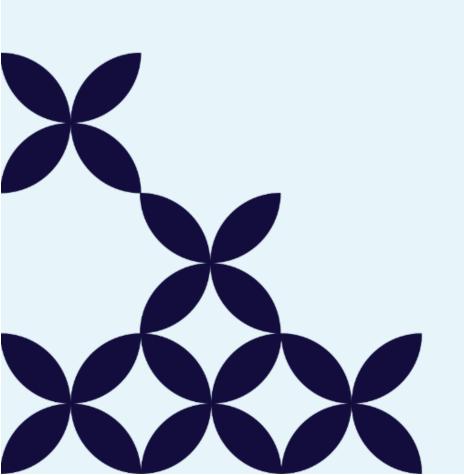
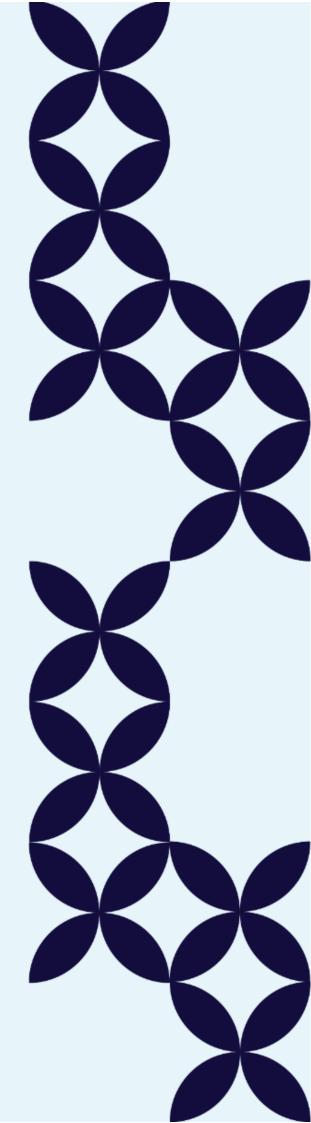


Nauru Country Plan

May 2025





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Purpose of this document

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has developed this Plan to guide the planning and management of New Zealand's overall engagement with Nauru, and as a foundation for dialogue with partners and stakeholders.

The Plan is used to bring clarity to what work should be prioritised, and to help monitor progress towards shared outcomes and strategic goals.

This is a living document that will be reviewed with partners and updated periodically to ensure it responds to changes in country / regional context, including the impacts of any external shocks.

An integrated approach to Pacific engagement

New Zealand pursues an integrated approach to engagement with Nauru. We focus on coherence across our diplomatic, trade and economic, climate change, environment, security and development objectives to deliver sustainable progress in developing countries, and advance New Zealand's interests and values. As such, our development contribution (both policy and financial) is an integral pillar of our foreign policy – it reflects our network of international relationships and commitments and is an expression of our values.



Country overview

Country context

Nauru is the smallest Pacific independent nation and the world's third smallest country by population. Nauru consists of a single 21km² atoll with a mostly uninhabitable interior due to phosphate mining and a rugged landscape. It has a population of 13,000 people and a GDP of approximately US\$140m (2024). Australia is a major development partner for Nauru and New Zealand and Australia often look for chances to collaborate for Nauru's development. Other large development partners in Nauru include China, Japan and the Asian Development Bank. Nauru has a predominantly youthful population with life expectancy for men at approximately 58 and women at 61. Non-communicable diseases are widespread in Nauru and the health system capacity is limited.

Nauru's National Sustainable Development Strategy 2019-2030 highlights the country's key challenges as geopolitical tension; the impact of climate change on oceans and land; coastal inundation due to sea-level rise; and changes to the main sources of government revenue.

Nauru continues to experience challenges related to its economic, environmental and social development. The Regional Processing Centre (RPC) for refugees and asylum seekers to Australia is Nauru's largest source of government revenue. Nauru currently has limited options for revenue. Alternatives include fishing licence fees which make up approximately 30% of government revenue and residual phosphate mining exports. Nauru's climate-resilient port and upcoming fibre-optic cable are expected to provide new economic opportunity.

