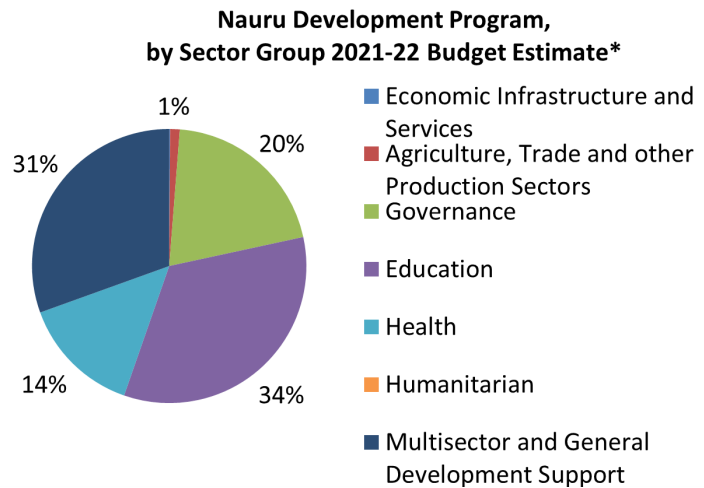


# 2021-22 NAURU DEVELOPMENT PROGRAM PROGRESS REPORT

The COVID-19 Development Response Plan for Nauru has been extended through 2022-23. In 2022-23, the Nauru program will have a stronger focus on education and economic governance, as Nauru recovers from two years of COVID-19 disruptions. Our support to the health sector – especially ensuring ongoing vigilance against further COVID-19 transmission – will transition to focus on other long-term health and development challenges.

Program Budget	2021-22 Budget Estimate \$m*
Bilateral	25.5
Regional	5.6
Global	0.0
Other Govt. Departments	1.1
<b>Total ODA</b>	<b>32.2</b>



\*Actual expenditure is expected to be available in early 2023. Due to rounding, totals may not match the sum of components.

Our development program to Nauru contributes towards achieving the following Sustainable Development Goals:



The 2021-22 Nauru Development Program Progress Report summarises progress with implementation of the Australia - Nauru COVID-19 Development Response Plan and highlights program results.

## CONTEXT

Nauru’s COVID-19 travel restrictions, in-country quarantine, and testing enabled it to prevent the entry of COVID-19 throughout most of 2021-22. During this period, Nauru continued to upgrade its health system and conduct extensive public health campaigns. More than two-thirds of Nauru’s population is fully vaccinated against COVID-19. Despite these high vaccination rates, **Nauru remained vulnerable to COVID-19 due to high rates of non-communicable diseases (NCDs), obesity and smoking, and the health system’s limited surge capacity.**

Nauru reported its first cases of community transmission in June 2022, with impacts expected to last well into the 2022-23 financial year. After moderate growth of 1.6 per cent in 2021, Government of Nauru (GoN)’s restrictions likely hampered economic activity in 2022. GoN resolved legacy Japanese Samurai bonds, such that gross government debt fell from 61 per cent of GDP to 27 per cent during 2021-22. Nauru’s outward-focused state-owned enterprises (in particular, Nauru Air and the Nauru Shipping Line) were affected by the global economic slowdown, with flow-through to the GoN balance sheet. **Government expenditure accounted for most economic activity.**

Nauru’s 2019-2030 National Sustainable Development Strategy outlines the GoN’s vision to transition from a government-led economic model towards a more diverse economy. **Challenges to Nauru’s economic diversification include the country’s small size, remoteness and limited natural resources** – outside of fisheries and dwindling phosphate reserves. Nauru is also particularly impacted by rising food and fuel prices due its reliance on imports.

**Nauru is vulnerable to the impacts of climate change** and is managing these risks through climate and disaster resilient infrastructure projects, such as the Nauru Port Construction Project, and the Higher Ground Initiative, which aims to develop the higher elevation interior of the island and enable Nauru to reclaim land that is currently unusable.



## AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Australia's development program aligned with GoN priorities in 2021-22. Australia supported Nauru's health sector and transport connectivity, which is essential for Nauru's access to international freight for food and health security. We invested in the *Nauru Intergenerational Trust Fund*, to enable long-term economic stability. Australia plays an important role in coordinating support from development partners, including New Zealand, Taiwan and Japan.

### Health Security

During the reporting period, the *Nauru Health Systems Support Program* (NHSSP) was the central component of our bilateral health sector support. NHSSP completed implementing a new **Health Management Information System** (HMIS), which includes an electronic medical records system, pathology and radiology modules, and links to the upgraded m-Supply pharmaceutical supply management system. Parallel work was undertaken to repair health system hardware. The HMIS will enable better data analysis, including access to gender-disaggregated data, to inform policy and practice.

An Australian funded Community Health Adviser and Health Planning Adviser prepared standard operating procedures, annual and strategic plans to guide health services delivery for the next five years. NHSSP staff pivoted to respond to Nauru's COVID-19 needs, including systems preparedness, and logistics and public health support.

