



REPUBLIC OF NAURU

DRAFT

DEVELOPMENT FUND

ANNUAL REPORT

FY 2022-2023

1 JULY 2022 TO 30 JUNE 2023

CIRCULATED BY

THE HONOURABLE DAVID ADEANG, MP

MINISTER FOR FINANCE OF THE REPUBLIC OF NAURU

DRAFT

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### Conventions used in this Document:

- o Actual Revenue data is retrieved from the Nauru Financial Management Information System. Projection data is taken from the FY 2022-23 Development Fund Projection.
- o All amounts are expressed in Australian dollars unless otherwise stated.
- o Due to rounding small discrepancies may occur in the totals shown in columns in tables.

## LIST OF KEY ACRONYMS

|           |  |
|-----------|--|
| ADB       | Asian Development Bank   |
| Australia | Australian Department of Foreign Affairs and Trade             |
| FAO       | Food and Agriculture Organisation                              |
| GoN       | Government of Nauru  |
| NFMRA     | Nauru Fisheries and Marine Resource Authority                  |
| NORI      | Nauru Ocean Resources (Inc)                                    |
| NZ        | New Zealand Ministry of Foreign Affairs and Trade              |
| OHCHR     | Office of the UN High Commissioner for Human Rights            |
| RFMO      | South Pacific Regional Fisheries Management Organisation       |
| SPC       | Secretariat of the Pacific Community                           |
| SPREP     | Secretariat of the Pacific Regional Environmental Programme    |
| UN        | United Nations   |
| UNDP      | United Nations Development Program                             |
| UNEP      | United Nations Environment Program                             |
| UNESCO    | United Nations Education, Scientific and Cultural Organisation |
| UNFPA     | United Nations Populations Fund                                |
| UNICEF    | United Nations Children's Fund                                 |
| WHO       | World Health Organisation                                      |

## PART I: EXECUTIVE SUMMARY

In the Financial Year 22-23, Nauru received development revenue of \$8.1m and expended \$6.1m. This shows a high level of development activities carried out on the second-half of the financial year in comparison to the \$0.7m total expenditure in first-half. This also compares favourably to the \$5.1m projections.

About 60% of the total expenditure went towards the Social and Community sectors, with approximately \$1.5m spent on education and \$2.0m on health-related projects. The Infrastructure Sector accounted for 14% of expenditure (\$0.9m) and Economic sector for 19% (\$1.1m), leaving the Cross-Cutting sectors with only 7% (\$0.4m) of all development fund expenditure.

Expenditure is mainly a result of line departments spending funds from previous periods in the current period. Comparing the expenditure of the first half and second-half of the financial year FY 22-23, it is evident that there is a large difference in the rate of utilising the development funds, with more spending occurring in the second half of the financial year.

Delays in expenditure can also be attributed to the effect of global supply shortages which affected the procuring of essential resources; travel restrictions and, domestic lockdowns when the COVID-19 pandemic reached Nauru mid-2022. Development efforts have started to pick up as lockdown was uplifted and work resumed.

As noted in previous reports, there is a continuing need to improve the accuracy of projections. Going forward, it is vital that donors correctly classify projects so that Development Fund projections are accurate and line departments can plan their activities accordingly.

As the IMF has expressed interest in Nauru's progress with Aid-in-Kind, the Department of Finance is now tracking Aid-in-Kind support. Donors are requested to provide updates on the progress of their Aid-In-Kind support as part of Nauru's regular six-monthly development fund reporting cycle.

## PART II: DEVELOPMENT FUND ANALYSIS

### INTRODUCTION

This Annual Development Fund Report for financial year 2022-2023 is prepared in compliance with the *Development Fund Act 2011*.

Data presented here is sourced directly from the Government of Nauru Financial Management Information System (for actual revenue and expenditure). Projection data is taken from the Development Fund projection for FY 22-23.

Projects are categorised into their relevant National Sustainable Development Strategy (NSDS) goal, which may be subject to interpretation in some instances. Where projects are deemed to span multiple NSDS goals, they are categorised based on whichever goal the majority of funds support.

Part II of this report presents an analysis of revenue and expenditure from the Development Fund for FY 22-23. Part III outlines project-by-project revenue and expenditure and variances from the FY 22-23 Development Fund Projection. While the Development Fund Act 2011 does not require reporting on Aid-In-Kind, the Department of Finance will now be tracking Aid-In-Kind funding in these reports. A short update can be found in Part IV.

### PURPOSE OF THE DEVELOPMENT FUND

The Development Fund was established in accordance with the *Development Fund Act 2011*. The purpose of the Development Fund is to receive and disburse grant funds from development partners. At present, the Development Fund is restricted to three bank accounts covering Australian, New Zealand and all other donor funds.

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

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

## PERFORMANCE DURING PERIOD 1 JULY 2022 TO 30 JUNE 2023

### REVENUE

As displayed in Chart 1, in FY 22-23, projected revenue was projected to be \$5.1m, and actual revenue totaled \$8.1m.

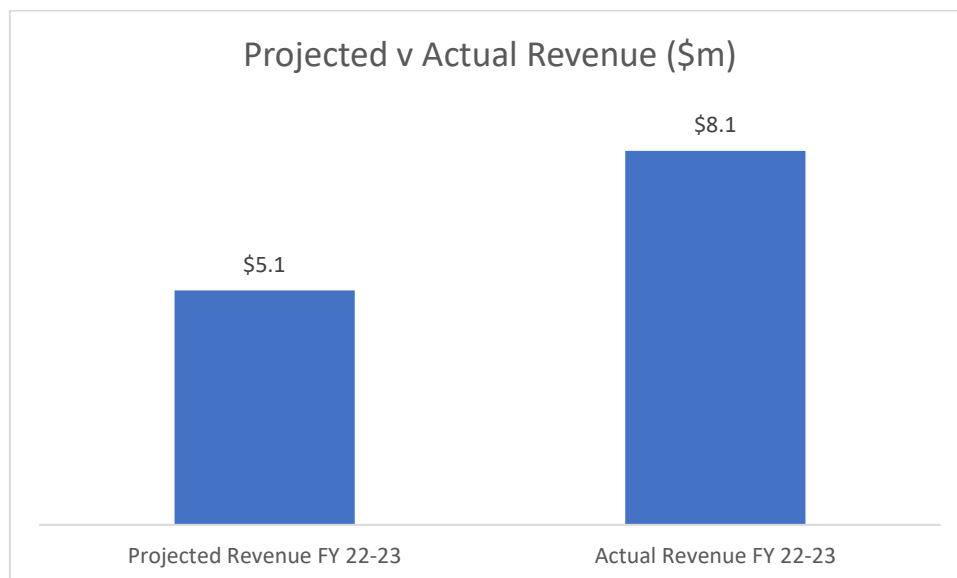


Chart 1 – Projected v Actual Revenue

|                      | Projected Revenue<br>FY 22-23 | Actual Revenue FY<br>22-23 |
|----------------------|-------------------------------|----------------------------|
| <b>Total Revenue</b> | <b>\$ 5,075,476</b>           | <b>\$ 8,101,016</b>        |

As displayed in Chart 1, projected revenue for FY 22-23 was predicted to be \$5.1m, while actual revenue received at the end of the period totals \$8.1m. The gap between the projection and actual revenue can be attributed to Australia providing additional COVID-19 Assistance Funding in June 2023.

