

PART VI

REVISED SECTOR GOALS, STRATEGIES & MILESTONES

ECONOMIC SECTORS

Macroeconomic management**Goal: A stable macroeconomic environment conducive to private investment established**

Key Performance Indicators:

- Budget surplus as percent of GDP
- Government spending as percent of GDP
- Government debt as percentage of GDP
- Debt service as a percentage of exports of goods and services (MDG)
- Consumer price inflation
- Percent below national poverty line (localized MDG)
- Growth rate of GDP per person employed (MDG)
- Employment-to-population ratio (MDG)

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
Responsible management of Government's budget including aid programs	Budget surplus achieved	Budget surpluses and increased domestic investment levels maintained	Government finances managed according to principles of responsible fiscal management.	Department of Finance
	Financial management legislation, regulation and policy reviewed and reformed. Resolve preparation of, and produce, past years Government accounts.	Financial management reforms fully operational		Department of Finance
	Aid Budget integrated into annual Budget process National budget (including aid programs) aligned to NSDS goals and strategies. More aid flows directed to investment instead of operating cost subsidies.	Domestic revenues comprise an increased percentage of the total budget. Percentage of aid devoted to operating cost subsidies decreased and percentage devoted to investment increased		Department of Finance DPPD/AMU

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
Introduction of a broad based revenue system which is efficient, equitable, simple, reliable, transparent and aligned to international norms.	Broad based goods and services tax introduced Revenue office (including customs) expanded and value of uncollected revenue reduced	Initiatives to broaden the domestic revenue based are implemented. Reduction in the value of uncollected revenue		Department of Finance/Customs
Development of a coherent strategy to deal with Government debt.	Strategy developed and adopted and Government debt write off or repayment commenced. Government borrowing restricted to projects that will expand Nauruan economy.	Total level of outstanding government debt reduced through debt forgiveness or repayment.	Total level of outstanding government debt reduced through debt, forgiveness or repayment.	Department of Finance
Implement reforms (including to SOEs) to achieve a small and efficient public sector which contributes to and does not crowd out private sector.	Strategies developed to reduce the size of the public sector to comparable levels in the region.	Public sector reduced to comparable levels in the region, providing that alternative livelihoods are available.	Ratio of private sector spending to government sector spending is increased.	Department of Finance
	Reform plans to improve efficiency of all SOEs developed and implementation commenced. SOE accounts produced SOE dividend policy implemented and increased SOE dividends paid. Dividends paid by more SOEs. Increased provision of goods and services by the private sector which are currently provided by the public sector.	SOEs meet rate of return requirements Accounts regularly produced and audited Increased SOE dividends paid from more SOEs SOEs operate at arms length from government.	SOEs operate efficiently with improved services and products.	Department of Finance
Reform of Trust fund arrangements including the establishment of a new Public Trust Fund (the Nauru Intergenerational Fund)	NPRT assets and liabilities determined and transferred to new Landowner Fund. Governance arrangements implemented for new Landowner Fund with professional funds management.	New Landowner Fund providing sustainable annual payment to beneficiaries.		Department of Finance

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
	Complete negotiations with donors to set up a new Government Trust Fund (provisionally called the Nauru Intergenerational Trust Fund) to supplement the National Budget. New Fund operating with international standard governance and management		Nauru Intergenerational Trust Fund capital growing sufficiently to enable adequate supplementary funds for the National Budget from 2030.	Department of Finance
Development of a coherent planning process for Nauru's economic and social development.	Policy Development and Implementation Framework fully implemented. NSDS progress monitored on an annual basis against Milestones and Key Performance Indicators. Development planning and aid management capacity enhanced. Operational plans developed for all sectors and aligned to the NSDS. Development partner coordination framework approved and operational.	Major review and update of the NSDS completed.	Adherence to Paris/Pacific principles on development effectiveness.	DPPD/AMU
	Major economic and social indicators for Nauru prepared and key indicators regularly published. Benchmark indicators of GDP, BOP, Demographics, HIES, Prices and Wages compiled.	Indicators updated regularly and published.	Statistics and indicators mainstreamed in ALL strategic planning and policy making.	Statistics
	Review completed to strengthen statistical legislation, frameworks and capacity. Action Plan on National Accounts developed.	Revised statistical legislation and frameworks approved and implemented. Capacity improved.	Full compliance with new statistical legislation, framework and calendar.	Statistics
Maintain price stability through price control in monopoly areas through the <i>Prices Regulation Act (2008)</i>	Price inflation consistent with trading partner inflation.			Department of Finance

