



REPUBLIC OF NAURU

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

REVIEW



October 2009

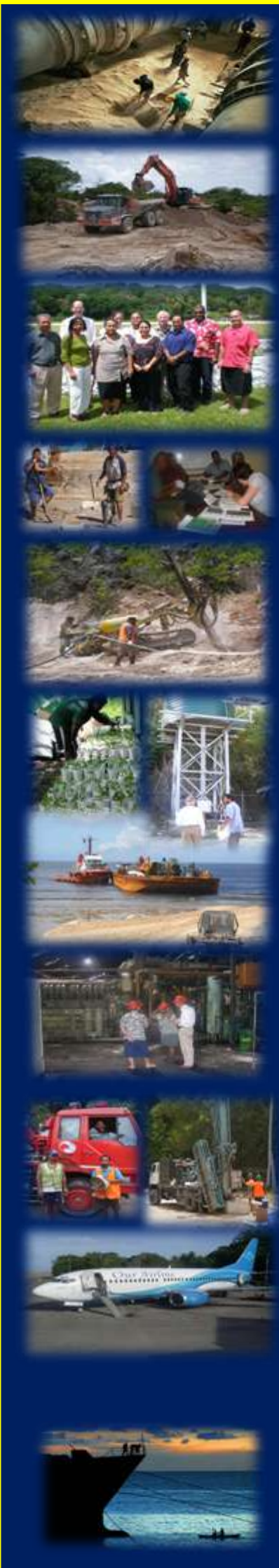


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GLOSSARY

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
EEZ	Exclusive Economic Zone
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

PART I: INTRODUCTION

2005 National Sustainable Development Strategy

In 2005 Nauru embarked on a historic planning process by developing its first National Sustainable Development Strategy (NSDS). The NSDS set Nauru's direction for its development over 20 years to 2025 and covers all aspects of Nauru's economic, social and infrastructure development.

The 2005 NSDS established Nauru's vision of: *A future where individual, community, business and government partnerships contribute to a sustainable quality of life for all Nauruans*. In addition, the central message of the NSDS is *Partnerships for Quality of Life*. In order to operationalise this vision and message, the NSDS establishes long-term goals, priorities and strategies as well as detailed short-term goals, strategies and milestones. The NSDS also develops an implementation strategy for all short-term priorities. Since that time, the NSDS has been central in guiding development proposals (both domestic and donor funded) in Nauru.

The development of the NSDS was undertaken with the assistance of a team from overseas and involved extensive consultation throughout Nauru's society including the Government, bureaucracy, community (through the establishment of the *NSDS Champions*), the business community and other Non Government Organisations (NGOs) including Church groups.

2007 – Review of NSDS Implementation Strategy

In 2007 the Government of Nauru undertook a limited review of the short-term milestones and the implementation strategy in the NSDS and focused on implementation challenges. It undertook this review through consulting with Government departments and did not consult with the community.

The Review found that at that stage there was satisfactory overall progress, with good progress in the social sectors; especially health and education and economic sectors (in particular fisheries). The Review also found that the key constraints to implementation were: weak coordination amongst agencies including unclear roles and responsibilities; lack of ownership of NSDS milestones; poor implementation capacity and uncertainty of funding.

2008 – Review of the NSDS

In 2008 Nauru undertook a second limited review of the NSDS. This review looked at Nauru's progress towards achieving the five broad NSDS goals and implementing NSDS short-term strategies and short and medium-term milestones, and discussed the factors underlying the performance of government in certain areas of NSDS implementation.

This review utilised a points rating system which rated Nauru's achievements against each NSDS strategy according to a scale of 1 to 4 where: 1 represented where the activity was not done or the strategy not pursued; 2 represented where implementation had just started or will be undertaken very shortly; 3 represented where implementation was on-track; and 4 where the activity was completed. This review was undertaken by consulting heads of government departments and also did not consult with the community.

On a simple weighted average basis, for the 114 strategies activities listed in the NSDS milestones matrix, the Review rated the Government's implementation at 2.1 or a 54 per cent performance level. In this context the Review found that the Government's overall

implementation performance was barely satisfactory and significantly below the preferred rating of 3 or above (ie. implementation being on track and achieving milestones).