### ACTUAL REVENUE BY NSDS SECTOR

| <u>Total Revenue</u>  | Projected           | Actual              |
|---|---------------------|---------------------|
| <b>Economic</b>   | \$ -                | \$ 941,158          |
| <b>Social</b>   | \$ 125,000          | \$ 6,028,479        |
| <b>Infrastructure</b>   | \$ 1,438,435        | \$ 621,628          |
| <b>Cross-Cutting</b>  | \$ 636,395          | \$ 509,751          |
| Subtotal  | <b>\$ 2,199,830</b> | <b>\$ 8,101,016</b> |
| <b><u>Projected but Not Received This Period</u></b>                              |                     |                     |
| WHO - Resilient Health Systems  | \$ 28,986           |                     |
| UNICEF - Strengthening of Institutional Frameworks to Protect Children from Abuse | \$ 167,012          |                     |

|  |                     |                     |
|--|---------------------|---------------------|
| FAO - Strengthening national coordination and planning for food security and nutrition                       | \$ 69,013           |                     |
| UNESCO - Social Inclusion & Community Well Being   | \$ 5,714            |                     |
| UNICEF/UNDP/WHO/UNFPA - Improving and Strengthening of Health Systems  | \$ 543,310          |                     |
| UNICEF/UNESCO - Improving and Strengthening of Education Systems   | \$ 33,952           |                     |
| UNICEF - MICS Survey Support   | \$ 226,363          |                     |
| UNDP - Nauru Accountable and Inclusive Governance (NAIG)   | \$ 1,604,420        |                     |
| UNICEF - Strengthening CRC reporting processes   | \$ 55,210           |                     |
| OHCHR/UNDP - Facilitating inclusive dialogues and decision-making to strengthen social cohesion post-COVID19 | \$ 141,666          |                     |
| Subtotal   | \$ 2,875,646        | \$ -                |
| <b>Grand-Total</b>   | <b>\$ 5,075,476</b> | <b>\$ 8,101,016</b> |

Table 1 – Projected v Actual Revenue

13 projects totalling \$8.1m were to be cash funded this financial year. Funding for two sectors have been partially received and two are beyond the projected amounts for the period. The UN funds are not fully received as a result of discrepancies between planning and budget execution of projects. This still highlights the importance of developing budgets in close consultation with implementing organisations.



## **DEPOSIT ANALYSIS**

A total of four deposits were made during the period. The following is the Deposit Classifications for the 12-month period:

| <b>Deposit classifications</b>                           |  | <b>\$</b> | <b>\$</b>           |
|--|--|-----------|---------------------|
| <i><u>AIK but paid in cash</u></i>                       |  |           |                     |
| 03703  | NEEDS Implementation Project                             | \$        | 263,317             |
| 16905  | NSUDP's PMU  | \$        | 150,000             |
| 02306  | Sustainable and high-quality workforce to meet future    | \$        | 789,199             |
| 02307  | Improving quality and access to early years, Primary and | \$        | 852,415             |
| 02309  | Create a proactive and continually improving education   | \$        | 596,501             |
| 02510  | Australia COVID-19 Assistance Fund                       | \$        | 3,500,000           |
|  |  |           | <b>\$ 6,151,432</b> |
| <i><u>Deposits not Projected</u></i>                     |  |           |                     |
| 13001  | Trachoma Research Project                                | \$        | 62,800              |
| 25002  | HIV/STI (2021-2023)                                      | \$        | 18,801              |
| 43000  | NORI Funds - Annual Administration Payments              | \$        | 941,158             |
| 19003  | India High Commission Office                             | \$        | 210,351             |
|  |  |           | <b>\$ 1,233,110</b> |
| <i><u>Deposit Projected and Correctly Classified</u></i> |  |           |                     |
| -  |  |           |                     |
| 34010  | GEF7 Land Restoration Biodiversity Project               | \$        | 299,400             |
| 06005  | SMARTEN  | \$        | 208,311             |
| 10010  | GGP Crane Truck Procurement To NFMRA                     | \$        | 208,763             |
|  |  |           | <b>\$ 716,474</b>   |
|  |  |           | <b>\$ 8,101,016</b> |

Table 2 – Total Actual Revenue – By Project – 1 July 2022 to 30 June 2023

Of the funds received, 76% were projected as Aid-in-Kind, while 15% were not projected. The remaining 9% were correctly projected and classified on the “Development Fund Annual Projections FY 2022-23”.

## Deposit Classification as a % of Total Actual Revenue 1 July 22 to 30 June 23

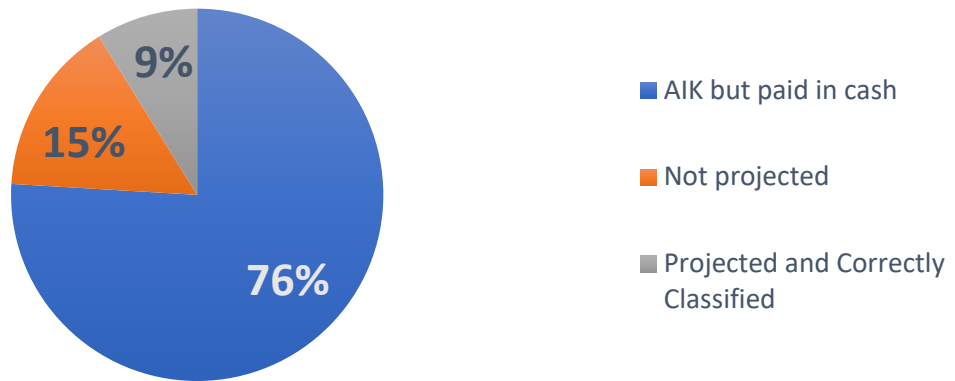


Chart 2 – Deposit Classifications

Going forward, donors are urged to ensure that their development funding plans include as much detail of proposed donations as possible, so that Development Fund projections can accurately reflect the proposed funding arrangements. Line departments must also have accurate information to budget correctly and allocate their resources to donor-funded programs. For instance, Australia's support was projected as Aid-in-Kind, but eventually (paid) received as Cash Deposits.