Agriculture**Goal: Increased level of domestic agricultural production aimed at addressing food security and healthy livelihoods**

Key Performance Indicators: Value of agricultural and livestock food imports
 Value of domestic agricultural and livestock production
 Proportion of land area covered by forest (MDG)

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
Develop local food and agricultural production initiatives such as kitchen gardens, fruit tree planting and root cropping	At least one nursery established and successfully functional providing seedlings and technical assistance to individual and community farmers (ROC) 10 percent of HH have successfully operating kitchen gardens with water storage supported (FAO)	30 percent of average Nauruan diet sourced from locally produced food (fruit trees e.g. breadfruit, banana, mango, pawpaw and vegetables and root crops) 30% of HH successfully growing and producing root crops (sweet potato, cassava and taro) supported through SPC DSAP programs 30 percent of HH have successfully established and operating kitchen gardens with water storage	Over 70 percent of average Nauruan diet sourced from locally produced food Over 70 percent of HH successfully growing and producing root crops 20 percent of agricultural food sale in the market sourced from domestic food production Over 70% of HH have successfully established and operating kitchen gardens with water storage	Department of Agriculture
Promote production of value added forestry and agro-forestry products for domestic consumption	A forest management plan developed	Forest management plan implemented starting with reforestation of the mined areas	Reforestation of the mined areas 15 percent completed Commercially viable forestry and agro-forestry products identified and associated business plans developed	Departments of Agriculture and Environment and NRC
Promote commercially viable piggeries, duck and poultry (egg production) and agricultural businesses	At least one new piggery or poultry farm business established and operating commercially in each district community	The community in each district has an average of 2 new piggery or poultry businesses established and operating commercially 15 percent of local demand for pork and poultry products met from local production	Over 70 per cent of local demand for pork and poultry products met from local production	Department of Agriculture
Set up a resource centre on agricultural and livestock production	A resource centre on agricultural and livestock production established providing technical advice, pamphlets, manuals to farmers and community	Over 50 percent of farmers regularly used the resource centre	Over 75 percent of farmers regularly used the resource centre	Department of Agriculture

Fisheries**Goal: Enhance development and sustainable management of marine and fisheries resources to provide sustainable economic returns**

Key Performance Indicators: Contribution of fisheries to GDP
 Value of fishing licenses and access fees
 Proportion of fish stocks within safe biological limits (MDG)

