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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

FOURTH COUNTRY PROGRAMME OF THE GOVERNMENT OF TONGA

UNDP assistance requested by the Government of Tonga
for the period 1986-1990

Illustrative IPF for 1982-1986 at 55 per cent: \$1,375,000

INTRODUCTION

1. This country programme was prepared while the mid-term review of the national fourth five-year development plan for 1980-1985 and the preparatory phases of formulation of the fifth five-year development plan for 1986-1990 were being carried out. The country programme covers the same period as the fifth development plan in order to maximize its value to the Government in achieving its development objectives.

* In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, annex I), the fourth country programme for Tonga is being submitted to the Council without an accompanying note by the Administrator. The previous country programmes for Tonga and the accompanying notes by the Administrator were issued under the document symbols DP/GC/TON/R.1, DP/GC/TON/R.2 and DP/CP/TON/3 and DP/GC/TON/R.1/RECOMMENDATION and DP/GC/TON/R.2/RECOMMENDATION, respectively.

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2. The country programme was formulated by the Central Planning Department of Tonga on the basis of the revised national development priorities set up in connection with the mid-term review of the fourth development plan. These priorities continue to emphasize the importance of the key sectors of primary economic activity such as agriculture and fisheries. The Government also attaches high priority to the continued expansion of the private sector and, in particular, to the development of industrial enterprises. In addition, the development of infrastructure for health services as well as for transport and communications carries a high priority, especially in the rural areas.

3. This country programme reflects Tonga's medium-term objectives for overall development in the light of its potential, paying due attention to other development assistance available to the country. It also takes into account the interlinkage and co-ordination of funding available from the United Nations Development Programme (UNDP) and United Nations specialized agencies, bilateral and other multilateral sources, and voluntary organizations.

4. Tonga's status of an "as if" least developed country (LDC) ended in December 1981. Consequently, a large portion of special development assistance which was previously available through the United Nations no longer exists. At the current programme level UNDP assistance accounts for approximately 3 per cent of total external development funding. However, taking into consideration that the United Nations assistance involves the transfer of the knowledge and skills basic to development, UNDP's role in the development of Tonga may be considered greater than its numerical proportion. The Government therefore intends to maximize this assistance by emphasizing activities with a large multiplier effect.

5. At the same time, the Government is aware of the limitations imposed on UNDP's effectiveness by the resource constraints under which it is labouring. The reduction in programmable resources to only 55 per cent of the illustrative IPF has been disappointing for the Government and has caused a number of development projects for which UNDP funding was to be sought to be deferred. The Government hopes that the level of programmable funds will soon be restored to its previous 80 per cent level. In order to overcome these problems, the Government therefore intends, in utilizing the resources made available to it under the country IPF, to take careful account of the complementarities available to it through the Asia and Pacific regional programme and in particular through the Pacific subregional programme. In the same vein, it would hope to strengthen UNDP's assistance by relating it, where possible, to that available from other multilateral and bilateral resources and by participating in UNDP's resource mobilization efforts; The Government will also seek to obtain direct assistance from the regular budgets of those United Nations agencies where this is available, and where not it will request such agencies to seek third-party cost-sharing funding.

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6. It is important to note the effects of the 1982 cyclone Isaac on the economy of the country. Tonga is still recovering from the consequences of that disaster. In the period following the cyclone, rehabilitation and reconstruction requirements inevitably changed the immediate priorities, and consequently a considerable portion of bilateral aid funding was rechannelled towards immediate relief needs. As the total regular bilateral aid remained virtually unchanged, many of the development projects which were classified as high priority prior to the cyclone had to be postponed or reclassified. The bilaterally assisted projects which included capital development costs, such as wharf and sea-wall construction, became top priority activities with considerably increased funding requirements. The commencement of the new programme period should see a return to a more normal framework for the sectoral allocation of development assistance and should enable the Government to return to its established priorities for development.

UNDP TECHNICAL CO-OPERATION ENVISAGED IN SUPPORT OF NATIONAL DEVELOPMENT PRIORITIES

7. UNDP resources indicated for programming purposes for 1986-1990 amount to \$1,223,000, representing a provisional \$1,100,000 based on the assumption that 55 per cent of the illustrative IPF for the third cycle would become available on a prorated basis for the first four years of the fourth UNDP programming cycle (1987-1991) and \$123,000 already allocated for 1986, the final year of the third UNDP programming cycle.

