



Australian Government

Department of Foreign Affairs and Trade



TONGA ECONOMIC GOVERNANCE SUPPORT PROGRAM DESIGN DOCUMENT – VOLUME 2 - APPENDICES

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ACRONYMS

AAP	Annual Action Plan
ACD	Contracting and Aid Management Division
ADB	Asian Development Bank
AG	Auditor General
AHC	Australian High Commission
AIP	Aid Investment Plan
ANS	Assessment of National Systems
BSMC	Budget Support Management Committee
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CEO	Chief Executive Officer
CSOs	Civil Society Organisations
CSU	Central Services Unit
DFAT	Australian Department of Foreign Affairs and Trade
DH-FFD	Divisional Head of FFD
DHOM	Deputy Head of Mission
DPO	Development Policy Operation
DPs	Development Partners
EPSG	Economic and Public Sector Governance
EPSG III	Economic and Public Sector Reform Program
EU	European Union
FFD	Financial Framework Division
GBS	General Budget Support
GDP	Gross Domestic Product
GoA	Government of Australia
GoT	Government of Tonga
HOM	Head of Mission
ICN	Investment Concept Note
ICR	Implementation Completion Report
IEG	Independent Evaluation Group (WB)
IMF	International Monetary Fund

IO	Intermediate Outcomes
JPRM	Joint Policy Reform Matrix
KPIs	Key Performance Indicators
LES	Locally Engaged Staff
LTAs	Long Term Advisors
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MDD	Multilateral Development and Finance Division (DFAT)
MFAT	Ministry of Foreign Affairs and Trade (NZ)
MoET	Ministry of Education and Training
MoF	Ministry of Finance
MoH	Ministry of Health
NPD/PMO	National Planning Division, Prime Minister's Office
PAC	Parliamentary Standing Committee on Public Accounts
PASAI	Pacific Association of Supreme Audit Institutions
PEFA	Public Expenditure and Financial Accountability
PEs	Public Enterprises
PFM	Public Financial Management
PFMRR	PFM Reform Roadmap
PFMR-RSC	PFM Reform Roadmap Steering Committee
PFMR-RTC	PFM Reform Roadmap Technical Committee
PFTAC	Pacific Financial Technical Assistance Centre
PGS	Partner Government Systems
PICs	Pacific Island Countries
PMS	Performance Management System
PSC	Public Sector Commission
PWSPD	Pacific Women Shaping Pacific Development
STAs	Short Term Advisors
TA	Technical Assistance
TAG	Technical Advisory Group
TCC	Tonga Communications Corporation
TEGS	Tonga Economic Governance Support Program
THSSPII	Tonga Health Sector Support Program II
TOAG	Tonga Audit Office
ToR	Terms of Reference

TSC	Technical Support Coordinator
TSDf II	Tonga Strategic Development Framework (2015-2025)
TSU	Technical Support Unit
TSU-SA	TSU Support Agreement
UN	United Nations
UNDP	United Nations Development Program
WB	World Bank
WEGET	National Women's Empowerment and Gender Equality Tonga

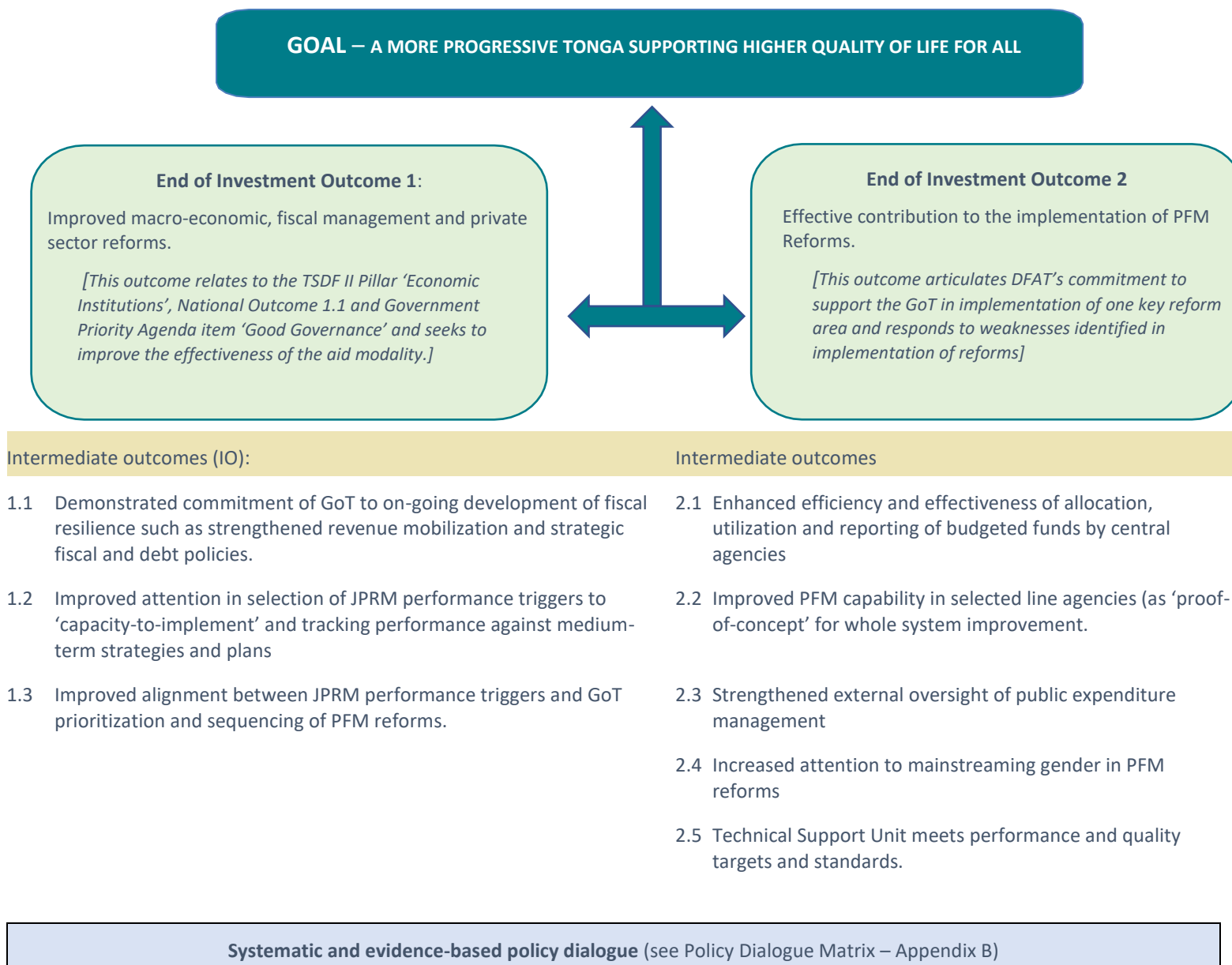
APPENDIX A: PROGRAM LOGIC

Australia is investing in the TEGS, with a particular emphasis on strengthening the macro-economic policy framework (via the JPRM) and strengthening the PFM reform process (via the TSU). However, it is important to clearly locate the role of the TEGs within GoT's broader reform agenda, recognizing that:

1. JPRM support only represents a sub-set of GoT's overall reform agenda and that DFAT is only one among five donors contributing to the performance-linked budget support; this will influence the extent to which DFAT's policy dialogue will influence greater alignment between the JPRM and GoT's strategic and corporate plans.
2. the TSU necessarily plays an advisory, facilitation and support role; it is GoT that is ultimately responsible for PFM reform.

