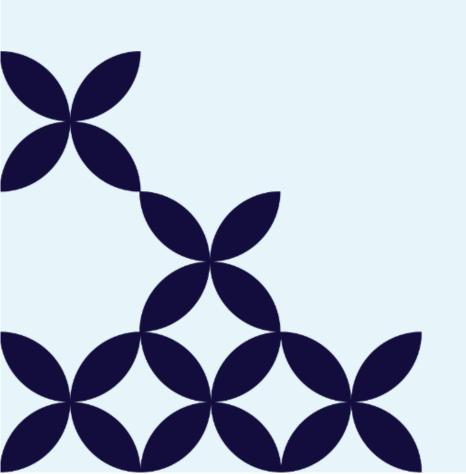
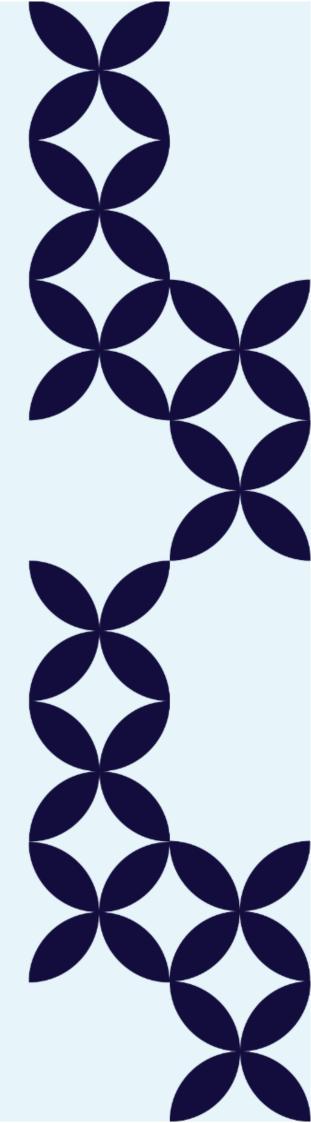


# Tonga Country Plan

May 2025





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# **Purpose of this document**

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has developed this Plan to guide the planning and management of New Zealand's overall engagement with Tonga and as a foundation for dialogue with partners and stakeholders.

The Plan is used to bring clarity to what work should be prioritised, and to help monitor progress towards shared outcomes and strategic goals.

This is a living document that will be reviewed with partners and updated periodically to ensure it responds to changes in country, including the impacts of any external shocks.

#### An integrated approach to Pacific engagement

New Zealand pursues an integrated approach to engagement with Tonga. We focus on coherence across our diplomatic, trade and economic, climate change, environment, security and development objectives to deliver sustainable progress in developing countries, and advance New Zealand's interests and values. As such, our development contribution (both policy and financial) is an integral pillar of our foreign policy – it reflects our network of international relationships and commitments, and is an expression of our values.



## **Country overview**

#### **Country context**

The Kingdom of Tonga is a Polynesian country with a population of just over 107,000 people living on 36 of the country's 170 islands. Globally, Tonga is the second most at-risk country to natural hazards, and is particularly vulnerable to cyclones, earthquakes and the effects of climate change. Tonga's economy and its communities are dependent on the country's rich biodiversity and fragile, though volatile, natural environment.

Tonga has a narrow economic base. Domestic revenue collection as a share of GDP is in decline, with potential growth sectors like tourism adversely affected by natural disasters, including the Hunga Tonga Hunga Ha'apai volcanic eruption and tsunami in 2022.

Tonga has among the highest remittances to GDP ratio in the world. Remittances from the Tongan community in New Zealand (and Australia and the USA) are vital contributors to the resilience of Tonga's economy. Approximately 2000 Tongans travel to work in New Zealand each year under the Recognised Seasonal Employer (RSE) Scheme. This is due in large part to Tonga's young population (45.9% are aged 19 years or younger) and constrained domestic economic and educational opportunities. The country also relies heavily on official development assistance (ODA), which comprised approximately 51% of the 2023-2024 national budget.