8. The present fourth five-year development plan emphasizes an overall strategy which includes the direction of a major share of total resources towards the productive sectors, particularly agriculture, fisheries and manufacturing. It also stresses the importance of an increase in the amount of resources directed to rural areas and island groups with lower than average income per capita, which have potential for further development. The fifth development plan is likely to continue in the same direction and will almost certainly include additional emphasis on regional development activities. In this regard it is planned to include specific regional development programmes for the island groupings of the Niuaus, Vava'u, Ha'apai and 'Eua in the fifth development plan.

9. During the programme period, UNDP assistance will be concentrated in support of Tonga's priority development objectives in the major categories listed below.

A. Agriculture

10. Agriculture is traditionally the most important sector in the economy of Tonga, and is expected to remain so in view of the need to meet expanding national food requirements. Moreover, there exists significant potential to expand the production of agro-based industries for the export market so as to meet growing foreign exchange requirements. Agricultural production has mainly consisted of growing food crops and, to a lesser extent, cash crops for local consumption. The Government's major development objective in this sector is to expand and diversify the agricultural output to meet growing domestic demand for food and to increase exports with an emphasis on the need to harmonize traditional agriculture with market-oriented commercial production.

11. Coconuts continue to be one of the most important crops grown in Tonga. Therefore, coconut-based industries and the development of coconut plants as raw material for industrial use will be an area for technical assistance during the programming period.
12. Other plants, which are mainly grown for export, include bananas, vanilla, root crops, watermelons, tomatoes and other fruit and vegetable varieties. The commercial cultivation of these plants is also receiving attention and the marketing arrangements both internally and abroad are being organized. One area of emphasis will be to direct assistance through the Tonga Development Bank to small-scale commercial farming activities. It is also proposed to investigate the potential for an expanded livestock and dairy industry.
13. A significant portion of all technical assistance and also of the Government's own resources is channelled to agricultural development, research and extension services. The objective here is to establish more agro-industries and develop them both for local and export demand. The UNDP regional intercountry programme for Asia and the Pacific will continue to form a valuable source of support and additional assistance as a complement to UNDP country projects and national activities in this regard.
14. For example, the regional project, Livestock Development (RAS/79/027) is based in Tonga and direct assistance to the country during its implementation is envisaged. The second regional project which has direct activities in Tonga is Root Crops and Plant Protection (RAS/83/001) under which one associate expert from the Food and Agriculture Organization of the United Nations (FAO) is assigned to the Agricultural Research Station in Tongatapu. Other regional projects which are expected to assist the agricultural development of Tonga include the Regional Fisheries Co-ordinator (RAS/73/025), Training in Agriculture, Forestry and Fisheries (RAS/79/025), Family Food Production and Nutrition (RAS/83/008), Regional Coconut-Wood Processing Training (RAS/81/110) and Improved Coconut Production (RAS/80/032).

B. Fisheries

15. The importance of fisheries in the development of the production sector has risen as a result of the ongoing Fishing Vessel Construction Programme (TON/83/001) and Artisanal Fisheries Development (TON/81/C01). In addition, at present the marketing and distribution aspects are being studied and organized and a co-ordinated fisheries development plan and action programme is being formulated. These activities are expected to require technical assistance from the United Nations system. The assistance to the boat-building project is scheduled to be phased out by the end of 1986, although some continuing assistance may be required through the United Nations Volunteers programme (UNV). New fish landing, handling and marketing facilities are scheduled for construction early in the new programme period and this, together with the operation of the project-built vessels, should increase considerably the local availability and consumption of fish and thereby reduce the import of equivalents.

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16. A major thrust of the fisheries development programme has been channelled by the United Nations Capital Development Fund (UNCDF) through the Fisheries Division and the Tonga Development Bank in the form of a revolving fund for fishermen to enable them to purchase their fishing vessels produced under the same funding arrangements. This UNCDF project TON/81/C01 has also assisted in the construction of the boatyards in Ha'apai and Vava'u as well as the reconstruction of the Tongatapu yard after the cyclone in 1982. The production programme is now active at the three yards and a total of 42 boats of three different designs are envisaged to be completed by the end of 1986. The total assistance from UNCDF amounts to \$850,000. The country programme has provided technical support to the UNCDF project TON/81/C01.

