



Australian Government
Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2017-18

Nauru
September 2018

NAURU AID PROGRAM PERFORMANCE INFORMATION 2017-18

SUMMARY

This report summarises the performance of Australia's aid program in Nauru from July 2017 to June 2018 against jointly agreed objectives outlined in the Nauru Aid Investment Plan 2015-16 to 2018-19 and the Aid Partnership Arrangement (APA) 2016-2019. The APA maps bilateral development assistance against Nauru's *National Sustainable Development Strategy*.

Australia's development cooperation program in Nauru aims to achieve the agreed objectives of promoting more effective public sector management, investing in nation-building sustainable infrastructure and supporting human development through delivering better health and education services. The program aligns with Australia's commitment to stepped-up engagement with the Pacific under the 2017 Foreign Policy White Paper. The Australian Federal Police and Attorney-General's Department also provide ongoing assistance to Nauru's law and justice sector. The Department of Home Affairs continues to provide funding to Nauru's education, health and law enforcement sectors, along with maintenance of essential infrastructure (such as a reverse osmosis plant). However, this is not classified as official development assistance (ODA) and is therefore not covered in this performance report (as in previous years).

In 2017-18 Australia provided \$26.1 million in ODA to Nauru – equivalent to 16 per cent of the Government of Nauru's budget expenditure of \$167 million. Australia is Nauru's major development partner; other bilateral partners include Taiwan (\$12.8m), Japan (\$3.3m), New Zealand (\$3.2m), and the European Union (\$0.6m). The Asian Development Bank (ADB) and regional institutions such as the Pacific Region Infrastructure Facility (PRIF) are also key partners for Nauru.

The principal delivery mechanisms for the program are in-line advisers, direct funding through government systems for implementation of health and education strategic plans, and funding of infrastructure both in partnership with the Government of Nauru and with the ADB.

EXPENDITURE

Table 1 Total ODA Expenditure to Nauru in FY 2017-18

Objectives	A\$ million	% of total ODA
1 Public Sector Management (including the Nauru Trust Fund)	3.3	13
2 Infrastructure	9.6	37
3.a Human development: Education	3.6	14
3.b Human development: Health	0.6	2
General Development Support (Program support services)	4.1	16
Sub-Total Bilateral (rounded)	21.2	81
Regional	3.0	11
Other government departments	1.8	7
Total ODA Expenditure (rounded)	26.1	100

PERFORMANCE AGAINST STRATEGIC OBJECTIVES

Objective	Previous Rating	Current Rating
Objective 1 Public sector management	Green	Green
Objective 2 Infrastructure	Green	Green
Objective 3 Human Development	Amber	Red
Improved Health	Red	Red
Improved Education	Amber	Green

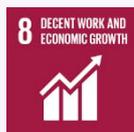
Note:

 Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

 Amber. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

 Red. Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

OBJECTIVE 1: MORE EFFECTIVE PUBLIC SECTOR MANAGEMENT



Australia's investment in public sector management performed strongly in 2017-18 and has therefore been rated 'green'. The investment is the continuation of Australia's multi-year commitment to supporting Nauru's public sector accountability by providing technical assistance and driving progress on critical reform measures, particularly in the financial management area.

Australia continues to provide skilled personnel, through the Pacific Technical Assistance Mechanism (PACTAM) - Phase 2, to support the Government of Nauru. PACTAM2 advisers supported a number of financial management reforms, such as:

- improving annual budget preparation by moving to a Medium Term Economic Framework for 3-4 year expenditure planning;
- the development of a Public Financial Management Roadmap, Financial Instructions and Budget Manual;
- assisting Nauru to achieve a "largely compliant" rating from the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes;
- supporting Nauru to conduct its first ever taxpayer education and assistance program; and
- facilitating trade by modernising Nauru's customs systems and duty tax administration services (since 2016-17).

