



**NAURU NATIONAL ASSESSMENT REPORT**

**ON THE**

**MAURITIUS STRATEGY IMPLEMENTATION**

**November 2009**

## **Acknowledgements**

This report has been compiled on behalf of the Government of Nauru. I would like to acknowledge and express gratitude to Mrs. Berilyn Jeremiah [Officer-in-charge, Aid Management Unit] and Mr. Samuel Grundler [Director of Sector Planning, Development Planning & Policy Division] from the Department of Finance & Economic Development for their collaboration and contribution in a very tangible way in terms of providing information and in putting together this report.

### **Organisations:**

Chief Secretary Department; Ministry of Commerce, Industry & Environment; Ministry of Education; Ministry of Finance & Economic Development; Ministry of Foreign & Trade; Ministry of Health; Ministry of Home Affairs; Ministry of Justice & Judiciary; Ministry of Sports; Ministry of Transport & Telecommunications; Nauru Fisheries & Marine Resource Authority; Nauru Phosphate Royalties Trust; Nauru Rehabilitation Corporation; Nauru Utilities; Parliament Secretariat; Republic of Nauru Phosphate Corporation [Ronphos]; the Civil Society Organisations and the Nauruan public at large.

I would also like to acknowledge those individuals who participated in both of the Civil Society Consultations on the 23<sup>rd</sup> of October and 30<sup>th</sup> of October 2009, and also to those individuals and organizations whom contributed with voluntary written submissions.

## ACCRONYMS

AMU	Aid Management Unit
BON	Bank of Nauru
BOP	Balance of Payments
BPOA	Barbados Programme of Action
CBFM	Community Based Fisheries Management
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CPI	Consumer Price Index
CSO	Community Service Obligations
DPPD	Development Planning and Policy Division
EEZ	Exclusive Economic Zone
EHC	Eigigu Holding Corporation
FAD	Fish Aggregating Devices
FAO	United Nations Food and Agriculture Organisation
FATF	Financial Action Taskforce
FFA	Forum Fisheries Agency
FIU	Financial Intelligence Unit
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GFC	Global Financial Crises
GFC	Global Financial Crisis
GPS	Global Positioning System
HH	Household
HIES	Household Income and Expenditure Survey
ICAO	International Civil Aviation Organisation
ICT	Information and Communication Technologies
IPI	Import Price Index
ITU	International Telecommunications Union
IUU	Illegal, Unregulated & Unreported
KPI	Key Performance Indicator
MDGs	Millennium Development Goals
NACOS	Nauru Australia Compact of Settlement
NCCT	Non Complying Countries and Territories
NCD	Non Communicable Diseases
NCD	Non-Communicable Disease
NFA	Nauru Fishers Association
NFC	Nauru Fisheries Corporation
NFMRA	Nauru Fisheries & Marine Resource Authority
NGH	Nauru General Hospital
NGO	Non-government organisation
NIC	Nauru Insurance Corporation
NIC	Nauru Insurance Corporation
NPRT	Nauru Phosphate Royalties Trust
NSDS	National Sustainable Development Strategy
NSDS	National Sustainable Development Strategy
NTC	National Trade Committee
NTFA	Nauru Tuna Fishermen's Association
NYWNC	Nauru Young Women's National Council
OIA	Operational Impress Account
PCB	Price Control Board
PNA	Parties to Nauru Agreement
POHLN	Pacific Open Health Learning Network

POP	Persistent Organic Pollutants
PRAN	Pacific Regional Assistance to Nauru
PRIDE	Pacific Regional Initiatives for the Delivery of basic Education
REHAB	Republic of Nauru Rehabilitation Corporation
RHD	Rheumatic Heart Disease
RO	Reverse Osmosis
RONFIN	Republic of Nauru Finance Corporation
RONPHOS	Republic of Nauru Phosphate Corporation
SBOA	Small Business Owners Association
SIDS	Small Island Developing States
SME	Small and Medium Enterprise
SOEs	State Owned Enterprises also termed Instrumentalities
SOPAC	South Pacific Applied Geo-science Commission
SPBEA	South Pacific Board for Educational Assessment
SPC	Secretariat Pacific Commission
SPREP	South Pacific Regional Environmental Programmes
STI	Sexually Transmitted Infections
TVET	Trade and Vocational Education and Training
UNDP	United Nations Development Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational Scientific & Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
WAN	Wide Area Network
WENA	Women Entrepreneurs Nauru Association
WHO	World Health Organisation
WPI	Wholesale Price Index
WSIS	World Summit on the Information Society
WSSD	World Summit on Sustainable Development

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## **1. Introduction**

The United Nations Global Conference on the Sustainable Development of Small Island Developing States (SIDS) in Barbados in 1994 brought to the fore, the difficulties faced by these small island and low lying coastal developing states. The Conference enlightened the nations themselves the common issues they shared and helped to bring the international community to a more receptive stance.

The Barbados Declaration and the SIDS Programme of Action, a product of the conference were both positive initiatives guiding these states in their move towards development, further encouraged with the assurance of progressive support from the developed countries.

In 2002, the World Summit on Sustainable Development (WSSD) reiterated the special case of SIDS, and the meeting adopted the Johannesburg Plan of Action which highlighted these specific issues and concerns.

The United Nations General Assembly called for a review of the Barbados Programme of Action (BPOA) at the WSSD and this international meeting was to be held in Mauritius in 2004. The main aims being to renew political commitment; assess implementation and determine support required to address constraints.

The Mauritius Strategy for the Further Implementation of the SIDS Programme of Action adopted in 2005 by 129 countries and territories is to be implemented over a decade. This is a significant undertaking for the small island developing states and is a marked response by the international community. The Mauritius Strategy is a positive movement, acknowledging the special vulnerabilities of the SIDS and the unique development challenges that these nations face.

The international meeting in Mauritius recognizes the primary responsibility of the implementation of the Mauritius Strategy resting on the SIDS. Ownership of the Programme of Action and its implementation rests in the support for and capacity of SIDS to develop and execute national sustainable development strategies.

The Government of Nauru is fully committed towards the national effort for sustainable development, as articulated in the National Sustainable Development Strategy (NSDS) which was formally launched in 2005. The NSDS is the national roadmap for Nauru's development clearly stating the nation's vision for the future. The three main sectors, Economic, Infrastructural and Social (including a Cross Cutting sector) encapsulates the programmes Nauru has set out for the way forward.

The creation of the NSDS was inclusive of all sectors of the Nauruan society, specifically underlining the transcending partnerships to contribute to a "sustainable quality of life for all Nauruans.



## **1.1 Project Design**

This project has been developed in tandem with and attributable to the review of the National Sustainable Development Strategy (NSDS) in 2009.

The project outlines the issues of critical importance for the sectoral areas under the Mauritius Strategy Implementation. Each sectoral area reports on achievements made to date following the 2009 NSDS review (2005 to 2009); the constraints and challenges that were encountered in achievements, partial and non achievement of the NSDS milestones; lessons learned and good practices derived from the implementation experience; effectiveness of implementation support and mechanisms; and recent trends and emerging issues.

The report also outlined the impacts of the multiple global crises (food, fuel and finance) on Nauru's economy and the actions the country has undertaken in response, adjusting and enhancing resilience against exogenous shocks.

## **1.2 Findings**

Nauru has made considerable achievements in the areas of energy; culture and development; natural and environment disasters; marine resources; agriculture and rural development; transport and security; sustainable production and consumption; information and communication technology; health; management of wastes; freshwater resources; implementation/National and international governance/national enabling environment; and sustainable capacity development and education for sustainable development.

Those areas which Nauru has not clearly articulated agenda for progress include climate change and sea-level rise; intellectual property rights and development; biodiversity; and HIV/AIDS.

It should be noted however that Nauru has been inundated with critical national issues from 2004 onwards with an economy on the brink of collapse due to mismanagement of the national agenda predominantly on the financial front by former administrations. The turnaround of the nation with its development planning is not only considerable but also quite commendable which is clearly evidential of the national agenda for development.

## **1.3 Recommendations**

The report presents the achievements made to date; the constraints and challenges; and issues for effective implementation support. These provide an overview of Nauru's progress to date and the issues that have waylaid the development progress of Nauru. These are important measures for future assistance to ensure Nauru will attain its goals and objectives articulated in the National Sustainable Development Strategy (NSDS) and in its efforts to meet regional and international agendas for development including the Millennium Development Goals (MDGs).

