Kingdom of Tonga

# Tonga Australia Resilient Communities Program

## Design Document

**October 31, 2024**

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## Currency equivalents

| | | |
|---|---|---|
| Currency Unit (2024) | = | Pa’anga |
| AUD$1.0 | = | TOP$1.52 |

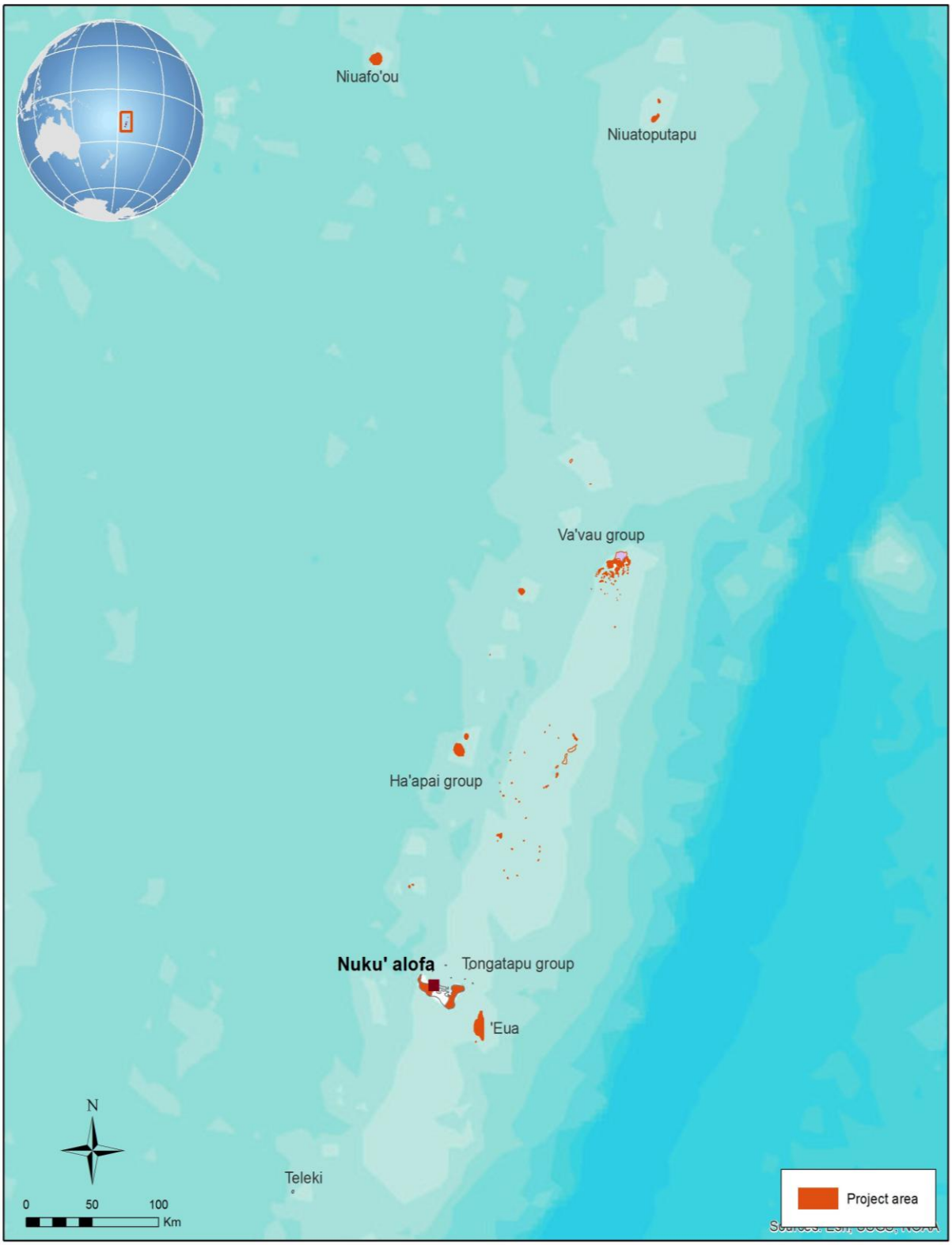
## Weights and measures

| | | |
|---|---|---|
| 1 kilogram | = | 1000 g |
| 1 000 kg | = | 2.204 lb. |
| 1 kilometre (km) | = | 0.62 mile |
| 1 metre | = | 1.09 yards |
| 1 square metre | = | 10.76 square feet |
| 1 acre | = | 0.405 hectare |
| 1 hectare | = | 2.47 acres |

## Abbreviations and acronyms

| | |
|---|---|
| AUD | Australian Dollar |
| AWPB | Annual Working Plan and Budget |
| CBA | Cost Benefit Analysis |
| CBO's | Community Base Organisation |
| CCDR | Climate Change and Disaster Risk |
| CCDRM | Climate Change and Disaster Risk Management |
| CDP | Community Development Plans |
| CF's | Community Facilitator |
| DDP | District Development Plan |
| DFAT | Department of Foreign Affairs and Trade |
| DO | District Officer |
| DPP | Tonga Australia Development Partnership Plan |
| FRDP | Framework for Resilient Development in the Pacific |
| GESI | Gender Equality and Social Inclusion |
| GIG | Grant Implementation Guideline |
| M&E | Monitoring and Evaluation |
| MEIDECC | Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change & Communications |
| MFAT | Ministry of Foreign Affairs and Trade |
| MORDI TT | Mainstreaming of Rural Development Innovation Tonga Trust |
| MYOB | Mind Your Own Business |
| NGO | Non-government Organisation |
| NPV | Net Present Value |
| PMU | Programme Implementation Unit |
| PRAC | Project Review and Approval Committee |
| ROI | Return on Investment |
| SDG | Sustainable Development Goals |
| TARCP | Tonga Australia Resilient Communities Programme |
| TASP | Tonga Agriculture Sector Plan |
| TO | Town Officer |
| TOP | Tongan Pa'anga |
| TSDF | Tonga Strategic Development Framework |
| ASH | Water and Sanitation |
| WG | Working Group |

## Map of the project area




Alt text: image depicts map of Kingdom of Tonga across with shaded areas demonstrating where the project takes place

# I. Executive Summary

## A. Background and Rationale

1. The **Tonga Australia Resilient Communities Program (TARCP)** is a strategic and comprehensive initiative dedicated to transforming the resilience, sustainability, and economic prosperity of Tonga's rural and outer island communities. In the face of mounting climate change impacts, frequent natural disasters, and significant socioeconomic challenges, the TARCP is designed as a proactive and multi-faceted response to safeguard livelihoods and enhance community well-being.

2. Tonga's geographical spread across remote and scattered islands makes it one of the world's most climate-vulnerable nations. The country regularly experiences severe tropical cyclones, rising sea levels, and unpredictable weather patterns that threaten both the environment and the socioeconomic stability of its communities. Furthermore, limited infrastructure, inadequate access to essential services, and economic dependency on agriculture and remittances exacerbate the challenges faced by these communities. The need for robust, adaptable, and sustainable solutions is more urgent than ever.

3. The TARCP adopts a *community-driven approach* that prioritizes the voices, needs, and active participation of local populations. This ensures that development initiatives are deeply rooted in cultural and community contexts, fostering a sense of ownership and empowerment. The program focuses on building climate-resilient infrastructure, improving WASH access and empowering local communities through DRR activities, as identified in Community Development Plans. It integrates Gender Equality, Disability and Social Inclusion (GEDSI) principles to ensure that women, youth, and marginalized groups have equitable access to resources and decision-making opportunities.

4. Through strategic partnerships with the Government of Tonga, local NGOs, and international stakeholders, the TARCP aims to deliver measurable, impactful, and sustainable outcomes. By aligning with national development priorities and regional climate action frameworks, the program supports a unified vision for a more resilient Tonga. The TARCP is not only about mitigating the effects of climate change but also about driving economic growth, improving social cohesion, and laying a foundation for self-reliant, prosperous communities capable of facing future challenges.

5. The TARCP marks a significant enhancement of the enduring partnership between Tonga and Australia, strengthening decades of collaboration in critical areas such as rural development, disaster preparedness, agricultural research, and climate resilience.

6. The TARCP deepens and expands this partnership by specifically addressing funding gaps in the implementation of Tonga's Community Development Plans (CDPs) and prioritizing essential infrastructure projects that are crucial for long-term resilience. More than just a financial commitment, the program emphasizes empowering local communities to take the lead in their development efforts. By fostering a sense of ownership and ensuring sustainable, community driven outcomes, the program aligns seamlessly with the Tonga Australia Development Partnership Plan, which champions inclusive growth and climate adaptive strategies for both central and regional areas.

7. This program is a testament to the shared values and unwavering commitment of both nations, embodying a joint vision of building a resilient, inclusive, and prosperous future for Tonga's rural and outer island communities. By empowering communities to shape their own development and fortifying these efforts through ongoing collaboration and mutual support, the TARCP lays a strong foundation for long-term resilience. It exemplifies Australia's dedication to a sustainable and self-reliant Pacific, demonstrating the depth and strength of the Australia Tonga partnership as it continues to evolve to meet emerging challenges and opportunities.

## B. Rural Context, Geographic Area, and Target Groups

8. Tonga, an archipelago located in the South Pacific Ocean, consists of 169 islands spread across a vast maritime area, presenting unique development challenges. The country's scattered geography and predominantly rural population create significant hurdles, such as limited connectivity,

inadequate infrastructure, and heightened vulnerability to climate-related events. Many rural communities are isolated, with constrained access to essential services, economic opportunities, and emergency response mechanisms.

9. Climate change remains an existential threat, with Tonga ranked among the most at risk countries globally. In response, the government has launched a new climate change policy, "Resilient Tonga by 2035," which emphasizes resilient infrastructure, sustainable farming, and food security. However, achieving these goals requires overcoming significant obstacles, including the need for improved land use, infrastructure, and economic resilience.

10. Tonga Australia Resilient Communities Program aims to address climate resilient challenges by, improving disaster preparedness and promoting sustainable livelihoods. This program prioritizes the most vulnerable populations, aiming to build long-term economic, social, and environmental stability.

11. The TARCP will operate across all five of Tonga's main island groups: Tongatapu, Vava'u, Ha'apai, 'Eua, and the Niuas. The program will strategically target 122 rural communities within 19 districts, aiming to improve the resilience and quality of life for approximately 39,300 people. These communities are often disproportionately affected by environmental hazards, economic instability, and limited social and economic infrastructure, making targeted and effective interventions crucial.

12. A core focus of TARCP is the empowerment and inclusion of *marginalized groups*, including women, youth, peoples with disability, and individuals most susceptible to environmental and economic disruptions. By prioritizing these vulnerable populations, the program seeks to create equitable opportunities and build a foundation for inclusive and sustainable growth. This emphasis ensures that development efforts are not only comprehensive but also address systemic inequities, fostering resilient and self-reliant communities prepared to adapt to both present and future challenges.

## C. Key Programme Objectives

13. The TARCP aims to drive transformative, sustainable development across Tonga's rural and outer island communities through two strategic objectives:

**Enhance Infrastructure Resilience:** Strengthen and develop robust infrastructure capable of withstanding environmental shocks, such as cyclones and flooding. This objective focuses on increasing local access to essential social and economic infrastructure (like WASH facilities, flood control projects and linking roads) and ensuring uninterrupted access to critical services, including healthcare, education, and markets, to build broad resilience. By prioritizing resilient infrastructure, the program will safeguard communities, facilitate economic activities, and improve overall quality of life.

14. **Empower Local Communities:** Cultivate strong, inclusive local governance and leadership by investing in capacity-building initiatives and participatory community planning. This objective emphasizes the active involvement of all community members, including women, youth, and marginalized groups, in decision-making processes. By empowering communities with the skills, resources, and confidence to lead their development, TARCP will ensure that projects are sustainable, locally driven, and aligned with the specific needs and aspirations of the people they serve.

## D. Components

15. **Component 1 Community Mobilization and Empowerment:** Community empowerment serves as the cornerstone of the TARCP. This component is dedicated to empowering local communities by enhancing their capacity to lead and sustain their own development initiatives. It includes comprehensive training sessions, participatory planning workshops, and leadership development programs designed to build governance skills and promote inclusive decision-making. Topics that may be covered include: project management, governance, financial literacy, and environmental stewardship. By fostering community ownership and active participation, this component ensures that development efforts are locally driven, culturally relevant, and sustainable in the long term.

Activities conducted by the TARCP will be chosen by the community from their Community Development Plans to reinforce community engagement and empowerment.

16. **Component 2 Community Infrastructure Support Fund:** A critical financial mechanism within TARCP, this component provides targeted grants for essential infrastructure projects. The fund prioritizes community-identified needs, such as building resilient cyclone shelters, improving water supply systems, and upgrading sanitation facilities. Projects will be executed through a community-led approach, ensuring that infrastructure investments are both sustainable and aligned with local priorities, thereby enhancing disaster preparedness and overall well-being.

17. **Component 3 Program Management:** This component ensures the efficient and effective implementation of TARCP through robust management practices. It encompasses strategic oversight, ongoing monitoring and evaluation, sound financial management, and adaptive planning. The Program Management Unit (PMU) will facilitate continuous assessment and refinement of activities, ensuring alignment with program goals and responsiveness to emerging challenges. By incorporating transparent governance and accountability measures, this component guarantees that resources are utilized responsibly and that the program delivers measurable, impactful results.

## E. Benefits

18. The TARCP will deliver a wide range of transformative benefits, including:

**Improved Disaster Preparedness and Resilience:** TARCP will help communities in Tonga to increase the baseline of critical local infrastructure. While the program is not designed to address disaster risks in decision-making processes and implementation, increasing local access to essential social and economic infrastructure will help to build broad resilience. This increased preparedness will minimize disruptions to daily life and protect critical assets and livelihoods. Project manuals and management standards ensure design and construction meet basic safeguards such as erosion control and safe

19. **Increased Economic Opportunities:** Upgraded infrastructure, such as roads and market facilities, will facilitate easier and more reliable access to markets, thereby stimulating local economic activities. Improved connectivity will boost trade, increase income-generating opportunities, and create a more conducive environment for economic development.

20. **Community Empowerment and Self-Reliance:** Through targeted capacity-building and leadership development, the program will empower local communities to take an active role in their development. Strengthened governance structures will ensure inclusive participation, with a particular focus on engaging women, youth, and marginalized groups. This empowerment will foster self-reliance, encourage collaboration, and build a foundation for long-term, sustainable development.

## F. Implementation Arrangements

21. The TARCP will be executed by MORDI TT, leveraging a well-structured and collaborative implementation framework. *Strategic oversight* will be provided by the MORDI TT Board of Trustees and the Program Review and Approval Committee (PRAC), ensuring that program activities are aligned with national development priorities and community needs as outlined in their community development plans.

22. The *Programme Management Unit (PMU)* will be responsible for the day-to-day operations of the program, managing financial resources, coordinating project activities, and ensuring effective implementation across all components. To ensure a localized and community-centered approach, *District Officers* and *Town Officers* will play a crucial role in facilitating program activities at the district and community levels. They will serve as key links between the PMU and local communities, providing on-the-ground support, monitoring progress, and addressing any emerging challenges.

23. A robust *M&E framework* will be integrated into the program to systematically track performance, measure impact, and guide adaptive management strategies. This will include the collection and reporting of gender disaggregated and social inclusion data. This evidence-based

approach will enable continuous learning and improvement, ensuring that TARCP remains responsive to community needs and evolving challenges, ultimately driving sustainable and impactful development outcomes.

24. The TARCP is founded on a comprehensive *theory of change* that emphasizes strengthening community capacity for sustainable infrastructure planning and development as a means to achieve lasting improvements for vulnerable households. Building resilience to climatic extremes and the ongoing impacts of climate change is at the heart of this approach, aligning closely with the Tonga Strategic Development Framework (TSDF), the Climate Change Policy, and Government of Tonga sector plans (including water and agriculture).

## G. Links with Other Initiatives

25. The TARCP is strategically designed to align with and complement existing initiatives focused on climate resilience, sustainable development, and economic empowerment. Including the IFAD funded Tonga Rural Innovation Project II, which is a core deliverable by MORDI TT. By integrating with national programs and leveraging synergies with donor-funded projects, TARCP will contribute to a unified and efficient approach to development in Tonga.

26. Collaboration with key development partners, including DFAT, New Zealand, Japan, IFAD and regional organizations, will enhance resource sharing and coordination, reducing duplication of efforts and amplifying the overall impact. These partnerships will foster a cohesive and well-integrated development ecosystem, ensuring that TARCP not only supports but also strengthens ongoing efforts to build a more resilient and prosperous Tonga. Furthermore, the program will actively engage with regional climate adaptation initiatives and international frameworks, contributing to global sustainability goals and reinforcing Tonga's position as a proactive player in addressing climate challenges.

## H. Costs and Financing

27. The TARCP has a budget of TOP$19.6 million over five years, strategically allocated to achieve sustainable, long-term outcomes. Key priorities include community mobilization and empowerment (9%), funding training, workshops, and community-led planning to foster local engagement and equitable development. The largest share, 72%**,** supports resilient infrastructure such as water systems and cyclone shelters to enhance community resilience and reduce disaster risks. The remaining 19% is allocated to program management, monitoring, and evaluation, ensuring efficient delivery, accountability, and measurable impact.