## DONOR ANALYSIS

In terms of Donor support, Australia became the largest source of revenue, followed by NORI and the UN. It must be emphasized that the listing below does not consider aid-in-kind or budget support, and thus does not reflect total support from donors. Some donors, such as the Asian Development Bank, contribute significantly to Nauru through in-kind infrastructure support, or through technical assistance, as is the case for Australia, and agriculture for Taiwan which is not included in these figures.

| Donor                   | Projected Cash Funds | Actual Revenue      | % of Total Actual Revenue |
|-------------------------|----------------------|---------------------|---------------------------|
| Australia               | \$ -                 | \$ 5,738,115        | 71%                       |
| NORI                    | \$ -                 | \$ 941,158          | 12%                       |
| UN - Outcome 1          | \$ 2,103,815         | \$ 507,711          | 6%                        |
| New Zealand             | \$ -                 | \$ 263,317          | 3%                        |
| India                   | \$ -                 | \$ 210,351          | 3%                        |
| Japan                   | \$ 125,000           | \$ 208,763          | 3%                        |
| ADB                     | \$ -                 | \$ 150,000          | 2%                        |
| Fred Hollows Foundation | \$ -                 | \$ 62,800           | 1%                        |
| Global Fund             | \$ -                 | \$ 18,801           | 0.2%                      |
| Taiwan                  | \$ -                 | \$ -                | 0%                        |
| UN - Outcome 2          | \$ 167,012           | \$ -                | 0%                        |
| UN - Outcome 3          | \$ 74,727            | \$ -                | 0%                        |
| UN - Outcome 4          | \$ 577,262           | \$ -                | 0%                        |
| UN - Outcome 5          | \$ 1,830,783         | \$ -                | 0%                        |
| UN - Outcome 6          | \$ 196,876           | \$ -                | 0%                        |
|                         |                      | <b>\$ 8,101,016</b> | <b>100%</b>               |

Table 4 – Total Actual Revenue – By Donor – 1 July 2022 to 30 June 2023

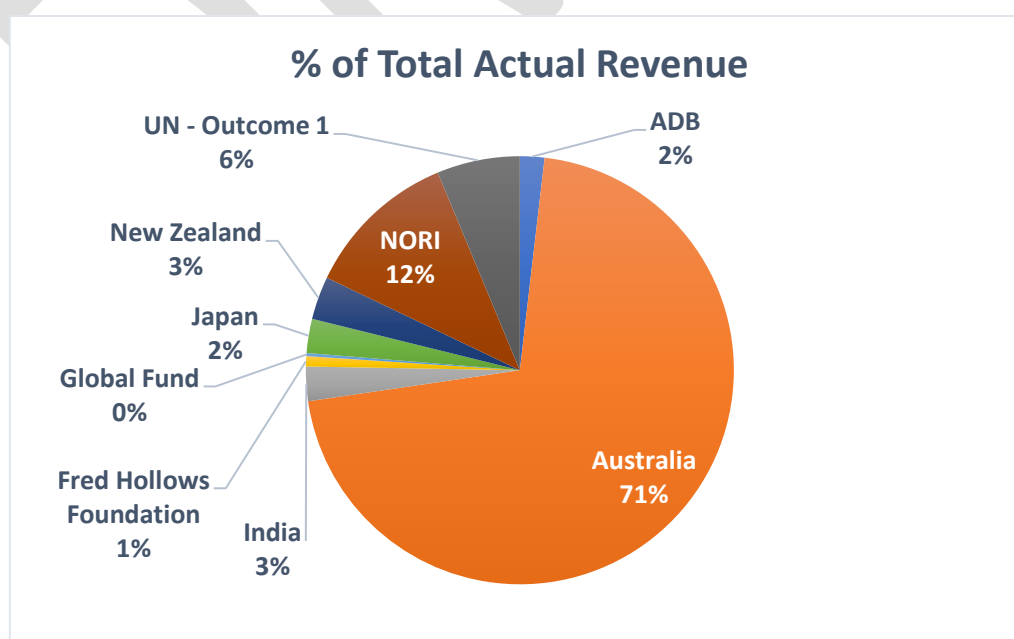


Chart 5 – % Total Actual Revenue – By Donor – 1 July 2022 to 30 June 2023

## EXPENDITURE

On the expenditure side, the total actual expenditure of \$6.1m has also surpassed the projected expenditure of \$5.1m as shown in Chart 3 below:

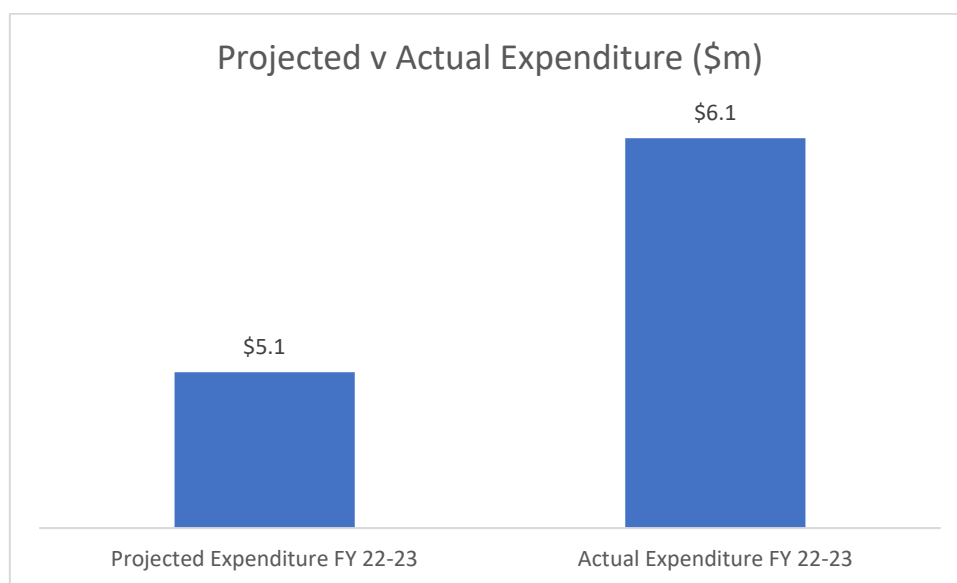


Chart 3 – Projected v Actual Expenditure

| <b>Total Expenditure</b>                          | <b>Projected</b>    | <b>Actual</b>       |
|---|---------------------|---------------------|
| <b>Economic</b>                                   | \$ -                | \$ 1,143,290        |
| <b>Social</b>                                     | \$ 125,000          | \$ 3,640,215        |
| <b>Infrastructure</b>                             | \$ 1,438,435        | \$ 861,334          |
| <b>Cross-Cutting</b>                              | \$ 636,395          | \$ 444,436          |
| Subtotal  | <b>\$ 2,199,830</b> | <b>\$ 6,089,276</b> |
| <b><i>Projected but Not Spent This Period</i></b> |                     |                     |
| Subtotal  | <b>\$ 2,875,646</b> | \$ -                |
| <b>Grand-Total</b>                                | <b>\$ 5,075,476</b> | <b>\$ 6,089,276</b> |

