

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Nauru: 2020 Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments (\$ million)^a

Product Type	Sovereign	Nonsovereign	Total
Grants	6.00	–	6.00
Technical Assistance ^b	3.68	0.15	3.83
Total	9.68	0.15	9.83

– = nil, DMC = developing member country, TA = technical assistance.

Notes:
Commitment is the financing approved by ADB's Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and TA include ADB-administered cofinancing.

^a Numbers may not sum precisely because of rounding.

^b Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

Nauru: Cumulative Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments^{a, b, c, d}

Sector	Total Amount No. (\$ million) ^a	% of Total Amount ^b	COVID-19 Response (\$ million) ^c	
Energy	8	32.86	23.24	–
Finance	4	6.56	4.64	–
Health	2	1.46	1.03	1.46
Industry and Trade	–	0.07	0.05	–
Information and Communication Technology	1	15.08	10.67	–
Multisector	–	0.40	0.28	–
Public Sector Management	8	14.74	10.43	0.26
Transport	6	69.88	49.42	0.23
Water and Other Urban Infrastructure and Services	1	0.35	0.25	0.10
Total	30	141.39	100.00	2.05

– = nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.

^a Grants and TA include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

^e Numbers may not sum precisely because of rounding.

As the country begins its recovery from the COVID-19 pandemic, ADB assistance to Nauru will continue to support ongoing investments to improve transport infrastructure, expand internet connectivity, and promote renewable energy.

NAURU

As a single island measuring only 21 square kilometers, Nauru faces the challenge of developing new sources of growth amid significant resource constraints. The Government of Nauru's income derives mainly from a regional processing center for asylum seekers and revenues from selling fishing licenses.

The coronavirus disease (COVID-19) pandemic and associated trade and travel disruptions have affected Nauru's supply chains—compounding challenges the country already faced because of its small size, distance from markets, and dependence on imports.

The Asian Development Bank (ADB) has been supporting Nauru since 1991 with focus on improving fiscal sustainability, critical infrastructure, and service delivery.

Since 1991, ADB has committed a loan of \$5 million, grants of \$75.3 million, technical assistance worth \$6.4 million, and ADB-administered cofinancing of \$54.7 million for Nauru. Cumulative loan and grant disbursements to Nauru amount to \$27.8 million. These were financed by regular ordinary capital resources and the Asian Development Fund.

ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB's recent development efforts in Nauru have helped the government respond to the COVID-19 pandemic and its impacts, address the country's considerable infrastructure needs, and improve the delivery of essential services. There has also been a focus on strengthening fiscal sustainability and raising the performance of state-owned enterprises.

In 2020, ADB provided \$1 million in grants from the [Asia Pacific Disaster Response Fund](#) to help finance Nauru's response to the COVID-19 pandemic.

ADB is also supporting the [Sustainable and Climate-Resilient Connectivity Project](#), which is transforming the largely inoperable Aiwo boat harbor to



become [Nauru's first fully functioning international climate-resilient port](#). The project is cofinanced by the Green Climate Fund and the Government of Australia, while the Government of Nauru provides counterpart resources. Technical assistance is underpinning institutional reforms to strengthen the capacity of the Nauru Maritime and Port Authority.

To support Nauru's transition toward sustainable energy, the [Solar Power Development Project](#) is financing a solar power plant and battery storage system and strengthening the Nauru Utility Corporation's institutional capacity. It builds on ADB's earlier support through the [Electricity Supply Security and Sustainability Project](#), which installed two fuel-efficient generators for the Nauru Utilities Corporation, reducing the frequency of power outages by 91% in 2018, compared with 2015.

To help better connect Nauru with the rest of the world, the [Improving Internet Connectivity for Micronesia Project](#) will help deliver high-speed internet to the country through a submarine fiber-optic internet cable, reducing costs for businesses, households, and the government.

Through the [Improving Public Investment Management Program](#), ADB provided a \$5 million policy-based grant in 2020 to help the Government

of Nauru improve the management of public expenditure and national infrastructure and the governance of state-owned enterprises. The program supported legislative changes and policy decisions to help Nauru sustain a responsible fiscal position and strengthen public service delivery.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments in loans and equity investments from ADB's own funds in 2020 amounted to \$1.4 billion for 38 transactions in economic and social infrastructure, finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2020, ADB mobilized \$1.9 billion of long-term project cofinancing and \$3.3 billion of cofinancing through its [Trade and Supply Chain Finance Program](#) and [Microfinance Program](#). Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$14.3 billion as of 31 December 2020.

