

 Early Warning System

ADB-55017-001

Improving Fiscal Sustainability Program (Subprogram 1)



### Quick Facts

<b>Countries</b>	Nauru
<b>Financial Institutions</b>	Asian Development Bank (ADB)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	C
<b>Voting Date</b>	2024-03-18
<b>Borrower</b>	Government of Nauru - Department of Finance
<b>Sectors</b>	Finance, Law and Government
<b>Investment Type(s)</b>	Grant
<b>Investment Amount (USD)</b>	\$ 5.60 million
<b>Project Cost (USD)</b>	\$ 10.70 million



### Project Description

According to the Bank's website, the proposed Improving Fiscal Sustainability Program will help the Government of Nauru strengthen gender-responsive fiscal sustainability by implementing policy and institutional reforms to (i) enhance fiscal and debt management, (ii) improve the governance of state-owned enterprises (SOEs), (iii) advance social protection systems; (iv) increase women's economic participation; and (v) reduce gender-based violence (GBV). The program will support key operational priorities of Strategy 2030 of the Asian Development Bank (ADB): addressing remaining poverty and reducing inequalities, accelerating progress in gender equality, and strengthening governance and institutional capacity. The program aligns with all three objectives in ADB's Pacific Approach, 2021-2025: preparing for and responding to shocks, delivering sustainable services, and supporting inclusive growth. The program was designed knowing that Nauru is both a small island developing state and a fragile and conflict-affected situation.



### Early Warning System Project Analysis

The program is expected to be categorized C for environment, involuntary resettlement, and indigenous peoples.



### Investment Description

- Asian Development Bank (ADB)

The government has requested a grant not exceeding \$10 million from ADB's Asian Development Fund to help finance the program. The proposed financing is expected to be disbursed in two subprograms—\$5 million for subprogram 1 in FY2024 and \$5 million for subprogram 2 in FY2026. With the narrow economic and revenue base sensitive to changes from the NRPC and the NRPC winding down, Nauru faces significant fiscal uncertainty. The program will help the government meet its projected fiscal deficit and development financing needs of \$10.7 million in FY2024 (6.9% of GDP). The proposed financing will also help the government maintain the 3 months of non-NRPC expenditure fiscal cash buffer and defray some higher social protection costs.



### Contact Information

*No contacts available at the time of disclosure.*

### ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

### ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



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### Bank Documents

- [Improving Fiscal Sustainability Program \(Subprogram 1\): Concept Note](#)
- [Project Disclosure PDF](#)