The report also illustrates that there are issues that still need to be addressed in the NSDS in adherence with the Mauritius Strategy including climate change and sea-level rise; intellectual property rights and development; biodiversity; and HIV/AIDS. There has been some degree of national effort to address these issues on the periphery of the NSDS such as climate change and sea-level rise and biodiversity under the Environment Ministry within the Economic Sector and HIV/AIDS under the Health Ministry within the Social Sector. However, these efforts are limited due to lack of national institutional and human capacity; and financial constraints.

The significance and magnitude of the detrimental effects of climate change and sea-level rise on Nauru and the neighbouring Pacific island countries transcends national and regional capacity therefore call for urgent action is being jointly asserted at the international level.

These issues which are not addressed in the national development agenda remain very critical areas for national security. It is important that efforts are enhanced with assistance from partnering agencies thus ensuring that these important issues are targeted without encumbering the already stretched resources of the country.

## **2 NATIONAL SUSTAINABLE DEVELOPMENT STRATEGY**

### **2.1 Review of the National Sustainable Development Strategy [NSDS]**

Since the launch of Nauru's NSDS in 2005, two reviews were conducted within the Government instrumentalities. The first review was undertaken in 2007 and was primarily an assessment of the progress against the short-term implementation strategy. The second review was carried out in 2008 providing an assessment and evaluation of progress towards the short-term milestones.

The current review undertaken over the latter course of 2009 was far more comprehensive because the established short-term milestones were due to be achieved by the end of 2008 and required a write up of new proposed short-term milestones (targeted for achievement in 2012) including amendments to the strategies for the medium and long-term milestones. This review involved national consultations amongst all Government instrumentalities and Civil Society.

The review of the NSDS entailed establishment of new short-term milestones; review and amendments to the strategies for the medium and long-term milestones; and rationalised sector goals that were sub-converged into a more "user-friendly" classification. The revised NSDS also identifies Key Performance Indicators (KPIs) refining monitoring and evaluation for subsequent NSDS progress reviews and measurements against other international KPI's such as the MDG's goals.

Due to the extent of the proposed changes to the NSDS arising from this review, the Nauru Government has re-issued a "Revised 2009 NSDS" document that includes all of these changes. In addition, given the very comprehensive nature of the review material compiled, the Government has also issued a separate "Review of the 2005 NSDS" report.

The revised NSDS is consistent with a number of internationally agreed development goals (IDGs), the Pacific Plan, and Paris Declaration as well as the UN-DESA guidelines Guidance on Preparing a National Sustainable Development Strategy (2001). The Revised 2009 NSDS will also better position Nauru to fulfil its commitments under the Cairns Compact.

### **2.2 Consultations with Government**

The Review was undertaken by a small cross-departmental team of local government officials supplemented by a team of experts from UN ESCAP, UNICEF, UNDP, UNFPA and SPREP. Information were initially gathered from government departments and agencies by way of a survey and a series of bilateral meetings with line ministries and state owned entities (SOEs). Consultations entailed an initial meeting for all Heads of Department explaining the NSDS review process and with subsequent bilateral meetings with each line ministry and SOE reporting against progress to date and in looking ahead.

### **2.3 Consultations with Civil Society**

The Review team also conducted two separate Civil Society consultations. The initial consultation involved representation from all Civil Society groups including the private business sector. This was followed by an open forum enabling inputs from all individuals and parties participating in the forum towards the NSDS review of progress to date and the proposal of new community development activities throughout all sectors outlined in the NSDS, particularly in the Civil Society sub-sector.

### **2.4 Independent Submissions for the NSDS Review**

Independent written submissions for the NSDS review were invited from all government ministries and entities, and civil society throughout the entire review process thus enabling broad involvement and ownership towards the national development effort.

### 3 ISSUES OF CRITICAL IMPORTANCE – SECTORAL AREAS

#### 3.1 Climate Change and Sea-level rise

Nil identified.

#### 3.2 Energy

##### 3.2.1 Achievements made to date

Provision of electricity to meet the national power demand has been achieved with households and businesses receiving 24 hours 7 days a week of power at affordable cost. Fuel demand has been sustained since 2005 and the improvements in stock management and purchasing arrangements have reduced fuel losses, strengthened safety measures and capability.

Development of streamlined fuel planning and purchasing arrangements has been achieved with development of a fuel purchasing manual which led to regularized fuel supply and cheaper fuel delivered to Nauru.

A consultant was engaged to undertake work in upgrading some key operational activities. Activities include carrying out full compliance audits of industry standards, training of staff in all aspects of petroleum products handling, safety, product quality and accounting of inventory; set up of 10 year strategic plan for fuel tank farm; revise fuel quality specifications allowing clear benchmarks for fuel quality and test methods; and set up full operational and safety operating procedures.

A full time fuel tank farm manager was also engaged to oversee implementation of the strategic plan.

There has been an increase in use of renewable energy including installation of monitoring equipment to determine feasibility for potential of wind energy sources for power generation.

##### 3.2.2 Constraints and Challenges

- Poorly maintained infrastructure poses significant risks to Nauru's fuel supply
- Fuel pipeline is not only in poor condition but its construction is of sub-standard level resulting in significant fuel pipeline integrity and therefore fuel leaks.
- Lack of local capacity to maintain infrastructure including long term sustainability of maintenance service to these infrastructures
- Storage infrastructure not in line with fuel and aviation industry standards
- Lack of qualified technical and engineering expertise
- High level staff training required for marine oil spills and fire safety emergency prevention and response has not been done
- Lack of capability to respond to marine oil spill
- Security and safety standards for tank farm facility is sub standard
- Lack of local capacity to undertake tasks at standard level e.g. fuel stock management and fuel procurement, firefighting and safety measures,
- Insurance cover for personal and infrastructure safety
- Lack of operational and safety standards;
- Legislating policies and procedures
- Long term supplier for fuel and partner in business
- Lack of funding

##### 3.2.3 Lessons learned and good practices

Development of strategic plans and procedural operations, training and support for infrastructural improvements and maintenance has made significant inroads to the energy sector on Nauru.

Training up staff in operational activities for petroleum products has resulted in improved staff performance.

Review of current practices for fuel specifications have led to clearer benchmarks on fuel quality and testing methods eliminating inefficient methods for fuel procurement and sub-standard fuel products.

#### **3.2.4 Effectiveness of implementation support and mechanisms**

Efforts to operationalise strategies, standardise procedures and methodologies for the energy sector are important developments. These will assist with evaluation of the effectiveness of implementation support and mechanisms.

#### **3.2.5 Recent trends and emerging issues**

Development of local capacity to manage the energy sector is of particular importance for sustainable development. Increased use of renewable energy is being introduced underpinning the national strategy for sustainable development.

### **3.3 Intellectual Property Rights and Development**

Nil identified.

### **3.4 Biodiversity [**

Nil identified.

### **3.5 Culture and Development**

#### **3.5.1 Achievements made to date**

Production of traditional arts has increased and this is supported with the establishment of Department of Culture within Government. The Culture Department has a special unit designated to drive the development of the Nauru dictionary.

A number of initiatives promoting women's rights and interests have been introduced, driven by needs identified by women and youth groups including provision for a local focal point for the Legal Rights of the Women of Nauru; establishment of the Women Entrepreneurs Nauru Association (WENA) in 2009 by women in small businesses; and the Nauru Young Women's National Council (NYWNC) also established in 2009 which targets needs and priorities of young women between ages of 16 – 35.

#### **3.5.2 Constraints and Challenges**

- Continued production of traditional handicrafts and taking up skills for traditional arts will be a challenge, especially in encouraging the younger generation
- Development of the Nauru dictionary is not progressive due to lack of capacity
- Lack of funding for museum and national archive
- Lack of technical expertise in gender based equity, women in leadership/decision-making roles including politics

- Counselling for gender based and sexual violence victims and offenders
- Lack of technical expertise for development of small to medium enterprises for women
- Community groups lack capacity to design and implementation of programmes
- Diverse agendas and interests of communities weakening their developmental progress
- Development issues pertaining to children, youth, environment and culture not identified in NSDS
- Lack of awareness of NSDS, human rights
- Emerging communities not addressed
- Lack of local council
- Weak collaboration between CSO, Nauru Government and donor partners

### **3.5.3 Lessons learned and good practices**

It is of particular importance to engage youths for preservation of culture and traditional arts; to raise awareness for responsible citizenry; and for training and capacity building amongst youths and women. These are good practices for nation building.