28. The budget also includes contingencies for inflation and exchange rate fluctuations, safeguarding financial stability. Funding follows a partnership model: DAFT contributes TOP$14.8 million, the Government of Tonga TOP$1.6 million, and target communities TOP$3.1 million through cash or in-kind support. This approach fosters shared ownership, accountability, and sustainable, community-driven impacts.

## I. Risks

29. The successful implementation of the TARCP may face several key risks, including the impact of natural disasters, financial mismanagement, health and safety risks, child protection issues, limited ability to prevent sexual exploitation, abuse, and harassment, and potential community resistance to change. To mitigate these risks, the program will implement comprehensive risk management strategies. This includes developing and regularly updating disaster preparedness and contingency plans to ensure swift and effective responses to environmental shocks. Additionally, stringent financial oversight mechanisms will be put in place, including regular audits and transparent reporting, to safeguard against financial mismanagement. To address risks facing those working on activities MORDI will ensure that all staff have proper work health and safety training. To ensure communities are protected during implantation of activities, MORDI will uphold its Employee Policy and Conduct standards, including background checks and appropriate checks for working with children, to address the risk of community resistance, TARCP will prioritize ongoing, meaningful community engagement,

fostering a sense of ownership, inclusivity, and adaptability to ensure that initiatives are well-received and sustainably maintained.

## J. Environment

30. Environmental sustainability is a core pillar of the TARCP. The program is committed to implementing climate adaptation measures that minimize environmental impact while promoting long-term resilience. Key initiatives could include the integration of rainwater harvesting systems, the adoption of renewable energy solutions, and the use of environmentally sustainable construction practices- as determined by the community development plans Comprehensive environmental assessments will be conducted to ensure full compliance with national and international environmental regulations, safeguarding natural ecosystems and biodiversity. Additionally, TARCP will actively promote ecosystem conservation through community-based stewardship programs, fostering a culture of environmental awareness and responsibility. This holistic approach ensures that development efforts not only benefit current generations but also preserve the environment for future ones.

## K. Knowledge Management

31. TARCP will implement a comprehensive knowledge management strategy designed to capture, document, and disseminate lessons learned, best practices, and measurable program outcomes. This strategy will include the regular production and sharing of detailed reports, case studies, and success stories, both locally and internationally. Community workshops will be organized to facilitate peer-to-peer learning, empowering local leaders to share insights and innovations. Furthermore, the program will leverage digital platforms and knowledge-sharing networks to ensure that valuable information reaches a wide audience. By fostering a culture of continuous learning and adaptation, TARCP will not only strengthen community resilience and development efforts within Tonga but also contribute meaningfully to the global understanding of effective strategies for building resilient and self-sustaining communities.

## Logical Framework

| Results Hierarchy | Key Performance Indicators (KPIs) | Means of Verification | Frequency | Responsibility | Assumptions (A), Risks (R) |
|---|---|---|---|---|---|
| **Overall Objective**: to enhance infrastructure resilience and strengthen community governance by equipping local populations with the necessary skills, resources, and support for sustainable development | ▪ % increase in community resilience index<br>% of community projects sustained three years post-completion | ▪ Baseline and endline resilience assessments<br>▪ Sustainability audits and follow-up reports | Baseline, Midline, Endline | PMU Director, M&E Specialist | **A**: Continued community engagement and external support.<br>**R**: Natural disasters disrupt progress. |
| **Component 1**: Community Mobilization and Empowerment | | | | | |
| **Outcome**: Communities participate in inclusive local decision making, construction, and maintenance of their infrastructure, including supporting women and persons with disability at all stages of the process. | ▪ % increase in community members trained in leadership and project management<br>▪ % of women and youth in leadership roles within community projects | ▪ Training completion records<br>▪ Leadership assessment reports | Annual | Community Engagement Coordinator | **A**: Active participation from all community groups.<br>**R**: Cultural resistance to inclusive leadership roles. |
| **Output 1.1**: Comprehensive Capacity Building Workshops delivered | ▪ Number of workshops conducted annually<br>▪ % of participants demonstrating improved skills post-training, including % women and youth | ▪ Workshop attendance logs<br>▪ Pre- and post-training assessments | Quarterly | Capacity Building Specialist | **A**: High interest and availability of participants.<br>**R**: Limited access to remote communities for training. |
| **Output 1.2**: Participatory and Inclusive Planning Processes facilitated | ▪ Number of CDPs developed or updated<br>▪ % of CDPs reflecting contributions from women, youth, and marginalized groups | ▪ CDP documents<br>▪ Participation records and meeting minutes | Bi-Annual | Planning Coordinator | **A**: Inclusive participation is maintained.<br>**R**: Exclusion or underrepresentation of key groups. |
| **Output 1.3**: Leadership Development Programs implemented | ▪ Number of leaders trained and mentored<br>▪ % of trained individuals taking active roles in community initiatives, including % women and youth | ▪ Mentorship program logs<br>▪ Community leadership assessments | Annual | Leadership Development Coordinator | **A**: Interest in leadership roles remains high.<br>**R**: Potential for high turnover among trained leaders. |
| **Output 1.4**: Community-Led Project Implementation supported | ▪ Number of community projects successfully implemented<br>▪ % of projects meeting predefined objectives | ▪ Project implementation reports<br>▪ Community feedback and satisfaction surveys | Ongoing | Project Implementation Officer | **A**: Adequate resources and support for implementation.<br>**R**: Delays in resource mobilization. |
| **Component 2**: Community Infrastructure Support Fund | | | | | |
| **Outcome**: Communities have the financial resources and technical support needed to implement and sustain critical infrastructure projects. | ▪ Number and type of infrastructure projects completed on time and within budget | ▪ Infrastructure completion certificates<br>▪ Maintenance and sustainability assessments | Annual | Infrastructure Coordinator | **A**: Timely availability of funds.<br>**R**: Procurement delays and cost overruns. |

| Results Hierarchy | Key Performance Indicators (KPIs) | Means of Verification | Frequency | Responsibility | Assumptions (A), Risks (R) |
|---|---|---|---|---|---|
| | ▪ % of infrastructure operational three years post-completion | | | | |
| **Output 2.1**: Direct Financial Support Provided | ▪ Total amount of grants disbursed<br>▪ Number of community infrastructure projects funded and completed | ▪ Grant disbursement records<br>▪ Project completion reports | Quarterly | Financial Manager | **A**: Adequate financial resources.<br>**R**: Fluctuations in Programme costs due to inflation. |
| **Output 2.2**: Inclusive, transparent and Efficient Grant Allocation Process Established | ▪ % of grants allocated transparently<br>▪ Number of grant applications reviewed and processed | ▪ PRAC meeting minutes<br>▪ Grant allocation documentation | Quarterly | PRAC Chair | **A**: Efficient decision-making process.<br>**R**: Potential for favoritism or delays in grant approval. |
| **Output 2.3**: Ongoing Technical Support and Mentorship Provided | ▪ Number of technical support visits conducted<br>▪ % of communities receiving mentorship | ▪ Technical support visit logs<br>▪ Mentorship feedback forms | Monthly | Technical Advisor | **A**: Availability of skilled technical advisors.<br>**R**: Geographic barriers to providing consistent support. |
| **Output 2.4**: Structured Management and Oversight Implemented | ▪ Number of PRAC meetings conducted<br>▪ % of proposals reviewed and approved within designated timelines | ▪ Meeting records<br>▪ Approval and follow-up reports | Quarterly | PMU Manager | **A**: Strong coordination between stakeholders.<br>**R**: Bureaucratic hurdles delaying approvals. |
| **Component 3**: Program Management | | | | | |
| **Outcome**: The program is efficiently managed to ensure accountability, adaptability, and inclusivity, resulting in effective implementation and continuous improvement. | ▪ % of program activities completed as scheduled<br>▪ Stakeholder satisfaction rate with program management | ▪ Annual performance reports<br>▪ Stakeholder feedback surveys | Annual | Program Manager | **A**: Effective management practices in place.<br>**R**: Unforeseen administrative challenges. |
| **Output 3.1**: M&E Framework Established and Operational | ▪ Number of M&E reports generated<br>▪ % of activities monitored using the M&E framework | ▪ M&E framework documents<br>▪ Monitoring reports | Semi-Annual | M&E Specialist | **A**: Reliable data collection systems.<br>**R**: Data gaps or inaccuracies. |
| **Output 3.2**: Data Collection, Analysis, and Strategic Adjustments Conducted | ▪ Number of data collection activities completed<br>▪ % of strategic adjustments informed by data analysis | ▪ Data analysis reports<br>▪ Records of strategic decisions | Quarterly | Data Analyst | **A**: Timely and accurate data collection.<br>**R**: Delays in data availability. |
| **Output 3.3**: Regular Reporting and Stakeholder Engagement Facilitated | ▪ Number of reports submitted to stakeholders<br>▪ % of stakeholders engaged in program activities, including % women and youth | ▪ Report submission logs<br>▪ Stakeholder engagement records | Bi-Annual | Communications Officer | **A**: Strong communication channels.<br>**R**: Miscommunication or lack of timely updates. |
| **Output 3.4**: Financial Oversight and Accountability Maintained | ▪ Number of financial audits conducted<br>▪ % compliance with financial policies and regulations | ▪ Audit reports<br>▪ Financial compliance documentation | Annual | Financial Controller | **A**: Effective financial controls.<br>**R**: Risk of financial mismanagement or fraud. |

Alt text: Image outlines program logic framework as described on pages 22 to 26

# II. Development context and rationale

## A. Country and rural development context

32. Tonga's economy is highly susceptible to external shocks, including tropical cyclones, droughts, and the escalating impacts of climate change. These environmental threats undermine the nation's economic stability which are critical for achieving long-term resilience.

33. The country's economic growth, which saw a modest increase of 2.5% in GDP in 2023 due to favorable oil prices and public infrastructure projects, is projected to decline. This is likely to exacerbate the widening trade deficit driven by stagnant exports and rising imports, especially of food. Economic difficulties have led to an increase in poverty, with 23% of households living below the poverty line as of 2009. The outer islands in particular, have witnessed significant increases in hardship, with limited access to basic services and economic opportunities.

34. The government faces a dual challenge: first, to create meaningful economic opportunities, particularly for the growing youth population, and second, to address core constraints hindering sustainable development. These constraints include limited access to land, a lack of investment capital, a shortage of skilled labor, and inadequate infrastructure, all of which are crucial for improving livelihoods and fostering long-term resilience. Strengthening social protection systems and building a more self-sufficient economy are essential steps toward reducing vulnerability and empowering communities across Tonga.

35. **Infrastructure deficiencies** remain significant barriers to rural development across Tonga, affecting economic opportunities, access to essential services, and overall community resilience. The impact of tropical cyclones, rising sea levels, and heavy rains further stresses already fragile infrastructure. Climate change exacerbates these issues by increasing the frequency and severity of extreme weather events. Key constraints include:

- **Poor Road Networks**: Many rural areas suffer from poorly maintained roads that hinder transportation and limit access to markets, healthcare, and education. Seasonal rains and cyclones often worsen road conditions, further isolating communities and disrupting the flow of goods and services.
- **Insufficient Water Infrastructure:** Heavy reliance on rainwater collection and a lack of proper rural water storage systems leave communities vulnerable to water shortages, particularly during droughts. Limited groundwater reserves and inadequate irrigation systems further complicate water security.
- **Degraded and Inadequate Wharves:** The infrastructure at wharves, especially on the outer islands, is often in a state of disrepair. This increases transportation costs and limits the efficient movement of goods and people from rural areas to Tongatapu, making it challenging to sustain economic activities and deliver essential, high value, supplies.
- **Limited and Unreliable Energy Supply:** Rural areas frequently experience unreliable or limited access to electricity, affecting households and constraining economic activities that require stable energy. This impacts the potential for income generating initiatives and the overall quality of life.
- **Inadequate Communication Infrastructure**: Limited access to modern communication networks hampers connectivity, affecting both social interactions and economic development. It reduces opportunities for communities to engage in digital economies, access information, or coordinate disaster responses.
- **Aging Infrastructure and Limited Investment:** Much of the existing infrastructure is aging and has not kept pace with the growing needs of rural populations. Limited investment and maintenance exacerbate the decline in infrastructure quality, making it difficult to support sustainable development initiatives.

36. Addressing these infrastructure challenges is crucial for empowering rural communities, improving connectivity, reducing costs, and building resilience against climate change and natural

disasters. Sustainable investment in roads, water systems, energy, and communication infrastructure will lay a strong foundation for economic growth and improved quality of life in Tonga's rural areas.

## B. Rationale

37. The TARCP, funded by the DFAT, is a landmark initiative designed to strengthen the resilience and wellbeing of Tonga's rural and regional communities. This five-year program, with a total investment of AUD9.7 million (TOP14.8 million), represents a significant commitment by Australia to address pressing issues related to climate change, economic vulnerability, and social inequities through locally led, community driven projects. The TARCP will deliver essential infrastructure and sustainable development projects identified in Village Community Development Plans (CDPs), developed in partnership with the Mainstreaming of Rural Development Innovation (MORDI) Tonga Trust. This initiative is focused on empowering communities, building resilience, and creating sustainable impacts that will endure for generations.

38. The rationale for this program is rooted in Tonga's complex and multifaceted challenges, including acute vulnerability to climate change, stagnation in vital economic sectors, and significant socioeconomic barriers that hinder development, especially in rural and outer island communities. These persistent issues threaten the wellbeing and livelihoods of the most vulnerable populations. By prioritizing interventions that focus on climate resilience, economic revitalization, and social equity, the program aims to create sustainable pathways for development, empowering communities to overcome these barriers and build a more resilient and prosperous future.

39. The program's **community-led approach** ensures that development initiatives are deeply rooted in the unique needs and aspirations of the people they are designed to serve, fostering a strong sense of ownership, accountability, and long-term sustainability. By prioritizing community input and active participation, the program empowers local populations to shape their own development trajectory. Simultaneously, the integration of climate resilience and disaster preparedness into every aspect of the program strengthens its impact and aligns with Tonga's national goal of becoming a "Resilient Tonga by 2035." This comprehensive approach addresses current vulnerabilities such as extreme weather events and environmental degradation while equipping communities with the tools, knowledge, and infrastructure needed to anticipate and manage future risks effectively. The result is a development model that not only uplifts communities today but also secure their prosperity and resilience for generations to come.

40. The TARCP directly supports the **Tonga Strategic Development Framework II (**TSDF II), which emphasizes climate resilience, inclusive economic growth, and social wellbeing. Further, MORDI TT is involved in consultations with Government regarding the updated TSDF ensuring that TARCO and Government priorities are aligned. By funding community driven infrastructure projects, the program actively contributes to national objectives of sustainable development, improved disaster preparedness, and enhanced living standards for all Tongans. These investments ensure that communities are equipped to withstand and adapt to climate change impacts, while also fostering economic self-sufficiency through sustainable practices.

41. The TARCP is closely aligned with **Tonga's Climate Change Policy**, which focuses on enhancing resilience through improved infrastructure. By integrating climate adaptation measures into all initiatives, TARCP empowers communities to respond effectively to climate induced challenges and to recover more rapidly from extreme weather events, contributing to Tonga's vision of a resilient and sustainable future.

42. Regionally, the TARCP aligns with the **Framework for Resilient Development in the Pacific** (FRDP), which advocates for the integration of climate adaptation, disaster risk reduction, and sustainable development. By empowering communities to build and maintain climate resilient infrastructure the program significantly advances the Pacific region's collective goals for resilience and stability. This comprehensive, integrated approach ensures that vulnerable populations are better equipped to withstand climate shocks and contribute to regional prosperity.

43. The TARCP supports the broader objectives of the **Tonga Australia Development Partnership Plan** (DPP), which emphasizes the importance of climate action, sustainable economic development, and balanced support for both central and regional communities. The program's commitment to community-led development, inclusivity, and equitable growth is in perfect alignment with the DPP's goals. By implementing locally-driven solutions that empower women, youth, and marginalized groups, TARCP ensures that even the most vulnerable members of society benefit from sustainable development efforts.

44. The TARCP is also well aligned with several **United Nations Sustainable Development Goals** (SDGs), reinforcing its global relevance:

**Goal 1: No Poverty:** By creating economic opportunities and improving community infrastructure, the program helps reduce poverty and strengthen economic resilience in rural areas.

**Goal 5: Gender Equality:** The program's Gender Equality, Disability and Social Inclusion (GEDSI) framework empowers women and marginalized groups, ensuring equitable access to resources, leadership roles, and economic opportunities.

**Goal 8: Decent Work and Economic Growth:** By supporting locally driven projects and fostering entrepreneurship, TARCP promotes sustainable economic growth and job creation.

**Goal 10: Reduced Inequalities:** The program addresses structural inequalities by prioritizing marginalized populations and ensuring their active involvement in development initiatives.

**Goal 13: Climate Action:** Through investments in climate resilient infrastructure and sustainable practices, TARCP contributes to global climate action, helping to mitigate the adverse effects of climate change and build a more sustainable future.

45. Through strategic alignment with these national, regional, and global frameworks, the TARCP ensures that its initiatives have a far-reaching impact, driving progress towards a resilient, equitable, and prosperous Tonga.

