1. Relevance of Assistance

The objective of ODA is to contribute to economic development and improve the welfare of developing nations so as to create a world where all people can live in a humane manner and in peace. Many island countries, including Nauru face challenges such as small-scale economy and lack of easy access to international markets ensuing barriers to their economic development.

Nauru once had a high-end living standard due to export of its highly abundant mineral Phosphorus. However, since 1990s the mining volumes have decreased due to the exhaustion of the land's Phosphorus deposits. Nauru is also quite vulnerable countries to climate change such as rising sea level, sea erosion and drought being an Atoll Island.

In 2005, the Government of the Republic of Nauru established "National Sustainable Development Strategy (NSDS) 2005-2025" for restoring its fiscal health and strengthening infrastructure for economic growth. However, the delay in infrastructure development has been causing a decline in the national living standard. Furthermore, the remoteness of the country makes it difficult to obtain necessary equipment for health and medical services. Non Communicable Diseases (NCDs) such as diabetes and hypertension and Communicable Diseases (CDs) have burdened the people of Nauru with medical treatment. Therefore, Nauru gives a high priority to countermeasure NCDs and CDs.

The Government of the Republic of Nauru embraces a healthy relationship with the Government of Japan particularly in the field of fisheries evident from activities such as Japanese fishing vessels operating in Nauru's Exclusive Economic Zone (EEZ) based on the bilateral fisheries agreement. Therefore, it is essential that the Government of Japan continues to support and encourage the efforts of Nauru's self reliance and sustainable development and reinforce a dynamic relationship between the Republic of Nauru and Japan.

2. Basic Policy of Assistance: <u>Accomplishment of Self Reliance based on the</u> <u>Sustainable Economic Growth with Environmental Consideration</u>

The Government of Japan has been providing assistance to Nauru prioritizing the field of environment conservation and climate change. Specific importance is also placed on the improvement of basic social welfare such as education and health, and sustainable economic growth through the development of economic infrastructure

based on the Government of the Republic of Nauru's NSDS and the assistance policy of the Government of Japan adopted during the Pacific Leaders Meeting (PALM) which has been held every 3 years since 1997.

3. Priority Areas

(1) Environment / Climate Change

The Government of Japan provides support to Nauru focusing mainly on the field of disaster management especially for strengthening the meteorological system of the country.

(2) Overcoming Vulnerability

In line with Nauru's NSDS, the Government of Japan provides support to Nauru focusing mainly on the development of basic infrastructures such as water supply system, as well as Improving and controlling the prevention of diseases including NCDs and also focusing on the infectious disease control measures.

4. Points to be considered

- Assistance from the Government of Japan is based on five priority areas stated in Okinawa 'Kizuna' Declaration that was adopted in the Sixth Pacific Islands Leaders Meeting (PALM6) held in May 2012. These are (1) response to natural disasters; (2) environment and climate change; (3) sustainable development and human security; (4) people-to-people exchanges; and (5) maritime issues.
- As stated in Okinawa 'Kizuna' Declaration, the Government of Japan considers its support in line with Okinawa's experiences such as solid waste management and water resource management. Okinawa has similar geographical and environmental conditions as Pacific Island countries.
- The Government of Japan takes into consideration the constraints for development, such as small-scale economy and lack of easy access to international markets, in providing assistance to the Government of the Republic of Nauru.
- The Government of Japan engages its efforts to implement effective and efficient exchange of views positively with the Government of Australia and New Zealand as main donors to Nauru as well as other donors to avoid duplication of support and for harmonization of each aid assistance.

Annex: Rolling Plan for the Republic of Nauru