### **3.5.4 Effectiveness of implementation support and mechanisms**

NGO umbrella organizations are at different levels of development and strength therefore progress is difficult to measure. Department of Culture does not have a strategic plan/framework to structure its development. This is key to developing implementation and evaluating effectiveness of support and mechanisms for programmes.

### **3.5.5 Recent trends and emerging issues**

Community groups have strengthened activities in governance issues. There is increased interest in sustainable activity such as entrepreneurship. Women's interest groups have grown; self-sustaining activities are proactively pursued; and there is an increase in awareness of the various avenues to improve women's quality of life. Also significant is the increased initiatives to garner concerted efforts to involve women in all levels of society.

## **3.6 Natural and Environmental Disasters**

### **3.6.1 Achievements made to date**

Nauru has completed trials for rehabilitation of mined out lands however have only commenced on rehabilitation of 5 ha of land as demonstration which will be closely followed by the 13 ha national cemetery site which is scheduled for 18 months in development. This rehabilitation workplan has been established setting out the ways and means to implement the Nauru-Australia Compact of Settlement (NACOS) Treaty.

Some brackish water wells have been established and the Nauru Government has committed to having wells being dug for all districts for community use.

Target for establishing 4ha of reserve area to determine baseline data to restore reef and coastal waters has not been achieved due to lack of public consultations at the community level. This result stems from the fact that Community-based and Ecosystems-based management approaches for fisheries are relatively new approaches. Draft legislation for reef protection by communities have not been approved. Nauru remains the only Pacific Island country without Marine Protected Areas.

### **3.6.2 Constraints and challenges**

- Water quality problems may arise due to household sewage cesspits being too close brackish water wells
- New approaches to fisheries management resulting in weak response to work for the undertaking
- Lack of human resources, transport and finance for consultations on fisheries management
- Lack of legislation for reef protection and environmental impact assessments for new projects.

### 3.6.3 Lessons learned and good practices

Community based management require inclusive consultations to ensure ownership and adherence to new policies.

### 3.6.4 Effectiveness of implementation support and mechanisms

The NACOS Treaty established for the implementation of rehabilitation is an effective mechanism for implementation and support.

Lack of environmental legislation contributes to weak implementation for environmental protection including requirements for environmental impact assessments for new projects.

### 3.6.5 Recent trends and emerging issues

A recent trend is inclusive management for commonly owned resources such as fisheries, water and land. There has been an emerging need for legislature to safeguard these transboundary resources.

## 3.7 Marine Resources

### 3.7.1 Achievements made to date

Improved overall fisheries management has been partially achieved with the development of a five-year Human Resources Development (HRD) Plan in 2005. This was not fully implemented due to financial constraints. With the assistance from SPC under the Coastal Fisheries Programme, several components of the HRD were implemented including fishing skills workshops, safety at sea and several resource management training courses. The HRD Plan will be reviewed with assistance from the AusAID Fisheries Management Institutional strengthening Project and will contribute towards overall fisheries management through workshops and training on fishing skills; awareness campaigns for seafood quality and processing conservation. Maximising economic returns from access and fishing licenses with bilateral partners has been achieved with a higher level of tuna catch per unit area in the Nauru Exclusive Economic Zone (EEZ) than in any other Pacific Island country, at a sustainable level in accordance with internationally agreed measures of sustainability. Noting however that “maximum sustainable yield” as a goal requires recurring efforts to be maintained. Other mechanisms for increasing revenue is to work with other PNA countries to effectively manage catch of canning tuna in the western Pacific to enable increased returns on that same level of fishing. Regional collaboration stands to enable doubling of revenues in fishery.

There have been considerable achievements made in relation to implementing new regulations, establishing a national vessel monitoring system and working with other PNA countries to strengthen management of regional tuna stocks. However application of stringent conservation regulations in the tuna stock management has not been achieved due to lack of Subsidiary Agreements under the Niue Treaty on joint surveillance activities between Nauru and neighboring island countries.

Development of high quality export fisheries was not achieved as this had been identified as insupportable through marine resources and can be developed through other strategies such as development of private and non-government actors. It was found to be commercially feasible to support live aquarium fish export businesses in the longer term timeframes though not in the immediate timeframe. Although local fish supply and local protein food security is an appropriate goal for commercial and artisanal fishing, mass production for sale at the local fish market was not an appropriate milestone.

The commercial branch of the NFMRA was closed in early 2008 as it was not commercially viable taking into consideration the decline in the regional long-line export fishery and the Japanese sashimi tuna import market and higher airfreight costs.

Efforts to eradicate pests and to restock milkfish in the Buada and Anabar Lagoons have been partially achieved. A study was conducted by the SPC to review techniques and practices in controlling Tilapia population and identifying methods for practical applications which included a national tilapia plan acknowledged that eradication will be difficult and costly and may not be successful. The study proposed to control tilapia population and farming both species may be more appropriate. The 5-year aquaculture development plan in place needs to be reviewed and its feasibility reassessed. Some of the short term milestones in the 5-year plan include research and development; community development; and training.

Fish Aggregating Devices (FADs) have been deployed and maintained. Nauru currently has the Pacific record for longevity of one of its FADs.

Local fishermen's association with community participation has been partially achieved with the establishment of the Nauru Tuna Fishermen's Association (NTFA) in 2004. This was subsequently changed in 2008 with the establishment of the Nauru Fishers Association (NFA) as the umbrella body to represent the interests of local fishers in the private sector on issues such as fisheries development and safety. Another successful community driven fisheries management is the Community Based Fisheries Management (CBFM) which began its first pilot project in 2006 with Menen District. In 2008, the project was expanded and began consultations with Denigmodu and Baitsi district. The project aims to consult communities regarding problems and constraints faced including various needs for coastal fisheries management. Some outcomes include the introduction of canoe-building training projects for community fishers and inshore FADs design to encourage fishers to fish beyond the flat reef aiming to lessen fishing efforts on the reef flats.

### **3.7.2 Constraints and Challenges**

- Lack of funds to implement strategies/plans
- Some of the milestones were inappropriate for the identified overall goals/strategies therefore these were to be appropriated through other avenues under the NSDS
- Land ownership disputes negated development of aquaculture farms
- Continued maintenance of 5-7 FADs may prove to be resource-intensive

### **3.7.3 Lessons learned and good practices**

One of the lessons learned for marine resources is that efforts must be maintained to continually yield maximum levels. It is also important to work in collaboration with other Pacific Island countries regarding effective management in harvesting shared resources such as migratory tuna fish stock in order to increase revenue.

Continued maintenance of 5-7 FADs around Nauru coast is an important measure to ensure sea-safety is improved and to reduce search time (and therefore fuel usage) by small boats.



The NFA is in the process of preparing a business plan to develop a centralized location for local fishers to acquire fishing needs and an outlet for selling their catch to the general public. This community driven initiative for private entrepreneurship is a sustainable method for NFA processes.

#### **3.7.4 Effectiveness of implementation support and mechanisms**

Community consultations in support of implementation including support of community driven coastal management is particularly important for effective and sustainable coastal management.

#### **3.7.5 Recent trends and emerging issues**

Private sector led commercial fisheries development is an emerging trend and will continue to be encouraged in Nauru. Another emerging issue for fisheries management is community-based coastal management.

### **3.8 Agriculture and Rural Development**

#### **3.8.1 Achievements made to date**

Three nurseries were established in 2006 however due to land owner disputes, one of them closed and the other two are still in operation despite lack of land agreement. Another approach is now considered involving planting fruit trees around the island. District plantations were also established however the 2006 drought resulted in the loss of most of these plantations. Household kitchen gardens were established however the workload required for maintenance and scarcity of water have prevented gardens from operating successfully.

The United Nations Food and Agriculture Organisation (FAO), SPC and Republic of China (Taiwan) has assisted significantly in establishment of setting up agriculture and aquaculture production in country.

Recruitment of a long term business specialist to work on establishment of the Business Development Centre and commence work with entrepreneurs on island has been delayed due to staff movement and restructure within department. This has developed with identification of a short term consultant with assistance from UNDP.

FAO's telefood project will be addressing cottage industry development which has resulted in a number of projects established in Nauru.

### **3.8.2 Constraints and Challenges**

- A future challenge will be to prepare and action land agreements to secure nursery sites
- Conflict has arisen regarding management of community allocation of seeds and garden materials and drought also caused conflict regarding maintenance of plantations
- Lack of capital (eg. Computers, office space) and local expertise has prevented establishment of a resource centre.

