official Development Assistance
(xi)	Norleen Oliver	Member	Department of Health and Social Affairs
(xii)	Jermy Mudong	Member	Department of Finance and Administration

**2.5.5** The SDGs working group, which consists only of national government actors, is responsible for raising awareness about the 2030 global Development Agenda at national and state level; linking SDGs and integrating the SDGs into national development goals, national and sectoral development plans, national planning and monitoring frameworks; assessing opportunities to integrate the SDGs into the budget; assisting the Government to review and tailor the SDGs targets and indicators to better fit the local sustainable development context; assist the Government to collect, baseline data and most recent data to monitor progress towards SDGs at the national and state level.

**2.5.6 National Statistics Office (NSO):** Implementation of SDGs requires that NSO be responsible for the national integrated statistical information system. The NSO should be mandated therefore, to undertake the following core functions:

- (i) advise the President and executive branch on matters pertaining to statistical policy;
- (ii) coordinate the statistical work of all national government departments;
- (iii) compile, analyses and disseminate official statistics;
- (iv) collect statistics and related information concerning economic, social, and demographic matters;
- (v) prepare and publish an annual statistical abstract for the FSM;
- (vi) collect and compile statistical data needed for the formulation of development plans and their implementation (with specific reference to national accounts, prices, trade, Government and household expenditure);
- (vii) conduct periodic censuses and sample surveys;
- (viii) promote and assist statistical activities in the States; and

- (ix) regular consultations with national and state government agencies to determine statistical data requirements and identify problems and difficulties being encountered.

The State statistical offices shall have two core functions:

- (i) the collection and compilation of state level statistics across the broad spectrum of demographic, economic, social statistics; and
- (ii) also manage state operations of national statistical operations, such as population and agricultural censuses, household survey operation, price collections, etc.

***Observation:** The FSM Government's National Statistics Office is within the Department of Resources and Development and currently they are member of the SDGs Working Group which is currently in the assessment stage of SDGs indicators imbedded in the National Strategic Development Plan and those of the four states -- Chuuk, Pohnpei, Kosrae and Yap.*

**2.5.7 Sector Departments (Health, Education, Agriculture, DECEM, and NORMA)** lead the implementation, monitoring and review of SDGs in their respective sectors; draft national strategy and provide overall policy guidance, including setting priorities, identifying and discussing means of implementation, coordinating awareness raising efforts, etc.; Oversee and implement the 2030 Agenda which may include mandate to follow-up and monitor actions to make progress on the SDGs.

**2.5.8 Local and sub-national Authorities:** Provide private investment, jobs opportunities, inclusive and sustainable industrial development, resources consumption efficiency, and protecting biodiversity.

**2.5.9 Civil society** - traditional leaders, religious organizations, non-government organizations (gender, youth, conservation societies), and financial institutions - Raising public awareness on the 2030 Agenda. Providing advocacy and knowledge to integrate the 2030 Agenda into national frameworks and to implement it. Contribute to reviewing and monitoring progress on SDGs and holding governments accountable.

**2.5.10 Donors/International cooperation-** Providing financial resources and delivering international cooperation to support the implementation of the SDGs in recipient countries. *Aid recipient country* ensuring that all projects implemented through Official Development Assistance (ODA) are aligned with the SDGs and SDP priorities in the country.

**2.5.11 Joint Economic Management Committee (JEMCO)** composed of five members, three of which are from the US and two from the FSM. FSM members include the secretaries of the Department of Finance and Administration and Department of Foreign Affairs. The US counterparts include the Deputy Assistant Secretary for Insular Affairs, Special Assistant to the Assistant Secretary for International Affairs, Department of Health and Human Services, and the Deputy Assistant Secretary, Department of State. They are mandated to review development plans, consult with each other, review audits, review

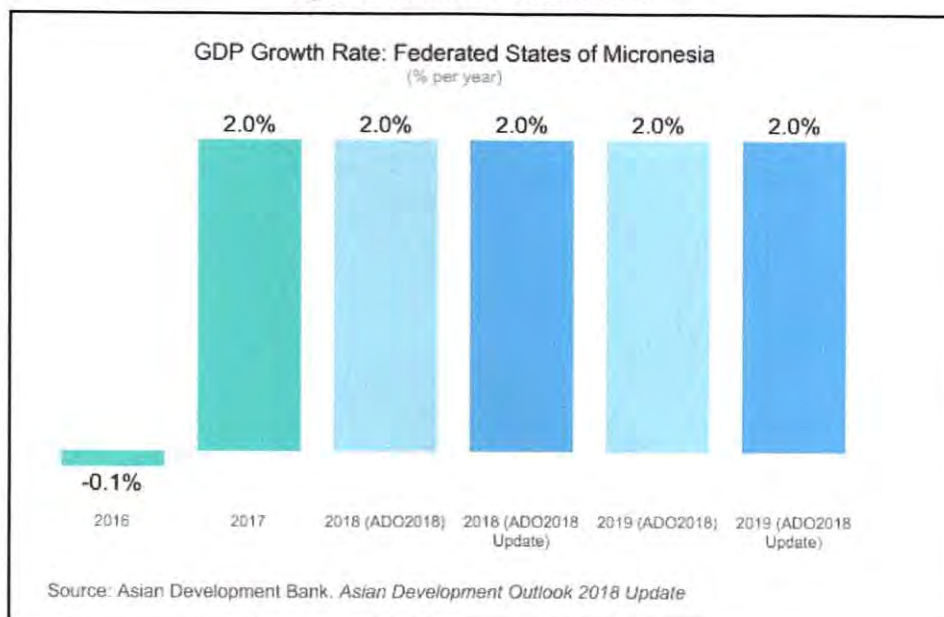
performance outcomes and other reported data in relation to previous years grant funding levels, terms, and conditions, review and approve sectoral grant requests, review quarterly trust fund investment reports, stipulate special conditions to attach to any or all annual grant awards to improve program performance and fiscal accountability, and ensure progress toward macroeconomic goals.

## **2.6 Challenges**

The FSM faces an unusually challenging task for the period up to the end of Fiscal Year (FY) 2023, when US economic assistance (40% of FSM GDP and 70% of annual budget) to FSM under the amended Compact ends. The immediate challenge for the FSM is to ensure strong growth in the private sector through production from its own natural resources, and to create an enabling environment that is conducive to private sector development to sustain the country beyond FY 2023. Foreign grants available for a public sector dominant economy are on a downward trend, and economic growth will be increasingly dependent on expansion of the small private sector (Current GDP growth is less than 3%, *see Figure 1*). The small economy, slow infrastructure development, shortage of trained labor, weak fiscal discipline, the natural constraints of limited resources, great geographical distances within the FSM and to other areas (i.e., major markets), and the associated transportation difficulties and costs constraint development, new security threats, such as terrorism, natural crises (typhoons, earth quakes, and tsunamis) and health scares (e.g., SARS, Avian Flu) have led to a heightened sense of vulnerability.

Moreover, there is a growing awareness of the need to take action against corruption, racism, and nepotism and for good governance because these are essential elements to bring about efficiency, effectiveness, and transparency throughout the country. The growing population and demographic changes are also putting enormous and increasing pressure on FSM's resources, whether in terms of urbanization and high population density, natural resources, biodiversity, culture, or the wealth gap. FSM must take action today in order to preserve for tomorrow the fragile economy, social, and environmental balances governing its society which are reflected in the 2030 Agenda guiding principles.

**Figure 1: FSM GDP Growth Rate**



## 2.7 Structure of the Audit Report

- (a) The remaining part of the report covers the following:
- (b) Chapter two describes the system and process for adaptation and implementation for SDGs;
- (c) Chapter three provides audit findings on adaptation of SDGs;
- (d) Chapter four provides audit findings on resources identification and mobilization for implementing SDGs
- (e) Chapter five provides findings on monitoring, follow-up, review and reporting the progress towards implementation of SDGs;
- (f) Chapter six provides conclusions for the audit; and
- (g) Chapter seven outlines recommendations to improve the current situation.

## CHAPTER THREE

### ADAPTATION OF 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT GOALS

#### 3.1 Introduction

This chapter presents findings obtained during the audit. Specifically, it focuses on the extent to which FSM has adapted the SDGs into national context. Findings of the audit in this chapter are categorized into seven areas as follows: Planning, National Ownership, Public Awareness, Multi-Stakeholder approach, Tailoring SDGs to National, sub-national and local contexts (reviewing Plans and adapting to SDGs), Resource and Capacity mobilization (means of implementation), Monitoring, reporting and accountability.

#### 3.2 Weak national ownership and reviewing national plans for adapting the SDGs

- 3.2.1 Adaptation of SDGs into the national context is vital to ensure ownership of the SDGs. SDGs are global targets that should be adapted through national processes in line with the national circumstances and by defining national targets based on national priorities.

**The following are the conditions and causes we noted as of February 2019:**

- 3.2.2 The National Strategic Development Plan was developed and operationalized in 2005 and we noted that there are several areas that matches those of the SDGs, as indicated in the Draft Assessment Report prepared by the SDGs Working Group, attached as *Appendix II*. However as of February 2019, there was neither comprehensive legislation nor policy to guide the implementation and coordination of the implementation of SDP. The implementation was done through their pre-existed sector policies and regulation.
- 3.2.3 We also found that the FSM Strategic Development Plan 2004-2023 (SDP) was officially adopted at the third National Economic Summit in 2004 and approved by the Congress in Fiscal Year 2005. It was referred to consistently at both National and State levels as the starting point for setting priorities in the absence of other medium-term plans. It forms the basis for sectoral medium-term plans where these exist. To that extent, it is the nearest thing FSM has to a statement of direction for the country. However, the Plan was put together quickly and in response to a requirement of Compact Agreement (which also requires any national plan, insofar as it envisages the use of Compact funds, to have the agreement of the United States). It contains a good deal of analysis relevant to 2004 that has not been updated. It was described as overly long and complex, and contains a level of detail that would be inoperable even for a short-term plan in a country with far greater public service capacity. The specific objectives, likewise the analysis thereon, have not been updated and there is no monitoring of the Plan.

- 3.2.4 Among other things, the SDP does not guide policy dialogue with development partners, who have largely made investment decisions based on their own comparative advantage, with non-Compact aid scattered over a number of sectors. In addition, the planning of other capital expenditures is handled without going through the usual planning and budgeting procedures as mention under section 2.1 above. These include Congressional projects ('public projects'), which are authorized under Title 55, Chapter 13 of the FSMC.

These projects are not subject to the same institutional process as other investment (they are outside of the main investment preparation and scrutiny process) and thus their recurrent cost implications are not factored in. There is also evidence that some external grants, e.g. from People's Republic of China, appear not to be subject to the same institutional prioritization and planning process as other investment, which in some cases are considered by the Department of External Affairs. Given the apparent lack of involvement of Office of Budget and Economic Management and other budgetary planning institutions, it is unlikely that the relevant re-current cost implications are factored in.

- 3.2.5 The national government undertook an Assessment with UN support on the gaps and overlaps between the targets and indicators for SDGs and those of various sectors as delineated in the SDP (*See Appendix I*). The results showed that only 18% SDGs achievement indicators are represented in the existing strategic framework, with gaps to be addressed. The results also show that out of the 244 SDGs achievement indicators only 127 (52%) are considered as priority in FSM's SDP. However, this assessment report has not been finalized and still needed to be validated at the states level.
- 3.2.6 We also noted that there was still no national governance structure based on clearly articulated departmental roles and responsibilities by November 2018 on implementation of SDGs. We found no communication plan and no engagement strategy on how to include other levels of government and other stakeholders in a national dialogue on the 2030 Agenda.
- 3.2.7 We also found no implementation plan or system to measure, monitor, and report on the progress in achieving the goals.

