



2020-21 TONGA DEVELOPMENT PROGRAM PROGRESS REPORT

The *2020-21 Tonga Development Program Progress Report* summarises progress for the reporting period 1 July 2020 to 30 June 2021 of implementation of the Australia – Tonga COVID-19 Response Plan and program highlights.

Our development program to Tonga contributes towards achieving the following Sustainable Development Goals.

Program Budget	2020-21 Budget Estimate \$m*
Bilateral	20.1
Regional	11.5
Global	1.9
Other Government Departments	1.6
Total	35.1
Temporary, Targeted and Supplementary Measures (TTS)	10.9
Total ODA	46.0

*Actual expenditure is expected to be available in December 2021/ January 2022



CONTEXT

Australia and Tonga are close partners, working together to support a shared vision of a prosperous and stable Tonga. Under the Tonga COVID-19 Development Response Plan, Australia reoriented our existing development program to mitigate impacts of COVID-19, with a focus on health preparedness, economic stability and recovery. We collaborated with regional organisations, international development partners and international financial institutions and took full advantage of the inbuilt flexibility of our development partnerships to support an agile COVID-19 response.

There have been no active COVID-19 cases in Tonga during the reporting period. The government swiftly closed borders when the pandemic first emerged, and has successfully managed border control, quarantine, and repatriation of citizens. With Australia’s support, health preparedness has been largely effective. Our health preparedness assistance helped build Tonga’s capacity to test for active COVID-19 cases on Tongatapu and enabled the establishment of a modest capability to treat cases should an outbreak emerge.

In early 2020, Tonga faced the dual shocks of the global COVID-19 pandemic and Tropical Cyclone Harold, which struck areas of Tongatapu and ‘Eua in April. Additional donor budget support, including from Australia, reduced Tonga’s fiscal deficit in 2020-21 to 1.1 per cent of GDP from a budgeted six per cent (Tongan Government forecasts), and mitigated some of the worst potential economic and social impacts. Stable growth in remittances also played a major role in ensuring economic stability. More than 2,381 Tongan workers have arrived in Australia since the resumption of labour mobility in September 2020. In March 2021, Tonga’s National Reserve Bank reported the second highest level of monthly remittances ever recorded (TOP43.5 million/AUD26.7 million, of which 32.5 per cent was from Australia). Tonga’s economy contracted by 0.8 per cent in 2020 and the Asian Development Bank (ADB) forecasts -5.3 per cent growth for 2021. It is expected to return to expansion in 2022, predicated on the resumption of international travel. Tonga continues to be rated at high risk of debt distress and faces a potential fiscal crisis when principal repayments to China’s EXIM Bank commence from 2023-24 (55.23 per cent of all external debt). The World Bank has forecast a \$30 million shortfall of funds in 2023-24 given Tonga’s debt obligations. Whilst Tonga is a participant country in the Group of Twenty (G20) Debt Servicing Suspension Initiative (DSSI), Paris Club creditor countries agreed that the DSSI will conclude in December 2021. Further debt relief beyond 2021 is somewhat uncertain, but plans are underway for the establishment of a G20 Common Framework for Debt Treatments beyond the DSSI.

AUSTRALIA'S RESPONSE AND PROGRAM HIGHLIGHTS

Australia's development program continues to align with government priorities and deliver across the pillars of the *Partnerships for Recovery* framework. Progress across investments towards expected outcomes has been uneven reflecting a challenging operating environment.

Health Security

Australia's development assistance has been critical to an effective COVID-19 response in Tonga. In the reporting period we made a major funding contribution to **Tonga's COVID-19 Social and Economic Stimulus Package**, which helped enable quarantine and border management systems that facilitated repatriation of over 1,500 Tongan citizens, including seasonal workers. Support to the Package also enabled **refurbishment of the Vaiola National Referral Hospital and Mu'a Health Clinic** to prepare for the isolation and treatment of critical COVID-19 cases and enabled a national messaging campaign on social distancing and hand hygiene, which through the Ministry of Health's Facebook page reached over 12,000 people.