### **3.8.3 Lessons learned and good practices**

- Community consultation is imperative for the implementation of community-based agriculture projects

### **3.8.4 Effectiveness of implementation support and mechanisms**

Implementation of agricultural projects require standardized operations and procedures to enable country-wide reach such as land agreements and allocation of assistance and materials. Without preceding arrangements and support, sustainable management for furthering agriculture and rural development will not be effective.

### **3.8.5 Recent trends and emerging issues**

Land issues and community engagement is an emerging issue for agricultural development.

## **3.9 HIV/AIDS**

### **3.9.1 Achievements made to date**

Although HIV/AIDS has not been identified in the NSDS, there are limited policies for HIV/AIDS and TB in place. Nauru is financially assisted through external assistance to prevent HIV/AIDS.

Health education involving outreach to communities has improved effectiveness for implementing health policies and raise awareness for health issues and services.

Communicable disease programs regarding prevention and decrease of STI incidences, prevention of HIV/AIDS and strengthening HIV counseling services have been expanded.

### **3.9.2 Constraints and Challenges**

- Inadequate awareness
- Cultural barriers

### **3.9.3 Lessons learned and good practices**

Use of tv and radio to strengthen national preparedness plan regarding H1N1 is a measure of good practice that may be expanded into HIV/AIDS awareness and education due to non-confrontational method which may eliminate problems of cultural sensitivities.

### **3.9.4 Effectiveness of implementation support and mechanisms**

Health education outreach programmes are an important mechanism for implementing health policies.

## **3.10 Transport and Security**

### **3.10.1 Achievements made to date**

Some trial work has been done in repairing roads, footpaths and drains although further evaluation of existing drainage system is needed in several areas.

A scoping study was done in May of 2009 for port development. With donor assistance, repairs were made to the mooring relay system ensuring that mooring buoys were relayed and certified for safe ship berthing.

Reliable air service is now available with management carefully carried out to ensure that revenue and profit is generated allowing continuous airline service and dividend paid to government. This is done through charters and leasing of aircraft during downtime.

Two new firetrucks were provided with donor assistance, progressing Nauru International Airport to meet international ICAO standards for fire-fighting capability.

Building repairs and equipment upgrade has been made which is important to safeguard property and integrity of navigational equipment.

Government has made provisions for purchase of a Global Positioning System (GPS). Nauru is positioned to receive a reconditioned X-ray baggage machine thus improvement of security screening.

Civil aviation staff have been trained in handling of dangerous goods, and a new civil Aviation Bill has been drafted for submission to Parliament in 2009.

Public transport is provided by Government

### **3.10.2 Constraints and Challenges**

- Financial assistance for port development
- Further improvements required for airport to operate to international standards
- As public transport service is still in its infancy, there is no scoping review for possible private sector entry
- Lack of funding

### **3.10.3 Lessons learned and good practices**

Adherence to international ICAO standards is good practice for national operations.

Airline services conducted to maintain and improve on revenue and profit generation is promising operation methods for sustainability.

### **3.10.4 Effectiveness of implementation support and mechanisms**

Lack of commercial base will continue to hinder competitive advantage for these infrastructures eg. Airline operations.

### **3.10.5 Recent trends and emerging issues**

Due to Nauru's isolated geographic location, port development and airline operations and therefore costs will continue to hinder competitiveness in the economic sector. Improved port facilities and wider airline engagement within the region will be factors for economic activity therefore this will be an issue that will be pursued in earnest in the near future.

## **3.11 Sustainable Production and Consumption**

### **3.11.1 Achievements made to date**

Milestone to restructure and refurbish the phosphate mining infrastructure and company has been partially achieved. RONPHOS was created in 2005 for this very purpose to revitalise phosphate mining and resume exports thus providing revenue for the Government and the community. This restructure of RONPHOS was completed in 2006. The refurbishing equipment of the drying plant and two kilns was completed in 2006 with new dust trapping units installed to reduce dust emission. Reconditioned mining equipment was also used assisting RONPHOS to mine and deliver phosphate to the drying plant with further work also done on the cantilever delivery system. Despite the repairs, phosphate production was slow due to the repairs implemented to the mooring system. RONPHOS recommenced phosphate shipment in April of 2007 after the difficulties with the mooring system were corrected.

The tourism scoping study is currently underway and is in stages of collecting baseline data. An audit report on tourism products is still required with potential areas identified including deep-sea fishing, game fishing and sight-seeing. A website was established through the South Pacific tourism Organisation however needs updating.

### **3.11.2 Constraints and Challenges**

- RONPHOS company is operating without a Managing Director.
- Lack of expertise for specific areas including Senior Management
- Lack of technical feasibility studies for baseline data and reports

### **3.11.3 Lessons learned and good practices**

The introduction of dust trapping units for the phosphate mining equipment to reduce dust emission is a measure of good practice to eliminate the environmental hazards of phosphate mining. This is of particular importance due to the health implications from air degradation; reef and fish impacts from the phosphate industry which will have implications on marine life and food security.

### **3.11.4 Effectiveness of implementation support and mechanisms**

Lack of senior management and timely technical assistance will implicate effectiveness of implementation; transfer of expertise; capacity-building for both institution and human resource; and systems and processes to standardise operations.

### **3.11.5 Recent trends and emerging issues**

Work for this area is underway however milestones are partially achieved due to continuity issues. An emerging issue is to build local capacity for sustainability of operations.

## **3.12** Information and Communication Technology

### **3.12.1** Achievements made to date

A joint venture with Digicel Pacific has provided Nauru with GSM mobile phone services and GPRS/EDGE data connectivity. Although the latter is weak, Digicel Nauru have indicated that they will expand the availability of internet services.

Broadband infrastructure currently used by Government for the operation of a Wide Area Network (WAN).

There is now island-wide radio and TV coverage in Nauru. Local production in TV and radio has increased including a weekly TV news review and several presentations for special events. Radio service has been enhanced with informative productions on lifestyle and community issues. Staff have been trained for live and recorded interviews for programs and some radio and TV commercials have been introduced on a limited basis.

### **3.12.2** Constraints and Challenges

- Funding limitations led to problems to provide the appropriate equipment necessary to give adequate, full-island coverage for internet connectivity
- Vegetation and topography severely impacted Wi-Fi frequency
- Lack of regular/ongoing maintenance of equipments
- Equipment failures attributed to problems with the grid power supply
- Potential to expand use of WAN for use by general public require additional investment in equipment, notably satellite connectivity
- Internet gateways to be relocated in future
- Print media has made little progress due to lack of funding
- Limited scope for private sector in media due to small market and limited revenue raising opportunities.

### **3.12.3** Lessons learned and good practices

Vegetation and topography severely impacted Wi-Fi frequency therefore this infrastructure quickly fell into disuse.

Government phased out use of fixed line service and opted for wireless technologies based on recommendations.

### **3.12.4** Effectiveness of implementation support and mechanisms

Failure of Wi-Fi and Wi-MAX technologies in-country was due to oversight of the system's capacity and the local context. This oversight including lack of funding, availability and continuity of equipments maintenance were among some of the issues preventing effectiveness of implementation support.

The introduction of Digicel operations is more successful however the major work needed to revisit the infrastructure for 100% connectivity for internet and telecommunication will continue to impede in the effectiveness of information and communication technology.

### **3.12.5** Recent trends and emerging issues

Access to information technology is an important undertaking with current infrastructure and systems being replaced with commitment to further explore alternative systems that are appropriate for the local context. This commitment of Government to explore systems to support progress includes focus on sustainability such as privatisation of the telecommunications sector with Digicel operations.

### **3.13 Health**

#### **3.13.1 Achievements made to date**

A strong Institutional structure with a view to review goals and strategies to a preventative health focus has been achieved with the development and implementation of a 2008-09 Yearly Operational Plan including Preventative Health Programs. This is also followed with the development of the 2009-10 Nauru Department of Health Operational Plan detailing the activities for curative health Services; Nursing Services; Public Health Services; Health Education Services; and Administration and Infrastructure Services.

The Nauru Health Sector has also achieved its reform measures for the organisational and management structures and systems with the completion of the Implementation of Workforce Planning Report 2004 that includes Preventative Health Programs; the completion and implementation of the Organisational Reform Report 2008; and the development of the Workforce Strategic Plan 2009-13. It should be noted that this latter initiative is beyond the stated milestones in the NSDS.

An element for quality delivery of health care is standardising Treatment guidelines and this has been achieved with the completion of the Essential Drugs List; the Nursing Clinical Guidelines and Procedures; and the preparation of the Standard Treatment Guidelines specific for Nauru.

