



REPUBLIC OF NAURU

DEVELOPMENT FUND
ANNUAL PROJECTIONS
2020-2021

CIRCULATED BY

THE HON MARTIN HUNT MP

MINISTER FOR FINANCE OF THE REPUBLIC OF NAURU

ON THE OCCASION OF THE BUDGET 2020-21

4 JUNE 2020

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Conventions used in this Document:

- Measures that improve the Fund position (i.e. increased income or reduced expenditures) are shown as positive numbers. Measures that worsen the Fund position (i.e. reduced income or increased expenditures) are shown as negative numbers.
- Data for opening balances amounts are retrieved from Financial Management Information Systems.
- All amounts are expressed in Australian dollars unless otherwise stated.
- Due to rounding small discrepancies may occur in the totals shown in columns in tables.
- If not specifically stated, all amounts are in Australian dollars
- Exchange rate conversions assume;
- AUD\$1.00=USD0.60=€0.6001=NZD1.0573=¥75.8451 dated 30/05/2020

LIST OF KEY ACRONYMS

ADB	Asian Development Bank
AUSTRALIA DFAT	Australian Department of Foreign Affairs and Trade
CCTN	Climate Change Transport Network
CIE	Commerce Industry and Environment
COVID-19	Coronavirus Disease 2019
EDF	European Development Fund
EU	European Union
FAO	Food and Agriculture Organization
FFA	Forum Fisheries Agency
GEF	Global Environment Facility
GCCA+SUPA	Green Climate Change Alliance + Scaling Up Pacific Adaptation
GoN	Government of Nauru
ICT	Information and Communication Technology
IUCN	International Union for Conservation of Nature
MICS	Multi Indicator Cluster Survey
NCD	Non Communicable Disease
NES	National Emergency Services
NFMRA	Nauru Fisheries and Marine Resource Authority
NUC	Nauru Utilities Corporation
NZ MFAT	New Zealand Ministry of Foreign Affairs and Trade
OHCHR	Office of the High Commissioner for Human Rights
RFMO	Regional Fisheries Management Organizations
ROC (Taiwan)	Republic of China (Taiwan)
SPC	Secretariat of the Pacific Community
UN	United Nations
UNDP	United National Development Program
UNEP	United Nations Environment Program
UNICEF	United Nations Children's Fund
WHO	World Health Organisation

PART I: EXECUTIVE SUMMARY

The Development Fund Annual Projections have been prepared as a separate budget document following the enactment of the Development Fund Act 2011. The Development Fund was established for the purpose of facilitating the funding of development projects.

The government anticipates Development Fund revenue and expenditure of \$22.4 million in FY20-21 (which \$14.8 million is carried over funds from FY2019-20), this is up from an estimated \$14.9 million revenue for FY2019-20.

These figures include cash grants receipted into the Development Fund; the Development Fund also briefly indicates amounts projected for modes of support such as; budget support and aid-in-kind. Budget support is estimated at \$25.4 million and in-kind assistance is estimated at \$84.32 million in FY20-21, this is up, compared with an in-kind projection of \$56.7 million in FY19-20.

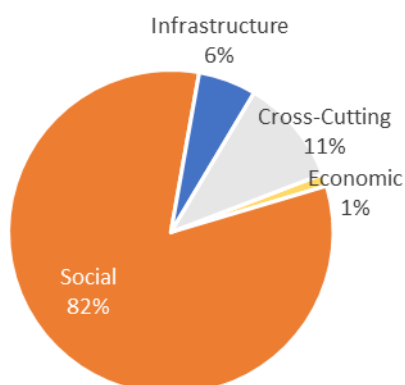
Total support, including all financial and non-financial assistance, is estimated at \$106.8 million in FY20-21, up from \$79.4 million in FY19-20. This is largely due to significant carryover in-kind expenditures that were anticipated for FY19-20, associated with the port redevelopment project.

Development Fund receipts for FY20-21 are estimated at \$22.5 million, inclusive of \$14.8 million in funds carried over from FY19-20 and \$7.7 million in expected new funds for FY20-21.

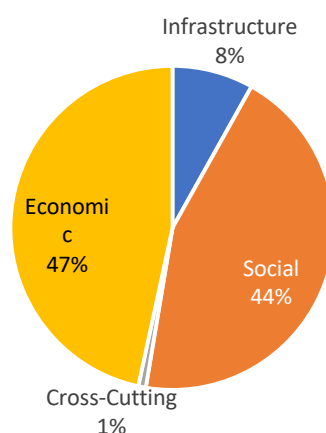
Whereas the split between NSDS sector goals has remained relatively stable for the last five years for expenditure from the Development Fund (refer to NSDS section), projections for FY20-21 indicate a different story – refer to the comparison below. Expenditure on the economic sector is significantly increased at the expense of the social and cross-cutting sectors.

Graph 1: Development Fund comparison FY19-20 vs FY20-21

FY19-20 Expenditure



FY20-21 Projection



Funds allocated toward the economic sector appear inflated through the one-off receipt of \$3.68m of Indonesian assistance to procure a tug boat and barge (for Nauru Port Authority, hence economic

sector) and the allocation of up to \$2.8m of Australian COVID-19 support earmarked for economic recovery purposes.

Support for the cross-cutting sector is generally delivered through a range of smaller donor partners, such as the UN, SPC, GCF and others. For UN support, the primary programming mission was postponed due to COVID-19, hence best available estimates are used.