Tonga is also experiencing a period of high debt servicing out to 2030 and is assessed by the World Bank and IMF as being at high risk of debt distress<sup>1</sup>. Public service delivery is the country's largest expenditure, with health spending alone accounting for 21% of the 2024-2025 national budget.

Tonga's Household Income and Expenditure Survey records that 22% of households nationally are below the Basic Income Poverty Line. Including subsistence workers, unemployment in Tonga is around 15 percent according to labour force surveys.

After a period of steady advancement, Tonga has fallen slightly in the UN Human Development Index<sup>2</sup> dropping below the level of 'High' human development. A dip in life expectancy, despite some progress in addressing non-communicable disease risk factors; and reduced rates of basic literacy, despite significant increase in tertiary attainment from historically high levels, have contributed to this.

There is a reasonable level of access to basic health services, however, reach into remote communities is constrained by geographical reach, and access to hospital and specialist medical services and quality secondary education is constrained by health workforce capacity and coordination.

<sup>&</sup>lt;sup>2</sup> See: https://hdr.undp.org/data-center/human-development-index#/indicies/HDI



<sup>&</sup>lt;sup>1</sup> See: <a href="https://www.worldbank.org/en/programs/debt-toolkit/dsa">https://www.worldbank.org/en/programs/debt-toolkit/dsa</a>

#### New Zealand's partnership with Tonga

New Zealand and Tonga's relationship is founded on historical ties, close geographical proximity, everexpanding people to people connections (whanaungatanga/nofo 'a kainga) and shared values.

The latest census data shows Tonga has a diaspora in New Zealand of approximately 98,000 - the second largest community of Pacific people in New Zealand. Pathways to New Zealand residency exist through education, employment, and under the Pacific Access Category visa, whereby 250 Tongans citizens a year are granted New Zealand residency.

In 2024, New Zealand and Tonga refreshed our Statement of Partnership that recognised a relationship founded on sovereign equality and governed by a spirit of close friendship. The statement reaffirmed a mutual commitment to democracy, human rights, gender equality, effective governance, the rule of law, environmental stewardship, and strong regional and international cooperation. Partnership, climate change, stability and security, people and prosperity were identified as priority areas for joint cooperation.

New Zealand is represented in Tonga by MFAT, the Ministry of Business, Innovation and Employment, New Zealand Defence Force and New Zealand Police. Tonga has a consulate in Auckland, New Zealand. A significant number of other New Zealand Government agencies also engage with Tonga as part of their core business or through MFAT facilitated programmes, demonstrating the breadth of the cross-government relationship.

New Zealand adopts a partnership approach to supporting humanitarian response and disaster management in Tonga. We focus on responding quickly to requests from government, and delivering practical and financial assistance for those most in need when a disaster strikes. This includes a 'whole of Government' commitment to work with other New Zealand Government agencies to deploy specialist emergency capabilities in a disaster response. We also work closely with other development partners, the United Nations, international and local non-government organisations and the private sector. Our bilateral development programmes invest in Tonga's longer-term recovery from disasters including rebuilding critical infrastructure including undersea cables (HTHH event 2022) and the Parliament building (TC Gita 2018). We also recognise the value of investing in measures that reduce and manage the recurring cycle of risks of disasters, and to mainstream the focus on increasing resilience; and in helping countries be better prepared for disasters through regional, bilateral and NGO partner initiatives.

We cooperate with Tonga as a signatory of PACER+ and in the sustainment of two-way trade through biosecurity and facilitation initiatives.

There are approximately 40 Tongan students on New Zealand scholarships or short-term training scholarships who are studying at New Zealand or at Pacific tertiary institutions.



#### Partner plans relevant to the relationship

The Tonga Strategic Development Framework 2015-2025 (TSDFII), currently being updated, seeks to achieve the national vision of a more progressive Tonga supporting a higher quality of life for all. The national impact statement is supported by specific national outcomes, which include:

- a dynamic knowledge-based economy
- balanced urban and rural development across island groups
- empowering human development with gender equality
- · responsive good-governance with strengthened rule of law
- · successful provision and maintenance of infrastructure and technology
- effective land and environmental management, with resilience to climate change and risk
- consistent advancement of external interests, security and sovereignty.

