



REPUBLIC OF NAURU

DEVELOPMENT FUND

ANNUAL REPORT

FY 2021-2022

CIRCULATED BY

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MINISTER FOR FINANCE OF THE REPUBLIC OF NAURU

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Conventions used in this Document:

- o Actual Revenue data is retrieved from the Nauru Financial Management Information System. Projection data is taken from the FY 2021-22 Development Fund Projection.
- 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 Financial Year 21-22, Nauru received donor revenue of \$10.7m and expended \$7.4m. This compares favourably to the projected revenue and expenditure of \$2.4m.

On the revenue side, actual revenue increased by 128% this financial year, compared to FY 20-21's actual revenue. This is due to some Aid-In-Kind activities reverting back to cash payments in this financial year in contrast to FY 20-21.

Actual expenditure was lower than that of FY 20-21: \$7.4m was spent in FY 21-22, compared to \$12.6m in FY 20-21. One contributing factor is one-off payments relating to COVID-19 mostly expended in the previous financial year.

In terms of spending by sectors, the trend continues from the last financial year, where 72% of all spending went toward the Social sectors, with \$3.2m spent on Health and \$2m on Education. The Infrastructure Sector accounted for 17% of expenditure \$1.2m, Economic Sector for 10% \$0.7m, leaving the Cross-Cutting Sector with only 1% \$0.04m of all development fund expenditure. The only slight deviation from last FY expenditure is the slight increase in spending in the Economic Sector.

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 2021-2022 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 actual revenue and expenditure). Projection data is taken from the Development Fund projection for FY 21-22.

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 21-22. Part III outlines project-by-project revenue and expenditure, variances from the FY 21-22 Development Fund Projection, and implementation updates.

PURPOSE OF THE DEVELOPMENT FUND

The Development Fund was established in accordance with the *Development Fund Act 2011*. The purpose of the Development Fund is to receive and disburse 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 the 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 21-22

REVENUE

As displayed in Chart 1, in FY 21-22, projected revenue was predicted to be \$2.4m, while actual revenue totaled \$10.8m.

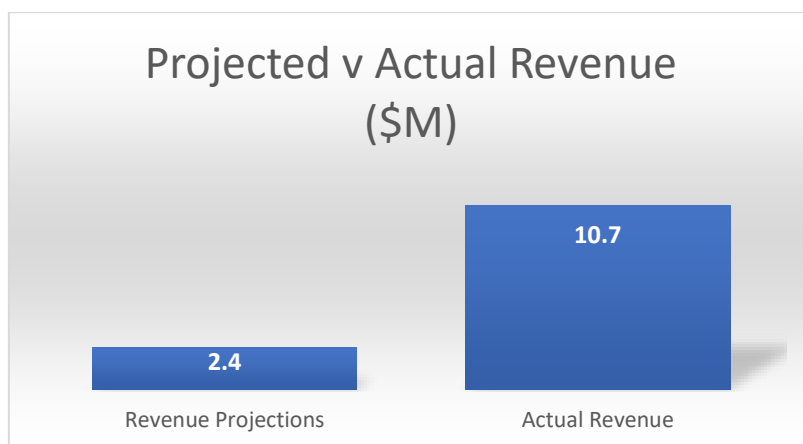


Chart 1 – Projected v Actual Revenue

Similarly, Chart 2 illustrates that actual revenue this financial year substantially increased compared to revenue received in FY 20-21.

There are a number of reasons for the variance. Firstly, revenue in FY 20-21 was lower given new arrangements put in place outsourcing activities through managing contractors. For instance, Health activities were outsourced to Palladium and were funded directly rather than through the operational account. This ultimately reduced cash revenue received while at the same time increased Aid-in-Kind assistance, which is not covered in this report.

However, some of these arrangements have concluded and reverted, which would explain the increased in revenue for FY 21-22. The bulk of the revenue included assistance towards the health sector (\$3.4m) relating to COVID and the Acute Ward.

Secondly revenues received included the one-off payments such as NFMRA Joint Venture Funds of \$1.9m, which were not originally foreseen in the projections.

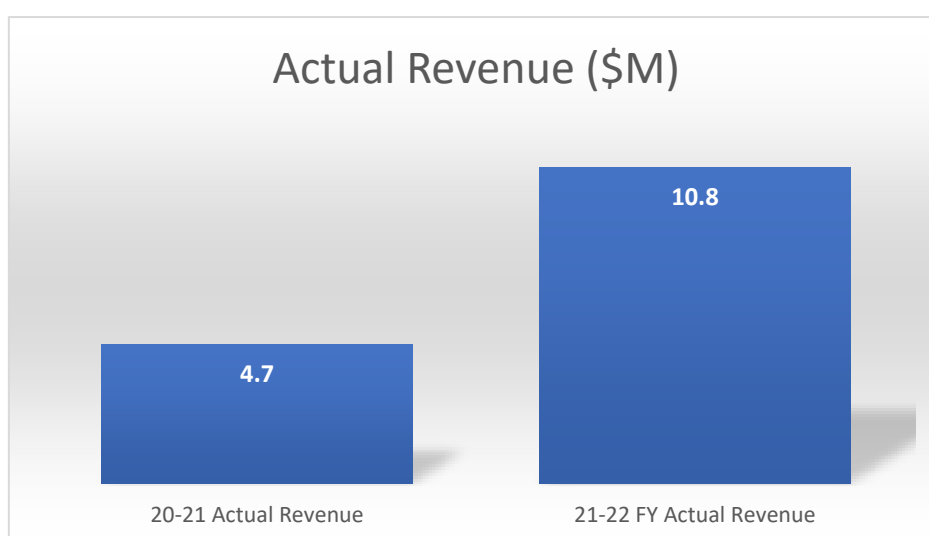


Chart 2 – Actual Revenue Comparison – FY 20-21 v FY 21-22

\$5.5m was carried over from FY 20-21 into FY 21-22, 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 funds being carried over. Further details regarding underspends are provided in the Expenditure section, below.

