



GOVERNMENT OF TONGA

**BUSINESS REGISTRIES & INTELLECTUAL PROPERTY OFFICE**  
**Business Service Centre**

OUR SERVICES INCLUDE THE FOLLOWING:

**BUSINESS REGISTRIES:**

- Business Entity
- Business Name
- Foreign Investment
- Companies
- Incorporated Societies
- Charitable Trust
- Deed of Trust
- Co-operations
- Personal Properties Securities

**INTELLECTUAL PROPERTY:**

- Trademarks
- Patents
- Industrial Design
- Geographical Indications
- Utility Models
- Copyrights & Related Rights

**LELESI TA PŪNISI & KĒKĒŪ FAKA'ATA'AMA**  
**Seniā Fie ma'u Fakapisinisi**

KO FOMAU FATONEIĀ 'O U KAU AI 'A 'E:

**LELESI TA PŪNISI**

- Lakoni PŪnisi
- Aganikihaga/PŪnisi
- Ko'itaki'itaki
- Aganikihaga
- Sivani Fakataniha
- Takui'itaki
- Komaha 'O'isi'itaki & Ni'itaki
- Sivani Fakataniha
- Maki'itaki

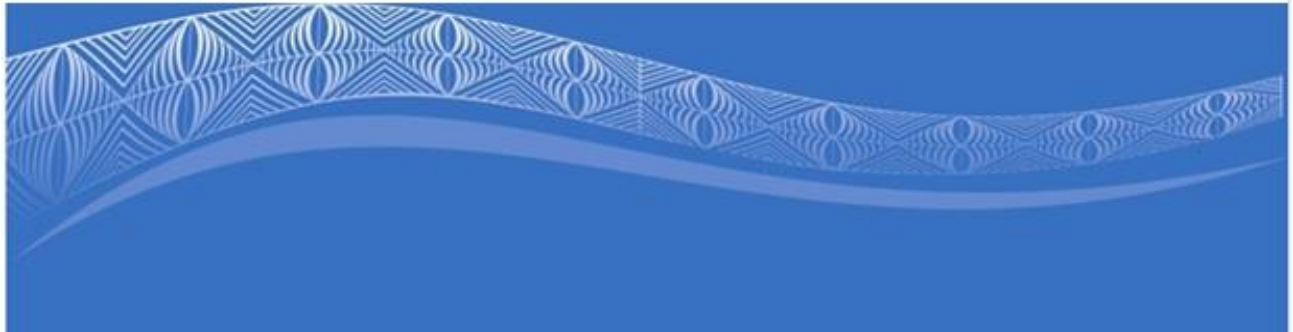
**KO'OHU FAKATANIHA**

- Fakafu'itaki'itaki
- PŪnisi
- Tani'itaki'itaki
- Fakafu'itaki'itaki
- Mi'itaki'itaki
- PŪnisi & Sivani Fakataniha



**Corporate Plan**  
 2016/2017 – 2018/2019

**MINISTRY OF COMMERCE, CONSUMER, TRADE, INNOVATION AND LABOUR**



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## FOREWORD

I am pleased to introduce the Corporate Plan for the Ministry of Commerce, Consumer, Trade, Innovation and Labour for the years 2016/17 – 2018/19.


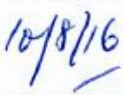
The *Ministry of Commerce, Consumer, Innovation and Labour (MCCTIL) Corporate Plan 2016/17 – 2018/19* seeks to provide a specific and tactical operational strategy from 1<sup>st</sup> July 2016 to assist the private sector, government and other key stakeholders in achieving the MCCTIL vision of **facilitating private sector development to sustain improved quality of life for all Tongan citizens**. The plan also includes new proposals to program sufficient resources to address the performance gaps of the Ministry.

This Plan will enable MCCTIL to plan ahead over a three-year time frame with emphasis on improving effectiveness of service delivery and developing the organizational capabilities required to improve efficiency. MCCTIL is the lead business facing government agency with a large delivery function to drive change in business environment and systems. Our specific focused initiatives include further regulatory reform and enhancement of the online business registry system to reduce costs to businesses; initiatives to promote trade and exports, business innovation to improve productivity and competitiveness, development of MSMEs and entrepreneurship and promote foreign direct investment; finalization of the Employment Relations Bill to provide a more fair and effective domestic labour market; as well as regulatory and institutional preparations for the set-up of the Tonga Consumer Council to advocate and safeguard the rights of consumers.

The six (6) external and three (3) internal programs and their aligned 26 sub-programs are designed to be pragmatic in delivering a performance oriented business environment that is efficiency focused and customer centric. Programs and sub-programs are cascaded down to the activity level and therefore automatically form the Ministry's Annual Management Plan and divisional plans, with clear accountabilities at every level.

The Ministry acknowledges the value of its key development partners including New Zealand, the ADB and the World Bank.

We acknowledge that the successful implementation of the plan will require strong executive management by MCCTIL, support from Government line ministries in particular the Ministry of Finance & National Planning and the Public Service Commission. To be successful in achieving our goals the Ministry will continue to build closer and stronger partnership with our partners and stakeholders to implement this plan. It is our anticipation that this plan will help all parties to adopt a more coherent and integrated approach to achieving government strategic objectives outlined in the Tonga Strategic Development Framework II.

  
Hon. Dr. Pohiva Tu'i'onetoa  
Minister for Commerce, Consumer, Trade, Innovation & Labour  
31<sup>st</sup> March 2016  


## EXECUTIVE SUMMARY

MCCTIL is the government's primary lead agency responsible for extensive policy and delivery functions that directly impact on private sector development and growth. The Ministry has evolved as an organization and has undertaken several modification to its structure and plan in recent years due to government reforms and restructure. Formerly known as MCTL, MCCTIL was formed as a result of the transfer of the 'Tourism' portfolio from the Ministry in 2015 and subsequent reinstatement of the 'Trade' portfolio to the Ministry in July 2016.

Since 2012, the Ministry has made significant progress towards building a stronger organization and delivery of key services. The Ministry is proud of its achievements although we recognize that there is still a great deal more to do towards building a high performing Ministry. To create a momentum of change we will continue our focus on key strategic areas to ensure progress is sustained for our core priorities and key initiatives.

We operate in a dynamic and demanding environment and this change and complexity provides us with opportunities to find better ways to achieve our goals. We commit to build an open, constructive and collaborative work culture that contributes to high performance. Together with our various stakeholder partners we will build Tonga's prosperity consistent with policies and performance expectations of Government.

### 1.1. Our Operating Context

The Ministry operates in an environment guided by the Constitution of Tonga and the seventeen (17) legislations which establish its statutory roles. Underneath this level, the MCCTIL's vision of **“facilitating private sector development to sustain improved quality of life for all Tongan citizens”**, is directly aligned to the achievement of the Tonga Strategic Development Framework II impact of **“A progressive Tonga supportive of a higher quality of life for all the people”**.

To support the government strategic outcomes we have developed outcomes that are linked to the Ministry's specific interventions and to the performance framework that measures our progress towards these outcomes.

### 1.2. Our Strategic Outcomes and Mission

The MCCTIL mission, as an organization, is to **facilitate the development and growth of the private sector**. There are two main strands to the delivery of this mission:

#### A. The development of a supportive and fair operating environment for businesses through:

- i. improving the business operating environment
- ii. providing appropriate business development support
- iii. increasing market access and encouraging business innovation
- iv. creating an effective Public Private Partnership (PPP) framework
- v. improving the labour market conditions

#### B. Compliance with business and consumer protection regulations

The two strands are results of an analytical process led by the executive team of the Ministry. It provides a detailed strategic map for the operations of MCCTIL identifying the following programs;

### 1.3. Our Organizational Programs and Outputs



- *Six external program streams driven by a clear identification of the services (outputs) delivered to customers:*
  - Program 2: The Better Business Services Program
  - Program 3: The Business Support Program
  - Program 4: The Trade and Innovation Program
  - Program 5: The Policy and Partnership Development Program
  - Program 6: The Fair and Effective Labour Program
  - Program 7: The Consumer Protection Program
- *Three ‘management’ program streams which enable the six (6) external programs to deliver the required service level to stakeholders:*
  - a. Program 1: Senior Management Program, which has both an internal and external role:
    - i. Internal – oversight and leadership of all the program streams of MCCTIL
    - ii. External – communication with government and stakeholders and the provision of protection to MCCTIL from directions which do not deliver the mission
  - b. Program 1.1: Performance Improvement Program, that provides the plans to fill performance gaps which restrict the delivery of the Ministry’s outputs.
  - c. Program 8: Corporate Services, whose customers are the six program streams. The aim of corporate services is to enhance the efficiency and effective functioning of MCCTIL.

The above programs are linked to twenty-six (26) sub-programs and (56) divisional activities.

#### **1.4 Our KPIs**

The Ministry believes that “what gets measured gets done” and has therefore carefully designed its KPIs to measure the right elements so as to ensure delivery of desired outputs. It has redesigned its KPIs to be more Specific, Measurable, Achievable, Realistic and Time-bound. Through these SMART KPIs, MCCTIL is committed to achieving the set targets at every level of its results chain.

At the national impact level, MCCTIL will contribute to the achievement of targets that by 2018/19: Real GDP will increase to 5%; GDP per Capita will increase to TOP8,000; and Tonga’s ranking in the Human Development Index will improve from 100 to 95.

#### **1.5 Our Risks & Assumptions**

MCCTIL recognizes that there are external factors at every level of the results chain which affect what the organization can accomplish. There are conditions which need to prevail in order for MCCTIL to deliver its outputs, and there are situations where these conditions do not exist hence threatening the operation of the organization. These are the Ministry’s assumptions and risks. MCCTIL recognizes that effective corporate planning requires strategic consideration of these elements.

At the impact level and outcome levels, MCCTIL establishes the following assumptions:

- i) That there is commitment at a political level to the facilitation of private sector development, labour market development and upholding consumer welfare
- ii) That budgetary appropriation will reflect the actual growth potential of the sectors under the mandate of MCCTIL from the short to medium term. Therefore future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided;
- iii) That prior budgetary commitments by Government and development partners remain and that identified performance gaps are prioritized for available Government and donor funds;

- iv) That the outcomes and strategies established in this plan are responsive to the development priorities of the private sector, labour market and consumers;
- v) That the internal stakeholders particularly MFNP and PSC are consistently supportive of the TSDF objectives under which the MCCTIL plan is aligned

The inverse of these assumptions poses real risks to the operations of the Ministry. MCCTIL aims to mitigate these risks through a budgeted risk mitigation strategy to ensure that risks are managed effectively in the achievement of the Ministry's objectives.

## 1.6 Our Performance Gaps

This Corporate Plan maps out an organizational work plan where MCCTIL will deliver its organizational programs whilst bridging performance gaps which impede the actual delivery of MCCTIL outcomes and outputs to customers. These performance gaps include:

- i. Failing to mitigate costs of doing business in Tonga
- ii. Failing to provide necessary business support for private sector development
- iii. Failing to effectively address development constraints on trade and innovation
- iv. Failing to effectively address commerce development issues
- v. Failing to improve the labour market condition in Tonga
- vi. Failing to support the effective operation of MCCTIL divisions
- vii. Failing to provide leadership to MCCTIL and appropriate advice to stakeholders

These performance gaps are caused by:

- i. **HR capacity problems** *such as:*
  - Lack of technical staff, lack of specialized and technical skills.
- ii. **System Problems** *including:*
  - Gaps in the Business Legal Framework for improving the business environment
  - Inefficient and unsustainable manual business registration systems which increase costs to businesses in terms of longer procedures, higher fees, and longer registration timeframes
  - Inefficient customer service systems which also increase costs to businesses in terms of registration procedures and timeframes
  - Lack of a trade representative in the key market of NZ to assist the marketing of local Tongan exports
  - Lack of core datasets and research programs to inform commerce and labour policy development and advice
  - Lack of coordination within Government on issues relating to improving the business environment, trade and business development support, PPP, labour development, and business and consumer regulatory enforcements
  - Lack of a policy framework and system to guide the development of metrology in Tonga.
- iii. **Management Problems:**
  - Lack of managerial commitment due to political demands

## 1.7 Our Solutions

This Corporate Plan maps out an organizational work plan where MCCTIL will deliver its organizational programs whilst bridging the performance gaps which impede the actual delivery of MCCTIL outcomes and outputs to customers. MCCTIL has undertaken a solutions analysis to determine realistic and achievable measures for closing its performance gaps.

These solutions are budgeted and programmed into the Ministry's proposed budgets for the three fiscal years covered in this corporate plan. The recent structural changes and reforms propels the

Ministry to reprioritize, adjust and commit efforts to be more innovative in its approach in order to maximize efficiency and benefits. This includes attention to reinforcing internal management performance measures, renewed commitment to reprioritize, rearrange and maximize returns from existing resources such as reviewing internal systems and processes, recruitment practices and staff capacity development.

## 1.8 Our Resources

### a) Staffing

The staff forms the strength of MCCTIL service delivery. Staff allocation according to the Corporate Plan organizational structure is to ensure more effective grouping of skills with functions, dedication, professionalism led by the Ministry's executive management team. Currently the Ministry has a total of eighty three (83) staff including fifty (50) professional staff and thirty three (33) supporting staff;

### b) Resource Envelope

Based on the recurrent<sup>1</sup> budget for FY2015/16; the Ministry undertakes to:

- Reduce the high salary portion of the budget and increase its operational budget to support the delivery of its program and sub-program outputs;
  - A salary budget of approximately 49 percent in 2015/16.
  - The remaining non-salary balance of the budget, equivalent to 51 percent in 2015/2016.

As a result of the transfer of Tourism in June 2015 and technical staff turnover, the Ministry was faced with an increased margin of HR gaps that had to be met. This led to new recruitment and re allocation of staff within a short timeframe resulting in increase of the salary portion of our budget to over 40% during 2015/16. The reduced operations budget available to the Ministry would be highly insufficient to deliver its program and sub-program outputs. For this reason, the Ministry considered crucial that funding proposals to meet MCCTIL performance gaps are considered in the budget process. At the same time commits to reduce and cap its salary budget at 40 percent over the period of this Corporate Plan.

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<sup>1</sup> Recurrent Funds in this plan refer to Government funds plus budget support funds.



## SECTION 1: OUR PROGRESS REPORT ON CORPORATE PLAN 2013/14-2015/16

The section provides the first retrospective look at the progress the Ministry has made during the course of its Corporate Plan 2013/14-2015/16. It is aimed at enabling the Ministry to take stock of its accomplishments, consider challenges and devise improved strategies for facilitating private sector development to sustain improved quality of life for all Tongan citizens in 2016/17 – 2018/19.

Assessment of the Ministry's performance against the Corporate Plan 2013/14-2015/16 shows significant accomplishments across the board by each of the Ministry's nine (9) programs. These accomplishments include *inter alia*, the following:

### 1. Better Business Services Program

- Establishment of business electronic registries for Business Licensing, Business Names and Companies Registrations and KIOKs for online customers for Tongatapu and Vava'u
- Centralization of business registration services and payments at the counter
- Development of a credit card payment system for online registries
- Establishment of deposit of account for businesses of Vava'u.
- Establishment of mobile money payment for the online registry system.
- Online and paper customer feedback systems to improve customer service
- Development and implementation of the National Intellectual Property Strategy
- Review of the Copyright Policy;
- Enforcement of IP legislations, IP Awareness Plan and set up the IP electronic system Industrial Property Automative System (IPAS).
- Development and implementation of an enforcement strategy incorporating Inspection programs, data base systems, training and capacity building programs.
- Approval of the Receivership Act 2015 by the Legislative Assembly.
- Complete drafting of the new Foreign Investment Bill 2015.
- Annual Business Inspection Survey 2015
- No. 1 in the 2016 ranking in Ease of Doing Business Report for the Pacific region.
- Tongan translation project for three (3) WIPO publications.
- First Pacific Island country to sign up for the World Brand Database (WBD).
- Assessment of a collective management organization for Tonga.
- Developed policy framework for Traditional Knowledge (TK) and Expression of Culture.
- Facilitation of registration, amendments, and renewals of business licence, business names, companies, incorporated societies, charitable trust, personal property for securities, cooperatives, trademarks, industrial designs, patent, and geographical indication.

### 2. Business Support & Investment Program

- Implementation of key government grants and schemes for manufacturing, handicrafts and tourism development
- Completion of the Handcraft Grant Report 2014/15
- Development and implementation of Annual Marketing and Exports Development plans and support schemes and participation in regional and international shows.
- Development and ongoing implementation of the MSMEs Strategy; including completion of the MSME Survey
- Completion of the Private Sector Development Strategy;

- Ongoing implementation of the Buy Tonga Made Campaign Project, including the co-hosting of Annual Agricultural and Tonga Made Shows.
- Facilitation and implementation of the innovation and development projects for Manufacturing and the Handicraft Sector.
- Development and delivery of key business and knowledge based support for export development and promotion
- Establishment of the Business Resource Support Centre

### 3. **Tourism Support Program**

- Development and Government endorsement of the Tonga Tourism Sector Roadmap;
- Establishment of the Tonga Tourism Authority
- Upgrading and modernization of the Tourism Visitors Information Centre
- Development and implementation of plans to upgrade and manage key tourism and heritage sites;
- Initial work to develop an integrated business and public awareness support program for the sector;
- Facilitation of the tourism investment grant and scheme
- Establishment of the National Beautification Committee.
- Establishment and implementation of the beautification project for the Nuku'alofa CBD area, water front and villages.
- Development and implementation of the Tonga Mark Program and extension to other service sectors
- Hosting of the 2014 South Pacific Tourism Directors and Ministers Meeting in Tonga.
- Completion of Profile for Tourism Investment Opportunities in Tonga
- Tonga Tourism Statistics Year Book 2013/14
- Completion of Cruise surveys for Tongatapu and Vava'u
- Cultural Tourism Program public arts installation at the entrance of Vuna wharf and the 'Lalava' art piece at Digicel square
- Directional and descriptive signage for Tongatapu and outer islands

### 4. **Policy & Partnership Program**

- Spearheaded organizational reviews, review of the Corporate Plan 2013/14-2015/16 and development of the Corporate Plan 2016/17 – 2018/19;
- Development of policy papers for tourism development including: amendment/repeal of the Tourism Act, Business Acts and Whale Watch Act; establishment of the Tonga Tourism Authority and finalization of the Tonga Tourism Roadmap and Business Reform Roadmap.
- Completion of the Biennial Tourism and Labour Survey 2013
- Establishment of the Tonga Tourism Statistics 2014
- Development of core dataset for commerce, consumer and labour.
- Development of quarterly business reports including the MCTL Quarterly and Business Updates.
- Completion of the MCTL's report January – June Report 2015.
- Government approval of MCTL Annual Reports 2012-2014
- Ongoing Secretariat support and policy development work for the Competent Authority on regulation of petroleum and non-regulated goods and conduct the annual petroleum and LPG price reviews.
- Completion of the first Biennial Review of regulated goods, 2016
- Completion of the review of the Competent Authority membership
- Completion of the first appeal process review for oil companies
- Completion of ad hoc reviews and negotiations

## 5. Fair and Effective Labour Program

- Advancement of the revision of the Employment Relations Bill 2006,
- Completion of a Capacity Assessment Report on the implementation of the ERB;
- Completed consultations with the key stakeholders on the ERB and ILO membership
- Formalization of work arrangements with Immigration Department on employment visa
- Development of proposals for the establishment of working committees to investigate and report on labour issues
- Establishment of the labour core dataset;
- Completion of the labour information survey 2015/16;
- Government approval of Tonga's accession to the ILO in September, 2015;
- Tonga becomes the 187<sup>th</sup> member of the ILO in February, 2016.
- Establishment of the labour information research and resource library.

## 6. Consumer Protection Program

- Establishment of a dedicated Consumer Affairs Division and appointment of the Director of Consumer Affairs and staff;
- Development and implementation of consumer awareness and education programs including installation of the consumer awareness billboards and signage
- Establishment of dedicated Customer Service and Complaint Desk;
- Re-establishment of the Inter-agency taskforce to consolidate enforcement of consumer regulations
- Development and government endorsement of the Consumer Regulatory and Institutional Reform Roadmap to guide key regulatory reforms works and initiatives for the next 3 years.
- Tonga joined World Consumer International to commemorate the World Consumer Day;
- Review of the Consumer Protection Act and Regulation and the MPSL standards with MEIDECC;
- Enforcement of maximum prices for regulated goods;
- Improvement on the state of calibration equipment for weights and measures.

## 7. Corporate Services Division

- Implementation of the Performance Management System
- Ongoing development of administration processes
- Inclusion and connection of MCTL in the Sun System Connect;
- Utilization of reporting tools for the periodic expenditure review
- Development and implementation of ICT infrastructure/Software and services;
- Centralization of the MCTL server;
- Implementation of IT Control Tools;
- Design and implementation of Internal IT communication tools
- Review of the Internal Administrative Policy;
- Promote 'Green Work Environment' initiative by switching to energy saver air conditions;
- Extension and improvement of office space for Corporate Services, Labour, Consumer Affairs Business Support and RIPO divisions.
- Outer islands visits and consultations on performance management appraisals, internal policy and processes.