For areas where there was not significant progress (ie. that received a rating of 1 or 2) there were a number of general factors to explain this including financial constraints, lack of policy direction, lack of coordination, lack of donor support, capacity constraints and the necessary preliminary work had not been done.

2009 – Review of the NSDS

The 2009 Review of the NSDS is far more comprehensive than the previous reviews which were undertaken. The reason why this review is broader in scope is primarily because the 2005 NSDS established short-term milestones which were due to be achieved last year (ie. by 2008). Therefore, the objectives of this Review were twofold.

- Assess the progress Nauru has made in achieving the 2008 short-term milestones, including explaining what has been done and identifying any obstacles that may have prevented these from being fully achieved.
- Propose new short-term milestones (now set to 2012) as a result of the assessment of the extent to which the existing 2008 milestones have been achieved. This has also been accompanied by some changes to the strategies, medium and long-term milestones and rationalisation/simplification of sector goals into standard sector classifications. Given that the overall long-term direction of Nauru as established in its vision and long-term goals was developed jointly with extensive community input, this review did not look to change this aspect of the NSDS. Therefore, changes to the NSDS are in four areas.
 - Some short-term strategies and milestones were deleted because they were one-off targets or projects that have been completed or because they were not an accurate reflection of the goals of a particular sector.
 - Some short-term strategies and milestones were deleted because they were not an accurate reflection of the goals of a particular sector, and in retrospect should not have been included
 - Some strategies and milestones were modified or redrafted so that they more accurately reflect what Nauru will be working towards in the next three years.
 - Some new strategies and milestones have been inserted which deal with new priorities and goals which have arisen out of changes in circumstances since 2005.

Due to the extent of the proposed changes to the NSDS arising from this Review, the Government has decided to re-issue a revised 2009 NSDS which includes all of these changes. In addition, given the very comprehensive nature of the review material which has been compiled, the Government has also issued a separate Review of the 2005 NSDS Report.

The revised NSDS is consistent with a number of internationally agreed development goals (IDGs), the Pacific Plan, and Paris Declaration as well as the UN-DESA guidelines *Guidance on Preparing a National Sustainable Development Strategy* (2001). The 2009 NSDS will also assist Nauru to fulfill its requirements under the Cairns Compact.

The Review was undertaken by a small cross departmental team of local government officials supplemented by a team of experts from UN ESCAP, UNICEF, UNDP, UNFPA and SPREP. Information was initially gathered from government departments and agencies by way of a survey and series of individual meetings. The Review team also consulted with the community through two separate community meetings: with representative leaders from the community and then an open forum.

PART II: 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 and goes line-by-line through the NSDS. The review does a number of 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 (but in recent times has been severely impacted by the global economic crisis) and rehabilitations started (albeit more slowly than expected), agricultural production and fishing production has increased and other alternative livelihoods (eg. 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 has 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 in early 2010), the curriculum improved and the training of teachers a priority. While there have also 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 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 – Disputes 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, and leadership code, updating outdated legislation, reducing the court backlog and dealing with gender and child based violence.

Part of the review of the NSDS also 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.

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

- The Long Term Goals are stated without sub-components, this makes 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 the Attachment covering Sector Goals, Strategies and Milestones. For each Sector goal, there are a number of Strategies, which if achieved, will

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

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 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 the NSDS update. These include the need for a comprehensive law on environmental management that would include a requirement for new projects to be assessed for their environmental impact and the need to build resilience to climate change.
- 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 add 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 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 development 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 update to more accurately reflect current practices and structures in Nauru.

PART III: SECTOR STATEMENTS

This Part presents a brief summary of Nauru's main achievements towards the milestones in the NSDS in the economic, social and infrastructure sectors. It also highlights areas which have not been fully achieved, and identifies the reasons for this.