ACTUAL REVENUE BY NSDS SECTOR

| | Projected | Actual |
|---|--------------------|---------------------|
| Economic Sector | \$0 | \$2,457,283 |
| Social and Community Sectors | \$0 | \$7,173,365 |
| Infrastructure Sector | \$1,042,146 | \$1,105,360 |
| Cross-Cutting Sectors | \$0 | \$14,777 |
| TOTAL | \$1,042,146 | \$10,750,785 |
| Projected but not received | | |
| UNDP - Nauru COVID-19 Support Project | \$970,000 | |
| UNDP - Nauru Inclusive Accountable Governance Project (Support to Nauru Electoral Commission and Parliament of Nauru) | \$350,000 | |
| Japan – Grassroots Grant Program to Human Security Projects (GGP) | \$110,000 | |
| Total Projection | \$2,472,146 | |

Three projects totalling \$1.4m were to be cash funded this financial year, but no funding has been received this period.

The UNDP Nauru COVID-19 project and the UNDP - Nauru Inclusive Accountable Governance Project (Support to Nauru Electoral Commission and Parliament of Nauru) were mistakenly listed in the FY 21-22 projection as being cash-funded when they should have been listed as Aid-In-Kind Funding. Hence the cash projection was overstated by the amount of \$1,320,000.

Nauru has supplied Japan with a number of community project proposals for Grassroots Grant

Program funding, however, none have been approved by Japan, hence the projected funding was not provided this financial year.

DEPOSIT ANALYSIS

A total of 18 deposits were made during the period – ten in the second half of the financial year and 8 in the first six months.

Nauru is yet to receive three amounts listed in the FY 21-22 projection, as noted above, totalling \$1.4m.

A number of deposits were made which were not projected:

| | Amount not Projected |
|---|----------------------|
| NFMRA JV Funds | \$1,935,125 |
| NORI Funds - Annual Administration Payments | \$522,158 |
| UNESCO – Education Design and Printing | \$7,924 |
| CT Arms 21 – London School of Hygiene | \$8,100 |
| UNDP –Multi-Country Western Pacific Integrated HIV/TB programme (2020-21) | \$37,709 |
| WHO –Strengthening Health System and Public Health Programs Communicable Disease, NCD, and Environmental Health | \$41,400 |
| Taiwan COVID assistance | \$570,963 |
| UN Expanded Program on Immunisations | \$61,500 |
| UN Integrated Chemical and Waste Management program | \$127,384 |
| Global Climate Change Alliance Plus Scaling up Pacific Adaptation (GCCA+ SUPA) | \$14,777 |
| TOTAL NOT PROJECTED | \$3,327,040 |

NFMRA JV funds and NORI funds were unanticipated revenues, therefore could not be projected. The London School of Hygiene deposit was also unanticipated, and likely not included in the projection due to a lack of visibility of the proposed funding. This may occur with smaller donor amounts, or where donors have not planned support at the time Nauru prepares its projections.

Taiwan COVID-19 Funds were arranged after the commencement of the financial year, therefore were not included in the projection.

UN projection data was incomplete, hence the bulk of unexpected revenue relates to UN programs.

A number of deposits were also listed in the projections as Aid-in-Kind, however, were paid in cash.

| | Amounts Listed as Aid-in-Kind but paid in Cash |
|--|--|
| Nauru Renewable energy initiative | \$577,952 |
| Australian funded Health Assistance - Acute Ward and COVID-19 assistance | \$3,400,000 |
| Australian Education Assistance | \$3,000,000 |
| Wellness Centre & Community Health | \$45,769 |
| TOTAL | \$7,023,721 |

Only the SMARTEN program received the projected funding listed in the Development Fund projection for FY 21-22.

As the incorrectly classified amounts represent 65% of the deposits made in this period, it is important that donors correctly classify projects so that Development Fund projections are accurate and line departments can plan their activities accordingly. To ensure cash Development Fund projections are as accurate as possible, the Department of Finance will continue working with donors to confirm cash-funded support in future projections, and ensure donors understand the difference between cash-funded and Aid-in-Kind assistance.

EXPENDITURE

On the expenditure side, actual expenditure also did not align with the projections. As shown in Chart 3 below, \$2.4m was the projected expense for FY 21-22.

