

Enabling Social Innovation in Federated States of Micronesia

Country Snapshot

Social innovation: "the processes and outcomes of developing novel approaches to address societal challenges facing people and planet." ↓

This snapshot represents a descriptive, non-exhaustive overview of key highlights from Federated States of Micronesia’s social innovation ecosystem.

 Direct focus on social innovation  Connected but indirect focus on social innovation  No focus on social innovation

INSTITUTIONAL FRAMEWORK

Official Definition of Social Innovation



Publicly available government strategies and institutional pages reviewed for this snapshot did not identify an official national definition of social innovation. In practice, adjacent policy language is stronger around sustainable development, equitable private-sector development, digital government, climate resilience, and community awareness.

Government Body for Social Innovation



Rather than a dedicated social innovation unit, relevant functions are distributed across the Department of Resources and Development, which the national SDP identifies as leading national-level coordination, the Department of Transportation, Communications & Infrastructure for Digital FSM, and the Department of Environment, Climate Change & Emergency Management for resilience-related action.

Government Strategy for Social Innovation



While there is no standalone strategy for social innovation, the Strategic Development Plan 2024–2043 contains several enabling elements. These include equitable private-sector development, workforce data systems, climate and environmental education across society, and state-level goals linked to e-commerce, regenerative tourism, and sustainable local development.

Policies, Laws & Regulations



While no dedicated social enterprise or social innovation law was publicly identified, the enabling environment appears to rest on general incorporation and business-entry rules, plus digital-economy reforms under Digital FSM that aim to strengthen the legal and regulatory environment for digital services.

Official Statistics



While no official national statistics series for social innovation, social and solidarity economy, social enterprises, or volunteer work was identified in the sources reviewed, UNV’s country page, which draws on ILOSTAT, records “No data” for volunteer statistics in FSM, suggesting that measurement remains an open capacity gap.

Government Programs



Public support is channelled mainly through adjacent economic, digital, climate, and social-sector programs. Digital FSM is expanding connectivity, including outer-island access, while Congress has also approved external grants for social programs, including UNICEF support of \$1.65 million and a \$1 million SAMHSA system-of-care grant.

ECOSYSTEM

Stakeholders



Key actors include FSM Development Bank, the College of Micronesia–FSM and its Center for Entrepreneurship, the Micronesia Conservation Trust, the Micronesia Red Cross Society, and a wider network of conservation and community actors connected through the Micronesia Challenge, including the Conservation Society of Pohnpei, Chuuk Women’s Council, MERIP, and Yap Community Action Program.

Support Initiatives



FSMDB’s Development & Finance Training Institute, established in 2014, offers courses in entrepreneurship, competitive business strategy, governance, and finance. COM-FSM also embeds entrepreneurship in formal teaching and moved its Center for Entrepreneurship into Cooperative Research and Extension in 2024, helping connect enterprise support with community-facing extension and short-term training.

Collaboration



Collaboration is a visible strength. Government-led R&D conferences and the Micronesia Expo bring together national and state leaders, private-sector representatives, development partners, and community leaders, while the Micronesia Challenge and MCT create practical platforms for government–community–NGO coordination around resilience, conservation, and sustainable livelihoods.

FINANCE

Financing Schemes



FSM Development Bank is the main domestic development-finance institution. In 2024 it approved \$25.11 million in loans, including \$8.3 million for business loans, \$7.7 million in lines of credit, \$7.35 million in livelihood loans, \$657,000 in residential loans, and \$881,000 in micro and small loans. Climate and community finance is also significant: MCT is a Green Climate Fund-accredited entity, and its climate-resilient food security program in FSM has a total cost of \$10.12 million, including an \$8.58 million project grant.

Inclusiveness of Financing



Inclusivity mechanisms are present, even if they are not framed explicitly as social innovation. FSMDB reports that 20% of micro and small loans approved in 2024 went to women-owned or women-managed businesses, and women received 46% of all approved loans; MCT’s women-led climate work is also targeting 20 rural communities across 12 islands.



Public Awareness of Social Innovation

Although the phrase “social innovation” is not prominent in public discourse, practical equivalents are visible in entrepreneurship, food security, climate resilience, and digital inclusion. Recent government events frame development around collaboration, sustainable opportunity creation, and community participation.



Research

Research capacity is modest but active. COM-FSM’s land-grant Cooperative Research and Extension system combines applied research, extension, and training, and the wider Micronesia Challenge network includes academic and practice-oriented partners such as COM-FSM and the University of Guam Marine Lab.



Education

Entrepreneurship education is present through COM-FSM business courses and applied business-planning requirements, alongside short-term training for communities and public institutions. The national SDP also calls for a high-performing, inclusive, culturally grounded education system and for climate and environmental education across all levels of society.



Entrepreneurship

Country-level entrepreneurship and innovation benchmarking remains limited:



Business Environment

For business-environment benchmarking, the World Bank now covers FSM in B-READY 2025, while archived Doing Business data continue to document business-entry procedures.



Innovation Capacity

FSM is not among the 139 economies covered in the 2025 Global Innovation Index



Social entrepreneurship

Country-specific GEM national report was not identified on GEM’s public portal.



Social & Environmental Consciousness



Solidarity

ND-GAIN ranked Micronesia 166th with a 2023 score of 37.3, underlining the importance of resilience-oriented and community-based innovation.



Political participation

Political participation is measurable: International IDEA records voter turnout of 28.67% for the March 2025 Micronesian Congress election.



Volunteering

Volunteer measurement remains a data gap.



Sustainability

Environmental indicators highlight both challenge and opportunity: FSM ranked 119th with an EPI score of 40.8 in the 2024 Environmental Performance Index