Figure 1 presents the high-level program logic. Figure 2 presents a more detailed program logic

Figure 1: High Level Program Logic



Goal	A MORE PROGRESSIVE TONGA SUPPORTING HIGHER QUALITY LIFE FOR ALL							
End of investment outcomes	EOI 1: Improved macro-economic, fiscal management and private sector reforms.			EOI 2: Effective contribution to implementation of PFM Reforms				
Intermediate outcomes	1.1 Demonstrated commitment of GoT to on-going development of fiscal resilience such as strengthened revenue mobilization and strategic fiscal and debt policies.	1.2 Improved attention in selection of JPRM performance triggers to 'capacity-to-implement' and tracking performance against medium-term strategies and plans.	1.3 Improved alignment between JPRM performance triggers and GoT prioritization / sequencing of PFM Reforms	2.1 Enhanced efficiency and effectiveness of allocation, utilization and reporting of budgeted funds by central agencies.	2.2 Improved PFM capability in selected sector ministries (as 'proof-of-concept' for 'whole system' improvements)	2.3 Strengthened external oversight of public expenditure management	2.4 Increased attention to mainstreaming gender in PFM reforms	2.5 Technical Support Unit meets performance and quality targets and standards
Outputs	<ul style="list-style-type: none"> GoT implementation of agreed JPRM reform actions Reporting on downstream effects of budget support (NPD, TSU, TAG) 	<ul style="list-style-type: none"> TSU advice on GoT 'capacity-to-implement' proposed JPRM performance triggers. NPD tracking (with TSU support) of implementation of completed JPRM reform actions 	<ul style="list-style-type: none"> PFM reform JPRM 'triggers' derived from PFM Reform Roadmap Annual Action Plans. 	<ul style="list-style-type: none"> Annual Action Plan for PFM Reform in accordance with Roadmap¹ Effective implementation of AAP in central agencies. 	<ul style="list-style-type: none"> Annual Action Plan for PFM Reform in accordance with Roadmap. Improved PFM in selected line ministry. 	<ul style="list-style-type: none"> Annual Action Plan for PFM Reform in accordance with Roadmap Increased external scrutiny / input of public expenditure management. 	<ul style="list-style-type: none"> Gender-based assessment of PFM in Tonga Progressive implementation in accordance with AAP priorities. 	<ul style="list-style-type: none"> TSU Support Agreement with MoF/FFD. TSU Workplan and budget LTAs/STAs ToRs include deliverables & performance standards
Inputs / activities	<ul style="list-style-type: none"> Budget support allocated annually subject to WB DPO approvals. Active engagement and policy dialogue with donors and GoT by DFAT Canberra and Post Application of appropriate tool to measure results of budget support. Independent TAG reports on progress 	<ul style="list-style-type: none"> Tasking and management of Policy Dialogue strategy by Nuku'Alofa Post with support from DFAT Canberra. TSU support to MoF / NPD to monitor implementation of JPRM performance triggers via National M&E Framework. TSU analysis of GoT 'capacity to implement' economic and governance reforms. 	<ul style="list-style-type: none"> Support from TSU to FFD/MoF and the PFM-TRC to select appropriate JPRM reform triggers from AAP. 	<ul style="list-style-type: none"> Technical Support Unit (LTAs/STAs) support to FFD/MoF and PFM-TRC to develop AAPs. TA and operational funds allocation in accordance with AAP and in response to emerging needs Independent TAG reviews of progress 	<ul style="list-style-type: none"> Technical Support Unit (LTAs/STAs) support to FFD/MoF to improve engagement with selected line ministry. TA and operational funds allocation in accordance with AAP and in response to emerging needs Independent TAG reviews of progress 	<ul style="list-style-type: none"> Technical Support Unit (LTAs/STAs) support to PAC, Auditor-General and CSOs. TA and operational funds allocation in accordance with AAP and in response to emerging needs Independent TAG reviews of progress 	<ul style="list-style-type: none"> TSU STA to conduct Gender-based assessment of PFM. TSU mobilised support from other DFAT and development partner programs. Independent TAG reviews of progress 	<ul style="list-style-type: none"> TSU Coordinator Development of performance monitoring system for LTAs/STAs.

¹ Note: The specific outputs linked to the achievement of this intermediate outcome will be specified in each Annual Action Plan approved by the PFM Reform Roadmap Steering Committee

APPENDIX B: PARTNERSHIP ENGAGEMENT AND POLICY DIALOGUE MATRIX

Development objective	Area of interest	Outcomes sought	Entry points for dialogue	Influential stakeholders	Resources required	Lead within DFAT	AHC management responsibility
Improved macro-economic, fiscal management and private sector reforms.	JPRM	<ul style="list-style-type: none"> Improved consideration of GoT 'capacity-to-implement' when selecting JPRM performance triggers. 	<ul style="list-style-type: none"> TSU Coordinator engagement with FFD/MoF Pre-JPRM mission discussions / workshops 	<ul style="list-style-type: none"> MoF NPD/PMO WB JPRM development partners 	TEGS budget: <ul style="list-style-type: none"> TSU to carry out diagnostics / analysis and report to FFD/MoF and AHC on previous performance of Ministries in implementing reforms as well as current 'capacity-to-implement' 	HOM/DHOM	Senior Program Manager, TEGs
	JPRM	<ul style="list-style-type: none"> Improved tracking of implementation of JPRM reforms. 	<ul style="list-style-type: none"> TSU M&E Adviser support to NPD JPRM mission discussions. 	<ul style="list-style-type: none"> NPD/PMO MoF WB JPRM development partners 	TEGS budget: <ul style="list-style-type: none"> M&E Specialist to work with FFD/MoF and NPD to ensure JPRM triggered reforms are tracked via Consolidated National M&E Framework. Moderate DFAT input: <ul style="list-style-type: none"> Canberra-based economist to monitor progress on Policy Reform Matrix. 	HOM/DHOM	Senior Program Manager, TEGs

Development objective	Area of interest	Outcomes sought	Entry points for dialogue	Influential stakeholders	Resources required	Lead within DFAT	AHC management responsibility
Improved macro-economic, fiscal management and private sector reforms.	PFM Reforms	<ul style="list-style-type: none"> Improved alignment between JPRM performance triggers and GoT prioritization and sequencing of PFM Reforms (as outlined in PFM Reform Roadmap Annual Action Plans) 	<ul style="list-style-type: none"> TSU Coordinator engagement with FFD/MoF JPRM pre-mission and mission discussions. PFMR-RSC meetings 	<ul style="list-style-type: none"> MoF Auditor General PSC MoRC MoPE MoET MoH 	TEGS budget: <ul style="list-style-type: none"> TSU will assist FFD/MoF to produce PFM Reform Roadmap Annual Action Plans. 	HOM/DHOM	Senior Program Manager, TEGs
Effective contribution to the implementation of PFM Reforms	PFM Reform Roadmap governance and management	<ul style="list-style-type: none"> GoT commitment to regular meetings of the PFM Reform Roadmap Steering Committee and Technical Committee to achieve GoT and GoA shared PFM reform outcomes. 	<ul style="list-style-type: none"> Formal meetings to commence TEGS. High level consultations PFMR-RSC meetings PFMR-RTC meetings 	<ul style="list-style-type: none"> Minister of Finance CEO Finance Auditor General CEO MoRC 	Moderate AHC input: Formal meetings with GoT	HOM/DHOM	Senior Program Manager, TEGs
	External audit / scrutiny	<ul style="list-style-type: none"> Increased 'space' for CSOs to engage with government on PFM reform 	<ul style="list-style-type: none"> Formal / informal meetings with Lord Speaker, PAC and representatives of PMO Dialogue workshops organised by AHC. 	<ul style="list-style-type: none"> Lord Speaker Public Accounts Committee CSO Umbrella bodies Australian NGOs working in Tonga 	Moderate AHC input: meetings	HOM/DHOM	Senior Program Manager, TEGs
	Improved M&E of progress in PFM reform and Australia's contribution	<ul style="list-style-type: none"> Demonstrating Australia's commitment to working with and through GoT M&E systems (i.e. the Consolidated National M&E Framework) Production and dissemination of information on Australia's specific contribution to PFM Reform in Tonga 	<ul style="list-style-type: none"> TSU M&E Adviser support to NPD Feedback to GoT Feedback during JPRM missions. PFMR-RSC meetings PFMR-RTC meetings 	<ul style="list-style-type: none"> NPD/PMO Minister of Finance CEO Finance PFMR-RSC members JPRM members 	TEGS budget: <ul style="list-style-type: none"> M&E Specialist to work with FFD/MoF and NPD/PMO to ensure that TEGS M&E is aligned, as far as possible with GoT systems. 	HOM/DHOM	Senior Program Manager, TEGs

