



REPUBLIC OF NAURU

NATIONAL SUSTAINABLE DEVELOPMENT STRATEGIES

NATIONAL ASSESSMENT REPORT

April 2006

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1. EXECUTIVE SUMMARY

The Republic of Nauru project on Support for the formulation of national sustainable development strategies in Pacific Small Islands Developing States (Phase 1) was carried out from 20 March – 1 June 2006. The survey was conducted as a joint effort by members of the NSDS Champions group. The survey was requested by UNDESA as part of the call upon countries to develop sustainable development strategies in response to Agenda 21, the Johannesburg Plan of Implementation and the Mauritius Strategy for the Further Implementation of the Programme of Action for the Sustainable Development of Small Island Developing States.

The main objectives of the project were to:

consult widely with key actors from government and international organisations as well as civil society representatives, in order to collect information, analyse and present findings in key areas of sustainable development strategy elaboration, such as:

- i. Priorities and Targets
- ii. Strategies
- iii. Indicators
- iv. Institutional Framework

1.1 PROJECT DESIGN

Nauru has recently completed an NSDS. This was completed in October 2005. At the end of November 2005, the Government of Nauru invited development partners to a Donors' Roundtable at which the NSDS was presented. In view of the recent extensive and comprehensive consultations conducted during the NSDS process, and the space between its completion and this survey, it was felt that that most information was still current. However, in areas which were considered to exist gaps, these have been covered during this project through further interviews. This was particularly so in the case of indicators and monitoring; and, aid and national budget coordination.

1.2 FINDINGS

- i. The NSDS has a section that identifies sector goals, priorities and milestones. Such input have been identified from departmental/ and sector strategies. However, not all departments have strategies. The departments that have strategies included Education, Fisheries, Air Nauru and Rehabilitation. There were no sector strategies. It was also the case that while departments and sectors may work together on a specific project, there were no sustained sectoral strategies.
- ii. Nauru is party to several regional and international conventions. However, it remains that there is no effort put into national aligning of such regional

and international strategies and conventions. The Department of Foreign Affairs keeps a list of such conventions.

- iii. In recent years, community groups at district levels have created a networking system. This network is increasingly being used by government agencies as means for conveying extension services and or information. This system has developed in the absence of a local council which was abolished several years ago.
- iv. Efforts of public participation are fragmented. Feedback of public participation processes into the network and system does not happen and thus become cause for some concern.
- v. Along with the development of the NSDS, mechanisms have been instituted that are instrumental in the implementation of the NSDS and management and coordination of aid.
- vi. There is no set of national indicators. The discussion of indicators did not fall within the purview of the NSDS process. However, participants in the NSDS process were required to comment against the targets of the MDGs and also against the reference Country Policy & Institutional Assessment (CPIA).
- vii. Departments/ sectors compile their own sets of indicators. Departments work independently and there is very little if any at all of interdepartmental collaboration. Monitoring of indicator feedback into the system does not happen.
- viii. There is no monitoring and evaluation system maintained either formally or non-formally.

1.3 RECOMMENDATIONS

To support institutional strengthening to improve upon the extent of integration of the NSDS at all levels it is recommended that:

1.3.1 An agency is established and strengthened to facilitate the integration of sustainable development principles, interdepartmental/ sectoral integration and policy harmonisation. Broad areas to be covered include:

- Sensitise policy makers of the principles of sustainable development so that subsequent policies are consistent with sustainable development
- Infuse and implement sustainable development principles in programmes and with stakeholders
- Coordinates the formulation and development of strategies for department/ sectors that do not already have strategies; and, that these strategies are consistent with NSDS priorities

- Oversee strategies, policies and laws that they are consistent with each other and with the NSDS
- Implement and coordinate education programmes designed to train department/ sector staff to develop, implement and evaluate strategies, as well as have capacity to evaluate consistency between strategies, policies, laws and NSDS.

[It should be noted that the establishment of the Development Planning & Policy Division (DPPD) and the Aid Management Unit (AMU) is expected to address some of these. The challenge is to ensure DPPD & AMU are sufficiently resourced to carry implement the above]

1.3.2 Formulation of Corporate Plans and Sector Plans:

- With the NSDS completed, the challenge for Nauru now is implementation of the strategies. The formulation of Ministry corporate plans will clearly define the Ministry objectives and strategies how they would support the NSDS goals. The same applies to the development of sector plans. Having clearly defined sector priorities and strategies will also identify the linkage between sector objectives and national priorities. With clearly stated sector goals and Ministry objectives, this will promote stronger vertical and horizontal coherence.

National capacity to develop these are very limited and therefore the need for meaningful assistance from the donor community to facilitate that process is essential.

1.3.3 The participation of civil society – for example at district community level and non-government organisations - is enabled to fully and effectively contribute to the partnership with government and development partners. This can be achieved through means to:

- Implement and coordinate education programmes designed to train and build capacity of the community and NGOs in skills that enable them to play a proactive role in expressing their concerns with government and development partners
- Build and improve community/NGO skills in the areas of project identification and formulation, advocacy, lobbying and implementation so that capacity is expanded beyond responding to government initiatives and community
- Improve the coordination, managing, monitoring, evaluation and feedback of public participation processes into the network and system to avoid duplication and save on resources and energy
- Involve the participation of community and NGOs in government institutions. For example, the newly established National Development Committee (NDC)

that screens project proposals for development partner assistance, should have in its makeup members of the community, NGO and private sector representations. Ideally members of the NDC should have some background in completing successful project/ business ventures.

1.3.4 Ministries should be encouraged to develop indicators to monitor and evaluate performance:

- Each Ministry should identify a set of baseline indicators relevant to national goals, strategies and milestones to enable measurement of its progress in achieving national priorities;
- Collect, compile and feedback indicators into the decision-making system on a regular basis
- Coordinate education programmes for training of the use of indicators, on indicators meeting the set national goals, strategies and milestones; and, also commitments to sustainable development and MDGs.

1.3.5 That NSDS Champions group can be further strengthened so it can improve its effectiveness as facilitator of participatory methods with the implementation of the NSDS throughout the community. The Champions should:

- Undergo further training that will improve and enhance members' leadership participatory and professional skills.
- Also be utilised as an extension service through which government programmes of sustainable development are channelled.

1.3.6 A community resource centre is established the resource centre should be considered as part of social services

- It will be equipped with such resources (audio/ visuals/ print) and equipment (computers/ printers) and other necessary aid items that members of the community and non-government organisations will be able to use as an essential component of capacity building and in the course of their development

2. AREAS FOR FUTURE ASSISTANCE

2.1 Capacity building to support national sustainable development programmes

2.1.1 Sustainable development and consistency between strategies, policies, laws and NSDS

- i. Education programme on principles of sustainable development and their integration and implementation in programmes and policies
- ii. Capacity at the Ministry level should be strengthened through the formulation of corporate plans. External assistance (UNDESA) may be relevant in supporting the development of corporate plans for key Ministries. This would involve a review of Departmental functions and performance which would form the basis for future focus and direction.
- iii. Assistance towards the development of sector plans is encouraged. With limited local capacity, external assistance is required to conduct sector performance analysis and design appropriate sector goals and strategies.

The development of Corporate Plans for Ministries and Sector Plans will promote the implementation of the broad goals and strategies in the NSDS. It will also promote strong vertical and horizontal coherence.

2.1.2 Sustainable development in the community/ NGO/ Private Sector

- i. Strengthen NGO/CSO/NSA management capacity to ensure effective coordination of all NGOs as well as providing support towards the improving capacity in project identification, formulation and implementation.
- ii. Education programme on developing effective civil society participation by learning how to express needs through initiation of project, advocacy, lobbying, implementation and evaluation of such
- iii. Also that civil society is enabled to coordinate, manage, monitor, evaluate and feedback on public participation processes into the network and system

2.1.3 Sustainable development through the maintenance of an indicator and monitoring system

- i. Education programme on developing a set of baseline indicators, collection, compilation and feedback into the decision-making system

- ii. Train staff in the knowledge and use of indicators as a tool for national development to meet national goals, strategies, milestones and also to other regional and international commitments
- iii. Learning of methodologies for indicator development
- iv. Education in research and harmonisation of indicator efforts

2.1.4 Implementation of the NSDS through the NSDS Champions

- i. Champions are afforded further training in participatory leadership methods and extension services as well as support in terms of office space;

2.2 A community resource centre as part of capacity building and social service to the community and non-government organisations is established.

- i. The resource centre will be equipped with such equipment and other resources that will enhance and facilitate community and non-government activities.

3. BACKGROUND

Nauru's Development Agenda

During the 1970s and 1980s, Nauru was considered a wealthy country in terms of per capita income. This was largely as a result of significant revenue generated from the mining of rock phosphate. However from 1990 onwards with a drop in phosphate mining, Nauru started to face serious financial and economic problems. The fiscal situation worsened as a result of high government expenditure that was financed by off-shore borrowings. With poor investment decisions, fiscal deficits widened leading to unsustainable levels of public debts. At the same time, economic and financial management was considered weak and as a result the Nauru economy was on the verge of collapse.