# II. Implementation Approach

## A. Programme principals:

46. The program's design incorporates several principals consistent with the approach taken by other international development agencies in Tonga and in other Pacific Island countries:

47. **Empowering rural communities** lays at the heart of the programme, ensuring that local populations have an influential voice in policymaking and are actively engaged in government planning and sectoral support processes. TARCP is founded on the belief that sustainable development is most effective when communities are at the forefront of decision-making.The program deeply engages communities at all stages of development, from planning and prioritization to implementation and evaluation. By building the capacity of community members to advocate for their needs and participate in decision making, the program fosters a sense of ownership and accountability. Communities are empowered as active decision-makers, participating in the identification of priorities and leading project execution. This approach is crucial for driving sustained and impactful infrastructure development, as it ensures that Programmes are aligned with community priorities and supported by active, informed, and engaged residents. Empowered communities are better positioned to maintain and build upon these developments, creating a foundation for long-term resilience and prosperity.

48. **To ensure simplicity and focus** the program will strategically address a select number of the most critical constraints to rural development - such as inadequate infrastructure and the inconsistent skill level of community governance arrangements. Therefore, the program maintains clarity and ensures the effectiveness of its interventions. This targeted approach allows for impactful solutions that are both manageable and sustainable.

49. The program draws on MORDI TT extensive **experience**, accumulated over the past seventeen years of implementing similar initiatives across the Kingdom. By incorporating best practices and valuable lessons learned, the program refines its strategies to ensure maximum impact and efficiency. This wealth of knowledge enables the program to anticipate challenges, tailor interventions to local contexts, and implement proven approaches that have consistently delivered positive results for rural communities. Ultimately, this experience driven approach enhances the program’s effectiveness and sustainability, ensuring that each initiative builds on a solid foundation of success.

50. **Inclusivity and equity** are core tenets of TARCP. The program is committed to creating opportunities for all community members, with a particular emphasis on empowering women, youth, persons with disability, and marginalized groups. By embedding Gender Equality, Disability and Social Inclusion (GEDSI) principles into every aspect of the program, TARCP ensures that all community members have euitable access to resources, training, and decision-making platforms. The program's infrastructure projects are designed to be universally accessible and culturally appropriate, addressing the diverse needs of the community. This inclusive approach not only improves social cohesion but also ensures that development outcomes are fair, sustainable, and impactful, leading to healthier, more cohesive communities.

51. TARCP’s implementation strategy is grounded in **evidence-based planning and adaptive management**. The program leverages a robust M&E framework to systematically collect and analyze both qualitative and quantitative data. This data-driven approach allows TARCP to track progress, measure impact, and make informed, real-time adjustments to enhance program effectiveness. By continuously monitoring and analyzing outcomes, the program remains agile and responsive to evolving community needs. This iterative learning process fosters a culture of continuous improvement, enabling TARCP to adapt strategies as necessary and implement innovative solutions. The emphasis on adaptive management ensures the program is flexible and capable of addressing both anticipated and unforeseen challenges, making it a dynamic model for sustainable development.

52. **Sustainability** is a cornerstone of TARCP’s approach. The program is designed with a forward-thinking vision, ensuring that projects are environmentally sustainable and resilient to climate

change. Infrastructure solutions will incorporate climate adaptation measures (rainwater harvesting systems, renewable energy, sustainable land use practices). By promoting the responsible use and conservation of natural resources and integrating environmental stewardship into community training and awareness programs, TARCP helps communities mitigate environmental risks and adapt to climate impacts, fostering a collective commitment to protect and preserve Tonga's unique ecosystems.

53. The success of TARCP relies on **strategic partnerships and collaboration.** The program actively engages a wide range of stakeholders, including the Tongan government—specifically the Local Government Division under the Prime Minister's Office, the Ministry of Infrastructure, and the Ministry of Internal Affairs—alongside local NGOs, community-based organizations, and international partners. By pooling resources, sharing technical expertise, and aligning efforts, TARCP maximizes its impact and ensures efficient resource use. The program emphasizes knowledge exchange and capacity building, ensuring all partners contribute meaningfully to development efforts.

54. Establishing **continuous feedback mechanisms** will be key to the program's success. The TARCP will use community forums, surveys, and feedback sessions to gather insights, address concerns, and adapt program activities. This responsive and iterative approach ensures that the program remains relevant and effective, fostering trust and collaboration among all stakeholders.

## B. Target beneficiaries

55. The TARCP is strategically designed to uplift and transform the lives of people across Tonga's rural and outer island communities by addressing community resilience needs in critical infrastructure.

56. The program will target all five main island groups of Tonga (Tongatapu, Vava'u, Ha'apai, 'Eua, and the Niua's) focusing on the 122 eligible rural communities (out of a total of 155 communities). This includes 38 communities in Tongatapu, 34 in Vava'u, 22 in Ha'apai, 16 in 'Eua, and 12 in the Niua's. Communities deemed too small, too large, or urbanized (33 in total) are excluded to ensure that resources are efficiently allocated to areas with the greatest need for rural development.

TARCP will cover 122 communities, benefiting approximately 7,242 households out of the 18,847 recorded in the 2021 Census. This translates to a direct impact on an estimated 37,825 people, or nearly 40% of Tonga's total population of 100,179. By prioritizing equitable, impactful, and sustainable interventions, the program aims to enhance the quality of life for thousands of Tongans, ensuring that rural and outer island communities are better equipped to withstand environmental and economic challenges.

57. **Rural and Outer Island Communities** are the most vulnerable and infrastructure deficient communities across Tonga's five island groups. Investing in critical infrastructure for those who are most at risk from climate change and natural disasters will enhance access to markets, healthcare, education, and essential services, creating a foundation for economic growth and community resilience. Findings from the previous MORDI TT Programmes underscored the higher incidence of poverty in outer islands and rural communities, compounded by inadequate infrastructure such as poorly maintained roads, insufficient water and sanitation facilities, and unreliable energy access. Communities demonstrated effective outcomes when provided with infrastructure investments, making them ideal candidates for scaling up interventions.

58. Infrastructure development is only effective when supported by strong local governance. TARCP will empower **community leaders and local organizations** with training and resources to manage and maintain infrastructure projects. By strengthening governance and promoting community driven planning, the program ensures that infrastructure investments are sustainable and aligned with local needs, fostering a sense of ownership and long-term stewardship.

59. **Women and girls** across the 122 targeted communities often encounter gender-based barriers that limit their access to resources and opportunities. The TARCP integrates gender equality into all activities, promoting women's leadership and ensuring that women-led initiatives are supported and

celebrated. Specific programs will offer leadership training, mentorship, and access to resources to empower women as key drivers of community resilience and sustainable development.

60. The TARCP recognizes the potential of **Tonga's youth** to drive innovation and change. By engaging youth across all 19 districts, the program will provide training, mentorship, and opportunities to develop skills that are critical for future leadership roles. Youth will be actively involved in planning and implementing projects, contributing their energy and ideas to shape a sustainable future.

61. The program ensures that **marginalized groups**, including people with disabilities and economically disadvantaged populations, are not left behind. Infrastructure projects will be designed to be accessible, and program activities will prioritize inclusive participation. Community engagement efforts will address the specific needs of marginalized populations, ensuring that their voices are heard and valued in decision making processes.

## C. Stakeholders

62. Stakeholder engagement is a foundational element of the TARCP, ensuring that all voices are heard and that projects are designed and implemented collaboratively. By fostering partnerships and maintaining open lines of communication, the program builds a united front to tackle the complex challenges faced by Tonga's rural and outer island communities The program emphasizes the importance of meaningful partnerships and continuous community involvement.

63. The TARCP will engage all **122 targeted communities** in participatory planning sessions to develop and refine Community Development Plans (CDPs). Community members, including women, youth, persons with disability and marginalized groups, will be actively engaged through regular community meetings and participatory planning processes. The program ensures that community members are active participants in decision-making and project design. This bottom-up approach fosters a sense of ownership and accountability, empowering communities to drive their own development and ensure the long-term success of projects.

64. The program will work closely with the **Tongan government and local authorities** to ensure alignment with national and regional strategies. By partnering with government entities, the TARCP will leverage support for policy integration and resource mobilization, enhancing the program's reach and impact and ensures the activities receive institutional support. Regular coordination meetings and strategic sessions will be held to facilitate effective communication and collaboration.

65. The TARCP will collaborate with **local and international NGOs and development partners** to share resources, technical expertise, and best practices. These partnerships will amplify the program's effectiveness, facilitate knowledge exchange, and build local capacity. The program will also engage with international donors and research institutions to explore opportunities for innovation and scaling successful models.

66. Through comprehensive stakeholder engagement, the TARCP ensures that development initiatives are inclusive, well-coordinated, and sustainable. By reaching a substantial portion of Tonga's population across all five island groups, the program will create lasting, transformative impacts, empowering communities to build a resilient and self-sufficient future. Strategies for Stakeholder Engagement and Collaboration include:

67. *Regular Stakeholder Consultations*: The program facilitates ongoing consultations with stakeholders at multiple levels, from high-level government officials to local community members. These consultations provide a platform for open dialogue, where stakeholders can share insights, express concerns, and contribute to the program's strategic direction. By incorporating diverse perspectives, TARCP ensures that its activities are well-informed and reflective of the collective vision for sustainable development.

68. *Enhancing Coordination and Reducing Duplication*: TARCP's collaborative approach includes the establishment of working groups and advisory committees that bring together representatives from different sectors. These groups facilitate the sharing of information, best practices, and lessons

learned, enhancing coordination and reducing the risk of overlapping efforts. By aligning with existing initiatives and complementing the work of other development actors, TARCP maximizes the efficiency and effectiveness of its interventions.

69. *Engaging the Private Sector for Innovation and Sustainability*: The program recognizes the value of private sector engagement in driving innovation and sustainability. By partnering with local businesses and entrepreneurs, TARCP explores opportunities for co-investment, technology transfer, and market-based solutions that enhance community resilience and economic development. These collaborations contribute to a vibrant ecosystem of support for rural and outer island communities.

## D. Goals

70. The TARCP will contribute to the achievement of two goals: ***A sustainable, inclusive, and resilient Tonga*** *and* ***Australia has a deep and enduring relationship across the Kingdom of Tonga***

The goals reflect the aspirations of both Australia and Tonga. The TARCP program is expected to contribute to these goals alongside Tonga's own investments and the efforts of other Australian investments.

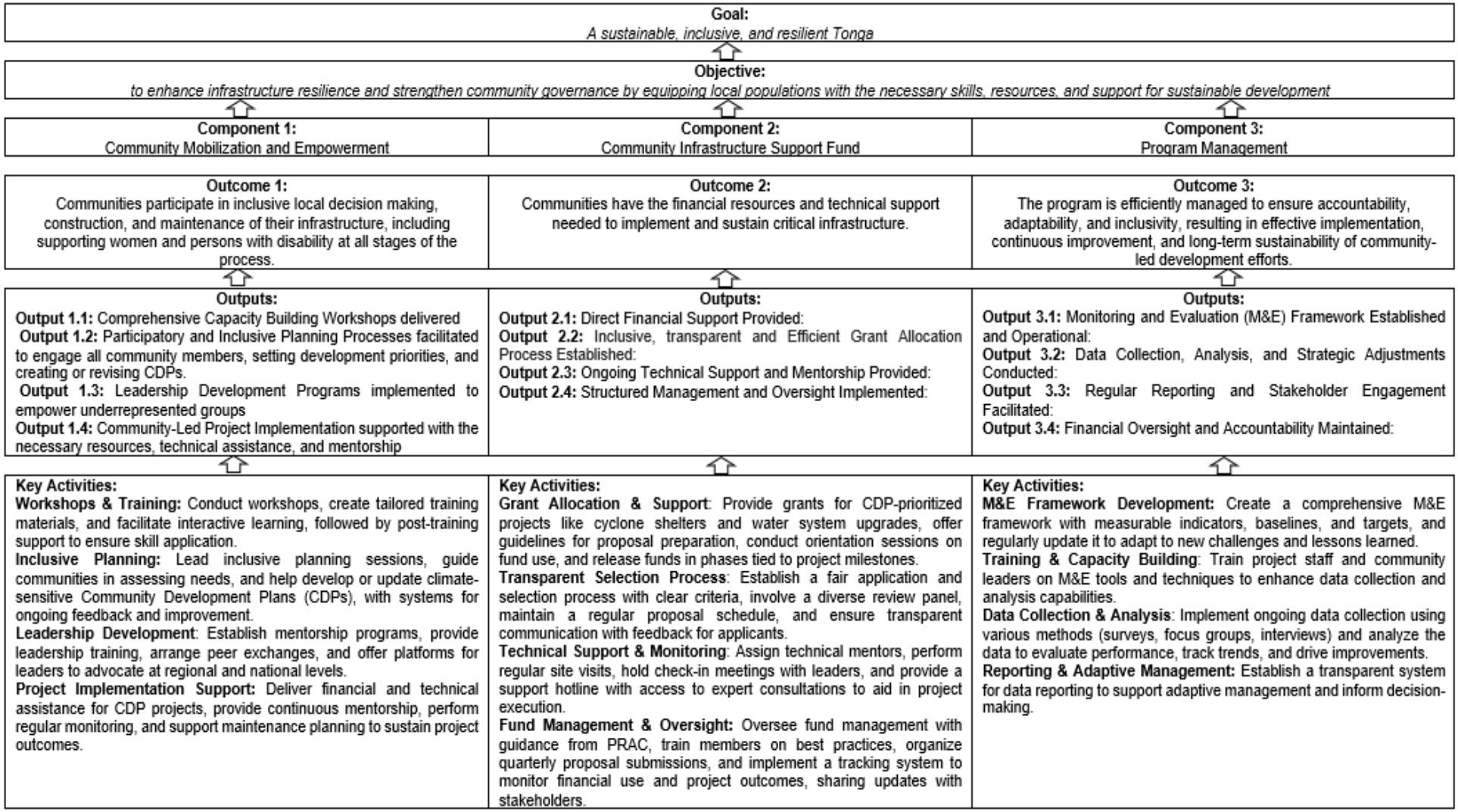
## E. Objectives

71. The objective of the TARCP is: *to enhance infrastructure resilience and strengthen community governance by equipping communities with the necessary skills, resources, and support for sustainable development*.

TARCP will contribute to the achievement of the overall Program Goals and Objectives but the Program will not be held accountable for their achievement - they sit above the line of Program accountability. The Program is expected to achieve the End of Investment Outcomes (EOIOs) and will be accountable for demonstrating results.

**Theory of Change**

**Alt text: Image demonstrates programs theory of change, explained in further detail across pages 21 to 26**



## F. End of Investment Outcomes, Outputs, and Activities

72. The TARCP is structured around 3 key components, tied to 3 End of Investment Outcomes (EOIO): community empowerment, targeted financial support, and effective program management.

**Component 1**

73. **EOIO 1:** Communities participate in inclusive local decision making, construction, and maintenance of their infrastructure, including supporting women and persons with disability at all stages of the process.

74. **Output 1.1:** Comprehensive Capacity Building Workshops delivered to community leaders, local government officials, and community-based organizations (CBOs), covering project management, effective governance, environmental stewardship, and financial literacy to build local expertise and ensure long-term project sustainability.

75. **Output 1.2:** Participatory and Inclusive Planning Processes facilitated to engage all community members, including women, youth, and marginalized groups, in identifying needs, setting development priorities, and creating or revising Community Development Plans (CDPs) that are climate sensitive and reflective of the entire community's vision.

76. **Output 1.3:** Leadership Development Programs implemented to empower underrepresented groups through mentorship, leadership training, and peer exchange visits, fostering a new generation of leaders who drive sustainable development and advocate effectively for their communities.

77. **Output 1.4:** Community-Led Project Implementation supported with the necessary resources, technical assistance, and mentorship, ensuring projects identified in CDPs are executed successfully and maintained sustainably, with strong community ownership and regular updates to CDPs to remain relevant and effective.

78. **Key Activities:**

1.1.1 Organize and deliver workshops on project management, governance, environmental stewardship, and financial literacy for community leaders, local government officials, and CBOs.

1.1.2 Develop customized training materials that address the specific needs and contexts of the communities, with a focus on practical skills for managing and sustaining development projects.

1.1.3 Facilitate interactive sessions that encourage active participation and knowledge sharing among attendees, fostering peer learning and collaboration.

1.1.4 Provide post-training support, such as follow-up consultations and mentorship, to reinforce learning and assist participants in applying their new skills effectively.

1.2.1 Facilitate inclusive planning sessions that engage all community members, including women, youth, and marginalized groups, to ensure diverse perspectives are considered in decision-making.

1.2.2 Guide communities in assessing their needs and setting development priorities based on comprehensive, climate-sensitive analyses.

1.2.3 Support the creation or revision of Community Development Plans (CDPs), ensuring they are aligned with local priorities, incorporate strategies for climate adaptation and resilience, and actively promote the inclusion of women and people with disabilities in planning and implementation processes.

1.2.4 Establish mechanisms for regular community feedback and updates to CDPs, promoting continuous improvement and responsiveness to changing conditions.

1.3.1 Foster mentorships that connect emerging leaders, particularly women and youth, with experienced mentors who can provide guidance and support.

1.3.2 Conduct leadership training sessions focused on building skills in communication, advocacy, strategic planning, and inclusive governance.