Table 3 – Projected v Actual Expenditure

Actual expenditure for the 12-month period from 1 July 2022 to 30 June 2023 is \$6.1m, closing-in on the annual projection of \$5.1m. However, this is largely a result of line departments spending funds brought forward to utilise underspends from previous financial years, particularly in the:

- Economic sector and Cross Cutting sectors – all projects
- Social sector – Australia funded Health and Education programs, Taiwan funded COVID recovery program and UN WHO NCD and Immunisation programs
- Infrastructure sector – Australian funded Digital Project, New Zealand funded renewable energy and training program, Taiwan funded Fiber Optics connectivity project and the UN funded waste management project.

Starting from the FY 21-22 Annual Development Fund report, it was noted the significant impact of the COVID-19 pandemic on securing technical assistance and resources. This was particularly the case for the Australian funded education program and 2021 Digital project. As the travel restrictions

and lockdowns are uplifted, the arrival of technical assistants has slowly resumed for the different departments, and will help improve project spending.

Sourcing and resourcing challenges in Government organisations have hindered spending progress in previous years. As we negotiate for extension of current or adopt new programs with donors, the capacity, consistency and responsiveness of Nauruan organisations to support activities must be considered and addressed, to ensure development funds can be fully expended.

#### ACTUAL EXPENDITURE BY NSDS SECTOR

Chart 4 illustrates that in FY 22-23, spending in the Social Sector accounted for 60% of all development fund expenditure; 19% directed to the Economic Sector and 14% to the Infrastructure Sector while only 7% to the Cross-Cutting sector.

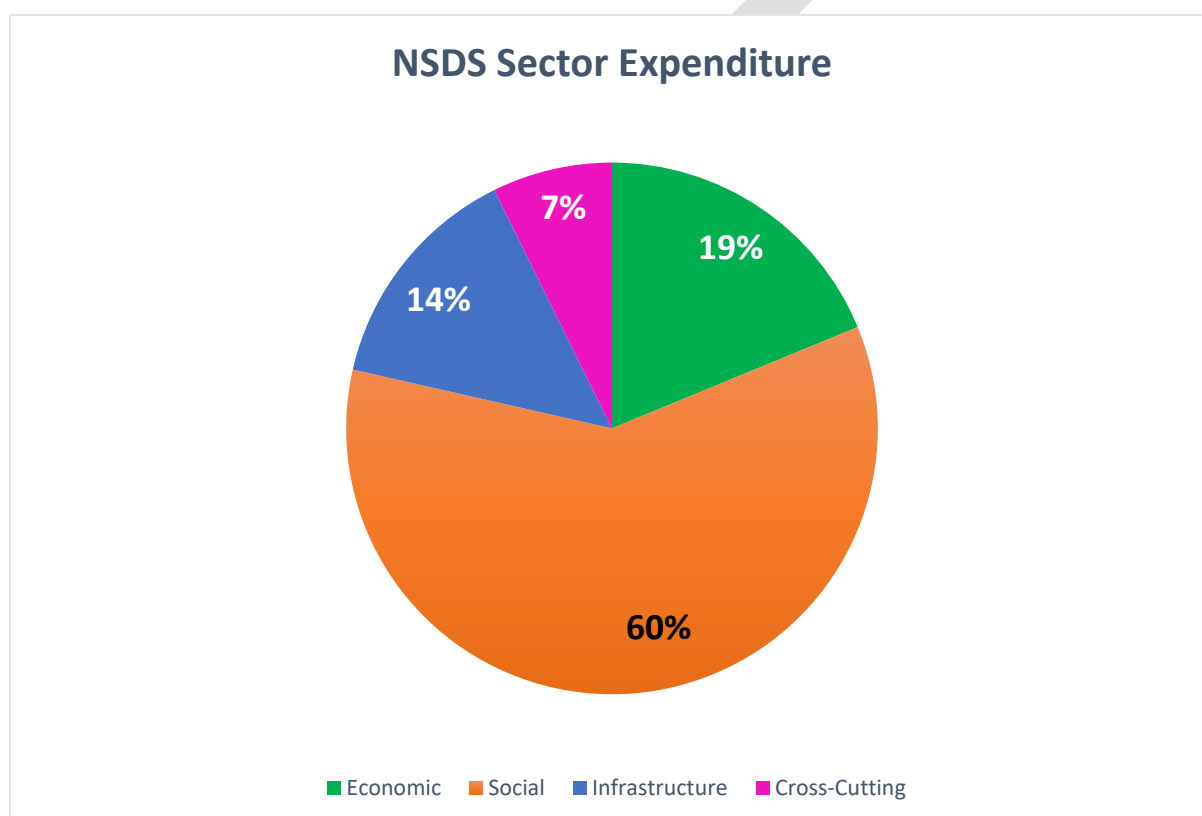


Chart 4 – Expenditure by NSDS sector

### PART III: DEVELOPMENT FUND PROJECT PERFORMANCE

In accordance with the requirements of the *Development Fund Act 2011*, projected revenue and expenditure is contrasted with actual revenue and expenditure for each project and Donor.

