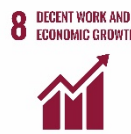




2020-21 NAURU DEVELOPMENT PROGRAM PROGRESS REPORT

The *2020-21 Nauru Development Program Progress Report* summarises progress for the reporting period 1 July 2020 to 30 June 2021 of implementation of the Australia – Nauru COVID-19 Response Plan and program highlights.

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



Program Budget	2020-21 Budget Estimate \$m*
Bilateral	25.5
Regional	5.0
Global	0.1
Other Government Departments	1.0
Total	31.6
Temporary, Targeted and Supplementary Measures (TTS)	0.2
Total ODA	31.8

*Actual expenditure is expected to be available in December 2021/ January 2022.

CONTEXT

Australia’s whole-of-government partnerships ensure we are Nauru’s most significant economic, trade, security and development partner. Nauru’s COVID-19 travel restrictions, in-country quarantine and testing were effective in protecting Nauru from the health impacts of COVID-19. The country remained free of COVID-19 and retained connectivity with the outside world as it worked to upgrade its health systems in preparation for a potential outbreak.

Nauru’s effective vaccination drive delivered first doses (AstraZeneca) to 108 per cent of the eligible adult population (the data captured Nauruan citizens and foreigners) by June 2021 and second doses to 97 per cent of its adult population by July 2021.

Nauru’s COVID-19 Taskforce is planning for vaccination of 12–17-year-olds, unvaccinated eligible adults, and for “booster” vaccinations. Global experience suggests that COVID-19 remains a threat even for those fully vaccinated. Nauru has high rates of non-communicable diseases (NCDs), largely related to high rates of obesity and smoking, and its health system has limited surge capacity. Nauru’s vulnerability to COVID-19 and other diseases remains high.

As anticipated, Nauru’s economy was less affected by the COVID-19 pandemic than other countries in the region and expanded during the reporting period with **GDP forecast to grow by 1.5 per cent in 2021** (Asian Development Bank, September 2021). Government of Nauru (GoN) revenue from continuing regional processing operations and the sale of fishing licences insulated Nauru from the global economic downturn. Nauru used these revenues to pay down public debt (which may make it more difficult for Nauru to access support from multilateral development banks), and to increase its cash reserves and contributions to the Nauru Intergenerational Trust Fund.

The GoN did incur costs associated with COVID-19, such as quarantine and increased transport costs. Nauru’s outward-focused state-owned enterprises (in particular, Air Nauru and the Nauru Shipping Line) were affected by the global economic slowdown, with flow-through to the GoN balance sheet. **Some fiscal repair will be required** in coming years, and the challenge of diversifying Nauru’s economy remains an urgent priority.

COVID-19 travel restrictions have impacted transport connectivity, with passenger traffic slowing significantly impacting all travel including of essential personnel to and from Nauru. The precariousness of Nauru’s food supply chains was demonstrated in July/August 2021 when supply of some food items was temporarily limited following the turn-around of a cargo freighter due to COVID-19 cases on board. Nauru is likely to introduce a “no vaccination, no travel” policy in the next reporting period.

AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Australia's development program continues to align with government priorities. COVID-19 impacts on travel and adviser deployment affected the delivery of development programs during the reporting period, limiting progress towards outcomes for some investments.

Health Security

Australia's health sector investment was critical to supporting Nauru respond to COVID-19, with the development program supporting Nauru's health security through direct funding arrangements with the Ministry of Health and Medical Services (MHMS) and the Republic of Nauru Hospital as well as through the Nauru Health Support Program (NHSP). Australia has committed \$1.39 million over three years (2020-23) to support Nauru's COVID-19 response through the procurement of essential supplies and consumables, the provision of technical advice to design Nauru's vaccination program (via a COVID-19 Adviser who served on the Nauru COVID-19 Taskforce), and payment of Nauru's COVID-19 Vaccines Global Access (COVAX) costs.

The rollout of a new Health Management Information System (HMIS) supported by Australia began in March 2021. The HMIS includes an electronic medical records system, cancer registration, pathology and radiology modules, and links to the upgraded m-Supply pharmaceutical supply management system. Parallel work was undertaken to repair health system servers, operating systems and applications. Staff training to use these new systems continues. The system will enable better data analysis, including access to gender-disaggregated data to inform policy and practice.