1.3.3 Organize peer exchange visits to enable leaders from different communities to learn from each other's experiences and best practices.

1.3.4 Create opportunities for leaders to engage in regional and national forums, empowering them to advocate for their communities and influence policy.

1.4.1 Provide financial and technical support to communities for the implementation of projects identified in their CDPs, ensuring alignment with community priorities and climate resilience.

1.4.2 Offer ongoing mentorship and technical assistance to help communities overcome challenges and optimize project execution.

1.4.3 Conduct regular site visits and progress reviews to monitor project implementation, address issues promptly, and ensure sustainability.

1.4.5 Support communities in developing maintenance plans for completed projects and updating their CDPs regularly to reflect new priorities and lessons learned.

79. By investing in community mobilization and empowerment, TARCP ensures that development is locally driven, sustainable, and reflective of the diverse needs and aspirations of Tonga's rural and outer island populations. This component lays the foundation for a resilient future, where empowered communities are fully equipped to manage and sustain their development projects, fostering long-term growth and stability.

**Component 2**

80. **EOIO2:** Communities have the financial resources and technical support needed to implement and sustain critical infrastructure projects, enhancing disaster preparedness, public health, and overall community resilience.

81. **Output 2.1:** Direct Financial Support Provided: Grants allocated to communities for priority infrastructure projects identified in their Community Development Plans (CDPs). This includes projects such as the construction of cyclone shelters, the installation of improved water supply systems, and the development of essential infrastructure to boost disaster preparedness and resilience.

82. **Output 2.2:** Inclusive, transparent and Efficient Grant Allocation Process Established: A rigorous, fair, and transparent process developed for fund distribution, with selection criteria based on project impact, sustainability, community engagement, and alignment with TARCP goals. This ensures that resources are equitably distributed and effectively utilized.

83. **Output 2.3:** Ongoing Technical Support and Mentorship Provided: Continuous guidance and technical assistance delivered to communities throughout project implementation. Activities include onsite visits, regular check-ins, and access to a pool of experts to address challenges, optimize project execution, and ensure long-term sustainability.

84. **Output 2.4:** Structured Management and Oversight Implemented

85. **Key Activities:**

2.1.1 Allocate grants to communities for projects prioritized in their Community Development Plans (CDPs), such as constructing cyclone shelters, upgrading water supply systems, and building essential infrastructure to enhance disaster preparedness.

2.1.2 Develop and distribute guidelines for preparing high-quality project proposals, with MORDI providing workshops, one-on-one support, and feedback to ensure all communities have equal access to funding and are equipped to meet grant requirements.

2.1.3 Conduct grant orientation sessions to educate communities about fund utilization, reporting requirements, and accountability measures.

2.1.4 Disburse funds in a phased manner, linked to project milestones, to ensure proper fund management and successful project completion.

2.2.1 Develop and implement a clear and transparent application and selection process, with detailed criteria for project eligibility, potential impact, sustainability, and alignment with TARCP objectives.

2.2.2 Form a diverse and inclusive review panel under the PRAC to assess and approve project proposals fairly.

2.2.3 Create and publish an annual schedule for proposal submission and review periods, providing communities with regular opportunities to apply for funding.

2.2.4 Maintain an accessible and transparent communication system, including feedback mechanisms for unsuccessful applicants, to foster understanding and continuous improvement in proposal quality.

2.3.1 Assign technical mentors to support communities throughout the project implementation phase, offering expertise in areas such as construction management, WASH standards, and environmental protection.

2.3.2 Conduct regular onsite visits to monitor progress, address challenges, and provide hands-on guidance to community project teams.

2.3.3 Organize periodic check-in meetings with community leaders to review project timelines, discuss potential risks, and adjust plans as needed for optimal outcomes.

2.3.4 Establish a technical support pool of experts available for consultations, ensuring communities have continuous access to specialized knowledge.

2.4.1 Manage the fund under the oversight of the TARCP Project Team and the PRAC, chaired by the Head of the Local Government Division, to ensure accountability and alignment with national development priorities.

2.4.2 Provide training to the PRAC members on best practices in project evaluation and fund management to ensure efficiency and effectiveness in decision-making.

2.4.3 Establish a structured timeline that allows communities to submit project proposals four times a year, with the PRAC meeting regularly to review and approve submissions in a timely manner.

2.4.4 Develop a robust tracking and reporting system to monitor fund utilization and project progress, with regular updates provided to stakeholders, including government agencies and community members.

**Component 3**

86. **EOIO3:** The program is efficiently managed to ensure accountability, adaptability, and inclusivity, resulting in effective implementation, continuous improvement, and long-term sustainability of community-led development efforts.

87. **Output 3.1:** M&E Framework Established and Operational: A comprehensive M&E framework will be developed within six months of implementation to systematically track progress, measure impact, and support evidence-based decision-making. This includes well-defined indicators, baselines, and targets to evaluate the program's effectiveness in enhancing community resilience, infrastructure, and public health. Continuous monitoring ensures the program can adapt to emerging needs and challenges.

88. **Output 3.2:** Data Collection, Analysis, and Strategic Adjustments Conducted: Rigorous data collection methods employed, such as field surveys, focus group discussions, and structured interviews, to gather quantitative and qualitative insights. This data is regularly analyzed to assess performance, identify trends, and inform strategic adjustments. A data-driven approach ensures that resources are efficiently allocated for maximum impact.

89. **Output 3.3:** Regular Reporting and Stakeholder Engagement Facilitated: Detailed and timely reports on program achievements, challenges, and lessons learned produced and shared with key stakeholders, including the Tongan government, DFAT, local communities, and partners. Ongoing

stakeholder engagement through regular meetings and consultations fosters collaboration, transparency, and alignment of efforts.

90. **Output 3.4:** Financial Oversight and Accountability Maintained: Strict financial management practices implemented, including budget monitoring, regular audits, and transparent reporting. Clear accountability measures established to prevent fund misuse and ensure value for money. Efficient use of resources guarantees that financial investments contribute meaningfully to sustainable development.

91. **Key Activities:**

3.1.1 Develop a comprehensive M&E framework with clear, measurable indicators, baselines, and targets to track progress and measure impact.

3.1.2 Conduct training sessions for project staff and community leaders on the use of M&E tools and techniques to ensure effective data collection and analysis.

3.1.3 Regularly review and update the M&E framework to reflect emerging needs, challenges, and lessons learned, ensuring continuous improvement.

3.1.4 Establish a system for ongoing data collection, analysis, and reporting to maintain transparency and inform adaptive management strategies.

3.2.1 Employ a combination of data collection methods, including field surveys, focus group discussions, and structured interviews, to gather comprehensive quantitative and qualitative insights.

3.2.2 Analyze collected data regularly to assess program performance, identify emerging trends, and highlight areas for improvement.

3.2.3 Facilitate data-driven decision-making by sharing analysis results with program staff and community leaders to inform strategic adjustments.

3.2.4 Develop dashboards and visual data summaries to make insights easily accessible to all stakeholders and guide evidence-based interventions.

3.3.1 Prepare detailed reports on program achievements, challenges, and lessons learned, and distribute them to key stakeholders, including DFAT, the Tongan government, local communities, and partners.

3.3.2 Organize regular stakeholder meetings and consultations to share updates, discuss program progress, and gather feedback.

3.3.3 Foster transparency and collaboration by maintaining open lines of communication with all partners, ensuring that their input informs ongoing program activities.

3.3.4 Develop a communication strategy to engage the community through various channels, such as newsletters, community meetings, and online platforms, to keep them informed and involved.

3.4.1 Implement stringent financial management practices, including detailed budget monitoring, regular audits, and transparent reporting mechanisms.

3.4.2 Train program staff on financial management best practices to ensure efficient and responsible use of resources.

3.4.3 Establish a clear process for tracking and documenting all financial transactions, ensuring full accountability and minimizing the risk of fund misuse.

3.4.4 Conduct periodic financial reviews to evaluate resource allocation, assess cost-effectiveness, and make necessary adjustments to optimize financial performance.

**Cross cutting activities:**

92. **Gender Equality, Disability, and Social Inclusion (GEDSI):** Integrate GEDSI principles throughout the program, ensuring that all activities actively include and empower women, youth,

persons with disability, and marginalized groups. Organize GEDSI workshops and capacity-building sessions to address systemic barriers and promote equitable participation.

93. **Leveraging Additional Funding Sources**: Actively pursue co-funding opportunities alongside Australia, by establishing strategic partnerships with development agencies, philanthropic organizations, and private sector entities. Develop proposals and partnership agreements to secure additional resources for scaling up program activities.

94. By integrating these core program management activities, TARCP ensures effective, inclusive, and transparent implementation. This strategic approach equips the program to deliver sustainable, community-led development, enhancing resilience and well-being across Tonga's rural and outer island communities, and ensuring lasting, transformative impact.

# III. Implementation arrangements

## A. Governance structure

95. The successful implementation of the TARCP hinges on a well-structured and efficient governance framework. This framework is designed to ensure effective coordination, clear lines of accountability, and robust governance, enabling the program to achieve its objectives and deliver sustainable, community-driven outcomes. The TARCP organisational framework integrates multiple layers of oversight, management, and collaboration, aligning with Australia's commitment to aid effectiveness and good governance.

96. The Department of Foreign Affairs and Trade (DFAT) must be accountable to the Australian tax payer, and therefore has oversight of the programmes governance. DFAT is responsible for:

- **Donor liaison and harmonisation** across the Australian aid portfolio.
- **Strategic engagement with relevant GoT** counterparts to ensure outcomes of relevance to GoT and in Australia's national interest.
- **Management of the TARCP contract** in ways that support achievement of outcomes.
- **Reporting to senior levels of DFAT** and the Australian Government.
- Supporting program implementation in keeping with **value for money principles.**
- **Support to MORDI TT** senior management team to ensure smooth implementation and critical feedback loops.
- **Monitoring of program performance**, including regular field visits.
- Monitoring of MORDI TT compliance with **safeguards and policies.**

97. The Mainstreaming of Rural Development Innovation (MORDI) Tonga Trust Board of Trustees plays a pivotal role in the governance and strategic direction of the TARCP. Comprised of a diverse group of experienced and highly qualified members, the Board ensures that the program is effectively aligned with MORDI TT's overarching mission, core values, and strategic objectives. Responsibilites of the Board are:

- The Board provides **high-level oversight of TARCP, setting the strategic vision** and ensuring that all program activities align with MORDI TT's long-term goals.
- The Board carefully **reviews and approves annual work plans and budgets**, ensuring that resources are allocated efficiently and effectively to maximize impact.
- The Board regularly **monitors and evaluates program performance,** providing strategic direction and guidance to optimize implementation. This includes reviewing progress reports, assessing outcomes against predefined targets, and making informed decisions to address any challenges or opportunities that arise.
- The Board ensures that TARCP's activities are fully **aligned with Tonga's national and regional development frameworks**, including climate resilience, disaster preparedness, and gender equality initiatives.
- The Board acts as a forum for **addressing any significant issues** that may impact program implementation.

98. The main governance structure of the TARCP is the **Project Review and Approval Committee (PRAC)** which screens, discusses, and accepts or rejects grant proposals for the Community Infrastructure Support Fund based on eligibility criteria. The PRAC is an already functioning and succesful model of decision making for MORDI investments. The PRAC is chaired by the Head of the Local Government Division under the Prime Minister's Office, providing a direct connection to national governance structures. MORDI is the secretariat for the PARC. The committee is composed of a

diverse group of stakeholders who bring specialized expertise and perspectives, ensuring comprehensive project assessments. Key members of the PRAC include:

- **Ministry of Infrastructure:** Responsible for ensuring that all proposed infrastructure projects comply with national standards and regulations. This involvement guarantees that projects are structurally sound, safe, and durable, contributing to long-term community resilience.
- **Climate Division of MEIDECC (Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change & Communications):** Tasked with verifying that projects align with Tonga's climate policies and promote environmental sustainability. Their input is critical to incorporating climate adaptation and mitigation measures, minimizing environmental impact, and enhancing resilience.
- **Women Division of the Ministry of Internal Affairs:** Focused on reinforcing Gender Equality and Social Inclusion (GESI) principles. This division ensures that projects promote equitable access and benefits for women, youth, and marginalized groups, addressing systemic barriers and fostering an inclusive development environment.
- **Australian High Commisson:** to ensure consistent communication and strategic alignment with other Australian Government development projects.
- **Donor Representatives:** Representatives from key donor partners, such as New Zealand and Japan, who provide insight and guidance to foster collaboration and strategic alignment between TARCP and other donor-funded initiatives. Their presence helps strengthen partnerships, align funding priorities, and leverage additional resources.

99. **The Project Management Unit (PMU)** serves as the operational hub of the TARCP. The PMU will manage the Community Infrastructure Support Fund under the strategic oversight of the PRAC. The PMU is the backbone of the program, ensuring the seamless execution of activities and driving the achievement of TARCP's objectives. This unit is composed of a multidisciplinary team of experienced professionals, each bringing specialized expertise to effectively manage, implement, and oversee program operations. The PMU structure includes:

**99.1 The Programme Manager** provides overall leadership and strategic direction for TARCP. This role ensures that the program is fully aligned with its goals and objectives, overseeing all components and maintaining coordination between various stakeholders. Acting as the main point of contact for high-level engagement, the Programme Manager is responsible for decision-making and addressing strategic challenges, ensuring that all activities are executed seamlessly and effectively.

**99.2 The Financial Manager** is responsible for the management of program finances. This includes budget planning, financial monitoring, and comprehensive financial reporting. The Financial Manager ensures strict adherence to accountability measures and budgetary controls, safeguarding the responsible and efficient use of funds. This role is critical for maintaining financial transparency and ensuring that all expenditures align with the program's strategic priorities.

**99.3 The Monitoring and Evaluation (M&E) Coordinator** develops and implements a robust Monitoring and Evaluation framework to systematically track the program's progress and measure its impact. This role involves collecting and analyzing both qualitative and quantitative data, providing insights to inform evidence-based decision-making. The M&E Coordinator ensures continuous program improvement by identifying trends, assessing outcomes, and making recommendations for strategic adjustments to maximize effectiveness.

**99.4 The Component 1 Coordinator** manages activities related to community mobilization and empowerment. This role involves overseeing capacity-building initiatives, facilitating participatory planning processes, and ensuring that community-led projects are effectively implemented. The Component 1 Coordinator works closely with local stakeholders to ensure alignment with TARCP's objectives, fostering community ownership and sustainable development outcomes.

**99.5 The Component 2 Coordinator** is responsible for managing the Community Infrastructure Support Fund and related infrastructure projects. This includes overseeing the allocation of financial resources, coordinating project implementation, and ensuring that all projects adhere to national standards and regulations. The Component 2 Coordinator ensures that infrastructure projects are executed efficiently and contribute to long-term community resilience and well-being.

**99.6 The Administrator & Procurement Coordinator** handles the administrative and procurement functions of the PMU, ensuring smooth operations and compliance with procurement policies. The Administrator & Procurement Coordinator manages contracts, oversees the procurement of goods and services, and ensures that administrative processes are efficient and aligned with program needs. This role is essential for maintaining operational efficiency and ensuring that resources are procured and managed in a timely and cost-effective manner.

**99.7 The Climate Change and Disaster Risk Reduction (CCDR) Coordinator** serves as a technical expert, ensuring that climate change adaptation and disaster risk reduction principles are effectively integrated into all program aspects. This includes establishing and upholding technical standards for infrastructure projects, such as cyclone shelters and water systems, to ensure resilience against climate shocks. The CCDR Coordinator also develops strategies to enhance environmental sustainability, provides specialized technical guidance, and conducts awareness-raising activities to support communities and stakeholders in implementing robust, climate-resilient solutions.

**99.8 The Gender Equality, Disability and Social Inclusion (GEDSI)** ensures that GEDSI principles are integrated into all aspects of the program. The GEDSI Coordinator develops strategies to promote gender and social inclusion in all activities. This role involves conducting awareness-raising activities, and ensuring that program initiatives address the unique vulnerabilities of women, youth, and marginalized groups.

100. **Responsibilities of the PMU include:**

- The PMU ensures **that all program activities** are executed efficiently and on schedule.
- The PMU maintains rigorous **financial management,** implementing robust budgetary controls and accountability measures.
- The PMU organizes and facilitates **capacity-building programs** designed to empower local communities with the skills and knowledge necessary to sustain and scale development efforts.
- The PMU **tracks progress** against established indicators, assesses the impact of interventions, and compiles comprehensive reports for key stakeholders.

101. **District Officers** serve as an essential link between the Project Management Unit (PMU) and the communities across Tonga's districts, playing a pivotal role in the successful implementation and monitoring of TARCP activities at the local level. These officers are deeply embedded in their communities and are well-positioned to ensure that program interventions are contextually relevant, efficiently executed, and aligned with community needs and district priorities. Their active involvement ensures that TARCP remains community-driven and adaptable to the unique challenges and opportunities present in each district. The **Responsibilities of District Officers are:**

101.1 Closely **monitoring the progress** of TARCP activities within their respective districts. They conduct regular field visits to assess project implementation, identify any potential challenges or delays, and gather insights from community members. These officers compile progress reports and provide regular updates to the PMU, ensuring that project milestones are met and any issues are addressed.

