



REPUBLIC OF NAURU

DEVELOPMENT FUND

ANNUAL REPORT

FY 2020-2021

CIRCULATED BY

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MINISTER FOR FINANCE OF THE REPUBLIC OF NAURU

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Conventions used in this Document:

- o Data is retrieved from the Nauru Financial Management Information System.
- o All amounts are expressed in Australian dollars unless otherwise stated.
- o Due to rounding small discrepancies may occur in the totals shown in columns in tables.

LIST OF KEY ACRONYMS

ADB	Asian Development Bank
AUSTRALIA	Australian Department of Foreign Affairs and Trade
CIE	Commerce Industry and Environment
EU	European Union
FAO	Food and Agriculture Organization
GEF	Global Environment Facility
GoN	Government of Nauru
ICT	Information and Communication Technology
IDA	International Development Association
IOM	International Organization of Migration
NES	National Emergency Services
NFMRA	Nauru Fisheries and Marine Resource Authority
NORI	Nauru Ocean Resources (Inc)
NUC	Nauru Utilities Corporation
NZ MFAT	New Zealand Ministry of Foreign Affairs and Trade
RFMO	South Pacific Regional Fisheries Management Organisation
SPC	Secretariat of the Pacific Community
SPREP	Secretariat of the Pacific Regional Environmental Programme
UN	United Nations
UNDP	United National Development Program
UNEP	United Nations Environment Program
UNESCAP	UN Economic & Social Commission for Asia & the Pacific
UNESCO	United Nations Education Scientific and Cultural Organization
UNFCC	United Nations Framework Convention on Climate Change
UNICEF	United Nations Children’s Fund
WHO	World Health Organisation

PART I: EXECUTIVE SUMMARY

In FY 20-21, Nauru received donor revenue of \$4.7m and expended \$12.6m. Actual expenditure was double that of FY 19-20: \$12.6m was spent in FY 20-21, compared to \$6.2m in FY 19-20. This is largely a result of line departments spending previous years' revenue this financial year.

65% of all spending went toward the social sectors, with \$1.8m spent on education and \$6.1m on health. The Infrastructure Sector accounted for 26% of expenditure (\$3.1m) and Cross-cutting sectors for 8% (\$1.1m), leaving the economic sector with only 1% (\$0.1m) of all development fund expenditure.

Actual revenue of \$4.7m reduced by 63% this financial year, compared to FY 19-20's actual revenue of \$12.7m. This may be attributed to a number of factors.

Firstly, revenue in FY 19-20 was inflated by a number of one-off payments, such as a late influx of \$6.7m in grant support related to COVID-19. \$3.6m was also received from Indonesia for the purchase of a tugboat and barge. Adjusting revenue to remove these one-off amounts, FY 19-20's revenue is reduced by \$10.3m to \$2.4. When this figure is compared to FY 20-21's revenue of \$4.7m, there is actually an increase in actual revenue of \$2.3m.

Secondly, underspends in previous years led to a build-up of funds, particularly for COVID-19 funding, and also for Australian and New Zealand education funds. \$7.7m was carried over into FY 20-21, which provided little justification for donors to provide additional funds to affected programs.

Departments continue to experience capacity due to a protracted skills shortage. Designing programs which supplement the line department capacity will help address this challenge.

PART II: DEVELOPMENT FUND ANALYSIS

INTRODUCTION

This Annual Development Fund Report for financial year 2020-2021 is prepared in compliance with the *Development Fund Act 2011*.

Data presented here is sourced directly from the Government of Nauru Financial Management Information System (for expenditure). Projects are categorised into their relevant National Sustainable Development Strategy (NSDS) goal, which may be subject to interpretation in some instances. Where projects are deemed to span multiple NSDS goals, they are categorised based on whichever goal the majority of funds support.

Part II of this report presents an analysis of revenue and expenditure from the Development Fund for FY 20-21. Part III outlines project-by-project revenue and expenditure, variances from the FY 20-21 Development Fund Projection, and implementation updates.

PURPOSE OF THE DEVELOPMENT FUND

The Development Fund was established in accordance with the aforementioned legislation, with the purpose of receiving and disbursing grant funds from development partners. At present, the Development Fund is restricted to three bank accounts covering Australian, New Zealand and all other donor funds.

In practice, development funds are earmarked for particular purposes according to the signed grant agreements and then used to reimburse Treasury for eligible expenditures. The Planning and Aid Division of Department of Finance undertakes oversight and management of the fund, whereas line departments have responsibility for raising payment vouchers and 'spending' the funds.

The Development Fund is routinely subject to external audit by accounting firms or directly by development partners themselves. The last six-monthly audit undertaken on behalf of the Australian High Commission highlighted ongoing improvements with no evidence of fraud or major qualifications.

PERFORMANCE IN FY 20-21

As displayed in Chart 1, in FY 20-21, projected revenue was predicted to be \$22.4 m, while actual revenue totalled \$4.7m.