Although Nauru's National Disability Policy 2015 provides for protections and fundamental freedoms for persons with disabilities, children with a disability are usually not integrated into mainstream education and attend the Able Disable Centre. Nauru also faces challenges relating to violence against women and children (The Nauru Family Health and Safety Study 2014 estimated that 48% of ever-partnered women experienced physical or sexual violence by a partner at least once in their lifetime), and low participation by women in political leadership. According to the ILO, Nauru has 41% youth not in employment, education, or training (NEET) and the gender gap in the youth NEET rates is almost 29%.

Nauru's environmental vulnerability continues to be exacerbated by its rugged landscape, and staged rehabilitation of the interior is needed to ensure that Nauruans have a place to live in the face of climate change. At present, most Nauruans live around the low-lying coastal fringe. Coastal flooding from sea-level rise increases the risk to existing buildings, infrastructure, and population; reduces habitable and productive land area; and cause land to become increasingly marginal for development and productive use. In turn, this will exacerbate current food security and land ownership issues.

New Zealand's partnership with Nauru

New Zealand manages its bilateral relationship with Nauru from Wellington. 2024 saw the accreditation of a new High Commissioner to Nauru based in Wellington, and 2025 will see Nauru's first cross-accreditation of it's High Commissioner in Canberra to New Zealand. These new diplomatic accreditations will aid in fostering closer relations between our two countries.

Key engagements are through quarterly Intergenerational Trust Fund meetings, High-Level Consultations, regular Minister-to-Minister and officials-level engagement (remote and in-person) and people-to-people connections through the Manaaki New Zealand Scholarship programme. We also meet at key global and regional fora. In

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recent years our bilateral development cooperation has begun to move from a programme focused on three key sectors (education, energy and justice) to one that includes greater engagement on economic resilience, governance, and social and environmental sustainability. Education remains a focus, where New Zealand invests through bilateral and regional funding.

Nauru frequently engages with other New Zealand Government agencies (NZ Inc) that have established relationships with their Nauru counterparts. Nauru supports the Royal New Zealand Air Force by permitting landings to assist with search and rescue and surveillance missions. It engages with the Public Service Commission through the New Zealand Public Service Fale, and with Civil Aviation Authority directly and through the Pacific Aviation Safety Office. Nauru is also engaging with the New Zealand Parliament regarding implementation of the 2021 Nauru Parliamentary Autonomy Bill. These connections demonstrate the value of our partnership as they offer targeted, relationship-driven support at the bilateral and regional level in areas of shared interest. They also develop and sustain communities of practice and the exchange of ideas.

New Zealand adopts a partnership approach to supporting humanitarian response and disaster management in the Pacific. We focus on responding quickly to requests by Pacific governments, and delivering practical and financial assistance for those most in need when a disaster strikes. This includes a 'whole of Government' commitment to work with other New Zealand Government agencies to deploy specialist emergency capabilities in a disaster response. We also work closely with other development partners, the United Nations, international and local non-government organisations and the private sector. Our bilateral development programmes invest in our Pacific partner's longer-term recovery from disasters. We also recognise the value of investing in measures that reduce and manage the risks of disasters and increase resilience; and in helping countries be better prepared for disasters through regional, bilateral and NGO partner initiatives.

Partner plans relevant to the relationship

Nauru's National Sustainable Development Strategy 2019-2030 (NSDS) outlines seven long-term goals:

- 1. a stable, trustworthy, fiscally responsible government
- 2. access to quality education, both formal and non-formal
- 3. improved health and well-being
- 4. provision of enhanced social, infrastructure and utilities services
- 5. development of an economy based on multiple sources of revenue.
- 6. enhanced resilience against the impacts of climate change that is inclusive of rehabilitating and restoring degraded lands, and
- 7. development of domestic food production for food security.