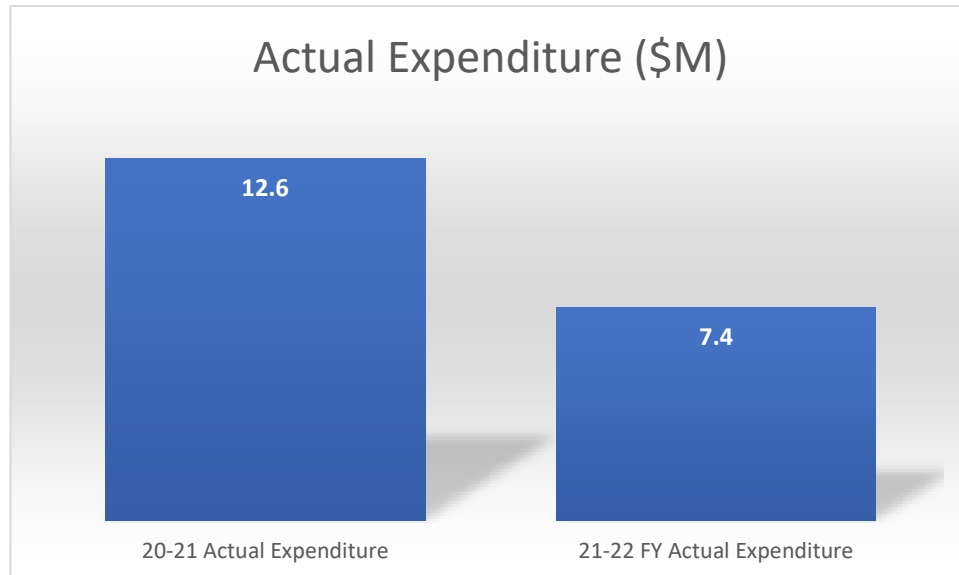


Chart 3 – Actual Expenditure Comparison – FY 20-21 v FY 21-22

In contrast to the actual revenue, actual expenditure decreased to \$7.4m in FY 21-22, compared to the \$12.6m spent in the previous financial year. This could be attributed number of factors, including spending funds in the previous financial year and the phasing down of activities relating to COVID-19 preparedness, the bulk of which was expended in the previous financial year.

UNDERSPENDS

Underspends in previous years led to a build-up of funds, particularly 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 is expected to improve once Technical Assistance is secured through the Australian BPAC program.

Other projects affected by underspends flowing through from previous years include the:

- TA – Nauru Post
- US Treaty Consultations
- Taiwan COVID-19 assistance
- Health Staff Training
- Acute ward fit out
- Trachoma research project
- UNDP –Multi-Country Western Pacific Integrated HIV/TB programme (2020-21)
- WHO –Strengthening Health System and Public Health Programs Communicable Disease, NCD, and Environmental Health
- Renovation of Sporting Facilities
- UNICEF Child Protection legislation
- NZ funded NUC Training
- Improving Environmental Sustainability in Piloting a Waste
- Fibre Optics Local Connectivity Project
- 2021 Digital Project
- Inform Project
- Ridge to Reef
- GEF 7 Restoration Project
- Hydrocarbon Phase Down, and
- GCCA +SUPA - Provision of Household Water Tanks.

The limited capacity of line departments to expend project funds was a major reason for the underspends. 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.

COVID-19-related travel delays and challenges securing technical assistance also contributed to the underspends.

NSDS SECTOR EXPENDITURE

Chart 4 illustrates that in FY 21-22, spending in the Social sectors accounted for 72% of all development fund expenditure, with 17% directed to the Infrastructure sector, 10% to the Economic Sector and only 1% to the Cross-Cutting sector.

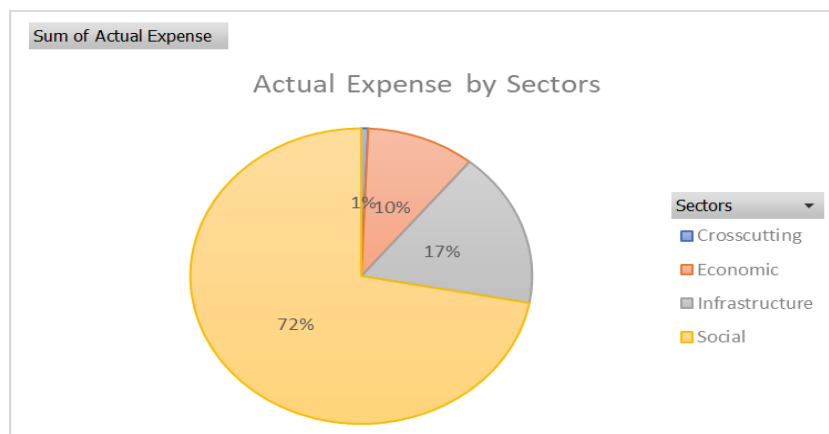


Chart 4 – FY 21-22 Expenditure by NSDS sector

TOTAL EXPENDITURE BY NSDS SECTOR

| | Projected | Actual |
|---|--------------------|--------------------|
| Economic Sector | \$0 | \$762,242 |
| Social and Community Sectors | \$0 | \$5,333,332 |
| Infrastructure Sector | \$1,042,146 | \$1,259,458 |
| Cross-Cutting Sectors | \$250,000 | \$48,658 |
| TOTAL | \$1,292,146 | \$7,403,690 |
| Projected but not received or expended | | |
| UNDP - Nauru COVID-19 Support Project | \$970,000 | |
| UNDP - Nauru Inclusive Accountable Governance Project (Support to Nauru Electoral Commission and Parliament of Nauru) | \$350,000 | |
| Japan – Grassroots Grant Program to Human Security Projects (GPP) | \$110,000 | |
| Total Projection | \$2,472,146 | |

DONOR ANALYSIS

In terms of Donor support, Australia remained the largest source of revenue, followed by the NFMRA Joint Venture Funds and the UN. It must be emphasized that the listing above does not consider 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.

