



Republic of Nauru

Department of Finance

Annual Report
2020-21

Table of Contents

FOREWORD FROM THE MINISTER FOR FINANCE	4
INTRODUCTION	5
COVID-19.....	7
INVESTMENT AND ECONOMIC SERVICES	8
NAURU INTERGENERATIONAL TRUST FUND (NITF).....	8
NAURU SUPERANNUATION SCHEME (NSS)	8
PARLIAMENTARY PENSION FUND.....	9
COMMEMORATIVE COINS (WORLD COIN)	9
NAURU FUEL SUPPLY	9
FINANCIAL PERFORMANCE BY DIVISION	10
TREASURY DIVISION	11
STRATEGIC OVERVIEW	11
KEY OBJECTIVES AND ACTIVITIES FOR 2020-21	11
KEY ACHIEVEMENTS IN 2020-21	12
FINANCIAL MANAGEMENT INFORMATION SYSTEM	16
Major Challenges and Issues.....	16
Next Steps	17
Technical Assistance Received/Aid in kind	17
Training	17
GOVERNMENT OF NAURU BUDGET PERFORMANCE	18
STRATEGIC OVERVIEW	19
KEY OBJECTIVES AND ACTIVITIES FOR 2020-21	19
KEY ACHIEVEMENTS IN 2020-21	19
MAJOR CHALLENGES AND ISSUES	20
NEXT STEPS	20
TECHNICAL ASSISTANCE RECEIVED.....	20
TRAINING	20
KEY STATISTICS.....	21
NAURU BUREAU OF STATISTICS	23
STRATEGIC OVERVIEW	23
KEY OBJECTIVES AND ACTIVITIES FOR 2020-21	23
KEY ACHIEVEMENTS IN 2020-21	24
Major Challenges and Issues.....	26
Next Steps	27
Technical Assistance Received/Aid in kind	27

Training	27
Key Statistics	28
NAURU REVENUE OFFICE (NRO)	30
STRATEGIC OVERVIEW	30
KEY ACHIEVEMENTS IN 2020-21	31
KEY OBJECTIVES AND ACTIVITIES 2020-21.....	32
MAJOR CHALLENGES AND ISSUES	34
TRAINING & CAPACITY BUILDING	34
Key Statistics	37
NAURU CUSTOMS OFFICE	39
STRATEGIC OVERVIEW	39
KEY ACHIEVEMENTS IN 2020-21	39
Major Challenges and Issues.....	40
NEXT STEPS	40
Technical Assistance Received/Aid in kind	41
Training	41
KEY STATISTICS.....	42
NAURU AGENCY OF BENDIGO BANK	44
STRATEGIC OVERVIEW	44
Key Objectives and Activities for 2020-21	45
Key Achievements in 2020-21.....	46
Next Steps and The Year Ahead.....	48
Training	48



(This page is intentionally left blank)

FOREWORD FROM THE MINISTER FOR FINANCE



I am pleased to present the Annual Report of the Department of Finance for the financial year 2020-21. The Report highlights on the deliverables and outcomes achieved during the period under review.

Despite global economic challenges and the adverse impact of pandemic, Nauru posed to register positive growth of 1.6% for the period ending 30th June 2021, this is 0.90 basis point higher than last year real GDP Growth. The improved economic performance was mainly result of better economic conditions than originally anticipated and a full twelve months of RPC activity.

The Department continues to play a crucial role in supporting economic growth through sound and prudent management of public resources within the framework of sustainable policies that will bring in lasting prosperity.

Despite the challenges posed by COVID19 and winding down of RPC, the Department achieved some key milestones during the year including:

- \$200 million funds under management for the intergeneration Nauru Trust Fund
- Delivering the 2021-22 Budget and 2 supplementary appropriations for 2020-21
- Publishing the 2017-18 annual financial statements
- Full settlement and resolution of longstanding external and domestic debt obligation, one of which is the Firebird Samurai Bond which has been carried over for almost two decades
- Subsidies and Donations to SOEs to improve livelihoods and support affordable electricity, regular air freight services and affordable port service charges
- Global recognition for substantial progress made in respect of legislative Tax reforms Nauru has undertaken within a short period of time
- Upgrade of Nauru Aircraft Fleet program with 1st purchase of Boeing 737-700 aircraft
- Improvement to the national infrastructure with smooth implementation of Port projects
- Implementation of PACER Plus ASYCUDA World Project, and
- Nauru mini census report finalized and estimates of COVID19 eligible population completed.

I take this opportunity to acknowledge the continuous support given to the Ministry of Finance from the stakeholders and the generous assistance from our country development partners. I would also like to commend the dedication and commitment given by the staff of the Ministry which has contributed to the successful outcomes of another exciting year. I anticipate we will continue to build on our achievements in the coming year.

Hon Martin Hunt, MP

Minister for Finance and Sustainable Development

August 2021

INTRODUCTION

This annual report explains how resources were used and what was delivered by the Department of Finance during 2020-21.

The Department of Finance is an important central agency of the Government of Nauru (GON). Its mission is to ensure that the financial resources of the Republic of Nauru are managed in accordance with the law and are utilized in an efficient and effective manner for the development of Nauru.

The objectives of the Department of Finance are to:

- ensure that the requirements of the Constitution and other legislation that relate to the management of public money are adhered to
- provide advice to the Minister for Finance and Cabinet on matters relating to the management and use of public money and on the Nauruan economy more generally
- provide policy advice and options to Government in relation to a wide range of fiscal, economic and development issues
- provide policy advice and support to improve the financial performance and oversight of SOEs
- coordinate the development of and monitoring and reporting on the annual Budget and the Development Fund
- improve the effectiveness of the administration of government revenues thereby improving Nauru's domestic revenue collections
- coordinate development and review of the National Sustainable Development Strategy (NSDS), including ensuring that NSDS priorities are being given due attention in the annual budget
- obtain and mobilize donor support for development projects and act as the point of contact for development assistance coordination, and
- monitor Nauru's economic and social parameters and produce data and information that supports an analysis of the effectiveness of existing government policy and inform the development of new policy aimed at addressing Nauru's development needs.



The Department of Finance is comprised of six divisions:

Treasury, Planning and Aid Division (PAD) and the Nauru Bureau of Statistics, Nauru Revenue Office (NRO), Nauru Customs Services, Social Welfare Services and the Bendigo Bank agency. It also manages various investments and economic services on behalf of the GON. This is illustrated in the figure below.

Legislative & Regulatory responsibilities

The Department derives mandates from the following legislations:

- Constitution of the Republic of Nauru 1968
- Public Finance (Control and Management) Act 1997
- Finance Instructions General Principles 2018
- Finance Instructions Budget 2018
- Finance Instructions Payments 2018
- 2020-21 Appropriation Act 2020
- Census Act 1973
- Statistics Act 1992
- Nauru Superannuation Scheme Act 2019
- Revenue Administration Act 2014
- Employment & Services Tax Act 2014
- Business Tax Act 2016
- Telecommunications Service Tax Act 2009
- Gaming Act 2011, and
- Prices Regulation Act 2008.

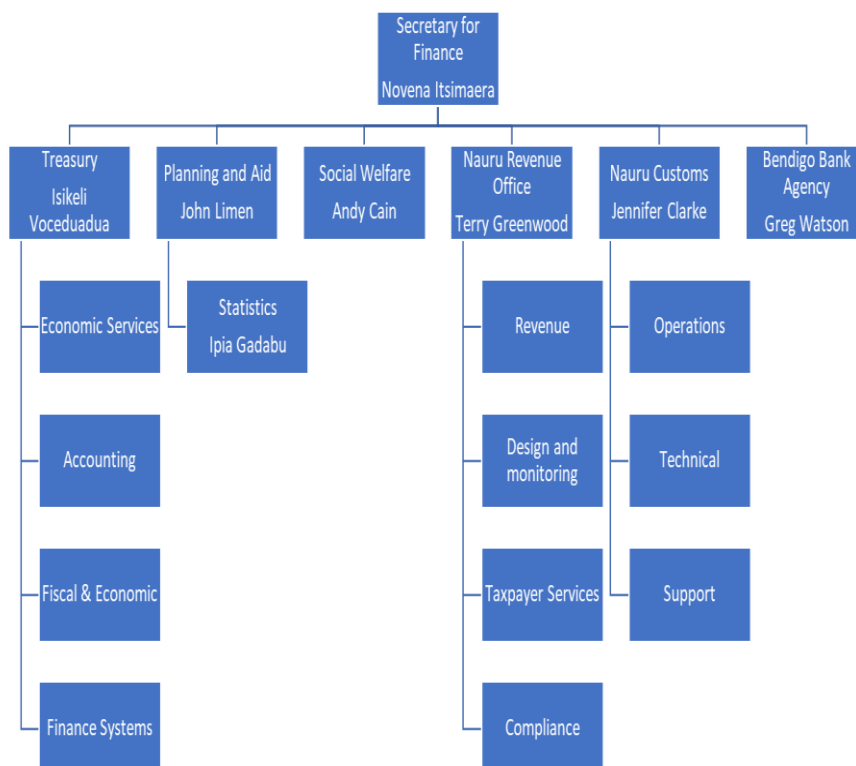
Guiding Policies

- National Sustainable Development Strategy (2019-2030)
- Fixed Assets Framework, and
- National Budget 2020-21.

Over the reporting period the following senior staff changes occurred:

- Isikeli Voceduadua joined as the new Deputy Secretary Treasury (PACTAM)
- Atunaisa Baleimatuku as Chief Accountant Treasury
- Kristina Pawliw as Advisor to Planning and Aid Division (PACTAM)
- Michael Murphy as Advisor to Nauru Revenue Office (PACTAM)
- Viliame Raikuna engaged as TA Consultant for Customs Broker Training and Asycuda Project, Customs

Department of Finance Organisation Chart



COVID-19

The Government success in deploying COVID19 containment efforts rapidly and comprehensively resulted in Nauru being COVID19 free. Eradicating and minimising the spread of COVID19 would not be possible without the support of our bilateral partners. The Department assisted COVID19 strategies in the following areas:

- Provide support to the COVID19 Taskforce in the preparation and finalisation of the 2021-22 Budget
- Statistics Office undertake a COVID19 population survey to assess the actual number of adults eligible for vaccination
- Payment of risk allowance to Customs Division and Border Officers to mitigate risks associated with handling passengers and goods via airplane and vessels
- Subsidies to Nauru Airlines and Ports to continue with weekly freighter services and the affordable port charges for goods brought in by Nauruan's, and
- Social distancing measures have impacted bank customers and others. The department has updated its disaster recovery and other contingency plans to support its response.
- Majority of the Department staff have been vaccinated with AstraZeneca vaccine which commence on 19th April 2021, with overall vaccine rate around the island at 98 percent.

INVESTMENT AND ECONOMIC SERVICES

The Department of Finance manages the following investments and economic services for the benefit of the Republic of Nauru.

NAURU INTERGENERATIONAL TRUST FUND (NITF)



Since the establishment of the Trust Fund, the Government has made significant investment and earnings to support future critical expenditure requirements after 2033. In 2020-21 based on 10.1 percent of previous year adjusted revenue. The overall average return has been around 9.3 percent per annum. The current year has been somewhat of a rollercoaster for investment, due to

widespread impact of COVID19 on the international financial markets. Through the sound leadership of the Trust Fund Management Committee, chaired by the Minister for Finance; build-up of funds managed to sustain funds return in line with its investment objectives.

The NITF has investment objectives to:

- Achieve a return of inflation + 4.5% over rolling 10-year periods
- Have a risk of negative returns of no more than 4 years in each 20-year period, and
- To limit the severity of negative returns to -21% using cVaR for the worst 5% of returns.

The fund continues to grow through investment earnings and contributions from the Government of Nauru, Australia, Taiwan, New Zealand and initially the Asian Development Bank. As of 30 June 2021, the value of the fund was \$200 million, an increase of \$60 million over the year. In 2020-21, the contribution is assessed at \$23.3 million, or 10.1 per cent of 2019-20 adjusted revenue. A prepayment of \$6.2 million was made towards this obligation in 2020-21, leaving the outstanding balance of \$17.3 million to be appropriated in 2021-22.

With the global economic downturn related to COVID-19, the fund experienced its first negative return since its establishment. However, the fund recovered quickly due to international counter-cyclical government support in global economies and expectations of a vaccine improving market confidence. Mercer International, the investment manager, made some minor rebalancing of investments and is monitoring the investment risks going forward due to continued uncertainty of international markets.

NAURU SUPERANNUATION SCHEME (NSS)

Treasury continued to honour the requirements of the Nauru Superannuation Act 2019 and subsequent amendments through consistently payments of the monthly contribution. The contribution scheme with employer contributions set at five per cent of superannuable salary, and matching five per cent employee contribution.