## 8. Senior Management Program

- Provision of appropriate advice on commerce, tourism and labour issues to key stakeholders;
- Development and implementation of plan to facilitate and monitor the delivery of the Tonga New Zealand Partnership (TNZTP) funds;
- Development and monitor of the Purchase Agreement with the Tonga Tourism Authority

- Overseeing the overall development, management and implementation of the subprograms/outputs and provide leadership to the staff;
- Development and implementation of management meetings; management planning including the executive committee quarterly output performance reviews.
- Transfer of the Tonga Cultural Centre to the Ministry of Internal Affairs.
- Transfer of the management of the Pagopago Market to the Ministry of Public Enterprise
- Transfer of the Tourism Program, staff and budget to the Ministry of Infrastructure and Transport in June, 2015.
- Technical support and advice on trade policy, trade negotiations and meetings;
- Senior Management Visits to outer islands and consultations in 2015;
- Internal restructures to facilitate new work programs including the reinstatement of the Trade mandate to the Ministry

#### 9. Performance Improvement Program

- Development and implementation of MCTL Annual Management Plans;
- Development of plans to address MCTL Performance Gaps;
- Development of clear KPIs and tool to monitor and evaluate MCTL performance;
- Development of the MCTL Annual Report.
- Overseeing the management and evaluation of the Ministry's performance i.e. quarterly reviews of PMS, divisional work outputs, and sixth monthly review of divisional performance.

Notwithstanding these accomplishments, the Ministry also recognizes that many of the performance gaps identified in the last Corporate Plan have remained persistent due to political and economic induced organizational problems. The failure to address these gaps has restricted the Ministry from achieving its KPIs and in turn affected government delivery of its national outcomes. MCCTIL recognizes the need to develop a targeted performance gap management plan, based on its solution analysis, to diligently address the organizational problems which cause the Ministry's performance gaps.

The Ministry also recognizes the integral need to evaluate and measure its performance using well designed and measurable KPIs. This is an area where the Ministry was lacking during the course of the first Corporate Plan. As such, for this Corporate Plan, the executive team of the Ministry has introduced SMART KPIs at every level of the results chain with key targets. Through this more rigorous performance evaluation program, the Ministry aims to contribute to increasing the rate of real GDP growth to 5%, increasing the GDP per capita value to TOP8, 000, and improving Tonga's ranking in the Human Development Index from 100 to 95 by 2018/19.

## SECTION 2: OUR OPERATING CONTEXT AND STAKEHOLDERS

### 2.1 Operating Context:

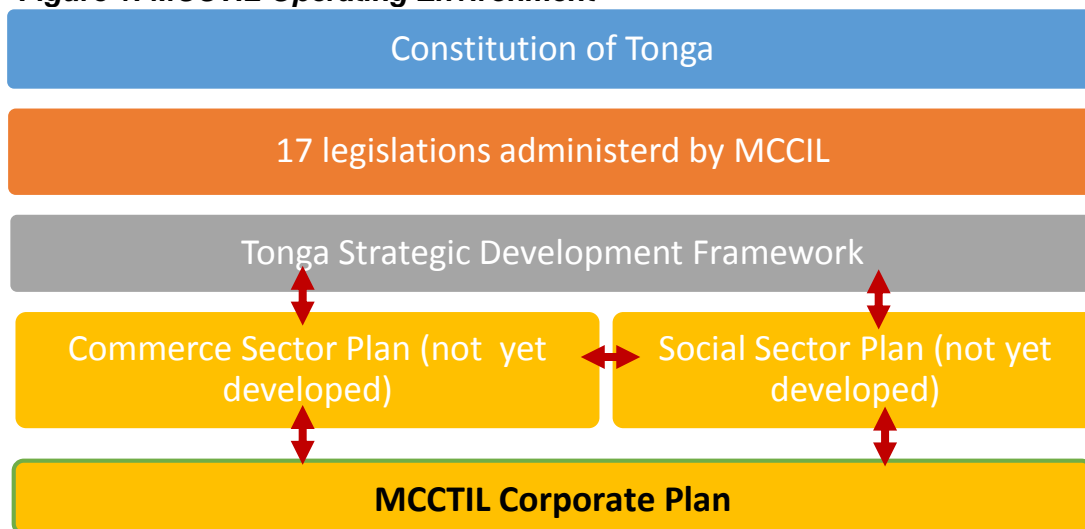
MCCTIL is a result of structural change in Government that modified the former MCTL during the FY2015/16, through the transfer of Tourism to the Ministry of Infrastructure and Transport and the transfer of the trade portfolio from the Ministry of Foreign Affairs and Trade.

The Ministry recognizes the challenges and risks posed by recent modifications to the efficient delivery of our services. The Ministry has thus renewed, reinforced and redefined its strategic role to facilitate and maximize gains from commerce, labour, trade and innovation developments in Tonga, under the leadership of Honourable Minister Dr. Pohiva Tu'i'onetoa, the CEO, Mrs. Salote Vaimoana Taukolo and its executive management team (refer Figure 3).

#### 2.1.1 MCCTIL Vision and National Impact

The Ministry operates in an environment guided by the Constitution of Tonga and the seventeen (17) legislations (refer to *Annex 1*) which establish its statutory roles. Underneath this level, the MCCTIL's vision of “**facilitating private sector development to sustain improved quality of life for all Tongan citizens**”, is directly aligned to the achievement of the Tonga Strategic Development Framework II impact of “**A progressive Tonga supportive of a higher quality of life for all the people**”.

**Figure 1: MCCTIL Operating Environment**



#### 2.1.2 MCCTIL National and Organization Outcomes

MCCTIL contributes to the Tonga Strategic Development Framework economic and social national outcomes of:

- i. Closer public/private partnership for economic growth
- ii. Strengthened business enabling environment
- iii. Better access to, and use, of overseas trade, employment and foreign investment
- iv. Improved collaboration with and support to civil society organizations and community groups

For clarity however, MCCTIL redefines its national outcomes as:

- i. Facilitation of private sector growth and development through the development of a supportive and fair operating environment
- ii. Upholding consumer rights and welfare through private sector compliance with business and consumer regulations
- iii. Strengthening and creating opportunities in trade, employment and investment through improved market access and encouraging business innovation
- iv. Developing entrepreneurship, improve competition regime, IP rights, business and sector development

At the organization level, MCCTIL, in tandem with relevant key stakeholders, will work to deliver these national outcomes through the following organization outcomes:

- i. Mitigation of barriers in the business environment and facilitation of business growth
- ii. Provision of timely and appropriate business support including entrepreneurship support
- iii. Increasing international trade and investments and greater level of business innovation
- iv. Creation of a PPP framework and mechanism
- v. Improving labour market condition and institutional strengthening for industry growth and job creation
- vi. Protecting and promoting the welfare of consumers

There are no existing sector plans for commerce, trade, labour and consumer which in turn restrict coordinated government effort to promote development in these sectors. As an interim solution, the Ministry has developed roadmaps to guide necessary developments in the commerce and consumer sectors. The Business License Reform Roadmap established in 2011 has guided regulatory and institutional developments to mitigate barriers in the business environment. The Consumer Regulatory and Institutional Roadmap, endorsed by Cabinet in March 2015, outline the regulatory and institutional developments necessary to uphold business competitiveness and protect the welfare and interests of consumers in Tonga.

Conversely, labour, in its nature, is a cross-cutting element which cuts through all TSDF outcomes and therefore warrants targeted labour objectives under each sector plan. In consequence of its nature, there is a high risk of unbalanced and disconcerted government labour developments in Tonga. This risk is recognized by MCCTIL and outputs under its labour organizational outcome are designed to mitigate this risk.

The Ministry recognizes that the achievement of its national and organization outcomes is a concerted effort with its stakeholders. This includes coordinating and supporting the implementation of related key sector plans e.g., National Infrastructure Investment Plans, Tonga Agriculture Sector Plan, and Tourism Roadmap. It is committed therefore to a work program premised on constructive public and private partnership for growth.

## **2.2 Stakeholder Analysis:**

As an organization that is committed to being customer-centric, stakeholder management is integral to MCCTIL. The Ministry recognizes that improving its performance requires effective assessment of its performance, results and successes from the viewpoint of its stakeholders.

This stakeholder analysis seeks to better understand the needs of its stakeholders and to verify the Ministry's priority stakeholder groups. To this end, the analysis has compared and contrasted



stakeholder interests, their perceptions of the Ministry, how they influence the operations of the Ministry and their mandate in relations to the Ministry.

From the analysis provided in Figure 2, it is evident that the Ministry’s key priority stakeholders are *private sector businesses*, and *consumers*. Accordingly, the programs of the Ministry render priority to the development needs of these stakeholder groups whilst consideration is granted to secondary stakeholders given their level of influence in the delivery of the Ministry’s outputs.

**Figure 2: MCCTIL Stakeholder Analysis**

Stakeholder/ Stakeholders Group	Interests/needs of Stakeholders	Stakeholder Perception	Support/barrier	Stakeholder mandate
1. All businesses in the private sector including sole traders, companies (local and foreign investors), exporters, MSMEs, innovators, creators, researchers, women in business, credit unions, cooperatives etc.;	<ul style="list-style-type: none"> <li>• Guidance / leadership with strong direction and vision</li> <li>• Make decisions and follow through; e.g. continuation of positive business reforms</li> <li>• Effective and efficient service delivery (timeliness and cost of service) <ul style="list-style-type: none"> <li>• Good communication and participation in the decision making process</li> </ul> </li> <li>• Quality working relationship</li> </ul>	<ul style="list-style-type: none"> <li>• General acknowledgment and recognition of MCCTIL leading key business reforms</li> <li>• Open to change and responsive to private sector needs</li> <li>• Improve and strengthen existing communications systems</li> </ul>	Advocates Sponsors Supportive Agents for change	To represent all businesses in the private sector  [all external programs]
2. Consumers and the general public;	<ul style="list-style-type: none"> <li>• Immediate and effectively respond to consumer needs</li> <li>• Access to quality goods and services</li> <li>• Increased PR on consumer rights</li> </ul>	<ul style="list-style-type: none"> <li>• Increased recognition of initiatives to protect and promote consumer welfare and rights</li> <li>• Support for improving current service delivery and public access to quality goods and services</li> </ul>	Change agents: Public and political support for change and improvement	Consumer welfare and rights  [Consumer program]
3. Government inter-Ministry and inter-agencies;	<ul style="list-style-type: none"> <li>• Change management</li> <li>• Custom management</li> <li>• Financial management – demonstrating efficient and responsive use of public funds and resources <ul style="list-style-type: none"> <li>• Good communication</li> </ul> </li> <li>• Rule of Law – abiding to key Acts and policies</li> </ul>	<ul style="list-style-type: none"> <li>• Effective change management e.g. organizational changes and planning capabilities</li> <li>• More transparent and accountable financial managements</li> <li>• Improved public partnership programs</li> </ul>	<ul style="list-style-type: none"> <li>• Relationship with public stakeholders are integral <ul style="list-style-type: none"> <li>• Support</li> </ul> </li> </ul>	Government and general public  [all programs]

4.NGOs, communities and the informal sector;	<ul style="list-style-type: none"> <li>• Clarity of purpose</li> <li>• Responsive and focused care to suit their needs</li> <li>• Attention to their priorities <ul style="list-style-type: none"> <li>• Good communication</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• More decision making power and guidance</li> <li>• More to be done</li> <li>• Participation in processes</li> <li>• Communications are consistent relevant and useful linking to their needs</li> </ul>	Advocacy support	NGOs, communities and informal business sector [Business Support program, RIPO, Consumer]
5. Development Partners including New Zealand, Australia, Japan, PRC, ADB, World Bank, IFC, etc.	<ul style="list-style-type: none"> <li>• Effective and efficient partnership</li> <li>• Good Leadership and strong direction</li> <li>• Transparent, accountable, results oriented. <ul style="list-style-type: none"> <li>• Good communications and working relationships</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Leading agent in driving key business reform programs locally and regionally</li> <li>• Key organizational priorities and programs are relevant to mission and priorities of donor and partners</li> </ul>	Source of funding and technical assistance  Advocacy support and support for change improvement	Development partners & donor countries [RIPO, CSD, Senior Management Program, Labour]
<b>6. International and Regional Organizations including UN Agencies, WTO, WIPO, WIPA, ILO, UNDP, PIFS, SPC, OCO, OCTA, COMSEC, CRF, PIPSO</b>	<ul style="list-style-type: none"> <li>• Partnership to delivery key objectives</li> <li>• Alignment to our programs or vice versa <ul style="list-style-type: none"> <li>• Good communication</li> </ul> </li> </ul>	Effective in some areas and room for improvement in others	<ul style="list-style-type: none"> <li>• Source of funding and technical assistance</li> <li>• Support for change improvement</li> </ul>	Vary according to each organization's objectives  [all external programs]

**Figure 3: MCCTIL Organizational Structure**

**Hon. Minister**  
Dr. Pohiva  
Tu'ionetoa

**CEO**  
Vaimoana  
Taukolo



## SECTION 3: OUR ORGANISATION OUTPUTS

MCCTIL has established organization outputs to contribute to the delivery of its national and sector results discussed in Section 2. These outputs are produced and controlled by MCCTIL and will determine the activities that will be implemented by the Ministry during the course of this Corporate Plan.

As outlined in the MCCTIL Strategic Map, provided in Figure 4, MCCTIL has a total of nine (9) programs responsible for the delivery of each of its nine (9) organization outputs. Six (6) of these programs are external program streams that are delivered to stakeholders. The remaining three (3) are internal management programs which exist to assist the six (6) external programs to deliver results to stakeholders.

### 3.1 External Programs:

Programs 2 to 7 are external program streams driven by a clear identification of the services (outputs) delivered to customers. They are as follows:

#### **Program 2: The Better Business Services Program**

To facilitate the development and growth of the private sector, the Better Business Services Program focuses on developing a supportive and fair operating environment through the mitigation of barriers in the business environment, improving ease of doing business in Tonga, and promoting and protecting intellectual property rights to support business growth. Over the next three years the Registry and Intellectual Property Office (RIPO) will seek to achieve this organizational outcome through the delivery of the following divisional outputs:

- a. Implementation of a plan to mitigate costs to businesses in Tonga through modernization of the MCCTIL Business Service and Information Center to allow centralization of business registrations and payments; and development of communication systems necessary to improve MCCTIL customer service.
- b. Implementation of the regulatory reform plan to mitigate barriers in the business environment and to improve ease of doing business particularly in the areas of starting a business, getting credit, protection of investors, insolvency resolutions, and promotion of fair trade in Tonga; and implementation of a strategy to modernize MCCTIL business registry systems relevant to starting a business, including the incorporation of the Foreign Investment Registry to the existing online business registry
- c. Implementation of a plan to encourage and promote innovation and creativity through protection of copyrights and related rights; industrial property; traditional knowledge and expressions of culture; and developing strategies to mitigate unfair competition and to enforce intellectual property rights and border measures;
- d. Development and implementation of a plan to improve enforcement of business regulations

#### **Program 3: The Business and Investment Support Program**

The Business & Investment Support Program seeks to assist private sector growth and development through the provision of appropriate business development support to the private sector. In the next three years, the Business Support Division will seek to provide:

- a. Targeted economic support including: economic support for marketing, export promotion, market access, and product development including for the Buy Tonga Made;
- b. Targeted strategies to increase Foreign Direct Investment (FDI) and Joint Ventures including the development and implementation of: key investment policies; investment and JV promotion strategies; and targeted investor care plans that will ensure pre-investment and post-investment assistance is provided to key investors;
- c. Business development and knowledge-based support for the private sector particularly for MSME development, and entrepreneurship and innovation development

#### **Program 4: Trade and Innovation Program**

The Trade and Innovation program seeks to create and encourage competitiveness of Tonga's exports through development of trade policy framework that highlight constraints and challenges in the international and domestic context. It aims to identify strategies and programs that contribute to strengthening Tonga's capacity to participate effectively in and benefit from bilateral, regional and international trade. Over the next three (3) years, this program will seek to;

- a. Develop a coherent and comprehensive trade policy framework that will go beyond border measures to include a broader range of national issues aimed at unleashing the exports potentials of Tonga;
- b. Negotiate and implement multilateral and regional trade agreements; i.e. PICTA, PACER Plus, EPA and WTO; and
- c. Develop an Innovation Policy and Plan, clear initiatives program that promote business productivity and competitiveness.

#### **Program 5: The Policy and Partnership Program**

In support of private sector growth and development, the Policy and Partnership Program seeks to contribute to the development of a facilitating and fair operating environment for the private sector through the development and implementation of an effective PPP framework and mechanism. During the course of this Corporate Plan, the Policy Division will seek to:

- a. Provide coherent policy advice to stakeholders through the development of policies to address key constraints to commerce development in the country;
- b. Undertake statistics and policy research programs to inform MCCTIL policy making and to accurately inform stakeholders; and
- c. Develop and implement a MCCTIL PPP plan that strengthens public-private partnership with both local and international stakeholders.

#### **Program 6: The Fair and Effective Labour Program**

The Fair and Effective Labour Program seeks to assist private sector development and growth through the development of an improved efficient labor market environment that is conducive of industry growth and job creation. In the next three years, the Labour Policy Division will endeavor to:

- a. Develop a supportive legal and institutional employment framework particularly through the development and enforcement of the Employment Relations Bill;
- b. Produce a labour research and information program including an annual labour survey aimed at informing;
- c. MCCTIL labour policy making and providing accurate information to stakeholders;
- d. Develop and implement national labour standard strategies through ratification of applicable ILO conventions to promote 'decent work for all.'

### **Program 7: The Consumer Protection Program**

Whilst the Consumer Protection Program is identified to contribute to private sector development through the creation of a level playing field, it is directly linked to the improvement of the quality of life for Tongan citizens and upholding of consumer rights and welfare. Over the course of this Corporate Plan, the Consumer Affairs Division will seek to:

- a. Develop and implement a consumer regulatory and institutional reform plan including the reviews of the Consumer Protection Act 2000 and Regulations 2006, amendment of the Price & Wage Control Act 1988 and the Weights and Measures Act 1998. At the end of this corporate plan period, the division aims to set up an independent Tonga Consumer Council to promote, advocate and protect consumer rights and interests in the country.
- b. Undertake awareness and educational programs to empower consumers including through community visits, television and radio programs and school visits
- c. Implement a regulatory enforcement strategy aimed at increasing business compliance with the Consumer Regulations, Price Control and Weight & Measures Regulations as well as relevant regulations significant to consumer welfare;
- d. Development and implementation of the Competent Authority (CA) program in regards to monthly and annual review of fuel, quarterly and annual review of LPG, review of the maximum prices of regulated goods, and secretariat role to the CA.

## **3.2 Internal Outputs:**

In addition to the six (6) external programs, three 'management' program streams exist to enable the external programs to deliver the required service level to stakeholders. They are:

### **Program 1: The Senior Management Program**

The Senior Management program is administered by the offices of the Minister and CEO who provide both external outputs to stakeholders and internal outputs to the MCCTIL programs and subprograms. These external and internal outputs include:

- a. Provision of advisory services on commerce, trade and innovation and labour to stakeholders particularly boards and committees in which the Minister and CEO are members, as provided in *Annex 2*. Advisory services also include management advice by the CEO to ensure that external stakeholders adopt appropriate strategies to support private sector development.
- b. Internal leadership and management of MCCTIL sub-programs/outputs where the Minister provides political direction and leadership and the CEO oversees the development, management and implementation of MCCTIL sub-programs and outputs and provide leadership to the staff.

### **Program 1.1: The Performance Improvement Program**

To enable MCCTIL to fill identified performance gaps and support stakeholders to adopt appropriate strategies, the Senior Management Program will also be responsible for the management and delivery of the Performance Improvement Program. The Performance Improvement Program, will seek to develop:



- a. Effective MCCTIL management plans including plans to address MCCTIL performance gaps;
- b. Performance management plans to monitor and evaluate MCCTIL performance against its Corporate Plan outputs and key performance indicators including reporting requirements such as the Annual Report to Cabinet and Parliament.

#### **Program 8: The Corporate Services Program**

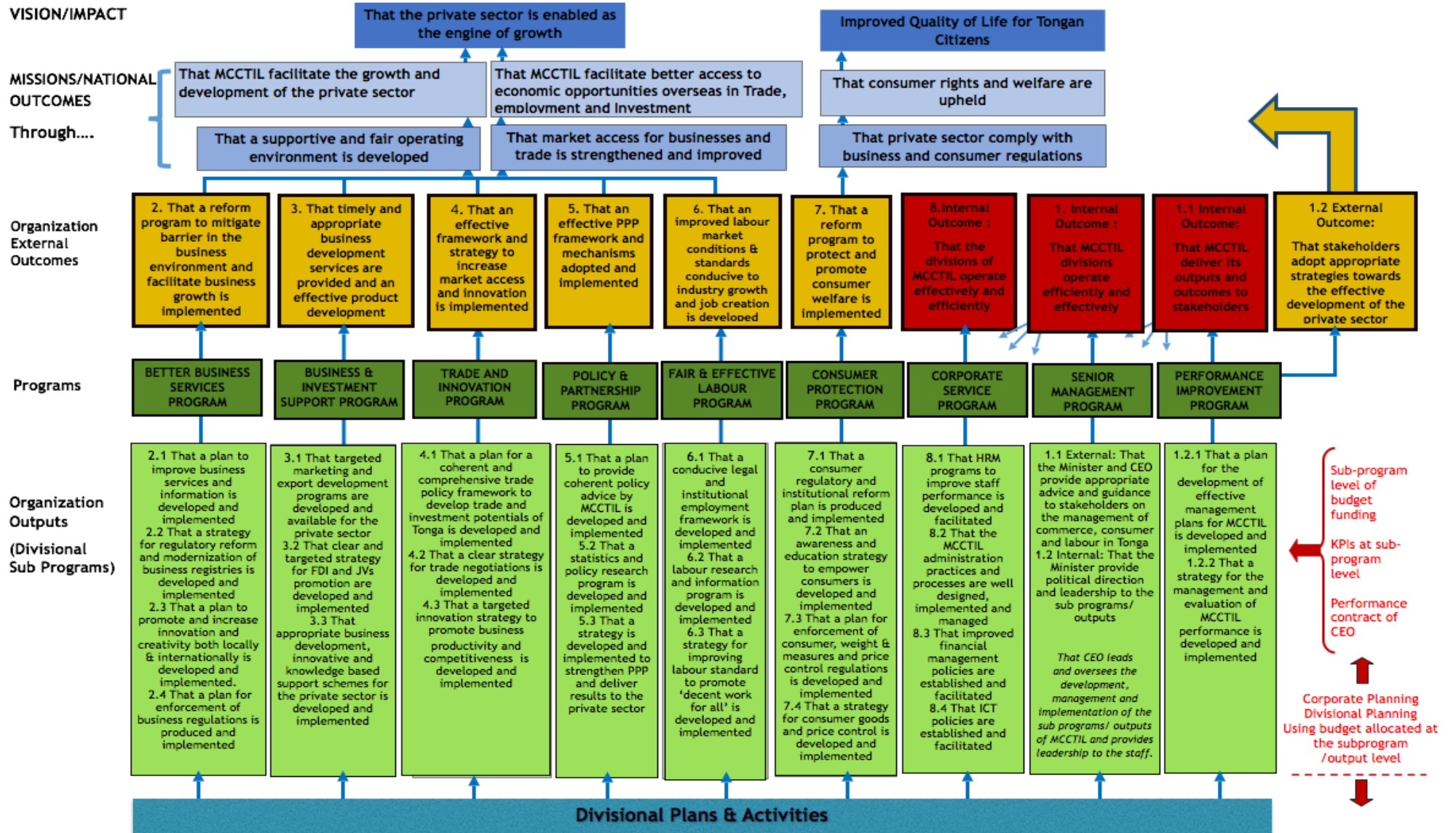
The Corporate Services Program seeks to facilitate the delivery of the Ministry's external outcomes by ensuring that the divisions of MCCTIL operate effectively and efficiently. Over the next three years, the Corporate Services Division will contribute to the achievement of this outcome through the development of:

- a. A Human Resource Management Program to drive a performance oriented business environment where staff performance is consistently encouraged and improved;
- b. A strategy to ensure that administration processes and practices are well designed and cater for MCCTIL organizational improvement and efficiency;
- c. Financial management policies that will ensure efficiency in expenditure management, revenue collection and asset management for MCCTIL;
- d. Information and Communication Technology (ICT) policies and processes to ensure efficient operation of MCCTIL website, electronic business registration systems, computing systems, electronic communication facilities, network resources and information systems.

