

SAMOA Pathway Progress Report - 2023



**Department of Finance
Republic of Nauru**

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Acronyms

ADB	Asian Development Bank
ADC	Able Disabled Centre
AFP	Australian Federal Police
ASYCUDA	Automated System for Customs Data
AUSTRAC	Australian Transaction Reports and Analysis Centre
BATS	Biosecurity and Trade Services
BESS	Battery Energy Storage System
BOT	Balance of Trade
BPOA	Barbados Program of Action
CA	Convention Area
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CPI	Consumer Price Index
CTCN	Climate Technology Center and Network
CVD	Cardiovascular Disease
DCCNR	Department of Climate Change and National Resilience
DEMA	Department of Environmental Management and Agriculture
DFAT	Australian Department of Foreign Affairs and Trade
DPLWD	Department of People Living with Disability
DWFNs	Distant Water Fishing Nations
DVU	Domestic Violence Unit
EEZ	Exclusive Economic Zone
EHC	Eigigu Holdings Corporation
ENT	Ear, Nose and Throat
EPR	Employment Population Ratio

ESC	Eigigu Solution Corporation
FAO	UN Food and Agriculture Organisation
FFA	Forum Fisheries Agency
FY	Financial Year
GCCA+ SUPA	Global Climate Change Alliance Plus Scaling up Pacific Adaption
GCF	Green Climate Fund
GFA	Grant Funding Agreement
GDP	Gross Domestic Product
GIS	Geographic Information System
GPS	Global Positioning System
HIES	Household Income & Expenditure Survey
HIV	Human Immunodeficiency Virus
IACT	Agriculture Commodity and Trade
ICT	Information and Communication Technologies
ISA	International Seabed Authority
ITLOS	International Tribunal for the Law of the Sea
JCLEC	Joint Law Enforcement Cooperation
KPI	Key Performance Indicator
LFPR	Labour Force Participation Rate
MCS	Monitoring, Control and Surveillance
MFAT	New Zealand Ministry of Foreign Affairs and Trade
MICS	Multi-Indicator Cluster Survey
MTS	International Merchandise Trade Statistics
MOU	Memorandum of Understanding
NAC	Nauru Airlines Corporation
NAIG	United Nations Development Programme Nauru Accountable and Inclusive Governance
NCC	Nauru Chamber of Commerce

NCD	Non-Communicable Disease
NDRMC	National Disaster Risk Management Council
NEEDS	Nauru Energy Efficiency on the Demand Side
NERM	Nauru Energy Road Map
NFCC	Nauru Fibre Cable Company
NFHC	Nauru Fisheries Holding Corporation
NFMRA	Nauru Fisheries & Marines Resource Authorities
NMPA	Nauru Maritime & Port Authority
NOC	Nauru Olympic Committee
NORI	Nauru Ocean Resources Inc
NPF	Nauru Police Force
NPFCP	Nauru Police Force Capacity Program
NPPO	National Plant Protection Organisation
NRC	Nauru Rehabilitation Corporation
NSDS	Nauru Sustainable Development Strategy
NSMA	Nauru Seabed Minerals Authority
NSS	Nauru Secondary School
NSUDP	Nauru Sustainable Urban Development Project
NTC	Nauru Tourism Corporation
NTV	Nauru Television
NUC	Nauru Utilities Corporation
OECC	Overseas Environmental Cooperation Center
OECD	Organisation for Economic Co-operation and Development
OMR	Overseas Medical Referrals
OTEC	Ocean Thermal Energy Conversion
PEMU	Public Enterprise Monitoring Unit
PEN	Package of Essential NCD

PH	Plant health
PCE	Phytosanitary Capacity Evaluation
PICTs	Pacific Island Countries and Territories
PIRFO	Pacific Islands Regional Fisheries Observers
POPs	Persistent Organic Pollutants
RACS	Royal Australasian College of Surgeons
RON	Republic of Nauru
RPC	Regional Processing Centre
SAMOA Pathway	SIDS Accelerated Modalities Of Action
SDGs	Sustainable Development Goals
SIDs	Small Island Developing States
SLM	Sustainable Land Management
SMARTEN	Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru
SOE	State-Owned Entities
SPC	Secretariat of the Pacific Community
TVET	Technical and Vocational Education and Training
UNCLOS	UN Convention on the Law of the Sea
UNCTAD	United Nations Conference on Trade and Development
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNFCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Relations Organisation
USP	University of South Pacific
VDS	Vessel Days Scheme
WASDA	Department of Womens and Social Development Affairs
WCPFC	Western and Central Pacific Fisheries Commission

Introduction

The SIDS Accelerated Modalities Of Action (SAMOA) Pathway is a framework adopted by the United Nations to address the unique challenges faced by Small Island Developing States (SIDS). It was established during the Third International Conference on SIDS held in Samoa in 2014.

The framework focuses on the sustainable development and resilience-building in SIDS, for instance, Nauru, by taking into account limitations and setbacks such as their small sizes, limited resources and susceptibility to natural disasters and climate change impacts. It covers a wide range of issues including climate change adaptations, disaster risk reduction, sustainable economic development, biodiversity conservation, renewable energy, and access to financial resources and technology.

It provides a roadmap for Nauru in working together with other SIDS and the international community to promote sustainable development. It emphasises the importance of partnerships, cooperation, and international support to help SIDS overcome challenges and achieve their respective development goals.

Country Overview

Nauru is the world's smallest island country, situated just 53 km south of the Equator. The country is a single phosphate rock island with a total population estimate of 12,500 people. The total land area is 21.1 sq. km with an exclusive economic zone of 200 nautical miles.

Nauru is a republic with a parliamentary system of government. The president is both head of state and head of government. A 19-member unicameral parliament is elected every three years. The parliament elects the president from its members, and the president appoints a cabinet of five to six members.

Nauru is divided into fourteen districts¹, with each district having its own community committee, with elected representatives, which undertake community projects and often represent their districts in various government and civil society consultations. These community committees are not prescribed by law, nor are they legally regulated. Memberships of these community committees include women.

During the period 1990 – 2000, the economy suffered a decline in phosphate production and the adoption of unsustainable policies. In September 2012, Nauru opened a Refugee Processing Centre (RPC) for Australia, which had a significant impact on economic activity. The government's finances began to improve due to increased revenues from the RPC together with the resumption of phosphate mining and the increase in revenue from the issuance of fisheries licences.

Nauru's annual GDP has grown from \$166 million in 2019, when the last SAMOA Pathway update was provided, to \$215.5 million in 2022, a 30 percent expansion. The IMF expects that Nauru's economy will grow up to 1.5 per cent, reflecting global conditions, the enduring capability arrangement and Port construction. GDP is projected to increase to \$227.0 million for FY 2023-24.

The inflation outlook has followed global trends and is projected to remain unstable, rising to 4.1% for 2023/24 and reducing to around 3.7% for 2024-25.

Nauru's economic growth is expected to slow down significantly as the RPC transitions to enduring capability on 1 July 2023, reducing government revenues and leading to more modest levels of economic activity. The economic outlook looks risky with the impact of the winding down of the RPC, continuing global uncertainty around commodity prices and stubbornly high inflation. The transition to a possible El Nino event in 2024 could increase the volatility of fishing revenues.

Expenditure restraint is programmed to reflect this contraction. The projected reduction in

¹ Aiwo, Buada, Denigomodu, Nibok, Uaboe, Baitsi, Ewa, Anabar, Anetan, Ijuw Anibare, Meneng, Yaren and Boe

government revenue will affect the maintenance of public service delivery as well as funding the wage bill and other basic public services.

Nauru faces challenges associated with its small size, remote location, and narrow production base. The economy is affected by the high cost of goods and services, exorbitant transport costs, inadequate infrastructure, poor internet connectivity and a limited number of skilled workers to meet private and public sector demand. The availability of land for business purposes and Nauru's small population also hinder economic growth. The 2022 census indicates that 24% of Nauru's population lives in poverty, based on the Pacific's adopted definition for poverty. Risks and vulnerabilities are greater for marginalised groups including women, children and those living with disabilities.

The people of Nauru are also challenged by a number of environmental issues, which impact the health and wellbeing of communities. Intensive phosphate mining during the past 90 years (mainly by the United Kingdom, Australia and New Zealand consortium) has left 90% of central Nauru a wasteland. There are limited natural freshwater resources and roof storage tanks collect rainwater, but most households are dependent on the desalination plant. There is also a lack of employment opportunities. Government is the largest single employer, which is currently followed by the RPC for Australia, then the mining sector and smaller private sectors.

The country's geographic remoteness means it is dependent on imported fuel for all energy, and rising fuel and transportation costs make energy security a critical national issue. High energy prices continue to strain limited resources. Food security is also a significant issue as most food products are imported. There is little arable land as phosphate mining has left 90% of the land barren. While efforts are being made to improve food security by establishing a local farm and building agricultural capacity, such programs are in their infancy. Government support for the local fishing industry also contributes to food security, however, ongoing support is needed to patrol Nauru's EEZ and ensure fish stocks are not depleted illegally. Climate change may further reduce prospects for local food production, with increased droughts, water shortages and coastal inundation.

Background - SIDS Sustainable Development Agenda

The special case of Small Island Developing States (SIDS) was formally recognised for the first time in 1992, at the United Nations Conference on Environment and Development (aka the Earth Summit or the Rio Conference). This ground-breaking recognition brought about the first International SIDS Conference, the United Nations Global Conference on the Sustainable Development of Small Island Developing States. This was held in Barbados in 1994. The Barbados Conference adopted the Barbados Declaration and the Global Programme of Action for the Sustainable Development of Small Island Developing States (BPoA).

The Barbados Declaration and the BPoA highlighted to the global community the unique challenges and vulnerability of SIDS. The BPoA identified five cross-cutting and 14 thematic priority areas. The cross-cutting areas:

- Capacity-building
- Institutional development at the national and regional and international levels
- Cooperation in the transfer of environmentally sound technologies
- Trade and economic diversification.

The thematic priority areas included:

- Climate change and sea-level rise
- Natural and environmental disasters
- Management of wastes, coastal and marine resources, freshwater resource, land resources, energy resources, tourism resources, biodiversity resources
- National institutions and administrative capacity
- Regional institutions and technical cooperation
- Transport and communication, and
- Science and technology and human resource development.

The second International SIDS Conference was held in Mauritius in 2005. The Mauritius conference

reviewed the BPoA with the aim of renewing political commitment, assessing implementation and addressing constraints in implementation. The Mauritius Strategy for the Further Implementation of the SIDS Programme of Action (MSI) was adopted in 2005. The MSI identified 19 key priority areas for SIDS, these include:

1. Climate change and sea- level rise
2. Natural and environmental disasters
3. Management of wastes
4. Coastal and marine resources
5. Freshwater resources
6. Land resources
7. Energy resources
8. Tourism resources
9. Biodiversity resources
10. Transport and communication
11. Science and technology
12. Graduation from least developed country status
13. Trade: globalisation and trade liberalisation
14. Sustainable capacity development and education for sustainable development
15. Sustainable production and consumption
16. National and regional enabling environments
17. Health
18. Knowledge management and information for decision-making, and
19. Culture.

In 2010 during the high-level segment of 65th session, a 5-year of review of the MSI (aka MSI+5) member States identified a number of key issues related to the challenges in furthering the implementation of the BPoA:

- Monitoring and evaluation
- Strategic partnerships
- UN system support to SIDS, and
- Results-oriented approach and improved measures to effectively address SIDS' vulnerabilities.

The 2012 United Nations Conference on Sustainable Development (Rio+20) reaffirmed the 'special case' of SIDS. The Rio+20 provided strong political support for this 'special case', particularly the effects of climate change on SIDS, and supported a Third International SIDS Conference.

The Third International SIDS Conference was held in Samoa in 2014 whereby a review was conducted on the gaps in the BPoA and MSI and new and emerging challenges were identified with the aim to

identifying priorities to integrate the SIDS development agenda within the global development agenda framework beyond 2015.

The third International SIDS Conference found that while many SIDS have made advances in achieving sustainable development, their inherent vulnerabilities—including small size, remoteness, climate change impacts, biodiversity loss and narrow resource base—mean that progress for many continues to be hampered, and their status as a special case for sustainable development remains.

The third International SIDS Conference adopted the SAMOA Pathway. The SAMOA Pathway aims to address the unique challenges faced by SIDS and to support their development via the five priority areas:

1. Promote sustained and sustainable inclusive and equitable economic growth with decent work for all sustainable consumption and production and sustainable transportation
2. Act to mitigate climate change and adapt to its impacts by implementing sustainable energy and disaster risk reduction programs
3. Protect the biodiversity of SIDS and care environmental health by mitigating the impact of invasive plant and animal species and by properly managing chemicals and water, including hazardous waste, as well as protecting oceans and seas
4. Improve human health and social development through food security and nutrition, improved water and sanitation, reducing the incidence of non-communicable disease and by promoting gender equity and women's empowerment, and
5. Foster partnership among SIDS, UN Agencies, development partners and others to achieve these goals.

Methodology and Limitations

In 2021, Nauru introduced Key Performance Indicators (KPI) to track progress against Nauru Sustainable Development Strategy (NSDS) 2019-2030 goals. This data has also been used to measure progress towards the UN Sustainable Development Goals and as a source of data for this report.

The Department of Finance's Planning and Aid Division commenced the NSDS KPI progress data gathering process in April 2022, to prepare the first NSDS Annual Report for FY 21-22. This was repeated in March 2023 for FY 22-23. All organisations responsible for an NSDS KPI were consulted during this process.

Departments were also consulted to provide additional data for the Proposed set of Core Indicators for the SAMOA Pathway, drawing from program reporting, project mission and steering committee reports and data from the 2021 National Census, 2019 Mini Census, and Nauru Household Income and Expenditure Survey 2012.

Financial data from the FY 2023-24 Government of Nauru Annual Budget and FY 2023-24 Development Fund projection has also been used. Nauru follows the Australian financial year - 1 July to 30 June.

The report has been approved by the Cabinet of the Government of Nauru.

Limitations

There are some limitations in the quantitative data collected.

Nauru does not collect remittance data (SDG 17.3.2) or data on revenue generated from tourism (SDG 8.9.1). Plans are underway to address this gap.

Some Tier II statistics are also not collected, due to limited capacity:

- Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age (SDG 5.2.1),
- Proportion of women aged 15-49 years who make their own informed decisions regarding

sexual relations, contraceptive use and reproductive health care (SDG 5.6.1),

- Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable (SDG 1.3.1)

and Tier III statistics for:

- Hazardous waste generated per capita; and (b) proportion of hazardous waste treated, by type of treatment (SDG 12.4.2).

Data is also not collected on:

- Assessment of financial, technology transfer and capacity-building support needed and received under Articles 9, 10 & 11 (Paris Agreement: Article 13.10)

Nauru is working closely with donors to develop capacity in the Nauru Bureau of Statistics, however, the ability to collect data is also limited by the scarce resourcing in line departments.

An ADB project has commenced in 2023, which will assist Nauru develop its social welfare data.

More support is, however, required to assist Nauru gather environmental and climate change data.

Findings and Analysis

Thematic Area: Promote sustained and sustainable, inclusive and equitable economic growth, with decent work for all, sustainable consumption and production and sustainable transportation



Photo by Samuel Grundler

Overview

Nauru's economy has traditionally relied on income from limited sources, primarily, income from the Regional Processing Centre, fisheries and taxes. Income from the sale of phosphate has decreased as supplies have been depleted.

These narrow sources of revenue make Nauru highly vulnerable to economic shocks and political instability. Russia's war in Ukraine and the subsequent effects of high inflation and supply chain challenges have increased the cost of securing essential supplies. Climate change is an existential threat to Nauru, affecting not only the land we live on but also our livelihoods.

The gradual winding down of the Regional Processing Centre has begun and the economy is likely to contract significantly in the coming years. As the second largest employer on Nauru, the winding down of the RPC will have a significant socio-economic impact. The contraction in Nauru's revenue will make the country more reliant on fishing revenues and foreign aid. It will also test the government to broaden the economic base of the country, and encourage foreign investment.

Mobilising access to land, securing access to a wider range of financing products such as insurance and credit are foundational issues which must be resolved before Nauru can expand its revenue-generating capacity and secure foreign investment. Land management is complicated by a customary land tenure system, and issues relating to land rights discourage foreign investment. Landowners also lack the capacity to negotiate with foreign companies to protect them from possible alienation from their land.

Nauruans must have the skills and experience to thrive in the challenging economic conditions anticipated in the near future. The Government of Nauru will continue to invest in developing Nauruans of all ages and abilities to work effectively in new fields of employment and establish local businesses such as sustainable tourism and producing local sources of sustenance.

The deep-sea mining sector is an emerging industry that presents significant opportunities for economic expansion and progress that the Government of Nauru has recognised and is actively pursuing. However, various complex hurdles must be overcome to fully unlock the potential of deep-sea mining, which requires a collaborative approach involving multiple stakeholders.

Ongoing donor support will be essential to develop the infrastructure and capacity necessary for Nauru to successfully transition to a diversified and sustainable economy.

Findings Per Cluster

i. Sustained and Sustainable, inclusive and equitable economic growth with decent work for all

Revenue

Nauru's revenue has been on a decreasing trend and is expected to continue in this pattern for the next two years. In FY 2021-22 revenue collections were at \$319.6m, the current financial year 2022-23 projected actual is likely to be in the order of \$294.4m and 2023-24 estimates is around \$278.6m.

Nauru's revenue collections are highly dependent on Regional Processing Centre (RPC) activity levels. The challenge for Nauru, moving forward, is the decline in RPC related revenue as Nauru enters into the transition period to Enduring Capability stage, now confirmed to commence from 1 July 2023. The negotiations for the revenue arrangements for the first year have been confirmed and discussions on the second and third year are still ongoing.

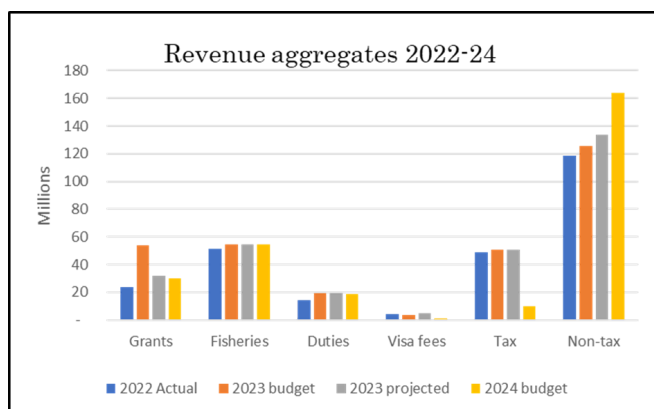


Table 1: Revenue Aggregates

Projections indicate Import Duties will slightly drop from current levels heading into FY 2023-24 due to expected reductions in cargo volume but might be offset from additional revenue that are expected as a result of improved compliance from the implementation of ASYCUDA.

Due to the imminent unwinding of the current RPC arrangement, services and business activities on the island will drop from current levels. The scale back effect has been reflected in the 2023-24

estimates for aviation, passenger, and cargo related lines namely quarantine, DCA pax levies, departure taxes and landing fees. Similar approach has been taken for transport related lines such as vehicle and motorcycle registrations and insurance fees.

Non-Tax has increased compared to the current year to account for the new revenue arrangement from the first year of enduring capability along with contributions from the Government of Australia to support the Alternative Pathway program.

Labour Force Statistics

EMPLOYER	TOTAL (%)								LOCAL (%)	EXPAT (%)
	Y2013	Y2014	Y2015	Y2016	Y2019	Y2020	Y2021	Y2022	Y2022	Y2022
RON Government	38.6	43.5	44.0	45.1	51.3	39.9	42.3	45.7	41.2	4.5
Regional Processing Centre	7.0	32.0	31.1	29.3	22.4	19.9	16.6	1.3	1.2	0.1
Ronphos (SOE)	15.1	9.6	9.8	9.2	8.9	6.3	7.9	9.3	9.0	0.3
Eigigu Holdings (SOE)	12.3	7.8	8.2	9.2	6.9	8.3	8.6	6.5	6.0	0.5
Nauru Rehabilitation (SOE)	9.7	5.6	5.3	5.3	3.6	3.1	4.1	3.7	3.7	0.0
Nauru Airlines (SOE)	1.3	1.5	1.5	1.9	2.8	2.5	1.6	4.8	2.4	2.4
Nauru Utilities (SOE)	na	na	na	na	4.0	4.2	5.1	4.9	4.7	0.2
Eigigu Solution (SOE)	na	na	na	na	0.0	15.8	13.7	10.8	10.3	0.6
Nauru Maritime & Port Authority (SOE)	na	na	na	na	na	na	na	2.3	2.3	0.0
Nauru Fisheries (SOE)	na	na	na	na	na	na	na	2.0	1.9	0.0
Nauru Post (SOE)	na	na	na	na	na	na	na	1.7	1.5	0.2
Private Sector	na	na	na	na	na	na	na	7.0	5.9	1.1
TOTAL	3,086	4,699	4,745	4,760	4,082	3,503	3,462	3,770	90.0	10.0

Table 2: Proportion of Employees by Locals and Expatriates by Employer in the Public Service, State Owned Entities and the Private Sector, 2013-2016, 2019-2022²

Table 2 represents the breakdown proportion of employees by Local and Expatriates staff by respective agencies. Agencies with the highest number of employees are employed at the RON Government and State-Owned Entities (SOE):

² Sources: Derived from administrative sources

Note:

1) Not available - restaurants and any small businesses

2) Government data is collected and manually identified from the Treasury's Salary Entitlement list with some gender unidentified

- Expat unknown gender total 36 imputed to estimate 60% Females and 40% Males.

- Permanent unknown gender total 10 imputed to estimate 60% Females and 40% Males

The private sector includes Subcontractors, Capelle & Partner and Vital. The project is assigned under Local Staff. CLO assigned to Government Casual. Nauru Airlines are Nauru based only

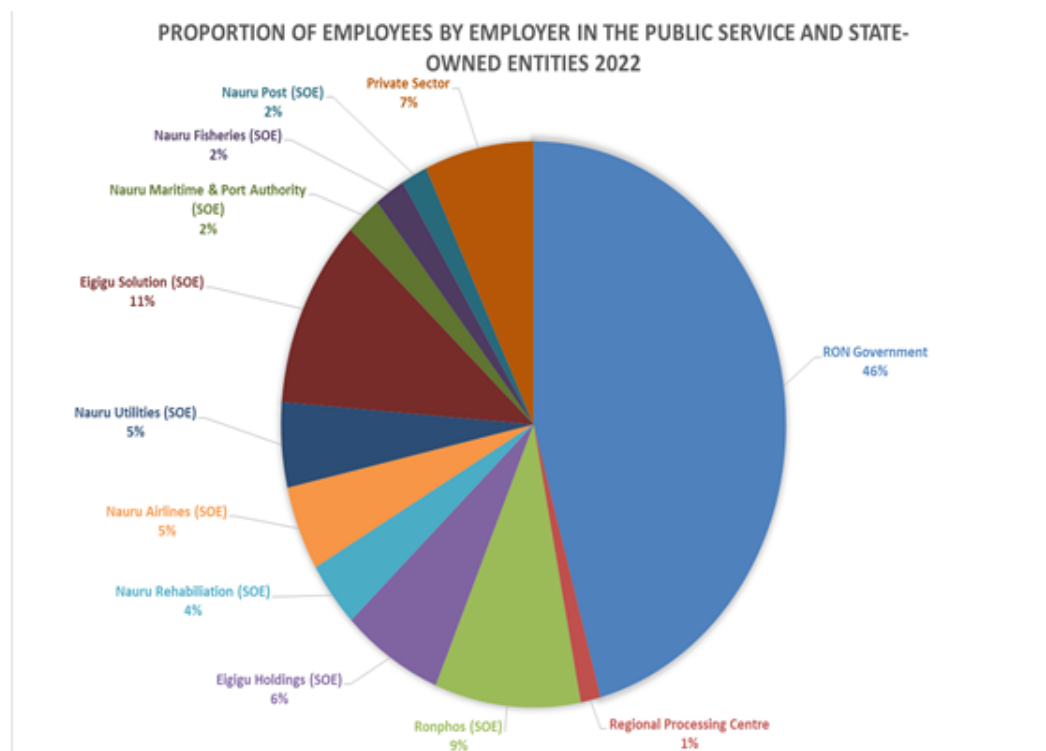


Figure 1: Proportion of Labour Force by Agencies 2022 (Source: Administrative data)

RON Government

Employed the majority number of employees than any other agencies from 2013-2016 and 2019-2022 as shown in Table 2 and Figure 1. RON Government represents all Government Departments in the public service umbrella including CLOs.

- Governments continue to dominate the Labour market accounting for 39.9 percent of the actual total of 3,503 workforces during the year 2020 and continued to increase the following year in 2021 with an increase to 42.3 percent from the total of 3,462 workforces. This trend continues in 2022 with Government employees accounting for nearly half of the workforce 45.7 percent from a total estimate of 3,770 labour force, the highest in the series.

Elgigu Solution Corporation

ESC is one of the major key agencies since its induction for employing local and expatriate staff to the people of Nauru.

- The proportion of employees from the actual total of 3,503 is 15.8 percent during the year 2020 then declines to 13.7 percent from the total of 3,462 in the following year 2021 and continues declining to 10.8 percent from a total estimate of 3,770 in the year 2022.

RONPHOS Corporation

Ronphos' share of the labour market has continued to decline over the years since its peak year in 2013 with 15.1%. The corporation's labour market share at its lowest in 2020 is at 6.3% labour market share. Recent recruitment initiatives have recovered the labour market shares for the years 2021 to 2022.