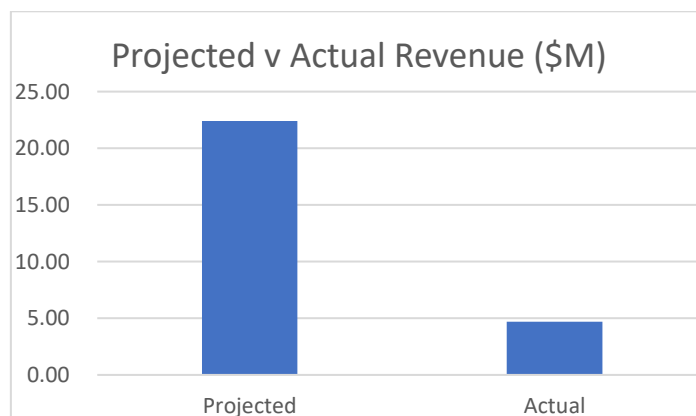


Chart 1 – Projected v Actual Revenue

Similarly, Chart 2 illustrates that actual revenue this financial year was substantially less than in FY 19-20.

There are a number of reasons for the variance.

The first reason for the variation is due to actual revenue in FY 19-20 being inflated by a number of one-off payments, such as a late influx of \$6.7m in grant support related to COVID-19. \$3.6m was also received from Indonesia for the purchase of a tugboat and barge in FY 19-20. Adjusting revenue and expenditure to remove these one-off amounts, FY 19-20's revenue is reduced by \$10.3m to \$2.4. When this figure is compared to FY 20-21's revenue of \$4.7m, there is actually an increase in actual revenue of \$2.3m.

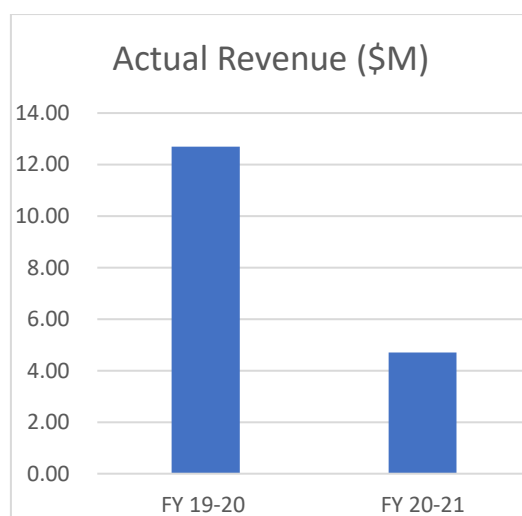


Chart 2 – Actual Revenue Comparison – FY 19-20 v FY 20-21

Secondly, programs requiring technical assistance have been significantly affected by COVID-19 travel restrictions, and supply-chain issues have hindered procurement of project supplies. COVID-19 delayed a number of projects, including the:

- Grassroots Grant Program (GGP) for Human Security Projects funded by Japan
- UNICEF Multiple Indicator Cluster Survey (MICS) in Nauru
- Nauru Renewable energy initiative funded by New Zealand
- Third National Communication to the UNFCCC
- Nauru High Commission in India, and
- Global Climate Change Alliance Plus Scaling up Pacific Adaptation (GCCA+ SUPA).

Significant roll-over balances from the previous financial year also reduced the need for revenue this financial year. \$7.7m was carried over from FY 19-20 carried over into FY 20-21, providing little justification for donors to provide additional funds to affected programs. The capacity of line departments to support programs was the main factor contributing to underspends and as a result, lower than projected revenue being provided. For example, the UNDP –Multi-Country Western Pacific Integrated HIV/TB programme (2020-21) actual revenue was significantly less than projected due to capacity constraints of the health department. More detail on carry-over balances and affected projects is provided below, under the heading *Underspends*.

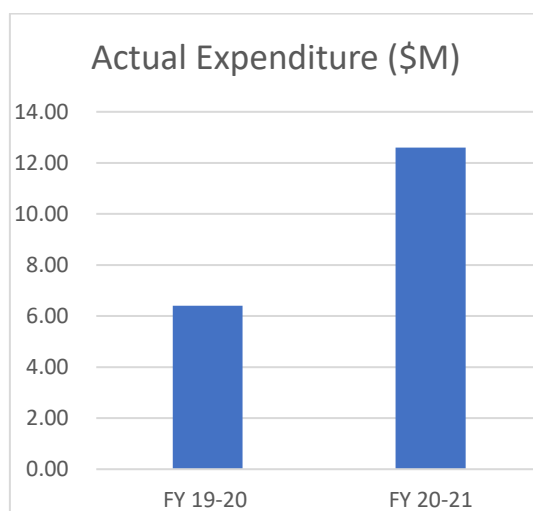


Chart 3 – Actual Expenditure Comparison – FY 19-20 v FY 20-21

Actual expenditure also did not align with the projection. In FY 20-21, \$22.4 expenditure was projected, whereas actual expenditure this financial year totalled \$12.6m.

However, as Chart 3 shows, when actual expenditure is compared between FY 19-20 and FY 20-21, a different picture emerges – Nauru spent double the amount expended in FY 19-20. \$12.6m was spent in FY 20-21, compared to \$6.2m in FY 19-20.

This is largely a result of line departments spending previous years' revenue this financial year.

Underspends

Underspends in previous years led to a build-up of funds, particularly for COVID-19 funding, and also for Australian and New Zealand education funds. Australia and New Zealand both approved an extension of the governing financial arrangements, recognising the challenges of progression programs during the COVID-19 pandemic. Spending of Australian and New Zealand funds has also been affected by the redesign of Australia's education program, and New Zealand's development of a new 4-year Plan with Nauru. It is expected that Australian and New Zealand education funding will increase once both programs have been finalised.

