



REPUBLIC OF NAURU

2025-26 BUDGET

BUDGET PAPER NO 2

CIRCULATED BY

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MINISTER FOR FINANCE

THE REPUBLIC OF NAURU

ON THE OCCASION OF THE BUDGET 2025-26

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PART 1 - ECONOMIC OUTLOOK

This budget paper provides in detail on the economic outlook, economic statistics, Public Enterprises (PEs) and the National Sustainable Development Strategy (NSDS).

Economic Outlook

The Treasury uses the IMF World Economic Outlook to inform its forecasts of economic activity. Economic activity has been slowing between 2021 and 2024. It is expected to pick up again during 2024 and 2025 as the expansion of operations at the RPC filters through to the wider economy.

TABLE 1.2: KEY ECONOMIC INDICATORS

Item	2022-23	2023-24	2024-25	2025-26
Real GDP Growth (per cent change)	1.8%	1.2%	1.9%	1.8%
Nominal GDP (A\$ million)	231	239	254	262
Consumer Prices (period average, per cent change)	3.0%	8.2%	9.5%	5.8%

(Source: IMF World Economic Outlook April 2025)

Global Prospects

According to the latest IMF World Economic Outlook (April 2025¹), The baseline forecast for global growth is for continued growth at 3.0 percent for 2025 and 3.1 percent in 2026.

Global headline inflation is expected to fall to 4.2 percent in 2025 and 3.6 percent in 2026. The overall picture hides notable cross-country differences, with forecasts predicting inflation will remain above target in the United States and be more subdued in other large economies. Nauru's inflation belatedly increased in 2024-25 to a ten year high of 9.5% but is projected to decline to 5.8% in 2025-26 and continue falling towards the rate in Australia (3.5%) from where much of the core inflation is imported.

The IMF has acknowledged Nauru's success in securing new revenue and stressed that future sustainability will largely depend on how well the country manages the inherent risks. The Fund concurs with Government that long term prosperity depends on diversifying the economy and overcoming climate related challenges and vulnerabilities. The identification of Nauru as one of the most vulnerable countries in the UN Multidimensional Vulnerability Index brings into sharp focus the scale of the challenges ahead. Nauru is marked out by the structural nature of its vulnerabilities which are largely unrelated to policy or governance issues. Growth will require supportive policies to accelerate investment in human capital and infrastructure, and efforts to improve the business environment.

The new revenues are expected to have a positive effect on Gross Domestic Product (GDP) growth, although this may take time to be reflected in the official figures. The economy is expected to grow by 1.9% in 2024-25 and by 1.8% in 2025-26. However, there are strong indications that growth will exceed these targets as the new revenues and expenditure policies come into force in the months and years ahead.

The economic outlook looks promising with the new revenues and activity generated by the expanded RPC activity, the Third-Party Resettlement Programme (TPRP), the Citizenship by Investment Programme (CIP), the arrival of the undersea fibre-optic internet cable, the full operationalisation of the new climate resilient port, the commissioning of the solar farm electricity generation capacity, and the growing support of our closest development partners. Global uncertainties remain around still-high commodity prices, the vicissitudes of US tariff policy, and persistently higher than normal inflation. However, Nauru stands to benefit from high phosphate commodity prices and other changes are moving in a generally positive direction for Nauru.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>

PART 2 - ECONOMIC STATISTICS

This section provides more detail on economic statistics and it highlights the following:

- National accounts
- Consumer prices
- Trade Statistics
- Labour Force statistics.

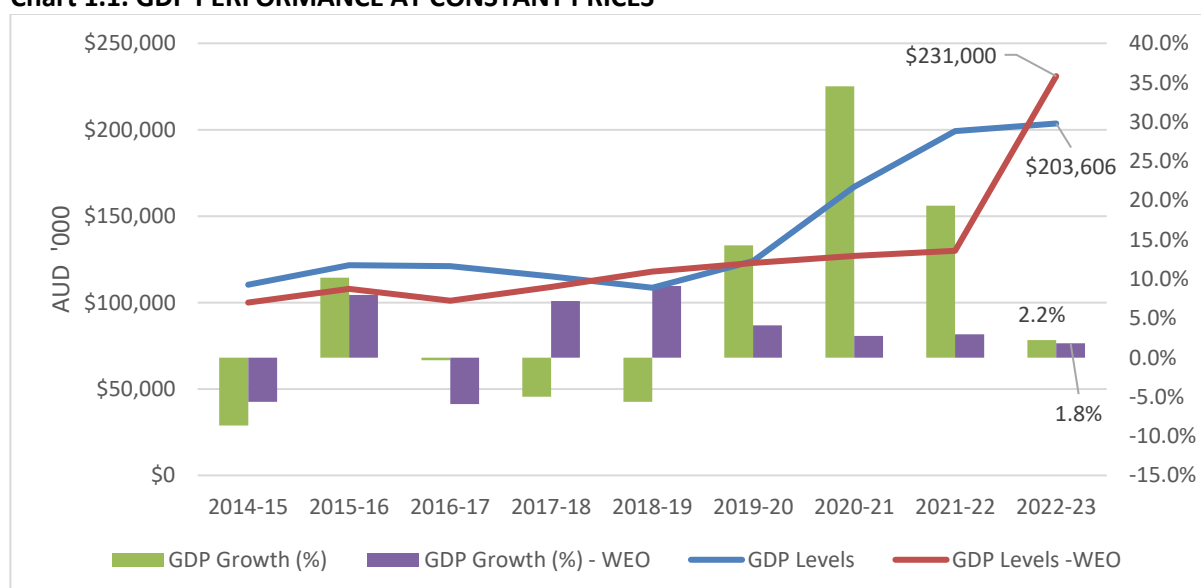
Nauru became a full member of the International Monetary Fund (IMF) in April 2016, making it the 189th member country. Membership in the IMF enhances Nauru's economic management by improving the collection of macroeconomic data. This data is gathered during the annual IMF Article IV missions to Nauru. The statistical data requirements primarily pertain to economic statistics, which include a System of National Accounts (SNA) for calculating Gross Domestic Product (GDP), the Consumer Price Index (CPI), International Merchandise Trade Statistics (IMTS), and Labour Force Statistics.

National Accounts

The System of National Accounts (SNA) estimate was made in line with the standards and recommendations in the UN's System of National Accounts, and thus comparable with estimates made elsewhere using the same system.

As described in the National Accounts Report, Nauru is at a strategic transitional point, with the well-documented decline in phosphate revenue due to depleted phosphate reserves and the reactivation of the Regional Processing Centre (RPC) for asylum seekers, confirmed in July 2024, which is expected to stimulate economic growth for Nauru in the medium term. Nonetheless, Nauru's vulnerability status, according to the UN's Multidimensional Vulnerability Index (MVI), highlights the need for new sources of economic growth and income streams to support Nauru's development agenda.

Chart 1.1. GDP PERFORMANCE AT CONSTANT PRICES



Main Points on GDP Growth for FY 2022-23

- Nauru's gross domestic product (GDP) is estimated to have increased by 2.2% in the fiscal year 2022-23.
- The growth was concentrated in four key areas:
 1. A significant increase in wholesale and retail trade, indicated by a surge in imports of goods.
 2. Manufacturing, which experienced a rise in phosphate output.
 3. The output of hotels and restaurants also contributed to the growth in 2022-23; however, its impact was smaller due to this industry's relatively minor share in the overall economy.
 4. Conversely, growth was hindered by declines in the output of electricity, water and waste management, as well as transport and communication.

Chart 1.1 compares the Bureau's estimates with the latest data from the International Monetary Fund's World Economic Outlook (WEO) database. This comparison is particularly relevant, as WEO data serves as a foundation for discussions between government officials and IMF staff who monitor Nauru.

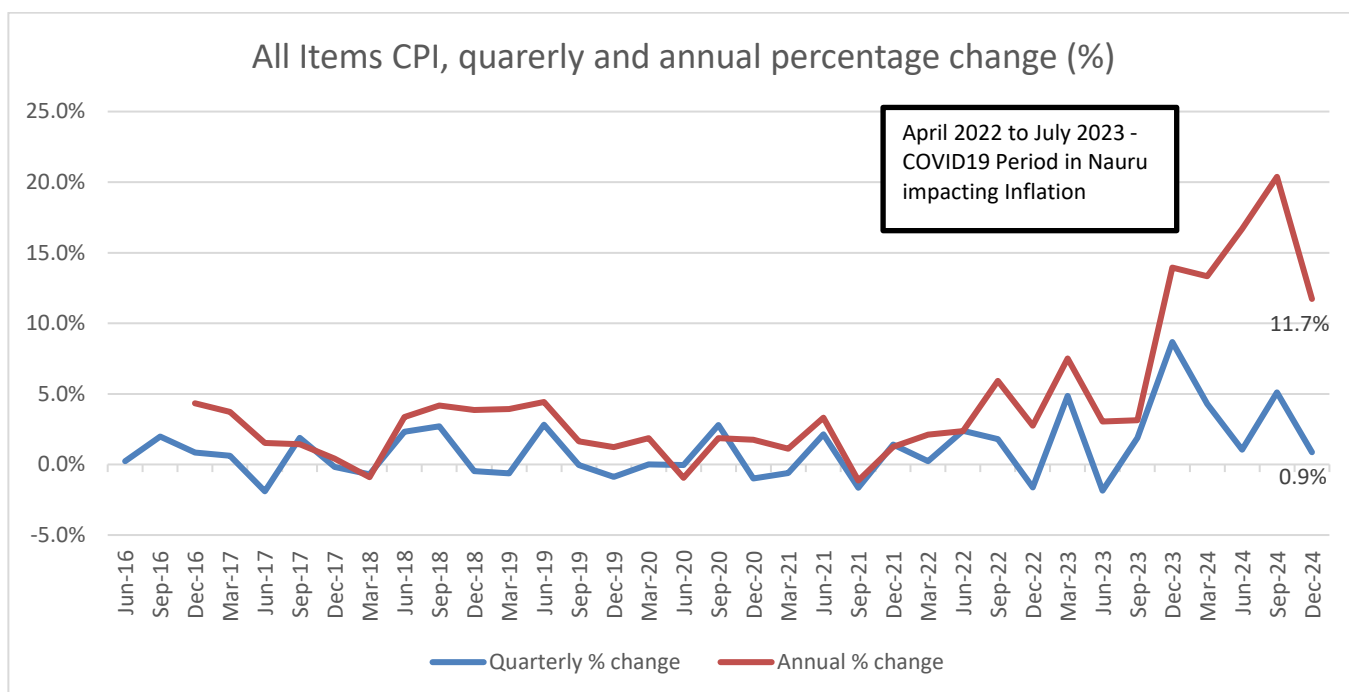
The data in the WEO is compiled by IMF country desk officers and is updated during "WEO exercises" conducted in April and October each year. To ensure a smooth data series, structural breaks may be adjusted using splicing and other techniques, serving as proxies for historical series when complete information is unavailable. Consequently, WEO data might differ from other official sources, including the IMF's International Financial Statistics. Notably, WEO GDP statistics for Nauru are labelled "Estimates Start After 2019."

All national accounts involve a trade-off between timeliness and accuracy. Thus, revisions are a necessary feature of a well-functioning national accounts system due to the collection of additional data and methodological improvements. Future publications and updates to the WEO may lead to revisions of the Bureau's estimates, potentially bringing the two series closer together.

Consumer Price Index (CPI)

The CPI measures Nauru's inflation changes since the rebase in December 2015, as shown in Chart 1. The chart illustrates the fluctuations for each quarter in terms of both quarterly and annual percentage changes. December 2024 quarterly and yearly percentage posted an increase of 0.9 and 11.7 percent, respectively. The global disruption caused by the COVID-19 pandemic, which lasted from April 2022 to July 2023 for Nauru, significantly impacted Nauru's supply chains, leading to increased consumer goods and services costs.