101.2 District Officers **facilitate seamless communication between the PMU and local communities**, acting as key liaisons. They ensure that information flows efficiently in both directions, sharing updates, plans, and decisions from the PMU with community stakeholders, and relaying community feedback, concerns, and suggestions back to the PMU.

101.3 Play a proactive role in **engaging community members and promoting active participation** in TARCP activities. They support the implementation of development initiatives by organizing community meetings, coordinating with local leaders, and ensuring that projects are aligned with district-level development priorities.

101.4 Work to ensure that all TARCP initiatives are responsive to the specific needs and aspirations of the communities they serve. They collaborate with local government officials and community leaders to ensure that projects are not only impactful but also sustainable and integrated into broader district development plans.

102. **Town Officers** serve as the foundation of TARCP's community-driven approach, bringing the program's vision to life at the grassroots level. Operating as key representatives within their respective communities, Town Officers work closely with the PMU to ensure that program activities are aligned with local needs, culturally relevant, and executed efficiently. Their leadership and dedication are instrumental in creating vibrant, self-reliant communities that are equipped to thrive in the face of ongoing and future challenges. Responsibilities of Town Officers are:

102.1 **Responsible for the day-to-day oversight** of TARCP projects within their communities. They closely monitor project implementation, identify potential challenges or obstacles, and provide timely reports to the PMU.

102.2 **Organize and lead community meetings** to gather input from residents, share updates on project progress, and discuss upcoming activities. They create platforms for open dialogue, where community members can voice their concerns, provide feedback, and contribute ideas.

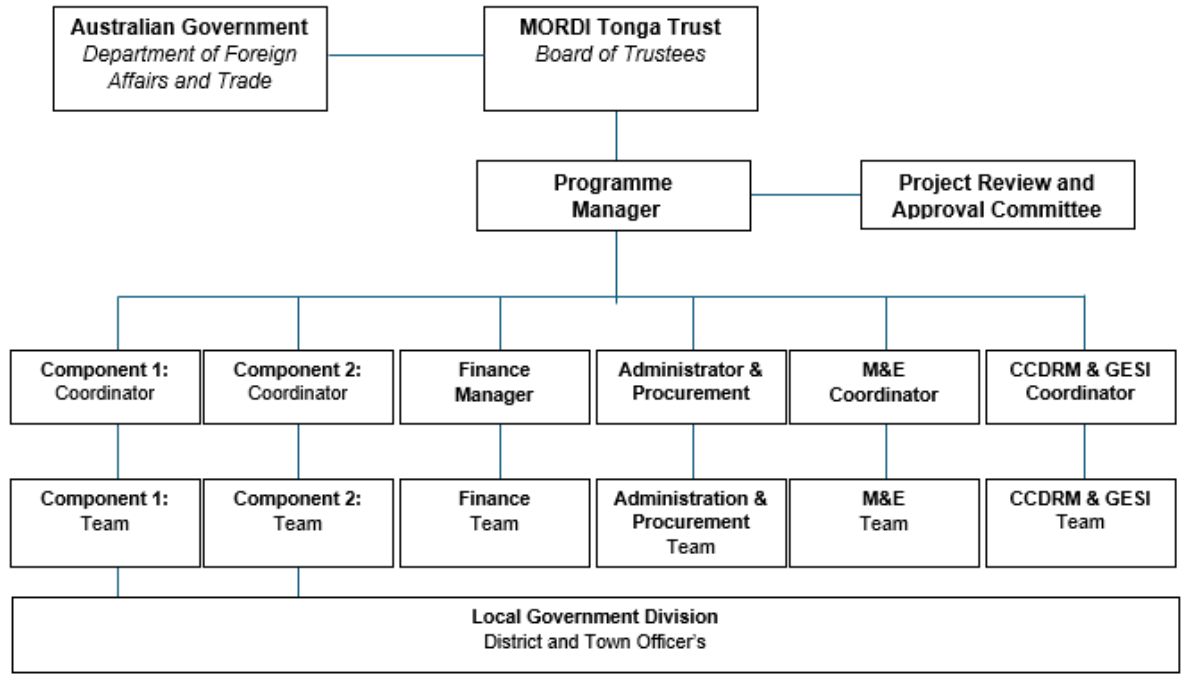
102.3 Ensure that **projects are implemented successfully** and can be maintained over the long term. and are also embraced and sustained by the community. They collaborate with local leaders, youth groups, disability organisations, women's associations, and other stakeholders to mobilize community support and encourage active involvement.

102.4 Town Officers focus on the **sustainability of TARCP initiatives**. Town Officers assist in developing long-term plans for the upkeep of TARCP activities. They provide guidance and mentorship to community members, helping them develop the skills and knowledge needed to manage and maintain projects.

### 103. Steering Committee

**Annual steering committees** will be held between MORDI TT and the Australian High Commission every February. The purpose of which is to approve annual work plans and to provide investment implementation updates.

**TARCP Organisational Chart**




Alt text: image shoes organisational chart of the program.

## B. Governance Principals

104. The program's organizational framework is designed to ensure that all activities are executed responsibly and that resources are managed efficiently, delivering maximum impact for Tonga's rural and outer island communities. The program's commitment to good governance and accountability sets a benchmark for excellence in community development, empowering Tonga's rural and outer island communities to thrive now and into the future. Key Principles of Governance and Accountability:

105. **Clearly outlined roles and responsibilities** of each committee, unit, and stakeholder involved in the program. This structured approach ensures that every participant understands their duties, fostering efficient collaboration and minimizing overlaps or gaps in implementation. Each entity is held accountable for fulfilling its mandate.

106. The program incorporates a comprehensive system of **performance evaluations and financial audits**. Regular performance reviews assess the effectiveness of activities, track progress against established indicators, and identify areas for improvement. Financial audits are conducted periodically to ensure that all expenditures are transparent, justified, and aligned with program objectives. These audits not only safeguard against the misuse of funds but also reinforce stakeholder confidence in the program's financial management.

107. A **monitoring and reporting mechanisms** will maintain a culture of accountability and continuous improvement. The M&E framework systematically collects and analyzes data, providing real-time insights into program performance. Detailed progress reports are shared with all stakeholders, including the Tongan government, DFAT, local communities, and donor partners, ensuring that everyone is kept informed and engaged.

108. The program's governance framework embraces **adaptive management,** allowing for flexibility and responsiveness to evolving community needs and external challenges. By continuously analyzing data and learning from experiences, TARCP can refine its strategies and make evidence-based

adjustments. The commitment to continuous learning also empowers stakeholders to stay innovative and proactive in addressing development challenges.

109. **Open communication and active stakeholder engagement** to promote accountability. Regular consultations with community members, government officials, and development partners provide opportunities for feedback and collective decision-making.

110. Robust governance is the backbone of the successful implementation of the TARCP. The program's governance framework is meticulously crafted to uphold transparency, accountability, and community-centered decision-making, ensuring that all actions and investments prioritize the well-being of local communities. By fostering trust and promoting sustainable impact, the governance structure is built on several core components:

111. *MORDI TT Board of Trustees:* provides strategic leadership and oversight, ensuring that TARCP activities are fully aligned with the organization's mission, values, and long-term strategic vision. The Board plays a pivotal role in reviewing and approving essential program documents, such as the Annual Work Plan and Budget (AWPB), and in monitoring the performance of the Project Management Unit (PMU). Through regular meetings and strategic assessments, the Board holds the PMU accountable for delivering measurable outcomes and adhering to high standards of governance. This leadership ensures that all program activities are effective, ethical, and consistent with both organizational and national development priorities.

112. *Project Review and Approval Committee (PRAC):* functions as a crucial governance body, tasked with the rigorous and impartial evaluation of community grant proposals and procurement activities. MORDI TT already operates a functioning PRAC for activities. This is chaired by the Head of the Local Government Division, the PRAC comprises representatives from key government ministries—such as the Ministry of Infrastructure, the Climate Division of MEIDECC, and the Women Division of the Ministry of Internal Affairs—as well as Government of Australia and the option to include other donor partners from countries like New Zealand and Japan. This diverse, multi-stakeholder committee ensures that decisions are well-rounded and draw from a wide range of expertise. The PRAC is responsible for reviewing project proposals, verifying their alignment with national policies, and either approving or suggesting adjustments to optimize community impact and ensure sustainability.

113. *Community Governance Structures*: TARCP places a strong emphasis on grassroots governance by partnering with District Officers (DOs) and Town Officers (TOs). These local governance representatives are key to connecting the PMU with the communities they serve. DOs and TOs play an active role in monitoring project progress, facilitating two-way communication, and ensuring that projects adhere to community development plans and priorities. By empowering DOs and TOs, TARCP ensures that local governance is participatory, responsive, and in alignment with the overarching program objectives. This collaboration not only enhances community ownership but also fosters transparency and significantly boosts the likelihood of long-term project success.

114. *Accountability Mechanisms*: TARCP is committed to fostering a culture of accountability through a set of well-defined mechanisms. These include regular performance reviews, grievance redress systems, and structured opportunities for community feedback. Performance reviews will evaluate the efficiency and effectiveness of program staff and governance structures, driving continuous improvement. The grievance redress system will serve as a transparent and accessible platform for addressing community concerns, disputes, or feedback. Furthermore, regular stakeholder meetings and community feedback sessions will encourage open dialogue, allowing all stakeholders to voice concerns, share insights, and contribute to the program's refinement and success.

115. *Transparency of Information:* is a guiding principle of TARCP's governance framework. The program will ensure that all stakeholders have access to relevant information, including financial reports, project updates, and decision-making processes. This transparency will be maintained through regular dissemination of information via community meetings, reports, and accessible communication platforms, reinforcing trust and accountability.

116. *Training and Capacity Building:* To strengthen governance at all levels, TARCP will invest in training and capacity-building initiatives for community leaders, DOs, and TOs. These programs will cover areas such as project management, financial accountability, and ethical governance. By equipping local governance representatives with the necessary skills and knowledge, TARCP will promote effective and sustainable community-led development.

117. *Participation and Consultation*: The governance framework prioritizes inclusive participation and meaningful consultation. TARCP will actively engage community members, including women, youth, and marginalized groups, in decision-making processes. This inclusive approach ensures that development initiatives are responsive to the diverse needs of the community and fosters a sense of ownership and empowerment.

118. *Monitoring and Oversight*: Robust monitoring and oversight mechanisms will be in place to ensure the program's activities are conducted with integrity and effectiveness. Independent audits, regular evaluations, and oversight from the MORDI TT Board of Trustees and PRAC will help maintain high standards of governance and accountability throughout the program's duration.

119. *Fraud and Corruption Prevention*: TARCP will implement stringent measures to prevent fraud and corruption. This includes clear policies on ethical conduct, regular financial audits, and a whistleblower protection mechanism to report any suspicious activities. By promoting a zero-tolerance approach to corruption, the program will safeguard its resources and maintain the integrity of its operations.

120. By integrating rigorous financial management practices, transparent procurement processes, and a robust governance framework, TARCP ensures the responsible use of resources and the efficient execution of program activities. This comprehensive approach engages stakeholders transparently and equitably, fostering trust, collaboration, and a shared commitment to sustainable development. Through this strong governance infrastructure, TARCP lays the foundation for transformative, community-led initiatives that drive long-term resilience and prosperity for Tonga's rural and outer island communities.

## C. Processes

121. Communities have up to four opportunities annually to submit project proposals, which are reviewed and evaluated by the PRAC in a timely manner to facilitate responsive local development. The PRAC follows a structured set of criteria detailed in the Grant Implementation Guideline (GIG) to guide its decision-making process. Proposals are assessed based on the following indicative criteria:

- **Eligibility:** The proposed infrastructure investment must be defined and eligible under the GIG specifications.
- **Community Contribution:** Communities must demonstrate a commitment to provide a 25% contribution toward the total investment cost.
- **Community-Driven Planning:** The infrastructure investment must have been identified and prioritized through a participatory process involving the entire community.
- **Alignment with National Priorities:** Proposed projects should be consistent with existing infrastructure and respect national objectives and priorities. Projects must also avoid duplication with existing facilities or services.
- **Equity and Accessibility:** Proposed projects should demonstrate that the activity considers marginalised groups, including women, youth, and persons with disability. The activity must provide non-discriminatory access to social and economic benefits for all community members.
- **Sustainability:** The proposal must consider economic and environmental resilience. It should not result in environmental degradation or harm to the community.

122. Once a proposal is approved by the PRAC, MORDI TT will inform the community both in writing and through communication with Town Officers (TOs). Approval letters will serve as formal grant agreements between MORDI TT and the community. MORDI TT will handle the procurement and distribution of goods as per the agreed allocations for each community. Grants to the community exclude freight costs. Due to significant price differentials for delivering goods across the islands, MORDI TT will be responsible for organizing and covering freight expenses to ensure equitable distribution.

123. The PRAC meets quarterly to review and approve community project proposals submitted for funding. The committee follows a structured, transparent, and accountable decision-making process, which includes the following outcomes:

1. **Approved Unconditionally**: Proposals that meet all eligibility criteria and demonstrate strong potential for impact receive full approval, and the grant process begins immediately.
2. **Approved in Principle**: Proposals that are promising but require additional information or minor revisions before funds can be disbursed. In such cases, applicants must provide the requested information to MORDI TT to finalize grant.
3. **Resubmission Required**: Proposals that have potential but need significant improvements or adjustments to meet the criteria. These proposals can be revised and resubmitted for consideration at the next PRAC meeting. A project can be resubmitted a maximum of three times, ensuring a fair opportunity for revision while maintaining quality standards.
4. **Declined:** Proposals that fail to meet the specified criteria are rejected. Constructive feedback is provided to the applicants to help them understand the reasons for the decision.

124. The PRAC's structured approach ensures that funding decisions are made transparently and equitably, with a focus on maximizing the effectiveness and sustainability of community projects. By incorporating expertise from various sectors, the PRAC ensures that projects are well-vetted, strategically aligned, and capable of delivering long-term benefits to Tonga's rural and outer island communities. The committee's rigorous evaluation process not only enhances the quality of funded projects but also reinforces accountability and trust among stakeholders.

125. **Ongoing Monitoring and Support:** Town Officers and MORDI TT will actively monitor the progress and effectiveness of the community infrastructure projects funded by Community Infrastructure Support Fund. This will include periodic assessments of the O&M arrangements and providing support for at least one year after project completion to ensure sustainability. Monitoring efforts will focus on evaluating the continued functionality of the infrastructure and the effectiveness of community-led maintenance and financial management practices.

126. By establishing the Community Infrastructure Support Fund, TARCP provides communities with both the financial resources and technical expertise necessary to implement transformative infrastructure and WASH projects.

127. **Operations and Maintenance (O&M) Support**

Town Officers (TOs) and the designated Sub-committee overseeing the project will take proactive leadership in developing and executing comprehensive organizational and financial plans to ensure the long-term sustainability of community infrastructure. To reinforce the importance of sustainability, communities will be required to include detailed O&M plans in their project proposals as an eligibility criterion for funding. This approach ensures foresight and accountability from the outset.

These O&M plans will include the following components:

127.1 **Annual O&M Costs:** Clear and detailed projections of annual costs for regular maintenance and operation, factoring in inflation, material needs, labor requirements, and potential unforeseen repairs, ensuring realistic and actionable budgeting.

127.2 **Eligible Contributions:** Defined and inclusive forms of contributions, such as monetary donations, in-kind support (e.g., labor, materials, or expertise), and other resources from community members, fostering equitable participation and shared responsibility for infrastructure sustainability.

127.3 **Funding Sources:** A strategic approach to identifying and securing diverse funding streams, including district, provincial, and national government allocations, private sector partnerships, donor contributions, and innovative financing mechanisms to ensure the financial resilience of O&M activities.

127.4 **Financial Management:** Robust, transparent financial management protocols, including clear procedures for the collection, secure deposit, and accountable disbursement of funds. Comprehensive guidelines will emphasize proper documentation, financial reporting, and periodic audits to build trust and ensure the responsible use of resources.

127.5 **Bank Account Setup:** Establishment of a dedicated subcommittee-controlled bank account with clearly defined operating procedures, empowering the community to effectively manage O&M funds during project implementation and for ongoing maintenance post-completion.

127.6 **Capacity Building:** Training and empowering subcommittee members and TOs in financial management, governance, and maintenance best practices to ensure they are equipped to sustain the infrastructure efficiently and effectively.

127.7 **Monitoring and Reporting:** Establishing mechanisms for regular monitoring of O&M activities, financial health, and infrastructure condition, coupled with transparent reporting to the community, stakeholders, and donors, ensuring ongoing accountability and trust.

128. **Eligibility Criteria Integration:** To reinforce the importance of sustainability, communities must include O&M considerations in their initial project proposals as an eligibility requirement for funding. Proposals should outline preliminary O&M plans, including cost projections, funding strategies, and management approaches. This requirement ensures that O&M planning is prioritized and integrated into the project from its inception, fostering a culture of ownership and long-term sustainability. This O&M framework ensures that infrastructure projects are planned, implemented, and managed with a focus on durability, inclusivity, and community-driven stewardship, benefiting current and future generations.

## D. Profile and Public Diplomacy

129. TARCP will be a highly visible and substantial contribution to Tonga's development. Profiling of TARCP enhances the visibility of Australia's development cooperation in rural and outer island communities. One of the goals of TARCP is: Australia has deep and enduring relationships across Tonga. Public diplomacy will promote the value of the TARCP to Tongan audiences, including government and the public.