Other projects affected by underspends include the:

- SPC funded Integrated Water Management project
- UNDP funded Ridge to Reef project
- Taiwan funded Fibre Optics Local Connectivity Project
- GEF funded 6th National Reporting project and GEF 7 Restoration Project, and
- UNDP funded Hydrofluorocarbon Phase-down project.

These underspends, and to some extent the education underspends, arose due to the limited capacity of line departments to expend project funds. Nauru continues to face capacity limitations in line departments due to a skills shortage on Nauru. Providing requisite technical assistance to support large programs and designing programs to match line department capacity will help address the risk of program funds being underspent in future years.

Delayed payments also affected spending. For example, for the UN funded SMARTEN project, funding was received in the third quarter of the financial year and therefore delayed the commencement of the project.

NSDS Sector Expenditure

Chart 4 illustrates that in FY 20-21, spending in the social sector accounted for 65% of all development fund expenditure, with 26% directed to the Infrastructure sector, 8% to the Cross-Cutting Sectors and only 1% to the Economic sector.

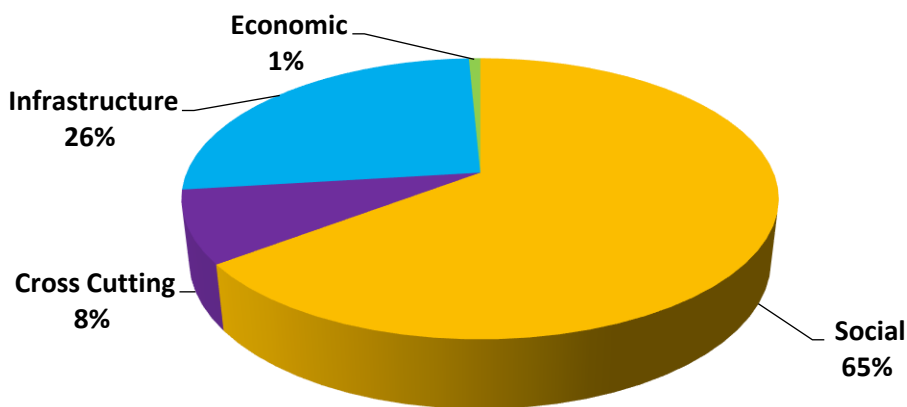


Chart 4: FY20/21 Expenditure by NSDS sector

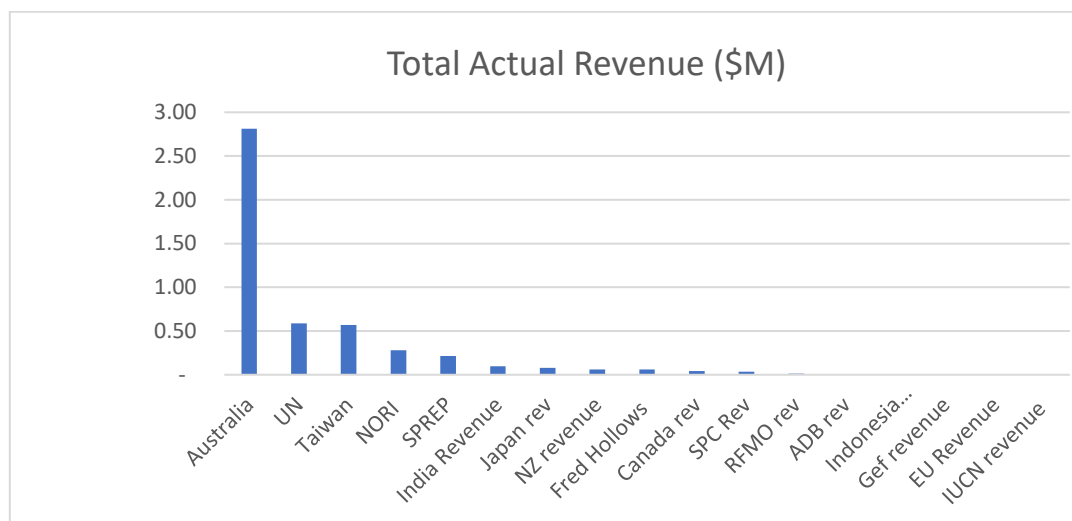


Chart 5: Total Actual Revenue

Donor Analysis

In terms of Donor support, Australia remained the largest source of revenue, followed by the UN, Taiwan, NORI, and the Secretariat of the Pacific Regional Environmental Programme. However, it must be emphasised that this does not include aid-in-kind or budget support, and thus does not reflect total support from donors. Some donors, such as the Asian Development Bank, contribute significantly to Nauru through in-kind infrastructure support, or through technical assistance, as is the case for Australia, which is not included in these figures.

OPPORTUNITIES AND CHALLENGES

The Department of Finance employs robust financial review mechanisms of development funds, meeting donor requirements for reconciliation and audit. However, requests for expenditure to be reconciled against social indicators such as sex, age and disability have proved an administrative challenge for resource-constrained line departments. Building in such requirements at the beginning of a program to ensure data is collected as the program proceeds, and providing training to local staff and technical support, may help support reporting against social indicators in future.

