

PACIFIC PRIVATE SECTOR
DEVELOPMENT INITIATIVE (PSDI)

NAURU

COUNTRY OVERVIEW
APRIL 2020



IN NAURU, PSDI HAS WORKED TO:

- make commercial banking services available;
- support the improved performance of state-owned enterprises (SOEs); and
- review discriminatory laws and practices and assist with the development of the National Gender Action Plan.

KEY PSDI ACTIVITIES AND OUTCOMES

2011: PSDI supported the management restructuring of three of Nauru's SOEs

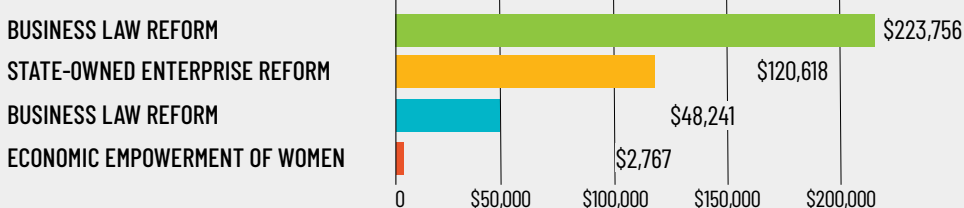
2015: PSDI assisted with the re-establishment of banking services in Nauru

SPENDING OVERVIEW

Of the \$395,382 PSDI has spent on Nauru in total, 58% was allocated to Financing Growth initiatives, representing PSDI's ultimately successful efforts to re-establish banking services to the country.

NAURU SPENDING BY FOCUS AREA

2007-2019 (\$395,382)



FINANCING GROWTH

OUTCOME, RESULTS, AND FUTURE PROJECTS:

REESTABLISHMENT OF BANKING SERVICES

PSDI worked to reestablish banking services in Nauru, which had been unavailable for more than ten years.

Prior to 2015, Nauru had been without a financial institution capable of providing banking services since the early 2000s. In 2012, PSDI undertook an assessment of the Nauruan people's financial requirements, which it then used to help the Government of Nauru prepare an information memorandum to identify an appropriate institution to provide these services. Expressions of interest were submitted to the government in August 2013, and Bendigo-Adelaide Bank ultimately opened an agency in Nauru in May 2015.

STRENGTHENING FINANCIAL SERVICES AND FINANCIAL INSTITUTIONS

PSDI reviewed Nauru's regulatory framework for financial institutions and provided assistance to an Asian Development Bank (ADB) project to improve financial services.

PSDI assisted the Government of Nauru in reviewing the existing regulatory framework for financial institutions and, in February 2014, submitted policy recommendations for the regulation and supervision of financial institutions.

Additionally, in the 2017/2018 financial year (FY), PSDI reviewed project documentation and draft legislation for an ADB technical assistance project working to improve financial services in Nauru.

ECONOMIC EMPOWERMENT OF WOMEN

OUTCOME, RESULTS, AND FUTURE PROJECTS:

GENDER DISCRIMINATION REVIEW

In FY2013/2014, PSDI assisted ADB in reviewing discriminatory laws and practices in Nauru and with the development of the National Gender Action Plan.

STATE-OWNED ENTERPRISE REFORM AND PUBLIC-PRIVATE PARTNERSHIPS

OUTCOME, RESULTS, AND FUTURE PROJECTS:

STATE-OWNED ENTERPRISE SUPPORT

PSDI assisted with the management restructuring of three SOEs and has provided recommendations for reforms to strengthen governance, monitoring, and management practices across Nauru's SOE portfolio.

PSDI assisted the government in restructuring the Republic of Nauru Phosphate Corporation's senior executive management. This included support for recruiting a new chief executive officer (CEO) who commenced in October 2011. PSDI also supported the development of a new organizational structure for senior management and the board of the Nauru Utilities Corporation and Nauru Rehabilitation Corporation, including assistance with new CEO and other senior management recruitment.

In January 2017, PSDI conducted a diagnostic review of Nauru's SOE portfolio and submitted recommendations for reforms to strengthen governance, monitoring, and management practices. These recommendations were integrated into a new ADB policy-based support program that is working to provide a basis for SOEs to be commercially successful.


PSDI has also been providing ongoing support to an ADB technical assistance project that is designing the institutional structure of the future Nauru Port and outlining potential public-private partnership options.

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