We **supported the development of NCD Guidelines to address risk factors and staff training**. Challenges remain in several areas, including low patient compliance with diabetic foot checks, and the collection and analysis of data. Two Australian funded nurses dedicated to working on NCDs in community health centres for 12 months strengthened Nauru's public health delivery.

A **review of the health program** will be undertaken following underperformance and impacts of COVID-19 restrictions and border closures over the last two years. Priority activities, such as technical assistance, strengthening of health management information systems, and the design and construction of wellness clinics, will be maintained during this period. The review will inform the design of a new health program.


Separately, Australia provided **direct human resources support to Nauru's Ministry of Health and Medical Services** (MHMS), including filling the vacant Deputy Secretary and Director of Medical Services in-line positions. We supported a COVID-19 Adviser who assisted MHMS to: **develop infection prevention and control measures; finalise plans to equip Nauru's new COVID-19 acute ward; and advise Nauru's COVID-19 Taskforce**.

Australia's regional and global health programs are providing **\$1.39 million over three years (2020-23) to support Nauru's COVID-19 response** through the procurement of essential supplies, consumables and vaccines, including for children and youth. We continued to build **institutional links between Nauruan officials and Australian health authorities**, including by sharing technical expertise on COVID-19 response. We worked with other regional health partners to strengthen coherence across the health response and deliver coordinated support.

**The Indo-Pacific Centre for Health Security provided assistance and advice in preparation for COVID-19 outbreaks**, such as supporting the distribution of COVID-19 testing cartridges. We supported equitable access (finance, delivery and ongoing monitoring) to safe and effective COVID-19 vaccines in Nauru through multilateral and regional initiatives. As at 30 June 2022, Australia supported the delivery of 19,300 vaccine doses to Nauru – including 1,000 vaccination doses from its domestic supplies and an additional 18,300 through the UN Children's Fund (UNICEF).

### Stability

Australia's support to Nauru's **education sector** continued during the reporting period. Australia offered nine **Australia Awards** scholarships (four were to Australian tertiary institutions and five to Pacific regional institutions). Four scholarship recipients were female.



Australia also set up a **direct funding arrangement with Nauru's Department of Education** to provide support before a new education program commences in 2022-23. This enabled the GoN to partner with the Queensland Department of Education to deliver the Queensland Certificate of Education and the University of New England (UNE) to provide teacher training. Two bachelor students and seven associate degree students graduated from UNE and 12 new students joined the seven ongoing students in the program.

The **Australia Pacific Training Coalition** supported a range of technical and vocational education and training (TVET) activities in Nauru, while our funding package enabled GoN TVET institutions to build links with Australian institutions.

Our partnership with the UN Development Programme (UNDP) **supported key democratic institutions** responsible for ensuring effective, inclusive and transparent electoral processes ahead of the national election (September 2022). The project targeted increased engagement of women and girls in politics and public life. The UNDP project also supported the development and passage of legislation to formally separate the parliament from the executive branch of government.

A **gender adviser** assisted the GoN Ministry of Women's and Social Development Affairs to develop a public service sexual harassment policy and a National Women's Policy.

In security cooperation, the **Australian Federal Police (AFP) continued to deliver training and capacity building to the Nauru Police Force** through the Nauru-Australia Policing Partnership (N-APP), and support law and order, including enforcement of COVID-19 measures. The N-APP remains responsive to current and emerging policing challenges, including gender-based violence and child sexual exploitation. Australia also negotiated a new **Cyber Cooperation Program** activity that will assess Nauru's preparedness for cyber threats, to be implemented in 2022-23.

### Economic recovery

Australia supported Nauru's economic resilience through technical assistance, a direct health financing package, and assistance to retain Nauru's air and sea connectivity as COVID-19 travel restrictions and the global economic downturn reduced regional mobility.

**Australian-funded advisers filled senior GoN in-line positions and important advisory roles** to provide public financial management advice and ensure accountability for Australia's development financing provided directly to Nauru. Other development partners including the Asian Development Bank and International Monetary Fund (through its Pacific Technical Assistance Centre) engaged with GoN through these advisers.

The **Nauru Intergenerational Trust Fund** continues to be a mutual priority and an important mechanism to ensure the financial sustainability of the GoN's budget. In recognition of Nauru's increased 2021-22 contribution, Australia also made an increased contribution to the Trust Fund. Australian senior officials and technical experts engaged on the Trust Fund Committee, amid weaker global markets due to COVID-19.

COVID-19 transport disruptions highlighted Nauru's reliance on international freight for food and health security. Australia continued its substantial support for the **Nauru port redevelopment project**, working in partnership with Nauru, the Asian Development Bank and the Green Climate Fund. The project has suffered delays due to COVID and contractor issues and is now scheduled to be completed in 2023.

We supported a **scoping and design project to resurface Nauru's airstrip** to be co-funded by the Australian Infrastructure Financing Facility for the Pacific, with the process of selecting a design and build contractor commencing in October 2022. In addition, work commenced to revitalise the stalled **East Micronesia Cable** project, which will see Nauru connected to the information economy by submarine cable.