The challenge and opportunity for the Development Fund is to ensure that it remains a preferred modality of support for development partners. After direct budget support (which typically involves fewer requirements and/or stipulations for how to spend), grant financing is the next best route for providing support. By using government systems to plan, procure, disburse and report on funding, this modality provides line departments with greater control over the speed and progress of program activities. Large programs, however, benefit from the provision of in-kind support or technical assistance to manage program funds.

Key areas of focus for the next financial year include:

- Monitoring of program expenditure and working with donors to address capacity gaps or other factors delaying spending, to help reduce the need to extend funding agreements and roll over balances.
- Encouraging line departments to negotiate alternate approaches to spending with donors, once it is clear that projects are lagging, and
- Assisting donors to understand the capacity challenges in Nauruan line departments, so that additional personnel or parallel technical assistance to supplement capacity to implement projects may be factored into program budgets.

PART III: DEVELOPMENT FUND PROJECT PERFORMANCE

In accordance with the requirements of the *Development Fund Act 2011*, projected revenue and expenditure is contrasted with actual revenue and expenditure for each project and Donor. Variances¹ between actual and projected figures are explained where the variance exceeds 10% or \$1000, whichever is greater. Implementation details are provided for each project.

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
Econ Goal 2- Increased level of domestic agricultural production aimed at addressing food security and healthy livelihoods										
29001	FAO Food Security Program	FAO	\$0	\$1,135	\$1,135	100	\$0	\$350	\$350	100
Reason for variance: funds committed to Nauru after submission of the FY 20-21 Development Projection.										
Implementation Update: An annual celebration for World Food Day (WFD) was held in October 2020. The promotion of agriculture for food security was held at the Centennial Hall with information sessions, pamphlets and engaging competitions for school students and the general public. Delivery of funds and timing of WFD was usually non-congruent where reimbursement process is required to ensure funds can be fully utilised.										
Econ Goal 3- Enhance development and sustainable management of marine and fisheries resources to provide sustainable economic returns										
38005	Support for VMS	RFMO	\$0	\$12,573	\$12,573	100	\$0	\$1,726	\$1,726	100
Reason for variance: funds committed to Nauru after submission of the FY 20-21 Development Projection										
Implementation Update: Funding was spent on essential work wear for professional work and safety. Also, some refresher training was held for the Fisheries Observer staff who would otherwise be on assignment on various fishing vessels around world. Variance measures Actual minus Projection.										
38008	Kusanone Project (Japan) new winch	Japan	\$0	\$78,668	\$78,668	100	\$0	\$71,553	\$71,553	100
Reason for variance: funds committed to Nauru after submission of the FY 20-21 Development Projection.										
Implementation Update: Winch has been purchased and is being delivered to Nauru. Remaining funds will be used to renovate the winch shelter to complete and close the project in FY 21-22.										

¹ Variance % = measures variance divided by projection. If a negative % shows, it means less was received than the projected amount. If a positive % shows, it means more was received than projected.

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
Econ Goal 4- Efficient and effective use of mining and quarrying resources for economic and rehabilitation purpose economy										
43000	NORI Funds - Annual Administration Payments	NORI	\$0	\$281,359	\$281,359	100	\$0	\$10,957	\$10,957	100
Reason for variance: funds committed to Nauru after submission of the FY 20-21 Development Projection.										
Implementation Update: The management of ocean seabed resources is one of Nauru's continuing developments aiming to diversify the economic returns. Nauru recently established an ambassador role to the International Seabed Authority (ISA) to actively lead Nauru's development in this oceanic resource sector. Nauru Ocean Resource Incorporation (NORI), has contributed \$280,000 to Nauru over the last three years to support Nauru's effort in tapping into this economic opportunity. This fund is also providing scholarships opportunity to the Nauruan people focussing on science and marine studies. The fund is also looking for community projects aimed at 'Ocean Health & the Environment' as well as other areas. NORI is working on increasing Nauru's revenue stream as well as ensuring that the environmental impact in deep sea mining is minimised.										
Econ Goal 5- Promote development of small and micro enterprises, foreign investment and economic integration into the global economy										
01003	Micro Finance Loan	Taiwan	\$0	\$2,975	\$2,975	100	\$0	\$0	\$0	-
Reason for variance: Funds represent repayment of loans from previous loan recipients.										
Implementation Update: No further loans made as insufficient project funds. Require more repayments from previous loan recipients. Lessons have been learnt from the previous scheme and improvements are now being made to ensure that the new loan scheme is more sustainable.										
02903	TA - Nauru Post Office	Australia	\$0	\$50,000	\$50,000	100	\$0	\$8,825	\$8,825	100
Reason for variance: funds committed to Nauru after submission of the FY 20-21 Development Projection.										
Implementation Update: Extension of the Nauru Postal Service-Consultant to continue work in FY 21-22.										
Soc Goal 1: Improve the quality and broaden the scope and reach of education										
Education Support		Australia	\$2,000,000	\$1,348,469	-\$651,531	-33%	\$2,000,000	\$1,339,969	-\$660,031	-33%
02303	Learning village	Australia	\$0	\$202,789	\$202,789		\$0	\$156,077	\$0	
02306	Sustainable and high-quality workforce to meet future	Australia	\$0	\$289,625	\$289,625		\$0	\$98,799	\$0	
02307	Improving quality and access to early years, Primary and	Australia	\$0	\$598,703	\$598,703		\$0	\$394,345	\$0	