CHART 2.1 ALL GROUPS CPI HISTORICAL TREND



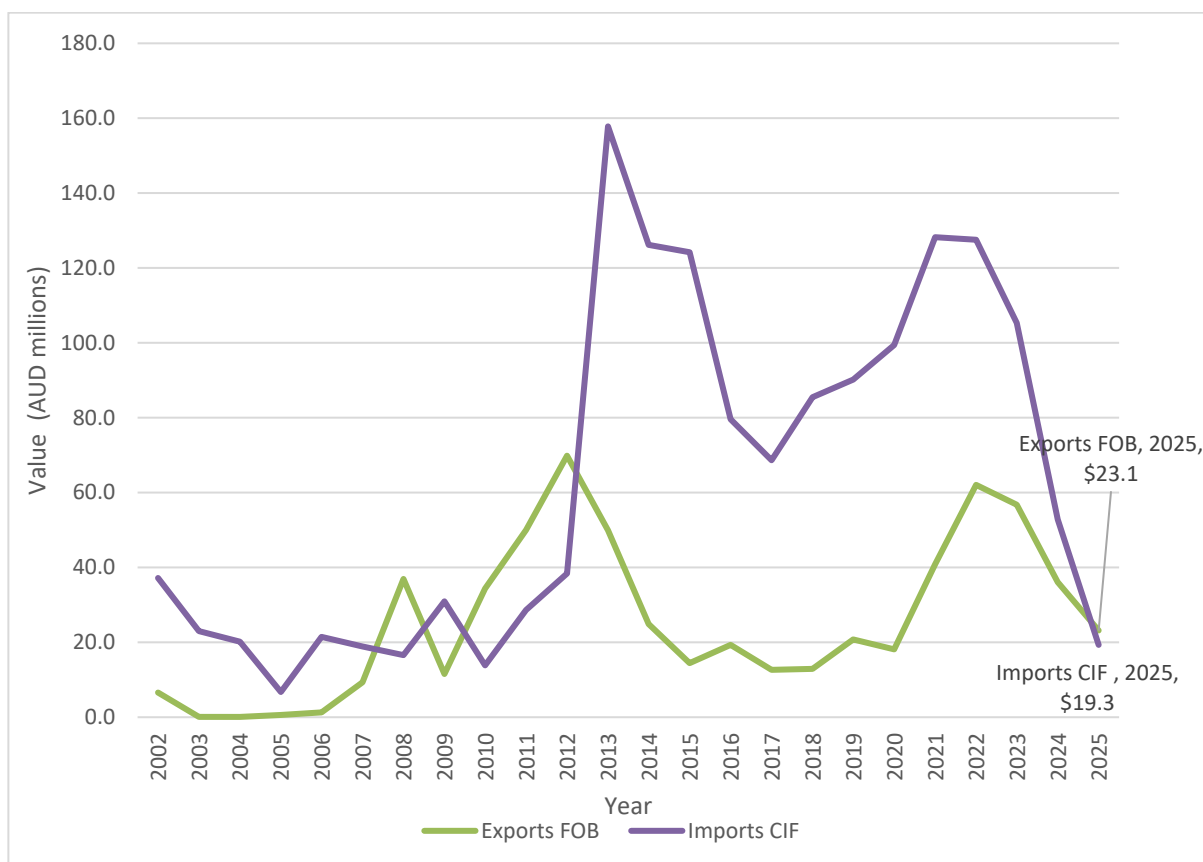
International Merchandise Trade Statistics (imts)

The Nauru Bureau of Statistics (NBS) uses data sources from mirror data platforms, primarily from the UN Comtrade Trade database (<https://comtrade.un.org/data/>) and some local establishments, to compile Nauru's International Merchandise Trade Statistics (IMTS) from 2017 to 2023. The Nauru Customs Services adopted and implemented the new ASYCUDA system in the fourth quarter of 2023 and data for 2024 and 2025 have been used in the IMTS time series.

According to the Comtrade database, Nauru's major trading partner countries of consignment in recent years, 2017 to 2023, are Australia, Japan, and China. Then, from 2024 to 2025, according to the Customs ASYCUDA system, Australia, China, and Fiji are the top 3 countries of import consignment. The following analysis was sourced from the updated IMTS latest release 2025, prepared by the Nauru Bureau of Statistics.

Value of Imports and Exports

CHART 3.1: VALUE OF IMPORTS AND EXPORTS



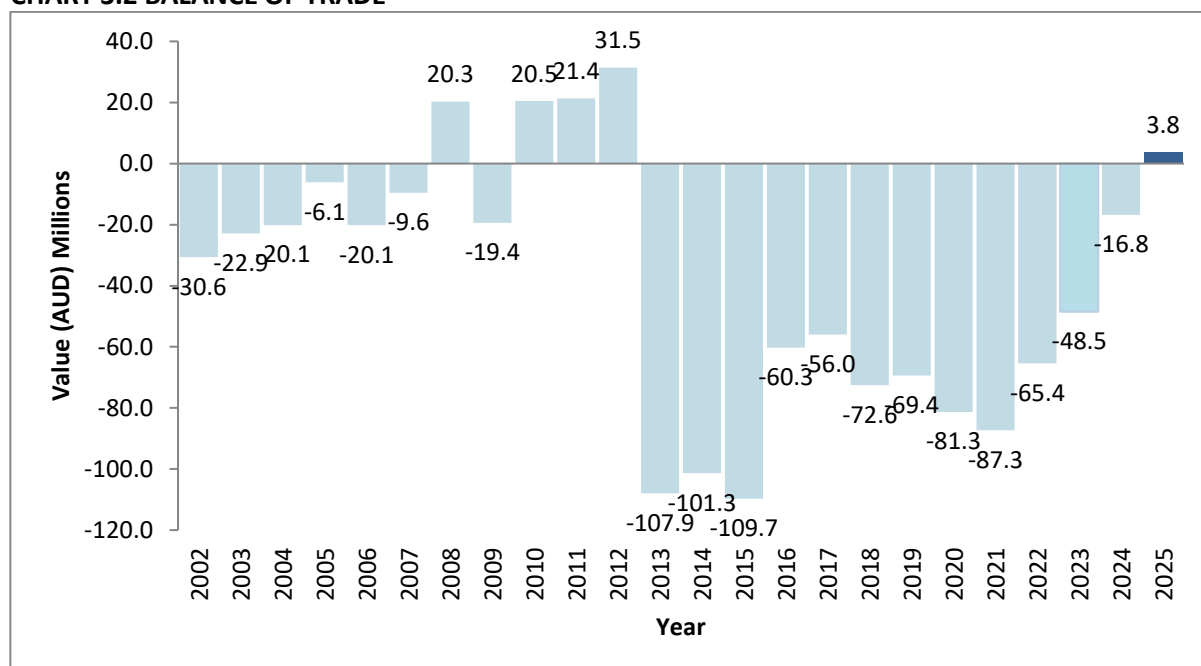
Export: As per Chart 3.1, exports have shown a consistent increase since 2002, reaching a peak of AUD 69.9 million in 2012. In 2022, exports reached the second-highest value on record at AUD 62.1 million due to increased phosphate output and, to a lesser extent, the resale of fuel to non-resident entities. However, in 2025, export growth slowed to AUD 23.1 million or a decrease of 36% when compared to 2024 due to a decline in phosphate output. On the other hand, the resale of fuel increased due to the heightened activities of Nauru Airlines and other non-resident airlines.

Imports from Nauru significantly rely on goods and services to sustain the economy. As of June 2025, total imports amounted to AUD 19.3 million. In 2024, the total imports were recorded at AUD 52.9 million, according to Customs data.

Balance of Trade

The Balance of Trade (BOT) time series, as illustrated in Chart 3.2, shows a consistent trade deficit over the past twelve years, starting in 2013, with a minor surplus occurring in 2025. The other recorded trade surpluses during this period were from 2008 to 2012. Notably, the years 2013 to 2015 experienced the largest deficits, with figures of AUD 107.9 million, AUD 101.3 million, and AUD 109.5 million, respectively. During this timeframe, Nauru imported a substantial amount of capital goods, heavy machinery, equipment, cement, and oil. This increase in consumption can, in part, be attributed to the reinstatement of the RPC in 2012. In 2025, a small trade surplus of AUD 3.8 million was recorded, reflecting higher export activities compared to imports.

CHART 3.2 BALANCE OF TRADE



Labour Force Statistics

Table 2.1. Proportion of Employees by Locals and Expatriates by Employer in the Public Service, State Owned Entities and the Private Sector, 2013-2016, 2019-2024

Employer	TOTAL									TOTAL LOCAL	TOTAL EXPAT	OVERALL
	Y2013	Y2014	Y2015	Y2016	Y2019	Y2020	Y2021	Y2022	Y2023	Y2024	Y2024	Y2024
RON Government	38.6	43.5	44.0	45.1	51.3	39.9	42.3	45.7	45.1	45.9	35.7	45.0
Regional Processing Centre	7.0	32.0	31.1	29.3	22.4	19.9	16.6	1.3	5.2	8.6	13.5	9.1
Ronphos	15.1	9.6	9.8	9.2	8.9	6.3	7.9	9.3	11.2	8.5	2.4	7.9
Eigigu Holding Corporation	12.3	7.8	8.2	9.2	6.9	8.3	8.6	6.5	8.1	7.1	8.9	7.3
Nauru Rehabilitation Corporation	9.7	5.6	5.3	5.3	3.6	3.1	4.1	3.7	3.3	3.6	0.3	3.3
Nauru Airlines	1.3	1.5	1.5	1.9	2.8	2.5	1.6	4.8	2.5	2.8	0.0	2.5
Nauru Utilities	0	0	0	0	4.0	4.2	5.1	4.9	5.7	5.1	3.8	5.0
Eigigu Solutions	0	0	0	0	0	15.8	13.7	10.8	7.6	8.6	13.5	9.1
Nauru Maritime & Port Authority	0	0	0	0	0	0	0	2.3	2.2	2.0	3.2	2.1
Nauru Fisheries	0	0	0	0	0	0	0	2.0	2.6	1.6	0.3	1.5
Nauru Postal	0	0	0	0	0	0	0	1.7	1.2	2.7	0.8	2.5
Private Sector	0	0	0	0	0	0	0	7.0	4.7	3.5	17.6	4.8
Total	3,086	4,699	4,745	4,760	4,082	3,503	3,468	3,667	3,558	3,993	394	4,387

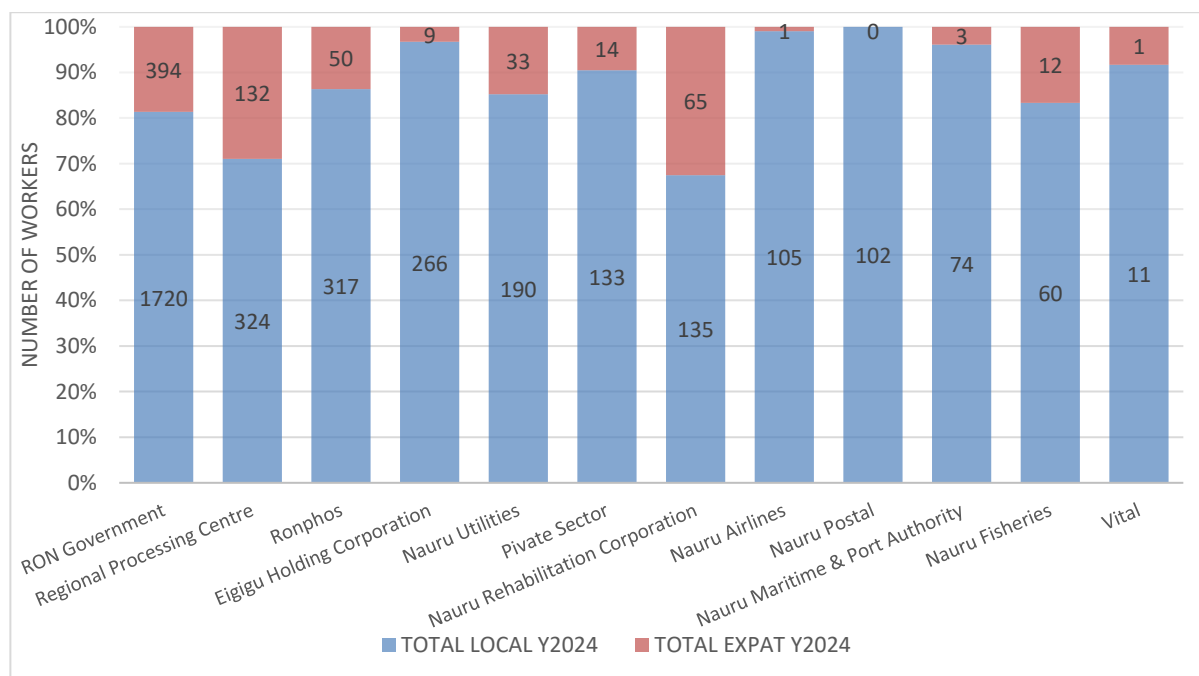
Sources: Derived from administrative sources

