MINISTRY OF FINANCE
GOVERNMENT OF TONGA

TREASURY

CORPORATE PLAN & BUDGET
2025/26 - 2027/28

Contents

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List of Abbreviations

1.	ADB	Asian Development Bank
2.	AMRDD	Aid Management & Resilient Development Division
3.	BD	Budget Division
4.	BSFE	Budget Strategy & Fiscal Envelope
5.	CEO	Chief Executive Officer
6.	CoA	Chart of Account
7.	COFOG	Classification of the Function of Government
8.	CP	Corporate Plan
9.	CSD FPMS	Corporate Services Division Financial Performance Management Subdivision
10.	CSD HRPMS	Corporate Services Division Human Resources (HR) Performance Management Subdivision
11.	CSDRMS	Commonwealth Secretariat Debt Recording Management System
12.	CSFU	Central Support Fiduciary Unit
13.	DCEO	Deputy Chief Executive Officer
14.	EFPD	Economic & Fiscal Policy Division
15.	FFD	Financial Framework Division
16.	FY	Fiscal Year
17.	FYMP	Fiscal Year Management Plan
18.	GDL	Government Development Loan
19.	GFS	Government Financial Statistics
20.	GGF	Government General Fund
21.	GPA	Government Priority Agenda
22.	GPC	Government Procurement Committee
23.	HoD	Head of Division
24.	HR	Human Resources
25.	IAD	Internal Audit Division
26.	ICTD	Information, Communications & Technology Division
27.	IFMIS	Integrated Financial Management Information System
28.	IMF	International Monetary Fund
29.	IPSAS	International Public Sector Accounting Standards
30.	JD	Job Description
31.	KPIs	Key Performance Indicators
32.	LD	Leadership Division
33.	MDAs	Ministries, Departments & Agencies
34.	M&E	Monitoring & Evaluation
35.	MOF	Ministry of Finance
36.	MINOFA	Ministry of Foreign Affairs
37.	MIS	More Inclusive, Sustainable
38.	NIIP	National Infrastructure Investment Plan
39.	NPD	National Planning Division, Prime Minister's Office
40.	OCEO	Office of the CEO
41.	OoM	Office of the Minister
42.	OPSC	Office of the Public Service Commission
43.	PADCC	Project Aid Development Corporation Committee
44.	PD	Procurement Division
45.	PFM	Public Finance Management
46.	PFMRDD	Public Finance Management, Research & Development Division
47.	PFTAC	Pacific Financial Technical Assistance Committee
48.	PMO	Prime Minister Office
49.	PSC	Public Service Commission
50.	RRP	Reconstruction & Recovery Plan
51.	SDGs	Sustainable Development Goals
52.	SGGB	Saint George Government Building
53.	SOPs	Standard Operation Procedures
54.	TC	Tropical Cyclone
55.	TOD	Treasury Operation Division
56.	TDB	Tonga Development Bank
57.	TOR	Term of Reference
58.	TSDF II	Tonga Strategic Development Framework II

FOREWORD from the HON. MINISTER for FINANCE

It is with great privilege that I present the Ministry of Finance's Corporate Plan and Budget Summary for the financial years 2025/26 – 2027/28. This plan sets forth the Ministry's mandate, key objectives, and expected outcomes as a central agency of the Government, guiding our efforts to support Tonga's economic progress.

As a pivotal agency driving economic growth, the Ministry remains steadfast in assisting the Government in navigating today's rapidly changing environment and challenges. In alignment with the current Government's Priority Agenda, we emphasize redirecting priorities and re-focusing resources allocation on a few key areas with high-impact projects to ensure the resilience and sustainability of our service delivery mechanisms, supporting a sustainable and viable economy. The Ministry's Corporate Plan will emphasize three core objectives:

1. National Resilience;
2. Social Sector Development;
3. Economic and Public Sector Development.

These objectives are detailed through seven (7) redirected strategic priorities, down from nine (9) in previous years. These seven priorities play a crucial role in advancing the national impact of a ***"More Progressive Tonga and enhancing the quality of life for all."***

The Ministry's Corporate Plan (2025/26 – 2027/28) presents the operational framework needed to achieve its mandate, outputs, and key performance indicators (KPIs). The integrated Corporate Plan and Budget will ensure that outputs are delivered more effectively, efficiently, and affordably, while aligning available resources with expected outcomes.

We are deeply grateful for the ongoing support and collaboration of all our stakeholders, both locally and internationally, whose partnership is instrumental in achieving the Ministry's target and ensuring timely, responsive service delivery.

With God's grace, wisdom, and guidance, I am confident that the Ministry's leadership, under the CEO's direction and supported by all staff, will successfully implement this Corporate Plan, advancing, national objectives, fulfilling with delivering high-quality services, our vision of a *"More Progressive Tonga, enhancing our Inheritance."*

Respectfully,

Dr. 'Aisake Valu Eke
Hon. Prime Minister and Minister for Finance

Message from the CEO of FINANCE

The Ministry of Finance's Corporate Plan and Budget Summary for the Financial Years 2025/26 – 2027/28 sets out our strategic direction for delivering on our core mandate. Aligned with the Government's three key objectives and seven redirected priorities, it outlines how our outputs and activities will contribute to national outcomes, in particular the TSDF II goal of *"a more progressive Tonga supporting a higher quality of life for all."*

Over the next three years, the Ministry will continue to support the Government Administration in implementing this Plan by refocusing priorities and reallocating resources toward a few high-impact areas. These efforts aim to strengthen national resilience and promote sustainable development across the social, economic, and public sectors.

With a streamlined set of priorities, we are improving resource alignment, coordination across divisions, and delivery of measurable results. The Plan reinforces our commitment to accountability, performance, and continuous improvement, while ensuring we maintain fiscal discipline and operational efficiency.

We appreciate the continued support of our stakeholders and development partners, whose collaboration is vital to our success. I look forward to working with all divisions and partners to implement this Plan and deliver on our shared commitments to the Government and the people of Tonga.

Respectfully,

....
Kilisitina Tiane Tuaimei'api
Chief Executive Officer of Finance

A. EXECUTIVE SUMMARY

01. RESULT MAP

The Result Map indicates the various levels in the results chain for the Ministry and its relationship to the TSDF II.

The Ministry supports 7 of the TSDF II Organizational Outcome No.:

> *1.1   Improved macroeconomic management and stability;*
>
> *1.2   Closer public/private partnerships for economic growth;*
>
> *3.1 More efficient, effective, affordable, honest, transparent, and apolitical public service focused on clear priorities;*
>
> *3.3   Appropriate decentralization of government administration with better scope for engagement with the public;*
>
> *3.6   Improved collaboration with development partners ensuring programs better aligned to government priorities;*
>
> *4.3   More reliable, safe and affordable information and communications technology used in a more innovative and inclusive ways;*
>
> *5.4 Improved resilience to natural disasters and impact of climate change.*

These in turn supports four (4) of the National Outcomes namely:

> *A: More inclusive, sustainable (MIS), and dynamic & knowledge-based economy;*
>
> *D: MIS and responsive good governance with strengthened rule of law;*
>
> *F: MIS and effective land and environment management and resilience to climate and risk; and*
>
> *G: MIS and consistent advancement of our external interests, security and sovereignty.*

These all contribute to the achievement of the National Impact: ***"A progressive Tonga supporting higher quality of life for all."*** The outputs are grouped by the relevant divisions/subdivisions responsible for them, indicated by the abbreviation of the division/subdivision and its output number. The numbers relate to the TSDF II Organizational Outcome they directly support. Given the central nature of the Ministry, it also plays an important role in supporting all the TSDF II outcomes. The CP sets out how this Results Map is developed. The current document provides a Summary of the more detailed Budget document for the Ministry which supports the implementation of the Outputs in the Results Map.

Figure 1: MOF Result Map
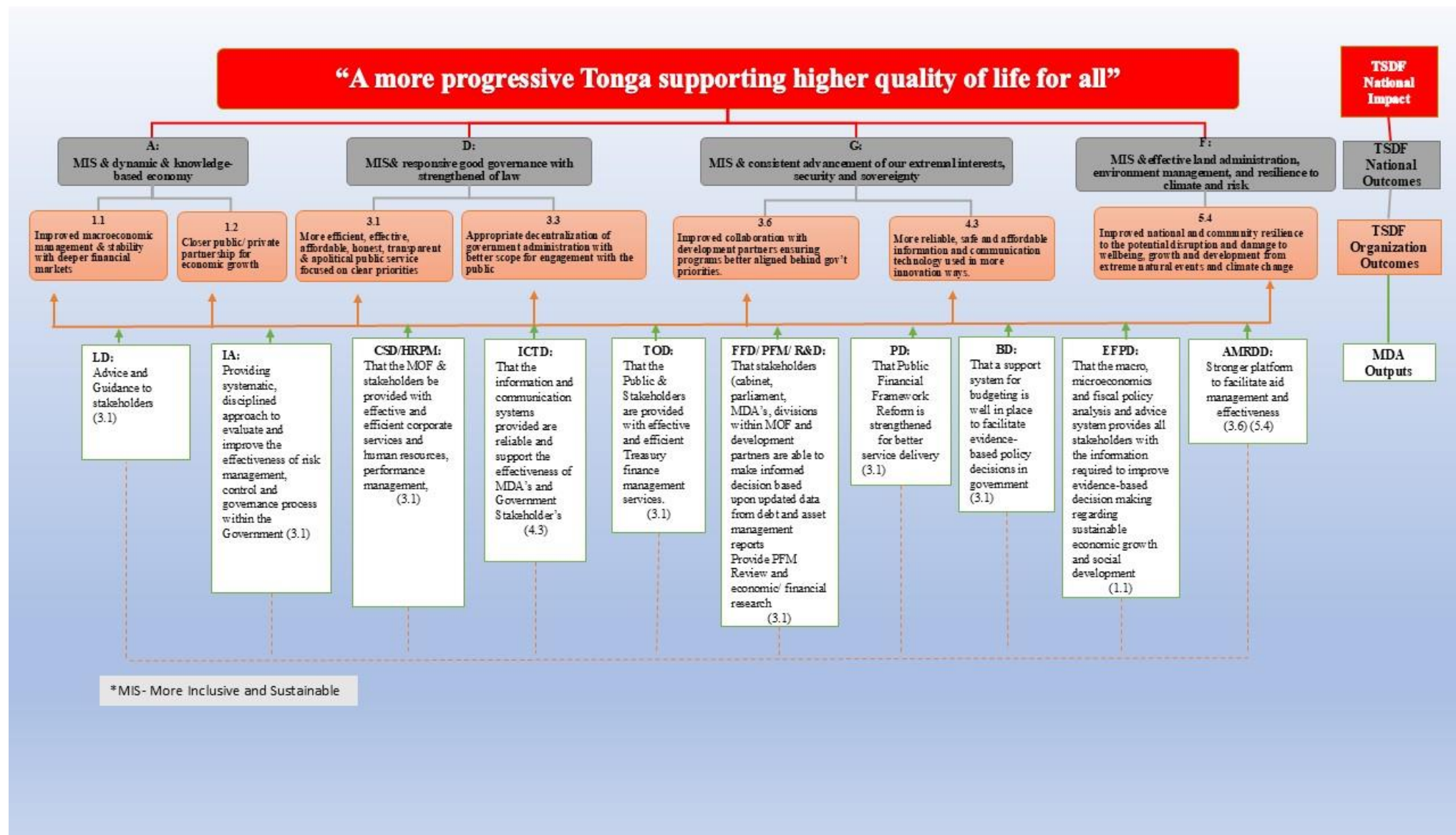
02. MANDATE

The Ministry of Finance (MOF) is a central agency with key obligations as mandated by the constitution, laws and international agreements. As such, the MOF has many stakeholders, including Cabinet, all MDAs, public enterprises, the private sector, communities, and the general public. The expectations of the MOF are covered by a host of legislations and regulations as outlined below with the Public Finance Management Act 2002 as its principal legislation that guides financial mandate.

In addition to the requirements of the TSDF II, the mandate is also dependent on various regional plans, sector plans, district and islands plans and international agreements with development partners and other international agencies such as the 2030 Agenda with its Sustainable Development Goals (SDGs).

As a central agency, the Ministry operates at two levels:

(i)   it is a line-ministry running its operations like all other MDAs; and
(ii)   it is a central ministry setting direction and guidance for the operations of all MDAs.

These are important distinctions that need to be kept clear for the effective delivery of all its outputs.

For example, the Ministry has internal outputs related to financial, procurement, HR and property management and so on, which are guided by the external outputs of the Ministry that set out the procedures and the support services related to the government wide planning, budgeting and procurement.

03. KEY LEGISLATIONS, POLICY DECISIONS, PLANS & OTHERS

1. The Constitution of Tonga Revised Edition 2016
2. Government Act 2020 Revised Edition
3. Public Finance Management Act 2016 Revised Edition
4. Public Audit Act 2020 Revised Edition
5. Public Service Act 2020 Revised Edition
6. 2021/22 Appropriation Act 2021
7. Retirement Fund Board Act 2020 Revised Edition
8. Pensions Act 2016 Revised Edition
9. National Reserve Bank of Tonga Act 2020 Revised Edition
10. Tonga Trust Fund Act 2020 Revised Edition
11. Emergency Fund Act 2020 Revised Edition
12. Remuneration Act 2010
13. Merged Retirement Fund Act or Renumeration Authority Act
14. Bretton Wood Act 2016 Revised Edition
15. Public Procurement Regulations 2020 Revised Edition
16. Public Revenue Regulations 1988 Revised Edition
17. Internal Audit Charter
18. International Agreements
19. Tonga Strategic Development Framework II
20. Government Priority Agenda (2021/25)
21. Public Financial Management Reform Roadmap
22. Cabinet Decisions
23. Public Service Commission Decisions Interpretation Act
24. Public Enterprises Act
25. Rules of Procedure of the Legislative Assembly of Tonga
26. National Retirement Benefits Fund Act
27. Public Enterprises Act
28. Education Act
29. Carriage of Passengers and Luggage by Sea Act
30. Carriage of Goods by Sea Act
31. Carriage by Air Act
32. Financial Institution Act
33. Shipping (Limitation of Liability) Act
34. Money Laundering and Proceeds of Crime Act
35. Retirement Fund Act
36. Postal Services Act

37. Special Missions' Privileges and Immunities Act

38. Electricity Act

39. Tonga Communications Corporation Act

40. Health Promotion Foundations Act

41. Public Enterprises Act

42. Tonga Climate Change Fund Act 2021

43. Foreign Exchange Levy Act

44. Roads Act

45. Water Resources Act

46. Building Control and Standards Act

47. Asian Development Bank Act

48. Family Protection Act

49. Animal Diseases Act

50. Seabed Mineral's Act

51. Tonga Trust Fund Act

52. Banking Act

53. Evacuation Act

54. Evacuation of Foreigner's Act

55. Queen Salote Jubilee Scholarship Act

56. Vessel Replacement Fund Act

57. Criminal Offenses Act

58. Microfinance Institutions Ac

Work to review all relevant Acts and Regulations for managing public funds particularly those that have not been reviewed for some time is still ongoing. The aim is to bring these Acts and Regulations to be in tandem with developments to date and to be conducive to positive economic and social growth.

04. TONGA STRATEGIC DEVELOPMENT FRAMEWORK II *(TSDF II)*

The Ministry of Finance, as a central ministry of government, contributes to all the National and Organisational Outcomes of the TSDF II 2015- 2025. The Ministry coordinated the development of the TSDF II which spans over 10 years prescribing the development priorities for the country. The Government Priority Agenda (GPA), on the other hand, sets out the immediate priorities of the government administration of the day which drives government's resource allocation every 4 years. The GPA is a subset of the TSDF II and highlights components for focused implementation.

The Ministry also supports the implementation of the TSDF II through more detailed plans and policy formulation including economic and policy analysis; preparation of the medium-term budgetary framework; procurement and execution of the budget; management of national debt and fiscal conditions; projects and aid coordination; resilient and development financing and accounting for government's financial assets.

This Corporate Plan considers that the TSDF II is coming to an end in the next financial year, FY2025. Hence, the preparation of the TSDF III will takes place in the next financial year.

04.1. National Outcomes in the TSDF II Directly Supported by MOF

The Ministry makes significant contribution to four (4) out of the seven (7) TSDF II National Outcomes:

A. More inclusive, sustainable and dynamic & knowledge-based economy;

D. More inclusive, sustainable, and responsive good governance with strengthened rule of law;

F. More inclusive, sustainable, and effective land and environment management and resilience to climate and risk; and

G. More inclusive, sustainable, and consistent advancement of our external interests, security, and sovereignty.

04.2. Organisational Outcomes in the TSDF II Directly Supported by Ministry of Finance (MOF)

As a central part of government, including the management of the Government General Fund (GGF), the Ministry contributes to all the TSDF II Organizational Outcomes. It provides particular support to:

1.1:   *Improved macroeconomic management & stability with deeper financial markets*
Improved macroeconomic management and stability with the development of a stronger, deeper, more inclusive financial system to ensure sound macro-economic environment within which inclusive and sustainable business and social opportunities can be developed and pursued.

1.2:   *Closer public/private partnerships for economic growth*
Closer, more effective public/private partnerships with business, consumers, and other community groups across the Kingdom to help better identify and address constraints to more inclusive, sustainable, and resilient economic growth.

3.1:   *More efficient, effective, affordable, honest, transparent, and apolitical public Service focused on clear priorities*
A more efficient, effective, affordable, honest, and transparent Public Service, with a clear focus on priority needs, working both in the capital and across the rest of the country, with a strong commitment to improved performance and better able to deliver the required outputs of government to all people.

3.3:   *Appropriate decentralization of government administration with better scope for engagement with the public*

Appropriate decentralization of government administration and services at all levels providing better scope for active, participatory, and inclusive engagement with the wider public, so that local needs can be addressed more quickly and efficiently both in urban and rural areas.

3.6:   Improved collaboration with development partners ensuring programs better aligned to government priorities
Improved collaboration and dialogue with our development partners to ensure that their support is consistent with our needs and in line with the international standards set out in various international Declarations and Accords.

4.3:   More reliable, safe, and affordable information and communications technology used in more innovative and inclusive ways
More reliable, safe, and affordable information and communications technology used in more innovative and inclusive ways, linking people across the Kingdom and with the rest of the world, delivering key services by government and business and drawing communities more closely together.

5.4:   Improved resilience to natural disasters and impact of climate change
Improved national and community resilience to the potential disruption and damage to wellbeing, growth and development from extreme natural events and climate change, including extreme weather, climate and ocean events, with a particular focus on the likely increase in such events with climate change.

05. GOVERNMENT PRIORITY AGENDA *(GPA)*

TSDF II outlines the long-term Development Plan for Tonga (2015–2025), mapping the national priorities to global frameworks such as the SDGs and regional strategies like Strategy 2050. It envisions "***A more progressive Tonga supporting a higher quality of life for all***" and operationalizes this vision through nine Government Priority Areas (GPAs) via the Corporate Planning and Budgeting Process over the medium term, 2025-2026 to 2027-2028. The Government Budget for FY 2025 underpins these activities, while FY 2026 will focus on a few key areas to deliver substantial economic impacts.

As the formulation of the next TSDF is currently underway, including the review of current programs and activities, the proposed government priority agenda (GPAs) recognizes the importance of the following key areas in forming a cohesive fiscal strategy that promotes resilient, responsible fiscal management and sustained long-term economic stability.

Objective 1: National Resilience
GPA 1: Climate and Disaster Resilience
GPA 2: Combat Illicit Drugs

Objective 2: Social Sector Development
GPA 3: Reduce Poverty and protect Vulnerable groups
GPA 4: Quality Education
GPA 5: Quality and Affordable Healthcare

Objective 3: Economic and Public Sector Development
GPA 6: Realizing the Economic Potential to boost Growth
GPA 7: Public Sector Efficiency

The GPAs and related Activities for the Ministry which are ongoing and planned to implement in the FY 2025-2028 are outlined in the Table below:

Table 1:: Government Priority Agenda

GPA 1. Climate and Disaster Resilience				
Targets	*Outputs/ Activities*	*2025/ 2026*	*2026/ 2027*	*2027/ 2028*
1. Strengthen economic resilience by bolstering key sectors (agriculture, fisheries, healthcare, tourism, and infrastructure) to mitigate the adverse effects of climate change and disasters.	• Implement and review the Disaster Risk Management Act 2021 led by the NDRMO, incorporating lessons learned and effective use of humanitarian resources. • Leverage contingency disaster financing options (e.g., ADB's contingency financing, World Bank's CatDDO) and review PCRIC financial contributions for potential increased drawdown. • Execute policies aimed at strengthening resilience through targeted adaptation, mitigation, and disaster risk reduction measures. • Mainstreaming of risk and resilience into the Ministries policies • Monitoring of donor funded projects	90%	95%	100%
GPA 2. Combat Illicit Drugs				
Targets	*Outputs/ Activities*	*2025/ 2026*	*2026/ 2027*	*2027/ 2028*
1. Address harms of the Illicit Drugs	• Provide insights to policymakers for designing sustainable initiatives. • Reallocate the FY2026 $5.0m Illicit Drugs Response Fund among key MDAs (Ministry of Police, Customs, Prisons) in FY2026.	100%	100%	100%
GPA 3. Reduce Poverty and protect Vulnerable groups.				
Targets	*Outputs/ Activities*	*2025/ 2026*	*2026/ 2027*	*2027/ 2028*
1. Continue to facilitate the Social Protection Programme	**1.** Review and provide Policy recommendation and related activities to Vulnerable Groups: **2.** *Social Welfare Programme (Elderlies)* (increase by $10) • Increase the monthly stipends for the elderly from $90 to $100 (age 67 to 79 years old), and from $110 to $120 (80 years old and above). **3.** *Disability Welfare Scheme* – (increase by $10) • One form of disability (minor) – to increase from $60 to $70 per month. • Two forms of disability (medium)- to increase from $90 to $100 per month. • Three forms of disability (extreme/ severe)- to increase from $110 to $120 per month. • Transfer to Ministry of Internal Affairs in FY2026	80%	90%	100%
2. Strengthen broader social support and policy frameworks	1. Increase investments in healthcare, education, and social services. 2.Enhance support for national sports development. 3. Support MIA with the review of policies to better support returnees and other vulnerable communities.	80%	90%	100%
GPA. 4: Quality Education				
Targets	*Outputs/ Activities*	*2025/ 2026*	*2026/ 2027*	*2027/ 2028*
1. Enhance overall quality of education and infrastructure across all levels.	1. Review and improve policy support for non-government schools (Secondary: $770 per head; TVET: $1,320 per head). 2. Propose a review of education administration, processes, and procedures. 3. Fund transfers to TDB to support non-government school, TVET programs, fund for the students loan in TDB	80%	90%	100%
2. Reallocate resources to strengthen primary education and school maintenance.	1. Discontinue existing initiatives (e.g., primary school breakfast, free education for forms 3–5, re-instatement of Primary School class 6 entrance exam and Form 5 Tonga School Certificate) to redirect funds to primary school programs. 2. Increase FY2026 primary school allocation from $16.3m to $17.1m and maintenance allocation from $1.7m to $2.1m.	80%	90%	100%