### **3.3 Inadequate Public Awareness Creation**

- 3.3.1 The 2030 Agenda for SDGs requires public awareness on SDGs at the country level to be raised at the context of the existing and forthcoming national development vision and plan. The rationale is to ensure that implementation of SDGs is the nationally owned process. Awareness raising process is supposed to consider the sub-national and community levels and involve the multiple actors such as private sector and civil society. Also, the results of the advocacy and awareness raising campaigns should be evaluated to ascertain its effectiveness.

**The following are the conditions and causes we noted as of February 2019:**

- 3.3.2 The National SDGs working group is tasked with public awareness of the SDGs. As per the audit, very little effort was made by the national government to inform concerned stakeholders on SDGs initiatives. Besides conducting a three days national consultation workshop, the government also planned for similar consultations to be conducted in the four states of FSM in 2018. However, our audit noted as of February 2019, there was no consultation carried out at the state level.
- 3.3.3 Our interviews with the state officials in Yap, Chuuk, and Kosrae showed that these awareness-raising activities had limited coverage. Most often such events were organized in Kolonia and Palikir. On the one hand, awareness-raising events organized by the government were often targeting to National officials. Whenever it included the states, NGOs, private business and CSOs, they were usually limited to one or two participants due to budgetary constraints. As a result, we found that most of the departments, private sector organizations and CSO's in the states were unaware of SDGs and its implications in their work. This may affect the wider reach to the community and decrease transparency in the implementation of the plan and SDGs.
- 3.3.4 The inadequate awareness creation on the SDGs was attributed to the following issues:
- (a) Lack of capacity and financial resources.
  - (b) The Working Group was waiting for the recruitment of a UN volunteer to lead them.
  - (c) The working group has not developed its Roadmap for SDGs Localization in each of the four states.
  - (d) Except for Kosrae State, the states of Yap, Chuuk and Pohnpei have not created their SDGs Working Group.

#### **3.4 Absence of high-level multi-stakeholder institutional mechanism**

- 3.4.1 Multi-stakeholder approach represents a logical starting point for raising public awareness and creating a broader media or social marketing campaign. The 2030 Agenda for SDGs highlights the importance of bringing different actors together in implementing the new approach to sustainable development.

**The following are the conditions and causes we noted as of February 2019:**

- 3.4.2 Government formed one national high-level committee namely National SDGs Working Group in July 2016, to rollout and implement the SDGs. But formation of the group did not contain any provision for ensuring institutional representation of the four states, municipal levels, CSOs and other stakeholders. National government did not demonstrate any reliable basis for not including the states, municipalities, NGO, CSOs, and private sectors in line with the spirit of "leave no one behind" as enshrined in the 2030 Agenda.
- 3.4.3 With respect to the National SDGs Working Group we noted that there is a need for improvement. The SDGs Working Group did not get the required local funds

and support from department heads most of whom, when interviewed, indicated that they were completely unaware of what was going on and, in some cases, even asked 'what is SDGs'. As such, members are not motivated to attend as evident with lack of meetings and quorum. As of May 2019, the working group has held only five (5) meetings since its establishment in July 2017. Participants are usually junior officers from the various departments who come in as replacement of their superiors, who are either off island or too preoccupied to attend. As at May 2019, the official listing of the names for this group showed that there was representation from:

- (i) FSM national departments and agencies, namely: Foreign Affairs; Research & Development; Finance & Administration; Health & Social Affairs; Education; Environment, Climate Change & Emergency Management; Overseas Development & Assistance; and any relevant national line department/office/agency who can provide technical advice to the Working Group;
- (ii) Key representatives of State Governments, namely: NSDS Focal Points who will participate via tele/video-conferencing when needed;
- (iii) Key representatives of Civil Society Organizations (CSOs), including and not exclusive of: youth organizations, women's organizations, minority organizations; and
- (iv) Key representatives of the private sector, namely the chamber of commerce;

However as of May 2019, participation has been limited to members from national departments only.

### **3.5 Inadequate Promotion of horizontal and vertical policy coherence.**

- 3.5.1 Policy coherence is critical to capitalize on synergies among SDGs and targets, between different sectoral policies, and between diverse actions at the local, regional, national and international levels

**The following are the conditions and causes we noted as of February 2019:**

- 3.5.2 Some efforts were already initiated to promote horizontal policy coherence by aligning different sectoral plans and strategies with that of SDGs, on one hand, and including high level government officers from different departments in the SDGs working group as well as the Sectorial NSDS Technical Working Group that would help easing promotion of horizontal policy coherence.
- 3.5.3 Policy coherence is critical to capitalize on synergies among SDGs and targets, between different sectoral policies, and between diverse actions at the local, regional, national and international levels
- 3.5.4 Promotion of vertical policy coherence has not started yet as the states and local level governments were yet to come on board. For instance, the community plans should be more of the day-to-day specific action steps necessary to direct the community to contribute toward achievement of the national strategies. In many aspects, they should be consistent and in line with state and national plans.

However, the reality of the situation in FSM is that they are often not consistent. The principal reason why they are inconsistent is because of the imbalance and wide gap in capacity to support strategy coherence and even implementation. The communities do not have the capacity to develop a plan to begin with, and so they look up to their national and state counterparts to provide technical assistance.

### **3.6 Monitoring, reporting and accountability**

- 3.6.1 The national SDGs Working Group is supposed to monitor the SDGs implementation and provide guidance in its entirety.

**Our review of the current national monitoring, reporting and accountability disclosed the following:**

- 3.6.2 We noted that the SDGs Working Group has re-started its work which are mainly preparatory activities after been derailed as a result of it being newly constituted and followed with resignation of the chairperson; withdrawal of the Assistant Secretary for Budget & Economic Management, who was the key person involved in producing the FSM annual economic & fiscal update which had a number of the SDGs indicators and which was a tool used for policy making decision; and also the resignation of the UN volunteer who served as the SDGs Working Group secretariat.
- 3.6.3 With the arrival of new UN Volunteer, the SDGs Working Group started by holding meeting in January 2019 to chart out its roadmap for SDGs Working Group activities, preparation for the Voluntary National Review (VNR), and the development of SDGs Dashboard within the Department of Research & Development website.
- 3.6.4 There are some reporting by national and state departments to legislatures, but the main form of reporting was the quarterly reports provided under the Compact for relevant sectors. These reports were of limited use as management information for senior officials, and were completed primarily for compliance with funder requirements. Moreover, they were consolidated by the Division of Budget and Economic Management for transmission primarily to the United States, and did not appear to be used as a means of disseminating information and learning across sectors between states and national departments. To be useful they require restructuring.
- 3.6.5 There was also other reporting prepared for other development partners according to those partners' requirements.
- 3.6.6 The production of statistics is a national function and major activities such as annual economic statistics were up to date; the latest census report was completed in 2010; and also, FSM government produced an MDG report in 2010. As is in other Pacific countries, the attention given by the government to keeping good time series data, varies and depends on the perceived political interest in the figures.

- We noted that considerable attention was paid to collecting data on health and education indicators because of their importance in Compact funding. However, our audit found that **education** sector is lacking accurate number on eligible students (children in specific age-groups) which in most cases will compromise planning, leading to over-crowded or half-empty classrooms, non-optimal allocation of teaching resources and negative impact on learning outcomes – with the latter also compromised by inadequate information on teacher performance, and ultimately the Department not being able to take corrective measures.
  - As with education sector, **health** needs to have access to accurate population statistics, to be able to provide cores services: children in specific age-groups and location to ensure adequate vaccination coverage; women of child-bearing age, and current fertility rates, to ensure provisions of adequate Maternal and Child Health services; and accurate cause of death data to inform health policy, and prepare for medical contingencies.
- 3.6.7 Other than periodic examination of health and education outcomes by JEMCO, the links between evidence, dialogue and policy are weak. Failure to perform may have some consequences but these are externally driven and often applied when the situation has become very bad.
- 3.6.8 We observed that that with the current and incoming reduction in resources there will be motivation for better monitoring as it becomes essential to make every dollar work harder and to understand what is working and what is not.
- 3.6.9 We also noted that there is a need to reforming the budget process which could provide an opportunity for Governments in FSM to make reporting simpler but more meaningful, and in the longer term to negotiate with development partners the use of internal reporting to provide accounting obligations to them.

## **CHAPTER FOUR**

### **RESOURCE MOBILISATION FOR IMPLEMENTING THE 2030 AGENDA FOR SDGs**

#### **4.1 Introduction**

4.1.1 This chapter presents findings on the identification and mobilization of resources and capacities required for implementation of SDGs. Specifically, it focuses on the extent to which FSM has identified and secured resources and capacities for implementation of SDGs.

4.1.2 Findings of the audit are categorized in three areas which are:

- (i) Identification of resources for achieving the national SDGs targets;
- (ii) Identification and use of innovative methods to secure resources and capacities;
- (iii) Effectiveness of tax collection system;
- (iv) Identification and mobilization of capacities (human capital and ICT skills); and
- (v) Risks and mitigating strategies in securing resources and capacities.

#### **4.2 FSM has not identified and Mobilize Resources and Capacities (Human Capital and ICT Skills) to achieve the SDGs targets:**

4.2.1 FSM is required to identify and mobilize resources (means of implementation) to achieve the national SDGs targets. According to the review one of the issues related to SDGs preparedness that have attracted considerable attention in developing countries is a need for assessment of financial and technical assistance for the implementation of SDGs.

##### **Our review disclosed the following:**

- 4.2.2 A careful analysis of FSM's needs has not yet been done. National Government is in process of conducting such assessment.
- 4.2.3 We also noted that the FSM Government will be required to simultaneously analyze need of financial and technical assistance to be mobilized by States.

#### **4.3 Inadequate Identification of Resources for Achieving the National SDGs Targets**

4.3.1 As a rule, the SDGs require investments which are a prerequisite for their successful attainment, which in some cases involves allocation of funds for multiple fiscal years.

##### **Our review observed the following:**

4.3.1 The shortage of funding, combined budgeting system that favors short-term (annual) budgeting, may complicate and hinder the implementation and achievement of the SDGs.

- 4.3.3 FSM receives substantial economic assistance from the United States under the Compact Agreement (\$50.6 million as an initial allocation in FY 2013, plus contributions to the Compact Trust Fund and further grants for education and from various Federal funds). The national portion of this assistance makes up approximately 10% of the national budget, but Compact support typically constitutes between 50% and 75% of State budgets. Funding legally obligated under the Compact would be reduced by \$800,000 per fiscal year and ultimately funding will end in fiscal year 2023. Though the FSM Government has built-up Trust Fund parallel to the Compact Trust Fund, however current projections indicate that income from the trust funds will not be adequate to fill the financial gap that the Compact Agreement funding will leave behind from Fiscal Year 2024 onward. The considerable uncertainty over the continuation of economic assistance the FSM receives from the US is a risk to the implementation and achievement of the SDGs.
- 4.3.4 FSM has gone through some difficult fiscal adjustments since the beginning of the current Compact Agreement, which is more restrictive than the previous one. Having achieved macroeconomic stability in the last few years, attention has turned to managing the consequences of the gradual reduction in Compact Agreement assistance. The long-awaited tax reforms, the Long-Term Fiscal Frameworks (LTFFs) being developed in the four states and for the nation, the development and implementation of the 2023 Action Plan which is a medium-term action plan and the increased focus on developing a wider range of development partnerships are evidence of this. The prospect of declining income is also pushing the policy-makers to focus even more on the need for economic growth, which has seen on average almost no growth since 2004. The private sector accounts for only 25% of the economy, a figure that has not changed in the last five years.
- 4.3.5 The country has to deal not only with a fiscal squeeze, but also with a legacy of disappointing development outcomes. FSM is a lower middle-income country, but hardship has increased over the last decade, leading to out-migration. Health and education outcomes have mixed interpretation: while most children attend school, there are concerns about quality and in particular the levels of literacy among high school leavers; immunization coverage for children is high, but health services are struggling to provide adequate access to contraception, or to control multi-drug resistant TB or non-communicable diseases. Leaders know that they need to act now to unlock the potential for growth and to ensure that people have the health and skills to participate in the economy. In that context, it is essential to make every dollar of public expenditure count and to generate and act on information about what is working and what is not. There are elements of existing practice and systems in FSM that the country can draw together into an enhanced framework for effective resource use, but there are also missing elements that need to be put in place as a matter of urgency.
- 4.3.6 Alongside the need to attract foreign commercial investment, FSM understands that it needs to put its house in order to attract aid investment. FSM's planning,

development policies into practice, and are complicated by the need for consensus between States on resource sharing and nation-wide priorities and by the way that the requirements of the US Compact have shaped systems and attitudes to external assistance. Both have contributed to a deficit in FSM's ability to provide clear leadership of its own development efforts and to account for results. In addition to this, the relative lack of familiarity in the country with how development assistance has evolved globally and in the Pacific in the last decade, and FSM faces a significant challenge in attracting a wider range of development relationships than it has now.