The <u>Tonga National Infrastructure Investment Plan 2021-2030</u>, and <u>Joint National Action Plan 2 on Climate Change and Disaster Risk Management 2018-2028</u> inform our engagement in these priority thematic areas also.

## Strategic framework for the Tonga Plan

The IDC Priorities Framework 2024-27<sup>3</sup> is a guiding document for the Tonga Country Plan. It shows how the IDC Programme contributes to the Ministry's overall goals, as set out in the Ministry's Strategic Framework<sup>4</sup>, and articulates the priority outcomes that we aim to advance through the IDC Programme.

The Tonga programme logic diagram that is included on the next page, sets out our ambitions for our work with Tonga in alignment with Tonga's TSDFII and the IDC Priorities Framework. It represents our integrated delivery across development, foreign policy, trade, and security and covers a total country aid flow (TCAF) view of our IDC investment, covering our core IDC programme, multi-country investments, NGO partnerships and scholarships.

The logic diagram sets out how our strategic goals drive more specific medium and short term outcomes. Aotearoa New Zealand will work towards these outcomes in partnership with Tonga. The medium term outcomes in the logic diagram describe our aspirations in more detail. The short term outcomes cover our areas of immediate focus, rather than all the initiatives required to deliver these medium term outcomes.

New Zealand's overall international development cooperation budget for the current funding triennium is available on MFAT's website<sup>5</sup>.

<sup>&</sup>lt;sup>5</sup> See: www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-idc-expenditure



<sup>&</sup>lt;sup>3</sup> See: <a href="https://www.mfat.govt.nz/assets/Aid/Aid-General/IDC-Priorities-Framework-2024.pdf">https://www.mfat.govt.nz/assets/Aid/Aid-General/IDC-Priorities-Framework-2024.pdf</a>

<sup>&</sup>lt;sup>4</sup> See: <a href="https://www.mfat.govt.nz/assets/About-us-Corporate/MFAT-strategies-and-frameworks/Strategic-Intentions-2024-2028.pdf">https://www.mfat.govt.nz/assets/About-us-Corporate/MFAT-strategies-and-frameworks/Strategic-Intentions-2024-2028.pdf</a>

# **Logic diagram for the Tonga Country Plan**



A SAFE, SECURE AND JUST FUTURE A PROSPEROUS AND RESILIENT FUTURE

THE RESIDIENT FOTORE

A SUSTAINABLE FUTURE

**STRATEGIC GOAL 1:** Tonga is well governed and able to respond to security challenges.

**STRATEGIC GOAL 2:** All Tongans access high quality public services that support human development, and household and financial resilience.

STRATEGIC GOALS

**STRATEGIC GOAL 3:** Tonga is more resilient to climate change and natural disasters.

Increasing influence of external /contextual factors

#### **MEDIUM TERM OUTCOMES**

#### MO1:

Tonga has strong governance, accountability and security institutions.

#### MO3:

Tonga's health and vocational education systems are strengthened.

## MO4:

Tonga's economy supports more jobs, businesses and revenue for government.

## MO6:

Public institutions, communities and households are better prepared and able to respond to climate change and natural disasters.

# SHORT TERM OUTCOMES: key changes expected to result from MFAT activities and engagement in 3–5 years.

#### **STO1**:

Strengthened public finances and responsive public service provision.

#### STO2:

Increased accountability and transparency of institutions

#### STO3:

Tonga's law
enforcement agencies
have access to
information,
capability
development and
capacity to manage
security threats.

## STO4:

Improved health workforce capacity, service delivery, access to medicine and specialised medical services, and health security.

#### **STO5**:

All Tongans have access to high quality skills training and education that leads to economic opportunities.

# STO6:

Improved infrastructure, policy regulation and access to finance and technical assistance that supports Tonga's growth sectors.