- The proportion of employees from the actual total of 3,503 is 6.3 percent during the year 2020 and gradually increased to 7.9 percent from the total of 3,462 the following year 2021 and continues to increase to 9.3 percent from the total estimate of 3,770 in the previous year 2022.

Nauru Regional Processing Centre

RPC experienced a first decline in the labour market shares in 2015 and continues to decrease over the years. Recently it had the lowest number of employees in the Labour Force in 2022 with 1.3 percent labour market share. The declining employee trend is indicative of the phasing out of their operations.

- In 2020 the labour market share for RPC is 19.9 percent from a total of 3,503 workforces and declined to 16.6 percent in 2021 from a total of 3,462 and continues to decrease down to 1.3 percent from the total estimated 3,770 in the year 2022.

Nauru Utility Corporation

NUC employee numbers have remained quite stable in the series with a labour market share between the 4 to 5 percent range.

- NUC proportion of employees is 4.2 percent from the total 3,503 in 2020 and increased to 5.1 percent the following year 2021 from a total of 3,462. The following year 2022 their numbers declined to 4.9 percent from the estimated total of 3,770.

Nauru Airlines Corporation

The NAC is only accounting staff located in Nauru. NAC gradually continues to increase in employee numbers since 2013 and experience a decline in the year 2020-2021 and increase again in 2022.

- NAC proportion size of employees is 2.5 percent from the total 3,503 in 2020 declining to 1.6 percent the following year 2021 from the estimated total of 3,462 increased to 4.8 percent from the actual total estimate of 3,770 in the year 2022.

Nauru Rehabilitation Corporation

Nauru Rehabilitation Corporation handles rehabilitated lands, constructs seawalls and several other

land projects for housing purposes and the higher ground's initiative.

- NRCs proportion size of employees is 3.1 percent from the total 3,503 workforces in 2020 then increased to 4.1 the following year 2021 from the estimated total of 3,462 workforce. Declining to 3.7 percent from the actual total estimate of 3,770 in the previous year 2022.

Eigigu Holding Corporation (EHC)

Comprising the umbrella ship of Eigigu Holding Corporations the following subsidiaries are as enlisted:

- Eigigu Headquarters,
- Eigigu Supermarket,
- Civic Centre,
- Menen Hotel,
- Eigigu Transport,
- Eigigu Enterprise and
- Enigin

The proportion of employees at the EHC is 8.3 percent during the year 2020, then slightly increased to 8.6 percent in the following year in 2021. The number of employees then declined to 6.5 percent from a total estimate of 3,789 in the current year 2022.

Nauru Maritime & Port Authority (NMPA)

The proportion of employees at the NMPA is 2.3 percent from the total estimate of 3,770 employees for the year 2022.

Nauru Fisheries & Marines Resource Authorities (NFMRA)

NFMRA's proportion of employees is 2.0 percent of the total estimate of 3,770 employees in 2022.

Nauru Post Office

Nauru Post's proportion of employees is 1.7 percent of the total estimate of 3,770 employees in 2022.

Private Sector

The private sector represents private businesses such as subcontractors, retail stores, restaurants and other small businesses. The private sector is a new addition to the Labour Force category, and it accounts to 7.0% of the 2022 Labour force. Further improvement coverage for the labour force in the private sector.

Reliance on Expatriate Workers

As shown in Table 2, 10% of Nauru's workforce is made up of expatriate workers. By 2030, Nauru aims to reduce public service expatriate positions by 50%. In 2021, 200 positions out of 1300 government roles were occupied by expatriate workers.

With a limited pool of experience and skilled personnel to draw from, this will pose a challenge for Nauru, particularly as new technologies such as the undersea internet cable, open up new fields of employment. Support from donor partners to complete skills gap analyses and develop long-term capacity development plans will be crucial if Nauru is to achieve this goal.

Public Enterprise Monitoring Unit (PEMU)

The Public Enterprise Monitoring Unit (PEMU) was established in 2020 and now has a fully-fledged Unit headed by a Director. PEMU plays a key role in assisting with improved governance in the PE Sector in Nauru. Targets of the PEMU are to strengthen the unit, develop capability of Board members and to ensure compliance of the *Public Enterprises Act 2019*.

There is support for the PEMU to allow it to develop the capacity to fulfil its role and continue activities after the current programme of technical support from the ADB ends in June 2023. ADB has agreed, in principle, to provide a further Technical Assistance programme for up to three years from FY 2023-24.

Enhancing the enabling environment at the national and regional levels to attract more public and private investment in building and maintaining appropriate infrastructure

The infrastructure sector will receive the most development funding in FY 23-24, at 41% of total development support. Infrastructure needs are guided by the Nauru Integrated Infrastructure Strategic Plan 2019, which is currently being reviewed with the support of the Pacific Regional Infrastructure Facility. This will include an update of assets listed in the previous report, and a financing plan to garner support from donor partners to implement the necessary works. This plan is managed by the Department of Infrastructure, which is a relatively new Department still developing its remit and structure. While Australia funds an adviser to the department, significant and ongoing support will be required to assist the department to undertake its functions in areas such as the development and maintenance of whole-of-government asset registers. The PRIF review will include a capacity development plan which may be used by donors to offer further support in this space.

With the support of the Asian Development Bank, Australia and the Green Climate Fund, Nauru is revitalising its national Port, which will improve transport connectivity for Nauruan businesses and provide new business opportunities. The Port reform element of this project is helping Nauru's Port become a profitable and internationally-compliant facility.

Nauru also finalised an agreement with Australia, Kiribati, Japan, the United States and the Federated States of Micronesia to commence work on the undersea internet cable. This will provide Nauru with safe and reliable internet to deliver courses from overseas, hold medical consultations with overseas specialists and access a greater range of online services. Australia has also commenced a project to resurface the airstrip at Nauru airport. The total project value is estimated at \$40 million from 2022-23, and will ensure Nauru's sole airport remains a safe and viable facility for passengers and freight.

A foreign investment bill has been developed and is currently being considered by a group of relevant experts. Nauru will also welcome an adviser from the Pacific Islands Forum to assist with the bill and an analysis of the enabling environment. The bill is being managed by the newly established Foreign Investment Division, however, the Division is understaffed and requires technical expertise to ensure an appropriate approach is taken to foreign investment, which considers all necessary financial, social, economic elements.

During Financial Year 2020-21, the NCC and Australian Business Volunteers worked in partnership to develop the Private Sector Development Road Map, aligned with Nauru's National Sustainable Development Strategy. NCC and ABV's partnership will now focus on implementing the Road Map, focusing on Medium Enterprises (MSME) capability development as well as overall coordination support of Road Map activities and NCC strategic business planning.

The establishment of an NCC Business Hub is a key part in achieving outcomes under the Australian Business Volunteers & NCC – Phase 2 Partnership: Private Sector Road Map Implementation and Micro, Small, and capability development. New Zealand plans to provide NZD \$113,000 (AUD \$105,575) in FY 2023-24 towards the Nauru Chamber of Commerce (NCC) Business Hub's initial 12 months expenses. The timing of funding is dependent on the completion of the refurbishment of the Business Hub, located in the Nauru Civic Centre.

The Business Hub's support functions will include market assessment and development, regional dialogue and shared learning, MSME capability building and network development.

Foster entrepreneurship and innovation, building capacity and increasing the competitiveness and social entrepreneurship of micro, small and medium-sized enterprises and State-owned enterprises in small island developing States

A Nauru Population & Housing Census was conducted in 2021 with a population count at 11,680. In summary, The Labour Force Participation Rate (LFPR) 1 is calculated at 67.0% in Nauru in 2021. At the same time the Employment Population Ratio (EPR) was only 63.6%, and the unemployment rate for Nauru was 5.0%. The LFPR was higher for males (76.0%) than for females (58.0%), so was the EPR

with 72.3% and 55.0% for males and females respectively. The unemployment rate was slightly higher (5.2%) for females than for males (4.9%).

A recent Asian Development Bank mission to Nauru, for the establishment of a proposed Strengthened Skills and Economic Inclusion of Vulnerable Groups Project, noted that the active labour market programs in Nauru comprise the seasonal worker schemes, established with Australia and New Zealand, and the Technical and Vocational Education and Training (TVET) on offer. However, overall current active labour market provisions fall short of the programs' potential, and insufficiently strengthen sustainable livelihoods especially among the vulnerable groups, or help the government meet its socio-economic policy objectives. Nauru has limited participation in regional labour mobility schemes to date, and the TVET facilities on the island are currently unsuccessful in offering pathways to sustainable livelihoods for unemployed and economically inactive Nauruans.

The mission noted that the Government of Nauru envisaged a program that will have specific focus on the working age population and their integration to the labour market, with priority given to the poor and vulnerable and their access to more productive employment and sources of income. The proposed project will have specific focus on the working age population, with the following specific interventions proposed to support skills and strengthen the employability of vulnerable groups:

- labour market entry support²¹ and job counselling services to match interests and skills to potential jobs and entrepreneurial opportunities
- seed grant for women and youth entrepreneurship
- childcare grant for women participating in skills development programs without access to childcare
- subsidisation of skills and training program fees
- mentorship and peer support activities to tackle issues such early pregnancy, sexual and reproductive rights, consent, gender-based violence, substance abuse, as well as leadership, and
- community and cultural engagement to promote behaviour change to support integration of vulnerable groups into the labour force.

Promote and enhance the use of information and communications technologies for, inter alia, education, the creation of employment, in particular youth employment

Telecommunications on Nauru are overseen by Telecom, a regulator established by the *Communications and Broadcasting Act 2018* to ensure that good quality, reliable and affordable communications services are available to all Nauruan's through the regulations of the Telecommunications market, allowing for competition which will drive all prices down. The office of the regulator will also be responsible to protect the interest of the consumers as well as addressing all customer complaints regarding any services that are available to them. The office will also protect the interest of the service provider and ensure that they can all work and inter-connect together for the benefit of the Nauruan People; this entails the provision of a level playing field for all service

providers. In the case of any conflicts between the service providers, the office will officiate as a mediator in arriving at a solution beneficial to all parties.

CENPAC is the island's Internet Service Provider and delivers Internet access to both individuals and business clients across the country. CENPAC provides bandwidth to Digicel, government and SOEs, and can offer phone and data to the public, resource permitting. CENPAC was established as a commercial entity under the *Cenpac Corporation Act 2018*.

At present, Digicel provides phone and data to the public. While CENPAC can offer such services, it requires funding to develop the necessary infrastructure. Regulations must also be drafted to support the organisations functions.

All schools have been provided with a connection to the internet via optic fibre cable. However, schools have not yet connected computers to the internet due to a lack of devices. By 2030, Nauru intends to have a student to computer ratio of 10:1.

The Department of Internal Affairs- Youth Division - offers computer skills training as part of their Life Skills Program for at-risk and vulnerable youth, helping to prepare them for further study or employment. All students studying at the USP Nauru campus receive basic training in computer skills to assist the students with their studies. Participants in the Nauru Public Service Internship program also receive on-the-job training in office-based computer applications relevant to their placement.

From December 2025, Nauru will have access to cheaper, faster and more reliable internet via the underwater cable being supported by Australia, the US, and Japan. This accessibility will provide exciting new learning opportunities for Nauruan students, provide access to new, online employment opportunities and expand employment opportunities. Australia is also providing funds for a Chief Operating Officer and development of a business plan for the Nauru Fibre Cable Corporation, a statutory corporation established in the *Nauru Fibre Cable Corporation Act 2017*. Its main responsibility is to establish an efficient international internet service in Nauru. The Office of NFCC will play a vital role to manage and provide telecommunication services.

Support will be required to prepare Nauruans for the new opportunities presented, including development of necessary cyber-security skills.

ii. Sustainable Tourism

The Nauru Tourism Corporation (NTC) was created by the *Nauru Tourism Corporation Act 2019*, and is responsible for the following functions:

- Promoting and marketing of tourism
- carrying out and giving effect to any policy directions of the Minister and the Cabinet in relation to developing the tourism industry
- preparing a short and a long term tourism action plan
- engaging all sectors and stakeholders to work together to contribute to tourism development
- developing and implement marketing strategies including prioritised market segments
- establishing a brand or market distinct from other tourism destinations to be competitive both in the regional and the international tourism markets
- driving the increase in the contribution of tourism for ongoing economic benefits through increases in tourist arrivals, tourism receipts and tourism investments
- making recommendations and advise the Minister on matters connected with its functions, and
- Performing such other functions or exercise such other powers conferred on the corporation under the Act.

NTC is actively working to promote Nauru as a tourist destination, moving into new premises at the Civic Centre. This new, centralised location will improve visibility of tourism services to visitors. The centre also sells local handicrafts, promoting Nauruan culture and small businesses. NTC engaged with various entities such as Menen Hotel, Department of Justice and Border Control - Immigration Division, Nauru Airlines to enhance tourism during the continuing pandemic period. The performance for FY 22-23 was just the beginning of tourism industry growth in the Republic after the post-pandemic period and NTC is working to promote sustainable tourism through various campaigns and events which will be continuing every year.

The estimated revenue for various entities (generated from visitors to the Republic from July 1st 2022 to 28th February 2023) engaged with NTC being a significant service contributor.

- Number of visitors: 34
- Accommodation revenue (Menen Hotel): \$30,600
- Nauru Airlines revenue: \$54,400
- Visitor visa revenue: \$2,400
- Revenue from local crafts: \$6,800

The current visitor visa application process is affecting the rise in visitors/tourists to Nauru of which NTC is working with Immigration to ease the process of visas and thereby contribute to the growth of visa revenue.

iii. Sustainable Transport

The Department of Climate Change and National Resilience and Department of Transport are working to improve the options for sustainable transportation on Nauru. Work is underway to procure an electric bus to add to the operations of the Department of Transport bus fleet, with the assistance of the Global Environment Facility and the UNDP funded SMARTEN project. Significant progress has been made in finalising the specifications, and supporting UNDP in raising an open tender. Work will then follow to engage the services of technicians to conduct training on operating and maintaining the hybrid vehicle.

The Department of Transport is also working on a plan to increase public transport options on Nauru, however, progress is limited by lack of capacity and technical expertise.

The Transport Department has drafted a feasibility study (only 30% completed), which involved evaluating data to determine if non-bus public transportation could be supported. This data will be used as a basis to develop recommendations regarding the best public transport system for Nauru. The data collection was challenging as the data was manually collected. A second round of consultation with the Infrastructure Department was scheduled to occur in FY 22-23 to finalise bus stop bays, bus schedule notice signs and street lighting in specific areas (in collaboration with NUC). One bus stop bay was introduced by the Infrastructure Department - the assessment will determine if additional bays can be introduced.

Part of the target is to develop a customer usage tracking system. An annual baseline has been created collecting 12 months' worth of raw data. The next step is to consult with professional technicians abroad and select which system is best suitable to meet Nauru's needs.

Technical assistance to develop legislation is also required.

iv. Sustainable consumption and production

Consumer Price Index

The CPI measures Nauru's inflation change over time since the re-base period in December 2015 as depicted in Chart 2.1. The chart represents the fluctuations for each quarter by index numbers and March 2023 was the highest peak with an index point of 121.5 or an increase of 21.5 percent since the base period for the all-groups CPI.

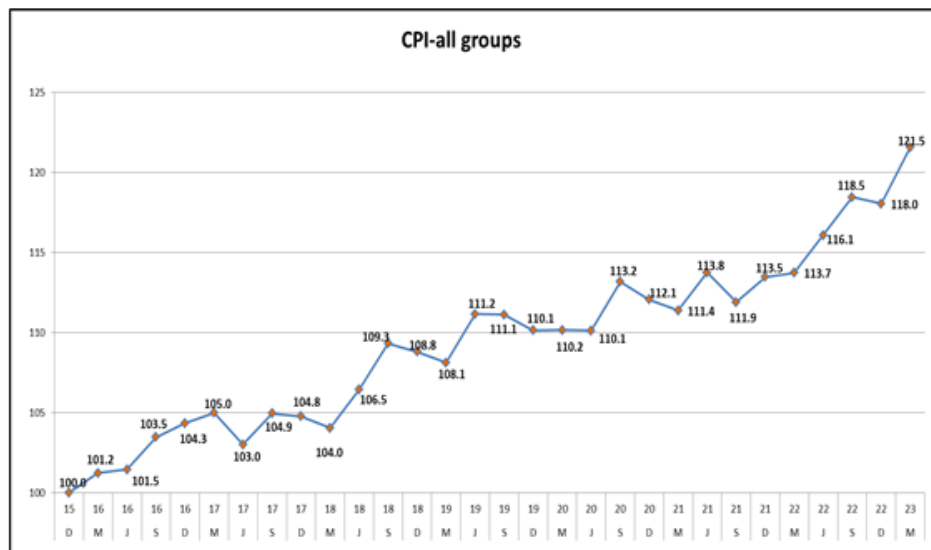


Figure 2.1: All Groups CPI Historical Trend 2015 - 2023

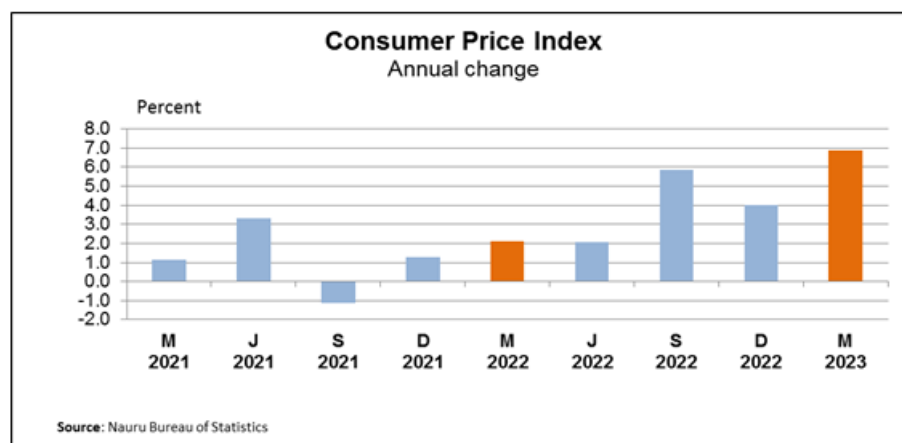


Figure 2.2: CPI Annual Percentage Change (%)

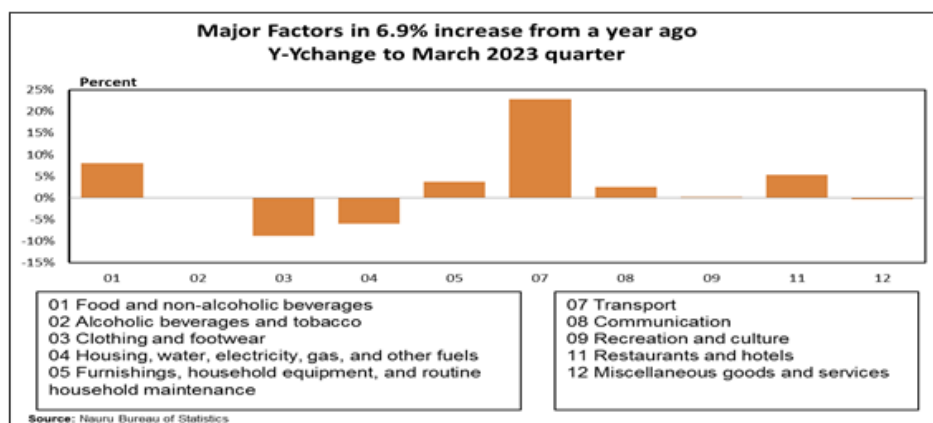


Figure 2.3: CPI Annual Percentage Change by Major Factors

The CPI increased 6.9% in the year between March 2022 and March 2023 quarter.

Five of the ten divisions in the CPI made upwards contributions in the year between March 2022 and March 2023.

The main upward contribution came from divisions:

1. Transport (up 22.8%)
2. Food and non-alcoholic beverages (up 8.0%)
3. Restaurants and hotels (up 5.4%)
4. Furnishings, household equipment and routine household maintenance (up 3.7%), and
5. Communication (2.4%).

Downward contributions for Year to year came from the divisions:

1. Clothing and footwear (down 8.9%),
2. Housing, water, electricity, gas and other fuel (down 6.0%), and
3. Miscellaneous goods and services (down 0.4%).

The main individual upward contributors during the year came from:

1. Car/station wagon (up 110.3%)
2. Noddy Bird (up 33.3%)
3. Drink mix (refresh, Vita fresh, cool-c, kool-aid, tang) (up 26.0%), and
4. Fresh Fish - Bonito (up 25.0%).

Individually, the main downward contributors to lower prices were also recorded for:

- Boy's trousers, Shorts (down 32.5%)
- Breakfast crackers (down 15.3%)
- Women's Blouses, Shirts (down 14.5%)
- Men's Trousers, Shorts (down 13.0%), and
- Corn Chips, Twisties, etc (down 12.9%).

Annual Price Change for Alcoholic Beverages and Tobacco Group

For the March 2023 quarter compared to the same period in the previous year, the Alcohol beverages and tobacco group reported no changes.

International Merchandise Trade Statistics (IMTS)

The Nauru Bureau of Statistics uses data sources from mirror data platforms primarily from UNs Comtrade Trade database (<https://comtrade.un.org/data/>) and some local establishments to compile Nauru's International Merchandise Trade Statistics (IMTS) on an annual basis and will continue doing so until a time affixed, can source data from Nauru Customs. According to the Comtrade database, Nauru's major trading partner countries of consignment in recent years 2020 to 2022 are Australia, Japan and China and the following analysis was sourced from the updated IMTS latest release 2022 prepared by the Nauru Bureau of Statistics.

Production

Nauru's major export markets from 2020 to 2022 is to the Asian region with an export value for 2022 at \$35.1 million then followed by other regions and the Oceania region with \$23.8 and \$3.2 million respectively.

Nauru's only export is Phosphate. However, Nauru has recently begun capturing statistics regarding the re-export of fuel, in the form of refuelling airlines (which are considered non-resident). Also, diesel and petrol-fuels are sold to the Regional Processing Centre and the People's Republic of China-

based CHEC (building the Port and the solar farm), due to their non-residency status.

v. Education

The Nauru Government remains steadfast in its commitment to investing in an inclusive and quality education provided for all students. A quality education gives Nauruan children the knowledge and skills they need to face daily life challenges, and take advantage of economic and lifelong learning opportunities.

Government is focusing on Education as its key driver for reducing poverty, fostering economic growth, achieving gender equality, and social development. With increased funding going into Education last three years, the improvements in children's participation in school is notable and government will continue this effort into the new financial year:

The following programs are targeted for FY 2023-24:

- \$4.9 million is provided for scholarships, an increase of \$1.8 million from current level to enable an additional 20 students to study in Australia and obtain a decent education.
- \$3 million is allocated for the school feeding program to ensure kids are provided with nutritious school lunches
- \$0.7 million is provided for a back-to-school payment of \$50 per child per term, to ensure that parents can purchase necessary school items to outfit children with uniforms, shoes and other items to be 'school ready'
- \$0.5 million toward Training and Capacity development to enable staff to pursue Diploma and higher qualifications courses
- \$0.3 million is allocated to schools for urgent and essential building repairs and maintenance to support a conducive learning environment for students
- \$0.3 million for Neat Scheme – Rewarding students to stay at school and graduate from year 12.

Nauru monitors a number of Key Performance Indicators relating to the Nauru Sustainable Development Strategy (NSDS) 2019-2030's goal to: *"Improve the quality and broaden the scope and reach of education"*.

The first indicator measures the number of students transitioning from the Able Disabled Centre (ADC) to TVET education/USP.

When the baseline data was collected in 2021, no students had transitioned to either TVET or USP. This is primarily due to a lack of suitable facilities and trained personnel. While a

policy exists, "Nauru Inclusive Policy and Guideline 2017", to attempt to bring students with disability into mainstream schools, the model used could not cater for students that went up higher than grade six. Teachers who guide the pilot students did not have the capacity to teach at higher grades.

As at 2023, the Department of Education is examining the most suitable options by:

- Working on identifying the range of levels of disability with the management of the able disabled school. Identifying which programs are suitable according to the level of disability, and
- Making low risk skill sets programs available to accommodate their learning and encourage/promote self employment entrepreneurs. Eg, artistic skills, hands & crafts, productions through reusing and recycling materials. This path caters to them to be productive citizens and self dependent, and also contributing to the Green agenda.

Challenges are facilities, space, equipment and funding for running the programs. Student benchmark results in Yrs 3, 6 & 9 in literacy and numeracy are slowly improving. In 2021, literacy levels were as follows:

Yr3

Literacy overall average at level 2 (Level 0-5)

Numeracy 60% overall average

Yr6

Literacy overall average at level 2 (Level 0-5)

Numeracy 45% overall average

Yr9

Literacy overall average at 45%

Numeracy overall average at 45%

In 2023, there has been an increase in literacy and numeracy across all years levels.

Yr3

Literacy overall average at level 3

Numeracy overall average 62%

Yr6

Literacy overall average at level 3

Numeracy overall average 50%

Yr9

Literacy overall average at 50%

Numeracy overall average 50%

The COVID-19 pandemic, isolation and variable quality in home learning packages has impacted literacy and numeracy levels. Contributing factors include a lack of literacy resources - some schools do not have the age appropriate reading material to adequately support the effective teaching of literacy. There is a definite challenge to be met around the direct teaching of phonemic awareness in the early years to be at least balanced with the current genre approach. To this end Year 1 and 2 teachers will emphasise, via some inservice training, phonemic awareness skills in their teaching. Year 3 and 4 teachers will adopt an Inclusive Literacy approach, which is more structured and involves explicit teaching of literacy skills. In the upper years further adaptations to teaching will be made including a separate dedicated literacy and numeracy stream in Years 9 and 10. The utilisation of key Fijian teachers is a positive step forward, as is the future recruitment of a literacy and numeracy adviser under the Australian-funded Education program.

