



Australian Government

Department of Foreign Affairs and Trade

Aid Program Performance Report 2013-14

Tonga

September 2014

Key Messages

This Aid Program Performance Report describes the Australian Government's progress towards its Tongan bilateral aid program objectives over the period July 2013 to June 2014 (2013-14).

Foreign development assistance is a critical component of Tonga's economic and social infrastructure development. Open dialogue with the Tongan Government and a coordinated approach with other donors were vital to the success of the program in 2013-14.

During the reporting period there were strong improvements in economic reform; gender equity reform; and the implementation of health, education and infrastructure programs.

- > Australia provided budget support and technical assistance for economic reforms which have yielded a primary surplus budget and provided substantial relief for Tonga's significant debt pressures.
- > A country plan for Australia's Pacific Women Shaping Pacific Development (PWSPD) which has a strong focus on reducing violence against women was endorsed by Tonga. Australia focussed this year's support on implementing that plan and the Tongan Family Protection Act 2013 which established domestic violence as a criminal offence and set out important legislative protections for women and children.
- > Non-communicable diseases are not only the biggest killers of Tongans, they significantly cut short Tongan life expectancy. Progress on legislative reforms to support health objectives included a 15 per cent increase in the tobacco excise tax and work towards tobacco control amendment bills (for more smoke-free premises and enabling enforcement officers to issue on-the-spot fines). Over the period 2011 to 2013, Australia supported a range of improvements in health centre infrastructure, services and standards, which, along with Australian-supported training of specialised non-communicable disease nurses, has helped decrease the incidence of diabetic sepsis and subsequent amputations. Breast cancer is the most commonly diagnosed cancer in Tonga – the provision in May 2014 of Tonga's first mammography machine is expected to increase early detection rates and subsequently improve survival chances.
- > With Australian support the quality of basic education in Tonga was strengthened: 150 teachers gained professional certification; curriculum materials for classes 1 to 8 were revised to improve teaching strategies and learning outcomes; Tonga's National Early Childhood Education policy was updated and support provided to operationalise key elements; development of Early Childhood Education Resources (in the Tongan language) was completed; the Early Childhood Education Curriculum was revised and an Early Childhood Education teaching qualification was developed.
- > Australia generated over 11,700 days of employment for local workers through road maintenance activities. The Nuku'alofa Urban Development Project improved waste collection and management services and expanded water metering to businesses and residential services to improve revenue for the water utility.
- > Australia was also a major contributor to the emergency response to Tropical Cyclone Ian which hit Tonga's outer islands in January 2014 causing one death and economic losses estimated at around A\$55 million.

The program is well placed to deliver against the Australian Government's economic diplomacy and development assistance priorities as described in its new aid policy. A new Aid Investment Plan needs to be developed in consultation with the Tongan Government and other donors. Investment in economic reforms must be consolidated. More work is required to further improve consideration of gender equity, disability inclusiveness and private sector engagement across the program.

Context

Economy

Tonga's small open economy is vulnerable to external shocks and was hard hit by the Global Financial Crisis. Tonga imports a high proportion of its food, mainly from New Zealand. It remains dependent on foreign development assistance and remittances from Tongan communities overseas to offset its trade deficit and support social infrastructure and services.

Economic growth in Tonga has averaged less than one per cent annually over the last decade. The effects of the global financial crisis and consequent sharp fall in remittances resulted in GDP declining by more than three per cent. In 2013-14 the economy was expected to increase to one and a half per cent as a result of infrastructure projects financed by development partners.¹

With support from Australia and other like-minded development partners, Tonga's fiscal position has stabilised, resulting in the IMF and World Bank downgrading its debt distress rating in July 2013² from high to moderate, reflecting improvements in the policy environment and a 'no new debt' policy applied by government in recent years. Nevertheless, the national debt remains a concern given the country's lack of fiscal room and constrained debt servicing capacity. According to the IMF, Tonga's total public debt was 44 per cent of GDP and external debt was 40 per cent of GDP (with two thirds of external debt owed to China's EXIM Bank).

Tonga is an active participant in Australia's Seasonal Worker Program and since 2012 almost 2700 Tongans have participated in the program, which represents approximately 77 per cent of all participants. Tonga has also played a prominent and constructive role in advocating for increased access to regional labour markets for Tongan labour.

On 11 January 2014, Category 5 Tropical Cyclone Ian (TC Ian), the strongest storm on record to be experienced in Tonga, hit the Ha'apai island group in Tonga's north. It caused significant damage and economic losses estimated at around US\$50 million (equivalent to 11 per cent of Tonga's GDP)³. There was one confirmed fatality and extensive damage to housing, crops and public buildings. Australia was a major contributor to an effectively coordinated donor response. Ongoing response efforts to this and any future natural disasters will continue to place strain on the Tongan economy.

Politics

Tonga is an important regional partner with strong migration links to Australia. Tonga's first elections following democratic reforms were held in 2010. The next general election will be held in November 2014. Politics in Tonga has been stable during the APPR reporting period and has been underpinned by a broad commitment to democratisation and economic reform. There were no women elected to the People's Representatives seats at the last election in 2010 (Dr Ana Taufe'ulungaki was subsequently appointed Minister for Education by the Prime Minister). Currently all 23 District Officers and 155 Town Officers are male. However, female representation in senior levels of the civil service is stronger, with women currently representing one third of Ministry heads within Tonga's civil service and over half of deputy level civil servants.

Development situation

Tonga's development challenges include debt exposure, declines in the quality of education, rising levels of non-communicable diseases such as diabetes and heart disease, a limited revenue base, and limited employment opportunities for a young and growing population. Absolute poverty is very low in

¹ Asian Development Bank 'Asian Development Outlook 2014 Fiscal Policy for Economic Growth "South Pacific Economies" <http://www.adb.org/publications/asian-development-outlook-2014-fiscal-policy-inclusive-growth>. *The Government of Tonga Budget Statement for Year Ending 30 June 2015* estimated GDP growth was 1.8 per cent, page 8.

² Joint IMF/World Bank Debt Sustainability Analysis July 2013 www.imf.org/external/pubs/ft/dsa/pdf/2013/dsacr13234.pdf

³ World Bank Supports Disaster Reconstruction and Recovery in Tonga <http://www.worldbank.org/en/news/press-release/2014/05/29/world-bank-supports-disaster-reconstruction-and-recovery-in-tonga>

Tonga but around one quarter⁴ of Tongan households experience a level of hardship which makes it difficult to regularly meet the full range of basic needs.⁵ Hardship is most keenly felt among those living in outer islands, in families with no or limited access to remittances, in families with irregular employment, by recent migrants to urban centres, and by people with disability.

Despite its economic difficulties Tonga has made strong progress against the Millennium Development Goals (MDGs). Tonga's progress is on track for: universal primary education (MDG2), reducing childhood mortality (MDG4), improving maternal health (MDG5), combatting HIV/AIDs and other diseases (MDG6) and ensuring environmental stability (MDG7)⁶. Tonga still faces serious health challenges with non-communicable diseases responsible for four of the five most common causes of mortality (diabetes, heart disease, stroke and lung disease). More critically, non-communicable diseases are decreasing Tongan life expectancy. There are no MDG targets classified as being off-track but those relating to poverty (particularly in the outer islands) and high youth unemployment (MDG1), and gender equality and empowering women (MDG3) have mixed results. The Pacific 2013 MDG Tracking Report found most countries in the region recorded slow progress on empowering women. Tonga has made efforts to progress MDG3 by launching its revised Gender and Development Policy in May 2014 and also passed the *Family Protection Act in 2013*.⁷

Donors

Foreign development assistance (as loans, grants and direct aid) is an important component of the Tongan economy. Australia is Tonga's largest development partner. In 2012, Australian official development assistance (ODA) was 36.8 per cent of all aid from OECD DAC member countries received by Tonga. The next biggest donors were New Zealand (23.9 per cent) and Japan (16.5 per cent)⁸. In 2013-14, Australia's total development assistance to Tonga was \$29.3 million which consists of approximately \$17 million in bilateral funding, \$8.2 million in regional funding and approximately \$3.4 million in ODA from other Australian government departments.

Australia works closely with New Zealand, the World Bank and the Asian Development Bank. China is also a major donor with Government of Tonga budget figures estimating that China provided Tonga with \$8.74 million in 2013-14.⁹ China has a substantial presence in Tonga. Australia will continue to pursue opportunities for enhanced cooperation with China within the wider donor community.

Expenditure

Australian foreign development assistance expenditure for Tonga for the period July 2013-June 2014 (AUD20.32 million) is summarised below. Other Government Department expenditure is not currently allocated against aid program objectives and subsequently not covered in the body of this report – this gap will be addressed as part of the development of the Aid Investment Plan in 2014-2015. More detail on Other Government Department expenditure for 2013-14 can be found at **Annex E**.

⁴ Government of Tonga, Department of Statistics (2009). Data presented in a 2009 social protection issues paper prepared for the government's Ministry of Finance and National Planning.

⁵ Through *Pacific Women Shaping Development Initiative*, the Australian Government will fund research into the social and economic impacts of the seasonal migrant worker scheme on women, men and families in Tonga.

⁶ 2013 MDG Tracking Report, Pacific Islands Forum Secretariat.

⁷ <http://www.mic.gov.to/news-today/press-releases/4962-ministers-remarks-on-the-official-launching-of-revised-national-policy-on-gender-and-development-a-strategic-development-plan>

⁸ The latest OECD Statistics only provide 2012 figures, <http://stats.oecd.org/>

⁹ This is estimated expenditure and is cash, in-kind grant or loans. Refer Table 70: *Government of Tonga Budget Statement for year ending 30 June 2015* p.126.

