



GOVERNMENT OF NAURU
National Social Protection
Strategy 2022-2032

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National Social
Protection Strategy
2022-2032



GOVERNMENT OF NAURU
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Nauru s relatively high in terms of income and wealth inequality. The National Social Protection Strategy 2022-2032 aims to lay the foundation to address these various challenges.

FOREWORD

Over the recent years, Nauru has experienced significant levels of socio-economic development. The country has experienced double-digit economic growth and has seen advancements in key social indicators. Poverty rates have steadily declined, and across the demographic pyramid, Nauruans are less likely to live in poverty today compared to 10 years ago.

At the same time, our island still shows significant potential for further growth and advancement. Several sectoral outcomes remain worse than the Pacific average, and especially in the sectors of education, nutrition, and health, Nauruans still often experience social vulnerabilities that impact their potential to live a healthy and productive life.

Nauru's system of social protection programs has contributed to the socio-economic advancements seen in recent years. An analysis conducted as part of developing the National Social Protection Strategy has shown that Nauru's existing social protection programs help reduce poverty by 4.4%, thereby lifting many people out of poverty. The analysis has shown that the disabled benefit is especially effective in reducing poverty, while the aged benefit and the back-to-school scheme are equally effective in lifting people out of vulnerability, defined as those living on incomes up to 50% of the basic needs poverty line.

At the same time, Nauru's social protection sector would still benefit from further strengthening. In comparison with other countries and territories in the Pacific, Nauru ranks relatively low in terms of the comprehensiveness and impact of its social protection system. The country spends less as a share of its GDP on social protection programming compared to the Pacific average, and still ranks relatively high in terms of income and wealth inequality.

Moreover, Nauru's social protection system is dominated by social assistance programs, with labor market interventions and social insurance programs still underdeveloped. In addition, the delivery processes can be strengthened further, and the government can improve its approach to monitoring and evaluation, grievance redressal and targeting, to name a few.

It is against this background that the Government of Nauru has developed this **National Social Protection Strategy 2022–2032**. This strategy aims to lay the foundation to address these various challenges and to leverage existing programs better to achieve the government's goals in the areas of health, education, social welfare, and other sectors. The strategy is accompanied by an implementation plan and a monitoring and evaluation framework. Through the implementation of this strategy, the government is committed to ensuring a decent quality of life for all Nauruans and a standard of living adequate for the health and well-being of all people on the island.

The government is further committed to providing leadership in implementing the National Social Protection Strategy and advancing social protection programming in Nauru. It remains grateful for the support it received—and will receive—from its development partners. Together with them, we look forward to the next years of implementation of the strategy in line with the implementation plan and for the general advancement of well-being of all Nauruans.

Hon. Martin Hunt
Minister for Finance
Republic of Nauru

ABBREVIATIONS

ADB	Asian Development Bank
AUD	Australian dollar
BNPL	basic needs poverty line
COVID-19	coronavirus disease 2019
DOF	Department of Finance
GCNF	Global Child Nutrition Foundation
GDP	gross domestic product
GOA	Government of Australia
GON	Government of Nauru
ICT	information and communication technology
ILO	International Labour Organization
IMF	International Monetary Fund
IPCIG	International Policy Centre for Inclusive Growth
M&E	monitoring and evaluation
MIS	management information system
MOU	memorandum of understanding
NSPS	National Social Protection Strategy
NSS	Nauru Superannuation Scheme
PIU	project implementation unit
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
UPenn	University of Pennsylvania
USD	US dollar

GOVERNMENT OF NAURU

National Social Protection Strategy 2022-2032

1. Strategic plan

1.1 Why do we need a strategy for social protection?

In 2013, 24% of Nauru's population was living below the basic needs poverty line, with an additional 44.3% being vulnerable to falling into poverty. Only 31.8% were classified as non-poor or vulnerable. While these households might not be classified as poor, they are highly susceptible to shocks, which may include loss of employment or income, climate change, illness, and other idiosyncratic and covariate shocks. Vulnerable households that include children and youth as well as those headed by females were found to be overrepresented in the island's poverty statistics, with 25% of children under the age of 4 and 20% of children between the ages of 5 and 14 living below the basic needs poverty line.¹

With a significant share of the country's population living below or near the poverty line, a comprehensive social protection system is vital to strengthening household capacity to overcome barriers to essential services and to help in reducing inequality. As of 2021, Nauru's social protection system comprises social insurance and social assistance programs, with limited active labor market programs currently in place. In terms of social insurance, only a contributory pension exists that is limited to formal sector workers. Regarding social assistance, programs in place include the birth benefit, death benefit, back-to-school payment, education assistance trust scheme, school feeding program, disabled benefit, and aged benefit.

Despite the current social assistance programs covering vulnerable groups to a certain extent, Nauru's social protection system has ranked relatively low regionally in terms of comprehensiveness and impact as of 2019. Specifically, social assistance benefit levels were identified as insufficient to sustainably lift people out of poverty. Moreover, social insurance schemes exhibit a large coverage gap, with only formal sector workers qualifying for such schemes today.

¹ The basic needs poverty line uses the food poverty line as a reference point for estimating non-food basic needs expenditure as it is assumed that if a household can meet its basic food requirements, it is also likely they will be able to meet their basic non-food requirements (Moustafa 2015).

Other key challenges in Nauru include the following:

1. **High inequality.** Nauru's level of inequality is one of the highest in the Pacific region, with a Gini coefficient of 0.52 in 2014.
2. **Substantial levels of multidimensional deprivation.** While a relatively low share of the population lives in monetary poverty, a much higher share can be classified as multidimensionally poor, having deficiencies related to health, education, as well as safe water, sanitation, and hygiene (WASH).
3. **Impacts of climate change.** These multidimensional deficiencies have been exacerbated by climate change over recent years. Factors such as increasing sea levels and water shortages contribute to an increased risk of communicable and noncommunicable diseases, lower rates of school attendance, and shrinking arable land, among other problems. These challenges add to the already high dropout and low secondary school enrolment rates as well as a number of diet-related and noncommunicable diseases prevalent in Nauru.
4. **Unemployment burden.** Nauru's labor market faces many challenges, including a historically high unemployment rate and high rates of precarious work. Insufficient employment generation, along with substantial high-skill migration and low rates of higher education completion of Nauru's population, has led to a total unemployment rate of 23% in 2014, youth unemployment being especially high at 44%. With little opportunities for employment for the youth demographic group, their ability to exit a cycle of intergenerational poverty is limited.

Despite these challenges, the Government of Nauru is committed to ensuring a sustainable quality of life for all Nauruans. The country has demonstrated its commitment to achieving the Sustainable Development Goals through the review of its National Sustainable Development Strategy (NSDS) 2005-2025. Furthermore, the government works on the synergies between the NSDS and international frameworks.

To further address these current and future challenges, while lifting people out of poverty and providing support throughout the life cycle, it is timely to create a more strategic, comprehensive, and needs-based social protection system. Moreover, to achieve the government's social sector goals in the areas of health and education,² a social protection system addressing vulnerabilities from an early age and providing equal access to social services is necessary. This strategy, which aims to lay the foundation of such a social protection system, is presented in this document.

1.2 Definition of social protection

In line with Nauru's National Sustainable Development Strategy 2005-2025 and the definition of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP 2015 and 2018), this strategy defines social protection as government transfers of income or services such as health care or education that are designed to reduce vulnerability and build resilience. Social protection is anchored in the universal right of everyone to social security and a standard of living adequate for one's health and well-being and for their families (ILO 2010). The Universal Declaration of Human

2 As outlined in the National Sustainable Development Strategy 2005-2025.

Rights (1948) lays down these rights in Articles 22 and 25.³ The rationale for social protection is to ensure that no one lives below a minimum standard of living, with everyone having access at least to basic social services.

Aligned with the social protection floor, in its most basic form, social protection should comprise the following:

1. Basic income security for children, providing access to nutrition, education, care, and other necessary goods and services
2. Basic income security for persons in active age who are unable to earn sufficient income, including in cases of sickness, unemployment, maternity, and disability
3. Basic income security for older persons and persons living with disability
4. Essential health care for all, including maternity, aged care, services for persons living with disability, all meeting the criteria of availability, accessibility, and quality

Across all four components of the social protection floor, programming should furthermore be gender-responsive and address gendered risks over the life cycle and provide support in situations of poverty, vulnerability, or crisis.

2. Vision

The long-term vision for social protection in Nauru seeks to establish a gender-responsive and socially inclusive social protection system that ensures relevance, efficiency, effectiveness, and financial sustainability of all existing and potential future social protection programs to protect the population from poverty and deprivation and to reduce persistently high inequality in the country. Nauru's social protection system shall further protect and safeguard the interest of poor and vulnerable groups throughout their lives, with sensitivity regarding the risks and vulnerabilities occurring in each stage of the life cycle.

While especially non-contributory social assistance programs shall be expanded to cover an increasing share of Nauru's population, the expansion of both non-contributory and contributory social protection measures is expected to promote productivity and income security through equal opportunity and access to resources and services that enhance decent livelihoods and guarantee a minimum standard of living to the population.

The strategy further aims at empowering the vulnerable and increasing equity through social protection, while ensuring shock-responsiveness of social protection and building resilience of the population in the face of increasing natural disasters and other external, covariate shocks. Finally, social protection measures shall be rooted in a needs-based and evidence-driven approach, rooted in the commitment to provide effective support to those most in need.

³ In the Universal Declaration of Human Rights, Article 22 and the six following articles spell out the significance of economic, social, and cultural rights, which include the right to social security. Article 25 lists the elements of the right to a standard of living (food, clothing, housing, medical care, necessary social services), the right to security (in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood), and special care and social protection during motherhood, childhood, and for all children, whether born in or out of wedlock.

3. Mission

The objective of the social protection strategy is to facilitate the reform and evolution of the national social protection system by ensuring strengthened leadership and improving the targeting and administration of programs, together with enhanced monitoring and evaluation thereof.

Moreover, its goal is to introduce gender-responsive and sustainable social protection programs that fill current gaps in the system to achieve a life cycle approach, which is also sensitive to people living with disabilities. Such increased support throughout the life cycle is to be achieved predominantly through the strengthening of current programs and the introduction of new social assistance programs.

In addition, the strategy's objective is to promote employment and active labor market programs, especially in the face of Nauru's high youth unemployment rate, and to work toward financial sustainability of existing and future programs.

4. Goal

The overarching goal of social protection is to ensure that all people of Nauru are protected from poverty and deprivation and have equal opportunity to build their human capabilities to further their own social and economic development.

5. Principles

These are the seven principles guiding Nauru's social protection strategy:

1. Protection from poverty and deprivation
2. A life cycle approach
3. Empowerment of vulnerable groups and equity
4. Transformational social protection
5. Shock responsiveness and resilience
6. Needs-based and evidence-based measures
7. Good governance

5.1 Protection from poverty and deprivation

Social protection in Nauru shall adopt a **pro-poor design**, ensuring that programs and services cover the most vulnerable and that everyone in need is able to access support from social protection. Social protection thus plays a vital role in ensuring that poor and vulnerable groups are covered by and linked to the relevant support that they need. It is imperative that programs reach individuals and households in need with predictable non-contributory assistance.

Moreover, benefit levels shall be adequate to help individuals and households cover their basic needs and be predictable to ensure that over the long term, persons can be lifted out of poverty.

5.2 A life cycle approach

The social protection system shall adopt a **life cycle approach**, meaning that individuals are protected against different contingencies they might encounter across the phases of their life. An individual incurs certain identifiable periods in a life cycle that bring particular risks related to age, namely the perinatal period, infancy, childhood, adolescence and youth, adulthood (working life), and old age. While the degree of risk exposure varies between life cycle stages, the ability to cope with these risks also varies. The need to reduce vulnerability at every life cycle in all life phases is essential for social justice, poverty reduction, and development. Moreover, it is crucial to recognize that a buildup of risks and vulnerabilities occurs throughout a life, and should risks remain unmitigated, long-term development of individuals is bound to be negatively affected (Rawlings et al. 2013).

First phase: Life cycles before working age. In this phase, social protection shall focus on investing into the development of individual potential, providing people with tools and capacities necessary to lead a decent and productive life. Examples of such measures include maternity protection, ante- and post-natal care, child care, health care, and education (Bonilla-Garcia and Gruat 2003). In particular, the first 1,000 days of human life provide a window of opportunity to substantially augment human capital development by investing in nutrition, education, and health. Furthermore, between the ages of 6 and 14, children can face risks and vulnerabilities from inadequate level of food supply, poor access to healthcare services, lack of early learning facilities, risk of early school dropout, child labor, and early marriage or pregnancy. Hence, measures should be aimed at combatting these risks and promoting access to basic health and education services.

During adolescence, the youth is particularly exposed to unemployment and inaccessibility to training and education. Measures aimed at adolescents shall therefore include skill- and employability-enhancing programs. Such measures can facilitate labor market entry for graduates, unemployed youth, and adolescent job seekers, thereby ensuring that future generations maximize their potential and contribute toward national development. Such programs are highly relevant especially in Nauru's context with its high rate of youth unemployment.

Second phase: Life cycles during working age. In this phase, the objectives of social protection are multifold, which include promoting decent work and employment, protecting against the risk of unemployment, promoting lifelong learning, and advancing productive and healthy life expectancy. Social protection measures shall relate to establishing income security, protecting against loss of employment, and enhancing training and employment opportunities. Thus, the primary type of support provided through social protection programming are (1) labor market interventions, such as trainings and livelihood support programs, and (2) social assistance programs providing income support at the time of loss of employment or during sickness.

Third phase: Life cycles after the working years. In this phase, the focus of social protection is to contribute to income security and maintenance of independence. Furthermore, this stage lays importance on guaranteeing access to essential goods and services, such as food, shelter, health and care. To protect individuals in this last age bracket (65 and above, and individuals living with a disability), social protections are most relevant in the form of contributory and non-contributory (social) pensions, guaranteeing income security, and supporting access to disability services and health care services.

These life cycle phases must further be complemented by focus areas relating to crosscutting issues, such as disability, gender equality, and shock responsiveness (Bonilla-Garcia and Gruat 2003).

5.3 Empowerment of vulnerable groups and equity

Social protection shall **empower vulnerable groups**. These include population groups overrepresented in poverty statistics, such as women, persons living with disabilities or chronic illness, persons engaged in informal employment, the elderly, children, unemployed individuals, persons engaged in home care duties, and other vulnerable groups such as refugees and migrants (Moustafa 2015). This can be achieved through a range of measures, such as capacity building programs tailored to the needs of different vulnerable groups and creating access to productive resources. Furthermore, social protection shall promote equity⁴ among the population by paying particular focus to vulnerable groups and by ensuring that processes and programs are sensitive to the specific needs of these groups and include these groups. The principle of equity ensures that social protection measures reach disadvantaged groups meaningfully and narrows the inequality gap persistent in Nauru.

5.4 Transformative social protection

This social protection strategy recognizes the relevance of **transformative social protection**, which extends social protection to include the realms of inclusion and equity, and thus goes beyond the understanding of social protection as solely targeted income and consumption transfers. To date, social protection programming in Nauru mostly focuses on protective and preventive measures, which seek to provide relief from immediate deprivation and alleviate poverty, and narrowly targeted at those in need. In contrast, transformative measures seek to address concerns about social equity and exclusion, such as upholding human rights for children or vulnerable groups and promoting gender equality. Transformative social protection interventions shall be integrated into the current social protection system and include, for example, changes to the regulatory framework to protect socially vulnerable groups (such as persons with disabilities or victims of domestic and/or gender-based violence) against discrimination and abuse, and sensitization campaigns seeking to transform public attitudes and behavior and to enhance social equity (Devereaux and Sabates-Wheeler 2004).

5.5 Shock responsiveness and resilience

Establishing a social protection system that is designed to **anticipate** and to **respond** to shocks in coordination with other sectors can help households better prepare for and cope with impacts of such shocks. Responsiveness to shocks should thereby be integrated across all dimensions of a social protection system, including its evidence-based policies, programs, and administrative dimensions. In addition to shock responsiveness, social protection has a role to play in enhancing individual and household resilience, which is the capacity to better prepare for, cope with, and adapt to shocks. Such programming can have positive impacts on areas such as income, food security, productive activities, and savings and accumulation in human capital (UNICEF 2019).

4 The principle of equity accepts that differences between individuals may exist but argues against differences that are unfair and avoidable. There should be equality in opportunity and the same chance in life for everyone to succeed. There should be no unfair, avoidable or systemic inequities, and social protection should work to overcome any such inequities.

Current social protection programs in Nauru mostly account for idiosyncratic risks, which particularly occur at the individual or household level, such as sudden illness or death of a household member. Nauru has not introduced shock-responsive social protection programs and programs that build resilience against covariate (aggregate) shocks affecting a large share of the population simultaneously, such as natural disasters or economic/political crises. With an increasing prevalence of climate change-induced natural disasters, including rising sea levels, water shortages, and increased temperatures, such assistance is highly relevant.

To build a more shock-responsive system, Nauru's existing social protection system shall be strengthened to enable the flexing and/or scaling up of existing programs or activating new emergency programs that build on existing systems, to accommodate new populations and needs as a result of a shock. To realize this objective, (1) institutional capacity supported by well-functioning coordination mechanisms shall be built, and (2) underlying administrative systems and processes necessary for the delivery of regular and emergency social protection programs shall be set up and enhanced.

5.6 Needs-based and evidence-based approach

This strategy further promotes a **needs-based** and **evidence-based approach** to social protection programs, which places importance on informing social protection measures by regularly conducting research. This shall entail evidence creation in the form of robust poverty, risk, and vulnerability assessments to gain an understanding of which type of assistance is needed by whom, at which point in time, for which duration, and where to provide this. Building programming on such evidence shall help maximize program relevance, effectiveness, and efficiency. In addition, setting up regular and robust monitoring and evaluation processes within social protection programming shall help policy makers and implementers gain insights into the outcomes and impacts that programs achieve, in turn helping to generate political commitment and public confidence in the relevance of social protection programming, thereby ensuring sustainability.

5.7 Good governance

Finally, this strategy recognizes the **importance of good governance**, rooted in accountability and transparency—both being essential to foster public confidence and acceptance and to promote participation in program implementation. This shall be achieved through inbuilt accountability mechanisms in social protection programs, ensuring timely and accurate information dissemination as well as the right of beneficiaries to seek and to receive information on all social protection entitlements in a transparent manner. Good governance shall be ensured through the most efficient use of available resources and transparency in their utilization and shall be complemented by robust monitoring and evaluation of program outcomes and impacts including cost-effectiveness and targeting approaches with clearly defined mechanisms for grievances and redress.

In addition, to further foster efficiency and effectiveness in governance, this strategy shall build on—or further strengthen—existing programs and initiatives set up by government, contingent on these efforts currently meeting their objectives and goals. Government departments shall seek to complement each other's efforts by working in a collaborative manner for the benefit of the people in Nauru.

6. The six strategies

Following are the six specific strategies prioritized by the national social protection strategy that focus on achieving the overall vision, goals, and principles of social protection in Nauru.

STRATEGY 1: Strengthening leadership, multisectoral collaboration, and governance to maximize social protection outcomes

Overview

The first strategy entails designating a main government agency with an overall role in social protection development and performance. Strong national ownership and government leadership at all levels are necessary to drive the national social protection strategy's implementation. Currently, there is no department holistically dedicated to social protection in Nauru, while cross-departmental coordination is largely managed through the Department of Finance. By designating a lead government agency, which can provide overall oversight of policy implementation, structuring and coordination of stakeholder involvement and processes can be streamlined. Such a body may be responsible for further tasks, including the design and development of integrated social protection programs with guidelines and service standards and the establishment of an integrated information management system and single registry. In addition, it may be in charge of the development and implementation of a social protection communication strategy, undertaking of periodic reviews, monitoring, and evaluation processes as well as the development and strengthening of committees at different administrative levels to enhance coordination and to promote integrated planning, budgeting, and service delivery.

Goals

1. **Operationalize the implementation plan for the National Social Protection Strategy.** To ensure that this strategy is operationalized in an adequate and timely manner, an implementation plan was developed for the strategy, which translates this strategy's vision and mission into practice with clear action points and responsibilities.
2. **Review existing legislation, acts, and policies related to social protection in the country.** In addition, review how these could be strengthened to further promote social protection.
3. **Designate the Social Welfare Division as the main government agency to oversee social protection development and performance of programs.** The designation of such an agency ensures that all matters of social protection fall under the same institutional structure. This helps increase decision-making efficiency, oversight on programs, and ensure integration into a life cycle approach. It also fosters transparency and accountability for the whole system and individual programs.
4. **Strengthen coordination with partners involved in social protection programming, particularly nongovernmental organizations (NGO) and civil society organizations (CSO).** NGOs and CSOs, including faith-based organizations, play a significant role in the area of social protection, be it through the direct provision of support to households in distress or

by advocating for the provision of support to vulnerable groups for the government. Setting up a sectoral working group or an advisory committee can help engage NGOs and CSOs more systematically and help define their role in the sector.

STRATEGY 2: Improving the targeting and administration of existing social protection programs by building human capacity for social protection implementation and enhancing processes for efficiency

Overview

There is an urgent need to improve efficiency in the administration and targeting of programs, ensuring that the delivery of services is enhanced toward the intended target groups. Currently, the management of information presents a challenge to more effective targeting. No harmonized beneficiary registry is in place and a decentralized approach for storing and management of information is used. This hampers the adoption of alternative targeting approaches in the future. Furthermore, various delivery processes such as communication and awareness raising, application procedures, grievance redressal mechanisms, and monitoring and evaluation processes remain fragmented and require consolidation and strengthening.

Goals

1. **Develop a unique identifier for social protection beneficiaries in Nauru.** This identifier can facilitate the targeting of programs and identification of beneficiaries during registration procedures, while minimizing fraud, increasing accountability, and improving transparency.
2. **Undertake an analysis to identify whether households, especially the poor and vulnerable, are aware of the benefits they can receive as well as the respective procedures to access these.** As shown in the situation analysis, the take-up of certain programs varies along the income distribution. While this may be a result of demographic factors, this also reveals that households in lower income quintiles are less informed about their rights and the programs they can access.
3. **Set up appropriate delivery systems for the country's social assistance programs to improve administration of social protection.** Improvements are necessary in terms of streamlining application and registration procedures, communication, grievance redress mechanisms, and monitoring and evaluation processes. These components not only make programs better from a beneficiary perspective but are also paramount in measuring a program's impact and identifying areas for improvement. Furthermore, ensure that the delivery systems are appropriate and gender-responsive, and information is collected disaggregated by sex.
4. **Invest in coordination platforms and support infrastructure among relevant government agencies.** To foster integration of social protection programs and administration thereof, create coordination platforms between relevant government agencies. Support such platforms through necessary coordination infrastructure, including shared workplans, data-sharing agreements, memorandum of understanding, etc.

5. **Build human capacity to enhance the implementation of social protection programs.** Along with strengthening the delivery systems of the country's social assistance programs, it is also vital to build human capacities, ensuring that program processes are adequately implemented. Next to investments in training and upskilling of staff, such capacity building also entails the development of clear descriptions of staff roles and responsibilities in relation to social protection programming and drafting of standard operating procedures. These latter procedures should be gender-responsive. In addition, there is a need for a gender-diverse workforce implementing social protection programs.
6. **Consider shock-responsive elements when improving delivery systems and building human capacity.** The relevance of shock-responsive social protection will only continue to grow in the future, hence, systems set up today should be rendered shock-responsive. When improving registration procedures, communication, and grievance redressal mechanisms, their applicability in emergency situations should be considered. Furthermore, it should be discussed which existing or new social protection programs could be scaled up vertically and/or horizontally in case of an emergency to deliver support to affected populations.

STRATEGY 3: Strengthening needs-based and evidence-based social protection programs through the monitoring and evaluation of social protection programs, including gender-disaggregated data and feedback loops

Overview

To fill the current coverage gaps in Nauru's social protection system, particularly regarding social assistance and labor market programs, programs must be strengthened in their needs-based and evidence-based approach. Monitoring processes and regular evaluations of program impacts are thus imperative, along with the establishment of feedback loops to ensure continued improvement of programs. The commitment toward a needs-based approach should further be rooted in an understanding of gender in the realm of social protection, which entails recognizing that men and women, boys and girls are subject to different risks and vulnerabilities. Hence, efforts must be undertaken to assess (gender-)specific needs and implications for social protection programs.

Goals

1. **Implement the monitoring and evaluation (M&E) framework and plan accompanying this social protection strategy.** The M&E framework that accompanies this strategy sets the stage for systematic data collection in Nauru and is meant to track the strategy's implementation. The framework provides actionable guidance for the policy, setting milestones in the strategy's implementation and ways through which progress toward these milestones will be monitored and assessed.

The Social Welfare Division, the designated social protection agency for implementing this strategy, shall be responsible for overall monitoring, while the capacity of other stakeholders will be strengthened to undertake regular and decentralized M&E activities.

Finally, a detailed organizational and management structure for the national M&E framework shall be developed, with linkages to all social protection programs, and data collection tools and reporting formats to be harmonized. Six-monthly reports on the progress of all programs are to be provided by responsible agencies.

2. **Establish a social protection management information system (MIS).** Since effective program monitoring relies greatly on a social protection MIS, both an MIS and a monitoring system to track program results must be established simultaneously. The MIS shall document program performance and enable the flow and management of information for key processes within social protection programs, including identification of applicants and beneficiaries through targeting and registration, management of appeals and grievance processes, production of payment lists, reconciliation thereof, and exit and graduation of beneficiaries, among others. The MIS thereby serves as a basis for sustaining and expanding programs and enabling information sharing to key stakeholders on the status and effectiveness of programs.

The establishment of an MIS is key to harmonizing and consolidating the current and future range of schemes. Furthermore, an MIS increases the ability of social protection programs to scale up quickly in response to crises, which is essential to fulfilling one of the social protection strategy's core principles of shock-responsiveness.

Next to the setting up of hardware and software requirements for such an MIS, specialized training in the management of the MIS is to be provided to staff in the responsible agency. Capacitated staff is necessary to fulfill various roles such as data capturing, data entry, repairs, and system supervision and management.

3. **Mainstream gender across all monitoring and evaluation activities and present sex-disaggregated data analysis.** Ensure that all data collection processes capture data disaggregated by sex. Reflect this sex disaggregation in all reporting activities.
4. **Set up a coordination mechanism to facilitate transparent exchange of data and evidence.** A range of actors are involved in different parts of monitoring and evaluation of social protection programs and components of the system, including but not limited to different government agencies, researchers, development partners, and other stakeholders. A coordination mechanism could help streamline efforts and ensure that relevant data and evidence are available to all actors.

STRATEGY 4: Adopting appropriate, gender-responsive, and sustainable social protection programs in the future, with regard to the social protection system's current gaps, to achieve a life cycle approach

Overview

Nauru's current social protection system ranks relatively low in comprehensiveness and impact compared to other countries in the Pacific and hence requires the system's expansion through the scale-up of existing programs and introduction of new programs. Currently, there are a few social

assistance programs—although the system exhibits a gap in supporting working-age adults—and there is a relatively incompressive social insurance system, with programs only targeting formal sector workers. Moreover, active labor market programs are currently limited in scope, further magnifying the gap in support of the working-age population.

In addition, payments of Nauru’s current social assistance programs have been identified as relatively low and largely insufficient in lifting beneficiaries sustainably out of poverty. Efforts must be made to ensure that benefits are sufficient to provide appropriate healthcare, minimum protection through social assistance, and minimum income security for those covered by social insurance schemes. Provisions need to be adequate and sufficiently flexible to respond to changing needs in social protection, while also safeguarding that the support provided is financially sustainable.

Goals

1. **Design and implement a social protection program targeted at poor and vulnerable individuals of working age, delivering cash transfers and supporting labor market integration.** Given that Nauru will be increasingly exposed to climate change and its related effects, and potential economic crises, the establishment of a cash benefit targeted at poor individuals of working age and their households could help them cover their basic needs while building their resilience. This program could be promotive rather than protective in nature and help these adults build livelihoods and foster labor market participation (see Strategy 5). Such a program would further strengthen the country’s life cycle approach toward social protection. When designing the program, especially consider the needs of women of working age, and especially the challenges faced by women of working age who are also sole parents, caregivers, living with disabilities, and/or are pregnant.
2. **Develop a mechanism to ensure benefit levels of all programs rise with inflation.** For benefit amounts to reflect the changes in price in the markets, these should be annually adjusted for inflation. This is especially important for the poorer populations of Nauru who depend to some extent on the purchasing power of the transfer value they receive.
3. **Identify a national multidimensional poverty threshold.** To measure progress across time, the Government of Nauru should establish a methodology to measure the national multidimensional poverty rate, as international monetary poverty lines are too low and do not reflect the multidimensional deprivation existent in the country. Once this has been established, the poverty line needs regular updating to reflect changes in expenditure, income, and multidimensional deprivation of households. Assessing not only monetary poverty but also multidimensional poverty can further help policy makers render social protection programs more responsive to underlying deprivations and link social protection programs to relevant (basic) services that deprived households may require.

STRATEGY 5: Promoting employment and an active labor market

Overview

Since Nauru’s social protection system currently lacks active labor market programs, focus on this category of social protection support is needed to help address the high unemployment rate and rates

of precarious work—especially youth unemployment rate—and to promote productive inclusion. It is vital to ensure that social protection measures promote sustainable livelihoods with the aim of enhancing living conditions on a more permanent basis. It is thus important to introduce a package of livelihood support measures to poor and vulnerable individuals and households with productive capacity to provide access to more productive employment and higher income. Such measures should focus on strengthening capabilities and skills to move toward a more high-skill workforce.

Goals

1. **Provide beneficiaries of the program targeted at poor and vulnerable individuals of working age (Strategy 4), with labor market integration support.** The government aims to ensure that appropriate employment opportunities are created for the potential future workforce, next to its aim to increase the level of education and building capacities of Nauruans. Labor market trainings to upskill unemployed persons and to increase their employability should be set up. Moreover, trainings can also help facilitate a shift in economic potential and development toward higher-skill sectors. Trainings could be linked to livelihood development programs wherein vulnerable households are also provided with access to care, financial services, and livelihood opportunities.

Next to skills trainings, such services should include employment services, linking unemployed persons to employment opportunities, career counselling, and services targeted at self-employment and (women's) entrepreneurship, for example, by facilitating access to credit. Ultimately, the objective of these services and programs is to move highly vulnerable households into sustainable livelihoods and toward economic stability.

2. **Consider gender-specific needs when designing labor market programs.** When designing labor programs, consider the needs of women of working age, and especially the challenges faced by women in the labor market who are also sole parents, caregivers, living with disabilities, and/or are pregnant. To ensure that these women have equal access to labor market interventions, it is necessary to take into consideration their needs, demands, and existing constraints that should be addressed such as their involvement in caregiving activities. Hence, women need more flexible working/training options, including part-time options, as well as specific programs targeted toward them such as the development of an income generating/livelihood pilot program for women. In addition, gender sensitization, conflict resolution, and gender-based violence prevention activities could be integrated into skills trainings that may be provided as part of labor market programs.

STRATEGY 6: Ensuring financial sustainability of existing and future social protection programs

Overview

The sustainable provision of transfers and services under the social protection strategy necessitates long-term budgetary planning and sound management of public resources to ensure the availability of required resources. Reliable, sustainable, and institutionalized funding mechanisms must be set up and an analysis of fiscal space for social protection should be carried out to identify feasible revenue sources for social protection. In particular, domestic resource mobilization is a major element in

ensuring long-term financing and sustainability of social protection and should thus be considered in the fiscal space analysis. Some domestic financing options for social protection include the expansion of social insurance coverage and contributory schemes, increasing tax revenue, reallocation of public expenditures, and managing debt (Ortiz et al. 2017). By aiming for financial sustainability, Nauru decreases its vulnerability to global economic shocks, and can ensure that also during times of crisis, the government is able to adopt anti-cyclical economic stimulus measures to lessen the impact of any global or regional contraction on Nauru's economy and population.

Goals

Develop a sustainable financing strategy for the national social protection strategy.

An expansion of social protection coverage to groups that are currently excluded and the upward adjustment of current benefit levels are expected to raise social protection related expenses. A fiscal space analysis should thus be carried out prior to the development of the social protection financing strategy to identify fiscal avenues of covering the increased social protection expenses over the long term. The analysis should pay attention to the potentially large increase of costs related to the aged pension, which has been forecast to approximately double in its expenses over the coming 20 years due to an ageing population. Furthermore, the strategy should stress-test existing investments and make recommendations how the government can make provisions during good years that can be used during times of crisis.

7. Implementation plan

The National Social Protection Strategy (NSPS) is accompanied by an Implementation Plan (Appendix 2). The plan builds on the strategic objectives and priorities of the NSPS and defines a set of activities, along with further information such as responsible actors and the implementation timeline, to guide the execution of the NSPS. The plan is intended to (1) provide a roadmap on the execution of the social protection strategy throughout the next ten years, and (2) facilitate discussions between key social protection stakeholders on how to prioritize, design, and fund the next steps for program implementation. Activities of the Implementation Plan are structured according to the six strategies outlined in the NSPS. For each strategy, operational details are described in the document, which include specific activities, the timeline for each activity, the responsible lead agency, required resources, and potential bottlenecks along with possible solutions. Overall responsibility of monitoring and evaluation of the social protection strategy, as well as the midterm review of the strategy, lies with the Social Welfare Division.

8. Monitoring and evaluation

Finally, the National Social Protection Strategy is accompanied by a monitoring and evaluation framework developed originally in an Excel file (Appendix 3). The framework is related to impact, outcome, and output statements aligned with the single strategies and goals outlined within this strategy. The framework lists the indicators to be collected, as well as their baseline values for 2021 and target values for 2027 and 2032. The framework further identifies the disaggregation of indicators to be collected, the reporting frequency, means of verification, and the responsible government department/agency.

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1
Social protection, if adequately designed, does not only alleviate poverty but can also achieve multidimensional impacts and gender equality outcomes.

APPENDIX 1

Nauru Social Protection Strategy Situational Analysis Report

1. Introduction

Over the years, increasing evidence has shown that social protection, if adequately designed, does not only alleviate poverty but can also achieve multidimensional impacts and gender equality outcomes across sectors, including in education, health, and nutrition.¹ In addition, the design of adequate social protection programs positively affects the livelihoods and risk management capacities of households in need by allowing them to invest in productive assets and enterprises, as well as enabling them to participate in the labor market. Taken together, these effects do not only strengthen the economic resilience of a country but also foster social cohesion and strengthen the bond between the state and its people.

In Nauru, the current social protection system is composed of two main components: social insurance and social assistance. The underlying programs of each component have grown in size over the years, allowing a larger proportion of the population to be covered by social protection. While social insurance largely benefits state and formal sector employees, social assistance has the aim of protecting households and individuals from the consequences of shocks, while also allowing them to accumulate financial, human, and productive assets (UNICEF 2016). Programs included under this component include the birth benefit, death benefit, education assistance trust scheme, school feeding program, back-to-school scheme, disabled benefit, and aged benefit. With an increase in benefit amounts over time as well as programmatic coverage, expenditure on social assistance as a share of government expenditure has increased from Australian dollar (AUD) 2.04 million or 1.5% of gross domestic product (GDP) in 2015 to AUD15.95 million or 9.9% of GDP in 2020 (DOF 2015, 2020a).

Yet, despite these improvements, Nauru faces persistent issues of inequality and unequal distribution of wealth, as evidenced by a Gini coefficient of 0.52 in 2014, up from 0.34 in 2012 (Moustafa 2015; World Bank 2021). To reduce this level of inequality, as well as to tackle prevailing poverty and vulnerability and to strengthen the overall economic resilience of the country, especially in light of an increasing prevalence of climate-change induced natural disasters, Nauru must take action. Among these actions to take is to further strengthen the island's social protection system to be more strategic, comprehensive, evidence-based, and sustainable.

¹ Social protection is defined by UNICEF (2016) as “the set of public and private policies and programs aimed at preventing, reducing and eliminating economic and social vulnerabilities to poverty and deprivation.”

The first step is to develop a gender-responsive and socially inclusive **National Social Protection Strategy**. This strategy must aim to ensure the relevance, efficiency, effectiveness, and financial sustainability of all existing and potential future social protection programs with the objective to protect and safeguard the interest of poor and vulnerable groups. The strategy must relate to the government's vision and mission for social protection and set relevant nationwide objectives for existing and new social protection programs.

Additionally, it must outline the systems needed to deliver the programs, the financing, and the provisions for overall monitoring and evaluation. To be able to establish the strategy, it is important to have a complete understanding of Nauru's socio-economic context in the past, present, and future. This report thus serves as the situational analysis for the project of Strengthening Social Protection in the Pacific—Nauru Social Protection Strategy.

The first section of this report provides a high-level overview of poverty and vulnerability in Nauru. The second section gives an overview of the social protection environment, including existing policies, programs, and information systems. The third section analyzes the existing programs and presents the results from a microsimulation model. Existing programs are assessed for their impact on poverty and vulnerability, and each program's cost is projected over time. An analysis is also presented on the life cycle coverage of programs, thereby informing the recommendations in the final section of this report. These recommendations focus on which life cycle components (i.e., early childhood, disability, or old age) require strengthening—thus becoming a priority in the new strategy—and which life cycle risks are already well covered by existing social protection programs. Furthermore, it will be ensured that any recommendation made will reflect the aspect of gender, where appropriate.

2. Socio-economic context in Nauru

2.1 Economic and social context

With a GDP per capita of US dollar (USD) 10,405,² Nauru, an island of 21 square kilometers in Micronesia located northeast of Australia, is classified as a high-income country. According to the United Nations Department of Economics and Social Affairs, the total population of Nauru was 11,832 individuals as of June 2021. Of these, 55.9% are under the age of 25, 18.1% are aged 25 to 64, and 2.3% are aged 65 and older (Pacific Community 2021).

The economy of the island is heavily dependent on external development aid, income received from the refugee detention centers and fishing licensing scheme, as well as the revenue generated from phosphate mining. Since the 1900s, phosphate mining has been the backbone of Nauru's industry, bringing relative wealth to the small island nation. However, the 1980 Australian market collapse, inadequate management of the investment portfolio of the Nauru Phosphate Royalties Trust, and the collapse of the island's financial system have crippled the national economy. It was only in 2008 that large-scale second-level phosphate mining reemerged, positively impacting the growth of GDP in the most recent years.

² The GDP per capita was calculated in this report by utilizing the aggregate GDP for 2021 obtained from the official government 2020–2021 budget speech and the population for 2021.

TABLE A1.1: Key sectoral outcomes in Nauru

Sector	Key Outcomes
Health	<ul style="list-style-type: none"> ▶ High child mortality rates ▶ High unmet need for family planning ▶ High prevalence of sexually transmitted infections ▶ Adolescent mental health is a significant concern ▶ High prevalence of noncommunicable diseases (e.g., cardiovascular disease, cancer, type II diabetes, and chronic respiratory diseases) ▶ High rates of obesity affecting 71% of the population
Nutrition	<ul style="list-style-type: none"> ▶ 24% of children under the age of 5 are stunted ▶ 55% of children under the age of 5 are anemic ▶ 44% of pregnant women are anemic ▶ 27% of children have a low birth weight ▶ 44% of children aged 13 to 15 are overweight and 17% are obese
Water, sanitation and hygiene (WASH)	<ul style="list-style-type: none"> ▶ 66% of the population has access to improved sanitation facilities ▶ Nauru has a limited supply of fresh water and often affected by droughts
Education	<ul style="list-style-type: none"> ▶ Net enrollment ratio for early childhood education was 78.1% in 2015 ▶ Net enrollment ratio for primary education was 76% in 2015 ▶ Net enrollment ratio for secondary education was 35.3% in 2015 (38% for females and 32.8% for males) ▶ In 2015, 30% of males and 25% of females left school prematurely ▶ Gender Parity Index* for primary GER was 92% in 2015 ▶ Gender Parity Index for lower secondary GER was 100% in 2015 ▶ Gender Parity Index for upper secondary GER was 110% in 2015
Protection	<ul style="list-style-type: none"> ▶ Children in Nauru face relatively high rates of violence at home, in schools, and in the community ▶ Women and girls in migrant detention centers are particularly vulnerable to sexual assault and abuse
Social protection	<ul style="list-style-type: none"> ▶ Social Protection Index is 0.8% of GDP per capita for women and 1.1% for men

GDP = gross domestic product, GER = gross enrollment ratio.