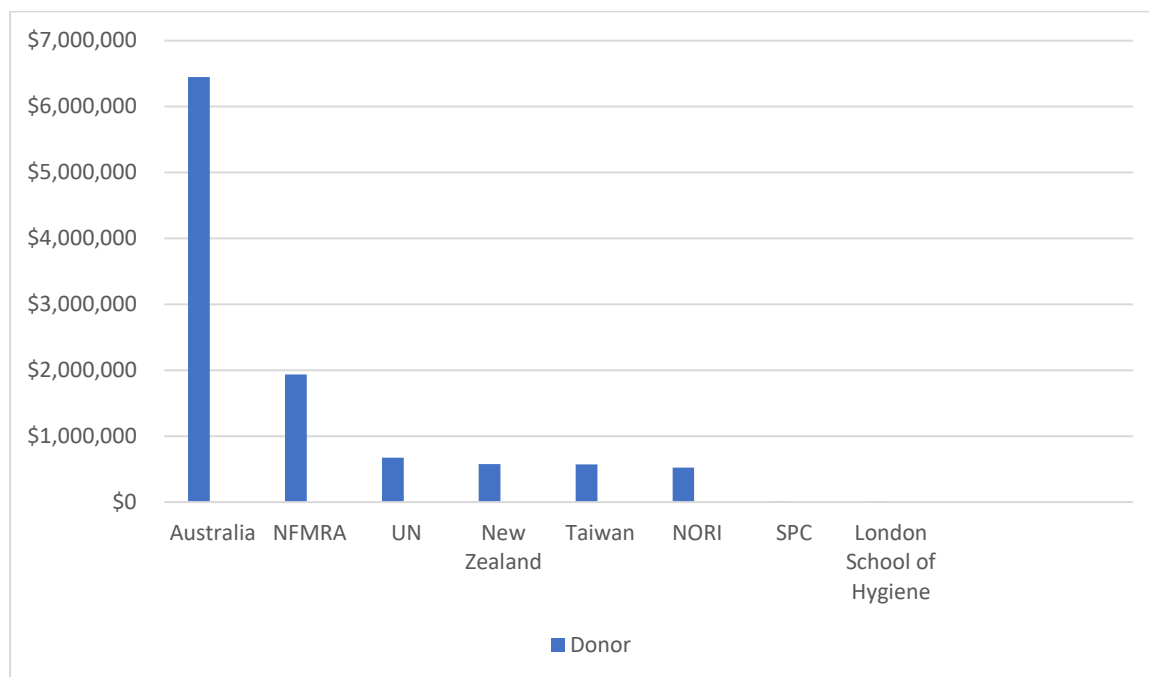


Chart 5 – Revenue by Donor – FY 21-22

ACTUAL REVENUE BY DONOR

| Donor | Actual Revenue | % of Total Actual Revenue |
|--------------------------|----------------|---------------------------|
| Australia | \$6,445,769 | 60% |
| NFMRA | \$1,935,125 | 18% |
| UN | \$675,941 | 6% |
| New Zealand | \$577,952 | 5% |
| Taiwan | \$570,963 | 5% |
| NORI | \$522,158 | 5% |
| SPC | \$14,177 | 0.14% |
| London School of Hygiene | \$8,100 | 1% |
| Canada | \$0 | 0% |
| Fred Hollows Foundation | \$0 | 0% |

| | | |
|--------------|---------------------|-------------|
| GEF | \$0 | 0% |
| Indonesia | \$0 | 0% |
| RFMO | \$0 | 0% |
| SPREP | \$0 | 0% |
| TOTAL | \$10,750,785 | 100% |

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 continues to prove an administrative challenge for resource-constrained line departments.

The Government of Nauru has recently approved its National Key Performance Indicators (KPIs) in line with its National Sustainable Development Strategy (NSDS) and key international frameworks. It is strongly encouraged that donors and departments use KPIs to focus their activities in areas of strategic priority.

Key areas of focus for the next financial year include:

- Strengthening Nauru’s monitoring and evaluation framework by creating a system of regular NSDS KPI reporting and oversight
- 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
- Developing a simple means of tracking Aid-in-Kind donations and program progress, 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. Variances between actual and projected figures are explained where the variance exceeds 10% or \$1000, whichever is greater. Implementation details are provided for each project.

Economic Sector

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|---|-------------------------------|----------------------|----------------------------|--------------------|-------------|------------|--------------------------------|------------------------|-----------|------------|
| 38002 | FFA Special Requirements Fund | RFMO | \$0 | \$0 | \$0 | 0 | \$0 | \$1,500 | \$1,500 | 100 |
| <p>Implementation Update: Due to COVID outbreak and community lockdown in June, purchase of printing & stationeries was not done in time. Procurement of printing & stationery items in process, project will be done and completed this FY 22-23.</p> | | | | | | | | | | |
| 38007 | US Treaty Consultation | RFMO | \$0 | \$0 | \$0 | 0 | \$0 | \$51,644 | \$51,644 | 100 |
| <p>Reason for variance: The expenditure variation is due to the project's recent activities that were not foreseen in the projections. There is a recent agreement from the development partner to expend funds as needed to support NFMRA activities.</p> | | | | | | | | | | |
| <p>Implementation Update: Due to COVID pandemic in the Pacific region and closure of borders in 2021, the US Treaty consultation has been cancelled, thus use of funds has been re-allocated for the 25th Anniversary celebration. Ongoing project to be completed in this FY 22-23.</p> | | | | | | | | | | |
| 44001 | NFMRA JV Funds | NFMRA Joint Ventures | \$0 | \$1,935,125 | \$1,935,125 | 0 | \$0 | \$407,464 | \$407,464 | 100 |
| <p>Reason for variance: Funds received from companies in the NFMRA Joint ventures were not anticipated in the Development fund projection. This is a one-off contribution from the joint venture companies.</p> | | | | | | | | | | |
| <p>Implementation Update: NFMRA has a number of construction projects planned to improve its operation and services to Nauru. The funds will be used for these construction projects.</p> | | | | | | | | | | |