Recognising the severe financial and economic crisis which was affecting every aspect of society, the Government in its 2004-05 and 05/06 Budgets, adopted a medium term strategy to address the serious fiscal problems faced. The strategy was aimed at refocusing funding, cut expenditures and increase revenues. The Government also introduced a range of economic and financial reforms to restructure the economy and reverse the current situation. This was seen as the beginning of the reform program.

The National Sustainable Development Strategy (NSDS) for Nauru is a continuation of the reform agenda. It is a roadmap of Nauru's development agenda and how that agenda might be implemented. It clearly presents where Nauru wants to be in the medium and long term and how to achieve that. The NSDS therefore clearly

articulates the national vision, goals and priorities and how those goals might be implemented.

It is important to note that the NSDS preparation was widely consultative. It is a product of dialogue with the key stakeholders involving Community Leaders, Cabinet and Caucus, Heads of Departments, CEOs of state owned enterprises. non-government organizations; women and church groups; education practitioners; nurses and health professionals; sports and youth groups; local food production groups; land owners; small business grouping, as well as staff of the public service and state owned enterprises. The participation of the wider community demonstrates that the national priorities are indeed reflective of the issues and concerns faced by the community at large. This in return promotes ownership of the NSDS goals and priorities by the wider community.

4. ASSESSMENT OF SUPPORT FRAMEWORK

4.1 Priorities and Targets

The implementation of the NSDS goals and priorities is expected to realize the National Vision or People's Vision stated as follows:

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

This vision highlights the peoples' wish for an improved and sustainable quality of life for all Nauruans. It underscores that partnerships at all levels will be a key vehicle to achieving this. The NSDS theme therefore is:

“Partnerships for Quality of Life”

4.1.1. NSDS Priorities

In formulating the national vision and the associated long term goals and strategies required to achieve the vision, the consultation process through the development of the NSDS identified the broad priority areas as critical issues that should form the basis of Nauru's development agenda. The priority areas are as follows listed under the broad sectoral headings.

4.1.2a 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

4.1.2b 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

4.1.2c 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

4.1.2d 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

4.1.3 Long Term Goals

With the priority issues identified, this allowed establishing the long term national goals as the key objectives that will realize the national vision. Each broad goal and its components are as follows.

4.1.3a Stable, trustworthy, fiscally responsible government

- Transparent and accountable governance practices
- Conducive legislative framework
- Efficient and productive public service
- Enabling and cooperative international relations

- Efficient and effective law and order system
- Increased community role in governance

4.1.3b Provision of enhanced social, infrastructure and utilities services

- Broadened educational system
- Alternative (including renewable) energy sources
- Improved access to water
- Preventative health service
- Improved sports and recreation facilities
- Viable social welfare systems
- Well maintained infrastructure

4.1.3c Development of an economy based on multiple sources of revenue

- Phosphate mining
- Fisheries resource management
- A developed SME sector
- Efficient use of resources – people and natural
- Increased job opportunities locally and regionally
- National trust fund

4.1.3d Rehabilitation of mined out lands for livelihood sustainability

- Land for agriculture development
- Land for conservation
- Land for water catchment
- Land for residential development
- Land for commerce & industry development

4.1.3e Development of domestic food production

- Establishment of agricultural production
- Enhance aquaculture farming
- Sustained use of inshore and reef marine resources
- Promotion of pelagic fishery, in particular tuna fishing

4.1.4 Strategies

Implementation of the goals is a critical process and therefore the following strategies have been established to implement the long term goals in order to achieve the national vision. These are listed as follows:

- Accelerating the rehabilitation of mined out lands based on the land use plan
- Building capacities in technical, organisational and financial management
- Investing for Nauru's long term financial sustainability
- Increasing national revenue generation
- Establishing a business environment conducive to broadening the economic base
- Promoting a preventative health focus in the public health system
- Improving the quality and broadening the scope and reach of education

- Fostering a cultural change towards self-reliance
- Strengthening the processes and practices of good governance
- Enhancing Nauru's participation in region-wide initiatives
- Improving access to land for economic development
- Promoting the community's role in development.

4.1.5 Short term Priorities

With the long term goals and priorities clearly stated in the NSDS, in view of the resource limitation, it was considered critical to identify the key priorities that deserve priority implementation in the short term. These short term priorities are as follows:

4.1.5a Revive phosphate mining including rehabilitation for livelihood sustainability;

- a. Restructure and refurbish mining infrastructure
- b. Restructure the maintenance reserve fund
- c. Reinvest surplus revenue
- d. Conduct tender for feasibility study of value added industries
- e. Complete the trials
- f. Negotiate Work Plan with AusAID for use of NACOS funding to purchase heavy equipment and commence rehabilitation

4.1.5b Establish a commercial bank

- a. Close Bank of Nauru (BON)
- b. Negotiate with private bank to establish operations in Nauru.

4.1.5c Restructure the landowners trust fund to international governance and management standards;

- a. Determine assets and liabilities
- b. Negotiate with and/or Repay all creditors
- c. Implement new governance

4.1.5d Establish new national trust fund with donor support

- a. Negotiate with donors on a governance structure for a \$ for \$ contribution scheme

4.1.5e Develop the private sector

- a. Setting up a Small Business Incubator
- b. Establish commercially viable agro based enterprises in communities
- c. Review of all legislation affecting business development to allow a conducive regulatory framework
- d. Review land tenure system to support SME development
- e. Rejuvenate the Small Business Owners Association (SBOA)
- f. SOE reform and promote outsourcing

4.1.5f Optimise returns from commercial fisheries;

- a. Maximise returns from access and fishing licences

- b. Developing the supportive infrastructure (water supply, fuel, cooling facilities and airfreight services) to support commercial fishing
- c. Nauru Fisheries Corporation restructured and business plan operational
- d. Human resource development
- e. Establish marine conservation areas
- f. Improved Monitoring, control and surveillance

4.1.5g Expand employment opportunities domestic and external;

- a. Job creation thru private sector
- b. Improved labour market access for Nauruans

4.1.5h Achieve a notable improvement in Primary and Secondary student performance

- a. Implement the curriculum strategy
- b. Human resource development
- c. Improved school infrastructure
- d. Community involvement
- e. Strengthen management capacity and systems

4.1.5i Institute a holistic (whole of government, whole of community) approach to Public Health and healthy lifestyles;

- a. Strengthen health institution and management structure
- b. Active preventative health program
- c. Capacity building
- d. Improved infrastructure
- e. Community involvement

4.1.5j Improve food security through increased local food production.

- a. Implement the Nauru Agriculture Plan 2005-10
- b. Establish kitchen gardens
- c. Establish nurseries
- d. Set up a Resource Centre for agriculture and aquaculture information
- e. Expand research on breeding other species of fish and marine extracts
- f. Improved availability of pelagic and deep sea fish
- g. Strengthen quarantine operations
- h. Increased livestock production
- i. Community involvement

4.1.5k Provide a reliable supply of power

- a. Complete review of power generation operation
- b. Ensure generating infrastructure meets national demand
- c. Rationalise fuel purchases and supplies
- d. Examine Renewable energy sources

4.1.5l Provide a reliable supply of clean water

- a. Better management of water resources
- b. Improve collection and storage of water at all levels
- c. Restore capacity for water production

4.1.5m Maintain and improve air, sea and land transport;

- a. Refurbish and develop port infrastructure for vessel handling
- b. Develop regular and cost effective sea freight service
- c. Enhance and maintain safe, reliable and economically viable and sustainable air service
- a. assessment of joint venture and privatisation options
- d. Refurbish and develop civil aviation infrastructure
- e. Establish private sector mechanism to provide low cost public road transport

4.1.5n Upgrade ICT service

- a. Review RONTTEL operations
- b. Install appropriate wireless technology;
- c. Build and strengthen technical capacity

4.1.5o Complete essential governance, policy and institutional reforms;

- a. Undertake public sector wide reforms
- b. Undertake reforms to increase independence and powers of the Audit Office;
- c. Strengthen the capacity for the Judiciary, Justice and Police,
- d. Strengthen and build capacity for the legislature
- e. Undertake the Review of the Constitution;
- f. Build government and community partnership in promoting governance

4.1.5p Improve human resources development including strategic managerial capacity;

- a. Develop corporate plans for selected Ministries
- b. Establish best practice and transparent processes
- c. Identify capacity gaps and design appropriate strategies to build capacity
- d. Review the supportive infrastructure

4.1.5q Bring about an attitudinal shift in the work ethic

- a. Engage TA to introduce changed management culture
- b. Being more involved in the NSDS process and reform design and implementation;
- c. Wider consultations and awareness raising on NSDS and reform initiatives
- d. Strengthening and expanding the Champions group

4.1.5r Strengthen partnerships between government, civil society, the private sector and the donor community.