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
3. Nauru Airlines are Nauru-based only

Table 2.1 represents the breakdown proportion of employees by Local and expatriate staff by respective agencies. Agencies with the highest number of employees are employed at the RON Government and State-Owned Entities (SOE):

Chart 4.1 Proportion and Number of Workers by Local and Expatriate status by Agencies in 2024



PART 3 – PUBLIC ENTERPRISES

The list of Public Enterprises under the PE Act is as follows; State-owned enterprises

1. Cenpac Corporation
2. Eigigu Holdings Corporation
3. Naoero Postal Services Corporation
4. Nauru Air Corporation
5. Nauru Ports Authority
6. Nauru Rehabilitation Corporation
7. Nauru (RPC) Corporation
8. Nauru Utilities Corporation
9. RONPHOS

Government controlled enterprises

- Nauru Fibre Cable Corporation
- Nauru Fisheries and Marine Resources Authority
- Nauru Tourism Corporation

PEMU has identified that some of the nature of the PEs listed above will require them to either change their classification SOE or GCE, or be removed from the list entirely. Some of these entities include;

1. Nauru (RPC) – receive full budget allocation from the government, so in nature does not actually generate revenue and make a profit.
2. Nauru Fibre – pemu is still undergoing discussions with NFCC with regards to their mandate and way forward
3. Nauru Tourism has been removed
4. Nauru Fisheries and Marine Resources Authority has its accounts managed by treasury
5. Pemu needs to classify Eigigu Procurement Limited and Eigigu Solutions Corporations.

While companies continue to grow, PEMU has seen the establishment of certain other entities that could be identified as a subsidiary or a public enterprise entirely on its own. Current PEs may have experienced a change in business dynamics and structure and therefore also require more analysis in their classification. Till date 2 new inclusions have registered under the public enterprise act that includes the Nauru Seabed Minerals Authority and the Command Ridge Virtual Asset Authority. This is something PEMU needs to embark on in future so that once clear classifications are made on all entities, then responsibilities of such an entity/subsidiary will be much clearer in relation to their mandate. In future this will ensure that all entities owned by the government are not out of reach of any reporting process to the Department of Finance.

3.a Public Enterprise Monitoring Unit

The Public Enterprise Act 2019 (PEA) with the assistance of the ADB-TA has successfully established the Public Enterprise Monitoring Unit (PEMU). The current structure for PEMU only include the Director and 2 members of staff. This is a small section within treasury that has the sole responsibility of administering the public enterprise act. It is important to highlight that PEMU not only faces a capacity issue but as seen in the past, the challenge to influence and implement change with PEs due to its level of perceived authority.

PEMU's role and responsibilities are set out in the Public Enterprises Act 2019 under section 82. This includes;

1. The function of the public enterprise monitoring unit is to provide financial, commercial and public enterprise policy analysis and advice to the Minister responsible for the administration of this Act on all matters related to the operation, performance and governance of public enterprises.
2. Matters related to the operation, performance and governance of public enterprises which revolve heavily around the Statement of Corporate Intent, Business Plan, Half-Yearly, Annual Report and other related matters pertaining to the compliance and performance of PEs.

To ensure that PEs provide the key documents in accordance with the timetable required by the Act, then to review them and provide analytic reports to the Department of Finance senior management and to Ministers. The key documents are the Statement of Corporate Intent (SCI), Half-Year and Annual Reports (which include the financial statements). The review of SCIs is especially important as Responsible Ministers can comment and add direction relating to government policy or national strategy to the SCI.

To provide Summary Reports to Ministers (which are tabled in Parliament) and summary financial reports (which need to be "published") PEMU requires a submission of a PE's;

1. Statement of Corporate Intent
2. Annual Report

Based on the goals and strategies of a PE from their SCI, PEMU reviews what a PE has actually achieved from the results of their Annual Report and uses this information to evaluate their performance and therefore be able to provide the Summary Report to Ministers.

To be closely involved with review and analysis of any bids from PEs for funding – typically CSOs, new capital, loans, etc. – or approval by ministers, e.g., major transactions.

To provide advice on selection of directors. The present appointments have been made by the Responsible Ministers without receiving advice. It is desirable that over time, a process is developed

that moves towards skill-based selection of directors that provides a modern framework for governing PEs consistent with international better practices.

Importantly, the PE Act makes clear that the primary objective of a PE is to be a successful business (section 22(1)), and it must conduct its business and operations with a view to being a successful business (section 22(3)). PEMU's role is to ensure PEs align their corporate plans along that vision.

The PE Act provides for the circumstance where the achievement of social objectives might undermine the ability of a PE to achieve the primary objective. The requirements for a Community Service Obligation (CSO) are covered in sections 25 and 26 of the PEA.

Cenpac Corporation

Cenpac is initiated by the Government of Nauru as one of the rapidly growing Internet Service Provider integrators that services middle-market businesses, educational institutions and government organizations.

Compliance

Report	FY	Status
Annual Report 23/24	23/24	Unaudited
Half Year Report 24/25	24/25	Submitted
SCI 25/26	25/26	Submitted
Budget	25/26	Submitted

Statement of Corporate Intent 25/26

- Develop strategic partnership with Government and Local businesses aim is to establish partnership with at least 5 businesses and SOEs.
- Achieve Revenue Growth Annually
- Achieve Market Leadership. To establish competitive pricing models and promote offers to attract new customers.
- Enhanced Digital inclusivity. Investing in infrastructure upgrades to better network performance reducing latency and ensuring liable access.

Cenpac has no on-going CSOs with the government and has officially declared to commit at least \$1m in dividend to showcase they strong equity projections for 25/26.

Pemu will provide support to Cenpac to strengthen their financial management system as they target to update their audited accounts.

Nauru Airlines Corporation

Nauru Air Corporation (NAC) trades as Nauru Airlines is the national carrier of Nauru, with its primary objective as a SOE under the Public Enterprises Act of being a successful business.

Compliance

Report	FY	Status
Annual Report 23/24	23/24	Submitted
Half Year Report 24/25	24/25	Submitted
SCI 25/26	25/26	Submitted
Budget	25/26	Submitted

Statement of Corporate Intent 25/26

- provide safe and affordable passenger and cargo services to Nauru
- facilitate trade, tourism and the functioning of Government whilst delivering significant catalyst effect to the Nauruan economy through its ongoing contribution to GDP, employment and tax revenues
- Develop and operate Aircraft Crew Maintenance and Insurance (ACMI) services.
- Grow and operate profitable charter services.
- Develop and operate profitable scheduled services.
- Develop and grow 3rd party maintenance work
- Develop and grow Our Travel

Nauru Airlines is undergoing enormous changes to SCI to respond to the challenges they have faced in recent years due to the decline in market for charter work in Australia. Nauru Airline will continue to work with DOF to establish a strong SCI moving into 25/26 with the goal of strengthening their equity position in the next few years.

Eigigu Holdings Corporation

As the primary commercial arm of the Government of Nauru, EHC's mission is to drive economic growth, generate sustainable revenue, and provide access to high-quality, affordable services for all Nauruans. We strive to create lasting value for our nation by fostering innovation, resilience, corporate governance and inclusivity in all our endeavors.

Compliance

Report	FY	Status
Annual Report 23/24	23/24	Submitted
Half Year Report 24/25	24/25	Submitted
SCI 25/26	25/26	Submitted
Budget	25/26	Submitted

Statement of Corporate Intent 25/26

- Improve Health and Well-being
 - Ensure access to affordable, high-quality produce for all Nauruans. Promote healthy living and eating habits through community engagement and education initiatives. Provide a wide variety of healthy option, incentivizing healthy choices and provide clear nutritional information
- Building resilient Infrastructure
 - Conduct expert engineering reviews of aging structures, including the Civic Complex and Menen Hotel, to ensure safety and sustainability. Upgrade drainage systems to address flooding risks and improve public safety. Construct new facilities, such as a supermarket and hardware store in Denig, to enhance access to essential goods and services.
- Driving Economic Growth
 - Expand Menen Hotel by adding 100 rooms to boost tourism and hospitality revenue. Diversify revenue streams by exploring new business opportunities and investing in foreign markets. Foster partnerships with international organizations to attract investment and expertise.

Eigigu Holdings has recently audited their 23/24 accounts for 5 of its subsidiaries. Although there were some qualified opinions within the audits.

Pemu's marks this as a success for EHC and a huge step in the right direction. Looking forward Pemu will be interested to see how EHC responds to its managements letter.

Nauru Rehabilitation Corporation

To rehabilitate the mined-out phosphate lands at the interior plateau of the island and establish an effective waste management system that can reduce, reuse and recycle the increasing volume of waste on the island.

Compliance

Report	FY	Status
Annual Report	23/24	Unaudited
Half Year Report	24/25	Submitted
SCI	25/26	Submitted
Budget	25/26	Submitted

Statement of Corporate Intent 25/26

- Rehabilitation – to rehabilitate more than 45ha of mined-out phosphate land at topside by 2030.
- Waste management and recycling - to develop a viable waste management and recycling system that is capable of reusing, reduce, recycling and repurposing all the waste on the island.
- National Stadium – land clearing work for the stadium project has been completed. NRC to ensure adequate and steady supply of materials once construction begins.
- Topside road grading and compaction operations – for the road at topside to be maintained every month and other days required to keep it usable.
- Urban development Project – collaborate with NCCNR, DEMA and BECA for the waste segregation project.
- Rock production and aggregate sales – maintain a sufficient supply of aggregate stockpile.

NRC will be engaged in joint venture with Ronphos to assist with phosphate mining operations. NRC has progressing well towards strengthening their financials management system and Pemu will be interested to see them target to audit the accounts.

Nauru Utilities Corporation

NUC was established under the Nauru Utilities Act 2011 (the Act) and commenced operations on 1st August 2011. The act sets out the mandate of NUC in relation its functions to provide electricity and water.

Compliance

Report	FY	Status
Annual Report	23/24	Unaudited
Half Year Report	24/25	Submitted
SCI	25/26	Submitted
Budget	25/26	Submitted

Statement of Corporate Intent 25/26

- Electricity
 - to generate, acquire, exchange, transport, distribute, market and otherwise supply electricity.
 - to undertake, maintain and operate any works, system, facilities, apparatus or equipment required for any function mentioned in paragraph (a); and
 - to do anything that the Corporation determines to be conducive or incidental to the performance of a function mentioned in paragraph (a) or (b).
- Water
 - to acquire, store, treat, distribute, market and otherwise supply water for any purpose;
 - to undertake, maintain and operate any works, system, facilities, apparatus or equipment required for any purpose mentioned in paragraph (a); and
 - to do anything that the Corporation determines to be conducive or incidental to the performance of a function mentioned in paragraph (a) or (b).
- Sanitation
 - to collect, store, treat and safely dispose of wastewater and sludge

- to undertake, maintain and operate any works, system, facilities, apparatus or equipment required for any purpose mentioned in paragraph (a); and
- to do anything that the Corporation determines to be conducive or incidental to the performance of a function mentioned in paragraph (a) or (b).