In order to drive efficiency and accountability at each level of planning, each of the sub-programs (outputs) under each program are linked to detailed divisional activity plans which cascade the service delivery requirements down through MCCTIL, aligning decision-making and behavior at all levels.

Figure 4:  
MCCTIL  
Strategic Map

# MINISTRY OF COMMERCE, CONSUMER, TRADE, INNOVATION AND LABOUR'S STRATEGIC MAP



## SECTION 4: OUR KEY PERFORMANCE INDICATORS (KPIs)

Whilst the MCCTIL Strategic Map outlines the results chain for MCCTIL, it does not provide assurance that the Ministry will deliver the quantity and quality required by its stakeholders. Key Performance Indicators (KPIs) are therefore necessary at every level of the MCCTIL results chain to ensure that desired results are delivered.

### 4.1 Key Performance Indicators:

The Ministry believes that “what gets measured gets done” and has therefore carefully designed its KPIs to measure the right elements so as to ensure delivery of desired outputs. It has redesigned its KPIs to be more Specific, Measurable, Achievable, Realistic and Time-bound. Through these SMART KPIs, MCCTIL is committed to achieving the targets set at every level of its results chain.

#### 4.1.1 Sector and National Level KPIs

MCCTIL recognizes that KPIs established at this level are beyond the Ministry’s responsibility. They are therefore established only as indicators of MCCTIL’s performance and not actual measures of the Ministry’s performance.

**Figure 5: MCCTIL Impact and National Outcome KPIs<sup>2</sup>**

Activity	Indicator	Frequency	Source	Baseline	Target
MCCTIL facilitate growth and development of the private sector	rate of real GDP growth	annually	MFNP	3%	5%
Consumer rights and welfare are upheld through private sector compliance with business and consumer regulations	1. rate of GDP per capita growth	annually	1. NRBT; MFNP GDP reports	TOP7,700	TOP8,000
	2. Human Development Index ranking	annually	2. UNDP HDI Report	100	95

For the MCCTIL national outcome of facilitating private sector development, the rate of real GDP growth is established as the appropriate indicator, as it measures the economic output of the country minus the effect of inflation. Because this indicator is usually provided as an annual rate, the frequency of collecting this data from the Ministry of Finance and National Planning Budget Statements would also be on an annual basis. At the beginning of this corporate plan, the Ministry establishes the current 3% real GDP rate of growth as the baseline and targets a 5% rate of real GDP growth by the end of 2018/19.

As for the outcome of upholding consumer rights and welfare, the indicator is the rate of GDP per capita growth and the UNDP Human Development Index rankings, as these are measurements of the quality of life of the country’s citizens. These statistics are also collected annually. The

<sup>2</sup> Baselines established were taken from the Government of Tonga Budget Statement 2014/15

current rate of GDP per capita of TOP7,700<sup>3</sup> and Tonga's current HDI ranking of 100<sup>4</sup> are established as the baselines and are aimed at achieving targets of a GDP per capita of TOP8,000 and a HDI ranking of 95 by the end of 2018/19.

#### 4.1.2. Organization Outcome Level KPIs

Organization outcomes KPIs are established to measure the immediate contribution of MCCTIL activities to our key stakeholders. Each of the eight (8) MCCTIL organization outcomes is measured by quantitative indicators which are aligned to the delivery of the Ministry's impact and national outcomes. MCCTIL however recognizes that other agencies contribute to the delivery of these outcomes and may therefore affect their achievement. As such, the Ministry is committed to measuring its own contribution so as to track its progress and areas for improvement.

**Figure 6: MCCTIL Organization Outcome KPIs**

	Activity	Indicator	Frequency	Source	Baseline	Target
1	That a reform program to mitigate barriers in the business environment and facilitate business growth is developed and implemented	Number of regulatory reforms in the Business License Reform Roadmap implemented	Annually	Business License Reform Roadmap updates	16	22
2	That timely and appropriate business support services are provided the private sector in Tonga	Rate of growth in sector contributions to real GDP	Annually	Real GDP statistics	P=2.9 <sup>5</sup> S=6.8 T=2.6	P=3.1 S=7 T=3
3	That the policy framework for trade and innovation is developed and subsequent programs implemented.	Number of policy gaps addressed.	Annually	Annual planning reviews	0	4
4	That an effective PPP framework and mechanisms are adopted and implemented	Percentage of commerce development policy issues addressed	quarterly	quarterly planning reviews	5%	25%

<sup>3</sup> Government of Tonga Budget Statement 2015/16, Ministry of Finance & National Planning (2015)

<sup>4</sup> Human Development Index Report, UNDP (2015)

<sup>5</sup> P=Primary Sector; S=Secondary Sector; T=Tertiary Sector. Baseline statistics were taken from the Government of Tonga Budget Statement 2015/16.

5	Than an improved labour market standards and condition conducive to industry growth and job creation is developed	Rate of growth in labour force participation	Annually	Annual planning reviews	52.3% <sup>6</sup>	55%
6	That a reform program to protect and promote consumer welfare is implemented	Number of government reforms to protect and promote consumer welfare	Annually	Annual planning reviews	0	10
7	That the divisions of MCCTIL operate effectively and efficiently	Number of MCCTIL activity targets met	Annually	Annual planning reviews	0	49
8	That MCCTIL deliver its outputs and outcomes to stakeholders	Number of MCCTIL organization output KPIs met	Annually	Annual planning reviews	0	29
9	That stakeholders adopt appropriate strategies towards the effective development of the private sector	Number of complementary strategies adopted by stakeholders	Annually	Annual planning reviews	0	10

#### 4.1.3. Organization Output Level KPIs

KPIs established for the MCCTIL outputs are directly relevant to the operations of the Ministry and are therefore measurements of the organization's actual performance. Each of the nine (9) MCCTIL programs is measured by KPIs which are aligned to the delivery of the MCCTIL organizational outcomes. Details on the frequency, source, baseline and targets for these KPIs are provided in *Annex 3*.

##### i) Better Business Services Program:

The performance of the Better Business Services Program, delivered by the Registry and IP Office (RIPO), is measured by four (4) quantitative indicators:

- MCCTIL customer service is measured by the rate of customer satisfaction so as to ensure that business costs arising from mis-information and poor customer service is mitigated.

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<sup>6</sup> Census Report, Statistics Department, 2011

- Regulatory reforms and modernization of registries are measured by the number of regulated days required to register a business in Tonga, so as to ensure that the reforms are directed at reducing the time costs for doing business in the country.
- Intellectual Property activities are measured by the number of registered IP assets and trademark classes as the focus of this output is to promote the use of IPs in the country.
- The enforcement of business regulations is aimed at increasing the number of businesses which comply with business regulations hence this output would be measured by the percentage of businesses which comply with business regulations.

**ii) Business and Investment Support Program:**

Four (4) quantitative KPIs are established to measure the performance of the Business Support Program, delivered by the Business Support Division.

- The provision of targeted economic support is aimed at supporting the development of the private sector. The KPI for this output is therefore the percentage of private sector beneficiaries which actually registered an improvement in their business status as per the 6 monthly MCCTIL Economic Support Feedback Report.
- The provision of clear and targeted plans for FDI and JV promotion is measured by the number of enquiries addressed where enquiries are interpreted by MCCTIL as investment interests.
- Business development, innovative and knowledge based support services are also aimed at supporting business development hence the KPI for this output is the percentage of beneficiaries which registered an improvement in their business status.

**iii) Trade and Innovation Program**

The performance of the Trade and Innovation Program, delivered by the Trade and Innovation Division, is measured by three (3) quantitative measures;

- The provision of coherent and comprehensive trade policy framework that will address trade constraints and increase exports. The KPI for this output is therefore the development of the Trade Policy Framework for Tonga and implementation of the associated matrix;
- The efficient and effective negotiation of bilateral, regional and international agreements; i.e. PICTA, PACER Plus, EPA and WTO. The KPI for this output is the increasing level of exports and increase in the level foreign direct investment; and
- The provision of a clear plan and initiatives program that promotes business productivity and competitiveness. The KPI for this output is the development of an Innovation Plan and number of implemented initiative programs.

**iv) Policy Partnership Program:**

The performance of the Policy Partnership Program delivered by the Policy Division is measured by three (3) quantitative KPIs.

- The provision of coherent policy advice is aimed at addressing commerce issues identified in the MCCTIL gaps and solutions analyses. As such, this output is measured by the number of commerce policy issues addressed whereby the data is sourced from the Head of Divisions quarterly planning reviews of MCCTIL performance gaps.
- The implementation of statistics and policy research programs is measured by the coverage and timeliness of statistical reports in an effort to ensure high quality and timely reporting to stakeholders.



- PPP activities are also aimed at addressing commerce policy issues which are identified as MCCTIL performance gaps analysis hence the KPI will also be the number of policy issues addressed.

**v) Fair and Effective Labour Program:**

Five (5) quantitative KPIs are established to measure the performance of the Fair and Effective Labour Program delivered by the Labour Division.

- Legal and institutional employment developments are measured by the number of relevant legislative labour gaps addressed so as to ensure that the developments made are geared towards addressing legal and institutional gaps in the labour market;
- Labour research and information programs are aimed at accurately informing MCCTIL labour policy formulation, and stakeholders. This output is therefore measured by the coverage and timeliness of statistical reports so as to ensure provision of quality and timely information to stakeholders and labour policy development processes.
- Labour standard strategies are aimed at improving work conditions and employment relations and are measured by the (i) number of ratified ILO conventions, (ii) number of tripartite engagements and (iii) number of approved and implemented decent employment work programs.

**vi) Consumer Protection Program:**

The performance of the Consumer Protection Program, delivered by the Consumer Affairs Division, is measured by six (6) quantitative KPIs.

- Consumer regulatory and institutional reform is guided by the Consumer Regulatory and Institutional Reform Roadmap endorsed by Cabinet. In order to ensure that the activities in the Roadmap are implemented on a timely basis, the KPI adopted for this output is the number of Roadmap activities implemented each year;
- Consumer awareness and educational programs are measured by the number of consumer reactions to the programs i.e number of consumer “likes” on the consumer Facebook page, the number of consumer complaints received by the division, the number of consumer enquiries, and the number of participants in consumer programs. Each reaction is interpreted as reflective of a response to the consumer awareness and educational programs conducted;
- The enforcement of consumer protection, weight and measures and price control regulations is aimed at improving business compliance with consumer regulations hence this output is measured by the percentage of businesses which comply with these regulations as per weekly enforcement reports from the consumer enforcement team.
- The price control programs (monthly and annual review of fuel and the quarterly annual review of the LPG as review of regulated goods) is measured by the (i) number of consultations with importers, (ii) surveys implemented, (iii) CA approved proposals, and decision on appeals.

**vii) Corporate Services Program:**

The Corporate Services Program, delivered by the Corporate Services Division, is measured by six (6) quantitative KPIs.

- The key focus of the Ministry’s HRM programs is to improve staff performance by: resolving staff grievances on a timely basis, processing the filling of vacancies on a timely basis, and addressing non-compliance with HR policies on a timely basis. As such the KPIs for this output are: i) percentage of grievances processed within 2 weeks; ii)

percentage of vacancies processed within 1 month; and iii) percentage of HR non-compliance processed within 2 weeks;

- Implementation and management of administration practices are aimed at improving the staff working environment so as to enhance work efficiency. As such, this output will be measured by the level of staff satisfaction with administration practices and processes, satisfaction with work safety and security measures. Data is to be collected from staff feedback reports for the MCCTIL quarterly planning reviews;
- Financial management policies are required to primarily facilitate the implementation of the MCCTIL corporate plan and organizational plans. In order to ensure that this facilitation is done on a timely, the measure seeks to lift the performance standard by imposing a target of 2 days processing time<sup>7</sup> and accuracy;
- ICT policies are also required to facilitate improved work efficiency hence the measure adopted for this output is the timeliness of resolving ICT problems. The measure for this output is also aimed at lifting the standard of services from the average 5 days baseline to 2 days processing time.

**viii) Senior Management Program:**

The performance of the Office of the Minister and Office of the CEO are measured by four (4) quantitative KPIs.

- The provision of appropriate advice by Minister and CEO are measured by stakeholder feedback on the quality of advice provided to them. Data is to be collected annually through the MCCTIL PPP program. This is necessary to ensure that the offices of the Minister and CEO are stakeholder orientated and are focused on improving MCCTIL's services to its clients;
- The Minister and CEO leadership and management of MCCTIL outputs are to be measured by the number of days it takes to acquire Ministerial approval of cabinet submissions and the number of days for CEO to make a decision on issues relating to the delivery of MCCTIL outputs. These KPIs are aimed at ensuring efficiency at the management level and to avoid long delays to the implementation of measures required for the delivery of MCCTIL outputs.

**ix) Performance Measurement Program:**

The Performance Measurement Program, managed by the CEO, is aimed at effectively evaluating MCCTIL performance. It is therefore the program which measures the extent of MCCTIL delivery against its KPIs. Two (2) quantitative measures are established to evaluate this program:

- The development and management of MCCTIL plans are required to facilitate improved MCTL performance against KPIs established. The KPI for this output therefore is the number of organisation output KPI which are registered to have progressed towards their set targets at the end of every financial year;
- The management and evaluation of MCCTIL performance is measured by the number of quarterly performance evaluations held each year. This is to ensure that performance evaluations are prioritized each quarter.

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<sup>7</sup> This is noting that external factors may cause delays. The two days therefore are only imposed on the internal processing of financial requests from divisions.

Underneath the level of organization outputs, MCCTIL has also developed KPIs to measure its activities. This level of outputs is considered most crucial given that the delivery of these activities will determine the successful delivery of the Ministry's organization outputs, organization outcomes and national outcomes. These activity KPIs are managed by the Head of Divisions of each program and are subject to quarterly, six-monthly and annual evaluations to confirm MCCTIL performance progress.

## SECTION 5: OUR RISKS & ASSUMPTIONS

In this Corporate Plan, MCCTIL recognizes that there are external factors at every level of the results chain which affect what the organization can accomplish. There are conditions which need to prevail in order for MCCTIL to deliver its outputs, and there are situations where these conditions do not exist hence threatening the operation of the organization. These are the

Ministry's assumptions and risks. MCCTIL recognizes that effective corporate planning requires strategic consideration of these elements.

### 5.1 Assumptions:

At the impact level and outcome levels, MCCTIL establishes the following assumptions:

- vi) That there is commitment at a political level to the facilitation of private sector development and upholding consumer welfare
- vii) That budgetary appropriation will reflect the actual growth potential of the sectors under the mandate of MCCTIL from the short to medium term. Therefore future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided;
- viii) That prior budgetary commitments by Government and development partners remain and that identified performance gaps are prioritized for available Government and donor funds;
- ix) That the outcomes and strategies established in this plan are responsive to the development priorities of the private sector and consumers;
- x) That the internal stakeholders particularly MFNP and PSC are consistently supportive of the TSDf objectives under which the MCCTIL plan is aligned;

At the organization output level, MCCTIL establishes the following assumptions for each program:

**Figure 7: Assumptions at the Organization Output level**

<p><b>Better Business Services Program</b></p>	<p>1. That MCCTIL is fully informed of customer issues relating to business services and information</p> <p>2. That additional government funding are available to finance new initiatives for improving business services and information, and ease of doing business in Tonga</p> <p>3. That existing donor funding for regulatory reforms, modernization of business registries and IP development will continue</p> <p>4. That the regulatory framework is able to effectively mitigate business unfair trade and practices and to suppress corruption relating to regulatory enforcements</p>
<p><b>Business and Investment Support Program</b></p>	<p>1. That existing government and donor funding for economic support strategies, FDI and JV development and business development services will continue.</p> <p>2. That additional government/donor funding would be available to fund new business support initiatives.</p> <p>3. That conditions necessary for business support to translate into private sector development and increased FDI a JV inflow, increased exports, MSME development, improved innovation and entrepreneurship, are in place.</p>
<p><b>Trade and Innovation Program</b></p>	<p>1. That there is political support and commitment to address constraints to trade development and trade policy issues.</p>

	<ol style="list-style-type: none"> <li>2. That additional government are available to fund activities and initiatives identified under the Trade Policy and Innovation program initiatives.</li> <li>3. That there's commitment from relevant line Ministries and Agencies to progress the trade agenda and innovation initiatives.</li> <li>4. That private sector accepts and support innovation plans and strategies.</li> </ol>
<b>Policy &amp; Partnership Program</b>	<ol style="list-style-type: none"> <li>1. That political support is provided to address any constraints to commerce development and PPP development</li> <li>2. That MCCTIL is fully informed of the issues associated with commerce development in Tonga</li> <li>3. That additional government/donor funding is available to finance new policy initiatives</li> <li>4. That MCCTIL can access resources required to effectively address commerce policy issues, undertake statistics and policy research programs, and implement PPP initiatives</li> </ol>
<b>Conducive Labour Program</b>	<ol style="list-style-type: none"> <li>1. That government, private sector and employees in Tonga are committed to developing a conducive legal and institutional employment framework</li> <li>2. That political forces can be persuaded to support legal and institutional employment framework developments</li> <li>3. That MCCTIL can access necessary donor and government funding as well as technical assistance necessary for the development and implementation of the employment framework</li> </ol>
<b>Consumer Protection Program</b>	<ol style="list-style-type: none"> <li>1. That relevant government legislations outside MCCTIL are supportive of upholding consumer protection and welfare.</li> <li>2. That MCCTIL can access necessary government/donor funding and technical assistance to effectively implement the Institutional Reform Roadmap and Consumer, Price Control and Weight &amp; Measures Regulatory.</li> <li>3. That conditions necessary to mitigate corruption can be enforced through law.</li> </ol>
<b>Corporate Services Program</b>	<ol style="list-style-type: none"> <li>1. That all conditions necessary for enforcement of HRM, administration, financial and ICT policies to translate to increased staff productivity are in place.</li> <li>2. That MCCTIL senior management and CSD program are committed to facilitating improved staff productivity and efficient delivery of outputs.</li> </ol>
<b>Senior Management Program</b>	<ol style="list-style-type: none"> <li>1. That the MCCTIL Minister and CEO are the focal point for advice on commerce, trade, consumer and labour issues.</li> <li>2. That MCCTIL Minister and CEO are well informed and fully capable of providing direction on commerce, trade, consumer and labour issues and are able to effectively provide advice and guidance to MCCTIL sub-programs and outputs.</li> <li>3. That the MCCTIL Minister and CEO are not dissuaded by political influences but are committed to the delivery of MCCTIL outputs.</li> </ol>
<b>Performance Management Program</b>	<ol style="list-style-type: none"> <li>1. That CEO and Head of Departments are committed to developing effective plans and to effectively implement these plans.</li> <li>2. That CEO and Head of Departments are committed to excellence in delivery of outputs and would therefore give priority to timely performance evaluations.</li> </ol>

## 5.2 Risks and Risk Mitigation Strategies

The risks in this plan are explained by the inverse of the assumptions established. MCCTIL establishes a risk management plan to effectively identify, address and monitor risks which have a high likelihood and therefore a high probability of threatening the delivery of its organizational outcomes and outputs. In this plan, the Ministry categorizes these risks into external risks, associated with its operating environment which affects its operations, and internal risks, which are directly linked to its internal environment i.e budget, staff, and internal systems. The Risk

Mitigation Strategy provided in Figure 8, proposes budgeted strategies for the mitigation of risks over the course of this Corporate Plan.