The priorities outlined in <u>The Republic of Nauru's Framework for Climate Change and Disaster Risk Reduction (RON Adapt)</u> contribute to the achievement of the NSDS, and to increasing Nauru's resilience to climate change and disasters, by targeting water security, energy security, food security, a healthy environment, a healthy people, and productive and secure land resources.

RON Adapt sets our four key outcomes:

- 1. Reduced vulnerability of Nauru to external stress, and improved capacity to cope with and respond to climate change and disasters.
- 2. Better mainstreaming and consideration of climate change and disasters risks across all sectors of the economy, into the activities of the government and communities, including into national and sectoral plans.



- 3. Improved coordination between stakeholders at the national level and between the government of Nauru and its development partners, ensuring future collaboration aligns with Nauru's priorities for building resilience and avoids duplication.
- 4. Enhanced capacity to plan and implement CCA and DRR measures.

Nauru's updated Nationally Determined Contribution (NDC) covers the period 2021 to 2030. Nauru's climate action has been aligned with the Sustainable Development Goals and National Sustainable Development Strategy. Therefore, this updated NDC has been similarly structured around the following seven national sustainable development priorities: Productive Land; Healthy and Productive People; Water Security; Food Security; Energy Security; Healthy Environment; and Good Governance. In addition, an eighth area of contributions – Loss & Damage – has been included to address climate change impacts that exceed Nauru's adaptive capacity.

Strategic framework for the Nauru Country Plan

The IDC Priorities Framework 2024-27¹ is a guiding document for the Nauru Country Plan. It shows how the IDC Programme contributes to the Ministry's overall goals, as set out in the Ministry's Strategic Framework², and articulates the priority outcomes that we aim to advance through the IDC Programme.

The Nauru programme logic diagram that is included on the next page, sets out our ambitions for our work with Nauru, in alignment with the IDC Priorities Framework. It represents our integrated delivery across development, foreign policy, trade, and security and covers a total view of our IDC investment, covering our core IDC programme, multi-country investments, NGO partnerships, and scholarships.

The logic diagram sets out how our strategic goals drive more specific medium-and short-term outcomes. New Zealand will work towards these outcomes in partnership with Nauru. The medium-term outcomes in the logic diagram describe our interests in more detail. The short-term outcomes cover our areas of immediate focus, rather than all the initiatives required to deliver these medium-term outcomes.

² See: https://www.mfat.govt.nz/assets/About-us-Corporate/MFAT-strategies-and-frameworks/Strategic-Intentions-2024-2028.pdf



¹ See: https://www.mfat.govt.nz/assets/Aid/Aid-General/IDC-Priorities-Framework-2024.pdf

Logic diagram for the Nauru Country Plan



A SAFE, SECURE AND JUST FUTURE

A PROSPEROUS AND RESILIENT FUTURE

STRATEGIC GOALS

A SUSTAINABLE FUTURE

STRATEGIC GOAL 1:

Nauru has effective and accountable domestic governance, and contributes to enhanced regional solidarity and stability in the Pacific region.

STRATEGIC GOAL 2:

Nauru has a thriving society and a functioning and inclusive economy with resilient, strong and stable institutions; that supports livelihoods; and benefits from trade and people movement.

STRATEGIC GOAL 3:

Nauru has improved environmental sustainability and climate resilience.

Increasing influence of external /contextual factors

MEDIUM TERM OUTCOMES

MO1:

Nauru's government has strengthened, effective and accountable governance institutions and services.

MO2:

Nauru works with the Pacific region cohesively and collaboratively.

MO3:

Nauru has a more resilient economy with effective and sustainable economic governance.

MO4:

Nauruans have improved social development outcomes, including health and education.

MO5:

Nauru has strengthened energy, water and food security.

SHORT TERM OUTCOMES: key changes expected to result from MFAT activities and engagement in 4–6 years

STO1:

The Nauru government has the capacity, capability and cohesiveness to provide quality governance, navigate security challenges and fulfil its international commitments.

