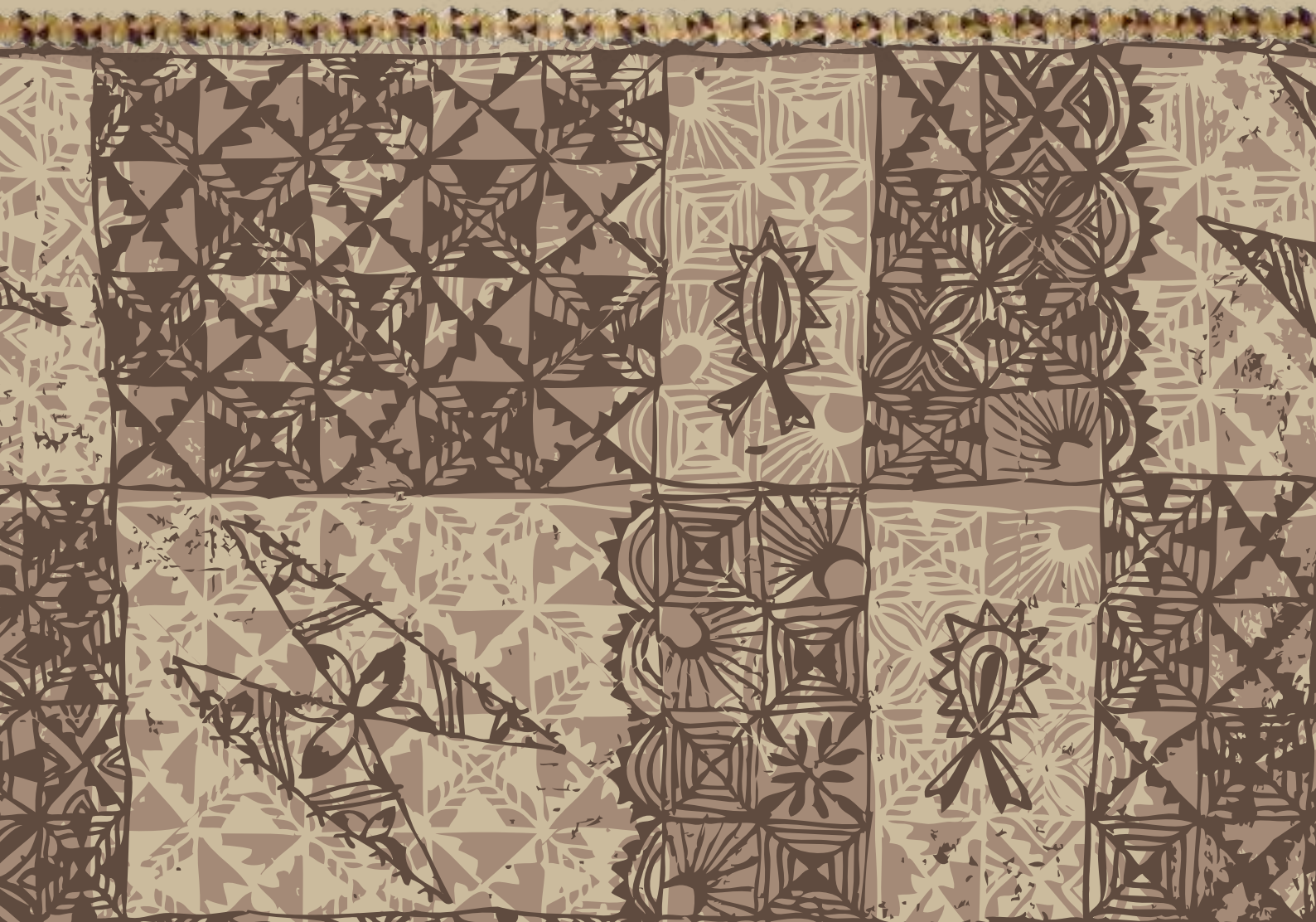




CLIMATE FINANCING & RISK GOVERNANCE ASSESSMENT

Kingdom of Tonga
April 2016



Copyright © 2015 Ministry of Finance and National Planning, Government of Tonga

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior permission.

Ministry of Finance and National Planning - Government of Tonga

ISBN 978-982-00-0306-4



Title: **Climate Financing and Risk Governance Assessment (CFRGA) Report**

Acknowledgements

The authors of this report would like to extend our deep gratitude to the Ministries, Departments, Organizations, civil society organizations, CROP agencies and others for their time and in sharing invaluable information with us.

The team acknowledges the financial and technical support provided by the Australian Government's Department of Foreign Affairs and Trade (DFAT), Pacific Islands Forum Secretariat (PIFS), UNDP, UNWOMEN and USAID.

We would also like to express our appreciation for the inputs from the expert reviewers: Dr. Netatua Pelesikoti, Director Climate Change Division, Secretariat of the Pacific Regional Environment Programme and Ms. Cecilia Aipira, Climate Change and Disaster Risk Reduction Policy Advisor, UNWOMEN.





CFRGA Team

Government Focal Point for CCRGA: Mr Aholotu Palu, Head of Aid Management, Ministry of Finance

Team Leader and International CCDRM expert: Dr Robert Kay

National Institutional and Local Governance Expert: Mr 'Inoke Fotu Kupu, Deputy CEO, Local Government and Community Development, Ministry of Internal Affairs, Government of Tonga

National Finance Expert: Mr Erling Fitzpatrick Ve'etutu

International Finance Expert: Mr Stephen Boland, USAID Adapt-Asia Pacific

National CCDRM expert: Mr Sione Fulivai, Senior Climate Finance Officer, Ministry of Meteorology, Energy, Information, Disaster Management, Climate Change and Communications, Government of Tonga (Seconded)

International Institutional and Local Governance expert: Mr Bikash Dash

International Gender and Social inclusion expert: Ms Philippa Ross, UNWOMEN

National Gender and Social Inclusion expert: Ms Polotu Pauga

Advisor: Mr Kevin Petrini, Regional Climate Change Specialist in the Pacific, UNDP

Advisors: Dr Scott Hook and Mr Exsley Taloiburi, Pacific Islands Forum Secretariat

Advisor - Mr Nacanieli Speigth, PRRP Programme Associate, UNDP

Country liaison and sustainability considerations: Ms Milika Tuita and Mr Sione Vaka, UNDP

Coherence with PRRP Programming: Mr Moortaza Jiwani, PRRP Programme Manager, UNDP



CFRGA team members meeting with Honourable Siasoi Sovaleni, Deputy Prime Minister and Minister of MEIDECC (L-R: Inoke Fotu Kupu, Nacanieli Speigth, Sione Vaka, Exsley Taloiburi, Robert Kay, Honourable Siasoi Sovaleni, Kevin Petrini, Philippa Ross, Erling Ve'etutu, Polotu Paunga, Sione Fulivai, Stephen Boland)

Foreword

Tonga is ranked as the third most vulnerable country in the world to natural hazards. As a small island developing state on the front line of natural hazards, the additional risks posed by climate change are a critical cause for concern.


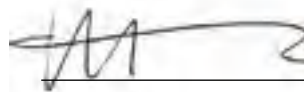
To help Tonga manage its vulnerability we need to learn more about what disaster management actions we have put in place so far and what else we can do to improve our resilience and to respond to not only natural hazards but to the challenges of climate change. We understand how important it is to develop an integrated approach to managing disasters and climate change issues by bringing resilience dimensions into our broader development efforts. This concept of risk governance is now rapidly emerging in the Pacific region and positions climate change and disaster risk management (CCDRM) at the heart of development.

The Kingdom of Tonga, has developed policy and planning instruments for managing disasters and addressing climate change but capacity and resource constraints undermine the delivery of integrated approaches across development sectors.

This is why the Government of Tonga has determined that there is a real need for an integrated, comprehensive and whole of government approach for managing risk and addressing community-based issues.

*Partnering with us is UNDP, who are also working closely with Pacific Islands Forum Secretariat (PIFS), UNWOMEN, Secretariat of the Pacific Regional Environment Program (SPREP), USAID Adapt Asia-Pacific and other partners. Together we implemented a joint project to undertake a **Climate Financing and Risk Governance Assessment (CFRGA)** to find out our strengths and weaknesses across horizontal and vertical lines of responsibility within our Government.*

The Kingdom of Tonga's Ministry of Finance and National Planning (MFNP) is pleased to present the findings of this assessment to help our country respond to the challenges ahead of us in managing and accessing climate change funding and establish resilience within our community in the best way possible.



Dr. the Hon. 'Aisake Valu Eke
MINISTER FOR FINANCE AND NATIONAL PLANNING
Minister of Finance and National Planning

Contents

Acknowledgements	i
CFRGA Team	ii
Foreword	iv
Contents	v
Abbreviations	ix
Executive Summary	xi
1 INTRODUCTION	1
2 RISK PROFILING	3
2.1 Tonga’s climate change and geohazard exposure and vulnerability profile	4
2.1.1 <i>Geological hazards</i>	5
2.1.2 <i>Weather and climate hazards</i>	7
2.1.3 <i>Climate change hazards</i>	8
2.2 Exposure	10
2.3 Vulnerability	11
2.3.1 <i>Vulnerable socio-economic sectors in Tonga</i>	11
2.3.2 <i>Vulnerable people in Tonga</i>	14
2.4 Conclusion	15
3 POLICY ANALYSIS	17
3.1 National policy framework	17
3.1.1 <i>Tonga Strategic Development Framework I & II</i>	18
3.1.2 <i>National CCDRM Framework</i>	20
3.1.3 <i>Sectoral policies and plans</i>	23
3.2 Sub-national policy framework	27
3.3 Tonga’s international position on CCDRM	28
3.4 Conclusions	29
4 INSTITUTIONAL ANALYSIS	31
4.1 Institutions and structures for CCDRM	31
4.2 Institutions and planning processes	34
4.3 CCDRM Human resource management and development	35
4.3.1 <i>CCDRM Human Resource Management</i>	35
4.3.2 <i>CCDRM human resource development</i>	37



Contents

4.4	Local government	38
4.4.1	<i>National management of local government</i>	38
4.4.2	<i>Sub-national government structure</i>	39
4.4.3	<i>District development committees and sub-national planning and budgeting process</i>	40
5	PUBLIC FINANCIAL MANAGEMENT (PFM) ANALYSIS	45
5.1	Background – the importance of PFM to CCDRM finance	45
5.1.1	<i>Country systems</i>	46
5.2	The PFM system in Tonga	47
5.2.1	<i>Credibility of the budget</i>	47
5.2.2	<i>Comprehensiveness and transparency</i>	49
5.2.3	<i>Policy based budgeting</i>	49
5.2.4	<i>Predictability and control in budget execution</i>	51
5.2.5	<i>Accounting, recording and reporting</i>	52
5.2.6	<i>External scrutiny and audit</i>	53
5.3	PFM system in times of emergency	54
5.3.1	<i>Emergency procurement</i>	55
5.4	Conclusions	57
6	CLIMATE CHANGE AND DISASTER RISK REDUCTION ACTIVITIES AND EXPENDITURE	59
6.1	Methodology	59
6.1.1	<i>Funding source methodology</i>	60
6.1.2	<i>Budget expenditure methodology</i>	60
6.2	Funding source analysis	60
6.2.1	<i>Overall development assistance – implementing entities</i>	61
6.3	Analysis of expenditure	68
6.4	Flows of CCDRM expenditures	72
6.5	Other CCDRM policies and practices	73
6.5.1	<i>Revenue policies</i>	73
6.5.2	<i>Public private partnerships</i>	74
6.5.3	<i>Remittances</i>	75
6.6	Conclusions	76

7	GENDER AND SOCIAL INCLUSION ANALYSIS	79
7.1	The gender imperative	79
	7.1.1 <i>Gender on global climate finance structures</i>	80
	7.1.2 <i>Gender mainstreaming good practice</i>	81
7.2	Gender and social inclusion aspects of policies and plans in Tonga	82
	7.2.1 <i>National plans</i>	82
	7.2.2 <i>Corporate plans</i>	85
7.3	Opportunities for gender integration into CCDRM	85
	7.3.1 <i>Gender mainstreaming in projects analysis</i>	85
	7.3.2 <i>Institutional gender mainstreaming structures</i>	88
	7.3.3 <i>Civil society-government coordination and communication</i>	90
	7.3.4 <i>The role of development partners in gender and social inclusion</i>	92
7.4	Conclusions	93
8	DEVELOPMENT EFFECTIVENESS	95
8.1	Introduction	95
8.2	Ownership and leadership	96
8.3	Alignment and harmonization	98
8.4	Managing for results and mutual accountability	100
8.5	Conclusions	102
9	OPTIONS TO BETTER ACCESS CLIMATE CHANGE AND DISASTER RISK MANAGEMENT FUNDING	103
9.1	Financing options	103
	9.1.1 <i>What are the climate financing options</i>	104
	9.1.2 <i>What are the disaster risk management financing options</i>	108
	9.1.3 <i>Emerging and underutilized funding sources</i>	109
	9.1.4 <i>Observations and recommendations</i>	111
9.2	Capacity constraints	112

Contents

ANNEXES:

Annex A	Methodology and Definitions	115
Annex B	References	119
Annex C	Consultation List	123
Annex D	Capacity Assessment Methods and Assumptions	132
Annex E	Financial Assessments Methods and Assumptions (including Climate Change program Budget weightings and Climate Change related projects identified)	134
Annex F	Structure of the Tonga Public Sector	146
Annex G	Implementation Plan	148

Abbreviations

ADB	Asian Development Bank
ADF	Asia Development Fund
AF	Adaptation Fund
AOSIS	Alliance of Small Island States
CCA	Climate Change Adaptation
CCCC	Climate Change Cabinet Committee
CCDRM	Climate Change and Disaster Risk Management
CCDRR	Climate Change and Disaster Risk Reduction
CCM	Climate Change Mitigation
CCTF	Climate Change Trust Fund
CDM	Clean Development Mechanism
CEDC	Cabinet Economic Development Committee
CF	Climate Finance
COFOG	Classification of Functions of Government
CFRGA	Climate Financing and Risk Governance Assessment
CMP	Meeting of the Parties to the Kyoto Protocol
COP	Conference of the Parties
CPC	Community Protection Committee
CPEIR	Climate Public Expenditure and Institutional Review
CSO	Civil Society Organization
DeMPA	Debt Management Performance Assessment
DEMC	District Emergency Management Committees
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
DSA	Debt Sustainability Analysis
DRFI	Disaster Risk Financing and Insurance
EU	European Union
EF	Environmental Finance
EIA	Environment Impact Assessment
FAO	Food and Agricultural Organization of the United Nations
FMA	Financial Management Act
FMIS	Financial Management Information System
GBV	Gender Based Violence
GCF	Green Climate Fund
GCCA	Global Climate Change Alliance
GDP	Gross Domestic Product
GEF	Global Environment Facility
GFC	Global Financial Crisis



GFS	Government Finance Statistics	PEFA	Public Expenditure and Finance Accountability Assessment
GoT	Government of Tonga	PFM	Public Financial Management
GSI	Gender and Social Inclusion	PICs	Pacific Island Countries
IASC	Inter-Agency Standing Committee	PIFS	Pacific Island Forum Secretariat
IPCC	Intergovernmental Panel on Climate Change	PIFACC	Pacific Islands Framework for Action on Climate Change
IRDF	Integrated Rural Development Framework	PHT	Pacific Humanitarian Team
JICA	Japan International Corporation Agency	PMO	Prime Minister's Office
JNAP	Joint National Action Plan (for Climate Change Adaptation and Disaster Risk Reduction)	PMU	Project Management Units
MAFFF	Ministry of Agriculture, Forestry, Fisheries and Food	PPP	Public Private Partnerships
MDAs	Ministries, Departments and Agencies	PRRP	Pacific Risk Resilience Program
MDG	Millennium Development Goal	PSCECC	Parliamentary Standing Committee on Environment and Climate Change
MEIDECC	Ministry of Meteorology, Energy, Information, Disaster Management, Climate Change and Communications	PSIDS	Pacific Small Island Developing States
MET	Ministry of Education, & Training	PSIP	Public Sector Investment Program
MFAT	Ministry of Foreign Affairs and Trade	RDSSSED	Roadmap for Democracy and Sustainable Socio-Economic Development
MFNP	Ministry of Finance and National Planning;	REDD	Reducing emissions from deforestation and forest degradation
MLECCNR	Ministry of Lands, Environments, Climate Change and Natural Resources	RGA	Risk Governance Assessment
MoH	Ministry of Health,	RIE	Regional Implementing Entity
Mol	Ministry of Infrastructure	SAMOA	SIDS Accelerated Framework for Action on Climate Change
MORDI	Mainstreaming of Rural Development Innovation	SBI	Subsidiary Body for Implementation
MTEF	Medium Term Expenditure Framework	SCF	Strategic Climate Fund
NACGAD	National Advisory Committee on Gender and Development	SOEs	State Owned Enterprises
NATA	Naunau 'o e Alamaite Tonga Association Incorporated	SRDP	Strategy for Climate and Disaster Resilient Development in the Pacific
NCF	National Climate Fund	SST	Sea Surface Temperature
NDC	National Disaster Council	TCC	Tonga Chambers of Commerce
NEMC	National Emergency Management Committee	TCDT	Tonga Community Development Trust
NERC	National Emergency Recovery Committee	TDB	Tongan Development Bank
NEMO	National Emergency Management Office	TERM	Tonga Energy Road Map
NEMP	National Emergency Management Plan	TNCC	Tonga National Council of Churches
NEOC	National Emergency Operations Committee	TNCLF	Tonga National Church Leaders Forum
NIE	National Implementation Entity	TNYC	Tonga National Youth Congress
NIIP	National Infrastructure Investment Plan	TSDF	Tonga Strategic Development Framework
NRBT	National Reserve Bank of Tonga	TTSR	Tonga Tourism Sector Roadmap
NGOs	Non-Government Organizations	TWB	Tonga Water Board
ODA	Overseas Development Assistance	UNCBD	United Nations Convention for Biological Diversity
PAMD	Project and Aid Management Division	UNCCD	United Nations Convention to Combat Desertification
PCCFAF	Pacific Climate Change Finance Assessment Framework	UNDP	United Nations Development Programme
PCRAFI	Pacific Catastrophe Risk Assessment and Financing Initiative	UNFCCC	United Nations Framework Convention on Climate Change
		UNISDR	United Nations International Strategy for Disaster Risk Reduction
		VEMC	Village Emergency Management Committees
		WB	World Bank

Executive Summary

The Kingdom of Tonga is highly vulnerable to risks from natural disasters and to the impacts of climate change. This vulnerability is compounded by economic and social factors such as fluctuations in the economy, population growth and migration, poor planning, ecosystem degradation and unsustainable use of natural resources. Thus far, Tonga has put in place the foundations for some policy measures, plans and budgetary systems to help it mobilize resources on climate change and disaster risk management activities. However, the Government of Tonga (GoT) wants to do more and its goal is to improve and increase Tonga's capability to better respond to climate change and disasters ensuring delivery of much needed projects on the ground to help its people.

A major project that will contribute to Tonga's goals is the Tonga Climate Financing and Risk Governance Assessment (CFRGA). This assessment used the Pacific Climate Finance Assessment Framework, which builds on the Climate Public Expenditure and Institutional Review (CPEIR) methodology. For the first time it was jointly conducted with a Risk Governance Assessment (RGA). This assessment was designed to help Tonga understand its strengths and weaknesses across the whole of government to help provide the focus needed to improve capability and therefore: better manage disaster risk management activities; plan for and respond effectively to climate change impacts; and be in a stronger position to access important climate change funding.

The CFRGA focussed on developing insight and understanding Tonga's mix of policies and plans developed to help guide its climate change work program and the institutions in place and their level of planning, coordination and collaboration; determining the strength of their public financial management systems and whether climate change expenditure was achieving policy objectives; identifying capacity constraints of Tonga's human resources; linking climate change with the broader development effectiveness efforts; assessing existing communication as well as monitoring and reporting mechanisms; and providing a comprehensive picture of how much and what type of climate change financial support is available to Tonga.

The CFRGA reiterated the extreme vulnerability of Tonga to climate change and geohazards, including earthquakes, volcanic activity, tsunamis, landslides, cyclones and tropical storms. The assessment clearly demonstrated that these already significant future impacts on Tonga's economy would only worsen with a range of additional climate change impacts, including sea level rise, increases in temperature, changes in rainfall and ocean acidification.



The CFRGA found that the GoT has taken a proactive approach, where its capacity allows, to address its extreme level of vulnerability. The Government has been a global leader in developing a suite of policies and plans that integrate climate change and disaster risk management, rather than treating them as stand-alone issues. However, the Government's leadership in developing national policies and plans are inconsistent when translated to sector plans and policies and sub-national plans. There is a significant opportunity to strengthen the National Climate Change and Disaster Risk Management (CCDRM) policy context through the forthcoming review of key national policies and plans. This policy reform process will be greatly enhanced through a sustained effort to strengthen institutional structures and staff capacity through a coordinated process of CCDRM staff capacity planning and professional development. There is also significant scope to reduce the complex structure of CCDRM coordinating mechanisms.

The analysis of Tonga's Public Financial Management found steady improvement in the quality of systems. The analysis stressed that continued on-going improvement would significantly advance Tonga's progress towards its goal of accessing climate finance. However, to achieve these reforms political leaders need to be engaged and committed to the reform efforts. Engaging all areas of Government in the reform effort will be a prerequisite to its success.

The CFRGA analysis of the Government's cash resources for the past six years of all financial flows considered beneficial to Tonga's CCDRM response concluded that around 31% of the development assistance received by Tonga in 2012/13 and 2013/14 is related to achieving CCDRM objectives. Importantly, Tonga has no dominant funding source for CCDRM assistance, but instead is using a range of international and bilateral sources. At the same time, the Government is gradually increasing the share of its own budget to climate change efforts. The assessment concluded that there should be efforts to strengthen the tracking and evaluation of CCDRM financing that will be a critical pre-requisite for managing increased flows of climate change financing in the future.

The innovative analysis of best practice on gender and social inclusion mainstreaming highlighted that Tonga devoted sizeable resources in recent years to

strengthening the policy environment for gender and social inclusion. Improvements on gender and social analysis practices, data sharing and coordination of projects were concluded to have a sizeable impact on the effectiveness of CCDRM programming in Tonga. Such improvements enhance Tonga's ability to access CCDRM financing and in so doing help respond to the human impacts of climate change and disasters.

The linkage between climate change and disaster risk management with broader development effectiveness efforts found that while a range of positive improvements was made, significant challenges remain. There are clear opportunities for Government in cooperation with development partners to strengthen the alignment and harmonization of its development assistance.

The CFRGA concluded that Tonga has a range of options for enhancing its access to climate and disaster risk management financing. While Tonga successfully sourced climate financing through a range of funding options the long-term climate financing landscape is emerging rapidly and Tonga will need to build on its CCDRM foundations to take advantage of these type of funding options. This is especially so given its progress in climate policy, planning, project implementation and experience with development partners.

A key outcome of this report is a draft Implementation Plan incorporating practical recommendations developed in consultation with key Tonga stakeholders. The main report comprises of technical chapters outlining the findings of the assessment together with observations made by the project team. The Implementation Plan ensures that clear timeframes and responsibility for implementation are assigned to each recommendation. This Plan will help guide Tonga's efforts to improve access to CCDRM related financial support from external sources and guide its own internal CCDRM programs. The Plan will also assist in monitoring and evaluating progress in implementation and also contribute to integration and alignment with Government's overall development efforts. Next steps will involve further discussion of these recommendations to ensure the Plan is adopted.

Finally, the list below comprise the CFRGA's recommendations organized by chapters.

Recommendations

CHAPTER 2 | RISK PROFILING

- 1 An up to date database on climate and geohazards is maintained to ensure a consistent approach to the reporting of impacts to help track their change over time.
- 2 Develop consistent vulnerability assessment methodologies are developed to ensure a comprehensive assessment of climate and geohazards vulnerability is undertaken.
- 3 Ensure future vulnerability assessments undertaken to integrate social status, gender, poverty and disability.

CHAPTER 3 | POLICY ANALYSIS

- 4 Ensure that process for updating the JNAP, Climate Policy and NEMP are closely coordinated.
- 5 Develop a toolkit to guide integration of CCDRM into sectoral planning processes.
- 6 Strengthen govt. and NGO partnerships in the development of provincial, district and village CCDRM planning through development of specific Memoranda of Understanding for joint planning and service delivery.
- 7 Conduct a bi-annual stocktake of all CCDRM initiatives and plans at the provincial, district and village level
- 8 Utilise MIA's 'bottom up' development planning process as a conduit for integration of CCDRM into sub-national development planning
- 9 Continue the active and positive contribution to regional and international CCDRM fora.

CHAPTER 4 | INSTITUTIONAL ANALYSIS

- 10 Undertake an institutional review of all CCDRM coordination mechanisms to simplify the organizational and reporting structures of coordinating mechanisms.
- 11 To provide a community-level focus for CCDRM issues extend the mandate of existing District and Village Disaster Management Committees to including climate change adaptation issues, and encourage their formation in communities where no Disaster Management Committee exists.
- 12 MIA's sub-national development planning process to include CCDRM considerations
- 13 Develop a CCDRM staffing resource plan to optimize the balance of short-term project-based and GoT full-time staff to meet both project deliver needs and the building of long-term capacity.
- 14 Undertake a training needs assessment for CCDRM and develop a CCDRM Training Plan to improve systematic, long-term CCDRM technical capacity.
- 15 Review the legislative framework for local government including the Towns Act and Fonos Act in light of recent GoT reorganization and integrate CCDRM considerations.
- 16 Include the Ministry of Finance and National Planning, the Ministry of Internal Affairs and the Tonga Chamber of Commerce and Industry in the JNAP Taskforce
- 17 MIA creates a sub-national planning, budgeting and monitoring guideline that includes CCDRM considerations

CHAPTER 5 | PUBLIC FINANCIAL MANAGEMENT ANALYSIS

- 18 Implement the PFM Roadmap as a matter of priority to advance Tonga's progress towards accessing CCDRM finance.
- 19 Engage political leaders and all areas of Government to ensure commitment to the PFM reform efforts in the effort to attract further CCDRM funding.
- 20 Development partners should, where possible, use country systems to implement projects, or at least design project implementation strategies that support and build local capacity in country system components such as procurement and monitoring and evaluation.
- 21 Utilise Government planning, budgeting and monitoring systems as an opportunity to screen development investments for climate and disaster risks.
- 22 Development partners to look at using local capacity for project management as much as possible.
- 23 Ensure that external consultant recruited for project management have specific requirements to develop local capacity.

-
- 24 Develop post-disaster Standard Operating Procedures (SOPs).
-
- 25 Ensure the Emergency Fund (EF)
- Maintains a minimum legislated level of resources sufficient to deal with disasters based on input from relevant technical offices.
 - Is replenished sufficiently in years after major payouts in response to an emergency.
 - Receives annual appropriation for the maintenance of the real value and any increased vulnerability.
-
- 26 Institute regulations to establish 'disaster-specific' special funds
- To receive cash donations from donors, international agencies (including insurance under PCRAFI), private sector and public contributions.
 - To be used specifically for disaster relief and accounted separately.
 - Requiring independent record of disaster-related expenditure and revenues.
-
- 27 Develop simplified and harmonized disbursement procedures to community level for disaster response.
-

CHAPTER 6 | CLIMATE CHANGE AND DISASTER RISK REDUCTION ACTIVITIES

- 28 Implement a tracking system for CCDRM projects able to accommodate CCDRM as both a primary and secondary objective of the expenditure.
-
- 29 Strengthen the project database and integrate (as far as possible) with the Treasury's IFMIS in order to track CCDRM projects and integrate into Budget Estimates.
-
- 30 Devise and implement system to better estimate and track in-kind assistance.
-
- 31 Adopt a coding system for tracking CCDRM expenditure in budget expenditure integrated into the Chart of Accounts but able to accommodate CCDRM as both a primary and secondary objective of the expenditure – consistent with project coding structure.
-
- 32 Review potential conflicts between revenue policies for discounted fuel and renewable energy objectives and clearly explain objectives to community.
-
- 33 Investigate concession tax treatment for energy efficient appliances, solar panels and other goods that support CCDRM.
-
- 34 Explore policies to harmonize post-disaster remittance funds for CCDRM with GoT assistance.
-

CHAPTER 7 | GENDER AND SOCIAL INCLUSION ANALYSIS

- 35 Support all line ministries and agencies dealing with CCDRM with capacity building on gender mainstreaming and social inclusion based on a detailed human resources feasibility assessment.
-
- 36 Require a dedicated marker for coding the gender and social inclusion responsiveness of the primary and secondary objectives of CCDRM projects.
-
- 37 Incorporate the ability to track the allocation of funds for gender and social inclusion project elements including CCDRM projects into its coding system.
-
- 38 Include a strong strategic and technical gender and social inclusion component in the proposed revised Joint National Action Plan (JNAP) including specific accountability measures against which JNAP agencies are required to report.
-
- 39 Include structures for coordination of civil society organisations (CSOs), nongovernment organisations (NGOs) and government activities on gender and social inclusion within CCDRM programming in the revised JNAP.
-

CHAPTER 8 | DEVELOPMENT EFFECTIVENESS

- 40 Undertake an analysis to determine the appropriate candidate to apply for National Implementing Entity (NIE) status to the Adaptation Fund
-
- 41 Develop a compulsory single and standardized government reporting framework/template, for all aid activity reporting including CCDRM activities.
-
- 42 Explore the potential for including CCDRM targets into an expanded budget support process encapsulated by the Joint Policy Reform Matrix.
-

-
- 43 Develop a simple monitoring and evaluation matrix (similar to the Joint Policy and Reform Matrix) linked to the (Tonga Strategic Development Framework) TSDF II to help effectively track the overall aid program, including CCDRM projects.
-
- 44 Encourage development partners and donors present in Tonga to consider establishing a development partners' coordination mechanism specifically to share lessons and updates on CCDRM activities. For this to be effective, membership should be extended as much as possible to cover other donor project representatives, United Nations (UN) Joint Presence and the University of the South Pacific.

CHAPTER 9 | OPTIONS TO BETTER ACCESS CLIMATE CHANGE AND DISASTER RISK MANAGEMENT FUNDING

- 45 Continue the strategy to keep GoT options open by accessing climate financing through multiple channels
-
- 46 Continue to explore a multi-pronged approach to accessing climate funds, including, but not limited to, the Green Climate Fund, Adaptation Fund, Climate Technology Centre and Network and Global Environment Facility through direct access modalities and working with its regional partners for regional access opportunities.
-
- 47 GoT maintains ongoing processes for climate financing options analysis – given the rapidly emerging climate financing landscape – through a short annual CFRGA update.
-
- 48 Provide appropriate internal resources to maintain a stable, permanent, well-trained cadre of climate financing staff to monitor and evaluate climate financing options and support implementation of chosen options.
-



© David Kirkland, Image courtesy of the South Pacific Tourism Organisation.

Introduction

The Kingdom of Tonga (Tonga) is highly susceptible to the impacts of climate change and disaster risks. Its susceptibility is principally due to its geographical, geological and socio-economic characteristics.

Climate change and natural disasters pose serious adverse impacts to the people of Tonga and their livelihoods. How well Tonga responds to and addresses climate change and disaster risk reduction (CCDDRR) depends on how well its government can integrate policy successfully across all its key institutions including its financial management systems. The timing was right to take a closer look at Tonga's existing measures, policies and budgetary systems currently in place and provide guidance on where improvements can be made to increase Tonga's capacity to mobilize important resources both now and in the future.

As a result, the CFRGA project was established. It was important to make specific recommendations in the project that could be developed as an implementation plan to help manage the pathway to improvement.

How the Assessment will help?

The CFRGA aims to assist Tonga to:

- identify and mobilize financial resources required to finance climate actions effectively
- improve the budgetary process to ensure a strategic resource allocation to finance the government's expenditure and investments
- manage and scale-up climate finance to ensure sufficient allocation for national, provincial and district government
- strengthen the monitoring and evaluation system to track how well the government and stakeholders spend financial resources on climate change and disaster risks management
- enhance Government's capacity for risk resilience
- integrate gender and social inclusion into institutional arrangements for climate change and disaster risk management
- review and strengthen disaster management arrangements
- strengthen and enhance the capacity of the new disaster management cluster system.

Assessment methodology

This assessment used the Pacific Climate Finance Assessment Framework, which builds on the CPEIR methodology. For the first time it was jointly conducted with an RGA coupled with specific analysis of gender and social inclusion. Further information about the methodology can be found in Annex A.



Principles of ownership and participation

Two key principles for the CFRGA were ownership and participation. Consequently, all aspects of the CFRGA were grounded in extensive stakeholder consultations – both through workshops and bilateral consultations – to ensure the analysis was derived from an inclusive and transparent process (see Annex C). The project engagement with high-level decision makers including the Minister of Finance and National Planning, Minister of Meteorology, Energy, Information, Disaster Management, Climate Change and Communications, Minister of Internal Affairs and the Parliamentary Standing Committee on Climate Change.

Senior level staff from across Government were consulted including the secretary and deputy secretary level. Cross-government engagement was enhanced through the support of the JNAP for Climate Change Adaptation and Disaster Risk Reduction Task Force and NGOs Platform. This ensured that agencies were aware of the project, including its methods and intended outcomes from inception.

Structure of the report

The report comprises a series of technical chapters (Chapters 2 to 8), an options chapter (Chapter 9) and annexes including additional information as well as the Implementation Plan. In summary, the chapters are outlined below:

- Chapter 2 profiles the climate change and geohazards facing Tonga and discusses their implications on policy, planning and financial management.
- Chapter 3 undertakes a targeted policy analysis including detailing Tonga's position on climate change and disaster risk management and key national and sector strategies. The chapter also describes agency-level policies and planning for CCDDR and the approaches taken for monitoring and evaluation for CCDDR. It concludes by outlining Tonga's policy on climate change mitigation and profiles the current funding of CCDDR projects.
- Chapter 4 details the analysis of Tonga's institutions and structures for CCDDR. The analysis includes human resource management and development, national planning institutions and local governance and institutional design of monitoring and evaluation for CCDDR.

- Chapters 5 and 6 focus on two key aspects of Financial Analysis: Chapter 5 undertakes a Public Financial Management (PFM) analysis in relation to CCDDR including budgeting financial management and control and public financial management performance. Chapter 6 analyzes CCDDR activities and expenditure by undertaking an analysis of funding sources and budgetary expenditure.
- Chapter 7 outlines the Gender and Social Inclusion (GSI) assessment focused on the financing of CCDDR. This was undertaken through emphasizing the gender imperative, then describing GSI policies and plans in Tonga in relation to CCDDR. The chapter concludes by discussing the opportunities for GSI integration into CCDDR.
- Chapter 8 assesses the effectiveness of the support of development efforts including its ownership and leadership and alignment and harmonization with national development priorities. The chapter also discusses the managing of results and mutual accountability.
- The report concludes with Chapter 9, which discusses options to help Tonga better access climate change funding.

In addition, a series of technical annexes outlining additional information are also provided. Annexes include detailed information on the methodology and definitions used, the results of specific technical analysis with the final Annex comprising the Implementation Plan.



Risk Profiling

This chapter highlights Tonga's exposure and vulnerability to climate, climate change and geological hazards and outlines the significant impacts they pose on sectors critical to Tonga's economy and sustainable development. The chapter also analyzes how risk assessment can guide the policies, plans, and financial management systems necessary for risk mitigation.

The draft Strategy for Climate and Disaster Resilient Development in the Pacific (SRDP) uses definitions from the Intergovernmental Panel on Climate Change (IPCC) and the office of United Nations International Strategy for Disaster Risk Reduction (UNISDR)¹ shown in Box 2.1.

Box 2.1 Definitions Draft Strategy for Climate and Disaster Resilient Development in the Pacific

Risk

The combination of the probability of an event and its negative consequences

Hazards

A phenomenon, substance, human activity or condition that may cause one or more of the following: loss of life, injury or other consequences for humans, property damage, loss of livelihoods and services, social and economic disruption, and environmental damage. Hazards may be slow or rapid onset. They may have natural or technological origins, with many being exacerbated by human activity.

Exposure

People, property, natural and human systems, or other elements present in hazard zones that are thereby subject to potential losses.

Vulnerability

The characteristics of a person or groupings such as a household, community or country, and their situation that influences their capacity to anticipate, cope with, resist and recover from an adverse pressure. Vulnerability is a result of diverse historical, social, economic, political, cultural, institutional, natural resource and environmental conditions and processes.

¹ https://www.ipcc.ch/publications_and_data/publications_and_data_glossary.shtml and <http://www.unisdr.org/we/inform/terminology>

2.1 Tonga's climate change and geohazard exposure and vulnerability profile

Tonga is an archipelago of 175 islands spread from 15° to 21° South along longitude 185° East and lies in close proximity to the Tonga Trench. The main island groups are located on an uplifted sea floor (the Tonga Ridge), which is associated with the fore-arc margin of the Australia-Pacific subduction zone. The chain of islands, which lies to the west, is also associated with the Tofua volcanic arc. The islands of Tonga range from low-lying atolls to more mountainous volcanic islands. Kao is the highest point at 1030 metres. The Tongatapu and Ha'apai groups are generally low-lying atolls, while the island of 'Eua and the Vava'u and Niua Groups have a greater range of elevation.

Given its geophysical location, Tonga is susceptible to a diverse range of both climatic and geological hazards. Indeed, the Global Facility for Disaster Reduction and Recovery (GFDRR)² recently concluded that Tonga is expected to incur, on

average of TOP(\$)³28.2m per event per year in losses due to earthquakes and tropical cyclones – without factoring in climate change. Further, GFDRR concluded that the next 50 years, Tonga has a 50% chance of experiencing per event loss exceeding TOP(\$)³319m, and a 10% chance of experiencing a per event loss exceeding TOP(\$)³783m.

This section will highlight the key hazards that impact Tonga and its priority sectors, and address how these sectoral impacts affect the country's social, economic and environmental dimensions.

In line with the IPCC Special Report on Extreme Events (SREX) report³, Tonga's climate change and geohazard risks are made up of three key components: hazards (represented as weather and climate events), exposure and vulnerability (see Figure 2.1). Each of these components is described in separate sections below.

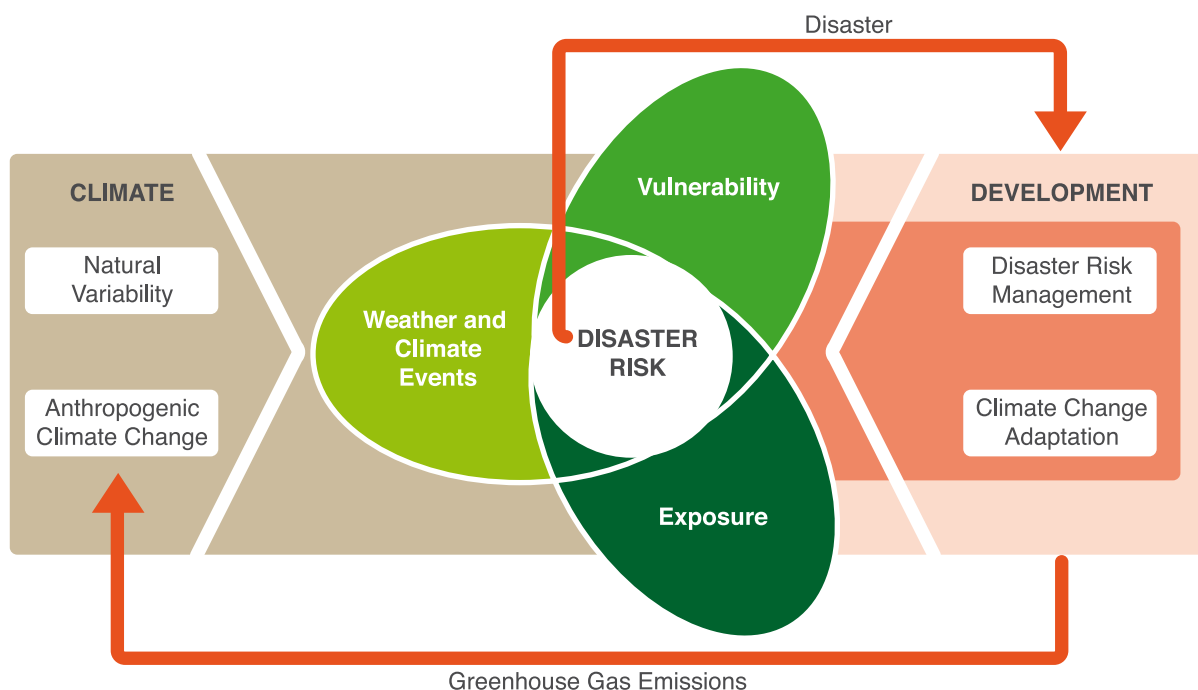


Figure 2.1 Core concepts of hazards, exposure and vulnerability used in this report (source IPCC SREX, 2014)

² GFDRR Tonga Country Note (2014) <https://www.gfdr.org/PCRAFI-Country-Note-Tonga>

³ Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation, Special Report of the International Panel on Climate Change, 2014, pg. 4

2.1.1 Geological hazards

Tonga's geographical location within the Pacific Ring of Fire, and within the subduction zone of the Australian and Pacific tectonic plates render it highly vulnerable to volcanic, seismic and tsunami hazards.

Earthquakes

Tonga is situated approximately 200km west of the Tonga Trench, which is considered a high potential source for seismic activity. Historical data shows that there has and continues to be high seismic activity in Tonga. As shown in Figure 2.2, Tonga experienced a significant number of earthquakes since 1900. For example, the year 2007 saw 283 seismic events registered in Tongan waters and 322 in 2008.

However, majority of these seismic events may not have caused significant impacts in Tonga mainly due to their low magnitude and depth. Historical records show that Tonga has experienced and been severely impacted by numerous seismic events registering a magnitude of 8+ (Table 2.1). Since 1900, there have been 17 magnitude 8+ earthquakes. The most recent event occurring on 30th September 2009, of a magnitude of 8.3 that subsequently triggered one of the Pacific regions most devastating tsunamis, which impacted the northern island of Niuatoputapu and Samoa to the north.

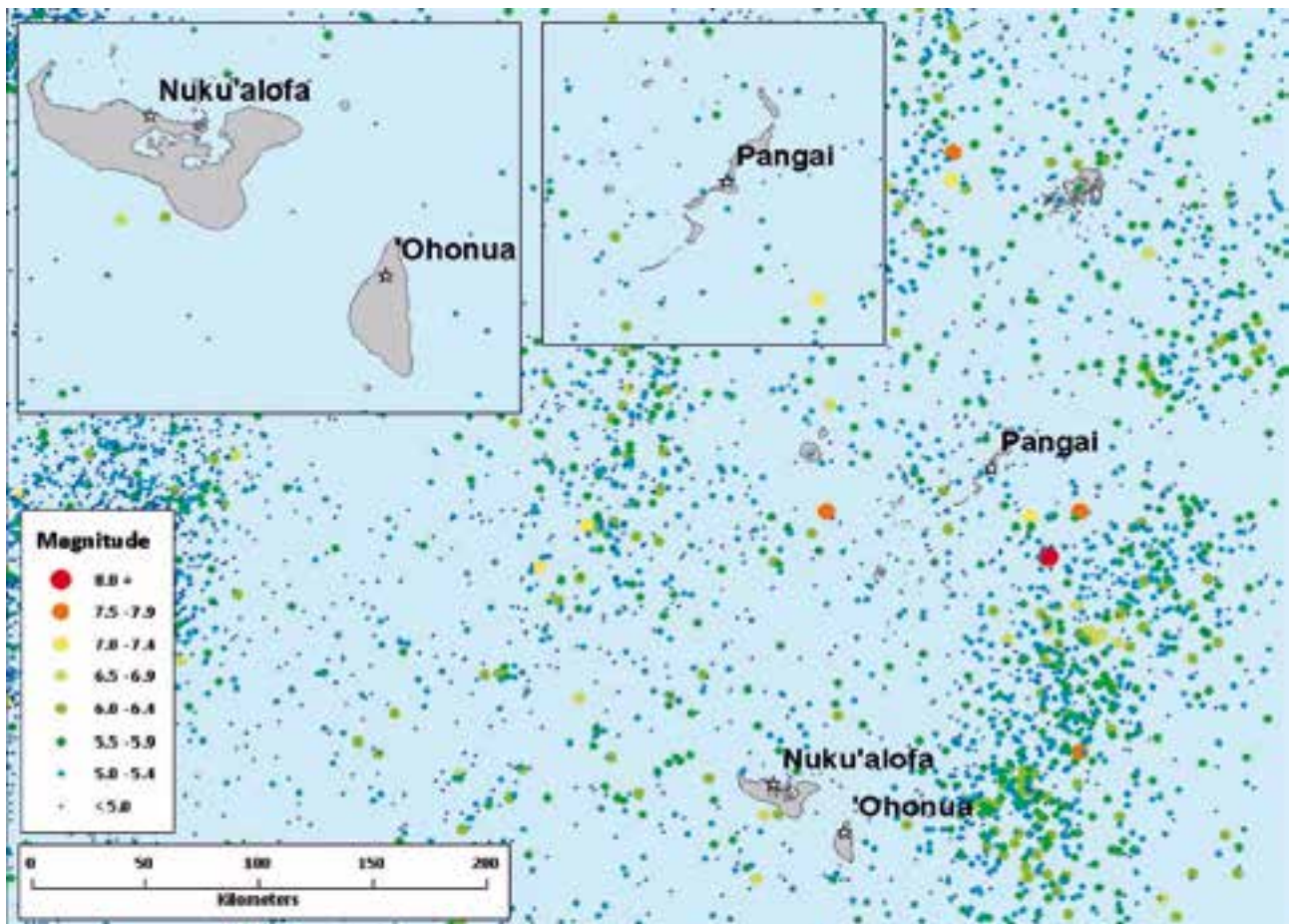


Figure 2.2 Seismic activity since 1900 (Source Pacific Catastrophe Risk Financing Initiative: Country Risk Profile: Tonga. World Bank. SOPAC. September 2008)

However, earthquake events at a magnitude less than 8 also caused significant damage to Tonga's natural and physical assets. On 23 June 1977, an earthquake with a magnitude of 7.2⁴ caused severe damage to houses, churches and public utilities. This event also severely damaged the Vuna wharf in Nuku'alofa, with repairs just starting in 2006 due to lack of financial resources. On 4 May 2006, a powerful earthquake with a magnitude of 7.9, struck Ha'apai Island and severely damaged the hospital and staff quarters, several buildings and the wharf.

Table 2.1 Earthquakes of magnitude 8+ in the Tonga region (Source: Unknown)

Year	Month	Day	Time (UTC)	Latitude	Longitude	Depth (Km)	Magnitude
1902	Feb	9	735	-20	-174	60	8
1903	Jan	4	507	-20	-175	400	8
1909	Feb	22	921	-18	-179	550	8
1913	Jun	26	457	-20	-174	60	8
1917	Jun	26	549	-15.5	-173	25	9
1919	Jun	1	259	-19.5	-176.5	180	8
1919	Apr	30	717	-19	-172.5	25	8
1937	Apr	16	301	-21.5	-177	400	8
1948	Sep	8	1509	-21	-174	25	8
1949	Aug	6	0	-20	-175	-	8
1949	Aug	6	35	-18.5	-174.5	70	8
1950	Dec	14	152	-19.2	-175.7	200	8
1956	May	23	2048	-15	-179	430	8
1956	Jan	10	0	-20	-175	-	8
1957	Sep	28	1420	-20.4	-178.5	549	8
1957	Apr	14	1918	-15.5	-173	60	8
2009	Sep	29	1748	-15.5	-172	18	8.3

Volcanic activity

The Tonga archipelago is situated within the Pacific Ring of Fire and comprises a particularly active chain of marine volcanoes that runs north-south (Figure 2.3). In 1946, a violent volcanic eruption destroyed many buildings, crops and copra sheds on the northern island of Niuafu'ou⁵. The entire population of about 1,300 people were evacuated to the southern island of 'Eua. However, despite there being no recent highly destructive eruptions, this remains an ever-present hazard.

In 2009 an undersea eruption occurred in the central island group 'Hunga Tonga - Hunga Ha'apai' region. The eruption was visible from Tonga's capital Nuku'alofa with emissions of steam and ash reaching more than 1km in height. The steam and ash column first appeared following a series of sharp earthquakes that were experienced in Nuku'alofa, resulting in the cancellation of both domestic and international flights, and causing detrimental impacts on the surrounding marine ecosystem. Further eruptions occurred in the same region firstly in December 2014 with an ensuing eruption on 17th January 2015⁶.

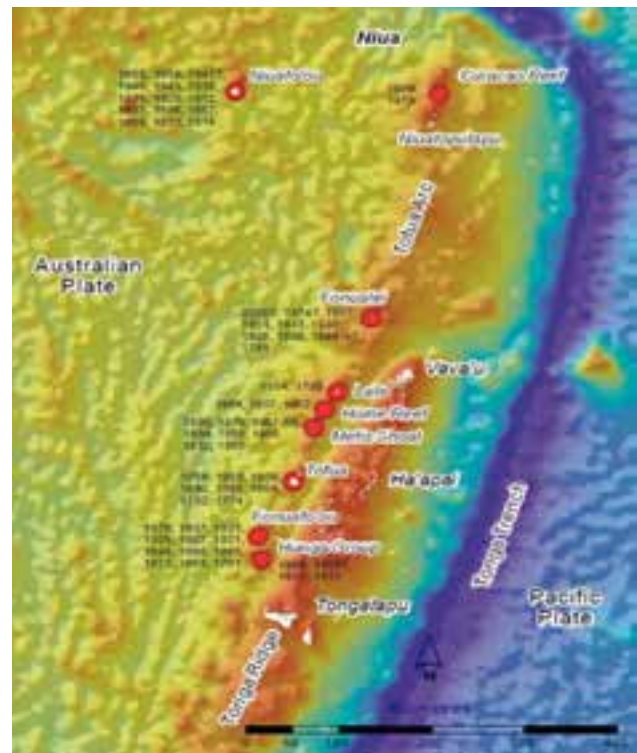


Figure 2.3 Tonga Volcanic Arc (with historical eruptions) (Source: Unknown)

⁴ Disaster and Emergency Preparedness in Tonga, Southeast Asia Journal of Tropical Medicine and Public Health, Vol. 40, Supplement 1, 2009

⁵ *ibid.*

⁶ Government of Tonga Press release: Advisory of Volcanic Activity #5, 2015

Tsunami

Historical accounts dating back to 1853 show that Tonga has experienced some 24 tsunami events affecting many of its islands with the most recent event devastating the northern island of Niuatoputapu on 30 September 2009. The 2009 tsunami reached a maximum height of 16.9m on the south-east coast of Niuatoputapu with wave flow heights ranging between 4 to 7 metres above mean sea level along its western coastline⁷. Fortunately, the greatest damage was in the unpopulated and forested areas of the eastern and northern coastline. These areas were stripped of matured forest; piles of debris, trees and vegetation from the devastated areas got deposited in the lagoon and other areas. The land surface was stripped off its soil cover and the shoreline left significantly scoured.

Landslides

It is generally accepted that occurrences of landslides on the flat atoll islands of Tongatapu and Ha'apai are low, but occur more frequently on the higher topographic islands of Vava'u, the Niua's and 'Eua.

2.1.2 Weather and climate hazards

Tropical cyclones

Tropical cyclones are a critical hazard to Tonga due to the potential for significant destruction and high likelihood of reoccurrence. High winds and heavy rainfall associated with cyclones may cause significant loss of life, damage to property, infrastructure, crops and the environment. On average, Tonga experiences 20 tropical cyclones per decade with most occurring between November and April. It is rare for tropical cyclone to occur outside these months (Figure 2.4).

Tropical cyclones in Tonga were most frequent in El Niño years (19 cyclones per decade) and least frequent in La Niña and ENSO-neutral years (16 cyclones per decade). The year-to-year variability in the number of tropical cyclones in the vicinity of Nuku'alofa is large, ranging from zero in some seasons to five in the 2003/04 season (Figure 2.4). This high year-to-year variability makes it difficult to identify any long-term trends in frequency especially given the relatively short period over which measurements have been made⁸.

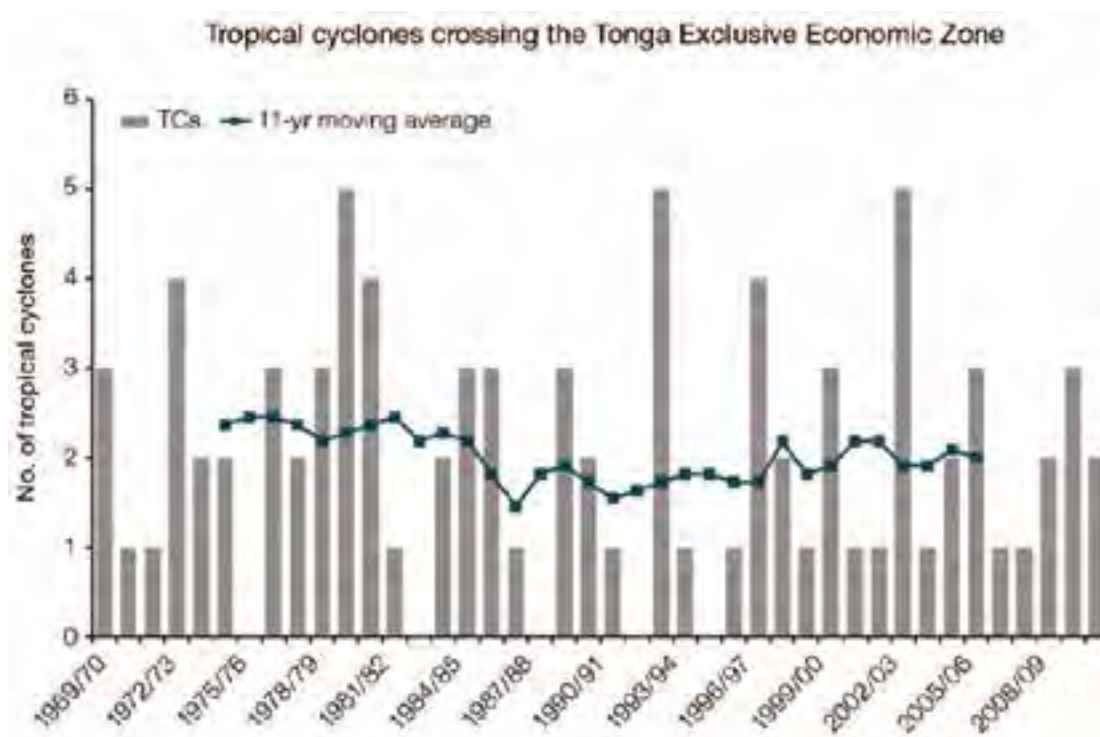


Figure 2.4 Tropical cyclones crossing Tonga's Exclusive Economic Zone (Source: Australian Bureau of Meteorology and CSIRO, 2014)⁸

⁷ Tonga Joint National Action Plan on Climate Change Adaptation and Disaster Risk Management 2010-2015 (JNAP)

⁸ Australian Bureau of Meteorology and CSIRO (2014) Climate Variability, Extremes and Change in the Western Tropical Pacific: New Science and Updated Country Reports.

