As a single island measuring only 21 square kilometers, Nauru faces the challenge of developing new sources of economic 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) 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 import dependence.

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

To date, ADB has committed 24 public sector loans, grants, and technical assistance totaling $109.4 million to Nauru. Cumulative loan and grant disbursements to Nauru amount to $43.98 million. These were financed by regular ordinary capital resources, the Asian Development Fund, and other special funds. ADB’s ongoing sovereign portfolio in Nauru includes 4 grants worth $63.3 million.

ADB’s recent development efforts in Nauru have helped the government address the country’s considerable infrastructure needs, improve the delivery of essential services, strengthen fiscal sustainability, and improve the performance of state-owned enterprises.

### Nauru: 2022 Commitments ($ million)*

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sovereign</th>
<th>Nonsovereign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>15.00</td>
<td>–</td>
<td>15.00</td>
</tr>
<tr>
<td>Technical Assistance¹</td>
<td>1.07</td>
<td>0.26</td>
<td>1.33</td>
</tr>
<tr>
<td>Total</td>
<td>16.07</td>
<td>0.26</td>
<td>16.33</td>
</tr>
</tbody>
</table>

* = 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.
- Numbers may not sum precisely because of rounding.
- Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

### Nauru: Cumulative Commitments*<sup>a,b,c,d</sup>

<table>
<thead>
<tr>
<th>Sector, No.</th>
<th>Total Amount ($ million)&lt;sup&gt;e&lt;/sup&gt;</th>
<th>% of Total Amount&lt;sup&gt;e&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Natural Resources, and Rural Development</td>
<td>–</td>
<td>0.24</td>
</tr>
<tr>
<td>Education</td>
<td>1.35</td>
<td>19.88</td>
</tr>
<tr>
<td>Energy</td>
<td>8</td>
<td>33.10</td>
</tr>
<tr>
<td>Finance</td>
<td>4</td>
<td>6.58</td>
</tr>
<tr>
<td>Health</td>
<td>2</td>
<td>1.51</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>–</td>
<td>0.52</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td>1</td>
<td>15.21</td>
</tr>
<tr>
<td>Multisector</td>
<td>–</td>
<td>0.47</td>
</tr>
<tr>
<td>Public Sector Management</td>
<td>8</td>
<td>16.26</td>
</tr>
<tr>
<td>Transport</td>
<td>7</td>
<td>85.69</td>
</tr>
<tr>
<td>Water and Other Urban Infrastructure and Services</td>
<td>2</td>
<td>5.57</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>166.50</td>
</tr>
</tbody>
</table>

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

- Includes loans, grants, and TA.
- Using primary sector in the reporting of commitments.
- From 2020, financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.
- Numbers may not sum precisely because of rounding.

<sup>a</sup> Sovereign portfolio consists of loans, grants, equity investment, and sovereign guarantee committed and not financially closed. Regional projects with loans/grants to multiple countries are reported separately.
The Sustainable and Climate-Resilient Connectivity Project is transforming the largely inoperable Aiwo boat harbor into 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 Japan is providing equipment to support efficient operations. Pandemic-induced travel restrictions slowed implementation progress, but the port became operational in 2022 and is scheduled for completion in 2023. A technical assistance project is supporting institutional reforms to strengthen the Nauru Maritime and Port Authority’s capacity.

The Sustainable Urban Development Project aims to strengthen water supply, sanitation, and solid waste management, and to establish improved urban planning capacity in the country. ADB approved the project readiness financing of $5 million in 2021.

To support Nauru’s transition toward sustainable energy, the $22-million Solar Power Development Project is financing a solar power plant and battery storage system, and is strengthening the capacity of the Nauru Utility Corporation.

Through the planned Improving Fiscal Sustainability Program, ADB will help the Government of Nauru strengthen gender-responsive fiscal sustainability by implementing policy and institutional reforms to enhance fiscal and debt management, the governance of state-owned enterprises, social protection systems, and gender equality.

**Operational challenges.** Nauru’s geographic conditions and narrow economy impede donor support and inclusive development. The country’s small size and remoteness raise the cost of providing public infrastructure and services and limit economies of scale. At the same time, Nauru has a narrow economic base and is heavily reliant on imports, leading to high-cost structures.

ADB’s development approach in Nauru emphasizes the need for a consultative and flexible response, long-term and focused engagement, and the importance of capacity development. ADB provides technical assistance and coordinates closely with development partners to support national reforms and capacity building.
KNOWLEDGE WORK

ADB has supported the Nauru Bureau of Statistics in strengthening governance and enhancing their capacity to produce economic data. This enables Nauru to utilize a wider evidence base when making future policy reforms and engaging in strategic decision-making. The ADB-supported Pacific Regional Infrastructure Facility is also helping the government to develop national building codes that will incorporate climate resilience considerations.

FINANCING PARTNERSHIPS

Financing partnerships enable ADB’s financing partner governments or their agencies, multilateral financing institutions, and private organizations to participate in financing ADB projects. The additional funds provided may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in Nauru:

- Sovereign cofinancing: $50.64 million for 4 investment projects and $3.41 million for 5 technical assistance projects since 1996

A summary of projects with cofinancing from 1 January 2018 to 31 December 2022 is available at www.adb.org/countries/nauru/cofinancing.

FUTURE DIRECTIONS

ADB will continue to support Nauru with investments that improve transport and renewable energy infrastructure and services. ADB is also preparing an urban development project, and will continue to support policy reforms to strengthen state-owned enterprise governance and fiscal sustainability.

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.

