

**FEDERATED STATES OF MICRONESIA  
COUNTRY PERFORMANCE INDICATORS**

Item	1995	1996	1997	1998	1999	2000 <sup>a</sup>
<b>ECONOMIC INDICATORS</b>						
<b>A. Income and Growth</b>						
1. GDP per Capita (dollars, current)	1,925	1,913	1,813	1,734	...	...
2. GDP Growth (% in constant prices)	1.6	0.7	-4.2	-0.8	0.3	...
Agriculture	...	...	...	...	...	...
Industry	...	...	...	...	...	...
Services	...	...	...	...	...	...
<b>B. Saving and Investment (current market prices) (percent of GDP)</b>						
1. Gross Domestic Investment	...	...	...	...	...	...
2. Gross Domestic Saving	...	...	...	...	...	...
<b>C. Money and Inflation (annual percent change)</b>						
1. Consumer Prices (annual average)	4.0	4.0	3.0	3.0	2.6	...
2. Broad Money (M2)	...	...	...	...	...	...
<b>D. Government Finance (US\$ million)</b>						
1. Total Revenue	172.5	80.5	64.8	161.0	...	...
(Less Grants)	-60.2	-68.4	-65.8	-68.8	...	...
2. Total Expenditure and Net Lending	169.1	163.5	154.2	160.3	...	...
3. Overall Surplus/Deficit (-)	3.4	14.8	3.1	0.7	...	...
(Less Grants)	-52.9	-44.2	-41.5	-43.0	...	...
<b>E. Balance of Payments</b>						
1. Merchandise Trade Balance (% of GDP)	-36.7	-27.4	-24.2	-24.0	...	...
2. Current Account Balance (% of GDP)	22.3	28.6	30.0	31.4	...	...
3. Export (\$) growth (annual percent change)	-26.1	-34.7	3.1	-3.0	...	...
4. Import (\$) growth (annual percent change)	-22.2	-26.8	-6.7	-2.4	...	...
<b>F. External Payments Indicators</b>						
1. International Reserves (billion dollars, end of period)	...	...	...	61.7	...	...
- months of imports	...	...	...	9.0	...	...
2. External Debt Service (% of exports of goods & services)	21.4	25.3	25.8	26.8	25.0	...
3. External Debt (% of GDP)	54.0	44.0	52.3	43.0	38.0	...
<b>Memorandum Items:</b>						
GDP (US\$ million)	205.8	215.5	213.0	212.7	...	...
GNP (US\$ million)	...	...	...	...	...	...
Exchange Rate	1.0	1.0	1.0	1.0	1.0	...
Population (million)	...	...	...	...	...	...

<sup>a</sup> Estimate

<sup>1</sup> Fiscal year ends on 30 September.

Source: IMF, International Financial Statistics and Government Estimates

**FEDERATED STATES OF MICRONESIA  
COUNTRY PERFORMANCE INDICATORS**

	1985	1990	1998
<b>POPULATION INDICATORS</b>			
Total Population (thousands)	73.2	95.7	114.1
Annual Population Growth Rate (% change)	2.3	0.1	2.1 (1990-98)
<b>SOCIAL INDICATORS</b>			
Total Fertility Rate (births per woman)	7.4	...	5.0
Maternal Mortality Rate (per hundred thousand live births)	...	...	...
Infant Mortality Rate (below 1 year; per '000 live births)	48.0	46.0	46.0
Life Expectancy at Birth (years)	65	65.0	66.0
Female	...	...	67.0
Male	...	...	63.0
Adult Literacy (%)	89.0	...	71.0
Primary School Enrollment (% of school age population)	...	...	83.0
Female	...	...	83.0
Secondary School Enrollment (% of school age population)	...	...	44.0
Female	...	...	43.0
Child Malnutrition (% of under age 5)	...	...	15.0
Population Below Poverty Line (%)	...	...	...
Income Ratio of Highest 20% to Lowest 20%	...	...	...
Population with Access to Safe Water (%)	90.0	...	44.0
Population with Access to Sanitation (%)	8.0	...	51.0
Public Education Expenditure as % of GNP	...	6.9	0.4
Public Health Expenditure as % of GDP	...	8.3	...
Human Development Index	...	...	0.569
Human Development Ranking	...	...	120.0
Human Poverty Index	...	...	26.7
<b>ENVIRONMENTAL INDICATORS</b>			
Forestry			
Deforestation			
Total Area	...	...	...
Annual deforestation	...	...	...
Biodiversity			
Nationally protected area			
Area	...	...	...
Number	...	...	...
As % of land area	...	...	...
Biosphere reserves			
Area	...	...	...
Number	...	...	...
World Heritage sites (number)	...	...	...
Wetlands of international importance			
Area	...	...	...
Number	...	...	...
Land Use			
Cropland; permanent pasture	...	...	...
Air Pollution (Ambient concentrations)			
Particulates	...	...	...
SO <sub>2</sub>	...	...	...
Water Pollution (concentration of pollutants in water bodies)			
Biochemical Oxygen Demand (BOD)	...	...	...
Chemical Oxygen Demand (COD)	...	...	...
Global Environmental Problems			
CO <sub>2</sub> emissions (total and per capita)	...	...	...