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
Strengthen institutional capacity of Nauru Fisheries and Marine Resources Authority (NFMRA)	NFMRA Corporate Plan 2009-12 implemented Fisheries Act updated	NFMRA effectively providing leadership, guidance and assistance on developing and managing fisheries resources NFMRA infrastructure improved and consolidated on one site	Nauru fishery resources not over-exploited through effective management of the resources	NFMRA
Maximize sustainable economic returns	Foreign licensing revenue per fishing day increased in real terms by 2012 from 2008 levels	Maximized sustainable economic yield from marine and fisheries resources	Nauru derived maximum possible sustainable benefit from its living natural marine resources	NFMRA
Promote private-sector led development of commercial fisheries	Potential niche small-scale high quality fishing and processing export enterprises identified Recreational use of marine resources (e.g. game fishing) investigated	Business profiles for establishing commercial fishing enterprises developed and potential joint-venture partnerships with investors explored	Private sector and / or community fisheries business enterprises operating profitably	NFMRA and Department of Commerce and NPBSO
Promote development of aquaculture production	Current 5-year national aquaculture plan reviewed and implemented Legislative and regulatory framework for aquaculture development scoped and developed	Legislative and regulatory framework for aquaculture development adopted and implemented	A well established and functional aquaculture sector	NFMRA
Sustainably utilize marine resources to increase food security and alternative livelihoods	Feasibility study conducted on new fishery and fishing techniques, including traditional fishing methods	Business profiles/plans for development of new fishery and fishing techniques completed and implementation started	Regular Nauru protein diet sourced primarily from domestic marine and fish products	NFMRA
Ensure sustainable practices are implemented to safeguard the marine biodiversity and ecosystems	Design through participatory consultation development of marine protected area (MPA) networks Capacity development and training on use of ecosystems approach and other conservation planning tools conducted	Develop legal and regulatory framework to support the MPA Implement ecosystems approach to coastal fisheries management	Marine biodiversity and ecosystems protected through MPA and wide use of relevant conservation planning techniques	NFMRA and Department of Environment

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
Eliminate illegal, unregulated and unreported (IUU) fishing	Implement national plan of action for combating IUU fishing Implement national observer program	Substantial reduction in IUU fishing At least 20 observer trips conducted per annum	IUU fishing in Nauru EEZ eliminated Nauru EEZ under full and effective surveillance	NFMRA
Develop sound scientific information on coastal marine resources	Research capacity of NFMRA strengthened through partnerships with regional and international research institutions	Research plans for resources assessment capacity developed and training conducted for NFMRA staff	Sustainable utilization of coastal marine resources based on scientific research and development	NFMRA

Mining and Quarrying

Goal: Efficient and effective use of mining and quarrying resources

Key Performance Indicators: Value of phosphate exports
Value of other mining and quarrying exports
Hectares of land rehabilitated

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
Restructure and refurbish mining infrastructure and invest in additional heavy mining equipment to ensure capacity of 1mt per annum. Creation of the maintenance reserve fund.	Phosphate exports at 600,000 mt per annum or higher. At least \$5m dividend paid to Government after payment of cash and trust fund royalties to land owners. \$2m set aside in maintenance reserve fund. Mooring overhaul/replacement complete.	Phosphate exports at 800,000 mt per annum or higher. At least \$10m dividend paid to Government after maintenance fund and royalties paid. Finish payment of all pending salaries and wages and other debts. NRC self funding from operations.	Phosphate exports at 1,000,000 mt per annum or higher.	NRC/RONPHOS Ports
Transparent and accountable reports on all shipment of exports (phosphate, aggregates, pinnacles, phosphate tiles, fisheries)	Monthly reports produced and publicised			NRC/RONPHOS Finance GIO
Development of viable value-added opportunities for phosphate and by products of phosphate mining and rehabilitation work.	Viable opportunities determined such as the use of limestone for landscaping and building industry locally and for export, and the possibility of a joint venture in phosphate value added operation offshore.	Viable value added opportunities in operation.	Significant additional export revenues generated from value added opportunities.	NRC/RONPHOS
Rehabilitation of mined land.	Trials completed, Work Plan signed off with AusAID, equipment purchased and 10ha rehabilitated.	Reclamation of 124ha of land for agricultural production and 1.5ha nursery	300ha catchment on NW of the island developed including 34.5ha reservoir and 140ha conservation area	NRC

Commerce, Industry and Business Development

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

Key Performance Indicators: Private sector contribution to GDP
Private sector employment growth
Value of total remittances income