17. There will be a continuing need for training in general fisheries and in activities relating to the continuation of the boat-building programme. Provision is made in the country programme for the continuation of two United Nations volunteers plus for training requests totalling approximately \$75,000.

C. Air transport

18. Civil aviation is an indispensable instrument in Tonga's development efforts towards achieving increased self-reliance. Its importance arises from the two general development constraints, namely, Tonga's geographic isolation and its dispersed geographical structure. Development of air transport services will also establish a more even base and equity for development among the various regions of the country. United Nations assistance in this sector has been considerable. The projects RAS/81/075 and TON/81/006, assisted by UNDP and the International Civil Aviation Organization (ICAO), have achieved their objectives of upgrading the airport terminal and runway of the main Foamotu airport. The feasibility of a national airline is being analysed by the United Nations system under the UNDP/ICAO project TON/84/001. It is envisaged that this analysis could lead to further technical assistance in development of Tonga's air transport facilities.

19. The infrastructural aspects of civil aviation development, including the upgrading of the Vava'u airport to accommodate jet aircraft, are being funded through other bilateral and multilateral resources. United Nations assistance will be complementary to these other inputs.

D. Industry commerce and tourism

20. The development of the private sector and activities in industry commerce and tourism, in particular, have been and will continue to be a central feature of government policy. The objective is to provide an environment conducive to investment in the sector. In this regard, a wide range of incentives are available to entrepreneurs.

21. The economic significance of the sector has continued to increase and the establishment of a Small Industries Centre near the main wharf on Tongatapu has provided a focal point for industrial development. A similar centre is planned for Vava'u.

22. Tourism continues to be one of Tonga's principal sources of foreign exchange earnings and, through handicraft production, one of the major income-generating activities for women in the rural areas. Tourism development is likely to have a high priority in the fifth development plan and tourism-related facilities and services are expected to be improved. Technical assistance will be required to assist in this area.

E. Social services

23. The Government continues to devote a significant proportion of both local and foreign aid resources to the social services sector and in particular, to the development of health and education, in line with national plan strategies.

24. The World Health Organization (WHO) and the United Nations Fund for Populations Activities (UNFPA) both play a prominent role in the health sector. The assistance of the United Nations Educational Scientific and Cultural Organization (UNESCO) has also been made available in education development, particularly in curriculum development. Family planning and nutrition-related activities are also very important in the sector. In the latter area assistance from the United Nations Children's Fund (UNICEF) has been most valuable in promoting the benefits of better nutrition, focusing on maternal and child health.

25. Improvements in water and sanitation are an important part of the health development programme and the Government will continue to pursue the objectives of the International Drinking Water Supply and Sanitation Decade (DWSSD). Continued assistance in this area may be required in the fourth country programme.

26. The national sanitation plan has been completed and is currently being implemented. Further assistance through the United Nations system in the fields of rural water supply and improvement of sanitation facilities is envisaged from WHO and UNICEF. Direct UNDP assistance is channelled through the regional programme, mainly under the Rural Water Supply Improvement and Training (RAS/84/203) and the Regional Health Development Network (RAS/81/017).

27. In the fourth development plan the Government recognized the need to improve planning in the education sector. Assistance has been sought from UNDP for an education planner to help in the establishment of an education planning section in the Ministry and to provide training to the local counterpart. This is an area which requires considerable attention if the most effective use of local resources allocated to education is to be achieved. The Ministry of Education is the largest single spender in the Government recurrent budget and is also the recipient of a significant proportion of development aid. More effective planning of education and manpower skills is essential for the success of all development programmes.

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F. Rural and regional development

28. One of the development strategies outlined in the fourth plan was the increase in the amount of resources directed to the rural areas and island groups with lower than average per capita incomes. The need for further emphasis on rural and regional development to enhance this strategy was reaffirmed in the work on the mid-term review. It will form a key strategy for the fifth plan.

29. The Government has recently completed a review of the rural development programme over the four years 1979-1983 during which some 198 small rural projects were funded through the Rural Development Unit of the Central Planning Department. The results of this review will form the basis for new policy initiatives for the fifth plan.

30. It is intended to strengthen the regional development planning capability by the establishment of a regional development office in Vava'u which will co-ordinate regional development activities in all the northern island groups. A similar office will also be established to oversee regional development programmes in the southern island groups. UNDP assistance has been sought for this regional development activity.