**Figure 8: MCCTIL Risk Mitigation Strategy**

Risks	Description	Mitigation Strategies:	Roles & Responsibilities:	Timelines:	Resources:
<b>Operating Environment Risks:</b>					
<b>i) Political instability</b>	Political unrest that: disrupts public and private sector operations; impair Government and national integrity and reputation; incur increased risk and danger of	<ul style="list-style-type: none"> <li>• Strategy to advise decision makers on the cost to private sector businesses of any form of political instability</li> <li>• Private sector</li> </ul>	Minister, CEO	Ongoing from July 2016	No additional funding required
<b>ii) External shocks and crisis</b>	External factors such as: the collapse of international export markets; disruptions in the economies of key markets such as Australia and New Zealand; global	<ul style="list-style-type: none"> <li>• Configuration of these risks in MCCTIL plans and strategies;</li> <li>• Strategies to build the resilience of the private sector</li> </ul>	Policy Division	Ongoing from July 2016	50,000 per FY
<b>iii) Coordination amongst line</b>	Increased fragmentation within Government due to:	<ul style="list-style-type: none"> <li>• Development of MCCTIL PPP plan to improve coordination</li> </ul>	Policy Division	August 2016 and ongoing evaluation and implementation.	15,000 per FY for implementation of plan
<b>iv) Coordination of private sector</b>	Increased fragmentation within private sector due to conflicting priorities, competition	<ul style="list-style-type: none"> <li>• Development of MCCTIL PPP plan to improve partnership with private sector.</li> </ul>	Policy Division	August 2016 and ongoing evaluation and implementation.	Same as iii)
<b>Internal Environment Risks:</b>					
<b>i) Funding Change</b>	Unjustified decreases in appropriated budget from	<ul style="list-style-type: none"> <li>• Demonstration to Government and donors of the</li> </ul>	CEO, Head of Divisions, Head of CSD	Ongoing from July 2016 and subject to quarterly, 6	No additional funding required



	baseline budget provided in this plan; Inability of Government and donors to fund MCCTIL performance gaps; Lack of Government prioritization of private sector development initiatives in the budget process.	significance of MCCTIL's outcomes and outputs to achieving national strategic objectives <ul style="list-style-type: none"> <li>Identifying savings through driving efficiency in MCCTIL use of resources</li> <li>Prioritization of outputs and activities to transfer funds from low value outputs to high value</li> </ul>		monthly and annual policy reviews.	
<b>ii) Staff</b>	Inability of MCCTIL to recruit and maintain the right mix of competencies required to deliver its planned outputs due to: PSC constraints such as recruitment policies and processes; MFNP internal policies and processes which delay/inhibit access to available funds; high turnover of staff due to migration, dissatisfaction, movements outside of the Ministry	<ul style="list-style-type: none"> <li>Developing a HRM strategy that considers providing incentives for staff performance, staff retaining policy, and provision of promotion and career development opportunities for MCCTIL staff</li> <li>Consistent dialogues with PSC and MFNP on risks and impact on achievement of national strategic objectives</li> </ul>	Head of CSD, HR Desk Officer	Ongoing from July 2016 and subject to quarterly, 6 monthly and annual policy reviews	No additional funding required
<b>iii) Change in Leadership</b>	Lack or change in executive commitment to	<ul style="list-style-type: none"> <li>Development of a strong executive team and</li> </ul>	CEO, Policy Division, CSD	Ongoing from July 2016 and subject to quarterly, 6	No additional funding required

	<p>delivery of outcomes and outputs due to executive management changes;</p>	<p>supportive staff to minimize risks to operations when leadership changes occur</p> <ul style="list-style-type: none"> <li>Development of effective briefings for CEO and Minister on MCCTIL corporate plan and their respective roles and significance of these roles</li> </ul>		<p>monthly and annual policy reviews</p>	
<p>iv) <b>Strategic Planning</b></p>	<p>If strategic plans are poor it may result in uncoordinated long term direction and unacceptable outcomes for MCCTIL customers</p>	<ul style="list-style-type: none"> <li>Development of a process for strategic plan development where there is collective contribution and ownership of the plan</li> <li>Clear outline and linkage of plans to TSDf, sector plans, MCCTIL Annual Management Plans, JDs, and budget</li> </ul>	<p>CEO, Head of Divisions</p>	<p>Ongoing from July 2016 and subject to quarterly, 6 monthly and annual policy reviews.</p>	<p>No additional funding required</p>

## SECTION 6: OUR PERFORMANCE GAPS

In determining the intended outputs of the Ministry, MCCTIL recognizes that there are performance gaps which would restrict the ability of the Ministry to deliver desired results to stakeholders. These performance gaps are defined as the difference between the planned future levels of outputs and the actual outputs. By identifying and analyzing these performance gaps, MCCTIL expects to gain a better understanding of the gaps for each program, the organizational problems which caused them, the stakeholders they affect and how they are affected.

MCCTIL recognizes that its performance gaps are caused by underlying organizational problems which are categorized into Human Resource capacity problems, internal system constraints, and management problems.

The analysis of each performance gap is further depicted in the “problem trees” provided in *Annex 4*.

### 6.1: Better Business Services Program

The program could fail to mitigate costs of doing business in the future due to: an organizational HR problem of lack of technical skills; and organizational system issues such as non-existent system for small business registration, ineffective enforcement systems, fragmented government approaches, gaps in legal framework and outstanding manual registries. Stakeholders most affected by this gap include vulnerable small businesses, registered formal businesses, potential business startups, foreign investors, and Government. Prevalence of this performance gap would have a direct impact on private sector growth and long term economic growth for the country.

Performance Gaps	Causes	Stakeholders Affected	Effects on Stakeholders
Failing to mitigate costs of doing business in Tonga	i. Lack of specialized and technical MCTL staff	<ul style="list-style-type: none"> <li>Registered businesses/investors</li> <li>Potential businesses/investors</li> </ul>	<ul style="list-style-type: none"> <li>a) Poor Information</li> <li>b) Long process</li> <li>c) Long waiting</li> <li>d) High cost to businesses</li> </ul>
	ii. Lack of a formal set up that facilitates transition from informal to formal sector	<ul style="list-style-type: none"> <li>Small businesses</li> <li>Government</li> </ul>	<ul style="list-style-type: none"> <li>a) Unable to formally register and grow</li> <li>b) Government revenue foregone</li> </ul>
	iii. Lack of a business enforcement monitor system	<ul style="list-style-type: none"> <li>Vulnerable businesses</li> <li>Registered businesses</li> <li>Potential businesses</li> <li>Government</li> </ul>	<ul style="list-style-type: none"> <li>a) Unfair competition</li> <li>b) Vulnerable businesses edged out</li> <li>c) High costs of doing business</li> <li>d) Government revenue foregone</li> </ul>
	iv. Fragmented Government approaches to mitigating costs of doing business	<ul style="list-style-type: none"> <li>Registered businesses/ investors</li> <li>Potential businesses/investors</li> <li>Government</li> </ul>	<ul style="list-style-type: none"> <li>a) Poor information</li> <li>b) Inefficient and longer processes</li> <li>c) Increased cost of doing business</li> <li>d) Low incentives for FDI/new investments</li> <li>e) Reduced regional competitiveness for FDI</li> </ul>
	v. Gaps in Business Legal Framework	<ul style="list-style-type: none"> <li>Registered businesses/ investors</li> <li>Potential businesses/investors</li> <li>Government</li> </ul>	<ul style="list-style-type: none"> <li>a) Poor information</li> <li>b) Inefficient and longer processes</li> <li>c) Increased cost of doing business</li> <li>d) Low incentives for FDI/new investments</li> </ul>

			e) Reduced regional competitiveness for FDI
	vi. Outstanding manual registries	<ul style="list-style-type: none"> <li>Registered businesses/ investors</li> <li>Potential businesses/investors</li> </ul>	a) Limited online information b) Inefficient and longer processes c) Increased cost of doing business d) High costs for FDI/new investments e) Reduced regional competitiveness for FDI
	vii. Lack of a collective management organization	<ul style="list-style-type: none"> <li>Registered and potential businesses/investors</li> <li>Song writers and performers</li> <li>Government</li> </ul>	a) Forgone economic rights b) Discouraged innovation and creativity c) Increase piracy infringement d) Forgone public revenue
	viii. Lack of an Intellectual Property legal framework	<ul style="list-style-type: none"> <li>Registered and potential businesses/investors</li> <li>Established and potential innovators and creators</li> <li>Government</li> </ul>	a) Forgone economic rights b) Discouraged innovation and creativity c) Increase piracy and infringement d) Forgone public revenue

## 6.2: Business and Investment Support Program

The Business Support and Investment Program is confronted by the performance gap of failing to provide the necessary business support for private sector development in Tonga. This gap is caused by the HR problem of lack of technical MCCTIL skills; and systems constraints including absence of a NZ Trade Representative, lack of resources to implement the MSME strategy, lack of targeted FDI support, lack of evaluations of grants, and absence of support for the fisheries sector. Stakeholders most affected by this gap are MSMEs, exporters, investors, entrepreneurs and, vulnerable informal businesses. Prevalence of these performance gaps would have a direct impact on private sector growth, export development, foreign direct investment, small business development, and therefore long term economic growth for the country.

Performance Gaps	Causes	Stakeholders Affected	Effects on Stakeholders
Failing to provide necessary business support for private sector development	i. Lack of technical staff with skills in exports marketing, investment promotion and business development	<ul style="list-style-type: none"> <li>MSMEs</li> <li>Exporters</li> <li>Investors</li> <li>Entrepreneurs</li> <li>Informal businesses</li> </ul>	a) Poor services to businesses b) High constraints to development
	ii. Lack of a Trade Representative in NZ to facilitate the marketing of local exports from Tonga to New Zealand.	<ul style="list-style-type: none"> <li>Tongan diaspora in NZ</li> <li>Tongan exporters</li> <li>Agricultural sector, Fisheries sector, Manufacturing sector, Handicrafts sector</li> </ul>	a) Low demand for exports b) Low prices for exports c) High constraints to export d) Inability to export
	i. Lack of resources to implement the MSME Strategy	<ul style="list-style-type: none"> <li>MSMEs</li> <li>Government</li> </ul>	a) High constraint to MSME growth b) Revenue foregone for government

	v. Lack of a clear plan to increase FDI and Joint Ventures	<ul style="list-style-type: none"> <li>• Foreign Investors</li> <li>• Potential local businesses to engage in JVs</li> </ul>	<ul style="list-style-type: none"> <li>a) Poor information</li> <li>b) No investor care</li> <li>c) Low incentives to invest</li> <li>d) No benefits from JVs</li> <li>e) High costs to invest</li> </ul>
	v. Lack of a plan to develop the fisheries, manufacturing and handicraft sector	<ul style="list-style-type: none"> <li>• Local fisheries sector</li> <li>• Local manufacturing sector</li> <li>• Local handicraft sector</li> <li>• Potential foreign investment in the fisheries and manufacturing sectors.</li> </ul>	<ul style="list-style-type: none"> <li>a) High business constraints</li> <li>b) High constraints to export</li> <li>c) Inability to export</li> <li>d) Low FDI inflows</li> </ul>

### 6.3: Trade and Innovation Program

The Trade and Innovation Program is the newest addition to the Ministry's programs and is faced by performance gap of lack of resources to effectively implement its activities. The most critical is the lack of staff with appropriate technical skills in trade policy, trade negotiation. The systems constraints include lack of a trade framework and strategy to address constraints to trade and develop competitiveness to trade and innovation, lack of coordination between relevant line Ministries and Agencies, and lack of funding to implement key activities and initiatives. Stakeholders most affected by this gap are private sector, exporters, investors, entrepreneurs and businesses and consumers.

Performance Gaps	Causes	Stakeholders Affected	Effects on Stakeholders
Failing to effectively address trade constraints and provide a clear and integrated plan and strategy for trade and business innovation.	i. Lack of staff with technical staff (as a result of high staff turnover) in trade policy formulation and implementation, trade negotiation, and technical analysis.	<ul style="list-style-type: none"> <li>• Exporters</li> <li>• Investors</li> <li>• Entrepreneurs</li> <li>• Businesses</li> <li>• Consumers</li> </ul>	<ul style="list-style-type: none"> <li>a) High market access costs</li> <li>b) High constraints to export and ability to export</li> <li>c) Low FDI inflows</li> <li>d) Low competitive advantage</li> <li>e) Forgone opportunities from trade and innovation.</li> <li>f) Business failure</li> <li>g) Low consumer choices</li> </ul>
	i. Lack of financial resources to implement key trade and innovation initiatives	<ul style="list-style-type: none"> <li>• Exporters</li> <li>• Investors (existing and potential)</li> <li>• Entrepreneurs</li> <li>• Businesses (existing and potential)</li> <li>• Consumers</li> <li>• Government</li> </ul>	<ul style="list-style-type: none"> <li>a) Low benefits from investment</li> <li>b) Forgone opportunities from trade and innovation</li> <li>c) Revenue foregone for government</li> </ul>

	iv. Lack of a trade framework and strategy to address trade constraints and competitiveness	<ul style="list-style-type: none"> <li>• Exporters</li> <li>• Investors (existing and potential)</li> <li>• Entrepreneurs</li> <li>• Businesses (existing and potential)</li> <li>• Consumers</li> <li>• Government</li> </ul>	<ul style="list-style-type: none"> <li>a) opportunities forgone to businesses</li> <li>b) misaligned trade, investment and innovation policies</li> <li>c) ad hoc implementation of fragmented policies which results in high cost to government and inability to address exports constraints effectively</li> </ul>
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## 6.4 Policy & Partnership Program

The Policy & Partnership Program is confronted by the performance gap of failing to effectively address tourism and commerce development issues. This is largely due to: the HR capacity constraint of lack of MCCTIL policy formulation skills; and systems issues such as lack of appropriate statistical data and core datasets for commerce. Stakeholders most affected by this gap include government, private sector, particularly the tourism and commerce sectors, consumers, and potential foreign and local investors. Prevalence of this gap is expected to impact the rate of commerce development in Tonga hence the country's long term economic growth.

Performance Gaps	Causes	Stakeholders Affected	Effects on Stakeholders
Failing to effectively address commerce development issues in Tonga	i. Lack of policy formulation technical skills.	<ul style="list-style-type: none"> <li>• Government</li> <li>• Private sector</li> <li>• Consumers</li> <li>• Commerce sector</li> <li>• Potential foreign/local investors</li> </ul>	<ul style="list-style-type: none"> <li>a) High costs of doing business</li> <li>b) Low demand and prices for exports products</li> <li>c) Low returns from investment</li> <li>d) Inability of private sector to grow</li> <li>e) Low protection of consumer rights</li> </ul>
	ii. Lack of core commerce dataset and appropriate statistical data to analyze saturation of sectors e.g: retail sector.	<ul style="list-style-type: none"> <li>• Government</li> <li>• Private sector</li> <li>• Consumers</li> <li>• Commerce sector</li> <li>• Potential foreign/local investors</li> </ul>	<ul style="list-style-type: none"> <li>a) High costs of doing business</li> <li>b) Low demand and prices for exports products</li> <li>c) Low returns from investment</li> <li>d) Inability of private sector to grow</li> <li>e) Low protection of consumer rights</li> </ul>
	iii. Lack of PPP Plan to address commerce performance issues.	<ul style="list-style-type: none"> <li>• Government</li> <li>• Private sector</li> <li>• Consumers</li> <li>• Commerce sector</li> <li>• Potential foreign/local investors</li> </ul>	<ul style="list-style-type: none"> <li>a) High costs of doing business</li> <li>b) Low demand and prices for exports and tourism products</li> <li>c) Low returns from investment</li> <li>d) Inability of private sector to grow</li> <li>e) Low protection of consumer rights</li> </ul>



## 6.5 Fair and Effective Labour Program

The Labour Program would fail to improve the labour market environment in Tonga due to the HR problems of insufficient MCCTIL technical staff; and systems issues such as lack of an employment legislation and conducive institutional framework, lack of accurate labour market data, and fragmentation of the labour function across different government departments. Because of this gap, employers, employees and Government are affected by the lack of effective employment policies thus resulting in low protection for employees, low job creation and higher rates of unemployment in the country. These effects on stakeholders contribute to lower economic growth and quality of life for Tongans which warrant targeted measures to address this gap and their causes.

Performance Gaps	Causes	Stakeholders Affected	Effects on Stakeholders
Failing to improve the labour market environment in Tonga	i. Insufficient number of technical staff	<ul style="list-style-type: none"> <li>● Employees</li> <li>● Employers</li> <li>● Government</li> </ul>	a) Ineffective labour policies b) Low developments in the employment environment
	ii. Lack of an employment legislation	<ul style="list-style-type: none"> <li>● Employees</li> <li>● Employers</li> <li>● Government</li> </ul>	a) unprotected labour force b) environment not conducive of job creation c) low labour participation rate d) high unemployment
	iii. Lack of a conducive institutional framework for employment	<ul style="list-style-type: none"> <li>● Employees</li> <li>● Employers</li> <li>● Government</li> </ul>	a) unprotected labour force b) environment not conducive of job creation c) low labour participation rate d) high unemployment
	iv. Fragmentation of labour functions over different Government Ministries	<ul style="list-style-type: none"> <li>● Employees</li> <li>● Employers</li> <li>● Government</li> <li>● General Public</li> </ul>	a) unprotected labour force b) environment not conducive of job creation c) low labour participation rate d) high unemployment

## 6.6 Consumer Protection Program

The Consumer Protection Program runs the risk of failing to protect consumer welfare and interests due to the HR capacity constraint of lack of MCCTIL skilled staff; and systems constraints including lack of a Tonga Consumer Council to advocate and promote consumer rights, regulatory gaps in the consumer, price control and weight and measures legal framework, lack of a legal metrology system to develop weight and measures, outdated calibration equipment, untimely reviews of regulated goods, and lack of data on consumer behaviour in Tonga. Because of this gap, consumers, importers, businesses and government are affected resulting in increased unfair trade and illegal business practices which undermine consumer rights and increases the vulnerability of low income groups in the country.

Performance Gaps	Causes	Stakeholders Affected	Effects on Stakeholders
1) Failing to protect consumer welfare and interests	i. Lack of technical staff for enforcement and skilled staff for price control and consumer regulatory framework.	<ul style="list-style-type: none"> <li>● Consumers</li> <li>● Importers</li> <li>● Businesses</li> <li>● Government</li> </ul>	a) Increased unfair trade b) Consumers welfare undermined c) Increased costs of goods d) Increased business non-compliance
	ii. Lack of a Tonga Consumer Council	<ul style="list-style-type: none"> <li>● Consumers</li> <li>● Importers</li> <li>● Businesses</li> <li>● Government</li> </ul>	a) Increased unfair trade b) Consumers welfare undermined c) Increased costs of goods d) Increased business non-compliance
	iii. Regulatory Gaps (price control and weight & measures)	<ul style="list-style-type: none"> <li>● Consumers</li> <li>● Importers</li> <li>● Businesses</li> <li>● Government</li> </ul>	a) Poor business compliance b) Increasing costs of goods c) Consumers rights undermined
	iv. Inadequate metrology system to develop weights & measures.	<ul style="list-style-type: none"> <li>● Consumers</li> <li>● Importers</li> <li>● Businesses</li> <li>● Government</li> </ul>	a) Increase business non compliance b) Consumers rights undermined c) Outdated and inaccurate calibration equipment; and in accurate weights used in the marketplace.
	v. Lack of timely reviews of regulated goods.	<ul style="list-style-type: none"> <li>● Consumers</li> <li>● Importers</li> <li>● Businesses</li> <li>● Government</li> <li>● Low income groups</li> </ul>	a) high level of business non-compliance b) high costs of basic goods c) inaccessibility of basic goods d) increased poverty
	vi. Lack of data on consumer behaviors in Tonga to inform consumer policy development.	<ul style="list-style-type: none"> <li>● Consumers</li> <li>● Importers</li> <li>● Businesses</li> <li>● Line ministries</li> </ul>	a) Poor consumer information b) Ineffective consumer policies c) Ineffective awareness programs d) Low consumer awareness of rights e) Consumer rights undermined

## 6.7 Corporate Services Program

The Corporate Services Program faces the performance gap of failing to support the effective operations of the MCCTIL divisions due to the HR capacity constraint of insufficient qualified staff; and systems issues including lack of necessary infrastructure such as a stand-by generator and IT server for filing, lack of software programs to improve work efficiency and the continued use of faulty vehicles. This gap mostly impacts the Ministry and its ability to deliver its outputs.

Performance Gaps	Causes	Stakeholders Affected	Effects on Stakeholders
Failing to support the	i. Insufficient number of qualified staff.	<ul style="list-style-type: none"> <li>● MCCTIL staff</li> <li>● Businesses and Consumers.</li> </ul>	a) Low service delivery to staff b) Un-proportionate workload amongst some staff

effective operations of MCCTIL divisions.			c) Dissatisfied businesses and consumers d) Low staff productivity
	ii. Lack of a stand-by generator	<ul style="list-style-type: none"> <li>• MCCTIL staff</li> <li>• Businesses</li> </ul>	a) Lost work b) Lost hours of work c) Inefficient electronic equipment
	iii. Lack of software programs to facilitate drive for efficiency and professionalism at MCCTIL	<ul style="list-style-type: none"> <li>• MCCTIL staff</li> </ul>	a) Use of manual systems b) Use of unreliable free downloadable programs c) Inefficient systems
	iv. Faulty and lack of vehicles.	<ul style="list-style-type: none"> <li>• MCCTIL</li> <li>• Businesses</li> <li>• Consumers</li> </ul>	a) Unnecessary delays to work. b) Poor enforcement activities. c) Increased unfair trade and non-compliant businesses. d) Consumer rights undermined.
	v. Unsafe and unhealthy work environment (asbestos roofing and high cable antenna in close proximity to workplace).	<ul style="list-style-type: none"> <li>• MCCTIL staff</li> </ul>	e) Unhealthy staff, high absenteeism, low productivity. f) High safety risk.