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|---|---|-------------------|----------------------------|--------------------|-----------|------------|--------------------------------|------------------------|-----------|------------|
| 43000 | NORI Funds - Annual Administration Payments | NORI | \$0 | \$522,158 | \$522,158 | 100 | \$0 | \$262,723 | \$262,723 | 100 |
| Reason for variance: Funds committed to Nauru after submission of the FY 21-22 Development Projections. | | | | | | | | | | |
| Implementation Update: The management of ocean seabed resources is one of Nauru's continuing developments aiming to diversify the economic returns. Nauru Ocean Resource Incorporation (NORI) fund is providing for consultancy supporting the International Seabed Authority Ambassador, overseas meetings and trainings, and scholarships opportunity to the Nauruan people focussing in marine studies. The fund is also looking for community projects aimed at 'Ocean Health & the Environment'. NORI is working on increasing Nauru's revenue stream as well as ensuring that the environmental impact in deep sea mining is minimised. | | | | | | | | | | |
| 02903 | TA - Nauru Post Office | Australia | \$0 | \$0 | \$0 | 0 | \$0 | \$38,911 | \$38,911 | 100 |
| Reason for variance: Project expenditures from prior financial years funding. | | | | | | | | | | |
| Implementation Update: Nauru Post is working with an adviser who is providing high level guidance and support to the CEO and the Board of the Naoero Postal Services Corporation in regard to Nauru Post's obligations, responsibilities and working procedures of the treaties with the Universal Postal Union (UPU) and the Asian Pacific Postal Union (APPU). Nauru Post has made progress towards being relieved of past membership and terminal dues debts that were assigned to Nauru by the former postal organisation that preceded the early 2018 foundation of Nauru Post. Nauru Post has also improved its compliance with the obligations of the corporation to the Public Enterprises Act and its own Postal Services Corporation Act. In the past year, Nauru Post has published an Annual Report and a Statement of Corporate Intent. Nauru Post is also striving to achieve excellent customer service. It is expected that this project line will be removed in the coming financial year, as this work is moved under the BPAC program managed by Australian DFAT. | | | | | | | | | | |
| TOTAL | | | \$0 | \$2,457,283 | | | \$0 | \$762,242 | | |

Social and Community Sectors

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|---|--|-------------------|----------------------------|--------------------|--------------------|------------|--------------------------------|------------------------|------------|------------|
| Soc Goal 1: Improve the quality and broaden the scope and reach of education | | | | | | | | | | |
| Education Support | | Australia | \$0 | \$3,000,000 | \$3,000,000 | 100 | \$0 | \$1,753,703 | \$0 | 100 |
| 02306 | Sustainable and high-quality workforce to meet future | Australia | \$0 | \$1,267,950 | \$1,267,950 | 100 | \$0 | \$1,310,948 | \$0 | 100 |
| 02307 | Improving quality and access to early years, Primary and | Australia | \$0 | \$600,000 | \$600,000 | 100 | \$0 | \$282,577 | \$0 | 100 |
| 02308 | Improved learning outcomes for all students | Australia | \$0 | \$275,000 | \$275,000 | 100 | \$0 | \$0 | \$0 | 100 |
| 02309 | Create a proactive and continually improving education | Australia | \$0 | \$857,050 | \$857,050 | 100 | \$0 | \$160,178 | \$0 | 100 |
| <p>Reason for variance: Funds were listed in the projection as Aid-in-Kind, but were paid in cash.</p> | | | | | | | | | | |
| <p>Implementation Update: 02309 Creating a Proactive and Continually improving Education System - 88 Nauruan Students received their QCE Certificates. 02306 Sustainable and High-quality Workforce to meet future Education need – QLD TAFE Year 11 and Year 12 Students and community members will complete their program this year; Year 11-12 Cert II in Auto, Electro-technology, Engineering and Cert IV Training and Assessment. 3 teacher trainees will graduate through the University of New England teacher training program. All the Building projects will soon commence after COVID-19 lockdown restrictions permit. Projecting to complete at end of December 2022.</p> | | | | | | | | | | |

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|--------------------------|--|--------------------|----------------------------|--------------------|------------|------------|--------------------------------|------------------------|-------------------|------------|
| Education Support | | New Zealand | \$0 | \$0 | \$0 | 0 | \$0 | \$248,590 | -\$248,590 | 100 |
| 03306 | A sustainable and high-quality workforce to meet future | New Zealand | \$0 | \$0 | \$0 | 0 | \$0 | \$360 | \$360 | 100 |
| 03307 | Improved quality and access to early years, primary and seco | New Zealand | \$0 | \$0 | \$0 | 0 | \$0 | \$1,800 | \$1,800 | 100 |
| 03309 | Proactive and continually improving education system | New Zealand | \$0 | \$0 | \$0 | 0 | \$0 | \$15,000 | \$15,000 | 100 |
| 03310 | COVID19 Education Response Items | New Zealand | \$0 | \$0 | \$0 | 0 | \$0 | \$231,430 | \$231,430 | 100 |

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 Technical Advisor 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.

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 COVID-19. This COVID-19 response included strengthening the WASH Systems in schools, as well as repairs and renovation of some classrooms, for hygiene and public health outcomes. The NZ-Nauru Education funding balance remains abundant, thus, plans for essential spending remains before NZ will supply further funding to the Department of Education.