Objectives for improved health outcomes with a focus on preventative health programs have been achieved with the completion of the Non-communicable disease strategy in 2007. This strategy looks at strengthening environmental health, sanitation and food safety; strengthening Public Health unit capacity to deliver quality primary health care services; health education training; maternal and child health services/Antenatal Post-natal and Baby care; immunization; health education in the community; renovation of the public health department; and school health programs in operation.

Implementation of preventative programs targeting lifestyle risks focusing on public education has been largely achieved with comprehensive implementation of the Nauru NCD Action Plan; increased physical activity promotion and programmes; reduced alcohol consumption and discourage tobacco uptake with the Tobacco bill finalized; and initiative to improve the Nauruan diet with nutrition promotion.

Strengthened and effective secondary diabetes prevention has been achieved with the establishment of the Multidisciplinary Diabetes Centre facilitating interdepartmental coordination and collaboration.

Communicable disease programs have been expanded including STI/Leprosy/RHD/Filiarises programs; prevent incidence and reduce prevalence of trachoma; health checks for women to prevent incidence of cervical cancer; prevent TB/Leprosy and strengthen DOTS program in communities; prevent incidence of Rheumatic Heart Diseases/STIs/HIV and AIDS programmes; and a strengthen national preparedness plan.

Emerging pandemic preparedness plans have been developed therefore this milestone has been achieved. The Nauru National Disaster Risk Management Plan 2008 is also in effect and progress is being made in socialising the plan amongst relevant stakeholders. Some plans that still require revision and update on account of the National Disaster Risk Management Plan include fire; evacuation; tsunami; natural disaster; public health crises; transport accident; fuel storage accident; and power, water and communications.

The Health Staff are well structured and coordinated with long-term expatriate health professionals recruited to fill immediate workforce gaps with progressive action undertaken for capacity building for local staff. The Workforce Strategic Plan 2009-13 that was developed is the early stages of implementation and includes recommendations for ongoing staff training and development. There are scholarship schemes in place for nurses, pharmacy, doctors and on-the-job training structured for various fields such as equipment maintenance, nurse aids-in-training, public health trainees, outreach programs, CPR and basic first aid with relevant stakeholders (ambulance officers, fire department and police), and other training workshops.

Ensuring there is appropriate infrastructure for quality healthcare delivery has been partly achieved as both the RON Hospital and the NGH are in poor order and new buildings are required. There have been some critical repairs and maintenance, and refurbishments undertaken for general upkeep of existing structures however major work needs to be done which requires large financial support. Another factor inhibiting building maintenance (such as infrastructure and domestic items) is the lack of an operational maintenance program. Current maintenance programs exist for the oxygen plant, dialysis units with expatriate deployment however there is still a marked manpower deficit.

Expatriate staff have been contracted for operation of a maintenance program for the specialised medical equipment. This is supported with the creation of plant and equipment procurement systems; maintenance contracts in place; planned replacement program (as per funding availability) and establishment of assets registers. Nauru hospital has two ambulances and staff transport which is essential due to lack of public transport and the shift nature of work.

The pharmaceutical sector capacity has been enhanced with participation in the WHO collaborative partnership program assisting Pacific Island Countries to improve accessibility, quality and use of essential medicines. Medical supplies is a constant concern due to the unpredictable shipping schedules.

Nauru has not achieved the goal to increase its capacity to maintain a large number of dialysis patients due to financial constraints, lack of space and staffing. Although it would be preferable to manage 20 dialysis patients, 14 dialysis chairs are currently operational. The Health Sector aims to place greater emphasis on preventative measures lowering incidences of kidney complications.

Construction of appropriate Health care infrastructure cannot be achieved without replacement of both existing hospitals. A terms of reference for a master plan for a single Health care infrastructure is required and support for development of the terms of reference has been requested from AusAID.

The Fiji Bulk Purchase Scheme is no longer proposed and Nauru has opted to go with another option.

### **3.13.2 Constraints and Challenges**

- Lack of funds
- Debilitating buildings

- Lack of maintenance
- Lack of local capacity
- Achieving staff enrolment in Public health Courses
- Construction of a single health care infrastructure is necessary however will be particularly costly

### **3.13.3** Lessons learned and good practices

The Health sector is solidifying its efforts for improved quality of healthcare with various strategies, plans and policies including training schemes. Standardisation of essential services is an important step to uphold and sustain effective delivery of health services.

Operating and enhancing community education on preventative health care is an important step to engage the people and foster awareness and education.

### **3.13.4** Effectiveness of implementation support and mechanisms

The implementation strategies and plans have been newly introduced therefore effectiveness is difficult to measure. The staff maintaining the systems remains the most important aspect of service provision and the steps undertaken to ensure capacity building is progressive. However, this lack of capacity is addressed with deployment of expatriates. To ensure sustainability, this area needs stronger support by Government and development partners.

### **3.13.5** Recent trends and emerging issues

A critical element for sustainability is the commitment to preventative health care services.

The Health Sector has also made significant commitment and progress to improving local staff with numerous training programs including scholarships. This is a recent effort and is an important measure for sustainability.

Systems and processes introduced, revamped and revised to standardise operations is still ongoing and is an important element of the sustainable development process for the sector.

## **3.14** Management of Wastes

### **3.14.1** Achievements made to date

Sewerage truck is now available therefore improving sewerage removal at affordable prices.



### **3.14.2 Constraints and Challenges**

- Maintenance for equipment
- Infrastructure for sewage removal and treatment
- Lack of funding

### **3.14.3 Lessons learned and good practices**

Acquisition of new equipment has seen the need to localise capacity to maintain equipment ensuring this service is sustainable into the future.

### **3.14.4 Effectiveness of implementation support and mechanisms**

Rendering services for a fee is a sustainable method for maintaining services and equipment.

### **3.14.5 Recent trends and emerging issues**

Localising capacity for maintenance is a current trend due to scarcity of resources and difficulty of acquiring equipment for these difficult services.

## **3.15 Freshwater Resources**

### **3.15.1 Achievements made to date**

Implementation agencies for water management have sought assistance for various sewerage treatment systems with proposals projected to Government in late 2009.

Government has committed to establish two brackish water wells for all districts for community use however water integrity may be damaged by close proximity of household sewerage cesspits.

### **3.15.2 Constraints and Challenges**

- Land issues [for brackish water wells]
- Infrastructure
- Lack of funding

### **3.15.3 Lessons learned and good practices**

Feasibility studies for sewerage treatment systems are important to ensure systems introduced are appropriate and applicable for elements on Nauru.

### **3.15.4 Effectiveness of implementation support and mechanisms**

Implementing agencies will need to coordinate project proposals due to overlapping responsibilities such as sewerage, health regulations, land issues and water supply.

### **3.15.5 Recent trends and emerging issues**

Preservation of natural resources is a recent trend for improved and sustainable quality of life.

**3.16.1** Achievements made to date

In 2004-05 Budget the Government of Nauru adopted a medium-term strategy which has achieved its three fiscal objectives namely, fiscal restraint; sustainable service delivery; and debt management.

Maintaining price control through the Prices Control Board (PCB) has been mostly achieved. The Government replaced the Price Control Act 2004 with the Prices Regulation Act 2008 and the arrangements for the defunct PCB processes was replaced with arrangements for the Minister for Finance (on recommendation from the Secretary for Finance) to set prices for declared goods and impose temporary rationing orders. The Bureau of Statistics is now providing monthly Consumer Price Index (CPI) updates since September 2008. This regular production of CPI data will assist the Government in identifying the existence of monopoly pricing behaviour. The Bureau will look to produce other key factors of pricing such as Import Price Index (IPI) and Wholesale Price Index (WPI) which will provide a better picture for government to determine factors for consideration regarding regulatory measures.

Coordination of donor aid to Nauru and developing aid budgets as part of national budget has been mostly achieved including information on the source of funding, amount and areas of development aid is directed to. Some donor partners prefer to maintain management of their own funding for projects in Nauru and since these are not quantified in the budget, Nauru is therefore not able to identify all donor aid to Nauru in totality. Linking aid programs and national budget appropriations to development goals has been achieved due to the processes in-country whereby projects are screened by DPPD to determine relevance and alignment with the NSDS and therefore budget submissions for new project proposals require linkages to NSDS. The Aid Management Policy underscores the need to link development assistance with the national development goals and priorities

The Nauru Bureau of Statistics workplan anticipates that it will commence production of the GDP and national accounts measures in the latter part of 2009-10 financial year therefore compilation of benchmark indicators has been partially achieved.

