

Bilateral Brief on the Federated States of Micronesia (FSM)

The Federated States of Micronesia is an independent sovereign island nation consisting of 4 States, the eastern 4 islands of the Caroline Island group: Yap; Chuuk; Pomphei; and Kosrae, with a population of around 110,000. Spanish explorers reached the Carolines in the 16th Century and it was later incorporated in the Spanish East Indies and later-on passed on to Germany in 1899 under the German-Spanish Treaty. After World War I, the island was administered by Japan as a League of Nations Mandate. Micronesia was made a part of US administered UN Trust Territory after World War II, till the eastern 4 islands formed its own constitutional government in 1979 and attained full independence on 3 November 1986 under a Compact of Free Association with the US.

2. The Federated States of Micronesia is governed by the 1979 constitution. The unicameral Congress has fourteen members elected by popular vote. Four senators - one from each state - serve four-year terms; the remaining ten senators represent single-member districts based on population, and serve two-year terms. The President and Vice President are elected by Congress from among the four state-based senators to serve four-year terms in the executive branch. There are no formal political parties. Elections were held for the Congress in March 2019 and a new government, headed by President David W. Panuelo assumed office on 11 May 2019.

3. Economic activity is limited and consists of subsistence farming and fishing. Though there is potential for tourism, the sector has not developed due to limited connectivity and infrastructure bottlenecks. Efforts are on to enhance connectivity with additional services by Air Nauru and flights from Port Moresby by Air Niugini launched.

4. FSM is a member of the Pacific Island Forum; SIDS; Pacific Island Development Forum (PIDF); and various other international organizations. Within the Pacific Island grouping, FSM and the other Micronesian countries (Palau and Marshall Islands) coordinate their positions but in UN and other international bodies, FSM usually votes with the US.

5. **India established full consular and diplomatic relations with FSM in 1996.** Bilateral relations between the two countries are friendly. This has seen intensification since the initiation of the Forum of India-Pacific Islands Cooperation. Vice President of FSM Hon. Yosiwo P. George led FSM delegation at the 2nd FIPIC held on 21 August 2015 in Jaipur. Ambassador Shri Jaideep Mazumdar presented his credentials to the President Peter M. Christian on January 12, 2018. During the meeting President Christian indicated that air services, agriculture and capacity building are crucial areas for FSM's economic development. He also indicated that climate change remains the top priority for FSM.

6. FSM has generally been supportive of India's candidatures to international organizations. FSM President at his address at UNGA in September 2016 reiterated FSM's support for the G4 countries (Brazil, Germany, India and Japan) to become permanent members of Security Council. Recently FSM supported us in the crucial elections of ICJ and other candidatures like IMO and UNESCO.

7. President Christian met Sh. Y.S. Chowdary, MOS (S&T & Earth Sciences) in Palau in January 2017 on the sidelines of the inauguration of the fourth term of President of Palau where they had an engaging discussion on how to revitalise our bilateral and developmental partnership.

8. Shri Debnath Shaw, JS and Special Envoy from MEA visited FSM in July 2005 in connection with India's candidature for a permanent seat in UNSC. The government of FSM has affirmed its support for India's candidature for a permanent seat in UNSC and also supported India for non-permanent seat of the UN Security Council for the year 2011-12.

9. **ITEC program/Scholarships:** We have been offering five ITEC training slots to FSM in the past and for 2019-20 also five ITEC training slots have been allotted however they remained unutilised. For 2018-19, 5 slots were allotted. During 2017-18 in addition of ITEC slots, we had offered three training slots in hydrography at the National Institute of Hydrography towards meeting capacity building requirements of the Pohnpei Port Authority out of which one was utilised. While FSM utilised 4 slots in 2005-06, and 5 slots in 2006-07, FSM has failed to utilise the slots for a long time till 2016 where seven solar mamas were sent to Barefoot College for six months course. FSM has expressed interest in Indian expertise in the areas of SME, banking, IT apart from our traditional support to them in coconut development. ICCR have also offered one scholarship to them for higher education. Two diplomats from FSM participated in the Special Diplomat's Training Course organized by the Foreign Service Institute of India in Palau from 11-15 May 2015. FSM has been invited to participate in the 3rd Special Course for Diplomats from Pacific Island Countries is to be held from 13 April to 25 April 2020.

10. The total export of India to FSM during 2019-20(till Nov) was US\$25.98 Million whereas total import of India was US\$2.92 Million. Potential areas of Indian exports are: export of rice, animal food and other agricultural products; knocked down furniture items, steel and cement etc.

13. India has an ongoing developmental cooperation with FSM in the spirit of South-South cooperation and we are committed to share our developmental experience with them. India provided an assistance of USD 200,000 for FSM Integrated Agriculture Census in 2015. India in August 2005 provided an assistance of USD 48,796 for the purchase of machinery for extraction of virgin coconut oil; Under the annual PIF grant of USD 125,000, we provided an assistance of USD 73,145 to FSM in 2009 in support of Coconut Development Authority of FSM for purchase of machinery for extraction of virgin coconut oil; assistance of US\$ 100,000 in 2011 for a project on upgrading and increasing production of coconut oil. FSM has sought assistance of US\$ 1 Million for the project "Strengthening Micronesia's National Gender Machinery" through the India-UN Developmental Partnership.

14. As of 2019, there are 35 Indian nationals in FSM, mainly in the island of Chuuk.

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