STO2:

Nauru voices are engaged in and have increasing impact on shared Pacific regional issues.

STO3:

Nauru has a stronger private sector and improved economic opportunities for all from reliable and sustainably managed income sources, including fisheries.

STO4:

Nauru communities have higher quality and improved buy-in and support for equitable access to education, health and other social services.

STO5:

Nauru's energy sector is strengthened and has stronger climate change planning and response.

MFAT has more influence.

How we put this Plan into action

New Zealand's IDC funding for this Plan is managed over a three-year period. There is flexibility to move funds into and between Plans to respond to rapidly changing contexts. Current information about New Zealand's overall International Development Cooperation budget for the current funding triennium is on the MFAT website³.

How we will work to deliver on this Plan

New Zealand's International Cooperation for Effective Sustainable Development (ICESD) Policy⁴ identifies four development principles that guide New Zealand's work with partner countries and sets out a commitment to deliver development that is effective, inclusive, resilient and sustained.

- Effective development In Nauru we deliver effective development outcomes by ensuring we are in regular discussion with Nauru Ministers, officials and leaders regarding our development programme. We design activities that are adaptive and outcomes focused, and we collect evidence through regular reporting and analysis. We align our work with Nauru's National Sustainable Development Strategy. We are responsive, sensitive to culture and values, and adaptive. We use innovative approaches driven by Nauru's unique local context, building on existing strengths as we respond to challenges.
- Inclusive development In Nauru we deliver inclusive development outcomes through our focus on developing the skills of women in leadership positions and an inclusive development focus through education outcomes that consider gender equality and access for youth and people with disabilities. Our support for effective governance delivers more accessible and equitable government services and public goods.
- Resilient development In Nauru we deliver resilient development outcomes through a strategic focus on environmental, climate and economic sustainability. We offer direct support for renewable energy and energy efficiency and water security. We also support effective environmental and economic governance, human resource capacity and improved job opportunities.
- Sustained development In Nauru we deliver sustained development outcomes through our focus on supporting future generations with economic and environmental sustainability and education. We align our work with Nauru's National Sustainable Development Strategy. We support institutions to remain accountable, drawing on culturally relevant priorities, language and values to ensure our work is relevant and future focused. A key element of sustained development is building local capacity through the gradual handover of activities to partner government e.g. energy efficiency, education, economic reform and climate finance technical advisers.

https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf



³ www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/

Goal 1: Nauru has effective and accountable domestic governance and there is enhanced regional solidarity and stability in the Pacific region.

We support efforts to increase effective and inclusive governance, through support for key democratic institutions to deliver quality and accessible public services, including justice in an accountable and transparent manner. Our ongoing development support to Nauru for effective governance across the public sector contributes to environmental, climate change and economic sustainability, as well as to strengthening Pacific regionalism. A focus on improving education and other social outcomes helps to develop leaders who can in turn govern effectively. We also will lift our scholarships promotion efforts in order to develop local capacity.

We will use diplomacy to encourage ongoing commitment to regional fora and regular engagement through multilateral fora to encourage values that support a strong Pacific region and provide bilateral and multi-country development support for activities focused on effective governance and human rights. New Zealand Government agencies also provide support directly through the New Zealand Parliament and the Public Service Fale's capacity building programmes.

Goal 2: Nauru has a thriving society with a functioning and inclusive economy with resilient, strong and stable institutions and supports livelihoods and benefits from trade and people movement.

Economic resilience is central to Nauru's government priorities. We support this in a holistic way, not only contributing to the Nauru Intergenerational Trust Fund but also through reform-linked general budget support and encouraging other donors to participate in Nauru.

We support education in Nauru through our development and scholarships programme. Support for education and social outcomes develops future leaders, who in turn contribute to effective economic and environmental governance. Alongside this, we support the development of skills, knowledge and values that people need to access equitable opportunities for economic, social and cultural well-being and to thrive in a changing world.