SuperLife, a New Zealand based superannuation fund, manages and administers the NSS on behalf of fund members. The Department for Finance manages the relationship with SuperLife and the NRO is responsible for overseeing compliance with the Act.

As at 30 June 2021 there were 4,528 employee members. This was increase of 375 over the year or 9 percent, due mainly to the scheme becoming mandatory on 1 July 2019 for all employers with one or more

employees. The total number of employers in the scheme increased to 54 from 52 at the end of June last year.

The fund value at 30 June 2021 was \$9.4 million. Quarterly contributions are around \$800,000.

Similar to the NTF, the value of the scheme has been impacted by declining market conditions due to COVID-19. Due to the continued economic uncertainty, the current investments are being de-risked towards a more conservative and actively managed balanced fund. This will assist to minimise value volatility in the future.

PARLIAMENTARY PENSION FUND

The PPF is a defined benefit pension fund established according to the Parliamentary Pension Act 2008. The Fund is in the process of being fully funded by five annual GON contributions of \$840,000. The fourth payment was made in July 2021 for the 2021-22 FY. The required contribution amount was established based on an actuarial study to ensure the Fund will remain self-funding. This final investment level is to a sustainable value to support pension payments for all eligible retired ex-parliamentarians for the long term.

Super Life professionally manages all payments to retired parliamentarians as per the Act under the direction of the Secretary for Finance. They are the administrator and investment - fund managers. As of 30 June 2021, the value of the fund investments was A\$3.11 million. Including July 2021 (2021-22 annual) payment the Fund value at the end of July 2021 is \$ 3.95 million. This is a long-term fund and is managed administratively to international standards. Super Life as the investment manager ensures a suitable risk level to provide performance returns along with international benchmarks.

The Department of Finance works closely with Super Life, Eriksen Global our superannuation consultant-actuary and the Clerk of Parliament to ensure all ex-parliamentarians have entitlements consistent with the Act and are paid their pensions from the fund.

Currently, there are 13 pension recipients with annual pension benefit payments for the past 12 months from the scheme of \$ 124,000.

COMMEMORATIVE COINS (WORLD COIN)

Nauru recommenced issuing commemorative coins in 2017. Since the reinstatement of the arrangement, Nauru has issued over 50 new coins and the seigniorage generated is based on actual sales of the various coins to coin collectors throughout the world.

Most Pacific Island Countries are involved in this revenue raising with World Coin. Issuing commemorative coins both increases Nauru's revenue and has a positive effect on the image of Nauru.

NAURU FUEL SUPPLY

In 2015, the Government commenced an eight-year major engineering upgrade to the Tank Farm to bring the operation to an international standard. With the travel restrictions (COVID) delays the completion will now extend past 2025 for the major work. There will always be need for continuous engineering work which is funded by a general fuel levy on all fuel sold.

A new pipeline to the Port is included in this future work which will allow for a possible new fuel bunkering activity for ships using the new Port.

During 2019-20, Nauru converted to supply of cleaner 10 parts per million (low sulphur) diesel fuel. Nauru is continuing to move towards 100% renewable energy with an additional 30% solar project (ADB funded) commencing installation in late 2021 and a Kinetic Energy system that NUC will be introducing.

All these initiatives along with the new Port will contribute to Nauru meeting its global commitment to reducing greenhouse gas emissions. It is in line with other Pacific Island Countries and shows Nauru's commitment to a better environment for all its people.

In 2020-21, the Government commenced re-tender of the fuel supply contract for Nauru. The testing of the market for operation and supply for fuel supplies will ensure Nauru obtains the best value fuel by international standards. Negotiations are now underway to finalise our new SATO (Supply And Tank-farm Operation) agreement with Vital International as the operator from the tender process.

The new all-weather Port due for completion in 2022 will allow for less risk for suppliers and decrease demurrage costs which equate to lower delivery costs. It is expected that these factors will put downward pressure on the price of fuel in Nauru going forward.

FINANCIAL PERFORMANCE BY DIVISION

Finance Expenditure Heads	2018-19 Approved Budget	2018-19 Actual Remaining Budget	2018-19 Approved Budget	2019-20 Approved Budget	2019-20 Supp Bills & ISHT	2019-20 Revised Budget	2019-20 Actual Remaining Budget	2019-20 Approved Budget	2020-21 Approved Budget	2020-21 Supp Bills & ISHT	2020-21 Revised Budget	2020-21 Actual Remaining Budget	2020-21 Approved Budget
11 - Finance Secretariat	1,885,038	1,737,345	176,183	1,915,778	431,933	2,347,711	2,083,608	264,103	2,384,130	-	2,384,130	2,073,886	310,244
12 - Finance - Public Debt	4,165,369	10,627,774	383,630	-	-	-	-	-	-	38,469,572	38,469,572	13,191,700	25,277,872
13 - Bureau of Statistics	109,797	87,592	22,205	115,413	24,031	139,444	118,555	20,889	142,953	-	142,953	91,184	51,769
15 - Nauru Revenue Office	374,911	391,557	37,854	513,709	-	513,709	432,207	81,503	484,213	-	484,213	407,601	76,612
16 - Finance - Other Payments	34,100,097	48,008,074	18,617,591	39,808,697	56,771,569	96,580,266	95,235,497	1,344,769	86,398,812	34,227,677	120,626,489	114,657,442	5,969,047
17 - Nauru Customs Office (NCO)	386,983	350,066	36,917	367,638	167,461	535,099	518,422	16,677	704,541	300,000	1,004,541	766,884	237,657
Total	41,022,194	61,202,408	19,274,379	42,721,235	57,394,994	100,116,229	98,388,288	1,727,941	90,114,649	72,997,249	163,111,898	131,188,698	31,923,200

Finance Revenue Heads	2018-19 Approved Budget	2018-19 Actual Remaining Budget	2018-19 Approved Budget	2019-20 Approved Budget	2019-20 Supp Bills & ISHT	2019-20 Revised Budget	2019-20 Actual Remaining Budget	2019-20 Approved Budget	2020-21 Approved Budget	2020-21 Supp Bills & ISHT	2020-21 Revised Budget	2020-21 Actual Remaining Budget	2020-21 Approved Budget
11 - Finance Secretariat	20000	1370064.85 -	1,350,065	10000	0	10000	0	10,000	10000	0	10000	760.5	9,240
12 - Finance - Public Debt	0	7080326.57 -	16,327	0	0	0	0	-	0	34930000	34930000	0	34,930,000
13 - Bureau of Statistics	29320000	46078107.52 -	8,432,408	33220000	24800000	58020000	65866048.53 -	7,846,049	33840000	32135742	65975742	66942630.8 -	966,889
15 - Nauru Revenue Office	15423055	14963290.69 -	2,772,307	19092686	-2336132	16756554	13203616.66	3,552,937	24230000	9737293	33967293	25368926.68	8,598,366
16 - Finance - Other Payments	16414307	17789542.06 -	1,375,235	14654707	0	14654707	18015110.8 -	3,360,404	16136746	2439952	18576698	19581724.02 -	1,005,026
17 - Nauru Customs Office (NCO)	61177362	87281331.69 -	13,946,341	66977393	22463868	89441261	97084775.99 -	7,643,515	74216746	79242987	153459733	111894042	41,565,691
Total	122,354,724	174,562,663 -	27,892,681	133,954,786	44,927,736	178,882,522	194,169,552 -	15,287,030	148,433,492	158,485,974	306,919,466	223,788,084	83,131,382

TREASURY DIVISION

STRATEGIC OVERVIEW

Treasury is established to manage the whole of government Treasury functions for the Government of Nauru (GON), including: fiscal strategy, budget development and execution, and financial control functions. It manages the Treasury Fund that incorporates all revenue and other moneys raised or received by the Republic of Nauru.

Treasury aligns to the NSDS priority for a stable, trustworthy, fiscally responsible government, and two NSDS goals:

- Econ Goal 1: A stable macroeconomic environment conducive to private investment established, and
- Cross-Goal 1: Strengthen and develop the institutional capacity of the Nauru public service.



Treasury's vision is:

- To ensure the GON's public funds are managed in accordance with the law, in a transparent way that supports accountability, equal treatment, risk mitigation and risk management for the benefit of all Nauruans.

This is supported by Treasury's mission:

- To safeguard GON financial assets, support the achievement of value for money outcomes and improve Treasury systems and processes towards international standards and better practice.

Treasury has also identified the following values: Respect, Communication, Honesty and integrity, Customer service, Professionalism and timeliness.

KEY OBJECTIVES AND ACTIVITIES FOR 2020-21

In 2020-21, Treasury successfully complete the following key activities:

- Finalized and published the 2017-18 Annual Financial Statements
- Developed and implemented the GON Budget and supplementary appropriations
- Processed whole of government financial transactions
- Maintained a safe and secure Financial Management Information System, and
- Progressed public financial management reform, including publishing regular financial reports, improving the quality of financial information, State Owned Enterprises (SOE) reform and addressing Government debt.

KEY ACHIEVEMENTS IN 2020-21

Key achievements for Treasury in 2020-21 included the following.

- 2019-20 Budget executed consistent with Government priorities and policy settings
- 2021-22 Budget passed in Parliament on 1 June 2021 (budget strategy, budget meetings etc) consistent with fiscal responsibility ratios and the medium-term expenditure strategy
- Two supplementary budgets delivered and implemented
- 2017-18 financial statements prepared, audited and published.
- Quarterly budget performance reports produced and published on GON website
- IMF financial surveillance were undertaken through virtual interactions
- Internal Audit was outsourced to Stantons International. Audit undertaken by the Firm during the year includes Development Fund account, Fixed Asset Register, Treasury operating account and reconciliation
- The USD5 million ADB Policy Based Grant (Improving Public Investment Management Program) became effective, with all required policy-based actions completed
- ADB Country Programming mission completed successfully, leading to further policy-based grants into the future, and
- Treasury also supported the COVID-19 response ensuring the timely establishment of COVID-19 funding arrangements and streamlining of procurement and payments processes. In 2020-21, COVID-19 expenditure was \$9.0 million, or 3.2 per cent of total expenditure.

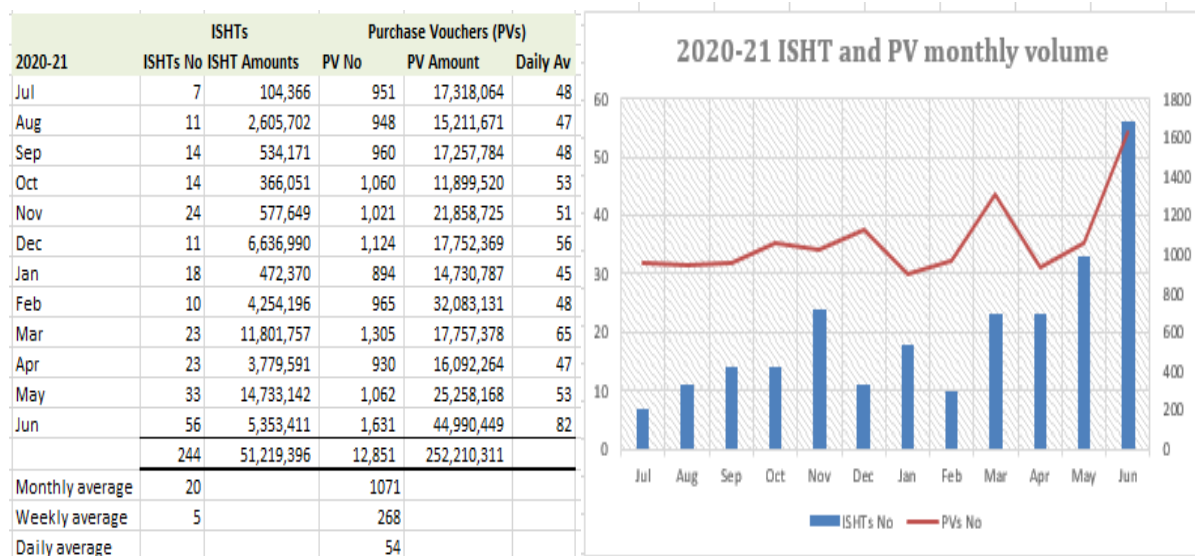


Objective 1 Developed and implemented the GON Budget and supplementary appropriations

- 2020-21 Budget delivered (budget strategy, circular and briefing templates, FMIS budget module preparation and configuration, budget meetings, budget table consolidation and reporting cabinet briefing, Budget Speech and Budget Paper No 1 and Budget Paper No 2) consistent with fiscal responsibility ratios and the medium-term expenditure strategy
- 2020-21 Budget executed consistent with Government priorities and settings, including:
 - Two supplementary budgets developed and implemented to reflect the extension to the RPC contract agreements
 - 244 Inter Sub-Head Transfer (ISHT) submissions processed and loaded into the FMIS, an average of five a week (see chart and table). 47 % of total ISHTs were processed in the final quarter of the year, with a value of \$23.8 million, and
- Four quarterly budget performance reports produced and published on GON website.