## CHAPTER FIVE

### MONITORING AND REPORTING IMPLEMENTATION OF THE SDGs

#### 5.1 Introduction

This chapter presents our audit findings relating to monitoring, follow-up, review and reporting on the Sustainable Development Goals (SDGs) implementation progress.

#### 5.2 Inadequate Mechanisms to Monitor, Review and Report on the Progress

- 5.2.1 Federated States of Micronesia (FSM) is required to conduct regular and inclusive reviews of progress at the national and sub-national levels which are country-led and driven. Such reviews should draw on contributions from indigenous people, civil societies, the private sector and other stakeholders, in line with national circumstances, policies and priorities.

**During our review we observed the following:**

- 5.2.2 According to the interview with officials from National Statistics Office (NSO) together with review of the SDGs Working Group assessment reports, it was noted that, efforts were done by the departments, National Statistics Development Strategy (NSDS) and National Planning in understanding data production potential to facilitate reporting on SDGs including preparations for SDGs baseline report and development of data gaps assessment report. However, several weaknesses were noted, as presented in the following sections:

#### 5.3 Insufficient and Inadequate Identification of Performance Indicators and Baselines to Monitor and Report on the Implementation

- 5.3.1 FSM is required to establish national performance indicators in order to feed strategic planning, budgeting, policy analysis, program evaluation and decision making.

**During our review we observed the following:**

- 5.3.2 Interview with officials from SDGs Working Group, Planning Commission and review of the FSM Sustainable Development Plan (SDP) revealed that, Department of Resource and Development (DR&D) and Department of Finance & Administration (DF&A) have established performance indicators for monitoring and evaluating the progress of FSM SDP where **some of targets and indicators of SDGs** were embraced. However, the interview with officials from NSO and review of the Progress Report on SDGs Data Assessment had shown that only 29 percent of SDGs indicators had adequate data, 35.5 percent required additional efforts and resources (human and financial) for development as they are not available on a regular basis or at the necessary frequency, or not of sufficient quality or disaggregation, requiring improvements; while another 35.5

percent do not have any data and require substantial capacity building and investments . Also, this assessment was only based on National Government and Pohnpei State Government not including Kosrae State, Chuuk State, Yap State, NGOs and Private Sectors.

- 5.3.3 It was also revealed that budgetary constraints for the development of performance indicators as in many cases funds were not readily available and had to wait for budget requests submission to and approval by Congress.
- 5.3.4 Further, according to interviews with officials from the visited states departments, NGOs and the selected Agencies, there is no clear link between NSO on one hand and sector departments/agencies, state governments and NGOs on the other hand. This has affected the development of indicators in the sense that, officials from State Government departments (SGDs), States Local Government Agencies (SLGAs) and NGOs had no avenue to participate in the development of performance indicators for monitoring the implementation of SDGs. Inadequate identification of performance indicators might lead to delay or lack of indicators, or incorrect indicator for some SDGs and targets thus rendering tracking and monitoring progress of implementation ineffective.

#### **5.4 Inadequate Data Collection Capacity**

- 5.4.1 NSO is required to be equipped for quality and timely availability of data at a required level of disaggregation.

##### **Our review revealed the following:**

- 5.4.2 Our review of the draft Assessment Report of SDGs Indicators indicated that NSO as the coordinator for production of official statistics within the National Statistical System (NSS) has limited capacity in terms of finance and human resources for data collection and dissemination.
- 5.4.3 Our review found that there were diverse challenges confronting all sectors (Economic, Social and Natural Resources) as well as in the NSO and its four State offices. Amongst the main challenges are the institutional issues emerging from an outdated Statistic and Census Act of 1988 (requirement/aspiration under SDG 17.8.2, for the national statistics related legislation to comply with the fundamental principles of official statistics); limited resources in the departments to enable it to undertake key statistical activities (as per its mandate); limited human resources; poor data flows from state to national agencies; and outdated means of data dissemination within the FSM.
- 5.4.4 The current Statistics and Census Act of 1988 is silent on NSO mandates (rights and power) of collecting data from government agencies and other public and private institutions;

- 5.4.5 At present, the principal means of collection of data is paper-based, with regular inter-agency and state-federal electronic data-transfers. Most of the data and information is processed and stored in “databases”, which in most cases means spread-sheets rather than true databases that would facilitate automation of regular reports and thus improve the timeliness of information.
- 5.4.6 NSO statistical specialists are capable of designing most of their regular data collection forms, and when it involves more complex collections such as censuses and household surveys, the NSO has made use since 2010 of pacific-wide standard questionnaires developed by SPC, such as common population and agricultural census modules, and a Pacific Household Income & Expenditure Survey (HIES) questionnaire. Most recently, as only the second Pacific Island country to do so, the NSO made use of tablets (electronic data capture) instead of using paper questionnaires in the 2016 Agricultural Census, which improves both data quality and timeliness in providing results. However, the capacity is still limited.
- 5.4.7 Further, interview with statistical officers from the visited LGAs and selected departments revealed that, the statisticians employed in institutions other than NSO did not have mandate to report on statistical issues to NSO. The audit noted further that FSM did not identify key stakeholders for data collection process. For instance, Civil Societies and NGOs who are important and have capacities for data collection were inadequately used as a result; their experience for the progress towards preparedness for implementation of SDGs could not be captured in the data collection process.

## **5.5 Insufficient and Inadequate Data Quality and Availability**

- 5.5.1 Reliable information is crucial not only to guide the development policy supporting the implementation of the SDGs, but also to assess progress towards their achievement. “It is impossible to prevent failure and to manage risk if a country is not measuring its progress toward set goals, particularly at the department level, state level and national level.

### **Our review revealed the following:**

- 5.5.2 FSM draft assessment of the SDGs indicators 2017 show that there are data gaps such as on updated population and migrations statistics (estimates, projections), data on remittances and the environment, and a lack of systemic state-disaggregated data and statistical information. There is no strong correlation between SDGs indicators and what the FSM National Government currently collects and reports on except in the education and health sectors. Even for these two sectors the level of reporting often is not at the full level required by the SDGs indicator, such as by sex, age, and disability. However, for education and

health the respective management information systems do have the data stored and it is just a matter of extracting the indicator.

- 5.5.3 We also noted that the FSM does have a number of proxy indicators in the other sectors and in general, if an indicator is available at the national level, it should usually come from the summation of state level data.
- 5.5.4 We found that there is a very diverse level of monitoring and reporting of sectors in FSM, with the social and economic sectors having annual publications, while for the natural resources sector, acknowledging indicators are more difficult to define, tend to respond only to international reporting as required under treaties and other obligations.
- 5.5.5 The shortage of and/or limited awareness of data availability continues to be an issue in the FSM. Noting that there is often limited awareness of the full extent of data availability and much of the information collected in line departments (administrative data) are not readily available to others.
- 5.5.6 It was noted that access to remote islands is logistically difficult and costly and collecting statistical information from island communities is underdeveloped. The key for embedding the SDGs indicators into the strategic planning for the FSM at both the State and National level is to reinforce the work of the NSDS and to ensure effective work of its task force sub-committees.
- 5.5.7 We also noted that the three major sectors, the Social Sector represented by Education and Health, comprises the most prolific collectors and compilers of statistics in the FSM public sector, outside of the NSO. Both national government agencies compile and collect a broad range of statistics, with the vast majority collected at state level by the health and education offices of each of the four state governments, before they are transferred to Palikir, and become part of the National Education Management Information System (EMIS) and the National Health Information System (HIS) respectively. Most of the statistics collected by these two agencies are of an administrative nature (e.g. student/patient numbers; numbers service providers/population – teachers, doctors, nurses); facilities (types of schools and health facilities). Health, faces an additional and quite formidable challenge having to collect data pertaining to a broad range of diseases and obtaining accurate cause of death information, which is of paramount importance to its ability to provide a competent service.
- 5.5.8 Of concern to both National DOE and National DHSA, is their ongoing inability to access up-to-date population statistics, with available data still referring to the 2010 census. They require current population estimates by age and sex, to have realistic denominator data to calculate a variety of much needed rates and indicators – with, for example, school enrolment rates, and data on hospital attendance or medical treatment essential information to both departments for planning for future contingencies.

- 5.5.9 In addition to providing more realistic population numbers for national and state planning purposes and satisfying urgent domestic policy monitoring and reporting requirements, this information is also essential for regional and international policy monitoring regarding the SDGs agenda and other international conventions the FSM has pledged to support.
- 5.5.10 While poverty levels are high in FSM, there is as yet no special provisions for vulnerable groups in Disaster Risk Reduction (DRR) and Climate Change Adaptation (CCA) policy and planning. Community Based Organizations and church groups are normally the most active in addressing the needs of vulnerable groups and their inputs are needed to inform DRR and CCA policy development in this regard.
- 5.5.11 Special provisions for vulnerable groups also need to be explicitly incorporated into agency and state Domestic Revenue Mobilization (DRM) plans, including early warning and evacuation systems. Mapping of households with people with special needs is required following consensus on the definitions of ‘vulnerable groups’ to be used for DRM purposes. With this in mind, special attention is needed to develop statistical capacity to ensure relevant government officials have the skills to engage with key stakeholders at the national level, with a special focus on vulnerable population groups, in order to promote inclusive national SDGs localization reviews and reporting; and strengthening the capacities of national statistical offices and other relevant government bodies to compile national SDGs indicators; to collect, compile, present and disseminate reliable, timely and quality disaggregated data; and to use new data sources.
- 5.5.12 The pointed frequency of data collection is likely to impair timely availability and quality of data for tracking implementation progress of SDGs. Furthermore, review of the FSM Data Availability Test- Data Test pointed that data for various targets and indicators tested were not readily available and accessible.

*Table 01: Summary of National Assessment on Localization of SDGs Targets/Indicators [Yes Available (Y)/Not Available (N)]*

SDG Goal	SDP		Priority	
	Y	N	Y	N
Poverty	2	10	6	6
Hunger	3	13	8	8
Health	3	23	15	11
Education	6	5	8	3
Gender	4	10	7	7
Water	3	8	7	4
Energy	0	6	4	2
Economic	3	14	9	8

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Infrastructure	1	11	4	8
Inequality	0	11	3	8
Cities	0	15	7	8
Consumption	1	12	5	8
Climate Change	1	6	5	2
Ocean	2	8	5	5
Ecosystems	4	10	8	6
Justice	3	20	13	10
Partnership	8	18	13	13
Total	44	200	127	117
% of Y/Total	Y=18%		Y=52%	

*Source: Draft FSM Assessment report on SDGs indicators, 2017*

- 5.5.13 Data Availability for determination of various targets/indicators in the *Table-01* above which is a summary of Appendix II, shows lack of data for 200 SDG indicators out of the 244 indicators traced to the SDP; while 127 SDG Indicators are considered of priority to the FSM; Most of the indicators that have available data are those relating to goals on economic development, social development (health and education), and natural resources sector which included agriculture and fisheries, Department of Environment, Climate Change & Emergency Management (DECEM), and NORMA. Further the Data test report revealed large variations in the quality of data across goal areas. The audit noted that, the deviation portrayed in the flowchart of data at the national level, was due to untimely, unreliable and inaccurate data. This was caused by lack of harmonized data collection tools and mechanisms from different sectors at NDAs and LGAs level. The poor quality and untimely availability of data may impair the tracking, monitoring and review of implementation progress of the FSM's SDP which embraced SDGs.
- 5.5.14 Lack of Data is also evidenced by the ADB report on SDGs indicators on Goal 4, Goal 8, Goal 9, Goal 11, and Goal 17 as shown in *Appendix III*.

