



REPUBLIC OF NAURU

***NATIONAL SUSTAINABLE DEVELOPMENT STRATEGY
2005 - 2025***

AS REVISED 2009



October 2009



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GLOSSARY

AMU	Aid Management Unit
BON	Bank of Nauru
BOP	Balance of Payments
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CSO	Community Service Obligations
DPPD	Development Planning and Policy Division
EHC	Eigigu Holding Corporation
FATF	Financial Action Taskforce
FFA	Forum Fisheries Agency
FIU	Financial Intelligence Unit
GDP	Gross Domestic Product
GEF	Global Environmental Facility
HH	Household
HIES	Household Income and Expenditure Survey
ICT	Information and Communication Technologies
ITU	International Telecommunications Union
IUU	Illegal, Unregulated & Unreported
KPI	Key Performance Indicator
NACOS	Nauru Australia Compact of Settlement
NCCT	Non Complying Countries and Territories
NCD	Non Communicable Diseases
NFC	Nauru Fisheries Corporation
NFMRA	Nauru Fisheries & Marine Resource Authority
NGO	Non-government organisation
NIC	Nauru Insurance Corporation
NPRT	Nauru Phosphate Royalties Trust
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
RONFIN	Republic of Nauru Finance Corporation
RONPHOS	Republic of Nauru Phosphate Corporation
NSDS	National Sustainable Development Strategy
SBOA	Small Business Owners Association
SME	Small and Medium Enterprise
SOEs	State Owned Enterprises also termed Instrumentalities
SOPAC	South Pacific Applied Geo-science Commission
SPC	Secretariat Pacific Commission
SPBEA	South Pacific Board for Educational Assessment
STI	Sexually Transmitted Infections
TVET	Trade and Vocational Education and Training
UNESCO	United Nations Educational Scientific & Cultural Organization
WSIS	World Summit on the Information Society

STATEMENT BY HIS EXCELLENCY HON. MARCUS STEPHEN MP



In 2005, Nauru embarked on a difficult, but exciting, journey when it announced the National Sustainable Development Strategy (NSDS). For the first time ever, Nauru came together as a nation and created for itself a vision for the future; a future in which individual, community, business and government partnerships contribute to a sustainable quality of life for all Nauruans.

The NSDS was borne out of a time of crisis. Financial mismanagement and government missteps over the last decade caused incomes and living standards to plunge. My country was at the brink of economic collapse. But with crisis came an opportunity for self-reflection and an openness to new ideas. And so, with a pioneering spirit and clear mind, we began a process of rehabilitation, restoration, and renewal.

In cooperation with Pacific Islands Forum member governments, my country also outlined a number of key governance and development priorities in the Pacific Regional Assistance to Nauru, or PRAN. It included a reevaluation of fiscal policies and objectives, a review of our constitution, and reforms to our education and health sectors.

The development plan we set for ourselves under PRAN and the NSDS was extremely ambitious. But in the four years since Nauru put this plan into place we have made remarkable progress. Through the hard work and commitment of our people, we have restored a measure of security to our communities and created a stable environment for new investment. I am also proud that in just four years we have reached the goals laid out in PRAN. Nauru is truly a different place from what it was in 2005.

As detailed in our review of the NSDS, improvements have come from all sectors of the economy. With regard to infrastructure, power is more reliable and used more efficiently. The amount of clean water being produced and harvested has significantly increased. Sewage removal has been restored and regular air and maritime services have been maintained. Telecommunications have improved and many of us now have mobile phones. And the national media is more vibrant and more professional.

I am proud to say that there have also been marked improvements in the areas of education and public health. Better school facilities, more qualified teachers and a more professional curriculum will help prepare the next generation of Nauruans for the challenges of the 21st century. In our health sector, there have been real gains in curative services and preventative health programs.

A final key to Nauru's future will be improvements to the economy. In this area, reforms have occurred at a dizzying pace and have resulted in real accomplishments. In finance, the reforms have increased government transparency and accountability. Nauru has been removed from the FATF blacklist, affirming our commitment to be responsible members of the global community of nations. The past four years have also seen the resumption of phosphate mining on a large scale, providing the basis for a more diversified economy in the future. This next stage in our economic development has already begun with an increase in domestic food production, the establishment of livestock rearing, and the rehabilitation of the mined-out topside.

Whilst we have come a long way in a very short period of time, we must not lose focus as we transition out of crisis management and into a period of sustainable growth. There is still much to be done if we are to achieve the long-term milestones outlined in the NSDS. Three challenges in particular threaten to impede further progress unless addressed in short order.