Objective 2 Processed whole of government financial transactions

- A total of 12,851 payments (PVs) were processed during 2020-21, averaging around 1071 a month or 67 payments a day (see table). Total value of PV expenditure was \$252.2 million



- In respect to transactions external to the FMIS - Manage oversight of 6 overseas missions and one statutory authority (NRPPC) payment posting including acquittal and bank account reconciliations
- Revenue – monitor invoicing process for major revenue collecting agencies such as MCA, Fisheries and Transport as well as posting of collected revenue by NRO including follow-ups of unposted revenue during end of quarter
- Debt settlement – undertook settlement of Bank of Nauru debt to customers totalling \$5.6m and leaving 70% of accounts verified closed. Full payment of Firebird outstanding dues of \$4m and facilitated NPRT 5% payouts – distributed \$5.4m of the \$5.8m allocated provision
- Bank and Cash account reconciliation consistently undertaken on monthly basis for 2020-21 financials. Reconciliations are performed for all 14 major bank accounts as follows – Treasury bank accounts (x1), Donor Bank accounts (x3), Cash Buffer accounts (x4), Registrar Trust Account (x1), GoN Reserve Account maintained by NRO (x1), NRO Imprest account (x1), Treasury USD Account (x1), Special Purpose accounts (x2)
- Successful closure of the WoG 2020-21 accounts (circular on closing of accounts process and guidelines for key processes, monitoring of spending to budget, prioritisation of expenditure and cash flow management, deactivation of users accounts on reaching of payment deadlines, FMIS processes including roll-over of accounts, end of year cash accounts at NRO and Bendigo with the assistance of the Auditor General's Offices, setup of 2021-22 new year charts and ledgers and loading of budget, re-assignment of users profiles)
- 2017-18 financial statements approved by Cabinet and published, and work on 2018-19 Financial statements near completion; and
- Treasury Fund cash management, including building up cash reserves and managing the Government's liquidity position. Weekly cash balance monitoring, the establishment of cash management plan and build-up of the fiscal cash buffer, consistent with IMF recommendations.

Objective 3 Maintained a safe and secure Financial Management Information System

- Progressed FMIS Infrastructure Improvement Program to improve the availability and security of the FMIS. This included investment in UPS and off-site access for Accounting Advisors. This has improved the availability and reliability of the FMIS.
- Very minimal downtime occurrences during the year relates to application issues thanks to improved server infrastructure but where such issues arise, troubleshooting takes around 3-4 hours max.
- Daily, Weekly and Monthly managing and monitoring of the server infrastructure and the FMIS Application and Database.
- Acquisition of additional licenses for the FMIS Modules:
 - 15 additional concurrent licenses for Supply chain to cater for the growing number of FMIS users across Government. Nauru was only licensed for 15 concurrent users when the FMIS was first implemented but with the establishment of new departments over the years, this is quickly reaching capacity hence resulting in delayed payments processes
 - Five concurrent licenses for the Grants Module, a new solution that will automate and improve the tracking and monitoring of projects ensuring that ODA is spent in a timely way consistent with the requirements of each funding agreement.
 - Negotiated the acquisition of 150 additional HR and Payroll licenses at no additional costs to Nauru. The acquisition of new licenses was to ensure that Nauru is not in breach of the contractual licensed agreement with Technology One, and
- Successfully negotiated the extension of the FMIS coverage to the new independent Office of the Parliament Services without additional set-up or licenses costs. A scoping of the Parliament Services processes has been undertaken and design work is currently in progress with the view to set up and roll-out a standalone FMIS (using current infrastructure, licensing and support system) around October of 2021.
- Continuous FMIS improvement to enhance user experience, improve reporting capabilities and ensure minimum internal controls safeguards are met – (i) set up of Minister for Finance workflow process to ensure a full paperless approval process and therefore reducing PV approval turnaround time, (ii) roll-out of link files to all departments to ease mass pay-outs such as overtime, rent, allowances, salaries etc., (iii) roll-out of FMIS to departments outside of the ICT blue cable reach through ICT established VPN connection for example Department of Infrastructure, (iv) introduction of the new NSDS sector reporting to allow PAD track performance by sector and NSDS goals.



- Successful roll-out of the Treasury COVID 19 work from home trial run on the Assessor, Approver and Banking process. Further test runs to be undertaken on the remaining processes relating to Invoice matching, Pay Runs and Pay finalization.

Supported improved data availability and security for colleagues by establishing a shared drive for Planning and Aid Division (PAD), and file server for NRO that shared drive for Tax and Non- tax information for Nauru Revenue Office operations.

Objective 4 Progressed public financial management reform, including publishing regular financial reports and improving the quality of financial information

- Propose scope plan for the next PEFA review was completed and submitted to PFTAC, this includes Gender Assessment PEFA and review of PFM Plan
- Ongoing review of the Government Expenditure Natural Chart of Accounts to be consistent with GFS classification. The chart of accounts was endorsed by the Cabinet and introduced for 2020-21 budgets
- Commenced discussion with IMF/PFTAC on the GFS Chart of Accounts Mapping Project. This involves mapping the existing chart of accounts to their corresponding GFS classifications and also to COFOG classifications on the Government's FMIS.
- Financial Instructions were reviewed and road-map developed, with new Assets Managements issued, and Payroll and Fixed Asset Instructions drafted
- Debt Action Plan was completed and a report published in the 2021-22 Budget book. Key activity including addressing outstanding membership arrears SOE outstanding debt arrears to other SOEs and suppliers, and BON liquidation payments, including for NPRT. A reconciliation of domestic debt was also completed for the IMF Article IV review
- SOE reform program in progress with two workshops organised for Board of Directors and Executive Management on Governance and Financial Planning
- Government continues to provide allocation for Community Service Obligation to support SOE reform an alleviate cost of living pressures for Nauruans
- Department of Finance website updated with budget and quarterly reports to improve the transparency and availability of Government reporting, and
- Internal audit function outsourced to Stantons International and key deliverable for 2020-21 were completed successfully. The Finance, Audit and Risk Committee meets regularly as per schedule.



Also, during the year, Treasury advertise all key positions as per the new organisational structure approved in the preceding year.

FINANCIAL MANAGEMENT INFORMATION SYSTEM

Treasury is the 'owner' of the whole of Government Financial Management Information System (FMIS) supplied by TechOne. Treasury provides access to this system for whole of government, and it is through FMIS work flow that Treasury approves expenditure and recognises revenue for GON.

Treasury supports FMIS users across Government through creation of new users, reset of passwords, modification of profile based on user functions, creation of workflow for new departments etc. Users and profiles for the system include:

- Total Active FMIS users – 224
- Budget Officer and Timesheet Admin Profiles – 105
- Purchasing Officer HoD Profiles – 32
- Human Resources and Payroll Admin Profiles – 9
- PAD Profiles – 17
- Nauru Revenue Officer Profiles – 12
- Treasury Assessor and Approver Profiles- 26
- Budget Administrator Profiles- 5
- System Administrators Profiles - 4

Treasury also provides training for new/current FMIS users. Over the reporting period, the following training was delivered.

- Induction training for new FMIS users especially the Account Payable users – Budget officers from departments.
- Training for all departments on FMIS and the Budget during Budget preparation round, and
- One on one training after changes to the FMIS functions configuration such as Grants, HRP and Financials module.

The table below shows the current FMIS modules that are used in Nauru.

FMIS Functionality

Financial	Human Resource and Payroll
General and subsidiary Ledgers & Management Functions	Human Resources and Payroll
Accounts Payable	Recruitment
Accounts Receivable	Employee Development
Archive Financial Transactions	Organisation Management
Reconciliation	Training
Cash Accounting	Timesheet Entry
External System Interface	Forms
Supply Chain Management	Grants
Enterprise Budgeting	Fixed Assets

MAJOR CHALLENGES AND ISSUES

The key challenge for Treasury is the recruitment and retention of staff with the necessary experience, skills and qualifications to deliver best practice public financial management. Treasury has invested in staff training and is actively seeking to recruit appropriately qualified staff, as well as leverage technical assistance from donors including Australia (PACTAM2), ADB and PFTAC.

COVID-19 has also presented challenges, with key reform projects delayed due to the inability of consultants to travel to Nauru.

NEXT STEPS

For 2021-22 Treasury will continue to support the Government of Nauru to deliver on its objectives through the development, delivery and execution of the budget and supplementary appropriations. Treasury will continue to pursue PFM reform and resolve legacy performance and reporting issues. It will also progress a policy-based grant with the ADB with a focus on debt management, SOE reform, as well as financial and asset management.

TECHNICAL ASSISTANCE RECEIVED/AID IN KIND

Treasury was the beneficiary of the following technical assistance during 2020-21.

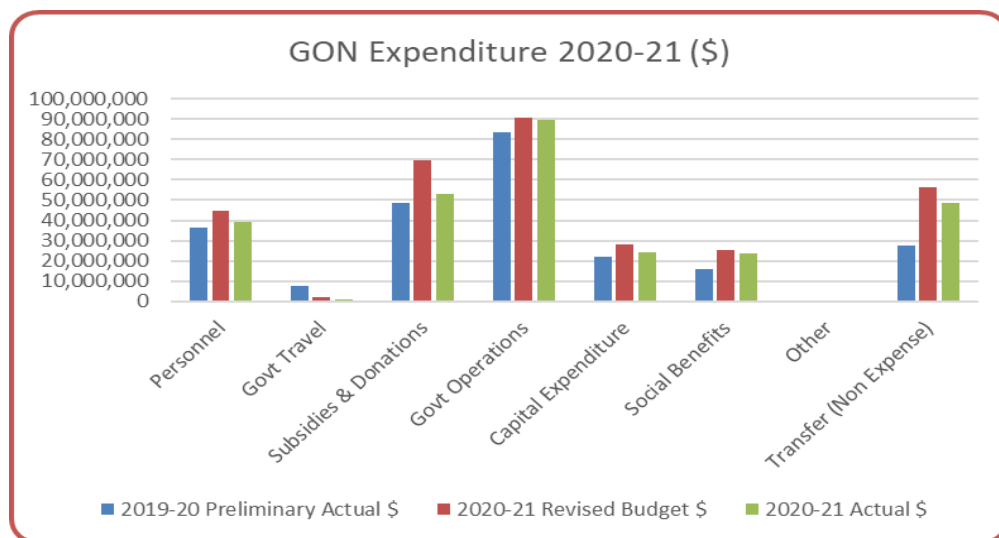
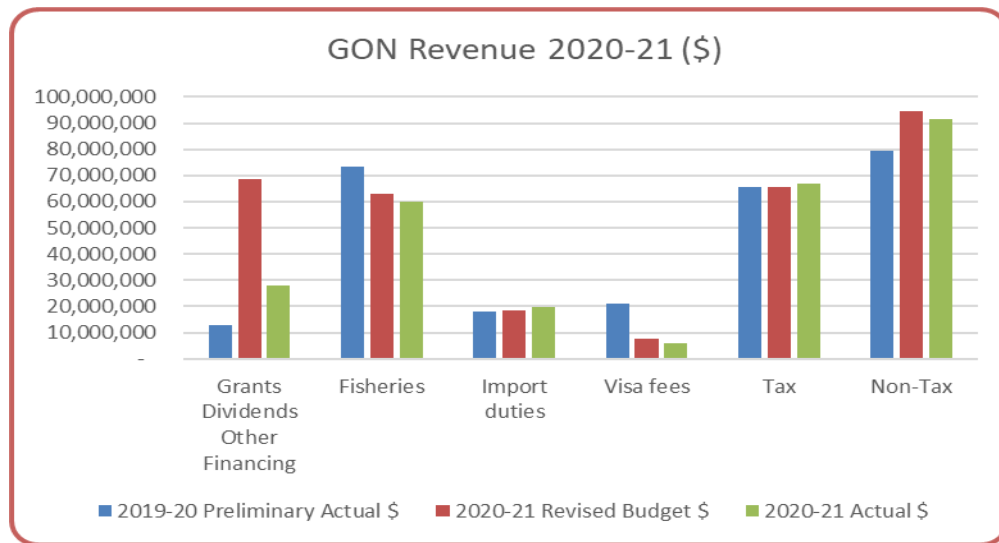
- PACTAM2 –The Deputy Secretary Treasury changed in February with Isikeli Voceduadua replacing Karen Whitham.
- PACTAM2 – Michael Wyatt contract was extended to September 2021 as Accounting Advisor.

TRAINING

In addition to some staff attending USP through the year, the following international training was attended by Treasury staff.