Development objective	Area of interest	Outcomes sought	Entry points for dialogue	Influential stakeholders	Resources required	Lead within DFAT	AHC management responsibility
Gender equality and women's empowerment	Mainstreaming gender	<ul style="list-style-type: none"> Increased attention by GoT to mainstreaming gender in progress towards the achievement of Outcome 1 of GoT's WEGET Policy. 	<ul style="list-style-type: none"> During GoT PEFA self-assessment PFMR-RSC meetings PFMR-RTC meetings JPRM pre-mission and mission discussions. 	<ul style="list-style-type: none"> MoF Ministry of Internal Affairs, Women's Affairs Division DFAT Pacific Women Supporting Pacific Development program Canberra-based Gender Branch staff 	<p>TEGS budget (subject to inclusion of actions to mainstream gender in PFM Reform Annual Action Plans):</p> <ul style="list-style-type: none"> STA to support FFD/MoF in gender mainstreaming in PFM reforms Moderate DFAT input via PWSPD and Canberra-based gender experts. 	HOM/DHOM	Senior Program Manager, TEGs

APPENDIX C: GOVERNANCE AND MANAGEMENT FRAMEWORK

The governance arrangements outlined below explain the processes and interactions between GoA and GoT proposed for implementation of the TEGS investment and the way in which they will facilitate mutual decision making and accountability. Figure 1, below, provides a graphic representation of the proposed governance and management arrangements.

The management arrangements explain the procedures and systems put in place to implement decisions and to strengthen the relationships between stakeholders, both within GoT and between GoT and GoA.

Australia's program of support will, as much as possible, use existing GoT structures but recognises that many aspects of GoT policy and interdepartmental coordination around PFM are yet to be finalised. A key challenge for the GoT and Australia's program of support will be to forge a common or whole-of-government approach to PFM strengthening.

The approach to governance and management of the TEGS is based upon two key assumptions:

- GoT has competent and suitably empowered senior officials and technical bodies to guide the government reform program in general, and PFM reform in particular; and
- The GoA has a comparative advantage in terms of its long-term engagement with GoT and the WB in the provision of budget support, its on-ground presence in Tonga and its demonstrated capacity in supporting PFM reform (including via the mobilisation of a range of PFM expertise through diverse government, academic and industry contacts).

GOVERNANCE ARRANGEMENTS

- **PFM Reform Steering Committee**

This PFM Reform Steering Committee (PFM-RSC) was proposed in the PFM Reform Roadmap and was established by GoT shortly thereafter. The PFM-RSC is chaired by the Minister of Finance and members include the CEO of MoF, the Auditor General and the CEO of the Ministry of Revenue and Customs (MoRC). It was intended that the PFM-RSC would meet quarterly to:

- Review progress reports from the MoF PFM Reform Coordination Unit (now part of the Financial Framework Division (FFD))
- Advise on policy issues, problems and constraints raised by the Coordination Unit
- Review recommendations from external consultants
- Commission independent reviews such as the PEFA assessment
- Approve amendments and future phases of the PFM Reform Road-map
- Provide guidance and support to the Technical Committee to achieve the reform objectives
- Assist in identifying additional resources for implementation as required; and
- Ensure the reform work is clearly integrated into and supportive of the restructuring and reform program of government.

A change of Minister in 2017 slowed implementation of the PFM Roadmap but, in recent times, emphasis has again returned to the importance of implementing the Roadmap. A PFM Reform Tracking exercise was conducted in late 2018; GoT plans to review the PFM Reform Roadmap in 2020 and this will provide an opportunity to prioritise actions.

- **AHC, Nuku’Alofa HOM, DHOM**

Senior personnel at Post will have a key policy dialogue role to play both via attendance at PFM-RSC meetings and via out-of-session discussions of PFM reform processes. The nature and focus of this role is outlined in the Policy Dialogue Matrix: Appendix B).

- **PFM Reform Technical Committee (PFM – RTC)**

Chaired by CEO MoF, also mandated in the PFM Reform Roadmap, will be responsible for preparing PFM Reform Annual Action Plans. The advisory and advocacy role of this Committee with the PFM-RSC has a higher likelihood of success than any stand-alone efforts by DFAT. The TSU will support and strengthen FFD staff to more effectively drive the PFM Reform agenda.

MANAGEMENT ARRANGEMENTS

- **Financial Framework Division, MoF**

The FFD of MOF is responsible for oversight, monitoring and reporting upon implementation of the PFM Reform Roadmap in accordance with MoF Corporate Plan FFD Output 3. There are currently two FFD positions allocated to this function in the current budget. It is intended that the DFAT funded Technical Support Coordinator (TSC) and the TSU will assist FFD to fulfil these duties under the guidance of the PFM-RSC and the PFM-TRC.

- **Technical Support Coordinator**

Following consultations with the CEO-MoF, it is proposed that the TSC for the TSU be located in the FFD, MoF. The position would be responsible to the PFM -TRC and, through them, to the PFM-RSC. The TSC would be responsible for supporting the PFM – RTC to develop PFM Reform Annual Action Plans and for developing the TSU workplan and budget to support implementation of these Annual Action Plans.

The Coordinator will also be responsible for managing the Technical Advisory Team inputs (long and short term) and for supporting responsible MoF/FFD staff in coordinating PFM Reform activities across government. The Coordinator is directly contracted to DFAT and liaises with the AHC Program Management Team.

The TSU TSC position will be required to carry out consistent, high level, liaison with the AHC, MoF, other GoT ministries and external agencies. The position should, therefore, be filled by a senior, experienced professional with program management experience as well as training in, and exposure.

- **Technical Support Unit (TSU)**

It is acknowledged that no individual TSC has the capacity to address all the technical issues that are likely to be generated during the implementation of the PFM reform agenda. An External Service Provider will be contracted to supply both long-term and short-term advisors to make up the Technical Support Unit and to manage and administer these advisors’ inputs. The External Service Provider will:

- As required by the TSC, and in accordance with the agreed TSU workplan and budget, source and provide the GoT with access to diverse and appropriate technical advice and expertise (international, regional, national). In doing so, the External Service Provider will be expected to maximise the use of/collaboration with existing providers where GoT is satisfied with performance. (i.e. PASAI, PFTAC).
- Support the TSC and PFM - RTC in finalisation of selection of LTA Technical Advisory Team members and pool of preferred STAs.
- Procure and manage contracted inputs in accordance with the principles of the Commonwealth Procurement Guidelines
- Provide administrative support to LTAs, STAs
- Manage and report on the TEGs TSU budget
- Provide administrative support to DFAT's TEGS Program Management team if required.