3. Foster a supportive learning environment for vulnerable children and future opportunities	1.Promote early childhood, tertiary, and vocational education for sustainable employment pathways. 2. Provide critical support to vulnerable children to enhance learning outcomes. 3. Strengthen school infrastructure via the School Infrastructure Development and Management Plan under the Tonga Safety and Resilience Sector project.	80%	90%	100%
GPA. 5: Quality and Affordable Healthcare				
Targets	*Outputs/ Activities*	*2025/ 2026*	*2026/ 2027*	*2027/ 2028*
1. Maintain and enhance quality healthcare service delivery.	Allocate and implement a dedicated maintenance budget for health facilities.	90%	95%	100%
2. Invest in healthcare infrastructure to expand local capacity.	• Initiate the construction of a new hospital in Vava'u. • Building of the Queen Salote Nursing School • Renovate and building of new Health Clinics and Health Care Centers.	90%	95%	100%
3. Develop local medical services to reduce reliance on overseas referrals.	• Implement a 10-year plan to enhance local medical services, minimizing the need for overseas treatment. • The new dialysis center (10 new machines)	90%	95%	100%
GPA 6. Realizing the Economic Potential to boost Growth				
Targets	*Outputs/ Activities*	*2025/ 2026*	*2026/ 2027*	*2027/ 2028*
1. Average Annual Growth in Real GDP by 2.3% over the next 3 years.	1. Develop and implement effective government policy responses as a catalyst for strengthening partnerships with the private sector, communities, and foreign investors. 3. Economic Development • Empower the private sector and MSME. • Recovery support towards the key economic sectors (agriculture, fishery, tourism & manufacturing) • Continuation of the Government Development Loan (GDL) • Tariff support (including businesses) 4. Private Sector – the approval of the local currency Bond project, funded by ADB. 5. Reconstruction and Special Projects 6. Continuation of support towards the Economic Sectors – • *Agriculture*: packhouses and facilities (western, central of Tongatapu and Vava'u), butchery (abattoir), and biogas production. • *Fishery*: long-line fishing vessels (2 from Japan and 3 from the Peoples Republic of China). • *Tourism*: Fua'amotu Five Star Hotel. • *Infrastructure*: Fanga'uta Bridge, Parliament Complex, National Museum, Road maintenance, air/sea/land transportation, foreshore (western side of Tongatapu and Pangai Ha'apai, upgrade of the Vuna road), new bridge in 'Eua, Airport upgrades, and Outer Island jetties.	2.3%	2.3%	2.3%
GPA 7. Public Sector Efficiency				
Targets	*Outputs/ Activities*	*2025/ 2026*	*2026/ 2027*	*2027/ 2028*
1. Enhance public sector capacity and organizational efficiency to address skill gaps and drive reform.	• Reinstate the Public Civil Servants short-term training centre and offer specialized trainings/scholarships in key fields (e.g., engineering, architecture, pilot, butchery, caregiving). • Conduct an organizational review and implement the Public Finance Management Road Map (PFM).	85%	90%	100%
2. Improve service delivery and fiscal management to ensure efficient resource utilization.	• Extend opening hours for essential public services and strengthen data collection and collaboration with key data sources. • Review revenue management systems, streamline operational expenses, and implement asset management controls. • Evaluate and follow up on the Performance Management System (PMS) assessment.	85%	90%	100%

	• E-government project including e-payments.			
3. **Strengthen financial systems and macroeconomic stability through innovative financing measures.**	• Support access to finance for key sectors via the Government Development Loan (GDL) facility and ensure robust compliance. • Introduce a Local Currency Bond Issue in collaboration with the ADB to recycle surplus liquidity and promote private sector development. • Maintain an accommodative monetary policy while working with the banking sector to secure a sound financial system.	85%	90%	100%

05.1. Budget Strategy FY 2025/2026 - FY 2027/2028

The FY2026 Budget Strategy, themed 'Re-focusing Resource Allocation on Impactful Projects for a Sustainable, Viable Economy,' prioritizes high-impact initiatives to drive a sustainable economy. It provides key funding estimates and frameworks to guide MDAs in developing their corporate plans and budget estimates for the period from July 1, 2025, to June 30, 2026, while also offering indicative projections for FY2027 and FY2028. The strategy outlines fiscal policies, strategic focus areas, and considers the current economic climate and progress of development activities in FY2026.

05.2. Stakeholders

Ministry of Finance, as a Central Ministry, has a wide range of key stakeholders performing multiple roles. A thorough understanding of stakeholder needs and relationships with the Ministry provides an important basis of this Plan. This justifies the associated allocation of budget (local and aid) supporting them. Delivery of service to customer-stakeholders, the purchase of goods and services from supplier-stakeholders, joint working with partner-stakeholders, and adherence to rules established by oversight stakeholders. These are all important considerations in the formulation of the Ministry's Corporate Plan.

Table 2:MOF Stakeholders and their relationship to the Ministry

Stakeholders	Customer of MOF	Supplier to MOF	Partner with MOF	Oversight of MOF
HM King	x		x	x
Privy Council	x		x	x
Cabinet	x		x	x
Legislative Assembly	x		x	x
MDAs	x	x	x	
Public Enterprises	x	x	x	
Businesses and Private Sector	x	x	x	
Civil Society Organizations, Churches and NGOs	x	x	x	
General Public	x	x	x	

06. MAIN PROGRAMS

Given the Mandate of the Ministry of Finance and its broad range of key stakeholders, the Ministry is structured under five (5) main Programs as outlined below.

Program 1. Leadership and Policy Advice:

This program relates to effective and efficient leadership and policy advice of the Ministry to be better able to deliver its outputs. These are managed through the Leadership Division which compromises the Office of the Minister and the Office of the CEO as well as the Internal Audit Division, Corporate Services Division, Information and Communication Technology Division.

Program 2. Economic & Fiscal Policy, Budget and Aid Management and Resilient Development:

This program relates to the wider policy formulation and advisory roles of the Ministry. This includes policy analysis, setting strategic direction, promoting sound macroeconomic management with improved resource allocation covering both domestic and aid resources, and the international role related to effective management of our relations with development partners. These functions are managed through four (4) divisions namely the: (i) Economic & Fiscal Policy Division (ii) Budget Division (iii) Aid Management and Resilient Development Division and the (iv) PFM, Research & Development Division to expedite the delay implementing of recommended actions on PFM actions recommended in the PEFA Assessment.

Program 3. Financial Framework/PFM & R&D, Procurement and Treasury Operations:

This program relates to the support the Ministry provides to the execution of the budget. It covers core procurement and treasury functions, establishing of appropriate financial policy and frameworks. These are managed through three divisions namely the: (i) Financial Framework/PFM & Research Division, Research & Development Division; (ii) Procurement Division and (iii) Treasury Division.

Program 4. Government General Fund (GGF):

The GGF are funds that are centralized and managed by Ministry of Finance under its Corporate Services Division on behalf of the whole of Government. Some of the GGF does not relate directly to the operation of the Ministry's operation. These relate to special payments in relation to MDA's outputs including benefits, technical assistance, subsidies, community development activities, special projects, equity payments, international subscriptions, exemptions, grants, and contingency funds. Payments are processed by the MoF-Corporate Services Division, in consultation with relevant MDAs, and direction from the Cabinet.

In the new financial year 2025/26, some of the GGF accounts are transferred to the relevant MDA for a more efficient implementation and accountability, as part of the Government's Reform Program.

Program 5. Debt Management:

The above program relates to the implementation of the Debt Management Strategy particularly the management and payment of domestic and external debt. Debt Management is undertaken by the Debt Management Section within the Financial Framework Division.

07. MINISTRY'S KEY OUTPUTS BY PROGRAM

The table below outlines the Ministry's main Output Statements under its five main programs together with responsible divisions.

Table 3:Ministry of Finance Output Statements

Program 1: Leadership and Policy Advice
Subprogram/Office/Division/Subdivision Responsible

	Output/Activity Statement	Output/Activity
Subprogram 1.01: **Leadership Division -** *Office of the Minister*	1. That the Leadership and Policy Advice are in compliance with the PFM Act and other relevant Acts to facilitate high level decision making for Tonga's development	1. Strategic Policy Advice to Cabinet, Parliament and other key stakeholders – both domestic and external. 2. Strategic Leadership guidance to CEO and Ministry of Finance.
Subprogram 1.02: **Leadership Division -** *Office of the CEO*	1. That the management of the Ministry is in accordance with the PFM Act and other relevant Acts to facilitate effective and efficient service delivery	1. Strategic policy advice to Minister, MDAs and other key stakeholders 2. Operational guidance to the Ministry of Finance
Subprogram 1.03: **Internal Audit Division**	1. Providing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the Ministry.	1. Plan Audits. 2. Special Audits (Ad-hoc). 3. Follow up Reports 4. Risk Matrix 5. Staff Levels and Development. 6. Quality Assurance 7. Annual Documentation 8. Audit Committee Meetings
Subprogram 1.04: **Corporate Services Subdivision Financial Performance Management Subdivision for MOF**	1. That the MOF and stakeholders are provided with the financial support to facilitate the effective and efficient management and operation of the Ministry	1. Finance Operation 2. MOF Payroll 3. Budget Preparation, Execution and Monitoring 4. MOF Financial Reporting 5. Asset Management 6. Final Checking of Payment Vouchers 7. Authorizing of Payment Vouchers 8. Annual Procurement Plan 9. Procurement Proposals 10. Procurement Follow up and Reporting 11. Managing and Monitoring of Contract
Subprogram 1.05: **Corporate Services Subdivision Human Resources Performance Management Subdivision**	1. That the MOF and stakeholders are provided with the human resources, logistical and property management support to facilitate the effective and efficient management and operation of the Ministry.	1. MOF Planning, Budgeting, M&E and Reporting 2. MOF HR Capacity and Development 3. MOF HR Performance Management 4. MOF HR Records & Customer Service Management
	2. That the St. George Government Building is well maintained and managed with an appropriate security system	**1. SGGB** Maintenance, Transport and Vehicle Maintenance.

Subprogram 1.06: **Information & Communication Technology Division**	1. That the MOF ICT infrastructure will be accessible, well-architected, integrated, reliable, secure, and support the efficiency and effectiveness of the Ministry of Finance and Government Stakeholders.	1. International Standards based infrastructure architecture frameworks. 2. Improve yearly downtime of ICT services 3. Lifecycle management of ICT infrastructure 4. Establish Outer Island Office link to the Main office at Nuku'alofa 5. ICT Infrastructure is controlled and maintained in line with ICT policies, PFM corporate objectives and emerging trends
	2. That Ministry of Finance Information System available to deliver timely financial information reports to assist with decision-making by MDAs and Government Stakeholders	1. Alignment of ICT initiatives with organizational requirements. 2. IFMIS Payroll & Sun system Automation of public financial management (PFM) processes. 3. Automated Business system and applications. 4. Optimize ICT service provision. 5. Customer Satisfaction. 6. Dashboard as a decision support tool.

Program 2: Economic and Fiscal Policy, Budget, Aid Management and Resilient Development
Subprogram/Division Responsible

	Output/Activity Statement	**Output/Activity**
Subprogram 2.01: **Economic & Fiscal Policy Division**	1. That the macro, micro-economics and fiscal policy analysis and advice system provide all stakeholders with the information required to improve evidence-based decision making regarding sustainable economic growth and social development.	1. Macroeconomic and Fiscal Policy Framework 2. Budget Strategy 3. Budget Statement 4. Periodic Economic Update Reports 5. Generic
Subprogram 2.02: **Budget Division**	1. Provide a system that facilitates the formulation and implementation of a more reliable, transparent, and policy-based budget estimates.	1. Improve budget reliability (will include increased and more frequent consultations with MDAs/stakeholders and training on budget performance and monitoring to minimize potential deviations). 2. Improve budget transparency. 3. Improve policy-based fiscal strategy and budgeting.
Subprogram 2.03: **Aid Management& Resilient Development Division**	1. That the government and international partners co-operate for effective development by providing of strategic advice and delivering quality services to all stakeholders.	1. Aid Management Policy Development 2. Government and Development Partners Annual Forum 3. Development Budget Strategy, Estimates, and Statement 4. Development budget M&E review report 5. EU NAO Office progress reports 6. CSU progress reports 7. GCF Accreditation Progress Report. 8. JPRM Report
	2. To enhance the ability of the country to access directly to and effectively manage of climate financing, disaster risk financing	1. Monthly/quarterly process- NIE to the Adaptation and Green Climate Fund. 2. Advice regarding system improvement -accreditation requirement.

	and development funded program	3. Consultation regarding bankable projects for submission to the GCF and AF or others is facilitated. 4. Review the NDRFS strategy, advice on priorities, implementation plan and implementation report. 5. Project Steering Committee meeting outcomes
	3. To facilitate the strengthening of governance mechanisms for mainstreaming of resilience into national budget plans, systems and processes.	1. Provide advice and support to enable the mainstreaming of risk and resilience considerations within relevant policies, systems, and processes. 2. Budget Tagging 3. Project Management
	4. Strengthen the facilitation of Project Proposals (Central Project Development Unit).	1. Cabinet Development Coordination Committee. (CDCC) Outcomes 2. Develop Project Operations Manual 3. Develop Stakeholder Engagement Plan 4. Develop at least 2 Project Proposals a month. 5. Monthly Project Proposal Report
	5. Strengthen monitoring Productivity of Outputs and KPIs against their Finances. Evaluate the impacts of the Organisational Outcomes contributing to the TSDF. (Central Productivity Unit).	1. Provide Advice on Productivity matters. 2. Develop Productivity M&E Database. 3. Evaluate impacts of the Organisational Outcomes to TSDF. 4. Develop Training Capacity Plan to enhance M&E capacity and skills. 5. Monthly Productivity Report.
Program 3: Financial Framework/ PFM R&D, Procurement and Treasury Operations **Subprogram/Division Responsible**		
Subprogram 3.01: Financial Framework Division	1. That the updated Assets Management Reports are being used by the stakeholders (cabinet, parliament, MDAs, division within MOF and development partners to make informed decisions.	1. Asset Management Reports. 2. Asset Management Framework 3. Asset Management Policy and Procedure
	2. Financial Management and System Administration	1. Treasury Instructions Annual Review 2. Financial Management & System Administration 3. Grant Framework
PFM, Research & Development Section	3. Provide PFM review, research, and development reports.	1. PFM Reform 2. PEFA Assessment 3. Research and Development Reports
Subprogram 3.02: Procurement Division	1. Efficient and Effective Government Procurement rules and procedures	1. Procurement Policy 2. Internal Review 3. Capacity Development and Training.
	2. Efficient and Effective Government procurement services.	1. Procurement Monitoring 2. Procurement methods 3. Procurement Planning. 4. Monthly Procurement Report 5. GPC Outcomes.
Subprogram 3.03: Treasury Division	1 That Government and stakeholders are provided with	1 Payment processing 2 Payroll management 3 Cash Management

		4 Government mandatory Financial Reports.
	effective and efficient Treasury financial management services	5 Customer Service Management System.
		6 Capacity Building and Training
		7 Cashflow Report
		8 Monthly Forecast
		9 Sub-Treasury Monthly Reports

Program 4: Government General Fund (GGF)
Subprogram/Subdivision Responsible

	Output/Activity Statement	Output/Activity
Subprogram 4.01: Corporate Services Division **Financial Performance Management Subdivision (for GGF)**	1. That the GGF is effectively and efficiently managed for MDAs and other stakeholders.	1. GGF budgeting and reporting 2. GGF payment processing

Program 5: Debt Management Government General Fund (GGF)

Subprogram/ Division Responsible	**Output/Activity Statement**	**Output/Activity**
	1. That the updated Debt Management Reports are being used by the stakeholders (cabinet, parliament, MDAs, division within MOF and development partners to make informed decisions.	1. Quarterly Debt Bulletin 2. Annual Debt Bulletin 3. Medium Term Debt Strategy (MTDS) 4. Annual Borrowing Plan

08. ORGANIZATION STRUCTURE, MOF

MOF adopts the structure in Figure 2 below in order to deliver the outputs allocated to each Division. The Minister provides overall leadership while the CEO provides overall management. Each Deputy CEO (DCEO) manages a division (with its associated sub-program) reporting to the CEO who reports to the Minister.

Figure 2: MOF Organizational/Functional Structure
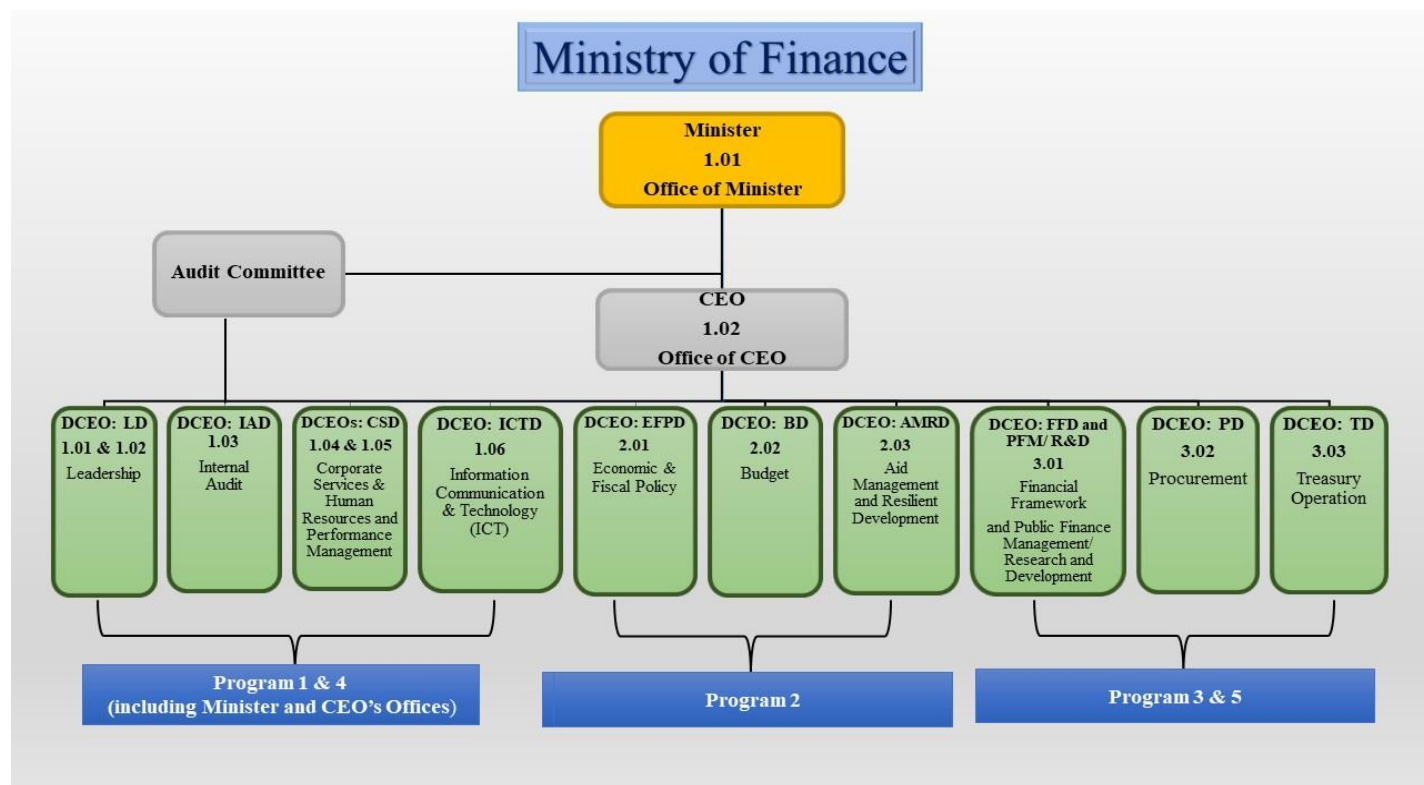
09. PLANNED MAJOR REFORMS AND INITIATIVES

The Ministry will continue to implement reform program outlined in this Corporate Plan 2025/26-2027/28 as shown below, as part of the Government overall reform program as approved by Cabinet on 6th May 2022. The recommendations approved *'That the comprehensive review of the government ministries structures and performance as a basis for consideration of allocation of human resources...'*

i.   **Organisational Review**
   The Organisational and Functional Review of the Ministry had started in the financial year 2022_23. The outcome of the review provided policy recommendations for consideration and relevant implementation in the new financial year.

ii.   **Financial Devolution**
The Ministry had completed the devolution of financial services from the ***Treasury Division to the Line Ministries***. This is continued to the new financial year.

The Treasury Division continues with its planned reforms, to modernize financial management processes while enhancing compliance and enforcement measures, through:

- decentralizing financial services to MDAs,
- implementing e-payments, and
- streamlining processes.

The above reforms will be further elaborated in Section 09.5 below.

iii. **Asset Management**

As planned, the Financial Framework Division of the Ministry of Finance led the process of stocktaking all government assets in FY 2024 and managed to complete the counting of all assets located in the outer islands except for the two (2) Niuas and the Overseas Missions. Asset team is planning to complete the stocktake in FY 2026 and with the assistance of experts to value the big infrastructure assets including roads.

The stocktake process included verifying the existence of assets, identify assets that are not on the asset register and assets that are not located during the asset count process.

iv. **Procurement Division:**

The Procurement Division is planning a procurement system review using OECD Methodology for Assessing of Procurement Systems (MAPS). The outcome from this review will inform government on improvements that can be taken both on the legislative framework as well as on the process that would enhance accountability and the integrity of the procurement system.

The MAPS is planned to be completed before the end of this FY with proposed actions once approved to be taken over the medium term.

v. **Central Project Development Unit (CPDU) and Central Productivity Unit (CPU)**

For the new FY 2025/26 these two (2) new units are established under the Aid Management Resilient Development Division.

The CPDU is established to strengthen the facilitation of Project Proposals to and from the Cabinet Development Coordination Committee and seek funding from Development Partners.

The CPU is established to strengthen monitoring of MDA productivity of Outputs and KPIs against their finances and evaluating the impacts of the Organisational Outcomes contributing to TSDF. This Unit will also enhance capacity training in M&E and aid management related areas.

vi. **Private Sector Development**

The Government Development Loan (GDL) Facility receives $56.4m in government funding with $21.7m in-kind support from ADB to encourage private sector growth. The Private Sector Development initiative is allocated $30m, while $10.7m is dedicated to managing the GDL Balance. Additionally, $10m is set aside for Non-government Schools and $4.5m for Student Loans to increase education access. A Micro-financing Scheme for women-owned SMEs receives $1.2m in government funding and $21.7m in-kind from ADB, and a $10m ADB local currency bond supports financial stability.

vii. **Key Economic Sector Initiatives**

- **Agriculture**: The Bio-gas Production Project is allocated $1.5m in government funding and $20m in-kind from PCR. The Packhouse and Butchery Facility receives $0.8m in-kind from Australia.