In recent years, the receipt of new funds exceeded the capacity to disburse funds, resulting in the accumulation of sizeable balances.

Reasons for underspending include staffing issues and challenges in procurement. Most funding agreements require that unspent funds are returned to the donor once the agreement expires. Hence, it is crucial to ensure that funding agreements are realistic, matched to the line agencies capacity to spend, involve as much flexibility as can be permitted and that public financial management systems continue to be strengthened.

The Development Fund projection for FY20-21 involves the following highlights:

- As per previous years, the goal is to fully disburse all financial assistance, therefore expenditure mirrors total revenue
- The global COVID-19 pandemic has distorted both receipts and expenditure, including
 - The delay in procuring a tug boat and barge using funds from Indonesia resulting in a \$3.68m carryover from FY19-20, and
 - Receipt of substantial funds for COVID-19 response and recovery tasks for which an estimated \$3.34m will also carryover from FY19-20
- Several legacy projects will be completed in FY20-21
- Both Australian and New Zealand support to the Education sector is being redesigned, therefore projections are estimates only.

PART II: DEVELOPMENT FUND ANNUAL PROJECTIONS

This document complies with Section 6 of the Development Fund Act 2011, which requires the Minister for Finance to table in Parliament development fund projections of the income and expenditure for the next financial year 2020-21.

These Annual Projections show each item of expenditure and income separately by reference to the development project it relates to, by source and by department head.

OVERVIEW

The Government expects the Development Fund to receive a total indicative income of **\$22,470,507** and have a corresponding total expenditure of **\$22,470,507**, inclusive of unspent funds carried over from FY19-20. This money is received in cash to the Republic, and paid directly into the Development Fund accounts.

Table 1.1: Development Fund 2020-21 Annual Projections Summary

	Projections FY2020-21
Development Fund income carried over from FY19-20	(\$14,774,782)
Development Fund new income for FY20-21	(\$7,695,725)
Development Fund Expenditure for FY20-21	\$22,470,507
Development Fund Net Balance	\$0

Additional assistance is also provided in the form of “in-kind” support for projects that are funded by development partners for the benefit of Nauru. It should be noted that the Republic does not receive in-kind assistance directly. These in-kind amounts are not paid into the Development Fund.

It is estimated that this in-kind assistance is valued at approximately **\$84.3 million** for 2020-21. An example of in-kind support from donors is the cost of consultants or advisers currently working in Nauru that are paid for directly by donors.

The projected development assistance from Nauru's major donors for FY2020-21 is depicted in Table 1.2 below; in the form of direct cash and in-kind development assistance.

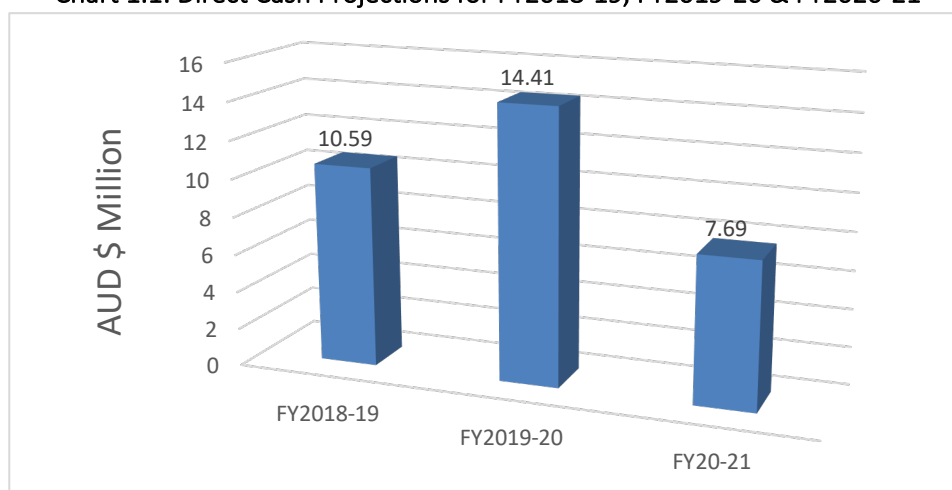
Table 1.2: Development Partners Summary

Donor & Area of Assistance	Direct Budget Support FY20-21	Aid in-kind Projection FY20-21	Est. Cash Balance as of 30/06/20	New Funds Projection FY20-21	Total Projections FY20-21 (Cash+New)
<u>Asian Development Bank</u> <i>Port Redevelopment</i> <i>Solar Power Development</i> <i>Fibre Optic Cable</i>	\$8,000,000	\$27,500,000	\$205,950		\$205,950
<u>Australia (DFAT)</u> <i>Health</i> <i>Education</i> <i>Infrastructure</i> <i>Public Sector Management</i> <i>COVID-19</i>		\$21,000,000	\$5,439,738	\$2,000,000	\$7,439,738
<u>Canada</u> <i>Solar Distillation</i>			\$54,983		\$54,983
<u>CCTN</u> <i>Sustainable Transport</i>			\$1,541		\$1,541
<u>European Union</u> <i>11th EDF</i>			\$30,000	\$470,535	\$500,535
<u>Fred Hollows</u> <i>Trachoma Project</i>			\$28,379		\$28,379
<u>GEF</u> <i>Third National Communications</i>			\$123,482	\$250,000	\$373,482
<u>Green Climate Fund</u> <i>Port Redevelopment</i> <i>Renewable Energy Initiative</i>		\$29,475,000			
<u>Indonesia</u> <i>Tug boat and barge</i>			\$3,681,967		\$3,681,967
<u>Italy</u> <i>Household Water Tanks</i>			\$5,721		\$5,721
<u>India</u> <i>Seawall Project</i>			\$18,101		\$18,101
<u>Japan</u> <i>Grassroots Grant Program</i> <i>Economic and Social Development Program</i>		\$4,200,000	\$186,142	\$280,000	\$466,142
<u>New Zealand</u> <i>Education</i> <i>Renewable Energy</i> <i>Scholarship and Work Attachments</i>		\$247,750	\$2,798,459	\$2,872,250	\$5,670,709
<u>IUCN</u> <i>Rebate Scheme</i>			\$42,643		\$42,643
<u>ROC (Taiwan)</u> <i>Solar Panels</i> <i>Scholarships</i> <i>Taiwan Technical Mission</i>	\$17,360,000	\$1,756,267	\$1,837,823		\$1,837,823

