



**BUDGET & CORPORATE PLAN  
BRIEFINGS 2024/25**

**24**

**25**

**Floating Budget  
Mission of the  
Office of the  
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Assembly of Tonga**

**Committees and Library  
Division**

*Budget & Corporate Plan  
Briefing 2024*

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**1. BUDGET OVERVIEW**

**Table 1: Budget Overview for 2024/25**

	<b>Amount (\$TOP in millions)</b>
<b>Total Budget<sup>1</sup> 2024/25</b>	\$899.2m <sup>2</sup>
<b>Change from 2023/24 Estimate</b>	\$115m or 14.7%
<b>Recurrent Budget</b>	\$452.3m <sup>3</sup>
<b>Change from 2023/24 Estimate</b>	\$32.8m or 8.0%
<b>Development Budget</b>	\$446.9m <sup>4</sup>
<b>Change from 2023/24 Estimate</b>	\$82.2m or 22.5%
<b>Total Recurrent Revenues including Budget Support</b>	\$452.3m <sup>5</sup>
<b>Public Debt</b>	\$440.8m (35.7% of GDP) <sup>6</sup> as at 30 June 2024
<b>Change from June 2023</b>	\$45.7m <sup>7</sup> or 9.4%
<b>5 Ministries with largest allocations</b>	Ministry of Finance (23%) Ministry of Education and Training (15%) Ministry of Infrastructure (14%) Ministry of Health (9%) MEIDECC (8%)

The Government targets a **balanced budget** in 2024/25 and 2025/26 and a surplus budget in 2026/27 of about \$7.3 million. The budget for 2024/25 was guided by the theme “*Building the foundations for sector-driven economic growth and sustainability*” focusing on enhancing growth and development for the benefit of the entire population of Tonga. It prioritizes Government’s greatest asset: “*THE PEOPLE OF TONGA*”.

The total expenditure budget for 2024/25 is **\$899.2 million** of which 50.3 percent (or \$452.3 million) is recurrent and 49.7 percent (or \$446.9 million) development. Of the total budget, 74.0 percent or \$664.2 million is the appropriated cash, and 26.1 percent (or \$235.0 million) is in-kind. Most expenditure is on operation (including capital expenses (Category 20xx)), most revenue is from taxes, followed by overseas donor funding in cash, as shown in **Figure 1**.

<sup>1</sup> Both recurrent and development (cash & in-kind) budget.

<sup>2</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 14.

<sup>3</sup> *Ibid.*, page 14 & 68.

<sup>4</sup> *Ibid.*, page 14.

<sup>5</sup> *Ibid.*

<sup>6</sup> *Ibid.*, page 61.

<sup>7</sup> *Ibid.*

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Figure 1: 2024/25 Budget Expenditure and Revenue by Category (largest categories)

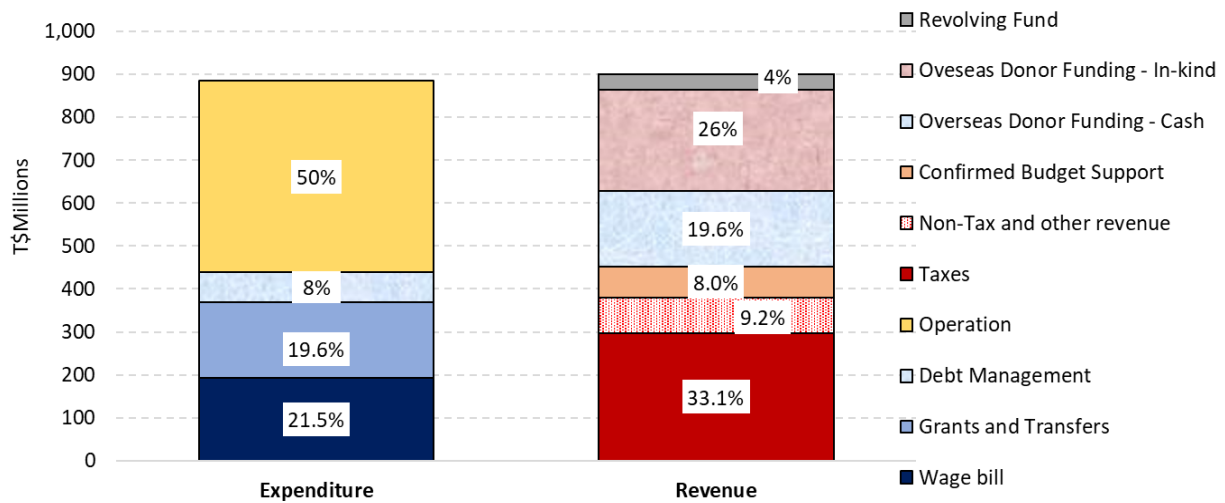


Table 2: Revenues by Funding Sources<sup>89</sup>

Amount (\$TOP in millions)	Actual 2022/23	Original Estimate 2023/24	Revised Estimate 2023/24	Budget Estimate 2024/25	% of Total Revenue 2024/25
1. Taxes <sup>10</sup>	278.1	275.4	284.4	297.5	33.1%
2. Non-tax and other revenue <sup>11</sup>	74.4	66.4	72.5	82.5	9.2%
3. Confirmed Budget Support	53.7	50.5	48.2	72.4	8.0%
4. Revolving Fund <sup>12</sup>				35.7	4.0%
5. Donor funded - cash	169.2	96.6	97.1	176.3	19.6%
6. Donor funded - in-kind	116.8	268.4	202.4	235.0	26.1%
<b>Grand Total</b>	<b>692.2</b>	<b>757.3</b>	<b>704.6</b>	<b>899.2</b>	<b>100%</b>

Note: There may be discrepancies in the figures above due to rounding. For the exact amount, please refer to Table 3 of the Draft Budget Estimates for 2024/25, page 9.

The budget for 2024/25 targets to collect **\$899.2 million** receipts (comprised of \$452.3 million recurrent and \$446.9 million from development partners. The recurrent revenue is comprised of \$380.0 million from domestic revenues and \$72.4 million confirmed budget support from

<sup>8</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 14 & 68.

<sup>9</sup> Ministry of Finance, *Draft Budget Estimates for FY 2024/25*, page 9 & 64.

<sup>10</sup> Include taxes on income, trade, goods & services, and movement of excisable goods.

<sup>11</sup> Include fees & licenses, income on entrepreneurial and property, capital & transfers, and miscellaneous items.

<sup>12</sup> Revolving fund is sourced from excise tax collection (fuel levy), receipts from vehicles registration and foreign exchange levy. The collection from excise and vehicles registration will be directed to Road Maintenance Fund (RMF) as permitted under the Roads Act to fund roads related activities under Vote 19 (Ministry of Infrastructure). The proceeds from foreign exchange levy will be utilized for sports related activities under Vote 17 (Ministry of Internal Affairs).

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development partners. Of the development revenues, \$211.9 million in cash (of which \$35.7 million is revolving fund) and \$235.0 million is in-kind.

The key increase in total revenues is due to donor funded cash (including \$35.7 million revolving fund which was not budgeted for in the current financial year approved budget), offset slightly by a reduction in donor funded in-kind revenue (mainly due to completed projects). The overall development budget estimate is projected to increase due to new projects such as the affordable housing project, Outer Island Jetties, Vava'u Hospital, Grid Strengthening, Tonga Hawaiki Branch and other projects.<sup>13</sup> Total revenue is expected to decline in the forward years due to an expected reduction in development funds.

Taxes are expected to continue to grow by 8.0 percent (or \$22.1 million in 2024/25) compared to original target in 2023/24 or by 4.6 percent (or \$13.1 million) compared to the revised estimate at the end of June 2024. This reflects an increase in tax compliance levels (such as due to the introduction of phase 2 of Electronic Sales Register System<sup>14</sup>) and effectiveness of the tax and revenue administration systems. In addition, the expected increase in economic growth, trade and income will support the higher collection in tax revenues in 2024/25 and two outer years (2025/26 and 2026/27).<sup>15</sup>

Non-taxes revenues are expected to grow in 2024/25 by 24.2 percent (or \$16.1 million) compared to the original target or by 13.8 percent (or \$10.0 million) compared to the revised estimate. This is driven by the review of government current fees to help increase the level of domestic revenues to further support the increasing demand from the public on accessibility and quality of service delivery. In addition, it is anticipated that there will be a further increase in: (i) dividends from National Reserve Bank of Tonga by \$3.7 million from \$14.3 million received in the current financial year; and (ii) increase in repayments from on-lent loans to businesses affected in the 2006 riots by \$5.3 million from \$7.8 million in the current fiscal year's revised estimate.<sup>16</sup>

Budget support confirmed for the forthcoming year is estimated at \$72.4 million, an increase by \$21.9 million due to additional budget support from the Australian Government worth \$22.0 million and the World Bank \$11.9 million.<sup>17</sup> This reflects the strengthened partnerships between Tonga and its development partners linked to GPA 8.

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<sup>13</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 78.

<sup>14</sup> *Ibid.*, page 15

<sup>15</sup> *Ibid.*, page 76.

<sup>16</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 77.

<sup>17</sup> *Ibid.*, page 71.

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Table 3: Expenditure

Amount (\$TOP in Millions)	Actual 2022/23	Original Budget 2023/24	Revised Budget 2023/24	Budget Estimate 2024/25	Variance From 2023/24 Original Budget	% of Total Expenditure 2024/25
<b>1. Government of Tonga</b>	348.3	369.1	354.3	379.9	10.8	42.2%
<b>2. Confirmed Budget Support</b>	46.6	50.5	50.9		72.4	21.9
<b>3. Revolving Fund</b>	0.0	0.0	0.0	35.7	35.7	4.0%
<b>4. Donor funded – Cash</b>	112.2	96.3	96.2	176.3	80.0	19.6%
<b>5. Donor funded – in-kind</b>	116.8	268.4	202.4	235.0	(33.4)	26.1%
<b>Grand Total</b>	<b>623.9</b>	<b>784.2</b>	<b>703.8</b>	<b>899.2</b>	<b>115.0 (14.7%)</b>	<b>100%</b>

*Note: There may be discrepancies in the figures above due to rounding. For the exact amount, please refer to Table 3 of the Draft Budget Estimates for 2024/25, page 9.*

**Table 3** shows the Government’s total budget for 2024/25 is expected to increase by 14.7 percent (or \$115.0 million) to \$899.2 million of which 50.3 percent or \$452.3 million is recurrent funded and 49.7 percent or \$446.9 million is development funded. The increase in total budget for 2024/25 is triggered by \$32.7 million recurrent expenses, \$35.7 million revolving funded expenses, \$80.0 million development cash expenses and offset by a \$33.4 million decrease in donor in-kind funded expenses. Of the total budget, 73.9 percent is cash or equivalent to \$664.2 million and 26.1 percent or \$235.0 million is in-kind assistance from development partners. The proposed cash appropriation for 2024/25 is increased by 28.8 percent or \$148.4 million from 2023/24 appropriated cash. This is due to \$32.8 million increase in recurrent expenses and \$115.6 million increase in development cash and revolving funds.<sup>18</sup>

At the end of June 2024, the Government’s spending is expected to under-spend by \$80.4 million to \$703.8 million, triggered by under-spend in both recurrent and development budget by \$14.5 million and \$66.1 million respectively. The under-spend in recurrent budget is driven by the increasing trend of unfilled vacancies mainly in the Ministry of Health, Ministry of Education, and technical positions which Ministries are find it challenging to fill due to its technical nature relative to positions with higher compensation in development projects or overseas.<sup>19</sup>

Due to increasing in the prices of goods and services, the Government has allocated budget for next financial year to cater for the 5.0 percent COLA for all civil servants and retention or duty allowance for teachers and medical staff at the Ministry of Education and Health.

<sup>18</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 14.

<sup>19</sup> *Ibid.*, page 173.

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Key expenditure initiatives in the budget for 2024/25 are:<sup>20</sup>

- ✓ 5.0 percent COLA allowance to address inflation;
- ✓ \$0.5 million increased grants for non-government schools i.e., secondary schools increase from \$700/head to \$770/head and TVET schools increase from \$1200/head to \$1320/head;
- ✓ \$2.2 million increased monthly stipends to the elderly group, and to disadvantaged groups with disabilities by including those in the age of 67 (down from 70 years old), to be effective in 2024/25. This arrangement will expand further in 2025/26 to include the age of 65 and 2026/27 to include the age of 63. The increased allocation also includes increasing monthly stipend amount to the elderly 67 – 69 at \$90/month, age 80+ at \$110/month and disability group to increase by 10.0 percent;
- ✓ \$1.1 million increased from \$8.0 million to support new public-private partnership (PPP) investments, prioritising ongoing development activities, and enhance national security; and
- ✓ \$2.2 million increase in debt repayments.<sup>21</sup>
- ✓ \$0.5 million for construction of new residential buildings for Governor of Vava'u;
- ✓ \$22.9 million for road maintenance works under the Road Maintenance Fund (RMF) and \$12.8 million for sports development, both funded by revolving funds;
- ✓ Commencement of new projects such as affordable housing project, outer islands jetties, Vava'u Hospital, Grid Strengthening, Tonga Hawaiki Branch System, Integrated Aged Care Project and other major infrastructure projects, Energy related projects, Tourism Industry Accommodation, Resilience projects.

## 2. GOVERNMENT BUDGET ALLOCATION

### *BY GOVERNMENT PRIORITY AGENDA (GPAs)<sup>22</sup>*

The budget allocation for 2024/25 will continue to support nine (9) GPAs grouped into three thematic areas of national resilience, service quality and affordability, and prospects for progressive economic growth. **Table 4** illustrates the allocation of both the recurrent budget (\$452.3 million) and development budget (\$446.9 million) to each of the GPAs.

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<sup>20</sup> Ibid., page 6-7.

<sup>21</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 6-7.

<sup>22</sup> Ibid., page 11-30.

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Table 4: Summary of Government Budget by Priority Areas

Government Priority Area	Original Estimates FY 2024			Estimates FY 2025			Share of Total Budget (%)	Variance (Total)
	Recurrent	Development	Total	Recurrent	Development	Total		
<b>Thematic Area 1: National Resilience</b>	55.5	112.4	167.9	63.1	138.1	201.2	22.4	33.3
1 Climate & economic resilience	3.2	79.2	82.4	3.6	106.0	109.6	12.2	27.2
2 Reduce poverty & social protection	12.4	11.8	24.2	15.6	25.6	41.2	4.6	17.0
3 Combat illicit drugs	39.9	21.4	61.3	43.9	6.5	50.4	5.6	(10.9)
<b>Thematic Area 2: Quality &amp; Affordable Services</b>	295.3	96.7	392.0	319.7	125.6	445.3	49.5	53.3
4 Improve education & employability	63.1	37.9	101.0	70.6	42.8	113.4	12.6	12.4
5 Quality & affordable healthcare	55.7	10.3	66.0	56.2	22.7	78.9	8.8	12.9
6 Quality & accessible public services	176.5	48.5	225.0	192.9	60.1	253.0	28.1	28.0
<b>Thematic Area 3: Progressive Economic Growth</b>	68.7	155.6	224.3	69.5	183.2	252.7	28.1	28.4
7 Trade & private sector development	33.7	26.4	60.1	38.4	23.4	61.8	6.9	1.7
8 Quality & accessible public infrastructures	20.0	127.2	147.2	15.1	153.1	168.2	18.7	21.0
9 Strengthen partnerships	15.0	2.0	17.0	16.0	6.7	22.7	2.5	5.7
<b>Grand Total</b>	<b>419.5</b>	<b>364.6</b>	<b>784.2</b>	<b>452.3</b>	<b>446.9</b>	<b>899.2</b>	<b>100.0</b>	<b>115.0</b>

**Note:** Table 4 are projections of allocations of budgets under each GPA given the crosscutting nature of most of the priority areas

#### Key variances are in respect of:

- GPA 1 - Climate and economic resilience - including an additional development funding of \$30.0 million for Catastrophe Deferred Drawdown Options, and \$10.0 million for Contingent Disaster Financing.
- GPA 6 - Quality and accessible public services - including \$28.0 million on a wind power station, \$17.5 million on the GRID Enhance Q Generator Set and additional funding to the Ministry of Finance.<sup>23</sup>
- GPA 8 - Quality and accessible public infrastructure - including \$22.9 million for revolving funds for the Road Maintenance Fund, and additional \$8.0 million for the new Parliament Building, and an additional \$14.5 million for upgrading the Royal Tombs.<sup>24</sup>

Out of the nine GPAs above, three GPAs were identified for detail discussions based on its priority and relevance:

#### HTHH Reconstruction Project Phase 1: HTHH Housing Reconstruction<sup>25</sup>

A total of 286 households were initially identified to be affected by the HTHH tsunami, however, 260 households were verified to be reconstructed. To date, 113 households have been completely reconstructed, which include 5 for Kotu, 17 for Tungua, 4 for Ha'afeva, and 2 for Lifuka. The remaining houses are expected to be completed by the end of June 2024.<sup>26</sup>

<sup>23</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 39.

<sup>24</sup> *Ibid.*, page 46.

<sup>25</sup> Ministry of Finance, *Budget Statement FY 2023/24*, page 18; Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 86.

<sup>26</sup> Ministry of Finance, *Draft Budget Statement for FY 2025*, page 9.

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### **Climate Change<sup>27</sup>**

**Total Estimated Budget for 2024/25 - \$109.6 million** (increased from \$82.4 million in previous year)

- *Recurrent budget - \$3.6 million*
- *Development Budget \$106.6 million*

The ADB Trust Fund is the primary fund for Climate Change related projects, operations, and activities.<sup>28</sup>

Tonga has achieved one of the Nation Determined Contribution's (NDCs) activity which was the planting 1.0 million trees as part of the adaptation initiatives toward the impacts of climate change to meet zero carbon emission.<sup>29</sup>

Priority activities for 2024/25 under GPA 1 in respect of climate change include:<sup>30</sup>

- Rehabilitating drainage systems in flood-prone locations and developing a climate and disaster-resilient urban development strategy.
- Continuing efforts to reduce power losses and construct a new 12-km (33kV) transmission line for renewable energy under the Grid Strengthening Project.
- Continuing road rehabilitation projects across Tongatapu, 'Eua, Vava'u, and Ha'apai.
- Installing seismic hut equipment in Niuafou'u and completing installation of coastal radio stations throughout Tonga.

### **Illicit Drugs (GPA 3)<sup>31</sup>**

**Total Estimated Budget for 2024/25 - \$50.4 million** (decreased from \$61.3 million in previous year)

- *Recurrent budget - \$43.9 million*
- *Development Budget \$6.5million*

This is a decrease of \$10.9 million from the previous year, mainly due to completion of some parts of development projects such as the new Leadership Centre at Touliki, maintenance of naval ships and construction of the Fangatongo Military Camp in Vava'u.

Of the allocation of \$61.3 million for 2023/24 to combat illicit drugs \$54.9 million or 89.6 percent is estimated to be utilised by the end of the year.

Key programs in place are:

- National Action Plan for Illicit Drugs (NAPID)
- National Deportation Reintegration, Tonga National Youth Policy (TNYP)
- Migration and Sustainable Development Policy (MSDP)

<sup>27</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 19.

<sup>28</sup> Ibid., page 20.

<sup>29</sup> Ibid., page 19.

<sup>30</sup> Ibid., page 21.

<sup>31</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 24-26.

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Following a slight increase in inmates escaping from the prison detention facilities due to high drug use and a lack of a security fence, the government has provided funds to establish a specific Drug Unit at Hu'atolitoli Prison and the building of the security fence.

*BY MINISTRY*

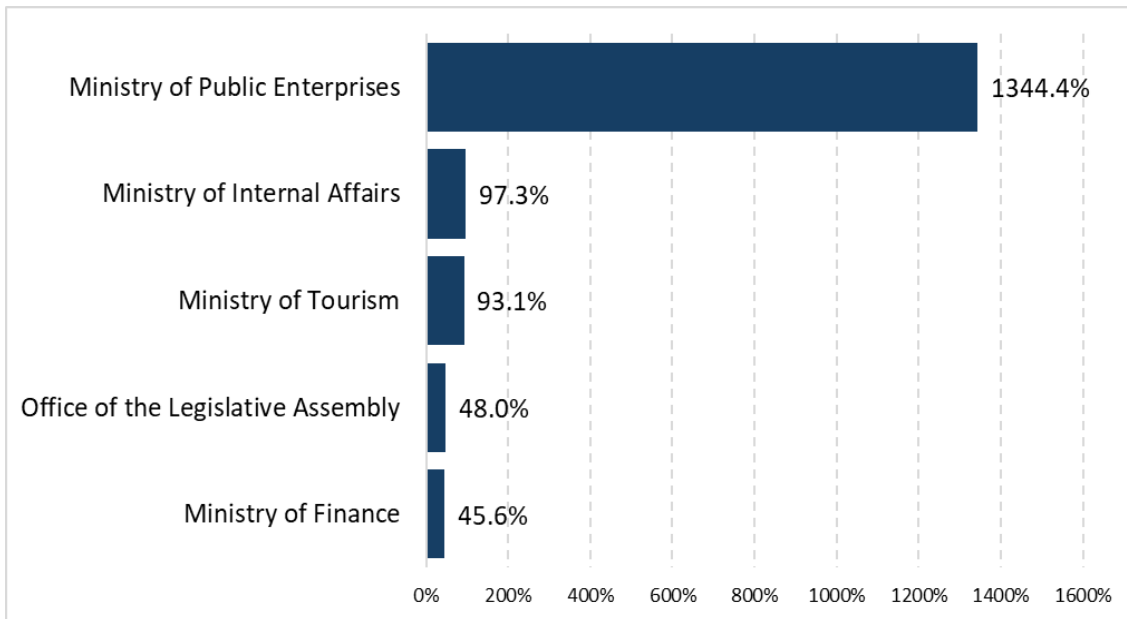
**Table 5** illustrates Ministries' budget allocation for 2023/24 and 2024/25. Ministries in green are the ones with the largest percentage change in budget allocation for 2024/25 compared to the original budget for 2023/24. Ministries in green are the ones with largest year-to-year increase in budget allocations and Ministries in red are the ones with largest year-to-year decrease in budget allocation for 2024/25.

**Table 5: Recurrent and Development Budget 2024/25 (both cash and in-kind)**

Ministry	Actual 2022/23	Original Estimate 2023/24	Revised Estimate 2023/24	Budget Estimate 2024/25
Palace Office	4,111,454	4,963,200	4,209,600	4,924,400
Office of the Legislative Assembly	22,196,237	17,614,100	17,009,500	26,076,500
Office of the Auditor General	1,851,299	2,356,400	2,073,400	2,385,000
Office of the Ombudsman	1,475,070	1,553,500	1,412,400	1,662,900
Ministry of Foreign Affairs	15,431,087	14,717,800	13,970,600	15,062,900
His Majesty's Armed Forces	17,823,046	23,641,700	20,006,100	14,990,900
Prime Minister's Office	11,492,918	17,618,900	14,355,700	21,904,400
Ministry of Finance	148,319,963	139,340,100	137,303,300	202,865,800
Ministry of Revenue & Customs	10,600,999	11,042,400	9,643,100	11,372,700
Ministry of Public Enterprises	1,336,639	1,863,000	3,858,900	26,908,700
Ministry of Trade & Economic Development	7,243,046	7,083,300	6,815,200	7,574,500
Ministry of Justice and Prisons	14,088,481	13,850,300	13,280,100	17,086,100
Attorney General's Office	3,246,243	3,451,100	2,964,600	3,636,000
Ministry of Tonga Police	12,973,425	16,632,600	15,714,300	17,382,300
Ministry of Health	75,687,710	70,924,900	71,477,000	78,058,300
Ministry of Education & Training	74,369,990	135,100,700	116,718,700	137,400,900
Ministry of Internal Affairs	16,454,157	17,053,200	12,717,500	33,653,500
Ministry of Agriculture, Food & Forest	13,839,443	12,197,900	10,923,200	15,507,100
Ministry of Infrastructure	80,844,083	143,529,200	122,517,700	130,323,800
Ministry of Lands & Natural Resources	9,148,412	21,197,200	19,114,600	12,630,200
Office of the Public Service Commission	2,019,213	2,206,600	2,006,500	2,224,700
Statistics Department	3,551,920	3,840,900	3,769,100	3,666,300
MEIDECC	54,128,427	72,970,300	56,013,500	74,172,100
Ministry of Fisheries	9,943,313	12,588,200	12,497,900	12,503,500
Ministry of Tourism	7,463,323	8,909,500	6,941,400	17,207,800
Tonga Fire & Emergency Services Dept	4,256,008	7,113,200	6,433,900	7,164,700
Office of the Anti-Corruption Commissioner	0	836,000	0	850,000
<b>Total</b>	<b>623,895,906</b>	<b>784,196,200</b>	<b>703,747,800</b>	<b>899,196,000</b>

**Source: Ministry of Finance, Draft Budget Estimates for FY 2025, page 10 & 11**

Figure 2: Ministries with largest year-to-year increase in budget allocation in 2024/25



### Budget increases for Ministries

Figure 2 shows the top five Ministries with the highest budget increases in 2024/25 budget compared to 2023/24 original budget estimate.

- **Ministry of Public Enterprises** – increase by 1,344.4 percent or \$25.0 million mainly due to cash grant worth \$15.0 million, in-kind assistance such as other plant and equipment \$5.0 million and technical equipment \$5.0 million. These expenses are all funded by development partners, related to rationalizations.<sup>32 33</sup>
- **Ministry of Internal Affairs** – increase by 97.3 percent or \$16.6 million due to \$10.9 million increased in grant for sports activities and the relocation of budget for social welfare scheme and grant for vulnerabilities from the Ministry of Finance (Vote 08) coupled with increase in monthly stipend and expansion of the coverage and scope of both schemes over the medium term.<sup>34</sup>
- **Ministry of Tourism**– increase by 93.1 percent or \$8.3 million mainly due to increased spending on new building (up by \$5.7 million) related to culture and heritage (development cash funded).<sup>35 36</sup>
- **Office of the Legislative Assembly**– increase by 48.0 percent or \$8.4 million due to planned construction of the new Parliament building.<sup>37</sup>
- **Ministry of Finance** – increase by 45.6 percent or \$63.5 million due to the World Bank Catastrophe Deferred Drawdown as well as the Asian Development Bank Contingency

<sup>32</sup> Ministry of Finance, *Draft Budget Estimates for FY 2024/25*, page 188.

<sup>33</sup> Ministry of Finance, *Budget Estimates for FY 2023/24*, page 184.

<sup>34</sup> Ministry of Finance, *Draft Budget Estimates for FY 2024/25*, page 285.

<sup>35</sup> *Ibid*, page 376.

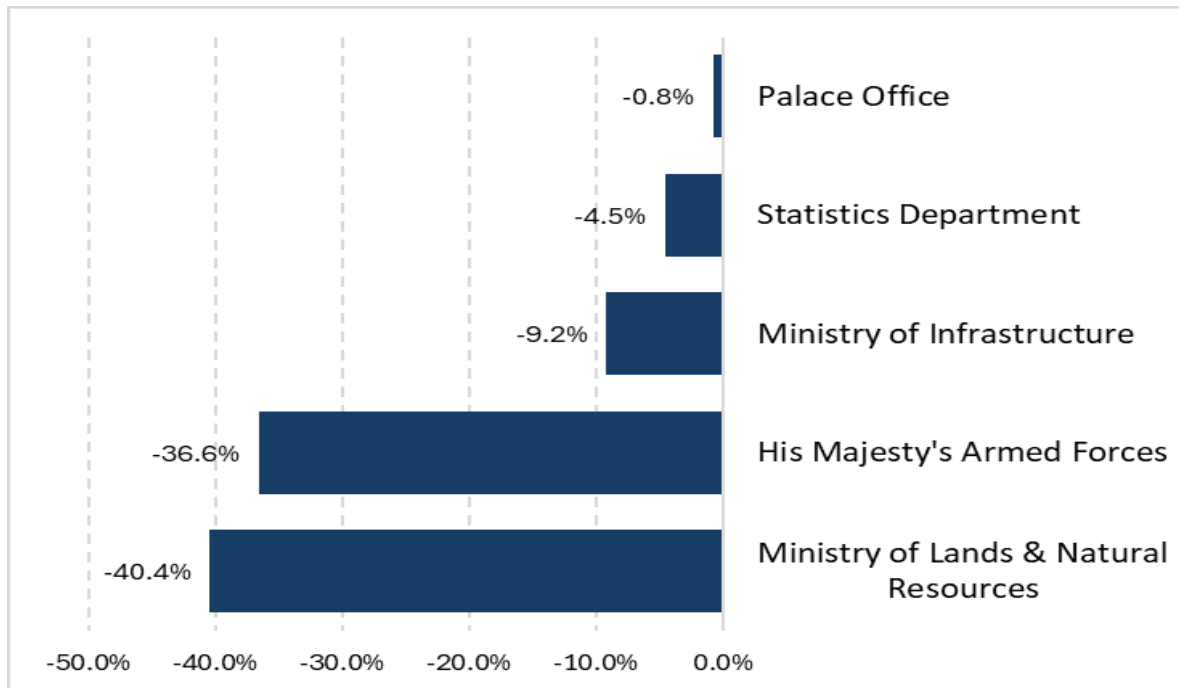
<sup>36</sup> Ministry of Finance, *Budget Estimates for FY 2024/25*, page 372.

<sup>37</sup> Ministry of Finance, *Draft Budget Estimates for FY 2024/25*, page 78.

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Disaster Financing to address natural disasters and health related events when a state of emergency is declared.<sup>38</sup>

**Figure 3: Ministries with largest year-to-year decrease in budget allocation for 2024/25**



### Budget decreases for Ministries

**Figure 3** illustrates the top five Ministries with the highest budget decreases in 2024/25 budget.

- Ministry of Lands and Natural Resources** – decrease by 40.4 percent or \$8.6 million mainly in the Natural Resources Division and Planning and Urban Management Agency. In-kind assistance from development partners decreases due to completion in some of the development projects.<sup>39</sup>
- His Majesty's Armed Forces**– decrease by 36.6 percent or \$8.6 million. This is due to a reduction in in-kind assistance from development partners as some of the projects have been completed. This includes \$4.5 million new building coupled with \$4.0 million maintenance of vessels and aircrafts.<sup>40</sup>
- Ministry for Infrastructure**- decrease by 9.2 percent or \$13.2 million due to a reduction in in-kind assistance from development partners for major improvements to airport by \$2.2 million, upgrade of ports by \$5.1 million (of which \$1.6 million is cash), completion of new building by \$2.6 million under Transport Infrastructure and Services Operation.<sup>41</sup>

<sup>38</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 80 & 81.

<sup>39</sup> Ministry of Finance, *Draft Budget Estimates for FY 2024/25*, page 329.

<sup>40</sup> *Ibid.*, page 127 & 129.

<sup>41</sup> *Ibid.*, page 314-315.

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- **Statistics Department** - decrease by 4.5 percent or \$174,600 may be due to the completion of the Consultants and Technical Assistants (or never happen) who assisted the Office with collection, processing, and dissemination of statistical information.<sup>42</sup>
- **Palace Office** - decreased by 0.8 percent or \$38,000 driven by the completion of renovations of buildings, funded by in-kind assistance from development partners.<sup>4344</sup>

*BY LOCATION* <sup>45</sup>

**Table 6** shows that 57.3% (or \$515.2 million) of total budget allocations are to Tongatapu as the island with the most population density, which is expected to continue in the medium term due to expected increased population growth and economic activity compared to the other islands.

**Table 6: Recurrent and development expenditure by location 2024/25 (\$m)**

Location	Total recurrent and Development expenditure			
	Actuals 2022/23	Original Estimate 2023/24	Revised Estimate 2023/24	Estimate 2024/25
Nationwide	237.3	227.3	202.2	294.5
Tongatapu	304.2	462.5	416.1	515.2
Vava'u	31.9	44.1	37.6	38
Ha'apai	17.5	16.5	18.5	17.7
Eua	10.8	15.2	12.5	16
Niuatoputapu	4.9	2.8	2.4	2.8
Niuafou'ou	5.4	5.7	4.5	4.2
Overseas mission	11.1	10	9.9	10.7
<b>Total</b>	<b>623.1</b>	<b>784.1</b>	<b>703.7</b>	<b>899.1</b>

**Source: Budget Statement 2024/25**

The major projects in **Tongatapu** are:

- Nuku'alofa Port Upgrade Project
- Tonga High School Sports Complex
- Tonga Integrated Urban Resilience Sector Project
- Wind Power Station
- Legislative Assembly building
- Mala'e Kula Royal Tombs Upgrade
- Planned upgrade of the Queen Salote Nursing School
- Tonga National Museum
- Integrated Aged Care Project.

**Nationwide** projects include road maintenance and upkeep, the affordable housing scheme, outer island jetties, Tonga Hawaiki branch system project, regional vaccines project and capacity

<sup>42</sup> Ibid., page 349.

<sup>43</sup> Ministry of Finance, *Budget Estimates for FY 2023/24*, page 70

<sup>44</sup> Ministry of Finance, *Draft Budget Estimates for FY 2024/25*, page 72.

<sup>45</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 76 & 82.

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building, the Irish Trust Fund initiative, TSRSP, Tonga Fish Pathways Project and ongoing scholarship opportunities for tertiary education.

**Projects for other locations include:**

- **Vava'u** -the Transport Resilience Sector assisting in road rehabilitation and maintenance, the new Vava'u hospital building and the upgrading of the Fangatongo Military Camp staff quarters.
- **Ha'apai** - the Ha'apai NDRMO Emergency Warehouse as well as the upgrading of the road and wharf.
- **Eua** - the reconstruction of the 'Eua wharf – bridge road works and upgrading of the Nafanua wharf under the TCRTP project.
- **Niuaotupapu & Niuafo'ou** - the Tonga renewable energy-based hybrid mini-grids project, provision of tractor grass cutter and the works towards the Niuafo'ou wharf under the TCRTP project.

### 3. PUBLIC DEBT <sup>46</sup>

#### Total Public Debt

- Total **public debt** as at 30 of June 2024 is estimated at \$440.8 million or 35.7 percent of GDP. In comparing to June 2023, total public debt decreases by \$45.7 million or equivalent to 9.4 percent.<sup>47</sup>
- Total **external debt** as at 30 of June 2024 is estimated at \$370.5 million (30.0 percent of GDP). This is comprised of CNY (Chinese renminbi) at \$177.1 million (47.8 percent) and the Special Drawing Rights (SDR) at \$150.7 million (40.7 percent) and other currencies at \$42.7 million (11.5 percent).<sup>48</sup>
- Total **Domestic debt** is estimated at \$70.3 million (5.7 percent of GDP) at the end of June 2024, consisting of 100% Government bonds on issue.<sup>49</sup>
- Total **debt service** (expenditure) for the year ended 30 June 2024 is estimated at \$68.4 million, comprising of external \$50.4 million (74.0 percent of total debt service) and domestic \$18.0 million (26.0 percent of total debt service). This is an increase from \$42.6 million in June 2023, attributed to DSSI and exchange rate fluctuation.<sup>50</sup>
- Total **On-lent Loans** due to Government from various public and other enterprises are estimated at \$50.7 million (4.1 percent of GDP and 13.7 percent of total external loans). This is an increase from the previous year's amount of \$47.1 million. The budget statement refers to ongoing discussions with the CBD on repayment of their on-lent loans describing it as a 'work in progress'.<sup>51</sup>
- Total **Government Guaranteed Loan** as of June 2024 is estimated at \$16.0 million or 1.3 percent of GDP. These are for Roads Project (37.4 percent of total government-guaranteed loans), Cost Low Co. Ltd (35.0 percent of total government-guaranteed loans), Lulutai

<sup>46</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 45.

<sup>47</sup> *Ibid.*, page 62.

<sup>48</sup> *Ibid.*, page 105

<sup>49</sup> *Ibid.*, page 106.

<sup>50</sup> *Ibid.*

<sup>51</sup> *Ibid.*, page 107.

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Airlines Ltd (13.1 percent of total government-guaranteed loans) and Royco Ports Ltd (14.5 percent of total government-guaranteed loans).<sup>52</sup>

- Total public debt is continuing to decrease and is projected to continue to do so over the medium term as shown in **Figure 3** below.

**Figure 4: Total Public Debt (\$m) 2022/23 to 2026/27 (including actual and projected)**



**Source: Ministry of Finance<sup>53</sup>**

- The Government of Tonga is anticipating a continuous high debt service in 2024/25 and the next three years because of the commencement of the principal repayment of the Nuku’alofa CBD Reconstruction project loan to China EXIM Bank. Total debt service due to China EXIM Bank in 2024/25 is estimated at \$42.0 million, which accounts for 61.0 percent of Tonga’s total debt service for 2024/25. Government has issued a new bond in 2023/24 as one of the refinancing options to assist with our external debt repayment and will continue to domesticate the external debt to reduce exchange rate risk.<sup>54</sup>

## **4. FISCAL OUTLOOK**

### **Economic growth**

The economic growth rate is expected to grow by 2.9 percent in 2024/25. Growth areas are in the industrial sector (6.2 percent) due to ongoing construction efforts and implementation of development projects, and the service sector (4.1 percent) lead by improvement in tourism, wholesale, and retail.<sup>55</sup> Growth rate over the medium term is projected at an average growth rate of 2.8 percent mainly due to recovery reconstructions.<sup>56</sup>

<sup>52</sup> Ibid., page 109.

<sup>53</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 105.

<sup>54</sup> Ibid., page 104.

<sup>55</sup> Ibid., page 54.

<sup>56</sup> Ibid., page 55.

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This year's budget theme is "Building the foundations for sector-driven economic growth and sustainability." The following initiatives have been announced under GPA 7 'Progressing Economic Growth':<sup>57</sup>

- Increase by \$1.1 million for Public Private Partnership (PPP) projects to \$9.1million: Agriculture (\$3.0 million), Tourism (\$3.0 million), Fisheries (\$3.0 million) and Manufacturing (\$0.1 million)
- Multi-purpose facility to enhance local production and exports of value-added goods, \$80,000 for feasibility study for 2024/25 and facility construction at \$3.5 million in 2025/26.
- Construction of the new national museum

### **External Sector**

The current account deficit shows import payments exceeding earnings from exports, foreign investments, and services. The current account deficit is difficult to eliminate due to small economies of scale in Tonga.

It is intended to focus on improving exports and promoting import substitution and greater investment in economic sectors going forward to reduce reliance on imported goods.<sup>58</sup>

### **Domestic Revenue**

The expected growth in domestic revenue collection is estimated at 10.5 percent, equivalent to \$42.6 million for 2024/25.<sup>59</sup>

Increases in tax revenues (4.6 percent or \$13.2m) are due to increased consumption tax on imports, improved tax compliance and administration and growth in domestic economic activity.

Increases in non-tax revenues (18.4 percent or \$12.8 million) are due to the anticipated review of current public service fees and charges, improvements in returns from public enterprises and the National Reserve Bank of Tonga. It is also estimated that there will be an increase in debt repayments from on-lent loans made to businesses affected during the 2006 Nuku'alofa unrests.<sup>60</sup>

To protect domestic revenue, the government:<sup>61</sup>

- is continuing revenue reform efforts including electronic sales registers to combat tax fraud and evasion, e-tax services for modernization, ASYCUDA World System implementation and use of the Nutrients Profile model for food classification and health related excise tax application.
- is reviewing tax exemptions for agriculture, tourism, and fuel to ensure they align with objectives and with a view to gradually phasing out.
- review government fees and charges

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<sup>57</sup> Ibid., page 13.

<sup>58</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 57.

<sup>59</sup> Ibid., page 62.

<sup>60</sup> Ibid., page 70.

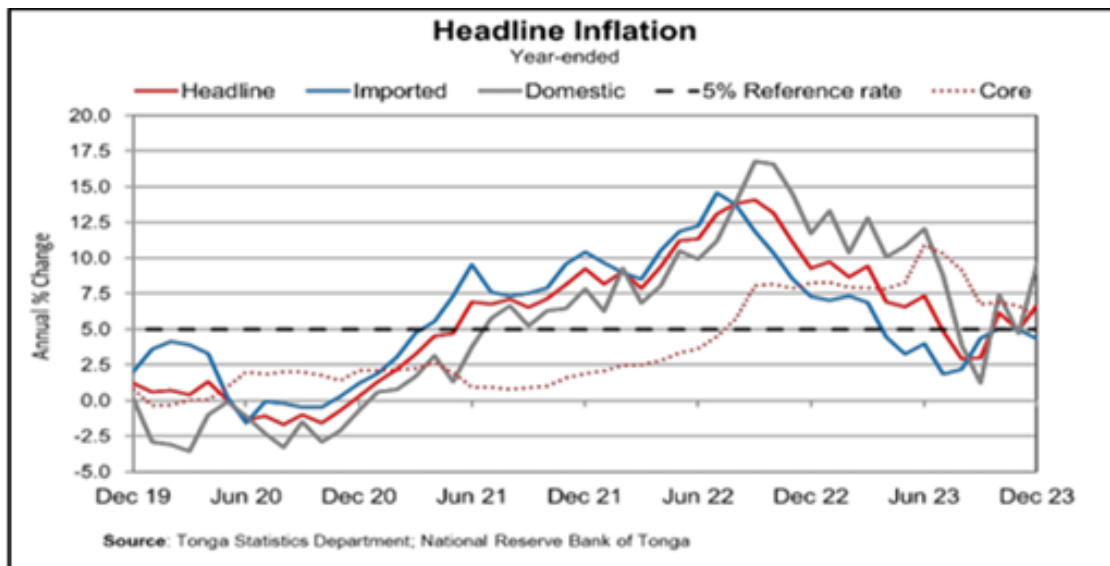
<sup>61</sup> Ibid., page 60.

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**Inflation**

- The annual inflation has declined to 3.6% in February 2024 and is below the 5.0 percent reference rate of the National Reserve Bank of Tonga and is predicted to stay below the reference rate.<sup>62</sup> It is expected to slow down to between 4.3 percent to 6.7 percent by the end of 2024.<sup>63</sup>
- Inflation is impacted by global inflation rates which are exceeding (3.9 percent) by the end of 2022/23) domestic prices increased by 12.0 percent, attributed in part to high local food prices.<sup>64</sup> **Figure 5** shows that there has been an overall decline in inflation over the last two years, following an increase in previous years.

**Figure 5: Headline inflation: year ended December 2019 to December 2023**



**Source: Budget Statement 2024/25 page 119**

The latest data by the Tonga Statistics Department shows a positive outlook. Imported inflation has decreased to 3.5 percent, aligning with the reduction in local inflation to 3.7 percent.<sup>65</sup> Measures to address the impacts of inflation include the 5 percent cost of living allowance for civil servants in July 2024<sup>66</sup> and prioritization on repayment of loans to the China EXIM Bank.<sup>67</sup> **Figure 6** demonstrates how it is predicted that inflation will be close to the reserve rate of 5.0 percent set by the National Reserve Bank of Tonga in the coming years.

<sup>62</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 7 & 61.

<sup>63</sup> *Ibid.*, page 51-52.

<sup>64</sup> *Ibid.*, page 62.

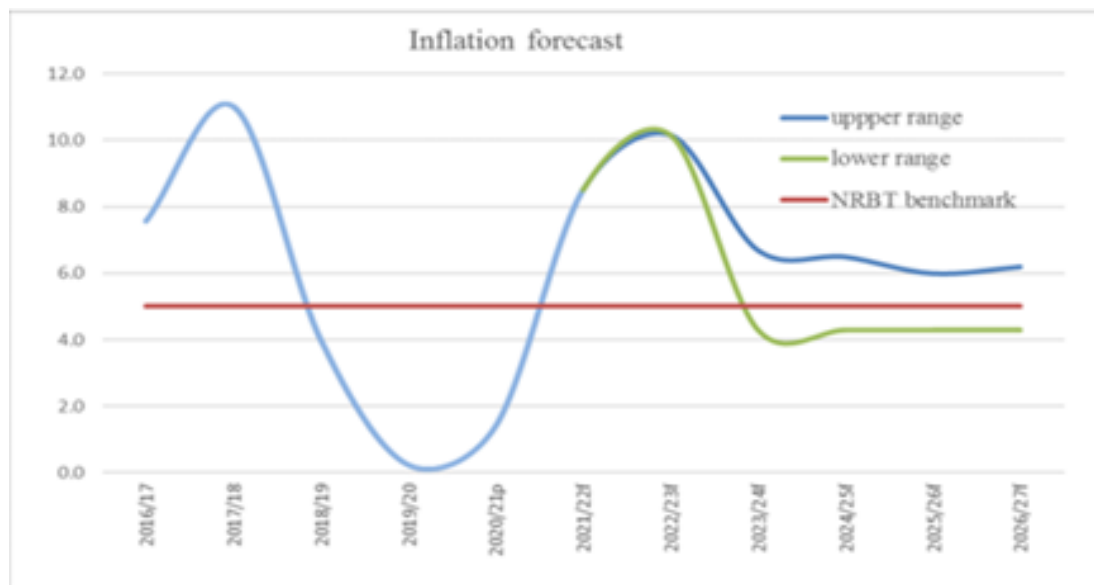
<sup>65</sup> *Ibid.*, page 62.

<sup>66</sup> *Ibid.*, page 13.

<sup>67</sup> *Ibid.*, page 114.

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Figure 6: Estimated inflation trends 2016/17 to 2026/27



Source: Budget Statement 2024/25 page 89

**1. VOTE 01 (page 69 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for Palace Office by Funding Sources 2024/25<sup>68</sup>**

Vote 01	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	4,903,200	<b>4,924,400</b>
	Local Government Fund	60,000	-
	<b>TOTAL</b>	<b>4,963,200</b>	<b>4,924,400</b>

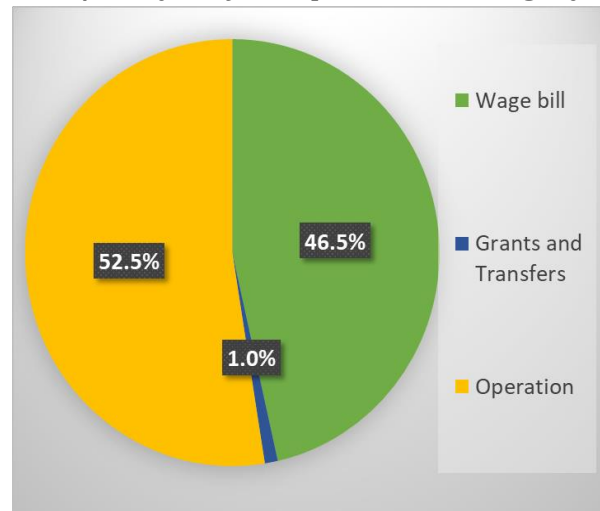
- The total budget for Palace Office in 2024/25 is \$4.9 million or equivalent to 0.5 percent of the total government budget of \$899.2 million. This is fully funded by the Government of Tonga.

- The total budget for the Palace Office decreased by 0.8 percent (or \$38,800) from \$5.0 million in 2023/24 approved estimate.

- **Figure 1** illustrates that 52.5 percent of the Office’s budget is for the operation (categories 12xx – 14xx, 16xx and 20xx), 46.5 percent of the budget is for wage bills related expenses (categories 10xx, 11xx and 19xx) and 1.0 percent of the budget is for grants and transfers payment (category 15xx).

- **Staffing:** there are 110 positions in total, of which 78 positions are established and 32 are unestablished.<sup>69</sup>

**Figure 1: Palace Office’s Total Budget for 2024/25 by Major Expenditure Category**



<sup>68</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 71.

<sup>69</sup> Palace Office, *Draft Corporate Plan & Budget 2024/25 – 2026/27*, page 23.

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## 2. Palace Office OUTPUTS

**Table 2** shows the relevant linkages of Palace Office’s service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG	TSDF II National Outcome	TSDF II Organizational Outcome	Government Priority Agenda	Organization Output <sup>70</sup>	Delivering Division/Program
Goal 17	<b>D:</b> A more inclusive, sustainable, and responsive good governance with law and order <sup>71</sup>	<b>3.4:</b> Modern and appropriate Constitution, laws and regulations reflecting international standards of democratic processes. <sup>72</sup> <b>3.5:</b> Improved working relations & coordination between Privy Council, executive, legislative & judiciary <sup>73</sup>	GPA 9	<b>Output 1:</b> Improve management. <b>Output 2:</b> Improving Promotion and Preservation	Office of the private Secretary/ Program 1: Leadership & Policy Advice
	<b>C:</b> A more inclusive, sustainable, and empowering human development with gender equality.	<b>2.3:</b> More appropriate Social & Cultural Practices.		<b>Output 5:</b> Improving Service & support for his majesty’s privy Council Meeting <b>Output 6:</b> Improving administration of national scheme of registration of national identity Cards.	Office of the Lord Privy seal/ Program 3: office of the lord privy Seal
	<b>G:</b> A more inclusive, sustainable, and consistent advancement of our external interests, security, and sovereignty.	<b>3.7:</b> Improved political and defence engagement within the Pacific and the rest of the World.		<b>Output 3:</b> Advanced Planning and delivery of resources for state, ceremonials, courts Events and Receiving of Visiting VVIP’s <b>Output 4:</b> Forester Closer ties with Foreign Countries	Office of the Lord Chamberlain/ Sub-Program 2: Office of the Lord Chamberlain

<sup>70</sup> Office of the Legislative Assembly, *Draft Corporate Plan & Budget, 2023/24-2025/26*, page 11.

<sup>71</sup> Ibid., page 8.

<sup>72</sup> Ibid.

<sup>73</sup> Ibid., page 8.

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### 3. NEW INITIATIVES

- There are no new initiatives for 2024/15, however there are on-going activities indicated for the new financial year including new office equipment, maintenance of buildings and compounds, domestic travels etc. <sup>74</sup>

### 4. BUDGET PROGRAM CHANGES

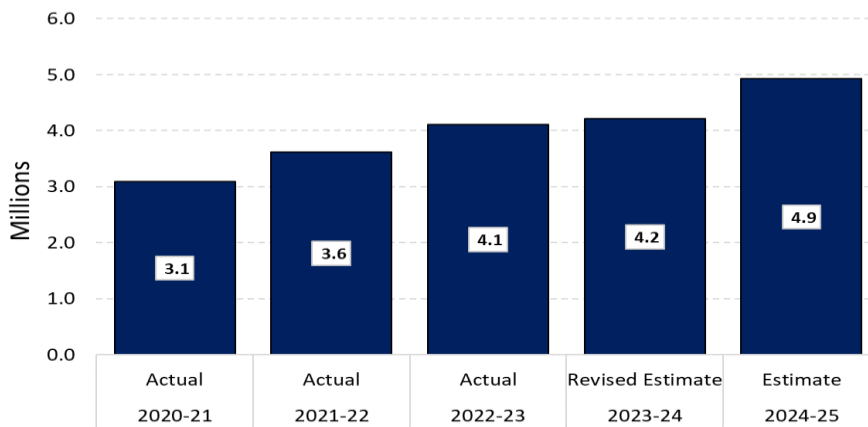
The mandate of Palace Office will be delivered using resources allocated into one (1) program and three (03) sub-programs as follows in **Table 3**.

**Table 3: Palace Office Expenditure Budget for 2024/25 by Sub-Programs and Expenditure.**<sup>75</sup>

	Original Estimate	Budget Estimate	Difference (Increase (↑) or Decrease (↓))
	2023/24	2024/25	
<b>1. Palace</b>			
01 Leadership and Policy Advice	\$4,577,000	\$4,540,600	↓\$36,400
02 Office of Lord Chamberlain <sup>76</sup>	\$113,500	\$99,500	↓\$14,000
03 Lord Privy Seal <sup>77</sup>	\$272,700	\$284,300	↑\$11,600

### 5. TRENDS

**Figure 2: Palace Office's Total Expenditure, 5 Year Trend**



**Figure 2** shows the total expenditure budget for the Palace Office compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period. The total spending of the Office increases from \$3.1 million in

2020/21 to \$4.2 million in the revised estimate in the current financial year. It is anticipated to increase in 2024/25 budget allocation due 5.0 percent COLA.

<sup>74</sup> Palace Office, *Draft Corporate Plan for FY 2024/25*, page 14-21.

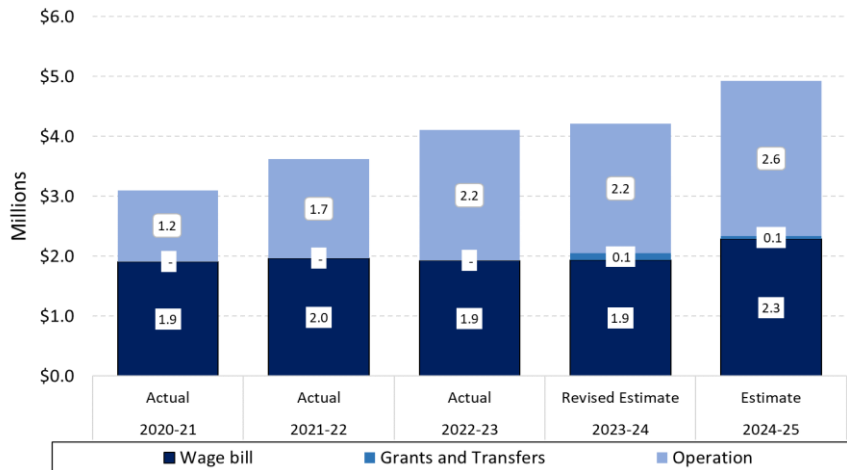
<sup>75</sup> Ministry of Finance, *Draft Budget Estimate for FY 2024/25*, page 70 – 73.

<sup>76</sup> Ibid., page 73.

<sup>77</sup> Ibid.

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**Figure 3: Palace Office's 5- Year Total Expenditure by Major Category**

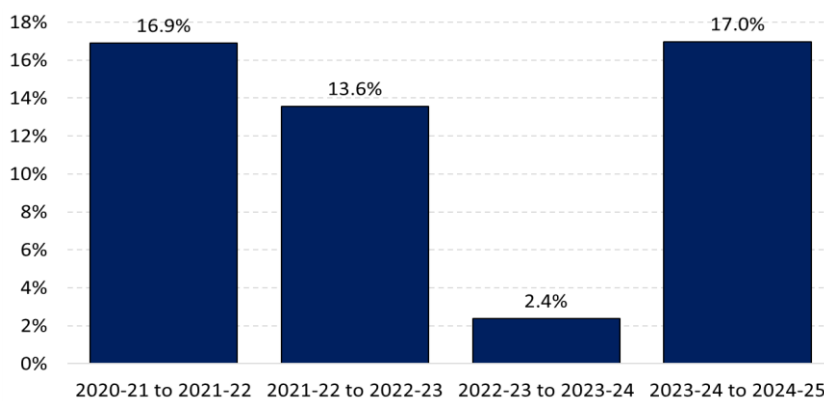


**Figure 3** shows a breakdown of Palace Office's expenditure budget (as in Figure 2) into major expenditure category for five financial years (2020/21-2024/25).

Wage bill expenses remain stable and recorded at an average of \$1.9 million per year and expected to increase in 2024/25 due to 5.0 percent COLA. Operation contributes more to the Office's total expenditure and spending triggered by overseas and domestic travels category (about half of the total operation expenditure).

Wage bill expenses remain stable and recorded at an average

**Figure 4: Year to Year Percentage Change in the Palace Office's Total Expenditure**

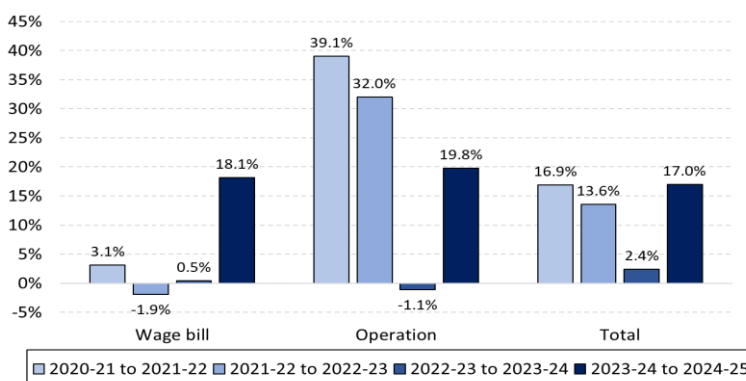


**Figure 4** illustrates the year-on-year percentage change in Palace Office total expenditure budget in 2024/25 compared to actual spent in the previous years (revised in 2023/24).

2024/25 period due to 5.0 percent COLA.

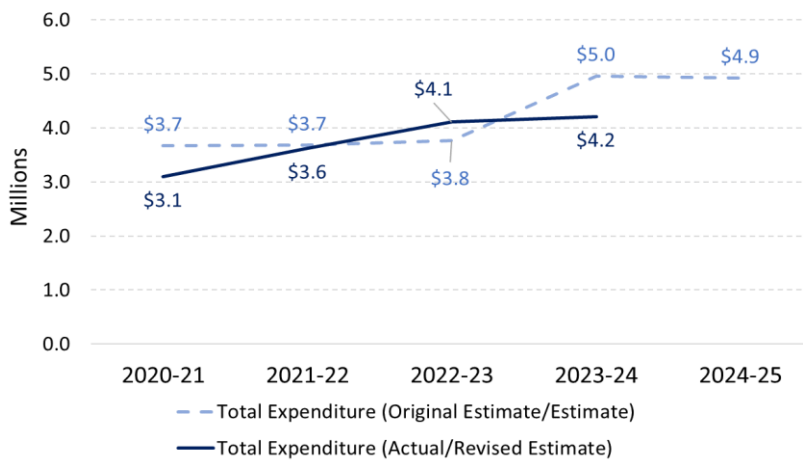
The largest change is observed in 2023/24 -

**Figure 5 Year to Year Percentage Change in the Palace Office's Total Expenditure by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure category. It is evident that operation is the main driver of the Office's annual change in budget and spending.

**Figure 6: Palace Office's Total Budget vs. Actuals**



**Figure 6** illustrates the total approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/25.

It is noted that the Office spent within is approved appropriation except for an over-spent in 2022/23.

This could be due to additional financial resources being transferred from the Ministry of Finance vote or cash received from development partners to assist the Office in responding to HTHH volcano eruption.



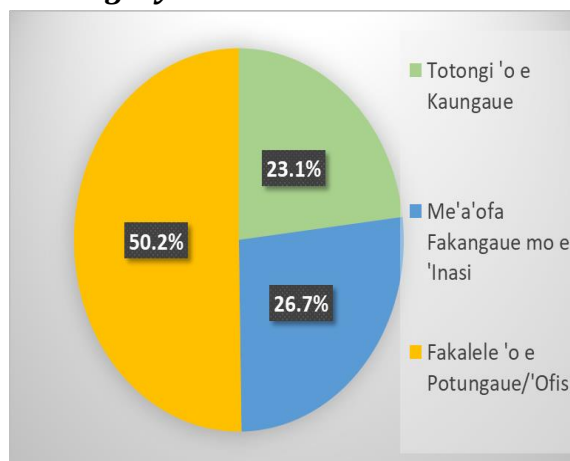
**1. VOTE 02 (page 75 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for Office of the Legislative Assembly (OLA) by funding Sources 2024/25<sup>78</sup>**

Vote 02	Source of Funding	2023/24 Estimate	2024/25 Estimate
	<b>Recurrent</b>		
	Government of Tonga Fund	15,031,500	<b>15,954,500</b>
	<b>Development</b>		
	Donor Cash	460,600	-
	Donor In-kind	2,122,000	<b>10,122,000</b>
	<b>TOTAL</b>	<b>17,614,100</b>	<b>26,076,500</b>

- The total budget for OLA for 2024/25 is \$26.1 million or equivalent to 2.9 percent of the total government’s budget of \$899.2 million.
- The total budget for OLA increased by 48.0 percent (or \$8.5 million) from \$17.6 million in the 2023/24 approved estimate. This is triggered by a \$0.9 million increase in recurrent budget coupled with \$8.0 million increase in development in-kind assistance and off-set by a \$0.5 million decrease in development cash assistance.
- The increase in recurrent budget is mainly due to top up of the existing activities such as salaries (5.0 percent COLA), \$0.2 million for national broadcasting of parliamentary sessions to enhance transparency and accountability and \$0.2 million government contribution for the new Parliament project.
- The increase in development in-kind assistance is from \$10.0 million for the construction of the new Parliament House.
- **Figure 1** illustrates that half of OLA’s total budget is operation (categories 12xx – 14xx, 20xx), 23.1 percent is wage bill expenses related to compensation of employees (categories 10xx, 11xx and 19xx) and 26.7 percent is for grants and transfers payment (category 15xx).
- **Staffing<sup>79</sup>**: there are 69 positions in total, of which 64 positions are established and 5 positions are unestablished.

**Figure 1: OLA’s Total Budget for 2024/25 by Major Expenditure Category**



<sup>78</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 77.

<sup>79</sup> Office of the Legislative Assembly, *Draft Corporate Plan & Budget, 2024/25 – 2026/27*, page 18.

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## 2. OLA OUTPUTS

**Table 2** shows the relevant linkages of OLA’s service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG	TSDF II National Outcome	TSDF II Organizational Outcome	Government Priority Agenda	Organization Output <sup>80</sup>	Delivering Division/Program
<b>Goal 3, 6, 7, 8, 9, 13, 16</b>	<b>D:</b> A more inclusive, sustainable, and responsive good governance with law and order <sup>81</sup>	<b>3.4:</b> Modern and appropriate Constitution, laws and regulations reflecting international standards of democratic processes. <sup>82</sup> <b>3.5:</b> Improved working relations & coordination between Privy Council, executive, legislative & judiciary <sup>83</sup>	<b>GPA 6</b>	<b>Output 1:</b> More effective leadership and policies <sup>84</sup>	Office of the Speaker / Program 1: Leadership & Policy Advice
				<b>Output 2:</b> More inclusive and interactive Parliament.	
				<b>Output 3:</b> Better procedural, legal and administrative support to the Speaker and MPs. <b>Output 4:</b> More effective and partnerships with OLA’s stakeholders	Office of the Clerk/ Program 1: Leadership & Policy Advice
				<b>Output 5:</b> Better administrative support to the OLA <b>Output 6:</b> Better financial management systems and practices <sup>85</sup>	Corporate Services Division/ Program 1: Leadership & Policy Advice

<sup>80</sup> Office of the Legislative Assembly, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 12-14.

<sup>81</sup> *Ibid.*, page 8.

<sup>82</sup> *Ibid.*

<sup>83</sup> *Ibid.*, page 8.

<sup>84</sup> *Ibid.*, page 12

<sup>85</sup> *Ibid.*, page 12.

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				<p><b>Output 7:</b> More effective HR policies and practices<sup>86</sup>.</p> <p><b>Output 8:</b> Better Legislative support to the Clerk and onward to MPs<sup>87</sup></p> <p><b>Output 9:</b> Better table unit and chamber support services</p> <p><b>Output 10:</b> Improved translation services</p>	<p>Legal Division/Program 2: Legislative Assembly Services</p>
				<p><b>Output 11:</b> Introduce a committee mandate for oversight of the national implementation of SDGs.<sup>88</sup></p> <p><b>Output 12:</b> More effective committee and research support.</p> <p><b>Output 13:</b> Improved library resources and services<sup>89</sup></p>	<p>Committees &amp; Library Services Division/Program 2: Legislative Assembly Services</p>
				<p><b>Output 14:</b> Improved Hansard services to MPs<sup>90</sup></p> <p><b>Output 15:</b> Improved engagement with the public<sup>91</sup></p> <p><b>Output 16:</b> More effective and efficient ICT services</p>	<p>Reporting Division / Program 2: Legislative Assembly Services</p>

<sup>86</sup> Office of the Legislative Assembly, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 13

<sup>87</sup> Ibid.

<sup>88</sup> Ibid.

<sup>89</sup> Ibid., page 14.

<sup>90</sup> Ibid.

<sup>91</sup> Ibid.

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				<p><b>Output 17:</b> Noble CF: Noble's Office/ Program Development Project at 3: Constituency Development</p> <p><b>Output 18:</b> Noble Office Operation</p>
				<p><b>Output 19:</b> People's CF 3: Constituency Office (1-17)/Program 3: (Development Project at Constituency Development)</p> <p><b>Output 20:</b> Community Policing</p> <p>Output 21: Constituency Office Operation</p>

### 3. NEW INITIATIVES

- There are new initiatives that OLA is planning to deliver in 2024/25 but there's no budgetary allocation for it. This includes<sup>92</sup>:

#### 1. Tonga Youth Parliament, Tonga Women's Parliament, She Leads and other similar initiatives

• Tonga Youth Parliament is scheduled for September 2024. It serves as an important platform for youth to actively participate in the democratic process. Through discussions on legislation, event empowers youth, fostering their confidence. Other similar initiatives are expected to convene in the second half of 2024/25.

Office of the Legislative Assembly, *Corporate Plan, 2024/25*, page 16

#### 2. Maintenance of technical equipment

• The technical equipment (including cameras) at OLA have been overdue for necessary maintenance, mainly due to budget constraints. In preparing the budget for the next fiscal year and the subsequent two years, it is vital to allocate ample funds for repairing and consistently maintaining this equipment. This allocation is essential to guarantee the operational effectiveness.

Office of the Legislative Assembly, *Corporate Plan, 2024/25*, page 16

#### 3. Implement Tonga Benchmarks report recommendations

• The last review of the Rules of Procedure was in 2016. There is another review planned for this year to be adopted before the next parliamentary term. The same review will also consider the recommendations provided in the Tonga Benchmark report. The purpose of the reviews is for more effective operations of the Legislative Assembly.

#### 4. New Parliament House Project

In-kind assistance from development partners amounted to \$10.0 million in OLA's vote for the construction of the new Parliament House.

Ministry of Finance, *Draft Budget Statement for FY 2025*, page 72

Ministry of Finance, *Draft Budget Estimate for FY 2025*, page 78 (Notes on donor expenditure/Inkind expenditure, category 20)

<sup>92</sup> Office of the Legislative Assembly, *Draft Corporate Plan & Budget, 2023/24-2025/26*, page 16-17.

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#### 4. BUDGET PROGRAM CHANGES

The mandate of OLA will be delivered using resources allocated into three (3) programs and twenty-four (24) sub-programs as follows in **Table 3**.

**Table 3: OLA's Expenditure Budget for 2024/25 by Program and Sub-program**

Programs/Sub-programs	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Advice</b>			
01 Office of the Speaker and Members of Parliament <sup>93</sup>	\$2,619,500	\$2,645,600	↑\$26,100
02 Office of the Clerk of the House <sup>94</sup>	\$2,238,800	\$10,203,600	↑\$7,964,800
<i>The increase is mainly due to a \$10 million development in-kind assistance for the construction of the new Parliament House.</i>			
03 Corporate Services Division <sup>95</sup>	\$2,656,700	\$2,964,600	↑\$307,900
<i>The increase is primarily due to an increase in budget allocation for broadcasting by \$178,000 and rental by \$220,000.</i>			
<b>2. Legislative Assembly Services</b>			
01 Legal and Legislative Assembly Services Division <sup>96</sup>	\$335,700	\$340,200	↑\$4,500
02 Committees and Library Division <sup>97</sup>	\$229,700	\$281,300	↑\$51,600
03 Reporting and Publishing Division <sup>98</sup>	\$690,100	\$690,100	-
<b>3. Constituency Development</b>			
01 Noble's Constituency Office <sup>99</sup>	\$1,223,300	\$1,235,600	↑\$12,300
02 Constituency Office for Tongatapu 1 <sup>100</sup>	\$453,900	\$459,500	↑\$5,600
<ul style="list-style-type: none"> <li>• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i></li> </ul>			
03 Constituency Office for Tongatapu 2 <sup>101</sup>	\$453,900	\$459,500	↑\$5,600
<ul style="list-style-type: none"> <li>• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i></li> </ul>			
04 Constituency Office for Tongatapu 3 <sup>102</sup>	\$434,700	\$440,300	↑\$5,600
<ul style="list-style-type: none"> <li>• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i></li> </ul>			
05 Constituency Office for Tongatapu 4 <sup>103</sup>	\$453,900	\$459,500	↑\$5,600
<ul style="list-style-type: none"> <li>• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i></li> </ul>			

<sup>93</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 78.

<sup>94</sup> Ibid.

<sup>95</sup> Ibid., page 79

<sup>96</sup> Ibid., page 80

<sup>97</sup> Ibid.

<sup>98</sup> Ibid., page 81.

<sup>99</sup> Ibid.

<sup>100</sup> Ibid., page 82.

<sup>101</sup> Ibid.

<sup>102</sup> Ibid., page 83.

<sup>103</sup> Ibid.

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06 Constituency Office for Tongatapu 5 <sup>104</sup>	\$453,900	\$459,500	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
07 Constituency Office for Tongatapu 6 <sup>105</sup>	\$453,900	\$459,500	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
08 Constituency Office for Tongatapu 7 <sup>106</sup>	\$453,900	\$459,500	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
09 Constituency Office for Tongatapu 8 <sup>107</sup>	\$453,900	\$459,500	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
10 Constituency Office for Tongatapu 9 <sup>108</sup>	\$434,700	\$440,300	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
11 Constituency Office for Tongatapu 10 <sup>109</sup>	\$453,900	\$459,500	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
12 Constituency Office for 'Eua 11 <sup>110</sup>	\$453,900	\$459,500	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
13 Constituency Office for Ha'apai 12 <sup>111</sup>	\$453,900	\$459,500	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
14 Constituency Office for Ha'apai 13 <sup>112</sup>	\$453,900	\$459,500	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
15 Constituency Office for Vava'u 14 <sup>113</sup>	\$453,900	\$440,300	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
16 Constituency Office for Vava'u 15 <sup>114</sup>	\$434,700	\$440,300	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
17 Constituency Office for Vava'u 16 <sup>115</sup>	\$434,700	\$440,300	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			
18 Constituency Office for Niua 17 <sup>116</sup>	\$453,900	\$459,500	↑\$5,600
• <i>The increase is due to the relocation of funds from the Office of the Speaker &amp; MPs</i>			

<sup>104</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 84.

<sup>105</sup> Ibid.

<sup>106</sup> Ibid., page 85.

<sup>107</sup> Ibid.

<sup>108</sup> Ibid., page 86.

<sup>109</sup> Ibid.

<sup>110</sup> Ibid., page 87.

<sup>111</sup> Ibid.

<sup>112</sup> Ibid., page 88.

<sup>113</sup> Ibid.

<sup>114</sup> Ibid., page 89.

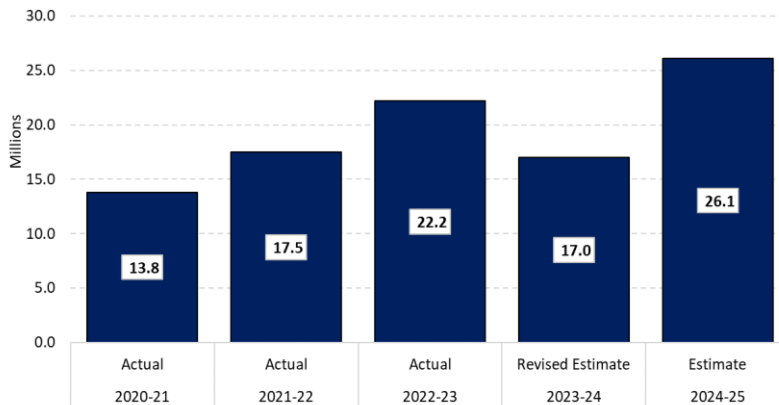
<sup>115</sup> Ibid.

<sup>116</sup> Ibid., page 90.

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## 5. TRENDS

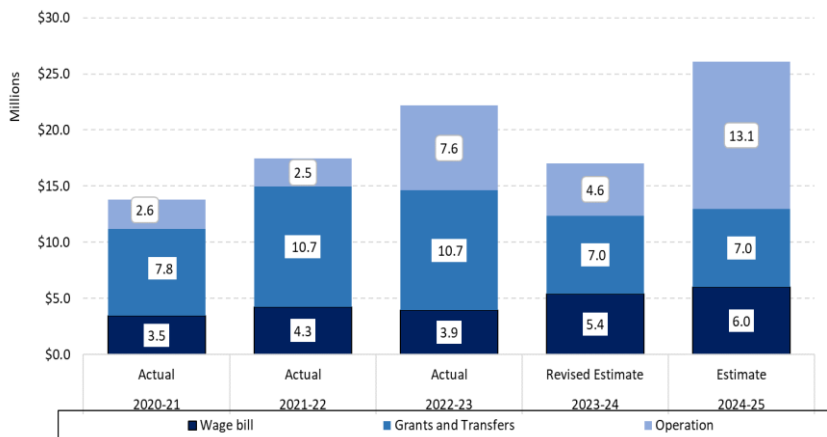
**Figure 2: OLA's Total Expenditure 5 -Year Trend**



**Figure 2** shows the total expenditure budget for OLA in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period. The average spending for the last four years is recorded at an average of \$17.6 million per year with

highest spending observed in 2022/23. The proposed budget for 2024/25 is expected to increase by 53.5 percent (or \$9.1 million) compared to the revised estimate in 2023/24 due to the implementation of the new Parliament House.

**Figure 3: 5-year OLA's Total Expenditure by Major Category**

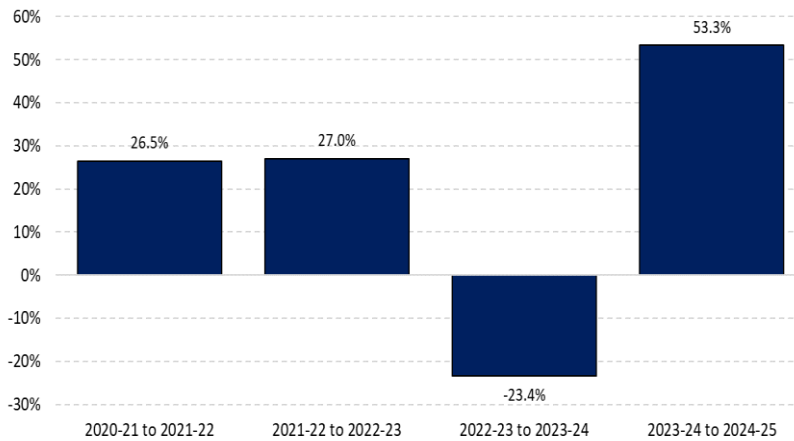


**Figure 3** shows a breakdown of OLA's expenditure budget (*as in Figure 2*) into major expenditure category for five financial years (2020/21 – 2024-25). Grants and Transfers category dominates the composition of OLA's spending at an average of

around \$9.0 million in the previous four years. Operation category has the largest share in 2024/25 due to in-kind assistance from development partners for the construction of new Parliament House.



**Figure 4: Year to Year Percentage Change in OLA's Total Expenditure**

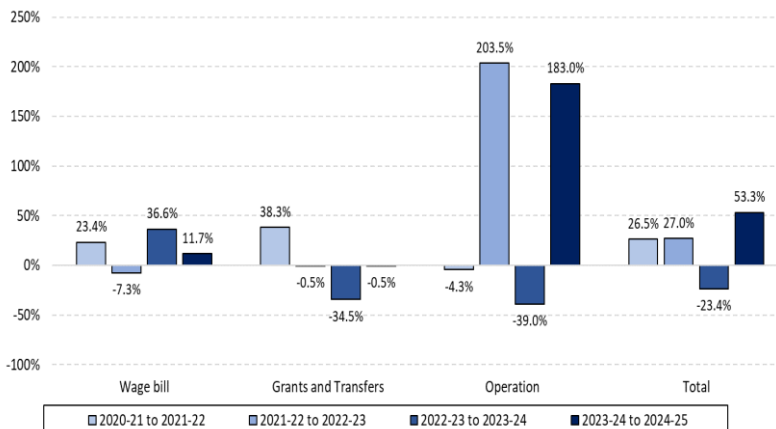


**Figure 4** shows the year-on-year percentage change in OLA's total expenditure budget in 2024/25 compared to actual spent in the previous years (revised in 2023/24).

The largest change is observed in 2023/24 – 2024/25 period due to the implementation of the new Parliament project. The drop in the third period (2022/23 – 2023/24) is driven by the delay in implementation of the new Parliament project.

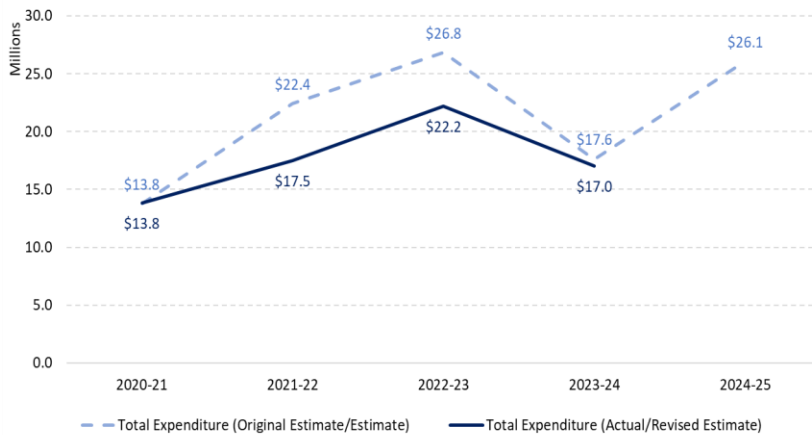
The largest change is observed in 2023/24 – 2024/25 period due to the implementation of the new Parliament project.

**Figure 5: Year to Year Percentage Change in OLA's Total Expenditure Budget by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure category. As discussed in the previous section, the new Parliament project is the main trigger of OLA's budget trend. This is shown in the operation category by fluctuating over the observed period.

**Figure 6: OLA's Total Budget vs Actuals**



**Figure 6** illustrates the total approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/25. Total approved budget for OLA has been increased in the first three years before declining to \$17.6 million in the current fiscal year due to delay in the implementation of the new Parliament House. Proposed budget for 2024/25 is increased to the level where it was in 2022/23

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due to in-kind assistance from development partners for the construction of the new Parliament House.

In terms of actual spending, OLA had fully spent its budget in 2020/21 and increased further in the following two years due to COVID-19 and HTHH volcano eruption. At the end of the current financial year, it is expected that OLA will have fully utilized its budget.

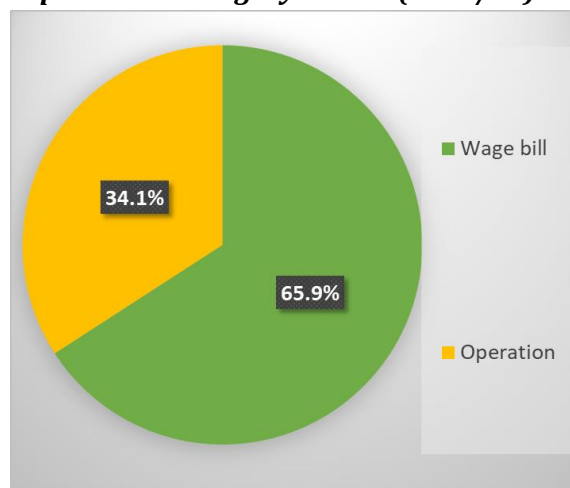
## 1. VOTE 03 (page 92 of the Draft Budget Estimates 2024/25)

**Table 1: Expenditure Budget for Office of the Auditor General (TOAG) for 2024/25<sup>117</sup>**

Vote 03	Source of Funding	Estimate 2023/24	Estimate 2024/25
	<i>Recurrent</i>		
	Government of Tonga Fund	2,156,400	2,185,000
	<i>Development</i>		
	Overseas Donor Funding (In-kind)	200,000	200,000
	<b>TOTAL</b>	<b>2,356,400</b>	<b>2,385,000</b>

- The total budget allocated to TOAG for 2024/25 is \$2.4 million, representing 0.3 percent of the total Government’s budget of \$899.2 million.
- **Table 1** shows that 91.6 percent of the Office’s total budget is funded by the Government of Tonga and 8.6 percent is in-kind contribution funded by development partners.
- **Figure 1** illustrates that 65.9 percent (or \$1.6 million) of the Office’s total expenditure is mainly for the Wage bill (category 10xx and 11xx), and 34.1 percent (or \$0.8 million) is for the operation (category 12xx – 14xx and 20xx) of the Office.
- TOAG’s total expenditure budget increased slightly by 1.3 percent from \$2.2 million in 2023/24 to \$2.4 million in 2024/25. This is triggered by the 5.0 percent COLA that is expected in July 2024.
- **Staffing<sup>118</sup>**: There are 34 total positions, all of which are established.

**Figure 1: Office of the Auditor General- Expenditure Category Shares (2024/25)**



<sup>117</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 93.

<sup>118</sup> Office of the Auditor General, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 9-15.

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## 2. TOAG'S OUTPUTS

**Table 2** shows the relevant linkages of the TOAG's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDG's**

SDG	TSDF II National Outcome	TSDF II Organizational Outcome	Government Priority Agenda	Organization Output <sup>119</sup>	Delivering Division/Program
Goal 16	More inclusive and sustainable growth and development <sup>120</sup>	3.1: A more efficient, effective, affordable, honest and transparent Public Service, with a clear focus on priority needs, working both in the capital and across the rest of the country, with a strong commitment to improved performance and better able to deliver the required outputs of government to all people.	GPA 6	Output 1: Special Audit Reports	Corporate Management Unit/ Program 1: Leadership & Policy Advice
				Output 2: Financial Audit Reports	Financial Audit Unit/ Program 2: Audit Operation
				Output 3: Performance Audit Reports	Performance Audit Unit/ Program 2: Audit Operation
				Output 4: Compliance Audit Reports	Compliance Audit Unit/ Program 2: Audit Operations

<sup>119</sup> Office of the Auditor General, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 9-15.

<sup>120</sup> Office of the Auditor General, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 4.

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### 3. NEW INITIATIVES

There are no new initiatives in the Draft Corporate Plan and will continue with its usual activities.