Australian-funded technical advisers also supported Nauru to:

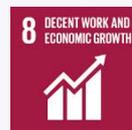
- make a qualified commitment towards combatting tax avoidance under the OECD Base Erosion and Profit Shifting Framework;
- earn an award from the International Monetary Fund for progress made in revenue administration policy and reforms; and

- become a signatory in September 2017 to the OECD Multilateral Competent Authority Agreement which commits Nauru to sharing financial data with 97 other co-signatories;

Gender equality principles continue to be incorporated into compulsory induction training for new advisors under the *Nauru Public Sector Management Investment*.

Australia contributed \$2.5 million to the *Intergenerational Trust Fund for the People of Nauru (NTF)* in 2017-18, bringing our contribution to \$12.14 million since its establishment in 2016. We continue to support its administration through representation on the Fund’s management committee. The fund generated a return on investment of 10.1% in 2017-18, well above the strategic objective of CPI+4.5% set by the committee. The net assets of the NTF increased by \$28.4 million in 2017-2018 and, as of 30 June 2018, stood at approximately \$84.4 million.

OBJECTIVE 2: INVESTING IN INFRASTRUCTURE



A key priority of the Aid Investment Plan is to invest in nation-building infrastructure to provide essential services, such as power and water, as well as foster commerce and trade.

In 2017-18, a range of infrastructure and utilities projects made good progress – this objective has therefore been rated ‘green’.

One of the major successes of Australia’s investment in Nauru’s infrastructure sector has been the ongoing funding of the position of Chief Executive Officer (CEO) of the Nauru Utilities Corporation (NUC). The CEO continues to perform well and is achieving work plan objectives ahead of schedule. The 2017, NUC Annual Report noted government subsidies to NUC had reduced by \$4 million per annum. Power outages decreased by around 50 per cent in 2017, with electricity losses reduced from 48 per cent in 2014 to 36 per cent in 2017. Two 2.8MW diesel generators (co-financed by Australia) commenced operation in January 2018, enabling generation of more reliable and efficient baseload power.

Australia is also supporting the reform and redevelopment of Nauru’s port, a critical asset for the isolated island nation. The design for the port has been completed, a new port CEO commenced in July 2018 and construction is expected to commence in late 2018. Collaboration between the ADB, Australia and Nauru was instrumental in securing USD26.9 million in funding from the Green Climate Fund for the port project.

Construction of the Naoero Community Sports Complex commenced in October 2017 and was completed in August 2018. In addition to facilitating a variety of training and mass-participation sports, the facility will be used for community workshops and events, as well as regional meetings, conferences and training.

Construction on the second stage of the Learning Village (a learning centre and campus of the University of the South Pacific (USP)) was completed and opened in May 2018. The Learning Centre will provide Nauruan secondary and technical and vocational students with better access to study and training facilities and allow resources to be shared in the community library.

OBJECTIVE 3: SUPPORTING HUMAN DEVELOPMENT - HEALTH AND EDUCATION



Results under this objective were again mixed in 2017-18. The health sector program continued to underperform, with activities and programs supported by Australia's direct funding in previous years still significantly behind schedule. Progress under this sub-objective has therefore been rated 'red'. However, Australian-funded technical adviser contributed to stronger performance by our education investment, and closer alignment with the 2017 Foreign Policy White Paper objective of preparing graduates for employment and community engagement across the region. As a result, progress against the education sub-objective has been rated 'green'.

The *Nauru Improved Health Investment* focuses on strengthening the health system, in particular, budget prioritisation, strategic planning and supporting primary and curative healthcare. Australia's support to the Nauru Ministry of Health and Medical Services (MHMS) included addressing personnel, policy and financial gaps through the provision of technical advisers, training, and the implementation of key programs such as Nauru's public health and non-communicable disease strategies.

In 2017, Australia undertook an independent review of the *Nauru Improved Health Investment*. The review identified some achievements including:

- The recruitment of three zone nurses (all female) to provide domiciliary care, follow up with patients discharged but requiring ongoing care and maintain or re-establish contact with those requiring care for reproductive health or non-communicable diseases (NCDs).
- The provision of wellness centres (local clinics) around the island to improve the community's access to health care.
- Funding for the Nauru Health Professionals Training Institute (NHPTI) that upgrades nurse competence levels. In 2017, 8 nurse aids commenced, including 2 males. The NHPTI also ran a program for registered nurses (9 commenced, 7 are awaiting examination).
- Six Nauruans (5 female, 1 male) completed a diploma in Community Health and Wellbeing through the University of New England (UNE).