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|---|-----------------------------|-------------------|----------------------------|--------------------|-------------|------------|--------------------------------|------------------------|-------------|------------|
| 28013 | Design and Printing | UNESCO | \$0 | \$7,924 | \$7,924 | 100 | \$0 | \$5,980 | \$5,980 | 100 |
| <i>Reason for variance:</i> Funding not anticipated in projection. | | | | | | | | | | |
| <i>Implementation Update:</i> This project involves printing and publishing Big Wordless Books. The funds have been used to pay for the services of 8 local graphic designers. The project is still on-going. | | | | | | | | | | |
| Social Goal 2: A Healthy and Productive Population | | | | | | | | | | |
| 01510 | TAIWAN COVID-19 Assistance | Taiwan | \$0 | \$570,963 | \$570,963 | 100 | \$0 | \$1,132,482 | \$1,132,482 | 100 |
| <i>Reason for variance:</i> Spending of prior year funds in addition to those allocated this financial year. | | | | | | | | | | |
| <i>Implementation Update:</i> Purchase of essential medical equipment and supplies, including COVID-19 test kits. | | | | | | | | | | |
| Health Support | | Australia | \$0 | \$3,400,000 | \$3,400,000 | 100 | \$0 | \$1,849,709 | \$1,849,709 | 100 |
| 02504 | Specialists Medical -Visits | Australia | \$0 | \$0 | \$0 | 0 | \$0 | \$35,059 | \$35,059 | 100 |
| <i>Reason for variance:</i> Specialist visits were curtailed during COVID-19 travel restrictions. | | | | | | | | | | |
| <i>Implementation Update:</i> Project is completed and closed. | | | | | | | | | | |

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|---|------------------------------------|-------------------------|----------------------------|--------------------|-------------|------------|--------------------------------|------------------------|-----------|------------|
| 02509 | Staff Training | Australia | \$0 | \$0 | \$0 | 0 | \$0 | \$40,400 | \$40,400 | 100 |
| <i>Reason for variance:</i> Rollover Funds available from prior financial year funding deposits. | | | | | | | | | | |
| <i>Implementation Update:</i> Project is completed and closed. | | | | | | | | | | |
| 02510 | Australia COVID-19 Assistance Fund | Australia | \$0 | \$2,000,000 | \$2,000,000 | 100 | \$0 | \$943,553 | \$943,553 | 100 |
| <i>Reason for variance:</i> Funding not anticipated in projection - Direct Funding Agreement signed after Financial Year had commenced. | | | | | | | | | | |
| <i>Implementation Update:</i> Supply of COVID-19 tests and laboratory supplies, assistance with quarantine costs and reimbursement for additional freight and transport costs incurred due to COVID-19. | | | | | | | | | | |
| 02526 | Acute Ward Fit Out | Australia | \$0 | \$1,400,000 | \$1,400,000 | 100 | \$0 | \$830,697 | \$830,697 | 100 |
| <i>Reason for variance:</i> Funds rolled over from last financial year- funding was planned over two financial years. A plan for this financial year's expenditure is under development. | | | | | | | | | | |
| <i>Implementation Update:</i> Upgrading of buildings and equipment in the Acute ward and other sections of the hospital. | | | | | | | | | | |
| 13001 | Trachoma research project | Fred Hollows Foundation | \$0 | \$0 | \$0 | 0 | \$0 | \$1,980 | \$1,980 | 100 |
| <i>Reason for variance:</i> Project expenditures from prior financial year's funding. | | | | | | | | | | |
| <i>Implementation Update:</i> Continuation of a national outreach activity to inoculate the whole or targeted population to minimise trachoma disease. | | | | | | | | | | |

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|--|------------------------------------|--------------------------|----------------------------|--------------------|----------|------------|--------------------------------|------------------------|----------|------------|
| 14001 | CT Arms 21 | London School of Hygiene | \$0 | \$8,100 | \$8,100 | 100 | \$0 | \$8,100 | \$8,100 | 100 |
| Reason for variance: Not included in projection. | | | | | | | | | | |
| Implementation Update: No updated provided. | | | | | | | | | | |
| 15001 | Wellness Centre & Community Health | Palladium-Aus | \$0 | \$45,769 | \$45,769 | 100 | \$0 | \$41,326 | \$41,326 | 100 |
| Reason for variance: Funding deposited by Palladium -previously managed externally to the development fund. Project delays mean it was not possible to proceed with this work in the contracted project period. | | | | | | | | | | |
| Implementation Update: Australian DFAT have agreed to fund this work under a new interim programme of support to the health sector - this programme is currently under design. | | | | | | | | | | |
| UNDP –Multi-Country Western Pacific Integrated HIV/TB programme (2020-21) | | UN | \$0 | \$37,709 | \$37,709 | 100 | \$0 | \$32,415 | \$32,415 | 100 |
| 25002 | HIV/STI (2021-2023) | The Global Fund | \$0 | \$37,709 | \$37,709 | 100 | \$0 | \$32,415 | \$32,415 | 100 |
| Reason for variance: Not included in projection. | | | | | | | | | | |
| Implementation Update: Coordination meetings and advocacy outreach were held, but increasing screening for early detection was very low due to other commitments. The primary focus on the national COVID-19 vaccination outreach has primarily occupied the health staff and in-turn delayed the operations of these HIV-projects. | | | | | | | | | | |

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|--|--|-------------------|----------------------------|--------------------|-----------------|------------|--------------------------------|------------------------|------------------|------------|
| WHO –Strengthening Health System and Public Health Programs Communicable Disease, NCD, and Environmental Health | | UNWHO | \$0 | \$41,400 | \$41,400 | 100 | \$0 | \$157,826 | \$157,826 | 100 |
| 37006 | NCD Management activities | WHO | \$0 | \$0 | \$0 | 100 | \$0 | \$5,194 | \$5,194 | 100 |
| 37007 | Neglected Tropical Disease (MDA) - Trachoma | WHO | \$0 | \$41,400 | \$41,400 | 100 | \$0 | \$39,024 | \$39,024 | 100 |
| 37009 | NCD Profiling | WHO | \$0 | \$0 | \$0 | 100 | \$0 | \$2,635 | \$2,635 | 100 |
| 37010 | NCD Multi Sectoral Task Force | WHO | \$0 | \$0 | \$0 | 100 | \$0 | \$46,652 | \$46,652 | 100 |
| 37012 | NCD Surveillance Activities | WHO | \$0 | \$0 | \$0 | 100 | \$0 | \$54,400 | \$54,400 | 100 |
| 37510 | Implementor of COVID19 Community Engagement Plan | WHO | \$0 | \$0 | \$0 | 100 | \$0 | \$9,921 | \$9,921 | 100 |
| <p>Reason for variance: Funds for a number of these listed WHO projects were deposited into the Development Fund account in the fourth quarter of the reporting financial year. The Department of Health used Government of Nauru funds before utilising WHO project funds, but plans to use the WHO funding.</p> | | | | | | | | | | |
| <p>Implementation Update: Certain projects under this listing have been completed and report submitted to WHO. Remaining projects were affected by COVID outbreak and have been deferred to the later part of the year 2022. A request for deferment of activities had been made to WHO and was also agreed.</p> | | | | | | | | | | |