Sources: UNICEF 2014 and Government of Nauru 2014a.

* The Gender Parity Index, released by UNESCO, is a socioeconomic index designed to measure the relative access to education of males and females. It is calculated by dividing the female GER by the male GER for the given level of education.

All of this was not without consequences. Approximately 80% of the island's total land area has been stripped to date, with significant negative repercussions on the island's air quality. Furthermore, the remoteness of the island has exacerbated transportation constraints, affecting the provision of key services to its population.

As a result of this and other factors, several sectoral outcomes remain below the levels achieved by Nauru's Pacific island peers, which are listed under Table A1.1 (UNICEF 2014; GON 2014).

TABLE A1.2: Incidence of basic needs poverty and vulnerability (2012)

	Number of Individuals	Percentage of Total Population	PERCENTAGE OF ALL HOUSEHOLDS		Percentage of Food that is Subsistence Production
			Female-Headed Household	Male-Headed Household	
Below food poverty line	0	0.0	0.0	0.0	0.0
Below BNPL	2,794	24.0	17.7	16.3	8.0
Highly vulnerable (within 20% of BNPL)	916	7.9	7.5	5.5	14.1
Vulnerable (within 20%-50% of BNPL)	1,818	15.6	13.1	13.9	11.1
Potentially vulnerable (within 50%-100% of BNPL)	2,430	20.8	19.2	20.2	10.4
Not poor or vulnerable	3,702	31.8	42.4	44.1	12.2
TOTAL	11,660	100.0	100.0	100.0	11.2

BNPL = basic needs poverty line.

Source: Nauru Hardship and Poverty Report (Moustafa 2015).

2.2 Poverty and vulnerability

In 2013, 24% of the population was living below the basic needs poverty line (BNPL),³ with an additional 44.3% being vulnerable to falling into poverty. Only 31.8% were classified as non-poor or vulnerable (Table A1.2). Disaggregating the vulnerable, 7.9% of Nauru's population is extremely vulnerable, 15.6% are vulnerable, and 20.8% are potentially vulnerable.⁴ While these households might not be classified as poor, they are highly susceptible to shocks. These may include a loss of employment or income, climate change, illness, and other idiosyncratic and covariate shocks. Vulnerable households containing children and youth as well as those headed by females were found to be overrepresented in the island's poverty statistics. In fact, according to the 2012-2013 Household Income and Expenditure Survey (HIES), 25% of children under the age of four and 20% of children between the ages of five and fourteen were living below the BNPL (Moustafa 2015). In addition, 57% and 48% of these respective groups were vulnerable to falling into poverty.

Furthermore, the 2012-2013 HIES finds that female-headed households are more vulnerable than those headed by males (Table A1.2). In fact, 17.7% of households headed by women were below the BNPL, while 39.8% were vulnerable to falling into poverty. While this is similar to male-headed households, a higher proportion of female-headed households are highly vulnerable. When disaggregating by expenditure deciles, it is found that female-headed households are over-represented in the lower expenditure deciles. In addition, there is a lower share of female-headed households (35%) in the highest expenditure quintile when compared to male-headed households (65%) (Moustafa 2015).

3 The basic needs poverty line uses the food poverty line as a reference point for estimating non-food basic needs expenditure as it is assumed that if a household can meet its basic food requirements, it is also likely they will be able to meet their basic non-food requirements (Moustafa 2015).

4 "Extremely vulnerable" is defined as those households whose per capita adult equivalent expenditure is above the basic needs poverty line by less than 20%. "Vulnerable" is defined as those households whose per capita adult equivalent expenditure is between 20% and 50% above the basic needs poverty line. "Potentially vulnerable" is defined as those households whose per capita adult equivalent expenditure is between 50% and 100% above the basic needs poverty line.

The impact of COVID-19 in Nauru

On 16 March 2020, Nauru declared a state of emergency in response to the COVID-19 pandemic. To coordinate the national response, a COVID-19 task force was established with the strategy to monitor and contain cases given the high-risk factors of elevated rates of obesity, smoking, and noncommunicable diseases afflicting Nauruans.

The country focused on repatriating its nationals from abroad, while also establishing testing and quarantine centers and capacity, developing protocols, securing personnel and contingency supplies, training medical staff, and buying medical equipment and supplies.

Over a year later, Nauru has still not had any confirmed cases of COVID-19 nor related deaths (GOA 2020). The country has rolled out a full vaccination campaign, with all adults receiving the second dose. In total, the government spent 11.0% of gross domestic product (GDP) in 2021 on the vaccination program.

Health workers lead COVID-19 vaccine rollout. (Photo: DOH)



In terms of impact, it has been found that Nauru will face lower economic effects when compared to other Pacific countries. Overall, it was forecasted that the economy would contract by 1.7% in 2020 and rebound to 0.8% in 2021. Furthermore, Nauru has accrued cash reserves and has had modest budget surpluses in the past, placing the country in a relatively good fiscal position. In fact, Nauru had the largest fiscal surplus in 2020-2021 compared to any of the Pacific islands (ADB 2021).

In addition, Nauru did not face any school closure during 2020 and 2021, losing no months of learning. This is in contrast to all the other Pacific island states that have lost one to three months of schooling. Nauru has also maintained open borders and transport connectivity with major export countries, ensuring that food security was maintained throughout the pandemic (GOA 2020). This is of significance since Nauru is heavily dependent on imported basic necessities.

Although the economic impact may be lowest for Nauru, forecasts for the larger Pacific economy are bleak. It has been projected that the region would see a decline in real GDP of 5.9%. This equates to approximately USD950 million, which can largely be attributed to the collapse of tourism given that the industry contributes between 20% and 70% to GDP across the Pacific.

Businesses in the Pacific, especially in the fishing industry, have greatly been impacted as a result of increases in the costs of sea and air freight along with a decrease in global demand. Combined, these impacts are forecasted to increase extreme poverty in the Pacific region by 40% (Shen 2020). But to what extent poverty in Nauru will increase has yet to be analyzed.



TABLE A1.3: Asset ownership by poverty/vulnerability status (2012)

	Internet	Computer	Vehicle	Washing Machine	TV	Fridge
Below food poverty line	–	–	–	–	–	–
Below BNPL	3.3	7.2	11.5	10.7	14.1	15.0
Highly vulnerable (within 20% of BNPL)	1.3	3.3	4.5	3.4	5.5	6.0
Vulnerable (within 20%-50% of BNPL)	2.9	7.0	9.0	10.0	11.9	12.4
Potentially vulnerable (within 50%-100% of BNPL)	6.0	10.2	15.5	12.3	18.2	17.7
Not poor or vulnerable	15.8	26.2	36.9	30.2	37.5	39.0
Total	29.3	53.9	77.3	66.6	87.2	90.2

BNPL = basic needs poverty line.

Source: Nauru Hardship and Poverty Report (Moustafa 2015).

For the individuals situated below the BNPL, a poverty gap index of 6.1 was estimated in 2013. This implies that the average real income of poor households would need to increase by 6.1% for them to move just above the poverty line (and not be poor anymore, but extremely vulnerable instead). Furthermore, the severity of poverty, which takes into account the inequality among the poor in Nauru, was estimated at 2.1. This is lower than some countries in the Pacific, meaning there is not much inequality among the poor in Nauru and there are relatively low numbers of extremely poor individuals (Moustafa 2015).

Several main challenges to the alleviation of poverty and the attainment of a higher level of well-being can be identified in Nauru (Brinkman 2020). The first challenge relates to the country's level of inequality, which has been found to be one of the highest in the Pacific region—with a Gini coefficient equivalent to 0.52 in 2014. This is supplemented by information that only 12.2% of total consumption was attributed to the lowest income quintile, with the highest quintile exhibiting a share in total consumption of 29.8% (Moustafa 2015). This is also supported by analyses showcasing asset ownership by vulnerability—which becomes increasingly more prevalent as one moves across the categories of poor to vulnerable to non-poor (Table A1.3).

The second main challenge can be attributed to multidimensional deprivation. While a relatively low share of the population experiences monetary poverty, a lot more can be native opportunities for employment. This obstructs the ability of the younger generation to disrupt any cycle of poverty in which they may find themselves.

3. The social protection environment

With a significant proportion of Nauru's population living below or near the basic food poverty line, a comprehensive social protection system is essential. Not only does such a system strengthen the capacity of households to remove barriers to essential services, but it also aids in reducing existing gaps of inequality. Yet, according to a 2017 assessment, Nauru's social protection system ranks second lowest in terms of the system's comprehensiveness and impact when compared to other countries in the Pacific. This is due to Nauru's social assistance payments being relatively low when compared to the other Pacific countries, which are largely insufficient to lift beneficiaries sustainably out of poverty. Additionally, contributory schemes are limited to formal sector workers, thereby excluding informal

TABLE A1.4: Social protection expenditure as a share of aggregate GDP (%), by category and country/region, 2009 and 2015

Country/Region	All Categories		Social Insurance		Social Assistance		Active Labor Market Programs	
	2009	2015	2009	2015	2009	2015	2009	2015
Nauru	0.8	4.5	0.2	0.1	0.6	4.4	–	–
Palau	9.6	11.0	8.4	10.3	1.2	0.7	–	–
Marshall Islands	5.5	12.6	3.4	10.7	1.4	0.9	0.7	1.0
Federated States of Micronesia	–	7.2	–	6.2	–	1.0	–	–
Kiribati	–	10.8	–	6.1	–	1.0	–	3.8
Micronesia	5.3	9.2	4.0	6.7	1.1	1.6	0.2	0.9

GDP = gross domestic product.

Source: Asian Development Bank 2019.

TABLE A1.5: Social protection benefit size (AUD) for each actual beneficiary, by category and country/region, 2015

Country/Region	All Categories	Social Insurance	Social Assistance	Active Labor Market Programs
Nauru	953.6	2,575.5	945.4	–
Palau	1,383.2	1,480.9	683.5	976.4
Marshall Islands	1,569.8	4,114.0	2,072.0	192.9
Federated States of Micronesia	2,656.9	3,023.6	1,504.1	–
Kiribati	1,462.5	1,975.1	415.3	1,889.6
Micronesia	1,605.2	2,633.8	1,124.1	611.8

AUD = Australian dollar.

Source: Asian Development Bank 2019.

workers (i.e., the poorest members of society) as well as a large share of the female population given that the majority of formal sector workers are men (UNICEF 2017).

Yet, improvements have been seen in recent years. Social protection expenditure in 2009, equated to 0.6% of GDP, increased to 4.5% in 2015 due to the introduction of the school feeding program in 2013 and a fourfold increase in expenditure on old-age pensions in 2015. Consequently, the coverage of social protection was expanded from 5.0% in 2009 to 36.8% in 2015.⁵ In terms of per capita GDP, this equated to an increase in expenditure on social protection from 0.9% to 1.2% over the same period of 2009–2015 (ADB 2019).

Despite these improvements, Nauru's social protection expenditure remained below Micronesia's average by 5.7 percentage points (Tables A1.4 and A1.5). In recent years, an expansion of expenditure

⁵ Disaggregated by sex, social protection expenditure was found to be higher for female beneficiaries than for male beneficiaries. From 2009 to 2015, average expenditure on social protection for women increased from 0.4% to 2.3% but declined for men from 5.0% to 2.0% (ADB 2019).

related to social benefits⁶ may indicate an increase in the overall budget of the country's social protection sector. While total expenditure on all social benefits equated to a total of AUD2.04 million (1.5% of GDP) in 2015, it increased to AUD15.95 million (9.9% of GDP) in 2020 (DOF 2015, 2020a).

The aforementioned average expenditure on Nauru's social protection programs can be subdivided into three main subcategories: (1) social insurance, (2) social assistance, and (3) active labor market programs. It must also be noted that in addition to these three subcategories of social protection, the traditional social protection system, under which individuals rely on the aid received from family, friends, and their communities, has played a critical role in the Pacific, including in Nauru. Each of these categories is further detailed in the following subsections of this report.

3.1 Social insurance

Social insurance is composed of contributory schemes that aim to help individuals respond to common risks including illness, old age, and unemployment. However, in Nauru, the only programs that are available in this regard is the contributory pension scheme that is limited to formal sector workers. This excludes the informal workforce and also does not necessarily target the poorest members of society. In total, Nauru spent 0.1% of GDP on social insurance in 2015—a figure that is a lot lower when compared to the Micronesian average of 5.4%. Furthermore, with only two programs under its social insurance scheme, coverage solely amounted to 0.3% of the population.

3.1.1 Nauru Superannuation Scheme

The Nauru Superannuation Scheme (NSS) provides pensions to all Nauruan employees since 1 July 2018. The scheme operates under the Nauru Superannuation Act 2018 and subsequent amendments. The NSS is managed and administered by a superannuation fund based in New Zealand called SuperLife. The relationship to this fund is managed by Nauru's Department of Finance, with the National Revenue Office being responsible for the scheme's compliance with the Nauru Superannuation Act.

The NSS is a defined contribution scheme with both employers and employees contributing 5% of the superannuable salary. As of 1 July 2019, the NSS became mandatory for all employers with one or more employees. An employee is eligible to become a member of this scheme if he/she meets the following criteria: (1) is in a contract of services with an employer, (2) is a resident individual, and (3) is aged 18 years and above (GON 2018). Upon reaching the age of 55 and retirement, an individual can apply to withdraw their entire benefit from the NSS.⁷ In case the member dies, the total pension will be received by a nominee. If the nominee is under the age of 18, the benefit shall remain in the NSS until the nominee reaches 18. Subsequently, the nominee can apply for withdrawal of the pension amount. In 2012, around 33 people received the pension and the scheme has expanded to include 4,153 employee members as of June 2020 (DOF 2020b; Olsson 2012). At the same time, the scheme includes approximately 52 employers. The NSS value was equivalent to AUD4.9 million in June 2020, with quarterly contributions equating to about AUD800,000 (DOF 2020b).

6 This includes expenditure on the birth benefit, death benefit, aged benefit, disability benefit, Nauru Superannuation Scheme, Parliamentary Pension Fund, as well as on scholarships (back-to-school payment, etc.).

7 A member that is still in employment can apply to withdraw their voluntary contributions after being a member for at least two years. He/she may withdraw no less than AUD500 every two years. Withdrawal can also occur before retirement if the member suffers from medically verified total and permanent disablement.

3.1.2 Parliamentary Pension Fund

The Parliamentary Pension Fund (PPF) was established in 2008 and operates under the Parliamentary Pension Act 2008. It is a defined benefit fund targeted at Members of Parliament,⁸ which is being supplemented by five annual contributions of AUD840,000 by the Government of Nauru since fiscal year 2018-2019. As with the NSS, the PPF is managed and administered by SuperLife. The total value of the PPF amounted to AUD1.67 million as of June 2020.

To be eligible for pension payments, the Member of Parliament needs to adhere to the following eligibility criteria: (1) has served for an aggregate period of nine years or more, and (2) is not undertaking full-time employment or is receiving salary from the State including state-owned enterprises (GON 2014b). If these conditions are met, the Member of Parliament is entitled to receive a basic rate of AUD300 per fortnight. This rate is supplemented by AUD5 per fortnight for each additional full year that the Member of Parliament has worked in excess of the nine years required for the pension. Furthermore, if the Member of Parliament was the Deputy Speaker, Speaker, Minister, or President, an additional AUD5 is added per fortnight for each full year of service.

However, if the Member of Parliament decides to renounce Nauruan citizenship, he/she will no longer be entitled to the pension payments. The accrued pension benefits will also be provided to widows/widowers or dependents of a deceased Member of Parliament. A widow/widower will receive the full rate of the pension when retired for the remainder of their life. If the widow/widower dies and there are dependents below the age of 17, they will receive one Parliamentary Pension until they reach the age of 17 (GON 2014b).

3.2 Social assistance

Social assistance is composed of predictable cash or in-kind transfers to individuals or households that allow them to protect themselves from the consequences of shocks while also allowing them to accumulate financial, human, and productive assets (UNICEF 2018). In 2015, social assistance expenditure in Nauru amounted to 4.4% of GDP—the highest in Micronesia and the second highest level of expenditure in the Pacific. Programs present in Nauru include the birth claim benefit, school feeding program, disability allowance, elderly allowance, and death claim allowance (Table A1.6).

While social assistance expenditure was equally distributed among men and women in 2009, it came to favor women in 2015 with a difference of 0.4 percentage points as a result of introducing the school feeding program in 2014. However, while these programs are aimed to be an important lifeline for individuals living in poverty in Nauru, payments are relatively low and insufficient to lift the beneficiaries out of poverty (ADB 2019).

3.2.1 Birth benefit

The birth benefit was introduced in 2005 to assist mothers in meeting the costs associated with the birth of a new child. It currently operates under the 2017 Births Deaths and Marriages Registration Act and the 2016 Child Protection and Welfare Act.

8 This means that the beneficiaries of the Parliamentary Pension Fund (i.e., Member of Parliament) do not contribute to the fund.

TABLE A1.6: Summary characteristics of Nauru's social assistance programs

	Birth Benefit	Death Benefit	Back-to-School Payment	School Feeding Program	Education Assistance Scheme	Disabled Benefit	Aged Benefit
Start date	2005	2005	2020	2013	2016	2008	2005
Objectives	To assist the mother in meeting costs associated with the birth of a new child	To assist the family of the deceased with funeral and related expenses	To increase school attendance by removing obstacles to children attending school	To improve nutritional intake and school attendance	To improve educational attendance	To assist disabled people with basic living expenses	To assist elderly individuals with basic living expenses
Targeting method	Categorical	Categorical	Categorical	Categorical	Categorical	Categorical	Categorical
Targeted areas	National	National	National	National	National	National	National
Targeted groups	Mothers and newborn babies	Families with deceased	Children	Enrolled children	Enrolled and attending children 4-18 years old	Persons with severe disabilities	Elderly 60+
Type of benefit	Unconditional cash	Unconditional cash	Conditional cash	Food	Conditional cash	Unconditional cash	Unconditional cash
Amount of benefits	AUD300 for each child of employed mother AUD600 for each child of unemployed mother	AUD2,000 per deceased individual	AUD50 per student per school term	–	AUD5 per day attended per school year	AUD500 per month	AUD500 (60-69) and AUD600 (70+) every month
Payment frequency	One-off payment	One-off payment	Per school term with a total of four terms per school year	Daily on schooldays	Upon completion of year 12 of education	Half of the payment delivered biweekly	Half of the payment delivered biweekly
Delivery mechanism	Bank transfers or check	Check	Bank transfers	Meals provided at school	Bank transfers	Bank transfer or check	Bank transfer or check
Benefit recipient	Mothers	Spouses or family members of deceased	Parents or legal guardian	Students	Students	Persons with severe disabilities	Elderly 60+
Duration of benefits	One-off payment	One-off payment	Duration of schooling	Duration of schooling	Duration of schooling	Duration of life	Duration of life
2020-2021 Budget	AUD192,000	AUD238,000	AUD739,800	AUD2,290,000 ¹	AUD128,725	AUD1,625,000	AUD3,865,000
Proportion of social benefit budget	1.3%	1.6%	4.9%	N/A ²	N/A ²	10.8%	25.6%

AUD = Australian dollar, N/A = not applicable.

Source: International Policy Centre for Inclusive Growth and UNICEF 2019.

1 This figure is for the year 2019-2020 as no figures were provided for the year 2020-2021.

2 This program does not fall under the social protection budget line.

The benefit targets all mothers across Nauru whether employed or unemployed. To be eligible for this benefit, the mother must be a Nauruan citizen and a resident of the island at the time of birth of her child. The benefit will only be paid if the child is born alive. The birth benefit is a one-off payment, whose size varies with the employment status of the mother. If the mother is employed, she will receive AUD300 per child. If she is unemployed, this value doubles to AUD600 per child. To be able to claim the benefit, the mother must provide proof of birth: a medical certificate issued by the hospital in addition to the official birth certificate obtained from the Registrar's office. Proof of citizenship and proof of employment are also required.

The mother (or her representative) must submit all these documents to the Department of Finance, which will prepare a payment voucher for the claim and attach the substantiating documents in order to receive authorization from the Secretary of Finance. Once the Secretary of Finance has done so, the Department of Finance makes an electronic payment into the bank account of the mother. Alternatively, in a situation where the mother does not have a bank account, the Department of Finance issues a check to the mother or authorized representative, which can be cashed in at the National Revenue Office. In 2019-2020, the program amounted to a total cost of AUD100,300, with the proposed budget for 2020-2021 equating to AUD192,000 (DOF 2021). Information on the number of beneficiaries, disaggregated by sex, is not available.

3.2.2 Death benefit

The death benefit was introduced in 2005 with the aim of assisting the families of deceased individuals with funeral and related expenses. In 2010-2011, the program was amended to include the payment of benefits to families that have undergone a stillbirth but this decision has recently been reversed again (Olsson 2012). The program currently operates under the 2017 Funeral Burial and Cremation Act.

The benefits are targeted at families that have experienced a death of a household member. For the next of kin (i.e., son, daughter, brother, sister, father or mother) to be eligible to receiving this benefit, the deceased person must have been a Nauruan citizen, a resident of Nauru at the time of death, and be buried in Nauru. To receive the one-off payment of AUD2,000, the next of kin must provide substantiating documentation to the Department of Finance. This includes a death certificate issued by the hospital and signed by the medical registrar/doctor, as well as a birth/naturalization certificate of the deceased obtained from the Registrar's office.

Following submission, the Department of Finance prepares a payment voucher for the claim and attaches the substantiating documents so that the Secretary for Finance can make the relevant authorization. Once this has been achieved, a check in the deceased person's name is provided to the next of kin by the Department of Finance, more specifically to the person that submitted the substantiating documentation. This check can be cashed in at the Nauru Revenue Office. In 2019-2020, the program amounted to a total cost of AUD202,000, with the proposed budget for 2020-2021 equating to AUD238,000 (DOF 2021). Information on the number of beneficiaries, disaggregated by sex, is not available.

3.2.3 Back-to-school scheme

In 2020, the Government of Nauru implemented the back-to-school scheme operated under the 2011 Education Act, the 2016 Child Protection and Welfare Act, and the 2017 Inclusive Education Policy and Guidelines. The program's aim is to increase school attendance by ensuring that obstacles

to attendance are removed through the provision of a cash transfer. This transfer is targeted at all enrolled students between the ages of 4 and 18 on the 1st of January each year. For each of the four school terms, a student may receive an amount equal to AUD50 if certain eligibility criteria are adhered to. These include the aforementioned age limitation of 4-18, as well as the child needing to be a Nauruan citizen and enrolled in Nauruan preparatory, primary, secondary, or able/disabled schools.

For a child who is newly enrolled in school (i.e., first time enrollment), no conditions apply for the first term payment. For any additional term or for any student who has already been enrolled in school previously, payment is made conditional on the previous term's attendance rate. This rate must be at least 80% for the student to be able to receive the current term's back-to-school payment.

As with other social assistance programs, substantiating documents need to be provided to gain approval of the benefit. These documents include evidence of enrollment and attendance, the parent's or legal guardian's bank account details, and a back-to-school form. The bank account details and back-to-school form are provided by the parents or legal guardians to the Social Welfare Services, while the Department of Education supplies enrollment and school attendance reports to the Social Welfare Services. Upon the compilation of these documents, a payment voucher is created by the Social Welfare Services for each student and submitted to the Secretary of Finance for approval. If authorization is gained, the Department of Finance makes an electronic payment into the bank account of the parents or legal guardian of the beneficiary student. In 2020-2021, the proposed program budget amounts to a total cost of AUD739,800 (DOF 2021). Information on the number of beneficiaries, disaggregated by sex, is not available.

In terms of reporting and the provision of relevant and up-to-date information by the Ministry of Education to other relevant stakeholders, Nauru has established since 2008 an Education Management Information System (EMIS), which includes summaries of enrollment by grade and age, student profiles, staff profiles, attendance rates, exam results, and literacy and numeracy benchmarking.

However, the outputs of this system remain limited since information is often incomplete or inoperative (Clear Horizon 2018). Furthermore, no explicit information can be found in terms of a grievance redress mechanism or a monitoring and evaluation framework. In fact, to date, the program has not been evaluated in terms of its effectiveness in contributing to the rise in student enrollment. Yet, what is known is that the high dropout rates, low attendance rates, and teenage pregnancies present in Nauru are not a result of a lack of financial incentives, but a result of the challenges present when considering the transition from school to the labor market or continued education. To a certain extent, this may be explained by the presence of low literacy and numeracy rates. But an in-depth evaluation of the program and the educational context of Nauru is needed to understand why inputs do not translate into outputs.

3.2.4 Education assistance trust scheme

The education assistance trust scheme operates under the 2016 Nauru Education Assistance Trust Act. The scheme has five underlying objectives: (1) to provide an incentive for school attendance; (2) to increase the country's rate of attendance; (3) to improve the education experience of students; (4) to celebrate the value of youth to the country once schooling is completed; and (5) to create public recognition of students who complete their final year of education (GON 2016). To achieve these objectives, the scheme is funded by the Nauru Education Assistance Trust Fund, which has a Board of Directors managing the funds. This board is composed of the Secretary of the Department of

Education, the Secretary of the Department of Finance, and the Chairperson of the Teacher Registration and Curriculum Board.

The benefits of this scheme are targeted at children who are aged between 4 and 18 on the 1st of January of every year and are enrolled at a government school or registered at a nongovernment school. The child must be a Nauruan citizen or must have been accorded refugee status under the Refugee Convention Act 2012. For each official schoolday that an eligible child attends school, he/she is provided with AUD5. The records of attendance, based on which payments will be made, are collected by each school, and provided to the Secretary of Education in line with section 19 of the 2011 Education Act.

These benefits accrue over time and are paid out into the bank account of the unit holder⁹ upon the child's graduation (year 12) or upon attaining the age of 18 if having completed year 9 of schooling. If a child fails to complete year 9 of schooling, he/she will forfeit any of the accrued entitlements. However, under certain conditions, the education assistance scheme also allows for the early payment of the accrued entitlements. This occurs in the event of (1) the death of the child; (2) the child being granted a secondary school scholarship abroad; (3) the child becoming incapacitated and thereby unable to complete his/her schooling; and (4) the child being an inclusive student, where the Board of the Trust Fund has the opinion that the student would have nothing to gain by continuing to be enrolled for education.

In 2020, a total of AUD128,725 was paid to 65 students who completed secondary education in Nauru (GON 2020a). Compared to 2018, this is an increase of 76% given that only 37 students received the education assistance trust scheme pay-out. Sex disaggregated information, however, is not available.

3.2.5 School feeding program

Nauru's school feeding program was initially implemented as a privately funded program in 2013 and operates under the 2017 Inclusive Education Policy and Guidelines and the 2011 Education Act. By 2014, the program was fully funded by the Government of Nauru.

The program is designed to be universal and targets all children enrolled in infant, primary, secondary, or able/disabled schools. In 2019-2020, the estimated number of students was 3,663, bringing the total cost of the program to AUD2,290,000. Sex disaggregated information, however, is not available. The students benefiting from the program receive a free lunch meal at school every day of the school year. The program falls under Nauru's education portfolio and is administered by the Education Secretary's office. The program includes recruiting caterers whose contracts are based on initial school enrollment rates. Lunches are provided for the number of students enrolled at the beginning of the year and are not altered throughout the course of the school year. Once the contract is established with a caterer, the Education Secretary's office provides the Department of Finance with a weekly payment voucher so that meals provided during the previous week are paid for. The provided meals are nutritionally balanced to provide the students with fortified grains/cereals, meat/fish, eggs, and vegetables. This aims to ensure that students receive at least one nutritious meal per day, thereby supporting them to learn well.

⁹ A unit holder is a person registered as the holder of a unit in the trust.

In addition, in-kind assistance, complementary activities, and programs are implemented by the schools. These include the provision of sanitation facilities with soap and drinking water, and educational programs in the areas of nutrition, health, hygiene, as well as food and agriculture (GCNF 2019). Furthermore, the program provides opportunities for employment, especially for women.

According to the Global Survey of School Meal Programs, Nauru's school feeding program has experienced successes as well as setbacks and challenges. With regards to successes, it can be said that the program has achieved (1) feeding all students in the country; (2) meeting educational goals; and (3) instilling an understanding of nutrition, food education, food value, food safety, as well as business management to those involved.

The reported setbacks and challenges that the program still need to overcome were attributed to the limited choice of meals by caterers as well as their lack of training when it comes to catering, cooking, and food handling. In light of this, the Government of Nauru has suggested that it would be beneficial to make teachers or Parent-Teachers Associations responsible for the program. The lack of a monitoring system for the program (GCNF 2019) as well as a grievance redress mechanism has also been identified as a challenge for the program.

3.2.6 Disabled benefit

The disability allowance was introduced in 2008 to assist Nauruan individuals living with a disability with covering basic living expenses. In 2012, the Government of Nauru ratified the United Nations Convention on the Rights of Persons with Disabilities, but the enforcement of its provisions into national legislation has not yet taken place. While the Disability Policy has been drafted in 2015, it awaits approval by the Cabinet. However, the government aims to draft a bill in 2022 with the aim of implementing the convention as well as the draft Disability Policy.

The disabled benefit provides unconditional cash-based benefits equivalent to AUD250 every fortnight on the Public Service payday to persons with disabilities who are unable to work and earn a living. To be eligible to receive this allowance, applicants must meet the following criteria: (1) be a Nauruan citizen, (2) have a confirmed disability, (3) not be in paid employment, and (4) not be receiving a superannuation pension. For each of these criteria, the government requires documentation consisting of proof of citizenship, proof of disability, and evidence of employment status.

While proof of citizenship is established via an original birth/naturalization certificate, proof of disability must be established through a notification received by the Secretary of Health. This consists of a formal letter sent from the Secretary of Health to the Secretary of Finance recommending the inclusion of the individual into the disabled benefit register. The letter should also include a report from the Director of Medical Services, which confirms that an assessment of the disability has been undertaken and affirms that the medical condition of the individual diminishes their ability to work and earn a living. This letter, combined with the proof of citizenship and employment status, is submitted by the Secretary of Health to the Department of Finance, which assesses the claim, and, if satisfied, adds the disabled individual to the disabled benefit register.

Subsequently, the Department of Finance creates a fortnightly payment voucher that the Secretary of Finance needs to authorize. Once approved, the Department of Finance either electronically transfers the benefit amount to the bank account of the person living with a disability or issues a check in their name. In the case of check payment, the person living with a disability or an authorized

**TABLE A1.7: Expenditure as a share of aggregate GDP (%),
by program and country/region, 2015**

Country/ Region	Pensions	Other Insurance	Health Insurance	Assistance to Elderly	Health Assistance	Child Welfare	Disability	Welfare Assistance	Food/Cash for Work	Skills Devt & Training
Nauru	0.1	–	–	1.4	–	–	0.7	2.3	–	–
Palau	8.5	–	1.8	–	–	0.7	–	–	–	–
Marshall Islands	7.2	3.5	–	–	–	–	–	0.9	1.0	–
Federated States of Micronesia	5.7	0.5	–	–	–	1.0	–	–	–	–
Kiribati	4.8	1.3	–	0.9	–	–	–	–	3.7	0.1
Micronesia	5.3	1.1	0.4	0.5	–	0.3	0.1	0.6	0.9	–

Source: Asian Development Bank 2019

representative¹⁰ cashes the check at the Nauru Revenue Office.¹¹ If, for any reason, the individual living with a disability enters gainful employment, emigrates, dies, or receives a superannuation pension, they will be removed as a claimant from the disabled benefit register.

In 2015, the disabled benefit amounted to 0.7% of GDP (Table A1.7). As of 2017, 158 beneficiaries were receiving the disabled benefit.¹² This equates to around 1.4% of the total population (ADB 2019). By 2020–2021, the total proposed budget for the disabled benefit amounted to AUD1,625,000 (DOF 2021).

Although the disabled benefit provides monetary relief to a number of individuals, the program also faces several challenges:

- ▶ First, disability is restricted to physical disabilities. Persons with mental disabilities are currently still excluded from the program.
- ▶ Second, the program may exclude eligible persons due to discrimination. As there is no anti-discrimination legislation nor a formal complaint mechanism in place, affected individuals cannot report discriminatory behavior and are unlawfully excluded from the program.
- ▶ Third, the program does not raise enough awareness. Among families with disabled children, many are not aware that they are eligible to receive benefits.
- ▶ Fourth, the program does not comprehensively track information, which leads to a lack of understanding regarding the number of beneficiaries as well as the resources required to operate the program efficiently and effectively.
- ▶ Lastly, the program faces payment challenges, with beneficiaries often experiencing a delay in their benefit payment. The reason why this occurs is not known.

10 The individual living with a disability would need to provide a written authorization to the Department of Finance and the Nauru Revenue Office if they wish to have a representative collect the check on their behalf.

11 For check payments, the Nauru Revenue Office includes the individual living with a disability in its fortnightly disbursement register.

12 Information on sex disaggregated data was not available.

3.2.7 Aged benefit

The aged benefit was introduced in 2005 and aims to assist the elderly with basic living expenses. The program is targeted at all individuals aged 60 and above. To be eligible to receive the benefit, the elderly individual must be a Nauruan citizen, a resident on the island, unemployed, and does not receive a superannuation pension. Proof of age and citizenship is established through the provision of the original birth/naturalization certificate issued by the Registrar's office. This document, in addition to evidence of the individual's employment status, will be submitted to the Department of Finance by the Registrar's office, requesting that the individual be added to the aged benefit register. If the document substantiates the individual's claim, the department will add the claimant to the register and prepare the corresponding fortnightly payment voucher.

Upon approval by the Secretary of Finance, the claimant will receive AUD250 per fortnight if he/she is aged between 60 and 69, and AUD300 per fortnight if aged 70 or above. This relevant amount is either directly transferred by the Department of Finance into the bank account of the beneficiary or issued as a check. In the case of a check payment, the beneficiary or an authorized representative¹³ collects the check from the Department of Finance and cashes it at the National Revenue Office.¹⁴ If for any reason, the claimant enters gainful employment, emigrates, dies, or receives a superannuation pension, they will be removed from the aged benefit register.

The program amounted to AUD2,981,078 in 2019-2020 and the proposed budget for 2020-2021 is AUD3,865,000 (DOF 2021). Information on the number of beneficiaries, disaggregated by sex, is not available.

3.2.8 Management and delivery of social assistance programs

Although Nauru does not have a department dedicated to social protection, the government has ensured that relevant departments engage with each other. So while the Department of Finance only manages the payments of the social assistance programs outlined above, it engages with the following agencies through official forms and certificates as well as letters of endorsement by the relevant secretaries:

- ▶ Department of People Living with a Disability, Department of Health, and Department of Women and Social Development Affairs on the disabled benefit
- ▶ Department of Education and Department of Social Welfare on the back-to-school scheme and the school feeding program
- ▶ Office of Birth, Death and Marriage Registrar and the Republic of Nauru Hospital on the birth and death benefits
- ▶ Office of Birth, Death and Marriage Registrar on the aged benefits

If any inconsistencies exist in the submitted documentation on potential beneficiaries, the Department of Finance can verify information with relevant departments. It must also be noted that any death that occurs is reported by the Office of Birth, Death and Marriage Registrar to all other departments.

¹³ The elderly individual would need to provide a written authorization to the Department of Finance and the National Revenue Office if they wished to have a representative collect the check on their behalf.

¹⁴ For check payments, the National Revenue Office includes the elderly individual in its fortnightly disbursement register.

In terms of the delivery system of the social assistance programs, it firstly needs to be noted that all programs are based on a universal targeting methodology of groups that meet the respective eligibility criteria. As such, no program looks to mean-test the eligible population. Instead, all eligible individuals who have the supporting documents may register themselves with the Department of Finance to receive payments.¹⁵ While all programs clearly identify what supporting documentation is needed, some do not clearly outline how proof may be obtained. For example, for the birth benefit, disabled benefit, and aged benefit, it is required that the individual provide proof of employment status, yet no mention is made about where this can be obtained or what this would entail. In terms of payment, all programs clearly delineate how the benefit will be paid and in what frequency.

However, while each program clearly outlines its processes regarding targeting, registration, and payment, no explicit information is mentioned about providing individuals access to grievance and complaint mechanisms—an important input into programs to allow for their continuous improvement over time, and for monitoring and evaluation frameworks, also an important aspect to measure a program's impact over time. The management of information also remains a challenge as there is no harmonized beneficiary registry, and most programs store and manage information in a decentralized manner. The absence of a unique identifier further makes it difficult for the government to clearly identify how many programs an individual is benefiting from and for how long.

3.3 Active labor market policies

Active labor market policies (ALMP) are programs that aim to help individuals secure employment. These are typically devised to include skills development and training as well as public works programs (e.g., cash for work or food for work). While Nauru had an unemployment retrenchment allowance, the ALMPs to date are largely in support of seasonal worker schemes with Australia and New Zealand.

3.3.1 Seasonal worker programs

Nauru has a seasonal worker program with Australia and New Zealand. Australia initiated the program in 2009 after New Zealand piloted this in 2007.

The 2007 Recognised Seasonal Employer scheme in New Zealand allowed the horticulture and viticulture industries to recruit seasonal migrant workers from Nauru, among other countries. To be eligible to join, Nauruan citizens must meet health and character requirements, as well as provide evidence of arrangements to leave New Zealand once their contract ends. These criteria are in line with those established by the 2009 Australian Seasonal Worker Program, which specify that the applicant must (1) be a Nauruan citizen; (2) have a police clearance; (3) have a medical clearance; (4) be above the age of 20; (5) have a valid passport; (6) be physically fit and healthy; (7) be of good character; (8) comprehend English; (9) have a genuine reason to enter Australia for work; (10) have a reason to return to Nauru after the end of the contract duration; and (11) be committed to undertake opportunities in self-employment with the savings, knowledge, and skills obtained.

If interested in the opportunity to work abroad through these programs, the eligible applicant can register their interest at the Labor Mobility Unit (LMU) at Nauru's Department of Labor. If approved, the applicant will be added to the work-ready pool compiled by the LMU.

¹⁵ The government successfully undertakes awareness raising campaigns to inform individuals of their rights. Information on the programs is thereby disseminated to the population.

3.3.2 Pacific Labor Scheme

Following a successful pilot and based on the success of the 2009 Australian Seasonal Worker Program, Nauru joined the Pacific Labor Scheme (PLS) on 1 July 2018. The PLS was established to help address the shortage of low-skilled and semi-skilled workers in rural and regional Australia. Under this scheme, approved Australian employers can recruit workers from the participating countries, including Nauru. The scheme consists of the same eligibility criteria as outlined above under the Seasonal Worker Program. The only exception is that the age requirement is capped at 45 for the PLS.

While built-in protections safeguard the exploitation of migrant workers, the Pacific Labor Facility ensures that they are prepared to live and work in Australia. The Pacific Labor Facility also works closely with the governments of the participating countries, including with the Government of Nauru, which has significant experience in prior labor mobility programs with Australia and New Zealand.¹⁶

For Nauru, this scheme helps alleviate its high level of unemployment, especially among the youth. The scheme is targeted toward those that are not in employment, thereby reducing crime and raising income, and ultimately the standard of living of the individuals and families participating in the scheme. To ensure that these individuals are prepared to work abroad, the Government of Nauru, through its Labor Sending Unit under the Chief Secretary Department, coordinates the screening, recruitment, and pre-departure training of workers for both the Seasonal Worker Program and the PLS (GON 2020b).