The independent review recommended a redesign of the investment using primarily a project-based modality rather than direct funding (as provided under the current investment). Australia finalised a redesign of its health investment in Nauru in August 2018. The redesigned investment will leverage the World Health Organisation to support NCD management and prevention in Nauru alongside the engagement of a managing contractor to enhance core systems within MHMS. It is hoped that the redesigned investment will improve program effectiveness and accelerate progress over the next three years in preventing and managing NCDs. The limited capacity within MHMS will continue to be an important risk to be managed throughout the new project.

A gender-based violence counsellor funded by Australia made some progress with MHMS in developing a domestic violence screening tool and updating child protection and domestic violence policies for the hospital.

Australia supports implementation of Nauru's *Education Sector Strategy 2017-2021* with direct funding to the Department of Education and Training (DoET) through an operational account. In line with agreed priorities, Nauru accesses funds to provide locally and regionally relevant educational pathways. In August



2017, Australia supported DoET to engage a Strategic Plan Implementation Advisor through the PACTAM2 mechanism which has led to more collaboration between the two governments.

Australia's support for secondary education in Nauru continues to provide Australian qualifications to Nauruans through the Queensland Certificate of Education (QCE). In 2017, 24 students (13 female, 11 male) graduated with the QCE while a further 93 enrolled in Year 12.

Australia also supports Nauru's technical and vocational education and training (TVET) sector. Eleven TVET training positions were successfully filled in 2018 (6 male, 5 female), in cooperation with TAFE Queensland and the Australia-Pacific Technical College (APTC, now the Australia-Pacific Training Coalition). In 2017, 94 (49 male, 45 female) Nauru Secondary School (NSS) students graduated year 12 with Certificate II qualifications. In addition, the TVET Centre began operating independently of NSS, and was able to extend offerings externally, which led to 14 community-based (industry) students gaining Certificate II qualifications in engineering (14 males). As well, 21 Nauruan students (7 male; 14 female) graduated from APTC courses, ranging from carpentry to metal fabrication and community services.

Through Australia's support to the UNE teacher training program, seven Nauruan teachers graduated in 2017 (1 male; 6 female), with qualifications in early childhood, primary, secondary and inclusive education. An additional 13 teachers (11 female, 2 male) graduated from the program in July 2018, including one with a Masters of Education (School Leadership). Across 2017-18, Nauru recruited 57 qualified expatriate teachers (35 female, 22 male) from other Pacific countries to fill ongoing vacancies.

In the 2017-18 financial year, eight students (5 male, 3 female, including one male and one female doctoral candidate) were offered scholarships under the Australia Awards at Australian tertiary institutions. Ten additional students (all female) took up Australia Award Pacific Scholarships at Pacific regional institutions for technical, undergraduate and graduate qualifications. Nine students (3 male; 6 female) graduated with internationally-recognised degrees in the fields of commerce, environmental science, fisheries, education and health.

Despite good progress in a number of initiatives, Nauru's education indicators continue to lag behind other Pacific island countries. Progress in education is constrained by a lack of capacity and resources (including qualified teachers) coupled with limited actionable data to support evidence-based policy-making. Technical assistance provided to support Nauru's use of the Education Management Information System has improved the collection of data and storage, but the quality and analysis of that data requires further strengthening. This will be addressed in the next phase of Australia's education support. The establishment of the Learning Village presents a significant opportunity for improved education pathways over the coming years.

MUTUAL OBLIGATIONS

Australia continues to deliver effective and predictable development assistance in line with the Government of Nauru's *National Sustainable Development Strategy*, sector strategies, the Nauru Aid Investment Plan 2015-16 to 2018-19, and the Aid Partnership Arrangement 2016-2019.

Nauru has continued to implement its obligations under the memoranda of understanding establishing the Nauru Trust Fund to contribute to the fund.