All island groups in Tonga have been severely impacted by tropical cyclones amounting to millions of dollars in damages to agricultural crops, roads, causeways, residential housing, community facilities, churches and meeting halls (Table 2.2).

Table 2.2 Significant cyclones by damages incurred (TOP) (Source: Unknown. Values adjusted for inflation?)

Tropical Cyclone	Date	Island Group Impacted	Damages in TOP (\$m)
Flora	March, 1961	Vava'u, Ha'apai	
Isaac	March, 1982	Ha'apai, Tongatapu	18.7
Waka	December 2001/2	Niua's, Vava'u	104.2
Rene	February, 2010	Tongatapu, Vava'u, Ha'apai	38
Ian	January, 2014	Ha'apai	93

Storms

A storm is any event that is not classified as either a tropical depression or a tropical cyclone. Storm events are more frequent than tropical cyclones and while they have the potential to cause loss of life, damage property, infrastructure and crops they are less damaging than tropical cyclones. Tonga's tropical climate results in frequent storms, particularly over the wet season from November to April. Storms may produce a number of conditions that may be considered a hazard in their own right, including:

- lightning, which may cause electrocution, fires and direct impact damage
- high winds, which may damage infrastructure and vegetation
- rainfall, which may result in flooding
- hail, which may result in damage to property and infrastructure.

Storm surge

Many low-lying areas in the main island of Tongatapu are extremely vulnerable to coastal flooding and inundation due to storm surges. The most severe storm surge occurred in March 1982 during Tropical Cyclone Isaac when nearly 30% of Tongatapu was inundated. Most the houses close to the waterfront were pushed away from their foundations.

In March 2003, storm surge from Cyclone 'Eseta affected the Nafanua Harbour in 'Eua, which was closed for two weeks. Tropical Cyclone 'Eseta also generated high impacting storm surge events, which inflicted millions of dollars in damage to tourist resorts in the eastern district of Tongatapu.

Tornados

Although tornadoes do not usually cause national disasters in Tonga, their impact can be disastrous at the local and village level. The last known tornado was in the central district of Tongatapu in September 2004 causing isolated damage to some homes in Utulau, Ha'akame and Ha'alalo.

El Niño Southern Oscillation

Tonga's climate pattern is very much affected by the El Niño Southern Oscillation (ENSO) phenomenon. As the warm sea surface temperatures move eastwards, moisture and water vapor required for cloud formation also migrate eastward and has often led to droughts in Tonga. The last three major droughts in Tonga in 1983, 1998 and 2006 have been directly linked to the May 1982–June 1983, May 1997–April 1998 and September 2006–January 2007 El Nino events.

The latest climate projections for Tonga suggest that El Niño and La Niña events will continue to occur in the future (very high confidence), but there is little consensus on whether these events will change in intensity or frequency⁹.

2.1.3 Climate change hazards

Temperature

Air temperatures are increasing in Tonga, with warming trends evident in both annual and seasonal mean air temperatures at Nuku'alofa between 1950–2009 with the strongest trends in the wet season.¹⁰

⁹ Australian Bureau of Meteorology and CSIRO (2014), pp. 282

¹⁰ Australian Bureau of Meteorology and CSIRO (2014), pp. 216

⁹ Australian Bureau of Meteorology and CSIRO (2014), pp. 282

¹⁰ Australian Bureau of Meteorology and CSIRO (2014), pp. 216



Figure 2.5 Annual mean air temperature at Nuku'alofa
(Light blue, dark blue and grey bars denote El Niño, La Niña and neutral years respectively)
(Source: Australian Bureau of Meteorology and CSIRO, 2014)

Surface air temperature and sea-surface temperature are projected to continue to increase due to climate change (very high confidence). A slight increase ($<1^{\circ}\text{C}$) in annual and seasonal mean temperature is projected by 2030 with increases of up to 2.5°C by 2090 under the A2 (high) emissions scenario. Importantly, climate models also project more very hot days and fewer cool nights¹¹.

Extreme temperatures and drought

Increasing temperatures have resulted in severe droughts, which have seriously affected the livelihoods, food supply as well as the socio-economic development of the people. In recent history, the worst droughts to be recorded in Tonga occurred during the El Niño years of 1982-83 and the 1997-98. El Niño events caused water shortages with an estimated cost of TOP(\$) $200,000$ requiring the shipping of drinking water to the Ha'apai group and other remote islands. These droughts also led to food shortages as a result of devastation to agriculture, detailed later in this Section.

Cyclones

The numbers of tropical cyclones in the south-east Pacific Ocean basin are projected to decline in the future due to climate change (moderate confidence). Critically, while the number of cyclones is projected to decrease, the proportion of most severe cyclones is projected to increase¹¹. The combination of fewer cyclones affecting Tonga, but being more severe, has profound implications for disaster management.

Extreme rainfall

Rainfall in Tonga has high variability from year-to-year, with about three times as much rain received in the wettest years as in the driest years. Much of this variability is driven by ENSO¹². Nearly two-thirds of Tonga's rainfall falls in the wet season from November to April. The South Pacific Convergence Zone affects the rainfall, which is most intense during the wet season.

Annual and half-year rainfall trends show little change with the exception of May–October rainfall in some locations, which has increased since 1947. Extreme daily rainfall trends show little change.

Importantly, while there is little overall change to average rainfall in the future due to climate change (low confidence) there is high confidence that the intensity and frequency of days of extreme rainfall are projected to increase¹¹.

Sea level rise

The sea level trend in Tonga suggests that there is an average increase in sea level of 6.4mm/year since records started in 1993 up to 2007 (TMS, Tonga, 2007). This is larger than the global average of $2.8\text{--}3.6\text{mm}$ per year. Sea level is expected to continue to rise in Tonga due to climate change. By 2030, under a high emissions scenario, this is projected to be in the range of $3\text{--}17\text{cm}$. This means that Tonga will face increasing impacts of flooding of its coastlines and long-term coastal erosion.

¹¹ Pacific-Australia Climate Change Science and Adaptation Planning Program: Tonga Country Report, 2014

¹² Australian Bureau of Meteorology and CSIRO (2014). Climate Variability, Extremes and Change in the Western Tropical Pacific: New Science and Updated Country Reports.

Coastal erosion is a critical environmental issue that is exacerbated as a result of climate change-induced sea level rise. Other contributing factors include increase denudation of mangroves, live coral removal, illegal mining of beach sands and sand dredging of off-shore sand dunes for construction purposes. A noticeable result of these activities and/or processes is loss of land and coastal infrastructure.

Rainfall Flooding

Flooding is also a regular occurrence in many low-lying areas of Tonga causing extensive damage to properties, major infrastructure, socio-economic and livelihoods of local people. Heavy rainfall has caused surface flooding resulting in affected homes, commercial buildings, and agricultural farms. On 9 February 2008, Tongatapu registered its highest recorded rainfall. High surface flood levels required assistance from the Tonga Defence Services to assist and relocate families whose homes were submerged.

Many areas in Nuku'alofa are below 5 metres above sea level thus the high level of precipitation (mentioned above) over a short period of time, storm surges and/or sea level rise makes Nuku'alofa highly vulnerable to both inland and coastal flooding.

Ocean acidification

Ocean acidification due to the ocean absorbing increased levels of carbon dioxide will likely have significant impacts on Tonga's fisheries and aquaculture sector considering that it has the potential to severely weaken the growth, behaviour and survival of numerous marine organisms, which provide food and protein for the population of Tonga. Such food sources as oysters, clams, urchins, corals and calcareous plankton will be severely threatened and the marine food web put at risk due to the predicted increase in ocean acidity¹³.

2.2 Exposure

Exposure is defined as the presence of people, livelihoods, environmental services and resources, infrastructure or economic, social, or cultural assets in places that could be adversely affected by hazards such as earthquakes, tsunamis, volcanoes, cyclones, droughts, floods and sea level rise.

Tonga is a diverse nation with very different levels of exposure to hazards between, and within, island groups. Most of the country's atoll islands including the main island of Tongatapu are very flat with an altitude of 2 to 5 metres above mean sea level, which consequently renders them at significant risk to inundation due to storm surge, tsunamis and other coastal hazards.

Nuku'alofa, the centre of commerce and trade, is on a long, low-lying peninsular (elevation 1 to 5 metres) on the island of Tongatapu. This relatively densely populated urban centre would face difficulties for rapid evacuation due to limited evacuation routes. The main port of entry is also situated in Nuku'alofa but the airport is on higher ground in the southeast of Tongatapu.

The capital Nuku'alofa and indeed all of the islands of Tonga are within 200 km of the Tongan Trench, a major potential source of earthquake-generated tsunami. Any local, or ocean-wide event generated by this source would reach parts of Tonga with minimal formal warning time, apart from feeling the earthquake.

According to the 2015 World Risk Report, Tonga is ranked as the world's third most exposed country to hazards, and ranked as the third most 'at risk' country in the world.¹⁴

Observations

- Strategic assessments have consistently shown that Tonga is one of the most exposed countries in the world to climate hazards and geohazards including cyclones, storms, earthquakes, tsunami and drought.
- Tonga's exposure to climate hazards will be exacerbated in the future by climate change including sea level rise, increased atmospheric and oceanic temperatures, increased ocean acidification and potential changes to the frequency and intensity of cyclones.

¹³ IPCC 5th Assessment Report

¹⁴ World Risk Report 2015

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
1	An up to date database on climate and geohazards is maintained to ensure a consistent approach to the reporting of impacts to help track their change over time	Short	NEMO	JNAP Secretariat	Database on climate and geohazards and associated outreach materials

2.3 Vulnerability

2.3.1 Vulnerable socio-economic sectors in Tonga

Agriculture

Vulnerability to adverse impacts of natural disasters and climate change pose a long-term threat to agricultural development in Tonga. Farming systems are based on a mixture of traditional shifting cultivation of traditional root crops with shortening fallows and rotation of different crops. Such rotation of crops and diversity traditionally provide protection against severe climate-related disasters. For example, tropical cyclones often destroy tree crops such as coconuts, bananas and breadfruit while root crops (taro, cassava, yams) are less severely affected. However, production of commercial crops such as squash pumpkin for export, green vegetables and watermelon usually involves mechanical tillage and input of fertilizers and chemicals/pesticides, which can be damaging to the environment if not managed effectively. The most important concerns from future climate change are drought, increased temperature, intense rainfall, sea level rise and tropical cyclones.

Drought

Severe droughts can seriously affect the livelihoods, food supply and the socio-economic development of Tonga and its people. Severe droughts in 1983, 1998 and 2006 caused stunted growth in sweet potatoes and coconuts. Moreover, most Tonga's traditional root crops such as taro, yams and cassava were destroyed by drought.

Increasing temperature

Future increases in average air temperatures will increase with more very hot days and fewer cool nights. High temperature will reduce soil moisture and fertility that will likely affect production of crops such as tomatoes, Irish potatoes and other vegetables.

Temperature increases will also impact livestock, including pigs and poultry both directly and through the threat to their food supply through potential changes in crop production. In addition, temperature increase, combined with changes in rainfall will increase the threat of pests and diseases by changing the conditions supporting for pest and diseases to reproduce.

Sea level rise

Sea level rise is already causing loss of agricultural lands on the low lying coastal areas and also the intrusion of seawater into the coastal allotments with increased soil salinization. This has in turn affected agricultural production along the coast that will worsen as mean sea level is predicted to rise over the next through the next century¹⁵.

Tropical cyclones

In 2010, Tropical Cyclone Rene severely affected Tongatapu, Vava'u and Ha'apai groups with reported damages to agricultural root crops, fruit trees and vegetables totaling TOP(\$)¹⁶19.4m. This event also caused a decline in agricultural production, which negatively impacted on Tonga's economy¹⁷.

A report by the Ministry of Agriculture, Forestry, Fisheries and Food (MAFFF) and Food and Agricultural Organization of the United Nations (FAO)¹⁸ on damage caused by Tropical Cyclone Ian indicated a TOP(\$)¹⁸20.6m loss to Tonga's agriculture and fisheries sectors. The category 5 cyclone, which made landfall on 11 January 2014 in Ha'apai island group caused near total damage to household food crops, fruit trees and fishing gear.

¹⁵ Projections under the high emission scenarios indicate a rise of between 7-27cm by 2030 and 11-51cm by 2055

¹⁶ Initial Damage Assessment Report, Tonga Ministry of Works and Disaster Relief Activities Report, 2010

¹⁷ Tonga Second National Communication to the UNFCCC (2012)

¹⁸ Rapid Damage Assessment to the Agriculture and Fisheries Sectors Report, FAO & Tonga MAFFF, 2014

Fisheries

As atmospheric CO₂ levels continue to rise and be absorbed by the ocean, there will be increased ocean acidity. There will also be continued warming of sea surface temperature (SST). The increase in SST slows or prevents growth in temperature sensitive species and causes more frequent coral bleaching that will impact the health and viability of Tonga's marine ecosystems. Ocean acidification and increasing SSTs may have significant impacts on Tonga's fisheries and aquaculture sector in the future. This is because the combined effect has the potential to severely weaken the growth, behaviour, and survival of numerous marine organisms, which provide food and protein for the population of Tonga¹⁹. Food sources such as oysters, clams, urchins, corals, and calcareous plankton will be severely threatened and the marine food web put at risk if the predicted increase in ocean acidity and SSTs continues.

Water resources

Vulnerability to adverse impacts of natural disasters and climate change pose a long-term threat to water supplies in Tonga. Given that water supply is highly sensitive to the effects of climate change, the most important concerns are drought, increased temperature, intense rainfall, sea level rise and tropical cyclones.

Changes in rainfall

Changes in rainfall will affect the freshwater lens by reducing recharge with decreased rainfall and increased runoff and higher rates of evaporation with increased rainfall. Increased runoff will affect the quality of the water. Decreasing rainfall will also mean freshwater supplies from rainwater harvesting will be limited putting additional pressure on extraction of groundwater resources.

Drought

The historic record of droughts in Tongatapu indicates that there has been no threat to the viability of the freshwater lens to date. However, higher demand and water extraction has increased over the same period and when combined with climate change, there is some evidence that current higher extraction rates are causing the thinning of the freshwater lens. Furthermore, prolonged droughts have had some impacts on rainwater storage and groundwater systems.

Sea level rise

Coastal areas of Tonga with shallow aquifers are vulnerable to sea level rise such as the western part of Tongatapu, which is also vulnerable to salt water intruding into the freshwater lens. A reduction in the area of freshwater lens and saltwater intrusion would be disastrous to the availability of fresh drinking water.

Tropical cyclones

Tropical cyclone generated storm surge and wave-overtopping in low-lying areas will affect the freshwater lens from saltwater intrusion. If tropical cyclones become less frequent, but more severe, this could put the freshwater lens at a higher risk of becoming brackish during severe events – especially if the storm surge is compounded with higher sea levels due to sea level rise. This has potential implications for fresh water supply in post-cyclone disaster settings.

Health

Flooding and prolonged ponding of water due to increased extreme rainfall events will have a higher probable increased incidence of waterborne and vector borne diseases such as dengue fever. This would potentially be compounded by sea level rise contaminating underground water, which if unsafe for drinking purposes can increase incidence of diarrheal diseases.

Infrastructure

Climate change will likely affect five main categories of infrastructure in Tonga: energy, water and waste, transport, information and communication technology (ICT), and buildings.

Energy

Energy systems in Tonga are required to cool homes, operate water supply and waste management systems in offices and institutions, light buildings and streets, and support a wide variety of businesses such as tourism. Urban areas have on-grid systems so any damage to the powerhouse or grid transmission lines will have wide-ranging consequences. Rural areas have off-grid systems that supply energy to the households. The major impacts to energy systems include:

- damage to various elements of the energy system infrastructure by storms and their associated strong winds and heavy rains
- toppled and leaning transmission lines caused by destabilized soil foundations brought on by heavy rains, flooding and wind
- washout or damage to road-surface caused by heavy rains and storms
- increased corrosion rates in metal structures in the energy distribution system caused by increased sea spray from storms and heavy winds.

¹⁹ SPC-Global Climate Change Alliance Project: Tonga Climate Change Profile, 2013

Water and waste

Major impacts of climate change on water related infrastructure include:

- damaged infrastructure caused by winds and heavy rains associated with storms/cyclones
- adverse impacts on the operation of the water and wastewater treatment systems due to flooding
- contaminated water-supply systems and increased cost of maintenance caused by flooding.

Transport

The main transport infrastructures in Tonga are roads/bridges, airports and marine/ports. This infrastructure will be affected by damage caused by:

- access to other key infrastructure can be hindered due to storms/heavy rains, flooding, scouring, and land shifting
- inundation of roads from sea level rise especially in low-lying areas
- damage to culverts and decreased ability to handle increased drainage due to flooding/heavy rain
- ports, wharves, jetties and other port facilities damaged by strong winds and severe heavy storms.

Information and Communication Technology

The impacts include:

- communication towers being destroyed by storms
- inoperable ICT if power is cut-off or damaged
- sensitive equipment will be susceptible to corrosive environment and will likely increase with adverse impacts of climate change.

Buildings

There are many types of buildings in Tonga including homes, businesses, meeting places, markets, schools, health facilities, churches and tourist facilities. The impacts on buildings are generally very similar but the management of each building type depends on its utility and how critical it is to the well-being of the community, village or island. The impacts on buildings include:

- Blown off roofs and buildings destroyed by heavy winds and rain
- Buildings damaged by flooding
- Hospitals and other medical facilities damaged by flooding, heavy rain and strong wind
- Education facilities damaged by flooding, heavy rain and strong wind.

Tourism

Tourism is one of the key productive sectors in Tonga that significantly contributes to its development and economy mainly via foreign exchange earnings. The tourism sector in Tonga also provides significant employment, including many relatively unskilled jobs as well a source of cash income for rural communities. In 2008, tourist arrivals to Tonga contributed to 21 per cent of Tonga's GDP²⁰. The Government of Tonga through its Ministry of Tourism is anticipating that the number of tourist arrivals and foreign exchange earnings from the tourism industry will increase in the next five years²¹.

Key land and marine based natural areas are major tourism assets. Enhancing access to Marine Protected Areas, and ensuring the ongoing management is viewed as critical component for supporting ventures such as marine product development and diving.

Climate change could affect the tourism industry in Tonga through beach loss resulting from sea level rise and inundation and damage to coastal tourist resorts. In addition, the impacts of increased SST and ocean acidification on coral could reduce the appeal of Tonga as a tourist destination.

Observations

- Tonga has a narrow economic base, dominated by agricultural production that is vulnerable to climate change and geohazards.
- Tonga is vulnerable to a range of climate change and geohazard impacts critical to the health and wellbeing of its people and to its economy.
- Given the range of potential impacts of climate change and geohazards on Tonga, ongoing vulnerability assessments are critical. The intertwined nature of impacts on different sectors of the Tongan economy will require consistency in vulnerability assessment methodologies.

²⁰ Reserve Bank of Tonga Estimates, 2009 (Unpublished)

²¹ Tonga Joint National Action Plan on Climate Change Adaptation and Disaster Risk Management 2010-2015

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
2	Develop consistent vulnerability assessment methodologies to ensure a comprehensive assessment of climate and geohazards vulnerability is undertaken.	Short	NEMO	JNAP Secretariat	Consistent national and community level vulnerability assessments for different hazards.

2.3.2 Vulnerable people in Tonga

Tonga is exposed to a number of specific risk factors that are likely to impede the ability of women, girls, people with disabilities and other vulnerable groups to survive and cope with adverse impacts of climate change and disaster. These include:

- Low levels of participation in decision making by women and other vulnerable groups
- Limited access to productive resources and climate-sensitive livelihoods.

Formal decision making structures

Tongan society was traditionally structured along somewhat matriarchal lines, under the *fahu* system. Although fathers maintain most practical authority within family units, the nominally highest-ranking member of the family is the father's oldest sister (*mehikitanga*). Traditional family structures, and gender-differentiated decision making and resource access have profound implications for community vulnerability, as discussed in detail in Chapter 7.

People with disabilities also experience substantial disenfranchisement from formal decision making processes, and are viewed largely as beneficiaries of assistance rather than active participants in society, with the same rights as anyone else.

Access to productive resources

One of the primary indicative factors of whether individual members of vulnerable social groups will be able to survive and recover from disasters and adapt to the impacts of climate change is their level of access to resources, including land and money.

All land within Tonga is owned by the crown and nobles, with land tenure subsequently granted to Tongan male heirs at the age of 16. Under s43 of the Land Act, Tongan males are entitled to two allotments, one for residential purposes (the 'api kolo or town allotment) and one rural allotment for the purpose of agriculture (the 'api 'uta or tax allotment).

Inheritance rights pass through the male lineage, and women are not entitled to hold land unless there is no male heir (although they may hold a lease²²).

Women's access to and use of land is subject to the goodwill of their male relatives – a concrete obligation under the traditional *fahu* system, which is under growing pressure in the face of changing cultural norms and limited land availability. At the United Nations Commission on the Status of Women 59th Session, the GoT declared Cabinet's approval to ratify the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Subsequently, GoT is seeking additional public consultations to be conducted prior to ratification. Ratification may address women's lack of right to the land and other productive resources. There is minimal data available on women's poverty rates in Tonga, but roughly 22% of Tongans live below the poverty line. Further information on poverty, gender and social vulnerability is provided in Chapter 7.

Observations

- There are significant differences within Tongan society on individual vulnerability depending on social status, gender, poverty and disability
- The level of vulnerability of Tongan communities is highly dependent on their physical location. Communities in low-lying and coastal locations are significantly more vulnerable than those living in-land and on higher ground.

²² Stocktake of the gender mainstreaming capacity of Pacific Island governments – Tonga, Secretariat of the Pacific Community, 2012

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
3	Ensure future vulnerability assessments undertaken to integrate social status, gender, poverty and disability.	Short	JNAP Secretariat	NEMO JNAP Agencies	Consistent community-level vulnerability assessments

2.4 Conclusion

This chapter outlines the extreme vulnerability of Tonga to climate change and geohazards. The country has a broad range of hazards resulting in high levels of exposure and vulnerability, resulting in a high risk level. This chapter also concluded that these already significant future impacts on Tonga's economy would only worsen with climate change. The diversity and intensity of Tonga's vulnerabilities were assessed demonstrating the critical need for a comprehensive policy and management response, outlined in the next chapter.



© David Kirkland, Image courtesy of the South Pacific Tourism Organisation.



Policy Analysis

This chapter discusses the policy framework for CCDRM in Tonga. It also assesses the effectiveness of national, sub-national, sector plans, policies, legislation and strategies in responding to climate change and geohazards. The analysis outlines the significance of creating linkages and alignment of national CCDRM priorities and objectives to regional and international agreements.

The policy analysis was undertaken first by reviewing Tonga's overall national policy framework. Then the specifics of the national CCDRM framework are described including sectoral policies and plans. Next, an analysis of the sub-national policy framework is reviewed including the provincial and village level. Finally, Tonga's international position on CCDRM is described.

Prior to detailed analysis of the CCDRM policies, it was important to understand the land tenure context in which the policies operate. Tonga is a class-structured society with a land tenure system distinctive from other Pacific Island countries (PICs). The authority over customary land and marine tenure in Tonga have always been vested in the chiefs (nobles). They prescribed the restrictions and allowances of the use and distribution of resources by their subjects (Commoners). And the 1875 Constitution inherently pronounced the liberation of commoners from chiefly authority, as well as legalizing private land tenure. The Land Act of 1927 set strict rules for land acquisition through the Minister of Lands who is the sole representative of the Crown in all matters concerning land and sea in Tonga. As a result, the implementation of CCDRM Government policy must be viewed through this unique cultural and political landscape.

3.1 National policy framework

The Tonga Strategic Development Framework (TSDF) is the apex of a cascading system of policy, planning and budgeting from the national to the organizational and staff levels, filtering down to the sub-national and community levels. The second version of the TSDF, known as TSDF II was released in April 2015 entitled Tongan Strategic Development Framework – A more progressive Tonga: 2015-2025 (TSDF II). For the results planned by the TSDF II to be delivered, all levels must contribute to the same cascading results, as shown in Figure 3.1.

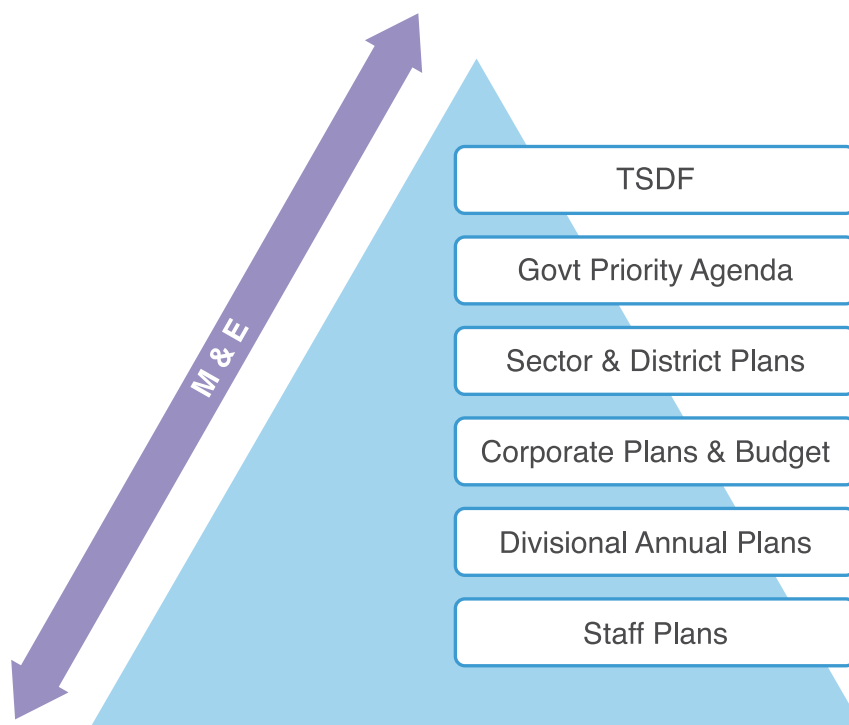


Figure 3.1 Policy, planning and budgeting hierarchy for the Government of Tonga²³

The following section details the CCDRM elements of the TSDF II. Subsequent sections outline sectoral, subnational and sub-regional plans with a focus on CCDRM elements. Finally, the corporate planning process is outlined. Chapter 4 provides further analysis of the planning processes with specific emphasis on institutional and capacity issues.

3.1.1 Tonga Strategic Development Framework I & II

The Tonga Strategic Development Framework (TSDF) 2009-2014 and TSDF II (2015-2025) are results based frameworks at the top-level of the planning and budgeting system of the Government of Tonga. The TSDF provides the high level guidance principles for all the lower lever plans and budgets at sector, district and corporate level. TSDF II builds on and strengthens the existing TSDF in relation to national CCDRM priorities.

The TSDF II is a ten-year framework within which government and other organizations can plan in a consistent manner. The detailed priority focus is developed in the detailed planning and budgeting documents (see Chapter 5), including sector and district plans, corporate plans and budgets of Ministries, Departments and Agencies (MDAs).

There is also scope for each administration to select certain key areas of focus and document them in a Priority Agenda, which provides a more focused lens through which the TSDF and other plans could be viewed.

The TSDF II clearly states the government's development efforts and priorities, and the significant development challenges they face in relation to CCDRM. CCDRM is clearly identified as key threats to social, economic and cultural development and has been afforded specific development themes and outcome objectives in both TSDF and TSDF II. It must be noted that TSDF II presents a broader scope for delivering on CCDRM objectives through an increased provision of CCDRM strategies designed to ensure progression towards achieving CCDRM Outcome Objectives as illustrated in Box 3.1.

²³ Reproduced from, Government of the Kingdom of Tonga, 'Tongan Strategic Development Framework II: A more progressive Tonga, 2015-2025 (Draft for public comment)', Ministry of Finance and National Planning, 3 March 2015, p.61

Box 3.1 TSDf I and II CCDRM relevant outcome objectives and strategies

Tonga Strategic Development Framework 2011-2014

CCDRM-relevant Outcome Objective:

Cultural awareness, environmental sustainability, disaster risk management and climate change adaptation, integrated into all planning and implementation of programmes.

CCDRM-relevant Strategies:

- a) Valuing Tonga's cultural traditions within an evolving culture.
- b) Ensuring sustainable use of the environment by enforcing Environmental Impact Assessments (EIAs), and strengthen the national capability for environmental management to create incentives for limiting the use of resources and production of waste.
- c) Implementing the JNAP-CCDRM to reduce vulnerability and risks, and to enhance resilience to the impacts of climate change and natural hazards.

Tonga Strategic Development Framework II 2015-2025

National Resources and Environment Pillar (Enabling Theme)

CCDRM-relevant Outcome Objective:

Improved resilience to natural disasters and impacts of climate change

CCDRM-relevant Strategies:

- a) Improve the technical knowledge and local data base of severe natural events and the impact of climate change to better inform policy making and monitor implementation.
- b) Ensure appropriate enabling policy and guidelines to ensure the incorporation of relevant climate change and disaster risk management considerations into the design and implementation of all relevant policies, plans, projects and budgets giving particular attention to the needs of special groups (women, disabled, isolated, elderly etc.).
- c) Improve protocols for disaster preparedness, response and recovery of communities after a natural disaster, build on a more integrated and coordinated approach between all relevant parts of government, CSOs, private sector and the wider community.
- d) Develop institutional capacity with strong community awareness and commitment to effectively implement the relevant policy, guidelines and protocols based on the improved data (disaggregated by gender and other key variables).
- e) Strengthen analytical and assessment capabilities of environmental and resources management, MDAs to enhance community preparedness and resilience to impacts of all disasters.
- f) Develop institutional capacity to support climate risk management in agricultural crops and land management for food and nutritional security.
- g) Improve multi-hazard early warning systems to enhance disaster preparedness.
- h) Improve weather, climate and environment monitoring, research and service delivery through better-informed vulnerability, mitigation strategies and adaptation measures.
- i) Improve disaster management infrastructures through better support emergency management.

As can be seen in Box 3.1, CCDRM priorities have expanded from three strategies in TSDf to eight strategies in TSDf II. This increase in the number of strategies can largely be attributed to strengthened collaboration and strategic integration of six key CCDRM agencies into the relatively new Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change, and Communications (MEIDECC). Importantly, strategies

in the TSDf II are more targeted and show the shift from simply mainstreaming to more holistic resilience building.

Overall, the TSDf II provides a sound platform for implementing responses to CCDRM and deploying CCDRM finance at scale in a way that addresses climate change and disaster-related objectives and contributes to wider development goals.

3.1.2 National CCDRM Framework

There are a number of explicit plans, policies, legislation, and strategies on CCDRM in Tonga developed under the TSDF umbrella. A summary of the current national CCDRM policy and planning landscape is shown in Table 3.1. Each column in the table is discussed in a separate section below in relation to corresponding legislation.

Table 3.1 National CCDRM Policy Landscape

Policy elements	NCCP	JNAP	NEMP	REPF	TERM
Specific enabling legislation	YES	YES	YES	YES	YES
Cabinet endorsed policy	YES	YES	NO	YES	YES
Cabinet endorsed plan	via JNAP	YES	YES	via TERM	YES
Linkage to sector plans through TSDF	YES	YES	YES	YES	YES

Key: NCCP Joint National Action Plan for Climate Change Adaptation and Disaster Risk Reduction (JNAP); National Emergency Management Plan (NEMP); Renewable Energy Policy Framework (REPF); Tonga Energy Roadmap (TERM)

National Climate Change Policy

The National Climate Change Policy (NCCP) 2006 is the principal instrument that formally repositioned climate change from an emerging environmental issue to a national priority. The objectives of the NCCP are shown in Box 3.2

Box 32 NCCP Objectives

1. To amend the existing framework or to endorse the proposed climate change framework.
2. To mainstream climate change issues into all environmental, social and economic processes including enactment and amendments to existing legislation.
3. To improve and strengthen the collection, storage, management, analysis and use of data (including GHG, vulnerability and climate data) to monitor climate, sea level change and their effects.
4. To promote the raising of awareness and understanding of climate change, variability, sea level changes, mitigation, vulnerability and adaptation responses.
5. To protect the populations, resources and assets, vulnerable areas at risk from climate change impacts.
6. To mitigate the causes of human induced climate change.

There has been, and continues to be, significant changes to both Tonga’s policy and regulatory landscape on CCDRM since the establishment of the NCCP 2006. The increasing priority of CCDRM has seen the emergence of numerous CCDRM related policies and legislation as listed in Box 3.3. The NCCP includes a specific objective to mainstream climate change into all environmental, social, and economic processes including enactment and amendments to legislation.

Given this positive progression of the national climate change agenda since the endorsement of the NCCP, the NCCP is not without its shortcomings. The NCCP does not set out a process or timetable for achievement of its strategies, which are more broad statements of intent. The policy also does not contain specific outcomes or targets and makes no reference to the role of sector plans in implementing climate change activities.

Box 3.3 Recent CCDRM related policies and legislation

- Emergency Management Act 2007
- Emergency Fund Act 2008
- Renewable Energy Policy Framework
- National Forestry Policy 2009 (Draft)
- Environment Management Act 2010
- Ozone Layer Protection Act 2010
- Water Resources Bill 2012
- National Land Use Policy 2013
- Building Code Regulations 2007
- Renewable Energy Act 2008
- Public Health Act 2008
- Biosafety Act 2009
- Environment Impact Assessment Regulations 2010
- Hazardous Wastes and Chemicals Act 2010
- Spatial Planning and Management Act 2012
- Revised National Policy on Gender and Development 2014

The Department of Climate Change has recently secured funding from the European Union: Global Climate Change Alliance – Pacific Small Island States Programme to revise the NCCP.

Joint National Action Plan on Climate Change Adaptation and Disaster Risk Management

In July of 2010 Tonga's Cabinet endorsed the JNAP and in doing so, Tonga became the first country in the Pacific region to have developed and commenced implementation of a national plan that explicitly linked climate change with disaster risk management. The JNAP has stimulated a 'whole-of-country' approach in partnership with relevant national, regional, and international stakeholders.

The JNAP is widely recognized as the document that summarizes Tonga's priorities regarding disaster risk and climate change management. The JNAP can also be viewed as the implementation plan of the NCCP 2006, given that the six JNAP Goals and NCCP Objectives and Strategies are essentially harmonized. The JNAP has a high profile within the Government and NGOs. Implementing Ministries and NGOs alike make reference to JNAP in their project proposals, particularly for climate change-related projects, which have dominated development partner support.

Development partners use the JNAP as their guiding document and view it as the most viable entry point for their bilateral and regional assistance and

initiatives on CCDRM. This is due to the JNAP's broad coverage of CCDRM-related activities across multiple sectors which has created an enabling environment for attracting a wider range of donor initiatives and funding opportunities.

The JNAP is comprised of six overarching goals that cut across priority sectors. Sector prioritization was based on risks to Human Well-being and by an assessment of climate and geological hazards.

Box 3.4 JNAP Goals

- Improved good governance for climate change adaptation and disaster risk management (mainstreaming, decision making, organizational and institutional policy frameworks)
- Enhanced technical knowledge base, information, education and understanding of climate change adaptation and effective disaster risk management
- Analysis and assessments of vulnerability to climate change impacts and disaster risks
- Enhanced community preparedness and resilience to impacts of all disasters
- Technically reliable, economically affordable and environmentally sound energy to support the sustainable development of the Kingdom
- Strong partnerships, cooperation and collaboration within government agencies and with CSOs, NGOs and the private sectors.

The JNAP is Tonga's first endeavor at a longer-term programmatic approach to CCDRM and is a dynamic shift away from piecemeal project-by-project approach. A key goal of the JNAP focuses on 'strengthening partnerships' with stakeholders including donors and development partners. This is achieved through increasing the visibility of the JNAP to attract new funding sources as well as strengthen existing partnerships. This has contributed to a rapid influx of both donor funding and initiatives aligned to JNAP.

The JNAP covers a broad range of priority sectors, which have been sourced directly from both Tonga's Initial National Communication (INC) and Second National Communications (SNC) reports to the UNFCCC. The SNC contains a designated section on Disaster Risk, and a particular mention of the JNAP as a component of Tonga's SNC and is a formally recognised part of Tonga's commitment to the UNFCCC (see Section 3.3).

Box 3.5 JNAP Priority sectors

- a) Coastal Protection
- b) Water Resources
- c) Fisheries
- d) Forestry
- e) Energy
- f) DRM/DRR
- g) Agriculture
- h) Human Health
- i) Community Preparedness
- j) Information and Communications

The majority of activities implemented under the JNAP umbrella have been predominantly oriented toward 'Coastal Protection' measures as 80% of Tonga's population is situated on or within close proximity to the coastlines. The coastal areas in Tonga have been identified as the most vulnerable areas to climate and geohazards (see Chapter 2).

However, with the current JNAP 2010-2015 programme approaching the end of its timeframe, the Climate Change Department plans to produce a second version of the JNAP (JNAP II). It is envisioned that activities not yet completed under the current JNAP will be taken forward through JNAP II. The core objective of JNAP II will be focus on strengthening national capacities to adapt to the adverse effects of CCDRM at the national, provincial and community level.

National Emergency Management Plan

The National Emergency Management Plan (NEMP) is a requirement of the Emergency Management Act 2007. It identifies and documents the essential organizational and procedural components for effective mitigation, preparedness, response, and recovery (see Chapter 4). The NEMP strives to do so through the effective utilization, coordination and partnership between government, NGOs, regional agencies, private industries and donor resources in support of disaster management programming.

Implementation of the NEMP is through the National Risk Reduction Strategy. The Strategy requires the establishment of institutional arrangements within the Ministries to manage their development and implementation. Further detail on these institutional arrangements is outlined in Chapter 4.

Renewable Energy Policy Framework

The Renewable Energy Policy Framework (REPF) aims to develop renewable energy within an appropriate legislative framework, and to encourage investor partnerships to develop Tonga's renewable energy sector. This was followed by the Government adopting a policy target in 2009²⁴ for 50% of electricity generation to be from renewable resources by 2020. The Tonga Energy Road Map (TERM) 2010-2020 provided the implementation plan to achieve this target.

The REPF contains four overarching policy statements covering legislation, renewable technology, funding sources and partnerships. It also contains a number of general 'work plans' with no specific outcomes or targets.

There has been significant progress in Tonga's Energy sector since the development of the REPF in 2006. The REPF was strengthened through the enactment of the Renewable Energy Act 2008 and the endorsement of the Tonga Energy Road Map 2010. The Energy Planning Unit (EPU) is in the preliminary stages of implementing the Tonga Energy Roadmap Institutional and Regulatory Framework Strengthening Project. The project is in partnership with the World Bank and is aimed at further strengthening both the regulatory framework and the institutional arrangements of the Energy sector.

Tonga Energy Road Map 2010-2020

The TERM is a response to the twin challenges of reduction in Tonga's contribution to global Greenhouse Gas (GHGs) emissions and improving national energy security through a supply of 50% of electricity through renewable resources by 2020.

There are five principles that underpin TERM, each of which is designed with the flexibility to be adjusted and updated over time to ensure that it remains relevant and responds to evolving circumstances (see Box 3.6).

It is also important to note that TERM does not clearly identify any set GHG reduction targets or timeframe.

²⁴ Tonga Renewable Energy Act (2009)

Box 3.6 Key principles of TERM

1. Least Cost Approach to meet the objective of reducing Tonga's vulnerability to oil price increases and shocks
2. Managing Risk
3. Financial Sustainability
4. Social and Environmental Sustainability
5. Clear, appropriate and effective definition of roles for Government, Tonga Power Limited and the private sector.

Climate Change Mitigation

Tonga has a several sector policies and plans that have incorporated climate change mitigation into policy and plans, or that indirectly contribute to the reduction of GHGs. These policies are listed in Box 3.9 below.

Box 3.7 Policies with direct and indirect linkages to mitigation

Direct linkages:

- Climate Change Policy 2006
- National Biodiversity Strategy and Action Plan 2006
- National Forest Policy 2009 [Draft]
- Tonga Energy Road Map 2010-2020
- Joint National Action Plan on CCA & DRM 2010-2015
- National Land-Use Policy 2013

Indirect linkages:

- Renewable Energy Policy Framework 2006
- National Water Policy

Nationally Appropriate Mitigation Actions (Plans)

The Government of Tonga is of the view that NAMAs may play a significant role in their future climate change landscape. In this context, Tonga has participated in regional workshops on development of NAMAs. As a Non-Annex 1 party under the UNFCCC, Tonga has no binding obligation to reduce GHGs but there has been discussion on the potential for the development and linkage of NAMAs to existing national mitigation related plans in the Forestry, Waste, Agriculture and Animal Husbandry, Transportation, and Energy sectors.

Intended Nationally Determined Contributions

Intended Nationally Determined Contributions (INDCs) is a mechanism from which the UNFCCC invited all Parties to initiate or intensify domestic preparations for achieving GHG reductions. INDC's are also expected to make it possible to track progress and achieve a collective ambition level sufficient to limit global warming to below 2°C relative to pre-industrial levels. In this context Tonga has already indirectly set high ambitious target of 50% renewable energy by 2020 as outlined above.

Clean Development Mechanism

Tonga first explored the potential for mitigation initiatives under the Clean Development Mechanism (CDM) in May 2009. Representatives from both Tonga's Climate Change and Energy Departments participated in five regional workshops from 2009-2012, to determine both the feasibility and potential for national CDM initiatives. It was determined that Tonga has fairly good potential for emission reduction projects to earn carbon credits through CDM. However, although the CDM allows emission-reduction (or emission removal) projects in developing countries to earn certified emission reduction (CER) credits, the high transaction costs for registering CDM projects has rendered the possibilities for CDM 'not viable' in Tonga.

3.1.3 Sectoral policies and plans

Currently, there are a number of sectoral policies and plans that include CCDRM considerations²⁵. This section lists those plans and policies where CCDRM has been mainstreamed and assesses how effective these plans and policies have been in achieving CCDRM goals and targets.

Tonga Agriculture Sector Plan

The Tonga Agriculture Sector Plan (TASP) is designed to promote a balance between export-oriented objectives, import substitution and subsistence agriculture; and to incorporate a strong focus on sustainability and building resilience against climate change and natural disasters. The TASP recognizes evolving market responses to climate change as an important driver for change. This is due to increased extreme weather events impacting on global food supply chains, with leading international food companies are now actively factoring climate change responses into their business plans, and increasingly throughout their supply chains. This, along with new funding opportunities to address economic development needs, build climate resilience and reduce and/or offset GHGs emissions.

²⁵ SPC Global Climate Change Alliance: Pacific Small Island States (GCCA:PSIS) (2013) Review of mainstreaming of climate change into national plans and policies

Tonga Tourism Sector Roadmap

The Tonga Tourism Sector Roadmap (TTSR) identifies nine strategic areas to which the Roadmap should be framed, shown in Figure 3.2



Figure 3.2 TTSR Strategic areas

The TTSR clearly recognizes that climate change and disaster risk management issues are an increasing concern to Tonga. The TTSR stresses that the resilience to future climate change impacts on tourism infrastructure would benefit from a stricter enforcement of current building codes. In addition, it recommends that tourism operators would benefit from disaster risk management training. Particularly, the strategic areas of Infrastructure and Access, Land Use Planning and Environmental Management, which the TTSR clearly links to the National Infrastructure Investment Plan (NIIP) and TERM.

National Infrastructure Investment Plan

The mainstreaming of DRM and CCA issues into the NIIP was timely as Tonga had simultaneously prepared and endorsed the NIIP and the JNAP which both highlight priority actions for DRM and CCA, including activities in the infrastructure sector.

Information on future climate scenarios and natural disaster risks in Tonga is in the process of being refined via Tonga's Third National Communication to provide a clearer view of CCDRM in infrastructure development and operation.

The NIIP also highlights renewable sources of energy, improved management of water resources and solid waste, and disaster risk management as responses to climate change. Infrastructure investment priorities are determined according to their alignment with national priorities and the benefits they will deliver to the Tongan people, the economy and the environment. The positive or negative impact on environmental sustainability and climate change forms part of the NIIP's prioritization assessment.

National Biodiversity Strategy and Action Plan

The National Biodiversity Action Plan 2006 notes that the impact of climate change on marine diversity should be closely monitored, and that measures to address these impacts should be incorporated into new and existing resource management plans, including the Tuna Management Plan. However, the Tonga National Tuna Fisheries Management and Development Plan 2012-2015 makes no specific reference to climate change.

The NBSAP completed its fifth review, incorporating a reassessment of biodiversity status, threats and trends, comprehensive community consultation and redrafting of strategies and action plans. The effects of climate change have been highlighted as part of the review and relevant actions incorporated in the revised plan. Climate change is a key issue arising through the community consultation.

National Water Policy

Objective 2 of the National Water Policy 2011 is to mainstream climate change and disaster risk considerations into water policy and planning, primarily through the Water Resources Bill.

Draft National Forest Policy

The Revised Draft National Forest Policy 2009 makes a series of policy statements in relation to climate change mitigation and adaptation, but does not include specific outcomes or targets.

National Land-Use Policy

Objective 7 of the National Land Use Policy is “Cultural awareness, environmental sustainability, disaster risk management and climate change adaptation, integrated into all planning and implementation of programmes, by establishing and adhering to appropriate procedures and consultation mechanisms.” Given that CCDRM is expressed as one of the overarching objectives of the policy, there are numerous references to policy actions in relation to climate change and disaster risk management. A selection of these policy actions are listed below, with their Policy Action number in brackets.

- Implement in a timely manner the plans and activities already approved by Government for climate change adaption and mitigation (JNAP) (2.4)
- Encourage development activities to support actions that enable adaptation to climate change threats and opportunities (2.4)
- Promote demonstration and pilot projects as tangible examples of land use activities that are conducive to climate change adaption and mitigation (2.4)

- (Recognise) Land use and settlement in areas facing significant direct risks from climate change – most notably low lying coastal areas (3.6)
- (Enhance) capacities to adapt to climate change impacts on livelihood and food security (3.6)
- (Develop) measures to protect the poor and vulnerable from loss of livelihood resources and develop the opportunities available for them to gain direct benefits as a result of climate change mitigation measures (3.6)

In addition the National Land Use Policy contains a specific policy action entitled ‘Responding to climate change’ (Action 3.7) that lists the following measures and statements:

- Implement the collaborative actions to plan and execute measures to deal with extreme weather conditions and natural disasters as frequency and damaging effect increases.
- Enhance awareness and recognition by communities and non-government stakeholders that they have a strong influence and valuable contribution to land use decisions and solutions.
- Collaborative actions aimed at preventing and responding to the effects of climate change consistent with Tonga’s international obligations.

Importantly however, the policy does not include specific outcomes or targets including those relating to CCDRM. As such it will be a challenge to monitor implementation of the thorough suite of policy measures outlined above.

Hazard-specific National Plans

National Tsunami Plan

The purpose of this plan is to explain in detail the mitigation, preparedness, warning, response and recovery arrangements for tsunami event that might affect Tonga. This plan has been produced under the leadership of the National Tsunami Working Group and endorsed by the National Emergency Management Committee (NEMC).

The plan is to be reviewed annually and following each major tsunami event that may affect Tonga. Responsibility for the review of this plan rests with the NEMO and its development is a requirement under Section 28(a) and (b) of the Emergency Management Act 2007 and the National Emergency Management Plan 2007 (Specific Threat)

Tropical Cyclone Emergency Response Plan

Whenever there is threat of a tropical cyclone or tropical depression located close to or affecting any part of Tonga within 48 hours, the Tongan Meteorological Service (TMS) will activate its

Tropical Cyclone Emergency Response Plan (TCERP). The TCERP is essentially a set of emergency procedures for monitoring and responding to the onset of tropical cyclones.

National Oil Spill Response Plan

The Ministry of Marine and Ports maintains a National Oil Spill Response Plan, which is linked to international planning arrangements to deal with the response to an oil spill at sea. The Ministry operates independently of the national emergency management system in relation to oil spills, but the national emergency management system will provide support as required to the Ministry's efforts.

Airport Emergency Plans

The Ministry of Civil Aviation/Transport maintains Emergency Orders for all airports in Tonga, to deal with various aviation and other emergency situations at or near airports.

The Ministry operates independently of the national emergency management system in relation to aviation incidents, but the national emergency management system will provide support as required to the Ministry's efforts.

Corporate Plans

Chapter 4 provides a detailed analysis of the Corporate Planning process where a number of significant challenges and constraints were outlined

that have led to inconsistency in corporate planning between agencies.

Observations

- TSDF II has raised the priority of CCDRM as a national policy issue.
- The recent approval of the TSDF II provides an opportunity to enhance CCDRM integration into policies and sector plans that are required to be updated as a result of TSDF approval.
- Tonga has taken an extremely pro-active stance to renewable energy that is expected to be a major element toward a low carbon development pathway.
- The combined effect of developing a second JNAP, second Climate Change Policy and planning to achieve a 50% renewable energy target by 2020 provides significant opportunity for rapid, integrated climate change policy reform.
- There have been a number of encouraging policy initiatives to mainstream CCDRM considerations into sector plans. However, CCDRM sectoral planning mainstreaming has been inconsistent and will be extremely challenging to evaluate the effective implementation of CCDRM-related actions over time.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
4	Ensure that process for updating the JNAP, Climate Policy and NEMP are closely coordinated.	Short	JNAP Secretariat NEMO	JNAP Task Force Members	Harmonized second versions of the JNAP II, Climate Change Policy and NEMP.
5	Develop a toolkit to guide integration of CCDRM into sectoral planning processes	Medium	JNAP Secretariat NEMO	JNAP Task Force Members	Toolkit CCDRM into sectoral planning processes

3.2 Sub-national policy framework

Tonga's sub-national policy framework is currently subject to a major reform initiative lead by the Ministry of Internal Affairs (MIA). As a ministry recently established in 2012,²⁶ MIA is currently working through a 'bottom-up' development planning process to improve government systems at Local Government, District and Village level that is responsive to community needs (see Chapter 4). The Fonos and Town Officers Acts are viewed as out-dated legal instruments in this regard and are also subject to review as part of the MIA-lead reform initiative.

The traditional planning approach in Tonga has been a 'Top-Down' approach whereby distribution of services and information is filtered downward from national government to the provinces, districts and communities. However, the current planning environment in Tonga is evolving to a simultaneous 'Top-Down and Bottom-Up' approach as detailed in Chapter 4. This approach is viewed as more holistic to mainstreaming and streamlining CCDRM both horizontally across government, and vertically from Parliament to the community, and from the community to Parliament. Such a holistic approach not only advocates a 'whole of country' input into the planning and decision-making process but also sets a platform from which improved consistency in the planning process can be achieved.

Policy and planning at the sub-national level in reference to CCDRM is relatively new in Tonga but is fast emerging as a priority at provincial, district and community levels. There have been numerous donor funded initiatives on designing and mainstreaming CCDRM at these sub-national levels, which generally been implemented by CSO and NGO groups (see Chapter 4 and 6).

However, the CCDRM plans that have been developed through these initiatives exist separately and independent of the mainstream community development plans at local government, district and village level. As such, integration of CCDRM into sub-national and local level development planning (vertical integration) is an important response for improved risk governance in Tonga.

Currently there are three provincial development plans: (1) Ha'apai Development Master Plan, (2) Vava'u Master Development Plan, and the (3) 'Eua Master Development Plan. Each plan is different in scope and planning process (as outlined in Chapter 4) so consequently, there is an uneven approach to CCDRM.

There has been significant progress with the integration of CCDRM and GSI into Community Development Planning Guidelines and resulting Community Development Plans in 14 villages in 'Eua, 11 villages in Vava'u, 6 villages in Ha'apai and 13 villages in Niua. The Community Development Planning Guideline was also used for the integration of CCDRM and GSI into 5 Districts Development Plans and the 'Eua Island Master Plan.

Observations

- Development of provincial, district and village CCDRM plans is mostly conducted by different CSO and NGO groups.
- Currently community-level CCDRM Plans exist independently of development plans at local government, district and village level.
- MIA is leading a 'bottom up' development planning process, providing an important conduit for CCDRM integration into subnational development

²⁶ MIA was formed through amalgamation of the Ministry of Training Employment, Youth and Sports with the District/Town Officer Department that was previously at the Prime Minister Office

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
6	Strengthen govt. and NGO partnerships in the development of Provincial, District, and Village CCDRM and development planning through development of specific Memoranda of Understanding for joint planning and service delivery	Short	JNAP Secretariat	Ministry of Internal Affairs, NEMO, JNAP Task Force	Government/ NGO partnership MoUs
7	Conduct bi-annual stocktake of all CCDRM initiatives at the provincial, district and village level	Short	JNAP Secretariat [MEIDECC]	NEMO, Ministry of Internal Affairs, JNAP Task Force	Regular CCDRM stocktake conducted and updated and stored in the National Climate Change Portal
8	Utilise MIA's 'bottom up' development planning process as a conduit for integration of CCDRM into sub-national development planning	Short	MIA	NEMO, JNAP Task Force	Subnational development planning and implementation incorporates risk considerations

3.3 Tonga's international position on CCDRM

Tonga is committed to progressing a forthright international response to CCDRM. Tonga has expressed its position through UNFCCC processes, international DRR processes and through other international fora, outlined below.

United Nations Framework Convention on Climate Change

Tonga's participation at the annual UNFCCC Conference of the Parties (COP) was sporadic prior to COP13 (2007) principally due to resource constraints. In recent years there has been a marked increase in participation largely due to the significance of climate change threats being afforded higher priority at national level. This has seen Tonga play a more proactive role at both regional and international platforms on CCDRM.

Tonga ratified the UNFCCC in July 1998, and acceded to the Kyoto Protocol in 2008. Tonga has fulfilled its obligations under the UNFCCC through submission of its First National Communication Report in 2005, its Second National Communication Report in 2012, and in 2013 it became the first country in the Pacific region to initiate drafting its Third National Communication Report. Tonga has since increased its visibility as an active member and current (2015) Co-Chair of the Alliance of Small Island States (AOSIS), and the Group of 77 and China negotiating Blocs within the UNFCCC

process. Tonga is also the current Chair of the Pacific Small Island Developing States (PSIDS) grouping within the United Nations.

International position on Disaster Risk Reduction

Tonga has taken a proactive international stance on DRR being an active participant in the World Conference on Disaster Risk Reduction in Kobe, Japan in 2005 that adopted the Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters. More recently, Tonga participated in the Third UN World Conference on Disaster Risk Reduction in Sendai City, Japan that adopted the Sendai Framework for Disaster Risk Reduction 2015-2030. Tonga's statement at the Sendai meeting stressed the country's 'commitment to strengthening ongoing collaborative efforts, aimed at preventing risk accumulation and building resilience ... giving special consideration to the needs of the most vulnerable and the observation of human rights'.

Other International Fora

Building on its national experience, Tonga has been a key advocate for the development of a systematic Pacific-wide approach to CCDRM. Tonga contributed to the development of the Pacific Islands Framework for Action on Climate Change

2006 – 2015 (PIFACC) and the Pacific Disaster Risk Reduction and Disaster Management Framework for Action 2005 – 2015 (RFA). These two strategies have been going through a review process to draft the SRDP²⁷. The SRDP is a new regional strategy that aims to provide an integrated approach to address both climate and disaster risks and is aligned with Tonga’s own integrated approach outlined above.