ECONOMIC SECTORS

Commerce & Industry

The reestablishment of a viable phosphate mining industry in Nauru has been partially achieved. The previous Nauru Phosphate Corporation (NPC) has been restructured into a new company, RONPHOS, with a new management team and reduction in staffing levels. Significant funds have also been spent on repairing and maintaining the mining equipment and this has resulted in exports of phosphate of around 300,000 tonnes in 2007-08 and 2008-09. Looking ahead prospects for phosphate exports have been significantly affected by the Global Economic Crisis and this is likely to put pressure on RONPHOS.

Despite these improvements in the prospects for phosphate mining, the fact that the Nauruan economy is so narrowly based in one industry presents risks. These have been highlighted in the recent Global Economic Crisis where phosphate markets have dried up and prices have fallen.

Accordingly, the Government has placed a priority on diversifying the economy into other areas. In particular, it recognises the importance a growing small-business community can play in private sector development. Therefore, with the assistance of the UNDP, Nauru recruited an expert in small business development and microfinance and expects a Small Business Incubator designed to nurture business start-up will be established this year. In addition, the Nauru Private Business Sector Organization (NPBSO) was established in 2008.

The Government has also recently approved the establishment of a private sector raw frozen loins processing plant in Nauru and this will be a key to diversifying the economy away from phosphate. In addition, Abwan Noni is one of the few exportable products available on Nauru and the Government was approached by a local entrepreneur to assist in product development and export marketing for a Nauruan-made Noni export. Finally, while there have been some advances in the area of tourism, the development of Nauru's tourism industry is still in its infancy. A tourism scoping study is currently underway, but is not yet complete.

In terms of the supply of food, Nauru tends to import the majority of foodstuffs with little local production. This also presents risks for Nauru as it exposes the local population to the ebb and flow of international food markets. This risk was highlighted in 2008 when a regional shortage of rice resulted in the imposition of price caps and rationing.

Therefore, increasing Nauru's self reliance in food production has been a priority and there have also been some successes in terms of agriculture and animal husbandry. Some household gardens have been established and livestock has been distributed to communities. So as to provide an opportunity for individuals to sell their wares, in May 2009 Nauru's weekly central market was established and has had between 25 and 42 vendors per week.

Despite these gains, there are substantial constraints facing the private sector on Nauru such as weak entrepreneurial culture, lack of awareness about business opportunities, absence of advisory and training services, limited access to simple technologies, lack of banking facilities,

lack of competitive advantage, mismatch between labour supply and required skills and lack of start-up capital funding.

Land tenure has also been a major obstacle to the establishment of small business (including agriculture) and there has been little reform in this area since 2005. The envisaged review of land tenure has not taken place, and the intractable nature of these issues is one of the major impediments to Nauru's development. In particular, many projects have been prevented from getting off the ground, while others which have commenced have had to close because of landowner disputes.

Fisheries

There have been some advances towards achieving the goals for fisheries established in the NSDS. Revenue from access fees has been maximised. Nauru now licences all the major purse-seine fleets operating in the Western Pacific and the catch per unit area of EEZ is higher in Nauru than in any other Pacific Island country. Nauru also appears to obtain a higher percentage return on the value of the fish caught by foreign boats than any other PNA member. Oceanic Fisheries Monitoring Control and Surveillance capacity has improved with the introduction of the electronic Vessel Monitoring System and the development of a National Plan of Action on IUU fishing.

However, no prosecutions for violation of Nauru fisheries laws have been made since 2004. Part of this is because most of the previous violations were by purse-seiners for unlicensed fishing. Nauru now licences all these purse-seiners and they are covered by the regional vessel-monitoring system. However, lack of EEZ surveillance patrol capability continues to make it difficult to detect potential IUU fishing by unlicensed fishing vessels. Due to poor internet connectivity Nauru relies heavily on regional cooperation for the day-to-day management of tuna fisheries, particularly connection to the regional Vessel Monitoring System at FFA and tuna catch databases at SPC, but also communication with fleets and with surveillance officers in other countries.