Several significant milestones anticipated for the company as it declares commissioning of the 6-megawatt solar power plant scheduled for September 2025. Furthermore, NUC has responded boldly towards governments expectation for SOEs to be more resilient and less reliant on government support by completely removing governments on-going CSO whilst still retaining profitable financial projections for 25/26.

Pemu's will work with NUC to ensure that they maintain up to date with their audits.

Nauru Postal Service Corporation

Nauru Post was established under Parliamentary Act through the Naoero Postal Services Corporation Act 2018. It is established for the sole purpose to foster efficient and reliable postal solutions, connecting Nauru with the world while upholding the highest standards of integrity, innovation, and customer satisfaction.

Compliance

Report	FY	Status
Annual Report 23/24	23/24	Unaudited
Half Year Report 24/25	24/25	Submitted
SCI 25/26	25/26	Submitted
Budget	25/26	Submitted

Statement of Corporate Intent 25/26

- Establish stronger link. This is through the establishment of a freight forwarding warehouse in Brisbane to help reduce freight costs to better support business development in Nauru.
- Increase Frigate Logistics work by increasing warehouse storage capacity to be able to offer state-owned enterprises and small businesses
- Institutional strengthening program to revitalize its Nauru Logistics for instance, increase staff training and asset revitalization, investing in new logistics equipment and vehicles to enable greater service offering.
- Enhanced Digital inclusivity. Investing in infrastructure upgrades to better network performance reducing latency and ensuring liable access.

Nauru Postal Services Corporation is facing challenges that hinders their financial growth. They have widened their operations by establishing the Brisbane warehouse.

Pemu will continue to work and engage with them to ensure the strengthening of their SCI and Business Plan moving forward.

Ronphos

RONPHOS is a State Owned Enterprise established on 1st of July 2005 by an Act of Parliament succeeding the Nauru Phosphate Corporation. RONPHOS is required to maintain and operate the phosphate industry on Nauru in a safe, efficient and profitable manner.

Compliance

Report	FY	Status
Annual Report 23/24	23/24	Unaudited
Half Year Report 24/25	24/25	Not Submitted
SCI 25/26	25/26	Submitted
Budget	25/26	Submitted

Statement of Corporate Intent 25/26

- RONPHOS PROJECT REFURBISHMENT by CMEC – to refurbish the cantilever to increase the capacity of phosphate exports.
- Ronphos engaged with a \$40m usd loan with CMEC for refurbishment project.
- SCI states plans to acquire generators to reduce NUC costs.
- Ronphos also engaged a joint venture with Reliable to increase the capacity of equipment and labor to increase their production. The joint venture is projected to produce 150,000 metric tonnes.
- Ronphos have also agreed with Nauru Rehabilitation Corporation to assist them with the mining to ensure they reach their target of 500,000 metric tonnes for the year 25/26. This collaboration is projected to produce 270,000 metric tonnes.

Ronphos have projected high profits for the year 25/26. However, Ronphos struggles with getting audited financials and reports, making 2018 their latest audited report. They are still working with Pemu to strengthen their financial management system to ensure their reports are not hindered for audit.

Nauru Maritime and Port Authority

Nauru Shipping Line

As a State-owned Enterprise owned by the Government of Nauru, Nauru Maritime and Port Authority is dedicated to providing essential port services, including vessel operations for container, fuel, and phosphate transport.

NMPA and NSL are two separate entities since the Maritime regulates the Shipping line, however, to allow continued support and training for the section it remains with NMPA.

Compliance - NMPA

Report	FY	Status
Annual Report 23/24	23/24	Unaudited
Half Year Report 24/25	24/25	Submitted
SCI 25/26	25/26	Submitted
Budget	25/26	Submitted

Compliance - NSL

Report	FY	Status
Annual Report 23/24	23/24	Unaudited
Half Year Report 24/25	24/25	Submitted
SCI 25/26	25/26	Submitted
Budget	25/26	Submitted

Statement of Corporate Intent 25/26

NMPA

- Secure port to meet international standards and requirements
- Oversee construction and completion of Port
- To provide time and reliable container handling and cargo delivery

NSL

- To provide a reliable shipping liner service for Nauru and the Pacific
- Facilitate direct calls from major ports to hub from Nauru to the Pacific
- Improve connectivity and relationships between Nauru and the Pacific.

Maritime

- Provide regulatory functions and regulate the shipping and port services related to maritime to meet national legislations and international conventions and standards.
- To establish a maritime section to facilitate an international and domestic vessel registry
- Conduct periodic ISPS and IMSAS audits as necessary to ensure compliance with obligations a Nauru flag, coastal and port state and further improve overall services through recommended corrective action plans.

NMPA has troubles regarding reserving funds for asset replacement. This is evident with the late arrival of shipments due to the more depreciating Micronesian Pride. They have worked closely with DOF to ensure that shipments should not be further disrupted.

As the Community Service Obligation (CSO) is removed, NMPA has increased their charges to cover the amount and proposed a new charge called the Terminal Handling Fee. This covers for stevedoring and wharfage discharge.

Nauru Fiber Cable Corporation

NFCC is mandated to supply international internet services for Nauru to enhance the economic development and regional coordination and integration in the Pacific and internationally.

Compliance

Report	FY	Status
Annual Report 23/24	23/24	Not Submitted
Half Year Report 24/25	24/25	Not Submitted
SCI 25/26	25/26	Submitted
Budget	25/26	Submitted

Statement of Corporate Intent 25/26

- ensure efficient international internet services are provided by the Nauru Fibre Cable Corporation
- enable the Corporation to operate efficiently and independently while allowing for necessary oversight by the Cabinet to ensure the Corporation is financially viable and performs its functions fully and effectively to maximise the benefits to its customers; and
- ensure the powers and functions of the Corporation are exercised and performed according to best practices and industry standards.

With the recent successful landing of the fibre cable, NFCC management embark to ensure that all the necessary components are ready to deliver the cable to the local operators, who will in turn provide the service to the Nauru public at large. PEMUs will focus will be on assisting the NFCC with producing a fully detailed SCI.

Eigigu Solutions Corporation

ESC is committed to developing enduring local capabilities, provide sustainable financial returns to the Government of Nauru, support Government policies and priorities, and continue to maintain highly professional delivery of regional processing services.

Compliance

Report	FY	Status
Annual Report 23/24	23/24	Unaudited
Half Year Report 24/25	24/25	Submitted
SCI 25/26	25/26	Submitted
Budget	25/26	Submitted

Statement of Corporate Intent 25/26

- Module 1A: Transferee Transport
- Module 2A: Grounds Maintenance
- Module 2B: Site Management and Maintenance
- Module 2F: Cleaning
- Module 2H: Pest & Vermin Control
- Module 4: Welfare
- Module 5: Essential Services and Critical Infrastructure (WWTP & Power)
- Module 6: Locally-Based Employees (LBE's)
- Module 7B: Interpreters

The nature of ESC is more of a cost-model rather than commercial and profit-making entity. Understanding the nature of this entity will give more direction on whether it is an SOE, GCE or something else. As it currently stands ESC is not listed as an SOE nor a GCE in the public enterprise act but is currently reporting to PEMU for more transparency. Moving forward, PEMU and ESC will continue to work together until a proper classification of the entity.

Eigigu Procurement Corporation

Founded in July 2017 as a Cabinet approved Procurement Agent, it was initially focused on procurement activities for RPCs but over the recent years has seen diversification of clientele including SOE, government departments and private sector

Compliance

Report	FY	Status
Annual Report 23/24	23/24	Not Submitted
Half Year Report 24/25	24/25	Submitted
SCI 25/26	25/26	Not Submitted
Budget	25/26	Not Submitted

Statement of Corporate Intent 25/26

- Waste power plant project – uses waste to produce 1.1MW of power. Half Year update on this project stated that Feasibility study was completed July 2024 and a FEED study was completed Feb 2025. Funding, construction, operations are tbc.
- There was another project that was verbally mentioned as very early stages but need more information from EPL.

EPL has not managed to provide reports. Given the limited information provided to PEMU by EPL, it is impossible to have a proper analysis of the entity. Moving forward, PEMU will continue engaging with EPL to ensure a positive report compliance in the following years.

Part IV: National Sustainable Development Strategy

This section provides an overview of progress against the NSDS.

The first NSDS originated during a time of crisis, as both a reminder of past errors but also as a guide toward a more sustainable future. The central message was, and still remains, “Partnerships for Quality of Life”. At its launch in 2005, His Excellency President Ludwig Scotty noted that “we need to build the economic base to provide economic opportunities for everyone” and that “the implementation process will be the true test”.

In 2009 the Strategy was revised amidst a tentatively positive economic outlook, and after the reopening of the Regional Processing Centre in late 2012, Nauru enjoyed several years of relative prosperity, followed by an economic downturn.

The latest revision of the NSDS began in 2016 with a stocktake of progress that showed only a quarter of all milestone activities had been implemented. In 2017, a public consultation process sought feedback on ideas, concerns and priorities. Key messages from communities included the explicit need for action covering health and education and the urgent need to combat the impacts of climate change. The revision activities were completed and Cabinet approved the NSDS 2019-2030.

In February 2022, Cabinet approved 132 Key Performance Indicators (KPIs) for the NSDS 2019-30 goals. The KPIs set specific activities and targets that the key stakeholders for the NSDS goals want to achieve by 2030. These stakeholders also set the annual targets for each KPI to ensure progress is made towards achieving the end targets in 2030. A full report on KPI progress will be provided in the second half of 2024.

The NSDS is a starting point. A shared framework for action that needs to be operationalised through sector strategies and Annual Operational Plans which articulate specific tasks, timelines and targets.

Economic Sector

Econ-Goal 1: A stable macroeconomic environment conducive to private investment established

The Nauru Customs service delivered over 54 training courses in the last two years, with six staff achieving CertIII in Customs administration and four moving onto CertIV qualifications delivered by the Center for Customs and Excise Studies Canberra through the Oceania Customs Organisations on line training. A further two staff passed the Pacific Women in Customs Development program which has allowed the first female Customs Director to be appointed.

Econ-Goal 2: Increased Level of Domestic Agricultural Production Aimed at Addressing Food Security and Healthy Livelihood

The Department of Environmental Management and Agriculture (DEMA) continues to manage farms located at Meneng, Buada and Anabar District. The Department showed resilience in the face of challenges such as delays in feed importation and drought conditions as it continues to maintain operations of its three farms. Notable achievements include the distribution of layer chickens and pigs to local farmers, as well as compost and seedlings to support agricultural activities. A highlight of these efforts is the substantial increase in egg production, reaching a peak of 8,000 eggs per week. These accomplishments underscore the department's commitment to supporting and strengthening the agricultural sector despite environmental challenges. Moving forward, the department will continue its efforts in both environmental management and sustainable agriculture, focusing on integrating these two crucial areas to ensure food security while preserving ecological health.

Econ-Goal 3: Enhance development and sustainable management of marine and fisheries resources to provide sustainable economic returns

Nauru Fisheries and Marine Resources Authority (NFMRA) has been actively involved in several key areas between July 2024 and June 2025, focusing on sustainable management, economic development, and international cooperation. Key activities during this period include:

- NFMRA officials participated in the annual Western and Central Pacific Fisheries Commission (WCPFC) meetings in Suva, Fiji. They focused on reviewing and adopting Conservation and Management Measures, discussing the impacts of climate change on local fisheries, and improving data collection and electronic monitoring systems.
- Marine Stewardship Council (MSC) Certification: NFMRA is committed to upskilling its fisheries observers with the MSC certification course to promote sustainable fishing practices.
- Tuna Tagging: NFMRA was involved in tuna tagging initiatives, crucial for understanding fish stocks and migration patterns to aid in effective management.
- Observer Workbook Refresher Course: A refresher course on the observer's workbook was scheduled to ensure accurate and consistent data collection by fisheries observers.
- Harvesting Strategies: Ongoing work on developing effective harvesting strategies for various fish groups remained a priority to sustain Nauru's fisheries revenues and resources.
- Electronic Monitoring Systems: NFMRA continued its efforts to implement and improve electronic monitoring systems on fishing vessels to enhance compliance and data accuracy.
- Data Collection and Biological Sampling: The coastal fisheries team focused on improving data collection for both pelagic and reef fish and increasing the biological sampling coverage of Nauru's food fishes to identify available species.
- Fish Aggregating Devices (FADs): The coastal team worked on redeploying Fish Aggregating Devices (FADs) that were lost due to bad weather.
- Community-Based Fisheries Management: NFMRA continued community consultations for mapping, demarcation, and verification of potential marine managed areas or protected areas to empower local communities in managing their adjacent coastal marine environment.