Work is also underway to improve the literacy rate of TVET students. 80% of the NSS students enrolling in TVET programs have no basic skills in reading and writing. 50% of NSS and Community TVET students proved basic literacy skills through theory work and oral and written assessments. Contact times for these students with TVET programs is only 4 hrs a week, for both theory work and practicals. A valid Language, Literacy and Numeracy program is necessary for improvement. These at risk students will require more contact time for this student to achieve the LLN program.

Improving attendance is an ongoing focus. Early learning participation rates continue to improve, from 62% in 2021 to 78% in 2023. At the end of the 2022 school year 61 of a total of 182 students graduated from Year 12. This is approximately 33%. Of the 61 graduates 38 students achieved QCE which was down slightly on the previous 12 months where 41 students achieved QCE. The pandemic, isolation and the variable quality in the home learning packages have certainly contributed to the lower than desired graduation rates.

The Department of Education also strives towards increasing the number of TVET graduates. In 2021, 146 students graduated, and the aim for FY 22-23 is to increase the cohort of graduates to 155. However, due to the literacy and numeracy levels of participants and truancy and attrition from the program, this target was not met. TVET plans to work with TAFE Qld to develop a literacy and numeracy program as a bridging for each student, shorten programs to one year courses to encourage completion and provide professional capacity building support for trainers to help improve graduation rates.

Nauru continues to support improvements on teacher qualifications and skills. All current Primary and Secondary teachers have either a Diploma or Degree teacher education qualification (it is reqd for Nauru Govt teacher education purposes). 20% of Infants school (pre-primary-school) teachers have a Diploma or Degree. However, they all have minimum Certificate III in Early Childhood

Education.

Donor support to Education

Traditionally, Australia and New Zealand provide regular support to Nauru's education sector.

Australia has recently completed a new Education program design, which will include \$5 million of Aid In-Kind assistance in FY 2023-24. The new program will focus on improving student enrolment and attendance, improving learning outcomes and strengthening systems in the Ministry of Education. Australia also supports Nauruan tertiary scholarships. Around 19 Nauruan students were studying in Australia and the Pacific at the start of FY 2022-23. Australia's scholarship support is estimated at \$2 million in FY 2023-24.

Nauru is included in the New Zealand Manaaki Scholarships Programme. NZD \$609,000 (\$570,791) is allocated for Nauruan scholars in FY 2023-24. The priority sectors for Nauruan applicants include:

- Climate Change and the Environment
- Disaster Management
- Economic resilience and private sector
- Education
- Fisheries
- Food Safety and Agriculture
- Governance
- Health
- Information Communications Technology
- Law and Justice
- Renewable Energy, and
- Tourism.

Thematic Area: Act to mitigate climate change and adapt to its impacts by implementing sustainable energy and disaster risk reduction programmes



Photo by John Limen

Overview

Climate change represents the single greatest threat to the livelihoods, security and wellbeing of our people. Climate variability and slow onset effects of climate change increases Nauru's vulnerability and undermines the sustainable development of the nation.

As projected sea level rises pose risks to Nauru's communities and key infrastructure, most of which are located in coastal areas, relocation to higher ground is essential. However, relocation is not possible until land degraded by phosphate mining has been restored.

Significant donor support is being provided to redevelop Nauru's Port to be climate-proof. However, further support is required from donors to assist with the restoration of, and relocation to, higher ground.

Despite making little contribution to the industrial pollution that has driven climate change, Nauru is committed to a climate-friendly future. By 2030, Nauru intends to source 50% of its energy from renewable sources, thanks to the generous support of donor partners.

Nauru's fledgling emergency services have limited capacity to meet climate and other risks posed to Nauru. Further investment to develop the frameworks, infrastructure and human capacity required to meet future emergencies is necessary to safeguard the nation.

Findings Per Cluster

i. Climate Change

Planning for climate change mitigation and adaptation is important to ensure the survival and well-being of Nauru. Rising sea levels are already a major concern, which affects coastal communities, homes and infrastructure. Some action is already being taken, with the Australian Department of Foreign Affairs and Trade (DFAT), the Asian Development Bank (ADB) and the Green Climate Fund (GCF) Republic of China (Taiwan), currently facilitating the upgrade of a deep-water port for Nauru. This will increase trade for Nauru and is designed to withstand the long-term climate change impacts. Alongside construction of a new port-facility, there is also an ongoing project to increase renewable energy through the proposed 6 MW solar farm project that is supported by the ADB and GCF.

Nauru is currently pursuing more changes to integrate climate change to development activities of Nauru and to seek more climate finance, such as from the GCF, Adaptation Fund, ADB, Global Environment Facility (GEF) and other key development partners. This will enable Nauru to better respond to the on-going threat of climate change.

For two decades Nauru has supported international agreements to limit the global impact of climate change. Nauru was an early signatory to the UNFCCC (1992) and ratified the Kyoto Protocol (2001) and the Paris Agreement (2016). But we have also argued for greater global action, noting that the ambitions of the Kyoto Protocol were “inadequate to prevent the dangerous anthropogenic interference with the climate system”¹. Almost two decades on, we stand by our earlier statements seeking greater action on climate change from the international community.

Nauru is one of the world’s smallest countries, and one of the least responsible for the greenhouse gas emissions driving climate change with Nauru’s greenhouse gas emissions estimated to comprise around 0.0002% of global emissions in 2014. In 2020 Nauru submitted the updated NDC, which will commit the country to increased ambition on climate action for the period: 1st January 2021 to 31st December 2030.

To build our understanding of climate risk and resilience, Nauru collaborates with many regional partners within the Pacific. At the regional level, this Policy aligns to the Framework for Resilient Development in the Pacific: An Integrated Approach to Address Climate Change and Disaster Risk Management (FRDP) 2017–2030. The FRDP was endorsed by Pacific Islands Forum Leaders in September 2016. The Pacific also has regional environmental ties through the Apia, Noumea and Waigani Conventions, and through the Parties to the Nauru Agreement (for fisheries). Nauru engages on climate change issues through the Alliance of Small Island States (AOSIS) and is a member of the SAMOA Pathway, which reaffirmed that small island developing States (SIDS) are in a unique position where “sea-level rise and other adverse impacts of climate change continue to pose a significant risk to SIDS and their efforts to achieve sustainable development and, for many, represent the gravest of threats to their survival and viability, including, for some, through the loss of territory.” Nauru, and our partners through the SAMOA Pathway will continue to work together and to increase resilience to climate change impacts and to lower our carbon footprint – by collective knowledge and resource sharing.

Increases in global temperatures are causing interconnected changes to the weather and climate of Nauru, such as through the South Pacific Convergence Zone and the El Niño-Southern Oscillation. As a small island, the air temperatures are closely related to the sea-temperatures and both are projected to rise throughout the 21st century, under any emission scenario. Rising sea level is also already a major concern – since 1993 the sea level around Nauru has risen about 5mm per year –

which has and will continue to affect coastal communities, homes and infrastructure. Nauru is projected to experience major climate-related changes in the 21st century including increases to:

- Surface air temperature and sea-surface temperature
- Annual and seasonal mean rainfall, which decreases the predicted drought rate
- The intensity and frequency of days of extreme heat
- The intensity and frequency of days of extreme rainfall
- Ocean acidification, and
- Mean sea-level.

These physical climate change impacts are already affecting Nauru, and this is necessitating a response. For example, responding to erosion or rising sea levels by implementing hard and nature-based solutions, such as changing the location of key infrastructure, building sea walls and planting coastal vegetation to reduce storm surge severity. Other responses are being made or planned to improve resilience (such as improving drinking water supplies to be resilient to drought and salt-water intrusion, improving disaster communication and response through Disaster Risk Management (DRM), and improving food security such as through development of the Nauru Food and Nutrition Security Strategic Plan. Nauru is also alleviating future climate change impacts primarily by further reducing emissions and preemptively planning for relocation of homes and critical infrastructure away from the vulnerable coastal areas as part of the Higher Ground Initiative.

Development Support

In FY 23-24, 34% of development support is projected to be provided for climate-related activities (Port project, solar project, solar panels, energy efficiency, housing for people affected by climate change and mainstreaming energy roadmap).

Sustainable & Climate Resilient Connectivity Project

The Sustainable and Climate Resilient Connectivity Project (the Port project) was approved by ADB in August 2018 for USD \$62.28 million (AUD \$91.56 million), inclusive of co-financing from Australia and the Green Climate Fund. ADB further supported additional funding of USD \$15 million in 2022 to meet the Port project's temporary accommodation expense for the project's relocation program.

In FY 2023-24, approximately **AUD \$20 million** is expected to be disbursed for the project to meet construction costs, reimbursement of temporary relocation housing and project supervision fees.

Solar Power Development Project

The Solar Power Development Project involved the installation of a 6 MW solar energy farm, including institutional capacity development. ADB approved it in September 2019 with a total

budget of USD \$22 million (AUD \$32.34 million). For FY 2023-24, ADB expects to disburse AUD \$17 million in-kind assistance towards this project.

Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru (SMARTEN)

SMARTEN is a \$3.8 million-dollar, 4-year project, funded by the Global Environment Facility (GEF) and funds managed by UNDP. The project is implemented by the Energy Division, Department of Climate Change and National Resilience (DCCNR) under the National Implementation Modality (NIM). SMARTEN aims to achieve the goals of the Nauru Energy Road Map (2018-2020), thereby accelerating the adoption of renewable energy and energy efficiency technologies to drive socio-economic development in Nauru. The project implementation started in 2020 and planned completion by 2024. Despite Nauru's minimal contribution to global CO₂eq emissions (0.02 percent of global emissions in 2014), Nauru recognizes the need to address the threat of global warming. By introducing integrated planning, community-based renewable energy systems, and private sector involvement, SMARTEN pioneers novel approaches to transform Nauru's energy landscape. The project's four components focus on strengthening energy policies, supporting renewable energy and energy efficiency initiatives, promoting technology applications, and enhancing the capacity of the energy sector. Ultimately, SMARTEN aims to reduce 1.049 Mt CO₂ eq emissions including both direct and consequential emission, over the project lifetime.

Nauru Energy Efficiency - Nauru Energy Efficiency on the Demand Side (NEEDS) project

The Nauru Energy Efficiency on the Demand Side (NEEDS) project Grant Funding Agreement (GFA) was signed in December 2020, and is funded by the Ministry of Foreign Affairs and Trade (MFAT) of the Government of New Zealand. The aim is to support the achievement of the 30% energy efficiency target set in the Nauru Energy Road Map (NERM). The project is now in the implementation phase. NEEDS project funding of **NZD \$2,032,275 (around AUD \$1,990,671)** will be provided in the financial year 2023-24. This project is partly funded in-kind (to consultants to help with programme management and data monitoring and evaluation) and partly through cash funding (to undertake projects, hire staff and provide long-term advice, training and education on energy efficiency).

Solar power panels

Taiwan supports Nauru's efforts to reduce reliance on fossil fuels through a solar power project valued at **AUD \$597,291 (USD \$400,000)** for local churches (Pacific Lighthouse Church and Orro Congregational Church) in FY 2023-2024.

Climate change fund

Discussions are currently underway regarding Taiwanese support for building houses for families affected by climate change. Taiwan's funding for this purpose is **AUD \$1,493,247 (USD \$1 million)**.

UN supported activities in FY 23-24 include:

- UNDP- Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru (SMARTEN), and
- WFP- Strengthened national capacities to prepare and respond to climate change and other shocks that affect food security and nutrition through better data collection and analysis to conduct vulnerability and post disaster assessments (including using GIS mapping).

ii. Sustainable Energy

In 2021, Nauru committed to generating 50% of its energy from renewable sources³.

11% of Nauru's power was generated from solar panels, on average, for Nov 22 to April 2023. This translates to 44.28 watts per capita from renewable sources.

14% of Nauru's projected development support in FY 23-24 is provided for the completion of an additional solar farm to generate clean energy for Nauru, and to install solar panels on private buildings.

The renewable energy generating capacity is at 3.1 MW as of 20 June 2023. With the much awaited 6 MW solar site under development, Nauru's solar power Generating Capacity will be expanded to 9.1MW.

Solar Project

On 18 September 2019, ADB approved the grant of up to USD \$22.0 million to Nauru for the Solar project. The project will have three outputs as follows:

- **Output 1:** Solar power plant installed. The project will finance the installation of a 6.0 MW ground-mounted solar photovoltaic system; an 11.0 kV substation with feeders for the solar farm, the battery energy storage system (BESS), and the diesel generators (to be relocated by the NUC – the implementing agency); as well as transmission links, balance of system, a monitoring and control system integrated with NUC's existing system, and associated facilities (such as boundary fences, office, water storage, and reticulation).
- **Output 2: BESS installed.** The project will finance the installation of a 2.5 MWh, 5.0 MW BESS; and of a master controller system to allow NUC to manage the intermittency of output from solar generation, storage for load shifting, and diesel engine use.

³ <https://islandsbusiness.com/news-break/nauru/>

- **Output 3: Institutional capacity of the utility strengthened.** The project will provide institutional capacity and strengthening support to NUC covering management and operation of the solar plant and the BESS, as well as their integration into the grid; finance and accounting; gender mainstreaming; and project implementation assistance. Project-related employment will include gender targets. Female NUC employees will attend training related to the operation of the solar facility and the BESS.

The project is due for completion in FY 23-24.

Nauru Ocean Energy Feasibility Study

This project, funded by the Climate Technology Center and Network (CTCN) and UNIDO, was aimed to assess the technical feasibility of Ocean Energy Technologies, with prime focus on Ocean Thermal Energy Conversion (OTEC) as a potential renewable energy source in Nauru. The project was implemented by the OECC and the Institute of Ocean Energy at Saga University in Japan. With a funding of USD 217,000, the objective was to conduct a pre-feasibility study and prepare a draft proposal for the Green Climate Fund (GCF) to support a full-scale feasibility study. The pre-feasibility study showed promising results for OTEC, while the other technologies were found to be nonviable. The next phase, which is the OTEC Feasibility study, is aimed to explore in detail the viability of OTEC and its potential contribution to Nauru's renewable energy goals.

iii. Disaster Risk Reduction

Nauru's Disaster Risk management response and preparedness is overseen by the National Emergency Service, which was established under the *National Disaster Risk Management Act 2016* to manage disaster response activities. It consists of a National Disaster Risk Management Office, National Emergency Operations Centre, Rescue and Fire Services, Ambulance Service, Lifeguard Service, and Meteorology Service.

A National Disaster Risk Management Council (NDRMC) was established under the *National Disaster Risk Management Act 2016* to implement disaster management activities (preparedness and response) and is responsible for policy making. NDRMC is also responsible for providing advice to the President. A Disaster Risk Reduction Committee and the Recovery Advisory Committee are established for specific aspects of disaster risk reduction, to support the NDRMC and for establishing Community Disaster Management Committees.

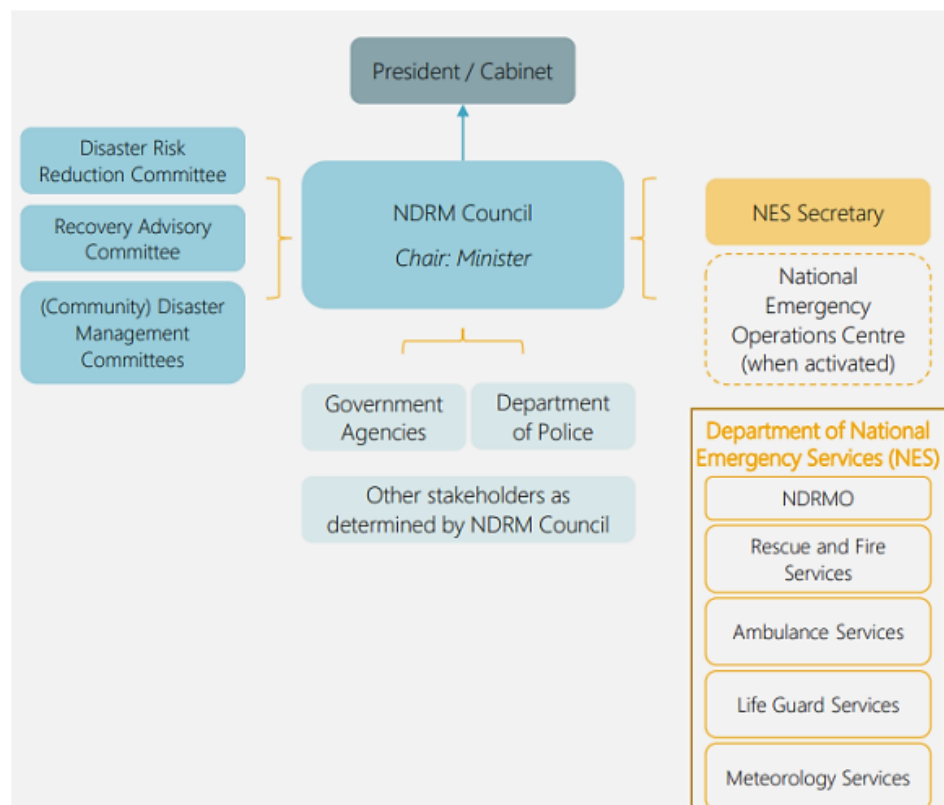


Figure 3: Disaster Risk Management Structure and Relationship (Source: SPC, 2011)

The *National Disaster Risk Management Act 2016* is the principal legislation for addressing disaster-related issues on Nauru.

Challenges

Nauru is susceptible to droughts, and in the past, the hazard had significant economic impact, putting a strain on its national budget. It has been projected that climate change will increase sea surface temperature, sea levels, ocean acidification and change to ocean currents. This will impact Nauru's fisheries resources, which is one of main income sources. Nauru does not currently have sufficient water storage capacity to sustain the nation should desalination technology fail or be unable to meet demand.

In 2022, a status report of disaster risk reduction in Nauru was completed. This report was prepared by the United Nations Office for Disaster Risk Reduction (UNDRR) with support from the Asian

Disaster Preparedness Center (ADPC) and Tonkin + Taylor, and assistance from the Irish Ministry of Foreign Affairs and Trade, and the Australian Department of Foreign Affairs and Trade.

The report noted the following priority areas based on the vulnerabilities, challenges, and other contributing factors identified in the report:

- **Improve critical infrastructure (in particular water infrastructure):**
 - Promote the resilience of new and existing critical infrastructure, including transportation and telecommunications infrastructure, educational facilities (such as schools), hospitals, and other facilities, to ensure that they remain safe, effective and operational during and after disasters in order to provide life-saving and essential services.
 - Improve the existing water infrastructure by installing additional desalination plants and increasing the access to rainwater storage tanks may improve water security.
 - Relocate existing critical infrastructure located close to the coastline.
- **Conduct community awareness programmes**
 - **Complete a capacity needs assessment** to analyse the current capacity and gaps from the national level to the community level, followed by a capacity development plan.
 - **Warnings:** At present, early warning systems via text blasts, radio and NTV are in place, and regular emergency drills are undertaken in schools, government departments and communities. A Centralised Disaster Information Management System is in development. Recommended actions include:
 - Implement an impact-based forecast and warning system for all natural hazards. In FY 23-24, UNESCO will provide support valued up to \$44,791 for strengthened NTWC and NDMO capacity to effectively warn people and 100% tsunami at risk communities to be officially recognized tsunami Ready by 2030.
 - improve the flash flood monitoring and forecasting systems, which requires the implementation of hydrological observing networks and the addition of new technologies, including weather radar (i.e., Doppler).
 - Promote usage of advanced models to improve climate adaptation adoption and service delivery.

- Identify key hazards, developing hazard maps and archiving historical hazard information.
- Complete comprehensive risk assessments for Nauru, which should include assessment of hazard, vulnerability, exposure, and adaptive capacity. Build the capacity of the staff at Nauru Meteorology Office on tools and methodologies for conducting hazard and risk assessments.
- **Data:**
 - Align data sharing systems across multiple agencies and within a single agency
 - Improve information and communication (ICT) technology infrastructure – communication lines and data centres - to facilitate effective data sharing between agencies that are not hosted at the same locations.
 - Establish bilateral/multilateral agreements with neighbouring island countries to permit cross-border exchange of warnings and observation data for concerns such as tropical cyclones and technical capacity building.
 - Establish Standard Operating Procedures (SOPs) for early warning information dissemination, communication, and decision making.
 - Develop a strategy to maintain longer term records of data and cascading hazard events.
 - Regular updates of the National Disaster Risk Management Plan- this will be an area of focus in FY 2023-24. A Pandemic Plan has been drawn up by the NAURU COVID-19 Taskforce, with the input of the National Emergency Service, and a National Tsunami plan is in draft.

In FY 23-24, the WFP will provide support valued up to \$170,207 for strengthened national capacities to prepare and respond to climate change and other shocks that affect food security and nutrition through better data collection and analysis to conduct vulnerability and post disaster assessments (including using GIS mapping).

- **Improve observation and monitoring network:**
 - Improve meteorological and hydrological observing network, and
 - Implement Automatic Weather Stations.
- **Develop a Meteorology Act:** It is essential to draft a Meteorology Act defining the roles and responsibilities of the Nauru Meteorological Service to improve the service delivery.

- **Access to Climate Finance** to adapt to the adverse effects and reduce the impacts of climate change.

Thematic Area: Protect the biodiversity and environmental health of Small Island Developing States by mitigating the impact of invasive species and by properly managing chemicals and water, including hazardous waste, and protecting the oceans and seas



Photo by Kristina Pawliw

Overview

Nauru is heavily reliant on the income received from the fisheries sector, which provides 20% of Nauru's total revenue for FY 2023-24. Fisheries revenues have also held up well despite the supply chain and fuel price inflation. However, the transition to a possible El Nino event in 2024 could increase the volatility of fishing revenues, highlighting the vulnerability of Nauru's economy to the impacts of climate change.

Further investment is required to upscale Nauru's domestic fishing capacity. Facilities for milkfish farming, development of facilities to can and export fish, improvement in aquaculture facilities and support for the expansion of fish farming are all required to increase Nauru's revenue from the fishing sector and increase food security.

Given Nauru's small size, waste management is constrained by the limited availability of suitable land for dumping of waste, and there is a shortage of Nauru has limited capacity to recycle waste and dispose of hazardous waste. Waste disposal threatens the natural environment and biodiversity by putting pressure on the natural coping capacity, and decreases air and water quality. Increased flooding could potentially create waste run-off and spread the effect of waste to a larger area.

There is a need to strengthen policies and regulations related to waste dumping and ensure regulations are enforced. The lack of an environmental levy promotes inexpensive products which lack biodegradable packaging. Assistance is also required to increase Nauru's waste management capacity, which will be addressed in part by the ADB-funded Nauru Sustainable Urban Development Project.

Biodiversity is critical for Nauru's food security, however, it is not consistently mainstreamed. Further support is needed to strengthen biodiversity legislation and policy, increase community awareness, build enforcement capacity and support traditional knowledge to protect Nauru's flora and fauna.

Land rehabilitation is progressing, however, Nauru's limited resources constrains the rate of rehabilitation. The lack of a holistic and effective waste system puts additional pressure on available land resources.

Findings Per Cluster

i. Oceans and Seas

Nauru's open ocean areas are frequented by an abundance of tuna and other pelagic species⁴. The access fees paid by industrial fishing vessels is Nauru's second largest source of revenue.

Description	2021-22 Preliminary Actual	2022-23 Revised Budget	2022-23 YTD Actual	2022-23 Projected Actual	2023-24 Approved Budget
	\$	\$	\$	\$	\$
1055 - Support Vessel Charges	566,692	230,000	232,150	230,000	230,000
1071 - Purse Seine Revenue - Licensing	1,107,804	1,300,000	2,002,597	1,300,000	1,300,000
1072 - Purse Seine Revenue - Fishing Days	56,524,277	53,000,000	48,871,620	53,000,000	53,000,000
Total Fisheries Revenue	58,198,773	54,530,000	51,106,368	54,530,000	54,530,000

Table 3: NFMRA Total Revenue (Source: NFMRA, 2023)

The Nauru Fisheries and Marine Resources Authority (NFMRA) was established by the *Nauru Fisheries and Marine Resources Authority Act 1997*. The objectives of NFMRA is to:

- Manage, develop, conserve and protect the fisheries and marine resources of the Republic in such a way as to conserve and replenish them as a sustainable asset for future generations
- Promote the sustainable utilisation of the fisheries and marine resources of the Republic to achieve economic growth, improved social standards, improved nutritional standards, human resource development, increased employment and a sound ecological balance
- Pursue effective strategies for managing the fisheries and marine resources of the Republic so as to maintain the integrity of marine ecosystems, to preserve biodiversity, to avoid adverse impacts on the marine environment, and to minimise the risk of long-term or irreversible effects of resource extraction operations, and
- Enhance the administrative, legal, surveillance and enforcement capacities of the Republic for the management, development, conservation and protection of the fisheries and marine

⁴ https://www.fao.org/fishery/docs/DOCUMENT/fcp/en/FI_CP_NR.pdf

resources of the Republic, in accordance with any written law relating to fisheries or marine resources.

Oceanic Fisheries

Nauru's open ocean areas are frequented by an abundance of tuna and other pelagic species. The access fees paid by industrial fishing vessels is Nauru's second largest source of revenue.