### 4. BUDGET PROGRAM CHANGES

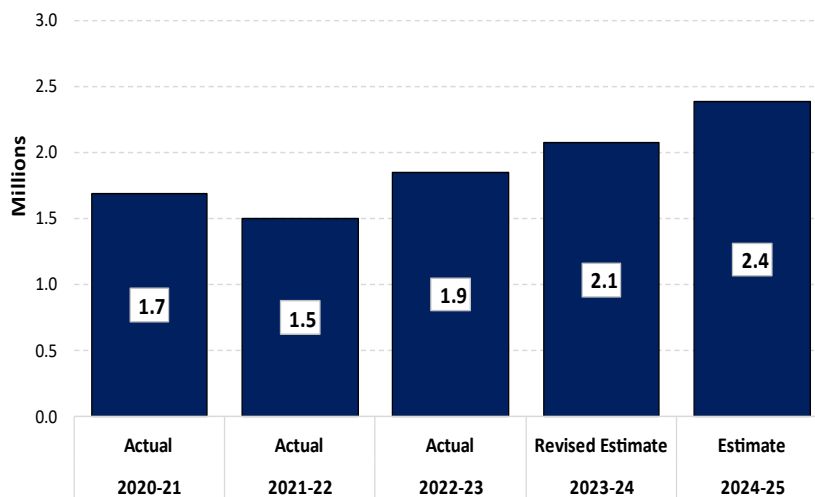
The mandate of the Office of the Auditor’s General will be delivered using resources allocated into two (2) programs and five (5) sub-programs as follows in *Table 3*.

**Table 3: TOAG’s Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Advice</b>			
01 Office of the Auditor General	\$336,200	\$353,200	↑\$17,000
02 Corporate Services	\$851,600	\$802,000	↓\$49,600
<b>2. Audit Operations</b>			
01 Financial Audit	\$461,700	\$514,500	↑ \$52,800
02 Performance Audit	\$264,200	\$280,000	↑ \$15,800
03 Compliance Audit	\$442,700	\$435,300	↓ \$7,400

### 5. TRENDS

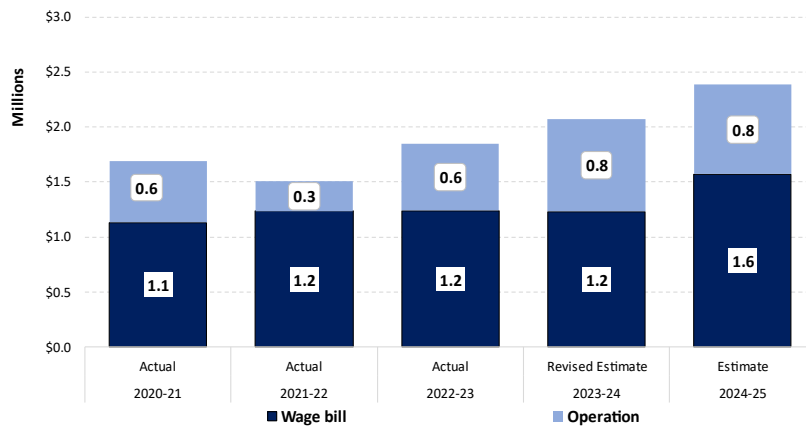
**Figure 2: TOAG’s Total Expenditure, 5 -Year Trend**



*Figure 2* shows the actual budget approved for the Office of the Auditor General over a 5-year period since 2020/21. Budget expenditure for the office of the Auditor General remained steady at \$2 million over the 5-year period since 2020/21; as there have been no major reforms or new

initiatives in the Office of the Auditor General in 2023/24.

**Figure 3: 5-year Total Expenditure by Major Category**

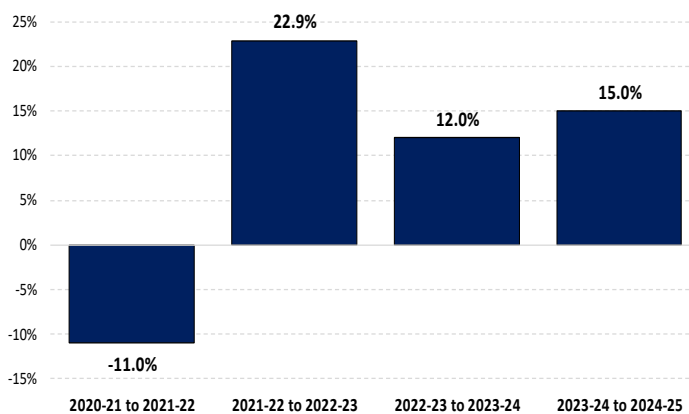


**Figure 3** shows the trend in total expenditure by major category over the 5-year period since 2020/21.

The cost of Wage bill remained steady at \$1.2 million between 2021/22 and 2023/24 but increased to \$1.6 million between 2023/24 and

2024/25. This increase is mainly due to the 28% increase in the cost of established staff (salaries) between 2023/24 and 2024/2025; because of the 5% COLA compensation towards civil servant service. The operational costs increased moderately over the 5-year period from 2020/21 to 2024/25.

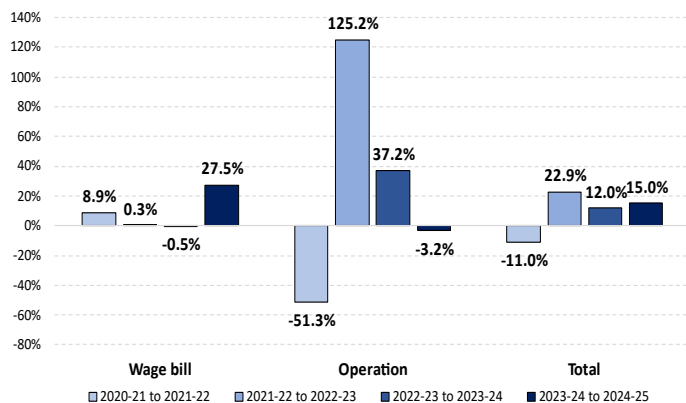
**Figure 4: Year to Year Percentage Change in TOAG's Total Expenditure**



**Figure 4** illustrates the Year-to-Year percentage change in TOAG's total expenditure budget.

The largest change is observed between 2021/22 and 2022/23 with a 22.9% increase in total expenditure compared to the two financial years 2023/24 and 2024/25.

**Figure 5: Year to Year Percentage Change in TOAG's Total Expenditure by Major Category**

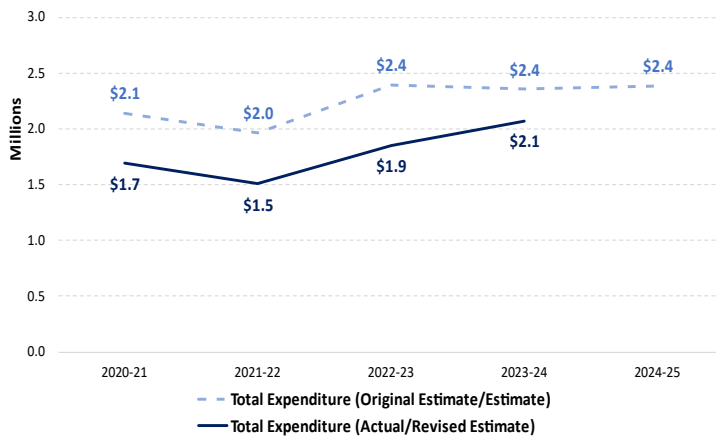


**Figure 5** is a breakdown of **Figure 4** by major expenditure category.

The total operational cost was the highest between 2021-22 and 2022-23 compared to previous years.

The total cost of the wage bill fluctuated moderately over the 5-year period since 2022/23.

**Figure 6: TOAG's Total Budget vs. Actuals**



**Figure 6** shows the total approved expenditure in comparison to the actual expenditure occurred during the four-year period.

Both total expenditure whether approved or actual has fluctuated moderately over the 5-year period since 2020/21, with a minor decrease in the 2021/22. This drop is due to the absence of overseas donor funding for that particular year.

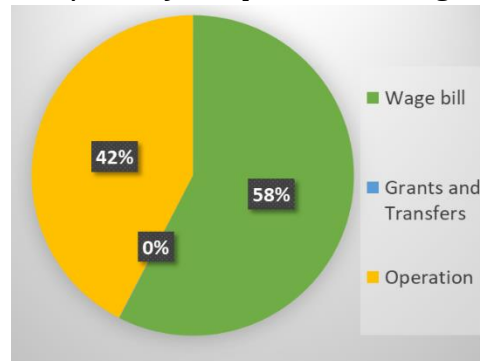
**1. VOTE 04 (page 97 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for Office of the Ombudsman (OMB) by Funding Sources 2024/25<sup>121</sup>**

Vote 04	Source of Funding	2023/24 Estimate	2024/25 Estimate
	<b>Recurrent</b>		
	Government of Tonga Fund	1,553,500	1,662,900
	<b>TOTAL</b>	<b>1,553,500</b>	<b>1,662,900</b>

- The total budget for the OMB for 2024/25 is \$1.7 million, contributing to 0.2 percent of the government's total budget of \$899.2 million, and is funded by the Government of Tonga.
- The total OMB's overall budget for 2024/25 has slightly increased by 7.0 percent (or \$0.1 million) from the 2023/24 approved estimate.<sup>122</sup> This is primarily due to the 5.0 percent COLA that is to be implemented in July 2024 and the expansion of the Office<sup>123</sup> to the new branch in Ha'apai (2 staff and operational budget).
- **Figure 1** indicates that 58.0 percent (or \$1.0 million) of OMB's total budget is in respect of the wage bill for established and non-established staff for categories 10xx and 11xx. 42.0 percent (or \$0.7 million) is operational costs, encompassing categories 12xx - 14xx & 20xx. There is an insignificant amount in respect of Grants and Transfers (category 15xx).
- **Staffing**<sup>124</sup>: There are a total of 35 staff positions including 33 established positions, and 2 unestablished positions.

**Figure 1: OMB's Total Budget for 2024/25 Major Expenditure Category**



<sup>121</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 99.

<sup>122</sup> Ministry of Finance, *Draft Budget Estimate FY 2023/2024*, page 97.

<sup>123</sup> Ministry of Finance, *Draft Budget Statement for FY 2024/25*, page 72.

<sup>124</sup> Office of the Ombudsman, *Draft Corporate Plan & Budget, 2024/25-2025/27*, page 16.

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## 2. OMB'S OUTPUTS

**Table 2** shows the relevant linkages of OMB's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG	TSDF II National Outcome	TSDF II Organizational Outcome	Government Priority Agenda	Organization Output <sup>125</sup>	Delivering Division/Program
Goal 16	D: A more inclusive, sustainable, and responsive good governance with law and order <sup>126</sup>	3.1: More efficient, effective, affordable, honest, transparent, and apolitical public service focused on clear priorities. <sup>127</sup>	GPA 1 GPA 2 GPA 3 GPA 4 GPA 5 GPA 6 GPA 7 GPA 8 GPA 9	Sub-output 1: Better Leadership & Policy Advice	Office of the Ombudsman/CEO <b>Program 1: Leadership and Policy Advice</b>
				Sub-output 2: Better overall management	Office of the CEO / <b>Program 1: Leadership and Policy Advice</b>
				Sub-output 3: Accessible to Human Rights	
				Sub-output	
				4: Quality Financial Management	Corporate Services Division / <b>Program 1: Leadership and Policy Advice</b>
				Sub-output 5: Accurate Monitoring and Evaluation	
				Sub-output 6: Reliable and efficient IT System	
				Sub-output 7: Effective outreach	Communications & Media Division/ <b>Program 1: Leadership and Policy Advice</b>
				Sub-output 8: Impartial and efficient complaint management	Investigations Division/ <b>Program 2: Investigation Services</b>
				Sub-output 9: Accurate monitoring and evaluation	
				Sub-output 10: Efficient and effective administrative management	
				Sub-output 11: Ongoing capacity building	
				Sub-output 12: Impartial & efficient oversight management	Oversight Governance / <b>Program 3: Legal and Oversight Governance</b>
				Sub-output 13: Accurate monitoring & evaluation	
Sub-output 14: Efficient administration					

<sup>125</sup> Office of the Ombudsman, *Draft Corporate Plan & Budget, 2024/25-2025/27*, page 8-12.

<sup>126</sup> Ibid., page 8.

<sup>127</sup> Ibid, page 6.

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				Sub-output 15: Ongoing capacity building	
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### 3. NEW INITIATIVES

- There are no new initiatives in OMB’s budget for 2024/25<sup>128</sup>.
- Ongoing activities are expected in 2024/25 with additional funding including the following.

#### 1. Office of the Ombudsman

- Establishment of a sub office at Pangai, Ha'apai, and creation of 2 new established positions
- Strengthening the Integrity Alliance on the Anti-corruption agenda

Office of the Ombudsman, *Draft Corporate Plan & Budget*, 2024/25-2025/27, page 14.

#### 2. Office of the CEO

- Establishment of a Human Rights Institute to oversee state human rights at domestic level.

Office of the Ombudsman, *Draft Corporate Plan & Budget*, 2024/25-2025/27, page 14.

### 4. BUDGET PROGRAM CHANGES

The mandate of OMB will be delivered using resources allocated into two (2) programs and five (5) sub-programs as follows in **Table 3**.

**Table 3: OMB’s Expenditure Budget for 2024/25 by Program and Sub-program<sup>129</sup>**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Advice</b>			
01 Office of the Ombudsman <sup>130</sup>	\$313,900	\$304,100	↓\$9,800
02 Office of the CEO <sup>131</sup>	\$260,000	\$323,700	↑\$63,700
03 Corporate Services <sup>132</sup>	\$555,400	\$641,800	↑\$86,400
04 Communication and Media Services <sup>133</sup>	\$131,400	\$79,900	↓\$51,500
<b>2. Investigation</b>			
01 Investigation <sup>134</sup>	\$292,800	\$313,400	↑\$20,600

<sup>128</sup> Office of the Ombudsman, *Draft Corporate Plan & Budget*, 2024/25-2025/27, page 14.

<sup>129</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 100-104.

<sup>130</sup> *Ibid.*, page 100.

<sup>131</sup> *Ibid.*, page 101.

<sup>132</sup> *Ibid.*, page 102.

<sup>133</sup> *Ibid.*, page 103.

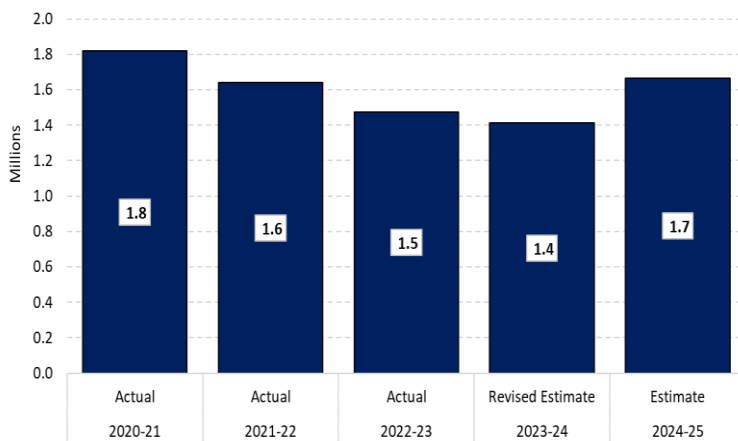
<sup>134</sup> *Ibid.*, page 104.

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*Note: It was mentioned in the Draft Budget Statement for FY 2025, page 72 that there is a budget allocation to support the expansion of the Office’s services to Ha’apai (2 staff and operational budget), but nothing has been mentioned on which programs and sub-programs above account for this. In the Corporate Plan, page 14, it states that this Office is under the Office of the Ombudsman but it’s under the Office of the CEO in the Draft Budget Estimate for 2024/25. There are also no resources allocated in the Draft Budget Estimate FY 2024/25 to Program 3 noted in the Corporate Plan for the Ombudsman at page 4 as a new priority.*

## 5. TRENDS

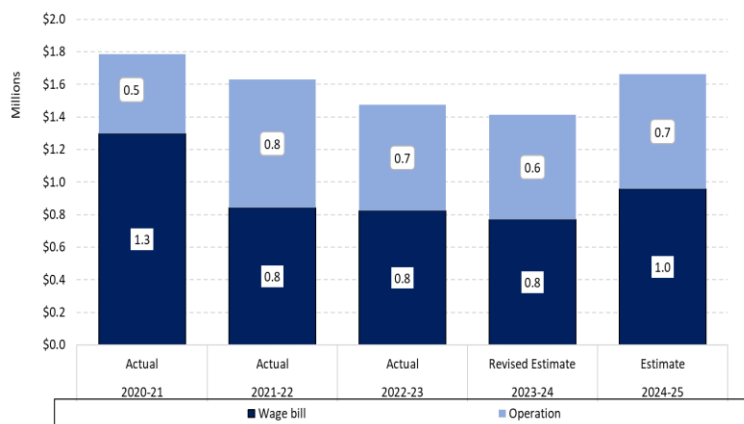
**Figure 2: OMB’s Total Expenditure 5-Year Trend**



**Figure 2** shows the 5-year trend on the total expenditure budget for the OMB in 2024/25 compared to actual spending in the first three years and the revised estimated for 2023/24 of the observed period. The OMB expenditure budget and actual spending over the years show a consistent trend with an average of \$1.6 million per year with the highest spending recorded in 2020/21 followed

by reductions in 2021/22, driven by COVID-19 and the HTTHH volcano eruption. Over the subsequent years, there has been a noticeable decrease in expenditure, with the actual spending for 2021/22 dropping to \$1.6 million and further to \$1.5 million in 2022/23. At the end of 2023/24, the OMB has revised its estimate of expenditure to \$1.4 million. For 2024/25, OMB’s total budget is estimated at \$1.7 million, an increase of \$0.3 million compared to the current financial year’s revised estimate. The increase in next financial year’s allocation is due to 5.0 percent COLA and the new office in Ha’apai.

**Figure 3: 5-year OMB’s Total Expenditure Budget by Major Category**

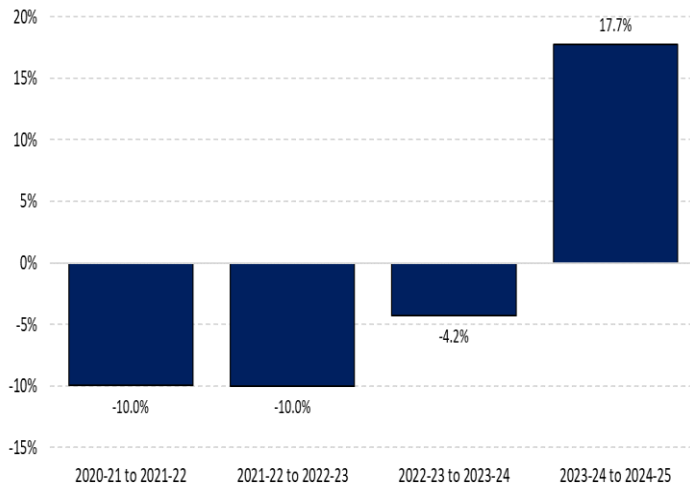


**Figure 3** shows a breakdown of OMB’s expenditure budget (*as in Figure 2*) into major expenditure categories for five financial years (2020/21 – 2024-25). Over the past five years, OMB’s total budget has been divided into major categories: the wage bill and operational expenses.

In the fiscal year 2020-21, total actual spending was \$1.8 million, of which \$1.3 million was the wage bill and \$0.5 million operational costs. However, over the subsequent years, actual spending was declining. Despite these reductions, the wage bill has remained relatively stable, due to personnel management

(such as a freeze in recruitment of vacant positions, restriction on overtime, etc). In 2024-25, the OMB's total budget has started to increase with more than 50.0 percent for Wage Bill related expenses.

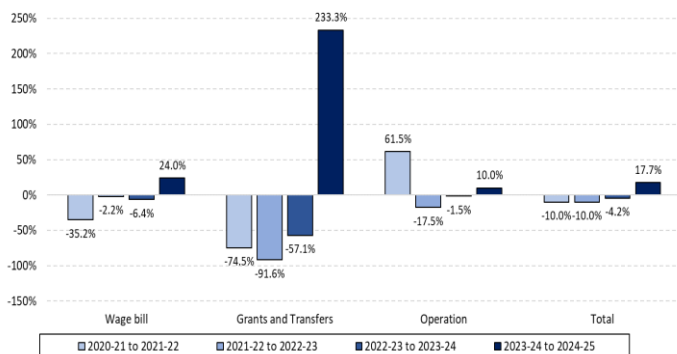
**Figure 4: Year-to-Year Percentage Change in OMB's Total Expenditure Budget**



**Figure 4** illustrates the year-on-year percentage change in the OMB's total expenditure budget in 2024/25 compared to actual spent in the previous years (revised in 2023/24).

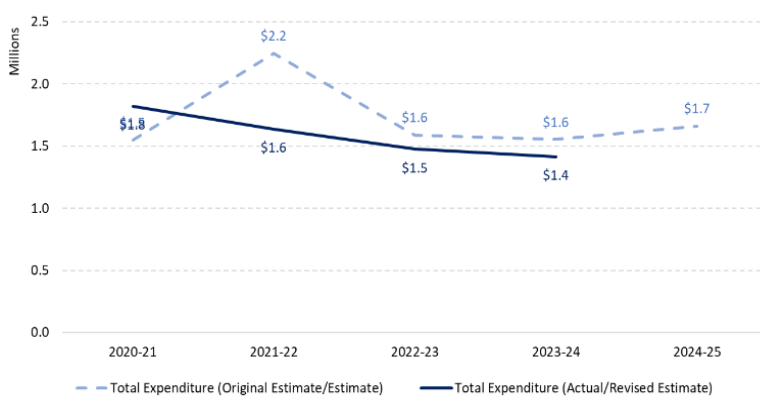
Over the five years, the OMB experienced decreasing expenditure before gradually increasing in 2024/25.

**Figure 5: Year-to-Year Percentage Change in OMB's Total Expenditure Budget by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure categories. Over the five years from 2020/21 to 2024/25, the OMB had gone through substantial fluctuations in its expenditure, with grants and transfers contributing most to year-to-year changes.

**Figure 6: OMB's Total Budget Estimates vs Actuals**



**Figure 6** illustrates the total approved expenditure budget in comparison to actual spending/revised estimate for four-year period (2020/21 – 2023/24) and the proposed budget for 2024/25. Over the past five fiscal years, the OMB has consistently had budget projections higher than actual spending.

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In the 2020-21 fiscal year, actual spending exceeded the original estimate by 17.6 percent, amounting to \$0.3 million more than anticipated. This is due to additional funds transferred from the Ministry of Finance to the Office to cater for gratuity payment of the Ombudsman contract. However, in 2021/22, OMB's budget was increased to \$2.2 million due to additional budget for Anti-corruption. At the end of the year, the Office's budget was underspent by 27.1 percent or \$0.6 million due to under-utilizing of the budget for Anti-corruption. In 2022/23 the budget for OMB was decreased due to the relocation of Anti-corruption budget to the Ministry of Finance.

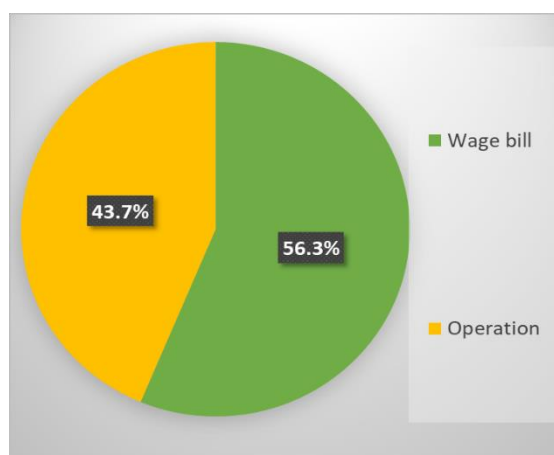
**1. VOTE 05 (page 105 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for the Ministry of Foreign Affairs (MFA) by funding Sources 2024/25<sup>135</sup>.**

Vote 05	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
<b>Recurrent</b>			
	Government of Tonga Fund	14,642,800	14,300,000
<b>Development</b>			
	Donor In-Kind	255,000	762,900
	<b>TOTAL</b>	<b>14,717,800</b>	<b>15,062,900</b>

- The total budget for MFA for 2024/25 is \$15.1 million or equivalent to 1.7 percent of the total government’s budget of \$899.2 million.
- The total budget for MFA increased by 2.3 percent (or \$0.4 million) from \$14.7 million in the 2023/24 approved estimate. This is triggered by a \$0.5 million increase in development in-kind assistance.
- **Figure 1** illustrates that over half of MFA’s total budget is wage bill expenses related to compensation of employees (categories 10xx and 11xx) taking up 56.3 percent of the total Ministry’s budget whereas 43.7 percent is allocated to the operations (categories 12xx – 14xx, and 20xx) of the Ministry.
- **Staffing<sup>136</sup>**: there are 68 positions in total, of which 50 positions are established and 18 positions are unestablished.

**Figure 1: MFA’s Total Budget for 2024/25 Major Expenditure Category**



<sup>135</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 105.

<sup>136</sup> Ministry of Foreign Affairs, *Draft Corporate Plan & Budget, 2024/25 – 2026/27*, page 19.

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## 2. MFA OUTPUTS

**Table 2** shows the relevant linkages of MFA's service delivery to the national TSDf II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDf II and SDGs**

SDG	TSDf II National Outcome	TSDf II Organizational Outcome	Government Priority Agenda	Organization Output <sup>137</sup>	Delivering Division/Program
<b>Not stated</b>	<b>A:</b> A more inclusive sustainable and dynamic knowledge based.	<b>1.5:</b> Better access to economic opportunities overseas including trade, employment, and foreign investment to expand the range of income-earning opportunities across the Kingdom and beyond.	<b>GPA 2</b> <b>GPA 3</b> <b>GPA 9</b>	<b>Output 1:</b> Better leadership for the Ministry of Foreign Affairs, including at national, regional, and international levels.	Program 1: Leadership & Policy Advice Minister Office
				<b>Output 2:</b> Better leadership and management of Ministry's divisions and implementation of MFA's CP to ensure that the Ministry meets and delivers its targeted outputs.	Program 1: Leadership & Policy Advice CEO Office
				<b>Output 3:</b> That the MINOFA and stakeholders are provided with effective and efficient human resources, financial, logistical support, and information technology.	Program 1: Leadership & Policy Advice Corporate Service
	<b>G:</b> A more inclusive, sustainable, and consistent advancement of our external interests, security and Sovereignty.	<b>2.8:</b> Improved collaboration between Tongans to help develop social and economic quality of life. <b>3.6:</b> Improved collaboration with development partners ensuring programs better aligned behind government priorities. <b>3.7:</b> Improved political and defence engagement within the Pacific & rest of the world.		<b>Output 4:</b> Effective and efficient managing Bilateral relations and Multilateral diplomatic relations (regional and international obligations)	Program 1: Leadership & Policy Advice Foreign Policy
				<b>Output 5:</b> Better facilitating of Overseas Development Assistance and Promotion of Economic and Public Diplomacy.	Program 3: Overseas Mission Overseas Mission
				<b>Output 6:</b> Management of Human Movement and Citizenship.	Program 4: Immigration & Citizenship Division
				<b>Output 7:</b> Provision of Protocol and Consular Services.	Program 5: Protocol Services

<sup>137</sup> Ministry of Foreign Affairs, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 14-15.

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### 3. NEW INITIATIVES

- There are new initiatives and ongoing activities that MFA is planning to deliver in 2024/25:

#### 1. Top up All Missions Budget to cover fluctuations of exchange rate and costs of living crisis

- \$1.48 million
- CD No. 1352 noted the financial state of the Ministry of Foreign Affairs 9 Missions and the difficult consequences that may entail should they not be adequately supported or sustainable.
- Fluctuation of exchange rate has a negative impact on the budget allocated for all Mission. Which result in the shortage of budget allocated for all Missions in every financial year. Government of Tonga need to address these factors in every financial year budget preparation in order to ensure the sustainability of its 9 Overseas Missions.
- Global cost of living crisis affected all country but the lower incomes countries are disproportionately impacted. Overseas Missions budget overspent in mostly every financial year is a reflection of this global crisis which increases rentals, food, gasoline and utility costs also increase minimum wage rate for all country.

#### 2. Strengthen the Structure of the Ministry

- \$322,000
- The Ministry have identified critical human resource and skills gaps that are essential to the successful implementations of the Ministry's key initiatives and priorities.
- MFA currently lack of technical staffs in its major programs and if these human resource gasps are not addressed urgently, it will continue to have a great impact on the ability of the Ministry to successfully deliver its organizational outputs.
- The bolstering of the head office to comfortably staff the ministry to ably provide support to all overseas missions in conducting regional and international representation.
- There are gaps in the Ministry current structure and the proposal positions that urgently required by the Ministry.

#### 3. Upgrade Border Management System and Immigration Internal System

- \$600,000 (Development Fund)
- To ensure safer and secured borders, budgetary allocations have been factored in for an enhances border management system and a strengthened Immigration internal system
- Moreover, provisions for new passport printing machinery, payment of consultancy and IT fees, maintenance of the immigration border management system, new high-tech scanners, will be prioritised to fund within.

#### 4. BUDGET PROGRAM CHANGES

The mandate of MFA will be delivered using resources allocated into five (5) programs and sixteen (16) sub-programs as follows in *Table 3*.

**Table 3: MFA's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Advice</b>			
01 Office of the Minister	\$267,000	\$274,600	↑\$7,600
02 Secretary of Foreign Affairs	\$130,400	\$147,100	↑\$16,700
03 Corporate Services <sup>138</sup>	\$1,923,900	\$1,152,800	↓\$771,100
<i>The reductions are in domestic travels, telecommunication charge and email and internet allocations. Major reductions were also made to catering and the allocation for a new building amongst many other reductions within the Purchase of Goods and Services and Assets categories.</i>			
<b>2. Foreign Policy</b>			
01 Foreign Policy Division	\$299,000	\$329,000	↑\$30,000
<b>3. Overseas Missions</b>			
01 London Mission	\$1,563,500	\$1,515,500	↓\$48,000
02 Canberra Mission <sup>139</sup>	\$1,271,500	\$1,410,100	↑\$138,600
<i>There is a major increase in salaries for the staff due to 5.0 percent COLA, acting allowance is doubled as there is currently an Acting High Commissioner running the office. There is also an increase in rental and hospitality allocations.</i>			
03 New York Mission <sup>140</sup>	\$1,668,300	\$1,986,300	↑\$318,000
<i>The increase is due to an increase in allocation for the maintenance of buildings and compounds and insurance of personnel.</i>			
04 Beijing Mission	\$1,086,000	\$1,084,400	↓\$1,600
05 Tokyo Mission	\$1,146,000	\$1,145,600	↓\$400
06 San Francisco Mission	\$961,500	\$1,006,900	↑\$45,400
07 Auckland Mission	\$799,600	\$793,100	↓\$6,500
08 Honolulu Mission	\$356,000	\$344,700	↓\$11,300
09 Abu Dhabi Mission <sup>141</sup>	\$1,120,000	\$1,380,800	↑\$260,800
<i>The increase is due to the increase in salary for established staff because of 5.0 percent COLA and an increase of allocation for rental and insurance of personnel.</i>			
10 Geneva Mission <sup>142</sup>	\$500	\$0	\$0
<i>There is no budget allocation for this mission, indicating a postponement to plans to establish this office.</i>			

<sup>138</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 109.

<sup>139</sup> *Ibid.*, page 112.

<sup>140</sup> *Ibid.*, page 113.

<sup>141</sup> *Ibid.*, page 119.

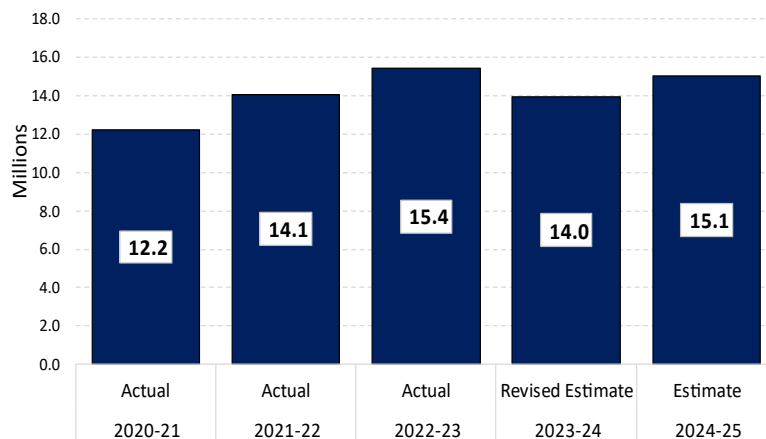
<sup>142</sup> Ministry of Foreign Affairs, *Draft Corporate Plan & Budget 2024/25 – 2025/26*, page 17.

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<b>4. Immigration</b>			
01 Immigration Operations <sup>143</sup>	\$1,736,800	\$2,178,900	↑\$442,100
<i>The major increase in this program is due to a new addition of donor in-kind assistance of \$562,900 for training and conferences.</i>			
<b>5. Protocol Services</b>			
01 Protocol Division	\$387,800	\$313,100	↓\$74,700

## 5. TRENDS

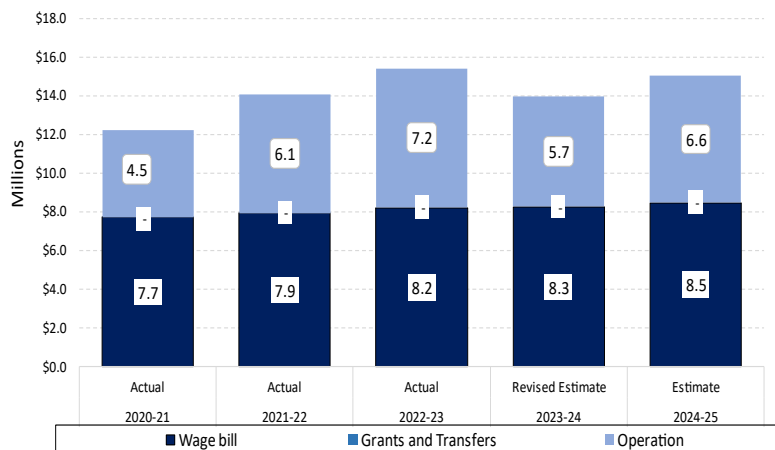
**Figure 2: MFA's Total Expenditure 5-Year Trend**



**Figure 2** shows the total expenditure budget for MFA in 2024/25 compared to actual spending in the first three years and revised estimate for 2023/24. The average spending is recorded at an average of \$14.0 million per year with highest spending observed in 2022/23. The proposed budget for 2024/25 is expected to increase by 7.8

percent compared to the financial year 2023/24. The increase in 2024/25 budget allocation is triggered by 5.0 percent COLA that is expected in July 2024.

**Figure 3: MFA's 5-year Total Expenditure by Major Category**

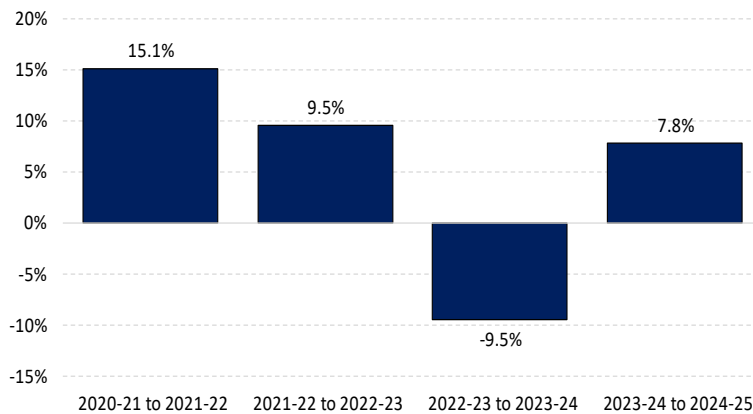


**Figure 3** shows a breakdown of MFA's expenditure budget (*as in Figure 2*) into major expenditure category for five financial years (2020/21 - 2024-25). The wage bill category dominates the composition of MFA's spending at an average of around \$8.0 million per year.

<sup>143</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 120.

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**Figure 4: Year to Year Percentage Change in MFA's Total Expenditure**

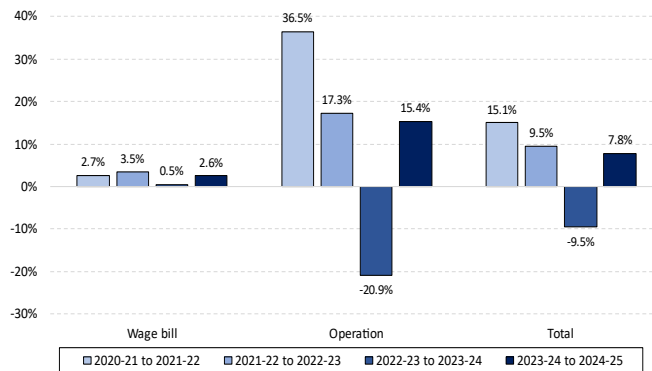


**Figure 4** shows the year-on-year percentage change in MFA's total expenditure budget compared to what was spent in the previous years.

The largest change is observed in 2020/21 – 2021/22 due to the increase in operational budget. The drop in the third period (2022/23 – 2023/24) is

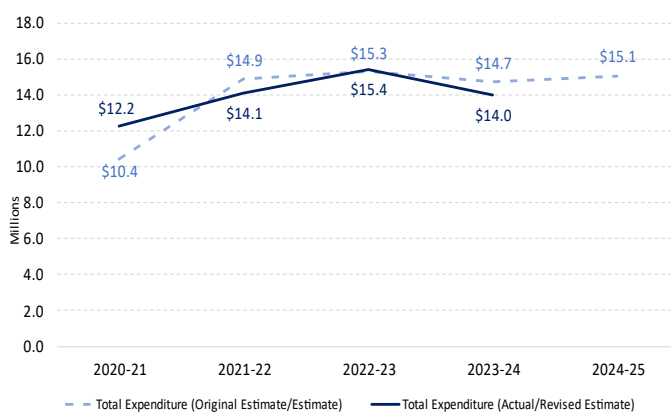
driven by the 21.0 percent reduction of the operational budget.

**Figure 5: Year to Year Percentage Change in MFA's Total Expenditure by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure category. As discussed in the previous section, the main trigger of MFA's budget trend is due to the operation category fluctuation over the observed period.

**Figure 6: MFA's Total Budget Estimates vs Actuals**



**Figure 6** illustrates the total approved expenditure budget in comparison to actual spending for the four-year period and the proposed budget for 2024/25. The total approved budget for MFA has increased slowly compared to the first period. The proposed budget for 2024/25 is increased to the level where it was in 2022/23 due to in-kind assistance from development partners for the Training and Conferences, and the

Consultants and Technical Assistants Professional Fees. In terms of actual spending, MFA had fully overspent its budget in 2020/21 due to additional funds from the Ministry of Finance to establish the Tongan Mission in Abu Dhabi (not budgeted for in the Ministry's budget) and increased further in the following two years (budgeted for in 2021/22 budget). At the end of the current financial year, it is expected that the MFA will fully utilize its budget.

**1. VOTE 06 (page 123 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for His Majesty's Armed Forces (HMAF) by Funding Sources 2024/25<sup>144</sup>**

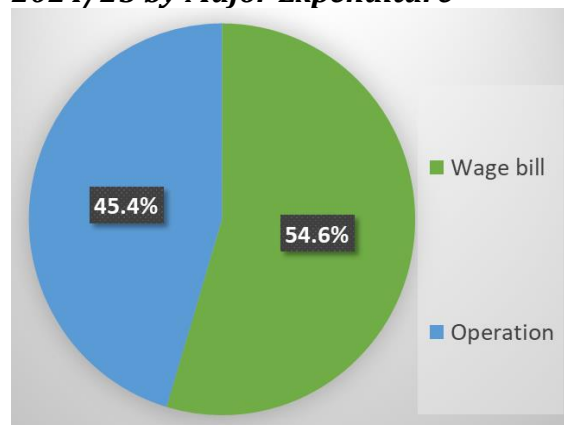
Vote 06	Source of Funding	2023/24 Estimate	2024/25 Estimate
	<b>Recurrent</b>		
	Government of Tonga Fund	11,961,700	<b>12,150,900</b>
	Confirmed Budget Support	-	<b>160,000</b>
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	11,680,000	<b>2,680,000</b>
	<b>TOTAL</b>	<b>23,641,700</b>	<b>14,990,900</b>

- The total budget for HMAF for 2024/25 budget is \$15.0 million<sup>145</sup>, contributing to 1.7 percent of the government's total budget of \$899.2 million.

Of the total budget of HMAF, 81.1 percent is funded from the Government of Tonga, 1.1 percent is funded by budgetary support from overseas government and international bodies and 17.8 percent is financed by in-kind assistance from development partners.

- The total budget for HMAF has decreased by 36.6 percent from the 2023/24 approved estimate<sup>146</sup> due to in-kind funding provided in the previous year such as patrol boats from Australia and construction of the Leadership Training Centre from New Zealand which have contributed to the HHTH response.

**Figure 1: Total Budget for HMAF for 2024/25 by Major Expenditure**



- **Figure 1** illustrates the breakdown of expenditures within the HMAF into major categories. Wages bill expenses account for the largest share of 55.0 percent or \$8.5 million (Categories 10xx and 11x) and 45.0 percent or \$6.5 million for operational related expenses (Categories 12xx – 14xx and 20xx).

- **Staffing<sup>147</sup>**: There are 620 established staff positions, with no unestablished staff.

<sup>144</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 126.

<sup>145</sup> Ibid, page 126.

<sup>146</sup> Ministry of Finance, *Draft Budget Estimate FY 2023/24*, page 125.

<sup>147</sup> His Majesty's Armed Forces, *Draft Corporate Plan & Budget, 2024/25-2025/27*, page 20.

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## 2. HMAF'S OUTPUTS

**Table 2** shows the relevant linkages of HMAF's service delivery to the national TSDF II and SDGs, through the following outcomes and goals<sup>148</sup>.

**Table 2: Relevant TSDF II and SDGs**

SDG	TSDF II National Outcome	TSDF II Organizational Outcome	Government Priority Agenda	Organization Output <sup>149</sup>	Delivering Division/Program
<b>Goal 17</b>	<b>G:</b> A more inclusive, sustainable, and consistent advancement of our external interests, security, and Sovereignty <sup>150</sup> .	<b>3.2:</b> Improved law and order and appropriate domestic security appropriately applied <b>3.7:</b> Improved political and defence engagement within the Pacific and the rest of the world, including better engagement with other governments and international organizations, to ensure we are an effective member of the international community, able to participate more effectively in the support of other countries and consistent advancement of our international interests,	<b>GPA 3</b> <b>GPA 9</b>	<b>Output 1:</b> Leadership and policy advice to government on defence matters and military options.	Sub-program 01: HMAF HQ
				<b>Output 2:</b> Improved advice to CDS on Force/Unit operational readiness <b>Output 3:</b> Improved guidance and directives on management for the Force/Unit.	
				<b>Output 4:</b> Improved capabilities to secure Royal Household, VIP close protection, and government-directed military.	Sub-program 02: Tonga Royal Guards
				<b>Output 5:</b> Improved maritime capabilities for government-directed military operations. <b>Output 6:</b> Improved land capabilities for government-directed military operations.	Sub-program 03: Tonga Navy Sub-program 09: Northern Command Sub-program 04: Land Force

<sup>148</sup> His Majesty's Armed Forces, *Draft Corporate Plan & Budget, 2024/25-2025/27*, page 10-15.

<sup>149</sup> Ibid, page 13.

<sup>150</sup> Ibid, page 11.

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		security, and sovereignty <sup>151</sup> .		<b>Output 7:</b> Improved logistics, engineering, and musical capabilities for government-directed military operations.	Sub-program 05: Support Unit
				<b>Output 8:</b> Ensure effective training and development of force for current and future military operations.	Sub-program 06: Training Unit
				<b>Output 9:</b> Improved air capabilities for government-directed military operations.	Sub-program 07: Air Wing
				<b>Output 10:</b> Improved defense relations with foreign military operations.	All Units
				<b>Output 11:</b> Improved interoperability with defence partners.	All Units
				<b>Output 12:</b> Improved Communications capabilities for government-directed military operations.	Sub-program 08: Communication, Information, Technology (CIT)

<sup>151</sup> His Majesty's Armed Forces, *Draft Corporate Plan & Budget, 2024/25-2025/27*, page 8.

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### 3. NEW INITIATIVES

- HMAF has six (6) new initiatives projected budget for 2024/25.<sup>152</sup>
- These new initiatives are estimated with new proposed amounts as follows but it's not clearly described in the budget documents whether these initiatives are accounted for in 2024/25 budget estimates or not.

1. HMAF Navy 50th Anniversary Celebration	<ul style="list-style-type: none"> <li>• \$64,500</li> <li>• His Majesty's Armed Forces, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 21</li> </ul>
2. Kauvai Residence Renovation	<ul style="list-style-type: none"> <li>• \$300,000</li> <li>• His Majesty's Armed Forces, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 21</li> </ul>
3. New Tractor	<ul style="list-style-type: none"> <li>• \$150,000</li> <li>• His Majesty's Armed Forces, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 21.</li> </ul>
4. HMAF Niua Camp	<ul style="list-style-type: none"> <li>• \$500,000</li> <li>• His Majesty's Armed Forces, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 21.</li> </ul>
5. Opening of HMAF Leadership Centre	<ul style="list-style-type: none"> <li>• \$23,000</li> <li>• His Majesty's Armed Forces, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 21.</li> </ul>
6. Junior Cadet Program	<ul style="list-style-type: none"> <li>• \$10,000</li> <li>• His Majesty's Armed Forces, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 22.</li> </ul>

### 4. BUDGET PROGRAM CHANGES

The mandate of HMAF will be delivered using resources allocated into one (1) program and nine (9) sub-programs as follows in **Table 3**.

**Table 3: HMAF's Expenditure Budget for 2024/25 by Program and Sub-program<sup>153</sup>**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Office of His Majesty's Armed Forces</b>			
01 His Majesty's Armed Forces Headquarter	\$8,632,700	\$4,121,600	↓ \$4,511,100
<i>The substantial reduction is mainly ascribed to the variations in-kind assistance from development partners for new building project totalled to \$4,571,200 as the project may be completed.</i>			
02 Tonga Royal Guards (TRG)	\$754,000	\$792,500	↑ \$38,500
03 Tonga Navy	\$3,818,000	\$3,565,900	↓ \$252,100

<sup>152</sup> His Majesty's Armed Forces, *Draft Corporate Plan & Budget, 2024/25-2025/27*, page 21-22.

<sup>153</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 127-132.

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*The decrease is mainly triggered by decreases in in-kind assistance for new building project (Category 20xx) \$1.0 million in 2023/24 original estimate to \$0.5 million 2024/25.*

04 Land Force	\$5,087,800	\$1,398,800	↓ \$3,689,000
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*The decrease is triggered by the substantial decreases in-kind assistance from development partners for maintenance of vessels and aircrafts by \$3.8 million (Category 13xx).*

05 Support Service	\$2,875,400	\$2,667,100	↓ \$208,300
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*The decrease for this sub-program is triggered by a reduction in recurrent budget for purchasing of military equipment by \$0.2 million (Category 20xx).*

06 Training	\$1,197,600	\$1,288,100	↑ \$90,500
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07 Air Wing	\$163,700	\$163,500	↓ \$200
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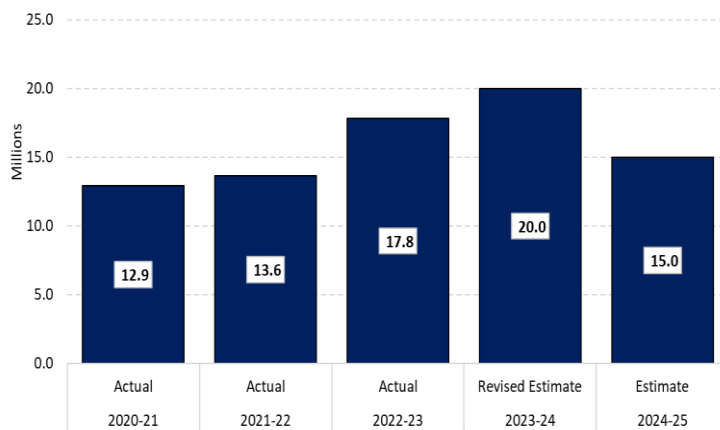
08 Communication Information Technology	\$476,800	\$475,700	↓ \$1,100
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09 Northern Command	\$635,700	\$517,700	↓ \$118,000
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*The significant decrease in this sub-program is due to the substantial decreases in recurrent budget, category 13xx, fuel line item, down by \$0.1 million.*

## 5. TRENDS

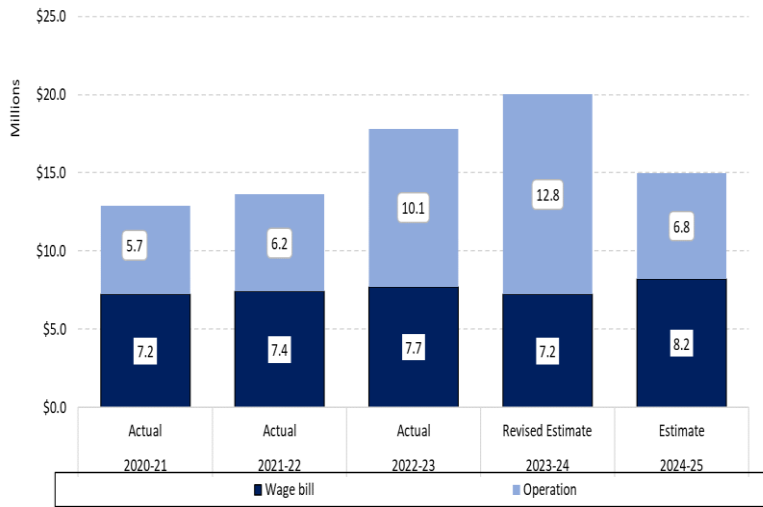
**Figure 2: HMAF's Total Expenditure, 5 Year Trend**



**Figure 2** shows the 5-year trend on total expenditure budget for HMAF in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period. The average spending for the last four years is recorded at an average of \$16.1 million, which is higher than the proposed budget for 2024/25 by \$1.1 million. The trends

observed in the HMAF's total expenditure budget versus actuals for the first four years showcase a mix of incremental growth, significant spikes, and potential adjustments, reflecting the military spending in response to security challenges, strategic priorities, and fiscal considerations. However, the estimate for 2025 reveals a decrease to 15.0 million, suggesting a potential shift in spending priorities due to most of the projects and programs funded by in-kind assistance from development partners having been completed.

**Figure 3: HMAF's 5-year Total Expenditure by Major Category**



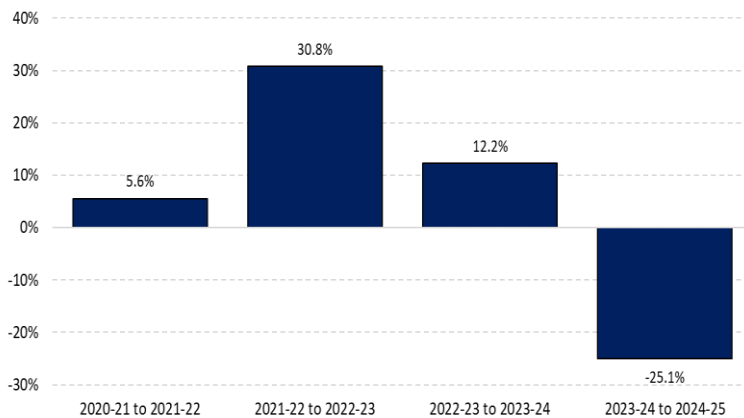
**Figure 3** shows a breakdown of HMAF's expenditure budget (as in **Figure 2**) into major expenditure category for five financial years (2020/21 – 2024/25).

Wage Bill reflects armed forces personnel costs. Expenditure rose steadily from 2020/21 to 2022/23, hinting at either personnel expansion or salary revisions. However, 2023/24 saw a slight dip, suggesting

potential workforce planning adjustments (e.g., delay in annual recruitment) or budget constraints and results in a re-allocation of resources to operation. In 2024/25, there is a notable spike to \$8.2 million, possibly indicating salary increases – a 5.0 percent COLA is expected to be implemented in July 2024.

Operations category covers day-to-day armed forces activities. Expenditure climbed steadily from \$5.7 million in 2020/21 to a peak of 10.1 million in 2022/23, hinting at increased demands, maintenance, or missions. However, the 2023/24 revised estimate surged to \$12.8 million, likely due to strategic moves or unforeseen needs. Remarkably, the 2024/25 estimate dropped to \$6.8 million, possibly indicating completion of development projects and programs.

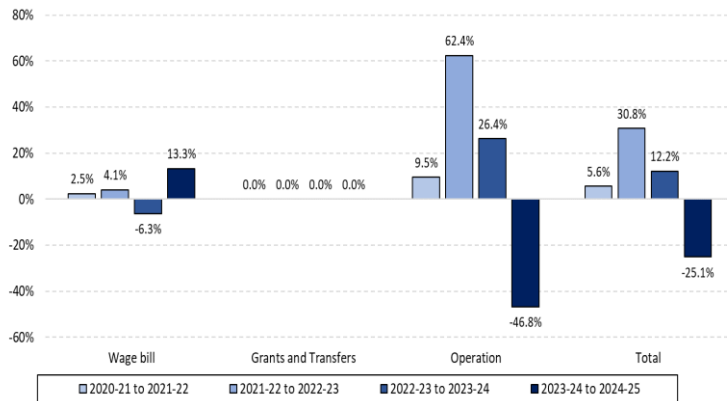
**Figure 4: Year-to-Year Percentage Change in HMAF's Total Expenditure**



**Figure 4** illustrates the year-to-year percentage change in the HMAF's total expenditure budget in 2024/25 compared to actual spent in the previous years (revised in 2023/24). The actual spending fluctuates over the observed period, with significant increase observed in 2021/22 – 2022/23 period due to commencement of projects and programs funded by the

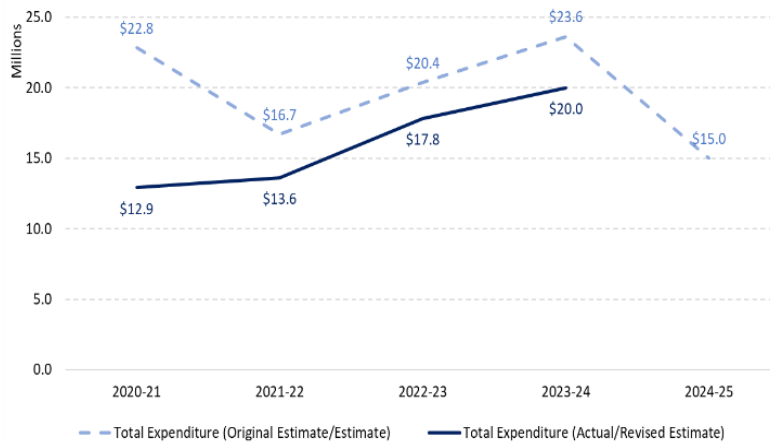
development partners and it is in completion phase as observed in significant decrease in 2023/24 – 2024/25.

**Figure 5: Year-to-Year Percentage Change in HMAF's Expenditure by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure categories. It illustrates that the fluctuation in **Figure 4**'s trend is triggered by the fluctuation in operation category mainly on Category 20xx or Assets – construction of new buildings and Category 13xx or Maintenance and Operation – maintenance of vessels and aircrafts.

**Figure 6: HMAF's Total Budget vs Actuals**



**Figure 6** shows HMAF's total approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/2. Total approved budget for HMAF has been consistently underspending compared to the approved estimates. The variance ranged from -12.0 percent to -15.3. percent, indicating a trend of conservative budget execution

or unforeseen constraints. While some years saw moderate discrepancies, others exhibited significant gaps between projected and actual expenditures.

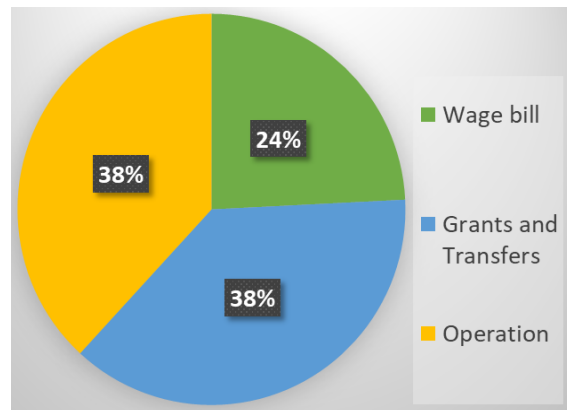
**1. VOTE 07 (page 129 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for Prime Minister's Office (PMO) by funding Sources 2024/25<sup>154</sup>**

Vote 07	Source of Funding	2023/24 Estimate	2024/25 Estimate
	<b>Recurrent</b>		
	Government of Tonga Fund	9,484,100	<b>12,274,400</b>
	Confirmed Budget Support	750,100	<b>1,150,000</b>
	<b>Development</b>		
	Donor Cash	2,728,200	<b>5,030,000</b>
	Donor In-kind	4,656,500	<b>3,450,000</b>
	<b>TOTAL</b>	<b>17,618,900</b>	<b>21,904,400</b>

- The total budget for the PMO's in FY 2024/25 is \$21.9 million, which constitutes of 2.4 percent of the government's total budget of \$899.2 million.
- The total budget for the PMO increased by 24.3 percent (or \$4.3 million) in 2024/25 from \$17.6 million in the 2023/24 approved estimate.<sup>155</sup>
- The increase in the PMO's budget for 2024/25 is triggered by an increase in both the recurrent funded budget by 31.2 percent (or \$3.2 million) and the development funded budget of about 14.8 percent (or \$1.1 million).
- The increase is driven by 5 percent COLA that is expected to be implemented in July 2024, hosting of the 53<sup>rd</sup> Pacific Island Leaders Forum meeting in August 2024, re-location of budget for subsidies of domestic shipping from the Ministry of Finance (\$1.1 million under Program 7, Sub-program 01), construction of the new residential building for the Governor of Vava'u and preparation for the new national strategic framework (post-TSDF II).
- Figure 1** displays PMO's total budget by major expenditure category. It is noted that more 37.6 percent of PMO's total budget is to fund expenses related to grants and transfers<sup>156</sup> (Category 15xx) to support the most vulnerable groups in the society (such as communities, charitable organizations, subsidies etc.) and 38.2 percent to support the operation of the Office<sup>157</sup> (Categories 12xx, 13xx, 14xx, 20xx). The remaining 24.2 percent (or \$5.3 million) is to cater for activities related to compensation of employees<sup>158</sup> (wage bill expenses, Categories 10xx, 11xx and 19xx).
- Staffing<sup>159</sup>:** There are 301 positions (majority are District and Town Officers positions) in total to deliver PMO's outputs in 2024/25. Of these positions, 279 are established positions and 22 are unestablished positions. Total number of positions in the current financial year is 302.

**Figure 1: PMO's Expenditure by Major Category for 2024/25**



<sup>154</sup> Ministry of Finance, *Draft Budget Estimate FY 2023/24*, page 136.

<sup>155</sup> Ibid.

<sup>156</sup> Ibid.

<sup>157</sup> Ibid.

<sup>158</sup> Ibid.

<sup>159</sup> Prime Minister's Office, *Corporate Plan & Budget, 2024/25-2026/27*, page 38.

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## 2. PMO'S OUTPUTS

**Table 2** shows the relevant linkages of PMO's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG Goal	TSDF II National Outcome <sup>160</sup>	TSDF II Organization Outcome <sup>161</sup>	Government Priority Agenda <sup>162</sup>	Organization Output <sup>163</sup>	Delivering Division/Program <sup>164</sup>
SDG 17.15.1 (for output 1.07, 2.01, 2.02, 4.02, 5.01, 5.03)	<b>B:</b> More inclusive, sustainable, and balanced urban and rural development across island groups. <b>C:</b> More inclusive, sustainable, and empowering human development with gender equality. <b>D:</b> A more inclusive, sustainable, and responsive good governance with strengthened rule of law. <b>E:</b> A more inclusive, sustainable, and successful provision and maintenance of infrastructure and technology.	<b>3.1:</b> More efficient, effective, affordable, honest, transparent & apolitical public service focused on clear priorities. <b>3.4:</b> Modern & appropriate Constitution, laws & regulations reflecting international standards of democratic processes. <b>3.5:</b> Improved working relations & coordination between Privy Council, executive, legislative & judiciary. <b>3.7:</b> Improved political and defense engagement within the Pacific & the rest of the world.	GPA 6,9	<b>Output 1.01</b> – Better lead PMO with clear direction and divisions of labour between Prime Minister and CSSC. <b>Output 1.02</b> – Better policy guidance and direction to Government. <b>Output 1.03</b> – Better evidence-based advice to His Majesty and Legislative Assembly. <b>Output 1.04</b> – Effective coordination of the Prime Minister's engagement with the public, by delivering effective communication strategies to create awareness on Government's intent and objectives about governance and reforms.	Office of the Prime Minister/Leadership
SDG 17.16.1, 17.18.1 (for output 5.01, 5.02)	<b>G:</b> More inclusive, sustainable, and consistent advancement of our external interests, security, and Sovereignty.		GPA 6	<b>Output 1.05</b> – Better in-house support for the day-to-day operation of the Office of the Prime Minister	Support Staff/Leadership

<sup>160</sup> Prime Minister's Office, *Draft Corporate Plan & Budget, 2024/25/-2026/27*, page 10.

<sup>161</sup> Ibid, page 10-11.

<sup>162</sup> Ibid

<sup>163</sup> Ibid

<sup>164</sup> Ibid, page 12-28.

<p>SDG 1.4.1 (for output 7.03)</p> <p>SDG 9.a.1, 9.c.1 (for output 6.01 – 6.05)</p>				and Chief Secretary and Secretary to Cabinet.	
			GPA 6	<p><b>Output 1.06</b> – Establish and development of the National Intelligence and Security Agency (NISA).</p> <p><b>Output 1.07</b> – Development and write up of the National Security Strategy (NSS) and its implementation plan.</p> <p><b>Output 1.08</b> – Establish the National Protective Security Framework (NPSF) and develop its key requirements.</p> <p><b>Output 1.09</b> – Conduct any other task that may be directed by the EA and or the PM.</p> <p><b>Output 1.10</b> – Develop, implement, and manage directed projects.</p>	National Security/Leadership
			GPA 6	<p><b>Output 1.11</b> – To provide technical and expert advice on International Development Communications and Policy advice on Government top priority activities.</p>	Technical Advisor/Leadership
				<p><b>Output 1.12</b> – A relevant and robust policy framework is in place to ensure reliability and safety of ICT goods and services advice and guidance to stakeholders.</p> <p><b>Output 1.13</b> – Trainings are provided as per training schedule.</p> <p>Output 1.14 – That the relevant official information is disseminated to the Public.</p> <p><b>Output 1.15</b> – Coordination of climate change programs, projects</p>	Information and Media/Leadership

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			and activities in the Outer Islands (Vavaú, Haápai, Éua and the Niuas).	
			<p><b>Output 1.16</b> – Better managed PMO with good support, clear systems, and instructions to staff consistent with the resources available.</p> <p><b>Output 1.17</b> – Better executive policy advice, oversee the implementation of Government priorities, planning &amp; development projects, as well as the administration of Government departments to support the Prime Minister in leadership &amp; good governance.</p> <p><b>Output 1.18</b> – Better evidence-based advice and guidance to Cabinet and other stakeholders.</p> <p><b>Output 1.19</b> – Coordinate Government Research Framework and Policies.</p>	Office of the CSSC/Leadership
		<p><b>3.4:</b> Modern &amp; appropriate Constitution, laws &amp; regulations reflecting international standards of democratic processes.</p> <p><b>3.5:</b> Improved working relations &amp; coordination between Privy Council, executive, legislative &amp; judiciary.</p> <p><b>3.7:</b> Improved political and defense engagement within the Pacific &amp; the rest of the world.</p>	<p><b>Output 1.20</b> – Effective in-house legal advice and support to promote uniformity, consistency, and respect for the rule of law.</p>	Legal/Leadership

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		<p><b>3.4:</b> Modern &amp; appropriate Constitution, laws &amp; regulations reflecting international standards of democratic processes.</p> <p><b>3.7:</b> Improved political and defense engagement within the Pacific &amp; the rest of the world.</p>	GPA 6	<p><b>Output 2.01</b> – Provide an effective in-house support as Government focal point for the Pacific Islands Forum Leaders’ Meetings, the Pacific Islands Development Forum, the Polynesian Leaders Group, including related regional Heads of Government’s Meetings.</p> <p><b>Output 2.02</b> – Improved coordination and management of the Prime Minister’s overseas correspondence and stakeholders’ relationships.</p> <p><b>Output 2.03</b> – Better in-house support for the planning and coordination of the Prime Minister’s Officials Visits abroad.</p>	Strategic Partnership/International Affairs
		<p><b>3.1:</b> More efficient, effective, affordable, honest, transparent &amp; apolitical public service focused on clear priorities.</p>	GPA 6	<p><b>Output 3.01</b> – More effective Planning, HR Management and Performance by the Ministry.</p> <p><b>Output 3.02</b> – More effective PMO Finance, Procurement and Asset Management, Records and Filing Systems, IT Services, Logistics and Support Services for the PMO.</p>	Corporate Services/Corporate Services
		<p><b>3.5:</b> Improved working relations &amp; coordination between Privy Council, executive, legislative &amp; judiciary.</p>	GPA 6	<p><b>Output 4.01</b> – Enhance the executive support to CSSC to ensure effective and efficient operation of Cabinet meetings and clear communication of Cabinet directives.</p> <p><b>Output 4.02</b> – To provide top quality policy advice to CSSC and Hon. Prime Minister for informed decision making.</p> <p><b>Output 4.03</b> – To develop timely quality policies and effectively support review and reforms for the</p>	Cabinet and Policy Department/Cabinet and Policy

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				<p>efficiency and effectiveness of the implementation of Government policies and services.</p> <p><b>Output 4.04</b> – To provide efficient and effective secretariat services to Government committees.</p> <p><b>Output 4.05</b> - To strengthen the capacity and capability of the operation of the Division to provide support to Cabinet.</p>	
		<p><b>2.1:</b> Improve collaboration with &amp; support civil society organizations and community groups.</p> <p><b>3.1:</b> More efficient, effective, affordable, honest, transparent &amp; apolitical public service focused on clear priorities.</p> <p><b>3.3:</b> Appropriate decentralization of government administration and services at all levels providing better scope for active, participatory, and inclusive engagements with the wider public.</p>	GPA 9, 6	<p><b>Output 5.01</b> – A results based strategic planning and priority setting with M&amp;E framework and guidance for mainstreaming them into sector, district, and corporate plans &amp; budgets.</p> <p><b>Output 5.02</b> – Accurate National Monitoring System (NMS) information supporting timely provision of policy advice.</p> <p><b>Output 5.03</b> – A new results-based Tonga Strategic Development Framework III is developed.</p>	National Planning Department/National Planning
		<p><b>4.3:</b> More reliable, safe, and affordable information and communication technology (ICT) used in more innovative ways.</p>	GPA 6	<p><b>Output 6.01</b> – Strengthen and build Governance through change management.</p> <p><b>Output 6.02</b> – Implement Digital Government across all government agencies and activities.</p> <p><b>Output 6.03</b> – Advance Digital inclusion for All.</p>	Digital Transformation Department/Digital Transformation.

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				<p><b>Output 6.04</b> – Promote data sharing and service-oriented information systems architecture.</p> <p><b>Output 6.05</b> – enhance public engagement.</p>	
		<p><b>2.1:</b> Improve collaboration with &amp; support civil society organizations and community groups.</p> <p><b>2.2:</b> Closer partnership between government, churches, other stakeholders for community development</p> <p><b>3.1:</b> More efficient, effective, affordable, honest, transparent &amp; apolitical public service focused on clear priorities (for Output 7.06 only).</p> <p><b>3.3:</b> Appropriate decentralization of government administration and services at all levels providing better scope for active, participatory, and inclusive engagement with the wider public.</p>	GPA 9, 6	<p><b>Output 7.01</b> – Provide advice to the Prime Minister on progress of social, economic, environment, development projects guided by each respective districts’ community development plans (Development Coordination Committee).</p> <p><b>Output 7.02</b> – Administer and conduct all elections held in their respective districts.</p> <p><b>Output 7.03</b> – All land matters are being managed and administered in accordance with relevant laws.</p> <p><b>Output 7.04</b> – Ensure the efficient administration and implementation of District and Twon Officers responsibilities.</p> <p><b>Output 7.05</b> – Community Development. A more attractive and Beautiful Outer islands, that enable opportunities through tourism and economic sectors as well as improve social welfare of the people of the outer islands.</p> <p><b>Output 7.06</b> – Better Planning, HR management, finance, recording, supporting logistic, asset managements and communication of the Governor’s/Government’s Representative Office.</p>	Office of the Governors and Government Representatives/Local Government.

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		<p><b>2.1:</b> Improve collaboration with &amp; support civil society organizations and community groups.</p> <p><b>3.3:</b> Appropriate decentralization of government administration and services at all levels providing better scope for active, participatory, and inclusive engagement with the wider public.</p>	GPA 9	<p><b>Output 7.07</b> – Building capacity for District and Town Officers</p>	Local Government Department/Local Government
				<p><b>Output 7.08</b> – Enhancing the Island Development Committees</p>	Development Committee/Local Government

### 3. PMO Major Reforms

The PMO has outlined significant reforms, aiming to address performance gaps and improve efficiency.

#### *New Initiatives:*

#### 1. Three (3) Senior Management Positions Established

- **Deputy Chief Secretary:** Assists the CSSC in office operations, strategic planning, and ensuring regulatory compliance.
- **Deputy Secretary to Cabinet:** Assists the CSSC in cabinet management, focusing on policy evaluation and collaboration across ministries.
- **Press Secretary:** Oversees media engagements, centralizing government information before dissemination.

\*Prime Minister's Office, *Corporate Plan & Budget, 2024/25*, page 34-35

#### 2. National Security Unit

- It provides coordination on security and intelligence matters of strategic importance, producing independent assessments on national security and foreign policy issues, and advising Prime Minister and Cabinet.

\*Prime Minister's Office, *Corporate Plan & Budget, 2024/25*, page 35

#### 3. Media Unit Merger

- Information from the Ministry of Environment, Information, Disaster, Management, Energy, Climate Change and Communications (MEIDECC) is merged with the PMO Media Unit, aiming to enhance public relations, outreach and positive public image.

\*Prime Minister's Office, *Corporate Plan & Budget, 2024/25*, page 35

**On-going Activities:**

<p><b>1. Role of Chief Secretary and Secretary to Cabinet</b></p>	<ul style="list-style-type: none"> <li>•The CSSC continues to function as the CEO of the PMO, overseeing the implementation of government policies and decisions, managing administration, and leading the PMO's broader functions.</li> <li>•Prime Minister's Office, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 34-37</li> </ul>
<p><b>3. Projects Unit for the National Planning Division</b></p>	<ul style="list-style-type: none"> <li>•This unit coordinates and synchronizes development projects to ensure timely implementation.</li> <li>•Key responsibilities include mainstreaming Overseas Development Assistance Programs, reviewing the National Infrastructure Investment Plan 3 (NIIP 3) and related projects, and designing a format for reporting NIIP projects.</li> <li>•Prime Minister's Office, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 34-37</li> </ul>

**4. BUDGET PROGRAM CHANGES**

*Table 3: PMO's Expenditure Budget for 2024/25 by Programs and Sub-programs*

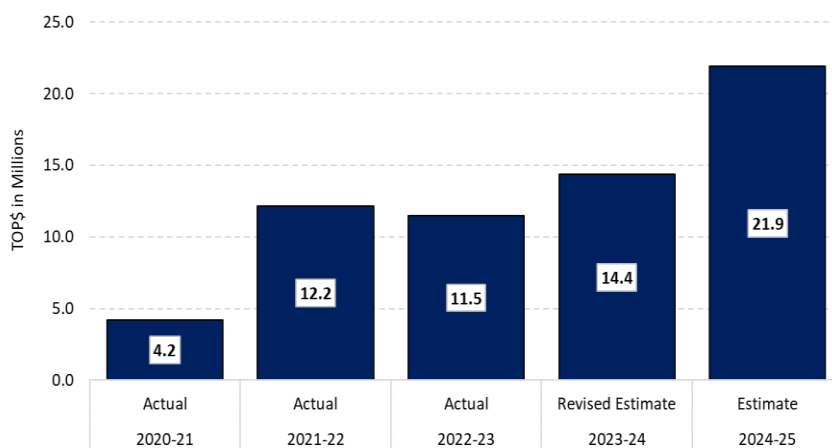
Programs/Sub-programs	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership</b>			
<b>01 Office of the Prime Minister</b>	\$ 2,331,300	\$10,943,500	↑ \$8,612,200
<i>The increase is driven by an increase in:</i>			
<ul style="list-style-type: none"> <li>i. Recurrent budget by \$1.1 million; and               <ul style="list-style-type: none"> <li>✓ \$1.2 million for national events, \$0.05 million for Consultants &amp; Technical Assistants and offset by a decrease in other special projects by \$0.2 million (This allocation is earmarked for activities related to public service reforms. It was \$1.5 million in the current financial year's approved budget).</li> </ul> </li> <li>ii. Development budget by \$7.5 million development budget.               <ul style="list-style-type: none"> <li>✓ \$1.5 million for national events, about \$5 million (of which \$3 million is in-kind) for other special projects and \$1 million for renovations.</li> </ul> </li> </ul>			
<b>02 Office of the CSSC</b>	\$212,900	\$283,200	↑ \$70,300
<b>2. International Affairs</b>			
<b>01 International Department</b>	\$163,900	\$178,200	↑ \$14,300
<b>3. Corporate Services</b>			
<b>01 Corporate Services</b>	\$1,108,500	\$1,233,500	↑ \$125,000
<i>The increase is primarily due to an increase in recurrent budget for renovations by \$0.1 million.</i>			
<b>4. Cabinet and Policy</b>			

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<b>01 Cabinet and Policy Department</b>	\$273,900	\$275,200	↑ \$1,300
<b>5. National Planning</b>			
<b>01 National Planning Department</b>	\$ 250,400	\$434,200	↑ \$183,800
<i>The increase is triggered by development budget to support activities in preparation for the new national strategy framework (post-TSDF II).</i>			
<b>6. Digital Transformation</b>			
<b>01 Digital Transformation Department</b>	\$6,989,200	\$914,200	↓ 6,085,000
<i>The decrease is triggered by expenses related to Consultants and TAs which comprised of \$4.3 million development in-kind and \$1.9 million development cash.</i>			
<b>7. Local Government</b>			
<b>01 Local Government Department</b>	\$3,779,200	\$4,570,000	↑ \$790,800
<i>The increase is driven by an increase in recurrent budget by \$1.2 million (relocation of subsidies budget for domestic shipping from the Ministry of Finance (Program 4, Sub-program 03) worth \$1.1 million and offset by a decrease in development cash by \$0.4 million (budget for the operation of MORDI).</i>			
<b>02 Office of the Governor's and Government Representatives</b>	\$1,199,600	\$1,772,400	↑ \$572,800
<i>The increase is primarily due to the construction of the new residential building for Governor of Vava'u costed \$0.5 million.</i>			
<b>03 Development Committee</b>	\$1,300,000	\$1,300,000	-

## 5. TRENDS

**Figure 2: PMO's Total Expenditure, 5 -Year Trend**



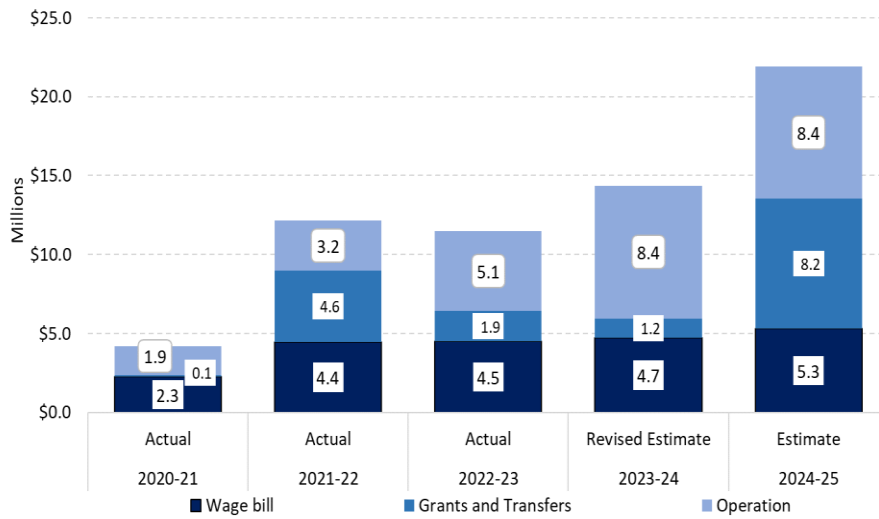
**Figure 2** shows the total expenditure budget for PMO in the first three years and revised estimate for 2023/24 for the observed period. It shows an increasing trend in the overall budget at an average of around \$12.8 million per year from \$4.2 million in 2020/21 to \$21.9 million

in 2024/25. The trend highlights significant expansion in responsibilities and operational scope of PMO with additional function being added in the current financial year named local government and digital transformation.

As mentioned in the overview section, the increase in PMO's total budget for 2024/25 is driven by 5 percent COLA that is expected to be implemented in July 2024, hosting of the 53<sup>rd</sup> Pacific Island Leaders Forum meeting in August 2024, re-location of budget for subsidizing of domestic shipping from the Ministry of Finance vote (\$1.1 million under Program 7, Sub-program 01),

construction of the new residential for the Governor of Vava'u and preparation for the formulation of the new national strategic framework (post-TSDF II).

**Figure 3: 5-year Total Expenditure Budget by Major Category**



**Figure 3** shows a breakdown of PMO's expenditure budget (as in **Figure 2**) into major expenditure categories for five financial years (2020/21 - 2024-25).

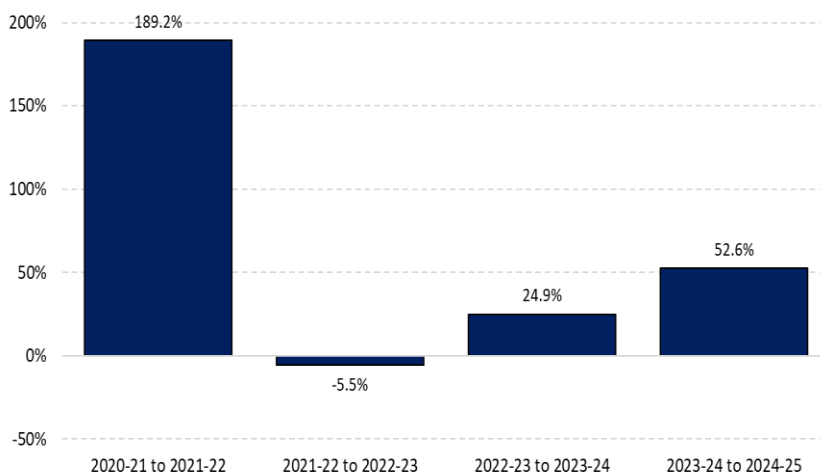
**Wage Bill** exhibits an upward trend by more than double of the level of

spending in 2020/21 from \$2.3 million to \$5.3 million in 2024/25, reflecting salary adjustments to district & town officers, staff PMS, COLA, and additional workforce due to expanding functions.

**Grants and Transfers:** the actual spending for this category fluctuates notably, at minimum recorded at \$0.1 million in 2020/21, peaked at \$4.6 million in 2021/22, and rising significantly to \$8.2 million in 2024/25. Such fluctuations are determined by the Office's national responsibilities, commitments and priorities including preparation for the 53<sup>rd</sup> Pacific Island Forum Leaders meeting, public service reforms, relocation of budget for subsidizing of domestic shipping from Ministry of Finance vote as it is more related to local government function.

**Operational** related expenses have been increasing since 2020/21 and peaked at \$5.1 million in 2022/23 before increasing further in the last two years due to construction of new residence for Governor of Vava'u, renovations of offices, formulation of the new national framework (post-TSDF II) and other costs related to hosting of national events.

**Figure 4: Year to Year Percentage Change in PMO's Total Expenditure (Actual vs. Budget)**

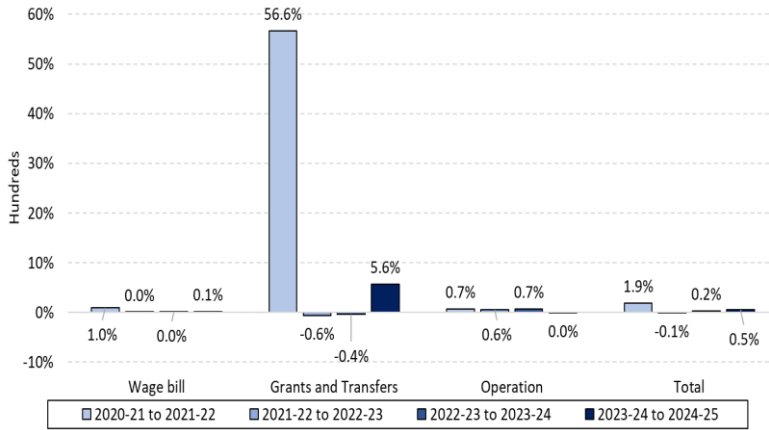


**Figure 4** displays significant fluctuations on the PMO's actual and projected spending a four-year period, highlighting strategic financial adjustments aligned with key reforms and operational enhancements. The substantial increase corresponds with the response to the pandemic

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coupled with the HTHH volcano eruption. The gradual increase in the last two periods was due to organizational reforms – new functions related to local government and e-government were added into PMO’s mandates.