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|---|--|-------------------|----------------------------|--------------------|----------|------------|--------------------------------|------------------------|----------|------------|
| 02202 | Community Sports Outreach Program | Australia | \$0 | \$0 | \$0 | 0 | \$0 | \$2,315 | \$2,315 | 100 |
| Reason for variance: Unused funds from project 02203 were transferred to this project. | | | | | | | | | | |
| Implementation Update: Provision of weighing scales for the Community Outreach Weight Loss Program. The program promotes awareness of healthy eating, wellbeing and strategies for better, longer, living. | | | | | | | | | | |
| 02203 | Renovation of Sporting Facilities Across Nauru | Australia | \$0 | \$0 | \$0 | 0 | \$0 | \$2,685 | \$2,685 | 100 |
| Reason for variance: Remaining funds transferred to project 02202. | | | | | | | | | | |
| Implementation Update: Project is completed and closed. | | | | | | | | | | |
| Social Goal 5: A just society that recognizes and respects the rights of women and children, that promotes equal opportunity | | | | | | | | | | |
| 33001 | Child Protection Legislation | UNICEF | \$0 | \$0 | \$0 | 0 | \$858 | \$0 | -\$858 | 0 |
| Reason for variance: Project expenditures from prior financial year's funding. | | | | | | | | | | |
| Implementation Update: No update provided. | | | | | | | | | | |
| Social Goal 7: A robust, vibrant and effective civil society for a just and peaceful Nauru | | | | | | | | | | |
| 02736 | 2021 Nauru Population Census | Australia | \$0 | \$0 | \$0 | 100 | \$0 | \$75,774 | \$75,774 | 100 |
| Reason for variance: Project expenditures from prior financial year's funding. | | | | | | | | | | |
| Implementation Update: A full population census activity was completed from October to December 2021. | | | | | | | | | | |

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|---|-----------------------------------|-------------------|----------------------------|--------------------|----------|------------|--------------------------------|------------------------|----------|------------|
| 33003 | Expanded Program on Immunisations | UNICEF | \$0 | \$61,500 | \$61,500 | 0 | \$0 | \$11,960 | \$11,960 | 100 |
| <i>Reason for variance:</i> Not included in the projection. | | | | | | | | | | |
| <i>Implementation Update:</i> No update provided. | | | | | | | | | | |
| TOTAL | | | \$0 | \$7,173,365 | | | \$0 | \$5,324,845 | | |

Infrastructure Sector

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | 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 | \$0 | \$23,188 | \$23,188 | 100 |
| <i>Reason for variance:</i> Project listed as Aid-In-Kind funding rather than cash funding. | | | | | | | | | | |
| <i>Implementation Update:</i> Two NUC-staff have been undertaking Energy-related study at the Fiji National University (FNU). All NUC staff on energy-related study in Fiji have completed their studies as of 30 June 2022. NUC currently has one staff member returning to Nauru from Fiji, awaiting results. One staff member has commenced a Degree in Mechanical Engineering in Australia, funded by AusAID and supported by NUC. | | | | | | | | | | |
| Nauru Renewable energy initiative | | NZ | \$0 | \$577,952 | \$577,952 | 100 | \$0 | \$162,037 | \$162,037 | 100 |
| 03703 | NEEDS Implementation Project | New Zealand | \$0 | \$248,405 | \$248,405 | 100 | \$0 | \$162,037 | \$162,037 | 0 |
| 03704 | NEEDS Loan Scheme | New Zealand | \$0 | \$329,547 | \$329,547 | 100 | \$0 | \$0 | \$0 | 0 |
| <i>Reason for variance:</i> Project listed as Aid-In-Kind funding rather than cash funding. | | | | | | | | | | |
| <i>Implementation Update:</i> No update provided. | | | | | | | | | | |

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|--------------|---|-------------------|----------------------------|--------------------|------------|------------|--------------------------------|------------------------|------------|------------|
| 06005 | UNDP –Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru (SMARTEN) | UNDP | \$1,042,146 | \$400,024 | -\$642,122 | -62% | \$1,042,146 | \$233,262 | -\$808,884 | -78% |

Reason for variance: Project funding was received in the third quarter of the financial year and therefore delayed the commencement of the project.

Implementation Update: The delay in commencement resulted in the project activities for last financial year continuing into this financial year.

Infra Goal 3: Effective management of waste and pollution that minimises negative impacts on public health and environment

| | | | | | | | | | | |
|-------|--|------|-----|-----------|-----------|-----|-----|----------|----------|-----|
| 34008 | Integrated Chemical and Waste Management | UNEP | \$0 | \$127,384 | \$127,384 | 100 | \$0 | \$45,927 | \$45,927 | 100 |
|-------|--|------|-----|-----------|-----------|-----|-----|----------|----------|-----|

Reason for variance: Obtaining a Project Manager for the project was a challenge and implementation started late due to this issue.