## FEDERATED STATES OF MICRONESIA

## PORTFOLIO PERFORMANCE

**Table 1 : Implementation, Disbursement Performance and Postevaluation Results  
Public Sector Projects only  
(as of 31 December 1999)**

A. Project Portfolio	Net Loan Amount \$ million      %		Rating (No.) <sup>a</sup>									
			Total		Implementation Progress				Development Objectives			
			No.	%	HS	S	PS	U	HS	S	PS	U
Agriculture and Natural Resources	6.36	18.7	1	50.0	0	0	0	1	0	1	0	0
Energy	0.00	0.0	0	0.0	0	0	0	0	0	0	0	0
Finance and Industry	17.68	52.1	0	0.0	0	0	0	0	0	0	0	0
Social Infrastructure	9.92	29.2	1	50.0	0	1	0	0	0	1	0	0
Transport and Communications	0.00	0.0	0	0.0	0	0	0	0	0	0	0	0
Others/Multisector	0.00	0.0	0	0.0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>33.96</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>

B. Disbursements	OCR	ADF	Total
(1) Total funds available for withdrawal (\$ mn, active loans only)	0.0	34.5	34.5
(2) Disbursed amount (\$ mn, cumulative, active loans only)	0.0	18.0	18.0
(3) Percentage disbursed [(2)/(1)] (%)	0.0	52.00	52.0
(4) Disbursements (\$mn, active loans only, latest year)	0.0	6.3	6.3
(5) Disbursement ratio (%) <sup>b</sup>	0.0	29.00	29.0

  

C. Net Transfer of Resources <sup>c</sup> (\$ million)	OCR	ADF	Total
Net transfer in 1995	0.0	0.3	0.3
Net transfer in 1996	0.0	0.1	0.1
Net transfer in 1997	0.0	11.3	11.3
Net transfer in 1998	0.0	6.2	6.2
Net transfer in 1999	0.0	0.0	0.0

D. Post-Evaluated Projects (By Year of Approval)	1968 - 1977		1978 - 1987		1988 - 1999		1968 - 1999			
	No.	%	No.	%	No.	%	No.	%		
<b>1. Postevaluation Rating</b> (as of 31 December 1999)										
Rated Generally Successful (GS)	0	-	0	-	0	-	0	-		
Rated Partly Successful (PS)	0	-	0	-	0	-	0	-		
Rated Unsuccessful (US)	0	-	0	-	0	-	0	-		
No Rating	0	-	0	-	0	-	0	-		
<b>Total</b>	0	0.0	0	0.0	0	0.0	0	0.0		
<b>2. Postevaluation Rating by Sector</b> 1968-99 (as of 31 December 1999)	<b>GS</b>		<b>PS</b>		<b>US</b>		<b>NR</b>		<b>Total</b>	
	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	0	-	0	-	0	-	0	-	0	-
Energy	0	-	0	-	0	-	0	-	0	-
Finance and Industry	0	-	0	-	0	-	0	-	0	-
Social Infrastructure	0	-	0	-	0	-	0	-	0	-
Transport and Communications	0	-	0	-	0	-	0	-	0	-
Others/Multisector	0	-	0	-	0	-	0	-	0	-
<b>Total</b>	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

<sup>a</sup> HS: Highly satisfactory; S: Satisfactory; PS: Partially satisfactory; U: Unsatisfactory

<sup>b</sup> Ratio of disbursement during the year over the undisbursed net loan balance less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

<sup>c</sup> Includes private sector projects for countries with private sector operations.