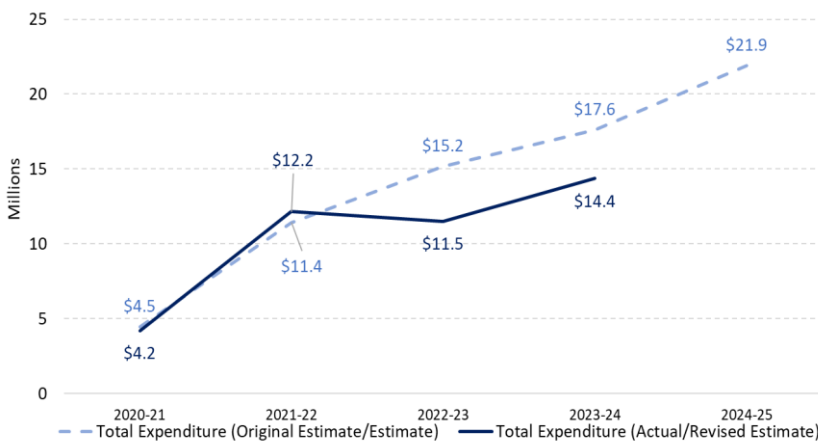
**Figure 5: Year to Year Percentage Change in PMO’s Total Expenditure Budget by Major Category**



**Figure 5** shows a breakdown of **Figure 4** into major expenditure categories. Grants and Transfers increased significantly in 2021/22 to 2022/23 due to transferring of local government function from the Ministry of Internal Affairs. The budget allocation for local government grants portion

mainly to support communities development and charitable organizations.

**Figure 6: PMO’s Total Budget Estimates vs Actuals**



**Figure 6** illustrates the total approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/25. The total budget appropriated for the PMO has been increasing gradually since 2020/21. The Office has almost utilized its budget in

2020/21 and overspent in 2021/22, which could be due to the pandemic and HTHH volcano eruption. In the last two years of the observed period, the actual spending starts to follow closely in the same direction as the original estimates.



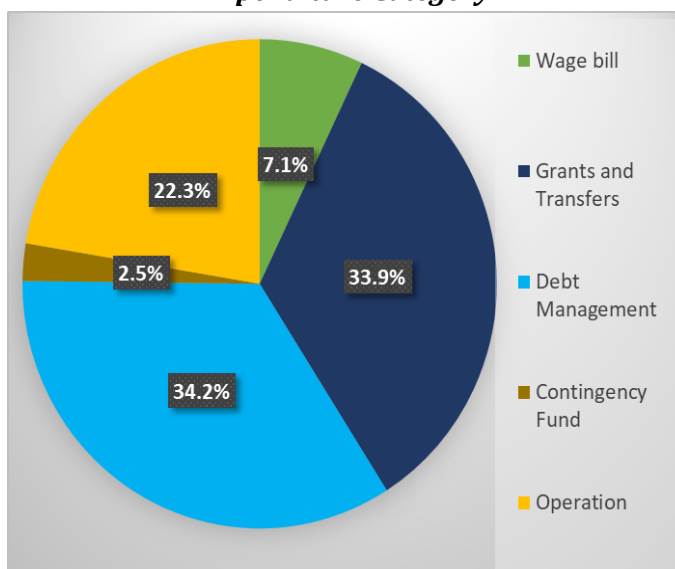
**1. VOTE 08 (page 151 of the Draft Budget Estimates 2024/25)**

**Table 1: Budget and Funding Sources for the Ministry of Finance (MOF) in 2024/25<sup>165</sup>**

Vote 08	Source of Funding	2023/24 Estimate	2024/25 Estimate
	<b>Recurrent</b>		
	Government of Tonga Fund	93,608,200	106,897,600
	Confirmed Budget Support	23,600,400	12,447,700
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	6,443,500	6,550,000
	Overseas Donor Funding (Cash)	15,688,000	76,970,500
	<b>TOTAL</b>	<b>139,340,100</b>	<b>202,865,800</b>

- MOF’s total budget for 2024/25 is \$202.9 million or equivalent to 22.6 percent of the government’s total budget of \$899.2 million.
- The total budget for the MOF increased by 45.6 percent (or \$63.5 million) from \$139.3 million in 2023/24 original estimate to \$202.9 million in 2024/25.<sup>166</sup> This is driven by the loan repayment to EXIM Bank, Government contribution to development projects, the PMS award for civil servants, the 5.0 percent COLA that is expected in July 2024, and the construction of new building.<sup>167</sup>
- Of the Ministry’s total budget, 34.2 percent is to service debt payments (Category 17xx), 33.9 percent is grants and transfers (Category 15xx), 7.1 percent is wage bill related expenses (Category 10xx, 11xx and 19xx), 2.5 percent is contingency fund (Category 18xx), and 22.3 percent is to support Ministry’s operation (Category 12xx – 14xx, 16xx and 20xx).<sup>168</sup>
- **Staffing<sup>169</sup>:** there are 233 positions in the Ministry, of which 207 positions are established and 26 positions are unestablished.

**Figure 1: MOF’s Total Budget for 2024/25 by Major Expenditure Category**



<sup>165</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 154.

<sup>166</sup> Ibid.

<sup>167</sup> Ministry of Finance, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 15 & 71.

<sup>168</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 154.

<sup>169</sup> Ministry of Finance, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 33.

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2. MOF OUTPUTS

Table 2 shows the relevant linkages of MOF’s service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

Table 2: Relevant TSDF II and SDGs

SDG Goal	TSDF II National Outcome <sup>170</sup>	TSDF II Organization Outcome <sup>171</sup>	Government Priority Agenda <sup>172</sup>	Organization Output	Delivering Division/Program
SDG 1, 2, 8, 16, 17, 10,	D: More inclusive, sustainable, and responsive good governance with strengthened rule of law	3.1. More efficient, effective, affordable, honest, transparent, and apolitical public service focused on clear priorities.	GPA 1 GPA 2 GPA 3 GPA 6 GPA 7 GPA 9	That a leadership and policy advice are following the PFM Act and other relevant Acts to facilitate high level decision making for Tonga’s development.	Office of the Minister / Program 1: Leadership & Policy Advice
				That the management of the Ministry is in accordance with the PFM Act and other relevant Acts to facilitate effective and efficient service delivery.	Office of the CEO/ Program 1: Leadership & Policy Advice
				Providing systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes within the Government.	Internal Audit Division / Program 1: Leadership & Policy Advice
				That the MOF and stakeholders be provided with effective and efficient corporate services and human resources, performance management.	Corporate Service Division (Financial Performance Management Subdivision for MOF)/ Program 1: Leadership & Policy Advice
				That the MOF and stakeholders are provided with the human resources, logistical and property management support to facilitate the effective and efficient management and operation of the Ministry.	Corporate Service Division (Human Resources Performance Management Subdivision for MOF)/ Program 1: Leadership & Policy Advice
				That the St. George Government Building is well maintained and	

<sup>170</sup> Ministry of Finance, *Draft Corporate Plan, 2024/25-2026/27*, page 6.

<sup>171</sup> Ibid.

<sup>172</sup> Ministry of Finance, *Draft Corporate Plan, 2024/25-2026/27*, page 12.

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				managed with an appropriate security system.	
	<b>G:</b> More inclusive, sustainable, and consistent advancement of our external interests, security, and sovereignty.	<b>4.3.</b> More reliable, safe, and affordable information and communication technology used in more innovation ways.		That the MOF ICT infrastructure will be accessible, well-architected, integrated, reliable, secure, and support the efficiency and effectiveness of the Ministry of Finance and Government Stakeholders.	Corporate Service Division (Information & Communication Technology Division)/ Program 1: Leadership & Policy Advice
	<b>A:</b> More inclusive, sustainable, and dynamic and knowledge-based economy.	<b>1.1.</b> Improved macroeconomic management & stability with deeper financial markets.		That Ministry of Finance Information System available to deliver timely financial information reports to assist with decision-making by MDAs and Government Stakeholders	
	<b>D:</b> More inclusive, sustainable, and responsive good governance with strengthened rule of law	<b>3.1.</b> More efficient, effective, affordable, honest, transparent, and apolitical public service focused on clear priorities.		That the macro, micro-economics and fiscal policy analysis and advice system provide all stakeholders with the information required to improve evidence-based decision making regarding sustainable economic growth and social development.	Economic and Fiscal Policy Division / Program 2: Economic & Fiscal Policy, Budget, & Aid Management and Resilient Development.
	<b>G:</b> More inclusive, sustainable, and consistent advancement of our external interests, security, and sovereignty. <b>F:</b> More inclusive, sustainable, and effective land administration, environment, and resilience to climate and risk.	<b>3.1.</b> More efficient, effective, affordable, honest, transparent, and apolitical public service focused on clear priorities. <b>3.6.</b> Improved collaboration with development partners ensuring programs better aligned behind gov't priorities. <b>5.4.</b> Improved national and community resilience to the potential disruption and damage to wellbeing growth and development from extreme natural events and climate change.		Provide a system that facilitates the formulation and implementation of more reliable, transparent, and policy-based budget estimates.	Budget Division / Program 2: Economic & Fiscal Policy, Budget, & Aid Management and Resilient Development.
	<b>D:</b> More inclusive, sustainable, and responsive good governance with strengthened rule of law	<b>3.1.</b> More efficient, effective, affordable, honest, transparent, and apolitical public service focused on clear priorities.		That the government and international partners co-operate for effective development by providing strategic advice and delivering quality services to all stakeholders.	Aid Management & Resilient Development Division/ Program 2: Economic & Fiscal Policy, Budget, & Aid Management and Resilient Development.
				To enhance the ability of the country to access directly to and effectively manage climate financing, disaster risk financing and development funded program.	
				To facilitate the strengthening of governance mechanisms for mainstreaming resilience into national budget plans, systems, and processes.	
				Provide PFM review, research, and development reports.	PFM, Research & Development Division / Program 2: Economic & Fiscal Policy, Budget, & Aid Management and Resilient Development.
				That the updated assets management reports are being used by the	Financial Framework Division/Program 3: Financial

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**Vote 08: Ministry of Finance (MOF)**

**Budget Briefing FY 2024/25**

			stakeholders (Cabinet, Parliament, MDAs, Division within MOF and development partners to make informed decisions).	Framework, Procurement and Treasury Operations.
			Financial Management and System Administration	
			Efficient and effective government procurement rules and procedures.	Financial Framework Division/Program 3: Financial Framework, Procurement and Treasury Operations.
			Efficient and effective government procurement services.	
			That Government and stakeholders are provided with effective and efficient Treasury financial management services.	Treasury Operation Division/Program 3: Financial Framework, Procurement and Treasury Operations.
			That the GGF is effectively and efficiently managed for MDAs and other stakeholders.	Government General Fund (GGF) / Program 4: Government General Fund (GGF).
			That the updated Debt Management Reports are being used by the stakeholders (Cabinet, Parliament, MDAs, Division within MOF, and development partners to make informed decisions).	Debt Unit/Program 5: Debt Management Government General Fund (GGF)

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### 3. NEW INITIATIVES

The Ministry will continue to implement the reform program outlined in its Corporate Plan 2024/25 – 2026/27 as part of the Government overall reform program as approved by Cabinet on 6<sup>th</sup> of May 2022. The recommendations approved “*That the comprehensive review of the government ministries structures and performance as a basis for consideration of allocation of human resources...*”<sup>173</sup> This includes organizational review, financial devolution and stock taking of all government assets.

### 4. BUDGET PROGRAM CHANGES

The Ministry is mandated to operate at three levels: (i) Ministry’s operation; (ii) Government General Fund (GGF); and (iii) Debt Management. This will be delivered using resources allocated into five (5) Programs. Programs 1- 3 is the Ministry’s normal operation delivered by twelve (12) Divisions (or thirteen sub-programs). Program 4 – 5 consists of the Government General Fund (GGF) and Debt Management. This is summarized in **Table 3**.

**Table 3: MOF’s Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1 Leadership and Corporate Services Program</b>			
01 Office of the Minister <sup>174</sup>	492,800	419,200	↓ \$73,600
02 Office of the CEO <sup>175</sup>	289,900	1,211,700	↑ \$921,800
<i>The increase is due to \$0.9 million in other special projects cash funded by development partners.</i>			
03 Office of the Internal Audit <sup>176</sup>	292,500	242,000	↓ \$50,500
04 Corporate Support Services <sup>177</sup>	1,146,300	1,859,900	↑ \$713,600
<i>The increase is triggered by the increase in Category 20xx (new office equipment and new computers) by \$0.3 million.</i>			
05 Human Resources and Performance Management Division <sup>178</sup>	1,266,200	1,171,900	↓ \$94,300
06 Information & Communication Technology <sup>179</sup>	448,300	436,800	↓ \$11,500
<b>2 Economic and Fiscal Policy Division</b>			
01 Economic and Fiscal Policy Division <sup>180</sup>	495,700	524,600	↑ \$28,900
02 Budget Division <sup>181</sup>	715,300	620,200	↓ \$95,100
03 Aid Management and Resilient Development Division <sup>182</sup>	4,713,300	8,279,500	↑ \$3,566,200
<i>The increase is triggered by other special projects (donor cash funded) worth \$4.6 million.</i>			
04 PFM & Research and Development Division <sup>183</sup>	98,700	73,700	↓ \$25,000

<sup>173</sup> Ministry of Finance, *Draft Corporate Plan, 2024/25-2026/27*, page 21

<sup>174</sup> *Ibid.*, page 155.

<sup>175</sup> *Ibid.*, page 156

<sup>176</sup> *Ibid.*, page 157.

<sup>177</sup> *Ibid.*, page 158.

<sup>178</sup> *Ibid.*, page 159.

<sup>179</sup> *Ibid.*

<sup>180</sup> *Ibid.*, page 160.

<sup>181</sup> *Ibid.*, page 161.

<sup>182</sup> *Ibid.*, page 162.

<sup>183</sup> *Ibid.*, page 163.

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<b>3 Treasury Operations</b>			
01 Financial Framework <sup>184</sup>	468,900	483,400	↓ \$14,500
02 Procurement Management Division <sup>185</sup>	544,700	572,100	↑ \$27,400
03 Treasury Services <sup>186</sup>	2,722,600	2,581,800	↓ \$140,800
<i>The increase is due to top-up of operational expenses</i>			
<b>4 Government General Fund (GGF)</b>			
01 Benefits <sup>187</sup>	5,310,100	4,410,100	↓ \$900,000
<i>The decrease is due to the removal of overseas medical treatment worth \$0.9 million that was funded by donor cash in the current financial year.</i>			
02 Remuneration <sup>188</sup>	2,000,000	4,200,000	↑ \$2,200,000
<i>The increase is due 5.0 percent COLA that is expected in July 2024.</i>			
03 Subsidies <sup>189</sup>	5,820,000	3,790,000	↓ \$2,030,000
<i>The reduction is due to transfer of budget for subsidizing of domestic shipping to PMO's vote (Vote 07).</i>			
04 Community Development <sup>190</sup>	1,808,300	9,585,200	↑ \$7,776,900
<i>The increase is due to an increase in donor cash budget from development partners worth \$7.8 million – of which \$6.6 million for government development project costs (related to government contribution to development projects) and \$1.2 million new building.</i>			
05 Special Project <sup>191</sup>	23,789,900	79,428,000	↑ \$55,638,100
<i>The increase is triggered by an increase in budget allocation for; (i) other special projects of \$45.6 million; and (ii) construction of new building by \$9.5 million (cash only).</i>			
06 Equity Payment <sup>192</sup>	-	-	-
<i>This budget allocation was transferred to Ministry of Public Enterprise</i>			
07 Subscriptions <sup>193</sup>	4,037,000	4,042,000	↑ \$5,000
08 Exemptions & other payments <sup>194</sup>	2,758,000	4,588,000	↑ \$1,830,000
<i>The increase is due to an increase in budget allocation for: government development projects by \$1.0 million; licenses by \$0.9 million; and offset by a decrease in budget allocation for bank fees by \$0.07 million.</i>			
09 Contingency Fund <sup>195</sup>	5,000,000	5,000,000	-
10 Private Sector Initiatives <sup>196</sup>	8,000,000	-	↓ 8,000,000
<i>The decrease is due to transfer of this budget allocation to relevant Ministries worth \$3.0 million for each Ministry – Ministry of Tourism, Ministry of Fisheries and Ministry of Agriculture, Food and Forestry).</i>			
<b>5 Debt Management</b>			
01 Debt Management <sup>197</sup>	67,121,600	69,345,700	↑ 2,224,100
<i>The increase is triggered by the loan payments to EXIM Bank.</i>			

<sup>184</sup> Ministry of Finance, *Draft Corporate Plan, 2024/25-2026/27*, page 164.

<sup>185</sup> Ibid.

<sup>186</sup> Ibid., page 165.

<sup>187</sup> Ibid.

<sup>188</sup> Ibid., page 161.

<sup>189</sup> Ibid.

<sup>190</sup> Ibid.

<sup>191</sup> Ibid., page 167.

<sup>192</sup> Ibid., page 168.

<sup>193</sup> Ibid.

<sup>194</sup> Ibid., page 169.

<sup>195</sup> Ibid.

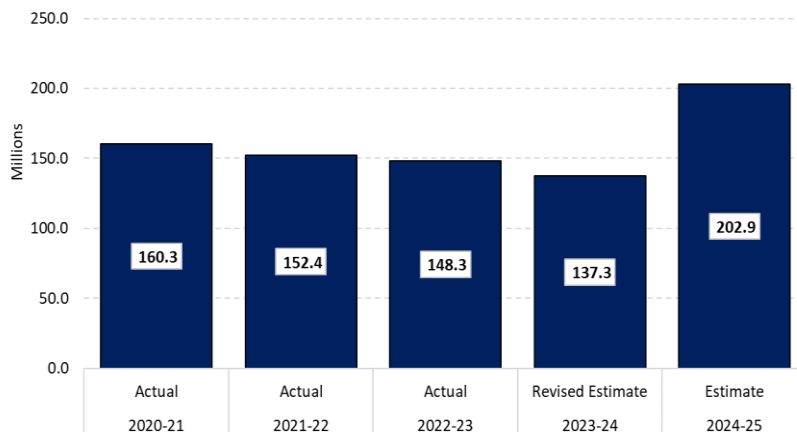
<sup>196</sup> Ibid., page 170.

<sup>197</sup> Ministry of Finance, *Draft Corporate Plan, 2024/25-2026/27*, page 170.

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## 5. TRENDS

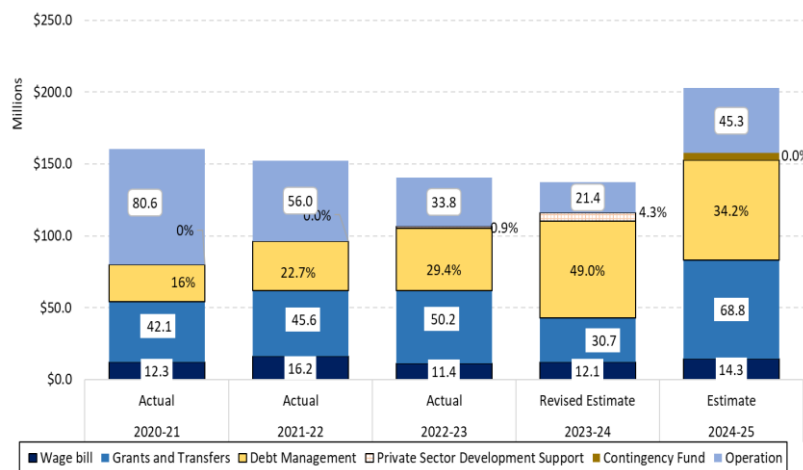
**Figure 2: MOF's Total Expenditure, 5-Year Trend**



**Figure 2** shows the total expenditure budget for MOF in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period. It is noted that MOF's actual spending has been declining over the first four years at an average of \$149.6 million per year.

This could be due to the completion of response efforts to pandemic and HTHH volcano eruption. The proposed budget allocation for the Ministry in 2024/25 is expected to increase due to construction of new buildings, other special projects, government contributions to development projects and loan repayments to EXIM Bank.

**Figure 3: 5-year Total Expenditure by Major Category**



**Figure 3** shows a breakdown of MOF's expenditure (as in **Figure 2**) by major category for five financial years (2020/21 – 2024/25).

It is evident that the Grants and Transfers category account for largest spending in MOF's expenditure in the first three years of the observed

period because most of the major grants for general purpose such as elderly, vulnerabilities, other special projects are housed in the Ministry's vote. The debt category accounts for the largest share in the current year's revised estimate reflecting the commencement of loan repayments to EXIM Bank.

**Figure 4: Year to Year Percentage Change in MOF's Total Expenditure**

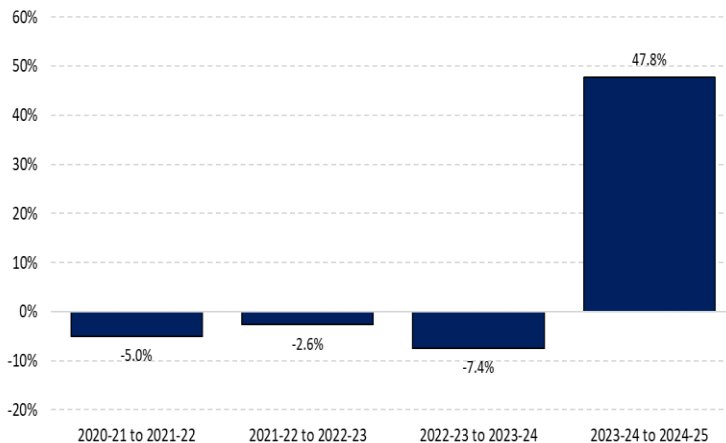


Figure 4 illustrates the year-on-year percentage change in MOF's total expenditure budget in 2024/25 compared to actual spent in the previous years (revised in 2023/24).

A significant change is observed in 2023/24 – 2024/25 period due to construction of new buildings, other special projects, loan repayments to EXIM Bank, and government contribution to development projects.

**Figure 5: Year to year Percentage Change in MOF's Total Expenditure by Major Category**

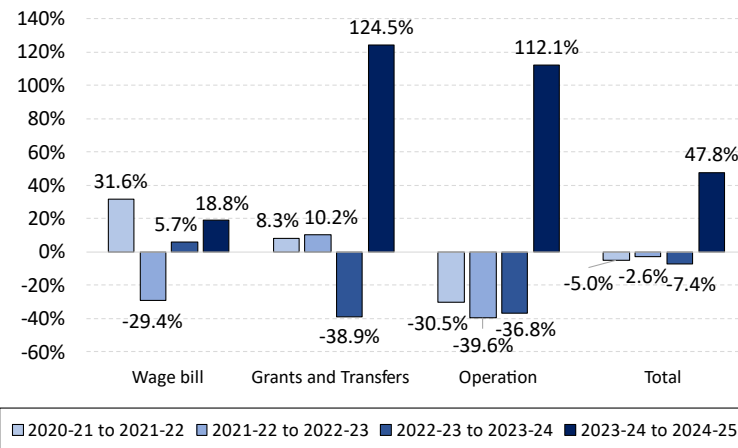


Figure 5 is a breakdown of Figure 4 into major expenditure categories. Despite the big drop in the Equity Payment and Private Sector Development Support Categories, the increase in other categories (grants and transfers, debt, wage bill and operation) contribute more to the changes in the Ministry's budget in the period 2023/24 – 2024/25.

**Figure 6: MOF's Total Budget Estimates vs Actuals**

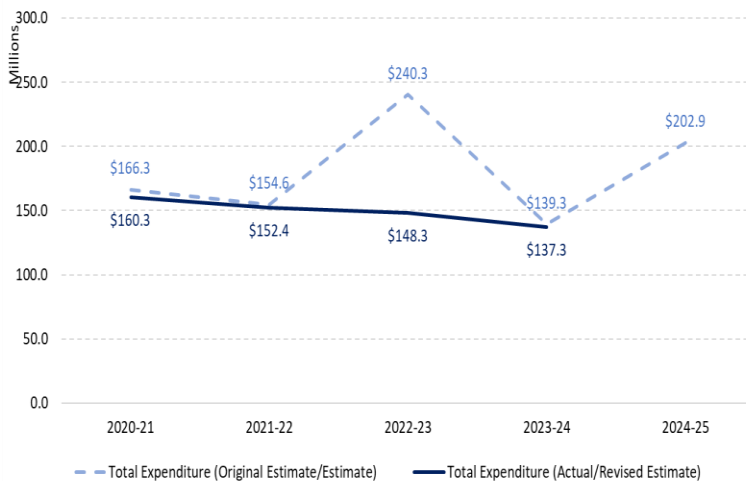


Figure 6 shows the total approved expenditure budget for MOF in comparison to actual spending for the four-year period and the proposed budget for 2024/25.

The Ministry had almost exhausted its budget in 2020/21 and 2021/22 due to the execution of development projects related to the COVID-19 and HTHH volcano eruptions.

The provisional actuals for 2022/23 reflect an under-spent in the Ministry's budget. This could be due to slow/delay in implementation of development projects, government other special projects and private sector development support.



## 1. VOTE 09 (page 172 of the Draft Budget Estimates 2024/25)

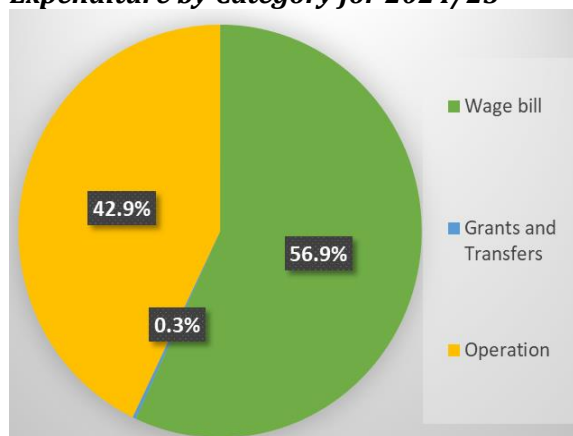
**Table 1: Expenditure Budget for Ministry of Revenue and Customs (MORC) by Funding Sources 2024/25<sup>198</sup>**

Vote 09	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	11,042,400	11,202,700
	Confirmed Budget Support	-	-
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	-	170,000
	Overseas Donor Funding (Cash)	-	-
	<b>TOTAL</b>	<b>11,042,400</b>	<b>11,372,700</b>

- MORC's total budget for 2024/25 is \$11.4 million or equivalent to 1.3 percent of the total government's budget of \$899.2 million.

- Figure 1** illustrates that 56.9 percent of the Office's total expenditure is mainly for the Wage bill, 42.9 percent is for the operation and 0.3 percent is for Grants and Transfers (mainly for prizes and awards for Revenue & Customs week) of the Ministry of Revenue and Customs.

**Figure 1: Ministry of Revenue and Customs-Expenditure by Category for 2024/25**



- The total budget for MORC increased by 3.0 percent from \$11.0 million in 2023/24<sup>199</sup> to \$11.4 million in 2024/25 because of donor funding assistance in kind of \$0.2 million.

- \$6.5 million (56.9 percent) of the budget is wage bill (categories 10xx, 11xx, and 19xx)<sup>200</sup>.
- \$4.9 million (42.9 percent) of the budget is operational (categories 12xx - 14xx and 20xx)<sup>201</sup>.
- \$0.03 million (0.3 percent) of the budget is grants and transfers (category 15xx)<sup>202</sup>.
- Staffing<sup>203</sup>**: there are 232 positions in total, of which 214 positions are established and 14 positions are unestablished.

<sup>198</sup> Ministry of Finance, *Draft Budget Estimate FY 2023/24*, page 173.

<sup>199</sup> Ibid.

<sup>200</sup> Ibid.

<sup>201</sup> Ibid.

<sup>202</sup> Ibid.

<sup>203</sup> Ministry of Revenue and Customs, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 24-36.

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## 2. MORC'S OUTPUTS

**Table 2** shows the relevant linkages of MORC's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG	TSDF II National Outcome <sup>204</sup>	TSDF II Organizational Outcome	Government Priority Agenda <sup>205</sup>	Organization Output <sup>206</sup>	Delivering Division/Program
<b>Goal 8</b> <b>Goal 9</b> <b>Goal 16</b> <b>Goal 17</b>	<b>A:</b> More inclusive, sustainable, and dynamic knowledge-based economy <b>D:</b> More inclusive, sustainable responsive good governance <b>E:</b> More inclusive, sustainable, and successful provision and maintenance of infrastructure and technology <b>G:</b> More inclusive, sustainable, and consistent advancement of our external interests, security, and sovereignty	<b>1.1:</b> Improved macroeconomic management and stability with deeper financial markets <b>1.5:</b> Better access to, and use of overseas trade and employment and foreign investment <b>3.7:</b> Improved political and defense engagement within the Pacific & the rest of the world to participate more effectively in support and consistent advancement of our international interests, security, and sovereignty.	<b>GPA 1</b> <b>GPA 3</b> <b>GPA 5</b> <b>GPA 6</b> <b>GPA 7</b> <b>GPA 9</b>	<b>Output 1:</b> Reliable and effective leadership to ensure the successful delivery of the Ministry's programs <sup>207</sup>	Office of the Hon. Minister Program 1: Leadership and Shared Services
				<b>Output 2:</b> Effective delivery of administrative, financial management and human resources support towards the services and decision making of the Ministry. <sup>208</sup>	Corporate Services Program 1: Leadership and Shared Services
				<b>Output 3:</b> Professional legal services to ensure that the Ministry's interactions with its stakeholders are lawful and in adherence with the legal principles of fairness and justice	Legal Services Program 1: Leadership and Shared Services
				<b>Output 4:</b> Modern, secure and streamlined ICT solutions to support the services and decision making of the Ministry. <sup>209</sup>	Information, Communication and Technology Program 1: Leadership and Shared Services
				<b>Output 5:</b> Effectively & efficiently register, process and safekeeping of all stakeholder's tax information.	Tax Operations Program 2: Inland Revenue

<sup>204</sup> Ministry of Revenue and Customs, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 10.

<sup>205</sup> Ibid., page 11.

<sup>206</sup> Ibid., page 13.

<sup>207</sup> Ibid.

<sup>208</sup> Ibid.

<sup>209</sup> Ibid.

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				<b>Output 6:</b> Dedicated privileged taxpayer services that encourage the large taxpayer segment to maintain high level of tax compliance <sup>210</sup>	Large Taxpayers Program 2: Inland Revenue
				<b>Output 7:</b> Targeted compliance interventions to reduce operational and taxpayer risks associated with non-compliance with tax laws	Compliance Improvement Program 2: Inland Revenue
				<b>Output 8:</b> Competent delivery of a personalized and effective communication strategy to inform stakeholders of their tax obligations	Client Support & Public Relation Program 2: Inland Revenue
				<b>Output 9:</b> Enhanced border security coordination to detect illicit trade and support legitimate cross border trade and travel <sup>211</sup>	Border Control Program 3: Customs Administration
				<b>Output 10:</b> Streamlined and digitized Customs clearance processes enhancing accessibility to professional and efficient services	Program 3: Customs Administration
				<b>Output 11:</b> Implementation of modern and effective trade facilitation initiatives across the border continuum to advance a prosperous economy	Trade Facilitation Program 3: Customs Administration
				<b>Output 12:</b> The application of risk-based interventions and effective debt management practices to boost trader compliance	Enforcement Program 3: Customs Administration

<sup>210</sup> Ministry of Revenue and Customs, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 14.

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### 3. NEW INITIATIVES

- The following are MORC's budget priorities or initiatives for 2024/25.
- Ongoing activities are expected in 2024/25 including the following.

<b>1. Capital Investments</b>	<ul style="list-style-type: none"><li>• <b>\$100,000</b> - Customs X-Ray Machines, trainings for staff and on-going servicing and maintenance to x-ray truck and scanning machines</li><li>• <b>\$200,000</b> - Ongoing for the Electronic Sales Register System [ESRS]</li><li>• <b>USD \$5,400,000</b> (Integrated Tax Administration System) &amp; <b>NZD \$3,964,472</b> (New Version of the current RMS) - Tax Processing System Upgrade</li><li>• Ministry of Revenue and Customs, Corporate Plan &amp; Budget, 2024/25, 2026/27 page 18 -21)</li></ul>
<b>2. Establishing New Divisions</b>	<ul style="list-style-type: none"><li>• <b>\$200,000</b> - Establishment of Customs Dog Detector (K9)</li><li>• <b>\$200,000</b> - Establishment of a Customs Maritime Patrol within the boarder control division</li><li>• Ministry of Revenue and Customs, Corporate Plan &amp; Budget, 2024/25, 2026/27 page 18)</li></ul>
<b>3. Review of Policies and Legislations</b>	<ul style="list-style-type: none"><li>• <b>\$10,000</b> - Review of policies, guidelines and implement tax awareness programs</li><li>• <b>\$10,000</b> - Review &amp; Reforms of Revenue Laws and the Customs Bill and Customs Tariffs Bill</li><li>• <b>On-going Tax and Customs Education Reform</b></li><li>• <b>Alignment of Tax system to International Tax and Standards Development</b></li><li>• Ministry of Revenue and Customs, Corporate Plan &amp; Budget, 2024/25, 2026/27 page 18-21)</li></ul>
<b>3. Overseas and Travel</b>	<ul style="list-style-type: none"><li>• <b>\$50,000</b>- PITAA Conference</li><li>• Ministry of Revenue and Customs, Corporate Plan &amp; Budget, 2024/25, 2026/27 page 21)</li></ul>

#### 4. BUDGET PROGRAM CHANGES

The mandate of MORC will be delivered using resources allocated into three (3) programs and thirteen (13) sub-programs.

**Table 3: MORC's Expenditure Budget for 2024/25 by Programs and Sub-programs<sup>212</sup>**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Advice</b>			
01 Office of the Minister	\$80,400	\$80,400	-
02 Office of the CEO	\$414,500	\$452,600	↑\$38,100
03 Corporate Services Division	\$3,455,600	\$3,104,100	↓\$351,500
<i>This decrease is mainly triggered by a decrease in the cost of Established staff by \$133,700 and Maintenance &amp; Operations by \$144,500 (driven by maintenance of computer system).</i>			
04 Legal	\$203,800	\$185,200	↓\$18,600
05 ICT	\$971,700	\$919,800	↓\$51,900
<b>2. Inland Revenue</b>			
01 Tax Operations	\$884,600	\$1,022,200	↑\$137,600
<i>The increase is primarily due to the increase of \$134,300 in the cost of Established staff (salaries) due to 5.0 percent COLA that is expected to implement in July 2024.</i>			
02 Large Business	\$375,500	\$465,000	↑\$89,500
<i>The increase is triggered by the increase of the cost of Established staff by \$88,400 and Unestablished staff by \$1,100 due to 5.0 percent COLA that is expected to implement in July 2024.</i>			
03 Compliance Improvement <sup>213</sup>	\$786,500	\$815,600	↑\$29,100
04 Client Support & Public Relations	\$354,100	\$363,400	↑\$9,300
<b>3. Customs Administration<sup>214</sup></b>			
01 Border Control	\$1,993,200	\$2,315,000	↑\$321,800
<i>The increase is primarily due to 94.2 percent or \$373,000 increase in the cost of Maintenance and Operations because of the establishment of new customs units and the maintenance of X-ray machines.</i>			
02 Cargo Clearance	\$783,500	\$847,200	↑\$63,700
03 Trade Facilitation and Policy	\$512,900	\$574,600	↑\$61,700
<i>The increase is mainly for the increase in the cost of Maintenance and Operations (\$71,500) because of Alignment of Tax system to International Tax and Standards Development.</i>			
04 Enforcement	26,100	\$227,600	↑\$1,500

<sup>212</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 174-178.

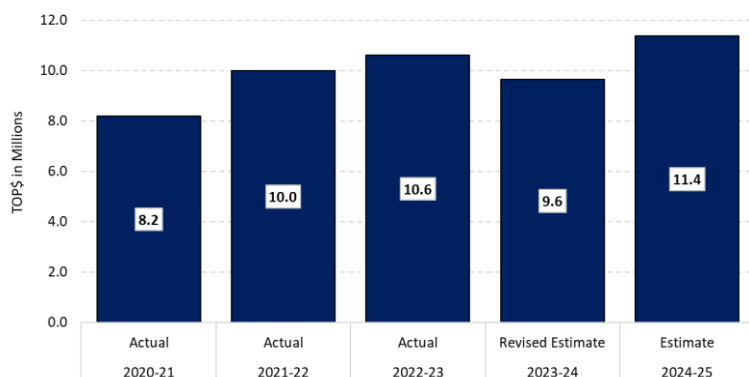
<sup>213</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 179.

<sup>214</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 180-182.

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## 5. TRENDS

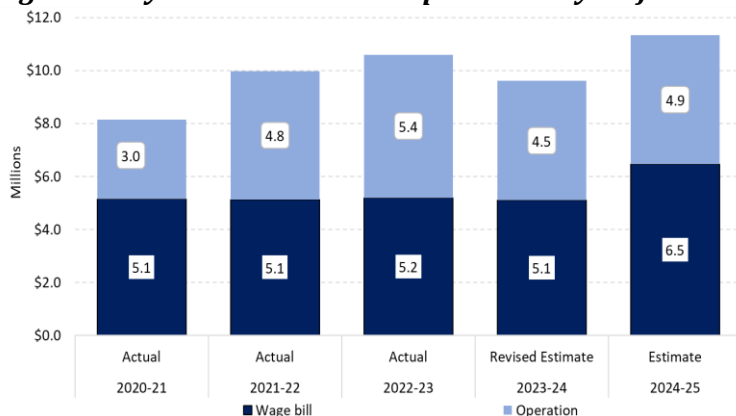
**Figure 2: MORC's Total Expenditure, 5 -Year Trend**



**Figure 2** shows the 5-year trend on total expenditure budget for MORC in 2024/25 compared to actual spending in the first three years and the revised estimated for 2023/24. Actual spending increased in the first three years of the observed period and expected to drop to \$9.6 million at the end of the current fiscal year. An increase is expected in

2024/25 mainly due increased wage costs including in respect of the 5 percent COLA.

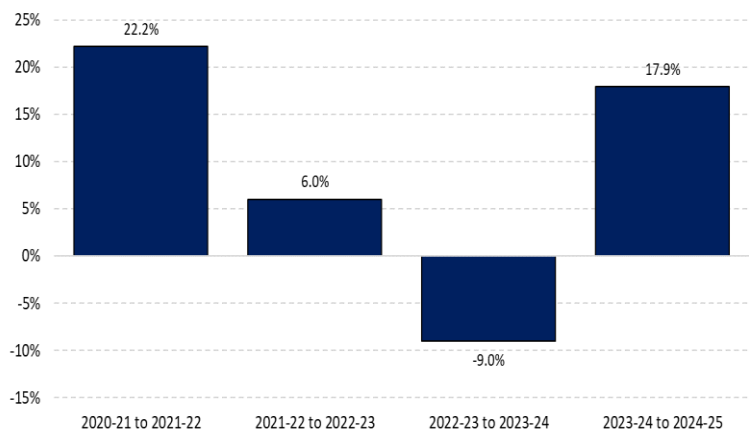
**Figure 3: 5-year MORC's Total Expenditure by Major Category**



**Figure 3** displays a breakdown of MORC's expenditure (as in Figure 2) into major category expenditure category for five financial years (2020/21 – 2024/25). It is noted that wage bill expenses account for the largest spending in MORC's expenditure at an average of \$5.1 million before increasing in

2024/25 due to new units established withing the Ministry with new funds for staffing coupled with 5.0 percent COLA that is expected in July 2024. Operational costs increased in 2022/23 due to new expenses related to the implementation of Point of Sale Project.

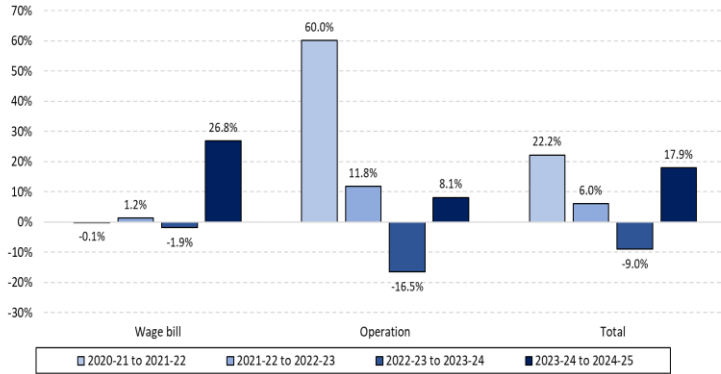
**Figure 4: Year to Year Percentage Change in MORC's Total Expenditure**



**Figure 4** illustrates the year-on-year percentage change in MORC's total expenditure. The highest pick was observed during the period between 2020/21 to 2021/22 due to operational activities (up by about \$1.8 million), could be due to Ministry's response to pandemic and HTHH volcano eruption. Second period observed an increase but at a

diminishing rate and further down to -9.0 percent in period 3. This could be due to delay in implementation in some of the planned activities and slow in filling of resultant vacancies.

**Figure 5: Year to Year Percentage Change in MORC's Total Expenditure by Major Category**



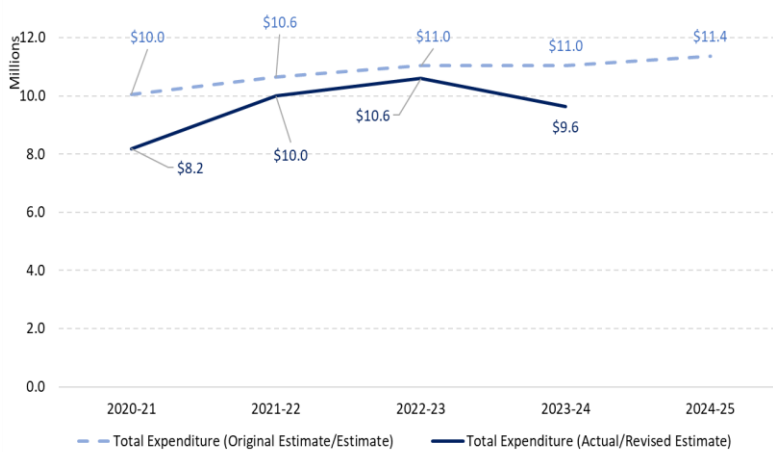
**Figure 5** is a breakdown of **Figure 4** into major expenditure category.

The total cost of operations fluctuated more during the observed period than wage bill category and contributed more to the significant increase in 200/21 – 2021/22.

The total cost of the wage bill remains stable over the years

except for 2024/25 noting the 5 percent COLA.

**Figure 6: MORC's Total Budget Estimates vs Actuals**



**Figure 6** shows the total approved expenditure in comparison to the actual expenditure occurred during the four-year period.

It is noted that the Ministry spent within its approved appropriation (under-spent). Some activities have been delayed in implementing and slow in recruiting staff to fill resultant vacancies

contributed to the under-spending of MORC's budget.

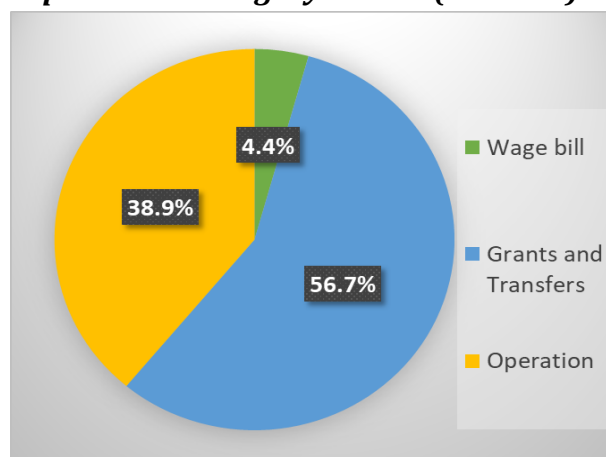
## 1. VOTE 10 (page183 of the Draft Budget Estimates 2024/25)

**Table 1: Expenditure Budget for the Ministry of Public Enterprises (MPE) by Funding Sources 2024/25<sup>215</sup>**

Vote 10	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	1,863,000	1,908,700
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	0	10,000,000
	Overseas Donor Funding (Cash)	0	15,000,000
	<b>TOTAL</b>	<b>1,863,000</b>	<b>26,908,700</b>

- The total budget for MPE in 2024/25 is \$26.9 million<sup>216</sup>, contributing to 3.0 percent of the government's total budget of \$899.2 million.
- MPE's total budget for 2024/25 has increased by 1,344.4 percent from the approved budget in 2023/24<sup>217</sup>. The increase is due to an increase in development budget – comprised of donor cash of \$15.0 million and donor in-kind contributions of \$10.0 million. There are development projects implemented by public enterprises which are accounted for in the Ministry's development budget including Nuku'alofa Network Upgrade, Grid Strengthening, Generator Set, and Hawaiki Communication Cable Project.<sup>218</sup>

**Figure 1: Ministry of Public Enterprises: Expenditure Category Shares (2024-25)**



- Figure 1** illustrates the breakdown of MPE's expenditure budget:
  - Wage Bill:** \$1.2 million (4.4 percent), distributed across categories 10xx and 11xx.
  - Grants and Transfer:** \$15.2 million (56.7 percent), covers Category 15xx.
  - Operation Costs:** \$10.4 million (38.9 percent), encompassing categories 12xx – 14xx and 20xx.
- Staffing<sup>219</sup>:** There are 44 established staff positions, with no unestablished staff.

<sup>215</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 185.

<sup>216</sup> Ibid, page 185.

<sup>217</sup> Ibid, page 184.

<sup>218</sup> Ministry of Finance, *Draft Budget Statement FY 2024/25*, page 152.

<sup>219</sup> Ministry of Public Enterprises, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 23.

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## 2. MPE'S OUTPUTS

**Table 2** shows the relevant linkages of MPE's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG <sup>220</sup>	TSDF II National Outcome <sup>221</sup>	TSDF II Organizational Outcome <sup>222</sup>	Government Priority Agenda <sup>223</sup>	Organization Output <sup>224</sup>	Delivering Division/ Program <sup>225</sup>
<b>Goal 8</b> <b>Goal 6</b> <b>Goal 7</b> <b>Goal 9</b> <b>Goal 12</b> <b>Goal 13</b> <b>Goal 17</b>	A: A more inclusive, sustainable, and dynamic knowledge-based economy	1.2: Closer public/private partnership for economic growth	GPA 1 GPA 6 GPA 8	1. Improved Leadership and Policy directions that are in accordance with PE Act and other relevant Acts	Leadership – (Lead): M & C Division/ R&SP Division/ L&P Division Program 1.1: Leadership (Office of the Minister)
		1.3: Strengthen business enabling environment			2. Better Evidence Based Advice to Cabinet, Legislative Assembly, BoDs, and other relevant stakeholders Leadership – (Lead): All other Divisions Program 1.1: Leadership (Office of the Minister)

<sup>220</sup> Ministry of Public Enterprises, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 10-11

<sup>221</sup> Ibid, page, 8.

<sup>222</sup> Ibid, page 12.

<sup>223</sup> Ibid, page 12.

<sup>224</sup> Ibid, page 15-16.

<sup>225</sup> Ibid, page 15-16.

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		1.4: Improved public enterprise performance		3. Better Leadership, Management and Strategic Guidance of MPE	Leadership – (Lead): All Other Division  Program 1.2: Leadership (Office of CEO)
	C: A more inclusive sustainable and empowering human development with gender equality	2.2: Closer partnerships between government churches & other stakeholders for community development		4. Better Evidence Based Advice to Minister, Cabinet, LA, PEs BoDs and Management, MDAs, and other relevant stakeholders	Leadership – (Lead): All Other Division  Program 1.2: Leadership (Office of CEO)
		2.4: Improved education & training providing lifetime learning		5. Better Leadership and Strategic Guidance as Cluster Lead for Critical Services Custer	Leadership – (Lead): CS Division  Program 1.2: Leadership (Office of CEO)
		2.6: Stronger intergraded approaches to address both communicable and non-communicable diseases		6. Provide improved support services to the Ministry	CSD Division (Lead): All Other Divisions  Program 1.3: Corporate Services Division

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	D: A more inclusive, sustainable, and responsive good governance with law and order	3.1: A more efficient, effective, affordable, honest, transparent & apolitical public service focused on priorities		7. Establish critical Services Cluster Unit to better implement and support CSC activities	CSD Division (Lead): Leadership  Program 1.3: Corporate Services Division
		3.3: Appropriate decentralization of government administration with a better scope for engagement with the public		8. Better corporate governance of Public Enterprises	M&C Division (Lead): All Other Divisions  Program 2: Monitoring & Compliance Division (MCD)
		3.4: Modern & appropriate constitution laws & regulation reflecting international		9. Strengthen the PEs performance	M&C Division (Lead): R&SP Division  Program 2: Monitoring & Compliance Division (MCD)
	E: More inclusive, sustainable, and successful provision and	4.1: More reliable, safe, and affordable energy services		10. Effective identification, implementation, and	R&SP Division (Lead): L&P Division/ M&C Division

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	maintenance of infrastructure			monitoring of Rationalization programs for PEs	Program 3: Rationalization, PPP & Special Projects
		4.2: More reliable, safe, and affordable transport services on each island		11. Effective identification, implementation and monitoring of PPP programs and Pes	R&SP Division (Lead): L&P Division/ M&C Division  Program 3: Rationalization, PPP & Special Projects
		4.3: More reliable, safe and affordable information and communications technology (ICT) use		12. To provide quality legal and policy advice and practices	L&P Division (Lead): M&C Division  Program 4: Legal and Policy Advice
		4.6: More reliable, safe, affordable water supply and control, and sanitation services in innovative ways			
	F: A more inclusive, sustainable, and effective land administration, environment management, and resilience to climate and risk	5.3: Cleaner environment with improved waste recycling			
	5.4: Improved resilience to extreme natural events and impact of climate change				

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	<p>G: More inclusive, sustainable, and consistent advancement of our external interests, security, and sovereignty</p>	<p>3.6: Improved collaboration with development partners ensuring programs better aligned behind government</p>			
		<p>3.7: Improved political and defence engagement within the Pacific &amp; the rest of the world</p>			

### 3. NEW INITIATIVES

- Ministry's new initiatives<sup>226</sup> with no budget allocation include the following:
  - Corporate Services Division
    - ✓ Better Operations in Outer Island Office
    - ✓ Digital Transformation of MPE- Digitization to Digitization
  - Rationalization on Division
    - ✓ Improved oversight and management of Projects (MPE & PEs)
    - ✓ Proper establishment of new PEs
  - Legal and Policy Division
    - ✓ Quality Legal and Policy Advices & Practices
- New initiatives that are expected in 2024/25 with funding allocation include the following:

#### 1. Corporate Services Division

- Establish Critical Services Cluster Unit to better implement and support CSC activities
- Cost: Salary \$52,758, Operation \$12,000
- Total Cost: \$64,758
- Ministry of Public Enterprises, Draft Corporate Plan & Budget, 2024/25-2026/27, page 18.

### 4. BUDGET PROGRAM CHANGES

The mandate of MPE will be delivered using resources allocated into four (4) programs and six (6) sub-programs as follows in **Table 3**.

**Table 3: MPE's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Advice</b>			
01 Office of the Minister <sup>227</sup>	\$127,400	\$84,100	↓\$43,300
02 Office of the CEO <sup>228</sup>	\$159,900	\$155,200	↓\$4,700
03 Corporate Services <sup>229</sup>	\$701,900	\$735,400	↑\$33,500
<b>2. PEs Compliance</b>			
01 Monitoring and Reporting <sup>230</sup>	\$528,100	\$571,100	↑\$43,000
<b>3. Rationalisation<sup>231</sup></b>			
01 Rationalisation, PPP & Special Projects	\$277,300	\$25,295,200	↑\$25,017,900

<sup>226</sup> Ministry of Public Enterprises, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 18-19.

<sup>227</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 186.

<sup>228</sup> *Ibid*, page 186.

<sup>229</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 187.

<sup>230</sup> *Ibid*, page 188.

<sup>231</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 188.

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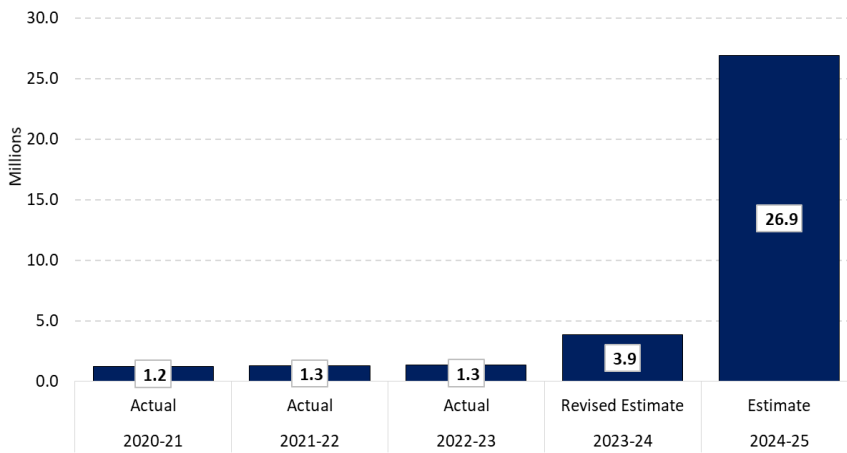
The increase is due to new projects that is expected to implement in 2024/25. This includes, Nuku’alofa Network Upgrade, Grid Strengthening, Generator Set, and Hawaiki Communication Cable Project.

**4. Legal & Policy Advice<sup>232</sup>**

01 Policy & Legal Advice	\$68,400	\$67,700	↓\$700
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**5. TRENDS**

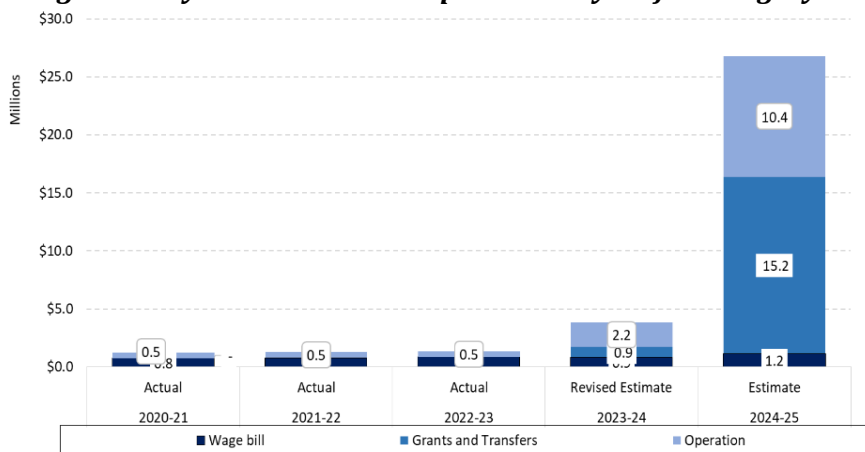
**Figure 2: MPE’s Total Expenditure 5 -Year Trend**



**Figure 2** illustrates the total expenditure budget for MPE in 20214/25 compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period. Actual spending has been ranged \$1.2 million to \$1.3 million and

expected to increase by more than doubled in the current financial year. A significant increase is anticipated in 2024/25 due to implementation of development projects mentioned in the introduction.

**Figure 3: 5-year MPE’s Total Expenditure by Major Category**



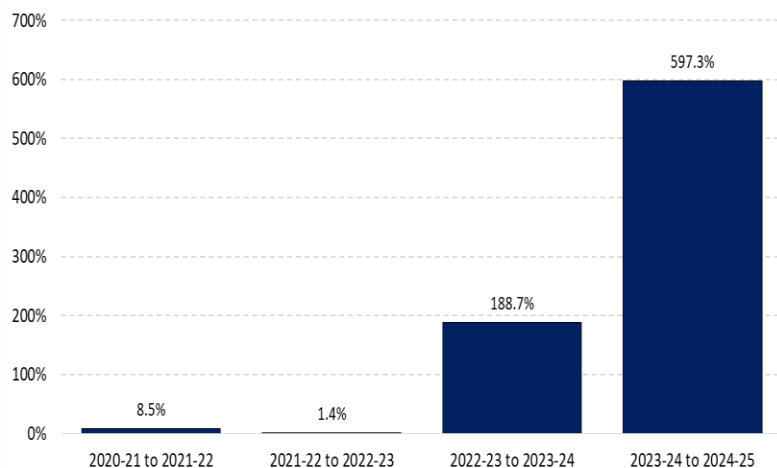
**Figure 3** shows a breakdown of MPE’s expenditure budget (as in **Figure 2**) into major expenditure category for five financial years (2020/21 – 2024/25). Wage bill accounts for largest share in the Ministry’s spending

except for 2024/25 being dominated by grants and transfers indicating significance investment in public enterprise’s sector.

<sup>232</sup> Ibid, page 189.

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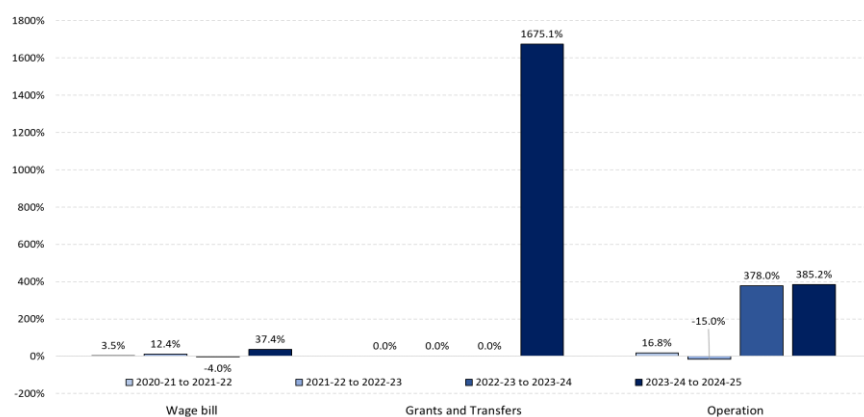
**Figure 4: Year-to-Year Percentage Change in MPE’s Total Expenditure**



**Figure 4** illustrates the year-on-year percentage change in MPE’s total expenditure budget in 2024/25 compared to actual spent in the previous years (revised in 2023/24).

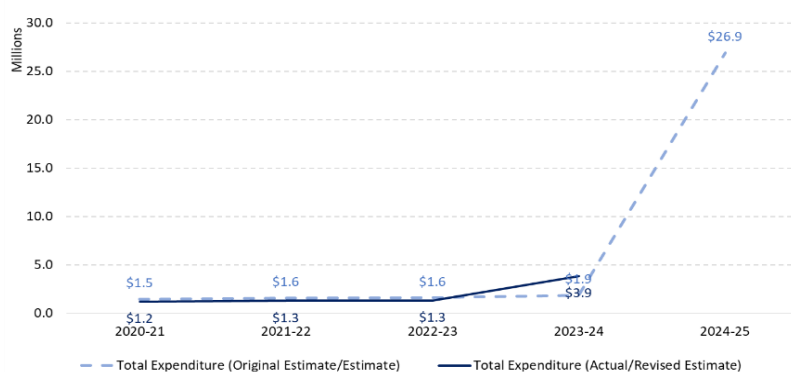
The largest change is observed in 2023/24 – 2024/25 due to new projects (as previously mentioned) being implemented.

**Figure 5: Year-to-Year Percentage Change in MPE’s Total Expenditure by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure categories, which illustrates that Grants and Transfers category is the main trigger of the significance increase in the Ministry’s budget in 2024/25.

**Figure 6: MPE’s Total Budget Estimates vs Actuals**



**Figure 6** shows the approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/25. Historically, the Ministry spent within its approved appropriation however, an over-spent is expected in the current financial year triggered by

\$0.8 million grants and transfers (category 15xx) and \$1.8 million assets (category 20xx). These categories were not budgeted for in the current financial year’s budget.<sup>233</sup>

<sup>233</sup> Ibid, page 188.

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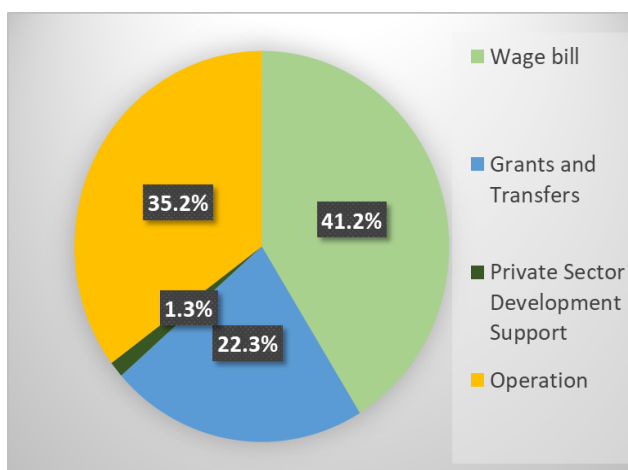
1. VOTE 11 (page 194 of the Draft Budget Estimates 2024/25)

Table 1: Budget and Funding Sources for Ministry of Trade and Economic Development (MTED) in 2024/25<sup>234</sup>

Vote 11	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	5,645,300	6,319,100
	Confirmed Budget Support	987,900	1,067,800
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	450,100	187,600
	Overseas Donor Funding (Cash)		
	<b>TOTAL</b>	<b>7,083,300</b>	<b>7,574,500</b>

- The MTED's total budget for the fiscal year 2024/25 is estimated at \$7.6 million, constituting 0.8 percent of the government's total budget of \$899.2 million.
- Of the Ministry's total budget, 83.5 percent is funded by the Government of Tonga, 14.1 percent comes from confirmed budget support provided by development partners, and the remaining 2.4 percent is in-kind assistance directed towards development projects implemented by the Ministry.
- There has been an increase in the Ministry's budget from \$7.1 million in 2023/24 approved budget to \$7.6 million in 2024/25, marking a rise of 6.9 percent (or \$0.5 million). This increase is triggered by development support provided to private sector worth \$0.1 million, \$0.3 million grant scheme to empower women and youth in business, \$0.1 million grant to support price control programs, and 5.0 percent COLA that is expected in July.
- Figure 1** shows the distribution of the Ministry's budget to major expenditure category. Wage Bill (Category 10xx and 11xx) accounts for 41.2 percent (or \$3.1 million), 35.2 percent (or \$2.7 million) is for operational cost (Categories 12xx – 14xx and 20xx), 22.3 percent (or \$1.7 million) for grants and transfers (Category 15xx) and 1.3 percent (or \$0.1 million) for private sector development support (Category 22).
- Staffing:** The Ministry of Trade and Economic Development (MTED) employs 101 staff members, comprising 89 established and 12 unestablished positions, to support its diverse initiatives and operations.

Figure 1: MTED: Expenditure Category Shares (2024-25)



<sup>234</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 191.

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## 2. MTED'S OUTPUTS

**Table 2** shows the relevant linkages of MTED's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG Goal <sup>235</sup>	TSDF II National Outcome	TSDF II Organization Outcome <sup>236</sup>	Government Priority Agenda <sup>237</sup>	Organization Output <sup>238</sup>	Delivering Division/Program
Goal 2 Goal 8 Goal 10 Goal 16	A: More inclusive, sustainable, and dynamic, knowledge-based economy	1.2: Stronger public/private partnership for economic growth	GPA 7 GPA 9	1. Efficient and effective leadership and management	Program 1: Leadership and Corporate Services
Goal 16 Goal 8 Goal 10 Goal 14		1.2: Stronger public/private partnership for economic growth		2. Strengthen public/private partnership and enable greater access to overseas trade	Program 2: Trade Negotiation & Policy

<sup>235</sup> Ministry of Trade and Economic Development, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 10-12.

<sup>236</sup> Ibid.

<sup>237</sup> Ministry of Trade and Economic Development, *Draft Corporate Plan & Budget, 2023/24-2025/26*, page 7.

<sup>238</sup> Ibid., page 10-12.

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<p><b>Goal 9</b> <b>Goal 2</b> <b>Goal 1</b></p>		<p><b>1.3:</b> Strengthened business enabling environment</p> <p><b>1.5:</b> Increase trade in goods and services, investment, and employment</p>		<p><b>3.</b> Strengthened targeted support programs that increases Tongan exports, encourage import substitution, and builds the production capacity of local businesses</p>	<p>Program 3: Business Support Program</p>
<p><b>Goal 8</b></p>		<p><b>1.3:</b> Strengthened business enabling environment</p>		<p><b>4.</b> An enabling business environment that is conducive to inclusive, sustainable, and resilient economic growth</p>	<p>Program 4: Business Registry, Investment, and Intellectual Property Program</p>
<p><b>Goal 16</b> <b>Goal 2</b></p>		<p><b>1.5:</b> Increase trade in goods and services, investment, and employment</p>		<p><b>5.</b> Strengthened consumer awareness and redress mechanism to empower and protect the interest of consumers</p>	<p>Program 5: Consumer Protection and Fair-Trade Program</p>
<p><b>Goal 8</b></p>		<p><b>1.5:</b> Increase trade in goods and services, investment, and employment</p>		<p><b>6.</b> Better labour market conditions and standards that support business growth, decent work, and higher labour participation</p>	<p>Program 6: Labour Program</p>

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### 3. NEW INITIATIVES

- MTED New Initiatives for Fiscal Years 2024/2025 to 2026/2027.<sup>239</sup>

New Initiatives	Description	Associated Costs (TOP)
<b>Tonga Petroleum Supply Optimization and Medium Range Development</b>	Project to optimize the supply and development of medium range petroleum products	\$100,000
<b>Regulatory Review of the Consumer Protection Act 2006/Bill 2017</b>	Review and update of the Consumer Protection Act to align with current economic standards	\$100,000
<b>Establishment of a Taxi Meter Operating System for regulation of Taxi Services in Tonga</b>	Development and implementation of a system to regulate taxi services through a metered system	\$200,000
<b>Implementation of the National Standardization Roadmap for Tonga</b>	Implementation of a roadmap to standardize national measurements and standards	\$250,000
<b>Women and Youth in Business Empowerment Grant Scheme</b>	Grant scheme to empower women and youth in business, coordinated between BRIIP & BSD	\$250,000
<b>HACCP Certification and Expansion of Lapaha Packhouse</b>	Expansion and certification of the Lapaha Packhouse to meet HACCP standards	\$300,000
<b>Vanilla Production Development Grant</b>	Grant support for the development of vanilla production targeting 15 recipients	\$300,000
<b>Establishment of the national governance for labour mobility and related activities</b>	Establishment of a governance framework to improve the management and oversight of labour mobility	\$50,000
<b>Head of Intellectual Property Office Conference</b>	Hosting of the Head of Intellectual Property Office Conference in partnership with WIPO	\$60,000
<b>Establishment of Multi-purpose facility</b>	Phase 1 development of a multi-purpose facility based on recommendations from the Business Conference	\$80,000
<b>Regulatory Review of the Weights and Measures Act</b>	Review and update of the Weights and Measures Act	\$80,000
<b>Tonga Trade and Investment Board - reforms</b>	Reforms of the Tonga Trade and Investment Board	Donor Funded
<b>Development of Tonga's National Kava Bill</b>	Development and endorsement of the National Kava Bill by the Cabinet	Donor Funded

<sup>239</sup> Ministry of Trade and Economic Development, *Corporate Plan & Budget, 2024/25*, page 22.

<b>Development of National Export Promotion Strategy</b>	Creation of a strategy to promote Tongan exports on a national level	Donor Funded
<b>Business Entities Online Registry System</b>	Upgrade of the online registry system for businesses including a fully integrated payment gateway	Donor Funded
<b>Development of a comprehensive National Investment Policy Framework and a Foreign Direct Investment Guide for Tonga</b>	Development of investment policies and a guide to attract and facilitate foreign direct investments	Donor Funded
<b>Development of a Branding Strategy for Tonga</b>	Development of a national branding strategy to enhance the recognition of Tongan products	Donor funded
<b>New Packhouse (Ha'apai &amp; Vava'u)</b>	Construction of new packhouses in Ha'apai & Vava'u for agricultural processing and storage	FY2024-2026
<b>Review of the Tonga Trade Policy Framework</b>	Comprehensive review of the Tonga Trade Policy Framework to align with current economic conditions	To seek donor fund

#### 4. BUDGET PROGRAM CHANGES

The mandate of MTED will be delivered using resources allocated into seven (6) programs<sup>240</sup> and seventeen (17)<sup>241</sup> sub-programs as follows in **Table 3**.

**Table 3: MTED's Expenditure Budget for 2023/24 by Program and Sub-program**

Program/Subprogram	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase or Decrease)
<b>1. Leadership and Corporate Service Program</b>			
01. Leadership, Planning and Monitoring	569,400	610,600	↑ \$41,200
02. Human Resource and Administration	902,600	889,500	↓ \$13,100
03. Accounts	481,300	460,900	↓ \$20,400
04. Information Communication Technology	214,600	216,300	↑ \$1,700
<b>2 Trade Negotiation &amp; Facilitation</b>			
01 Trade Negotiation Policy	350,700	315,600	↓ \$35,100
02 Trade Facilitation & Monitoring	568,500	340,000	↓ \$228,500
<i>The reduction is due to a decrease in donor-in-kind assistance.</i>			
<b>3 Business Support Program</b>			
01. Business Incubator	350,900	347,400	↓ \$3,500
02. Business Accelerator	579,100	971,600	↑ \$392,500

<sup>240</sup> Ministry of Finance, *Draft Budget Estimate FY 2023/24*, page 188.

<sup>241</sup> *Ibid.*, page 189-210.

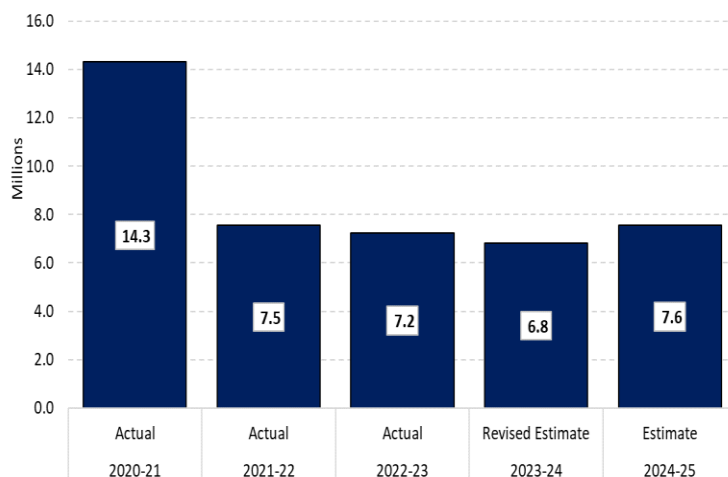
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*Decrease of \$392,500: This decrease might suggest a realignment or conclusion of specific acceleration programs. It could also indicate a shift in strategy towards more sustainable, self-funding models for startups and SME support, reducing reliance on government funding.*

03. Export Development	161,700	173,200	↑\$11,500
04. Export marketing and Promotion	815,700	887,400	↑ \$71,700
<b>4. Business Registry, Investment &amp; Intellectual Property Program</b>			
01. Business Registry & investment	402,600	445,500	↑ \$42,900
02. Intellectual Property	194,400	162,100	↓ \$32,300
03. Business Compliance and Enforcement	322,200	311,500	↓ \$10,700
<b>5 Consumer Protection and Fair-Trade Program</b>			
01. Consumer Awareness	167,900	155,900	↓\$12,000
02. Price Control	254,400	566,900	↑ \$312,500
<i>The increase is due to new grants worth \$0.1 million, increase in purchase of goods and services (category 14xx) by about \$0.1 million and 5.0 percent COLA.</i>			
03. Consumer Compliance and Enforcement	284,100	277,900	↓ \$6,200
<b>6 Labour Program</b>			
01. Labour Marketing and Information	110,400	134,800	↑ \$24,400
02. Labour Standards	352,700	307,400	↓ \$45,300

## 5. TRENDS

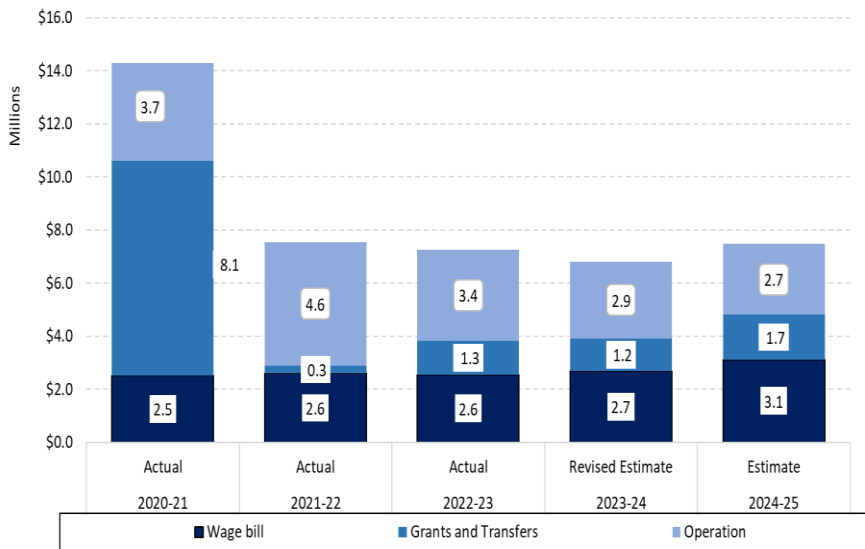
**Figure 2: MTED's Total Expenditure 5-Year Trend**



**Figure 2** shows the total expenditure budget for MTED in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period. Actual spending experienced a sharp decline from \$14.3 million in 2020/21 to \$6.8 million in 2023/24, followed by a slight recovery to \$7.6 million in 2024/25.

The significant decrease in 2020/21 could be due to pandemic financial support being provided to businesses due to restrictions and national lockdown. The slight recovery is in 2024/25 aligned with planned investments in new strategic initiatives like enhancing digital infrastructure and trade facilitation, establishment of a multi-purpose facility (\$0.08 million), the expansion of the Lapaha Packhouse to meet HACCP standards (\$0.3 million), and the development of new packhouses in Ha'apai & Vava'u (donor-funded).

**Figure 3: 5-year MTED's Total Expenditure by Major Category**

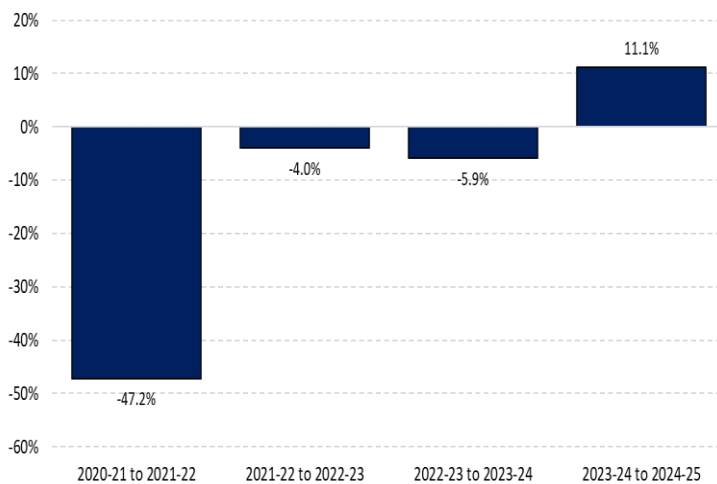


**Figure 3** shows a breakdown of MTED's expenditure budget (as in Figure 2) into major expenditure category for five financial years (2020/21 – 2024/25).

Grants and transfers account for largest share in the Ministry spending in 2020/21 due to grants for businesses that were affected during

pandemic restrictions and increase slightly in the following years. Wage bill category remains relatively stable at an average of \$2.6 million per year.

**Figure 4: Year to Year Percentage Change in MTED's Total Expenditure**



**Figure 4** illustrates the year-on-year percentage change in MTED's total expenditure budget in 2024/25 compared to actual spent in the previous years (revised in 2023/24).

The largest change is observed in 2020/21-2021/22 due to the completion of the grants assistance to affected businesses during pandemic restrictions.

Figure 5: Year to Year Percentage change in MTED's Total Expenditure by Major Category

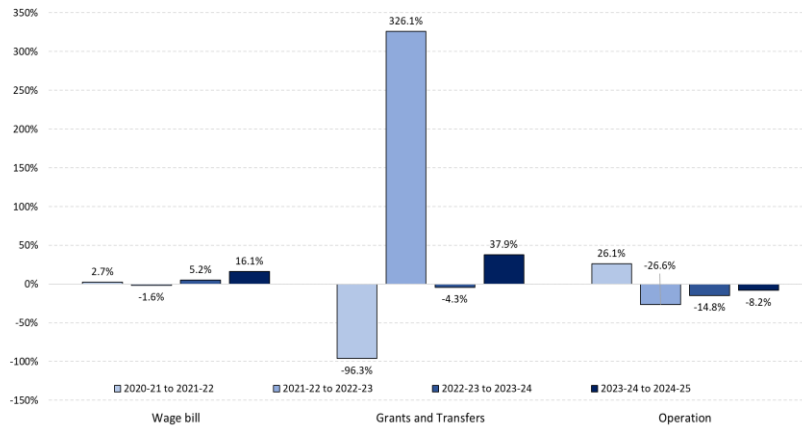


Figure 5 is a breakdown of Figure 4 into major expenditure category. It is noted that the largest change in the Ministry's expenditure in 2020/21-2021/22 is triggered by grants and transfers category.

Figure 6: MTED's Total Budget vs Actual

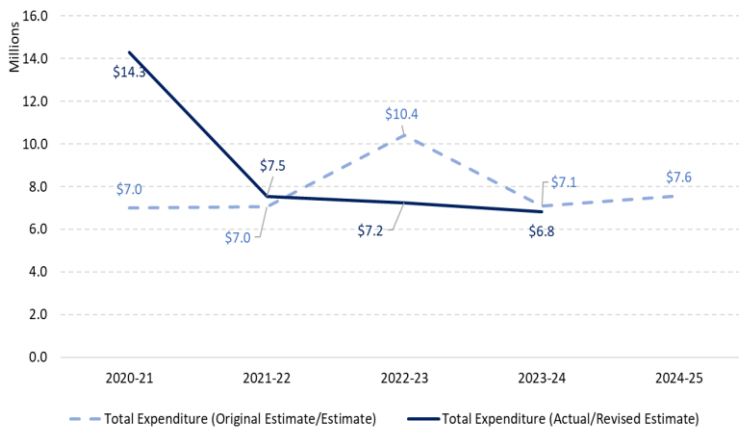


Figure 6 shows MTED's total approved budget in comparison to actual spending for four-year period and the proposed budget for 2024/25. The Ministry spent more than its appropriated budget in the first two years of the observed period due to pandemic and HTHH volcano eruption. Additional funds were transferred from the Ministry of Finance vote to support businesses during

pandemic and eruption.



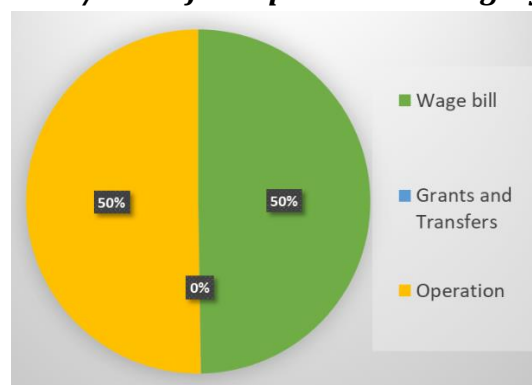
## 1. VOTE 12 (page 213 of the Draft Budget Estimates 2024/25)

**Table 1: Expenditure Budget for Ministry of Justice and Prisons (MOJP) by Funding Sources 2024/25<sup>242</sup>**

Vote 12	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	13,327,000	<b>13,202,900</b>
	<b>Development</b>		
	Confirmed Budget Support	120,000	<b>130,000</b>
	Overseas Donor Funding (In-kind)	259,800	<b>100,000</b>
	Overseas Donor Funding (Cash)	143,500	<b>3,653,200</b>
	<b>TOTAL</b>	<b>13,850,300</b>	<b>17,086,100</b>

- The total budget of MOJP for 2024/25 is \$17.1 million or equivalent to 1.9% of the total government’s budget of \$899.2 million.
- The total budget for MOJP increased by 23.4% (or \$3.2 million) from \$13.9 million in the 2023/24 approved estimate. This is triggered by a \$3.5 million increase in the development cash assistance coupled with a \$0.01 million increase in confirmed budget support, and it is off-set by a \$0.2 million decrease in development in-kind and a \$0.1 million decrease in the recurrent budget.
- The increase in the development cash assistance is mainly due to a new project for the Prisons Department and their Security and Custodial Services Division, for a “New Building”, with a budget allocation of \$3.6 million<sup>243</sup>.
- **Figure 1** illustrates that 50.245% of the Ministry’s total budget is for operations (categories 12xx – 14xx, 16xx and 20xx), 49.726% is wage bill expenses related to the compensation of employees (categories 10xx, 11xx and 19xx), and about 0.029% is for grants and transfer payment (category 15xx).
- **Staffing for the Ministry of Justice**<sup>244</sup>: In the financial year of 2021/22 there were 152 positions in total, of which 135 are established staff and 17 positions are unestablished staff.
- **Staffing for the Electoral Commission**<sup>245</sup>: There are 7 positions in total, of which 6 positions are established staff and 1 position is an unestablished staff.
- **Staffing for the Prisons Department**<sup>246</sup>: There are 216 positions in total for the new financial year (2024/25), all of which are established staff positions.

**Figure 1: MOJP’s Total Budget for 2024/25 Major Expenditure Category**



<sup>242</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 213.

<sup>243</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 228.

<sup>244</sup> Ministry of Justice, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 40.

<sup>245</sup> Electoral Commission, *Draft Corporate Plan & Budget, 2024/25 – 2026/27*, page 22.

<sup>246</sup> His Majesty’s Prisons, *Draft Corporate Plan & Budget, 2024/25 – 2026/27*, page 56.