The first challenge is the global economic turmoil, which began with the impacts of rapid increases in food and fuel prices and continued with the US sub-prime mortgage crisis last year resulting in a collapse of world equity and commodity markets, producing the worst global recession seen for decades. The global crisis hit Nauru as we were just beginning to recover from our own decade long national economic crisis. For Nauru, the prices of imported food and essential goods remain high, with the price of a bag of rice still more than double the world average. At the same time, household income has reduced due to impacts on our phosphate industry. Nauru does not have the luxury of passing a robust stimulus package like larger, wealthier nations, so we must look to other solutions to weather the storm and develop resilience in our economy.

The second challenge is climate change. Scientists are nearly unanimous in their agreement that the Pacific region will be among the most severely impacted regions. For Nauru, climate change will undermine our food and water security, erode our coastlines, damage our marine ecosystems, and tax our public health system. Coping with these effects will strain our federal budget and divert financial resources away from other important activities like education and economic development. Nauru has responded by joining fellow Pacific island nations in pushing for a strong agreement at the climate change negotiations this December in Copenhagen. But many of these impacts will continue to worsen no matter how aggressively the international community responds to the climate crisis.



The third challenge is rescuing our lost generation. A significant portion of our youth had the misfortune of coming of age in the midst of the worst economic crisis in our nation's history. Things that my generation took for granted, like a good education, basic health care, and abundant employment opportunities, were simply not available for our youth during a critical time in their lives. In their absence, substance abuse, illiteracy, delinquency and lifestyle-related illnesses like diabetes have become commonplace. As we progress as a nation, we must ensure that we do not leave one segment of our community behind. Our collective future will not be secure unless we invest in the community and business leaders of tomorrow.

Nauruans are strong-willed, resilient and fiercely independent. Our Angam history is a testament of our fighting spirit that has seen us survive and rebuild many times over. We have no desire to become trapped in the never-ending cycle of aid dependence. But we are at a critical stage in our national development and require the assistance of our generous friends so that a sustainable quality of life can return to Nauru. Through our constitutional reforms, social advances, and economic progress we have laid a solid foundation upon which future progress can be built.

I hope that the review of the NSDS that has been undertaken and the compilation of this updated 2009 edition of the NSDS will reenergize all of us to meet these challenges and continue Nauru's development into the future. The 2009 NSDS will also assist Nauru to fulfil its requirements under the Cairns Compact. I am grateful to our development partners who have made our achievements possible and look forward to their continued partnership and support as we continue our journey.

And of course in all that we do in Nauru we need to do it With God's Will First for "unless the Lord builds the house, the builders labour in vain".

HE Marcus Stephen, MP
President

MAP OF NAURU



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PART I

THE 20 YEAR PLAN

The 2005 NSDS developed Nauru's long-term vision, message and goals. These remain unchanged in the 2009 edition of the NSDS.

Vision

The overall impact that the NSDS seeks to make is captured in the people's vision for development and is stated as:

“A future where individual, community, business and government partnerships contribute to a sustainable quality of life for all Nauruans”

This vision emphasises the desired outcome of sustainable improvements in the quality of life experienced by Nauruans and signals that partnerships at all levels will be a key vehicle to achieving this.

The decline in socio-economic conditions that has marked the last decade makes improvements in the quality of life the focus for development effort. On the other hand the long dependence on government makes partnerships between government, business, community, and individuals a necessary means to achieving the vision. Therefore, the central message of the NSDS is:

“Partnerships for Quality of Life”

Long-term Goals

The five long-term goals for Nauru remain unchanged from the 2005 NSDS.

- a) ***Stable, trustworthy, fiscally responsible government***
- b) ***Provision of enhanced social, infrastructure and utilities services***
- c) ***Development of an economy based on multiple sources of revenue***
- d) ***Rehabilitation of mined out lands for livelihood sustainability***
- e) ***Development of domestic food production***

PART II

2009 REVIEW OF THE NSDS – MAIN FINDINGS

Following the relatively minor reviews of the National Sustainable Development Strategy (NSDS) which occurred in 2007 and 2008, the 2009 Review is more comprehensive which goes line-by-line through the NSDS. The review does three things.



First, it looks at each sector strategy and milestone and assesses the extent to which they (in particular the 2008 milestones) have been achieved. The Review has found that in general since 2005 when conditions in Nauru were very poor across the economic, social and infrastructure sectors considerable gains have been made.

