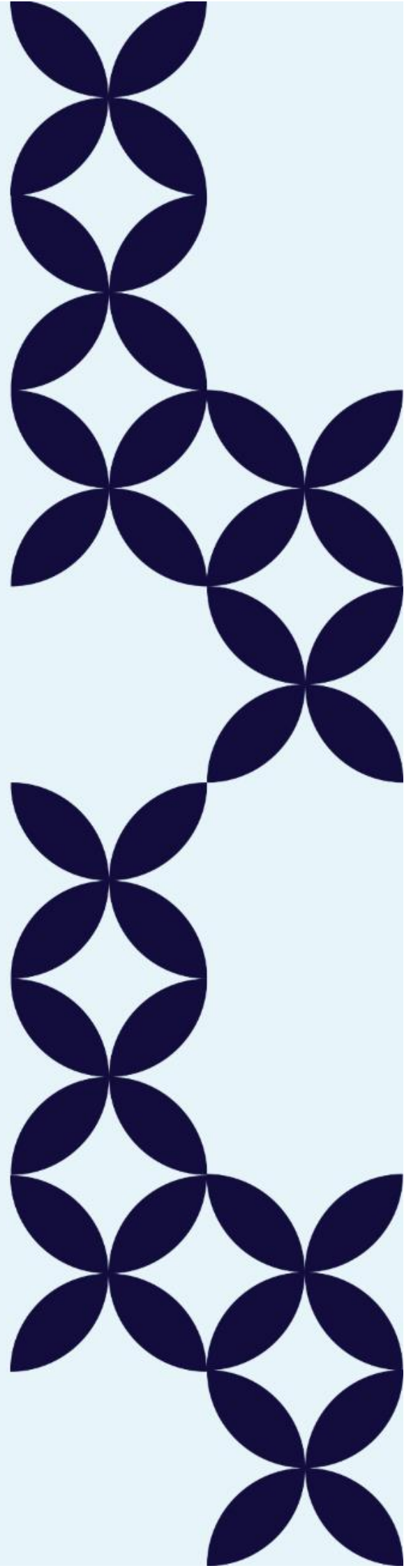
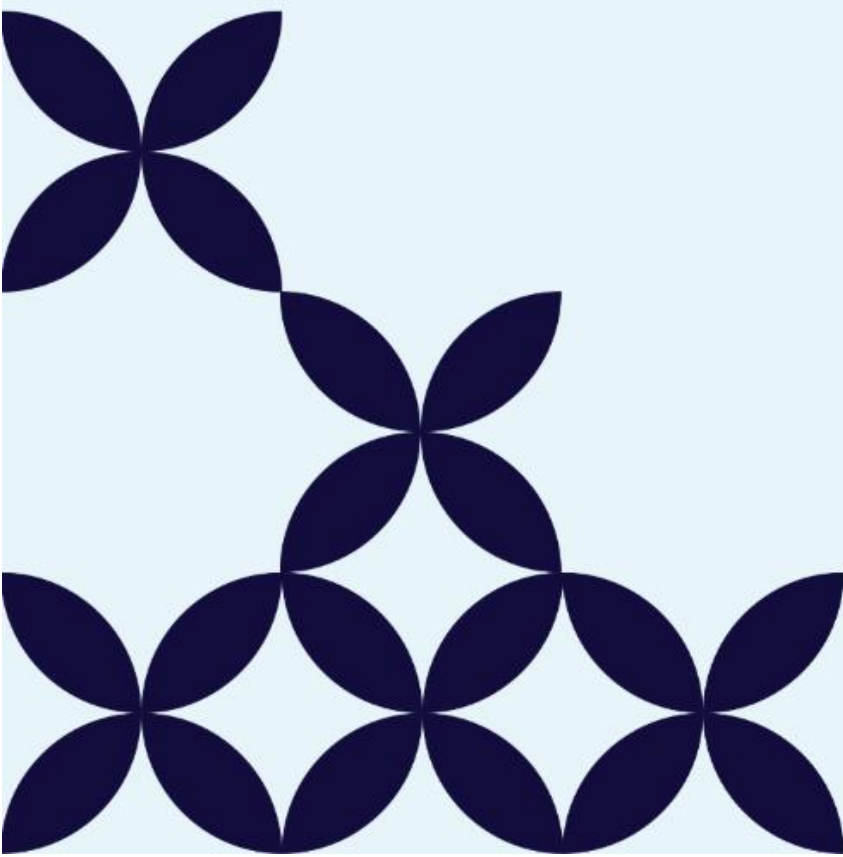


**Nauru**

# **Four Year Plan**

**October 2021**





This document is one in a series of Four Year Plans for Pacific Island countries published by the New Zealand Ministry of Foreign Affairs and Trade. For the latest version please go to [www.mfat.govt.nz](http://www.mfat.govt.nz)

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<sup>2</sup> <https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html>



## Purpose of this document

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has developed this Four Year Plan (4YP) to guide the planning and management of New Zealand's overall engagement with Nauru, and as a platform for dialogue.