Implementation Update: The project is finalising the national integrated waste and chemicals profile report. The project will close Dec 2022, however, the Department aims to seek a no-cost extension to develop the national integrated waste and chemicals policy.

| | | | | | | | | | | |
|-------|--|--------|-----|-----|-----|---|-----|----------|-----------|-----|
| 18002 | Improving Environmental Sustainability in Piloting a Waste | Canada | \$0 | \$0 | \$0 | 0 | \$0 | \$23,705 | -\$23,705 | 100 |
|-------|--|--------|-----|-----|-----|---|-----|----------|-----------|-----|

Reason for variance: Funding from a previous financial year was expended.

Implementation Update: Disagreements and delays on design and procurement of the recycling depot bins was an issue, however, NRC, who is the main implementing party of the segregation project, eventually submitted a suitable design. The Department has transferred funds to NRC for the procurement of the recycling depot bins and are awaiting a report and confirmation of procurement.

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|--|---|-------------------|----------------------------|--------------------|----------|------------|--------------------------------|------------------------|-----------|------------|
| Infra Goal 4: Improve transport infrastructure and provide reliable and sustainable transport services | | | | | | | | | | |
| 42001 | Tugboat Aid Fund | Indonesia | \$0 | \$0 | \$0 | 0 | \$0 | \$681,540 | \$681,540 | 100 |
| <i>Reason for variance:</i> Not included in the FY 21-22 Development Fund Projection. Funds expended were received in FY 19-20. | | | | | | | | | | |
| <i>Implementation Update:</i> This grant was originally allocated for the purchase of a Barge & Tugboat for NSL, and was revised to AUD \$3,681,987.42 for the purchase of a vessel. The grant amount received by Department of Finance covered the cost of Purchase the Vessel Micronesia Pride and Initial Supplies like Oil & Paints, as well as Dry dock materials and maintenance, totalling AUD \$3,670,023.87 (Vessel Price - \$2,988,484.29 and Maintenance - \$681,539.58). The purchased vessel, the Micronesia Pride, commenced its first service between Fiji and Nauru in September 2020. | | | | | | | | | | |
| Infra Goal 5: Provide universal and reliable access to internationally competitive communication services and an independent and commercially viable media | | | | | | | | | | |
| 01004 | Fiber Optics Local Connectivity Project | Taiwan | \$0 | \$0 | \$0 | 0 | \$0 | \$12,710 | \$12,710 | 100 |
| <i>Reason for variance:</i> Expended remaining funds from previous financial years. Not included in the FY 21-22 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 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 disruptions and reduce maintenance and repairs are planned. | | | | | | | | | | |
| 02737 | 2021 Digital Project | Australia | \$0 | \$0 | \$0 | 0 | \$0 | \$77,089 | \$77,089 | 100 |
| <i>Reason for variance:</i> Funds provided last financial year, under an arrangement that spans across FY 20-21 and FY 21-22. Not included in the FY 21-22 Development Fund Projection. | | | | | | | | | | |
| <i>Implementation Update:</i> The Project was approved to carry on to FY 22-23 due to unfinished activities. Currently, travel arrangements for both NCom technicians are in process, but were put on hold due to the COVID outbreak on island. The project will resume as soon as the Department resumes normal operations. | | | | | | | | | | |
| TOTAL | | | \$1,042,146 | \$1,105,360 | | | \$1,042,146 | \$1,259,458 | | |

Cross-Cutting Sectors

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|---|---------------------------|-------------------|----------------------------|--------------------|----------|------------|--------------------------------|------------------------|----------|------------|
| Cross Goal 4: Sustainable use and management of the environment and natural resources for present and future generations | | | | | | | | | | |
| 05010 | Inform Project | SPREP | \$0 | \$0 | \$0 | 0 | \$0 | \$3,187 | -\$3,187 | 100 |
| <i>Reason for variance:</i> Project expenditures from prior financial year's funding. | | | | | | | | | | |
| <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. | | | | | | | | | | |
| 06003 | UNDP –Ridge to Reef | UN | \$0 | \$0 | \$0 | 0 | \$0 | \$8,032 | -\$8,032 | 100 |
| <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. | | | | | | | | | | |
| 24012 | GEF 7 Restoration Project | GEF | \$0 | \$0 | \$0 | 0 | \$0 | \$5,102 | -\$5,102 | 100 |
| <i>Reason for variance:</i> Project expenditures from prior financial year's funding. | | | | | | | | | | |
| <i>Implementation Update:</i> Funding received was for preparation of the GEF project proposal. The project proposal was approved, and implementation will begin soon. | | | | | | | | | | |

| Project Code | Project Name | Source of Revenue | Projected Revenue FY 21/22 | Actual Revenue YTD | Variance | Variance % | Projected Expenditure FY 21/22 | Actual Expenditure YTD | Variance | Variance % |
|--|--|-------------------|----------------------------|--------------------|----------|------------|--------------------------------|------------------------|-----------|------------|
| 34006 | Hydrofluorocarbon Phase-down | UNEP | \$0 | \$0 | \$0 | 0 | \$0 | \$1,506 | -\$1,506 | 100 |
| <i>Reason for variance:</i> Project expenditures from prior financial year's funding. | | | | | | | | | | |
| <i>Implementation Update:</i> Phase 1 of the project is completed and Phase 2 is underway. | | | | | | | | | | |
| 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 | \$0 | \$14,777 | \$14,777 | 100 | \$0 | \$30,831 | -\$30,831 | 100 |
| <i>Reason for variance:</i> No update provided. | | | | | | | | | | |
| <i>Implementation Update:</i> No update provided. | | | | | | | | | | |
| TOTAL | | | \$0 | \$14,777 | | | \$0 | \$48,658 | | |