**FEDERATED STATES OF MICRONESIA  
PORTFOLIO PERFORMANCE  
Table 2: Status of Project Implementation  
Public Sector Projects Only  
(As of 31 December 1999)**

Sector <sup>a</sup>	Project Title	Net Loan Amount		Approval Date (mm/yy)	Effectivity Date (mm/yy)	Closing Date		Project Progress (% complete)	Cum Contract Awards (\$ million)	Cummulative Disbursement (\$ million)	Project Performance Rating <sup>b</sup>	
		OCR (\$ million)	ADF			Original (mm/yy)	Revised (mm/yy)				Implementation Progress	Development Objective
AGR	Fisheries Development Loan 1257-FSM(SF)		6.4	Oct-93	Sep-94	Dec-98	Dec-99	20	3.687	3.687	U	S
SOC	Water Supply and Sanitation Loan No. 1459-FSM(SF)		10.2	Sep-96	Oct-97	Oct-00	-	5	1.103	0.614	U	S
OTH	Public Sector Reform Loan No. 1520-FSM(SF)		17.9	Apr-97	Jun-97	May-99	-		14.000	14.000	S	S
<b>Total</b>		<b>0.0</b>	<b>34.5</b>						<b>18.8</b>	<b>18.3</b>		

<sup>a</sup> Sector:

AGR: Agriculture & Natural Resources

ENE: Energy

F&I: Finance and Industry

SOC: Social Infrastructure

T&C: Transport and Communications

OTH: Others/Multisector

<sup>b</sup> HS: Highly satisfactory; S: Satisfactory; PS: Partially satisfactory; U: Unsatisfactory

**FEDERATED STATES OF MICRONESIA  
OVERALL EXTERNAL ASSISTANCE  
(in \$ million)**

External Source	Past 3-5 Years (annual average)		1999 Approvals	
	Loan/Credit	TA	Loan/Credit	TA
<b>A. Multilateral Assistance</b>				
ADB	9.8	2.8	...	1.3
UNDP	...	0.8	...	...
World Bank	...	1.4	...	0.5
Subtotal	9.8	5.0	0.0	1.8
<b>B. Bilateral Assistance</b>				
Australia	...	1.3	...	1.3
Canada	...	...	...	...
France	...	...	...	...
Germany	...	...	...	...
Italy	...	...	...	...
Japan	...	10.0	...	10.0
United Kingdom	...	...	...	...
United States	...	40.0	...	70.0
Subtotal	0.0	51.3	0.0	81.3
<b>Total</b>	<b>9.8</b>	<b>56.3</b>	<b>0.0</b>	<b>83.1</b>
Memo Items: External Assistance as % of Current Expenditures External Assistance as % of Capital Expenditures				

Sources: POHQ estimates.

**FEDERATED STATES OF MICRONESIA**  
**LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2001-2003**

Sector/Project Name	Poverty Classification <sup>a</sup> *	Crosscutting Operational Priority <sup>b</sup> *	Responsible Division	Year of PPTA	PROJECT COST (in \$ million)					
					TOTAL	Bank			Gov't	Cofinancing (Others)
						OCR	ADF	Total		
<b>2001 FIRM LOANS</b>										
<b>Finance and Industry</b>										
1 Private Sector Development	ODI	PSD	POHQ		12.0	0.0	12.0	12.0		
<i>Subtotal</i>					12.0	0.0	12.0	12.0	0.0	0.0
<b>Total</b>					<b>12.0</b>	<b>0.0</b>	<b>12.0</b>	<b>12.0</b>	<b>0.0</b>	<b>0.0</b>
<b>2002 LOAN PIPELINE</b>										
NONE IDENTIFIED										
<b>2003 LOAN PIPELINE</b>										
NONE IDENTIFIED										

<sup>a</sup> CPI = Core Poverty Intervention; PI = Poverty Intervention; ODI = Other Development Interventions

<sup>b</sup> ENV = Environmental Protection; GAD = Gender and Development; GG = Good Governance; HD = Human Development; PSD = Private Sector Development and RC = Regional Cooperation

\* This classification was completed prior to the finalization of the improved and redesigned classification system in December 2000, which will be applied from January 2001.