- a. Regular Govt/community dialogue;
- b. Increased participation of civil society in policy formulation;
- c. Enhanced government support to strengthen NGOs and other civil society set ups;
- d. Regular bilateral discussions;
- e. Donor coordination discussions on specific sectors such as education and health

The implementation of the short term priorities will depend on the availability of external assistance and resources under the national budget. The Donors Roundtable Meeting held in November 2005, allowed the opportunity for development partners to consider Nauru's priorities and determine where they could best support Nauru's development agenda. Since that meeting dialogue is continuing between the Government and its partners on areas where donor assistance could support the NSDS priorities.

At the national budget level, the preparation of the 2006/07 budget provides a good opportunity to closely link the budget allocation to the short term priorities. Towards that objective, the NSDS goals relevant to each Ministry are now being used as the key basis for resource allocation in the 2006/07 fiscal year. This is a noteworthy development as it means incorporating NSDS goals into the budget resource allocation which should result in realising NSDS milestones through the annual budget process.

4.2 Strategies

4.2.1 Development process of the NSDS

There were three local people involved in the team which took lead to facilitate the process of the NSDS. One was a consultant who was part of the ADB team as the social development analyst, the Head of the Bureau of Statistics and the Director of Administration from the Chief Secretary's Department as liaison officer. Throughout the NSDS process, the team kept in close consultation with Cabinet Ministers and particularly with the President and the Minister of Finance who was responsible for the NSDS project.

4.2.2 NSDS public consultation process

An important part of the NSDS process was the public consultation process. There were two distinct public consultation rounds in the NSDS process. The first round of consultations engaged community leaders. There were five leader consultation groups: Cabinet, caucus, heads of departments/ heads of state-owned entities, heads of service providers, and community leaders. These groups suggested options for a preferred future scenario of Nauru in twenty years time. The second round of consultations was on prioritization of such options from the first round of consultations. There were ten sessions in this second round that engaged ten different groups from the community: leadership group (participants from the first round of consultations), public service/ state-owned entities, education services, health services, sports community/ youth, women/ churches, small businesses, food production/ kitchen gardens, landowners and an open forum. Before the presentation of the NSDS to government, an open forum was again called for members of the public for their input. This was perhaps one of the rare occasions that such wide public consultations had been solicited for people to participate in an activity of this nature and at this level; and that such desires and priorities are reflected in the process outcome.

The inclusion of the wider community in the development of the NSDS clearly demonstrated and promoted national ownership of the NSDS. However, it did remain that there were areas of society that were not identified with the NSDS effort. This gap was recognized as a key component in fostering and encouraging people's support

ensuring accountability for the outcomes. In building the NSDS, the establishment of “NSDS Champions” – a group of nationals drawn from the public and community sectors to support the effective integration and implementation of the NSDS – was a critical step for garnering wide support for taking steps to successfully implement the future envisioned.

4.2.3 Horizontal coherence

4.2.3a Departmental/ sectors level

The NNSDS was built on existing processes and strategies. Departments/ sectors which had developed strategies had these incorporated into the NSDS process. Sector goals, strategies and milestones were incorporated into the NSDS sectors matrix that aligned such objectives under short-term priorities, strategies and milestones. There were established goals, strategies and milestones. The focus of the sectors were of short-term goals, short-, mid- and long- term strategies. Departments that submitted strategies were Education, Rehabilitation Corporation and Fisheries & Marine Resources. The departments/ sectors that did not have strategies were then asked to insert in the matrix under relevant headings their priorities, strategies and milestones. There were many departments/ sectors that did not have developed strategies.

4.2.3b Prioritisation process of NSDS priorities

Briefly, the prioritization process involved the presentation of information in the following manner:

- i. population demographic profiles highlighting the population size and structure under different assumptions;
- ii. the matrix of three potential future scenarios with their respective features/ characteristics organized under the headings of population demographics, economic base, services provision, resource use, and governance;
- iii. the list of development options to realize the future scenarios.

Participants were required to nominate their preferred population profile and then to pick their top twenty percent of characteristics/ features and development options and rank them. The results of each workshop were tabulated and weights applied so that each feature was given a score. Each score was then standardized so that comparisons could be made between the scores of different features within the different categories and between workshops.

The top ranked features/ characteristics and development options were summarized and interpreted in terms of the high level vision, goals and strategies as the key strategic level components of the NSDS. It was found that these goals showed remarkable consistency with the government’s national goals.

Table A: National Priority Sectoral Linkages – some examples.

National Priority	Sector	Priority
ECONOMIC		
1. Fully rehabilitate topside with a greater area of rehabilitated land utilized for livelihood sustainability including environment conservation and protection.	REHAB	Rehabilitation of mind land
SOCIAL		
2. Improve the educational system, focusing on the quality (to regional standards), scope 3. (primary, secondary, vocational and life & trade skills) and reach (new audiences such as the mature age)	EDUCATION	A learning framework & environment developed that directs students on the footpath that leads them to leaving school as confident citizens to enable them to live in and contribute to both Nauru society and complex, global, networked society.

Table B: National Strategy Sectoral Linkages – some examples

National Strategy	Sector	Strategy
Increasing national revenue generation	FINANCE	Implement SOE dividend policies
Building capacities in technical, organizational and financial management	PUBLIC ADMINISTRATION / GOVERNANCE	Identify capacity gaps and design appropriate strategies to build capacity at managerial and technical levels
Improving the quality and broadening the scope and reach of education	EDUCATION	Engage consultations for 2006 to prepare and initiate reforms in TVET

Intersectoral strategies

The examination and identification of intersectoral strategies were not part of the NSDS process. These will certainly be part of the ongoing process of the NSDS to further define other elements that will enhance the scope and effective implementation of the NSDS.

4.2.4 Vertical Coherence

4.2.4a Community involvement

The NSDS priorities were the result of community choices in the prioritization process of the development options. This was consistent with the community involvement in the earlier process that identified these development options. Clearly, community concerns would have been captured at these levels of

consultations. One major community concern that was made clear was for development and capacity building of the general community. This concern has been reflected in the cross-cutting issues of the NSDS priorities under the development of human resources in technical, organizational and financial management capacities.

4.2.4b NSDS Champions

A key part of building the NSDS strategy was to ensure accountability for the outcomes. Critical to gaining support for an agreed feasible future and taking steps to successfully implement that future, was the establishment of “NSDS Champions”. The Champions were drawn from the public and community sectors to support the effective integration and implementation of the NNSDS. Members were equipped with the necessary skills in participatory leaderships, strategic thinking and decision making, and implementation planning and monitoring to enable them to effectively facilitate discussion groups of different interests.

4.2.4c Regional and international commitments

Nauru is party to various regional and international strategies and conventions.

Some conventions that Nauru is party to are listed below:

- South Pacific Regional Environment Programme
- Convention of the Protection of Natural Resources and Environment of the South Pacific Region and Related Protocols
- Treaty on Non-Proliferation of Nuclear Weapons
- United Nations Convention on Biological Diversity
- United Nations Convention on the Rights of a Child
- Basic Agreement between the World Health Organisation and Nauru
- Vienna Convention on Diplomatic Relations and Consular Relations

Although Nauru is party to these regional/international conventions, coherence between the NSDS and these commitments is weak.

There is ad hoc consideration for regional/international commitments in the development process for sectoral strategies as sectoral strategies are developed individually by the departments.

Individual departments/sectors are made aware of conventions through affiliations with regional/international bodies; through their respective projects; and workshops and seminars. As a result of this increased awareness of these conventions, these regional/international commitments are assimilated into sectoral strategies thus having influenced national strategies. However, the sectoral strategies lack a targeted/systematic approach to the conventions in its structure if at all.

The relationship between the NSDS and these conventions is peripheral. The future challenge is in mainstreaming these commitments into the sectoral/national strategies. That is, strengthening coherence between the NSDS and regional/international commitments.

The scope for the NSDS process did not require examination of the relationship between key national strategies or plans and international commitments.

4.2.4d The Pacific Plan

As member of the Pacific Islands Forum (PIF), Nauru is party to The Pacific Plan. Pacific Leaders have endorsed the Pacific Plan, a strategic framework of key principles for strengthening regional cooperation and integration. These are:

- i. increasing the levels of sustainable returns to the Pacific,
- ii. ensuring the successful implementation of regional cooperation at the national level,
- iii. meeting common responsibilities and providing services cost-effectively; and
- iv. developing partnerships with neighbours and beyond

The strategic plan is based in the context of the four priority goals of the PIF countries – economic growth, sustainable development, good governance and security.