- **Economic Sectors** – phosphate mining has recommenced and rehabilitation started (albeit more slowly than expected), agriculture production and fishing production has increased and other alternative livelihoods (e.g. Noni) have commenced. There has been some progress towards achieving the goals for fisheries established in the NSDS including maximising revenues from access fees. There have also been significant gains in the area of finance, public administration and governance including: reformed budget processes, statistics, State Owned Enterprise reform, financial sector reform (including FATF requirements), debt policy and complementary constitutional and other legal reforms.
- **Social Sectors** – In the areas of health and education there have been significant progress in achieving many of the 2008 NSDS milestones. In education buildings have been refurbished (and a new Secondary School will be completed early in 2010), the curriculum improved and the training of teachers a priority. While there also have been a number of improvements in health (such as maintaining infrastructure, curative as well as preventative improvements, and training of medical personnel) substantial challenges remain (particularly in the area of infrastructure and child/maternal health).
- **Infrastructure Sectors** – There have also been gains in these sectors. Electricity supply and reliability has improved (albeit blackouts still regularly occur due to the poor transmission network) and there have been some initiatives in renewable energy production. Water production and delivery has also been strengthened and sewage removal improved, and regular air and sea transport has been maintained. Finally, telecommunications are better in Nauru than ever with the introduction of mobile phones and the media services (radio and television) are more professionally delivered with more local content.



However, the review has also found that there are a number of areas where the 2008 milestones have not been achieved. In the economic sectors some of the areas where milestones have not been fully achieved include, the feasibility of value added phosphate products (e.g. super phosphate), kitchen garden and pork and poultry production milestones, surveillance of Nauru's EEZ, rehabilitation of topside, reducing government spending, review of the land tenure system and Ministries developing corporate plans.

In the social sectors short-term milestones which have not been achieved include: USP enrolment targets, infant mortality targets, targets for enrolments in public health courses and the construction of a new health facility. While some of the community milestones have been achieved there is still much to be done for community groups to be fully effective.

In infrastructure, there are a number of milestones where there has been some progress, but further progress needs to take place for the milestones to be fully achieved including: electricity transmission, water production and harvesting, sewage removal, transport (including port, airport and land transport) and information and communication technologies.

The 2009 Review also identifies the main factors which have prevented the milestones from being achieved.

- Lack of Funding – Lack of funding has prevented many larger infrastructure projects from getting underway (such as a new hospital, electricity transmission system, port and airport).
- Lack of Capacity – Severe capacity constraints exist in many areas of Government including in finance and audit, law and order, development planning and public administration.
- Lack of Coordination – Blurred and overlapping responsibilities have resulted in tasks falling between the cracks and not being coordinated across sectors.
- Unclear goals – Several goals and milestones are not clearly articulated in the 2005 NSDS making implementation by relevant agencies difficult.
- Unclear land arrangements – Disagreements over land agreements have been a major obstacle to new development projects in Nauru.
- Lack of a sound business environment – Including the lack of a commercial bank on the island is constraining private sector development.
- Governance – While a lot has already been achieved in the areas of governance more needs to be done including independent media, freedom of information, leadership code, updating outdated legislation, reducing the court backlog and dealing with gender and child based violence.

Part of the review of the NSDS involved a close look at how well the key messages of the document are expressed. Many commented that the document was confusing in places. The Long Term Goals and their components did not seem to link up clearly to the Strategies, NSDS Priorities and the Short Term Plan. In addition, most Government departments and the communities have been using the Appendix covering Sector Goals, Strategies and Milestones as the main guide for the development of their plans and activities.

The Goals, Strategies and Milestones matrix was looked at closely during the review process. It was found that some sectors¹ had many Goals and that they were not logically connected to the sector Strategies and Milestones. In addition, there was no clear statement of how we should measure the overall progress made in moving towards the Sector Goals.

¹ The word Sector is used to describe the Sectors in the Milestones matrix – e.g. Agriculture, Mining, Fisheries, Education, Health, etc...