#### Economic Sector

| NSDS KPI   | Project Code | Project Name                   | Source of Revenue | Opening Balance 01/07/22 | Projected Revenue FY 22/23 | Actual Revenue YTD | Variance | Projected Expenditure FY 22/23 | Actual Expenditure YTD | Variance  | % of Actual Funds Spent |
|--|--------------|--------------------------------|-------------------|--------------------------|----------------------------|--------------------|----------|--------------------------------|------------------------|-----------|-------------------------|
| <b>Econ Goal 3- Enhance development and sustainable management of marine and fisheries resources to provide sustainable economic returns</b>   |              |                                |                   |                          |                            |                    |          |                                |                        |           |                         |
| -  | 38001        | Flag State Enhancement Project | RFMO              | \$29,021                 | \$0                        | \$0                | \$0      | \$0                            | \$9,720                | -\$9,720  | 33%                     |
| <b>Reason for variance:</b> Payment for Consultants travel   |              |                                |                   |                          |                            |                    |          |                                |                        |           |                         |
| <b>Implementation Update:</b> Implementation was slow due to COVID pandemic, however now that borders are open, Consultations and training to enhance Flag State Officer skills is well underway. Consultations for 2023-2024 are in place during bilateral meetings, scientific committee meetings, management options consultant, technical compliance committee meetings and other regional fisheries workshops/training offered from time to time. |              |                                |                   |                          |                            |                    |          |                                |                        |           |                         |
|  | 38007        | US Treaty Consultation         | RFMO              | \$54,307                 | \$0                        | \$0                | \$0      | \$0                            | \$24,110               | -\$24,110 | 44%                     |
| <b>Reason for variance:</b> Entertainment and Official celebration withdrawals for NFMRA 25th Anniversary celebration  |              |                                |                   |                          |                            |                    |          |                                |                        |           |                         |
| <b>Implementation Update:</b> US Treaty Consultation was cancelled due to COVID pandemic and travel restrictions. NFMRA 25th Anniversary has ended therefore funds will be utilised for upcoming US Treaty meetings and Forum Fisheries Committee meeting hosted by NFMRA in May 2024.   |              |                                |                   |                          |                            |                    |          |                                |                        |           |                         |

|    |       |                |                     |             |     |     |     |     |           |            |     |
|----|-------|----------------|---------------------|-------------|-----|-----|-----|-----|-----------|------------|-----|
| 3a | 44001 | NFMRA JV Funds | NFMRA Joint Venture | \$1,527,661 | \$0 | \$0 | \$0 | \$0 | \$579,717 | -\$579,717 | 38% |
|----|-------|----------------|---------------------|-------------|-----|-----|-----|-----|-----------|------------|-----|

**Reason for variance:** Payment of 2nd instalment to Ocean Construction for construction of new conference and training room

**Implementation Update:** Ongoing construction of Conference and Training room by Ocean Construction, to complete by March 2024  
Coastal Offices is on hold as the Construction company Manager is off island and will continue the project when on island

**Econ Goal 4- Efficient and effective use of mining and quarrying resources for economic and rehabilitation purpose economy**

|   |       |   |      |           |     |           |            |     |           |            |     |
|---|-------|---|------|-----------|-----|-----------|------------|-----|-----------|------------|-----|
| - | 43000 | NORI Funds - Annual Administration Payments | NORI | \$529,855 | \$0 | \$941,158 | -\$941,158 | \$0 | \$529,743 | -\$529,743 | 36% |
|---|-------|---|------|-----------|-----|-----------|------------|-----|-----------|------------|-----|

**Reason for variance:** There is no staff training undertaken during this financial year. Majority of the expended funds are on administration, consultant and legal fees while other portions cover the business travels and meetings, and other operation costs.

**Implementation Update:** (No Data Received)

|              |  |  |  |                    |            |                  |                   |            |                    |                     |            |
|--------------|--|--|--|--------------------|------------|------------------|-------------------|------------|--------------------|---------------------|------------|
| <b>TOTAL</b> |  |  |  | <b>\$2,140,844</b> | <b>\$0</b> | <b>\$941,158</b> | <b>-\$941,158</b> | <b>\$0</b> | <b>\$1,143,290</b> | <b>-\$1,143,290</b> | <b>37%</b> |
|--------------|--|--|--|--------------------|------------|------------------|-------------------|------------|--------------------|---------------------|------------|

## Social and Community Sectors

| NSDS KPI  | Project Code             | Project Name   | Source of Revenue | Opening Balance 01/07/22 | Projected Revenue FY 22/23 | Actual Revenue YTD | Variance            | Projected Expenditure FY 22/23 | Actual Expenditure YTD | Variance            | % of Actual Funds Spent |
|---|--------------------------|--|-------------------|--------------------------|----------------------------|--------------------|---------------------|--------------------------------|------------------------|---------------------|-------------------------|
| <b>Social Goal 1: Improve the quality and broaden the scope and reach of education</b>  |                          |  |                   |                          |                            |                    |                     |                                |                        |                     |                         |
|   | <b>Education Support</b> |  | <b>Australia</b>  | <b>\$1,258,415</b>       | <b>\$0</b>                 | <b>\$2,238,115</b> | <b>-\$2,238,115</b> | <b>\$0</b>                     | <b>\$1,547,267</b>     | <b>-\$1,547,267</b> | <b>44%</b>              |
| 8b(i)   | 02306                    | Sustainable and high quality workforce to meet future    | Australia         | \$327,132                | \$0                        | \$789,199          | -\$789,199          | \$0                            | \$570,732              | -\$570,732          | 51%                     |
| 8b(v)   | 02307                    | Improving quality and access to early years, Primary and | Australia         | \$317,423                | \$0                        | \$852,415          | -\$852,415          | \$0                            | \$809,778              | -\$809,778          | 69%                     |
| 8b(iv), 8b(vi)  | 02308                    | Improved learning outcomes for all students              | Australia         | \$275,000                | \$0                        | \$0                | \$0                 | \$0                            | \$92,440               | -\$92,440           | 34%                     |
| 8b(i)   | 02309                    | Create a proactive and continually improving education   | Australia         | \$338,860                | \$0                        | \$596,501          | -\$596,501          | \$0                            | \$74,317               | -\$74,317           | 8%                      |
| <p><b>Reason for variance:</b><br/>                     02306 is focused on Staff Training via Nauru USP, TVET – TAFE and UNE;<br/>                     02307 was expended majorly on reimbursements for Scholarships;<br/>                     02308 funds were used on Renovations &amp; Maintenance of Building such as classroom tiling;<br/>                     02309 is a project is assigned for Renumerations and Consultations.</p> |                          |  |                   |                          |                            |                    |                     |                                |                        |                     |                         |



**Implementation Update:** These projects are dependent on the expiration/deadlines of each.

**Social Goal 2: A Healthy and Productive Population**

|        |       |                            |        |         |     |     |     |     |         |          |      |
|--------|-------|----------------------------|--------|---------|-----|-----|-----|-----|---------|----------|------|
| 9a(ii) | 01510 | TAIWAN COVID-19 Assistance | Taiwan | \$3,381 | \$0 | \$0 | \$0 | \$0 | \$3,380 | -\$3,380 | 100% |
|--------|-------|----------------------------|--------|---------|-----|-----|-----|-----|---------|----------|------|