Commercial export fisheries have also not been developed. There was a Pacific-wide downturn in the longline fishing sector since the NSDS was developed, and Nauru was particularly disadvantaged from competing in this sector by airfreight constraints. Like Palau, the only fisheries exports are as informal checked-in baggage. However, a private sector company is currently investigating the feasibility of establishing a tuna loining plant in Nauru.

Aquaculture has not developed during the NSDS period, despite several development projects, mainly due to inadequate security of land tenure in potential growing areas for farmed fish. In general, there is inadequate legal basis for aquaculture development and coastal and reef fisheries management in Nauru (the Fisheries Act concentrates on oceanic fisheries management).

Community-based coastal fisheries management plans are now in place for one district and two others are work in progress, and a legal basis for firming up community-government co-management and establishing marine protected areas has been drafted. A foundation has been laid for private-sector development of fisheries with the closure of the NFRMA-run Nauru Fisheries Corporation and the setting-up of the Nauru Fishers Association. Also surveys have shown the potential for setting up a high-value low-volume aquarium fish export business.

“Adequate fish to supply local demand” is a goal in the NSDS that is difficult to measure, but is being addressed by providing technical and training support for increased Nauruan involvement in canoe and outboard-based near shore fishing (prior to 2005 this was mainly by non-Nauruans), and the maintenance of Fish Aggregation Devices.

Environment

Progress in rehabilitating the topside of Nauru has been slower than expected due to substantially more material (pinnacles) having to be removed than projected. However, equipment has been purchased and a work plan for the use of the NACOS funding has been agreed by Nauru and AusAid. Accordingly, the Nauru Rehabilitation Corporation (NRC) has commenced rehabilitating a small (5 ha) portion of land as a demonstration site. This is to be followed by a 13 ha site for a national cemetery site which will take at least 18 months to develop.

Apart from rehabilitating topside the 2005 NSDS only contained one goal dealing with the general environment, whose short term milestone was to undertake an environmental review and pass new environmental legislation. A draft of an Environment Management Bill has been prepared, but still requires further work before being presented to Parliament.

Despite this, Nauru has pursued a number of other projects consistent with international environmental initiatives and these are reflected in new sector goals, strategies and milestones. In 2008 the Government finalized the National Energy Policy Framework with assistance from SOPAC. Work is also being carried out in developing water governance and finalizing the National Solid Waste Management Strategy which was developed late in 2008. Other environmental issues which have been pursued by Nauru are in the areas of climate change, biodiversity and sustainable land management.

- In climate change, Nauru will be preparing its Second National Communication (SNC) to the Conference of the Parties of the UN Framework Convention on Climate Change.
- In biodiversity, Nauru will be preparing its National Biodiversity Strategy and Action Plan (NBSAP) and its first and third National Reports to the Fourth Session of the Conference Parties (COP4) of the Convention on Biological Diversity (CBD).
- In sustainable land management (SLM) Nauru has commenced a project aimed at maintaining and improving ecosystem stability, integrity, functions and services while enhancing sustainable livelihoods. This will be done by building Nauru's capacity to implement a comprehensive regime for sustainable land management and to ensure that SLM is mainstreamed into all levels of decision-making. By the end of the project, land degradation issues should be fully recognized in National Development Plans and sector Action Plans, such as those for urban development, transport, agriculture and biodiversity. SLM should also be integrated into relevant policy, laws and educational/training programs, using integrated land use planning to underpin such initiatives.

Finance, Public Administration & Governance

Since the NSDS was finalised in 2005, Nauru has made substantial progress in the areas of financial and economic reform as well as public administration and governance. However, key challenges still remain in many areas.

In the area of budget reform, the Government has stuck to its fiscal strategy and implemented significant reforms to budget processes and reporting. Budget documents are now clearer and present a full analysis of both domestically funded programs, and donor-funded programs. The Government aims that 2009-10 will be the first year in over a decade that audited national accounts be presented to Parliament. While through the operation of the Aid Management Unit, donor aid into Nauru is being more effectively coordinated, development planning in many areas remains weak and capacities and capabilities need to be developed.