Nauru's goal to maintain budget surpluses has been achieved with the national budget measuring surplus since 2004-05. This is a noteworthy feat in view of the current global economic environment and predicts a budget surplus in 2009-10 when most countries will be in deficit.

The goal to reduce the public sector has not been achieved however a number of measures have been introduced to curb the public sector growth such as suspension of recruitment and vacancies in 2004-05 and with the public service salary review undertaken in 2004-05 and effected in July of 2006. This directly points to the non-achievement of Nauru's goal to review and implement reforms to financial management, legislation, regulation and policy. This has not been achieved due to lack of capacity and the heavy workload within the Finance Ministry hence no formal review of financial management being conducted. It should be noted however that despite no formal reviews conducted, financial management processes have been significantly improved since 2004-05. In addition, the Government commenced a process of Constitutional reform in 2006 which has completed all its phases with a referendum scheduled to take place in February of 2010. Other reforms set to take place include MYOB accounting systems to be rolled out in five of its SOEs including Government's accounts and payroll functions; the review of the Australia-Nauru Operational Imprest Account (OIA) Procedures Manual; and the government plans to re-commence publishing audited public accounts for 2009-10 financial year (last published in 1998-99).

Nauru has not achieved its goal to redirect aid flows towards long-term investment away from operating cost subsidies as it is in very early stages of development. Although much has been directed in building up labour capital through capacity-building in many areas including development of instruments to establish a new Nauru Intergeneration Fund, there is still significant donor assistance directed towards operating costs such as direct financial assistance for procurement of diesel for power generation. The introduction of pre-paid electricity meters will bring in measures for less direct assistance for operational costs.

Introduction of a broad-based flat rate of import duty has been partially achieved with general imports subjected to some form of customs tariff with minor exceptions such as fresh fruits and vegetables, water and other goods for personal use. The Government expects to expand its revenue base possibly through introduction of a broad-based consumption tax.

Implementation of SOE dividend policies has been partly achieved as it is only in recent times that dividends have been paid to Government even with the policy in place since 2004. SOE reform is an ongoing processes and this should result in larger dividends paid by more SOEs.

Capacity of revenue officials has been increased through some training however due to lack of capacity and the heavy workload in the Department of Finance and Border Control, training for revenue still needs to be strengthened. Plans to strengthen the revenue office (within the Finance Department) with increase in staff levels and up-skilling anticipated to be completed in 2009-10. The Border Control will achieve much with better skills and increased level of technical capability should enhance performance and increase revenue collections.

Nauru has determined its debt position in 2007 with assistance from AusAID with an outline over debts owed overseas, internally to the individual Nauruans and other organisations outside of government, and inter-entity debts owed between SOEs. Recent developments have been in an attempt by government to request external creditors for substantial write down, or write off of debt owed. Majority of internal debts are owed by the Bank of Nauru to deposit holders. Nauru engaged Deloitte, funded by AusAID to commence process of liquidating the Bank of Nauru. The Bank of Nauru was officially closed and restructured into the Payments Directorate in 2008-09. The amount owed may not be fully recovered however Government is committed to return as much funds as possible to deposit holders. Since 2004-05, Nauru has achieved its aim to remain clear of Government borrowing arrangements.

Reform of SOE sector have been partially achieved. The SOE sector is very weak and remains a considerable drain on the Nauru economy. Although some SOEs have produced accounts, there is still much room for improvement to strengthen their accounting practices, trained personnel to administer systems, and design and implement proper systems and processes.

A review of the land tenure system has not occurred and this remains to be a sensitive issue in Nauru. Much work is required to comprehensively delve into this issue as the implications for Nauru's development is dependent on availability of land.

Since the reform began in 2004-05, Government has introduced a significant amount of reforms to the financial sector, creation of the Financial Investigations Unit (FIU) as the body responsible for implementing this legislation, and several draft policies/legislations are being developed. Although the FIU exist, it is currently not functioning in full capacity therefore it is not a fully effective unit for financial monitoring.

Despite significant reforms to the financial sector since 2004-05, Nauru has yet to secure operations of a commercial bank within country and currently processes transactions by way of electronic transfers through its overseas accounts (mostly held in Australia).

Nauru has partially achieved its goals to determine insurance needs in-country with the conduct of an analysis with positive findings for scope for privatizing insurance services in Nauru. The Nauru Insurance Corporation (NIC) was closed in 2006. Legislation needs to be updated by a generic insurance act and has only been delayed due to lack of capacity in policy design and legislative drafting in this area. Lack of a modern legislative framework is also one of the main obstacles preventing private operators to establish services in Nauru.

Further on legislation, it should be noted that a review of legislation which has implications on business has been completed. This review identified eight main legislations exist namely Trade Marks Act; Patent Act; Design Act; Corporation Act; Customs Act; Animal and Plant Quarantine Act; Immigration Act; and Land Act. Two important legislations not found are a Foreign Investment Act and an Employment Act.

The Nauru Trust Fund operations have been mostly achieved with all assets realised and a few remaining liabilities to be cleared. A new structure will house the RONWAN assets and this is separate from the new Intergenerational Trust Fund which is being set up by Government for all of the people of Nauru.

Reforms to increase independence, powers of investigation and penalties have been partially achieved with assistance from Government of India to increase capacity of Audit office staff and hence progressing required work. The Constitutional amendments include provisions strengthening independence of the Director of Audit and these are expected to commence on day of next general election.

Judiciary, Justice and Police has significantly improved institutional strengthening through workforce renewal, review of the organization, community programs, and infrastructure programs. Judiciary has achieved this including through technical assistance and the Constitutional review.

Government and Parliament has undertaken a review of overall Nauru legislation has commenced with review of existing legislations to identify gaps and also to review and update/reprint existing Nauruan legislation. Parliament strengthening measures were identified however not fully implemented due to funding and bureaucratic issues. However, improvements made include capacity of Secretariat; infrastructure; revitalised Committee system with regularised meetings and increased output; and publicising Committee proceedings. It should be noted that many areas of Parliamentary work will need to be reviewed resulting from the constitutional amendments. Work has been undertaken to enable the Leadership code Act and the necessary legal groundwork has been laid for establishment of the Ombudsman Commission and Tribunal.

Community partnership to promote community role in governance has been partially achieved with some community training and consultations including the establishment of the Government Information Office; socialising the details of the budget and seeking community feedback; Government engagement of NGO groups and initial footsteps for formation of the National Trade Committee (NTC).

A few initiatives have been introduced to improve government buildings therefore this milestone has been largely achieved. Achievements include regular maintenance and repair work carried out; survey for refurbishment of a central air-conditioning unit and implementation (resulting in considerable energy savings) and improvement of school buildings and facilities. Appropriate infrastructure cannot be achieved for the health sector without a major reconstruction or replacement of both the RON Hospital and NGH.

### 3.16.2 Constraints and Challenges

- Lack of capacity in human capital
- Lack of financial support
- Need to effect the functions of the Prices Control Board (PCB)
- Need to build capacity in AMU and DPPD for aid coordination and alignment with the NSDS to be fully effective.
- Size of the public sector – due to need to maintain essential and new Government services in order to deliver programs and another factor being that Government is the main employer with absence of private sector and/or welfare system
- Lack of growing private sector
- Nauru is still in early stages of development therefore still a long way to redirecting aid flows to long term development from operating costs.
- Lack of capacity for senior management positions which is illustrated with deployment of in-line officials.
- Land issues

### 3.16.3 Lessons learned and good practices

The amount of consultation in the work outlined is comprehensive and impressive in its scope and findings. Much review and groundwork have been laid to undertake the necessary work for most of the national development goals in this area. It is important to note that more revision is required to update areas of concern due to these recent reviews and changes. It is also important not to let time lapse and therefore lose momentum and validity of findings.

### 3.16.4 Effectiveness of implementation support and mechanisms

Implementation support and mechanisms have been inlaid however it will require political and financial support to ensure these national development goals are achieved.

### 3.16.5 Recent trends and emerging issues

Solidifying strategies and goals with supporting policies and legislations is an approach recently adhered to and is a marked improvement for the way forward.

## 3.17 Sustainable Capacity Development and Education for Sustainable Development

### 3.17.1 Achievements made to date

A learning framework has been developed and published. The 2008 Annual reports showed an increase in Year 4 reading levels in comparison with 2006 reports. Year 8 exam results showed a slight improvement with 50% pass rates in English and Social Studies although Maths and Science pass rates measured in the mid 30%. The 2007 Annual reports measured an improvement of student attendance at 65%.