G. Public administration and development planning

31. The Government recognizes the important role which effective public administration and development planning play in the pursuit of its development objectives. Assistance is being sought in the former area from non-UNDP sources while UNDP continues to provide the services of a development planner.

32. The fifth development plan is now in its early preparatory stages and the revised objectives and planning methodology are under review. It is intended to have the new plan published by the end of 1985. It will be important for the effective formulation and implementation of the fifth plan that UNDP assistance continues into the new programme period until such time as the Tongan counterpart has completed a period of training overseas and on the job. In accordance with the project document of TON/83/003 a provision of \$55,770 is made for an initial one-year continuation of the project.

33. Within the planning process a number of areas have been identified for specific attention. These include the planning methodology most appropriate to Tonga, monitoring and review of the plan and sectoral projects, the administration of the planning process and staff training.

34. Within the broad area of public administration the Government has identified the need to co-ordinate its activities in marine affairs including harbour and wharfs, shipping and ports, maritime safety, administration and training. Assistance has been provided through the International Maritime Organization (IMO) for certain of these aspects, in particular maritime safety. Given the importance of marine transport within Tonga and for its international trade this is an important area for future technical assistance.

H. Telecommunications

35. UNDP technical assistance in development of Tonga's telecommunication facilities has focused on training of local manpower both in the technical and financial management of the Telecommunications Commission. Tonga has also been regularly allocated fellowships under the Regional Telecommunications Training Programme (RAS/81/025). Further assistance is required in this area in line with the third country programme to strengthen the communication facilities and thereby to assist the administrative functions of the Government and the development of trade and tourism. It is envisaged that provision of a technical adviser to the Telecommunications Commission and advanced degree training to the Tongan counterpart will form the core of UNDP assistance in this area for the first half of the fourth country programme.

I. Housing, physical planning and natural resources

36. During the reconstruction of the human settlements of Tonga after the cyclone Isaac the need for physical planning became obvious. Consequently, a physical planner was attached to the Department of Lands, Survey and Natural Resources. It is the Government's intention to develop and strengthen the operational capacity of the Planning Authority, the newly established office being responsible for the definition of the general physical planning strategy and the framework for efficient land use as an integral part of the Tongan socio-economic development policy.

37. UNDP assistance is envisaged in the physical planning sector mainly in the form of technical expertise. The activities will concentrate on structural engineering and urban design, the two areas which are at present considered most immediate for starting the operations of the Planning Authority. Simultaneous training of national personnel also carries a high priority.

38. UNDP is currently provided an energy planner attached to the Department of Lands, Surveys and Natural Resources. The funding is arranged from the UNDP Energy Account. It is expected that further assistance in this area will be required during the implementation of the fourth country programme.

Annex
FINANCIAL SUMMARY
(United States dollars)

A. Resources

(a) IPF resources

(i)	Illustrative IPF for 1982-1986 at 55%	1 375 000
(ii)	Balance from previous IPF cycle	145 000
	Subtotal	<hr/> 1 520 000 <hr/>
(iii)	Less IPF expenditures for 1982-1986	(1 397 000)
(iv)	Add provisional IPF for 1987-1990	1 100 000
	Total IPF resources	<hr/> <hr/> 1 223 000 <hr/> <hr/>

B. Use of resources

(a) Programmed

(i)	Ongoing projects	43 000
(ii)	New projects and new phases of ongoing projects included in the country programme	210 770
(iii)	Earmarked for specific objectives and activities for which projects are to be worked out at a later stage	969 230
	Subtotal	<hr/> 1 223 000 <hr/>

(b) Unprogrammed reserve

Total use of resources	<hr/> <hr/> 1 223 000 <hr/> <hr/>
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FINANCIAL SUMMARY (continued)

C. Distribution of programme by sector

<u>ACC</u> <u>Classification</u>	<u>Sector</u>	<u>Ongoing</u> <u>projects</u>	<u>New</u> <u>projects</u>	<u>Sectoral</u> <u>earmarkings</u>	<u>Total</u>
02	General development issues, policy and planning	3 000	55 770	-	58 770
03	Natural resources, energy	-	-	61 000	61 000
04	Agriculture, forestry and fisheries	-	75 000	314 330	389 330
05	Industry, transport and tourism	40 000	80 000	349 600	469 600
09	Human settlements and physical planning	-	-	122 300	122 300
10	Health	-	-	61 000	61 000
11	Education	-	-	61 000	61 000
Total		43 000	210 770	969 230	1 223 000