The Government is now going the next step in tightening up on expenditure control systems particularly through the introduction of the MYOB accounting system. While the Government has introduced a range of new revenue measures, collection of revenues still needs to be strengthened and capacity in the revenue and customs areas needs to be tackled. Due to Nauru's relatively narrow revenue base, in recent times revenues (particularly from the phosphate industry and import duties) have been significantly affected by the global downturn.

In addition, there have also been significant improvements in the statistics which are being produced in Nauru and this will assist Nauru in making better, more informed decisions. With the production of CPI data the area of prices monitoring is one example of better decisions being based on sound economic data.

Apart from the budget sector, Nauru has also made significant inroads in reforming the State Owned Enterprises (SOEs) sector. Many inefficient SOEs have been closed, others have been replaced by private sector operators and many others have been reformed with clear accountabilities and expectations. This has resulted in a significant reduction in the drain this sector has traditionally had on the budget. Indeed, some dividends are now being paid to the Government. However, again much still needs to be done, particularly in the areas of financial reporting and accountability. In addition, the global downturn is having a large impact on some SOEs which operate in the traded goods and services sectors such as RONPHOS and Our Airline.

In terms of the financial sector, reform has also been rapid. After the significant reforms to Nauru's financial sector architecture in the areas of money laundering and financing of terrorism which resulted in Nauru being removed from the Financial Action Task Force's NCCT, further reforms have been implemented. For instance, the Bank of Nauru has been closed and will be liquidated in 2009-10. Similarly, the Nauru Insurance Corporation and RONFIN have also been closed.

The Government is keen to build on its successes in the area of the financial sector and the priorities in the future will be to fully implement the necessary legislative and administrative processes to make these reforms fully effective. These include preparing new financial sector legislation (dealing with banking and insurance) as well as boosting the capacity of the Financial Investigations Unit (FIU) and negotiating Taxation Information Exchange Agreements (TIEAs).

The long-term financial sustainability of Nauru has also been an important consideration in reforms which have been introduced. Prior to 2005, Nauru accumulated significant debts. These have been catalogued and a repayment strategy has been developed. Looking ahead Nauru has been active in developing alternative trust fund structures which are designed such that the funds of the trust cannot be inappropriately spent. These trust funds, which are designed for the next generation of Nauruans will be finalised in 2009-10.

These financial and economic reforms have been accompanied by reforms to public administration and governance. In particular, there have been some reforms boosting the capacity of the public service, legislature, audit, justice and border control.

For instance, positive developments in the law and justice areas apart from overseas officials holding central positions have been significant. Reforms of the Border Control Services have been to increase their capacity, improve equipment, and operations to enhance revenue collection. Further improvements to border control will require capital equipment which is expensive. In terms of correctional services, there have been legislative reforms and capacity building and strengthening through filling key positions like Solicitor General and Public Defender.

There reforms will be furthered with the historic Constitutional changes which will be taken to referendum in 2009-10 through, *inter alia* setting up of a Nauru Human Rights Body, creation of an Ombudsman position and maintenance of the Appellate Court on island in Nauru. However, there is still a long way to go, and capacity gaps remain in many key institutions with deployed officials from overseas holding many central positions in the Government.

SOCIAL SECTORS

Education

The NSDS reports that “The highest rated attribute of the preferred long-term future is an improved education system with a high standard of early education, primary, secondary and vocational curriculum to international standards and an equity-based charging on ability to pay”.

In 2005, a two year Strategic Plan, Footpath I, stabilised the education system and built a platform for development. From 2005-2007, the Department of Education trialled a curriculum framework, instituted a skills upgrading program for all teachers, commenced a program of facilities upgrading, provided “starter packs” of school needs for all students, consulted widely to prepare a draft policy manual, established a series of benchmarks of student learning outcomes, and established a CASE unit to monitor the work of the Department.

In 2008, a five year Strategic Plan, Footpath II 2008-2013, using the data generated, collected and analysed from Footpath I, was endorsed. The Plan is substantially funded for the first three years and is on track to achieve its five year goals.