However, given the high level of unemployment, especially youth unemployment, further investment into ALMPs is evidently needed. Not only can this address the needs of the unemployed through capacity building sessions, but it can also help the poorest quintiles of the population by involving them in programs that provide immediate relief.

3.4 Traditional social protection system

Traditionally, the Pacific Island countries have established informal social protection systems to ensure that individuals, especially those classified as vulnerable, receive aid and support during times of need and crisis. This is of importance given that formal social protection systems often do not have a universal coverage of a country's population. Informal, traditional community-based forms of social protection are frequently established that aim to distribute the risks within a community, thereby filling the gaps of formal interventions. While these informal systems are often self-funded by the community (e.g., funeral insurance savings groups), they can also be externally funded by donors and/or the government (Browne 2015).

In the Pacific region, there are a number of key features when looking at informal social protection. These include (1) the exchange of labor or the establishment of cooperative labor groups for tasks such as land-clearing or construction, and (2) the provision of gifts, both in-kind and in cash. Most often, the gifts are provided on holidays or days that mark an important change in life (e.g., births, deaths, marriage, etc.). In addition to these informal systems, it must also be noted that the Pacific region, including Nauru, has inbuilt norms of social obligation within society to secure the safety and well-being of individuals and families (ADB 2011).

¹⁶ An example of this includes the 2007 Recognised Seasonal Employer scheme in New Zealand that allowed the horticulture and viticulture industries to recruit seasonal migrant workers from Nauru.

BOX 2

The most important assumptions

1. Population projections disaggregated by age groups for the next 20 years were retrieved from the Pacific Data Hub.
2. The gross domestic product (GDP) for the years 2012 to 2020 were obtained from the relevant government budgets. Projections for GDP were based on a historical 10-year moving average of the calculated GDP growth rate.
3. In addition, all historic and projected benefit levels were adjusted for inflation given historic rates obtained from the Pacific Data Hub.

Source: Pacific Community 2021.

4. Financial sustainability of programs and their impact on poverty

4.1 Financial sustainability

To assess the financial sustainability of programs, a macroeconomic model was developed based on historic data and their associated projections retrieved from the Pacific Data Hub with informed assumptions based on past reports, government budgets,¹⁷ and data from the 2012-2013 HIES made for specific parameters.

Given these, the model projected the costs of each of the social assistance programs presented under section 3.2 for the coming 20 years. All projections are presented as absolute costs expressed in Australian dollars and as a percentage of GDP.¹⁸ An overview of the results can be seen in Table A1.8, while the relevant assumptions to each of the programs can be found in Annex A of this Appendix 1, with some of the most important assumptions summarized in Box 2 above.

Considering costs as a percentage of GDP, the aged benefit, school feeding, and disabled benefit are the three programs that constitute the highest share of costs when considering Nauru's overall expenditure on social assistance. While the aged benefit program equates on average to around 1.9% of GDP, the school feeding program comprises 0.96% of GDP and the disabled benefit program, 0.58% of GDP. Over time, the school feeding program and the disabled benefit program exhibit a steady but minimal rise. This is in contrast to the aged pension program, which sees an approximate doubling of its expenses over the coming 20 years given the increasingly aging population in Nauru. As such, it will increase from 1.85% of GDP in 2021 (AUD3,130,013) to 3.36% in 2041 (AUD14,225,272).

¹⁷ Historical government budget speeches were used to obtain data on aggregate GDP values given that the October 2021 IMF database bases its values on 2018 estimates. As such, in the case of the IMF, the aggregate GDP for the years 2019 to 2021 would be projections. Therefore, official government statistics were used in the calculations since they were deemed to be more accurate.

¹⁸ While it would be of importance to consider the expenses of these programs in light of overall government expenditure to illustrate how much of public spending is devoted to social welfare, the volatility and counter-intuitive levels of government expenditure in Nauru vis-à-vis GDP (e.g., government expenditure being reportedly higher than GDP) did not deem modelling this in a robust manner feasible.

TABLE A1.8: Overview of program costing over the next 20 years (AUD)

Program	20-year Cost Estimate				
	2021	2026	2031	2036	2041
Aged benefit	3,130,013 1.85%	4,933,787 2.20%	7,094,127 2.59%	9,891,849 2.91%	14,225,272 3.36%
Disabled benefit	954,152 0.58%	1,260,606 0.56%	1,558,393 0.57%	1,994,370 0.59%	2,542,520 0.60%
Birth benefit	113,097 0.07%	153,671 0.07%	191,119 0.07%	243,683 0.07%	311,716 0.07%
Death benefit	204,454 0.12%	263,714 0.12%	326,009 0.12%	417,214 0.12%	531,885 0.13%
Back-to-school scheme	738,271 0.44%	952,256 0.42%	1,177,202 0.43%	1,506,537 0.44%	1,920,607 0.45%
School feeding program	1,613,516 0.96%	2,226,672 0.99%	2,752,667 1.00%	3,522,755 1.04%	4,490,981 1.06%
Education assistance trust scheme	128,290 0.08%	303,429 0.14%	553,838 0.20%	934,869 0.27%	1,480,053 0.35%
All programs	6,881,793 4.09%	10,094,135 4.50%	13,653,355 4.98%	18,511,277 5.44%	25,503,034 6.02%

AUD = Australian dollar, GDP = gross domestic product.

Sources: Calculations based on data retrieved from the Pacific Community 2021, the Household Income and Expenditure Survey 2012-2013, the Population Census 2011, the Mini Population Census 2019, Pacific Data Hub Projections on key macroeconomic indicators, as well as assumptions made based on the Updating and Improving the Social Protection Index report (ADB 2012) and the Nauru Hardship and Poverty Report (Moustafa 2015).

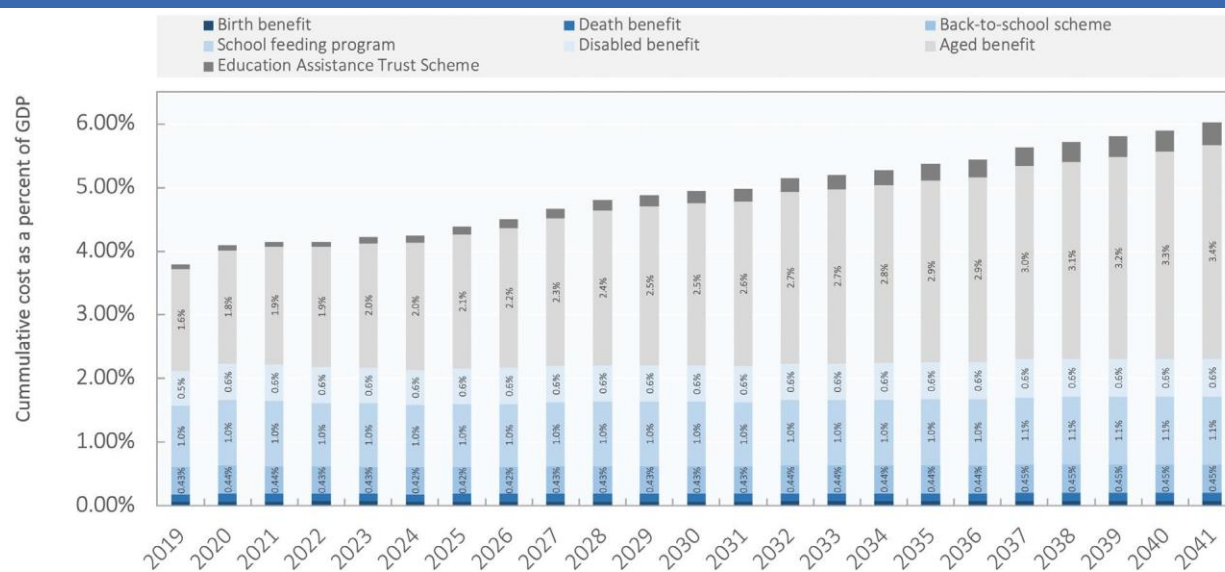
Following these in the share of costs is the back-to-school scheme. Under the assumption that there are 3,691 students aged 4 to 18 in 2021, and assuming that all students managed to attain an attendance rate of 80% per school term,¹⁹ the total cost of the program was estimated at AUD738,271 in 2021 (0.44% of GDP). By 2041, this would equate to AUD1,920,607 or a total of 0.45% of GDP under the assumption that the number of enrolled students aged 4 to 18 grow by the population growth rate.

This is followed by the Education Assistance Trust Scheme, which totals AUD128,290 for 2021. This is equivalent to 0.08% of Nauru's GDP. With increasing educational reforms and improvements in health, eligible children will miss increasingly fewer days of school. Thereby, over time, students will attain an increasingly higher level of accrued benefits by the time they have graduated on year 12. Given the assumption that all students will complete year 12 and that each will have accrued the maximum days of schooling (i.e., 160 days), the expenditure on this scheme will increase to a total of AUD1,480,053 in 2041 (equivalent to 0.35% of GDP).

The final two programs that have been costed consist of the birth and death benefits. Given that these are one-off payments and the coverage of these programs is low, their total cost as a share of GDP is relatively small. In 2021, the birth benefit amounted to 0.07% of GDP (AUD113,097) and the death benefit to 0.12% of GDP (AUD204,454). While the birth benefit is not expected to rise in costs as a percentage of GDP over time, the death benefit increases to a total of 0.13% of GDP by 2041. Combined, all seven social assistance programs are projected to increase from approximately 4.1% of GDP in 2021 to 6.0% in 2041 (Figure A1.1).

¹⁹ It was assumed that all students manage to attain the 80% attendance requirement given that this allows for the cost estimation to align with the 2020-2021 approved budget by the Department of Finance in Nauru, which outlines a budget of AUD739,800.

FIGURE A1.1: Cumulative cost of all social assistance programs over the next 20 years as a percentage of GDP



GDP = gross domestic product.

Sources: Calculations based on data retrieved from the Pacific Community 2021, the Household Income and Expenditure Survey 2012-2013, the Population Census 2011, the Mini Population Census 2019, Pacific Data Hub Projections on key macroeconomic indicators, as well as assumptions made based on the Updating and Improving the Social Protection Index report (ADB 2012) and the Nauru Hardship and Poverty Report (Moustafa 2015).

4.2 Impact on poverty

In addition to analyzing the fiscal sustainability of the seven social assistance programs²⁰ in Nauru, a microsimulation model was developed using microdata obtained from the 2012-2013 Household Income and Expenditure Survey (Moustafa 2015). The established model simulates the total costs and impacts on poverty and vulnerability, thereby identifying whether public spending on social protection in Nauru is efficient. This not only helps with the formation of recommendations, but also allows to put forward programs in the social protection strategy that contribute to poverty and vulnerability reduction.

4.2.1 Key assumptions

The micro-simulated impacts analyzed in this report rely on a number of key assumptions relating to the poverty rate, the vulnerability rates, household expenditure, household consumption behavior, as well as economies of scale. While some of these are based on empirical findings and past literature, others can be classified as simplifying assumptions given the absence of an empirical basis for an alternative.

²⁰ The school meal program was not an included program as it is provided in-kind at school with the overall benefit amounts being relatively low when compared to the other programs if the lunch were monetized. Furthermore, given that individuals receiving the education assistance program could not be identified from the 2012-2013 HIES, the total number of beneficiaries in 2020 (i.e., 65 individuals), were randomly assigned to households, ensuring that the beneficiaries were represented in all expenditure quintiles.

Multidimensional poverty in Nauru

In addition to reducing the depth of poverty in Nauru, the social assistance programs (despite not lifting individuals out of poverty) are important from a multidimensional perspective. For example, while households may not be lifted out of poverty through

receiving the back-to-school benefit, the program does ensure that children are educated and, in combination with the school feeding program, receive nutritious meals on a daily basis. This is of importance given the challenges outlined under Table A1.1.

Poverty and vulnerability rates

The **first assumption** relates to the determination of poverty and vulnerability rates, which provides a measure of the level of hardship faced by individuals and their families, as well as their susceptibility to fall deeper into it. Based on past analyses, it was assumed that the poverty and vulnerability rates identified by the United Nations Development Program (UNDP) would be utilized. These consist of a variation of the basic needs poverty line (BNPL), which is a measure that consists of a food and non-food component (i.e., the cost of a minimum food basket and an amount of expenditure for “essential” non-food items, respectively). As such, the line represents the minimum amount of expenditure that an individual or a family would need to provide the following:

- ▶ A low-cost, yet nutritious diet that has an average of 2,100 kilocalories per day per adult
- ▶ An additional amount to meet the costs of buying essential basic non-food items, including clothing, school fees, utilities, housing, healthcare, communication, as well as transportation. Given that food items can be grown at home, this component on basic needs is often classified as costs that instill the greatest financial impact on individuals and their families (Moustafa 2015).

However, given that nine years have passed since the establishment of the poverty and vulnerability lines, they were grown by inflation to account for changes in the prices of goods over time. As such, any impact of programs on poverty and vulnerability is assessed based on the lines illustrated in Table A1.9.

Household expenditure

The **second assumption** relates to household expenditure. Given that the most recent dataset consists of data from 2012–2013, household expenditure needed to be grown to 2021 to allow for an analysis of the most recent impact of social benefits on households. Over this nine-year time period, Nauru’s macroeconomic situation has been rather volatile, as evidenced by GDP growth rates ranging from -9.5% to a maximum of 33.1%. Overall, in real terms, it was found that GDP grew by 80% from 2012 to 2021. Given an absence of empirical data allowing for the analysis of expenditure growth rates, and given the sensitive nature of the assumption, the micro-modelling undertaken tests two scenarios:

- ▶ The “**most likely scenario**” uses a real rate of expenditure growth between 2012 and 2021 equal to 80%, thereby reflecting the real growth of GDP during this time period.
- ▶ The “**optimistic scenario**” uses a real rate of expenditure growth between 2012 and 2021 equal to 100%.

TABLE A1.9: Annual poverty and vulnerability status classifications and associated lines in 2021

Poverty/Vulnerability Status	Definition of Poverty/Vulnerability Lines	Poverty/Vulnerability Lines
Poor	Individuals/households whose per capita adult equivalent annual expenditure is below the annual BNPL	AUD5,249
Vulnerable	Individuals/households whose per capita adult equivalent annual expenditure is 0% to 50% above the annual BNPL	Above AUD5,249 and below or equal to AUD7,873
Non-poor	Individuals/households whose per capita adult equivalent annual expenditure is more than 50% above the annual BNPL	Above AUD7,873

AUD = Australian dollar, BNPL = basic needs poverty line.

Sources: Calculations based on assumptions provided in the Nauru Hardship and Poverty Report (Moustafa 2015).

TABLE A1.10: The marginal propensity to consume disaggregated by expenditure deciles

	Lowest Three Expenditure Deciles	Expenditure Deciles Four to Seven	Highest Three Expenditure Deciles
Assumed marginal propensity to consume	100%	75%	50%

Sources: Fisher et al. 2019 and UPenn 2021.

Household consumption behavior

The **third assumption** relates to the consumption behavior of households. Given a lack of empirical evidence or past research on the marginal propensity to consume by households in Nauru, simplifying assumptions needed to be made. While specific rates for Nauru or for the Pacific islands have yet to be analyzed, there are general findings that informed the assumptions made in this report.

First, the overall marginal propensity to consume is largely dependent on the country context with research having found evidence of rates between 10% and 90% (Fisher et al. 2019; UPenn 2021). Second, when disaggregating the population by expenditure quintiles, the marginal propensity to consume is inversely related to the level of expenditure of a household. Given this, the assumptions identified in Table A1.10 above were made, thereby identifying the proportion of the social benefit that a household in a specific expenditure decile would consume.

Economies of scale

The **fourth and last assumption** relates to the inclusion of economies of scale into the modelling exercise. Given the absence of empirical evidence for Nauru, Micronesia, as well as for the Pacific islands to accurately assess the extent to which larger families can more efficiently convert expenditure into well-being, it was assumed that no household-level economies of scale exist.

Assumptions about economies of scale are vital when different types of households significantly diverge in size. For example, if households containing elderly individuals or children are significantly smaller or larger than the average household size, then not accounting for economies of scale can bias any underlying poverty and vulnerability analyses. In Nauru, however, household sizes do not

vary by policy-relevant household categories when compared to the average household size of 9.1 members. In fact, households containing elderly individuals have an average household size of 8.6 while households with children have an average household size of 9.6.

Consequently, adjusting for economies of scale would not result in large impacts on poverty/vulnerability indicators when compared to a situation in which substantial differences in the relative sizes of different policy-relevant household categories are present. This is largely due to the fact that adjusting for economies of scale also requires the rescaling of the poverty and vulnerability lines, thereby offsetting any impact that the adjustment may have had.

4.2.2 “Most likely scenario”

The first scenario modelled is the “most likely scenario” that analyzes the impact of six of the seven social assistance programs cited in section 3.2.²¹ These include the birth benefit, death benefit, disabled benefit, aged benefit, and back-to-school scheme. The proportion of households in 2020-2021, in total and disaggregated by quintile, receiving such programs are reported in Table A1.11.

In terms of the impact that this scenario has on reducing poverty in Nauru, it can be concluded that all six social assistance programs combined reduce the number of individuals in poverty by 4.4% from a poverty rate of 16.7% without programs to 16.0% with all programs. In addition, the percentage of individuals classified as vulnerable reduces minimally from 15.96% to 15.93% as shown in Table A1.12.

When disaggregating these impacts by program, it is found that the driving force behind the changes on poverty is the disabled benefit program. Yet, it needs to be noted that although the remaining programs do not push people out of poverty, they do reduce the poverty gap, thereby bringing individuals that are situated in poverty closer to the BNPL. When considering vulnerability, no impact is achieved through the payment of birth, death, and education assistance benefits.

However, it needs to be noted that these three programs do not have the aim to reduce poverty. While the birth and death benefit programs are simply a monetization of in-kind expenditure (i.e., mothers use the birth benefit to be able to purchase food and items for the newly arrived baby, while families use the death benefit to be able to pay for funeral arrangements), the education assistance scheme aims to increase attendance and ensure graduation. The benefit is received upon graduation and intends to be an extra “bonus” for youth.

When disaggregating by household type, one can see that households composed of children, youth, and adults receive the largest variety of benefits. The largest proportion receives the back-to-school benefit (89.4%), followed by the birth benefit (10.2%) and the disabled benefit (7.5%). These cases amount to a total value of benefits of AUD67,085 in 2021. This variety is also reflected when considering households headed by females—where once again, the largest proportion receive the back-to-school benefit, followed by the aged and the disabled benefits. Only a bit more than a tenth of female-headed households do not receive any social benefits from the Government of Nauru. This is far below the value exhibited for households composed solely of adults: 11.7% vs. 88.6%, respectively (Table A1.13).

²¹ The program that was not included was the school feeding program since it is provided in-kind at school with the overall benefit amounts being relatively low when compared to the other programs if the lunch meals were monetized.

TABLE A1.11: Proportion of households receiving benefits, by program and expenditure quintiles (2020–2021)

Social Assistance Program	PROPORTION OF HOUSEHOLDS RECEIVING BENEFITS (%)					
	TOTAL	Lowest Quintile	Second Lowest Quintile	Middle Quintile	Second Highest Quintile	Highest Quintile
Birth benefit	7.6	19.5	19.9	26.9	21.7	12.0
Death benefit	0.9	24.0	51.9	0.0	0.0	24.2
Back-to-school benefit	79.4	22.6	20.9	21.6	20.5	14.4
Disabled benefit	6.5	24.8	12.0	16.5	19.7	27.0
Aged benefit	11.6	22.4	13.6	25.3	12.1	26.5
Education assistance scheme	3.4	25.7	5.4	25.1	26.6	17.2

Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

TABLE A1.12: Poverty and vulnerability results, by program for the “most likely scenario”

Program		Number of Poor	Poverty Rate	Poverty Gap (AUD)	Vulnerable	
					Absolute	Percentage
No programs		1,965	16.7%	3,273,219	1,874	15.96%
Aged benefit		1,965	16.7%	2,959,058	1,817	15.47%
	Change	0	0.00	-314,160	-57	-0.48
Disabled benefit		1,914	16.3%	3,075,297	1,925	16.40%
	Change	-51	-0.44	-197,921	51	0.44
Birth benefit		1,965	16.7%	3,263,761	1,874	15.96%
	Change	0	0.00	-9,457	0	0.00
Death benefit		1,965	16.7%	3,265,447	1,874	15.96%
	Change	0	0.00	-7,771	0	0.00
Back-to-school scheme		1,965	16.7%	3,159,083	1,846	15.72%
	Change	0	0.00	-114,136	-28	-0.24
Education assistance scheme		1,965	16.7%	3,260,682	1,874	15.96%
	Change	0	0.00	-12,537	0	0.00
All Programs		1,883	16.0%	2,634,035	1,871	15.93%
	Change	-82	-0.70	-639,183	-3	-0.03

AUD = Australian dollar.

Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

TABLE A1.13: Proportion of households receiving benefits, by household composition

Social Assistance Program	TOTAL	PROPORTION OF HOUSEHOLDS RECEIVING BENEFITS (%)					Female-Headed Households
		Households with Children (0–14), Youth (19–24) and Adults	Households with Adults (25–59) Only	Households with Children and Elderly (60+)	Households with Children, Adults and Elderly	Households Only Consisting of Elderly	
No programs	16.4	7.9	88.6	0.0	0.0	0.0	11.7
Birth benefit	7.6	10.2	0.0	0.0	9.6	0.0	9.9
Death benefit	0.9	1.0	0.0	0.0	0.0	0.0	2.6
Back-to-school benefit	79.4	89.4	0.0	0.0	100.0	0.0	82.0
Disabled benefit	6.5	7.5	2.2	0.0	9.6	0.0	10.3
Aged benefit	11.6	1.6	9.2	0.0	63.8	100.0	17.3
Education assistance scheme	3.4	5.5	0.0	0.0	0.0	0.0	4.3
All programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total number of households	1,944	869	167	0	43	5	668

Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012–2013, as well as data provided on program specific benefit sizes.

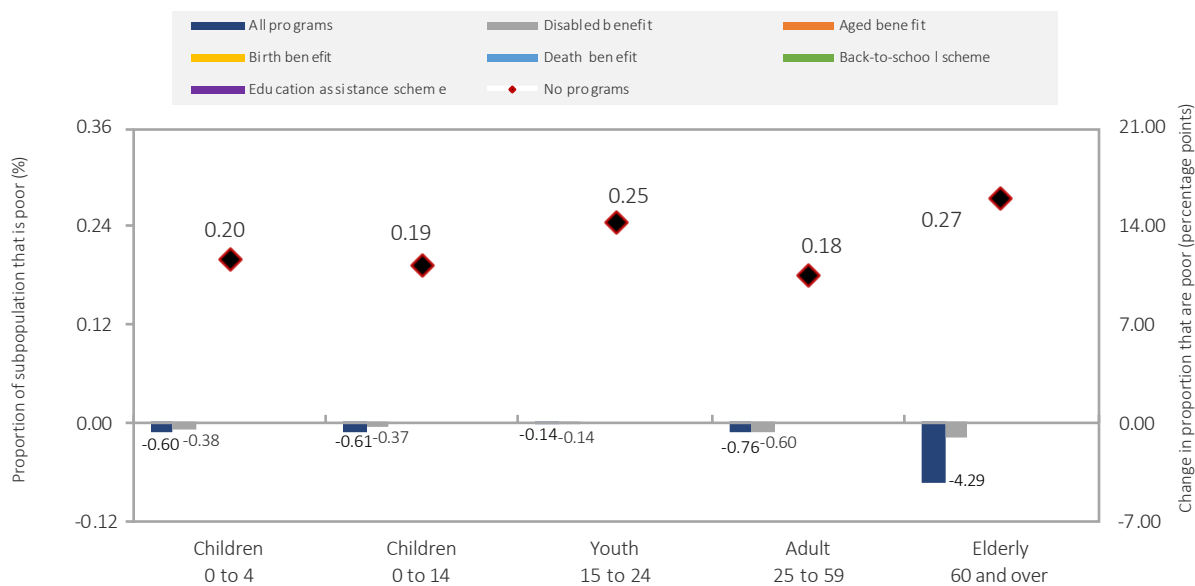
In addition, Figures A1.2 and A1.3 illustrate the impacts of the social assistance programs under the “most likely scenario” on specific subgroups of the population that are classified as poor and vulnerable. All age groups exhibit a reduction in poverty, wholly due to the provision of the disabled benefit. While some households only see an improvement in their poverty gap, others are moved above the BNPL and into vulnerability (i.e., their annual per capita adult equivalent expenditure is up to 50% above the BNPL) as illustrated in Figure A1.3. Yet, it must be noted that while the other programs do not explicitly reduce poverty, they reduce the poverty gap as shown in Table A1.12.

Figure A1.3 also indicates that vulnerable populations are those that benefit the most from the back-to-school scheme as well as the aged benefit, thereby providing these households with a safety net in case of income fluctuations or other external shocks. As for the birth, death, and education assistance benefits, it can be concluded that these are received largely by non-poor households in Nauru. In total, only 19 poor households (out of a total of 148 households receiving the benefit)—with annual average per capita adult equivalent household expenditure equal to AUD4,600—benefited from the birth benefit,²² with the number amounting to 4 poor households composed of children, youth, and adults when considering the death benefit. For the education assistance benefit, only 7 poor households benefited from it, compared to 58 non-poor households. Yet, as explained above, these three programs do not have the aim to reduce poverty.

Considering the dimension of gender, it can be concluded that a larger proportion of female children and elderly are poor when compared to their male counterparts. The reverse is observed when considering the proportion of youth and adults (Figure A1.4). These trends remain even after accounting for all the social benefits provided by the Government of Nauru. Disaggregated by

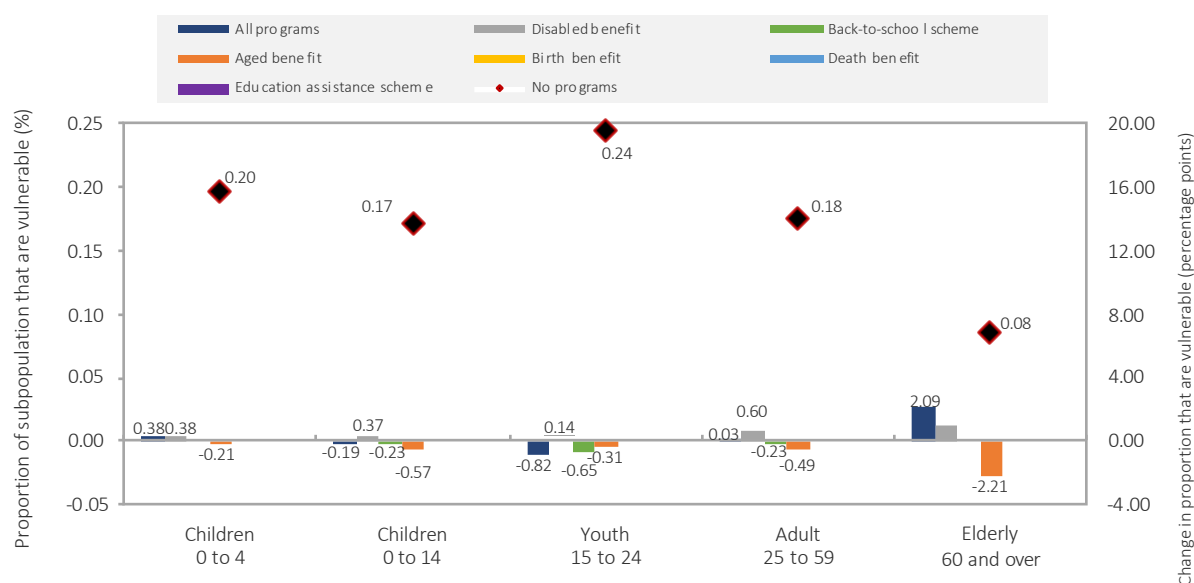
22 Four of these households included children, adults, and elderly, with the remainder composed of children and adults.

FIGURE A1.2: Proportion of the subpopulation that are poor and their respective change by program under the “most likely scenario”



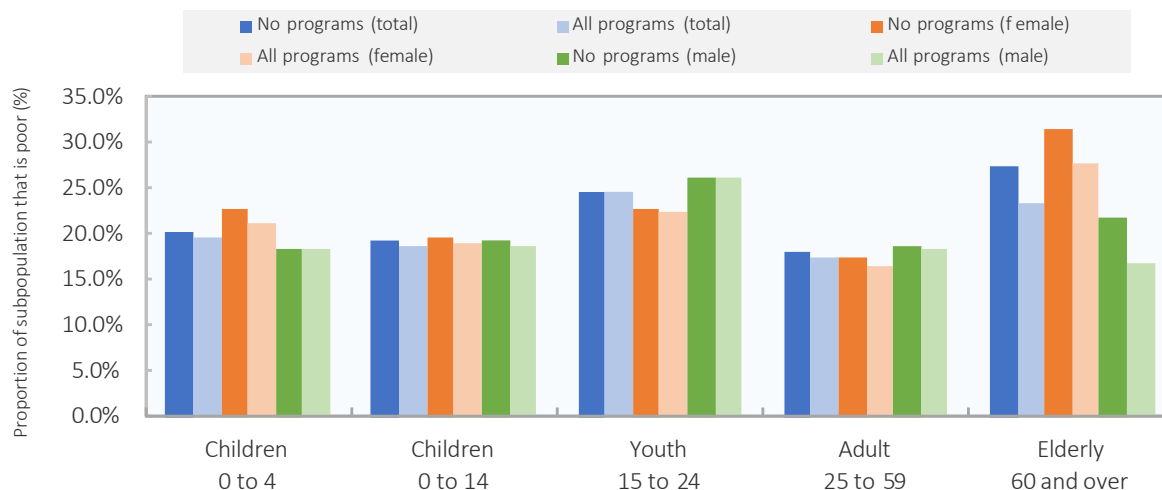
Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

FIGURE A1.3: Proportion of the subpopulation that are vulnerable and their respective change by program under the “most likely scenario”



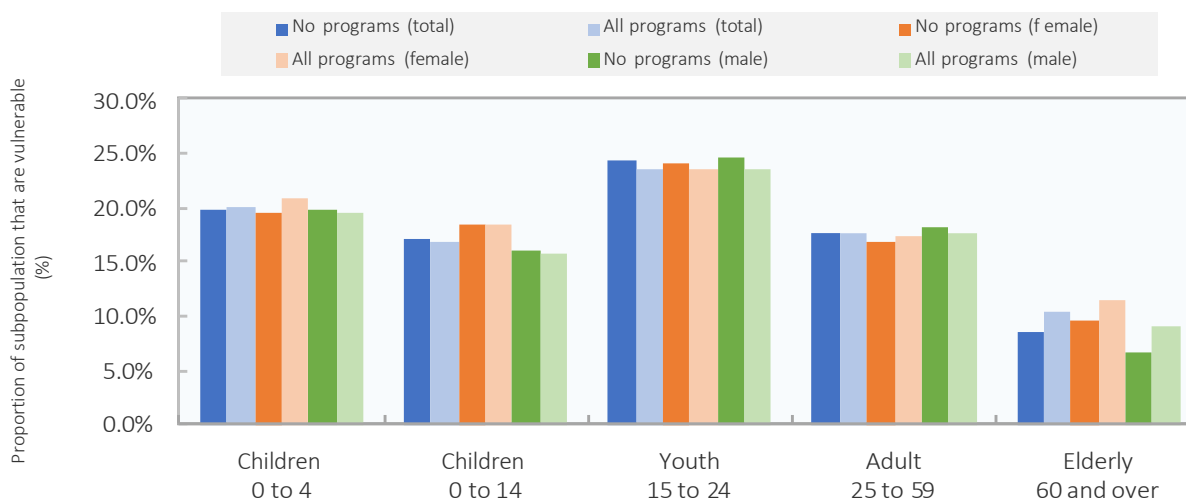
Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

FIGURE A1.4: Proportion of the subpopulation that are poor before and after the introduction of all programs, by gender



Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

FIGURE A1.5: Proportion of the subpopulation that are vulnerable before and after the introduction of all programs, by gender



Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

program, it is found that the reduction in the proportion of the poor is driven by the disabled benefit across all age groups, for both males and females. When considering the total reduction in the proportion of the subpopulations that are poor, it becomes evident that the other programs are also of relevance as they each reduce the poverty gap. When combining all programs, the reduction in the overall proportion of the poor is larger than the effect attributed to the disabled benefit (on average 1.3% age points when compared to 0.5 percentage points across all age groups, respectively).²³

4.2.3 “Optimistic scenario”

The second scenario modelled is the “optimistic scenario,” which is based on assumed expenditure growth rates of 100% of GDP growth, while keeping all other assumptions outlined above the same. Given that this does not change the distribution of social benefits to households, Table A1.11, which showcases the proportion of households in total and disaggregated by quintile that receive the six modelled social assistance programs, is still representative of this scenario as well.

In terms of the impact that this scenario has on reducing poverty in Nauru, it can be concluded that all six social assistance programs combined reduce the number of individuals in poverty by 10.2% from a poverty rate of 13.8% without programs to 12.4% with all programs.²⁴ In contrast to the previous scenario, the percentage of individuals classified as vulnerable rises minimally from 14.85% to 15.44%, indicating a higher shift of individuals from poverty into vulnerability. Box 4 provides an explanation why.

When disaggregating these impacts by program, it is found that all programs have a greater impact on poverty as well as on vulnerability under the “optimistic scenario” than when compared to the “most likely scenario” (Box 4). The program with the largest impact on poverty is the disabled benefit (0.64 percentage point reduction), followed by the back-to-school benefit (0.60 percentage point reduction), and the birth benefit (0.27 percentage point reduction) (Table A1.14). Combined, the implementation of all programs reduced poverty by 1.39 percentage points. Furthermore, while most programs allow for households to move out of poverty and into vulnerability, the aged benefit program allows households to more sustainably escape poverty and vulnerability into the non-poor category.

When disaggregating by household type, the proportion of households receiving benefits, by household composition, remains the same as in the “most likely scenario” given that the distribution of benefits does not change across scenarios (Table A1.13). However, the program impact on specific subgroups of the population that are classified as poor and vulnerable differs as illustrated under Figures A1.6 and A1.7. All age groups exhibit a reduction in the proportion of households that are classified as poor.²⁵ While in the “most likely scenario” this was wholly the result of the disabled benefit, under the “optimistic scenario” this is due to all modelled social assistance programs, with the exception of the education assistance scheme. With lower absolute poverty gaps to begin with, the programs further reduced these, thereby improving the absolute poverty gap for some, while moving others over the BNPL into vulnerability (i.e., their annual per capita adult equivalent expenditure is up

23 See Table A1.B1 and Table A1.B2 in Annex B, Appendix 1 for more information.

24 This poverty rate is lower compared to that of the “most likely scenario” given the higher assumed rate of GDP growth over the 2012-2021 period and its impact on expenditure.

25 The analysis has identified that the aged benefit is also collected by households that do not include an elderly individual. As such, any impact on the rate of poverty that is exhibited under Table A1.14 represents households that do not have an elderly person living with them. Thereby, no reduction is seen in the proportion of individuals aged 65 and above in Figure A1.4. Instead, elderly households have been found to be characterized as vulnerable. As such, the provision of the aged benefit would make them less vulnerable (Figure A1.5) or push them out of poverty completely, depending on their per capita adult equivalent expenditure before receiving the transfer.

TABLE A1.14: Poverty and vulnerability results by program for the “optimistic scenario”

Program		Number of Poor	Poverty Rate	Poverty Gap (AUD)	Vulnerable	
					Absolute	Percentage
No programs		1,621	13.8%	2,493,845	1,744	14.85%
Aged benefit		1,601	13.6%	2,185,330	1,671	14.23%
	<i>Change</i>	-20	-0.17	-308,515	-57	-0.48
Disabled benefit		1,547	13.2%	2,338,675	1,818	15.48%
	<i>Change</i>	-75	-0.64	-155,170	75	0.64
Birth benefit		1,590	13.5%	2,488,291	1,775	15.12%
	<i>Change</i>	-31	-0.27	-5,554	31	0.27
Death benefit		1,602	13.6%	2,491,926	1,763	15.01%
	<i>Change</i>	-19	-0.17	-1,919	19	0.17
Back-to-school scheme		1,552	13.2%	2,399,963	1,786	15.21%
	<i>Change</i>	-70	-0.60	-93,882	42	0.36
Education assistance scheme		1,621	13.8%	2,481,308	1,744	14.85%
	<i>Change</i>	0	0.00	-12537	0	0.00
All Programs		1,458	12.4%	1,943,603	1,814	15.44%
	<i>Change</i>	-163	-1.39	-550,242	70	0.60

AUD = Australian dollar.

Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

to 50% above the BNPL) as illustrated in Figure A1.6. This also explains the contrasting impacts of the birth and death benefit on the poor and vulnerable when compared to the “most likely scenario.”

In addition, Figure A1.7 indicates that vulnerable populations across all age categories benefit the most from the aged benefit; yet less so than under the “most likely scenario” given that the higher per capita adult equivalent annual expenditure has already moved a number of households out of vulnerability before accounting for the benefits of the program. This also explains the contrasting effect of the back-to-school scheme on vulnerability when comparing both scenarios.

From a gender perspective, a significant change is seen when compared to the results under the “most likely scenario.” In fact, under the “optimistic scenario,” the proportion of females that are poor only surpasses that of the male population when considering those aged 60 and above. For all other subpopulations, a larger proportion of the male population is in poverty (Figure A1.8). After accounting for all social benefits provided by the government, a reversal is seen for the subpopulation aged 0 to 14—in which a larger proportion of the female population of this age group is now in poverty when compared to the male counterpart.

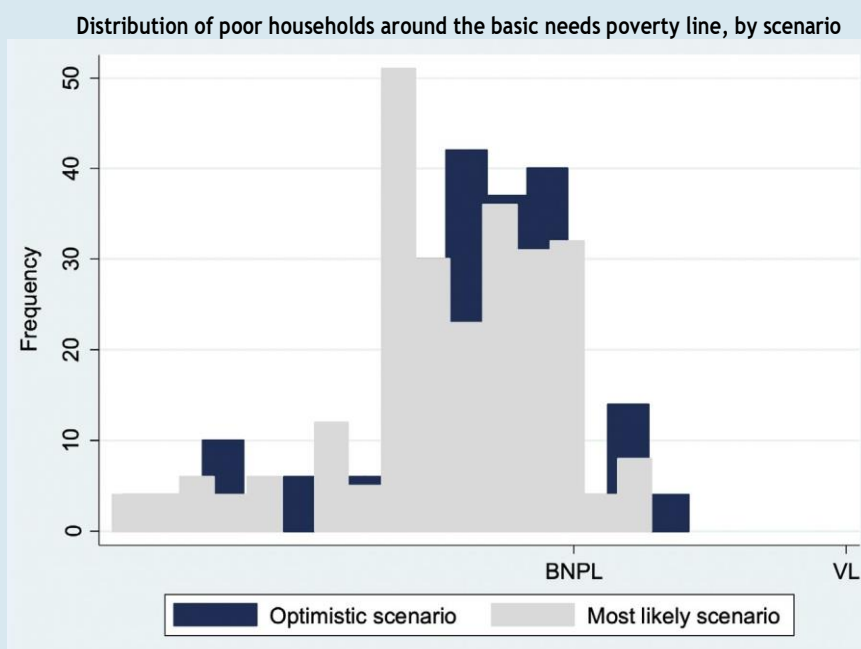
Disaggregated by program, it is found that the reduction in the proportion of the female poor is driven by the disabled benefit, as was the case under the “most likely scenario,” as well as by the birth and death benefits. While the birth benefit impact those aged 0 to 4, the death benefit has the largest effect on the youth population (aged 15 to 24). For the male population, the largest impact on poverty was achieved by the disabled benefit, birth benefit, and back-to-school scheme (Table A1.B2).