## **CHAPTER SIX**

### **CONCLUSION**

#### **6.1 General Conclusion**

6.1.1 Despite the initial efforts made by the national government for preparation and implementation of SDGs, the implementation stage has been bogged down by lack of political will and concerted efforts both at the national and state governments level evidenced mainly by inability to allocate funds; dissemination of information to stakeholders; and awareness and involvement of head of departments, state governments, local governments, private sectors and non-governmental organizations. These constraining factors lead into failure of the FSM national and state governments to fully integrate the SDGs into the national context. Also, the governments have not identified the required resources and capacities to implement SDGs. In addition, the current mechanisms for monitoring and reporting is not effective in supporting the implementation of SDGs.

#### **6.2 The specific conclusions are divided into three parts as presented below:**

##### **6.2.2 Inadequate Adaptation of Sustainable Development Goals to the National Context**

- (i) The national SDGs Working Group with the support of UN has issued a draft report on the assessment of localization of SDGs into the SDP, however, as of May 2019, this report was still in its draft form and there were several issues to be validated at the state levels.
- (ii) As of May 2019, there was no plan prepared to guide the states on how to integrate the SDGs into national context. This resulted into failure of the national and state governments and local government to adequately integrate SDGs into national context.
- (iii) The SDGs Working Group planned to conduct SDGs awareness creation workshop in the four FSM states, but as of May 2019, beside the two consultation workshop and awareness rising workshop to the youth and primary school pupils in the state of Pohnpei that were conducted in year 2017, there were no any other activities conducted to create awareness at national, state and local levels, and to communities and non-state stakeholders. There is therefore the risk of various communities and other stakeholders may be left in darkness which may lead to failure to own the whole process of implementation of SDGs. This may affect the attainment of the set goals and targets and the principle of 'no one is left behind' may not be materialized.
- (iv) The national SDGs Working Group did not conduct stakeholders mapping to identify key stakeholders to be involved during the planning,

implementation and monitoring, review, follow up and reporting on the progress of implementation of SDGs. This may result in non-involvement of the local communities and citizens in the preparation of SDP accommodating the SDGs. Stakeholders have a remarkable role in the implementation and monitoring of the progress of SDGs embedded in the medium and short-term plans. And for the FSM, this can only be achieved if there is wider reach and transparency in implementation of the SDGs in SDP.

- (v) Interventions in the SDGs Implementation Strategy demanded coordination and strategic partnership between the national, state governments and non-state stakeholders. However, the national government did not set mechanisms for breaking down sectoral silos and connecting different levels of government actions for integration and implementation of the SDGs in the SDP. This might result in institutions striving to promote their daily plans, disregarding the need to attain SDGs. This may also pose the risk of one policy contradicting another thereby delaying or hindering the execution of the activities and interventions to deliver SDGs targets.

#### **6.2.3 Inadequate Identification and Mobilization of Resources and Capacities**

Although the national government has identified resources required for implementation of the SDP, the SDGs Working Group is yet to identify the resources and capacities required for implementation of SDGs in general.

#### **6.2.4 Lack of Mechanism to Monitor, Follow-Up Review and Report on the Progress towards the Implementation SDGs**

- (i) Monitoring and evaluation on implementation of SDGs is important as it ensures progress in attaining the set targets, outputs and objectives. The audit noted that, the current monitoring and evaluation framework was ineffective because NSO did not adequately identify performance indicators and baselines to monitor and report on the implementation of SDGs.
- (ii) Currently there are diverse challenges confronting all sectors (Economic, Social and Natural Resources) as well as in the NSO and its four State offices. Amongst the main challenges are the institutional issues emerging from an outdated Statistics and Census Act of 1988, limited resources in the departments to undertake key statistical activities required to perform their mandated tasks, human resources, poor data flows from state to national agencies, and outdated means of data dissemination within the FSM.
- (iii) The NSO has insufficient capacity for data collection, posing a challenge on the quality and timely availability of data required for tracking the progress implementation of the SDP and SDGs.

## **CHAPTER SEVEN**

### **AUDIT RECOMMENDATIONS**

#### **7.1 Introduction**

This chapter contains recommendations on what should be done to enhance preparedness for localization and implementation of SDGs. The FSM SAI believes that these recommendations, if fully implemented, will enhance smooth implementation of localization and integration of SDGs in SDP and ensure the presence of the 4Es: Economy, Efficiency, Effectiveness and Environment in the use of the public resources.

#### **7.2 Adaptation of SDGs to the National Context**

##### **7.2.1 FSM National Government should:**

- (i) Develop national implementation strategy which will guide the implementation and achievement of SDGs at the national level in line with FSM's SDP and its successor plans.
- (ii) Analyze the content of the 2030 Agenda for SDGs and integrate them to SDP with consideration of timeframe, feasibility, and sustainability of the implementation of the integrated goals.
- (iii) Establish a mechanism for aligning national planning and budgeting processes with the SDGs.
- (iv) Expand the composition of the FSM SDGs Working Group to include component units and other stakeholders; and give the group mandate to coordinate the localization process, which could add more value to the localization process and the group's roles and functions.
- (v) Involve multi-stakeholder including local communities and citizens in awareness creation campaigns to enable the wide reach and thus enhance ownership of the process of implementation and tracking the progress of SDGs.
- (vi) Conduct assessment of priority interventions with high impact to attain SDGs and determine the sequence of their implementation.
- (vii) Establish a responsive and inclusive mechanism of coordinating, monitoring and reporting the progress of implementation of SDGs in SDP.
- (viii) Conduct stakeholders mapping to identify the potential stakeholders to be involved and their prospective roles and responsibilities for implementation of the SDGs in the SDP, without losing sight of the importance of the States and community level.
- (ix) Translate the set targets into guidelines and ensure all sector departments/agencies and states and local governments review their strategic plans to integrate SDGs targets in line with national priorities and the resource envelope.

##### **7.2.2 The States and Local Governments should:**

- (i) Conduct stakeholders mapping to identify potential stakeholders to be involved and their prospective roles and responsibilities for implementation of SDGs.
- (ii) Review the current decentralization policy to put in place an effective mechanism for devolving powers and responsibilities to the local governments for effective implementation of development projects and service delivery.

### **7.3 Identification of Resources and Capacities**

#### **7.3.1 FSM Government should:**

- (i) Assess the effectiveness of resource mobilization efforts currently in place, and identify innovative methods with the view of widening the revenue (tax, etc.) base for mobilizing resources needed for implementation of SDGs and other national priorities.
- (ii) Conduct needs assessment for the capacity needed for implementation of SDGs in the FSMSDP.

#### **7.3.2 The States and Local Government should ensure:**

Conduct capacity needs assessment for implementation of SDPs and SDGs interventions at state, local governments, and community levels.

### **7.4 Mechanism for Monitoring, Evaluation and Reporting on the Implementation of SDGs**

#### **7.4.1 FSM national government should:**

- (i) Ensure harmonization of data collection system and tools for quality, timely and adequately disaggregated statistical data;
- (ii) Establish a mechanism for coordination, monitoring, and reporting on the implementation progress as an integrated part of the FSM SDP and with specific attention on global benchmarking; and
- (iii) National Statistics Offices should use statisticians from departments/agencies and states and local governments to fasten mainstreaming of the remaining SDGs indicators into SDP.

#### **7.4.2 National and States governments should:**

Establish a consolidated system which will capture all sectoral data from States and local governments to be used for monitoring the progress of implementation of development activities.

## **APPENDIX I: KEY AUDIT QUESTIONS USED TO ACHIEVE THE AUDIT OBJECTIVES**

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### **A: AUDIT OBJECTIVE 1: To what extent has the government adapted the 2030 agenda into its national context?**

***Audit Question 1:*** Has the government put in place processes and institutional arrangements to integrate the 2030 Agenda into the country's legislation, policy, plans, budget and programs, including the country's existing sustainable development strategy, if there is one?

***Audit Question 2:*** Has the government informed and involved citizens and stakeholders in the processes and institutional arrangement to integrate the 2030 Agenda including national and local government, legislative bodies, the public, civil societies and the private sector? FSM

***Audit question 3:*** How are responsibilities allocated among various levels of government (national, subnational and local) for the coherent implementation of the 2030 Agenda?

***Audit Question 4:*** Has the government designed policies and institutional mechanisms to support integration of the three dimensions of sustainable development (economic, environmental and social) and the principles of the 2030 Agenda (e.g. "leave no one behind")?

### **B: AUDIT OBJECTIVE 2: Has the government identified and secured resources and capacities (means of implementation) needed to implement the 2030 Agenda?**

***Audit Question 1:*** Has the responsible entity identified the resources, cooperation and partnership opportunities for getting required resources and capacities to achieve its priorities in 2030 agenda?

### **C: AUDIT OBJECTIVE 3: Has the government established a mechanism to monitor, follow-up, review and report on the progress towards the implementation of the 2030 Agenda?**

***Audit Question 1:*** Has the Government assigned responsibilities to monitor, follow up, review and report on the progress towards the implementation?

***Audit Question 2:*** Has the government identified performance indicators and baselines and set milestones to monitor and report on the implementation?

***Audit Question 3:*** Has the government put in place processes to ensure the quality, availability and required level of disaggregation of the data needed?

***Audit Question 4:*** Have monitoring, follow-up, review and report processes been designed through a participatory process and will these processes enable stakeholder engagement?

## APPENDIX II: ASSESSMENT REPORT: SDGs INDICATORS IN THE NATIONAL STRATEGIC DEVELOPMENT PLAN 2004-2023 AND THEIR AREAS OF PRIORITY

*(The list includes 232 indicators on which general agreement has been reached. Please note that the total number of indicators listed in the global indicator framework of SDG indicators is 244. However, since nine indicators repeat under two or three different targets (see below), the actual total number of individual indicators in the list is 232: repetitive indicators are: 8.4.1/12.2.1; 8.4.2/12.2.2; 10.3.1/16.b.1; 10.6.1/16.8.1; 15.7.1/15.c.1; 15.a.1/15.b.1; 1.5.1/11.5.1/13.1.1; 1.5.3/11.b.1/13.1.2; 1.5.4/11.b.2/13.1.3)*

Goal 1. End poverty in all its forms everywhere							
	TIE R	SDP	Priority	Owner	Full indicator	Latest data	
Indicator	I, II or III	Y/N	Y/N	Dpt	Y/N	Year	Comment
1.1.1 Proportion of population below the international poverty line, by sex, age, employment status and geographical location (urban/rural)	II	N	N	NSO		2014	This indicator is not a priority for FSM, but could be calculated from the HIES, but was not covered in the WB Poverty Report
1.2.1 Proportion of population living below the national poverty line, by sex and age	I	Y	Y	NSO	N	2014	2013/14 Poverty Report, available by State but not available by age, sex, nor employment status
1.2.2 Proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	II	N	N				this indicator implies very detailed information from the Poverty profile which is not available
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	II	N	N				FSM would be interested in this indicator when it is clearly defined but is not sure how it would collect the detail. There would be some information from the Social Security system and MiCare but it would not disaggregate at the level proposed. Also, some public projects also cover food security and housing for the poor but measuring coverage would be very difficult.