Australia has committed \$2.9 million over three years (2020-23) for COVID-19 vaccine access in Tonga, including delivery support and vaccine procurement, drawing on **Australia's Regional COVID-19 Vaccine Access and Health Security Initiative (VAHSI)**. **Through VAHSI, Australia has committed to supporting Tonga and other Pacific island countries achieve comprehensive vaccine coverage.** As at 30 June 2021, Australia had shared 19,000 AstraZeneca vaccine doses and associated consumables from Australian supplies for the outer islands of Tonga. This is in addition to Australia's support for the COVID-19 Vaccines Global Access (COVAX) Advance Market Commitment totalling \$130 million. This global mechanism also delivered 48,000 COVID-19 vaccine doses to Tonga by 30 June 2021.

In the reporting period, our vaccine distribution support included deployment of a COVID-19 Public Health Infection Prevention and Control Adviser who supported vaccination training; design and implementation of Tonga's vaccine campaign; health surveillance strengthening; and epidemiological data management. Australia also procured medical waste disposal units for Nuku'alofa and two outer islands, including an Ecosteryl unit recommended by WHO. Our Australian Volunteers International volunteer supported implementation of a digitised health information system to manage vaccination records, in collaboration with New Zealand.

Australia and Tonga have a long-standing partnership in the health sector. In the reporting period, **The Tonga Health Systems Support Program Phase II (THSSP2)** continued to support Tonga's Ministry of Health to deliver a more effective, efficient, and equitable preventative and primary care service for the Tongan population, with a particular focus on noncommunicable diseases (NCDs). Support through THSSP2 remained critical for equity of access to health services in the outer islands, enabling clinicians to continue to provide general medical, surgical, mental health, rehabilitation, dental and diagnostic outreach missions. Community health programs and outreach continued, including the Healthy Village pilot which focuses on community ownership for health promotion to prevent NCDs at the village level. Essential pharmaceutical procurements for the treatment of NCDs also continued under THSSP2.

Stability

In the reporting period, Australia expanded support to women and girls, including improved monitoring of the increased impacts on women and families during the crisis, enabling better response mechanisms through local non-government organisations (NGOs) and government organisations. **We increased support to communities to help them prepare for and manage the socio-economic impacts of COVID-19**, including for families of workers under the Seasonal Workers Programme and the Pacific Labour Scheme whose deployments in Australia were extended due to COVID-19. Australia assisted three major women's support groups provide clients with mobile and remote support during lock downs. This included supporting continued operations of Tonga's only gender-based violence safe-house; and developing streamed online training materials and providing seeds and plants for poorer women to grow food or to generate income.

In February 2021, the National Emergency Management Office opened a new Tongatapu humanitarian supplies warehouse, following its completion and commissioning (enabled by a 2018 funding grant from the Australian

Government). Following the dual impacts of Tropical Cyclone Harold and COVID-19, Australia also funded and facilitated **delivery of essential humanitarian response supplies** to re-stock the warehouse in 2020.

In the reporting period, the Australian Federal Police's (AFP) **Families Free of Violence** program conducted a range of training and capacity support for domestic violence programs with Tonga Police, including through several outreach visits to Tonga's outer islands. Both the Australian Defence Force and AFP supported Tonga's effective administration of border control and quarantine management systems. Separately, the Defence Cooperation Program progressed the capability enhancement of His Majesty's Armed Forces through infrastructure projects, including completion of construction of Fangata Military Camp on 'Eua, substantial progress with the Northern Command construction project in Vava'u, and Masefield Navy Base and Taliai Military Camp base refurbishment projects.

Working with the World Bank we concluded the final year of a major school reconstruction program that delivered 125 classrooms at 25 Tongan schools since 2019-20 (20 schools in 2021). In the reporting period, we also supported 82 Tongans who had been unable to take up university places because of COVID-19 border restrictions to attend online higher education through the University of the South Pacific Tonga Campus.

Economic Recovery

In partnership with the World Bank, Australia's budget support program leveraged fiscal and public sector policy reform and enabled a focus on health sector effectiveness. We supported the Ministry of Finance to implement and embed public financial management reforms that strengthened Tonga's response to COVID-19. In the reporting period, Australia provided \$15.5 million of **budget support, \$10 million of which was through the COVID-19 Response Package for the Pacific and Timor-Leste**. This provided liquidity to help Tonga manage a large budget deficit and was targeted to crisis payments for 551 registered and 6,450 informal businesses and cash relief for vulnerable people including pensioners and people with disabilities.