Comparison of “most likely” and “optimistic” scenarios

As outlined throughout section 4 of this report, the underlying methodology of both the “most likely” and “optimistic” scenarios is the same with the exception of one assumption—the rate by which expenditure grew over the 2012-2021 time period.

While the “most likely scenario” grows this by a real rate of 80%, the “optimistic scenario” grows this by 100%. This implies that expenditure per household was equivalent to 1.5 times as much in 2021 as it was in 2012 for the “most likely scenario,” and equivalent to 2.0 times as much for the “optimistic scenario.”

The implications that this have on the results of the modelling are visualized in the number of poor, the poverty gap, and the number of vulnerable in Nauru. As such, in a world where no social benefit programs would be provided, the “optimistic scenario” would start off at a lower poverty rate and poverty



BNPL = basic needs poverty line, VL = vulnerability line.

Sources: Illustration based on the basic needs poverty line outlined in Table A1.9 of this report, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

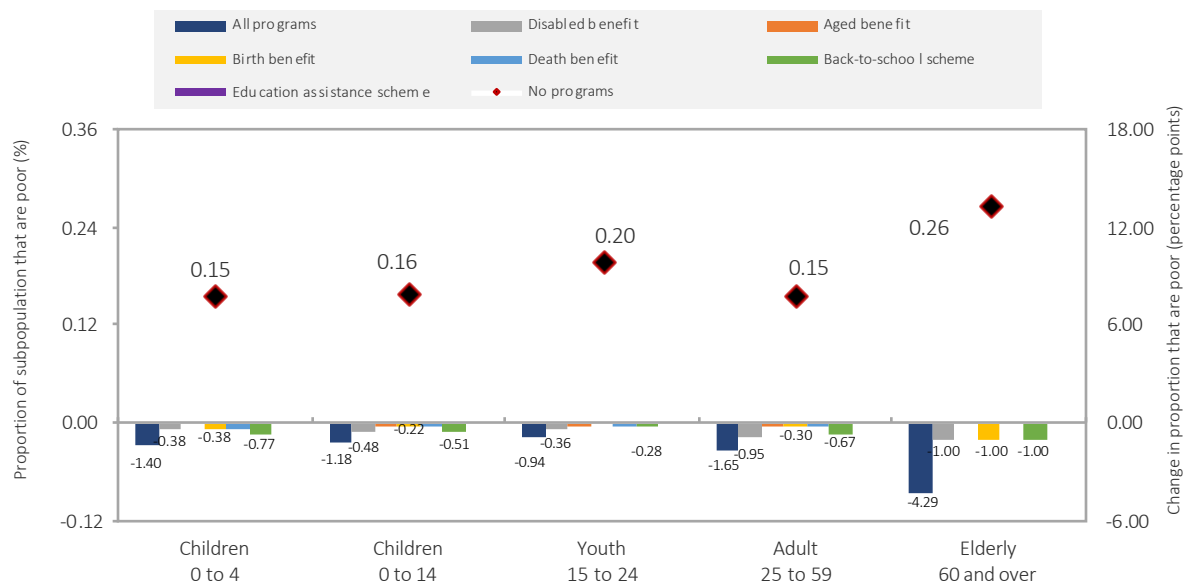
gap, as well as with a lower number of vulnerable individuals according to the modelling. To be more precise, there would be 344 fewer poor individuals, 130 fewer vulnerable individuals, and a lower total poverty gap equivalent to AUD779,374.

As the above figure shows, when considering the distribution of poor households, the growth in annual per capita adult equivalent expenditure under the “optimistic scenario” (dark blue area) has brought a greater proportion of the households above the basic needs poverty line (BNPL) and as such into vulnerability when compared to the “most likely scenario” (gray area).

As such, once the monetary transfers of the separate social assistance programs are considered, a more prevalent impact on the three aforementioned indicators is seen under the “optimistic scenario.” This is due to the fact that the growth in expenditure for every household, which was higher than the growth by which the BNPL and vulnerability line (VL) increased, brought a larger proportion of poor and vulnerable households closer or above the BNPL (depicted) and the VL (not depicted in the figure).

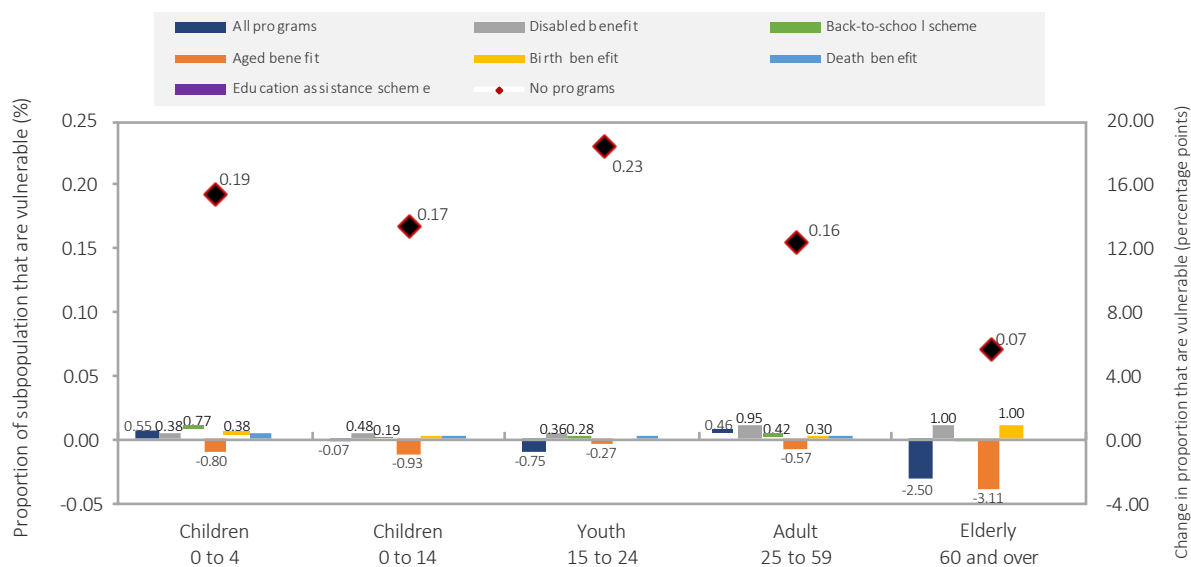
Any provision of cash was now able to bring (1) a larger amount of households above poverty and into vulnerability, and (2) a larger amount of households into an increasingly less vulnerable situation. This explains why the aged benefit, birth benefit, death benefit, and back-to-school benefit programs had a larger impact on the poverty rate and gap under the “optimistic scenario” when compared to the “most likely scenario.”

FIGURE A1.6: Proportion of the subpopulation that are poor and their respective change by program under the “optimistic scenario”



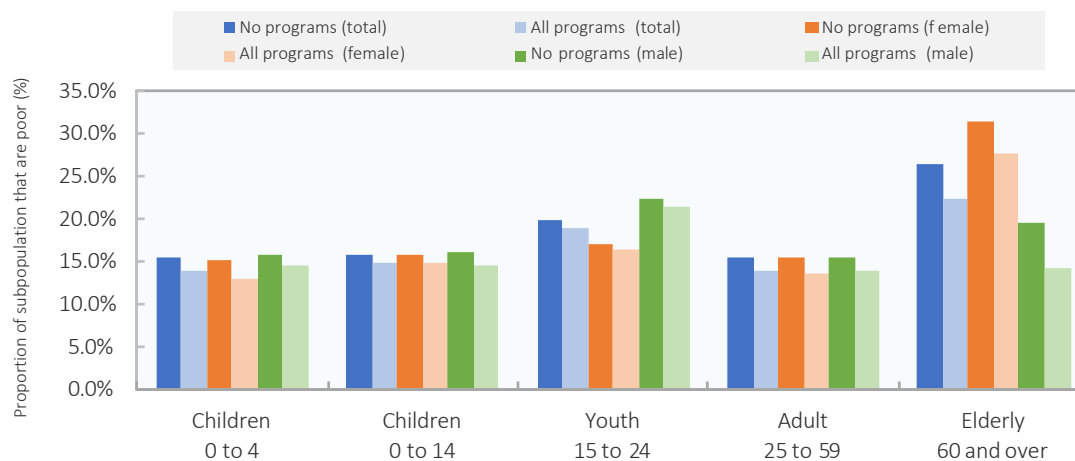
Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

FIGURE A1.7: Proportion of the subpopulation that are vulnerable and their respective change by program under the “optimistic scenario”



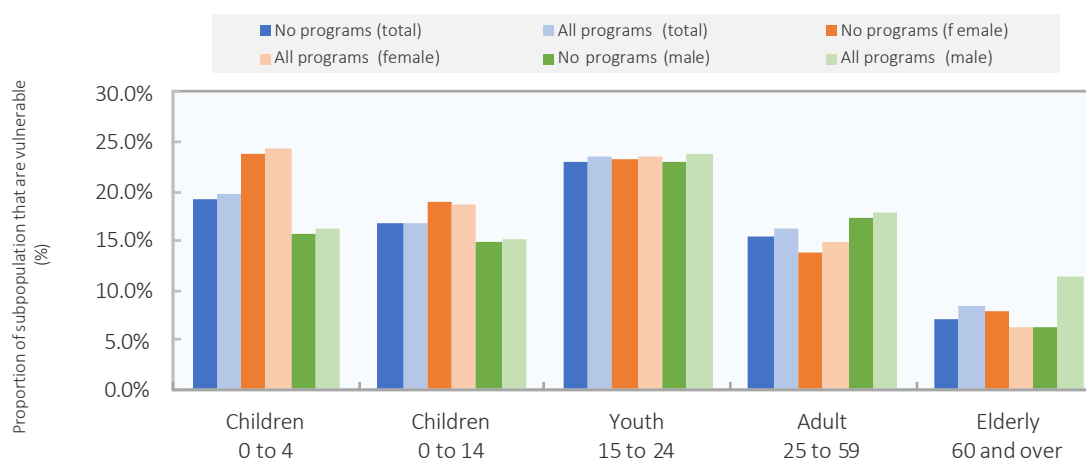
Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

FIGURE A1.8: Proportion of the subpopulation that are poor before and after the introduction of all programs by gender under the “optimistic scenario”



Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

FIGURE A1.9: Proportion of the subpopulation that are vulnerable before and after the introduction of all programs by gender under the “optimistic scenario”



Sources: Calculations based on the basic needs poverty line outlined in Table A1.9, microdata retrieved from the Household Expenditure and Income Survey 2012-2013, as well as data provided on program specific benefit sizes.

4.2.4 Snapshot of the Pacific islands and how they compare to Nauru

In this section, the analysis on social protection compares the results of Nauru to that of other Pacific island states, both in terms of monetary as well as multidimensional poverty and vulnerability (Table A1.15). Yet, it needs to be noted that data points obtained for each of the countries may represent different years given the infrequency of data collection and reporting.

In comparison to most other countries, Nauru has (1) one of the lowest rates of national basic needs poverty, (2) the highest rate of children covered by social protection, and (3) one of the highest proportions of the population covered by at least a social protection floor/system.²⁶ Yet, relatively little is spent on social protection as a percentage of GDP when compared to the other countries. In fact, Kiribati spends more than double and the Marshall Islands even a triple more compared to Nauru. Moreover, in terms of its expenditures on education and health as a percentage of government expenditure, there is room for growth given that other islands in the Pacific spend roughly three to four times more on education and one-and-a-half to three times as much on health. This may be an indication as to why Nauru is not monetarily poor, yet has many multidimensional challenges as outlined under Table A1.1.

Some of these challenges are exemplified in Table A1.15. While the prevalence of undernourishment in Nauru is non-existent and thus in line with the rates exhibited by other islands in the Pacific, the country faces a relatively high prevalence of tuberculosis, with the proportion of households having access to improved sanitation being among the lowest. In addition, while the out-of-school rates for children of primary and secondary school age are relatively low, enrollment rates in secondary education are lagging compared to other countries in the region. By boosting these rates and ensuring the presence of employment opportunities following the completion of schooling, the country could raise its labor force participation rate as well as its employment-to-population ratio and aim to decrease the high rates of unemployment currently observed.

In light of the above, it can be concluded that while Nauru's current social protection system contributes to a modest reduction in monetary poverty, the system could perhaps still be better used to ensure it contributes more to addressing the high rates of multidimensional deprivations that are present. Currently, there are certain non-income deprivations that are not highly correlated with the levels and trends of income poverty. These include, among others, child mortality, undernourishment, and school completion rates (UNDP 2020). This implies that a Nauruan can be income poor and multidimensionally rich, or they can be income rich and multidimensionally poor. Better linking of the country's social protection system to the island's set of social services has the potential to help tackle multidimensional poverty as well. Overall, to sustainably alleviate poverty and reduce the high degree of vulnerability, the Government of Nauru must also place a strong focus on multidimensional deprivations, especially when devising its new National Social Protection Strategy.

26 A social protection floor is a "nationally defined set of basic social security guarantees that should ensure, as a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level" (ILO 2011).

TABLE A1.15: Economic and social indicators, by country

Indicators		Nauru	Palau	Marshall Islands	Kiribati	Federated States of Micronesia	Fiji
POVERTY INDICATORS							
Population below international poverty line ¹	Total	0.9%	–	–	–	15.4%	0.5%
	Male	–	–	–	–	16.0%	1.3%
	Female	–	–	–	–	14.8%	1.4%
National basic needs poverty incidence ²	Total	24.0	19.3	36.6	–	–	28.1
Aggregate social protection expenditure as a % of GDP ³	Total	4.5%	–	12.6%	10.8%	–	3.9%
Population covered by at least one social protection floor/system ⁴	Total	45.4%	35.8%	25.2%	21%	19.4%	58.9%
Children covered by social protection ⁵	Total	96%	60%	0%	1.3%	–	2.6%
Population above retirement receiving a pension ⁶	Total	72.5%	100%	62.7%	93.8%	100%	92.1%
	Male	–	100%	–	–	100%	–
	Female	–	100%	–	–	100%	–
Government expenditure on education as a % of total government expenditure ⁷	Total	3.9%	11.4%	–	10.5%	–	14.7%
Gross enrollment rate primary education (%) ⁸	Total	106	111.4	86.4	106	96.3	111.1
	Male	110.3	113.9	85.5	104.6	96.5	–
	Female	101.6	108.9	87.3	107.5	96.1	–
Gross enrollment rate secondary education (%) ⁹	Total	47.3	97.4	–	74.0	36.9	88.4
	Male	44.6	94.4	–	66.0	36.0	–
	Female	50.2	100.6	–	82.5	37.8	–
Net enrollment ratio in secondary education (%) ¹⁰	Total	35.3	–	44.8	52.3	34.0	–
	Male	32.8	–	40.4	–	32.7	–
	Female	38.0	–	49.6	–	35.5	–
Out-of-school rate for children of primary school age, both sexes (%) ¹¹	Total	2.8%	4.8%	25.9%	3.9%	10.3%	0.56%
Out-of-school rate for adolescents and youth of lower and upper secondary school age, both sexes (%) ¹²	Total	7.7%	–	34.8%	–	–	13.3%
HEALTH INDICATORS							
Government expenditure on health as a % of total government expenditure ¹³	Total	6.8%	17.6%	–	9.2%	–	9.4%
Life expectancy at birth (years) ¹⁴	Total	61.2	–	–	62.2	70.0	–
Prevalence of undernourishment ¹⁵	Total	0.0%	0.0%	0.0%	3.0%	0.0%	3.9%

TABLE A1.15: Economic and social indicators, by country (CONT'D)

Indicators		Nauru	Palau	Marshall Islands	Kiribati	Federated States of Micronesia	Fiji
Tuberculosis incidence per 100,000 ¹⁶	Total	182	38	483	436	100	66
Proportion of households with access to improved sanitation (%) ¹⁷	Total	78.2	99.6	84.3	65.2	82.0	–
Mortality attributed to unsafe water, sanitation and lack of hygiene ¹⁸	Total	0.0	4.8	7.6	16.7	3.6	–
ECONOMIC AND LABOR INDICATORS							
Annual average GDP growth rate ¹⁹	Total	1.0%	0.3%	3.6%	2.3%	0.2%	1.1%
Annual real GDP per capita growth rate ²⁰	Total	0.19%	–	4.6%	0.77%	0.19%	-0.23
Labor force participation rate (%) ²¹	Total	65.6	76.9	–	62.4	49.3	57.1
	Male	78.7	79.2	–	69.5	62.7	76.4
	Female	52.7	74.3	–	55.8	36.2	37.4
Employment-to-population ratio (%) ²²	Total	56.1	61.3	39.6	37.7	40.3	–
	Male	70.4	71.4	–	46.2	55.6	–
	Female	41.8	51.1	–	29.9	25.3	–
Unemployment rate (%) ²³	Total	13.0	–	32.6	–	11.4	4.3
	Male	10.0	–	27	–	6.0	3.7
	Female	17.9	–	39.4	–	20.3	5.5

– = data not available, FSM = Federated States of Micronesia, GDP = gross domestic product.

Sources: Pacific Community (2021)

Note: Figures obtained for each of the countries may represent different years given the infrequency of data collection and reporting.

¹ Nauru 2012, FSM 2013, and Fiji 2013.

² Nauru 2013, Palau 2013, Marshall Islands 2011, and Fiji 2013.

³ Nauru 2012, the remaining countries 2015.

⁴ Nauru 2019, Palau 2019, Marshall Islands 2020, Kiribati 2020, FSM 2020, and Fiji 2020.

⁵ Nauru calculated based on micro-modelling for 2021, Palau 2019, and Kiribati 2020, and Fiji 2020.

⁶ Nauru calculated based on micro-modelling for 2021, Palau 2020, Marshall Islands 2020, Kiribati 2020, FSM 2020, and Fiji 2020.

⁷ Nauru 2020, Palau 2013, Kiribati 2017, and Fiji 2013.

⁸ Nauru 2015, Palau 2016, Marshall Islands 2016, Kiribati 2016, FSM 2017, and Fiji 2016.

⁹ Nauru 2015, Palau 2018, Kiribati 2016, FSM 2017, and Fiji 2016

¹⁰ Nauru 2015, Marshall Islands 2016, Kiribati 2016, FSM 2017.

¹¹ Nauru 2016, Palau 2014, FSM 2019, Marshall Islands 2020, Kiribati 2017, and Fiji 2016

¹² Nauru 2019, Marshall Islands 2020, and Fiji 2012

¹³ Nauru 2020, Palau 2013, and Kiribati 2017

¹⁴ Nauru 2013, and remainder 2010.

¹⁵ Nauru 2016, Palau 2016, Marshall Islands 2016, Kiribati 2018, FSM 2016, and Fiji 2018.

¹⁶ All data points for 2019.

¹⁷ Nauru 2015, Palau 2017, Marshall Islands 2013, Kiribati 2012, FSM 201.

¹⁸ Nauru 2013, Palau 2013, Marshall Islands 2013, Kiribati 2017, and FSM 2017.

¹⁹ Nauru 2010, Palau 2019, Marshall Islands 2018, Kiribati 2019, FSM 2018, and Fiji 2019.

²⁰ Nauru, Marshall Islands, Kiribati and FSM all for 2019.

²¹ Nauru 2013, Kiribati 2015, FSM 2013, and Fiji 2017.

²² Nauru 2013, Marshall Islands 2011, Kiribati 2015, and FSM 2013.

²³ Nauru 2013, Marshall Islands 2011, FSM 2013, and Fiji 2016.

5. Recommendations

Given the analysis undertaken in this report as well as the understanding of Nauru's socio-economic history and the composition and evolution of its social assistance programs, the following recommendations should be considered in developing the National Social Protection Strategy for Nauru.

5.1 Strengthening leadership, multisectoral collaboration, and governance

1. **Develop a clear mission and vision of social protection.** This would set the framework under which programs operate and allow for any current and future programs to be designed and implemented efficiently, effectively, and financially sustainable. Furthermore, by setting appropriate standards, a clear mission and vision can offer guidance toward the design, implementation, and monitoring and evaluation of programs.
2. **Designate a main government agency to oversee social protection development and performance.** Currently, this is not present in Nauru. Yet, its implementation would ensure that all matters of social protection fall under the same structure, thereby increasing efficiency of decision making, comprehensiveness of programs and their understanding, as well as a complete oversight of the programs, their impacts, and the potential of a social protection system that covers a person's life cycle. In addition, transparency and accountability for the system and its underlying programs are ensured, and programs can be better integrated with other social services.
3. **Strengthen coordination and collaboration among key government agencies.** It has been found that while Nauru has a number of government agencies responsible for different sectors of development, challenges remain when considering their coordination and collaboration. It would be thus beneficial to also develop a clear strategy for collaboration and coordination through regular multilateral meetings and the establishment of joint work plans.

5.2 Improving the targeting and administration of existing social protection programs as well as their evidence-base

1. **Develop a unique identifier for each individual in Nauru.** This is of importance as it minimizes fraud, increases accountability, and improves transparency. By giving each individual a unique identifier, the government can easily identify which individual is receiving which benefit.
2. **Develop a centralized social registry.** This is of importance as it allows the social protection system of Nauru to be more adaptive to crises and shocks. Establishing a central registry facilitates the process of identification and allows for better tracking and monitoring which individual is receiving which benefits. Furthermore, in case of an emergency, the registry can allow for the rapid vertical and/or horizontal expansion of a program if adequately linked to payment, grievance redress, and monitoring mechanisms.

3. **Undertake an analysis to identify whether households, especially poor and vulnerable female-headed households, are aware of the benefits they can receive as well as the respective procedures to do so.** In the analysis, it was identified that relatively more households in the second lowest quintile and/or the middle quintile received the death, birth, and aged benefits when compared to those in the lowest expenditure quintile.
4. **Develop appropriate, gender-responsive delivery systems for the country's social assistance programs to improve evidence-based social protection.** While each program clearly outlines its processes around targeting, registration, and payment, further improvements are necessary in the realm of grievance redressal mechanisms as well as monitoring and evaluation frameworks. To date, the grievance redressal mechanisms and monitoring and evaluation frameworks have not been identified under any of the seven social assistance programs although these are paramount to measuring a program's impact and identifying areas for improvement. Furthermore, given that women are more vulnerable than men, it would be of importance to ensure that the developed delivery systems are also gender responsive and that any information collected is disaggregated by sex. This is of importance as it allows for a gender-disaggregated analysis of impacts and challenges, which can then be used to appropriately adjust the relevant program to increase its efficiency, effectiveness, and sustainability.

5.3 Adopting appropriate, gender-responsive and (financially) sustainable social protection programs in the future

1. **Ensure that benefit levels of all programs rise with inflation.** Currently, programmatic benefit levels were increased sporadically throughout the years. However, for the amounts to reflect the changes in price on the markets, they should be annually adjusted to inflation. This is especially important for the poorer populations in Nauru who depend to some extent on the purchasing power of the transfer value they receive.
2. **Identify a national multidimensional poverty line.** To measure progress across time, the Government of Nauru should establish a methodology to measure the national multidimensional poverty rate given that international poverty lines are too low and do not reflect Nauru's multidimensional deprivation. Once a methodology has been devised, the poverty line should regularly be updated to reflect changes in expenditure, income, and multidimensional deprivation of Nauruan households.
3. **Develop a program that serves poor adults, especially women.** Currently, the social assistance programs serve children and the aged, yet do not aid poor adults in their daily struggles. Given that Nauru will increasingly be exposed to natural disasters as well as potential economic crises, the establishment of a cash benefit targeting poor adults could help the respective households build resilience. Such a program would also strengthen the country's life cycle approach toward social protection. In contrast to existing programs, this program for adults living below the poverty line could be promotive rather than protective in nature to help these adults build livelihoods and foster labor market participation.

5.4 Promoting employment and labor force participation

1. **Develop benefit programs that promote employment and an active labor market.**

Currently, Nauru does not have any employment-based schemes or active labor market programs in place. While the country is aiming to increase the level of education and building the capacities of its people, it must also ensure that appropriate employment opportunities are created for the potential future workforce. This is especially of importance for females since they face higher rates of unemployment and lower rates of labor force participation, and are increasingly present in informal employment (Moustafa 2015). Any programs established should thus be particularly geared toward generating productive employment among females in Nauru.

In addition, without unemployment insurance, the development and implementation of active labor market programs targeted at the poor, especially female-headed households, may provide households with an income as well as temporarily lower the unemployment rate until better job opportunities are created. Furthermore, as Nauru is a small island, it may be of importance to collaborate with other governments to increasingly implement labor migration programs. These programs, however, must provide adequate incentives and ensure that the Nauruan citizen is protected while working abroad. Opportunities should particularly be made available to unemployed youth given that studies have estimated a return on investment on youth ranging from 200% to 1,000% (Moustafa 2015).

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ANNEX A

Assumptions Underlying the Macro-Economic Modelling

Program	Relevant
Birth benefit	<ol style="list-style-type: none"> 1. The number of births were approximated using the crude birth rate obtained from the Pacific Data Hub and the stillbirth rate obtained from the World Health Organization's database. Both the birth rate and the stillbirth rate were then projected using a 10-year historical moving average. 2. Given that the benefit makes a differentiation between mothers that are employed and those that are not, it was assumed that the unemployment rate of Nauru for the year 2013 was used (13.3%). This was due to an absence of empirical evidence or relevant data allowing for the calculation of this indicator. This rate was assumed to be constant for the next 20 years. 3. The gross domestic product (GDP) for the years 2012 to 2020 were obtained from the relevant government budgets. Projections for GDP were based on a historical 10-year moving average of the calculated GDP growth rate. In addition, all historic and projected benefit levels were adjusted for inflation.
Education Assistance Trust Scheme	<ol style="list-style-type: none"> 1. The number of enrolled students in pre-primary, primary, and secondary education were calculated from the 2012-2013 Household Income and Expenditure Survey (HIES) and the 2019 Mini Census. These numbers were then projected based on projected population growth rates retrieved from the Pacific Data Hub. 2. The number of students that have completed their education was calculated based on a fraction computed between the number of 2020 beneficiaries and the number of enrolled students in pre-primary, primary, and secondary education for 2020. The beneficiaries were then projected based on the computed fraction and the projected enrolled students in pre-primary, primary, and secondary education. 3. The number of attended schooldays per year were calculated based on the number of beneficiaries and the total cost to government for the year 2020. This number was then linearly projected assuming that by 2041 the eligible students would attend all of the 160 official schooldays. 4. The GDP for the years 2012 to 2020 were obtained from the relevant government budgets. Projections for GDP were based on a historical 10-year moving average of the calculated GDP growth rate. In addition, all historic and projected benefit levels were adjusted for inflation.
School feeding program	<ol style="list-style-type: none"> 1. The number of enrolled students in pre-primary, primary, and secondary education were calculated from the 2012-2013 HIES and the 2019 Mini Census. These numbers were then projected based on projected population growth rates retrieved from the Pacific Data Hub. 2. The number of schooldays per year was assumed to be 160 days and was held constant over the projection period.

Program	Relevant
	<ol style="list-style-type: none"> 3. The average price of a lunch meal was estimated based on the provided budget of the program in 2020-2021. Cost of a meal per student per day was estimated at AUD2.8. 4. The GDP for the years 2012 to 2020 were obtained from the relevant government budgets. Projections for GDP were based on a historical 10-year moving average of the calculated GDP growth rate. In addition, all historic and projected benefit levels were adjusted for inflation.
Disabled benefit	<ol style="list-style-type: none"> 1. The number of disabled individuals that were no longer able to earn a living were retrieved from the HIES 2012-2013 and the 2019 Mini Census. These were projected into the future using projected population growth rates retrieved from the Pacific Data Hub. 2. Given that only Nauru citizens can benefit, the proportion of Nauruans in the population was estimated based on data from the HIES 2012-2013. This equated to 95.4% and was assumed to remain constant over the projection period. 3. In addition, the benefit was not allowed to be given to an individual that already receives a superannuation pension. As such, the percentage (59.5) was estimated based on the 2020-2021 financial budget survey published by the Government of Nauru. It was assumed to remain constant over the projection period. 4. The GDP for the years 2012 to 2020 were obtained from the relevant government budgets. Projections for GDP were based on a historical 10-year moving average of the calculated GDP growth rate. In addition, all historic and projected benefit levels were adjusted for inflation.
Aged benefit	<ol style="list-style-type: none"> 1. The individuals aged 60 and above were retrieved from the projections established by the Pacific Data Hub. 2. Given that only Nauru citizens can benefit, the proportion of Nauruans in the population was estimated based on data from the HIES 2012-2013. This equated to 95.4% and was assumed to remain constant over the projection period. 3. Based on the 2020-2021 financial budget published by the Government of Nauru, it was estimated that the proportion of individuals aged 60-69 and 70+ who are unemployed is 100%. This was assumed to remain constant over the projection period.
Death benefit	<ol style="list-style-type: none"> 1. The number of deaths was calculated based on the 2020-2021 financial budget released by the Government of Nauru. Given that it is a one-off payment per death, it was found that in 2020, 101 individuals benefited from the death benefit. These were projected into the future using projected population growth rates retrieved from the Pacific Data Hub. 2. The GDP for the years 2012 to 2020 were obtained from the relevant government budgets. Projections for GDP were based on a historical 10-year moving average of the calculated GDP growth rate. In addition, all historic and projected benefit levels were adjusted for inflation.

ANNEX B

Proportion of Subpopulations that Are Poor and Vulnerable, by Program and Gender

TABLE A1.B1: Most likely scenario											
Program		PROPORTION OF SUBPOPULATION THAT ARE POOR					PROPORTION OF SUBPOPULATION THAT ARE VULNERABLE				
		Children 0 to 4	Children 0 to 14	Youth 15 to 24	Adult 25 to 59	Elderly 60 & over	Children 0 to 4	Children 0 to 14	Youth 15 to 24	Adult 25 to 59	Elderly 60 & over
No programs		20.0%	19.2%	24.5%	18.0%	27.4%	19.7%	17.2%	24.4%	17.5%	8.4%
	Female	22.5%	19.5%	22.7%	17.4%	31.2%	19.5%	18.5%	24.1%	16.8%	9.6%
	Male	18.2%	19.1%	26.1%	18.6%	21.7%	19.8%	16.1%	24.7%	18.2%	6.6%
Aged benefit		20.0%	19.2%	24.5%	18.0%	27.4%	19.4%	16.6%	24.1%	17.0%	6.2%
	Female	22.5%	19.5%	22.7%	17.4%	31.2%	19.5%	18.1%	24.1%	16.5%	7.8%
	Male	18.2%	19.1%	26.1%	18.6%	21.7%	19.4%	15.3%	24.1%	17.5%	3.9%
Disabled benefit		19.7%	18.9%	24.4%	17.4%	26.4%	20.0%	17.5%	24.5%	18.1%	9.4%
	Female	21.6%	19.0%	22.4%	16.7%	31.2%	20.4%	19.0%	24.4%	17.6%	9.6%
	Male	18.2%	18.8%	26.1%	18.2%	19.3%	19.8%	16.3%	24.7%	18.7%	9.1%
Birth benefit		20.0%	19.2%	24.5%	18.0%	27.4%	19.7%	17.2%	24.4%	17.5%	8.4%
	Female	22.5%	19.5%	22.7%	17.4%	31.2%	19.5%	18.5%	24.1%	16.8%	9.6%
	Male	18.2%	19.1%	26.1%	18.6%	21.7%	19.8%	16.1%	24.7%	18.2%	6.6%
Death benefit		20.0%	19.2%	24.5%	18.0%	27.4%	19.7%	17.2%	24.4%	17.5%	8.4%
	Female	22.5%	19.5%	22.7%	17.4%	31.2%	19.5%	18.5%	24.1%	16.8%	9.6%
	Male	18.2%	19.1%	26.1%	18.6%	21.7%	19.8%	16.1%	24.7%	18.2%	6.6%
Back-to-school scheme		20.0%	19.2%	24.5%	18.0%	27.4%	19.7%	16.9%	23.7%	17.3%	8.4%
	Female	22.5%	19.5%	22.7%	17.4%	31.2%	19.5%	18.2%	23.1%	16.6%	9.6%
	Male	18.2%	19.1%	26.1%	18.6%	21.7%	19.8%	15.9%	24.2%	18.0%	6.6%
Education assistance		20.0%	19.2%	24.5%	18.0%	27.4%	19.7%	17.2%	24.4%	17.5%	8.4%
	Female	22.5%	19.5%	22.7%	17.4%	31.2%	19.5%	18.5%	24.1%	16.8%	9.6%
	Male	18.2%	19.1%	26.1%	18.6%	21.7%	19.8%	16.1%	24.7%	18.2%	6.6%
All programs		19.4%	18.6%	24.4%	17.3%	23.1%	20.0%	17.0%	23.6%	17.5%	10.5%
	Female	21.1%	18.8%	22.4%	16.4%	27.5%	20.9%	18.5%	23.4%	17.3%	11.5%
	Male	18.2%	18.5%	26.1%	18.2%	16.5%	19.4%	15.7%	23.7%	17.7%	9.1%

Sources: Calculations based on data retrieved from the Pacific Community 2021, the Household Income and Expenditure Survey 2012-2013, the Population Census 2011, the Mini Population Census 2019, Pacific Data Hub Projections on key macroeconomic indicators, as well as assumptions made based on the Updating and Improving the Social Protection Index report (ADB 2012) and the Nauru Hardship and Poverty Report (Moustafa 2015).

TABLE A1.B2: Optimistic scenario

Program		PROPORTION OF SUBPOPULATION THAT ARE POOR					PROPORTION OF SUBPOPULATION THAT ARE VULNERABLE				
		Children 0 to 4	Children 0 to 14	Youth 15 to 24	Adult 25 to 59	Elderly 60 & over	Children 0 to 4	Children 0 to 14	Youth 15 to 24	Adult 25 to 59	Elderly 60 & over
No programs		15.3%	15.8%	19.8%	15.4%	26.4%	19.2%	16.7%	23.1%	15.5%	7.2%
	Female	14.9%	15.7%	17.1%	15.3%	31.2%	23.8%	19.0%	23.2%	13.9%	7.8%
	Male	15.6%	15.9%	22.1%	15.5%	19.4%	15.7%	14.9%	23.0%	17.2%	6.2%
Aged benefit		15.3%	15.6%	19.6%	15.1%	26.4%	18.4%	15.8%	22.8%	15.0%	4.1%
	Female	14.9%	15.5%	16.8%	15.1%	31.2%	22.4%	18.1%	22.9%	13.3%	2.6%
	Male	15.6%	15.7%	22.1%	15.0%	19.4%	15.4%	13.9%	22.7%	16.7%	6.2%
Disabled benefit		14.9%	15.3%	19.4%	14.4%	25.4%	19.6%	17.2%	23.4%	16.5%	8.2%
	Female	14.0%	15.2%	16.8%	14.3%	31.2%	24.7%	19.5%	23.5%	14.9%	7.8%
	Male	15.6%	15.4%	21.7%	14.6%	16.9%	15.7%	15.4%	23.4%	18.2%	8.7%
Birth benefit		14.9%	15.6%	19.8%	15.1%	25.4%	19.6%	17.0%	23.1%	15.8%	8.2%
	Female	14.0%	15.3%	17.1%	14.7%	31.2%	24.7%	19.3%	23.2%	14.5%	7.8%
	Male	15.6%	15.7%	22.1%	15.5%	16.9%	15.7%	15.0%	23.0%	17.2%	8.7%
Death benefit		14.9%	15.6%	19.4%	15.2%	26.4%	19.6%	16.9%	23.4%	15.7%	7.2%
	Female	14.4%	15.5%	16.7%	15.1%	31.2%	24.3%	19.2%	23.5%	14.1%	7.8%
	Male	15.2%	15.7%	21.8%	15.3%	19.4%	16.1%	15.1%	23.3%	17.4%	6.2%
Back-to-school scheme		14.5%	15.3%	19.5%	14.7%	25.4%	19.9%	16.9%	23.4%	16.0%	7.1%
	Female	14.0%	15.3%	16.8%	14.4%	31.2%	24.7%	19.2%	23.5%	14.6%	6.0%
	Male	14.9%	15.2%	21.9%	15.0%	16.9%	16.4%	15.1%	23.2%	17.4%	8.7%
Education assistance scheme		15.3%	15.8%	19.8%	15.4%	26.4%	19.2%	16.7%	23.1%	15.5%	7.2%
	Female	14.9%	15.7%	17.1%	15.3%	31.2%	23.8%	19.0%	23.2%	13.9%	7.8%
	Male	15.6%	15.9%	22.1%	15.5%	19.4%	15.7%	14.9%	23.0%	17.2%	6.2%
All programs		13.9%	14.6%	18.8%	13.7%	22.1%	19.8%	16.8%	23.6%	16.3%	8.4%
	Female	13.0%	14.8%	16.2%	13.5%	27.5%	24.3%	18.8%	23.5%	14.9%	6.3%
	Male	14.6%	14.4%	21.2%	13.9%	14.2%	16.4%	15.2%	23.7%	17.8%	11.4%

Sources: Calculations based on data retrieved from the Pacific Community 2021, the Household Income and Expenditure Survey 2012-2013, the Population Census 2011, the Mini Population Census 2019, Pacific Data Hub Projections on key macroeconomic indicators, as well as assumptions made based on the Updating and Improving the Social Protection Index report (ADB 2012) and the Nauru Hardship and Poverty Report (Moustafa 2015).

APPENDIX 2

Nauru Social Protection Strategy Implementation Plan

1. Introduction

This Implementation Plan accompanies the National Social Protection Strategy (NSPS) 2022-2032 of Nauru. The plan builds on the strategic objectives and priorities of the NSPS and defines a set of activities to guide its execution, with further information such as responsible actors, the implementation timeline, and required resources. The Implementation Plan is intended to (1) provide a roadmap on the social protection strategy's implementation throughout the next ten years, and (2) facilitate discussions between key social protection stakeholders on how to prioritize, design, and fund the next steps for program implementation. Activities of the Implementation Plan are structured according to the six specific strategies outlined in the NSPS.

The Implementation Plan outlines the operational details for each strategy, including the specific activities, the timeline for each activity, the responsible lead agency, and potential bottlenecks along with possible solutions. At the end of the plan, a Gantt chart maps all activities per strategy across the next ten years.

2. Overview of the NSPS

The NSPS envisions to establish a gender-responsive and socially inclusive social protection system that ensures relevance, efficiency, effectiveness, and financial sustainability of all existing and potential future social protection programs to protect the population from poverty and deprivation and to reduce persistently high inequality in the country. Nauru's social protection system seeks to further protect and safeguard the interest of poor and vulnerable groups throughout their lives, with sensitivity toward the risks and vulnerabilities occurring in each stage of the life cycle.

The expansion of both non-contributory and contributory social protection measures is expected to promote productivity and income security through equal opportunity and access to resources and services that enhance decent livelihoods and guarantee a minimum standard of living to the population. Furthermore, the strategy aims to empower the vulnerable and to increase equity through social protection, while ensuring that the underlying system is shock-responsive and while building the resilience of those most likely to be affected.

To achieve this, the NSPS will follow this Implementation Plan over the next ten years.

3. Operational details of the Implementation Plan

3.1 Organizational implications

The strategy will be implemented almost completely through existing structures. No new departments or divisions will be created under this strategy. However, there will be a need to review the capacity of divisions and departments—especially the Social Welfare Division in light of the expanded mandate and set of activities the division will now be responsible for. The needed review of capacity, skills, needs, and gaps is integrated as an activity under **Strategy 1: Strengthening leadership, multisectoral collaboration, and governance to maximize social protection outcomes**. The findings of the review may indicate a need to expand capacity in the Social Welfare Division.