Economic Development:

- Joint Venture Agreements: NFMRA's oceanic team secured a five-year agreement with Eastern Marine Nauru Ltd., a Nauru-registered company with 11 fishing vessels, which is expected to generate a minimum of over US\$14 million annually.
- Aquaculture Development: NFMRA continued to assist pond owners in preparing their ponds to receive milkfish fry from Tarawa. The aquaculture section is also planning to expand its facilities to include a hatchery and new mariculture activities to enhance food security and nutrition. Unfortunately, this year, the Aquaculture Holding Facility (AHF) experienced damage to the saltwater inlet pipes, thus making the holding facility not fully operational to hold any milkfish fries imported from overseas. Local repairs were unsuccessful. Due to the extent of repairs required for the facility to operate properly, after years of inoperation during the COVID period, it has been decided that a full upgrade of the whole facility is needed. An SPC Mariculture specialist visited Nauru to assess what needs to be repaired and to be replaced, including the requirements for the installation of a milkfish hatchery. A list of materials and equipment was prepared and was finalised by the SPC Specialist in the 3rd quarter of 2023. SPC recruited the Mariculture Specialist toward the end of 2024 but due to the riots in New Caledonia he was unable to take up his post and to recommence the work on the AHF. SPC has undertaken to recruit a new Specialist to continue this work. In the meantime, consultations with milkfish farmers through visits by NFMRA aquaculture staff are ongoing. NFMRA has held a public consultation, with another planned for April-May 2025, to revive interest of old and any new milkfish farmers and to introduce the support to milkfish farming from the Resilient Coastal Fisheries and Aquaculture Project (RCFAP).

- Exploring Fisheries Cooperation: The Deputy Minister and the CEO for NFMRA travelled to Thailand to explore potential cooperation in fisheries and capacity building with Thai institutions.

Policy and Planning:

- Resilient Coastal Fisheries and Aquaculture Project: This five-year project, funded by the Adaptation Fund at over AU\$8 million, aims to strengthen policy and planning strategies, increase the technical abilities of civil servants and communities, improve food security through aquaculture, enhance ecosystem resilience, and boost the income of aquaculture operators through better data and knowledge.
- MiCoast Project: This sub-regional project, funded by the Agency of France for Development through the Kiwa Initiative at over AU\$500,000 over three years, focuses on establishing nature-based solutions for community-based fisheries management, awareness, sharing, and promotion. Progress towards the relevant KPI has been hindered by a lack of funding up until now.
- Fisheries Management Act 2024: The Fisheries Management Act 2024 was certified on August 20, 2024, providing a legal framework for the management, development, protection, and conservation of Nauru's fisheries and marine resources. The Coastal Fisheries and Aquaculture Regulation, which will declare portions of the coastal reef a protected area, was expected to have been finalised and endorsed before the end of the last FY. The final draft is with the Justice Department for finalisation.

Capacity Building and Training:

- Vessel Day Scheme (VDS) Training: The Parties to the Nauru Agreement Office (PNAO) conducted in-country training on the VDS for NFMRA staff and CEO to refresh existing knowledge and update new team members on the monitoring and management of the VDS.

These activities demonstrate NFMRA's commitment to advancing Nauru's fisheries sector through sustainable practices, strategic partnerships, and a focus on long-term economic and ecological benefits.

Econ-Goal 4: Efficient and effective use of mining and quarrying resources for economic and rehabilitation purposes

In the last five years, Ronphos has demonstrated that secondary mining is viable and looks promising to continue for at least the next 60 years. In FY 24-25, Ronphos extracted almost double the amount of phosphate it had estimated would be extracted.

Nauru phosphate rock is currently exported to South Korea, India, Philippines and Australia. Under the Act, Ronphos is required to maintain and operate the phosphate industry on Nauru in a safe, efficient and profitable manner. There is a great demand for the Nauru phosphate rock for its specification of P205 grade of 37%. Ronphos continues strategic growth in the Chinese market with a dispatch of 27,156 metric tonnes of phosphate ore to Nantong, China.

In Nov 2024, the Minister for Ronphos also participated in the China Mining Conference 2024 in Tianjin, focused on green energy-driven mining. The Minister reaffirmed Nauru's desire to enhance partnerships within the mining sector, and met with the Vice Minister of China's Ministry of Natural Resources to explore collaboration opportunities. The Vice Minister expressed China's readiness to assist Nauru in adding value to phosphate products through advisory and technical support, as well as to facilitate educational opportunities for Nauruan students at the International Geological Education Center in China. Discussions also focused on the potential for Chinese mining companies to invest in Nauru's phosphate industry through various joint ventures.

In January 2025, Ronphos held the first Ronphos international conference in Bangkok, Thailand, drawing together potential buyers, industry leaders and partners from across Asia, to discuss advancements in phosphate mining and strategic partnerships. Minister for Ronphos opened the conference emphasising

Nauru's phosphate mining operations. A presentation on Ronphos refurbishment plan was also provided.

Minister for Ronphos signed a Memorandum of Understanding (MOU) with China Machinery Engineering Corporation (CMEC) 19 January 2025 outlining collaboration on the Ronphos Refurbishment project and potential future initiatives. CMEC will support Ronphos in engineering design, construction and recommendations for essential machinery, aiming to enhance mining operations and boost production capacity, while improving environmental standards.

Rehabilitation

Nauru Rehabilitation Corporation (NRC) rehabilitates mined-out land for use by projects such as the Higher Ground Initiative. The reclamation target was exceeded by 2.3 hectares at the Stadium project site and is expected to add a further 0.7 hectares at the National Emergency Services site, totaling approximately 3 hectares exceeded in FY24-25. The total reclaimed land reached 6.9 hectares at the end of March 2025. By the end of June 2025, the new total is expected to reach 7.1 hectares. 4 hectares is expected to undergo reclamation for extension of the Sports Site in Meneng District in the next financial year.

Econ-Goal 5: Promote development of small and micro-enterprises, foreign investment and economic integration into the global economy

Nauru has consistently maintained its "largely compliant status" with OECD standards, by virtue of having the legal and regulatory framework in place to meet OECD Automatic Exchange of Information (AEOI) standards under the Convention for Mutual Assistance in Administrative Tax Matters. However, Nauru will not be able to achieve "Fully Compliant" status until that law and those regulations are used in practice. Currently, as Nauru does not have any Reporting Financial Institutions (Banks or Insurance Companies), it has no ability to put the law into practice. Negotiations have been held with the OECD and in November 2024, the OECD agreed to exempt Nauru from the AEOI peer review process. It is no longer necessary for Nauru to strive for what is a currently unachievable goal of "fully compliant"

The situation will be monitored and should the Bendigo Bank agency's replacement, the Commonwealth Bank of Australia, adopt a different business model, which establishes a Reporting Financial Institution in Nauru, this will reinstate Nauru's AEOI obligations. Nauru will revert to our "largely compliant" status, and begin the process of implementing the mandatory Common Reporting Standards to allow the attainment of "Fully Compliant" by 2030.

Nauru has made significant progress this year with business and investment-related legislation. Also, the Commerce Division, formerly part of the Department of Commerce, Industry and Environment, before being moved to Department of Finance, was made a Department in its own right in March 2025 - the Department of Commerce and Foreign Investment. This signals the Government's commitment to building a strong foundation for businesses in Nauru, contributing to expanded services for the Nauruan people, and potentially, increased revenue for the Republic.

Foreign Investment Act 2025

Nauru's Parliament passed the *Foreign Investment Act 2025*. This Act is designed to promote and regulate foreign investment in the Republic of Nauru, and establishes the Nauru Foreign Investment Authority, which is responsible for overseeing foreign investment activities, and establishes a process for appealing decisions made by the Authority.

The Authority's functions include promoting the Republic as an attractive investment destination, considering and approving foreign investment certificate applications, and providing advice to the Minister.

Foreign Investment Guarantees

The Act provides certain guarantees to foreign investors, including fair and equitable treatment, protection against nationalization, and the ability to transfer income generated from the investment outside of the

Republic. It also outlines provisions for the employment of foreign employees and the granting of visas for foreign investment purposes.

Obligations of Foreign Investors

Foreign investors are required to comply with the laws of the Republic and must obtain a foreign investment certificate before conducting any investment activities.

They are also prohibited from investing in business activities on the Reserved List and are required to employ Nauruans as a percentage of their workforce.

Reserved List

The Act establishes a Reserved List, which includes business sectors reserved for Nauruans and the Republic.

Econ-Goal 6: Promote development of small-scale sustainable tourism

Tourists are slowly learning that Nauru's location and uniqueness make it a worthwhile tourist destination. According to the Nauru Tourism Office, as at January 2025, tourist numbers for 2024 had increased by 94% from 2023. The largest increase comes from Baby boomers and Bucket-listers, with most visitors coming from Europe, North America and Australia, however, younger Gen X and Millennial visitors are expected over time, especially adventure travellers.

Improved immigration processing of visas has assisted in facilitating the visitor experience, and has contributed to rising visitor numbers. Nauru Airlines' expanded fleet and schedules are providing greater air access, making it easier than ever before to visit Nauru. Regular training of tour guides has also helped improve the visitor experience. Nauru Tourism has worked with local historians to train tour guides in Nauruan history and culture, and with NES to train tour guides in first aid, to handle any emergencies which may arise.

Records show most visitors to Nauru stay around four days and enjoy hikes and tours to World War II sites, historical and traditional tribal sites, fishing, swimming, walking or riding around the entire island or visiting the phosphate fields.

Nauru Tourism intends to encourage a small-scale sustainable tourism sector to contribute to the local economy and employment opportunities.

Econ-Goal 7: An effective, competitive and stable financial system that will enhance economic growth and development

Nauru has made significant progress this year with legislation supporting the Nauruan Business community, with the passing of the *Nauru Small Business Enterprises Act 2025*.

Nauru Small Business Enterprises Act 2025

The Act establishes a framework to support and develop small business enterprises in Nauru. It aims to encourage Nauruans to engage in small business, develop business skills, create income opportunities, and generate employment.

The Act established a National Coordinating Committee for Small Business Enterprises to initiate policies, promote development programs, provide support services, and coordinate with various stakeholders to support small business enterprises.

A Small Business Enterprises Fund is also established, to provide financial assistance to eligible small businesses. This innovative scheme provides businesses with the means to grow or sustain a business, which until now, has not been possible without private investment, due to Nauruans having no access to credit facilities on-island.