130. Through TARCP public diplomacy and communications efforts, the Australian Government will demonstrate and effectively communicate how its aid investments contribute to increasing recovery and prosperity, in Tonga. The TARCP team will support the bilateral relationship by ensuring that the Australian Government is credited and/or acknowledged as a key donor to audiences.

131. Branding of the program will be a key consideration. Branding and its utilisation will be targeted and selective; mindful of the important function of TARCP in empowering community ownership. Branding should not undermine this outcome and therefore it will be utilised strategically. Appropriate branding will be determined by the PMU. If TARCP would like to brand items with Australian Aid stickers, these can be provided by Australia.

## E. Oversight

132. **The Annual Work Plan and Budget (AWPB)** serves as a crucial planning and management tool for TARCP, outlining all activities, timelines, and budget allocations for the program year. The development of the AWPB is a participatory process that engages key stakeholders, ensuring that the program's activities are well-coordinated, resource-efficient, and strategically aligned with both

community needs and national development priorities. The Board and relevent stakheolders will endorse the AWPB, and will be submitted to DFAT for approval. **Key elements of the AWPB include:**

- Adherence to this design document and the Theory of Change.
- Consultations and reflection workshops with relevant stakeholders to ensure relevance. Including community members, local government officials, NGOs, and donor partners in the creation of the AWPB.
- Ensuring that the AWPB aligns with the overarching goals of TARCP and national frameworks such as Tonga's Strategic Development Plan. Activities are carefully planned to achieve maximum impact and to complement ongoing initiatives by other stakeholders.
- Review of Component activity progress with a focus on strengths and weaknesses that need to be addressed and agree priorities for the forward year to ensure effectiveness and efficiency.
- Review key partner capacity development outcomes to ensure sustainability and agree where investments may shift to ensure efficiency.
- Review and make recommendations for strengthening engagement between the key stakeholders.
- Review and make recommendations for strengthening gender and social inclusion as well as climate change and disaster resilience.
- Review and update Risk register.
- detailed budget plans that allocate resources effectively and transparently.
- Adaptive Planning: Incorporating mechanisms for flexibility in the AWPB to allow for mid-course adjustments in response to evolving community needs, external shocks, or new opportunities.

The AWPB will be submitted in February of each year.

133. **Monitoring & Evaluation of activities:** Establishing continuous feedback mechanisms will be key to the program's success. The TARCP will use community forums, surveys, and feedback sessions to gather insights, address concerns, and adapt program activities. This responsive and iterative approach ensures that the program remains relevant and effective, fostering trust and collaboration among all stakeholders. Feedback mechanisms include:

134. **Regular technical audits** of TARCP activities will take place by relevant technical experts, and as required by relevant Government agencies. This will provide a wealth of information to the Program to inform planning, assess and compare methods, highlight trouble spots, and understand development progress at the community level.

135. **District Officer reports** are submitted monthly to Government and shared with the PMU. These reports will primarily focus on the progress of their TARCP activities.

136. **Capacity Building assessments**: outcomes are focused on strengthening community capacity. The PMU will measure the extent to which capacity is developing people and communities with the different types of assistance provided. A simple capacity checklist and scoring methodology that assesses capacity for relevant key functions will be used over the life of the program to track change.

137. Upon completion of each activity, a short and succinct **completion report** will be submitted to the PMU. The completion report should include final budget costs, the operations and maintenance plan, and successes and challenges of the activity.

# IV. Monitoring, Evaluation, and Learning

138. TARCP is focused on community development by the communities and recognises that to achieve this outcome, support must be provided to communities to foster their participation and leadership. Success needs to be measured across this outcome, and this MEL process recognises that approaches may differ from one context to the next as different communities will require different support (e.g resources, skills development, technical assistance). The MEL system provides the tools needed to track progress, measure effectiveness, and inform evidence-based decisions throughout the program lifecycle The purpose of the MEL framework is to underpin:

1. ***Accountability****:* ensure TARCP is accountable to the Australian public, DFAT and MORDI, specifically reporting against progress and outcomes and on how the funding was invested and what is being achieved.
2. ***Program performance****:* provide a robust assessment of progress for those managing and delivering the program as well as external stakeholders.
3. ***Inform decision-making, learning and continuous improvement****:* provide an evidence base to track progress, test the assumptions, and inform adaption and improve delivery of the activities.

## A. Principals

139. The MEL framework will be established within 6 months of implementation and will guide the MEL activities and will respond to the information needs of DFAT and GoT. In addition, it will contribute to the regional and global body of evidence community-driven development. The MEL Framework details the indicators for each level of the program logic. The final MEL Framework will link Key Evaluation Questions, sub-questions and the indicators to the program logic framework. The following principles inform the way in which the MEL activities should be planned and delivered:

139.1 ***Defined Indicators and Baselines***: Establishing a comprehensive set of indicators with baselines and targets to measure progress across various outcomes, including infrastructure resilience, community governance, and gender equality.

139.2 ***Data Collection and Management***: Employing a combination of quantitative and qualitative data collection methods, such as household surveys, participatory focus groups, and structured interviews. Data is collected systematically and managed using an integrated database to ensure accuracy and accessibility.

139.3 ***Impact Assessments***: Conducting mid-term and final impact assessments to evaluate the program's contributions to community resilience and sustainable development. These assessments help identify successes and areas for improvement.

139.4 ***Community Feedback Mechanisms***: Establishing channels for ongoing community feedback to ensure that program interventions remain relevant and responsive to the needs of beneficiaries. This feedback is used to inform program adjustments and to improve service delivery.

139.5 ***Learning Focused****:* Holding regular learning reviews to reflect on program performance, discuss challenges, and share insights. These reviews are attended by all key stakeholders, promoting a shared understanding and collaborative problem-solving.

139.6 ***Adaptable****: Leveraging data and community feedback to make evidence-based adjustments to program activities.*

## B. Knowledge Management

140. Knowledge management is a key pillar of TARCP, ensuring that valuable insights and experiences are captured, shared, and used to drive continuous improvement and influence future initiatives. The program's knowledge management strategy focuses on the following areas:

140.1 ***Centralized Knowledge Repositories***: Creating a digital repository to store and organize program data, reports, research findings, and other knowledge products. This resource is accessible to all stakeholders and serves as a reference for evidence-based decision-making.

140.2 ***Knowledge Sharing Platforms****:* Organizing knowledge-sharing events, such as workshops, webinars, and peer exchange sessions, to facilitate the dissemination of insights and good practices. These platforms enable community leaders, government officials, and partners to learn from each other and strengthen collective impact.

140.3 ***Community-Based Knowledge Exchange****:* Promoting peer-to-peer learning within and between communities. This approach encourages the sharing of experiences and practical solutions, fostering a sense of solidarity and collaboration among different communities.

140.4 ***Partnerships for Knowledge Generation****:* Collaborating with research institutions, academic organizations, and development partners to generate new knowledge and insights. These partnerships enhance the program's capacity to innovate and apply cutting-edge practices in resilience building.

140.5 ***Documentation of Lessons Learned:*** Systematically documenting best practices, innovations, and lessons learned to inform future programming. Case studies and success stories are shared with stakeholders to inspire replication and scaling of effective approaches.

## C. Monitoring of Investment

141. Monitoring of the progress of the TARCP program will be conducted over the life of the investment. Components of the monitoring framework include:

142. DFAT and MORDI will negotiate a **monitoring schedule** for the TARCP program. Joint monitoring missions could take place every six-months and include a range of stakeholders including relevant government ministries, and representatives from DPOs and women's groups. The TARCP M&E coordinator will provide reporting from the missions to DFAT and other relevant stakeholders. Agreeing a joint monitoring approach and plan early in the TARCP investment will be important for strengthening feedback loops and evidence-based decision making.

143. The PMU led by the M&E coordinator will be responsible for preparing whole of program **six-monthly progress reports** drawing on the information provided in monitoring reports, technical audits, district officer reports, and capacity building assessments. These reports will focus on the following:

- TARCP alignment with investment principals
- Progress on budget
- Challenges and risks affecting progress of investment
- Beneficiaries reached
- Impact and progress of activities, including narrative examples.

144. Six monthly reports, encompassing January to July will be submitted in August. The Annual Progress report will be submitted in February at the same time as the Annual Work Plan and Budget (AWPB), in line with the steering committee meetings.

## D. Evaluation of Investment

145. Evaluation of TARCP will comprise a range of evaluation activities that will occur at key points over the life of the investment. All evaluation activities will seek to answer some or all the investment's

key evaluation questions which have been structured according the OCED-DAC evaluation criteria for development programs. These questions will underpin the structure of the six-monthly reports.

| Domain | Key Evaluation Questions | Key areas of inquiry |
|---|---|---|
| Impact | How and to what extent has the infrastructure and services provided by TARCP benefited the people of Tonga in rural and outer island communities. | ▪ Changes in health, education, and rural livelihoods<br>▪ Participation of women, people with disabilities, and other marginalised groups in community development<br>▪ Benefits and unintended consequences of TARCP activities on citizens, including people with disabilities, women, and other marginalised groups |
| Effectiveness | How and to what extent has TARCP delivered improved infrastructure and participation for communities? | ▪ Financing for community infrastructure (including O&M)<br>▪ Longevity and accessibility of community infrastructure<br>▪ Community capacity building |
| Relevance | Does the learning and adaptive management approach support continuous improvements to the TARCP approach and to achieving the planned outcomes? | ▪ Planning and use of evidence and feedback loops at every level<br>▪ Implementation progress and outcomes from annual workplans<br>▪ Engagement with key stakeholders (particularly government) |
| Efficiency | To what extent are activities delivered in an efficient and timely manner? | ▪ Implementation progress against annual work plans |
| Sustainability | To what extent will the benefits of TARCP continue beyond the life of the investment? | ▪ Longevity and accessibility of village infrastructure<br>▪ Community capacity building |

146. Evaluation of the progress of the TARCP program will be conducted over the life of the investment. Components of the evaluation framework include:

146.1 **Baseline and Tracking of Progress and Outcomes**: TARCP will collate information from across all components to build a baseline of information (including drawing from any existing data gathered after HTHH). This baseline information will be tracked and reported against in keeping with the MEL Framework.

146.2 **Community feedback:** A mix of focus group discussions, interviews, field surveys will be conducted with key counterparts and select beneficiaries. These will be undertaken by the M&E coordinator with support of the Town and District Officers. This is an opportunity to provide case studies.

146.3 **Narrative examples**: a minimum of 1 narrative example will be conducted from each TARCP activity to document good practice and lessons. Areas may include:

- Social and gender inclusion.
- Women's role and leadership in community decision making.
- People with disabilities inclusion in community decision making.
- Innovations in community engagement and participation.

- Improved resilience of infrastructure and communities to climate change and disasters.
- How training initiatives including mentoring and coaching have contributed to community livelihoods.

146.4 **Economic analysis** should be done periodically on larger scale TARCP activities too track economic gains from the investment.

146.5 **Independent end of program review:** DFAT will commission an independent evaluation of the program. This evaluation will consider existing monitoring data and information from the TARCP and be supplemented with additional primary data collection activities. The terms of reference will be developed by DFAT.

146.6 Specific areas of data collection must be considered iin all areas of the evaluation framework, including:

- Number of participants of (non-assessed) training initiatives including mentoring and coaching sessions
- Number of people for whom TARCP has improved adaptation to climate change and resilience to disasters.
- Number of infrastructure projects supported (including of financing or funding arrangement provided and assistance throughout the infrastructure project life cycle)
- Number of people who have have access to basic or safely managed drinking water services, and basic or safely managed sanitation services and/or a handwashing facility with soap and water.

Where possible these figures should be disaggregated by gender, sex, and people with disabilities.

# V. Financial management & procurement

147. The TARCP is committed to a financial management system grounded in the principles of transparency, accountability, and efficiency. By implementing comprehensive financial practices, the program ensures that funds are managed judiciously and effectively, contributing to the achievement of sustainable development outcomes. The financial management framework comprises the following core elements:

148. The TARCP budget has been developed for five years at a cost of AUD9.7 million, subject to annual Australian parliamentary appropriations. This cost excludes startup costs, community and government contributions, and co-funded activities with other donors. This section provides a summary of the budget. Key takeaways are:

- The program budget is generally evenly split across the five years, noting that the later years will see greater program reach, but the earlier years have greater upfront expenses.
- Communities are required to commit a minimum of 25% of the total activity budget (generally provided in-kind) increasing each activities total value by a minimum of 25%.

## A. Financial Management

149. **Budget Planning and Control**

149.1 *Strategic Budgeting*: TARCP will develop comprehensive and detailed budgets as part of the Annual Work Plan and Budget (AWPB) process. These budgets will outline all planned expenditures and revenue streams, ensuring alignment with program goals and strategic priorities.

149.2 *Approval Process*: Budgets will undergo a thorough review and approval by the MORDI TT Board of Trustees and the PRAC. This ensures that financial plans are robust, strategically aligned, and ready for efficient execution.

149.3 *Resource Allocation*: Funds will be allocated based on program components and activities, with flexibility to make necessary adjustments in response to changing circumstances and needs.

150. **Expenditure Monitoring**

150.1 *Real-Time Tracking*: A strict expenditure tracking system will be implemented to monitor financial performance continuously. The system will facilitate real-time updates, allowing the Project Management Unit (PMU) to maintain oversight and ensure that spending remains within budgetary constraints.

150.2 *Regular Reviews*: Periodic budget reviews will be conducted to assess financial performance and ensure resources are being utilized effectively. Any discrepancies or overspending will be identified early and addressed through corrective actions.

151. **Financial Reporting**

151.1 *Transparent Reporting*: TARCP will prepare detailed financial reports that accurately reflect all expenditures and financial activities. These reports will be shared with key stakeholders, including DFAT and the Tongan government, to maintain transparency and facilitate informed decision-making.

151.2 *Stakeholder Engagement*: Financial updates will be presented during regular stakeholder meetings, promoting accountability and allowing stakeholders to provide input on financial management practices.

152. **Project Book of Accounts**

152.1 *Comprehensive Record-Keeping:* The program will maintain a meticulously organized Project Book of Accounts, serving as the official and comprehensive financial record for all TARCP transactions. This record will document every financial activity, including receipts, disbursements, fund transfers, and any other monetary transactions, providing a transparent and verifiable financial trail. All records will be

maintained in line with internationally accepted accounting standards to uphold financial integrity and accountability.

152.2 *Accounting System:* The MYOB accounting system will be initially used to manage the Project Book of Accounts, ensuring systematic and compliant recording of financial data. MYOB will enable the generation of regular, detailed financial statements and facilitate efficient auditing and reporting. However, recognizing some limitations of the MYOB system, MORDI TT is currently exploring the adoption of a more advanced and comprehensive accounting software to better serve the organization's financial management needs. Once identified and implemented, this new system will further enhance the accuracy, efficiency, and transparency of the TARCP's financial operations.

152.3 *Reconciliation and Verification:* To maintain financial accuracy and accountability, monthly reconciliations of the Project Book of Accounts will be performed. This process will involve cross-referencing all financial records with bank statements and other supporting financial documents to ensure consistency and accuracy. Any discrepancies identified during reconciliation will be promptly investigated and resolved, reinforcing the integrity of the program's financial management practices.

153. **Audits and Compliance**

153.1 *Regular Audits*: An Annual External Financial Audits will be conducted to ensure the accuracy of financial records and compliance with DFAT and national regulations. These audits will cover all financial activities, from disbursements to procurement, and findings will be addressed promptly to strengthen financial controls.

153.2 *Compliance Measures*: The program will implement strict compliance measures, including adherence to DFAT and national financial guidelines. Audit results and corrective actions will be documented and used to inform continuous improvement in financial management.

154. **Risk Management**

154.1 *Proactive Risk Assessment*: Financial risks will be identified and mitigated through proactive planning and regular risk assessments. This includes assessing risks related to currency fluctuations, unforeseen costs, and changes in donor funding.

154.2 *Contingency Planning*: TARCP will establish contingency plans to manage financial uncertainties. These plans will ensure that the program can continue operations smoothly, even in the face of financial disruptions.

155. **Flow of Funds**

155.1 *Program Bank Account*: All program funds will be managed through a designated program bank account. This account will be used for receiving disbursements from DFAT and making payments related to program activities.

155.2 *Start-Up Costs*: The program will be eligible for start-up costs amounting to AUD200,000 to support initial activities. These funds will cover essential expenses, such as baseline studies, procurement of equipment and vehicles, recruitment of staff, and operational costs. Start-up costs will be available from the signing of the Financing Agreement between DFAT and MORDI TT, accelerating the Programme implementation start-up.

156. **Disbursement Procedures and Documentation**

156.1 *Efficient Disbursement*: Disbursement procedures will be aligned with expediture rates, with the next DFAT tranche payment made at 80% expensed of the previous payment. Supporting documentation will financial report which will include invoices, contracts, and proof of expenditures to ensure compliance with financial guidelines.

156.2 *Internal Control System*: An internal control system will be established to manage approvals, acquittals, and authorizations. This system will outline clear procedures for approving expenditures and will ensure that all financial transactions are properly documented and reviewed.