Tonga has also expressed commitments in other international CCDRM related fora such as the 2002 World Summit on Sustainable Development Assessment Report, the 2003 Barbados Programme of Action Report, the RIO+20 Sustainable Development Report, and the S.A.M.O.A. Pathway.

Tonga has also made climate related commitments in other regional and international policies such as the 39th Pacific Islands Leaders Forum Niue Declaration on Climate Change 2008, 44th Pacific Islands Leaders Forum Majuro Declaration on Climate Leadership 2013, the Tehran Parliamentarians declaration on Environment 2014, as well as the AOSIS Leaders Declaration on Climate Change 2009, 2012, and 2014.

Observations

- Tonga is an active, positive contributor to international CCDRM fora
- Tonga has taken a leadership role in translating its national experience in CCDRM to regional and global levels.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
9	Continue the active and positive contribution to regional and international CCDRM fora	Long	Department of Climate Change, NEMO	MEIDECC; JNAP Task Force Members, Ministry of Foreign Affairs, MFNP	Ongoing contributions to regional, UNFCCC, Global Facility for Disaster Reduction and Recovery (GFDRR) and other international fora

3.4 Conclusions

CCDRM objectives are generally well defined within government policies and plans, even if in general there are few specific outcomes or measurable targets. CCDRM is highlighted in both TSDF I and TSDF II, and there is a specific climate change policy framework. The JNAP and the NIIP are the main vehicles for progressing adaptation activities, while sector plans and policies do contain specific climate-related strategies and activities there however, remain challenges in translating the national-level policy framework into sectoral plans and sub-national plans. There is a significant opportunity to strengthen the national CCDRM policy context through the forthcoming development of the second JNAP and parallel review of the NEMP. Such policy reform processes would be greatly enhanced through a sustained effort to enhance institutional structures and staff capacity discussed in the next chapter.

²⁷ <http://gsd.spc.int/srdp/>



© David Kirkland, Image courtesy of the South Pacific Tourism Organisation.



Institutional Analysis

This chapter analyzes the institutions and institutional structures for CCDRM in Tonga including coordinating mechanisms. Key planning processes of GoT's line ministries relevant to CCDRM are reviewed followed by an assessment of human resource management and development. The role that local government plays in CCDRM is analysed, together with its linkage to both national government and to the community. Finally, the monitoring and evaluation of CCDRM in Tonga is discussed.

4.1 Institutions and structures for CCDRM

The National Emergency Management Office (NEMO), through the National Emergency Management Plan (NEMP) and the Emergency Management Act 2007 is responsible for the coordination of DRM activities in Tonga. Chaired by the Prime Minister, the Cabinet forms the National Disaster Council (NDC), with overall authority and responsibility for disaster management programs and activities, including response issues²⁸. The NEMP includes different organizational structures to coordinate Disaster Risk Reduction, Emergency Response and Recovery i.e. the National Emergency Management Committee (NEMC), the National Emergency Operations Committee (NEOC) and the National Emergency Recovery Committee (NERC) (Figure 4.1)

²⁸ Global Facility for Disaster Reduction and Recovery (GFDRR), United Nations Development Program (UNDP) and International Strategy for Disaster Reduction (ISDR), "Disaster Risk Reduction and Climate Change Adaptation in the Pacific, an institutional and policy analysis", 2010.

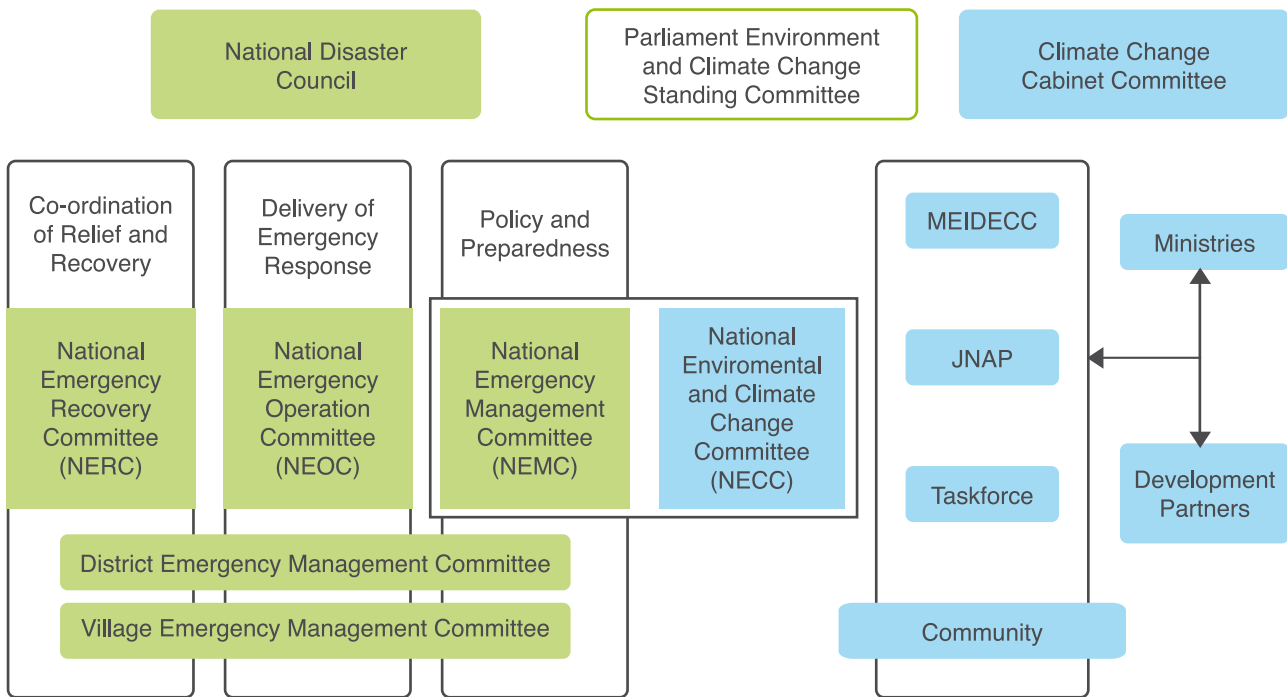


Figure 4.1 Structural arrangements of CCDRM in Tonga

NEMO is within the Ministry of Meteorology, Energy, Information, Disaster Management, Climate Change and Communications. As such, MEIDECC is responsible for leading disaster management programmes in Tonga. MEIDECC chairs three DRM coordinating committees (NERC, NEOC and NEMC) shown in Figure 4.1 and the NEMO works as the secretariat for these three committees.

National Emergency Management Committee

The NEMC is chaired by the Minister of MEIDECC and comprises CEOs of key Ministries with DRM responsibilities including the Prime Minister's Office (PMO), Ministry of Infrastructure (MOI), MIA, MEIDECC, Ministry of Finance and National Planning (MFNP), Ministry of Agriculture and Food, Forestry and Fisheries (MAFFF), Ministry of Health (MoH), Police, His Majesty's Armed Forces (HMAF), Ministry of Lands, Environments, Climate Change and Natural Resources (MLECCNR), Ministry of Foreign Affairs and Trade (MFAT) and the Ministry of Education, and Training (MET). The Director of NEMO serves as the Secretary and the national focal point for the emergency/disaster management.

NEMC meets at least once a quarter and provides an annual report to Cabinet. The functions of NEMC are to:

- Formulate policy decisions of national significance and to coordinate the development and implementation of emergency management
- Ensure arrangements with other nations and organizations are in place
- Provide support during major emergencies
- Review the National Emergency Management Plan regularly.

National Emergency Operations Committee

The NEOC is responsible for activating Ministries and concerned organizations in the event of an emergency to ensure the effective implementation of emergency management plans and procedures. NEOC consists of: PMO, MOI, MEIDECC, MoH, MFAT, MIA, Police and HMAF. The functions of NEOC are to:

- Carry out the initial damage assessment, collate and prioritize disaster relief requirements
- Manage the distribution of relief supplies
- Provide support to communities to ensure effective emergency management before, during and after the impact of an event.

National Emergency Recovery Committee

The NERC comprises CEOs of PMO, MOI, MEIDECC, MFNP, MFAT, MIA, HMAF and NGO representatives. Importantly, NERC is the only DRM committee with provision for NGO representation but while provision for this is provided, this has not occurred in practice. The functions of NERC are to:

- Coordinate relief and recovery
- Provide guidance and support to the District Emergency Management Committees (DEMC)
- Coordinate effective emergency management and response in communities before, during and after the impact of an event.

At the district level, the DEMC is chaired by the Governor/Government Representative. Its functions are to:

- develop the District Emergency Management Plan
- update the NEMC on disaster risk reduction and emergency management activities conducted in the District
- identify resources, review communication systems, and manage emergency operations
- raise awareness on emergency management and national policies and plans.

At the village level, NEMO encouraged the creation of Village Emergency Management Committees (VEMC). A VEMC should be chaired by the Town Officer who is responsible for the development and implementation of the emergency management plan in the village. The functions of VEMC are to:

- Undertake community awareness on emergency operations
- Ensure that information about an event or emergency is communicated immediately to the DEMC.

While there has been significant progress in the development of Village Emergency Plans, supported through a regional DRR project implemented by the NGO Act for Peace²⁹ and other NGO initiatives, NEMO reported that the VEMCs are not active and do not meet regularly. In Ha'apai Province, the Village Emergency Plan has been integrated into the overall developments plans in collaboration with the NGO Tonga Trust. Importantly, there is no formal mechanisms through which NEMO or MIA can integrate Village Emergency Plans into overall Village or District Development Plans.

²⁹ Act for Peace has developed Village Emergency Plans in 113 Villages through a participatory and inclusive manner.

Joint National Action Plan Taskforce

The JNAP for Climate Change Adaptation and Disaster Risk Reduction Task Force guides implementation of CCDRM activities in Tonga through oversight of the JNAP (see Section 3). Members of the JNAP Task Force were designated within the JNAP to include representatives from GoT agencies with CCDRM responsibilities at that time the JNAP was written, together with the Civil Society Forum of Tonga and the Tonga Red Cross. However, JNAP Task Force membership has not evolved with the changing institutional landscape of the GoT or to embrace emerging CCDRM priorities. Consequently, neither MIA or MFNP are represented on the JNAP Task Force despite their important roles in local government, community engagement, gender and social inclusion and CCDRM financing respectively.

A team leader, a technical implementation support officer and a climate change finance officer staff the JNAP Task Force Secretariat, located in MEIDECC.

Cluster System for Coordinated Disaster Response

In response to the lessons learned from the response to Tropical Cyclone (TC) Ian, GoT has developed a ministry-led cluster system to enhance post-disaster response. The cluster approach allows main Government Ministries concerned with a particular aspect of disaster response to work effectively with cross-section of key involved stakeholders and to rapidly receive regional support from by the relevant United Nations Pacific Humanitarian Team (PHT) Cluster Coordinators.

High-Level Committees

There are three high-level committees providing CCDRM strategic direction in Tonga, namely the National Disaster Council (NDC), Cabinet Committee on Climate Change (CCCC) and the Parliamentary Standing Committee on Environment and Climate Change (PSCECC).

Observations

- There is an over-governance of CCDRM coordination, expressed through a plethora of committees with overlapping roles and responsibilities. The number of committees could be rationalised.
- Disaster response management is evolving to a cluster-based system to align with regional and global best-practice.
- The current initiatives to support District and Village scale emergency management committees are critical foundations on which broader CCDRM considerations can be built.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
10	Undertake an institutional review of all CCDRM coordination mechanisms to simplify the organizational and reporting structures of coordinating mechanisms	Medium	MEIDECC NEMO	Cabinet Committee on Climate Change	Reduced number of CCDRM coordination committees
11	To provide a community-level focus for CCDRM issues extend the mandate of existing District and Village Disaster Management Committees to including climate change adaptation issues, and encourage their formation in communities where no Disaster Management Committee exists	Medium	MIA	NEMO NGOs MEIDECC	District and Village level Disaster Management and Climate Change Adaptation Committees created
12	MIAs sub-national development planning process to include CCDRM considerations	Short	MIA	NEMO NGOs MEIDECC	Sub-national development planning guidelines (for community, district island levels) with CCDRM integrated

4.2 Institutions and planning processes

The planning process in Tonga starts with development of the National Strategic Planning Framework known as the Tonga Strategic Development Framework II³⁰. The TSDF preparation was led by MFNP and was drafted in consultation with other Ministries, private sector and civil society organizations. Once the TSDF was completed different Ministries were asked by MFNP to prepare their respective corporate plans and budgets for three years. With the support of its development partners, Tonga is revising its corporate planning process to link it more strategically to a three-year Medium Term Budget Framework (MTBF) as well as performance-based assessments of staff in the Ministries, including specific Key Result Areas (KRAs) for CEOs.

The increased focus on corporate planning as a management tool was undertaken to promote efficiency, strengthen links to the budget process and improve human resource management in ministries. However, the emphasis placed on revised planning processes places a significant burden on MFNP as well as line ministries. The MFNP extends supports where Ministries have limited capacity in preparing corporate plans.

³⁰ The Tonga Strategic Development Framework (TSDF) 2011-2014 released in early 2009, supersedes Tonga's Strategic Development Plan 8 2006/07-2008/09. The current Tongan Strategic Development Framework (TSDF II-2015) takes a longer term view of 5-10 years, in recognition of the long lead time required to provide long lasting economic and social development outcomes.

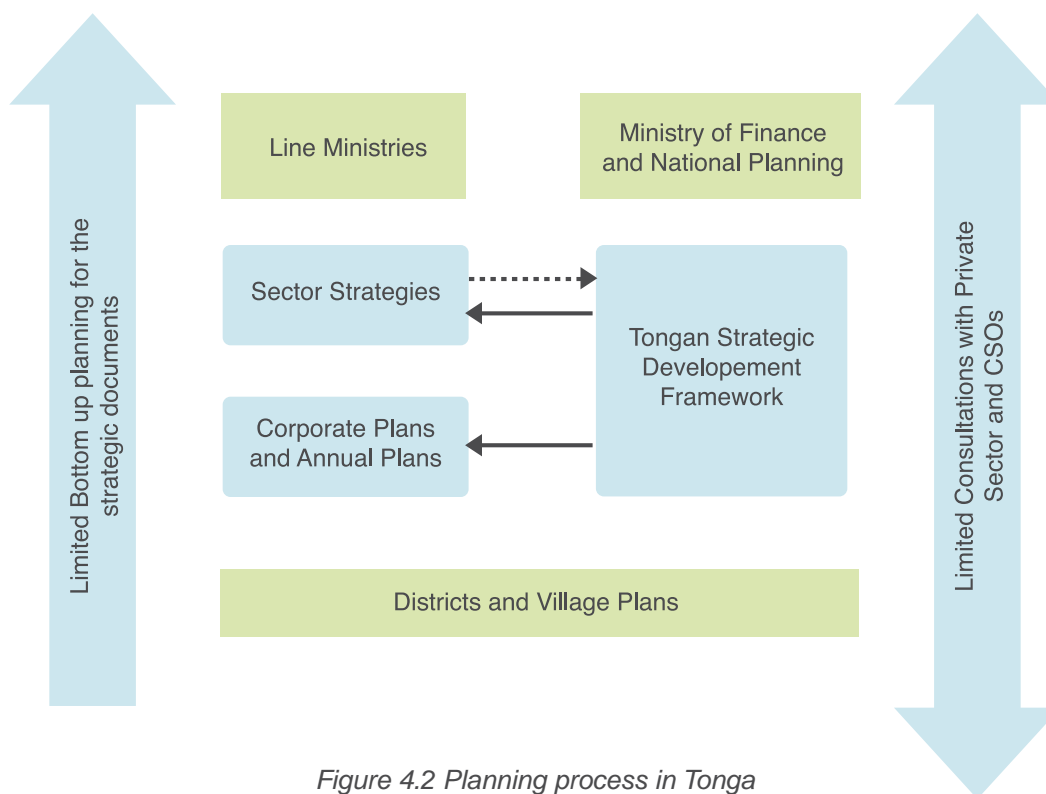


Figure 4.2 Planning process in Tonga

There is a requirement for Ministries to prepare annual management plans as part of the annual budget approval process as well as work across ministries to produce and/or strengthen sector and district planning. Importantly, MIA as the GoT agency responsible for district-level planning, has the potential in its budgeting and planning process to build on the community planning process of NGOs as well as the broader community development work undertaken by civil society. This would ensure

greater coordination of community planning and development efforts, as outlined in Section 4.4.

Observations

- There are different planning processes at different levels of government administration. It has been found out that there are limited inter linkages of these plans.

4.3 CCDRM Human resource management and development

As a small island state, Tonga has limited human resource capacity and recognising this constraints, the GoT has taken several steps with support from its development partners to address human resources capacity issues. With support from UNDP, a National Capacity Self-Assessment (NCSA)³¹ was undertaken in 2007 to identify and prioritize needs for capacity building to protect the environment and natural resources. The NCSA provided a platform on which additional analysis on human resource development and management to enhance CCDRM activities in Tonga was undertaken, outlined below.

4.3.1 CCDRM Human Resource Management

An analysis of key agencies dealing with CCDRM was undertaken to review the level of capacity to effectively discharge their mandates, summarised in Table 4.1³². The percentages shown in Table 4.1 are estimations on amount of time spent on CCDRR activities out of the total time worked for the agency by a particular staff. The estimations were made through consultations.

The overall finding of this analysis is that there are an estimated 30 full-time equivalent staff working on DRM in Tonga, of which an estimated 18.5 full-time equivalent staff are providing 75-100% of their time to CCDRM activities.

³¹ A-The National Capacity Self -Assessment for global environment, stock taking and thematic assessment report. B- United Nations Conventions of Biological Diversity- Stock taking and thematic assessment report, 2007. C- Tonga National Capacity Self -Assessment for Global Environment Management- Thematic assessment report for the United Nations Convention to combat desertification in Tonga, 2007. The NCSA is a tool to help GoT assess its current level of capacity to meet its obligations under the Convention on Biological Diversity (CBD), United Nations Framework Convention on Climate Change (UNFCCC) and United Nations Convention to Combat Desertification (UNCCD).

³² The key CCDRM agencies were defined through the analysis, and in consultation with GoT to be: Ministry of Agriculture, Forestry and Food; MEIDECC; Ministry of Tourism; Ministry of Finance and National Planning; Ministry of Internal Affairs; and Ministry of Infrastructure

The analysis concluded that there are an estimated 40.5 staff working on climate change, out of which 14 staff are supported by different projects. And 10 staff provide 75% to 100% of their time to climate change activities.

The MAFFF has four staff working on climate change issues and the main involvement of these staff is in attending JNAP meetings. Even though four staff are involved, they provide an estimated 25% of their time on climate change issues or one full-time equivalent staff. The PRRP is planning to support a full-time staff position in MAFFF.

The MFNP does not have dedicated staff working on CCDRM issues. The PRRP is planning to support an economist position with CCDRM background to work under the Project and Aid Management Division.

Three staff within MIA provide up to 25% of their time to work on DRM issues by mainly participating meetings of the newly created cluster system. The Deputy CEO position has been supported by PRRP who also provides up to 25% of their time on DRM issues.

MEIDECC has by far the largest staff allocation to CCDRM, with 55.5 full-time equivalent staff working on CCDRM issues under different Departments. The CEO of the Ministry equally distributes his time in both disaster risk management and climate change issues. The Director and the Deputy Director of NEMO provides 100% of their time on DRM issues and another staff provides 50% of their time in discharging responsibilities related to DRM. NEMO staff reported that staff supplantation occurs through NGOs undertaking activities on their behalf, especially at sub-national level.

Importantly, of the 18 full-time staff members in the MEIDECC Department of Climate Change, 14 staff members are project staff with only 4 staff as permanent GoT employees.

All 16 staff working under the Department of Meteorology are classified as working on DRM issues. Six staff of Department of Energy work on climate change issues, given the focus of their work on renewable energy and greenhouse gas mitigation.

Table 4.1 GoT Human resources working on CCDRM issues

KEY MINISTRIES	Pipeline	Staff working on DRM issues				Staff working on Climate Change issues				Total				
		Project staff	Government Staff (up to)				Project staff	Government staff						
			25%	50%	75%	75-100%		25%	25-50%		50%	75-100%		
Ministry of Agriculture, Forestry & Food	1 (through PRRP)									4				5
MEIDECC				0.5							0.5			1
Department of Environment											12			12
NEMO				.5		2								2.5
Department of Climate Change								14					4	18
Department of Meteorology							16							16
Department of Energy												6		6
Department of Information and communication				0							0			0
Sub-total MEIDECC														55.5
Ministry of Tourism				0							0			0
Ministry of Finance and National Planning	1 (PRRP-CC)													1
Ministry of Internal Affairs	3 (PRRP-DRM)	1	3											7
Ministry of Infrastructure			2											
Total	5	1	5	0.5	0	18.5	14	4	12.5	0	10			

Table 4.1 shows that the first dedicated climate financing staff member will be established in MFNP and supported by the Pacific Risk Resilience Program (PRRP). MFNP and MEIDECC have suggested that the staff be supplemented by an additional GoT funded officer to create a 'Climate Change Finance Unit' as a focal point for issues related to climate finance, including monitoring and evaluation. MFNP and MEIDECC should collaborate on the feasibility and appropriate structure of any unit and outline how the officer or unit would operate and how the Ministries would interact on CCDRM matters. This still leaves the challenge of being able to identify and develop appropriate capacity in this area notwithstanding the appropriate location for such expertise. The establishment of such a unit could also lead to additional "stove piping" of CCDRM responsibilities without effective horizontal communication across divisions and ministries.

The analysis in Table 4.1 highlights the importance of project-based staff. Critically, 14 are project based staff of the 18 working in the Department of Climate Change because development partners usually establish project management units for larger projects and recruit staff to oversee technical and financial aspects of the project. The Department of Climate Change currently has 7 project management units (PMUs) managing separate and distinct projects. Most of the staff are locally recruited which suggests that significant capacity already exists in-country but split into separate project silos.

Development partners often recruit external consultants for PMUs to support project implementation and these experts should and often do, require development of local capacity in their terms of reference. PMUs are usually disbanded at the end of a project, often with loss of relevant

expertise. If the Government and development partners adopted a more programmatic and longer-term approach to CCDRM assistance through alignment and harmonization, this could help develop a core of CCDRM project management expertise that could be retained in-country.

4.3.2 CCDRM human resource development

A systematic training needs assessment has not been undertaken by any agency to provide an accurate picture of CCDRM human resource development. Consequently, it is not possible to determine the human resource development challenge in Tonga. Those consulted as part of the current assessment stressed the lack of training opportunities on CCDRM in Tonga and CCDRM training that does occur is organized on an ad-hoc basis by MEIDECC. In addition, those consulted highlighted that even if the Government sought to outsource training to the private sector, there are no experts in Tonga to conduct the training. A potential avenue to develop tailored training programs is through regional technical organisations and the University of the South Pacific (USP).

Observations

- The majority of CCDRM technical staff in MEIDECC are short-term project-based staff. As a result, there is significant staff turnover and challenges in the retention of long-term capacity within government agencies.
- There is a limited number of full-time staff in the core CCDRM agencies of NEMO and MEIDECC
- A systematic training needs assessment for CCDRM has not been undertaken.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
13	Develop a CCDRM staffing resource plan to optimize the allocation of short-term project-based and GoT full-time staff	Medium	PSC	MEIDECC MFNP	CCDRM staffing resource plan
14	Undertake a training needs assessment for CCDRM and develop a training plan to improve systematic, long-term CCDRM technical capacity	Medium	MEIDECC	PSC	Training needs assessment for CCDRM

4.4 Local government

Local government is a system that operates at community level. It involves local elected leaders such as district and town officers as government and community leaders and representatives. Local leaders are elected by their respective communities and are required by law to carry out their duties and responsibilities. In Tonga, the duties of district officers include inspections for public health, agriculture and license compliance and reporting back regularly to the Governor and Government Representative and informing Police should any breach of the law be identified. The town officer supports the district officer in public health, agriculture and license compliance inspections, as well as announcing any fonos (meetings).

4.4.1 National management of local government

In 2012, MIA³³ was created to coordinate and consolidate community development across the Kingdom of Tonga. In July 2012, the local government unit was transferred from the Prime Minister's Office to the MIA. The Governors of Ha'apai and Vava'u are recommendations made by the Prime Minister, appointed by the King and who report to MIA. The positions for government representatives of Eua and Ha'apai are advertised to the public.

As mentioned in chapter three, the obsolete District and Town Officers Act, 1988 and Fonos Act, 1988 provides the basis for functioning at local level. As per the District and Town Officers Act, the District Officers are responsible for inspecting local services and the Fonos Act makes it mandatory for any adult citizen to attend a fono, which is a meeting called within the town. The fono is classed as either normal or grand depending on the level of officials addressing the people.

There are gaps in the current local government legal framework. There is inappropriate decentralization of government administration with better scope for engagement with the public as mentioned in TSDF II³⁴. Given the small size of Tonga and its limited resources, sub-national government structure should be tailored to national circumstances. At the same time however, some decentralization of government administration is necessary given the spread out nature of the country and to ensure that the public has easy access to administrative services both within urban and rural areas.

The local government administration is supported by a network of Town and District Officers across the Kingdom. The development of offices for Members of Parliament in their constituencies is further helping improve outreach of government to be more responsive to local needs.

As mentioned above, MIA implements its local governance mandate through its nine divisions, namely:

- Sports and Recreation
- Youth and Culture
- Women Affairs
- Seasonal Employment
- Social Protection and Disability
- Local Government, Community Development
- Corporate Services
- Church Leaders' Desk
- Accounts.

Support to the local government is provided mostly through the local government and community development division. Other important activities to support local governance are implemented through Women Affairs and Seasonal Employment divisions. Women's Affairs Division helps particularly in the economic livelihood of women and works closely with the existing women's committees. Seasonal Employment division helps provide and increase overseas employment opportunities to improve economic welfare in communities.

Line Ministries and NGOs in most cases do not include MIA while implementing activities at a local level. Line Ministries are confused about the actual status of MIA and the advantages of going through the Ministry for implementing activities at local level.

Service delivery is centralized and managed directly by line ministries. MIA has not been included as part of some key committees including JNAP which is critical for capturing the voices from communities. Development partners go directly to community members without keeping MIA informed. During the CFRGA assessment, MIA stressed that community members complain to them when they are not happy with activities or withdrawal of support from donor partners. In addition, staffs complain of extra work load due to their involvement in monitoring activities of donor/NGO funded projects, which are not part of their job descriptions. Town Officers complain from time to time about their wages that are not the true reflection of the services they render. The above mentioned and other issues related to local governance can be addressed by creating a platform within MIA to coordinate donor partners and other stakeholders.

³³ Which was earlier a Department under the Prime Minister's Office

³⁴ Tongan Strategic Development Framework, Draft V17, 2015, Page no 53-54

4.4.2 Sub-national government structure

MIA is the key agency for administering local government in the Kingdom of Tonga. It has been directed by the previous government that all line ministries must work with MIA to implement their activities at the districts and community level. There is improvement on line ministries working closely with MIA while implementing their activities at local level.

There are 23 districts and 184 villages in Tonga. Each parliamentary constituency is divided into several districts. Each of the 23 districts in Tonga has an officer in charge called a District Officer.

There is no fixed criteria for determining the number of villages under each district. The District and Town Officers are elected members and not appointed. Even though they are elected, they receive salaries like civil servants but at a lower scale. The local elected leaders are under the responsibility of the MIA. The elected officials serve a term of three years and are paid by the Government. These salaries are set by the Remuneration Authority.

Figure 4.3 below shows three islands have Government Representatives and two Islands have Governors.



Figure 4.3 Local government structure in the Kingdom of Tonga

Most villages in Tonga have a Village Council with a Constitution. Box no. 4.1 below provides a case study of Lapaha Village Council, its constitution and its committees.

Nuku'alofa, the capital of Tonga has the highest rate of Town Officers or District Officers per population in proportion to other areas in Tonga. Most of its services are provided directly by the central government. According to the 2011 census, there are approximately 36,000 people living in the Kolomotu'a and Kolofo'ou Districts alone under two District Officers and four Town Officers. It is difficult for Government officers to deliver services effectively in populated areas compared to other provinces in the country.

There are several villages located far from the main town where the Town Officers live and is always a challenge to manage issues in those areas for people having no government representative.

The Town Officer report monthly on local services to the District Officer. The Town Officer also inspects agricultural activities of tax allotments every two months and reports accordingly to the District Officer. The District Officer also inspects the agricultural activity on land tax allotments every six months. There are district agricultural committees reporting to the Minister for Agriculture, Forestry, Food and Fisheries through extension officers provided by the Ministry. Tonga's Water Act provides for Town Officers to chair village water committees.

Box 4.1 Structure of Village Council in Lapaha Village - a case study

Lapaha Village has a population of 2412. Its Village Council was formed in 2007 with support from Tonga Trust through a consultative process. It has a constitution registered and produced in a similar format as the national constitution. Lapaha Village has been divided into six blocks. Three representatives have been elected from each block to be part of the Village Council. An additional two members were selected from each of the blocks to be represented in the sub committees. There are twelve sub-committees: education and training, lands, development, CCDRM, agriculture, sports, community Police, education, youth, women, water and history. Each of the sub-committees also select one representative each to be part of the Village Council. Town Officer is the Chair of the Village Council.

Professionals can be nominated by the Town Officer to be part of the Village Council but they cannot vote. Each sub-committee decides the number and types of sub-projects to be implemented under their respective areas and sent to the Council to decide whether it will be implemented or not. The Village council compile all those project ideas from the sub-committees and prepare the Village Development Plan. Tonga Trust facilitated the process of preparing this Village Development Plan. Village Councils are dependent on external funding and constituency fund for implementing projects mentioned in the Village Development Plan. Sometimes they organize events to raise funds to implement the projects mentioned in the Village Development Plan.

Lapaha Village has five standing committees under the Village Development Council. The elected members to the Council are divided into standing committees. They have prepared five year and ten year Village Development Plans. There is also a Village Emergency Management Plan but communities have never been consulted while preparing it. This plan has never been sent to the Village Development Council for endorsement.

4.4.3 District development committees and sub-national planning and budgeting process

The responsibilities of **District Development Committees**³⁵ were transferred to MIA on 1st July 2012 as per the memorandum no. 676, 10th August 2012. In this memorandum it was decided that all activities of District Development Committees must be guided by a strategic development plan (master plan) for respective islands and aligned to the national development framework and priorities in the TSDF. MIA is trying to prepare the Community Development Plan with support from different NGOs/community based organisations (CBOs).

The quality of these community plans vary to a greater extent across provinces and there is no guideline provided by MIA to the development partners. Development of these guidelines is crucial to make a systematic integrated and inclusive planning process including CCDRM. NGO partners like the Mainstreaming of Rural Development Innovation (MORDI) Tonga Trust and Act for Peace have assisted by preparing good quality community development plans.

³⁵ District Development Committees are responsible for developing and implementing the District Development Plans.

Each island has a **Development Committee** whose members and Chairman are appointed by Cabinet based on recommendations from MIA. The committees can approve co-members of the committee from NGOs and development partners. Each committee meets once a quarter or as

requested by the Chairman. Their core function is to implement the development projects designated by Cabinet or from community representatives through members of the committee. There is no systematic flow of decision on development projects from bottom up to be followed.

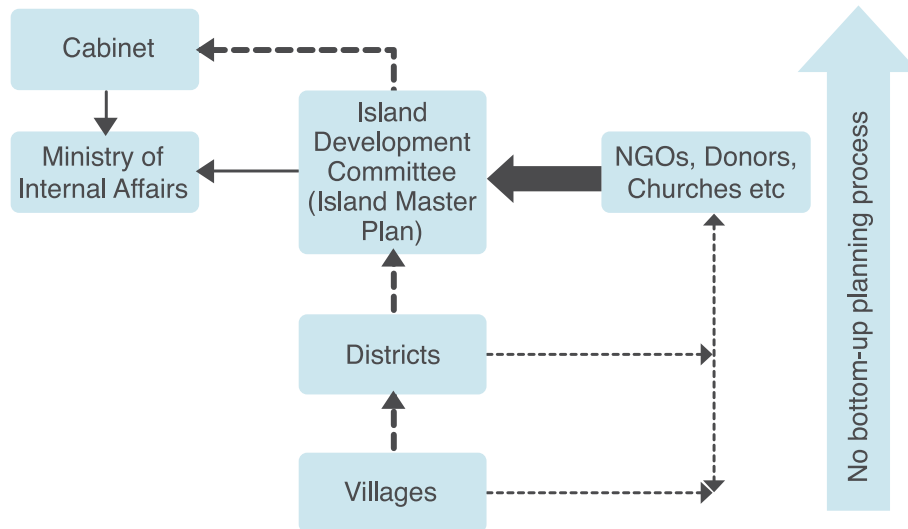


Figure 4.4 Sub-national planning process

The Island **District Development Committee** is well organized on all Island Districts except Tongatapu Island. Tongatapu is too big to be organized with one development committee. The Cabinet Decision #676 on 10th August 2012 authorized the Minister of Internal Affairs to initiate discussion to establish District Development Committees for Tongatapu. The Minister is Chairman on all combined Development Committees. Each Island District Committee is working to obtain a Master Plan for each District Island. So far, 'Eua Island District has completed a draft of its Master Plan in 2015 and is in its final stages for cabinet submission. The Master Plans for the rest of the district islands are in progress. There are different NGOs active in the provinces and they tend to lead the development of community development plans. But due to lack

of a formalised planning process, the quality of community development plans vary across different provinces. It is critical to unify all plans into one community development plan and link to MIA and other line ministries' Corporate and Island District Community Development plans. This is absolutely the only linkage to the Tonga Strategic National Framework.

There is a lack of integrated planning, budgeting and monitoring process at sub-national level. Different NGOs prepare plans and line ministries work directly with communities and prepare plans. For example, NEMO with support from Act for Peace has prepared 113 Village emergency management plans in Tongatapu, Vava'u islands, Haapai, Eua and Niua. The plans have been done well but do not link to the overall Socio Economic Development Plan.

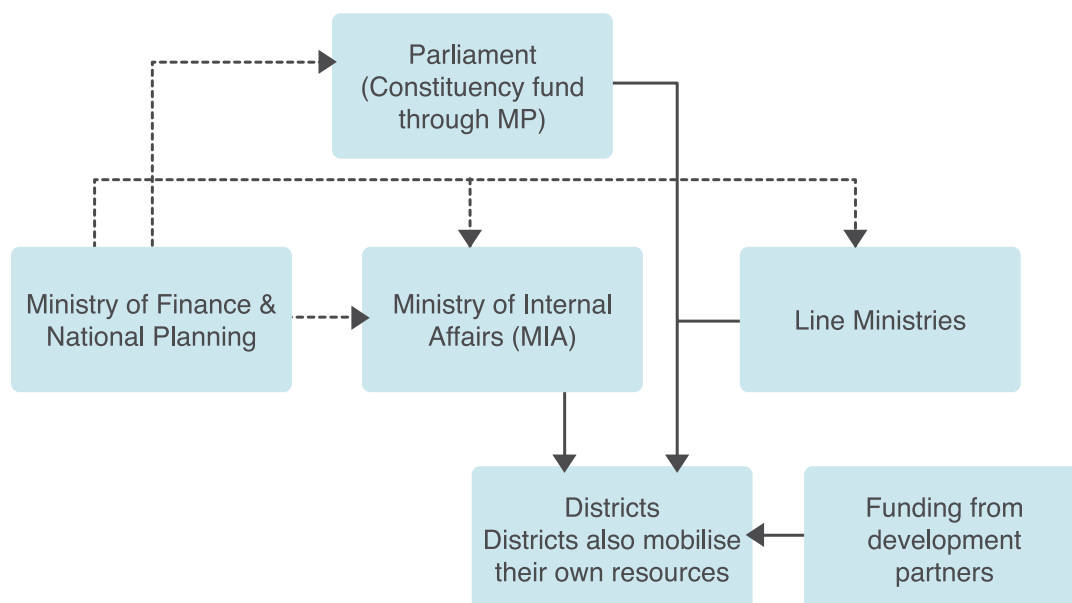


Figure 4.5 Different sources of funding for sub-national governments in Tonga

Figure 4.5 shows several channels of resources allocated to the sub-national government, which are not harmonized and not linked to the planning process.

First, the **Constituency Fund** is released through the Member of Parliament and not linked to the development planning process. The second type of funding goes through line ministries. This funding is spent directly at the Districts by the **line ministries**. The third source of funding goes from MFNP to national NGOs to implement activities at local level and similarly, MFNP also release money through MIA. The Ministry has different types of funding which needs to be harmonized and linked to one development planning process and carried out at district level. TOP(\$116,000 was allocated to MIA by MoF for distribution to different CBOs and NGOs to work on community development and TOP(\$212,000 for distribution was allocated by MoF to MIA to support CBOs/NGOs identified by Parliament. Similarly, another TOP(\$19,000 was allocated by MoF through MIA to undertake similar activities.

Fourthly, the **District Administration** also mobilise their own resources by collecting taxes for example, as seen in Eua District during the CFRGA process, district taxes do not have to be shared with national government. The District Administration can spend this money for hiring additional staff and maintenance wo

Box 4.2 Master Plan in preparation Holeva Village, Vava'u Island by NGO MORDI - A case study

MORDI Tonga Trust is an NGO involved with communities preparing Village and District Plans especially in the rural areas. On 4 February 2015, representatives from MIA visited Holeva village in Vava'u to witness MORDI's work. Holeva village consists of 135 people (77 male and 58 female) in 20 households.

The village planning process began with baseline data collection activities in the morning. Data was collected on people age, skills, religion, source of water supply, source of electricity and lighting, means of transportation, crops and agricultural activities, livestock and education.



In the afternoon, participatory sessions were undertaken in three groups: 1) with 18 women; 2) with 17 men and, 3) with 15 youth. A Town or District Officer facilitated each group and led and encouraged active discussion during the process.

Brain storming sessions listed issues of concern to the village, ranging from agriculture, fishery activities to infrastructure and social issues. But when the risk analysis of the situation was discussed many problems were eliminated through the process itself. A ranking matrix priority method was then used by the group to prioritize their findings and as a result only 14 very important items were listed. The community plan by groups was achieved at this stage and a merging matrix was used to prioritize the end product among the three groups. A combined village community plan for Holeva Village is the end product of this process and it is prioritized from 1 to 14 with causes, risk, solutions, possible output, possible outcomes and partners.

Observations

- The key Acts overseeing local government operations, including Towns Act and Fonos Act, are obsolete
- MIA is not part of strategic CCDRM structures, including the JNAP taskforce
- Lack of an integrated, coherent, inclusive planning, budgeting and monitoring guideline for the sub-national administration
- Budgeting process at national level for sub-national Government has not been effectively harmonized

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
15	Review the legislative framework for local government including the Towns Act and Fonos Act in light of recent GoT reorganization and integrate CCDRM considerations	Immediate	MIA	Development Partners	Towns and Fonos Act reviewed
16	Include the Ministry of Finance and National Planning, the Ministry of Internal Affairs and the Tonga Chamber of Commerce and Industry in the JNAP Taskforce	Immediate	JNAP Task Force	MEIDECC	MFNP, MIA and TCCI included in the JNAP structure
17	MIA creates a sub-national planning, budgeting and monitoring guidelines that includes CCDRM considerations	Medium	MIA	NEMO NGO MEIDECC	Subnational planning, budgeting and monitoring guidelines are created with CCDRM considerations included



© David Kirkland, Image courtesy of the South Pacific Tourism Organisation.



Public Financial Management (PFM) Analysis

This chapter discusses the importance of robust country systems in accessing and appropriately using CCDRM finance. It also outlines how these systems can be utilised for screening of climate and disaster risks to development investments. This involves a review of recent assessments of Tonga's Public Financial Management (PFM) systems and the direction of the Government's efforts to strengthen these systems. These assessments, including the most recent self-assessment by the Ministry of Finance and National Planning (MFNP), led the Government to prepare a five-year program of reform, encapsulated in the PFM Roadmap approved in late 2014.

5.1 Background – the importance of PFM to CCDRM finance

The severe vulnerability of Tonga to natural disasters and the impacts of climate change are widely known (see Chapter 2). A Government's response to its considerable vulnerabilities to disasters and climate change is dependent on the effectiveness of its public financial management (PFM) system. The ability to secure, access, use and account for CCDRM finance as well as to risk screen development investments will be key to ensuring that Tonga is able to effectively respond to the impacts of climate change and build resilience to natural disasters.

While Tonga's vulnerability to climate change and natural disasters is undisputed, this is not a sufficient condition to secure funds for an effective national response. Provision of donor finance for CCDRM, will be facilitated by developing a robust PFM system. This system will then support the use of external and domestic resources (through the national budget) to mount an effective response to Tonga's CCDRM challenges. These PFM reform efforts will also reap benefits more broadly as they will apply equally to supporting Tonga's wider development efforts and to ensuring that these efforts are risk sensitive.

Accessibility to external funds is facilitated when development partners are confident that their funds are being used appropriately. In the context of CCDRM, funding sources will be more accessible when it is clear that development efforts are reaching those most vulnerable to CCDRM impacts. A robust, risk sensitive PFM system will not only provide confidence to development partners but also catalyze future and further support.

5.1.1 Country systems

Strong country systems³⁶ for managing public finance are widely considered to be critical to effective governance. The importance of these systems arise from the understanding that their quality has a direct relationship to the successful delivery of Government services and, by extension, their CCDRM response.

While the exact definition differs from donor to donor and from one country to another, PFM as generally understood, includes all activities undertaken during a country's budget cycle – both upstream (including strategic planning, medium-term expenditure framework, annual budgeting) and downstream

(including revenue management, procurement, control, accounting, monitoring and evaluation, audit and oversight).

Sound PFM supports aggregate control, prioritization, accountability and efficiency in the management of public resources for the delivery of services. These functions are critical to the achievement of public policy objectives including CCDRM. In order to execute sound PFM, Tonga needs strong country systems that facilitate the process. Figure 5.1 shows major components of a country systems superimposed on the Budget Cycle to reflect the relationship in a PFM framework.

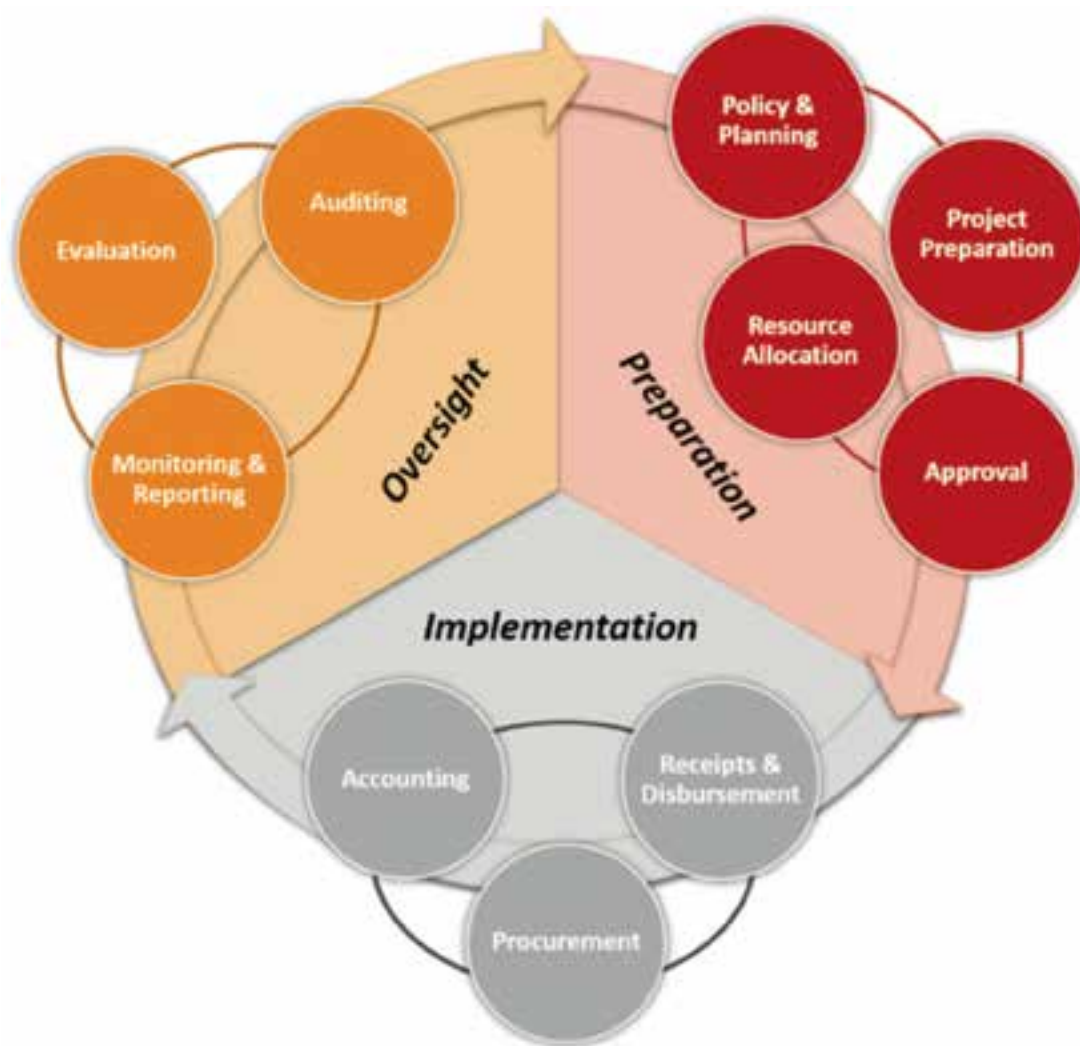


Figure 5.1 Components of Country systems superimposed on the budget cycle³⁷

³⁶ This discussion of country systems draws heavily on background documentation for: USAID Adapt Asia-Pacific 3rd Annual Forum (2014), 'Strengthening Country Systems to Access and Manage Climate Change Adaptation Finance in Asia and the Pacific' in Siem Reap Cambodia on September 15-16, 2014.

³⁷ This discussion of country systems draws heavily on background documentation for: USAID Adapt Asia-Pacific 3rd Annual Forum (2014), 'Strengthening Country Systems to Access and Manage Climate Change Adaptation Finance in Asia and the Pacific' in Siem Reap Cambodia on September 15-16, 2014.

Tonga's PFM system has been the subject of a number of assessments in recent years, which have looked at the system as a whole, and its individual components. The Public Expenditure and Financial Accountability (PEFA)³⁸ Assessment is the most well-known. The first PEFA was undertaken in Tonga in 2007³⁹ and a second assessment in 2010⁴⁰. Most recently, the Government undertook a PEFA self-assessment in 2014 and this acted as the basis for the PFM Reform Roadmap⁴¹.

The PEFA Assessments and resulting PFM Roadmap show steady progress in improving the PFM System in Tonga. The Assessments provide a benchmark against which the Government can measure its progress towards accessing climate finance, including achieving its stated objective of attaining direct access to the Adaptation Fund (AF) and the nascent Green Climate Fund (GCF⁴²). Both these funds set strict fiduciary standards as a prerequisite for direct access that present significant challenges for Tonga as discussed further in Chapter 9.

The PEFA assessments provide a measure of Tonga's progress towards meeting these fiduciary standards and the PFM Roadmap or the action plan on how to do this. It is therefore, valuable to review the status of the PEFA assessments and current progress in strengthening PFM.

Observations

- A strong PFM system is important to ensure a nation effectively uses its financial resources to achieve its stated objectives, including CCDRM objectives.
- Strong country systems that support the budget cycle and the use of financial resources improve nation's ability to effectively use and account for financial resources
- PEFA assessments provide a measure of strength of the PFM system and can be used to assess the ability of country systems to manage development assistance effectively.

5.2 The PFM system in Tonga

The following section outlines Tonga's PFM system according to the criteria used in the PEFA Assessments and the PFM Roadmap process. These assessments are based on the following criteria of (i) budget credibility; (ii) comprehensiveness and transparency of the

budget; (iii) policy-based budgeting; (iv) predictability and control in budget execution; (v) accounting, recording and reporting; and (vi) external scrutiny and audit.

The advantages that flow from a robust PFM system include more effective monitoring and assessment of progress towards the achievement of national climate targets and objectives. This should also lead to greater donor flexibility in the use of climate finance and allow for other delivery modalities (e.g. trust funds and budget support) rather than the project approach of most current CCDRM funding flows. A PFM system that considers climate and disaster risks also leads to more resilient development. Finally, the use of local systems should lead to lower compliance costs and greater efficiency in the delivery of assistance.

5.2.1 Credibility of the budget

A credible budget requires that the budget estimates and accompanying information produced and approved by the legislature present a reasonable picture of the actual outturn and result at the completion of the financial year. This means that what the Government says it will do in the budget, needs to closely reflect what was delivered during the fiscal year. A rigorous budget formulation process, based on accurate information and proper interpretation, will achieve this and strengthen the budget's credibility.

The overall picture of the Tongan Budget is that it does this reasonably well in both predicting outturn and in reviewing the results of the previous year, although certain challenges, such as the weak integration of planning and budgeting, remain and are being addressed by Government through a "One Process" integrating planning, budgeting and M&E system. This involves the Tongan Strategic Development Framework (2015-2025) setting the over arching strategic direction. Priorities may be established for a particular administration through a Government Priority Agenda. Part of these efforts involve commencing budget preparations well ahead of time in order to ensure decision makers have sufficient time to effectively scrutinise the budget.

Based on the TSDF and Priority Agenda, the analysis of current macroeconomic and social conditions, the MFNP prepares an initial Broad Budget Strategy and Funding Envelopes Paper (BSFEP) as the starting point for the preparation of the budget process, followed by a more detailed one at the start of the new calendar year. The BSFEPs sets the macroeconomic framework in which the budget is formulated and the budget envelopes for the Ministries so they can prepare their budgets and update their corporate plans. Ministry corporate plans guided by the TSDF and Budget Strategy, are prepared on a rolling 3-year basis in conjunction with their annual budget submissions.

³⁸ Assessments are accessible at www.pefa.org

³⁹ Assessments are accessible at www.pefa.org

⁴⁰ Government of the Kingdom of Tonga, 'Public Financial Management Report', Public Expenditure and Financial Accountability (PEFA), 2010

⁴¹ Government of the Kingdom of Tonga, 'Tonga's Public Financial Management Roadmap 2014/15 – 2018/19', prepared by the Ministry of Finance and National Planning, 2014

⁴² Minister for Finance (Hon. 'Aisake 'Eke), 'Tonga Climate Change Trust Fund - Sustainable Financing Mechanism to support Community based climate responsive investments,' (Power Point Presentation), FEMM Seminar on Establishing and Managing Trust Funds on July 9, 2014, Honiara, Solomon Islands 2014.

The Budget preparation follows a ‘critical path’, which outlines the timetable for budget formulation set against three milestones i.e. E1: Preparation of the Broad Budget Strategy, E2: Refinement of the BSFEP after input on the line ministries from the preparation of their corporate plans; and E3: Approval by Cabinet of the BSFEP.

The critical path is a detailed timeline of the Budget formulation process from E1 (the initial Budget Strategy) through to approval by Parliament, indicating the various interactions with line ministries and their Corporate Planning process. Figure 5.2 shows a simplification this process.

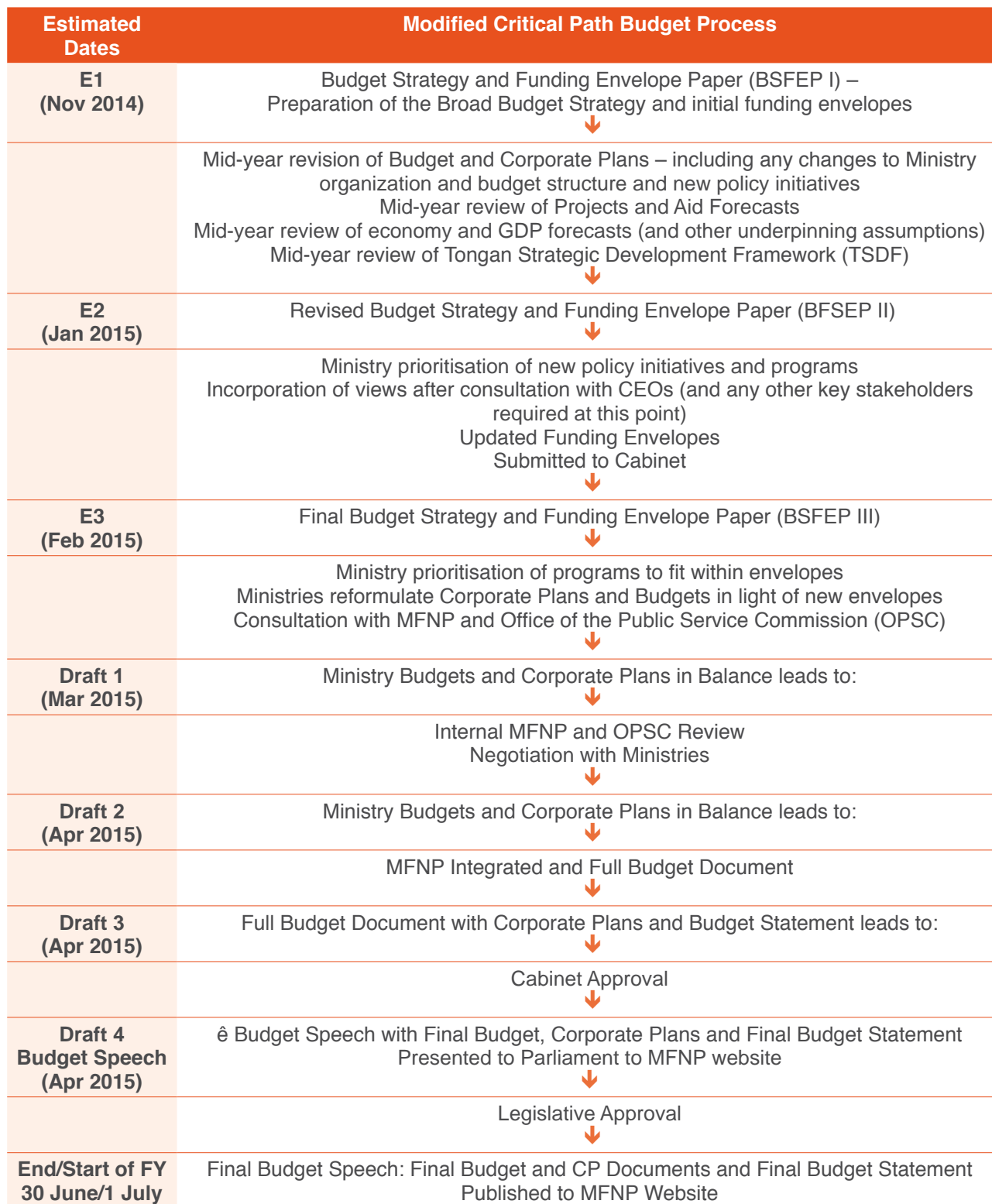


Figure 5.2 Proposed budget critical path 2015-16 fiscal year

Complementing the budget formulation process is the project approval process, which is managed and assessed by the Project and Aid Management Division (PAMD) of MFNP. Project proposals for development assistance must be endorsed by the Cabinet Development Coordination Committee chaired by the Deputy Prime Minister.