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1.4.1 Proportion of population living in households with access to basic services	II	N	N				FSM would be interested in expanding its national poverty indicator to cover this component once the definition has been agreed upon. It may be that it is very similar to the current indicator for 1.2.1
1.4.2 Proportion of total adult population with secure tenure rights to land, with legally recognized documentation and who perceive their rights to land as secure, by sex and by type of tenure	II	N	Y	States Land Offices	N		The National Government does not have information on this indicator as by the constitution land tenure is a state issue. Each State has different ownership rules. Land tenure is a very difficult State Government issue due to incomplete records, in particular legal documentation is a problem in Chuuk. If looked at on a state by state basis some states may be able to produce this data
1.5.1 Number of deaths, missing persons and persons affected by disaster per 100,000 people	I	N	Y	DECEM	Y	2016	This is an important indicator for FSM and it is monitored & reported on after each disaster through each disaster's Situation Report and Rapid Assessment Report
1.5.2 Direct disaster economic loss in relation to global gross domestic product (GDP)	II	N	Y	DECEM	Y	2016	FSM do not understand the relevance of this when loss to FSM GDP is more important to the nation, FSM losses would be perceived as insignificant on a global scale but are very significant locally
1.5.3 Number of countries with national and local disaster risk reduction strategies	I	N	Y	DECEM	Y	2016	Disaster risk reduction strategies are important to FSM. A national and 4 state Action Plans for Disaster Risk Management and Climate Change have been produced, with the latest 2 for Chuuk and Pohnpei being completed in 2016
1.a.1 Proportion of resources allocated by the government directly to poverty reduction programmes	III	N	N				The definition of poverty reduction programmes is an issue which needs defining before this indicator can be measured, especially in terms of expenditure by Congress on public projects

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1.a.2 Proportion of total government spending on essential services (education, health and social protection)	I	Y	Y	CMD	N	2016	The Annual Compact Report contains this information as the US has an interest as the major funder of health & Education, however, it is not aggregated with other payments to Social Security, MiCare, etc. This could be easily aggregated but requires someone to own the full indicator.
1.b.1 Proportion of government recurrent and capital spending to sectors that disproportionately benefit women, the poor and vulnerable groups	III	N	N				

**Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture**

	TIE R	SDP	Priority	Owner	Full indicator	Latest data	
Indicator	I, II or III	Y/N	Y/N	Dpt	Y/N	Year	Comment
2.1.1 Prevalence of undernourishment	II	N	N				The Agriculture Policy 2012 addresses food security, the FAO website includes this indicator, unfortunately no data exists for FSM.
Prevalence of Food Poverty (Proxy)	I	Y	Y	NSO	Y	2014	HIES Poverty survey
2.1.2 Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)	II	N	N	R&D			FAO calculates the FIES, but no data is available on the website for the FSM.

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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	II	N	Y	DHS A			The FSM is interested in this indicator and will test whether it can extract from the Health Information System. However, for the outer islands there is concern that complete data may not be available, especially on islands without a dispensary or nurse.
Underweight Children under the age of 5 (Proxy)	I	Y	Y	DHS A	Y	2016	This data is maintained in the Health Information System
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)	II	N	Y	DHS A			The FSM is interested in this indicator and will test whether it can extract from the Health Information System. However, for the outer islands there is concern that complete data may not be available, especially on islands without a dispensary or nurse.
2.3.1 Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size	III	N	N	NSO			HIES does collect information on subsistence income of agriculture, livestock, handicraft & fisheries but not production volumes
2.3.2 Average income of small-scale food producers, by sex and indigenous status	II	N	Y	R&D	N		Possibly a priority at State level, some data could come from HIES or from Tax Administration records which has quarterly revenue for small businesses, such as bakers and other food manufacturers. Data would not be available by sex or indigenous status
2.4.1 Proportion of agricultural area under productive and sustainable agriculture	I	Y	Y	R&D	Y	2016	The 2016 Agriculture Census will be able to produce a benchmark for this indicator. However, this is an expensive exercise which is unlikely to be repeated in the next 10 years. Thus, the FSM will rely on FAO assistance to update this indicator through surveys or other methods.

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2.5.1 Number of plant and animal genetic resources for food and agriculture secured in either medium or long-term conservation facilities	II	N	Y	R&D			NBSAP covers genetic diversity of plants and animals & related JSAPS address the issues State by State
2.5.2 Proportion of local breeds classified as being at risk, not-at-risk or at unknown level of risk of extinction	III	N	N				piggeries are common, but other livestock is not big in FSM due to the climate and land availability. Issue of local breeds at risk is minimal
2.a.1 The agriculture orientation index for government expenditures	III	N	N				this indicator would be negligible in FSM as 90% of agriculture GDP is subsistence
2.a.2 Total official flows (official development assistance plus other official flows) to the agriculture sector	I	N	Y	ODA	Y	2016	expected to be very low, not currently calculated, note data is available only from 2015 onwards as the new ODA database does not capture historical information
2.b.1 Producer Support Estimate	II	N	N				no producer subsidies in FSM since coconut support subsidy was ceased in 2015 and development of industry was passed to Vital, Congress public projects in agriculture are small and irregular and could be termed a form of producer support
2.b.2 Agricultural export subsidies	II	N	N				no export subsidies in FSM
2.c.1 Indicator of food price anomalies	II	N	N				too complicated an indicator for a small statistical system

### Goal 3. Ensure healthy lives and promote well-being for all at all ages

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	<b>TIE R</b>	<b>SDP</b>	<b>Priority</b>	<b>Owner</b>	<b>Full Indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
3.1.1 Maternal mortality ratio	I	N	Y	DHS A	Y	2016	
3.1.2 Proportion of births attended by skilled health personnel	I	Y	Y	DHS A	Y	2016	FSM definition includes midwives as they attend most births, especially in outer islands
3.2.1 Under-five mortality rate	I	N	Y	DHS A	Y	2016	
3.2.2 Neonatal mortality rate	I	N	Y	DHS A	Y	2016	
3.3.1 Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations	II	N	Y	DHS A	Y	2016	
3.3.2 Tuberculosis incidence per 100,000 population	I	N	Y	DHS A	Y	2016	one of the 4 special health initiatives under the Compact and reported on annually by the States
3.3.3 Malaria incidence per 100,000 population	I	N	Y	DHS A	Y	2016	
3.3.4 Hepatitis B incidence per 100,000 population	I	N	Y	DHS A	Y	2016	
3.3.5 Number of people requiring interventions against neglected tropical diseases	I	N	Y	DHS A	Y	2016	
3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease	II	Y	Y	DHS A	Y	2016	NCDs are another key health initiative under the Compact and reported annually by the States
3.4.2 Suicide mortality rate	I	Y	Y	DHS A	Y	2016	Teen suicide in particular is an issue for FSM
3.5.1 Coverage of treatment interventions (pharmacological, psychosocial and rehabilitation and aftercare services) for substance use disorders	III	N	N				

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3.5.2 Harmful use of alcohol, defined according to the national context as alcohol per capita consumption (aged 15 years and older) within a calendar year in litres of pure alcohol	III	N	N				
3.6.1 Death rate due to road traffic injuries (per 100,000 population)	I	N	Y	DHS A	Y	2016	
3.7.1 Proportion of women of reproductive age (aged 15-49 years) who have their need for family planning satisfied with modern methods	III	N	N				
3.7.2 Adolescent birth rate (aged 10-14 years; aged 15-19 years) per 1,000 women in that age group	II	N	Y	DHS A	Y	2016	
3.8.1 Coverage of essential health services (defined as the average coverage of essential services based on tracer interventions that include reproductive, maternal, newborn and child health, infectious diseases, non-communicable diseases and service capacity and access, among the general and the most disadvantaged population)	III	N	N				
3.8.2 Number of people covered by health insurance or a public health system per 1,000 population	II	N	Y	DHS A			From MiCare & Chuuk Insurance
3.9.1 Mortality rate attributed to household and ambient air pollution (per 100,000 population)	III	N	N				data negligible
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) (per 100,000 population)	II	N	N				
3.9.3 Mortality rate attributed to unintentional poisoning (per 100,000 population)	II	N	N				

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3.a.1 Age-standardized prevalence of current tobacco smoking among persons aged 15 years and older (%)	II	N	N				
3.b.1 Proportion of the population with access to affordable medicines and vaccines on a sustainable basis	II	N	N				
3.b.2 Total net official development assistance to medical research and basic health sectors	III	N	N				Negligible
3.c.1 Health worker density and distribution	I	N	Y	DHS A	Y	2016	
3.d.1 International Health Regulations (IHR) capacity and health emergency preparedness	II	N	N				

**Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**

	<b>TIER</b>	<b>SDP</b>	<b>Priority</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>

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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	I	Y	Y	DOE	Y	2016	Data is available in the EMIS
4.2.1 Proportion of children under 5 years of age who are developmentally on track in health, learning and psychosocial well-being, by sex	III	N	N				There is an early childhood education programme but it has very few indicators
4.2.2 Participation rate in organized learning (one year before the official primary entry age), by sex	I	Y	Y	DOE	Y	2016	Data is available in the EMIS
4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex	III	N	Y				information on non-formal education and training is limited
4.4.1 Proportion of youth and adults with information and communications technology (ICT) skills, by type of skill	III	N	N				
4.5.1 Parity indices (female/male, rural/urban, bottom/top 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	II	N	N				
4.6.1 Percentage 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	II	Y	Y	DOE	Y	2010	Census data
4.7.1 Extent to which (i) global citizenship education and (ii) education for sustainable development, including gender equality and human rights, are mainstreamed at all levels in: (a) national education policies, (b) curricula, (c)	II	N	Y	DOE	N	2016	Some info will be available from EMIS

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teacher education and (d) student assessment							
4.a.1 Proportion of schools with access to: (a) electricity; (b) the Internet for pedagogical purposes; (c) computers for pedagogical purposes; (d) adapted infrastructure and materials for students with disabilities; (e) basic drinking water; (f) single-sex basic sanitation facilities; and (g) basic handwashing facilities (as per the WASH indicator definitions)	I	Y	Y	DOE	Y	2016	e), f) & g) are basics of the school accreditation policy and all schools have been visited over the last 3 years and upgraded. The accreditation reports will have info on the other indicators also. An assessment of this indicator against School Accreditation policy will indicate which level this indicator reflects
4.b.1 Volume of official development assistance flows for scholarships by sector and type of study	I	Y	Y	DOE	Y	2016	Donors or State Scholarships Board /Committees for this information
4.c.1 Proportion of teachers in: (a) pre-primary; (b) primary; (c) lower secondary; and (d) upper secondary education who have received at least the minimum organized teacher training (e.g. pedagogical training) pre-service or in-service required for teaching at the relevant level in a given country	I	Y	Y	DOE	Y	2016	FSM has a policy on teacher qualifications and this was enforced over the last 3 years with many teachers upgrading their qualifications to meet the minimum standards

Goal 5. Achieve gender equality and empower all women and girls

	TIE R	SD P	Priorit y	Owne r	Full indicator	Latest data	
Indicator	I, II or III	Y/N	Y/N	Dpt	Y/N	Year	Comment

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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	III	N	Y	DHSA	Y		specific Gender equality laws around definition of discrimination, equal pay for equal work, violence against women, etc don't generally exist, but are all areas of importance for government and the community
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	II	Y	Y	DHSA	Y	2014	Data is from the 2014 Health & Safety Study, unsure of next study as difficult to reproduce due to cost
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	II	Y	Y	DHSA	Y	2014	Data is from the 2014 Health & Safety Study, unsure of next study as difficult to reproduce due to cost
5.3.1 Proportion of women aged 20-24 years who were married or in a union before age 18	II	N	Y	NSO	Y	2010	Census, but data would need to be extracted from the database
5.3.2 Proportion of girls and women aged 15-49 years who have undergone female genital mutilation/cutting, by age	III	N	N				not a practice in Micronesia
5.4.1 Proportion of time spent on unpaid domestic and care work, by sex, age and location	II	N	N				No time use survey has been conducted in FSM but some data on numbers engaged could be gleaned from the HIES
5.5.1 Proportion of seats held by women in national parliaments and local governments	I	Y	Y	DHSA	Y	2017	This has been minimal for voted seats in Congress, but at a Cabinet level have always held positions
5.5.2 Proportion of women in managerial positions	II	Y	Y	NSO	N	2016	partially available from National and State governments, or alternatively data may be able to be extracted from the HIES that would cover private sector as well. Need to determine the quality once data extracted
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	II	N	N				
5.6.2 Number of countries with laws and regulations that guarantee women aged 15-49 years access to sexual and reproductive health care, information and education	III	N	N				