95% of teachers are engaged in up-skilling programs and human resources performance measurements are now in place. Schools have been refurbished and rehabilitated while the Nauru Secondary school is being rebuilt with TVET facilities incorporated. A draft policy manual has been produced including an organization chart and the revision of civil list.

Partnerships have been partially established including PRIDE, UNESCO, SPGEA and COL.TVET courses and other assessment tasks involve industry and community personnel. A MOU with semi-private school to further subsidize with staffing through government public service including provision of teaching resources. Development of Nauru TVET Framework

through Australian Qualifications Framework and TVET reports produced. Full TVET courses and training available for specific trades.

There has been a 25% increase in USP enrolment however this has not been sustained. The USP Augmented program has been replaced with a more preferable course, indicated by increase in qualified Secondary school teachers.

### **3.17.2 Constraints and Challenges**

- Lack of baseline data to monitor student progress and behaviour
- Changing assessment tasks within school system have rendered comparisons weak
- Localise capacity to analyse data
- Land issues and ensuing land rents cause for concern
- Lack of full range of teacher training available
- Lack of internet availability
- University entrance qualifications systems disadvantage school leavers which also restricts application for tertiary scholarships
- Lack of funding

### **3.17.3 Lessons learned and good practices**

- Introducing the Tuckshop Agreement in 2009 requiring only nutritional food to served
- Computerisation for Government departments done centrally working within the government ICT policy ensuring that all government equipment are procured rationally considering maintenance capacity and technical compatibility
- Parents and citizens committees in place however need to be extended

### **3.17.4 Effectiveness of implementation support and mechanisms**

Tuckshop Agreement lacks a comprehensive program of nutritional supplements being provided at schools.

Performance Measurement for human resources is a positive management mechanism.

Policy frameworks developed still need to be operationalised.

### **3.17.5 Recent trends and emerging issues**

Recent positive trends for the Education sector are the number of policies, strategies, frameworks that are in place or in the process of implementation thus providing guidelines for development. A revitalised approach for training after school and/or training for all ages is an important measure for development and nation-building.

## **4 IMPACTS OF THE MULTIPLE GLOBAL CRISES & NAURU'S RESPONSE**

Nauru's economic wealth has historically been due to large phosphate revenues however faced a major economic downturn in the mid-1990's which were resultant of massive deficits and lack of adjustments. Nauru faced a national crisis which was greatly fuelled by drastic drop in phosphate earnings, maintained high levels of expenditure which were funded by borrowing and eventually, the depletion of all of its national public reserves (including those of state owned entities) and Trust assets. These were not aided with the fact that Nauru was dependent on one economic driver, and that was phosphate.

The recovery efforts began with a development minded government in 2004 and with development planning articulated in its National Sustainable Development Strategy formally launched in 2005.

These recovery efforts have been significantly impacted by the food and fuel crises in 2007 and the Global Economic Crisis in 2008. The recovery and future developmental prospects for Nauru's are extremely vulnerable to external forces. Food and energy security risks are prevalent in the Pacific Small Island Developing States.

### **4.1 Finances**

- Nauru's major industry is phosphate with major sources of revenue receipts coming from Ronphos royalties and dividends, including fisheries and customs and excise.
- Like most other countries, Nauru has been significantly affected by the Global financial crisis and budget forecasts for 2009-10 and 2010-2011 look weak.
- Most importantly, the impact of the GFC will be most severe on two of Nauru's major revenue sources: phosphate dividends & royalties and customs duties, and will also result in a need for further unbudgeted outlays to assist some of its State Owned Enterprises to remain afloat.
- Nauru's economy is dominated by phosphate mining and public sector employment with a few private sector businesses in operation. However, Nauru is exploring a number of alternative livelihood ventures including a tuna fish loining plant, production and export of coral aggregate as well as other products from Nauru's limestone and some subsistence agriculture ventures.
- The remote location of the country also makes it difficult to access world markets thus greatly increasing costs of operating businesses. The small size of the nation also places Nauru at a disadvantage as it is not able to enjoy economies of scale.
- Funding a stimulus package or running deficits to maintain government expenditure is not a viable option for Nauru as Nauru's economy is dependent on cash to maintain operations therefore significant impacts of the GFC are inevitable.
- Nauru is a very small nation and there not many opportunities to develop industries to supplement or even replace phosphate. And with the global economic downturn, it has reinforced the notion that there is a need to broaden Nauru's economic base to survive into the future.

### **4.2 Fuel**

- The dependence on importation of fuel for energy purposes; remoteness of the country; rising fuel and transportation costs have made energy security particularly critical issues for Nauru. The recent spike in global energy prices remains to strain our limited financial resources.
- The energy crisis is a significant factor that has had devastating effects on Nauru's social recovery with power load shedding of up to 8 hours a day, jeopardizing health and sanitation due to limited access to running water. Power cuts also hampered business development and the productivity of government services.
- Transport services (sea, land, air) are all beyond the reach of affordability for the people, further isolating Nauru and hindering sustainable development.

### 4.3 Food

- Nauru is particularly vulnerable to the food crises and as a direct consequence will be one of the first countries to feel the effects of the food crises and will pay the highest costs for it.
- As mentioned with effects of the fuel crises, dependence on imported foods and the remoteness of the country, including the recent increase in global food and energy prices are critical issues for Nauru.
- Phosphate mining on Nauru has left 80% of the land barren thus preventing cultivation. Achievement of a sustainable level of food security and hence reduce heavy reliance on imported foods is limited with scarcity of arable land.
- One of the prime examples of the effects of the food crises is the price for a bag of rice which has increased by 80% over the past year entailing that the average Nauruan pays double of what the rest of world is paying.
- Effects of Climate change such as increased water security, flooding and inundation also contributes to undermine Nauru's food security
- In terms of long-term pressures on Nauru, it is also vulnerable to climate change and the food crises. While Nauru's ability to produce, transport and harvest potable water has increased in recent times with the deployment of new RO plants, delivery vehicles and rainwater tanks, Nauru's current water production capacity still remains below the WHO guidelines. This exposes Nauru to risk during prolonged dry periods. For instance, in 2006 Nauru experienced a severe drought and had to import water. In addition, escalating international prices of the main staple food in Nauru (rice) in 2008 forced the Government to regulate its price and impose temporary rationing
- forced the Government to regulate its price and impose temporary rationing

### 4.4 Actions in response to crises

The full impact that the global economic crises has had on Nauru is yet to be determined, although it is projected that the 2009-10 budget projections will be weak and may not be achieved. Nauru's domestic economic crises has been long and drawn out and the global economic crises is a recent phenomena. Nauru's road to recovery and the measures that were adopted for the national economic downturn has incorporated measures to respond to the global financial, food and fuel crises so it may be fairly said that Nauru has taken a fairly acute force of the extenuating circumstances.

## 5 CHALLENGES

### 5.1 Strategies

Nauru has undertaken a comprehensive review of its NSDS therefore is equipped with a roadmap to undertake the way forward for sustainable development. It is important now for all government departments and SOEs; and civil society to establish Departmental Strategies/Corporate plans/Frameworks and policies for their respective work to further streamline their efforts to reach their milestones articulated in the NSDS. At this point in time, it is not necessary to establish sectoral plans and Nauru should concentrate on building the sub-sectoral approach with strategies and policies for all these areas.

The challenges to meet with development planning may be seen in nation-building for sustained development; addressing the major inherited debt burdens from former administrations; and saving for a future without the phosphate industry.

Fundamental policy decisions identified with the Finance Ministry include building resilience; enabling growth and increasing self-sufficiency. Nauru aspires to build resilience through astute use of its limited resources; broadening the economic base; addressing debt servicing issues;



saving for the future and strengthening governance and financial management. Nauru will enable growth by way of building economic infrastructure and advancing structural reforms; investing in its Human Resource; stimulating productivity and competitiveness with an enabled private sector; and maximising aid effectiveness. Nauru will build self-sufficiency through local food production, water security and renewable energy.

## **5.2 Public Participation**

The NSDS is built on the principle of partnership between the community, government and development partners. The consultation for the development and the review of the NSDS is all encompassing thus building on public participation for the development efforts for the nation. There is a separate component under the Social sector of the NSDS on Civil Society and the level of participation is enabled with inputs for all other sectors for community participation including the opportunity to put forward their report and recommendations in the review.

## **5.3 Indicators and Monitoring**

The Nauru Bureau of Statistics within the Ministry of Finance and Economic Development has been given more support in terms of resourcing and mandate for national statistical data further verifying its transcending duties and hence the credibility of national statistical data.