The 4YP is used to bring clarity to what work should be prioritised and to help monitor progress to achieve shared outcomes and strategic goals.

This is a living document that will be refreshed annually to ensure it responds to changes in country context, including impacts of external shocks such as COVID-19.

### An integrated approach

Aotearoa 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.

## Enduring principles for New Zealand's engagement in the Pacific

The **enduring principles** which guide New Zealand's overall engagement in the Pacific region are:

- **Tātai Hono** (The recognition of deep and enduring whakapapa connections):

Shared history and meaningful relationships will shape our engagement, reinforcing New Zealand's depth of connection within the region and increasing understanding of Pacific peoples. These connections can further be enhanced by the shared value of reciprocity, shared national and regional priorities, shared language connections, and the recognition and celebration of the diversity between and within our indigenous values and those of Pacific partners.

- **Turou Hawaiiki** (Navigating together):

Our engagement will recognise that we share common values, and will reflect the unique and substantial overlap with New Zealand domestic policy decisions in respect of the Pacific. The development of New Zealand regional and national policies will actively consider their implications for the Pacific. We will also actively consider the impact on Pacific Island countries from international treaties and agreements that Aotearoa New Zealand is negotiating.



- **Whāia te Taumata Ōhanga** (Journey towards a circular economy):

Our engagement will recognise that the journey we each take is different but our horizon is the same. We will collaborate in support of the Sustainable Development Goals, with the long-term inter-generational perspective these Goals bring consistent with New Zealand's and Pacific Island countries' enduring journey together. We will aim to achieve lasting resilience through Pacific Island countries' enhanced capability to deliver on national and regional priorities through supporting sustainable human, economic, and social development. We recognise each country's mana to determine and protect its own kaitiakitanga.

- **Tātou Tātou** (All of us together):

Our cooperation will be underpinned by the principles of whanaungatanga and friendship, including honesty, trust, and respect. We will listen and have conversations. We will act with predictability, consistency, and based on the values we share as people of the Pacific. We will harmonise our efforts with others. We will confidently share New Zealand's views and perspectives, being clear about the things we will do and the things we will not do. The strength of friendship allows us to communicate openly even when our views differ.

- **Arongia ki Rangiātea** (Focus towards Excellence):

We will actively take an integrated approach across each New Zealand Government agency to recognise the centrality of the Pacific. We will amplify our value in the Pacific through encouraging impactful co-investment from actors outside the region, and by supporting regional architecture that reinforces Pacific ownership and priorities.



## Country overview

Nauru is part of Micronesia and is the smallest Pacific Island Country as well as the world's third smallest country by population. Nauru consists of a single 21km<sup>2</sup> atoll with an uninhabitable interior due to extensive phosphate mining. It has a population of 13,000 people and a GDP of approximately US\$126m (2020 year).

Nauru's National Sustainable Development Strategy 2019-2030 highlights the country's key challenges as: geo-political 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. The National Vision is *'A future where individual, community, business and government partnerships contribute to a sustainable quality of life for all Nauruans'*.

The National Sustainable Development Strategy outlines seven long-term goals:

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

Over the next 10 years Nauru will experience continued challenges related to its economic, environmental and social development. The COVID-19 pandemic has had only a small economic impact on the country as it has few tourists, and it has not yet experienced any cases of COVID-19. However, economic contraction is expected in the coming years in line with the planned scaling down or closure of the Regional Processing Centre (RPC) for refugees and asylum seekers. Nauru has limited other options for revenue, apart from fishing licence fees and residual phosphate mining exports. Its economic situation is also exacerbated by its high debt level.

Nauru's environmental vulnerability continues to be exacerbated by its devastated landscape, and staged rehabilitation of the interior is needed to ensure that Nauruans have a place to live. At present, there are limited options for residential development inland so most Nauruans live around the low-lying coastal fringe. However, coastal flooding from sea-level rise will increase the risk to existing buildings, infrastructure and population; reduce habitable land area; and also cause land to become increasingly marginal for development and productive use<sup>3</sup>. In turn, this will exacerbate current food security and land ownership issues.

