

Tonga Agriculture Sector Plan (TASP)

Tonga

Country-level policy engagement aims to support the development and implementation of national policies that shape the economic opportunities for poor rural people. These case studies illustrate that by utilizing innovative mechanisms for policy engagement, large impacts are achievable with limited resources.

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Issues

Agriculture is the predominant economic activity in Tonga, contributing around 20 per cent of GDP. About 75 per cent of Tonga's population lives in rural areas, and agriculture and fishing are the main sources of livelihoods. Fewer than 10 per cent of farmers are commercial producers and most of Tonga's agriculture is thus still based on traditional/subsistence farming systems.

The agriculture sector has been stagnant for a decade, with virtually no growth recorded between 2005 and 2012. Factors contributing to this situation include outmigration of the rural population, an ageing farmer population, declining export opportunities, and the increasing frequency and impact of climate change-related extreme weather events. Tonga's export vulnerability lies in its reliance on very few commodities, such as squash, the exports of which have been falling since 2003. Rising production costs have contributed to a decline in export competitiveness, as has the difficulty in meeting quality and phytosanitary requirements for the principal markets of New Zealand and Australia.

The immediate challenge is to identify other commodities that can offer market opportunities and to reduce agricultural trade barriers. While there is much emphasis on reviving the export sector, less attention has been given in recent years to import substitution activities, which could also significantly increase income for local populations. And despite its potential, the fisheries sector contributes only about 3 per cent of GDP.

In 2014, the Agriculture and Fisheries Sector Growth Committees sought the assistance of IFAD and the World Bank to prepare sector development plans aimed at maximizing the contribution of agriculture and fisheries to Tonga's economic growth and food security. IFAD offered financial and technical support to MAFFF to enable it to lead in the preparation of the TASP, while the World Bank took the lead for the Fisheries Sector Plan.

Actions

The TASP design process was such that ensured involvement with the range of stakeholders actively engaged in Tonga's agriculture sector. It also recognized the uniqueness of Tonga's agriculture sector and the constraints imposed by the country's geographic location.

Before work began on the TASP itself, considerable groundwork was carried out (including extensive rural community consultations) to prepare a background report on Tonga's agriculture sector and define its broad objectives. Once endorsed

Summary

IMI funding: US\$35,000; other IFAD funding via the Tonga Rural Innovation Project (US\$50,000) and other development partners (e.g. UNDP through the Pacific Risk Resilience Programme, World Bank for the Fisheries Strategy).

Implementing partners: Implemented by the Ministry of Agriculture and Food, Forests and Fisheries (MAFFF), co-designed with the World Bank.

Key objectives: To support the government – particularly MAFFF and the Agriculture Sector Growth Committee (a public-private partnership) – in identifying priorities to maximize the contribution of agriculture to Tonga's economic growth and food security, and in developing the Tonga Agriculture Sector Plan (TASP) and associated investment plan and results framework.

Lessons and successes: IFAD's support was highly strategic: the TASP drafting process was inclusive and consultative, and strengthened coordination between private and public actors in the allocation of investment in Tonga's agriculture sector. The TASP will also guide the formulation of key policy reforms and regulations, as well as consultations with Tonga's other development partners.

by the Agriculture Sector Growth Committee, the background report then formed the basis for the TASP. Phase I of TASP preparation started in December 2014 and focused on defining strategic objectives for the plan, establishing good relationships with stakeholders, and developing the medium-term plan. Phase II began in March 2015 with further stakeholder consultations and planning workshops, resulting in the formulation of the TASP programmes and sub-programmes.

The TASP aims to strengthen synergies between public and private actors and thus increase investment in Tonga's agriculture sector; it is also intended to guide the formulation of key policy reforms and regulations. The TASP speaks to three core groups of stakeholders: approximately 8,000 farmers and exporting companies (who constitute the main beneficiaries of the plan); institutions that provide services and advice to those beneficiaries (MAFFF, financial institutions, and churches); and the government's current development partners who are expected to continue their support during the life of the TASP.

The TASP is based on four programmes that focus on: (i) fostering a climate-resilient environment to ensure that Tonga's key natural resources are preserved, by building knowledge of the environmental conditions needed to support the development of climate-resilient agriculture; (ii) establishing an enabling environment by addressing issues of governance, regulations and compliance related to the operation of Tonga's agriculture sector; (iii) promoting sustainable livelihoods and healthy foods by improving farmers' knowledge and use of technologies for climate-resilient and diversified crops and livestock production systems, and the marketing of these products; and (iv) supporting sustainable growth and foreign exchange earnings by increasing both exports and the production of import substitution agricultural products. The TASP also identifies several value chains that could be upgraded to increase opportunities for smallholders to commercialize their crops and access higher-value markets.

A finalization round table held in June 2015 provided an opportunity to share the outcome of the TASP preparation phases, including the value chain road maps, with those involved (e.g. the Ministry of Finance and National Planning, the Agriculture Sector Growth Committee, the Tonga Development Bank, development partners, agribusiness investors, farmers' organizations). After endorsement by all parties the TASP was then ready for adoption. It was incorporated into Tonga's Medium-Term Development Framework in July 2015 and endorsed by the cabinet in December 2015. A TASP coordination unit is now being formed to oversee and monitor implementation.

IFAD also supported the operational component of the TASP, including the associated investment plan and results framework. The Tonga Agriculture Sector Mid-Term Investment Plan (TASMTIP) was finalized in August 2015, with the objective of summarizing the TASP's sectoral development objectives and associated budgets. The TASMTIP will be used by the government as the basis for consultations with its donors on how to implement and fund the TASP's four programmes and associated sub-programmes.

Lessons learned

The IMI financing allowed IFAD to engage strategically in a country where it can have only a very limited lending programme, by assisting the Kingdom of Tonga in drawing up and implementing a broad-based plan for national agriculture. Critical to achieving this, and to the approval and buy-in of the plan, were the extensive consultations with the government and stakeholders. IFAD also supported the government in reinforcing relationships with a range of private and public actors by listening to and prioritizing their needs and expectations. The TASP has prepared the way for ongoing engagement by IFAD and other development partners. It will be used to shape IFAD's next country strategic opportunities programme for Tonga and serve as a key document for the government when working with other development partners. The TASP provided an input for Tonga's 2015-2025 Strategic Development Framework and for its application to the Global Agriculture and Food Security Program (GAFSP). The initiative has also demonstrated the potential for collaboration between IFAD and other development partners, such as the World Bank.



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