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
02308	Improved learning outcomes for all students	Australia	\$0	\$36,000	\$36,000		\$0	\$174,492	\$0	
02309	Create a proactive and continually improving education	Australia	\$0	\$221,352	\$221,352		\$0	\$516,256	\$0	
<p>Reason for variance: The capacity of education administrators to implement projects has been stretched over the past year, and the loss of the Australian funded TA due to the COVID-19 pandemic has hampered the Department's ability to expend the donated funds. Australia has generously extended the Direct Funding Agreement to enable funds to be fully expended.</p>										
<p>Implementation Update: Australia is supporting access to quality education across all grades is being enhanced through accreditation of technical and vocational education instructors to TAFE QLD standards. To-date, 42 Nauruan teachers have now graduated through the University of New England teacher training program. Eight teachers are on track to finish by the end of this calendar year and a new cohort of 13 teachers has been successfully picked to begin the training.</p>										
Education Support		New Zealand	\$922,250	\$0	-\$922,250	-100%	\$922,250	\$469,171	\$453,079	49%
03306	A sustainable and high-quality workforce to meet future need	New Zealand	\$0	\$0	\$0		\$0	\$49,868	\$49,868	
03307	Improved quality and access to early years, primary and seco	New Zealand	\$0	\$0	\$0		\$0	\$119,545	\$119,545	
03308	Improved learning outcomes for all students	New Zealand	\$0	\$0	\$0		\$0	\$59,041	\$59,041	
03309	Proactive and continually improving education system	New Zealand	\$0	\$0	\$0		\$0	\$87,656	\$87,656	

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
03310	COVID19 Education Response Items	New Zealand	\$0	\$0	\$0		\$0	\$153,061	\$153,061	
<p>Reason for variance: The capacity of education administrators to implement projects has been stretched over the past year, and the loss of the Australian funded TA due to the COVID-19 pandemic has hampered the Department's ability to expend the donated funds. Fortunately, New Zealand has generously extended the Grant Funding Arrangement to enable funds to be fully expended.</p>										
<p>Implementation Update: The NZ education funding support is complementary to other existing Nauru Education funding support. A letter of variation has significantly allowed Education to utilise the NZ funds in preparation and response for COVID19. This COVID19-Response included strengthening the WASH Systems at the schools, for hygiene and public health outcomes. Also repairs and renovation of some classrooms were completed to meet standards. The NZ-Nauru Education funding balance remains abundant thus plans for essential spending remains, before further funding by NZ to the Department of Education.</p>										
<p>Social Goal 2: A Healthy and Productive Population</p>										
01510	TAIWAN COVID-19 Assistance	Taiwan	\$0	\$564,900	\$564,900	100	\$0	\$1,529,293	\$1,529,293	100
<p>Reason for variance: Funding received in prior FY.</p>										
<p>Implementation Update: Purchase of COVID-19 vaccinations and other essential medical equipment to fully operationalised the new critical care unit. The rebuilding of the old Acute Ward to international standards critical care units in response to a potential COVID19 incident in Nauru has largely been completed. Taiwan was a major donor for these building works.</p>										
02509	Staff Training	Australia	\$0	\$0	\$0	-	\$0	\$42,514	\$42,514	100
<p>Reason for variance: Rollover Funds available from prior financial year funding deposits.</p>										
<p>Implementation Update: A contractor is supporting the Ministry of Health and Medical Services to develop and accredit a Nauru-based Diploma in Nursing.</p>										
02510	Australia COVID-19 Assistance Fund	Australia	\$0	\$0	\$0	-	\$0	\$3,404,199	\$3,404,199	100
<p>Reason for variance: Funding received in prior FY.</p>										
<p>Implementation Update: Provision of PPE, sanitiser, oxygen cylinders, portable x-ray machine for isolation ward and laboratory supplies.</p>										

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
13001	Trachoma research project	Fred Hollows	\$0	\$58,661	\$58,661	100	\$0	\$67,806	\$67,806	100
Reason for variance: Not included in the FY 20-21 Development Fund Projection. Funds were allocated after publication of the projection.										
Implementation Update: A national outreach activity to inoculate the whole or targeted population to minimise trachoma disease was successfully completed within this reporting financial year.										
16510	ADB_COVID19 Fund	ADB	\$0	\$0	\$0	-	\$0	\$929,559	\$929,559	100
Reason for variance: Not included in the FY 20-21 Development Fund Projection. Funds were allocated after publication of the projection.										
Implementation Update: Funds supported protective equipment, quarantine facility costs, oxygen costs, and upgrading the acute care ward.										
UNDP –Multi-Country Western Pacific Integrated HIV/TB programme (2020-21)		UN	\$65,000	\$16,627	-\$48,373	-74%	\$65,000	\$11,914	-\$53,086	-82%
25002	HIV/STI (2021-2023)	The Global Fund	\$0	\$13,845	\$13,845		\$0	\$11,914	\$11,914	
25001	HIV/STI	The Global Fund	\$0	\$2,782	\$2,782		\$0	\$7,939	\$7,939	
Reason for variance: The projected revenue was significantly high in comparison to the actual fund received into the Development Fund for these HIV-related projects. To some extent, due to under capacity or shortage of public health staff. Accordingly, the Agreement for these funds demands quarterly reports submission to process further disbursements as agreed.										
Implementation Update: Coordination meetings were held and advocacy outreach conducted, but increasing screening for early detection was very low due to other commitments of Health staff. The primary focus on the national COVID19 vaccination outreach has largely occupied the health staff and in-turn delayed the operations of these HIV-projects.										