To be eligible for assistance from the fund, a small business enterprise must meet the following requirements:

1. The business must be:

- a corporation with 70% held or controlled by a Nauruan
- a partnership where at least 70% of the partners are Nauruan
- a sole trading business of a Nauruan
- one of the following types of businesses:
 - Manufacturing or processing consumable products
 - Professional services tradesman including mechanical, electrical, civil, architectural, plumbing services, appliance repair, motorcycle and bicycle repair and maintenance,
 - Professional services including health, legal, accounting and private tutorial services
 - Wholesale and Retailing for all goods and services including franchise arrangements
 - General Services including motor vehicle rentals, motor vehicle cleaning and detailing, boat cleaning, securities, cleaning, cosmetics and hair and beauty salons, massage therapist,
 - Information technology including electronic repair, audio or video production, hire, or sale
 - Agriculture including piggery, poultry, hydroponic farming
 - Aquaculture
 - Tailoring and sewing services including laundry and dry cleaning
 - Day care services for children
 - Arts, entertainment and recreation including jewellery making and repair, event including wedding and birthday planning, café, bakeries or pastry shops, retail of traditional or cultural handicrafts and artefacts (including commercial reproductions)
 - Provision of accommodation such as Air BnB with or without breakfast, food and drink or catering services
 - Sports services including private coaching and personal trainer with own equipment
 - Travel agency and visa service
- the gross projected income or the existing income does not exceed \$75,000 per annum.

The small business must provide a business plan clearly demonstrating the principal objectives, outcomes and sustainability of the business, and any such other requirements which the Committee or the Cabinet approves.

Businesses receiving funds must account for how they are spent and provide reports.

Social Sector

Soc-Goal 1: Improve the quality and broaden the scope and reach of education

The Department of Education and Training is prioritizing the improvement of qualifications for local teachers. Currently, 67% of school teachers hold a Diploma or Degree in teaching, which is an increase from the baseline of 55%. To further strengthen the teaching workforce, ongoing training programs are in place for newly recruited unqualified teachers. Local initiatives are in place to attract more local teachers. Efforts are underway to streamline the trainee recruitment process, ensuring its relevance to the Nauruan context and alignment with regional and national teacher standards. Furthermore, the development of a comprehensive teacher competency standard framework is in progress.

With the support from the Nauru Education Program (NEP), the Department has maintained a strong focus on improving literacy and numeracy outcomes, particularly in the early years of learning. Key initiatives

include the implementation of structured learning routines, targeted teacher training on high-impact instructional strategies supported by 24/7 online resources, and the establishment of professional learning networks and Literacy and Numeracy (L/N) champion roles. The procurement and effective utilization of learning resources, especially in literacy, are also prioritized. To monitor progress, baselines for literacy and numeracy have been established in Years 1, 2 and 3, with data walls implemented to track student results. Additionally, the Pacific Community (SPC) and Education Quality and Assessment Programme (EQAP) conducted reading baseline assessments for Year 6 students in March 2025. The analysis of the 2024 examination results provides valuable evidence to inform remedial interventions in literacy and numeracy.

Broader efforts within this financial year include joint teacher planning, enhanced curriculum delivery and assessment practices, and strategies to improve the collection of attendance and data.

School attendance rates for the current financial year have reached 50%, a slight increase from the baseline of 49%. This improvement can be attributed to ongoing initiatives such as the back-to-school programs, the Nauru Education Assistance Trust (NEAT) scheme, and school lunch ration programs. As a result of the successful pilot program at Nauru College, where student support officers assisted teachers in monitoring student progress, the Department is expanding this model in Nauru Primary School and Nauru Secondary School. The program focuses on behavioral and classroom management, attendance tracking, and addressing truancy through regular reporting. Furthermore, school based liaison officers conducted community awareness programs in all 14 districts during September and October 2024. This outreach aimed to emphasise the importance of consistent school attendance for academic success and future opportunities, while also identifying specific barriers hindering regular attendance.

At the end of the 2024 school year, 122 out of 195 enrolled students (approximately 62%) successfully graduated and received their school leavers' certificates. Among these graduates, 44 students attained the Queensland Certificate of Education (QCE). Notably, 11 graduates have been selected for tertiary studies in Australia this year, and an additional 14 have received departmental support to pursue courses at the University of the South Pacific (USP) Nauru Campus. Furthermore, 50 students were selected for a four-week internship program in January 2025. After the four-week internship program only 40 were selected to continue. Of the scholarship students who graduated in 2024, six are now employed in government departments, and one is currently on a one-year break. Eight tertiary diploma graduates from 2022 and 2024 are currently pursuing their degree programs.

Moving forward, the Department of Education aims to create diverse pathways for secondary and post secondary education by providing students with learning pathways and support, including the development and publication of a visual roadmap, exploration of student re-entry programs for students with absences, and review of student apprenticeships and internship programs.

The Department of Education remains committed to establishing non-formal and life skills programs for participants with disabilities. Progress is being made in developing and implementing a process for identifying students with special needs and existing disabilities to ensure appropriate program placement based on their individual requirements.

Soc-Goal 2: A healthy and productive population

This financial year, Nauru met its target of a 2% reduction in Mortality and Morbidity rate attributed to NCDs. The average life expectancy for Nauru in 2024 is 64.37 years of age, which is a 0.28% increase from 2023, when life expectancy was 64.19 years, measured from birth to death. Looking ahead, Nauru's life expectancy is projected to increase to 75.11 years of age by the year 2100. These projections collectively show an overall reduction in mortality and morbidity.

Nauru has met its target of reduction in the prevalence rate of Communicable Diseases. The TB DOTS program has been successfully implemented with ongoing capacity building being provided with staff both in RONH and Public Health. A screening program is also being implemented to detect latent TB.

Nauru also met its target of reducing infant mortality below the 17.7 deaths per 1,000 live births. Nauru maintains high immunisation rates of over 90% coverage. Ongoing training for health staff is still ongoing with technical support from WHO and SPC. Notably, this financial period, there were zero maternal deaths reported.

Proposals on scholarship support for local Nauruans for health related roles has been submitted. Furthermore, a Cuba Medical brigade of 10 health professionals is expected in July 2025. During the financial year a new laboratory policy and strategy was developed. A proposal for funding, submitted through WHO to the Pandemic Fund, seeks funding to strengthen the laboratory services, including a public health laboratory. This initiative will increase capacity for surveillance and will provide more reliable figures of community exposure to waterborne illness, rather than only measuring those that report, as many patients may self-medicate.

Notably, the Government signed an agreement with a UAE-based service provider, GMSS, on 19 June, as a foreign investor under the *Foreign Investment Act*. The company will be responsible for managing local health services, and take over the management of overseas medical services, ensuring patients and their caregivers are properly coordinated, supported and monitored throughout their treatment abroad. GMSS entered the legally binding Nauru Health Services Management Agreement with the government, for 10 years initially.

The agreement includes robust accountability measures and termination clauses to protect the public interest in the event of performance falling below expectations.

The aim of the partnership is to deliver cost savings over time, improve service quality, and alleviate many of the administrative and logistical burdens. The structural reform will also focus on improving the lifestyle and health of Nauruans through national sports programs, community awareness campaigns, and targeted initiatives aimed at increasing life expectancy and promoting healthy living.

Soc-Goal 3: Enhanced quality of life through sports for all

Based on available public records and news from Nauru for the period of July 1, 2024, to June 30, 2025, here are the key activities of the Nauru sports department:

International Competition and Representation:

- **2024 Summer Olympics:** Nauru's sports department and the Nauru Olympic Committee (NOC) were heavily involved in supporting the country's participation in the Paris 2024 Summer Olympics, which took place from July 26 to August 11, 2024. Nauru sent one athlete, Winzar Kakiouea, who competed in the men's 100 meters.
- **2025 Pacific Mini Games:** Nauru sent 77 athletes and 31 officials to the 2025 Pacific Mini Games held in Palau on 29 June - 9 July. Team Nauru participated in seven sporting disciplines: athletics, beach volleyball, indoor volleyball, table tennis, weightlifting, wrestling and judo.

Capacity Building and Development Programs:

- **Oceanic Sports Education Program:** In collaboration with the NOC, the sports department awarded 61 certificates to community members who completed training in coaching, officiating, and sports administration in April 2025. This initiative was part of the Oceanic Sports Education Program, with the goal of strengthening the local sports workforce.
- **"Team Up" and Sport for Development:** The department worked with "Team Up," an Australian government program, to host workshops.
 - A "Sport 2 Life and Safeguarding" workshop was held at the Sports Complex in Yaren to promote safe sport practices and improve development programs.
 - The workshop focused on advancing gender and disability inclusion in sport.
- **"Raising Innovative Sports Enablers" (RISE):** The department collaborated with the NOC on the RISE initiative, launched in March 2025, to empower women in sports and establish pathways for female leadership roles.

Infrastructure Development:

- **Sports Stadium:** The Department of Sports has been working on the construction of a new sports stadium. As of March 2025, work on the land—including the critical and crucial tasks of surface leveling, cutting, and compaction—was near completion, with the latest deadline for this phase set for the end of March.

Community and Domestic Activities:

- **Community Sport Participation:** The department successfully facilitated the participation of over 5,000 individuals in community sports, exceeding the target of 4,385 set for the financial year.
- **Community Courses:** The Department of Sports completed Community Coaching courses and other programs across all districts of Nauru, targeting various community members, including unemployed individuals, stay-at-home mothers, and at-risk youth.

Soc-Goal 4: A cultural, socio-inclusive, cohesive and self reliant community with sustainable livelihoods

The Department of Internal Affairs and Department of Education worked together to create a Nauruan dictionary. The departments are also working to redesign the Nauruan Study Program for young children (ages 5-7). The Education department is funding the ongoing editing work with the Nauru Language Committee. Also, a pilot program for adults in the workforce is still being revised. The Nauru Study Program in schools will be delivered by the Education Department.

This financial period, the departments of Social Welfare and Disability are working collaboratively to modify 30 homes to better suit the needs of individuals living with disabilities. As of the current financial year, 20 homes have been completed, with eight currently under construction and the remaining two to commence. This housing modification project aims to be completed by June 2026.

Soc-Goal 5: A just society that recognizes and respects the rights of women and children, that promotes equal opportunity

The Department of Women and Social Development Affairs (WASDA) has been actively developing key policy frameworks to enhance the enforcement of the *Domestic Violence and Family Protection Act 2017* and the *Child Protection and Welfare Act 2016*. Notably, there has been substantial progress toward finalizing the National Women's Policy, National Action Plan for Women, Child Protection Policy, and Gender Mainstreaming Policy, with cabinet submissions already completed for their endorsement.

In 2024, Nauru hosted the Micronesian Ministers for Women's Conference in April 2024, focusing on generational equity and resilience. This platform facilitated collaboration among neighboring nations in the North Pacific to address shared challenges in gender equality and women's empowerment. Nauru also is current chair of the Regional Working Group on Domestic Violence and Family Protection Legislation which is a 2 year term and this year August Nauru will hand over leadership to the Solomon Islands. Celebration of International Women's Day was a pivotal event that highlighted the department's commitment to women's welfare and safety. In addition, Community awareness programs on child abuse have been conducted by the Nauru Police Force through district visits, radio talk shows and facebook posts.

Soc-Goal 6: investing in youth - a sustained future for Nauru

Life skills programs are being offered to youth participants this financial year by the Department of Community and Youth. In the current financial year, 15 students enrolled in this six-month program successfully graduated. Of these graduates, six have since gained employment, and one is working as a freelancer. The Department of Community and Youth is obligated to find job opportunities for the remaining graduates. The life skills program is scheduled to commence again for new applicants from July 2025 to January 2026.

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

During this period, the Nauru Electoral Commission (NEC), undertook the following key activities:

- **Voter Roll Updates and Publication:**
 - A new voter roll was published in November 2024, in preparation for the upcoming 2025 elections. The updated National Roll was made available in Gazette 307/2025 on July 19, 2025.
 - The NEC also published notifications in government gazettes regarding new registrations and transfers of registrations.
- **Public and Civic Engagement:**
 - The NEC was involved in debates for International Women's Day 2025. Preliminary debates were held on March 4, 2025.

- **Legislative Changes:** The Electoral (Amendment) Bill (No. 2) 2025 amended Section 41(3)(b) of the Electoral Act 2016. This amendment significantly reduced the fee for voters to transfer their registration from \$1,000 to \$500. The stated purpose of this change was to make it more affordable for voters to transfer their registration.