Table 1(a): Expenditure by Department of Foreign Affairs and Trade (DFAT) in FY 2013-14

Partnership objective	Expenditure (AUD million)	% of DFAT expenditure
More efficient and effective public sector	7.22	43
<i>** included Performance linked aid</i>	5.00	-
Improved technical and vocational skills	4.66	27
<i>** included Education Support program (TESP2)</i>	2.01	-
<i>** included Australia Awards (Scholarships programs)</i>	2.14	-
Development of infrastructure to improve the everyday lives of the people	3.57	21
Improved health	0.29	2
Humanitarian ¹⁰	0.84	5
Other bilateral ¹¹	0.37	2
Sub-total	16.95	100

Table 1(b): Expenditure by Other Government Departments (OGD) in FY 2013-14

Department	Expenditure AUD million	% of OGD expenditure
Australian Federal Police	2.60	77
Australian Centre for International Agricultural Research (ACIAR)	0.60	18
Reserve Bank of Australia	0.17	5
Sub-total	3.37	100

TOTAL: AUD 20.32 million

¹⁰ Costs associated with responding to Tropical Cyclone Ian. For example, supplies to Tonga Red Cross such as blankets, water containers, tarpaulins. Also supplies for the Tonga Meteorological Service such as a container office for outer island (Eua), satellite phone, high frequency radio and a standby generator.

¹¹ Other program management expenses include program monitoring and audits, Public Financial Management assessments, gender data research, training, support for White Ribbon day.

Progress towards objectives

Overall, the Australian aid program in Tonga continues to make steady progress against program objectives. There have been notable achievements across all sectors particularly the public sector and health programs. Early assessments indicate the new Technical and Vocational Education and Training Program was addressing the weaknesses of the previous program and was on track to deliver good results in coming years. Progress on infrastructure programs was inconsistent: reporting indicated the more complex programs, with the greater number of partners involved, were suffering the greatest delays. Australia will maintain open and frank dialogue with program partners to work through such challenges.

Table 2 Rating of the program's progress towards Australia's objectives

Objective	Current Rating	Previous Rating
More efficient and effective public sector	Green	Green
Improved technical and vocational skills	Green	Amber
Development of infrastructure to improve the everyday lives of the people	Amber	Amber
Improved health	Green	Green

Note:

■ Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

■ Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

■ Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Reporting period:

Objective: More efficient and effective public sector

Australia's overarching aims for this sector are to support the Government of Tonga to ensure that policies and programs are fiscally sustainable, strategically targeted on core development priorities and implemented in the most cost-effective manner.

Since 2011, Australia has worked with the Government of Tonga and other donors to develop and implement an economic reform program known as the Joint Policy Action Matrix. The Joint Policy Action Matrix helps coordinate and prioritise programs of most partners involved in this sector. It provides incentives, mainly in the form of performance-linked budgetary support and technical expertise, to strengthen public financial management, reduce debt and enhance the business enabling environment.

Through its partner engagement on this reform program Australia has gained a seat at the policy discussion table with the Government of Tonga, together with other development partners. This is vital to help maintain policy reform momentum and ensure policies and expenditure move in a 'pro-poor' direction. Macro-policy reforms of this kind also help ensure the effectiveness of Australia's broader aid program to Tonga.

Benchmark 1: Strengthening Public Financial Management

Although external shocks continue to present risks, Tonga has worked constructively with its development partners in recent years to improve economic and financial management. That work is beginning to show strong results. Tonga brought down fiscal deficit and set its public finances on a sustainable footing. The overall deficit has fallen from over seven percent of GDP in FY2010-11 to one per cent of GDP in FY2012-13. A primary budget surplus was achieved in 2013-14. Tonga is now in a better position to increase and improve essential service delivery in areas such as health, education and infrastructure maintenance.

To improve the depth of financial management skills in the public sector, during the reporting period 133 public servants (89 women and 44 men) attended six customised public administration courses which included tailored training on implementing Tonga's new Public Financial Management Reform Roadmap.

Aligning Expenditure with Policy Priorities

Better alignment between expenditure and policy priorities is an important focus of ongoing reforms. Tonga is undertaking efforts towards improved alignment and has made significant progress over recent years. For example, over the reporting period, Tonga succeeded in maintaining funding allocated to health and education as a share of total expenditure (12 per cent and 16 per cent respectively).¹²

Tonga also legislated new controls requiring Ministry of Finance approval on transfers between sub-programs of the Budget. This reform represents the culmination of several years' preparatory activity and will strengthen the link between budget allocations passed by the Parliament and actual expenditure. World Bank analysis indicated that previously, actual expenditure varied from budgeted allocations by more than 20 per cent for 65 per cent of sub-programs across government. Nearly 20 per cent of sub-programs were subject to variances of more than 50 per cent of budget allocation.

Strengthening Fiscal Policy

The Government of Tonga is pursuing an ambitious tax reform agenda, guided by a review of tax policy and administration supported by Australia, as well as policies to use fiscal instruments to address health challenges. The review recommended reforms to reduce tax exemptions and concessions to improve transparency and reduce revenue loss; the introduction of a presumptive tax for Small and Medium Enterprises (SMEs) and new tax regimes for natural resources and land rentals. This work is being progressed with Australian aid support for technical assistance and major tax and customs IT upgrades.

Over the reporting period, Tonga also approved a new rules-based system to manage all requests for discretionary tax exemptions. A framework for standardised and transparent investment incentives was also introduced, in order to support priority investment in a fiscally sustainable manner. The government also introduced tax increases on cigarettes, alcohol and fatty foods, to encourage healthy choices by consumers.

Engagement in October 2013 of a Tax Compliance and Audit Adviser with Tonga's Customs Department has helped improve the valuation, classification and audit of imported goods. A joint approach to operational efficiencies in the Compliance and Audit Division resulted in 41 per cent of total outstanding tax compliance cases being resolved, generating approximately A\$954,510 in additional revenue.

Procurement reform

Strong progress was achieved by Tonga over the 2013-14 reporting period on implementation of the Government's Procurement Reform Action Plan, which outlines a set of regulatory and procedural reforms to progressively address weaknesses and build a more robust and efficient procurement system. The Reform Plan was developed with support from the Australian Aid Program as part of Australia's 2012-13 performance-linked aid, and reported on in the 2012-13 APPR.

A restructured Central Procurement Unit, supported by two Australian-aid funded procurement specialists, was established in the Ministry of Finance and National Planning. The contract value threshold for all procurement to be handled by the Central Procurement Unit has been reduced from TOP 30,000 to TOP 7,500. The lowering of the contract value threshold will increase the oversight of the

¹² The Australian Aid Program through its budget support will encourage Tonga's commitment to maintaining funding for health and education service delivery during the tough fiscal position in the years ahead. This will be particularly important given the costs to the economy from high rates of non-communicable diseases and the importance of a healthy, well-educated and mobile workforce to Tonga's economic outlook.

Central Procurement Unit for a large proportion of government procurement and help address capacity constraints for the key processes of tendering and awarding contracts. In addition, a review of the Public Procurement Regulations (2010) commenced and Central Procurement Unit staffing levels were increased to full capacity. Work commenced on refining standard bidding documents and producing a procurement practitioner's manual. Common use items procurement, starting with government travel, commenced with a view to achieving better value for money across government.

Benchmark 2: Reducing debt

The Government has successfully implemented and remains committed to a policy to avoid any new non-concessional borrowing, and debt levels have been trending downwards. Public and Publicly-Guaranteed (PPG) external debt has fallen from 41.9 per cent of GDP in FY2012 to 40.8 per cent in FY2014 and is expected to fall further to 38.3 percent by FY2016.

As a result the IMF and the World Bank downgraded Tonga's debt distress rating from high to moderate.

Benchmark 3: Enhancing the Business-Enabling Environment

Since the Global Economic Crisis and in the context of ongoing declines in remittances, the Government of Tonga has stepped up its commitment to business environment reforms as a means of encouraging investment and private sector development. Since 2007, Tonga has made significant progress in strengthening the business regulatory environment and corporatising and privatising several state-owned enterprises (SOEs). Reflecting these reforms, Tonga is now the highest ranked Pacific Islands Country in the ADB's Doing Business Survey, having moved up three places and above Fiji in the last year. Despite the significant steps taken, more remains to be done, including addressing constraints to SOE performance.

Tonga also took forward measures to reduce regulatory impediments to increased foreign direct investment (FDI), a key driver of growth and job creation. The government approved a revised policy framework for foreign investment to enable more foreign investment in the fisheries and agriculture sector.

In 2013-14 key program achievements included the preparation of an amended SOE Act, governance training for SOE Boards, the development of a director performance appraisal system and a skill-based director selection process, and training to assist in implementing the provisions of the amended SOE Act.

Political governance

The 'Tonga Governance Strengthening Program' (TGSP) was agreed by Tonga, Australia and the UN Development Program (UNDP) in April 2013. TGSP is implemented by UN Development Program and aims to work with Tonga's Parliament, Electoral Commission (TEC) and civil society to increase their effectiveness and build community understanding of their roles and responsibilities.

A key success of the program was the Women's Practice Parliament, which promoted the participation of Tongan women as potential future political leaders, important in the context of November 2014 national elections. TGSP subsequently provided training for potential candidates through its Women's Leadership Campaign workshop.

As part of TGSP, the Australian Electoral Commission (AEC) is helping Tonga to prepare for the 2014 national elections. The AEC has supported the TEC since January 2014 by updating electoral rolls, holding a training workshop; providing a voter education training package and initiated a comprehensive voter registration system based on contemporary technology. The AEC has also provided ongoing support to the TEC for the administration of national and local-level elections.

Despite these gains, TGSP has also experienced setbacks. Australia and UNDP are working together to address issues within the program including delays and ongoing challenges with program monitoring and evaluation, communication and reporting requirements. These challenges have impacted on Australia's ability to fully assess the project's overall progress to date.