We will continue to support improved health outcomes in Nauru through activities related to sexual and reproductive health rights, noncommunicable diseases, child health and Laboratory strengthening.

Future opportunities under this goal include engaging more in the RSE scheme and New Zealand better utilising our Head of Embassy Fund. We will lift our scholarships promotion efforts in order to develop local capacity.

We will provide bilateral and multi-country development support for activities focused on economic development (such as aviation, fisheries), governance, education, health and other social outcomes; support Nauru through New Zealand Government agencies such as the Public Service Fale, New Zealand Parliament and Civil Aviation Authority; support labour mobility and remittances, mainly through the Recognised Seasonal Employer (RSE) Scheme, and support tertiary and short term scholarships to grow the skills of Nauruans and improve connections within Aotearoa New Zealand.

Goal 3: Nauru has improved environmental sustainability and climate resilience.

In Nauru, our focus on renewable energy and energy efficiency and our support for spatial and urban planning contribute to our strategic goal of strengthened environmental sustainability and climate resilience. Responding to droughts and coastal flooding will also increasingly be a priority of this programme as the impacts of climate change increase.

Our advocacy in the regional and multilateral architecture will support Nauru to advocate for their own environment and future needs. We will lift our scholarships promotion efforts to support negotiation skills and subject matter expertise in climate change and the environment.

We will encourage Nauru's environmental and climate sustainability goals through diplomacy, such as support for Nauru's Framework for Climate Change Adaptation and Disaster Risk Reduction and its Nationally Determined

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Contributions on climate actions; encourage good environmental sustainability practices and provide support for engagement with international fora through ongoing diplomacy; provide bilateral and multi-country development support for environmental sustainability activities, and support the Nauru Sustainable Development Strategy's environmental sustainability goals through regular bilateral and multilateral engagement.

Who we will work with to deliver on this Plan

To operationalise this Plan and therefore contribute to achievement of agreed goals, New Zealand uses a range of actions and works with multiple partners. Across each of our goals we will work in partnership with the Government of Nauru to ensure that we are aligned and connected in our operations; draw on expertise across New Zealand Government agencies (NZ Inc); and support the development and deepening of relationships between Nauru, New Zealand, other key likeminded bilateral partners and donors, and the wider region.

New Zealand has remained engaged in Nauru for a long time, which provides a good foundation for the relationship. Key relationships woven into the development programme include the President, Parliament, Electoral Commission and Secretary of Aviation.

Key NZ Inc partners include but not limited to the Public Service Commission through the Public Service Fale and the Office of the Auditor General; Department of Prime Minister and Cabinet National Security Group; NZDF's work on removing unexploded ordnance from WWII in collaboration with Australian Defence Force and Civil Aviation Authority; and Education New Zealand in operationalising the Manaaki New Zealand Scholarship Programme.

Links between New Zealand private sector and Nauru private sector are limited except for the Nauru Chamber of Commerce and DETA Consulting - a key delivery partner of the Nauru Energy Efficiency. We directly support the Nauru Chamber of Commerce's operations and Australian Business Volunteers to provide training and technical assistance. Business Link Pacific also engage with the Nauru private sector and will seek to increase their engagement over the coming triennium. Private sector support is delivered mostly through Nauru Chamber of Commerce, Business Link Pacific and Australian Business Volunteers.

New Zealand partners with a range of partners to improve energy efficiency, the sustainable use of fisheries, climate change capacity and capability and water security. This includes partnering with partner government, technical advisors and regional agencies.

MFAT partners with NZ NGOs through the Partnering for Impact programme, which supports inclusive economic, social and environmental resilience, good governance and strengthening of civil society. Through this approach, we partner with NZ NGOs and local civil society to use their experience, knowledge and reach, to support delivery of locally led solutions for people experiencing vulnerabilities.