- **Fisheries**: The Fleet of Long-Line Vessels gets $30m in-kind from China, and Commercial Fishing Vessel Management receives $0.6m in government funding.

- **Tourism**: The Fua'amotu Resort receives $0.1m in government funding and $0.1m in-kind support from USA private sources.

viii.   **Infrastructure Initiatives**

- **Connectivity**: $20m in government funding and $21m in-kind from ADB for the Fanga'uta SECURE Bridge and Roads. Road Maintenance gets $20m from the government and $9.5m from the World Bank.

- **Energy**: The Nuku'alofa Network Upgrade receives $7.9m in-kind from ADB, while the Grid Enhancement for Sustainable Energy Transition (GREST) gets $11.9m from Australia and $0.5m from ADB.

- **Public Institutions**: Parliament House is allocated $10m in-kind from Australia and New Zealand, while the National Museum receives $5.1m from Saudi Arabia. The 'Atalanga Residence gets $1.5m in government funding.

ix.   **Social Sector Initiatives**

- **Health**: $10m for health center upgrades, $7m for Vava'u Hospital, $3.6m from the World Bank for upgrades, and $6.5m for the Queen Salote Nursing School.

- **Equity**: $6.8m for Affordable Housing and $7.5m for the Social Protection Scheme for the elderly and disadvantaged.

- **Gender Equality**: $2.6m in-kind from Australia for the Gender Equality Project.

- **National Security**: $5m for the Illicit Drugs Response Fund and $1m for Rehabilitation Centers.

x.   **Public Sector Initiatives**

- $2.1m for the Suva Mission, $1m for the Public Training Institute, and $0.1m for the Central Project Development Unit & Productivity Commission.

xi.   **Climate Resilience Initiatives**

The government is contributing $2.2m to the Pacific Catastrophe Risk Insurance Company (PCRIC), with $4.0m in-kind support from PCRIC, WFP, and Global Shield to enhance resilience to natural disasters and climate challenges.

09.1. Macro-Economic Stability

Medium-Term Budget Framework

The medium-term budget framework for FY 2026 - FY 2028 will uphold Government Priority Agendas through implementing the following fiscal objectives and targets.

As part of the Ministry's cores responsibilities, to ensure macro stability, the division will continue to monitor the following fiscal targets.

Table 4:MOF Fiscal Targets

Fiscal Policies	Short-term	Long-term	Update (December 2024)
Growth	Tonga's economy recorded an average growth rate of 0.3 percent over the five-year period from 2019 to 2023. Economic growth is projected to reach 1.2 percent in 2024 and is anticipated to average 2.1 percent during the forecasted period from 2024 to 2028, driven by the government's ongoing efforts to stimulate and sustain economic development.	Growth long-term target of 3.0 to 4.0 percent growth per annum consistent with macroeconomic stability.	The latest forecast projected a growth of 1.2 percent in 2024, 2.6 percent in 2025 and 2.3 percent in 2026. The growth is led by the construction sector.
Debt	Review Government Debt Strategy to MTDS 2025-2027, with no new external borrowing, except for a highly concessional facility if need to borrow and domesticating external debt	The aim is to manage exchange rate risks and refinancing risks to the Government. Government can only borrow as a last resort in terms of financing options.	Continue to execute no external borrowing policy except for high concessional debt. Loan repayment of the EXIM loan
Operating balance	The Government will use fiscal policy to increase productivity and affordability of key public services through continuous implementation of the PFM reforms (organisational review), focus on addressing negative impacts due to inflation, climate change and on vulnerable groups.	The Government will (i) improve fiscal discipline through targeted spending on key priority areas (ii) intend to achieve an annual average of 1-2 percent of GDP budget surplus.	Budget surplus of $68.8 m outturn FY 2025.
Revenue	Target is to Improve revenue collection through: (i) continuous implementation of revenue reforms; (ii) strengthen compliance and administration, and (iii) review tax exemption.	Target is to improve collection to and above the threshold, 25.0 percent of GDP. This is to support Government objectives towards economic recovery and national resilience. Over the medium term, target is to implement an exit strategy from budget support.	Revenue collection is forecast to remain on tract, due to the ongoing implementation of revenue reforms, coupled with the strengthening of revenue administration and compliance.
Expenses	transparency; and ensuring alignment to the macroeconomic and fiscal framework. •*Expenditure Control Measures:* streamline operational expenses	Target is to meet PFM objectives in terms of allocative and operational efficiency towards achieving national development objectives.	Regular monitoring of expenses, to be re-directed towards financing few key priorities needs i.e

	(catering, overtime, overseas travel); asset management control measure; explore option to replace civil servants' personal accident insurance coverage		infrastructure development (bridge etc)
Inflation	• Government will continue to liaise with NRBT provide support and implement relevant measures (subsidies, renewable energy projects) to address impact of inflation, such as high cost of electricity, decline purchasing power. • Competent Authority (*MTED*) to include all or majority of the goods/services in their price control role.	Maintain price stability consistent with the current economic situation and to ensure macroeconomic stability.	Latest CPI: 1.2 percent (December 2024), outlook remains uncertain.

Macroeconomic stability, sustainable fiscal resources, and social programs

Ministry of Finance will continue implementing prudent fiscal policies and prioritize resource allocation to uphold macroeconomic stability and deliver essential services to the public. Special consideration will also be devoted to supporting vulnerable groups through:

Promoting opportunities to increase resilience, inclusive economic growth.

The government, in collaboration with development partners, will continue supporting recovery efforts and fostering resilience, inclusive economic growth through:

- ✓ providing the oversight roles on the investment in key economic sectors

- ✓ ongoing support to promote social safety net through ensuring the effective implementation of the Social Protection Measures.

- ✓ electricity price subsidy (lifeline tariff targeting consumption below 150 kilowatts),

- ✓ Micro financing facility to support women,

- ✓ Ongoing government support towards access to finance to support key sectors, including education through the Government Development Loan (GDL facility at TDB), with the need to strengthen compliance.

- ✓ Introduce Local Currency Bond Issue in collaboration with Asian Development Bank (ADB) to sterilize the surplus liquidity in the financial system, recycle funding to ADB development projects in Tonga, aiming to support private sector development.

- ✓ disaster risk financing *(based on the existing disaster Legal & Policy Framework pre-arrange Finance to increase the effectiveness of disaster finance responsiveness and recovery)*

- ✓ completion of recovery reconstruction and ongoing disaster and climate change adaptation program include communities' program and national security programs (support program toward returnees)

Ministry of Finance will continue to take the leading role in coordinating Government response towards persisting geopolitical tensions, conflicts, and crises at the global level, recognizing the potential uncertainty surrounding their impacts on domestic economy, particularly concerning the volatility in petroleum and food imports. This will involve ongoing collaboration with the National Reserve Bank of Tonga (NRBT) to implement

effective measures aimed at alleviating any possible inflationary pressures, including liquidity management within the financial system.

09.2. Building Resilience

Tonga has made good progress in preparation for natural disasters and climate change at the national and in collaboration with other Pacific Island countries and in the regional level; however, there is also a need to plan for the long-term, extreme events, and possible transformational responses.

The **Government will continue to implement the Housing Policy** to support the most vulnerable and minimize the risk associated with the impact of disasters.

The Government has completed 213 (as of February 2025, latest report to be amended accordingly once received.) residential houses out of the approved total of 286 houses that were affected by HTHH. The remaining houses are expected to be completed by the end of the year.

Moreover, the Affordable Housing Project supports the Housing Policy and has constructed 22 houses with an additional 30 houses to be constructed in FY2025/26.

Development Partners stand ready to support the Government of Tonga with frameworks for immediate response and support post-disaster. This includes humanitarian and related aid assistance.

Disaster Risk Financing Strategy (DRFS) is at its final year of implementation and is currently implemented with the assistance of development partners. The strategy aims to reduce the economic and fiscal impact of disasters by combining instruments that is covered through Tonga's risk layering strategy. Having rapid liquidity to meet surge demand for emergency assistance can deliver significant gains due to cost efficiencies generated by early response.

The Ministry of Finance is taking a stocktake of the DRFS and will continue to explore other financial tools for disaster response and long-term recoveries. This includes reviewing the transfer of risk to the private sector, strengthening the domestic insurance market, developing a shock-response social protection system, and insurance of the Government's assets.

While the new mechanisms are explored, the use of the existing instruments is optimized. The existing instruments are the National Emergency Fund (NEF); the PCRICInsurance Scheme; the ADB Contingent Financing Facility, CERC components under World Bank development projects; and the World Bank Catastrophe Deferred Drawdown Operation (CATDDO).

The Ministry is also working together with the World Bank to broaden insurance coverage to include drought.

AID MANAGEMENT AND RESILIENT DEVELOPMENT DIVISION (AMRDD)

The reformed structure of the management of AMRDD has been to better facilitate and strengthen the oversight and implementation of development projects.

The Ministry will continue to strengthen its effort through the AMRD Division in supporting the Government's resilient agenda. The intention is to minimise the economic and fiscal risks imposed by natural disasters given the vulnerability of the country such as the frequency and intensity of the natural disasters.

While the eligibility criteria in accessing the global financing architecture is ongoing, the Government continues to implement climate change and disaster donor funded programs which is reflected on the development budget. The Government will continue its partnership with the development partners in terms of increase assistance towards adaptation, mitigation and risk reduction programmes.

As Climate Change is a cross-cutting theme, Climate Budget Tagging (CBT) is a reform tool that has been endorsed by the Cabinet to support the mainstreaming and integration of climate change in the Government's Public Finance Management (PFM) system; by identifying and tracking climate relevant expenditures across fragmented interventions. This enables a more responsive, transparent, and accountable PFM system in ensuring that the country's development can absorb and recover from Climate Disaster Risks more effectively and efficiently. This reform is led by the AMRDD with a Joint-effort under the technical working group (Climate Change Department – MEIDECC and National Planning Department – Prime Minister Office).

FINANCIAL FRAMEWORK

Due to Tonga's vulnerability to natural disaster, Government signed the agreement in 2024 with the World Bank to join the scheme known as the Climate Resilient Debt Clause (CRDC) introduced to support the vulnerable countries against economic shocks, including fiscal crises due to natural disasters. The CRDC provides an option to Tonga to defer principal and interest payments (and other loan charges) for up to two years in the face of a natural disaster. The World Bank is therefore offering an additional crisis response tool for small islands struck by earthquakes and tropical cyclones, which allows governments to focus on disaster recovery instead of debt repayment.

All new or existing IBRD loans and IDA credits of Tonga with a remaining repayment period (final maturity) of at least five years are eligible for the CRDC. There are two types of (pre-specified) event triggers that can activate a CRDC:
1. **Primary parametric triggers,** which measure the intensity of the disaster event, such as the wind speed of hurricanes or the magnitude of earthquakes.

    a) *Earthquakes:* Moment magnitude (Mw) 7.0 or above, with reported depth less than or equal to 175km with an epicentre within the covered area.
    b) *Tropical cyclones/hurricanes:* Reported maximum sustained windspeed in the covered area at 178km/hour or above if reported as 1-min average windspeed; or 160km/hour or above if reported as 10-min average windspeed.1

2. **Secondary Trigger:** If upon verification by the World Bank, it is established that the Primary Trigger has not been satisfied, the World Bank will determine whether estimated damages from the eligible event are greater than or equal to 10% of the country's GDP, as last published by the World Bank.

Government will continue to provide through the Micro-loans for Women to support income generation activities as well as the Government Development Loan (GDL) facility managing by TDB aiming to support key sectors development initiatives. The facility is offering a very low interest rate, targeted to low-income households, and small to medium-sized businesses.

Further to Government Assets, Government Assets Disposal Committee (GADC) continues to ensure movement of assets, and disposal of assets is complied with Treasury Instructions 2020. Due to the continuous qualify opinion of the Government's financial statement, and one reason is that Government assets are not accurately recorded, the Ministry of Finance is anticipating of getting a Technical Assistance to assist in the valuation of big infrastructure assets for instance, roads, wharves, etc.

With regards to the Financial Framework Policy, there's a need for the government officials to understand the context and key design features of climate budget tagging initiatives. The Financial Framework Policy unit is aiming to complete the review of the Chart of Accounts to consider the gender equality and climate change. Given the importance of the effectiveness of climate budget tagging, this would require a more time and thorough review of the Chart of Accounts roadmap.

ECONOMIC AND FISCAL POLICY DIVISION (EFPD)

The government is committed to provide an ongoing support towards reviving economic growth is paramount to boost growth to its potential over the medium term therefore invest in redirecting resources to finance critical projects in key economic sectors namely agricultural, fishery and tourism. Additionally, ongoing investments in collaboration with the private sector, as our long-term partner to promote growth in transport infrastructure, health infrastructure, and improvements in public infrastructure are essential for fostering a prosperous and sustainable future. As such, the specific focus will be on:

- *Agriculture*: packhouses and facilities (western, central of Tongatapu and Vava'u), butchery (abattoir), and biogas production.

- *Fishery*: long-line fishing vessels (2 from Japan and 3 from the Peoples Republic of China).

- *Tourism*: Fua'amotu Five Star Hotel.

- *Infrastructure*: Fanga'uta Bridge, Parliament Complex, National Museum, Road maintenance, air/sea/land transportation, foreshore (western side of Tongatapu and Pangai Ha'apai, upgrade of the Vuna road), new bridge in 'Eua, Airport upgrades, and Outer Island jetties.

The division's role will focus in providing the oversight role as for the lead MDAs to drive the implementation of each sector related investment initiatives. For instance, MAFFF will take the lead role in facilitating the investment initiatives towards the agricultural sector in consultation with its key stakeholders.

Furthermore, the division will also prioritize the ongoing works on key economic and fiscal initiatives in collaboration with the relevant MDAs and organization. These include the National Reserve Bank in relation to the impact of inflation and the planned activities in the medium term, the continued implementation of the proposed fiscal measures as follows:

(i) Revenue Measures:
   a) **Improve revenue collection through:**
      (i) continuous implementation of revenue reforms.
      (ii) strengthen compliance and administration, and
      (iii) review tax exemption.

(ii) Expenditure Measures:
   b) **Prudent expenditure through:**

      (i)   streamlining operational expenses (catering, overtime, overseas travel);
      (ii)   implementing asset management control measure.
      (iii)   exploring option to replace civil servants' personal accident insurance coverage, monitoring the usage of government vehicle after hours.

09.3. Improved Management, M&E and Communications

ALL DIVISIONS

MOF will focus on addressing weaknesses in internal management in between and amongst all divisions. This includes ensuring that the CP correctly aligns with the results-based framework of the One Process tool of corporate planning and budgeting. Clear format and procedures for AMP with enhanced M&E need to be addressed. The management outputs required from all Divisions, based on the requirements of the various OPSC and MOF Instructions have to be clarified. This includes associated KPIs both for the Divisions and the DCEOs' performance as part of better links between outputs, JDs, and staff performance management system.

Improved management includes a focus on improved communications both within the Ministry and with its stakeholders. A Communication Strategy is being developed to assist the Ministry to better identify the needs of its many stakeholders and how to better communicate with them. This will include improved sharing of information and better responding to queries, issues and concerns.

CORPORATE SERVICES DIVISION

The Corporate Division in the new financial year, is being re-structured to ensure that all the functions required of the Division is effectively carried out. The Division is divided into two main sections: Finance/ Budget & Asset/ Procurement Section and Human Resources and Performance Management (HRPM)Section. The re-structure aims to significantly improve performance effectively and ensure that all the required responsibilities are efficiently carried out with each section essentially enhanced the internal processes.

Further, the Government General Funds (GGF) is being reviewed and some of the accounts are transferred to the MDAs who directly deal with the related activities of the specific fund.

BUDGET DIVISION

The Budget Division also plays a vital role in the Monitoring and Evaluation for the Ministry as well as other MDAs, in ongoing review of their Budget Performance and Cashflow forecasts.

09.4. Integrated Financial Management Information System (IFMIS) and E-Government

INFORMATION, COMMUNICATION AND TECHNOLOGY DIVISION

The ICT Division aims to recruit a new Deputy CEO to strengthen management and leadership to drive the ICT priorities that had been stagnant for years. These priorities includes timely policy advices to the Hon. Minister on ICT related technologies, dashboards of reports, negotiations to secure a IFMIS project and funding as a one solution to address PFM current issues, establishing ICT Business Continuity Frameworks, business process architecture mapping, information security management frameworks compliance to international standards, alignment to E-government requirements and the National ICT Project, and strengthening help desk support management and fixed asset management.

Technical assistance on skill gaps such as Developers, Designers, Programmer are required for added capacity and to transfer knowledge to the existing ICT staff. Professional Training and Long-Term Training are encouraged, so that staff are well trained of rapid information technologies and systems.

The ICT output and deliverables are integrated across vertically with all the eleven (11) Divisions, and further to the MDAs, and outer islands and the use of technologies remotely through wireless and satellite, are ever more dependent for the working environment, therefore importantly user-friendly systems, and cost effective must be researched and tested, to best fit the ministry's requirements.

FINANCIAL FRAMEWORK DIVISION

The ongoing revision of the current Chart of Accounts (CoA) in the Government's accounting system needs to be completed and at the same time to incorporate the gender equality and climate change into the system. FFD, in liaison with all relevant Divisions, will lead the implementation of the revised CoA in a phased approach, which will include clear mapping of data to permit the accurate and timely production of budget data in the formats required by government, Government Finance Statistics (GFS), Classification of the Function of Government (COFOG) and other standards.

There's also needed to link the revision of the CoA to a cash basis Government Financial Reporting while disclosing all accrual transactions instead of the adoption of a modified approach in the preparation of the Public Accounts. This is critical especially if government is to move into a more modern IFMIS.

BUDGET DIVISION

The Division plans to support efforts under the PFM reform action plan, including the implementation of program-based budgeting. This includes reflecting any revisions of the CoA associated with the upgrading of the FMIS in the budget templates used for formulating the estimates and reporting purposes. Although such plans are tentative for the upcoming 2025/26 budget, in the meantime, there are efforts of tagging the budget using the existing CoA to key thematic areas, starting with climate change as approved by Cabinet in September 2022 (CD No.743) and initial stages on gender-responsive budgeting.

09.5. Improved Compliance and Enforcement

CORPORATE SERVICES DIVISION

As the Division provides the overall support and oversight for the Ministry, it also has the responsibility of overseeing the M&E for the Ministry.

Plans are in place to have a Risk Matrix in place to assist with the overall compliance and enforcement of the Ministry.

INTERNAL AUDIT DIVISION

The Internal Audit Division will continue to give priority to Risk-Based-Auditing in all audit assignments. Prioritizing extreme and high-risk areas the Ministry is facing will be the focus of the Division.

The Division has been restructured to refocus its resources toward helping management tackle the most pressing issues that arise from the ever-changing work environment. The restructuring of the Division will ultimately broaden the risk areas that will be reviewed to better play its critical role in advising management on emerging risks and implications on internal controls. This new structure also highlighted our commitment to improving IA ratings as per the Public Expenditure and Financial Accountability (PEFA) assessment 2019. New positions created in this structure has been with no fund for more than 2 years now. Thus, the division will continue to seek fund for these positions for overall improvement of Internal Audit practice in Tonga.

Internal Auditors will continue to enhance compliance with the International Professional Practice Framework (IPPF) which includes the Code of Ethics and the International Standard for Internal Auditors, issued by the Institute of Internal Auditors (IIA). IAs compliance with the Internal Audit Charter which is revised annually is continually monitored. Monthly in-house training of staff is ongoing to ensure compliance and further enforcement of relevant rules and regulations within the Ministry. Additionally, Internal auditors' engagement with the Institute of Internal Auditors both New Zealand and Australia will also be strengthened for continuous staff professional development.

The Division has also worked toward the PFM Action plan 2020 which has started with liaising with the Financial Framework Division on strengthening the legal framework for Internal Audit through revision of specific clauses in the Treasury Instructions and so as the Public Finance Management Act.

Internal Audit awareness programs will also be delivered both within the Ministry and across Line Ministries. Quality Assurance programs have also been conducted within the Ministry in ensuring the effective and efficient performance of the Internal Audit function.

BUDGET DIVISION (BD)

The Division continues to ensure compliance of the Ministry and other MDAs to the Appropriation Act. Further the requests for Budget transfers and confirmation of funds are the responsibility of the Division. The review and updating of transfer forms have been carried out with checklists to guide completion of transfer requests from

MDAs and compliance with requirements for consideration of approval of transfers etc. Furthermore, other forms used by ministries in the process of confirming of funds for established and unestablished positions is currently still under review for the same purpose of transfer forms, increase the level of compliance and provision of credible and reliable allocation of resources through recruitments in the public service.

PFM and RESEARCH & DEVELOPMENT

The two PEFA assessments successfully conducted in 2019 aimed to measure the current performance of public finance management (PFM) using the internationally recognized standard. Also compare the Government PFM against the most recent PEFA assessment in accordance with the PEFA Secretariat's guidance. Since 2019 implementations of recommended actions addressing issues for the Government has been an issue.

The assessment identified areas of PFM strength where Government achieved good ratings. At the same time, priorities are to be given to areas where we have received a D/D+ rating. These are in the areas of Budget Reliability (Pillar 1); Transparency of Public Finances (Pillar 2); Management of Assets and Liabilities (Pillar 3); and Pillar 5: Predictability Control in Budget Execution. Efforts are to build into all PFM initiatives with a view to improve PFM performance going forward.

The past PFM reforms initiatives were based on issues identified by the PEFA assessments of 2010 and their purposes were to strengthen public expenditure management, enhance revenue generation, improve the efficiency and effectiveness of the use of public resources by public sector enterprises, putting in place legal and institutional framework for a performance-based public service and ensure efficient and effective public service operations through a performance-based management system. COVID 19 pandemic during 2019-2022 and the HTHH tsunami in 2022 demanded certain flexibility in the fiscal policy and thus the macroeconomic and fiscal forecast were downgraded, government expenditures were re-prioritized away from the medium-term planning frameworks with additional funds mobilized to facilitate survival mode and economic recovery. With this flexibility, the Tonga Audit Officer of the Auditor General reported the lack of evidence in the spending of additional funds. This was part of the Parliament deliberations in March/April 2025.

A PFM Roadmap was formulated to coordinate all actions addressed in the assessment. At the same time to build the capacity of the staff for conducting periodic self-assessments.

A revision of the Public Financial Management Act (PFMA) and relevant regulatory reforms is a priority and is still pending and this is likely to be complete in 2026. The process of modernization has completed in 2024, and the political change delay the process from completion.