Objective: Improved Basic Education and Technical and Vocational Education and Training skills

Performance against this objective in 2013-14 was satisfactory. Corrective action was taken to end the previous Tonga Technical and Vocational Education and Training (TVET) Support Program which was underperforming. The replacement TVET program made good early progress during the reporting period, particularly with the release of Tonga's *Draft National TVET Policy Framework 2013-2017* (developed with support from Australia) to reform Tonga's TVET system from one driven by supply to one driven by demand. A managing contractor was also engaged to deliver accredited TVET courses and the establishment of a Facility Management Group which includes Tongan government participation will provide oversight of its operations and strategy. The labour market in Tonga and the Pacific region has been analysed to ensure demand driven training courses are offered.

Tonga Education Support Program – Phase 2 (TESP2)

Australia also supports basic education in Tonga through TESP2. Key achievements against TESP2 targets for 2013-14 are described below.

- > Improvement of student learning outcomes and teacher quality.
 - o Curriculum materials for classes 1 to 8 were revised to improve teaching strategies and student learning outcomes.
 - o Over 30 untrained primary school teachers and 120 secondary school teachers were provided with training and professional development at the Tonga Institute of Education.
 - o Tonga's Ministry of Education and Training staff appraisal policy was approved and training for 366 principals and school officers was completed.
- > Improved access to education
 - o A scoping report of early childhood education needs was completed. Identifying early childhood education needs helps the program better target areas of priority and inform future resourcing decisions. This work also informed early childhood education materials for teachers and students.
 - o CBM - Nossal Institute was commissioned to examine disability inclusiveness challenges in Tonga and provide recommendations for the education program
- > A performance assessment framework TESP2 was developed and implemented – this was a critical component of implementation given the challenges faced by the previous program.

Despite the good progress on these fronts, other important elements of the program progressed slowly due to capacity constraints in Tonga's Ministry of Education, which is responsible for implementation.

- > Development of a Unified Grant System to improve the management of school grants that are linked to minimum service standards was delayed.
- > An Inclusive Education (IE) scoping report, to develop data on disabilities and a plan for Tonga to improve education for the disabled, was not completed due to MET's difficulty in identifying the requirements for this work, which would allow recruitment of the appropriate technical assistance. It is intended that this work provide an improved understanding of Tonga's IE needs to inform the

development of learning and teaching resources, physical facilities, capacity building and professional development of IE staff.

Australia will continue to work with Tonga to improve implementation progress for TESP2. Options include offering more direct support to procure technical assistance efficiently and the introduction of a performance-linked funding component to encourage better implementation progress.

Australia Awards

Australia Awards continued to be a successful educational tool but further work is required to improve completion rates for the Pacific Scholarships and encourage students to maintain linkages with people in their study country. Australia Awards were provided to develop Tonga's leadership and management capacity across priority areas. In 2013, Australia awarded eight (62 per cent female) Australia Awards Scholarships and 27 (70 per cent female) Australia Awards Pacific Scholarships. Over the period 2009-2013 there was a 100 per cent completion rate for Australia Awards Scholarship students but only a 63 per cent completion rate for the Australia Awards Pacific Scholarships. The large majority of these students have returned to work in Tonga.

A tracer study of Tongan scholarship students since 1987 was undertaken in February 2014. While the response numbers were small, the findings indicate Australia Awards provide an overall positive impact to alumni knowledge and skills and those alumni are making substantive contributions to Tonga's development. Of the 67 respondents, over ninety per cent were currently in full time employment, with the majority working in Tonga's public sector. However, the study found that few alumni maintain ongoing linkages with people in their study country (Australia or the Pacific region). Drawing on the study findings, Australia will work with the Tonga Scholarship Committee to improve completion rates for the current cohort of 98 students and encourage greater people-to-people linkages.

Objective: Development of infrastructure to improve the everyday lives of people

Australia's assistance to Tonga's infrastructure sector is implemented through co-financing agreements with multilateral development banks, due to their comparative advantage in this area.¹³

While assessed as satisfactory overall, progress in this sector was not consistent. Over the reporting period the program had some significant achievements. Access to water and waste management services for Nuku'alofa residences was greatly improved. The management and condition of Tonga's road network was improved and included increased private sector participation. In November 2013, the Transport Sector Consolidation Project was awarded first runner up for the prestigious Institute of Asset Management's 'Asset Management Achievement Award', in recognition of the complex institutional reforms and changes achieved by the project¹⁴. The installation of two on-grid solar generators and 550 solar home systems is helping Tonga progressively reduce its dependence on imported fossil fuel for power generation.

In contrast, the institutional and regulatory environment for the Tonga Energy Road Map was not strengthened as planned due to delayed take-up of project initiatives by Tonga. Some delays are attributable to project complexities. The World Bank will continue work with the Implementation Unit to improve results on this project.

World Bank-led Transport Sector Consolidation Project

¹³ Two projects, TERM and TSCP, are managed by World Bank and coordinated through the Pacific Region Infrastructure Facility.

¹⁴ Institute of Asset Management, <https://theiam.org/about-us/IAM-Awards/Asset-Management-Achievement-Award>.

The Transport Sector Consolidation Project (TSCP) strengthens policy, planning and institutional arrangements for the transport sector, improves safety and security for air and sea transport, and builds domestic private sector capacity to undertake road maintenance activities.

Australia's co-financing under TSCP has focussed on the road maintenance component. Overall the project is progressing satisfactorily, with improvements over the previous year on management and condition of Tonga's road network and increased private sector participation. Despite these improvements, heading in to the final year of the program, implementation and disbursement progress is still slow and program reporting remains a challenge.

The target for routine road maintenance¹⁵ was achieved with 462 kilometres (km) of road maintained however the cumulative (Year 1 and Year 2) target of 75km of roads receiving periodic maintenance was not reached, with only 11km completed in 2013-14 and 19 km completed in 2012-13. More positively, TSCP continued to support development of Tonga's local contracting industry: eight local private sector businesses were competitively awarded the road maintenance contracts. TSCP is making progress on the target of 48,000 (cumulative) person days of employment by 2015. Contracts to date have (so far) generated 11,770 days so that the current cumulative total is 31,000 days of employment.

In 2013-14, to support further reform of the transport sector, the project provided recommendations to Tonga's Government for the divestment of 14 non-core business functions from Ministry of Infrastructure to the private sector or a more appropriate Ministry or Government Department. Divestment of a government quarry was completed which is expected to reduce road maintenance costs through a 5 year concession arrangement for quality stone chip supply. Tongan Government action on several other divestment opportunities has slowed, possibly due to the distraction of Cyclone Ian recovery efforts.

Asian Development Bank-led Nuku'alofa Urban Development Project

The Nuku'alofa Urban Development Project (NUDP) improves the policy environment for urban planning and the availability of water supply and solid waste management services in Nuku'alofa.

There was good progress on scheduled start-up activities and the majority of 2013-14 targets were achieved. The Nuku'alofa Strategic Development Plan is expected to be finalised by September 2014 and will link to the Tonga National Infrastructure Investment Plan II. From a baseline of 50 per cent in 2011, solid waste collection services are now available to 65 per cent of households in Nuku'alofa (approximately 4,550 households and 22,750 residents). A septage tanker, two waste collection trucks and front end loader were procured. Water testing equipment has been delivered and is used for monthly environmental auditing. Water meters for business and residential premises have been procured to improve the accuracy of metering and billing. The construction of an impervious liner for Cell Number 2 at Tapuhia waste management facility is on track to be completed by November 2014 despite significant delays due to rain.

NUDP also helped create asset management registers for the Tonga Water Board and the Waste Authority Limited. This will help authorities plan for scheduled maintenance and will provide a roadmap for budget needs. An accounting package to assist Waste Authority Limited manage finance activities has been installed and training was completed in 2013.

Another challenge successfully addressed by the project was a requirement for urgent replacement of the waste compactor for Nuku'alofa's main Tapuhia waste management facility. The project was able to reprioritise funding to address this, and ensure the facility is able to continue operating in a more environmentally safe and efficient manner.

¹⁵ Target for 2013-14 was 75 kilometres (km) of road (35km of which is unsealed) periodically maintained, and 194km of road under general routine maintenance.

World Bank-led Tonga Energy Road Map Institutional and Regulatory Framework Strengthening Project

The Tonga Energy Road Map (TERM) Institutional and Regulatory Framework Strengthening project aims to provide a 'least cost approach' implementation plan to reduce Tonga's vulnerability to oil price shocks and achieve an increase in quality access to modern energy services in a financially and environmentally sustainable manner. This project has not tracked as well as expected during the reporting period due to delayed Government take up of project initiatives. Key reforms envisaged in the TERM work plan included a review of electricity tariffs with a view to the introduction of a lifeline tariff for the poor¹⁶ and improved incentives for efficient energy generation. The Tongan Government has since approved the introduction of a lifeline tariff by adopting a gradual subsidy drawback which provides maximum savings to low volume users (less than 50kWh per month) but withdraws the subsidy for high volume users, leaving no one worse off than they were before the introduction of the tariff. With assistance from the World Bank, TERM Implementation Unit has prepared a draft paper for government consideration on the lifeline tariff. The World Bank is also assisting the Implementation Unit complete a review of TERM project.

Tonga's intention to roll the Implementation Unit into a Ministry by July 2015, to regularise its status, was met 12 months early, with the TERM agency brought into the Ministry of Environment and Information (under the Prime Minister's responsibilities) from July 2014. This positive step may help ensure ongoing focus and delivery of the road map goals and priorities.