PARTNERSHIPS

To maximize cofinancing and development coordination, ADB

works closely with Nauru's other key development partners, notably with the Government of Australia, which is Nauru's largest bilateral partner. The bank's support for economic and fiscal reforms is coordinated closely with the governments of Australia and New Zealand and the Pacific Financial Technical Assistance Centre.

ADB's [Pacific Private Sector Development Initiative](#), cofinanced by the governments of Australia and New Zealand, has been active in Nauru since 2008. This regional technical assistance works to improve the business enabling environment in the Pacific region. Reforms supported by the initiative reduce constraints to doing business, incentivize entrepreneurship and investment, foster new business models, and remove barriers to women's full participation in the economy.

ADB also supports Nauru through the [Pacific Region Infrastructure Facility](#), which is a multipartner coordination and technical assistance facility established in 2008 to help improve the quality and coverage of infrastructure in the Pacific. The facility provides technical advice on infrastructure development and sustainable infrastructure management and works to enhance the coordination of development partner investments in the Pacific.

Nauru: Evaluation Results for Sovereign and Nonsovereign Operations, 2011–2020

	Total Number of Validated and Evaluated Projects and Programs	Evaluation Ratings		
		Highly successful and successful	Less than successful	Unsuccessful
Sovereign Operations	3	3	-	-
Nonsovereign Operations	-	-	-	-

- = nil, IED = Independent Evaluation Department.

Note: The figures indicate the number of sovereign and nonsovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports and extended annual review reports circulated by ADB within the 10-year period from 1 July 2010 to 30 June 2020. See [evaluations](#) related to Nauru.

Source: IED success rate database (as of 31 December 2020).

Nauru: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2019–2020

	2019 (\$ million)		2020 (\$ million)	
	2019 (\$ million)	2020 (\$ million)	2019 (\$ million)	2020 (\$ million)
No. of Ongoing Loans ^a (as of 31 Dec 2020)	-	-	-	-
Contract Awards ^{b,c}	-	-	-	-
Disbursements ^b	-	-	-	-
No. of Ongoing Grants ^{a,d} (as of 31 Dec 2020)	5	5	5	5
Contract Awards ^{b,c,d}	0.13	16.43	0.13	16.43
Disbursements ^{b,d}	5.15	8.82	5.15	8.82
At Risk Projects (%) (as of 31 Dec 2020)	-	-	-	-

- = nil.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based, results-based, and financial intermediation/credit loans and grants.

^d Includes only Asian Development Fund and other ADB special funds.

Nauru: Projects Cofinanced, 1 January 2016–31 December 2020

Cofinancing	No. of Projects	Amount (\$ million)
Sovereign	5	46.03
Grants	3	43.20
Technical Assistance	2	2.84

Nauru: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2019		2020		Cumulative (as of 31 Dec 2020)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	0.10	0.00	5.00	0.02	14.85	0.01
Consulting Services	–	–	–	–	0.50	0.00
Total Procurement	0.10	0.00	5.00	0.02	15.35	0.01

– = nil, 0.00 = less than 0.005%.

Top 5 Contractors/Suppliers from Nauru Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2016–31 December 2020

Contractor/Supplier	Contract Amount (\$ million)
Others	8.93
Total	8.93

Top 5 Consultants from Nauru Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2016–31 December 2020

Consultant	Contract Amount (\$ million)
Individual Consultants	0.08
Total	0.08

FINANCING PARTNERSHIPS

Financing partnerships enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of loans and grants, technical assistance, and other nonsovereign cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program.

ADB began cofinancing operations in Nauru in 1996. Since then, sovereign cofinancing commitments for Nauru have amounted to \$50.64 million for four investment projects and \$3.41 million for five technical assistance projects.

In 2020, Nauru received \$0.32 million grant cofinancing from the Government of New Zealand for the Improving Public Investment Management Program.

A summary of projects with cofinancing from 1 January 2016 to 31 December 2020 is available at www.adb.org/offices/pacific/cofinancing#nauru.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in

contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from all ADB members.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$14.19 billion in 2019 and \$22.79 billion in 2020. Cumulative procurement since 1966 has been \$216.35 billion covering 222,415 contracts.

For contractors and suppliers from Nauru, 21 contracts worth \$14.85 million have been awarded since 1991.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$756.72 million in 2019 and \$732.11 million in 2020. Cumulative procurement since 1966 has been \$14.13 billion covering 67,086 contracts.