Within the Social Welfare Division, tasked with providing social protection leadership and coordination, the strategy implementation calls for the establishment of two additional units:

- ▶ A monitoring and evaluation (M&E) unit
- ▶ A project implementation unit (PIU) for the management information system (MIS)

Contingent on the outcome of the review of capacity, skills, needs, and gaps of the Social Welfare Division, the M&E unit is expected to consist of existing Social Welfare Division staff with responsibilities for monitoring and evaluation.

The other unit, the PIU, will focus on the implementation of the information and communication technology (ICT) strategy and key staff will also be identified to assist the PIU.

3.2 Resourcing and technical assistance

The implementation of the NSPS will be supported through technical assistance with resources to be mobilized from development partners such as the Asian Development Bank. Long-term consultants are envisaged to be engaged to support the government in two critical elements of the strategy: (1) monitoring and evaluation, and (2) improving operational processes. Key experts will also be engaged to undertake assessments related to each of the specific strategies, such as undertaking resource and capacity analysis to strengthen NSPS governance, designing labor market programs, developing training modules, undertaking fiscal space analysis of Nauru's social protection system, and conducting evaluation of social protection programs such as the Nauru Education Assistance Trust (NEAT) Scheme and Back-to-School Scheme, and an assessment of unemployment in Nauru, among others.

The implementation of the ICT component under the NSPS is also envisaged to be supported by short-term consultants to design, implement, and oversee certain specialized processes.

4. National Social Protection Strategy

STRATEGY 1: Strengthening leadership, multisectoral collaboration, and governance to maximize social protection outcomes

Strategy description. The Government of Nauru is responsible for designating a government division/ department responsible for social protection leadership and coordination. During initial consultations, the Social Welfare Division under the Department of Finance was identified to take on this responsibility. This division will not only oversee the implementation of the National Social Protection Strategy and its associated implementation plan but also foster and strengthen the coordination and linkages between them and other relevant government departments. Combined, these activities will maximize social protection outcomes and outputs of the programs already in place.

No.	Activities	Responsible Actors	Timeline
S1.1	Undertake a capacity and resource analysis of the Social Welfare Division to assess the division's capacity gaps, skills, and needs in light of the division's additional responsibilities under this strategy. Ensure that the assessment is gender-responsive, and assesses also whether the workforce is gender-diverse.	Department of Chief Secretary	Q1-Q2 2022
S1.2	Develop a plan that responds to the findings of the capacity and resource analysis. This plan should detail the expanded responsibilities of the Social Welfare Division, along with the relevant personnel and specific skills needed. Define each personnel's fundamental role under the plan. This also includes appointing a project champion according to the ICT roadmap.	Department of Chief Secretary	Q1-Q2 2022
S1.3	Secure funding for the additional responsibilities taken over by the Social Welfare Division. This includes funds for capacity building support to ensure that the division is equipped for its tasks.	Department of Finance and Department of Chief Secretary	Q1-Q2 2022
S1.4	Officially designate the Social Welfare Division, and inform and raise awareness with other departments about their expanded mandate and tasks.	Department of Chief Secretary	Q1-Q2 2022
S1.5	Set up a project implementation unit for the development of a social protection management information system.	Social Welfare Division	Q1-Q2 2022
S1.6	Set up an Advisory Committee on social protection.	Social Welfare Division	Q1-Q2 2022
S1.7	Manage, monitor, and evaluate the implementation of the National Social Protection Strategy, as well as the corresponding implementation plan and monitoring and evaluation framework.	Social Welfare Division	2022-2032
S1.8	Raise awareness on the new social protection strategy among staff in government and partners through the implementation of a communication campaign/drive.	Social Welfare Division	Q4 2022
S1.9	Review, update, or develop new legislation, acts, and policies related to social protection to further strengthen their impacts. This includes ensuring that these are gender sensitive, evidence based, and shock responsive.	Social Welfare Division in collaboration with other government departments	2023-2024

No.	Activities	Responsible Actors	Timeline
S1.10	Strengthen coordination with partners involved in social protection programming, particularly with NGOs and CSOs, including faith-based organizations. Potential avenues include establishing partnership agreements, MOUs, aligning work plans, etc.	Social Welfare Division	2023-2024
S1.11	Conduct a midterm review of the implementation of the National Social Protection Strategy.	Social Welfare Division in collaboration with the Department of Chief Secretary	2027

CSO = civil society organization, ICT = information and communication technology, MOU = memorandum of understanding, NGO = nongovernment organization Q = quarter.

STRATEGY 2: Improving the targeting and administration of existing social protection programs by building human capacity for social protection implementation and enhancing processes for efficiency

Strategy description. The Social Welfare Division, along with relevant government departments involved in program implementation, is recommended to improve efficiency in the administration and targeting of social protection programs. Under the NSPS, it has been outlined that the development of a unique identifier for social protection beneficiaries along with the setup of appropriate delivery systems of the country's social assistance programs can aid in the achievement of this strategy. To successfully do so, a number of activities are recommended.

No.	Activities	Responsible Actors	Timeline
S2.1	Invest in coordination platforms and support infrastructure of relevant government agencies. Support these through necessary coordination infrastructure, including shared workplans, data-sharing agreements, MOUs, etc.	Social Welfare Division and Department of Chief Secretary	2022-2023
S2.2	Set up appropriate gender-responsive delivery systems for the country's social assistance programs to improve the administration of social protection.	Social Welfare Division	2022-2024
S2.2a	Streamline the application and registration procedures by developing a central planning and targeting tool.	Social Welfare Division in collaboration with the PIU	Q3-Q4 2022
S2.2b	Integrate this central planning and targeting tool into the established social protection management information system by ensuring that appropriate requirements are included into the MIS bid documents (see S3.2d).	Social Welfare Division and the PIU	2023
S2.2c	Establish a communication strategy around the social protection programs.	Social Welfare Division	2024
S2.2d	Support the communication strategy through holding bi-annual information campaigns to improve awareness about social protection programs, their benefit levels, the eligibility criteria, and the respective application procedures.	Social Welfare Division	2024-2032

No.	Activities	Responsible Actors	Timeline
S2.3	Introduce preparatory activities that will allow the country to be prepared for future shocks.	Social Welfare Division	2022-2024
S2.3a	Build the capacity on shock-responsive social protection among government staff, especially those employed under the Social Welfare Division.	Social Welfare Division	Q3-Q4 2022
S2.3b	Develop MOUs with relevant development and humanitarian partners to outline the key activities that each is responsible for in the case of future emergency.	Social Welfare Division	Q1-Q4 2023
S2.3c	Develop standard operating procedures to provide the government with step-by-step instructions on what operations to undertake during an emergency.	Social Welfare Division	Q1-Q4 2023
S2.3d	Develop new or adjust existing social protection program guidelines to ensure that these include provisions of shock responsiveness. This includes provisions on how and when to vertically and/or horizontally expand them during times of crisis.	Social Welfare Division	Q1-Q4 2023
S2.3e	Develop new or adjust existing financing plans to reflect the increased financial burden that shock-responsive social protection programs have. This is especially important for recurrent natural disasters such as annual droughts or floods.	Social Welfare Division in collaboration with the Ministry of Finance	Q1-Q4 2024
S2.3f	Set up a contingency fund for emergency expenses by the government. This must include contributions from government but can also be supplemented by contributions from donors.	Social Welfare Division in collaboration with the Ministry of Finance	Q1-Q4 2024
S2.3g	Ensure each social protection program's infrastructure is adapted so that this can be expanded horizontally and/or vertically in times of crisis.	Social Welfare Division	2023-2027
S2.4	Introduce a unique identifier for social protection beneficiaries.	Social Welfare Division	2024-2025
S2.4a	Hire appropriate staff and consultants, and ensure there are individuals with knowledge of software development and information technology.	Social Welfare Division	Q1-Q2 2024
S2.4b	Introduce a structure for the unique identifier for social protection beneficiaries.	Social Welfare Division	Q1-Q2 2024
S2.4c	Start the development of a digital system that will allow the registration of individuals along with the subsequent provision of a social welfare card in line with the implementation of the digitalized MIS (see S3.3).	Social Welfare Division, the PIU, and the hired staff/consultants	Q1-Q2 2025
S2.4d	Ensure procedures are in place in the instance a social welfare card is lost, stolen, or misplaced.	Social Welfare Division and the PIU	Q1-Q2 2025
S2.4e	Ensure the registered individuals are also reflected in the established digitalized MIS (see S3.3h). This will facilitate the vertical and/or horizontal expansion of programs during shocks.	Social Welfare Division and the hired staff/consultants in collaboration with the PIU	Q1-Q4 2025
S2.5	Improve existing grievance redress mechanisms.	Social Welfare Division's Monitoring and Evaluation Unit	2024-2025

No.	Activities	Responsible Actors	Timeline
S2.5a	Establish a central grievance redress mechanism hotline that is toll-free. Any complaints or grievances will require the individual's unique ID and the name of the program from which he/she receives benefits.	Social Welfare Division's Monitoring and Evaluation Unit	Q3-Q4 2024
S2.5b	Establish a centralized, digital system that supports a gender-responsive grievance redress mechanism.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with hired technical expertise	Q1-Q4 2025
S2.5c	Ensure that complaints are evaluated and appropriate and gender-responsive feedback loops are included so that any complaints made can be used to improve the underlying program.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with hired technical expertise	2026-2032
S2.6	Build human capacity by developing trainings surrounding the efficient and effective implementation of social protection programs and their delivery systems.	Social Welfare Division	Q1-Q2 2026
S2.6a	Develop detailed prioritized requirements as well as modules for the trainings.	Social Welfare Division	Q1-Q2 2026
S2.6b	Hire trainers and appropriate facilities.	Social Welfare Division	Q1-Q2 2026

MIS = management information system, MOU = memorandum of understanding, PIU = project implementation unit, Q = quarter.

STRATEGY 3: Strengthening needs-based and evidence-based social protection programs through the monitoring and evaluation of social protection programs, including gender-disaggregated data and feedback loops

Strategy description. Nauru's current social protection programs have a number of gaps pertaining to their needs- and evidence-based approach. With these gaps persisting, the continued improvement of the underlying social protection programs cannot be guaranteed. Therefore, it is imperative that the Government of Nauru establish a monitoring and evaluation framework for the NSPS along with a centralized and digital management information system since such a system greatly increases the efficiency and effectiveness of program monitoring.

No.	Activities	Responsible Actors	Timeline
S3.1	Set up a coordination mechanism to facilitate transparent exchange of data and evidence between government agencies and international/multilateral organizations, NGOs, and CSOs.	Social Welfare Division and Department Chief Secretary	2025
S3.2	Develop a monitoring and evaluation unit/team under the Social Welfare Division.	Social Welfare Division	2024
S3.2a	Develop a questionnaire that provides information on the outcomes and outputs established under the monitoring and evaluation framework.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Nauru Bureau of Statistics	Q1-Q2 2024

No.	Activities	Responsible Actors	Timeline
S3.2b	Establish a representative sample of households in Nauru, ensuring the inclusion of women-headed households.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Nauru Bureau of Statistics	Q1-Q2 2024
S3.2c	Hire and train enumerators to undertake interviews with the identified households. Ensure there is an equal balance of male and female enumerators.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Nauru Bureau of Statistics	Q3-Q4 2024
S3.2d	Train data analysts to produce annual social protection monitoring reports as well as 5-year impact assessments. These can be analysts who are already present in government or can include the hiring of new analysts for the duration of the strategy.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Nauru Bureau of Statistics	Q3-Q4 2024
S3.2e	Produce annual sex-disaggregated social protection monitoring reports. Ensure the quantifiable gender-responsive outcomes and outputs under the NSPS Monitoring and Evaluation Framework are included in the monitoring reports.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Nauru Bureau of Statistics	2025-2032
S3.2f	Produce a sex-disaggregated impact assessment, specifying the impact of each social protection program on relevant indicators.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Nauru Bureau of Statistics	2025
S3.2g	Ensure the measurement of the relevant gender-responsive outcomes and outputs under outcome statement 1 of the NSPS's monitoring and evaluation framework.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Nauru Bureau of Statistics	2025-2032
S3.2h	Track and monitor annual social protection expenditure.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Department of Finance	2026-2032
S3.3	Develop a digitalized and centralized management information system for social protection, ensuring that it is gender- and shock-responsive.	PIU	2022-2027
S3.3a	Support the implementation of the fiber optic submarine cable system.	PIU	2023-2024
S3.3b	Introduce a unique identifier for social protection beneficiaries as outlined under Strategy 2 above.	PIU	2023-2024
S3.3c	Develop enabling policies and legislation through reviewing and updating national legislation and sectoral policies relevant to the social protection MIS, while also ensuring the creation of a compliance and enforcement regime.	PIU	2023-2024
S3.3d	Develop detailed prioritized requirements for incorporation into bid documents.	PIU	Q3-Q4 2024
S3.3e	Develop an implementation and sustainability plan for the system, ensuring that robust data-sharing protocols are established that allow for the regular updating of the MIS.	PIU	Q3-Q4 2024

No.	Activities	Responsible Actors	Timeline
S3.3f	Develop bid documents for the provision of software, hardware, system integration, professional services, and support.	PIU	Q3-Q4 2024
S3.3g	Conduct competitive procurement by running a competitive tender, awarding a contract to a supplier, and refining the implementation plan with the selected supplier.	PIU	Q3-Q4 2024
S3.3h	Implement the social protection MIS in three phases by implementing foundational capabilities (phase 1), high-value capabilities (phase 2), and discretionary capabilities (phase 3).	PIU	2025-2026
S3.3i	Provide ongoing operation support and maintenance. This includes undertaking trainings on data capturing, data entry, repairs, and system supervision and management of the new MIS.	PIU	Q3-Q4 2026
S3.3j	Ensure that any systems digitalized (e.g., the grievance redress system) are compatible with the digital social protection MIS established.	PIU	2027-2032

CSO = civil society organization, MIS = management information system, NGO = nongovernment organization, NSPS = National Social Protection Strategy, PIU = project implementation unit, Q = quarter.

STRATEGY 4: Adopting appropriate, gender-responsive, and sustainable social protection programs in the future, with regard to the social protection system's current gaps, to achieve a life cycle approach

Strategy description. To date, Nauru's social protection system lacks a life cycle approach to its programs. In fact, while a number of social assistance programs exist, these fail to support working-age adults directly. Furthermore, with a social insurance system that is focused on the formal workforce, informal sector workers as well as women are oftentimes excluded. This gap is further magnified by the fact that active labor market programs are missing. Of the individuals that do receive the aid of programs in Nauru, many are only provided with a relatively low and largely insufficient benefit amount, which is not enough to lift the affected individuals sustainably out of poverty. To ensure that more appropriate, gender-responsive, and sustainable social protection programs are adopted in the future, the Government of Nauru is recommended to implement the following activities.

No.	Activities	Responsible Actors	Timeline
S4.1	Identify a national multidimensional poverty threshold.	Social Welfare Division in collaboration with other sectoral departments	2024
S4.1a	Undertake a study to identify the indicators that would compose the multidimensional poverty index of Nauru.	Social Welfare Division in collaboration with other sectoral departments	Q1-Q2 2024
S4.1b	Develop a revised multidimensional poverty index of Nauru.	Social Welfare Division in collaboration with the Nauru Bureau of Statistics	Q1-Q2 2024

No.	Activities	Responsible Actors	Timeline
S4.1c	Conduct trainings that allow for the regular updating of the index.	Hired staff/consultants	Q3-Q4 2024
S4.1d	Ensure a revision of the identified indicators that compose the multidimensional poverty index, and adjust and update them as necessary.	Social Welfare Division in collaboration with the Nauru Bureau of Statistics	2032
S4.2	Develop a mechanism to align the benefit levels of existing and future social protection programs to inflation.	Social Welfare Division	2025-2026
S4.2a	Undertake an assessment to identify whether evidence-based benefit levels have been set for each social protection program.	Social Welfare Division	Q1-Q2 2025
S4.2b	Based on the findings of the assessment, develop a methodology or approach to setting benefit levels and generate a financing plan for potential increases in benefit levels.	Social Welfare Division and the Department of Finance	Q1-Q2 2026
S4.3	Develop a gender-responsive social protection program targeted at poor and vulnerable individuals of working age, delivering cash transfers and supporting labor market integration.	Social Welfare Division in collaboration with the Department of Labor	2026-2027
S4.3a	Conduct an unemployment and skills gap study, partially to inform the program's design.	Social Welfare Division in collaboration with the Department of Labor	2026
S4.3b	Develop a policy document for the program and seek approval from the relevant institutions.	Social Welfare Division in collaboration with the Department of Labor	Q3-Q4 2026
S4.3c	Establish a gender-responsive program design document and standard operating procedures.	Social Welfare Division in collaboration with the Department of Labor	Q1-Q2 2027
S4.3d	Develop a gender-responsive implementation and financing plan for the program.	Social Welfare Division in collaboration with the Department of Labor	Q1-Q2 2027
S4.3e	Develop a gender-responsive monitoring and evaluation plan for the program.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Department of Labor	Q1-Q2 2027
S4.3f	Pilot the social protection program.	Social Welfare Division in collaboration with the Department of Labor	Q1-Q2 2027
S4.3g	Undertake a review of the program after one year of implementation. The findings shall be used to inform a plan for scale-up over the coming five years.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Department of Labor	Q3-Q4 2028

No.	Activities	Responsible Actors	Timeline
S4.4	Conduct a comprehensive review of the Nauru Education Assistance Trust Scheme and the Back-to-School Scheme.	Social Welfare Division and the Department of Education	2026-2027
S4.4a	Design and implement a comprehensive gender-responsive review of the Nauru Education Assistance Trust Scheme and the Back-to-School Scheme, assessing whether both programs meet their objectives.	Social Welfare Division and the Department of Education	2026
S4.4b	Conduct a validation exercise to validate findings from the comprehensive review, and update the study in line with findings from the validation exercise.	Social Welfare Division and the Department of Education	2026
S4.4c	Devise a reform plan for both, integrating the recommendations from the study into the program design and implementation.	Social Welfare Division and the Department of Education	2027
S4.4d	Update policy documents and program operational processes in line with the reform plan.	Department of Education	2027

Q = quarter.

STRATEGY 5: Promoting employment and an active labor market

Strategy description. There is a need to focus on labor market integration support within Nauru's social protection system to help address the rates of high unemployment and precarious work and to promote productive inclusion. This support should have the aim of promoting sustainable livelihoods to enhance living conditions on a more permanent basis. It is thus recommended that the Government of Nauru introduce a package of labor-market integration support measures targeting poor and vulnerable individuals that strengthen their capabilities and skills to better integrate them into the labor market.

No.	Activities	Responsible Actors	Timeline
S5.1	Develop labor market trainings that upskill unemployed persons, ensuring that beneficiaries receiving the social protection program and other livelihood development programs are included.	Social Welfare Division in collaboration with the Department of Labor	2026-2027
S5.1a	Develop a tripartite working group on the upskill of unemployed persons, including women, especially those who are also sole parents, caregivers, living with disabilities, and/or are pregnant. This group should include government, employer representatives (i.e., technical and vocational education and training institutions), and worker representatives.	Social Welfare Division in collaboration with the Department of Labor, employers, employees, and civil society	Q3-Q4 2026
S5.1b	Develop detailed prioritized requirements as well as modules for the trainings.	The tripartite working group on the upskill of unemployed persons	Q1-Q2 2027
S5.1c	Hire trainers and appropriate facilities.	Social Welfare Division in collaboration with the Department of Labor	Q1-Q2 2027

No.	Activities	Responsible Actors	Timeline
S5.1d	Ensure the establishment of training certificates that are recognized by the Government of Nauru and the private sector.	Social Welfare Division in collaboration with the Department of Labor and the private sector	Q1-Q2 2027
S5.2	Establish an income generating/livelihood pilot program for women.	Social Welfare Division in collaboration with the Department of Labor	2027
S5.2a	Develop a policy document for the program and seek approval from the relevant institutions.	Social Welfare Division in collaboration with the Department of Labor	Q1-Q2 2027
S5.2b	Establish a gender-responsive program design document and standard operating procedures.	Social Welfare Division in collaboration with the Department of Labor	Q1-Q2 2027
S5.2c	Develop a gender-responsive implementation and financing plan for the program.	Social Welfare Division in collaboration with the Department of Labor	Q1-Q2 2027
S5.2d	Develop a gender-responsive monitoring and evaluation plan for the program.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Department of Labor	Q1-Q2 2027
S5.2e	Pilot the social protection program.	Social Welfare Division in collaboration with the Department of Labor	Q3-Q4 2027
S5.2f	Undertake a review of the program after one year of implementation. The findings shall be used to inform a plan for scale-up over the coming five years.	Social Welfare Division's Monitoring and Evaluation Unit in collaboration with the Department of Labor	Q3-Q4 2028
S5.3	Facilitate access to conditional credit that can only be spent on employment services, career counselling, and services targeted at self-employment and entrepreneurship. Ensure this takes into consideration gender-specific needs.	Social Welfare Division in collaboration with the Department of Finance	2030
S5.3a	Develop a policy document for the conditional credit plan and seek approval from the relevant institutions.	Social Welfare Division in collaboration with the Department of Finance	Q1-Q2 2030
S5.3b	Undertake an evidence-based analysis to identify the amount of credit needed per poor and vulnerable individual of working age.	Social Welfare Division in collaboration with the Department of Finance	Q1-Q2 2030
S5.3c	Establish a gender-responsive design document and standard operating procedures for the conditional credit plan.	Social Welfare Division in collaboration with the Department of Finance	Q1-Q2 2030
S5.3d	Develop a gender-responsive implementation and financing plan for the conditional credit plan.	Social Welfare Division in collaboration with the Department of Finance	Q1-Q2 2030

No.	Activities	Responsible Actors	Timeline
S5.3e	Develop a gender-responsive monitoring and evaluation plan for the conditional credit plan.	Social Welfare Division in collaboration with the Department of Finance	Q1-Q2 2030
S5.3f	Pilot the conditional credit plan.	Social Welfare Division in collaboration with the Department of Finance	Q3-Q4 2030
S5.3g	Undertake a review of the conditional credit plan after one year of implementation. The findings shall be used to inform a plan for scale-up over the coming five years.	Social Welfare Division in collaboration with the Department of Finance	Q2-Q4 2031

Q = quarter.

STRATEGY 6: Ensuring financial sustainability of existing and future social protection programs

Strategy description. The sustainable provision of transfers and services under the social protection strategy necessitates long-term budgetary planning and sound management of public resources to ensure the availability of required resources. In particular, domestic resource mobilization is a major element in ensuring long-term financing and sustainability of social protection. By aiming for financial sustainability, Nauru decreases its vulnerability to global economic shocks, and can also ensure that during times of crisis, the government is able to adopt anti-cyclical economic stimulus measures to lessen the impact of any global or regional contraction on Nauru's economy and population. Against this backdrop, it is recommended that the Government of Nauru implement the following activities.

No.	Activities	Responsible Actors	Timeline
S6.1	Develop a sustainable financing strategy for the National Social Protection Strategy.	Social Welfare Division in collaboration with the Department of Finance	2023-2027
S6.1a	Undertake a fiscal space analysis of Nauru's social protection system. Identify the current bottlenecks and future opportunities.	Social Welfare Division in collaboration with the Department of Finance	Q3-Q4 2023
S6.1b	Develop detailed prioritized requirements that are needed to sustainably finance the social protection system.	Social Welfare Division in collaboration with the Department of Finance	Q1-Q2 2024
S6.1c	Develop a transition plan from the current financing structure to the envisioned future structure.	Social Welfare Division in collaboration with the Department of Finance	Q1 2024-Q2 2025
S6.1d	Implement the transition plan.	Social Welfare Division in collaboration with the Department of Finance	Q3-Q4 2025
S6.1e	Ensure the regular assessment of the financing strategy and make adjustments where necessary.	Social Welfare Division in collaboration with the Department of Finance	2026-2032

Q = quarter.

5. Ten-year activity timeline of the strategy

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ACTIVITIES PER SEMESTER AND YEAR	2022		2023		2024		2025		2026		2027		2028		2029		2030		2031		2032	
	1 st	2 nd	1 st	2 nd	1 st	2 nd	1 st	2 nd	1 st	2 nd	1 st	2 nd	1 st	2 nd	1 st	2 nd	1 st	2 nd	1 st	2 nd	1 st	2 nd
11. Pilot the social protection program.																						
12. Undertake a review of the program after one year of implementation. The findings shall be used to inform a plan for scale-up over the coming five years.																						
13. Facilitate access to conditional credit that can only be spent on employment services, career counselling, and services targeted at self-employment and entrepreneurship. Ensure that this takes into consideration gender-specific needs.																						
14. Develop a policy document for the conditional credit plan and seek approval from the relevant institutions.																						
15. Undertake an evidence-based analysis to identify the amount of credit needed per poor and vulnerable individual of working age.																						
16. Establish a gender-responsive design document and standard operating procedures for the conditional credit plan.																						
17. Develop a gender-responsive implementation and financing plan for the conditional credit plan.																						
18. Develop a gender-responsive monitoring and evaluation plan for the conditional credit plan.																						
19. Pilot the conditional credit plan.																						
20. Undertake a review of the conditional credit plan after one year of implementation. The findings shall be used to inform a plan for scale-up over the coming five years.																						

APPENDIX 3

Monitoring and Evaluation Framework for Nauru's Social Protection Strategy

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
IMPACT STATEMENT: Establish a gender-responsive and socially inclusive social protection system that ensures relevance, efficiency, effectiveness, and financial sustainability of all existing and potential future social protection programs to protect the population from poverty and deprivation and reduce persistently high inequality in the country.											
	Impact 1	% of population classified as monetary poor under the national basic needs poverty line	%	24% (2013) [Ref 1]	20%	15%	Geographic location, age, gender, disability	Every 5 years	HIES/ census	Nauru Bureau of Statistics	The overall national headcount rate (proportion of poor individuals in Nauru)
	Impact 2	% of population classified as multidimensionally poor under the identified threshold	%	0	5 percentage points under identified value for 2021	10 percentage points under identified value for 2021	Geographic location, age, gender, disability	Every 5 years	HIES/ census	Nauru Bureau of Statistics	The overall national multidimensional poverty rate (proportion of multidimensionally poor individuals in Nauru)
	Impact 3	% of population classified as vulnerable to falling into poverty	%	28.3% (2013) [Ref 1]	23%	18%	Geographic location, age, gender, disability	Every 5 years	HIES/ census	Nauru Bureau of Statistics	The overall national population that is vulnerable to falling into poverty. This is defined by the threshold of per capita adult equivalent expenditure <10% above BNPL %.
	Impact 4	Income inequality measured by the Gini coefficient	–	0.52 (2014) [Ref 1]	0.50	0.45	Geographic location, age, and gender	Every 5 years	HIES/ census	Nauru Bureau of Statistics	A measure of statistical dispersion intended to represent the income inequality or wealth inequality within Nauru

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
	Impact 5	Gender inequality measured by the Gender Inequality Index	–	–	5 points under identified value for 2021	10 points under identified value for 2021	Geographic location and age	Every 5 years	HIES/ census/ labor force survey	Nauru Bureau of Statistics	A composite measure of gender inequality using three dimensions: reproductive health, empowerment, and the labor market
OUTCOME STATEMENT 1: By 2030, leadership, multisectoral collaboration, and governance are strengthened to maximize social protection outcomes.											
OUTPUT 1.2: By 2030, existing legislation, acts, and policies related to social protection in the country have been reviewed.											
Coverage	1.2.1	Legislation, acts, and policies have been updated, reviewed, or newly developed	Status	0	Legislation, acts, and policies have been updated, reviewed, or newly developed	–	–	One-time	–	Social Welfare Division	This is an indicator that measures progress in the review of legislation, acts, and policies related to social protections. The aim is to further strengthen their impacts on social protection outcomes. It must be ensured that in any revised or newly developed legislation, conditions are gender-sensitive, evidence-based, and shock-responsive.
OUTPUT 1.3: By 2030, the Social Welfare Division is designated as the main government agency to oversee social protection development and performance of programs.											
Capacity	1.3.1	A capacity and resource analysis of the Social Welfare Division is undertaken	Status	0	An analysis is undertaken	–	–	One-time	–	Department of Chief Secretary	A capacity and resource analysis of the Social Welfare Division to assess the division's capacity gaps, skills, and needs in light of the division's additional responsibilities under this strategy. Ensure that the assessment is gender-responsive, and assesses also whether the workforce is gender-diverse.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	1.3.2	A funding plan is developed	Status	0	A funding plan is developed	-	-	One-time	-	Department of Chief Secretary and Department of Finance	Secure funding for the additional responsibilities taken over by existing/new government personnel. This includes funds for capacity building support to ensure that the Social Welfare Division is equipped for its tasks.
Capacity	1.3.3	A plan that details the responsibilities of the Social Welfare Division is developed	Status	0	A plan is established.	-	-	One-time	-	Department of Chief Secretary	A plan that details the responsibilities of the designated department along with outlining the relevant personnel needed. Define each personnel's fundamental obligations under the plan.
Capacity	1.3.4	The Social Welfare Division is designated to oversee social protection policy development, implementation, and coordination	Status	0	An agency is designated.	-	-	One-time	-	Department of Chief Secretary	The establishment or designation of such an agency ensures that all matters of social protection fall under the same institutional structure. This helps increase decision-making efficiency, oversight on programs, and ensures integration into a life cycle approach. It also fosters transparency and accountability for the whole system and individual programs.
Capacity	1.3.5	A project implementation unit is set up for the development of a social protection management information system	Status	0	A project implementation unit is set up	-	-	One-time	-	Social Welfare Division	A project implementation unit is set up for the development of a social protection MIS.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	1.3.6	A gender-responsive communication campaign/drive is implemented	Status	0	A gender-responsive campaign has been implemented	–	–	One-time	–	Social Welfare Division	Raise awareness on the new social protection strategy among staff in government and partners through the implementation of a communication campaign/drive.
Coverage	1.3.7	Proportion of social protection programs whose coordination falls under the Social Welfare Division	%	0	50%	100%	–	Annual	–	Social Welfare Division	The proportion of social protection programs whose responsibility fall under the developed agency of social protection
Capacity	1.3.8	A midterm review of the implementation of the Social Protection Strategy is implemented	Status	0	A review is undertaken	–	–	One-time	Published reports	Social Welfare Division in collaboration with Department of Chief Secretary	Conduct a midterm review of the implementation of the social protection strategy.
Expenditure	1.3.9	Expanded capacity cost (additional staff and technical assistance)	AUD	0	To be determined based on findings of output 1.2.2	To be determined based on findings of output 1.2.2	Type of capacity expanded	Annual	MOF Annual Report	Ministry of Finance	Expanded capacity cost (additional staff to be hired for the new ministry; additional technical assistance for new tasks such as conducting monitoring or impact evaluation)
OUTPUT 1.4: By 2030, coordination with partners involved in social protection programming is strengthened.											
Capacity	1.4.1	Creation of an Advisory Committee including relevant partners in the field of social protection	Status	0	Advisory Committee is created	–	–	One-time	–	Social Welfare Division	This is done to strengthen coordination with partners involved in social protection programming, particularly NGOs and CSOs.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	1.4.2	Number of meetings undertaken by the Advisory Committee	#	0	5 annual meetings are held	Additional 5 annual meetings held	–	Annual	–	Social Welfare Division	This is done to strengthen coordination with partners involved in social protection programming, particularly NGOs and CSOs. It is envisioned that once the Advisory Committee is set up, annual meetings will be held to foster exchanges on social protection between the partners involved.
OUTCOME STATEMENT 2: By 2030, the targeting and administration of existing social protection programs are improved by building human capacity for social protection implementation and enhancing processes for efficiency.											
Coverage	2A	Proportion of eligible individuals receiving the respective social protection programs	%	–	50%	100%	Social protection program, age, sex, geographic location, poverty status, vulnerability status, and household composition	Annual	Social Protection MIS/M&E questionnaires	Social Welfare Division	The proportion of eligible individuals receiving the respective social protection programs (e.g., proportion of all children aged 4 to 18 under the school feeding program, etc.)
OUTPUT 2.1: By 2030, a unique identifier for each social protection beneficiary in Nauru is developed.											
Capacity	2.1.1	Develop a unique identifier for social protection beneficiaries	Status	0	A unique identifier for social protection beneficiaries is developed	–	–	One-time	–	Social Welfare Division	The designated department responsible for social protection along with relevant government departments involved in program implementation are recommended to improve efficiency in the administration and targeting of social

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
											protection programs. Under the NSPS, it has been outlined that the development of a unique identifier serves as an aid in the achievement of this strategy as it will be possible to identify who receives which programs and for how long.
Capacity	2.1.2	Establish a digital system for the unique identifier for social protection beneficiaries	Status	0	A system is established	–	–	One-time	–	Social Welfare Division	Introduce a digital system that will allow the registration of individuals along with the subsequent provision of a national ID card.
Capacity	2.1.3	The established digital system is linked to the established digital social protection MIS	Status	0	The link is established	–	–	One-time	–	Social Welfare Division	Ensure that the registered individuals are also reflected in the established digitalized MIS. This will facilitate the vertical and horizontal expansion of programs during shocks.
Coverage	2.1.4	Proportion of individuals, especially women, that possess a social protection unique identifier	%	0	50%	100%	Age, sex, geographic location, poverty status, vulnerability status, and household composition	Annual	Social Protection MIS	Social Welfare Division	The proportion of individuals that possess a unique identifier. Having a unique identifier can facilitate the targeting of programs and identification of beneficiaries during registration procedures, while minimizing fraud, increasing accountability, and improving transparency.
Capacity	2.1.5	Proportion of social protection programs that have applied the unique identifier	%	0	50%	100%	–	Annual	Social Protection MIS	Social Welfare Division	The proportion of all social protection programs (social insurance, social assistance, ALMPs) that have applied the unique identifier

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
OUTPUT 2.2: By 2030, an analysis to identify whether households, especially the poor and vulnerable groups such as women and people with disabilities, are aware of the benefits they can receive as well as the respective procedures to do so.											
Capacity	2.2.1	A study on social protection benefit awareness, especially among women, is published	Status	0	1	–	–	One-time	Published study	Social Welfare Division in collaboration with Nauru Bureau of Statistics	Undertake an analysis to identify whether households, especially the poor, are aware of the benefits they can receive as well as the respective procedures to do so. Currently, the take-up of certain programs varies along the income distribution. While this may be a result of demographic factors, this also shows that households in lower income quintiles are less informed about their rights and the programs they can access.
Coverage	2.2.2	Increased proportion of individuals, especially poor and vulnerable groups such as women and people with disabilities, that are aware of all social protection programs	%	–	75%	100%	Age, sex, geographic location, poverty status, vulnerability status, and household composition	Annual	M&E questionnaires	Social Welfare Division in collaboration with Nauru Bureau of Statistics	The proportion of individuals, especially poor and vulnerable groups such as women and people with disabilities, that are aware of all social protection programs (social insurance, social assistance, and ALMPs)
Coverage	2.2.3	Increased proportion of individuals, especially poor and vulnerable groups such as women and people with disabilities, that are aware of the	%	–	75%	100%	Age, sex, geographic location, poverty status, vulnerability status, and household composition	Annual	M&E questionnaires	Social Welfare Division in collaboration with Nauru Bureau of Statistics	The proportion of individuals, especially poor and vulnerable groups such as women and people with disabilities, that are aware of the respective procedures of applicable social protection programs (social insurance, social assistance and ALMPs). This includes

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
		respective procedures of applicable social protection programs									knowledge of the supporting documents needed, where to go for application, and where to go to receive payment.
OUTPUT 2.3: By 2030, appropriate delivery systems for the country's social assistance programs are set up to improve administration of social protection.											
Coverage	2.3.1	Trainings on the delivery of social protection programs are undertaken	#	0	2 trainings have been undertaken	2 additional trainings have been undertaken	-	4 times	-	Social Welfare Division	The aim is to develop trainings that will increase the future efficiency and effectiveness of the implementation of social protection programs and their delivery systems.
Capacity	2.3.2	Supporting requirements for the trainings have been developed that include the development of prioritized requirements, gender-responsive modules, and hiring of trainers and facilities	Status	0	Developed requirements and gender-responsive modules, hired trainers and facilities	Developed requirements and modules, and hired trainers and facilities	-	4 times	-	Social Welfare Division	The aim is to ensure that the provided trainings are efficient and effective.
Capacity	2.3.3	Appropriate gender-responsive delivery systems for the country's social assistance programs are set up	Status	0	Gender-responsive delivery systems are set up, as reflected by revised and updated operational manuals	-	-	One-time	-	Social Welfare Division	