The *Pacific Leaders Gender Equality Declaration* (endorsed by Pacific leaders at the 2012 Pacific Islands Forum) established six gender priority areas for member countries to progress. Following an initial scoping mission in May 2017, DFAT's second Gender Country Plan (2018-20) under the *Pacific Women Shaping Pacific Development* initiative was developed and finalised in 2017-18. The plan will support Australia's continued contribution towards the Declaration's objectives of ending violence against women and women's economic empowerment in Nauru.

Australia and Nauru maintain a zero-tolerance approach to fraudulent and corrupt actions against Australia's development partnership with Nauru. This includes six-monthly audits of the operational account.



PROGRAM QUALITY

Aid Quality Check ratings for 2017-18 indicated varying levels of progress across Australia's key investments in Nauru. Our support is well aligned with the Foreign Policy White Paper, existing national policies on sustainability, sectoral strategies and Sustainable Development Goal indicators. Evaluations of DFAT's investments across the health, education and infrastructure and in public sector management commenced during the reporting period, for which recommendations will be finalised and progressed in 2018-19.

The Public Sector Management investment has contributed significantly to fiscal stability and enhanced governance in Nauru. When compared against the cost (\$3.3 million), the demonstrated impact and value for money is high. Progress against the public sector management objective continued to be rated as 'good' or 'adequate' against most aid quality criteria (See Annex D – Aid Quality Check ratings).

The ratings for investing in infrastructure improved overall from 2016-17. The reliability of energy supply increased as a result of ongoing reforms and the installation of two 2.8 MW diesel generators. The indoor sports facility and the completion of the Learning Village will provide opportunities for better community education and health benefits.

Education investments have maintained generally good to adequate ratings for relevance, effectiveness, efficiency and improved in relation to gender compared to 2017-18. However, the lack of quality data makes monitoring and evaluation of outcomes difficult. The DoET made progress on a number of key outcomes supported by this investment and the completion of the Learning Village is a major achievement over this reporting period.

A final aid quality check was conducted on the health investment in 2018. The overall investment was rated poor for effectiveness and efficiency, largely driven by the inability of MHMS to implement programs funded by Australia's direct budget support. It was acknowledged that MHMS capacity constraints were exacerbated by the ongoing impact of hospital redevelopment works and the additional demands of the parallel refugee health services.

Ratings for gender equality improved across all four investments due to the engagement of a gender adviser for the whole program, with some key highlights including:

- policy dialogue on the Naoero Community Sports Complex led to the design and construction of a more gender and disability inclusive facility with expected broader public health benefits by providing a space for mass-participation sports and community workshops; and
- The NUC CEO encouraged girls to apply for engineering and technical jobs and three women participated in a training program through the Barefoot College in India to learn to be solar engineers.

MANAGEMENT ACTIONS

To improve the effectiveness and impact of our aid to Nauru, the following management actions will be undertaken 2018-19:

- Finalise the design for a new health sector investment (Australian High Commission Nauru and DFAT Canberra, in consultation with the Government of Nauru)
- Finalise a review and commence a design for a revised education investment (Australian High Commission Nauru and DFAT Canberra, in consultation with the Government of Nauru)
- Identify and implement actions to improve and maintain gender equality ratings across all investments (Australian High Commission Nauru and DFAT Canberra).