Regional agencies deliver technical support. Key partners include University of the South Pacific, the Pacific Regional Education Framework and EQap; Pacific Disability Forum and the Asia Pacific Forum on National Human Rights Institutions; Pacific Association of Supreme Audit Institutions; Pacific Aviation Safety Office; SPREP and SPC; and the Forum Fisheries Agency.



How we will assess progress against this Plan

The logic diagram sets out the strategic goals, medium-and short-term outcomes we hope will result from New Zealand's activities and engagement with Nauru.

We report back on progress towards our goals in Nauru via the annual Minister of Foreign Affairs Report on the IDC appropriation⁵. We also report back on this Plan to the Government of Nauru via our High-Level Consultations and engagement with senior officials. This not only gives us an opportunity to discuss what has been achieved in partnership, but also to test whether our Plan remains fit-for-purpose or if we need to change anything.

Progress against the Plan will be assessed with the following indicators.

Strategic Goals	Indicators
Goal 1: Nauru has effective and accountable domestic governance, and contributes to enhanced regional solidarity and stability in the Pacific region.	 SDG 5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local governments. World Governance Indicators (Government Effectiveness, Regulatory Quality, Rule of Law). Evidence of strengthened engagement by Nauru with regional institutions.
Goal 2: Nauru has a thriving society and a functioning and inclusive economy with resilient, strong and stable institutions; that supports livelihoods; and benefits from trade and people movement.	 SDG 8.1.1 Annual growth rate of real GDP per capita. SDG 8.6.1 Proportion of youth (aged 15-24 years) not in education, employment or training. SDG Indicator 3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease.
Goal 3: Nauru has improved environmental sustainability and climate resilience.	 SDG 14.7.1 Sustainable fisheries as a proportion of GDP. ND Gain Readiness Score

 $^{^{5}\,\}underline{See\ https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid}$

Short Term Outcome (STO)	Indicators
STO1: The Nauru government has the capacity and capability and cohesiveness to provide quality governance, navigate security challenges and fulfil their international commitments.	 Number of people receiving training or capability-building support in governance (M/F) Number of people receiving training or capability-building support in peace and security (M/F) Number of public sector vacancies. Evidence of economic and public sector reforms implemented and on track. Evidence of Nauru making progress towards fulfilling its international commitments.
STO2: Nauru voices are engaged in and have increasing impact on shared Pacific regional issues.	 Number of people receiving training or capability-building support in governance (M/F) Evidence of increased and sustained engagement by Nauru in Pacific region
STO3: Nauru has a stronger private sector and improved economic opportunities for all from reliable and sustainably managed income sources, including fisheries.	 Evidence of remaining on track on economic and public sector reform programme. Number of people supported to improve their livelihoods (M/F)
STO4: Nauru communities have higher quality and improved buy-in and support for equitable access to education, health, and other social services.	 Number of people receiving training or capability-building support in education (education professionals) (M/F) Evidence of improved inclusive access, learning opportunities and quality education for Nauruans. Number of people benefitting from sexual and reproductive health services (M/F)
STO5: Nauru's energy sector is strengthened and has stronger climate change planning and response.	 Number of people directly benefitting from improved infrastructure and services (M/F) (related to climate and energy) Number of people directly benefitting from activities which aim to increase resilience to climate change and environmental degradation (M/F)

The Plan will be evaluated approximately once every four years. The next strategic evaluation of the Nauru Country Plan is expected to take place in 2025. The Ministry's forward strategic evaluation schedule is available on the website⁶

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 $^{^{6} \} See: \underline{\text{https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/evaluation-and-research}}\\$

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Contact details for the New Zealand High Commission to Nauru are available on the MFAT website 7.

To find out more about New Zealand's engagement with Pacific Island countries also go to the MFAT website, at www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/.

This document is one in a series of Plans published by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and managed by the Ministry's Pacific and Development Group. For the latest version please go to www.mfat.govt.nz

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⁷ https://www.mfat.govt.nz/en/countries-and-regions/

⁸ https://creativecommons.org/licenses/by/4.0/

⁹ https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html