

 Early Warning System

ADB-59232-001

Preparing the Sustainable Transport and Connectivity Enhancement
Project



Quick Facts

Countries	Micronesia
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-11-11
Borrower	Government of Micronesia
Sectors	Infrastructure, Technical Cooperation, Transport
Investment Type(s)	Grant
Investment Amount (USD)	\$ 4.00 million
Grant Amount (USD)	\$ 4.00 million



Project Description

As stated by the ADB, the project readiness financing will support the preparation of the ensuing project suitable for Asian Development Bank's financing programmed in 2027. The key features of the ensuing project are to enhance critical road and outer island connectivity through strengthened land and maritime networks, enabling reliable movement of people, goods, and services. The PRF will conduct feasibility studies to identify high-priority projects based on climate risks and strategic connectivity needs for both land and maritime components. Detailed designs for the ensuing project will incorporate lessons learned, best practices, and innovative climate-resilient features. Each component will undergo climate risk screening and, where needed, detailed assessment, with adaptation and mitigation measures integrated into the designs. Appropriate adaptation and mitigation measures will then be incorporated to strengthen resilience against natural hazards and climate impacts. communities.

The Federated States of Micronesia (FSM) is a lower-middle-income economy and is classified by ADB as a Small Island Developing State (SIDS). It is a Pacific island country comprising 607 islands across four semiautonomous states-Chuuk, Kosrae, Pohnpei, and Yap-spread over an exclusive economic zone of 2.6 million square kilometers (km²). Despite a total land area of only 702 square km², FSM's population of approximately 113,160 is scattered widely, with approximately 49% residing in Chuuk, 30% in Pohnpei, 6% in Kosrae and 6% in Yap and rest in small outer islands. Island communities across FSM face significant challenges in accessing health, education, and economic opportunities due to weak interisland connectivity, aging infrastructure, and geographic isolation.

The new 20-year National Strategic Development Plan (NSDP), 2024-2043 was approved by Congress in January 2025. It focuses on nine thematic areas, including sustainable economic development, environment sustainability and climate change, and infrastructure development and sustainability. The NSDP priority investments are set out in the 10-year Infrastructure Development Plan (IDP), 2025-2034 that envisages investment of about \$670 million; planned investments to priority transport projects amount to about \$220 million.

Improved connectivity is essential for linking communities, enhancing access to services, and supporting economic development across FSM's dispersed islands. This closely aligns with the priorities of FSM's SDP and IDP, which, and with the second strategic objective of ADB's Pacific Approach (2021-2025) on delivering sustainable services through improving connectivity, information and communication technology and intermodal transport. The PRF also contributes to the strategic directions of ADB Strategy 2030 Midterm Review by promoting implementation of the differentiated approach in the Pacific, supporting climate-resilient transport infrastructure, strengthening regional connectivity and exploring ways for digital solutions and private sector participation.



Early Warning System Project Analysis

Since the proposed activities consist of consulting services only, activities have not been categorized following ADB's Safeguard Policy Statement (2009).



Investment Description

- Asian Development Bank (ADB)



Contact Information

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Bank Documents

- [Grant Agreement \(Special Operations\) for Grant 6055-FSM: Transport Project Readiness Financing](#)
- [Procurement Plan](#)
- [Project Administration Manual](#)
- [Project Readiness Financing Report](#)