Through this project Australia co-funded the installation of 550 solar home systems by the Japan International Cooperation Agency (JICA) in November 2013 and the integration of two on-grid solar systems on the islands of Tongatapu and Vava'u.

Objective: Improved health

Progress in this sector was satisfactory overall. Australia provides support directly to Tonga's Ministry of Health to improve community health services and deliver preventative health measures through the Tonga Health Systems Support Program (THSSP). THSSP has a strong focus on halting a rise in the prevalence of non-communicable disease (NCD) risk factors which are now so prevalent they are reducing life expectancy and creating a major economic burden. The program also supports improvement of primary health care services to a common national standard, a highly cost-effective twinning arrangement and critical clinical positions, mentoring and training to support the operation of Tonga's major hospital.

Policy reform

At the level of policy reform, a key success over the period was progress on legislative reforms to support public health objectives, including a 15 per cent increase in tobacco excise tax and work towards the introduction of tobacco control amendment bills (for more smoke free premises, and enabling tobacco enforcement officers to enforce the Act by issuing on the spot fines to offenders).

Systems improvements

In February 2014, the first cadre of 20 registered specialist NCD nurses graduated with an *Advanced Diploma in Nursing Practice (Prevention, Detection and Management of NCDs)* developed and delivered through THSSP and were placed in village health centres across Tonga. This built on the program's earlier support for the establishment of an NCD nursing cadre (reported in 2012 APPR), to identify, monitor and treat NCDs in a community setting. THSSP paid the salaries of the first graduates as a pilot

¹⁶ A lifeline tariff is a targeted subsidy to support the poor and vulnerable households to have access to energy services. It is typically based on the consumption level of households, whereby subsidised rates are offered for a first block of consumption, which is usually enough to cover basic needs and rates revert to market price thereafter.

and to demonstrate their value the Tongan government has now recognised the value of this new health cadre and has absorbed them into its health workforce, strengthening community-based NCD treatment and prevention in Tonga in a sustainable manner.

Efforts also continued on improving health services to all Tongan communities by bringing health centres up to an established standard. Under THSSP, a fourth community health outreach centre was renovated in 2013 to provide services to 558 households – this is in addition to three health centres renovated in 2011, which has helped improve services for up to 2200 households along with upgrades to staffing (NCD nurses), equipment, provision of medicines, equipment, and furniture. Early analysis from the Health Ministry indicates that this improvement in services, along with the presence of NCD nurses mentioned above, and could be attributing a trend in reductions in the number of diabetic sepsis cases and subsequent amputations, as well as to improved preventative health measures at community level. The program will continue to monitor these trends.

THSSP also provided ongoing operational support to Tonga's major hospital, Vaiola, through the provision of long-term specialist medical staff, which fill a gap in critical services. This has provided the flexibility to engage locums when needed and to have longer-term support for areas that are unlikely to be filled locally for some time. Currently an anaesthetist, pathologist and a biomedical engineer act as mentors and help build local staff and systems capacity, for example by maintaining essential clinical equipment and by identifying local health staff as candidates for further training. The work of the long-term specialists is complemented by that of a regional health program, the Pacific Islands Program, implemented through the Royal Australian College of Surgeons. Under this initiative, four specialised surgical groups visited Tonga and performed 539 consultations (272 males and 267 females) and 169 operations (88 males and 81 females).

A significant outcome for this reporting period included the provision of the first mammography machine in Tonga.¹⁷ Breast cancer is the most commonly diagnosed cancer in Tonga and access to mammography services is anticipated to increase early detection rates and substantially improve survival outcomes. The service will be launched as part of 'Breast Cancer Awareness Week' in 2014.

Other significant achievements of this wide-ranging program are detailed in Annex F.

Challenges/factors affecting progress

An independent progress review of the *Tonga Health Systems Support Program* undertaken in 2013 identified a need to strengthen governance arrangements for health promotion work in Tonga, to ensure a more coherent and consistent approach to health promotion messages, which is needed to achieve the behaviour changes required to address NCDs effectively. In response, a new governance structure for management and oversight of national NCD activities has been designed and agreed to by all major stakeholders.

Procurement issues identified through earlier program audits are improving. However, challenges remain in embedding the new procurement processes. Budget and financial management also require ongoing strengthening and monitoring.

Other bilateral aid: Humanitarian

Australia was a major contributor to the emergency response to Tropical Cyclone Ian, the strongest storm on record in Tonga which hit the Ha'apai island group in Tonga's north in January 2014. The cyclone caused economic losses estimated at around A\$55 million (equivalent to 11 per cent of Tonga's GDP). Australia's response included emergency relief supplies, 200 tents and 250 hygiene kits for displaced families, and three Australian Civilian Corps specialists, who assisted Tonga's response

¹⁷Per the recent *Tonga Health Sector Analysis 2014* Final Draft Report 08 August 2014, Health Resource Facility (Dr Alice Levisay with contributions from Lynleigh Evans).

and recovery efforts. The program also purchased essential drugs and a water pump for the main hospital in Ha'apai; and helped rebuild and rapidly restore critical food sources (vegetable and staple crop plantation) for approximately 150 vulnerable households in Ha'apai. Funding within a joint Australia-World Bank program was re-prioritised allow the WB to repair damaged critical infrastructure (airport tower, port, roads).

Other bilateral aid: gender equality

A country plan for Australia's *Pacific Women Shaping Pacific Development (PWSPD)* was developed and endorsed by Tonga, with a strong focus on reducing violence against women. Australia focussed this year's support on implementing that plan and the *Tongan Family Protection Act 2013* which established domestic violence as a criminal offence and set out important legislative protections for women and children. A specialist gender adviser is working with Tongan government ministries to strengthen gender equality objectives across all investments supported by Australian aid. The first *Practice Parliament for Women in Tonga* was held on 10-11 April 2014, which successfully encouraged women's participation in politics, a particular focus with national elections scheduled for November 2014.

Further detail on gender equality achievements is available at Annex G.

Analysis of Quality at Implementation reports

The 2013 Quality at Implementation (QAI) scores for current investments reflect a portfolio of investments that are highly relevant to Tonga's development needs. The majority are performing adequately or better overall in terms of effectiveness and efficiency. Two notable exceptions are the 'final QAI' rating for the former TSP1 TVET support program, which was replaced; and ratings for the 'Tonga Business Recovery Program' (which is a legacy investment from 2006 that continues to be monitored as it involves repayments into a revolving loan fund that will not be completed until 2022).

The preponderance of 'adequate' ratings for effectiveness and efficiency (rather than, for example, 'very high quality') reflects sub-optimal rates of implementation in the delivery of programs through partner government systems, which are hampered by organisational and capacity constraints. Despite this, the gains being achieved from working through Tongan government systems, in term of strengthening Tonga's policy settings and gradually improving the organisational capacity of counterpart ministries, far outweigh the costs. Where the evidence indicates that is not the case, action has been taken to redress the situation.

To address weaknesses in the integration of gender equality issues in most investments, a gender adviser was contracted. The adviser will work with DFAT staff, Tongan government counterparts and development partners to ensure all programs consider how best to address the differential needs of women and men, girls and boys.

Partner Performance

Overall, there has been very good performance by all parties - Australia, Tonga, New Zealand, European Union, World Bank and Asian Development Bank - working together on the Joint Policy Reform Matrix. In the education sector Tonga, Australia and New Zealand have worked well together to design and agree programs but capacity issues in the counterpart ministry have impeded program performance to some degree. In the infrastructure sector, the Australian aid program has good working relationships with the World Bank and Asian Development Bank, which have been responsive in addressing any issues raised. Further work will be undertaken to resolve concerns with UNDP not fully meeting requirements to deliver the TGSP program.

Risks

Key risks managed by the Tonga program are presented in Table below.

Key risks	What actions were taken to manage the risks over the past year	What further actions will be taken to manage the risks in the coming year
Australian aid funds channelled through partner government systems are misused, under-utilised or misappropriated	The 2011 ¹⁸ Australian Aid Assessment of National Systems (ANS) for Tonga concluded that overall there is moderate level of fiduciary and corruption risks associated with using government systems in Tonga. It noted a “moderate to substantial” risk associated with external scrutiny and audit functions and recommended mitigation measures to address identified risks. A subsequent procurement review in July 2013 also recommended risk mitigations measures. In response, DFAT introduced annual independent audits of all programs funded directly through partner systems in Tonga. DFAT also recruited two international procurement specialists to work in-line in Tonga’s Central Tenders Board to oversight all major government procurement, with strengthened oversight of any Australian aid program-funded procurement, revised thresholds for procurement by the Central Procurement Unit and procurement planning. Sector level assessments were also undertaken for health and education to further analyse and mitigate -specific risks in those sectors.	Thanks to the in-depth risk analysis and strong mitigation actions taken over recent years, no further action is required beyond these measures. The ANS will be updated in March 2015 and DFAT will negotiate with GoT to address its findings and recommendations. Outcome of this process will be reported in the 2014-15 APPR.
External shocks and/or deterioration in debt management (affecting Tonga’s debt levels have an impact on the program’s objectives).	Australian Aid Program staff work with Tongan officials to coordinate with development partners, to monitor the impact of economic shocks and disasters to Tonga’s economy. If required, programs will be reorientated to address critical needs in the event of future shocks.	We will continue to work closely with the GoT officials, (and possibly a new government) to particularly encourage the maintenance of Tonga’s ‘no new debt’ policy. We will work with other donors and GoT to further develop Tonga’s ability to analyse offers of financial assistance from other donors, to ensure fiscally responsible approaches are pursued (including better planning and preparedness around shocks and scenario analysis).

¹⁸ The ANS was endorsed on 23 December 2011.