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## 2. MOJP's OUTPUTS

**Table 2** shows the relevant linkages of MOJP's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs for the Ministry of Justice, the Electoral Commission and His Majesty's Prisons.**

- **Ministry of Justice**

SDG Goal <sup>247</sup>	TSDF II National Outcome <sup>248</sup>	TSDF II Organization Outcome <sup>249</sup>	Government Priority Agenda <sup>250</sup>	Organization Output <sup>251</sup>	Delivering Division/Program <sup>252</sup>
<b>Goal 5 Goal 16</b>	D: A more inclusive, sustainable, and responsive good governance with law and order	3.2: Improved law and order domestic security appropriately applied 3.4: Modern and appropriate constitution, laws & regulations reflecting international standards of democratic processes 3.5: Improved working relations & coordination between Privy Council, Executive, Legislative & Judiciary	GPA 2 GPA 3 GPA 6	<b>Output 1:</b> Better leadership for the Ministry of Justice, including at national, regional, and international levels	Office of the Minister / Program 1: Portfolio Leadership, Policy and Legal Advice, Secretariat and Administration Support
				<b>Output 2:</b> Better leadership and management of Ministry's divisions, with good working relations and communications and focus on output deadlines	Office of the CEO / Program 1: Portfolio Leadership, Policy and Legal Advice, Secretariat and Administration Support
				<b>Output 3:</b> Improved liaison with national, regional & international agencies and donors	Office of the CEO / Program 1: Portfolio Leadership, Policy and Legal Advice, Secretariat and Administration Support
				<b>Output 4:</b> Improved media and communication	Office of the CEO / Program 1: Portfolio Leadership, Policy and Legal Advice, Secretariat and Administration Support
				<b>Output 5:</b> A political and legal framework based on recognized international principals of good governance	Office of the Minister Office of the CEO Leadership & Legal Policy Division
				<b>Output 6:</b> Administrative and Human Resources Support for all Ministry Staff	Corporate Services Division (HR) / Program 1: Portfolio Leadership, Policy

<sup>247</sup> Ministry of Justice, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 6.

<sup>248</sup> Ibid., page 5.

<sup>249</sup> Ibid., page 5-7.

<sup>250</sup> Ibid., page 5.

<sup>251</sup> Ibid., page 11-14.

<sup>252</sup> Ibid.

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					and Legal Advice, Secretariat and Administration Support
				<b>Output 7:</b> Improving staff capacity and skills through internal and external training	Corporate Services Division (HR) / Program 1: Portfolio Leadership, Policy and Legal Advice, Secretariat and Administration Support
				<b>Output 8:</b> Improving Budget, planning, performance, and reporting for the Ministry's activity	Corporate Services Division (HR) / Program 1: Portfolio Leadership, Policy and Legal Advice, Secretariat and Administration Support
				<b>Output 9:</b> Financial, Procurement and Asset Management Services	Corporate Services Division (Accounts Section) / Program 1: Portfolio Leadership, Policy and Legal Advice, Secretariat and Administration Support
				<b>Output 10:</b> Upgrade and Secure Information, Communication and Telecommunication (ICT) to effective Ministry operations	Corporate Services Division (Information Technology) / Program 1: Portfolio Leadership, Policy and Legal Advice, Secretariat and Administration Support
		<b>3.2:</b> Improved law and order domestic security appropriately applied		<b>Output 11:</b> More efficient, effective, and responsive Magistrate's Court	Magistrates Court / Program 2: Court Services
		<b>3.4:</b> Modern and appropriate constitution, law & regulations reflecting international standards of democratic processes		<b>Output 12:</b> More efficient and effective Bailiff Services	Bailiff Unit / Program 3: Enforcement Services
		<b>3.5:</b> Improved working relations & coordination between Privy Council, Executive, Legislative & Judiciary		<b>Output 13:</b> More efficient and effective Probation Services	Probation Unit / Program 3: Enforcement Services
		<b>3.2:</b> Improved law and order domestic security appropriately applied		<b>Output 14:</b> Comprehensive Civil Registry System	Registrar General's Office / Program 4: Civil Registration
		<b>3.5:</b> Improved working relations & coordination between Privy Council, Executive, Legislative & Judiciary		<b>Output 15:</b> Comprehensive legal aid system that provides effective and efficient legal aid services to survivors of domestic violence and gender-based violence	Family Protection Legal Aid Centre

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• Electoral Commission (Program 5)

SDG Goal <sup>253</sup>	TSDF II National Outcome <sup>254</sup>	TSDF II Organization Outcome <sup>255</sup>	Government Priority Agenda <sup>256</sup>	Organization Output <sup>257</sup>	Delivering Division/Program <sup>258</sup>
<b>Goal 10</b> <b>Goal 16</b>	D: A more inclusive, sustainable, and responsive good governance with strengthened rule of law	2.3: More appropriate social and cultural practices which help maintain the positive aspects of our Tongan identity while also helping promote those changes needed for further development for our democracy and for our suitable and inclusive institutions better able to interact with the opportunities and threats presented by the wider world. 3.4: Modern and appropriate constitution, laws and regulations, reflecting international standards of democratic processes and procedures for political institutions, providing an efficient and effective legal structure that provides inclusive access, human rights and the protections required for a progressive Tonga in a peaceful, constructive and efficient manner.	GPA 6	<b>Output 1:</b> Free, fair and safe national and local elections	Office of the Electoral Commission/ Program 5: Electoral Commission – Commissioners assisted by Supervisors of Elections and staff
				<b>Output 2:</b> Quality Electoral Roll	Office of the Electoral Commission/ Program 5: Electoral Commission – Manager, Electoral Roll answerable to the Supervisor of Elections & Commissioners
				<b>Output 3:</b> Better informed communities on electoral matters	Office of the Electoral Commission/ Program 5: Electoral Commission – Assistant Supervisor of Elections answerable to the Supervisor of Elections and Commissioners

<sup>253</sup> Electoral Commission, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 7.

<sup>254</sup> Ibid., page 5-8.

<sup>255</sup> Ibid.

<sup>256</sup> Ibid., page 9-10.

<sup>257</sup> Ibid., page 12-14.

<sup>258</sup> Ibid.

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• His Majesty's Prisons (Program 6)

SDG Goal <sup>259</sup>	TSDF II National Outcome <sup>260</sup>	TSDF II Organization Outcome <sup>261</sup>	Government Priority Agenda <sup>262</sup>	Organization Output <sup>263</sup>	Delivering Division/Program <sup>264</sup>
Goal 16	D: A more inclusive, sustainable, and responsive good governance and strengthening the rule of law	3.2: Strengthened implementation and enforcement of law and order in a more inclusive, fair, and transparent manner which helps resolve disputes, more effectively punishes, and rehabilitates those who have broken the law, while supporting the population to go about their legitimate daily business without fear or favour from government	GPA 3	<b>Output 1:</b> Demonstrate better leadership and directions in Prisons	Corporate Service Division
				<b>Output 2:</b> Ensure better support of HM Prisons administrative tasks to ensure smooth operation	
				<b>Output 3:</b> Conduct effective Rehabilitation Programs to minimize offenders reoffending and improve their ability to engage productively in society upon release	Farming Rehabilitation & Offender Management Program Division
				<b>Output 4:</b> Improve safety and security of inmates and prison officers.	Custodial & Security Services Division
				<b>Output 5:</b> Evaluate the effectiveness of mechanical, plumbing, electrical and carpentry services provided.	Technical & Support Services Division
				<b>Output 6:</b> Minimize the demand, supply, and harm of illicit drugs	Illicit Drugs Resilient Services
				<b>Output 7:</b> Facilitate religious activities that actively engage inmates, addressing spiritual needs and foster a sense of belonging.	Religious Comfort Services Division

<sup>259</sup> His Majesty's Prisons, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 10.

<sup>260</sup> Ibid., page 9-10.

<sup>261</sup> Ibid.

<sup>262</sup> Ibid., page 6.

<sup>263</sup> Ibid., page 11.

<sup>264</sup> Ibid.

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### 3. NEW INITIATIVES

- **Ministry of Justice New Initiatives**

The following new initiatives is in accordance with the Ministry’s Corporate Plan & Budget for 2024/25 – 2026/27.<sup>265</sup>

1. Youth Diversion Scheme	<ul style="list-style-type: none"> <li>• <b>\$581,223</b> to implement the YDS</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 15</li> </ul>
2. Hire expert to revise Act and other relevant Regulations	<ul style="list-style-type: none"> <li>• <b>\$60,000</b> to hire an expert for the Registrar General’s Office to revise the <b>Births, Deaths and Marriages Registration Act</b> and other relevant Regulations.</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 16</li> </ul>
3. Hire expert to prepare and print Tonga Law Reports	<ul style="list-style-type: none"> <li>• <b>\$32,000</b> to hire consultant to prepare and print Tonga Law Reports</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 16</li> </ul>
4. Rental Office space for FPLAC	<ul style="list-style-type: none"> <li>• <b>\$60,000</b> for the monthly payment of rental office space for FPLAC during relocation.</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 16</li> </ul>
5. Construction of new lavatories at the main office	<ul style="list-style-type: none"> <li>• <b>\$250,000</b> to build new lavatories to cater for all staff at the main office</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 16</li> </ul>
6. Supreme Court Judges	<ul style="list-style-type: none"> <li>• <b>\$80,000</b> to top-up budget for overseas travels and relocation allowance for the Supreme Court Judges</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 16-17</li> </ul>
7. Allowances for the Court of Appeal Judges	<ul style="list-style-type: none"> <li>• <b>\$230,000</b> to secure funds for the Court of Appeal Judges’ allowances</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 17</li> </ul>
8. Proper Archive	<ul style="list-style-type: none"> <li>• <b>\$1 million</b> to build a new and proper archive to store all vital statistics and records of Tonga’s Civil Registry</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 17</li> </ul>
9. Generators for the main office and the Courts	<ul style="list-style-type: none"> <li>• <b>\$500,000</b> to purchase two generators for the main office and the courts as back up to prepare for natural disasters.</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 18</li> </ul>
10. Magistrates Overseas Travel	<ul style="list-style-type: none"> <li>• <b>\$200,000</b> to top-up budget allocated for the overseas travel of Magistrates</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 18</li> </ul>
11. Bailiff Officers’ Uniforms	<ul style="list-style-type: none"> <li>• <b>\$7,000</b> to purchase new uniforms for the Bailiff Officers</li> <li>• Ministry of Justice and Prisons, Corporate Plan &amp; Budget, 2024/25, page 18</li> </ul>

<sup>265</sup> Ministry of Justice, *Draft Corporate Plan & Budget 2024/25 – 2026/27*, page 15-18.

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• His Majesty's Prisons New Initiatives

The following new initiatives is in accordance with the Department's Corporate Plan & Budget for 2024/25 – 2026/27.<sup>266</sup>

1. 100 New Posts	<ul style="list-style-type: none"> <li>• \$298,480 for 100 new posts already approved by CD 19, January 2022.</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 27</li> </ul>
2. Complete construction of female prison	<ul style="list-style-type: none"> <li>• \$240,000 to construct new female prison</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 28</li> </ul>
3. Complete construction of Sainai Prison in 'Eua	<ul style="list-style-type: none"> <li>• \$437,500 for construction as approved in CD 19 on 14 January 2022</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 29</li> </ul>
4. Construction of Ha'alefo Prison, Vava'u	<ul style="list-style-type: none"> <li>• \$265,000 to construct a new prison for Ha'alefo</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 30</li> </ul>
5. New Generator Machine KVA100	<ul style="list-style-type: none"> <li>• \$80,000 for a new generator for Hu'atolitoi Prison as approved in CD 24 on 18 January 2022, which was deferred to FY 2025/26</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 32</li> </ul>
6. Boat with 80HP Yamaha 2 Stroke Machine	<ul style="list-style-type: none"> <li>• \$90,000 for a new boat which was deferred to FY2026/27</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 32</li> </ul>
7. Communication devices	<ul style="list-style-type: none"> <li>• \$22,000 for 10 new sets of tele-radio (\$10,000) and 4 new HF radio (\$12,000)</li> <li>• 10 sets of hand-held radios (\$7,000 in FY 2025/26) and 5 Drones (\$100,000 in FY 2026/27)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 33</li> </ul>
8. Top-up overtime vote	<ul style="list-style-type: none"> <li>• \$200,000 for overtime (seek fund or defer to FY2027/28 and onward).</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 33</li> </ul>
9. Three new vehicles	<ul style="list-style-type: none"> <li>• \$180,000 to replace 6 tendered motor vehicles (seek fund or defer to FY2027/28 and onward).</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 34</li> </ul>
10. Multi-purpose Hall	<ul style="list-style-type: none"> <li>• \$90,000 for multipurpose hall for Hu'atolitoi Prison. HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 34</li> </ul>
11. Maximum Prison Building	<ul style="list-style-type: none"> <li>• \$300,000 for maximum prison building (seek fund or defer to FY2027/28 and onward)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 35</li> </ul>
12. Halfway House for Youth Diversion Program	<ul style="list-style-type: none"> <li>• \$80,000 to establish YDS (seek fund or defer to FY2027/28 and onward)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 35</li> </ul>
13. TVET	<ul style="list-style-type: none"> <li>• \$200,000 for TVET for inmates (seek fund or defer to FY 2027/28 and onward)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 36</li> </ul>
14. Chaplain's Residential Quarter	<ul style="list-style-type: none"> <li>• \$30,000 for accomodating the chaplain on site.</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 37</li> </ul>
15. Psychiatrist's residential quarter	<ul style="list-style-type: none"> <li>• \$10,000 for accomodating the psychiatrist on site</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 37</li> </ul>
16. New Guard House at male Custodial I	<ul style="list-style-type: none"> <li>• \$100,000 to have a guard house near the gate entering the male prison</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 37</li> </ul>
17. New Prison at Custodial I	<ul style="list-style-type: none"> <li>• \$1,000,000 to accomodate the increase of new admissions (seek for fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 38</li> </ul>
18. HM Prisons Academy	<ul style="list-style-type: none"> <li>• \$15,000,000 for rehabilitating prisoners and provide trainings for prison officers (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2027/28, page 38</li> </ul>

<sup>266</sup> His Majesty's Prisons, *Draft Corporate Plan & Budget 2024/25 – 2026/27*, page 27-45.

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19. 15 New Staff Quaters	<ul style="list-style-type: none"> <li>• \$2,500,000 for for succesful rehabilitation of prisoners (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 39</li> </ul>
20. Watch Tower	<ul style="list-style-type: none"> <li>• \$500,000 for monitoring the inmates and ensuring their safety (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 39</li> </ul>
21. Brass Band	<ul style="list-style-type: none"> <li>• \$500,000 for national and local events (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 39</li> </ul>
22. Camera	<ul style="list-style-type: none"> <li>• \$150,000 for security (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 40</li> </ul>
23. Road Maintenance	<ul style="list-style-type: none"> <li>• \$200,000 for maintenance of roads to ensure functionality of the Prisons (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 40</li> </ul>
24. K12 Dog	<ul style="list-style-type: none"> <li>• \$300,000 for the dog unit that can search and identify illicit drugs, firearms, mobile phones and other illegal items</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 40</li> </ul>
25. Two (2) Full-Body scanner devices	<ul style="list-style-type: none"> <li>• \$200,000 to identy illegal items smuggled into prisons (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 41</li> </ul>
26. Prisoners Uniform	<ul style="list-style-type: none"> <li>• \$100,000 uniform for the prisoners (seek fund or defer to FY2027/28 and onward).</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 41</li> </ul>
27. Prison Hospital/ Health Center	<ul style="list-style-type: none"> <li>• \$500,000 for general health care of prisoners (seek fund or defer to FY2027/28 and onward).</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 41</li> </ul>
28. Upgrade the Mess	<ul style="list-style-type: none"> <li>• \$200,000 to improve the sanitation of the facilities (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 41-42</li> </ul>
29. Four (4) industrial washing machines	<ul style="list-style-type: none"> <li>• \$100,000 for sanitation and health safety (seek fund or defer to FY2027/28 and onward)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 42</li> </ul>
30. Weapons	<ul style="list-style-type: none"> <li>• \$100,000 for defense or intimidation purposes, also to protect (seek fund or defer to FY2027/28 and onward)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 42</li> </ul>
31. Armory	<ul style="list-style-type: none"> <li>• \$100,000 for a secure place to store weapons (seek fund or defer to FY 2027/28 and onward)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 42-43</li> </ul>
32. Church Building	<ul style="list-style-type: none"> <li>• \$500,000 reconstruct the damaged church building - to ensure rehabilitation of the inmates (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 43</li> </ul>
33. Storage Warehouse	<ul style="list-style-type: none"> <li>• \$500,000 space to store tools for carpentry, electrical, plumbing and mechanical (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 43</li> </ul>
34. Prison & Staff quarters, water tank and mess	<ul style="list-style-type: none"> <li>• \$250,000 to ensure Motu ko 'Atā has proper quarters, water tanks and mess for the safe custody of prisoners (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 44</li> </ul>
35. Administration Office	<ul style="list-style-type: none"> <li>• \$1,000,000 to improve the office's conditions (seek for fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 44</li> </ul>
36. Security Fence - Sainai Prison, 'Eua	<ul style="list-style-type: none"> <li>• \$2,000,000 for security (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2027/28, page 44-45</li> </ul>
37. Six (6) staff quarters - Sainai Prison, 'Eua	<ul style="list-style-type: none"> <li>• \$700,000 aims for successful rehabilitation of prisoners (seek fund or defer to FY 2027/28)</li> <li>• HM Prisons, Corporate Plan &amp; Budget, 2024/25, page 45</li> </ul>

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- **Electoral Commission New Initiatives**

According to the Commission's Corporate Plan & Budget for 2024/25 – 2026/27, the Commission does **not** have any new initiatives for the new Financial Year of 2024/25.

#### 4. BUDGET PROGRAM CHANGES

The mandate of MOJP will be delivered using resources allocated into six (6) programs and nineteen (19) sub-programs as follows in **Table 3**.

**Table 3: MOJP's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Draft Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1 Leadership and Policy Advice</b>			
01 Office of the Minister	\$279,000	\$303,800	↑\$ 24,800
02 Office of the CEO	\$156,600	\$170,700	↑\$14,100
03 Corporate Services	\$2,261,000	\$2,312,600	↑\$51,600
04 Legal and Policy Unit	\$735,600	\$724,700	↓\$10,900
<b>2 Court Services</b>			
01 Magistrate Court	\$1,829,700	\$1,562,300	↓\$267,400
<ul style="list-style-type: none"> <li>• <i>The decrease is mainly triggered by a decrease of \$168,900 from the Purchase of Goods and Services category, mainly because there is no donor inkind expenditure for the new financial year (2024/25).<sup>267</sup></i></li> <li>• <i>There are also other decreases in the other categories that is triggered by the absence of donor inkind expenditure for the new financial year.<sup>268</sup></i></li> </ul>			
02 Supreme Court	\$2,226,000	\$2,150,600	↓\$75,400
03 Court of Appeal	\$133,400	\$133,400	-
04 Office of the Lord Chancellor	\$43,000	\$53,000	↑\$10,000
<b>3 Enforcement Services</b>			
01 Bailiff Services	\$184,300	\$192,700	↑\$8,400
02 Probation	\$219,400	\$291,200	↑\$71,800
<b>4 Civil Registration</b>			
01 Registrar General Office	\$144,100	\$181,500	↑\$37,400
02 Vital Statistics	\$125,800	\$145,500	↑\$19,700
<b>5 Electoral Commission</b>			
01 Office of the Electoral Commission	\$967,200	\$959,900	↓\$7,300
<b>6 Prisons Department</b>			
01 Corporate Service	\$1,105,800	\$950,200	↓\$155,600
<ul style="list-style-type: none"> <li>• <i>The decrease is mainly triggered by a decrease of \$145,000 from the Established Staff category.<sup>269</sup></i></li> </ul>			

<sup>267</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 220.

<sup>268</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 220.

<sup>269</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 226.

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02 Industrial Rehabilitation and Offender Management Programs	\$721,200	\$671,900	↓ \$49,300
03 Security and Custodial Services	\$2,076,300	\$5,580,400	↑\$3,504,100
<ul style="list-style-type: none"> <li>The increase is mainly triggered by the addition of donor cash expenditure of \$3,563,700 to the Assets category, allocated for a “New Building” item.<sup>270</sup></li> </ul>			
04 Technical and Support Services	\$327,700	\$330,100	↑ \$2,400
05 Illicit Drug Resilient Services	\$314,200	\$337,600	↑ \$23,400
06 Religious Comfort Division	–	\$34,000	↑ \$34,000
<ul style="list-style-type: none"> <li>This increase is mainly triggered because this is a newly established sub-program of the Prisons Department for the new financial year (2024/25).<sup>271</sup></li> </ul>			

## 5. TRENDS

**Figure 2: MOJP’s Total Expenditure Budget vs. Actual, 5 -Year Trend**

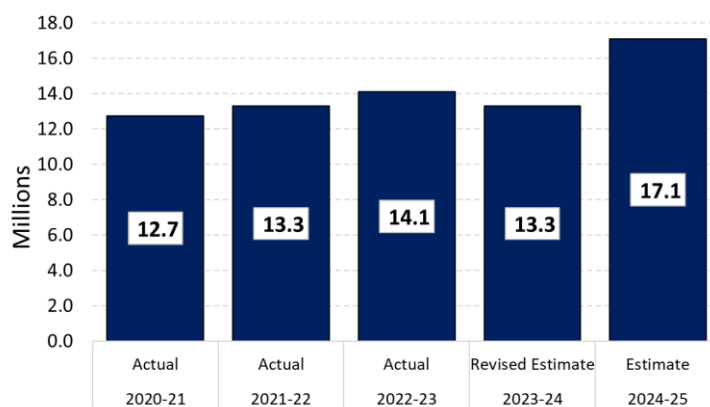


Figure 2 shows the total expenditure budget for MOJP in 2024/25 compared to the actual spending in the first four years. The average spending is recorded at an average of \$13.4 million per year with the highest spending observed in 2022/23. The proposed budget for 2024/25 is expected to increase by 28.6 percent (or \$3.8 million) compared to the revised estimate of

2023/24 which is mainly due to an increase of \$3.6 million donor cash funds for His Majesty’s Prisons’ Security & Custodial Services Division.<sup>272</sup>

**Figure 3: 5-year Total Expenditure Budget by Major Category**

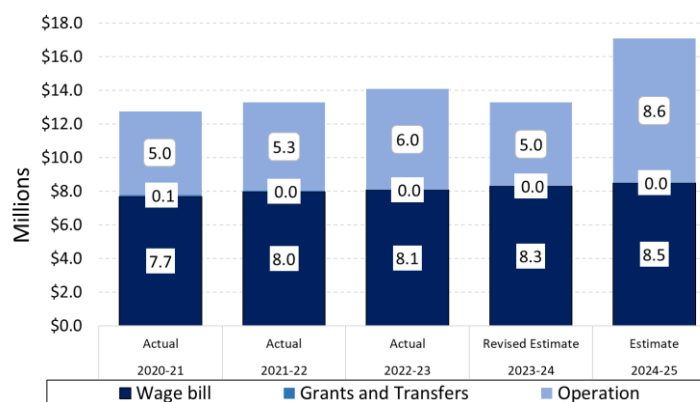


Figure 3 shows a breakdown of MOJP’s expenditure budget (as in Figure 2) by major expenditure category for five financial years (2020/21 – 2024/25). The Wage Bill category has been the largest allocation in MOJP’s spending, with an average of \$8.1 million per year. The Operation category has the largest share in 2024/25 due to

<sup>270</sup> Ministry of Finance, *Draft Budget Estimate 2024/25*, page 228.

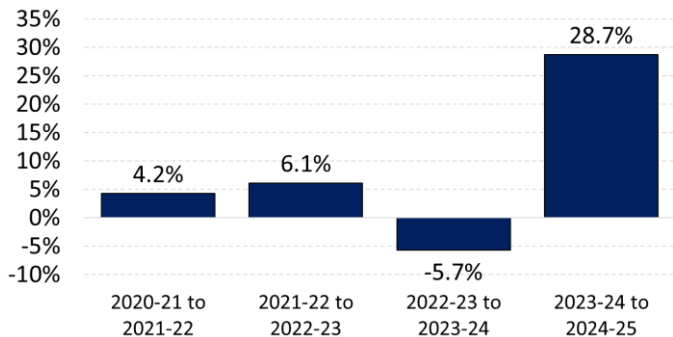
<sup>271</sup> Ibid.

<sup>272</sup> Ibid.

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donor cash assistance from development partners for the construction of a “new building” in the Prisons Department.<sup>273</sup>

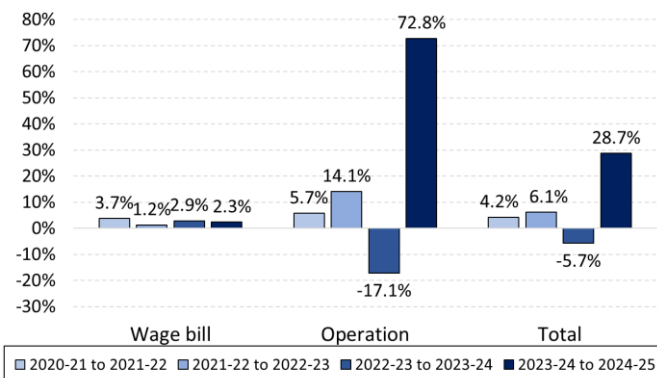
**Figure 4: Year to Year Percentage Change in MOJP’s Original Total Expenditure Budget**



**Figure 4** illustrates the year-to-year percentage change in MOJP’s total expenditure budget compared to actual spending in the previous years.

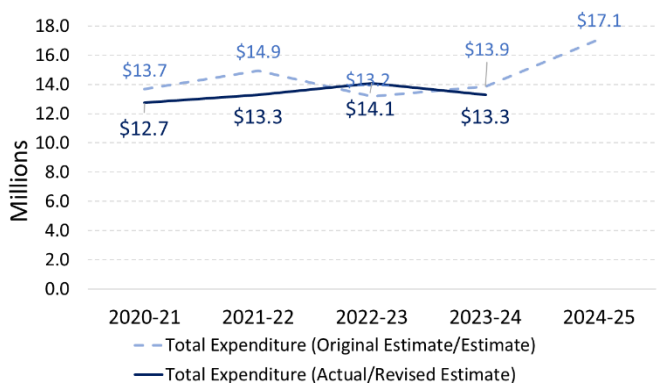
The most significant change can be seen between the years of 2023/24 – 2024/25 and this is mainly due to the donor cash assistance for His Majesty’s Prisons’ Security & Custodial Division.<sup>274</sup>

**Figure 5: Year to Year Percentage Change in MOJP’s Total Original Expenditure Budget by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure categories. As discussed in the previous section, the donor cash assistance from development partners is the main trigger of MOJP’s budget trend. This is shown in a significant increase to the operation category as observed over the period.

**Figure 6: MOJP’s Total Budget Estimates vs Actuals**



**Figure 6** shows the total approved expenditure budget in comparison to actual spending for a four-year period, and the proposed budget for 2024/25. The Total approved budget for MOJP has relatively remained at a consistent level in the previous years, before increasing in the proposed estimate for the year 2024/25.

<sup>273</sup> Ministry of Finance, *Draft Budget Estimate 2024/25*, page 228.

<sup>274</sup> Ibid.

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As observed in the year 2022/23 the actual spending exceeded that of the original estimate, and this is largely due to the restrictions of COVID-19 and the recovery from the Hunga Tonga Hunga Ha'apai volcanic eruption that occurred in January 2022.

As mentioned in the previous sections, the increase to the budget estimate for the year 2024/25 is mainly due to the donor cash assistance for His Majesty's Prisons' Security & Custodial Services Division.

1. VOTE 13 (page 231 of the Draft Budget Estimates 2024/25)

Table 1: Expenditure Budget for AGO by Funding Sources 2024/25<sup>275</sup>

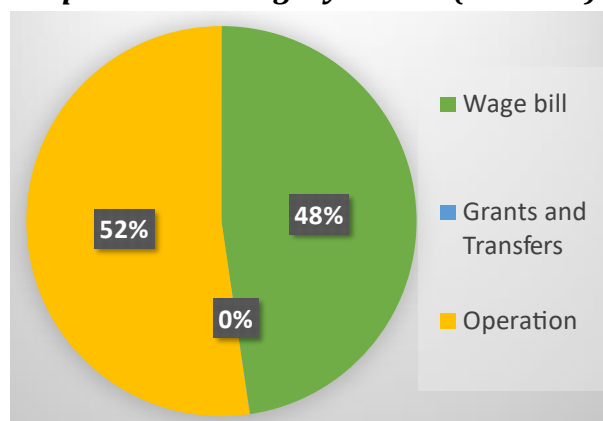
Vote	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
13	<b>Recurrent</b>		
	Government of Tonga Fund	3,347,700	3,429,200
	<b>Development</b>		
	Overseas Donor Funding (Cash)	182,900	206,800
	<b>TOTAL</b>	<b>3,451,100</b>	<b>3,636,000</b>

- AGO's total budget for 2024/25 is \$3.6 million or equivalent to 0.4% of the total government's budget of \$899.2 million.

- The total budget for AGO has increased by 5% (or \$0.2 million) from \$3.5 million in 2023/24 approved estimate. This is triggered by \$81,500 increase in the recurrent budget coupled with \$0.1 million increase in development cash assistance.

- The increase in recurrent budget is mainly due to top up of the existing activities such as salaries, wages, subscription, Government Contribution to Retirement Fund, New Office Equipment, Office Supplies, Acting allowance, uniforms, and Consultant & Technical Assistants Professional Fees.

Figure 1: Attorney General's Office: Expenditure Category Shares (2024-25)



- The increase in development cash assistance is primarily due to \$206,800 for Consultants & Technical Assistants Professional Fees.

- **Figure 1** illustrates that 52% of AGO's total budget is operation (categories 12xx – 15xx and 20xx) and 48% is for wage bill expenses related to salaries and wages for established and non-established staff (Categories 10xx and 11xx).

- **Staffing**<sup>276</sup>: there are 49 positions in total, of which 34 positions are established, 5 positions are unestablished and 10 vacant positions. There are 8 new proposed permanent positions and 5 new proposed unestablished positions.

<sup>275</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 233.

<sup>276</sup> Attorney General's Office, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 29.

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## 2. AGO'S OUTPUTS

**Table 2** shows the relevant linkages of AGO's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG <sup>277</sup>	TSDF II National Outcome <sup>278</sup>	TSDF II Organizational Outcome <sup>279</sup>	Government Priority Agenda <sup>280</sup>	Organization Output <sup>281</sup>	Delivering Division/Program <sup>282</sup>
<b>Goal 1</b>	A: A more inclusive, sustainable, and dynamic knowledgebased economy	3.2: Improved law & order and domestic security appropriately applied	<b>GPA 3</b> <b>GPA 6</b> <b>GPA 9</b>	<b>Output 1.1.1</b> – Clearer directions and divisions of labour between the Attorney General, Solicitor General and Director of Public Prosecution	Office of the Attorney General / Program 1: Leadership & Policy Advice
<b>Goal 2</b>					
<b>Goal 3</b>					
<b>Goal 4</b>	B: A more inclusive, sustainable, and balanced urban and rural development across island groups	3.4: Modern & appropriate constitution, laws & regulation reflecting international standards of democratic processes		<b>Output 1.2.1</b> – Better managed AGO with good support, clear directions and instructions to staff in consistent with mandates and resources available	Office of the Solicitor General/ Program 1: Leadership & Policy Advice
<b>Goal 5</b>					
<b>Goal 6</b>					
<b>Goal 7</b>					
<b>Goal 8</b>	C: A more inclusive, sustainable, and responsive good governance with law and order	3.5: improved working relations & coordination between Privy Council, Executive, Legislative & Judicial functions		<b>Output 1.2.2</b> - Better facilitation of community law initiatives promoting the rule of law and legal awareness	Program 1: Leadership & Policy Advice
<b>Goal 9</b>					
<b>Goal 10</b>					
<b>Goal 11</b>					
<b>Goal 12</b>					
<b>Goal 13</b>	D: A more inclusive, sustainable and responsive good-governance with law and order			<b>Output 1.3.1</b> – Improved logistical support and work environment	Corporate Services Division/ Program 1: Leadership & Policy Advice
<b>Goal 14</b>					
<b>Goal 15</b>					
<b>Goal 16</b>					
<b>Goal 17</b>					

<sup>277</sup> Attorney General's Office, *Draft Corporate Plan & Budget, 2024/25 – 2026/27*, page 14-17

<sup>278</sup> Ibid, page 14-17.

<sup>279</sup> Ibid, page 12.

<sup>280</sup> Ibid, page 17-21.

<sup>281</sup> Ibid, page 22-28.

<sup>282</sup> Ibid, page 22-28.

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	E: A more inclusive, sustainable and successful provision and maintenance of infrastructure and technology			<b>Output 1.3.2</b> - Better formulated corporate plan with improved monitoring, management and reporting mechanisms on operation and progress.	Corporate Services Division/ Program 1: Leadership & Policy Advice
	F: A more inclusive, sustainable and effective land administration, environment management, and resilience to climate and risk			<b>Output 1.3.3</b> - Improve staff capacity and healthy work environment	ALL Divisions/ Program 1: Leadership & Policy Advice
	G: A more inclusive, sustainable, and consistent advancement of our external interests, security and sovereignty			<b>Output 1.3.4:</b> Better financial management systems and control is in place and observed	Corporate Services Division/ Program 1: Leadership & Policy Advice
	<b>Output 1.3.5</b> - Better Human Resources Management policies and processes			Corporate Services Division/ Program 1: Leadership & Policy Advice	
	<b>Output 1.3.6:</b> Better ICT services provided by the Office internally and externally to meet the Office outcomes and support the TSDF II national outcomes.			Corporate Services Division/ Program 1: Leadership & Policy Advice	
	<b>Output 2.1.1:</b> Better drafting of legislation for Government to be submitted to the Legislative Assembly			Legislative Drafting Division/ Program 2: Legal Services	
	<b>Output 2.1.2</b> - Better support of constitutional integrity and governance for the Government legislative process			Legislative Drafting Division/ Program 2: Legal Services	
	<b>Output 2.1.3:</b> Better, efficient and accurate translation of all Government legislation and related legal instruments from the English language to the Tongan language			Legislative Drafting Division/ Program 2: Legal Services	

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				<b>Output 2.1.4</b> - Better, efficient and timely publication of legal instruments	
				<b>Output 2.2.1</b> - Better provision of independent and quality legal advice	Legal Advice & International Law Division/ Program 2: Legal Services
				<b>Output 2.2.2</b> - Better Legal Representation in Committee/Taskforce or Working Groups or Meetings lead for international law matters	Legal Advice & International Law Division/ Program 2: Legal Services
				<b>Output 2.2.3</b> - Better International Law Adviser	Legal Advice & International Law Division/ Program 2: Legal Services
				<b>Output 2.2.4</b> - Lead legal counsel in international meetings	Legal Advice & International Law Division/ Program 2: Legal Services
				<b>Output 2.2.5:</b> Treaty Section	Legal Advice & International Law Division/ Program 2: Legal Services
				<b>Output 2.3.1</b> - Better representation of the Crown in civil, land and where appropriate, family litigation	Civil, Land and Family Litigation Division/ Program 2: Legal Services
				<b>Output 3.1.1</b> Better criminal prosecutions conducted on behalf of the crown	Criminal Division/ Program 3: Office of the Director of Prosecutions

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				<b>Output 3.1.2</b> - Better performance of responsibilities in an independent and transparent manner	Criminal Division/ Program 3: Office of the Director of Prosecutions
				<b>Output 3.1.3:</b> Better Coordination and cooperation with regional and international bodies and the fulfilment of regional and international obligations	Criminal Division/ Program 3: Office of the Director of Prosecutions
				<b>Output 3.1.4:</b> Better working conditions and staff welfare	Criminal Division/ Program 3: Office of the Director of Prosecutions
				<b>Output 3.1.5:</b> Improve public service delivery	Criminal Division/ Program 3: Office of the Director of Prosecutions

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### 3. NEW INITIATIVES

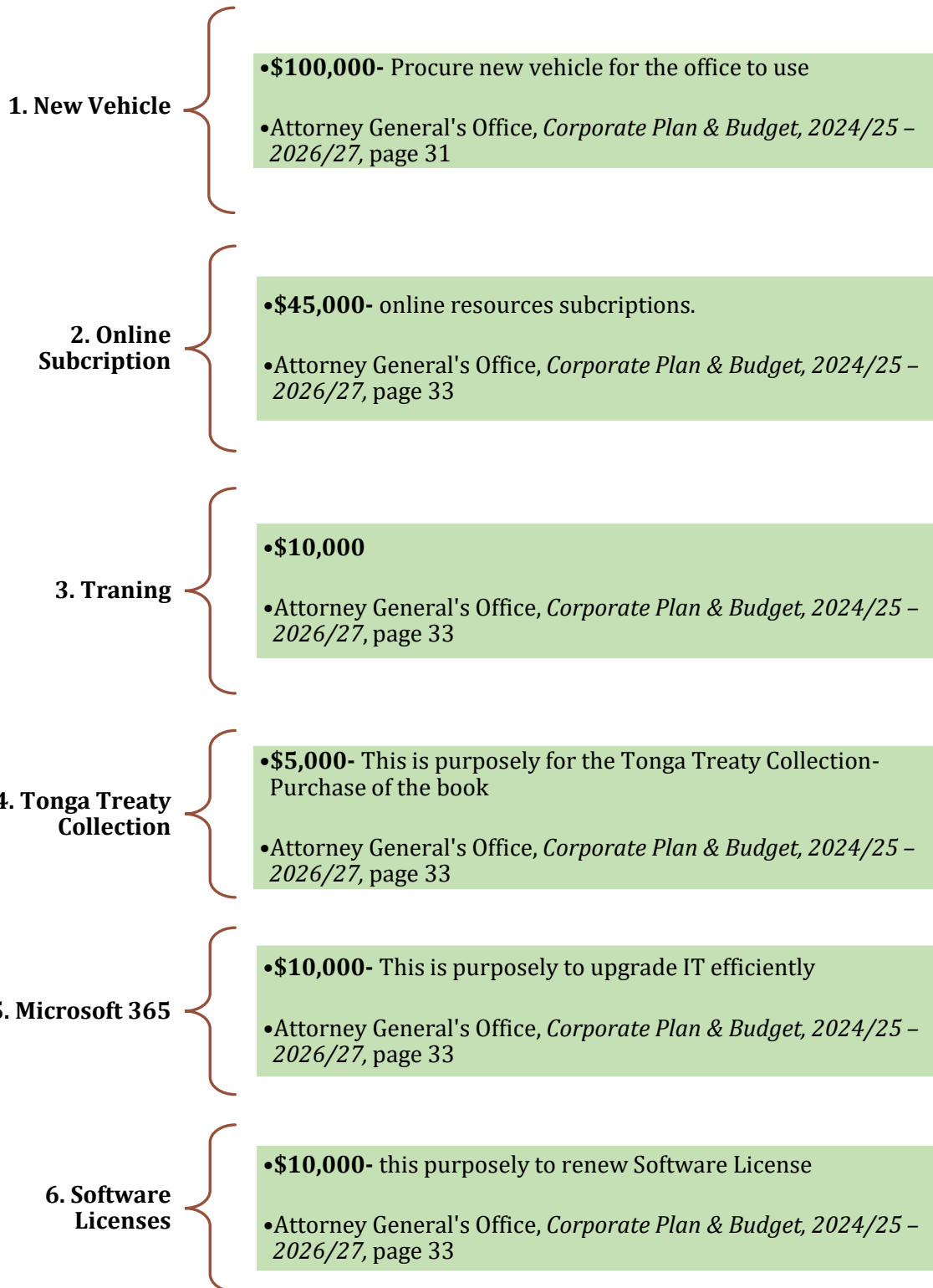
- There are new initiatives that AGO is planning to deliver in 2024/25. Although some initiatives have budgetary allocation, some do not have budgetary allocation.
- New initiatives that do not have budgetary allocation are as follow<sup>283</sup>:

<b>Priority Position</b>	•Create Post Recruit Senior Crown Counsel & Assistant Senior Crown Counsel
<b>Ongoing collaborations</b>	•Assist Tonga Police Drugs Enforcement Taskforce with legal advice on enforcement matters in relation to combatting the impacts of illicit drugs. There will be a specific emphasis on use of enhanced powers under the Illicit Drugs Control Act and also new forfeiture powers
<b>Better Prosecution</b>	•Prosecute illicit drugs offenders in the Courts of Tonga
<b>Priority Position</b>	•Create Post Recruit Assistant Crown Prosecutor x2
<b>Priority Position</b>	•Create Post Recruit Assistant Senior Interpreter
<b>Priority Position</b>	•HR Officer •Create Post Recruit Senior System Administrator
<b>Contract Consultants</b>	•Procurement of legal experts / Consultant to provide second expert legal opinions required by the AGO
<b>Liability Vote</b>	•Settle Payments

<sup>283</sup> Attorney General's Office, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 16-17.

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- New initiatives that are expected in 2024/25 with budgetary allocation include the following<sup>284</sup>:



<sup>284</sup> Attorney General's Office, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 31-33.

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#### 4. BUDGET PROGRAM CHANGES

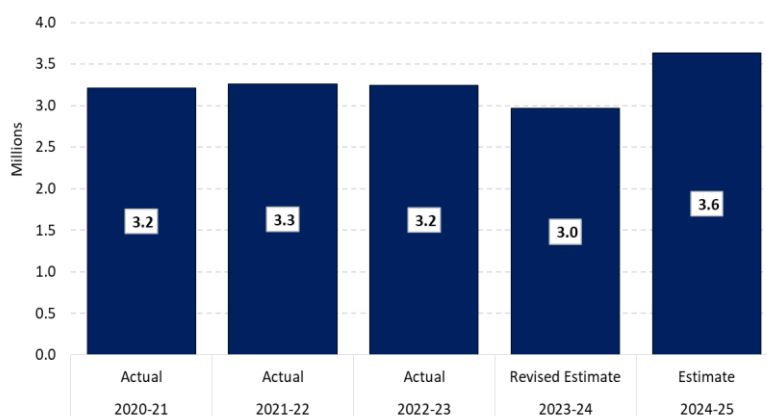
The mandate of AGO will be delivered using resources allocated into three (3) programs and seven (7) sub-programs as follows in **Table 3**.

**Table 3: AGO's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Advice</b>			
01 Office of the Attorney General <sup>285</sup>	\$349,600	\$375,700	↑\$26,100
02 Office of the Solicitor General <sup>286</sup>	\$804,400	\$818,100	↑\$14,400
03 Corporate Services <sup>287</sup>	\$834,800	\$786,800	↓\$48,000
<b>2. Legal Services</b>			
01 Legislative Drafting Division <sup>288</sup>	\$323,300	\$311,100	↓\$12,200
02 Legal Advice & International Division <sup>289</sup>	\$170,100	\$204,400	↑\$34,300
03 Civil, Land & Family Litigation Division <sup>290</sup>	\$270,300	\$268,300	↓\$2000
<b>3. Office of the Director Public Prosecutions</b>			
01 Criminal Division <sup>291</sup>	\$698,600	\$871,600	↑\$173,000
<i>The main increase is driven by an increase in recurrent budget mainly on salaries, up by \$0.07 million; and donor cash funds for consultant &amp; technical assistants professional fees by \$0.1 million</i>			

#### 5. TRENDS

**Figure 2: Attorney General's Office (AGO): Total Expenditure: (2020-21 to 2024-25)**



**Figure 2** shows the total expenditure budget for AGO in 2024/25 compared to actual spending in the first four years. The average spending is recorded at an average of \$3.2 million per year 2021-22. The proposed budget for 2024/25 is expected to increase by 22.6%. The original expenditure budget for AGO

<sup>285</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 234.

<sup>286</sup> *Ibid*, page 235.

<sup>287</sup> *Ibid*, page 236.

<sup>288</sup> *Ibid*, page 237.

<sup>289</sup> *Ibid*, page 238.

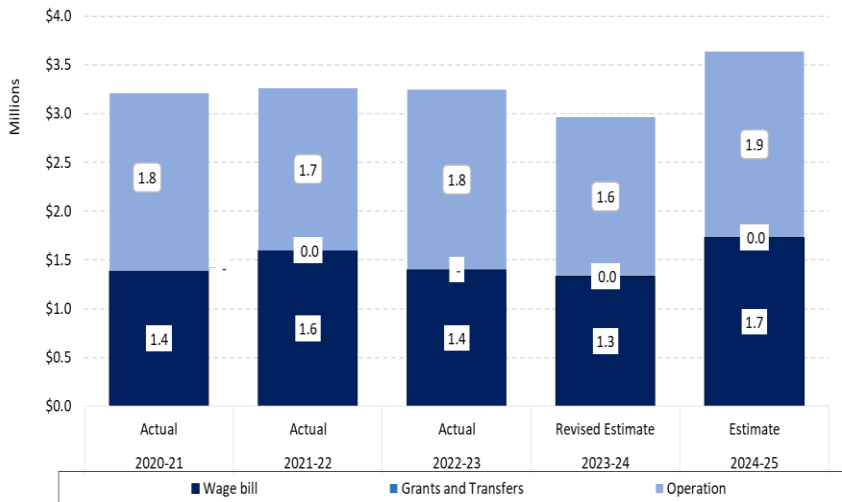
<sup>290</sup> *Ibid*, page 239.

<sup>291</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 240.

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seems to be constant across the 5-year range. The only noticeable change can be seen in an increase of budget for the year 2024/25. The trigger is mainly due to overseas donor funding of \$206,800.

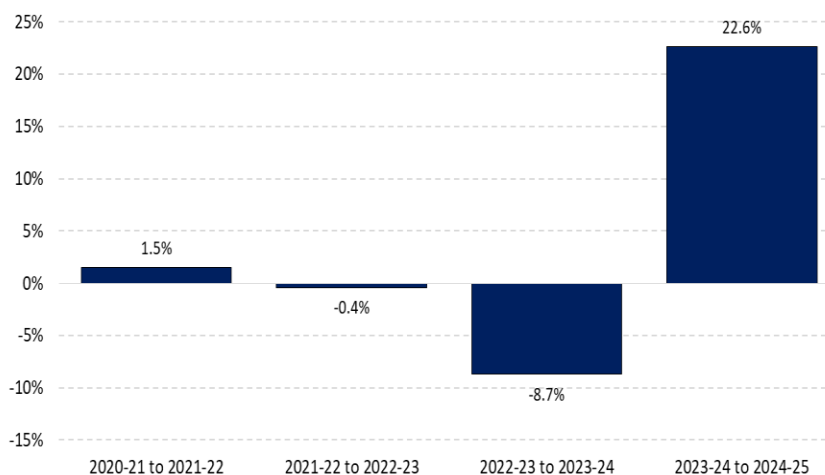
**Figure 3: Attorney General's Office (AGO): Total Expenditure by Category: (2020-21 to 2024-25)**



**Figure 3** shows a breakdown of AGO's expenditure budget (as in Figure 2) into major expenditure category for five (5) financial years (2020/21 - 2024/25). There are only two (2) expenditure categories for AGO; the Operation category, and Wage Bill category. Operation estimates dominates the

composition of AGO's spending at an average of \$3.8 million per year. The Wage Bill composition of AGO's spending is lesser with an average of \$1.5 million. Operation category has the largest share in 2024/25 due to cash assistance from development partners for Consultant & Technical Assistants Professional Fees and top up in Established Staff, Unestablished staff, and Purchase of Goods and Services.

**Figure 4: Attorney General's Office (AGO): Year to Year % Change in Expenditure (2020-21 to 2024-25)**



**Figure 4** shows the year-on-year percentage change in AGO's total expenditure budget compared to actual spent in the previous years. The largest change is observed in 2023/24 - 2024/25 period due to donor funding in cash for consultants & technical assistants professional

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fees. The drop in the third period (2022/23 – 2023/24) is driven by the reduction in the donor funding and estimates for categories 10xx, 11xx, 14xx and 20xx of most of the programs.

**Figure 5: Attorney General's Office (AGO): Year to Year % Change in Expenditure (2020-21 to 2024-25)**

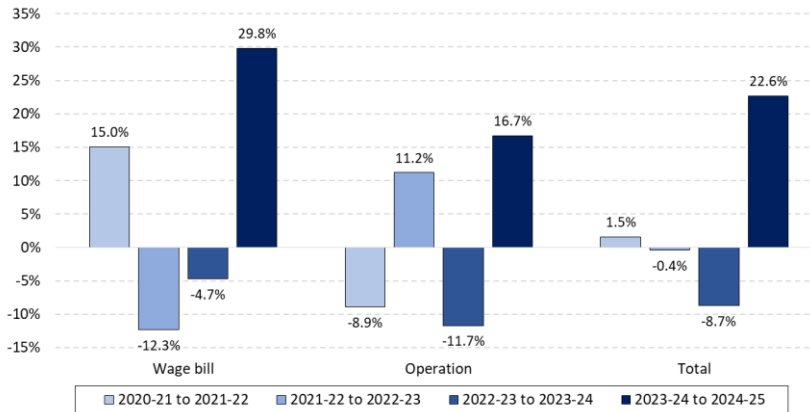


Figure 5 is a breakdown of Figure 4 into major expenditure category. As discussed in the previous section, the increase in donor funds and top up of categories such as Established Staff, Unestablished Staff, Purchase of Goods and Services and Asset is the main trigger of AGO's

budget trend. This is shown in the operation category by fluctuating over the observed period.

**Figure 6: Attorney General's Office - Total Expenditure: Estimates vs Revised Estimates (2020-21 to 2024-25)**

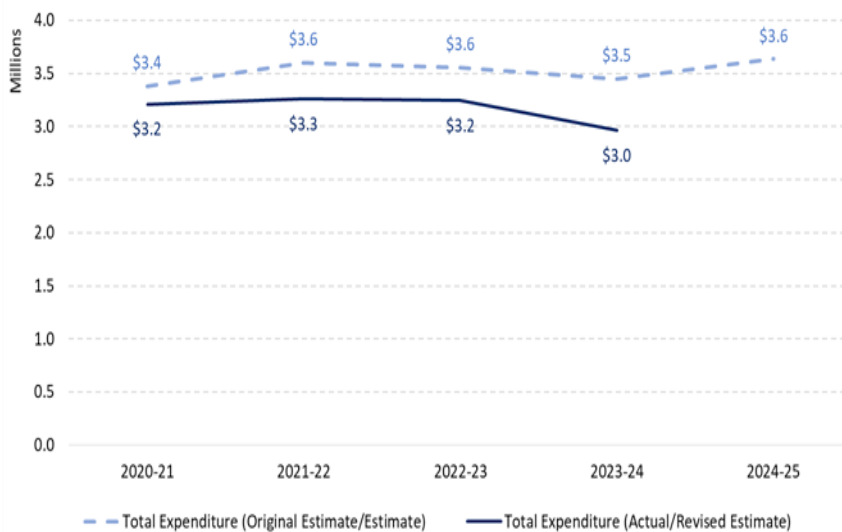


Figure 6 illustrates the total approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/25. Total approved budget for AGO has been fluctuating in the first three years before declining to \$3.0 million in the current fiscal year due to reduction in both

donor funding and the estimates for most of the programs. Proposed budget for 2024/25 is increased to the level where it was in 2021/22 due to cash assistance from development partners for the Consultant & Technical Assistants Professional Fees and top up in Established Staff, Unestablished staff, and Purchase of Goods and Services and Assets.

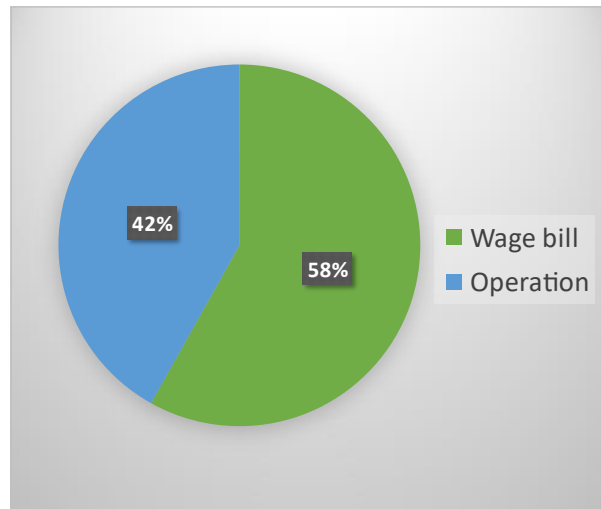
**1. VOTE 14 (page 241 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for the Ministry of Tonga Police (Tonga Police) by funding Sources 2024/25<sup>292</sup>**

Vote 14	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	11,907,400	<b>13,023,000</b>
	Confirmed Budget Support	1,342,700	<b>1,172,600</b>
	<b>Development</b>		
	Donor Cash	3,302,500	<b>2,468,700</b>
	Donor In-kind	80,000	<b>718,000</b>
	<b>TOTAL</b>	<b>16,632,600</b>	<b>17,382,300</b>

- The total budget for the Tonga Police for 2024/25 is \$17.4 million or equivalent to 1.9 percent of the total government’s budget of \$899.2 million.
- The total budget for the Tonga Police increased by 4.5 percent (or \$749,700) from \$16.6 million in 2023/24 approved estimate. This is triggered by a \$1.2 million increase in the recurrent budget and off-set by a \$0.9 million decrease in development assistance.
- The increase in the recurrent budget is mainly due to top up of the existing activities such as salaries and other employees’ benefits.<sup>293</sup>
- **Figure 1** illustrates that half of the Tonga Police total budget is 58% wage bill expenses related to compensation of employees (categories 10xx, 10xx, and 11xx) and 42.0 percent operations (categories 12xx – 14xx, and 20xx).
- **Staffing<sup>294</sup>**: there are 540 staff in total, of which 539 positions are established and 1 position is unestablished.

**Figure 1: Tonga Police’s Total Budget for 2024/25 Major Expenditure Category**



<sup>292</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 243.

<sup>293</sup> Tonga Police, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 21.

<sup>294</sup> Tonga Police, *Draft Corporate Plan & Budget, 2024/25 – 2026/27*, page 21.

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## 2. Tonga Police’s OUTPUTS

Table 2 shows the relevant linkages of Tonga Police’s service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

Table 2: Relevant TSDF II and SDGs

SDG	TSDF II National Outcome	TSDF II Organizational Outcome <sup>295</sup>	Government Priority Agenda	Organization Output	Delivering Division/Program <sup>296</sup>
Goal 3, Goal 5, Goal 16.	D: A more inclusive, sustainable, and responsive good governance with law and order <sup>297</sup> .	2.2 Closer partnership between government, churches, and other stakeholders for community development. 3.1: More efficient, effective, affordable, honest, transparent, and a political public service	GPA 1 GPA 2 GPA 3 GPA 9	<b>Output 1:</b> Ministry Oversight: processing, coordinating, and reviewing Ministerial correspondence, briefings and other Ministerial, Parliamentary or Cabinet requests <sup>298</sup> .	Program 1: Leadership & Organisational Development
				<b>Output 2:</b> Organization Management - providing strategic direction, operational guidance, and leadership to all Tonga Police commands <sup>299</sup> .	Office of the Minister
				<b>Output 3:</b> Corporate Support – ensuring effective, efficient and accountable management of Tonga Police resources (human, financial and capital) in accordance with policies, Government Instructions, and legislation <sup>300</sup> .	Organization Management
				<b>Output 4:</b> Learning and Capability Development – enabling continuous improvement in Tonga Police service delivery through effective recruitment, training and continuing professional development of staff <sup>301</sup> .	Corporate Services
				<b>Output 5:</b> Legal Services – providing legal advice to the office of the Commissioner of Police and Minister of Police, and supporting all Tonga Police units, committees, and members un understanding relevant obligations <sup>302</sup> .	Learning and Capability Development
				<b>Output 6:</b> Organization Compliance – ensuring Tonga Police is adhering with relevant laws, regulations, standards, and policies	Program 2: Corporate Strategy & Compliance
					Legal Services
					Organization Compliance

<sup>295</sup> Tonga Police, *Draft Corporate Plan & Budget, 2024/25 – 2026/27*, page 10.

<sup>296</sup> Ibid., page 16.

<sup>297</sup> Ibid., page 10.

<sup>298</sup> Ibid., page 22.

<sup>299</sup> Ibid.

<sup>300</sup> Ibid.

<sup>301</sup> Ibid.

<sup>302</sup> Ibid., page 25.

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		<p>focused on clear priorities. <b>3.2:</b> Improved law and other, and domestic security appropriately applied.</p>		<p>through professional standards, organization security, and internal audit functions<sup>303</sup>. <b>Output 7:</b> Strategic initiatives – supporting organisational development through strategy and planning, policy development, project management, and fostering external partnerships and public relations<sup>304</sup>. <b>Output 8:</b> District Policing – Addressing crime-related problems and causes of other harm in the community through a professional and dedicated community policing service that is focused on crime prevention and holding perpetrators of crime to account<sup>305</sup>. <b>Output 9:</b> National Crime and Investigations – Planning, coordinating, and implementing measures for safeguarding national security, including intelligence services, drug detection and enforcement, forensics, and serious crime investigations<sup>306</sup>. <b>Output 10:</b> Specialist Response - Duties and activities relating to the maintenance of public order during special events or incidents, VIP escort and security services, land and marine search and rescue, and other emergency management incidents<sup>307</sup>.</p>	<p>Strategic Initiatives</p> <p>Program 3: Policing Operations</p> <p>District Policing</p> <p>National Crime and Investigations</p> <p>Specialist Response</p>
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<sup>303</sup> Tonga Police, *Draft Corporate Plan & Budget, 2024/25 – 2026/27*, page 25.

<sup>304</sup> Ibid.

<sup>305</sup> Ibid., page 28.

<sup>306</sup> Ibid.

<sup>307</sup> Ibid.

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### 3. BUDGET PROGRAM CHANGES

The mandate of the Tonga Police will be delivered using resources allocated into three (3) programs and ten (10) sub-programs as follows in *Table 3*.

**Table 3: Tonga Police's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Organisational Development</b>			
01 Ministry Oversight <sup>308</sup>	\$3,449,000	\$3,283,900	↓\$165,100
<i>There is an increase to the salaries and staff benefit and Purchase of Goods and Services category with donor in-kind assistance for paying Consultants &amp; Technical Assistants Professional Fees. This was offset by a decrease in donor cash assistance indicating these funds being utilized.</i>			
02 Organization Management <sup>309</sup>	\$1,163,700	\$1,233,000	↑\$69,300
03 Corporate Services <sup>310</sup>	\$3,366,400	\$3,506,500	↑\$140,100
<i>The increase is due to staff benefits.</i>			
04 Learning & Capability Development <sup>311</sup>	\$1,594,000	\$2,520,100	↑\$926,100
<i>The increase is mainly due to staff benefits.</i>			
<b>2. Corporate Strategy &amp; Compliance/Chef of Staff Command</b>			
01 Legal Services <sup>312</sup>	\$139,300	\$158,500	↑\$19,200
02 Organization Compliance <sup>313</sup>	\$104,100	\$205,500	↑\$101,400
<i>The increase is due to the staff benefits.</i>			
03 Strategic Initiatives <sup>314</sup>	\$185,100	\$210,000	↑\$24,900
<b>3. Policing Operations/Operations Command</b>			
01 District Policing <sup>315</sup>	\$4,466,400	\$4,133,300	↓\$333,100
<i>The reduction is attributed to the staff benefits indicating a probable reduction in staff numbers.</i>			
02 National Crime & Investigation <sup>316</sup>	\$1,187,500	\$1,095,100	↓\$92,400
<i>The reduction is mainly due to salary reduction and the removal of the Overtime item for Established Staff category. There is also a reduction in allocation to rental payment.</i>			
03 Specialist Response <sup>317</sup>	\$977,100	\$1,036,400	↑\$59,300
<i>The increase is due to the staff benefits as well as allocation for fuel.</i>			

<sup>308</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 244.

<sup>309</sup> *Ibid.*, page 245.

<sup>310</sup> *Ibid.*, page 246.

<sup>311</sup> *Ibid.*, page 247.

<sup>312</sup> *Ibid.*

<sup>313</sup> *Ibid.*

<sup>314</sup> *Ibid.*, page 248.

<sup>315</sup> *Ibid.*, page 249.

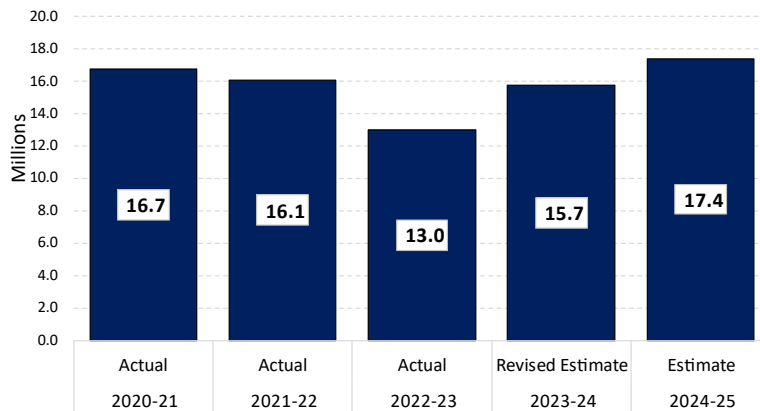
<sup>316</sup> *Ibid.*, page 250.

<sup>317</sup> *Ibid.*, page 251.

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#### 4. TRENDS

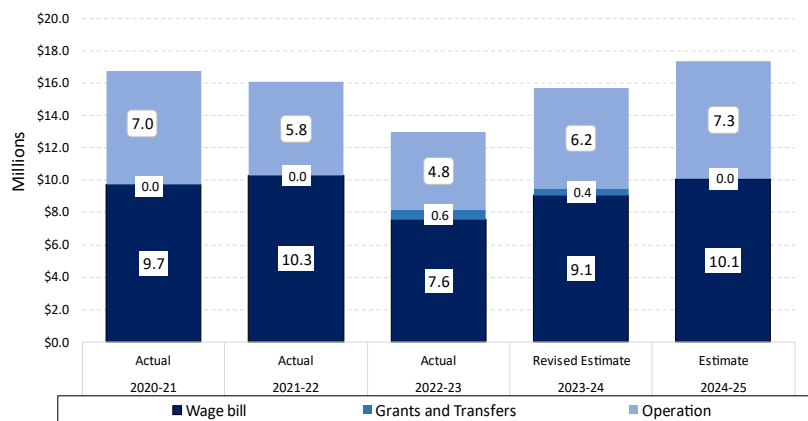
**Figure 2: Tonga Police's Total Expenditure Budget, 5-Year Trend**



**Figure 2** shows the total expenditure budget for the Tonga Police in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24. The average spending to occur in 2024/25. The proposed budget for 2024/25 is expected to increase by

10.6 percent due to the implementation of phase 2 of the Tonga Police Force's salary review<sup>318</sup>.

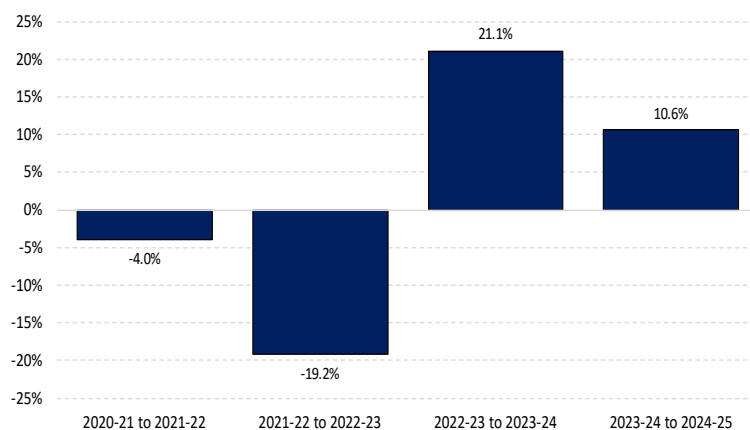
**Figure 3: 5-year Total Expenditure Budget by Major Category**



**Figure 3** shows a breakdown of the Tonga Police's expenditure budget (as in **Figure 2**) into major expenditure categories for five financial years (2020/21 – 2024-25). The wage bill category dominates the composition of MOP's spending at an average

of around \$9.2 million per year.

**Figure 4: Year to Year Percentage Change in the Tonga Police's Total Expenditure B**



**Figure 4** shows the year-on-year percentage change in MOP's total expenditure budget compared to actual spent in the previous years.

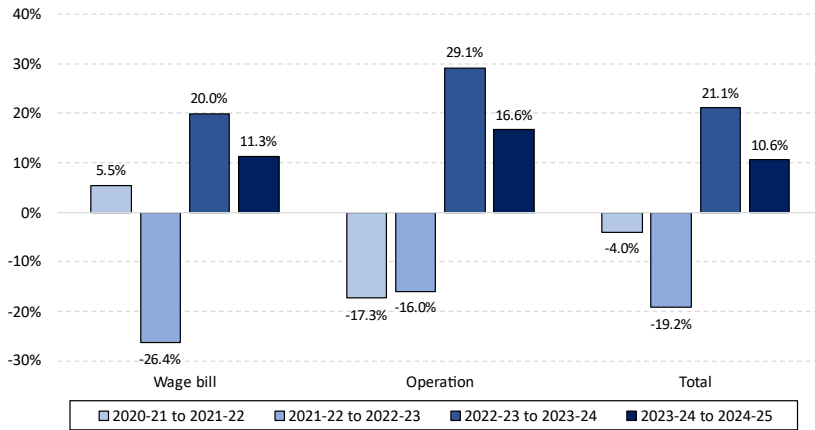
The largest change is observed in 2022/23 – 2023/24 period due to the increase in the wage bill and operation category. The drop

<sup>318</sup> Ministry of Finance, *Draft Budget Statement FY 2024/25*, page 26.

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in the second period (2021/22 – 2022/23) is driven by a significant decrease in the wage bill category.

**Figure 5: Year to Year Percentage Change in the Tonga Police Expenditure by Major Category**

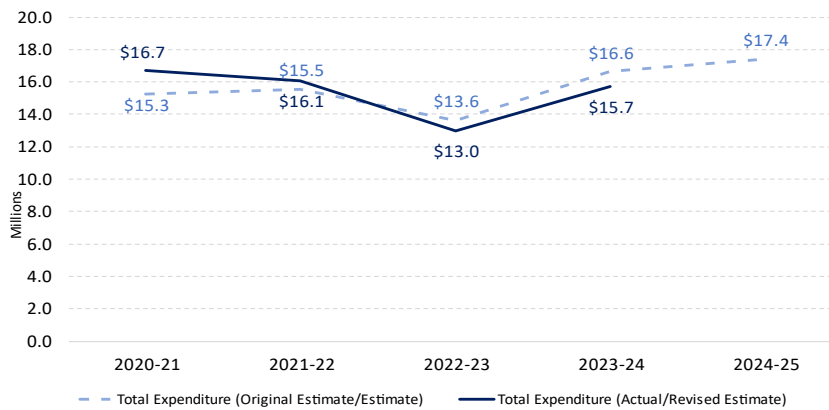


**Figure 5** is a breakdown of **Figure 4** into major expenditure category. As discussed in the previous section, the main changes are the fluctuations of the wage bill and operations.

The 2021-22 to 2022-23 period saw the ministry's largest reductions in the budget in both wage bill and operations. The year

following that period saw increases of up to almost 30.0 percent in operations and 20.0 percent in wage bill.

**Figure 6: Tonga Police's Total Budget Estimates vs Actuals**



**Figure 6** illustrates the total approved expenditure budget in comparison to actual spending for the four-year period and the proposed budget for 2024/25. The total approved budget for the Tonga Police increased in the first two years before declining to \$13.6 million in the third period

due to the decrease in the wage bill category. The proposed budget for 2024/25 is increased beyond the current fiscal year.

In terms of actual spending, MOP has been spending over its budget in 2020/21 and 2021/22. In 2022/23, MOP has fully spent its allocated budget. At the end of the current financial year, it is expected that the Tonga Police will be fully utilized its budget.

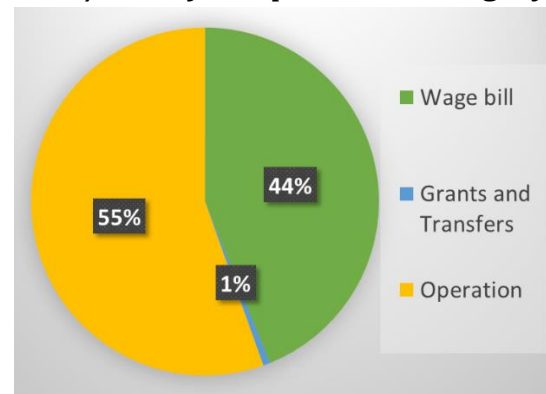
## 1. VOTE 15 (page 253 of the Draft Budget Estimates 2024/25)

Table 1: Expenditure Budget for Ministry of Health (MOH) by Funding Sources 2024/25<sup>319</sup>

Vote 15	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	43,904,900	41,375,200
	<b>Development</b>		
	Confirmed Budget Support	11,782,100	14,859,900
	Overseas Donor Funding (In-kind)	8,926,200	7,418,100
	Overseas Donor Funding (Cash)	6,311,700	14,405,100
	<b>TOTAL</b>	<b>70,924,900</b>	<b>78,058,300</b>

- The total budget of MOH for 2024/25 is \$78.1 million or equivalent to 8.7% of the total government's budget of \$899.2 million.
- The total budget for MOH increased by 10.1% (or \$7.1 million) from \$70.9 million in the 2023/24 approved estimate. This is triggered by a \$8.1 million increase in the development cash assistance coupled with a \$3.1 million increase in confirmed budget support, and it is off-set by a \$1.5 million decrease in development in-kind and a \$2.5 million decrease in the recurrent budget.
- The large increase to the development cash assistance is mainly due to a new project of the Corporate Service Division.<sup>320</sup>

Figure 1: MOH's Total Budget for 2024/25 Major Expenditure Category



- Figure 1** illustrates that 55% of the Ministry's total budget is for operations (categories 12xx – 14xx, 16xx and 20xx), 44% is wage bill expenses related to the compensation of employees (categories 10xx, 11xx and 19xx), and about 1% is for grants and transfer payment (category 15xx).
- Staffing:** There were 1,434 positions in total for the Ministry in the previous financial year (2023/24), of which 1,218 positions were established and 216 positions were unestablished. The total cost for these positions was at \$29.0 million.<sup>321</sup> As for the new financial year (2024/25) the total cost for staff is at \$29.1 million,<sup>322</sup> however, the total number of positions cannot be determined in accordance with the Ministry's draft Corporate Plan & Budget (2024-2027).

<sup>319</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 253.

<sup>320</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 258.

<sup>321</sup> Ministry of Finance, *Budget Division staff-list*, 2023.

<sup>322</sup> Ministry of Health, *Draft Corporate Plan and Budget 2024/25 – 2026/27*, page 22.

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## 2. MOH's OUTPUTS

**Table 2** shows the relevant linkages of MOH's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs for the Ministry of Health.**

SDG Goal <sup>323</sup>	TSDF II National Outcome <sup>324</sup>	TSDF II Organization Outcome <sup>325</sup>	Government Priority Agenda <sup>326</sup>	Organization Output <sup>327</sup>	Delivering Division/Program
<b>Goal 3</b>	<b>B:</b> Balanced Urban and Rural Development	<b>2.5:</b> Improved, country-wide, health care systems which better address the medical conditions becoming more prevalent in Tonga so hastening and limiting pain and suffering	GPA 1 GPA 3 GPA 5 GPA 9	1.11: Minister's Office 1.12: CEO's Office - Internal Auditor's Office	Program 1: Leadership (Minister and CEO's Office)
	<b>C:</b> Empowering Human Development with Gender Equality			1.33: Budget and Finance 1.34: Procurement	Program 1: Budget/ Finance and Procurement
	<b>D:</b> Responsive Good-governance with Law and Order	<b>2.6:</b> Stronger and More integrated approach by all parts of Society, to address Communicable and Non-Communicable Disease, significantly cutting the rate of these diseases and the burden they place upon communities and economy		1.37: ICT 1.35: Asset/ Transport 3.41: Facilities/ Maintenance 3.47: Biomedical Engineer	Program 1: ICT/ Facilities/ Asset/ Transport
		<b>2.7:</b> Better care and support for vulnerable people that ensure the elderly, the young, disables and others with particular needs continue to be supported and protected despite shrinking extended families and other changing social institutions			

<sup>323</sup> Ministry of Health, Draft Corporate Plan & Budget 2024/25 – 2026/27, page 10.

<sup>324</sup> Ibid, page 7.

<sup>325</sup> Ibid.

<sup>326</sup> Ibid, page 13-15.

<sup>327</sup> Ibid., page 24-109.

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		<p><b>3.1:</b> An efficient, effective, affordable, honest and transparent public service with a clear focus on priority needs, working both in the capital and across the rest of the country with a strong commitment to improved performance and better able to deliver the required outputs of the government to all people</p>			
				1.36: Health Planning	Program 1: Health Planning and Information
				1.32: Human Resources and Workforce Development	Program 1: Human Resources and Workforce Development
				2.11: CMO's Office/Administration	Program 2: CMO's Office Program 2: Preventative Health/ Public Health
				2.12: Communicable Diseases	Program 2: Communicable Diseases
				2.14: Health Promotion Unit	Program 2: Health Promotion Unit
				2.15: Reproductive Health	Program 2: Reproductive Health
				2.21: Environmental Health	Program 2: Environmental Health
				2.13: National Diabetes Centre & NCD Nursing	Program 2 : Community Health
				3.11: Medical Superintendent's Office and Medical and Dental Board	Program 3 : Curative Health Services
				3.25: Paediatrics and Special Care Nursery	Program 3: Clinical Departments
				3.24: Obstetrics/ Gynaecology	
				3.28: Psychiatric/ Mental Health	
				3.23: Surgical / Operating Theatre	
				3.26: ICU/ Anaesthetics	
				3.31: Outpatient & Emergency	
				3.22: Medical Services	
				3.29: Isolation Ward	

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				<p>3.30: Pharmacy 3.35/36: Diagnostics (X-ray and Laboratory) - Ophthalmology 3.38: Physiotherapy 3.34: ENT (Ears, Nose and Throat) 3.20a: Infection Control 3.39: CSSD</p>	<p>Program 3: Clinical Support Services</p>
				<p>3.11: Clinical Administration 3.43: Domestic Services 3.44: Laundry 3.45: Seamstress 3.46: Security Services 3.48: Communications 3.42: Nutrition / Catering Services</p>	<p>Program 3: Non-Clinical Support services</p>
				<p># Prince Ngu Hospital 3.21: Princess Fusipala 3.21: Niu'eiki Hospital 2.31: Likamonu Community Hospital 2.31: Tu'akifalelei Community health Centre</p>	<p>Program 3 : Outer Islands (Vavau, Ha'apai, 'Eua and Ongo Niuas)</p>
				<p>4: Dental Curative 4: Dental: Public Health</p>	<p>Program 4: Curative and Public Health Dentistry Program 4: Dental Health Services</p>
				<p>5: CNO OFFICE</p>	<p>Program 5: CNO Office Program 5: Nursing</p>
					<p>Program 6: Tonga Health Promotion</p>

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### 3. NEW INITIATIVES

The following new initiatives is in accordance with the Ministry's Corporate Plan & Budget for 2024/25 – 2026/27.<sup>328</sup>

<b>1. Major Infrastructural Renovation of Vaiola Hospital</b>	<ul style="list-style-type: none"><li>• <b>\$1,000,000</b></li><li>• The Vaiola Hospital infrastructure has been deteriorating over the years, with multiple natural disasters, the likes have not been seen for decades including the HTHH volcanic eruption, tsunami, earthquakes and tropical cyclones</li></ul>
<b>2. Major Sewage System Renovation for Vaiola Hospital</b>	<ul style="list-style-type: none"><li>• <b>\$1,000,000</b></li><li>• Similar to the above situation, the sewage system within Vaiola Hospital requires major renovation so that it can flow into the underground sewage system.</li></ul>
<b>3. ADB Introduction of New Vaccines including COVID-19 Vaccines</b>	<ul style="list-style-type: none"><li>• <b>\$30,000</b></li><li>• As part of the ADB/UNICEF project for the introduction of three new vaccines (HPV, Pneumococcal and Rotavirus). This will boost the immunity and safeguard the population from additional diseases and will protect the future generation of the nation, and improve their overall health status in the long-run.</li></ul>
<b>4. Project for Pacific Co-Learning Towards Resilient Health System</b>	<ul style="list-style-type: none"><li>• <b>\$80,000</b></li><li>• The Ministry of Health of the Kingdom of Tonga, in collaboration with the Japan International Cooperation Agency (JICA), has launched "The Project for Pacific Co-Learning Towards Resilient Health System". The Project aims to build a resilient health system capable of responding to health emergencies.</li></ul>
<b>5. E-Health Project</b>	<ul style="list-style-type: none"><li>• <b>\$10,000</b></li><li>• This is for continual contribution of the Government to the E-Health Project. Link to priority area (5) improving public service delivery with better health information systems in place through the E-Health Project.</li></ul>

<sup>328</sup> Ministry of Health, *Draft Corporate Plan & Budget 2024/25 – 2026/27*, page 16.

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#### 4. BUDGET PROGRAM CHANGES

The mandate of MOH will be delivered using resources allocated into six (6) programs and nineteen (13) sub-programs as follows in *Table 3*.

**Table 3: MOH's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Draft Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1 Leadership and Policy Advice</b>			
01 Office of the Minister	\$534,800	\$395,700	↓\$ 139,100
<i>The decrease is mainly triggered due to a reduction to the Purchase of Goods and Services category by \$160,000, and a reduction to the Maintenance and Operations category by \$100. This is then offset by an increase to the Established Staff category by \$11,500 and an increase to the Assets category by \$9,500.<sup>329</sup></i>			
02 Office of the CEO	\$255,500	\$234,000	↓\$21,500
03 Corporate Services	\$11,101,100	\$18,455,800	↑\$7,354,700
<i>The increase is mainly triggered by a growth to the Assets category by \$6,722,100, along with other increases to the Established Staff category by \$227,400, the Unestablished Staff category by \$69,000, the Travel and Communication category by \$28,100 and the Purchase of Goods and Services category by \$308,200. There is only \$100 decrease to the Maintenance and Operations Category.<sup>330</sup></i>			
<i>The Assets category grew due to an increase of donor cash assistance for a "New Building" item under the category.</i>			
<b>2 Preventative Health Care</b>			
01 Preventative Health Services	\$10,692,500	\$10,406,500	↓\$286,000
<i>The decrease is mainly triggered by a reduction to the Assets category by \$619,400 and a reduction to the Maintenance and Operations Category by \$63,300. This is then off-set by an increase to the Established Staff category by \$227,400, the Travel and Communication category by \$117,800 and the Purchase of Goods and Services category by \$51,500.<sup>331</sup></i>			
02 Environment Health Care	\$568,800	\$614,000	↑\$45,200
03 Community Health Service	\$700,000	\$1,793,100	↑\$1,093,100
<i>The increase is mainly triggered by donor cash assistance within the Assets category of \$745,000, whereas compared to the previous financial year there was no budget allocation for this category. There are also increases to the Established Staff category by \$93,100 and the Purchase of Goods and Services category by \$255,000.<sup>332</sup></i>			
<b>3 Curative Health Care</b>			
01 Curative Health Services	\$21,714,400	\$19,567,200	↓\$2,147,200
<i>The decrease is mainly triggered by large reductions three (3) categories, which is the Assets category by \$1,422,600, the Purchase of Goods and Services category by \$1,208,800, and the Established Staff category by \$167,200. This is then off set by an increase to the Maintenance</i>			

<sup>329</sup> Ministry of Finance, *Draft Budget Estimates 2024/25*, page 257.

<sup>330</sup> *Ibid*, page 258.

<sup>331</sup> *Ibid*, page 259.

<sup>332</sup> *Ibid*, page 260.

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and Operations category of \$651,300, and an increase to the Travel and Communication category by \$100.<sup>333</sup>

02 Medical and Surgical Care	\$11,006,800	\$10,498,100	↓\$508,700
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The decrease is mainly triggered by a large reduction to the Purchase of Goods and Services category of \$1,463,000. This is then off-set by an increase to the Established Staff category of \$790,300, and the Travel Communications category with \$164,000 (which had no allocation in the previous financial year).<sup>334</sup>

03 Outpatient and Casualty Services	\$7,769,200	\$6,459,500	↓\$1,309,700
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The decrease is mainly due to a reduction of the Assets Category by \$1,961,000. This is then off-set by an increase to the Established Staff category of \$217,900, the Travel and Communications category by \$204,400, the Maintenance and Operations category by \$20,000 and the Purchase of Goods and Services category by \$209,000.<sup>335</sup>

04 Clinical Support Services	\$1,010,300	\$1,314,600	↑\$304,300
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There is an increase to both the Established Staff category (\$94,300) and the Purchase of Goods and Services category (\$210,000).<sup>336</sup>

#### 4 Dental Services

01 Dental Care Services	\$2,098,800	\$5,429,500	↑\$3,330,700
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The increase is mainly triggered by the Maintenance and Operations category, growing by \$3,000,000.<sup>337</sup> The other increase of \$330,700 is distributed among three categories (10xx, 12xx and 14xx).

#### 5 Nursing Services

01 Nursing Care Services	\$2,972,700	\$2,390,300	↓\$582,400
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The decrease is mainly induced by a large reduction of \$850,000 from the Grants and Transfer category.<sup>338</sup>

#### 6 Tonga Health Promotion Foundation

01 Tonga Health Services	\$500,000	\$500,000	-
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<sup>333</sup> Ministry of Finance, *Draft Budget Estimates 2024/25*, page 261.

<sup>334</sup> *Ibid*, page 262.

<sup>335</sup> *Ibid*.

<sup>336</sup> *Ibid*, page 263.

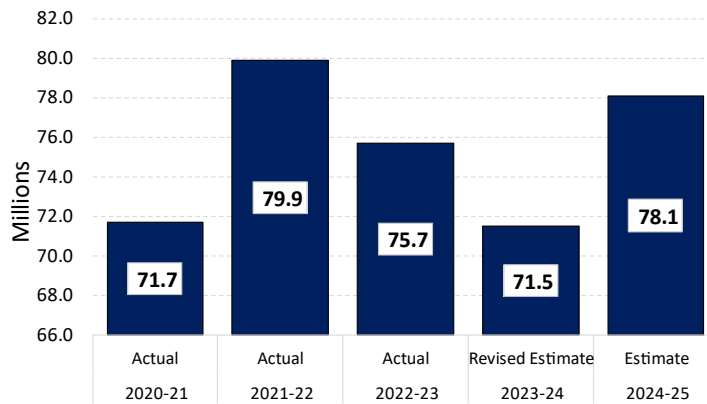
<sup>337</sup> *Ibid*.