Donor & Area of Assistance	Direct Budget Support FY20-21	Aid in-kind Projection FY20-21	Est. Cash Balance as of 30/06/20	New Funds Projection FY20-21	Total Projections FY20-21 (Cash+New)
RFMO <i>FFA Observer Program</i> <i>FFA Special Requirements Fund</i> <i>Flag state enhancement project</i> <i>Support for VMS</i> <i>US Treaty Consultation</i>			\$156,797		\$156,797
SPC <i>Integrated Water Management</i> <i>GCCA + SUPA</i>			\$79,870	\$488,525	\$568,395
UN Agencies <i>MICS (UNICEF)</i> <i>NCD Program (WHO)</i> <i>TB/HIV Program (UNDP)</i> <i>SMARTEN (UNDP)</i> <i>Ridge to Reef Program (UNDP)</i>		\$138,510	\$83,186	\$1,334,415	\$1,417,601
	\$25,360,000	\$84,317,527	\$14,774,782	\$7,695,725	\$22,470,507

The trend of direct cash projections over the last three financial years is depicted in Chart 1.1 below. The decrease in direct cash assistance between financial years 2019-20 and 2020-21 is estimated at \$6.72 million on top of an earlier \$3.82 million increase from FY18-19. A portion of the FY2019-20 funding can be attributed to the carryover of unspent funds from the previous year. However, a refund of expired grants in FY19-20 means that this is less of a factor for FY20-21, with the exception of COVID-19 support which was planned to be spent across both fiscal years, as needed.

Chart 1.1: Direct Cash Projections for FY2018-19, FY2019-20 & FY2020-21



(Source: Development Fund Projections FY18-19, FY19-20 and FY20-21)

ASIAN DEVELOPMENT BANK (ADB)

Description	Budget Support FY20-21	Cash funded FY20-21	Aid in-kind FY20-21
Sustainable & Climate-Resilient Connectivity Project		\$0	\$22,000,000
Solar Power Development Project		\$0	\$5,000,000
Improving Internet Connectivity for Micronesia		\$0	\$500,000
General Support	\$8,000,000		
TOTAL:	\$8,000,000	\$0	\$27,500,000

For 2020-21 it is anticipated that assistance from the ADB will total approximately \$35.5 million of which \$27.5 million will be in-kind and \$8 million in budget support. The increase on previous years reflects commitments to the Port and Solar Power Projects that have experienced delays, hence these in-kind figures include funds carried forward from the previous fiscal year.

The Sustainable and Climate Resilient Connectivity Project is the development of the Port and was approved by ADB in August 2018 for USD 62.28 million (AUD 91.56 million) inclusive of co-financing from Australia and the Green Climate Fund. Despite incurring early technical challenges and substantial disruption and costs associated with the COVID-19 pandemic the project has made substantial progress with ADB in-kind contributions in FY20-21 estimated at approximately \$22 million of the total ADB contribution to the project.

The Solar Development Project involves the instalment of a 6MW solar energy farm with battery energy storage system including institutional capacity development and was approved by ADB in September 2019 with a total budget of USD 22 million (AUD 32.34 million). For 2020-21, ADB is expecting to contribute \$5m in-kind assistance towards this project, mostly due to COVID-19 related delays to works commencement.

The Improving Internet Connectivity for Micronesia project will build and lay a submarine telecommunications cable between several islands in the region. The project was approved by ADB in May 2018 for UD 15 million (AUD 22.05 million). For 2020-21, ADB is expecting to contribute \$0.5 million in-kind assistance towards this project during the start-up phase.

Last is the Policy-Based Incentive Program which involves a set of mutually agreed policy targets, which once achieved, triggers a USD 5 million (AUD 8 million) grant to be received as budget support. For 2020-21, ADB is expecting to contribute the full \$8 million as direct budget support and reported elsewhere.

AUSTRALIA (DFAT)

Description	Cash funded FY20-21	Aid in-kind FY20-21
Sustainable and Climate Resilient Connectivity Project	\$0	\$14,700,000
Education	\$2,000,000	\$1,000,000
Health	\$0	\$1,800,000
Public Sector Management	\$0	\$3,000,000
Australian Infrastructure Financing Facility for the Pacific	\$0	\$500,000
TOTAL:	\$2,000,000	\$21,000,000

Australia continues to be one of Nauru's major donor partners with an expected \$23 million for 2020-21. This total amount is allocated in the above table based on the sectors prioritised under the Australia-Nauru Aid Partnership Arrangement ending 2020 and includes prior commitments not able to be expended in the previous fiscal year.