**Reason for variance:** This has been used in assisting in logistics and forwarding charges during the pandemic.

**Implementation Update:** (No Data Received)

|        |                       |                    |                  |                    |            |                    |                     |            |                    |                     |            |
|--------|-----------------------|--------------------|------------------|--------------------|------------|--------------------|---------------------|------------|--------------------|---------------------|------------|
|        | <b>Health Support</b> |                    | <b>Australia</b> | <b>\$1,788,024</b> | <b>\$0</b> | <b>\$3,500,000</b> | <b>-\$3,500,000</b> | <b>\$0</b> | <b>\$1,960,260</b> | <b>-\$1,960,260</b> | <b>37%</b> |
| 9a(ii) | 02526                 | Acute Ward Fit Out | Australia        | \$569,303          | \$0        | \$0                | \$0                 | \$0        | \$452,072          | -\$452,072          | 79%        |

**Reason for variance:** Utilising unspent funds from previous financial year.

**Implementation Update:** All R&M building works have been completed and all medical consumables procured and distributed. The remaining funds are programmed for ongoing training in critical care and for medical equipment for the second operating theatre.

|        |       |                                    |           |             |     |             |              |     |             |              |     |
|--------|-------|------------------------------------|-----------|-------------|-----|-------------|--------------|-----|-------------|--------------|-----|
| 9a(ii) | 02510 | Australia COVID-19 Assistance Fund | Australia | \$1,218,721 | \$0 | \$3,500,000 | -\$3,500,000 | \$0 | \$1,508,188 | -\$1,508,188 | 32% |
|--------|-------|------------------------------------|-----------|-------------|-----|-------------|--------------|-----|-------------|--------------|-----|

**Reason for variance:** The funds were expended in support of the shipment delays, freight charges and test kits and taskforce in the midst of the pandemic outbreak

**Implementation Update:** This project dependent on the DFA outlines and deadlines. This will be utilised in the recovery plans of the pandemic in Nauru.

|       |       |                           |                         |         |     |          |           |     |          |           |     |
|-------|-------|---------------------------|-------------------------|---------|-----|----------|-----------|-----|----------|-----------|-----|
| 9a(i) | 13001 | Trachoma research project | Fred Hollows Foundation | \$3,094 | \$0 | \$62,800 | -\$62,800 | \$0 | \$58,032 | -\$58,032 | 88% |
|-------|-------|---------------------------|-------------------------|---------|-----|----------|-----------|-----|----------|-----------|-----|

**Reason for variance:** Spending funds which were received in current and previous financial year.

**Implementation Update:** This is an ongoing project. There have been some delays with the utilisation of the funds however activities have been rescheduled to meet and complete the objectives of the project.

|        |  |                     |                 |                |            |                 |                  |            |                 |                  |            |
|--------|--|---------------------|-----------------|----------------|------------|-----------------|------------------|------------|-----------------|------------------|------------|
|        | <b>UNDP –Multi-Country Western Pacific Integrated HIV/TB programme (2020-21)</b> |                     | <b>UN</b>       | <b>\$7,225</b> | <b>\$0</b> | <b>\$18,801</b> | <b>-\$18,801</b> | <b>\$0</b> | <b>\$22,133</b> | <b>-\$22,133</b> | <b>85%</b> |
| 9a(ii) | 25002  | HIV/STI (2021-2023) | The Global Fund | \$7,225        | \$0        | \$18,801        | -\$18,801        | \$0        | \$22,133        | -\$22,133        | 85%        |

**Reason for variance:** Spending funds which were received in previous financial year.

**Implementation Update:** This is an ongoing project and deliverables are as per agreed work plan and will be completed at the end of 2023. Quarterly acquittals and reports are being submitted to UNDP.

|       |  |                             |              |                 |            |            |            |            |                 |                  |             |
|-------|--|-----------------------------|--------------|-----------------|------------|------------|------------|------------|-----------------|------------------|-------------|
|       | <b>WHO –Strengthening Health System and Public Health Programs Communicable Disease, NCD, and Environmental Health</b> |                             | <b>UNWHO</b> | <b>\$23,241</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$23,130</b> | <b>-\$23,130</b> | <b>100%</b> |
| 9a(i) | 37006  | NCD Management activities   | WHO          | \$10,117        | \$0        | \$0        | \$0        | \$0        | \$10,100        | -\$10,100        | 100%        |
| 9a(i) | 37010  | NCD Multisectoral Taskforce | WHO          | \$13,124        | \$0        | \$0        | \$0        | \$0        | \$13,030        | -\$13,030        | 99%         |

**Reason for variance:** Spending funds which were received in previous financial year.

**Implementation Update:** Activities under this project (codes 37006 & 37010) have all been completed and respective project reports have been submitted to WHO.

**Social Goal 4: A cultural, socio-inclusive, cohesive and self-reliant community with sustainable livelihoods (needs to go to Econ goal 3)**

|  |   |                                      |       |     |           |           |            |           |     |     |    |
|--|---|--------------------------------------|-------|-----|-----------|-----------|------------|-----------|-----|-----|----|
|  | <b>Grassroots Grant Program (GGP) for Human Security Projects</b> |                                      | Japan | -   | \$125,000 | \$208,763 | -\$83,763  | \$125,000 | \$0 | \$0 | -  |
|  | 10010   | GGP Crane Truck Procurement To NFMRA | Japan | \$0 | \$0       | \$208,763 | -\$208,763 | \$0       | \$0 | \$0 | 0% |

**Reason for variance:** Full payment of crane truck purchased with Niranjana Auto Company in Fiji

**Implementation Update:** Crane truck to be shipped to Nauru arranged by Niranjana company with the support of Japan Embassy in Suva, Fiji

**Social Goal 7: A robust, vibrant and effective civil society for a just and peaceful Nauru**

|                    |       |                                   |    |          |     |     |     |     |          |           |      |
|--------------------|-------|-----------------------------------|----|----------|-----|-----|-----|-----|----------|-----------|------|
| 9a(ii),<br>9a(iii) | 33003 | Expanded Program on Immunisations | UN | \$26,013 | \$0 | \$0 | \$0 | \$0 | \$26,013 | -\$26,013 | 100% |
|--------------------|-------|-----------------------------------|----|----------|-----|-----|-----|-----|----------|-----------|------|