The Ministry has embarked in also modernization of the Financial Management Information System. Australia has indicated to fund this migration into an Integrated FMIS, and project proposal has been submitted. Australia is currently procuring two computer servers for this financial year FY2024/25 and two more computer servers in the next financial year FY 2025/26. The other part of the package will be considered with funding along the implementation schedule.

A new structural change in the next financial year FY 2025/26 is that the PFM & Research Division merged with the FFD Division into one division.

PROCUREMENT DIVISION (PD)

The Procurement Division continues to strive towards best practice through ensuring that regulations are complied with and that the process is transparent and has the instruments that ensures that checks and balances are possible. With the application of the emergency procedures, work is now planned on reviewing reporting requirements post implementation which the current HTHH project highlighted.

Further, the MAPS review should also guide areas for improvements and review and especially on possible country specific instruments and tools for use.

TREASURY DIVISION (TD)

The Treasury Division is advancing its initiatives to strengthen compliance and enforcement by executing its proposed reforms, focusing on enhancing financial management practices and financial reporting through;

- decentralizing financial services to MDAs
- implementing e-payments,
- streamlining processes and
- IPSAS Compliance in Financial Reporting.

The government seeks to enhance the effectiveness, responsibility, and openness of its financial operations, ultimately guaranteeing improved governance and service provision for all stakeholders.

In the last year, the shift towards decentralizing the verification and authorization of payments to MDAs has shown significant effects, even with some drawbacks. MDAs have shown enhanced efficiency in processing payments, leading to better service delivery. This move towards decentralization is beginning to cultivate a sense of ownership and responsibility among MDAs, as they are becoming directly accountable for managing their financial matters.

In the context of financial reporting, the Government is continuing its efforts to fully embrace accrual accounting in line with IPSAS standards. The existing strategy the government is following aims to guarantee that the financial statements are entirely in accordance with the IPSAS Cash basis, while progressing toward the eventual adoption of the complete accrual method in the upcoming years.

The division will persist in monitoring the effectiveness of previous reforms while also proceeding with the execution of its intended reforms, which include permitting MDAs to handle payments (issuing cheques) and manage payroll independently.

Finally, regarding capacity building, the division will keep looking for ways to equip Treasury and other MDA staff members with the information, abilities, and awareness needed to maintain compliances successfully and efficiently.

09.6. Improved Corporate Planning, Budgeting, Economic Analysis & Forecasts

ECONOMIC and FISCAL POLICY DIVISION (EFPD)

The Division will continue to enhance its economic analysis, forecasting, and policy advisory functions through improved planning, outreach programs, and research on global, regional, and domestic economic trends.

It will maintain active collaboration with the International Monetary Fund (IMF) through missions and Article IV Consultations for ongoing surveillance of the domestic economy. Additionally, the Division will engage in capacity-building initiatives, leveraging technical assistance and training provided by development partners such as the Asian Development Bank (ADB), IMF training institutions, the Pacific Financial Technical Assistance Centre (PFTAC), the World Bank, and others.

Close coordination with the Statistics Department and relevant stakeholders will be prioritized to ensure the availability of accurate and timely economic data for analysis and forecasting. The Division will continue to provide regular updates on economic conditions and forecasts through periodic reports to senior management, Cabinet, and the public via the Ministry's website.

Moving forward, the Division is committed to strengthening the quality and timeliness of key economic policy documents, including the Budget Strategy, Budget Statement, Periodic Economic Reports, and Policy Papers.

AID MANAGEMENT and RESILIENT DEVELOPMENT DIVISION (AMRDD)

The Division will continue to work together with development partners to access new instruments to provide new financing to address the Government of Tonga's Disaster Risk Financing Strategy. While the team is working on

Green Climate Fund accreditation, Climate Budget Tagging (CBT) is a reform tool that the team also works in parallel to identifying and tracking climate-relevant expenditures across fragmented interventions for a high-level informed decision on the investment and sustainability of Climate activities.

The team is working on activities that had been identified to improve the Public Expenditure and Financial Accountability (PEFA) assessment in the Government of Tonga's Development Budget Preparation and Monitoring cycle. Some of the Activities include:

1) Coordination with Development Partners to provide Forward Aid Plans to accurately reflect support in the Government's Development Budget.
2) Providing capacity building to MDAs on the development Budget to ensure accuracy of budget costs are incorporated into MDA's CPs.
3) Revise annual budget guidelines to reflect all Government contributions and maintenance in the Recurrent Budget.
4) Strengthen project monitoring and aid management process. This includes developing options paper to guide the CBT process that involves climate change typology and tracking solutions.

BUDGET DIVISION (BD)

The Division aims to improve:

- **Budget reliability** (PEFA indicators 1-3): through increased number and more frequent outreach consultations with MDAs on their budget and service delivery performance and reporting those performances to Cabinet and through online publications. This would replace the previously held quarterly budget forums due to feedback provided from MDAs on the effectiveness of using more one-to-one consultations instead.

- **Budget transparency** (PEFA Indicator 9): through increased public access to budgetary information in terms of issuing a citizen budget or a simplified version of the budget estimates for ordinary citizens to understand and better engage in the budget and planning process. In addition, efforts of publishing budget performance reports continue to be implemented in coordination with the EFPD's regular economic reports to help streamline reporting requirements and for easier point of reference for taxpayers and decision-makers. Furthermore, the Division continues its efforts in implementing initial stages of climate budget tagging under the technical working group for mainstreaming climate change into PFM, with plans to develop a framework for gender responsive budgeting. These initiatives aim to enhance budget formulation, execution and reporting based on every level of administrative, economic and COFOG standards as measure under the PEFA assessment.

- **Policy-based budgeting** (PEFA Indicator 17.1-17.3): aims to improve the effectiveness of participation by relevant stakeholders in the budget preparation process, including political leadership, and whether that participation is orderly and timely. The division plans to improve MDAs adherence to the budget timeline through the above-mentioned consultations, ongoing capacity building and simplifying of budget processes and templates. In addition, efforts in developing the budget guidance and circular through a budget-information kit has been issued in the 2024/25 budget and continues for the 2025/26 budget preparation. Additionally, on-going work with the Legislative Assembly office to assist its budget scrutiny role and timely submission of the Budget Estimates as per legal requirements.

10. MAJOR CHANGES IN RECURRENT BUDGET ALLOCATIONS

Major changes are attributed to:

MOF GOVERNMENT GENERAL FUND BUDGET

- ✓ $2.86M allocated for NICT project and redundancy back up.

- ✓ Additional $500K for utilities at Fua'amotu Resort.

- ✓ Extra $2.2M for insurance coverage.

- ✓ Additional $530K to support the streetlight project ($180K Streetlight + $350K Subsidies)

- ✓ Reallocate $60K from Finance to MIA for the Deportees project + $100K Family Protection.

- ✓ Reallocate $1M for the Tapanekale project to MOI.

- ✓ Reallocate $5M for the Illicit Drugs initiative to relevant ministries.

- ✓ Reallocate $500K for Public Sector Reform to the Public Service Commission (PSC).

- ✓ Additional $1.2M to cover the increase in GPO costs.

- ✓ Additional $950K to cover the anticipated rise in electricity bills.

- ✓ A new allocation of $56.4M is designated for Private Sector Development, which includes $30 million for Public-Private Partnerships (PPP), $10M for Technical and Vocational Education and Training (TVET), $10.7M for Tonga Power Limited (TPL), $1.2M for Microfinancing for Women, and $4.5M for Student Loans.

- ✓ New vehicle an extra $510K.

MOF GOVERNMENT Recurrent Budget

- ✓ Overtime allocation for Ministry is reduced from $500k to $90k

- ✓ Overseas Travel allocation is reduced from $585k to $150k

- ✓ Catering and Refreshments reduced from $102k to $6k

- ✓ There is NO allocation for New Equipment which was $121k in the previous financial year

- ✓ New computers are reduced from $115k to $50k

- ✓ No allocations for renovation in this financial year

11. BUDGET AND STAFFING

The overall budget for the Ministry is summarized in Table 5.

Table 5:Ministry Budget by Recurrent, Development and Item (Cash & In-Kind) ($ millions)

Recurrent Budget Expenditure Item ($m)	2022/2023 Budget ($m)	2023/2024 Budget ($m)	2024/2025 Original Estimate ($m)	2025/2026 Budget ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established Staff (10xx)	5.76	5.65	$5.88	$5.44	$5.44	$5.44
Unestablished Staff (11xx)	0.39	0.38	$0.46	$0.36	$0.36	$0.36
Travel and Communication (12xx)	0.51	0.92	$0.91	$0.50	$0.50	$0.50
Maintenance and Operations(13xx)	0.60	0.59	$0.67	$0.68	$0.68	$0.68
Purchase of Goods and Services(14xx)	1.75	1.44	$1.46	$1.60	$1.60	$1.60
Grants & Transfers (15XX)	0.02	0.01	$0.01	$0.00	$0.00	$0.00
**Assets (20xx)	0.38	0.40	$0.41	$0.15	$0.15	$0.15
Total Operation Recurrent	**9.41**	**9.39**	**$9.80**	**$8.72**	**$8.72**	**$8.72**
Government General Fund Recurrent	**2022/2023 Budget ($m)**	**2023/2024 Budget ($m)**	**2024/2025 Original Est ($m)**	**2025/2026 Budget ($m)**	**2026/2027 Projection ($m)**	**2027/2028 Projection ($m)**
Established Staff (10xx)	0.05	2.01	$4.20	$2.20	$2.20	$2.20
Unestablished Staff (11xx)	0.08	0.08	$0.09	$0.06	$0.06	$0.06
Travel and Communication (12xx)	1.03	1.00	$1.00	$1.00	$1.00	$1.00
Maintenance and Operations (13xx)	0.61	0.11	$0.11	$0.11	$0.11	$0.11
Purchase of Goods and Services (14xx)	5.97	1.46	$6.67	$9.97	$9.97	$9.97
Grants and Transfers (15xx)	56.47	17.55	$16.57	$9.42	$10.98	$5.95
Development Duties Expenditure(16xx)	4.30	3.80	$4.80	$4.06	$7.06	$21.06
Contingency Fund (18xx)	5.00	5.00	$5.00	$5.00	$5.00	$5.00
Pension and Gratuity (19xx)	3.80	3.80	$3.80	$3.80	$3.80	$3.80
Assets (20xx)	3.42	0.46	$0.05	$0.56	$0.05	$0.05
Equity Payment (21xx)	1.00	0.00	$7.30	$0.00	$0.00	$0.00
Private Sector Development (22xx)	10.00	5.45	$5.00	$56.40	$30.00	$30.00
Total GGF	**91.73**	**40.72**	**$54.59**	**$92.57**	**$70.23**	**$79.19**
Debt Management (17xx)	45.38	67.12	$69.35	$68.38	$75.19	$71.50
Total Expenditure Recurrent	**146.52**	**117.23**	**$133.74**	**$169.67**	**$154.14**	**$159.42**
Development	**2022/2023 Budget ($m)**	**2023/2024 Budget ($m)**	**2024/2025 Original Est ($m)**	**2025/2026 Budget ($m)**	**2026/2027 Projection ($m)**	**2027/2028 Projection ($m)**
Unestablished Staff (11xx)	0.00	0.00	$0.00	$0.00	$0.00	$0.00
Travel and Communication (12xx)	0.18	0.05	$0.05	$0.03	$0.03	$0.02
Maintenance & Operations(13xx)	0.33	0.01	$0.01	$0.02	$0.01	$0.01
Purchase of Goods and Services(14xx)	14.05	7.30	$3.75	$10.74	$6.71	$8.17
Grants and Transfers (15xx)	60.39	10.22	$54.26	$54.35	$14.54	$23.00
Development Duties Expenditure (16xx)	0.00	0.00	$6.60	$0.00	$0.00	$0.00
Assets (20xx)	20.67	2.00	$18.85	$6.79	$1.20	$1.20
Equity Payment (21xx)	0.00	2.55	$0.00	$0.00	$0.00	$0.00
Private Sector Development (22xx)	0.00	2.55	$0.00	$0.00	$0.00	$0.00
Total Development	**95.62**	**22.13**	**$83.52**	**$71.93**	**$22.49**	**$32.41**
Total MOF Budget	**232.73**	**129.97**	**$217.26**	**$241.60**	**$176.62**	**$191.83**

Notes:

1. 'Established and Unestablished staff' are all expenditures under CATs 10 and 11

2. 'Ministry Operational Costs' are for Programs 1, 2 and 3; all expenditures under CATs 12, 13, 14.

3. 'Assets' is expenditures under CAT 20.

4. 'Services on behalf of the Government' includes all Expenditures under Program 4 – General Fund, Program 5 – Debt Management and all expenditures from CATs 15, 16, 17, 18, 19, 21, and 22.

Table 6: Ministry's Total Staff by Key Category

Category	2022/2023 Actual ($m)	2023/2024 Actual ($m)	2024/2025 Original Estimates ($m)	2025/2026 Budget Estimates ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established Staff						
Executive Officer (Band A to G))	12	12	12	13	13	13
Professional Staff (Level H to L)	122	117	117	123	123	123
Other Staff (M to P)	81	78	78	76	76	76
Total Established Staff	**215**	**207**	**207**	**212**	**212**	**212**
Unestablished Staff	25	26	26	26	26	26
Total Staff	**240**	**233**	**233**	**238**	**238**	**238**
Total Recurrent Cost ($m)	**6.15**	**6.03**	**6.03**	**5.10**	**5.10**	**5.10**

B. PROGRAMS AND SUBPROGRAMS, MOF

This section provides additional information on each Division or Sub-program grouped by programs.

PROGRAM 08.1: LEADERSHIP AND POLICY ADVICE

The Leadership Division (LD), comprising the Office of the Minister (OoM) and the Office of the CEO (OCEO), ensures the effective delivery of the senior executives' roles—the Minister and the CEO—both within the ministry and to a wide range of stakeholders as outlined in the relevant Acts. The OoM sets the strategic direction and provides leadership, facilitating policy advice and guidance to key stakeholders, while the OCEO manages policy implementation, overseeing administrative systems, resource allocation, and output delivery. Together, the division enables the ministry to function efficiently, aligning leadership and management to achieve the ministry's objectives, supporting its central role in providing policy advice, leadership, financial and development directions, effective governance, operational management, guidance, and assistance to a wide range of stakeholders, including Cabinet, the Legislative Assembly, and international and regional development partners.

The summary budget and staffing for the Program is shown in Table below.

Table 7:Summary of Program 08.1: Budget and Staff

Description	2023/2024 Actual ($m)	2024/2025 Original Estimates ($m)	2025/2026 Budget Estimates ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished Staff (Cat 10&11)	**1.85**	**1.91**	**1.88**	**1.88**	**1.88**
Operation	**2.00**	**2.47**	**2.71**	**2.71**	**2.71**
Total =Recurrent ($m)	**3.84**	**4.38**	**4.59**	**4.59**	**4.59**
Total=Development($m)		**0.97**	**2.36**	**-**	**-**
Total Established Staff	16	16	64	64	64
Professional Staff	14	14	32	32	32
Other Staff	1	1	25	25	25
Total Established Staff	**16**	**16**	**64**	**64**	**64**
Unestablished	**0**	**0**	**11**	**11**	**11**

Subprogram 08.1.01: Leadership Division- Office of the Minister (OoM)

OFFICE OF THE MINISTER OUTPUTS AND KPIS

As a work stream of the Leadership Division, the Office of the Minister (OoM) plays a crucial role in supporting the Minister in high-level policymaking, ensuring effective communication and coordination, and enabling the Minister to provide strategic leadership in setting the direction for the ministry. It ensures clear and consistent leadership while maintaining a division of responsibilities between the Minister's leadership role and the CEO's management role, in line with relevant legislation. The OoM also facilitates policy advice, financial guidance, and development directions to key stakeholders, including Cabinet, the Legislative Assembly, and international partners, with support from the OCEO and divisions. In addition, the OoM supports the Minister for Finance and the CEO in their roles as Tonga's Governor and Alternate Governor to international financial institutions, including the Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB), International Fund for Agricultural Development (IFAD), International Monetary Fund (IMF), and the World Bank (WB), ensuring effective engagement and representation at the international level, and timely submissions of Governor's vote for respective Board of Governors' decision making. The OoM further assists with the Minister's statutory obligations, including the submission of reports and policy matters to Cabinet and the Legislative Assembly for statutory bodies under the Minister for Finance's portfolio. These include the National Reserve Bank of Tonga, Tonga Development Bank, the Retirement Fund Board, and the National Retirement Benefits Fund.

Table 8:Office of the Minister Outputs and KPIs

0utput Statement 1:' That the Leadership and Policy Advice are in compliance with the PFM Act and other relevant Acts to facilitate high level decision making for Tonga's development'							SDG/TSDF II	
Outputs	**KPIs**	**2024/25 (baseline)**	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indicators #**	**GPA Target**
Budget Statement & Estimates	Number of days before due date of Minister's Budget Statement and Estimates submitted to Parliament.	5	3	3	3	0		
Public Account	Number of days before due date of Public Accounts submitted to Audit	5	3	3	3	0		
Cabinet submissions	Number of Cabinet Papers signed.	12	12	12	12	≥12		
Tonga Governor's and/or Alternate Governor's vote for respective international financial institutions	Timely submissions of Tonga Governor's and/or Alternate Governor's vote [no later by due date, zero (0) day]]	0	0	0	0	0		

OFFICE OF THE MINISTER BUDGET, STAFF AND PROJECTS
Table 9:Budget, Staff and Projects.

Description	2024/2025 Original Estimates ($m)	2025/2026 Budget Estimates ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10& 11)	0.22	0.27	0.27	0.27
Operation	0.20	0.06	0.06	0.06
Total Recurrent ($m)	0.42	0.33	0.33	0.33
Development ($m)			-	-
Executive Staff	1	2	2	2
Professional Staff	1	2	2	2
Other Staff	5	2	2	2
Total Established Staff	7	6	6	6
Unestablished Staff	0	0	0	0

Subprogram 08.1.02: Leadership Division- Office of the CEO (OCEO)

OFFICE OF THE CEO OUTPUTS AND KPIS
The other work of the Leadership Division, Office of the CEO (OCEO) supports the provision of essential strategic management and oversight, ensuring the effective implementation of the Minister's policy choices. It assists in managing the ministry's administrative systems, delegating outputs to a structured organization, and balancing resources with outputs and KPIs. Additionally, the OCEO facilitates negotiations for resources, coordinates divisional heads in output delivery, and fosters a positive organizational culture that promotes learning, capacity building, and staff performance.

Both the OoM and OCEO are delegated key outputs to deliver the above requirements, with relevant KPIs listed in the table below. This highlights the Leadership Division's crucial role in supporting the ministry's objectives and the responsibilities of the Minister for Finance and the CEO for Finance in accordance with respective Acts and Regulations.

Table 10:Office of the CEO Outputs and KPIs

Output Statement 2: '*That the management of the Ministry is in accordance with the PFM Act and other relevant Acts to facilitate effective and efficient service delivery*'						SDG/TSDF		
Outputs	KPIs	2024/25 (baseline)	2025/26	2026/27	2027/28	Targets #	Indicators #	GPA Target
MOF's Annual Report (AR)	Submit the AR Document by the due date.	yes	yes	yes	yes	yes		
MOF's Corporate Plan (CP)	Submit the CP Document by the due date.	yes	yes	yes	yes	yes		
MOF's Annual Management Plan (AMP)	Complete the AMP Document by the due date (31 July)	yes	yes	yes	yes	yes		
MOF's Annual Procurement Plan (PP)	Complete the APP Document by the due date	yes	yes	yes	yes	yes		
MOF's Asset Registry	Complete the Asset Registry Document by the due date	yes	yes	yes	yes	yes		
Cabinet submissions	Number of Cabinet Papers signed.	12	12	12	12	≥12		

OFFICE OF THE CEO BUDGET, STAFF AND PROJECTS
Table 11:Office of the CEO Budget, Staff and Projects

Description	2024/2025 Original Estimates ($m)	2025/2026 Budget Estimates ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10& 11)	0.14	0.13	0.13	0.13
Operation	0.15	0.01	0.01	0.01
Total =Recurrent ($m)	0.29	0.14	0.14	0.14
Total = Development ($m)	0.92	2.10	-	-
Executive Staff	1	1	1	1
Prof Staff	1	1	1	1
Other Staff	0	0	0	0
Total Established	2	2	2	2

Subprogram 08.1.03: Internal Audit Division (IAD)

INTERNAL AUDIT DIVISION OUTPUTS AND KPIS
The Division operates within the Ministry of Finance to provide recommendations for improved processes, compliance, management, and risk reduction, which help improve the performance of the Ministry. Reports are submitted to the Audit Committee which is chaired by the Minister for Finance and CEO for Finance is a member. Audit reports also tracked the response of Management.

The Division has delegated the following outputs with relevant KPIs listed below.

Table 12:Internal Audit Outputs and KPIs

Output Statement 1: Providing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes within the Ministry.
SDG/TSDF

Outputs	KPIs	2024/25 (baseline)	2025/26	2026/27	2027/28	Target #	Indicator #
Output 1: Plan Audit	KPI 1.1 Annual Percentage of Plan audits completed versus actual audits.	80%	90%	95%	100%		
	KPI 1.2 Number of Risk Based Audits completed annually.	4	6	8	10		
	KPI 1.3 International Professional Practices Framework (IPPF) – the internal audit standards are adopted for all Audits.	4	6	8	10		
Output 2: Special Audits (Ad-hoc)	KPI 2.1 Percentage of special audits (ad-hoc) accepted by the IAD, completed within the agreed due date.	100%	100%	100%	100%		
Output 3: Follow up Reports	KPI3.1 Percentage of accepted Internal Audit Division (IAD) recommendations implemented by the Government within agreed timeframe annually.	70%	90%	95%	100%		
	KPI3.2 Percentage of recommendations assessed by	90%	100%	100%	100%		

	the IAD for implementation progress annually.					
Output 4: Risk Matrix	**KPI 4.1** The IAD's Risk matrix updated with Government wide consultations annually.	**1**	1	1	1	
Output 5: Staff levels and Development	**KPI 5.1** Percentage of staff members who attain 40 hours of professional development annually.	**100%**	100%	100%	100%	
	KPI 5.2 Percentage of staff with IAD related postgraduate qualification.	**20%**	30%	40%	40%	
	KPI 5.3 Number of established staff.	**7**	8	10	11	
Output 6: Quality Assurance	**KPI 6.1** Percentage of positive response to IAD's performance in customer satisfaction survey annually.	**85%**	90%	95%	100%	
	KPI 6.2 Percentage of clients surveyed for audit satisfaction annually.	**100%**	100%	100%	100%	
Output 7: Annual documentation	**KPI 7.1** Annual review of audit manual, audit charter and audit guide performed.	**1**	1	1	1	
	KPI 7.2 Annual plan, annual AMP and annual report, Strategic Plan, PMS provide within required time frame	**100%**	100%	100%	100%	
Output 8: Audit Committee meetings	**KPI 8.1** Number of Audit Committee meetings annually.	**3**	4	4	4	
	KPI 8.2 Audit Committee reviews IAD's Annual Report, Strategic Plan and Annual Plan Annually.	**1**	1	1	1	
	KPI 8.3 Progress of Government in addressing issues in the Audit recommendations register is reviewed by Audit Committee annually	**1**	1	1	1	

INTERNAL AUDIT DIVISION BUDGET, STAFF AND PROJECTS
Table 13:Internal Audit Budget

Description	2024/2025 Original Estimates ($m)	2025/2026 Budget Estimates ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10& 11)	0.18	0.22	0.22	0.22
Operation	0.06	0.00	0.00	0.00
Total = Recurrent ($m)	0.24	0.22	0.22	0.22
Total = Development ($m)				
Executive Staff	1	1	1	1

Professional Staff	3	5	6	6
Other Staff	1	1	1	1
Established Staff	5	7	8	8
Unestablished Staff	0	0	0	0

Subprogram 08.1.04: Corporate Services Division - Finance/ Government General Fund and Procurement

CSD Finance Outputs and KPIs

The Division closely assists the CEO in the financial planning/budgeting, asset management, payments, monitoring, and reporting and procurement for the Leadership Division and the other 10 Divisions of the Ministry. The Division is also responsible for the management of the Government General fund.