<p>New TVET program underperforms like its predecessor and does not deliver expected outcomes</p>	<p>Unlike its predecessor, which was implemented by the relevant GoT ministry, the new program is being delivered through a specialist firm contracted directly to DFAT. The new program has a much stronger focus on procuring delivery of accredited TVET training in line with labour-market demand – the earlier program’s focus on strengthening Tonga’s own TVET system has been reduced. The program is working to an annual work-plan with agreed outputs directly monitored by DFAT.</p>	<p>DFAT’s contract with the provider clearly sets out the objectives for the program. DFAT staff meet with the Facility Manager regularly to monitor program progress and ensure that the replacement program-<i>Interim Skills Development Facility</i>- delivers expected outcomes. An independent review of the program will be undertaken in 2015 to validate progress and make recommendations for a planned follow-up phase of the program.</p>
<p>Slow implementation of Tonga Education Support Program Phase 2, due to ongoing capacity constraints in Tonga’s Ministry of Education.</p>	<p>New TESP 2 program design introduced stronger work-planning and monitoring and evaluation requirements for the program, including development of a Performance Assessment Framework including baseline measurements. Mixed results in Year 1 of implementation were identified using these tools.</p>	<p>DFAT will need to discuss with Ministry of Education strategies to improve implementation progress for TESP2, to ensure program delivery stays on track. DFAT will offer more direct support to MET to procure technical assistance efficiently. We will also consider the introduction of a performance-linked funding component, to incentivise improved implementation progress.</p>
<p>The design and approval process for new health program is delayed which could delay implementation of new health program for Tonga.</p>	<p>The current health program is due to end 30 June 2015. To prepare for the next phase of support, analysis of Tonga’s health sector was undertaken over June-July 2014. The analysis was commissioned to recommend priority areas of future support, and inform the design for a new health program in Tonga. The design process was scheduled October 2014 but key participants are unavailable so it has been rescheduled to commence February 2015.</p>	<p>DFAT will extend the duration of the current program to ensure continuity in support for the Tonga health sector.</p>

Management Responses

Australia will work closely with Tonga to particularly encourage prudent management of the economy with a focus on maintaining Tonga’s ‘no new debt’ policy. In particular Australia will work with other donors and Tonga to further develop Tonga’s ability to analyse offers of financial assistance. This will help ensure fiscally responsible approaches are pursued including better planning for economic shocks.

In June 2014 the Australian Government released a new aid policy and framework for performance management. This policy provides an opportunity for Australia, in consultation with Tonga and other development partners to review the Tonga aid program objectives and supporting initiatives. The new aid arrangement will be based on sound evidence, a clear articulation of interests and developed in the spirit of partnership. It will need to better consider the role of the private sector and civil society, and include provisions to improve gender equity and disability outcomes.

In the meantime, the Gender Adviser will continue to work with the Tongan aid program to improve gender equity across the program and boost the capacity of staff manage this issue on an ongoing basis. The program will also accelerate work to incorporate disability inclusiveness within the program.

Annex A: Progress in addressing 2012-13 management responses

Management consequences identified in 2012-13 APPR	Rating	Progress made in 2013-14
<p>The Tonga program will table the new delivery strategy for economic and public sector reform for formal approval by the Government of Tonga at the October 2013 Partnership for Development Talks. Focus will then shift to implementing new programs highlighted in the delivery strategy, particularly support for procurement reform and negotiating new reform targets under the Joint Policy Reform Matrix.</p>	Achieved	<p>The new delivery strategy for economic and public sector reform was formally approved by the Government of Tonga at the Aid Program Talks that were held in December 2013. New programs, highlighted in the delivery strategy, commenced implementation with a focus on support for procurement reform and negotiating new reform targets under the Joint Policy Reform Matrix.</p>
<p>In the education and skills area the priority will be on implementing new programs designed in 2012-13. With basic education the priority will be developing a performance assessment framework, completing baseline studies and monitoring to ensure program impact can be measured. The program will mobilise the new interim TVET facility so Tongans have access to courses relevant to the country's labour market needs. The program will begin the detailed design of a new TVET program to start in 2015.</p>	Achieved	<p>The new basic education support program began implementation and its performance assessment framework developed to assist with monitoring the program's impact, plus the baseline studies were completed. The new, interim technical vocational education and training (TVET) facility commenced operations, too. The design process for a longer term TVET program is on track to start in 2015.</p>
<p>In the health sector the focus will be on implementing the recommendations of the mid-term review of the current health program, particularly improving the pace of delivery of health-promotion activities and supporting Tonga to take a whole-of-government policy response to the challenge posed by NCDs. The current health program will be extended by two years so momentum continues to the end of the partnership. Key analytical work will begin to inform Australia's future support to the sector. In particular, a study of broad health challenges and Tonga's own plans will allow DFAT to decide where Australia can make the greatest difference. Detailed public financial management system analysis will help identify risks and inform consideration of a sector budget support approach.</p>	Achieved	<p>Ninety-five per cent of the recommendations of the mid-term review of the health program have been implemented. The current health program was extended to by two years (to December 2015) and key analytical work commenced in early 2014 to inform Australia's future support to the sector. Public financial management system analysis will be done through an assessment of National Systems update in March 2015 this process along with the design process for a new health program in 2014-15 will scope options and assess feasibility of building a sector budget support approach into the program.</p>
<p>Delivery strategies will be completed in health and infrastructure to provide direction to program areas moving forward. Implementation schedules for economic and public sector management (drawing on the work completed as part of the delivery strategy), education and TVET will be agreed at partnership for development talks.</p>	Partly achieved	<p>Delivery strategies for health and infrastructure were not completed but will instead be incorporated into a new Aid Investment Plan for Tonga. Moreover, in late 2013 a stocktake analysis paper was done for Tonga's Infrastructure sector and will feed in to the Aid Investment Plan. Implementation schedules for economic and public sector management (drawing on the work completed as part of the delivery strategy), education and TVET were agreed at aid programming talks in December 2013.</p>

The Tonga program will begin program-wide analysis to inform a new country situational analysis which will inform Australian priorities to be discussed as part of the next generation of the Partnership for Development after 2015. Also, DFAT will develop a program-wide performance assessment framework, including specific ways to supplement the Government of Tonga's monitoring and evaluation systems where these are not able to provide the performance information DFAT requires.

Partly Achieved

This work was delayed due to election of a new Australian government and development of a new aid policy and different corporate requirements. An economic 'drivers of growth' analysis was undertaken and a literature review on poverty analysis completed; an economic diplomacy strategy for Tonga was also prepared. This work will contribute to development of an Aid Investment Plan in 2014-15, which will inform Australian priorities to be discussed as part of the Australia-Tonga bilateral relationship.

The Tonga program will begin implementing a country gender work plan under the Pacific Women Shaping Pacific Development Initiative. Given already stretched resources for DFAT in Nuku'alofa and the complexity of starting this new work, the success of the work plan will require direct and ongoing support from DFAT's Pacific Division gender specialists and dedicated resources at the regional support hub in Suva to ensure effective implementation.

Achieved

The Tonga gender work plan under the *Pacific Women Shaping Pacific Development Initiative* began implementation in 2013-14, as outlined in the body of the APPR, with support from Post, and with direct and ongoing support from DFAT's Pacific Division gender specialists. The engagement of a Gender Adviser was also made possible by drawing on resources from the regional support hub in Suva.

The Tonga program will work with DFAT's Pacific Division's regional team to take forward the findings of the review of the Pacific Seasonal Workers Scheme, given the importance of labour mobility to Tonga's economic outlook. A priority will be strengthening the program to develop the Government of Tonga's capacity to manage program responsibilities and maximise the benefits of the program.

Partly Achieved

Over the last 12 months Australia has finalised the Labour Mobility Initiative design (which builds on the review of our support for the Pacific Seasonal Worker Pilot Scheme). Given the importance of labour mobility to Tonga's economic outlook, Australia is building on the SWP by providing Tongans with vocational training opportunities through the aid program, to help Tongans access jobs in Tonga and overseas. It is expected that a new managing contractor for the SWP will commence work in late 2014. Australian funding has continued to support the World Bank to provide capacity building to the Tongan government to help them prepare and manage their seasonal workers. Tonga's efforts to refine its labour sending and governance arrangements will continue to yield ongoing results for Tonga.

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

Annex B: Quality at Implementation ratings

Investment name	Approved budget and duration	Qal year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
Performance Linked Aid	\$10 million over	2013	6	5	5	5	5	4
		2012	6	5	5	5	5	4
Economic and Public Sector Reform Program ¹⁹	\$13,083,255 up to 10 years	2013	5	4	4	3	4	3
		2012	5	4	3	4	3	3
Tonga Governance Strengthening Program	\$3.8 million over 3 years	2013	6	4	4	4	4	4
Tonga Business Recovery Program	\$5,979 012 over 25 years	2013	4	4	3	2	3	3
		2012	3	3	3	3	3	4
Tonga Energy Roadmap	\$7,400,000 4 years	2013	5	4	3	2	3	3
Nuku'alofa Urban Development Project	\$6.1 million 4 years	2013	5	4	4	4	4	5
		2012	5	5	4	4	4	4
Tonga Health Systems Support Program	\$8,300,00 4 years	2013	5	5	4	4	4	4

¹⁹ The QAI for the Economic and Public Sector Reform program cluster totalling \$13, 083, 255.93 covers: *Financial Economic Management Program* (\$4,829,717 over 2004-2013), *Economic and Public Sector Management* (\$4,245,590 over 2008-2013), *Tonga Pacific Technical Assistance Mission* (\$4,007,949 over 2006-2014)

Transport Sector Consolidation Project	\$11.5 million 5 years	2012	6	5	4	4	4	4
		2013	5	4	4	5	4	2
Tonga Energy Road Map	\$7.4 million bilateral & PRIF regional	2012	5	3	4	5	3	3
		2013	4	3	3	4	4	2
Tonga Technical Vocational Education and Training Support Program 1 ²⁰	\$7,420,000 (Australia & NZ contributed \$3.7m each) (2012-2013)	2012	5	4	3	4	4	2
		2013	5	3	2	2	2	2
Tonga Education Support Program 2	\$12,000,000 3 years	2012	Program was in process of being closed so not monitored in 2012					
		2013	4	5	4	5	4	4
Australian Awards Scholarships (cluster QAI covering scholarship programs)	\$12,099,487 over 26 years	2012	5	5	4	3	4	4
		2013	4	3	4	4	4	3
		2012	5	5	5	3	4	4
		2012	5	5	2	3	4	4

²⁰ These are QAI Final Report scores and the program was concluded due to poor performance. Australia, Tonga and New Zealand decided to conclude TSP1. Australia continued to support Tonga's TVET sector with new program commencing implementation in May 2014.