Australia is a co-financier of the port redevelopment project, with a total commitment of AUD 20.7 million over the life of the project, of which \$14.7 million is expected to be disbursed in FY20-21. Due to the COVID-19 disruptions, project completion is not expected until early FY21-22 by which time the project is likely to be drawing on GoN financial contributions to the project (donor funds must be first exhausted, as per the project agreements).

In FY19-20, Australia's support to Nauru's health systems changed from grant support to a managing contractor mode of support, involving the tender and appointment of an external company to engage technical experts, plus grants to the WHO to assist Nauru combat NCDs. Total estimated in-kind support in FY20-21 is \$1.8m.

Public sector management support is mostly supplied through the Pacific Technical Assistance Mechanism (PACTAM2) whereby Australia responds to Nauru requests for technical assistance, and scholarships to study in Australia or elsewhere in the region. TA is supplied in support of the Department of Finance, but some is also aimed toward the Nauru Utilities Corporation, Education and Health Departments. Support through this modality is estimated at \$3m in FY20-21.

Past support to the education sector has involved a combination of grant support into the Development Fund, technical assistance through PACTAM2 and a variety of scholarship programs. This program is currently being redesigned, but support for the education sector is tentatively estimated at \$2m in grant support and \$1m of in-kind assistance for FY20-21. Legacy underspends of education grant support are being resolved through the return of expired funds and the accelerated expenditure of funds carried over from previous funding agreements.

The Australia Infrastructure Financing Facility for the Pacific is a \$2b fund available on a competitive basis to all Pacific nations. Following informal discussions with Australia, the most likely candidate for Nauru is to propose approx. \$17.5m for the urgent resurfacing of the runway, with \$0.5m likely to be expended in FY20-21 as preparatory design work, if the request is successful.

Australia has provided \$4.1m in direct financial support to combat the COVID-19 pandemic. An analysis of COVID-19 expenditure across all donors indicates that approximately \$3.34m will rollover into FY20-21.

Not included in these figures are an estimated \$1.5 million contribution to the Nauru Intergenerational Trust Fund, which is reported on elsewhere.

EUROPEAN UNION (EU)

Description	Cash funded FY20-21	Aid in-kind FY20-21
11 th EDF National Indicative Plan – Supports in Energy Efficiency and Renewable Energy and NAO Office support	\$470,535	\$0
TOTAL:	\$470,535	

The 11th EDF will continue to provide bilateral assistance in Energy Efficiency and Renewable Energy (NIP 2014-2020). The specific objective is to reduce dependence on imported fossil fuel through the improvements on energy efficiency and promotion of renewable as it contributes to the country's shift to a low carbon economy.

The main 11th EDF will be completing on December 2020 and we intend to receive the NUC grant contract (CTR389-116) final payment of EUR 246,390 (AUD \$410,535) and also the 2nd tranche of AUD 60,000 to support the NAO office during FY2020-21.

GLOBAL ENVIRONMENT FACILITY (GEF)

Description	Cash funded FY20-21	Aid in-kind FY20-21
Third National Communication	\$250,000	\$0
TOTAL:	\$250,000	\$0

Funding of approximately \$250,000 is expected from the GEF to support the completion of Nauru's Third National Communication to the UNFCCC. The project is ongoing and \$250,000 funding earmarked for FY20-21 will go towards technical assistance and support for surveys and workshops.

GREEN CLIMATE FUND (GCF)

Description	Cash funded FY20-21	Aid in-kind FY20-21
Sustainable and Climate Resilient Connectivity (Port) Project	\$0	\$29,400,000
Pacific Island Renewable Energy Investment Program	\$0	\$75,000
TOTAL:	\$0	\$29,475,000

The GCF pledged a total of \$39.56m for the port redevelopment project under the auspice of climate-proofed infrastructure. Due to COVID-19 pandemic delays, \$29.4 million of this support is anticipated

to be exhausted in FY20-21, upon which Government financial contributions will see the project through to conclusion.

Nauru is one of several recipients of a long-term regional GCF program for renewable energy investment. For FY20-21, Nauru is estimated to receive approximately \$75,000 in technical assistance support through this initiative.

INDONESIA

In late FY19-20, \$3.68m was received from Indonesia as a one-off payment in support of the purchase of a tug boat and barge for NRC to export rock armour to neighbouring islands. Due to delays with the port redevelopment project, the COVID-19 pandemic, and establishing a suitable location to berth and tug, these funds are carried over into FY20-21.

JAPAN

Description	Cash funded FY20-21	Aid in-kind FY20-21
Economic & Social Development Programme (ESDP)	\$0	\$4,200,000
Grassroots Grant Program (GGP) for Human Security Projects	\$280,000	\$0
TOTAL:	\$280,000	\$4,200,000

The Economic & Social Development Programme (ESDP) is a type of assistance intended to support Nauru by promoting its economic and social development efforts inclusive of poverty reduction. ESDP provides foreign currency for import of goods as aid in-kind. An Exchange of Notes for grant aid for Economic and Social Development Programme was signed between Japan Ambassador and Nauru High Commissioner in Suva on 26th March 2020. The fund will be transferred to the designated Bank account once the Bank Agreement is formalized between PAD and the MUFG Bank. Procurement for Excavators and Dump Truck (A\$2.8m est) is projected for financial year 2020-21 for ESDP to support the Nauru Rehabilitation Corporation to address the Higher Ground initiative and a separate ESDP was earmarked for the Procurement of Medical Equipment (A\$1.4m est) to assist the Health Department.