Projects, once endorsed, are submitted to the Development Partners for considerations of funding and is registered into the Government's project database for tracking of progress. The PAMD project database is separate to the Integrated Financial Management Information System (IFMIS) in Treasury. The quality and accuracy of the information in the database, though, would benefit greatly from integration with the Government's IFMIS. The detailed project cycle in Tonga, including the implementation and monitoring and evaluation components of the project cycle, are detailed in Annex E.

5.2.2 Comprehensiveness and transparency

Budget documentation in Tonga is comprehensive and provides necessary information to the public to scrutinise Government operations. However, Ministry corporate plans are not widely available to the public. This information is theoretically available to the public since it is provided to members of Parliament as part of the legislative debate on the budget. This link could be strengthened and made more transparent by making corporate plans more accessible through the MFNP and ministry websites. The availability of corporate plans is important to allow scrutiny of agencies responsible for implementing the Government's CCDRM response discussed in Chapter 4. MFNP has also introduced streamlined summary corporate plans for submission to Legislative Assembly, as the large detailed corporate plans, which chapter all of the discussions and analysis, were too large. The detailed corporate plan notes, are now as a record of the MDAs internal discussions and for use during the detailed budget negotiations. Government is considering publishing both sets of documents in a more organized manner.

Operations of development partners are well covered in the Budget documentation. Donor cash⁴³ is clearly identified and best estimates of the value of in-kind projects are also provided. However, detailed itemisation of the individual projects funded is not always provided. Actual estimates of donor cash are provided for previous years but only rough estimates of the value of in-kind projects are available at an aggregated level.

⁴³ Donor cash projects are projects for which the funding is channeled through the MFNP and Treasury FMIS while "in-kind" projects are those where cash is not channeled through MFNP. An example of an in-kind project may be the provision of a "turn key" infrastructure such as a wharf or road where funds are often channeled directly to contractors from the donor country without entering the country's financial system.

This is not unusual for Government budgeting in the Pacific, but makes it difficult for the Government to be able to track development efforts, especially those provided via in-kind CCDRM assistance. To get good in-kind data does depend on the willingness of development partners to provide it.

5.2.3 Policy based budgeting

Tonga's efforts to align policy and budget are directed through the *Tongan Strategic Development Framework – A more progressive Tonga: 2015-2025 (TSDF II)*. This document sets the strategic direction for the Government for the next ten years and sits at the apex of the policy and budgeting hierarchy as shown in Figure 3.1. A monitoring template and planning, Budgeting and M&E Tracker Database, which targets to monitor the TSDFII and Agenda 2030 Sustainable Development Goals linking to the MDA Corporate Plans and Budget, will be led and managed by the National Planning and Economic Division. This toolkit, funded by UNDP, is designed as an integral part of the Overall One Process, in order to be consistent with the results based approach of One Process. It also uses the Gap Analysis developed within the One Process CP/Budget Tool, to build and analyze and Acceleration Framework for TSDF and Agenda 2030. A trial run, is set for the financial year 2016/17. Given this template, Tracker Database and Acceleration Framework, are still in its early stages of implementation, this provides an excellent opportunity to include monitoring of the implementation of specific CCDRM related aspects of the TSDFII and Agenda 2030 and to monitor and address the climate and disaster risks to wider development.

MFNP has placed increasing emphasis on the need to link the development plans to the Budget through a comprehensive corporate planning process in line ministries. As mentioned above, resource allocation is dependent on clear corporate plans linked to budgetary submissions. The 'One Process' corporate planning and budget toolkit (recently streamlined after earlier testing), part of the overall One Process summarised in Figure 3.1, funded by ADB, is led and managed by the Budget Division. This tool has been introduced by MFNP to facilitate the corporate planning and budgeting processes in order to improve the efficiency and effectiveness of balancing the budget and corporate plans for all the Line Ministries. This is in order for each Line Ministry to perform realistically, within its limited resources. This toolkit supported by the MFNP outreach team, which is comprised of budget, aid and policy planning officers, through various budget consultations and trainings, prior to the submission of each Ministry's corporate plan. The toolkit is made up of 7 components, one of which focuses on risks and assumptions. This enables each Ministry to seriously consider the impacts of climate change and disaster risks on deliverables.

The Tool has been in use for several years in Tonga and it is from this experience that a streamlined version was developed.

In response to a changed planning and budgeting process, the timetable for the preparation of the annual Budget has been moved forward to ensure that ministries have the necessary time to prepare their corporate plans. It will also allow more time for Cabinet and Parliament to assess the link between corporate plans and annual budgets (see Figure 5.2). In fact, the new process requires that corporate plans are needed for justification of all budgets and that funds can be withheld without these plans.

2014/15 was the first year this process was fully implemented and as a result the quality of the work varied, especially with respect of the quality of the Corporate Plans. Gradual progress was made in 2015/16 with some MDAs making good progress while others still find it difficult. The streamlined summary corporate plans for LA will also encourage a more standard product across MDAs. These innovations are welcome since they give the executive, legislature and the community additional time to scrutinize the budget and to ensure the necessary link between stated CCDRM policies and resource allocation.



Figure 5.1 Inside MFNP (Credit: Stephen Boland)

The success of the alignment of the budget and policy will depend on the effectiveness of the consultation process. MFNP will need to invest significant time and support in the alignment process with Ministries, Departments and Agencies (MDAs). This effort will need to be managed very carefully and will benefit from ongoing and clear communications between MFNP and MDAs.

MFNP may need to reconsider its internal structure to support better internal communications and facilitate better alignment of policy and budgeting. The policy areas of MFNP comprise the Budget and Corporate Planning Division (BCPD), Project and Aid Management Division (PAMD) and National Planning and Economic Development

(NPED) Divisions. As recognized by many, these divisions exhibit characteristics of silos where communication could be improved. MFNP could consider reorganising its policy arms along thematic lines, such as teams aligned with the five pillars (e.g. social, economic, political, natural resources and infrastructure) outlined in the TSDF II. Each of these teams could then be responsible for planning (including corporate planning), budgeting and aid management and monitoring and evaluation.

These ideas have been considered and discussed in detail with many options provided under the ADB A for TSDF, corporate planning and budgeting. Currently, the model remains one of each team fielding, an officer to an outreach team based on around MDAs.

The process for 2016/2017 is just coming to an end, and the outreach teams worked more effectively together than in earlier years. With coaching, they produced more detailed assessments of the corporate plans and budgets to lead the discussions with MDAs. This was welcomed by many MDAs who felt that MFNP was taking greater notice of their efforts, even if there was not a lot of additional funding to go around.

The Government is currently considering the establishment of the climate change officer or climate change unit within MFNP to enhance the access to, and management of, climate finance (See Chapter 4). This proposal is welcomed but needs to be integrated into aid, planning and budgeting systems to avoid creating another silo. Given the recent work on developing the Tracker Database, opportunities also exist for integration of climate finance considerations there as part of alignment with the various planning documents. The re-establishment of the detailed project monitoring and management database to facilitate programming of development partner programs is much needed. Further development of the outreach teams along more thematic lines suggested could also help incorporate the proposed climate change expertise into an appropriate theme to ensure consideration of climate finance responsibilities. Climate change has a very clear role in TSDF under Organisational Output 5.4 “Improved resilience to extreme natural events and impact of climate change” under pillar 5, Natural Resources and Environment.

5.2.4 Predictability and control in budget execution

The management of receipts and disbursements to ensure certainty of payments for public services have been acceptable but could be better with the improvement of MFNP's cash management system. The Ministry has foreshadowed the revision of the Cash Flow Committee to broaden its membership and ensure major commitments are met with the cash resources.

In upgrading the IFMIS, MFNP is considering adjustments to the coding system, including the incorporation of a budget code for climate change expenditure to aid tracking and reporting of expenditure on climate change activities. This system should identify both climate change and disaster risk management expenditure separately. A revised coding system, incorporating the ability to track CCDRM expenditure, would be an important step in appropriate monitoring and evaluation all government activity. The PFTAC ADB is assisting with this work, which is currently at a conceptual stage. Any adjustments, however, should be integrated as part of a comprehensive tracking and reporting system and not as an additional layer over an existing coding structure.

The coding system should accommodate the ability to track expenditure where CCDRM may not be the primary objective of the activity. Many projects have CC and DRM as secondary objectives, though the primary objective of the spending may be in another area (as outlined in Chapter 6). Projects in the energy, water and poverty alleviation areas can have a positive response to CCDRM impacts and it will be important to be able to track these impacts to properly monitor the Government's CCDRM efforts.

Another result of the upgrade of the IFMIS should be increased timeliness of the preparation of the Government annual financial statements. Though even without the upgrade, Government is now fully up to date with its Financial Statements to Audit. In spite of the benefits of the upgrade of the IFMIS further efforts are needed to ensure the completeness of coverage of the IFMIS and the compliance with accounting standards for end of year reporting.

The PEFA scores in the Procurement area⁴⁴ have deteriorated through to the 2014 self-assessment. However, the most recent "D" score reflects a more conservative approach taken by MFNP in assessing the procurement system. It also reflects the initial slow start to the procurement reforms as staff, were recruited and training and compliance programs were put in place. The planned PEFA for 2015 should result in a significantly improved score.

Another problematic area in PFM has been the development of effective Internal Audit to manage risk associated with lack of good governance and internal management processes and functions. Substantial steps have been taken in recent years to establish the Internal Audit Division of MFNP with associated policies. The expansion of coverage from MFNP to MDAs is foreshadowed by 2018 with assistance from the Audit Office. An effective response to internal audit findings is part of a coordinated and comprehensive effort to manage risk. As always capacity to implement and maintain the appropriate standards will be a significant challenge in a small nation.

Table 5.1 Key PFM Indicators relevant to international CCDRM access fiduciary standards - Tonga ratings

Performance Indicator No.	PFM Performance Indicator	2007 PEFA	2010 PEFA	2014 Self-Assessment ⁴⁵
Credibility of the budget		Scores allocated on a scale of A to D		
1	Aggregate Expenditure out-turn compared to original approved Budget	B	A	A
2	Composition of expenditure out-turn compared to original approved budget	C	C	B+
Comprehensiveness and Transparency				
5	Classification of the Budget	C	C	A
6	Comprehensiveness of information included in the Budget documentation	A	A	A
10	Public access to key fiscal information	C	C	C
Policy-Based Budgeting				
12	Multi-year perspective in fiscal planning, expenditure policy and budgeting	D+	C	C
Predictability and Control in Budget Execution				
16	Predictability in the availability of funds for commitment of expenditures	C+	C+	C+
17	Recording and management of cash balances, debt and guarantees	B	A	A
19	Competition, value for money and controls in procurement	B	C	D
20	Effectiveness of internal controls for non-salary expenditure	C+	B+	B+
21	Effectiveness of internal audit	D	D+	C+
Accounting, Recording and Reporting				
24	Quality and timeliness of in-year budget reports	C+	C+	B+
25	Quality and timeliness of annual financial statements	D+	D+	B+
External Scrutiny and Audit				
26	Scope, nature and follow-up of external audit	D+	D+	C+

⁴⁵ PEFA scores are allocated on a scale of A to D

5.2.5 Accounting, recording and reporting

The current efforts of MFNP to upgrade and increase the efficacy of the Government's IFMIS are critical to improve in-year and end of year financial reporting. The functionality of the IFMIS is being increased and this should strengthen the veracity of information provided to management. The system and the reports need to be expanded to MDAs to ensure that the information is widely available to improve effective use of financial resources and provide management information to service delivery units.

In upgrading the IFMIS, MFNP is considering adjustments to the coding system, including the incorporation of a budget code for climate change expenditure to aid tracking and reporting of expenditure on climate change activities. This

system should identify both climate change and disaster risk management expenditure separately. A revised coding system, incorporating the ability to track CCDRM expenditure, would be an important step in appropriate monitoring and evaluation all government activity. The ADB is assisting with this work, which is currently at a conceptual stage. Any adjustments, however, should be integrated as part of a comprehensive tracking and reporting system and not as an additional layer over an existing coding structure.

The coding system should accommodate the ability to track expenditure where CCDRM may not be the primary objective of the activity. Many projects have CC and DRM as secondary objectives, though

the primary objective of the spending may be in another area (as outlined in Chapter 6). Projects in the energy, water and poverty alleviation areas can have a positive response to CCDRM impacts and it will be important to be able to track these impacts to properly monitor the Government's CCDRM efforts. Another result of the upgrade of the IFMIS should be increased timeliness of the preparation of the Government annual financial statements. In spite of the benefits of the upgrade of the IFMIS further efforts are needed to ensure the completeness of coverage of the IFMIS and the compliance with accounting standards for end of year reporting.

Overall monitoring and evaluation requires strengthening. In the draft TSDF II this is acknowledged in the discussion of the M&E framework for the new strategy (See Chapter 4 for more discussion). It specifically states that:

"M&E is still weak in Tonga in terms of how Key Performance Indicators (KPI) are defined, the availability and reliability of data, and how the data is used. Improved data collection and use is a key part of improved governance and more successful public services."⁴⁶

It is not clear though, if the ultimate responsibility for M&E lies with line ministries or with MFNP or whether it is a shared responsibility. There is a role for a number of players in this task including of course MFNP and the line ministries but also other information gathering agencies such as the Bureau of Statistics and National Reserve Bank of Tonga (NRBT), among others.

5.2.6 External scrutiny and audit

Auditing in the public sphere is the process of providing independent and objective assessment of the ability of government to deliver services and perform in line with agreed standards. Audit institutions then report back in a transparent manner to governing bodies and the public. Auditing provides a disciplined and systematic approach to improving financial management and government performance.

The legislature and committees such as the Public Accounts Committees provide much of this scrutiny in Tonga. However, timeliness of consideration of audit reports is a prerequisite to effective response. This is an area that has improved in recent years but still needs improvement, as does the effective response to the follow-up recommendations made in the PFM Roadmap.

The PFM Roadmap notes that audit reports are not produced in a timely manner and follow up of audit findings is limited. Part of this could be related to the capacity and resourcing of the Audit Office (AO). An important issue for the AO is independence, which, while provided for constitutionally, should be accompanied by certainty of resourcing to ensure true independence. At present AO's budget is subject to the normal resourcing of any MDA. Government and the legislature should consider statutory or independent funding of the AO by guaranteeing its budget outside of the normal bidding process. Options would include setting aside an appropriate percentage of the appropriation for AO operations or separate appropriation through the legislature.

Observations

- The recent Public Expenditure and Financial Accountability Assessment (PEFA) assessments and self-assessment show steady improvement in the quality of Tonga's PFM systems
- The PFM reform effort has not engaged all the Ministries and is considered to be the responsibility of MFNP
- GoT's ability to achieve direct access to the Adaptation Fund (AF) and Green Climate Fund (GCF) through a government agency will be reinforced by PFM Reform Efforts
- Efforts are underway to better align Government planning and budgeting systems such as through the 'One Process' toolkit. This tool provides the opportunity to screen for disaster and climate risks to Government investments.
- The link between policy as outlined in the TSDF II and resource allocation through the Annual budget is compromised by capacity constraints at the line Ministry level in preparing effective Corporate Plans. Monitoring of the TSDFII provides an opportunity to monitor and address climate and disaster risks to development.
- Successful implementation of projects using country systems can help to provide a track record of achievement in project implementation that will provide positive feedback for future allocation of vital CCDRM resources.

⁴⁶ Government of the Kingdom of Tonga, "Tongan Strategic Development Framework II: A more progressive Tonga, 2015-2025 (Draft for public comment)", Ministry of Finance and National Planning, 3 March 2015, p.76

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
18	Implement the PFM Roadmap as a matter of priority to advance Tonga's progress towards accessing CCDRM finance.	Medium-term	MFNP	All Ministries	Improved scores in planned 2015 PEFA
19	Engage Political leaders and all areas of Government to ensure commitment to the PFM reform efforts.	Immediate	MFNP	Cabinet	Workshops for Cabinet Ministers and CEOs on the importance of PFM Reform
20	Development partners should, where possible, use country systems to implement projects, or at least design projects that support and build local capacity in country system components such as procurement and monitoring and evaluation.	Medium-Term	MFNP – Project and Aid Management Division	Development Partners	Aid Policy amended to incorporate development partners to, where possible, build this into the design of projects
21	Utilise Government planning, budgeting and monitoring systems as an opportunity to screen development investments for climate and disaster risks.	Medium-term	MFNP	All Ministries	Screening for climate and disaster risks is a component of the Government's planning, budgeting and monitoring processes.

5.3 PFM system in times of emergency

Although a robust PFM system is critical to longer-term development, the system also needs to be flexible enough to accommodate emergency situations such as cyclones, droughts and tsunamis. The system needs to allow for quick response while also mindful of the need for transparency and accountability in the operations of government. Tonga has developed a number of mechanisms to deal with disasters to help with the provision of finance in an emergency situation. In preparation (ex-ante) for potential disasters the Government has three major mechanisms. They are:

1. Emergency Fund
2. Contingency Fund
3. Risk Insurance

Emergency Fund (EF) – The EF was established under the Emergency Fund Act, 2008 to provide “timely and efficient relief and reconstruction in any emergency.” The EF can receive an appropriation of TOP 5.0m in any particular year. For example, in 2014/15 an appropriation of TOP 2.0m was provided in the appropriation for the EF.

The EF is controlled by the Minister of Finance and National Planning who can authorize expenditure from the EF with the approval of the Cabinet, the consent of the Privy Council and after consultation with the NEMC. The EF normally contains a minimum of TOP 5m and at the time of Cyclone Ian the balance of the EF was approximately TOP 7m.

Contingency Fund (CF) – The CF is a Vote or allocation within the annual Budget with a proposed allocation that cannot exceed 5% of the Tonga Government Fund⁴⁷. This will vary from year to year depending on the revenue raised but would normally be around TOP 10.0m. In reality, the amount is normally lower than this and in recent years has been TOP 1.5m. There is no supplementary budget appropriation process.

⁴⁷ Tonga Government Fund refers to revenue raised domestically by the Government

The CF is not restricted to emergency situations but provides for expenditures that:

- (a) could not have reasonably been expected to be included in the Estimates of any Vote;
- (b) becomes essential to the carrying on of programme operations; and
- (c) cannot be met through the reallocation of financial resources from within a programme allocation or from within the total allocation to the relevant Ministry programmes”.⁴⁸

Because the CF is not restricted to emergency situations, it can be used for any purpose and potentially could be exhausted before the end of a financial year.

Risk Insurance – The Tonga Government has participated in the PCRAFI Pilot partnering with the World Bank, SPC and Government of Japan. This initiative provides Disaster Risk Financing and Insurance (DRFI) for parametric insurance coverage based on the modelled losses from the specific disaster insured against not on actual losses. In Tonga, coverage is for tropical cyclone and earthquake/tsunami with equal coverage for each potential event. The annual premium for 2013/14 was US\$400,000 and was predominantly paid for by the Government of Japan with a contribution from the GoT of 5% or US\$20,000.

In the wake of Cyclone Ian and its devastating impact, the GoT received the first pay out from the risk insurance policy based on modelling of wind speed and cyclone track. As a result of this modelling, PCRAFI made a payout of US\$ 1.27 (~TOP 2.54m) in January 2014. This amount exceeded the amount available in the CF. The potential maximum payout in the event of an even more severe impact, based on the coverage at the time, was US\$5.2m.

The purpose of this fund is to allow a quick response pay out that goes to general revenue to provide maximum flexibility and as such the funds can be used for any purpose as determined by the policy holder.

In response (ex-post financing), there are a number of options. These include:

- Budget reallocation - The Public Finance Act allows for budget re-allocation from within a ministry budget
- External Debt
- Flash Appeal – Cash donations were also provided by development partners and other contributors

- Donor funds - for relief and reconstruction are provided through the normal project assistance

These Options are further discussed Chapter 9.

5.3.1 Emergency procurement

In emergency situations, time can be critical and as such procurement can become problematic if there is adherence to the normal processes that require substantial checks and balances. Tonga’s Public Procurement Regulations 2010, do provide some allowance for emergency response that can be used after a natural disaster.

For example, in Section 19 (2) d) details the choice of selection of the procurement process, one of the considerations in the selection of the method is that the selection should take into account the circumstances surrounding the procurement, “such as the existence of an emergency need or of situations which might justify use of limited bidding”.

An example of where this may provide an exception to normal procurement process is in the use of single source selection (SSS). SSS has some limited applicability in procurement and might be required “where a rapid selection is essential (as in an emergency)”. Given this would be a substantial deviation from normal procurement procedures this can only be done with the prior approval of the CEO of the ministry under Section 52 (2) of the Public Procurement Regulations.

Observations

- In the wake of Cyclone Ian, Tonga had in place a range of mechanisms to help provide immediate financial resources including a permanent EF, a disaster specific fund and PCRAFI
- In emergency situations, existing PFM procedures allow for the use of budget reallocations, contingency funds and simplified procurement procedures but these procedures could be improved by developing post-disaster financial procedures
- Longer-term procedures are governed under the normal PFM legislative and administrative framework including the Appropriation Acts, Donor Funding and Debt Financing.

⁴⁸ Section 2 of Public Finance Management Act, 2002

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
22	Development partners to look at using local capacity for project management as much as possible.	Long-term	MFNP	All	Increased use of local capacity for project management.
23	Ensure that external consultant recruited for project management have specific requirements to develop local capacity.	Immediate	MFNP	All	External project management consultants specify capacity building in their ToRs
24	Develop post-disaster Standard Operating Procedures (SOPs)	Medium-term	MFNP	NEMO	Approved (SOPs) and Post-Disaster Budget Execution Guidelines (PDBEG). Revised financial regulations.
25	<p>Ensure the Emergency Fund (EF)</p> <ul style="list-style-type: none"> – Maintains a minimum legislated level of resources sufficient to deal with disasters based on input from relevant technical offices. – is replenished sufficiently in years after major payouts in response to an emergency – Receives annual appropriation for the maintenance of the real value and any increased vulnerability. 	Immediate	MFNP	NEMO, Department of Climate Change	<p>Annual appropriation in Budget</p> <p>Legislation for minimum amount in EF</p>
26	<p>Institute regulations to establish “disaster-specific” special funds</p> <ul style="list-style-type: none"> – to receive cash donations from donors, international agencies (including insurance under PCRAFI), private sector and public contributions – to be used specifically for disaster relief and accounted separately – requiring independent record of disaster-related expenditure and revenues 	Medium-Term	MFNP - Treasury	NEMO	Regulations incorporated into SOPs and PDBEGs
27	Develop simplified and harmonized disbursement procedures to community level for disaster response	Immediate	MFNP – Treasury	NEMO, MIA	Regulations incorporated into SOPs and PDBEGs

5.4 Conclusions

Tonga's efforts to strengthen its country systems as a step towards accessing greater amounts of finance to help meet its CCDRM response faces significant, but manageable, challenges. PFM systems also present an opportunity to screen corporate plans and budgets for risk to ensure resilient development. The recent PEFA assessments and self-assessment show steady improvement in the quality of Tonga's PFM systems.

Implementation of the PFM Roadmap will significantly advance Tonga's progress towards its goal of accessing climate finance. This has to be seen though as a medium term goal (over 3-5 years) that can build on the foundations of MFNP's own reform efforts encapsulated in the PFM Road Map. The reform efforts should be accompanied by discussion about the most appropriate structure of the Ministry to achieve and implement reforms effectively.

However, to achieve these reforms political leaders need to be engaged and committed to the reform efforts. Engaging all areas of Government in the reform effort will be a prerequisite to its success. PFM reform is a whole of Government effort leading to whole of Government benefits.

Successful implementation of projects using country systems can help to provide a track record of achievement in project implementation and provide an opportunity to integrate the management of climate and disaster risks into non-CCDRM focused investments. Development partners should be encouraged to use country systems and local capacity, where possible, to implement projects or at least design project implementation strategies that support and build local capacity in country system components such as procurement and monitoring and evaluation.

Tropical Cyclone Ian provided a salient example of how Tonga's PFM system coped with a major disaster. While there are a number of ex-ante and ex-post financing mechanisms in place there are potential improvements based on recent experience that can be made to improve disaster response. While the existing procedures provide some protection in the event of a natural disaster they are limited in their applicability. For example the use of the CF could be used for any particular purpose unrelated to a disaster and is therefore an unreliable source of finance to anticipate to be available post-disaster.

Improvements to the system though need to be managed within a legal framework consistent with the Public Finance Management Act and related legislation. However, there may need to be additions and adjustments to this legal framework to ensure the necessary flexibility required in an emergency situation, while maintaining necessary transparency and accountability.

The recent experience of Cyclone Ian has provided useful lessons in how the PFM systems can be used to strengthen responses to disasters. There is an opportunity, and even a need, to develop a world class PFM system for responding to emergency situations and accessing longer-term climate finance.



© David Kirkland, Image courtesy of the South Pacific Tourism Organisation.

Climate Change and Disaster Risk Reduction Activities and Expenditure

This chapter analyses recent project data from the Government budget with respect to CCDRM activities and budget data from the Government's cash resources for the past six years using actual data with respect to CCDRM Activities. The chapter also reviews revenue policies, public private partnerships and remittances to see how these could support the Government's CCDRM efforts.

6.1 Methodology

The analysis of CCDRM activities in this section is divided into two parts. The first part analyzes recent project activity in Tonga with a CCDRM impact using the information for the past two completed budget years of 2012/13 and 2013/14. The second part analyzes six recent years of the recurrent budget activity using the Government cash resources and any donor cash resources provided to the Government and estimating the spending directed to CCDRM activities.

The definitions used for climate change and disaster risk management applied to the financial analysis are provided in Annex A. Importantly, applying these definitions means that CCDRM finance is broadly defined as all financial flows considered beneficial to Tonga's CCDRM response, whether or not this was the primary objective of the funding.

The methodology reflects the Climate Public Expenditure and Institutional Review (CPEIR) Approach which is embedded in the PIFS-PCCFAF methodology.



6.1.1 Funding source methodology

The starting point for the Funding Source Analysis has been the data collected by the MFNP -PAMD for the annual budget. This list was supplemented with additional information gathered during stakeholder consultations and discussions. The projects in the completed list of CCDRM project is shown in Annex E were weighted according to their relevance to CCDRM and assigned a percentage. The classification is based on the following grading: no relevance (0%), low relevance (25%), medium relevance (50%) and high relevance (80%).

The relevance ratings were assigned to projects assessed against the objectives of the project using the framework outlined in the CPEIR and PCCFAF frameworks. The spending on these projects was then weighted accordingly to assess the amounts and shares of overall development assistance that address CCDRM issues.

6.1.2 Budget expenditure methodology

With regards to assessment of the recurrent national budget, the Government's subprogram structure was assessed and assigned similar percentages to those outlined in the previous section. The analysis covered six fiscal years from 2008/09 to 2013/14 for which data was available.

The assignment of percentages was approached somewhat differently to the assessment of project gradings. Each sub-program was assigned a percentage based on information about the sub-program including the supposed amount of time staff members may work on CCDRM issues. For example, staff in the Climate Change Division of the MEIDECC would spend 100% of their time on CCDRM issues. However, the primary education sub-program may be assigned a weighting of 5% assessed to be in line with how much time teachers might spend teaching CCDRM issues in the curriculum.

Given that staff wages were a large component of the budget in most sub-programs, the time assigned to address climate change issues was considered to be a reasonable proxy for the share of the total budget addressing climate change issues. The weightings were approximate based on knowledge about the sub-program and could be refined to be much more accurate with detailed discussion with line ministries, which is beyond the resources of the current assessment. As such the assigned percentages were approximations and used in the absence of more information or a more appropriate methodology. More detailed discussion of the methodology is provided in Annex D.

6.2 Funding source analysis

The global system of climate change financing is very complex in accessing funds, let alone management and reporting on the use of these funds is a major burden on governments of small island developing states, such as Tonga. The variety of funds available and the pledges made in international fora to support climate change responses, while made in good faith, often lack recognition of the limitations that countries like Tonga face in trying to access these funds.

In theory, Tonga has access to numerous sources of climate finance from bilateral partners, multilateral development banks, UN-affiliated organisations and regional organizations. Figure 6.1 below presents this theoretical range of funding sources in graphical form to present the complexity of the situation. Bilateral partners are shown in red boxes, multilateral development banks and funds are presented in orange, UN-affiliated organizations and funds in green and regional organizations in blue.

Tonga can also access international climate funds like the AF through MIEs such as the Asian Development Bank (ADB), World Bank and the UNDP as well as the Regional Implementing Entity (RIE) SPREP. Tonga's MFNP has set a goal of achieving National Implementing Entity (NIE) status and this should be considered a medium-term (within three years) goal given the complexity of the accreditation process.

All public climate finance is ultimately provided by individual nations. However, not all assistance is provided through national bilateral aid programs. Nations that provide development assistance often channel funding through intermediaries and international organizations.

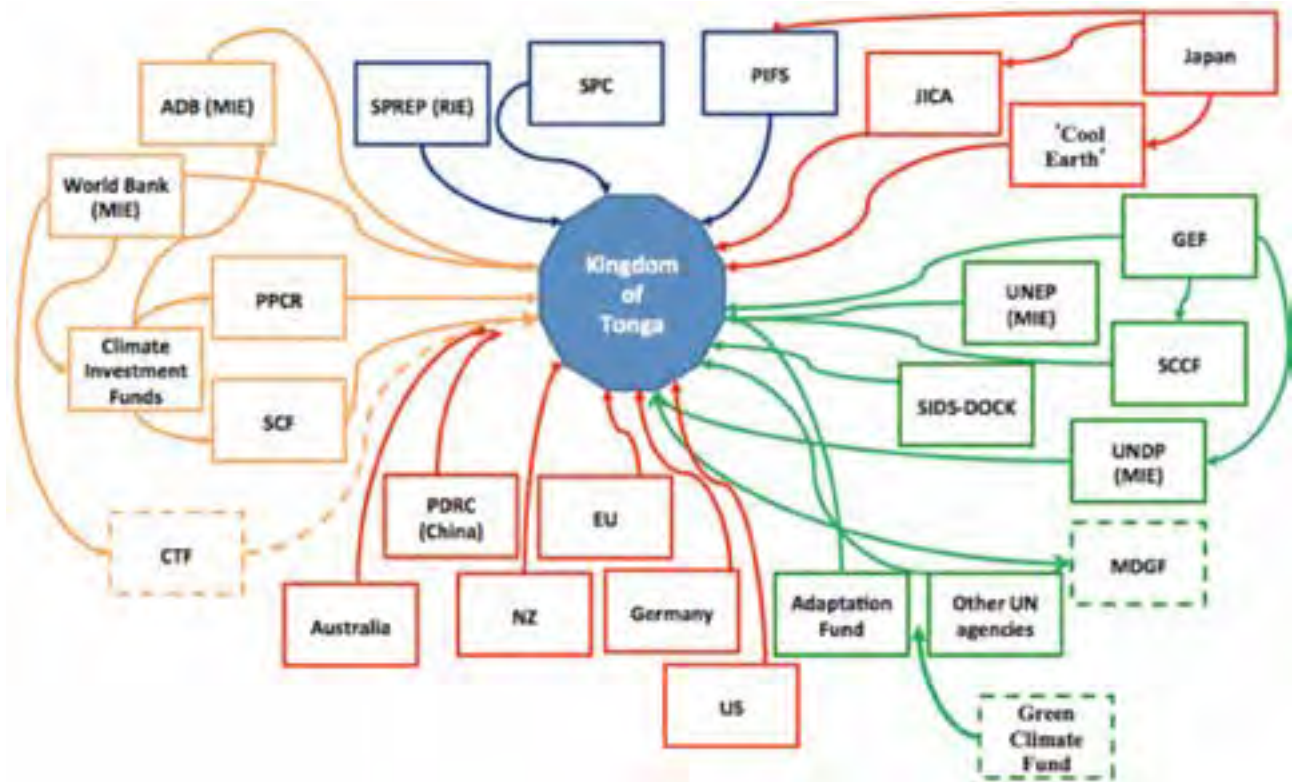


Figure 6.1 Potential source of climate financing for Tonga (indicative)

Figure 6.1 provides a basic outline of specific climate-related funding sources available to Tonga based on the international climate finance landscape. The scope of the CFRGA assessment looks more broadly to also consider DRM. Hence, the funding source analysis analyses both CCDRM funding received by Tonga and analyses funding based on the definitions outlined in Chapter 1.

6.2.1 Overall development assistance – implementing entities

The analysis looked at where development assistance comes from as a whole for Tonga. Figure 6.2 and 6.3 show the implementing entities through which development assistance was channelled 2012/13 to 2014/15. Using the MFNP budget figures as the starting for the analysis and supplemented with additional project information the figure shows the budgets for the 2012/13 and 2013/14 budget years and complemented by estimated actuals for those corresponding years and complemented by budget estimates for current 2014/15. The 2014/15 budget year is based on published budget numbers but supplemented with additional project information gathered during the analysis.

This chart indicates that the major implementing entities are the World Bank, ADB and New Zealand with China and Australia providing significant shares of development assistance across these years. Between these development partners they provided around 80% of the development assistance during this period. A number of other development partners make up the approximately 20% of the rest of the development assistance.

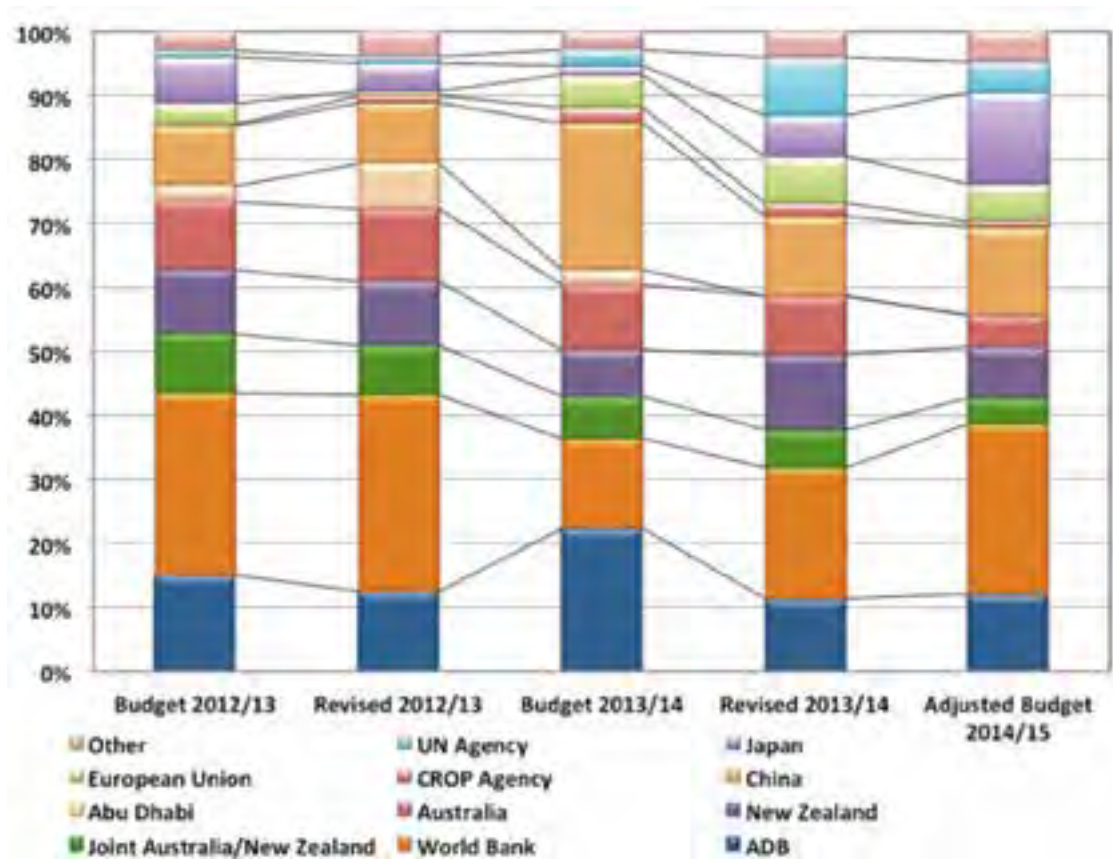


Figure 6.2 Share of budgeted development assistance by implementing entity -2012/13 to 2014/15⁴⁹

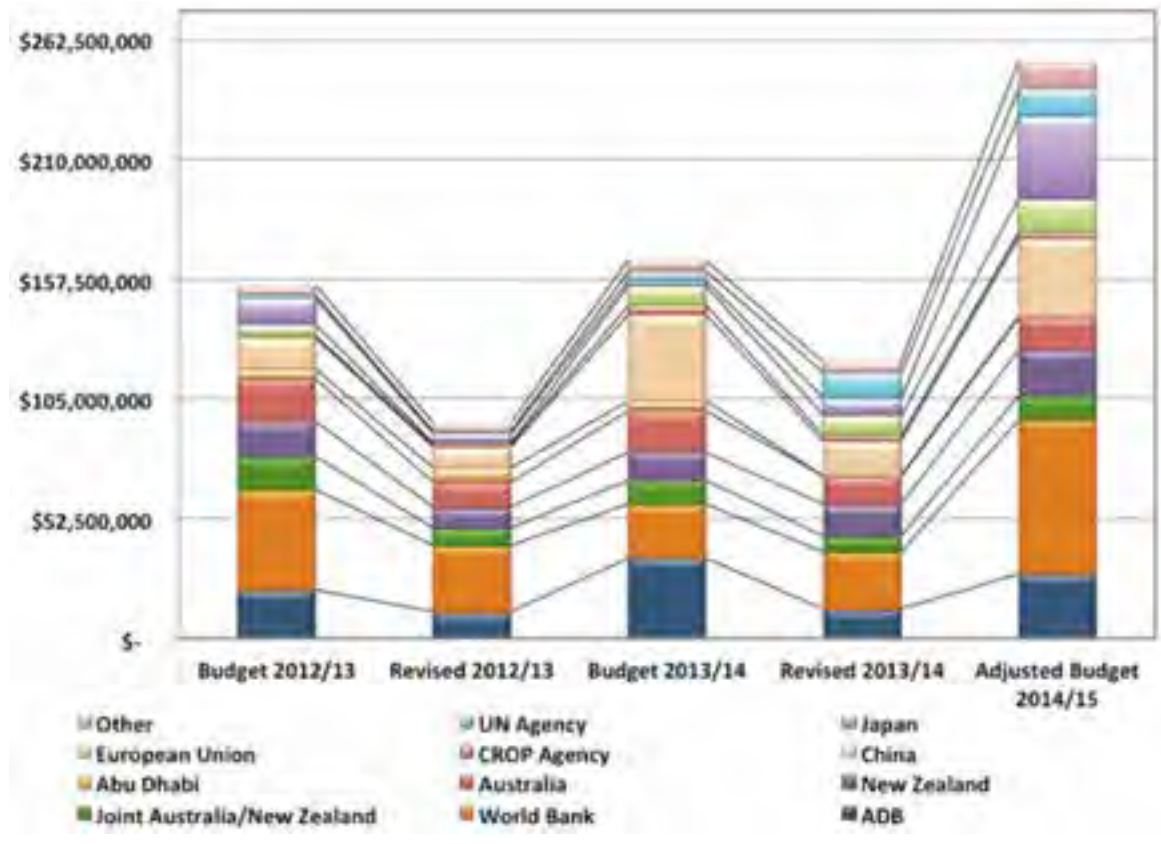


Figure 6.3 Budgeted development assistance by implementing entity -2012/13 to 2014/15⁵⁰

⁴⁹ Source MFNP, PAMD Project Database, 2014/15 Budget Estimates and Consultant Estimates
⁵⁰ *ibid.*

Figure 6.3, which shows the amounts of development assistance in the various budgets and estimated outturns suggests that there is significant overestimation of Overseas Development Assistance (ODA) in budget estimates as against the actual outturn that eventuates in the financial year 2014/15 budget shows a significant spike even compared to the previous budget estimates.

Figure 6.4 below presents the result that suggest the great majority of development assistance has some

CCDRM relevance between 26% and 38% of project funding determined to have no relevance to CCDRM in the years analysed. Applying the weighting referred to the above development assistance under the CPEIR and PCCFAF methodologies we estimate the share of these funds that are related to achieving climate change objectives. Figure 6.5 indicated that around 31% of the estimated development assistance received by Tonga over the period 2012/13 – 2015/15 is directed toward achieving CCDRM objectives.



Figure 6.4 Relevance of development assistance to CCDRM - CCDRM-related 2012/13 to 2014/15⁵¹

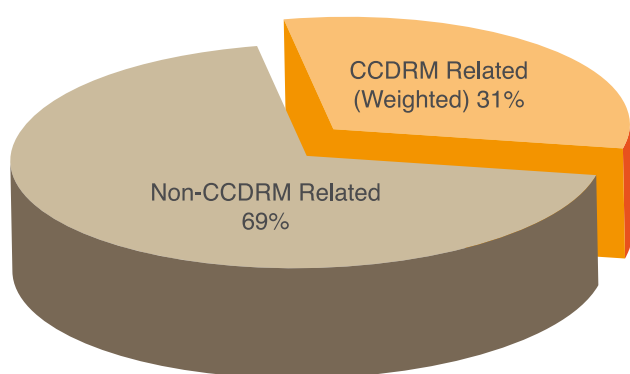


Figure 6.5 Share of estimated development assistance CCDRM related 2012/13 to 2013/14⁵²

In Figure 6.5 above - analysing this 31% share of development assistance for CCDRM, it is possible to assess the key funding sources that are helping Tonga achieve its CCDRM objectives.

Figures 6.6 and 6.7 shows that assessing the funding sources for CCDRM objectives there are a variety of funding sources. The IDA, The ADF and the SCF managed by the World Bank (WB) and the ADB are major players in the provision of CCDRM finance for Tonga. Also the bilateral partners Japan, New Zealand, Australia, and the European Union have all made significant contributions.

While these bilateral partners have significant bilateral programmes with Tonga, they also channel development assistance through international and regional implementing entities such as ADB, UNDP, SPC, SPREP, and PIFS. Using these intermediaries has the advantage of allowing bilateral development partners to utilize an agency's track record of projects implementation and strong project management systems (i.e. project preparation, implementation and oversight including monitoring and evaluation).

⁵¹ *ibid.*
⁵² *ibid.*

A couple of projects where this has been done are the ADB Outer-island Renewable Energy Project – with the majority of funds from the Australian Government (US\$4.5m), and the SPC’s Increasing Climate Resilience of Pacific Small Islands States (SIS) through the Global Climate Change Alliance (GCCA) funded by the European Union.

The Global Environment Facility (GEF) is also a smaller but still significant funding source as are other non-traditional partners such as Abu Dhabi through a single renewable energy project. Table 6.1 provides examples of some of the major CCDRM projects for major development partners. The table is provided to indicate the types of projects that qualify as CCDRM projects.

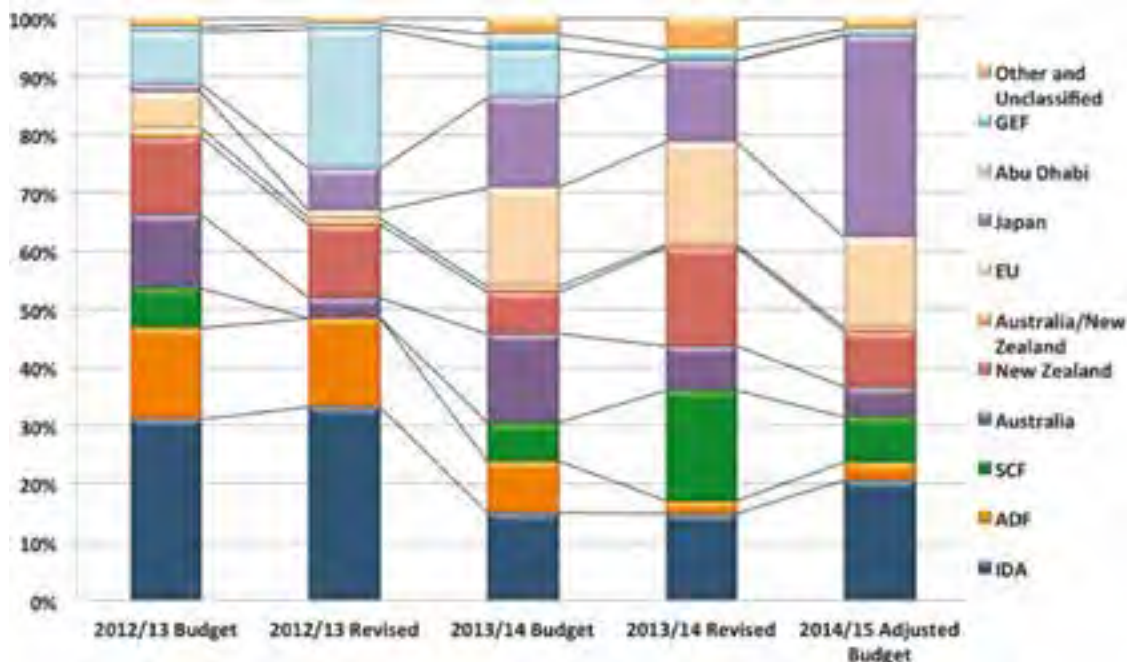


Figure 6.6 Budget development assistance by source weighted for CCDRM relevance 2012/13 to 2014/15⁵³

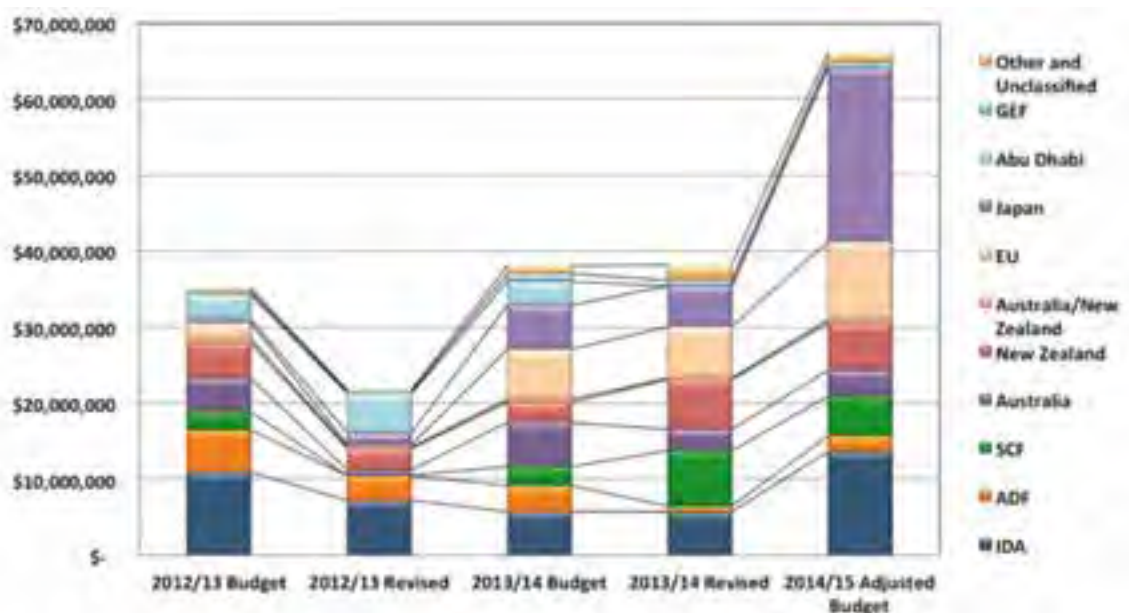


Figure 6.7 Budget development assistance by source weighted for CCDRM relevance 2012/13 to 2014/15⁵⁴

⁵³ *ibid.*
⁵⁴ *ibid.*

Table 6.1 Major development partners and examples of significant CCDRM projects

Major Development Partners and Major CCDRM Related Projects

Development Partner	Management	Major Climate Related Projects	Amounts
Major Existing Funding Sources for Climate Change and Disaster Risk Reduction			
Asian Development Bank	ADB Board chaired by Japan with US, China, Australia, Canada and Republic of Korea major shareholders	Climate Resilience Sector Project (CRSP) – funded from the Strategic Climate Fund (SCF) part of the Climate Investment Fund (CIF)	US\$19.25m
		Cyclone Ian Recovery - part funded by New Zealand Government grant (2014)	US\$10.7m
World Bank	World Bank Board with US as major shareholder and Chair	Tonga Cyclone Ian Reconstruction and Climate Resilience Project	US\$15.89m
			US\$12.0m
Japan	Ministry of Foreign Affairs	Tonga community solar powered deep freezers and water pumps (PEC Fund)	US\$4.0m
New Zealand	Ministry of Foreign Affairs and Trade of New Zealand	Tonga Village Network Electricity Upgrade	NZ\$7.9m
Australia	Australian Department of Foreign Affairs and Trade	Outer-island Renewable Energy Project – with majority fund from the Australian Government (US\$4.5m) through ADB	US\$6.8m
Abu Dhabi	Abu Dhabi Fund for Development Board of Directors	Install 500kWp grid connected Photovoltaic plant in Vava'u island in Tonga	US\$4.0m
European Union	EU Delegation to the Pacific Fiji to TERM through Budget Support to GoT	EU - Tonga Partnership to support REEE through Budget Support to TERM	Euro6.5m
GIZ (Germany)	GIZ office in Fiji in cooperation with regional partners such as SPC, SPREP, USP etc. depending on project	Coping with Climate Change in the Pacific Islands Region (CCCPiR) programme (Regional) – (e.g. Mainstreaming CC into Tonga Forestry Policy, drafting Land Use Policy, National Climate Change Adaptation Strategy Development)	Euro1.3m (estimate)
Global Environment Facility (GEF)	GEF Council working through GEF Agencies such as UNDP, UNEP, World Bank and ADB	R2R Integrated Land and Agro-ecosystem Management Systems	US\$7.7m (GEF US\$2.3m)
		Integrated Environmental Management of the Fanga'uta Lagoon Catchment - Ridge-to-Reef (R2R) Project	US\$8.4m (GEF US\$1.8m)
United Nations Development Programme	UNDP Office Suva	Pacific Risk Resilience Programme (PRRP) – Regional Programme	US\$1.2m (estimate)
Adaptation Fund	Adaptation Fund Board	Not applicable	

In further analysing the above figures, it was useful to split the CCDRM assistance according to the type of funding source to either bilateral, multilateral or regional. In practice, there were no significant funds in the development side that were sourced domestically, though the recurrent budget had substantial funds directed to managing the Government's CCDRM response.

Figure 6.8 reflects the information provided above indicating that multilateral sources were the most sourced area significantly from bilateral funds. Regional funds were relatively small, a likely reflection that many of these funds are related to technical assistance, much of the bilateral and multilateral assistance are linked to large capital intensive infrastructure projects.

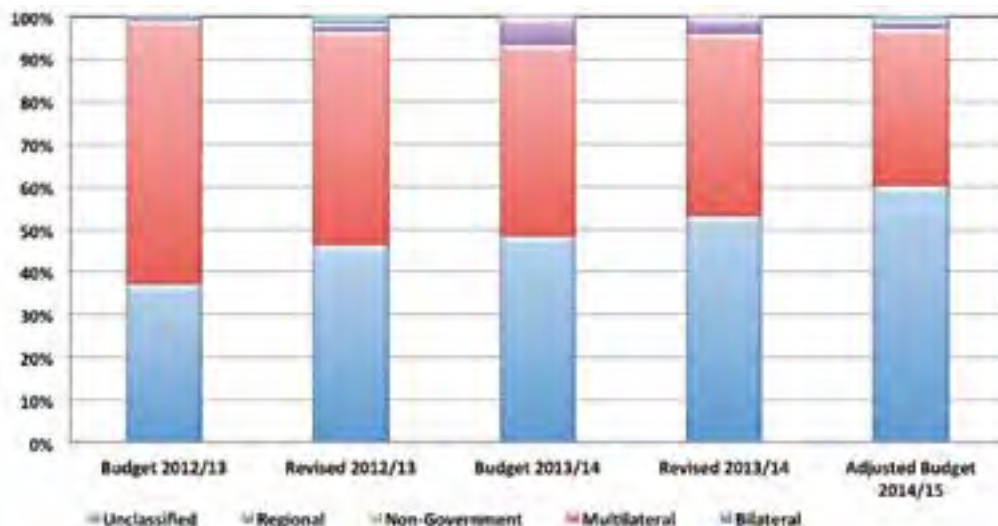


Figure 6.8 CCDRM relevant funding by type of funding source 2012/3 to 2014/15 bilateral, multilateral or regional⁵⁵

The climate change challenges facing Tonga are largely adaptation issues. While mitigation and reducing GHG emissions is an important goal in the global mitigation effort and enhancing energy security, the imperative for Tonga is to adapt to the impacts of climate change now and in the future. As such, the focus of assistance needs to be on ensuring and securing sufficient adaptation funds are being secured and used to meet these challenges.

The project listing was assessed according to whether development assistance was being directed to adaptation of mitigation measures and see if the split reflected Tonga's priorities. Figure 6.9 presents the weighted CCDRM expenditures according to whether the funds were being directed to adaptation or mitigation issues, as well as DRR and DRM. This shows that the majority of assistance is being directed to addressing adaptation matters and significant amounts are also being directed to mitigation efforts. It is worth noting the increase in DRR and DM funding in the wake of Cyclone Ian in January 2014.

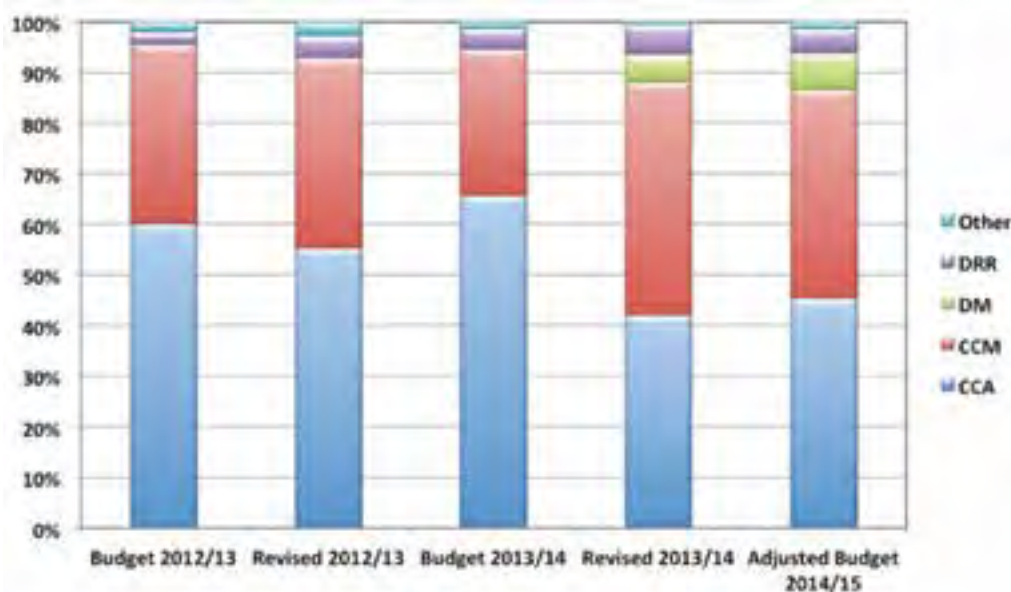


Figure 6.9 Weighted climate change assistance by type 2012/13 to 2014/15⁵⁶

⁵⁵ *ibid.*
⁵⁶ *ibid.*

One final issue of interest is an assessment of the proportion of development assistance that is channelled through MFNP. The budget documents estimate the amount of funds received by development partners each year, either as donor cash or in-kind assistance.