4.3 Public Participation

4.3.1 Status of public participation/ consultation in decision-making

Public participation/ consultations in decision-making had in the past been scant. Consultations with the public largely depended on the policies of the government of the day. The Dowiyogo Government was one regime that conferred with public consultations in some of its national deliberations. For example, wide public consultation was conducted in the early 90's in relation to the land use plan for the mined-out phosphate lands. A national economic summit was held in 2000, again under the same Government. The current Scotty government has not only continued this trend but increasingly so. There have been public consultations conducted, for example in recent years, with respect to The Pacific Plan, Accountability and Good Leadership and the Leadership Code of Conduct Bill amongst others. Moreover, the level of management of public participation in terms of established channels to oversee the processes of public participation in a regulatory manner is not sophisticated if at all existing.

The prevailing societal perception has been one of trust in leadership. It is a trust bound in tradition and culture that “chiefs” made the decisions. This status quo has been sustained by and throughout the years of prosperity that Nauru enjoyed for the wealth brought on by the phosphate industry. For these years, Nauru has operated along the lines of a welfare state.

Public participation/ consultations increasingly became part of government decision-making process during the late 90's when government workers were not being paid for some months and early reform measures of retrenchment were brought into effect. The general perception to public participation in decision-making changed in the ensuing years of national restructure and reform. The process for engaging members of the community has been facilitated by the existing community infrastructure. In recent years, strong community organizations have been elected at district levels. Also, there are many non-government and not-for profit organizations which have been established, in

some cases, for many years but remained weak in their commitments. Contact for consultation is made through executive committees of different groups. Such mechanisms and systems are at rudimentary stage of development but nonetheless offer a viable form of communication and networking at this stage.

Currently, a formal consulting mechanism with CSO's is not in place. District organizations refer to their members of parliament directly. This has been the practice since the local council institution was abolished in the late 90's. Non-government organizations, not-for profit organizations and the private sector are contacted individually. There are umbrella organizations, but these are inconsistent in performance due to weak capacity and enduring wide support of members. Government departments work directly with individual organization. For example, communities working on kitchen gardens contact the agricultural section directly. Youth groups and the umbrella organization work directly with the youth department. It should be noted however, that church groups have endured over time and have remained consistently and strongly committed to their objectives. These include the women's fellowships, youth groups and district church choir groups.

Government community outreach programmes have in recent years been using this community-founded infrastructure as a consultative mechanism. However informal, the system is sufficiently effective as means of accessing the public at community levels. This network has opened channels for dialogue between the government and stakeholders. This has encouraged people to feel they have ownership of projects when they have been involved in the decision-making process. This inclusion also fosters a sense of accomplishment as participants see the tangible results of their decision-making. Indeed, much more could be improved in the area of public participation for the quality of life to get better. Nevertheless, the gain achieved by way of public participation in decision-making to date is a recognizable achievement.

4.3.2 Existing major groups in public participation

Discussion for this part will refer to the nine major groups in public participation identified in Agenda 21. For reference, these are: women, non-governmental organisations, business and industry, children and youth, local authorities, scientific and technological communities, indigenous people, workers and trade unions, and farmers. It must be stressed at that this point that the capacity, endurance and networking efforts between groups are inconsistent, weak and fragmented.

Groups are contacted through either relevant umbrella organizations or individually. Some groups do not necessarily join up with umbrella organizations. Fragmented groups are nonetheless, still included in the public participation process.

i. Women

National Women's Council

There is a National Women's Council (NWC). The Council aims to promote issues concerning women. The Council is used as contact point by government

departments to inform women about workshops and community meetings relevant to women. The NWC works in close consultation with the government's Women's Affairs Bureau. The Bureau is responsible to the Department of Home Affairs.

Church Women's Fellowships

Church women's fellowships have endured over time. These organizations are very solid and have established community outreach programmes. These fellowships represent the wider community of women. They represent the churches of the Nauru Congregational Church, Christ is the King Church and the Nauru Independent Church.

ii. Non-governmental organizations

Nauru Island Association of Non-government Organisations (NIANGO)

There is an umbrella organization for NGO's known as Nauru Island Association of Non-government Organisations (NIANGO). The organization has recently undergone a revival after years of inactivity. The main objective of NIANGO is to act as hub for non-government organizations to collectively address issues concerning their development.

European Union Dialogue Representatives (EU)

In late 2004, the European Union (EU) through consultation with NSA's identified six Dialogue Representatives. Since then, there has been little contact or dialogue.

Interim Non-State Actors

Following the EU initiative, an interim NSA body was established with the endorsement of the Department of Island Development & Industry. Since inception, the NSA has called an AGM meeting in April 2006 which resulted in a poor turnout.

Both organizations (NIANGO and NSA) work in consultation with relevant departments such as Foreign Affairs and Commerce, Industry and Resources.

iii. Business and industry

Chamber of Commerce

Some years ago, a Chambers of Commerce was established. The Chamber could not form as members were never able to collectively come to agreement on matters and eventually broke up. Members of the Chamber mainly involved the bigger businesses. Medium-sized businesses were also members but had little influence. The idea of a Chamber of Commerce has long since not been entertained.

Nauru Small Business Association (NSBA)

The NSBA was formed in 2002 after consultation with the trade unit of the Pacific Islands Forum. The NSBA is to assist the start up and/or development of small businesses. Again this organization has been largely inactive for some period; but recently it has made overtures to rebuilding itself.

**iv. Children and Youth
National Youth Council**

There is a National Youth Council. The Youth Council provides forum for members to meet on matters related to youth development. The Council works in collaboration with the government of Youth Affairs Unit. Young people have access to a training programme offered by the government youth agency.

Church Youth Fellowships

Youth Fellowships are strong in the Churches. These fellowships have endured time and have established programmes that are religion based. The large youth fellowships represent the various churches in the main being the Congregational Church, Catholic and the Independent Church.

Children

It cannot be ascertained if there is an organization that directly represents the interests of children.

v. Local authorities

There is not a structure for local authorities such as local council. The local council was abolished some years ago. The practice now is that community organizations at district level liaise directly with their respective elected Member of Parliament. There is a current community programme where money is distributed to the communities for projects of their choice. The local MP's carries out this distribution of funds.

vi. Scientific and technological communities

Currently this is not applicable to Nauru.

vii. Indigenous people

Nauruans are indigenes and they are the majority population. Representation in this respect is not applicable in Nauru's situation.

viii. Workers and trade unions

Workers have no representation through workers associations or trade unions. The closest to this definition would be the teachers association. This has been inactive for many years. However, when it was operating, the objectives of the group were educational.

Government is the major employer. The public service and state-owned entities (such as the phosphate company, airlines, insurance, and banking) make up the workforce. The private sector is very small and limited to local trading of imports.

ix. Farmers

Nauru is a coral atoll and therefore is unable to support farming infrastructure. However, in recent years communities and individuals have started growing kitchen gardens and small community garden plots. This interest in growing food plants is the result of reduced income and rising import food prices. Almost all of Nauru's food needs are imported. These small community kitchen garden groups have naturally progressed into small markets to sell their products. Most

community representative establishments were founded on these small informal kitchen garden groups and community markets.

These community representatives are used as contact points for consultation. They are now increasingly being used as contact and meeting points for community extension programmes conducted by government departments. These include activities relating to health, education and agricultural programmes.

Landowners

Nauru has land issues to address. Almost all of the island is owned by individuals. Some land is owned by the two main churches. Government owns little land. Leases for the mining of primary phosphate lands have expired. There is a land use plan for the mined-out phosphate lands that is still not effected. The implementation of the land use plan has been stalled for some ten years due to technical and financial constraints. Nonetheless, issues of land tenure concerning owners of lands included in the land use plan will require delivery through a coordinated public consultation process.

4.4 Enabling Environment

a. Institutional Actions

The Republic of Nauru is a democratic state. The 18 members of Parliament are elected by the people of Nauru. The President is both Head of State and Prime Minister and is elected by the members of parliament. Government Cabinet of five members is elected by the President. In turn, Cabinet appoints several other senior public servants and also the Chief Justice. Parliament makes laws and interpretations of such laws reside with the Chief Justice.

The Scotty Government came to government with a strong political mandate for change. Therefore it has a vested interest in change; change for a stable, trustworthy and fiscally responsible government. In as many years of leadership, the government has shown strong political commitment to change for a better life for all Nauruans. The implementation of the NSDS is one, but a strong, institutional indicator of this commitment. When grandstanding the NSDS to the Donors Roundtable, President Ludwig Scotty stated that “we are committed to delivering a better life for Nauruans through the priorities stated in the NSDS. He further referred to the NSDS as the “road map that reflects the reforms needed to be put in place and the strategies for implementation, as the platform for a better life today and tomorrow.” An intrinsic part of this road map was to “build the necessary institutional and legislative frameworks consistent with best practice and good governance...”