<sup>338</sup> *Ibid*, page 264.

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## 5. TRENDS

**Figure 2: MOH's Total Expenditure Budget vs. Actual, 5-Year Trend**

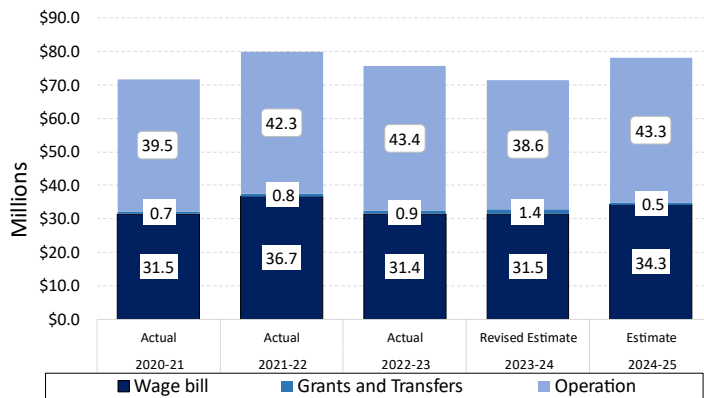


**Figure 2** shows the total expenditure budget for MOH in 2024/25 compared to the actual spending in the first four years. The average spending in the first four years is recorded at an average of \$74.7 million per year with the highest spending observed in 2021/22. The proposed budget for 2024/25 is expected to increase by 9.2 percent (or \$6.6 million)

compared to the revised estimate of 2023/24, which is mainly triggered by a \$8.1 million increase in the development cash assistance coupled with a \$3.1 million increase in confirmed budget support, and it is offset by a \$1.5 million decrease in development in-kind and a \$2.5 million decrease in the recurrent budget.

The large increase to the development cash assistance is mainly due to a new project of the Corporate Service Division.<sup>339</sup>

**Figure 3: 5-year Total Expenditure Budget by Major Category**



**Figure 3** shows a breakdown of MOH's expenditure budget (*as in Figure 2*) by major expenditure category for five financial years (2020/21 - 2024/25). The Operations category has been the largest allocation in MOH's spending in the first four years, with an average of \$41.0 million per year. The operation category has the

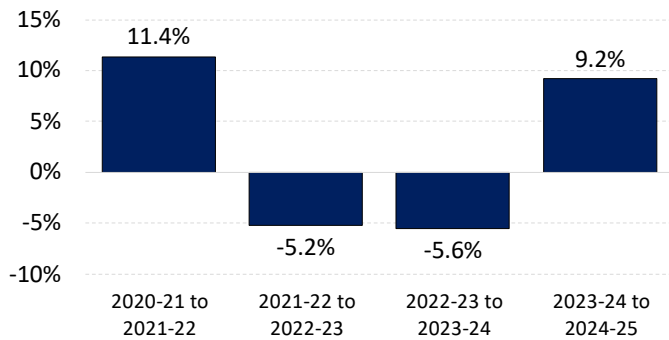
largest share in 2024/25 due to donor cash assistance from development partners for the construction of a "new building" in the Corporate Services Division.<sup>340</sup>

<sup>339</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 258.

<sup>340</sup> *Ibid.*

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**Figure 4: Year to Year Percentage Change in MOH's Original Total Expenditure Budget**

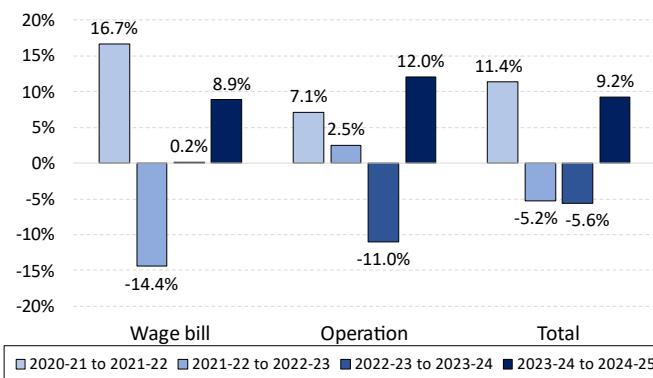


**Figure 4** illustrates the year-to-year percentage change in MOH's total expenditure budget compared to actual spending in the previous years.

The most significant change can be seen between the years of 2020/21 – 2022/23, with a sharp decrease in actual spending, and this is likely due to the implementation of the lockdowns and

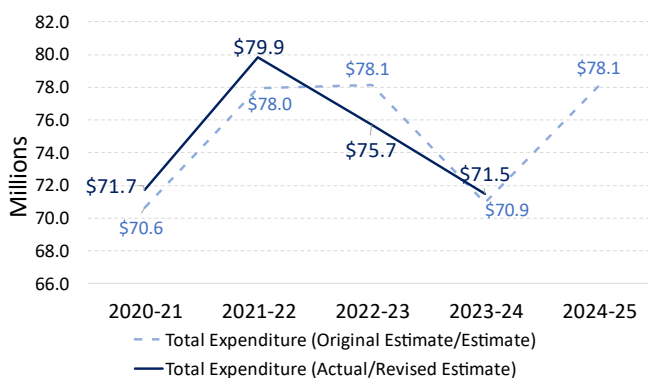
restrictions due to COVID-19.

**Figure 5: Year to Year Percentage Change in MOH's Total Original Expenditure Budget by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure categories. Across the years, it is difficult to determine a trend for each major category. However, it is likely that the expenditure is relative to the demand for each year.

**Figure 6: MOH's Total Budget Estimates vs Actuals**



**Figure 6** shows the total approved expenditure budget in comparison to actual spending for a four-year period, and the proposed budget for 2024/25. The Total approved budget for MOH has relatively remained at a consistent level, where actual spending remained slightly above the original estimate in the previous years, and where the estimates increase in the proposed estimate for the

year 2024/25.

As observed in the year 2022/23 the actual spending was below that of the original estimate, and this is largely due to the restrictions of COVID-19 and the recovery from the Hunga Tonga Hunga Ha'apai volcanic eruption that occurred in January 2022.

As mentioned in the previous sections, the increase to the budget estimate for the year 2024/25 is mainly due to the donor cash assistance for the Ministry's Corporate Services Division.

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**1. VOTE 16 (page 267 of the Draft Budget Estimates 2024/25)**

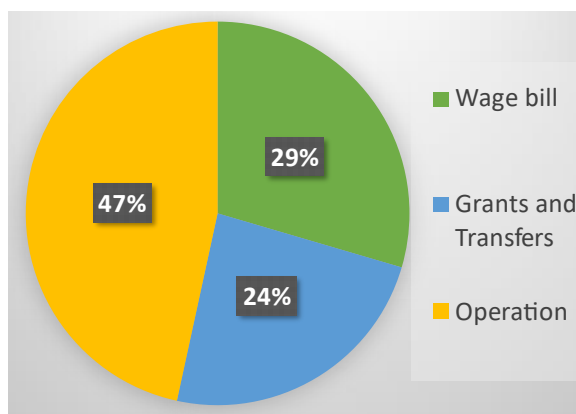
**Table 1: Expenditure Budget for MET by Funding Sources 2024/25<sup>341</sup>**

Vote 02	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	54,647,900	<b>49,155,000</b>
	Confirmed Budget Support	8,457,800	<b>21,493,400</b>
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	57,885,000	<b>52,822,000</b>
	Overseas Donor Funding (Cash)	14,110,000	<b>13,930,500</b>
	<b>TOTAL</b>	<b>135,100,700</b>	<b>137,400,900</b>

- MET’s total budget for FY 2024/25 is equivalent to \$137.4m or 15.3% of the total government’s budget of \$899.2m.

- The total budget for MET increased by 2.0% (\$2.3m) from \$135.1m in FY 2023/24.<sup>342</sup> A proposal to implement a 5% Cost of Living Adjustment (COLA) to offset the impact of rising prices on the standard of living of civil servants has seen a significant increase in the wage bill for FY 2025.

**Figure 1: MET’s Total Budget for 2024/2025 Major Expenditure Category**



- The increase from FY 2024 to FY 2025 reflects the \$3.0m increase in teacher’s salary allocation to cater for a 10.0% duty/retention allowance for teachers, increased funding for scholarships from \$3.3m to \$4.0m, and grants to non-government schools (TVET and secondary schools).<sup>343</sup>

- **Figure 1** illustrates that 47% (\$64.0m) – a majority of the budget goes towards the operation of the Ministry where 29% (\$40.6m) is for the wage bill and 24% (32.8%) is allocated to grants and transfers.

- **Staffing<sup>344</sup>**: there are 1524 positions in total, of which 1454 positions are established, and 70 positions are unestablished.

<sup>341</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 268.

<sup>342</sup> Ibid.

<sup>343</sup> Ibid., page 75.

<sup>344</sup> Ministry of Education and Training, *Draft Corporate Plan & Budget FY 2024/25-2026/27*, page 27.

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## 2. MET'S OUTPUTS

**Table 2** shows the relevant linkages of MET's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDGs <sup>345</sup>	TSDF II National Outcome <sup>346</sup>	TSDF II Organizational Outcome <sup>347</sup>	Government Priority Agenda <sup>348</sup>	Organization Output <sup>349</sup>	Delivering Division/Program <sup>350</sup>	
Goal 4	C: A more inclusive, sustainable, and empowering human development with gender equality.	2.1: Improved collaboration with, and support to social and civil society organisations promoting the development of groups.  2.3: More appropriate social and cultural practices  2.4: Improved education and training providing lifetime learning  4.5: Improved use of research and development focusing on priority needs, based on stronger foresight.	GPA 1	Improved quality educational policy advice at national, regional and international levels.	Office of the Minister Program: Leadership & Policy Advice and Planning	
			GPA 2	More coordinated and organised administration of the Ministry through effective leadership and management	Office of the CEO Program: Leadership & Policy Advice and Planning	
			GPA 4		Strengthen and improve delivery services through effective, efficient, and timely administrative, record keeping, and governance systems.	Corporate Services Division Program: Leadership & Policy Advice and Planning
					Improve the administration process for teacher and school registration systems in coordination with the Ministry and non-government education systems	Human Resource Management Division Program: Leadership & Policy Advice and Planning
					Effective human resource planning recruitment induction, training and reporting for the Ministry and its staff	
					Strengthened recruitment induction, training, and capacity development for Ministry staff	Finance Division Program: Leadership & Policy Advice and Planning
					Improved budget planning, accounting, execution, and reporting	
					Provide an equitable and inclusive scholarship program that contributes to sustainable development in Tonga	Project Management and Coordination Division Program: Leadership & Policy Advice and Planning
					Ensuring that development assistance to education is managed according to defined measures and timeframes that are in line with the Ministry's Corporate Plan, TSDF II, and related international agreements, and the project management cycle is efficiently implemented, monitored, and evaluated.	
					Deliver improved policies that consider access, equity, quality, efficiency, and effectiveness	
Establish better education system outcomes through effective planning, consultation, monitoring, and evaluation	Program: Leadership & Policy Advice and Planning					
Improve the timely collection of accurate, complete, and relevant data unit through purchasing backbone software and its related hardware infrastructure and strengthening data collection						

<sup>345</sup> Ministry of Education, *Draft Corporate and Budget Plan FY 2024-25*, page 13.

<sup>346</sup> Ibid.

<sup>347</sup> Ibid.

<sup>348</sup> Ibid., page 15-16.

<sup>349</sup> Ibid., page 19-21.

<sup>350</sup> Ibid.

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				Improve reporting of data to all stakeholders	
				Build the capacity of the EMIS Unit.	
				Establish and improve quality assessment standards on Competency-based and Outcome Based Assessment to meet the requirements of relevant regional and international benchmarks	Assessment and Curriculum Division Program: Quality Assurance Division
				Establish and improve examination standard operating procedures, instruments and resources to develop quality examination outcomes	
				Improved quality and relevant curriculum materials	
				Improved effectiveness curriculum implementation through capacity building of relevant officers and teachers on outcome-based approach and approved model	Curriculum Development and Production Division Program: Quality Assurance Division
				Timely production and distribution of quality curriculum materials	
				Monitor the quality of schools	Quality Assurance Division Program: Quality Assurance Division
				Improve teacher quality through in-service training	
				Monitor the quality and availability of curriculum and materials	
				Ensure the quality and integrity of the national examination and assessments	
				Improve quality education in primary and middle schools	Government Primary Schools Division Program: Learning and Teaching
				Improve quality teaching and access to Early Childhood Education (ECE)	
				Increase equitable provision of inclusive and special education support to children living with disabilities	
				Improve educational broadcasting services	
				Improved enrolment and completion in secondary education	Government Secondary Schools Division Program: Learning and Teaching
				Strengthen Technical and Vocational Education Training (TVET) and second-chance education in secondary schools	
				Improve student well-being, Global Citizenship Education and Education for Sustainable Development	
				Monitor student's attendance to track absenteeism and drop out	Truancy Emergency Safer Division Program: Learning and Teaching
				Reduce student absenteeism rate by sex and grade to reduce repetition and dropout rates	
				Build stronger relationships amongst schools through reconciliation	
				Improve the school environment to be compliant with Building Codes for safety and resilience	
				Improve the education sector response to disasters	
				Improve evidence-based decision making, policy formulation and vulnerability reporting before, during and after disasters.	

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### 3. NEW INITIATIVES

- New and ongoing activities are expected in 2024/25 and are listed as follows:

<b>1. Final Stages of the Skills and Employment Tonga (SET) Project</b>	<ul style="list-style-type: none"><li>• \$16.3 million</li><li>• An ongoing initiative that is in its final stages in the FY 2024. It was aimed at assisting secondary school students with school fees to reduce financial hardship and improve access to education</li></ul>
<b>2. Implementation of the Safe and Resilient Schools Project</b>	<ul style="list-style-type: none"><li>• \$0.4 million</li><li>• The aim of this World Bank funded initiative is to build safer school facilities. There have been delays to rebuilding schools that were affected by the tsunami as well as Tonga College dormitories and is a result of the reduction of the project's disbursement that was forecasted for the FY 2024.</li></ul>
<b>3. Expansion of the Hama eLearning Platform</b>	<ul style="list-style-type: none"><li>• An ongoing initiative that aims to improve the resilience of the education system by implementing a new primary and secondary curriculum. This new curriculum is more relevant and will raise standards of teaching, learning, and assessment. The new EMIS system will also improve the collection and analysis of education data to lead to more evidence-based policy making. This will be piloted in 4 schools in FY 2024/25 before being rolled out to all Tongatapu.</li></ul>
<b>4. Subsidies for ECE and Primary Schools</b>	<ul style="list-style-type: none"><li>• This project in line with GPA 4 provides grants for expanding access to quality ECE and primary education and is to increase to \$200 per head (from \$50 per head). Previously, the Ministry had to pay out \$1.2million for each year to ECE and Primary School's grant from savings identified through its recurrent budget and proposes that an additional \$1.3m is incorporated to the FY 2023/24 budget onwards.</li></ul>
<b>5. Expansion of access to special and inclusive education</b>	<ul style="list-style-type: none"><li>• \$2.4 million</li><li>• This will see the implementation of the new inclusive education policy and includes additional specialist teachers and special education classes. This includes expanding the provision of inclusive education to outer islands.</li></ul>

Source: Ministry of Education and Training,

The following are new and proposed (some ongoing) initiatives from the Ministry for the year 2024/25.<sup>351</sup>

- 1. Grant**
  - \$9.2 million is divided into various grants (inclusive of ECE schools and Form 1 government primary schools). This proposal is to increase grants to non-government schools as follows:
    - i. Secondary schools – increase from \$700 to \$770 per head.
    - ii. TVET schools to get an increase of \$1,320 from \$1,200.
    - iii. \$0.1million grant for the Hango Institute of Agriculture in 'Eua.
  
- 2. Free public education**
  - i. The Ministry proposes that public education (government schools only) is free to all up to Form 5
  
- 3. Allowance and pay increase**
  - i. A 10% duty/retention allowance for teachers estimated at \$3.0million as well as a 5% COLA increase to civil servant salaries as well as an increase to the PMS annual allocation.
  
- 4. Breakfast meal for government primary schools.**
  - i. This \$1.2 million initiative for breakfast meal program for primary school children (twice a week breakfast meal) continues under Program 3, sub-program 01.
  - Ministry of Education and Training, *Draft Budget Statement for 2024/25*, page 12 & 29.
  - Ibid.
  - Ministry of Finance, *Draft Budget Estimates, 2024/25*, page 278.

<sup>351</sup> These are not listed in the Corporate Plan & Budget but is stated in the Budget Statement.

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#### 4. BUDGET PROGRAM CHANGES

The mandate will be delivered using resources allocated into three (4) programs and sixteen (15) sub-programs as follows in **Table 3**.

**Table 3: MET's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Advice</b>			
01 Office of the Minister <sup>352</sup>	\$46,657,300	\$47,740,100	↑\$1,082,800
<i>The increase of \$2.0m in donor cash is for the maintenance of buildings and compounds and in this case the maintenance of school infrastructures was extended to cater for government middle schools since the expansion of primary school level to include Forms 1 and 2.<sup>353</sup></i>			
02 Office of the CEO <sup>354</sup>	\$600,600	\$324,600	↓\$276,000
<i>The reduction is due to a decrease in salaries (\$225,300), Government Contribution to Retirement Fund (\$28,600) that was offset by a \$50,000 increase in other allowances. No budget allocation for Consultants &amp; Technical Assistant services which was \$0.08m in FY 2023/24 also contributes to this downward trend.</i>			
03 Corporate Services Division <sup>355</sup>	\$629,200	\$6,600,600	↑\$5,971,400
<i>The increase is mainly due to donor funding for the Tonga Safe and Resilient Schools Project which sees the Tonga College new dormitories being established, the construction of two schools in Kanokupolu and Te'ekiu respectively that was destroyed by the HTHH tsunami.<sup>356</sup></i>			
04 Human Resources and Management <sup>357</sup>	\$790,300	\$865,900	↑\$75,600
05 Finance <sup>358</sup>	\$27,855,200	\$29,135,300	↑\$1,280,100
<i>This increase of about \$1.2 million is an addition to the current \$3.3million budget allocated to government-funded scholarships. This is mainly due to an increased number of beneficiaries particularly identified technical capacity gaps.<sup>359</sup></i>			
06 Project Management and Aid <sup>360</sup>	\$95,000	\$160,100	↑\$65,100
07 Policy, Planning and Research <sup>361</sup>	\$108,500	\$177,700	↑\$69,200
<b>2. Quality Assurance</b>			
01 Assessment & Curriculum Division <sup>362</sup>	\$2,937,600	\$3,828,500	↑\$890,900
<i>The increase is due to development funds donated for the expansion of access to special and inclusive education including to the outer islands.<sup>363</sup></i>			
02 Staff Performance Appraisal <sup>364</sup>	\$217,900	\$366,500	↑\$148,600
<i>Salary increase is main reason for increase in this sub-program.</i>			
<b>3. Learning and Teaching</b>			
01 Government Primary Schools <sup>365</sup>	\$20,428,500	\$17,126,100	↓\$3,302,400

<sup>352</sup> Ministry of Finance, *Draft Budget Estimates FY 2024/25*, page 270.

<sup>353</sup> Ministry of Finance, *Draft Budget Statement FY 2024/25*, page 175.

<sup>354</sup> Ministry of Finance, *Draft Budget Estimates FY 2024/25*, page 271.

<sup>355</sup> *Ibid.*, page 272.

<sup>356</sup> *Ibid.*, page 138.

<sup>357</sup> *Ibid.*, page 273.

<sup>358</sup> *Ibid.*, page 274.

<sup>359</sup> Ministry of Finance, *Draft Budget Statement FY 2024/25*, page 28.

<sup>360</sup> Ministry of Finance, *Draft Budget Estimates FY 2024/25*, page 275.

<sup>361</sup> *Ibid.*

<sup>362</sup> *Ibid.*, page 276.

<sup>363</sup> Ministry of Finance, *Draft Budget Statement FY 2024/25*, page 13, 30-31 & 145.

<sup>364</sup> Ministry of Finance, *Draft Budget Estimates FY 2024/25*, page 277.

<sup>365</sup> Ministry of Finance, *Draft Budget Estimates FY 2024/25*, page 278.

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The biggest deductions are from the salaries (\$3.7 million) and Government Contribution to Retirement Fund (\$366,600). This could be attributed to more teachers leaving the workforce.

02 Government Secondary Schools <sup>366</sup>	\$13,297,800	\$22,778,700	↑ \$9,480,900
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There is a significant increase in the salaries reflecting the 5% COLA.

03 Truancy, Emergency & Safety Division <sup>367</sup>	\$577,300	\$491,300	↓ \$66,000
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**4. Tonga National University<sup>368</sup>**

01 Tonga National University	\$20,905,500	\$7,805,500	↓ \$13,100,000
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The amount from government expenditure is allocated as grants and transfers, a total of \$6,280,500. A total of 1.5 million is donor funded cash and in-kind towards trainings and conferences.

02 Tonga Institute of Education	\$0	\$0	-
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Relocated to sub-program 01 Tonga National University.

03 Tonga Institute of Science and Technology	\$0	\$0	-
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Relocated to sub-program 01 Tonga National University.

04 Tonga Maritime Polytechnical Institute	\$0	\$0	-
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Relocated to sub-program 01 Tonga National University.

**5. TRENDS**

Figure 2: MET's 5 Year Trend Total Expenditure: (2020-21 to 2024-25)

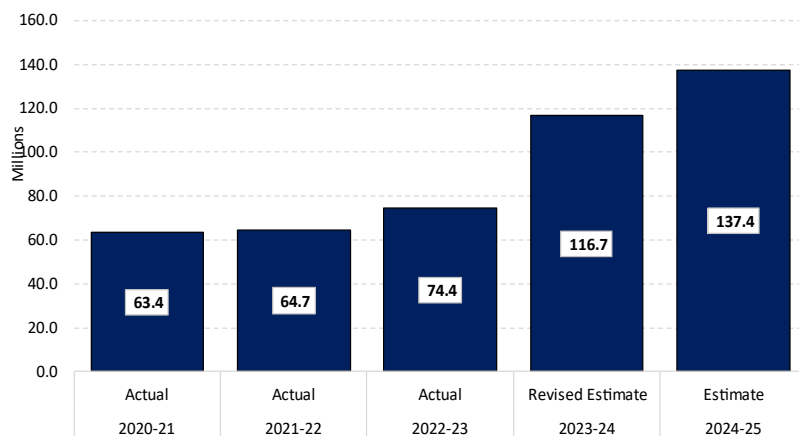


Figure 2 shows the actual expenditure for MET in the past four financial years (2020/21 – 2022/23) compared to the total expenditure budget for 2024/25. The increase from the revised estimate of 2023/24 is 18% or 20.8 million.

The Ministry's budget averaged 67.5 million in first 3 years and increased by 56.9% into the current year (2023/24). These increases are mainly due to large development infrastructure being built and completed within these years.

The significant increase in FY 2024/25 estimates is mainly in the salaries and wages.

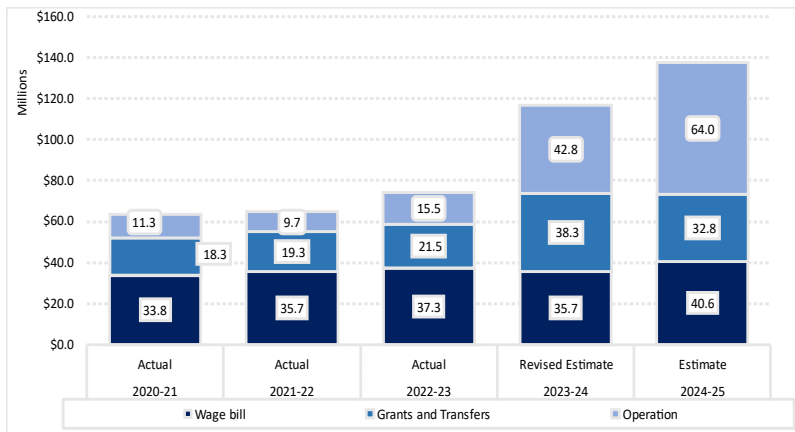
<sup>366</sup> Ministry of Finance, *Draft Budget Estimates FY 2024/25*, page 279.

<sup>367</sup> Ibid.

<sup>368</sup> Ibid., page 280.

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**Figure 3: 5-year Total Expenditure Budget by Category (2020-21 to 2024-25)**

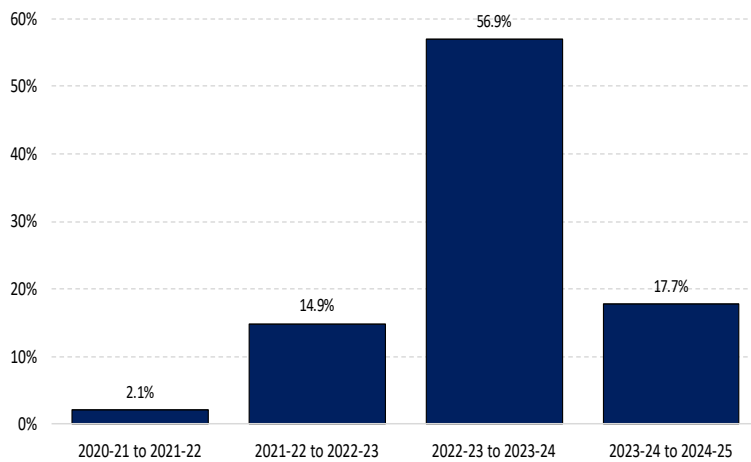


**Figure 3** shows a breakdown of MET’s expenditure budget (as in **Figure 2**) by the Ministry’s major categories for the previous four financial years (2020/21 – 2023/24). The figure shows that the ministry’s budget has considerably changed since the FY 2023-24 budget as operation costs increased and surpassed wage bills which on

average had the most shares of the budget.

The operations costs are relative to the new and ongoing initiatives in the Ministry and funded by various development funds, mainly with the building of safe and resilient schools such as those that were affected by the HTHH eruption and tsunami and newly established Tonga College dormitories. The increase in the wage bill reflects the 5% COLA that the government proposed for civil servants.

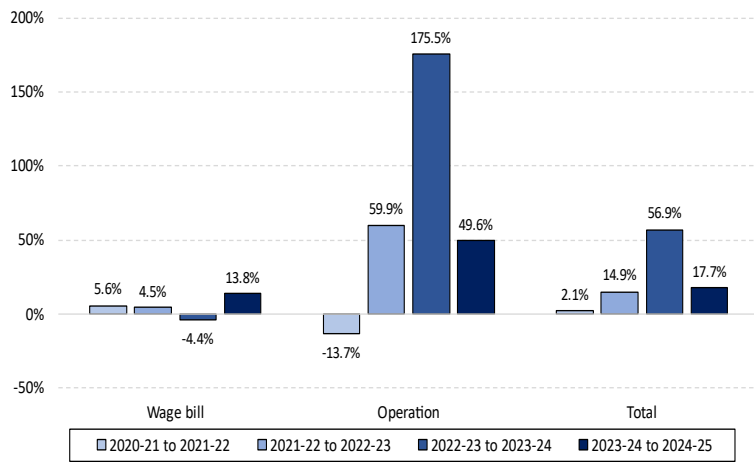
**Figure 4: Year to Year Percentage Change in MET’s Total Expenditure (2020-21 to 2024-25)**



**Figure 4** illustrates the year-on-year percentage change in MET’s original total expenditure compared to the previous year’s actual spending.

A 56.9% increase in the Ministry’s original total expenditure compared to an average of less than 20% increase in previous years shows the massive spending made in the 2022-23 to 2023-24 period.

**Figure 5: MET's Total Expenditure Year to Year Percentage Change by Major Category**



expected outturn of the salary increase in the new FY 2024/25.

Figure 5 illustrates the approved recurrent expenditure budget in comparison to actual spending in the past three financial years and the estimated outturn for the current financial year.

The Tonga Safe and Resilient Schools Project is the main reason for the upward trend (175.5%) in operations in the 22/23-23/24 period. The increase in the wage bill is the

The trend shows that FY 2023/24 had the highest increase in budget whereas the wage bill for FY 2024/25 has its highest increase compared to the past three years.

**Figure 6: MET's Total Expenditure - Estimates vs Actuals**

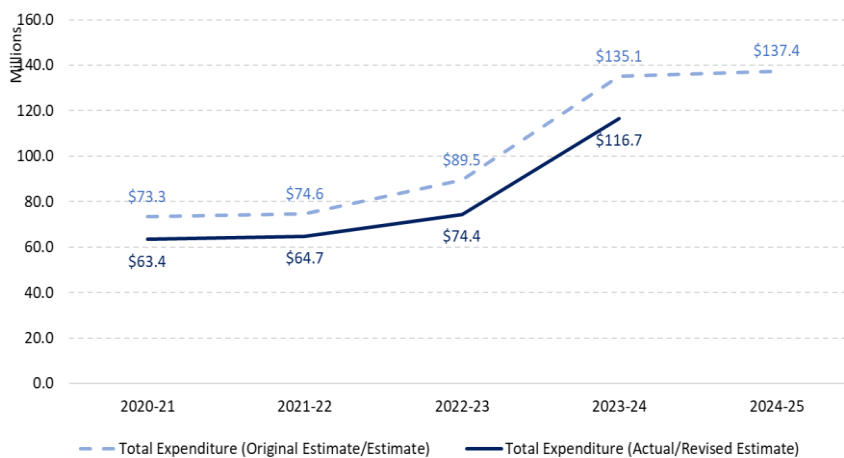


Figure 6 shows the total expenditure (actual/revised estimates) in relation to the total expenditure (original estimate/estimate) where there is a balanced trend in the recurrent budget to the future estimated budget for the Ministry.

A significant increase is seen in FY 2023/24 and the budget is proposed to continue with that trend into FY 2024/25. As mentioned before FY 2023/24 has had a significant increase compared to the past years and this is attributed to rebuilding from HTHH and other infrastructure being built whereas this year's 5% COLA and the completion of other initiatives is keeping the trend as is.

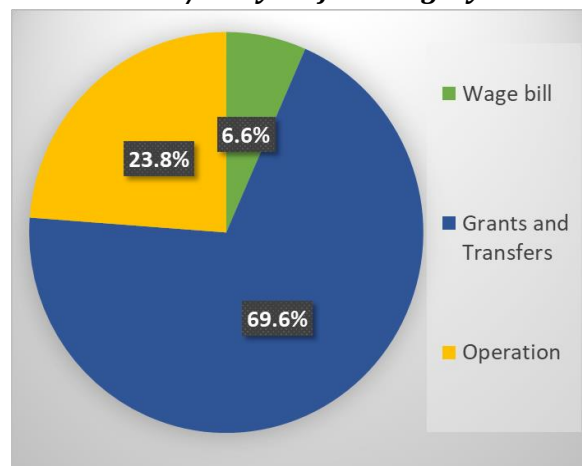
**1. VOTE 17 (page 283 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for the Ministry of Internal Affairs (MIA) for 2024/25<sup>369</sup>**

Vote 17	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	4,479,800	7,880,000
	Revolving Funds	-	12,784,800
	Confirmed Budget support	1,673,400	7,717,100
	<b>Development</b>		
	Donor Cash	8,250,000	1,897,300
	Donor In-kind	2,650,000	3,374,300
	<b>TOTAL</b>	<b>17,053,200</b>	<b>33,653,500</b>

- The Ministry of Internal Affairs has allocated a total budget of \$33.7 million in 2024/25, which contributes 3.7 percent of the total government budget of \$899.2 million. Of the total budget, 23.4 percent is Government of Tonga Fund, 38.0 percent is funded from revolving funds, 22.9 percent is confirmed budget support, 5.6 percent is donor cash and 10.1 percent is in-kind support.
- MIA’s total budget for 2024/25 increases by 97.3 percent (or \$16.6 million) from 2023/24 approved budget. This is primarily due to revolving funds for sports development activities, the relocation of budget for social welfare scheme and grant for vulnerabilities from the Ministry of Finance and 5.0 percent COLA that is expected in July 2024.
- **Figure 1** shows the distribution of MIA’s total budget into expenditure categories. 69.6 percent (Category 15xx) is for grants and transfers, 23.8 percent is operation (Categories 12xx-14xx and 20xx), and 6.6 percent is wage bill (Categories 10xx and 11xx)
- **Staffing<sup>370</sup>**: There are 109 staff in total, of which 75 is established positions, 24 is unestablished positions and 10 is professional contracts.

**Figure 1: MIA Expenditure Budget for 2024/25 by Major Category**



<sup>369</sup> Ministry of Finance, *Draft Budget Estimate FY 2023/24*, page 75.

<sup>370</sup> Ministry of Internal Affairs, *Draft Corporate Plan FY2024/25*, page 55.

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## 2. MIA'S OUTPUTS

**Table 2** shows the relevant linkages of MIA's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG	TSDF II National Outcome	TSDF II Organizational Outcome	Government Priority Agenda	Organization Output	Delivering Division/Program
Goal 17	D: A more inclusive, sustainable, and responsive good governance with law and order <sup>371</sup>	3.4: Modern and appropriate Constitution, laws and regulations reflecting international standards of democratic processes. <sup>372</sup> 3.5: Improved working relations & coordination between Privy Council, executive, legislative & judiciary <sup>373</sup>	GPA 6	Output 1: Efficient and effective organization in delivering its output with the available resources.	Program 1.03 Corporate Services
				Output 2: Target support program that built the Social Economic Productive Capacity of the Community	Program 1 Church Leaders Desk Program 2 Sport and Recreation Program 3 Overseas Employment. Program 4 Women's affairs and Gender Equality Program 5 Social Protections and Vulnerable Program 6 Youth Development
				Output 3: Efficient and Effective protocols for disaster preparedness, response, and recovery of Communities after Natural disaster	17.1.05.1.2 Church Leaders 17.2.5 Upgrading Sports Facilities 17.4.5 Natural Disaster and environmental and Climate Change

<sup>371</sup> Ibid., page 8.

<sup>372</sup> Ibid.

<sup>373</sup> Ibid., page 8.

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### 3. NEW INITIATIVES

These are the new initiatives that MIA is expected to deliver in 2024/25.<sup>374</sup> However, it is not clear in the Corporate Plan whether these initiatives have been accounted for in the budget estimates or not.

- On-going payment of the old TWB premises worth \$0.3 million
- Two staff and operation cost in SET Project to be picked up by the Government at the end of the project in September 2024
- \$1.8m ADB-funded Integrated Age Care Centres project
- Two new positions within the Social Protection and Disability Division \$0.05 million
- Liaison Officers Zone 3 and 4 in Australia costed \$0.1 million per year.

### 4. BUDGET PROGRAM CHANGES

The mandate of the Ministry of Internal Affairs will be delivered using resources allocated into six (6) programs and thirteen (12) sub-programs as follows in **Table 3**.

**Table 3: MIA's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership, Policy &amp; Program Administration</b>			
01 Office of the Minister	\$174,100	\$181,700	↑ \$7,600
02 Office of the Chief Executive Officer	\$143,500	\$145,900	↑ \$2,400
03 Corporate Services	\$4,981,400	\$2,075,600	↓ \$2,905,800
<i>The reduction is due to a decrease in donor cash funded: \$0.7 million grants and transfers under category 15xx; and \$1.8 million in consultants &amp; technical professional fees under category 14xx.</i>			
04 Outer Island Office Administration	\$315,700	\$364,500	↑ \$ 48,800
05 Church Leaders Desk	\$150,300	\$153,400	↑ \$3,100
<b>2. Sports and Active Recreation Development</b>			
01 Program Administration	\$449,300	\$463,000	↑ \$13,700
02 Sports Development	\$1,657,300	\$12,523,100	↑ \$10,865,800
<i>The increase is due to \$12.8 million revolving funds earmarked for sports related activities.</i>			
03 Tonga Institute of Sports	\$105,000	\$115,000	↑ \$10,000
<b>3. Overseas Employment</b>			
01 Overseas Employment Division	\$1,111,200	\$748,700	↓ \$326,500
<i>The decrease is due to a reduction in donor cash assistance by about \$0.3 million (there is no donor cash allocation in 2024/25 draft budget estimates).</i>			
<b>4. Women's Affairs &amp; Gender Equality</b>			
01 Women's Affairs and Human Rights	\$657,600	\$597,700	↓ \$59,900
<b>5. Social Protection and Vulnerable</b>			
01 Social Protection	\$6,470,300	\$13,671,400	↑ \$7,201,100

<sup>374</sup> Ibid., page 52

The increase is due to relocation of budget for social welfare scheme and grant for vulnerabilities from the Ministry of Finance.

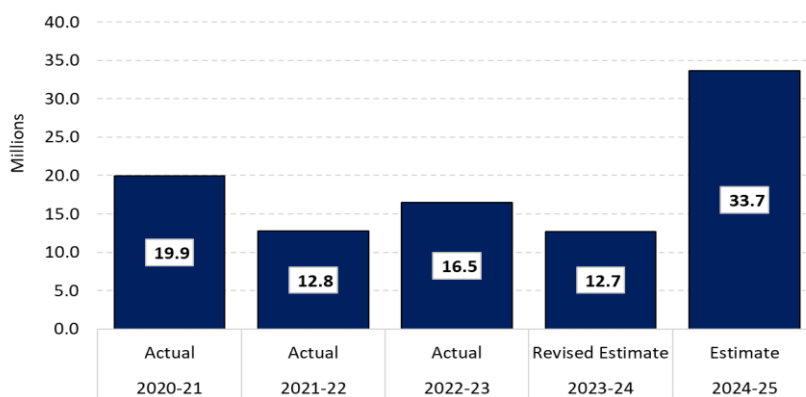
<b>6. Youth Development</b>			
01 Youth Development	\$837,500	\$2,577,500	↑ \$1,740,000

The increase is due to an increase in:

- ✓ Donor cash by \$0.6 million for consultants & technical assistants professional fees
- ✓ Donor in-kind assistance by \$0.9 million for the construction of new building and \$0.2 million for consultants & technical assistants professional fees

## 5. TRENDS

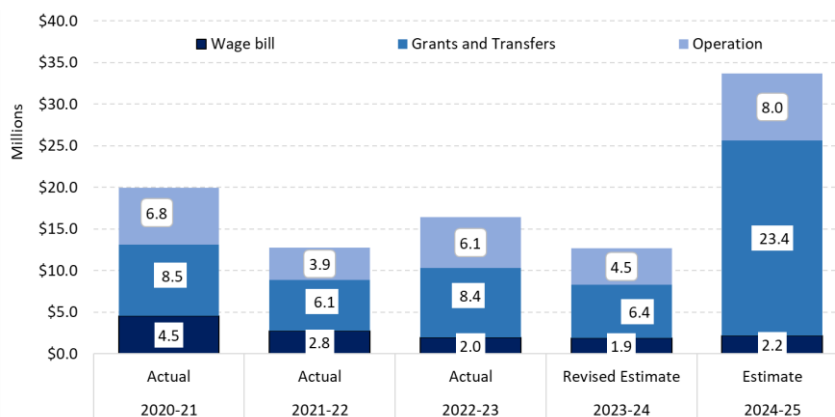
**Figure 2: MIA’s Total Expenditure 5 Year Trend**



**Figure 2:** shows the total expenditure budget for MIA in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period.

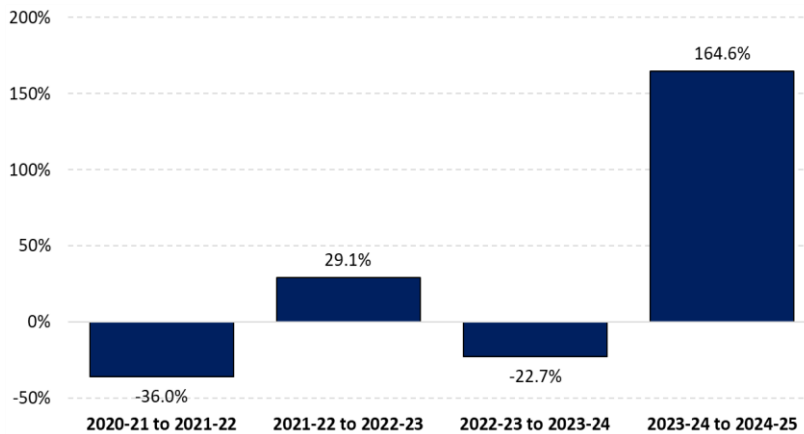
The highest spending is observed in 2020/21 and decrease slowly in the following three years due to the relocation of local government function to Prime Minister’s Office. A significant increase is expected in 2024/25 due to increase support to sports related sector and relocation of social welfare scheme and grant to vulnerabilities from the Ministry of Finance vote.

**Figure 3: MIA’s Total Expenditure 5 Year Trend by Major Category**



**Figure 3** shows a breakdown of MIA’s expenditure budget (as in Figure 2) into major expenditure category for five financial years (2020/21 – 2024/25). Grants and transfers account for the largest share (more than half) in the Ministry’s spending and budget.

**Figure 4: Year to Year Percentage Change in MIA's Total Expenditure**

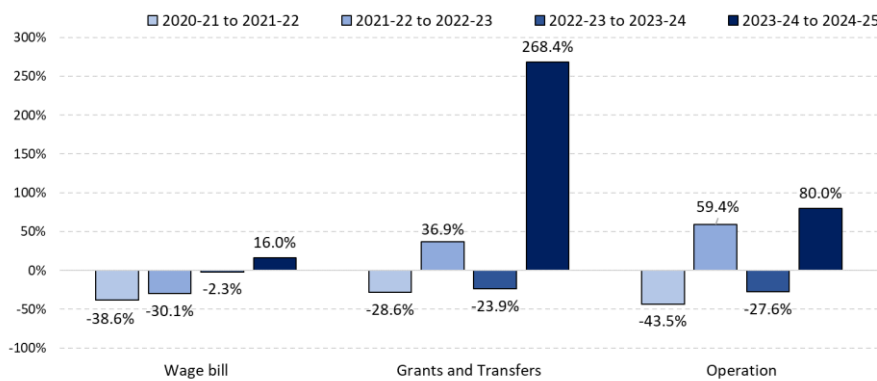


**Figure 4** illustrates the year-on-year percentage change in the Ministry's total expenditure budget in 2024/25 compared to actual spent in the previous years (revised in 2023/24).

The largest change is observed in 2023/24-2024/25 period due to additional budget

allocation discussed in **Figure 2**.

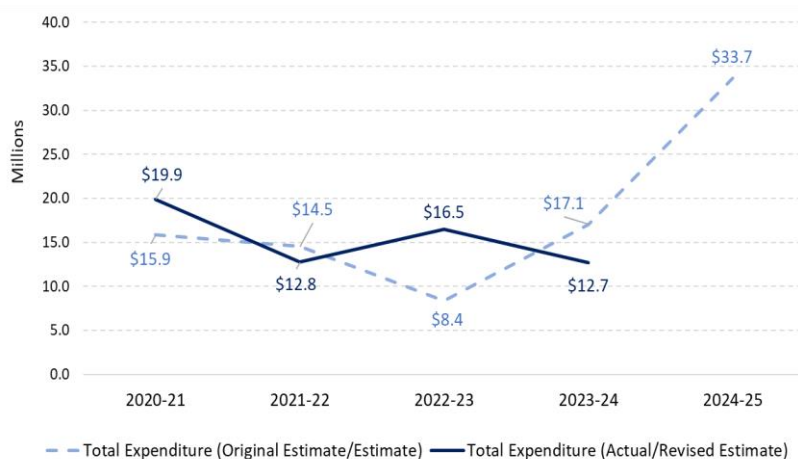
**Figure 5: Year to Year Percentage Change in MIA's Total Expenditure**



**Figure 5** is a breakdown of Figure 4 into major expenditure category. It is noted that grants and transfers category contribute most to the annual percentage change in the Ministry's budget and actual

spending.

**Figure 6: MIA's Total Budget vs Actuals**



**Figure 6** shows the total approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/25. The Ministry over-spent in 2020/21 and 2022/23. This could be due to additional financial support transferred from

the Ministry of Finance to support the Ministry in responding to pandemic and HTHH volcano eruption.

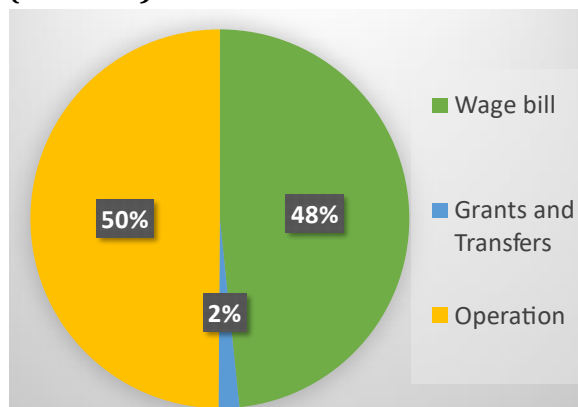
1. VOTE 18 (page 295 of the Draft Budget Estimates 2024/25)

Table 1: Expenditure Budget for Ministry of Agriculture, Food & Forest (MAFF) by Funding Sources 2024/25<sup>375</sup>

Vote 18	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	9,093,900	9,556,900
	Confirmed Budget Support	325,500	3,435,500
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	2,768,500	2,514,700
	Overseas Donor Funding (Cash)	10,000	0
	<b>TOTAL</b>	<b>12,197,900</b>	<b>15,507,100</b>

- MAFF’s total budget for 2024/25 is \$15.5m or equivalent to 1.7% of the total government’s budget of \$899.2 million.
- The total budget for MAFF increased by 27% (or \$3.3million) from \$12.2 million in 2023/24 approved estimate. This is triggered by a \$0.5 million increase in recurrent budget coupled with \$3.1 million increase in confirmed budget support and off-set by a \$0.3 million decrease in development in-kind assistance and zero for development in cash assistance.
- The increase in recurrent budget is mainly due to top up of the existing activities in categories 10xx-15xx and 20xx for all programs and subprograms and with additional category which is 22xx.<sup>376</sup>
- Figure 1** illustrates that 50% of MAFF’s total budget is operation (categories 12xx – 14xx and 20xx), 48% is for wage bill expenses related to salaries and wages for established and non-established staff (Categories 10xx and 11xx) and 2% is Grants and Transfers (Category 15xx).
- Staffing**<sup>377</sup>: There are 297 positions in the Ministry, of which 208 positions are established and 89 positions are unestablished.

Figure 1: Ministry of Agriculture, Food & Forest: Expenditure Category Shares (2024-25)



<sup>375</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 297.

<sup>376</sup> Ibid. page 299.

<sup>377</sup> Attorney General’s Office, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 29.

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## 2. MAFF'S OUTPUTS

**Table 2** shows the relevant linkages of MAFF's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG <sup>378</sup>	TSDF II National Outcome <sup>379</sup>	TSDF II Organizational Outcome <sup>380</sup>	Government Priority Agenda <sup>381</sup>	Organization Output <sup>382</sup>	Delivering Division/Program <sup>383</sup>
<b>Goal 1</b> <b>Goal 2</b> <b>Goal 12</b> <b>Goal 13</b> <b>Goal 15</b>	A. More inclusive, sustainable and dynamic knowledge based economy.	1.2: Closer public / private partnership for economic growth	<b>GPA 1</b> <b>GPA 2</b> <b>GPA 7</b>	<b>Output 1:</b> Effective Leadership & Policy Advice	Office of the Minister /Program 18.1: Leadership & Policy Advice
		1.5: Better access to overseas trade, employment and foreign investment		<b>Output 1:</b> Effective Leadership & Policy Advice	Office of the CEO/Program 18.1: Leadership & Policy Advice
	C. More inclusive, sustainable and empowering human development with gender equality.	5.2: Improved use of natural resources for long term flow of benefits.		<b>Output 2:</b> Quality, effective and efficient Human Resources, Administration and Financial management	Corporate Services Division/ Program 18.1: Leadership & Policy Advice
		5.4: Improved resilience to natural disasters and impact of climate change		<b>Output 3:</b> Effective Policy & Planning, Procurement, Information, Communication and Technology Services.	Policy & Planning Division / Program 18.1: Leadership & Policy Direction
		G. More inclusive, sustainable and consistent advancement of our external interests, security and sovereignty		<b>Output 4:</b> Effective Research Development on Sustainable Resilient Agriculture Systems & Information dissemination	Research & Rural Development Division/Program 18.2: Agriculture & Forestry Development

<sup>378</sup> Ministry of Agriculture, Food and Forestry, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 11.

<sup>379</sup> *Ibid*, page 18-19

<sup>380</sup> *Ibid*

<sup>381</sup> *Ibid*

<sup>382</sup> *Ibid*

<sup>383</sup> *Ibid*

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				<p><b>Output 5:</b> Effective and better border control, trade facilitation &amp; quarantine advice</p>	<p>Quarantine &amp; Quality Management Division / Program 18.2: Agriculture &amp; Forestry Division</p>
				<p><b>Output 6:</b> Effective and Sustainable management of biodiversity &amp; Forest-based Climate Resilient Environment.</p>	<p>Forestry Division/ Program 18.2: Agriculture &amp; Forestry Development</p>
				<p><b>Output 7:</b> Effective food safety control system, better agro-processing &amp; trade facilitation services</p>	<p>Food Division/ Program 18.2: Agriculture &amp; Forestry Development</p>
				<p><b>Output 8:</b> Sustainable Livestock production reduced imports &amp; better livestock veterinary services</p>	<p>Livestock Division/ Program 18.2: Agriculture &amp; Forestry Development</p>

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### 3. NEW INITIATIVES

- Ministry’s new initiatives for 2023/24 – 2024/25 FY includes the following:
  - ✓ Construction of a new fully equipped abattoir OR procure mobile abattoir.
  - ✓ Import Substitution Initiatives
  - ✓ Export Promotion Initiatives
  - ✓ Tonga Circular Economy System Project (Consultant)
  - ✓ Construction of new MAFF Office with 2 residential buildings and relocate from the current location to “Sikula Land” in Pangai Ha’apai.
  - ✓ One Million Tree Planting<sup>384</sup>
- New initiatives that have budgetary allocation include the following:

#### 1. Import Substitution Initiatives

- The program aims to uincrease the local production of vegetatbles, fruits and livestock that can substitute import.
- five commodities that the Ministry would focus on in the next 3 years 2023/24-2025/206 are: chicken, pigs, sheep, fruits, vegetables & Spices and potato.
- Cost: \$1.3 million for chicken, \$2.09 million for potato
- (Note: total budget is for 3 years period)
- Ministry of Agriculture, Food & Forest , *Corporate Plan & Budget, 2024/25 – 2026/27, page 61-68.*

#### 2. Export Promotion Programme

- The program aims to increase the export of twelve (12) major commodities (Yam, Casasva, Taro, Kava, Vanilla, Coconuts, Pineapple, Papaya, Kape, Sandlewood, and Vegetables (squash, watermelon) to the international market.
- MAFF has identified the following six (6) export commodities with potential for further development and increased value and/or volume of export in the next 3 years. they are; Cassava, Yam, taro, Kava, Squash and Watermelon. Cost: \$2.1 million for Root Crops, \$7.2 million for Kava, \$190,000 for Squash and \$140,000 for Watermelon. (Note: total budget is for 3 years period)
- Ministry of Agriculture, Food & Forest , *Corporate Plan & Budget, 2024/25 – 2026/27, page 69, 71-78.*

<sup>384</sup> Ministry of Agriculture, Food and Forestry, *Draft Corporate Plan & Budget, 2024/25-2026/27, page 21*

#### 4. BUDGET PROGRAM CHANGES

The mandate of MAFF will be delivered using resources allocated into two (2) programs and ten (10) sub-programs as follows in **Table 3**.

**Table 3: MAFF's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Direction</b>			
01 Office of the Minister <sup>385</sup>	\$237,500	\$255,300	↑\$17,800
02 Office of the CEO <sup>386</sup>	\$168,100	\$170,800	↑\$2,700
03 Corporate Services <sup>387</sup>	\$1,656,100	\$5,976,500	↑\$4,320,400
<ul style="list-style-type: none"> <li>The increase is due to private sector development support as Economic Growth Fund with a total of \$3,000,000.</li> <li>The increase can also be seen in the estimate of the following; Established Staff, Unestablished Staff, Travel and Communication, Maintenance and Operations, Purchase of Goods and Services, and Assets.</li> <li>The trigger for increase in Established Staff is due to; Salaries increase from \$577,100 to \$655,900, Government Contribution increase from \$57,700 to \$65,600.</li> <li>The main trigger for the increase in travel and Communication is due to; increase in Broadcasting from \$30,000 to \$40,000.</li> <li>The trigger for the increase in Maintenance is due to; increase in Fuel from \$46,600 to \$68,600.<sup>388</sup></li> <li>The trigger for the increase in Purchase of Goods and Services is due to; increase in Agriculture supplies from \$4,900 to \$14,500, Consultant Assistants \$18,000 (new activity).</li> <li>The trigger for increase in Asset is due to; increase in new computer from \$47,000 to \$50,000.</li> </ul>			
04 Policy Planning Division <sup>389</sup>	\$222,000	\$242,100	↑\$20,100
<b>2 Agriculture &amp; Forestry Development</b>			
01 Research and Rural Development <sup>390</sup>	\$2,815,900	\$1,582,200	↓\$1,233,700
<ul style="list-style-type: none"> <li>The increase can be seen in the estimates for Established Staff and the Unestablished Staff.</li> <li>The trigger for the increase for Established Staff is due to; increase in salaries from \$475,300 to \$536,400, Government Contribution to Retirement Fund from \$47,500 to \$53,600.</li> <li>The trigger for the increase for Unestablished Staff is due to; increased wages from \$43,400 to \$52,400.</li> <li>The increase is also triggered by increase in budget allocation for activities under other categories.</li> </ul>			
02 Quarantine & Quality Management Division <sup>391</sup>	\$1,793,300	\$1,989,300	↑\$196,000
<ul style="list-style-type: none"> <li>The main increase can be seen in the estimates for Established Staff, Unestablished Staff, Maintenance and Operations, Purchase of Goods and Services and Assets.</li> <li>The main trigger for the increase for Established Staff is due to; salaries increased from \$553,300 to \$653,100, Overtime increased from \$220,000 to \$320,000, Government Contribution to Retirement Fund increased from 55,300 to \$65,300.</li> </ul>			

<sup>385</sup> Ministry of Finance, Draft Budget Estimate FY 2024/25, page 298.

<sup>386</sup> Ibid, page 298.

<sup>387</sup> Ibid, page 299.

<sup>388</sup> Ibid, page 299.

<sup>389</sup> Ibid, page 300.

<sup>390</sup> Ibid, page 300.

<sup>391</sup> Ibid, page 301.



- The trigger for the increase for Unestablished Staff is due to; increase in wages from \$116,900 to \$133,300.
- The trigger for the increase in Maintenance and Operations is due to; maintenance of vehicles increased from \$11,500 to \$16,600, fuel increased from \$25,000 to \$31,000, waste disposal increased from \$6,000 to \$10,000.
- The trigger for the increase in Purchase of Goods and Services is due to; LGP Supplies increased from \$1000 to \$3,300, Printing increased from \$49,200 to \$61,200, Rental increased from \$27,500 to \$30,000, Licences increased from \$3,300 to \$4,300, Farming Supplies increased from \$1,000 to \$3,500 and additional donor funding of \$500,000 for Community Development Programs.
- The trigger for the increase in Assets is due to; major increase in Renovations by \$40,000 from the previous FY.

03 Forestry Division <sup>392</sup>	\$1,247,500	\$1,315,800	↑\$68,300
04 Food Division <sup>393</sup>	\$486,700	\$504,600	↑\$17,900
05 Livestock Division <sup>394</sup>	\$1,844,100	\$1,604,00	↓ 240,100

- The decrease is seen in the Donor expenditure in kind as compared to the previous FY where support was given towards Domestic Travel with an amount of \$500,000 and Farming supplies with an amount of \$25,000. There is no such support for the FY 2024/25, hence the decrease.
- The decrease is also due to; salaries decreased from \$405,600 to \$397,900, Government Contribution to Retirement Fund decreased from \$40,600 to \$39,700, Domestic Travel decreased from \$26,500 to \$19,500.

06 Extension & Women Development Division <sup>395</sup>	\$1726,700	\$1866,500	↑ \$139,800
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- The increase can be seen in the estimates for Established Staff, Unestablished Staff and Assets.
- The trigger for the increase in Established Staff is due to; increased salaries from \$405,600 to \$939,800, Government Contribution to Retirement Fund) from \$40,600 to \$93,300.
- The trigger for the increase in Unestablished Staff is due to; wages increase from \$95,500 to \$149,800.
- The trigger for the increase in Assets is due to; Farming supplies increase from \$1,000 to \$6,000; Furniture & Fittings increase from \$2,000 to \$4,000.
- The increase is also seen in additional activities in some of the categories and they are as follow;
  - Location allowance (category 10xx)- \$14,000
  - Maintenance of office equipment (category 13xx)- \$300
  - LGP supplies (category 14xx)- \$1,200
  - Water (category 14xx)- \$8,000
  - Printing (category 14xx)- \$7,900
  - Renovation (category 20xx)- \$160,000<sup>396</sup>

<sup>392</sup> Ministry of Finance, Draft Budget Estimate FY 2024/25, page 302.

<sup>393</sup> Ibid, page 303.

<sup>394</sup> Ibid, page 304.

<sup>395</sup> Ministry of Finance, Draft Budget Estimate FY 2024/25, page 305.

<sup>396</sup> Ibid, page 305.

5. TRENDS

**Figure 2: Ministry of Agriculture, Food & Forest (MAFF): Total Expenditure: (2020-21 to 2024-25)**

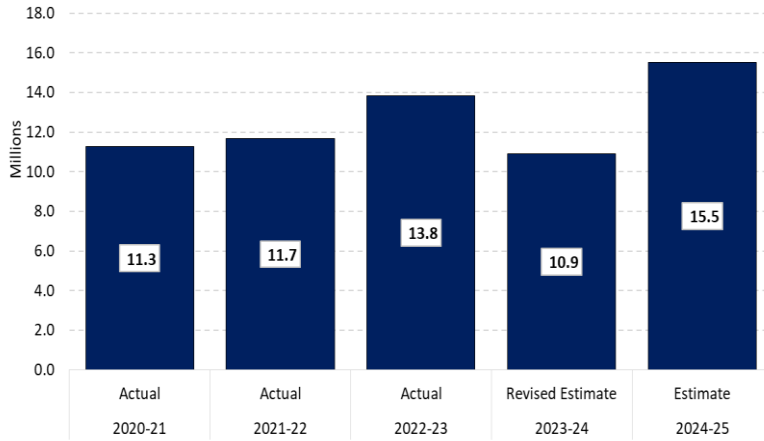


Figure 2 shows the total expenditure budget for MAFF in 2024/25 compared to actual spending in the first four years. The average spending is recorded at an average of \$11.9 million per year with highest spending observed in 2022/23. The proposed budget for 2024/25 is expected to increase by 42.0 percent.

**Figure 3: Ministry of Agriculture, Food & Forest (MAFF): Total Expenditure by Category: (2020-21 to 2024-25)**

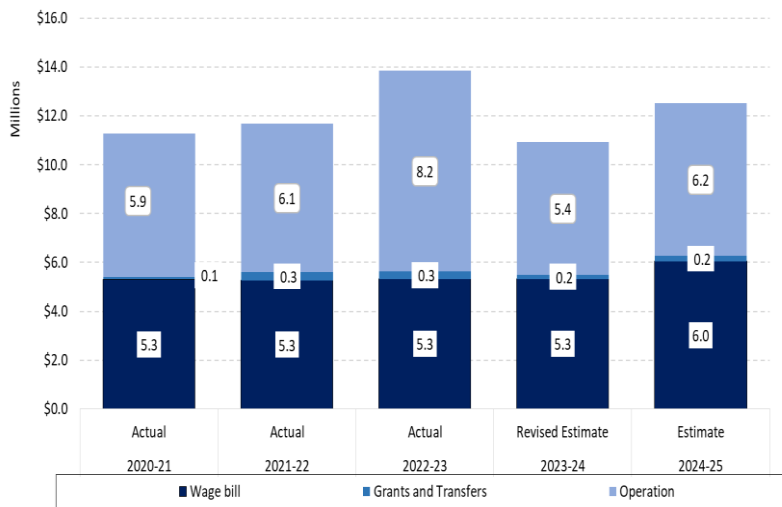
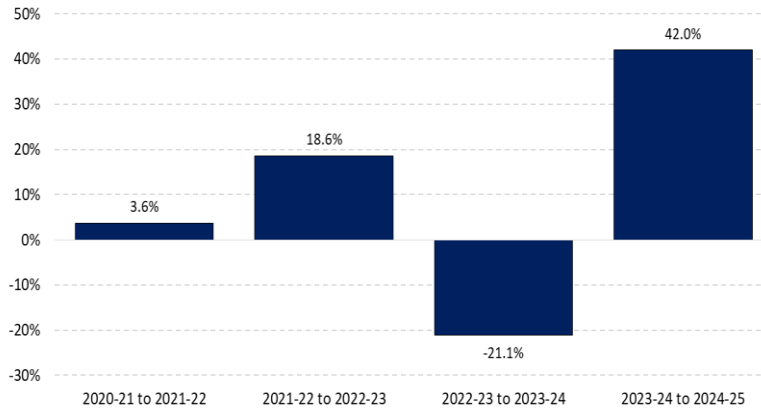


Figure 3 shows a breakdown of MAFF’s expenditure budget (as in Figure 2) into major expenditure category for five financial years (2020/21 – 2024-25). Operation category and Wage Bill category dominates the composition of MAFF’s spending at an average of around \$6.2 million per year for Operation and an average of

around \$5 million per year for Wage Bill. Operation category has the largest share in 2024/25 due to in-kind assistance from development partners and also top up in existing activities for each category 10xx-15xx and 20xx.

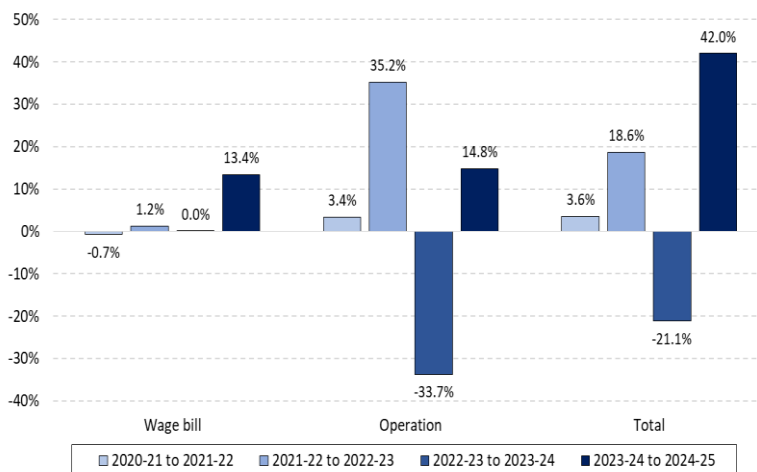
**Figure 4: Ministry of Agriculture, Food & Forest (MAFF): Year to Year % Change in Expenditure (2020-21 to 2024-25)**



**Figure 4** shows the year-on-year percentage change in MAFF's total expenditure budget compared to actual spent in the previous years.

The largest change is observed in 2023/24 – 2024/25 period due to the top up of existing activities such as training and conferences by donor in kind support, additional program such as Economic Growth Fund and increase in the estimates for Established Staff and the Unestablished Staff. The drop in the third period (2022/23 – 2023/24) is due to no Economic Growth Fund.

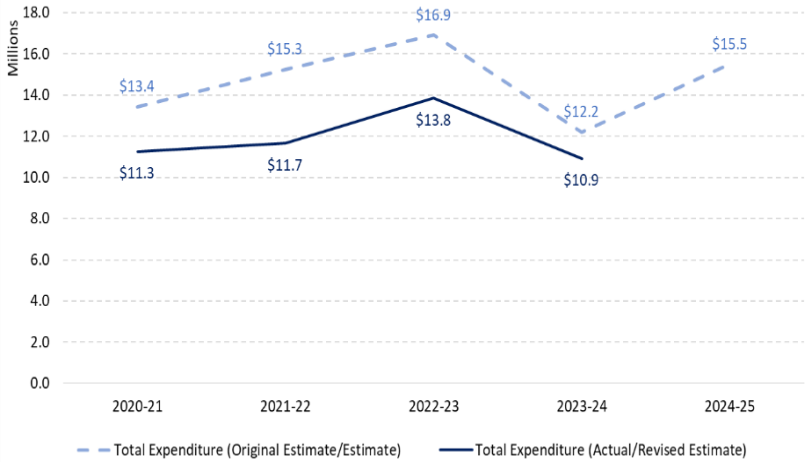
**Figure 5: Ministry of Agriculture, Food & Forest: Year to Year % Change in Expenditure (2020-21 to 2024-25)**



**Figure 5** illustrates the breakdown of **Figure 4** into major expenditure category. As discussed in the previous section, the Private Development Sector Development Support and the major increase in Categories 10xx-15xx and 20xx are the main trigger of MAFF's budget trend. This is shown in the operation category by fluctuating over

the observed period.

**Figure 6: Ministry of Agriculture, Food & Forest - Total Expenditure: Estimates vs Revised Estimates (2020-21 to 2024-25)**



**Figure 6** illustrates the total approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/25. Total approved budget for MAFF has been increased in the first three years before declining to \$10.9 million in the current fiscal year due to no Private Sector Development Support.

Proposed budget for 2024/25 is increased to the level where it was in 2022/23 due to in-kind assistance from development partners for training & conferences, renovations, and support from the private sector.

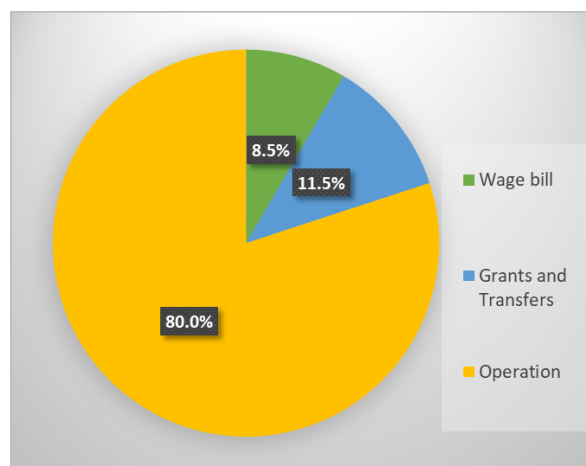
1. VOTE 19 (page 307 of the Draft Budget Estimates 2024/25)

Table 1: Expenditure Budget for Ministry of Infrastructure (MOI) by funding Sources 2024/25<sup>397</sup>

Vote 19	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	19,578,100	14,751,000
	Confirmed Budget Support	423,400	397,000
	Revolving Fund		22,870,000
	<b>Development</b>		
	Donor Cash	28,820,800	18,427,800
	Donor In-kind	94,706,900	73,878,000
	<b>TOTAL</b>	<b>143,529,200</b>	<b>130,323,800</b>

- The total budget for OLA for 2024/25 is \$130.3 million or equivalent to 14.5 percent of the total government’s budget of \$899.2 million.
- The total budget for MOI decreased by 9.2 percent (or \$13.2 million) from \$143.5 million in the 2023/24 approved estimate. This is triggered by the \$22.9 million revolving fund to finance road maintenance related activities.
- **Figure 1** illustrates that 80.0 percent of MOI’s total budget is operation (categories 12xx – 14xx, and 20xx), 11.5 percent is grants and transfers (Category 15xx) and 8.5 percent is wage bill related expenses (Category 10xx and 11xx).
- **Staffing**<sup>398</sup>: there are 467 positions in total, of which 250 positions are unestablished.

Figure 1: MOI’s Total Budget for 2024/25 by Major Expenditure Category



<sup>397</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 309.

<sup>398</sup> Office of the Legislative Assembly, *Draft Corporate Plan & Budget, 2024/25 – 2026/27*, page 18.

## 1. MOI OUTPUTS

*Table 2* shows the relevant linkages of MOI’s service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG <sup>399</sup>	TSDF II National Outcome <sup>400</sup>	TSDF II Organizational Outcome <sup>401</sup>	Government Priority Agenda <sup>402</sup>	Organization Output <sup>403</sup>	Delivering Division/Program <sup>404</sup>
<b>Goal 9,11,13 and 14</b>	<b>A:</b> A more inclusive, sustainable, and dynamic and knowledge-based economy.	<b>1.2</b> Closer public/private partnership for economic growth	<b>GPA 9</b>	<b>Output 1:</b> Improved transport and building infrastructure control and services to the public and key stakeholders through a more accountable system of operation.	Office of the Minister/Leadership and Management
				<b>Output 2:</b> The Ministry’s internal outputs are better coordinated and achieved according to set timelines in this plan.	Office of the CEO, Policy and Planning Division and Corporate Service Division
	<b>E:</b> A more inclusive, sustainable, and affordable, safe and reliable provision and maintenance of infrastructure and technology.	<b>4.2</b> More reliable, safe and affordable transport services	<b>GPA 1</b>	<b>Output 3:</b> Achieving a safer, secure, and more affordable domestic and international air transportation supporting growth of economic activity in the aviation sector.	Civil Aviation Division/Transport Regulatory Operations
				<b>Output 4:</b> Achieving a safer, secure, and more affordable domestic and international sea	Marine and Ports Division/Transport Regulatory Operations

<sup>399</sup> Ministry of Infrastructure, *Draft Corporate Plan, 2024/25 – 2026/27*, page 12

<sup>400</sup> Ministry of Infrastructure, *Draft Corporate Plan, 2024/25 – 2026/27*, page 9.

<sup>401</sup> Ibid.

<sup>402</sup> Ibid.

<sup>403</sup> Ibid.

<sup>404</sup> Ibid.

			transportation supporting greater economic activities in the maritime sector.	
			<b>Output 5:</b> Reduced rate of road fatalities caused by deficiencies on road infrastructure, vehicle safety standards and all road users.	Land Transport Division/Transport Regulatory Operations
	4.4 More reliable, safe and affordable buildings and other	<b>GPA 8</b>	<b>Output 6:</b> Achieving safer building infrastructure through updated regulations, policies, inspections, and enforcement system.	Building Control Division/Transport Regulatory Operations
			<b>Output 7:</b> Achieving better coordinated programs considering timely, adaptive and reliable building services.	Building Services Division/Infrastructure Services
			<b>Output 8:</b> Better implemented and organized engineering works and services covering major infrastructure and buildings, provided through a sustainable and environmentally sound engineering works.	Civil Engineering/Infrastructure Services
			<b>Output 9:</b> All road assets are maintained and upgraded in a timely manner.	Road Maintenance Division/Infrastructure Services

## 2. NEW INITIATIVES

- There are no new initiatives that MOI is planning to deliver in 2024/25 listed in the Corporate Plan.

## 3. BUDGET PROGRAM CHANGES

The mandate of MOI will be delivered using resources allocated into three (3) programs and eleven (11) sub-programs as follows in **Table 3**.

**Table 3: MOI's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership and Management</b>			
01 Office of the Minister <sup>405</sup>	\$1,039,800	\$917,600	↓ \$122,200
<i>The reduction is driven by a decrease in contract labour (recurrent funded) by \$0.1 million</i>			
02 Office of the CEO <sup>406</sup>	\$512,800	\$849,400	↑ \$336,600
<i>The increase appears to be due to an increase in category 10xx by \$0.4 million because of 5.0 percent COLA that is expected in July 2024 and a transfer of some functions from the Policy and Planning Division<sup>407</sup>.</i>			
03 Policy and Planning Division <sup>408</sup>	\$863,000	\$382,500	↓ \$480,500
<i>The decline is due to a decrease in category 10xx by \$0.3 million mainly on salaries related items. This could be due to a transfer of some functions to the Office of the COE.<sup>409</sup></i>			
04 Corporate Services <sup>410</sup>	\$2,166,400	\$8,015,800	↑ \$5,849,400
<i>The increase is due to \$4.0 million donor cash budget for road maintenance and in-kind assistance for upgrading of ports \$2.0 million.</i>			
<b>2. Transport Infrastructure and Services Operation</b>			
01 Civil Aviation Division <sup>411</sup>	\$4,328,400	\$1,719,800	↓ \$2,608,600
<i>The decrease may be due to the completion of the resurfacing of the Ha'apai Airport Runway funded by the World Bank and completed in August 2023.<sup>412</sup></i>			
02 Marine and Ports Division <sup>413</sup>	\$51,721,000	\$44,271,100	↓ \$7,449,900
<i>The reduction is triggered by a decrease in in-kind assistance of \$3.5 million and \$1.6 million donor cash for upgrading of ports</i>			
03 Land Transport Division <sup>414</sup>	\$28,148,900	\$2,946,500	↓ \$25,202,400
<i>The decrease is driven by a reduction in-kind assistance for maintenance of roads \$23.2 million.</i>			
<b>3. Building Control &amp; Services and Civil Engineering</b>			
01 Building Control Division <sup>415</sup>	\$14,821,000	\$24,717,000	↑ \$9,896,000
<i>The increase is due to an increase in in-kind assistance for other special projects worth \$15.0 million and \$3.4 million for new building.</i>			

<sup>405</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 310.

<sup>406</sup> *Ibid.*, page 311.

<sup>407</sup> Ministry of Infrastructure, *Draft Corporate Plan, 2024/25 – 2026/27*, page 31.

<sup>408</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 312.

<sup>409</sup> Ministry of Infrastructure, *Draft Corporate Plan, 2024/25 – 2026/27*, page 31.

<sup>410</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 313.

<sup>411</sup> *Ibid.*, page 314.

<sup>412</sup> Ministry of Finance, *Draft Budget Statement FY 2024/25*, page 44.

<sup>413</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 315.

<sup>414</sup> *Ibid.*, page 316.

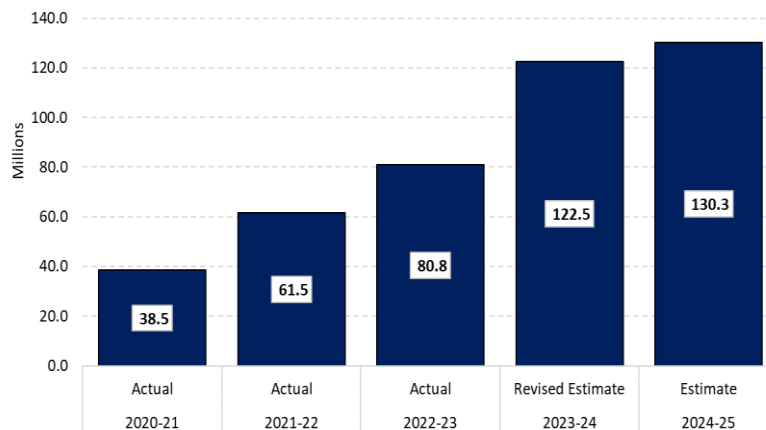
<sup>415</sup> *Ibid.*, page 317.



02 Building Services Division <sup>416</sup>	\$1,561,400	\$1,540,200	↓ \$21,200
03 Civil Engineering Services <sup>417</sup>	\$863,200	\$751,600	↓ \$111,600
04 Road Maintenance <sup>418</sup>	\$37,503,300	\$44,212,300	↑ \$6,709,000
<i>The increase is triggered by an increase in budget allocation for road maintenance of about \$8.6 million</i>			

#### 4. TRENDS

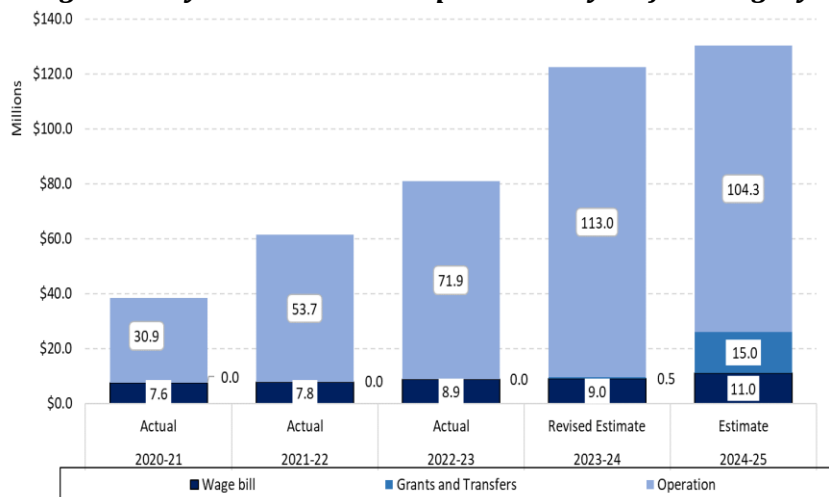
**Figure 2: MOI's Total Expenditure 5-Year Trend**



**Figure 2** shows the total expenditure budget for MOI in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period. It is noted that the actual spending for the Ministry is increasing in the first three years at an average of \$60.3 million and

expected to increase further by 51.6 percent (or \$41.7 million) at the end of the current financial year. In 2024/25, MOI's total budget is expected to increase by 6.4 percent (or \$7.8 million) compared to the revised estimate in 2023/24. This is driven by additional budget for road maintenance related activities and implementing of development projects such as other special projects, construction of new buildings and upgrading of ports.

**Figure 3: 5-year MOI's Total Expenditure by Major Category**



**Figure 3** shows a breakdown of MOI's expenditure (as in **Figure 2**) into major categories for five financial years (2020/21 – 2024-25). The operation category accounts for the largest share in MOI's annual spending mainly because it includes relevant infrastructural activities such as maintenance of

roads, new building, upgrading of ports, airports etc. Grants and transfers category appeared to be firstly introduced in 2024/25 due to in-kind assistance to other special projects. The wage bill

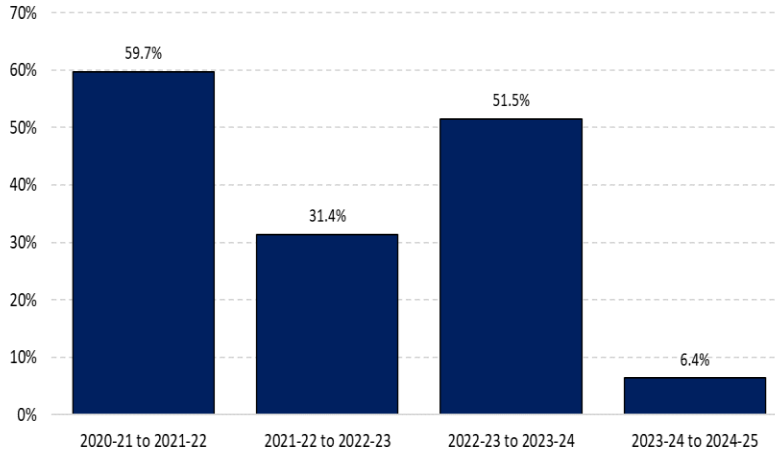
<sup>416</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 318.

<sup>417</sup> *Ibid.*, page 319.

<sup>418</sup> *Ibid.*, page 320.

category remains stable throughout the observed period and expected to increase in 2024/25 due to the implementation of 5.0 percent COLA in July 2024.

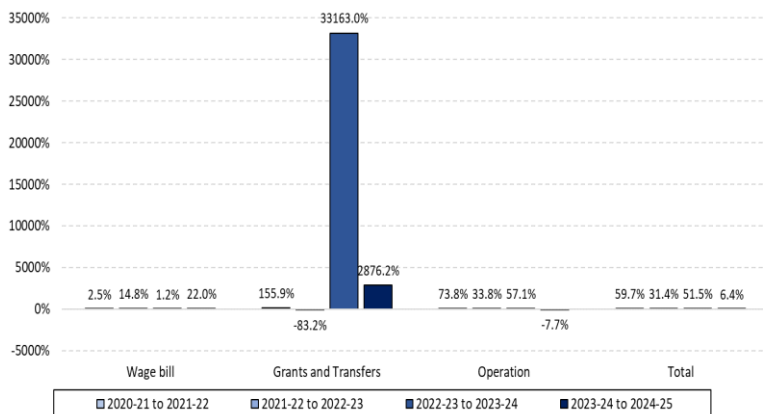
**Figure 4: Year to Year Percentage Change in MOI's Total Expenditure**



**Figure 4** shows the year-on-year percentage change in MOI's total expenditure budget compared to actual spent in the previous years.

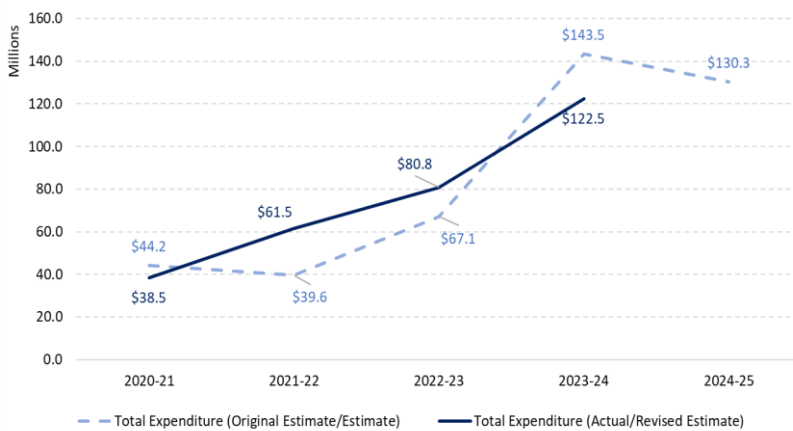
It is evident that the period 2020/21 – 2021/22 is the largest change over the observed period.

**Figure 5: Year to Year Percentage Change in MOI's Total Expenditure by Major Category**



**Figure 5** illustrates the breakdown of **Figure 4** into major expenditure category. It is noted that Grants and Transfers contribute most to the annual change in the last two years of the observed period.

**Figure 6: MOI's Total Budget Estimates vs Actuals**



**Figure 6** illustrates MOI's total approved expenditure budget in comparison to actual spending for the four-year period and the proposed budget for 2024/25. In 2021/22 and 2022/23, MOI's total spending was more than the original budget estimate. This could be due to additional funds received during the year

due to development projects being implemented by the Ministry.