In 2009, Footpath II has established a Curriculum Framework, including TVET. The Rich Task pedagogy has been embedded in the Curriculum and Teacher Training program. A four year Teacher Upskilling program has been devised and funded for the next two years. A new Secondary School, incorporating significant TVET facilities, is due for completion early in 2010. All schools have been refurbished to a degree where they are now safe learning and working environments. The Department of Education has established firm professional relationships with PRIDE, UNESCO, SPBEA, USP, Divine Word University and others. A Policy Framework to support the work of schools and teachers is currently being formalised and implemented. A Monitoring and Evaluation Unit (which is called CASE) operates. Negotiations are proceeding for the Year 12 and TVET students to be eligible for internationally recognised qualifications.

However, much still remains to be done in the NSDS goal of integrating health and nutrition into the schooling process. A CHIPS (Child Health in Primary School) program is being developed to address the issue. There is a vast pool of youth who have need of basic education. From 2000 to 2008, the number of students to gain a Year 12 certificate that qualified them for University was less than 50 out of a cohort of 1,700 potential students. The new Nauru Secondary Facility will provide an opportunity to provide basic education and trade skills to this group who have “slipped through the cracks”. Able Disable also still requires considerable support.

As Footpath II recognises, achieving the ultimate goal of having a primary, secondary and vocational curriculum of international standards is a long term endeavour. It will be 2014 before most of Nauru’s teachers are fully qualified. It will be 2015 before students now entering lower Secondary School (Year 7) will reach Year 12 and receive the full benefits of the improved

curriculum and facilities. It will be some time before the schooling is fully valued, as evidenced by full attendance at school.

Education and Training continues to be free while the quality and scope of education and training is improving. The low attendance rates of less than 70 per cent indicate that the Department of Education may consider a program to promote the value of its products.

Health

Nauru has made substantial progress in the priorities of health which are identified in the NSDS. Notwithstanding the difficulties confronted due to lack of resources; appropriate infrastructures and skilled staff, this progress will be ongoing.

For 2008-09 and 2009-10 operational plans for health have been developed. The Organisational Reform Report has been implemented. The Director of Medical Services has initiated routine clinical meetings, a mortality review committee, and an overseas referral committee. A Review of Nursing Service has been completed and the Department of Health is now implementing those recommendations with the objective of improving nursing service delivery by developing protocols, introducing succession planning and identifying future leaders.

There has been some progress in curative health services to respond effectively to the health needs of the people of Nauru by providing the appropriate range and level of high quality health services and being accountable for the outcome of these services. Nursing Clinical Guidelines and Procedures have been completed, ready for sign-off and implementation late in September 2009. To strengthen the pharmaceutical sector capacity the Essential Drugs List has been completed and Nauru now participates in the EC/ACP/WHO collaborative partnership program which assists Pacific Island Countries to improve accessibility, quality and use of essential medicines. Some 80 per cent of Nauru's medications now come from this source, known as IDA and this has reduced pharmaceutical costs considerably.

Appropriate contracts are in place for a maintenance program for all biomedical equipment including radiology, laboratory and dental equipment, for specialist medical equipment, and for oxygen plant, R/O Unit and Genset. One new ambulance has been obtained and another repaired, and both are in operation. While there has been some effort to repair existing medical facilities, they still remain in poor order and need to be replaced. The initial preparations for Terms of Reference for the Master Plan for the Redevelopment of Republic of Nauru Multipurpose Health Facility have been undertaken. New needs also to be addressed such as a decompression chamber due to the increased as a result of the success of the aquarium fish trade.

Nauru's public health services are designed to implement and sustain a range of policies and programs that enhance the quality of life for the people of Nauru by targeting the reduction of risk factors and promoting a healthy island lifestyle. The Non-communicable Disease (NCD) Strategy emphasizes increased physical activity; reduced alcohol consumption; discouraged tobacco uptake and improved diet for Nauruans. All Communicable Diseases programs are operating; including STIs, Leprosy, RHD, Filarisis Trachoma.

Environmental health, sanitation and food safety programs have been strengthened. Health service delivery points in the community and schools are being promoted, along with primary health care services clinics. Steps are also being taken to formalise the establishment of mental health services in Nauru.