As a result the structure of the NSDS has now been revised in the following ways:

- The Long Term Goals are stated without the sub components to make it clear that achievement of the Long Term Goals will lead to achievement of the Vision for Nauru.
- The “Strategies”, which follow the Long Term Goals, have now been replaced with a list of Sector Goals with only one Goal per sector. Achieving the Sector Goals will lead to the achievement of the Long Term Goals.
- The Sector Goals are repeated in Part VI covering Sector Goals, Strategies and Milestones. For each Sector goal, there are a number of Strategies, which if achieved, will lead to achievement of the Sector Goal. Milestones indicate the progress towards the Strategies.
- The Short Term Plan has been changed to a list of the Major Priorities that need to be pursued over the Short to Medium term. The Major Priorities are drawn from the Sector Goals, Strategies and Milestones matrix.
- To measure overall progress towards the outcomes described in the Sector Goals, a small set of Key Performance Indicators have been added.
- “NSDS priorities” section. Community consultations were conducted during the 2009 NSDS review process. Extensive community consultations were also conducted during the preparation of the NSDS in 2005 and these were summarized in the “NSDS Priorities” section. This section has been renamed as Community Consultations and has been updated to take account of community concerns raised during the review. These concerns, as appropriate, have been included in the Sector Strategies and Milestones.

Finally, part of the review process was to identify important gaps in the 2005 NSDS in terms of coverage of sectors and cross-cutting issues. Some of these gaps are due to new challenges emerging since 2005; other gaps existed because of a variety of reasons including the larger capacity constraints that prevailed 4 to 5 years ago. Areas that have been significantly strengthened with new NSDS Strategies and Milestones are:



- Environment – the NSDS coverage of this was largely limited to rehabilitation of mined out areas in topside. Whilst this is a very important issue, there are many other critical environmental issues that Nauru needs to address and these have been included in this revised NSDS update. These include the need to build resilience to climate change as well as the need for a comprehensive law on environmental management that would include a requirement for new projects to be assessed for their environmental impact.
- Gender issues – the NSDS update expands the coverage of gender issues in various sectors.
- Community development – this section of the NSDS has been strengthened and is more explicit about how to involve communities in the development process and there is more emphasis on the culture and traditions of Nauru.
- Youth – this group only had limited coverage in the NSDS which provided for the development of a youth policy. Issues that affect youth and children have been included in various sectors of the updated NSDS.

- Law and Justice – this is a major issue, especially with regard to young people (50 per cent of the population) and gender based violence. The 2009 revised NSDS update includes more coverage of these issues and strategies to address them.
- Land issues – have insufficient emphasis in the 2005 NSDS despite these issues proving an obstacle to many important developments projects. A new section has been included in the updated NSDS to address land management including land-use plans.
- Fisheries – this had limited coverage in the 2005 NSDS and has been expanded in the 2009 revised NSDS to more accurately reflect current practices and structures in Nauru.

COMMUNITY CONSULTATIONS

In developing the 2005 NSDS extensive consultation with the community, business groups and individuals identified a number of priorities.



Economic Sector

1. Fully rehabilitate topside with a greater area of rehabilitated land utilised for livelihood sustainability including environment conservation and protection.
2. Increase revenue generation through the efficient and effective use of the few available remaining resources such as phosphate reserves and fish stocks and establishment of a national Trust Fund.
3. Increase level of domestic agricultural production initiatives such as kitchen gardens, fish farms, milkfish and yabbie ponds to reduce dependence on imported food and to address food security.
4. Develop an SME sector that includes the participation of the community, as the basis for the economy supported by the development of a conducive business services environment.
5. Improve labour market access for Nauruans leading to a higher flow of remittances.

Social Sectors

1. Improve the educational system, focusing on the quality (to regional standards), scope (primary, secondary, vocational and life & trade skills) and reach (new audiences such as the mature age).
2. Provision of effective preventative health services reducing lifestyle related illness.
3. An efficient and effective judicial system with strong, functioning law and order.
4. Increase the use of traditional values, knowledge, skills and practices to strengthen cultural and national identity.

Infrastructure Sectors

1. Provision of enhanced utilities and transport services including the increased use of renewable energy, power (non-diesel generation i.e. OTEC and solar), water, waste management, roads, sea and air services.

Cross-cutting

1. Develop the human resources in technical, organisational and financial management capacities.
2. A stable, trustworthy, fiscally responsible government with transparent and accountable Parliamentarians, cabinet and public service.
3. Establish a legislative and institutional framework conducive to foreign investment and the setting up of companies to generate employment and income including, foreign banking presence and clear tenure/rental laws.
4. Maintain good bilateral, region-wide and international relations and comply with international standards.

Following the consultation with the community in the 2009 Review a number of concerns were raised in terms of gaps in the 2005 NSDS. These included the lack of community goals, strategies and milestones as well as issues surrounding the new Trust Fund, process of the Land Use Plan (LUP), NSDS awareness, human rights, catering for the needs of emerging communities, lack of local Government Council roles and the collaboration between Community organisations, Government and donor partners. Many of these issues have been included in the 2009 revised sector goals, strategies and milestones.