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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	III	N	N				
5.a.2 Proportion of countries where the legal framework (including customary law) guarantees women's equal rights to land ownership and/or control	III	N	N				
5.b.1 Proportion of individuals who own a mobile telephone, by sex	I	N	Y	NSO	N	2014	HIES data, not available by sex, by State in 2005, but needs to be extracted for 2013/14
5.c.1 Proportion of countries with systems to track and make public allocations for gender equality and women's empowerment	III	N	N				

**Goal 6. Ensure availability and sustainable management of water and sanitation for all**

	<b>TIE R</b>	<b>SDP</b>	<b>Priority</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
6.1.1 Proportion of population using safely managed drinking water services	I	Y	Y	NSO	Y	2013/ 14	HIES, data available
6.2.1 Proportion of population using safely managed sanitation services, including a hand-washing facility with soap and water	I	Y	Y	NSO	Y	2013/ 14	HIES, data available
6.3.1 Proportion of wastewater safely treated	I	N	Y	NSO	N	2013/ 14	HIES data for HH, in the major urban centers of Pohnpei and Chuuk there are treatment plants which cover most business and industry, info on hazardous industries will be more difficult to collect

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6.3.2 Proportion of bodies of water with good ambient water quality	II	N	Y	DECE M	N		States EPA's regularly test water quality on the main islands, and status of water resources is displayed in public places. Limited testing on outer islands
6.4.1 Change in water-use efficiency over time	III	N	N				
6.4.2 Level of water stress: freshwater withdrawal as a proportion of available freshwater resources	II	N	Y	DECE ME	N		this is an important issue for FSM, especially atolls in the outer islands, but limited data is collected. MCT works with States on watershed management
6.5.1 Degree of integrated water resources management implementation (0-100)	II	N	Y	R&D DECE M			
6.5.2 Proportion of transboundary basin area with an operational arrangement for water cooperation	III	N	N				FSM is an island nation
6.6.1 Change in the extent of water-related ecosystems over time	III	N	N				
6.a.1 Amount of water- and sanitation-related official development assistance that is part of a government-coordinated spending plan	I	Y	Y	ODA	Y	2016	New ODA database captures this information
6.b.1 Proportion of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management	I	N					

**Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all**

	<b>TIE R</b>	<b>SDP</b>	<b>Priority</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
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Indicator	I, II or III	Y/N	Y/N	Dpt	Y/N	Year	Comment
7.1.1 Proportion of population with access to electricity	I	N	Y	NSO	Y	2014	Benchmark is the 2013/14 Household Survey and on an annual basis this can be updated by the State Utilities supplying total number of household connections. Someone in NSO would need to be tasked for preparing the annual letter to Utilities for Household collections and then include the indicator in the annual yearbook.
7.1.2 Proportion of population with primary reliance on clean fuels and technology	I	N	Y	NSO	Y	2005	This information was collected in the 2013/14 HIES but unfortunately the indicator was not calculated. The data will need to be revisited to get a 2013/14 updated benchmark
7.2.1 Renewable energy share in the total final energy consumption	I	N	Y	R&D	Y	2016	Energy policy 2012 is 30% renewables by 2020 and 50% efficiency improvement by 2020, State Utilities can provide renewable energy production as proportion of total consumption. Up to 2015 this was minimal, consisting on small amounts of solar on Yap and Chuuk outer islands, although there is currently a lack of reporting by Pohnpei State on the hydro power station. As part of the World Bank funded Energy Masterplans for each state a benchmark for 2016 will be available by end of this year. On annual basis the Energy Committee, National and State representatives will be monitoring this indicator and can report on it.

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7.3.1 Energy intensity measured in terms of primary energy and GDP	I	N	Y	NSO	N	2015	This information is mostly available in terms of the energy account, acknowledging the lack of renewable energy data in the account which is minimal, but growing. However, it cannot be produced in terms of purchasing power parity but just as a simple percentage of GDP. Data is available for 2015 but the capacity of the NSO to update the energy account annually is an issue and may require technical assistance
7.a.1 Mobilized amount of United States dollars per year starting in 2020 accountable towards the \$100 billion commitment	III	N	N				
7.b.1 Investments in energy efficiency as a percentage of GDP and the amount of foreign direct investment in financial transfer for infrastructure and technology to sustainable development services	III	N	N				

**Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

	<b>TIE R</b>	<b>SD P</b>	<b>Priorit y</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
8.1.1 Annual growth rate of real GDP per capita	I	Y	Y	NSO	Y	2015	published annually, although there is an issue around the quality of population projections, SPC normally provides assistance here
8.2.1 Annual growth rate of real GDP per employed person	I	N	N	NSO	Y	2015	could be calculated from currently available data

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8.3.1 Proportion of informal employment in non-agriculture employment, by sex	II	N	N	NSO	N	2013/14	HIES has some information
8.4.1 Material footprint, material footprint per capita, and material footprint per GDP	III	N	N				
8.4.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP	II	N	N				too difficult for FSM to calculate
8.5.1 Average hourly earnings of female and male employees, by occupation, age and persons with disabilities	I	Y	Y	NSO	N	2016	Stats compile from Social Security data, by age & persons with disability is not available
8.5.2 Unemployment rate, by sex, age and persons with disabilities	I	Y	Y	NSO	N	2013/14	HIES has information, but not by age & disability
8.6.1 Proportion of youth (aged 15-24 years) not in education, employment or training	II	N	Y	DOE	N	2016	relies on quality population estimates, and these need to be developed with SPC
8.7.1 Proportion and number of children aged 5-17 years engaged in child labour, by sex and age	II	N	Y				
8.8.1 Frequency rates of fatal and non-fatal occupational injuries, by sex and migrant status	I	N	N	DHS A	Y	2016	information on occupational injuries will be available through the HIS
8.8.2 Increase in national compliance of labour rights (freedom of association and collective bargaining) based on International Labour Organization (ILO) textual sources and national legislation, by sex and migrant status	III	N	N				
8.9.1 Tourism direct GDP as a proportion of total GDP and in growth rate	II	N	Y	NSO	Y	2016	FSM does not have a Tourism Satellite Account and as a proxy would use Hotels & Restaurants GDP
8.9.2 Number of jobs in tourism industries as a proportion of total jobs and growth rate of jobs, by sex	II	N	Y	NSO	Y	2016	Proxy is Hotels & Restaurants employment numbers

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8.10.1 Number of commercial bank branches and automated teller machines (ATMs) per 100,000 adults	I	N	Y	NSO	Y	2017	FSM has only 2 commercial banks, each with a head office and 3 branches,
8.10.2 Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider	I	N	Y	NSO	N	2016	info on personal bank accounts is available, but will need to be collected from banks by NSO
8.a.1 Aid for Trade commitments and disbursements	III	N	N				
8.b.1 Total government spending in social protection and employment programmes as a proportion of the national budgets and GDP	III	N	N				

**Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**

	<b>TIE R</b>	<b>SD P</b>	<b>Priorit y</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
9.1.1 Proportion of the rural population who live within 2 km of an all-season road	III	N	N				significant number of atolls without any roading, difficult to calculate and not a priority indicator
9.1.2 Passenger and freight volumes, by mode of transport	II	N	N	NSO			up until 2008 Stats did produce sea cargo volumes but never parcel volumes or shipping times, not seen as a priority over other indicators
9.2.1 Manufacturing value added as a proportion of GDP and per capita	I	N	Y	NSO	Y	2016	not currently calculated but data is available at national and state level
9.2.2 Manufacturing employment as a proportion of total employment	I	N	Y	NSO	Y	2016	not currently calculated but data is available at national and state level

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9.3.1 Proportion of small-scale industries in total industry value added	III	N	N				
9.3.2 Proportion of small-scale industries with a loan or line of credit	III	N	N				
9.4.1 CO2 emission per unit of value added	I	N		DECE M			WE HAVE TO ASK THOMAS FORUW ABOUT THIS
9.5.1 Research and development expenditure as a proportion of GDP	III	N	N				insignificant
9.5.2 Researchers (in full-time equivalent) per million inhabitants	III	N	N				insignificant,
9.a.1 Total official international support (official development assistance plus other official flows) to infrastructure	I	Y	Y	ODA	Y	2016	quality of data is an issue for projects that are funded directly by donors and don't flow through FSM finance system, ODA currently working on a database to capture all aid flows. Published annually by DoFA in the Economic & Fiscal Update
9.b.1 Proportion of medium and high-tech industry value added in total value added	II	N	N				currently, the economy is still dominated by the government & businesses serving the government, very little manufacturing or tech industry
9.c.1 Proportion of population covered by a mobile network, by technology	I	N	Y	NSO	Y	2014	Some info from HEIS, a key indicator due to the large ICT connectivity project currently being implemented, information would be best collected directly from FSM Telecom

Goal 10. Reduce inequality within and among countries

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	<b>TIE R</b>	<b>SD P</b>	<b>Priorit y</b>	<b>Owne r</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
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	I	N	Y	NSO		2013/ 14	could be calculated from the HIES
Poorest quintile in national consumption (Proxy for income inequality)							
10.2.1 Proportion of people living below 50 per cent of median income, by age, sex and persons with disabilities	I	N	N	NSO	N	2013/ 14	could be calculated from the HIES, but not by age, sex, & disability
10.3.1 Proportion of the population reporting having personally felt discriminated against or harassed within the previous 12 months on the basis of a ground of discrimination prohibited under international human rights law	III	N	N	DoJ			unsure if this is reported
10.4.1 Labour share of GDP, comprising wages and social protection transfers	I	N	Y	NSO		2016	could be calculated from current data
10.5.1 Financial Soundness Indicators	III	N	N				
10.6.1 Proportion of members and voting rights of developing countries in international organizations	II	N	N	DoJ/ Foreig n Affair s			FSM has little interest in calculating this indicator for all organizations or though it can be obtained; US has a website showing voting in international organizations
10.7.1 Recruitment cost borne by employee as a proportion of yearly income earned in country of destination	III	N	N				most FSM migrants go to the US and this is through family arrangements, therefore cost is minimal
10.7.2 Number of countries that have implemented well-managed migration policies	III	N	N				

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10.a.1 Proportion of tariff lines applied to imports from least developed countries and developing countries with zero-tariff	III	N	N				not WTO member
10.b.1 Total resource flows for development, by recipient and donor countries and type of flow (e.g. official development assistance, foreign direct investment and other flows)	II	N	N				
10.c.1 Remittance costs as a proportion of the amount remitted	III	N	Y	NSO			this is key concern for island countries with remittances to families being significant, especially for FSM with a growing working population in the US

**Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable**

	<b>TIE R</b>	<b>SD P</b>	<b>Priorit y</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
11.1.1 Proportion of urban population living in slums, informal settlements or inadequate housing	I	N	Y	NSO	N	2013/ 14	not all of the five conditions can be determined, overcrowding cannot be determined nor tenure, but the indicator should be a good proxy based on the other 3 criteria. This is not readily available from published tables and would need to be calculated.
11.2.1 Proportion of population that has convenient access to public transport, by sex, age and persons with disabilities	II	N	N				only 22% of population lives in urban areas and large proportion live on islands, so it is not an indicator of importance at this time.
11.3.1 Ratio of land consumption rate to population growth rate	II	N	N				
11.3.2 Proportion of cities with a direct participation structure of civil society in urban planning and management that operate regularly and democratically	III	N	N				