Course	Provider	Mode	Date	Attendees
2021 FMIS Module Upgrade	Techonology One	Virtual	Feb 21	A.Baleimatuku
SOE Governance Workshop	ADB	Virtual	17 June 21	A.Baleimatuku, Stephanie Tebouwa
One to One trainings for newly established departments budget officers	Treasury	Face to Face	Various dates	Director Finance and Admin Disability Department Budget Officer for WASDA Budget Officer for Department of Climate Change
One on One training with Parliament Officers on financial processes and procedures relating to the new Parliamentary Office – training covered payments, payroll and super, cash flow forecasting, quarterly acquittal process	Treasury - CA	Face to Face	June 2021, various dates	Parliament Finance Manager, Clerk, Manager Human Resources

GOVERNMENT OF NAURU BUDGET PERFORMANCE



PLANNING AND AID DIVISION (PAD)

STRATEGIC OVERVIEW

PAD is established to lead the National Sustainable Development Strategy and manage international development assistance provided to Nauru. PAD's activities align with Cross-Goal 1: Strengthen and develop the institutional capacity of the Nauru public service.

PAD's vision, mission and values mirror those of the Department of Finance: Effective and efficient allocation of resources for the development of Nauru.

PAD Core Mandates:

- Oversight of the National Sustainable Development Strategy (NSDS) implementation through sectoral and agency plans
- Support the formulation of sector strategies and AOPs
- Primary coordinator of Official Development Assistance to Nauru
- Custodian of development funds, and
- Facilitate implementation of ODA-supported activities.



KEY OBJECTIVES AND ACTIVITIES FOR 2020-21

Key objectives include:

- Measurable progress toward achievement of the National Vision and goals, attributable to effective, efficient and coordinated use of internal and external resources
- Clear, timebound and actionable sector strategies are adopted by line agencies
- Policy makers and leaders are better informed with respect to development planning, prioritization and decision-making
- Development funds used in a timely, effective and accountable manner; and managed in compliance with legislative and partner agreement requirements and good practice, and
- ODA activities are consistently delivered to the expectations of all partners.

KEY ACHIEVEMENTS IN 2020-21

- Parliamentary approval of refinements to the *Development Fund Act 2011*
- Facilitating donor support for Nauru's COVID-19 capture and contain strategy
- High-level consultations held with New Zealand updating Development support

- Assisted Media Department, Statistics department and Port Corporation to secure donor support for infrastructure improvements, 2021 census support and Mooring survey for repairs respectively
- Business process improvement activities to streamline PAD activities, including process mapping of key PAD functions to clarify roles and responsibilities of PAD and stakeholders and review of the AOP and NPP processes
- Consultations held for the development of Key Performance Indicators to measure progress towards NSDS 2019-2030 goals
- Supported departments to submit a record number of 47 Annual Operating Plans (AOPs), reflecting PAD's efforts to grow financial planning capacity across the government, and
- Facilitated increased donor expenditures with respect to donor revenues.

MAJOR CHALLENGES AND ISSUES

The key challenge for PAD is the recruitment and retention of staff with the necessary experience, skills and qualifications to support the work of the team.

NEXT STEPS

For next year, PAD will focus on:

- completing the NSDS KPIs and embedding an associated monitoring and reporting system
- building strategic connections between donors and government of Nauru stakeholders to meet development requirements, and
- business process improvement to streamline PAD activities and improve quality of reporting to government and donors.



TECHNICAL ASSISTANCE RECEIVED

In January 2021, PAD welcomed a new long-term advisor engaged under PACTAM2.

TRAINING

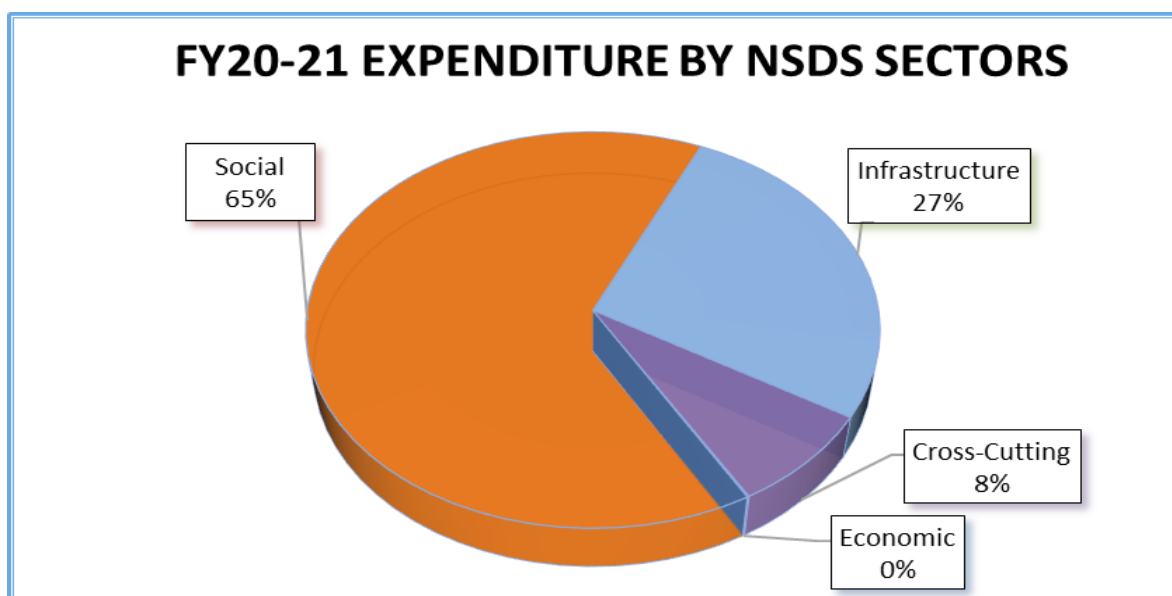
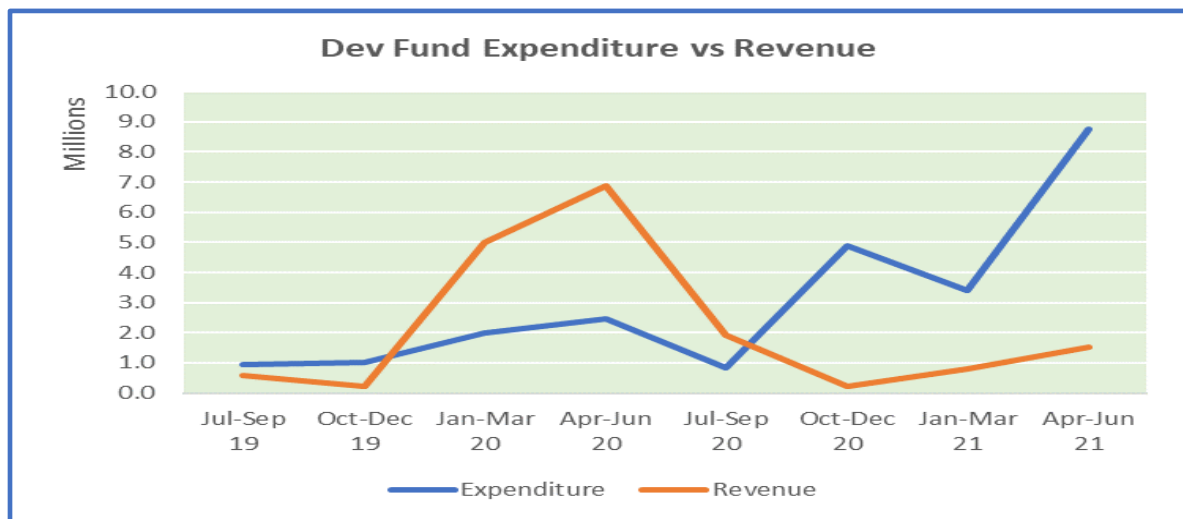
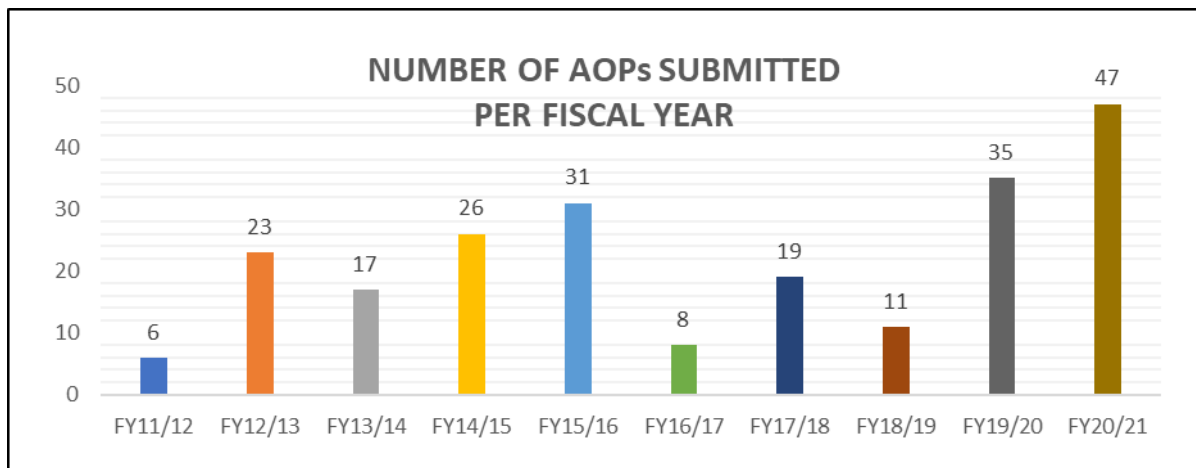
In 2021, 3 PAD staff were on studies and work attachments:

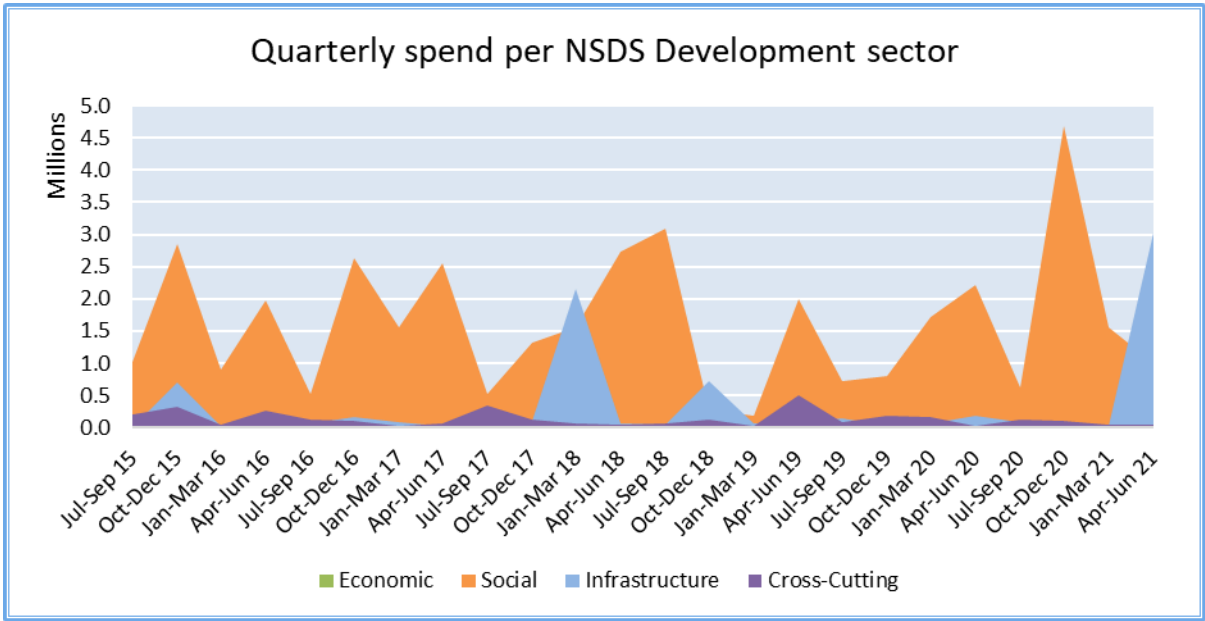
- Graduate Diploma Governance, University of South Pacific – Social Sector Planner
- Bachelor of Accounting, University of South Pacific – Economic Sector planner, and
- One of PAD staff currently on secondment with a major development project as the Assistant Project Manager – Development Project.



Ports

KEY STATISTICS





NAURU BUREAU OF STATISTICS

STRATEGIC OVERVIEW

NBS is established as the central statistics office in Nauru. It works in close partnership with the Pacific Community Statistics for Development Division, where most statistical material is published.

The NBS vision is:

- To be the central authority and major producer of credible and timely official statistics in an environment of evidence-based decision making for sustainable development in Nauru.

The vision sets out the journey on which NBS is embarking to lead activities in the statistical arena to enable all agencies in the government of the Republic of Nauru to embrace and use the data which is widely available to make informed policy decisions.