PART III

SECTOR GOALS

Following consultation with the Government, the community, business groups and individuals Nauru's revised sector goals are listed below. These sector goals have been developed to achieve Nauru's vision and long-term goals (above) as well as to be consistent with the sector strategies and milestones presented in the NSDS (see Part VI).

Economic Sector Goals

Macroeconomic management

A stable macroeconomic environment conducive to private investment established

Agriculture

Increased level of domestic agricultural production aimed at addressing food security and healthy livelihoods

Fisheries

Enhance development and sustainable management of marine and fisheries resources to provide sustainable economic returns

Mining & Quarrying

Efficient and effective use of mining and quarrying resources

Commerce, Industry & Business Development

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

Tourism

Promote development of small-scale sustainable eco-tourism

Financial Services

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

Social & Community Sector Goals

Education

Improve the quality and broaden the scope and reach of education

Health

A healthy and productive population

Sports

Enhanced quality of life through Sports for All

Traditional Leadership & Culture

A healthy, socio-cultural, inclusive, cohesive and self reliant community with sustainable livelihoods

Women & Development

A just society that recognizes and respects the rights of women and promotes equal opportunities



Youth Development

Investing in Youth – A sustained future for Nauru

Civil Society

A robust, vibrant and effective civil society for a just and peaceful Nauru

Infrastructure Sector Goals

Energy

Provide a reliable, affordable, secure and sustainable energy supply to meet socio-economic development needs

Water & Sanitation

Provide a reliable, safe, affordable, secure and sustainable water supply to meet socio-economic development needs

Waste & Sewerage

Effective management of waste and pollution that minimizes negative impacts on public health and environment

Transport

Improve transport infrastructure and provide reliable and affordable public transport service

Communications and media

Provide universal and reliable access to internationally competitive communication services and an independent and commercially viable media

Cross Cutting Sector Goals

Public Administration

Strengthen and develop the institutional capacity of the Nauru Public Service

Governance Institutions

Strengthen Parliament, Audit, Justice, Law, Order and Border Control

Land

A transparent and fair land management system that supports social, economic and private sector development

Environment

Sustainable use and management of the environment and natural resources for present and future generations

PART IV

MAJOR PRIORITIES

The 2009 Review of the NSDS which was undertaken with community consultation has identified a number of immediate priorities.

- Capacity is severely constrained especially given the large amount of work needed to get Nauru on a sustainable development path. The first priority is to mobilize the capacity that already exists in the public sector and among communities. Improved performance of the public sector remains a priority, including building a stronger work ethic. However, there is a need for sustained assistance from development partners to build capacity across the public sector at the individual and organizational levels.
- Sustainable income and funding. Progress in pursuing Nauru's reform agenda is hampered by limited income sources and the lack of revenue predictability. Income from phosphate and fishing licenses has fluctuated considerably and presents a major challenge for funding essential services. In addition, Nauru simply cannot generate the funds necessary to finance many of the urgent service delivery improvements and infrastructure developments that are needed in the short to medium term.
- Land issues and land disputes are the cause of many delays in achieving progress. More attention and community awareness are needed together with a sound legal and regulatory framework.
- Business environment. Private sector development is constrained by the lack of a sound business environment. The lack of a commercial bank and an insurance facility remains a critical priority. This affects government, the private sector, individuals and foreign investment. In addition the lack of a clear and business friendly regulatory environment makes investment risky and is a deterrent to foreign investment.
- Continuing to strengthen governance. A great deal has been achieved in strengthening governance institutions including in the law and justice sector. However, there is also much more that needs to be done to complete many of the reforms that have been started, for example in the areas of an independent media, freedom of information, and leadership code. Other issues to be addressed include outdated legislation, a lack of qualified personnel, court backlog, and gender and child based violence.
- Energy and water. Whilst there has been considerable progress in achieving more stable electricity and water services, the current way in which electricity and water services are delivered is not sustainable for Nauru. Urgent measures need to be taken to upgrade infrastructure, raise efficiency, secure the benefits of renewable energy, and develop and implement sustainable water management policies.



PART V

MONITORING AND IMPLEMENTATION OF THE NSDS

“Development of a coherent planning process for Nauru’s economic and social development”

Development planning processes were established during and following the preparation of the 2005 NSDS. Much has been achieved in strengthening these processes including in the area of aid management.