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11.4.1 Total expenditure (public and private) per capita spent on the preservation, protection and conservation of all cultural and natural heritage, by type of heritage (cultural, natural, mixed and World Heritage Centre designation), level of government (national, regional and local/municipal), type of expenditure (operating expenditure/investment) and type of private funding (donations in kind, private non-profit sector and sponsorship)	III	N	Y	NACH			This is of interest to FSM, especially with recent World Heritage classification for Nan Madol. There could be an attempt to determine total expenditure, but outside of government amounts would be more difficult to collect.
11.5.1 Number of deaths, missing persons and persons affected by disaster per 100,000 people	I	N	Y	DECEM	Y	2016	Each disaster has a Situation Report & a Rapid Assessment Report followed by a detailed disaster report
11.5.2 Direct disaster economic loss in relation to global GDP, including disaster damage to critical infrastructure and disruption of basic services	II	N	Y	DECEM			
11.6.1 Proportion of urban solid waste regularly collected and with adequate final discharge out of total urban solid waste generated, by cities	I	N	Y	DECEM		2017	this is important for FSM in urban areas, estimating the total amount of solid waste generated will be the challenge. Information on amount of recycling is available (Average waste generation rate on a yearly basis is approximately 164, 791 tonnes for all four states
11.6.2 Annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities (population weighted)	III	N	N	DECEM			air pollution is not an issue for urban areas in FSM
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	III	N	N				
11.7.2 Proportion of persons victim of physical or sexual harassment, by sex, age, disability status and place of occurrence, in the previous 12 months	III	N	Y	DOJ	N		important but difficult to collect as reluctance to report/DOJ has new HT division with assistant secretary position heading it

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11.a.1 Proportion of population living in cities that implement urban and regional development plans integrating population projections and resource needs, by size of city	III	N	N				
11.b.1 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030a	II	N	N				
11.b.2 Number of countries with national and local disaster risk reduction strategies	I	N	Y	DECEM	Y	2016	important at national and state level
11.c.1 Proportion of financial support to the least developed countries that is allocated to the construction and retrofitting of sustainable, resilient and resource-efficient buildings utilizing local materials	III	N	N				

## Goal 12. Ensure sustainable consumption and production patterns

	TIER	SDP	Priority	Owner	Full indicator	Latest data	
Indicator	I, II or III	Y/N	Y/N	Dpt	Y/N	Year	Comment
12.1.1 Number of countries with sustainable consumption and production (SCP) national action plans or SCP mainstreamed as a priority	III	N	N				

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or a target into national policies							
12.2.1 Material footprint, material footprint per capita, and material footprint per GDP	III	N	N				
12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP	II	N	N				
12.3.1 Global food loss index	III	N	N				
12.4.1 Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals that meet their commitments and obligations in transmitting information as required by each relevant agreement	I	Y	Y	DECE M	Y	2018	FSM is a party to the Stockholm Convention, Basel Convention, and Waigani Conventions. -Stockholm Convention-regulate chemicals -Basel Convention regulate transboundary movement of hazardous waste -Waigani Convention regulate transboundary movement of hazardous waste, nuclear and biological matters
12.4.2 Hazardous waste generated per capita and proportion of hazardous waste treated, by type of treatment	II	N	Y	DECE M			This issue is important, particularly in areas such as the Chuuk lagoon with a large number of WWII wrecks. JICA has just completed a survey of wrecks within the lagoon and is working now to remove diesel and other waste. The OEEM assists hospitals in the 4 states with implementing their medical waste plans.
12.5.1 National recycling rate, tons of material recycled	II	N	Y	DECE M		2018	The States are responsible for recycling programs. All states have recycling laws but three out of the four state have operating recycling programs. Approximately 4 million tons of recycled materials a year. Yap, Chuuk, and Kosrae have CDL.
12.6.1 Number of companies publishing sustainability reports	III	N	N				

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12.7.1 Number of countries implementing sustainable public procurement policies and action plans	III	N	N				
12.8.1 Extent to which (i) global citizenship education and (ii) education for sustainable development (including climate change education) are mainstreamed in (a) national education policies; (b) curricula; (c) teacher education; and (d) student assessment	III	N	Y	DECE M		2018	working with IOM on curriculum development working with FSM DOE and JICA on integrating SWM concepts into curriculum
12.a.1 Amount of support to developing countries on research and development for sustainable consumption and production and environmentally sound technologies	III	N	N				
12.b.1 Number of sustainable tourism strategies or policies and implemented action plans with agreed monitoring and evaluation tools	III	N	Y	R&D			Eco-tourism Plan for Pohnpei State
12.c.1 Amount of fossil-fuel subsidies per unit of GDP (production and consumption) and as a proportion of total national expenditure on fossil fuels	III	N	N				

**Goal 13. Take urgent action to combat climate change and its impacts**

	<b>TIE R</b>	<b>SD P</b>	<b>Priorit y</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
13.1.1 Number of countries that adopt and implement national disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030	II	Y	Y	DEC EM			Disaster risk reduction strategies are priority for national and states. FSM enacted a Climate Change & Disaster Risk Management Act

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13.1.2 Number of deaths, missing persons and persons affected by disaster per 100,000 people	II	N	Y	DEC EM	Y	2016	Each disaster has a Situation Report & a Rapid Assessment Report followed by a detailed disaster report
13.2.1 Number of countries that have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, and foster climate resilience and low greenhouse gas emissions development in a manner that does not threaten food production (including a national adaptation plan, nationally determined contribution, national communication, biennial update report or other)	III	N	Y	DEC EM			FSM enacted a Climate Change & Disaster Risk Management Act aimed at mainstreaming climate change in development plans and strategies. FSM has NDC commitments under the Paris Agreement and will be monitoring them
13.3.1 Number of countries that have integrated mitigation, adaptation, impact reduction and early warning into primary, secondary and tertiary curricula	III	N	N	DEC EM			OEEM currently working with IOM on curricula and will start a 3-year initiative to train teachers on DRM and CCA
13.3.2 Number of countries that have communicated the strengthening of institutional, systemic and individual capacity-building to implement adaptation, mitigation and technology transfer, and development actions	III	N	Y	DEC EM			
13.a.1 Mobilized amount of United States dollars per year starting in 2020 accountable towards the \$100 billion commitment	III	N	N				
13.b.1 Number of least developed countries and small island developing States that are receiving specialized support, and amount of support, including finance, technology and capacity-building, for mechanisms for raising capacities for effective climate change-related planning and management, including focusing on women,	III	N	Y	DEC EM			

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youth and local and marginalized communities							
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**Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development**

	<b>TIE R</b>	<b>SD P</b>	<b>Priorit y</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
14.1.1 Index of coastal eutrophication and floating plastic debris density	III	N					
14.2.1 Proportion of national exclusive economic zones managed using ecosystem-based approaches	III	N					
14.3.1 Average marine acidity (pH) measured at agreed suite of representative sampling stations	III	N					
14.4.1 Proportion of fish stocks within	I	Y	Y	NOR	Y		regular data collections for tuna species

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biologically sustainable levels				MA			
14.5.1 Coverage of protected areas in relation to marine areas	I	Y	Y	R&D/ MCT	Y		The Micronesian Challenge sets a target of 30% of marine areas by 2020.
14.6.1 Progress by countries in the degree of implementation of international instruments aiming to combat illegal, unreported and unregulated fishing	II	N	Y	NOR MA/ DOJ			member of PNA, WP Tuna Commission & FFA
14.7.1 Sustainable fisheries as a percentage of GDP in small island developing States, least developed countries and all countries	III	N	N				
14.a.1 Proportion of total research budget allocated to research in the field of marine technology	III	N	N				
14.b.1 Progress by countries in the degree of application of a legal/regulatory/policy/institutional framework which recognizes and protects access rights for small-scale fisheries	III	N	Y	DECE M			waste management strategy addressing marine pollution, in particular it addresses oil spills in lagoons, efforts to address plastic waste through community clean up and activities are on-going with partners
14.c.1 Number of countries making progress in ratifying, accepting and implementing through legal, policy and institutional frameworks, ocean-related instruments that implement international law, as reflected in the United Nation Convention on the Law of the Sea, for the conservation and sustainable use of the oceans and their resources	II	N	Y	DOJ/ Foreig n Affair s/ NY Missi on			FSM has strong interest on Ocean policies and development

**Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**

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	<b>TIE R</b>	<b>SD P</b>	<b>Priorit y</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
15.1.1 Forest area as a proportion of total land area	I	Y	Y	R&D/ MCT	Y	2016	MCT has completed a forest inventory in 2016 and results are being collated
15.1.2 Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type	II	Y	Y	DEC EM	Y		Blueprint for conservation in FSM (areas of biological significance)
15.2.1 Progress towards sustainable forest management	II	Y	Y	R&D			
15.3.1 Proportion of land that is degraded over total land area	III	N	N				
15.4.1 Coverage by protected areas of important sites for mountain biodiversity	II	N	Y	DEC EM			Blueprint for conservation in FSM (areas of biological significance)
15.4.2 Mountain Green Cover Index	III	N	N				indicator does not exist
15.5.1 Red List Index	III	N	N				
15.6.1 Number of countries that have adopted legislative, administrative and policy frameworks to ensure fair and equitable sharing of benefits	II	N	Y	R&D			Party to Nagoya Protocol
15.7.1 Proportion of traded wildlife that was poached or illicitly trafficked	II	N	Y	R&D			
15.8.1 Proportion of countries adopting relevant national legislation and adequately resourcing the prevention or control of invasive alien species	I	Y	Y	R&D			Biosecurity Act 2016

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15.9.1 Progress towards national targets established in accordance with Aichi Biodiversity Target 2 of the Strategic Plan for Biodiversity 2011-2020	III	N	N				
15.a.1 Official development assistance and public expenditure on conservation and sustainable use of biodiversity and ecosystems	II	N	Y	R&D			GCF
15.b.1 Official development assistance and public expenditure on conservation and sustainable use of biodiversity and ecosystems	II	N	N				
15.c.1 Proportion of traded wildlife that was poached or illicitly trafficked	III	N	N				

**Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**

	<b>TIE R</b>	<b>SD P</b>	<b>Priorit y</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
16.1.1 Number of victims of intentional homicide per 100,000 population, by sex and age	I	Y	Y	DoJ	Y	2016	This information is readily available, on average less than 1 per year, National Police have all the records
16.1.2 Conflict-related deaths per 100,000 population, by sex, age and cause	III	N	N				
16.1.3 Proportion of population subjected to physical, psychological or sexual violence in the previous 12 months	II	N	Y	DOJ	N		This is seen as an important indicator, but can only report on what is collected and these numbers are low, but probably hide true numbers.