Grant Assistance for Grass-Roots and Human Security Projects (GGP) is intended to address the grassroot level with total A\$280K to fund 2-projects. The Embassy of Japan has to conduct an on-site inspection to prepare a new project, but their visit has been postponed due to the COVID-19 crisis.

NEW ZEALAND (NZ MFAT)

Description	Cash funded FY20-21	Aid in-kind FY20- 21
Education	\$922,250	\$0
Nauru Renewable energy initiative	\$1,950,000	\$0
Scholarships and work attachments	\$0	\$247,750
TOTAL:	\$2,872,250	\$247,750

Through a three-year Grant Funding Agreement (GFA) with Government of Nauru, NZ MFAT will provide support to the Department of Education of the Government of the Republic of Nauru to improve educational outcomes for the people of Nauru. NZ MFAT will provide support for mutually agreed priorities within the Nauru education sector strategy (Footpath IV) as set out in Annual Operational Plans. Under the GFA, NZ MFAT will provide \$922,250 in FY20-21 in support of the education sector.

NZ MFAT is working with Nauru Utilities Corporation to support the Government of Nauru's goal to increase renewable energy production and reduce reliance on fossil fuels. This included installation of a 1MW Solar PV plant and a technical assistance and capacity building programme which will go to Nauru Utilities Corporation. For the financial year 2020-21, NZ MFAT is expecting to provide \$1.95 million for the Renewable Energy Initiative.

Complementing the support provided to the education sector, the Government of New Zealand provides access to scholarships and short-term attachments. This program is anticipated to total \$247,750 in FY20-21 for the Energy sector.

Not included in these figures are an estimated \$1 million contribution to the Nauru Intergenerational Trust Fund, which is reported on elsewhere.

REPUBLIC OF CHINA (TAIWAN)

Description	Budget Support FY20-21	Cash funded FY20-21	Aid in-kind FY20-21
Solar Power Panels		\$0	\$640,000
Scholarships		\$0	\$49,600
Taiwan Technical Mission		\$0	\$1,066,667
Direct Budget support	\$17,360,000		
TOTAL:	\$17,360,000	\$0	\$1,756,267

Support from the ROC Taiwan comprises USD 10.85 million (AUD 17.36 million) in direct budget support for mutually agreed purposes as per the Taiwan MOU Financial Assistance to Nauru. This budget support is reflected in the GoN Budget as cash.

In-kind support through the technical mission is mostly directed toward improving household agriculture through training and provision of seedlings, reversing the NCD trend and visiting medical specialists. In FY20-21, this is valued at \$1,066,667

ROC Taiwan supports Nauru's efforts to reduce reliance on fossil fuels through a solar panels project valued at \$640,000 in FY20-21. Scholarships to study in Taiwan are also valued at \$49,600 for the coming fiscal year.

An annual contribution by Taiwan to the Nauru Intergenerational Trust Fund, is included in the USD\$10.85 million bilateral funding.

SECRETARIAT OF THE PACIFIC COMMUNITY

Description	Cash funded FY20-21	Aid in-kind FY20- 21
Integrated Water Management	\$50,000	
GCCA + SUPA	\$438,525	
TOTAL:	\$488,525	

The Integrated Water is an ongoing project. The project is expecting \$50,000 over the next financial year for surveys, workshops, and pilot projects.

The Global Climate Change Alliance Plus Scaling up Pacific Adaptation (GCCA+ SUPA) is also an ongoing project. The Overall Objective of the GCCA+ SUPA project is to enhance climate change adaptation and resilience. For this purpose, the bulk of the expected \$438,525 will go towards the procurement of household water tanks, repair and installation of rain catchment systems in private homes.

UNITED NATIONS (UN)

Description	Cash funded FY20-21	Aid in-kind FY20- 21
UNICEF – <i>MICS Survey (BOS)</i>	\$90,042	\$138,510
WHO – <i>Strengthening Health System and Public Health Programs Communicable Disease, NCD, and Environmental Health</i>	\$100,000	\$0
UNDP – <i>Multi-Country Western Pacific Integrated HIV/TB programme (2020-21)</i>	\$65,000	\$0
UNDP – <i>Ridge to Reef</i>	\$387,000	\$0
UNDP – <i>Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru (SMARTEN)</i>	\$692,373	\$0
TOTAL:	\$1,334,415	\$138,510

The various United Nations Agencies, Funds and Programmes continue to provide development assistance to Nauru, including regional programmes and programmes in partnership and coordination with other development partners.

UNICEF – United Nations Children's Fund

In 2020-21 UNICEF will provide financial and technical assistance to the Bureau of Statistics (BoS) for the implementation of the Multiple Indicator Cluster Survey (MICS) in Nauru. UNICEF will provide in-kind technical assistance, printing, purchase of survey equipment, and provisions to host a regional workshop. The financial assistance of \$90,042 includes provisions for salaries remunerators.