## 6.8 Senior Management Program

The Senior Management Program is confronted by the performance gap of failing to provide leadership to MCCTIL and provide appropriate advice to MCCTIL stakeholders. This is largely due to a management constraint arising from increased political influences and demands on the Minister and CEO hence diverting commitment to outputs outside of MCCTIL jurisdictions or of less value to achieving the results chain. In consequence, MCCTIL would be unable to deliver its outputs and poor advice to stakeholders would result in limited stakeholder contribution to the achievement of MCCTIL outcomes.

Performance Gaps	Causes	Stakeholders Affected	Effects on Stakeholders
Failing to provide leadership to MCCTIL and provide appropriate advice to stakeholders.	Political influences and demands on leadership	<ul style="list-style-type: none"> <li>• MCCTIL staff</li> <li>• MCCTIL stakeholders</li> </ul>	i. Low delivery of MCCTIL outputs ii. Low staff productivity and high turnover iii. Poor advice to stakeholders

## SECTION 7: OUR SOLUTIONS TO OUR PERFORMANCE GAPS

This Corporate Plan maps out an organizational work plan where MCCTIL will deliver its organizational programs whilst bridging the performance gaps which impede the actual delivery of MCCTIL outcomes and outputs to customers. MCCTIL has undertaken a solutions analysis to determine realistic and achievable measures for closing the performance gaps discussed in Section 6. Details on the deliverables and alternatives for each proposed improvement activity are provided in the MCCTIL Solutions Analysis presented in *Annex 5*.

### 7.1 Better Business Services Program:

To address the performance gap of “failing to mitigate costs of doing business in Tonga”, five (5) improvement activities have been established. Costs arising from poor service delivery is proposed to be improved through the recruitment of qualified staff and capacity trainings of existing staff; costs to small businesses are proposed to be addressed through the development of a conducive incorporation system; business costs derived from poor enforcement of regulations is proposed to be addressed through the installation of an “enforcement tracking device” which monitors all enforcement activities; re-establishment of the Doing Business Taskforce to mitigate costs arising from fragmentation of government business licensing; and to address outstanding regulatory loopholes in business regulations by reviewing the Business License Reform Roadmap.

### 7.2 Business Support & Investment Program:

In order to fill the performance gap of “failing to provide necessary business support for private sector development”, the Business Support Division proposes six (6) improvement activities. The capacity of staff to better support businesses will be improved through recruitment, and targeted capacity building and trainings; support to export development will be improved through the recruitment of a New Zealand Trade Representative to promote, market and facilitate exports to the key market of New Zealand; support to foreign investors will be improved through the development of an FDI and Joint Venture Promotion Strategy; and support to the fisheries sector will be further improved through a PPP strategy to develop constructive engagement with the sector.

### 7.3 Trade and Innovation Program:

To address the performance gap of “failing to effectively address trade constraints and provide a clear and integrated plan and strategy for trade and business innovation,” three (3) improvement activities have been established. The lack of adequate staff is proposed to be improved through the recruitment of new skilled technical staff; for other resource and system gaps, it is proposed that these be addressed through acquiring technical assistance to develop trade policy framework that guides the effective and practical implementation of trade activities and to assist Tonga address production and supply side constraints that hinders trade in a holistic manner; to build innovation, the development of a Plan to encourage and develop innovation in key economic sectors is proposed.

### 7.4 Policy & Partnership Program:

To fill the gap of “failing to effectively address commerce, consumer, trade, innovation and labour development issues”, the Policy Division proposes four (4) improvement activities. Policy development for commerce is proposed to be improved through the recruitment of dedicated

senior staff to serve at the commerce policy formulation desks; the quality of policy formulation is also proposed to be improved through targeted capacity building; policies on the development of sectors are to be improved through private sector market assessments; and commerce policy development is to be improved through the development of a commerce core dataset to inform the policy formulation process.

#### **7.5 Fair and Effective Labour Program:**

The Labour Division proposes five (5) improvement activities to fill its performance gap of “failing to improve the labour market in Tonga”. The quality of labour policy formulation is proposed to be improved through the recruitment of senior staff with relevant skills, and capacity building and trainings on labour standards and industrial relations for existing staff; regulatory and institutional labour reform is proposed to be supported through development of the labour legislation framework; labour policy formulation is also to be improved through the development of a labour core dataset and assessments of the labour market in Tonga; issues arising from fragmentation of the labour function across government is proposed to be addressed through targeted policy work.

#### **7.6 Consumer Protection Program:**

In order to fill the performance gap of “failing to protect consumer welfare and interests” the Consumer Affairs Division proposes a total of six (6) improvement activities. Services to consumers are proposed to be improved through the recruitment of a dedicated senior staff with relevant skills, including development of a dedicated Price Control Unit; provision of a conducive institutional framework through research-based preparations for the setup of the Tonga Consumer Council; improve the regulatory framework through the review of consumer protection, price control and weight and measures regulations; improve enforcement of weight and measures through the development of the metrology system, update of calibration equipment and review of regulated goods and their price margins; and to better inform consumer protection policies through a Consumer Behaviour Survey to inform consumer policy developments.

#### **7.7 Corporate Services Program:**

The Corporate Services Program proposes five (5) improvement activities to fill its performance gap of “failing to support the effective operation of MCCTIL divisions”. Services to MCCTIL divisions is to be improved through the recruitment of dedicated senior staff to fill skill gaps; inefficiencies in the work environment is to be improved through the purchase of a stand-by generator to mitigate disruptions from power outages; improved ICT services through the purchase of key computer software; and address workplace health and safety measures through replacing asbestos roofing and high cable antenna within the compound.

#### **7.8 Senior Management Program:**

The performance gap of the Minister and CEO failing to provide leadership to MCCTIL and appropriate advice to stakeholders is to be addressed through a management improvement activity of evaluating the Minister and CEO’s performance through clear KPIs and timely performance evaluations; and establishment of an automated management performance system.

Each of the solutions proposed to fill the performance gaps of the Ministry are budgeted and are proposed in the Ministry’s budget and staff proposals in Section 8.

## SECTION 8: OUR RESOURCES

MCCTIL intends to develop a performance oriented working environment that promotes efficiency at all levels whilst optimizing the use of limited resources.

### 8.1 MCCTIL Staffing

MCCTIL staff forms the Ministry's strength and greatest asset. We intend to develop a human resource capacity that is outcome focused, performance driven and have the appropriate aptitudes and attitudes required to deliver the Ministry's outputs in a work environment that is constructive and amicable.

The Ministry acknowledges that building such a human resource capacity requires recruitment of staff with the right skills; ongoing capacity development, the development of human resource management systems where performance is awarded, career development is facilitated and staff grievances are effectively addressed.

MCCTIL enforces on its staff the core competencies identified to enhance the performance of the Ministry including;

- Reinforcing MCCTIL internal culture around quality, efficiency, innovation and cohesion;
- Addressing poor performance and building evaluative capability and focus to support innovation;
- Ongoing trainings, career development and succession management;
- Clarifying boundaries of responsibilities within MCTL and other Ministries.

The Ministry's current staff capacity amounts to a total of eighty-three (83) staff comprised of fifty (50) professional and thirty three (33) administrative staff.

### 8.2 MCCTIL Budget

MCCTIL is committed to driving efficiency in expenditure through the development of strong financial management policies administered by the CEO and supported by the Head of Divisions and a dedicated Accounts Unit.

Based on the recurrent budget for FY2015/16, the Ministry undertakes to reduce the high salary portion of the budget and increase its operational budget to support the delivery of its program and sub-program outputs. As shown in Table 1, the Ministry's salary budget accounts for about 49% of its appropriated budget. As a long term goal, MCCTIL intends to progressively reduce and cap its salary budget accounts at 40% so as to substantiate its operational funds.

*Table 1: MCCTIL Estimated Recurrent Budget 2016/17 – 2018/19 based on 2015/16 Budget*

MCCTIL Budget Structure	MCTL 2015/16	%	MCCTIL 2016/17	%	MCCTIL 2017/18	%	MCCTIL 2018/19	%
Salaries & Wages	2,554,700	39%	2,018,526	49%	2,793,966	48.7%	1,923,720	48.2%
Operations	222,339,300	37%	2,081,474	51%	2,153,320	51.3%	2,258,280	51.8%
<b>TOTAL</b>	<b>6,394,000</b>	<b>100%</b>	<b>4,100,000</b>	<b>100%</b>	<b>4,141,000</b>	<b>100%</b>	<b>4,182,000</b>	<b>100%</b>



There is concern over the reduced operations budget available to the Ministry, which is insufficient to deliver its program and sub-program outputs. Whilst efforts will be made to reduce the salary budget appropriation, it is driven by efficiency initiatives and not just to offset operational budget balance. Given identified HR gaps in certain critical areas resultant of structural reforms and changes in government, it is considered that funding proposal to meet the MCCTIL performance gaps are considered in the budget process.

### 8.3 MCCTIL Proposals

In order to finance the Ministry's performance gaps and to mitigate the outstanding risks confronting its operations, MCCTIL submits its proposed funding budget for the course of this Corporate Plan.

Table 2 provides the MCCTIL adjusted recurrent estimates for 2016/17 to 2018/19, based on the 2015/16 budget, to include the financing of performance gaps.

*Table 2: MCCTIL Adjusted Recurrent Estimates to include Financing of Gaps*

MCCTIL Budget Structure	MCCTIL 2015/16	%	MCCTIL 2016/17	%	MCCTIL 2017/18	%	MCCTIL 2018/19	%
Salaries & Wages	2,554,700	33%	2,018,526	40%	2,172,482	37%	2,262,256	39%
Operations	2,339,300	30%	2,081,474	42%	2,668,764	46%	2,840,418	48%
<b>Gaps</b>	<b>1,269,908</b>	<b>17%</b>	<b>854,202</b>	<b>18%</b>	<b>1,010,448</b>	<b>17%</b>	<b>758,700</b>	<b>13%</b>
<b>TOTAL</b>	<b>7,663,908</b>	<b>100%</b>	<b>495,4202</b>	<b>100%</b>	<b>5,851,694</b>	<b>100%</b>	<b>5,861,444</b>	<b>100%</b>

As provided in Table 2, MCCTIL to submit a funding proposal to MFNP for FY2016/17, which would in turn form the baseline for the outer budget years of 2017/18 and 2018/19. The proposal is to feature:

- A total budget of TOP495,4202 for FY2016/17;
- A total of TOP\$2,018,526 for staff salary and wages equivalent to 40% percent;
- An increased operational budget of TOP\$2,081,474 (42 percent);
- Performance gaps of \$854,202. The funding for performance gaps is to be supplemented by development funding from donor partners

Based on the FY2015/16 proposal, the estimated budget for MCCTIL for the three years covered in this Corporate Plan would be similar to the figures provided in Table 3. Detailed estimates are provided in *Annex 7*.

*Table 3: Estimates for FY2016/17 – FY2018/19 based on 2015/16 Budget*

Programs	2015/16		2016/17		2017/18		2018/19	
	Rec. Budget	Gaps	Rec. Budget	Gaps	Rec. Budget	Gaps	Rec.	Gaps
1	359,500	20,000	405,800	-	356,600	-		
2	953,000	149,070	649,000	80,192	745,000	270,000	780,500	215,000
3	883,900	245,000	757,200	250,000	707,000	480,000	708,000	450,000
4	-	-	0	239,005	0	191,974	0	157,800
5	537,700	116,000	287,800	60,000	442,000	40,000	442,000	-
6	217,400	22,000	202,300	108,805	193,200	56,274	193,200	29,700
7	649,300	220,070	644,900	-	480,200	80,000	480,200	-
8	1,290,700	137,419	1,152,600	116,200	1,207,100	16,200	1,212,500	16,200
Total	4,891,500	909,559	4,100,000	854,202	4,141,000	1,134,448	4,182,000	868,700

MCCTIL will endeavor to actively negotiate with development partners to procure supplementary funding to finance the indicated MCCTIL performance gaps estimates. However given that this fund is unconfirmed, the development funding aspect of the budget is not included in Table 3.

#### 8.4 MCCTIL Staff Proposal

In recognition of the importance of the staff to the delivery of this plan including the internal programs, we intend to continue to strengthen our human resource capacity through the following proposals:

- Creation of (6) senior posts in 2016/2017 to meet internal performance gaps and HR capacity issues identified in the corporate planning process. MCCTIL is committed however to capping the salary budget at 40% over the next three years.

With the above proposals, MCCTIL is committed to the delivery of our planned outcomes and outputs so as to achieve the national development objectives of facilitating private sector led-growth that would improve the quality of life for Tongans. The need for economic recovery is imminent and MCCTIL, under the guidance of its Corporate Plan, is committed to making the difference.

## ANNEXES:

### Annex 1: MCCTIL Statutory Legislations

1	Licence (Amendment) Act 2007 Business Licence (Amendment) Act 2010 Business Licence (Amendment) Act 2012	To provide for the licensing of all business activities in the country
	Business Licence Regulations 2012	For the administration and enforcement of the Business License Act and amendments.
2	Registration of Business Name Act 2013	To provide for the registration of all registered business names.
	Registration of Business Name Regulations 2014	For the administration of the businesses name Act.
3	Companies Act 1995 Companies (Amendment No.1) Act 1999 Companies (Amendment) Act 2001 Companies (Amendment) Act 2009	For the incorporation of companies
	Companies Regulations 1999 Companies (Liquidation) Regulations 1999 Companies (Amendment) Regulations 2003 Companies (Amendment) Regulations 2009 Companies (Amendment) Regulations 2010 Companies (Amendment) Regulations 2014	For the administration of the Companies Act
4	Foreign Investment Act 2002	Investment promotion and attraction and to protect local investors/Tongans businesses in activities that are reserved for Tongans
	Foreign Investment Regulation 2006	For the administration of the Foreign Investment Act
5	Consumer Protection Act 2000	To protect consumer interests and to establish measures to enable consumers to obtain redress
	Consumer Protection (Product Safety And Labeling Standards) Regulation 2006	To administer product safety and labeling standards as prescribed under the Consumer Protection Act.
6	Prices & Wages Control Act 1988	To establish the Competent Authority and to ensure measures to regulate prices and wages
7	Weights & Measures Act 1988	To provide an uniform standard and units of measurement to be used in the country
	Weights & Measures (Amendment) Act 1997	
	Weights & Measures (Amendment) Act 1998	
8	Incorporated Societies Act 1988	For incorporation of non-profit organization
	Incorporated Societies Regulations	For the administration of the Incorporated Societies Act
	Incorporated Societies (Amendment) Regulations 2010	
9	Charitable Trust Act 1993	For registration of a trust board for charitable purposes
	Charitable Trust Regulations 2010	For the administration of the Charitable Trust Act
10	Industrial Property Act 1994	For the protection of industrial properties, namely-patent, integrated circuit, industrial design and trademarks
	Industrial Property (Amendment) Act 1999	
	Industrial Property (Amendment) Act 2002	

	Industrial Property (Amendment) Act 2009	
	Industrial Property Regulations 2000 Industrial Property (Amendment) Regulations 2010	For the administration of the industrial property Act- patent, integrated circuit, industrial design and trademarks
11	Copyrights Act 2002	For the protection of literary and artistic works
12	Geographical Indications Act 2002	For the protection of particular products which are of such qualities that corresponds to a specific place of origin
	Geographical Indications Regulations 2008	For the administration of the Geographical Indication Act
13	Protection of Lay-out Designs (Topographies) of Integrated Circuits Act 2002	For the protection of plans which show the three dimensional location of the electronic components of an integrated circuit
	Protection of Layout Designs (Topographies) of Integrated Circuits Regulations 2009	To provide administration rules for the Protection of Lay-out Designs (Topographies) of Intergrated Circuit
14	Protection against Unfair Competitions Act 2002	For the protection of intellectual property assets (Industrial properties and Copyright) from competitors
15	Personal Property Securities Act 2010 Personal Property Securities (Amendment) Act 2012	For promoting commerce by facilitating business and consumer credit with a unified set of rules on the taking of personal property as security and similar transactions.
	Personal Property Securities Regulations 20011	To provide administration rules for the Personal Property Act
16	Cooperative Societies Act 1988 (revised edition)	To regulate the operations of Cooperative Societies in Tonga
	Cooperative Societies Rules	To administer the Cooperative Societies Act
17	Credit Unions Act	To regulate the operations of Credit Unions in Tonga

## Annex 2: MCCTIL Stakeholder Committees

- Committees in which the MCCTIL Minister sits:

NAME OF BOARD/COMMITTEE	POSITION	TIME PERIOD
Competent Authority Board	Chair	Financial Year 2011-2012 and ongoing
<b>Parliamentary Committees</b>		
- Commerce & Trade	Chair	Financial Year 2011-2012 and ongoing
- Law	Member	Financial Year 2011-2012 and ongoing
- Agriculture & Fisheries	Member	Financial Year 2011-2012 and ongoing
- Tourism Sub-Committee	Member	Financial Year 2011-2012 and ongoing
CEDC	Member	Financial Year 2011-2012 and ongoing
Retail/Manufacturing Sector	Chair	Financial Year 2014-2015 and ongoing
Tonga National Trade Negotiation	Chair	Financial Year 2015/16 and ongoing
Cabinet Project Coordination Committee	Member	Financial Year 2015/2016 and ongoing

- Committees in which the CEO sits:

NAME OF BOARD/COMMITTEE	POSITION	TIME PERIOD
Competent Authority Committee	Member	Financial Year 2011-2012 and ongoing
Budget Support Management Committee	Member	Financial Year 2014-2014 and ongoing
PHAMA	Co-Chair	Financial Year 2012-2013 and ongoing
TCFM – Tonga Competitive Fuel Model Work's Group	Member	Financial Year 2011-2012 and ongoing
Custom Taskforce	Member	Financial Year 2011-2012 and ongoing
Revenue Policy Committee	Member	Financial Year 2013-2014 and ongoing

<b>Sector Committee for Agriculture, Retail and Manufacturing</b>	Member	Financial Year 2014-2015 and ongoing
<b>Taskforce for Mitigation of Business Practices</b>	Member	Financial Year 2011-2012 and ongoing
<b>Govt/Private Sector Consultative Committee</b>	Member	Financial Year 2011-2012 and ongoing
<b>Government Scholarships Committee</b>	Member	Financial Year 2011-2012 and ongoing
<b>Tonga National Trade Negotiation Committee</b>	Member	Financial Year 2015/16 and ongoing
<b>Government Structure Reform</b>	Member	Financial Year 2011-2012 and ongoing
<b>Tonga Energy Road Map (TERM)</b>	Member	Financial Year 2011-2012 and ongoing
<b>Technical and Vocational Education and Training (TVET)</b>	Member	Financial Year 2011-2012 and ongoing
<b>Fisheries Management Advisory Committee</b>	Member	Financial Year 2011-2012 and ongoing
<b>National Food Authority</b>	Member	Financial Year 2015/16 and ongoing
<b>Tonga Business Enterprise Centre (TBEC) Project Advisory</b>	Member	Financial Year – 2014/2015 and ongoing
<b>Tonga Census Steering Committee</b>	Member	Financial Year 2015/16 and ongoing



## Annex 3: MCCTIL Key Performance Indicators – Organization Output Level

### 2 Better Business Services Program (RIPO)

Activity	Indicator	Units	Frequency	Source	Baseline	Target	
1	That a plan to improve business services and information is developed and implemented	Rate of customer satisfaction with counter services	Satisfaction rate (1-5 rating=1: highly satisfied; 5: very dissatisfied)	quarterly	1. Customer feedback sheets	3	5
					2. online registry feedback system		
2	That a strategy for regulatory reform and modernization of business registries is developed and implemented	Number of days to register a business under MCCTIL laws	Number of days	annually	1. MCCTIL business laws	3	1
3	That a plan to encourage innovation and creativity is developed and implemented	<b>Patents, Industrial Design, GI</b> : number of registered IP assets per IP	Number of registered IP assets	quarterly	1. IP online system	10	50
		<b>Trademark</b> : number of registered classes	Number of registered classes	quarterly		100	200
4	That a plan for enforcement of business regulations is produced and implemented	Percentage of businesses which comply with MCCTIL business regulations	Percentage of businesses	weekly	1. Enforcement team reports	20%	80%

### 3 Business Support Program (Business Support)

Activity	Indicator	Units	Frequency	Source	Baseline	Target	
1	That targeted economic support strategies are developed and provided for the private sector	Percentage of beneficiaries which improved their business status	Percentage of beneficiaries	6 monthly	MCCTIL economic support feedback reports	10%	50%
2	That clear and targeted plans for FDI and JVs promotion are developed and implemented	Number of enquiries addressed	Number of enquiries addressed	6 monthly	MCCTIL investment desk report	5	25
3	That appropriate business development and knowledge based support schemes for the private sector is developed and implemented	Percentage of beneficiaries which improved their business status	Percentage of beneficiaries	quarterly	MCCTIL BDS and Knowledge Based support feedback report	15%	50%
4	<b>Trade and Innovation Program (Trade)</b>						

	Activity	Indicator	Units	Frequency	Source	Baseline	Target
1	That a plan for a coherent and comprehensive trade framework is developed and implemented	Completion of trade policy framework and implementation	Satisfaction of stakeholders	Annually	MCCTIL economic feedback report	0	5
2	That a negotiation and implementation plan for regional agreements is developed and implemented	Increased export values and FDI	Percentage increase in value of export	Annually	MCCTIL Business survey and NRBT	0%	15%
3	That a policy and innovation plan, clear innovation program is developed and implemented	Completion of policy, plan and program for business innovation	Percentage of beneficiaries	Annually	MCCTIL economic feedback report	0%	25%