The NBS mission is to provide leadership and trust in official statistics fostering evidence-based decision making for sustainable social and economic growth in three phases:

- Coordination of the National Statistical System (NSS)
- Training and capacity building, and
- Mainstreaming of official statistics for policy, development and planning.

The mission represents the core of NBS business activities. Through the regular collection and compilation of statistics across a broad range of sectors that allow NBS to provide honest, quality, reliable and timely statistical information. NBS will assist clients and stakeholders to develop sound policies to improve the governance, of economic and social conditions which affect Nauru.

To improve and maintain the integrity and reputation of NBS, the values outline how we as an office interact and this value is also reflected in adherence to the 1992 Statistics Act as well as to the Public Service Act and relevant legislation.

The NBS values are:

Honesty and integrity, accountability, initiative, responsiveness, accessibility, professionalism/ institutional development and confidentiality/data security.

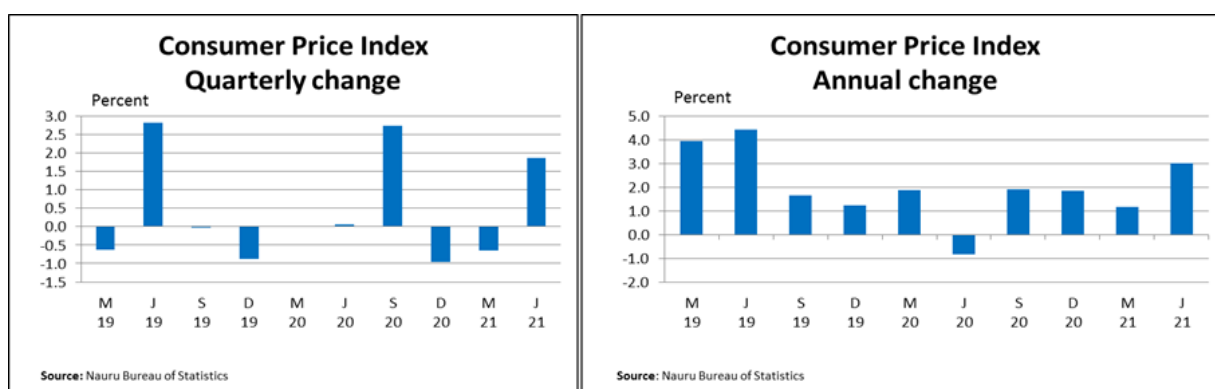
KEY OBJECTIVES AND ACTIVITIES FOR 2020-21

The key objectives for the statistics office relate to implement its core functions including:

- 2019 Nauru mini-census factsheets
- Staff Recruitment
- 2021 Nauru Population and Household Census (Major Census)
- Population estimates for COVID19 Vaccine roll out
- Vital Statistics latest data
- Support for IMF Article IV mission, and
- Trade and CPI statistics.

KEY ACHIEVEMENTS IN 2020-21

- 2019 Nauru Mini Census factsheets published
 - Population Structure factsheet
 - Education and Labour Force factsheet
 - Disability factsheet
 - Livestock and Aquaculture factsheet
 - Agriculture and Fisheries factsheet published to be confirmed
- Staff recruitment of two (2) new staff
 - Statistical Trainee for Economic Statistics
 - Statistical Trainee for Social Statistics
 - Commencement in June 2021
- 2021 Nauru Major Census – Preparatory work
 - Recruitment on temporary status engaged:
 - 1 Assistant Coordinator for 11 months
 - 6 Census Pre-Listing Enumerators
 - Pre-listing between May to June 2021 – 8 weeks
 - Update the number of dwelling, households and people prior to October
 - Update and fix GPS way point errors
 - Captured total 1,900 households
 - One (1) day community consultation
 - Invited 50 NGO representatives
 - Venue at the Nauru Central Police meeting foyer
 - Technical Assistant provided by the Statistics Division at SPC
 - Census Questionnaire design – Software and the questionnaire form
 - Pre-listing form and Major Census form
 - Donor fund offered by the Australian Government for 2021 Nauru major Census
 - Budget AUD100,000 (100K)
 - Majority allocated for Recruitment of Enumerators
 - Population estimates for COVID19 Vaccine roll out
 - Provide population information to the COVID19 Taskforce
 - Population estimates 2020 ages 18-60+
- Compile up to date figures for vital statistics
 - Year 2020 January to December
 - Number of Births, Birth Rate (Fertility rate)
 - Number of Deaths, Death Rate (Mortality rate)
 - Sources from the RON Hospital Medical Records
- CPI quarterly report - Maintain compilations and timely releases
 - Consumer price index (CPI) survey FY2020-21
 - Publications distributed through GIO email services
 - 1st quarterly report ending September 2020
 - 2nd quarterly report ending December 2020
 - 3rd quarterly report ending March 2021
 - 4th quarterly report ending June 2021



- Update fuel watch prices
 - Collect fuel cost per litre on quarterly basis FY2020-21 and calculate average
 - Capture all registered businesses for Petrol and Diesel bowzers
- Balance of Payment (BOP) Technical Assessment reporting mission by the IMF
 - Virtual mode – October 2020
 - Report on the External Sector Statistics Mission
 - Sources are Budget papers from Government and SOEs
- National Accounts - GDP Technical Assessment reporting mission from the PFTAC
 - Updating preliminary GDP figures for FY2019-FY2020 – in draft
 - Sources are Budget papers from Government and SOEs
- Update of international merchandise trade statistics (IMTS) using mirror data sources from main trading partners
 - Imports and Exports for FY2019-2020

ON-GOING COMMITMENTS YET TO ACHIEVE

- Nauru Strategy for the Development of Statistics 2019-2023
 - Draft ongoing
- Multiple Indicator Cluster Survey (MICS) 2020
 - Deferred to suitable time due to COVID19 travel restrictions for the UNICEF survey expert team unable to travel to Nauru.

POPULATION BY DISTRICT – MINI CENSUS 2019 FACTSHEET

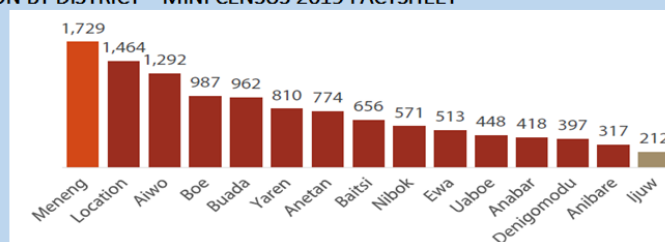


Figure 3: Population of Nauru by district

POPULATION BY DISABILITY TYPES – MINI CENSUS 2019 FACTSHEET

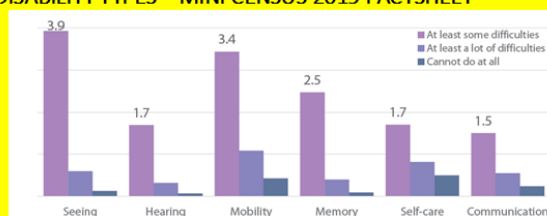


Figure 1: Prevalence of difficulties by functional domains for persons aged 5+ years

FINANCING LIVESTOCK ACTIVITIES – MINI CENSUS 2019 FACTSHEET

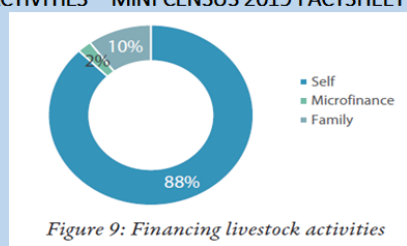


Figure 9: Financing livestock activities

LIVE STOCK ACTIVITIES – MINI CENSUS 2019 FACTSHEET

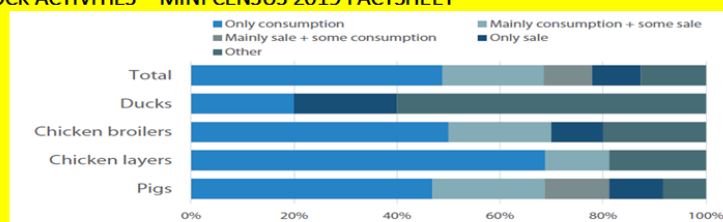


Figure 8: Purpose of livestock activities, by animal

MAJOR CHALLENGES AND ISSUES

The major challenges to successful collation and publication of statistics include:

- Timely access to accurate records and evidence to support statistical collections, including willingness to share information
- Unavailability of staff with the right skills continues to be an issue especially assisting the Technical Missions for PFTAC/IMF to prepare the Article IV reporting updates.
- Training and experience to collect and analyse data, which as constrained the frequency and quality of statistical collections and reporting
- Covid-19 travel restrictions have impacted on the ability to collect and analysis statistics due to consultants not being able to visit Nauru to undertake surveys etc

NEXT STEPS

In 2021-22 the NBS will continue to adapt its work practices to the new Covid-19 environment especially attending virtual online meetings and remote working to ensure the continued delivery of its core business. The 2021-2022 financial year will be a very busy period committed to the 2021 Nauru major Census. Key initiatives for the year include:



- 2021 Nauru major Census reference date is 30th October 2021
 - Data collection/ Data processing
 - Data transformation/ Dissemination of results
- 2022 Household income and expenditure survey – Preparatory work
- Assisting GDP/ BOP data collection for Technical mission team from the IMF/ PFTAC
- Compile, collate, analyse, publish and disseminate economic (CPI, international merchandise trade statistics, national accounts and balance of payments) and social (vital statistics, student enrolments, labour force and demography) statistics.

TECHNICAL ASSISTANCE RECEIVED/AID IN KIND

Activities	Technical Agencies
Vital Statistics	ESCAP, SPC, ABS
2019 Mini Census Listing Factsheets	Statistics-SPC
National Accounts and Balance of Payments	IMF, PFTAC
International Merchandise Trade Statistics (IMTS)	Statistics-SPC
Multiple Indicator Cluster Survey (MICS) 2020	UNICEF
Household Income and Expenditure Survey (HIES)	Statistics-SPC

TRAINING

Workshop Training	Date	Venue	Sponsors
Training of Census Listing Team	May to June 2021	Nauru	NBS/ SPC
Balance of Payments (Virtual)	November 2020	Washington D.C.	IMF

KEY STATISTICS

SOCIAL STATISTICS	INDICATORS	LATEST YEAR/ SOURCE
Total Population	11,797	2020 NBS projections
Male Population	5,971	2020 NBS projections
Female Population	5,826	2020 NBS projections
Annual Growth Rate (%)	1.6	2020 SPC
Median Age	21.7	2020 SPC
Children aged under 14 (%)	37	2020 SPC
Youth aged 15-24 (%)	18	2020 SPC
Elderly aged 60+ (%)	5	2020 SPC
Life expectancy at Birth – Male	57.9	2015-2017 NBS
Life expectancy at Birth – Female	61.2	2015-2017 NBS
Total fertility rate	3.9	2015-2017 NBS
Teenage fertility rate (15-19)	92.3	2015-2017 NBS
Infant Mortality Rate (IMR)	25.4	2015-2017 NBS
Crude Birth Rate (CBR) per 1,000 population	30.9	2015-2017 NBS
Crude Death Rate (CDR) per 1,000 population	8.6	2015-2017 NBS
ECONOMIC STATISTICS	INDICATORS	LATEST YEAR/ SOURCE
GDP AT Constant Price (% Change) projections	1.6	IMF Article IV Release 2020 JANUARY
Value Of Imports (AUD\$) million	74.8	2019 Partner Countries - mirror data
Value Of Exports (AUD\$) million	14.5	2019 Partner Countries - mirror data
Balance Of Trade (AUD\$) million	-60.2	2019 Partner Countries - mirror data
Imports From Australia (AUD\$) million	44.5	2019 ABS Australia - mirror data
Imports From Fiji (AUD\$) million	5.0	2019 FBOS Fiji - mirror data
Imports From NZ (AUD\$) million	2.3	2019 Stats NZ - mirror data
Exports to Asia Region (AUD\$)	3.5	2018 Partner Countries - mirror data
Exports To Oceania (AUD\$) million	3.3	2018 Partner Countries - mirror data
Exports To Other Region (AUD\$) million	4.9	2018 Partner Countries - mirror data
Labour Force Participation rate (%)	63	2019 MINI CENSUS
Employment-population ratio (%)	52	2019 MINI CENSUS
Unemployment-rate (%)	18	2019 MINI CENSUS
RON Government employees (%)	52.1	NBS FY2020-21
NRPCC/ Eigigu Solution employees (%)	24.3	NBS FY2020-21

RONPHOS employees (%)	6.6	NBS FY2020-21
Eigigu Holdings employees (%)	7.2	NBS FY2020-21
Nauru Rehab (NRC) employees (%)	3.4	NBS FY2020-21
Nauru Airlines employees (%)	1.4	NBS FY2020-21
Nauru Utilities (NUC) employees (%)	4.3	NBS FY2020-21
CPI annual (% change)	1.2	March 2020 to March 2021

MAY 2021 CENSUS PRE LISING TEAM



MAY 2021 PRE LISTING INTERVIEWING



MAY 2021 PRE LISTING ENUMERATION



JUNE 2021 COMMUNITY CONSULTATIONS



2020 PUBLIC SERVICE DAY PAD & STATS



2020 PUBLIC SERVICE DAY DISPLAY



NAURU REVENUE OFFICE (NRO)

STRATEGIC OVERVIEW

NRO is established to manage the cashiering role of government in respect of all cash receipts and disbursements. NRO also administers the gaming and taxation legislation, as well as superannuation legislation compliance. NRO also issues driver licenses and undertakes price control regulation compliance checks

The NRO commits to carry out these functions by providing high quality service, honesty, transparency, integrity and equity for all clients.