TSU LTAs and STAs will be responsible to the TSC for the satisfaction of their ToR and the delivery of outputs to approved standards. The TSU will comprise:

- **A small team of long-term advisers (1-3)** will be engaged to support the TSC by providing technical inputs to the program, working closely with key stakeholders and identifying where and when short term technical assistance may be required to support PFM Reform Map implementation. A long-term M&E Advisor will be appointed to develop an M&E system and arrangements which address the lack of performance information highlighted by DFAT's 2018 Independent Evaluation of EPSG III. A long-term procurement advisor currently funded by the governance program is also likely to be included as part of this team.

While a recent ANS recommends the continued financing of a long-term Procurement Adviser in the Ministry of Health (MoH), this is likely to be funded by the Tonga Health Sector Support Program.

Feedback from GoT stakeholders also suggests that there would be a place for a Change Management Specialist, ideally with PFM reform experience, in supporting PFM Reform Roadmap implementation. However, a decision on the duration and start date of this position may need to be deferred until a new PFM Roadmap emerges.

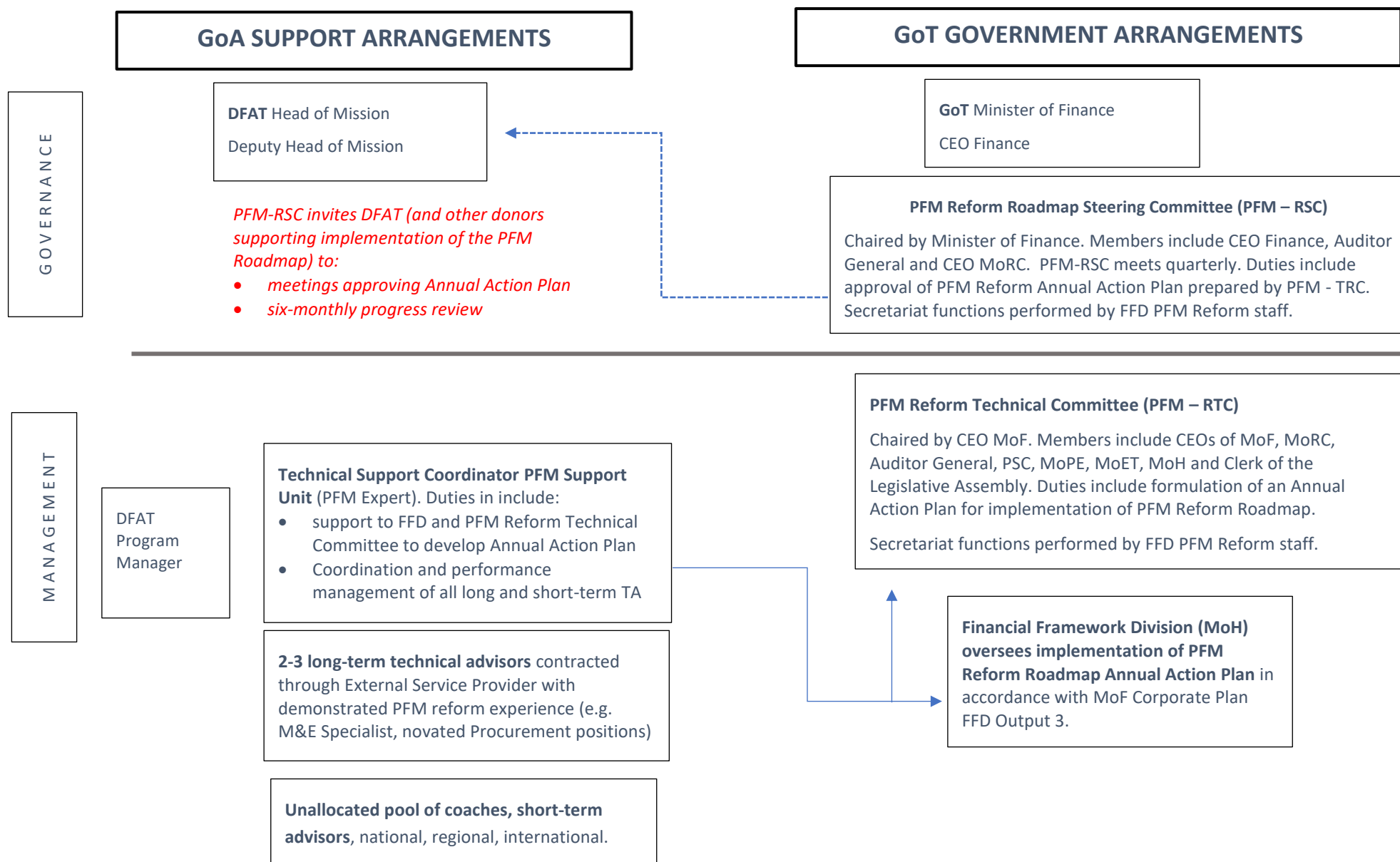
- **Short-term advisors**, as required, to support implementation of the PFM Reform Roadmap Annual Action Plans. The recruitment and deployment of STAs would be agreed between the Division Head, FFD and the TSC in accordance with the TSU Workplan and budget. Although the 2019 ANS is not yet publicly available, it may include recommendations for support to:
 - help finalise Treasury Instructions
 - provide advice on internal audit
 - review both the Meridien Payroll system and the PSC HR system (CHRIS); this may lead to the need for longer term TA
 - review, and make recommendations, regarding the potential for IT system integration or coherence across Ministries.

Short term advisors would be responsible to the TSC, TSU. Quarterly reviews of performance would be jointly conducted by the TSC and the Division Head FFD.

- **DFAT TEGS Program Management Team:**

Previous economic governance programs in Tonga have been managed by an LES team with oversight by the DHOM. This arrangement will continue. However, it is expected that HOM will also be involved, and the management load will decrease; the current requirement to manage nine separate contracts will be reduced to management of two contracts (i.e. for the TSC and the External Service Provider)

Figure 2: TEGS Outcome 2 - Governance and Management Arrangements



APPENDIX D: TEGS MONITORING AND EVALUATION PLAN

INTRODUCTION

This document outlines the Monitoring and Evaluation (M&E) Plan for the Tonga Economic Governance Support Program. This Plan does *not* set out a complete M&E system. The full system (i.e., comprising performance indicators, detailed methodology, implementation responsibilities, timelines and budget) will be finalised following further consultation and analysis between the TSU Coordinator, TSU M&E Adviser, FDD/MoF, the National Planning Division, DFAT Post and World Bank. In development of the M&E system, every effort will be made to ensure consistency with existing arrangements (e.g. drawing upon existing JPRM and MoF M&E frameworks where possible).

However, the M&E Plan does provide the basis for the development of the full M&E plan and arrangements once implementation commences.

In this regard, it is important to note that, currently, the Program Logic and M&E Framework simply refers to the PFM Reform Annual Action Plan as a generic output under each intermediate outcome related to an effective contribution to PFM Reform.

In fact, in each year the approved annual AAP will identify a specific range of PFM priorities and targets for that year; these may relate to improving PFM in central agencies, line agencies or improving external oversights. These specific priorities and targets will be used to populate the TEGS Performance Assessment Framework once they have been identified. Monitoring will then focus on (a) progress in achieving the AAP within year priorities and targets and (b) the performance and quality of the TSU contribution to the achievement of these targets.

TEGS THEORIES OF CHANGE

A theory of change (ToC) describes the central mechanism through which a program expects change to occur. A ToC is important because it helps DFAT to explicitly describe *why* a series of interventions is expected to produce the desired results. By specifically referencing the ToC, M&E can more easily draw linkages between the activities Australia is investing in and the results being achieved.