At the same meeting, the Minister of Finance and Economic Planning reiterated Government’s commitment to restructure the economy in response to the financial crisis facing Nauru. While several reform measures had been initiated well before the NSDS process, the Minister stated that the NSDS, especially sector goals, strategies and milestones would now, largely dictate the next round

of reform measures that ought to be put in place to restructure and develop Nauru.

Institutional Measures for sustainable development

Parliamentary measures

Public Accounts Committee (PAC)

Enacted in 1992, the Public Accounts Committee has in recent years of the Scotty government become animated in its activities. It is currently undertaking public interviews with regard to the demise of the Nauru Phosphate Royalties Trust Fund (NPRT).

The duties of the PAC in the main are:

- i. examine the Republic accounts of receipts and expenditure including audited financial statements;
- ii. examine financial affairs of Republic authorities who which the Act applies;
- iii. report to parliament in any matters that the PAC sees fit;
- iv. report to parliament of any alterations relating to public accounting form and mode of receipts and payments of public moneys;
- v. inquire into any question in connection with public accounts referred to by parliament and to report to the House on that'

and to include any other duties as are assigned by Parliament Standing Orders.

Constitutional Review

The government has established a Constitution Review Committee (CRC) for reviewing and improving the workings of the Constitution and Parliament. The Forum Secretariat undertook a comprehensive Legislative Needs Assessment (LNA) in December 2004 with the expectation of providing important input into the constitution review and improvements to Parliament.

Issues that will be addressed in the review include the rationalization of type, size and term of Parliament given the size and the current means of Nauru. There is some concern about the even number of members, which makes it all too easy to machinate a political stalemate in a hung Parliament. Recently, a UNDP mission has been engaged to progress the constitutional review process.

Leadership Code of Conduct Bill

Good governance requires public office holders to carry out their responsibilities honestly and with integrity. The present government is committed to establish a Leadership Code for all public Leaders of Nauru. The Code is work-in-progress. The purpose of the Code is to give effect of the leaders and people of Nauru to the principles of good governance by providing a code to guide and govern the conduct of the leaders of the people of Nauru. There has been completed the first round of public consultation and it is expected that this process will be accomplished in the near future.

Key Ministries and institutions involved in strategy development and implementation

Government of Nauru consists of six ministers and eleven ministries. The President also holds the ministerial portfolios of Public Service and Home Affairs. Minister of Finance & Economic Planning also holds portfolio of Foreign Affairs & Trade; Minister of Justice & Fisheries; Minister of Education also holds portfolio of Public Works & Infrastructure; Minister of Health holds also Transport and Sports; Minister of Commerce, Industry & Resource.

In recent years, institutional strengthening has been engaged through the assistance of regional development partners. Focus of these initiatives has largely been in the sectors of judiciary, law enforcement (police) and finance. Development partners in these areas include in the main Australia, New Zealand, and the Pacific Islands Forum Secretariat (PIFS).

Following the Donors Roundtable in November 2006, development partners other than those mentioned in the above paragraph had committed additional assistance. These also include the European Union (EU) and the UNDP in areas of finance, parliamentary and community capacity building.

With the development of a NSDS, the government of Nauru has established institutional structures and processes to ensure that NSDS implementation remains transparent and accountable.

Development Planning and Policy Division (DPPD)

The DPPD is one of the key institutional establishments under the reform program. The primary functions of the DPPD are:

- i. Coordinate planning efforts at the national level, in particular the formulation and monitoring of the NSDS;
- ii. Be responsible for conducting reviews of the NSDS to ascertain the progress in the implementation of the strategies;
- iii. Formulate a development planning process through which all development projects will be analysed and appraised to ensure they are supportive of the national goals and strategies articulated in the NSDS.

The DPPD is expected to undertake the following responsibilities:

- To enhance its project appraisal role, DPPD will be expected to facilitate building and strengthening the capacity at the departmental level on project identification and formulation;
- In support of the overall reform programme, DPPD is expected to facilitate the preparation of departmental plans so departmental goals, strategies and activities can be clearly identified for better focus;
- DPPD is also expected to provide the policy and technical advisory support to the Minister of Finance and Cabinet.

Aid Management Unit/Policy (AMU)

Fully aware of the importance of coordination and managing development assistance, the Nauru Government has established the Aid Management Unit (AMU) within the Finance Department to oversee and coordinate all assistance received from external donor organisations. Also, a transparent process through

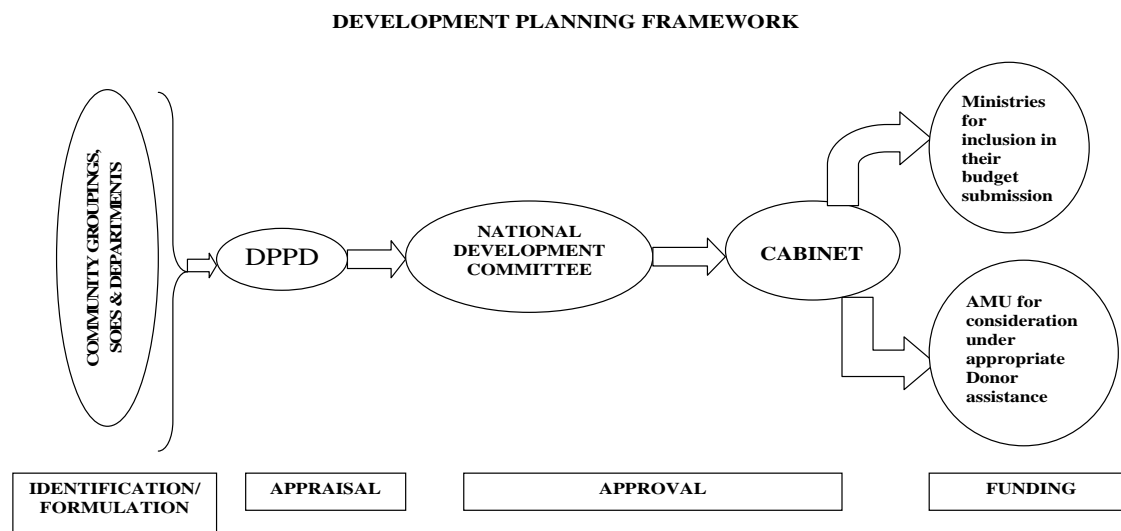
which development assistance will be coordinated has been established. The process requires aid assistance to be channelled through the Finance Department as stipulated under the Constitution of the Republic of Nauru.

Aid coordination is the process of planning donor assistance so that it supports national goals, priorities and strategies; avoids duplication of efforts; and minimises burden of aid integration into recipient institutions. Aid management is the process of integrating external and internal resources in the implementation of local development programmes and activities including those procedures for planning, priority setting, budgeting, implementation and accounting of development activities.

Departments are expected to monitor the progress of each project at the implementation level. The AMU provides additional oversight to ensure that the progress of the project is timely and to address any issues that may emerge and cause adverse impact on the achievement of the objectives of the project.

Development Planning Framework

The Development Planning Framework which has been approved by Cabinet, is intended



To ensure that all projects that are funded under the budget or external aid, are consistent and do support the priority areas identified in the National Sustainable Development Strategy. The framework therefore supports the annual budget process in terms of rigorously analyzing new initiatives seeking funding. It also facilitates the process of screening projects that are candidates for support by development partners.

The preparation of the 2006/07 budget presents an opportunity for integration of the NSDS and the budget. Currently the Budget Team is working closely with the DPPD in ensuring that resource allocation for 2006/07 financial year is in line with the priorities in the NSDS.

It is noted that the framework above does not visualise the stages of implementation, monitoring and evaluation of projects. Implementation of projects occurs at the point when funding and relevant resources become available. The implementing agency will normally be the relevant ministry or state-owned entity or civil society organisation. A critical part of implementation is monitoring of the progress of a project. Monitoring is intended to track the implementation of the project and to ensure of timely progress and that any issues threatening the achievement of the project can be addressed immediately. The DPPD, NDC and AMU will also provide additional oversight to the implementation and monitoring of projects. Evaluation of a project is a critical phase of the cycle that is also not visualised in the flowchart. Evaluation is expected to be conducted by persons who have not had previous association and or involvement in the project.

National Development Committee (NDC)

The NDC is another important institutional establishment aimed at ensuring a transparent and accountable process is in place. From the Development Planning Framework provided above, NDC's function is essentially to consider the appraisal report and decide based on that report and any other information that it may have access to, to make the decision whether or not the project is in the best interest of Nauru and therefore decide to approve it or otherwise. NDC may also dictate whether the project is to be funded under the budget or external assistance.

Community in decision-making

Wide community consultation was a feature of the NSDS formulation process. Consultation with community members at this level and nature of national planning, is a first in Nauru. The NSDS vision and priorities reflect the desires of the community at large. The cue for community involvement in the implementation of the NSDS is evident in the NSDS theme of "partnership for a quality life". This partnership stands on the three pillars of government, community and development partners.