Maternal and Child Health Services, Antenatal, Post-natal and Baby Care clinics are now operational. Women are encouraged to have healthy women checks to reduce the incidence of cervical cancer. 100 per cent EPI immunization coverage has been achieved. Health education (community outreach) and School Health program is operational in co-operation with the Department of Education and volunteers. The Pandemic Plan has been strengthened further and demonstrates preparedness for emerging pandemic situations.

Training of Nauruan nationals as health care professionals continues to be a priority of the Department of Health. Scholarships at the Fiji School of Nursing and Fiji School Medicine involve trainees in pharmacy, nursing, medicine, radiology, environmental health and physiotherapy. Three graduate nurses returned in 2009 and the Department is expecting a further seven graduate nurses to return and commence employment in January 2010. The bilateral program between the Government of Nauru and Cuba has resulted in the offer of 10 medical scholarships annually. There are nine students studying medicine at present and a further eight will be sent in September 2009. The establishment of the Pacific Open Health Learning Network will be instrumental in advancing staff training. The Health Trainee Scholarship Program has seen three nurses graduate from the Fiji School of Nursing in 2008 and eight nurses will graduate in 2009; four from Kiribati School of Nursing; three from Fiji School of Nursing and one from nurse training in Thailand.

There is also an expatriate staff establishment of 36 positions, 16 medical and dental, 10 allied health services and 10 nursing staff of which only 3 are vacant across all cadres. Immediate workforce gaps are filled by a combination of expatriate and local employees. There are only five unfilled direct care positions out of a total staff of 152 representing a 3 per cent vacancy level.

Sports

Closely related to preventative health initiatives, are programs designed to encourage fitness through participation in sports. Since 2005 Nauru has implemented a number of coordinated sports programs and with the assistance of donors has refurbished several sports facilities (including tennis courts, basketball courts and sports fields). Issues with landowners and contractors have been the major constraints to further achievements in this area.

Community development

Reform in Nauru has been all encompassing, yet community groups could be more effective in contributing to this process. At community meetings community representatives considered that there was a long way to go for them to be able to effectively influence Nauru's development path. Factors which were identified as affecting this were lack of information on Government processes and decisions and poor communication channels from grass-roots community members through their representative bodies to Government. The production of handicrafts has increased in recent times and a number of women's groups have been created.

INFRASTRUCTURE SECTORS

Electricity

Since 2005 there have been significant achievements in terms of electricity generation and the goals set out in the NSDS. One of the key achievements is the availability of electricity supply on a 24 hour basis for the first time in ten years following limited access of 16 hours maximum to

electricity. The power station also is now no longer dependent on leased generation units; in fact it is currently operating on its own generation sets for the first time.

A prepaid billing system structured on a tier system, where a subsidised block is available to low income facilities, is now operational which allows consumers to effectively manage their energy consumption and at the same time strengthens Utilities' financial performance. Early reports indicate that the introduction of these meters has resulted in significant reductions in electricity consumption (in the vicinity of 20 per cent) with resultant savings in fuel usage and reductions in greenhouse gas emissions. While there are economic benefits from the introduction of charging for electricity, this has come at a cost to individual consumers whose disposable incomes have dropped.

Some developments on renewable energy supply have progressed with a limited solar grid being connected plus stand alone solar home systems now in operation on the island at capacity of 40kW. A wind energy resource assessment has also commenced.

While there have been significant achievements in the area of electricity generation, a major challenge to the ongoing delivery of reliable electricity to Nauruan households is the transmission network which is currently antiquated and in need of repair/replacement.

Fuel demand has been sustained since 2005 and improved stock management and purchasing arrangements has reduced fuel losses, strengthened safety measures, and capability. Despite these improvements, poorly maintained infrastructure (particularly at the fuel tank farm and pipeline) means that significant risks to Nauru's fuel supply remain. In terms of corporate governance, some structures and systems have been introduced in Utilities to assist financial planning and reporting in addition to developing local management capacity and capability.