Nauru also relies on imported diesel to generate electricity and on food imports. This reliance affects the country's environmental sustainability, economic resilience, and ability to withstand the effects

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<sup>3</sup> Coastal flooding from sea-level rise in Nauru, NIWA Report, 2020





of climate change. If these economic and environmental vulnerabilities are not addressed they will have a detrimental impact on future generations of Nauruans. This will be compounded by poor education outcomes, high adolescent birth rates and a lack of job opportunities.

## **New Zealand's partnership with Nauru**

New Zealand's whanaungatanga with Nauru has both a regional and a bilateral focus. Aotearoa New Zealand operates in the Pacific region under the enduring principles of partnership described earlier in this document. Our regional engagement mainly takes place through the Pacific Island Forum and Council of Regional Organisations of the Pacific (CROP) agencies. Aotearoa New Zealand and Nauru will also engage through the mechanism of The Pacific Agreement on Closer Economic Relations (PACER) Plus<sup>4</sup> (Nauru is progressing towards ratification).

Aotearoa New Zealand manages its bilateral relationship with Nauru from MFAT in Wellington, while Nauru manages its relationship with us from the Department of Foreign Affairs and Trade in Yaren, Nauru (it does not have a High Commission in New Zealand). Aotearoa New Zealand and Nauru do not currently have a Statement of Partnership but one is likely to be agreed in the near term.

Our key engagements are through yearly High Level Consultations, and regular Minister-to-Minister and officials-level engagement (both remotely and in person). We also meet in New York and in Suva, Fiji at key global and regional fora. New Zealand's development programme forms the largest portion of our engagement with Nauru. In recent years our bilateral development cooperation has begun to move from a programme that was mainly focused on three key sectors (education, energy and justice) to one that includes entry points for greater engagement on economic resilience, governance, and social and environmental sustainability.

In addition, Nauru frequently engages with other New Zealand Government agencies which 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 the Civil Aviation Authority through the Pacific Aviation Safety Office. Nauru is also engaging currently with the New Zealand Parliament regarding the 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.

Remittances from labour mobility from Nauruans in Aotearoa New Zealand and the opportunity to grow skills are other important aspects of our relationship. Nauru is an active participant in labour mobility through the New Zealand Recognised Seasonal Employer Scheme. It is also part of the New Zealand Scholarships scheme, which helps build skills and people-to-people connections.

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<sup>4</sup> <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/pacer-plus/>



## New Zealand's 4YP strategic goals in Nauru

Our strategic goals are described in the table below. These align with Nauru's National Sustainable Development Strategy and its vision of '*A future where individual, community, business and government partnerships contribute to a sustainable quality of life for all Nauruans*' with respect to their focus on strengthening Nauru's environmental sustainability and economic resilience and on effective domestic and regional governance.

Strategic goals	
<b>Goal One: Strengthened environmental sustainability and climate resilience</b>	Greater environmental sustainability and resilience to the effects of climate change are critical for Nauru. Achieving this will provide a safe place for all Nauruans to live, and will contribute towards an environmentally and economically secure future. We would like to see strengthened institutions that deliver on environmental sustainability and climate resilience goals. We will seek opportunities to support spatial and urban planning and carbon emissions reduction.
<b>Goal Two: Strengthened, well governed and resilient economy</b>	Economic resilience through effective governance is critical to the future of Nauru. We would like to see strengthened, transparent and accountable institutions charged with delivering economic development and public services, such as aviation and fisheries. Aotearoa New Zealand would like to support improved governance and skills development in economic sectors that provide reliable streams of revenue. We will also seek opportunities to support the future workforce of Nauruans through education and health. This goal supports Nauru's strategic-level guiding vision to diversify its economy.
<b>Goal Three: Improved commitment to effective domestic and regional governance</b>	Increasing commitment to effective domestic and regional governance is important to the economic and environmental stability of Nauru and, more broadly, of the Pacific region. We will support Nauru in its initiatives to strengthen Pacific regionalism and its connectedness through regional fora.



## Specific outcomes linked to our strategic goals

The logic diagram annexed to this 4YP sets out how our strategic goals, which are long term outcomes, drive more specific **medium and short term outcomes**. Aotearoa New Zealand will work towards these outcomes in partnership with Nauru.

## Assumptions

In setting out the logic diagram and outcomes we have made the following **key assumptions** which we will continue to test and monitor during the implementation of this 4YP:

- The COVID-19 pandemic ends without further significant impact to Nauru.
- Climate change impacts will accelerate, undermining Nauru's environmental, social and economic resilience.
- Governments in both countries continue to seek to advance regional and international norms.
- Nauru and Aotearoa New Zealand continue to work together in partnership and are able to engage constructively on sensitive issues.
- Travel will resume at pre-COVID 19 levels, and scholarships and labour mobility schemes will also resume at these levels.