The Division is responsible for the budget, managing and monitoring of the Recurrent Expenditure of the Ministry. As Payroll processing had commenced being decentralised to the Line Ministries, Finance had taken the lead, and Corporate Services had taken this additional function during the current financial year.

Additionally, the Ministry is responsible for the budget, managing and monitoring of the Government General Fund (GGF), under Programme 4. The Fund is at TOP 40.28m for the financial year 2025. The major change in the component of the Fund is the transfer ot the Private Sector Development Fund to the relevant economic Ministries including Ministry of Agriculture, Fishery, Tourism and Ministry of Trade and Economic Development.

CSD Finance/ GGF and Procurement is comprised of the following Sections and Units with the list of the main activities:

1. FINANCE, BUDGET, AND ASSET SECTION (FS): **ASSIST THE CEO AND HODS WITH OVERALL BUDGETING AND FINANCIAL AND ASSET MANAGEMENT OF THE MINISTRY:**
- Financing Operations
- Payroll
- Financial Reporting
- Budget Preparation and Monitoring
- Asset Management

2. GOVERNMENT GENERAL FUND:
- Budget
- Payment Processing
- Monitoring and Reporting

3. PROCUREMENT AND CONTRACT MANAGEMENT (OPERATION AND GGF):
- Annual Procurement Plan
- Procurement Proposals
- Procurement Follow-up and Reporting
- Managing and Monitoring of Contracts

CSD Financial Performance Management Subdivision OUTPUTS AND KPIS
Table 14:Corporate Services Outputs and KPIs

Output Statement 1. 'That the MOF and stakeholders are provided with effective and efficient managing of its Budget, financial, asset and procurement/contract activities.						SDG/TSDF		
Outputs	**Activities and PIs**	**2024/25 (baseline)**	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indicators #**	**GPA Target**
1. **Ministry Financial Operation**	1.Average Number of days for processing of **Purchase Orders/ Payment Vouchers.**	2	2	2	2			
	2.Processng **of Payro**ll correctly and within the timeline (fortnightly) – (Number of Complaints/Quarterly)	<3	<3	<2	<2			
	3. Processing of **Other Payroll Allowances –** Overtime, Acting Allowances, PMS, Arrears. – Number of Complaints/Quarterly.	<3	<3	<2	<2			
	4.PAYE Processing /Submission (Monthly and Annual) – No. of days before due date.	3	5	5	5			
	5.Final Checking of Payment Vouchers	2		2				
	6.Authorising of Payment Vouchers			1				
2. **Budget, Financial Reports & Financial Policy and SOPs**	1.Completion of **Annual Budget (**number of days before due date).	3	3	5	5			
	2.**Cashflow Foreca**st – average number of days due (before month-end).	5	5	5	5			
	3.**Monthly Financial Report**.to Minister, CEO and HODs – average number of days before due date (first Monday of the month following)	2	2	2	2			
	4.Financial Report for CP, AMP, Half Year Reports and Annual Report (Average number of days before due date),	2	3	3	3			

Outputs	KPIs	2024/25	2025/26	2026/27	2027/28			
	5.Number of **Trainings o**n Financial matters/Quarter	2	2	2	2			
	6.Completion of **Financial SOPs.**	1	1	2	2			
	7.Establish and Implement **Traffic Lights and M&E** for Division.	85%	95%	100%	100%			
		90%	100	100%	100%			
3.Fixed Assets & Inventory	1.Monthly Update of FA and Inventory Register.	95%	99%	100%	100%			
	2.Quarterly Tagging and Verification of FA and Inventory.	95%	99%	100%	100%			
	3.Complete annual verification of FA and Inventory.	99%	100%	100%	100%			
	4.Annual FA Register Update (due to FFD 31 July – no. days before due date).	3	3	5	5			
	5.Fixed Asset Transfers and Disposals – complete processing and implementation.	90%	95%	100%	100%			
		3	3	5	5			
	6.Complete FA Report for AMP and Annual Report – no. of days before due date.	3	5	5	5			
4.Procurement and Contract Management.	1. Complete Annual Procurement Plan 31 July (Number of days before due date),	3	5	5	5			
	2.Percentage of Procurement Proposals in Compliance to Regulations (Operation).	85%	95%	99%	99%			
	3.Percentage of Procurement Proposals in Compliance to Regulations (GGF).	85%	85%	99%	99%			
	4.Monitor Projects to Contracts	95%	99%	99%	99%			

Output Statement 2: *'That the Government General Fund is effectively managed and monitored'*						SDG/TSDF		
Outputs	**KPIs**	**2024/25** (baseline)	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indicators #**	**GPA Target**
5. GGF Budget and Reporting	1. The number of days before Budget is due, budget is	2	2	2	2			
		3	3	5	5			

6. GGF Payments	submitted to the CEO.						
	2. GGF Monthly Report is complete and accurate, and is due in the first week of the month. Number of days before due date (first Monday of the month following), Report is submitted to Minister, CEO and HODs)		3	3	3		
	3. GGF Detail Accounts Monthly Reports (due first week of the month). - No. of days before due date.	2	3	3	3		
	1. Average Number of days for processing of Purchase Orders/ Contractors / Requisitions and Payment Vouchers**.**	3	2	2	2		
	2. Final Checking of Payment Vouchers.		2	2	2		
	3. Authorizing of Payment Vouchers.						

CSD FINANCE STAFFING AND OPERATION BUDGET

Table 15A: CSD FINANCE Staffing and Operation Budget

Description	2024/2025 Original Estimates ($m)	2025/2026 Budget Estimates($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished Staff (Cat 10 &11)	**0.35**	**0.43**	**0.43**	**0.43**
Operation	**1.51**	**0.00**	**0.00**	**0.00**
Total = Recurrent ($m)	**1.86**	**0.43**	**0.43**	**0.43**
Total = Development ($m)		**0.13**	**0.00**	**0.00**
Total Staffs	11	13	11	11
Executive Staff	1	1	1	1
Professional Staff	6	6	6	6
Other Staff	4	4	13	13
Total Established Staff	11	11	11	11
Unestablished Staff	2	2	2	2

Table 15B: Centralised Items to CSD (an Increase) from 2 Offices and All Divisions Budget (Decreases)

Item Description	Item Code	2024/2025 Original Estimate ($m)	2025/2026 Budget Estimate($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Domestic Travel	1201	301,900	257,600	257,600	257,600
Overseas Travel	1202	585,000	150,000	150,000	150,000
Broadcasting	1205	7,100	7,600	7,600	7,600
Advertising & Publicity	1206	7,700	18,600	18,600	18,600
Fuel	1301	71,000	76,300	76,300	76,300
Maintenance of Office Equipment	1308	21,400	31,400	31,400	31,400
Maintenance of Vehicle	1309	19,500	60,800	49,500	49,500
Office Supplies	1406	171,000	257,800	257,800	257,800
Printing & Stationeries	1407	89,900	80,000	80,000	80,000
Training and Conferences	1418	282,200	377,200	377,200	377,200
Hire Facility	1419	10,900	20,200	20,200	20,200
Catering and Refreshment	1427	102,500	6,000	6,000	6,000
License	1435	5,000	10,000	10,000	10,000
Cleaning Supplies	1448	2,500	65,500	65,500	65,500
Computer Supplies	1450	60,500	69,500	69,500	69,500
Kitchen Supplies	1457	9,000	13,500	13,500	13,500
New Equipment	2003	101,100	0	0	0
New Computer	2004	115,000	50,000	50,000	50,000
Furniture & Fitting	2022	78,200	100,200	100,200	100,200
TOTAL		**2,041,400**	**1,652,000**	**1,652,000**	**1,652,000**

Subprogram 08.1.05: Corporate Services Subdivision HR Performance Management (CSS HRPM)

This Division/Subdivision that focuses on managing the Human Resources; Monitoring and Evaluation Activities Reporting; Records and Filing; and Property Management and Logistics; for the whole Ministry.

The functions are outlined in the Main Sections and Units of the Division:

A.   HUMAN RESOURCES AND PERFORMANCE MANAGEMENT:
- Recruitment
- PMS
- Capacity Building
- Occupational Health & Safety
- Staff Attendance & Leave Management
- Staff Records, Policies & Other Staff Matters
- Process Mapping and Standard Operating Procedures
- Corporate Plan, Annual Management Plan, Emergency Response Plan.
- Half-Year Reports, Annual Reports
- M&E Progress Reports
- Communications Strategy

B.   RECORDS MANAGEMENT & CUSTOMER SERVICE
- Reception/ Front Counter – Customer Service
- Correspondence
- Records & Filing

C.   PROPERTY MANAGEMENT & LOGISTICS
- SGGB Maintenance
- Treasury Building Maintenance
- Security Services for the Ministry
- Transport Operation & Maintenance

Table 16: HRPMD Outputs and KPIs

0utput Statement 1. 'That the MOF and stakeholders are provided with effective and efficient management of its human resources and Monitoring & Evaluation Activities"						SDG/TSDF		
Outputs	**KPIs**	**2024/25 (baseline)**	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indica tors #**	**GPA Target**
1.**HR Capacity and Development**	**1.**Percentage of MOF quarterly vacancies filled during the quarter.	95	100	100	100			
	2. Establish an Induction Programme for the new recruits.	95%	98%	100%	100%			
	3.Conduct Induction Programme for all new Recruits.	100%	100%	100%	100%			
	4. PMS Quarterly Traffic Lights Criteria from PSC.	85%	>85%	90%	95%			
	5.Completion of Half Year and Annual PMS Report according to due date (January and August). No. of days before due date	3	3	5	5			
	6. Establish a HR Capacity Development Framework.	100%	95%	100%	100%			
	7.Complete Annual Training Plan according to due date to PSC (September) No. of days before due date.		95%	100%	100%			
	8.Percentage of the Planned Training Programs conducted.		85%	90%	95%			
	9.Attendance/ Leave Policy Implementation and Reporting.		100%	100%	100%			
2. **Planning, M&E and Reporting**	1. Number of days before due date submitted to CEO.	2	3	4	5			
	2. Number of Revisions to Document *Corporate Plan Draft* *-Last week January Corporate Plan to LA* *-Third week April Corporate Plan final* *-Last week July* *AMP Final* *-Last week August* *Annual Report* *-30th September*	1	1	1	1			
	3. Complete Process Mapping of all Division SOPs.	50%	85%	95%	100%			
	4. Develop Communication Strategy. (Percentage completion)	50%	90%	95%	100%			
0utput Statement 2: 'That the St George Government Building is well maintained and managed with the appropriate security systems, SGGB and Transport Maintenance						SDG/TSDF		

Outputs	KPIs	2024/25 (baseline)	2025/26	2026/27	2027/28	Targets #	Indicators #	GPA Target
1. **SGGB Maintenance**	1. Percentage of Cleaning & Maintenance Programme Completed. 2. Establish Security Processes, Practices, and Policies. 3. Establish Emergency Plan for SGGB Staff and customers with drills.	90%	100% 80% 80%	100% 100% 100%	100% 100% 100%			
2. **Transport and Vehicle Maintenance**	**1.** Provide Monthly Motor Vehicle Maintenance Report. **2.** Efficient Transport Operation (No. of Transport related complaints per month)	4 <5	4 <3	4 <3	4 <3			
3. **Customer Service and Records Management**	1. Quarterly Customer Survey Report 2. The percentage of people responded to the customer survey are satisfied with the service. 3. Effective Filing System. **4.** Number of complaints on documents filing/ missing (per quarter**).**	0 0 <10	4 85% <7	4 90% <5	4 95% <3			

CSD HRPM BUDGET AND STAFFING

Table 17: Corporate Services Human Resource and Performance Management (HRPM) Budget

Description	2023/2024 Actual ($m)	2024/2025 Original Estimate ($m)	2025/2026 Budget Estimate ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10 & 11)	0.61	0.35	0.53	0.53	0.53
Operation	**0.55**	**2.04**	**0.50**	**0.50**	**0.50**
Total = Recurrent ($m)	**1.16**	**2.39**	**1.03**	**1.03**	**1.03**
Total = Development	**-**	**0.01**	**0.00**	**0.00**	**0.00**
Total Staff	25	25	31	31	31
Executive Staff	1	1	0	0	0
Prof Staff	7	7	8	8	8
Other Staffs	16	16	15	15	15
Total Established	24	24	23	23	23
Unestablished	8	8	8	8	8

Subprogram 08.1.06: Information Communications & Technology Division (ICTD)

The ICT Division is committed to enhancing the Ministry of Finance's dedication to inclusivity, sustainability, operational excellence, fiscal transparency, and optimized service delivery. From modernizing financial systems to strengthening cybersecurity, our ICT initiatives are strategically designed to empower the Ministry—enabling it to navigate the complexities of the digital age with unmatched efficiency.

The division's core function is the strategic implementation of Information and Communication Technology (ICT) across the Ministry. By deploying a robust, well-integrated ICT system aligned with the MoF's vision and mission, we foster seamless collaboration across the Ministry's 10 divisions, ensuring the successful delivery of its core outputs.

As we embark on this transformative journey, we envision a Ministry of Finance that leads with innovation—where technology is not just a tool but a driver of progress and fiscal resilience. This ICT Corporate Plan serves as a roadmap for integrating technology into every facet of our operations, ensuring that we do not merely adapt to the digital era but lead with foresight and purpose.

The division has three main units –
A. Application. This unit leads to analyzing and defining business processes and addressing them through information systems and applications which are either in-house developed or off-the-shelf purchased. They evaluate work procedures and processes and work towards transforming manual processes into systematic automation and appropriate work around.

B. The Infrastructure Unit is charged with capturing, analyzing, and diagnosing technical problems in MOF's complex computer systems. It maintains and provides support to the MOF's IT Infrastructure including its Data Centre, network, and backups.

C. Helpdesk/Support Unit assists and supports the overall ministry's use of IT resources by monitoring daily activity through an incident management system, identifying gaps and challenges in day-to-day operations.

The Division is task with overseeing 2 major Outputs to meet the strategy. The first Output involves monitoring the seamless operation of ICT Infrastructure while the second entails assessing the quality of system and application delivery.

ICTD OUTPUTS AND KPIS
Table 18:ICTD Outputs and KPIs

1. That the MOF ICT infrastructure will be simple, well-architected, integrated, reliable, secure, and support the efficiency and effectiveness of the Ministry of Finance and Government Stakeholders.						SDG/TSDF		
Outputs	**KPIs**	**2024/25 (baseline)**	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indic ators #**	**GPA Targ et**
1.Standards-based infrastructure architecture frameworks	MOF ICT Framework Approved A Complete Formalize Infrastructure Framework Strategy Plan Approved • MOF ICT Policy in place and approved. • A simple well-architected ICT infrastructure that acts as an enabler for business systems • Develop an ICT Infrastructure Roadmap and Transition Plan with ongoing annual reviews. • A monthly work plan is approved by the D/CEO ICT	50 % Complete	70 % Complete	85 % complete	95 % complete			
2. Ratio of Customer Satisfaction Matrices ICT will deliver timely, reliable, and consistent support service to the MOFs Stakeholders.	Percentage of customer satisfaction on ICT services 1. No. of complaint received 2. Up and downtime of ICT services 3. A Capacity-building action plan	85 %	95 %	95 %	95 %			
3.Sustainable and Optimum utilization of ICT Assets **Implementing**	Implement an ICT Asset & Risk Management System to manage ICT Assets **1.** No. computer	1 disposal at 2024 and another 1 at January 2025t	4 – quarterly report	4 – quarterly report	4 – quarterly report			

Outputs	KPIs	2024/25 (baseline)	2025/26	2026/27	2027/28			
of ICT Asset and Risk Management Framework	disposed through Government Tender. Amount in (Paánga received through disposing of ICT Assets)							
4. Secure and Ergonomic Infrastructure	To ensure operational efficiency, by implementing a well-design and engineered MOF Data Centre and Infrastructure. Matrices and KPI **1**. Available Capacity by Key Resource (Space, Power, Cooling, and Power/Network Port Connections) **2.** Change Requests by User, Stage, and Type **3.** Available Cabinet and Floor Space Remaining **4.** Peak Load Per Cabinet Over Last 30 Days **5.** Power Failover Redundancy Compliance **6.** Hot Spots Occurrence and Duration	2 visits to the outer island	2 quarterly report	4 quarterly reports	4 quarterly report			
5. Establish a Better and Secure link with MOF Sub-Treasuries to Nuku'alofa. *Implement a Fiber Optic connection to Outer Island Office*	No of Office connected through optic fiber instead of Telephone Line. Direct fiber connection to **1.** Sub-Treasury Vavaú **2.** Sub Treasury Haápai **3.** Sub Treasury Eua	No connection – satellite communica tion to substitute fibre optic due to HT-HH impacts	4 Satellite connectio n	4 satellite connectio n	4 Satellite connectio n			

2. That Ministry of Finance Information System available to deliver timely financial information reports to assist with decision-making by MDAs and Government Stakeholders						SDG/TSDF		
Outputs	**KPIs**	**2024/25 (baseline)**	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indic ators #**	**GPA Targ et**
1. IFMIS **A better and a well-design Integrated**	No of the task being done in implementing the new system for exchange for Sun	40 % IFMIS Review complete	80 %	95 %	97 %			

Financial Information System	System and Sage Micro Pay. Matrices **1.** Implementing a Long-term TA **2.** Getting a Donor Fund to assist **3.** Implementing of the New System	Upgrade being approved (Government with support from DFAT)						
2. FMIS Roll Out Sun System and Payroll System	Percentage of MDAs and MOF's stakeholders connected and access to MOF FMIS	50 %	52 %	55 %	75 %			
3. Strengthen the integration and closer cooperation of the Outer Islands Sub Treasury Office with our Head Quarter Office: *will enable efficient and remote access to reliable financial data, prompt action and support as necessary and strengthen organizational financial controls*	NULL Due to change and development of Technology: **1** new service being implemented and delivered from the main Office (Nuku'alofa) to the outer Island Office At least one system being upgraded, or a new system being implemented to boost operational efficiency.	1 * Implementing upgrade of VMS Intranet System Implementing of MOF support portal for easier access from outside to mof support and asssistance	1 System Upgrade IFMIS, Payroll, Internet Banking etc	1	1			
4. Promote and increase business credibility and reputation	Well informative, secure, and flexible Ministry website and Facebook page. Matrices **1.** Rank Better in Google. **2.** Showcase of Brand's Personality **3.** Stand out from the competition **4.** Provide video testimonials **5.** Include Mobile Users **6.** Demonstrate Ministry Services	100 % secure connection to MOF financial Data and System	100 % secure connection to MOF financial Data and System	100 % secure connection to MOF financial Data and System	100 % secure connection to MOF financial Data and System			
5. Business Continuity Strategy Plan	Disaster Recovery Strategy Plan being approved and implemented Proactive and Quality Metrics 1. ICT Recovery Plan	20 % Zero no. hacking to the system and data.	70 % 1.ICT Recovery Plan Completed	90%	95%			

Implemented 2. Backup and strategy Plan implemented and in place 3 Monthly Database Integrity Check strategy plan implemented 4 Zero No. of Systems Hack through the year 5 No. Quarterly Security Awareness and Training		2.Backup and Strategy Plan implemen ted and in place. 3.Zero No. system hack through the year.

ICTD BUDGET AND STAFFING

Table 19: Information Communications and Technology (ICT) Budget

Description	2024/2025 Original Estimate($m)	2025/2026 Budget Estimate($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10 & 11)	0.40	0.30	0.30	0.30
Operation	**0.03**	**0.00**	**0.00**	**0.00**
Total = Recurrent ($m)	**0.43**	**0.30**	**0.30**	**0.30**
Total Staff	11	14	14	14
Executive Staff	1	1	1	1
Prof Staff	7	10	10	10
Other Staff	2	2	2	2
Total Established	10	13	13	13
Unestablished	1	1	1	1

PROGRAM 08.2: ECONOMICS & FISCAL POLICY, BUDGET, AID MANAGEMENT & RESILIENT DEVELOPMENT.

The following divisions are grouped under this Program: Economic and Fiscal Policy Division (EFPD), Budget Division (BD), Aid Management and Resilient Development Division (AMRDD) and PFM/ Research and Development Division (PFM/R&DD).

The summary budget and staffing for the Program are shown in Table below.
Table 20: Summary of Program 08.2: Budget and Staff

Description	2023/2024 Actual ($m)	2024/2025 Original Estimate($m)	2025/2026 Budget Estimate($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10 & 11)	1.31	1.15	1.15	1.15	1.15
Operation	0.37	0.00	0.00	0.00	0.00
Total = Recurrent ($m)	1.68	1.15	1.15	1.15	1.15
Total Development ($m)	4.21	7.80	42.32	15.25	26.71
Total Staff	37	37	41	41	41
Executive Staff	4	4	3	3	3
Prof Staff	30	30	32	32	32
Other Staffs	3	3	3	3	3
Total Established	37	37	38	38	38
Unestablished	4	4	3	3	3

Major Projects: UNDP funded Climate Change Risk mainstreaming project

Subprogram 08.2.01: Economic & Fiscal Policy Division (EFPD)

EFPD OUTPUTS AND KPIS

The EFPD key role is to provide robust evidence-based policy advise and analysis to support Government decision making. As such, the division focus in delivering five (5) main outputs: (i) Macroeconomic and Fiscal Policy Framework, (ii) Budget Strategy, (iii) Budget Statement, (iv) Periodic Economic and Financial Report and (v) Generic.