For consultants from Nauru, 10 contracts worth \$0.5 million have been awarded since 1991.

OPERATIONAL CHALLENGES

ADB activities in Nauru are impeded by the practical realities of the country's geography. Small size and remoteness raise the cost of providing public

infrastructure and services, while limiting economies of scale. Nauru has a narrow economic base and is heavily reliant on imports.

The ADB approach in Nauru emphasizes the need for a consultative and flexible response, long-term engagement, and the importance of capacity development. To support reform implementation and capacity building, ADB provides technical assistance and coordinates with other development partners to offer appropriate support.

FUTURE DIRECTIONS

As the country begins its recovery from the COVID-19 pandemic, ADB assistance to Nauru will continue to support ongoing investments to improve transport infrastructure, expand internet connectivity, and promote renewable energy. Under its projected development program for Nauru, ADB intends to support a major urban development project, policy-based grant to further strengthen state-owned enterprise governance and fiscal sustainability, and a technical assistance project to improve financial literacy in the community.

Technical support through ADB's country and regional programs will continue to provide flexible and responsive assistance to meet Nauru's development goals to support a more sustainable growth trajectory.



ABOUT NAURU AND ADB

ADB Membership

Joined 1991

Shareholding and Voting Power

Number of shares held: 426 (0.004% of total shares)
Votes: 39,540 (0.297% of total membership,
0.457% of total regional membership)

*Overall capital subscription: \$6.14 million

*Paid-in capital subscription: \$0.3 million

*United States dollar figures are valued at rate as of 31 December 2020.

Contributions to Special Funds Resources

Nauru has contributed to the Asian Development Fund (ADF), which is ADB's window for concessional lending to its borrowing members up to 31 December 2016 and retaining the ADF support as a grant-only operation from 1 January 2017, and to the Technical Assistance Special Fund (TASF), which provides grants to borrowing members to help prepare projects and undertake technical or policy studies.

Contributions to the ADF (committed): \$0.3 million

Contributions to the TASF (committed): \$0.07 million

Martin Hunt MP is the Governor and **John Petersen** is the Alternate Governor for Nauru in ADB.

Tony McDonald is the Director and **David Cavanough** is the Alternate Director representing Nauru on the ADB Board of Directors.

Lotte Schou-Zibell is the ADB Regional Director of the Pacific Liaison and Coordination Office (PLCO). PLCO was opened in 2005 and is ADB's representative office in Sydney, Australia. It acts as the focal point for liaison with the governments of Australia and New Zealand as well as development organizations and nongovernment organizations based in those two countries. The liaison and coordination office engages in policy dialogue, country partnership strategy development and programming, portfolio management, and knowledge-based solutions for Nauru, Solomon Islands, and Vanuatu. PLCO is also responsible for finance sector development and private sector development across all 14 of ADB's Pacific developing member countries.

In 2018, ADB approved the establishment of a country office in Nauru. The office strengthens the bank's presence in the country, working to enhance the relationship between ADB and the government, improve development partner coordination, and help build local capacity to design and implement ADB-supported projects.

The Nauru government agency handling ADB affairs is the Ministry of Finance and Sustainable Development.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from Asia and the Pacific and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2020, lending volume was \$26.9 billion (149 projects), with technical assistance at \$293.56 million (275 projects) and grant-financed projects at \$1.08 billion (62 projects). In addition, \$16.41 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program. From 1 January 2016 to 31 December 2020, ADB's annual lending volume averaged \$19.69 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$805.5 million and \$230.81 million respectively over the same period. As of 31 December 2020, the cumulative commitments excluding cofinancing were \$323.17 billion in loans for 3,369 projects in 44 countries, \$11.3 billion in 495 grants, and \$5.01 billion in technical assistance grants, including regional technical assistance grants.

Notes:

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars. Data are updated as of 31 December 2020 unless otherwise indicated.

CONTACTS

Nauru Pacific Country Office

Government Building
Yaren District, NRU68
Republic of Nauru

Pacific Liaison and Coordination Office

45 Clarence Street, Level 20
Sydney 2000, NSW, Australia
Tel: +61 2 8270 9444
Fax: +61 2 8270 9445
adbplco@adb.org
www.adb.org/nauru

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel: +63 2 8632 4444
Fax: +63 2 8636 2444

Ministry of Finance and Sustainable Development

Government Offices, Yaren District
Republic of Nauru
Tel: +674 444 3133/444 3703
Fax: +674 444 3125/444 3199

Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org