#### 5 Policy & Partnership Program (Policy)

	Activity	Indicator	Units	Frequency	Source	Baseline	Target
1	That a plan to provide coherent policy advice by MCCTIL is developed and implemented	number of commerce policy issues addressed	number of policy issues	quarterly	HOD quarterly planning review of gaps	2	34
2	That a statistics and policy research program is developed and implemented	coverage and timeliness of statistical reports issued	rate of coverage and timeliness of report (1=excellent coverage; 5=no coverage)	quarterly	HOD quarterly planning review	3	5
3	That a strategy is developed and implemented to strengthen PPP and deliver results to the private sector	number of-commerce, consumer, trade and labour policy issues addressed	number of policy issues	quarterly	HOD quarterly planning review of gaps	4	35

#### 6 Effective Labour Program (Labour)

	Activity	Indicator	Units	Frequency	Source	Baseline	Target
1	That a conducive legal and institutional employment	number of labour performance gaps addressed	number of gaps	quarterly	quarterly planning review	1	6

	framework is developed and implemented						
2	That a labour research and information program is developed and implemented	coverage and timeliness of statistical reports issued	coverage and timeliness of report (1=excellent coverage; 5=no coverage)	annually	annual planning review	2	5

### 7 Consumer Protection Program (CAD)

	Activity	Indicator	Units	Frequency	Source	Baseline	Target
1	That a consumer regulatory and institutional reform plan is produced and implemented	Number of activities in the Consumer Regulatory and Institutional Reform Roadmap implemented	number of activities	annually	annual planning review	0	20
2	That an awareness and education strategy to empower consumers is developed and implemented	number of consumer reactions	number of consumer likes on consumer fb page; number of consumer complaints; number of consumer enquiries; number of consumer participants in CAT programs	quarterly	Policy Division – Statistical Unit.	270	3000
3	That a plan for enforcement of consumer, protection, price control and weight and measures regulations is developed and implemented	percentage of businesses which comply with consumer regulations	percentage of businesses	weekly	weekly enforcement reports	2%	60%
4.	That strategy for regulated goods is developed and implemented.	number of submissions to the CA, number of consultations and surveys	Number of activities	Annually	Policy division; annual review report (fuel and LPG)	0	30

### 8 Corporate Service Program (CSD)

	Activity	Indicator	Units	Frequency	Source	Baseline	Target
1	That HRM programs to improve staff performance is developed and facilitated	1. percentage of grievances processed within 2 weeks	1. percentage of grievances processed	quarterly	quarterly HR report to CEO	1%	80%

		2. percentage of vacancies processed within 1 month	2. percentage of vacancies processed			30%	100%
		3. percentage of HR non-compliance processed within 2 weeks	3. percentage of HR non-compliance addressed			30%	100%
2	That the MCCTIL administration practices and processes are well designed, implemented and managed	level of staff satisfaction	staff satisfaction ratings (1=highly satisfied; 5=very dissatisfied)	quarterly	quarterly planning review	5	2
3	That improved financial management policies are established and facilitated	timeliness of financial processes	number of days	quarterly	quarterly planning review	5	2
4	That ICT policies are established and facilitated	timeliness of fixing ICT problems	number of days	quarterly	quarterly planning review	5	2

#### 1 Senior Management Program (Minister & CEO)

	Activity	Indicator	Units	Frequency	Source	Baseline	Target
1	That the Minister and CEO provide appropriate advice and guidance to stakeholders on the management of commerce, trade, innovation and labour in Tonga	quality of Ministerial advice to stakeholders	stakeholder feedback (1-5 ratings)	annually	PPP stakeholder survey	4	2
		quality of CEO advice to stakeholders	stakeholder feedback (1-5 ratings)	annually	PPP stakeholder survey	3	1
2	That the Minister provide political direction and leadership to the sub-programs/outputs	timeliness of approving papers for cabinet	number of days	weekly	HOD meeting secretariat	5	1
3	That CEO leads and oversees the development, management and implementation of the sub-programs/outputs of MCCTIL and provides leadership to staff	timeliness of making decisions on issues	number of days	weekly	HOD meeting secretariat	5	1

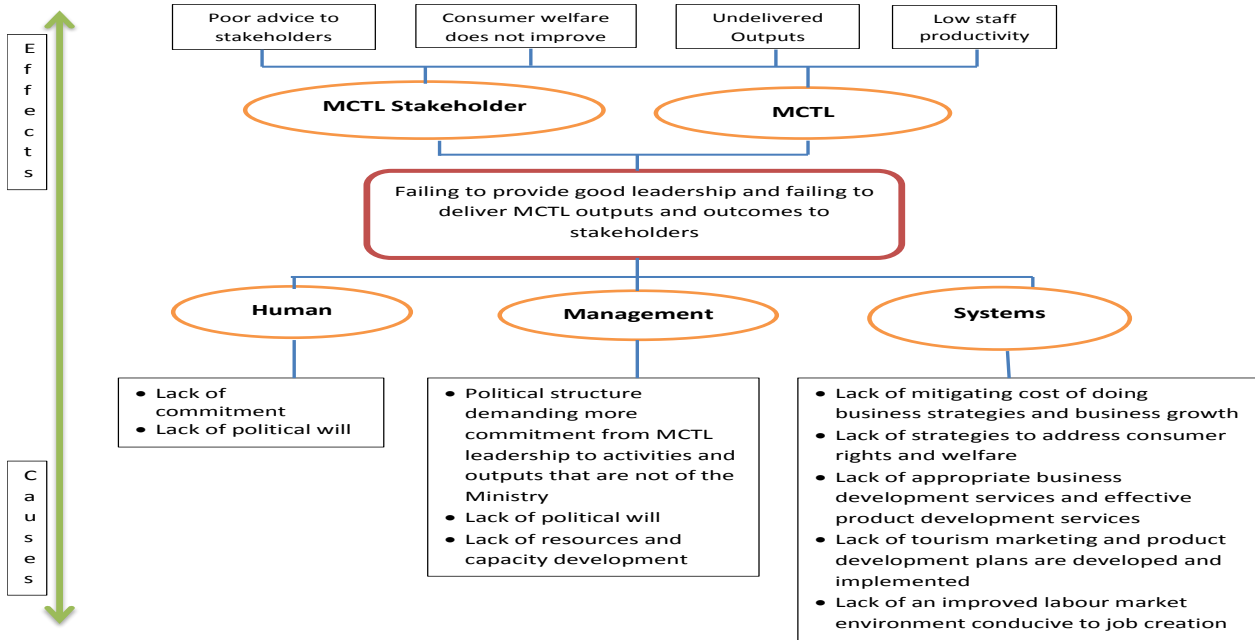
#### 1.1 Performance Improvement Program (CEO)

	Activity	Indicator	Units	Frequency	Source	Baseline	Target
1	That a plan for the development of effective management plans for	Number of organizational output KPIs which improved on baseline	Number of organizational output KPIs which	annually	annual planning reviews	0	29

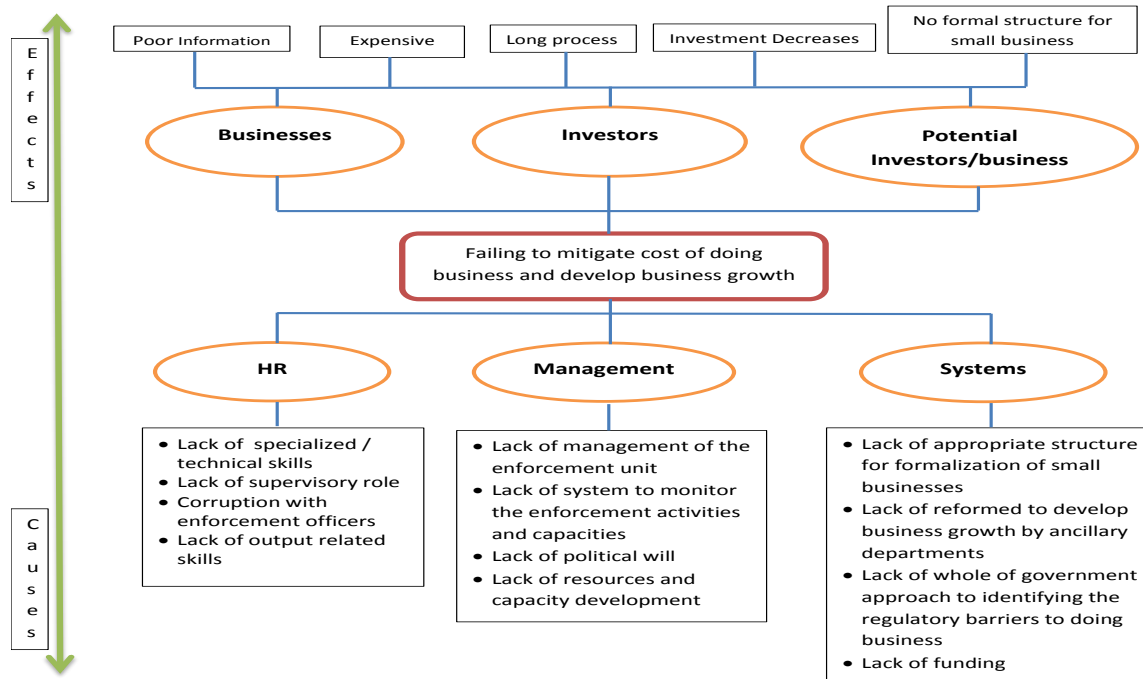
	MCCTIL is developed and implemented		improved on baseline				
2	That a strategy for the management and evaluation of MCCTIL performance is developed and implemented	number of quarterly performance evaluations held each year	number of evaluations	quarterly	quarterly planning reviews	0	4

## Annex 4: MCCTIL Problem Trees

### PROGRAM 1: SENIOR MANAGEMENT PROGRAM

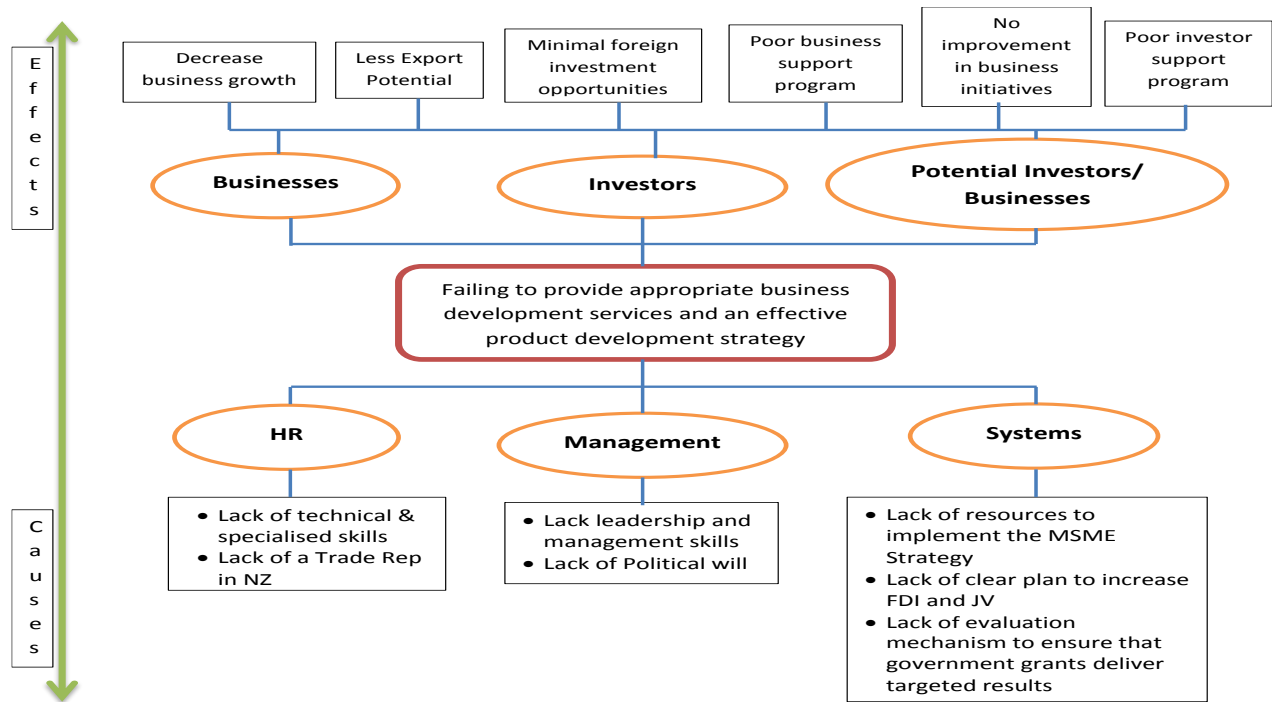


### PROGRAM 2 : THE BETTER BUSINESS SERVICES PROGRAM

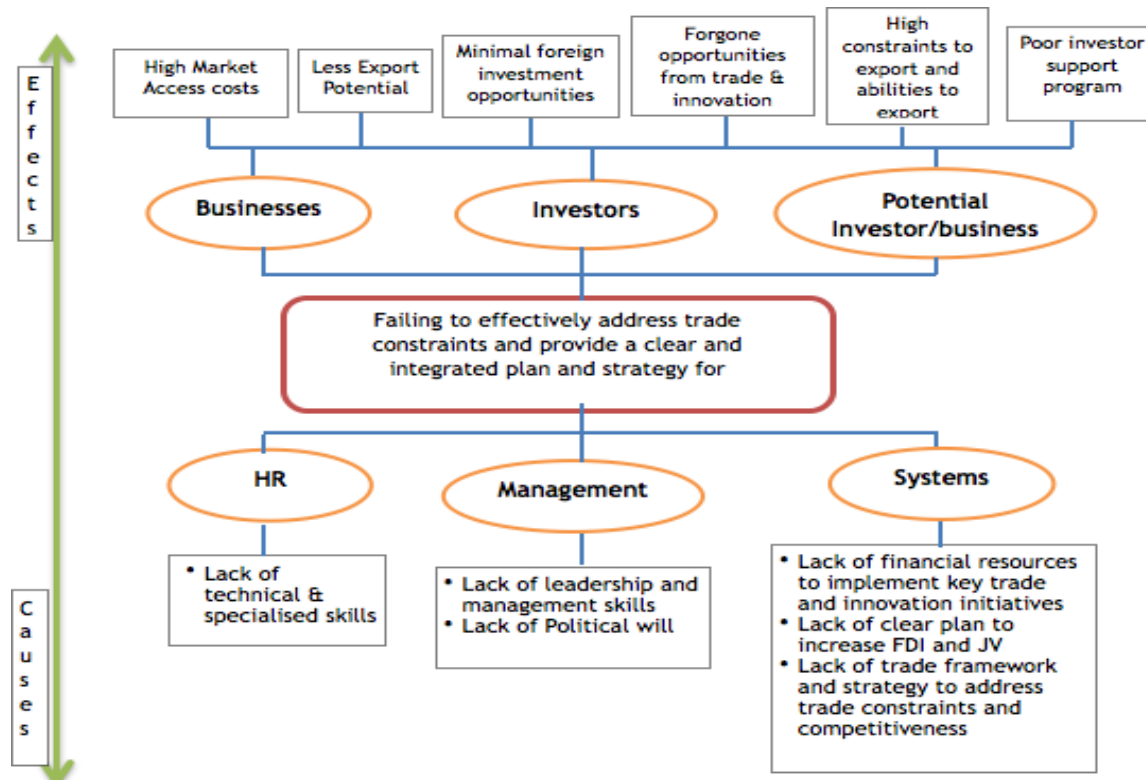




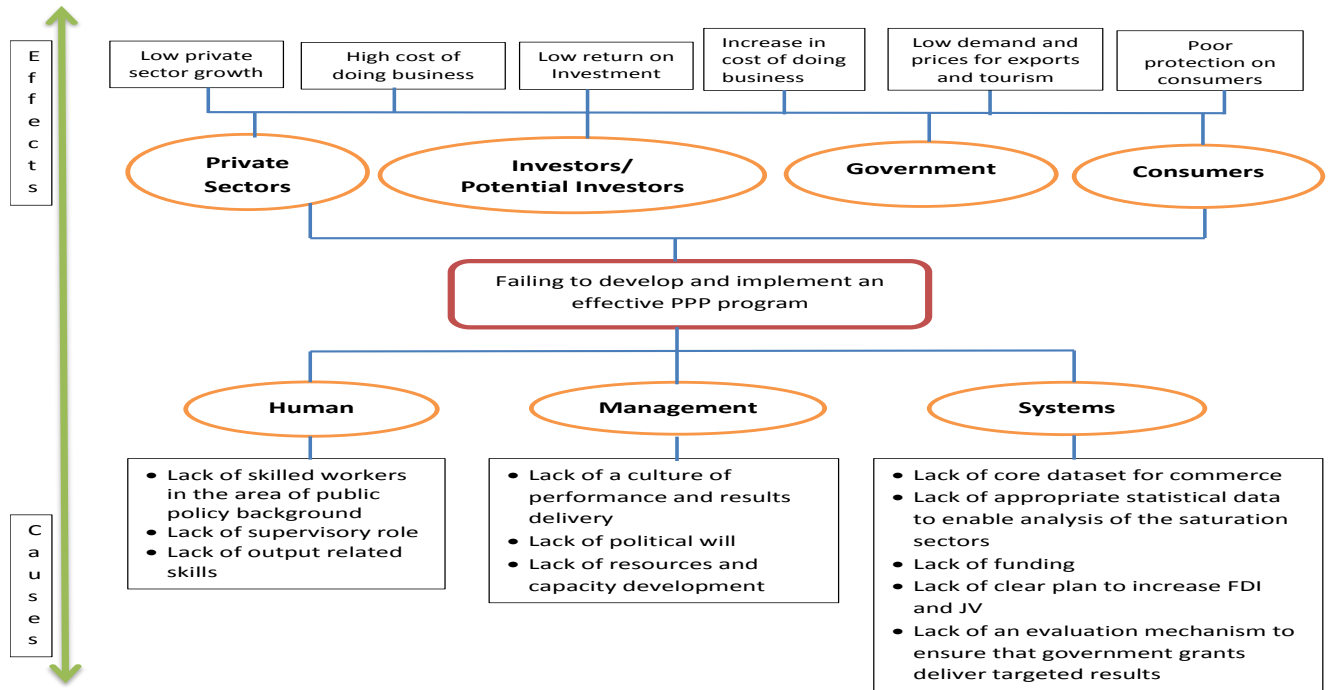
### PROGRAM 3: BUSINESS SUPPORT PROGRAM



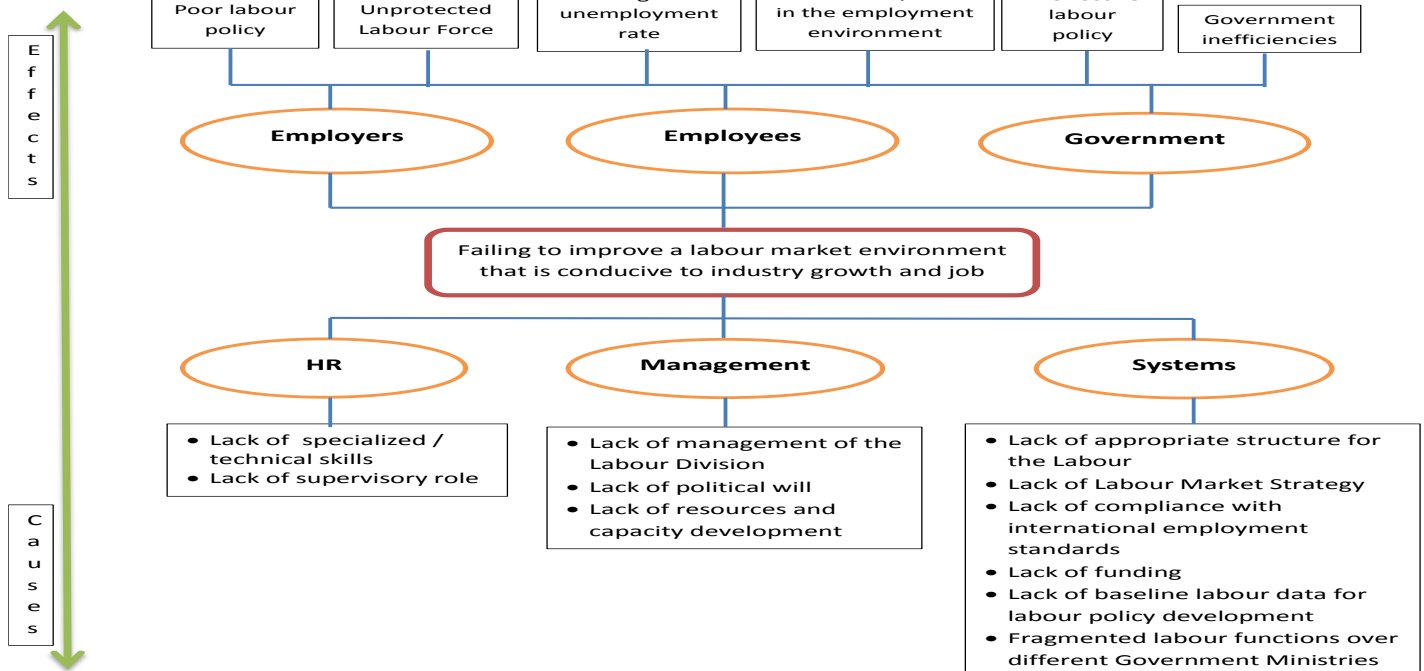
### PROGRAM 4: TRADE AND INNOVATION PROGRAM