NRO strives to carry out all its functions in accordance with its Annual Operational Plan, and to have staff properly trained, equipped and committed to capably undertake required activities.

NRO strives to deliver on the goals of the National Sustainable Development Strategy and identifies under:

- Econ Goal 1: A stable macroeconomic environment conducive to private investment established
- Cross-Goal 2: Strengthen and develop the institutional capacity of the Nauru public service

The NRO is made up of four separate divisions:

- Revenue Division
- Design and Monitoring Division
- Taxpayer Services Division
- Compliance Division.

Together, these Divisions administer the tax laws, the Gaming Act, Superannuation Act compliance activities, price control regulations compliance activities as well as issuing driver licences. Revenue Division also administers the Customs 30-day account process which enables the timely release of imports subject to payment of the customs duties within stipulated timeframes.

The Nauru Revenue Office is also responsible for ensuring that Nauru remains compliant with all international commitments under the OECD Standards, the European Union Code of Conduct (Business Tax) Group and numerous international monetary organisations such as the International Monetary Fund, Asian Development Bank and World Bank.

Nauru was ranked as “largely compliant” as an outcome of the OECD Global Forum “Fast Track Review” in 2019, and has strived successfully to maintain that status through diligent oversight and application of required interventions. The most significant of these was the amendment, during the year, of the Nauru tax legislation to bring it into line with accepted international norms.

NRO Mission is:

- Responsible for collecting revenues owing to the government in a timely manner, whilst promoting voluntary compliance by applying the various legislative codes and adopting best practice models relative to the administration of Revenue.

NRO Vision is:

- To become a highly professional organization, trusted by the community to equitably raise revenue to support the development of Nauru and its people.

KEY ACHIEVEMENTS IN 2020-21

Customer Focus

The Nauru Revenue Office has operated a customer service desk during the full year. Customers can make personal enquiries regarding taxation matters, lodgement of tax forms and payments. The Revenue Office is also open five days every week to receive cash payments and also to dispense GON cash payments which are not processed through the Bendigo Agency.

Revenue Office staff are on call to dispense cash to the Bendigo Agency to top-up ATMs, and to pay out funeral benefits etc. after hours and seven days per week. This assists Nauruans in having ready access to their funds whenever required.

A dedicated mail box has been established which enables taxpayers to make enquiries and submit lodgment of tax returns via email. This initiative reduces the cost of compliance for taxpayers and assists them with more easily meeting their obligations under the tax laws.

Public Awareness Programs

As part of the NRO's Compliance Improvement for 2020-21 a community engagement program was commenced during this year to review the record keeping standard of small business taxpayers (SBT), due to concerns with a potentially low levels of compliance of these taxpayers with the record keeping requirements.



The aim of the project was to increase compliance levels of SBT taxpayers by reviewing their current standard of record keeping and then by educating and working with them to increase this standard in the mid- term. The project is being conducted under three phases as follows:

- **Phase 1:** Commencing in January/February 2021 Taxpayer Services and Compliance officers visited forty five (45) randomly selected SBT taxpayers, ie, approximately half of the total SBT population. The purpose of the initial visits was to review the current record keeping standards and where a taxpayer was judged to have poor record keeping standards make recommendations and work with the taxpayer on ways to increase their standard. Taxpayers who were judged to have poor record keeping standards (approx. 55%) were advised that a second visit would be undertaken in 3 to 6 months to review expected increases in standards of record keeping.
- **Phase 2:** Follow up visits would be undertaken between April and August on all those taxpayers who were advised their record keeping standards were poor. Approximately twenty five (25) taxpayers have now been selected for repeat visits. A re-evaluation of the records will be undertaken during the second visit and non-compliant taxpayers put on notice re possible prosecution action.

- **Phase 3:** Taxpayers with poor record keeping standards who still refuse to comply will be recommended for prosecution action and referred to Justice and Border Control.

The current status of the project is:

- Phase 1 completed and Phase 2 due to commence
- Nine officers have been involved in the project
- Increased numbers of SBT taxpayers now visit the office seeking advice and assistance, and
- Quarterly Payments of SBT by all SBT taxpayers have increased 15 - 20% since record keeping visits commenced.

This initiative combined the provision of information and guidance to taxpayers, balanced with a compliance component by way of checks and balances to ensure that adequate records were being maintained to facilitate the correct payment of tax.

KEY OBJECTIVES AND ACTIVITIES 2020-21

Budget Contribution – Revenue Collections and Estimates

Original 2020 - 2021 budgeted revenue in respect of tax revenues was estimated at \$33.48M, plus \$0.36M in respect of “other revenue” from driver licence and gaming licence fees, based on the understanding that RPC operations would wind down. Due to COVID-19, gaming activities have been restricted, whilst the level of personnel activity in respect of the Regional Processing Centre and associated activities has remained reasonably consistent. Accordingly, tax related revenues were re-visited with total revised Budget estimates struck at \$65.97M.

Total 2020- 2021 fiscal year collections amounted to \$66.93M, as broken up below.

TST: \$3.34M (revised budget estimate \$3.3M)

EST: \$19.47M (revised budget estimate \$19.83M)

BPT: \$43.95M (revised budget estimate \$42.55M)

Other: \$00.17M (revised budget estimate \$00.36M)

Total \$66.93M (budget estimate \$65.97M)

OECD / EU Compliance

Nauru continues to be held in high regard by the OECD Secretariat for the substantial progress made in respect of legislative reforms over a short period of time and remained, during the reporting period, to be seen as a compliant member of the global tax community. During the reporting period updates were provided as required to the OECD Global Forum, and provided substantial data in respect of activities associated with Nauru’s commitment to the fight against fraud, corruption, tax evasion, money laundering and terrorist financing. Regular reviews have been undertaken by the OECD Secretariat during the period in respect of Exchange Of Information and Automatic Exchange Of Information, with relevant information and data provided. Consequently, Nauru has maintained compliant with EOI performance requirements and confidentiality requirements. This review process continues as an ongoing requirement of Nauru’s membership of the OECD Global Forum.

Considerable work has also been done during the period in respect of complying with standards set by the EU “Code of Conduct Group (Business Taxation)”. Amendments to the *Revenue Administration Act, 2014* and the *Business Tax Act, 2016*, passed by Parliament during the reporting period, ensures that Nauru is not classified as operating a “preferential foreign income exemption regime”. NRO continued to implement actions and activities required to avoid Nauru’s inclusion on a listing of non-cooperative tax jurisdictions. This type of compliance improvement is on-going as both the EU and OECD continually introduce, improve and update international compliance requirements of global tax jurisdictions.



Legislative Reforms

Nauru Revenue Office continued to work closely with Customs and Nauru Department of Foreign Affairs and Trade to explore and identify solutions to the anticipated revenue loss resulting from the PACER Plus free trade agreement, once ratified. If ratified, then numerous legislative amendments would be required. The Deputy Secretary Revenue is a member of the PACER Plus Focal Group established in Nauru, and during the reporting period participated in a virtual UNCTAD PACER Plus Forum, and a Zoom link with Australian DFAT to highlight concerns with ratifying the PACER Plus Free Trade Agreement.

During the 2020/2021 fiscal year, legislative amendments were made to the *Revenue Administration Act, 2014* and the *Business Tax Act, 2016*, and were enacted on 23 October 2020. These legislative reforms bring the Nauru tax laws into sync with global norms and ensures that Nauru is not identified as operating a preferential tax regime. This enables Nauru to remain free from being classified as a “non-cooperative tax jurisdiction”, a classification which would cause significant reputational damage to Nauru.

Five *Tax Determinations* were gazetted during the period and are now available on the Finance website. These Determinations primarily provide guidance for taxpayers relating to tax obligations in respect of payments made to non-residents. This initiative will ensure that the correct amount of tax is paid in Nauru by affected non-residents.

Compliance Initiatives

During the reporting period a number of initiatives were undertaken to improve compliance with taxation and superannuation legislative requirements, and price control regulations.

Taxation

- Extensive taxpayer profiling has been conducted to identify those taxpayers who pose a potential risk to the revenue. This exercise provided a database of taxpayers on which Taxation Division will focus in conducting reviews.

- Small business record keeping audits were carried out on forty-five taxpayers to test for adequate record keeping and to ensure that the correct amount of tax has been paid. This initiative has resulted in small business quarterly payments showing an increase of 15 – 20%.
- Five large business audits were commenced during the period with approximately \$0.6M raised in additional tax and penalty. Finalization of the remaining audit case is expected to raise \$1.77M in additional tax and penalties.

Superannuation

- Superannuation compliance initiatives were also commenced during the year which resulted in eight previously non-compliant employers now becoming compliant. This is an important initiative as it ensures that Nauruan employees are now rightfully accumulating superannuation benefits.
- Price Control: Extensive price control checks were undertaken early in the fiscal year to ensure that retailers were not engaging in the unlawful practices of profiteering and price gouging. This was a Government of Nauru initiative re-invigorated after the global onset of the COVID-19 pandemic.
- In addition, fuel price control checks were initiated following the gazettal of any new Fuel Price Control Order. During the 2020/2021 fiscal year, four Fuel Price Control Orders were issued. On each occasion, taxation compliance officers delivered copies of these orders to each of the fifteen fuel retail outlets in Nauru and explained requirements to the business operators. A follow-up visit was undertaken in each of these cases to ensure that operators were indeed complying. The exercise has resulted in 100% compliance by fuel retail outlet operators.

MAJOR CHALLENGES AND ISSUES

Continuing challenges were experienced in recruiting sufficiently qualified and experienced staff to work in the administration of the taxation laws.

During the year the Nauru Revenue Office hosted officers engaged under the Student Internship Program which has greatly assisted in achieving operational requirements.

COVID-19 pandemic issues have impacted operations during the year but measures were implemented to mitigate any revenue administration challenges. The PACTAM sponsored Deputy Secretary Revenue has provided management and operational support remotely with no adverse impact on deliverables. Indeed, during the financial year total revenue of \$66.93M was collected against estimates of \$65.97M.

TRAINING & CAPACITY BUILDING

Staff have continued during the year to be trained in both technical and operational aspects of tax administration. This capacity building and development has been achieved through a mix of on-the-job training and assistance; mentoring; and, formal workshops delivered either face-to-face or remotely.

A total of twelve formal tax administration and tax technical training sessions were conducted during the 2020/2021 fiscal year. These training sessions focused on compliance risk assessment and audit techniques across small and large business sectors; digitalization; small business record keeping requirements; managing debt and filing compliance; tax offences and prosecution; and, tax technical matters.

Five workshops were conducted remotely through Pacific Island Tax Administrators Association (PITAA) and the Inter American Centre of Tax Administration (CIAT). One workshop was conducted by the Director of Public Prosecutions (DPP) and the balance hosted by the Tax Reform Implementation Adviser.

Tax administration is still in its infancy in Nauru with the on-going need for continued training and capacity building in both administrative and tax technical matters.