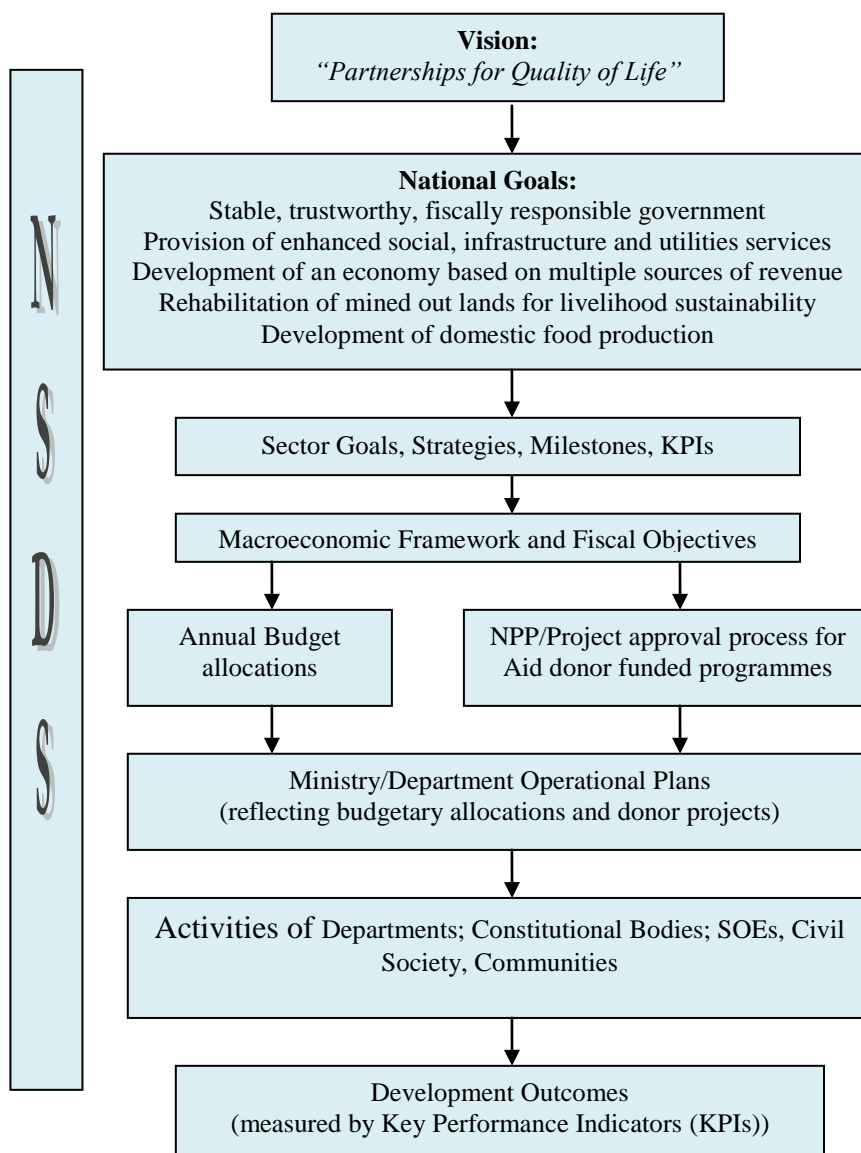
However, there is a need to strengthen the policy development and implementation framework and improve compliance with the processes that have been developed since the NSDS was first adopted in 2005.

Policy Development and Implementation Framework

Achieving the Vision of “*a future where individual, community, business and government partnerships contribute to a sustainable quality of life for all Nauruans*” by 2025 requires that resources of Government, communities and development partners are used efficiently and wisely.

To do this, it is important that Nauru and development partners recognise and adhere to the Policy Development and Implementation Framework. This Framework will guide budget and development partner priorities, the development of policy actions to achieve the goals and strategies in the NSDS, as well as implementation of policies and the monitoring of development outcomes.

Policy Development and Implementation Framework



The Framework, based on the Vision, National Goals, Major Priorities and Sector Goals and Strategies in this NSDS update, describes how policies are developed and subsequently implemented through the annual budget and through aid donor programmes. The Framework also outlines how policy implementation can be monitored and the impact that policy implementation is having on development outcomes.

The Policy Development and Implementation part of the Framework is illustrated in the diagram above. The Vision, National Goals, Sector Goals, Strategies and Milestones and Sector Key Performance Indicators (the first three boxes) are included in this NSDS Update.