Definitions of rating scale:

Satisfactory (4, 5 and 6)

■ = 6 = Very high quality

■ = 5 = Good quality

■ = 4 = Adequate quality, needs some work

Less than satisfactory (1, 2 and 3)

■ = 3 = Less than adequate quality; needs significant work

■ = 2 = Poor quality; needs major work to improve

■ = 1 = Very poor quality; needs major overhaul

Annex C: Evaluation and Review Pipeline Planning

List of evaluations completed in the reporting period

Name of Investment	Aidworks number	Name of evaluation	Date finalised	Date Evaluation report Uploaded into Aidworks	Date Management response uploaded into Aidworks	Published on website
Tonga Economic and Public Sector Reform Program	Covered: ING000, INI190, ING994, INK248	Review of Economic and Public Sector Reform Program	July 2013	31 March 2014 (refer ING000 and ING994)	31 March 2014 (refer ING000 and ING994)	Not yet

List of evaluations planned in the next 12 months

Name of Investment	Aidworks number	Type of evaluation	Purpose of evaluation	Expected completion date
Tonga Education Support Program 2 (TESP2)	INK888	Independent Review	To verify program outcomes.	May 2015

Annex D: Performance Benchmarks 2014 -15

Program strategic objective	2014-15 benchmark	Rationale for selecting this performance benchmark
Support partner government reforms to promote fiscal sustainability and improve public expenditure management	<p>Economic and Public Sector Governance Program - Ministry of Revenue will increase revenue collection by between 1-2 per cent this year. Australia funds a Tax Services and Tax Compliance Adviser as well as an Adviser to the Head of Customs is deployed to support the achievement of this target.</p>	A key focus of the aid program in Tonga is to maintain economic stability and improve public sector governance. The achievement of this benchmark will increase revenue streams for government.
Improve health outcomes with a particular focus on reducing the impact of non-communicable diseases (NCDs).	<p>Health Program- Halt the increase in overall prevalence of obesity. Primary health care provided to all communities in Tonga to follow a common national standard and to carry out a review of NCD financing in Tonga and agree targets with government of Tonga on the appropriate level of increases in expenditure over the medium term on health promotion, and primary and secondary prevention.</p>	The benchmark aligns with the overall objectives of the THSSP and reflects the partner government's high priority interest in addressing NCDs by focussing on costing for appropriate/required health care. An evaluation in 2013 ²¹ found that hospitalisation related to NCDs accounts for around 20 per cent of health expenditure. NCDs impose important economic costs to government in Tonga which, supported by Australia, finances the large majority of health expenditure. Setting agreed expenditure targets will help develop a health care financing strategy to help manage this burden.
To stimulate economic growth and private sector development by investing in economic infrastructure	<p>Private Sector Development - Complete a Private Sector Development and Trade Facilitation strategy to inform appropriate entry points and investment choices. This work will be done in coordination with ADB's Private Sector Development Initiative; Pacific Trade and Invest and the Suva-based Market Development Facility and will draw on and help update existing trade diagnostic studies.</p> <p>Infrastructure Program- Through the</p>	The achievement of this benchmark will guide future support for private sector development in Tonga to further Tonga's economic growth.

²¹ AusAID, *Independent Progress Report of the Tonga Health Systems Support Program*, April 2013.

Program strategic objective	2014-15 benchmark	Rationale for selecting this performance benchmark
To increase the numbers of children with a disability that have access to quality learning opportunities.	Nuku'alofa Urban Development Program, complete the up grading of the waste facility including completion of cell 2 and the procurement of the essential machinery (including a replacement compactor).	The achievement of this benchmark, will add an additional 8-10 years to the lifespan of the waste management site, and will enable efficient operations of the facility to provide essential services to Nuku'alofa's urban areas.
	Education Program – An Inclusive Education scoping report completed with baseline data identified.	This benchmark will improve access to education opportunities for all children, boys and girls to attend and complete a full course of Primary schooling. It will increase access to schools that have been made more accessible to children with disabilities and increase the number of children with a disability completing primary school.

Annex E: Other Government Department Support

The Australian Federal Police (AFP) work in Tonga as part of the Tonga Police Development Program (TPDP - \$2.6 million in 2013-14) which is a joint commitment with New Zealand and Tonga. The current phase of assistance is focused on strengthening community level policing and organisational development. Key achievements included: work implemented to combat school based violence; training of probationary constable mentors; appointment of a curriculum development officer within the Tonga Police College to ensure fair and merit-based recruitment processes and to maintain the College's registration as a National Training Provider; training in prosecution support (to improve quality of police briefs of evidence to courts); supervisors' leadership development training and training in the use of force. A closed circuit television network was also installed in key police locations to help the Tonga Police address professional standards issues (by making available high quality independent evidence of actions). Two community Police Stations were constructed and the program also supported expansion of Community Policing Posts to outer islands.

The AFP program also made important contributions to initiatives to end violence against women during this reporting period. The Australian Federal Police (AFP) developed a training program to support Tonga Police to implement the Family Protection Act. In addition, under the Tonga Police Development Program (TPDP), the AFP has supported Tonga Police to recruit more women in policing, to ensure a more gender-sensitive approach to responding to sexual and gender-based violence. The TPDP funded two conferences¹¹ for stakeholders to discuss initiatives that combat violence against women and children. As a result, a female Tonga Police officer has been seconded to each crisis centre to facilitate the reporting of domestic violence incidents.

The Australian Centre for International Agricultural Research supported continued development of the cultured pearl industry in Tonga and worked working regionally with the Secretariat of the Pacific Community and its partners, to build research and development capacity capable of sustaining the development of high-value crops for domestic consumption and export; as well as support for the export of sea cucumbers (the second most valuable marine export in the Pacific region after tuna).

The Reserve Bank of Australia provided an economist to the National Reserve Bank of Tonga (NRBT) to build capacity of NRBT staff to undertake economic analysis and to provide monetary policy advice. The economist also had a major role in economic and financial forecasting as well as drafting the NRBT's biannual Monetary Policy Statement.

Annex F: Additional detail for health sector programs

Shared development outcome:	Improved health outcomes, with a particular focus on reducing the impact of NCDs.
Australia's objective:	The Tonga Health Systems Support Program is dedicated to halting the rising prevalence of NCDs risk factors. It focuses on primary and secondary prevention and takes a comprehensive approach in strengthening community health services, implementing health promotion and behaviour change campaigns and legislative reform.
Key 2013-14 targets	<ul style="list-style-type: none"> • Reduced prevalence of NCDs risk factors including: <ul style="list-style-type: none"> <i>Tobacco use:</i> 2 per cent decrease in prevalence of smokers by 2015 <i>Obesity:</i> halt the increase in overall prevalence of obesity by 2015. Budget for preventive health care to reach 10 per cent of total public health operational budget by 2015 (to include GoT's preventative budget and includes salaries and wages). • Primary health care provided to all communities in Tonga to follow a common national standard.

The objective was rated green because the program performed well against its targets for 2013-14 to support Tonga's health sector. However, the medium-term Partnership objective of halting the increase in the overall prevalence of obesity remains challenging to achieve, with key NCD risk factors continuing to deteriorate. The Partnership objective is arguably outside the control of Australia's aid program to achieve and will need to be refined in the development of a new Aid Investment Plan for Australia's aid to Tonga.

Tonga faces serious a health crisis. Non-communicable diseases (NCDs) have reached epidemic proportions over the last 20 years and are responsible for four of the five most common causes of death (diabetes, heart disease, stroke and lung disease). Life expectancy in Tonga has fallen as a result of NCDs.²² Hospitalisation related to NCDs accounts for around 20 per cent of health expenditure²³ and NCDs impose important economic costs to government in Tonga which, supported by Australia, finances the large majority of health expenditure. The importance of addressing NCDs is reflected in Tonga's Strategic Development Framework, in recognition of the seriousness of this development issue.

Policy reform

A key success over the period was progress on legislative reforms to support public health objectives, including a 15 per cent increase in tobacco excise tax and work towards the introduction of tobacco control amendment bills (for more smoke free premises, and enabling tobacco enforcement officers to enforce the Act by issuing on the spot fines to offenders). These reforms are in line with the World Health Organisation Framework Convention on Tobacco Control, which Tonga has adopted. THSSP also supported development and adoption by the Tongan government, through the National NCD Committee, of a strategic health communications framework for physical activity and healthy eating, to help address the high incidence of obesity and other NCD risk factors. A

²² World Bank, *The Economic Costs of NCDs in the Pacific Islands*, <http://www.worldbank.org/en/news/feature/2013/01/16/the-economic-costs-of-noncommunicable-diseases-in-the-pacific-islands>.

²³ AusAID, *Independent Progress Report of the Tonga Health Systems Support Program*, April 2013.

strategic health communications adviser was recruited in June 2014 to begin work with government to implement the new framework from July 2014.