**Reason for variance:** Spending funds which were received in previous financial year.

**Implementation Update:** This project has been completed and reports submitted to UNICEF

|              |  |  |  |             |           |             |              |           |             |              |     |
|--------------|--|--|--|-------------|-----------|-------------|--------------|-----------|-------------|--------------|-----|
| <b>TOTAL</b> |  |  |  | \$3,109,393 | \$125,000 | \$6,028,479 | -\$5,903,479 | \$125,000 | \$3,640,215 | -\$3,640,215 | 40% |
|--------------|--|--|--|-------------|-----------|-------------|--------------|-----------|-------------|--------------|-----|

## Infrastructure Sector

| NSDS KPI  | Project Code                             | Project Name                 | Source of Revenue  | Opening Balance  | Projected Revenue FY 22/23 | Actual Revenue YTD | Variance          | Projected Expenditure FY 23/23 | Actual Expenditure YTD | Variance          | % of Actual Funds Spent |
|---|--|------------------------------|--------------------|------------------|----------------------------|--------------------|-------------------|--------------------------------|------------------------|-------------------|-------------------------|
| <b>Infra Goal 1: Provide a reliable, affordable, secure and sustainable energy supply to meet socio-economic development needs</b>                                |  |                              |                    |                  |                            |                    |                   |                                |                        |                   |                         |
| 15d(i)  | 03701                                    | Renewable energy & Training  | New Zealand        | \$229,596        | \$0                        | \$0                | \$0               | \$0                            | \$10,834               | -\$10,834         | 5%                      |
| <b>Reason for variance:</b> Spending funds which were received in previous financial year.  |  |                              |                    |                  |                            |                    |                   |                                |                        |                   |                         |
| <b>Implementation Update:</b> This has been used in funding the training of staff member, business travels and DSA's.   |  |                              |                    |                  |                            |                    |                   |                                |                        |                   |                         |
|   | <b>Nauru Renewable energy initiative</b> |                              | <b>New Zealand</b> | <b>\$103,608</b> | <b>\$0</b>                 | <b>\$263,317</b>   | <b>-\$263,317</b> | <b>\$0</b>                     | <b>\$298,019</b>       | <b>-\$298,019</b> | <b>81%</b>              |
| 15d(iii)  | 03703                                    | NEEDS Implementation Project | New Zealand        | \$103,608        | \$0                        | \$263,317          | -\$263,317        | \$0                            | \$298,019              | -\$298,019        | 81%                     |
| <b>Reason for variance:</b> Spending funds which were received in current and previous financial year.  |  |                              |                    |                  |                            |                    |                   |                                |                        |                   |                         |
| <b>Implementation Update:</b> This project funds were expended on the salaries of staffs, consultant fees and awareness activities in-line with the NEEDS agenda. |  |                              |                    |                  |                            |                    |                   |                                |                        |                   |                         |

|          |       |   |    |           |             |           |             |             |           |             |     |
|----------|-------|---|----|-----------|-------------|-----------|-------------|-------------|-----------|-------------|-----|
| 15d(iii) | 06005 | UNDP –Supporting Mainstreamed Achievement of Roadmap Targets on Energy in Nauru (SMARTEN) | UN | \$184,390 | \$1,438,435 | \$208,311 | \$1,230,124 | \$1,438,435 | \$379,507 | \$1,058,928 | 97% |
|----------|-------|---|----|-----------|-------------|-----------|-------------|-------------|-----------|-------------|-----|

**Reason for variance:** Spending funds which were received in current and previous financial year.

**Implementation Update:** The funds for this project were allocated towards the salaries of staffs, consultant fees and activities that are in-line with the SMARTEN.

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

|  |       |             |     |     |     |           |            |     |          |           |     |
|--|-------|-------------|-----|-----|-----|-----------|------------|-----|----------|-----------|-----|
| 17b(i),<br>17c(i),<br>17c(ii),<br>17d(i) | 16905 | NSUDP's PMU | ADB | \$0 | \$0 | \$150,000 | -\$150,000 | \$0 | \$98,720 | -\$98,720 | 66% |
|--|-------|-------------|-----|-----|-----|-----------|------------|-----|----------|-----------|-----|

**Reason for variance:** Spending funds which were received in current financial year.

**Implementation Update:** The funds were put to use on activities such as Consultants Fees, Office Rentals or Plant & Equipment.

|        |       |  |    |          |     |     |     |     |          |           |     |
|--------|-------|--|----|----------|-----|-----|-----|-----|----------|-----------|-----|
| 17d(i) | 34008 | Integrated Chemical and Waste Management | UN | \$81,457 | \$0 | \$0 | \$0 | \$0 | \$16,698 | -\$16,698 | 20% |
|--------|-------|--|----|----------|-----|-----|-----|-----|----------|-----------|-----|

**Reason for variance:** Spending funds which were received in previous financial year.

**Implementation Update:** This has mostly been spent on Salaries and Telephones/Internet.

|  |       |  |        |          |     |     |     |     |         |          |     |
|--|-------|--|--------|----------|-----|-----|-----|-----|---------|----------|-----|
|  | 18002 | Improving Environmental Sustainability in Piloting a Waste | Canada | \$17,877 | \$0 | \$0 | \$0 | \$0 | \$3,000 | -\$3,000 | 17% |
|--|-------|--|--------|----------|-----|-----|-----|-----|---------|----------|-----|

**Reason for variance:** Spending funds which were received in previous financial year.

**Implementation Update:** The funds spent on the project 18002 was allocated on creating/providing Information and Awareness for the Public

**Infra Goal 5: Provide universal and reliable access to internationally competitive communication services and an independent and commercially viable media**

|        |       |   |        |          |     |     |     |     |          |           |     |
|--------|-------|---|--------|----------|-----|-----|-----|-----|----------|-----------|-----|
| 19a(i) | 01004 | Fiber Optics Local Connectivity Project | Taiwan | \$94,500 | \$0 | \$0 | \$0 | \$0 | \$36,496 | -\$36,496 | 39% |
|--------|-------|---|--------|----------|-----|-----|-----|-----|----------|-----------|-----|

**Reason for variance:** Spending funds which were received in previous financial year.

**Implementation Update:** The Fibre Optic Connectivity Project funds were used on Transports, Business Travel and purchase of Equipment.

|          |       |                      |           |          |     |     |     |     |          |           |     |
|----------|-------|----------------------|-----------|----------|-----|-----|-----|-----|----------|-----------|-----|
| 19a(iii) | 02737 | 2021 Digital Project | Australia | \$22,911 | \$0 | \$0 | \$0 | \$0 | \$18,060 | -\$18,060 | 79% |
|----------|-------|----------------------|-----------|----------|-----|-----|-----|-----|----------|-----------|-----|