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	2.3.4	A central planning and targeting tool is established	Status	0	A tool is established.	-	-	One-time	-	Social Welfare Division	This allows for the streamlining of the application and registration procedures. It needs to be ensured that this tool is integrated into the established social protection MIS by ensuring that appropriate requirements are included into the MIS bid documents.
Capacity	2.3.5	A gender-responsive communication strategy is established around the social protection programs that includes the bi-annual information campaigns	Status	0	A gender-responsive communication strategy is established	-	-	One-time	-	Social Welfare Division	The aim is to improve the awareness of social protection programs, their benefit levels, the eligibility criteria, and the respective application procedures.
Capacity	2.3.6	A central gender-responsive GRM hotline that is toll-free is established	Status	0	A central gender-responsive GRM hotline is established	-	-	One-time	-	Social Welfare Division	The establishment of a central GRM hotline that is toll-free will allow for the central storing of complaints and grievances. This will also include the recording of an individual's unique ID and the name of the program from which he/she receives benefits.
Capacity	2.3.7	A centralized, digital system to support a gender-responsive grievance redress mechanism is developed that includes appropriate feedback loops	Status	0	A centralized, digital system is developed	-	-	One-time	-	Social Welfare Division	A centralized, digital system to record the grievance process is established that is compatible with any MIS at present or to be established. This will allow for a better recording of the grievance process and more efficient and effective resolutions as well as improvements to the programs.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	2.3.8	A digital application platform for all social assistance programs is developed	Status	0	A digital application platform is developed	-	-	One-time	-	Social Welfare Division	The development of the digital application will facilitate awareness among individuals and will allow them to know what supporting documents they need and how to apply for a program. It will also provide them with an overview of all programs as well as detail the eligibility criteria for each. This will save time and ensure that more eligible individuals can receive social protection benefits.
Capacity	2.3.9	Number of social assistance programs that are linked to the digital GRM system developed	#	0	7 (100% of programs)	-	-	One-time	M&E questionnaires	Social Welfare Division	The number of social assistance programs (total of 7 in 2021) that are linked to the centralized grievance redressal mechanism
Coverage	2.3.10	Share of population that has undergone sensitization campaigns to inform them of (new) application and payment processes	%	0	50%	100%	Age, sex, geographic location, poverty status, vulnerability status, and household composition	Annual	M&E questionnaires	Social Welfare Division and Ministry of Finance	The share of population that has undergone sensitization campaigns to inform them of (new) application and payment processes
OUTPUT 2.6: By 2030, shock-responsive elements have been included in general government provisions, programmatic operations, and trainings.											
Capacity	2.6.1	Implement training to build the capacity of shock-responsive social protection among government	#	0	One training per government division	-	-	One-time	-	Social Welfare Division	This is important to ensure that government staff can act efficiently and effectively when preparing for crisis as well as during times of crisis.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	2.6.2	Develop MOUs with relevant development and humanitarian partners to outline the key activities that each is responsible for in the case of future emergency	Status	0	MOUs have been developed	-	-	One-time	-	Social Welfare Division	This is important to ensure that government staff and key stakeholders on the ground can act efficiently and effectively during times of crisis.
Capacity	2.6.3	Develop standard operating procedures to provide the government with step-by-step instructions on what operations to undertake during an emergency	Status	0	Standard operating procedures are developed	-	-	One-time	-	Social Welfare Division	This is important to ensure that government staff on the ground can act efficiently and effectively during times of crisis.
Capacity	2.6.4	Develop new or adjust existing social protection program guidelines to ensure they include provisions of shock-responsiveness	Status	0	Social protection program guidelines are developed or adjusted	-	-	One-time	-	Social Welfare Division	Develop new or adjust existing social protection program guidelines to ensure they include provisions of shock-responsiveness. This includes provisions on how and when to vertically and/or horizontally expand them during times of crisis.
Capacity	2.6.5	Develop new or adjust existing financing plans to reflect shock-responsive social protection aspects	Status	0	Financing plans are developed or adjusted	-	-	One-time	-	Social Welfare Division in collaboration with Ministry of Finance	Develop new or adjust existing financing plans to reflect the increased financial burden that shock-responsive social protection programs have. This is especially important for recurrent natural disasters such as annual droughts or floods.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	2.6.6	Set up a contingency fund for emergency expenses by the government	Status	0	Contingency fund has been set up	-	-	One-time	-	Social Welfare Division in collaboration with Ministry of Finance	Set up a contingency fund for emergency expenses by the government. This must include contributions from government but can also be supplemented by contributions from donors.
Coverage	2.6.7	Proportion of social protection program's infrastructure adapted to ensure shock-responsiveness	%	0	50%	100%	-	Annual	Social protection MIS	Social Welfare Division	Ensure that each social protection program's infrastructure is adapted to ensure that it can be expanded horizontally and/or vertically in times of crisis.
OUTCOME STATEMENT 3: By 2030, needs-based and evidence-based social protection programs are strengthened through the monitoring and evaluation of social protection programs, including sex-disaggregated data and feedback loops.											
Capacity	3A	Social protection outcomes that are regularly reported using sex-disaggregated data	Status	0	Social protection outcomes are regularly reported using sex-disaggregated data	-	-	Annual	M&E questionnaires/ HIES/ census/ DHS/ program MIS	Social Welfare Division	To fill the current coverage gaps in Nauru's social protection system, particularly regarding social assistance and labor market programs, programs must be strengthened in their needs- and evidence-based approach. The commitment toward a needs-based approach should further be rooted in an understanding of gender in the realm of social protection, which entails recognizing that men and women, boys and girls are subject to different risks and vulnerabilities. Hence, efforts must be undertaken to assess (gender) specific needs and implications for social protection programs.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Output 3.1: By 2030, a monitoring and evaluation framework for the social protection strategy is developed, accompanied by an implementation plan and tools.											
Capacity	3.1.1	A coordination mechanism is established to facilitate the exchange of data and evidence	Status	0	A mechanism is established	–	–	One-time	–	Social Welfare Division	Set up a coordination mechanism to facilitate transparent exchange of data and evidence between government agencies and international/multilateral organizations, NGOs, and CSOs.
Capacity	3.1.2	Monitoring and evaluation unit under the Social Welfare Division	Status	0	M&E unit is established	–	–	One-time	–	Social Welfare Division	Develop a monitoring and evaluation unit that is designated with collecting data, analyzing the data and producing annual reports on the social protection programs in Nauru.
Capacity	3.1.3	A questionnaire for the monitoring and evaluation framework is developed	Status	0	Questionnaire is developed	–	–	One-time	–	Social Welfare Division	Develop a questionnaire with the support of monitoring and evaluation experts to be able to collect adequate data over time that will allow for the analysis of impact, thereby ensuring that programs are continued only if they positively contribute to specified outcomes and outputs.
Capacity	3.1.4	Number of enumerators, both men and women, that are trained to undertake interviews and analyze the resulting data	#	0	20	–	Age, sex, and geographic location	One-time	–	Social Welfare Division	The number of enumerators that are trained to undertake interviews and analyze the resulting data

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	3.1.5	An annual sex-disaggregated social protection monitoring report is produced outlining the outcomes of each social protection program	Status	0	5 annual sex-disaggregated reports are produced	10 annual sex-disaggregated reports are produced	Age, sex, geographic location, poverty status, vulnerability status, disability status, and household composition	Annual	Published reports	Social Welfare Division	Conduct annual monitoring activities of each social protection program and reflect in a report the successes and the challenges faced by each program. This should also provide sex-disaggregated data on targeting, benefit levels, types of grievances, etc.
Capacity	3.1.6	A sex-disaggregated impact assessment for each social protection program is undertaken	Status	0	–	A sex-disaggregated impact assessment report is published, specifying the impact of each social protection program on relevant indicators	Age, sex, geographic location, poverty status, vulnerability status, disability status, and household composition	Every 5 years after first publication	Published assessments	Social Welfare Division	Conduct additional independent outcome and impact evaluations to understand targeting effectiveness, as well as the outcome and impact of each social protection program.
Capacity	3.1.7	Annual sex-disaggregated social protection expenditure is tracked and monitored through the inclusion of an “expenditure section” in the abovementioned annual monitoring reports	Status	0	Section is present in five annual reports produced	Section is present in 10 annual reports produced	Program, sex, and geographic location	Annual	Published reports	Social Welfare Division and Ministry of Finance	The aim is to have an overview of the expenditure that is taking place in the social protection sector over time.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Output 3.2: By 2030, a social protection management information system is developed.											
Capacity	3.2.1	A fiber optic submarine cable system has been implemented	Status	0	Fiber optic cable has been established	-	-	One-time	-	PIU	This is required to support the digitalization of the social protection MIS.
Capacity	3.2.2	Enabling policies and legislation have been developed	Status	0	Enabling policies and legislation have been developed	-	-	One-time	-	PIU	Develop enabling policies and legislation through reviewing and updating national legislation and sectoral policies relevant to the social protection MIS, while also ensuring the creation of a compliance and enforcement regime.
Capacity	3.2.3	A digital and centralized social protection management information system is developed	Status	0	A digital and centralized MIS is developed	-	-	One-time	-	PIU	Develop a digital and centralized management information system to create accountability and transparency. By linking each program to a central MIS, it will be easier to identify individuals who receive benefits, thereby reducing fraud. It will also make it easier to upscale programs in the event of a crisis. This should be done in three phases: (1) implementing foundational capabilities (phase 1); (2) high-value capabilities (phase 2); and (3) discretionary capabilities (phase 3).
Capacity	3.2.4	Develop an implementation and sustainability plan	Status	0	The implementation and sustainability plan is developed	-	-	One-time	-	PIU	Ensure that robust data-sharing protocols are established that allow for the regular updating of the MIS.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	3.2.5	Develop trainings on data capturing, data entry, repairs and system supervision and management of the new MIS	#	0	In total, 2 trainings are developed	In total, 4 trainings are developed	-	Annual	-	PIU	Next to the setting up of hardware and software requirements for such an MIS, specialized training in the management of the MIS is to be provided to staff in the responsible agency. Capacitated staff is necessary to fulfill various roles such as data capturing, data entry, repairs, and system supervision and management.
Coverage	3.2.6	Proportion of social protection programs that are linked to the MIS	%	0	30%	100%	-	Annual	Social Protection MIS	Social Welfare Division in collaboration with the PIU	The proportion of social protection programs that are linked to the centralized MIS
Capacity	3.2.7	Robust data-sharing protocols for regular updating of the MIS are developed	Status	0	Data-sharing protocols are developed	-	-	One-time	-	PIU	For regular updating, set up robust data-sharing protocols that adhere to data protection and privacy standards. Complement the regular updating of data protocols with mechanisms that are of importance during disaster response.
Capacity	3.2.8	Systematic and gender-responsive feedback loops are set up	Status	0	Feedback loops are set up	-	-	One-time	-	PIU	Set up systematic feedback loops to address concerns by beneficiaries in a timely and transparent manner. These concerns may reflect the M&E tools, components of the social protection programs, among others.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
OUTCOME STATEMENT 4: By 2030, appropriate, more gender-responsive, and sustainable social protection programs are developed to facilitate progress toward a life cycle approach to social protection in Nauru.											
Capacity	4A	Establishment of a more gender-responsive social protection system that achieves a life cycle approach	Status	0	-	A more gender-responsive social protection system is developed that achieves the life cycle approach	-	One-time	-	Social Welfare Division/ designated social protection department and Ministry of Finance	Ultimately, this is a difficult outcome to measure, and progressing toward “a social protection system that achieves a life cycle approach” should be seen as a process that will progress continuously, even after 2032 (or may never be fully realized). For now, whether this outcome is met, it will instead be measured by assessing the progress toward the outputs.
Output 4.1: By 2030, a social protection program targeted at poor and vulnerable individuals of working age is designed and implemented.											
Capacity	4.1.1	A gender-responsive social protection program targeted at poor and vulnerable individuals especially women of working age, delivering cash transfers, and supporting labor market integration is designed	Status	0	The program is designed	-	-	One-time	-	Social Welfare Division in collaboration with Department of Labor	Nauru must ensure that appropriate employment opportunities are created for the potential future workforce, next to its aim to increase its level of education and to build capacities of its people. As such, an appropriate program needs to be established along with a financing, implementation, and monitoring and evaluation plan. These plans ensure the efficiency and effectiveness of the program and allow for improvements to be made when needed.
Capacity	4.1.2	Establish a gender-responsive policy document for the program	Status	0	The policy document is designed	-	-	One-time	-	Social Welfare Division in collaboration with Department of Labor	

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	4.1.3	Establish an implementation and financing plan for the program	Status	0	An implementation and financing plan is established	-	-	One-time	-	Social Welfare Division, Department of Labor, and Ministry of Finance	
Capacity	4.1.4	Develop a sex-disaggregated monitoring and evaluation plan for the program	Status	0	A sex-disaggregated monitoring and evaluation plan is developed	-	-	One-time	-	Social Welfare Division in collaboration with Department of Labor	
Capacity	4.1.5	The gender-responsive social protection program targeted at poor and vulnerable individuals especially women of working age is implemented	Status	0	The program is implemented	-	-	One-time	-	Social Welfare Division in collaboration with Department of Labor	Implement the designed labor market and livelihood programs. Ensure that these are linked to the to-be-established centralized MIS.
Capacity	4.1.6	Undertake a review of the gender-responsive social protection program after one year of implementation	Status	0	Review is undertaken	-	-	One-time	-	Social Welfare Division in collaboration with Department of Labor	Undertake a review of the program after one year of implementation. The findings shall be used to inform a plan for scale-up over the coming five years.
Output 4.2: By 2030, a mechanism is developed to ensure that the benefit levels of all programs rise with inflation.											
Capacity	4.2.1	A mechanism to align social protection programs to inflation is developed	Status	0	A mechanism to align programs with inflation is developed	-	-	One-time	-	Social Welfare Division	For benefit amounts to reflect the changes in price on the markets, these should be annually adjusted for inflation. This is especially important for the poorer populations of Nauru who depend to some extent on the purchasing power of the transfer value they receive.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	4.2.2	An assessment is undertaken to identify whether gender-responsive and evidence-based benefit levels have been set for each social protection program	Status	0	An assessment is undertaken	–	Age, sex, geographic location, poverty status, vulnerability status, disability status, and household composition	Every 5 years after 1st publication	Published assessment	Social Welfare Division	While adjusting for inflation is important, it must also be noted that the benefit amounts must be set at levels determined by evidence. They should be appropriate to ensure that the respective aims of the programs are met.
Capacity	4.2.3	Develop a methodology or approach to setting benefit levels	Status	0	Methodology/approach is developed	–	–	One-time	–	Social Welfare Division	Based on the findings of the assessment, develop a methodology or approach to setting benefit levels.
Capacity	4.2.4	Develop a gender-responsive financing plan for potential increases in benefit levels	Status	0	Financing plan is developed	–	–	One-time	–	Social Welfare Division and Ministry of Finance	Generate a financing plan for potential increases in benefit levels that will result given the findings of the aforementioned assessment and the new methodology developed as a result.
Output 4.3: By 2030, a national multidimensional poverty threshold is identified.											
Capacity	4.3.1	A study is undertaken to identify the indicators that compose the multidimensional poverty index of Nauru	Status	0	A study is undertaken	–	Age, sex, geographic location, poverty status, vulnerability status, disability status, and household composition	One-time	Published study	Social Welfare Division in collaboration with other sectoral departments	To measure progress across time, the Government of Nauru should establish a methodology to measure the national multidimensional poverty rate, as international monetary poverty lines are too low and do not reflect the multidimensional deprivation existent in the country. This includes identifying the areas that should be included in the computation of such an index.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	4.3.2	A national multidimensional poverty threshold is identified	Status	0	A threshold is identified	-	-	One-time	-	Social Welfare Division in collaboration with other sectoral departments	To measure progress across time, the Government of Nauru should establish a methodology to measure the national multidimensional poverty rate, as international monetary poverty lines are too low and do not reflect the multidimensional deprivation existent in the country. Once the areas have been established and a threshold identified, the poverty line needs regular updating to reflect changes in expenditure, income, and multidimensional deprivation of households.
Output 4.4: By 2030, a comprehensive review of the NEAT scheme and back-to-school scheme has been conducted, and programs have been updated in line with the review's findings.											
Capacity	4.4.1	Design, implement, and validate a comprehensive review of the NEAT scheme and the back-to-school scheme	Status	0	A review is undertaken	-	-	One-time	Published assessment	Social Welfare Division in collaboration with Department of Education	Design and implement a comprehensive gender-responsive review of the NEAT scheme and the Back-to-School Scheme, assessing whether both programs meet their objectives. Conduct a validation exercise, validating findings from the comprehensive review, and update the study in line with findings from the validation exercise.
Capacity	4.4.2	Devise a reform plan for both programs based on the findings of the review	Status	0	A plan is established	-	-	One-time	-	Social Welfare Division in collaboration with Department of Education	Devise a reform plan for both programs, integrating the recommendations from the study into the program design and implementation.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	4.4.3	Update gender-responsive policy documents and program operational processes in line with the reform plan	Status	0	Policy documents and program operational manuals have been updated	–	–	One-time	–	Social Welfare Division in collaboration with Department of Education	Update gender-responsive policy documents and program operational processes in line with the reform plan.
OUTCOME STATEMENT 5: By 2030, employment and an active labor market are promoted.											
Coverage	5A	Increased share of population, especially of women, that are participating in the labor market	%	68.7 (2013) [Ref 3]	74	79	Age, sex, geographic location, poverty status, vulnerability status, disability status, and household composition	Annual	Labor force survey	Social Welfare Division in collaboration with Department of Labor	The share of population that are participating in the labor market
Coverage	5B	Reduced share of labor force that is unemployed	%	13.3 (2013) [Ref 3]	10	6	Age, sex, geographic location, poverty status, vulnerability status, disability status, and household composition	Annual	Labor force survey	Social Welfare Division in collaboration with Department of Labor	The share of labor force that is unemployed
Coverage	5.1.5	Develop and report on an index that reflects employment opportunities for	Status	0	–	An index is developed and reported on	–	One-time	Labor force survey	Social Welfare Division in collaboration with Department	To measure progress in establishing productive job opportunities, the Government of Nauru should establish a methodology to compute an

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
		both men and women and their respective quality								of Labor	index that reflects employment opportunities for both men and women and their quality. Once this has been done, the index should be regularly updated to reflect any changes across time.
Output 5.1: By 2030, programs that integrate beneficiaries in the labor market and provide livelihood support are designed and implemented.											
Capacity	5.1.1	Develop a tripartite working group on the upskill of unemployed persons	Status	0	A tripartite working group is developed	-	-	One-time	-	Social Welfare Division in collaboration with Department of Labor, employers, employees, and civil society	This group should include government, employer representatives (i.e., TVET/ training institutions), and worker representatives.
Capacity	5.1.2	Develop a sex-disaggregated monitoring and evaluation plan for the labor market trainings	Status	0	A sex-disaggregated monitoring and evaluation plan is developed	-	-	One-time	-	Tripartite working group	This is important to ensure that the trainings are reaching their objectives in upskilling the skills of the unemployed, especially poor and vulnerable groups such as women in Nauru. It is important here to also determine whether the individuals also find employment after the training course is completed.
Capacity	5.1.3	Increased number of persons participating in the labor market trainings	#	0	10 persons per training	20 persons per training	Age and sex	Annual	-	Social Welfare Division in collaboration with Department of Labor	The size of trainings that have been conducted with the aim of upskilling unemployed individuals especially women. Such trainings can also help facilitate a shift in economic potential and development toward higher-skill sectors.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
											Trainings could be linked to livelihood development programs, wherein vulnerable households are also provided with access to health care, financial services, and livelihood opportunities. This also includes the development of a tripartite working group on the upskill of unemployed persons, the development of detailed prioritized requirements and modules for the trainings, the hiring of trainers and appropriate facilities, as well as ensuring that the established training certificates are recognized by the Government of Nauru and the private sector.
Capacity	5.1.4	Increased number of technical staff in the Social Welfare Division	#	0	2 additional workers	2 additional workers	-	One-time	-	Social Welfare Division	Expanded capacity through the hiring of additional staff to design and implement the new programs as well as to provide additional technical assistance for new tasks such as targeting, awareness raising, monitoring, etc.
Coverage	5.1.5	Pilot a livelihood support program for women	Status	0	Livelihood support program is piloted	-	-	One-time	-	Social Welfare Division	Pilot a livelihood support program for women given that they face increased vulnerabilities and have less access to the formal labor market when compared to their male counterparts. Also, including women in the labor market in a productive manner contributes to the well-being of their families and the nation.

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	5.1.6	Develop a gender-responsive policy document for the livelihood support program for women	Status	0	A gender-responsive policy document is developed	-	-	One-time	-	Social Welfare Division	
Capacity	5.1.7	Establish an implementation and financing plan for the livelihood support program for women	Status	0	An implementation and financing plan is established	-	-	One-time	-	Social Welfare Division	
Capacity	5.1.8	Develop a monitoring and evaluation plan for the livelihood support program for women	Status	0	A monitoring and evaluation plan is developed	-	-	One-time	-	Social Welfare Division	
Capacity	5.1.9	The livelihood support program for women is implemented	Status	0	The plan is implemented	-	-	One-time	-	Social Welfare Division	Implement the designed livelihood support program for women.
Capacity	5.1.10	Undertake a review of the livelihood support program for women after one year of implementation	Status	0	Review is undertaken	-	-	One-time	-	Social Welfare Division	Undertake a review of the program after one year of implementation. The findings shall be used to inform a plan for scale-up over the coming five years.
Coverage	5.1.11	Proportion of eligible working-age women integrated into the livelihood support program for women	%	0	50%	100%	Age, geographic location, poverty status, vulnerability status, disability status, and household composition	Annual	Social protection MIS/M&E questionnaires	Social Welfare Division in collaboration with Department of Labor	The proportion of working-age women integrated into the labor market as a result of the designed program

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Capacity	5.1.12	Develop a gender-responsive policy document for the conditional credit plan	Status	0	A gender-responsive policy document is developed	-	-	One-time	-	Social Welfare Division and Ministry of Finance	The credit can only be spent on employment services, career counselling, and services targeted at self-employment and entrepreneurship. Ensure that this takes into consideration gender-specific needs.
Capacity	5.1.13	Establish an implementation and financing plan for the conditional credit plan	Status	0	An implementation and financing plan is established	-	-	One-time	-	Social Welfare Division and Ministry of Finance	
Capacity	5.1.14	Develop a sex-disaggregated monitoring and evaluation plan for the conditional credit plan	Status	0	A sex-disaggregated monitoring and evaluation plan is developed	-	-	One-time	-	Social Welfare Division and Ministry of Finance	
Capacity	5.1.15	The conditional credit plan is implemented especially among women	Status	0	The plan is implemented	-	-	One-time	-	Social Welfare Division and Ministry of Finance	Implement the designed conditional credit plan.
Capacity	5.1.16	Undertake a review of the conditional credit plan after one year of implementation	Status	0	Review is undertaken	-	-	One-time	-	Social Welfare Division and Ministry of Finance	Undertake a review of the plan after one year of implementation. The findings shall be used to inform a plan for scale-up over the coming five years.
OUTCOME STATEMENT 6: By 2030, financial sustainability of existing and future social protection programs is ensured.											
Coverage	6A	Share of social protection programs that are financially sustainable	%	-	50%	100%	-	Annual	MOF Annual Report	Social Welfare Division and Ministry of Finance	Share of all social protection programs (social insurance, social assistance, ALMPs) that are financially sustainable

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
Output 6.1: By 2030, a sustainable financing strategy for the national social protection strategy is developed.											
Capacity	6.1.1	Undertake a gender-responsive fiscal space analysis of Nauru's social protection system	Status	0	A fiscal space analysis is undertaken	-	-	One-time	Analysis published	Social Welfare Division and Ministry of Finance	A fiscal space analysis should be carried out prior to the development of the social protection financing strategy to identify fiscal avenues of covering the increased social protection expenses over the long term. The analysis should pay attention to the potentially large increase of costs related to the aged pension, which has been forecast to approximately double in its expenses over the coming 20 years due to an ageing population.
Capacity	6.1.2	A sustainable financing strategy for the national social protection strategy is developed that includes the development of detailed prioritized gender-responsive requirements as well as a transition plan	Status	0	A sustainable and gender-responsive financing strategy is developed.	-	-	One-time	MOF Annual Report	Social Welfare Division and Ministry of Finance	The sustainable provision of transfers and services under the social protection strategy necessitates long-term budgetary planning and sound management of public resources to ensure the availability of required resources. Reliable, sustainable, and institutionalized funding mechanisms must be set up and an analysis of fiscal space for social protection should be carried out to identify feasible revenue sources for social protection. These should all feed into the creation of a sustainable financing strategy. Furthermore, the strategy should stress-test existing investments, and make recommendations how the government can make

Result	Indicator ID	Indicator Name	Unit of Measure	Baseline Value 2021	Target 2027	Target 2032	Disaggregation	Reporting Frequency	Means of Verification	Responsible Department/ Agency	Explanation
											provisions during good years that can be used during times of crisis.
Capacity	6.1.3	Regularly assess the financing strategy and make adjustments where necessary	Status	0	The sustainable financing strategy is regularly assessed.	–	The sustainable financing strategy is reassessed	Every 5 years	–	Social Welfare Division and Ministry of Finance	To ensure that the financial strategy continues to remain sustainable over time, its methodology as well as calculations should be reassessed on a regular basis to see to it that adjustments can be made early on, thereby ensuring that programs continue to remain sustainable over time.

ALMP = active labor market program, AUD = Australian dollar, BNPL = basic needs poverty line, CSO = civil society organization, GRM = grievance redress mechanism, HIES = Household Income and Expenditure Survey, M&E = monitoring and evaluation, MIS = management information system, MOF = Ministry of Finance, MOU = memorandum of understanding, NEAT = Nauru Education Assistance Trust Scheme, NGO = nongovernment organization, NSPS = National Social Protection Strategy, Ref = reference, TVET = technical and vocational education and training.

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APPENDIX 4

Nauru Social Protection Digital Road Map 2022-2026

1. Introduction

Social protection is key to guaranteeing social justice by reducing poverty and contributing to **inclusive** and **sustainable** growth. However, this is not a simple undertaking. The range of program complexities and the need for multiple sectoral collaboration, such as with the health and education sectors, call for better coordination of activities and harmonization of information particularly in relation to poor and vulnerable groups. In turn, this information must be managed effectively within the social protection milieu and across sectors with regulatory social protection responsibilities.

The Government of Nauru has expressed interest for the Asian Development Bank (ADB) to continue its policy-based support by building on the completed Public Investment Management Program funded by an ADB grant to institute policy reforms in the country. This program supported the improvement of budget control, reporting, and transparency in the management of public expenditure; the introduction of frameworks to prioritize infrastructure spending; and the establishment of an overarching policy and legal framework for state-owned enterprises. As the COVID-19 pandemic has put a spotlight on vulnerable groups worldwide, the proposed policy-based social protection program will help the government implement social protection systems alongside these other reforms.

The National Social Protection Strategy (NSPS) calls for the Government of Nauru to respond to the life cycle needs of its population. It would thus be imperative for the social protection management information system to facilitate record-keeping to (1) identify those who are in need; (2) enroll and register them in the program without undue delay; (3) provide benefits and services; (4) conduct and manage follow-ups at the individual and community levels; (5) improve financial efficiency by avoiding duplication of beneficiaries, exit of beneficiaries, and tracking expenditures; and (6) monitor and evaluate the effectiveness of current social protection programs to track progress and performance.

Rapid digital transformation was already taking place in the country prior to the crisis caused by COVID-19 and accelerated even more during the pandemic, leading to the expansion of opportunities for digital inclusion. However, there are always opportunities as well as risks in introducing technology-enabled solutions in the delivery of social protection programs. Therefore, a holistic approach drawing on multistakeholder partnerships is needed in the design of an inclusive “digital approach” to support the NSPS and to work toward the financial sustainability of existing and future social protection programs.

2. Key findings

2.1 Objective and approach

The objective of the five-year road map of the National Social Protection Strategy is to provide a long-term implementation plan for the development of Nauru's social protection digital system. The road map is not a digital social protection strategy nor does it provide the detailed functional and infrastructure requirements for a management information system (MIS). The road map plans for the long term and defines the needs and priorities of a social protection digital system before making further investments. Therefore, the road map can help the government move forward with confidence and purpose while avoiding costly irreversible mistakes.

Preparing the road map is not a one-time event. As political and business drivers change, as policies and legislation evolve, and as technology and communication capabilities (i.e., high speed internet) advance, the road map is a living document that should be regularly updated, reconsidered, and revised. Virtual discussions were held with various Nauru government agencies in this regard. These included meetings with the following government departments and offices:

1. Administration and Logistics
2. COVID-19 Task Force
3. Education
4. Information, Communications and Technology
5. People Living with Disability
6. Public Service Commission
7. Registrar's Office (Civil Registration and Vital Statistics)
8. Social Welfare Division (Department of Finance)
9. Treasury Division (Department of Finance)
10. Women's Social and Development Affairs

The purpose of these virtual discussions was to provide an understanding of the current state of Nauru's social protection programs. Onsite consultation to gather essential details of how the social protection programs are being delivered was not possible due to pandemic related travel restrictions.

2.2 Present and future state analysis

The present state analysis is focused on (1) understanding and capturing core business processes of Nauru's current social protection programs and the status of automation and technology utilized to support these programs, and (2) getting a sense of the state of readiness and maturity to adopt a digital social protection system.

Given limited information, swim lane process flow diagrams were developed to document the consultant's high-level understanding and, in turn, to share these understandings with the stakeholders. Swim lane diagrams provide a visual representation of processes to (1) delineate who does what within a process, (2) clarify complex processes, (3) point out the participants of the programs, and (4) improve communication and collective understanding. Six benefit programs were analyzed, which are listed in Table A4.1.

TABLE A4.1: Current social protection programs in Nauru

Program	Objectives
Birth benefit	To assist the mother in meeting costs associated with the birth of a new child
Death benefit	To assist the family of the deceased with funeral and related expenses
Back-to-school payment	To increase school attendance by removing obstacles to children attending school by providing \$50 per student per school term
School feeding	To improve nutritional intake and school attendance
Disabled benefit	To assist disabled people with basic living expenses
Aged benefit	To assist elderly individuals with basic living expenses
Education assistance	To provide AUD5 per day to school-aged students per day of school attendance to improve school attendance

AUD = Australian dollar.

The present state analysis of Nauru's social protection programs can be characterized as follows, which is discussed in the next sections:

1. Predominantly paper-based registration, processing, and workflow
2. Absence of individual unique identifier
3. Lack of data harmonization and standardization
4. Lack of feedback loops to respond to changing circumstances
5. Lack of monitoring and evaluation process
6. Protracted time from enrollment to payment

2.2.1 Predominantly paper-based registration, processing, and workflow

Nauru's social protection programs can best be described as requiring significant manual paperwork—from the assessment of needs and registration/enrollment of the beneficiary to the preparation of payment lists, reconciliation, and reporting. Although standalone Excel spreadsheets are used in pockets of the delivery chain, for the most part the entire process is paper-based. To cite some examples, copies of birth certificates must be presented in paper format. Student information for the school feeding program is also presented in the form of paper reports from the Student Information System and not generated in a digital format that can be received electronically. Consequently, information is entered manually that is prone to human error and fraud.

2.2.2 Absence of individual unique identifier

It is difficult to immediately determine multiple social protection program recipients since no information is being exchanged between program registries. Furthermore, facilitating an audit trail of recipients of social protection programs is hindered. This includes the ability to regularly monitor that no person is entered into the social protection programs more than once. Instituting unique identifiers would drastically improve the processes of identifying, verifying, validating, processing, and analyzing recipients. This would also prevent errors and fraud and improve the overall accuracy of the data and the integrity of the social protection programs.

2.2.3 Lack of data harmonization and standardization

Social protection programs typically have a set of minimum mandatory information that need to be collected to initiate beneficiary registration. Currently, there are no standardized registration forms, which can lead to exaggerated costs of registration including the duplication of efforts. The objectives of instituting data harmonization are to eliminate redundancies in submitting the required data and to mitigate duplication in the submission of beneficiary data to government authorities. The ultimate outcome should be one set of standardized data requirements and standardized messages resulting in a harmonized, coordinated, and high-quality social protection program registration and reporting.

2.2.4 Lack of feedback loops to respond to changing circumstances

Nauru's social protection process is predominantly linear that becomes problematic both operationally and at the programmatic level. For instance, the School Feeding Program does not take into consideration changing circumstances (e.g., number of students dropping out of school) to adjust catering needs since student information is not updated and disseminated regularly. Having feedback loops such as beneficiary feedback, grievances, and appeals can shape policies and further strengthen social protection programs.

2.2.5 Lack of monitoring and evaluation

The ability of the social protection sector to facilitate oversight of its programs either to monitor performance or to address the multidimensional needs of individuals and households is difficult. Effective monitoring and evaluation processes require active information exchange or a holistic view of other social protection programs, including the need for sex-aggregated data and continuous improvement of social protection programs to be more gender sensitive and responsive. This would provide the ability to facilitate oversight of multiple programs and to actively identify individuals that are at risk of further vulnerability especially among women.

2.2.6 Protracted time from enrollment to payment

Although a time-and-motion study was not conducted, all stakeholders interviewed agreed that the time from enrollment until when beneficiaries are paid can be improved considerably if information obtained from government agencies can be received electronically (without data having to be manually entered) and if the entire process is automated.

Annex A in Appendix 4 provides the present state analysis of the current social protection programs. Annex B presents the recommended business process changes or future state design for these programs. With a proper social protection MIS, significant gains can be made to (1) improve data sharing across government agencies, (2) maintain the accuracy and integrity of the information, and (3) strengthen the efficiency and overall effectiveness of each social protection program.

2.3 Current state assessment of ICT environment

The Republic of Nauru is an upper middle-income country with a population size of 12,876 (2017). It is the smallest island state with the highest population density among the Pacific island countries

and territories.¹ Pacific countries are at different stages of advancement in the use of information and communication technology (ICT) in delivering government services. In most cases, advancements are hindered by the lack of laws, regulations and policies, and undeveloped national infrastructure such as electricity and communications.

Nauru's ICT environment has been assessed to cover the following categories (Table A4.2):

1. Digital foundation
2. ICT infrastructure
3. Laws and regulations
4. Policies
5. Procedures

With many categories assessed at Level 1, considerable work is required to get to the point where the implementation of a social protection MIS would be viable and sustainable. This is addressed in the road map proposals in section 3, Appendix 4.

2.4 Future conceptual architecture of the Nauru social protection management information system

The proposed conceptual architecture is based on a simplified holistic approach for the development of an integrated social protection MIS for Nauru. It was developed using a set of guiding principles aligned with the strategy.

A key facet of the conceptual architecture is that it is vendor agnostic, in that it expresses the capabilities without referencing specific vendor products, modules, or technology solutions at this level of abstraction. This is done intentionally to ensure that planning and procurement work can occur at this level, potentially allowing a broader range of vendor responses.

The proposed architecture describes the high-level future state of the social protection MIS (Figure A4.1). In addition, the proposed architecture achieves the cross-enterprise consistencies as reflected in the NSPS and is described in Table A4.3.

2.5 Creating an enabling and sustainable environment

For several decades, countries and public and private organizations have been exploring how to use digital systems to support their business imperatives. Organizations have grappled with how to use these technologies to make their own work more participatory, sustainable, and effective. Although there is no question that technology has transformed how services are delivered, the outcomes have not all been that promising. According to a 2017 report from the Project Management Institute, 14% of all digital projects fail.² Of the projects that did not fail outright, 31% did not meet their goals, 43% exceeded their initial budgets, and 49% were late. There is about a less than 1 in 10 chances of implementing digital systems within the original scope, time, and budget.

1 Nauru-Population 2017. <https://countryeconomy.com/demography/population/nauru?year=2017>.

2 Okta. Identity 101 Index - Authentication. <https://www.atspoke.com/blog/it/reasons-for-it-project-failure/>.

TABLE A4.2: Current information and communication technology environment of Nauru

Category	Environment	Level of Maturity ¹	Comments
Digital foundation	Unique identifier	1	<ul style="list-style-type: none"> ▶ No unique person identifier at the national or sector level ▶ New legislation on Civil Registration and Vital Statistics includes the creation and recognition of a national ID but has not been enacted ▶ Challenges linking to civil registration to ensure verification of data ▶ Hinders interoperability within and between government programs (and information systems), including cross checks, validations, and deduplications
	Human and organizational capacity	1	<ul style="list-style-type: none"> ▶ No dedicated digital team supporting the current social protection programs
ICT infrastructure	Data center	3	<ul style="list-style-type: none"> ▶ Managed by the Department of Information and Communication Technology (ICT) with over 20 staff ▶ Mainly technical troubleshooting with no application programmers ▶ Currently developing a national e-government strategy but no anticipated release date
	Electricity	4	<ul style="list-style-type: none"> ▶ Supplied by Nauru Utilities Corporation ▶ High electricity coverage covering 100% of the population (2019)² ▶ Reduced power outages with installation of two new energy-efficient, medium-speed 2.9-megawatt diesel generators
	Telecommunications	3	<ul style="list-style-type: none"> ▶ Cellphone is used widely throughout the country with 95% household access to mobile phones (2013); cellular subscription is 88 per 100 inhabitants (2017) ▶ 98% 3G cellular coverage (2017), but relatively low active mobile broadband subscription of 35 per 100 inhabitants (2017)
	Internet	3	<ul style="list-style-type: none"> ▶ High affordability of fixed broadband with 3.5% gross national income (GNI) (2016) and mobile broadband 2.78 GNI (2017) ▶ Reliance on satellite links for international Internet capacity ▶ Anticipated submarine cable project connecting Nauru with the East Micronesia Cable System is delayed with no specific date as to when cable will land within 2 years

Category	Environment	Level of Maturity ¹	Comments
			<ul style="list-style-type: none"> ▶ Internet bandwidth and redundancy not sufficient for cloud-based implementation, therefore limited to on-premises installation
Laws and regulations	Social Protection Act ³	1	<ul style="list-style-type: none"> ▶ Non-existent and mandatory ▶ This Act provides the organizational, economic, and legal bases for social protection, and regulates the relations relating to social welfare ▶ Describes the regulations that permit social protection services to be provided and how the social protection ▶ Policies are in place to support the current social protection programs but currently lack the legal rigor to make broad changes needed to support an integrated social protection system
	Privacy Act	1	<ul style="list-style-type: none"> ▶ Non-existent and highly recommended ▶ Sets out rules for how institutions of the Government of Nauru collect, use, disclose, retain, and dispose personal information of individuals
Policies	Data use	1	<ul style="list-style-type: none"> ▶ Non-existent and highly recommended ▶ Provides the rules for the use of personal information and establishes legitimate purpose to guide allowed uses of data ▶ Establishes data sharing agreements to govern the sharing of personal information across government agencies ▶ Covers cloud computing and data residency in the country
	Data confidentiality	1	<ul style="list-style-type: none"> ▶ Non-existent and highly recommended ▶ Provides for the protection and securing of sensitive personal information at the direction of the individual, including mechanisms to access protected data
	Data security and audit	1	<ul style="list-style-type: none"> ▶ Non-existent and recommended ▶ Provides for securing of data and requirements for audit recording of all digital access to personal information
	Person identity management	1	<ul style="list-style-type: none"> ▶ Non-existent and highly recommended ▶ Establishes person identity management processes and methods, including identity proofing and identity authentication ▶ Defines identity roles that include specific rights to sensitive data

Category	Environment	Level of Maturity ¹	Comments
	User identity management	1	<ul style="list-style-type: none"> ▶ Non-existent and highly recommended ▶ Establishes user identity management processes and methods, including user credentials and access to sensitive data
Procedures	Procedures	1	<ul style="list-style-type: none"> ▶ Non-existent and highly recommended ▶ Includes documented procedures of <ul style="list-style-type: none"> o Identity proofing o Identity authentication o Complaints, grievances, and appeals

¹ Level of maturity is based on a maturity scale from 1 to 5:

Level 1 = Non-existent

Level 2 = Existent but inadequate

Level 3 = Existent and adequate

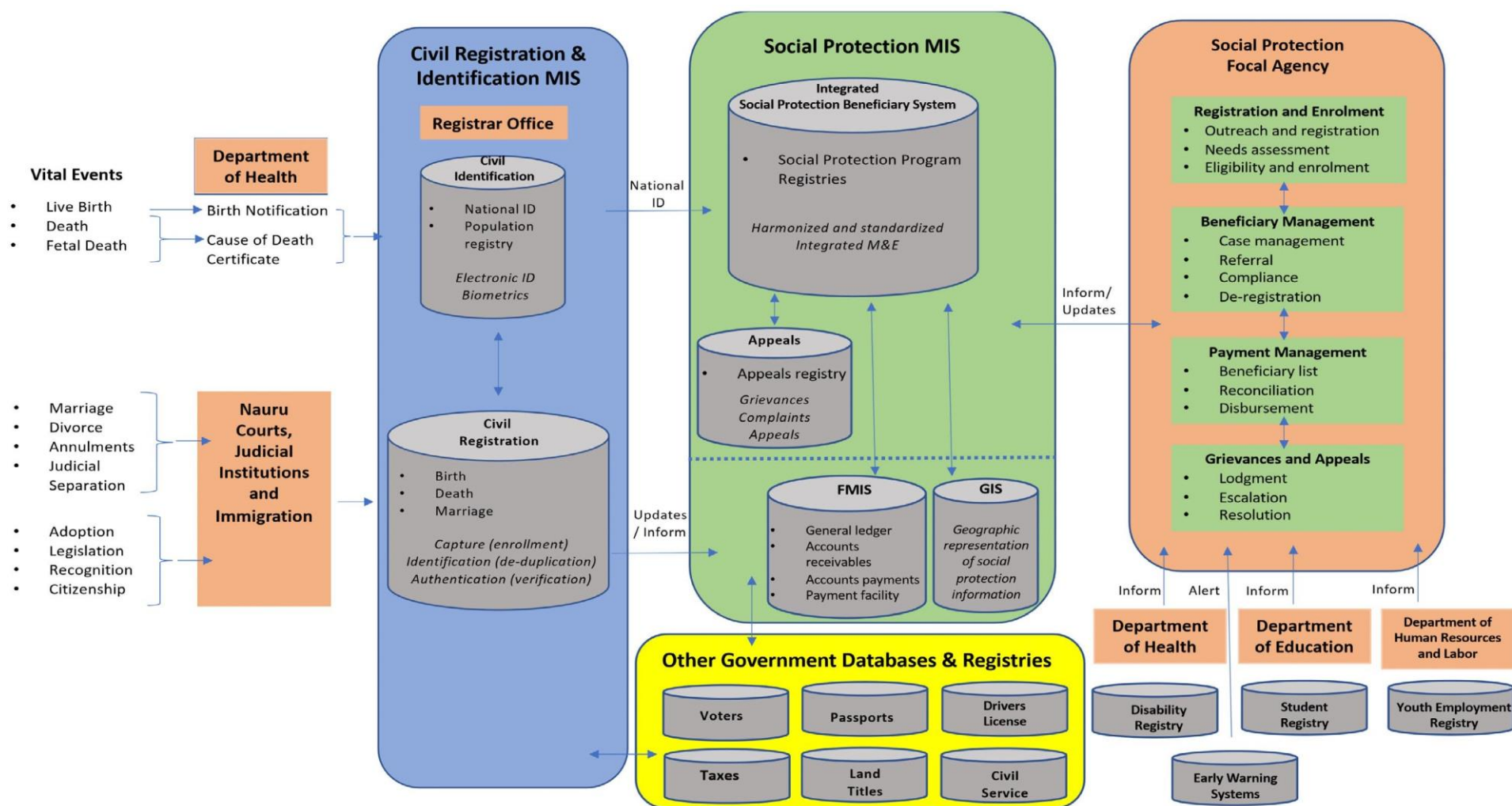
Level 4 = Satisfactory

Level 5 = Innovative

² World Bank. Access to electricity (% of population) - Nauru (1990-2019).