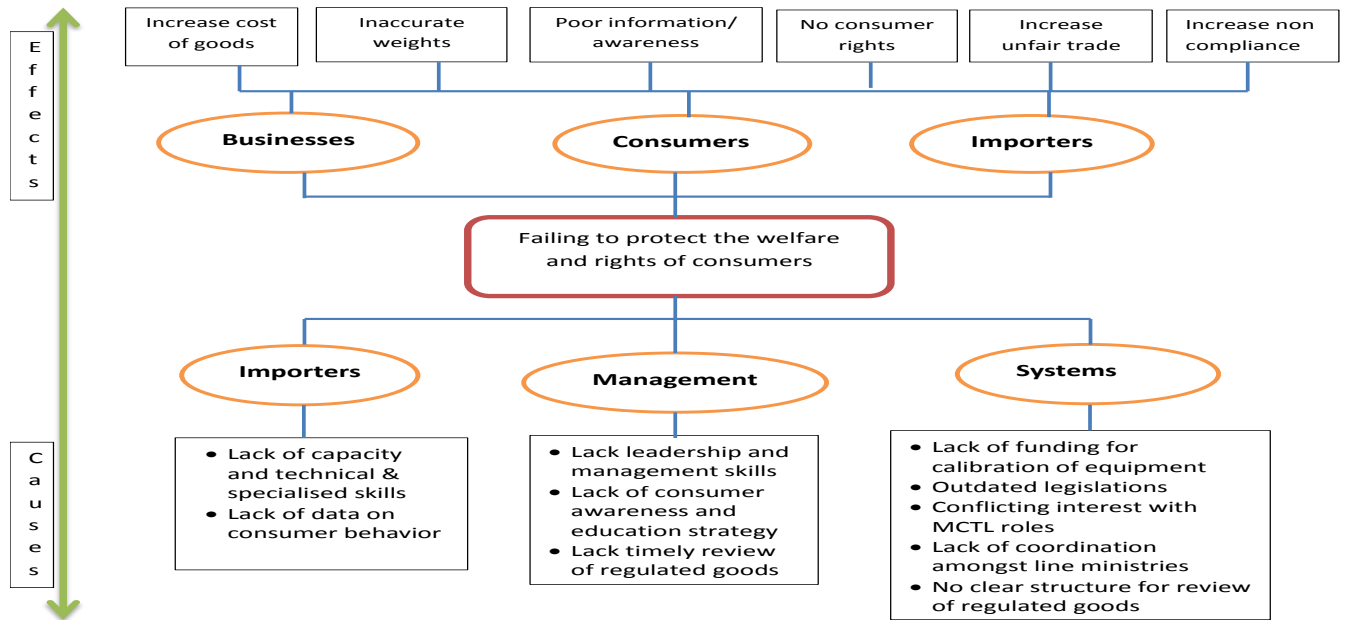
## PROGRAM 5: POLICY & PARTNERSHIP PROGRAM



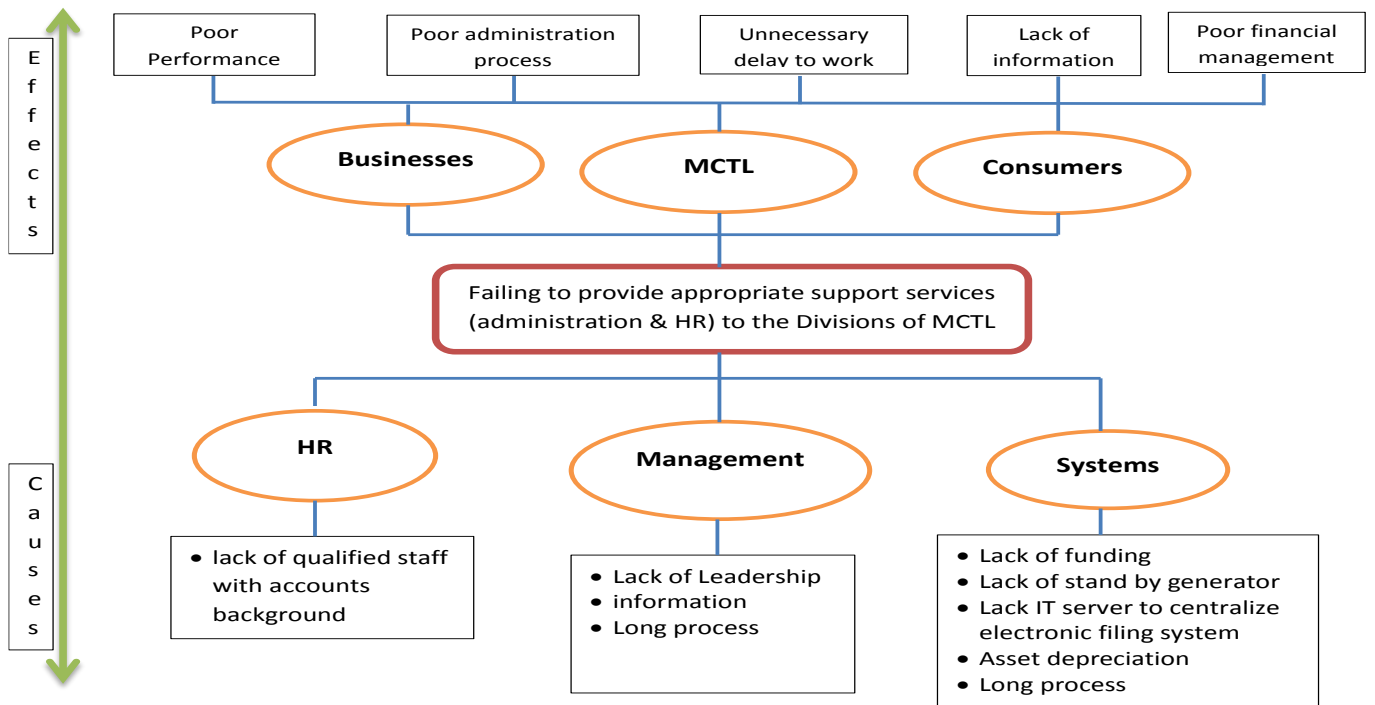
## PROGRAM 6: EFFECTIVE LABOUR PROGRAM



## PROGRAM 7: CONSUMER PROTECTION PROGRAM



## PROGRAM 8: CORPORATE SERVICES PROGRAM



## Annex 5: MCCTIL Solutions Analysis

### Better Businesses Services Program:

Performance Gap:	Improvement Activities:	Developmental Objectives and Deliverables:	Alternatives:
<b>Failing to mitigate costs of doing business in Tonga</b>	<b>Improvement Activity 1:</b> Recruitment of new staff with required skills and qualifications	<b>Objective 1.1:</b> Understand the skills gaps and the target skill sets required. <b>Objective 1.2:</b> Create a clear JD and work plan for supervisory role at the Business Information Centre	<b>Alternative 1.1</b> Management to clarify the specific skill sets and expertise that is required for the position. <b>Alternative 1.2</b> Capacity building of existing staff
	<b>Improvement Activity 2:</b> Design an incorporation system for small businesses	<b>Objective 2.1:</b> Understand the formal registration needs of small businesses. <b>Objective 2.2:</b> Full review and stock take of technical limitations of the current system to cater for needs of small businesses. <b>Objective 2.3:</b> Investigate the cost implications to small businesses with the view to facilitate growth <b>Objective 2.4:</b> Develop a clear strategy/action plan with well-designed processes	<b>Alternative 2.1:</b> Conduct cost analysis of introducing a new system for formal registrations of small businesses <b>Alternative 2.2:</b> Contract consultant to develop a strategy, action plan and processes for formal registration of small businesses
	<b>Improvement Activity 3:</b> Purchase and install an Enforcement Tracking Device in enforcement vehicles	<b>Objective 3.1:</b> Undertake analysis of processes and internal action plans to understand how best to utilize the enforcement tracking system <b>Objective 3.2</b> Consider programming of tracking device to cater for MCCTIL enforcement needs. <b>Objective 3.3</b> Purchase and install tracking device <b>Objective 3.4</b> Training and information session with enforcement officers on the tracking device <b>Objective 3.5</b> Monitor of use and effectiveness of tracking device	<b>Alternative 3.1:</b> Independent review of the enforcements unit's performance <b>Alternative 3.2:</b> Review of current enforcement strategies, work plans and processes <b>Alternative 3.3:</b> Identification of measures to address issues from review
	<b>Improvement Activity 4:</b> Re-establishment of the Doing Business Task Force.	<b>Objective 4.1:</b> Review of ancillary licenses, processes and issues relating to mitigating ease of doing business <b>Objective 4.2:</b> Develop a strategy to address these issues in collaboration with the Doing Business Task Force <b>Objective 4.3:</b> Monitor and evaluate the implementation of the strategy	<b>Alternative 4.1:</b> Contract external consultant to conduct a full review and develop strategy for mitigating costs of doing business in Tonga <b>Alternative 4.2:</b> Strategy to consider role of the Task Force
	<b>Improvement Activity 5:</b> Fill outstanding regulatory gaps under MCCTIL business regulatory framework	<b>Objective 5.1:</b> Review and draft outstanding IP legislations. <b>Objective 5.2:</b> Review and re-submit the Bankruptcy Bill <b>Objective 5.3:</b> Review and resubmit the Receiverships Bill <b>Objective 5. 4:</b> Review regulatory gaps not yet addressed in the Business License Reform Road Map	<b>Alternative 5.1:</b> Contract consultant to review and prioritize regulatory gaps and to recommend action plan for filling regulatory gaps <b>Alternative 5.2: Alternative 5.3:</b> MCCTIL to seek donor funding for review of priority regulatory reforms.

**Business & Investment Support Program:**

<b>Performance Gap:</b>	<b>Improvement Activities:</b>	<b>Developmental Objectives and Deliverables:</b>	<b>Alternatives:</b>
<b>Failing to provide necessary business support for private sector development</b>	<b>Improvement Activity 1:</b> Provide targeted training to meet skill gaps.	<b>Objective 1.1:</b> Assess the specific skills required for investment promotion, exports marketing and business development. <b>Objective 1.2:</b> Consider areas where internal skills trainings can meet gaps <b>Objective 1.3:</b> Design proposals for short-term attachments/internships to meet gaps	<b>Alternative 1.1:</b> Skill gaps to be proposed for government scholarships.
	<b>Improvement Activity 2:</b> Re-advertise and recruit a NZ Trade Representative to be located in Auckland	<b>Objective 2.1:</b> Specify the roles and responsibilities of the Trade Representative into NZ and establish key KPIs to measure performance. <b>Objective 2.2:</b> Contract a consultant to develop a NZ market analysis with actions plans for marketing and export of Tongan products <b>Objective 2.3:</b> Consultant to also develop a profile of products for the NZ market	<b>Alternative 2.1:</b> TradeInvest to design the roles of the NZ Trade Rep. <b>Alternative 2.2:</b> TradeInvest conducts an analysis of the range of existing products and potential products for the NZ market <b>Alternative 2.3:</b> TradeInvest to engage exporters and private sector in the design and evaluation of the roles of the NZ Trade Rep <b>Alternative 2.4:</b> TradeInvest to assess the effectiveness of existing marketing and promotional activities including through the Office of the Pacific Islands Trade and Investment in Auckland.
	<b>Improvement Activity 3:</b> Develop a dedicated budgeted sub-program for the implementation of the MSME strategy	<b>Objective 3.1:</b> Establish a roadmap of priority actions based on the MSME strategy <b>Objective 3.2:</b> Assess the resource needs and consider set up of MSME desk <b>Objective 3.3:</b> Establish MSME working group to monitor implementation of roadmap <b>Objective 3.4:</b> Seek government/donor funding for implementation	<b>Alternative 3.1:</b> TradeInvest to prioritize activities in the MSME strategy <b>Alternative 3.2:</b> Consider what can be funded under MCCTIL baseline budget
	<b>Improvement Activity 4:</b> Develop FDI and Joint Venture Promotion Strategy	<b>Objective 4.1:</b> Seek donor funding for development of a FDI and Joint Venture Promotion Strategy. <b>Objective 4.2:</b> A roadmap is developed for promotion of FDI and JVs in Tonga <b>Objective 4.3:</b> Contract external expertise to develop investment promotional materials and tools.	<b>Alternative 4.1:</b> Division to develop FDI and JV strategy <b>Alternative 4.2:</b> Division to review the existing investment promotional materials and tools
	<b>Improvement Activity 5:</b> Develop an evaluation plan for each economic support (grants)	<b>Objective 5.1:</b> Undertake a survey to identify effectiveness of economic support in delivering objectives <b>Objective 5.2:</b> Establish a PPP premised evaluation groups to consider survey report and develop way forward. <b>Objective 5.3:</b> consider re-design of support programs if required	<b>Alternative 1.1:</b> TradeInvest to use feedback reports to assess effectiveness of grants <b>Alternative 1.2:</b> Establish an in-house evaluation group and an established process which would submit proposed report to Cabinet
	<b>Improvement Activity 6:</b> Work with Policy Division to develop a clear PPP strategy for fisheries.	<b>Objective 6.1:</b> Develop a PPP strategy for the fisheries sector <b>Objective 6.2:</b> Establish a dedicated fisheries desk officer <b>Objective 6.3:</b> Develop a clear work program with the Fisheries Department	<b>Alternative 6.1:</b> Recruit NZ Volunteer Services Abroad/ US Peace Corps to commence work on fisheries sector <b>Alternative 6.2</b> TradeInvest to become member of the Fisheries Sector Growth Committee

**Trade and Innovation Program:**

Performance Gap:	Improvement Activities:	Developmental Objectives and Deliverables:	Alternatives:
<b>Failing to secure and provide market access and encourage business innovation</b>	<b>Improvement Activity 1:</b> Recruit additional Lv.5 and Lv.9 staff for trade policy and innovation	<b>Objective 1.1:</b> Design JDs based on skill gaps <b>Objective 1.2:</b> Prioritize in MCCTIL proposals for new staff	<b>Alternative 1.1</b> Management to identify the specific skill sets and expertise that is required for the position. <b>Alternative 1.3:</b> Hire external contractors with the skill sets to conduct the work of the Lv.5 and Lv.9 positions. <b>Alternative 1.4</b> Conduct trainings and capacity buildings for existing staff
	<b>Improvement Activity 2:</b> Development of a comprehensive Trade Policy Framework for Tonga	<b>Objective 2.1:</b> Draft TOR and seek technical assistance <b>Objective 2.2:</b> Develop a clear action plan for implementation, consultation and drafting <b>Objective 2.3:</b> Submitting and endorsement of policy paper to Cabinet <b>Objective 2.4 :</b> Implementation of Policy Directions	<b>Alternative 1.1:</b> No alternative
	<b>Improvement Activity 3:</b> Development of a negotiation strategy and implementation	<b>Objective 4]3.1:</b> Develop a clear strategy for the developments and implementation of trade agreements <b>Objective 3.2:</b> Coordinate all line government agencies and communities in the implementation of the program. <b>Objective 3.3:</b> Evaluate development and ensure a sustainable management approach that is premised on public private partnerships	<b>Alternative 4.1:</b> No alternative
	<b>Improvement Activity 5:</b> Development of an innovation strategy that promotes business innovation and competitiveness	<b>Objective 4.1:</b> Development of a TOR and scope for a TA <b>Objective 4.2:</b> Develop an evaluation strategy with specified responsibilities and timelines <b>Objective 4.3:</b> Recruit TA <b>Objective 4.4:</b> Develop clear strategies and implementation plan	<b>Alternative 5.1:</b> No alternative

**Policy & Partnership Program:**

Performance Gaps	Improvement Activities	Developmental Objectives and Deliverables	Alternatives
<b>Failing to effectively address commerce and trade innovation development issues</b>	<b>Improvement Activity 1:</b> Capacity building for policy work.	<b>Objective 1.1:</b> Assess skill gaps. <b>Objective 1.2:</b> Identify the consultants for conducting the in-house trainings. <b>Objective 1.3</b> Develop attachment/internship programs	<b>Alternative 1.1:</b> Recruit staff with strong skills in policy formulation. <b>Alternative 1.2:</b> Capacity building and development of processes to increase capacity
	<b>Improvement Activity 2:</b> Private Sector Market Assessment Survey and Services Sector Market Assessment Survey	<b>Objective 2.1:</b> Design TOR for the TA to develop the assessment strategy and survey tool <b>Objective 2.2:</b> Conduct survey <b>Objective 2.3:</b> Develop report	<b>Alternative 2.1:</b> internal desk-top research and analysis
	<b>Improvement Activity 3:</b> Develop core dataset for commerce.	<b>Objective 3.1:</b> Contract TA to design commerce core dataset and maintenance <b>Objective 3.2:</b> Seek donor funding for set up of dataset	<b>Alternative 3.1:</b> Develop excel databases for commerce

	<b>Improvement Activity 4:</b> Review regulations	<b>Objective 4.1:</b> Develop TOR and scope for the reviews <b>Objective 4.2:</b> That regulatory amendment to Consumer Protection Regulations. <b>Objective 4.2:</b> Review the Price and Wage Control Act. <b>Objective 4.3:</b> Review the weights and measure Act	<b>Alternative 4.1:</b> Internal review
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#### Effective Labour Program:

Performance Gap:	Improvement Activities	Developmental Objectives and Deliverables	Alternatives
<b>Failing to improve the labour market in Tonga</b>	<b>Improvement Activity 1:</b> Recruit of senior staff with relevant qualifications / skills	<b>Objective 1.1:</b> Assess skill gaps <b>Objective 1.2:</b> Develop JDs to meet gaps	<b>Alternative 1.1</b> Capacity building of existing staff
	<b>Improvement Activity 2:</b> Seek government of Tonga approval for Tonga to accede to the ILO	<b>Objective 2.1:</b> Submit policy paper on consultations to government <b>Objective 2.2:</b> Obtain endorsement for ILO accession and accede to ILO <b>Objective 2.3:</b> Review and evaluate conventions to be ratified	<b>Alternative 2.1</b> Conduct further consultations and develop a policy paper seeking government re-consideration
	<b>Improvement Activity 3:</b> Develop core datasets for labour	<b>Objective 3.1:</b> Design TOR for the TA to design labour core dataset <b>Objective 3.2:</b> seek funding for set up of dataset <b>Objective 3.3:</b> contract labour surveys and research programs <b>Objective 3.4:</b> Division to develop a clear strategy for maintaining and managing the database in the long term.	<b>Alternative 3.1:</b> Develop in-house excel databases
	<b>Improvement Activity 4:</b> Development of a strategy for the assessment of the labour market in Tonga.	<b>Objective 4.1:</b> Recruitment of a TA / consultant to develop the strategy for assessment of labour market in Tonga. <b>Objective 4.2:</b> Seek funding for the recruitment of the TA. <b>Objective 4.2:</b> Undertake surveys and develop report.	<b>Alternative 4.1:</b> Conduct staff trainings on doing research and assessing of the labour market in Tonga. <b>Alternative 4.2:</b> Undertake labour market surveys under MCCTIL baseline budget
	<b>Improvement Activity 5:</b> Develop policy paper to address fragmentation of labour functions	<b>Objective 5.1:</b> Contract independent review of employment market in Tonga and the appropriate institutional structure for labour	<b>Alternative 5.1:</b> Undertake consultations and research on fragmentation issues and proposed solutions. <b>Alternative 5.2:</b> Develop policy paper and submit to cabinet

#### Consumer Protection Program:

Performance Gap	Improvement Activities	Developmental Objectives and Deliverables	Alternatives
<b>Failing to protect consumer welfare and interests</b>	<b>Improvement Activity 1:</b> Recruit additional Level 9 staff	<b>Objective 1.1:</b> Assess skill gaps. <b>Objective 1.2:</b> Develop JDs to meet gaps	<b>Alternative 1.1</b> Hire external consultants with the skill sets to conduct the work of the Lv.9 <b>Alternative 1.2:</b> Consultant to conduct capacity trainings for existing staff
	<b>Improvement Activity 2:</b> Research on the institutional design of the Tonga Consumer Council.	<b>Objective 2.1:</b> Seek donor funding for design of the Tonga Consumer Council structure and responsibilities	<b>Alternative 2.1:</b> MCCTIL to undertake attachments to Fiji Consumer Council and desktop research



	<b>Improvement Activity 3:</b> Review and Development of the Metrology system	<b>Objective 3.1:</b> That a TOR is drafted for a TA <b>Objective 3.2:</b> Recruitment of a TA <b>Objective 3.3:</b> Review and development of a metrology system	<b>Alternative 3.3 :</b> No alternative
	<b>Improvement Activity 4:</b> Ongoing replacement and update of calibration equipment	<b>Objective 4.1:</b> Purchase new calibration equipment <b>Objective 4.2:</b> Trainings on use of new equipment <b>Objective 4.3:</b> Develop strategy to calibrate all weights and measures in Tonga	<b>Alternative 4.1:</b> Contract out calibration activities
	<b>Improvement Activity 5:</b> Review and enforce regulated goods	<b>Objective 5.1:</b> Review list of regulated goods <b>Objective 5.2:</b> Undertake regular surveys to update data pricing of regulated goods. <b>Objective 5.3:</b> Develop strategy for enforcement of regulated goods	<b>Alternative 5.1:</b> Recruit independent consultancy to conduct the surveys and review of regulated goods
	<b>Improvement Activity 6:</b> Conduct consumer Behaviour survey.	<b>Objective 6.1:</b> Design survey tools and strategy. <b>Objective 6.2:</b> Undertake surveys and develop report	<b>Alternative 6.1:</b> Internal desktop research and analysis

#### Corporate Service Program:

Performance Gaps:	Improvement Activities:	Development Objectives & Deliverables:	Alternatives:
<b>Failing to support the effective operation of MCCTIL Divisions</b>	<b>Improvement Activity 1:</b> Purchase stand by generator	<b>Objective 1.1:</b> Seek additional funding	<b>Alternative 2.1:</b> consider savings within baseline budget
	<b>Improvement Activity 2:</b> Purchase key soft-wares	<b>Objective 2.1:</b> Coordinate assistance under the e-government strategy	<b>Alternative 4.1:</b> Consider savings within MCCTIL baseline budget
	<b>Improvement Activity 3:</b> Purchased 2 new vehicles to replace the faulty vehicles.	<b>Objective 3.1:</b> Seek funding	<b>Alternative 5.1:</b> No alternative

#### Senior Management Program:

Performance Gaps:	Improvement Activities:	Development Objectives & Deliverables:	Alternatives:
<b>Failing to provide leadership to MCCTIL and appropriate advice to stakeholders</b>	<b>Improvement Activity 1:</b> Evaluation of Ministerial and CEO performance	<b>Objective 1.1:</b> Develop clear KPIs and evaluation strategy <b>Objective 1.2:</b> Implement timely evaluations	<b>Alternative 1.1:</b> Implement activities in the risk management strategy
	<b>Improvement Activity 2:</b> Development of a management evaluation system for MCCTIL	<b>Objective 2.1:</b> Develop of scope <b>Objective 2.2:</b> Seek technical assistance	<b>Alternative 2.1:</b> Develop internally

## Annex 6: Detailed Description of MCCTIL Programs

### 1. Senior Management Program

#### 1. *Intended future delivery level/Sub-Programs:*

- a. That appropriate advice and guidance on Commerce, Consumer Affairs, Trade, Innovation and Labour issues in Tonga are provided to stakeholders
- b. That internal leadership and management of MCCTIL sub-programs/outputs are provided

#### 2. *Budget Required and Source of Budget:*

- a. Budget Estimate for ongoing operations including salary for 7 staff amounts to **TOP\$405,800** in 2016/2017 and forms the baseline for budget estimates for the next financial years covered in the timeframe of this Corporate Plan.