In the reporting period, Australia also provided **human resources direct to MHMS in response to the mass resignation of expatriate health professionals.** We facilitated recruitment to fill the vacant Deputy Secretary and Director of Medical Services in-line positions in MHMS. Our COVID-19 Adviser provided additional advice on clinical matters such as infection prevention and control and is helping to finalise plans for Nauru's new acute ward.

The World Health Organisation (WHO), implementing partner of Australia's NCD activities under the NHSP, **made solid improvements in tobacco risk awareness** during the reporting period. The GoN introduced a 20 per cent increase in tobacco taxes in July 2020. Funds raised were used to support additional tobacco control measures. Nauru media ran a successful health promotion campaign targeting tobacco use and MHMS staff were trained ahead of the launch of the smoking cessation clinic in May 2021.

There were also improvements in NCD detection and management. **Our programs supported the development of NCD Guidelines to address risk factors, and staff training which improved standards of care,** especially for patients susceptible to cardiovascular disease. Challenges remain in several areas including low patient compliance with diabetic foot checks, and the collection, access and analysis of data. Australian support for two nurses working in community health centres for 12 months strengthened Nauru's public health delivery. To strengthen Nauru's health system planning and health services delivery, a Community Health Adviser and Health Planning Adviser also commenced work toward the end of the reporting period, and a no-cost 12-month extension to the WHO grant agreement is expected to enable full implementation of the program.

NHSP was rated an "investment requiring improvement" in 2019-20 and 2020-21, reflecting challenges faced by the contractor and capacity constraints facing local health service providers, exacerbated by COVID-19 impacts and travel restrictions. The program started to show progress during the latter part of the reporting period following improvements enabled by the return of in-country program staff and an increased focus on program management and coordination, including increased senior on-ground presence and reinforcement of local health service provider capacity (recruitment and funding to fill two senior in-line health positions). We have developed a plan to ensure sustained program improvement, including regular high-level dialogue with GoN on program issues. The program has added two locally recruited gender and social inclusion support staff to strengthen performance and reporting on gender outcomes.

Our health program in Nauru will be reviewed in the next reporting period, with the intent to streamline and incorporate the full range of support we currently provide into a single coherent health program.

Stability

Australia's long-term partnership with the Nauru education sector includes: Nauruan students studying at Australian schools; Australia Awards scholarships and support to the Australia Pacific Training Coalition for technical and vocational education and training. Australia also supports the GoN's own arrangements with the Queensland Department of Education to deliver the Queensland Certificate of Education and the University of New England (UNE) to provide teacher training. Two bachelor students and seven associate degree students graduated the UNE teacher training program during the reporting period, while 12 new students joined the cohort of seven ongoing students.

In the reporting period, Australia offered nine Australia Awards scholarships at undergraduate, Masters and PhD levels, of which eight were to Australian tertiary institutions and one to a Pacific regional institution. Only one student chose to mobilise to Fiji during the reporting period – the other eight chose to defer commencement until 2022. On 17 June 2021, 42 Nauruan students were on Australia Award scholarships.

Australia had a direct funding arrangement with Nauru's Department of Education during the reporting period. The arrangement supported: Nauru's delivery of its education strategic plan to build professional capacity at all levels; delivery of inclusive education; curriculum development; and strengthening education systems and information technology. A Strategic Plan Implementation Adviser assisted Nauruan education authorities to implement, monitor and report on results including on student enrolment and attendance; learning outcomes; delivery of secondary education and training; and strength of the education system.

We will continue our successful partnership with the United Nations Development Programme (UNDP) to support electoral reform. The project has targeted increased engagement of women and girls in politics and public life and continues to support key democratic institutions responsible for ensuring effective, inclusive and accountable political governance. With project support, Nauru passed legislation to formally separate the parliament from the executive branch of government.

An Australian-supported gender adviser assisted the GoN Ministry of Women's and Social Development Affairs to commence development of a public service sexual harassment policy and a National Women's Policy. We plan further work in the next reporting period to support GoN deliver on these policies, and to strengthen our own use of gender analysis and data across all of our programs.

Economic recovery

Australia continued to support Nauru's economic resilience through **extensive technical advisory support, a direct health financing package and assistance to retain Nauru's air and sea connectivity** as COVID-19 travel restrictions and the global economic downturn reduced transport movement in the region.