Infrastructure Sector

Infra-Goal 1: Provide a reliable, affordable, secure and sustainable energy supply to meet socio-economic development needs

The 6 MW solar plant is due to be energised in August/September 2025, significantly reducing Nauru's use of diesel to support the current fuel generation system, which costs \$367,664.53 per month in fuel expenses.

Nauru is actively advancing its National Energy Roadmap 2024–2030, focusing on reducing fossil fuel dependence, enhancing energy efficiency, and integrating renewable energy sources. In December 2024, Nauru launched its first electric buses funded by UNDP. This initiative, part of the SMARTEN project, aligns with the goal of transitioning to cleaner public transportation and reducing emissions. In terms of Energy Efficiency Programs, DCCNR has implemented the Nauru Energy Efficiency on the Demand Side (NEEDS) project, which includes community outreach, appliance rebates, and LED lighting upgrades in government buildings. These efforts aim to reduce electricity consumption and promote sustainable practices.

DCCNR also continues to progress the Mainstreamed Achievement of Roadmap targets for Energy (SMARTEN). This four-year project, funded by the Global Environment Facility (GEF), continued to focus on increasing renewable energy and energy efficiency applications.

The Higher Ground Initiative Division is coordinating with NUC and DEMA to help develop a strategic plan to integrate renewable energy planning into the HGI master land use plan, and energy efficiency strategies into building plans more broadly.

DCCNR (along with NUC) have introduced mandatory energy performance labeling and minimum energy performance standards for appliances. Additionally, the government has established funding mechanisms such as the Low Carbon Fund and LED Lighting Fund to support energy-efficient initiatives.

Infra-Goal 2: Provide a reliable, safe, affordable, secure and sustainable water supply to meet socio-economic development needs

NUC continues to meet the water demand from both the residential and commercial customers. The reverse osmosis plant has achieved its overall goal of 100% supply this year. NUC anticipates meeting 100% demand in the coming year, as an average level of rainfall is expected.

The Nauru National Building Code (NBC), which has been a top priority for the Department of Infrastructure Development, with the support of PRIF, has now been passed. The NBC is integral to their long-term strategy for ensuring public safety, enhancing disaster resilience, promoting economic efficiency, supporting sustainability goals, and maintaining market competitiveness. The role of the NBC extends beyond mere regulation; they shape the very fabric of communities by influencing how structures are built and maintained over time.

The Integration of 32 RONPHOS employees strengthened the Department of Infrastructure's capacity. Internal restructuring ensured new hires were assigned to various projects and positions aligned with departmental objectives. Critical training plans are in place to upskill all employees.

DCCNR water division continues to educate the public and engage with the Education Department to introduce WASH programs in schools. DCCNR is continuing works on the downpipes and the installation of rainwater harvesting systems which were aimed to finish 150 households during the financial year. The testing of home water tanks to national water standards remains a priority for DCCNR, with a progress performance of 50% of water quality in tanks tested per district, supported by newly trained community leaders.

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

The ADB funded Nauru Sustainable Urban Development Project (NSRUDP) aims to improve critical urban services, including water supply, sanitation, and solid waste management, for approximately 2,150 households, covering about 55% of Nauru's population. The physical works component project is expected to start in FY 25-26, and will serve 55 per cent of the population or more than 1200 households. The SUDP will be Nauru's first reticulated water network, with a modern septage treatment facility, and composting and recycling system to improve sanitation, and public and environmental health. Consultants from Beca International Group Ltd conducted consultations and site investigations in March to inform the design of the water supply, sanitation, and recycling facilities. The ADB's fact-finding team concluded its mission in April, gathering final information for the project proposal.

During the FY a new laboratory policy and strategy was developed by the Department of Public Health. Funding is being sought from the WHO's Pandemic Fund to strengthen the laboratory services, including a public health laboratory. This will increase capacity for surveillance and will provide more reliable figures of community exposure to waterborne illness rather than measuring those that report as many patients may self-medicate. The Health Department is determined to reduce 50% of waterborne cases against the initial baseline targeting for only 15 cases or less.

Infra-Goal 4: Improve transport infrastructure and provide reliable sustainable transport services

The Nauru Port project is gaining momentum as it moves into advanced stages of implementation of transforming the Aiwo Boat Harbour into Nauru's first international and climate-resilient port. The majority of physical works are expected to be completed in late 2026.

Before the new port's construction, Nauru lacked a proper wharf. Ships had to rely on a precarious and inefficient system of mooring buoys, with cargo being offloaded onto barges. This method was highly vulnerable to weather conditions, leading to significant delays. Turnaround time for container vessels to be berthed in Nauruan waters was, on average, 20.7 days. In rough weather, this could extend to several weeks. For fuel ships, they typically took an average of 4.3 days for offloading and phosphate ships also required an average of four days. This lengthy turnaround time was not only inefficient but also costly and posed significant safety risks to personnel and goods.

Now that the new port is partially in use, container vessels can complete loading and unloading in just three days. Fuel ships require only one day for offloading.

Nauru's Department of Transport's activities this FY included:

Air Transport:

- **Weather Monitoring:** The Civil Aviation Division was preparing to install a weather reading instrument at the airport to provide real-time weather information for aircraft landings and departures. This will complement the existing station under the National Emergency Services.
- **Bird Strike Mitigation:** Early observations of the "Mega Blaster Pro" device indicated less frequent bird strikes at the airport, although more data was needed for a conclusive trend.

- **TSA Certification:** The Nauru Civil Aviation Authority was in discussions with the US Transport Security Administration (TSA) to certify Nauru International Airport as a TSA-approved port. **Runway Resurfacing Project:** Scoping work for the airport upgrade and road rehabilitation project (runway resurfacing) preparatory works have commenced, with UXO investigations being undertaken in the first quarter of 2025. This \$40 million project is supported by the Australian Infrastructure Financing Facility for the Pacific (AIFFP) to ensure the runway meets international standards. The last resurfacing was in 1993.
- **Air Traffic Services and Safety:** Representatives from air navigation service providers across the Southwest Pacific met to focus on enhancing air traffic services and runway safety.

Land Transport:

- **Electric Buses:** An agreement was signed to procure two electric buses for the public transport fleet, which are now in use. This is a cooperative effort between the Department of Transport and the Department of Climate Change and National Resilience under the SMARTEN project.
- **Vehicle Registration and Insurance:** The Vehicle Registration and Insurance Database (VRID) software was upgraded to include text message notifications for registration expiration.
- **Local Number Plate Production:** A number of plate embossing and hot stamping machine and blank plates were procured to produce vehicle number plates locally, aiming to reduce purchase and delivery times and logistical costs.

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

A significant stride was made in November 2024, when a groundbreaking ceremony marked the commencement of civil works for the cable landing station, including the construction of the beach manhole and ductwork. On the 9th of August 2025, Nauru proudly celebrated the successful landing of the East Micronesia Cable System (EMCS) submarine cable at the cable landing site.

The \$135 million (AUD) project six-country collaboration between Nauru, Kiribati, the Federated States of Micronesia (FSM) and funding partners Australia, Japan and the United States, to support critical telecommunications connectivity in the Pacific. The EMCS submarine cable, spanning 2,250 kilometers will link Nauru with Kiribati, Kosrae and Pohnpei in the Federated States of Micronesia, with onward connectivity to Guam.

The system is scheduled to be ready for service at the end of October 2025.

Nauru Media is moving forward to expanding its services and broadcast reach further to provide improved and quality live coverage on the island, the procurement of an Outside Broadcast van to house the unit will expand the dept's capability to covering any events live anywhere on the island keeping the public up to date. Media is also continuing some of its activities from FY 24-25 in terms of sourcing additional channels for TV and Radio, staff capacity building and training and also consulting with legal counsel into drafting a media legislation. Nauru Media is also continuing its revenue generation activities by reaching out to potential customers, forming new partnerships and promoting its services. The Department continues to investigate options for increasing free to air television. Currently there are 4 TV channels (NAURU TV, ABC, AUSPAC TV and PASIFIKA TV). The establishment of a 24-hour Radio Australia was launched in May 2024 and has been on air on FM90 since its launching. Nauru Media's revenue stream has been steadily increasing, with donor funded projects for Radio and TV awareness and other promotions. The department is exploring revenue opportunities through social media platforms

Nauru Media continues to proactively upgrade staff skills. In July 2025, Nauru hosted a two week training for 18 broadcast technicians from 10 Pacific countries – Federated States of Micronesia, Kiribati, Niue, Nauru, Palau, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. The two-week training program is supported by Nauru Media and coordinated by ABC International Development through the Pacific Media Assistance Scheme (PACMAS). The group's work wasn't all in small rooms, working on equipment. Training covered key broadcasting skills, including fault detection, data backup systems, and IP networking. Participants had hands-on time with testing equipment including spectrum analysers – which help measure and monitor radio frequencies to avoid signal interference – and oscilloscopes, which display and measure electronic signals and are critical for diagnosing issues in broadcasting equipment. They also practised setting up and troubleshooting audio-visual equipment, the backbone of live and recorded media production in radio and television stations.

Participants also visited Command Ridge, the highest point on the island – 65 metres above sea level – to implement their training on Nauru Media's two transmitter signal towers, several receivers and a dedicated broadcast feed from the ABC.

The construction of the media conference room is now complete with the new facility being utilised for its purpose. The Media Director position is now filled with a local employee, the proposed plan was amended to align with the Minister's directive that a local should fill the position - this also contributes to cross goal 1 Nauruan Government positions occupied by expatriates are reduced.

As of May 2025, Cenpac Corporation has been actively enhancing the nation's digital infrastructure. In December 2024, Cenpac inaugurated the first Starlink Community Gateway in the Pacific, a significant milestone in Nauru's telecommunications development. This initiative, launched in partnership with Starlink and Nauru Telikom (trading as Neotel), aims to provide faster, more reliable internet services to homes, businesses, and government entities. The Community Gateway utilizes Starlink's satellite technology to deliver fiber-like speeds, with local distribution through last-mile fiber, fixed wireless, and mobile wireless networks. Customers have the option to continue using their existing Starlink kits or transition to the community gateway service, which offers reduced monthly payments. The Starlink kit costs a monthly subscription of \$170AUD per month whereas the new community gateway service is only \$90AUD/monthly.

Cross-Cutting Sectors

Cross-Goal 1: Strengthen and develop the institutional capacity of the Nauru Public Service

The HR department continues its focus on providing consistent quality training and capacity building for Public Employees. HR have achieved training of more public employees and having them complete Australian recognised HR certificates which had enhanced their knowledge in HR and contribute to their ability to perform their roles in an efficient and effective manner. A key initiative during this period was a collaboration with the Australian Public Service Commission (APSC) to provide workshops. These workshops, including one on "Building and Leading High Performing Teams," were designed to improve the skills of public service managers and align their work with government priorities. The HR department aims to continue this partnership to deliver more HR-related training courses. HR will continue to create similar pathways to provide increasing access to international recognised training delivered in-country.

HR has now launched a website ([Home - Republic of Nauru - Department of Human Resources](#)) to reflect current activities and enhance communication with the public.

Cross-Goal 2: Strengthen Parliament, Audit, Justice, Law, Order and Border Control

Through the AusP3 program, Australia assisted the Treasury division through providing expert advisors to strengthen Nauru capability in key areas of public administration (Treasury, Planning and Aid, Revenue, Customs, Infrastructure and NUC) to support delivery of Government priorities. These roles involve capacity development of Government staff and process and system improvements.

The Nauru Accountable and Inclusive Governance (NAIG) Project, a 2024 initiative funded by Australia and

New Zealand and facilitated by UNDP, marked significant progress in bolstering key democratic institutions in Nauru. Notable achievements included enhanced electoral expertise through participation in BRIDGE training, improved parliamentary strategic planning with support from Fiji, and the establishment of crucial partnerships within the Justice Sector. Specifically, the Nauru Police Force partnered with Fiji Police, the Nauru Law Society signed an MoU with the Fiji Legal Aid Commission, and Continuing Legal Education was implemented for Pleadors. These accomplishments, driven by technical assistance, strategic partnerships, and South-South collaboration, focused on capacity building and citizen engagement. In 2025, UNDP will continue to expand these partnerships to advance inclusive governance, focusing on institutional strength, civic engagement, and impactful justice sector reforms aligned with Nauru's national priorities.