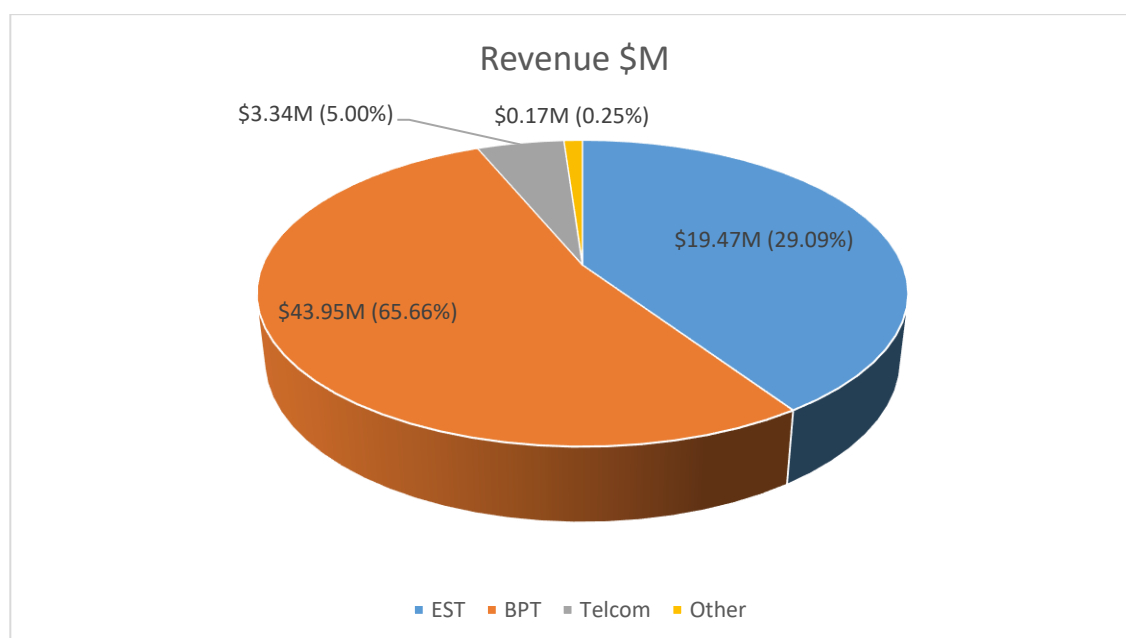
Staff are encouraged and assisted in seeking out and applying for externally available, relevant training opportunities in addition to those training activities conducted in-house.

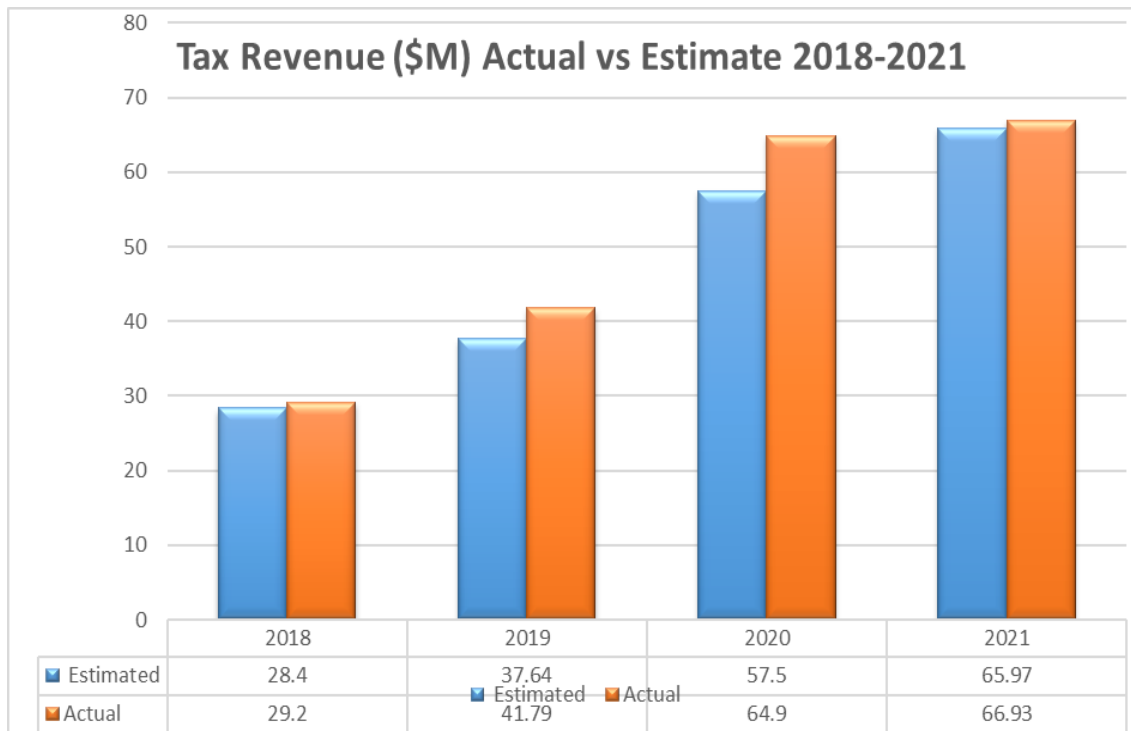
Outcomes	Key Activities and Projects	FY2021-22	Deliverable/Output
<i>A robust system of tax administration will be in place, with the required legal framework and efficient systems and processes.</i>	Regularly review taxation legislative framework and update as necessary	100%	Nauru will remain compliant with international requirements.
	Undertake taxpayer education activities	90%	Taxpayers will be informed and aware of their taxation responsibilities.
	Provide access to all taxpayer related legislation, information, forms etc via website	100%	NRO website will be regularly updated, with all current tax related information and forms available on-line.

<p><i>NRO will generate sufficient revenues to contribute to funding annual budget.</i></p> <p><i>NRO staff will be skilled in administration of relevant revenue legislation.</i></p>	Develop an accurate and up to date taxpayer database	90%	Register will record accurate and reliable information on all non-resident resident businesses liable to taxation.
	Process tax assessments on a timely basis	95%	All Large Business Annual Returns will be processed within one week of filing.
	Monitor and improve on-time filing and payment process	90%	Real time monitoring will ensure large business taxpayers meet due dates for filing and payment for both tax types (i.e. BPT and EST).
	Implement an updated Compliance Improvement Strategy	100%	Comprehensive Compliance Improvement program based on risk now in place across both Large and Small Taxpayer segments will ensure maximum compliance with tax laws.
	Continued engagement with OECD Global Forum and EU on Nauru tax system	100%	Regular reviews/surveys completed, and information provided on time as required
	Prepare AOP, and report bi-annually on progress	100%	Annual Operating Plans, Progress Reports and associated reports prepared and submitted on time
	Prepare annual revenue and expenditure estimates for inclusion in the national budget	100%	Revenue estimates submitted to Treasury on time.
	Prepare revised annual revenue and expenditure estimates for inclusion in supplementary budgets	100%	Revised revenue estimates based on trending collections data submitted to Treasury on time.

	In-house training of staff in tax administration and the interpretation and application of taxation laws will be undertaken	100%	Staff participation in workshops will build capacity and skills to administer tax laws.
	Staff will attend international training on tax administration where available	100%	All relevant remote international training workshops will be accessed as they become available.

KEY STATISTICS





NAURU CUSTOMS OFFICE

STRATEGIC OVERVIEW

The core functions of the Nauru Customs department involve revenue assessment of import duties, economic development through trade facilitation, protection of economic interests, security and the protection of society. The department has aligned its operations with national goals as identified in the Nauru Sustainable Development Strategy (NSDS) 2019-2030:

Customs aligns to the NSDS priority for a stable, trustworthy, fiscally responsible government, and two NSDS goals:

- Econ Goal 1: A stable macroeconomic environment conducive to private investment established, and
- Cross-Goal 2: Strengthen and develop the institutional capacity of the Nauru public service.

Vision Statement

Spirited and committed to being regionally recognised as a reference and model administration, utilising our valued human capital to be a frontrunner in applying Customs best practices and international standards on revenue protection, trade facilitation and border security.

Ministry Goal

Establishment of a modern, rigorous Customs system.

Customs Department: Strategic Goals / Strategic Objectives

- Enhanced Revenue Collection
- Professionalisation of the Customs Service
- Modernisation of Administration, Processes and Infrastructure
- Strengthened Legal Framework
- Trade Facilitation
- Improved Compliance through Strengthened Control Measures
- Increased Automation, and
- Strengthened Partnerships through Stakeholder Engagement.

KEY ACHIEVEMENTS IN 2020-21

Key deliverables achieved during 2020-21 include:

- Customs revenue collection slightly exceed revised budget targets, due to improved business conditions and higher imports
- Organisational Restructuring and Staff Pay & Grade Reclassification were approved and become effective
- Implementation of PACER Plus ASYCUDA World Project.
- Accession to the Revised Kyoto Convention
- Review and update Customs laws and regulations to accord with international standards and best practices, as well as to ensure the alignment of provisions therein with other border control laws.
- Implement feasible and practicable measures to facilitate legitimate trade and commerce.

- Maximise use of available technologies (non-intrusive x-ray scanning equipment) and systems of controls to assist in efforts at enforcement and compliance, including measures to counter the practice of illegal cash smuggling.
- Advance efforts at regional integration and Nauru's accession to the Pacific Agreement on Closer Economic Relations (PACER) Plus.
- Project manage the implementation of PACER Plus ASYCUDA World.
- Build staff capabilities through exposure of Customs personnel to training in technical and non-technical matters.
- Implement measures to safeguard integrity and minimise the institutionalisation of corrupt behaviours.
- Implement a programme of ongoing engagement with key internal and external stakeholders.
- Data generation and statistical reporting.
- Streamline gender equality and women's empowerment in Customs administrative functioning.



MAJOR CHALLENGES AND ISSUES

The department continued to face challenges in a number of operational areas, including:

- Limited functionality of PC Trade Blue - As a spreadsheet-based application, PC Trade is currently unable to generate reliable statistics to aid in Government macro-economic planning
- Lack of applied training in core technical areas such as Valuation, Post Clearance Audit and Risk Management. Approaches to risk assessment and risk management are currently not in line with international standards and best practice
- Lack of training in non-technical matters such as leadership and other soft skills areas
- Language training – Lack of knowledge of Customs officers in reading, writing and speaking of Chinese language, and
- Attendance, including sickness absence.

NEXT STEPS

For the next financial year, the department will focus efforts on the following key strategic priorities:

- Implementation and full rollout of the ASYCUDA Project
- Compliance and Enforcement - Maximise available technologies including use of available non-intrusive X-ray scanning equipment to ensure high levels of compliance with customs and border control laws and regulations
- COVID19 Support – Assist Department of Health and Taskforce in tightening checks and compliance with COVID19 protocols
- Capacity Development - Ensure ongoing development of staff competencies in technical and non-technical areas
- Stakeholder Engagement - Consult and continuously engage with the trade community, as appropriate, to design new policies and procedures and communicate changes as appropriate

- Customs Professionalisation & Integrity Management - In addition to automated controls, implement other strategies and measures to safeguard integrity and minimise the institutionalisation of corrupt behaviours, and
- Gender Mainstreaming and Gender Empowerment - Mainstream gender issues into work involving the administration of Customs and further advance work with stakeholders on the programme on “Small Business Entrepreneurship: Women in Trade”.

TECHNICAL ASSISTANCE RECEIVED/AID IN KIND

The Customs Office was the beneficiary of technical assistance in the form of one long-term adviser serving in the role of Deputy Secretary. Funding of this position was made available under the PACTAM2 programme.

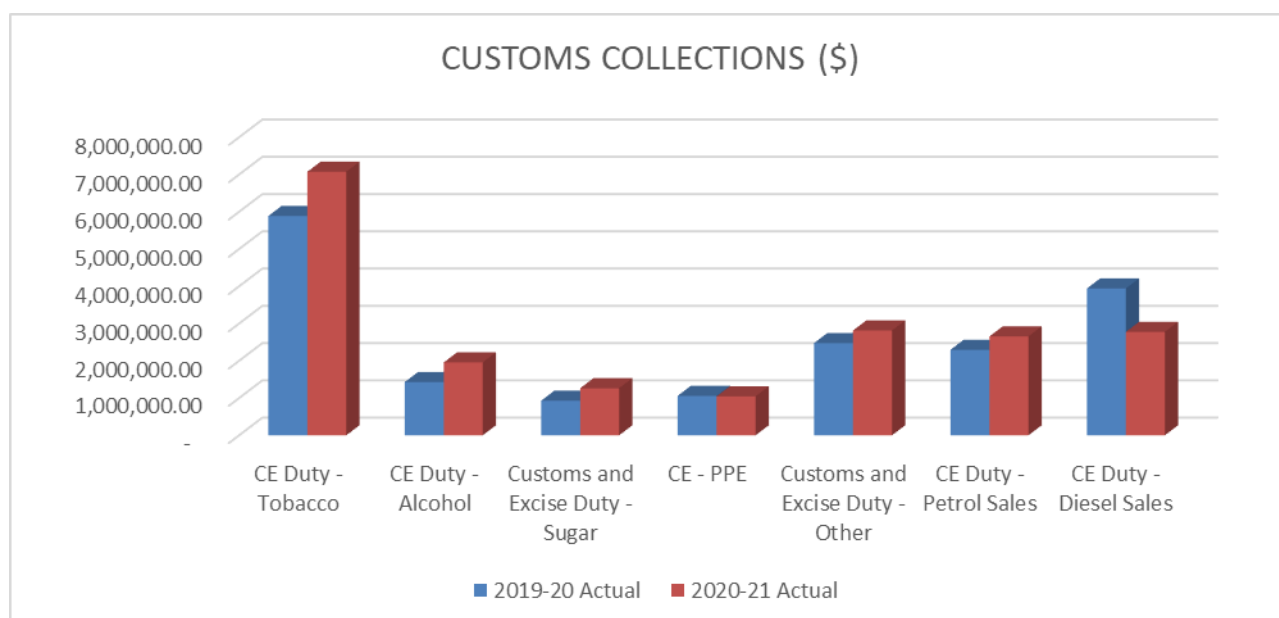
TRAINING

During the period 2020-21, capacity was developed at both managerial and non-managerial as follows:

- Training in key technical areas: The WTO General Agreement on Tariffs and Trade; Valuation Methods; Post Clearance Auditing; Vessel Search and Rummaging; Investigation; Cargo Inspection; Narcotic Inspection Kit; X-Ray Scanning; Passenger Search and Interview; and Baggage examination.
- ***Broker Services Training:*** This is provided to Nauruans that wishes to provide broker services to wholesalers and retailers.
- ***Trainer Certification on Rules of Origin (ROO):*** The department’s Trade Manager was certified by the OCO as a trainer on ROO matters. Certification involved delivery of the course to a cohort of local participants.
- ***Training in Project Management*** undertaken by the Principal Customs Officer.