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
WHO –Strengthening Health System and Public Health Programs Communicable Disease, NCD, and Environmental Health		UNWHO	\$100,000	\$249,946	\$149,946	150%	\$100,000	\$176,058	\$76,058	76%
37006	NCD Management activities	WHO	\$0	\$26,526	\$26,526		\$0	\$28,592	\$28,592	
37009	NCD Profiling	WHO	\$0	\$40,300	\$40,300		\$0	\$37,665	\$37,665	
37010	NCD Multisectoral Taskforce	WHO	\$0	\$76,038	\$76,038		\$0	\$16,262	\$16,262	
37012	NCD Surveillance Activities	WHO	\$0	\$54,400	\$54,400		\$0	\$54,400	\$54,400	
37007	Neglected Tropical Disease (MDA)	WHO	\$0	\$23,222	\$23,222		\$0	\$19,602	\$19,602	
37008	Mental Health Policy	WHO	\$0	\$9,660	\$9,660		\$0	\$9,660	\$9,660	
37510	Implementor of COVID19 Community Engagement Plan	WHO	\$0	\$19,800	\$19,800		\$0	\$9,877	\$9,877	
Reason for variance: In general, a number of these listed WHO projects the funding were deposited into the Development Fund account in the fourth quarter of the reporting financial year. In effect, the Department of Health was ensuring appropriate closing of its national budget is utilised for budget performance and plans to effectively start the WHO funded projects from the first period of the new financial year 2021-2021.										
Implementation Update: 37006 and 37009 - NCD Training, stakeholder working group meetings and community screenings, awareness, community profiling was conducted. Though COVID 19 activities like vaccination and awareness took precedents over most activities, objectives of the programs were completed and reports submitted. For codes 37010 and 37012 these are new funds. Projects 37010 and 37012 are new funds. Stakeholder training has been completed and preparations for national STEPS survey and GSHS surveys are on track. The objectives and activities are on track to be completed as scheduled.										
Social Goal 3: Enhanced quality of life through sports for all										
02202	Community Sports Outreach Program	Australia	\$0	\$0	\$0	-	\$0	\$16,362	\$16,362	100
Reason for variance: Not included in the FY 20-21 Development Fund Projection. Funds were allocated after publication of the projection.										
Implementation Update: Donations of sporting to the local community and sporting prizes.										

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
02203	Renovation of Sporting Facilities Across Nauru	Australia	\$0	\$38,906	\$38,906	100	\$0	\$176,311	\$176,311	100
Reason for variance: Not included in the FY 20-21 Development Fund Projection. Funds were allocated after publication of the projection.										
Implementation Update: Renovation of basketball courts and addition of roller doors to the sports complex, to provide all-weather protection.										
Social Goal 4: A cultural, socio-inclusive, cohesive and self-reliant community with sustainable livelihoods										
Grassroots Grant Program (GGP) for Human Security Projects		Japan	\$280,000	\$0	-\$280,000	-100%	\$280,000	\$0	-\$280,000	0%
Reason for variance: A representative of Japan was due to visit to select projects to be funded through the program, however, this could not occur due to COVID-19 travel restrictions. Funding was therefore delayed. A system of online review is being used to select suitable projects until a Japanese representative can visit Nauru.										
Implementation Update: As above.										
Social Goal 7: A robust, vibrant and effective civil society for a just and peaceful Nauru										
02736	2021 Nauru Population Census	Australia	\$0	\$100,000	\$100,000	-	\$0	\$0	\$0	-
Reason for variance: Funding was received after development fund projection.										
Implementation Update: Population census activity will commence in October 2021.										
33505	UNICEF Multiple Indicator Cluster Survey (MICS) in Nauru	UN	\$90,042	\$0	-\$90,042	100	\$90,042	\$0	-\$90,042	100
Reason for variance: The Mini Census Listing Survey was cancelled due to COVID-19. 02736 was not included in the Development projection.										
Implementation Update: The Mini Census Listing Survey was cancelled due to COVID-19. The Statistics Division are preparing to conduct the 2021 Nauru Population Census in FY 21-22.										