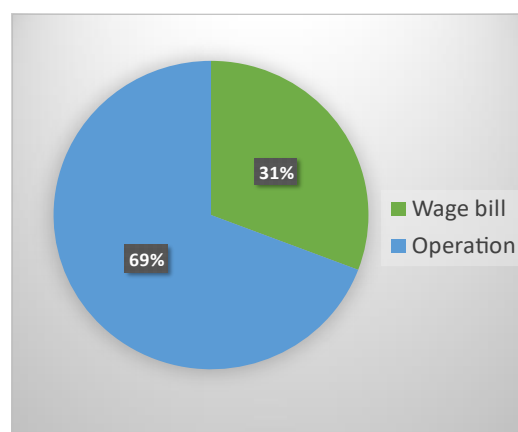
1. VOTE 20 (page 321 of the Draft Budget Estimates 2024/25)

Table 1: Expenditure Budget for the Ministry of Lands and Natural Resources (MLNR) by funding Sources 2024/25<sup>419</sup>.

Vote 20	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	6,512,100	6,744,900
	<b>Development</b>		
	Donor Cash	459,700	252,400
	Donor In-kind	14,225,400	5,632,900
	<b>TOTAL</b>	<b>21,197,200</b>	<b>12,630,200</b>

- The total budget for MLNR for 2024/25 is \$12.6 million or equivalent to 1.4% of the total government’s budget of \$899.2 million.
- The total budget for MLNR decreased by 40% (or \$8.6 million) from \$21.2 million in 2023/24 approved estimate. This is triggered by a \$8.6 million decrease in development in-kind assistance and off-set by a \$0.5 million decrease in development cash assistance.
- The decrease in development in-kind assistance is primarily due the completion of projects.
- **Figure 1** illustrates that half of MLNR’s total budget is operation (categories 12xx – 14xx, 16xx and 20xx), 23% is wage bill expenses related to compensation of employees (categories 10xx, 11xx and 19xx) and 27% is for grants and transfers payment (category 15xx).
- **Staffing**<sup>420</sup>: there are 182 positions in total, of which 163 positions are established and 19 positions are unestablished.

Figure 1: MLNR’s Total Budget for 2024/25 Major Expenditure Category



<sup>419</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 77.

<sup>420</sup> Ministry of Lands and Natural Resources, *Draft Corporate Plan & Budget FY 2024/25*, page 35.

## 2. MLNR OUTPUTS

**Table 2** shows the relevant linkages of MLNR’s service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG Goal <sup>421</sup>	TSDF II National Outcome <sup>422</sup>	TSDF II Organization Outcome <sup>423</sup>	Government Priority Agendas <sup>424</sup>	Organization Output <sup>425</sup>	Delivering Division/Program <sup>426</sup>
	<p><b>A:</b> More inclusive, sustainable and dynamic knowledge-based economy</p> <p><b>D:</b> More inclusive, sustainable and responsive good governance with strengthened rule of law</p>	<p><b>1.4:</b> Improved public enterprise performance to generate appropriate returns on government investment while supporting inclusive, sustainable development and the growth of businesses and communities.</p>	<p><b>GPA 1</b> <b>GPA 2</b> <b>GPA 6</b> <b>GPA 8</b></p>	<p><b>1:</b> Better leadership for the Ministry, including at national, regional and international level.</p> <p><b>2:</b> Better oversight, direction and governance of the minister’s portfolio and correspondence with LA, PM, Cabinet ministers and stakeholders</p>	Office of the Minister
	<p><b>E:</b> Successful provision and maintenance of infrastructure and technology</p> <p><b>F:</b> Effective administration and environment management with</p>	<p><b>3.1:</b> A more efficient, effective, affordable, honest, and transparent &amp; apolitical Public Service focused on clear priorities</p> <p><b>5.1:</b> Improved land use planning, administration, and management for private and public spaces</p> <p><b>5.2:</b> More sustainable management of renewable and non-renewable natural resources for long-term flow of benefits</p>		<p><b>3.</b> Enhanced Leadership, Effective Policy Guidance, and Strategic Management of Ministry Functions</p> <p><b>4.</b> Enhanced Engagement with National, Regional, and International Donors</p> <p><b>5.</b> Enhanced Media and Public Relations Image of the Ministry</p>	Office of the CEO

<sup>421</sup> Ministry of Lands and Natural Resources, *Draft Corporate Plan & Budget, 2024/25*, page 10.

<sup>422</sup> *Ibid.*, page 11-14.

<sup>423</sup> *Ibid.*

<sup>424</sup> *Ibid.*, page 15.

<sup>425</sup> *Ibid.*, page 18-28.

<sup>426</sup> *Ibid.*

	resilience to climate change			
			<p><b>6.</b> Strengthened Internal Planning and Enhanced Financial Management Systems</p> <p><b>7.</b> Enhanced Administrative and Human Resources Support for Ministry Employees</p> <p><b>8.</b> Enhanced Information and Communication Technology Systems for Improved Service delivery</p> <p><b>9.</b> Enhanced Logistics and Support Systems for Uninterrupted and Safe Ministry Operations</p> <p><b>10.</b> Enhanced Planning, Monitoring, and Evaluation for Effective Ministry Management</p> <p><b>11.</b> Strengthened Control Management for Operational Effectiveness and Compliance</p> <p><b>12.</b> Enhanced Workforce Development, Social Well-being, and Performance Management</p>	Corporate Service Division
<b>SDG 15</b>	<p><b>D:</b> More inclusive, sustainable and responsive good governance with strengthen rule of law</p> <p><b>E:</b> Successful provision and</p>	<b>5.1:</b> Improved land use planning, administration & management for private & public spaces	<p><b>13.</b> Enhanced Maintenance and Accuracy of the Land Registry for the Kingdom of Tonga</p> <p><b>14.</b> Streamlined Land Administrative System for Efficient Processing and Good Governance</p> <p><b>15.</b> Enhanced Management of Land and Property in the Kingdom of Tonga</p>	Land Administrative Division

	maintenance of infrastructure and technology				
<b>SDG 13</b> <b>SDG 15</b>	<b>E:</b> Successful provision and maintenance of infrastructure and technology	<b>5.1:</b> Improved land use, planning and management for private and public spaces		<p><b>16.</b> Improved working relations and coordination with Privy Council, Executive, Legislative &amp; Judicial on all land related matters</p> <p><b>17.</b> Enhanced Coordination and Accuracy in Land Boundaries and Allotments</p> <p><b>18.</b> Enhancement and Capacity Building of Surveying Services Staff</p> <p><b>19.</b> Modernized National Positioning Infrastructure both horizontal and vertical accessible to the public through trusted sources and accurate knowledge of land and spatial information</p> <p><b>20.</b> Enhanced Efficiency in Subdividing, Scheming and Designing Lands for Planning</p> <p><b>21.</b> Enhanced Accuracy and Quality in Construction and Infrastructure Developments</p>	Surveying Services Division
<b>SDG 6</b> <b>SDG 11</b> <b>SDG 13</b> <b>SDG 13</b> <b>SDG 14</b> <b>SDG 15</b>	<b>F.</b> Effective administration and environment management with resilience to climate change	<p><b>4.6:</b> More reliable, safe, affordable water supply and control, and sanitation services.</p> <p><b>5.2:</b> More sustainable management or renewable, and non-renewable natural resources for long-term flow of benefits</p> <p><b>5.4:</b> Improved resilience to extreme events and climate change</p>		<p><b>22.</b> Enhanced Management and Sustainability of Water Resources</p> <p><b>23.</b> Enhanced Management of Coastal Areas for Sustainable Resource Use and Climate Resilience</p> <p><b>24.</b> Effective Management of Marine Resources and Economic Development in Tonga's Maritime Zones</p> <p><b>25.</b> Enhanced Geological Hazard Assessment and Awareness for Tonga</p>	Natural Resources Division

<p><b>SDG 11</b>  <b>SDG 13</b>  <b>SDG 14</b>  <b>SDG 15</b>  <b>SDG 17</b></p>	<p><b>E.</b> Successful provision and maintenance of infrastructure and technology</p> <p><b>F.</b> Effective administration and environment management with resilience to climate change</p>	<p><b>4.4:</b> More reliable, safe and affordable buildings and other structures</p> <p><b>5.1:</b> Improved land use, planning and management for private and public spaces.</p> <p><b>5.4:</b> Improved resilience to extreme natural events and impact of climate change.</p>	<p><b>26.</b> Enhanced Management and Provision of Cadastral Information and Mapping Services</p> <p><b>27.</b> Enhanced Geospatial Information for Sustainable Decision Making on Land and Marine Resources</p> <p><b>28.</b> Update the Infrastructure Geodatabase</p> <p><b>29.</b> Information for Planners and Policy Makers</p> <p><b>30.</b> Digital Transformation of data for effective and efficient services</p> <p><b>31.</b> Knowledgeable GIS Users</p> <p><b>32.</b> Collaborative Relationship with external stakeholders</p>	<p>Land and Geographical Information Services</p>
<p><b>SDG 11</b>  <b>SDG 6</b>  <b>SDG 15</b>  <b>SDG 13</b></p>	<p><b>B.</b> Balanced urban and rural development across island groups</p> <p><b>E.</b> Successful provision and maintenance of infrastructure</p>	<p><b>4.4:</b> More reliable, safe and affordable buildings and other structures</p> <p><b>5.1:</b> Improved land use, planning, and management for private and public spaces</p>	<p><b>33.</b> Establishment of Standards and Strategies for Excellence in Urban Planning</p> <p><b>34.</b> Enhanced Assessment and Approval of Development Applications</p> <p><b>35.</b> Enhanced Provision of GIS Information, ICT, Technical Assistance for Development Plans and Strategies</p> <p><b>36.</b> More effective dispute resolution between parties and upholding NSPM Act 2012</p> <p><b>37.</b> Enhanced Public Relations and Policy Administration withing the Division</p>	<p>National Spatial Planning Authority Office</p>

### 3. NEW INITIATIVES

- These are new initiatives that the Ministry has planned<sup>427</sup>:

<p><b>1. National Action Plan for Integrated Geospatial Management.</b></p>	}	<ul style="list-style-type: none"> <li>• Administer the National Integrated Geospatial Management Plan Activities</li> <li>• Train staff on geospatial data integration</li> <li>• Sort and integrate the governments geospatial data</li> <li>• Upgrade GIS office equipment and hardware to support plan</li> <li>• Procure data collection equipment and fieldwork staff gears</li> </ul>
<p><b>2. Establish the Global Navigational Satellite System (GNSS) Network</b></p>	}	<ul style="list-style-type: none"> <li>• Construct, install, and maintenance of GNSS Network stations in the outer islands ié. ‘Eua, Ha’apai, Niuaus.</li> <li>• Collect and provide accurate data on land motion results in support of the current seismic networks</li> <li>• Recruit a registered surveyor with extensive experience in the field of surveying to oversee this GNSS Network project</li> </ul>
<p><b>3. Toe Talatalanoa Program Overseas Travel</b></p>	}	<ul style="list-style-type: none"> <li>• Launching the Toe Talatalanoa Program in the US (Hawaii) for the Tongan communities</li> <li>• Provide consultations with Tongan living in the US and Hawaii on land concerns and how the ministry can effectively and efficiently complete their land applications promptly.</li> </ul>
<p><b>4. Procuring New Vehicles for SSD &amp; LAD.</b></p>	}	<ul style="list-style-type: none"> <li>• Procure new vehicles to replace the current decaying and very old surveying services division vehicle.</li> <li>• Procure additional vehicles for the land administration division lease and land inspection minimizing delays in land registration and application processes.</li> </ul>
<p><b>5. Strengthen CSD by creating positions for Chief Officers.</b></p>	}	<ul style="list-style-type: none"> <li>• Creating new Chief Officers positions for CSD to ensure propose oversight and management of CSD sections effectively.</li> <li>• Addressing the staffing gaps within the corporate services division</li> <li>• Strengthen the management level of the ministry through minimizing staffing gaps within divisions especially in CSD</li> <li>• Prepare Chief Positions JD and consultations with remunerations on salary bands for these positions</li> <li>• Conduct recruitment processes to enable creating new positions</li> </ul>
<p><b>6. Strengthen and create 6 new positions for the Water Resources Section</b></p>	}	<ul style="list-style-type: none"> <li>• Administer and implement the Water Resources Management Act</li> <li>• Incorporate climate and disaster resilience considerations and the development of the water resources development plan</li> <li>• Preparation of water plan for all villages in Tonga in collaboration with other stakeholders</li> <li>• Lead public consultations with villages and technical experts* on water supply</li> <li>• Lead the analysis of water supply and propose sanitation options and hazard assessment in both urban and rural water sector</li> <li>• Conduct water investigations and identify all risks associated with water supply especially rural and outer islands</li> </ul>
<p><b>7. NSPAO National Housing Strategy</b></p>	}	<ul style="list-style-type: none"> <li>• Develop the Housing Strategy</li> </ul>

<sup>427</sup> Office of the Legislative Assembly, *Draft Corporate Plan & Budget, 2024/25-2025/26*, page 30-33.



#### 4. BUDGET PROGRAM CHANGES

The mandate of MLNR will be delivered using resources allocated into three (6) programs and eight (8) sub-programs as follows in *Table 3*.

**Table 3: MLNR's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Advice</b>			
01 Office of the Minister	\$237,500	\$257,900	↑\$20,400
02 Office of the CEO	\$262,600	\$252,900	↓\$9,700
03. Corporate Service	\$2,270,700	\$2,210,500	↓\$60,200
<b>2. Land Management</b>			
01. Land Management Division	\$627,600	\$995,200	↑\$367,600
<i>The increase is mainly due to an increase in the allocated budget for the Established Staff, the Purchase of Goods and Services and the development in in-kind assistance of \$300,000<sup>428</sup> for Consultants &amp; Technical Assistants Professional Fees.</i>			
<b>3. Surveying</b>			
01 Surveying	\$969,000	\$1,166,600	↑\$197,600
<i>The increase is due to the increase in the budget allocated staff salary and an additional \$10,000 to freight and \$20,000 to Maintenance of Specialised Equipment compared to the previous year.<sup>429</sup></i>			
<b>4. Natural Resource Management</b>			
01 Natural Resources Division	\$12,440,000	\$5,928,200	↓\$6,511,800
<i>The reduction is mainly due to the decrease of the budget allocated for the Travel and Communication, the Maintenance and Operations, the Purchase of Goods and Services, and the Assets<sup>430</sup>. The new building and new vehicles allocations have decreased.</i>			
<b>5. Cartography and GIS Services</b>			
01 Cartography & GIS Division	\$689,700	\$739,400	↑\$49,700
<b>6. Planning and Urban Management Agency</b>			
01 National Spatial Urban Planning <sup>431</sup>	\$3,700,100	\$1,079,500	↓\$2,620,600
<i>The significant decrease is due to the use of donor-in-kind assistance for Technical Equipment thus reducing the allocation for Technical Equipment.</i>			

<sup>428</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 327.

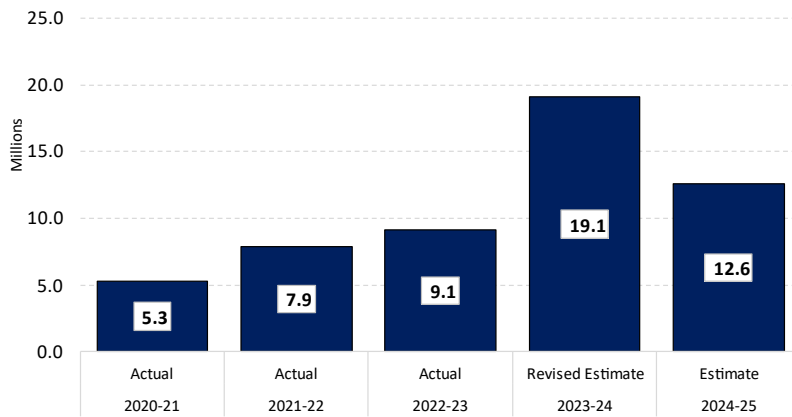
<sup>429</sup> *Ibid.*, page 328.

<sup>430</sup> *Ibid.*, page 329.

<sup>431</sup> *Ibid.*, page 331.

## 5. TRENDS

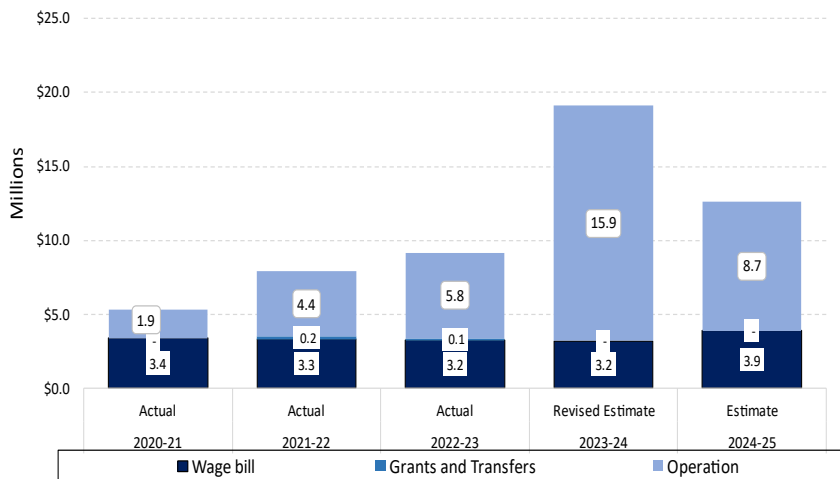
**Figure 2: MLNR's Total Expenditure Budget vs. Actual, 5-Year Trend**



**Figure 2** shows the total expenditure budget for MLNR in 2024/25 compared to actual spending in the first four years. The average spending is recorded at an average of \$10.3 million per year with highest spending observed in 2023/24. The proposed budget for

2024/25 is expected to decrease by 33.9 percent due to the reduction in the development in-kind assistance.

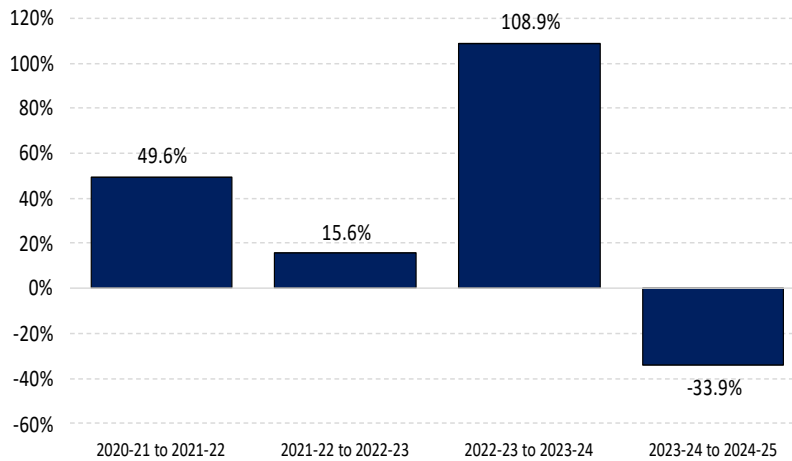
**Figure 3: 5-year Total Expenditure Budget by Major Category**



**Figure 3** shows a breakdown of MLNR's expenditure budget (*as in Figure 2*) into major expenditure category for five financial years (2020/21 - 2024-25). Operation dominates the composition of MLNR's spending at an average of \$7.0 million per year. Operation category has the largest share in

2023/24 due to the increase of the operational budget.

**Figure 4: Year to Year Percentage Change in MLNR's Original Total Expenditure Budget**

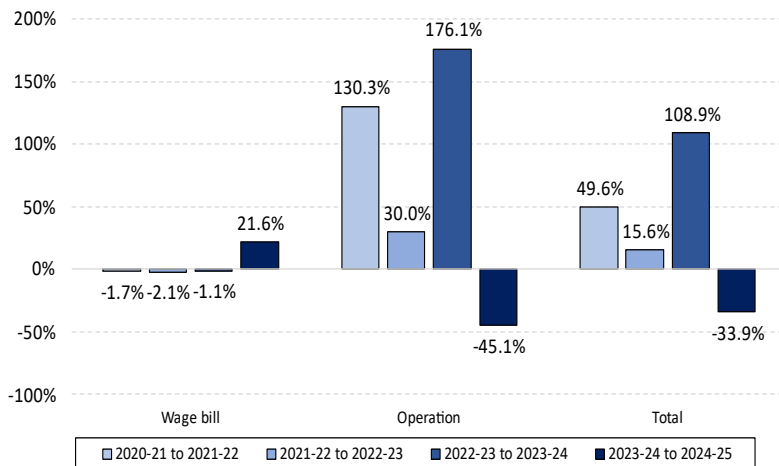


**Figure 4** shows the year-on-year percentage change in MLNR's total expenditure budget compared to actual spent in the previous years.

The largest change is observed in 2022/23 – 2023/24 period due to the increase of the operational budget. The drop in the fourth period (2023/24 – 2024/25) is driven by the

decrease in the development in-kind assistance.

**Figure 5: Year to Year Percentage Change in MLNR's Total Original Expenditure Budget by Major Category**

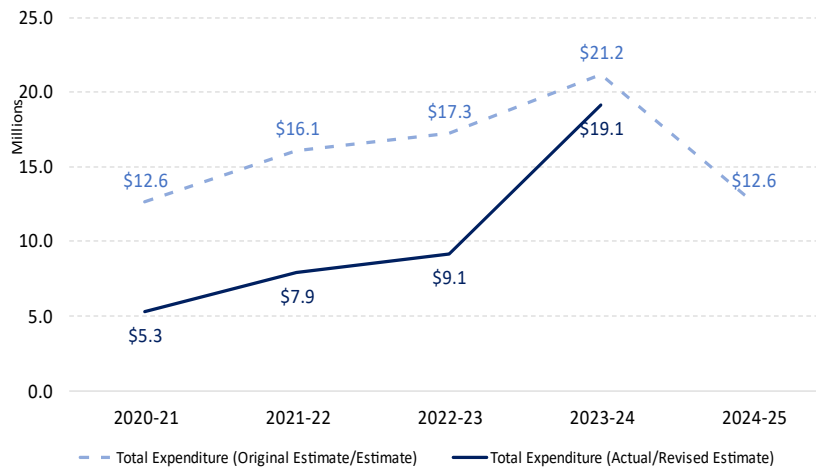


**Figure 5** is a breakdown of **Figure 4** into major expenditure category. As discussed in the previous section, the main trigger of MFA's budget trend is the operation category fluctuation as shown in the graph.

The increase in operations in the third period is due to development assistance. Following this period and

the completion of donor in-kind assistance, the percentage change affects the growing trend of **Figure 5**.

**Figure 6: MLNR's Total Budget Estimates vs Actuals**



**Figure 6** illustrates the total approved expenditure budget in comparison to actual spending for the four-year period and the proposed budget for 2024/25. Total approved budget for MLNR has been increasing slowly in the first four years before declining to \$12.6 million in the proposed budget for 2024/25 due to the

reduction in the development in-kind assistance.

In terms of actual spending, MLNR has not fully spent its budget in the first three years. At the end of the current financial year, it is expected that MLNR will have fully utilized its budget.

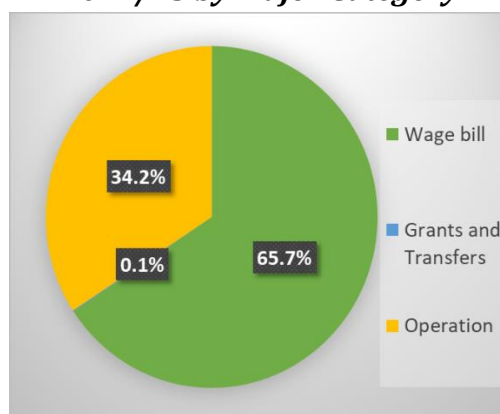
1. VOTE 21 (page 333 of the Draft Budget Estimates 2024/25)

Table 1: Expenditure Budget for Office of the Public Service Commission (PSC) by Funding Sources 2024/25<sup>432</sup>

Vote 21	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	2,106,600	2,124,700
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	100,000	100,000
	<b>TOTAL</b>	<b>2,206,600</b>	<b>2,224,700</b>

- The total budget for the PSC’s for 2024/25 is \$2.2 million, contributing to 0.2 percent of the government’s total budget of \$899.2 million. Of the total budget, 95.5 percent is recurrent funded, and 4.5 percent is in-kind assistance from development partners.
- The proposed budget for the PSC for 2024/25 has increased slightly by 0.8 percent (or \$18,100) from 2023/24 approved estimate.<sup>433</sup>
- **Figure 1** illustrates that 65.7 percent (or \$1.5 million) of the total proposed budget for 2024/25 is wage bill related expenses, 34.2 percent (or \$0.8 million) is related to operation of the Office (Categories 12xx, 13xx, 14xx, 20xx) and 0.1 percent is grants and transfers (Category 15xx).
- **Staffing**<sup>434</sup>: there are 56 positions in total, of which 3 positions are unestablished.

Figure 1: PSC’s Total Budget for 2024/25 by Major Category



<sup>432</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 336.

<sup>433</sup> Ministry of Finance, *Draft Budget Estimate FY 2023/24*, page 336.

<sup>434</sup> Office of the Public Service Commission, *Draft Corporate Plan & Budget, 2024/25-2025/27*, page 23.

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## 2. PSC'S OUTPUTS

**Table 2** shows the relevant linkages of PSC's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG	TSDF II National Outcome	TSDF II Organizational Outcome	Government Priority Agenda	Organization Output <sup>435</sup>	Delivering Division/Program <sup>436</sup>
<b>Goal 4</b> <b>Goal 5</b> <b>Goal 16</b>	<b>D:</b> A more inclusive, sustainable, and responsive good governance with law and order <sup>437</sup>	<b>3.1:</b> A more efficient, effective, affordable, honest, transparent & apolitical Public Service focused on clear priorities <sup>438</sup> .	<b>GPA 4</b> <b>GPA 6</b> <b>GPA9</b>	<b>Output 1:</b> Efficient, ethical, responsive, high-quality services to the Commissioners, PM, Cabinet and to whole of Government.	Leadership
				<b>Output 2:</b> Effective administration, advice & advocacy of the Commission's legal instruments, disciplinary and investigative functions and processes.	Legal, Policy & Investigation
				<b>Output 3:</b> Consistent and robust evaluation and analysis of departmental and Ministry functions and their delivery capacity.	Oversight
				<b>Output 4:</b> A competent and effective workforce is established through targeted professional development and training, using robust market and workforce data analytics.	Workforce Development
				<b>Output 5:</b> Performance based systems established for developing, managing and improving of Public Service Performance.	Performance Development

<sup>435</sup> Office of the Public Service Commission, *Draft Corporate Plan & Budget, 2024/25-2025/27*, page 7.

<sup>436</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 334-335.

<sup>437</sup> Ibid., page 13.

<sup>438</sup> Ibid, page 17.

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				<p><b>Output 6:</b> Efficient and effective stewardship for line ministries senior executives (i.e. Chief Executive Officers).</p>	Senior Executive Services
				<p><b>Output 7:</b> An effective HR management system is implemented, supported and monitored.</p>	Human Resource Management
				<p><b>Output 8:</b> A fair, equitable and affordable remuneration and incentive framework to attract, retain, and motivate public servants is established.</p>	Remuneration
				<p><b>Output 9:</b> To support the PSC Office by providing efficient, responsive and high quality support services to enable achievement of its respective outputs.</p>	Corporate Services

### 3. NEW INITIATIVES

- There are major changes in PSC's budget for 2024/25.<sup>439</sup>

<b>1. Legal advice and legal representation fees</b>	}	<ul style="list-style-type: none"> <li>Considering the escalating number of disciplinary cases and court cases, the Commission have to seek other legal advice and most likely representation other than the AGO. A legal opinion costs between \$5k and \$10k depending on the case.</li> </ul>
<b>2. New shed for new generator</b>	}	<ul style="list-style-type: none"> <li>The Commission and MFA have requested to the Embassy of the People's Republic of China to fund a new generator as a backup for the Commission and more importantly to protect investments such as server and all electrical appliances. There is an old generator shed, but it's very old and needs a lot of repairs.</li> </ul>
<b>3. New vehicle</b>	}	<ul style="list-style-type: none"> <li>The current vehicle that is used for daily delivery needs to be replaced as the services and maintenance cost is slowly increasing as it is approaching its 10th year in service (purchased in 2016) and its book value.</li> </ul>
<b>4. New HR software</b>	}	<ul style="list-style-type: none"> <li>There has been a long term aim to have centralized Human Resource Management System which will not only expedite the processes, but it will address the overpayment issues. The PSC Office has investigated the ConnX HR module that can connect to the payroll system which could be a solution from the long-awaited system. The ConnX initial cost in \$300,00 with annual license fee of \$20,000.</li> </ul>
<b>5. Recruitment</b>	}	<ul style="list-style-type: none"> <li>Proposed four new posts for the office – x1 Senior Legal Officer (Band I), x2 Principal Assistant Secretary (Band I) and x1 Accounting Clerk (Band N)</li> </ul>
<b>6. Salary Increase and Retirement Contributions</b>	}	<ul style="list-style-type: none"> <li>Adjust staff salary to meet the standard basic salary and Government retirement contributions.</li> </ul>
<b>7. Commissioner's Meeting Fees</b>	}	<ul style="list-style-type: none"> <li>The Commissioners have increased from one meeting a week to two meetings a week for HR cases, Policy, special Commission meeting and signing of CEO contract.</li> </ul>

### 4. BUDGET PROGRAM CHANGES

The mandate of the PSC will be delivered using resources allocated into one (1) program and nine (9) sub-programs as follows in **Table 3**.

**Table 3: PSC's Expenditure Budget for 2024/25 by Program and Sub-program<sup>440</sup>**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Public Service Management</b>			
01 Leadership	\$660,900	\$537,600	↓ \$123,300
<i>The decrease is due to restructure. The Senior Executive Services role was transferred to Sub-program 06 of 2024/25 budget structure.</i>			

<sup>439</sup> Office of the Public Service Commission, *Draft Corporate Plan & Budget, 2024/25-2025/27*, page 21-22.

<sup>440</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 334-335.

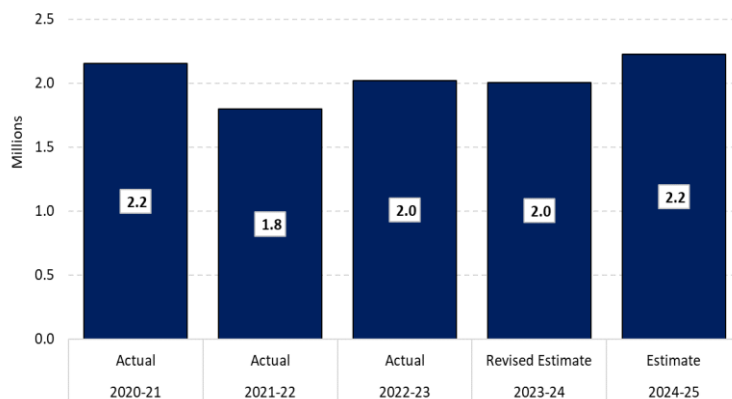
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02 Legal, Policy and Investigation	\$106,900	\$133,600	↑ \$26,700
03 Oversight	\$92,600	\$156,300	↑ \$63,700
04 Workforce Development	\$112,500	\$110,600	↓ \$1,900
05 Performance Development	\$190,900	\$149,000	↓ \$41,900
06 Senior Executive Services	\$145,700	\$98,600	↓ \$47,100
07 Human Resource Management Services	\$138,000	\$246,700	↑ \$108,700
<i>This sub-program is transferred from the previous 2023/24 sub-program 05.</i>			
08 Remuneration	\$759,100	\$138,800	↓ \$620,300
<i>The decrease is due to restructure. This program was relocated from sub-program 06 in 2023/24 structure.</i>			
09 Corporate Services	-	\$653,500	↑ \$653,500
<i>The decrease is due to restructure. This program was relocated from sub-program 06 in 2023/24 structure.</i>			

## 5. TRENDS

**Figure 2: PSC's Total Expenditure 5 Year Trend**



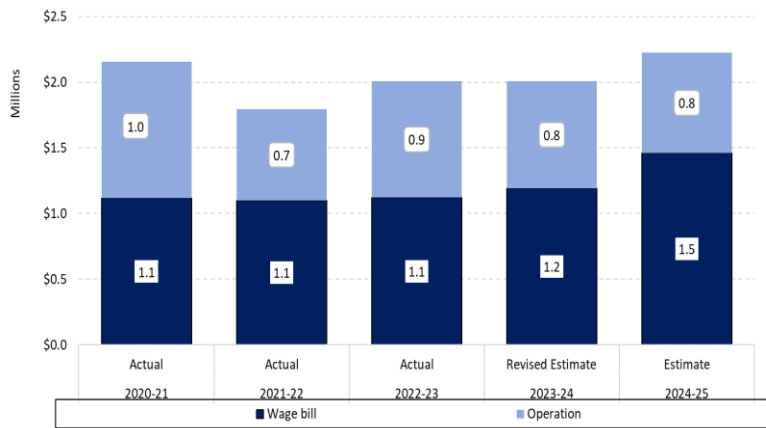
**Figure 2** shows the total expenditure budget for the PSC in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24 for the observed period. The average spending for the last four years is recorded at an average of \$2.0 million which is lower than the proposed budget for 2024/25.

The increase in the proposed budget allocation for 2024/25 could be due to partly due to the 5.0 percent COLA that is expected to be implemented in July 2024 and challenges faced in attracting and retaining staff<sup>441</sup>.

<sup>441</sup> Office of the Public Service Commission, *Draft Corporate Plan & Budget, 2024/25-2025/27*, page 5.

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**Figure 3: PSC's 5-year Total Expenditure by Major Category**

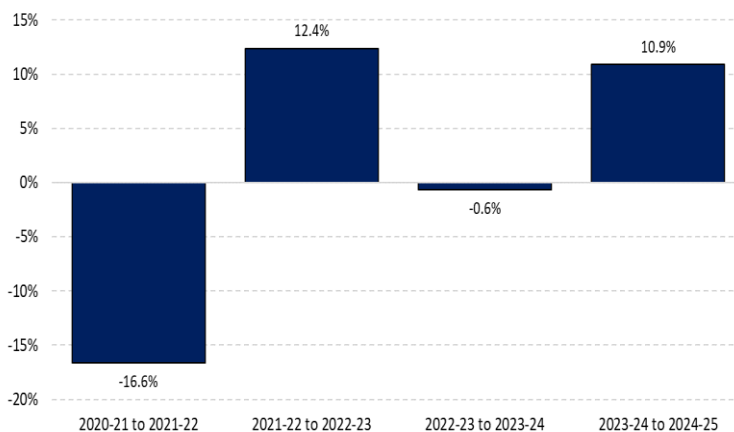


**Figure 3** shows a breakdown of the PSC's expenditure budget (as in **Figure 2**) into major expenditure category for five financial years (2020/21 – 2024/25). Over the past four years, the Wage Bill has remained relatively stable, hovering around \$1.1 million, indicating no change in workforce (e.g., freeze in

recruitment) until an increase to \$1.2 million in 2023/24 and increase further to \$1.5 million estimated for 2024/25. The increase could be due to the 5.0 percent COLA that was implemented in the current financial year and another 5.0 percent that is expected to be implemented in July 2024 as well as challenges in filling vacancies.

Conversely, operations expenditure has shown some fluctuation, decreasing from \$1.0 million in 2020/21 to \$0.7 million in 2021/22, then rising to \$0.9 million in 2022/23 before slightly dropping to \$0.8 million in 2023/24. The data suggests a potential shift in focus or resource allocation within the PSC, with a significant increase in planned expenditure on wage bill possibly indicating expansion or restructuring initiatives.

**Figure 4: Year-to-Year Percentage Change in PSC's Total Expenditure**

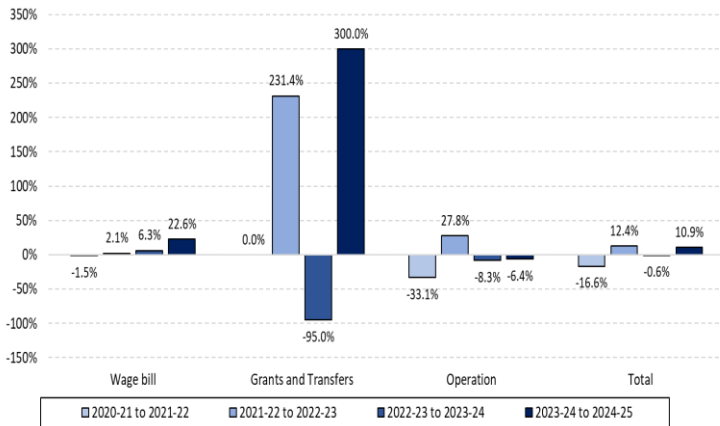


**Figure 4** illustrates the year-on-year percentage change in the PSC total expenditure budget in 2024/25 compared to actual spent in the previous years (revised in 2023/24).

The historical spending of the Office has shown dynamic fluctuations in percentage terms despite expenditure in dollar terms being relatively stable.

From 2020/21 to 2021/22, there was a 16.6 percent decrease in the total spending and reversed dramatically from 2021/22 to 2022/23 with 12.4 percent. This could be due to the response effort towards pandemic and HTHH volcano eruption. The subsequent year, 2022/23 to 2023/24, saw a marginal 0.6 percent decline as the Office recovered from pandemic and volcano eruption before jumping to 10.9 percent increase in the last year of the observed period and could be due to the implementation of 5.0 percent COLA in July 2024.

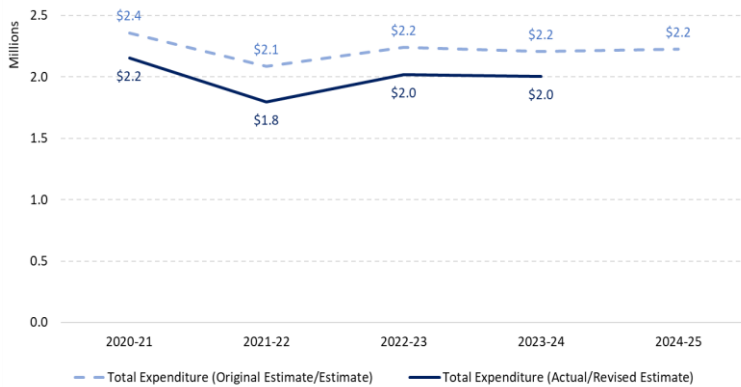
**Figure 5: Year-to-Year Percentage Change in PSC's Total Expenditure by Major Category**



small.

**Figure 5** is a breakdown of **Figure 4** into major expenditure categories, which illustrates the year-to-year percentage change in the PSC's total spending. It is noted that the operational costs coupled with grants and transfers categories are the main contributor to fluctuation in the Office's spending, although amounts in dollar terms are

**Figure 6: PSC's Total Budget Estimates vs Actuals**



to delay in implementing some of the activities, freeze in recruitment of new staff to fill vacancies.

**Figure 6** shows the total approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/25. In the past four fiscal years, the Office's budgetary allocations and actual expenditures have shown notable disparities indicating the Office consistently underspent its appropriated budget, could be due

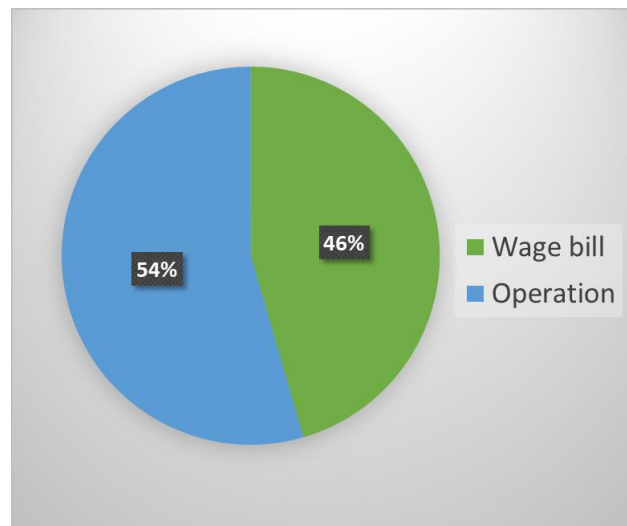
**1. VOTE 22 (page 343 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for Tonga Statistics Department (TSD) by Funding Sources<sup>442</sup>.**

Vote 22	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	2,975,100	<b>2,957,100</b>
	<b>Development</b>		
	Donor Cash	625,800	<b>709,200</b>
	Donor In-kind	240,000	<b>0</b>
	<b>TOTAL</b>	<b>3,840,900</b>	<b>3,666,300</b>

- The total budget for TSD for 2024/25 is \$3.7 million or equivalent to 0.4 percent of the total government’s budget of \$899.2 million.
- The total budget for TSD decreased by 4.5% (or \$174,600) from \$3.8 million in 2023/24 approved estimate. This is triggered by a \$0.2 million decrease in the development in-kind budget.
- The recurrent budget allocation decreased by \$0.02 million from \$2.98 million for the current budget to \$2.96 million for the Financial Year 2024/25 budget.
- **Figure 1** illustrates that over half of TSD’s total budget is operation (categories 12xx – 14xx, and 20xx), 46.0 percent is wage bill expenses related to compensation of employees (categories 10xx, and 11xx) and nil is for grants and transfers payment (category 15xx).
- **Staffing<sup>443</sup>**: there are 63 positions in total, of which 56 positions are established and 7 positions are unestablished.

**Figure 1: TSD’s Total Budget for 2024/25 Major Expenditure Category**



<sup>442</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 345.

<sup>443</sup> Tonga Statistics Department, *Draft Corporate Plan & Budget, 2024/25 – 2026/27*, page 26.

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## 2. TSD OUTPUTS

Table 2 shows the relevant linkages of TSD’s service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

Table 2: Relevant TSDF II and SDGs

SDG	TSDF II National Outcome	TSDF II Organizational Outcome	Government Priority Agenda	Organization Output <sup>444</sup>	Delivering Division/Program
Goal 16	D: A more inclusive, sustainable, and responsive good governance with law and order.	3.1: More efficient, effective, affordable, honest, transparent and a political public focused on clear priorities.	GPA 6	<p><b>Output 0:</b> Advice and guidance to stakeholders and oversee effective management and delivery of Statistics services according to Statistics Act.</p> <p><b>Output 1:</b> Transforming the leadership standards to high performance management, uplifting the systems of work and staff conditions systematically.</p> <p><b>Output 2:</b> Provide quality supporting services (HR, Finance, Logistics, Procurement, Assets) to enable delivering of Statistics external outputs.</p> <p><b>Output 3:</b> Provide effective and quality ICT services, improve data system integrity, the accuracy of the system information. Professional digital information dissemination to support efficient management and development of statistical services.</p>	<p>Program 1: Leadership &amp; Policy Advice</p> <p>Office of the PM</p> <p>Government Statistician’s Office</p> <p>Corporate Services</p> <p>Information and Communication Technology (ICT)</p>
				<p><b>Output 1:</b> High Quality Statistics are provided on timely basis to aid evidence-based decision making and be responsive to emerging demands at all levels, contributing to macro-economic policies.</p> <p><b>Output 2:</b> World bank project reports.</p>	<p>Program 2: Economic Statistics</p> <p>Economic Statistics</p> <p>Real Sector</p> <p>External Sector</p>

<sup>444</sup> Tonga Statistics Department, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 12-14.

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					World bank Project procurement & Economic Statistics-Real Sector
				<b>Output 1:</b> Statistical Advises and Capacity Assistancess are provided to MDA(s) to produce high quality statistics on time to facilitate evidence-based decision making, encourage debate and learning.	Program 3: Social and Population Statistics  Population Statistics
				<b>Output 1:</b> Data is statistically (accurate and timely) collected and processed in statistical method and standard; compiled, analysed and disseminated. <b>Output 2:</b> Information of reports and analysis are systematically disseminated that is all encompassing and reaches every interested and relevant.	Program 4: Censuses and Surveys Census and Survey Division
				<b>Output 1:</b> Coordination of the statistical system and statistical analyses for SDGs, along with ensuring that all outputs from the TSD are held to recognized and well-accepted standards; and ensuring TSD has a skilled and ever learning staff ensures an efficient NSS.	Program 5: Coordination, Standards and Training.  Coordination Standards and Training Division

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### 3. NEW INITIATIVES

There are new initiatives that TSD is planning to deliver in 2024/25<sup>445</sup>:

- |  |   |   |
|--|---|---|
| <b>1. Microsoft 365</b>                          | } | <ul style="list-style-type: none"><li>• \$30,000</li><li>• A top up to current budget will ensure an annual subscription to Microsoft 365.</li></ul>  |
| <b>2. Rental Building &amp; Electricity Bill</b> | } | <ul style="list-style-type: none"><li>• Building Rental: TBU = \$144,700; VVU = \$20,976</li><li>• Electricity bill: \$46,000</li><li>• To manage payment for new suites addition to current office building rental and electricity bill.</li></ul>   |
| <b>3. New Staff</b>                              | } | <ul style="list-style-type: none"><li>• Program 1: Senior Statistician &amp; Assistant Government Statistician</li><li>• Program 2: Principal Statistician &amp; 2 Senior Statistician</li><li>• Program 3: Assistant Government Statistician</li><li>• Program 4: Statistician &amp; Principal Statistician (Data processing) (PS)</li></ul> |

These are the current developments that is currently being implemented in TSD<sup>446</sup>:

- i. **Drive the implementation of the Statistics Bill 2023** – Need for a review of legislation to ensure that ministries and government agencies had the authority to collect, and access required data and that this enables the development of a National Statistics Development policies that address data access/sharing, data dissemination, coordination, and collaboration on statistical matters between ministries and with non-government agencies.
- ii. **Promoting the establishment of Statistical Units within MDAs** – Every Government collects administrative data that has value to the NSS. There is a need to establish strong Statistical Units within MDAs to work in collaboration with TSD to ensure that administration records and analysis are composed in such a way that will provide quality data for the MDA itself but for others that need it. In addition, there is a need to create a positive relationship with the NSS to ensure that methodologies used meet international standards.

### 4. BUDGET PROGRAM CHANGES

The mandate of TSD will be delivered using resources allocated into five (5) programs and seven (7) sub-programs as follows in **Table 3**.

<sup>445</sup> Tonga Statistics Department, *Draft Corporate Plan & Budget 2024/25 – 2026/27*, page 17-19.

<sup>446</sup> *Ibid.*, page 20.

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Table 3: TSD's Expenditure Budget for 2024/25 by Program and Sub-program

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Advice</b>			
01 Government Statistician Office	\$239,100	\$235,900	↓\$3,200
02 Corporate Services	\$529,600	\$533,400	↑\$3,800
03 IT	\$370,300	\$391,100	↑\$20,800
<b>2. Economic Statistics</b>			
01 Real Sector Economic Statistics	\$590,800	\$591,800	↑\$1,000
<b>3. Population and Social Statistics</b>			
01 Population & Social Statistics	\$402,300	\$387,800	↓\$14,500
<b>4. Census and Survey</b>			
01 Statistical Collection, Processing and Dissemination	\$1,437,800	\$1,254,200	↓\$183,600
<i>The decrease of funds is mainly due to the reduction of the budget allocated to the Established Staff, Travel and Communication, and Purchase Goods and Services categories<sup>447</sup>. Main reduction in the Purchase of Goods and Services is due to the removal of the donor in-kind assistance for Consultants &amp; Technical Assistants Professional Fees, indicating a complete utilization of those donor in-kind funds.</i>			
<b>5. Coordination, Standards and Training</b>			
01 Coordination, Standards & Training	\$271,000	\$272,100	↑\$1,100

## 5. TRENDS

Figure 2: TSD's Total Expenditure Budget vs. Actual, 5-Year Trend

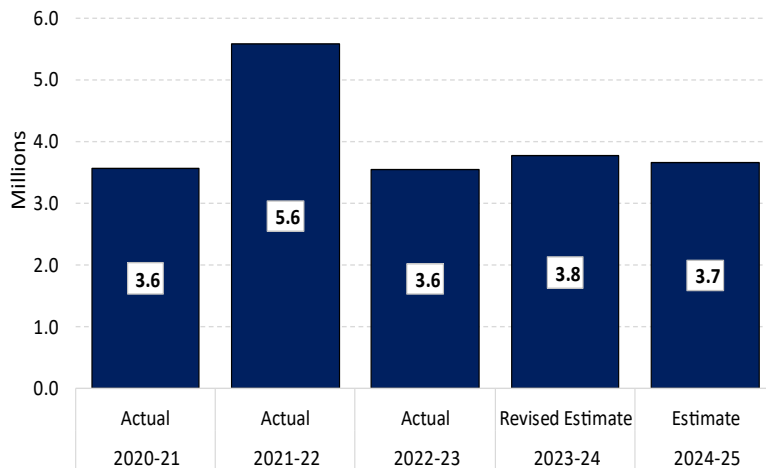


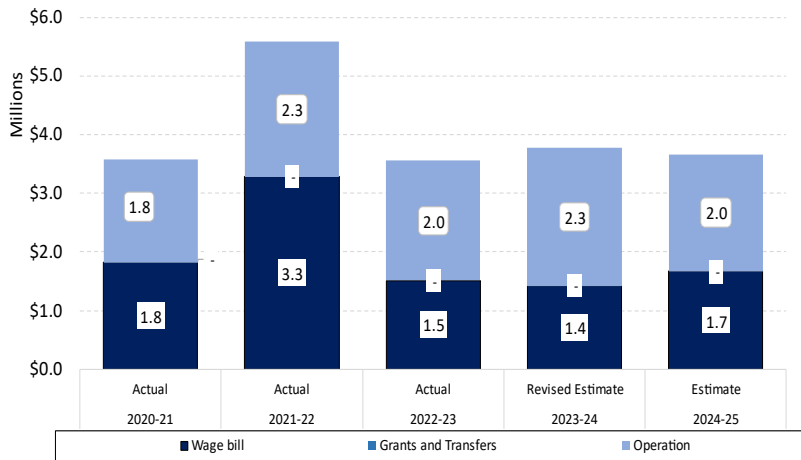
Figure 2 shows the total expenditure budget for TSD in 2024/25 compared to actual spending in the first three years. The average spending is recorded at an average of \$3.8 million per year with highest spending of \$5.6 million as observed in 2021/22. The proposed budget for 2024/25 is expected to decrease by 2.7 percent compared to 2023/24 budget.

<sup>447</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 349.

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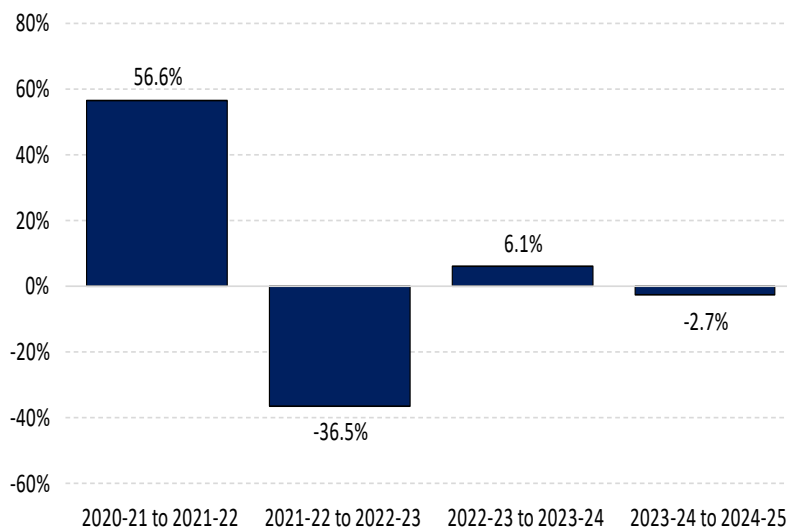
**Figure 3: TSD's 5-year Total Expenditure Budget by Major Category**



**Figure 3** shows a breakdown of TSD's expenditure budget (*as in Figure 2*) into major expenditure category for five financial years (2020/21 - 2024-25). Operation category dominates the composition of TSD's spending at an average of around \$2 million per year. The wage bill category has the largest

share in 2021/22 due to in-kind assistance from development partners and the increase of recurrent budget allocation.

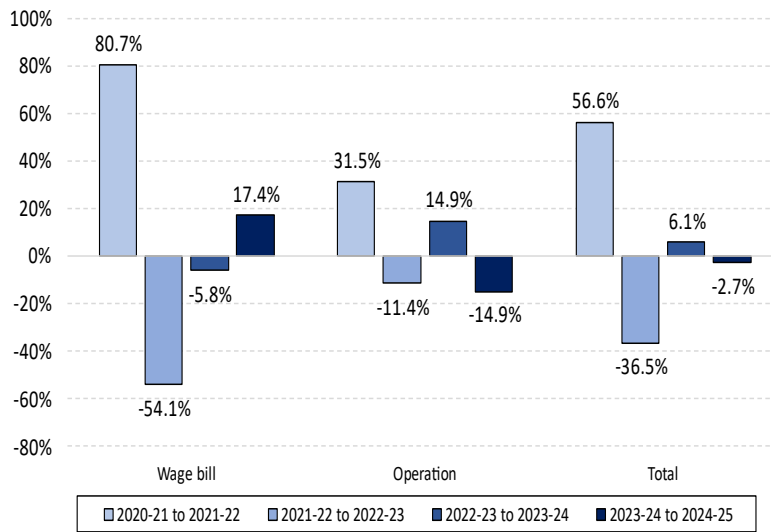
**Figure 4: Year to Year Percentage Change in TSD's Total Expenditure**



**Figure 4** shows the year-on-year percentage change in TSD's total expenditure budget compared to actual spent in the previous years.

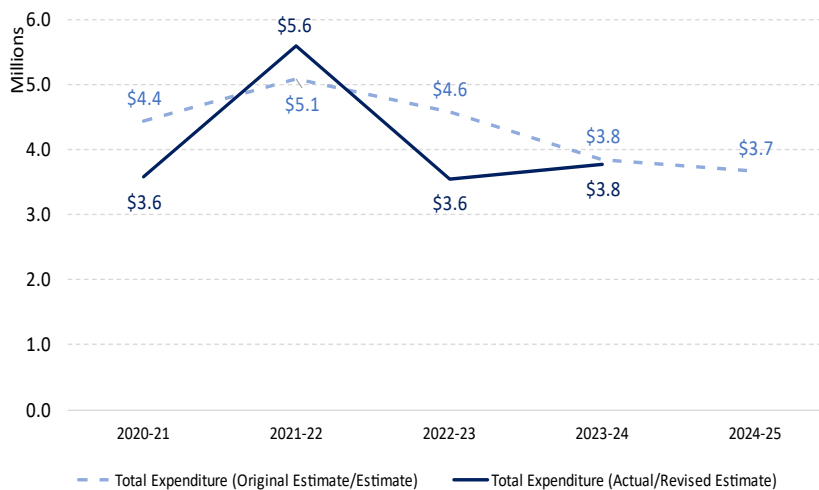
The largest change is observed in 2020/21 - 2021/22 period due to the significant increase in Wage bill category. The drop in the second period (2021/22 - 2022/23) is driven by the decrease of the wage bill category.

**Figure 5: Year to Year Percentage Change in TSD's Total Expenditure by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure category. As discussed in the previous section, the Wage bill category is the main trigger of TSD budget trend. This is shown in the Wage bill category by fluctuating over the observed period.

**Figure 6: TSD's Total Budget Estimates vs Actuals**



**Figure 5** illustrates the total approved expenditure budget in comparison to actual spending for the four-year period and the proposed budget for 2024/25. Total approved budget for TSD has been increased in the first two years before it started declining to \$4.6 million in 2022/23 and to \$3.7 in the current fiscal year due to reduction in the Wage Bil category and the decrease in the in-kind development

assistance.

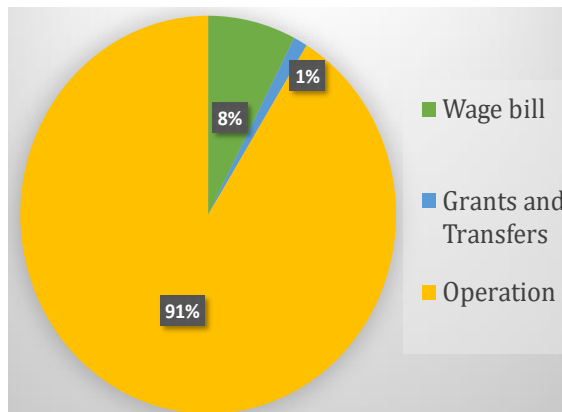
## 1. VOTE 23 (page 351 of the Draft Budget Estimates 2024/25)

Table 1: Expenditure Budget for MEIDECC by Funding Sources 2024/25<sup>448</sup>

Vote 23	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	8,040,400	8,923,900
	Confirmed Budget Support	826,100	1,380,000
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	52,099,200	49,004,700
	Overseas Donor Funding (Cash)	12,004,600	14,863,500
	<b>TOTAL</b>	<b>72,970,300</b>	<b>74,172,100</b>

- MEIDECC's total budget for 2024/25 is \$74.2 million or equivalent to 8.2 percent of the total government's budget of \$899.2 million.
- The Ministry's budget increased by 1.6 percent from \$73.0 million in the FY 2023/24. This is due to the 5.0 percent COLA increase reflected in the salaries of the Ministry which has in turn increased the wage bill. Highest allocation of overseas funding is to the Communications department, a total of \$5.0 million for donor cash assistance for Technical Equipment.
- Figure 1** illustrates that over 90.0 percent (\$67.7 million) of the Ministry's budget is allocated to the operation (category 12xx-14xx, and 20xx) of the Ministry. A total of 8.0 percent (\$5.6 million) is allocated towards the wage bill (category 10xx, and 11xx) and 1.0 percent (\$0.9 million) for grants and transfers (category 15xx).
- Staffing**<sup>449</sup>: there are 219 positions in total, of which 195 positions are established and 24 positions are unestablished.

Figure 1: MEIDECC's Total Budget for 2024/25 by Major Category for 2024-25



<sup>448</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 354.

<sup>449</sup> Ministry of MEIDECC, *Draft Corporate Plan & Budget, 2023/24-2025/26*, page 23.

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## 2. MEIDECC'S OUTPUTS

**Table 2** shows the relevant linkages of MEIDECC's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs<sup>450</sup>**

SDG's	TSDF II National Outcomes	TSDF II Organizational Outcome	GPA	Organizational Output	Delivering Program
Goal 7 Goal 9 Goal 17 Goal 6 Goal 11 Goal 12 Goal 14 Goal 15 Goal 13	D: A more inclusive, sustainable and responsive good-governance with strengthened rule of law	2.1: Improved collaboration with and support to civil society organizations and community groups	GPA 6 GPA 9	Output 1.01.01: Better Leadership  Output 1.01.02: Better advice and guidance to stakeholders	Office of the Minister / Leadership and Advisory
		3.1: More efficient, effective, affordable, honest, transparent and apolitical public service focused on clear priorities.		Output 1.02.01: Better MEIDECC guidance, procedures, corporate planning, financial management, M&E and reporting	
				Output 1.03.01: Better Human Resource Management Output 1.03.02: Effective Management of the Ministry's Financial Resources Output 1.03.03: Better Procurement Process and Procedures Output 1.03.04: Effective and Responsive Development Project Management Services Output 1.03.05: Review and Develop all Ministry's Acts, Regulations and Policies Output 1.03.06: Manage the Ministry's Plans and Reports Output 1.03.07: Better management of Outer Island's Operation	Corporate Service Division / Leadership and Advisory
		3.2: Improved law and order and domestic security appropriately applied.	GPA 2 GPA 9	Output 9.1: Engage with Domestic Regional and International committees and organizations to assist CERT Tonga in carrying its function. Output 9.2: That proactive activities are provided to ensure cyber threats are avoided or mitigated. Output 9.3: That reactive services are provided to ensure that the impact of cyber incidents are contained, mitigated and normal services are restored. Output 9.4: That digital forensic and advice are provided to Tonga Police and relevant stakeholders to assist with criminal investigations and any other activities to assist in combating cybercrime. Output 9.5: Provide relevant admin and support services to ensure that the department is able to deliver the intended outputs. Output 9.6: That Cyber Initiatives and Activities in Tonga are well coordinated and supported to ensure Continuity and appropriate Frequency of activities for a Safer Cyber Environment for Tonga.	CERT Division / CERT

<sup>450</sup> Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Communication, Climate Change and CERT, Draft Corporate Plan & Budget 2024/25-26/27, page 10.

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E: A more inclusive, sustainable and successful provision and maintenance of infrastructure and technology	4.1: More reliable, safe and affordable Energy Services	GPA 1 GPA 6 GPA 9	<p>Output 3.1: Establishment of key governing bodies, personnel/equipment mandated under the Tonga Energy Act 2021.</p> <p>Output 3.2: Regulatory requirements for energy sector policy, regulations and standards</p> <p>Output 3.3: Enhancement of the Department of Energy Operational Capacity</p> <p>Output 3.4: Direct shipments of oil products from Refineries such as Singapore established (Energy Supply)</p> <p>Output 3.5: Renewable Energy generation reached at least 50% by end of financial year 2024/25 (Electricity Generation and Distribution)</p> <p>Output 3.6: Maintain line loss at 8% and Grid Strengthening to facilitate high RE penetration (Electricity Generation and Distribution)</p> <p>Output 3.7: Operational setup for MEPSL is complete (Energy Consumption)</p> <p>Output 3.8: Sustainable Energy Week launched and successfully completed (Energy Security)</p> <p>Output 3.9: Completed the Public Building Energy Audit (Energy Consumption)</p> <p>Output 3.10: Tonga Electric Vehicle Road Map Completed (Transport)</p> <p>Output 3.11: Feasibility study / Pilot project on EV deployment completed (Transport)</p> <p>Output 3.12: Feasibility study/ Pilot project on alternative green energy sources (Energy supply/ R&amp;D)</p> <p>Output 3.13: Energy and Gender Framework for Tonga Developed</p> <p>Output 3.14: Upgrade the Tonga Energy Database completed</p>	Energy Department / Energy
	4.3: More reliable, safe, affordable information and communication technology (ICT) used in more innovative ways.	GPA 6  GPA 1 GPA 6 GPA 9	<p>Output 4.01: Develop a Media studio for the Ministry and Government of Tonga</p> <p>Output 4.2: Relevant official information is disseminated to the public.</p> <p>Output 7.1: To enhance Communications compliance and enforcement level to accomplish National ICT and Development Policy objectives</p> <p>Output 7.2: To improve compliance with Safer Licensing Consumer Standard</p> <p>Output 7.3: To promote &amp; protect the interest of consumers of communication services.</p> <p>Output 7.4: Effective Management &amp; Standardization of Government to promote the interest of Consumers of Communication Services Intangible Assets (Numbering &amp; Electronic Addressing Plan, National Frequency Allocation (Spectrum) Plan, Government satellite Orbital Slots)</p> <p>Output 7.5: Maximise the Strategic and Economic Benefit of Government Communication intangible assets.</p> <p>Output 7.6: Effective installation, management and maintenance of Communication Development Projects such as NEWS project, NERV Project, ITU VSAT Project and maritime domestic/local vessels tracking system.</p> <p>Output 7.7: To enhance and promote understanding of Communication services, Regulations, Powers, Functions, and other cause related to Telecommunication.</p>	Information Department / Information  Communications Department / Communications

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F: A more inclusive, sustainable, and effective land administration, environment management, and resilience to climate and risk.	5.1 Improved land use planning, administration, and management for private and public space	GPA 1 GPA 6 GPA 8 GPA 9	Output 6.1: Waste Management and Pollution Control Output 6.2: Sustainable Islands and Coastal Ecosystems Output 6.3: Environmental Impact and Risk Assessments Output 6.4: Communications, Knowledge Management and Corporate Support Output 6.5: Ocean Governance Output 6.6: International obligations to Multilateral Environmental Agreements (MEAs)	Environment Department / Environment
	5.2: Improved use of natural resources for long term flow of benefits 5.3: Cleaner environment with improved waste recycling  5.3: Cleaner environment with improved waste recycling.			
	5.4: Improved resilience to extreme natural events and impact of climate change.	GPA 1 GPA 8 GPA 9	Output 2.1: Accurate, Timely, Reliable, Accessible and Understood Weather and Ocean Information Output 2.02: Accurate, Timely, Reliable, Accessible and Understood Climate Information Output 2.03: Accurate, Timely, Reliable, Accessible and Maintained Maritime Radio Services Output 2.04: Accurate, Timely, Reliable, Accessible and Maintained Observations and Data Output 2.05: Timely, Accurate and Reliable Information, Communications and Technical Support Systems & Services Output 2.06: Quality based services Output 2.07: Better administration, planning and monitoring of department activities Output 2.08: Better department capacity development & customer support services.	Meteorology Department / Meteorology
		GPA 1 GPA 8 GPA 9	Output 5.1: Improved system of Laws, Regulations, Policies, and Procedures that will complement effective coordination of disaster risk management processes in Tonga. Output 5.2: Strengthening of governance and institutional arrangements to support community resilience Output 5.3: Disaster risk management Laws, Policies and Processes are inclusive of the needs, priorities and voices of all marginalized groups. Output 5.4: Improved knowledge, information, attitudes and practice amongst Tongans on how to respond to and reduce disaster risk. Output 5.5: Investing in disaster resilience initiatives in response to changing risk landscapes. Output 5.6: Develop a strong network and partnership with development partners both in country and in the region and contribute to SFDRR processes.	Disaster Management Department / Emergency Advisory
		GPA 1 GPA 8	Output 8.1: Sustainable Access and management of Climate Change Output 8.2: Effective coordination and implementation of climate change plan, policy and legislation. Output 8.3: Conducted survey and assessment of Vulnerable Areas and Submit Project Concept notes and Proposals Output 8.4: Effective implementation of mitigation projects and development of national climate change reports. Output 8.5: Ozone Layer Protected Output 8.6: Communication and Information Management Output 8.7: Coordination of climate change programs, projects and activities in the Outer Islands (Vvu, Haapai, Eua and Niuas)	Climate Change Department / Climate Change

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### 3. NEW INITIATIVES

- There are new initiatives proposed by the Ministry of MEIDECC for FY 2024/25 – 2025/26.

451

<b>1. Corporate Services</b>	<ul style="list-style-type: none"> <li>• <b>\$332,148</b></li> <li>• Building Rent - \$216,900</li> <li>• New staff - \$115,248</li> </ul> <p>• Ministry of MEIDECC, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 23.</p>
<b>2. Meteorology</b>	<ul style="list-style-type: none"> <li>• <b>\$312,827</b></li> <li>• <i>The following initiatives are all new initiatives proposed for the FY 2024/25.</i></li> <li>• New staffing - \$118,927</li> <li>• BEGAN satellite transmission fees for 19 Automatic Weather Stations and 5 permanent tide gauges - \$20,000</li> <li>• Annual National Climate Outlook Forum (October) \$20,000</li> <li>• Trainings for Coast Radio Station \$40,000</li> <li>• Improve Coast Radio Coordination with Tonga Police - \$100,000</li> <li>• TNQAB accreditation of Technician Course - \$1,000</li> <li>• Retreat for planning and budgeting - \$3,000</li> <li>• Trainings and workshops - \$18,000</li> <li>• Uniform for staff working at airports according to Civil Aviation Regulations requirement - \$3,400</li> <li>• Commission of new MET / NEMO building (April 2025) - \$25,000</li> </ul> <p>• <i>The following have been proposed to be completed with the current FY 2023/24 budget (\$500,500)</i></p> <ul style="list-style-type: none"> <li>• Weather station inspection and training \$20,000</li> <li>• Automatic weather station for outer islands \$30,000</li> <li>• Meeting with managers to review classification of posts - \$500</li> </ul> <p>• Ministry of MEIDECC, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 23-25.</p>
<b>3. Energy</b>	<ul style="list-style-type: none"> <li>• <b>\$1,262,982</b></li> <li>• Establish Energy Advisory Committee with 9 members - \$21,000</li> <li>• Develop New Energy Regulations - \$50,000</li> <li>• Determine and develop suitable procedure to enforce MEPSL Regulations - \$190,000</li> <li>• Restructure 6 divisions - new staff to implement Tonga Energy Act 2021, National Energy Policy - TERMPLUS 2021-2035 - \$273,312</li> <li>• Monitor OIREP Project Assets and strengthen 5 outer island Electricity Societies - \$220,500</li> <li>• Completion, commissioning, monitoring and strengthening of 9 outer island Electricity Societies - \$250,320</li> <li>• New staff - \$159,200</li> </ul> <p>• <i>The following have been proposed to be completed with the current FY 2023/24 budget (\$248,560)</i></p> <ul style="list-style-type: none"> <li>• Capacity building, training and awareness campaign on functions of the Energy department, Energy Commission, Energy Advisory Committee under the Energy Act 2021 - \$48,650</li> <li>• Situation Review, analysis and update of regulations, bylaws and standards. - \$150,000</li> <li>• Installation of Solar Head of State Grid Connected Equipment - \$50,000</li> </ul> <p>• Ministry of MEIDECC, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 25-26.</p>

<sup>451</sup> Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Communications, Climate Change and CERT (MEIDECC), *Corporate Plan & Budget 2024/25 – 2026/27*, pages 23-29.

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4. Disaster Management	<ul style="list-style-type: none"> <li>• <b>\$203,845</b></li> <li>• NDRMO Operational Uniform - \$10,000</li> <li>• New staff - \$193,845</li> </ul> <p>• Ministry of MEIDECC, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 26.</p>
5. Environment	<ul style="list-style-type: none"> <li>• <b>\$449,742</b></li> <li>• Ocean Governance - \$16,500</li> <li>• Institutional strengthening environmental legal system - \$55,060</li> <li>• Fanga'uta Stewardship Action Plan \$61,400</li> <li>• Environmental Awareness and social media - \$14,500</li> <li>• Building Rent - \$173,880</li> <li>• New Staff - \$128,402</li> </ul> <p>• <i>The following have been proposed to be completed with the current FY 2023/24 budget (\$51,000)</i></p> <ul style="list-style-type: none"> <li>• Development of Roadmap to phase our Single Use Plastics (National Consultation on the Roadmap) - \$51,000</li> </ul> <p>• Ministry of MEIDECC, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 26-27.</p>
6. Communications	<ul style="list-style-type: none"> <li>• <b>\$399,801</b></li> <li>• Host 17th APT Policy and Regulatory Forum for the Pacific (PRFP-17) - \$200,000</li> <li>• Quality of service through MyCEM application tool roll out - \$35,000</li> <li>• Increase current fee for type approval</li> <li>• Spectrum Monitoring System and spectrum fees review for 5G spectrum - \$25,000</li> <li>• Full assessment of sector (infrastructure, regulatory framework, market competition, digital connectivity, socio-economic impact, challenges and opportunities - \$12,000</li> <li>• To propose competition guidelines to monitor and manage substantial market power - \$2,000</li> <li>• Annual inspection of sirens, VHF, repeaters and stations, power bills, monthly tests, drone trainings and maintenance - \$81,500</li> <li>• New staff - \$44,301</li> </ul> <p>• <i>The following have been proposed to be completed with the current FY 2023/24 budget (\$10,000)</i></p> <ul style="list-style-type: none"> <li>• Implement infrastructure sharing regulations and establish universal service regime - \$5,000</li> <li>• Implement fees structure to assigned numbers - \$5,000</li> </ul> <p>• Ministry of MEIDECC, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 27-28.</p>
7. Climate Change	<ul style="list-style-type: none"> <li>• <b>\$1,597,147</b></li> <li>• Government Contribution to the Tonga Climate Change Fund (TCCF) - \$1,000,000</li> <li>• Cash Contribution to the GCF Tonga Coastal Resilience Project - \$350,000</li> <li>• New staff - \$247,147</li> </ul> <p>• Ministry of MEIDECC, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 28-29.</p>
8. CERT	<ul style="list-style-type: none"> <li>• <b>\$70,947</b></li> <li>• New staff - \$70,947</li> </ul> <p>• <i>The following have been proposed to be completed with the current FY 2023/24 budget (\$35,000)</i></p> <ul style="list-style-type: none"> <li>• Cyber (Resilience) Week (July) - \$30,000</li> <li>• CERT Tonga Board Meetings x4 (every 2 months) - \$5,000</li> </ul> <p>• Ministry of MEIDECC, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 29.</p>

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#### 4. BUDGET PROGRAM CHANGES

The mandate of MEIDECC will be delivered using resources allocated into three (9) programs and twenty-four (11) sub-programs as follows in **Table 3**.

**Table 3: MEIDECC's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Advice<sup>452</sup></b>			
01 Office of the Minister	\$75,400	\$193,800	↑\$ 118,400
<i>This increase in salary allocation can be attributed to the Ministry's newly appointed Minister and incoming staff.</i>			
02 Office of the CEO	\$165,800	\$186,100	↑\$20,300
03 Corporate Services Division	\$2,574,300	\$2,975,200	↑ \$400,900
<i>The increase is mainly due to the 5% COLA proposed by the government and other expenses increased includes utilities.</i>			
<b>2. Meteorology<sup>453</sup></b>			
01 Meteorology Department	\$1,672,900	\$1,871,900	↑ \$199,000
<i>An increase of funds for Consultants and Technical Assistants could be for trainings and workshops proposed new initiatives for the new financial year.</i>			
<b>3. Energy<sup>454</sup></b>			
01 Energy Department	\$37,686,300	\$35,007,800	↓\$2,678,500
<i>There is the increase in salary and Purchase of Goods and Services category, this amount is offset by the decrease in donor funds of millions for consultants and technical assistants. A decrease in donor in-kind funds of about \$20 million for technical equipment was offset by about the same amount for other plant and equipment.</i>			
<b>4. Information<sup>455</sup></b>			
01 Information Department	\$104,200	\$74,000	↓\$30,200
<b>5. Emergency Advisory<sup>456</sup></b>			
01 Disaster Management Department	\$11,579,600	\$11,630,300	↑ \$50,700
<b>6. Environment<sup>457</sup></b>			
01 Environment Department	\$5,280,000	\$1,469,700	↓\$3,810,300
<i>The major reduction seen here is due to the use of donor cash assistance for other plant and equipment equivalent to \$4 million and increase in other expenses such as building rental to offset this amount.</i>			
<b>7. Communication<sup>458</sup></b>			
01 Communication Department	\$2,685,800	\$17,688,000	↑ \$15,002,200

<sup>452</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 355-356.

<sup>453</sup> *Ibid.*, page 357.

<sup>454</sup> *Ibid.*, page 358.

<sup>455</sup> *Ibid.*, page 359.

<sup>456</sup> *Ibid.*, page 360.

<sup>457</sup> *Ibid.*, page 361.

<sup>458</sup> *Ibid.*, page 362.

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A significant increase in this department is due to increase in donor in-kind assistance of \$8 million for Community Development Program. A donor cash assistance of over \$5 million for technical equipment and new expense equivalent to \$756,500 for Consultants & Technical Assistants Professional Fees.

**8. Climate Change<sup>459</sup>**

01 Climate Change Department	\$10,926,700	\$2,860,300	↓\$8,066,400
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- This decrease of \$8 million was donor in-kind assistance for Community Development.

**9. CERT/E-Government<sup>460</sup>**

01 CERT/E-Government Department	\$218,500	\$215,000	↓\$3,500
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**5. TRENDS**

**Figure 2: MEIDECC's Total Expenditure, 5 Year Trend**

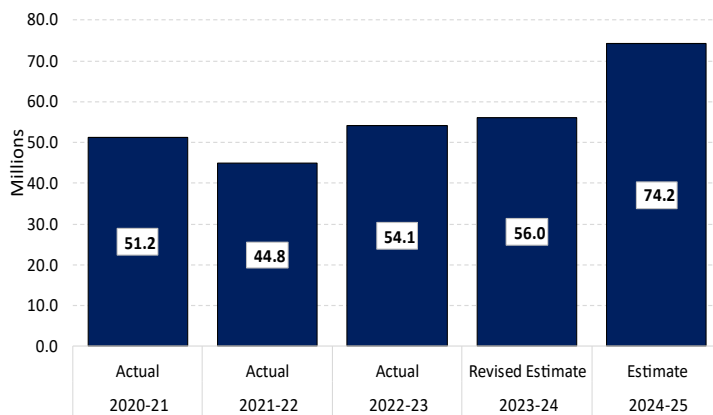


Figure 2 displays MEIDECC's total expenditure for the past 4 years compared to the estimated budget for FY 2024/25. The highest increase in the Ministry's budget is in the new FY 2024/25 budget with an increase of about \$18.2 million. This figure shows that the budget has averaged about \$51.5 million for the past 4 years.

This increase can be attributed to the 5% COLA increase for civil servants amongst other new expenses.

**Figure 3: MEIDECC 5-year Total Expenditure by Major Category**

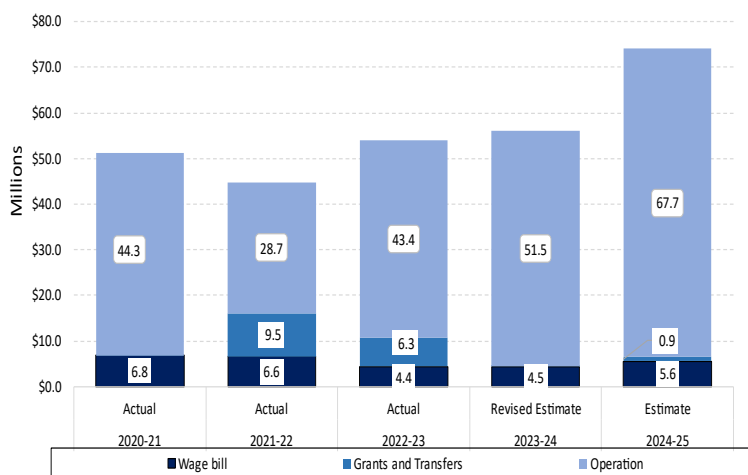


Figure 3 shows a breakdown of MEIDECC's expenditure budget (as in Figure 2) in major category shares for five financial years (2020/21 – 2024/25).

The estimated total expenditure for the FY 2024/25 shows that operations expenditure is at its highest when compared to the previous financial years. The wage bill has also increased

<sup>459</sup> Ministry of Finance, Draft Budget Estimate FY 2024/25, page 363.

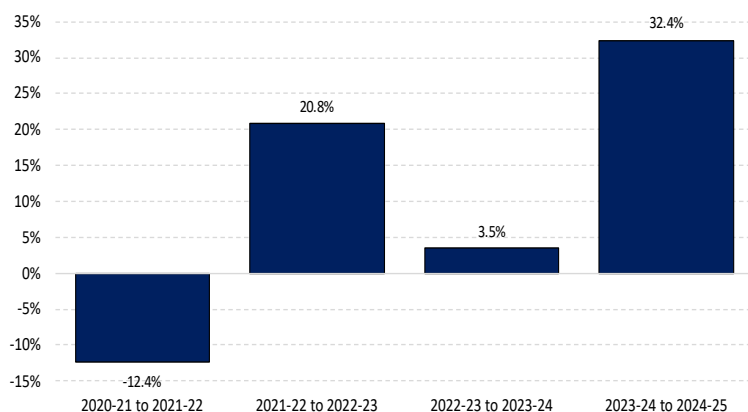
<sup>460</sup> Ibid, page 364.

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reflecting the 5% COLA that government proposed for all civil servants and an additional \$0.9 million allocated to grants and transfers where there is no such expenditure in the previous year.

This figure shows that the Ministry has always had majority of its funds allocated to its operations.

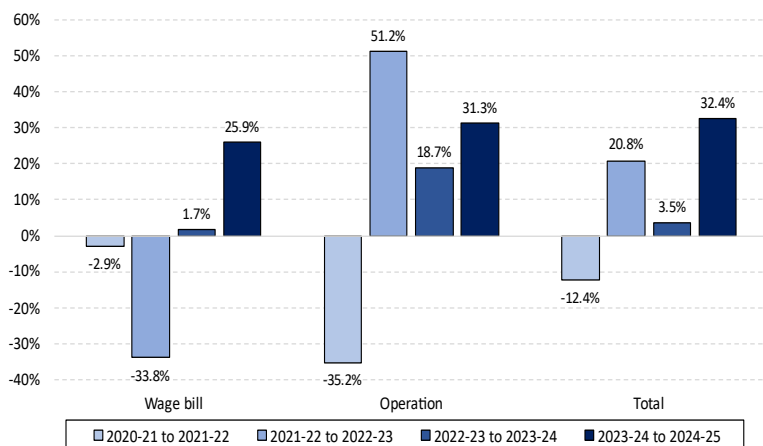
**Figure 4: Year to Year Percentage Change in MEIDECC's Expenditure**



**Figure 4** illustrates the year-on-year percentage change in MEIDECC's total expenditure budget. The 2023-24 to 2024-25 period has the highest percentage of 32.4%. This is an increase of over 28 percent from the 2022-23 to 2023-24 period.

This increase could be attributed to the increase in salary, new staff and completion of major projects such as that in the Energy Department.

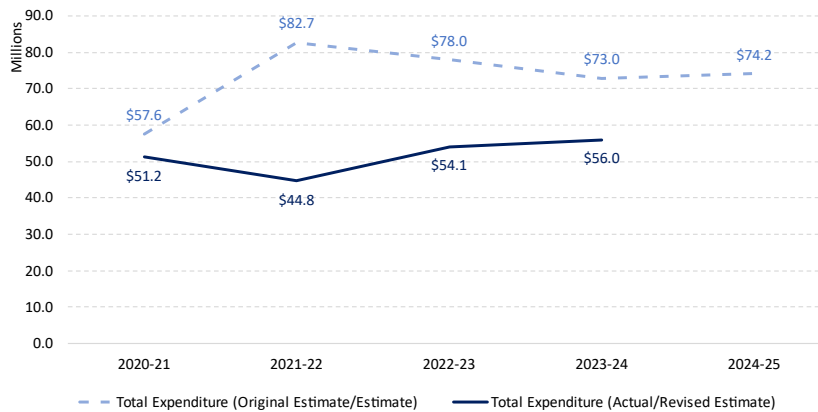
**Figure 5: Year to Year Percentage Change in MEIDECC's Expenditure by Category**



**Figure 5** illustrates that the wage bill and operations of the past years compared to the estimated budget for FY 2024/25.