The division works in collaboration with the Budget Division and Aid, Management and Project Division towards the preparation of the Budget Strategy and Budget Statement. Additionally, the division also works jointly with other relevant teams in producing the consolidated Periodic Economic and Financial Reports which is also presented in the Government Finance Statistics (GFS) format.

As part of the key indicators (KPI 3), the division sets at the beginning of the year a certain policy issues/topics to focus review and analysis, which is normally based on the macroeconomic review of the economy, for instance, inflation, subsidies, fiscal measures and so forth.

The division's five (5) key Outputs and Performance Indicators (KPIs) are outlined in the table below.

Table 21: Economic Fiscal Policy Division Outputs and KPIs

Output Statement: 'That the macro, micro-economics and fiscal policy analysis and advice system provides all stakeholders with the information required to improve evidence-based decision-making regarding sustainable economic growth and social development.'							SDG/TSDF	
Outputs	KPIs	2024/25 (baseline)	2025/26	2026/27	2027/28	Targets #	Indicators #	GPA Target

Output 1: Macroeconomic and Fiscal Policy Framework	KPI 1: GDP forecasting framework	2 *Strengthen collaboration with data source *Ensure the conducting of regular meeting with key stakeholders [Macro Technical Committee -– monthly] Advisory Committee – quarterly]	2 *Strengthen collaboration with data source *Ensure the conducting of regular meeting with key stakeholders [Macro Technical Committee – monthly] Advisory Committee – quarterly]	2 *Strengthen collaboration with data source *Ensure the conducting of regular meeting with key stakeholders [Macro Technical Committee -– monthly] Advisory Committee – quarterly]	2 Strengthen collaboration with data source *Ensure the conducting	8.1	8.1.1 9.2.1, 10.c.1, 17.3.2, 17.13.1	
	KPI 2: Fiscal Policy Framework	6 *Better planning *Reprioritize tasks *Strive to complete on time	6 *Better planning *Reprioritize tasks *Strive to complete on time	6 *Better planning *Reprioritize tasks *Strive to complete on time	6 Better planning *Reprioritize tasks *Strive to complete on time	8.1, 8.2	8.1.1, 8.2.1 9.2.1, 10.c.1, 17.3.2, 17.13.1	
	KPI 3: Policy Analysis and Reviews	5 *Focus on the most priority task *Team brainstorming session *More research	5 *Focus on the most priority task *Team brainstorming session *More research	5 *Focus on the most priority task *Team brainstorming session *More research	5 Focus on the most priority task *Team brainstorming session *More research	8.1, 8.2	8.1.1, 8.2.1 9.2.1, 10.c.1, 17.3.2, 17.13.1	
Output 2: Budget Strategy	KPI 4: Timely provision of a sound overview of Macroeconomic Framework for the Budget Strategy as per approved Budget Timeline. [number of days prior due	10 *Better coordination of input from various division. *Include GFS for the Budget Strategy 2026.	10 *Better coordination of input from various division *Include GFS for the Budget Strategy 2027.	10 *Better coordination of input from various division *Include GFS for the Budget Strategy 2028.	10 Better coordination of input from various division *Include GFS for the Budget Strategy 2029	8.1, 8.2	8.1.1, 8.2.1 9.2.1, 10.c.1, 17.3.2, 17.13.1	

	date] – clear timeline Coordinate Inputs from various divisions - B/Strategy due to Cabinet (Mid-Feb/as per the Budget Timeline) -All inputs by various division (1st week Feb/as per the Budget Timeline) Guidelines for Budget Strategy (2nd week Nov 2024).							
	KPI 5: Timely submission of the Budget Strategy due to Cabinet as per approved Budget timeline. [approved on 14th Feb 2025] – on time	1	1	1	1	8.1, 8.2	8.1.1, 8.2.1 17.3.2	
Output 3: Budget Statement	**KPI 6:** Timely provision of a sound overview of Macroeconomic Framework for the Budget Statement as per approved budget timeline. [number of days' prior due date] -B/Statement due to LA (as	10 *Better coordination of input from various division. *In-house training on analytical & writing skills. *Enroll on online training & courses.	10 *Better coordination of input from various division. *In-house training on analytical & writing skills. *Enroll on online training & courses.	10	10	8.1, 8.2	8.1.1, 8.2.1 17.3.2	

per the approved budget timeline, 16ᵗʰ May 2025) - Distribute guidelines (proposed structure) for Budget Statement to the CEO/ Minister (February 2025) - Receive all inputs from various division (Mid Mar 2025/as per the approved budget timeline) - B/Statement (English version) due to Cabinet (28ᵗʰ April/as per the approved budget timeline) -New initiative: *Budget Outreach Program - 2025. [2 round per annum – before/after budget preparation] - Vava'u: 4 staffs - Ha'apai: 4 staffs - 'Eua: 3 staffs - Niua: 3 staffs							
KPI 7: Timely completion of Translation of the Budget Statement as per approved	10 *Better coordination of input from various division.	10 *Better coordination of input from various division.	10 *Better coordination of input from various division.	10 Better coordination of input from various division.	8.1, 8.2	8.1.1, 8.2.1 17.3.2	

	budget timeline – internal division due date [number of days prior due date 5th – 15th April] – on time - Receive all inputs from various divisions (by mid-April 2025 after Cabinet/as per the approved budget timeline) [number of days prior due date] – on time -B/Statement due to LA 16th May 2025/as per the approved budget timeline. [number of days prior due date) – on time.						8.1, 8.2	8.1.1, 8.2.1
	KPI 8: Timely submission of Final Budget Statement to Cabinet and LA as per approved budget timeline. -B/Statement due to LA 16th May 2025/as per the approved budget timeline. [number of days prior due date) – on time.	1 *Better coordination of input from various division. *Better planning.	1 *Better coordination of input from various division. *Better planning.	1 *Better coordination of input from various division. *Better planning.	1 Better coordination of input from various division. *Better planning.		8.1, 8.2	8.1.1, 8.2.1 17.3.2
Output 4:	**KPI 9:**	11/11	11/11	11/11	11/11		8.1, 8.2	8.1.1, 8.2.1

Periodic Economic Update Reports	Ratio of completed and published, on ministry's website, of the monthly, quarterly, half-yearly economic update. [ratio of eco. update, completed and published once clear by senior management] Half Year Report (Jul-Dec 2024) Monthly Report (Jan 2024 to Nov 2024)	*Prioritize our duties. *Strengthen outreach particularly with our data source. *In-house training on analytical & writing skills. *Enroll on online training & courses	*Prioritize our duties. *Strengthen outreach particularly with our data source. *In-house training on analytical & writing skills. *Enroll on online training & courses	*Prioritize our duties. *Strengthen outreach particularly with our data source. *In-house training on analytical & writing skills. *Enroll on online training & courses	*Prioritize our duties. *Strengthen outreach particularly with our data source. *In-house training on analytical & writing skills. *Enroll on online training & courses			
Output 5: Generic	**KPI 10:** Timely submission of divisional inputs towards ministry's CP, AMP and AR to the ministry's CSD. [Number of days prior to due date] – right on time.	1 *Strive to complete each task within the required timeline.	1 *Strive to complete each task within the required timeline.	1 *Strive to complete each task within the required timeline.	1 Strive to complete each task within the required timeline	8.1, 8.2	8.1.1, 8.2.1	
	KPI 11: Timely submission of the division's staff JDs as per the revised outputs in the CP, AMP and AR to the ministry's CSD for further conveyance to PSC. [Number of days prior to due date] – right on time.	1 *Strive to complete each task within the required timeline.	1 *Strive to complete each task within the required timeline.	1 *Strive to complete each task within the required timeline.	1 Strive to complete each task within the required timeline.	8.1, 8.2	8.1.1, 8.2.1	

| KPI 12:
Timely submission of the division's PMS form to the ministry's CSD for further conveyance to PSC. [Number of days prior to due date] – right on time. | 1
*Strive to complete ahead and on time. | 1
*Strive to complete ahead and on time. | 1
*Strive to complete ahead and on time. | 1
Strive to complete ahead and on time. | 8.1, 8.2 | 8.1.1, 8.2.1 | |

EFPD BUDGET, STAFF AND PROJECTS

There has been progress in the set up and structure of this division. Capacity will be further increased to respond to the growing systems need of the ministry and MDAs. The resources available to the division are shown in Table below.

Table 22: Economic and Fiscal Policy Division Budget and Staffing

Description	2024/2025 Original Estimate ($m)	2025/2026 Budget Estimate ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10 & 11)	0.49	0.43	0.43	0.43
Operation	**0.05**	**0.00**	**0.00**	**0.00**
Total = Recurrent ($m)	**0.48**	**0.43**	**0.43**	**0.43**
Executive Staff	1	11	11	11
Prof Staff	8	8	8	8
Other Staff	4	0	0	0
Total Established	13	9	9	9
Unestablished	0	2	2	2

Subprogram 08.2.02: Budget Division (BD)

BD OUTPUTS AND KPIS

The budget and corporate planning process is central to the effective and efficient management of public finances, towards supporting service delivery to the public within a sustainable fiscal environment. The process requires collaboration and coordination with relevant stakeholders including the National Planning division at the Prime Minister's Office and the Aid Management and Resilience Division at Finance to provide effective guidance on the formulation of the integrated three-year medium-term budget (covering all sources of funding) and MDAs' corporate plans, consistent with development priorities and the Budget Strategy. Furthermore, this guidance hinges on effective monitoring and evaluation of the budget and corporate plans to help the government design policies that serve the intended development objectives.

The focus of the Division over the next medium-term is to improve budget reliability through increased number and quality content of consultations and capacity-building programs with MDAs on improving budget formulation, and other areas identified in the PFM reform action plan.

Table 23: Budget Division Outputs and KPIs

Output Statement: ''Provide a system that facilitates the formulation and implementation of a more reliable transparent and policy- based budget estimates.'						SDG/TSDF		
Outputs	**KPIs**	**2024/25 (baseline)**	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indicators #**	**GPA Target**
1.Improve budget reliability (will include increased number and quality content of consultations with MDAs and trainings on budget formulation and performance monitoring to minimize potential deviations) This task will require strong coordination and collaboration with MDAs at all levels of delegated financial authority.	(PI.1) Minimize the variance of aggregate expenditure outturn from budgeted expenditure	>10% absolute variance	≤10% absolute variance	≤5% absolute variance	≤5% absolute variance	8.1	8.1.1 9.2.1, 10.c.1, 17.3.2, 17.13.1	
	(PI.2) Minimize the variance in outturn of expenditure composition from budgeted expenditure composition.	>10% absolute variance	≤10% absolute variance (through reduced value of transfers)	≤5% absolute variance (through reduced value of transfers)	≤5% absolute variance (through reduced value of transfers)			
	(PI.3) Minimize the variance in outturn of revenue from budgeted revenue.	>10% absolute variance	≤10% absolute variance	≤5% absolute variance	≤5% absolute variance	8.1, 8.2	8.1.1, 8.2.1 9.2.1, 10.c.1, 17.3.2, 17.13.1	
Output 2: 2. Improve budget transparency	Budget formulation, execution and reporting to be based on every level of administrative, economic and COFOG (joint with AMRD, FFD & EFPD)	-climate budget tagging (CBT) work is pending work from AMRD. -GRB and CBT concept included in budget guidance 2024/25	Progress on Climate budget tagging (CBT) and gender responsive budgeting (GRB) - review CBT framework & action plan - develop GRB framework (use existing TA)	Progress on Climate budget tagging and gender responsive budgeting - roll out to +5 new MDAs on CBT - propose action plan for GRB	Progress on Climate budget tagging and gender responsive budgeting - roll out to +5 new MDAs - pilot 2-3 MDAs on GRB	8.1, 8.2	8.1.1, 8.2.1 9.2.1, 10.c.1, 17.3.2, 17.13.1	
	(PI 9) **Public access to**	Citizen's budget	Issue citizens budget	Issue citizens budget	Issue citizens budget			

	fiscal information	produced by CSO	within 2-3weeks after submission of Estimates to Parliament – inclusive of closer collaboration with CSO	within 2-3weeks after submission of Estimates to Parliament – inclusive of closer collaboration with CSO	within 2-3weeks after submission of Estimates to Parliament – inclusive of closer collaboration with CSO			
		Backlog of reports not produced and published online. Currently developing a one-joint in-year report with EFPD	In-year budget execution reports produced and published in a timely manner (monthly, quarterly, mid-year, end-of year)	In-year budget execution reports produced and published in a timely manner (monthly, quarterly, mid-year, end-of year)	In-year budget execution reports produced and published in a timely manner (monthly, quarterly, mid-year, end-of year)			
Output 3: Improve policy-based budgeting	**Budget preparation process** (PI.17) - the effectiveness of participation by relevant stakeholders in the budget preparation process, including political leadership, and whether that participation is orderly and timely.	**Budget calendar** (PI.17.1) from 2019 PEFA assessment, adherence was at 63%. Adherence to timeline was at 99% in 2023/24 budget preparation, but quality remains the main issue.	**Budget calendar** (PI.17.1) to improve MDAs adherence to the budget timeline up to 70% of MDAs (including improved quality)	**Budget calendar** (PI.17.1) to improve MDAs adherence to the budget timeline up to 80% of MDAs (including improved quality)	**Budget calendar** (PI.17.1) to improve MDAs adherence to the budget timeline up to 90% of MDAs (including improved quality)	8.1, 8.2	8.1.1, 8.2.1 17.3.2	
		Guidance on budget preparation (PI.17.2) issued 2 circulars on	**Guidance on budget preparation** (PI.17.2) to maintain existing	**Guidance on budget preparation** (PI.17.2) to	**Guidance on budget preparation** (PI.17.2)	8.1, 8.2	8.1.1, 8.2.1 17.3.2	

timeline and approved ceiling, followed up by visits to MDAs for further guidance. First comprehensive budget guidance issues for 2024/25 budget preparation.	progress, including more consultation/ budget preparation time towards producing a more credible budget submission.	maintain existing progress, including more consultation/ budget preparation time towards producing a more credible budget submission.	to maintain existing progress, including more consultation/ budget preparation time towards producing a more credible budget submission.			
Budget submission to legislature (PI.17.3) target end of April to Cabinet and Parliament	**Budget submission to legislature** (PI.17.3) target March to Cabinet and April to Parliament	**Budget submission to legislature** (PI.17.3) target Feb/March to Cabinet and April to Parliament	**Budget submission to legislature** (PI.17.3) target Feb/March to Cabinet and April to Parliament	8.1, 8.2	8.1.1, 8.2.1 17.3.2	

BD BUDGET AND STAFFING

Table 24: Budget Division Budget, Staff and Projects

Description	2024/2025 Original Estimate ($m)	2025/2026 Budget Estimate ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10 & 11)	0.47	0.43	0.43	0.43
Operation	0.15	0.00	0.00	0.00
Total = Recurrent ($m)	0.62	0.43	0.43	0.43
Total Staff	16	16	16	16
Executive Staff	1	1	1	1
Prof Staff	14	14	14	14
Other Staff	1	1	1	1
Total Established	**16**	**16**	**16**	**16**
Unestablished	-	-	-	-

Subprogram 08.2.03: Aid Management & Resilient Development Division (AMRDD)

AID MANAGEMENT AND RESILIENT DEVELOPMENT DIVISION (AMRDD) OUTPUTS AND KPIS

The division is responsible for the coordination and securing of aid to support government's development agenda. It will also ensure that climate and disaster risks are addressed as an integral part of development in Tonga.

The division's deliverables with contribute to the core outputs Ministry of Finance and mandated under Part III of the Public Finance Management Act 2002 and regional resilience initiatives such as the Framework of Resilience Development in the Pacific (FRDP)

The Aid Management and Resilient Development Division ensure:

a.   That the government and international partners co-operate for effective development by providing of strategic advice and delivering quality services to all stakeholders.

b.   That accessibility to all forms of resilience financing is strengthened including climate, disaster, and ocean financing.

c.   These development strategies and programmes prioritize the building of resilience through integration of risks and resilience into government development plans, policies, systems, and processes.

d.   That productivity of Corporate Plan Outputs, Outcomes, KPIs of MDAs expedites project implementations

The Division is delegated the following outputs that deliver the above requirements, listed with relevant KPIs below in Table below.

Table 25: Aid Management and Resilient Development Division (AMRDD) Outputs and KPIs

0utput Statement 1: 'Stronger platform to facilitate aid management and effectiveness   **SDG/TSDF**

Outputs	KPIs	2024/25 (baseline)	2025/26	2026/27	2027/28	Targets #	Indicators #	GPA Target
1Aid Management Policy	1. Policy Development [desired = 1 Policy]	1	100%					
2.Partnership Development Forum	At least one Donor Forum meeting [desired=1 reported outcome]	1	1	1	1			
	Attended bilateral meetings with donors each year [desired=7/10]	7/10	7/10	7/10	7/10			
	Joint Mission of Development Projects [desired = 4 (JPRM), (4) other joint missions]	1	8	8	8			
	Policy triggers achieved under the	80%	80%	80%	80%			

Outputs	KPIs	2024/25 (baseline)	2025/26	2026/27	2027/28	Targets #	Indicators #	GPA Target
	Joint Policy Reform Matrix [desired= at least 80% of all Policies]	7						
	Submission of Forward Aid Planning from Donor [desire= at least 7 reports]		7	7	7			
3.Development of budget strategy, estimates, and statement	Timely submission as required by the Budget Timeline [desired= 1 week before due date]	Accurate and reliable	1 week	1 week	1 week			
	Budget Outreach to Outer Islands	1	1	1	1			

Output statement 2: To enhance the ability of the country to access directly to and effectively manage of climate financing, disaster risk financing, and development funded programs								
Outputs	**KPIs**	**2024/25 (baseline)**	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indicators #**	**GPA Target**
1.MOF to be an accredited entity to climate financiers and other international financing institutions.	a) Provide monthly/quarterly update on the accreditation progress.	12/4	12	12	12			
	b) Number of related meetings attended [desire = at least 4]	1	4 80%	4	4			
	c) Timely completion of accreditation requirements. [desire = 80% completion]		1	1	1			
	d) Policy advice regarding accreditation requirements. [at least 1 recommendation/policy paper.]							
2. New confirmed funds / program accessed by the Government.	a.) Number of Program / funds identified. [desire = at least 1]	1	1	1	1			
	b.) Number of negotiations with development partners on new confirmed funds.	1	4	4	4			

	[desire = 4 (WB, ADB, DFAT, IFAD]							
3. Government alignment to the Disaster Risk Financing Strategy (DRFS)	a.) DRFS implementation annual report [desire = 1] b.) DRFS related meetings [desire = at least 2 meetings]	4	1 2	1 2	1 2			
Output Statement 3: 'To facilitate the strengthening of governance mechanisms for mainstreaming of resilience into national budget, plans, systems and processes.'								
1. Mainstreaming of risk and resilience considerations within relevant policies, systems, and processes.	a.) Project Submission assessed using risk screening toolkit – [desired= at least 1 Project Submission]	2	1	1	1			
Climate Budget Tagging (CBT)	b.) Consultation and support towards MDAs on CBT [desired = 1 MDA] c.) Facilitate CBT and Technical Working Group (TWG) meetings between MOF, NP, CC Department on implementing mainstreaming CC into PFM [desired = at least 1 meeting conducted] d.) Develop Climate Budget Tagging Working Paper [desired= 1 working paper]	4 3 1	1 1 1	1 1	1 1			
Project Management	a.) Represent MOF on Project Development Missions, Workshops/confere nce, and other related Meetings and follow up on outcome/issues. [desired = 10 meetings]	10	10	10	10			

	b.) Number of Project Steering Committee (PSC) and TWG meetings facilitated [desired = 2 x per quarter]	8	8	8	8			
	c.) Provide Strategic Advice to address issues raised in PSC/TWG [desired = at least 8]		8	8	8			
	d.) Number of Project Documents/contracts Reviewed [desire minimum = 10]		10	10	10			
Reporting	Submission of Progressive Report to CEO and Minister [desire=Quarterly, Half-Yearly, Annual reports]	Quarterly Half Yearly Yearly	Quarterly Half Yearly Yearly	Quarterly Half Yearly Yearly	Quarterly Half Yearly Yearly			
	Project and Aid Development Coordination Committee (PAD-CC) [desired = at least 4 with 5 cabinet submission]	4	4	4	4			

Output Statement 4: To strengthen the facilitation of Project Proposals under the Central Project Development Unit.

Cabinet Development Coordination Committee (CDCC)	1.Facilitation of CDCC meetings and follow up of actions		Monthly	Monthly	Monthly			
	2.Develop Project Operations Manual		80%	100%	100%			
	3.Develop Stakeholder Engagement Plan		80%	100%	100%			
	4.Develope Project Proposals		2 per month	At least 5 per Quarter	At least 6 per Quarter			
	5.Prjoect Proposal Reports		Monthly	Monthly	Monthly			

Output Statement 5: To strengthen the monitoring of Productivity Outputs and KPIs against their finances.

	1.Advice on Productivity matters		Register Advice and follow up 80%	Register Advice and follow up 100%	Register Advice and follow up 100%			

2.Develop Productivity M&E Database		80%	100%	100%		
3.Evaluate impacts of of the Organisational Outcomes to the TSDF		80%	100%	100%		
4.Develop Training Capacity Plan on M&E				Monthly		
5.Monthly Productivity Report		Monthly	Monthly			

AMRDD BUDGET, STAFF AND PROJECTS

There has been an increase in professional staff reflecting the need to ensure the division is able to meet its outputs.

Table 26: Aid Management and Resilient Division Budget, Staff and Projects

Description	2024/2025 Original Estimate($m)	2025/2026 Budget Estimate($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10 & 11)	0.33	0.31	0.31	0.31
Operation	**0.14**	**0.00**	**0.00**	**0.00**
Total = Recurrent ($m)	**0.47**	**0.31**	**0.31**	**0.31**
Total = Development ($m)	**7.80**	**42.32**	**15.25**	**26.71**
Total Staff	10	10	10	10
Executive Staff	1	1	1	1
Prof Staff	7	6	6	6
Other Staff	1	2	2	2
Total Established	9	9	9	9
Unestablished	2	1	1	1

PROGRAM 08.3: FINANCIAL FRAMEWORK, PROCUREMENT AND TREASURY OPERATIONS

The major customers of Program 3 are MDAs who require accounting, procurement guidance and support services, without which they are unable to operate. Program 3 also serves other major stakeholders outside government who supply goods to government, depend on payments from government and pay taxes, fees and charges to government.

Financial Framework Division (FFD), Procurement Division (PD) and Treasury Division are grouped under this program. The summary budget and staffing for the Program is shown in Table below.