Nauru: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2021–2022

<table>
<thead>
<tr>
<th>No. of Ongoing Loans* (as of 31 Dec 2022)</th>
<th>2021 ($ million)</th>
<th>2022 ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Awards**</td>
<td>1.03</td>
<td>5.73</td>
</tr>
<tr>
<td>Disbursements**</td>
<td>5.95</td>
<td>10.25</td>
</tr>
<tr>
<td>No. of Ongoing Grants* (as of 31 Dec 2022)</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

* Includes closed loans/grants that had contract awards or disbursements during the year.
** Excludes policy-based, results-based, financial intermediation/credit, CPRO (COVID-19 Pandemic Response Option), and fully administered cofinanced loans and grants.


<table>
<thead>
<tr>
<th>Total Number of Validated and Evaluated Projects and Programs</th>
<th>Evaluation Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Highly successful</td>
</tr>
<tr>
<td>Sovereign Operations</td>
<td>4</td>
</tr>
<tr>
<td>Nonsovereign Operations</td>
<td>–</td>
</tr>
</tbody>
</table>

Note: Totals may not add up because of rounding.

Nauru: Projects Cofinanced, 1 January 2018–31 December 2022

<table>
<thead>
<tr>
<th>Cofinancing</th>
<th>No. of Projects</th>
<th>Amount ($ million)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign</td>
<td>3</td>
<td>41.53</td>
</tr>
<tr>
<td>Grants</td>
<td>2</td>
<td>41.31</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>1</td>
<td>0.23</td>
</tr>
</tbody>
</table>

* Numbers may not sum precisely because of rounding.
ADB AT A GLANCE

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. It has 68 members—of which 49 are from Asia and the Pacific and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,775 staff from 66 members as of 31 December 2022.

ADB maximizes the development impact of its assistance to its members by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others. It mobilizes financial resources through cofinancing from official, commercial, and export credit sources.

ADB met strong demand for its assistance in 2022. It unlocked greater resources for its members through the private sector and partnerships. ADB provided financing for climate change mitigation and adaptation initiatives, education quality and access, affordable health care, and more sustainable and climate-resilient food systems. In 2022, 97% of ADB operations contributed to gender equality. ADB fostered greater regional collaboration on issues such as health threats and tax cooperation. ADB also responded to demand for tailored knowledge solutions from its members.

ADB operations. In 2022, ADB committed $20.5 billion in loans, grants, equity investments, guarantees, private sector programs, and technical assistance to both the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of $11.4 billion.

As of 31 December 2022, ADB’s cumulative commitments in 45 countries stood at $358.4 billion covering 4,189 loans, $12.6 billion in 566 grants, and $5.5 billion in technical assistance grants, including regional technical assistance grants.

In addition to loans, grants, and technical assistance, ADB uses guarantees, equity investments, and private sector programs to help its developing member countries.

Total commitments in nonsovereign loans, equity investments, and guarantees from ADB’s own funds in 2022 amounted to $11.1 billion for 37 transactions in economic and social infrastructure, finance sector, and agribusiness.

In 2022, ADB mobilized $1.7 billion of long-term project cofinancing and $5.3 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and undisbursed commitments of nonsovereign transactions funded by ADB’s own resources stood at $12.8 billion as of 31 December 2022.

FINANCING PARTNERSHIPS

Total sovereign and nonsovereign cofinancing commitments, 2022

• $11.39 billion for 165 projects, of which:
  » $11.2 billion, 75 investment projects,
  » $126.49 million, 87 technical assistance projects,
  » $60 million transaction advisory services mandates for 3 projects.

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2022

• $151.87 billion for 3,292 projects, of which:
  » $147.81 billion, 1,163 investment projects,
  » $2.92 billion, 2,120 technical assistance projects,
  » $1.13 billion transaction advisory services mandates for 9 projects.

PROCUREMENT

ADB’s Procurement Contracts, 2022

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:

• $15.23 billion in 2021
• $16.19 billion in 2022
• $247.06 billion covering 228,149 contracts, cumulative procurement since 1966.

Consulting Services
ADB’s procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations:

• $706.65 million in 2021
• $535.61 million in 2022
• $15.45 billion covering 74,995 contracts, cumulative procurement since 1966.

MORE ABOUT NAURU AND ADB

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: $5.67 million
*Paid-in capital subscription: $279,000
*United States dollar figures are valued at rate as of 31 December 2022.

Contributions to Special Funds Resources
Nauru contributes to the Asian Development Fund (ADF) and the Technical Assistance Special Fund (TASF). The ADF provides grants to ADB’s low-income developing member countries. The TASF provides technical assistance grants to developing member countries to help prepare projects and undertake technical or policy studies.

Contributions to the ADF (committed): $300,000
Contributions to the TASF (committed): $67,000

ADB Governor: Martin Hunt MP
ADB Alternate Governor: John Petersen
ADB Director: Rachel Thompson (Australia)
ADB Alternate Director: David Cavanough (Australia)
ADB Director’s Advisors: Sweety Kalbesang (Palau) and Sabuhi Jafarov (Azerbaijan)

CONTACTS

Pacific Liaison Coordination Office (PLCO)
Established: 2021
Regional Director: Shane Rosenthal
45 Clarence St, Level 20
Sydney 2000, NSW, Australia
Tel: +61 2 8270 9444
Fax: +61 2 8270 9445
adbplico@adb.org
www.adb.org/offices/pacific/main

Nauru Pacific Country Office
Established: 2018
Senior Country Officer: John Limen
Government Building
Yaren District, NRU68
Republic of Nauru
www.adb.org/nauru
www.facebook.com/adbpacific
www.twitter.com/ADB_Pacific

ADB Headquarters
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel: +63 2 8832 4444
Fax: +63 2 8636 2444
www.adb.org

Department of Finance and Sustainable Development
Government Offices, Yaren District
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

Notes: (i) Figures are estimated by ADB unless otherwise stated.
*“$” refers to United States dollars. (ii) Data are updated as of 31 December 2022 unless otherwise indicated.