Fleets & Catches

Nauru's 2022 Part 1 Annual Report to the Western and Central Pacific Fisheries Commission (WCPFC) on information of fisheries, research and statistics on the calendar year 2021 (link: [Nauru | WCPFC Meetings](#)) informed as follows:

- Nauru's Fishery in 2021 as in previous years is dominated by the Distant Water Fishing Nations (DWFNs). There was a total 242 DWFNs licensed to fish in Nauru's Exclusive Economic Zone (EEZ) (223 purse seiners, 17 tankers and 2 fish carriers). Total catch of DWFN catches in Nauru's EEZ in 2021 was 136,893 metric tons (mt) with an average of 101,224 mt over the last 10 years.
- Nauru became a flag State in August 2018 and by 2021 had a fleet of 19 purse seiners and 2 tankers. Total catch of Nauru flagged vessels in the WCPFC Convention Area (CA) in 2021 was 111,821 mt with an average of 64,861 mt over the last 4 years.
- Both DWFNs and national flagged vessels' main target are the highly migratory tuna species; Skipjack (*Katsuwonus Pelamis*), Yellowfin (*Thunnus Albacares*) and Bigeye (*Thunnus Obesus*) which are mainly exported to foreign fish markets and canneries.

Cooperation with partners and Monitoring, Control and Surveillance

- NFMRA negotiates fishing access agreements and sale of fishing days under the Parties to the Nauru Agreement (PNA) Vessel Days Scheme (VDS) with DWFN bilateral partners, VDS pooling through the PNA Office (PNAO), US Treaty through the Forum Fisheries Agency (FFA) and national commercial fishing industry through the Nauru Fisheries Holding Corporation (NFHC).
- NFMRA cooperates with international, regional and sub-regional organisations it is party to in addressing obligations and responsibilities as a responsible flag State including the UN Food and Agriculture Organization (FAO), Secretariat of the Pacific Community (SPC) including those already mentioned above.

- NFMRA participates in Monitoring, Control and Surveillance (MCS) activities by deploying certified Pacific Islands Regional Fisheries Observers (PIRFO) on fishing vessels operating in the WCPFC-CA. NFMRA participates in certain annual regional fisheries surveillance operations through 24/7 monitoring of the Vessel Monitoring System (VMS) and/or physically onboard surface/aerial assets under the Niue Treaty Subsidiary Agreement (NTSA).

Challenges

- International port development for Nauru may be a game changer and any and all support to operationalise the port to be conducive also to in port activities of commercial fisheries would be most desirable.
- Capacity building of human resources (skills required at port, MCS, trade etc.) is always a concern for SIDS and Nauru is no different considering its size and population. The expected submarine fibre-optic cable is potentially a game changer as well and all and any assistance in capitalising on benefits this offers needs to be addressed in advance.
- Technical assistance is required to effectively monitor Nauru's EEZ.

Coastal Fisheries

To address food security challenges, the NFMRA has been working with local communities to establish marine protected areas and support the development of an aquaculture industry. The lack of local milkfish fries to support local milkfish farmers was a major problem. Between 2018 and 2019, NFMRA was able to purchase and import milkfish fries from the Kiribati Government owned milkfish hatchery. Shipments in batches of 2,000 to 3,000 milkfish fry were air freighted from Tarawa to Nauru. This created some interests among some of the milkfish farmers to restart milkfish farming again. NFMRA therefore was able to work with a handful of milkfish pond owners to help them prepare their ponds and restart milkfish farming. Only two of the handful of milkfish farmers were able to maintain their interest for a full cycle.

The bigger of the two operations stocked with about 1200 milkfish fries was able to harvest about 1.3mt of adult milkfish after 6 months. Most of the milkfish were sold locally fresh at \$18 per kg. The operations unfortunately did not continue, and the profits were quickly used for other things except for reinvesting in the milkfish farming operations. This however triggered some interest among the other pond owners.

In 2020, ten pond owners agreed to sign up to work closely with NFMRA as part of NFMRA's milkfish farming extension programme. Whilst milkfish pond preparation work started, the COVID pandemic then came about which resulted in the closure of borders and which meant that milkfish fries from Nauru's overseas supplier cannot be acquired. This also resulted in the suspension of all

farming activities. With the lack of any active milkfish farming operations over almost three years, there has also been a loss of interest and motivation of milkfish farmers in milkfish farming.

When the borders of our potential milkfish fry source countries opened again around October 2022, the NFMRA was able to renew its contact with Kiribati Fisheries to resume their supply of milkfish fries to Nauru. Reinvigorating local milkfish farmers' interest to get back into milkfish farming is essential. NFMRA is therefore planning milkfish farming workshops and public consultations with pond owners as well as those who may be interested in setting up new ponds for milkfish farming. At the same time, the aquaculture holding facility saltwater inlet pipes have continued to experience damage from rough seas. Maintenance has been cumbersome and therefore a more secure system for the inlet pipes is needed. Technical expertise and equipment will be necessary to resolve this matter. NFMRA have requested the Pacific Community's assistance on this matter and an Aquaculture Technician has visited Nauru to conduct an assessment of the problem. A plan for improving the saltwater inlet system as well as the whole aquaculture facility is being finalised.

The interruption of the milkfish fry supply caused by the COVID pandemic has spurred interest in creating a Nauru-based milkfish hatchery, however, funding will be required to make this vision a reality. Some potential funding sources have been identified and included in an Adaptation Fund project proposal.

The *Fisheries and Aquaculture Act 2020* provides the legal framework for some management measures for small scale fisheries. The Fisheries Regulations that will support this are in the final stages of finalisation. Fisheries data to address SDG14.b.1 is currently still limited, but should be improved in the next year or so to provide a status on the stock of a number of the important fish species.

Fishing remains a staple food source for Nauruans, and careful management of fish stocks is essential to support Nauru's future food security. Therefore, the NFMRA is working to establish marine protected areas to be managed by communities. To do this, NFMRA is working with the communities of the different Districts to identify potential sites for these marine protected areas. The coordinates of the boundaries of these areas are marked with a GPS and then are mapped out to present to communities for verification and confirmation. Once the areas are confirmed, then NFMRA together with selected community members will conduct baseline resource surveys of these areas. These will be incorporated into the management plans for the respective areas which will be presented to communities for further discussion and for finalisation before it is submitted to the Government for approval. The overall aim is to have at least 10% of Nauru's coastal reef as a protected area by 2030.

Challenges

- Challenges include lack of technical capacity, especially qualified personnel who are able to undertake technical aspects of the work without much supervision.
- Working with the communities has caused a lot of delays especially due to the difficulty in finding appropriate times for community meetings and consultations. Also changes in the executive members of the District Committees have in some cases taken our work back a few steps.
- The limited local capacity to manage and maintain the local database have caused delays in data entry and data analysis due to the regular loss of access to the database that supports fisheries data collection programmes and surveys.
- The lack of availability of local services and supplies to support fisheries related work and aquaculture can lead to delays in work programmes.
- There is little infrastructure to develop the local fishing industry and to give local aquaculture a boost.
- There is a lack of financial assistance and investment opportunities through grants and loans for local fishers and aquaculturists to develop local commercial operations.

Deep-Sea Sector

Nauru's commitment to achieving sustainable development provides a compelling case for exploring the deep-sea sector. This offers not only the chance to transition towards cleaner and renewable energy sources but also provides avenues for economic diversification through the sustainable use of the ocean's resources to generate increasing returns for Nauru and her people, in line with SDG Target 14.7. It is crucial to consider that Nauru will encounter challenges, such as the winding down of the Regional Processing Centre, decreasing contributions from the phosphate industry, and the possibility of reducing its maritime boundaries, which may significantly reduce fisheries revenue. As a result, embracing opportunities within the deep-sea industry aligns perfectly with Nauru's long-term objectives of fostering sustainability and adapting its economy to evolving circumstances.

Furthermore, given its dependence on the ocean and its resources, Nauru places great importance on responsible management and protecting the marine environment in line with SDG Target 14.2. To ensure the responsible utilisation of resources in the area, it is imperative to establish and enforce a robust regulatory framework. This comprehensive set of rules, regulations, and procedures plays a vital role in maintaining a harmonious equilibrium between the sustainable use of ocean resources and protecting the ecology of the oceans. To address this obligation, Nauru has

been actively engaged in negotiations with other member states of the International Seabed Authority (ISA) to promote the completion and eventual adoption of a comprehensive set of rules, regulations, and procedures to regulate the activities in the Area.

Additionally, the deep-sea industry provides a window of opportunity to support the development of a sector that Nauru considers has the potential to help accelerate the energy transition to combat climate change and realise the financial and other economic benefits of the international community as a whole.

Nauru's endeavours are focused on fulfilling its obligations to the NSDS and the SAMOA Pathway, while actively working towards accomplishing the objectives outlined in the 2030 Agenda. Through responsible utilisation of deep-sea resources, Nauru is paving the way for economic progress and ecological stability. The primary aim of these initiatives is to guarantee that deep-sea mining operations are carried out with utmost care to minimise environmental repercussions, all while maximising advantages not only for Nauru, but also for humanity as a whole.

Legal Obligation and SDG 17

Along with Nauru's mission to achieve its sustainable goals, the International Seabed Minerals Act was implemented in 2015 in line with its search for the advantages of the deep-sea sector following the guidance issued by the ITLOS' Advisory Opinion in 2011. The Act brings into being the Nauru Seabed Minerals Authority (NSMA) with its obligation to follow the regulations stipulated in the UNCLOS, which is the legal framework that allows the exploration and exploitation of deep-sea resources outside of national borders, as well as safeguarding the oceanic ecosystem. The NSMA is an essential entity responsible for overseeing and controlling the exploration and extraction of minerals in deep-sea areas beyond national borders. It serves as a secondary regulatory body - the ISA being the primary regulator - playing a crucial role in managing activities in the Area. The NSMA is committed to aligning its national regime and organisational framework with the ISA's ongoing efforts to develop the Mining Code. By actively engaging with ISA developments, the NSMA ensures that all necessary regulations are in place to protect the marine environment while facilitating sustainable mineral exploitation.

NSMA Progress

Nauru, recognising its limited resources and capabilities, entered a sponsorship arrangement with Nauru Ocean Resources Inc. (NORI), which specialises in deep-sea operations. This arrangement allows Nauru to leverage the expertise and resources of its sponsored entity to explore for minerals and eventually exploit those resources in the international seabed in a manner that prioritises environmental protection and sustainable development in a joint effort.

By entering the sponsorship arrangement, Nauru successfully positioned itself as a Sponsoring State and thereby has a better chance of accessing the advantages associated with the deep-sea sector and fulfilling its legal obligations. The effort aligns with Goal 17, emphasising the importance of forming partnerships to support sustainable development. It recognises that addressing global challenges requires collective action and collaboration between governments, organisations, and stakeholders at all levels. By cultivating robust alliances and fostering cooperation among various actors such as businesses, civil society groups, and international institutions, Nauru can effectively work towards achieving SDG Target 17.16. The objective behind Goal 17 is to encourage shared responsibility and joint efforts across sectors to bring about lasting positive change while ensuring sustainability for future generations where collaborative effort is crucial for achieving long-term environmental and economic objectives.

The NSMA is engaged in several significant initiatives, including the following:

- *Legislative review:* To adapt to evolving circumstances and expand the scope of expertise within the *International Seabed Minerals Act 2015 (the Act)*, a thorough revision is being conducted. This review process aims to introduce greater flexibility into the Act, allowing it to effectively address emerging challenges in managing international seabed minerals. Additionally, an essential aspect of this review involves incorporating key departments deemed crucial for inclusion as core members of NSMA. Furthermore, a Technical Assessment Capacity will be established as an advisory body comprising individuals with relevant backgrounds who can provide valuable insights and guidance to NSMA.
- *Creation of Subsidiary Legislation:* Efforts are being made to create subsidiary legislation that will outline the technical and procedural requirements needed for the effective implementation of the Act. These provisions aim to support and enable the NSMA to achieve its goals and fulfilling its responsibilities.
- *Due Diligence:* To ensure the issuance of a sponsored certificate, it is crucial to engage the services of an impartial expert or experts who can carry out a comprehensive due diligence process on the sponsored entity. This step is essential as it allows for a thorough evaluation and assessment of all relevant aspects pertaining to the sponsored entity's operations, financial status, compliance with regulations, and overall credibility. Both Nauru and NORI welcome this process as it enhances transparency, accountability, and the overall integrity of the seabed mining industry where Nauru and NORI are involved. The NSMA is actively looking for such an expert.
- *Review of Sponsorship Arrangement:* Nauru is reassessing its sponsorship agreement with NORI to align with the progress made by the ISA. This will ensure that the partnership remains in line with the latest developments and regulations set forth by the ISA. Nauru recognises the importance of maintaining consistency with its guidelines and requirements as ISA continues to draft a regulatory framework for deep-sea mining.

Two-year rule

Since 2014, the ISA has undertaken work to develop regulations for the exploitation of mineral resources in the Area following expert workshops, expert studies, and discussion papers. The Legal and Technical Commission prepared the draft regulations and submitted them to the Council of the ISA for their consideration and adoption in March 2019, which has continued to be subject to high-level negotiations ever since. On 25 June 2021, Hon. Lionel Aingimea, as he was Head of State then, communicated to the President of the Council for the 26th Session of Nauru's 'intention' to apply for approval of plans of work for exploitation in the Area within two years and requested for the finalisation of the draft regulations to facilitate Nauru's intention. The two-year period, as mandated by the 1994 Agreement, requires the Council to complete draft regulations within two years, giving member states ample time to conclude its years' worth of negotiations. Nauru prompted the adoption of the draft regulations, which would provide a comprehensive framework for the regulation and management of deep-sea mining activities to address Nauru's effort for the adequate protection of the marine environment.

Regretfully, the Council did not adopt the draft regulations within the deadline prompting His Excellency Hon Russ Kun, as the current Head of State, to attend the 28th ISA Council session in person in July 2023 to convey Nauru's extreme disappointment. The Council's inability to comply with its obligation under the 1994 Agreement significantly affects Nauru's progress to effectively comply with its legal obligations and to achieve its sustainable goals for the benefit of Nauru, her people, and all of humanity. Movements to delay the adoption of the draft regulations have also impeded Nauru from accessing rights afforded to it by international law, including the UNCLOS and the 1994 Agreement. Nauru takes great pride in its contribution to the empowerment of developing states and continues to champion for the rights granted by UNCLOS and the 1994 Agreement. Nevertheless, achieving the full potential of the deep-sea industry and reaping its advantages necessitates a collective effort involving various stakeholders working together harmoniously.

Challenges

Nauru faces the following challenges in relation to its exploration of the deep-sea sector:

- The lack of technical capacity, especially qualified personnel who can undertake technical aspects of the work without much supervision
- The need for a regulatory framework and international cooperation to ensure that deep-sea mining activities are enabled and conducted in a transparent and environmentally responsible manner

- There is a need to prioritise scientific knowledge enhancement, research capacity building, and technology transfer related to marine science to promote ocean health and support the development of developing countries. This will not only improve understanding of the oceans but also optimise the utilisation of marine biodiversity for sustainable development. This will also empower developing nations with valuable tools needed for responsible coastal management practices. Investing in scientific research and fostering collaboration between nations is essential as it leads the globe towards a more prosperous future where human society thrives alongside thriving oceans. It is imperative to prioritise knowledge-sharing mechanisms to empower SIDS with access to cutting-edge research and technological advancements in marine science.
- The media's influence on public perception of the deep-sea sector is causing a hindrance in political support for initiating activities in the Area. To address the issues surrounding media misinformation and the lack of political will to enable deep-sea activities, it is crucial to raise public awareness about the importance and potential of the deep sea, including ways to address concerns, such as the adoption of a regulatory framework to govern the activities in the Area.
- The absence of coordination and support to facilitate discussions on deep-sea matters, focusing on enhancing comprehension of the rights and responsibilities outlined in UNCLOS and the 1994 Agreement, hinders cooperation among SIDS. This lack of coordination and support hinders the ability of SIDS, in particular, Nauru, to effectively engage as a group in deep-sea activities and decision-making processes.
- Nauru encounters substantial obstacles in obtaining financial aid and investment prospects to foster its commercial activities and enhance the skills of its workforce. These obstacles stem from various barriers imposed by the OECD, limiting Nauru's access to grants and loans. This hinders Nauru's ability to grow its economy and effectively engage in trade on a global scale. Addressing these constraints is crucial as it would allow Nauru to tap into new avenues for economic growth, enhance job creation prospects, and improve living standards for its citizens.

ii. Management of Chemicals and Waste

Nauru's waste sites are managed by NRC, and regulated by the Department of Environmental Management and Agriculture.

While an Environment Act has been passed, only one regulation is in place - a single use plastic

ban.

However, there is limited capacity to oversee compliance with the legislation and to enforce it. An ADB Institutional Strengthening Project will assist DEMA with its legislative frameworks and enhancing capacity for enforcement.

In terms of strategies and policies, a general waste management strategy, the National Solid Waste Management Strategy 2017-2026 and a hazardous waste plan (POPs and Asbestos), exist. The strategy covers solid waste from all sources (household, commercial, industrial, agricultural and mini) and bulky waste such as tyres, derelict vehicles, and construction waste.

Nauru has limited capacity to manage solid waste. There is one dump site managed by NRC, however, only green waste and cardboard are separated and processed for mulch. This has been boosted with the addition of two cardboard mulchers and two wood chippers (mobile) to process the waste.

39 waste stands have been built for communities to dispose of their rubbish, and a regular rubbish collection service ensures rubbish is removed. Due to fees at the dump site, there have been issues with illegal dumping of waste however, new initiatives are being developed to overcome this and encourage households to dispose of their waste correctly.

The recycling facility is incomplete and initially suffered from insufficient capacity. Some recycling equipment (Bailer for cans and bottle crusher) was available but could not manage the volume of waste. A bailer was to be used for aluminium cans but was too small. Also, there was no plan for the items once crushed.

In FY 22-23, NRC initiated pilot plans for the recycling of cardboard and aluminium cans, with the aim of reducing cardboard waste in landfill by 30% and reducing aluminium cans deposited into landfill by 40%. NRC also initiated enabling activities for scrap metal, aluminium cans, e-waste, and battery recycling. Exporting of recyclable materials will also be explored, which is now easier due to the partial completion of the Port project. Once fully complete, increased opportunities to export materials for recycling are anticipated.

Nauru has no facilities to dispose of hazardous waste properly. Nauru is currently working with the PacWaste Plus Project to remove asbestos stockpiles off island. It is envisaged that this work will be carried in mid to late 2023.

In 2021, ADB commenced the Nauru Sustainable Urban Development Project, which will identify opportunities to improve Nauru's water supply, sanitation and solid waste management under the designing phase of the project, funded with USD 5 million Project Readiness Financing. Master

plans have been developed and discussed with relevant stakeholders, and work will continue to develop feasibility studies for each project component.

iii. Biodiversity

There is currently no overarching legislative and policy framework for the protection of biodiversity on Nauru. Political and community support for protecting biodiversity also requires strengthening, as population growth and urban development affects the limited sites containing flora and fauna. Nauru's long-standing cultural ethnological knowledge could be promoted to help increase biodiversity and traditional agriculture.

The UN-funded Ridge to Reef project aimed to build Nauru's capacity to implement a comprehensive cross-sectoral regime for sustainable land, freshwater water, solid waste, coastal and marine area management. The project has now concluded, and resulted in the deployment of 2 off-shore Fish Aggregating Devices off Yaren and Ewa district, the distribution of 250 salt and drought tolerant plants and development of a National Integrated Environmental Policy and Fisheries and Aquaculture bill.

In FY 23-24, the GEF has provided \$200,000 (6% of total development support) to Ecosystem Restoration and Sustainable Land Management (SLM) to improve livelihoods and protect biodiversity project in Nauru.

This project will ensure that the enabling environment for SLM and biodiversity conservation is fully established, physically deliver and demonstrate viable restoration and SLM options for Nauru, define the alternative scenario for Nauru's remaining forests by safeguarding the country's remnant high value biodiversity assets in Anibare Bay Protected Area and upscaling towards LDN and improved ecosystem services.

Project implementation began early this year with the UNEP as the implementing entity and DEMA (GON) sharing responsibilities with SPREP as the executing agencies. Progress so far is that the project management unit has been established and the inception workshop completed with targets clearly set out with project stakeholders.

In FY 23-24, the UN will provide \$11,934,238 (10% of total development support) to a Resilient Coastal fisheries and aquaculture project.

This project addresses long-standing barriers that hamper the implementation of adaptation solutions in the coastal fisheries and aquaculture sector, and therefore will contribute to greater food security, nutrition and ecosystem health. The project components include:

- Strengthened policy and planning strategies
- Increased technical abilities of civil servants and communities through awareness raising campaigns
- Improved food security and nutrition through farmed fish supply, and
- Increased resilience of ecosystems and adaptive capacity of communities for adaptation planning and environmental protection.

Project implementation is expected to occur in January 2024, with the Pacific Community (SPC) as the implementing entity, and executing responsibilities shared with the GoN.

iv. Desertification, Land Degradation and Drought

The restoration and rehabilitation of degraded and mined-out land is managed by the Nauru Rehabilitation Corporation (NRC). The NRC operates under the *Nauru Rehabilitation Corporation Act 1997* which mandates the NRC to coordinate and initiate activities for the restoration of the mined-out land, implement government policies with regard to the rehabilitation and development of the mined-out land, and promote related activities. By 2030, NRC aims to have rehabilitated more than 45ha of mined land at Topside, for housing, agricultural and road development. Cemetery is the priority. As at 30 June 2021, 6 ha of mined land had been rehabilitated, with approximately 160 ha to be rehabilitated in total. This financial year, NRC plans to rehabilitate 6ha for a new stadium, 1.12ha for a stadium access road and 0.6ha for an additional national cemetery.

Projected sea level rises pose risks to Nauru's communities and key infrastructure, most of which is concentrated in the coastal areas. Therefore, relocation to Topside is imperative and is a top priority of the government, managed by the Higher Ground Initiative Division of the Department of Climate Change and National Resilience. However, relocation will not be possible without the rehabilitation and restoration of degraded lands caused by mining. Restoration of the higher ground and relocation process is a long-term initiative requiring donor support to succeed. This is known as the Higher Ground Initiative (HGI).

Developing a detailed plan for restoring topsoil and progressively introducing large scale and community-based agricultural production is a focus of the HGI division. This year, the HGI Division plans to engage the New Zealand-based environmental planning firm Boffa Miskell to develop a multi-decade plan for scaling up agricultural production and restoring natural spaces on Topside.

The Higher-Ground Initiative is now in the engineering phase. The masterplan for the pilot site at Land Portion 230 will be confirmed and detailed surveys and assessments of the site completed. A detailed engineering design for tendering will then be developed. The deliverables of Phase 2 of the Higher Ground Initiative include:

- Mobilisation, Preliminary Planning, LP230 Master Plan Review
- Topographic Surveys & LiDar Drone Survey
- Geotechnical Services, Stage 1
- Contaminated Land - Site Contamination Report and Remedial Action Plan
- Detailed design, including drawings, schedule of quantities and construction specification for the preferred option.
- Engineering Staff Site Visits, Phase 1 - Site familiarisation and investigations on Island by Team members, between 1 and 3 trips.

\$1.8 million is allocated to the further development of Portion 230 and \$3.0 million is set aside for the Higher Ground Initiative Project Phase 2 in FY 2023-24.

v. Forests

Nauru currently has no managed environmental areas, however, by 2030, Nauru aims to establish 3 managed environmental areas. A policy for locally managed marine areas has been developed and endorsed.

The NFMRA is working to establish protected areas managed by communities by mapping the areas and conducting baseline surveys to present to communities for further discussion.

The GEF 7 biodiversity and land degradation project has now commenced and will assist Nauru to establish land-based protected areas.

vi. Invasive Alien Species

The Department of Justice, Quarantine Division and Nauru Customs help protect Nauru from the threats posed by invasive alien species.

Customs engage in rigorous screening of cargo, supported by a Quarantine Division director who has bachelor degree in plant production - Agriculture. A principal officer who is certified along with 2 senior officers, 11 quarantine officers with an addition of a clerical officer.

Quarantine Division staff have undergone the following training to maintain their knowledge and skills:

- Agriculture Commodity and Trade (IACT), Plant health (PH) and Bio-Security and Trade Services (BATS)
- Plant and Animal Quarantine Regulations 2004
- Biosecurity Law for the Pacific Region
- Emergency Response Plan
- Nauru Phytosanitary Capacity Evaluation (PCE) Summary
- Fumigation practices
- Sea container inspection and wood packaging
- International Phytosanitary measure 5 terminology
- International Obligations - role of NPPO, ISPM
- Termite infestations and symptoms of asian subterranean termites
- Bio-security awareness and operations at the borders including domestic, and
- Nauru Yellow Crazy Ants Control.

Thematic Area: Improve human health and social development through food security and nutrition and improved water and sanitation and by reducing the incidence of non-communicable diseases and promoting gender equity and women's empowerment



Photo by Samuel Grundler

Overview

Food security is a significant issue for Nauru, as 90% of food is imported, and there is no local agriculture sector besides kitchen gardens and some household chicken and pig farming for domestic use. The arable land (that has not been mined) available for agriculture is on the coastal flat, making it vulnerable to erosion and sea level rise. Furthermore, the lack of fresh food at affordable prices has impacted the health of Nauruans, evident by the prevalence of NCDs. Cooperation between the Government of Nauru and Republic of China (Taiwan) has been successful, and a major contribution to increasing Nauru's food security.