The TEGs has two ToCs, one which relates to Australia's contribution to the budget support mechanism and one which relates to Australia's contribution to implementation of Tonga's PFM Reform Roadmap.

End-of-investment outcome 1: Improve macro-economic, fiscal management and private sector reforms.

Theory of Change: Given adequate national planning and commitment to reform, the provision of performance-linked budget support, coupled with improved approaches to the selection and tracking JPRM performance triggers, will result in an accelerated and higher quality process of governance, fiscal and economic reform which reinforces national strategies and plans.

End-of-investment outcome 2: Effective contribution to implementation of PFM Reforms

Theory of change: Given adequate political imperative for PFM reform, and a sufficiently functioning bureaucracy to deliver that reform, targeted and strategic support to specific elements (i.e. processes and systems, capability development, PFM information and PFM governance and management) will improve institutional practices across the budget cycle. Reform outcomes can be further strengthened through a transparent reform process and effective engagement from civil society.

Starting Assumptions

There are three main assumptions underpinning the theories of change, namely:

- That Australia is sufficiently well placed (both in terms of the longevity of its support to Tonga economic governance, its in-country presence and its coherent program of support to PFM Reform [TEGS]) to influence the way in which the JPRM is implemented.
- That Government of Tonga is committed to significant PFM reform.
- That the bureaucracy, with the right assistance, can deliver that reform.

The on-going validity of the theories of change, as well as the assumptions underpinning them, will be monitored and reviewed by the six-monthly TAG to determine the extent to which they are still valid and the influence they are having on progress towards the achievement of outcomes.

TEGS SKELETAL PERFORMANCE ASSESSMENT FRAMEWORK

Broader Goal	A more progressive Tonga supporting higher quality life for all
AIP Objective	Governance, economic and private sector reforms
End of investment Outcome 1	Improved macro-economic, fiscal management and private sector reforms.

Key Review Questions (for TAG):

Progress in strengthening macro-economic management:

- What progress has GoT made in developing an adequate macro-economic policy framework?
- To what extent is there a government policy focus on economic development, poverty reduction and shared prosperity?
- What progress has been made in implementing – and maintaining - the agreed policy and institutional reform actions under the JPRM?

Progress in addressing DFAT's priorities

- To what extent has budget support enhanced the policies, strategies and spending actions of GoT?
- To what extent has the JPRM been an effective mechanism for providing budget support?
- To what extent have the JPRM performance triggers on PFM Reform reinforced the PFM Roadmap Annual Action Plans being developed by the PFM-RSC and supported by the TEGS Technical Support Unit?

Intermediate outcome	Indicators	Baseline	Assumptions / Risks	Uses of data
1.1 Demonstrated commitment of GoT to on-going development of fiscal resilience such as strengthened revenue mobilization and strategic fiscal and debt policies.	<ul style="list-style-type: none"> • GoT Budget Statements • WB release of tranches under DPO 3.² • Evidence of achievement of outputs, induced outputs, outcomes and impact as a result of budget support.³ 	Nil		<ul style="list-style-type: none"> • MoF reports against Corporate Plan KPIs • Trigger for release of DFAT budget support. • DFAT AQC and APPR reporting on the justification for, and results of, budget support to Tonga.
1.2 Improved attention in selection of JPRM performance triggers to 'capacity-to-implement' and tracking performance against medium-term strategies and plans.	<ul style="list-style-type: none"> • Status of implementation of approved JPRM performance triggers • Percentage of JPRM performance triggers which are drawn from / embedded in GoT medium-term strategies and plans. • Evidence of monitoring of performance triggers within the context of GoT's Consolidated National M&E Framework. 	<p>Current and historical analysis of:</p> <ul style="list-style-type: none"> • status of implementation of JPRM policy reforms • alignment between JPRM performance triggers and GoT strategic and planning priorities. <p>Research task for TSU</p>	<ul style="list-style-type: none"> • Both GoT and development partners are concerned to improve the appropriateness of JPRM performance triggers and to increase the likelihood of implementation of policy reforms. • Regular follow-up by donors to avoid backsliding on reform actions. 	<ul style="list-style-type: none"> • NPD reports on progress against TSDF and Corporate Planning targets • MOF/FFD reports on implementation of PFM Roadmap • JPRM mission reports • DFAT Aid Quality Checks • DFAT APPR
1.3 Improved alignment between JPRM performance triggers and GoT prioritization / sequencing of PFM Reforms	<ul style="list-style-type: none"> • Degree of alignment between PFM priorities included in JPRM and priorities and sequencing of PFM reforms as expressed in PFM Reform Roadmap and Annual Action Plans. 	Alignment at start-up of TSU support (i.e. January, 2020)	<ul style="list-style-type: none"> • The Joint Donor Group supports GoT's priorities, as expressed in the PFM Roadmap Annual Action Plans. 	<ul style="list-style-type: none"> • Reporting by FFD/MoF to PFM Roadmap Reform Steering Committee • DFAT AQCs / APPRs

² DFAT has normally accepted a WB decision to release DPO tranches as sufficient indicator that GoT has satisfied this Intermediate Outcome. WB decisions to release funds are based upon IMF Article 4 reports, the results of six-monthly Mission reports on the government's performance in achieving JPRM performance triggers, as well as on-going fiduciary checks and analysis by WB staff. DFAT's Multilateral Development and Finance Division (MDD) also reviews this data and may provide additional information on GoT's 'demonstrated commitment', if required.

³ These terms are drawn from the OECD's Comprehensive Evaluation Framework for Budget Support. At implementation, the TSU M&E Advisor should consult with NPD and MoF to identify the appropriate Framework to adapt for the purposes of monitoring the results of Budget Support.

End of Investment Outcome 2

Effective contribution to implementation of PFM reforms

Key Review Questions (for TAG): (These questions would need to be broken down and limited by the objectives of the Annual Action Plans)

Progress in GoT PFM Reforms: What evidence is there that:

- GoT's PFM Reform Roadmap / current Annual Action Plan is being successfully implemented?
- To what extent are central ministries engaging with the selected sector ministry as 'proof-of-concept' to assist that ministry to implement centrally led PFM reforms?
- To what extent has external oversight of PFM increased?
- To what extent has there been increased attention to mainstreaming gender in PFM reforms?

Australian contribution

- To what extent has the TSU been successful in supporting the operationalization of planned PFM reforms:
 - In the development of processes and systems
 - In the development of individual and organizational capability
 - In addressing behavioural influences on performance?
- To what extent has the performance and quality of long and short-term advisers met GoT requirements and DFAT standards?
- What factors have promoted or inhibited the effectiveness of Australia's contribution to PFM reform?
- Which of these factors, if any, may be addressed and how should they be addressed?

Intermediate outcome	Indicators	Baseline	Assumptions / Risks	Uses of data
2.1 Enhanced efficiency and effectiveness of allocation, utilization and reporting of budgeted funds by central agencies.	<p><i>Qualitative</i></p> <ul style="list-style-type: none"> • Progress and quality of implementation of PFM Reform Annual Action Plan⁴ • Quality of communication and coordination between bodies managing reform agendas and other agencies. • Extent of structural, behavioural or political 'push back' against reforms. • Extent to which internal audits meet auditing standards. <p><i>Quantitative</i></p> <p>% of planned reform activities implemented on time, on budget.</p> <p>% of reform plans adequately resourced (budgets and actual)</p>	<ul style="list-style-type: none"> • Approved 2020/21 AAP • 2019 ANS Report • WB / ADB Country Profiles • 2019 ANS Report • FFD PFM Tracker (updated to date of TEGs start-up) • GoT 2019 Budget Statements 	<ul style="list-style-type: none"> • Subject to details of approved PFM Roadmap AAP • Provision of a Technical Support Unit and operational resources will assist MOF/FFD to progress implementation of the PFM Reform Roadmap AAP. 	<ul style="list-style-type: none"> • MoF reports against Corporate Plan KPIs • PFMR – RTC progress reports to PFMR – RSC. • TSU Coordinator reports • DFAT AQC and APPR reports

⁴ in each year the approved annual AAP will identify a specific range of PFM priorities and targets for that year; these may relate to improving PFM in central agencies, in a selected line ministry as 'proof-of-concept' or improving external oversights. These specific priorities and targets will be used to populate the TEGS Performance Assessment Framework once they have been identified. Monitoring will then focus on (a) progress in achieving the AAP within year priorities and targets and (b) the performance and quality of the TSU contribution to the achievement of these targets.