Australia continued to support Tonga achieve its renewable energy targets and reduce dependence on imported fossil fuels. In partnership with the ADB, **the Outer Islands Renewable Energy Program (OIREP) and Tonga Renewable Energy Project (TREP) are helping reduce the number of rural Tongans without access to power** and are keeping Tonga on track to reach its goal of reducing reliance on expensive diesel fuels and achieving Tonga's goal of generating 70 per cent of electricity from renewable sources by 2030. At commencement, OIREP and TREP estimated 25 per cent of rural Tongans were without access to reliable electricity supply. ADB estimates that these ongoing programs will lift Tonga from 12.5 per cent of energy generation from renewable sources to over 25 per cent in 2021-22.

Responding to a top Tongan Government development priority, Australia signed a contract for the design and construction of an agricultural goods packhouse. **Through PHAMA Plus, we supported effective packhouse governance systems and have begun developing business modelling support** for the facility. It is expected the packhouse, once constructed in 2022, will enable Tonga to take better advantage of the export opportunities presented by the Pacific Agreement on Closer Economic Relations Plus trade agreement. PHAMA Plus also supported training packages to work towards reopening Tonga's watermelon export pathway to New Zealand. In partnership with the New Zealand Ministry of Primary Industries, PHAMA Plus identified and worked to alleviate bio-security concerns associated with the pathway.

ANNEX 1: PROGRESS AGAINST COVID-19 RESPONSE PLAN RESULTS INDICATORS

Health Security

Key Results Indicators	Progress/Result
Evidence of progress against Tonga's COVID-19 preparedness plan	<p>Support for refurbishments of the Vaiola National Referral Hospital and Mu'a Health Clinic contributed to preparation for the isolation and treatment of COVID-19 cases.</p> <p>Support for public communication campaigns conducted on social distancing/hand hygiene contributed to COVID-19 prevention efforts.</p> <p>Supported technical advice including on: vaccine training and rollout planning; epidemiological and health surveillance strengthening; and data management and reporting. This contributed to an effective COVID-19 vaccine campaign and response. Other technical advice supported vaccine and health record digitisation, resulting in an agile vaccine campaign guided by accurate/reliable data.</p>
Procurement of supplies and equipment are in line with Tonga's COVID-19 plan	<p>Under VAHSI, supported the purchase of three waste management units to address the increased clinical waste from quarantine arrangements and the vaccine rollout.</p> <p>48,000 vaccine doses were delivered through COVAX AMC, plus an additional 19,000 directly vaccine doses sourced from Australia (AstraZeneca/ Commonwealth Serum Laboratories).</p>
Evidence of progress towards implementing the 'Package of Essential Health Services'	<p>COVID-19 pressures meant it was necessary to pause work on the 'Package of Essential Health Services.' Despite this, support for medical service delivery continued, included for: training, professional development and curriculum improvement (in nursing, palliative care, wound care, diabetic and hypertension management), and mobility devices and prosthetics.</p> <p>Supported the purchase of: dentistry equipment and supplies, including for childhood early interventions in school programs; and noncommunicable disease pharmaceuticals and related clinical equipment for distribution to community health centres.</p>
Number of beneficiaries from COVID-19 and NCD health promotion efforts	<p>Provided 67,000 AstraZeneca vaccine doses through COVAX and Australia's domestic resources. This benefitted 33,500 people.</p> <p>Supported activities on nutrition and healthy eating at the village level to address NCD including: growing fruit and vegetables in the home; increased physical activity; salt, tobacco and alcohol reduction campaigns.</p>
Number of people receiving access to improved water, sanitation and hygiene (WASH) facilities	<p>Supported the rehabilitation of WASH infrastructure (household water tanks and plumbing) for 1,760 people in 410 households. This included 30 households with people with disabilities, 70 with elderly and 50 women-headed households).</p> <p>Supported handwashing infrastructure to approximately 1,000 children in 10 rural primary schools. This included training 50 teachers, school inspectors, and school principals in COVID-19 messages for hygiene and sanitation, WASH guidelines, advocacy, and water security as well as set up of WASH committees and clubs.</p> <p>Supported 2,770 people in 24 communities by installing 277 water tanks installed across in 'Eua and Tongatapu.</p>