The significance of this distinction is that donor cash is channelled through the Government's own country systems, that is the funds flow through the Treasury. As such, they are tracked and monitored by MFNP with actual expenditures recorded in the budget in the subsequent years.

Estimates of In-kind development assistance are much more difficult to make and are based on the best information available to MFNP at the time of preparing the budget. These In-kind estimates are extremely difficult to estimate, let alone track, due to lack of information on amounts and type of assistance provided. The analysis indicates that despite significant variations, it is estimated that approximately 30% of development assistance is channelled through MFNP (see Figure 6.10) and the remainder is provided In-kind. This suggests that there is still a prevalence for donors to bypass or circumvent the Government's own systems when providing development assistance.

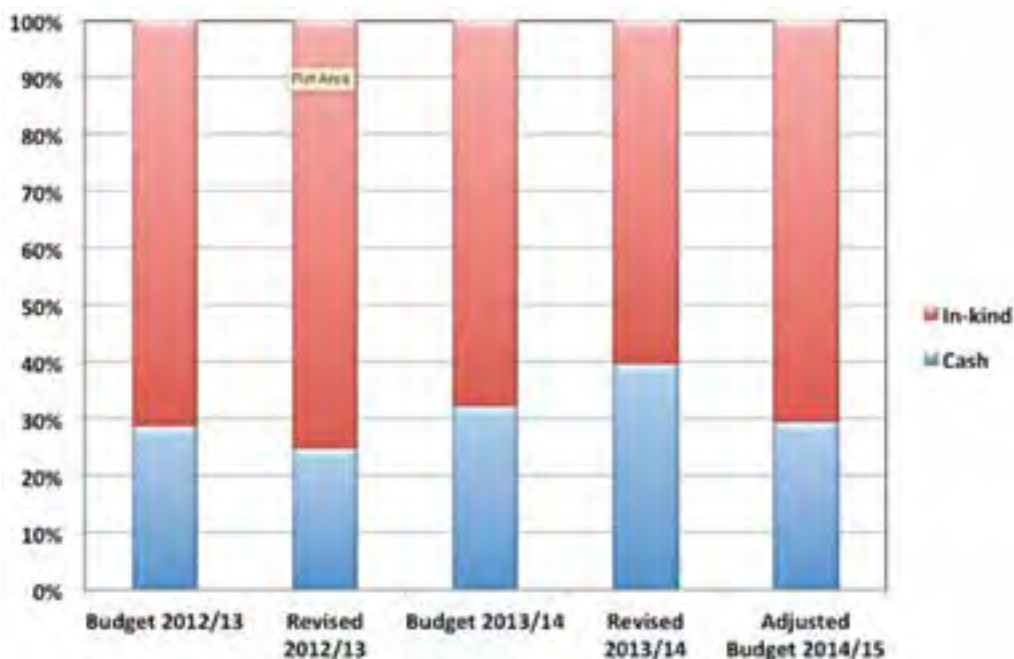


Figure 6.10 Share of donor cash versus in-kind development assistance 2012/13 to 2013/14⁵⁷

Observations

- The analysis defines CCDRM finance broadly as all financial flows considered beneficial to Tonga's CCDRM response, whether or not this was the primary objective of the funding.
- In theory, Tonga has access to numerous sources of CCDRM from bilateral partners and through multilateral development banks, UN-affiliated organizations and regional organizations.
- Tonga's major development partner is the World Bank followed by ADB and New Zealand with China and Australia providing over 80% of the development assistance during 2012/13 to 2013/14.
- Tonga has no dominant funding source for CCDRM assistance, instead it appears to use a range of international funds (via the World Bank and ADB) and bilateral sources to fund its CCDRM response.
- Around 31% of the development assistance received by Tonga in 2012/13 and 2013/14 is related to achieving CCDRM objectives.
- The majority of assistance is being directed to addressing adaptation matters though significant amounts are being directed to mitigation efforts.
- Stakeholders suggested Tonga needs to consider the capacity to access and use these funds appropriately, since absorptive capacity to manage CCDRM funds seems to be one of the key constraints to an effective CCDRM response (see chapter 4).

⁵⁷ *ibid.*

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
28	Implement a tracking system for CCDRM projects able to accommodate CCDRM as both a primary and secondary objective of the expenditure.	Immediate	MFNP - PAMD	MEIDECC	Revised Chart of Accounts and coding system for CCDRM within IFMIS
29	Strengthen project database and integrate (as far as possible) with the Treasury's IFMIS in order to track CCDRM projects and integrate into Budget Estimates.	Medium-Term	MFNP - PAMD	MFNP -Treasury	Budget Estimates and Actuals increasingly align
30	Devise and implement system to better estimate and track in-kind assistance.	Medium-Term	MFNP	Development Partners	More accurate estimates of inking assistance in Project Database and Budget

6.3. Analysis of expenditure

In the wake of the Global Financial Crisis (GFC), the GoT faced a significant economic and fiscal crisis as revenues and remittances dropped with severe impacts on the economy and budget. The Government has largely recovered from that trauma and the fiscal position has stabilised but there remain significant challenges.

This analysis of recent budgeted expenditure covers the years 2008/09 to 2013/14 and focuses on actual expenditures rather than budgeted numbers.

The analysis looks to make estimates of Government expenditure on CCDRM issues from the recurrent budget using Government's consolidated revenues and donor cash support.

The figures used are Government's domestic revenue and budget support, which comprises most of the GoT Fund combined with donor-cash assistance for where development assistance funds are managed by Treasury.

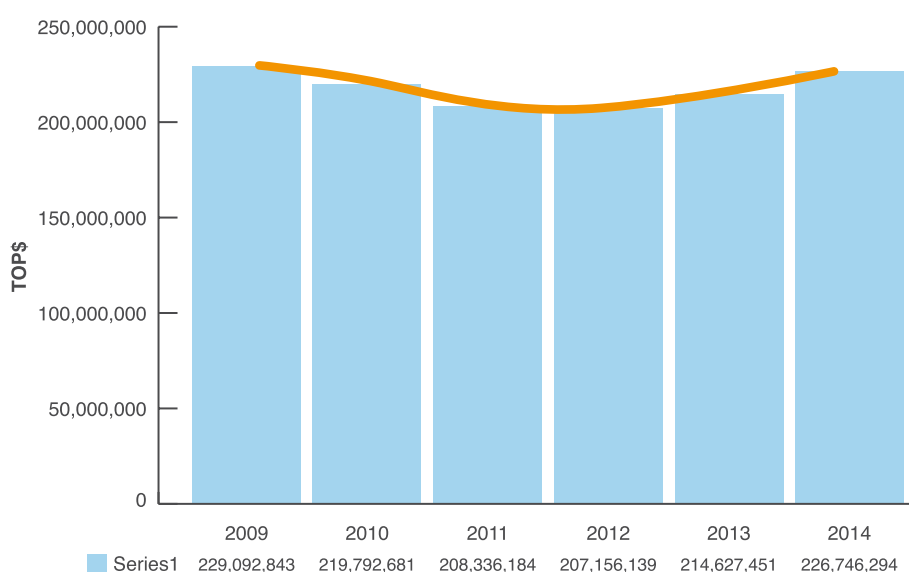


Figure 6.11 Actual government spending (cash, donor budget support and donor cash) 2008/09 to 2013/14⁵⁸

⁵⁸ Source: MFNP, Government of Tonga Budget Estimates 2008/09 to 2013/14

Figure 6.11 shows the level of Government spending over the period in question (2008/09 to 2013/14). Spending has hovered between TOP 200m to TOP 230m over recent years with a noticeable dip in spending in the years following the GFC. Expenditure levels have only now recovered back to levels experienced in 2008/09.

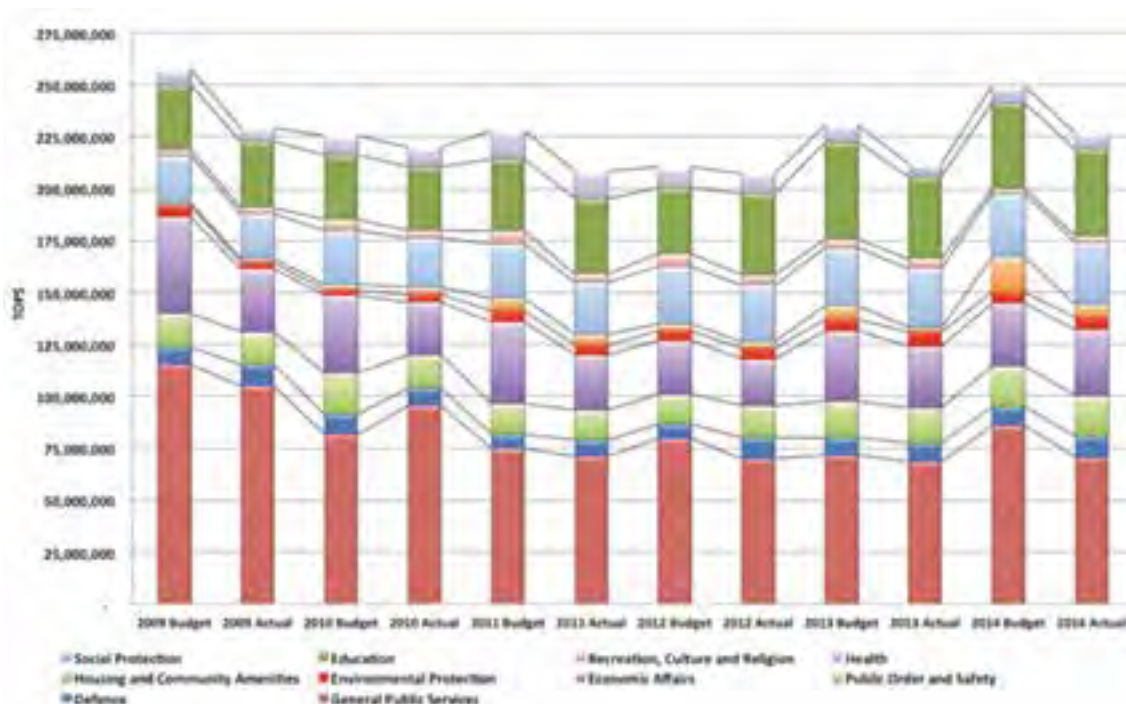


Figure 6.12 Total Government budget and spending by function⁵⁹ 2008/09 to 2013/14⁶⁰

Figure 6.12 provides a breakdown of the spending in Government over recent years by function comparing budget and actual spending. This figure indicates that the dominant area of Government spending has been in General Public Services including central government agencies⁶¹. This was the area to suffer most when spending fell after the GFC. Not surprisingly the other major areas of spending are Health, Education and Economic Affairs. Most Expenditure on CCDRM are captured under the classification of Environmental Protection.

Environmental Protection is a minor part of the overall budget as seen in Figures 6.12 and 6.13. While the trend of Environmental Protection spending is increasing, it is coming off a low base and still only amounts to less than 3.0% of the total budget. However, by weighting Government sub-programs according to their CCDRM relevance, as mentioned earlier, we see a clearer picture of CCDRM investment across the budget.

⁵⁹ The functions used here are based on the Classification of Functions of Government (COFOG) breakdown. Because of regular restructuring of Government Ministries and programmes from year to year, it was not possible to compare ministry expenditure across years. Hence, COFOG was used as a standardized classification over time.

⁶⁰ Source: MFNP, Government of Tonga Budget Estimates 2008/09 to 2013/14, consultant estimates

⁶¹ General Public Services refers to central Government services such as the Executive, Legislative, Financial and External Affairs functions of Government. This classification also includes large payments not elsewhere classified (e.g. debt repayments). This tends to exaggerate the expenditure for this category of Government spending

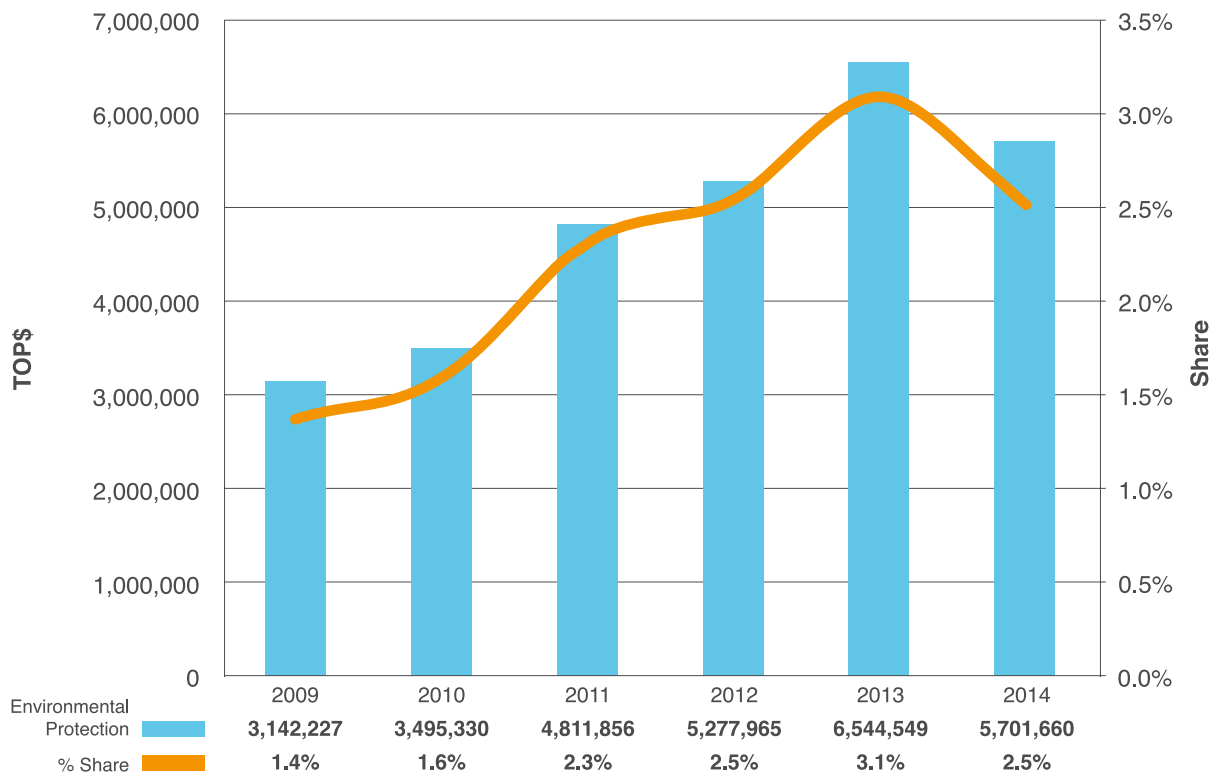


Figure 6.13 Spending on environmental protection 2008/09 to 2013/14⁶²

After weighting Government spending in sub-programs specifically for CCDRM relevance, the estimated amount of spending addressing climate change issues increases significantly to almost 9.0% of the Government Budget in Figure 6.14. However, the increasing trend apparent for Environmental Protection identified in the Figure 6.13 above, while still evident, is not as dramatic.

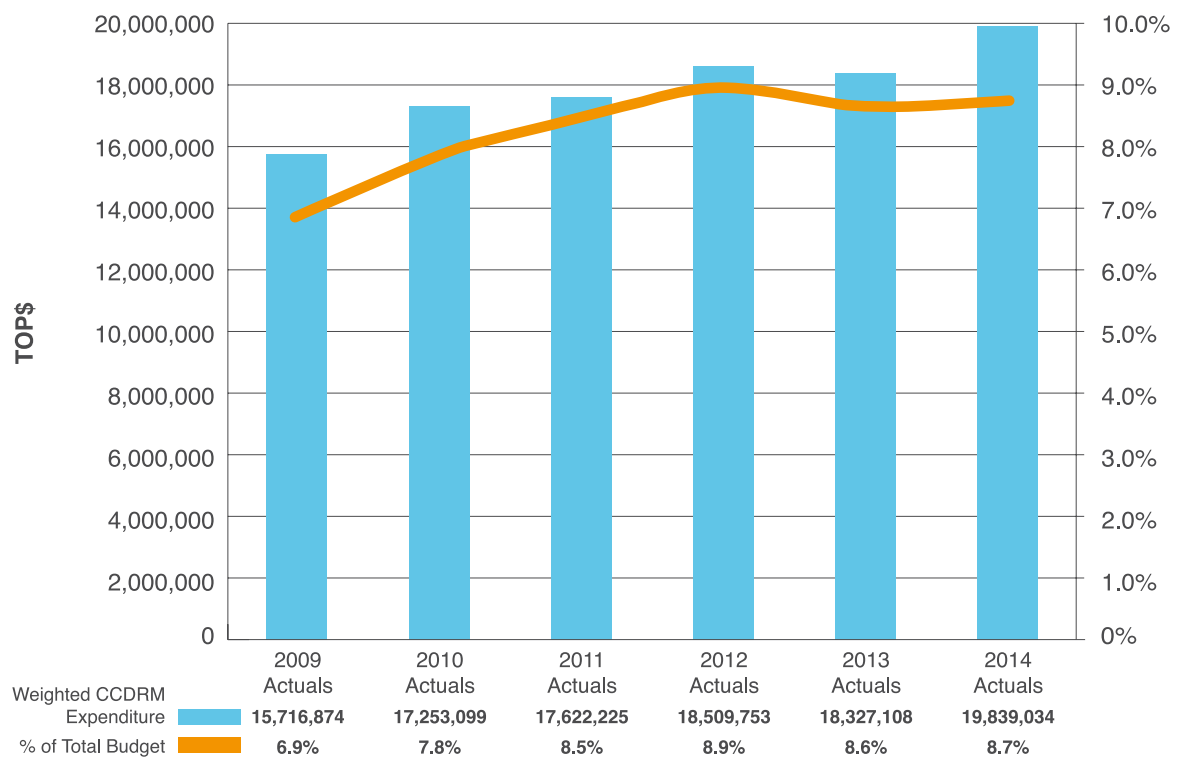


Figure 6.14 Government budget expenditure on CCDRM matters (weighted) 2008/09 to 2013/14⁶³

⁶² *ibid.*
⁶³ *ibid.*

When this spending on CCDRM is broken down by Classification of Functions of Government (COFOG) categories, as in Figure 6.15 below, it appears that spending on climate change has moved from being concentrated in General Public Services to more in to the “Environmental

Protection” area as shown by the declining yellow bar but offset by the increase in the yellow bar representing sub-programs in Environmental Protection suggests that the Government is focussing efforts to address climate and disasters with experts rather than generalists.

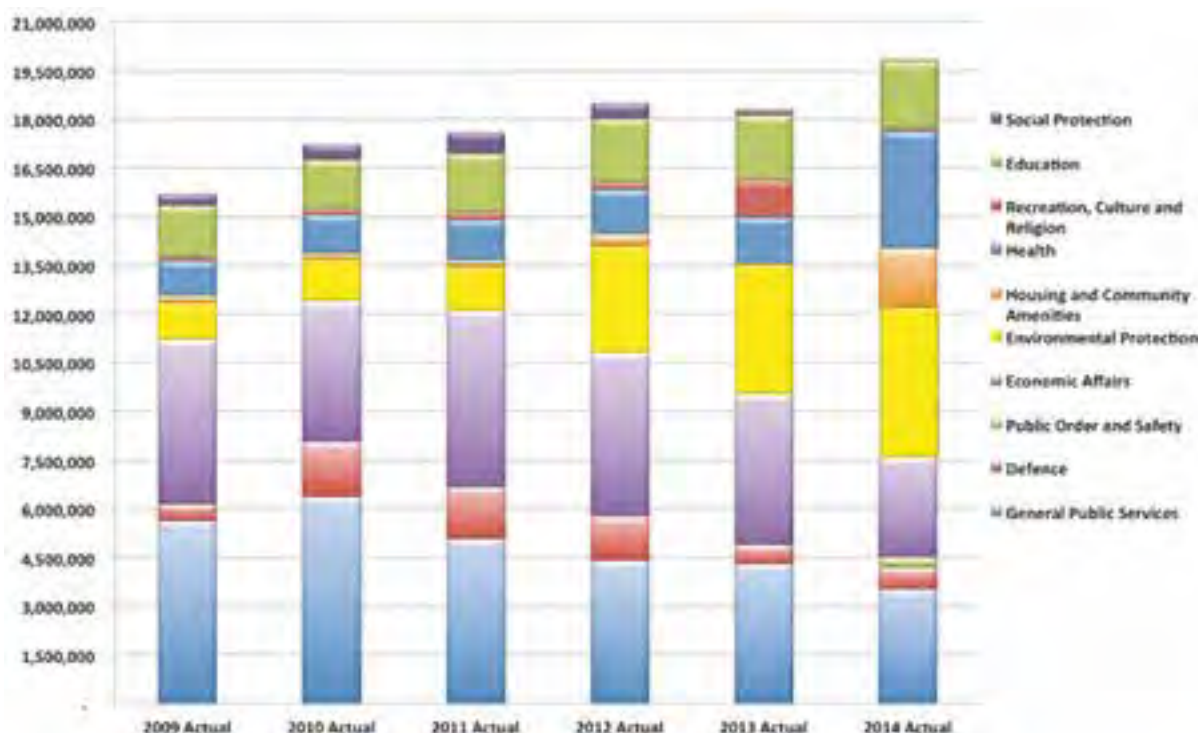


Figure 6.15 CCDRM relevant spending by COFOG classification 2008/09 to 2013/14⁶⁴

Observations

- Government finances have recovered from the serious downturn after the GFC allowed scope for some expansion of CCDRM related programs
- Reorganization of ministries including agencies responsible for handling the Government’s CCDRM response, has made it difficult to track expenditure over time although the creation of
- MEIDECC appears to be a positive move to focus CCDRM actions.
- Government spending in sub-programs, weighted for CCDRM relevance, suggests an increasing (at an incremental rate) level of spending to almost 9.0% of the total budget.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
31	Adopt a coding system for tracking CCDRM expenditure in the budget expenditure integrated into the Chart of Accounts but able to accommodate CCDRM as both a primary and secondary objective of the expenditure – consistent with project coding structure.	Immediate	MFNP	MEIDECC	Revised Chart of Accounts and coding system for CCDRM within IFMIS

⁶⁴ Source: MFNP, Government of Tonga Budget Estimates 2008/09 to 2013/14, consultant estimates

6.4 Flows of CCDRM expenditures

The annual budget document is the central tool for tracking how the Government's financial resources achieve stated goals outlined in policy documents such as the TSDF. Financial flows through and around the Government budget are simply presented in Figure 6.14. The figure is a simplification of the overall process but the flow of funds can help understand how the overall financing of the Government's CCDRM response works.

The main source of Government financing is the Government of Tonga Fund (GTF) that comprises both domestic revenues (e.g. taxes, duties, dividends) and budget support provided by a select group of development partners. Development assistance, as mentioned earlier, is split into cash and in-kind components. Although in-kind development assistance is difficult to estimate it is also true that it is difficult to ensure development assistance are captured by Government.

There is a proportion of development assistance that bypasses Government completely (Extra Budgetary). This is not captured as cash or as in-kind assistance such as development assistance that goes straight to communities or NGOs. In Tonga's case, this appears to be a small amount, although by its very definition it is very difficult to estimate.

Figure 6.16 below tries to reflect the indicative flows of funding in 2013/14 fiscal year using revised estimates. This show that of the TOP192.7m

estimated to have flowed into the GTF around TOP14.8m went to CCDRM objectives. This year also provides an interesting case study because it reflects the immediate response to Cyclone Ian. As mentioned in Chapter 5, the Government has an Emergency Fund available to deal with such events. The Fund had a balance of approximately TOP 7.0m at the time of the disaster in January 2014 after which money from the Emergency Fund were used for the immediate response (estimated at TOP2.0m). In addition, the Government also established a Cyclone Ian Relief Fund to receive from development partners and private donations to help in the relief effort, about TOP0.8m was estimated as disbursed from this Fund. In a year without any emergencies there would likely be no flows into and out of these emergency funds, although at certain time, the Emergency Fund will need replenishment via appropriation from the annual budget – in 2014/15 TOP2.0m was appropriated to replenish the Emergency Fund.

Figure 6.14 also estimates the development assistance in cash which, works through the Treasury via the Development Fund and the in-kind assistance - which was estimated in the Budget but is not managed by Treasury.

After attempting to pull all the pieces of funding together for the year from the estimated flow of TOP350.9m around TOP59.9m was directed to addressing CCDRM objectives, which is approximately 17% of fund flows for 2013/14.

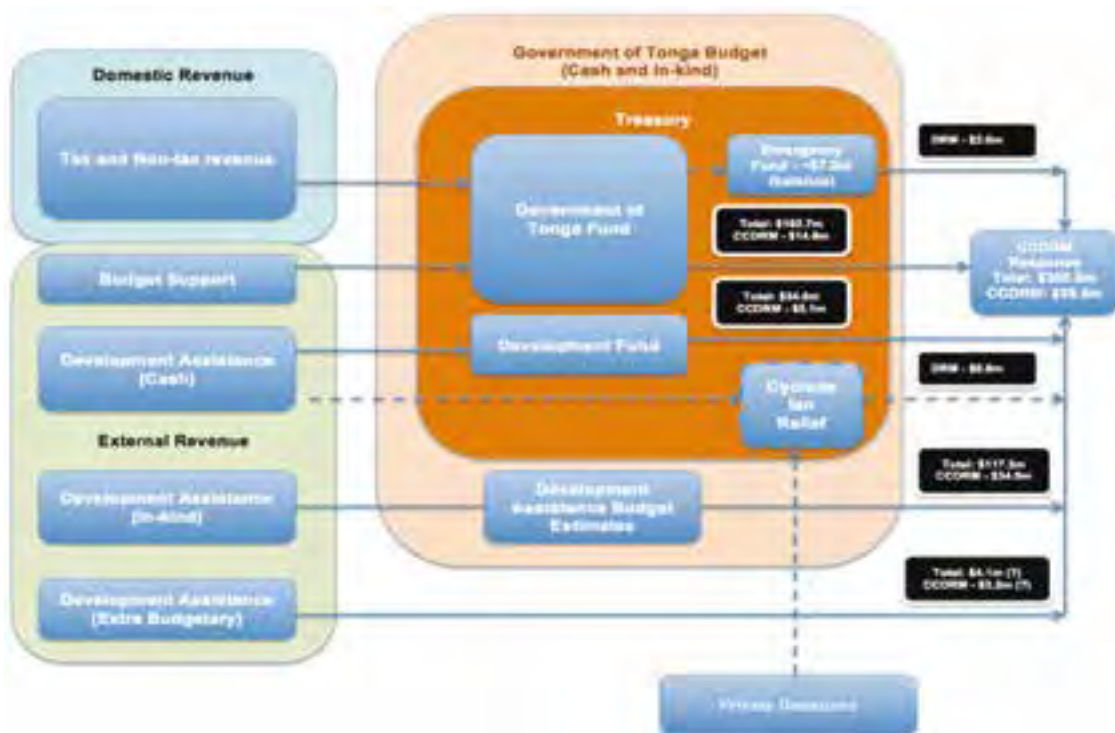


Figure 6.16 Simplified CCDRM funding flows in Tonga 2013/14 Estimates (TOP)

Observations

- The Government of Tonga has mechanisms to deal with emergency situations such as the Emergency Fund and provision for disaster-specific funds.
- The Tongan budget appears to capture the vast majority of development assistance either as cash or in-kind, assistance though tracking in-kind assistance presents challenges.
- Of the total financial flows through and around the Government, approximately 17% of flows address CCDRM objectives.

6.5 Other CCDRM policies and practices

6.5.1 Revenue policies

Government has the potential to harm or hinder its CCDRM effort through manipulation of its taxing structure. The Governments recognises that it can influence behaviour to meet certain economic and social objectives by providing concessions for the community. Government's often use the tax structure to promote economic and social goals to support and reinforce other Government policies. The Revenue Policy Committee acknowledges this through the publication of a range of incentives focussed on variations to the tax structure for specific members of the community⁶⁵.

In this respect a Government's policy thrust should try to be consistent so that all parts of the

Government Budget reinforce Government policy, including a robust CCDRM response. However, sometimes conflicts might arise knowingly or unwittingly.

A common "dirty" expenditure around the Pacific is the provision of preferential tax treatment for fuel use in specific circumstances. This practice, which is used in many areas of tax policy, is termed a Tax Expenditure, and is defined as "revenue losses attributable to tax provisions that often result from the use of the tax system to promote social goals without incurring direct expenditures"⁶⁶.

In Tonga, the Government provides tax free-status to fuel imported for electricity generation, ships and planes. These tax expenditures appear to be provided in order to support the provision of affordable energy and transport services to the community. A similar tax expenditure concession is also provided to machinery associated with productive sectors such as fisheries and agriculture. However, the provision of these expenditures can be considered as running counter to the Government's CCDRM policies with the heavy emphasis on shifting Tonga's energy generation to renewable energy. This subsidy encourages over-consumption of a scarce good by pricing it below economic cost and leading to additional production of GHG.

In Tonga these tax expenditures are usually highlighted in the annual budget statement presented to Parliament as part of the budget documentation. Table 6.2 shows that the cost of these tax expenditures for fuel is around TOP10.0m per year.

Table 6:2 Tax expenditure estimates 2009/10 to 2013/14 (TOP)

Tax Expenditure Estimates 2009/10 to 2013/14 (TOP)

	2009/10	2010/11	2011/12	2012/13	2013/14
Fuel Power	5,482,273	6,071,539	na	4,100,000	7,000,000
Fuel Ships and Planes	2,341,137	3,440,822	na	5,900,000	3,600,000
TOTAL	7,823,410	9,512,361	NA	10,000,000	10,600,000

Source: MFNP Budget Statements 2012/13, 2014/15

Recent falls in the global crude oil prices presents an opportunity for Government to consider scaling back or phasing out these subsidies with minimal impact. While the low price of crude oil means that the tax expenditures are lower and the subsidy provided smaller, it also means that withdrawing or phasing out the subsidy would be less obvious and easier to implement.

On the other side of the equation revenue policies are also used to support CCDRM. For example, in the case of a national emergency, tax concession is provided on duties, excise and consumption tax (See Box 6.1). Exemption from these taxes on building materials for reconstruction extends for two years. The process to enforce this is quite involved and strict to avoid people taking advantage of the situation.

⁶⁵ Revenue Policy Committee - Government of Tonga, Investment Incentives, 2014/2015, Bulletin

⁶⁶ Tax Policy Center, Tax Expenditures: What are they and how are they structured?, 'The Tax Policy Briefing Book: A Citizen's Guide for the 2008 Election and Beyond', 2008, Urban Institute and Brookings Institution, <http://www.taxpolicycenter.org/briefing-book/background/shelters/expenditures.cfm>

Box 61 Special support after a national emergency

Special Support after a National Emergency

After an emergency (as defined in the Emergency Management Act 2007) the exemption of duty, consumption tax (CT) and excise tax is permitted:

- on a reasonable amount of clothing, tools, food imported by or on behalf of affected persons, within 6 months from the date of the emergency, and
- replacement tools, equipment, building materials, furniture and furnishings, vehicle, boats, machinery by or on behalf of affected persons, within 2 years of the emergency.

The process of assessment for eligibility for exemption is:

- Importer has to fill in application form for exemption
- Application provided to NEMO
- Verified by NEMO against damage reports (down to household level)
- Provided on a replacement basis
- Assessed for “reasonableness”
- Cross-checked to see if there are any tax arrears
- Released from Customs control only when transported/shipped to affected area (e.g. once shipped to Haapai – Cyclone Ian)
- Domestic purchasing does not apply (only applies to import orders).

While these proposals are still in the formulation stage they should be pursued as a useful addition to the suite of CCDRM policies. Working together with TERM, the Energy Division and the Ministry of Customs and Revenue is exploring the introduction of concessional treatment under import taxes for solar panels and energy efficient appliances based on the Australian and New Zealand based Star system. Concessions are being considered based on the efficiency ratings, similar to the TDB energy efficiency program for their customers.

6.5.2 Public private partnerships

Climate change and disaster impacts are increasingly recognised as major risks to business operations. Discussions with the TCCI highlighted how this was becoming more apparent to the business community in Tonga. This recognition had developed in the wake of Cyclone Ian. In response,

TCCI established an EPC to start considering the implications for its members of climate change and disasters. The Committee will consider appropriate remedial actions to alleviate risks such as relocation plans, positioning of warehouses, climate proofing essential economic infrastructure, etc. Membership of the EPC includes NEMO, Red Cross, Media and TBEC.

TCCI are active members of the NEMC and there are opportunities for additional engagement with Government. Inclusion of the TCCI (or other private sector representative) in the JNAP Taskforce could provide a useful mechanism for exploring and developing public private partnerships (PPPs). It could also help strengthen interaction between the private sector and Government in more general terms.

The Overseas Development Institute has identified five essentials for PPP in response to DRM⁶⁷. These are:

- PPP Development – promote PPP development to analyze the causes of non-resilient activity;
- Private sector leverage – to take advantage of the private sector expertise for disaster risk reduction and effective response;
- Collaboration – collaborate on exchange and dissemination of data, sharing of information on monitoring, forecasting, early warning;
- Risk Assessment – supporting local risk assessments and cost benefit analyzes and capacity building will reinforce economic development strategies; and
- Policy Development - support the development and strengthening of national and local laws, regulations, policies and programmes that enhance disaster risk reduction and improve resilience.

In the Tonga context, this will involve the following actions:

- Inclusion of TCCI in the JNAP Taskforce for the implementation phase of JNAP II
- Stronger engagement with the private sector through the Economic Growth Committee to develop appropriate policies for CCDRM
- Ensuring businesses and their expertise are incorporated into local risk assessments.

⁶⁷ Watson, et al., 2015 10 things to know about financing for reducing disaster risk, Overseas Development Institute, p.18 <http://www.undp.org/content/dam/undp/library/crisis%20prevention/disaster/Finance%20for%20reducing%20disaster%20risk-10-Things-to-know-summary.pdf>

6.5.3 Remittances

Remittances from overseas are an important contributor to the Tongan economy. The 2009 Household Income and Expenditure Survey (HIES) estimated that remittances were a major source

of household income at 21%⁶⁸. Since 2008/09, remittances have contributed between 14% to 26% of GDP to the economy (See Table 6.3).

Table 6.3 Remittances 2008/09 to 2014/15 (Actuals and Projections)

Remittances 2008/09 to 2014/15 (Actuals and Projections)

					Estimates	Projections	
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Remittances (US\$m)	84.0	82.0	87.5	66.8	68.8	74.2	77.6
Remittances (% of GDP)	26.4	22.2	20.7	14.2	14.8	15.4	15.3

While there is significant data on the inflows of remittances to the economy, it is less clear how these funds are used since they go directly to households. In the aftermath of Cyclone Ian, there was no discernible change in the levels of

remittances received by Tonga (See Figure 6-17) but instead there was a monthly decline in January 2014 after the pre-Christmas spike and nothing unusual to suggest any additional flows of remittances as the year proceeded.



Figure 6.17 Remittances by currency by month 2013-2014⁶⁹

Given the importance of remittances to the economy and the close family ties between extended families with family members living and working overseas mainly in Australia, New Zealand and the United States. It may be somewhat surprising that there was no discernible impact on levels of remittances in 2014, it is not clear why this would be, but possible reasons may be:

- Ha'apai is quite a small community so any increase in the levels of remittances might not be discernible in figures for the whole country.
- These figures were based on cash inflows as measured by the NRBT and they might not have picked up in-kind remittances such as building materials, clothes, etc.

- People were waiting for assistance from the Government or development partners and not seeking remittances from overseas family members.

Remittances could theoretically play an important part in both the immediate response to disasters and the longer term reconstruction and rehabilitation of communities – that in turn contribute significantly to long-term climate change adaptation. Opportunities may exist for more innovative funding mechanisms that leverage remittances through matching arrangements with other CCDRM financing from government grants, development assistance and/or development bank credit.

⁶⁸ Statistics Department, 2009, Household Income and Expenditure Survey Report, August 2010, p.v

⁶⁹ Source: NRBT, Monthly Economic Review, December 2014, p.3

Observations

- Revenue policies can be used to support CCDRM efforts of the Government but can also run counter to these efforts if these conflict with other social and economic objectives of the Government
- Government has implemented useful tax concessions to assist people to recover and rebuild after emergencies
- Cyclone Ian was a wake up call for the private sector and the impact it can have on the business community
- TCCI is eager to engage more with the Government CCDRM responses and build on the existing relationships such as TCCI's membership to the NEMC
- Remittances are significant sources of income for households and can potentially play an important role in immediate relief and then rehabilitation.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
32	Review potential conflicts between revenue policies for discounted fuel and renewable energy objectives and clearly explain objectives to community.	Immediate	MFNP	MRC, MEIDECC	Confirmation of existing policy or change of policy
33	Investigate concession tax treatment for energy efficient appliances, solar panels and other goods that support CCDRM	Medium Term	MFNC - Revenue Policy Committee	MRC	Revised Investment Incentives Document
34	Explore policies to harmonize post-disaster remittance funds for CCDRM with GoT assistance	Medium-term	MFNP	NEMO	Revised post-disaster disbursement and funding policies

6.6 Conclusions

The funding for Tonga's climate change and disaster risk management can come from many sources. In theory, Tonga has access to numerous sources of climate and disaster finance from bilateral partners, multilateral development banks, UN-affiliated organizations and regional organizations. There are also new funding sources emerging for climate change funding such as the Green Climate Fund.

This section has painted a picture of the types of funding that have been accessed in recent times. There are substantial resources from a wide variety of external sources. At the same time, the Government is gradually increasing the share of its own budget to climate change efforts. The CCDRM response will be more effective by ensuring that the external and domestic funding work together and reinforce efforts to adapt and build resilience to climate change and disasters.

Achieving direct access to both the AF and the GCF needs to be seen as a medium-term effort within the next three years. However, given the proliferation of CCDRM funding that Tonga has been able to access, the priority to achieve NIE status and direct access is not pressing. It is recommended that Tonga adopt a parallel dual-stream process of: i) continuing to maximise the value of existing funding sources, while: ii) pursuing the necessary actions in order to move towards achieving direct access status.

However, it is also important to consider that accessing funds is not a goal in itself. Managing these funds effectively is as critical to addressing the needs of the most vulnerable to the impacts of climate change. Efforts to increase access to finance will need to be complemented by a simultaneous effort to build and manage resources and implement projects.

- Ensure an effective CCDRM response by ensuring that the external and domestic funding are coordinated through the national budget and biannual development partner consultations thereby, reinforcing efforts to adapt and build resilience to climate change and disasters (see chapter 8).
- Access GCF Readiness Funds to support GoT's efforts to attain direct access.

Government needs to consolidate resources used to implement and manage projects into core teams in key ministries such as MFNP and MEIDECC to build capacity and develop a successful track record of project implementation (see also Chapter 4).

Government also needs to review its policies to ensure consistency with CCDRM objectives, consider initiatives to use the revenue policy to support CCDRM measures, more fully engage the private sector in CCDRM efforts and consider ways of leveraging remittance funds as part of the overall funding of post-disaster relief and rehabilitation efforts.



© David Kirkland, Image courtesy of the South Pacific Tourism Organisation.

Gender and Social Inclusion Analysis

This chapter discusses Tonga's relative positioning for compliance with best practice on gender and social inclusion mainstreaming, and with the social safeguards of the major climate finance funding agencies.

7.1 The gender imperative

Individuals' ability to adapt to the long-term and immediate impacts of climate change and disasters is highly dependent on their combination of social status, influence within decision making forums, and access to and control over resources. These factors are largely determined by social characteristics, such as age, gender, disability, and poverty.

Women in general have lower levels of economic power and access to productive resources than men, access to different (and often less influential) spheres of higher levels of unpaid workloads (e.g. home-based and reproductive), as well as wage and income gaps. Women are disproportionately likely to be formally or constructively (via practice or custom) barred from land and property ownership, and to face barriers to accessing formal markets. Different types of social vulnerabilities also often intersect – women tend to experience poverty at higher rates than men, as do people for example, with disabilities or elderly persons' and a greater combination of social vulnerabilities means that an individual is more likely to experience economic and social disadvantage or disenfranchisement.

To effectively mitigate the actual human impacts of disasters and climate change, gender equality and social protection issues must be placed at the centre of all planning, preparedness and response activities. In addition to considering the differential impacts on surviving men, women, girls and boys, humanitarian and development actors must be prepared to address the disproportionate representation of women and children in immediate and long-term casualty rates, as shown by global statistics that indicate women and children are 14 times more likely to die from disasters⁷⁰. This trend appears to hold true for the Pacific region in general and for Tonga in particular; for example, about 70% of the dead were females from the 2003 Tsunami in Tonga and Samoa.⁷¹

⁷⁰ 'Because I am a Girl: The State of the World's Girls 2013 - In Double Jeopardy: Adolescent Girls and Disasters' PLAN Canada,

⁷¹ National Assessment Report to Pacific Small Islands Developing States and the 2014 SIDS Conference, Government of Tonga, 2013

Also important is the impact of cumulative vulnerability. Women are a group subject to particular vulnerabilities; these issues drastically increase once women become members of additional vulnerable social groups (e.g. women who have disabilities, women who are also landless, women who are also living in poverty). To effectively address climate and disaster risks and achieve resilience, the cumulative impacts of all types of vulnerability must be actively assessed, analysed and meaningfully integrated into programming.

Women, men, girls and boys also have, by virtue of their differentiated roles within families and communities, different priorities and perspectives on CCDRM programming. They are also exposed to different types and levels of risk and therefore, require different and/or targeted types of humanitarian and development assistance. For example, in some contexts women's roles within households mean they spend more time close to the shoreline, thus are correspondingly less likely to survive tsunamis. Men often have lower levels of access to emotional and social support networks, and may therefore need additional or targeted mental health or psychosocial support, and so on.

Men, women, girls and boys also have different skills and capabilities to contribute to community resilience efforts, based on their respective functions within families and communities, including inter alia in terms of caring responsibilities, securing and preparing food, water and fuel, contributing to the maintenance and operation of community structures (such as churches, schools etc.), and in livelihood activities. These skills and responsibilities are all vital for the successful functioning of communities during non-disaster periods, and when effectively utilized can contribute to the effectiveness, sustainability and cultural appropriateness of development and humanitarian assistance.

CCDRM programming which fails to take into account these differentiated needs, skills, priorities and perspectives will at best be unfit to respond to the actual needs of communities, and at worst may inadvertently create or exacerbate risks.

7.1.1 Gender on global climate finance structures

Increasingly global climate and disaster policy and financing institutions are recognising both a responsibility and a practical imperative to integrate gender and social inclusion considerations into programming. The UNFCCC unfortunately lacks any reference to gender or to the particular vulnerabilities faced by women and girls. However, successive COPs have begun to integrate positive reference to gender equality principles, both in reference to the differentiated impacts of climate change, and to women's capacity to act as positive agents of change for climate change and disaster affected

communities. For example, the COP18 decision sought to improve participation and representation of women and to promote gender balance⁷². The COP20 Lima Work Programme on Gender, also stipulates to establish a two year work programme for promoting gender balance and achieving gender responsive climate policy, as well as building the capacities of country delegations through training on gender issues and for female delegates on negotiation skills, drafting of legal language and strategic communications⁷³.

The relevance of gender and social inclusion considerations to the efficiency and effectiveness of programming was not well understood by policy makers in the early years of coordinated climate change policy development are therefore, only patchily integrated into funds' structures. However, in recent years, efforts were made across the different funding mechanisms to introduce positive obligations to integrate gender and social inclusion into project and programme design. For example, a review of the AF operational guidelines in 2011 introduced a project review criterion on gender in project design that, although optional, is weighted in determining eligibility for funding.

The Global Environment Facility (GEF) partner agencies, via the GEF Policy on Gender Mainstreaming, are required to have established structures supporting the design and implementation of projects such that both women and men:

- (i) receive culturally compatible social and economic benefits;
- (ii) do not suffer adverse effects during the development process; and
- (iii) are granted full respect for their dignity and human rights⁷⁴.

GEF has, as a result of these requirements, refused accreditation to otherwise strong Implementing Entities, as they were incapable of attaining adequate gender and social inclusion mainstreaming standards⁷⁵.

The Governing Instrument for the GCF commits the Fund to prioritize "promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach", and notes the need to "encourage the involvement of relevant stakeholders, including vulnerable groups and addressing gender aspects"⁷⁶.

⁷² Decision 23/CP.18, UNFCCC, 2012

⁷³ Decision 18/CP.20, UNFCCC, 2014

⁷⁴ 'Global Environment Fund Policy on Gender Mainstreaming', GEF/C.40/10, Global Environment Facility, 2011 p. 13, accessed at: <http://www.unep.org/dgef/Portals/43/news/E&S%20safeguards%20C%2040%2010.pdf>

⁷⁵ See Green Climate Fund, Options for a Fund-wide Gender-sensitive Approach, GCF/B.06/13, February 2014, accessed at: http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF_B06_Gender_Options_fin_20140209.pdf

⁷⁶ *ibid*

Specific social safeguards relating to gender equity and women's empowerment requires that projects and programmes 'will be designed and implemented in such a way that both women and men:

- (i) are able to participate fully and equitably and
- (ii) receive comparable social and economic benefits; and
- (iii) do not suffer disproportionate adverse effects during the development process⁷⁷

Although the GCF has not yet fully clarified how it intends to implement its commitments around gender equality and social inclusion in practice, it appears that they intend to require a reasonably comprehensive approach from funded projects and programmes, including:

- socio-economic and gender assessments
- gender sensitive project design elements
- gender sensitive monitoring and results frameworks.⁷⁸

Noting that MFNP is the National Designated Authority for the GCF, strengthening access to gender and social inclusion technical capacity via MIA will have corresponding positive impacts on Tonga's ability to comply with the GCF's social safeguards, as mandated in the fund's governing Instruments. There is a clear opportunity in the development of Tonga's readiness to receive GCF funds directly (see Chapters 5, 6 and 9) to mainstream the GCF's GSI considerations. Such mainstreaming may become a prerequisite for Tonga directly accessing GCF financing.

7.1.2 Gender mainstreaming good practice

Gender mainstreaming is:

"the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality."⁷⁹

Gender mainstreaming encompasses any project design, implementation or monitoring feature which is designed to ensure that women, men, girls and boys can access, participate in and benefit from the project on equal basis and in line with their specific needs. It is not about mere relative numbers of beneficiaries, but on ensuring that projects are able to mitigate the discriminatory or inequitable impacts of social structures, and that the perspectives, priorities and experiences of all people are adequately reflected in project and programme design and implementation.

Within Tonga, the MIA Women's Affairs Division, has the mandate to mainstream gender into policies and to mainstream gender equality into climate change and disaster management (as stated in the Revised National Policy on Gender and Development 2014 and Strategic Plan 2014 – 2018). The National Advisory Committee on Gender and Development (hereafter the NACGAD) was established to be the mechanism for mainstreaming gender into all policies, programmes and services, and for consolidating the various levels of strategy and planning in line with the Revised Policy. Specifically, Outcome 4 (to create equal conditions to respond to natural disasters and environmental and climate change) and Action 4.2.1 Build the capacity of the Ministry of Environment and Climate Change, the National Emergency Management Office and civil society in mainstreaming gender in disaster risk preparedness and climate change adaptation strategies and plans⁸⁰ create positive obligations for departments listed as stakeholder agencies (including NEMO and Department of Environment, MFNP) to mainstream gender at a minimum into policy and strategy documents. Additionally, the success of MIA's work as lead agency for the Safety and Protection Cluster, formed following TC Ian in January 2014, indicates a strong capacity within the department to begin forming links between gender and social inclusion and CC and DRR work.

⁷⁷ 'Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund's Fiduciary Principles and Standards and Environmental and Social Safeguards (Progress Report)', Green Climate Fund, 2014

⁷⁸ 'Gender Policy and Action Plan', Green Climate Fund, GCF/B.08/19, 2014

⁷⁹ 'United Nations Economic and Social Council (ECOSOC) Agreed Conclusions on Gender Mainstreaming', ECOSOC, 1997

⁸⁰ Revised National Policy on Gender And Development Strategic Plan of Action 2014 – 2018, Government of Tonga, 2014



Figure 7.1 Community consultation MIA, Women's Affairs Division Ha'apai, Feb 2014 (credit: MIA)

A variety of mainstreaming guidelines and toolkits for CCDRM programming exist, with common features such as:

- gender and social analysis at project design phase, aimed at gaining insight into the specific gender and social dynamics of the community in which the project is to take place, and to gather data differentiated by gender, age, disability and economic strata on the potential impacts of and risks associated with the project;
- systematic collection and analysis of sex, age and disability disaggregated data on; project beneficiaries across the project lifespan;
- a specific budget for gender and social inclusion activities (possibly including dedicated staff capacity) across the project lifespan;
- systems to consult women, men, girls and boys across the age and vulnerability spectrum (disability/poverty at a minimum) to facilitate their ongoing input into the project, and to ensure that all groups are able to request additional assistance, give complaints or suggestions, and receive information on the project throughout its life-cycle. These consultation structures should, if possible, be separated according to the different vulnerable groups (as identified at gender and social inclusion analysis stage), in order to collect differentiated data;
- clear indicators aimed at measuring how the project impacts upon gender equality and inclusive development goals;

At a structural level, gender and social inclusion mainstreaming would ideally be supported by systems for coordination and sharing of data and best practice, and systems for ensuring compliance with agreed standards within core agencies.

A Pacific Gender and Climate Change Toolkit was designed in 2013 to support climate change practitioners working in national governments, non-governmental organizations, regional and international organizations, to integrate gender into all aspects of policy, programming and project work. It addresses the challenges of understanding why and how gender does matter for sustainable development, and provides tools and strategies to enhance equality between men and women within the context of climate change⁸¹.

7.2 Gender and social inclusion aspects of policies and plans in Tonga

7.2.1 National plans

Plans and policies relating to CCDRM in Tonga are discussed in detail in Chapters 3 and 4, as such this section deals solely with the GSI aspects of those policies and plans. Broadly, there is very little linkage between the policies and plans governing gender equality, and those covering CCDRM activities. The notable exception is the Revised National Policy on Gender and Development and its associated strategic plan, which contains specific outputs on both CCDRM and gender mainstreaming, and which provides a vital strategic entry point to embedding this work within the Tongan Government's priorities and practices.

Joint National Action Plan on Disaster Risk

Management and Climate Change (JNAP)
The JNAP 2010 – 2015 is the GoT's main strategic planning instrument for climate change and disaster risk reduction with the stated vision to 'promote and ensure safe, healthy, secure and resilient communities to climate change impacts and disaster risks'.

The JNAP is largely gender blind, as there are no specific goals or activities on gender or social inclusion nor any linkages to specific gender equality policies or plans (other than to either the existing or the revised TSDF, which are themselves not particularly gender sensitive). Vulnerability is mentioned only in the context of sectoral, not human, social or cultural vulnerability. There is also no mention of the differentiated needs of vulnerable groups (e.g. with regard to health, water, agriculture) nor of the habitual uses made by vulnerable groups of services/infrastructure under these sectors and nor of the likely impacts of climate change and disasters on these uses.

⁸¹ 'Pacific Gender and Climate Change Toolkit', SPC/GIZ/UN Women, 2014, accessed at <http://www.sprep.org/climate-change/new-toolkits-help-incorporate-gender-equality-into-clim...>

The implementation strategy contains no linkages to the national women's machinery or to the MIA, although there is a civil society platform that includes representatives of Tongan civil societies. Cooperation with communities is mentioned as a guiding principle for implementation however, the strategy does not elaborate further on inclusiveness or representation within communities. This strongly implies that community level consultations are likely to be mediated through existing and male dominated power structures.

Tonga Strategic Development Framework (TSDF) 2011 – 2014

Within the TSDF, gender is mentioned only in the context of implementing the government's National Policy on Gender and Development (discussed in more detail below), with no reference to substantive equality of access to development assistance (although it does note poor outcomes in relation to the MDGs on gender equality). Strategy 2 under the current TSDF is to 'Improving gender equality by implementing the government's gender development policy' The only indicator mentioned is an improvement in Tonga's standing in the Gender/ Development indices – there is nothing concrete on the numbers of women accessing or, more crucially, benefitting from programming. CCDRM is mentioned in the context of JNAP implementation only, noting that the JNAP also has minimal coverage of gender or social inclusion issues and in particular related to CCDRM.

Although the TSDF does theoretically require reporting on gender and social inclusion under Strategy 2, in practice this does not translate to mainstreaming. MIA has been the only agency to report under this section, and their reporting focuses largely on either women-centred legislative changes and service delivery (such the work done on the Family Protection Bill, and the improvements to Gender-Based Violence (GBV) referral systems), or on their advocacy work centred around the marking of various recognised International Days (e.g. White Ribbon Day). While this work is of vital importance, it demonstrates that MIA has historically not had the capacity to engage fully on mainstreaming and strengthening whole of government processes on gender and social inclusion.

Revised Tonga Strategic Development Framework (Draft)

The revised TSDF II) shows again a strong focus on vulnerable people as beneficiaries of discreet activities or welfare systems rather than as equal participants in development.

The TSDF II is organized under a set of thematic pillars, each with national and organizational outcomes grouped below. Organizational Outcome 2.6 (under the Social Institutions pillar) requires 'better care and support for vulnerable people'⁸². The organizational matrixes accompanying this outcome strongly imply that it will not be used to support mainstreaming gender and social inclusion, either into CCDRM or into any other strategic area under the policy. Outcome 2.6 is listed as being of no relevance to the Environment and Climate Resilience National Outcome, and the lead institutions for Outcome 2.6 do not include any of the core JNAP agencies, nor MFNP(MIA, Churches, Communities and NGOs are listed as having 'significant' responsibility, others having only partial responsibility.

The TSDF II does link to the National Policy on Gender and Development, which, as discussed below, will provide a key strategic opportunity to strengthen mainstreaming practices, as long as MIA is able to use it to leverage access to key forums, and is able to dedicate sufficient resources to operationalise it.

Revised National Policy on Gender and Development 2014 and Strategic Plan 2014 – 2018

The stated goal of the Revised National Policy on Gender and Development (RNPGD hereafter the Revised Policy) is to advance gender equality and promote 'the active contribution and meaningful participation of both women and men in all spheres, and at all levels, of development and decision making for the wellbeing of the family and for the benefit of the whole society'. The Revised Policy acknowledges that historically disaster risk preparedness plans and the climate change strategy have 'not integrated a gender perspective which would contribute to providing better support to the families and communities'⁸³.

⁸² Tonga Strategic Development Framework (TSDF) II, Government of Tonga, March 2015 Organizational Outcome 2.6, accessed at: <http://www.finance.gov.to/content/tonga-strategic-development-framework-ii>

⁸³ Revised National Policy on Gender and Development, Government of Tonga, 2014

The Revised Policy and its Strategic Plan have a specific outcome on gender and climate change (specifically Outcome 4: Create equal conditions to respond to natural disasters and environmental and climate change), with the following strategic outputs:

1. *Improved knowledge about the gender perspective in response to natural disasters and environmental and climate change adaptation*
 - Activities under this output include studies into distribution of household responsibilities in terms of preparation for and response to disasters and climate change, and on the impacts of climate change on livelihoods, food security and general wellbeing.
2. *Increased capacity of households to respond to natural disasters and to the impacts of environmental and climate change.*
 - Activities under this output include awareness raising and capacity building on vulnerability and gender mainstreaming, support to livelihoods diversification and conservation of natural resources, improvement in capacity of infrastructure to withstand the impacts of climate change, energy consumption initiatives, and steps to ensure the equal access to information necessary to survive and recover from disasters.