Resource allocation

The NSDS contains the policies that Government is implementing and is going to implement. However, implementation can only proceed as fast as resources are available. The next part of the Framework is how to translate the policies into funded activities, programmes and projects. This involves the preparation/updating of the Macroeconomic Framework and Fiscal Objectives to determine how much resources can be allocated in a particular year. The annual budget process determines the budget allocations for each department and constitutional body taking account of the NSDS Sector Goals and Strategies and Major Priorities.

Similarly the “NPP/Project approval process for Aid donor funded programmes” selects priority projects for funding by aid donors. Each NPP or development project must be clearly linked to, and be analysed and appraised in the context of the NSDS Sector Goals and Strategies and Major Priorities. For this process to be effective ALL proposals (NPPs/projects) that are to be funded by donors must be submitted through DPPD/AMU for appraisal and prioritisation.

Ministry/Department Operational Plans

The NSDS provides not only a set of national Goals and Priorities, but also the Sector Goals, Strategies and Milestones that Ministries and Departments are expected to achieve. Operational Plans show the activities that Ministries/Departments need to carry out to achieve the Strategies and Milestones.

Based on the budget allocations and aid donor programmes, each ministry and department prepares or updates its Operational plan to show what activities can be carried out in the budget year to implement the Strategies and work towards achieving the Milestones. The Operational Plans should also include ways in which the Ministry/Department can improve its capacity to implement the Strategies.

The Operational Plan should be based on the Sector Goals, Strategies and Milestones of the NSDS. The Operational Plan fills in the ‘gap’ between Sector Strategies and Milestones by indicating, within the resources provided through the budget and aid programmes, the activities that are necessary.

Implementation

At the implementation level, ministries and departments, constitutional bodies, SOEs, communities and NGOs carry out activities and projects. The end result is provision of services to the people and improvements in Development Outcomes such as improved health, better education, more reliable infrastructure, more jobs. The Key Performance Indicators identified in the NSDS are measures, for each Sector, of the outcome of the implementation of activities.

Monitoring and Evaluating Policy Implementation

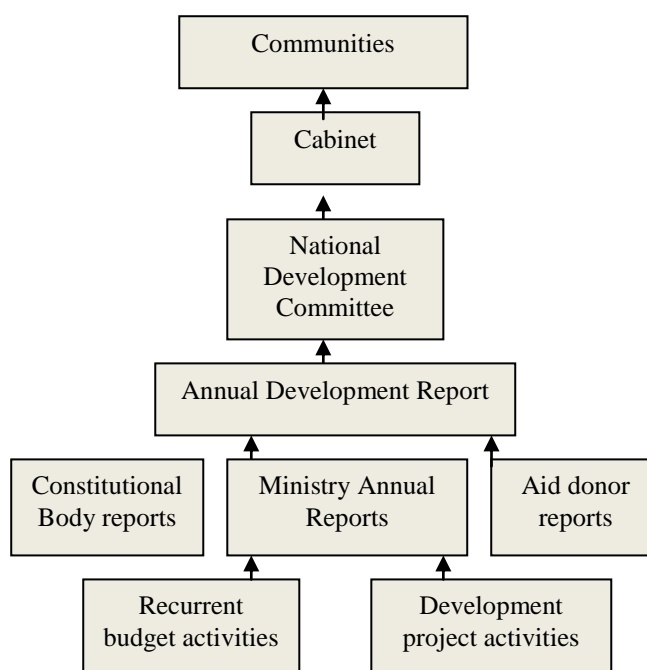
Part of the framework for monitoring and evaluating progress in implementing the NSDS is in existence already. Progress in achieving the Milestones in the NSDS was assessed in 2007-08, and a major review of progress and an updated NSDS was produced in 2009 – this document.

Ministries and SOEs are required to make annual reports on their activities. These annual reports should include a section covering progress made towards the NSDS Milestones and identify obstacles that may prevent achievement of the Milestones. Aid donors also make regular reports on their activities for their own purposes as well as to inform Government. Budget reports, including economic aggregates, are made on an annual basis. The process of monitoring policy implementation is shown in the figure below.

Annual Development Report

It is proposed that an Annual Development Report is prepared as a summary of progress in implementing the NSDS. The Report would describe the progress made in the Strategies and Milestones and list the Key Performance Indicators so that overall progress in achieving the Sector Goal can be gauged. Inputs to the Report would come from Ministry Annual Reports and reports by some constitutional bodies, such as the Auditor. DPPD/AMU would coordinate the preparation of the Annual Development Report. The Report would then be considered by senior Government officials in the revived National Development Committee followed by tabling in Cabinet. The Report, together with any recommended changes, should be used in the preparation of the annual budget including aid donor projects. In addition the Report could be disseminated to Communities to publicise achievements and highlight obstacles.