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
Infra Goal 1: Provide a reliable, affordable, secure and sustainable energy supply to meet socio-economic development needs										
03701	Renewable energy & Training	New Zealand	\$0	\$0	\$0	-	\$0	\$35,358	\$35,358	100
<i>Reason for variance:</i> Not included in the FY 20-21 Development Fund Projection.										
<i>Implementation Update:</i> Two NUC-staff have been undertaking Energy-related study at the Fiji National University (FNU), which was largely delivered through online mode due to COVID19 outbreaks in Fiji. NUC is planning to revise the activities for this energy training program to meet COVID-19 restrictions for students or planned technical instructors.										
Nauru Renewable energy initiative		NZ	\$1,950,000	\$59,991	-\$1,890,009	-97%	\$1,950,000	\$50,626	-\$1,899,374	-97%
03702	NEEDS Energy Project	New Zealand	\$0	\$3,975	\$3,975	100	\$0	\$11,850	\$11,850	
03703	NEEDS Implementation Project	New Zealand	\$0	\$56,016	\$56,016	100	\$0	\$38,776	\$38,776	
<i>Reason for variance:</i> Delayed receipt of funds due to impact of COVID-19 on commencement.										
<i>Implementation Update:</i> With the creation of the NEEDS project management unit, other New Zealand funded energy efficient projects can now commence through this management unit into the next financial year.										
06005	SMARTEN (UNDP)	UN	\$692,373	\$83,556	-\$608,817	-88%	\$692,373	\$65,929	-\$626,444	-90%
<i>Reason for variance:</i> Funding was received in the third quarter of the financial year and therefore delayed the commencement of the project.										
<i>Implementation Update:</i> The delay in commencement resulted in the project activities for FY 20-21 to continue into the next financial year.										
09002	11th EDF (Energy Efficiency Project)	EU	\$60,000	\$0	-\$59,990	0	\$60,000	\$0	-\$59,990	-100%
<i>Reason for variance:</i> N/A										
<i>Implementation Update:</i> This project involves the provision of bilateral assistance in Energy Efficiency and Renewable Energy. The 2 nd tranche of AUD \$60,000 to support the National Audit Office was provided this FY, and the main 11 th EDF completed in December 2020. Activity this FY included EU training in Fiji and Prince2 Training for NAO staff. The project is now expired and in progress for acquittal and a closure report.										

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
Infra Goal 2: Provide a reliable, affordable, secure and sustainable water supply to meet socio-economic development needs										
02720	Reverse Osmosis Plant Shed	Australia	\$0	\$0	\$0	-	\$0	\$41,855	\$41,855	100
<i>Reason for variance:</i> Not included in the FY 20-21 Development Fund Projection. Expenditures were made from prior year funds rolled over.										
<i>Implementation Update:</i> The water office project has been progressing well however the commissioning targets will be delayed, due to few issues experienced in the initial stages. NUC estimates the project completion by the end of August 2021.										
02728	Provision of Household Water Tanks	Australia	\$0	\$47,087	\$47,087	100	\$0	\$6,578	\$6,578	100
<i>Reason for variance:</i> Not included in the FY 20-21 Development Fund Projection.										
<i>Implementation Update:</i> This multi-year project is estimated to be completed by Aug 2021. The final 3 water tanks remain to be installed to complete the project.										
Infra Goal 4: Improve transport infrastructure and provide reliable and sustainable transport services										
02738	Mooring Survey 2021	Australia	\$0	\$433,433	\$433,433	100	\$0	\$0	\$0	-
<i>Reason for variance:</i> Funds approved and provided at the end of the financial year, under an arrangement that spans across FY 20-21 and FY 21-22. Not included in the FY 20-21 Development Fund Projection.										
<i>Implementation Update:</i> No activity in FY 20-21.										
34007	Promoting Sustainable Transport in Nauru	UNEP	\$0	\$7,177	\$7,177	100	\$0	\$7,377	\$7,377	100
<i>Reason for variance:</i> Not included in the FY 20-21 Development Fund Projection. Funds were allocated after publication of the projection.										
<i>Implementation Update:</i> In January 2019, the Government of the Republic of Nauru through the Department of Commerce, Industry, and Environment (DCIE) requested the Climate Technology Centre & Network (CTCN) for a Feasibility Study on Sustainable Land Transport in Nauru. UN Environment Programme (UNEP), Air Quality and Mobility Unit is the implementing agency for this project. The main objective is to reduce heavy dependence on fossil fuel imports for transport, shift to cleaner and more efficient transport in Nauru. In FY 20-21, the UNEP submitted the draft Project Report for review by the Government of Nauru.										
42001	Tug Boat Aid Fund	Indonesia	\$0	\$0	\$0	-	\$0	\$2,988,484	\$2,988,484	100
<i>Reason for variance:</i> Not included in the FY 20-21 Development Fund Projection. Funds expended were received the previous financial year.										
<i>Implementation Update:</i> Purchase of general cargo ship for Nauru Shipping Lines is ongoing. First payments have been completed.										

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
Infra Goal 5: Provide universal and reliable access to internationally competitive communication services and an independent and commercially viable media										
01004	Fibre Optics Local Connectivity Project	Taiwan	\$0	\$0	\$0	-	\$0	\$112,721	\$112,721	100
<i>Reason for variance:</i> Expended remaining funds from previous financial years. Not included in the FY 20-21 Development Fund Projection.										
<i>Implementation Update:</i> Initial completed activities for this project included: laying the around-the-island fibre optic cable on the national electricity distribution line, purchase of a cherry picker and procurement of specialised equipment for testing and repairing of the fibre optic system. Further activities to strengthen the fibre optic system to minimise distributions, and reduce maintenance and repairs, are planned.										
02737	2021 Digital Project	Australia	\$0	\$100,000	\$100,000	100	\$0	\$0	\$0	-
<i>Reason for variance:</i> Funds approved and provided at the end of the financial year, under an arrangement that spans across FY 20-21 and FY 21-22. Not included in the FY 20-21 Development Fund Projection.										
<i>Implementation Update:</i> N/A										
Cross Goal 1: Strengthen and develop the institutional capacity of the Nauru Public Service										
19003	India High Commission Office	India	\$0	\$96,620	\$96,620	100	\$0	\$0	\$0	-
<i>Reason for variance:</i> Not included in the FY 20-21 Development Fund Projection. Funds were allocated after publication of the projection.										
<i>Implementation Update:</i> India has generously agreed to provide five years of funding to support the establishment of a new Nauruan High Commission in India. This funding includes rental and operating costs. Selection of a suitable site was delayed by the COVID-19 pandemic restricting movement in India.										
Cross Goal 2: Strengthen Parliament, Audit, Justice, Law, Order and Border Control										
02904	Law Revision Project	Australia	\$0	\$692,219	\$692,219	100	\$0	\$692,219	-\$692,219	100
<i>Reason for variance:</i> funds provided at end of FY as a reimbursement for expenses paid by Government of Nauru and to pay outstanding invoices. Not captured in the Development Projection.										
<i>Implementation Update:</i> Project is completed and funding is fully expended.										