ANNEX A- PROGRESS IN ADDRESSING MANAGEMENT RESPONSES

Describe progress made against management responses in 2016-17 report

Management responses identified in 2016-17 APPR	Rating	Progress made in 2017-18
Ongoing training and mentoring is a priority to build the capacity of the development team over 2017 and 2018.	Achieved	Significant training and mentoring provided to staff on aid policy, management, contract management and monitoring and evaluation.
Commission independent review and design of Nauru health investment	Achieved	The independent review was completed in February 2018. The design was completed in mid-2018 with implementation expected to commence later in the year.
Establish formal dialogue mechanism that would include New Zealand as the other major education donor.	Achieved	A formal dialogue was held between the Government of Nauru, New Zealand and Australia in July 2018.
Expanding technical and vocational education and training	Partly achieved	The de-linking of the TVET Centre from NSS and the completion of the Learning Village (USP Campus and Community Library) in May 2018 have supported greater diversity in TVET learning, including 13 industry-based graduations. Partnerships with APTC ensured 21 graduates were supported with scholarships in carpentry, fabrication, fitting and machining, individual support and community services as well as light vehicle mechanical technology.
Engage a part-time gender adviser under the second gender country plan in late 2017 to improve mainstreaming gender across the investments of education, health, infrastructure and public sector management.	Achieved	A gender adviser was engaged in November 2017. Ratings for Gender Equality improved across all four investments, with some key highlights including: policy dialogue on the community sport complex led to the design and construction of a more community-orientated facility with expected broader public health benefits for all; NUC CEO encouraged girls to apply for engineering and technical jobs and three women participated in a Barefoot College training program in India to learn to be solar engineers
Align our financial and economic initiatives with an ADB-Nauru policy reform program	Partly achieved	Australia has engaged effectively with the ADB on the policy reform matrix. While the matrix has been delayed, the public sector investment is well aligned to support the policy reform matrix once it is agreed.
Achieve satisfactory outcome for Household Water Tanks project	Partly achieved	Significant progress has been made in 2017-18 on the project, with agreement reached to finalise 106 water tanks at agreed locations. Australia supported a tender process for the tanks which is expected to be finalised shortly.

Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

ANNEX B – PERFORMANCE BENCHMARKS

Progress towards Performance Benchmarks in 2017-18

Aid objective	Performance Benchmark	Rating	Progress in 2017-18
Strengthened provision of education and health services	• Operational Account – funds administered appropriately on an agreed basis for activities to support the Health Annual Operational Plan	Not Achieved	Slow programming of funds continued in 2017-18.
	• Hospital facilities – implementations of Masterplan Review recommendations commence	Not Achieved	While there was broad acceptance of the overall recommendations, low capacity in the health system has hampered implementation.
	• Review – DFAT review and redesign of the health investment completed and implemented	Achieved	The health review was completed in February 2018 and the redesign was completed in August 2018.
	• Nauru Education Strategic Plan - Recruit and mobilise Education Adviser to support delivery of the Education Strategic Plan	Achieved	The Strategic Implementation Advisor commenced in August 2017 and is supporting delivery of the Education Strategic Plan.
	• Operational Account – funds administered appropriately on an agreed basis for activities to support the Education Strategic Plan	Partly Achieved	There have been delays in funds being disbursed, but Australia and the Government of Nauru are going to explore ways to make the process more efficient (looking into longer-term DFAs)
	• TVET – a range of courses for in-demand qualifications are delivered to adult learners in Nauru	Achieved	Certificate I and II courses are being delivered by qualified TVET trainers. Additional physical enhancements are required to accommodate Certificate III and IV course offerings.
Strengthened governance and public service capability	• Operational Account – conduct biannual “audits” that lead to recommendations that are implemented appropriately	Achieved	Australia continues to undertake regular independent reviews of transactions made through the operational account.
	• Procurement – Tender commenced for an independent procurement agent (IPA), IPA selected and operational; finalised procurement guidelines	Not Achieved	This did not proceed owing to the appointment by Nauru of an interim procurement agent. ADB will be undertaking a review of GoN’s procurement mechanisms in 2018 and will develop a report based on the findings and recommendations on ways to make procurement a transparent and efficient process.
	• Provision of technical advice to support public financial management that meets partner government expectations	Achieved	PACTAM2 advisers are in place and delivering on agreed work plans. Performance reviews undertaken by Scope Global are highly positive and feedback from government counterparts is largely positive.
Enhanced economic infrastructure	• Electricity supply – delivery, installation and effective operation of two generators by NUC	Achieved	Two 2.8MW generators arrived on Nauru in mid-2017, were installed in August 2017 and were commissioned in January 2018.
	• Port Redevelopment - Nauru Port Reform and Redevelopment Project works commence, with fit for purpose design	Partly Achieved	Nauru Port Reform and Redevelopment Project approval from the ADB board was received in January 2018, with procurement of a civil works contractor expected to commence in late 2018.