157. **Community Contributions**

157.1 *Community Investment*: Beneficiary communities will be required to make a 25% contribution towards infrastructure costs. This contribution will be split into 12% cash and 13% in-kind contributions. Cash contributions for infrastructure and livelihood costs will be paid directly to suppliers or contractors, ensuring accountability and efficient use of funds.

157.2 *Community Engagement:* The PMU, in collaboration with Town Officers (TOs) and District Officers (DOs), will support communities in fulfilling their contribution commitments. This collaborative approach will strengthen community ownership and investment in project outcomes.

157.3 By establishing a rigorous financial management framework, TARCP ensures that resources are used efficiently and transparently. This comprehensive approach not only safeguards program funds but also builds stakeholder confidence and supports the sustainable delivery of impactful development initiatives across Tonga's rural and outer island communities.

## B. Procurement

158. TARCP's procurement framework is designed to uphold efficiency, transparency, and adherence to global best practices to ensure the prudent use of resources and the delivery of high-quality goods and services. By implementing strict procurement guidelines, the program will mitigate risks related to fraud, corruption, and inefficiencies, ensuring that every transaction contributes effectively to the program's objectives. Key components of this procurement framework include:

159. *Procurement Planning:* A comprehensive and detailed procurement plan will be developed as part of the Annual Work Plan and Budget (AWPB). This plan will clearly outline all anticipated goods, services, and works required for program implementation, specifying timelines, budget estimates, and procurement methods. By planning procurement activities strategically, the program will guarantee the timely and cost-effective acquisition of resources essential for achieving TARCP goals.

160. *Competitive Bidding:* The program will implement open and competitive bidding processes to procure goods, services, and works. This approach promotes fair competition, transparency, and the selection of vendors or service providers who offer the best value for money while meeting quality standards. By adhering to a transparent bidding process, TARCP ensures that procurement activities are free from bias and favoritism, promoting the efficient use of resources.

161. *Vendor Management:* A robust vendor management system will be established to maintain high performance standards and ensure vendors comply with their contractual obligations. This system will include maintaining an approved vendor list, conducting regular performance evaluations, and implementing a feedback mechanism to address any issues. Vendor relationships will be actively managed to uphold quality and reliability, with performance assessments conducted to inform future procurement decisions.

162. *Procurement Oversight:* The PRAC, working closely with the MORDI TT Project Management Unit (PMU), will oversee all procurement activities. This oversight ensures strict adherence to procurement guidelines and standards. All procurement decisions will be well-documented, reviewed, and audited regularly to maintain transparency and accountability. The PRAC will play a crucial role in ensuring that procurement practices are efficient and aligned with program objectives.

163. *Sustainability and Local Sourcing:* TARCP will prioritize environmentally sustainable procurement practices, sourcing products and services that have a minimal environmental impact. Where feasible, the program will engage local suppliers to support the local economy, reduce transportation-related emissions, and promote community livelihoods. By focusing on sustainability, TARCP aligns with broader environmental and economic development goals, ensuring that procurement activities contribute positively to Tonga's resilience and well-being.

164. Through these structured and transparent procurement processes, TARCP ensures that resources are used effectively, fostering trust among stakeholders and enabling the successful implementation of community-driven development initiatives.

## C. Supervision

165. A robust and participatory supervision framework is essential for the successful delivery and sustained impact of the TARCP. The programme will implement a structured supervision approach designed to monitor progress effectively, proactively address challenges, and ensure ongoing alignment with TARCP's strategic objectives and community development goals.

166. **Key Components of Programme Supervision:**

166.1 *Regular Supervision Missions:* The programme will conduct regular supervision missions throughout its duration to review implementation progress, ensure adherence to quality standards, and provide strategic direction. These missions will engage key stakeholders, including representatives from MORDI TT, DFAT, the Tongan government, and relevant partner organizations. Each mission will include comprehensive site visits to project locations, allowing teams to observe the tangible outcomes of TARCP initiatives and engage directly with community members for real-time feedback and insights.

166.2 *Comprehensive Performance Reviews:* Performance reviews will be a central element of each supervision mission, utilizing data from the M&E framework. The reviews will assess programme achievements against established indicators, celebrate successes, and identify areas for improvement. This comprehensive evaluation will help maintain alignment with TARCP's strategic goals, guide corrective actions, and ensure resources are being used efficiently to drive meaningful impact in the target communities.

166.3 *Stakeholder Engagement and Feedback:* Supervision activities will emphasize active stakeholder engagement to foster transparency, trust, and inclusivity. Meetings and consultations will be organized with District Officers, Town Officers, community leaders, and implementing partners. This participatory approach ensures that supervision is responsive to local perspectives, integrating feedback from those directly impacted by the programme. By placing community voices at the center of the process, TARCP will ensure that the programme remains relevant and community-driven.

166.4 *Adaptive Management and Problem Solving:* The programme's supervision framework will support adaptive management, providing a mechanism for real-time problem-solving. Based on the findings and recommendations from supervision missions, the TARCP team will work collaboratively with stakeholders to adjust strategies and activities as needed. This adaptive approach will ensure the programme can respond effectively to evolving circumstances, emerging needs, and unforeseen challenges, maintaining a focus on achieving sustainable and resilient outcomes.

166.5 *Reporting and Follow-Up Actions:* Following each supervision mission, a detailed supervision report will be developed, outlining key findings, actionable recommendations, and specific follow-up steps. This report will be shared with the MORDI TT Board of Trustees, DFAT, and other relevant stakeholders, reinforcing accountability and transparency. The report will include timelines for implementing recommended actions and assign responsibilities, ensuring that critical follow-ups are tracked and executed to drive continuous improvement.

166.6 *Coordination with M&E Activities:* Supervision will be seamlessly integrated with ongoing M&E activities to create a cohesive oversight mechanism. Data collected through the M&E framework will directly inform supervision missions, providing a data-driven foundation for evaluating performance and making evidence-based decisions. This coordination will enhance the overall understanding of programme effectiveness and support the refinement of strategies to maximize impact.

167. By adopting a structured, data-driven, and participatory supervision approach, TARCP will ensure rigorous oversight, strengthen accountability, and foster a culture of continuous learning and improvement. This comprehensive supervision framework will support the programme's mission to

create resilient, self-sufficient, and empowered communities across Tonga's rural and outer island regions, ensuring that TARCP delivers transformative, sustainable, and impactful development outcomes.

## D. Risk identification and mitigation

168. A proactive and strategic approach to risk management is critical for the successful execution of the TARCP. By systematically identifying, assessing, and mitigating risks, TARCP aims to ensure the seamless delivery of program activities while maximizing positive outcomes and minimizing disruptions. This comprehensive risk management framework will enable the program to adapt to evolving challenges and maintain a focus on building resilient and sustainable communities across Tonga's rural and outer island regions.

169. ***Risk Minimization*****:** The program employs a comprehensive risk management strategy designed to mitigate potential challenges and ensure the successful implementation of its initiatives. This strategy includes the use of well established, evidence-based methodologies and a collaborative approach with MORDI TT, a proven and reliable implementation partner serving as the Lead Agency. By leveraging MORDI TT's expertise, the program enhances its resilience and adaptability. Additionally, a strong emphasis on gender empowerment is embedded throughout the program to promote inclusivity and equality, ensuring that all community members, regardless of gender, have equitable opportunities to participate and benefit from development activities. This holistic approach to risk management not only safeguards the program's objectives but also fosters a more inclusive and sustainable impact.

## E. Summary benefits and economic analysis

170. The TARCP is a strategic initiative designed to drive significant and long-lasting economic and social benefits, directly enhancing the resilience, well-being, and livelihoods of Tonga's rural and outer island communities. This section summarizes the anticipated benefits and provides an economic analysis to support the program's value proposition.

171. **Summary of Benefits**

171.1 *Strengthened Disaster Preparedness and Resilient Infrastructure*: Investments in climate-resilient infrastructure, such as cyclone shelters, improved water systems, and robust road networks, will substantially reduce economic and human losses caused by natural disasters. By ensuring that essential services, like healthcare and markets, remain accessible during emergencies, the program will minimize disruptions and contribute to a safer, more secure living environment. This improved infrastructure will also lower recovery costs and increase community resilience to future shocks, resulting in long-term economic savings.

171.2 *Enhanced Public Health and WASH Services:* Expanding access to clean and reliable water, adequate sanitation, and effective hygiene facilities will lead to major public health improvements. The reduction in waterborne diseases will decrease healthcare expenditures, increase workforce productivity, and improve educational outcomes, as children will miss fewer school days due to illness. Healthier populations are more economically active, contributing to a more robust and resilient local economy.

171.3 *Boosted Economic Activity and Livelihood Opportunities:* Upgraded infrastructure, including better roads and market facilities, will facilitate the movement of goods and people, lowering transportation costs and enabling greater market access for agricultural and other local products. This will foster economic diversification, stimulate entrepreneurship, and create job opportunities. The program will also strengthen value chains and promote income-generating activities, thereby increasing household incomes and boosting overall economic growth in rural areas.

171.4 *Community Empowerment and Strengthened Governance:* TARCP's emphasis on participatory planning, leadership development, and community governance will empower local populations to take ownership of their development. By building the capacity of local leaders, especially women and youth, the program will ensure that decision-making processes are inclusive and

responsive to community needs. This empowerment will enhance resource management, promote accountability, and ensure that community-driven projects are sustainable, ultimately fostering self-reliance and long-term development.

171.5 *Environmental Sustainability and Climate Resilience:* The integration of climate-smart practices and environmental stewardship will help communities adapt to and mitigate climate change impacts. Measures such as rainwater harvesting, renewable energy solutions, and sustainable land management will protect natural resources and reduce greenhouse gas emissions. Preserving ecosystems and promoting biodiversity will support livelihoods that depend on healthy environments, ensuring that economic benefits are sustained over time.

172. **Economic Analysis**

The economic analysis of TARCP highlights the program's potential to generate significant returns on investment through a combination of direct and indirect benefits. The analysis considers both quantifiable financial impacts and non-quantifiable social and environmental outcomes, demonstrating a comprehensive economic justification for the program.

172.1 *Cost-Benefit Analysis (CBA):* Preliminary CBA findings reveal a high return on investment (ROI) driven by reduced healthcare costs, minimized disaster recovery expenses, and increased economic productivity. The net present value (NPV) of the program is expected to be strongly positive, reflecting substantial economic benefits over the program's lifespan. For instance, improved infrastructure will not only prevent economic losses during disasters but also enable consistent economic activity and market access, further contributing to economic resilience.

172.2 *Non-Quantifiable Benefits:* While some benefits are challenging to quantify—such as improved quality of life, strengthened social networks, and enhanced community cohesion—they are crucial for sustainable development. Empowered communities with strong governance systems are more likely to make informed decisions, adapt to challenges, and maintain the long-term success of development initiatives. The program's emphasis on inclusivity and social equity will yield far-reaching and lasting impacts on social structures and well-being.

172.3 *Community Contributions and Leveraged Resources:* The requirement for a 25% community contribution, split between cash and in-kind support, will increase community investment in and ownership of infrastructure projects. This shared responsibility enhances the likelihood of project sustainability and ensures efficient use of resources. Additionally, TARCP will leverage partnerships with other donors and development agencies, such as DFAT, New Zealand, and Japan, to maximize resource efficiency and amplify impact. Collaborative efforts will allow for cost-sharing and alignment with national and regional development strategies.

173. TARCP is positioned to deliver transformative economic and social benefits, creating resilient, economically vibrant, and environmentally sustainable communities. By reducing vulnerability to climate change, enhancing public health, boosting economic opportunities, and empowering communities, the program will create a ripple effect of positive outcomes. The combination of measurable economic gains, such as reduced disaster recovery costs and increased market access, with non-quantifiable social improvements, like community cohesion and governance capacity, underscores the program's value. Ultimately, TARCP's strategic investments and holistic approach will lay a strong foundation for the long-term resilience and prosperity of Tonga's rural and outer island communities.

## F. Sustainability

174. The TARCP is committed to ensuring that its impacts are enduring, empowering Tonga's rural and outer island communities to sustain progress independently long after the program concludes. This commitment to sustainability is built upon a comprehensive strategy that emphasizes community ownership, skills transfer, institutional resilience, climate adaptation, and strategic partnerships.

175. **Community Ownership and Empowerment:** Central to TARCP's sustainability approach is the active and ongoing engagement of local communities. From initial planning to execution and management, community members will be deeply involved, fostering a sense of ownership and responsibility. The program will empower communities by equipping them with the tools, knowledge, and authority needed to maintain and expand upon the gains achieved. This participatory approach will ensure that projects are not only relevant but also supported and nurtured by those who benefit from them most.

176. **Capacity Building and Skills Transfer:** TARCP places a strong emphasis on building the capacity of local leaders, community members, and government officials. Through comprehensive training programs in governance, financial management, project planning, and environmental stewardship, the program will create a foundation for sustained development. Skills transfer is designed to empower communities with the confidence and expertise needed to manage projects effectively, troubleshoot issues, and foster continuous improvement. This focus on capacity building ensures that communities are equipped to sustain the benefits of TARCP initiatives long into the future.

177. **Strengthening Local Governance and Institutional Resilience:** The program will work hand-in-hand with District Officers and Town Officers to reinforce local governance structures. By integrating TARCP initiatives into the fabric of local governance, the program will ensure that these institutions are better equipped to support and sustain development efforts. District and Town Officers will play a pivotal role in monitoring and guiding projects, facilitating community engagement, and ensuring alignment with local development priorities. This collaboration will build institutional resilience and ensure that development initiatives are embedded within local governance systems.

178. **Climate-Resilient Infrastructure and Sustainable Practices:** To mitigate the risks posed by climate change and environmental degradation, TARCP will prioritize the construction of climate-resilient infrastructure. Projects such as cyclone shelters, upgraded water supply systems, and reinforced community facilities will be designed to withstand extreme weather events. Additionally, the program will promote sustainable practices, including rainwater harvesting, renewable energy solutions, and responsible land use. By integrating climate adaptation measures, TARCP will help communities become more resilient to environmental shocks, ensuring that infrastructure and resources are preserved for future generations.

179. **Strategic Partnerships and Collaborative Engagement:** The success and longevity of TARCP will be reinforced through strategic partnerships and collaboration with government entities, NGOs, development partners, and the private sector. The program will align with national and regional development strategies, ensuring that efforts are complementary and resource-efficient. By leveraging these partnerships, TARCP will enhance its reach, access technical expertise, and promote the sharing of best practices. Ongoing collaboration will ensure that communities receive the support they need to sustain projects and adapt to evolving challenges.

180. **Monitoring, Evaluation, and Adaptive Management:** A comprehensive M&E system will be implemented to track progress, assess impact, and inform adaptive management. The program will regularly collect and analyze data to identify successes and areas for improvement. This data-driven approach will enable TARCP to remain flexible and responsive, adjusting strategies as needed to ensure continued relevance and effectiveness. Continuous learning and adaptation will be integral to sustaining program outcomes and scaling successful models across other communities.

181. **Financial Sustainability and Resource Mobilization:** TARCP will promote financial sustainability by encouraging community contributions and facilitating income-generating activities. Community members will be required to contribute financially or in-kind to infrastructure projects, reinforcing their commitment and sense of ownership. The program will also explore opportunities to develop sustainable revenue streams, such as community-based enterprises, that can fund ongoing maintenance and future development initiatives. By building financial resilience, TARCP will ensure that communities have the resources needed to sustain and expand their achievements.

182. **Environmental Stewardship and Conservation:** Environmental sustainability will be embedded in all aspects of the program. TARCP will promote conservation practices, such as reforestation, soil protection, and biodiversity preservation, to safeguard Tonga's natural resources. Community training and awareness campaigns will emphasize the importance of environmental stewardship, creating a culture of responsibility and care for the environment. By prioritizing ecological health, TARCP will contribute to the preservation of Tonga's unique ecosystems for generations to come.

183. By incorporating these comprehensive sustainability measures, TARCP aims to create self-reliant, resilient communities that can thrive in the face of both current and future challenges. This holistic approach ensures that program investments yield lasting benefits, contributing to the overall well-being, economic stability, and environmental health of Tonga's rural and outer island communities.

# VII. Risks

## A. Key Risks and Mitigation Strategies:

184. **Environmental and Climate Risks**

*Risk Description*: Tonga is highly vulnerable to extreme weather events and natural disasters, such as cyclones, flooding, droughts, and the ongoing impacts of climate change. These events can severely disrupt program activities, damage infrastructure, and affect the livelihoods of local communities, particularly those in rural and outer island areas. With climate change intensifying these hazards, communities already vulnerable to environmental disruptions are at risk of further instability.

*Mitigation Measures*:

**Climate-Resilient Infrastructure Design**: Incorporate advanced climate-resilient design principles into all infrastructure projects, including flood-resistant cyclone shelters, elevated water systems, and energy-efficient solutions that can withstand extreme weather conditions. This includes designing flexible infrastructure that can adapt to varying climate conditions and using locally sourced, environmentally friendly materials.

**Disaster Risk Management and Preparedness**: Develop and disseminate comprehensive, community-specific disaster risk management plans that involve the active participation of all community members, including women, youth, and marginalized groups. These plans will be tested through regular community-based training exercises, disaster simulations, and drills.