It is noted that, although not all the above referenced activities are couched in terms of social vulnerability or gender equality, the positioning of core CCDRM activities on infrastructure, resource conservation, etc. within the National Policy on Gender and Development allows MIA a key strategic entry point to begin discussions on mainstreaming gender and social inclusion within ministries which have not traditionally treated this as relevant to their work. The Revised Policy also provides concrete links to the TSDF, and as such is a vital step towards rectifying the deficiencies in both the existing and draft TSDF.

In addition, the Revised Policy and its Strategic Plan also has a standalone outcome on gender mainstreaming – citing Department of Women Affairs (DWA) as key duty bearer, and with a clear focus on developing tools and accountability mechanisms for gender mainstreaming, increasing knowledge and capacity of key decision makers within government and civil society, and embedding gender equality within legislative frameworks, policies, procedures and projects across the whole of government.

It is clear that the GoT has, through the Revised Policy, made an impressive commitment to concrete action on gender equality across the whole of government. It is not yet clear how this additional work will be carried, despite recent staffing increases within MIA (with the addition of a Gender Mainstreaming Officer), as it is clear that the Revised Policy envisages an impressive scope of work.

National Emergency Management Plan

Based on the 2007 Emergency Management Act, the NEMP identifies NGOs and community groups as partners in implementation, coordination, and identification of needs however, it does not identify or prioritize women's groups specifically. Vulnerability is centred largely on infrastructure, not human/social/cultural vulnerability, noting that the NEMP appears to rely heavily on the Regional CHARM – guidelines for Pacific Island Countries⁸⁴ that do not themselves contain any meaningful reference to differentiated human or social vulnerabilities. Noting however, that despite the deficiencies in the policy environment, and NEMO's strong reliance on physical rather than social vulnerability criteria, Tonga's emergency response systems are characterised by an impressive degree of responsiveness to the needs of vulnerable groups, as documented following TC Ian in 2014⁸⁵ (see Figure 7.2).



Figure 7.2 Immediate relief shelter provided after Cyclone Ian (credit: MIA)

The GoT has also worked to ensure the centrality of protection issues within its newly established cluster system. The Safety and Protection Cluster was established, along with the rest of the Tonga cluster system, less than a week after TC Ian. MIA's role as Safety and Protection Cluster lead agency has allowed it to solidify the mainstreaming of gender and social protection issues within Tonga's emergency response and into the TC Ian recovery process.

⁸⁴ Comprehensive Hazard and Risk Management (CHARM): Regional Guidelines for Pacific Island Countries, SOPAC, 2002

⁸⁵ Safety and Protection Assessment – TC Ian, MIA, January 2014, accessed at: <http://reliefweb.int/report/tonga/safety-and-protection-assessment-tc-ian-haapai-tonga-january-february-2014>

7.2.2 Corporate plans

The gaps in gender mainstreaming extend down to the level of departmental corporate plans that govern the work for which the individual departments are accountable. Broadly, gender and social inclusion concerns are not reflected in the corporate plans of the primary ministries, or are given a cursory place with no meaningful outputs or indicators. While acknowledging that most of the departments reflected below will not have the capacity to develop in-house technical capacity on gender mainstreaming, this deficiency reinforces the importance of expanding MIA's gender and social inclusion mainstreaming capacity to encompass comprehensive support to all government departments. It is noted that the Corporate Plans are planned to be harmonized as part of the TSDF II process (see Chapter 4), which would ideally be taken as an opportunity to include robust gender and social mainstreaming criteria across all ministries.

For example, **Ministry of Health's** corporate plan largely refers to the Tongan people as a collective group, without clear reference to their differentiated health and access needs (other than acknowledging additional vulnerabilities faced by those living in outer islands). There are discreet programmes aimed at particular social demographics (e.g. on children's nutrition, reproductive healthcare etc.), but gender and social inclusion is not mainstreamed. Strategy 14 (under KRA 2 – Improve efficiency and effectiveness of curative health service delivery) references a responsibility to 'expand clinical services to meet the needs of vulnerable groups, such as physically or mentally disabled', however, the indicator is for a management plan to be developed and implemented, rather than concrete targets on access, needs met, data collection, etc.

Similarly, the **MAFFF** Corporate Plan references a targeted set of activities under the Extension, Women Development and Information Division, but no capacity to engage in mainstreaming across all activities, and notes some challenges in data collection and analysis (although noting that 'women' are referenced as a particular category of producer under outputs 1 and 3).

Ministry of Infrastructure's (Mol) corporate plan does not have a gender or social inclusion component. The plan's primary strategic linkages are to the NIIP and the Tonga Strategic Development Plan neither, of which have gender or social inclusion mainstreamed. The Ministry of Infrastructure's portfolio includes, inter alia, maritime services, civil aviation, land transport and building/construction codes. Men, women, boys, girls, elderly people, people with disabilities, etc. have different, often starkly variable needs and habitual uses of the various forms of transport and infrastructure (e.g. access requirements for people with mobility or vision impairments). These needs are not currently adequately reflected in the Mol corporate plan.

Similarly, the corporate plans for **MLSNR**, and **MEIDECC** contain no reference to social vulnerability, nor any sex, age or disability disaggregated outcomes or indicators. The lack of gender and social inclusion mainstreaming within these corporate plans means the differentiated needs and habitual uses of the various social groups are unlikely to be adequately considered or reflected in programming, or in planning for the impacts of disaster and climate change on vital infrastructure, resources, and services.

The **MIA's** corporate plan covers a broad scope of activities, ranging from youth, sports and cultural activities, support for migrant workers, local government and outer islands, and gender equality and social services. MIA is one of the only departments that has at least partially mainstreamed gender equality within concrete outcomes on climate change and disaster management.

7.3 Opportunities for gender integration into CCDRM

7.3.1 Gender mainstreaming in projects analysis

To comply with best practice on gender and social inclusion mainstreaming, and increasingly to satisfy the social safeguard requirements of the primary climate change and disaster management funding bodies and implementing agencies, Tonga needs to demonstrate strong practices on inclusion of gender and social vulnerability criteria into all stages of project design.

For the purposes of this assessment, MFNP provided a representative selection of project documents relating to CCDRM projects across the core ministries, including Tonga Energy Road Map, TMS, the NEMO, Ministry of Transport, MECC, Ministry of Lands, Ministry of Education, and Tonga Power. While this grouping by no means represents a comprehensive data set, nor should it be read as such, the marker (as per below) was applied to this sample to develop an indicative sense of where the GoT falls in terms of gender responsiveness in project design.

Methodology

Project document analysis was based on the Inter-Agency Standing Committee (IASC) Gender Marker⁸⁶, a code used to rank projects on their design and structural elements to determine whether men, women girls and boys will be able to benefit equally or that they will meaningfully advance gender equality.

⁸⁶ IASC Gender Marker, IASC, 2009, see FAQ at: <http://www.ochaopt.org/documents/isacgendermarkerfaq.pdf>

The code scale is as follows in Table 7.1.

Table 7:1 IASC Gender Marker Scale

Code	Description	Project Specifications
0	No visible potential to contribute to gender equality/ gender blind	Gender is not included anywhere in the project sheet, or appears only in the outcomes. There is risk that the project will fail to meet the needs of some population groups, or may do harm.
1	Potential to contribute in some limited way to gender equality	Gender dimensions are included in only one or two components of the project.
2A	Gender mainstreaming - potential to contribute significantly to gender equality.	Gender analysis is included in needs assessments, and is reflected in one or more of the project's activities and one or more of the project's outcomes.
2B	Targeted action – project's principle purpose is to advance gender equality.	All activities and all outcomes are based on gender analysis, and all are designed to advance gender equality.

The majority of humanitarian and development projects should aim to fall within codes 2A or 2B. A 2A project would have a component of gender analysis within the needs assessment, the results of which would be used to inform at least one gender-responsive activity, leading to at least one gender equality outcome. A 2B project is one targeted for the purpose of meeting the particular needs of one sex or of a sub-category of one sex (e.g. unaccompanied male children, or female heads of household). Ideally, an overarching mapping of social vulnerabilities would be conducted to determine how many and what type of 2B (targeted action) projects are necessary to respond to localised gender and social dynamics however, most projects should be coded 2A with a smaller sub-set of 2B targeted actions.

It is important to note that the marker does not reflect the actual results of projects, it is merely a tool used in planning to measure the likelihood that projects will meet the needs of human populations. The observed gaps between project design and ultimate implementation will be discussed in more detail below. Noting also, this marker measures gender responsiveness specifically, but could also be used for other types of vulnerability.

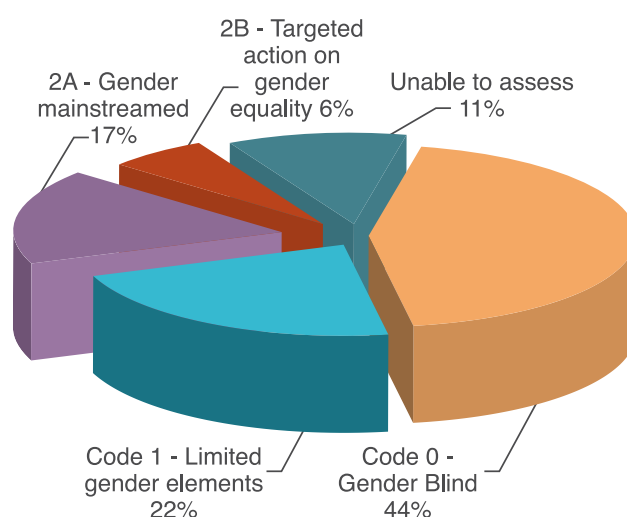


Figure 7.3 Application of the gender marker to a sample of Tonga CCDRM projects

Almost half of all projects were assessed as completely gender-blind with no social or gender analysis or other measure of human vulnerabilities and capacities, and no activities, indicators or outcomes designed to address sex, age or disability differentiated needs. Approximately, another quarter of all projects had limited or merely cosmetic reference to gender or social vulnerability. There is a reasonably strong likelihood that these projects may have failed to meet needs, or may have created or exacerbated social vulnerabilities.

The following observations were made during the review of project documents. First, the likelihood of a project being functionally gender-blind increased markedly where it was a project directly funded between a donor and a line ministry. Where an implementing or other partner was involved as intermediary (notably ADB) and UNDP, gender (and to a lesser extent, disability) was more likely to be meaningfully integrated into project design. Second, the agencies involved in infrastructure or technical activities were significantly more likely to have projects coded at 0 or 1 (gender blind or insufficiently gender sensitive) than those ministries involved in the provision of human services. Infrastructure projects are not usually intended to target specific social vulnerabilities, but do have the capacity to inadvertently or indirectly impact upon local community and social dynamics, sometimes significantly. This observation demonstrates the need to build gender and social inclusion mainstreaming into whole-of-government processes and to ensure that agencies have appropriate and accessible technical expertise to call upon (as is discussed in more detail below). MFNP does not currently track the funds allocated to gender and social inclusion components within projects across the budget; they only track standalone funds such as the disability stipend fund. Gender and social inclusion allocations may not be initially apparent as such as they may relate to activities such as consultation, assessments, particular types of material assistance, etc.

However, as strengthening mainstreaming practice tends to be linked to the allocation of dedicated budgets for gender and social inclusion activities, the use of a dedicated code to track gender and social inclusion funding allocations as a percentage of the whole budget would be of value in monitoring ongoing needs for additional resources.

Observations

- Tonga has strong traditions of consultative and community-driven decision making, and a reasonably conducive environment for strengthening practice on gender and social inclusion, however gender mainstreaming in corporate plans is generally low
- Corporate plans and other documents governing the practical aspects of Tonga’s CCDRM work contain very few references to vulnerabilities of human populations or to the differentiated needs of different social groups. This is borne out by analysis of individual CCDRM project plans – the majority of which in Tonga contain no meaningful reference to human vulnerabilities
- Consequently, Tonga is not currently in a strong position to respond to the gender and social inclusion requirements of the main climate funds, nor to ensure that vulnerable groups are adequately supported to prepare for, survive and recover from the impacts of disasters and climate change.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
35	Support line ministries and agencies dealing with CCDRM with gender mainstreaming and social inclusion capacity building based on a detailed human resources feasibility assessment	Immediate	MIA	MEIDECC, MFNP	<p>An assessment report of MIA’s capacity to include gender and social inclusion to existing workloads, and recommendations for additional support needs.</p> <p>Key staff from all ministries with mandates to respond to CCDRM (including but not limited to JNAP agencies) receive training on gender and social inclusion mainstreaming.</p> <p>Agency guide on gender mainstreaming & CCDRM</p> <p>standardised SOPs and technical handbook for Civil Society, MFNP, JNAP agencies on gender and social inclusion developed and agreed among key stakeholders.</p>

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
36	Require a dedicated marker for coding the gender and social inclusion responsiveness of the primary and secondary objectives of CCDRM projects	Immediate	MFNP	MEIDECC, MIA	Dedicated marker for Coding the gender and social inclusion responsiveness of CCDRR projects
37	Incorporate the ability to track the allocation of funds for gender and social inclusion project elements including CCDRM projects into its coding system	Mid term	MIA, MFNP	UN Women	A coding system which tracks funds for gender and social inclusion project elements

7.3.2 Institutional gender mainstreaming structures

At community and national levels, Tonga has the environment conducive to strengthen gender and social inclusion mainstreaming practices. Successive missions led by MIA to areas affected by TC Ian documented a collective community response which prioritized the needs of the most vulnerable⁸⁷, and which supported the inclusion of women in local decision making forums. Although men tended to speak to overarching community priorities and risks, they consistently brought up impacts on women, girls, people with disabilities, and other vulnerable groups where their specific needs were unmet. Women's separate concerns were given equal attention within focus groups [and separate community consultations confirmed that women largely agreed with men's characterizations of the risks and resource allocation priorities].

Gaps exist in community responses to issues with social or cultural stigmas attached (e.g. family violence or abuse), and there was strong resistance to dialogue on issues perceived as at odds with Tongan cultural norms such as the traditional role of women as caregivers for the whole family. However, on the whole, key community decision makers (town and district officers) were aware of who the most vulnerable people were in their communities and where they had experienced gaps in vital services or problems accessing necessary assistance.

This basic understanding of a broad range of social vulnerabilities was also evident at national level during CFRGA consultations with key stakeholders across government departments. Senior and working level staff within government consistently acknowledged the differentiated vulnerabilities of women, elderly people, people with disabilities, and people living in poverty, and recognised a collective responsibility to respond, even where social vulnerabilities might seem to lie outside their core mandates.

Departments should ideally integrate social vulnerability considerations across all programming, and develop systems to ensure that all people can equitably access and benefit from all projects. Instead, GoT departments tend to provide a separate suite of activities aimed at target groups (women, youth, elderly people, people with disabilities), rather than addressing the deficits in social inclusion programming in their general programming. This reinforces existing gender and cultural dynamics, and means that vulnerable groups are less likely to benefit from government services. MIA (as the Ministry housing women's affairs, disability and youth divisions) is the logical place to locate responsibility for gender and social inclusion mainstreaming across Government, as they have overarching responsibility for most social vulnerability programming (including for youth, women and people with disabilities).

⁸⁷ Safety and Protection Assessment – TC Ian, MIA, January 2014, accessed at: <http://reliefweb.int/report/tonga/safety-and-protection-assessment-tc-ian-haapai-tonga-january-february-2014>

A 2012 review of gender mainstreaming capacity within the GoT conducted by SPC⁸⁸ identified the following as some of the core barriers preventing Women's Affairs Division from productively engaging in mainstreaming:

- Not strategically located within government
- Role and approach need to be reviewed
- Reducing gender inequalities regarded as DWA mandate only
- Lack of technical skills in gender mainstreaming
- DWA is under-funded and vulnerable to budget cuts
- Gender is not a priority of development partners.

Several of these concerns appear to have been addressed in recent years. It is clear that MIA have dedicated substantial time and resources to increasing technical capacity on gender and disability within the department, with a new Gender Mainstreaming Officer located within DWA (and with a mandate to work across government to mainstream gender into strategies, policies and planning documents), as well as a Deputy CEO for Disability. The Deputy CEO for Disability position during the time of assessment, was a new recruit, and heavily focused on delivery of a stipend scheme for people with disabilities. However, this position will ultimately have two mid-level staff supporting on disability services and the implementation of a newly drafted policy document on disability (unavailable for review at the time of writing).

The creation of MIA and the move of the social vulnerability portfolios to sit under MIA (from Department of Education) has largely addressed the issues around strategic location within government, with Women's Affairs and Disability division staff feeling that MIA is the most appropriate location for them to access communities. MIA sits at the centre of Tonga's robust systems for reaching isolated or rural communities for information provision, consultation and potentially for monitoring of climate change and disaster impacts (although noting that these systems are not currently used for monitoring purposes).

Under Tonga's Fono Act, all able-bodied adults are required to attend any town meetings called (through MIA's local government division), with systems for follow up to transmit information to those physically unable to attend. Due to this function, and to its strong links with community organizations, NGOs and churches (with MIA serving as secretariat to the Tonga Forum of church leaders), MIA is best placed within all Tongan departments to serve as a coordination body for activities occurring at a community level.

MIA has also begun work to strengthen these community level communication and information provision channels, with a pilot project to establish Community Protection Committees (CPCs) initiated in Ha'apai in November 2014. CPCs will carry out protection monitoring of issues affecting vulnerable groups in each of the six pilot sites, with this information provided on an anonymous basis back to MIA for trends analysis and development of a protection baseline. MIA will then have reciprocal reporting responsibilities back to CPCs on a regular basis, to strengthen community level awareness of available humanitarian and development assistance, and to strengthen community-based protection strategies. This project will have particular relevance to the JNAP agencies, as it will provide comprehensive baseline and trends information on the protection issues being experienced by vulnerable groups in the pilot sites.

It is also noted that MIA has been working to revitalise the previously dormant NACGAD, with members comprising of the Minister of Internal Affairs, Minister for Education, Chief Secretary, CEO for Finance, CEO Health, CEO Commerce and representatives from civil society organizations, and held their first meeting in March 2014. This body is in the nascent stages of operation, however, the Terms of Reference for the NACGAD envisage this forum as a 'catalyst' for mainstreaming gender into all policies, programmes and services, and for consolidating the various levels of strategy and planning in line with the National Policy on Gender and Development. The NACGAD is not currently carrying out this work in any coordinated or meaningful way. However, should it become more operationally focused, this forum may serve useful for promoting high-level understanding of gender mainstreaming policies, although it is noted that the JNAP agencies do not currently hold a place within the NACGAD.

There also remains the problem of MIA's links to the core agencies responsible for CCDRM programming. The JNAP Task Force currently does not include MIA, and the inadequate coverage of gender and social inclusion issues in both the JNAP and the TSDF, mean that MIA is often not aware when key CCDRM decisions are being made, let alone able to contribute policy or technical advice.

⁸⁸ 'Stocktake of the gender mainstreaming capacity of Pacific Island governments – Kingdom of Tonga', Secretariat of the Pacific Community, 2012

Gender mainstreaming practice within civil society organizations, NGOs and Red Cross on gender and social vulnerability mainstreaming within project cycles is variable. Some (e.g. MORDI) have strong and concrete practices on data collection, community consultation and social analysis, whereas others express less confidence in understanding good practice in this area, and when consulted were open to receiving additional support on gender and disability mainstreaming (noting in particular that disability mainstreaming was consistently weaker than gender mainstreaming).

There was a strong desire expressed by many of the CSOs consulted to have more support on practical mainstreaming into project design, implementation and monitoring, with all viewing gender and social inclusion as important, but many expressing a lack of confidence in how to implement it in practice. In particular, the analysis of sex and age disaggregated data was cited as a weakness, with many agencies collecting it but unsure then how to draw conclusions from it or integrate it into programming. There was consistent support expressed by civil society actors for the idea of developing a standard operating procedure and associated technical guidelines for gender and social protection mainstreaming and gender analysis in CCDRM work in Tonga, to help agencies to achieve consistent minimum standards of practice.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
38	Include a strong strategic and technical gender and social inclusion component in the proposed revised JNAP to include specific accountability measures against which JNAP agencies are required to report.	Immediate	MIA	MFNP JNAP secretariat MEIDECC	Checklist and monitoring and evaluation framework on gender and social inclusion is developed to ensure gender and social inclusion is meaningfully included in all work covered under the JNAP and TSDF II

7.3.3 Civil society-government coordination and communication

Tonga appears to have a two-track system for programming on gender/social inclusion issues and CCDRM, both within government (as discussed above) and to a lesser extent within civil society. Agencies, both government and non-government, generally identify as working either on gender equality or working on CCDRM – but not both. There are very few functional forums for strategically coordinating activities, communicating on outcomes, or sharing data or best practices that integrate both gender and social inclusion and CCDRM.

Observations

- There is not a strong understanding of gender and social inclusion mainstreaming within key agencies
- MIA (as the responsible line ministry for social vulnerability programming) does not have access to the main forums for decision making on CCDRM programming
- Technical skills on gender and social inclusion mainstreaming are lacking in key Ministries and JNAP agencies
- There is a need to systematically incorporate gender and social inclusion mainstreaming through an agreed standard of procedures for both the Government and CSO Agencies
- The community’s capacity for involvement, contribution and participation on monitoring safety and security risks, as well as needs for climate change adaptation and mitigation, needs to be officially recognised and linked to national level decision making processes
- MIA as the lead agency for social inclusion programming currently does not have the capacity to support its gender and social inclusion mainstreaming mandate.

However, this evidence is tightly held at agency level, with no procedures for sharing or coordinated analysis. Despite multiple agencies working in the same communities and on the same issues, data is not shared to inform programming across the sector. Broader social vulnerability trends within communities are not tracked or analysed, either outside the agencies holding the project-level data or beyond the life of the project for which data is collected. This is a missed opportunity to document the human level impacts of climate change and disasters, to develop an accurate picture of the risks being faced by communities and vulnerable groups within them and to accurately target programming to these risks.

In addition, it is noted that the JNAP agencies (particularly NEMO) rely strongly on CCDRM vulnerability assessments that document only physical or infrastructure vulnerabilities, rather than social vulnerability. Ideally, social data held by NGOs, government departments and civil society organizations would be used to inform the development of a national and ongoing vulnerability analysis and for use by all agencies working in CCDRM.

The failure to coordinate and share data also potentially means that communities are being unnecessarily over-assessed (a practice which impedes healthy coping mechanisms and exacerbates risks of harm). This certainly appears to be the case in Ha'apai, with communities in Pangai expressing frustration at repeated and overlapping assessments with minimal results⁸⁹. If data was made centrally available, the practice of repeated assessments by different agencies might be largely avoidable or at least reduced.

Failure to coordinate between the key actors is also perceived as impacting continuity of access to funding for gender-responsive programming. Tonga Red Cross in particular note that, while they are generally able to restock supplies distributed in humanitarian assistance programming, they struggle to maintain consistent funding for community level programming (including training women in first aid, etc.), as they are competing for a small pool of funding with a lot of other actors. Pacific Community Integrated Disaster Risk Reduction's (PCIDRR) work in developing community emergency plans is another key example. Despite the fact that this work has been demonstrably key to ensuring the protection of women, children, people with disabilities, elderly people and other vulnerable groups, both during the immediate aftermath of TC Ian and in the ongoing response phase in Ha'apai, this project funding is due to end with no agency able to pick up the work. This appears to be largely due to a lack of coordination between agencies, donors and key ministries, with no one agency (nor the JNAP secretariat) maintaining a comprehensive picture of which projects are due to finish, which

need to be transitioned to government, and which may benefit from additional or ongoing funding.

The lack of ongoing national coordination and monitoring of activities at community level also means that there is no corrective mechanism for gaps in coverage of particular vulnerabilities or problems with projects as they are implemented. As discussed at length above, projects which do not have gender and social inclusion concerns meaningfully integrated into design and monitoring are highly likely to create protection risks for vulnerable groups. As it stands, no safeguard mechanism exists to monitor the likelihood of these risks occurring nor to learn from the lessons of agencies that have experienced unforeseen challenges relating to gender and social inclusion issues.

There are also missed opportunities to involve agencies which do not view themselves as playing a part in CCDRM work, despite the fact that they are often extremely important in helping communities cope with the impacts of disaster and climate change as demonstrated by the Langafonua Handicrafts Project outlined in Box 7.1.

Box 7:1 Langafonua Handicrafts Project

Staff from the Langafonua Handicrafts Project identify strongly as gender equality actors, rather than as having an express or even implied CCDRM mandate. However, following Tropical Cyclone Ian, this project provided vital support to women's livelihoods, which had been devastated by the storm. They did this in an ad hoc way, in addition to the work they were already doing, by providing Ha'apai women with pandanus leaves and additional skills training and in doing so were responding to a key identified need directly resulting from the impacts of the cyclone.⁹⁰

However, as they perceived themselves as acting outside of the CCDRM field, they missed the opportunity to have valuable input into programming and messaging on sustainable recovery. A specific example of where they could have added value was on developing messaging for women on how to salvage water damaged pandanus and coconut stocks, and use them for specific types of handicrafts rather than burning them or throwing them away. However, they were not meaningfully integrated into the emergency response and recovery architecture and the opportunity was missed to link their gender equality programming with the wider CCDRM work done in Ha'apai in response to TC Ian.

⁸⁹ Community consultations, Ha'apai, November 2014

⁹⁰ Safety and Protection Assessment – Tropical Cyclone Ian, MIA, January 2014

Finally, a clear gap articulated by civil society lies in structural and capacity barriers to communities directly accessing climate financing for projects. Communities are generally best placed to know their own needs and can be effective agents in planning and implementing their own solutions to problems posed by climate change and disasters. Communities and individual households within communities are also likely to bear a large proportion of the costs of recovering from disasters and adapting to the impacts of climate change. However, Tonga’s approach to the allocation of development funding, as outlined in Chapters 5 and 6, limits flexible access for communities to the funds needed to support resilience and recovery measures.

It is recommended that Tonga begin to continue exploring structures for supporting communities to directly access climate and disaster management financing (recognising that the development of the National Climate Fund potentially represents an opportunity to rectify this problem). It is noted however, that this must be done with full awareness of the barriers which prevent certain categories of people (women, children and people with disabilities) from fully participating in collective decision making

Observations

- CSOs, NGOs and line ministries do not coordinate activities, share data or cooperate on allocating priority tasks on gender mainstreaming and CCDRM
- The revised JNAP needs to include structures for coordination of CSO, NGO and government activities on gender and social inclusion within CCDRR programming
- Data is collected by government agencies and NGOs on CCDRM however, there is no system to ensure that data is analysed and used to understand broader trends nor to develop evidence based policy or plans on the social impacts of climate change and disasters in Tonga
- There is a need for the JNAP NGO platform to link with existing systems for coordinating gender and social inclusion mainstreaming in Tonga, including but not limited to the NACGAD

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
39	Include structures for coordination of CSO, NGO and government activities on gender and social inclusion within CCDRM programming in the revised JNAP	Immediate	MIA	MEIDECC	Integration of gender and social inclusion considerations into JNAP II

7.3.4 The role of development partners in gender and social inclusion

Development partners in Tonga take markedly different approaches to supporting gender and social inclusion mainstreaming. The Chinese and Japanese governments do not systematically prioritize gender and social inclusion in their programming, whereas the New Zealand and Australian governments take a slightly more active role in promoting positive practices on gender and social inclusion. For example, the Australia-Tonga Partnership for Development includes concrete commitments on gender equity, including on the collection of sex disaggregated data. The Australia-Tonga Partnership for Development is described as ‘a vehicle for realizing Australia’s commitment to gender equity and disability inclusion in the areas of policy development, program implementation and consultation’.

Of the major donors with a presence in Tonga, ADB’s practices on gender mainstreaming are, in theory, by far the strongest with a comprehensive approach to gender mainstreaming included in project documents and project planning manuals. However, it is noted that there is room among all donor partners to take a greater role in influencing behavior change on gender and social inclusion. Despite the existence of some good practices in theory, in practice the analysis outlined above revealed that donors’ commitments to gender equality are not being systematically used to inform the design, implementation and monitoring of gender and socially inclusive projects. A coordinated approach to minimum standards for mainstreaming in project design among the major donor partners would have a substantial impact in driving behavior change on gender and social inclusion.

Observations

- Development partners vary in how they mainstream gender and social inclusion into projects and where practices are strong in theory they lack real implementation in practice to improve project design and implementation
- Consequently, development partners will benefit from the development of dedicated marker for coding the gender and social inclusion responsiveness of the primary and secondary objectives of CCDRM projects, as recommended in Section 7.3.1.

Improvements on gender and social analysis practices, data sharing and coordination of projects would have a sizeable impact on the effectiveness of CCDRM programming in Tonga. The improvements would enhance Tonga's ability to access CCDRM financing and so doing help to respond to the human impacts of climate change and disasters.

7.4 Conclusions

Although a number of gaps exist in gender and social inclusion practice across key line ministries and institutions working on CCDRM, Tonga is well positioned to strengthen this area of work. It is clear that Tonga has devoted sizeable resources in recent years to strengthening the policy environment for gender and social inclusion and to improve MIA's technical capacity to support whole of government processes. It is also clear that there is sizeable goodwill among key stakeholders towards extending this work across the whole of government. However, it is the technical skills and capacity to mainstream gender and institutionalise social inclusiveness that needs to be strengthened.

Opportunities for Tonga lie in the current gender and global climate finance structures. Available gender mainstreaming good practices could be used to extend to the CCDRM mechanisms and specific climate disaster risk reduction factors. Tonga's national and corporate plans have further opportunities for gender integration into climate change adaptation and disaster risk reduction, and in project analysis and the institutional gender mainstreaming structures.

Currently, civil society bodies and key line ministries are in urgent need of practical support on gender mainstreaming and institutionalising social inclusion, and on coordination and communication challenges. It is important that MIA begins to access the strategic forums, such as the JNAP, where decisions on CCDRM programming are made and conversely that JNAP agencies and civil society bodies begin to take advantage of MIA's gender and social inclusion expertise. Ideally, the proposed revised JNAP would include a positive imperative for member agencies to meaningfully mainstream gender and institutionalise social inclusion into their work, with MIA positioned as key support agency.



© David Kirkland, Image courtesy of the South Pacific Tourism Organisation.

Development Effectiveness

This chapter discusses the link between climate change and disaster risk management with broader development effectiveness efforts. It considers issues such as ownership, leadership, alignment, harmonization, managing for results and mutual accountability.

8.1 Introduction

The effectiveness of the relationship between a recipient country and its development partners plays a key role in the ability of a nation to achieve its stated development objectives including its CCDRM objectives. Recognising this, the methodology for the CFRGA assesses the effectiveness of the relationship of, and the interaction between, the recipient country and its development partners.

There is an increasing movement for development partners to use and strengthen domestic country systems and deliver better assistance, which hopefully leads to more tangible results for the community. This movement received greater impetus with the Paris Declaration outlining the Paris Principles on Aid Effectiveness in 2005 and the subsequent Accra Agenda for Action in 2008⁹¹.

Tonga was the seventh Pacific Island Country to undertake a Forum Compact Peer Review (Peer Review) in August 2012. The Peer Review made 12 recommendations to strengthen Tonga's national planning oversight and policy development functions, budgeting, public financial management, and aid management institutions and policies. A follow up of the Review was carried out in 2014, which noted good progress against the 12 recommendations.

The core of the Aid Effectiveness agenda revolves around three specific areas: i) Ownership and Leadership; ii) Alignment and Harmonization; and iii) Managing for Results and Mutual Accountability. It is therefore, useful to review Tonga's situation in these areas with a view to its impact in effective CCDRM.

⁹¹ Organization for Economic Cooperation and Development, 'The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action', The Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008), Accessed 31 January 2015, <http://www.oecd.org/dac/effectiveness/34428351.pdf>.



The Project Aid Management Division (PAMD) of the MFNP is the main coordinating arm of the Government with respect to development assistance with significant input from the MFAT. The Government has adopted an Aid Management Policy to guide its interaction with development partners.

The recently concluded TSDf (2011-2014) had as one of its enabling themes “ensuring a more coordinated whole of Government approach in Tonga’s partnership with development partners”. The new TSDf II has as one of its seven national outcomes “more inclusive, sustainable and improved integration within the Pacific and beyond” highlighting the importance of engaging with the international community on all aspects of trade, aid and international relations. This has specific relevance for the CCDRM given the need for global cooperation and partnerships to help meet domestic and international challenges.

8.2 Ownership and leadership

Tonga has led the way with key actions that bring about a ‘whole of country’ approach in the fight against climate change. The high level support for the current CFRGA is just one example of this. Tonga’s track record of showing its readiness to take control of the CCDRM development agenda is demonstrated by a number of actions in recent years:

- The legislature’s establishment of the Parliamentary Standing Committee on Environment, Climate Change and Disaster reflects the high-level awareness and priority accorded to the CCDRM policy and activities in Tonga. Members of the CFRGA team met with the committee to discuss the assessment and this is seen as a reflection of the priority assigned to these issues
- Under the obligations assigned to parties under the UNFCCC, parties are required to prepare National Communications. Tonga’s first report was prepared in May 2005 and the Second National Communication was prepared in 2012. Tonga plans to be the first country in the Pacific to complete its Third National Communication on Climate Change
- The development and implementation of the 10-year TERM 2010-2020 is seen as a model in the region for effectively harnessing donor assistance in a particular sector. TERM, which outlines the Government’s infrastructure development in the Energy sector, was a major initiative on Tonga taking control of the development agenda in the Energy Sector. TERM initially aimed to achieve the target of generating 50% of Tonga’s energy needs from renewable sources over the lifespan of the Roadmap (see Figure 8.1).
- Tonga is also the Chair of Pacific SIDS at the UN process on Climate Change and Sustainable Development Goals (SDGs).
- Tonga was the first nation in the Pacific to integrate climate change adaptation and disaster risk reduction plans into the five year JNAP in 2010 (as described in Chapter 3)



Figure 8.1 Solar Power Array built with JICA support as part of Tonga Energy Roadmap (credit: JICA)⁹²

⁹² http://www.jica.go.jp/english/news/field/2015/150515_01.html

To reinforce this leadership role, the Government also demonstrated commitment at the highest decision making level by supporting and reinforcing established climate change pro-cesses in Tonga. This included:

- The appointment of the Deputy Prime Minister as being responsible for the Ministry of MEIDECC
- The support for existing coordination mechanisms on climate change and disaster risk reduction such as the JNAP Taskforce and the NECC to improve environmental – CCDRM coordination.
- Development of cluster systems by the NEMO within the framework of the NEMP in the Tongan context to manage disaster response through the NEMC and NEOC (as discussed in Chapter 4)
- The MFNP becoming the National Designated Authority to the Green Climate Fund⁹³.

While the Government acknowledged its intention to also apply for NIE status to have direct access to the Adaptation Fund⁹⁴, it was not clear that the Government had identified a candidate for this status. Hence, Government should undertake an analysis to determine the appropriate candidate to apply for NIE status.

The leadership and ownership is impressive but there is still a need for the national government to strengthen its coordination and engagement with the Local Government, NGOs, private sector, communities, and SOEs to promote local ownership of the CCDRM agenda and effective management of CCDRM funding.

Observations

- Tonga has a strong track record of showing its readiness to take control of the CCDRM development agenda
- Government has shown leadership of its CCDRM agenda and demonstrated this commitment through specific actions such as pioneering work on the JNAP for Climate Change Adaptation and Disaster Risk Reduction, establishment of the Parliament Standing Committee on Climate Change and Disaster, commencement of the MEIDECC in 2014, by integrating CCDRM into the revised National Policy on Gender and Development, and the work implementing the TERM
- While the Government has a strong central view of its CCDRM agenda, there are only weak links between key line ministries, the community and civil society to incorporate their views.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
40	Undertake an analysis to determine the appropriate candidate to apply for NIE status to the Adaptation Fund	Short-term	MEIDECC	MFNP	Identified candidate for NIE Status

⁹³ Cabinet Decision No. 665 Dated 29th August 2014.

⁹⁴ Minister for Finance (Hon. 'Aisake 'Eke), 'Tonga Climate Change Trust Fund - Sustainable Financing Mechanism to support Community based climate responsive investments,' (Power Point Presentation), FEMM Seminar on Establishing and Managing Trust Funds on July 9, 2014, Honiara, Solomon Islands, 2014.

8.3 Alignment and harmonization

In order for development assistance to be directed to Government's stated priorities it is critical that development partners adopt the objectives incorporated in the government strategies, policies and plans. This is the process of alignment with country systems. In addition, development partners should be encouraged to use the country systems described in Chapter 5 as a way of developing local implementation capacity. Where possible this should be done using existing institutions and consultation structures rather than developing new or parallel ones. This is the process of harmonization.

The Government's overall national objectives are outlined in the 2011-2014 TSDF. The successor, the Tongan Strategic Development Framework: A more progressive Tonga, 2015-2025 is in the process of being finalised. The TSDF II will be implemented through, and supported by, sector and ministry corporate plans and set the framework for resource allocation through the Government budget. Ensuring that the TSDF II is more result-based and consistent with the Enhanced Corporate Plan format is crucial, as well as strengthening its focus on gender and social inclusion.

The financial resources needed to meet Tonga's development requirements exceed the domestic resources with the gap partially filled by development assistance. To help integrate the development partner resources into the budget process each year, the Government undertakes at least two donor roundtable meetings to complement its regular bilateral discussions. One of these meetings precedes the budget finalisation and aims to incorporate assistance into the policies and plans outlined in the budget by aligning the assistance with the overall direction of the budget. The second is undertaken after the passage of the budget to consult with development partners about their respective roles in the budget's implementation. There is opportunity to strengthen this process as some forms of assistance, including that of CCDRM, are often fragmented and bypass national systems. In addition, some partners have their own conditions, which are often not aligned to national priorities.

All development partners consulted have indicated that their projects and programs are discussed in detail with the Government to ensure that the projects align with Government's priorities in the TSDF. However, development partners vary in the harmonization of their assistance with country systems. This is partly reflected in the difficulty of the Government to accurately estimate in-kind assistance in the national budget.

Some development partners have moved their assistance to a more programmatic and medium-term approach while some development partners still deliver their aid on a short-term and ad hoc project-by-project approach. Government driven mechanisms such as the TSDF, TERM and JNAP present an opportunity for development partners to support this more programmatic approach.

As mentioned in Chapter 6, donor cash projects (i.e. where project funds are directed through the Treasury accounts), capture around 30% of the overall assistance in recent years (see Chapter 6 – Figure 6.10). The remainder is provided in-kind and the relevant development partners need to, as a starting point, provide more accurate data (in a usable format) on what resources are being directed through this modality. The long-term goal would be to shift as all of this assistance from "in kind" assistance to be directed through MFNP, thereby using and supporting Government systems.

A small group of significant development partners, namely the World Bank, ADB, European Union and Australia provide direct budget support through the Tonga Joint Policy Reform Matrix (JPRM) (See Box 8-1). Other multilateral development partners and New Zealand adopt a programmatic approach to their assistance but most other development partners tend to deliver their assistance in form.

Box 8.1 Budget support mechanism and joint policy reform matrix

Budget Support Mechanism and Joint Policy Reform Matrix

The Government of Tonga has entered into a Budget Support program with a significant group development partners to try to align with some key areas of priority to Tonga. The currently participating development partners are the World Bank (lead agency), ADB, Australia and the European Union.

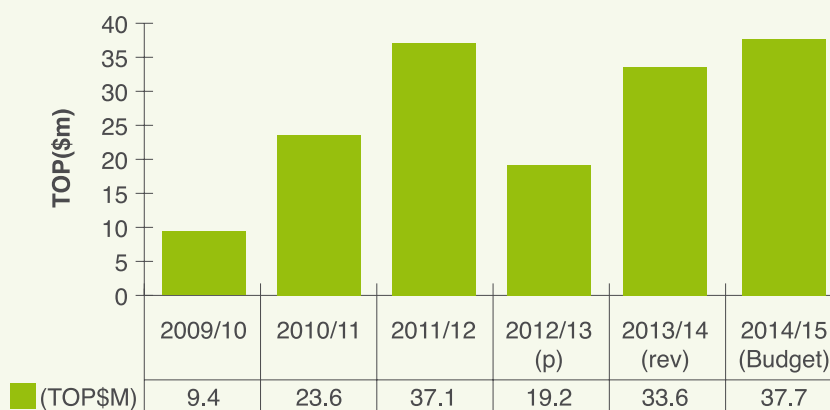
The core of this process is the JPRM that lists a series of targets for the Government to achieve which will then lead to the provision of budget support to the Government. This process arose out of the impacts of the Global Financial Crisis when the Government faced significant falls in revenue streams as remittances fell and the overall economy slowed.

Initially over 50 objectives and targets were identified but this was seen as unmanageable and a heavy burden on the Government. Through intense negotiation these were refined down to approximately 10-12 targets. The most recent JPRM on August 2014 has 12 targets in four areas:

- Strengthening Public Financial Management
- Strengthening Fiscal Policy
- Enhancing the Business Enabling Environment (including State Owned Enterprise Reform)
- Energy Efficiency and Renewables

In each of these areas the Government has a clear strategy or roadmap of policies and reforms. The potential for including CCDRM components in this process would be the need to identify a suitable program of policies and reforms from which to adopt targets (e.g. JNAP).

It should be noted that the Budget support is not all provided as grant funding. Due to recent improvements in economic and public management conditions, IMF upgraded Tonga from “high” debt distress to “medium”. This means that the budget support provided by World Bank and ADB has shifted from 100 percent grant to 50 percent grant and 50 percent (concessional) loan. The chart below indicates the amounts received in Budget support since the start of the process in 2009/10.



Source: Ministry of Finance National Planning, Budget Statements, 2011/12 - 2014/15

Progressing appropriate reforms to strengthen national systems and active negotiations with potential donors would pave the way for Tonga to access budget support for climate change and disaster risk management. At the same time, a number of donors and international funds will prefer to deliver their CCDRM assistance in the form of projects. Building local capacity and expertise to write quality and feasible project proposals and reports will be vital.

There are a number of donors represented in-country such as Australia, New Zealand, Japan and China. There are also other coordinating officers for World Bank, ADB, European Union and UNDP. The bilateral partners tend to liaise closely and have informal coordination arrangements but there is an opportunity to develop a more regular and structured coordination mechanism that brings all partners together to improve alignment and coordination in the general development and the CCDRM area.

The Tonga Energy Road Map (TERM), mentioned earlier as an example of leadership, is also a model of alignment of development partners and Government priorities. Adopted in 2010, TERM is acknowledged as a good development practice across the region and globally. It sets out a single plan for all donors to align their assistance to and support government priorities in a specific sector.

Observations

- The Budget Support Mechanism and JPRM and TERM are examples of alignment of Government and development partner priorities. Lessons learned could inform future CCDRM finance assistance to Tonga through similar modalities of access and fund disbursement
- Harmonization is still hampered by individual requirements of development partners leading to the use of parallel or separate systems for project implementation, including project management units that can better support national capacity in financial management, procurement and M&E

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
41	Develop a compulsory single and standardized government reporting framework/template, for all aid activity reporting including CCDRM activities.	Immediate	MFNP - PAMD	MEIDECC	Revised Aid Management Policy and associated PID and AID
42	Explore the potential for including CCDRM targets into an expanded budget support process encapsulated by the Joint Policy Reform Matrix.	Medium-term	MFNP	MEIDECC	Specific CCDRM targets incorporated into the Joint Policy Reform Matrix drawn from an agreed program of CCDRM policies and activities such as JNAP II

8.4 Managing for results and mutual accountability

In order to assess the effectiveness of development assistance in delivering its CCDRM response, a country needs to focus on development results and how these results are measured. It is critical to examine the mechanisms, processes and frameworks for monitoring implementation of CCDRM policies and plans. This should be complemented by collective mechanisms involving government and development partners in monitoring these policies and plans.

The TSDF and TSDF II outline monitoring and evaluation mechanisms to track their implementation. The TSDF II foreshadows a series of key performance indicators linked to the seven national outcomes and 27 organizational outcomes. With regards to climate change and DRM the relevant national and organizational outcomes are:

more inclusive, sustainable environment and climate resilience; and “improved resilience to natural disasters and the impact of climate change”. The KPI for measuring progress against these outcomes is the Vulnerability to Climate Change Index.

Mechanisms to monitor and evaluate the implementation of CCDRM policies and plans are also included in the JNAP 2010-2015 (p.54). The JNAP Task Force reports on a six monthly basis to a joint meeting of the NECC and the NEMC, and to lead JNAP reviews of all existing ministry corporate plans, with the aim of incorporating actions to implement the JNAP. But this is a challenge given the current capacity of the JNAP Secretariat and PAMD in MFNP.

Project reporting at a financial level is also a challenge. The standard procedure is for line ministries to provide complete acquittal reports to MFNP outlining their spending against budget lines and project funding agreements. MFNP will review these reports and, if in compliance with the funding agreements, certify them before PAMD submits to the donor. Unfortunately, some ministries do not have the existing capacity to adequately undertake this process and resolve to recruit their own accountants to assist in the reporting process.

Furthermore, some donors actively engage MFNP to sign off on all project notes while others bring in their own conditions. Development partners need to formulate common matrices and processes to help expedite the release of funding for project implementation. The biannual Donor Roundtable provides an opportunity to discuss such issues in detail especially as they relate to the implementation of climate change and DRM policies and projects. The Government should consider the development a simple monitoring and evaluation matrix (similar

to the JPRM) linked to the TSDF II to help track the overall aid program and to be discussed at the Donor Roundtables. This would not be a separate mechanism but integrated into the overall TSDF II monitoring and evaluation process.

Observations

- Tracking the impact of the development and CCDRM activities is weak; though the Government can use the release of the TSDF II and the biannual Donor Roundtable meetings provide an opportunity to start a dialogue to design a mechanism to improve the tracking process
- There is no CCDRM M&E framework linking to the JNAP and TSDFII
- The biannual Donor Roundtable provides an opportunity to discuss in detail common matrices and processes especially as they relate to the implementation of CCDRM policies and projects.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
43	Develop a simple monitoring and evaluation matrix (similar to the JPRM) linked to the TSDF II to help effectively track the overall aid program, including CCDRM projects and link to JNAP II.	Immediate	MFNP	MEIDECC	Design of a simple M&E matrix for CCDRM and Aid activities – included in Aid Policy
44	Encourage development partners and donors present in Tonga to consider establishing a development partners' coordination mechanism specifically to share lessons and updates on CC and DRM activities. For this to be effective, membership should be extended as much as possible to cover other donor project representatives, UN Joint Presence and the USP.	Medium-term	Development Partners	MFNP – PAMD	Establishment of an appropriate development partner coordination mechanism.

8.5 Conclusions

Progress in strengthening aid effectiveness has shown a range of results with significant challenges being faced. It is apparent from the actions of the Government that Tonga is taking a clear leadership role in promoting its CCDRM responses and needs, and has the discussion of the CCDRM agenda on its terms. There are clear examples of this including pioneering work with the JNAP and the TERM which are regarded as successful models throughout the region.

There are clear opportunities for Government in cooperation with development partners to strengthen the alignment and harmonization of its development assistance. The success of the Budget Support Mechanism and the associated JPRM is another model to build on. There is scope to use this mechanism for strengthening the CCDRM response across a broad front, starting from the current energy targets in the current matrix. While this will require detailed and lengthy discussion with Government and the development partners supporting this process, there could be scope for more specific CCDRM related targets aligning to a clear program of CCDRM activities such as JNAP II.

The results in achieving increased harmonization through the use of country systems has been mixed but is usually dependent on the internal requirements of respective development partners. However, development partners should use existing country systems (e.g. channelled through the Budget and MFNP) to implement projects, or at least foster local capacity – specifically project preparation, procurement, auditing and monitoring and evaluation - for the longer term.

Long term the greatest challenge for the Government is strengthening the framework for measuring results, including CCDRM results, and how this can be a shared responsibility with development partners. Already the Government has a useful collaborative and consultative mechanism in place in the form of the biannual development partner meetings. However, this needs to be complemented by a stronger monitoring and evaluation framework expanding on the framework of the TSDF II.

Options to Better Access Climate Change and Disaster Risk Management Funding

9



This Chapter discusses the current and potential future options for Tonga to enhance its access to CCDRM funding. Options discussed in previous chapters are synthesized in this chapter with the intention of providing a link between the detailed technical assessments undertaken in Chapters 2 to 8 and the final Implementation of Recommendations.

The current international financing landscape does not have Tonga's progressive views on integrating CCDRM financing and integrated implementation at the community level. Rather there are international funds that address either climate change (adaptation and mitigation) or disaster risk management (risk reduction and disaster response). This is partially a reflection of the respective mandates through which either climate funds or disaster risk management funds were established. It is also partially a definition issue relating to the often-blurred distinction between climate change adaptation and disaster risk reduction. It is also reflective of the different funding needs, particularly in the immediate aftermath of disasters when the urgent mobilization of resources is needed during the disaster management phase.

Options for enhancing access to these funding sources are outlined in the following section.

9.1 Financing options

The current structure of CCDRM financing necessitates that the assessment of options to better access CCDRM financing is split between sources of climate change financing, or climate financing and disaster risk management financing. These separate options are then brought together in a discussion on the pathway forward to implementation at the end of the Chapter.

9.1.1 What are the climate financing options

There is a range of climate financing options available to Tonga. These options include choices of the ways to access the various sources of funds (outlined in Chapter 5), choices in the financing modalities and supporting institutional arrangements for national management of climate financing and choices in how best to work with regional organizations and development partners. The PIFS has been working with Tonga, and other Pacific Island Countries to analyze climate financing options after a series of requests from the Pacific Islands Forum Leaders and Forum Economic Minister's Meetings (FEMM) between 2010-2014. In particular, at the request of the 2011 Pacific Islands Forum Leaders meeting, PIFS assessed climate financing options that were being implemented or explored in the region as of included:

- Budget support (general and sector)
- National trust fund arrangements
- Sub-regional fund arrangements
- National development bank arrangements
- Accrediting national implementing entities
- Accrediting regional implementing entities
- And using multilateral implementing entities

The experiences with the above climate financing options were documented by PIFS in the publication entitled *Pacific experiences with modalities relevant for Climate Change Financing* (PIFS, 2012)⁹⁵ that built on the Climate Change Financing Options Paper considered by Forum Leaders and Economic Ministers in 2011⁹⁶. A second volume of relevant Pacific experiences has been published in 2015 that provided additional case studies on regional experience with the above options include public and private sector partnerships⁹⁷.

There has also been a number of regional fora that have explored climate financing options at which Tongan delegates have been active participants, including, but not limited to the Pacific Climate Change Resourcing Event Week June 2013⁹⁸, the ADAPT Asia-Pacific 2nd Annual Meeting and sessions at the Climate Change Roundtable Resources Working Group (July 2013) and an ADB sponsored workshop in the Cook Islands on climate change financing in 2013.

The importance of climate financing to Tonga and other PICs, is highlighted by the appearance of specific papers, sessions and side events on climate financing at FEMM meetings from 2010-2014⁹⁹. This will continue at the 2015 meeting, given that climate financing is now a regular annual update at FEMM. This demonstrates the ongoing interest in climate financing in the region, and ongoing imperative for Finance Ministers to engage in national and global negotiations on accessibility of climate finance to brief their respective national governments and support the role of finance ministries.

Tonga has been an active participant in regional assessments and analyses of climate financing options. The GoT has also independently taken a proactive approach to the assessment and selection of its initial suite of climate financing options. The Government has done so through its own internal analysis, engagement in international and regional fora and through support by development partners. This is particularly important in light of the analysis that has shown that Tonga is a beneficiary of several global climate change initiatives.

A key climate financing option being implemented is the creation of the National Climate Change Fund (NCCF). Work on establishing the NCCF started in 2011 and is scheduled for final establishment by mid-2015, subject to finalization of outstanding administrative details and the Parliamentary timetable. The NCCF is being established for the purpose of providing a long-term source of finance for climate change programmes and projects. In doing so, the NCCF aims to fulfil a number of specific purposes, namely:

- (a) to collect resources and direct them toward climate change activities that promote national climate change priorities;
- (b) to manage finance from public, private, multilateral and bilateral sources to maximise Tonga's ability to advance national climate change priorities;
- (c) to finance national climate change programmes and projects for climate change mitigation and adaptation;
- (d) to assist the GoT in achieving the goals of the UNFCCC, the United Nations Convention on Biological Diversity, and the United Nations Convention to Combat Desertification;
- (e) to co-ordinate national climate change activities to ensure that national climate change priorities in Tonga are effectively implemented;

⁹⁵ <http://www.forumsec.org/resources/uploads/attachments/documents/Pacific%20experiences%20with%20modalities%20relevant%20for%20Climate%20Change%20Financing,%202012.pdf>

⁹⁶ http://www.forumsec.org/resources/uploads/attachments/documents/2011FEMM_FEMS.05_Report.pdf

⁹⁷ <http://www.forumsec.org/resources/uploads/attachments/documents/Second%20Volume%20of%20Pacific%20Experiences%20with%20modalities%20relevant%20for%20Climate%20Change%20Financing.pdf>

⁹⁸ <http://adaptasiapacific.org/forum/2013-annual-meeting>

⁹⁹ <http://www.forumsec.org/>

- | | |
|--|--|
| <ul style="list-style-type: none"> (f) to strengthen national capacity for management of climate change finance; (g) to provide project approval and support implementation; and (h) to manage performance measurement, including monitoring and reporting on activities and resource disbursement. | <p>Importantly, the financial administration of the NCCF and the technical support to ensure the technical robustness of the projects implemented using its funds is intended to be divided between MFNP and MEIDECC. This division has implications for staff and institutional capacity, discussed in the next Section. Further information on the NCCF is shown in Box 9.1 below.</p> |
|--|--|

Box 9.1 National Climate Change Trust Fund (NCTT)

The National Climate Change Trust Fund (NCCF) is a major component of the Tonga Climate Resilience Sector Project (CRSP)¹⁰⁰. The NCCF seeks to support the mainstreaming of climate resilience into Government planning, and addressing the needs for the most vulnerable sectors and communities. It is essentially a small grants scheme.