### **STO7:**

More effective planning for needs-based response and recovery for natural disasters (through improved access to hazard and risk information and capability development)

## STO8:

Tonga is supported to accelerate implementation of its Joint National Adaption Plan on Climate Change and Disaster Risk Management

MFAT has more influence.

## How we put this Plan into action

New Zealand's IDC funding for this Plan is managed over a three-year period. There is flexibility to move funds into and between Plans in order to respond to rapidly changing contexts. Current information about New Zealand's overall International Development Cooperation budget for the current funding triennium is on the MFAT website<sup>6</sup>.

#### How we will work to deliver on this Plan

New Zealand's International Cooperation for Effective Sustainable Development (ICESD) Policy<sup>7</sup> identifies four development principles that guide New Zealand's work with partner countries, and sets out a commitment to deliver development that is effective, inclusive, resilient and sustained.

To operationalise this Plan, and contribute to achievement of agreed strategic goals, New Zealand uses a range of actions and works with multiple partners. We draw on the strengths, and complement the strategies of, many agencies in Tonga and New Zealand. Across each of our goals we will:

- draw upon expertise from within and across New Zealand Government agencies and other key stakeholders to put our plan into action;
- foster collaboration and identify synergies across New Zealand development programmes and activities, guided by the Government of Tonga's identified needs, and with other development partners;
- focus on New Zealand's and Tonga's shared values, Pacific identities and common vision of regional peace and prosperity, leveraging cooperation with others when this offers new opportunities for progress.

#### Who we will work with to deliver on this Plan

MFAT works closely with the Government of Tonga to deliver well aligned and coordinated development cooperation across the full breadth of our shared strategic goals. With the Government of Tonga, we work closely with Australia, cooperating in a joined-up way on areas of strategic importance in Tonga and the Pacific region. We are transitioning to a greater focus on higher order modalities and strategic partnerships to strengthen our coordination on areas of mutual interest including security, human and economic development, and climate resilience.

We partner with a broad range of NZ Inc Agencies where New Zealand's comparative advantages align with our shared development ambitions. NZ Police and New Zealand Defence Force personnel operate from Tonga. Other agencies cooperate through tailored programmes and technical assistance in-country and from New Zealand.

We partner with NZ NGOs through the *Partnering for Impact* programme, which supports inclusive economic, social and environmental resilience, good governance and strengthening of civil society. Through this approach,

<sup>&</sup>lt;sup>7</sup> See: <a href="https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf">https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf</a>



<sup>&</sup>lt;sup>6</sup> See: www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/

we partner with NZ NGOs and local civil society to use their experience, knowledge and reach, to support delivery of locally led solutions for people experiencing vulnerabilities across our region.

We partner with the private sector, to build economic resilience and boost exports and market access.

We coordinate with Tonga's development partners and frequently deliver with, and through, multilateral and regional entities, including international financial institutions, UN and Pacific regional agencies. This includes coordinated delivery of budget support with ADB, World Bank, European Union and Australia where funding is disbursed on the delivery of key economic and fiscal reforms.

## How we will assess progress against this Plan

The logic diagram sets out the strategic goals, medium- and short-term outcomes we hope will result from New Zealand's activities and engagement with Tonga.

We report back on progress towards our goals in Tonga via the annual Minister of Foreign Affairs Report on the IDC appropriation<sup>8</sup>. We also report back on this Plan to the Government of Tonga via our annual High-Level Consultations and engagement with senior officials. This not only gives us an opportunity to discuss what has been achieved in partnership, but also to test whether our Plan remains fit-for-purpose or if we need to change anything.