The direct and practical involvement of community in the NSDS is inherent in the priorities of the development of the SME sector, agricultural production, strengthening of cultural identity and most importantly, in the cross-cutting issue of human resources development and capacity building. The latter is an area identified as fundamental to all other developments so that the community is enabled to effectively participate at all levels of implementation of the NSDS.

Trust in leadership

Trust is a critical institutional social factor. At this point of time in Nauru's development, there is little people trust in government in general. This does not come as any great surprise when after thirty-eight years of independence; people have lost for ever their life investments that were entrusted in government including their phosphate royalties' trust fund, superannuation and provident funds, savings in the national bank and amongst others land rentals. Trust is fundamental to the success of any institutional arrangement.

Regional assistance for institutional strengthening

In the past few years, Nauru has entered into contracts with regional partners for assistance to strengthen its certain institutional capacities. With the Forum Secretariat, under the Pacific Regional Assistance for Nauru (PRAN), there has been engaged a specialist in development planning to assist in the establishment of the DPPD. Under PRAN, NZ has provided in the judiciary sector, a resident magistrate, a secretary of justice and a legal officer. Under MOU arrangements with AUSAID, there has been provided under law enforcement a police commissioner and additional police officers to review and strengthen the capabilities of the Nauru Police Force; and, in the financial sector, a secretary of finance and other senior finance officers to assist in the management of transparency and accountability of national financial affairs.

Pacific Regional Assistance to Nauru (PRAN)

The PRAN was developed in response to the Nauru government's request for assistance to regional Leaders through the PIF to rebuild a stable economy that will sustainably provide an acceptable standard of living for all on a rehabilitated Nauru. The PRAN will extend some of that assistance and try to do more in a coordinated manner with other partners in the rebuilding of Nauru.

Recommendations are put forward under different timeframes reflecting their priority status. Priorities are summed up below:

- i. Immediate priorities were related to the implementation of the 2004-05 budget. These included:
 - Support for Public Sector Review and Reform: an Audit TA to complete compilation of accounts (including for Corporations) and to audit them; TA in the conduct of the review of the Public Service and of the Instrumentalities or Corporations (particular focus on Nauru Phosphate Corporation with the view to making the most of what is left of the phosphate; Customs for revenue collection, Immigration and Quarantine; banking or financial intermediary service; fisheries management; and the financing of government services including salaries);
 - The filling of some key positions in Law and Justice (Director of Justice, Resident Magistrate and Legal Officer);
 - The provision of some essential school equipment, trained teachers, scholarships and possibly food aid for schools if the current situation deteriorates
- ii. Short term priorities to be achieved by the end of 2005:
 - Negotiation of a practical means of repatriating the remaining expatriate labourers and reintegrating them back in their home countries (Kiribati and Tuvalu);
 - Creation of a clear development planning framework and the development of a Strategic Development Plan outlining GoN's development priorities;

- Development and implementation of a new education strategy to meet the needs and circumstances of Nauru;
 - Promoting food security through small-scale household food production schemes such as kitchen gardening, livestock and fisheries;
 - Exploration of employment or opportunities for Nauruans including through regional training and possible overseas worker schemes, migration to and/or association with neighbouring countries such as Australia, New Zealand;
 - Examining options (including the Kiribati and Tuvalu trust fund models) and putting in place mechanisms for ensuring some long-term financing of the GoN budget; and
 - Convening of a donor roundtable meeting to consider Nauru's strategic plan [if the meeting is early 2005 there will not be a strategic plan by that time] and its case for donor assistance.
- iii. Medium-term priorities (those to be addressed or achieved in the three year period, 2005-2007) include:
- Assistance with the constitutional review undertaken by the GoN focusing on the implementation of the Comprehensive Legislative Needs Assessment (LNA) currently being undertaken by the Forum Secretariat;
 - Development and adoption of a Nauru Leadership Code based on the Pacific Regional Model Leadership Code;
 - Promoting the role of and involvement of the Private Sector in national development;
 - Close monitoring of the health status of the population to ensure that further deterioration of infant mortality rates (IMR) and other health indicators does not occur. Some assistance could also be provided for counseling to facilitate life changes in the country;
 - As part of the reviews and reforms of the Public Sector and Corporations, examine alternative effective systems for ensuring supplies of essential services like electricity and water.
- iv. Long term priorities to be addressed or achieved in a timeframe beyond 2007:
- Investigation of options and putting in place alternative sources and use of essential but harmful materials like fuel and chemicals;
 - Strengthening the capacity of government to involve the church and civil society groups in the delivery of basic services like education and health;
 - Develop and implement a Health and Population Sector Strategy to assist in the sustainable management of the Nauru's limited resources;
 - Support in environment management including waste, water and sanitation, natural and human disasters. This will include support for efforts to mitigate the adverse development impacts by adhering to environmental and social impact assessment requirements.

b. Interagency mechanisms

At the present time, the implementation of the NSDS is in its very early stages. So far there are no formal inter-agency mechanisms in place. Through the office of the Chief Secretary, meetings of Heads of Departments are organised although these are largely adhoc. With the implementation of the NSDS, it is expected that interagency cooperation will be improved.

4.5 Outcomes and means of implementation

4.5.1 Indicators and monitoring

During the formulation of the NSDS, two sets of international reference points were used to measure current country developments. Written comments from various sectors were solicited on the two reference documents: Country Policy and CPIA and the MDGs. Indicators were not included as part of input during the formulation process of the NSDS. However, sectors were required to indicate progress against targets of the MDGs.

Nauru does not have a formal evaluation and monitoring system. The NSDS process did not include discussing the status of indicators.

Status of indicators

For the purposes of this assessment, a cursory survey was conducted to establish an inventory of indicators that are provided and/ or used by various sectors. The broad objectives of the survey were:

- i. to identify indicators of the CSD Theme Indicator Framework for sustainable development (SD) and the MDGs which are compiled and/or used by sectors
- ii. to identify indicators of special significance to Nauru
- iii. to ascertain purposes of indicators
- iv. to ascertain the degree of indicator feedback into sector and national programmes
- v. to ascertain if indicators were used to monitor national progress towards the MDGs

Participants in the survey were largely sectors whose roles and responsibilities were dominant in the goals, strategies, and short-term priorities articulated in the NSDS. Such sectors included Education, Health, Finance, Land Rehabilitation and among others Utilities. The survey form and complete listing of informants are attached for reference..

Findings of the survey included:

1. Some sectors provided their own selective data which matched indicators on SD and MDGs; other sectors did not provide any data at all
2. Sectors responded to SD and MDG indicators but failed to add indicators of special significance to Nauru to the listings
3. There were indications by some sectors of feeding back indicators into selective programmes but solid examples were not volunteered

4. Sectors did not use indicators to monitor national progress towards either the MDGs or SD. However, in several sectors provision of indicators has been driven by regional and international organisations. These are invariably linked into supporting the MDGs and SD. For example, many indicators are provided at the request of international health and environmental agencies. Often assistance fundings from external agencies are tied to the provision of indicators, some on a regular basis while others are on a one-off basis.
5. Sectors indicated constraints preventing effective monitoring of an indicator system

Collection of data by sectors

It was evident from the survey that, limited as it was, sectors compiled data specific to their programmes. In some instances, this resulted in duplication of the type of data compiled. This was the case of the Statistics Bureau and particularly Health and Education. However, it should be noted that although data compilation overlapped, reasons for and regularity of compilation differed. Moreover, it was obtained through interview that it was very rare if at all that where compilations of data converged that sectors collaborated on issues of compilation, duplication and efficiency. This showed that sectors worked in isolation.

Compilation of data overall happened on an irregular basis. Some sectors collected data on a one-off basis in response to regional and international agencies requests. These are often tied into induction programmes, which are funded by the agencies overseeing the implementation of such programmes.. In the case of telecommunications, data was collected and compiled at the request of an outside agency for the purposes of introducing the Internet services. Once the service was completed the indicator was abandoned. Years later, with intentions to introduce a new mobile system, the same set of data was used for baseline, reporting and justification purposes. The collection of data to respond to a specific requirement on a one-off basis is a common practice.

Consistent compilation of certain indicators occurred in very few sectors. These are specific to Health and Education; Health collected indicators with overall better consistency. In an interview with a health educator, it was stated that data was collected regularly as continued funding was tied to the provision of such data. In such instances, assistance is conditional on compliance with external terms.

Some sectors did not collect nor use indicator data at all. In some instances, the downfall was attributed to untrained personnel, little knowledge on use and usefulness of indicators, and relevance and feedback of indicators to routine work. The problem was compounded when there was bad records management. In the case of the Finance sector, it was suggested that it would be easier to start afresh than to probe into past records. Weak institutional memories add to this dilemma.

Due to scant information available, it is difficult to link the compilation of indicators to sector and/or national goals, priorities and milestones. Some sectors responded that data was fed back into the system influencing decisions and programme planning. Even so, concrete examples were not provided to support this assertion.