The 2009 NSDS has identified key performance indicators for each sub-sector within the four sectors namely, Economic, Social, Infrastructural and Cross-Cutting sectors. These are not exhaustive indicators for each sub-sector however they represent a starting point for purpose of monitoring progress towards development goals.

## **5.4 Monitoring & evaluation system**

Monitoring and evaluation will be maintained under an annual review processes of the NSDS. This will be aligned with annual reports and financial reports from institutions within the sectors. This will also be facilitated with monitoring undertaken in the budgeting process and with adherence to key performance indicators referred to in the NSDS and other introduced performance indicators identified by the respective institutions. Monitoring and evaluation by and from civil society will need to be included in the annual reporting systems further substantiating public participation and an all inclusive mechanism for reporting purposes to cement the national efforts.

## **5.5 Technical, human and financial resources**

Nauru has indicated throughout this report the importance of developing technical, human and financial resources to substantiate a national sustainable development effort. It is also clear that Nauru is a long way from maintaining independent solidarity in achieving its development aims and will still need development assistance from donor partners if not an enhanced agenda from development assistance if it is to achieve its aims in a more realistic manner.

Nauru has shown considerable commitment and capacity for progress. This is apparent in the review of achievements and the improvements made against the NSDS goals including the revised goals that Nauru has set for itself.

The challenges for development planning clearly outlines that the critical areas include nation building for sustained development; addressing its debt burden and the need for saving for a post-phosphate era. These challenges emphasise Nauru's purpose and aspirations to achieve its vision for "a future where individual, community, business and government partnerships contribute to a sustainable quality of life for all Nauruans".



## 6 APPENDIX

### 6.1 Government and State Owned Entities consulted

<b>Government and State Owned Entities Consulted – NSDS Review 2009</b>
Cabinet
H.E. Marcus Stephen, President of Nauru
Hon. Minister Kieren Keke, MP
Hon. Minister Roland Kun, MP
Hon. Minister Frederick Pitcher, MP
Hon. Minister Mathew Batsiua, MP
Hon. Minister Sprent Dabwido, MP
Government Officials
Chief Secretary
Secretary for Foreign Affairs
Secretary for Finance
Secretary for Justice
Secretary for Health
Secretary for Education
Secretary for CIE
Secretary for Transport
Secretary for Womens & Home Affairs
Secretary for Sports
<b>State Owned Entities</b>
Our Airline
Nauru Phosphate Royalties Trust
Nauru Rehabilitation Corporation
Ronphos
Ronphos
Eigigu Enterprise
NFMRA
Utilities
Nauru Agency Corporation

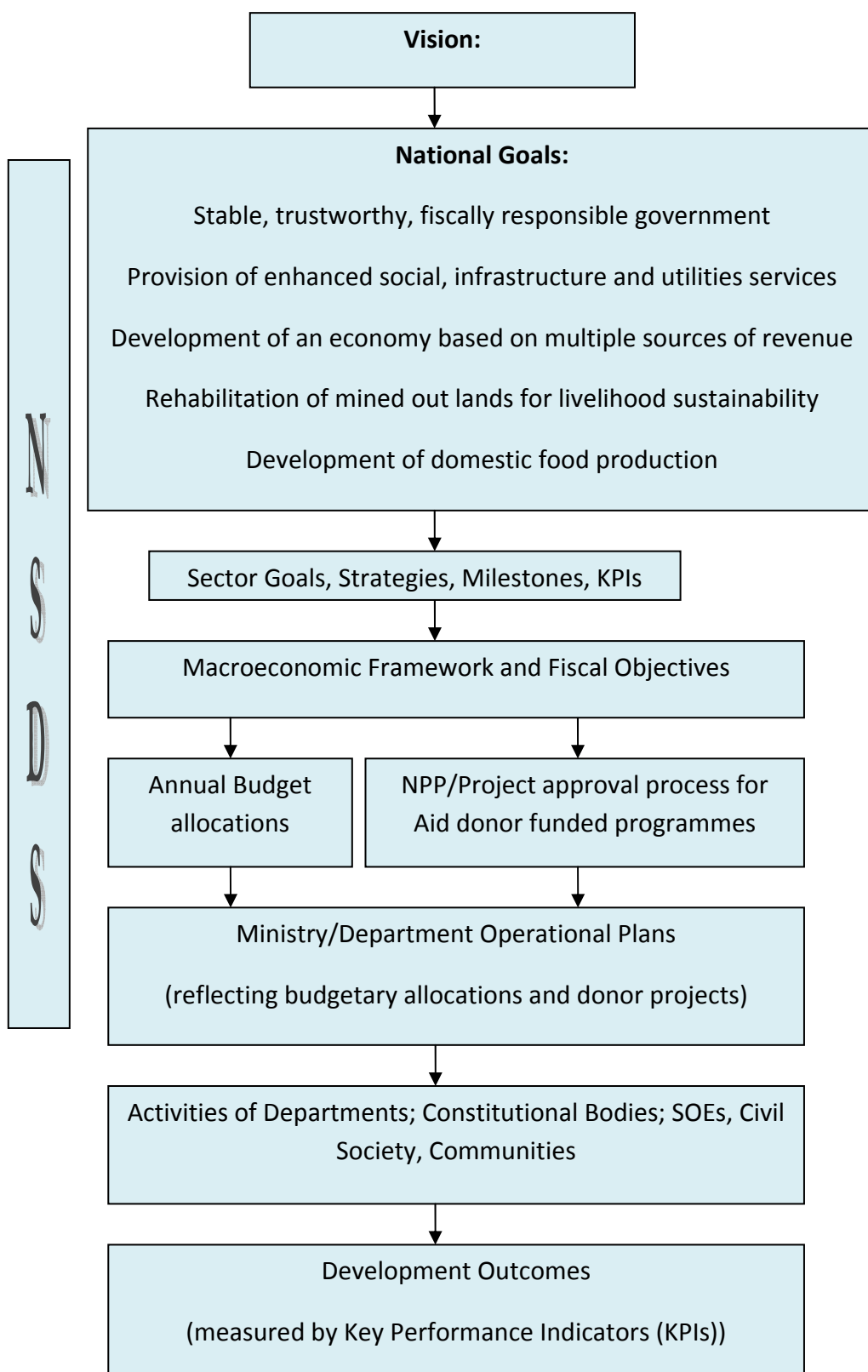
## 6.2 Civil Society consulted

<b>Civil Society Groups Consulted – NSDS Review 2009</b>	
<b>Members of Parliament</b>	<b>Sports Organizations</b>
Hon. Riddel Akua MP	Athletics Nauru
Hon. Rykers Solomon MP	Nauru Island Basketball Association
Hon. Ludwig Scotty MP	Nauru Football League
Hon. Landon Deireregea MP	Nauru Tennis Association
Hon. David Adeang MP	Nauru Volleyball Association
Hon. Aloysius Amwano MP	Nauru Weightlifting Federation
Hon. Valdon Dowiyogo MP	Nauru Olympic Committee
Hon. Godfrey Thoma MP	Nauru Table Tennis Association
Hon. Dantes Tsitsi MP	Nauru Powerlifting Federation
Hon. Shadlog Bernicke MP	Nauru Amateur Boxing Federation
Hon. Baron Waqa MP	Nauru Fishers Association
Hon. Dominic Tabuna MP	<b>Private Sector</b>
<b>Community Leaders</b>	Capelle & Partner
Aiwo	MM's Propriety
Buada	Jeremiah Trading
Boe	Milton Ross Enterprises
Yaren	Rainbow Enterprise
Menen	Sunset Corner
Anibare	Pinnacles
Ijuw	Angela's Service Station
Anabar	Digicel
Anetan	Oden Aiwo Hotel
Ewa	Central Meridian
Baitsi	Oceans Construction
Uaboe	Borderline Construction
Nibok	USP Centre
Denigmodu	<b>Non-Government Organizations</b>
Location	National Women's Council
<b>Church Groups</b>	NIANGO
Church Leader (Catholic)	NIANGO
Church Leader (Protestant)	National Women's Youth Council
Nauru Independent Church	National Youth Council
Assembly of God	Nauru Disabled Association
<b>NSDS Champions</b>	Able Disabled
	Nauru Island Private Sector Organisation
	Ikirira Group

## 6.3 Diagrammatical structure of the NSDS Monitoring and Implementation Framework

Diagrammatical structure of the NSDS Monitoring and Implementation Framework

**Policy Development and Implementation Framework**



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