End of Investment Outcome 2	Effective contribution to implementation of PFM reforms			
Intermediate outcome	Indicators	Baseline	Assumptions / Risks	Uses of data
<p>2.2 Improved PFM capability in selected sector ministries (as 'proof-of-concept' for 'whole system' improvements)</p>	<p><i>Qualitative:</i> Quality of procurement planning and articulation of procurement requirements. (Selected) sector ministry staying within budget ceilings. Use of Chart of Accounts at sector ministry level. Status of parallel commitment control functions (i.e. reduced duplication) Accessibility of payroll databases to sector ministry. Quality of internal audit function.</p> <p><i>Quantitative:</i> Availability of Vision licences in sector ministry Staff trained on Vision report writing, etc. Staff completing relevant training courses (e.g. Chartered Institute of Purchasing and Supply Cert. II)</p>	<ul style="list-style-type: none"> • 2019 Health Assessment (if MoH is selected as sector ministry to demonstrate 'proof-of-concept'). • Comparative baseline (if available) on alternate, selected sector ministry to be the focus for 'proof-of-concept'. 	<ul style="list-style-type: none"> • Subject to details of approved PFM Roadmap AAP • Central ministries are willing and able to engage with the selected sector ministry with support from the TSU. • The selected sector ministry is willing and able to engage with central agencies with support from the TSU. 	<ul style="list-style-type: none"> • MoF reports against Corporate Plan KPIs • PFMR – RTC progress reports to PFMR – RSC. • TSU Coordinator reports • DFAT AQC and APPR reports
<p>2.3 Strengthened external oversight of public expenditure management</p>	<p><i>Qualitative:</i> Public access to key fiscal information. Structural opportunities for external scrutiny/input re budget (review of estimates by PAC; AG input; civil society forums) External reporting of audit findings (e.g. via mainstream or social media) quality of mechanisms to receive citizen complaints (i.e. performance of Ombudsman's Office)</p> <p><i>Quantitative:</i> Level of resourcing of Auditor-General's office vis-à-vis optimal resources required to carry out mandate % of Auditor-General's Reports referred to Public Accounts Committee % of recommendations of AG Reports implemented by relevant central / line agencies.</p>	<ul style="list-style-type: none"> • 2019 ANS report • TSU baseline study status of external scrutiny/input at start-up of TEGS. • % actual v optimal 2019/20 • % referred in 2019/20 • % implemented, by agency, in 2019/20 	<ul style="list-style-type: none"> • Subject to details of approved PFM Roadmap AAP 	<ul style="list-style-type: none"> • For analysis by donors (e.g. World Bank and JPRM donor group) • For analysis by international 'watchdogs' (e.g. Transparency International) • AG reports to Parliament • PFMR – RTC progress reports to PFMR – RSC. • TSU Coordinator reports • DFAT AQC and APPR reports

End of Investment Outcome 2	Effective contribution to implementation of PFM reforms			
Intermediate outcome	Indicators	Baseline	Assumptions / Risks	Uses of data
2.4 Increased attention to mainstreaming gender in PFM reforms	<ul style="list-style-type: none"> Attention to gender equality in relevant PEFA indicators: <ul style="list-style-type: none"> PI-4 – Budget classification IP-5: Budget documentation PI-8: Performance information for service delivery PI-9: Public access to fiscal information PI-10: Fiscal risk reporting PI-11: Public investment management PI-15: Fiscal strategy PI-17: Budget preparation process PI18: Legislative scrutiny of budgets PI-23: Payroll controls PI-24: Procurement PI-26: Internal audit PI-29: Annual financial reports PI-31: Legislative scrutiny of audit reports. 	<ul style="list-style-type: none"> TSU gender-based assessment of PFM⁵ 	<ul style="list-style-type: none"> Subject to details of approved PFM Roadmap AAP 	<ul style="list-style-type: none"> GoT PEFA Assessment Ministry of Internal Affairs reporting against Corporate KPIs PFMR – RTC progress reports to PFMR – RSC. TSU Coordinator reports DFAT AQC and APPR reports
2.5 Technical Support Unit meets performance and quality targets and standards	<ul style="list-style-type: none"> TSU Support Agreement developed with MoF/FFD to support implementation of PFM Reform Roadmap AAP TSU Workplan and budget developed for agreed activities to support implementation of AAP. ToR for advisers (with deliverables and performance standards) jointly agreed between TSU Coordinator and Division Head, FFD/MoF. % of advisers meeting deliverable targets and performance standards. 	Nil base	<ul style="list-style-type: none"> Subject to details of approved PFM Roadmap AAP 	<ul style="list-style-type: none"> TSU Coordinator reports to PFMR-RTC AHC Advisor Performance Assessments DFAT AQC reports

⁵ Suggest basing this analysis on Supplementary Questions identified in PEFA Gender Module, 2019 Annex 1 pg. 21

4. INDEPENDENT REVIEWS OF PROGRESS

The Nuku’Alofa Post wishes to attach an independent technical adviser (TAG) to the TEGs investment to provide direct advice to Post on the progress and process of the investment during implementation. The design provides for this position to commence after six months and, thereafter, involve six-monthly visits.

The focus for each TAG mission will be determined by Nuku’Alofa Post. However, key review questions are outlined in the Skeletal Performance Assessment Framework, Section 3 above. **Early consideration of the key review questions by both the AHC and the TEGs M&E Advisor is advisable** because it is important for the TEGs monitoring system to be collecting the information required by the reviewer to address the questions posed by the AHC.

5. REPORTING

Based upon this M&E Plan, the following research and reporting will be required:

Report	Responsibility	Timeframe
Inception Report	TSU Coordinator	Within first three months of start-up.
Full M&E Plan & Arrangements	M&E Advisor	Within first six months of start-up
Baseline Studies (as outlined in M&E Plan)	Service Provider	Year 1
Quarterly TA Performance Reports	TSU Coordinator (assessments carried out jointly with Division Head, MoF/FFD)	Quarterly and six-monthly
Six monthly reports	TSU Coordinator	To feed into AAP six-monthly progress and annual review prepared by PFM Roadmap – RTC.
Completion Report	TSU Coordinator	End of year 3
Independent monitoring and performance oversight report	TAG Advisor to AHC	Six-monthly as determined by AHC.

APPENDIX E: BUDGET AND BUDGET ASSUMPTIONS

The indicative budget for the TEGS investment is summarised in Table 1 below:

Table 1: Summary TEGS Budget 2019/20 to 2021/22

No.	Budget Components	2019/20	2020/21	2021/22	Total
1	Management Fees	112,394	239,468	273,235	625,097
2a	Personnel fees and allowances (incl. M&E adviser)	326,490	643,392	751,740	1,721,622
2b	Adviser support costs (incl. M&E adviser)	180,822	315,444	363,192	859,458
3a	Operational M&E	62,500	250,000	250,000	562,500
3b	Operational Non-M&E	50,731	95,884	111,493	258,108
4	Budget Support	4,000,000	3,500,000	3,500,000	11,000,000
	Total	4,732,938	5,044,188	5,249,660	15,026,785
6	Estimated additional funds leveraged from partner government, multilaterals, other partners	18,450,000			

Overall Assumptions and Parameters

The indicative budget assumes an AUD15 million ceiling over the three-year period 1 July 2019 to 30 June 2022 allocated at AUD5 million per financial year. This represents approximately one-third of the estimated bilateral commitment for the period.