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16.1.4 Proportion of population that feel safe walking alone around the area they live	II	N	Y	DOJ	Y		This indicator is an issue in Chuuk State where people in general do not feel safe walking alone at night, but not an issue for other states
16.2.1 Proportion of children aged 1-17 years who experienced any physical punishment and/or psychological aggression by caregivers in the past month	II	N	Y	DHS A			
16.2.2 Number of victims of human trafficking per 100,000 population, by sex, age and form of exploitation	II	N	Y	DOJ			
16.2.3 Proportion of young women and men aged 18-29 years who experienced sexual violence by age 18	II	N	Y				
16.3.1 Proportion of victims of violence in the previous 12 months who reported their victimization to competent authorities or other officially recognized conflict resolution mechanisms	II	N	Y				
16.3.2 Unsentenced detainees as a proportion of overall prison population	II	N	Y	Court			
16.4.1 Total value of inward and outward illicit financial flows (in current United States dollars)	II	N	Y	DOJ			Suspicious Activity Report
16.4.2 Proportion of seized small arms and light weapons that are recorded and traced, in accordance with international standards and legal instruments	III	N	N				
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	II	N	Y				

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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	II	N	Y				
16.6.1 Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)	I	Y	Y	DoF A		2015	this indicator will come from the recent PEFA Report, this only covered the National Government so calculations will need to be made for the States
16.6.2 Proportion of the population satisfied with their last experience of public services	III	N	N				
16.7.1 Proportions of positions (by sex, age, persons with disabilities and population groups) in public institutions (national and local legislatures, public service, and judiciary) compared to national distributions	III	N	N				
16.7.2 Proportion of population who believe decision-making is inclusive and responsive, by sex, age, disability and population group	III	N	N				
16.8.1 Proportion of members and voting rights of developing countries in international organizations	II	N	N				This is an indicator that interest the UN but not something FSM sees as important.
16.9.1 Proportion of children under 5 years of age whose births have been registered with a civil authority, by age	I	Y	Y	NSO/ DHS A	Y	2016	This indicator has 100% coverage but at times the reporting of births on outer islands can be delayed due to communications issues.
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	III	N	N				
16.10.2 Number of countries that adopt and implement constitutional, statutory and/or policy guarantees for public access to information	II	N	N				

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16.a.1 Existence of independent national human rights institutions in compliance with the Paris Principles	II	N	N				
16.b.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	III	N	N				

<b>Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development</b>							
	<b>TIE R</b>	<b>SDP</b>	<b>Priorit y</b>	<b>Owner</b>	<b>Full indicator</b>	<b>Latest data</b>	
<b>Indicator</b>	<b>I, II or III</b>	<b>Y/N</b>	<b>Y/N</b>	<b>Dpt/ Div</b>	<b>Y/N</b>	<b>Year</b>	<b>Comment</b>
17.1.1 Total government revenue as a proportion of GDP, by source	I	Y	Y	DoFA	Y	2016	SDP & 2023 Action Plan both target decline in Govt. contribution in the economy, methodology refers to tax revenue only. FSM publishes a tax-GDP ratio in its Economic Fiscal update for the economy. DoFA can calculate the indicator for the States
17.1.2 Proportion of domestic budget funded by domestic taxes	I	N	N	DoFA		2016	not seen as key indicator, at national level fishing fees is major revenue, for States over 80% is funded by Compact grants, may become more relevant after 2023. Data source is audited accounts. Easily calculated from data in the published Economic & Fiscal Update

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Tax to GDP ratio (proxy)		Y	Y	DoFA	Y	2016	2023 Action Plan targets 4% increase in the medium term, and this is monitored annually in the Economic & Fiscal Update published by DoFA.
17.2.1 Net official development assistance, total and to least developed countries, as a proportion of the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee donors' gross national income (GNI)	I	N	Y	ODA		2016	The ODA Division has created a database since 2015 of all ODA. This attempts to capture flows that don't go directly through the government and data is classified by State, sector and donor.
17.3.1 Foreign direct investments (FDI), official development assistance and South-South Cooperation as a proportion of total domestic budget	II	Y	Y	R&D			No-one is collecting FDI at this stage, South-South cooperation is not deemed relevant
17.3.2 Volume of remittances (in United States dollars) as a proportion of total GDP	I	N	Y	NSO	Y	2013/14	information is available through HIES
17.4.1 Debt service as a proportion of exports of goods and services	I	Y	N				
Debt service as proportion of domestic revenue		Y	Y	DoFA		2016	More relevant as a key revenue source is fishing license fees, published in Annual Economic & Fiscal Update
17.5.1 Number of countries that adopt and implement investment promotion regimes for least developed countries	III	N	N				
17.6.2 Fixed Internet broadband subscriptions per 100 inhabitants, by speed	I	N	Y	NSO		2013/14	HIES, but not available by State or Sex, important with current cable project to 3 islands. Would be available through Telecom, NSO would need to approach Telecom
17.7.1 Total amount of approved funding for developing countries to promote the development, transfer, dissemination and diffusion of environmentally sound technologies	III	N	N				
17.8.1 Proportion of individuals using the	I	N	Y	NSO	Y	2014	important with current cable project to 3 islands, HIES

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Internet							
17.9.1 Dollar value of financial and technical assistance (including through North-South, South-South and triangular cooperation) committed to developing countries	II	N	N	ODA			Significant amount of technical assistance is funded directly offshore, especially for multilaterals and almost impossible to determine value
17.10.1 Worldwide weighted tariff-average	II	N	N				
17.11.1 Developing countries' and least developed countries' share of global exports	II	N	N				
17.12.1 Average tariffs faced by developing countries, least developed countries and small island developing States	II	N	Y	NSO			
17.13.1 Macroeconomic Dashboard	III	N	N				
17.14.1 Number of countries with mechanisms in place to enhance policy coherence of sustainable development	III	N	N				
17.15.1 Extent of use of country-owned results frameworks and planning tools by providers of development cooperation	II	N	N				
17.16.1 Number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks that support the achievement of the sustainable development goals	II	N	N				
17.17.1 Amount of United States dollars committed to public-private and civil society partnerships	III	N	N				partnerships are limited
17.18.1 Proportion of sustainable development indicators produced at the national level with full disaggregation when relevant to the target, in accordance with the Fundamental Principles	III	N	N				

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of Official Statistics							
17.18.2 Number of countries that have national Statistics and Census Act of 1988 that complies with the Fundamental Principles of Official Statistics	II	Y	Y	NSO	N	19	it is a priority for the National Statistics Office to update their outdated Statistic Act, technical assistance has been requested for submission to Congress in 2018
17.18.3 Number of countries with a national statistical plan that is fully funded and under implementation, by source of funding	II	Y	Y	NSO	Y	2017	The National Statistical Development Strategy was endorsed in 2017. It created 3 statistical subgroups responsible for economic, social and environment statistics. However, it is not funded
17.19.1 Dollar value of all resources made available to strengthen statistical capacity in developing countries	II		Y	NSO			Capacity development is a key for FSM Statistics Office, both at the National and State level. However, FSM does not have access to info on amount of money spent by the US for their statistical capacity building assistance, nor PFTAC or IMF costs for their annual assistance
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	I	Y	Y	NSO		2010	Next census is planned for 2020. FSM has achieved 100% of birth and 80% of death registrations.

**NB: The three tiers is described as:**

FSM has adopted the Inter-agency and Expert Group on SDGs Indicators' approach of classifying indicators in three tiers, depending on the level of methodological development and data availability. Data was considered to fall in one of three categories:

**Tier I** - Currently available with sufficient quality, frequency and disaggregation;

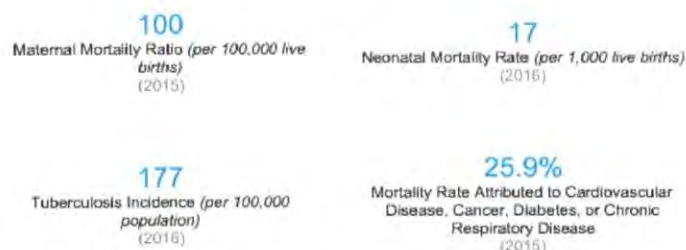
**Tier II** - Not available on a regular basis or at the necessary frequency, or not of sufficient quality or disaggregation, requiring improvements; and

**Tier III** - Missing, requiring substantial capacity building and investments.

Total: 235 (T-I =71; T-II= 87; T-III= 86)

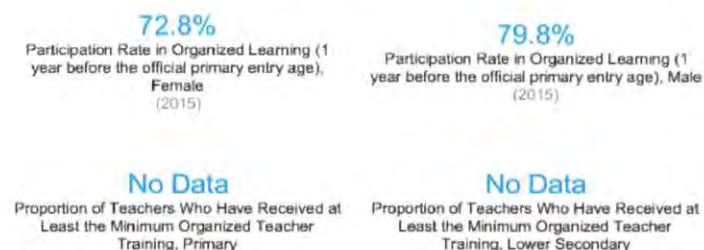
### APPENDIX III: ADB's AVAILABLE DATA ON SELECTED SDGS INDICATORS

#### Sustainable Development Goal 3: Federated States of Micronesia



Source: Asian Development Bank. *Basic Statistics 2018*

#### Sustainable Development Goal 4: Federated States of Micronesia



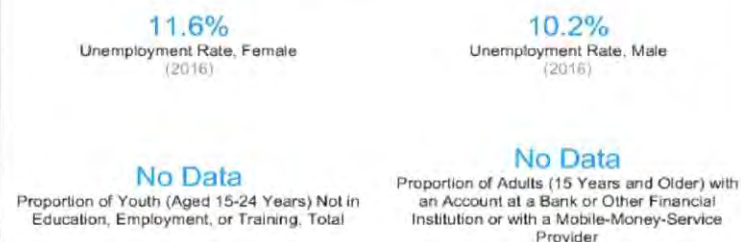
Source: Asian Development Bank. *Basic Statistics 2018*

#### Sustainable Development Goal 7: Federated States of Micronesia



Source: Asian Development Bank. *Basic Statistics 2018*

#### Sustainable Development Goal 8: Federated States of Micronesia



Source: Asian Development Bank. *Basic Statistics 2018*

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**PERFORMANCE AUDIT OF PREPAREDNESS FOR IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT GOALS -FEDERATED STATES OF MICRONESIA**  
**Audit Report 2019-04**

**Sustainable Development Goal 9: Federated States of  
Micronesia**



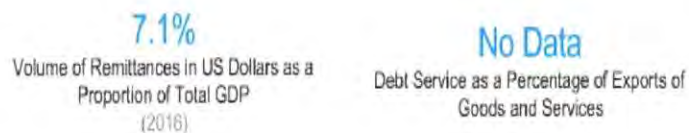
Source: Asian Development Bank. *Basic Statistics 2018*

**Sustainable Development Goal 11: Federated States of  
Micronesia**



Source: Asian Development Bank. *Basic Statistics 2018*

**Sustainable Development Goal 17: Federated States of  
Micronesia**



Source: Asian Development Bank. *Basic Statistics 2018*

**Sustainable Development Goal 12: Federated States of  
Micronesia**



Source: Asian Development Bank. *Basic Statistics 2018*

#### **APPENDIX IV: DEVELOPMENT PARTNERS**

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#	Abbreviation	Full Name
1	ADB	Asian Development Bank
2	ABS	Australia Bureau of Statistics
3	FAO	Food and Agriculture Organization of the United Nations
4	HLPF	United Nations High-level Political Forum on Sustainable Development
5	IMF	International Monetary Fund
6	IOM	International Organization for Migration
7	JICA	Japan International Cooperation Agency
8	PIF	Pacific Islands Forum
9	SPC	Pacific Community
10	SPREP	Secretariat of the Pacific Regional Environment Programme
11	UNDESA	United Nations Department of Economic and Social Affairs
12	UNDP	United Nations Development Programme
13	UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
14	UNESCO	United Nations Educational, Scientific and Cultural Organization
15	UNFPA	United Nations Population Fund
16	UNICEF	United Nations Children's Fund
17	UNITAR	United Nations Institute for Training and Research
18	UN-OHRLLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
19	UNSD	United Nations Statistics Division
20	WB	World Bank

## **MANAGEMENT RESPONSES**

We discussed the contents of this report with the FSM SDGs Working Group during the exit meeting and generally they concurred with our findings and recommendations. The current version of this report incorporates the Group's responses during the exit meeting.

We requested from the SDGs Working Group a formal response to all findings and recommendations, but we received none regardless of repeated requests. Based on these circumstances therefore, we are issuing this report without formal management responses.

**NATIONAL PUBLIC AUDITOR COMMENT**

We would like to thank the Team Leader and members of the FSM SDGs Working Group, Assistant Secretary, Department of Resources and Development for their assistance and cooperation during the course of the audit review.

In conformity with the general practice, we presented our findings and recommendations to the FSM SDGs Working Group for comment. However, we did not receive final formal responses to our findings and recommendations, which lead to issuance of this report without incorporating such responses.

We have provided copies of the final report to the President and Members of the Congress for their use and information. We will make copies available to other interested parties upon request.

If there are any questions or concerns regarding this report, please do not hesitate in contacting our office. Contact information for the Office listed on the last page titled Contact Information and Acknowledgement to Staff.



Haser H. Hainrick  
National Public Auditor  
July 04, 2019

## **ONPA CONTACT AND STAFF ACKNOWLEDGEMENT**

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ACKNOWLEDGEMENTS   In addition to the contact named above, the following staff made  
key contributions to this report:

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