Stability

Key Results Indicators	Progress/Result
Number of people receiving psychosocial support	Supported 3,509 people with psychosocial support through the Women and Children's Crisis Centre (2,851), Tonga National Centre for Women and Children (327) and the Family Protection Legal Aid Centre (331). Supported the refurbishment of the Vaiola Hospital Mental Health Ward, including the addition of soft furnishings to increase the quality of care for all in-patients.
Number of women and girl survivors of violence receiving quality, appropriate family and sexual violence prevention/support	Supported 3,442 women and girls to receive support through the Women and Children's Crisis Centre (2,851), Tonga National Centre for Women and Children (327) and the Family Protection Legal Aid Centre (264).
Number of communities receiving training to increase food security	Supported 23 communities to receive training on seed savings, chicken raising and vanilla bean cultivation.
Numbers reached with new or improved social protection programs, including remote communities	Supported 8,954 people to receive with new or improved social protection through the Elderly Welfare Scheme (4,509), the Disability Welfare Scheme (1,865) and the Support for Poorer Households Program (2,580).

Economic Recovery

Key Results Indicators	Progress/Result
Australian budget support as a percentage of total domestic revenue in response to COVID-19 ¹	Australian budget support represented 13.2 per cent of total domestic revenue.
Number of women and girls who have increased access to economic opportunity	Supported 1,200 women and girls to development skills for business development activities. Through the Women's Economic Empowerment Program, supported 21 women to gain business skills through NGO capacity support programs and coaching/training.
Number of micro, small and medium enterprises and members of cooperatives accessing finance	Supported 551 registered enterprises and 6,450 informal businesses to access finance.
Number of women entrepreneurs provided with financial and/or business development services	Supported 94 women entrepreneurs with business development services. Supported six businesswomen with finance and business development services through the Women's Economic Empowerment Program.

¹ The wording of this indicator has changed since the drafting of the CRP from percentage of supplementary budget expenditure to percentage of total domestic revenue.

Key Results Indicators	Progress/Result
Number of economic response and recovery measures that specifically target the vulnerable	<p>Supported five key Tongan government measures that targeted vulnerable communities and individuals:</p> <ol style="list-style-type: none"> 1. One-off top up payment under the Elderly and Disability Welfare Scheme 2. One-off grant to poor households 3. Payments to enable broader reach of the only NGO providing elderly care services to the outer islands 4. Funds to support community policing across Tonga during curfew hours; and 5. Additional budget support to finance Tonga's COVID-19 Business Recovery Program to assist both the formal and informal sectors.
Number of targeted programs to support labour mobility workers including number of participants	<p>Supported a second Liaison/Welfare Officer for Labour Mobility Program.</p> <p>Provided welfare support to:</p> <ul style="list-style-type: none"> - 67 people (54 men, 13 women) under the Pacific Labour Scheme workers; and - 2,217 people (1,637 men and 580 women) under Pacific Seasonal Workers.

ANNEX 2: INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender
Tonga Economic and Public Sector Reform Program Investment duration: 2016-24; Budget: \$44.9m	2021	4	5	4
	2020	4	4	4
Tonga Health Systems Support Program II Investment duration: 2015-22; Budget: \$19.6m	2021	4	4	4
	2020	3	4	4
Tonga Energy Roadmap Investment duration: 2012-23; Budget: \$16.0m	2021	4	4	5
	2020	4	4	4
Skills for Inclusive Economic Growth Investment duration: 2016-22; Budget: \$7.6m	2021	5	4	5
	2020	5	4	4
Tonga Renewable Energy Project Investment duration: 2018-22; Budget: \$3.4m	2021	4	4	5
	2020	4	4	4
Tonga Parliament Buildings Project Investment duration: 2018-23; Budget: \$2.1m	2021	4	4	3
	2020	n/a	n/a	n/a
Nuku'alofa Urban Development Sector Project Investment duration: 2011-20; Budget: \$9.1m	2021	4	4	5
	2020	5	5	4

HUMANITARIAN INVESTMENT PERFORMANCE RATINGS

Investment Details	Year	Effectiveness	Efficiency	Gender
Tropical Cyclone Gita response and recovery Investment duration: 2018-21; Budget: \$7.3m	2021 HIMR	5	5	5
	2020 HIMR	4	4	4

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas.

1 = Very poor; does not satisfy criteria in many major area.