**Reason for variance:** Spending funds which were received in previous financial year.

**Implementation Update:** This project has been used to cover Consultant Fees, Accommodations, and Plant & Equipment

|              |  |  |  |                  |                    |                  |                  |                    |                  |                  |            |
|--------------|--|--|--|------------------|--------------------|------------------|------------------|--------------------|------------------|------------------|------------|
| <b>TOTAL</b> |  |  |  | <b>\$734,339</b> | <b>\$1,438,435</b> | <b>\$621,628</b> | <b>\$816,807</b> | <b>\$1,438,435</b> | <b>\$861,334</b> | <b>\$577,101</b> | <b>64%</b> |
|--------------|--|--|--|------------------|--------------------|------------------|------------------|--------------------|------------------|------------------|------------|

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## Cross-Cutting Sectors

| NSDS KPI   | Project Code | Project Name                 | Source of Revenue | Opening Balance | Projected Revenue FY 22/23 | Actual Revenue YTD | Variance   | Projected Expenditure FY 22/23 | Actual Expenditure YTD | Variance   | % of Actual Funds Spent |
|--|--------------|------------------------------|-------------------|-----------------|----------------------------|--------------------|------------|--------------------------------|------------------------|------------|-------------------------|
| <b>Cross Goal 1: Strengthen and develop the institutional capacity of the Nauru Public Service</b>   |              |                              |                   |                 |                            |                    |            |                                |                        |            |                         |
|  | 19003        | India High Commission Office | India             | \$96,620        | \$0                        | \$210,351          | -\$210,351 | \$0                            | \$240,063              | -\$240,063 | 78%                     |
| <b>Reason for variance:</b> This is a the existing and new funding for the Nauru Commission in India   |              |                              |                   |                 |                            |                    |            |                                |                        |            |                         |
| <b>Implementation Update:</b> Funds allocated to Nauru Mission (in India) were used for the intended purpose of Operation Costs such as Salaries, Consultant Fees, Business Travels, House and Office Rentals. |              |                              |                   |                 |                            |                    |            |                                |                        |            |                         |
| <b>Cross Goal 4: Sustainable use and management of the environment and natural resources for present and future generations</b>  |              |                              |                   |                 |                            |                    |            |                                |                        |            |                         |
| 24a(i), 17d(i)   | 05008        | Integrated Water Management  | SPC               | \$30,801        | \$0                        | \$0                | \$0        | \$0                            | \$30,801               | -\$30,801  | 100%                    |
| <b>Reason for variance:</b> Spending funds which were received in previous financial year.   |              |                              |                   |                 |                            |                    |            |                                |                        |            |                         |
| <b>Implementation Update:</b> Funds for the Int. Water Management were spent on Salaries & Consultant Fees, Printing & Stationaries and purchase of Equipment.   |              |                              |                   |                 |                            |                    |            |                                |                        |            |                         |



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|   |       |   |      |          |     |     |     |     |          |           |     |
|---|-------|---|------|----------|-----|-----|-----|-----|----------|-----------|-----|
| - | 34009 | Ozone Depleting Substances Inst. Strength 6 | UNEP | \$62,922 | \$0 | \$0 | \$0 | \$0 | \$39,799 | -\$39,799 | 63% |
|---|-------|---|------|----------|-----|-----|-----|-----|----------|-----------|-----|

**Reason for variance:** Spending funds which were received in previous financial year.

**Implementation Update:** Funds for the project were spent mostly on Business Travels, Official Celebrations and Local Travels.

|   |       |  |      |     |           |           |           |           |           |           |     |
|---|-------|--|------|-----|-----------|-----------|-----------|-----------|-----------|-----------|-----|
| - | 34010 | GEF7 Land Restoration Biodiversity Project | UNEP | \$0 | \$636,395 | \$299,400 | \$336,995 | \$636,395 | \$121,036 | \$515,359 | 40% |
|---|-------|--|------|-----|-----------|-----------|-----------|-----------|-----------|-----------|-----|

**Reason for variance:** Spending funds which were received in current financial year.

**Implementation Update:** Funds allocated were used for the intended purpose of Operation Costs such as Salaries, Consultant Fees, Travels, House and Office Rentals.

**Cross Goal 5: Build up resilience to combat the effects of climate change and natural disasters**

|                   |       |  |     |         |     |          |           |     |          |           |     |
|-------------------|-------|--|-----|---------|-----|----------|-----------|-----|----------|-----------|-----|
| 24a(ii), 16d(iii) | 05009 | Global Climate Change Alliance Plus Scaling up Pacific Adaptation (GCCA+ SUPA) | SPC | \$2,492 | \$0 | \$11,534 | -\$11,534 | \$0 | \$12,737 | -\$12,737 | 91% |
|-------------------|-------|--|-----|---------|-----|----------|-----------|-----|----------|-----------|-----|

**Reason for variance:** Spending funds which were received in previous and current financial year.

**Implementation Update:** This project has been spent on Salaries and Telephone/Internet and Salaries.

|       |           |           |           |           |           |           |           |     |
|-------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----|
| TOTAL | \$192,835 | \$636,395 | \$521,285 | \$115,070 | \$636,395 | \$444,436 | \$192,323 | 62% |
|-------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----|

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## PART IV: AID-IN-KIND SUPPORT SUMMARY

There has been growing interest in the progress of Aid-In-Kind support.

Aid-in-Kind support is provided in the form of advisors, specialists, materials and/or equipment. This support to Nauru is captured in the *Development Fund Annual Projections 2022-2023*.

For FY 22-23, \$61.6m in Aid-in-Kind support was expected, less the misclassified \$6.2m deposit.

Requests to donor partners for updates only yielded one response, from Japan.

|                              | \$ | \$   |
|------------------------------|----|------|
| <b>Japan</b>                 |    | 1.3m |
| - Central monitor (1 unit)   | -  |      |
| - Bedside monitor (13 units) | -  |      |
| - ICU bed (10 units)         | -  |      |

Table 5 - In-Kind Support 1 July 2022 – 30 June 2023

The challenge in retrieving information on this type of assistance is the determining the book value of each compared to the projected value of the support/program. For instance, Japan, under the ESDP, provides assistance for medical equipment approximating \$1.3m in value; however, the value of equipment expected in late 2022 are undetermined.

As the IMF have expressed interest in tracking Aid-in-Kind support to Nauru, donors are urged to support Nauru's efforts to report on Aid-in-Kind support, going forward.