

FY 2021-22 Development Fund Projection Speech

Minister for Finance

1 June 2021

Mr Speaker

It gives me great pleasure to announce the Development Fund Projection for the financial year 2021-22.

The past year has been a difficult one, as the COVID pandemic continues to devastate countries with secondary waves of infections and rising death tolls. Despite battling COVID-19 in their own countries, Nauru's bilateral partners have stood firm with Nauru to fight the pandemic, and continue the important work of '*Building a Resilient Naoero*'.

I am pleased to announce that Nauru's development partners have pledged \$104.1 million for financial year 2021-22. This is a slight decrease from the previous financial year's projection of \$106.8 million, reflecting the difficulty of progressing certain activities in the face of ongoing border closures and travel restrictions.

Cash grants of \$14.1 million and aid-in-kind contributions of \$80.7 million are anticipated, and project-related budget support is projected to be \$2.5 million. \$11.6 million will be carried over from the previous financial year.

The Asian Development Bank has committed \$48.9 million for Nauru, including \$36.4 million for the redevelopment of Aiwo Port, supported by Australia and the Green Climate Fund. \$6.5 million will be provided to strengthen public policy, supported by Australian and New Zealand.

Under the Partnerships for Recovery Program, Australia will provide \$17 million for a range of economic reform, food security and transport connectivity activities.

New Zealand will provide a total of \$4.5m to the development fund, including general support for next year's general election, early years and secondary education, and to improve Nauru's energy efficiency.

Taiwan will provide \$20m, including a contribution to the Trust Fund and assistance for Nauru Airlines Corporation.

Our partnership with the United Nations continues, with \$2.4 million pledged to continue current programs. Our good friends in Japan have also committed \$2.2 million for economic and social development projects.

The European Union has extended current development programs into 2022, and discussions are underway regarding the next European Development Fund program.

Donors have been crucial in helping us navigate the COVID-19 crisis. Last financial year, we received \$4.8 million from donors including Australia, New Zealand, the ADB, Taiwan and the UN. Our Government is actively working to confirm similar levels of funding with our partners.

Mr Speaker, Nauru is blessed to have such strong and reliable partners, and I commend their commitments given the hardships and challenges experienced in their own countries. I would like to thank each of our development partners for their commitment to building a stronger, resilient Nauru.

I commend the Development projection 2021-22 to the House.