Donor support to redevelop Nauru's Port (ADB, Australia, GCF), purchase the Micronesian Pride Vessel for Nauru Shipping Lines (Indonesia), and provide financial assistance for freighter flights (Australia) has been instrumental in maintaining Nauru's food security. Australia's support to resurface the runway will further strengthen Nauru's capacity to safely and consistently source food and other essential supplies. However, The Transport Department requires increased capacity to meet Pacific Aviation Safety Office requirements.

The health and sanitation sectors remain vulnerable. While 7.5% of the FY 2023-24 will be directed towards health, significant investment is still required to address long-term infrastructure and staff capacity needs. Urgent assistance required to replace the current sewage treatment plant, which is now at the end of its useful life and cannot meet the demands of the population.

Nauru is grateful for the ongoing support of donor partners who continue to support Nauru's Ministry of Health and sanitation services.

The Department of Sport plays a crucial role in the prevention of NCDs. Since the development of the Sports Complex, funded by Australia, there has been little investment in major sporting infrastructure. The development of a stadium and other infrastructure for the Micronesian Games being hosted by Nauru in 2026 will provide future health benefits for generations of Nauruans - the stadium will provide families a safe place to exercise and athletes with facilities to prepare for participation in regional and international events.

Protecting Nauru's vulnerable people and heritage is an issue close to the hearts of all Nauruans. The Government is committed to supporting pensioners, those with disabilities, youth and the unemployed through a range of social programs, such as keeping the prices of utilities and shipping at reasonable rates through the provision of housing and home renovations for persons with disabilities. The Government also supports State Owned Enterprises by funding the difference between the commercial based prices that the public enterprise would have charged for the service

and the discounted prices that the services are actually being delivered to the public as requested by the government. \$34 million will be directed to such measures in FY 2023-24, or 12% of total budget expenditure.

Safeguarding Nauru's language, heritage and cultural sites is now gaining traction. The Nauru Museum and Department of Internal Affairs will continue their work in identifying and preserving cultural sites and capturing the Nauruan language and culture for future generations. This area has traditionally been underserved by donor partners and further support from international experts is sought to progress this important work.

Protecting the community, especially women and girls, continues to be a priority for the Government of Nauru. Nauru will welcome additional support from ADB in the social welfare sector this year, complementing ongoing support from the UN, ADB and Australia for the Department of Women's and Social Development Affairs. The safety of the wider community is also an ongoing concern, with 3.5% of the FY 2023-24 budget being allocated to Police, Border Control and Customs. Continued collaboration with partners including the Australian Federal Police and UNCTAD will be vital in shoring up Nauru's police and customs capability.

Findings Per Cluster

i. Food security and nutrition

Nauru does not have an agriculture industry, but is working to introduce more food security by providing chicks and piglets to selected households. The Department of Environmental Management and Agriculture is responsible for ensuring Nauru's food security and is implementing two main programs - household kitchen gardens and piggery/chicken farming. The Department has also established a farm in Meneng to grow seedlings and cultivate edible native plants.

In FY 22-23, 18 households were provided with feed and animals. The Taiwanese Technical Mission assists by supplying chicks and providing expertise. Challenges include availability of suitable pens for animals, water supply and cost of feed.

The Department also supported 79 households with seedlings to establish kitchen gardens, and offered home gardening training, with the support of the Taiwanese Technical Mission. The department is committed to climate-friendly practices and has provided eight households with biogas Digester systems, which convert organic waste into biogas for cooking, and provides fertiliser for gardening. A government farm has been established to provide a source of fruit and vegetable plants to the community.

DEMA plans to establish an Organic Learning Farm, offering training in coconut tree replanting.

Making Nauru's agriculture and fisheries resilient to the adverse impacts of climate change, ocean acidification and natural disasters is currently addressed under Nauru's Climate Change Policy, which is overseen by the Department of Climate Change and National Resilience.

The Department has recently secured the assistance of an advisor to develop a roadmap, identify funding and track implementation.

To help protect Nauru's fishing stocks, NFMRA is working to establish protected areas managed by communities by mapping the areas and conducting baseline surveys to present to communities for further discussion.

End malnutrition in all its forms, including by securing year-round access to sufficient, safe, affordable, diverse and nutritious food

The Department of Education provides nutritious school lunches for all children. \$3 million will be provided in FY 23-24 for this program.

Nauru has a low prevalence of stunting. The Ministry of Health and Medical Service collects routine data from under 5 clinics, which indicated 2 cases, or a rate of 0.13%.

Exports

Nauru does not currently export food products on a consistent basis. Fish may be exported on a case-by-case basis for family and friends, however, a regular commercial export system is not in place. The last export shipment of fresh tuna from the domestic longline operation was in 2001, and only seven shipments were ever made⁵. This may change in future, as the completion of Nauru's Port may offer new opportunities to export fish from Nauru. This would require a significant infrastructure investment to develop the necessary facilities for canning and distribution.

Enhance international cooperation to maintain access to global food markets, particularly during periods of higher volatility in commodity markets

Nauru is yet to ratify the Pacer Plus Free Trade Agreement and while Nauru is a party to the Pacific Islands Trade Agreement, it is not used.

Tariffs are levied on imported commodities as outlined below:

Tobacco 377.52 per kg or .38 per stick

⁵ https://www.fao.org/fishery/docs/DOCUMENT/fcp/en/FI_CP_NR.pdf

Alcohol	6.86 per litre av
Sugar foods Fresh	0% processed 10%
Machinery, Vehicles and Equipment	12% av
Petrol	60 cents per litre
Diesel	60 cents per litre

Tariffs are only levied on scrap metal, however, there are no exports of that commodity from Nauru at present.

ii. Water and sanitation

The National Water, Sanitation and Hygiene Implementation Plan (NWSHIP) is a fifteen-year plan to implement the Republic of Nauru's 2011 National Water, Sanitation and Hygiene Policy, which sets out the vision, goals and objectives of the Government for water and sanitation.

Nauru's national water supply is provided by the Nauru Utilities Commission, using Reverse Osmosis technology. Water is trucked to water tanks on private and commercial sites. 93.3% of households are using safely managed sanitation services and a hand-washing facility with soap and water, according to the 2021 Nauru Population & Housing Census.

NUC tests all water at the production point, prior to despatch. Last financial year, the RO water met or exceeded Australian standards more than 90% of the time.

The Department of Climate Change and National Resilience in its capacity as the regulator, provides testing of home water tanks to the national water standard. With the support of SPC, the Department will be conducting training for its Water Division staff and the community leaders. SPC will also be funding the purchase of water and salinity testing kits, which will be stored at DCCNR and is available for Community Leaders' use. Trained community leaders will conduct water testing to requested community houses and will work closely with the Water Division.

Nauru is working towards a target of 70% of household water tanks connected to downpipes. Support is being provided through the Managing Water Scarcity through Strengthened Water Resource Management project with funding of AUD \$375, 000 to provide households with adequate rain water harvesting systems.

With the ADB Grant of \$US 25 Million to improve Urban Service Delivery, the Nauru Sustainable Urban Development Project (NSUDP) is seeking to improve the health and well-being of the people of Nauru by improving and upgrading the urban services of water supply, sanitation, and solid waste management. The approved Master Plans will form a basis of future water-related

infrastructure development in Nauru, the Feasibility Studies will define in detail the required improvements to the Urban Services and are expected to be completed Mid-July 2023.

Sewage management

Nauru does not have a reticulated sewerage system, and relies on a system of cesspits and sludge trucks removing waste to a central treatment plant.

Sewage management is now being undertaken by NUC, with responsibility being handed over from Eigigu Transport Solutions. The new arrangement will enable greater mechanical and water treatment expertise to be utilised in the management of the sewage treatment plant. The current plant is inadequate for Nauru's population, initially built in 2001 for 400 asylum seekers. While the ADB funded Nauru Sustainable Urban Development Project will address long-term solutions for sewage management, an interim solution is required, as expert advice indicates that the current plant must be replaced, and cannot merely be improved.

The sludge trucks are now reaching obsolescence, with only one truck operational. The age of the trucks makes it difficult to source parts. New trucks are required to continue safely transporting waste to the central treatment plant.

There is currently no established building code for cesspits on Nauru, but due to contamination issues from old or poorly designed soak-away pits, twin chamber cesspits are being encouraged. A building code is currently in draft, and will recommend twin-chamber cesspits. Recommendations regarding cesspit design and the structure of sewage management will be addressed by the Nauru Sustainable Urban Development Project.

iii. Health and Non-Communicable Diseases

Health Status

The Global Health Based school Survey (2011) provided evidence of poor health indicators and poor lifestyle indicators among children aged 13-15 years. For example, 44.5% of the students (40% of boys and 48.9% of girls) were overweight, and 16.7% (78% of boys and 15.7% of girls) were obese. In addition, 22.1% (19.5% of boys and 24.5% of girls) had smoked cigarettes one or more days during the last month and 61.8% of the students were exposed to second-hand smoke.

Non-Communicable Diseases and Risk Factors

Nauru has some of the poorest indicators for NCDs in the Pacific. The Global Burden of Disease (GBD) study in 2010 ranked Nauru number one in the world (30.9%) in terms of prevalence of diabetes in the adult population (20-79 years), a position it is likely to maintain in 2030. NCDs are the leading cause of mortality, morbidity and disability, with the main NCDs of ischemic heart disease, complications of hypertension (including cerebrovascular disease), diabetes, kidney disease, and lower respiratory infection representing four-in-five deaths on the island. Chronic renal disease, mostly due to diabetes, is also a growing concern. Nauru is one of the few Pacific islands with a hemodialysis unit.

According to available studies, the prevalence of NCD risk factors in Nauru is also among the highest in the world. The World Health Organization (WHO) NCD Country Profiles, 2018, presents the following risk factor data for Nauru:












NATIONAL TARGET SET			DATA YEAR	MALES	FEMALES	TOTAL
MORTALITY¹						
	Premature mortality from NCDs	✓	Total NCD deaths	2016
			Risk of premature death between 30-70 years (%)	2016
	Suicide mortality	-	Suicide mortality rate (per 100 000 population)	2016	-	-
RISK FACTORS						
	Harmful use of alcohol	✓	Total alcohol per capita consumption, adults aged 15+ (litres of pure alcohol)	2016	11	2
	Physical inactivity	✓	Physical inactivity, adults aged 18+ (%)	2016	39	52
	Salt/Sodium intake	✓	Mean population salt intake, adults aged 20+ (g/day)	2010
	Tobacco use	✓	Current tobacco smoking, adults aged 15+ (%)	2016	37	43
	Raised blood pressure	✓	Raised blood pressure, adults aged 18+ (%)	2015	23	17
	Diabetes	✓	Raised blood glucose, adults aged 18+ (%)	2014	30	28
	Obesity	✓	Obesity, adults aged 18+ (%)	2016	59	63
			Obesity, adolescents aged 10-19 (%)	2016	32	32
	Ambient air pollution	-	Exceedance of WHO guidelines level for annual PM2.5 concentration (by a multiple of)	2016	-	-
	Household air pollution	-	Population with primary reliance on polluting fuels and technologies (%)	2016	-	-

Figure 4: NCD Country Profile (Source: WHO, 2018)

The Government of Nauru is committed to address the NCD crisis through strategic and sustained actions that encompass primary intervention, immediate treatment and tertiary prevention for those with current disease. The first Nauru National NCD Action Plan 2007-12 was developed in 2006, with contributions from Government departments and the community. The plan focussed on key risk factors including physical activity, alcohol, tobacco, nutrition, clinical management of diabetes, heart diseases, hypertension/stroke and obesity, as well as integrated actions to improve coordination and collaboration in the area of NCD prevention and control.

The Nauru NCD plan was reviewed, revised and relaunched in 2014, with the release of the NCD Action plan 2014-2020. The NCD department received support from the WHO Division of Pacific Technical Supporting, including an interactive planning tool to examine the various approaches in delivering PEN Protocols 1 and 2 in Nauru (Package of Essential NCD Intervention for Primary Health Care in Low Resource Settings). PEN Protocols 1 and 2 relate to the prevention of heart attacks, strokes and kidney disease through the integrated management of diabetes and hypertension health care. The planning tool allows consideration of costs and benefits over five years. For example, the estimated average cost for every cardiovascular disease (CVD) event or diabetic complication avoided is AUD \$1,903. CVD events and diabetic complications include heart attack, stroke, amputation and retinopathy. A multi-sectoral NCD Task Force was also launched in 2014.

Communicable Diseases

Nauru also remains vulnerable to communicable disease outbreaks and other environmental health threats, and experiences recurrent outbreaks of dengue, diarrheal disease, and other recent arboviral outbreaks (e.g. chikungunya). Nauru was among the first of the South Pacific nations to record seroconversion to Zika virus.

The country also continues to renew and strengthen the fight against malaria, tuberculosis and neglected emerging and re-emerging tropical diseases, including chikungunya and dengue. Nauru's tuberculosis incidence rate is 181.82, and Nauru recorded zero cases of malaria in 2021-2022.

Given Nauru's limited response capacity, donor partners worked closely with Nauru to prepare its health systems for a potential outbreak of COVID-19. Nauru followed a stringent capture and contain strategy which saw all visitors to Nauru required to undergo testing and quarantine at the border. This strategy protected Nauru during most of the pandemic, giving the health system valuable time to establish an acute care ward to treat and isolate potential COVID-19 patients, streamline testing regimes and treatment protocols, and vaccinate vulnerable members of the community. The high vaccination rate meant that Nauru experienced only one COVID-related death during the pandemic. The systems that were developed for COVID-19 are now available for future pandemic responses, should they be required.

Nauru provides universal access to HIV prevention, treatment, care and support and to eliminate mother-to-child transmission of HIV. Nauru currently has two active HIV cases for which patients are undergoing treatment. Zero new cases were reported in 2021-2022.

Mental Illness

Mental Health is a growing issue on Nauru, with psychotic illness, anxiety, psychosocial depression and post-traumatic stress due to assault or sexual violence the primary presentations. There is currently no on-island psychiatrist or dedicated medical facility. One nurse supports a general practitioner responsible for mental health patients, however, this is insufficient to meet patient demand. Families are left to manage their relatives with mental health conditions with little formal support. Violent patients may be placed in the prison for their own safety and that of others, however, there are no specific facilities for them and there is a high-risk they may injure themselves while in the cell. Compliance with medication regimes is an ongoing issue.

There is a need for a coordinated, whole-of-government response to mental health, and for suitable facilities to care for and treat mental health patients.

Prevention

A lack of facilities and safe-spaces for exercise, smoking and consumption of alcohol contribute to the less than desirable health outcomes of the general population. The lack of agricultural production in Nauru, and the prohibitive costs of importing fresh, healthy food exacerbates the incidence of NCDs.

The completion of the sports facility has helped encourage the uptake of physical activity, which will be further discussed in section vi. culture and sport, below.

Maternal, neonatal and child mortality

Continued progress is shown in the areas of maternal, neonatal and child mortality. During the period July 2021 to June 2022, 337 live births were recorded and 335 were attended by skilled health personnel. Nauru recorded no maternal deaths during this reporting period. This can be attributed to all ante-natal mothers being screened and attending a minimum required number of ante-natal clinics. Those determined to have a high risk pregnancy are provided with a detailed care and birthing plan. During FY 2021-22, Nauru experienced a neonatal mortality rate of 20.8 and an under-5 mortality rate of 26.7.

Health Resourcing

The Government of Nauru is the sole provider of health care services to residents of the island, and

access to health care and health facilities is free for all Nauruans. There is one hospital (the RON hospital), one Public Health Centre and four community wellness centres. The Refugee Processing Centre (RPC) does provide health care services but this is limited to Centre staff and refugees.

Improving the health of all the people of Nauru continues to be a major priority. While we Nauru strives to improve the quality of healthcare, effort is also directed towards the promotion of health and healthier lifestyles. In the coming financial year, the Government will invest \$2.9 million for drugs, medicine and essential medical and clinical supplies and \$0.3 million for Primary Health Care services.

A functional health service requires adequate qualified staffing and the Ministry continues to recruit general and specialist staff. In the coming financial year, Nauru will invest \$7.7 million for local and expatriate salaries and allowances for existing and new medical staff. Nauru recently recruited an Orthopaedic surgeon and recruitment is underway for an Anesthetist, Paediatric specialist, General Surgeon and General Practitioner. Overall, Nauru will employ 2.25 doctors per 1,000 population, against a target of 1 per 1,000. Registered Nurses, Public Health Nurses, Dialysis Specialist Nurses and allied health staff workers, such as radiographer, are also being recruited, with the intention of adding 20 new nurses to the cadre in the coming months. These efforts will help Nauru improve its ratio of nurses to population from 8.1 nurses per 1,000 to the target of 9.8. Nauru has relied on expatriate health workers but this is not sustainable. Efforts are therefore being directed towards developing a local nursing cadre. In collaboration with Fiji National University (FNU) we will commence training of an intake of 20 students in Enrolled Nursing in July this year. After this two-year course the students can graduate to continue to do a degree BSc nursing course.

Due to a lack of specialist medical facilities and medical practitioners, Nauru has traditionally sent patients overseas for care not available on-island. These Overseas Medical Referrals (OMR) continue to require a large budget allocation, with 24% (\$5m) allocated for the coming financial year. Generally, actual expenditure for OMRs has exceeded proposed budgets. Procedures referred overseas include cardiac surgery, cancer treatment and transplants. Referrals have been made to hospitals in India, Thailand and the Republic of China (Taiwan).

The Ministry of Health is working to reduce the reliance on these referrals by following a process of rigorous review against policy criteria and increasing the number of specialist medical visits. With the lifting of travel restrictions, the Health Department has been able to restart the Visiting Medical Specialist Teams program, working closely with the Royal Australasian College of Surgeons (RACS), Fred Hollows Foundation and the Taiwan Technical Mission. Over the coming months four teams

are programmed to visit Nauru. They will provide specialist care in the area of Vascular Surgery, Ophthalmology, Ear Nose & Throat (ENT) and Cardiology. OMRs will also be directed to India, with the establishment of an agreement with set tariffs for varying levels of care.

Disability

The Department of People Living with Disability (DPLWD) has formal remit to support and assist individuals identified by the Ministry of Health as having a disability. Support in the form of a disability allowance is then provided by the Social Welfare Division, Department of Finance.

In FY 2023-24, the Government of Nauru will provide \$500,000 to accommodate the increasing demand for wheelchair ramps and home modifications for disability friendly homes. However, further support is required to meet demand.

There is currently no dedicated facility that provides rehabilitation services to people with disability after they are released from medical care or for disabled patients undergoing recovery.

The DPLWD is keen to construct a building incorporating rehabilitation facilities including a mini swimming pool for persons with spinal injuries & cerebral palsy. Support is also required from specialists to support the rehabilitation and treatment of individuals once they are released from the hospital.

The DPLWD also provides an internet data allocation to a limited number of people with a medically recognised disability, to aid their connection and inclusion. Additional funding to allow all individuals on the list to receive this support would be welcome, as would assistance to develop a formal program to foster integration of people living with disabilities into community activities.

Ongoing work is required to improve the general community's understanding of disability, anti-discrimination obligations, legal requirements for employers, and to improve infrastructure across the island to be disability friendly. The DPLWD is looking for support to aid disability accessibility by creating ramps to major sites, fixing footpaths and improving sign fonts to public buildings.

Infrastructure

The RON hospital was damaged by fire in 2013, and donated buildings were provided to replace

the damaged buildings. However, the facilities are not designed to facilitate optimal patient flow and treatment, with patients required to move between different buildings via outdoor stairs and ramps. Many of the buildings require significant maintenance or replacement. There is no onsite kitchen, limiting the ability of the Ministry to provide patients with meals suitable for their medical needs. The Public Health building burnt down in December 2021, placing further strain on existing medical facilities.

With the support of Australia, the Ministry is developing a comprehensive capital works plan, which will outline the optimal design and composition of Nauru's health facilities. This plan will facilitate donor support to Nauru's health infrastructure, and is due for release in late 2023.

Policy and Planning

Recognising the need to improve planning and coordination since the last report, the Ministry of health has taken active steps in this space.

A new strategic plan has been developed, and statistics are regularly collected and used to assess and improve health services.

Health also reports annually on the health-related NSDS Key Performance Indicators, providing high-level accountability for health sector performance.

Budgets are linked to the NSDS and strategic plan, and the finance department proactively monitors spending and program progress.

Technology

With financial and technical support from Australia, the Ministry has also made significant progress in improving its information systems, with the transition of medical records to an electronic system.

Telemedicine offers the potential to access a greater range of care and reduce the cost of OMRs. Nauru is working towards establishing telemedicine facilities on the island to provide Nauruans with greater access to specialists.

iv. Gender and Women's Empowerment

Women's economic empowerment and equal access to full and productive employment and decent work

In mid 2021, Nauru had an 18% difference between Male and Female employment (59% male, 41% female). A Nauru Population & Housing Census was conducted in December 2021 with a population count at 11,680. The Labour Force Participation Rate (LFPR) was higher for males (76.0%) than for females (58.0%). At the same time the Employment Population Ratio (EPR) was 72.3% and 55.0% for males and females respectively. The unemployment rate was slightly higher (5.2%) for females than for males (4.9%).

Lack of formal childcare continues to limit the ability of working women to resume their duties after having children, with those who cannot find informal care unable to work until their children attend school. Donor support in identifying feasible childcare options for Nauru would be a tangible form of assistance to empower more women to participate in formal employment.

A woman's right to equality is generally protected as a right in the Constitution of Nauru, which sets out the various components of that right, including the right to own and control property, and prohibits discrimination based on sex, providing a critical foundation for realising women's access to land.

The Regulations Governing Intestate Estates 1938, also known as the Administration Order 1938 [ref Clause 3(c)] recognises the eldest daughter as receiving the whole estate of land, where it comprises a small area while the other children have the right to use the land during their lifetime.

Nauruan women can receive land, equally with men, as distributed from the estate of a deceased Nauruan.

End all forms of violence against women and girls

Nauru takes a proactive approach to protecting women and girls from violence.

In 2008 the Nauru Police Force (NPF) established a Domestic Violence Unit (DVU) which comprises specially trained officers including women police officers. The DVU collects and maintains statistics and case information that provides a realistic picture of violence against women in Nauru.

The Nauru Police Force and WASDA have now established a joint office at the main NPF office, which works to deliver awareness regarding gender and domestic violence issues. 12 outreach programmes were delivered to workplaces, communities and schools in the FY 2021-22. The office also monitors progress of case-related targets and prepares reports to relevant parties.

WASDA also works closely with the Police and Judiciary in domestic violence cases to support victims through the legal process.

All offences are processed and prepared for prosecution within 6-12 months of receiving report (due to mandatory remand and increase in penalties).

The Domestic Violence Unit (DVU) of UN Women, together with WASDA, established a Safe-House in 2008 for survivors of domestic violence. Counselling services are available at the Safe-House. The newly established Women's Safe House, *Eoag'n Ratequo* (House to Strangers), has six air-conditioned rooms, two bathrooms, a kitchen, two toilets, and two small office spaces for the Safe House Counsellors.

Women's full, equal and effective participation in all fields and leadership at all levels of decision-making in the public and private sectors

Two parliamentary seats are currently held by Nauruan women. The Hon Charmaine Scotty is the Member for Yaren, and the Hon Isabella Dageago is the Deputy Minister for Nauru Tourism Corporation, Internal Affairs, Women and Social Development Affairs and People Living with Disability. 14% of the candidates in the 2022 election were women, seeking election in six out of the eight Nauruan constituencies.

During the constitutional reforms in 2006, it was suggested that some seats be reserved for women, however, this was met with resistance from many in the community, and was not pursued.

v. Social Development

The Government approved the National Social Protection Strategy in 2021 to address the gaps in social protection and ensure the relevance, efficiency, effectiveness, and financial sustainability of all existing and new social project programs in Nauru. The active labour market programs in Nauru comprise the seasonal worker schemes, established with Australia and New Zealand, and the Technical and Vocational Education Training (TVET) on offer. However, overall current active labour market provisions fall short of the programs' potential, and sufficiently strengthen sustainable livelihoods especially among the vulnerable groups, or help the government meet its socio-economic policy objectives. Nauru has limited participation in regional labour mobility schemes to date, and the TVET facilities on the island are currently unsuccessful in offering pathways to sustainable livelihoods for unemployed and economically inactive Nauruans. The government currently envisages a program that will have specific focus on the poor and vulnerable and their access to more productive employment and sources of income. The proposed project is called Strengthen Skills and Economic Inclusion of Vulnerable Groups Project that will have specific focus on the working age population.

The following data has been extracted from the draft Memorandum of Understanding (MoU) for the Strengthen Skills and Economic Inclusion of Vulnerable Groups Project developed by the ADB team using information gathered from key government agencies during their mission to Nauru from 9-17 February, 2023.

Young, slow-growing population

Nauru's population is estimated at 11,932 in 2022 with 1.2% average annual growth rate from 2020 to 2022. Of these, a little over 49% were women in 2022. Nauru can also be characterised as a young population given that 71.8% of the total population is below the age of 35 years, and 47.7% is under the age of 20. In addition to this, close to 50% of the population is of working-age - half of which are women. For youth and women to productively contribute to the country, adequate skills development and solutions to address barriers to skills and employment opportunities are critical.

Limited Technical and Vocational Education and Training options

In 2005, Nauru revived its goal of providing vocational training and employment opportunities to youth and skilled individuals. This included establishing the Nauru TVET Center in 2010, which administers and delivers numerous accredited training programmes on behalf of Technical and Further Education Training (TAFE) Queensland for Queensland Certificate of Education (QCE) students enrolled at secondary school as well as adult students. During the coronavirus (COVID-19) pandemic, the TVET Center rolled-out their own nationally recognized programs. Currently, it is the only formally recognized institution in Nauru that teaches and trains TVET, as well as informal traditional life skills. Yet, while the TVET courses exist it is primarily at the secondary level (Year 11 and 12). For those individuals that do not meet this pre-condition, TVET options are limited.