An 80%/20% split between JPRM (budget support) and TEGS program support in 2019/20 (i.e. AUD4 million for JPRM budget support, and AUD1 million for TEGS program support). The Budget assumes a 70%/30% split in 2020/21 and 2021/22 (i.e. AUD3.5 million for JPRM budget support, and AUD1.5 million for TEGS program support in each year).

In practice, once TEGS is operational, the TSC will need to develop an annual workplan and budget in consultation with MoF / FFD and the AHC. This will be part of the broader exercise of MoF/FFD developing an Annual Action Plan for the PFM Reform Roadmap implementation. The TEGS workplan and budget will focus on those components of the PFM Reform Roadmap Annual Action Plan and budget which Australia is best placed to support via the TSU.

Table 2a: Personnel Fees

LONG TERM ADVISERS								2019-2020		2020-2021		2021-2022			3 year cost
Position or role title	Mandatory? Flexible?		# of Adv. Yr1	# of Adv. Yr2	# of Adv. Yr3	ARF Discpl/ Level	ARF - Monthly rates	# Months	Annual Cost	# Months	Annual Cost	# Months	Annual Cost		
Post - seconded DFAT Program Manager			0	0	0	C4	14,114	4	0	12	0	12	0		0
Technical Support Coordinator	My.		1	1	1	C4	14,114	6	84,684	12	169,368	12	169,368		423,420
M&E Specialist	My.		1	1	1	C4	14,114	3	42,342	12	169,368	12	169,368		381,078
Procurement Specialist in MoF	My.		1	1	1	C3	12,314	12	147,768	12	147,768	12	147,768		443,304
Other Long term advisers - Junior	Fl.		0	0	1	C2	9,029	0	0	12	0	12	108,348		108,348
Other Long term advisers - Mid	Fl.		0	0	0	C3	12,314	0	0	0	0	0	0		0
Other Long term advisers - Senior	Fl.		0	0	0	C4	14,114	0	0	0	0	0	0		0
Long Term Advisers Personnel Fees Sub Totals by year									274,794		486,504		594,852		1,356,150

SHORT TERM ADVISERS								2019-2020		2020-2021		2021-2022			3 year cost
Position or role title	Mandatory? Flexible?	# Wks	Yr.1 #Assgts /yr	Yr.2 #Assgts /yr	Yr.3 #Assgts /yr	ARF Discpl/ Level	ARF - Daily rate	# Fee days (6/wk)	Annual Cost	# Fee days (6/wk)	Annual Cost	# Fee days (6/wk)	Annual Cost		
Short term advisers - Junior	Fl.	6	0	2	2	C2	487	0	0	72	35,064	72	35,064		70,128
Short term advisers - Mid	Fl.	6	1	2	2	C3	668	36	24,048	72	48,096	72	48,096		120,240
Short term advisers - Senior	Fl.	6	1	2	2	C4	768	36	27,648	72	55,296	72	55,296		138,240
TAG ST Adviser	My	2	0	2	2	C4	768	0	0	24	18,432	24	18,432		36,864
								0	0	0	0	0	0		0
Short Term Advisers Personnel Fees Sub Totals by year									51,696		156,888		156,888		365,472
Total Personnel Fees LT + ST									326,490		643,392		751,740		1,721,622

Assumptions re Personnel Fees & Allowances: Table 2a

The budget assumes three mandatory long-term specialist advisers as per the IDD. These are:

- (i) Technical Support Coordinator. Assumed to commence beginning of January 2020. Assume 6 person months in 2019/20, 12 person months in 2020/21 and 12 person months in 2021/22. ARF rate – assume mid-point of C4.
 - (ii) M&E Specialist. Assumed to commence at beginning April 2020. Assume 3 months in 2019/20, 12 months for 2020/21, and 12 months for 2021/22. ARF rate – assume mid-point of C4
 - (iii) Procurement Specialist in MoF. Assumed that the existing occupant remains in place and is funded from TEGS for three years. ARF rate – use current rate, i.e. mid-point of C3.
- a. The budget assumes that one mandatory short-term specialist is required for TAGs, at two TAG visits per year, each of two weeks duration, for years 2 and 3 only.
 - b. The budget assumes that the mix and duration of for remaining long term and short term specialist advisers can be flexible, to meet the needs of GoT for implementation of the PFM Reform Roadmap, as articulated in the Annual Action Plan and corresponding annual Budget, as developed by MoF FFD, with facilitation of TSC, and with input from DFAT HOM/DHOM. Any given Annual Action Plan and Annual Budget will be approved by the PFM-RSC, with DFAT in attendance.
 - c. Table 2a shows a mix of long and short-term advisory positions for illustration purposes only. The budget assumes that none of these would commence before the fielding of the TSC. The current table also shows a mix of ARF rates for C2, C3 and C4.

Assumptions re Advisor Support Costs: Table 2b

- a. The budget calculates Support costs for the Tonga location based on rates provided by Post. These are shown in the Excel Worksheet “Support Rates”.
- b. For Long Term advisers, one-off whole-of-assignment costs are categorised by inward journey (e.g. uplift of personal effects, vaccinations etc) and outward journey (e.g. uplift of personal effects). For Long Term advisers, annual costs (e.g. Insurance) are apportioned according to the number of months in-country assumed for that position. For Long Term advisers, monthly costs (e.g. mobility allowance, accommodation) are calculated according to the number of months in-country assumed for that position.
- c. For Short Term advisers, current DFAT rates for Tonga for per diem and accommodation have been used in the calculation of monthly costs (maximum 6 months), and the cost of one return business class airfare for each assignment.
- d. Mix and duration of long term and short-term advisers is assumed to be exactly the same as for Personnel Fees worksheet, i.e. the same number months is copied to the parameters of the Adv. Support worksheet.