	<ul style="list-style-type: none"> Indoor Sports Facility – design finalised and approved, construction commences 	Achieved	Construction on the Naoero Community Sports Complex commenced in October 2017 and was completed in August 2018.
	<ul style="list-style-type: none"> Community sports facilities refurbished 	Not Achieved	Progress has been slow. However, a tender has been completed and some contracts are almost ready to sign.
	<ul style="list-style-type: none"> Learning Village - construction completed; higher education agencies finalise course curriculums for forward teaching period; and library established 	Achieved	Constructed was completed and the Learning Centre was handed over to the DoE/GoN in May 2018. USP is using the facilities and will offer post graduate courses. A community library has been established.
Portfolio adequately addresses gender equality considerations	<ul style="list-style-type: none"> 80 per cent of activities adequately address gender issues (across Nauru's four major investments in public sector management, infrastructure, health and education) 	Achieved	Gender scores across the four main investments were adequate. A gender adviser was engaged in 2017-18 to assist in mainstreaming gender across the Nauru aid program.

Note:

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations

Performance Benchmarks for remainder of Aid Investment Plan

Aid objective	Performance Benchmark	2018-19
More effective Public Sector Management	Strengthened financial management capacity and economic governance to maximise the benefits of available revenue	<ul style="list-style-type: none"> Operational Account – conduct biannual “audits” that lead to measurable improvements in execution of funds Financial Instructions – utilisation of Instructions to improve operations
Investing in Infrastructure	Construction and maintenance of economic infrastructure to support human development and foster commerce and trade	<ul style="list-style-type: none"> Electricity supply - effective maintenance of generators; documented reliable power supply; and proposals submitted to NUC for solar farm installation Port Redevelopment - Progress in redevelopment works on track; and improved port operations Indoor Sports Facility – managed, maintained and well utilised by men, women, boys and girls and social inclusion groups
Supporting Human Development (Health)	Systems and services are responsive to people’s health needs through: (i) strengthened health system management; (ii) supporting primary health care; (iii) curative care; and (iv) support services and networking	<ul style="list-style-type: none"> Operational Account – funds administered appropriately on an agreed basis for activities to support the Health Annual Operational Plan Improve the health sector response and services to victims of domestic violence and establish child protection services in communities
Supporting Human Development (Education)	Implementation of education pathways that develop locally and regionally relevant skills	<ul style="list-style-type: none"> Nauru Education Strategic Plan – benchmarks to be determined in consultation with Education Adviser Operational Account – funds administered appropriately on an agreed basis for activities to support the Education Strategic Plan TVET – a range of courses for in-demand qualifications are delivered to adult learners in Nauru or through sponsored pathways

ANNEX C- EVALUATION PLANNING

LIST OF EVALUATIONS COMPLETED IN THE REPORTING PERIOD

Investment number and name (if applicable)	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INK496 Pacific Women Shaping Pacific Development	Review of Nauru Gender Country Plan	July 2018	Pending	Pending	Pending
INI970 Nauru Improved Health	Review of Nauru Improved Health Investment	February 2018	Pending	Pending	Pending

LIST OF PROGRAM PRIORITISED EVALUATIONS PLANNED FOR THE NEXT 12 MONTHS

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
Education sector investment review	INI950 Nauru Improved Education	January 2018	September 2018	To inform Australia education priorities	Australia led
Infrastructure sector investment review	INI949 Nauru Infrastructure and Services	January 2018	September 2018	To inform Australia Infrastructure priorities	Australia led
Public Sector investment review	INI943 Nauru Public Sector Reform	January 2018	September 2018	To inform Australia PFM priorities	Australia led

ANNEX D- AID QUALITY CHECK RATINGS

AQC RATINGS

AQC investment performance over the previous 12 months and where available last year's AQC ratings.