Australian-funded advisers filled senior Nauru government in-line positions and critical advisory roles. Each provided important technical advice to GoN public financial management (cash reconciliation, audit responses, budget planning etc), and ensured accountability for the portion of Australia's development finance provided directly to Nauru.

To bolster Nauru's savings and promote the country's long-term economic sustainability, in the reporting period Australia and Nauru both made increased contributions to the Nauru Trust Fund. Australian Business Volunteers worked closely with the Nauru Chamber of Commerce to develop a private sector roadmap which will support future economic diversification.

COVID-19 impacted activity on the port development project during the reporting period, resulting in a mutually agreed suspension of works. Work recommenced towards the end of the reporting period. We will continue to work closely with project partners to manage project risks to site management and resourcing, project budget and safeguards. These issues compound pre-existing delays. The project is now expected to be completed in 2023 (prior to COVID-19, the port project was due to be completed in late 2020).

Initial scoping work to re-surface Nauru's airstrip commenced during the reporting period. We supported a scoping and design project that will conclude in the next reporting period, for possible grant funding by the Australian Infrastructure Financing Facility for the Pacific. The study will also assess the condition of Nauru's ring road and make recommendations for road re-surfacing.

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

Health Security

Key Results Indicators	Progress/Result
Evidence that Australia has contributed to strengthened health systems, including examples of implementation of health information systems	Supported the HMIS rollout, with upgrades to information technology hardware. Supported key positions in MHMS and provided technical assistance on health system planning, including new NCD guidelines.
Evidence that Nauru has improved responses to health security threats, including progress toward community-based primary health care	Supported the implementation of COVID-19 preparedness and vaccination programs. Supported technical advice for nurses working in community health centres and on community wellness practices. Supported the public health staff training ahead of the launch of the tobacco cessation clinic.
Number of new or improved therapeutics, diagnostics, vaccines and additional equipment available in Nauru	Supported the procurement of 7,200 COVID-19 Astra Zeneca- vaccine doses.

Stability

Key Results Indicators	Progress/Result
Education sector adapted to COVID-19 with examples of progress toward pandemic responses, links to Australian systems, and strengthened focus on early childhood	As Nauru remained COVID-19 free, no pivot in the education response was required. Supported the awarding of nine new scholarships, with eight to undertake study in Australia. Supported the graduation of two bachelor students and seven associate degree students, with 19 students now in training at UNE in early childhood.
Examples of Australia contributing to policing responses to COVID-19 and improved services for women and girl survivors of violence	Supported upgrades to women's safehouses. Supported a range of technical support on gender policies to the Ministry of Women's Affairs and Social Development.
Number of significant evidence-based policy changes in key sectors of engagement	Supported work to achieve the separation of Nauru's parliament from the executive arm of government under the Parliamentary Act 2020. Supported the drafting of two gender policies: the National Women's Policy; and the Public Service Sexual Harassment Policy.

Economic Recovery

Key Results Indicators	Progress/Result
Examples of policy and technical advice on longer term economic recovery, including accounting for the impacts of climate change	Supported advisers in several senior in-line and technical roles to support the Ministry of Finance including Treasury, Customs and Revenue divisions.
Examples of Australia supporting Nauru’s transport connectivity, including: port project progress; progress toward airport runway upgrade; and support for Nauru Airlines	Supported Nauru Airlines, Naeoro Post and Nauru Shipping Lines to ensure transport connectivity within the region and beyond. Continued to support major transport infrastructure projects at the port and airstrip.
Partnering with the private sector and other partners to ensure supply lines are open	Supported Australian Business Volunteers and the Nauru Chamber of Commerce to develop a private sector development roadmap.

ANNEX 2: INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender Equality
Nauru Health Support Program Investment Duration: 2018-22; Budget: \$8.4m	2021	3	3	3
	2020	3	3	3
Nauru Public Sector Reform Investment Duration: 2009-21; Budget: \$52m	2021	4	4	3
	2020	4	4	3
Nauru Infrastructure and Services Investment Duration: 2009-21; Budget: \$74m	2021	4	4	3
	2020	4	3	3
Nauru Improved Education Investment Duration: 2009-18; Budget: \$34m	2021	4	4	4
	2020	4	4	4

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

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

Less than satisfactory (1, 2 and 3)

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

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

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