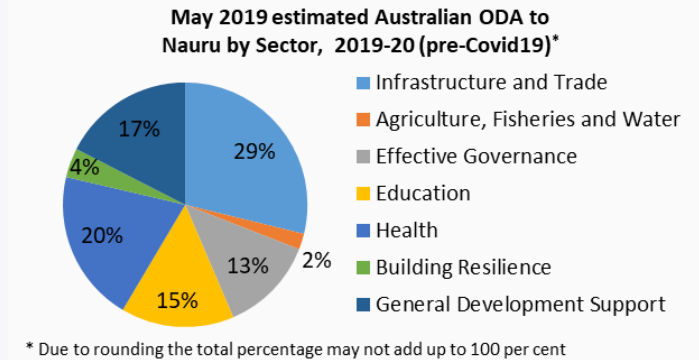




2019-20 NAURU DEVELOPMENT PROGRAM PROGRESS REPORT

Program Budget	2019-20 Budget Estimate (\$m)*
Bilateral	21.2
Regional	3.5
Global	0.1
Other Government Departments	0.9
Total Australian ODA to Nauru	25.8

*Actual expenditure is expected to be available in December 2020



COVID-19 Development Response

- Australia provided a \$4.5 million COVID-19 economic recovery package to support outbreak preparedness and response, technical assistance and funding for Nauru’s health sector; and economic recovery, including maintaining transport connectivity. The package also included dedicated funding for gender equality and social inclusion.
- Working closely with DFAT’s Centre for Health Security, we provided \$100,000 in medical supplies and deployed a COVID-19 Public Health Adviser, to work with Nauru’s COVID-19 Taskforce and Ministry of Health and Medical Services (MHMS) to support cross-government planning and response.
- The Australian Federal Police (AFP) assisted the Nauru Police Force to prepare for COVID-19, including by developing a suite of planning tools, and supporting workforce planning to ensure policing continuity.
- Through dedicated advisory support, we supported preparation of Nauru’s 2020-21 budget, an important foundation to guide Government of Nauru’s COVID-19 health and economic response efforts.
- We continued our participation in and financial contributions to the Nauru Trust Fund (NTF) including to mitigate short-term investment losses due to COVID-19. The NTF continued to

exceed performance targets and will be an important source of future revenue.

Other program highlights

- Work has continued on the Nauru port redevelopment, despite COVID-19 delaying arrival of supplies and workers. The new climate-resilient port will bolster Nauru’s transport and trade connectivity, and strengthen the supply chain for essential goods.
- Nauru continued to progress its Education Strategic Plan, underpinned by Australia’s highly valued education sector support. Progress was made in recruiting local teachers to reduce reliance on expatriates (there were 34 primary and early childhood education expat teachers in 2020, compared to 40 in 2019).
- The Australian-funded Nauru Utilities Corporation (NUC) CEO continued work to strengthen essential water and power services. NUC on-time attendance increased from 68 per cent in 2018 to 90 per cent in 2019.
- Australia and Nauru worked closely to enhance the effectiveness of Australian development assistance by addressing governance issues and building capacity in public financial management. This work has ensured our development partnership will be on a stronger footing to respond to future needs.

PROGRESS AGAINST 2019-20 PERFORMANCE INDICATORS

TITLE OF STRATEGIC OBJECTIVE	PERFORMANCE ASSESSMENT FRAMEWORK INDICATOR/BENCHMARK	BRIEF SUMMARY OF PROGRESS AGAINST INDICATOR/BENCHMARK
Objective 1 - More effective Public Sector Management	1.1 Operational account is effectively managed, with biannual audits and recommendations of audits implemented within agreed timeframe	Significant progress was made in 2019-20 to reconcile and resolve historical financial management issues, and strengthen processes. Australia continues to undertake regular independent reviews of transactions and follow up on recommendations.
	1.2 Increased efficiency in the management and financial reporting systems of the GoN	Good progress in line with the new Public Financial Management Improvement Plan, including improvements in financial records, audits, cash reconciliations, and Departmental Annual Operating Plans.
Objective 2 - Strengthened provision of education services	2.1 Funds administered appropriately on an agreed basis for activities to support the Education Strategic Plan	Under new leadership at the Department of Education there has been progress in the efficiency of funds with a new Finance Director appointed who has improved distribution of funding to schools and procurement processes.
	2.2 Gender and disability-disaggregated data collected and reported in the education sector	Limited progress, with recent reporting from the Department of Education lacking gender and disability-disaggregated data. Continued efforts are required, and will be included through the new education design (underway) and in the work plan of the new Gender Adviser.
Objective 3 - Enhanced economic infrastructure	3.1 Effective maintenance of generators and documented reliable power supply	Data demonstrates a high level of maintenance on key assets ensuring a reliable supply of utilities. NUC on-time attendance increased from 68 per cent in 2018 to 90 per cent in 2019. Unplanned power outages decreased. Availability of power generators and the reverse osmosis plant was above 90 per cent. A further two generators will be commissioned to ensure redundancy.
	3.2 Redevelopment construction assessed as on track with expectations, as assessed by project steering committee	The port project's outputs are considered adequate and in line with expectations given disruptions due to COVID-19 (to supplies, worker travel, and availability of technical oversight). While there were pre-existing delays that were being pro-actively managed by the project steering committee, COVID-19-related delays were unforeseen and ultimately managed successfully through negotiation of a mutual suspension between GoN and the contractor.
Objective 4 - Cross-cutting - Gender	4.1 At least three out of four investments (75 per cent) demonstrate improvements in gender ratings, and improvements identified and in progress for any investments not rated adequate	There was regrettably limited progress in this area with gender equality ratings remaining the same for all investments (two investments rated less than adequate). The departure of the DFAT Gender Adviser in May 2019 and significant delay recruiting a replacement limited the ability to influence and implement changes over this reporting period. Since engagement in February 2020 the Gender Adviser has developed planning and implementation activities to support gender outcomes, including to deliver Australia's \$250,000 package for gender and social inclusion in Nauru's COVID-19 response. Gender is a priority for action in 2020-21. It is expected the Gender Adviser will provide technical assistance and cross-sectoral support to drive improved outcomes.

ANNEX A: PROGRAM QUALITY

Investment Monitoring Report ratings

Investment name	Approved budget and duration	year on year	Effectiveness	Efficiency	Gender equality
Nauru Infrastructure and Services (INI949)	\$74m 2009-21	2019 AQC	4	4	3
		2020 AQC	4	3	3
Nauru Public Sector Reform (INI943)	\$46m 2009-20	2019 AQC	4	4	3
		2020 AQC	4	4	3
Nauru Improved Education (INI950)	\$34m 2009-18	2019 AQC	3	4	4
		2020 AQC	4	4	4
Nauru Health Support Program (INM621)	\$8.4m 2018-22	2019 AQC	n/a – new investment		
		2020 AQC	3	3	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.