This figure shows a major increase in the wage bill from 1.7% to 25.9%. An increase of 24.2% in the past year compared to the 2 years before that when it had declined. This increase as mentioned many times before is attributed to salary increase because of the 5% COLA, it could also mean an increase of staff as proposed by various departments for the Ministry's new initiatives.

**Figure 6: MEIDECC's Total Expenditure Budget vs. Actuals**



**Figure 6** shows the total approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/25. The Ministry's budget had increased in 2021-22 FY, but spending was well below the original estimate. The Ministry's spending has

continuously stayed below the total estimate for each year. The current FY is where total expenditure has increased compared to the past years. Although budget spending has been well below its original estimates, the budget for the new financial year continues to increase.

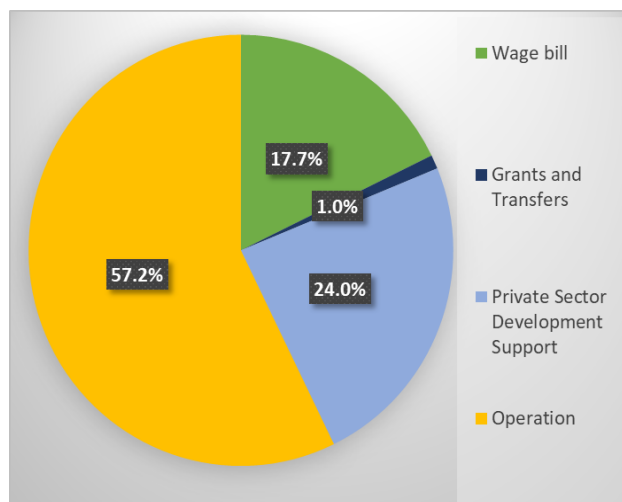
1. VOTE 24 (page 367 of the Draft Budget Estimates 2024/25)

Table 1: Expenditure Budget for the Ministry of Fisheries (MoF) for 2024/25<sup>461</sup>

Vote 24	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	4,588,700	4,552,600
	Confirmed Budget Support	100	3,000,000
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	5,825,000	3,200,000
	Overseas Donor Funding (Cash)	2,174,400	1,750,900
	<b>TOTAL</b>	<b>12,588,200</b>	<b>12,503,500</b>

- MoF’s total budget for 2024/25 is \$12.5 million or equivalent to 1.4 percent of the total government’s budget of \$899.2 million. Of the Ministry’s total budget, 36.4 percent is entirely funded by the Government of Tonga, 24.0 percent is financial support to the budget, 25.6 percent is in-kind contributions and 14.0 percent is cash contributions from the development partners.
- Figure 1** illustrates the distribution of the Ministry’s budget into major category. 57.0 percent of the Ministry’s total expenditure is mainly for the operational cost (category 12xx – 14xx, and 20xx), 24.0 percent (category 22xx) is exceptionally for the public sector development support as part of the Government interventions to sustain and restore the economic growth on the Fisheries sector<sup>462</sup>, 17.7 percent (category 10xx and 11xx) is wage bill and 1.0 percent (category 15xx) for grants and transfers.
- The total budget for MoF in 2024/25 decreased slightly by 0.7 percent (or \$84,700) from 2023/24 approved budget. This is triggered by a decrease in both cash and in-kind contributions from development partners by about \$3.4 million.
- Staffing**<sup>463</sup>: there are 121 positions in total, of which 91 positions are established and 30 positions are unestablished.

Figure 1: MoT’s Expenditure Category Shares 2024-25



<sup>461</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 367.

<sup>462</sup> Ibid.

<sup>463</sup> Ministry of Fisheries, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 40.

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## 2. MoF's OUTPUTS

**Table 2** shows the relevant linkages of MoF's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG	TSDF II National Outcome <sup>464</sup>	TSDF II Organizational Outcome	Government Priority Agenda <sup>465</sup>	Organization Output <sup>466</sup>	Delivering Division/Program
Goal 14	A: A more inclusive, sustainable, and dynamic, knowledge-based economy D: A more inclusive, sustainable, and responsive good governance with strengthened rule of law F: A more inclusive, sustainable, and effective land	1.1: Improved macroeconomic management and stability with deeper financial markets 1.5: Better access to, and use of overseas trade and employment and foreign investment 3.7: Improved political and defense engagement within the Pacific & the rest of the world to participate more effectively in support and consistent advancement of our international interests, security, and sovereignty.	GPA 1 GPA 1 GPA 7 GPA 8 GPA 1 GPA 7 GPA 7 GPA 1 GPA 1	Output 1: Better leadership for the Ministry of Fisheries, including at national, regional, and international levels. <sup>467</sup>	Minister's Office Program 1: Leadership and Policy Advice
				Output 2: Better leadership and management of Ministry's divisions, with good working relations and communications, and a focus on output deadlines.	CEO's Office Program 1: Leadership and Policy Advice
				Output 3: Manage to monitor and provide an effective and efficient legal service in a professional way to support good governance.	CEO's Office (Legal) Program 1: Leadership and Policy Advice
				Output 4: Improved liaison with national, regional & international agencies and donors.	CEO's Office (Liaison) Program 1: Leadership and Policy Advice
				Output 5: Modernize and Improved all media and communications services.	CEO's Office (Media) Program 1: Leadership and Policy Advice
				Output 6: Improved administrative and human resources support for all ministry staff. <sup>468</sup>	Corporate Services (HR) Program 1: Leadership and Policy Advice
				Output 7: Increasingly effective training and capacity development for ministry staff.	Corporate Services (Training) Program 1: Leadership and Policy Advice

<sup>464</sup> Ministry of Revenue and Customs, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 13.

<sup>465</sup> *Ibid.*, page 17.

<sup>466</sup> *Ibid.*, page 25.

<sup>467</sup> *Ibid.*

<sup>468</sup> Ministry of Revenue and Customs, *Draft Corporate Plan & Budget, 2024/25-2026/27*, page 14.

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administration, environment management, and resilience to climate and risk	Output 8: Constantly improving and coordinate planning, reporting, performance management system in addition to monitoring and evaluating of the ministry's activities.	Corporate Services (CPARP) Program 1: Leadership and Policy Advice
	Output 9: Better financial, procurement and asset management services compliant with government standards.	Corporate Services (Finance, Asset, Procurement) Program 1: Leadership and Policy Advice
	Output 10: Provide effective and quality ICT services, resilient systems, improve data system integrity, the accuracy of the system information, and professional digital information dissemination to support efficient management and development of fisheries services.	Corporate Services (ICT) Program 1: Leadership and Policy Advice
	Output 11: By June 2025, Ten Higher standard fisheries management and development plans and policy developed, reviewed, approved, and monitored to support sustainable fishery resources, and profitable industries.	Fisheries Management and Development (Plan & Policy) Program 2: Sustainable Fisheries
	Output 12: Improved quality of fisheries statistics to support decision making.	Fisheries Management and Development (Statistics) Program 2: Sustainable Fisheries
	Output 13: Improved quality and accuracy of market knowledge and economics reports to support decision making, marketing and export of fisheries products and developed and implemented Natural disaster fisheries response plan.	Fisheries Management and Development (Economic) Program 2: Sustainable Fisheries
	Output 14: Strengthened fisheries development to promote food security, livelihood and maximise economic return from fisheries resources.	Fisheries Management and Development (Economic) Program 2: Sustainable Fisheries
	Output 15: Prioritise target activities and focus on aquaculture research and development to meet the needs of emerging aquaculture industries and to address the impacts of climate change	Fisheries Science and Extension (Aquaculture) Program 2: Sustainable Fisheries
	Output 16: Enhancing the extent of the special management area program's implementation to assess and validate its effectiveness.	Fisheries Science and Extension (Community & Development - SMA) Program 2: Sustainable Fisheries
	Output 17: Fish Aggregating Device (FAD) designing, deployment and effective monitoring for all coastal area to diversify fishing and enhance food security and improve livelihood thereby, counteracting the impacts of climate change.	Fisheries Science and Extension (Community & Development - FAD) Program 2: Sustainable Fisheries
Output 18: Higher standards of technical training, capacity development, outer island extension and support services, for SMA communities, aquaculture operators, and commercial fishers.	Fisheries Science and Extension (Training & Extension) Program 2: Sustainable Fisheries	

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			Output 19: Efficient and effective administrative management of outer-island centre.	Fisheries Science and Extension (Outer Island Admin work) Program 2: Sustainable Fisheries
			Output 20: Increasingly focused inshore fishery resource research, monitor and assessment to support decision making crucial for optimising resource management which enhances the resilience of fishery to climate change impacts.	Fisheries Science and Extension (Inshore) Program 2: Sustainable Fisheries
			Output 21: Increasingly focused offshore fishery resource research, monitor and assessment to support decision making crucial for optimising resource management which enhances the resilience of fishery to climate change impacts.	Fisheries Science and Extension (Offshore) Program 2: Sustainable Fisheries
			Output 22: Improving the integrity and accuracy of fisheries data collection and management systems, for sound policy-development, better decision-making and responsible fisheries management.	Fisheries Science and Extension (Data Collection) Program 2: Sustainable Fisheries
			Output 23: Effectively review, implement and monitor of Tonga national strategy on aquatic biosecurity (Biosecurity); seafood risk management and awareness raising on practices to minimize risk of ciguatera poisoning (CP) and the convention on international trade in endangered species of wild fauna and flora (CITES).	Fisheries Science and Extension (Aqua-Biosecurity) Program 2: Sustainable Fisheries
			Output 24: Efficient and effective compliance and enforcement services with regulatory programs that deter Illegal, Unreported and Unregulated (IUU) fishing.	Fisheries Compliance (Enforcement) Program 2: Sustainable Fisheries
			Output 25: Provide a cost-effective way for licensing services as a legal mechanism to control Illegal, Unreported and Unregulated (IUU) fishing.	Fisheries Compliance (License) Program 2: Sustainable Fisheries
			Output 26: Increasingly targeted Monitoring, Control & Surveillance (MCS) program for international and domestic fishing activities to deter Illegal, Unreported and Unregulated (IUU) fishing.	Fisheries Compliance (VMS & Observer) Program 2: Sustainable Fisheries
			Output 27: Implementation of the Tonga Fisheries Sector Plan (TFSP), including effective governance of the World Bank funded Tonga fish Pathway project.	Project Management Unit (PMU) Program 2: Sustainable Fisheries

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### 3. NEW INITIATIVES

- The following are MoF's budget priorities or initiatives for 2024/25.

1. Tuna Processing	<ul style="list-style-type: none"> <li>•<b>\$0.5 million</b> - This is to strengthen and enhance the development of Tuna fishery to contribute to the economic growth of the fisheries sector</li> <li>•Ministry of Fisheries, Corporate Plan &amp; Budget, 2024/25, 2026/27, page 38</li> </ul>
2. Finfish farming Cage	<ul style="list-style-type: none"> <li>•<b>\$100,000</b> - This is to support the culture and farming of finfish. This is one of the new fisheries that the Ministry is trying to introduce.</li> <li>•Ministry of Fisheries, Corporate Plan &amp; Budget, 2024/25-2026/27, page 38</li> </ul>
3. Seaweed farming	<ul style="list-style-type: none"> <li>•<b>\$100,000</b> - This is to support the culture and farming of seaweed (sea grape), this priority will support the livelihood and the well-being.</li> <li>•Ministry of Revenue and Customs, Corporate Plan &amp; Budget, 2024/25, 2026/27 page 38</li> </ul>
4. VMS & Tablets	<ul style="list-style-type: none"> <li>•<b>\$50,000</b>- Strengthening National Monitoring Control and Surveillance (MCS) Programs to combat Illegal, Unreported and Unregulated (IUU) Fishing activities through the implementation of internal/regional/national MCS tools (GPA7)</li> <li>•Ministry of Fisheries, Corporate Plan &amp; Budget, 2024/25, 2026/27, page 38.</li> </ul>
5. Grab bags	<ul style="list-style-type: none"> <li>•<b>\$100,000</b>- To commence supporting small-scale fishers with Grab bags to ensure the safety of vessel users before the Ministry can provide further support</li> <li>Ministry of Fisheries, Corporate Plan &amp; Budget, 2024/25, 2026/27, page 38.</li> </ul>

### 4. BUDGET PROGRAM CHANGES

The mandate of the Ministry will be delivered using resources allocated into two (2) programs and seven (7) sub-programs as follows.

**Table 3: MoT's Expenditure Budget for 2024/25 by Program and Sub-program**

	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Fisheries Development</b>			
01 Office of the Minister	\$42,400	\$42,400	-
02 Office of the CEO	\$1,074,600	\$778,100	↓\$ 296,500
<i>The decrease is mainly triggered by the decrease in technical equipment by \$0.5 million in-kind assistance from development partners.</i>			
03 Corporate Services Division	\$1,249,800	\$ 1,278,000	↑ \$ 28,200
<b>2. Sustainable Fisheries</b>			
01 Fisheries Management and Development Division	\$ 7,121,700	\$ 7,594,400	↑\$ 472,700

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The increase is driven by \$3.0 million economic growth fund to support the development in the fisheries sector.

02 Fisheries Science and Extension	\$ 2,495,600	\$ 2,151,200	↓\$ 344,400
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The reduction is a result of decreases in the cost of Established Staff (\$82,600), Travel and Communication (\$14,500), Maintenance and Operation (\$70,500), Purchase of Goods and Services (\$184,700).

03 Fisheries Compliance Division <sup>469</sup>	\$ 534,100	\$ 589,400	↑\$ 55,300
04 PROP Project Management Unit	\$ 70,000	\$ 70,000	-

## 5. TRENDS

**Figure 2: MoF's Total Expenditure, 5 -Year Trend**

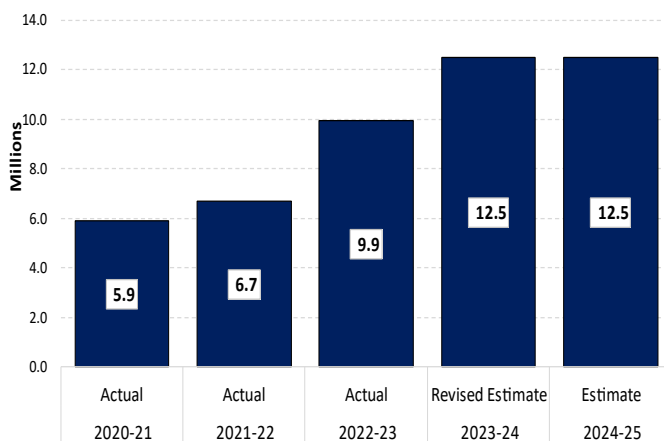


Figure 2 shows the total expenditure budget for MoT in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period.

The average spending of the Ministry in the first three years is \$7.5 million, estimated to increase by \$5.0 million to \$12.5 million in the current financial year and maintain at the same level in the budget for 2024/25.

The increase in the revised estimate for the current financial year is due to an increase in in-kind assistance from development partners in terms of new boat/ships worth \$2.0 million and technical equipment worth \$3.3 million to support development activities in the sector.<sup>470</sup>

**Figure 3: MoF's 5-year Total Expenditure by Major Category**

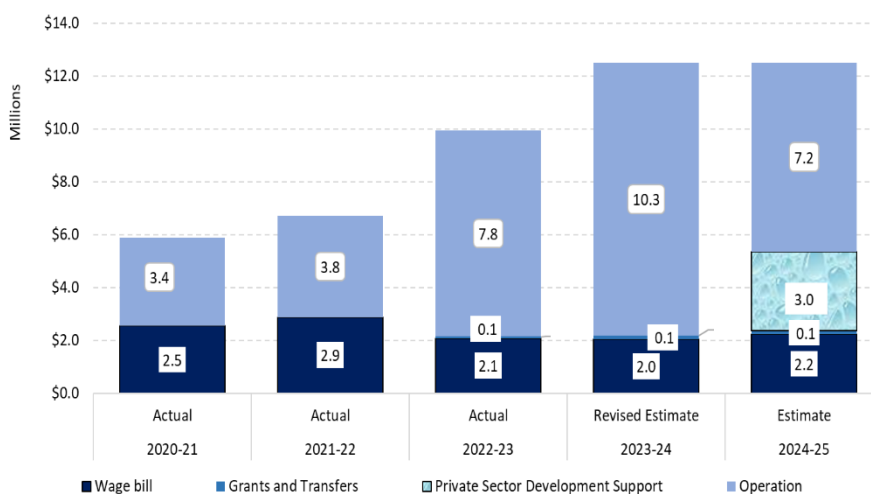


Figure 3 displays a breakdown of MoT's expenditure budget (as in Figure 2) into major expenditure category for five financial years (2020/21 – 2024/25).

Asset (category 20xx) accounts for half (\$5.4 million) of

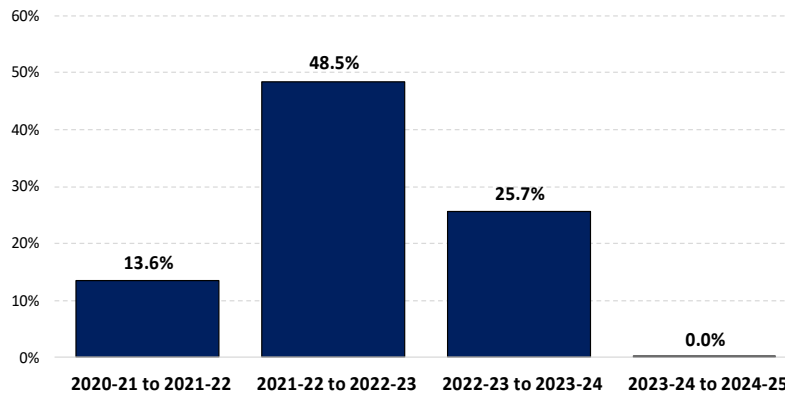
<sup>469</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 363.

<sup>470</sup> Ministry of Finance, *Budget FY 2023/24*, page 361.

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the operation category (\$10.3 million) and the main trigger of 2023/24 revised estimate. New budget allocation in 2024/25 worth \$3.0 million to support sector's development.

**Figure 4: Year to Year Percentage Change in MoF's Expenditure**

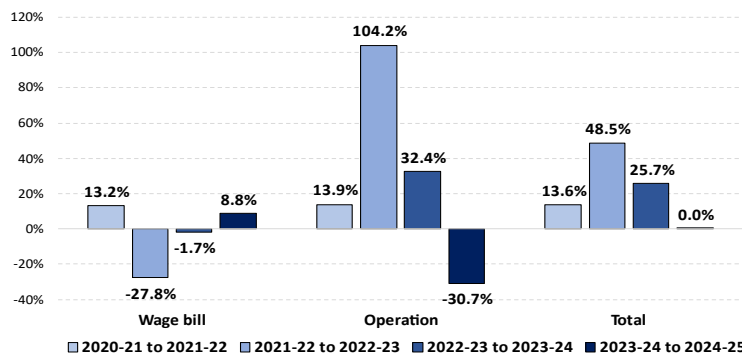


**Figure 4** illustrates the year-on-year percentage change in MoF's total expenditure budget.

The highest peak of the expenditure budget variation is 48.5 percent, observed during the period between 2021/22 to 2022/23.

It is expected that no change in the Ministry's total budget for the period 2023/24 – 2024/25 as the new funds for sector's development offset the decrease in the Ministry's budget allocation for other categories. This maintains the level of the Ministry's budget as it was in 2023/24.

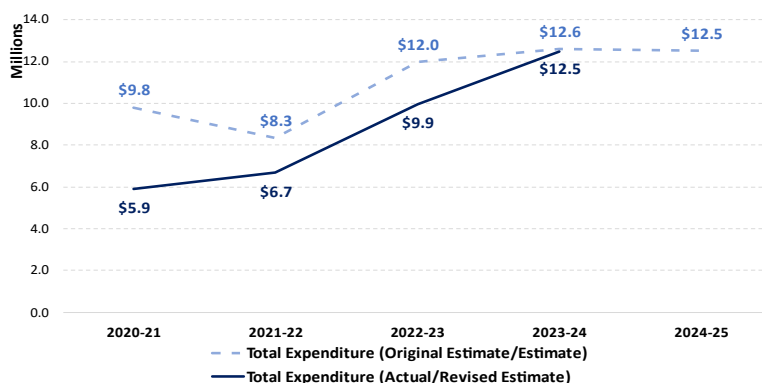
**Figure 5: Year to Year Percentage Change in MoF's Expenditure by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure category.

As previously discussed, the total cost of operations is the main contributor to 2021/22 – 2022/23 annual change.

**Figure 6: MoF's Total Budget Estimates vs Actuals**



**Figure 6** shows the total approved expenditure in comparison to the actual expenditure occurred during the four-year period.

The Ministry spent within its appropriated budget since 2020/21 and expected to fully be utilized its budget in the current financial year.

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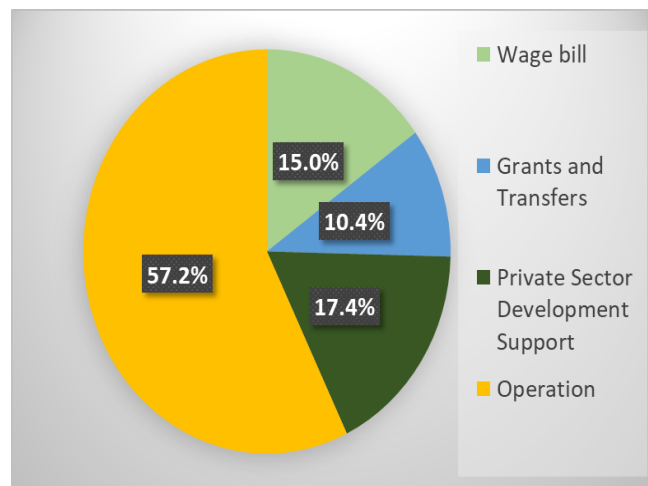
**1. VOTE 25 (page 378 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for Ministry of Tourism (MOT) in 2024/25<sup>471</sup>**

Vote 25	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	7,499,600	6,568,800
	Confirmed Budget Support	179,900	3,939,000
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	210,000	-
	Overseas Donor Funding (Cash)	1,020,000	6,700,000
	<b>TOTAL</b>	<b>8,909,500</b>	<b>17,207,800</b>

- The total budget for MOT for 2024/25 is \$17.2 million, which is equivalent to 1.9 percent of the total government budget of \$899.2 million.
- Of the Ministry’s total budget, 38.2 percent is provided by the Government of Tonga, 22.9 percent from development partners as support to the budget, and 38.9 percent cash contribution from development partners through development projects.
- MOT’s total budget for 2024/25 has increased significantly by 93.1 percent from \$8.9 million in 2023/24 approved budget. This is attributed to implementation of development projects such as the construction of new national museum and accommodation in preparation for PIF Leaders meeting in August 20234.
- **Figure 1** shows the distribution of the Ministry’s budget into major expenditure category. 15.0 percent (or \$2.6 million) is wage bill, 17.4 percent (or \$3.0 million) is earmarked for private sector development support, 10.4 percent (or \$1.8 million) is grants and transfers, and 57.2 percent (or \$9.8 million) is operation.<sup>472</sup>
- **Staffing:** The Ministry of Tourism has a total of 132 staff positions. Of the total staff, 61 are established positions with permanent roles, and 71 are unestablished, typically temporary or contractual roles that support various projects and operations.<sup>473</sup>

**Figure 1: MOT’s Total Budget for 2024/25 by Major Expenditure Category**



<sup>471</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 378.

<sup>472</sup> *Ibid*, page 367.

<sup>473</sup> Ministry of Tourism, *Corporate Plan & Budget, 2024/25*, page 33.

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### 1. MOT'S OUTPUTS

Table 2: Relevant TSDF II and SDGs

SDG Goal <sup>474</sup>	TSDF II National Outcome <sup>475</sup>	TSDF II Organization Outcome <sup>476</sup>	Government Priority Agenda <sup>477</sup>	Organization Output <sup>478</sup>	Delivering Division/Program <sup>479</sup>
<b>Goal 8</b> <b>Goal 11</b> <b>Goal 12</b> <b>Goal 13</b> <b>Goal 14</b>	D: Good governance strengthening rule of law  A: dynamic knowledge-based economy  C: human development with gender equality	3.1: More efficient, effective, affordable, honest, transparent, and apolitical public service focused on clear priorities 1.2: Close public/ private partnership for economic growth 1.5: Better access to, and use of, overseas trade and employment, and foreign investment 1.3: Strengthened business enabling environment 2.1: Improved collaboration with & support to civil society organizations and community groups 2.2: Closer partnership between government, churches & other stakeholders for community development 2.3: More appropriate social & cultural practices	GPA 7 GPA9	Output 1: Improved position of Tonga as a desirable tourist destination and increased empowerment of key users and operators at the national, regional, and international levels	Office of the Minister Program 1: Leadership and Management
				Output 2: Better accountability to government addressing local tourism needs & developments	Office of the CEO Policy and Planning Section Finance and Procurement Section HR and Admin Section ICT Section Program 1: Leadership and Management
				Output 3: Increased growth rate of tourism local industry's activities	Industry Empowerment Division (IED) Program 2: Product Development
				Output 4: Achieving an increased rate of tourism's destination development activities, supported by an appropriate system and programs of national beautification activities	Destination Development Division (DDD) Program 2: Product Development

<sup>474</sup> Ministry of Tourism, Corporate Plan & Budget, 2024/25-2026/27 page 12.

<sup>475</sup> Ibid

<sup>476</sup> Ibid

<sup>477</sup> Ibid, page 12.

<sup>478</sup> Ibid, page 13.

<sup>479</sup> Ibid

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<b>Goal 11</b>		5.2: Clean environments and less pollution from households and business activities		Output 5: Appropriate preservation system of Tonga’s culture and heritage considering local developments in the tourism industry	Culture and Heritage Division (CHD) Program 3: Culture and Heritage
				Output 6: Tourism drives Tonga’s future sustainable economic growth, improving living conditions and optimizing prosperity for all Tongans	TTA Office Program 4: Tonga Tourism Authority

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## 2. NEW INITIATIVES

There are no new initiatives in MOT's budget for 2024/25 and its priorities will be managed within its budget allocation for the new financial year.<sup>480</sup>

On-going activities expected in 2024/25 include the following:

- |  |   |   |
|--|---|---|
| <b>1. New Building Museum and Operation Management</b> | } | <ul style="list-style-type: none"><li>• This project involves building a new museum. It starts with designing the museum, talking with people who will be affected or are interested, and figuring out if the project is possible. It's supported financially by Saudi Arabia initially, with more money expected from the government to keep the museum running. Budget: \$300,000 each year for 2023/24, 2025/26, and 2027/28.</li><li>• Ministry of Tourism, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 23.</li></ul> |
| <b>2. Annual Tourism Events</b>                        | } | <ul style="list-style-type: none"><li>• This initiative is about organizing three big tourism events every year: Welcoming of the Whales, Blue Water Festival, and Tourism Forum. These events help make Tonga a popular place for tourists and strengthen its tourism industry. The money for these events is set aside every year. Budget: \$40,000 each year for 2023/24, 2025/26, and 2027/28.</li><li>• Ministry of Tourism, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 23.</li></ul>                               |
| <b>3. Tourism Development Grant</b>                    | } | <ul style="list-style-type: none"><li>• This grant helps tourism businesses stay strong and get ready for tough times by providing them financial support. This is part of a larger plan to make sure tourism in Tonga can withstand challenges and recover quickly from them. Budget: \$500,000 each year for 2023/24, 2025/26, and 2027/28.</li><li>• Ministry of Tourism, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 24.</li></ul>  |
| <b>4. Cultural Heritage Bill</b>                       | } | <ul style="list-style-type: none"><li>• This initiative is about creating a new law to protect and manage Tonga's cultural heritage. It involves writing the law, discussing it with the public, and getting approval from the government. This will help preserve Tonga's culture and make sure it's managed well. Budget: \$60,000 each year for 2023/24, 2025/26, and 2027/28.</li><li>• Ministry of Tourism, <i>Corporate Plan &amp; Budget, 2024/25</i>, page 24.</li></ul>  |

<sup>480</sup> Ministry of Tourism, *Corporate Plan & Budget, 2024/25*, page 19.

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### 3. BUDGET PROGRAM CHANGES

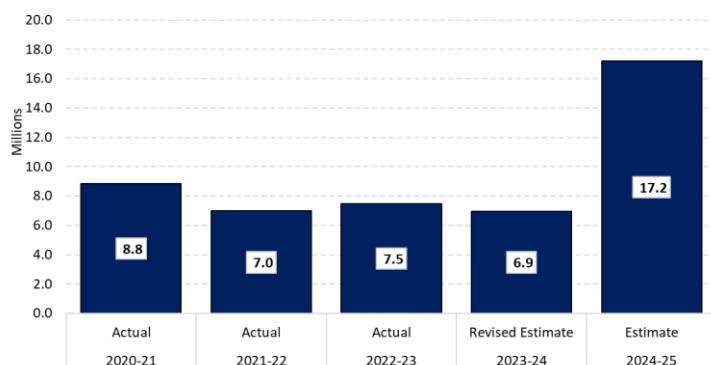
The mandate of the MOT will be delivered using resources allocated into four (4) programs and seven (7) sub-programs as follows in **Table 3**.

**Table 3: MOT's Expenditure Budget for 2024/25 by Program and Sub-Program**

Program/Sub-program	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership and Management</b>			
01. Office of the Minister	\$133,300	\$31,300	↓ \$102,000
<i>The decrease is due to a reduction in Minister's salaries. The Minister responsible for this portfolio is paid from his other portfolio which is the Ministry of Trade and Economic Development</i>			
02. Office of the CEO	213,800	207,500	↓ \$6,300
03. Support Service Division	1,602,600	4,389,600	↑ \$2,787,800
<i>The increase is due to \$3.0 million economic growth fund to support development of tourism sector and further boost their capacity to serve and accommodate tourists and support in preparation for the upcoming PIFs Leader's Meeting.</i>			
<b>2. Tonga Tourism Development</b>			
01. Industry Empowerment Division	500,900	485,600	↓ \$15,300
02. Destination Development Division	3,203,500	3,277,600	↓ \$74,100
<b>3. Culture and Heritage</b>			
01. Safeguarding and Preservation of Culture and Heritage Division	1,755,400	7,316,200	↓ \$5,560,800
<i>The increase is due to construction of new national museum costed \$6.7 million</i>			
<b>4. Tonga Tourism Authority (TTA)</b>			
01. Tourism Marketing	\$1,500,000	\$1,500,000	-

### 4. TRENDS

**Figure 2: MOT's Total Budget 5-Year Trend**



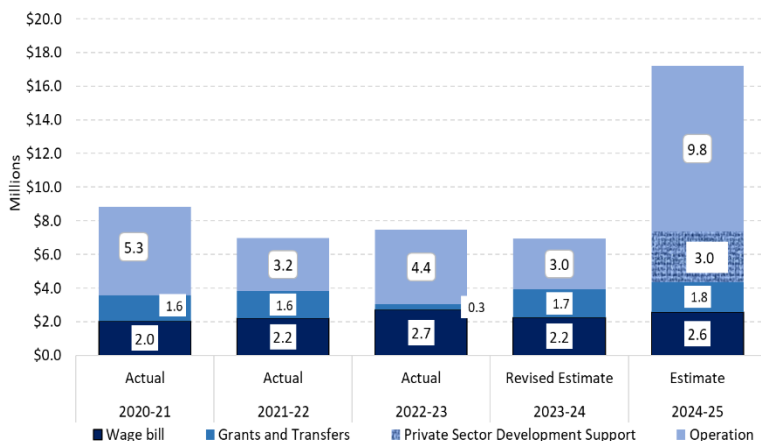
**Figure 2** shows the total expenditure budget for MOT in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period. The Ministry spent at an average of \$7.6 million in the last four years and expected to increase significantly in 2024/25 budget

due to the construction of the new national museum and economic growth fund of \$3.0 million



to boost capacity of local tourist operators to serve and accommodate tourists and support in preparation for the upcoming PIF Leader’s meeting.

**Figure 3: MOT’s 5-year Total Expenditure by Major Category**

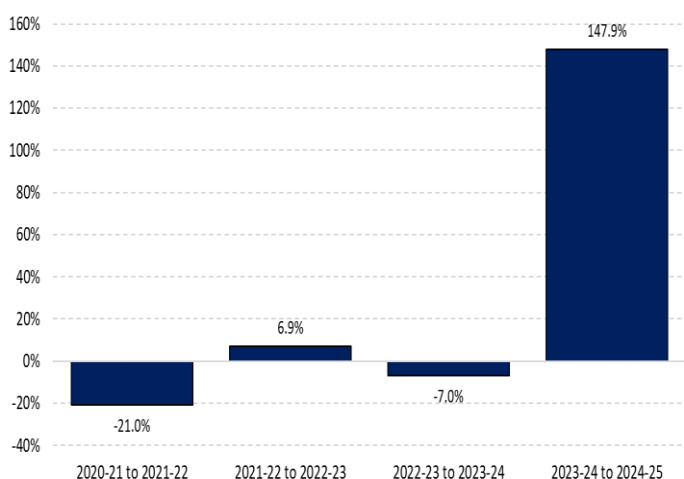


**Figure 3** shows a breakdown of MOT’s expenditure budget (as in Figure 2) into major expenditure category for five financial years (2020/21 – 2024/25).

Throughout the observed period, wage bill remains relatively stable, grants and transfers maintain its level of spending at \$1.6 million

except for 2022/23 as the budget for TTA were itemized to non-grants and transfers categories. In 2023/24 and 2024/25, the budget allocation for TTA is accounted for in grants and transfers category. Operational expenses include assets category, and it is expected to increase significantly in 2024/25 because of the construction of the new national museum. A new budget allocation is included in the Ministry’s budget for 2024/25 worth \$3.0 million to support local tourism operators in the development of the sector and in support of preparation for the upcoming PIF Leader’s meeting.

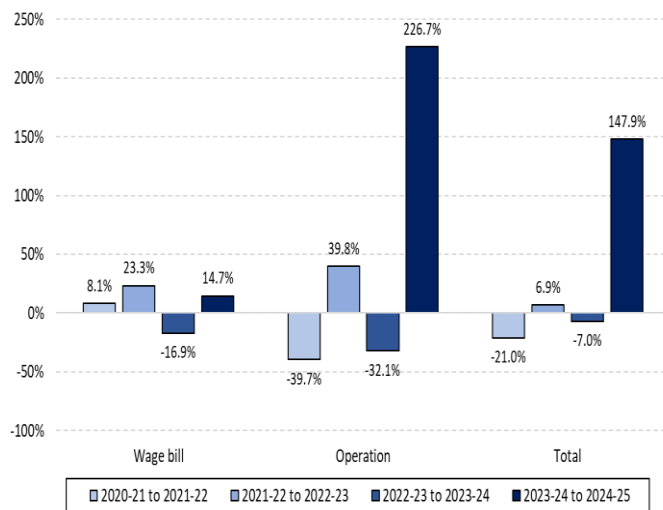
**Figure 4: Year to Year Percentage Change in MOT’s Total Expenditure**



**Figure 4** displays year-to-year percentage change in MOT’s total expenditure budget in 2024/25 compared to actual spent in the previous years (revised in 2023/24).

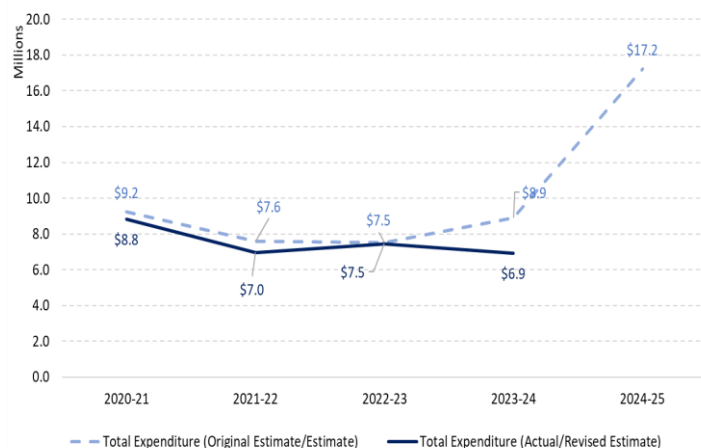
The largest change is observed in 2023/24 – 2024/25 due to the construction of a new national museum and economic growth fund to support the development in the tourism sector.

**Figure 5: Year to Year Percentage in MOT's Total Expenditure by Major Category**



**Figure 5** displays the breakdown of **Figure 4** into major expenditure category. As discussed in the previous section, operation is the main trigger of 2023/24-2024/25 annual change in the Ministry's budget.

**Figure 6: MOT's Total Expenditure Budget vs Actuals**



**Figure 6** depicts the total approved expenditure budget in comparison to actual spending for four-year period and the proposed budget for 2024/25. It is noted that MOT spent within its approved appropriation and expected to under-spend by about \$2.0 million in the current financial year. This could be due to delay in filling of resultant vacancies and delay in construction of new national museum, cash funded by development partners under

Program 3, Sub-program 01.<sup>481 482</sup>

<sup>481</sup> Ministry of Finance, *Budget for FY 2023/24*, page 372.

<sup>482</sup> Ministry of Finance, *Draft Budget Estimate for FY 2024/25*, page 383.

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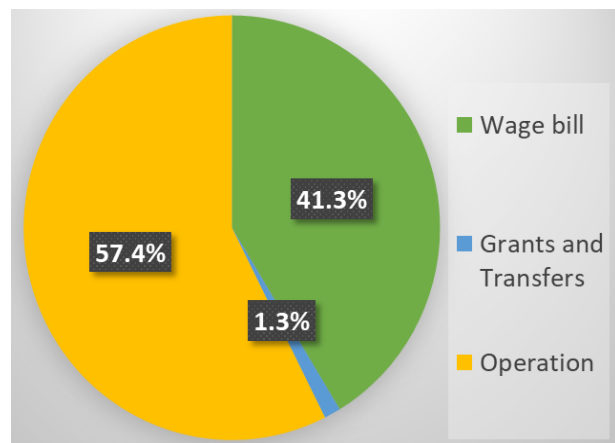
**1. VOTE 26 (page 385 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for Tonga Fire and Emergency Services (TFES) in 2024/25<sup>483</sup>**

Vote 26	Source of Funding	Approved Budget 2023/24	Budget Estimate 2024/25
	<b>Recurrent</b>		
	Government of Tonga Fund	\$4,509,200	<b>\$5,064,700</b>
	Confirmed Budget Support	\$100	-
	<b>Development</b>		
	Overseas Donor Funding (In-kind)	\$2,603,900	<b>\$2,100,000</b>
	<b>TOTAL</b>	<b>\$7,113,200</b>	<b>\$7,164,700</b>

- The Tonga Fire and Emergency Services (TFES) total budget for 2024/25 accounts for 0.8 percent of the total government budget of \$899.2 million, reflecting a slightly increase by 0.7 percent from the previous fiscal year.
- The budget's funding structure shows that 70.7 percent comes directly from the Government of Tonga, while the remaining 29.3 percent is sourced through donor in-kind assistance.

**Figure 1: TFE's Expenditure by Major Category for 2024/25**



**Figure 1** depicts the expenditure breakdown for TFES. It shows that operation costs constitute the largest share at \$4.1 million or 57.4 percent. This is followed by the wage bill amounting to \$3.0 million or 41.3 percent. Grants and transfers are the smallest portion, totaling \$0.09 million or 1.3 percent.

- **Staffing<sup>484</sup>:** In 2024/25, the TFES has a total of 152 established positions to maintain the efficiency and effectiveness of the services provided and respond to emergencies effectively.

<sup>483</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 387.

<sup>484</sup> Tonga Fire & Emergency Services Department, *Draft Corporate Plan & Budget, 2023/24 – 2025/26*, page 22.

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## 2. TFES'S OUTPUTS

**Table 2** shows the relevant linkages of TFES's service delivery to the national TSDF II and SDGs, through the following outcomes and goals.

**Table 2: Relevant TSDF II and SDGs**

SDG Goal <sup>485</sup>	TSDF II National Outcome <sup>486</sup>	TSDF II Organization Outcome <sup>487</sup>	Government Priority Agenda <sup>488</sup>	Organization Output <sup>489</sup>	Delivering Division/Program <sup>490</sup>
Goal 13	<p><b>D:</b> A more inclusive, sustainable, and responsive, good governance with law and order</p> <p><b>F:</b> A more inclusive, sustainable, and effective land administration, environment management, and resilience to climate and risk</p>	3.2: Improve law and order and domestic security appropriately applied	GPA 1 GPA 3	Ministerial obligations	Minister of Police and Fire and Emergency Services <b>Office of the Minister</b>
		5.4: Improved national and community resilience to the potential disruption and damage to wellbeing, growth and development from extreme natural events and climate change, including extreme weather, climate, and ocean events with a particular focus on the likely increase in such events with climate change		Leadership and Policy Advice	Office of the Commissioner <b>Office of the Commissioner</b>
				Corporate Services	Staff & Organizational Development Division <b>Corporate Services Department</b>
				Training and Capacity Development	Staff & Organizational Development Division <b>Training &amp; Development Department</b>
				Response to fires for the protection of life and property Training & capacity development	Response & Prevention Division <b>Fire Suppression Department</b>
				Fire prevention and mitigation services	Community Safety Division <b>Community Safety Department</b>
				Response to emergencies for the protection of life and property	Response & Prevention Division <b>Emergency Response Department</b>

<sup>485</sup> Tonga Fire & Emergency Services, *Corporate Plan & Budget, 2023/24-2025/26*, page 9-10.

<sup>486</sup> Ibid., page 9.

<sup>487</sup> Ibid., page 9.

<sup>488</sup> Ibid., page 11.

<sup>489</sup> Ibid, page 12-13.

<sup>490</sup> Ibid, page 12-14.

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### 3. NEW INITIATIVES

The Tonga Fire and Emergency Services (TFES) has strategically outlined twelve (12) new initiatives in its 2024/25 budget, reflecting its priorities and fiscal discipline. These initiatives are categorized into eight (8) new activities and four (4) ongoing activities<sup>491</sup>.

#### New Activities

<p><b>1. Increase Operational Votes (\$1.3 million):</b></p>	}	<p>To address budget shortages and support increased staff needs and operational capabilities following national disasters, with a focus on the fiscal year 2024/25.</p>
<p><b>2. Establishment of Ambulance Services (\$206,000 for Phase 1):</b></p>	}	<p>Planned to improve community emergency responses, starting in FY 2024/25 with planning and development, and extending to trials in FY 2026/27.</p>
<p><b>3. Staffing 40x Recruit Firefighters (\$155,740 per phase):</b></p>	}	<p>Initiates the development, training, and integration of new firefighters to support new and existing stations, enhancing service quality amid expansions.</p>
<p><b>4. Construction of Mechanic Workshop (\$1.0 million):</b></p>	}	<p>Focuses on creating a dedicated facility for the maintenance of the increasing vehicle fleet to ensure operational readiness and staff safety.</p>
<p><b>5. Construction of Headquarters (\$3.8 million):</b></p>	}	<p>Aims to enhance operational capacity by establishing a new headquarters, providing adequate space and facilities across three phases.</p>
<p><b>6. Capacity Development (Scholarship) (\$10,000 per phase):</b></p>	}	<p>Identifies and addresses the need for professional development in legal and legislative areas to improve TFES governance.</p>
<p><b>7. Development of Community Safety Awareness Programs for Illicit Drugs (\$20,000 per phase):</b></p>	}	<p>Educates the public on the dangers and handling of illicit drugs, aiming to mitigate related risks and enhance community safety.</p>
<p><b>8. Development of HazMat Team (\$20,000 for each Phase):</b></p>	}	<p>Plans to form and equip a specialized team for handling hazardous materials in emergency responses, enhancing capabilities for disaster and incident management.</p>

<sup>491</sup> Tonga Fire & Emergency Services, *Corporate Plan & Budget, 2023/24-2025/26*, page 16-21.

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**Ongoing Activities**

<p><b>1. Construction of Outer Stations (\$1.36 million/station per phase):</b></p>	}	<p>Enhances service delivery and strategic response capabilities through the development of new stations, preparing for climate impacts and disasters.</p>
<p><b>2. Review Legislations (\$5,000 per phase):</b></p>		<p>Focuses on updating and drafting legislation that aligns with TFES's operational needs and service mandates.</p>
<p><b>3. Fire Emergency Services Training Academy (\$900,000 for Phase 1, \$2 million for Phase 2):</b></p>		<p>Establishes training facilities to provide comprehensive and effective training for TFES personnel, boosting skills and community resilience.</p>
<p><b>4. Instalment of Fire Hydrants (\$60,000 per phase):</b></p>		<p>Ensures sufficient water supply for firefighting in strategic locations, addressing crucial water shortages for enhanced emergency responses.</p>

**4. BUDGET PROGRAM CHANGES**

The mandate of TFES will be delivered using resources allocated into two (2) programs and seven (7) sub-programs.

**Table 3: TFES's Expenditure Budget for 2024/25 by Program and Sub-program**

Program/Subprogram	Original Estimate 2023/24	Budget Estimate 2024/25	Difference (Increase (↑) or Decrease (↓))
<b>1. Leadership &amp; Policy Department</b>			
01 Office of the Minister	\$ 2,650,800	\$2,126,900	↓ \$523,900
<i>The decrease is triggered by a \$750,000 decrease in technical supplies as in-kind assistance from development partners.</i>			
02 Office of the Commissioner	\$142,800	\$168,400	↑ \$25,600
03 Corporate Service Department	\$1,337,300	\$1,801,600	↑ \$ 464,300
<i>The increase is triggered by an increase in the following:</i>			
<ul style="list-style-type: none"> <li>• \$0.1 million staffing costs due to a 5.0 percent COLA is to be implemented in July 2024;</li> <li>• \$0.1 million for vehicle maintenance and operations;</li> <li>• \$0.1 million for purchase of goods and services.</li> </ul>			
04 Training and Development Department	\$ 677,800	\$576,500	↓ \$101,300

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The decrease is due to a reduction in the following items:

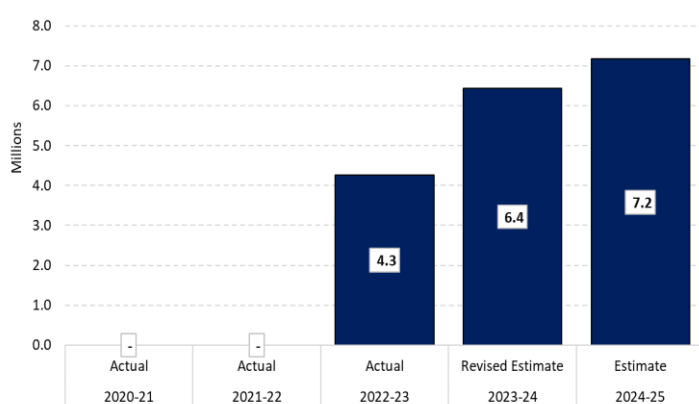
- salaries by \$69,000; and
- student allowances by \$32,200

## 2. Response & Prevention

01 Fire Suppression Department	\$1,920,100	\$2,002,400	↑ \$82,300
02 Community Safety Department	\$254,400	\$315,500	↑ \$61,100
03 Emergency Response Department	\$130,000	\$173,400	↑ \$43,400
<b>Grand Total</b>	<b>\$7,113,200</b>	<b>\$7,164,700</b>	<b>↑ \$50,500</b>

## 5. TRENDS

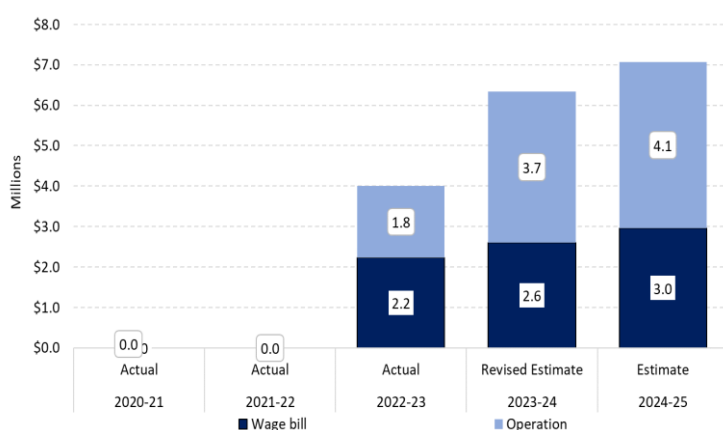
**Figure 2: TFES's Total Expenditure, 5 -Year Trend**



**Figure 2** illustrates the 5-year trend on the total expenditure budget for the TFES in 2024/25 compared to actual spending in the first three years and the revised estimate for 2023/24 of the observed period. The TFES expenditure budget and actual spending over the years demonstrates a significant increase in annual spending from \$4.3 million to a projected \$7.2 million in

2024/25. The TFES was restructured in 2022/23 and became a new Ministry (previously under the Ministry of Tonga Police).

**Figure 3: 5 Year TFES's Total Expenditure by Major Category**

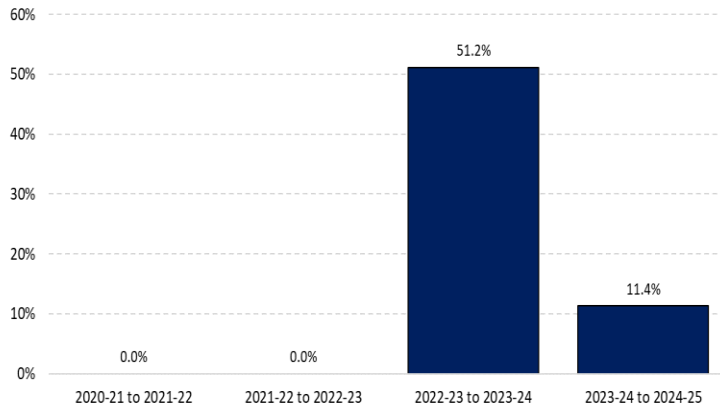


**Figure 3** displays a breakdown of TFES's expenditure budget (*as in Figure 2*) into major category for five financial years (2020/21 – 2024/25). As previously mentioned, TFES was restructured in the first two years of the observed period and became a new Ministry in 2022/23 (Vote 26). At the end of June 2024, both operational and wage bill related expenses are

expected to increase reflecting on-going works on the construction of headquarters and other activities such as station development, expansion in infrastructure, operational capabilities,

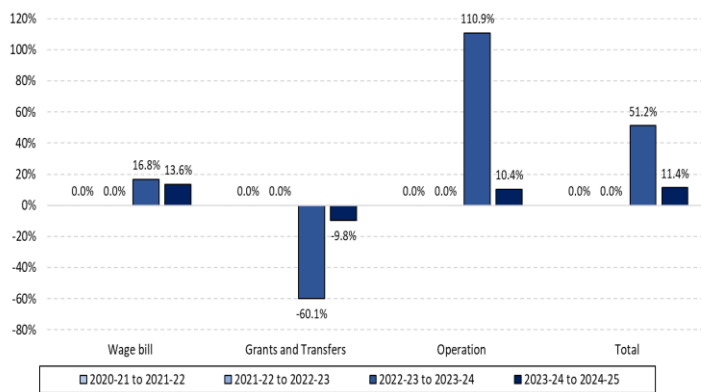
salary adjustments (5.0 percent COLA implemented in the current financial year) and recruitment of fire fighters.<sup>492</sup>

**Figure 4: Year to Year Percentage Change in TFES's Total Expenditure Budget**



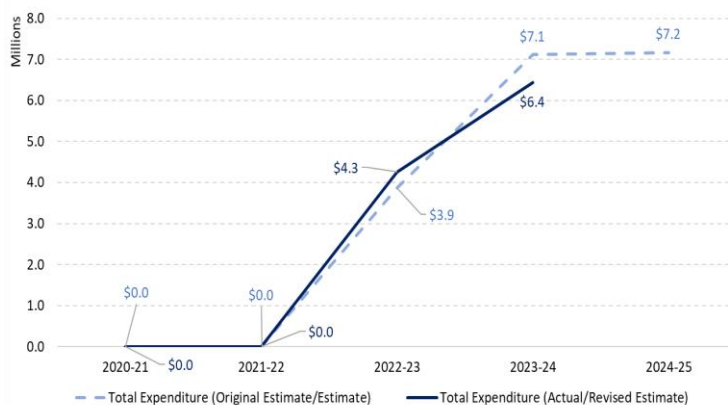
**Figure 4** shows the annual changes in total expenditure for the TFES. The huge increase in the first period was due to restructuring (as previously mentioned).

**Figure 5: Year to Year Percentage Change in TFES's Total Expenditure by Major Category**



**Figure 5** is a breakdown of **Figure 4** into major expenditure categories. Operation category is the main trigger of expenditure trend over the years because it has the largest share in TFES total budget. Subsequent increases in the wage bill category reflect salary revisions such as 5.0 percent COLA and annual recruitment of fire fighters.

**Figure 6: TFES's Total Budget Estimates vs Actual**



**Figure 6** displays the total approved expenditure budget in comparison to actual spending/ revised estimate for four-year period (2020/21 – 2023/24) and the proposed budget for 2024/25. In 2022/23, TFES spent more than its appropriated budget due to budget shortage in some of its activities. Additional funds were transferred from the Contingency

<sup>492</sup> Tonga Fire & Emergency Services, *Corporate Plan & Budget, 2023/24*, page 16-20



Fund under a Ministry of Finance vote. At the end of the current financial year, it is anticipated that the Office will spend within its approved budget. Could be due to a delay in implementation of planned activities.

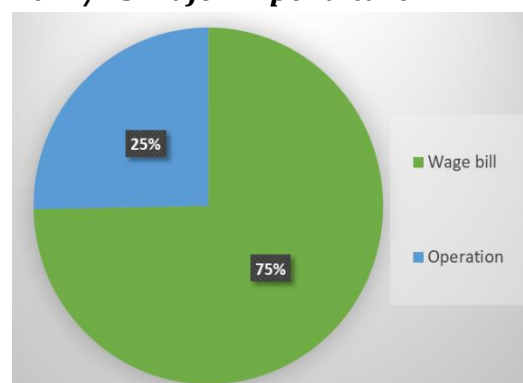
**1. VOTE 27 (page 393 of the Draft Budget Estimates 2024/25)**

**Table 1: Expenditure Budget for the Office of the Anti-Corruption Commissioner (OACC) by Funding Sources 2024/25<sup>493</sup>**

Vote 27	Source of Funding	2023/24 Estimate	2024/25 Estimate
	<b>Recurrent</b>		
	Government of Tonga Fund	836,000	850,000
	<b>TOTAL</b>	<b>836,000</b>	<b>850,000</b>

- Total Budget for the OACC for 2024/25 budget is \$0.9 million, contributing to 0.09 percent of the government's total budget of \$899.2 million.
- The Government of Tonga is the main financier of the OACC budget.
- The total OACC's overall budget has increased by 0.2 percent from 2023/24 approved estimate<sup>494</sup>.
- **Figure 1**, illustrates the breakdown of the OACC's total expenditure budget expenditure by categories, indicating that 74.7 percent is wage bill related expenses (Categories 10xx and 11xx) and 25.3 percent to support the operation of the Office (Categories 12xx, 13xx, 14xx and 20xx).
- The Office of the Anti-Corruption Commissioner is expected to fully operate in July 2024.
- **Staffing<sup>495</sup>**: The Commissioner for Anti-Corruption has been appointed and relevant staff is expected to recruit in 2024/25.

**Figure 1: OACC's Total Budget for 2024/25 Major Expenditure**



<sup>493</sup> Ministry of Finance, *Draft Budget Estimate FY 2024/25*, page 393.

<sup>494</sup> Ministry of Finance, *Draft Budget Estimate FY 2023/24*, page 385.

<sup>495</sup> *Ibid*, page 385. This office is transitioning to its establishment. For last FY 2023/24 and this FY 2024/2025 it has not published its corporate plan.

## THEMATIC BRIEFING 1: Hunga Tonga Hunga Ha'apai Recovery

### 1. Overview

This thematic briefing will focus on the Hunga Tonga Hunga Ha'apai (HTHH) Recovery, the Tonga Volcanic Eruption and Tsunami that happened in 2022 and this maybe an area of interest to see the progress of the project – what has been achieved so far and the remaining work to complete.

Government has provided its continuous efforts for the post-HTHH reconstruction projects, with the focus on building back better and enhancing the standard of living of affected communities.

The principle of building back better was applied to enhance standard of living not only by providing assistance towards residential houses but also relocating to higher grounds to mitigate impacts from future sea level rises and other natural disasters. The design of these buildings is more inclusive that provides better access for the vulnerable people both at their homes and public places.<sup>496</sup>

### 2. Key Achievements in FY 2023/24

In the current FY (2023/24), the Government had allocated \$30.6 million for the HTHH Recovery, and below are the key achievements<sup>497</sup>:

- **Residential housings:** 260 households were affected by the HTHH tsunami. 113 have been completely reconstructed, which include 5 for Kotu, 17 for Tungua, 4 for Ha'afeva, and 2 for Lifuka; and the remaining houses are **expected to be completed by the end of June 2024**.
- **Non-residential buildings:** The Nippon Foundation **project is estimated to be completed by the end of FY 2024**. The project presented to the Government 30 fishing boats and 2 Community Halls in Tongatapu ('Atata Si'i and Matatoa) and 1 in Eua (Mango community in Ta'anga).

### 3. Relevant GPAs

The HTHH Recovery falls under Thematic Area 1 "National Resilience" Containing **GPA 1** "Building resilience and safer platforms to natural disasters and meeting the ongoing challenges of climate change (tropical cyclones, sea level rising, tsunamis, global pandemic etc) and address economic crisis".

**Figure 1** illustrates the relevant GPA, Activities and the Budget Allocation for HTHH Recovery.<sup>498</sup>

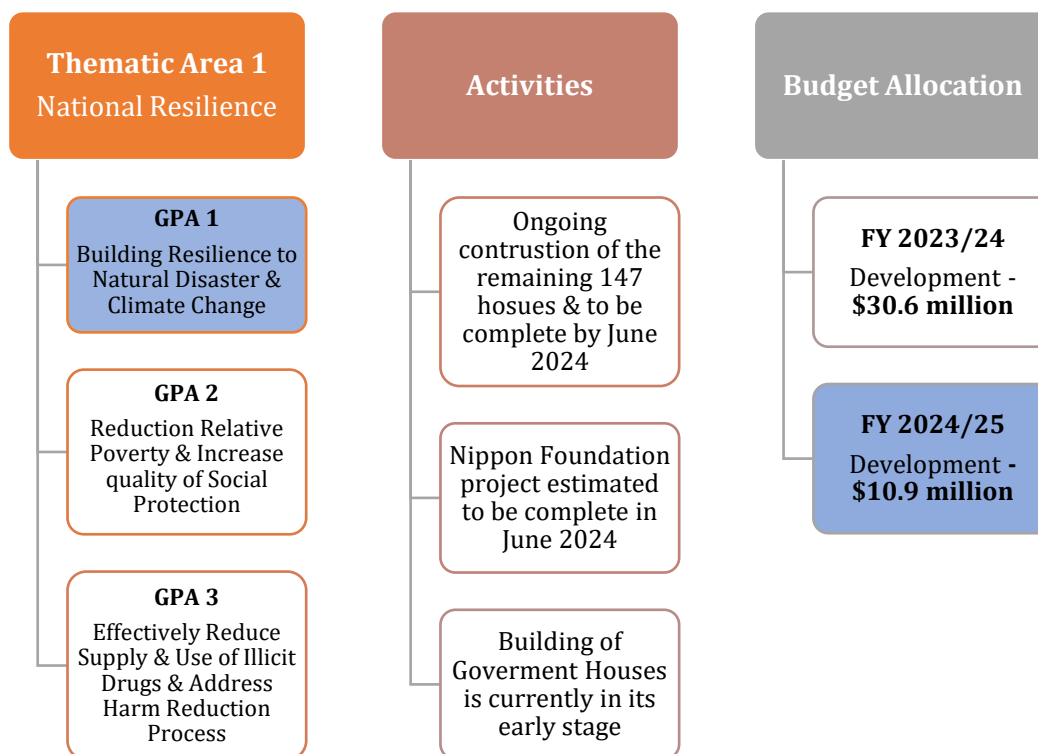
<sup>496</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 141.

<sup>497</sup> *ibid*, page 19.

<sup>498</sup> *Ibid*, page 16.

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Figure 1: Relevant Thematic Area and GPAs and NAPID and Budget Allocation



#### 4. Priorities for 2024/25

1. The Government will continue implementing of the policies and activities above over the medium term using financial resources in Table 1, from development partners. The budget allocation for HTHH Recovery for FY 2024/25 is \$10.9 million.
2. In comparison with original budget allocation in the current financial year, it is noted that there is a decrease of \$19.7 million from the FY 2023/24, \$30.6 million. This is due to the HTHH Recovery project is near its completion and it is expected to be completed by the end of June 2024.

Table 1: Budget Allocation for HTHH Recovery<sup>499</sup>

Source of Funds	Original Budget	Estimated Outturn	Budget
	FY2023/24 (\$m)	FY2023/24 (\$m)	FY2024/25 (\$m)
Cash	20.1	11.6	4.8
Inkind	10.5	8.6	6.1
<b>Total</b>	<b>30.6</b>	<b>20.2</b>	<b>10.9</b>
HTHH % to Total Budget			3.1%

<sup>499</sup> Ministry of Finance, Budget Statement FY 2024/25, page 177.

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## 5. Long Term Support to the Government

1. MEIDECC continues to be the leading Ministry under this GPA 1, representing the largest share of the budget, followed by the **Ministry of Infrastructure**, reflecting the ongoing recovery efforts after the HTHH volcanic eruption and tsunami, and other climate resilience related development projects.
2. The projects is guided by the Resilience Housing Policy and the National Infrastructure Investment Plan's Multi Criteria Assessment (MCA) targeting to reduce risks in the future. Budget allocation for HTHH recovery projects for 2024/25 is under Program 3: Building Control & Services and Civil Engineering, Sub-program 01: Building Control Division.

The ongoing implementation of the HTHH Reconstruction Recovery Project for FY 2024/25<sup>500</sup> are as follows:

- The **building of the government houses** for Ha'apai (Pangai & Nomuka) and Eua ('Ohonua) are currently in the **early stages of progress**.
- Completed the repairs of the **domestic submarine cable system** connecting Tongatapu to Ha'apai and Vava'u, which was destroyed by the HTHH volcanic eruption in January 2022, was supported by Australia. The redundancy cable for Tonga was signed in December 2023, was supported by Australia and New Zealand amounted to US\$3.0m and is **expected to complete by the 3rd quarter of 2025**.

## 6. Community Development/Support

The **Tonga Red Cross Society** (TRCS) offered financial support to 632 families who suffered from the 2022 HTHH tsunami in three different regions of Tonga. The aid comes as cash amounting to half a million dollars (\$500,000) and was managed by the Tonga Development Bank (TDB) for distribution.<sup>501</sup> A Tonga Red Cross Society Household Recovery Assistance project will provide cash assistance up to 5% to build new homes for some families affected<sup>502</sup>.

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<sup>500</sup> Ministry of Finance, *Budget Statement FY 2023/24*, page 19

<sup>501</sup> Ibid, page 48.

<sup>502</sup> Matanigi Tonga Online, (2023), *Cash support to help tsunami recovery for affected households*. Available at: <https://matangitonga.to/2023/07/19/household-recovery-assistance> [Accessed on 03rd May 2024]

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## THEMATIC BRIEFING 2: Illicit Drugs

### 1. Overview

This thematic briefing focuses on the matter of Illicit drugs and in this briefing will explore the projects and programmes that the responsible Ministries will undertake for the financial year (FY) 2024/25.

The matter of Illicit drugs remains at most important for the Government because it is now widely recognized as a critical issue for Tonga, as Illicit Drugs are affecting all levels of society and particularly threatening the future livelihoods of youths, the crisis is now worse than ever and doesn't show any sign of slowing down.

### 2. Key Achievements in 2023/24<sup>503</sup>

A total allocation of **\$61.3m in FY 2024** was made towards efforts to combat illicit drugs, of which \$54.9m or 89.6 percent is estimated to be utilised by the end of the year.

A total of **\$5.0m** was allocated for the activities listed in the National Action Plan for Combating Illicit Drugs (NAPID) to address key strategic outcome area 3, of which over 90.0 percent is expected to be utilized towards the end of the financial year:

- **Supply Reduction:** the **new combined stations for Police & Fire Emergency Station** in Ha'asini was held in December 2023. The government continues fund the constructions of the stations in Houma, Tongatapu in early 2024, and then Leimatu'a and Vava'u station in late 2024.
- **Demand Reduction:** Returnees' policy, an allocation of \$60,000 aimed to support the ongoing activities of the 6 existing NGOs in relation to support returnees. The request for assistance from these NGOs is now open for consideration by an establish oversight committee, chair by the Prime Minister's Office (PMO) and Ministry of Internal Affairs (MIA).

In addition, is the on-going construction of Hu'atolitoli **Security Fence budgeted at \$1.5m, \$1.2m for the prison facility for women**, and the completion of the illicit drugs unit office at the prisons department.

- **Harm Reduction:** People Republic of China (PRC) donated the **Forensic Electronic Fingerprinting Equipment**, and a vehicle to the Tonga Police. There were purchases of high technological equipment for detecting illicit drugs under the illicit drugs fund.

For the recurrent budget allocation for the stated MDAs leading efforts under GPA 3 at a total of **\$37.0m** (excluding the Illicit Drugs Fund), 97.0 percent is expected to be utilized at the end of the FY towards mainly supporting the staff and operational expenses of these MDAs; including the implementation of the Tonga Police Force's Phase 1 of its remuneration review.<sup>504</sup>

<sup>503</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 25.

<sup>504</sup> Ibid, page 26.

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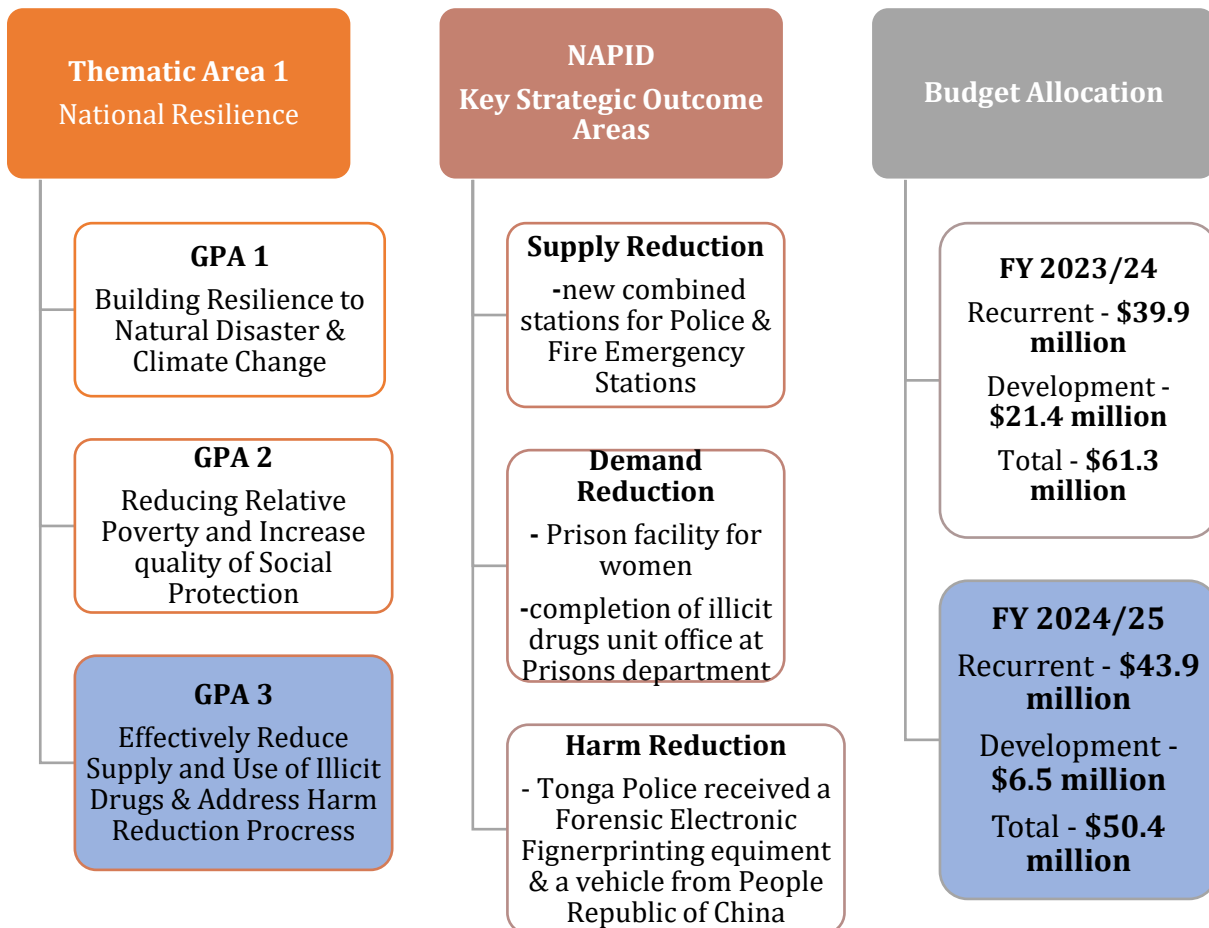
### 3. Relevant GPAs

The Illicit Drugs is under Thematic Area 1 “National Resilience” Containing GPA 3 “Mobilizing National and International response to effectively reduce supply and the use of Illicit Drugs and address harms reduction processes”.

Implementing the GPA 3 has been guided by these **policies**: National Action Plan for Illicit Drugs (NAPID), National Deportation Reintegration, Tonga National Youth Policy (TNYP), Migration and Sustainable Development Policy (MSDP). This financial year will be the fourth consecutive year to implement that National Action Plan for Illicit Drugs(NAPID).<sup>505</sup>

The Figure 1 below illustrates the relevant GPA, NAPID Activities and the Budget Allocation for combating the issue of Illicit Drugs.

**Figure 1: Relevant Thematic Area<sup>506</sup> and GPAs and NAPID<sup>507</sup> and Budget Allocation<sup>508</sup>**



<sup>505</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 24.

<sup>506</sup> Ibid, page 16.

<sup>507</sup> Ibid, page 25.

<sup>508</sup> Ibid, page 27.

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#### 4. Priorities for 2024/25

A total budget of **\$50.4 million** has been allocated for the FY 2024/25 to combat the illicit drugs issue. The Recurrent estimate is allocated a total of **\$43.9 million** and a total of **\$6.5 million** is allocated for the Development estimate.

In comparison with the original budget allocation in the current financial year (2023/24), it is noted that there is decrease in the budget allocation by **\$10.9m** mainly because of completion on some components of development projects such as the construction of the new Leadership Centre at Touliki, maintenance of naval ships and construction of the Fangatongo Military Camp in Vava'u.<sup>509</sup>

There are 7 different government ministries, departments, and agencies (MDAs) that will implement the project and programme for the illicit drugs, which are His Majesty's Armed Forces (Vote 06), Ministry of Finance (Vote 08), Ministry of Revenue & Customs (Vote 09), Ministry of Justice and Prisons (Vote 12), Ministry of Tonga Police (Vote 14), Ministry of Health (Vote 15), and Tonga Fire & Emergency Services Department (Vote 26).

Other **ongoing activities in FY 2025**<sup>510</sup> includes:

- Construction of the new fire and police stations in Houma, Tongatapu and the Leimatu'a Station, Vava'u
- Upgrade of prisons facilities including those to cater for female inmates in Hu'atolitoi and to upgrade the prison facility in 'Eua and Vava'u
- Implementation of phase 2 of the Tonga Police Force's salary review
- Strengthening existing and expanding fire emergency services in Tongatapu and the outer islands, including renovations, staff trainings in paramedic science
- Continued support for His Majesty's Armed Forces (HMAF) operation and services for fuel and training
- Establish a service for the reintegration of criminal deportees sent to Tonga from New Zealand, Australia, and the US
- Conduct remedial renovation work on the Tonga Police Headquarters and Corporate Offices to support organizational health and safety
- Other activities include mentoring and advisory support for Tonga Police District Investigations units, Officer Safety Refresher Training for the Tactical Response Group, pre- and in-service training to improve domestic violence frontline response, investigations, and prosecutions, and minor refurbishments of safe spaces for domestic violence survivors, particularly in outer island branches.

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<sup>509</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 26.

<sup>510</sup> Ibid, page 26 & 27.

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Table 1: Budget Allocation for the Thematic Area – Illicit Drugs<sup>511</sup>

Budget Allocation for GPA 3: Combatting Illicit Drugs	2023/24				2024/25	
	Original Estimate		Revised Estimate		Estimate	
	Recurrent	Development	Recurrent	Development	Recurrent	Development
His Majesty's Armed Forces	12.0	11.6	11.0	8.9	12.3	2.7
Illicit Drugs Fund	2.9	2.1	2.6	2.1	5.0	0.0
Border Control (Customs)	2.7		2.5		3.0	
Prisons Department	4.5		4.8		4.3	
Ministry of Tonga Police	13.3		13.2		14.2	
Tonga Fire & Emergency Services	4.5		4.4		5.1	
Drug and Alcohol Treatment		1.5		1.2		
Tonga Police Development Program		5.3		4.1		3.2
Other		0.9		0.1		0.6
Sub-Total	39.9	21.4	38.5	16.4	43.9	6.5
<b>TOTAL</b>		<b>61.3</b>		<b>54.9</b>		<b>50.4</b>

## 5. Long Term Support to the Government

### Ministry of Tonga Police (MOP) (Vote 14)

The Ministry of Tonga Police (MOP) is the lead Ministry of the NAPID strategy and implementing the programmes to reduce use of illicit drugs.

MOP's Program 3 of "Policing Operations/ Operations Command" consists of Sub-program 02 (division) for National Crime and Investigations, whereby consists of the unit for Illicit Drugs Response. The total allocated budget for this unit is \$1.0 million.<sup>512</sup> The range of activities<sup>513</sup> for this unit are:

#### Activitives

- Illicit drugs related searches
- Success rate of illicit drugs related searches (drugs detected or seized)
- Number of illicit drugs related arrests
- Successful prosecution rate of illicit drugs offenders
- Quantities of drugs seized: Class A or Class B

#### NAPID RMT

- Median street price of illicit drugs: Cocaine, Methamphetamine and Cannabis
- Number of illicit drugs suppliers arrests
- Median number of illicit drugs seized per person

The **Tonga Police Development Program** focuses on capacity building through people development, information management, corporate development, and intelligence and investigations. The new and upgraded facilities and equipment including the 'Akau'ola facility within the Tonga Police Headquarters in Longolongo to support more efficient and effective

<sup>511</sup> Ministry of Finance, *Budget Estimate FY 2024/25*, page 27.

<sup>512</sup> Ibid, page 250.

<sup>513</sup> Tonga Police, *Corporate Plan & Budget 2024/25 – 2026/27*, page 32.

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policing. Support to community policing initiatives and training new and existing police officers is ongoing for enhanced engagement with communities and improved policing skills.<sup>514</sup>

### His Majesty's Armed Forces (HMAF) (Vote 6)

HMAF's role in combating illicit drugs is the maintenance of maritime security of its 700,000 square kilometers maritime territorial boundary. HMAF has the necessary maritime platforms, manning, and training to carry out this essential role. The **Tonga Navy Division** (Program 1: Office of His Majesty's Armed Forces, Sub Program 03: Tonga Navy) are tasked to conduct 150 days of sea patrols. The number of sea-patrols the Tonga Navy conducts is determined by the cost of the fuel and assigned budget in the current FY.<sup>515</sup>

HMAF's Tonga Navy Division has a total budget allocation of **\$3.6 million**, whereby a budget allocation of \$500,000 is allocated for Fuel, and \$50,000 is allocated for the Maintenance of Vessels & Aircrafts in the budget estimate for the new FY 2024/25.<sup>516</sup>

The ongoing support to HMAF from various **development partners** includes, the completion of the Fangatongo Military Base (Vava'u), the ongoing progress of the leadership Centre at Touliki naval base and the ongoing trainings to overseas workshops and support for fuel and maintenance of ships. The allocation for Development budget is \$8.9 million.

The Government of Australia and New Zealand continued to provide assistance to HMAF for maintenance of naval ships, and communications in supporting of national defence and to address the priority of reducing the use of illicit drugs. The assistance continues to provide annual military training in New Zealand, Australia, and the USA. This is the 23rd year of ongoing support through development projects towards the HMAF from the Australian Defence Force (ADF) with the objective to strengthen the efforts to combat Illicit drugs.<sup>517</sup>

### Tonga Fire and Emergency Services (TFES) (Vote 26)

The NAPID strategy provides a funding for the TFES regarding Illicit Drugs Response Fund Projects that were approved by the Steering Committee targeting one of the key strategic outcome areas of Supply Reduction: Commissioning of **the new combined stations for Police & Fire Emergency Station** in Ha'asini was held in December 2023. The government continues to construct the station in Houma, Tongatapu in early 2024, then Leimatu'a Station, Vava'u in late 2024.<sup>518</sup> There is an allocation of **\$4.4 million** for this new combined stations.

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<sup>514</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 143.

<sup>515</sup> His Majesty's Armed Forces, *Corporate Plan & Budget, 2024/25-2026/27*, page 12.

<sup>516</sup> Ministry of Finance, *Budget Estimate FY 2024/25*, page 128.

<sup>517</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 25.

<sup>518</sup> *Ibid*, page 142.

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### Ministry of Finance (MOF) (Vote 8)

The MOF holds the NAPID Fund until proper authorization is granted for the fund to be distributed and utilized. The Action Plan Committee (APC) holds meetings to determine the utilization of the NAPID Fund, and the APC are under the supervision of the Steering Committee.

MOF's *Government General Fund Division* (Program 4) holds a *Special Project Unit* (Sub-Program 05) whereby contains the NAPID Fund. The NAPID Fund Budget Estimate for the new FY 2024/25 consists of **\$5 million**<sup>519</sup> to be distributed among the relevant Ministries of *GPA 3*.

MOF's CEO, along with other relating CEOs, partakes in the APC to determine the utilization of the NAPID Fund in combating the supply, demand, and harm of illicit drugs.

### Ministry of Revenue and Customs (MORC) (Vote 9)

The MORC's Program 3 "Customs Administration" consist of the subprogram 1 "Border Control", which is allocated **\$2.3 million**. With this allocated funding, the Customs Administration enhance the border security coordination to detect the illicit drugs trade and support legitimate cross border trade and travel.<sup>520</sup>

Have a effective and timely **operation of x-ray machines to facilitate trade and deter illicit trade. \$0.1m allocation** per annum towards the maintenance and upkeep of the Customs x-ray machines at Tonga's borders, which has seen positive returns of investing in these machines to combat illicit drugs.<sup>521</sup>

### Ministry of Justice and Prisons (Vote 12)

This Ministry has been allocated **\$4.8 million**, however under the Programme 6: Prisons Department, Subprogramme 5: Illicit Drugs Services Division the allocation shows \$337,600.<sup>522</sup>

In addition, is the on-going construction of Hu'atolitoli **Security Fence** budgeted at **\$1.5 million**, the **prison facility for women** to begin in the last quarter of the FY 2024 at an estimated budget of **\$1.2 million**, and the completion of the illicit drugs unit office at the prisons department.

### Ministry of Health (Vote 15)

The Ministry of Health under the **Drug and Alcohol Treatment Programme** has been allocated **\$1.2 million** for the establishment of a rehabilitation centre for the treatment of drug and alcohol addicts. There is also a lack of mental health services in the country and the program will build

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<sup>519</sup> Ministry of Finance, Budget Estimate FY 2024/25, page 167.

<sup>520</sup> Ibid, page 180.

<sup>521</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 73.

<sup>522</sup> Ministry of Finance, *Budget Estimates FY 2024/25*, page 229.

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the capability of social service providers in the country. The allocation for the rehabilitation centre is under the Programme 3.<sup>523</sup>

## **6. Community Development/Support**

For demand reduction for illicit drugs an allocation of **\$60,000** in FY 2023/24 is given to support the ongoing activities currently undertaken by the **6 existing NGOs** in relation to support returnees. At this stage, request for assistance from these service providers (NGOs) is now open for consideration by an establish oversight committee, chair by the Prime Minister's Office (PMO) and Ministry of Internal Affairs (MIA).<sup>524</sup>

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<sup>523</sup> Ministry of Health, Corporation Plan 2023/24-2025/25, page 76.

<sup>524</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 25.

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## THEMATIC BRIEFING 3: Climate Change

### 1. Overview

This briefing discusses the thematic topic of Climate Change: its impacts on Tonga, the economic implications for the Tongan economy, the 2024/25 budget allocations and priorities, and the ministries and departments responsible for implementing the programmes and initiatives necessary to respond to climate change. In FY 2024, the concept of gender and climate related budgeting was introduced under the annual Budget Guidance 2025. This was issued by the Ministry of Finance to assist line ministries in better identifying and designing budget allocations to help address climate and gender-related issues more effectively and efficiently.<sup>525</sup>

Climate change is regarded as the single biggest issue determining the future of Tonga over the coming decades.<sup>526</sup> Tonga is one of the three countries most vulnerable to the impacts of climate change and whose effects are adversely affecting the people of Tonga. The impacts include more severe tropical cyclones with associated strong winds, heavy rains, and coastal flooding, as well as those related to sea-level rise.<sup>527</sup> The effects of climate change on Tonga are both economic and social, including economic growth rates, debt sustainability, food production, increased health threats, and social tensions due to loss of income. According to the 2024 Monetary Policy Statement of the National Reserve Bank of Tonga, *capital investments in resilient and sustainable infrastructure are vital to mitigate Tonga's climate risks*.<sup>528</sup>

In the World Risk Index Report 2021, the top 3 countries most at risk of disasters were all Pacific Island States – Vanuatu, Solomon Islands and Tonga.<sup>529</sup> Risk is a combination of a country's exposure to natural hazards (earthquakes, tsunamis, cyclones, floods, droughts, and sea-level rise), and vulnerability (lack of ability to cope or adapt).