³ Note that there are policies for each social protection.

FIGURE A4.1: Proposed architecture of the social protection management information system



FMIS = financial management information system, GIS = geographic information system, M&E = monitoring and evaluation, MIS = management information system.

TABLE A4.3: Seven principles of the National Social Protection Strategy

Principle	Architecture Alignment Description
1. Protection from poverty and deprivation	<ul style="list-style-type: none"> ▶ Adopting the concept of a unique ID (i.e., national ID) within the social protection ecosystem can act as an incentive for the registration of the hardest to reach and most vulnerable households ▶ Bridges the “identification gap” common in vulnerable individuals and groups ▶ Ability to track, monitor, and anticipate individual and household needs
2. A life cycle approach	<ul style="list-style-type: none"> ▶ Interoperability with other government systems and registries, in particular with the Civil Registration and Vital Statistics to further strengthen minimum demographic information (i.e., name, date of birth, age, gender, address, etc.) ▶ Identification of differential needs across population groups and life cycle stages through integration and information exchange with other government systems
3. Empowerment of vulnerable groups and equity	<ul style="list-style-type: none"> ▶ Use of case management for targeted support to different categories of vulnerable groups (e.g., women, children, elderly, and people with disabilities) ▶ Platform designed for transparency, access, and rights to personal information through computing and mobile devices
4. Transformational social protection	<ul style="list-style-type: none"> ▶ Full integration across social protection programs enabling integrated monitoring and evaluation (M&E) based on evidence ▶ Ability to support delivery of integrated and gender-responsive social protection programs for individuals and households
5. Shock-responsiveness and resilience	<ul style="list-style-type: none"> ▶ Alert through surveillance and early warning systems ▶ Full integration across social protection programs and early warning indicators enabling assessment of covariate (aggregate) shocks
6. Needs-based and evidence-based measures	<ul style="list-style-type: none"> ▶ Availability of accurate and recent information on individuals, households, or targeted groups that may need access to social assistance and support ▶ Includes sex-disaggregated information to contribute to enhanced gender equality
7. Good governance	<ul style="list-style-type: none"> ▶ Allows identification and management of overlaps and underlaps (i.e., gaps) across existing social programs and strengthens coordination ▶ Integration with other government databases provides additional verification step in assessing needs of potential beneficiaries, thereby minimizing fraud and error ▶ Access to beneficiary information in real time, thereby reducing delays ▶ Ability to support gender-responsive grievance redress mechanism

For over a decade now, the international development community has followed suit in exploring the use of digital tools, such as the use of mobile phones, to extend the reach of development. Although there are no recent published studies on the number of successes and failures in this field, results have been equally mixed with a much higher possibility of project failures.

Some projects have succeeded, enabling improved and sustained access to information and services that previously were out of reach for marginalized populations. However, many more projects have failed, often due to preventable reasons such as unsteady funding and lack of forward planning, resulting in many thousands of projects that are uncompleted or unable to scale.

According to the United States Agency for International Development, some of the common barriers to creating an enabling and sustainable digital environment are as follows:³

1. Lack of institutional vision and strategy supporting the integration of digital development best practices
2. Lack of adequate staff and resources
3. Lack of enabling policies
4. Challenges integrating best practices into business processes

In addition, potential barriers specific to Nauru include the following:

5. Unreliable internet and network infrastructure
6. Lack of sustainable funding

2.5.1 Lack of digital vision and strategy

Although enabling technologies such as the use of computers, mobile devices, and cloud computing have been introduced in development projects for several years, there appear to be perpetual challenges—particularly in social sectors such as health, education, and social protection. Unlike sectors such as finance, trade, and economic development, the social sectors have struggled to deliver even the most basic of services since many activities are highly resource intensive with limited staff capacity—even though these sectors typically make up the largest proportion of public servants.

The challenge is to break the status quo around the way things are being done. In several digital projects in the development community, the focus has been on technical fixes instead of creating a cohesive vision and strategy that enable and promote behavioral changes across all levels of government. These scenarios are no different in Nauru. With limited staff, resources, and the absence of a digital vision⁴ for all of government, several government programs are still manual and paper-based, perpetuating the need for more scarce qualified resources to deliver government services. For the social protection MIS to be implemented and adopted successfully, it would be critical for the government (1) to lay out a clear and common vision of the value of technology in this sector and how this would improve the social protection programs in the country, and (2) to motivate the rest of the country to embrace and adopt the changes in delivering these programs digitally.

³ A. Wagman. 2016. *From Principle to Practice: Implementing the Principles of Digital Development*. Washington DC: USAID.

⁴ Based on our understanding, the National e-Government Strategy is under development. There is no definitive date when it would be available to the public.

2.5.2 Lack of adequate staff and resources

Domain knowledge and technical expertise, all embodied in people, are critically scarce especially in the Pacific. Therefore, human and organizational capacity must be seen as a foundation on which the government must define, refine, and underline their success strategies for the introduction of digital solutions.

In small island nations like Nauru where the population is small, one can expect the digital talent pool to also be relatively small or non-existent. The introduction of software as a service model or for cloud computing attenuates many of the challenges faced by Pacific countries, including the difficulties in recruiting highly qualified technical resources to support these information systems. By adopting a cloud-based installation, Nauru can tap highly qualified technical resources anywhere in the world to maintain the social protection management information system (MIS) that is not available in small population countries. However, due to the lack of high speed and redundant internet infrastructure in Nauru, this is not even an option.

Operational service design of Nauru's social protection MIS requires considerable thought, training, commitment, and a dedicated pool of resources to enable successful implementation, adoption, and use. Lack of staff and capacity, and, in turn, poor operational disciplines may lead to reduced user confidence and adoption, resulting in the social protection MIS falling into disuse. The government will need to assess organizational staff and technical capacity before implementing the social protection MIS.

2.5.3 Lack of enabling policies

Without a strong legislative and policy environment, user adoption, incentives, and enforcement of key areas become problematic and reduce trust in the system for beneficiaries and government. As highlighted in section 2.3 on the current ICT environment, there are inadequacies in the current law and policy. These include the lack of legislation and policies that need to be in place to strengthen the regulatory environment and the effective and trust-based use of digital interventions.

2.5.4 Challenges integrating best practices into business processes

ICT projects are most often crosscutting initiatives with the aim of improving development outcomes within and across sectors. Unfortunately, governments usually have rigid organizational structures and processes that make it difficult to adopt best practices. Exacerbating the situation further is the short nature of funding cycles relative to the entrenched nature of the challenges these projects seek to address.

2.5.5 Unreliable internet and network infrastructure

Communications infrastructure and the quality of its services are a critical factor in the enablement of a digital system. If the quality of service (QoS) of a country's telecommunication network or internet bandwidth is unreliable, the adoption of digital tools becomes a chronic challenge. Inevitably, these digital tools will eventually be abandoned, and the fallback will be to resort to pen and paper.

Unfortunately, Nauru's fixed landline network has largely fallen into a state of disrepair. In addition, there is a limited number of fixed yet slow broadband internet access, which is offered mainly to government departments and businesses. On the other hand, Nauru has good 3G mobile wireless coverage across the island since deploying the latest generation of fast satellite technology to support its broadband networks. However, the performance of satellite services is dependent on weather conditions such as rain and wind to which Nauru is susceptible together with most Pacific countries. Furthermore, there are no redundancies in case the national network backbone goes down.

Therefore, it is important for the social protection MIS to have in place a reliable communication infrastructure such as the introduction of the fiber optic submarine cable⁵ but which is not expected to land in the country for another few years.

2.5.6 Lack of sustainable funding

Funding most often only covers specific objectives during a limited timeframe. When the catalytic or initial funding ends, so does the project implementation and the ongoing maintenance of the digital solution. The government will have to ensure sufficient funding throughout the implementation and post implementation life cycle of the social protection MIS—whether for seed funding (for a project that pays for itself after implementation), gap funding (to bridge scale-up after which it pays for itself), or ongoing funding.

By defining the total cost of ownership (TCO) upfront, the government will be able to establish a realistic budget forecast to support the ongoing operations of the social protection MIS.

3. Recommendations and costed future road map

The following 14-point set of recommendations, with corresponding 23 action items, represents a call to action to help steer the Government of Nauru toward putting in place a social protection MIS over the next five years. Note that the structure and sequencing of the recommendations and action plans remain the same regardless of the start date.

3.1 Recommendations

The 14-point set of recommendations is presented in the form of a continuum and categorized into four distinct phases. The recommendations will be implemented over a period of five years to support and help shape key lateral initiatives (e.g., implementation of fiber optic submarine cable system, etc.), which the social protection MIS is highly dependent on.

5 ADB is supporting a project for an undersea fiber optic cable that will link Nauru with the Federated States of Micronesia and Kiribati.

Year 1: Government planning

Working with the broader government, the first year will be focused on appointing a project champion, planning, and putting the project structure in place. The recommendations are as follows:

Recommendation	Description
1. Secure funding to implement the road map.	<ul style="list-style-type: none"> ▶ Proactively engage in a discussion within government and with potentially funding partners. ▶ Explore opportunities to deal with funding constraints and further narrow any funding gap.
2. Appoint a project champion.	<ul style="list-style-type: none"> ▶ Put accountable leadership into place. ▶ The concept of one key project champion supported by a group of other active champions at the senior, operational, and field levels is crucial.
3. Set up a project implementation unit.	<ul style="list-style-type: none"> ▶ Create a project organizational structure that will be accountable for carrying out the social protection digital road map. ▶ The PIU is envisaged to be led by the government with support from international and national consultants.
4. Define coordination and linkages.	<ul style="list-style-type: none"> ▶ Identify institutional linkages across the government that can support or hinder the implementation of the social protection management information system.
5. Develop and design the project monitoring and evaluation (M&E) framework.	<ul style="list-style-type: none"> ▶ The project M&E framework will facilitate progress, and, in turn, identify gaps and re-address them throughout the road map.

Years 2-3: Supporting key lateral dependencies⁶

The social protection MIS is dependent on crosscutting and foundational components to ensure efficient access and utilization of the social protection MIS. In addition, policy reforms that would contribute to the development of the social protection MIS should be introduced. The recommendations are as follows:

Recommendation	Description
6. Support the implementation of the fiber optic submarine cable system.	<ul style="list-style-type: none"> ▶ Be a major proponent and stakeholder of the submarine cable by proactively engaging in discussions with the implementing agency. ▶ The social protection MIS is expected to be one of the major beneficiaries of the improved network connection. ▶ The social protection focal agency can help steer the implementation of the submarine cable system.

⁶ Note that if the recommendations in Years 2 and 3 are implemented sooner, this would be preferable provided project organization and capacity are in place by Year 1.

Recommendation	Description
7. Support the introduction of a unique social protection identifier (USPI) or national ID.	<ul style="list-style-type: none"> ▶ Be a major proponent and stakeholder of the introduction of a USPI or national ID that can support the social protection MIS. The Government of Nauru expressed its desire to focus on introducing a USPI. ▶ The social protection agency can help define, steer, and support the creation of a USPI, noting privacy concerns and the potential sensitivity of introducing a national ID.
8. Support the development of enabling policies and legislation.	<ul style="list-style-type: none"> ▶ Be a major proponent and stakeholder of the introduction of new policies and legislation that support the implementation of a social protection MIS. ▶ The social protection agency can help identify gaps in policies and legislation and develop the appropriate legal framework.

Years 2-3: Pre-implementation

Considerable preparatory work is required prior to the selection and implementation of the social protection MIS. Much of this work can be done in parallel while the action items under key lateral dependencies are being carried out by the government. The recommendations are as follows:

Recommendation	Description
9. Develop detailed prioritized requirements.	<ul style="list-style-type: none"> ▶ Develop detailed requirements that are prioritized for incorporation into bid documents for identifying “best fit” social protection information systems. ▶ Pay attention to detailed requirements to cover the business, technical, and management needs of the social protection MIS.
10. Develop an implementation and sustainability plan.	<ul style="list-style-type: none"> ▶ Develop a social protection MIS project implementation plan that is accepted and supported by all of government. ▶ Develop a sustainability plan that defines the operational models and budgets to ensure ongoing post-implementation operation of the social protection MIS.
11. Develop bid documents.	<ul style="list-style-type: none"> ▶ Develop comprehensive bid documents to go to market. ▶ It is expected donor procurement rules would apply.
12. Conduct competitive procurement.	<ul style="list-style-type: none"> ▶ Run a competitive bidding process to select the implementation vendor partner. ▶ Competitive procurement will be carried out after the following activities have been completed: (1) requirements have been gathered and prioritized; (2) solutions have been drawn up and designed; (3) the MIS operating environment has been established; and (4) bid documents have been published.

Years 4-5: Implementation and support

This phase represents the construction and commissioning of the social protection MIS. Rather than taking a “big bang” approach to implement a full social protection MIS, a criteria-based sequencing approach will be adopted to match local capacity and the prioritized needs of the social sector, and to implement functionalities deemed high value during the two-year implementation period. In other words, the priority is to implement the foundation and foundational build sequence, and mandatory functionalities that provide the highest value for money. Discretionary requirements are implemented at the end of the implementation cycle subject to government discretion. The recommendations are as follows:

Recommendation	Description
13. Implement the social protection management information system (MIS).	<ul style="list-style-type: none"> ▶ Implement a social protection MIS starting with the following: <ol style="list-style-type: none"> 1. Foundational capabilities (e.g., ID registry, social protection program registries, MIS service and support, audit and logging to ensure service delivery is tracked and managed, security, etc.) 2. High value capabilities (e.g., registration, case management, payment and expenditure management, etc.) 3. Discretionary capabilities (e.g., beneficiary portal, etc.) ▶ What constitutes as foundational, high value, and discretionary capabilities will be driven and decided by the social protection focal agency during the design of the MIS solution.
14. Provide ongoing operation support and maintenance.	<ul style="list-style-type: none"> ▶ Develop a social protection MIS project implementation plan that is accepted and supported by all of government. ▶ Develop a sustainability plan that defines the operational models and budgets to ensure ongoing post-implementation operation of the social protection MIS.

The Gantt Chart representation of the entire road map for Years 1-5 is presented in Annex C of Appendix 4.

3.2 Action items

TABLE A4.4: Road map on action items

Recommendation	Action Required	Responsible Office	Resource Requirements	Timeline	Outcomes/ Measures of Success
YEAR 1: Government Planning					
1. Secure funding to implement the road map.	1.a Acquire funding.	Department of Finance	<ul style="list-style-type: none"> ▶ Treasury Division ▶ Development partner agencies 	Early (Year 1)	<ul style="list-style-type: none"> ▶ Business case demonstrating financial, economic, and social viability of social protection management information system to development partners ▶ Sufficient capital funding secured throughout project life cycle and implementation phase ▶ Sufficient operational funding secured to ensure ongoing operations of the social protection MIS
2. Appoint a project champion.	2.a Appoint an executive-level nonpartisan government leader as project champion.	Department of Chief Secretary	<ul style="list-style-type: none"> ▶ President of Nauru ▶ Government of Nauru 	Early (Year 1)	<ul style="list-style-type: none"> ▶ Project champion appointed to lead and remove blockers to foster strong intergovernmental collaboration
3. Set up a project implementation unit (PIU).	3.a Recruit staff and consultants.	Social Welfare Division	<ul style="list-style-type: none"> ▶ Human Resources and Labor ▶ Development partner agencies 	Early (Year 1)	<ul style="list-style-type: none"> ▶ Qualified staff and national and international consultants in place
4. Define coordination and linkages.	4.a Prioritize and align multisector plans and activities.	Social Welfare Division	<ul style="list-style-type: none"> ▶ Department of Chief Secretary ▶ Department of Education ▶ Department of Health ▶ Department of Finance 	Mid (Year 1)	<ul style="list-style-type: none"> ▶ Social protection MIS emphasized as high priority for government ▶ Clear and complete stakeholder map ▶ Multiple projects outside of social protection sector not competing for funding and resources earmarked for social protection MIS
	4.b Undertake dipstick analysis to review quality and coverage of data from current social protection programs.	Social Welfare Division	<ul style="list-style-type: none"> ▶ Department of Chief Secretary ▶ Department of Education ▶ Department of Health ▶ Department of Finance 	Mid (Year 1)	<ul style="list-style-type: none"> ▶ Provides early indication of data quality and gaps that can help inform requirements

Recommendation	Action Required	Responsible Office	Resource Requirements	Timeline	Outcomes/ Measures of Success
YEAR 1: Government Planning (CONT'D)					
5. Develop and design the project monitoring and evaluation (M&E) framework.	5.a Establish baseline and performance indicators and targets.	PIU	<ul style="list-style-type: none"> Government of Nauru Development partner agencies 	Late (Year 1)	<ul style="list-style-type: none"> Defined baseline, reliable data, and evidence to measure progress
	5.b Make project checkpoints after each phase to determine if milestones have been achieved or will achieve desired outcomes.	PIU	Social Welfare Division	Early (Year 2)- Late (Year 5)	<ul style="list-style-type: none"> Project implemented on time, within scope, and on budget Meets user adoption targets
YEARS 2–3: Key Lateral Dependencies					
6. Support the implementation of the fiber optic submarine cable system.	6.a Participate as a major implementation stakeholder and partner.	Social Welfare Division	Submarine Cable Steering Committee	All (Year 2- Year 3)	<ul style="list-style-type: none"> Submarine cable landed in Nauru and operational Government department buildings and offices connected to high-speed internet
7. Support the introduction of a unique social protection identifier (USPI) or national ID.	7.a Co-create the design and implementation of a USPI or the national ID.	Social Welfare Division	Government of Nauru	All (Year 2- Year 3)	<ul style="list-style-type: none"> Legal, institutional, and political framework for social protection program identification in place, including consultations with various stakeholders and interest groups including with women and vulnerable groups Ability to track an individual's encounter at every point of the social protection system Enable interoperability between government information systems
8. Develop enabling policies and legislation.	8.a Review and update national legislation and policies relevant to social protection MIS.	PIU	<ul style="list-style-type: none"> Department of Judiciary Social Welfare Division 	All (Year 2- Year 3)	<ul style="list-style-type: none"> Gaps in legislation and policies identified and addressed Will require consultations, including with women and vulnerable groups
	8.b Review and update sectoral policies relevant to social protection MIS.	PIU	<ul style="list-style-type: none"> Government of Nauru Department of Judiciary Social Welfare Division 	All (Year 2- Year 3)	<ul style="list-style-type: none"> Gaps in legislation and policies identified and addressed Will require consultations, including with women and vulnerable groups
	8.c Create a compliance and enforcement regime.	PIU	<ul style="list-style-type: none"> Department of Judiciary Social Welfare Division 	All (Year 2- Year 3)	<ul style="list-style-type: none"> Policies and legislation to instill trust in the social protection MIS in place and will be measured in monitoring and evaluation

Recommendation	Action Required	Responsible Office	Resource Requirements	Timeline	Outcomes/ Measures of Success
					<ul style="list-style-type: none"> ▶ Regular review of policies instituted and enforcement regimes
YEARS 2–3: Pre-Implementation					
9. Develop detailed prioritized requirements.	9.a Develop detailed requirements for incorporation into bid documents.	PIU	<ul style="list-style-type: none"> ▶ Department of Education ▶ Department of Health ▶ Department of Finance ▶ Government of Nauru 	Mid (Year 2–Year 3)	<ul style="list-style-type: none"> ▶ Prioritized set of business, technical, and management requirements ▶ Enterprise architecture of social protection MIS defined and designed ▶ Implementation costs established
10. Develop an implementation and sustainability plan.	10.a Develop a project implementation plan.	PIU	<ul style="list-style-type: none"> ▶ Social Welfare Division ▶ Department of Education ▶ Department of Health ▶ Department of Finance 	Mid (Year 3)	<ul style="list-style-type: none"> ▶ Workshops/seminars conducted to elicit, confirm, and prioritize detailed requirements
	10.b Develop a sustainability plan.	PIU	Social Welfare Division	Mid (Year 3)	<ul style="list-style-type: none"> ▶ Flexible and sustainable programming in place for long-term financial health (including total cost of ownership) ▶ Change management plan in place ▶ High-level government advocates in place
11. Develop bid documents.	11.a Develop bid documents for the provision of software, hardware, system integration, professional services and support	PIU	<ul style="list-style-type: none"> ▶ Social Welfare Division ▶ Department of Information and Communication Technology 	Mid (Year 3)	<ul style="list-style-type: none"> ▶ Detailed requirements clear and succinct ▶ Mandatory and non-mandatory requirements clearly established ▶ “No objection” from developing partner
12. Conduct competitive procurement.	12.a Run competitive tender.	PIU	<ul style="list-style-type: none"> ▶ Social Welfare Division ▶ Department of Administration ▶ Department of Information and Communication Technology ▶ Department of Finance ▶ Development partner agencies 	Late (Year 3)	<ul style="list-style-type: none"> ▶ Significant number of shortlisted suppliers ▶ Market responses meet requirements and project budget

Recommendation	Action Required	Responsible Office	Resource Requirements	Timeline	Outcomes/ Measures of Success
	12.b. Award contract to supplier.	PIU	<ul style="list-style-type: none"> ▶ Social Welfare Division ▶ Development partner agencies 	Late (Year 3)	No objection from development partner
	12.c. Refine an implementation plan with the supplier.	PIU	<ul style="list-style-type: none"> ▶ Social Welfare Division 	Late (Year 3)	Minimal deviation in plans and budget between PIU and selected supplier
YEARS 4–5: Implementation and Support					
13. Implement the social protection management information system (MIS).	13.a. Implement “foundational” capability and other capabilities (Phase 1).	PIU	<ul style="list-style-type: none"> ▶ Social Welfare Division ▶ Department of Education ▶ Department of Health ▶ Department of Finance ▶ Department of Information and Communication Technology 	Early-Late (Year 4)	<ul style="list-style-type: none"> ▶ Suppliers can implement foundational capabilities of the social protection MIS ▶ Capabilities sequencing possible and no overbuying of additional software ▶ User adoption high
	13.b. Implement “high value” social protection MIS capabilities (Phase 2).	PIU	<ul style="list-style-type: none"> ▶ Social Welfare Division ▶ Department of Education ▶ Department of Health ▶ Department of Finance ▶ Department of Information and Communication Technology 	Early- Mid (Year 5)	<ul style="list-style-type: none"> ▶ Suppliers can implement high value capabilities of the social protection MIS ▶ Capabilities sequencing possible and no overbuying of additional software ▶ User adoption high
	13.c. Implement “discretionary” social protection MIS capabilities (Phase 3).	PIU	<ul style="list-style-type: none"> ▶ Social Welfare Division ▶ Department of Education ▶ Department of Health ▶ Department of Finance 	Late (Year 5)	<ul style="list-style-type: none"> ▶ Suppliers can implement discretionary capabilities of the social protection MIS ▶ Capabilities sequencing possible and no overbuying of additional software ▶ User adoption high
14. Provide ongoing operation support and maintenance.	14.a. Provide operations maintenance and keep “lights on” all the time.	Social Welfare Division	Department of Information and Communication Technology	Mid-Late (Year 5)	<ul style="list-style-type: none"> ▶ Social protection MIS meeting service level targets ▶ Succession and skills transfer from supplier successfully completed ▶ Supplier providing ongoing support as needed

3.3 Provisional cost summary

3.3.1 Project implementation unit

Project Implementation Unit (over 5 years)

Position	International/ National Consultant	No. of Months	Rate (\$)	Total (\$)
PIU Coordinator/ICT Specialist	National	36	250	198,000
Social Protection ICT Advisor	International	12	800	211,200
Social Protection Business Analyst	International	6	725	95,700
ID and Biometrics Specialist	International	3	725	47,850
Policy and Legal Advisor	International	4	750	66,000
				618,750

Travel and Expenses

Position	Travel	Number	Per Diem (\$)	No. of Days	Total (\$)
Social Protection ICT Advisor	5,000	4	163	50	28,150
Social Protection Business Analyst	5,000	2	163	20	13,260
ID and Biometrics Specialist	5,000	1	163	10	6,630
					48,040

Office Equipment and Supplies

Item	Quantity	Price (\$)	Total (\$)
PIU Coordinator Laptop	1	2,000	2,000
Communication	36	150	5,400
Miscellaneous			3,000
			10,400

Total PIU Cost

Total Grant	677,190
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ICT = information and communication technology, ID = identification, NC = national consultant, PIU = project implementation unit.

Note: Quoted in US dollar.

3.3.2 Cloud-based social protection management information system

Cloud-Based Social Protection MIS

(One-time setup, customization/integration, and annual cost)

Item	Quantity	Unit Price (\$)	Total (\$)	Comments
One-time setup fee	1	10,000	10,000	
One-time customization and integration	1	50,000	50,000	Nauru brand; integration with FMIS, Education
Annual subscription (Annual operating cost)				
Beneficiaries	10,000	2	20,000	\$2.00/beneficiary @10,000 beneficiaries
Users	50	50	<u>2,500</u>	\$50/user @ 50 user access
			22,500	
TOTAL			82,500	

Associated Hardware and Computer Equipment

Item	Quantity	Unit Price (\$)	Total (\$)	Comments
Computers/Laptops	20	2,000	40,000	Computing devices for 20 users
Network equipment	4	1,500	6,000	Router, modems, Wi-Fi booster
Internet (Annual)	12	300	3,600	Social protection focal agency
TOTAL			49,600	

Total Social Protection MIS

GRAND TOTAL **132,100**

FMIS = financial management information system, MIS = management information system.

Note: Quoted in US dollar.