Monitoring Policy Implementation



Improving coordination and implementation

There are cases where public sector entities are undertaking activities which are not part of their formal responsibilities. This has come about for many reasons, for example because some entities are no longer functioning or do not have the capacity to undertake these activities. NRC is responsible for the rubbish dump but this is not part of their formal responsibilities. Road maintenance is the responsibility of the Chief Secretary's office. Clearer assignment of responsibilities among Ministries, departments and SOEs would help in improving policy implementation.

At present there is little coordination between ministries and departments. Many departments seem to operate in isolation with little knowledge of other departments activities. There is little consultation among departments and between departments and the community. This can lead to duplication of activities and inefficient use of Government resources. Implementation of many of the Strategies in the NSDS requires the collaboration of several departments, particularly in Cross-Cutting sectors where many departments can be involved. For example, addressing Youth issues involves many different departments such as Health, Education and Police. Addressing youth issues effectively requires a coordinated response by many government departments. Implementation problems emerge when departments have differing priorities or capacities. For example, land issues are a constraint on the achievement of many Strategies. New projects can be held up or abandoned unless implementation problems are quickly identified and remedial measures taken.

National Development Committee

A revived National Development Committee can provide a mechanism for coordination, improved consultation and for overcoming implementation problems. This committee could include consideration of policy papers prepared/coordinated by DPPD/AMU. The committee could also provide a venue for discussion of draft Cabinet papers to ensure necessary consultations are undertaken before consideration by Cabinet. The National Development Committee should comprise Heads of Departments and could subsume the current Budget Committee role.

The secretariat for the NDC should be with the DPPD/AMU. Many of the Government's new initiatives aimed at implementing the NSDS are NPPs or projects. These new activities often face difficulties in implementation as several departments can be involved in getting new activities started. Regular (quarterly) reports on progress in implementation of NPPs and projects will help to identify implementation bottlenecks and identify remedial measures that need to be taken. The NDC can also consider the Annual Development Report.

Donor Projects and the budget

The system of identifying, preparing and appraising projects needs to be improved. Some projects are negotiated and approved without a proper assessment of priority. In order to properly assess priorities, all projects should be submitted through the DPPD/AMU and be linked to budget submissions. This would give Government a full picture of the resources available and match these to NSDS Strategies and priorities. It would also assist donors to see clearly the main priorities for which Government would like to seek assistance.

Ministry/Department Operational Plans

There are many new, updated or revised Strategies and Milestones in the updated NSDS. Department's activities need to be aligned to these changed Strategies. This should be done by re-aligning Operational Plans to be consistent with the updated NSDS. DPPD/AMU can assist departments to re-align their Operational Plans and ensure they are consistent with budget allocations. At this stage in the development of Nauru's planning capacity, there is no need for all sectors to prepare Sector plans or strategies. Sufficient guidance on sector priorities is provided by the sector goals, strategies and milestones in the NSDS for most sectors.

Planning for the next NSDS Review and Update

This NSDS Update is a major achievement and many lessons have been learnt about reviewing the progress made. This NSDS Update has also simplified the structure of the NSDS to try and show more clearly the goals of the sectors and the strategies to achieve the goal. In addition Key Performance Indicators have been added to provide a guide to the impact of government activities in achieving the sector goal.



With a regular report on the progress on the NSDS through the proposed Annual Development Report, the next review and update of the NSDS should become more routine and easier to undertake. In addition, by the time of the next review there will be more data about development progress from the recently conducted Household Income and Expenditure Survey (HIES) and Demographic Health Survey (DHS) and other planned surveys.

With this additional information the next review should start with a comprehensive, participatory assessment of progress based on the Key Performance Indicators. This 'situation analysis' will then provide a sound basis for identification of constraints and obstacles and provide an objective look at where progress has been falling behind. This can then guide the updating process of the Sector Goals, Strategies, Milestones and Key Performance Indicators.

Building Capacity for Development Planning

DPPD/AMU plays a major role in the development planning process. However, all ministries, departments and SOEs are involved and need to build capacity in planning and improve their implementation record.

In-order for DPPD/AMU to take up their lead role in planning, there needs to be a considerable increase in their capacity in terms of staffing, policy skills, project appraisal skills and strategic planning skills. This will require recruitment of more staff as well as a program of external assistance over the long term.