WHO – World Health Organisation

The key activity areas are Strengthening Health System and Public Health Programs specifically on reducing the burden of Non-Communicable Diseases (NCDs) through support on developing a strategic plan on NCDs and support in improving service coverage of NCD essential services; addressing climate and environmental determinants of health through technical assistance to develop National Environmental Health Strategy and Action Plan; developing a healthy workforce development plan and database; and improving access to essential medicines and health technologies and containment of AMR. To support these planned activities, approximately \$100,000 is allocated for Nauru for 2020-21.

UNDP – United Nations Development Program

Support from UNDP is in numerous areas and includes various partnerships.

The Ridge to Reef programme will receive \$387,000 for the year and is nearing its completion. Provisions under this funding include funding for roadshows, awareness campaigns, promotional materials, and community workshops.

A new initiative planned for this 20-21 financial year is the Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru (SMARTEN). The objective of the SMARTEN project is to enable the increased applications of feasible renewable energy and energy efficiency technologies for supporting socio-economic development in Nauru in accord with the country's energy roadmap targets. A total of \$692,000 is earmarked this financial year to support the piloting of demonstration projects (hybrid and other energy efficient technologies), as well as technical trainings and workshops.

UNDP will continue to support Nauru's Health sector through the Multi-Country Western Pacific Integrated HIV/TB programme. Approximately \$65,000 is expected to support hotspot screenings and awareness programs.

PART III: DEVELOPMENT FUND TABLES AND GRAPHS

An overview of funds to be received by each department for 2020-21 based on the information received from Donor partners is depicted in Table 2.1 below. The assistance is distributed based on the priorities of the National Sustainable Development Fund and the Donor partner's priorities.

Table 2.1 Department Summary on Donor's Assistance

Department	Budget Support FY20-21	Aid in-kind FY20-21	Cash Balance (est.) 30/06/20	New Funds FY20-21	Development Fund Projection FY20-21
BOS	\$0	\$138,510	\$0	\$90,042	\$90,042
CIE	\$0	\$5,266,667	\$517,741	\$2,097,898	\$2,615,639
Education	\$0	\$1,297,350	\$2,928,517	\$2,922,250	\$5,850,767
Finance (Others)	\$25,360,000	\$38,115,000	\$10,429,692	\$2,420,535	\$12,850,227
Health	\$0	\$1,800,000	\$224,496	\$165,000	\$389,496
ICT	\$0	\$37,200,000	\$187,523	\$0	\$187,523
Infrastructure	\$0	\$500,000	\$0	\$0	\$0
Justice	\$0	\$0	\$87,557	\$0	\$87,557
Ministerial	\$0	\$0	\$18,101	\$0	\$18,101
NFMRA	\$0	\$0	\$156,797	\$0	\$156,797
Sports	\$0	\$0	\$224,358	\$0	\$224,358
	\$25,360,000	\$84,317,527	\$14,774,782	\$7,695,725	\$22,470,507

While Nauru has made significant strides in some key sectors, it is also important to recognise that the development agenda is a work in progress. The global development platform is changing and the launching and implementation of a new development framework required a review and update of the National Sustainable Development Strategy (NSDS).

Donor partners have different operational project processes and procedures on how funds are allocated and disbursed. Donor requirements call for a continuous effort to ensure that line Ministry's project proposals are aligned to the NSDS, line Ministry Annual Operating Plan and Donor requirements.

PART IV: DIRECT CASH FUNDING PROJECTIONS FY2020-21

An overall summary of the projections by project line is depicted in the Table 3.1 below. It is important to note that only projects & activities that are expecting new funds for the financial year have been included in this summary. This document serves a critical purpose of providing relevant information regarding new funding for 2020-21.

TABLE 3.1: DIRECT CASH FUNDING FOR 2020-21 PER DEPARTMENT

Department	Donor	Description	Budget Support FY20-21	Aid in-kind FY20-21	Est Cash as at 30/06/20	Cash funded FY20-21
BOS	UN Agency	UNICEF – <i>MICS Survey (BOS)</i>		\$138,510		\$90,042
CIE	Australia (DFAT)	Provision of Household Water Tanks			\$15,913	
CIE	Canada	Solar water distillation system			\$54,983	
CIE	CCTN	Promoting sustainable transport			\$1,541	
CIE	GEF	Third National Communication		\$0	\$5,492	\$250,000
CIE	GEF	Technology Need Assessment			\$6,573	
CIE	GEF	GEF - Intended Nationally Determined Contribution			\$28,225	
CIE	GEF	National Reporting 6 th			\$83,192	
CIE	Italy	House hold water-tank Phase II			\$5,721	
CIE	Japan	Grassroots Grant Program (GGP) for Human Security Projects		\$0	\$49,117	\$280,000
CIE	Japan	Economic & Social Development Programme (ESDP)		\$4,200,000	\$137,025	\$0
CIE	ROC (Taiwan)	Micro Finance (known as Nauru Entrepreneur Development)			\$300	
CIE	ROC (Taiwan)	Taiwan Technical Mission		\$1,066,667		\$0
CIE	SPC	Integrated Water			\$54,572	
CIE	SPC	GCCA plus SUPA			\$25,298	
CIE	UN Agency	UNDP – <i>Ridge to Reef</i>		\$0	\$341	\$387,000
CIE	UN Agency	UNDP – <i>Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru (SMARTEN)</i>		\$0		\$692,373
CIE	UN Agency	HCFC			\$740	