## Risks

We have noted the following **key risks** which we will continue to monitor and develop mitigation measures for during the implementation of this 4YP:

Strategic level risks	Mitigation measures
Lack of income diversification will limit Nauru's growth and development opportunities.	We will continue to work closely with Nauru to help with economic development and as it considers opportunities for diversification.
Continued border closures relating to COVID-19 may affect our ability to implement our development programme as planned.	We will monitor the situation closely and continue to explore ways to engage with Nauru virtually. We will also maintain flexibility in our development programme, including delivering funding in other ways such as budget support.





## Key themes supporting these outcomes

Aotearoa New Zealand has adopted a number of thematic focus areas for its engagement with the Pacific region, recognising that thematic policy, insights and technical expertise are vital to building strong and resilient partnerships. For our engagement with Nauru the key thematic focus areas are: education, governance and institutions, and infrastructure and energy.

Our strategic goals and outcomes in Nauru are also supported through non-bilateral programmes such as multilateral, humanitarian and partnerships programmes that may be working outside of key thematic areas identified in this 4YP. Alongside the bilateral programme, non-bilateral programmes have a key role in realising strategic goals and outcomes.

### Education

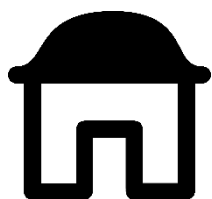
We support the development of skills, knowledge and values that people need to access equitable opportunities for economic, social and cultural well-being and to thrive in a changing world.



We 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.

### Governance and institutions

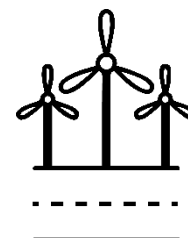
We support the building of more effective and inclusive systems of national and local governance, through support for democratic institutions, representative and responsive decision-making, and improved access to justice for all.



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.

### Infrastructure and energy

We promote improved access to modern, high quality infrastructure and services that enable and contribute to sustainable economic, social and environmental outcomes.



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.



## Achieving development outcomes that are effective, inclusive, resilient and sustained

New Zealand's International Cooperation for Effective, Sustainable Development policy statement identifies four development principles that guide New Zealand's work with partner countries: effective, inclusive, resilient and sustained<sup>5</sup>.

**Effective development** is values driven, partnership focused, adaptive, outcomes focused and evidence based.

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 Nauruan culture and values, and adaptive. We use innovative approaches that are driven by Nauru's unique local context, building on existing strengths as we respond to challenges.

**Inclusive development** addresses exclusions and inequality created across all dimensions of social identity, while promoting human rights and equitable participation in the benefits of development.

In Nauru we deliver inclusive development outcomes through our focus on developing the skills of women in leadership positions, an inclusive development focus through education outcomes that consider gender equality and access for youth and people with disabilities, and through our key outcome focused on family health. Our support for effective governance delivers more accessible and equitable government services and public goods.

**Resilient development** strengthens the environment, economy and societies to withstand shocks and manage crises while protecting future well-being.

In Nauru we deliver resilient development outcomes through our strategic level focus on environmental, climate and economic sustainability. We offer direct support for renewable energy and energy efficiency initiatives, low emission programmes, and climate-resilient urban and spatial planning. We also support effective environmental and economic governance, human resource capacity and improved job opportunities.

**Sustained development** enables lasting progress and is locally owned to uphold results in the long term.

In Nauru we deliver sustained development outcomes through our focus on supporting future generations of Nauruans with economic and environmental sustainability and education. We align our work with Nauru's National Sustainable Development Strategy. We support

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<sup>5</sup> <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>



institutions to remain accountable, drawing on culturally relevant priorities, language and values to ensure our work is relevant and future focused.

## How we put this plan into action

To operationalise this 4YP and therefore contribute to achievement of agreed goals Aotearoa New Zealand uses a range of actions and works with multiple partners. Across each of our goals we will work in partnership with Nauru to ensure that we are aligned in our operation and connected in our whanaungatanga; draw on expertise from within and across New Zealand Government agencies; and support the development and deepening of relationships between Nauru, Aotearoa New Zealand, other key bilateral partners and donors, and the wider region.

### Goal One: Strengthened environmental sustainability and climate resilience

To make progress towards this goal, Aotearoa New Zealand 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 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.