The Nauru Audit Office completed a compliance audit of the Civil Aviation Department and financial audits of a number of State-Owned Enterprises. Staffing shortages continue to limit the NAO's capacity. This is compounded by the absence of qualified or experienced candidates available locally. Training and on-the-job development has been offered to build the skills of current team members. One local employee obtained certification from the INTOSAI Development Initiative as an IDI Certified Compliance Auditor during the FY 2024-25 period.

ICT

In FY 24-25, key progress was achieved in the following areas:

- **Improved Data Management & Backup:** Implemented offsite backups, migrated file shares to a secure and accessible Synology appliance with double backup, and consolidated all backups on this system.
- **Enhanced Network Management:** Setup a remote access router for hospital equipment, deployed software for managing network device configurations, and installed 18 new Wi-Fi access points.
- **Educational & Collaborative Tools:** Established a Moodle platform for education and deployed Passbolt for secure password management. Standardized desktop and laptop specifications with EPL.
- **System Modernization:** Migrated the EMIS system to a virtual machine with an updated SQL server.
- **Security Enhancements:** Installed Wazuh for server log monitoring (ongoing deployment) and a secondary DNS server. Upgraded the SOPHOS firewall with minimal downtime.
- **New Infrastructure:** Set up new virtual machines for audit tools and hospital system backups (previously local only). Began rolling out new file shares on the Synology appliance and installed two new Hyper-V servers (starting VMware migration).
- **Network Optimization:** Configured new network ranges for finance, resolved long-standing DNS issues, and successfully transitioned to the CENPAC/Starlink internet service (including resolving email sending delays and adjusting bandwidth limits). Transitioning to Neotel phone service.
- **Cyber Security Capacity Building:** Conducted public and school awareness campaigns ("Cyber Up") in partnership with PaCSO. Staff received CYDER training in Japan.

Ongoing/Pending Work:

- Replacing the core layer 3 switch and media converters.
- Completing the migration of servers from VMware to Hyper-V.
- Testing and deploying a new EdgeRouter.
- Delivering Cyber Up awareness campaigns within government entities and communities.
- Further CYDER training planned for October 2025.
- Incident response training with ACSC planned for late March.
- Hosting cyber security training for Micronesian countries (early-mid May 2025).
- Awaiting confirmation for a 3-month cyber security secondment in New Zealand.

Key Challenges:

- Procurement of non-standard IT equipment.
- Power instability (pre-paid power outages, unexplained fuse blowouts in the server room) causing equipment issues.
- Temporary and fragmented UPS setup in the server room.
- Intermittent high CPU usage on the core layer 3 switch due to unmanaged hospital network traffic.
- Lack of a dedicated cyber security team and limited in-house expertise.
- Dependence on overseas partners for cyber security training and lack of local experts.
- Insufficient equipment for practical cyber security training and monitoring tools.
- Absence of specific cyber security policies and acts.
- Dated network infrastructure, particularly at the hospital.
- Limited budget for capital expenditure (CAPEX) due to high internet/phone costs and wages.

Despite challenges, the ICT department achieved a 99.71% internet uptime in 2024, and the core layer 3 switch had over 11 months of uptime.

Customs are due to meet their KPI target for Intelligence driven risk assessed limited interventions are practised in ASYCUDA with Red Yellow and Green lanes active in May 2025. In layman's terms, these lanes mean what customs reviews (Red), what is released (green) and what is passed through based on documentation (yellow). UNCTAD will deliver training and set up lane assignments in Asycuda in May 2025. This is a risk-based approach that removes manual interventions and aligns with world best practice on Customs administration. The allocations will be updated at least three times per year based on examinations and audits and also random inspections that the computer selects in a blue lane.

The Department of Justice continues to explore ePassport options to improve the security of Nauruan passports and help Nauruans make use of electronic immigration systems while travelling.

Cross-Goal 3: A transparent and fair land management system that supports social, economic and private sector development

Review of the Land Tenure System and Legislation

The Department of Lands Management aims to review land tenure and legislation to ensure they reflect Nauruan traditions while remaining fair and sustainable. In FY 2024-25, the Department completed work on the Surveyor's Bill, which is now awaiting parliamentary approval. Additionally, the Department has proposed key policies such as:

- The 100-Year Initiative for the Republic to purchase prime land where the landowners receive land rental below \$100 annually, allowing the Republic to purchase land.
- The Land Lease Registry, which will serve as a national database for recording all lands leased by the Republic and State-Owned Enterprises (SOEs).
- These policies will remain a priority in FY 2025-26.

Also, a committee was established to focus on the Lands Act and legislation. A lawyer familiar with the land's management has been taken aboard to assist in the determination and disputes of land.

Modernization of Land Records and Survey Equipment

The Department of Lands Management aims to upgrade to the latest software and equipment to enhance the accuracy of land records. To achieve this, it has budgeted for the acquisition of the LISCAD software and is exploring training opportunities for staff.

The Director of Lands & Survey has been working diligently to map and gazette all land portions. In FY 2025-26, a Master Island Survey is planned, aligning with international requirements for such surveys to be conducted every 10 years. This initiative will include:

- Coastal area re-surveys
- Bolts and drone surveys
- Mapping of newly erected houses, buildings, roads, and access roads
- Assessment of coastal erosion and sea level rise impacts

The Master Island Survey will also provide essential data on the availability of phosphate land and coconut land for government use and housing development. Given the scale of this task, the Department estimates completion within three years.

Development of a Land Archive

The Department of Lands Management is working towards establishing a comprehensive land archive, where all data and land records will be stored both electronically and physically. To support this initiative, all vacant positions in this section have been filled. Plans for further development include:

- Acquiring scanners, printers, and other necessary equipment
- Providing staff with archive management training through the Australian Society of Archivists' self-directed online courses

These initiatives will strengthen the Department's capacity to manage land records efficiently and securely.

Enhancing the Land Records Section

The Land Records Section is responsible for processing land rental payments and updating all land records. To improve efficiency, the Department has taken several steps, including:

- Purchasing three (3) new computers for staff this financial year
- Hiring additional staff to support increasing workload
- Initiating training programs for staff to enhance record-keeping and administrative skills

Implementation of the Funeral, Burial, and Cremation Act

In FY 2024-25, the Department strengthened its Funeral, Burial, and Cremation Section by hiring a dedicated staff member to oversee the implementation of the Funeral, Burial, and Cremation Act 2017. Key developments in this area include:

- Entering contracts for the construction of enclosures and clearing of tree stumps and land at the Aiwo/Boe Cemetery
- Seeking approval for the FY 2024-25 budget to roll over to FY 2025-26 to ensure the successful completion of ongoing projects

Moving forward, the Department intends to:

- Construct enclosures for the Anabar Cemetery
- Construct a small office at the new cemetery located at the German Wireless land

These initiatives aim to improve cemetery management, ensure proper burial arrangements, and maintain respectful and organized final resting places for the people of Nauru.

Public Awareness and Engagement with Landowners

The Department works closely with landowners in all aspects of its functions. To strengthen engagement and ensure transparency, the Department has:

- Conducted approximately 15 landowner meetings, excluding the five-year review discussions
- Established a social media page, which has significantly improved public access to information and updates on the Department's activities

Moving forward, the Department intends to expand its public awareness initiatives by:

- Hosting regular consultations with landowners regarding upcoming projects and policy changes
- Utilizing various media platforms to keep the public informed on the Department's projects and policies

By strengthening public engagement, the Department aims to foster better collaboration with landowners and ensure that all land-related matters are communicated clearly and efficiently.

Cross-Goal 4: Sustainable use and management of the environment and natural resources for present and future generations

In the realm of hazardous waste management, the Department of Environment Management and Agriculture (DEMA) has achieved notable success, particularly in asbestos management. Key accomplishments include the development and implementation of an Asbestos Management Regulation and Code of Practice, the safe offshore disposal of five containers of asbestos, and the removal of asbestos from areas outside people's homes. The department has also invested in capacity building by training contractors on safe asbestos handling practices and establishing a designated storage site for asbestos, ensuring secure containment prior to final disposal.

The target of establishing at least one terrestrial area for land improvement activities such as agriculture and another for restoration was not met. However, with the commencement of the GEF7 project, consultation will occur with NFMRA on managed areas. The overall goal of the project is to contribute to sustainable ecosystem-based integrated land management in globally, nationally and locally significant land resources in agricultural areas under threat of land degradation, for greater ecosystem stability, enhanced food security and improved rural livelihoods.

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

A formal agreement between Australia's Assists Program and secretary for NES was signed on 28 April. The Australia Assists Program (2025 – 2035) is a shared commitment to strengthening bilateral relationship and disaster resilience. The ten-year program will deliver essential technical support, capacity building and emergency response assistance aligned with Nauru's priorities. Recent support included the UXO Runway Resurfacing Project, critical to the security and safety of Nauru's runway and provision of Aspen Medical staff assistance during the course of the project.

NES also established a national cluster system, a cross-sector coordination mechanism to organise emergency response efforts. NES is starting with clusters for food security and agriculture, health and nutrition and education. NES also worked closely with DEMA to co-host the 3 Food Security Technical Working Group, supported by World Food Programme and Australia. In other areas the Building Safety and Resilience in the Pacific (BSRP) is a project, funded by the EU and implemented by The Pacific Community (SPC). The key objective of this project is to strengthen disaster risk management and climate resilience in the Pacific. NES has secured funding support to enhance national disaster information systems and preparedness for schools and communities.

Implementation of the Climate Change Policy will continue in FY 25-26. The implementation plan has been developed and SPC will act as the implementation partner.

In partnership with the Department of Climate Change and National Resilience (DCCNR), a new initiative called Climate Finance Capacity Support Program was launched to draft the first National Drought Management Plan, aimed to address risks and challenges during Nauru's prolonged dry periods. This program is funded by the New Zealand Government.

Further activities of DCCNR include:

Securing Climate Finance and International Engagement

- **Launch of the Economic and Climate Resilience Citizenship Program (ECRCP):** At the COP29 conference in Baku, Nauru's government, with a key role played by the Minister for Climate Change and National Resilience, launched this innovative program. The ECRCP offers a pathway to Nauruan citizenship for foreign investors who contribute to the national Treasury Fund. The funds raised are specifically earmarked to finance climate adaptation and sustainable development projects. The program was designed and is being run in collaboration with international advisory firm Henley & Partners.
- **COP29 Participation:** The DCCNR was a major part of Nauru's delegation to the 2024 UN Climate Change Conference (COP29), where they officially launched the ECRCP and engaged in dialogues on climate finance and adaptation, advocating for the needs of small island developing states (SIDS).
- **Accessing Green Climate Fund (GCF) Finance:** The department continued its work on the "Nauru Readiness II" project, which concluded in December 2024. The objective of this project was to strengthen Nauru's climate financing mechanisms and capacity. A key goal was to help Nauru become a Direct Access Entity (DAE) to the GCF, which would allow the country to directly access and manage climate finance for its own projects without relying on external entities.

Strategic and Policy Development

- **Higher Ground Initiative (HGI):** The DCCNR continued to be the driving force behind the Higher Ground Initiative, Nauru's ambitious plan for a managed migration of people from vulnerable coastal areas to higher inland ground.
 - Work on land site preparation, leveling, cutting, and compaction for the new "Smart Village" continues.
 - DCCNR is actively seeking partners and donors for the initiative, with a "roadshow" planned to promote the project and secure funding.
- **National Adaptation Plan (NAP):** The department led the development of Nauru's new National Adaptation Plan, which is intended to replace the previous framework (RoNAdapt) from 2015. This new plan, which was in development throughout this period, is designed to better reflect the country's current priorities, including relocation, water and food security, and infrastructure resilience.