In terms of budget allocations, the Tongan Government met the Partnership target for the Ministry of Health's budget for preventative health care to be at least 10 per cent of the total health operational budget. The THSSP program is also supporting finalisation and release of two major health surveys (the 2011-2012 Knowledge, Attitude and Practices (KAP) survey data was released in July 2014²⁴ and the World Health Organisation's (WHO) STEPwise Approach to Surveillance of NCD Risk Factors (STEPS) survey which is due to be released in late 2014. These surveys will provide much-needed baseline data on NCD risk factors and allow better monitoring and improved targeting of future health promotion and other interventions.

Another important reform being supported by THSSP is for primary health care to all communities in Tonga to follow a common national standard. The development of common national standards for health care was pursued through the preparation of a standard health centre operations manual.²⁵ The national standards are expected to be approved and implemented in at least ten of Tonga's 14 health centres by 2015.

Australia's scholarship program also provides post-graduate training opportunities for Ministry of Health staff. Over the longer term, this will help to address some of the critical medical staffing deficiencies. However, there will likely continue to be a need for visiting and long-term in-country placements of specialists into the future, as it is difficult for a small country like Tonga to resource the full range of senior specialist health positions. Moreover, Tongan specialists are often recruited to work elsewhere in the region, leaving gaps at home²⁶.

The twinning program with St John of God Hospital (SJOG) in Ballarat is highly valued by MoH for its effectiveness as its longstanding relationship over 20 years has allowed some major changes to be introduced to Tongan medical, nursing, administration and engineering practices. The model is based on funding exchange visits to SJOG in Ballarat for staff from Tonga and visits from SJOG staff to Tonga. These visits are determined by a needs analysis and over its life has involved staff from all hospital areas: nursing staff (administrative, intensive care, surgical ward nurses, academic), electricians plumbers, pharmacists, sterilisation and decontamination experts, radiographers and radiologists, accident and emergency physicians, mental health nurses maintenance staff and a medical superintendent.

A significant outcome for this reporting period included the provision of the first mammography machine in Tonga,²⁷ as breast cancer is the most commonly diagnosed cancer in Tonga. Access to mammography services is anticipated to increase early detection rates and substantially improve survival outcomes. The exchange is a two way process and recently graduated midwives from Australia did a rotation at the Vaiola Hospital where they

²⁴ The report of the knowledge, attitude and practices and practices (KAP) towards NCDs in Tonga survey was launched by Ministry of Health on July 5 2014 includes information gathered during a nation-wide survey conducted between 2011 and 2012. <http://www.tongadailynews.to/?p=7202>

²⁵ The manual will include information on staffing, building standards and equipment, medicines and medical supplies, infection control, patient care, clinical guidelines, and operational guidelines.

²⁶ AusAID, *Independent Progress Report of the Tonga Health Systems Support Program*, April 2013.

²⁷ Per the recent *Tonga Health Sector Analysis 2014* Final Draft Report 08 August 2014, Health Resource Facility (Dr Alice Levisay with contributions from Lynleigh Evans).

were exposed to a high percentage of natural births, which are increasingly hard to deliver in SJOG Ballarat which has a very high caesarian section rate.

Another key achievement over the reporting period was the support provided by THSSP to help Tonga's Ministry of Health respond to Tropical Cyclone Ian²⁸. THSSP's 'flexible fund' allowed the rapid mobilisation of additional medical staff to Ha'apai to assess damage and fund an immediate emergency response, including the purchase of essential drugs and a replacement water pump for Ha'apai's main hospital. THSSP's 'flexible fund' was also used to repair damage to the hospital following the cyclone. More broadly, the 'flexible fund' also funded a range of small scale and/or urgent works across Tonga. The fund has provided hospital equipment and medical supplies that have allowed for a transition to improved and higher quality of care (e.g. Intensive Care Unit beds) as well as basic supplies that the Ministry could not fund (e.g. linen for hospital beds). Funds have also been used to upgrade the oxygen plant, which has been an ongoing challenge to the hospital. The flexible fund has also been used to upgrade laboratory and radiology services, with the result that fewer tests need to be referred to New Zealand or Australia. With strong leadership in these areas, Tonga is close to being self-sufficient for basic lab and radiology services.

Other significant progress made under the program in 2013–14 includes:

- Exceeded the target set for primary-school aged children screened for rheumatic heart disease by health centre staff, with 91 per cent of schools covered (well above the target of 80 per cent)-²⁹
- 95 per cent of the recommendations of a 2013 Independent Progress Report of the THSSP³⁰ have been implemented. In particular, the THSSP program successfully addressed difficulties with slow implementation due to budget and procurement efficiency issues in the Ministry of Health, identified in last year's Annual Program Report. The marked improvement in disbursement and implementation progress is reflected in the achievements set out above.
- To inform a new program design, a *Tonga Health Sector Analysis* was undertaken in early 2014 to review the overall 'shape' of health services in Tonga, and specifically look at how GoT's response to the NCD challenge could be strengthened.

The achievements above demonstrated the value of working through government systems and developing strong and productive relationships and effective policy dialogue on the health sector, with the Ministry of Health and other Tongan government and civil society stakeholders involved in the multi-sectoral response to NCD prevention. DFAT holds regular bi-monthly meetings with the THSSP program management team as well as other ad hoc meetings with other parties as the need arises.

Challenges/factors affecting progress

An independent progress review of the *Tonga Health Systems Support Program* undertaken in 2013 identified a need to strengthen governance arrangements for health promotion

²⁸ Tropical Cyclone Ian struck the Ha'apai island group on 11 January 2014, leaving one person dead and more than 3,500 homeless (from a population of 6, 500). Australia's response includes: \$50,000 in emergency relief supplies; 200 tents and 250 hygiene kits for displaced families, plus 3 Australian Civilian Corps specialists assisted Tonga's response and recovery efforts.

²⁹ Government of Tonga, Ministry of Health (2014) unpublished internal report 'Report of Phase 2 Primary School RHD Screening Project 2014'. Additional screening was programmed for August to September 2014 to cover 36 schools in - 6 in 'Eua, 12 Ha'apai island groups and 18 Central Tongatapu (the main island of Tonga).

³⁰ THSSP Independent Progress Report <http://aid.dfat.gov.au/Publications/Pages/tonga-hssp-independent-progress-report.aspx>. Those outstanding mostly relate to the purchase of IT equipment which was delayed due complex procurement process.

work in Tonga, to ensure a more coherent and consistent approach to health promotion messages, which is needed to achieve the behaviour changes required to address NCDs effectively. In response, a new governance structure for management and oversight of national NCD activities has been designed and agreed to by all major stakeholders.

Procurement issues identified through earlier program audits are improving, however challenges remain in embedding the new procurement processes. Budget and financial management also require ongoing strengthening and monitoring.

Gender equality

Gender-disaggregated data is embedded in the health program and is used to inform program activities. The new cadre of NCD nurses has opened professional opportunities for women, and there is strong female representation in positions of responsibility in THSSP. Work to engage male nurses will be done at the same time as future training. A specialist gender adviser was contracted by DFAT to contribute to the Tonga Health Sector Analysis and the initial design process for Phase II of THSSP (described earlier) to ensure gender equality is incorporated into our support to Tonga's health sector.

To reduce the risk of non-communicable diseases (NCDs) in Tonga, the Australian Government continued its support for the Australian Sports Outreach Program's (ASOP) "Kau Mai" initiative, to improve physical activity among women and girls. Between 2011 and 2014, the Australian Government committed \$1.26 million for development through sport activities in Tonga. Through this program, mass media campaigns created significant demand for community based physical activity in 2013-14, with a reported increase in regular exercise among women and girls in all four islands of Tonga. Over 3,400 women and girls also participated in Australian sponsored netball programs, an increase from 3,000 in 2012-13. The greatest proportional increase of women and girls' participation in physical activity was in the outer islands, with a 50 per cent increase in netball participation in Ha'apai. The ASOP in Tonga has been shortlisted for the global Beyond Sport Awards³¹, acknowledging the program's contribution to reducing the impact of NCDs among Tongan women and girls.

Forward priorities/management consequences

In 2013, based on the recommendations of the independent progress review (and due to slow disbursement and implementation progress in the early years of the THSSP program), Australia and Tonga agreed to extend the current program to 2015, to allow for critical activities to be completed and to prepare the design of a further phase of support beyond 2015 (design due to commence in last quarter of 2014). DFAT also commissioned the CBM-Nossal Institute, a specialised disability research body, to undertake research to examine disability inclusiveness challenges in Tonga and provide recommendations for the health program (among others) – these will be incorporated in the design of the next phase of support.

³¹ Beyond Sport is a global organisation that believes sport can play an active role in sustainable social change <http://www.beyondsport.org/>

Annex G: Additional detail for gender equity initiatives

There have been some important achievements to advance gender equality in Tonga over 2013-14. Firstly, the country work plan for Tonga to participate in the Pacific Women Shaping Pacific Development (PWSPD) Initiative³² was endorsed by the Tongan Government. Australia will invest \$10.1 million over the next ten years on initiatives supporting women's empowerment in Tonga through the PWSPD.

A major focus of the country plan is on reducing violence against women, with core funding being provided for the *Women and Children's Crisis Centre* and the *Tonga National Women and Children's Centre* to increase the quality and coverage of services for victims of violence. The extent of violence against women and girls in Tonga was confirmed in the 2012 National Study on Domestic Violence against Women. This found that one in three ever-partnered women experienced physical violence at the hand of an intimate partner and 68 per cent of women had experienced physical violence by a person other than their partner.