- The NCCF was established by Cabinet on 17 May 2012, pursuant to the Public Finance Management Act 2002 (PFM Act).
- The NCCF will be endowed with a capital sum of US\$5 million. This is an ADB Grant to support the SPCR, funded by the Climate Investment Fund. Of this:
 - (i) US\$4 million will be placed in endowment fund account
 - (ii) US\$1 million will be placed in operational imprest account
- The operational account is expected to be fully spent fulfilling the purposes of the CRSP during its five-year lifespan.
- The operational account will also be deposited with the interest and capital gains earned from the US\$4 million endowment account. Other funding for the CCTF may be raised, including from other multi-lateral donor and development partners.
- The CCTF's overall outputs are guided by the purposes of the CRSP, which is to;
 - mainstream climate resilience into the development planning of key vulnerable sectors,
 - improve the capacity to monitor and manage Tonga climate data and information,
 - ensure that the project is successfully managed and implemented,
 - increase eco-system resilience and climate infrastructure investments, and
 - establish sustainable financing mechanisms to support community based CCA responsive investments.
- Eligible applicants include:
 - community groups,
 - non-governmental organizations,
 - public sector operators,
 - government ministries, and
 - local authorities.
- CCTF grants are focused on community based women's groups and NGOs.
- Eligible CCTF projects include but not limited to;
 - areas of ecosystem resilience (such as reef protection, mangrove/ coastal planting, and forest protection,
 - climate proofing of infrastructure investments (such as upgrading evacuation and access roads, coastal protection, climate proofing of schools, and community shelters,
 - improving community wellbeing and livelihoods in the face of climate change (such as water security, diversification of livelihood options, change of land use practices, and disaster response capacity such as first aid,
 - and capacity building (such as first aid training, ecosystem management, agricultural training, and risk awareness and reduction).

¹⁰⁰ Under the CRSP the trust fund is called Climate Change Trust Fund (CCTF) and often referred to as the Tonga Climate Change Trust Fund. Once the National Climate Change Fund Bill is endorsed by Cabinet it will be known as National Climate Change Fund (NCCF) as the CCTF will be subsumed under the new National Climate Change Fund Act, and no longer under the Public Finance Management (PFM) Act.

- Small community climate change related projects of up to a maximum of US\$50,000, and small to medium scale climate change adaptation projects of up to US\$250,000.
- Divided into a 30%:70% funding ratio for small and medium size grants respectively. Of the 70% allocated for medium size grants, only 25% will be available to Government Ministry projects and public service projects.
- 30% of total funds are to be allocated to outer island projects, but no single outer island project can be awarded more than 15% of the total allocation for outer islands.
- The project is considered high priority by the benefiting communities and has been identified as such in their community plans,
- The project is consistent with the CCTF mandate to build climate change and disaster risk resilience and facilitate adaptation actions,
- The project must have clear outcomes and beneficiaries,
- The project must be completed and implemented within 16 months for small grants, and within 24 months for medium size grants.

Tonga currently has the option for accessing international climate funds like the Adaptation Fund and the Green Climate Fund (GCF), through multilateral implementing entities (MIEs) such as the ADB and WB as well as the Regional Implementing Entity (RIE) – SPREP. Chapter 6 outlined the goal of MFNP to achieve National Implementing Entity status to allow direct access to climate funds. Chapter 6 recommended that this should be considered a medium-term (3 to 5 years) goal.

Tonga is actively exploring engagement in GCF readiness activities support countries to access and make effective use of the resources that the Fund is expected to be able to offer.

Tonga will need to consider the capacity to handle these funds, since absorptive capacity of climate funds is one of the key constraints to managing Tonga's climate change response highlighted in previous Chapters. The critical issue of capacity constraints is discussed next.

The Adaptation Fund and Green Climate Fund

If the government's intention is to have a government ministry as the national entity gaining direct access to international funds, then the PEFA assessment and PFM Roadmap provide a strong basis for the Government to progress towards achieving its stated objective of attaining direct access to the AF and the nascent GCF. Both these Funds set strict fiduciary standards as a prerequisite for direct access and many of these are similar to those analysed in the PEFA.

The complexity of the accreditation process and the difficulty of achieving NIE status for direct access to the AF should not be underestimated. In the Asia-Pacific region only one entity has achieved this status so far¹⁰¹. The SPREP achieved Regional Implementing Entity (RIE) status under the same accreditation process. The GCF accreditation process mirrors many elements of the AF accreditation process.

¹⁰¹ National Bank for Agriculture and Rural Development (India)

Box 9.2 What is the Adaptation Fund (AF) and the Green Climate Fund (GCF)

The Adaptation Fund

The Adaptation Fund is a financial instrument under the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol (KP) and was established to finance concrete adaptation projects and programmes in developing country Parties to the KP, in an effort to reduce the adverse effects of climate change facing communities, countries and sectors. The Fund is financed with a share of proceeds from Clean Development Mechanism (CDM) project activities as well as through voluntary pledges of donor governments. The share of proceeds from the CDM amounts to 2% of Certified Emission Reductions (CERs) issued for a CDM project activity.

Activities supported include:

- Water resources management, land management, agriculture, health, infrastructure development, fragile ecosystems;
- Improving the monitoring of diseases and vectors affected by climate change, and related forecasting and early-warning systems, and in this context improving disease control and prevention;
- Supporting capacity building, including institutional capacity, for preventive measures, planning, preparedness and management of disasters relating to climate change;
- Strengthening existing and, where needed, establishing national and regional centres and information networks for rapid response to extreme weather events, utilising information technology as much as possible.

The Green Climate Fund

The Green Climate Fund (GCF) was adopted as a financial mechanism of the UNFCCC at the end of 2011. It aims to make an ambitious contribution to attaining the mitigation and adaptation goals of the international community. Over time it is expected to become the main multilateral financing mechanism to support climate action in developing countries.

The GCF will contribute to the achievement of the ultimate objective of the UNFCCC. In the context of sustainable development, the Fund will promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change, taking into account the needs of those developing countries particularly vulnerable to the adverse effects of climate change. National ownership is intended to be central to the GCF approach.

The Fund will strive to maximize the impact of its funding for adaptation and mitigation, and seek a balance between the two, while promoting environmental, social, economic and development co-benefits and taking a gender-sensitive approach.

Source: <http://www.climatefundsupdate.org/listing/green-climate-fund> & <http://www.climatefundsupdate.org/listing/adaptation-fund>

The basic fiduciary criteria for the AF and the GCF are listed below in Table 9.1 which shows the similarity of the direct access requirements between the Funds.

Table 9.1 Basic fiduciary criteria for direct access to AF and GCF

Fiduciary standards for accreditation to Adaptation Fund ¹⁰²	Proposed fiduciary standards for accreditation to GCF ¹⁰³
<p>1. Financial Management and Integrity</p> <ul style="list-style-type: none"> • Legal status • Financial statements and audit requirements • Internal control framework • Preparation of business plans and budgets <p>2. Institutional Capacity</p> <ul style="list-style-type: none"> • Procurement • Project preparation and approval • Project implementation planning and quality-at-entry review • Project monitoring and evaluation • Project closure and final evaluation <p>3. Transparency, Self-investigative powers, and Anti-corruption</p> <ul style="list-style-type: none"> • Handling financial mismanagement and other malpractices 	<p>1. Key administrative and financial capacities</p> <ul style="list-style-type: none"> • General management and administrative capacities • Financial management and accounting • Internal and external audit • Control frameworks • Procurement <p>2. Transparency and accountability</p> <ul style="list-style-type: none"> • Disclosure of conflicts of interest • Code of ethics • Capacity to prevent or deal with financial mismanagement and other forms of malpractice • Investigations <p>3. Project management</p> <ul style="list-style-type: none"> • Project preparation and appraisal (from concept to full funding proposal) • Project implementation, oversight and control • Monitoring and evaluation • Project-at-risk systems and related project risk management capabilities

While there are many similarities between the two Fund's requirements for fiduciary standards, there are also important differences¹⁰⁴. These criteria are also similar to the areas reviewed by development partners when they assess a government's ability to appropriately use country systems and budget support to provide development assistance.

9.1.2 What are the disaster risk management financing options?

Chapter 6 (Section 6.4) detailed Tonga's current system of public financial management in the time of an emergency. The Section described the three major mechanisms to help with the provision of finance in an emergency situation; namely 1) Emergency Fund; 2) Contingency Fund; and 3) Risk Insurance. In combination, these mechanisms allow for quick response while also being mindful of the need for transparency and accountability in the operations of government.

The PCRAFI in its Tonga Country Note¹⁰⁵ outlined a range of sources for DRR financing, categorised by the length of time following a disaster, namely: Short term (1-3 months); Medium Term (3-9 months) and long term (over 9 months). These funding sources are summarised in Table 9.2.

Table 9.2 Sources for funds for disaster response and reconstruction over time (shading shows the modalities utilized by Tonga)¹⁰⁶

¹⁰² UNFCC, Adaptation Fund, Regional Accreditation Workshop For Asia and Eastern Europe, Apia, Samoa, 23 –25 April, 2012, PowerPoint Presentation on Fiduciary Standards by Accreditation Panel Members Ravinder Singh and Murari Aryal

¹⁰³ Green Climate Fund, Guiding Framework and Procedures for Accrediting National, Regional and International Implementing Entities and Intermediaries, Including the Fund's Fiduciary Principles and Standards and Environmental and Social Safeguards, GCF/B.07/02, 7 May 2014, Meeting of the Board, 18-21 May 2014, Songdo, Republic of Korea, Agenda item 6

¹⁰⁴ http://www.gcfund.org/fileadmin/00_customer/documents/Accreditation/GCF_Accreditation_Introduction_November_2014_final.pdf page 20

¹⁰⁵ <http://pcrafi.sopac.org/documents/>
¹⁰⁶ PCRAFI 2015

	SHORT TERM (1-3 MONTHS)	MEDIUM TERM (3-9 MONTHS)	LONG TERM (OVER 9 MONTHS)
<i>Ex-post Financing</i>			
Donor Assistance (relief)			
Budget Reallocation			
Domestic Credit			
External Credit			
Capital Budget Realignment			
Donor Assistance (reconstruction)			
Tax Increase			
Flash Appeal			
<i>Ex-ante Financing</i>			
Emergency Fund			
Contingency Budget			
Contingent Credit			
Sovereign (parametric) Catastrophe Risk Insurance			
Traditional Disaster Insurance			

Source: Government of Tonga; World Bank.

Tonga has been active in maximising the avenues through which disaster management financing is received. In particular:

- 1) **Donor funds for relief and reconstruction** are provided through the normal project assistance process. In the case of TC Ian the National Emergency Operations Committee (NEOC) prepared a detailed Cyclone Ian Response Plan that includes detailed listing of the projects and assistance needed to fully recover. The specific assistance in the longer term will be managed through the Project Aid Coordinating Committee (PACC).
- 2) **Budget reallocation** - The Public Finance Act allows for budget re-allocation from within a Ministry budget on the condition that:
 - i. the Ministry does not exceed its appropriation; and
 - ii. the budget re-allocation does not increase the amount of the program by more than 10%.
- 3) **External Debt** – A recent debt sustainability analysis downgraded Tonga from high to moderate debt distress. This now means that assistance directed through World Bank and ADB is now provided on a 50/50 grant/ concessional loan basis. This has expanded potential for debt financing for DRR.
- 4) **Flash Appeal** – Cash donations were also provided by development partners and other contributors in response to TC Ian and deposited into a TC Ian account and

the amount received up to August 2014 was TOP1.7m. These funds were used for expenditures for immediate relief. Any remaining funds will be reserved for any subsequent events.

9.1.3 Emerging and underutilized funding sources

The preceding analysis focussed largely on the funding sources the Government has tapped so far to address CCDRM issues. There are also a number of new and emerging and under-utilised funds that Tonga could access. A selected number of the sources will be briefly outlined here. The selection was chosen because of their potential accessibility as well as the long-term potential for these funds to contribute significantly to Tonga's CCDRM response.

Chapter 5 briefly described the AF and the GCF and some of the requirements for accessing those funds. The Table below briefly sets out some details regarding sources of funding that Tonga should look to exploit.

Table 9.3 Other potential sources of funds

Other Potential Sources of international Funds

Source of Assistance	Description	Accessibility
Adaptation Fund	The AF aims to support concrete adaptation activities that reduce the adverse effects of climate change facing communities, countries, and sectors.	Through Multilateral (e.g. WB, ADB, UNEP and UNDP) or MIEs and RIEs (e.g. SPREP). NIE accreditation very onerous and not likely for Tonga in the medium term.
Green Climate Fund (including Readiness Funds)	GCF promotes low-emission and climate-resilient development pathways by supporting developing countries to limit or reduce their greenhouse gas emissions and to adapt to the impacts of climate change. The GCF is yet to disburse funds but will provide funds	Government has nominated MFNP as National Designated Authority. Readiness Funds are accessible directly for readiness activities. As with AF and GCF, there is accessibility through accredited entities which include MIE's and RIEs at this point.
Regional Technical Support Mechanism (RTSM)	The RTSM is a pre-qualified pool of experts with experience in developing and implementing projects in the Pacific in the areas of climate change, climate resilience, adaptation, disaster risk reduction and risk management.	Capitalised by Climate Investment Fund (CIF), administered by ADB and implemented by SPREP. The funds are accessible to all Pacific Island Countries (PICs) with funds accessible throughout the year by technical assistance requests approved by a nominated National Focal Point and submitted to the RTSM Coordinator at SPREP. Project Committee will assess the TA Request against RTSM/RRF Operational Manual and relevant SPREP & ADB guidelines.
Rapid Response Fund (part of RTSM)	RRF finances experts deployed into Pacific Island Countries to provide technical assistance (TA) as and when requested by PICs.	Capitalised by CIF, administered by ADB and implemented by SPREP. The funds are accessible to all PICs with funds accessible throughout the year by TA requests approved by a nominated National Focal Point and submitted to the RTSM Coordinator at SPREP. Project Committee will assess the TA Request against RTSM/RRF Operational Manual and relevant SPREP and ADB guidelines.
GEF SCCF	The Special Climate Change Fund (SCCF) was established to support adaptation and technology transfer in all parties to the UNFCCC. It is designed to finance activities that are complementary to those funded through the climate change focal area of the GEF, under windows of i) adaptation to climate change; ii) technology transfer; iii) mitigation in selected sectors including: energy, transport, industry, agriculture, forestry and waste management; and iv) economic diversification.	Funding window opens every 6 months to seek funding proposals. Tonga, as a non-LDC, is competing against much larger and better resourced countries and so has a limited chance of success.

Source of Assistance	Description	Accessibility
GEF-6 STAR allocation	The System for Transparent Allocation of Resources (STAR) is the GEF's resource allocation system for biodiversity, climate change, and land degradation focal areas. The allocations are determined based on transparent indicators reflecting country performance, country potential to achieve global environmental benefits and the Social Economic Development Index based on each country's GDP per capita.	Based on the formula and indices agreed by the GEF Council in May 2014, the GEF-6 Secretariat computed the STAR allocations to Tonga are US\$1.7m for biodiversity, US\$2.0m for climate change, and US\$0.89m for land degradation to a total of US\$4.59m

As detailed in Chapter 4, Tonga will need to consider the capacity to handle these funds since absorptive capacity of climate funds is one of the key constraints to managing Tonga's climate change response.

9.1.4 Observations and recommendations

Observations

- Tonga has successfully sourced climate financing through a range of funding options
- The long-term climate financing landscape is emerging rapidly and Tonga has a foundation on which to build to take advantage of funding options, given its progress in climate policy, planning, project implementation and experience with development partners.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
45	Continue the strategy to keep GoT options open by accessing climate change and DRM financing through multiple channels	Immediate	MFNP	JNAP Members	Whole-of-Government Climate finance tracking process
46	Continue to explore a multi-pronged approach to accessing climate funds including, but not limited to, the GCF, AF, and GEF through direct access modalities and working with its regional and multi-lateral partners for international access opportunities.	Immediate	MFNP	JNAP Members	Whole-of-Government Climate finance tracking process
47	GoT maintains ongoing processes for climate financing options analysis – given the rapidly emerging climate financing landscape – through a short annual CFRGA update.	Short term	MFNP	JNAP Members	PEFA self assessments Forum Compact Peer Reviews

9.2 Capacity constraints

The Institutional Analysis undertaken in Chapter 4 concluded that key agencies dealing with climate change and disaster risk reduction do not have enough full-time staff to effectively discharge their mandate. As a result, key agencies have, in essence, outsourced elements of their operations to a combination of NGOs and/or project-based staff. However, this effective outsourcing has not been accompanied by Government management oversight that would accompany outsourcing in the private sector.

Importantly, the assessment undertaken in Chapter 7 focused on gender and social inclusion strongly supported the assessment in Chapter 4 that the connection between the limited capacity in central government to the community through provincial and district governance structures requires significant enhancement. Consequently, there are considerable challenges in replicating nationwide the valuable lessons learned from community-based CCDRM activities within a limited number of pilot communities. Chapters 4 and 7 concluded that overcoming these challenges will require a considerable and concerted emphasis on human resource enhancement, aided by institutional strengthening – with a focus on MIA and through MIA, support for provincial, district and Village-level staff.

Options for addressing the considerable capacity constraints in Tonga to ensure that it effectively accesses, manage and disburses climate financing to the most vulnerable, must be tailored to its unique constraints and opportunities. These must recognize the countries' size, economic profile, social economic circumstances and its ongoing relationships with regional organizations to which it is a member of and its development partners.

The CFRGA demonstrated that options for effective capacity enhancement require a simultaneous top-down and bottom up process. The top-down capacity constraints can be addressed through a coordinated process of enhancing the capacity of central government agencies specifically charged with enhancing CCDRM finance, particularly MEIDECC and MFNP.

These agencies have a range of options that can be combined into a package of approaches:

- enhancing capacity directly by hiring additional professional staff and/or
- consolidate the expertise disbursed across agencies; and/or

- supplement capacity through sustained engagement with regional organizations with specific climate financing expertise, including PIFS, SPC and SPREP; and/or
- supplement capacity through donor support either on a project-by-project basis or through long-term budget support.

Taking the view from the community and ensuring that capacity is enhanced from the 'bottom-up' would ensure that a top-down package of options meets community needs and expectations. Tonga has a considerable opportunity in this regard following the establishment of MIA that harmonizes community-level support of government, (see Chapters 4 and 7). Critically, through targeted capacity enhancement that seeks to strengthen the linkage between community-level decision making and international climate financing, sources through national systems will be of both direct benefit to communities and, by ensuring robust and ongoing feedback mechanisms from the community level, enhance ongoing financing access by clearly demonstrating the impact of CCDRM financing at the community level.

Options to enhance bottom-up capacity in this regard include:

- sustained, ongoing training of village, district and provincial staff in CCDRM financing opportunities; and/or
- support for village-level CCDRM planning that included costed options for climate change and disaster vulnerability and risk reduction suitable for accessing CCDRM financing; and/or
- the establishment of robust feedback mechanisms that connect community-level climate financing needs with national CCDRM financing systems.
- Choice of the preferred suite of the above options, and their recommended implementation arrangements are outlined in the Draft Implementation Plan shown in Annex G.

Observations

- The GoT has knowledge and expertise in CCDRM financing concentrated in a very small number of individual staff, disbursed across agencies, and those staff are chronically overburdened. As a result, the Government is not optimising the use of its own expertise or creating mechanisms to ensure the ongoing continuity of critical expertise through structured professional development opportunities.

Recommendations

No.	Recommendation	Implementation Timeframe	Lead organization	Possible Partner Organizations	Indicative Outputs
48	Provide appropriate internal resources to maintain a stable, permanent, well-trained cadre of CCDRM financing staff to monitor and evaluate climate financing options and support implementation of chosen options.	Medium Term	MFNP	JNAP Task Force Members	Cadre of permanent GoT climate financing staff established



© David Kirkland, Image courtesy of the South Pacific Tourism Organisation.

Methodology and Definitions

The CFRGA used a unique approach.

This assessment used the Pacific Climate Finance Assessment Framework, which builds on the CPEIR methodology. For the first time it was jointly conducted with a RGA

To implement the assessment a multidisciplinary team of national and international experts was assembled. The team combined expertise on climate change and disaster risk management governance, public financial management, poverty alleviation, GSI and local institutional knowledge. The team headed by a team leader and was guided by a group of expert advisors from UNDP, SPREP, PIFS and UNWOMEN.

Small expert sub-teams paired with national and international experts, addressed a specific set of tasks, with the team leader undertaking overarching analysis and ensuring consistency of the assessment and its output documents. The sub-teams worked collaboratively to ensure cross learning and integration of key observations as the analysis unfolded.

The assessment looked at the following areas:

- a. **Institutions and structures:** The Policy and Planning Analysis provided an understanding of the mix of policies and plans Tonga developed to guide its climate change work program. It considered the strength of the existing policy mix and processes for development, review and implementation of these policies and plans. The Institutional Analysis assessed the rules, organizations and social norms that facilitate progression towards Tonga's climate change goals. The analysis considered issues such as organizational structure and processes; political, legal and cultural frameworks, coordination and collaboration with external stakeholders, clarity of roles and responsibilities, and infrastructure.
- b. **Funding source analysis:** The Funding Source Analysis provided a comprehensive understanding of the CCF landscape. It will assist Tonga to determine how much and what type of support is available from the range of global, bilateral and regional funding sources, and ultimately help determine their eligibility to access these funds.



- c. **Planning and coordination:** A review of the existing planning procedures, guidelines available for a bottom up planning process, strategic plan for Tonga and individual line ministries. This section also explored the existing coordination mechanism for formulating these plans etc.
 - d. **PFM analysis:** The Public Financial Management and expenditure analyzes considered the strength of Tonga's public financial management systems and the extent to which fiscal policy is sustainable, whether expenditure is having the desired effect on achieving policy objectives and whether there is value for money in service delivery.
 - e. **Human resource management and human resource development:** The Human Capacity Analysis assessed, the ability of individuals to manage programs and projects, individual attitudes, knowledge, behaviour and actions, and how Tonga manages and develops the awareness, understanding and skills of its human resources.
 - f. **Aid and development effectiveness:** The Development Effectiveness Analysis considered the link between climate change and broader development effectiveness efforts. It considered issues such as ownership, leadership, alignment, harmonization, managing for results and mutual accountability.
 - g. **M&E, communication and reporting:** Under this analysis, specific focus was given to find out the existence of an overall M&E system and it's linkage to other M&E systems at different line departments. The analysis covered the existing communication and reporting mechanism.
- **Budgetary allocation and actual expenditure:** the team reviewed the financial management systems for allocating and spending CCDRM related expenditures. This involved the integration of CCDRM objectives within the budgetary process and included as part of budget planning and implementation. The team undertook trend analysis on both budgeted and actual expenditure as well as examined the balance between recurrent versus the capital budget. The relationship between domestic funding and ODA, as well as other sources of external CCDRM finance including NGOs, were also reviewed.
 - **How the private sector can be given incentives for participating in CCDRM actions:** the private sector requires an enabling regulatory environment to be established and maintained by government. The team examined the role played by the private sector in financing CCDRM actions and reviewed (through the PFM specialist) how taxation and subsidy policies are defined vis-à-vis CCDRM related objectives.

Definitions

To undertake a systematic analysis of CCDRM activities in Tonga, it is important to refer to definitions used around the world and especially those used in the Pacific context being developed through the draft Strategy for Climate and Disaster Resilient Development in the Pacific (SRDP).

The Pacific Climate Change Portal¹⁰⁷ and Pacific Disaster Net¹⁰⁸ provide simplified definitions that are based on more technical definitions from UNFCCC, IPCC and UNISDR¹⁰⁹. Box A.1 shows the definitions used by the Pacific Climate Change Portal for Climate Change Mitigation, Climate Change Adaptation. Also shown in Box A.1 are the definitions used by the Pacific Disaster Net for DRR and DRM.

Specifically on the climate financing side, the following issues were explored in greater detail.

- **How to mainstream climate change into the budgetary process:** the existing budgeting system in Tonga offers an opportunity to mainstream CCDRM into the budgetary process. The team examined the opportunities to mainstream CCDRM into the national planning process and the Medium Term Expenditure Framework (MTEF) to support the implementation of climate actions and targets.

¹⁰⁷ <http://www.pacificclimatechange.net/index.php/glossary>

¹⁰⁸ <http://www.pacificdisaster.net:8080/Plone/summary>

¹⁰⁹ http://unfccc.int/resource/cd_roms/na1/ghg_inventories/english/8_glossary/Glossary.htm
https://www.ipcc.ch/publications_and_data/publications_and_data_glossary.shtml
<http://www.unisdr.org/we/inform/terminology>

Box A.1 Definitions from the Pacific Climate Change Portal and Pacific Disaster Net

Definitions from the Pacific Climate Change Portal and Pacific Disaster Net

Climate Change Mitigation (CCM)

Efforts to reduce the levels of greenhouse gases in the atmosphere, either by limiting the sources or by enhancing the sinks. Examples include using fossil fuels more efficiently, switching to renewable energy sources such as solar energy and hydropower, and expanding forests and other sinks to remove greater amounts of carbon dioxide from the atmosphere.

Climate Change Adaptation (CCA)

Making changes in order to reduce the vulnerability of a community, society or system to the negative effects of climate change or make the most of potential positive effects. It includes building skills and knowledge as well as making practical changes such as strengthening coastal infrastructure, adjusting farming systems and improving water management.

Disaster Risk Management (DRM)

The systematic management of organizations, resources, skills and abilities to reduce disaster risk and alleviate the impacts of hazards and related disasters.

Disaster Risk Reduction (DRR)

The development and application of measures to reduce the likelihood and possible consequences of potential disasters.

For the purposes of this analysis CCDRM finance is broadly defined as all financial flows considered beneficial to Tonga's CCDRM response, whether or not this was the primary objective of the funding. For instance, energy sector projects may have benefits in reducing greenhouse gas emissions even if the primary objective was to enhance energy security. Similarly, projects focused on improving water security will improve Tonga's resilience to climate change, and are thus relevant for adaptation efforts even if this may not have been the primary goal of the project. The analysis gives different weightings to financial flows, based on how closely aligned their objectives and outputs are to achieving CCDRM related outcomes for Tonga.

Similarly, there is no agreed accounting methodology for distinguishing between different modes of finance (grants versus loans, for instance). In this analysis, no distinction has been made between grants and loans though the vast majority of funding received by Tonga is in the form of grants.

How countries and development partners define what activities are relevant responses to climate change and disasters can determine the success or otherwise of a project proposal. This is particularly the case where the line, between CCA and DRR can become blurred.

In the Tongan context the definition may not seem to be of consequence and it may not be relevant for a vulnerable community to define a project, such as a coastal mangrove planting, as CCA or DRR. However, the success of funding of this project may vary because of the development partner's views in distinguishing between CCA and DRR. There may also be different sources of funding available for CCA as opposed to DRR and vice-versa. As a result, definitions can be important to securing funding.

Figure A1.1 below shows some of the overlap between CCA and DRR when using the CCDRM definitions outlined above.

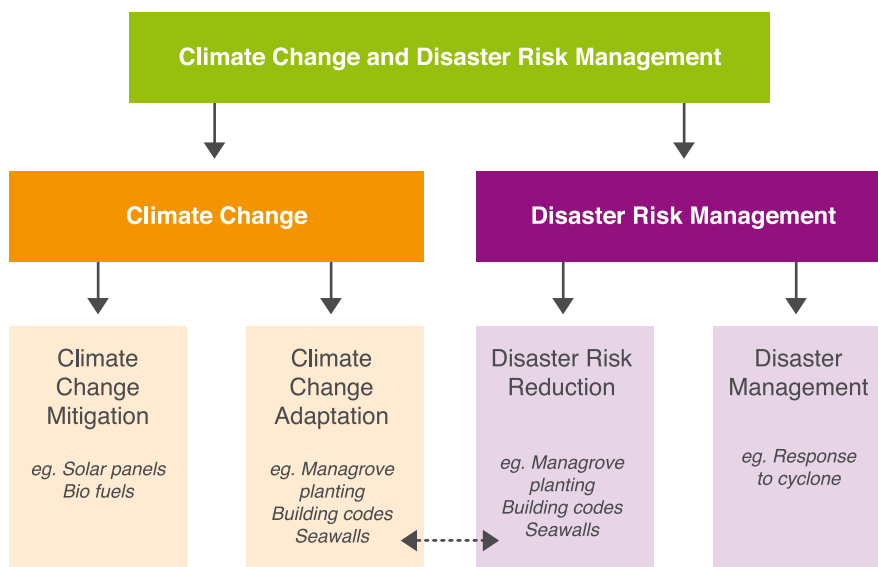


Figure A1.1 Climate Change and Disaster Risk Management (CCDRM) Terminology, Projects and Overlap

A distinction between CCA and DRR was provided in the UNISDR report on Disaster Risk Reduction and Climate Change Adaptation in the Pacific: An Institutional and Policy Analysis¹¹⁰. These definitions are provided in Box A.2. Helps distinguish between these two concepts.

Box A.2 Definitions DRR versus CCA

What is Disaster Risk Reduction?

DRR is the concept and practice of reducing disaster risks through analysis and management of their causal factors. It reduces exposure to hazards, lessens the vulnerability of people and assets, improves management of the land and environment and preparedness for adverse events (UNISDR, 2009). In the Pacific, DRR is considered to be one of two components that make up disaster risk management, the other being disaster management.

What is Climate Change Adaptation?

CCA is defined by the United Nations Framework Convention on Climate Change (UNFCCC) as “adjustments in natural or human systems in response to actual or expected climatic stimuli or their effects that moderate harm and exploit beneficial opportunities. This can include: (a) adapting development to gradual changes in average temperature, sea level and precipitation; and (b) reducing and managing the risks associated with more frequent, severe and unpredictable extreme weather events” (UNISDR, 2010).

Source: UNISDR, UNDP, 2012: *Disaster Risk Reduction and Climate Change Adaptation in the Pacific: An Institutional and Policy Analysis*. Suva, Fiji: UNISDR, UNDP, p. ii

110 <http://www.unisdr.org/we/inform/publications/26725>

References

- Adaptation Fund Board, 'Administrative and Execution Costs: Analysis of Current Rules and Comparison of Practices with other Funds,' Ethics and Finance Committee, Fourth Meeting, Bonn, AFB/EFC.4/7/Rev.1, March 16, 2011
- Australian Bureau of Meteorology and CSIRO (2014). Climate Variability, Extremes and Change in the Western Tropical Pacific: New Science and Updated Country Reports. http://www.pacificclimatechangescience.org/wp-content/uploads/2014/07/PACCSAP_CountryReports2014_WEB_140710.pdf
- Eke, 'Aisake, Hon. Minister for Finance, 'Tonga Climate Change Trust Fund - Sustainable Financing Mechanism to support Community based climate responsive investments', (Power Point Presentation), FEMM Seminar on Establishing and Managing Trust Funds, July 9, 2014, Honiara, Solomon Islands, 2014
- FAO & Tonga MAFFF Rapid Damage Assessment to the Agriculture and Fisheries Sectors Report (2014 – Unpublished).
- Global Environment Fund, 'Policy on Gender Mainstreaming', GEF/C.40/10, Global Environment Facility, 2011, accessed at: <http://www.unep.org/dgef/Portals/43/news/E&S%20safeguards%20C%2040%2010.pdf>
- Global Facility for Disaster Reduction and Recovery (GFDRR), United Nations Development Program (UNDP) and International Strategy for Disaster Reduction (ISDR), 'Disaster Risk Reduction and Climate Change Adaptation in the Pacific, an institutional and policy analysis', 2010.
- Global Facility for Disaster Reduction and Recovery (GFDRR) (2014) Tonga Country Note <https://www.gfdr.org/PCRAFI-Country-Note-Tonga>
- Government of Tonga (2010) Tonga Joint National Action Plan on Climate Change Adaptation and Disaster Risk Management 2010-2015.
- Government of the Kingdom of Tonga, 'Budget Statement 2011-2012', Ministry of Finance and National Planning, June 2011
- Government of the Kingdom of Tonga, Budget Statement 2012-2013 – 'Creating Opportunity in Extraordinary Times', Ministry of Finance & National Planning, Nuku'alofa, June 2012



- Government of the Kingdom Tonga, 'Budget Statement, 2014/15 - 'Partnership: Government and People together building the economy and society', Ministry of Finance and National Planning Nuku'alofa, May, 2014
- Government of the Kingdom of Tonga, 'National Biodiversity Action Plan', 2006
- Government of the Kingdom of Tonga, 'The National Capacity Self -Assessment for global environment, stock taking and thematic assessment report,' 2007.
- Government of the Kingdom of Tonga, 'National Forest Policy', 2009
- Government of the Kingdom of Tonga, 'The National Infrastructure Investment Plan', 2010
- Government of Tonga (2012) Tonga Second National Communication to the UNFCCC <http://unfccc.int/resource/docs/natc/tonnc2.pdf>
- Government of the Kingdom of Tonga, 'National Infrastructure Investment Plan, 2013-2023', Pacific Regional Infra-structure Facility, 2013, p.100
- Government of the Kingdom Tonga, 'National Report for 3rd International Conference on Small Islands Developing States 2014 SIDS Conference', accessed at [www.sids2014.org/content/documents/220 Tonga Final draft.pdf](http://www.sids2014.org/content/documents/220%20Tonga%20Final%20draft.pdf)
- Government of the Kingdom of Tonga, 'National Water Policy', 2011
- Government of the Kingdom of Tonga, 'Program budget of the Government of the Kingdom of Tonga for the year ending 30 June 2009', Ministry of Finance and National Planning, 2008
- Government of the Kingdom of Tonga, 'Program budget of the Government of the Kingdom of Tonga for the year ending 30 June 2010', Ministry of Finance and National Planning, 2010
- Government of Tonga (2010 - Unpublished) Initial Damage Assessment Report, Tonga Ministry of Works and Disaster Relief Activities Report
- Government of the Kingdom of Tonga, 'Program budget of the Government of the Kingdom of Tonga for the year ending 30 June 2011', Ministry of Finance and National Planning, 2010
- Government of the Kingdom of Tonga, 'Program budget of the Government of the Kingdom of Tonga for the year ending 30 June 2012', Ministry of Finance and National Planning, 2011
- Government of the Kingdom of Tonga, 'Program budget of the Government of the Kingdom of Tonga for the year ending 30 June 2013', Ministry of Finance and National Planning, 2012
- Government of the Kingdom of Tonga, 'Program budget of the Government of the Kingdom of Tonga for the year ending 30 June 2014', Ministry of Finance and National Planning, 2013
- Government of the Kingdom of Tonga, 'Program budget of the Government of the Kingdom of Tonga for the year ending 30 June 2015', Ministry of Finance and National Planning, 2014
- Government of the Kingdom of Tonga, The Renewable Energy Policy Framework, 2006
- Government of the Kingdom of Tonga, Revenue Policy Committee, 'Government of Tonga, Investment Incentives, 2014/2015, Bulletin', Ministry of Finance and National Planning, Ministry of Revenue and Customs and Ministry of Commerce Tourism and Trade, 2014
- Government of the Kingdom of Tonga, 'Public Financial Management Report', Public Expenditure and Financial Accountability (PEFA), 2007
- Government of the Kingdom of Tonga, 'Public Financial Management Report', Public Expenditure and Financial Accountability (PEFA), 2010
- Government of the Kingdom of Tonga, 'Revised National Policy on Gender and Development 2014', Ministry of Internal Affairs, 2014
- Government of the Kingdom of Tonga, 'Revised National Policy on Gender and Development Strategic Plan of Action 2014 -2018', Ministry of Internal Affairs, 2014
- Government of the Kingdom of Tonga, 'Tonga National Capacity Self -Assessment for Global Environment Management- Thematic assessment report for the United Nations Convention to combat desertification in Tonga', 2007.
- Government of the Kingdom of Tonga, 'Tonga's Public Financial Management Roadmap 2014/15 – 2018/19', Ministry of Finance and National Planning, 2014
- Government of the Kingdom of Tonga, 'Tongan Strategic Development Framework II: A more progressive Tonga, 2015-2025 (Draft for public comment)', Ministry of Finance and National Planning, 3 March 2015
- Government of the Kingdom of Tonga, 'Tropical Cyclone Ian Response Plan, Safety and Protection Assessment', Ministry of Internal Affairs, January 2014 IASC Gender Marker, IASC, 2009, see FAQ at: <http://www.ochaopt.org/documents/isacgendermarkerfaq.pdf>
- Government of the Kingdom of Tonga, 'United Nations Conventions of Biological Diversity- Stock taking and thematic assessment report', 2007.

- Green Climate Fund, 'Options for a Fund-wide Gender-sensitive Approach', GCF/B.06/13, February 2014, accessed at: http://gcfund.net/fileadmin/00_customer/documents/pdf/GCF_B06_Gender_Options_fin_20140209.pdf
- Hay, John. 'Disaster Risk Reduction & Climate Change Adaptation in the Pacific: An institutional Policy Analysis' United Nations Office for Disaster Risk Reduction, 2012 accessed at: <http://www.unisdr.org/we/inform/publications/26725>
- IASC Gender Marker, IASC, 2009, see FAQ at: <http://www.ochaopt.org/documents/isacgendermarkerfaq.pdf>
- Intergovernmental Panel on Climate Change (2014) 5th Assessment Report. <https://www.ipcc.ch/report/ar5/>
- Intergovernmental Panel on Climate Change (2014) Managing the Risks of Extreme Events and Disasters to Advance Climate Change Adaptation, Special Report of the Intergovernmental Panel on Climate Change, https://www.ipcc.ch/pdf/special-reports/srex/SREX_Full_Report.pdf
- Jayavanth, P., Takai, M, Akau'ola, S. (2009) Disaster and Emergency Preparedness in Tonga, Southeast Asia Journal of Tropical Medicine and Public Health, Vol. 40, Supplement 1, p. 31-40
- National Reserve Bank of Tonga (NRBT), Monthly Economic Review, December 2014, Accessed 5 April 2015, <http://www.reservebank.to/index.php/research/mr>
- Organization for Economic Cooperation and Development, 'The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action', The Paris Declaration on Aid Effectiveness 2005, accessed 31 January 2015 at: <http://www.oecd.org/dac/effectiveness/34428351.pdf>
- Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) (2015) Country Note – Tonga, The World Bank, Washington, D.C Accessed at: <http://pcrafi.sopac.org/documents/>
- Pacific Islands Forum Secretariat (PIFS), 2012 Pacific experiences with modalities relevant for Climate Change Financing Accessed at: <http://www.forumsec.org/resources/uploads/attachments/documents/Pacific%20experiences%20with%20modalities%20relevant%20for%20Climate%20Change%20Financing,%202012.pdf>
- Pacific Islands Forum Secretariat (PIFS), 2015 Pacific experiences with modalities relevant for Climate Change Financing (second volume). Accessed at: <http://www.forumsec.org/resources/uploads/attachments/documents/Second%20Volume%20of%20Pacific%20Experiences%20with%20modalities%20relevant%20for%20Climate%20Change%20Financing.pdf>
- PLAN, Canada (2013) Because I am a Girl: The State of the World's Girls 2013' 'In Double Jeopardy: Adolescent Girls and Disasters', accessed at <http://becauseiamagirl.ca/downloads/BIAAG/GirlReport/2013/BIAAG2013ReportInDoubleJeopardyENG.pdf>
- Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) (2015) Country Note – Tonga, The World Bank, Washington, D.C <http://pcrafi.sopac.org/documents/>
- Pacific Islands Forum Secretariat (PIFS), 2011 Climate Change Financing Options Paper, Forum Leaders and Economic Ministers Accessed at: http://www.forumsec.org/resources/uploads/attachments/documents/2011FEMM_FEMS.05_Report.pdf
- Secretariat of the Pacific Community (SPC) 'Stocktake of the Gender Mainstreaming Capacity of Pacific Island governments – Kingdom of Tonga', Noumea, New Caledonia, 2012
- Secretariat of the Pacific Community (SPC) 'Pacific Gender and Climate Change Toolkit', SPC/GIZ/ UN Women, 2014, accessed at: <http://www.sprep.org/climate-change/new-toolkits-help-incorporate-gender-equality-into-clim...>
- Secretariat of the Pacific Community (SPC)-Global Climate Change Alliance Project (2012): Tonga Climate Change Profile, <http://www.spc.int/images/climate-change/countryprofile/TongaCCProfile.pdf>
- South Pacific Applied Geoscience Commission 'Comprehensive Hazard and Risk Management (CHARM): Regional Guidelines for Pacific Island Countries, SOPAC, Suva, Fiji, 2002
- Statistics Department, 'Household Income and Expenditure Survey Report, 2009', August 2010
- Tax Policy Center, 'The Tax Policy Briefing Book: A Citizen's Guide for the 2008 Election and Beyond', 2008, Urban Institute and Brookings Institution, <http://www.taxpolicycenter.org/briefing-book/background/shelters/expenditures.cfm> (Accessed 2 April 2015)
- Tonga Power Limited, 'Annual Report, Report for Year Ended 30 June 2014,' p.13
- United Nations Framework Convention Climate Change (UNFCCC), 'Adaptation Fund Operations Guidelines,' 2011 https://adaptationfund.org/sites/default/files/Decision%20B.14_15.1%20final.pdf

- United Nations Framework Convention on Climate Change (UNFCCC), Decision 23/CP.18
http://unfccc.int/meetings/doha_nov_2012/session/7049.php
- UNU-EHS and the Alliance Development Works/
Bündnis Entwicklung Hilft (BEH) (2014) World Risk Report (WRR 2014) <http://ehs.unu.edu/news/news/world-risk-report-2014.html#info>
- United States AID (USAID) Adapt Asia-Pacific, Background Note, 'Country Systems: Managing Public Finance for Climate Change Adaptation', USAID Adapt Asia-Pacific Third Annual Forum - Strengthening Country Systems to Access and Manage Climate Change Adaptation Finance in Asia and the Pacific, 2014
- Watson, et al., 10 things to know about financing for reducing disaster risk, 2015, Overseas Development Institute, accessed 31 March 2015, <http://www.undp.org/content/dam/undp/library/crisis%20prevention/disaster/Finance%20for%20reducing%20disaster%20risk-10-Things-to-know-summary.pdf>
- World Risk Report 2015. UNU-EHS and the Alliance Development Works/Bündnis Entwicklung Hilft (BEH). Bonn. Germany. 2015

Consultation List

A broad set of consultations were undertaken during the project through group and/or bilateral discussions. Consultations were undertaken with a wide range of key stakeholders, using the stakeholder consultation list compiled in the Project's Inception Note as guidance. Consultees were government staff, government ministers, civil society, private sector and development partners.

Mission members optimised the mission schedule by undertaken parallel consultations within their respective sub-teams which were feasible. A list of those consulted during the first mission is shown below together with a list of those that attended the Stakeholder Consultation Workshop during the second mission.



C.1 Mission 1 Consultees

Name		Title		Organization		Phone	Email
Strategic Level							
1.	Honourable Siaoosi Sovaleni	Minister	Ministry of Environment, Energy, Climate Change, Disaster Management, Meteorology, Infrastructure and Communication and member of the Legislative Assembly of Tonga's Standing Committee on Climate Change and Environment	+676 28170 Nancy Tamo'ua (EA) +676 28170 +676 77 18469	Nancy Tamo'ua (EA) @ntamoua@yahoo.com/ntamoua@mic.gov.t		
2.	Honourable 'Aisake Valu Eke	Minister	Minister of Finance and National Planning	+676 23066 Melenaita Hojelsen +676 28644 +676 7761037 Pisila Naulala +676 28 644 +676 77 78242	Melenaita Hojelsen @mhojelsen@finance.gov.to Pisila Naulala @pnaulala@finance.gov.to		
3.	Honourable Fe'aomoeata Vakata	Minister	Ministry for Internal Affairs	+676 28977 Fe'ao Hui +676 24586 +676 771 0363	Fe'ao Hui @feao93@gmail.com		
4.	Honourable Samiu Vaipulu	Chairman	Legislative Assembly of Tonga's Standing Committee on Climate Change and Environment	Sulia Makasini	@smakasini@gmail.com		
5.	Lord Tu'i'afitu	Deputy Speaker	Parliament and Member of the Legislative Assembly of Tonga's Standing Committee on Climate Change and Environment	Sulia Makasini	@smakasini@gmail.com		
6.	Honourable 'Etuata Lavulavu	Minister	Ministry of Infrastructure and Member of the Legislative Assembly of Tonga's Standing Committee on Climate Change and Environment	Sulia Makasini	@smakasini@gmail.com		

Name	Title	Organization	Phone	Email
Technical Level				
7. Mr Lopeti Senituli	CEO	Ministry of Internal Affairs	+676 24585	ceo@mia.gov.to
8. Mr Onetoto Anisi	Deputy CEO,	Sports and Recreation Division of the Ministry of Internal Affairs	+676 24585	oanisi@mia.gov.to
9. Ms Lu'isa Manuofetoa	Deputy CEO	Disability Division of the Ministry of Internal Affairs	+676 27 145	lmanuofetoa@mia.gov.to
10. Ms Pulupaki Ika	Deputy CEO	Culture and Youth Division & Officer in Charge of Women's Affairs of the Ministry of Internal Affairs	+676 26 979	pika@mia.gov.to
11. Ms Fanaufou 'Akau'ola	Deputy CEO	Corporate Services Division of the Ministry of Internal Affairs	+676 24585	fakauola@mia.gov.to
12. Ms Kalesita Taumoepeau	Deputy CEO	Employment Division of the Ministry of Internal Affairs	+676 24585	ktaumoepeau@mia.gov.to
13. Ms Tupouhau Fakakovikaetau	Principal Programme Officer	Women's Affairs Division	+676 27 145	tupouf@gmail.com
14. Ms Balwyn Fa'otusia	Deputy Secretary	Aid and Project Division of the Ministry of Finance and National Planning		bfaotusia@finance.gov.to
15. Ms Kilisitina Angahiki Puleiku	Principal Economist	Aid and Project Division of the Ministry of Finance and National Planning		kpuleiku@finance.gov.to
16. Ms Palu Falepapalagi	Economist	Aid and Project Division of the Ministry of Finance and National Planning		pfalepapalagi@finance.gov.to

Name	Title	Organization	Phone	Email
17. Ms Sioana Fili	Economist	Aid and Project Division of the Ministry of Finance and National Planning		@ sfili@finance.gov.to
18. Ms Vika Feiloakitau	Budget Officer	Budget and Corporate Planning Division of the Ministry of Finance and National Planning		@ vfeiloakitau@finance.gov.to
19. Mr Viliami Takau	CEO Chamber of Commerce	Tonga Chamber of Commerce		@ vtakau@gmail.com @ admin@tongachamber.org
20. Ms Pesi Ilangana	Office Manager	Tonga Chamber of Commerce	+676 25 168 +676 888-4938	@ admin@tongachamber.org
21. Mr Ofa Sefana	Tonga Energy Roadmap	Tonga Energy Roadmap		@ ofasefana@yahoo.com @ ofasefana@gmail.com
22. Mr Saimone Helu	CEO Tonga Water Board	Tonga Water Board		@ twbhelu@kalianet.to
23. Mr. Qudus Fielea	Engineer	Tonga Water Board		@ qfielea@gmail.com
24. Ms Luisa Tuiafitu-Malolo	Deputy Director for Climate Change	Ministry of Environment and Climate Change	+676 25050 /28349	@ ltuiafitumalolo@gmail.com
25. Mr Ofa Sefana	Director	Energy		@ ofasefana@yahoo.com
26. Mr Leveni Alo	Director	NEMO		@ levenih5@gmail.com
27. Ms Lupe Matoto	Director	Environment		@ lupe.matoto@gmail.com
28. Mr Fili Lito	Chairman	National Council of Churches of the Ministry of Internal Affairs		@ filito.fwc@gmail.com
29. Mr Samuela Pohiva	Assistant Secretary	Division of Local Government and Community Development of the Ministry of Internal Affairs		@ pohiva.saff@gmail.com
30. Dr Christopher Piper	DRM Advisor	National Emergency Management Office		@ chpiper@csu.edu.au

Name	Title	Organization	Phone	Email
31. Ms Patricia O'Loughlen	Communication Specialist	Tonga Meteorological Office		@ patriciao@met.gov.to
32. Ms Lovely Afu	Senior Auditor	Tonga Audit Office		@ lafu@audit.gov.to
33. Ms Filatoa Vailea	Auditor	Tonga Audit Office		@ fvailea@audit.gov.to
34. Ms Ilaisaane Vea	Senior Economist	Ministry of Finance and National Planning		@ ivea@finance.gov.to
35. Ms Sioana Fili	Economist	Ministry of Finance and National Planning		@ sfilii@finance.gov.to
36. Ms Meleane Kofeloa	Procurement Officer	Ministry of Finance and National Planning		@ mkofeloa@finance.gov.to
37. Mr Richard A. Kautoke	Head of Lands & Geographical Information Systems (LGIS) Unit/ Senior GIS Specialist	Ministry of Lands and Natural Resources	+676 23611 +676 7770218	
38. Mr Rennie Vaiomounga	Geologist	Ministry of Lands and Natural Resources	+676 25 508 +676 771 4395	@ rjegsen@naturalresources.gov.to @ rjegsen@gmail.com
39. Mr Pesalii F Tuiano		Ministry of Infrastructure	+676 7717405	@ pesaliiituiano@gmail.com
40. Ms Losana Latu	Conservation Officer	Department of Climate Change, Ministry of Environment		@ latulosana@gmail.com
NGO/CSOs				
41. Ms Na'a Taiala	Project Coordinator	Tonga Community Development Trust (TCDT)		@ ntaiala@tcdt.to
42. Ms Papiloa Bloomfield	Board Member	Tonga Community Development Trust (TCDT)		@ papiloabf@hotmail.com

Name	Title	Organization	Phone	Email
43. Ms Kalolaina Kavaefiali	Project Coordinator	Tonga Community Development Trust (TCDT)		@ kalo.k@tcdt.to
44. Ms Amelia Ma'afu		Caritas Tonga		@ ameliamaaafu05@gmail.com
45. Ms Eva Tuipeatau Tuiholoaki	Programme Manager	Tonga RedCross Society		@ evaipomana@gmail.com
46. Ms Polikalepo Kepu	Tonga RedCross	Communication Officer		@ poli_kefu@yahoo.com.au
47. SR Senolita Vakata	Director	Caritas Tonga		@ senolitavakata@gmail.com
48. Ms Amelia Ma'afu	Programme Coordinator	Caritas Tonga		@ ameliamaaafu05@gmail.com
49. Mr Soane Patolo	Manager	MORDI Tonga Trust		@ soanejr@morditonga.to
Private Sectors				
50. Mr Siosi Pele		Joyce Media Production		@ siosi.pele@yahoo.com
51. Mr Edgar Cocker			+676 28898	@ edgar047@yahoo.com
52. Ms Vika T Uta		Tonga Development Bank		@ vtuta@tdb.to
53. Mr Fuka Kitekei'aho	Consultant	Geocare & Petroleum Consult Ltd		@ geocare.petroleum@gmail.com
Development Partners				
54. Ms Adele Plummer	Deputy High Commissioner	New Zealand High Commission, Tonga	+676 23122	@ Adele.Plummer@mfat.govt.nz
55. Ms Eriko Oshimi	Chief of Political and Economic Section, Aid Coordinator	Embassy of Japan	+676 22221	@ Eriko.oshimi@mofa.go.jp
56. Mr Xu Zhiguang	First Secretary, Economic and Commercial	The Embassy of the People's Republic of China to the Kingdom of Tonga	+676 24554	@ Ecotonga676@gmail.com
57. Ms Lilieta Takau	Tonga Officer	Pacific Leadership Programme		@ lilieta.takau@plp.org.fj
58. Ms Miliika Tuita	Country Development Manager	United Nations Joint Presence Office		@ miliika.tuita@undp.org

Name	Title	Organization	Phone	Email
59. Ms Kepreen Ve'etutu	Programme Coordinator	UNWOMEN		@ kepreen.veetutu@unwomen.org
60. Ms Lilika Fusimalohi	Senior Program Manager Economic and Public Sector Governance	DFAT		@ Lilika.Fusimalohi@dfat.gov.au
61. Ms Sally Perry	Programme Manager	DFAT		@ Sally.Perry@dfat.gov.au
62. Ms Meria Russels	Programme Manager	DFAT		@ Meria.Russel@dfat.gov.au

C.2 Participants List CFRGA 2nd Mission – Stakeholder Workshop, 16 March 2015, Loumaile Lodge, Nuku'alofa

NAME	MINISTRY/ORGANIZATION	TITLE	EMAIL
1 Taniela Hamala	ADB Climate Resilience Sector Project	Project Contracts	@ hammah@ihug.co.nz
2 Papiloa Foliaki	Tonga Community Development Trust (TCDT)	Board Member	@ papiloabf@hotmail.com
3 Na'a Taiala	Tonga Community Development Trust (TCDT)	Project Coordinator	@ ntaiala@tcdt.to
4 'Aholotu Palu	MFNP	Deputy CEO Aid and Planning	@ aholotupalu@yahoo.co.uk
5 Mr Lopeti Senituli	MIA	CEO	@ losenituli@hotmail.com
6 'Inoke Fotu	MIA/CFRGA	Deputy CEO Local Government and Community Development	@ kupuif@gmail.com
7 Mr Christopher Piper	NEMO	DRM Advisor	@ chpiper@csu.edu.au
8 Ms Patricia O'Loghlen	Tonga Meteorological Office	Communication Specialists	@ patriciao@met.gov.to
9 Kalolaine Kavaefiafi	Tonga Community Development Trust (TCDT)	Project Coordinator	@ kalo.k@tcdt.to
10 Mrs Siosi Pele	Joyce Media Production	Manager	@ siosi.pele@yahoo.com
11 Mrs Milika Tuita	UNDP	Country Development Manager	@ milika.tuita@undp.org
12 Mrs Kepreen Ve'etutu	UNWOMEN	Programme Coordinator	@ kepreen.veetutu@unwomen.org
13 Erling Ve'etutu	CFRGA	National PFM Expert	@ erlingveetutu@gmail.com
14 Mr Stephen Boland	CFRGA	International PFM Expert	@ sjboland2002@gmail.com
15 Dr Robert Key	CFRGA	Team Leader and International CCDRM Expert	@ robert.kay@coastalmanagement.com
16 Mr Kevin Petrini	CFRGA	Team Advisor	@ kevin.petrini@undp.org
17 Ms Polotu Paunga	CFRGA	National GSI Expert	@ polotu@gmail.com
18 Mr Sione Talo Fulivai	CFRGA	National CCDRM Expert	@ talo_is@hotmail.com
19 Mr Bikash Dash	CFRGA	International Institution and Local Government Expert	@ bikashdash@ymail.com

NAME	MINISTRY/ORGANIZATION	TITLE	EMAIL
20	CFRGA	Advisor	@ scotth@forumsec.org
21	Pacific Leadership Program	Tonga Officer	@ lilieta.takau@plp.org.fj
22	PRRP	National Officer	@ sione.vaka@undp.org
23	Act For Peace	Program Coordinator	
24	Tonga National Youth Council (TNYC)	Program Coordinator	@ bennyjagroop@gmail.com
25	MIA – Youth Department	Representative	
26	UNDP	Programme Assistant	@ sisimaffileo@gmail.com
27	Tonga Development Bank	Representative	@ vtuta@tdb.to
28	MEIDECC - Environment	Representative	@ siosiuu.latu@gmail.com
29	MEIDECC - Environment	Representative	@ anafekau@gmail.com
30	MEIDECC - Environment	Representative	@ eileenfonua@gmail.com
31	UNDP – TGSP	Representative	@ haitelenisia.uhila@undp.org
32	Department of Environment	Ridge to Reef Project Finance/ Administration Project Officer	@ patisu2001@gmail.com

Capacity Assessment Methods and Assumptions

D.1 Capacity assessment and capacity development

UNDP defines capacity development as “the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time”. Supporting this process requires identifying the key capacities that already exist and the additional capacities that may be needed to reach these objectives. A capacity assessment provides a comprehensive perspective on the capacities critical to achieving a country’s development objectives. It is an analysis of desired capacities against existing capacities and offers a systematic way of gathering data and information on capacity assets and needs. Conducted during the initial stages of development planning, a capacity assessment serves to provide an input to formulating a capacity development response could strengthen and optimize existing capacities already strong and well founded¹¹¹.