KEY STATISTICS

CUSTOMS DUTIES				
Description	2019-20	2020-21 Revised Budget	2020-21 Projected Actual	2020-21 Actual
	Preliminary Actual \$			
1140 - Customs and Excise Duty - Tobacco	5,886,456	6,652,449	6,652,449	7,073,041
1145 - Customs and Excise Duty - Alcohol	1,429,190	2,040,000	2,040,000	1,956,048
1150 - Customs and Excise Duty - Sugar	929,814	1,543,075	1,543,075	1,262,619
1155 - Customs and Excise - Machinery	1,059,210	830,000	830,000	1,045,324
1160 - Customs and Excise Duty - Other	2,475,068	3,143,423	3,143,423	2,813,421
1165 - Customs and Excise Duty - Petroleum	2,294,837	2,645,751	2,645,751	2,654,280
1170 - Customs and Excise Duty - Diesel	3,940,535	1,700,000	2,300,000	2,775,493
1175 - Customs and Excise Duty - Jet	0	20,000	20,000	0
Total Customs and Excise Duty	18,015,111	18,574,698	19,174,698	19,580,224



Protection

As part of its mandate of societal protection, Customs successfully intercepted several small consignments of smuggled tobacco concealed using various methods. Illustrated are a few examples of innovative means being used by the travelling community to evade customs duties payable on tobacco and tobacco products.

Compliance and Enforcement

One of the key drivers of Customs modernisation is the application of modern state of the art technologies to assist in risk assessment and the application of risk management techniques. In 2021, Customs took possession of a RapiScan 636 Mobile X-Ray Scanning Unit donated to the GON by the government of Japan. The Unit, which uses non-intrusive inspection technology will be deployed to various locations to screen small packages/consignments in a timely and cost-effective manner. The Unit will assist in the verification of commodities, as well as in the identification of threats. Whilst in the initial stage 100% onsite inspection using the Scanner might be the continued method of operation, planned use of a risk-based intelligence-led approach in the not-too-distant future will result in an identification of those consignments for automatic release, as opposed to those targeted for inspection using the non-intrusive scanning

technology, thus assisting in efforts at trade facilitation. The Mobile Unit, soon to be commissioned for deploy is illustrated below.

Other Activities

Nauru Customs sees it a responsibility to assist, where appropriate, in the furtherance of national priorities, as laid out in various high-level institutional documents such as the NSDS 2019-2030. In 2020-21, Customs assisted in progressing three of the Government's national strategic priorities, namely:

- Gender Equality and Women Empowerment
- Rule of Law, and
- Environmental Management.



In support of efforts to demonstrate government's zero tolerance for Domestic Violence against women, Customs participated in the December 2019 White Ribbon Day winning second prize for the team poster.

To support the implementation of government's waste management policies, including policies on waste dumping, Customs focused on ensuring that condemned seized and withheld goods were destroyed in an environmentally friendly manner. The images below demonstrate eco-friendly waste disposal of five hundred cartons of alcohol. Instead of the usual practice of dumping at the landfill, cardboard cartons and glass bottles were placed through the crusher at the Rehab Centre.



NAURU AGENCY OF BENDIGO BANK

STRATEGIC OVERVIEW

In 2015 Department of Finance established a special project which provided for the establishment and operation of a Nauru Agency of Bendigo and Adelaide Bank Limited. This Agency provides access to modern banking services for the benefit of all Nauruans, consistent with the Government's *financial inclusion* objectives. The Agency has successfully served the people of Nauru from the outset, and just celebrated its sixth anniversary in June 2021.



The Agency's vision is:

- To help increase the development of the Nauru economy, and the economic well-being of all Nauruans through the achievement of a high standard of Financial Inclusion and Financial Literacy, exceeding that of its Pacific Island neighbours and approaching that of Australia.

The Agency's mission is:

- With the assistance provided to Nauru through the ability to use the Bendigo Bank platform in Australia to meet its banking needs, the Agency helps provide Nauru with a wide range of modern and convenient Australian banking products and services. This is intended to support economic activity and underpin future wealth creation on Nauru.

The Agency has the following values:

- Agency and its staff to build and maintain the confidence of Government and members of the Nauru public, by exhibiting the highest standards of honesty, personal integrity and customer focus in all their dealings, and
- Agency staff will continue to meet the expectations of Bendigo Bank by close observance of their policies and procedures, and to consistently comply with the contractual undertakings given to Bendigo Bank by Government.



The Agency has to date achieved the following successful outcomes over the six years of its operation:

- The Agency business each year has generated net income for Nauru after Agency expenses, which includes the Agency meeting its own obligations to pay tax, and also meeting the tax obligations of its counterparties and contractors
- Revenue, which includes Interest earnings and account fees are shared between Bendigo Bank (44%) and the Agency (56%); but
- Revenue is also received in the form of (net) ATM fees from the Agency's third-party ATM deployer, Complete ATM Services Pty Ltd in Australia. From this, the Agency provides incentive payments to the host sites around Nauru where the Agency's ATMs are located; and
- The ATM turnover figures on Nauru since 2015 are now cumulatively more than 2 million transactions processed, and these transactions are valued at \$360 million in total.

KEY OBJECTIVES AND ACTIVITIES FOR 2020-21

The Agency will continue to promote financial inclusion and financial literacy. During 2020-21:

- The Agency opened a second outlet at Ewa Beach to join the existing Agency outlet at Civic Centre in providing customer service to personal customers, while separately maintaining ATMs locally
- Introduced for the first time on Nauru EFTPOS access to its personal customers, through a pilot deployment of EFTPOS terminals available for use through three merchant customers
- The successful launch by the Agency of the EFTPOS service on Nauru, included providing first-level support to the merchants in their day-to-day EFTPOS operations.



The Agencies continue to provide and service Nauru customers with a range of deposit, saving and term deposits account products, (and facilitate convenient access to their accounts through internet banking, ATMs and EFTPOS) consistent with the products offered by Bendigo Bank in Australia.

These accounts can be fee-free or with a fee cap (subject to some terms and conditions). To these can be added E-banking access, typically via Smartphone:

- Everyday Transaction accounts, which includes a MasterCard Debit card to allow worldwide access to the bank account using ATMs and EFTPOS and the facilitation of online shopping,
- EasySaver savings accounts, which can be funded by deposits or automated payday transfer from Everyday Transaction accounts; but

- Some unemployed /low-income members of the community could build a banking relationship starting with a low-cost Savings account, (with no ATM card or MasterCard but unlimited access to fee-free E-Banking) and to benefit from interest on account balances calculated daily and paid monthly.



Services/Access provided from Australia but serviced locally include:

- ATMs -12 Third Party (Australian) ATMs serviced/maintained locally. All cards are accepted - ATM, MasterCard and Visa Credit and Debit transaction cards
- Transaction fees are charged as ATMs are provided by a third-party ATM deployer, Complete ATM Services Pty Ltd
- Internet (e-banking) access
- EFTPOS using Bendigo Bank ATM cards or MasterCard debit cards
- Visa or MasterCard debit or credit cards issued by other banks worldwide
- Processing is in Australia and updated in *real time*
- Services/Access provided from Australia but facilitated locally include account facilitation on Island without going to an Australian call centre
- Nauruans when in Australia can fully operate on and (transparently) transact locally
- Cards – ATM cards, MasterCard Debit cards (for individual and businesses) – available for use on Nauru and globally in ATMs and EFTPOS and for online purchases with no restrictions and with no exchange control formalities
- Internet banking - Payments: real time transfers to Australian bank accounts using Osko, and receipts into bank accounts of Nauruans from any bank in Australia
- Smartphone apps to allow Nauruan to Nauruan and other bill payments, in real time (75% of Digicel customers on Nauru have smartphones)
- Bulk Payments – APCA batch payments, in bulk, to Australian bank accounts including those of Nauruans – all payrolls on Nauru are now typically paid this way
- Telegraphic Transfers (with the exception of some currencies and countries) to bank accounts anywhere in the world
- Non-fund-based facilities – Guarantees; Letter of Credit and other trade facilities, and
- Foreign currency cash purchasing – no two-way activities, due to lack of tourism.



KEY ACHIEVEMENTS IN 2020-21

Easier Access

- All new ATMs installed, replacing older units, which includes a through-the wall ATM to allow for 24 x 7 operation and customer access
- New Sub Agency at Capelle Shopping complex at Ewa Beach
- Commencing in the last quarter of 2020, a successful pilot of 40 EFTPOS Terminals at two supermarkets and at Nauru Post outlets, with an average EFTPOS transaction size of \$75.



Growing Financial Inclusion

- A total of >12,700 Bank accounts (all) – a 6% increase from 12,000 accounts in 2019-20
- A total of >500 business customer accounts
- The number of personal customers with cards is now 75% or >9,000
- The number of personal customers with (internet) e-banking is now 72% or >860
- The number of school age children (of which there are 3,800) with bank accounts is now at about 50%
- Up to 40,000 ATM transactions a month, valued at \$8.3 million - there are now 5.8 ATM transactions for every one counter transaction at the Agency, and
- Up to 6,000 EFTPOS transactions a month valued at \$440,000 during the Pilot period.

Growing the Account Portfolio (savings)

- Liability products totalled \$250 million in 2020-21, an increase from \$216 million previously
- Average account balances were \$19,000, but this was due mainly to large balances maintained in business accounts, and
- Personal customer transaction and savings balances now an average of \$2,000.



Growing the Resilience of the Agency

- Agency counter transaction during 2020 averaged 10,000 per month valued at \$27 million and the second Agency outlet greatly assisted in handling these large volumes, despite the COVID-19 precautions that the Agencies were required to observe
- While Agency income fell mainly due to ultra-low interest rates in Australia, expenses declined and were favourable to budget
- Retained Earnings (reserves) increased slightly to \$3.35 million (net) as at the end of 2020-21 financial year.



OGrowing the Capability (Turnover) of the Agency

- EFTPOS Transactions by Nauruans during 2020 -21 averaged 22,000 transactions per month, valued at \$1.2 million per month. However, this is now trending higher due to the success of the on Island pilot
- Full-time staff of 20, (up from 19 in prior period)
- Transactions at the Agencies averaged 9,800 per month valued at >\$27 million in calendar 2020, and while the total values have reduced, the monthly volumes of transactions (when compared to previous years) have not significantly changed, and
- In 2020 the Nauru customers generated >3.7 million transactions totalling >\$2.4 billion.

NEXT STEPS AND THE YEAR AHEAD

In the coming year, the Agency will explore the following expansion in products and customer convenience:

- Christmas Club accounts– now that sufficient Agency staff have FSRA Tier 2 accreditation
- Gold Term Deposits (with flexible terms and conditions)
- EFTPOS – New EFTPOS terminals from Tyro
- Existing devices on Island to be upgraded, and 50 new terminals to be rolled out to suitable locations around the Island
- Eventually, EFTPOS devices per head of population figures will equate to Australia
- Microfinance Lending, and to some SMEs – under discussion, and
- Revenue is under pressure due to ultra-low interest rates in Australia.

We would like to avoid the need for support for the Agency to be provided from Government Budget appropriations, but:

- EFTPOS rollout starting Q4 in calendar 2021, is likely to have a negative effect on ATM revenue as above, but will result in increased (CAPEX and OPEX) costs for the Agency,
- Increase in portfolio - we have not yet been able to have Bendigo Bank permit new deposit products or be willing to embrace micro or SME Lending for Nauru, and
- Limiting any increase in Agency expenses.



TRAINING

During the past year, all staff were required by Bendigo Bank to do continuous, (monthly basis) online learning. This is mainly for compliance reasons. With COVID-19 this review has been done online and virtual (online) training was carried out using MS Teams.