Department	Donor	Description	Budget Support FY20-21	Aid in-kind FY20-21	Est Cash as at 30/06/20	Cash funded FY20-21
CIE	UN Agency	National POPs & uPOPs education & awareness			\$3,081	
CIE	UN Agency	REVIEW UPDATE NIP FOR POPS IN NAURU			\$5,625	
CIE	UN Agency	UNEP - Ozone Depleting Substances			\$23,018	
CIE	UN Agency	Weather Sub Stations			\$13,012	
CIE	UN Agency	FAO Food Security Program			\$3,972	
Education	Australia (DFAT)	Improved learning outcomes for all students			\$56,193	
Education	Australia (DFAT)	Improving quality and access to early years, Primary and			\$111,471	
Education	Australia (DFAT)	Sustainable and high-quality workforce to meet future			\$261,857	
Education	Australia (DFAT)	Create a proactive and continually improving education			\$351,240	
Education	Australia (DFAT)	Education Sector		\$1,000,000		\$2,000,000
Education	NZAID	Improved learning outcomes for all students		\$0	\$123,143	\$922,250
Education	NZAID	Scholarships and work attachments		\$247,750		\$0
Education	NZAID	Improved quality and access to early years, primary and sec			\$144,741	
Education	NZAID	Proactive and continually improving education system			\$664,538	
Education	NZAID	Sustainable and high-quality workforce to meet future			\$1,192,130	
Education	ROC (Taiwan)	Scholarships		\$49,600		\$0
Education	UN Agency	Pilot Enterprising Re-Entry Programme Nauru College			\$7,327	
Education	UN Agency	Anti-Bullying in schools			\$15,877	

Department	Donor	Description	Budget Support FY20-21	Aid in-kind FY20-21	Est Cash as at 30/06/20	Cash funded FY20-21
Finance (Others)	ADB	COVID-19 fund assistance (ADB)			\$205,950	
Finance (Others)	ADB	Solar Power Development Project (NUC)		\$5,000,000		\$0
Finance (Others)	Australia (DFAT)	Reverse Osmosis Plant Shed			\$132,782	
Finance (Others)	Australia (DFAT)	Public Sector Management		\$3,000,000		\$0
Finance (Others)	Australia (DFAT)	COVID-19 fund assistance (Aust-DFAT)			\$4,100,000	
Finance (Others)	EU	11 th EDF National Indicative Plan – <i>Supports in Energy Efficiency and Renewable Energy and NAO Office support (NUC)</i>		\$0	\$30,000	\$470,535
Finance (Others)	GCF	Pacific Island Renewable Energy Investment Program (NUC)		\$75,000		\$0
Finance (Others)	GCF	Sustainable and Climate Resilient Connectivity (Port) Project (Ports)		\$29,400,000		\$0
Finance (Others)	Indonesia	Tug Boat and Barge			\$3,681,967	
Finance (Others)	NZAID	Nauru Renewable energy initiative (NUC)		\$0	\$291,753	\$1,950,000
Finance (Others)	NZAID	COVID-19 fund assistance (NZaid)			\$294,597	
Finance (Others)	ROC (Taiwan)	Direct Budget support	\$17,360,000			
Finance (Others)	ROC (Taiwan)	Solar Power Panels (NUC)		\$640,000		\$0

Department	Donor	Description	Budget Support FY20-21	Aid in-kind FY20-21	Est Cash as at 30/06/20	Cash funded FY20-21
Finance (Others)	ROC (Taiwan)	COVID-19 fund assistance (Taiwan)			\$1,650,000	
Finance (Others)	Russia	IUCN GEFPAS Low Carbon Islands Project			\$42,643	
Health	ADB	COVID-19 Support	\$8,000,000			
Health	Australia (DFAT)	Staff Training			\$81,925	
Health	Australia (DFAT)	Specialists Medical - Visits			\$103,999	
Health	Australia (DFAT)	Health		\$1,800,000		\$0
Health	Fred Hollows	Trachoma project			\$28,379	
Health	UN Agency	UNDP –Multi-Country Western Pacific Integrated HIV/TB programme (2020-21)		\$0	\$443	\$65,000
Health	UN Agency	WHO –Strengthening Health System and Public Health Programs Communicable Disease, NCD, and Environmental Health		\$0	\$9,518	\$100,000
Health	UN Agency	WHO- Tobacco Control			\$232	
ICT	ADB	Improving Internet Connectivity for Micronesia		\$500,000		\$0
ICT	ADB	Sustainable & Climate-Resilient Connectivity Project		\$22,000,000		\$0
ICT	Australia (DFAT)	Sustainable and Climate Resilient Connectivity Project		\$14,700,000		\$0
ICT	ROC (Taiwan)	Fibre Optics Local Connectivity Project			\$187,523	
Infrastructure	Australia (DFAT)	Australian Infrastructure Financing Facility for the Pacific		\$500,000		\$0
Justice	NZAID	Support for Justice Administration			\$87,557	

Department	Donor	Description	Budget Support FY20-21	Aid in-kind FY20-21	Est Cash as at 30/06/20	Cash funded FY20-21
Ministerial	India	Seawall Project			\$18,101	
NFMRA	RFMO	Support for VMS			\$1,078	
NFMRA	RFMO	Flag state enhancement project			\$49,586	
NFMRA	RFMO	US Treaty Consultation			\$106,133	
Sports	Australia (DFAT)	Community Sports Outreach Program			\$18,678	
Sports	Australia (DFAT)	Review and Design for Epon Karamwen			\$55,000	
Sports	Australia (DFAT)	Renovation of Sporting Facilities Across Nauru			\$150,680	
TOTAL:			\$25,360,000	\$84,317,527	\$14,774,782	\$7,695,725

PART V – DEVELOPMENT FUND NEW PROJECT PROPOSALS

A summary listing of New Project Proposals (NPP's) that were submitted by line agencies for 2020-21 is depicted in Table 4.1 below. Some of the projects listed in the table below still require further vetting by the Ministry of Finance.