There are suggested two main groups of users. There are the external users of regional and international origin. The second group is internal and include mainly government sectors and/ or state owned entities. From the survey it could not be verified how such indicators were used in specific cases.

There were indications of desires and intention to compile more indicator data. Education is one sector which has identified a set of indicators to be compiled by its curriculum and statistics unit Coastal fisheries is another section which has indicated new data to compile. These sectors also acknowledged the need for such data to assessments and implementation of programmes. Only two respondents included additional indicators that they compiled on a regular basis. These were the utilities and fisheries sectors.

National Services available for data collection Nauru Bureau of Statistics

The Bureau of Statistics was enacted by Parliament in 1993. It is tasked to collect, compile and analyse statistical data from various department. At the time of establishment, it was also given access to all data collected and compiled in government departments. Specific types of statistics to be collected and analysed are as follows:

- Economic statistics – industrial production, trade statistics, consumer price index, family income & expenditure and distributive trade
- National accounts – income & outlay account, production account, stock account, capital finance account and rest of the world account
- Social statistics – census and survey data

4.5.2 Budgeting and aid effectiveness

National Budgeting Process and Timeframe

The Nauru national budget runs from 1 July to 30 June each year.

Currently, the draft national budget is put together each year by the Department of Finance, in consultation with the various lines agencies. Budgeting ceilings for each agency are put to Cabinet, along with proposals to spend on new proposals in each agency. For the 2006 – 07 budget onwards, agency spending will be required to be consistent with the national priorities identified in the National Sustainable Development Strategy (NSDS). Cabinet is also informed of the revenue forecast for the new financial year. The budget document put to Cabinet for approval suggests an economic and fiscal strategy for the coming financial year.

Once Cabinet has agreed on the spending levels for each agency, the national budget is put to Parliament in the form of Appropriate Acts. Parliament agrees to the total level of spending within each Head of expenditure, which generally corresponds to individual agencies. The Constitution forbids agency heads spending more than the amounts appropriated to their agency by Parliament.

A mid year review of the budget estimates is also undertaken, with a supplementary appropriate bill presented to Parliament if necessary to fund expenditure unforeseen at the time of formulation of the national budget.

The budget process generally begins in March, with departments preparing submissions on new spending proposals for consideration by the Department of Finance and by Cabinet. There is no set date by which the national budget required to be released, but the Government's current intentions are to release the 2006 -07 budget late May or early June. If the budget is not presented to Parliament before mid June, a supply bill is required to be presented to Parliament to allow the needs of Public sector agencies to be met in the period between the beginning of the financial year and the approval of the Appropriate Bills by Parliament.

Relationship between NSDS and the Policy implementation process, including the setting of budget policies and priorities.

The NSDS was prepared on a consultative manner and sets out Nauru's priority needs in the sector. Now that the NSDS has been prepared, a further process is under way to prepare detailed sector plans that will provide an implementation framework for the priorities established in the NSDS.

The NSDS will provide the basis for establishing spending priorities in the 2006 - 07 Budget. A National Development Committee has been established that will review spending proposals put forward by agencies and make recommendations to Cabinet on the basis of the relevance of the departmental proposals to the NSDS priorities. In this way, it is intended that the NSDS will become an integral part of the budget formulation process.

Budget priorities and any proportion of the budget to be dedicated to the NSDS

The NSDS will play the key role in establishing budget priorities in 2006 – 07 on wards. The National Development Committee will consider departmental spending proposals and advise the Government on their consistency with NSDS priorities.

Mechanisms for monitoring budget implementation

A mid year budget review reports on implementation of budget measures. The budget documents also report on implementation of the previous years' budget measures. Departmental annual reports provide further information on the implementation of budget decisions by agencies.

Percentage of ODA in proportion to GDP

As a result of the practical and financial difficulties of collecting adequate statistical information in Nauru, there are no agreed estimates for GDP. A dialogue is under way with the Pacific Finance Technical Assistance Centre and the Asian Development Bank aimed at agreeing estimates of Nauru's current GDP. Because of this, there are no estimates of the percentage of ODA in proportion to GDP.

Relationship between the aid (and aid coordination) and the budget process

Following the completion of the NSDS process, a national development planning process has been established in Nauru with the creation of the Development Policy and Planning Division within the Department of Finance. Within this division, the Aid Management Unit (AMU) has been created as the single point of contact between donors and the Nauru Government. The aid coordination function will be integrated into the budget, which in 2006 - 07 will for the first time show aid flows as part of the Government budget.

Establishment of AMU within Finance Department ensures Government commitment to linking aid and the national budget. Aid coordination maintains close linkages with NSDS and prioritizing of issues to be addressed if not through the national budget, then through development assistance. 2006 will be the first year that Nauru will draw up aid budget and corresponding with national budget. AMU and Finance Department working closely to draw up Aid budget.

The Aid Management Policy highlights the need for improvement of internal financial management ensuring that development assistance utilized in an accountable and transparent manner through the establishment of an enabling financial system including budgeting of aid received on an annual basis.

PIP process and what criteria are used for project selection

There is currently no Public Sector Investment Program completed. It is proposed that with the Development Planning Framework functioning, that a PSIP will be developed.

5. CHALLENGES

5.1 Strategies

Nauru is committed to many regional and international conventions. Streamlining of such commitments with the NSDS needs to be carried out.

5.2 Public Participation

5.2.1 Coordination of public participation

The current networking infrastructure supporting the programmes for public participation still has gaps to plug. There are groups that are still excluded from this network because they are either not as vocal and/ or visible as others. Coordination of the process of participation/ consultations could be improved to

be more inclusive of minority groups that have fallen outside of the purview of larger community and non-government organizations.

5.2.2 Feedback to public on outcomes of public participation

There is some concern that resolution outputs from public consultations have not been followed through and implemented. This may be that programmes have not been implemented or that feedback to the public has been neglected.

5.2.3 Public participation through advocacy and lobbying

Currently public participation in decision-making is often initiated by government. These consultations are often related to government programmes on government agenda. So far public participation is a one-way street. Public participation in decision-making originating through lobbying efforts of community groups and/or non-government organizations is a skill required to enable a full participation relationship.

5.3 Enabling environment

5.3.1 Inclusion of community representation in national institutions

The NSDS process involved wide public consultation. The understanding at this point between government and its people is partnership in decision-making. This needs to become apparent in national institutions. For example, there is desire to include representation of either community or NSDS Champions in the recently formed NDC.

5.4 Indicators & monitoring

5.4.1 System of data collection and compilation needed to operate effectively – harmonisation of data collection

Data collection and compilation is a mandatory activity in all sectors. However, the levels of inputs, outputs and outcomes are not at the same level of efficiency. There are sectors that lag behind at alarming lengths. Immigration simply said that there were many issues that the Immigration Section needed to address, that is, if it needed to develop the standards required to comply with the rest of the developing countries. It was urged that a system to respond to this matter, must be introduced immediately.

5.4.2 Sectors compiling data in isolation

Compilation of data is usually fragmented as each sector works within its own data management system. This lack of communication and sharing of information between data collectors has resulted in many inefficiencies. In some instances, duplication of efforts happens. Potential users are lost when they are not aware of the existence of data relevant to their line of work or research. Another concern is the hoarding of data and unwillingness to share with others of information

5.4.3 Continuing update of data for relevancy

Many sectors require updated and exchange of information in improving indicators. Mid to top managers emphasized the need for clear definitions or

clarity on the monitoring of indicators. Education stated that it will be defining literacy in the context of Nauru as apart from definitions suggested by other organizations. There is also the case of age-old data regurgitated years later to conveniently be part of justification for a project proposal and subsequent implementation. This practice runs the risk of an outcome based on out-dated information and hence the result being of sub-standard quality and effectiveness.

5.5 Monitoring and evaluation system

5.5.1 Monitoring and evaluation of indicators at sector and national levels

There is little evidence to suggest that there is monitoring and evaluation of indicators at either sector or national level. Irregular collection and compilation of data discourages any serious effort towards the development of a monitoring and evaluation system.

5.5.2 Linking of indicators to sector goals, strategies and milestones

It was evident from the returned survey forms that little effort is put into thought on data collection, compilation, use and feedback of indicators into the system. It also remained very difficult to clarify the links between indicators collected by sectors and their goals, strategies and milestone. This is probably due to the scant scope and depth of the survey.

5.6 Technical, human and financial resources

5.6.1 Technical and human resources

Technical and trained human resources are limited to enable wide support of sustainable development programmes.

5.6.2 Financial resources

Financial resources are limited. Very little funds are provided for development of services to support sustainable development initiatives either public or private.

5.6.3 Lack of equipment

Equipment is lacking to enable efficiency in workplaces. For example, Immigration has indicated the urgency for relevant equipment to be able to compile, store and analyse data. There are no programmes that provide equipment to community groups and/or NGOs.