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Nauru Infrastructure and Services (INI949)	\$61.4m	2018 AQC	5	5	4	4	4	4	N/A
	2009-18	2017 AQC	4	4	4	5	4	2	N/A
Nauru Public Sector Reform (INI943)	\$31.4m	2018 AQC	5	4	4	3	5	3	N/A
	2009-18	2017 AQC	5	4	5	4	4	2	N/A
Nauru Improved Education (INI950)	\$26.1m	2018 AQC	5	4	4	4	4	4	N/A
	2009-18	2017 AQC	5	4	4	3	5	2	N/A
Nauru Improved Health (INI970)	\$22.4m	2018 FAQC	4	3	2	3	3	4	N/A
	2009 -18	2017 AQC	4	2	2	3	3	4	N/A

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.

ANNEX E- PERFORMANCE ASSESSMENT FRAMEWORK

OBJECTIVE	MILESTONES / BENCHMARKS	
	2017-18	2018-19
MORE EFFECTIVE PUBLIC SECTOR MANAGEMENT		
Objective 1.0 - Strengthened financial management capacity and economic governance to maximise the benefits of available revenue	<ul style="list-style-type: none"> <i>Operational Account</i> – conduct biannual “audits” that lead to recommendations that are implemented appropriately <i>Procurement</i> – IPA tender commenced, selected and operational; finalised procurement guidelines <i>Provision of technical advice</i> to support public financial management that meets partner government expectations 	<ul style="list-style-type: none"> <i>Operational Account</i> – conduct biannual “audits” that lead to recommendations that are implemented appropriately <i>Procurement</i> – IPA tender finalised, selected and operational <i>Provision of technical advice to support public financial management that meets partner government expectations</i>
INVESTMENT IN NATION BUILDING INFRASTRUCTURE		
Objective 2.0 - Construction and maintenance of economic infrastructure to support human development and foster commerce and trade)	<ul style="list-style-type: none"> <i>Electricity supply</i> – delivery, installation and effective operation of 2 generators by NUC <i>Port Redevelopment</i> - Nauru Port Reform and Redevelopment Project works commence, with fit for purpose design <i>Indoor Sports Facility</i> – design finalised and approved, construction commences <i>Learning Village</i> - construction completed; higher education agencies finalise course curriculums for forward teaching period; and library established 	<ul style="list-style-type: none"> <i>Electricity supply</i> - effective maintenance of generators; documented reliable power supply; and proposals submitted for solar farm installation <i>Port Redevelopment</i> - Progress on redevelopment works on track; with improved port operations <i>Indoor Sports Facility</i> – managed, maintained and well utilised by men, women, boys and girls and disadvantaged groups
STRENGTHENED PROVISION OF EDUCATION SERVICES		
Objective 3.0 - Implementation of education pathways that develop locally and regionally relevant skills	<ul style="list-style-type: none"> <i>Nauru Education Strategic Plan</i> - Recruit and mobilise Education Adviser to support delivery of the Education Strategic Plan <i>Operational Account</i> – funds administered appropriately on an agreed basis for activities to support the Education Strategic Plan <i>TVET</i> – a range of courses for in-demand qualifications are delivered to adult learners in Nauru 	<ul style="list-style-type: none"> <i>Nauru Education Strategic Plan</i> – benchmarks to be determined in consultation with Education Adviser <i>Operational Account</i> – funds administered appropriately on an agreed basis for activities to support the Education Strategic Plan <i>TVET</i> – a range of courses for in-demand qualifications are delivered to adult learners in Nauru
STRENGTHENED PROVISION OF HEALTH SERVICES		
Objective 4.0 - Systems and services are responsive to people’s health needs through: (i) strengthening health system management; (ii) supporting primary health care; (iii) curative care; and (iv) support services and networking	<ul style="list-style-type: none"> <i>Operational Account</i> – funds administered appropriately on an agreed basis for activities to support the Health Annual Operational Plan <i>Hospital facilities</i> – implementations of Masterplan Review recommendations commence <i>Review</i> – Australia review and redesign of the health investment completed and implemented 	<ul style="list-style-type: none"> <i>Operational Account</i> – funds administered appropriately on an agreed basis for activities to support the Health Annual Operational Plan Improve the health sector response and services to victims of domestic violence and establish child protection services in communities

Note: all objectives include cross-cutting elements of gender equality, climate change and disability inclusive development