**Collaborative Climate Monitoring and Early Warning Systems**: Partner with the Climate Division of MEIDECC to incorporate real-time climate data, early warning systems, and climate risk modelling into decision-making processes, enabling communities to anticipate and prepare for climate-induced disasters.

**Ecosystem-Based Adaptation**: Promote ecosystem-based solutions, including mangrove restoration, agroforestry, and soil conservation, to reduce the impact of climate hazards and strengthen natural resilience. Integrating these strategies with sustainable land-use practices will reduce the vulnerability of both the environment and communities.

**Environmental Education and Awareness**: Establish continuous environmental education and awareness campaigns to promote understanding of climate risks and adaptation strategies, enabling communities to be proactive rather than reactive in addressing environmental challenges.

185. **Financial Management Risks**

*Risk Description*: Misallocation, inefficiency, or misuse of financial resources, along with potential budget overruns, pose a significant threat to the program's success, undermining donor confidence and long-term sustainability.

*Mitigation Measures*:

**Robust Financial Management System**: Establish an advanced financial management system with real-time monitoring tools, stringent internal controls, and clear tracking mechanisms for both physical and financial resources. This includes a centralized digital platform for budget tracking and a dedicated financial team trained in both international and local financial management practices.

**Transparent and Accountable Reporting**: Implement a transparent, accountable reporting framework for financial management, including quarterly and annual budget reviews, public-facing financial reports, and regular audits conducted by external bodies.

**Capacity Building in Financial Governance**: Provide tailored training programs for local financial managers, community leaders, and implementing partners to enhance financial literacy, strengthen reporting processes, and improve risk management capabilities.

**Independent Oversight and Governance**: The Project Review and Approval Committee (PRAC) will play an active role in monitoring financial allocations, reviewing budget submissions, and ensuring the application of value-for-money principles.

**Risk-adjusted Financial Strategies**: Develop contingency plans for financial risks such as inflation and currency fluctuation, ensuring that the budget is adjusted as necessary to accommodate changes in economic conditions.

186. **Governance and Accountability Risks**

*Risk Description*: Weak governance structures, lack of accountability, or governance-related inefficiencies could lead to mismanagement, poor decision-making, and a loss of stakeholder trust, potentially undermining the program's success.

*Mitigation Measures*:

**Clear and Strong Governance Framework**: Establish a robust governance framework with well-defined roles and responsibilities, ensuring clear lines of accountability for all stakeholders. This includes a transparent decision-making process that actively involves local communities, government representatives, and implementing partners.

**Ongoing Governance Training**: Implement continuous governance and ethical decision-making training for program staff, local leaders, and community members, ensuring they understand the importance of transparency, equity, and integrity in managing resources.

**Comprehensive Grievance Redress Mechanisms**: Develop and implement accessible, culturally sensitive grievance redress mechanisms to handle complaints and disputes in a transparent, fair, and timely manner. This will include creating community-led committees to address local concerns and ensure all issues, particularly those affecting marginalized groups, are resolved.

**Community Oversight and Engagement**: Facilitate regular community feedback sessions and stakeholder meetings to review program progress, reinforce accountability, and ensure that community perspectives are integrated into decision-making.

**Public Access to Information**: Establish a public information portal that allows stakeholders, including the wider community, to track the program’s progress, budget, and outcomes. This will promote trust and participation among all members of society, including marginalized and hard-to-reach groups.

187. **Social and Cultural Risks**

**Health and Safety Risks**

*Mitigation Measures*: To ensure the safety of all individuals involved in the program, MORDI TT will prioritize comprehensive health and safety protocols, including mandatory health and safety training for all staff, contractors, and community volunteers. Additionally, safety guidelines will be developed for working in remote areas, with provisions for medical evacuation, first aid training, and emergency medical support. The program will ensure that health and safety assessments are part of the planning and execution of all field activities.

**Child Protection and Safeguarding**

*Mitigation Measures*: MORDI TT will adopt a child protection policy that includes background checks for all staff and volunteers, especially those working directly with children and vulnerable groups. Additionally, child protection training will be a core component of staff development, ensuring that all personnel are equipped to recognize and respond to potential risks of abuse or exploitation. Child protection protocols will be continuously reviewed and updated to ensure they meet national and international standards.

**Sexual Exploitation, Abuse, and Harassment (SEAH) Prevention**

*Mitigation Measures*: A robust, multi-layered approach will be employed to prevent sexual exploitation, abuse, and harassment, including mandatory SEAH training for all staff and volunteers, clear codes of conduct, and mechanisms for anonymous reporting. MORDI TT will maintain a zero-tolerance policy toward SEAH, with clear, transparent procedures for investigating and addressing complaints. Furthermore, staff and community members will be educated on their rights and the process for reporting abuses.

**Resistance to Program Initiatives and Cultural Barriers**

*Risk Description*: Cultural resistance, lack of community engagement, or misalignment of program activities with community values could hinder successful implementation and undermine long-term program sustainability.

*Mitigation Measures*:

**Inclusive, Culturally Sensitive Approach**: Develop and implement culturally appropriate program designs that respect local traditions and customs. This will be achieved through participatory planning processes, where community leaders and members have significant input in shaping program activities.

**GESI-Driven Community Engagement**: Ensure that Gender Equality and Social Inclusion (GESI) principles guide all activities, with a focus on empowering women, youth, people with disabilities, and other marginalized groups. This approach will ensure that all voices are heard and that marginalized groups are integrated into the development process from the outset.

**Targeted Outreach and Education Campaigns**: Conduct culturally sensitive outreach and awareness campaigns to explain the benefits of program initiatives, dispel misconceptions, and build community support. These efforts will involve trusted local influencers and champions, including religious and community leaders, who can help bridge cultural gaps.

**Social Monitoring and Adaptation**: Implement a social monitoring framework that tracks community sentiment, social dynamics, and emerging concerns. Program strategies will be adapted as needed based on this feedback, ensuring that the program remains responsive to community needs and cultural contexts.

188. **Operational Risks**

*Risk Description*: Delays in program implementation, logistical challenges, and inadequate infrastructure in remote areas could disrupt the timely delivery of activities, resulting in cost overruns and delayed outcomes.

*Mitigation Measures*:

**Detailed Contingency Planning**: Develop and regularly update a comprehensive contingency plan to address potential logistical delays, including identifying alternative suppliers and transportation options. This will also involve establishing back-up power solutions and communication systems for areas prone to disruptions.

**Regional Coordination Hubs**: Set up regional hubs to streamline operations, reduce logistical costs, and enhance accessibility for communities in remote areas. These hubs will also serve as local coordination points to ensure smooth program delivery.

**Collaborative Partnerships**: Strengthen partnerships with local governments, NGOs, and the private sector to facilitate smoother logistics and mitigate operational barriers. Coordination with local authorities will ensure faster approvals and resource mobilization.

189. **Human Resource Risks**

*Risk Description*: High staff turnover, skill shortages, or insufficient human resource capacity may undermine program effectiveness and disrupt continuity in leadership and key roles. *Mitigation Measures*:

**Comprehensive Staff Development Program**: Establish ongoing professional development and technical training programs to build capacity and ensure that staff are equipped with the necessary skills to manage complex program tasks.

**Attractive Work Environment**: Offer competitive compensation packages, flexible working conditions, and career advancement opportunities to retain skilled staff. Additionally, a focus on staff well-being and work-life balance will help reduce turnover.

**Succession Planning and Knowledge Transfer**: Implement a structured succession planning framework to ensure continuity in leadership roles. This will include mentorship and leadership development initiatives aimed at preparing staff for leadership positions within the program.

**Collaborative Culture and Team Building**: Foster a collaborative, inclusive work environment through team-building activities, cross-departmental collaboration, and knowledge-sharing platforms to build resilience and ensure the effective transfer of knowledge and skills.

Through these comprehensive risk mitigation strategies, TARCP aims to build resilience not only in the communities it serves but also in the program's structure and implementation, ensuring sustainable, inclusive, and impactful development outcomes.

## B. Continuous Risk Monitoring and Adaptive Management

190. TARCP will maintain an ongoing risk assessment process to identify, monitor, and address potential threats throughout the program’s lifecycle. The risk management plan will be reviewed and updated regularly to reflect evolving challenges and emerging risks. The program will employ adaptive management practices, enabling quick and effective responses to unforeseen circumstances, ensuring that mitigation strategies remain effective and relevant.

191. By implementing this comprehensive risk identification and mitigation framework, TARCP is well-equipped to navigate challenges and deliver sustainable, community-driven development. The program’s proactive risk management approach will safeguard its impact and contribute to building resilient and thriving communities across Tonga’s rural and outer island regions.

# VI. Partnership

## A. Lessons learned

192. The TARCP is informed by key lessons derived from past development initiatives, ensuring that the program builds on proven approaches to maximize impact and sustainability. These lessons underscore the importance of community ownership, simplicity in program design, capacity building, and strategic partnerships to overcome challenges unique to Small Island Developing States (SIDS) like Tonga.

192.1 **Community-Driven Approaches Yield Sustainable Results:** Past experiences have demonstrated that community ownership and active engagement are fundamental to the long-term success of development projects. Projects that involve community members in planning, decision-making, and implementation are more likely to be successful and self-sustaining. TARCP prioritizes a community-driven approach, emphasizing bottom-up planning and empowering local populations to lead their own development efforts. This participatory model ensures that interventions are rooted in local knowledge, culturally relevant, and maintained over time, leading to more effective operation and maintenance (O&M) mechanisms for small-scale infrastructure.

***Key Insights:***

*Active Community Participation*: Empowering communities to identify their own needs fosters ownership and accountability, ensuring that development initiatives are truly responsive and sustainable.

*Institutional Impact:* Community-led processes can drive broader institutional change, enhancing the responsiveness and efficiency of service delivery.

192.2 **Simplicity Increase Success Rates:** Experience across SIDS, including lessons from MORDI TT and its previous programme and projects highlights the importance of a relatively simple design with realistic timelines and objectives. Keeping the design uncomplicated and manageable increases the likelihood of successful implementation and sustainability. Implementation of projects and programme by phased approach, which first tested institutional models before scaling up, allowed for a better understanding of the in-country context—marked by small size, remoteness, and geographic dispersion—and provided a strong foundation for scaling in MORDI TT current project.

***Key Strategies:***

*Realistic Objectives:* Simple, focused designs enable effective resource allocation and easier monitoring.

*Phased Approach*: Gradually scaling up based on tested models ensures adaptability and builds on validated experiences.

192.3 **Capacity Building is Critical for Long-Term Impact:** Building local capacity is crucial for empowering communities to manage and sustain projects independently. Successful initiatives have shown that equipping communities with skills in governance, project management, environmental stewardship, and financial literacy enhances their ability to drive sustainable development. TARCP integrates comprehensive capacity-building efforts to strengthen local expertise and foster self-reliance.

***Key Takeaways:***

*Investment in Human Capital:* Ongoing training and skills development create confident, capable leaders who can continue driving development long after external support ends.

*Youth and Women Empowerment:* Special attention is given to involving women and youth, ensuring their active participation in community governance and decision-making.

192.4 **Transparent and Accountable Resource Management:** Efficient and transparent resource management has emerged as a critical success factor. Challenges such as inefficiencies and lack of accountability can derail development efforts, highlighting the need for stringent financial oversight.

TARCP addresses this by implementing rigorous accountability mechanisms, including regular audits and transparent reporting practices, to ensure that resources are allocated and used efficiently.

***Effective Practices:***

*Regular Audits:* Routine financial audits safeguard against misuse and build stakeholder trust.

*Clear Accountability:* Well-defined financial protocols and oversight mechanisms ensure value for money and effective use of funds.

192.5 **Flexibility and Adaptability Enhance Program Effectiveness:** The Pacific region's development landscape is often unpredictable, with frequent natural disasters and climate change impacts requiring adaptive approaches. Programs that can pivot and adapt to emerging challenges or evolving community needs have shown greater effectiveness. TARCP's adaptive management strategy, supported by a robust M&E framework, ensures that the program remains flexible and responsive throughout its implementation.

***Adaptability in Action***:

*Continuous Monitoring*: Systematic data collection and impact assessment enable real-time adjustments and improved outcomes.

*Iterative Learning:* The program fosters a culture of continuous improvement, using lessons learned to refine strategies and enhance impact.

192.6 **Intentional Efforts for Gender Equality, Disability and Social Inclusion (GEDSI):** Achieving gender equality, disability and social inclusion requires deliberate and strategic action. Simply aiming for inclusivity is insufficient; programs must actively implement targeted strategies to empower women, youth, and marginalized groups. TARCP embeds GEDSI principles throughout all activities, ensuring equitable access and active participation for all community members.

***Proven Approaches:***

*GEDSI Integration:* Addressing systemic barriers through intentional strategies that empower underrepresented groups and promote inclusivity.

*Equitable Benefits*: Ensuring that all segments of the population, especially vulnerable groups, share in the benefits of development initiatives.

192.7 **Leveraging Partnerships and Working with Existing Structures:** Collaborating with all players in the rural development landscape is essential to maximize resources and reduce high transaction costs associated with remoteness. Past experiences, such as previous MORDI TT Project, have demonstrated the importance of establishing good relationships with government institutions and leveraging in-kind resources. TARCP emphasizes collaboration with local and national government staff, community-based facilitators, and development partners to enhance program reach and sustainability.

***Key Lessons:***

*Government Collaboration*: Embedding program management staff within government systems fosters ownership, reduces costs, and develops the skills of local staff.

*Community-Based Facilitators*: Mobilizing community-based facilitators alongside government extension staff has produced positive outcomes, strengthening the capacity and network of local actors.

192.8 **Addressing Geographic and Logistical Challenges:** Tonga's unique geographic characteristics, with its scattered islands, require a decentralized management structure for greater effectiveness and cost efficiency. Lessons from MORDI TT previous highlight the benefits of a decentralized approach, which enables better supervision, reduced costs, and stronger local engagement. TARCP leverages these insights by embedding staff within communities and adapting management structures to the country's geographic realities.

**Strategic Implementation:**

*Decentralized Structure*: Reduces travel costs and enhances local engagement and oversight.

*Embedded Staff*: Building capacity within existing government systems ensures continuity and long-term program sustainability.

193. By incorporating these lessons into its design, TARCP is well-positioned to deliver transformative, community-led development that addresses the unique challenges and leverages the strengths of Tonga's rural and outer island communities.

## B. Adherence to DFAT Policies

194. TARCP is fully aligned with the Australian Government's DFAT policies and strategic priorities. The program's design ensures adherence to DFAT's guidelines on aid effectiveness, gender equality, environmental sustainability, risk management, and inclusive development.

194.1 **Aid Effectiveness:** In line with DFAT's commitment to delivering impactful, transparent, and accountable aid, TARCP employs best practices in project planning, implementation, and evaluation. The program's robust M&E framework ensures that outcomes are measurable, progress is systematically tracked, and resources are used efficiently to achieve maximum impact. By prioritizing value for money and continuous improvement, TARCP contributes to sustainable development that aligns with DFAT's objectives.

194.2 **Locally Led Development:** This program is strongly aligned with DFAT's objective of fostering local leadership and influence. MORDI is the main locally-led NGO in Tonga working on rural development and climate resilience. It has worked with 122 communities across Tonga to develop community development plans that reflect their local priorities in water, infrastructure, agriculture, and climate adaptation initiatives. Localisation is a pinnacle of the TARCP, from the design stage being entirely led by MORDI, to implementation which is based on listening to community needs and including them in the activities.

194.3 **Gender Equality, Disability, and Social Inclusion** (GEDSI): Adhering to DFAT's Gender Equality, Disability and Women's Empowerment Strategy, TARCP actively integrates GEDSI principles into all program activities. This includes leadership development programs for women and youth, inclusive planning processes that give voice to marginalized groups, and targeted interventions to address barriers to equality. By fostering an inclusive approach, TARCP ensures that all community members, regardless of gender or social status, benefit from development opportunities.

194.4 **Environmental Sustainability**: Compliance with DFAT's Environmental and Social Safeguard Policy is a core aspect of TARCP. The program emphasizes the development of climate-resilient infrastructure and environmentally sustainable practices. Projects are designed to minimize environmental impact and enhance the natural resilience of Tonga's ecosystems, contributing to the nation's climate change adaptation and mitigation efforts.

194.5 **Risk Management**: In accordance with DFAT's risk management framework, TARCP has developed a comprehensive risk assessment and mitigation plan. The program proactively addresses potential risks, such as natural disasters, financial mismanagement, work health and safety issues, child protection, and preventing sexual assault and harassment, and social inequities, through a structured approach that includes regular risk assessments and adaptive management practices. This ensures that the program is resilient and capable of navigating challenges effectively.

194.6 **Collaboration and Partnership**: TARCP aligns with DFAT's emphasis on collaborative partnerships, working closely with the Tongan government, local organizations, and other stakeholders. The program fosters strong, strategic relationships to ensure alignment with national development goals and to leverage the collective expertise of partners. This collaborative approach enhances the program's reach and impact, ensuring that development efforts are sustainable and locally owned.

195. By applying these lessons learned and adhering to DFAT's policies, TARCP is well-positioned to deliver transformative, community-led development outcomes in Tonga. The program's strategic approach ensures that investments yield long-term benefits, fostering resilience, inclusivity, and sustainable growth for Tonga's rural and outer island communities.

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