Key indicators of progress	
<b>Goal One: Strengthened environmental sustainability and climate resilience</b>	<ul style="list-style-type: none"> <li>• SDG 7.2.1<sup>6</sup> Renewable energy share in the total final energy consumption</li> <li>• SDG 13.2.1 Number of countries that have communicated the establishment or operationalization of an integrated policy/strategy/plan which increases their ability to adapt to the adverse impacts of climate change, and foster climate resilience and low greenhouse gas emissions development in a manner that does not threaten food production (including a national adaptation plan, nationally determined contribution, national communication, biennial update report or other)</li> <li>• SDG 14.7.1 Sustainable fisheries as a proportion of GDP in small island developing states, least developed countries and all countries</li> </ul>

<sup>6</sup> The Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". The 17 SDGs are defined in a list of 169 SDG Targets. Progress towards these Targets is agreed to be tracked by 232 unique Indicators. <https://sdgs.un.org/goals>



## Goal Two: Strengthened, well governed and resilient economy

To make progress towards this goal, Aotearoa New Zealand will:

- provide bilateral and multi-country development support for activities focused on economic development (such as aviation, fisheries), governance, education 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 Scheme, and
- support tertiary and short term scholarships to grow the skills base of Nauruans and improve connections within Aotearoa New Zealand.

### Key indicators of progress

#### Goal Two: Strengthened, well governed and resilient economy

- SDG 8.1.1 Annual growth rate of real GDP per capita
- SDG 8.5.2 Unemployment rate, by sex, age and persons with disabilities
- SDG 8.6.1 Proportion of youth (aged 15-24 years) not in education, employment or training
- SDG 3.7.1 Proportion of women of reproductive age (aged 15-49 years) who have their need for family planning satisfied with modern methods
- SDG 3.7.2 Adolescent birth rate (aged 10-14 years; aged 15-19 years) per 1,000 women in that age group
- SDG 4.3.1 Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex
- SDG 4.6.1 Proportion of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, by sex

## Goal Three: Improved commitment to effective domestic and regional governance

To make progress towards this goal, Aotearoa New Zealand 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.



### Key indicators of progress

**Goal Three:  
Improved  
commitment to  
effective domestic  
and regional  
governance**

- SDG 5.5.1 Proportion of seats held by women in (a) national parliaments and (b) local governments
- SDG 16.2.3 Proportion of young women and men aged 18-29 years who experienced sexual violence by age 18
- SDG 16.6.1 Primary government expenditures as a proportion of original approved budget, by sector
- SDG 16.7.1 Proportions of positions in national and local institutions, including (a) the legislatures; (b) the public service; and (c) the judiciary, compared to national distributions, by sex, age, persons with disabilities and population groups
- SDG 16.A.1 Existence of implementation plan for the different UN treaty body recommendations and UPR recommendations which are fully or partially resourced

The Nauru 4YP is also supported through non-bilateral programmes such as multilateral support and scholarships support. Alongside the bilateral programme, these have a key role in realising the strategic goals/outcomes.

International development cooperation funding for this 4YP is managed over a three year period. Over this period, there is flexibility to move funds into and between 4YPs in order to respond to rapidly changing contexts. Current information about New Zealand's International Development Cooperation appropriation is on the MFAT website<sup>7</sup>.

### How we assess progress against this plan

We report progress towards our goals in the Pacific overall via MFAT's Annual Report<sup>8</sup>. We also report back on this 4YP to the Government of Nauru via our Annual High Level Consultations and regular Minister-level and officials-level engagements. 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 we need to change anything.

Shared progress against the key indicators listed for each strategic goal help us to monitor progress at the highest level. We also support and use country-owned statistics and data to monitor progress at the macro level, and therefore will not develop a separate country-level measurement framework.

In addition, we monitor and evaluate our development activities in Nauru and other Pacific Island countries to ensure their effectiveness and ongoing strategic alignment. The results and any lessons

<sup>7</sup> [www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/](http://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/)

<sup>8</sup> <https://www.mfat.govt.nz/en/about-us/mfat-annual-reports/>



learned from this process are compiled annually and fed into an Annual Reflection discussion and report on progress against the 4YP outcomes. This in turn informs the annual updates of the 4YPs.

Every 6-8 years we will commission an independent evaluation of MFAT's overall engagement in Nauru in partnership with the Government of Nauru. This evaluation, which will consider progress against outcomes, the challenges and any lessons learned, will inform continued improvement.

The next independent evaluation of the Nauru 4YP is planned for early 2022.

#### **For further information**

Contact details for the New Zealand High Commission to Nauru are available on the MFAT website<sup>9</sup>.

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/](https://www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/)

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<sup>9</sup><https://www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/nauru/new-zealand-high-commissioner-to-nauru/>





# Appendix: Logic diagram for Nauru 4 Year Plan

