

CEO DECISION MEMO

DATE: 11/25/2024

TO: Laura Frigenti, CEO	
FROM: Marco Mantovanelli	
SUBJECT: Approval of a system transformation grant for the Federated States of Micronesia (FSM)	
Country	Federated States of Micronesia (FSM)
System transformation grant allocation	US\$ 2,500,000
Allocation requested (XX%)	US\$ 2,499,860 (approximately 100%)
Allocation recommended by Secretariat	US\$ 2,499,860
Results based financing	No
Grant agent	UNICEF
Agency fee (% and amount)	US\$ 174,990.20 (7%)
Period	Approx. 3 years, 6 months
Expected start date	April 7, 2025
Closing date	October 31, 2028
Funding source	GPE Fund

Action request

Approve an allocation from GPE trust funds for a system transformation grant, in support of the program titled “Wayfinding: envisioning a culturally responsive education system for the FSM”, as described in the application submitted and summarized in the Table above, subject to:

- a) Availability of funds.
- b) Board decision BOD/2012/11-04 on commitment of trust funds for grants in annual installments.

Grant Summary

To ensure that all learners are equipped with the skills and competencies that will make them functional citizens who can contribute to the national goals of the Federated States of Micronesia (impact), young people will have to stay in education longer, build a sense of identity, resilience, and develop life-long learning and transferable skills supported by quality teaching of relevant curricula and an engaged community (expected outcome).

The priority reform and focus areas to ensure such system transformation are organized around three pillars (1) Curriculum delivery, (2) Teacher development, and (3) Resourcing and youth communities.

The areas supported by the FSM “wayfinding” System transformation grant (STG) will work together to help reach the desired outcome and success for (a) the children; (b) the teachers and the classroom; and (c) the parents and the communities. As such, the Program will focus on (Component #1) Student learning and engagement - which is supported through a holistic approach, exploratory pedagogy based on traditional knowledge philosophy, (Component #2) Community and Traditional Knowledge partnership - which recognizes that community elders and leaders are the guardians of traditional knowledge and skills, (Component #3) strengthening the relationship between the school and the community - which focuses on strengthening the relationship between the school and the community who are the guardians of traditional knowledge systems, and finally (Component #4) teacher development. Moreover, the program integrates gender equality across these four program components.

Current Portfolio

- **Active ESPIG** of US\$ 2.5 million with UNICEF as grant agent (GA). Grant approved in February 2021 and started in November 2021. Grant extended once for 12 months. The grant is currently delayed in terms of fund utilization due to the Congress not passing an ECE legislation to make it compulsory for 5-year-olds.
- **Active SCG** of US\$ 802,084 with UNICEF as GA. The grant started in November 2023 and is expected to close in December 2024. The NDoE submitted a request on October 18, 2024, for the rest of its SCG maximum country allocation as a top up to this grant (remaining balance \$197,196) to also allow alignment of supporting activity. An extension of the closing date was also submitted as part of the request with new closing date.
- **Active PDG** US\$ 199,997 with UNICEF which started in July 2024.
- **Closed ESPIG** AF COVID US\$ 750,000 with UNICEF which closed in December 2022
- **Closed ESPDG** of 235,695 with ADB. Original amount approved of US\$ 250,000 was reduced by return of funds of US\$ 14,305 at closure. Closed in 2020
- **Closed ESPDG** of US\$ 180,965. with ADB. Original amount approved of US\$ 231,988 was reduced by a return of funds of \$US 51,022 at closure. Closed in 2020
- **Closed PDG** of 297,213 with UNICEF. Closed in 2021

Enabling Factors Assessment:

The country had identified planning and sector coordination as high priorities. Planning was flagged as an issue owing to delays in finalizing the latest education sector plan due to the COVID-19 pandemic. Work on the new plan and the next iteration of the education sector analysis, however, is due to commence in November 2024. In terms of charting the way forward for education, the government has expressed eagerness in basing all levels of education on the country's indigenous heritage and culture, which is at the heart of the priority reform and STG program. Moreover, sector coordination was considered a high priority given the tendency of country actors especially states to work in silos. The government expressed a commitment in the partnership compact and the program document of the STG to address coordination issues and misaligned efforts across the partnership in FSM.

Significant Opportunities:

As aforementioned, the STG program will offer an opportunity for the federal government, the state governments and their partners to strengthen coordination and pursue the priority of aligning resources and capacity toward transforming the education system.

Moreover, the program's focus on reserving and incorporating indigenous knowledge into the curricula stands to not only preserve FSM's cultural heritage, but also fortify learning in the country as scores of young people have been leaving en masse to find better living and work opportunities elsewhere, a rather serious trend since the population stands at around 120,000. Thus, the strategy supported by the program to make learning more relevant to the local context and interests of the youth is part of the government's longer-term vision to address emigration and invest in the younger generations.

Significant Issues and Risks:

The program document identifies a number of high-risk factors including the government's concern about the lack of protection of intellectual property rights and ownership of traditional knowledge. The government has expressed a keen determination to protect traditional knowledge and cultural heritage being incorporated into the national curricula through the use of patents, trademarks, and copyrights.

They also recognize external factors that could jeopardize timely and effective implementation, noting the island nation being prone to climate-related and the difficulty often faced by locals during adverse weather conditions that could both have adverse effects on the program activities.

Lastly, human resources and coordination may present some challenges to the program implementation. The Secretariat notes significant delays with the country's current ESPIG that have been rooted in human resources and capacity issues as well as logistical impediments. Since coordination is an existing issue and also a high priority for the country, it remains a matter to be flagged and monitored closely.

Recommendation

The Review Meeting (RM) concluded, based on the Secretariat's quality assurance review, that the **RM recommends to the CEO the approval of an allocation of US\$ 2,499,860 for the Federated States of Micronesia with UNICEF as Grant Agent.**

RECOMMENDED DECISION

Grant: System Transformation Grant

Country: Federated States of Micronesia (FSM)

CEO/2024/25-11-2024

The CEO in her delegated authority from the Board of Directors approves the System Transformation Grant request for the Federated States of Micronesia in the amount of US\$2,499,860 plus an additional US\$ 174,990.20 in agency fees to UNICEF as the grant agent, as described in the application submitted and summarized in Table above, subject to:

- a) Availability of funds.
- b) Board decision BOD/2012/11-04 on commitment of trust funds for grants in annual installments.

Date: November 25, 2024



Laura Frigenti, CEO

The CEO Decision Memo should not exceed 3 pages.