Water

Significant improvement in access to potable water supplies has been achieved. Currently three R/O Units are operational each producing about two thirds of the requirement for potable water per capita per day. Improved delivery capacity has also relieved pressure on access to water supply at an estimated maximum of 288kl daily. This supply capacity has been supplemented by rainwater harvesting. For instance, 260 new rainwater tanks have been installed in Nauruan households. Despite these improvements for Nauru to deal with drought its capacity to produce, harvest and deliver water needs to be further expanded.

Public works

The treatment of sewage in Nauru has improved since 2005 with the delivery of a new sewage (sludge or suction) truck in 2007. Households now enjoy a cost-effective sewage removal service. Maintaining such new equipment needs to be a priority going forward so as to ensure this service is sustained into the future. Sewage waste is still being disposed of into the ocean and Nauru is currently conducting a feasibility study on various sewage treatment systems so as to protect the environment.

There have been some improvements in public buildings with a regular maintenance plan instituted for Government offices and there have been some improvements in school buildings and health facilities. While some trial work has been undertaken in repairing some roads, footpaths and drains, there are several areas where further work is still required.

Transport

Since the 2005 NSDS, Nauru has made marginal progress in transport reform. The main reason for relatively slow progress has been the large fiscal cost of carrying out various projects to improve Nauru's transport system which were identified in the NSDS.

With the assistance of Taiwan the mooring relay system has been repaired and this has resulted in a significant increase in the number of ships visiting Nauru. However, further action is required at the ports to guarantee regular shipping services to Nauru. This includes an upgrade to the existing port and associated buildings, rafts, barges and cranes.

In terms of aviation the Government with the assistance of a loan from Taiwan purchased an aircraft and launched services to Nauru under the new brand name "Our Airline". This loan has been paid off. In addition to this Nauru acquired a second aircraft through a loan from an external partner which is now chartered by Norfolk Air. Both aircraft are managed efficiently so as to generate revenue and profit (albeit, in the current economic environment trading conditions are difficult and margins are being squeezed). Apart from flying the Nauru-Brisbane sector both aircraft are contracted for charter and leasing to generate further revenue.

There have also been a number of improvements in facilities at the Nauru International Airport including two new fire trucks, baggage screening machines and GPS charts. However, there remain many areas where urgent capital repairs are required including resurfacing the runway and erecting a new security fence.

In terms of land transport, public transport services are provided to individuals who are charged a fee of \$0.60 for a trip around the Island. Services to school children have also been improved with the commissioning of a number of new buses.

Information and Communication Technologies

The infrastructure sector, and specifically the area of Information and Communication Technologies, has witnessed a number of improvements since the inception of the NSDS in 2005.

The most significant achievement has been the launching of a joint venture between the Government and Digicel for the provision of telecommunication services. This is a unique model within the Pacific, and while there is no objective data to measure the success of this yet, early indications are that this will bring many benefits to Nauru across a number of sectors and a high proportion of the population.

There were also attempts to improve the level of access to Internet services, with the development and installation of a wireless network that utilised Wi-Fi and WiMAX technologies. This was intended to provide more connectivity to a much larger proportion of the population. While the Wi-Fi segment of the network has been decommissioned, there is potential to make effective use of the WiMAX infrastructure to allow connectivity to Internet services at much higher speeds than previously available.

The level of access to broadband Internet services has continued to be problematic. While there was a project implemented to address this issue, it met with limited success. There was also no significant increase in the available bandwidth via the Internet gateway in order to meet subscriber demand. The Government recently decided that the fixed line system for telecommunication services is to be decommissioned. This comes as a response to the situation where the system was not maintained sufficiently, and is now too expensive to upgrade or

replace. Like many projects, the major constraints preventing the successful achievement of the stated goals in the NSDS were the lack of funding and technical capacity.

In respect of Nauru's media since 2005 there have been significant developments particularly in the areas of radio and TV. Both radio and TV are more professionally delivered with coverage over the entire island and paid commercials have recently been introduced. In addition, there is more local content in the media with weekly news programs as well as presentations for special events of local interest. While the print media has not developed to the same extent, there are plans to establish a local newspaper in 2009-10.

ATTACHMENTS

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