Limited adult and second-chance education support aggravating generational inequality

The University of the South Pacific has been the main provider of adult education since 1974 under its Centre for Flexible and Distance Learning. The centre offers basic to intermediate courses in English, Mathematics, ICT, and computing. All these courses require a fee spanning from \$40 to \$340. Consequently, the uptake of these courses is limited with little support being provided to lowering demand side barriers to participation. These barriers often consist of financial difficulties or infrastructural challenges. While current students in secondary school receive financial support from the Government and are able to further their skills set, opportunities for adults and out of school youth, especially women, are limited. According to findings from the Second Regional Women's Summit held in 2021, this aggravates generational

inequality as many younger adult women dropped out of school or those completed school were not able to enter the labour force during a time of severe economic downturn in the early 2000s. Consequently, no jobs or support for onward education were available. Instead, they ended up in unpaid care work. Without adequate support, these women are unable to up-skill and re-enter the labour force; thereby unable to productively contribute to the country's economy.

Limited employment opportunities, especially for women and youth

Nauru is also confronted with limited employment opportunities given that the labour market in Nauru is dominated by the public sector and state-owned enterprises. As a result, the economy is only limitedly diversified, with activities being concentrated in the mining and quarrying sector, the public administration sector, and own use production activities.⁷ In 2019, roughly 80% of those employed were situated in these sectors of which solely 29.8% were employed in the private sector.⁸ There is considerable gender gap in the mining and quarrying sector and own use production activities, which have over two to four times more men than women. This reflects the general employment landscape in the country, where the male labour force participation rate (LFPR) was equivalent to 75% and that of women solely to 52% in 2019.⁹ In addition to this, 19% of women were unemployed. When considering youth, a similar, yet slightly more dramatic picture of the labour force emerges given a LFPR of 50% and an unemployment rate of 37%. Furthermore, a significant portion of youth are also outside of the Labor force as evidenced by 44% of young women and 30% of young men not being in education, employment, or training.

Labour market challenges faced by women

The gender gap in labour participation is due in part to the country's social norms, which are based on the patriarchal principles of labour division, as well as the generational inequity created during Nauru's past severe economic recession. The latter caused many women to fall into unpaid care work given the lack of employment opportunities. This burden is still evidenced today given that "29% of women reported taking care of the household and family as their primary activity, compared to 7% of men." Additionally, the lack of private sector opportunities limits female employment opportunities as does the lack of technical expertise in the areas demanded by the national labour market. If women do work, their earning potential is impacted by traditional gender roles in the workplace. This is additionally complicated by family planning and remains largely unsatisfied with the total contraceptive prevalence rate standing at 36% in 2017. Consequently, many young women become pregnant at the beginning of their careers. According to 2015 data, the adolescent birth rate was more than four times the East Asia and Pacific average, standing at 106 births per 1,000 women compared to the regional average of 22/1,000. This becomes an additional barrier to labour force participation given that no formal childcare services are available in the country.

Labour market challenges faced by youth

The lack of skills and employment support is compounded by lack of career counselling with many young people not knowing what they want to do and with many seeing little value in training given a limited understanding of the career paths in Nauru. In addition to this, an update of the labour market needs analysis is long outstanding. As such, skills acquired by youth do not always reflect the current demand of the labour market. This creates a skills mismatch leading to high rates of unemployment and increasing number of youth not education, employment and training groups.

Limited participation in regional labour market opportunities

Seasonal and temporary migration programmes by the Government of Australia and Government of New Zealand have been implemented in Nauru with the aim of facilitating financial support and human capital development but the country seems at a disadvantage. Firstly, Nauruans are competing with the use of long standing working holiday makers in Australia and New Zealand who are seen as cheaper and less risky by employers. Secondly, Nauru does not have many diaspora connections among the employers in the labour receiving countries as do, for example, Tonga and Vanuatu. Lastly, given the country's relatively small agricultural sector, Nauruans largely lack the required skills. The same holds for the hospitality and aquaculture sectors. As a result, there is limited participation in regional labour market opportunities. Women participation in the labour market lags behind men with only 22% women participating in the program.

vi. Culture and Sport

Culture

The Department of Internal Affairs provides stewardship and oversight of Nauru's cultural heritage. Nauruans have faced near extinction twice in their history, therefore, preservation of the Nauruan culture is a topic close to the heart of every Nauruan.

The Culture Division of the Department:

- sets cultural preservation and conservation policies to protect Nauru's tangible culture, and
- works with the Nauru Museum to preserve and conserve Nauru's heritage sites, biodiversity, and environment as well as provide programs at local level to promote our local flora and fauna.

The Department also includes a Language Division, which is responsible for promoting Nauruan literacy. The Division's activities include the development of a Nauruan language program for school children, capture of the Nauruan language with the elders of Nauru and development of a Nauruan dictionary. Future areas of focus include the development of a language policy and development of tools for promoting learning of the vernacular in the form of language cards.

The language Division would benefit from international expertise and resources to develop the dictionary and Nauruan language program.

The Department lays a key role in organising National Aroeni Day events. This day is organised for all tribes of Nauru (Deiboe, Eoaru, Iruwa, Eamwit, Eamwitmwit, Eamwidara, Emangum, Eano, Emea, Ranibok and Iwi, Irutsi are extinct) and provide a platform for Nauruans to share and showcase traditional knowledge and skills, culture and stories.

The Division is also implementing a project this financial year to capture the fast disappearing knowledge of traditional canoe making. Working with local elders with expertise in the craft, the Division will train youth in the art of traditional canoe making and capture the knowledge for future generations. The canoe, once finished, will be displayed in the Nauru museum.

The Director of the Nauru Museum is also responsible for managing the *Heritage Act 2017*. The Director's role is to:

- identify, record, investigate, assess, list, protect and conserve historic places, historic areas, or enter such places which have heritage value
- keep permanent records of objects of heritage and providing support for persons with a legal or equitable interest in such places and areas
- continue and maintain the Nauru's National Heritage List
- advocate the conservation and protection of historic places, and areas
- foster public interest and involvement in historic places and areas and in identifying, recording, investigating, assessing, protecting, for conserving and, maintaining the Nauru's Heritage List
- issue directives in accordance with this Act, and
- manage, administer, and control historic places, buildings, and other properties to ensure their protection, preservation, and conservation.

The Director works closely with Nauru Tourism to ensure a collaborative and consistent approach to preserving popular sites.

There is a need to increase general awareness of the responsibilities of landowners to preserve and protect heritage. The Director of the Museum will be undertaking an outreach program this year to

improve awareness and help increase support for heritage activities. The Museum will also be working closely with international experts to improve Nauru's Museum displays and collections, and the capacity of museum staff.

A total of \$4.4 million has been allocated to cultural preservation in FY 2023-24. With Nauru's limited resources, further support from international partners is necessary to help ensure Nauru's culture is maintained for future generations to enjoy.

Sport

The Department of Sport provides the overarching management of sporting facilities and activities on Nauru, helping oversee and support sporting foundations.

Nauru Sports Development Inc raises funds through bingo and lottery sales for sporting federations. These funds are used to assist the associations and athletes, for example, to travel to regional or international competitions.

The Nauru Olympic Committee (NOC) is the National Olympic Committee representing Nauru. It represents and organises the Olympic movement on the island. The NOC was founded in 1991 and was recognised by the International Olympic Committee in 1994.

In FY 23-24, Nauru will commit 0.81% of its total expenditure on the Department of Sport and sports-related activities (\$2,268,368 AUD).

The Department is working towards a target of 6500, or at least half the population, participating in sport, Equal representation between male and female, and an increase in total disabled participants to at least half of all disabled population by 2030.

Since monitoring began in 2021, the overall numbers participating in sport on Nauru have increased from 3700 to 5000. The number of sports programs have increased from 5 to 8 active sports federations and from 2 to 5 active district community sports.

There is an increase of Able Disable participants with the Newly established Special Olympics Committee that provides pathways for Able Disable athletes.

Nauru is currently preparing to host the Micronesian Games in 2026. With the support of Korea, Nauru will develop an infrastructure masterplan to ensure suitable facilities are ready for the games. Taiwan will provide \$6m USD in funding to build a track and field stadium, and the Government of Nauru is currently preparing the site for development.

Athlete preparation and welfare is a high priority, and Nauru is actively seeking expert support to help improve the capacity of Department staff to train and mentor high-performing athletes.

vii. Promoting Peaceful Societies and Safe Communities

Efforts to ensure peaceful societies and safe communities, including through building responsive and accountable institutions and ensuring access to justice and respect for all human rights

The UN will provide a range of support in this area, including:

- Supporting governance reforms that promote transparency, accountability, and freedom from corruption while strengthening capacities and legislation in accordance with international standards
- Engaging with international human rights mechanisms, including Special Procedures, the Universal Periodic Review and Treaty Body ratification, reporting and the implementation of concluding observations
- UNDP Nauru Accountable and Inclusive Governance (NAIG) Project is now entering phase 2. This activity builds on the UNDP's Phase One of electoral strengthening support in financial years 2018-2020, with particular focus on parliamentary autonomy, continued electoral strengthening and women's political empowerment. New Zealand is expected to contribute NZD \$1 million (AUD \$937,306) in September 2023 towards the project.
- The United Nations will also continue promoting gender equality, empowering women and young people, and supporting the implementation and monitoring of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and building the institutional capacity of national parliament on key development issues and promoting outreach to traditionally excluded groups such as women and youth.

Crime and violence, including conflict, gang and youth violence, piracy, trafficking in persons, cybercrime, drug trafficking and transnational organised crime

Nauru continues to develop its policing capacity with the help of donor partners.

The Australian Federal Police and the Nauru Police Force in partnership have established and completed the build of a Forensics Unit and new office and work space. Fingerprint personnel have

been identified and trained, works are still to be conducted in having the fingerprint officer a fingerprint expert, so such evidence gathered locally may be admissible in Court.

A Police PRO case file system has been established where SP Operations track and follow-up cases received in the Police PRO System, on a daily basis and make necessary comments to case follow ups.

Two Nauru Police Force members completed the 16th International Management of Serious Crime (IMOSC XVI) course in Semarang, Indonesia, 26 May 2023. The three-week course is facilitated by the Australian Federal Police (AFP) and is conducted annually at the Jakarta Centre for Law Enforcement Cooperation (JCLEC) – an international law enforcement training institution established in 2004 by Australia and Indonesia. The IMOSC program is the development of leadership capability and investigative mastery of senior crime leaders to effectively lead serious crime investigations involving complexity, ambiguity and uncertainty with an emphasis on understanding of the concept of police diplomacy and the importance of international engagement and collaboration.

The IMOSC program takes a cooperative international approach to serious crime and fosters cooperation between international agencies in multi-jurisdictions.

Support for Youth

Nauru's Youth Division in the Department of Internal Affairs has responsibility for government policy regarding youth, and the Department of Women's and Social Development Affairs for interventions such as provision of community liaison officers, the child helpline, supporting vulnerable youth and supporting victims of domestic violence.

The overall vision of the National Youth Policy is to pave the way for young people to mobilise their creativity, energy and enthusiasm to improve their quality of life:

Nauru's vision for the future embraces all young people of various backgrounds as they educate and prepare themselves to make positive contributions to national development

Aspirations of our young people need to be acknowledged as they develop a sense of purpose while at the same time promoting avenues for improving their self-esteem and self-reliance

Unity in service to the nation is our aim as young people attempt to achieve their personal and professional goals by utilising the opportunities and resources available to them.

Recognising the importance of maintaining traditional values and norms encourages young people to deserve a sense of pride in their Society

Understanding their role in improving the prosperity of the nation is the beginning of their journey towards successfully realising their potential.

Youth Affairs provides a life skills program that includes:

- Basic English and maths
- Sewing and art textile
- DIY with wood and steel
- Cooking and weaving
- Nauruan language and computer studies
- Agriculture and music

The Division also provides informal training schemes for skills development such as:

- Ikibung
- Local medicines
- First aid training
- Building families for life
- Basic human rights
- Fire safety
- Road safety
- Parenting support
- Children's Rights

These programs focus on youth who have dropped out of school or not completed school, and aim to help them develop skills for TVET study, employment or to run their own business.

WASDA manages the Community Liaison Program whereby individuals in each district respond to initial complaints of child neglect, manage truancy complaints and support families where youth are affected by drugs/illicit substances or anti-social/criminal behaviour. However, there are limited counsellors available to support victims or crime or youth in need of behavioural assistance. This may be an area where donors may be able to assist, for example, helping to provide access to regional counselling services via apps, or supporting visits by trained counsellors.

One area of support which remains outstanding is for a comprehensive support and reform program for juveniles, and a tailor-made facility to aid in behavioural reform, rehabilitation from

drugs/glue sniffing and to provide social support for those who cannot remain at home. At present, youth find alternative places to stay however, there is a need for a safe space for these children to receive the support they need.

Cybercrime, drug trafficking, transnational organised crime and international piracy

Australia provides ongoing support to the Nauru Police Force through a partnership with the Australian Federal Police. The Nauru Police Force Capacity Program (NPFPCP) is a bilateral program that was established under a Memorandum of Understanding between Australia and Nauru in November 2004. The focus of the NPFPCP has been to develop and implement the foundations necessary for a professional, contemporary and competent policing organisation assisted by the development of governance instruments and systems, training and the provision of necessary physical resources.

In FY 23-24, the United Nations will continue its support for strengthening law enforcement and border management capacity, particularly to combat transnational organised crime, including human trafficking and maritime crime.

The 3-day Cyber Safety Pacifika training programs run by the Australian Federal Police supported by Nauru Police concluded, 8 June 2023, with 34 participants, including representatives from the departments of ICT, WASDA, GIO, Nauru Media, and Education, completing the course at the USP Nauru campus. The Cyber Safety Awareness and Education program is designed to train Nauru Police and partners to provide communities with the skills and knowledge to navigate the digital landscape safely and responsibly.

The Nauru Customs Office undertakes rigorous screening of imported goods to detect illegal cargo or items requiring intervention. Nauru Customs is responsible for revenue assessment of import duties and excises and supports economic development through trade facilitation in line with the WTO TFA, protection of economic interests and intellectual property rights. Nauru Customs is the key agency for border security and community protection by ensuring only legitimate imports are passed into domestic consumption. It has the capability to detect illicit substances via non-intrusive, chemical, and Raman spectroscopy capability and works closely with the Transnational Crime unit on enforcement issues.

Nauru Customs is undertaking a project with UNCTAD to deploy the latest version of ASYCUDAWorld in Nauru and five other Pacific Island countries.

ASYCUDAWorld will help Nauru Customs gather more reliable and timely trade and fiscal statistics for better economic planning. By automating and simplifying customs procedures, the implementation of the system is expected to boost government revenue by ensuring that all goods are declared and the correct duties, taxes and regulations are applied uniformly and consistently.

ASYCUDAWorld will provide Nauru customs with a risk based intelligence driven limited intervention capability that will automatically flag high risk entities, commodities, and high or low value items for closer inspection; the data will support both the Tax and Financial intelligence units functions. The ASYCUDA project commenced in June 2022 and is due to go live in August of 2023 and will be complimented by Customs regulations that support the technical requirements of traders and enable Nauru Customs to conform to the Revised Kyoto Convention more effectively.

Thematic Area: Fostering partnerships among Small Island Developing States, United Nations agencies, development partners and others to achieve the goals



Photo supplied by Samuel Grundler

Overview

Nauru's Balance of Trade (BOT) shows a continued trade deficit over the past 10 years since 2013 with the only trade surpluses recorded were in the preceding five years in 2008 and 2010 to 2012. In the past 10 years, in particular, 2013 to 2015 were the highest deficit period with AUD-107.9, AUD-101.3 and AUD-109.5 million respectively. During this period Nauru acquired a lot of capital goods, heavy machinery and equipment, cement and oils. This period also coincided when the RPC was reinstated back in 2012 and this surge in consumption pattern is partly due to this fact.

Between 2018 to 2021 the BOT deficit resurged and peaked at AUD-92.9 million. The evidence showed gradual increases in consumption over the period for all main commodity groups and the key noticeable commodities are from the following:

- Prepared foodstuffs, beverages, spirits & tobacco – (up 179%),
- Machinery & mechanical & electrical appliances & parts thereof – (up 133%),
- Vehicles, aircraft & associated transport equipment (up 574%)

In 2022, the deficit eased off with AUD-58.3 million compared to the previous year of AUD-92.9, a difference of AUD-34.6 million or a decrease of -37.2%.

As a nation reliant on imports and with limited sources of revenue, Nauru is heavily dependent on donor partners to develop Nauru's infrastructure and capacity.

Regular bilateral support is received from Australia, ADB, Japan, New Zealand and Taiwan and the United Nations.

Access to technology remains a limiting factor in Nauru's economic growth and social development. Internet is currently accessed via an Australian-based satellite, which can be unreliable in inclement weather and is expensive. With the completion of the undersea internet cable due for completion in 2025, Nauruans will have access to cheaper, more reliable internet, opening up new opportunities for accessing and offering services from around the world.

Findings Per Cluster

i. Means of Implementation

In FY 23-24, Nauru will receive \$125m in support from Donor partners Australia, ADB, Taiwan, Japan, New Zealand, South Korea, Saudi Arabia, and the United Nations. This support is allocated across the United Nations Sustainable Development Goals in the following percentages:

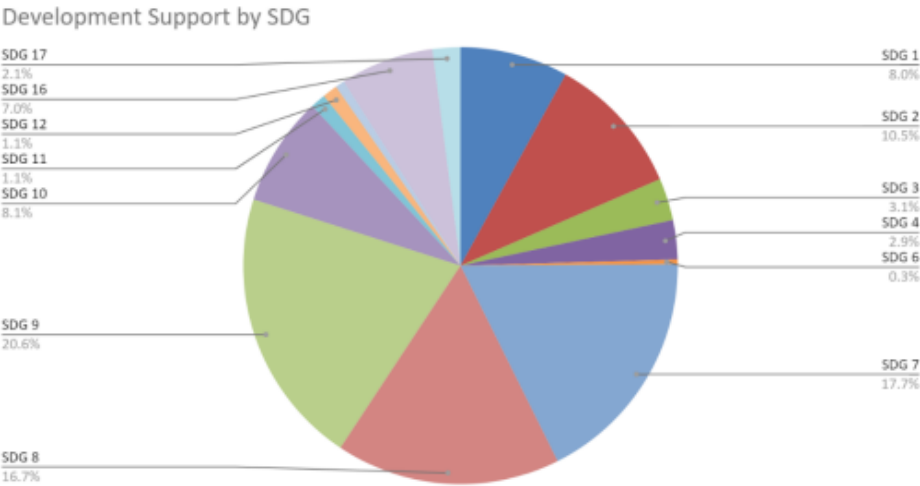


Figure 5.1: Development Funding by SDG (Source: Planning & Aid Division, 2023)

ii. Partnerships

In FY 23-24, Nauru will receive \$125m in support from Donor partners Australia, ADB, Taiwan, Japan, New Zealand, South Korea, Saudi Arabia, and the United Nations. 41% of this support is directed to the Infrastructure sector, 32.8% to the Economic Sector, 21% to the Social sector and 5.2% to the Cross-Cutting Sector.

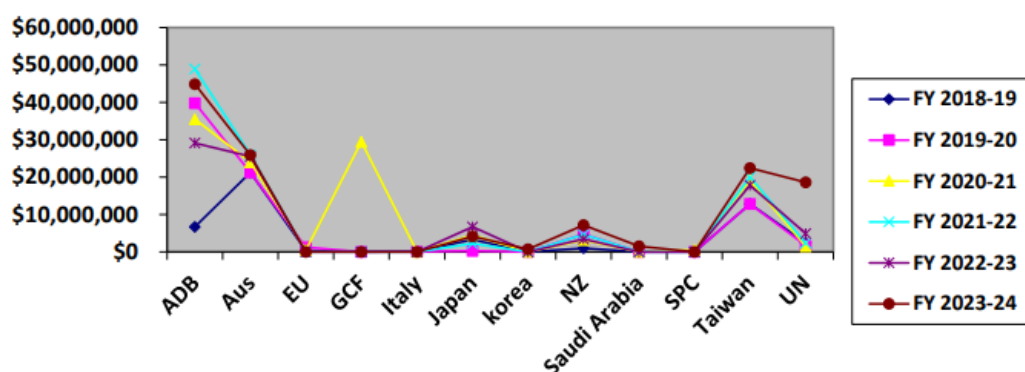


Figure 5.2: Development Funding by Countries (Source: Planning & Aid Division, 2023)

Traditional Donors to Nauru

Australia's support has remained consistent, at an average of \$24 million. ADB support has increased by \$15.8 million since last financial year, as support for Port and Solar projects increases. The sustainable and climate resilient connectivity project will be receiving the majority of the ADB's funding for FY 2023-2024.

Japan's support in the financial year 2023-24 has decreased as funding for the Economic & Social Development Program (ESDP) has largely been received in the previous year. New Zealand's commitment has increased by \$3.8 million this financial year, mainly due to funding towards the ADB Economic Reform project.

Taiwan's investment has increased from FY 2018-19 and FY 2019-20 levels, from an average of \$12 million to \$20 million for FY 2020-21 to FY 2023-24.

The UN's funding has substantially increased by \$13.7 million under the new UN Sustainable Development Cooperation Framework 2023-2027; increasing from an average of \$2.5 million in FY 2018-19 to FY 2022-2023 to \$18.7 million in FY 23-24.

Non-traditional Donors

Non-traditional partner donations during the five-year period include Green Climate Fund investment in the Port redevelopment project in FY 2020-21, investment by Italy in a Household Water Storage project in FY 2018-19 and FY 2019-20, and a donation by SPC FY 20-21 for the Global Climate Change Alliance Plus Scaling up Pacific Adaption (GCCA+ SUPA). This climate change adaptation and resilience project involved procurement of household water tanks, repair and installation of rain catchment systems in private homes.

In FY 2023-24, two new project grants will be received from non-traditional donors: the Republic of Korea (\$739, 053) for general grant assistance, and the Kingdom of Saudi Arabia of \$1.5 million (USD \$1000,000).

Challenges

One issue which has consistently affected Nauru's ability to expend donor funding has been a lack of implementation support. Nauru's public service has limited capacity and where donors do not provide a project management unit or adviser to assist with implementation, there has been a trend of slower progress. Nauru's Planning and Aid Division is working with donors to ensure that new programs are sufficiently supported.

Also, a lack of clarity and administrative guidance regarding acquittals and regular reporting formats can hinder Nauru's ability to meet donor administration requirements. The Planning and Aid Division is working with donors on a case-by-case basis to improve the guidance provided and develop the capacity of line departments in this area.

With the introduction of the NSDS KPIs, donors now receive annual updates on Nauru's progress towards SDGs and NSDS goals, and are given practical guidance on how they may support Nauru in its endeavours. The Planning and Aid Division has worked successfully with the UN to develop a country plan which utilises this information, and encourages other donor partners to also reflect this information in their programming.

As a small nation, Nauru's public service capacity is constrained, and donor reporting requests can exacerbate the resource challenges experienced by central and line departments, redirecting staff from critical business as usual. Donors are encouraged to offer support to complete reporting requirements and to consult with SIDS regarding the most effective way to complete reports.

The types of support offered also contribute to the success of programs. Flexible modes of support, blending visits to Nauru, with completion of reports and other data offshore, have been successful and allowed a greater level of support than would be possible having technical advisors consistently present on-island. Nauru's limited accommodation is a factor donors should consider when designing programs. The timing and frequency of visits should also be considered, as budget preparation periods (March to June) should be avoided if Department of Finance input is required. Also, many line departments and central agencies are receiving an overwhelming number of requests for visits - country offices play a key role in helping to manage requests so that departments can balance their business as usual with supporting visits and providing inputs to donor surveys and reports.

iii. Financing

Nauru does not currently collect data on remittances. The only data collected is broadly based on estimates from AUSTRAC regarding personal transfers (non-residents sending to households) - no data is available for remittances to non-profit institutions. The current rate for Nauru is very low -around 0.1% of GDP.

iv. Trade

Value of Imports and Exports

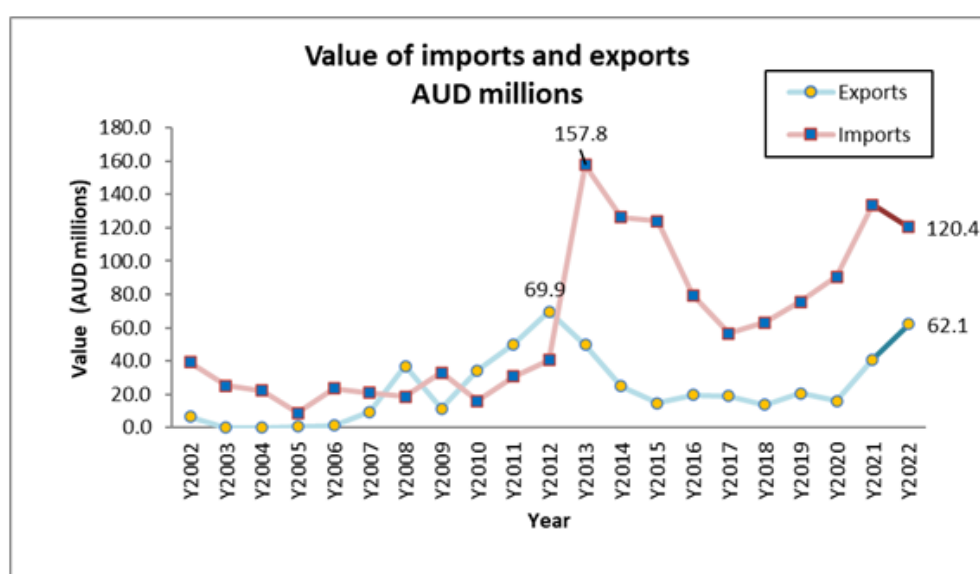


Figure 6.1: Value of Imports and Exports

Exports

As shown in Figure 6.1, exports have grown threefold over recent years since 2020 with a total export value of AUD 62.1 million in 2022 after remaining quite stable throughout 2015 to 2020 years around the AUD20.0 million mark respectively. This increase is attributed to the higher global prices of phosphate yielding much higher revenue for Nauru and the improved coverage of re-exported fuel sales to non-resident entities. The re-export products mainly capture the fuel sales to non-resident entities such as Jet -A1 to Nauru Airlines and similar airline operators and diesel sales to RPC and the China Harbour Engineering Company (CHEC).