Table 27: Program 08.3 Summary Budget and Staff

Description	2022/2023 Actual ($m)	2023/2024 Actual ($m)	2024/2025 Original Estimate ($m)	2025/2026 Budget Estimate ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff **(Cat 10 & 11)**	3.14	2.85	3.03	2.61	2.61	2.61
Operation	**0.62**	**0.89**	**0.61**	**0.2**	**0.2**	**0.2**
Total = Recurrent ($m)	**3.76**	**3.74**	**3.64**	**2.63**	**2.63**	**2.63**
Total Staff		**140**	**140**	**140**	**140**	**140**
Executive Staff	3	3	3	3	3	3
Prof Staff	55	57	57	57	57	57
Other Staff	47	50	50	50	50	50
Total Established	**105**	110	110	110	110	110
Unestablished	14	12	12	12	12	12

Subprogram 08.3.01 Financial Framework (FFD)/ PFM, Research & Development Division (PFMRDD)

The Financial Framework and the PFM & Research Division is responsible for debt sustainability to sustain government debt portfolio to meet its debt obligations while supporting economic growth and improving asset management by optimizing the performance, value, and risks of government physical assets. FFD is also tasked to ensure that the Public Financial Framework Reform is strengthened for better service delivery through updated policy guidance and instructions.

Debt sustainability is crucial to economic stability, measuring Tonga's capacity to meet its debt obligations while supporting economic growth. Unsustainable debt can lead the Government to face spiralling borrowing costs, fiscal crises, and economic stagnation, often forcing difficult trade-offs like reducing funding for critical sectors such as healthcare or education, hence Government will continue to contract no new borrowing for the next few years unless it's a highly concessional facility.

The core responsibilities of the Debt Management Unit include the management of the external debt and domestic debt. The unit also manages through the assessment of risks associated with contingent liabilities held in form of Government guarantees and the management of revenue in arrears and that lent out to entities. However, FFD managed to develop the very first Annual Borrowing Plan (ABP) with the assistance of the World Bank and required to update the Medium-Term Debt Strategy (MTDS) annually together with accurate and timely reports of historical and forecast transactions, consistent with domestic and international target and threshold to inform policy makers accordingly. Debt Management team again with the assistance from World Bank also managed to review the first Government Guarantee Policy approved in May 2021 and developed the first

Government On-lent policy which approved by Cabinet in April 2025. Even though Tonga's public debt portfolio is declining due to the continuous repayment of the China loans, the Debt Management Unit sustain its debt level and manages the borrowing plan of the Government.

The Asset Management Unit is in charge with the continuous implementation of the Asset Management Framework approved by Cabinet in December 2019 and ensure the effective management of resources in the everyday operations of the Ministry. The on-going challenge that Government is facing now, is that some big infrastructure assets especially the roads need valuation and accounting of some assets across Government that are yet to be registered for instance the overseas missions' assets, which another major task that the team is looking forward to address in the next FY 2026, and to progress the qualify opinion of the Government's financial statement soonest. The unit is also liaising with the Ministry of Public Enterprises to verify some big infrastructure assets that are under the Public Enterprises, while the ownership is under the Government, for instance – M.V. 'Otuanga'ofa, Taufa'ahau Domestic Wharf, etc.

The PFM & Research division is responsible for the coordination of the Public Finance Management and the Research activities of the Ministry. This focuses on how governments manage public resources, including how they raise and spend it and its impact on the economy and the society. The management of government resources needs transparency and accountability which is the core of the PFM Act. There is other legal framework for financial management within the public sector.

The first output of the division is to modernize the PFM Act aiming to govern and regulate the management of the public resources in a more transparent, accountable, and responsible manner to conduct research to contribute to the advancement of knowledge, innovation, and problem-solving and to help the Minister in policy development.

The developments of the public finance management are built into a Roadmap of action plan which contributes to the Ministry of Finance core output.

a. That the Ministry effectively guided by a more modernized PFM Legislation. It is the core output of the division.

b. That the PFM Roadmap is delivered and implemented.

c. That the research papers and development reports are established to support policy decision making of the Minister for Finance and the CEO.

FFD OUTPUTS AND KPIS

The Division is delegated the following outputs that deliver the above requirements, listed with relevant KPIs below in Table below.

Table 28: FFD Outputs and KPIs

0utput Statement1: 'That the updated Debt and Asset Management Reports are being used by the stakeholders (cabinet, parliament, MDAs, divisions within MOF and development partners to make informed decisions.'							SDG/ TSDF	
Outputs	**KPIs**	**2024/25 (baseline)**	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indicators #**	**GPA Target**
1. Debt Management Report	1. MTDS revised and published on MOF's website on 3rd quarter of the financial year.	0	0	1	1	10.6, 16.7	10.6.1, 16.7.1 17.4.1	
	2. Annual Borrowing Plan (ABP) develop and publish to MOF's website, first month of new Financial Year.	0	1	1	1	10.6, 16.7	10.6.1, 16.7.1 17.4.1	
	3. The Number of Quarterly Debt Status Report completed and published to MOF's website within the following month.	3	3	3	3	8.5	8.5.2* 17.4.1	
	4. Annual Debt Report complete and publish to MOF's website within the first quarter of the following Financial Year.	1	1	1	1	16.7	16.7.7, 16.7.2* 17.4.1	
	5. GDL Review Meeting – biannual	2	2	2	2	10.6.1, 16.7.1	17.4.1	
	6. TC Gita Recovery Loan Funds quarterly report	2	3	3	3	10.6.1, 16.7.1	17.4.1	
	7. Micro-loans for Women quarterly report	3	3	3	3	10.6.1, 16.7.1	17.4.1	
Output Statement 2: That the Public Financial Framework Reform is strengthened for better service delivery through updated policy guidance and instructions								
1. Treasury Instructions Review	1. Ratio of TI to be revised by end of Financial Year	0	50	100	100	10.6	10.6.1 17.4.1	
	2.Financial Manual developed	1	1	1	1	8.1, 8.2	8.1.1, 8.2.1 10.5.1 17.4.1	
	3.Number of Treasury Circulars issued	10	10	10	10	8.8	8.8.2* 10.5.1 17.4.1	
2. Grant Framework	1.Grant Framework Developed and review every 3 years.	1	1	1	1	8.5	8.5.1 17.4.1	

FFD BUDGET, STAFF AND PROJECTS
Table 29: Financial Framework Division Budget, Staff and Projects

Description	2024/2025 Original Estimate ($m)	2025/2026 Budget Estimate ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10 & 11)	**0.43**	**0.50**	**0.50**	**0.50**
Operation	**0.05**	**0.00**	**0.00**	**0.00**
Total = Recurrent ($m)	**0.48**	**0.39**	**0.39**	**0.39**
Total Staff	12	15	15	15
Executive Staff	1	1	1	1
Prof Staff	6	10	10	10
Other Staff	4	4	4	4
Total Established	12	15	15	15
Unestablished	0	0	0	0

PFMRDD OUTPUTS AND KPIS

The division is delegated the following outputs that deliver the above requirements, listed with relevant KPIs below in Table below.

Table 30: PFM/ R&D Outputs and KPIs

1. Provide PFM review secretariat and research and development reports.							SDG/TSDF
Outputs	**KPIs**	**2024/25 (Baseline)**	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indicators #**
1. PFM Reform	1. Complete the reform of the PFM Act.	100%	100%			17.3	17.3.1* 17.4.1
2. PFM Roadmap & Action Plan	1. Percentage of PFM roadmap implementation of action plan.	**1**	0	0	0	8.5	8.5.1 17.4.1
	1.1 review Chart of Account.	**1**	1	1	1		
	1.2 Public consultation, starting in Ha'apai.	**3**	3	3	3		
	1.3 Study of IFMIS and make recommendations. As a result, two project proposals submitted to DFAT for funding of servers and the upgrading of the FMIS.	**3**	0	0	0		
	2. Number of PFM Technical Committee held	4	4	4	4	8.6	8.6.1 17.4.1
3. Research and Development Reports	1. Number of Research papers and development reports submitted to the Minister	15	15	15	15	8.1, 8.2	8.1.1, 8.2.1

PFMRDD BUDGET AND STAFFING
Table 31: PFM, Research & Development Budget

Description	2023/2024 Actual ($m)	2024/2025 Original Estimate ($m)	2025/2026 Budget Estimate ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff. (Cat 10 & 11)	0.02	0.05	0.11	0.11	0.11
Operation	0.07	0.04	0.00	0.00	0.00
Total = Recurrent ($m)	0.10	0.09	0.11	0.11	0.11
Total Staff		2	3	3	3
Executive Staff		1	1	1	1
Prof Staff		0	2	2	2
Other Staff		0	0	0	0
Total Established		2	3	3	3
Unestablished		0	0	0	0

The PFM Roadmap and Action Plan 2024/25-2028/29

PHASE 1: LEGISLATIVE FRAMEWORK, STRATEGIC PLANNING AND POLICY REVIEWS			Responsibilities	Target date
Outcome 1.1: Modern Public Financial Management legislations				
	Reform 1.1.1: Improve the existing legislative and regulatory framework			
		Action 1.1.1.1: Revise the PFM Act 2002	MOF, PMO, AGO, TOAG, LA	By July 2024
		Action 1.1.1.2: Revise the PFM Regulations and the annual Treasury Instructions to enforce the new PFM Act	MOF	By December 2024
Outcome 1.2: Strong policy planning budget linkage				
	Reform 1.2.1: Revise the Tonga Strategic Development Framework			
		Action 1.2.1.1: Review the TSDFII and formulate the new TSDFIII	PMO-NPO, MOF, PSC, MDAs	By July 2025
		Action 1.2.1.2: Review and update the District Plans, Sector Plans to align to the new TSDFIII	PMO-NPO, MOF, PSC, MDAs	By December 2025
		Action 1.2.1.3: Revise the three-year rolling corporate plans with more medium-term policy and strategy content to align to the new planning framework.	PMO-NPO, MOF, PSC, MDAs	By December 2025
	Reform 1.2.2: Continue to improve the presentation and coverage of the Corporate Plans			
		Action 1.2.2.1: Simplify the performance information in the Corporate Plans to capture the key service delivery outputs and outcomes planned.	PMO-NPO, MOF, PSC, MDAs	By December 2025
		Action 1.2.2.2: Review corporate plan and budget documents to add more planning and strategy content by standardizing the definition and content of sub-programs with outputs, outcomes, programs aligned with those specified in ministry corporate plans, and the new Chart of Accounts.	PMO-NPO, MOF, PSC, MDAs	By December 2025
Outcome 1.3: Enhanced Policy formulation and MOF's Medium-Term Fiscal Framework				
	Reform 1.3.1: Strengthen Ministry of Finance's capacity to develop medium term macro-economic- framework with proper macro-economic forecast and adequate analysis.			

			Responsibilities	Target date
		Action 1.3.1.1: Link the Ministry of Finance's macroeconomic forecasts to the revenue forecasting model of the Ministry of Revenue & Customs (which should include the expected outcomes of new tax policies	MOF (Budget, Policy, PFM, Treasury), MORC	By December 2024
		Action 1.3.1.2: Improve MORC forecasts of tax revenue by the main tax types, nontax revenues, and grant. These forecasts should be based on the macroeconomic forecasts carried out by MOF.	MOF (Budget, Policy, PFM, Treasury), MORC	By December 2024
		Action 1.3.1.3: In the budget documents, the MOF must also prepare estimates of the fiscal impacts (including recurrent cost implications of capital investment projects, impacts on retirement funds) of all proposed changes in revenue and expenditure policy for the budget year and the following two fiscal years	MOF (Budget, Policy, PFM, Treasury)	By December 2024
		Action 1.3.1.4: Macroeconomic forecasting, which guides the Budget documents, must include forecasts of inflation and the exchange rate movements.	MOF (Budget, Policy, PFM)	By December 2024
		Action 1.3.1.5: Macroeconomic estimates and assumptions, especially assumptions on exchange rate or interest rates, are presented in the Budget Strategy to be presented to Parliament together with the Budget Statement and Budget Estimates.	MOF (Budget, Policy, PFM)	By December 2024
		Action 1.3.1.6: Budget documents must provide explanations of all changes to expenditure estimates between the last medium-term budget and the current medium-term budget at the ministry level	MOF (Budget, Policy, PFM)	By December 2024
PHASE 2: BUDGET PREPARATION			**Responsibilities**	**Target date**
Outcome 2.1: Reliable Budget Estimates				
Reform 2.1.1: Set up Donor technical coordination forum between the Government and development partners.				
		Action 2.1.1.1: Set up regular individual meetings between MOF (Budget & Aid divisions) and technical officers from development partners to discuss their Budget pledges so that the Budget submissions are comprehensive and based on reliable sources.	MOF (Budget, Aid, Policy, PFM)	By March 2025
		Action 2.1.1.2: Use more disaggregated project implementation plans from donors to determine the likely annual flow of donor funded projects.	MOF (Budget, Aid, Policy, PFM)	By March 2025
Reform 2.1.2: Restrict the Contingency Funds to strict unforeseens and emergencies.				
		Action 2.1.2.1: Disallow the outward transfers from the Contingency Vote and therefore charge the corresponding expenses within the Contingency Fund Vote; and limit the expenses only to activities that were not specifically accounted for in the Budget.	MOF (Budget, Aid, Treasury, Policy, PFM), MDAs, Parliament	By June 2025
		Action 2.1.2.2: Minimize sequestrating funds from other Votes/Programs to be spent through the Contingency Fund mechanism	MOF (Budget, Aid, Treasury, Policy, PFM), MDAs, Parliament	By June 2025
Reform 2.1.3: Neutralize the impacts of Expenditure-in-kind and Revenue-in-kind on Budget Reliability				
		Action 2.1.3.1: Align the scopes and coverages of the financial data in Budget documents to the scopes and coverages of the Public Accounts.	MOF (Budget, Treasury, Policy, PFM), TOAG	By June 2025
		Action 2.1.3.2: Formulate separate Budget Annex for the in-kind expenditure and revenue	MOF (Budget, Treasury, Policy, PFM), TOAG	By June 2025
Outcome 2.2: Comprehensive Budget Documents (Budget Circular, Budget Strategy, Budget Statement, Budget Estimate. In-year Budget Report) with timely access by the public				

		Reform 2.2.1: Estimate and incorporate the tax expenditures (tax concessions and exemptions), and the recurrent cost implications of new policies & capital investments into the Budget documents.		
		Action 2.2.1.1: The Budget Statement should present the new policies structured around the government priority areas	MOF (Policy, Budget, Aid, PFM)	By June 2025
		Action 2.2.1.2: Costs associated with the new policies must be included in the Budget Statement and presented to Parliament too.	MOF (Policy, Budget, Aid, PFM)	By June 2025
		Action 2.2.1.3: The Budget Statement should also quantify and present the tax expenditures, when they exist. E.g. concessions to support the domestic air and sea transport industry	MOF (Policy, Budget, Aid, PFM)	By June 2025
		Action 2.2.1.4: Information on total life cycle costs for all major projects must be estimated and included in the Budget Statement and Budget Estimates.	MOF (Policy, Budget, Aid, PFM)	By June 2025
		Action 2.2.1.5: Integrate the Recurrent Budget and the Development Budget to ensure that the recurrent cost implications of the development projects, including the outer years, are included in the budget	MOF (Policy, Budget, Aid, PFM)	By June 2025
		Action 2.2.1.6: Budget Statement must also report information from the PMU on the annual recurrent and capital costs and projected for at least the next three years for all individual investment projects.	MOF (Policy, Budget, Aid, PFM)	By June 2025
		Reform 2.2.2: Make the public access of the key budget documents compulsory and compatible with the PEFA standards.		
		Action 2.2.2.1: Ensure that all the Budget documents are available to public within one week of the submission to Parliament.	MOF (Budget, Policy, PFM)	By December 2024
		Action 2.2.2.2: Revive the production of the in-year Budget Execution Report as well as the Monthly Economic Report that include GFS figures and continue publishing them.	MOF (Budget, Policy, PFM)	By December 2024
		Action 2.2.2.3: Ensure that external audit reports are available online as soon as possible	MOF (Budget, Policy, PFM)	By December 2024
		Action 2.2.2.4: Budget Strategy and the Macroeconomic forecasts to be available online after approval by Cabinet.	MOF (Budget, Policy, PFM)	By December 2024
		Action 2.2.2.5: Government audited financial statements need to be available to the public within 12 months of the end of the fiscal year.	MOF (Budget, Policy, PFM)	By December 2024
		Action 2.2.2.6: Prepare a clear simple Citizen Budget appropriately translated to layman's language to be available publicly online within two weeks of budget submission to the Parliament.	MOF (Budget, Policy, PFM)	By December 2024
		Action 2.2.2.7: Budget Strategy, ministries Corporate Plans are shared with Parliament when the Budget Statements and Budget Estimates are presented to the Parliament and are available online within one week of the Budget submission to Parliament.	MOF (Budget, Policy, PFM)	By December 2024
		Action 2.2.2.8: Ensure that the Appropriation Act is published by AGO on its website within the 2 weeks deadline.	MOF (Budget, Policy, PFM)	By December 2024
		Reform 2.2.3: Include gender equality in the Government Priority Agendas, and for MDAs to include gender impact assessment of new policies on expenditure and revenue in their budget proposals		
		Action 2.2.3.1: Include gender equality in the Government Priority Agendas.	MOF (Budget, Policy, PFM), MDAs	By June 2026
		Action 2.2.3.2: Line Ministries must conduct ex ante gender impact assessments on all recurrent expenditure policy proposals, on all domestic revenue policy proposals.	PMO (Planning), MOF (Budget, PFM), PSC, MIA, MDAs	By June 2026

			Responsibilities	Target date
		Action 2.2.3.3: The Budget Circular must require ministries to provide information on the social impact of their budget proposals, including gender impact assessment.	MOF (Budget, Policy, PFM), MDAs	By June 2026
		Action 2.2.3.4: The Budget Strategy and its related nine strategic priorities must specifically address gender considerations	MOF (Budget, Policy, PFM), MDAs	By June 2026
Outcome 2.3: Line ministries are more accountable and responsible for the implementation of their ministerial budgets				
	Reform 2.3.1: Complete the implementation of the Program-Output (performance) budgeting			
		Action 2.3.1.1: Complete the roll out of Program-Output (performance) budgeting. This should ensure that MDAs and PMUs are accountable for their Corporate Plans, Budget estimates and budget performances	Budget, Aid, Treasury, Policy, PFM	By June 2025
		Action 2.3.1.2: Parliament to approve the switch from line-item budgeting to program-output budgeting.	Budget, Aid, Treasury, Policy, PFM, Parliament	By June 2025
		Action 2.3.1.3: Conduct staff training with MDAs on the program-output budgeting process.	Budget, Aid, Treasury, Policy, PFM	By June 2025
		Action 2.3.1.4: Decentralize some of the financial administration responsibilities at the MOF.	Budget, Aid, Treasury, Policy, PFM	By June 2025
PHASE 3: BUDGET EXECUTION			**Responsibilities**	**Target date**
Outcome 3.1: Efficient Government revenue collection.				
	Reform 3.1.1: Effectively monitor the revenue receivable.			
		Action 3.1.1.1: Ensure that the stock of revenue arrears at the end of the last completed fiscal year is minimized,	MORC, Budget, Policy, Treasury, PFM	By June 2025
		Action 3.1.1.2: Revenue administrations to focus on the management of arrears to ensure that debts owed to the government are managed actively	MORC, Budget, Policy, Treasury, PFM	By June 2025
		Action 3.1.1.3: Adopt appropriate processes to expedite the payment of collectable debt	MORC, Budget, Policy, Treasury, PFM	By June 2025
Outcome 3.2: Efficient Treasury operations				
	Reform 3.2.1: Rationalize and reform the Treasury services.			
		Action 3.2.1.1: Undertake a review of Treasury structure, business processes, staffing, and systems to provide assurance that these reflect current and future needs	FFD, TD, CEO (TA needed)	By June 2025
	Reform 3.2.2: Introduce the Single Treasury Account			
		Action 3.2.2.1: Prepare an inventory of existing bank accounts.	MORC, Budget, Policy, Treasury, PFM	By December 2027
		Action 3.2.2.2: Amend the PFM legislation to allow for the establishment of the TSA (Strong political support at the highest level of government is needed for the establishment of the TSA).	Treasury, Policy, FFD, Aid, PFM	By December 2027
		Action 3.2.2.3: Conduct technology feasibility and capacity of the banking system to participate in the operation of the TSA	Treasury, Policy, FFD, Aid, PFM	By December 2027
		Action 3.2.2.4: Setting up of a small payment clearing system. An RTGS at the NRBT and the connection to Treasury and the major financial institution	Treasury, Policy, FFD, Aid, PFM	By December 2027
		Action 3.2.2.5: Setting up agreement for interfaces between Treasury, line agencies and the banking networks.	Treasury, Policy, FFD, Aid, PFM	By December 2027
		Action 3.2.2.6: A comprehensive Chart of Accounts which should be in place when the IFMIS is set up.	Treasury, Policy, FFD, Aid, PFM	By December 2027
		Action 3.2.2.7: Training of the prospective TSA users	Treasury, Policy, FFD, Aid, PFM	By December 2027
		Action 3.2.2.8: Formalize the use of Treasury Single Account	Treasury, Policy, FFD, Aid, PFM	By December 2027
		Action 3.2.2.9: Ensure that expenditure arrears are minimized and well documented	Treasury, Policy, FFD, Aid, PFM	By December 2025

		Action 3.2.2.10: Ensure that data on the stock, age, and composition of expenditure arrears is generated quarterly within four weeks of the end of each quarter	Treasury, Policy, FFD, Aid, PFM	By December 2025
		Action 3.2.2.11: Ensure that bank reconciliation for all active central government bank accounts takes place at least weekly at aggregate and detailed levels, usually within one week from the end of each month	Treasury, Policy, FFD, Aid, PFM	By December 2025
Outcome 3.3: Prudent and transparent Public Debt Management Strategies				
	Reform 3.3.1: Formulate sustainable debt management policies and procedures			
		Action 3.3.1.1: MOF to document policies and procedures to provide guidance to borrowing, new debt issues and undertake debt-related transactions, issue loan guarantees, and monitor debt management transactions	FFD, Budget, Policy, PFM, Treasury	By December 2024
		Action 3.3.1.2: Ensure that a current medium-term debt management strategy covers existing and projected government debt, with a horizon of at least three years, and include target ranges for indicators such as interest rates, refinancing, and foreign currency risks.is in place. This should be provided to Parliament and publicly reported	FFD, Budget, Policy, PFM, Treasury	By December 2024
		Action 3.3.1.3: Update of the Debt Management Strategy should also include risk analysis of key variables as well as targets.	FFD, Budget, Policy, PFM, Treasury	By December 2024
Outcome 3.4: Improved quality and coverage in the Procurement processes				
	Reform 3.4.1: Improve the quality and coverage of procurement processes			
		Action 3.4.1.1: Ensure that records for all procurement methods for goods, services and works are maintained and contracts including data on what has been procured, value of procurement, and who has been awarded contracts are accurate and complete	Procurement, ICT, PFM	By December 2024
		Action 3.4.1.2: Ensure that a good percentage (80%) of government procurement use competitive methods	Procurement, ICT, PFM	By December 2024
		Action 3.4.1.3: The Government's public procurement evaluation and selection criteria for contracts awarded through competitive methods must include equality requirements	Procurement, ICT, PFM	By December 2025
		Action 3.4.1.4: The procurement in the Kingdom of Tonga is guided by the 'Public Procurement Regulations 2015'. The Regulations apply to all procurement carried out by contracting entities, and define, among others, methods of procurement and evaluation criteria. Gender equality criteria requirements must be included in criteria	Procurement, ICT, PFM	By December 2025
		Action 3.4.1.5: The Government has also issued a 'Contracting Entity Procurement Manual' to 'guide contracting entities and their respective procurement units in overall procurement planning and the annual procurement plan; preparing, in cooperation with the end-user department(s) procurement proposals; and preparing the draft contract documents in accordance with the templates issued by the Procurement Division. The Manual must specifically identify gender considerations	Procurement, ICT, PFM	By December 2025
PHASE 4: ACCOUNTING & REPORTING			**Responsibilities**	**Target date**
Outcome 4.1: Responses to Government Priority Agendas are properly tracked				
	Reform 4.1.1: Harmonize the Budget Structure and the Chart of Accounts to facilitate accurate financial reporting and policy formulation, and reflect the budget responses to climate change, gender equality, social protection, and prevention of illicit drugs.			

