

REPUBLIC OF NAURU
DEVELOPMENT FUND (AMENDMENT) BILL 2021

SECOND READING SPEECH

Honourable Martin Hunt, MP

30 March 2021

Mr. Speaker Sir,

I introduce to the House today the *Development Fund (Amendment) Bill 2021*. Mr Speaker, the *Development Fund Act 2011* was enacted to require the separation of development funds by donors from the Treasury Fund. In addition, it also brought with it the requirements of rigid reporting so that projects are monitored and funds are appropriately utilised for the purpose the funds are donated for and in a timely manner. It was for this purpose, Mr Speaker that the Act required reporting to be on a quarterly basis to this House.

Over a period of time, a review has been taken on these reporting requirements and the progress of work for any project. The quarterly reporting requirement is too frequent, which results in repetitive reporting of the activities. This reporting frequency as a statutory requirement does not add too much value. The proposed amendment will reduce this reporting requirement to only two reports instead of four. The reports will now be on a six-monthly basis. The annual report in its current form will still be retained under Section 7 of the Act.

The Department of Finance through the Planning and Aid Division will implement a much more vigorous internal reporting mechanism administratively. The Cabinet will also receive progress reports on a regular basis. The Act does not prohibit reporting to Parliament on the progress of projects on a regular basis or even when asked by the Members of Parliament for progress reports. The six monthly report is a statutory reporting requirement to ensure that Parliament is made fully aware of the manner in which the donor funds are utilised for the benefit of the people of Nauru.

There is a variation in the first six monthly report in that deviation of any funding is not reportable. This is because financial projections and ultimate

costings are dealt with in the financial and project auditing on an annual basis. Therefore any reportable deviation required under the Act is more appropriate to be reported in the annual report.

The Bill amends Section 2 of the Act by including definitions for ‘financial year’ and ‘mid-financial year’. It also removes the quarterly reporting requirements. Section 8 is also amended to reflect the change in reporting requirements.

Mr Speaker, the explanatory memorandum details the provisions of the Bill. Sir, I request that the explanatory memorandum be read and recorded in the Hansard Reports.

I commend the Bill to the House.