**FEDERATED STATES OF MICRONESIA  
LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2001-2003**

Sector/Project Name	Responsible Division	Type of TA	Amount (\$ '000)		
			ADB	Others	Total
<b>2001 TECHNICAL ASSISTANCE PROGRAM</b>					
<b>Social Infrastructure</b>					
1 Basic Skills Development	POHQ	AD	400.0		400.0
	<b>Subtotal</b>		<u>400.0</u>	<u>0.0</u>	<u>400.0</u>
<b>Others/Multisector</b>					
2 State Government Capacity Building I	POHQ	AD	500.0		500.0
3 Private Sector Development	POHQ	AD	200.0		200.0
	<b>Subtotal</b>		<u>700.0</u>	<u>0.0</u>	<u>700.0</u>
<b>Total</b>			<b>1,100.0</b>	<b>0.0</b>	<b>1,100.0</b>
<b>2002 TECHNICAL ASSISTANCE PROGRAM</b>					
<b>Others/Multisector</b>					
1 Public Enterprises Privatization and Corporate Governance III	POHQ	AD	400.0		
2 State Government Capacity Building II	POHQ	AD	500.0		500.0
	<b>Subtotal</b>		<u>900.0</u>	<u>0.0</u>	<u>500.0</u>
<b>Total</b>			<b>900.0</b>	<b>0.0</b>	<b>500.0</b>
<b>2003 TECHNICAL ASSISTANCE PROGRAM</b>					
NONE IDENTIFIED					

**FEDERATED STATES OF MICRONESIA**  
**LENDING PROGRAM, 2001-2003**  
**BY POVERTY CLASSIFICATION, CROSSCUTTING OPERATIONAL PRIORITY AND SECTOR**

Classification	2001 (Firm)		2002-2003	
	No.	%	No.	%
<b>I. By Poverty Classification*</b>				
A. Core Poverty Intervention	0	0.0	0	0.0
B. Poverty Intervention (Non-core)	0	0.0	0	0.0
C. Other Development Interventions	1	100.0	0	0.0
<b>Total</b>		<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>II. By Crosscutting Operational Priority</b>				
A. Environment	0	0.0	0	0.0
B. Gender and Development	0	0.0	0	0.0
C. Good Governance	0	0.0	0	0.0
D. Human Development	0	0.0	0	0.0
E. Private Sector Development	1	100.0	0	0.0
F. Regional Cooperation	0	0.0	0	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>III. By Sector</b>				
A. Agriculture and Natural Resources	0	0.0	0	0.0
B. Energy	0	0.0	0	0.0
C. Finance and Industry	1	100.0	0	0.0
D. Social Infrastructure	0	0.0	0	0.0
E. Transport and Communications	0	0.0	0	0.0
F. Others/Multisector	0	0.0	0	0.0
<b>Total</b>	<b>1</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>

\* This classification was completed prior to the finalization of the improved and redesigned classification system in December 2000, which will be applied from January 2001.

## FEDERATED STATES OF MICRONESIA

PROJECT PROFILE				
1. <b>Project Name:</b> Private Sector Development		2. <b>Sector/Subsector:</b> Others		
3. <b>Poverty Classification:</b> <sup>a</sup> ODI		4. <b>Crosscutting Operational Priority:</b> <sup>b</sup> PSD		
5. <b>Rationale &amp; Objectives:</b>  FSM urgently needs to transform the aid dependent and public sector dominant economy into a more self-reliant and sustainable economy led by the private sector.		6. <b>Beneficiary Participation/Consultation Needs:</b>  Most beneficiary groups will be represented at the proposed private sector development council that will overview the progress of the program.		
7. <b>Scope:</b>  The Project will: (i) enhance the institutional capacity of the national and state governments in land administration and management, (ii) improve the vocational training schemes, (iii) improve financial support to small and medium enterprises, (iv) strengthen business and entrepreneurial development support, and (v) improve the policy and regulatory environment for private sector development.				
8. <b>Estimated Cost &amp; Financing Plan:</b>			<b>Remarks:</b>	
<b>Loan Project Cost (\$m)</b>				
<b>Financing (Source)</b>	<b>FC</b>	<b>LC</b>		<b>Total</b>
ADB				12.0
Co-financing				
Borrower				
Sub-borrowers				-
<b>Total</b>				<b>12.0</b>
9. <b>Estimated Benefits and Beneficiary Groups:</b>  Private sector and eventually all population of FSM.				
10. <b>Executing Agency:</b>  Department of Economic Affairs		11. <b>Project Implementation Period:</b> Start: TBD  End: TBD		
12. <b>Environment Category:</b> B		13. <b>Processing Year:</b> 2001		

<sup>a</sup> CPI = Core Poverty Intervention; PI = Poverty Intervention; ODI = Other Development Interventions.

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