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
Improve general business and investment environment	Legal, policy, regulatory requirements and procedures for business investment reviewed, strengthened and streamlined (e.g. business licensing and application requirements, insurance and credit facilities, labour, land, immigration, customs, etc)	Changes to relevant legislation, policy, regulations and procedures for business investment adopted Institutional strengthening and capacity to implement and enforce these regulatory requirements developed and maintained	Business community educated and knowledgeable about these regulatory requirements A growing and vibrant private sector	Department of Commerce
Promote development of small and micro enterprise (SME) businesses	A SME development plan that included identification of commercially viable cottage mini-industries and associated business profiles developed A Small Business Incubator established to provide advisory services and assistance to SMEs and prospective enterprises	SME development plan implemented and at least 2 new SMEs established and operating profitably Small Business Incubator operating effectively with over 20 businesses benefiting from its services	Private sector employment growth averages 5 percent per annum Private sector contribution to GDP increased by 10 percent per annum	Department of Commerce
Strengthen Nauru Island Private Business Sector Organization	NIPSO effectively operational with approved constitution and providing advisory services and technical assistance to its members	NIPSO micro-finance facility established and functional and benefiting its members	NIPSO membership covered more than 80 percent of all businesses and provided the main forum for promoting private sector interests	Department of Commerce
Encourage foreign investment	Foreign direct investment (FDI) policy and legal framework developed Joint business ventures with foreign investors promoted but subjected to established rigorous and transparent appraisal process (e.g. commercial tuna cannery or loining plant operation)	FDI legislation enacted and policy approved with appropriate measures adopted to enforce the Act and related regulations and policy FDI Unit established with appropriate staff capacity to facilitate potential FDI proposals Business community and prospective entrepreneurs educated on new regulatory requirements	New foreign investment operations or ventures established and maintained	Departments of Commerce & Trade

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
Enhance economic integration of Nauru into the regional and multilateral trading system	A national trade policy developed emphasizing labour mobility opportunities, taking advantage of PICTA, PACER and EPA Institutional strengthening and capacity for managing trade policy and trade agreements developed	A national trade policy approved and implemented Labour employment opportunities abroad expanded Commercially viable niche exportable products identified and developed	Significant increase in remittances from Nauru workers overseas Value of total exports increased	Departments of Commerce & Trade

Tourism
Goal: Promote development of small-scale sustainable eco-tourism
 Key Performance Indicators: Total number of visitor arrivals
 Total value of tourist expenditures in Nauru

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
Develop a tourism master development plan	Tourism master development plan developed, identifying potential eco-tourism challenges and opportunities	Tourism master development plan adopted and implementation commenced, emphasizing niche eco-tourism for example game fishing and heritage / historic sites	Small-scale niche eco-tourism business operations established and maintained Growth in total visitor numbers increased by 30 percent	Department of Tourism
Improve accessibility into Nauru for visitor arrivals	ERATEQUO information package developed and published that included legal and administrative entry requirements A website designed to promote Nauru as an alternative tourist destination established and maintained	Visitors arriving into Nauru more freely and facing minimal bureaucratic requirements Visitors able to access updated information about Nauru more readily and instantly	Nauru being promoted widely as an alternative tourist destination	Department of Tourism/Our Airline

Financial Services

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

Key Performance Indicators: De-listing from FATF Blacklist maintained
 Presence of banking facilities on Nauru
 Presence of insurance services on Nauru

Strategies	Short-term Milestones 2012	Medium-term Milestones 2015	Long-term Milestones 2025	Responsibility
Draft and implement updated regulations for the financial services sector including training staff	Regulations drafted and implemented; staff trained Negotiate 12 Taxation Information Exchange Agreements (TIEAs)	Nauru taxation system compliant with all international (incl. HTPI) requirements		Department of Finance
Establish Financial Intelligence Unit (FIU) including training of staff	FIU fully operational including trained staff	All financial activities to and from Nauru are linked up to the FIU, transactions reporting mandatory with advanced training	De-listing from the FATF Blacklist maintained	Justice
Establish private sector banking services	BON liquidated and pay-out schedule determined. Private bank established and operating in Nauru offering a range of banking services			Department of Finance
Establish viable commercial insurance services in Nauru.	Insurance needs of Nauru determined	Range of insurance service providers (incl. offshore) available		Department of Finance