

## Independent Evaluation of the Tokelau Programme

### Key findings from Adam Smith International



#### Results highlights

New Zealand's support has contributed to an increase in revenue from off-shore fisheries over the last few years. The installation of a solar energy system is also significantly reducing Tokelau's reliance on diesel. Tokelau has challenges ahead in terms of improving the quality of health and education services, mainly relating to governance and management.

#### Context

Tokelau is a territory of New Zealand; the majority (92%) of its donor support comes from New Zealand. Its physical characteristics and remoteness mean there are few economic development opportunities. Tokelau's main asset is a 200 nautical mile Exclusive Economic Zone (EEZ). Revenue from fisheries is forecast to be US\$12 million in 2016.

#### The relationship

Tokelau is a non-self-governing territory of New Zealand. In 2003 Tokelau assumed full responsibility for managing its national budget. The Administrator of Tokelau formally delegated administrative powers to the Council of the Ongoing Government of Tokelau in 2004. Tokelau assumed responsibility for administration and core services such as education.

Taupulega (village councils of elders) direct village activities on each atoll, and delegate their authority on national issues to the General Fono. The General Fono is made up of delegates from each atoll. Between the General Fono meetings, the Council of Ministers is responsible for ongoing government functions.

#### Aid Quality

Tokelau has strong ownership of its development agenda and these priorities are reflected well in the Joint Commitment for Development (JCfD).

The majority of New Zealand's support to Tokelau is in the form of general budget support, which works like an unconditional operating subsidy. There are some weaknesses in key public financial management (PFM) areas that need to be addressed to reduce fiduciary risk, which, at the moment, is moderate.

The evaluation found that Tokelau needs more support for good governance under the devolution model.

The evaluation found that New Zealand's economic development programme needs greater coherence. New Zealand is working with Tokelau to implement a package of significant fisheries management reforms.

#### Adam Smith International Recommendations

To better fulfil its obligations New Zealand needs to assist Tokelau to more systematically address the key constraints to economic development and better governance. A long-term performance management approach to capacity building in key reform areas could improve development effectiveness going forward. This approach should be supported by New Zealand government agencies.

# Insights into Economic and Human Development Outcomes in Tokelau



## Fisheries

Tokelau's 200 nautical mile Exclusive Economic Zone (EEZ) has three types of fisheries: purse seine (skipjack and yellowfin), tropical longline (bigeye and yellowfin) and southern longline (albacore and billfish). As a result of inputs from Tokelau's independent fisheries adviser, MPI and MFAT support, Tokelau's annual fisheries revenue will have grown to over US\$12 million for 2016. This is a significant achievement. Respondents report that with sound management and successful international negotiations, there are opportunities for Tokelau to maintain an average level of fisheries revenue of US\$7.5 – 8 million per annum over the next five years.

The evaluation noted challenges in fisheries resource management. An integrated package of fisheries reforms was developed to manage risks to Tokelau's fisheries revenues. The key reform elements include strengthening the Tokelau/New Zealand partnership arrangement, improving Tokelau's governance and management arrangements and strengthening technical capability and capacity. The reform package, which specifically addresses capacity development issues, was approved by Tokelau in late 2015.



## Renewable energy

New Zealand investment in renewable energy has resulted in Tokelau having arguably the highest proportion of renewable energy generation of any state in the world. Reducing reliance on diesel fuel for energy needs has been a major priority. Like most small Pacific Island nations, Tokelau has been heavily reliant on importing fossil fuels for energy generation at considerable expenditure. With fuel prices expected to grow at an average of 2.9% per year to 2040, it is imperative for Tokelau to be decoupled from the global fossil fuel markets.



## Health

A recent Health Sector Review highlighted issues affecting the health sector, which New Zealand assists primarily through general budget support. The review identified limited capability at the village level. There was also fragmented workforce development and planning, and some governance issues, which prevent practical collaboration, expand inequalities and reduce the effectiveness of clinical service delivery.

Health care is expensive in Tokelau given its isolation and high incidence of NCDs, in particular diabetes. Patient transfers (required because of Tokelau's isolation) account for about a quarter of the health budget. Approaches informed by evidence and good practice, and explicitly designed to meet Tokelau's unique health needs and context, are limited.



## Education

New Zealand investment has focused on opportunities for Tokelauans to access tertiary training via scholarships, short term attachments and apprenticeships, and developing a strategy for improved management and governance of schools. In 2013, the New Zealand Education Review Office (ERO) reviewed three schools in Tokelau. This review confirmed challenges already identified in the Tokelau National Strategic Plan and Tokelau Education Sector Strategy Plan 2008-2013. An outcome of the ERO findings has been the implementation of a five-year special project, funded by New Zealand, to improve education services in Tokelau.

Massey University has been contracted to work alongside teachers and principals on each atoll to help increase the effectiveness of teachers and school leadership. It is not clear what role the New Zealand Ministry of Education has in supporting Tokelau to develop capacity and appropriate education resources.

*This document is drawn from Adam Smith International's independent evaluation of the Tokelau country Programme completed in 2015.*

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