6. APPENDIX

Appendix 6.1

PEOPLE CONSULTED

Sector	Respondent/Informants	Returns	No. of form
Health			1
- Secretariat	A/PS Maree Bacagulupo	Y	
- Community Health	Coordinator Ruby.Thoma	Y	1
RON Hospital	Health Planning Officer David.Dowiyogo	Y	1
Education	Director Mike Longhurst	Y	1
Nauru Police	Police Commissioner Allan.Ross	Unable to comply referred to Robert.K	0
Nauru Court House	Chief Lay Magistrate Andre.Notte	N	1
Finance Secretariat	A/PS Jonathan.Kirby	Y	0
Statistics Bureau	Act/Asst. Government Statistician Ipia.Gadabu	N	1
Women's Affairs	Director for Women's Affairs Joy.Heine	Y	1
Commerce Industry & Resource (CIR)	PS Tyrone Deie	Y	1
- Persistent Organic Pollutants Programme (POP)	National Coordinator Elkoga Gadabu	Y	1
- International Waters Programme (IWP)	National Coordinator Greta Harris		
- Agriculture	Act/Director for Agriculture Frankie Ribauw	Y	1
- Climate Change Programme	Director of Projects Brian Star	Y	1
- Energy Programme	PS for CIR Tyrone Deie	Y	1
Republic of Nauru Phosphate (RonPhos)	Engineering Supervisor Joe Hiram	Y	1
Power Station	Utilities Supervisor Abraham Aremwa	Y	1
Nauru Rehabilitation Corporation	A/CEO Vinci.Clodumar	N	1
Nauru Fisheries & Marine Resources	A/CEO Terry.Amram Board Secretary Lara Atto	Y N	1
Lands & Survey	Director Porthos Bop	Y	1
RonTel (Republic of Nauru Telecommunications)	A/CEO David.Daoc	Y	1
Work Secretariat	PS Anthony.Garabwan	Not Available	1
Chief Secretariat/ Administration	A/ Chief Secretary Jesalenko Dowiyogo	N	1
- Human Resource	Director Calistus.Cain	N	1
- Administration	Director Ryke Solomon	N	1
- Registrar	Deputy Registrar Michael.Cain	N	1
Transport Secretariat	PS Charlstone.Deie	N	1

Foreign Affairs Secretariat	PS Jesalenko Dowiyogo	N	1
Customs	Ernest.Stephen	Y	1
Immigration	Amos.Cook	N	1
Development Programmes & Policy Division (DPPD)	Special Consultant Iulai Lavea	Y	1
Aid Management Unit (AMU)	Director Chitra Jeremiah	Y	
Justice Secretariat	A/Secretary Robert.Kaierua	N	1
*PS Permanent Secretary			

Appendix 6.2

National Sustainable Development Strategy (NSDS) Assessment Cursory Survey of Indicators 3 April 2006

Department/ section

1. Please tick against indicators that your department/ section compiles
2. Please cross against indicators that your department/ section uses
3. Add other indicators compiled/used by your department/section that are not included in the list below

Please use the space at end of list and reverse side of page 3 to answer the following that apply to your department/ section. Refer to relevant indicator number.

4. Indicate how often this information is compiled
5. Who uses this information
6. How is this information used

Thank you for your kind and prompt attention.

Return to: Ramrakah Detenamo (Statistics Bureau), Thomas Star (IDI), Julie Olsson
NSDS Champions

	Sustainable development indicators	Tick/ cross		Millennium development goals	Tick/ cross
1	Percent of pop. living below poverty line				
2	Gini index of income inequality		59	Proportion of pop. below \$1 per day	
3	Unemployment rate		60	Poverty gap ration	
4	Ration of average female wage to male wage		61	Share of poorest quintile in national consumption	
5	Nutritional status of children (under 5)		62	Prevalence of underweight children under 5 years of age	
6	Mortality rate under 5 years old		63	Proportion of pop. below minimum level of dietary energy consumption	
7	Life expectancy at birth		64	Net enrolment ration in primary education	
8	Percent of pop. with adequate sewage disposal facilities		65	Proportion of pupils starting grade 1 who reach grade 5	
9	Pop. with access to safe drinking water		66	Literacy rate of 15-24 year olds	

10	Percent of pop. with access primary health care facilities		67	Ratio of girls to boys in primary, secondary and tertiary education	
11	Immunisation against infectious childhood diseases		68	Ratio of literate females to males of 15-24 year olds	
12	Contraceptive prevalence rate		69	Share of women in wage employment in the non-agricultural sector	
13	Children reaching grade 5 of primary education		70	Proportion of seats held by women in national parliament	
14	Adult secondary education achievement level		71	Under-five mortality rate	
15	Adult literacy rate		72	Infant mortality rate	
16	Floor area per person		73	Proportion of 1 year old children immunised against measles	
17	Number of recorded crimes per 100,000 pop. (adjust to Nauru)		74	Maternal mortality ratio	
18	Population growth rate		75	Proportion of births attended by skilled health personnel	
19	Population of urban formal and informal settlements		76	HIV prevalence among 15-24 year old pregnant women	
20	Emissions of greenhouse gases		77	Condom use rate of the contraceptive prevalence rate	
21	Consumption of ozone depleting substances		78	Number of children orphaned by HIV/AIDS (to be measured by the ratio or proportion of orphans to non-orphans aged 10-14 who are attending school)	
22	Ambient concentration of air pollutants in urban areas		79	Prevalence and death rates associated with malaria	
23	Arable and permanent crop land area		80	Proportion of pop. in malaria risk areas using effective malaria prevention and treatment measure	
24	Use of fertilizers		81	Prevalence and death rates associated with tuberculosis	
25	Use of agricultural pesticides		82	Proportion of tuberculosis cases detected and cured under directly observed treatment short course (DOTS)	
26	Forest area as a percent of land area		83	Proportion of land area covered by forest	
27	Wood harvesting intensity		84	Ratio of area protected to maintain biological diversity to surface area	
28	Land affected by desertification		85	Energy use (kg oil equivalent) per \$1 GDP (PPP)	
29	Area of urban formal and informal settlements		86	Carbon dioxide emissions (per capita) and consumption of ozone depleting CFCs (ODP tons)	
30	Algae concentration in coastal waters		87	Proportion of pop. using solid fuels	
31	Percent of total pop. living in coastal areas		88	Proportion of pop. with sustainable access to improved water source, urban and rural	

32	Annual catch by major species		89	Proportion of urban pop. with access to improved sanitation	
33	Annual withdrawal of ground and surface water as a percent of total available water		90	Proportion of household with access to secure tenure (owned or rented)	
34	BOD in water bodies		91	Proportion of total bilateral, sector allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)	
35	Concentration of faecal coliform in freshwater		92	Proportion of bilateral ODA of OECD/DAC donors that is untied	
36	Area of selected key ecosystems		93	ODA received in landlocked countries as proportion of their GNIs	
37	Protected area as a percent of total area		94	ODA received in small island developing States as proportion of their GNIs	
38	Abundance of selected key species		95	Market access	
39	GDP per capita		96	Proportion of total developed country imports (by value and excluding arms) from developing countries and LDCs, admitted free of duties	
40	Investment share in GDP		97	Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries	
41	Balance in trade in goods and services		98	Agricultural support estimate for OECD countries as percentage of their GDP	
42	Debt to GDP ration		99	Proportion of ODA provided and WTO are collecting data that will be available from 2001 onwards)	
43	Total ODA given or received as a percent of GNP		100	Debt sustainability	
44	Intensity of material use		101	Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)	
45	Annual energy consumption per capita		102	Debt relief committed under HIPC initiative, US\$	
46	Share of consumption of renewable energy resources		103	Debt service as a percentage of exports of goods and services	
47	Intensity of energy use		104	Unemployment rate of 15-24 year olds, each sex and total (an improved measure of the targets is under development by ILO for future years)	
48	Generation of industrial and municipal solid waste		105	Proportion of pop. with access to affordable essential drugs on a sustainable basis	

49	Generation of hazardous waste		106	Telephone lines and cellular subscribers per 100 population	
50	Management of radioactive waste		107	Personal computers in use per 100 population and internet users per 100 population	
51	Waste recycling and reuse				
52	Distance travelled per capita by mode of transport				
53	National sustainable development strategy				
54	Implementation of ratified global agreements				
55	Number of internet subscribers per 1000 inhabitants				
56	Main telephone lines per 1000 inhabitants				
57	Expenditure on research and developments as a percent of GDP				
58	Economic and human loss due to natural disasters				

Appendix 6.3

Partnerships for Quality Life											
Introduction	The twenty year plan				The short term plan		Appendices				
President's vision	Vision 2025	Goals	Strategies	NSDS Priorities	Short term priorities	Budget & resource gap	Economic & structural reform	Policy & institutional analysis	Comparison matrix	Millennium Development Goals	Sector goals, strategies & milestones