ANNEX A

Present State Analysis

FIGURE A4.A1: Birth benefit

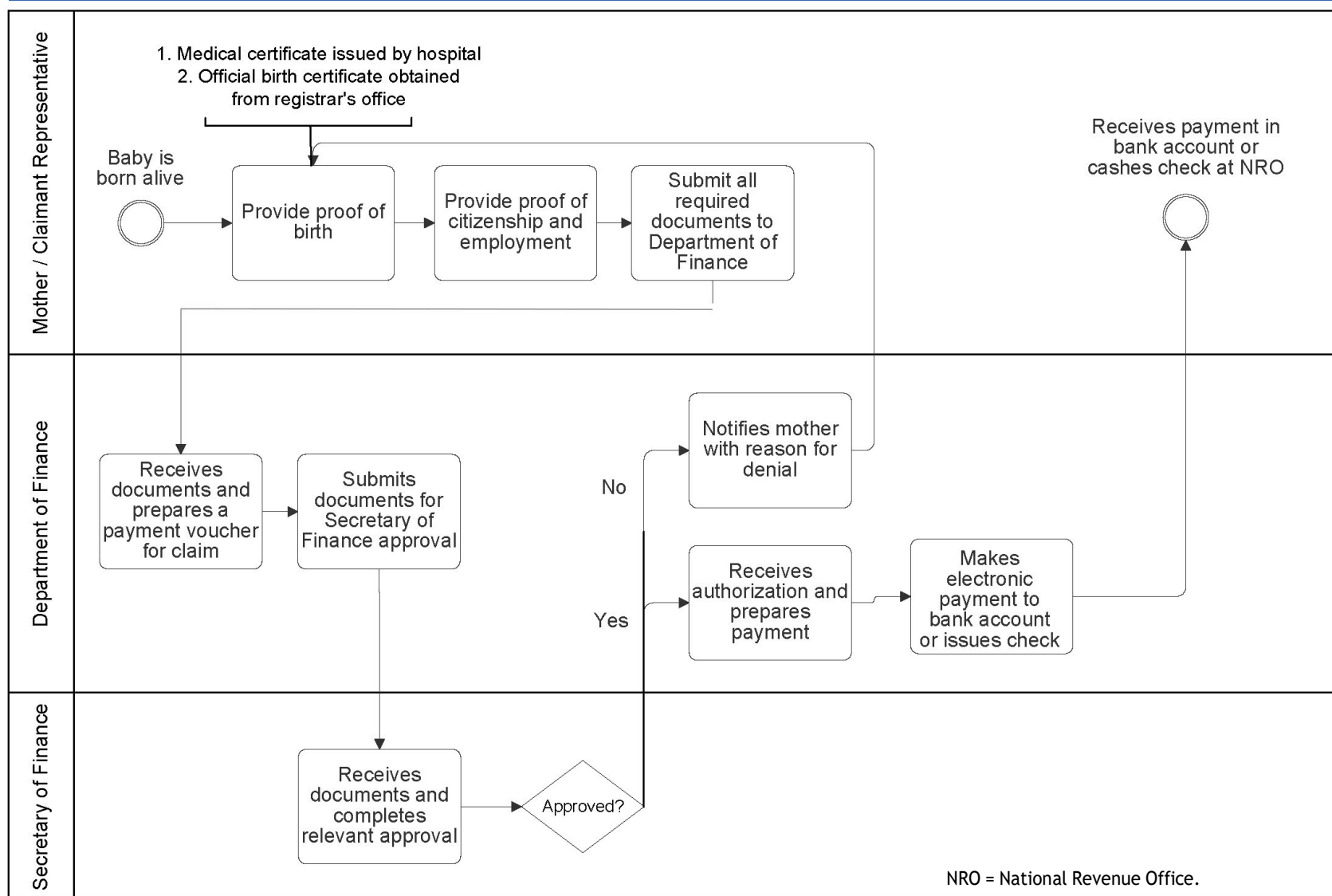


FIGURE A4.A2: Death benefit

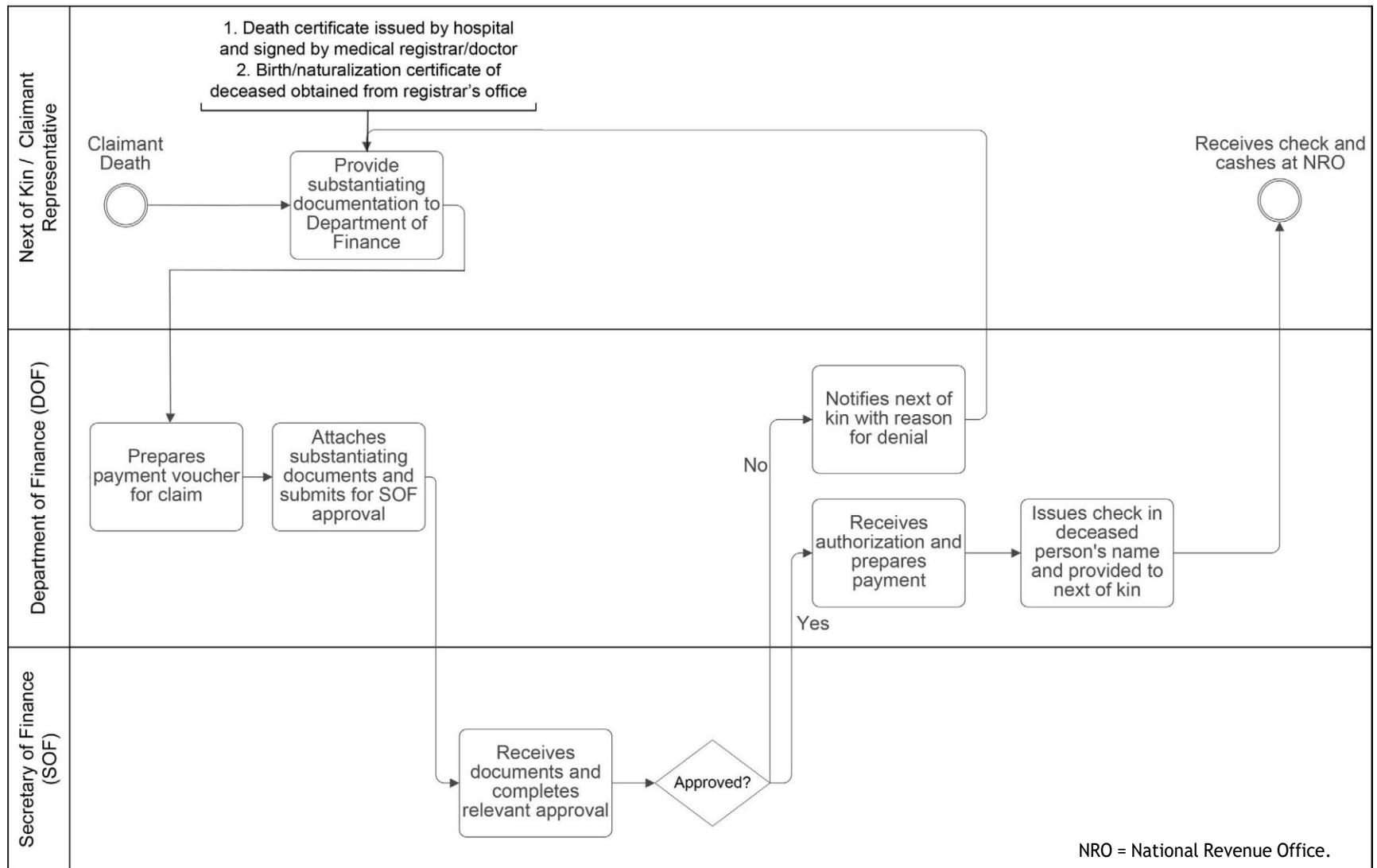


FIGURE A4.A3: Back-to-school payment

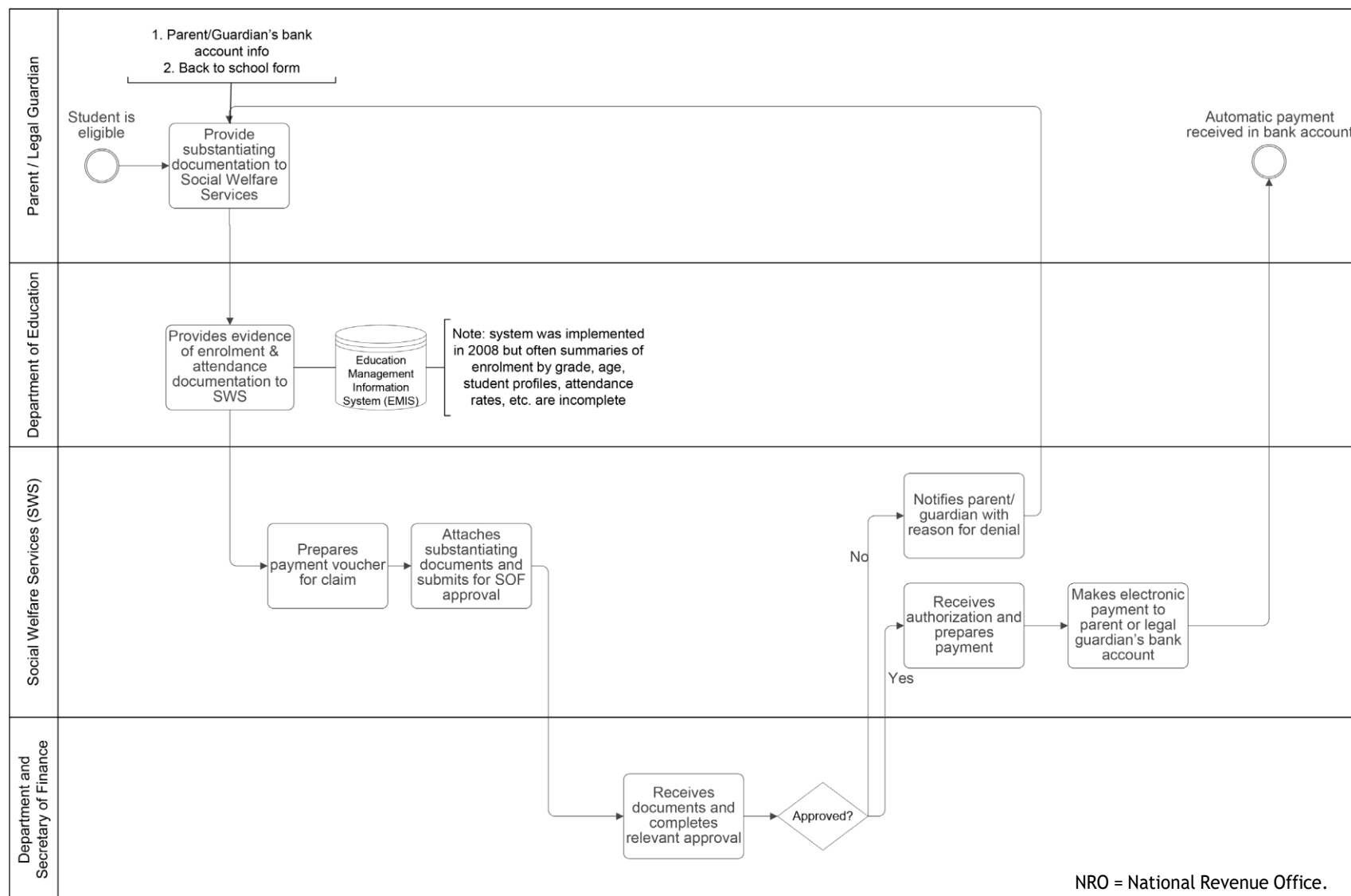


FIGURE A4.A4: School feeding program

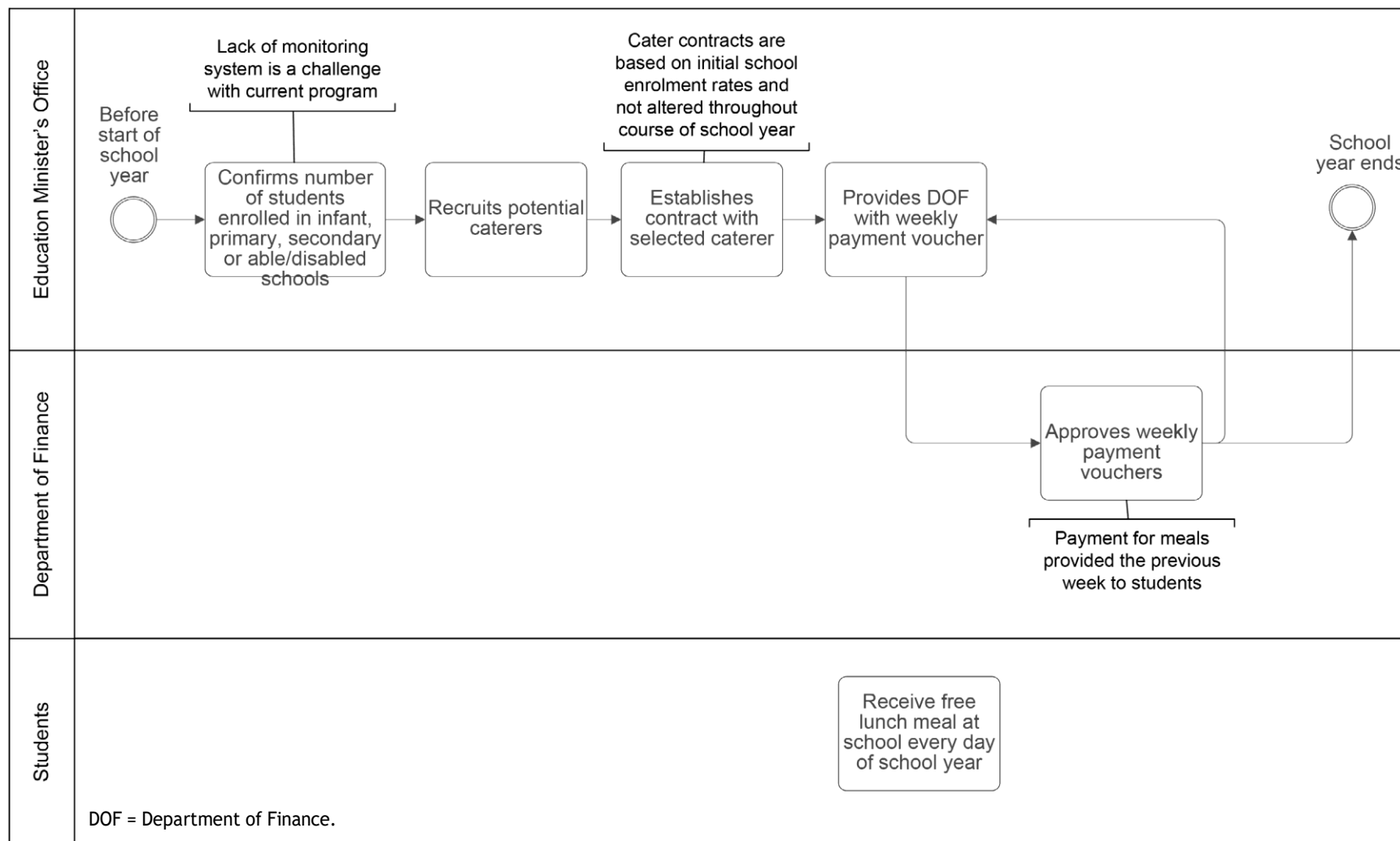


FIGURE A4.A5: Disabled benefit

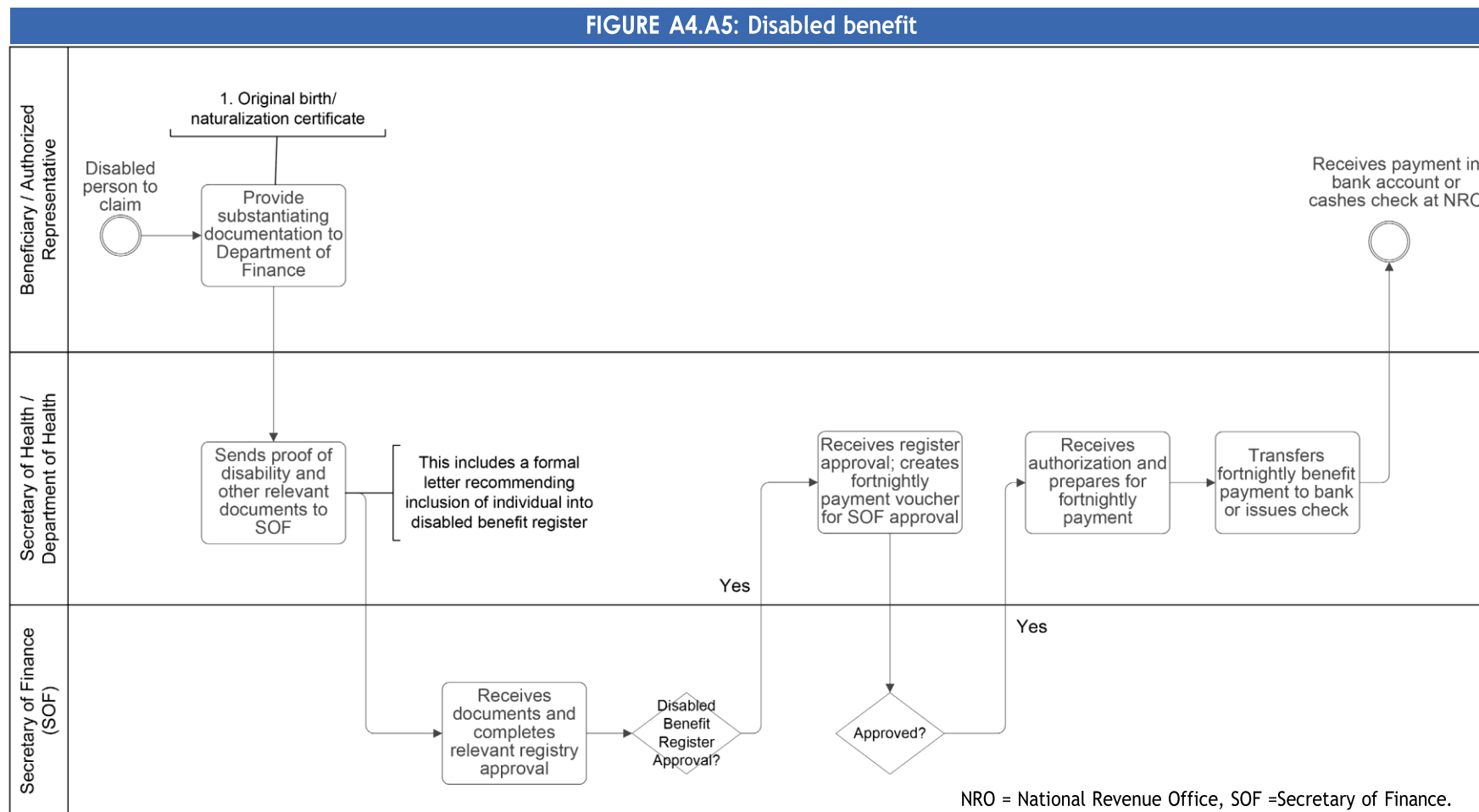
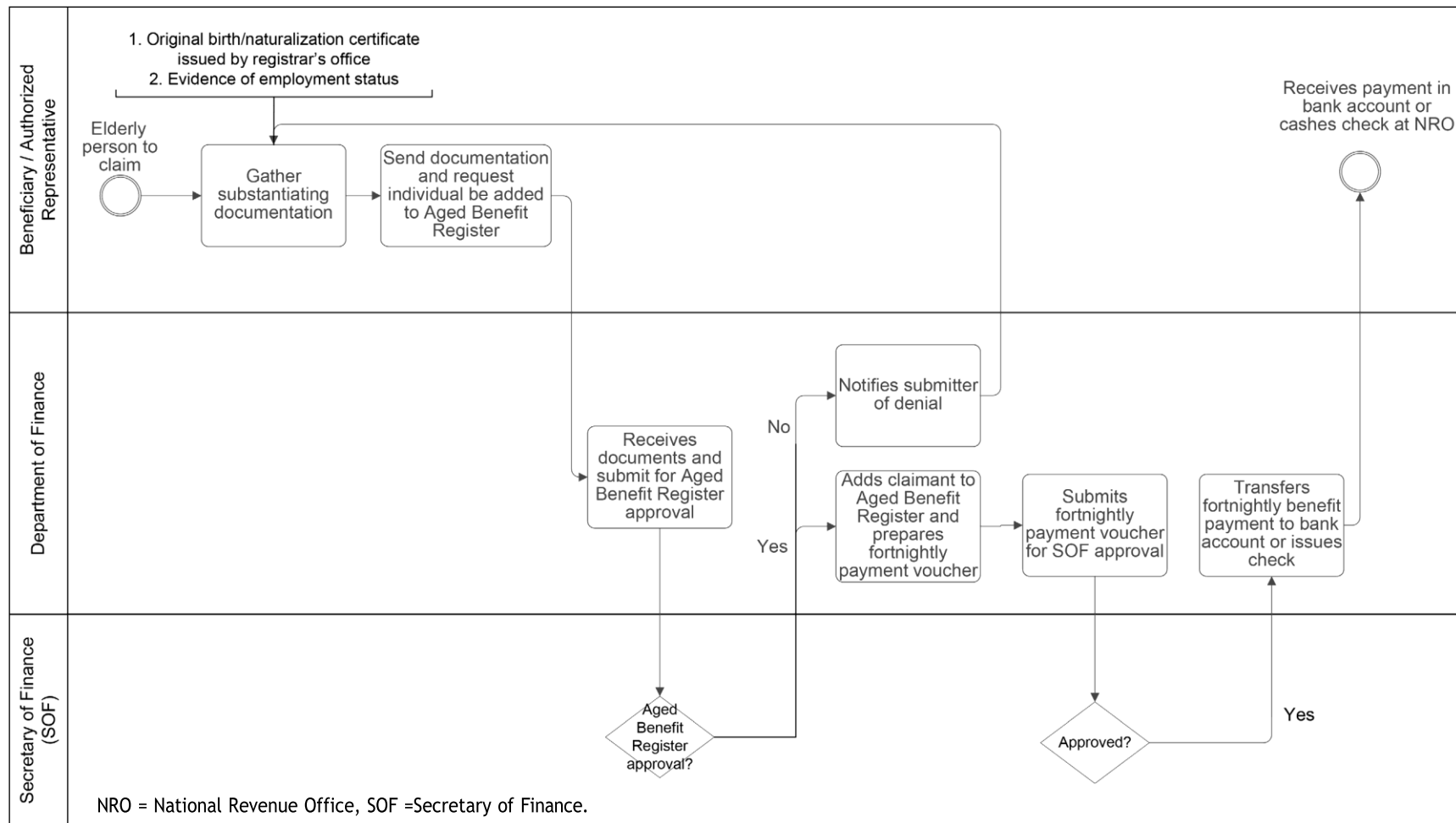


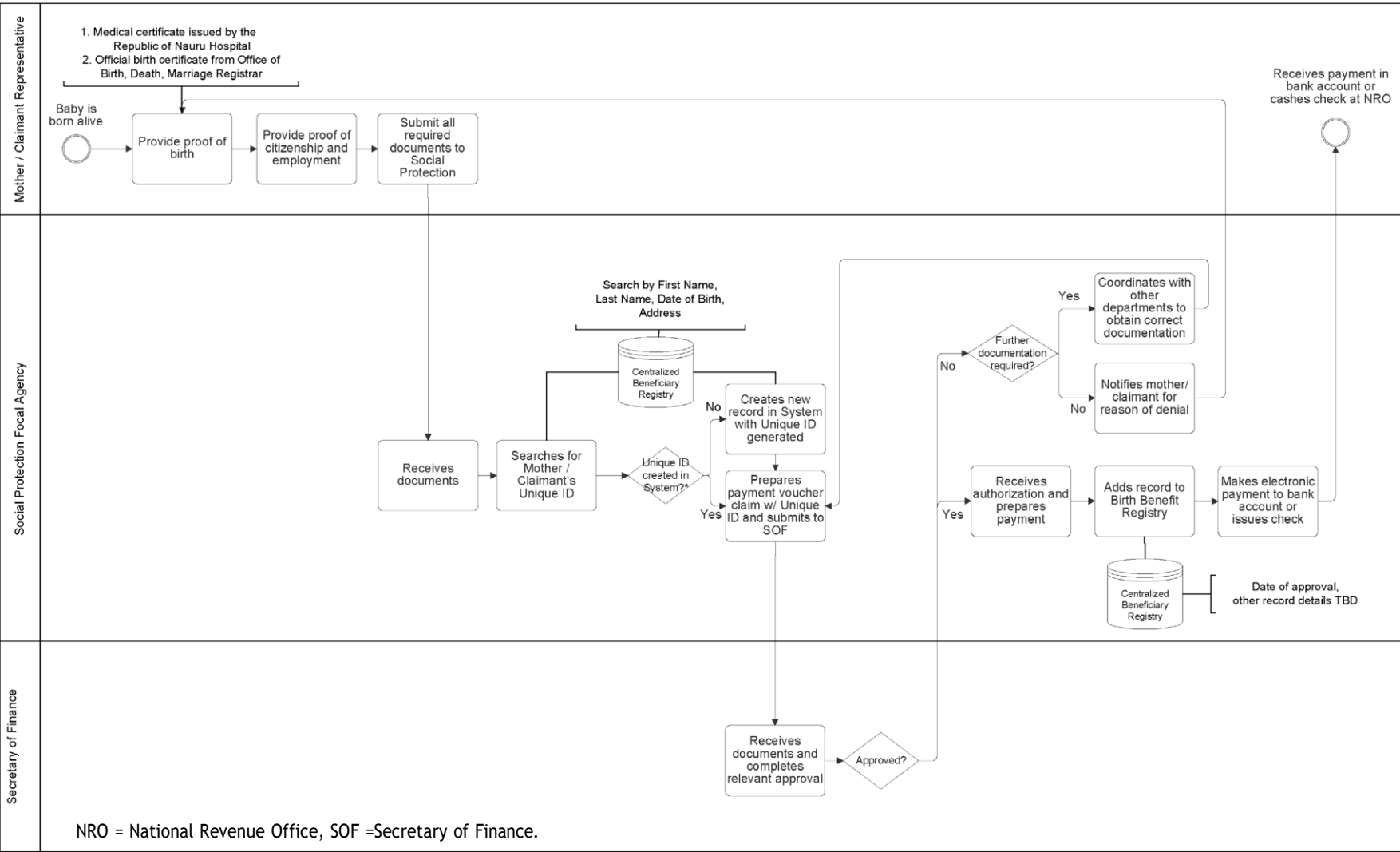
FIGURE A4.A6: Aged benefit



ANNEX B

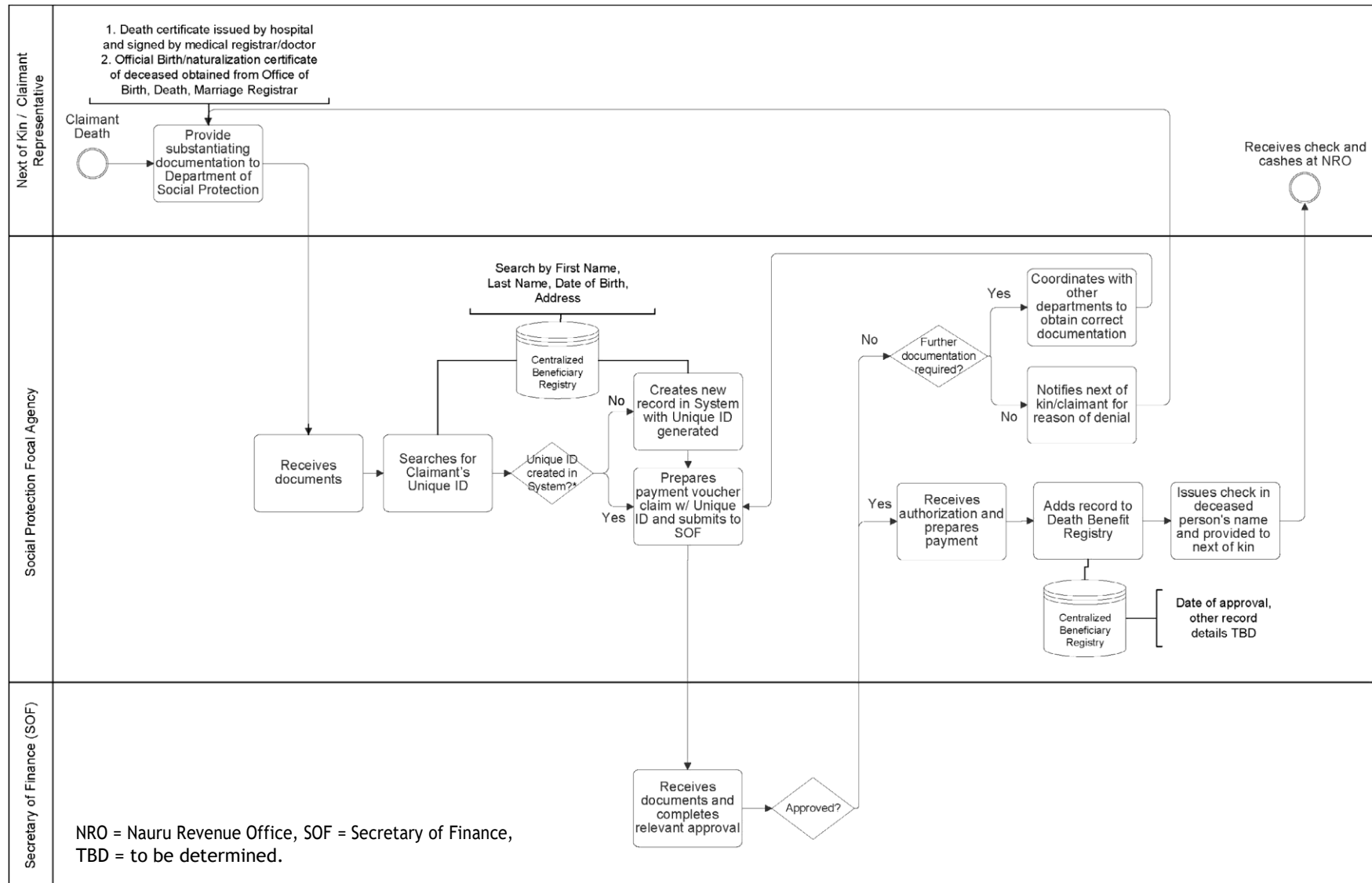
Future State Design

FIGURE A4.B1: Proposed future birth benefit process



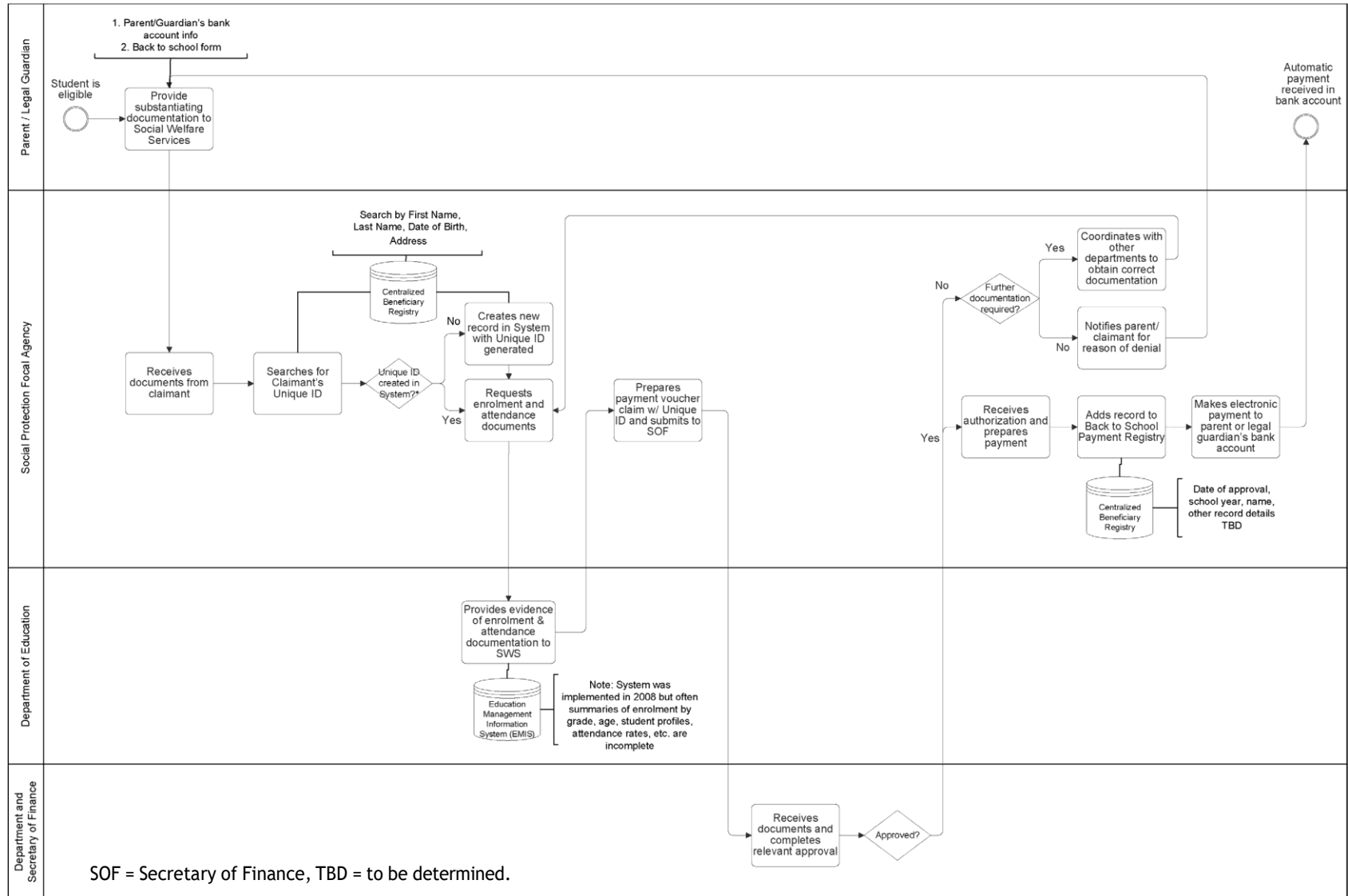
* Social protection focal agency will search the Beneficiary Registry and identify whether an existing claim has already been created for the individual who died, thereby avoiding duplication and saving processing time by identifying early the in-claim process. Only one Unique ID is assigned to the claimant although the claimant may have multiple records assigned to the same Unique ID. Note: The social protection focal agency is to closely liaise with other departments to obtain correct documents, if required.

FIGURE A4.B2: Proposed future death benefit process



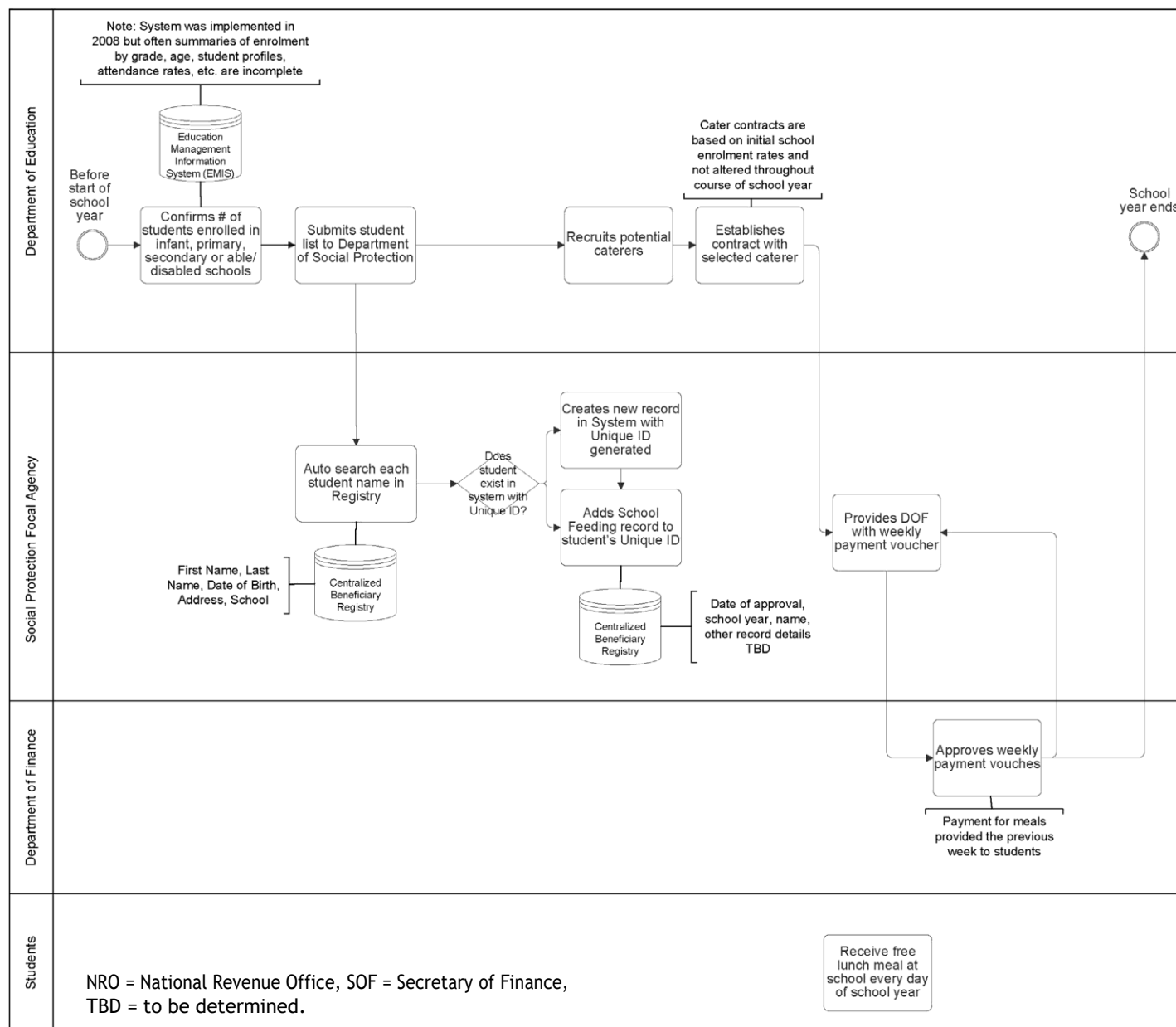
* Department of Social Protection will search Beneficiary Registry and identify whether an existing claim has already been created for the individual who died, thereby avoiding duplication and saving processing time by identifying early in-claim process. Only one Unique ID is assigned to the claimant though the claimant may have multiple records assigned to the same Unique ID. Note: The social protection focal agency is to closely liaise with other departments to obtain correct documents, if required.

FIGURE A4.B3: Proposed future back-to-school payment process



* Social protection focal agency will search the Beneficiary Registry and identify whether an existing claim has already been created for the individual who died, thereby avoiding duplication and saving processing time by identifying early the in-claim process. Only one Unique ID is assigned to the claimant although the claimant may have multiple records assigned to the same Unique ID. Note: The social protection focal agency is to closely liaise with other departments to obtain correct documents, if required.

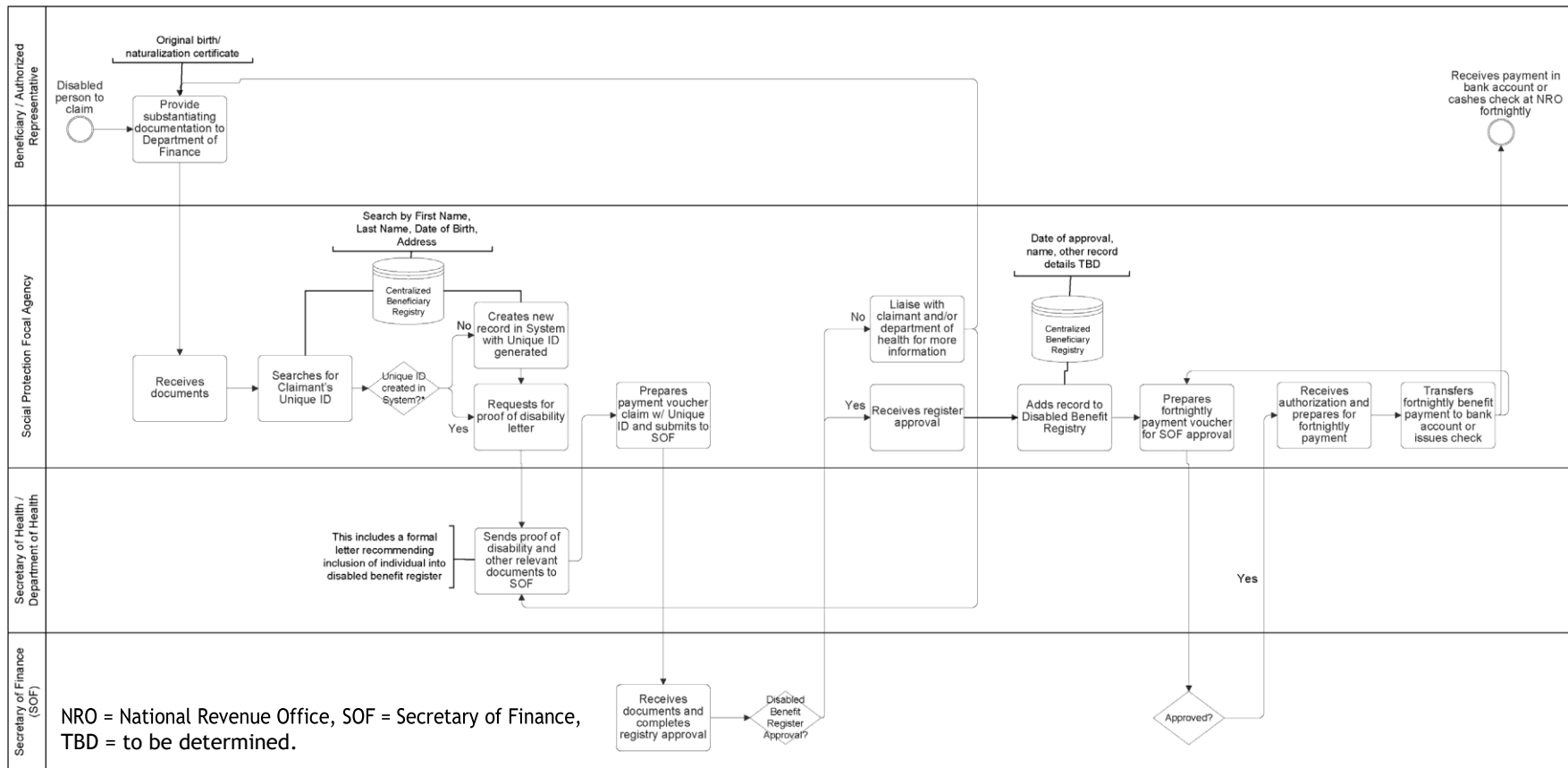
FIGURE A4.B4: Proposed future school feeding program process



* Social protection focal agency will search the Beneficiary Registry and identify whether an existing claim has already been created for the individual who died, thereby avoiding duplication and saving processing time by identifying early the in-claim process. Only one Unique ID is assigned to the claimant although the claimant may have multiple records assigned to the same Unique ID.

Note: The social protection focal agency is to closely liaise with other departments to obtain correct documents, if required.

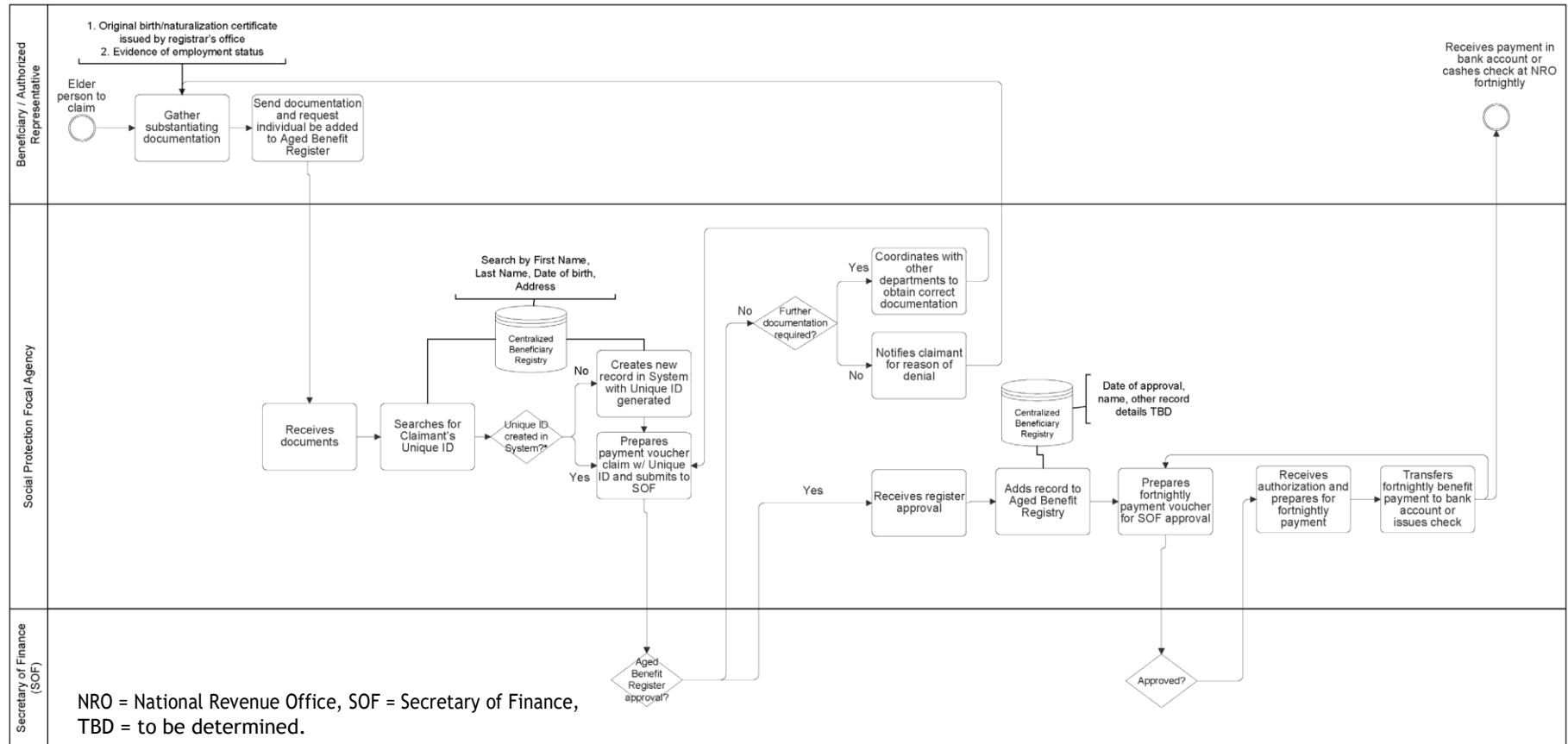
FIGURE A4.B5: Proposed future disabled benefit process



* Social protection focal agency will search the Beneficiary Registry and identify whether an existing claim has already been created for the individual who died, thereby avoiding duplication and saving processing time by identifying early the in-claim process. Only one Unique ID is assigned to the claimant although the claimant may have multiple records assigned to the same Unique ID.

Note: The social protection focal agency is to closely liaise with other departments to obtain correct documents, if required.

FIGURE A4.B6: Proposed future aged benefit process



* Social protection focal agency will search the Beneficiary Registry and identify whether an existing claim has already been created for the individual who died, thereby avoiding duplication and saving processing time by identifying early the in-claim process. Only one Unique ID is assigned to the claimant although the claimant may have multiple records assigned to the same Unique ID.

Note: The social protection focal agency is to closely liaise with other departments to obtain correct documents, if required.

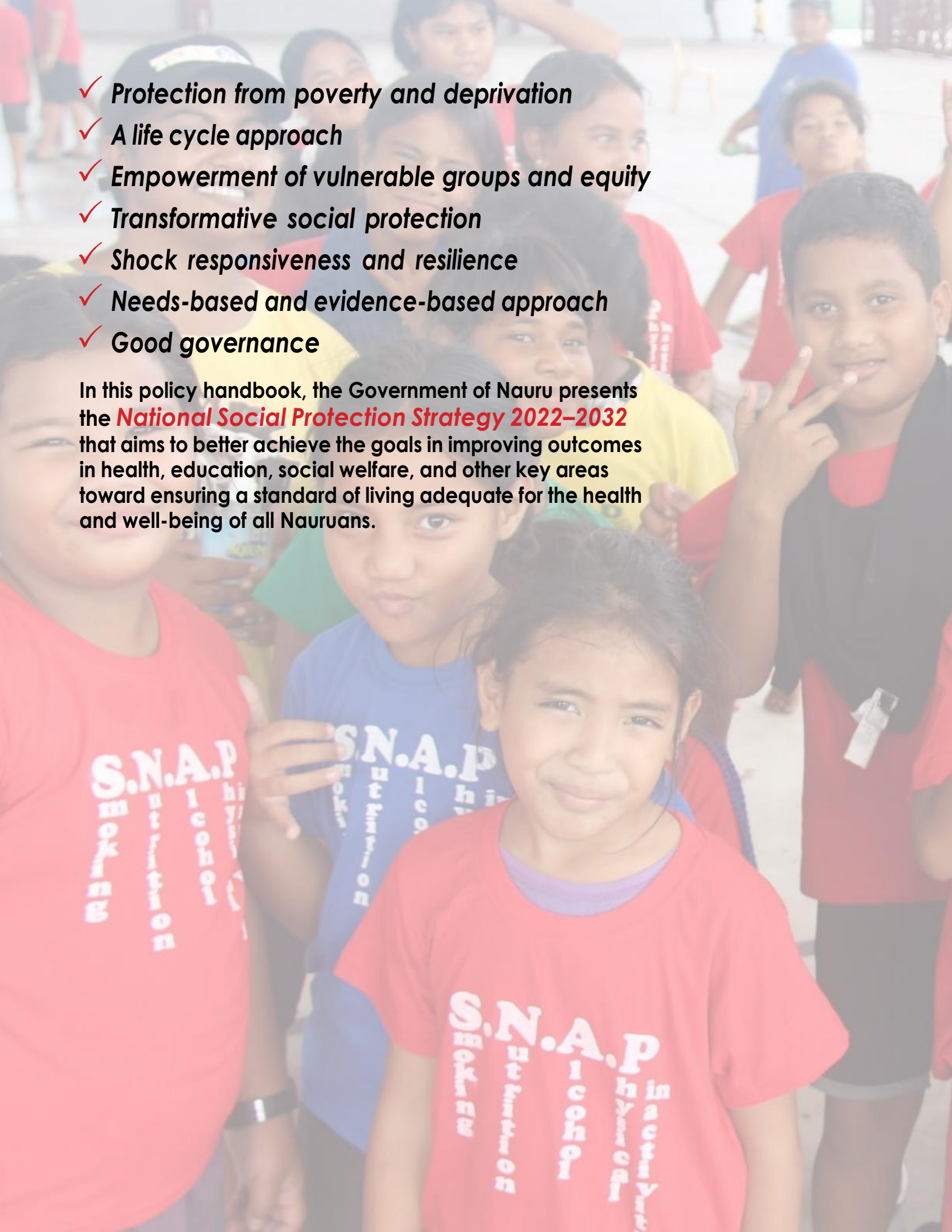
Nauru Social Development Digital Roadmap (Gantt Chart)

[illegible]

[illegible]

Recommendations/Action items	YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5		
	Early	Mid	Late	Early	Mid	Late	Early	Mid	Late	Early	Mid	Late	Early	Mid	Late
12. Conduct competitive procurement.															
(13a) Run competitive tender.															
(13b) Award contract to supplier.															
(13c) Refine implementation plan with supplier.															
YEARS 4–5: IMPLEMENTATION AND SUPPORT															
13. Implement Social Protection MIS.															
(14a) Implement “foundational” and capabilities (Phase 1).															
(14b) Implement “high value” social protection MIS capabilities (Phase 2).															
(14c) Implement “discretionary” social protection MIS capabilities (Phase 3).															
14. Provide ongoing operation support and maintenance.															
(15a) Provide support for operations and maintenance, and keep “lights on.”															

MIS = management information system.

- 
- A group of children in Nauru are shown in the background, wearing red t-shirts with the S.N.A.P. logo. The logo consists of the letters 'S.N.A.P.' in a large, bold, sans-serif font, with the words 'Shock', 'Resilience', 'Adaptation', and 'Protection' stacked vertically below each letter. The children are smiling and looking towards the camera. The background is slightly blurred, showing an outdoor setting with other children and a building in the distance.
- ✓ **Protection from poverty and deprivation**
 - ✓ **A life cycle approach**
 - ✓ **Empowerment of vulnerable groups and equity**
 - ✓ **Transformative social protection**
 - ✓ **Shock responsiveness and resilience**
 - ✓ **Needs-based and evidence-based approach**
 - ✓ **Good governance**

In this policy handbook, the Government of Nauru presents the **National Social Protection Strategy 2022–2032** that aims to better achieve the goals in improving outcomes in health, education, social welfare, and other key areas toward ensuring a standard of living adequate for the health and well-being of all Nauruans.