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
Cross Goal 4: Sustainable use and management of the environment and natural resources for present and future generations										
05008	Integrated Water Management	SPC	\$50,000	\$0	-\$50,000	-100%	\$50,000	\$25,453	\$24,547	49%
<i>Reason for variance:</i> As funds were still available in the project, no further funds were required to close off the project.										
<i>Implementation Update:</i> Project completed and closed. Remaining funds will be acquitted to donor.										
05010	Inform Project	SPREP	\$0	\$12,571	\$12,571	100	\$0	\$7,437	-\$7,437	100
<i>Reason for variance:</i> Not included in the FY 20-21 Development Fund Projection. Funds were allocated after publication of the projection.										
<i>Implementation Update:</i> This project supports the development of Nauru's state of the environment (SOE) report under the SPREP regional Inform project. The Inform project at SPREP has hired an international consultant and, in collaboration with CIE's environment division, recruited a national consultant to carry out the task. First payment upon signature is still pending.										
06003	UNDP –Ridge to Reef	UN	\$387,000	\$202,016	-\$184,984	-48%	\$387,000	\$194,325	\$192,675	50%
<i>Reason for variance:</i> As funds were still available in the project, no further funds were required to close off the project.										
<i>Implementation Update:</i> Project is completed and acquittal report has been sent to donor for approval. Remaining funds will be acquitted after donor's approval of the acquittal report.										
18002	Improving Environmental Sustainability in Piloting a Waste	Canada	\$0	\$41,582	\$41,582	100	\$0	\$0	\$0	-
<i>Reason for variance:</i> Not included in the FY 20-21 Development Fund Projection. Funds were allocated after publication of the projection.										
<i>Implementation Update:</i> Project is awaiting NRC plan for waste management.										

Project Code	Project Name	Source of Revenue	Projected Revenue FY 20/21	Actual Revenue YTD	Variance	Variance %	Projected Expenditure FY 20/21	Actual Expenditure YTD	Variance	Variance %
24012	GEF 7 Restoration Project	GEF	\$0	\$0	\$0	-	\$0	\$51,321	-\$51,321	100
<i>Reason for variance:</i> Funds committed to Nauru after submission of the FY 20-21 Development Projection. Project expenditures from prior year funding.										
<i>Implementation Update:</i> Funding received was for preparation of GEF project proposal. Project proposal has been sent and awaiting GEF approval. GEF approval is expected and project to commence in 2022.										
34001	Ozone Depleting Substances	UNEP	\$0	\$35,093	\$35,093	100	\$0	\$15,238	-\$15,238	100
<i>Reason for variance:</i> Not included in the FY 20-21 Development Fund Projection. Funds were allocated after publication of the projection.										
<i>Implementation Update:</i> Awaiting donor approval from donor to commence project institution strengthening activities.										
34006	Hydrofluorocarbon Phase-down	UNEP	\$0	\$0	\$0	-	\$0	\$596	-\$596	100
<i>Reason for variance:</i> Project is ongoing and still awaiting funding for additional activities. Expenditures from previous year funding rolled over.										
<i>Implementation Update:</i> Project is ongoing and awaiting next tranche of funding from donor.										
24010	6th National Reporting	GEF	\$0	\$0	\$0	-	\$0	\$24,560	-\$24,560	100
<i>Reason for variance:</i> Project closed. Remaining funds will be acquitted to donor. Expenditures from previous year funding rolled over.										
<i>Implementation Update:</i> Project is completed and remaining funds will be acquitted back to donor.										
Cross Goal 5: Build up resilience to combat the effects of climate change and natural disasters										
05009	Global Climate Change Alliance Plus Scaling up Pacific Adaptation (GCCA+ SUPA)	SPC	\$438,525	\$36,034	-\$402,491	-92%	\$438,525	\$41,114	\$397,411	91%
<i>Reason for variance:</i> Procurement of household water tanks put on hold due to COVID-19 and funding was not received.										
<i>Implementation Update:</i> Purchasing of the water tanks will be done by the donor and sent to Nauru for installation. Bidding process for installation of around 90 water tanks to commence at the second quarter of FY 21-22.										
24008	Third National Communication to the UNFCCC	GEF	\$250,000	\$0	\$250,000	100%	\$250,000	\$0	\$250,000	100%
<i>Reason for variance:</i> Technical assistance reliant project that is delayed by COVID-19.										
<i>Implementation Update:</i> Technical assistance reliant project that is delayed by COVID-19.										