Imports As illustrated in Figure 6.1, Nauru continues to rely on imports of goods and services as a major source to sustain the economy. The total imports for 2022 is AUD120.6 million, a decrease of

around AUD13.0 million from the previous year or a 10% decrease. The decrease from the two observed periods 2022 and 2021 is the combination of declines of the following major commodities:

- Others - unspecified commodities: -59%
- Prepared foodstuffs, beverages, spirits & tobacco: -29%
- Vegetable products: -26%
- Vehicles, aircraft & associated transport equipment -14%

Performance of Exports and Re-Exports

Exports: Figure 6.2 Illustrates the volatility of exports over time. Phosphate continues to dominate Nauru's export commodity market. In 2022, it recorded the second-highest increase at \$55.4 million following back-to-back increases since 2020 of \$13.3 million or a 317% increase. The recent increase in global prices of phosphate significantly contributed to this growth.

Re-export: Fuel is the single most important commodity for re-export to non-resident entities including Nauru Airlines. In 2022, re-exported fuel is reported at a \$6.7 million increase which is doubled when compared to 2021 of \$3.4 million. The most important component of re-export is the Jet A1 fuel sold to visiting aircraft and capturing fuel data only commenced in 2012.

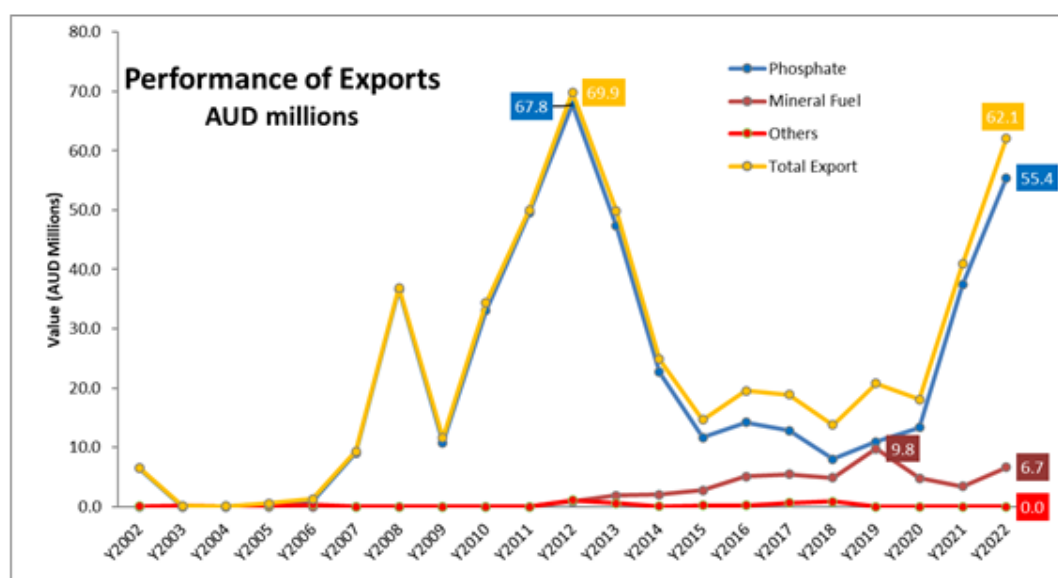


Figure 6.2: Performance of Exports

Performance of Imports

Among the three main protein groups shown in Figure 6.3, the Edible preparation of meat, fish, crustaceans etc became the primary meat import in 2020 and it is valued at \$2.6 million in 2022. This is followed by the Meat and edible offal of poultry, fresh, chilled or frozen with an import value of \$1.8 million and \$1.3 million for the Meat of bovine animals, fresh, chilled or frozen in 2022.

Figure 6.3 further shows a significant price shift for all three meat groups from 2002 to 2012, where import values more than doubled from 2013 to 2022. Possible factors can be attributed to imported inflation or the import volume has increased.

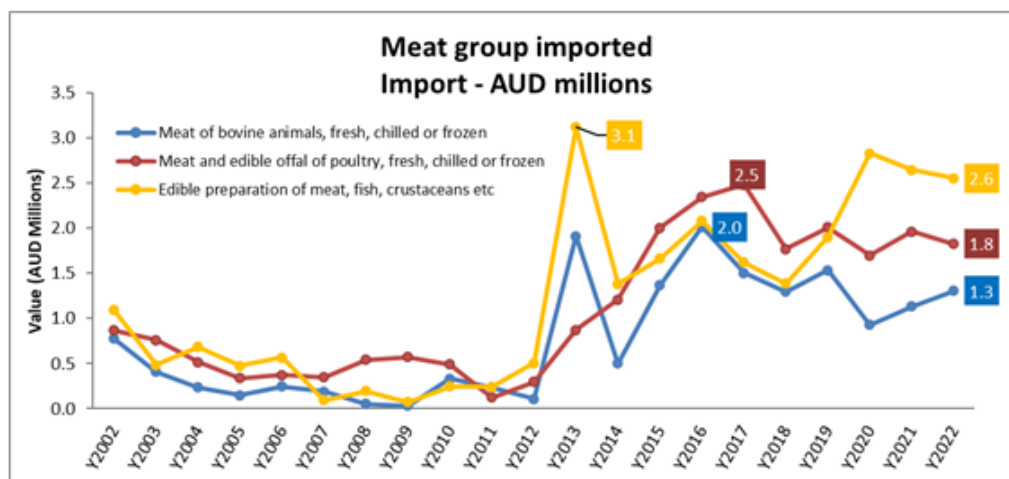


Figure 6.3: Meat Imports

Mineral and Aerated Waters

Figure 6.4 shows the movement of Mineral and aerated waters including sweetened or flavoured imports over time with \$1.2 million in 2022, a slight decrease when compared to 2021 with \$1.3 million or a decrease of 8%. Also evident in Figure 6.4, the highest import value was in 2014 at \$3.3 million.

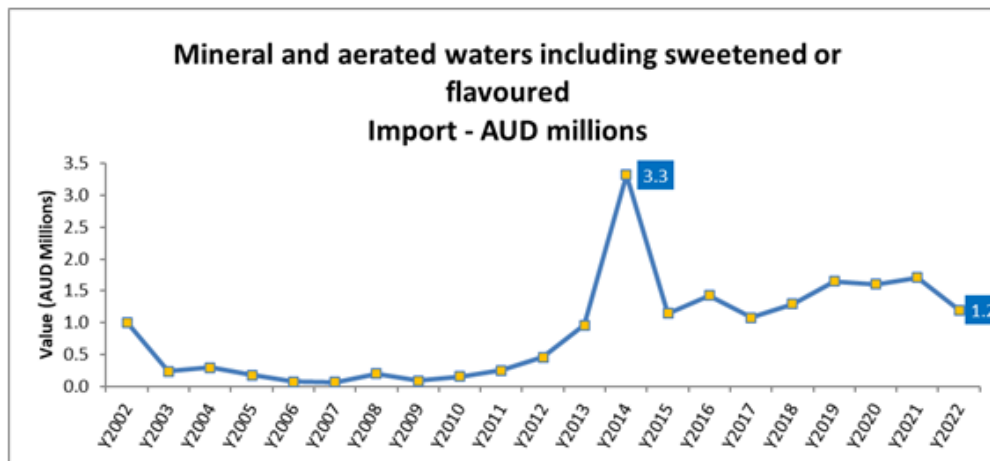


Figure 6.4: Minerals and Aerated Waters Imports

Cigars, Cigarettes and Tobacco

Figure 6.5 shows the import disparity for Cigars, cigarettes and tobacco over reference period. Tobacco imports have remained relatively stable over time around the \$1.5 million threshold with the only one-off outlier of \$10.4 million recorded in 2021, a 10-fold increase and decrease for the preceding and succeeding years.

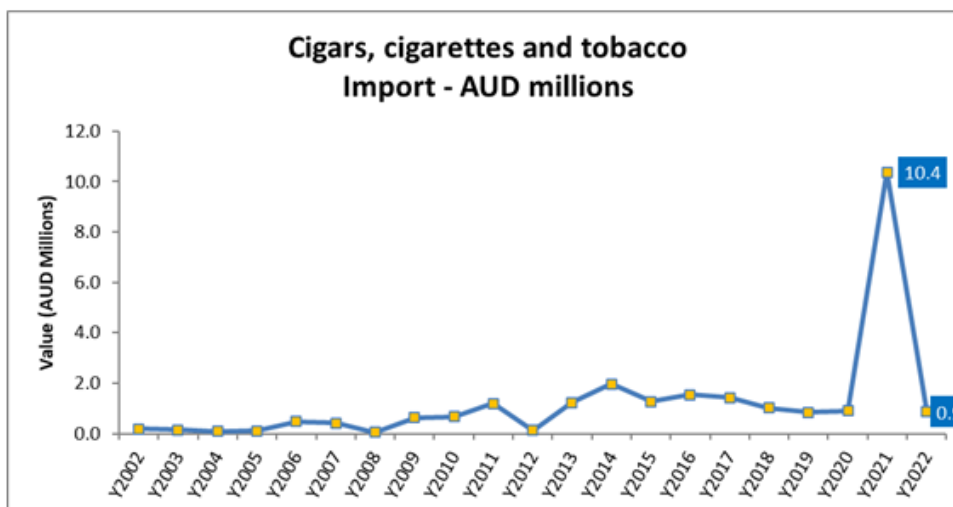


Figure 6.5: Cigars, Cigarettes and Tobacco Imports

Mineral Products - Imports

Figure 6.6 shows the imports of Mineral Products over time. Imports of petroleum oils were reported at \$3.0 million in 2022 – an increase of 236% compared to 2020 at \$0.9 million. The figure shows that the highest import value for petroleum oils was \$75.4 million in 2019. Imports of

petroleum gases and Portland cement remained relatively stable, with import values recorded at \$0.4 million for 2022.

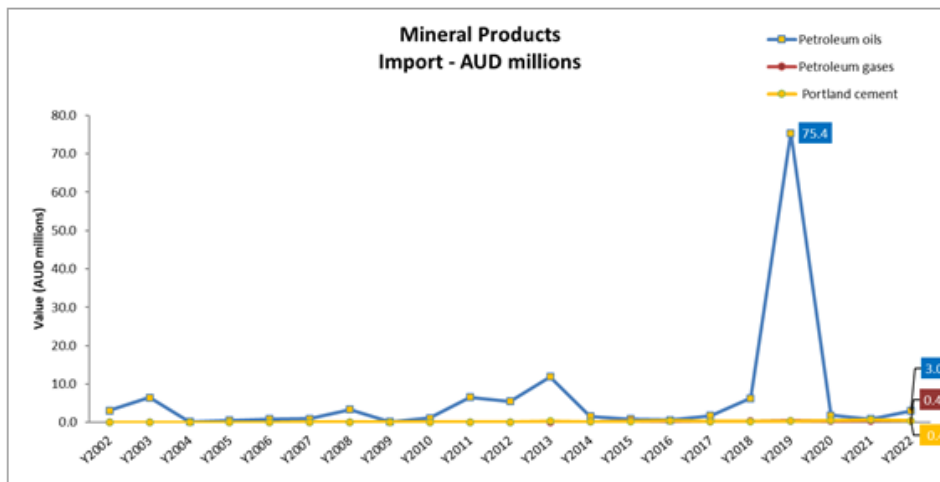


Figure 6.6: Mineral Products Imports

Plastic Imports

Figure 6.7 shows the imports of plastics and articles thereof over time. 2022 recorded the second-highest import value at \$5.0 million, a slight decline when compared to the previous year in 2021 when the import peaked at \$5.2 million or a decline of 4%.

Since 2012 the imports of plastics and articles thereof have doubled in 2013 and then further increased threefold from 2019 to 2021.

The plastic items consist mainly of building and housing materials for instance: fittings tubes, pipes of plastic, floor coverings of plastic, adhesive tapes of plastic, foil film sheets of plastic, bathroom materials of plastic, and kitchenware articles of plastic.

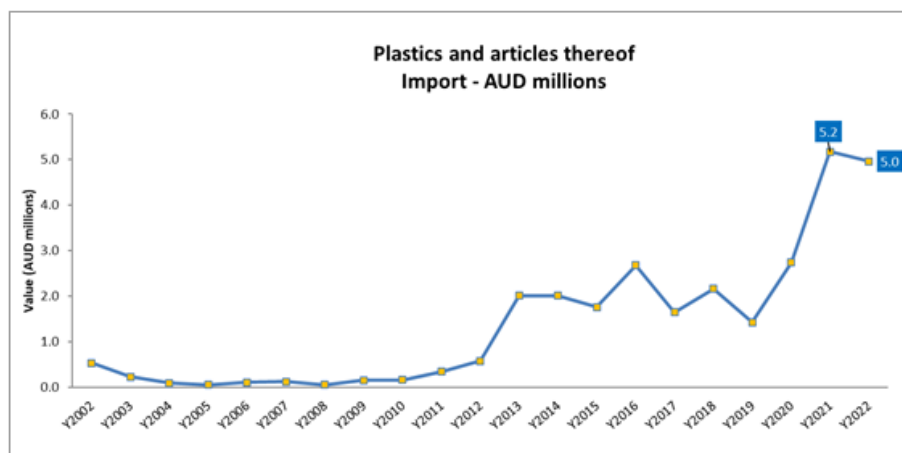


Figure 6.7: Plastic Imports

Construction Hardware - Imports

Figure 6.8 shows the import volatility of construction hardware. The importation of machinery and mechanical appliances has increased over time since 2002 and currently peaked at \$16.9 million in 2022, a continued growth from \$16.7 million in 2021 or a 1% increase. This growth is indicative of the major infrastructure and housing projects development that are currently implemented in recent years.

In tandem, steady increases were evident for electrical machinery and equipment and parts thereof and wood and articles of wood; wood charcoal both recorded steady growths with \$3.9 and \$3.3 million respectively when compared to 2021.

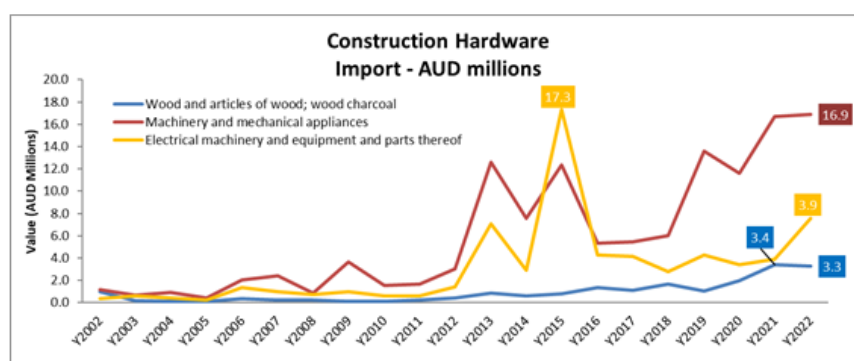


Figure 6.8: Construction Hardware Imports

Public Transport - Imports

Figure 6.9 shows the imports of public transport over time. Imports of public-transport type passenger motor vehicles and motor cars & vehicles for transporting persons show high volatility movement with \$5.3 million recorded in 2022, a decrease of 30% when compared to 2021 of \$7.6 million.

Direction of Trade

Traditionally for the direction of trade, exports are reported by the country of destination and imports by the country of origin. For Nauru, because of the source of data used for the compilation of IMTS, the country of the consignment is also used for reporting the direction of trade.

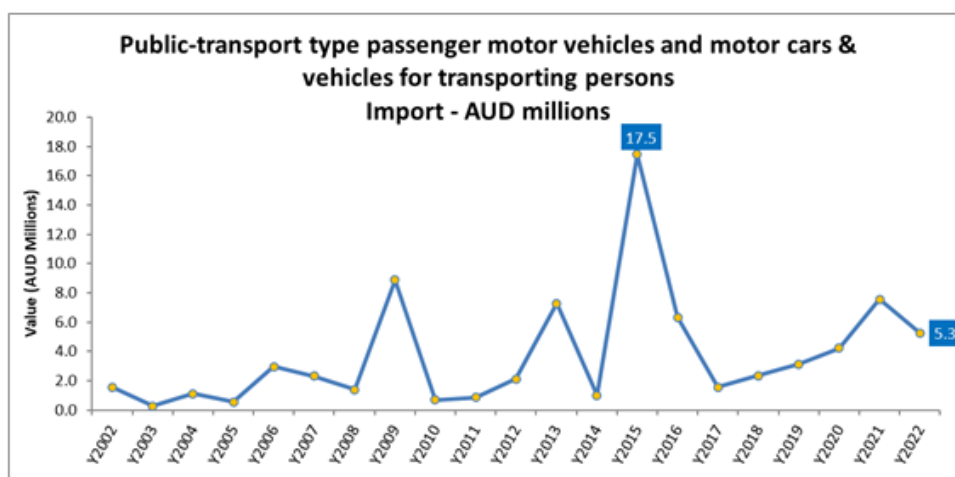


Figure 6.9: Public Transport Imports (Source:)

Exports by Region

Nauru's major export markets from 2020 to 2022 is to the Asian region with an export value for 2022 at \$35.1 million then followed by other regions and the Oceania region with \$23.8 and \$3.2 million respectively.

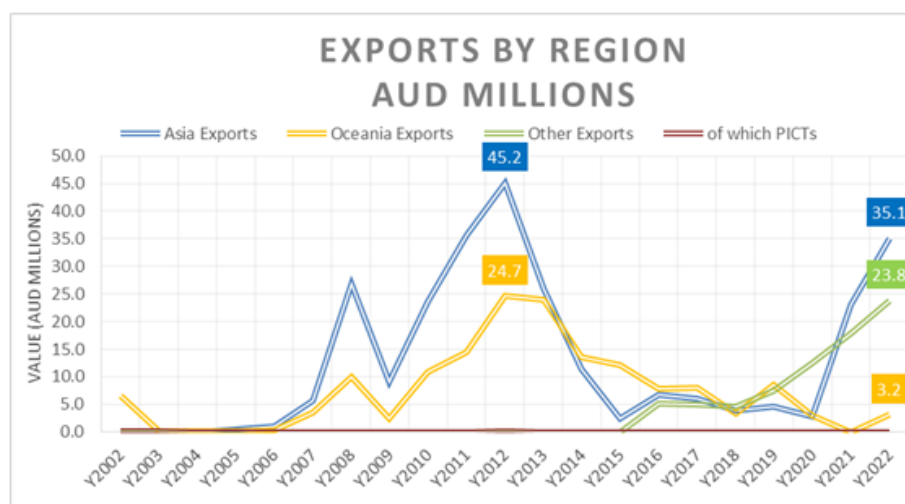


Figure 6.10: Exports by Region (Sources:)

Imports by Region

Figure 6.11 shows Nauru's major source markets by region and by years. As shown in the figure, from 2020 to 2022 the majority of our imports are from the Oceania region accounting for 67% of the total import for 2022 alone with Australia, Fiji and New Zealand as the major source countries. However, the overall trend is showing a moderate decline since it peaked at \$157.8 million in 2013.

The Asian region is emerging as a key trading option and only in 2019 will it surpass the Oceania region with the highest \$89.3 million. Further improvement in the coverage of Asian imports will improve the analysis of the imports by region.

All imports, be it vehicles from Japan or garments from China, came through Australia or Fiji via transshipment. Most of the imports either originated from or were consigned from Australia or Fiji.

Imports from our neighbouring countries of the PICTs show that it is one of the key regions in which Nauru sought its goods and services. Imports from PICTs are reported at \$13.2 million for 2022 with Fiji as the primary country source. As shown, the highest imports on record is valued at \$30.8 million in 2015.

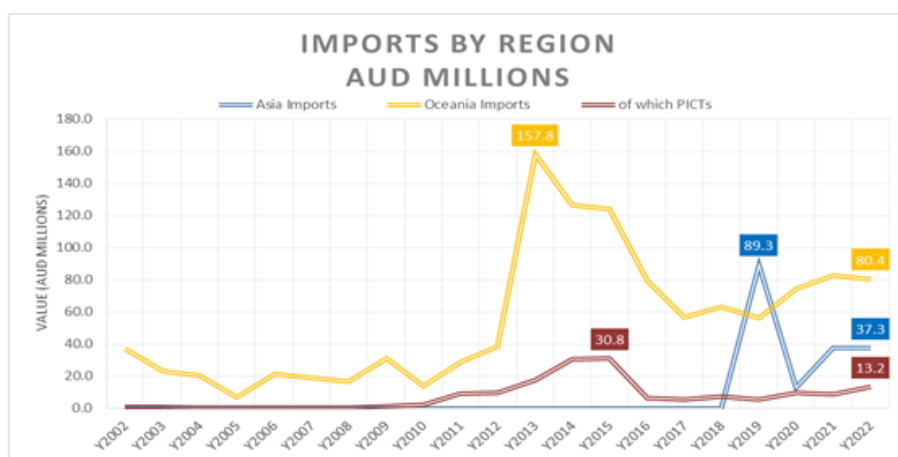


Figure 6.11: Imports by Region (Sources:)

Tariffs and Pacer Plus

Nauru is yet to ratify the Pacer Plus Free Trade Agreement and while Nauru is a party to the Pacific Islands Trade Agreement, it is not used.

Tariffs are levied on imported commodities as outlined below:

Tobacco	377.52 per kg or .38 per stick
Alcohol	6.86 per litre av
Sugar foods Fresh 0% processed	10%
Machinery, Vehicles and Equipment	12% av
Petrol	60 cents per litre
Diesel	60 cents per litre

Tariffs are only levied on scrap metal, however, there are no exports of that commodity from Nauru at present.

v. Capacity Building

Nauru receives ongoing capacity building support from a range of donors.

The Australian-funded AusP3 program provides advisers in key roles in the Treasury Division, Planning and Aid Division, Nauru Revenue Office and Customs, supporting Nauru to develop and manage its budgeting and financial reporting, donor reporting, taxation and customs duties. The program also supports an adviser to the Department of Womens and Social Development Affairs to assist with data gathering, reporting and program implementation. ADB will also provide support to the Department, to assist with the implementation of gender-responsive budgeting under the proposed Improved Fiscal Sustainability and Social Protection Program, which involves a set of mutually agreed policy actions. Once achieved, a USD \$5 million (AUD \$6.5 million) grant will be received as budget support. Australia and New Zealand also provide financial contributions to this policy activity.

SPC, UNESCAP and Australia provide ongoing support to the Nauru Bureau of Statistics to assist with the gathering of crucial socio-economic data. Further support to the Bureau is being explored.

The Government of Nauru has launched a new National Social Protection Strategy 2022-32, thanks to technical and financial support from ADB and funding from the Ireland Trust Fund for Building Climate Change and Disaster Resilience in Small Island Developing States. The new strategy aims to lift people out of poverty by reducing vulnerability and building resilience, and is anchored in the universal right of everyone to social security and an adequate standard of living. The strategy is accompanied by an implementation plan and a monitoring and evaluation framework to help raise the standard of living of the poor and most vulnerable on Nauru and build their resilience against risks from future shocks and crises.

vi. Technology

Nauru currently has one mobile and internet provider, Digicel, which provides internet services to most businesses, government organisations and the general public. CENPAC, a State Owned Entity, also offers broadband to government organisations, and is considering expanding its services to the general public. The 2021 Nauru Population & Housing Census shows that 100% of Nauruan Households own telephones or mobile phones.

CENPAC continues to work towards improving its service and infrastructures to provide a reliable and stable internet to its customers. Back-up generators and other infrastructures are in place to

reduce internet disruptions. Customers are automatically connected through point-to-point wireless connections should there be an interruption to the fibre optic cable connection.

The establishment of the undersea cable to Nauru from December 2025 will improve access to affordable and reliable internet, providing exciting opportunities for businesses, entrepreneurs and service providers. The cable will facilitate innovations in health care through access to Telemedicine, helping more Nauruans to access specialist care not currently available on island, and offer new opportunities for professional training and support to medical practitioners. Students will also benefit from access to a wider range of courses and modes of delivery, helping more Nauruan students receive a world-class education from their home country.

Nauru Media has transitioned from Analogue to Digital in November 2022, providing Nauruans with an additional television channel and two radio channels, thanks to the support of Australia. Nauru Television (NTV) now has the potential to provide multiple channels on the new digital platform and broadcast visual and audio in the best quality. A five-day workshop on the new system was also completed, enhancing the technical capacity of Nauru Media staff. Nauru Media is working on hiring a News Director in the coming year. Further assistance is required to help build the skills of the media team in broadcasting.

vii. Data and Statistics

In FY 23-24, \$271,759 will be made available to the Nauru Bureau of Statistics.