Australian Business Volunteers worked closely with the Nauru Chamber of Commerce to develop a **private sector roadmap** which will support future economic diversification.



Nauru and Australia agreed to work together to **design a new economic governance program**, that will provide a strategic framework for Australia’s adviser support, Trust Fund engagement and economic diversification activities, and contribute to GoN’s economic governance and development agenda.

## ANNEX 1: PROGRESS AGAINST COVID-19 DEVELOPMENT RESPONSE PLAN RESULTS INDICATORS

### Health Security

Key Results Indicators	Progress/Result
Evidence that Australia has contributed to strengthened health systems, including examples of implementation of health information systems	Procured and installed hardware and systems for Nauru MHMS, including electronic medical record system, Tamanu, and implementation of COVID-19 vaccination certificates.
Evidence that Nauru has improved responses to health security threats, including progress toward community-based primary health care	<p>Provided technical assistance to Ministry of Health and Medical Services (MHMS) to develop a series of health guidelines, clinical protocols and standard operating procedures, including:</p> <ul style="list-style-type: none"> <li>• Non-communicable disease management</li> <li>• Community Health Project Plan Patient Referral Guidelines for people living with disability, survivors of gender-based violence and mental health client referrals</li> <li>• Acute care and continuity of care.</li> </ul>
Number of new or improved therapeutics, diagnostics, vaccines and additional equipment available in Nauru	<p>Procured specialised equipment including: 16 ICU patient monitors; 4 paediatric monitors; 8 electrocardiograms (ECGs); 4 respiratory units; 2 i-STAT blood gas analysers; 1 vaccine storage freezer.</p> <p>Procured infection prevention and control equipment:</p> <ul style="list-style-type: none"> <li>• ventilation hoods for tuberculosis patients</li> <li>• industrial laundry equipment</li> <li>• equipment to support specialised equipment, such as trolleys and medication carts.</li> </ul>

### Stability

Key Results Indicators	Progress/Result
Pivoted education sector support established with examples of progress toward COVID-19 responses, links to Australian systems, and strengthened focus on early childhood	<p>Provided budget support which enabled Nauru to pay for access to Queensland Certificate of Education curriculum and resources and TAFE Queensland TVET courses.</p> <p>Supported the Nauru Department of Education and Training with teacher training and salaries, and classroom improvements.</p>
Examples of Australia contributing to policing responses to COVID-19 and improved services for women and girl survivors of violence	The Australian Federal Police (AFP) delivered training and capacity building to the Nauru Police Force through the Nauru-Australia Policing Partnership (N-APP), and support law and order, including enforcement of COVID-19 measures. The N-APP remains responsive to current and emerging policing challenges, including gender-based violence and child sexual exploitation.
Number of significant evidence-based policy changes in key sectors of engagement (target: 3)	The Nauru Parliamentary Services Act came into effect on 1 July 2021. Eight supporting regulations (including employment, finance and procurement) were gazetted and various policies, manuals and



	instructions were released. This legislation provides the framework for Nauru's Parliament to remain independent from government in the long term.
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**Economic Recovery**

Key Results Indicators	Progress/Result
Examples of policy and technical advice on longer term economic recovery, including accounting for the impacts of climate change	Supported the Ministry of Finance with advisers in several senior in-line and technical roles, including in the Treasury, Customs and Revenue Divisions. These activities have strengthened Nauru's public financial management and long-term financial position.
(cross-cutting) Examples of Australia supporting Nauru's transport connectivity, including: port project progress; progress toward airport runway upgrade; and support for Nauru Airlines	Continued to support the construction of a port (now just over 50 per cent complete), which will secure supply logistics and create new commercial opportunities. Supporting the resurfacing of the Nauru airport runway and replacement of control tower equipment, which will ensure Nauru's airport meets International Civil Aviation Organisation standards.
Examples of partnering with the private sector and other partners to ensure supply lines are open	Budget support payments to cover the cost of COVID-19-related sea transport disruptions (Nauru Shipping Lines) and additional flights to maintain supplies of staple foodstuffs (Nauru Airlines).

## ANNEX 2: INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
<b>Nauru Health Support Program</b> Investment duration: 2018-24; Budget: \$9.8m	2022	3	3	3
	2021	3	3	3
<b>Nauru Public Sector Reform</b> Investment duration: 2009-22; Budget: \$56.9m	2022	4	4	3
	2021	4	4	3
<b>Nauru Infrastructure and Services</b> Investment duration: 2009-23; Budget: \$76.7m	2022	4	4	4
	2021	4	4	3

## FINAL INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
<b>Nauru Improved Education</b> Investment duration: 2009-22; Budget: \$34.3m	2022 FIMR	3	3	2
	2021 IMR	4	4	4

### Definitions of rating scale:

#### Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

#### Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas.

1 = Very poor; does not satisfy criteria in many major area.