D.1.1 Capacity assessment approach and methodology

The institutional capacity assessment in Tonga was undertaken as a part of CFRGA at three levels- the enabling environment (policy and legal framework), the organizational (systems and procedures) and the individual. Each of these levels were taken as a point of entry for the institutional capacity assessment.

¹¹¹ Capacity Assessment, Practice Note, UNDP, 2008

The overarching purpose of CFRGA was to analyze current climate change and disaster risk reduction capacities, strengths and weaknesses at all levels (national and local), evaluate critical institutional functions and their performance by national institutions, and suggest mechanisms and improvements to make best use of strengths or remedy weaknesses.

In undertaking this work the assessment considered both horizontal relationships across departments and with international NGOs and the private sector. It also analyzed the vertical relationships from national through to community levels to determine the level of engagement and influence lower level institutions (including communities) are having on the framing of national policy and the development plans and priorities.

The assessment comprised of seven core areas and functional capacities¹¹². They are institutions and structures, funding source analysis; planning and coordination, PFM analysis; human resource management and development, aid and development effectiveness, M&E communication and reporting.

The institutional capacity assessment went through three phases:

- a. **Inception phase:** Attempts were made to engage stakeholders by organizing meetings with them and clarifying objectives and expectations. During this phase the methodology of the CFRGA was also discussed and shared with different stakeholders for feedback. Team composition as described in the diagram below for CFRGA was also discussed and TOR formulated. Timeframe for the assessment was also discussed with GoT.
- b. **Conduct institutional capacity assessment:** the second step was divided into two on field missions by the whole CFRGA team to collect data, consult all stakeholders.
- c. **Summarize and interpret results:** during this stage the collected data were analyzed, recommendations were formulated and discussed with different government counterparts and stakeholders before the CFRGA report is finalized and formally submitted.

A questionnaire was developed for the institutional capacity assessment. The questionnaire is an exhaustive list of questions, which were covered during the course of CFRGA.

The questionnaire contained a series of questions that covered the current legal framework, structure, systems and procedures and gaps. It also covered the current planning process and responsible institutions. The questionnaire also covered questions related to the local governance structure and functioning theCCDRM M&E, human resource management and human resource development was also covered in detail in the questionnaire.

¹¹² Functional capacities are needed to create, manage and review policies, legislations, strategies and programmes across levels of capacity (enabling environment, organizational, individual).

Financial Assessments Methods and Assumptions

(including Climate Change program Budget weightings and Climate Change related projects identified)

E.1 Financial assessment methods and assumptions

The quantitative analysis in Chapter 6 of this assessment relied on a range of assumptions and methodologies to help quantify the amount and profile of CCDRM finance that has been received by Tonga in recent years and how this has been applied to achieving the Government's CCDRM objectives.

The analysis is disaggregated into two separate, but related, sections. The first section is a Funding Source Analysis which analyzes the development assistance received by the Government with a focus on CCDRM assistance, including both cash and in-kind assistance.

The second component of the analysis focuses on Government Expenditure based on the GoT budgets for 2008/09 to 2013/14. This analysis includes both domestic revenues and external cash resources provided by development partners, including direct and sectoral budget support. Throughout the analysis all data are in Tongan Pa'anga unless otherwise stated.

E.1.1 Definitions

For the purposes of this analysis CCDRM finance is broadly defined as all financial flows considered beneficial to Tonga's CCDRM response, whether or not this was the primary objective of the funding. For instance, energy sector projects may have benefits in reducing greenhouse gas emissions even if the primary objective was to enhance energy security. Similarly, projects focused on improving water security will improve Tonga's resilience to climate change, and are thus relevant for adaptation efforts, even if this may not have been the primary goal of the project. The analysis gives different weightings to financial flows, based on how closely aligned their objectives and outputs are to achieving CCDRM related outcomes for Tonga.

Similarly, there is no agreed accounting methodology for distinguishing between different modes of finance (grants versus loans, for instance). In this analysis, no distinction has been made between grants and loans though the vast majority of funding received by Tonga is in the form of grants.

E.1.2 Funding source analysis

The basis for the Funding Source Analysis has been the project listing compiled by the CFRGA Assessment Team. The starting point for the preparation of this listing was the project budget data produced by PAMD of MoNFP for the 2014/15 Budget. This list was supplemented with additional information gathered during stakeholder consultations and discussions with Government agencies, public corporations, development partners and non-government organizations. Project documents were reviewed for relevant information with much information being sourced from development partner websites.

The projects in the completed list (tabulated below) were weighted according to their relevance to CCDRM and assigned a percentage. The percentage was then applied to the spending on the project to provide an estimate of the spending directed specifically to achieving CCDRM objectives. The classification is based on the following gradings: high relevance (80%), medium relevance (50%), low relevance (25%), marginal relevance (5%) and no relevance (0%). The relevance ratings were assigned to projects assessed against the objectives of the project using the CPEIR and PCCFAF frameworks. The spending on these projects was then weighted by multiplying project spending by the assigned weighting to approximate the amounts overseas development assistance received by Tonga that address CCDRM issues.

The CPEIR and PCCFAF methodologies were developed for analysis of climate change spending. The CFRGA has taken a broader approach and also included DRM spending including disaster management and disaster risk reduction. Despite this, the CPEIR and PCCFAF classification methodologies are flexible and robust enough to extend the consideration of climate change funding to DRM funded projects too. The major result appears to be that considering CCDRM (as opposed to merely CC) captures more projects when viewed in the light of both CC and DRM impacts.

Table 1 below presents the basic methodology applied to the classification of projects and the weighting of expenditures associated with these projects. Just under half of the projects (46%) are considered to have no relevance to CCDRM.

The number of projects identified as CCDRM may have been somewhat inflated due to TC Ian which occurred during the period under analysis. However, given Tonga's vulnerability it is not unreasonable to expect projects responding to disasters to be permanent feature of any project listing in the nation.

Each project was identified against a range of criteria including Funding Source, Implementing Entity and type of CCDRM project (e.g. CCA, CCM, DRR, DM).

Table 9.4: Classification of Climate Change and Disaster Risk Management (CCDRM) Related Activities

High Relevance	Rationale	Clear primary objective of delivering specific outcomes that improve climate resilience or contribute to mitigation
Weighting 80%	Examples	<ul style="list-style-type: none"> • Energy mitigation (e.g. renewables, energy efficiency) • Disaster risk reduction and disaster management capacity • The additional costs of changing the design of a program to improve climate resilience (e.g. extra costs of climate proofing infrastructure, beyond routine maintenance or rehabilitation) • Anything that responds to recent drought, cyclone or flooding, because it will have added benefits for future extreme events • Relocating villages to give protection against cyclones/sea level • Healthcare for climate sensitive diseases • Building institutional capacity to plan and manage climate change, including early warning and monitoring • Raising awareness about climate change • Anything meeting the criteria of climate change funds (e.g. GEF,PPCR)
Medium Relevance	Rationale	Either (i) secondary objectives related to building climate resilience or contributing to mitigation, or (ii) mixed programmes with a range of activities that are not easily separated but include at least some that promote climate resilience or mitigation
Weighting 50%	Examples	<ul style="list-style-type: none"> • Forestry and agroforestry that is motivated primarily by economic or conservation objectives, because this will have some mitigation effect • Water storage, water efficiency and irrigation that is motivated primarily by improved livelihoods because this will also provide protection against drought • Bio-diversity and conservation, unless explicitly aimed at increasing resilience of ecosystems to climate change (or mitigation) • Eco-tourism, because it encourages communities to put a value of ecosystems and raises awareness of the impact of climate change • Livelihood and social protection programmes, motivated by poverty reduction, but building household reserves and assets and reducing vulnerability. This will include programs to promote economic growth, including vocational training, financial services and the maintenance and improvement of economic infrastructure, such as roads and railways
Low Relevance	Rationale	Activities that display attributes where indirect adaptation and mitigation benefits may arise
Weighting 25%	Examples	<ul style="list-style-type: none"> • Water quality, unless the improvements in water quality aim to reduce problems from extreme rainfall events, in which case the relevance would be high • General livelihoods, motivated by poverty reduction, but building household reserves and assets and reducing vulnerability in areas of low climate change vulnerability • General planning capacity, either at national or local level, unless it is explicitly linked to climate change, in which case it would be high • Livelihood and social protection programs, motivated by poverty reduction, but building household reserves and assets and reducing vulnerability. This will include programmes to promote economic growth, including vocational training, financial services and the maintenance and improvement of economic infrastructure, such as roads and railways
Marginal Relevance		Activities that have only very indirect and theoretical links to climate resilience
Weighting 5%	Examples	<ul style="list-style-type: none"> • Short term programs (including humanitarian relief) • The replacement element of any reconstruction investment (splitting off the additional climate element as high relevance) • Education and health that do not have an explicit climate change element

E.1.3 Analysis of budget expenditure

The assessment of the annual national budget covers the six most recent completed fiscal years from 2008/09 to 2013/14. The analysis is based on weighting the expenditures in each of the Government's subprogram areas. The hierarchy of the annual budget starts at the highest level of 'vote' followed by 'ministry', 'program' and 'sub-program'. The weightings for the budget expenditure were applied at the sub-program level.

The assignment of percentages to sub-programs was approached differently to the assessment of project grading. Each sub-program is assigned a percentage based on information about the sub-program including the supposed amount of time staff members may work on CCDRM issues. For example, staff in the Climate Change Division of MEIDECC were assessed to spend 100% of their time on CCDRM issues and as such were assigned a 100% weighting. However, the Primary School sub-program may be assigned a weighting of 5%, assessed to be in line with how much time teachers might spend teaching CCDRM issues in the curriculum.

Given that staff wages are in most cases the largest component of the budget in most sub-programs, the time assigned to addressing CCDRM issues was considered to be a reasonable proxy for the share of the total budget addressing CCDRM issues. The weightings are approximate based on knowledge about the sub-program and could be refined to be much more accurate with more detailed discussion with line ministries which is beyond the resources of the current assessment. As such the assigned percentages were approximations and used in the absence of more detailed information or a more appropriate methodology.

The weightings range from 100% for agencies such as NEMO to 50% for the UN Mission in New York and to 5% for programs within the Ministries of Education and Health. Many programs are considered to have no climate relevance and are zero-weighted. As with the funding source methodology the expenditure in each sub-program was multiplied by the applied weighting to get an estimate of spending addressing CCDRM issues in the national budget. A full list of the weightings applied to sub-programs is shown below. In this listing only sub-programs with positive weightings are listed (i.e. sub-programs that are zero-weighted are not shown).

Although weightings were applied at the sub-program level, it is not possible to compare expenditure by sub-program across the six years because of changes to the Annual Government Budget Program Structure. The creation of new ministries and reorganizations of existing ministries has resulted in movement of sub-programs between ministries. As such it was not possible to isolate CCDRM expenditures consistently across years according to Ministerial structures. Sub-programs such as the Climate Division and the Energy Division have shifted between Ministries over time. As such, although weightings were applied at the sub-program level an additional classification was needed to try to track expenditure across years. The internationally recognised COFOG was developed by the Organization for Economic Co-operation and Development (OECD) and used by the United Nations and the International Monetary Fund for its classification of Government expenditure. This system is used as a standard system to classify Government expenditure. To assist with the analysis and allow comparisons across years a high level COFOG classification was applied to sub programs. Table 1 sets out the basic structure of the COFOG classification system.

Table 1: First and Second Level COFOG Classifications

First-level	Second-level
General public services	Executive and legislative organs, financial and fiscal affairs, external affairs, foreign economic aid, general services, basic research, R&D general public services, general public services n.e.c., public debt transactions, transfers of a general character between different levels of government.
Defence	Military defence, civil defence, foreign military aid, R&D defence, defence n.e.c.
Public order and safety	Police services, fire-protection services, law courts, prisons, R&D public order and safety, Public order and safety n.e.c.
Economic affairs	General economic, commercial and labour affairs, agriculture, forestry, fishing and hunting, fuel and energy, mining, manufacturing and construction, Transport, Communication, other industries, R&D economic affairs, economic affairs n.e.c.
Environmental protection	Waste management, waste water management, pollution abatement, Protection of biodiversity and landscape, R&D environmental protection, Environmental protection n.e.c.
Housing and community amenities	Housing development, community development, water supply, Street lighting, R&D housing and community amenities, Housing and community amenities n.e.c.
Health	Medical products, appliances and equipment, outpatient services, hospital services, public health services, R&D health, health n.e.c.
Recreation, culture and religion	Recreational and sporting services, cultural services, broadcasting and publishing services, religious and other community services, R&D recreation, culture and religion, Recreation, culture and religion n.e.c.
Education	Pre-primary and primary education, secondary education, post-secondary non-tertiary education, tertiary education, education not definable by level, subsidiary services to education, R&D education, Education n.e.c.
Social protection	Sickness and disability, old age, survivors, family and children, unemployment, housing, social exclusion n.e.c., R&D social protection, social protection n.e.c.

E.2 Project Listing – CCDRM High Relevance Projects (Unweighted)

Ministry	Project Name	Weight	Funding Source	Implementing Entity	Type	DAC	Total
MAFF	Small Holder Rain Water Harvesting	0.8	China	People's Republic of China	CCA	311_Agriculture	\$ -
			UN Agency	Secretariat of the Pacific Community (SPC)	CCA	311_Agriculture	\$ 10,000
			UN Agency	IFAD	CCA	311_Agriculture	\$ 38,583
MEDCC	Tonga National Observer Programme	0.8	Abu Dhabi	Abu Dhabi	CCM	230_Energy Generation	\$ 6,480,000
	Abu Dhabi solar Project-Solar PV Grid Vava'u	0.8	Abu Dhabi	Abu Dhabi	DBR	740_Disaster Prevention and Preparedness	\$ 40,000
	ACP-EU Building Safety and Resilience in the Pacific	0.8	European Union	European Union	DBR	740_Disaster Prevention and Preparedness	\$ 40,000
	APT JB E-dialer project (early warning system for Tonga)	0.8	Japan	Asia Pacific Telecommunications	DBR	740_Disaster Prevention and Preparedness	\$ 925,000
	Storms Gasification Tongatapu and Tua	0.8	2 New Zealand	NZAD	CCM	230_Energy Generation	\$ -
	Climate Change Adaptation Needs	0.8	2_Australia	Australia Bilateral Assistance	CCA	410_Environmental Protection	\$ 169,427
	Climate Resilience Sector Project (CRSP)	0.8	DF	Asian Development Bank (ADB)	CCA	410_Environmental Protection	\$ 15,510,000
	Community Solar Powered Water Pumping Phase I - Ha'apai	0.8	Denmark	Denmark	CCM	230_Energy Generation	\$ 716,000
	Community Solar Powered Water Pumping Phase II - Vavau	0.8	1_ADB	ADB	CCM	230_Energy Generation	\$ -
	Community Solar Powered Water Pumping Phase III - Tongatapu	0.8	Not known	Not known	CCM	230_Energy Generation	\$ -
	Community Solar Powered Water Pumping Phase IIIa - Tongatapu	0.8	Italy	Italy	CCM	230_Energy Generation	\$ -
	Community Water Pumping	0.8	Dzair	International Union for Conservation (IUCN)	CCA	140_Water and Sanitation	\$ -
	Community Water Pumping	0.8	UN Agency	IFAD	CCA	140_Water and Sanitation	\$ -
	Complementing national energy strategy by integrating Renewable Energy into Education Curriculum	0.8	GEF	SPREP	CCA	230_Energy Generation	\$ -
	Coping with Climate Change in the Pacific Island Region (CCPIR)	0.8	Germany	Secretariat of the Pacific Community (SPC)	CCA	410_Environmental Protection	\$ 160,000
	Development of national efficient lighting and labeling strategy	0.8	GEF	UNEP	CCM	230_Energy Generation	\$ 8,303
	Disaster Awareness	0.8	GEF	UNEP	DBR	740_Disaster Prevention and Preparedness	\$ 67,000
	Early Warning System - Korofofua	0.8	Japan	Japan	DBR	740_Disaster Prevention and Preparedness	\$ -
	Emergency Logistics Management Training	0.8	UN Agency	IFAD	DBR	740_Disaster Prevention and Preparedness	\$ 9,421
	Energy project	0.8	Unidentified	Unidentified Donor	CCM	230_Energy Generation	\$ -
	Enhancing Disaster Preparedness	0.8	2_Australia	Australia Bilateral Assistance	DBR	740_Disaster Prevention and Preparedness	\$ 48,877
	EU - Global Climate Change Alliance (GCCA) - USP	0.8	European Union	European Union	CCA	410_Environmental Protection	\$ 256,000
	EU Sectoral Budget Support (Energy)	0.8	European Union	European Union	CCM	230_Energy Generation	\$ 14,570,000
	GCCA: PSC Global Climate Change Alliance Project- Pacific Small Island States	0.8	European Union	Secretariat of the Pacific Community (SPC)	CCA	410_Environmental Protection	\$ 1,216,661
	Global Compact Fluorescent Lamp (GFL) Testing Project	0.8	UN Agency	United Nations Environment Program	CCM	230_Energy Generation	\$ 12,843
	Improve overall station efficiency	0.8	Unknown	Not known	CCM	230_Energy Generation	\$ -
	Installation of prepaid meters	0.8	2 New Zealand	NZAD	CCM	230_Energy Generation	\$ 350,000
	International Climate Change Adaptation Initiative (ICCA)	0.8	CRCP Agency	Secretariat of the Pacific Community (SPC)	CCA	410_Environmental Protection	\$ 601,974
	JMAP - climate change	0.8	2_Australia	Australia Bilateral Assistance	CCA	410_Environmental Protection	\$ 273,273
	Lofanga Solar System (LJCN)	0.8	Other	International Union for Conservation (IUCN)	CCM	230_Energy Generation	\$ 35,031
	Minimum Energy Performance Standards and Electrical Appliance Labeling Regulation for Tonga	0.8	2_Australia	Secretariat of the Pacific Community (SPC)	CCM	230_Energy Generation	\$ 150,000
	National Disaster Risk Reduction (EU-ADP)	0.8	European Union	European Union	DBR	740_Disaster Prevention and Preparedness	\$ 400,000
	National Emergency Finance	0.8	China	People's Republic of China	DBM	720_Emergency Response	\$ 531,953
			European Union	European Union	DBM	720_Emergency Response	\$ 4,100,000
			IDA	World Bank/International Development Agency (IDA)	DBM	720_Emergency Response	\$ 3,468,047
			2_Australia	Asian Development Bank (ADB)	CCM	230_Energy Generation	\$ 2,400,000
	Outer Island Renewable Energy Project - Solar PV Grid Ha'apai, Tua and Nuku	0.8	2_Australia	European Union	DBR	740_Disaster Prevention and Preparedness	\$ -
	Pacific Adaptation to Climate Change Project (PACC)	0.8	2_Australia	Secretariat of the Pacific Regional Environmental Program (SPREP)	CCA	410_Environmental Protection	\$ 643,740
	Pacific Appliance Labeling and Standards (PALS) Project	0.8	CRCP Agency	Secretariat of the Pacific Community (SPC)	NA	230_Energy Generation	\$ -
	Pacific Risk Resilience Program (PRRP)	0.8	2_Australia	Australia Bilateral Assistance	DBR	410_Environmental Protection	\$ 1,300,000
			United Nations Development Program (UNDP)	United National Development Program (UNDP)	DBR	410_Environmental Protection	\$ -
	PC and Equipment for NEMO	0.8	2 New Zealand	NZ - Other Government	CCA	720_Emergency Response	\$ 46,264
	PEC Fund - Solar Deep Freezers and Water Pumps	0.8	Japan	Japan - PEC	CCM	230_Energy Generation	\$ -

Ministry	Project Name	Weight	Funding Source	Implementing Entity	Type	DAC	Total
MEDECC	PROGARP-Renewable Energy -SPREP	0.8	GEF	Secretariat of the Pacific Regional Environmental Program (SPREP)	CCM	230_Energy Generation	\$ 797,000
	Promoting Energy Efficiency in the Pacific (Phase 2) - PEEF2	0.8	ADB	ADB	CCM	230_Energy Generation	\$ 650,000
	Recover waste heat for additional electricity generation	0.8	2 New Zealand	NZAD	CCM	230_Energy Generation	\$ -
	Remote Community Solar Powered Freezers	0.8	Japan	ADB	CCM	230_Energy Generation	\$ -
	Ridge to Reef Project	0.8	GEF	UNDP	CCA	410_Environmental Protection	\$ 500,000
	Study of the main obstacles of solar water heater (SWH) sector and find solutions to improve its development	0.8	CROP Agency	SPC	CCM	230_Energy Generation	\$ -
	TERM implementation Project - Nuku'alofa Grid Upgrading Project	0.8	IDA	WB	CCM	230_Energy Generation	\$ -
	Third National Communication Project	0.8	GEF	Secretariat of the Pacific Community (SPC)	CCA	740_Disaster Prevention and Preparedness	\$ 800
	Total power feasibility study and project	0.8	Not Known	United National Development Program (UNDP)	GRR	740_Disaster Prevention and Preparedness	\$ 138,503
	Tonga Village Network Upgrade - Rural Electrification Project	0.8	2 New Zealand	Not Known	CCM	230_Energy Generation	\$ -
	TERM Stage 1, 2 and 3	0.8	2 New Zealand	New Zealand Bilateral	CCM	220_Communications	\$ 15,534,807
	Tsunami Project Manager	0.8	2 New Zealand	New Zealand Bilateral	GRR	740_Disaster Prevention and Preparedness	\$ -
	MUNE	Vaini Solar Farm (Nuku'alofa) Microgrid	0.8	Japan	Japan - Other	CCM	230_Energy Generation
Wind Turbines Without Storage		0.8	2 New Zealand	NZAD	CCM	230_Energy Generation	\$ -
Energy project		0.8	UN Agency	IFAD	CCM	230_Energy Generation	\$ -
JNMF (Tefiti CL Project proposal for Japan)		0.8	Japan	Japan - Other	CCA	410_Environmental Protection	\$ 193
Outer Island Electrification- clean energy by solar homes		0.8	2_Australia	Australia Bilateral Assistance	CCM	230_Energy Generation	\$ 1,666,667
PEC Fund - solar powered deep freezers and water pumps		0.8	Japan	Japan - PEC	CCA	230_Energy Generation	\$ 4,000,000
Revision of the NSR		0.8	Japan	Japan - Other	CCA	998_Unallocated	\$ 737,776
Sustainable Land Management (SLM)		0.8	GEF	United National Development Program (UNDP)	CCA	410_Environmental Protection	\$ -
Sustainable Urban Planning & Environmental Protection (UPEP)		0.8	European Union	European Union	CCA	430_Multisector	\$ 167,007
Sustainable Water		0.8	Japan	Japan - Other	CCA	140_Water and Sanitation	\$ 194
Sustainable Water Resources and Water Management		0.8	GEF	UNDP	CCA	410_Environmental Protection	\$ 113,858
EU-GID Adapting to Climate Change and Sustainable Energy (ACSE)		0.8	European Union	European Union	CCA	140_Water and Sanitation	\$ 95
MoFNP		Earl Water tanks	0.8	Other	Koron Fund	CCA	140_Water and Sanitation
	Japan PCMA/I Premium	0.8	Japan	World Bank/International Development Agency (IDA)	GRR	740_Disaster Prevention and Preparedness	\$ 1,200,000
	PCMA/I Payout Cyclone Iam	0.8	PCMA/I	World Bank/International Development Agency (IDA)	GRR	720_Emergency Response	\$ 2,373,830
	Renewable Energy & Energy Efficiency (REEEP)	0.8	UN Agency	IFAD	CCM	150_Government and Civil Society	\$ 80,746
	Disaster Awareness	0.8	GEF	UNDP	GRR	740_Disaster Prevention and Preparedness	\$ 2,200
MoI	National Emergency Finance	0.8	3_World Bank	World Bank/International Development Agency (IDA)	GRR	720_Emergency Response	\$ -
		0.8	China	People's Republic of China	GRR	720_Emergency Response	\$ -
MoPE	Tsunami Project Manager	0.8	2 New Zealand	New Zealand Bilateral	GRR	740_Disaster Prevention and Preparedness	\$ 30,385
	Tonga Forest Project	0.8	2 New Zealand	New Zealand Bilateral	CCM	311_Agriculture	\$ 1,187,070
PMO	Early Warning System - Koroisipola	0.8	Japan	Japan	GRR	740_Disaster Prevention and Preparedness	\$ 425,000
	Grand Total						\$ 106,184,279

E.3 Project Listing – CCDRM Medium Relevance Projects (Unweighted)

Ministry	Project Name	Weighting	Funding Source	Implementing Entity	Type	DIAC	Total
MAFF	Food Security and Sustainable Livelihoods	0.5	Unclassified	FAO	CCA	311_Agriculture	\$ 300,000
	LVGI Food Security	0.5	CRCP Agency	Secretariat of the Pacific Community (SPC)	CCA	311_Agriculture	\$ 180,476
MEIDECC	Global Compact Fluorescent Lamp (GFL) Testing Project	0.5	GEF	United Nations Environment Program	CCM	230_Energy Generation	\$ -
	Integrated Island Biodiversity	0.5	GEF	Secretariat of the Pacific Regional Environmental Program (SPREP)	CCA	410_Environmental Protection	\$ 469,124
	Mangrove Ecosystem	0.5	Other	International Union for Conservation (IUCN)	CCA	430_Multisector	\$ 185,385
	Marine and Coastal Biodiversity Management in the PICS	0.5	Other	International Union for Conservation (IUCN)	CCA	430_Multisector	\$ 340,000
	National Biodiversity Strategy and Action	0.5	GEF	United Nations Environment Program	CCA	430_Multisector	\$ 322,355
	Pacific Leaders Energy Summit	0.5	ADF	Asian Development Bank (ADB)	Other	230_Energy Generation	\$ 17,007
	PRIF-TECP	0.5	2_Australia	Australia Bilateral Assistance	CCA	998_Unallocated	\$ 76,001
	Rehabilitation of the NTT Met Station	0.5	UN Agency	IFAD	CCA	740_Disaster Prevention and Preparedness	\$ 87,447
	Tonga Rural Innovation Projects	0.5	IFAD	IFAD	CCA	400_Multisector/Cross Cutting	\$ 1,648,774
	Salinity Monitoring	0.5	UN Agency	IFAD	CCA	400_Multisector/Cross Cutting	\$ 2,857,954
MIA	Grant Assistance for Grassroots Projects (GGP)	0.5	GEF	UNDP	CCA	410_Environmental Protection	\$ 7,554
		0	Japan	Japan - Other	CCA	150_Government and Civil Society	\$ 6,000,000
MLNR		0.5	Japan	Japan	CCA	150_Government and Civil Society	\$ 1,967,329
	Social Vulnerability Projects	0.5	Japan	Asian Development Bank (ADB)	CCA	150_Government and Civil Society	\$ 781,128
MoFNP	TBU electricity survey	0.5	UN Agency	IFAD	Other	150_Government and Civil Society	\$ 758
	Tonga Post Tsunami Project	0.5	IDA	World Bank/International Development Agency (IDA)	DRR	150_Government and Civil Society	\$ 1,799,465
	Tongatapu Electricity Survey	0.5	UN Agency	IFAD	Other	150_Government and Civil Society	\$ 7,196
	Integrated Urban Dev Project Phase 1	0.5	ADF	Asian Development Bank (ADB)	CCA	430_Multisector	\$ 2,545,223
	Tongatapu Electricity use survey	0.5	2_Australia	Australia Bilateral Assistance	Other	230_Energy Generation	\$ 16,272
Grand Total							\$ 19,609,447

E.4 CC DRM Budget Weightings for 2013-14 Program Structure

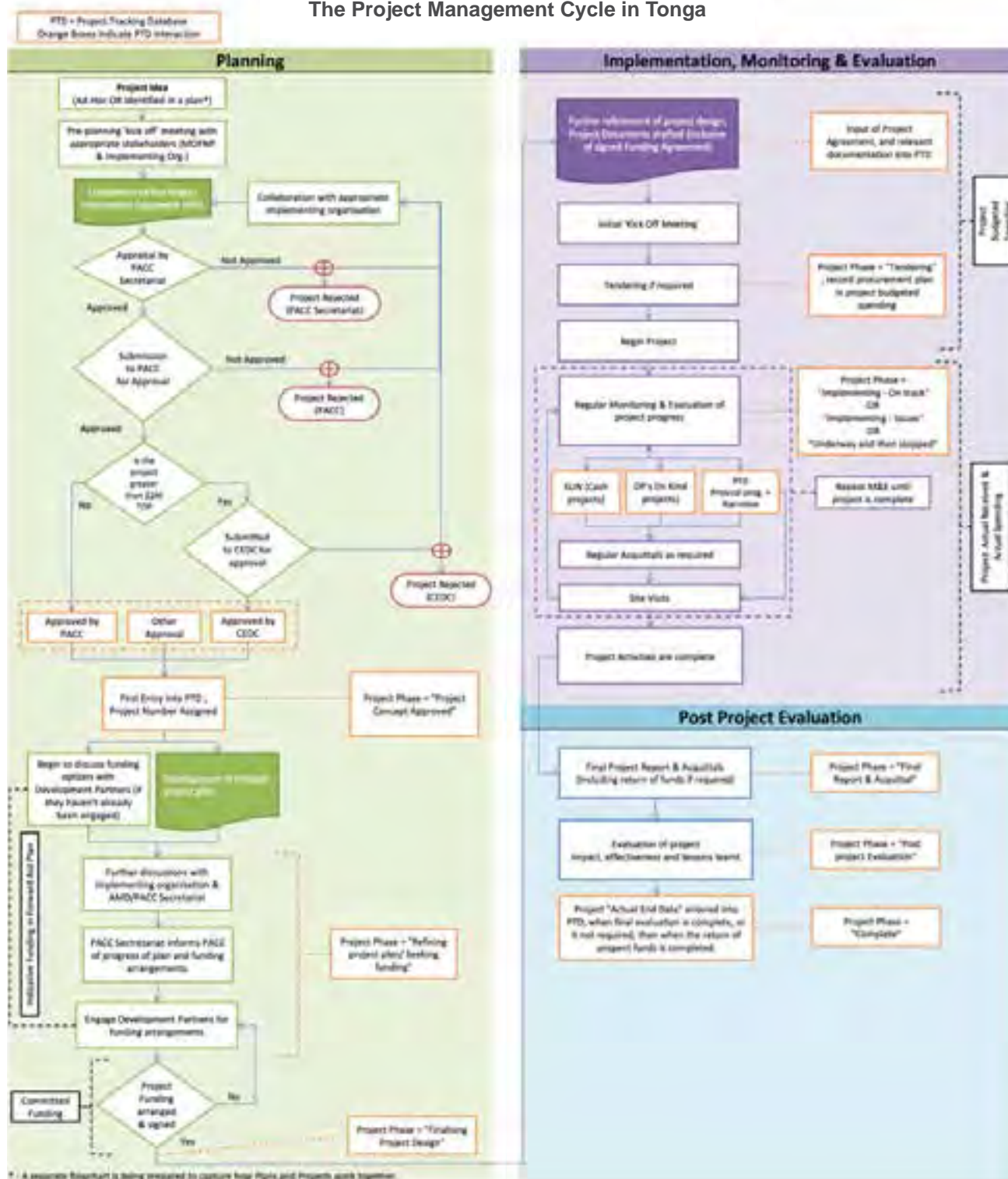
Ministry	Sub-program name	COFOG Classification	CC DRM Weighting
Legislative Assembly	Committees and Library Services Division	General Public Services	10%
	Office of the Clerk of the House	General Public Services	5%
	Office of the Speaker & Members of Parliament	General Public Services	5%
	Reporting and Publishing Division	General Public Services	5%
Ministry of Foreign Affairs & Trade	Auckland Mission	General Public Services	5%
	Beijing Mission	General Public Services	5%
	Canberra Mission	General Public Services	5%
	Corporate Services	General Public Services	10%
	New York Mission	General Public Services	50%
	Office of the CEO	General Public Services	10%
	Office of the Minister	General Public Services	10%
	Tokyo Mission	General Public Services	5%
	Wellington Mission	General Public Services	5%
Tonga Defence Services	Tonga Defence Headquarter	Defence	10%
	Tonga Navy and Air wing	Defence	10%
Prime Minister's Office	Communications	General Public Services	10%
	Community Engagement	General Public Services	10%
	Corporate Services	General Public Services	10%
	Information Unit	General Public Services	10%
	Leadership & Policy Coordination	General Public Services	10%
Ministry of Finance & National Planning	Aid Management and Projects Division	General Public Services	25%
	Budget and Fiscal Policy Division	General Public Services	10%
	Community Development	Housing and Community Amenities	5%
	Corporate Services	General Public Services	10%
	Development Policy and Planning Division	General Public Services	10%
	Office of the CEO	General Public Services	5%
	Office of the Minister	General Public Services	5%
	Special Project	General Public Services	20%
Attorney General's Office	Office of the Attorney General and Legal Services	General Public Services	10%
Ministry of Police, Prisons & Fire Services	Community Safety Services	Public Order and Safety	10%
	Corporate Services	Public Order and Safety	5%
	Fire Suppression & Emergency Response Services	Public Order and Safety	25%
	Training & Development	Public Order and Safety	10%
Ministry of Health	Clinical Support Services	Health	5%
	Community Health Services	Health	20%
	Corporate Services	Health	20%
	Curative Health Services	Health	5%
	Environmental Health Care	Health	20%
	Health Information and Planning	Health	20%
	Nursing Care Services	Health	5%
	Office of the Director	Health	5%

Ministry	Sub-program name	COFOG Classification	CC DRM Weighting
	Office of the Minister	Health	5%
	Outpatient & Casualty Services	Health	20%
	Preventative Health Services	Health	20%
Ministry of Education & Training	Examination and Assessment	Education	5%
	Higher Education Office	Education	5%
	Learning and Teaching Resources	Education	5%
	Office of the CEO	Education	5%
	Office of the Minister	Education	5%
	Primary Schools	Education	5%
	Secondary Schools	Education	5%
Ministry of Internal Affairs	Administration and Accounts	Recreation, Culture and Religion	5%
	Administration and Accounts Section	Recreation, Culture and Religion	5%
	Church Leaders Desk	Recreation, Culture and Religion	5%
	Community Grants Schemes	Housing and Community Amenities	10%
	Corporate Services	Recreation, Culture and Religion	5%
	Culture	Recreation, Culture and Religion	5%
	Development Committee	Recreation, Culture and Religion	5%
	Domestic Affairs	Social Protection	5%
	Leadership and Policy Advice	Recreation, Culture and Religion	5%
	Local Governance	Housing and Community Amenities	50%
	Office of the CEO	Recreation, Culture and Religion	5%
	Office of the Minister	Recreation, Culture and Religion	5%
	Outer Island Office Administration	Housing and Community Amenities	5%
	Program administration	Recreation, Culture and Religion	5%
	Women's Affairs and Human Rights	Social Protection	5%
	Youth development program	Recreation, Culture and Religion	5%
Ministry of Agriculture, Food, Forests & Fisheries	Administration Services & Outer Islands	Economic Affairs	20%
	Administration, Human Resource & Training Development	Economic Affairs	30%
	Aquaculture Research and Development	Economic Affairs	20%
	Budget & Finance	Economic Affairs	10%
	Community Development and Advisory Section	Housing and Community Amenities	20%
	Crops Research Development	Economic Affairs	20%
	Economic Section	Economic Affairs	10%
	Export Expansion, Food Security and Women Development	Economic Affairs	10%
	Financial Support Services	Economic Affairs	30%
	Fisheries Management & Planning	Economic Affairs	20%
	Food Processing & Regulatory Services	Economic Affairs	20%
	Forestry Development & Conservation	Economic Affairs	20%
	Inshore Research and Development	Economic Affairs	20%
	Leadership and Direction	Economic Affairs	20%
	Livestock Production Development	Economic Affairs	20%
	Monitoring and Surveillance + Enforcement	Economic Affairs	10%
	Offshore Resource and Development	Economic Affairs	20%

Ministry	Sub-program name	COFOG Classification	CC DRM Weighting
	Policy Advice & Planning Development	Economic Affairs	30%
	Quarantine & Quality Management Support Services	Economic Affairs	20%
Ministry of Infrastructure	Tu'imatamoana Fish Market	Economic Affairs	20%
	Building Services	Economic Affairs	10%
	Civil Aviation	Economic Affairs	5%
	Corporate Services	Economic Affairs	5%
	Engineering Services	Economic Affairs	5%
	Land Transport	Economic Affairs	5%
	Marine and Ports	Economic Affairs	5%
	Meteorological Services	Environmental Protection	50%
	National Emergency Management Organization	Environmental Protection	100%
	NOT AVAILABLE	Economic Affairs	5%
	Office of the CEO	Economic Affairs	5%
	Office of the Minister	Economic Affairs	5%
	Policy and Planning	Economic Affairs	5%
TSCP Administration	Economic Affairs	5%	
Ministry of Lands, Environment, Climate Change & Natural Resources	Climate Division	Environmental Protection	100%
	Corporate Services	Environmental Protection	50%
	Energy Division	Economic Affairs	80%
	Environment Division	Environmental Protection	80%
	Land Information Management Division	Housing and Community Amenities	50%
	Land Management Division	Housing and Community Amenities	50%
	Natural Resource Management Division	Environmental Protection	50%
	Office of the CEO	Environmental Protection	50%
	Office of the Minister	Environmental Protection	50%
	Planning and Urban Management Division	Housing and Community Amenities	50%
Bureau of Statistics	CEO Office	General Public Services	5%
	Corporate Service and IT	General Public Services	5%
	Statistical Advise & Support Services	General Public Services	5%
	Statistical Services	General Public Services	5%

E.5 Project Approval Process

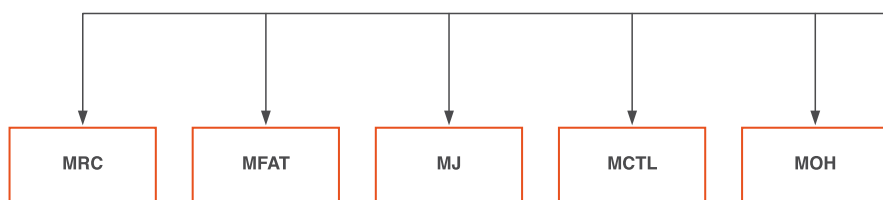
The Project Management Cycle in Tonga



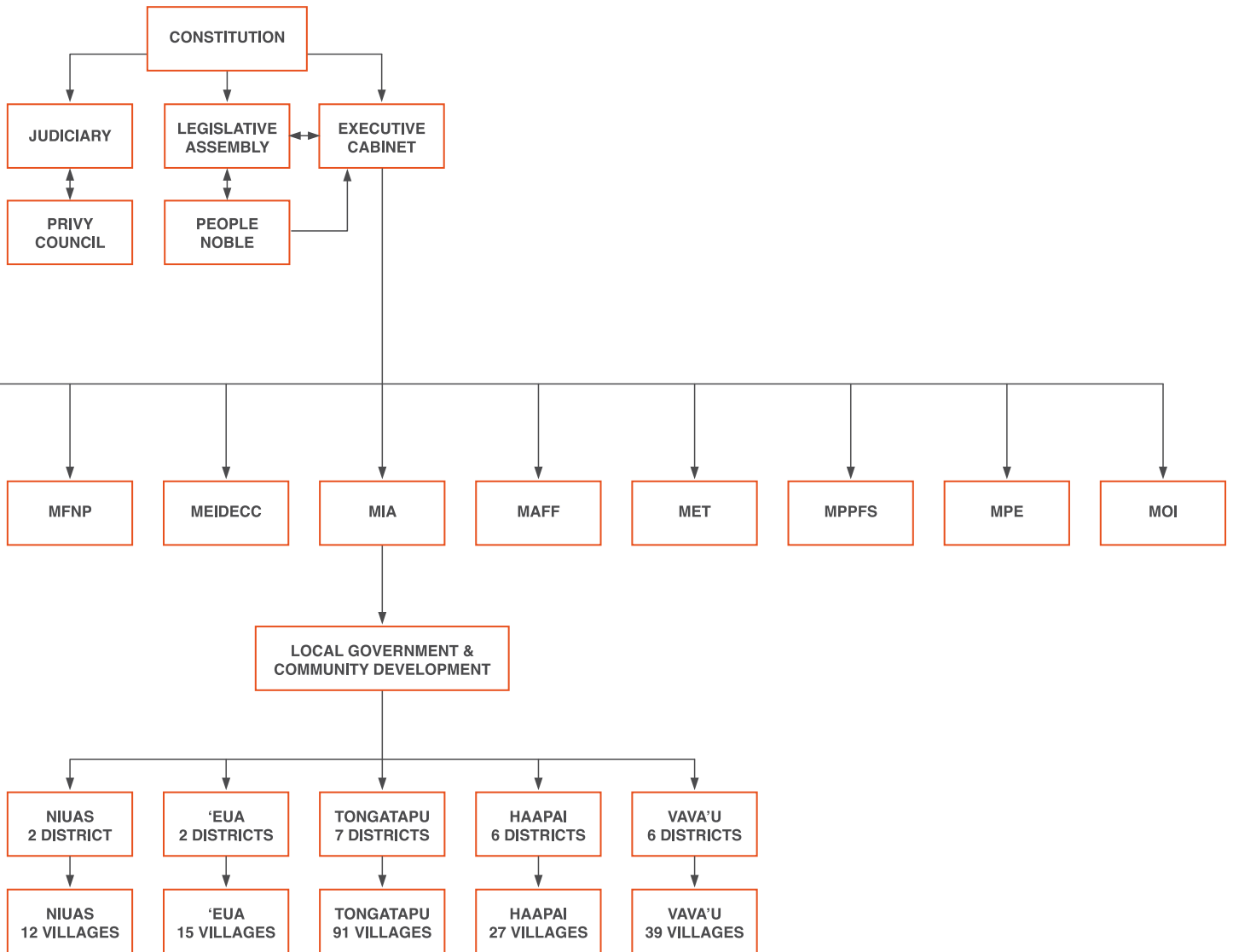


Structure of the Tonga Public Sector

The following shows the current organization of national and sub-national Government structures under the new Tongan political system.



TONGAN NEW POLITICAL SYSTEM



Draft Implementation Plan

Chapter 2 Risk Profiling

No	Recommendation	Implementation Timeframe	Lead Organization	Potential Partner Organization	Outputs
1	An up to date database on climate and geohazards is maintained to ensure a consistent approach to the reporting of impacts to help track their change over time	Short	NEMO	JNAP Secretariat	Database on climate and geohazards and associated outreach materials
2	Develop consistent vulnerability assessment methodologies are developed to ensure a comprehensive assessment of climate and geohazards vulnerability is undertaken.	Short	NEMO	JNAP Secretariat	Consistent national and community level vulnerability assessments for different hazards.
3	Ensure future vulnerability assessments undertaken to integrate social status, gender, poverty and disability.	Short	JNAP Secretariat	NEMO JNAP Agencies	Consistent community-level vulnerability assessments.

Chapter 3 Policy Analysis

No	Recommendation	Implementation Timeframe	Lead Organization	Potential Partner Organization	Outputs
4	Ensure that process for updating the JNAP, Climate Policy and NEMP are closely coordinated.	Short	JNAP Secretariat NEMO	JNAP Task force Members	Harmonized second versions of the JNAP II, Climate Change Policy and NEMP.
5	Develop a toolkit to guide integration of CCDRM into sectoral planning processes	Medium	JNAP Secretariat NEMO	JNAP Task force Members	Toolkit CCDRM into sectoral planning processes
6	Strengthen GoT and NGO partnerships in the development of provincial, district, and Village CCDRM planning through development of specific memoranda of understanding for joint planning and service delivery	Short	JNAP Secretariat	Ministry of Internal Affairs, NEMO, JNAP Task Force	Government/NGO partnership MoUs
7	Conduct a bi-annual stock take of all CCDRM initiatives at the provincial, district, and village level	Medium	JNAP Secretariat	NEMO, Ministry of Internal Affairs, JNAP Task Force	Regular CCDRM stock take conducted and updated
8	Utilise MIA's 'bottom up' development planning process as a conduit for integration of CCDRM into sub-national development planning	Short	MIA	NEMO, JNAP Task Force	Subnational development planning and implementation incorporates risk considerations
9	Continue the active and positive contribution to regional and international CCDRM fora	Long	Department of Climate Change, NEMO	MEIDECC; JNAP Task Force Members, Ministry of Foreign Affairs, MFNP	Ongoing contributions to regional, UNFCCC, GFDRR and other international fora

Chapter 4 Institutional Analysis

No	Recommendation	Implementation Timeframe	Lead Organization	Potential Partner Organization	Outputs
10	Undertake an institutional review of all CCDRM coordination mechanisms to simplify the organizational and reporting structures of coordinating mechanisms	Medium	MEIDECC NEMO	Cabinet Committee on Climate Change	Reduced number of CCDRM coordination committees
11	To provide a community-level focus for CCDRM issues extend the mandate of existing district and village disaster management committees to including climate change adaptation issues, and encourage their formation in communities where no disaster management committee exists	Medium	MIA	NEMO NGOs MEIDECC	District and Village level Disaster Management and Climate Change Adaptation Committees created
12	MIA's sub-national development planning process to include CCDRM considerations	Short	MIA	NEMO NGOs MEIDECC	Sub-national development planning guidelines (for community, district and island levels) are created with CCDRM considerations included
13	Develop a CCDRM staffing resource plan to optimize the balance of short-term project-based and GoT full-time staff to meet project deliver needs and the building of long-term capacity	Medium	PSC	MEIDECC MFNP	CCDRM staffing resource plan
14	Undertake a training needs assessment for CCDRM and develop a CCDRM training plan to improve systematic, long-term CCDRM technical capacity	Medium	MEIDECC	PSC	Training needs assessment for CCDRM undertaken
15	Review the legislative framework for local government including the Towns Act and Fonos Act in light of recent GoT reorganization and integrate CCDRM considerations	Immediate	MIA	Donors	Towns and Fonos Act reviewed
16	Include the Ministry of Finance and National Planning, the Ministry of Internal Affairs and the Tonga Chamber of Commerce and Industry in the JNAP Taskforce	Immediate	JNAP Task Force	MEIDECC	MIA included in the JNAP structure
17	MIA creates a sub-national planning, budgeting and monitoring guideline that includes CCDRM considerations	Medium	MIA	NEMO NGOs MEIDECC	MIA included in the JNAP structure

Chapter 5 Public Financial Management (PFM) Analysis

No	Recommendation	Implementation Timeframe	Lead Organization	Potential Partner Organization	Outputs
18	Implement the PFM Roadmap as a matter of priority to advance Tonga's progress towards accessing CCDRM finance.	Medium-term	MFNP	All Ministries	Improved scores in planned 2015 PEFA
19	Engage political leaders and all areas of Government to ensure commitment to the PFM reform efforts in the effort to attract further CCDRM funding.	Immediate	MFNP	Cabinet	Workshops for Cabinet Ministers and CEOs on the importance of PFM Reform
20	Development partners should, where possible, use country systems to implement projects, or at least design projects that support and build local capacity in country system components such as procurement and monitoring and evaluation.	Medium-Term	MFNP – Project and Aid Management Division	Development Partners	Aid Policy amended to incorporate development partners to, where possible, build this into the design of projects
21	Utilise Government planning, budgeting and monitoring systems as an opportunity to screen development investments for climate and disaster risks.	Medium-term	MFNP	All Ministries	Screening for climate and disaster risks is a component of the Government's planning, budgeting and monitoring processes.
22	Development partners to look at using local capacity for project management as much as possible.	Long-term	MFNP	All	Increased use of local capacity for project management.
23	Ensure that external consultant recruited for project management have specific requirements to develop local capacity.	Immediate	MFNP	All	External project management consultants specify capacity building in their ToRs
24	Develop post-disaster SOPs	Medium-term	MFNP	NEMO	Approved Standard Operating Procedures (SOPs) and Post-Disaster Budget Execution Guidelines (PDBEG). Revised financial regulations.

25	Ensure the EF	Immediate	MFNP	NEMO, Department of Climate Change	Annual appropriation in Budget
	<ul style="list-style-type: none"> - Maintains a minimum legislated level of resources sufficient to deal with disasters based on input from relevant technical offices. - is replenished sufficiently in years after major payouts in response to an emergency - Receives annual appropriation for the maintenance of the real value and any increased vulnerability 				Legislation for minimum amount in EF
26	<p>Institute regulations to establish disaster-specific special funds</p> <ul style="list-style-type: none"> - to receive cash donations from donors, international agencies (including insurance under PCRAFI), private sector and public contributions - to be used specifically for disaster relief and accounted separately - requiring independent record of disaster-related expenditure and revenues 	Medium-term	MFNP - Treasury	NEMO	Regulations incorporated into SOPs and PDBEGs
27	Develop simplified and harmonized disbursement procedures to community level for disaster response	Immediate	MFNP – Treasury	NEMO, MIA	Regulations incorporated into SOPs and PDBEGs

Chapter 6 Climate Change and Disaster Risk Reduction Activities and Expenditure

No	Recommendation	Implementation Timeframe	Lead Organization	Potential Partner Organization	Outputs
28	Implement a tracking system for CCDRM projects able to accommodate CCDRM as both a primary and secondary objective of the expenditure.	Immediate	MFNP - PAMD	MEIDECC	Revised chart of accounts and coding system for CCDRM within IFMIS
29	Strengthen the project database and integrate (as far as possible) with the Treasury's IFMIS in order to track CCDRM projects and integrate into Budget Estimates.	Medium-term	MFNP - PAMD	MFNP -Treasury	Budget estimates and actuals increasingly align
30	Devise and implement system to better estimate and track in-kind assistance.	Medium-term	MFNP	Development partners	More accurate estimates of inking assistance in project database and budget
31	Adopt a coding system for tracking CCDRM expenditure in Budget expenditure integrated into the Chart of Accounts but able to accommodate CCDRM as both a primary and secondary objective of the expenditure – consistent with project coding structure.	Immediate	MFNP	MEIDECC	Revised chart of accounts and coding system for CCDRM within IFMIS
32	Review potential conflicts between revenue policies for discounted fuel and renewable energy objectives and clearly explain objectives to community.	Immediate	MFNP	MRC, MEIDECC	Confirmation of existing policy or change of policy
33	Investigate concession tax treatment for energy efficient appliances, solar panels and other goods that support CCDRM	Medium term	MFNC - Revenue Policy Committee	MRC	Revised Investment Incentives Document
34	Explore policies to harmonize post-disaster remittance funds for CCDRM with GoT assistance	Medium-term	MFNP	NEMO	Revised post-disaster disbursement and funding policies

Chapter 7 Gender and Social Inclusion Analysis

No	Recommendation	Implementation Timeframe	Lead Organization	Potential Partner Organization	Outputs
35	Support all line ministries and agencies dealing with CCDRM with capacity building on gender mainstreaming and social inclusion based on a detailed human resources feasibility assessment	Immediate	MIA	MEIDECC, MFNP	<p>An assessment report of MIA's capacity to include gender and social inclusion to existing workloads, and recommendations for additional support needs.</p> <p>Key staff from all ministries with mandates to respond to CCDRM (including but not limited to JNAP agencies) receive training on gender and social inclusion mainstreaming.</p> <p>Agency guide on gender mainstreaming & CCDRM</p> <p>Standardised SOPs and technical handbook for Civil Society, MFNP, and JNAP Agencies on gender and social inclusion developed and agreed among key stakeholders.</p>
36	Require a dedicated marker for coding the gender and social inclusion responsiveness of the primary and secondary objectives of CCDRM projects	Immediate	MFNP	MEIDECC, MIA	Dedicated Marker for Coding the gender and social inclusion responsiveness of CCDRR projects
37	Incorporate the ability to track the allocation of funds for gender and social inclusion project elements including CCDRM projects into its coding system	Mid term	MIA, MFNP	UN Women	A coding system which tracks funds for gender and social inclusion project elements
38	Include a strong strategic and technical gender and social inclusion component in the proposed revised JNAP including specific accountability measures against which JNAP agencies are required to report.	Immediate	MIA	MFNP JNAP secretariat MEIDECC	Checklist and monitoring and evaluation framework on gender and social inclusion is developed to ensure gender and social inclusion is meaningfully included in all work covered under the JNAP and TSDF II
39	Include structures for coordination of CSO, NGO and government activities on gender and social inclusion within CCDRM programming in the revised JNAP	Immediate	MIA	MEIDECC	Integration of gender and social inclusion considerations into JNAP II

Chapter 8 Development Effectiveness

No	Recommendation	Implementation Timeframe	Lead Organization	Potential Partner Organization	Outputs
40	Undertake an analysis to determine the appropriate candidate to apply for National Implementing Entity (NIE) status to the Adaptation Fund	Short-term	MEIDECC	MFNP	Identified candidate for NIE Status
41	Develop a compulsory single and standardized government reporting framework/template, for all aid activity reporting including CCDRM activities.	Immediate	MFNP - PAMD	MEIDECC	Revised Aid Management Policy and associated Activity Information Document (AID), Project Information Document (PID)
42	Explore the potential for including CCDRM targets into an expanded budget support process encapsulated by the Joint Policy Reform Matrix.	Medium-term	MFNP	MEIDECC	Specific CCDRM targets incorporated into the Joint Policy Reform Matrix drawn from an agreed program of CCDRM policies and activities such as JNAP II
43	Develop a simple monitoring and evaluation matrix (similar to the Joint Policy and Reform Matrix) linked to the TSDF II to help effectively track the overall aid program, including CCDRM projects.	Immediate	MFNP	MEIDECC	Design of a simple M&E matrix for CCDRM and Aid activities – included in Aid Policy
44	Encourage development partners and donors present in Tonga to consider establishing a development partners' coordination mechanism specifically to share lessons and updates on CC and DRM activities. For this to be effective, membership should be extended as much as possible to cover other donor project representatives, UN Joint Presence and the USP.	Medium-term	Development Partners	MFNP – PAMD	Establishment of an appropriate development partner coordination mechanism.

Chapter 9 Options to Better Access Climate Change Disaster Risk Management Funding

No	Recommendation	Implementation Timeframe	Lead Organization	Potential Partner Organization	Outputs
45	Continue strategy to keep GoT options open by accessing climate financing through multiple channels	Immediate	MFNP	JNAP Members	Whole-of-government climate finance tracking process
46	Continue to explore a multi-pronged approach to accessing climate funds, including, but not limited to, GCF, AF, Climate Technology Centre and Network and GEF through direct access modalities and working with its regional partners for regional access opportunities.	Immediate	MFNP	JNAP Members	Whole-of-government climate finance tracking process
47	GoT maintains ongoing processes for climate financing options analysis – given the rapidly emerging climate financing landscape – through a short annual CFRGA update.	Short term	MFNP	JNAP Members	PEFA self assessments Forum Compact Peer Reviews
48	Provide appropriate internal resources to maintain a stable, permanent, well-trained cadre of climate financing staff to monitor and evaluate climate financing options and support implementation of chosen options.	Medium Term	MFNP	JNAP Task Force Members	Cadre of permanent GoT climate financing staff established