The plan also funds a Gender Equality Adviser who has supported the Tonga Division of Women's Affairs to strengthen the progression of gender policy reforms. This included: provision of training to the National Advisory Committee on Tonga's revised Gender and Development (GAD) Policy³³ as well as assisting with developing an implementation plan for the revised GAD policy and the Family Protection Act. For DFAT's Nuku'alofa Post the adviser's work extends to providing advice to improve gender inclusiveness in all sector programs.

Secondly, the *Tongan Family Protection Bill 2013* was passed by Parliament in 2013 and came into effect as an Act on 1 July 2014. The Tonga Gender Country Plan (PWSPD) supports the implementation of the Family Protection Act through the Ministry of Internal Affairs. Australia supported the drafting of the Bill which sets out important legislative protections for women and children. It establishes domestic violence as a criminal offence and introduces expanded access to protection and restraining orders. It is also the first legislation in the Pacific to recognise 'economic' abuse as a form of violence. The Act also clarifies the role of the Tonga police under the 'No Drop' policy for domestic assault cases introduced in 2009. This policy means all cases must progress to a judicial hearing and charges cannot be dropped once they have been filed.

The Australian Federal Police (AFP) developed a training program to support Tonga Police to implement the Family Protection Act. In addition, under the Tonga Police Development Program (TPDP), the AFP has supported Tonga police to recruit more women in policing, to ensure a more gender-sensitive approach to responding to sexual and gender-based violence. The TPDP funded two conferences³⁴ for stakeholders to discuss initiatives that

³² At the 2012 Pacific Islands Forum, Australia announced the Pacific Women Shaping Pacific Development (PWSPD) Initiative, a 10-year commitment to increase: women's participation in leadership and decision-making roles; economic opportunities for women through improved access to financial services and markets; safety for women through better services for survivors of violence, access to justice and preventing violence.

³³ Tonga launched its revised Gender and Development Policy in May 2014 which was thirteen years after the policy was first launched (in 2001). <http://www.mic.gov.to/news-today/press-releases/4962-ministers-remarks-on-the-official-launching-of-revised-national-policy-on-gender-and-development-a-strategic-development-plan>.

³⁴ The AFP funded the Tonga Police Women's Advisory Network annual conference plus helped the two domestic violence crisis centres host a conference which brought together community, church groups, non-government organisations, government agencies and police representatives.

combat violence against women and children. As a result, a female Tonga Police officer has been seconded to each crisis centre to facilitate the reporting of domestic violence incidents.

Thirdly, Australia has supported Tonga in ensuring fair elections, regardless of gender. Tonga has among the lowest level of female elected-representatives globally.³⁵ Australia's support enabled the first Practice Parliament for Women in Tonga to be held over 10-11 April 2014. The Practice Parliament encouraged women to become more interested and active in politics, particularly with the upcoming national elections scheduled for November 2014. Thirty women, selected from 91 applicants and representing all island groups across Tonga, participated in the event. Participation exceeded expectations with 31 public hearings and meetings across Tonga, numerous talk-back radio programmes and a high volume of social media activity in the lead up to the event.

Women and women's groups in Tonga have limited access to credit and business development skills. Under the country plan, Australia will support the implementation of a training needs assessment of women's organisations that support women in small and medium enterprise development.

³⁵ Currently, all 23 District Officers and 155 Town Officers are male and no women were elected to the People's Representatives seats at the last election (in 2010)

Annex H: Annual performance of selected Pacific Regional programs at the Country level

Tonga Bilateral Program - 2013

Pacific Regional Program ODA attributed to bilateral program

	2013/14 (Actual)	2014/15 (Plan)
Tonga	A\$6,189,224	A\$6,481,265

This Annex outlines the country-level results of selected investments of the Pacific Regional Aid Program for Tonga. All information included in this annex is drawn from internal and external reporting produced by DFAT and our implementing partners on investments managed by the Pacific Regional aid program. This information should not be treated as comprehensive.

Contributions to Tonga Country Program Objectives

Objective 1 – More efficient and effective public sector

Examples of contributions to this objective from the DFAT Pacific Regional Program include:

- › Tonga is receiving extensive technical assistance from the Pacific Financial Technical Assistance Centre (PFTAC) to strengthen tax administration, macroeconomic analysis and forecasting, as well as building bank supervision capacity. PFTAC also supported the modernisation of a comprehensive revenue policy and legislation framework, including for Tonga's natural resources. These achievements contributed to broader-based and more efficient revenue systems.
- › The Pacific Islands Centre for Public Administration (PICPA) ran training courses in Tonga on public sector auditing, public sector basic accounting, project management and change management. Tonga was also the recipient of advisory services and workshops for heads of civil service training institutions.
- › The Pacific Association of Supreme Audit Institutions (PASAI) ran five training workshops in the Pacific, which aimed to build and sustain on public auditing capacity and were attended by four participants from Tonga.

Objective 2 – Improved health

Examples of contributions to this objective from the DFAT Pacific Regional Program include:

- › The Australian Sports Outreach Program (ASOP) in Tonga won a World Health Organization Healthy Islands Recognition Award for Best Practice award in July 2013 for its contribution to improving the physical activity of women in order to reduce the prevalence of obesity and the incidence of non-communicable diseases. Kau Mai Tonga Netipolo (C'mon Tonga, Let's Play Netball) provides an opportunity for women aged 15 to 45 to participate in regular physical activity through netball. The Ministry of Internal Affairs, in collaboration with the Tonga Netball Association, is also increasing the number of village-based physical activity options for women. Preliminary results from a national media campaign reveal that more than 90 per cent of women were aware of

the campaign Over 3,400 women and girls also participated in Australian sponsored netball programs, an increase from 3,000 in 2012-13.

- › The Pacific Island Program implemented by the Royal Australian College of Surgeons ran eight in-country workshops and three surgical visits to Tonga, aiming to increase the capacity of Tongan clinicians to diagnose and undertake medical procedures independently.
- › Secretariat of the Pacific Community (SPC) is assisting Tonga to address the prevalence of diabetes and other non-communicable diseases (NCDs). In 2013, SPC conducted diabetes training for 35 community nurses and health extension officers over three days, and trained Tonga's first dedicated NCD nurses.

Objective 3 – Improved technical and vocational skills

Examples of contributions to this objective from the DFAT Pacific Regional Program include:

- › Pacific Regional core funding to the Australia Pacific Technical College (APTC) in 2013 supported 305 enrolments and 238 graduates from Tonga.

Objective 4 – Development of infrastructure to improve the everyday lives of the people

Examples of contributions to this objective from the DFAT Pacific Regional Program include:

- › Through Energising the Pacific, the Pacific Regional Infrastructure Facility (PRIF) has supported the development of the Tonga Energy Road Map. PRIF continues to support the Institutional and Regulatory Framework Strengthening project to undertake key reforms, increase the proportion of grid-based renewable energy sources and co-ordinate donor support so as to make best use of limited donor resources

Regional Services that complement the Tonga Bilateral Program

Examples of contributions to the Tonga Bilateral Program from Regional Institutions and Regional Services supported by the DFAT Pacific Regional Program include:

- › The Pacific Financial Inclusion Program (PFIP) contributed to financial inclusiveness in Tonga. As part of this initiative, in 2014, Westpac Bank launched branchless banking/mobile money pilots. Low-cost international remittances to mobile wallets were also introduced in 2013/14. PFIP also successfully completed a partnership with Westpac to implement Financial Literacy training. Participants were taught basic budgeting and money management, and at the same time, Westpac opened and administered savings account for each participant.
- › The Tonga Chamber of Commerce and Industry (TCCI) provides a private sector voice at the national-level and continues to provide alternative approaches to driving and engineering economic growth. PLP provided support for TCCI's core funding, facilitation and hosting of public-private dialogues, and support to emerging business leaders through the youth in business program for secondary and tertiary school. TCCI now hosts an annual dialogue between government and the private sector. Among other things, TCCI is regularly approached to provide technical advice on national economic development issues.
- › In 2014, the Pacific Assistance Media Scheme (PACMAS) delivered a total of 14 national and regional workshops in the areas of Media Strengthening and Pacific Communication Broadcast Technicians. Out of 184 participants in these workshops,

Tonga had the fourth-highest number of participants of any PICT. PACMAS is also working with SPREP to support Tonga's national broadcaster to improve its capacity to provide quality and timely information to enable communities to prepare and respond to natural disasters.

- › Secretariat of the Pacific Community (SPC) has assisted the Petani Village Women's Group on Eua to develop a community garden as a measure to address food security issues through sustainable agriculture and land management technologies. While produce is currently being grown for domestic use, the group plans to use the garden to generate income in future.
- › The Pacific Women Shaping Pacific Development Initiative supported a Parliamentary Officer from Tonga to undertake a placement at the Australian Parliamentary Library in Canberra, during which time she developed a research paper on the viability of temporary special measures for the Tongan Parliament. The paper was presented at the Pacific Island Political Studies Association Conference in Tahiti in July 2014.

Case study: Tonga National Leadership Development Forum

The Pacific Leadership Program (PLP) supports a coalition of eminent Tongans in the Tonga National Leadership Development Forum (TNLDF). This group identified that within Tonga's hierarchical society holding elected leaders to account was culturally difficult, thereby creating an obstacle for the emerging democracy. To address this, TNLDF held public consultations on a Leadership Code which provided a non-threatening opportunity for members of the community to articulate their expectations of leaders. The TNLDF brought Tongan MPs back to their own constituencies for the consultations which enabled the public to exercise leadership themselves by asking questions of their MPs. An outcome has been that some MPs have adopted more transparent and consultative processes around how they spend their constituency allocations. Previously, constituents did not know how the allocations were spent and felt culturally constrained in asking questions. The Leadership Code that has been developed by the TNLDF defines the role and responsibilities of leaders, and provides a basis for the population to hold their leaders to account.