TABLE 4.1: LISTING OF NEW PROJECT PROPOSALS (NPP'S) FOR FY2020-21

Dept.	Proposal	Amount	Description	NSDS alignment
Audit	Audit of the Nauru mission office in New York	\$70,000	To audit the Nauru mission office in New York	Cross-G1
Border Control	Passport Division Institutional Strengthening Program	\$108,829	Funds for Staff training for the implementation of ePassports including ICT technician training expenses, Consultant visit, Specialised Equipment including storage & printer	Cross-G2
CIE	Enforcement of Environmental Bill	\$119,000	Implementation activities for understanding the enforcements under the Environmental Bill	Cross-G5
CIE	Improvements to Landfill site (NIISP Priority) NRC? 17 NRC R-17	\$1,400,000	Rehabilitation and upgrade of the existing solid waste site	Infra-G3

Dept.	Proposal	Amount	Description	NSDS alignment
Correctional services	Corrections agriculture and livestock project	\$271,000	To set up a project for the self-raising of Agriculture and Livestock at the Correctional facility and this is expected to supplement 80% of food rations demands for inmates.	Soc-G7
Customs	PACER Plus ASYCUDA World Implementation	\$113,430	Using the ASYCUDA World software to process import and export declarations, to continue efforts at trade facilitation and to enable continued generation of reliable trade statistics.	Econ-G1
DCA	Replacement of VHF Air-Ground radio36 DCA R-35	\$225,000	Replacement of ageing aircraft communication equipment	Infra-G4
Education	Language Commission	\$180,000	Nauru Language Commission for development and design of Nauru language teaching into the education curriculum	Soc-G5
Fisheries	Strengthening Management of Coastal Fisheries and Marine Resources	\$40,000	The scientific information collection to provide the coastal fisheries basis for decision making to future steps in fisheries management.	Econ-G2
Fisheries	Fisheries Food Security and Livelihood Project	\$80,000	To continue the food security program in the development of the aquaculture, FAD programs in the coastal ocean, including the milkfish farmers program.	Econ-G2
Fisheries	Artisanal Outboard Motor Fisheries Assistance Project	\$550,000	Extension of project commenced in 2019-20	Econ-G2
Health	Proposal increase to Health Telephone & Internet	\$100,000	Telemedicine covers costs of communication with Overseas consultants	Cross-G2
ICT	Fibre network consultancy	\$50,000	Consultancy for the Design of a round the island local Fibre network	Infra-G5
ICT	PABX Consultant	\$11,000	Engagement of a Consultant to review the existing PABX system and make recommendations for improvements	Infra-G5
Justice	Host PILON meeting in November 2020	\$180,000	Cost to Nauru hosting of the Pilon meeting in November 2020	Soc-G5
Justice	Hosting the PILON Sexual and Gender Based Working Group Meeting	\$70,000	Cost to Nauru hosting the PILON Sexual and Gender Based Working Group Meeting	Soc-G5
NMPA	Mooring System Restoration	\$6,763,689	Hire of ROV and Anchor Handling Vessel for the repairs and restoration of the mooring system to its operational status and eliminate the reliance on the costly hire of tug boats to support cargo loading and unloading	Infra -G4
NES	Renovation of Office and procurement of equipment	\$110,000	Alternative Cherry picker required as stand-by in case of an emergency and to renovate additional office	Cross-G1
NES	New Establishment. Creation of new positions	\$186,619	More staff required to be more responsiveness to emergency operations. Currently establishment for NES is 91 staff, this is adequate to maintain 24 hr duty hours	Cross-G1
Police	Establishment of new positions	\$350,000	Establishment of new positions to meet the rising demands of crimes as well as policing including sea and online crimes, also a Band Master	Cross-G1
Post	Procure Used Side-Lifting Truck	\$300,000	Procure Used Side-Lifting Truck for Sea Container Services	Econ-G7

Dept.	Proposal	Amount	Description	NSDS alignment
Sports	TA for Nauru Sports Federations	\$500,000	Proposal to support development and advancement including sourcing of Technical Assistance (Tas) for all Nauruan Sports Federations	Soc-G3
Transport (DCA)	NIISP Priority Project - New runway 11 DCA R-11	\$17,500,000	Priority NIISP Project: Current runway surface past maximum expected lifespan - requires resurfacing	Infra-G4
TVET	New Double story, multi-purpose Training building	\$240,000	New Double story, multi-purpose Training building, Kitchen, Toilet, Hospitality outdoor café, Fashion and design, etc.	Econ-G5
Womens	Business travel	\$86,000	Travel Business - Mexico Beijing 25+, Paris Beijing 25+	Cross-G1
Youth	Travel business	\$15,000	Proposal for Travel Business provision of \$15k to allow Youth Department to attend Evidence Based Policies Pacific Youth Development	Cross-G1