Progress against the Plan will be assessed with the following indicators:

Strategic Goals	Indicator
Goal 1: Tonga is well governed and able to respond security challenges.	Worldwide Governance Indicators - Political Stability and Absence of Violence/Terrorism
Goal 2: All Tongans access high quality public services that support human development, and household and financial resilience.	<ul> <li>SDG 1.2.1 - Proportion of population below national poverty lines (% of population)</li> <li>SDG 3.8.1 - Coverage of essential health services</li> <li>SDG 3.4.1 - mortality rate attributed to cardiovascular disease, cancer, diabetes, or chronic respiratory disease</li> </ul>
Goal 3: Tonga is more resilient to climate change and natural disasters.	ND-GAIN index score

<sup>8</sup> See https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid



Short Term Outcome (STO)	Indicator
STO1: Strengthened public finances and responsive public service provision.	<ul> <li>Number of people directly benefitting from improved infrastructure and services (M/F)</li> <li>Tonga remains on track on their economic and public sector reform programme</li> <li>Evidence of progress towards the successful completion of the reform programme (budget support)</li> </ul>
STO2: Increased accountability and transparency of institutions.	<ul> <li>Number of people receiving training or capability-building support in governance (M/F) (ARI)</li> <li>Tonga remains on track on their economic and public sector reform programme (ARI)</li> </ul>
STO3: Tonga's law enforcement agencies have access to information, capability development and capacity to manage security threats.	<ul> <li>Number of people receiving training or capability-building support in peace and security (M/F) (ARI)</li> <li>Evidence of improved organisational development through planning, policies, process and strategies to enable service delivery (STO in TNZPP)</li> </ul>
STO4: Improved health workforce capacity, service delivery, access to medicine and specialised medical services, and health security.	<ul> <li>Number of people receiving training or capability-building support in health (health workforce) (M/F) (ARI)</li> <li>Evidence of improved strategic planning and targeted training and resource development (STO indicators in Tonga Health Workforce Activity)</li> <li>SDG 3.7.1 - Proportion of women of reproductive age (15-49 years) who have their need for family planning satisfied with modern methods</li> <li>ARI 9 - Number of people benefitting from sexual and reproductive health services (M/F)</li> </ul>
STO5: All Tongans have access to high quality skills training and education that leads to economic opportunities.	<ul> <li>Number of people that complete tertiary or vocational scholarships (M/F)</li> <li>Number of people receiving training or capability-building support in education (education professionals) (M/F)</li> <li>Number of people participating in a labour mobility initiative (M/F)</li> <li>Unemployment rate (by sex, age, urbanisation level (urban, rural) and disability status (Blue Pacific 2050)</li> <li>Proportion of youth not in education, employment or training, by sex and age</li> </ul>
STO6: Improved infrastructure, policy regulation, and access to finance and technical assistance that support Tonga's growth sectors.	<ul> <li>Delivery of key infrastructure priorities including Parliament and Undersea Cable.</li> <li>Evidence of diversified sources of income and increased household income from NZ investments (e.g. agriculture and private sector activities)</li> </ul>



STO7: Improved access to hazard and risk information, and capability development for more effective planning for, needs-based responses to and recovery from natural disasters.

- Evidence of new or updated response and readiness systems and capabilities.
- Number of people receiving training or capability-building support in disaster risk management (M/F).

STO8: Tonga is supported to accelerate implementation of its Joint National Adaptation Plan on Climate Change and Disaster Risk Management

- Number of people directly benefiting from activities which aim to increase resilience to climate change and environmental degradation (M/F)
- Evidence of NZ's investment contributing to progressing Tonga's climate policies, strategies and action plans e.g. NDC and NAP (ICFS headline indicator)
- Evidence of Tonga's presence on global stage championing regional and national climate issues (STO in Pacific Voice activity)

The Plan will be evaluated approximately once every four years. The next strategic evaluation of the Tonga Country Plan is expected to take place in 2025. The Ministry's forward strategic evaluation schedule is available on the website<sup>9</sup>.

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<sup>9</sup> https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/evaluation-and-research

#### For further information

Contact details for the New Zealand High Commission to Tonga are available on the MFAT website 10.

To find out more about New Zealand's engagement with Pacific Island countries also go to the MFAT website, at <a href="https://www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/">www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/</a>.

This document is one in a series of Plans published by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and managed by the Ministry's Pacific and Development Group. For the latest version please go to <a href="https://www.mfat.govt.nz">www.mfat.govt.nz</a>

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<sup>12</sup> https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html



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