In terms of natural hazards, Tonga is most exposed to tropical cyclones which are a frequent occurrence and are intensifying because of climate change. Between 1970 and 2015, Tonga experienced 73 tropical cyclones, an average of 1.6 cyclones per year.<sup>530</sup> In 2018, Tropical Cyclone Gita affected 80,000 people and caused extensive damage and loss, including the destruction of 800 houses with a further 4,000 damaged. With estimated damages of USD 164.1 million (38 percent of GDP), Cyclone Gita was one of the most expensive disasters for Tonga.<sup>531</sup> In 2020 the country was again hit by tropical cyclone Harold.

In addition to cyclones, other natural hazards include earthquakes, volcanic activities, and tsunamis. In 2022 Tonga experienced another destructive event, the Hunga-Tonga-Hunga-Ha'apai (HTHH) volcanic eruption, which then triggered a series of destructive tsunamis.

<sup>525</sup> Ministry of Finance, *Budget Statement: FY 2024/25*, May 2024, page 22.

<sup>526</sup> Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications (MEIDECC), *Corporate Plan & Budget 2024/2025 – 2026/2027*, page 14.

<sup>527</sup> During the dry season in 2016, Tonga experienced the heaviest rains in 30 years, causing flooding in the capital. See: United Nations Office for Disaster Risk Reduction, *Disaster Risk Reduction in the Kingdom of Tonga: Status Report*, 2022, page 7.

<sup>528</sup> National Reserve Bank of Tonga, *Monetary Policy Statement*, February 2024, page 3.

<sup>529</sup> The World Risk Index ranks countries according to risk. See: *World Risk Index Report 2021*, Bündnis Entwicklung Hilft and Ruhr University Bochum, 2021.

<sup>530</sup> United Nations Office for Disaster Risk Reduction, *Disaster Risk Reduction in the Kingdom of Tonga: Status Report*, 2022, page 6.

<sup>531</sup> *Ibid*, page 7.

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Economic and financial costs of the eruption were expected to exceed 10% of GDP, or T\$100 million.<sup>532</sup>

On average, the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) estimates that annual losses from hazards (such as from climate change and cyclone-related damage), are equivalent to an average 4.3% of the GDP of Tonga.<sup>533</sup>

Climate Change therefore poses a **high risk** to the economy, to people, and to the budget. Substantial expenditure is incurred in recovery and reconstruction efforts, disaster management, early warning systems, critical infrastructure, coastal defences, climate adaptation, renewable and backup energy systems, water management, and safe and resilient schools. (See Table 1 below).

## 2. Relevant GPAs

This year's budget theme is 'Building the Foundations for Sector-Driven Economic Growth and Sustainability'. Noting the economy's vulnerability to disasters and the impacts of climate change, the budget states its primary aim is to direct attention towards promoting economic growth through increased investment and strong partnerships with key stakeholders. It focuses on prioritizing projects and initiatives to achieve sustainable growth for all.<sup>534</sup>

The budget continues a focus on sustainability and resilience to climate change, which were also key themes in last year's budget 'Partnership for Greater Resilience and Sustainability to restore Inclusive Growth.'

Within the budget there are nine Government's Priority Agenda (GPAs), which are grouped into three thematic areas. Thematic Area 1 is 'National Resilience', which includes GPA 1: Building resilience and safer platforms to natural disasters and meeting the ongoing challenges of Climate Change and address economic crisis (building climate and economic resilience). The aim is to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters. This includes the integration of climate change measures into national policies, strategies, and planning.

GPA 1 has a total estimated budget of \$109.6 million for the FY 2024/25. This is an increase of almost a third (32.8 percent, or \$27.1 million) from the previous budget. Of the total, \$106 million (97 percent) is funded from the development budget and \$3.6 million from the recurrent budget.<sup>535</sup>

**Figure 1** below illustrates the relevant GPA, and the Budget Allocation for addressing climate and economic resilience.

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<sup>532</sup> The Government of Tonga, *Draft Government Priority Agenda (GPA): 2022-2025*, page 2.

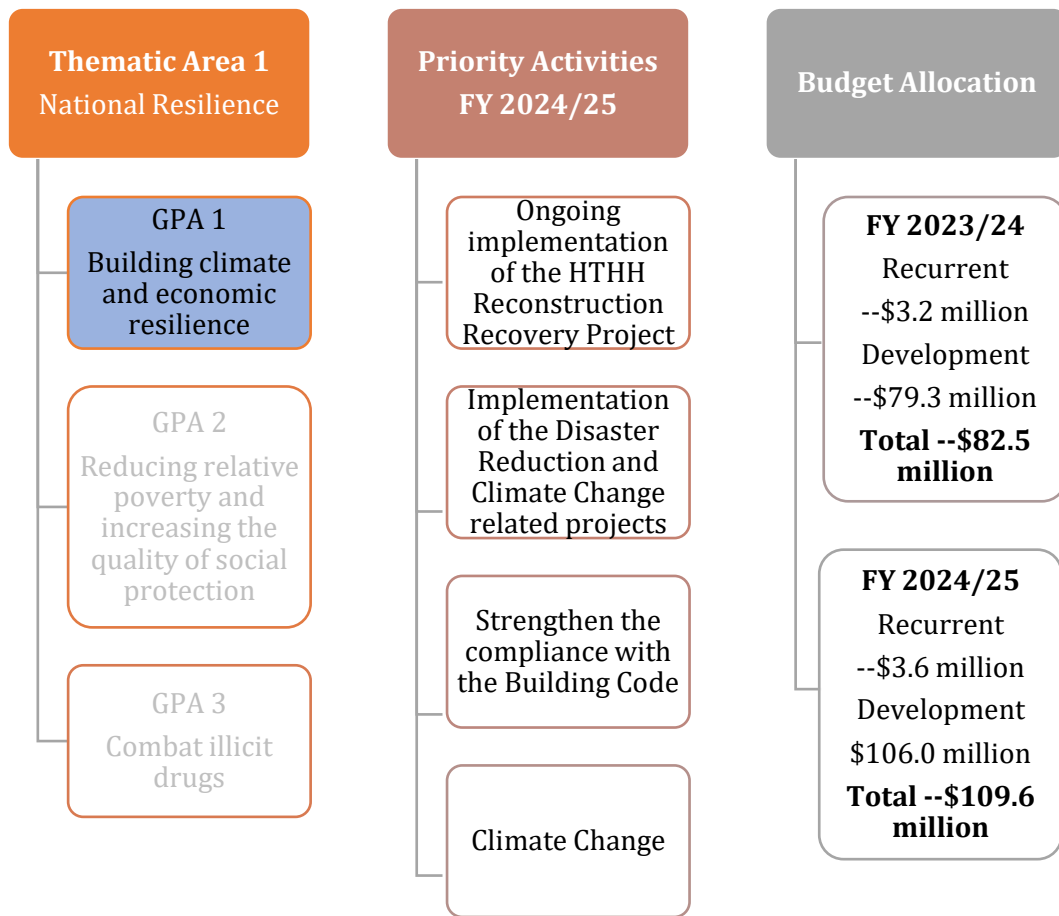
<sup>533</sup> *Ibid*, page 7.

<sup>534</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 5.

<sup>535</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 18.

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Figure 1: Relevant Thematic Area and GPAs<sup>536</sup>



<sup>536</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 21.

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**Budget allocation for GPA 1 (including Climate Change)**

**Table 1: Detailed Budget allocations for GPA 1 for FY 2024 - 2027 (\$m)** <sup>537</sup>

Budget Allocation for GPA 1: National Resilience	2023/24				2024/25		2025/26		2026/27	
	Original Estimate		Revised Estimate		Estimate		Estimate		Estimate	
	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development
Climate Change Department	0.8		0.6		0.8		0.8		0.8	
Disaster Management Department	0.7	0.3	0.7	0.2	0.8		0.8		0.8	
Meteorology Department	1.4		1.3		1.7		1.6		1.6	
Tonga Volcanic Eruption & Tsunami		12.0		11.6		6.2		0.4		0.4
Maintenance of Evacuation Road		10.4		10.8						
Tonga Climate Resilience Transport		14.6		14.5		7.7		11.1		16.5
Pacific Resilience Program (PREP)		10.7		9.1		9.2				
Integrated Urban Sector Resilience		4.0		12.4		4.8		9.8		7.1
Climate Change Trust Fund		2.0		8.6		2.2		0.1		0.1
Tonga Renewable Energy Project		2.8								
Water Management Project		8.0		3.0		8.0		6.0		2.0
Tonga Safe and Resilient Schools		5.5		1.8		6.4		16.4		16.4
Nationwide Early Warning System		6.2		0.5				3.2		5.3
GCF readiness						6.5		5.2		5.2
NNUP and Generator Set						8.0				
Parametric Insurance	0.3	0.9	0.3	0.8	0.3	1.0	0.3	1.0	0.3	1.0
Energy Project								5.0		5.0
Coastal Protection Project								10.0		20.0
Catastrophe Deferred Drawdown Options (CatDDO)						30.0		10.0		10.0
Contingent Disaster Financing (CDF)						10.0		11.0		
COVID-19 Support Program						2.2		1.5		
Other		1.8		1.1		3.8		2.2		2.1
Sub-Total	3.2	79.3	2.9	74.4	3.6	106.0	3.5	92.9	3.5	91.1
<b>TOTAL</b>		<b>82.5</b>		<b>77.3</b>		<b>109.6</b>		<b>96.4</b>		<b>94.6</b>

- **Table 1** above details the budget allocation for GPA 1 by department, programme, or initiative. The total sum of \$109.6 million includes all climate change-related activities, including development funding of \$6.2 million for the volcanic eruption and tsunami. Excluding this, the budget for climate and economic resilience is \$103.4 million.
- The three largest components of the development budget make up almost half (46 percent) of the total development budget. They are:
  - the World Bank's Catastrophe Deferred Drawdown Options (\$30.0 million)
  - contingent disaster financing (\$10 million)
  - the Pacific Resilience Programme (\$9.2 million)
- The three largest components of the recurrent budget are:
  - funding for the Meteorology Department (\$1.7 million)
  - funding for the Climate Change Department (\$0.8 million)
  - funding for the Disaster Management Department (\$0.8 million)

Further details of the climate and economic resilience-related allocations in Table 1 are described below.

<sup>537</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 21.

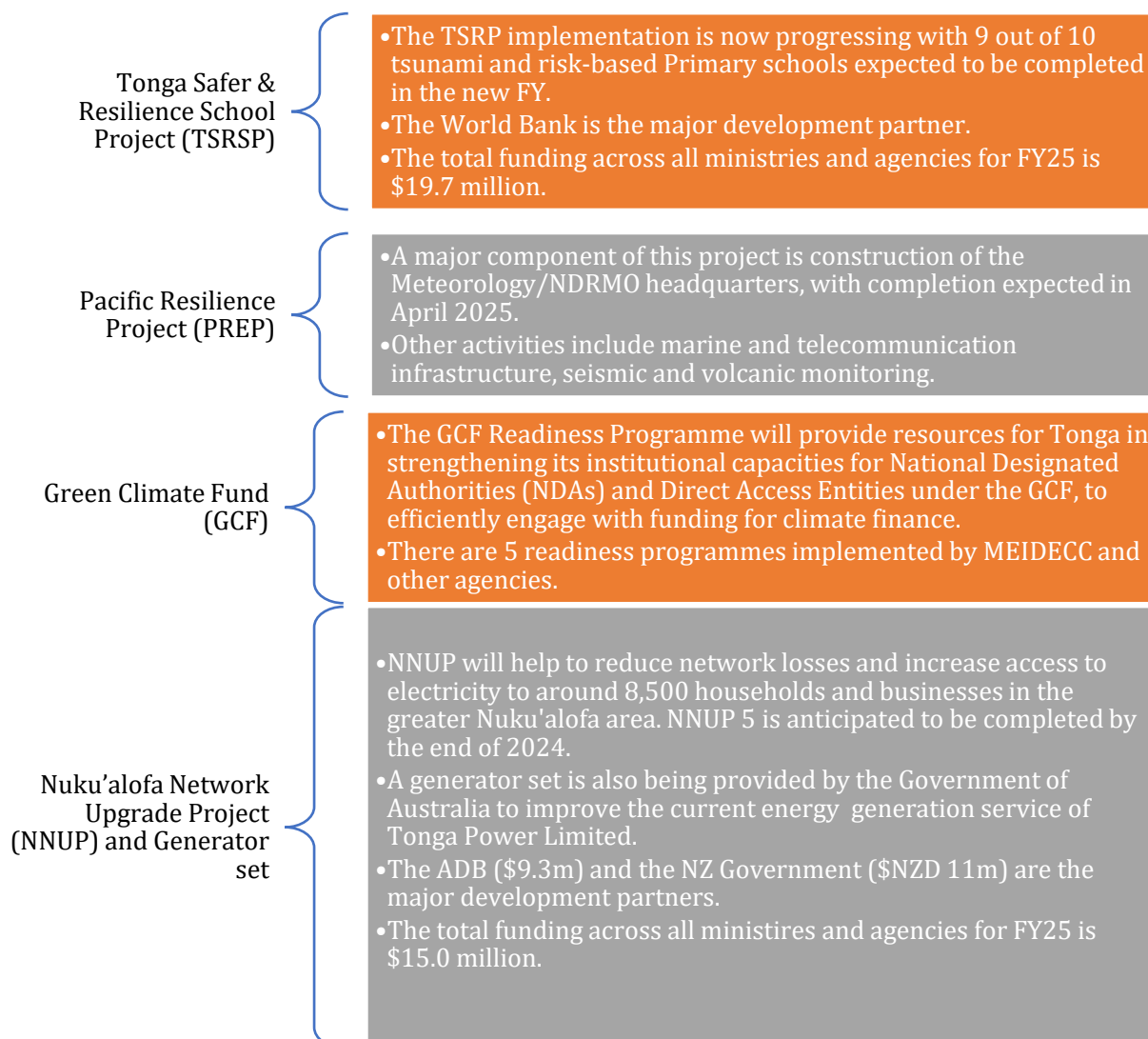
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### 3. Long Term Support to the Government

1. Tonga aims to be climate resilient by 2035. The involvement of all relevant stakeholders, including the people of Tonga and long-term support by development partners, is crucial to achieve climate and economic resilience. This includes all homes, buildings, schools, communities, roads, and coastal areas. The transport system aims to reduce reliance on fossil fuels, with a transition towards renewable energy sources. Coastal communities are implementing special management areas to protect and preserve the coastal environment, contributing to the overall conservation efforts in Tonga.<sup>538</sup>
2. Figure 2 outlines some of the major projects and initiatives being undertaken in FY25 to advance climate and economic resilience. It lists the long term support to the Government by its major development partners, the amounts funded, and expected completion dates.<sup>539</sup>

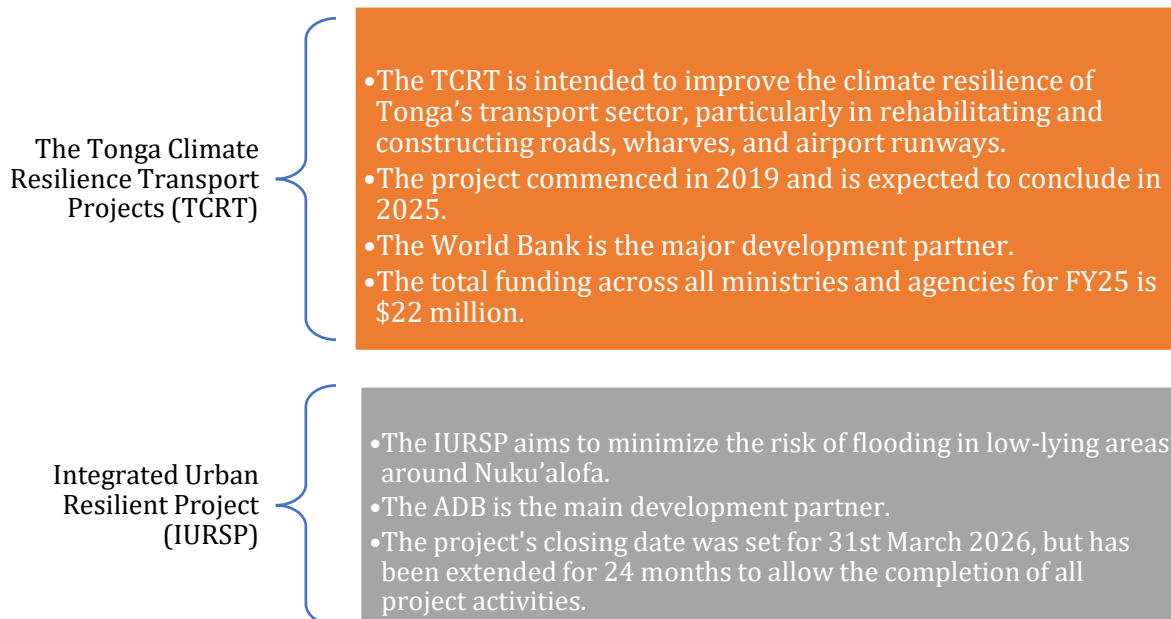
**Figure 2: Selected Major projects, initiatives, and development partners**



<sup>538</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 136.

<sup>539</sup> Funding amounts listed in Figure 2 should not be compared to those in Table 1, which refer to funding for GPA 1 only. Further details can be found in Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, Table 27, page 84 and pages 135-139.

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#### 4. Ministry Budget Allocations related to Climate Change

##### Ministry for Meteorology, Energy, Information, Disaster Management, Environment, Communications, Climate Change and CERT (MEIDECC)

MEIDECC is the leading Ministry under GPA 1 (climate and economic resilience). MEIDECC is the implementing agency for the landmark National Climate Change Fund Act, which was passed in 2021.

The ministry has nine departments of which five are central to Tonga's approach to climate and economic resilience: the Meteorology Department, the Energy Department, the Environment Department, Disaster Risk Management, and the Climate Change Department. Of these, three have development funding allocations under GPA 1:

- Meteorology Department (\$1.7 million)
- Climate Change Department (\$0.8 million)
- Disaster Management Department (\$0.8 million)<sup>540</sup>

The total budget allocation for all nine departments for MEIDECC for FY 2024/25 is \$74.2 million. This is comprised of a recurrent budget of \$10.3 million, and a development budget of \$63.9 million.

The development budget for MEIDECC is the fourth highest, representing 14.3% of the total development budget of \$446.9 million for FY2024/25.<sup>541</sup>

<sup>540</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 21.

<sup>541</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 80.

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## Department of Climate Change

The Department of Climate Change was established to address the impacts of Climate Change on Tonga and to facilitate climate change adaptation and mitigation. Seven divisions have been established in the Department of Climate Change.<sup>542</sup> The Department of Climate Change is also responsible for attracting donor partners for community resilient development purposes and oversees and assists in the coordination of climate change development funded projects.

The Department is guided by:

- the 2016 Climate Change Policy
- the Joint National Action Plan 2 on Climate Change and Disaster Risk Management 2018-2028
- the Tonga Strategic Development Framework II (2015-2025)
- the Framework for Resilient Development in the Pacific (2017-2030) and
- international obligations under the United Nations Framework Convention on Climate Change (UNFCCC) and the Vienna Convention for the protection of the Ozone Layer.<sup>543</sup>

The total budget for the Department of Climate Change for FY 2024/25 is \$13.8 million. Of this, \$1.8 million is from the recurrent budget and \$12.0 million is from the development budget.<sup>544</sup>

The department has 34 staff and about one third (34 percent) of the recurrent budget is for staff costs (\$613,000)

For FY 2024/25 the Department of Climate Change has two new initiatives costing \$1.35 million:

- Government Contribution to the Tonga Climate Change Fund (TCCF) of \$1 million.
- Cash Contribution to the GCF Tonga Coastal Resilience Project of \$350,000.

Staffing costs associated with these two initiatives are \$247,147.<sup>545</sup>

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<sup>542</sup> Ministry of MEIDECC, [Department of Climate Change](#); accessed 3 May 2024

<sup>543</sup> MEIDECC, [Department of Climate Change](#); accessed 3 May 2024

<sup>544</sup> MEIDECC, *Corporate Plan & Budget 2024/2025 – 2026/2027*, page 105.

<sup>545</sup> MEIDECC, *Corporate Plan & Budget 2024/2025 – 2026/2027*, page 29.

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## THEMATIC BRIEFING 4: Gender Equality

### 1. Overview

In FY 2024, the concept of gender and climate-related budgeting was introduced under the annual Budget Guidance 2025. This was issued by the Ministry of Finance to assist line ministries in better identifying and designing budget allocations to help address climate and gender-related issues more effectively and efficiently.<sup>546</sup>

This briefing discusses the thematic topic of gender equality: why it is important for the sustainable development of Tonga, its incorporation into the Government's Priority Agendas (GPAs), and the budget's expenditure priorities, programmes and initiatives necessary to advance gender equality in Tonga.

According to the Inter-Parliamentary Union, gender equality is in the interests of both men and women, and a precondition for genuine democracy. Parliaments that embody and promote gender equality are seen as more legitimate and deliver better outcomes to constituents.<sup>547</sup>

The United Nations believes that ending all forms of discrimination against women and girls is an essential and basic human right. Empowering women and girls is crucial for economic growth and helps accelerate sustainable development.<sup>548</sup> Outcome C, of Tonga's Strategic Development Framework II 2015- 2025, is defined as a more inclusive, sustainable and empowering human development with gender equality.<sup>549</sup> Outcome C maps to a number of the United Nations Sustainable Development Goals (SDGs), including:

- Goal 3: Good health and well-being
- Goal 4: Quality education
- Goal 5: Gender equality
- Goal 10: Reduced inequalities.<sup>550</sup>

Tonga is committed to advancing gender equality which is clearly referenced in the Family Protection Act, the *Women's Empowerment and Gender Equality Development 2019-2025* policy and the *Strategic Plan of Action 2019-2025*.<sup>551</sup>

According to Tonga's FY 25 Budget Statement, efforts to promote sustainable development need to prioritize social inclusion, poverty reduction, and gender equality, thereby ensuring that economic benefits are equitably distributed across society.<sup>552</sup>

Gender equality is therefore an important part of improving outcomes for women. Because gender equality is a cross-cutting issue, several ministries are active in advancing gender

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<sup>546</sup> Ministry of Finance, *Budget Statement: FY 2024/25*, May 2024, page 22.

<sup>547</sup> Inter-Parliamentary Union, [Gender-sensitive parliaments](#). Accessed 3 May 2024.

<sup>548</sup> United Nations Development Programme, Sustainable Development Goals, [Goal 5: Gender Equality](#). Accessed May 3 2024.

<sup>549</sup> Ministry of Finance, *Budget Statement: FY 2024/25*, May 2024, page 133.

<sup>550</sup> United Nations Development Programme, [Sustainable Development Goals](#). Accessed May 3, 2024.

<sup>551</sup> PEFA, [Tonga: Gender Responsive Budgeting PEFA Assessment](#), January 2020. Accessed May 3 2024.

<sup>552</sup> Ministry of Finance, *Budget Statement: FY 2024/25*, May 2024, page 57.

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equality and improving outcomes for women. These include the Ministry of Internal Affairs, the Ministry of Health, the Ministry of Education and Training, and the Ministry of Agriculture, Food and Forestry.

The Ministry of Internal Affairs is the lead agency on gender equality in Tonga. It recognizes the key role that women play in society and in empowering human development that benefit the 'family' as a whole, rather than just women. Within the Ministry, the Women's Affairs and Gender Equality division plays a key role. It has a staff of 11 and undertakes several gender equality projects and co-ordinates grants from development partners. The budget of the division for FY 25 is \$163,200. Its planned activities include increasing women's income generation opportunities, public awareness campaigns about the destructive nature of violence in society, gender equality opportunities for youth, and the social protection of vulnerable people.<sup>553</sup>

## **2. Relevant GPAs**

This year's budget theme is 'Building the Foundations for Sector-Driven Economic Growth and Sustainability'. The government aims to enhance its commitment to balancing economic growth with environmental protection, social equity, and long-term viability. The budget notes that efforts to promote sustainable development need to prioritize social inclusion, poverty reduction, and gender equality, ensuring that economic benefits are equitably distributed across society.<sup>554</sup>

These efforts are being pursued through the development of an Adaptive Social Protection Framework in Tonga, reflecting a commitment to inclusivity and gender responsiveness in social welfare frameworks. In FY 2025, the respective budget allocation to support the social sector program has been transferred from the Ministry of Finance to the Ministry of Internal Affairs. This is to assist with the implementation of the social safety net programs and activities in consultation with their respective stakeholders.<sup>555</sup>

Within the budget there are nine Government's Priority Agendas (GPAs), which are grouped into three thematic areas.

1. National Resilience
2. Quality of Services and Affordability
3. Challenges and Opportunities for Progressive Economic Growth

Because gender equality is a cross-cutting issue, budget initiatives and funding for gender equality are found in at least one of the GPAs in all three thematic areas. This section examines the expenditure priorities related to gender equality in:

- Thematic area 1 (GPA 2)
- Thematic area 2 (GPA 4 and GPA 5) and
- Thematic area 3 (GPA 7).

Total expenditure across these four GPAs makes up one-third (33 percent) of Tonga's total budget. It is important to note that these expenditures refer to the total expenditures for all

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<sup>553</sup> Ministry of Internal Affairs, *Corporate Plan & Budget 2024/2025 – 2026/2027*, page 93.

<sup>554</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 57.

<sup>555</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 64.

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Ministries, Departments, programs and initiatives. The expenditures do not refer to only gender equality-related activities, although gender equality expenditures are included within them.

The main challenge in this exercise lies in the absence of a specific code for gender equality within the Ministry of Finance system to accurately identify and differentiate gender-related expenditures within these four GPAs. The Ministry of Finance notes that there are tentative efforts underway to tag the budget to key thematic areas, using the existing Chart of Accounts. This will begin with climate change, as approved by Cabinet in September 2022 (CD No.743). Gender-responsive budgeting is in the initial stages.<sup>556</sup>

### **Thematic Area 1 (National Resilience); GPA 2**

Thematic area 1 is focused on climate and economic resilience, prioritizing projects and initiatives to achieve sustainable growth for all.

### **GPA 2: Reducing relative poverty and increasing the quality of social protection**

GPA 2 priorities include reducing relative poverty rates and increasing the quality of social protection by improving access for all to basic services and housing, and reducing by half the proportion of men, women, and children of all ages living in poverty. The government budget states that they will continue to focus on assisting vulnerable and marginalized populations, including elderlies (numbering 4,536 beneficiaries) and those in disadvantaged groups including women, and children (2,637 beneficiaries).<sup>557</sup>

**Figure 1** below illustrates the total budget for GPA 2 and those priority activities for FY 2025 – 2027 that are focussed on gender and vulnerable groups.

**Figure 1** shows that GPA 2 has a total estimated budget of \$41.2 million for the FY 2024/25. This is an increase of over two-thirds (70.2 percent, or \$17.0 million) from the original estimate in the previous financial year. Of the total, \$25.6 million (62 percent) is funded from the development budget and \$15.6 million from the recurrent budget.

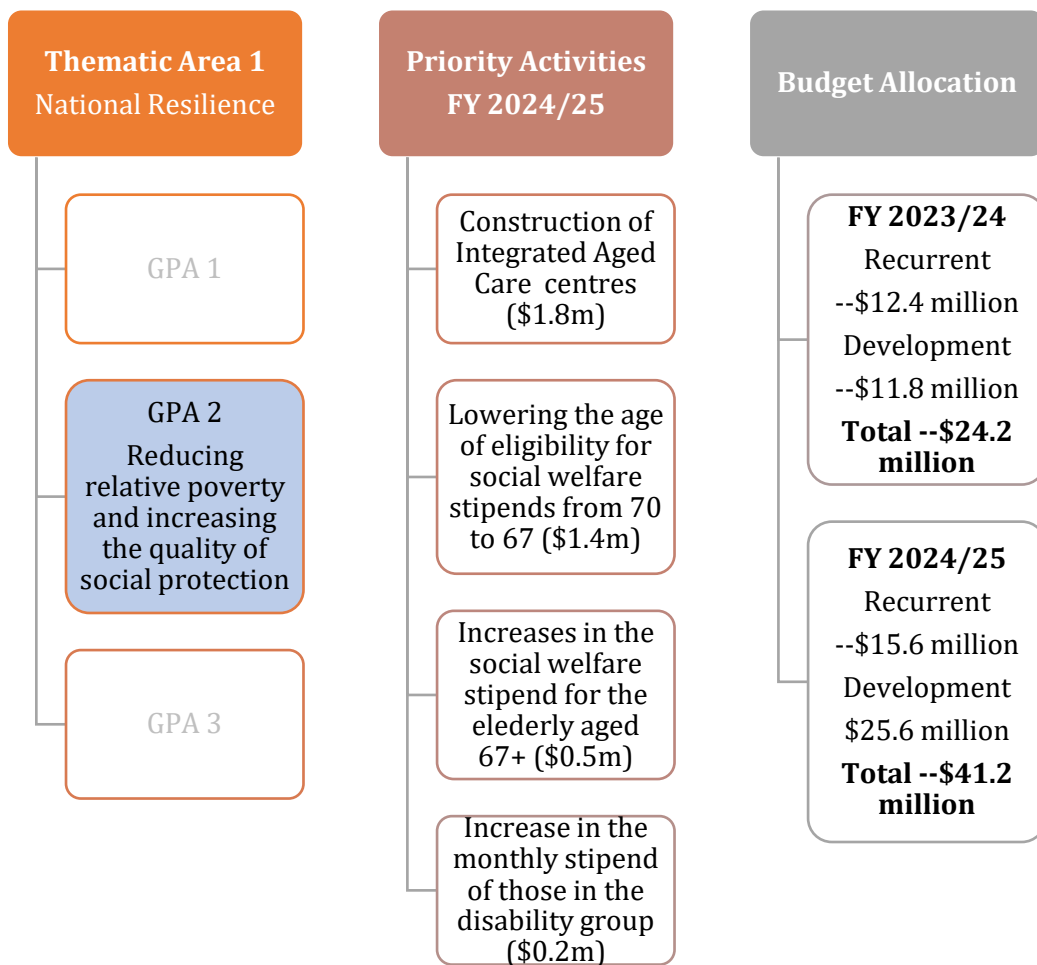
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<sup>556</sup> Ministry of Finance, *Corporate Plan, 2024/25-2026/27*, page 27.

<sup>557</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 63.

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Figure 1: Thematic Area 1 and GPA 2



### Thematic Area 2 (Quality of Services and Affordability); GPA 4, GPA 5

Thematic Area 2 covers the education, health and public services sectors. It is aimed at improving education opportunities for all, improving access to a quality and affordable healthcare system, and improving the quality and accessibility of government services. Within this thematic area are two GPAs with particular relevance to gender equality. (See Figure 2).

#### GPA 4: Improving education for all, focusing on safer schools, addressing dropouts, gender equality; increasing 'employable' training for both local and overseas opportunities

The primary focus of GPA 4 is to ensure improved access to quality education for all and to encourage both academic and vocational knowledge and skills. It aims to bolster vocational training programs to enhance employability, both domestically and internationally. The priorities are geared towards fostering safer school environments, addressing dropout rates, and promoting gender equality.

Implementing GPA 4 has been guided by the following policies: Tonga Education Sector Plan (TESP), Joint National Action Plan (2) target 16, Digital Government Strategic Framework (DGSF),

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Pacific Regional Education Framework (PacREF), National Assessment & Examination Policy, Education Policy, Gender Policy, Employment Policy, Migration Policy and Tonga National University.<sup>558</sup>

GPA 4 has a total estimated budget of \$113.4 million for the FY 2024/25. This is an increase of 12.3 percent, or \$12.4 million, from the original estimate in the previous financial year. Of the total, almost two-thirds (62 percent), or \$70.6 million is funded from the recurrent budget and \$42.8 million from the development budget.

Figure 2 below illustrates the total budgets for both GPA 4 and GPA 5 and the priority activities focussed on gender and vulnerable groups for FY 2025 – 2027.

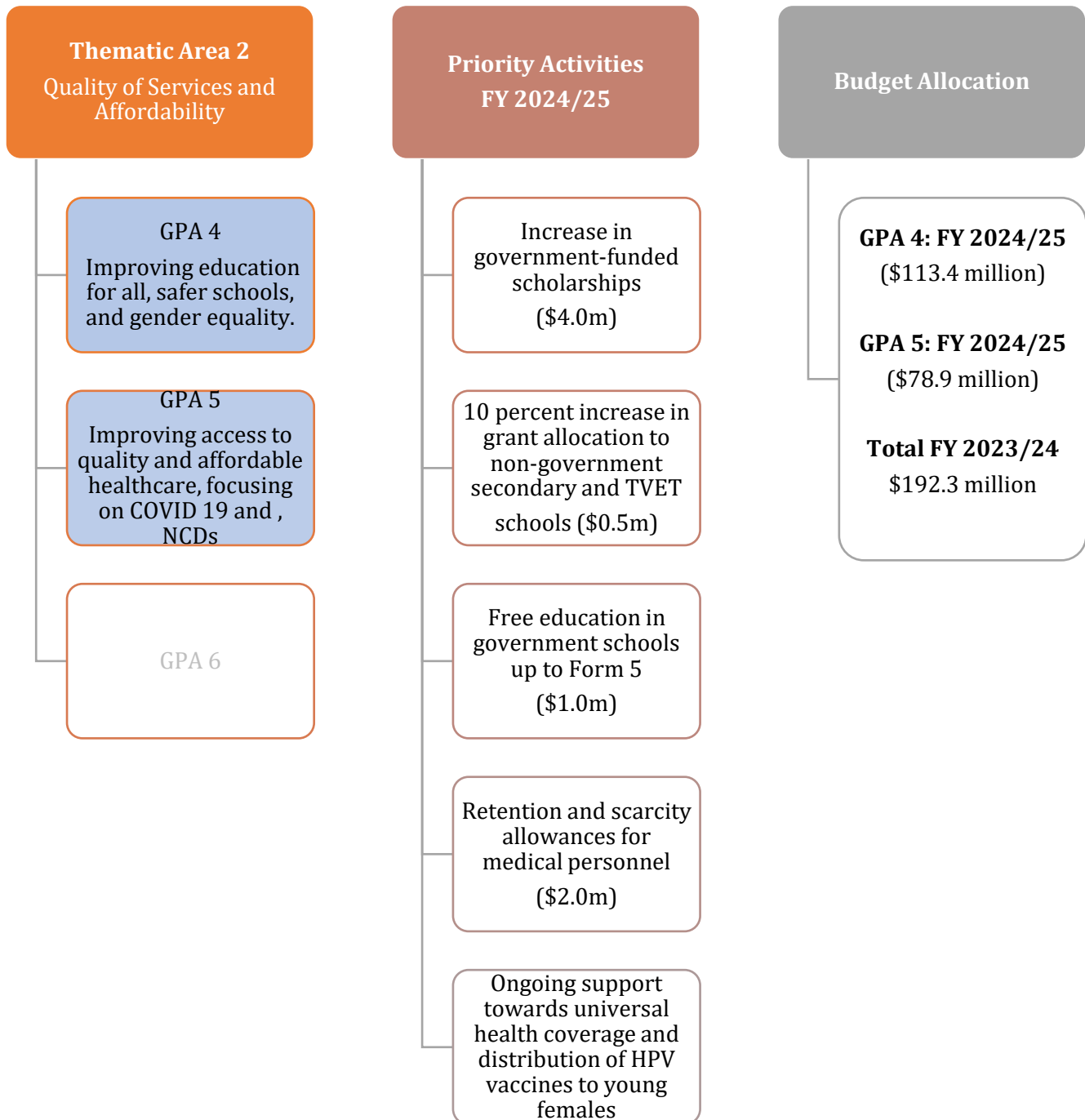
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<sup>558</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 27.

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Figure 2: Thematic Area 2 and GPA 4, GPA 5



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### **GPA 5: Improving access to quality and affordable healthcare focusing upon COVID-19, NCDs and preventative measures**

The Government Priority Agenda 5 (GPA 5) focuses on enhancing the quality and affordability of healthcare services, with particular attention to critical health issues such as Non-Communicable Diseases (NCDs). Its priorities include enabling equitable access to healthcare services to enhance overall community well-being.

Implementing GPA 5 is further guided by policies which include the Health Policy, Non-Communicable Disease (NCD) policy, School Food Policy, Food Pathway for food security, JNAP 2 target 21 and Cluster System (WASH).

The Tonga Strategy for the Prevention and Control of Non-Communicable Diseases 2021-2025 outlines targeted actions to combat the growing burden of NCDs while promoting preventive measures.<sup>559</sup>

GPA 5 has a total estimated budget of \$78.9 million for the FY 2024/25. This is an increase of \$12.9 million (19.5 percent) from the original estimate in the previous financial year. Of the total, almost three-quarters (71.2 percent), or \$56.2 million is funded from the recurrent budget and \$22.7 million from the development budget.

**Figure 2** above illustrates the total budgets for both GPA 4 and GPA 5 and those priority activities focussed on gender and vulnerable groups for FY 2025 – 2027.

### **Thematic Area 3 (Challenges and Opportunities for Progressive Economic Growth); GPA 7** 560

Thematic Area 3 concerns the economic and infrastructure sectors, as well as engagement with national and international development partners, including the private sector and non-government organisations.

### **GPA 7 Maximizing trade opportunities focusing on drivers of economic growth through strengthening of business enabling environment**

GPA 7 recognises the importance of trade to economic growth with an emphasis on enabling the business environment. Although a gender lens is not specific, gender equality elements can be identified in efforts to achieve equitable participation in economic growth, the creation of trade opportunities for all, and promoting industry areas where women can play an important role, such as manufacturing, handicrafts, and tourism.

The Budget Statement notes that through this GPA, the government continues to work towards sustaining the economic growth of the country to support a more progressive life for all Tongans. This is important because female unemployment is higher than that of men. Data from 2018

<sup>559</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 31.

<sup>560</sup> GPA 7 revisions was approved by Cabinet in 2023. See footnote 31 in Ministry of Finance, *Budget Statement FY 2024/25*, page 154.

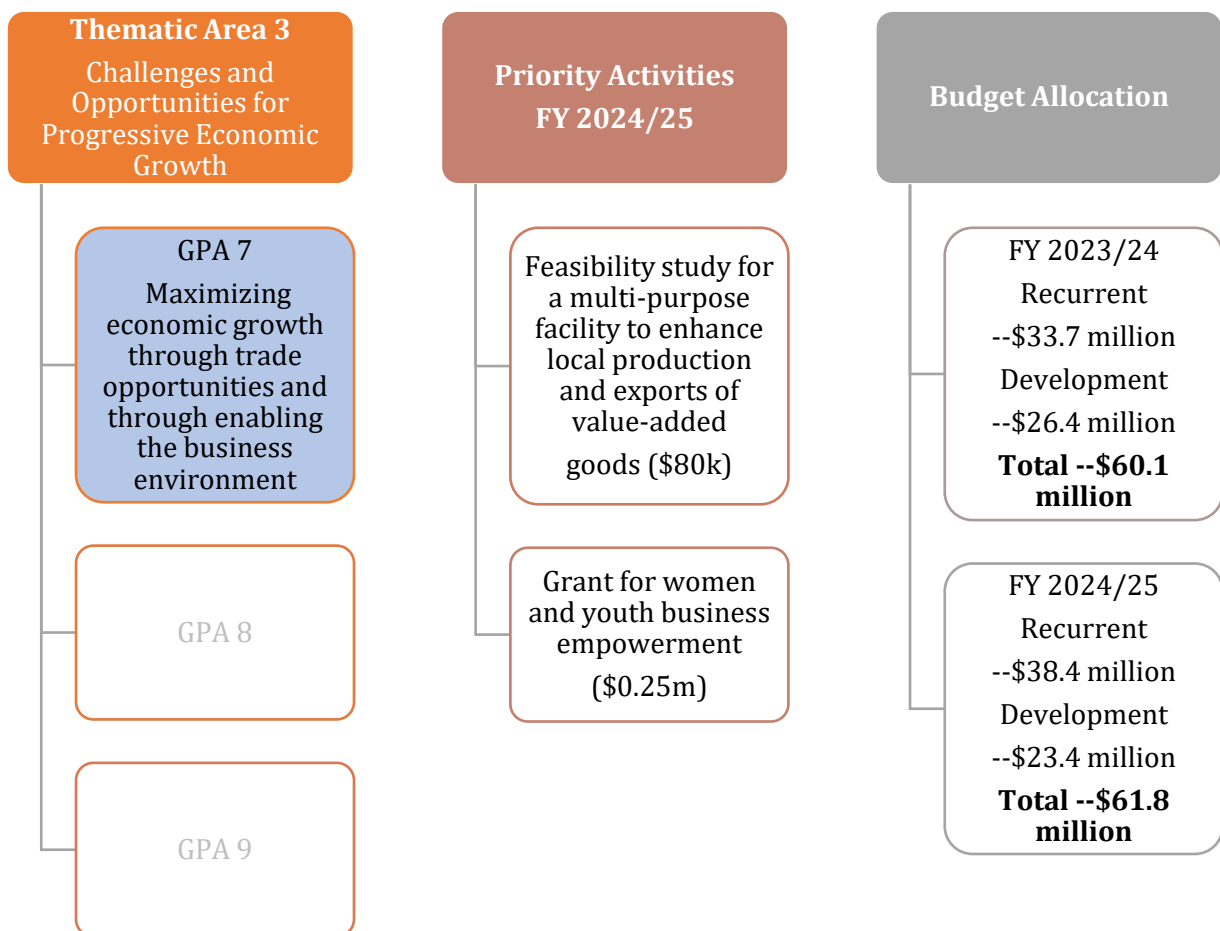
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showed that women’s unemployment rate was one percentage point higher than men’s at 3.6 percent.<sup>561</sup>

GPA 7 has a total estimated budget of \$61.8 million for the FY 2024/25. This is an increase of \$1.7 million (2.8 percent) from the original estimate in the previous financial year. Of the total, almost two-thirds (62.1 percent), or \$38.4 million is funded from the recurrent budget and \$23.4 million from the development budget.

Figure 3 below illustrates the total budget for GPA 7, as well as those priority activities focussed on gender and vulnerable groups for FY 2025 – 2027.

Figure 3: Thematic Area 3 and GPA 7<sup>562</sup>



<sup>561</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 154.

<sup>562</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 21.

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### Budget allocations for GPA 2, GPA 4, GPA 5, GPA 7 (including gender equality)

The tables below outline the detailed budget allocations for each GPA, including those incorporating gender equality activities. The total sums referred to are for the total budgets for departments, programmes, or initiatives. They do not refer to only gender equality-related activities.

#### GPA 2

**Table 1** below details the budget allocations for GPA 2.

- The only component of the recurrent budget is for the Ministry of Internal Affairs (\$15.6 million).
- The development budget for GPA 2 (\$25.6 million) makes up about six percent of the total development budget of \$446.9 million for all GPAs in FY 2024/25.<sup>563</sup>
- The three-largest components of GPA2's development budget make up almost 95 percent of the development budget for GPA 2. They are:
  - Sports Development Revolving Fund (\$12.8 million)
  - Tapanekale Housing Project (\$7.8 million)
  - Integrated Aged Care Project (\$3.7 million)

**Table 1: Detailed Budget allocations for GPA 2 for FY 2024 - 2027 (\$m)** <sup>564</sup>

Budget Allocation for GPA 2: Social Protection	2023/24				2024/25		2025/26		2026/27	
	Original Estimate		Revised Estimate		Estimate		Estimate		Estimate	
	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development
Social Welfare Program (Ministry of Finance)	6.2		6.8		0.0		0.0		0.0	
Ministry of Internal Affairs	6.2		7.2		15.6		14.8		15.8	
Skills & Employment for Tongan Project		8.1		4.0		0.6				
Integrated Age Care Project		2.0		0.2		3.7		6.6		6.6
Outreach and Community Consultations		0.5		0.5						
Tapanekale Housing Project				0.3		7.8		1.2		
Tonga Pathway for Employment						0.7		2.0		5.0
Sports Development Revolving Fund						12.8		6.0		6.2
Other		1.2		0.6				1.1		0.6
Sub-Total	12.4	11.8	14.0	5.6	15.6	25.6	14.8	16.9	15.8	18.4
<b>TOTAL</b>		<b>24.2</b>		<b>19.6</b>		<b>41.2</b>		<b>31.7</b>		<b>34.2</b>

<sup>563</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 18.

<sup>564</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 24.

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**GPA 4**

**Table 2** below details the budget allocations for GPA 4.

- The only component of the recurrent budget is for the Ministry of Education and Training (\$70.6 million).
- The development budget for GPA 4 (\$42.8 million) makes up 9.5 percent of the total development budget of \$446.9 million for all GPAs in FY 2024/25.<sup>565</sup>
- The four largest components of GPA4’s development budget make up almost 85 percent of the development budget for GPA 4. They are:
  - Tonga Safe and Resilient Schools Project (\$16.3 million)
  - Scholarships (\$9.0 million)
  - Queen Salete Nursing School (\$6.0 million)
  - The Fabricated TVET facility (\$5.0 million)

**Table 2: Detailed Budget allocations for GPA 4 for FY 2024 - 2027 (\$m)** <sup>566</sup>

Budget Allocation for GPA 4: Quality Education	2023/24				2024/25		2025/26		2026/27	
	Original Estimate		Revised Estimate		Estimate		Estimate		Estimate	
	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development
Ministry of Education and Training	63.1		65.5		70.6		70.6		70.6	
Tonga Safe and Resilient Schools Project		10.0		5.1		16.3		28.0		33.0
Scholarship		9.5		6.9		9.0		9.0		9.0
Skills & Employment for Tongan Project		15.1		9.5		0.4				
Queen Salote Nursing School		2.5		2.0		6.0				
Upgrade RMS						2.5		1.1		1.1
Education Curriculum Review								2.7		2.7
IUMI Stori - Early Childhood Education						0.8				
Fabricated TVET facility						5.0				
Inclusive Education Programme				0.4		2.4		2.3		2.3
Other		0.8		1.0		0.4		0.8		0.5
Sub-Total	63.1	37.9	65.5	24.9	70.6	42.8	70.6	43.9	70.6	48.6
<b>TOTAL</b>		<b>101.0</b>		<b>90.4</b>		<b>113.4</b>		<b>114.5</b>		<b>119.2</b>

<sup>565</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 18.

<sup>566</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 31.

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GPA 5

**Table 3** below details the budget allocations for GPA 5.

- The only component of the recurrent budget is for the Ministry of Health (\$56.2 million).
- The development budget for GPA 5 (\$22.7 million) makes up six percent of the total development budget of \$446.9 million for all GPAs in FY 2024/25.<sup>567</sup>
- The three-largest components of GPA5’s development budget make up almost three-quarters (72 percent) of the development budget for GPA 5. They are:
  - Vavau Hospital Reconstruction (\$8.0 million)
  - Tonga Health Support System (\$5.9 million)
  - Health Corridors Programme (\$2.5 million)

**Table 3: Detailed Budget allocations for GPA 5 for FY 2024 - 2027 (\$m)** <sup>568</sup>

Budget Allocation for GPA 5: Quality & Affordable Healthcare	2023/24				2024/25		2025/26		2026/27	
	Original Estimate		Revised Estimate		Estimate		Estimate		Estimate	
	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development
Ministry of Health	55.7		57.5		56.2		55.9		55.6	
COVID-19 Support Program		2.8		3.1						
Tonga Health Support System		2.9		3.0		5.9		0.6		
Introducing E-Government through Digital Health		0.1		0.7		0.5		0.5		0.5
Preventative Support Programme		2.3		2.2		1.0				
Health Corridors Programme		1.1		0.9		2.5		1.9		1.9
Central Pharmacy Warehouse		1.0		1.1						
Vavau Hospital Reconstruction						8.0		23.0		20.0
Pacific Sexual Reproductive Health & Rights Project						1.0		1.0		1.0
Medical experts & Overseas medical treatment				0.9		1.6		1.6		1.6
Korean Annual Assistance				1.3		1.0		1.0		1.0
Other		0.1		1.7		1.2		1.9		0.4
Sub-Total	55.7	10.3	57.5	14.9	56.2	22.7	55.9	31.5	55.6	26.4
<b>TOTAL</b>		66.0		72.4		78.9		87.4		82.0

<sup>567</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 18.

<sup>568</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 34.

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GPA 7

Table 4 below details the budget allocations for GPA 7.

- The recurrent budget of \$38.4 million consists of funding for the five Ministries with responsibilities for GPA 7.
- The largest allocation is for the Ministry of Agriculture, Forestry and Fisheries (\$13.0 million).
- The development budget for GPA 7 (\$23.4 million) makes up just over five percent of the total development budget of \$446.9 million for all GPAs in FY 2024/25.<sup>569</sup>
- The three-largest components of GPA7’s development budget make up almost three-quarters (72 percent) of the development budget for GPA 7. They are:
  - Economic development support from DFAT (\$6.5 million)
  - Economic development under MAFF and Fisheries (\$6.2 million)
  - Tonga Fish Pathways Project-IDA (\$4.1 million)

Table 4: Detailed Budget allocations for GPA 7 for FY 2024 - 2027 (\$m) <sup>570</sup>

Budget Allocation for GPA 7: Trade & Private Sector Development	2023/24				2024/25		2025/26		2026/27	
	Original Estimate		Revised Estimate		Estimate		Estimate		Estimate	
	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development	Recurrent	Development
Ministry of Finance (Public-Private)	5.4	2.6	3.4		0.0		0.0		0.0	
Ministry of Trade & Economic Deve	6.6		6.5		7.3		10.7		7.2	
Ministry of Agriculture, Forestry & I	9.4		9.2		13.0		12.8		12.7	
Ministry of Fisheries	4.6		4.1		7.6		7.5		7.5	
Ministry of Tourism	7.7		6.6		10.5		10.5		10.4	
Tonga Volcanic Eruption & Tsunami		0.4		0.3						
Tonga Fish Pathways Project-IDA		6.6		6.5		4.1				
Economic Development under MAFF&Fisheries		3.6		6.2		6.2		4.3		3.8
Support to Lulutai(Air Fiji)		0.8		2.0						
National Museum of Tonga(Saudi Arabia)		1.0								
Training & Workshop		1.8		1.8						
Tourism Project & Accomodation								18.5		23.5
Tonga Australia Support Program		0.5		0.3						
SET Project CSU		1.1								
Tonga Rural Innovation Project - Phase II		0.7								
GGP & NPGA project		2.2		1.7		3.2		3.2		3.2
Economic Development Support - DFAT						6.5				
Agricultural Census						1.9				
Other		5.1		1.2		1.5		1.5		1.2
Sub-Total	33.7	26.4	29.8	20.0	38.4	23.4	41.5	27.5	37.8	31.7
<b>TOTAL</b>		<b>60.1</b>		<b>49.8</b>		<b>61.8</b>		<b>69.0</b>		<b>69.5</b>

<sup>569</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 18.

<sup>570</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 43.

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### 3. Long Term Support to the Government

The FY 2025 Budget Statement acknowledges the ongoing support of Tonga's development partners and calls for a stronger partnership by accelerating investment to improve inclusive economic growth.<sup>571</sup> Policies and funding for gender equality is an important component of sustainable development, aids macro-economic stability, and will help improve the living standards of all Tongan citizens.

In FY 2024 Australia launched the 16 days of activism against gender-based violence in Vava'u, alongside government and civil society partners. This initiative aims to combat violence against women and girls globally. Australia has shown strong support for Tonga's anti-violence efforts by providing funding for critical services for survivors of violence through the Women and Children Crisis Centre (WCCC) in Tonga, improving police response through the Families Free of Violence program, and bolstering the leadership of the Ministry of Internal Affairs' Women and Gender Equality Division.

In FY 2024 the Chinese embassy staff held a meeting with the UN Women Pacific Country Representative, to discuss potential ways to increase the involvement of Tongan women in the nation's economy.

Figure 4 below outlines some of the major projects and initiatives being undertaken in FY 2025 to advance gender equality. It lists, where information is available, the long term support provided to the Government by its major development partners, the amounts funded, and expected completion dates.<sup>572</sup>

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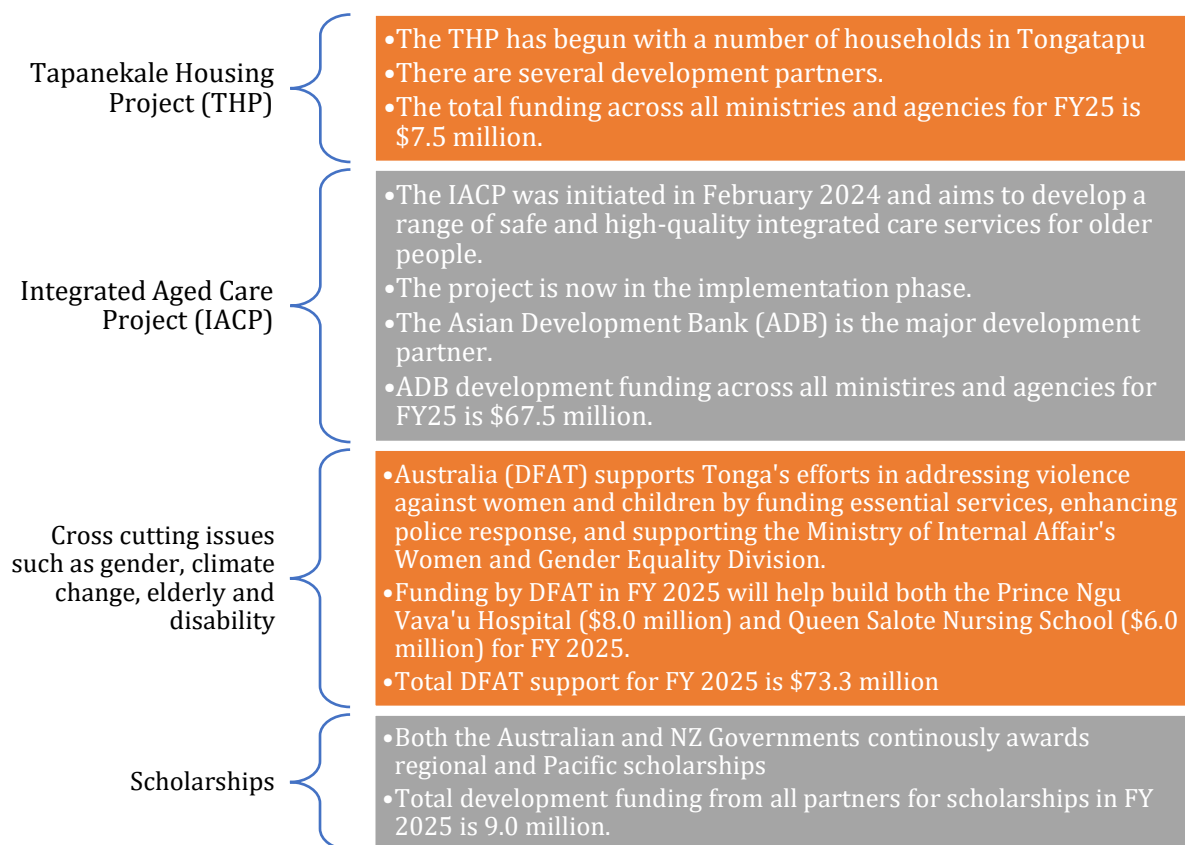
<sup>571</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 85.

<sup>572</sup> Funding amounts listed in Figure 4 are not comparable with those listed in the tables above. Those tables refer to funding for the total of the GPAs. Further details can be found in Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, Tables 24 and 27, pages 83-84 and pages 135-139.

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Figure 4: Selected Major projects, initiatives, and development partners



#### 4. Ministries with budget support for gender equality

There are several ministries active in advancing gender equality and improving outcomes for women. These include the Ministry of Internal Affairs, the Ministry of Education and Training, the Ministry of Health, and the Ministry of Agriculture, Food and Forestry.

##### The Ministry of Internal Affairs

The Ministry of Internal Affairs (MIA) is the lead agency on gender equality in Tonga. It recognizes the key role that women play in society and in the need for empowering human development that benefit the 'family' as a whole, rather than just women. This is being pursued through the development of an Adaptive Social Protection Framework in Tonga, reflecting a commitment to inclusivity and gender responsiveness in social welfare frameworks. In FY 2025, the respective budget allocation to support the social sector program has been transferred from the Ministry of Finance to the Ministry of Internal Affairs. This is to assist with the implementation of the social safety net programs and activities in consultation with their respective stakeholders.<sup>573</sup>

The total budget allocation for all divisions for MIA for FY 2024/25 is \$33.8 million. This is comprised of a recurrent budget of \$15.6 million, and a development budget of \$18.2 million.

<sup>573</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 64.

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The development budget for MIA is the seventh highest, representing 4.1% of the total development budget of \$446.9 million for FY2024/25.<sup>574</sup>

Within the Ministry, the Women's Affairs and Gender Equality (WAGE) division plays a key role. It is responsible for coordinating, monitoring, and providing advisory service to the development of gender and gender equality in Tonga, and co-ordinates grants from development partners. Its planned activities include increasing women's income generation opportunities, public awareness campaigns about the destructive nature of violence in society, gender equality opportunities for youth, and the social protection of vulnerable people.<sup>575</sup>

The WAGE division has a staff of eleven and a budget of \$163,000 for FY 2025.

### **The Ministry of Education and Training**

The Ministry of Education and Training (MET) is another important ministry tasked with supporting gender and social inclusion goals in the education sector. It aims to enhance access to education for all and reduce dropout rates by monitoring completion rates at every level of education and ensuring gender equality as shown by the Gender Parity Index (GPI) across all educational strata.<sup>576</sup> The expansion of inclusive education to the outer islands is an initiative for FY 2025.<sup>577</sup>

The total budget allocation for all divisions for MET for FY 2024/25 is \$137.3 million. This is comprised of a recurrent budget of \$70.6 million, and a development budget of \$66.7 million.

### **The Ministry of Health**

The Ministry of Health (MoH) sector, along with the education sector, are the two main sub-sectors under the social sector and has normally allocated the largest share of the recurrent budget. This underscores the government's longstanding commitment to prioritize and invest in these two sub-sectors, considering its importance to the human development of the nation.

Objective 2.15f has a specific focus on gender-based objectives, including addressing gender-based violence (GBV), violence against women and girls, and disability.<sup>578</sup>

An example is the ongoing expansion of the Hu'atolitoli Facility to improve security for women by constructing a safe space. The cost for 2024/25 is estimated at \$300,000.<sup>579</sup> The Ministry of Health also proposes to provide a safe space for women in the Gynaecology Ward. This is estimated to cost \$500,000.<sup>580</sup>

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<sup>574</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 80.

<sup>575</sup> Ministry of Internal Affairs, *Corporate Plan & Budget 2024/2025 – 2026/2027*, page 93.

<sup>576</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 30

<sup>577</sup> Ministry of Finance, *Budget Statement FY 2024/25*, May 2024, page 30.

<sup>578</sup> Ministry of Health, *Corporate Plan & Budget 2024/2025 – 2026/2027*, page 51.

<sup>579</sup> Ministry of Health, *Corporate Plan & Budget 2024/2025 – 2026/2027*, page 19.

<sup>580</sup> Ministry of Health, *Corporate Plan & Budget 2024/2025 – 2026/2027*, page 19.

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The total budget allocation for all divisions for MoH for FY 2024/25 is \$78.0 million. This is comprised of a recurrent budget of \$56.2 million, and a development budget of \$21.8 million.

### **The Ministry of Agriculture, Food and Forests**

The Ministry of Agriculture, Food and Forests is responsible for some of the most important productive sectors of the economy. Within the ministry is the 'Extension and Women Development Division,' which focuses on gender-targeted initiatives. The division's objectives include conducting vulnerability assessments in the sector, promoting the production of women's handicrafts, industry development with women assisted into floriculture and youth groups assisted in horticulture and value-add production.<sup>581</sup>

The budget allocation for the Extension and Women Development Division is \$1.72 million for the 2024/25 year, showing a stable level of funding when compared to the previous financial year budget estimates.<sup>582</sup>

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<sup>581</sup> The Ministry of Agriculture, Food and Forests, *Corporate Plan 2024/2025 – 2026/27*, page 55.

<sup>582</sup> The Ministry of Agriculture, Food and Forests, *Corporate Plan 2024/2025 – 2026/27*, page 59.

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## THEMATIC BRIEFING 5: Poverty Reduction

### 1. Overview

This thematic briefing focuses on the Poverty Reduction and the briefing will explore the programmes that the Government through its responsible Ministry will undertake in the medium term to support those who are living in extreme poverty and households experiencing financial hardship.

Tonga has been grappling with various challenges related to poverty. The dynamics of the crisis, including factors such as economic conditions, social disparities, and external shocks such as natural disasters and the global pandemic, have contributed to concerns about rising poverty levels. On that basis, poverty alleviation continues as a high priority for the government, including poor households and vulnerable groups in the society.

This priority area aims to reduce relative poverty rate and increase quality of social protection by targeting through accessing for all to adequate, safe, and affordable housing and basic services, reduce at least by half the proportion of men, women, and children of all ages living in poverty; access to adequate and equitable sanitation, safe and affordable drinking water, hygiene for all, and pay special attention to the needs of vulnerable groups.

### 2. Key Achievements in 2023/24

In the current financial year (2023/24), the Government had allocated \$24.2 million to reduce relative poverty, of which 81 percent (or \$19.6 million) to be utilized for policy measures to strengthen social protection, government relief and recovery support assistance for affected households. Key achievements have been achieved including:

- Support for the elderly and disability communities – age care services and monthly allowance for people with disabilities and elderly groups;
- Overall administration and delivery of public services related to social protection, overseas employment schemes, sports development and empowering youth and women groups;
- Mainstreaming of gender and climate concepts into budgeting – issued in Budget Guidance 2025;
- National water tanks project – 9,000 water tanks have been distributed across Tonga to date;
- Continuation of WASH Facilities Project;
- Implementation of Tapanekale Affordable Housing Program;
- Tonga Integrated Aged Care Project (designing phase);
- On-going implementation of SET project; and
- Continuation of the Government Lifeline Tariff Discount Scheme

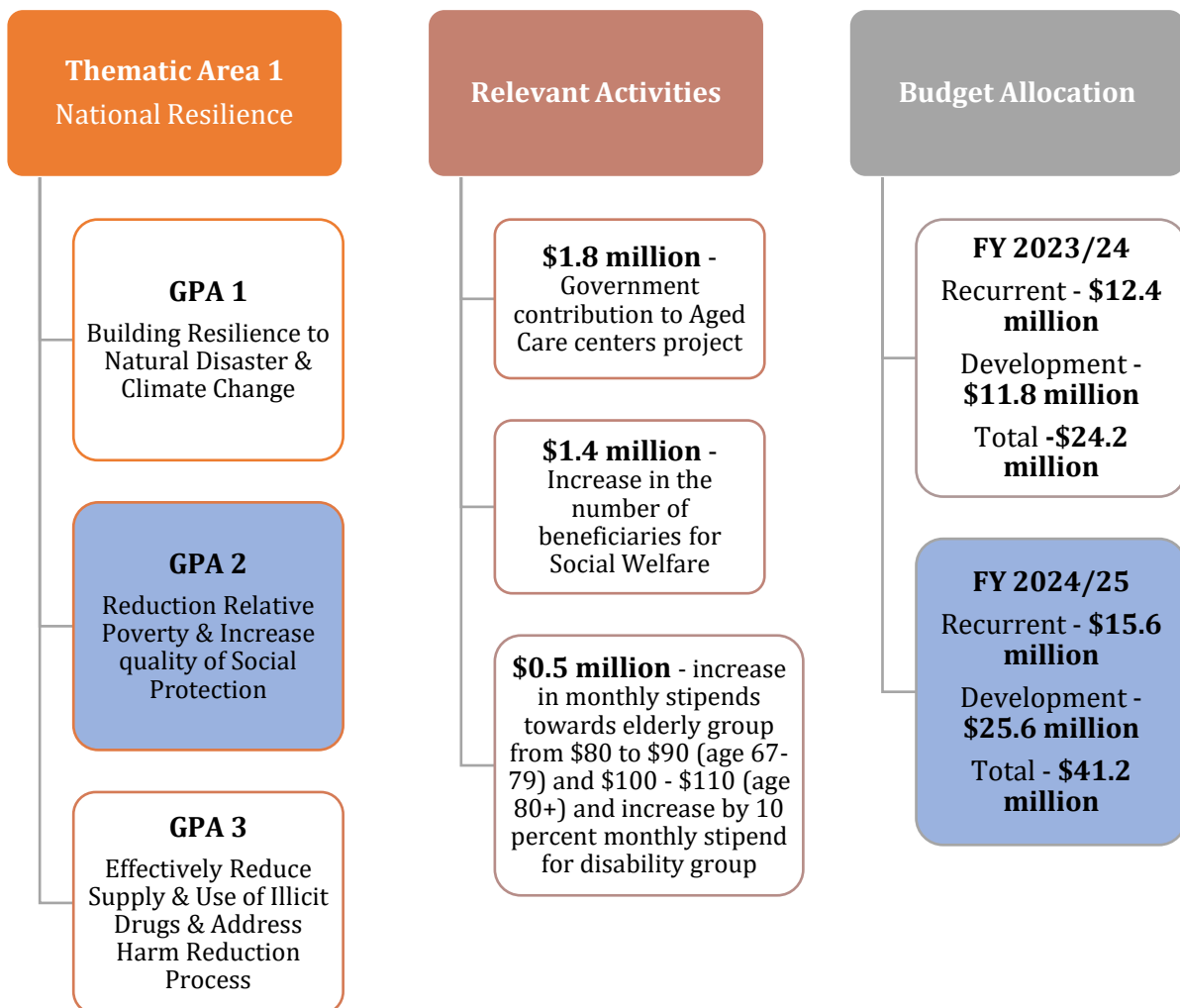
According to HIES 2021, the poverty data reflects the relative poverty decrease from 3.1 percent in 2006 to 0.1 percent in 2021.<sup>583</sup> It has been noted that government programs and activities implemented had contributed to reduction in poverty.

### 3. Relevant GPA

The Poverty Reduction falls under Thematic Area 1 “National Resilience”, GPA 2 “Reducing Relative Poverty and increasing quality of social protection”.

**Figure 1** illustrates the relevant GPA, Activities, and the Budget Allocation for Poverty Reduction.

**Figure 1: Relevant Thematic Area and GPAs<sup>584</sup>**



### 4. Priorities for 2024/25

The Government will continue implementing of the policies and activities above over the medium term using financial resources in **Table 1**, both recurrent and development. A total budget of

<sup>583</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 22.

<sup>584</sup> There are other activities funded by development partners which are shown on Table 1. Only activities that are directly related to poverty reduction are included in this section. Mainly the ones funded under recurrent budget.

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\$41.2 million has been allocated for 2024/25 for this thematic area. Of this amount, 37.9 percent (or \$15.6 million) is funded from Government's recurrent budget and 62.1 percent (or \$25.6 million) is funded from development partners.<sup>585</sup>

In comparison with the original budget allocation in the current financial year, it is noted that there is a huge increase in the budget allocation for 2024/25 by \$17.0 million<sup>586</sup> or 70.2 percent, mainly due to the following activities.

- \$12.8 million increase towards the Sports Development revolving fund.
- \$1.8 million as government contribution towards the construction of the ADB-funded Integrated Aged Care canters project in the FY 2025.
- \$1.4 million per annum in FY 2025 towards **increasing the number of beneficiaries under the social welfare** program monthly stipends, to include those from age 67 (vs. the current 70 years old) and will further expand in FY 2026 to include those from age 65 and age 63 in FY 2027.
- \$0.5 million for increases in the monthly stipends towards the elderly group, i.e., ages 67 – 79 at \$90/month from \$80/month, and ages 80+ at \$110/month from \$100/month.
- \$0.2 million for a 10 percent increase in the monthly stipend of those in the disability group
- Continuation of the 'Tapanekale' affordable housing program, which amounts to \$7.0m over the medium term, including funding from development partners.
- Under the TVET program, 926 students benefited from the TVET Student Support Programme, with 411 being female. A survey of 143 beneficiaries resulted in a 100 percent satisfaction response regarding the program and its impact on their training.
- Continuation of the Government Lifeline Tariff Discount Scheme to support the governments pro-poor programme.

**Table 1: Budget Allocation for the Thematic Area – Poverty Reduction**<sup>587</sup>

Budget Allocation for GPA 2: Social Protection	2023/24				2024/25	
	Original Estimate		Revised Estimate		Estimate	
	Recurrent	Development	Recurrent	Development	Recurrent	Development
Social Welfare Program (Ministry of Finance)	6.2		6.8		0.0	
Ministry of Internal Affairs	6.2		7.2		15.6	
Skills & Employment for Tongan Project		8.1		4.0		0.6
Intergrated Age Care Project		2.0		0.2		3.7
Outreach and Community Consultations		0.5		0.5		
Tapanekale Housing Project				0.3		7.8
Tonga Pathway for Employment						0.7
Sports Development Revolving Fund						12.8
Other		1.2		0.6		
<b>Sub-Total</b>	<b>12.4</b>	<b>11.8</b>	<b>14.0</b>	<b>5.6</b>	<b>15.6</b>	<b>25.6</b>
<b>TOTAL</b>	<b>24.2</b>		<b>19.6</b>		<b>41.2</b>	

<sup>585</sup> Ibid., page 18

<sup>586</sup> Ministry of Finance, *Budget Statement FY 2024/25*, pages 23 and 24.

<sup>587</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 24.

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In FY 2024/25, the respective budget allocation to support the social sector program has been transferred from the Ministry of Finance to the Ministry of Internal Affairs<sup>588</sup> resulting in an increase in recurrent budget allocation for the Ministry of Internal Affairs to \$15.6 million.

## 5. Long Term Support to the Government

### Ministry of Internal Affairs (Vote 17)

The Ministry of Internal Affairs is the lead Ministry to implement the poverty and social protection related policy and programs. As mentioned above the social protection program (mainly the financial support to elderly and disability groups) has been transferred from the Ministry of Finance to the Ministry of Internal Affairs in this 2024/25.

The **Social Protection has been allocated \$13.7 million**<sup>589</sup> for the FY 2024/25, under the Program 5, Social Protection and Vulnerable and in Subprogram 01, Social Protection. The major programs are Community Development Program, Grant Vulnerability and Social Welfare Schemes<sup>590</sup>.

There is another allocation of **\$12.8 million**<sup>591</sup> under the Program 2 – **Sports and Active Recreation Development**, Subprogram 02 – Sports Development<sup>592</sup>. The fund is sourced from revenues collected under the foreign exchange levy to assist with the cultivation and development of sports in the Kingdom in line with the Foreign Exchange Levy (Sports Development) Act.

### Other Poverty reduction Projects

**Integrated Age Care project**<sup>593</sup> is allocated \$3.7 million; however, the lead Ministry is not mentioned in the Budget Estimates and Budget Statement. The project aims to support the Tonga National Social Protection Policy to increase coverage and access to social protection programs through an appropriate, safe, and high-quality integrated care centre that provides services for higher quality of life experienced by older people in Tonga. The construction is anticipated to start in 2024/25 with 3 age care service centres (two in Tongatapu (main center at Matatoa and additional centres at Houma and Tatakamotonga) and one in Vava'u), financially support by the Asian Development Bank and the establishment of a more encompassing and gender-sensitive social protection system support by the World Bank. The Government also contributed to the project worth \$1.8 million as government contribution (the location of this allocation is not mentioned in the draft Budget Statement or Budget Estimates).

**Tāpanekale (Affordable) Housing Project**<sup>594</sup> is allocated \$7.8 million, however the lead Ministry is not mentioned in the Budget Estimates and Budget Statement. The Tāpanekale Project is targeting to reduce the extreme poverty groups as determined by the Household Income Expenditure Survey 2016 (3.1 percent of the population living in the extreme poverty group) to

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<sup>588</sup> Ibid, page 64.

<sup>589</sup> Note the Budget Estimate amount if different from the Budget Statement amount.

<sup>590</sup> Ministry of Finance, *Budget Estimate FY 2024/25*, page 293.

<sup>591</sup> Ibid., page 290 – 291.

<sup>592</sup> Ibid.

<sup>593</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 141.

<sup>594</sup> Ibid., page 141-142.

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ensure that 'no one is left behind'. The Project will help fulfil necessities, including the construction of appropriate shelters and strengthening of existing dwellings with proper sanitation facilities and water tanks. The project has begun with **7 households** in Tongatapu who have confirmed land ownership.

**Tonga Pathway for Employment**<sup>595</sup> is allocated \$0.7 million. This project is developed to pick schools that are in line with the National Social Protection Policy and aim at poor and vulnerable households with secondary education. The design of the project is near completion focusing on improving high school education outcomes among students from the poorest and most vulnerable families (soft landing for SET project) including strengthening the National Social Registry and enhancing the employability of secondary education graduates to facilitate their transition to the labour market through a first formal employment experience or supporting a startup opportunity.

**Skills and Employment for Tongan (SET)**<sup>596</sup> is allocated \$0.6 million. The Project comprises a component that supports and aligns the Education policy Framework for the skills development of Tongans under the Technical Vocational Education and Training (TVET) programme to make them more competitive in the global and domestic labour market. In 2024, 257 students graduated from Form 7, while 105 students transitioned to TVET and tertiary levels while remaining in school. The training program is scheduled for completion by September 2024.

**Free education up to Form 5 in government schools.** The Government is striving to remove financial barriers to education by offering free education up to Form 5 in government schools. This initiative ensures that all children have equal access to educational opportunities, contributing to a more equitable society in Tonga noting the revenue loss to Government of about \$1 million.

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<sup>595</sup> Ministry of Finance, *Budget Statement FY 2024/25*, page 142.

<sup>596</sup> *Ibid.*, page 141.

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## SUSTAINABLE DEVELOPMENT GOALS (SDGs)



**Goal 1:** End poverty in all its forms everywhere



**Goal 2:** End hunger, achieve food security and improve nutrition and promote sustainable agriculture.



**Goal 3:** Ensure healthy lives and promote well-being for all at all ages.



**Goal 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



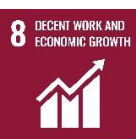
**Goal 5:** Achieve gender equality and empower all women and girls.



**Goal 6:** Ensure availability and sustainable management of water and sanitation for all.



**Goal 7:** Ensure access to affordable, reliable, sustainable, and modern energy for all.



**Goal 8:** Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.



**Goal 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



**Goal 10:** Reduce inequality within and among countries



**Goal 11:** Make cities and human settlements inclusive, safe, resilient and sustainable



**Goal 12:** Ensure sustainable consumption and production patterns



**Goal 13:** Take urgent action to combat climate change and its impacts



**Goal 14:** Conserve and sustainable use the oceans, seas and marine resources for sustainable development



**Goal 15:** Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



**Goal 16:** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.



**Goal 17:** Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development Finance

## **TONGA STRATEGIC DEVELOPMENT FRAMEWORK II (2015-2025) (TSDF II)**

### **NATIONAL OUTCOMES**

**A:** A more inclusive, sustainable, and dynamic knowledge-based economy

**B:** A more inclusive, sustainable, and balanced urban and rural development across island groups

**C:** A more inclusive, sustainable, and empowering human development with gender equality

**D:** A more inclusive, sustainable, and responsive good governance with law and order

**E:** A more inclusive, sustainable, and successful provision and maintenance of infrastructure and technology

**F:** A more inclusive, sustainable, and effective land administration, environment management, and resilience to climate and risk

**G:** a more inclusive, sustainable, and consistent advancement of our external interests, security and sovereignty

## TONGA STRATEGIC DEVELOPMENT FRAMEWORK II (2015-2025)

### ORGANISATIONAL OUTCOMES

#### Institutional Pillars

1. Economic Institutions
2. Social Institutions
3. Political Institutions

#### Two Input Pillars

4. Infrastructure and Technology Inputs
5. Natural Resource and Environment Inputs

#### Pillar 1: Economic Institutions

**Organisational Outcome 1.1:** Improved macroeconomic management and stability with the development of a stronger, deeper, more inclusive financial system to ensure sound macroeconomic environment within which inclusive and sustainable business and social opportunities can be developed and pursued.

**Organisational Outcome 1.2:** Closer, more effective public/private partnerships with business, consumers, and other community groups across the Kingdom to help better identify and address constraints to more inclusive, sustainable and resilient economic growth.

**Organisational Outcome 1.3:** Strengthened enabling environment for business, encouraging broad-based investment and more sustainable and inclusive employment and profits, while protecting the rights of the consumer and being sensitivity to the environment.

**Organisational Outcome 1.4:** Improved public enterprise performance to generate appropriate returns on government investment while supporting inclusive, sustainable development and the growth of businesses and communities.

**Organisational Outcome 1.5:** Better access to economic opportunities overseas including trade, employment, (short and long term and in a wider range of skill areas) and foreign investment to expand the range of income-earning opportunities across the Kingdom and beyond.

#### Pillar 2: Social Institutions.

**Organisational Outcome 2.1:** Improved collaboration with, and support to, social and civil society organisations promoting the development of groups which encourage greater involvement by all members of the society, a wider range of community activities, social and sporting events, healthy lifestyles and viable livelihoods in more inclusive and effective ways.

**Organisational Outcome 2.2:** Closer partnership between government, churches and other stakeholders providing services to communities and support to community development help promote stronger communities, better inclusion of all groups and human development.

**Organisational Outcome 2.3:** More appropriate social and cultural practices which help maintain the positive aspects of our Tongan identity while also helping to promote those changes

needed for further development of our democracy and for more sustainable and inclusive institutions better able to interact with the opportunities and threats presented by the wider world.

**Organisational Outcome 2.4:** Improved educational and training which encourages life-long learning of both academic and vocational knowledge by all people, so better equipping us to make active use of the opportunities in the community, the domestic economy, and overseas.

**Organisational Outcome 2.5:** Improved, country-wide, health care systems which better address the medical conditions becoming more prevalent in Tonga so hastening recovery and limiting pain and suffering.

**Organisational Outcome 2.6:** A stronger and more integrated approach by all parts of society, to address communicable and non-communicable disease, significantly cutting the rate of these diseases and the burden they place upon communities and the economy.

**Organisational Outcome 2.7:** Better care and support for vulnerable people that ensures the elderly, the young, disabled and others with particular needs continue to be supported and protected despite shrinking extended families and other changing social institutions.

**Organisational Outcome 2.8:** Improved collaboration between Tongans in the Kingdom, and the Tongan diaspora to help develop the social and economic quality of life of both groups.

### **Pillar 3: Political Institutions.**

**Organisational Outcome 3.1:** A more efficient, effective, affordable, honest, and transparent Public Service, with a clear focus on priority needs, working both in the capital and across the rest of the country, with a strong commitment to improved performance and better able to deliver the required outputs of government to all people.

**Organisational Outcome 3.2:** Strengthened implementation and enforcement of law and order in a more inclusive, fair and transparent manner which helps resolve disputes, more effectively punishes and rehabilitates those who have broken the law, while supporting the population to go about their legitimate daily business without fear or favour from government.

**Organisational Outcome 3.3:** Appropriate decentralization of government administration and services at all levels providing better scope for active, participatory, and inclusive engagement with the wider public, so that local needs can be addressed more quickly and efficiently both in urban and rural areas.

**Organisational Outcome 3.4:** Modern and appropriate constitution, laws and regulations, reflecting international standards of democratic processes and procedures for political institutions, providing an efficient and effective legal structure that provides inclusive access, human rights and the protections required for a higher quality of life, as well as supporting the development of the appropriate institutions required for a progressive Tonga in a peaceful, constructive and effective manner.

**Organisational Outcome 3.5:** Improved working relations and coordination between the Privy Council, Executive, Legislative & Judicial wings of government so that they work effectively together in support of the Tongan vision.

**Organisational Outcome 3.6:** Improved collaboration and dialogue with our development partners to ensure that their support is consistent with our needs and in line with the international standards set out in various international Declarations and Accords.

**Organisational Outcome 3.7:** Improved political and defence engagement within the Pacific & the rest of the world, including better engagement with other governments and international organisations, to ensure we are an effective member of the international community, able to participate more effectively in the support to other countries and consistent advancement of our international interests, security, and sovereignty.

#### **Pillar 4: Infrastructure and Technology Inputs**

**Organisational Outcome 4.1:** More reliable, safe, affordable, and widely available energy services built on an appropriate energy mix moving towards increased use of renewable energy.

**Organisational Outcome 4.2:** More reliable, safe, and affordable transport services on each island, connecting islands and connecting the Kingdom with the rest of the world by sea and air, to improve the movement of people and goods.

**Organisational Outcome 4.3:** More reliable, safe, and affordable information and communications technology (ICT) used in more innovative and inclusive ways, linking people across the Kingdom and with the rest of the world, delivering key services by government and business and drawing communities more closely together.

**Organisational Outcome 4.4:** More reliable, safe and affordable buildings and other structures, taking greater account of local conditions, helping to lower construction, maintenance and operating costs, increase resilience to disasters, improve the quality of services provided and facilitate increased access.

**Organizational Outcome 4.5:** Improved use of relevant research and development that focuses on our priority needs drawing on improved foresight, helping to solve technical and other constraints to facilitate more rapid improvements to our institutions and better use of our resources and environment so that we may progress more rapidly and be more resilient in face of future risks.

#### **Pillar 5: Natural Resources and Environment Inputs**

**Organizational Outcome 5.1:** Improved land use planning, management, and administration with stronger and appropriate enforcement which ensures the better provision of public spaces as well as private spaces, ensures more appropriate placement of infrastructure, better protects the environment, and limits risk, so as to improve safety conditions both for communities and business, working in harmony with a better application of the traditional land management system.

**Organizational Outcome 5.2:** More equitable, inclusive, sustainable, and appropriate management of the use of renewable and non-renewable natural resources to maintain a steady long-term flow of benefits rather than booms followed by bust and long-term recovery periods.

**Organizational Outcome 5.3:** Cleaner environments and less pollution from household and business activities building on improved waste management, minimization, and recycling, making conditions safer, healthier, and more pleasant for residents and visitors.

**Organisational Outcome 5.4:** Improved national and community resilience to the potential disruption and damage to wellbeing, growth, and development from extreme natural events and climate change, including extreme weather, climate, and ocean events, with a particular focus on the likely increase in such events with climate change.