			Action 4.1.1.1: Review and improve the existing budget classification to ensure that all government fiscal transactions are captured and appropriately classified into economic, administrative, and functional classifications for budget presentation, execution, and reporting, using appropriate acceptable standards. These classifications to be embedded in the Chart of Account.	Budget Division, FFD, Treasury, ICT	By December 2025
			Action 4.1.1.2: Ensure that reporting in Budget formulation and execution are based on administrative, economic (at least GFS standard 3 digits, and functional classification using COFOG standards). - PFMA 2023 s19(1e) prescribes this to be carried out.	Budget Division, FFD, Treasury, ICT	By December 2025
			Action 4.1.1.3: The Government must be able to track expenditure for the budget responses to gender equality, climate change, reducing poverty and social protection and fighting against illicit drugs	Budget Division, FFD, Treasury, ICT	By December 2025
	Outcome 4.2: Efficient Integrated Financial Information System (IFMIS) across government				
		Reform 4.2.1: Upgrade the financial management information system to automate and link the information system across government.			
			Action 4.2.1.1: Get a TA to study and review the current FMIS and recommend the way forward for an integrated FMIS to convince the authorities that the best way forward is to upgrade.	Procurement, Budget, PSC, ICT, PFM, FFD	By June 2024
			Action 4.2.1.2: Upgrade the GoT Integrated Financial Management Information System (IFMIS)	Procurement, Budget, PSC, ICT, PFM, FFD	By June 2028
			Action 4.2.1.3: Upgrade the computer equipment and install compatible computers that will interface with GoT IFMIS in MoF and Accounts divisions of MDAs.	Procurement, Budget, PSC, ICT, PFM, FFD	By June 2028
			Action 4.2.1.4: Complete the roll-out of Government IFMIS to MDAs	Procurement, Budget, PSC, ICT, PFM, FFD	By June 2028
			Action 4.2.1.5: Review and upgrade the Government Integrated Communication Network that will support the communications of PFM activities.	Procurement, Budget, PSC, ICT, PFM, FFD	By June 2028
		Reform 4.2.2: Eliminate Salary Overpayment			
			Action 4.2.2.1: Ensure that payroll audits are undertaken regularly to identify ghost workers, fill data gaps and identify control weakness	Treasury, PSC, Budget, Procurement, ICT, PFM	By June 2025
			Action 4.2.2.2: Ensure that everyone in the payroll is properly documented and authorized to receive a particular amount of pay and that a physical verification mechanism is in place to ensure that payees are identified before salary payment	Treasury, PSC, Budget, Procurement, ICT, PFM	By June 2025
	Outcome 4.3: Improved functions and coverage on Internal Audit				
		Reform 4.3.1: Reform the internal audit functions			
			Action 4.3.1.1: Ensure that internal audit activities are carried out comprehensively and focused on evaluations of the adequacy and effectiveness of internal controls.	IA, PFM	By December 2025
			Action 4.3.1.2: Ensure that internal audit meets professional standards, including focus on high-risk areas and that quality assurance process is in place within the internal audit functions	IA, PFM	By December 2025
			Action 4.3.1.3: Ensure that there are internal audits in the extra budgetary units.	IA, PFM	By December 2025
			Action 4.3.1.4: Internal audits at the MDAs, especially MOH, MET and MOR need to be strengthened and supervised by the MOF Internal Auditors.	IA, PFM	By December 2025
			Action 4.3.1.5: Ensure that annual audit programs exist, and all programmed audits are completed.	IA, PFM	By December 2025
PHASE 5: EXTERNAL AUDIT & SCRUTINY				**Responsibilities**	**Target date**

Outcome 5.1: Annual Reports are budget responsive with timely access by the general public				
	Reform 5.1.1: Reform the timeline for the Annual Reports			
		Action 5.1.1.1: Both Cabinet and Parliament must scrutinize Annual Reports as soon as practicable.	Budget, NPO, MDAs, PSC, PFM	By December 2025
		Action 5.1.1.2: The Government must be able to include in the annual reports of the line ministries specific sections on the implementation of gender policies.	Budget, NPO, MDAs, PSC, PFM	By December 2025
Outcome 5.2: Effective parliamentary procedures for scrutinizing the Annual Budgets, Annual Financial Reports, and Audit hearings are in place and followed through				
	Reform 5.2.1: Reform the Legislative Standing Orders to include procedures for budget scrutiny.			
		Action 5.2.1.1: Ensure that the legislature's procedures to review budget proposals are approved by Parliament and are adhered to	LA, Budget, Aid, Policy, PFM, FFD	By December 2025
		Action 5.2.1.2: The parliamentary procedures must include arrangements for public consultation. It should also include internal organizational arrangements, such as specialized review committees, technical support, and negotiation procedures	LA, Budget, Aid, Policy, PFM, FFD	By December 2025
		Action 5.2.1.3: The Legislative Assembly of Tonga's scrutiny of the budget proposal must include a review of the gender impacts of service delivery programs	LA, Budget, Aid, Policy, PFM, FFD	By December 2025
		Action 5.2.1.4: The legislature's review of audit report must include audit reports that considered the impact of service delivery programs on gender and/or gender equality	LA, Budget, Aid, Policy, PFM, FFD	By December 2025
	Reform 5.2.2: Make the scrutiny and hearing of audit reports by Parliament compulsory			
		Action 5.2.2.1: Scrutiny of audit reports must be completed by the Legislature within three months from receipt of the reports and recommendations on actions to be implemented by the executive must be issued and follow up with the recommendations	LA, TOAG, Treasury, PFM	By December 2025
		Action 5.2.2.2: Parliament to be mandated to conduct hearings and in-depth hearings on key findings of audit reports must take place regularly	LA, TOAG, Treasury, PFM	By December 2025
		Action 5.2.2.3: All hearings must be conducted in public except for strictly limited circumstances such as discussions related to national security or similar sensitive discussions	LA, TOAG, Treasury, PFM	By December 2025
		Action 5.2.2.4: Committee reports must be debated in the full chamber of the legislature and published on an official website or by any other means easily accessible to the public	LA, TOAG, Treasury, PFM	By December 2025

Subprogram 08.3.02: Procurement Division (PD)

Sound procurement systems, policies and procedures are an integral part of good resource management and thus contribute to good governance. This helps ensure value for money and protects Ministries, Department and Agencies (MDAs) officials from accusations of favouritism and corruption. It is thus essential to have overarching legal framework in place to drive good procurement policies and rules and to enhance and promote compliance and adherence with set practice. The procurement system is organized into a partial decentralized system where MDAs who have a Procurement Unit and procurement capacity are responsible for the proceedings up to 20K while the Central Procurement Unit (CPU) is mandated to conduct proceedings for all procurement valued 20K+. There needs to be considerations given to country factor and to balance good practice with timely processing of procurements.

Not all MDAs are able to implement a more decentralized procurement process. In such case, the CPU is thus required to manage their procurements above threshold so that their procurements needs are met on a timely basis, consistent with the established rules and policies.

The Procurement Regulations (amendment) 2021 approved a process for emergency procurement whereby Ministries can apply to the Minister of Finance for the approval up for procurement actions up to a set amount whereby the Ministries are required to report back to the Minister on the proceedings and spent for approved amount. The recent Hunga Tonga Hunga Ha'apai volcanic eruption and tsunami events require the use of this amendments and allowed National Emergency Management Office to provide the rapid response needed.

The Division is delegated the following outputs that deliver the above requirements, listed with relevant KPIs below in Table below.

PD OUTPUTS AND KPIS

Table 32: Procurement Operations Division Outputs and KPIs

Output Statement 1: 'Efficient and Effective Government procurement rules and procedures.'   *SDG/TSDF*

Outputs	KPIs	2024/25 (baseline)	2025/26	2026/27	2027/28	Targets #	Indicators #	GPA Target
1. Procurement Policy	Ratio of Ministries using the framework contracts	14/27	15/27	16/27	17/27	16.5, 16.6	16.5.1, 16.6.1	
2. Internal Review	Percentage of Procurement plan processed.	45%	47%	49%	50%	16.6	16.6.1	
3. Capacity Development and Training	Number of suppliers group provided awareness training	3	3	4	4	16.6	16.6.2	

Output Statement 2: 'Efficient and Effective Government procurement services.'   *SDG/TSDF*

Outputs	KPIs	2024/25 (baseline)	2025/26	2026/27	2027/28	Targets #	Indicators #	GPA Target
1. Procurement Monitoring	Percentage of Procurement Requests that meet full compliance	63%	64%	65%	66%	16.5, 16.6	16.5.1, 16.6.1	
2. Procurement Methods	Percentage of Procurement using competitive methods	33%	34%	35%	36%	16.5, 16.6	16.5.1, 16.6.2	
3. Procurement Planning	Percentage of recurrent cost procured against total budget.	25%	27%	29%	31%	16.6	16.6.1	

PROCUREMENT DIVISION: BUDGET, STAFFING AND PROJECTS

Table 33: Procurement Division Budget, Staff and Projects

Description	2024/2025 Original Estimate ($m)	2025/2026 Budget Estimate ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10 & 11)	0.47	0.39	0.39	0.39
Operation	0.09	0.00	0.00	0.00
Total = Recurrent ($m)	**0.56**	**0.39**	**0.39**	**0.39**
Total Staff	13	13	13	13
Executive Staff	1	1	1	1
Prof Staff	11	11	11	11
Other Staff	1	1	1	1
Total Established	13	13	13	13
Unestablished				

Subprogram 08.3.03: Treasury Division (TD)

TREASURY OUTPUTS AND KPIS

The Treasury Division (TD) plays an important role in providing support to effective public financial management through the efficient delivery of its many Treasury services, which stems from payment processing, cash management to financial reporting, thus providing similar services at the outer islands.

As part of its planned reforms, TD have started to decentralise its financial services to MDAs, embracing electronic payments and improving IPSAS compliance, effective from FY 2023.

A robust and well-run information financial system and strong updated accounting policies in place is very crucial for TD to perform its role, hence achieving accountability, transparency and good governance, leading to sound financial decision making.

Table 34: Treasury Services Outputs and KPIs

Output Statement 1: The government and stakeholders are provided with effective and efficient Treasury financial management services.							SDG/TSDF	
Outputs	**KPIs**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**Targets #**	**Indicators #**	**GPA Target**
1) Payment Processing	1) Percentage of expenditure vouchers (excluding payroll) processed within 3 days (meeting conditions). 2) Percentage of MDAs that have started to use electronic payments /receipts	90	100	100	100	8.5	8.5.1 *16.6.1*	
	2) Average percentage of complaints on payments over total vouchers submitted monthly	10	10	0	0	8.1, 8.5	8.1.1, 8.5.1, 8.5.2 *16.6.1*	
	3) Percentage of completed monthly vote reconciliation as submitted from active cash projects.	90	90	90	90	1.a, 2.1	1.a.2, 2.1.1 *16.6.1*	
2) Payroll Management	4) Number of compliant, accurate and timely payroll vouchers paid within an approved timeline. (Fortnightly pay, OT, Acting, PMS and Arrears- 2987)	3192	1596	760	0	8.1, 8.5	8.1.1, 8.5.1 *16.6.1*	
	5) Average number of queries from MDAs on payroll payments per month	18	9	6	0	16.5, 16.6	16.5.1, *16.6.1*	

3) Cash Management	6) Submission of Weekly Cash flow Report within 2 working days from the end of the week. (Max 50)	48	48	48	48	2.1, 16.5, 16.6	2.1.1, 16.5.1* *16.6.1*	
	7) Number of Monthly Revenue Reconciliations, with all relevant MDAs, completed within 2 weeks of the close of the month. (Max 240)	228	228	200	200	16.5, 16.6, 16.7	16.5.1*, 16.6.2*, 16.7.1 *16.6.1*	
	8). Percentage of bank accounts reconciled within 4 weeks from end of the month end.	95	90	70	50	16.6, 16.7	16.6.2, 16.7.1 *16.6.1*	
	9) Bank accounts with overdraft balances at end of the month	0	0	0	0	2.1	2.1.2 9.5.1 (global)	
	10). Implement Cash Management Policy recommended by WB	100	100%	-	-	16.3, 2.1	2.1.2, 16.3.2 16.6.1	
4) Government Mandatory Financial Reports	11). Number of financial returns submitted from the Sub-Treasuries within 2 weeks and within 1 month from the Sub-Treasuries Niuas.	80	80	90	90	8.5	8.5.1 16.6.1	
	12). Number of Quarterly Summaries of Receipts & Payments sent within a month of close of the quarter to Audit.	3	3	3	3	8.5, 16.6	8.5.1, 16.6.2* 16.6.1	
	13) Number of months after the close of the year last Financial Statements sent to Audit.	5	5	4	4	8.5, 16.6	8.5.1, 16.6.2* 16.6.1	
	14). Number of Treasury related External Audit queries on last audited annual financial statements.	18	15	10	10	8.5	8.5.1 16.6.1	

| 5) Customer Service Management System | 15) Turn-around time for addressing Treasury Queries/enquiries | Within 3days | Within 2days | Within 2days | 0 | 8.2, 8.5 | 8.2.1, 8.5.1 | |
| 6) Capacity Building and Training | 16). Number of trainings provided to staff and stakeholders per quarter | 8 | 10 | 15 | 15 | 8.6, 8.8 | 8.6.1, 8.8.2* | |

TREASURY BUDGET, STAFFING AND PROJECTS

Table 35: Treasury Budget Staffing and Projects.

Description	2024/2025 Original Estimate ($m)	2025/2026 Budget Estimate ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Established & Unestablished staff (Cat 10 & 11)	2.13	1.86	1.86	1.86
Operation	0.45	0.21	0.21	0.21
Total = Recurrent ($m)	**2.58**	**2.07**	**2.07**	**2.07**
Total Staff	81	89	89	89
Executive Staff	1	1	1	1
Prof Staff	35	35	35	35
Other Staff	45	43	43	43
Total Established	**81**	**79**	**79**	**79**
Unestablished	**11**	**10**	**10**	**10**

PROGRAM 08.4: GOVERNMENT GENERAL FUND

There are many customers of Program 4 namely: MDAs, communities, people with disabilities, private businesses, and others. The Finance Section of the Corporate Services Division manages payments under the Government General Fund (GGF) that covers special and across-government items under the direct control of MOF. The items under this Program are shown in the Table below.

Table 36: Summary of Program 08.4: Budget and Staff

Government General Fund						
Description	**2022/2023 Budget ($m)**	**2023/2024 Budget ($m)**	**2024/2025 Budget ($m)**	**2025/2026 Budget ($m)**	**2026/2027 Budget ($m)**	**2027/2028 Projection ($m)**
Total = Recurrent ($m)	**91.73**	**40.72**	**$54.59**	**$92.57**	**$70.23**	**$79.19**
4.01 Benefits						
Recurrent ($m)	7.67	7.67	4.41	6.61	6.61	6.61
4.02 Remuneration						
Recurrent ($m)	0.00	0.00	4.20	2.20	2.20	2.20
4.03 Subsidies						
Recurrent ($m)	5.59	5.59	3.79	5.52	5.52	5.52
4.04 Community Development						
Recurrent ($m)			1.81	1.50	1.50	1.50
4.05 Special Project						
Recurrent ($m)	25.06	17.18	27.75	12.36	5.88	5.88
4.06 Equity Payment						
Recurrent ($m)	0.40	0.40	0.00	0.00	0.00	0.00
4.07 Subscription						
Recurrent ($m)	3.04	3.04	3.04	3.04	6.07	1.04
4.08 Exemption & other payments						
Recurrent ($m)	5.15	4.04	4.59	4.44	7.44	21.44
4.09 Contingency Fund						
Recurrent ($m)	5.00	5.00	5.00	5.00	5.00	5.00
4.10 Economic Growth						
Recurrent ($m)			0.00	51.90	30.00	30.00

Output for each of Sub-program 08.4.01 up to 08.4.10 requires timely and accurate payment of all items, consistent with relevant guidelines. The following are the key items under each category:

4.01:   Insurance, Transfer Value, Pensions & Gratuities

4.02:   Remuneration

4.03:   Subsidies

4.04:   Community Development Project

4.05:   Salary revision, national events, rental, bank fees, electoral boundaries commission, remuneration authority operational funds, grants for sport, grants to the vulnerable, social welfare scheme, ID Card, new building, and other special projects.

4.06:   Equity Payments

4.07:   Contributions to Organizations

4.08:   Maintenance of computer services, licenses, cost of development project cost

4.09:   Contingency Fund

4.10:   Private Sector Initiatives

PROGRAM 08.5: DEBT MANAGEMENT

The major creditor for the Government total debt is China EXIM Bank under the external portfolio which accounts for 84% of our total debt and 16% for domestic portfolio. Program 5 is managed by the Debt Unit of the Financial Framework Division.

Table 37: Summary of Program 08.5.01: Budget

5.01 Debt Management						
Description	2022/2023 Budget ($m)	2023/2024 Budget ($m)	2024/2025 Budget ($m)	2025/2026 Budget ($m)	2026/2027 Projection ($m)	2027/2028 Projection ($m)
Recurrent ($m)	45.38	67.12	69.35	68.38	75.19	71.50
Output for all Subprogram 08.05.01: Timeliness and accuracy of all loan repayments are made consistently with relevant payment guidelines under the Subprogram.						

C. TIMELINE FOR GENERIC OUTPUTS AND KPIS 2025/2026, MOF

The table below summarises the generic outputs for all the Divisional Outputs with due dates. These are the contributions that are made from respective divisions that are coordinated by other divisions.

Table 38: Timeline for Generic Outputs

	Generic Outputs/ Reports/Activities	Contributing Division	Due Dates to Coordinating Division	Coordinating Division	Due Dates of Reporting	Agency/Ministry/Div Reporting to
1.	Budget Strategy	BD, AMRDD, FFD, TD	Nov Wk (Week) 2	EFPD/BD	15 Nov Wk 3	Cabinet& LA
2.	Budget Statement Guidelines	EFPD/BD	Nov Wk 2	EFPD/BD	Dec Wk 2	ALL MDAs
3.	Budget Statement	BD, MRDD, FFD, TD	Feb Wk 1	EFPD/BD	Dec Wk 2 Apr Wk 2	Cabinet LA
4.	Budget Estimates	AMRDD, FFD, TD, PD, CSD FPM	Feb Wk 3	BD	Mar Wk 4 Apr Wk 2	Cabinet LA
5.	Ministry Budget Estimates	ALL Divs (Divisions)	Jan Wk 3	CSD FPM	Jan Wk 4	BD
6.	Ministry Budget Briefing Notes	BD	Apr Wk 3	CSD FPM	May Wk 1	BD & CEO
7.	Corporate Plan Draft 1 to PMO	ALL Divs	Dec Wk 2	CSD HRPM	Jan Wk 3	PMO
8.	Corporate Plan Draft 2 to LA (with Tonga Version)	ALL Divs	Mar Wk 2	CSD HRPM	Apr Wk 2	PMO & LA
9.	CP Final	ALL Divs	Jul Wk 1	CSD HRPM	Aug Wk 4	PMO
10.	1. FY Procurement Plan (APP) Draft 1 2. APP Final	ALL Divs ALL Divs	Feb Wk 2 Jul Wk 2	CSD FPM CSD FPM	Feb Wk 4 Jul 31	BD & CPU CPU
11.	FYMP (Fiscal Year Management Plan)	ALL Divs	Aug Wk 1	CSD HRPM	Aug Week 4	CEO & Minister
12.	FY Report (With Tongan Version)	All Divs	Aug Wk 1	CSD HRPM	Sep 30	LA
13.	FY Training Plan	ALL Divs	Jul Wk 4	CSD HRPM	Aug Wk 2	PSC
14.	Overseas Travel Report (Quarterly)	ALL Divs	Within 3 Days from Arrival	CSD HRPM	Jan, Apr, Jul Wk and Oct Wk 1	PSC
15.	Division Qtrly Reports (Performance vs KPIs)	ALL Divs	Jan, Apr, Jul, Oct Wk 1	CSD HRPM	Jan, Apr, Jul, Oct Wk 2	CEO
16.	PMS – Mid Year Assessment	ALL Divs	Jan Wk 2	CSD HRPM	Jan Week 4	PSC
17.	PMS FY Assessment	ALL Divs	Aug Wk 1	CSD HRPM	Aug Week 3	PSC
18.	PMS Quarterly Report	CSD HRPM	End of each Quarter	CSD HRPM	Oct, Jan, Apr, Jul Wk 1	PSC
19.	Bi-FY Staff List Update	CSD HRPM	Dec, June	CSD HRPM	Jan Wk 2 Jul Wk 1	PSC
20.	PEFA Assessment	ALL Divs		FFD	End of Jun 2024	CEO & Minister
21.	Process Mapping of SOPs Quarterly Update	ALL Divs	Jun 30	CSD	End of Quarter update to CSD	CEO & Minister
22.	Re-evaluation of JDs	ALL Divs	Oct Wk 1	CSD HRPM	Nov Wk 4	PSC

D. CONCLUSION

The Ministry's CP has a 3-year timeframe from FY 2025/2026 to FY 2027/2028, and it is subject to be reviewed from time to time depending on the situation going forward, especially rare events or unforeseen conditions. Whilst implicit, rationalizing a plan with creativity and innovations will be added for maximal beneficial outputs, outcomes, and eventual economic growth.

The Ministry's AMP for FY 2025/2026 will be developed to align with this CP.

The Ministry is fully committed to implementing both its CP and the AMP for their respective periods with the available resources at hand.