With the assistance of donor partners, Nauru has completed a Mini Census in 2019 and a Population & Housing Census in 2021.

Donors supporting the Nauru Bureau of Statistics for FY 2023-24 are UNICEF for the implementation of the Multi-Indicator Cluster Survey (MICS), both funding and technical support, and the Household Income & Expenditure Survey (HIES), mainly with SPC-Statistics & Development Division with in-kind support providing technical assistance.

viii. Role of UN System and IGOs

Nauru recently approved the UN Country Implementation Plan for FY 2023-24. This plan will involve support from the following UN agencies:

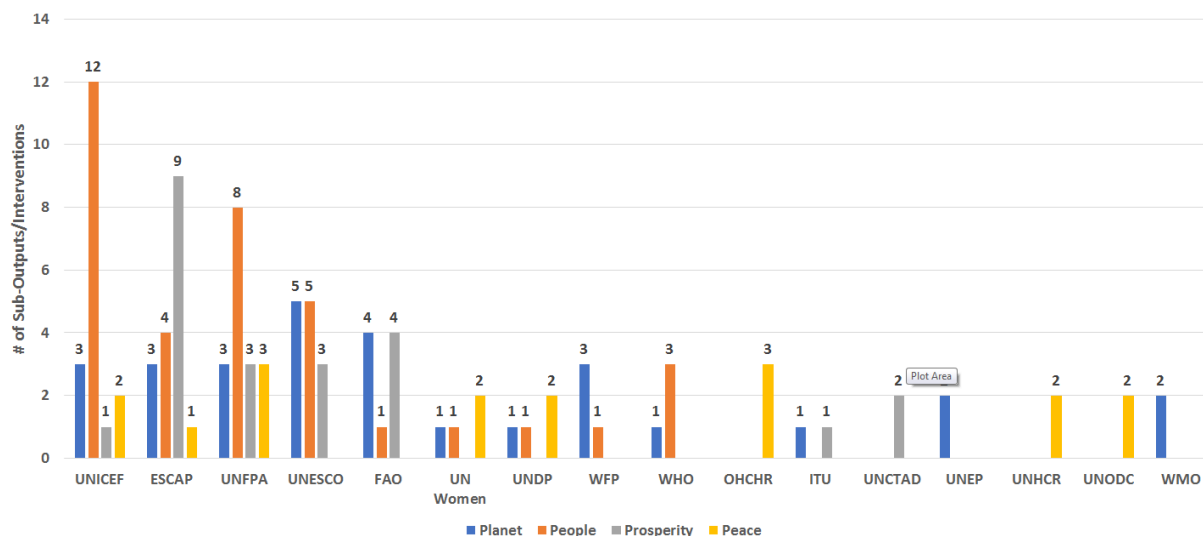


Figure 7.1: Distribution of Sub-Outputs - Nauru (Source: UN, 2023)

	ESCAP	FAO	IAEA	IFAD	ILO	WFP	ITC	ITU	UN Women	UNEP	UNESCO	WHO	WFP	WMO	
PAL															19
FSM															23
RMI															22
NAU															16
KIR															24

Figure 7.2: Micronesian States UN Membership (Source: UN, 2023)

The United Nations recently established a country presence on Nauru, after a period of absence. The Country Representative, Mr Chancy Chilimbila, is working to grow the UN team on-island.

The Department of Finance's Planning and Aid Division produces annual reports regarding Nauru's progress towards the Nauru Sustainable Development Strategy Goals. This information is used by donors to develop their country programs for Nauru, for example, the UN Country Implementation Plan. The reporting is published on the Nauru finance website (naurufinance.info) and a link to reports provided to regular donor contacts.

Nauru is making steady progress towards the Sustainable Development Goals.

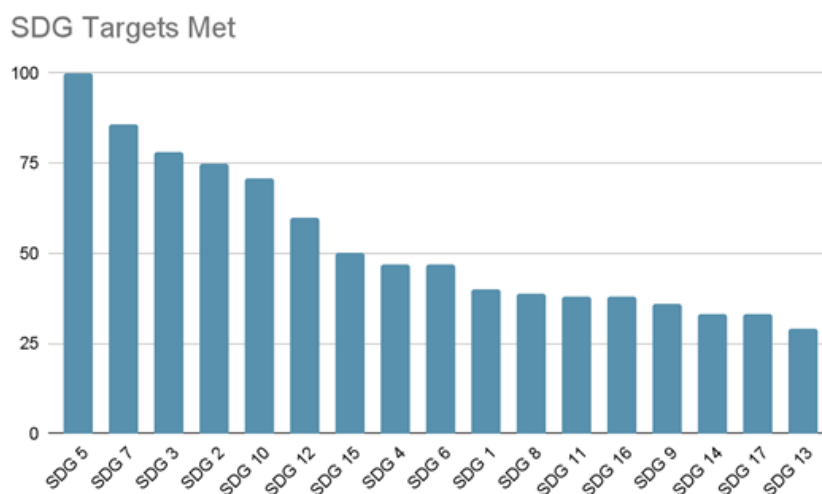
For the first time since the Sustainable Development Goals were established, Nauru has a set of metrics linked to measure both SDG and NSDS progress. These metrics provide a systemic approach to monitoring and evaluating Nauru's efforts towards the 2030 SDG and NSDS goals, and show that progress for 7 out of the 17 SDGs is above 50%.

Based on the number of KPIs met in FY 21-22 for each SDG, the following percentages indicate progress towards Sustainable Development Goals.



Figure 7.3: Sustainable Development Goals (SDGs) Progress (Source: Departmental Data)

Nauru has made the most progress towards SDG 5 (Gender Equality), which is on track to meet set targets by 2030. Efforts to improve Nauru's affordable and clean energy (SDG 7) is at 86%, and towards SDG 3 (Good Health and Wellbeing) is at 78%.



At the other end of the scale, progress towards SDG 13 (Climate Action) is at 14%, for SDG 9 (Industry, Innovation and Infrastructure) is at 29% and for SDGs 14 (Life below water) and 17 (Partnerships for the Goals) is at 33%. More support is required to help Nauru meet the relevant targets by 2030 in these sectors.

Gaps and Challenges

The following gaps and challenges have hindered the successful implementation of the SAMOA Pathway:

	Challenges	Gaps
Thematic Area 1: Promote sustained and sustainable, inclusive and equitable economic growth, with decent work for all, sustainable consumption and production and sustainable transportation		
Revenue Generation	<ul style="list-style-type: none"> • Geographical remoteness - increases costs of shipping and accessing services, which makes products and services more expensive. • Limited sources of revenue, economy highly vulnerable to climate, economic and political shocks • Constriction of revenue due to winding down of the Regional Processing Centre, and associated socio-economic impacts • Impact of COVID-19 on revenue streams • Reliance on expatriate workers • The recently established Foreign Investment Directorate requires suitable technical staff to develop a comprehensive and suitable approach to foreign investment for Nauru • Limited capacity to scope revenue generation options 	<ul style="list-style-type: none"> • Lack of access to credit and insurance which limits ability of Nauruans to develop businesses and for Nauru to attract foreign investment • Capacity support to the Foreign Investment Division to ensure a considered, balanced and appropriate approach to foreign investment in a way that protects Nauru's interests • No skills gap analysis completed across government or SOEs • Technical expertise to scope revenue generation options to broaden Nauru's revenue base • Support from regional and international organisations for Nauru Tourism's promotion of Nauru as a tourist destination

	Challenges	Gaps
Revenue Generation (continued)	<ul style="list-style-type: none"> • Complicated land tenure system which hinders urban development and foreign investment • Small cadre of skilled and qualified personnel, resulting in a heavy reliance on expatriates and donor-funded experts 	
Infrastructure	<ul style="list-style-type: none"> • Nauru Integrated Infrastructure Plan 2019 requires review, and also a financing plan and assistance from donors to implement the prioritised works • Expensive and unreliable internet access and delays to the undersea cable project • Lack of local expertise in more complex construction and related specialist skills 	<ul style="list-style-type: none"> • Outdated health infrastructure which is not fit for purpose • Insufficient numbers of skilled builders, tradespeople, architects and engineers
Education	<ul style="list-style-type: none"> • Small cadre of skilled and qualified personnel, resulting in a heavy reliance on expatriates and donor-funded experts • Due to age of building, increasing requests for repair and maintenance • Inconsistent school transport 	<ul style="list-style-type: none"> • Lack of pathway for students from the able-disable centre to TVET or USP • Insufficient facilities, space, equipment and funding for running educational programs, in particular, a lack of literacy resources
Thematic Area 2: Act to mitigate climate change and adapt to its impacts by implementing sustainable energy and disaster risk reduction programmes		
Climate Change	<ul style="list-style-type: none"> • Cannot meet demand for seawalls 	<ul style="list-style-type: none"> • Lack of local expertise in climate change-related specialties, fostering a heavy reliance on external advice • Technical expertise on most appropriate seawall design and support to complete seawalls

	Challenges	Gaps
Disaster Risk Reduction	<ul style="list-style-type: none"> • Slow progress identifying infrastructure requiring climate proofing • Houses are not built to withstand increasing storms and inclement weather 	<ul style="list-style-type: none"> • Insufficient resources to build a new NES HQ/supporting infrastructure • Technical assistance with building standards • Lack of technical expertise and funds to: <ul style="list-style-type: none"> ○ complete a capacity needs assessment ○ establish a meteorology website ○ develop a strategy to maintain longer term records of data and cascading hazard events ○ purchase meteorology equipment and implement automatic weather stations ○ develop a Meteorology Act ○ review the National Disaster Risk Management Plan ○ establish a fit-for-purpose Disaster Information Management System, including hazard identification, SOPs for early warning information dissemination, communication and decision making
Thematic Area 3: Protect the biodiversity and environmental health of small island developing states by mitigating the impact of invasive species and by properly managing chemicals and water, including hazardous waste, and protecting the oceans and seas		
Oceans and Seas	<ul style="list-style-type: none"> • Limited capacity to monitor EEZ and increase revenue from fishing licences 	<ul style="list-style-type: none"> • Support for EEZ patrols and maritime security technology • Limited fisheries infrastructure and capacity, hindering expansion of fisheries exports and development of local aquaculture industry • The lack of availability of local services and supplies to support fisheries related work and aquaculture can lead to delays in work programmes. • Limited financial assistance and investment opportunities through grants and loans for local fishers and aquaculturists to develop local commercial operations.

	Challenges	Gaps
Oceans and Seas	<ul style="list-style-type: none"> Limited capacity, resources and support to fulfill and implement obligations under the International Seabed Minerals Act 2015 and related matters committed to enhance and strengthen Nauru's engagement in the deep-sea sector. 	<ul style="list-style-type: none"> Limited support in the region to enable comprehensive discussions required for decision-making process including awareness of the rights contained under UNCLOS and the 1994 Agreement that complements the goals of the Samoa Pathway such as the support toward legal and institutional frameworks for the exploration and sustainable use of living and non-living resources and engaging in national and regional efforts to sustainably develop the ocean resources of SIDS and generate returns for their peoples. In fact, the latter has been blocked/delayed by major influencers against the deep-sea mining industry. There is no financial assistance and investment opportunities through grants and loans to upgrade and develop human resource and public awareness pertinent to deep sea industry including the potential sources of renewable energy that it offers to meet one of the main building blocks of a sustainable ocean-based economy and the advancement of marine scientific knowledge and its associated capacity needs. Limited infrastructure and human resource capacity, hindering expansion of the deep-sea industry and its required regulation within the national domain.
Chemicals and Waste		<ul style="list-style-type: none"> Frameworks, awareness and resources to safely manage waste, particularly hazardous waste
Biodiversity		<ul style="list-style-type: none"> Frameworks, legislation, policies and enforcement capacity to protect Nauru's biodiversity
Desertification, land degradation and drought	<ul style="list-style-type: none"> Slow progress rehabilitating mined-out lands necessary for relocation of people and infrastructure to higher ground, in response to climate change 	<ul style="list-style-type: none"> Resources and expertise to rehabilitate mined-out lands and relocate infrastructure and people to higher ground

Thematic Area 4: Improve human health and social development through food security and nutrition and improved water and sanitation and by reducing the incidence of non-communicable diseases and promoting gender equity and women's empowerment

Food Security	<ul style="list-style-type: none"> • Lack of local agriculture sector - heavy reliance on food imports, which increases cost of health food and contributes to NCDs 	<ul style="list-style-type: none"> • Continued and additional support for skills and resources to upscale agricultural production, aquaculture and fish export capacity
Social Development	<ul style="list-style-type: none"> • Support for vulnerable people is spread across numerous organisations • Small cadre of skilled and qualified personnel, resulting in a heavy reliance on expatriates and donor-funded experts • Impact of COVID-19 on donor-supported programs - restricted travel of technical experts, limited supply of necessary goods, imposed additional cost to freight in medical and food • Supplies during community COVID-19 outbreak, hindered progress on major infrastructure projects such as the Port redevelopment and solar farm • COVID-19 pandemic, isolation and variable quality in home learning packages has impacted literacy and numeracy levels. It has also affected progress towards establishing managed marine areas. • Difficulty securing medical, nursing and teaching personnel, reliance on overseas medical referrals and education systems 	<ul style="list-style-type: none"> • Whole-of-government approach to supporting vulnerable Nauruans.

	Challenges	Gaps
Water and Sanitation	<ul style="list-style-type: none"> Sanitation facilities insufficient to meet the needs of the current population Slow progress in developing electronic health records management systems A youthful population but limited educational and employment options 	<ul style="list-style-type: none"> Sewage treatment plant and sludge trucks to safely and efficiently meet sanitation demands whilst a long-term sanitation solution is devised under the ADB-funded Nauru Sustainable Urban Development Project
Health	<ul style="list-style-type: none"> Small cadre of skilled and qualified personnel, resulting in a heavy reliance on expatriates and donor-funded experts Health infrastructure that is not fit for purpose Resourcing for disability programs, rehabilitation infrastructure and accessibility renovations 	<ul style="list-style-type: none"> Lack of mental health facilities and whole-of-government management system Resources allocated to support people with disabilities and other vulnerable sectors of the community are insufficient to meet the demand. Lack of health specialists and facilities to support rehabilitation of people with disabilities.
Gender and Women's Empowerment		<ul style="list-style-type: none"> Lack of formal childcare
Culture and Sport		<ul style="list-style-type: none"> Resources and skills to develop Nauruan language programs, capture Nauruan traditional culture and develop a Nauruan dictionary, as well as preserve and protect cultural sites Assistance to prepare for the Micronesian games and to develop capacity to mentor high-performing athletes
Peaceful and Safe Communities		<ul style="list-style-type: none"> Capacity of border security, customs and police to detect, deter, prevent and manage crimes and security threats. Insufficient counsellors to meet demand to support youth and victims of domestic violence No program to support at-risk youth or safe-place for them to stay if they cannot remain at home

	Challenges	Gaps
Thematic Area 5: Fostering partnerships among small island developing states, United Nations agencies, development partners and others to achieve the goals		
Means of Implementation	<ul style="list-style-type: none"> • Administrative burden of implementing donor programs • Lack of resources to support and implement donor programs 	
Technology		<ul style="list-style-type: none"> • Financial support and expertise to develop necessary systems, policies, processes to support the expansion of internet services once the undersea cable is completed • Technical assistance to help build broadcasting skills of the Nauru Media team.
Data and Statistics	<ul style="list-style-type: none"> • Capacity of Bureau of Statistics and line departments to collate necessary monitoring and evaluation data, including for schools and health facilities 	

Recommendations for Addressing Identified Gaps and Challenges

Area	National	Regional	Inter-regional	International
Thematic Area 1: Promote sustained and sustainable, inclusive and equitable economic growth, with decent work for all, sustainable consumption and production and sustainable transportation				
Revenue generation	<ul style="list-style-type: none"> Recruitment to vacant positions in the Foreign Investment Division Establishment of a dedicated role in focussed on revenue generation 	<ul style="list-style-type: none"> Technical assistance to complete a skills gap analysis for government and SOEs Technical support to the Foreign Investment Division, to assist with addressing foundational issues of land access, access to credit and insurance, and to scope revenue generation options to broaden Nauru's revenue base Support from regional and international organisations for Nauru Tourism's promotion of Nauru as a tourist destination Continued donor support to Port Project Port reforms and Airport Runway resurfacing 		
Infrastructure, including Internet, telecommunications and transport		<ul style="list-style-type: none"> Support will be required to prepare Nauruans for the new opportunities presented, including development of necessary cyber-security skills. Assistance to the Department of Education to secure computers and connect them to the internet. Support to develop CENPACs capacity to offer telephone and broadband services to the general public, as well as to develop regulations under the <i>Cenpac Corporation Act 2018</i>. Technical expertise and scholarships to develop local skills in building, construction, engineering and architecture 		

Area	National	Regional	Inter-regional	International
Infrastructure, including Internet, telecommunications and transport (continued)		<ul style="list-style-type: none">• Support to develop and deliver a high-quality education in maths, physics and related fields, and to promote the building, engineering and construction sector as a career choice• Support to the Department of Infrastructure to implement recommendations from the review of the Nauru Integrated Infrastructure Plan, including technical support and funding to undertake priority infrastructure projects.• Support to implement the health capital works plan, once complete• Technical assistance to the Department of Transport to scope public transport options, and to develop legislation.• Technical assistance to strengthen the institutional capacity of the Department of Transport to meet Pacific Aviation Safety Office requirements.		
Education		<ul style="list-style-type: none">• Continued support for teacher training and ongoing capacity development• Support for education infrastructure and literary resources		
Thematic Area 2: Act to mitigate climate change and adapt to its impacts by implementing sustainable energy and disaster risk reduction programmes				
Climate Change		<ul style="list-style-type: none">• Resources and expertise to rehabilitate mined-out lands and relocate infrastructure and people to higher ground• Support to develop local expertise in climate change-related specialties		
Disaster Risk Reduction	<ul style="list-style-type: none">• Establish a NES HQ building• Align data sharing systems within a single agency and improve ICT infrastructure	<ul style="list-style-type: none">• Establish bilateral/multilateral agreements with neighbouring countries to permit cross-border exchange of warnings and observation data• Support to complete a capacity needs assessment• Funding support and technical expertise to establish a meteorology website• Assistance to develop a strategy to maintain longer term records of data and cascading hazard events• Assistance to purchase meteorology equipment and implement automatic weather stations		

Area	National	Regional	Inter-regional	International
Disaster Risk Reduction (continued)		<ul style="list-style-type: none">• Technical assistance to develop a Meteorology Act• Technical assistance to upgrade housing and improve building standards to withstand increasingly inclement weather due to climate changeAssistance to review the National Disaster Risk Management Plan• Technical and funding support to establish a fit-for-purpose Disaster Information Management System, including hazard identification and SOPs for early warning information dissemination, communication and decision making• Support to the Department of Infrastructure and DCCNR to progress with identification of infrastructure requiring climate proofing		
Thematic Area 3: Protect the biodiversity and environmental health of small island developing states by mitigating the impact of invasive species and by properly managing chemicals and water, including hazardous waste, and protecting the oceans and seas				
Oceans and Seas		<ul style="list-style-type: none">• Support for EEZ patrols and maritime security technology• Technical and financial support to develop local infrastructure to support export of local catch, and for the local aquaculture industry. In particular, limited local capacity to manage and maintain the local database.• Assistance to implement programs• Limited financial assistance and investment opportunities through grants and loans for local fishers and aquaculturists to develop local commercial operations• Assistance to develop capacity to fulfill obligations under the <i>International Seabed Minerals Act 2015</i>, explore the deep-sea industry and manage required regulations• Establishment of regional forums to discuss international seabed mining issues• Improved awareness of deep-sea mining issues, particularly its role in supporting sources of renewable energy		
Chemicals and Waste		<ul style="list-style-type: none">• Technical assistance to develop and implement frameworks, awareness and resources to safely manage waste, particularly hazardous waste		

Area	National	Regional	Inter-regional	International
Biodiversity		<ul style="list-style-type: none">● Technical assistance to develop and implement frameworks, legislation, policies to protect Nauru’s biodiversity		
Desertification, land degradation and drought		<ul style="list-style-type: none">● Resources and expertise to rehabilitate mined-out lands and relocate infrastructure and people to higher ground		
Thematic Area 4: Improve human health and social development through food security and nutrition and improved water and sanitation and by reducing the incidence of non-communicable diseases and promoting gender equity and women’s empowerment				
Health	<ul style="list-style-type: none">● Establishment of whole-of-government system for managing mental health	<ul style="list-style-type: none">● Technical assistance to help develop a comprehensive system across health, WASDA and Department of Justice to manage inmates under 18 and inmates with mental health issues.● Continued support for completion of the Health Sector Capital Works plan and for implementation of the prioritised works● Continued support for the professional development of medical and nursing staff and to promote the health profession as a career choice, along with support for schools to develop and deliver a high-quality scientific education● Specialist support for rehabilitation and treatment of people living with disabilities● Funding support and assistance to renovate homes of people living with disabilities to accommodate their special needs● Technical assistance and funding to implement programs to foster integration of people living with disabilities into community activities.● Ongoing work is required to improve the general community’s understanding of disability and improve infrastructure across the island to be disability friendly. The DPLWD is looking for support to aid disability accessibility by creating ramps to major sites, fixing footpaths and improving sign fonts to public buildings.● Support is also needed to improve employer understanding of their anti-discrimination obligations and legal requirement to support employees with a disability		

Area	National	Regional	Inter-regional	International
Gender and Women’s Empowerment		<ul style="list-style-type: none">Support to complete a gap analysis regarding childcare on Nauru, and develop recommendations for a way forward		
Social development and employment	<ul style="list-style-type: none">Establish a whole of government approach to supporting vulnerable Nauruans	<ul style="list-style-type: none">Assist BDM to enhance their electronic systems and train BDM staff to secure all relevant informationTechnical assistance to help streamline social welfare units and departments into one organisationTechnical assistance to collate information on all available types of support into one listTechnical assistance to gather social welfare applications electronically		
Culture and Sport		<ul style="list-style-type: none">Technical assistance and resources to develop Nauruan language programs, capture Nauruan traditional culture and develop a Nauruan dictionary, as well as preserve and protect cultural sitesAssistance and resources to prepare for the Micronesian games and to develop capacity to mentor high-performing athletes		
Peaceful and Safe Communities		<ul style="list-style-type: none">Sharing of information and lessons learned in relation to maritime and border securityCounselling resourcesComprehensive support and reform program for juveniles, and a tailor-made facility to aid in behavioural reform, rehabilitation from drugs/glue sniffing and to provide social support for those who cannot remain at home.		
Thematic Area 5: Fostering partnerships among small island developing states, United Nations agencies, development partners and others to achieve the goals				
Means of Implementation		<ul style="list-style-type: none">Alignment of donor resources to match capacity of Government of Nauru to support and implementFocus on capacity building of public servants to help reduce reliance on technical experts and expatriatesClear guidance and simplified administrative processes for implementation of programs, or, provision of project management unit style support to ensure donor needs are met without unduly burdening the Nauruan public serviceConsider the timing and frequency of visits - work with the Planning and Aid Division and relevant country office		

Area	National	Regional	Inter-regional	International
Technology		<ul style="list-style-type: none"> Support will be required to prepare Nauruans for the new opportunities presented by the undersea cable, including development of necessary policies, systems and skills. Technical assistance to help build broadcasting skills of the Nauru Media team. 		
Data and Statistics		<ul style="list-style-type: none"> Continued technical assistance to the statistics division Support to education for improvement of its statistics and data gathering tools and capacity 		

Identification of Priorities for Fourth International Conference on SIDS

1

Thematic Area 2

As climate change is an existential threat, it must be addressed as a priority, to ensure the future of Nauru and its people. Nauru will continue towards the target of 50% renewable energy sources by 2030 and investigate options to expand beyond solar energy.

2

Thematic Area 1

Nauru must expand its sources of revenue to ensure its ability to fund public services and provide a source of local employment. This is particularly urgent given the expected contraction in Nauru's revenue due to the winding down of the Regional Processing Centre. Developing Nauru's infrastructure and people to support the local economy and public service will be a priority, and require donor support.

3

Thematic Area 3

Nauru cannot prosper if the land, air and sea is polluted, fishing stocks are insufficient to sustain the population or land is not made available to move to higher ground and expand Nauru's housing and urban facilities. The HGI project will continue to be the flagship project of Nauru's climate change response, and require significant donor support to be successful. Simultaneously, addressing climate change at its core through a global transition towards cleaner and renewable energy sources is essential. This necessitates collaboration and support from leaders to implement sustainable solutions, such as embracing polymetallic nodules realized through the deep-sea industry.

4

Thematic Area 4

The Government of Nauru will continue to prioritise the health, safety and wellbeing of the population. Continued regional cooperation in maritime and border security will be essential to vouchsafe Nauru's security and that of the region.

Nauru will also focus on capitalising on technology which will expand options for employment, trade, health and education. Nurturing youth, developing stronger social welfare and employment frameworks, better health through sport and preserving Nauru's culture will be priorities moving forward.

5

Thematic Area 5

Given Nauru's declining revenue, continued support from donor partners and improved data remain an ongoing priority for Nauru. Nauru will continue to work with partners to ensure programs are appropriate and sufficiently resourced to improve the rate of program implementation.

Acknowledgements

The Department of Finance, Planning and Aid Division, wishes to thank the line Departments involved in providing the data for this report.

The Department also extends gratitude on behalf of the Government of Nauru, for the ongoing support provided by donor partners and regional organisations for the nation's development.

Mwa tubwa kor.