Table 2b: Advisor Support Costs

LONG TERM ADVISERS											2019-2020		2020-2021		2021-2022		3 year cost
Position or role title	Mandatory? Flexible?		# of Adv. Yr1	# of Adv. Yr2	# of Adv. Yr3	ARF Discpl/ Level	Total of One off - inward	Total of One off - outward	Total Annual support	Total Monthly support	# Months	Annual Cost	# Months	Annual Cost	# Months	Annual Cost	
Post - seconded DFAT Program Manager			0	0	0	C4	10850	6390	5324	5,327	0	0	0	0	0	0	0
Technical Support Coordinator	My.		1	1	1	C4	10850	6390	5324	5,327	6	45,474	12	69,248	12	75,638	190,360
M&E Specialist	My.		1	1	1	C4	10850	6390	5324	5,327	3	28,162	12	69,248	12	75,638	173,048
Procurement Sp. In MoF	My.		1	1	1	C3	10850	6390	5324	5,087	12	77,218	12	66,368	12	72,758	216,344
				0	0						0	0	0	0	0	0	
Other Long term advisers - Junior	Fl.		0	0	1	C2	10850	6390	5324	4,649	0	0	12	5,324	12	67,502	72,826
Other Long term advisers - Mid	Fl.		0	0	0	C3	10850	6390	5324	5,087	0	0	0	0	0	0	0
Other Long term advisers - Senior	Fl.		0	0	0	C4	10850	6390	5324	5,327	0	0	0	0	0	0	0
Long Term Advisers Support Costs Sub Totals by year												150,854		210,188		291,536	652,578
SHORT TERM ADVISERS											2019-2020		2020-2021		2021-2022		3 year cost
Position or role title	Mandatory? Flexible?	# Wks	Yr.1 #Assgts /yr	Yr.2 #Assgts /yr	Yr.3 #Assgts /yr	ARF Discpl/ Level	Accom'n rate	Per Diem rate	Airfares		Avg cost/as sgt	Annual Cost (all assgts)	Avg cost/assgt	Annual Cost (all assgts)	Avg cost/as sgt	Annual Cost (all assgts)	
Short term advisers - Junior	Fl.	6	0	2	2	C2	140	121	3500		14,984	0	14,984	29,968	9,944	19,888	49,856
Short term advisers - Mid	Fl.	6	1	2	2	C3	140	121	3500		14,984	14,984	14,984	29,968	9,944	19,888	64,840
Short term advisers - Senior	Fl.	6	1	2	2	C4	140	121	3500		14,984	14,984	14,984	29,968	9,944	19,888	64,840
TAG ST Adviser	My	2	0	2	2	C4	140	121	3500		0	0	7,676	15,352	5,996	11,992	27,344
			0	0	0						0	0	0	0	0	0	0
Short Term Advisers Support Costs Sub Totals by year												29,968		105,256		71,656	206,880
Total Support Costs LT + ST advisers												180,822		315,444		363,192	859,458

Table 3: Operational costs

Operational Costs - Non M&E** (Excl. TCS)				Year:	2019/20	2020/21	2021/22		Totals
Total Adviser Personnel Fees (Excl. TSC)					241,806	474,024	582,372		1,298,202
Total Adviser Support Costs (Excl. TSC)					135,348	246,196	287,554		669,098
Sub Total - Total Adviser Costs (Excl. TSC)					377,154	720,220	869,926		1,967,300
Operational Costs - Non M&E - y% of Total Adviser Costs					37,715	72,022	86,993		196,730

Operational Costs - Non M&E** (TSC only)				Year:	2019/20	2020/21	2021/22		Totals
Total Adviser Personnel Fees (TSC only)					84,684	169,368	169,368		423,420
Total Adviser Support Costs (TSC only)					45,474	69,248	75,638		190,360
Sub Total - Total Adviser Costs (TSC only)					130,158	238,616	245,006		613,780
Operational Costs - Non M&E - y% of TSC Costs					13,016	23,862	24,501		61,378

Total Operational Costs (Excl. TSC)				Year:	2019/20	2020/21	2021/22		Totals
Operational Costs - M&E					62,500	250,000	250,000		562,500
Operational Costs - Non M&E (Excl. TSC)					37,715	72,022	86,993		196,730
Operational Cost - Non M&E (TSC only)					13,016	23,862	24,501		61,378
Total Operational Costs					#####	#####	#####		820,608

Assumptions re Operational Costs: Table 3

- There are different assumptions for Monitoring & Evaluation (M&E) operational costs and for other, Non-M&E, operational costs
- For M&E Operational Costs, it is assumed that 5% of the total TEGS budget for years 2 and 3 (i.e. AUD5 million per year, including budget support) will be committed to M&E (on the basis that the M&E Specialist will not be fielded until the beginning of year 2. The budget template allows for this % to be varied.
- For Non-M&E operational costs, it is assumed that these will be 10% of the value of the total of Adviser Personnel Fees and Adviser Support Costs. The budget template allows for this % to be varied, depending on the requirements for the actual reforms being supported, as negotiated by the TSC with FFD and other reform counterparts during preparation of the Annual Action Plan

Table 4: Management Fee

Management Fee	
Assume % of total adviser and operational costs, excluding Coordinator	
Percentage rate to be applied to all other costs, excl. TSC:	20.0%
Assume % of total adviser and operational costs, Coordinator only	
Percentage rate to be applied to all other costs of the TSC only:	10.0%

Management fee calculation on all costs of all advisers excluding the TSC						
		Year:	2019/20	2020/21	2021/22	Totals
Total Adviser Personnel Fees (Excluding TSC)			241,806	474,024	582,372	1,298,202
Total Adviser Support Costs (Excluding TSC)			135,348	246,196	287,554	669,098
Sub Total - Total Adviser Costs (Excluding TSC)			377,154	720,220	869,926	1,967,300
Operational Costs (Excluding TSC)			113,231	345,884	361,493	820,608
Sub Total - Total Adviser Costs + Operational Costs (excl. TSC)			490,385	1,066,104	1,231,419	2,787,908
Management Fee	20.0%		98,077	213,221	246,284	557,582

Management fee calculation on all costs of the TSC only						
		Year:	2019/20	2020/21	2021/22	Totals
Personnel fees of the TSC			84,684	169,368	169,368	423,420
Support costs of the TSC			45,474	69,248	75,638	190,360
Sub Total - Total Adviser Costs for TSC only			130,158	238,616	245,006	613,780
Operational Costs of the TSC only			13,016	23,862	24,501	61,378
Sub Total - TSC personnel fees, support costs & operational costs			143,174	262,478	269,507	675,158
Management Fee	10.0%		14,317	26,248	26,951	67,516

Total of Management Fees in respect of all advisers						
		Year:	2019/20	2020/21	2021/22	Totals
Management fee on all costs of all advisers excluding the TSC			98,077	213,221	246,284	557,582
Management fee on all costs of the TSC only			14,317	26,248	26,951	67,516
Total Management Fees on all costs of all advisers			112,394	239,468	273,235	625,097

Assumptions re Management Fees: Table 4:

The Management Fee is assumed to be 20% of total Adviser Costs and total Operational costs, i.e. 20% the total of components 2a, 2b, 3a and 3b – but excluding any Adviser Costs or Operational Costs for the Technical Support Coordinator who is contracted separately. The Management Fee in respect of the Technical Support Coordinator is assumed to be 10% of the total TCS Adviser Costs and total TCS Operational Costs.

Assumptions re counterpart contribution:

The budget does not assume counterpart financing from GoT. Many senior officials in central agencies and sector agencies will continue to devote time and resources towards maintaining and implementing the PFM Reform Roadmap. The MoF FFD will continue to lead and coordinate these activities. The Design team have been advised that the MoF budget for 2019/20 (approved) and the forward years includes funding for two positions dedicated to PFM reform. These officials will provide counterpart support to the TEGS TCS, as will the MoF FFD Deputy CEO.

Funds leveraged from other development partners:

The TEGS Design Mission was carried out at the same time as the Joint Tonga Budget Support Mission, led by the World Bank. During that mission the Budget Support partners provided the following information regarding their current (2019) and proposed (2020 only) commitments towards the JPRM.

Development Partner	Budget Support Amount FY19	Tentative Budget Support Amount FY20
Asian Development Bank (ADB)	US \$5 million	Planning for US \$5 million
Australian Department of Foreign Affairs and Trade (DFAT)	AUD \$4 million	AUD \$4 million
European Union (EU)	EURO €2 million	EURO €1.4 million
New Zealand Ministry of Foreign Affairs & Trade (MFAT)	NZ \$2 million released in FY2018 based on expected completion of the current set of actions, with no further disbursement planned for FY2019.	Planning for NZ \$2 million
World Bank (WB)	US \$5.5 million	Planning for US \$5 million

APPENDIX F: RISK AND SAFEGUARD REGISTER

SEE COMPLETED RISK AND SAFEGUARD SCREEN TOOL EXCEL SPREADSHEET UNDER SEPARATE COVER