#### 3. *Indicators:*

Program Key Performance Indicators are as follows:

- a. That appropriate advice and guidance on Commerce, Consumer, Trade, Innovation and Labour in Tonga are provided to stakeholders on an ongoing basis
- b. That internal leadership and management of MCCTIL sub-programs/outputs are provided on an ongoing basis

#### 4. *Risks and Assumptions:*

- a. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- b. That donor funding is readily available to finance identified performance gaps
- c. That the Ministry's senior management will maintain priorities reflected in the MCCTIL Strategic Results Map provided in this Corporate Plan

#### 5. *Accountabilities and Targets:*

- a. The Minister will be accountable for the delivery of the following **2 divisional outputs**:
  1. That Minister provide appropriate advice on commerce, consumer, trade and innovation and labour issues to MCCTIL stakeholders
  2. That the Minister provide political direction and leadership to the sub-programs/outputs
- b. The CEO will be accountable for the delivery of the following **3 divisional outputs**:
  1. That CEO provide appropriate advice on commerce, trade, innovation and labour issues to MCCTIL stakeholders
  2. That the CEO oversee the development, management and implementation of MCCTIL sub-programs/outputs and provide leadership to the staff
  3. That a Performance Improvement Program is strengthened and implemented for MCCTIL
- c. The 7 **staff** under this Program are assigned job descriptions linked to activities under Senior Management Program FYMP2016/17 and associated Action Plan which are designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

**1. Performance Improvement Program**

**1. Intended future delivery level/Sub-Programs:**

- a. That MCCTIL management plans are developed
- b. That a MCCTIL performance management plan is developed

**2. Performance Gaps and Causes of Gaps:**

The following performance gaps exists in Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
Internal Systems	Lack of good leadership	i. Political structure may demand more commitment from MCCTIL leadership to activities and outputs that are not of the Ministry	i. Establish a performance management system that would require commitment from leadership to the delivery of MCCTIL outputs	2015/16 ongoing and	20,000

**3. Budget Required and Source of Budget:**

- a. Budget Estimate to establish a performance management system that would require commitment from leadership to the delivery of MCCTIL outputs **TOP\$20,000** in 2016/2017 and forms the baseline for budget estimates for the next three financial years covered in the timeframe of this Corporate Plan.

**4. Indicators:**

Program Key Performance Indicators are as follows:

- a. That MCCTIL management plans are developed
- b. That a MCCTIL performance management plan is developed

**5. Risks and Assumptions:**

- a. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- b. That donor funding is readily available to finance identified performance gaps
- c. That the Ministry’s senior management will maintain priorities reflected in the MCCTIL Strategic Results Map provided in this Corporate Plan

**6. Accountabilities and Targets:**

- a. The Head of the Policy Program with the support and leadership of the senior management program and Head of Divisions, is accountable for the delivery of the following **4 divisional outputs**:
  - a) That effective MCCTIL management plans are developed
  - b) That a plan to address MCCTIL performance gaps is developed
  - c) That a MCCTIL performance monitor and evaluation program is developed and implemented

d) That the MCCTIL Annual Report is developed

b. The **2 staff** under this Program are assigned job descriptions linked to **5 activities** under Senior Management Program FYMP2016/2017 and associated Action Plan which are designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

## 2. The Better Business Services Program:

### 1. *Intended future delivery level/Sub-Programs:*

- 1) That a plan to improve Business Service and information delivery is produced and implemented
- 2) That a strategy for regulatory reform and modernization of business registries is developed and implemented
- 3) That a plan to promote and increase innovation and creativity both locally and internationally is developed and implemented
- 4) That a plan for enforcement of business regulations is produced and implemented

### 2. *Performance Gaps and Causes of Gaps:*

The following performance gaps exists in HR and Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR	Lack of Specialized and Technical skills	a. Lack of supervisory role at the Business Service & Information Centre.	i. Recruitment of a Level 5 and a Level 7 to supervise the Business Service & Information Centre ii. Seek donor assistance for short term technical trainings for staff	2016/17	31,300
		b. No local technical trainings provided by Government c. Lack of focused effort to procure donor funded capacity building projects to address technical skill gaps		2017/18	25,070
Internal Systems	Lack of an assessment of Structure for Formalization of Small Businesses	i. Lack of a conducive incorporation structure that would encourage small ventures to not only register formally but also to grow. ii. Small businesses not wishing to register under a complicated companies registration	i. Design strategy for assessment of appropriate structure for the formalization of small businesses (TA, consultation)	2016/2017	\$15,000 (+ in kind )
	Lack of an Enforcement Tracking System	i. Corruption by enforcement officers has not only compromised government efforts to increase business growth but has also costed government significantly. ii. Lack of a system to monitor enforcement activities and capacities.	ii. Purchase and installment of new technical equipment (new technical supplies; contract services)	2016/2017	\$50,000
	Fragmented Government approaches to mitigating costs of doing business particularly in the areas of dealing with	i) Many of the key policy areas required to mitigate costs of doing business in Tonga are administered under different legislations under different authorities	i. Consider the re-establishment of the Doing Business Task Force which spearheaded many of the reforms in	2016/2017	\$10,000

	construction permits, getting electricity, registering property, paying taxes, trading across borders and enforcing contracts	including access to finance, access to land, border control/visas, and licensing. ii) MCCTIL has progressed reforms within its statutory obligations but ancillary departments have not matched this commitment to facilitating ease of doing business in Tonga	preparation for Tonga's accession to WTO		
	Gaps in Business Legal Framework for mitigation of costs of doing business and promotion of IP in Tonga	i) Lack of a whole of Government approach to identifying the regulatory barriers to doing business in Tonga ii) Lack of government commitment and political will to introducing and reviewing legislations necessary for the facilitating of ease of doing business and IP promotion in the country iii) Lack of a collective management organization to look after the rights of song writers and creators.	i. Review and draft outstanding IP legislations i. Review and re-submit the Bankruptcy Bill ii. Proceed with the regulatory reform program under the Business License Reform Roadmap	2016/17 2016/17 2016/17 2016/17 and ongoing thereafter 2016/17	50,000 40,000 (donor funding) 40,000 (donor funding) 100,000 (donor funding) 80,000
	Adoption and maintenance of the online registry maintenance	i) Limited funding available for adoption and maintenance of electronic business registry systems particularly when donor funding expires	i. Must secure funding for the online registry service system as donor support will not be there next year.	FY2016/17	\$50,000
	Outstanding registries which require incorporation into the business online system	i) 13 registries are still manual-based and therefore highly labour intensive thus resulting in longer procedures taking much longer timeframes and exposing the system to human error	ii. Proceed with the implementation of the plan for modernization of business registry services including management of electronic registry when donor funding expire	2016/17 and ongoing thereafter	100,000 each FY (donor funding)

### 3. Budget Required and Source of Budget:

- 1) Total Budget Estimate for ongoing operations including salary for 20 staff amounts to **TOP\$699,500** in 2016/2017 and forms the baseline for budget estimates for the following financial years covered in the timeframe of this Corporate Plan.
- 2) Improvement Estimate to fund aforementioned performance gaps is estimated at **TOP\$296,370** for all three corporate plan years

### 4. Indicators:

Program Key Performance Indicators are as follows:

- 1) That a plan to improve MCCTIL Business Service Delivery is produced
- 2) That a strategy for regulatory reform and modernization of business registries is developed and implemented
- 3) That a plan to facilitate better use of IP assets and rights is developed and implemented
- 4) That a plan for enforcement of business regulations is produced and implemented

**5. Risks and Assumptions:**

- 1) That there will be strong political will to support mitigation of costs of doing business given the current climate of reducing Government expenditure and the varying priorities of Government departments
- 2) That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- 3) That donor funding is readily available to finance identified performance gaps
- 4) That the Ministry's senior management will maintain priorities reflected in the MCCTIL Strategic Results Map provided in this Corporate Plan

**6. Accountabilities and Targets:**

- 1) The Head of Division for the Registry and Intellectual Property Office, Distaquaine Tu'ihalamaka will be accountable for the delivery of the following **13 divisional outputs:**
  - 1) *Ongoing strengthening of the centralized system for receipt of all filings*
  - 2) *That an electronic receipt and payment systems are in place and maintained*
  - 3) *That the communication system for dissemination of enquiries/registry information received is strengthened*
  - 4) *That an information system is in place for provision of all relevant business information to customers at the counter*
  - 5) *That legislations are in place to improve ease of doing business in starting a business, getting credit, protecting investors, resolving insolvency, and promotion of fair trade in Tonga*
  - 6) *That electronic registries are established for all aspects of business registration including starting a business, getting credit, protecting investors, resolving insolvency, and promotion of fair trade*
  - 7) *That electronic information is available on rules and guidelines for starting a business, getting credit, protecting investors, resolving insolvency, and promotion of fair trade*
  - 8) *That a strategy for effective implementation of IP laws for enhanced protection of domestic and foreign creations and innovations is developed and implemented*
  - 9) *That a comprehensive IP legal framework is developed for the protection of Tongan creations and innovations locally and globally*
  - 10) *That a strategy to increase use of the IP system and exploitation of IP assets in Tonga to deliver tangible benefits is developed*
  - 11) *That a plan for the enforcement of IP regulations is developed and implemented*
  - 12) *That Tonga's membership in various International treaties and agreements are facilitated*
  - 13) *That the strategy to enforce all business regulations effectively throughout Tonga is strengthened.*
- 14) The **20 staff** under this Program is assigned job descriptions linked to **42 activities** under Better Business Services Program FYMP 2016/2017 and associated Action Plan which are aligned to the above stated divisional outputs and designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

### 3. Business Development & Investment Support Program:

#### 1. *Intended future delivery level/Sub-Programs:*

- a. That a targeted marketing and export development program are developed and implemented for the private sector
- b. That clear and targeted plans for FDI and Joint Ventures are developed and implemented
- c. That appropriate business development, innovative and knowledge based support schemes and strategies are produced for the private sector

#### 2. *Performance Gaps and Causes of Gaps:*

The following performance gaps exists in Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR	Lack of technical staff with skills in exports marketing, investment promotion and business development	<ol style="list-style-type: none"> <li>i. No targeted MCCTIL scholarships in these areas to facilitate skills development</li> <li>ii. Lack of targeted capacity building trainings to cater for technical training needs of existing staff</li> </ol>	<ol style="list-style-type: none"> <li>i. Provide targeted trainings to cater for technical needs i.e. work attachment to international trade and investment institutions and organizations</li> </ol>	Ongoing	In kind donor funding for short term trainings and internships
	Lack of a Trade Representative in NZ to facilitate the marketing of local exports from Tonga to New Zealand to facilitate marketing and promotion of Tonga's exports	<ol style="list-style-type: none"> <li>i. Lack of funding</li> <li>ii. Inability to identify a suitable candidate for the job</li> </ol>	<ol style="list-style-type: none"> <li>i. Re-advertise the position and recruit a NZ Trade Representative to be located in Auckland, NZ.</li> <li>ii. Seek funding for the NZ Trade Representative</li> </ol>	Before end of FY2016/17 and to be ongoing thereafter	150,000 per FY
	Lack of resources to implement the MSME Strategy	<ol style="list-style-type: none"> <li>i. Minimal funding / budget allocations for the implementations of the MSME strategy.</li> <li>ii. Lack of coordination with line Ministry and related organizations on pooling resources and coordinating efforts to assist MSMEs</li> </ol>	<ol style="list-style-type: none"> <li>i. Develop a dedicated and budgeted program for the implementation of the MSME strategy</li> <li>ii. Work with the Policy division in the development of cabinet submissions to progress the implementation of the MSME strategy</li> <li>iii. Integrated plan for MSMEs development and assistance</li> </ol>	FY2016/17 and ongoing thereafter	40,000 per FY
Internal Systems	Lack of a clear plan to increase FDI and Joint Ventures	<ol style="list-style-type: none"> <li>i. Lack of strategic planning to establish an integrated national plan for FDI and JVs</li> <li>ii. Lack of coordination within government on FDI promotion and facilitation</li> </ol>	<ol style="list-style-type: none"> <li>i. Develop an FDI and Joint Ventures strategy</li> <li>ii. Re-establish the taskforce for ease of doing business and coordinate government facilitation of FDI</li> </ol>	Before end of FY2016/17 and to be ongoing thereafter	30,000 per FY



	Lack of an evaluation mechanism to ensure that government grants deliver targeted results	<ul style="list-style-type: none"> <li>i. Lack of government commitment to evaluating projects</li> <li>ii. Lack of a clear plan for evaluation of existing grants</li> </ul>	<ul style="list-style-type: none"> <li>i. Develop an evaluation plan for each grant</li> <li>ii. Establish a PPP premised evaluation group to evaluate grants</li> <li>iii. Implement ongoing evaluation programs</li> </ul>	Ongoing from 2016/17	5,000 per FY
	Lack of strategic marketing and export development plans for the key productive sectors	<ul style="list-style-type: none"> <li>i. Lack of strategic planning for marketing and exports of Tonga's fisheries products.</li> <li>ii. Lack of MCCTIL involvement in fisheries development</li> </ul>	<ul style="list-style-type: none"> <li>i. Work with Policy Division to develop and implement a clear PPP strategy for fisheries</li> <li>ii. Consider the PHAMA management structure for fisheries</li> <li>iii. Establish a dedicated desk for fisheries and agriculture development</li> </ul>	FY2016/17 FY2016/17 FY2016/17	20,000 per FY

**3. Budget Required and Source of Budget:**

- a. Recurrent Budget Estimate for ongoing operations including salary for 9 staff amount to **TOP\$761,200** in 2016/2017 and forms the baseline for budget estimates for the following two financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at TOP\$735,000

**4. Indicators:**

Program Key Performance Indicators are as follows:

- a. That targeted economic support strategies are developed for the private sector
- b. That clear and targeted plans for FDI and Joint Ventures are developed
- c. That appropriate business development and knowledge based support schemes are produced for the private sector

**5. Risks and Assumptions:**

- a. That there will be strong political will for provision of necessary support to private sector particularly in terms of incentives and knowledge-based support for businesses
- b. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c. That donor funding is readily available to finance identified performance gaps
- d. That the Ministry's senior management will maintain priorities reflected in the MCCTIL Strategic Results Map provided in this Corporate Plan
- e. That information on sector specific support requirements is transparent and that requirements provided by umbrella organizations are representative of the needs of respective sectors
- f. That support schemes provided are consistent with WTO laws

**6. Accountabilities and Targets:**

- a. The Acting Head of Division for the Business & Investment Support Division, Tevita Lautaha will be accountable for the delivery of the following **7 divisional outputs:**

1. *That economic support schemes are in place for: investment, marketing, export promotion, market access, and product development*
2. *That Investment Policies are developed and published*
3. *That a strategy for Investment and JV promotion is developed and implemented*
4. *That an Investor Care strategy and information toolkits are developed and implemented*
5. *That a Business Development and Knowledge Based Support Strategy and toolkits for Export Development and promotion is developed and provided to the private sector*
6. *That a Business Development and Knowledge Based Support Strategy and toolkits for MSME Development is developed and provided to the private sector*
7. *That a Business Development and Knowledge Based Support Strategy and toolkits for entrepreneurship and innovation development is developed and provided to the private sector*

The 9 **staff** under this program are assigned job descriptions linked to **19 activities** under Business Development and Investment Support Program FYMP 2016/2017 and associated Action Plan which are designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

#### 4. Trade & Innovation Program:

##### 1. **Intended future delivery level/Sub-Programs:**

- a. That a plan for a coherent and comprehensive trade policy framework to develop trade and investment potentials of Tonga is developed and implemented
- b. That a clear strategy for trade negotiations is developed and implemented
- c. That a targeted innovation strategy to promote business productivity and competitiveness is developed and implemented

##### 2. **Performance Gaps and Causes of Gaps:**

The following performance gaps exists in Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR	Lack of technical staff with skills in trade	<ol style="list-style-type: none"> <li>i. Transfer back of trade mandate to MCCTIL</li> <li>ii. No targeted MCCTIL scholarships in these areas to facilitate skills development</li> </ol>	<ol style="list-style-type: none"> <li>a) recruitment of the right staff with technical capacity to implement trade activities including provision for a Deputy Director for Trade</li> <li>b) Provide targeted trainings to cater for technical training needs</li> </ol>	Ongoing	Government of Tonga Budget 42,000 FY 2017/18 and ongoing

		iii. Lack of targeted capacity building trainings to cater for technical training needs			In kind donor funding for short term trainings and internships
Internal Systems	Lack of resources to house Trade	iii. Lack of Government prioritization of trade iv. Lack of an integrated Trade Policy Framework and strategy to guide trade	iv. Develop a dedicated and budgeted program for the implementation of the Trade Policy strategy and matrix v. Work with the Policy division in the development of cabinet submissions to progress the implementation of the Trade strategy	FY2016/17 and ongoing thereafter	40,000 per FY
	Lack of a plan to develop trade	iii. Lack of an inclusive national PPP/consultative mechanism for Trade	iv. Work with donor agencies to develop Division to develop and implement a clear strategy for trade v. Establish a dedicated desk for trade development vi. Establish a National Consultative Framework for Trade	FY2016/17 FY2016/17 FY2016/17	20,000 per FY

3. **Budget Required and Source of Budget:**

- a. Recurrent Budget Estimate for ongoing operations including salary for 2 staff amount to **TOP\$150,000** in 2016/2017 and forms the baseline for budget estimates for the following two financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at TOP\$180,000.

4. **Indicators:**

Program Key Performance Indicators are as follows:

- a. That a plan for a coherent and comprehensive trade policy framework to develop trade and investment potentials of Tonga is developed and implemented
- b. That a clear strategy for trade negotiations is developed and implemented
- c. That a targeted innovation strategy to promote business productivity and competitiveness is developed and implemented

5. **Risks and Assumptions:**

- a. That there will be strong political will for provision of necessary support the development of a comprehensive national trade policy framework to guide Tonga's trade development including adequate resourcing of implementation matrix
- b. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c. That donor funding is readily available to finance identified performance gaps
- d. That the Ministry's senior management will maintain priorities reflected in the MCCTIL Strategic Results Map provided in this Corporate Plan
- e. That information on trade requirements is transparent and that requirements provided by umbrella organizations are representative of the needs of respective sectors
- f. That the policy and strategies provided are consistent with trade agreements

**6. Accountabilities and Targets:**

- a. The Acting Head of Division for the Trade & Innovation Division, Tevita Lautaha will be accountable for the delivery of the following **11 divisional outputs**:
  1. *That the Tonga Trade Policy Framework and implementation plan and matrix are developed and implemented*
  2. *That the PACER Plus Negotiations requirements are completed*
  3. *That an implementation strategy for Regional and Multilateral Agreements are developed and implemented*
  4. *That a National Consultative Framework for Trade is developed and facilitated*
  5. *That an institutional and capacity plan for Trade and Innovation is developed and implemented*
  6. *That a Capacity and Training plan for Trade Officials is developed and implemented*
  7. *That a plan for Trade Awareness and Education is developed and implemented*
  8. *That a plan and programs for Innovation is developed*
  9. *That a plan and program for review of Services sector and policy is developed and implemented*
  10. *That a National Trade Facilitation Program is developed and implemented*
  11. *That Trade tools and information program is established and implemented*

The 2 **staff** under this newly established program are assigned job descriptions linked to **11 activities** under Trade and Innovation Program FYMP 2016/2017 and associated Action Plan which are designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

**5. Policy & Partnership Program**

**1. Intended future delivery level/Sub-Programs:**

- a. That a plan for provision of coherent policy advice by MCCTIL is developed
- b. That a statistics and policy research program is developed
- c. That a strategy is developed to strengthen PPP and deliver results to the private sector

**2. Performance Gaps and Causes of Gaps:**

The following performance gaps exist in Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR	Number of Policy staff with policy formulation technical skills	<ul style="list-style-type: none"> <li>i. Majority of the staff do not have a public policy background or policy formulation experience</li> <li>ii. No local policy formulation trainings provided by Government</li> <li>iii. Lack of focused effort to procure donor funded capacity building projects for policy formulation</li> </ul>	<ul style="list-style-type: none"> <li>• Establish in-house trainings for policy formulation</li> <li>• Seek donor assistance for short term policy trainings for staff</li> </ul>	Ongoing	In kind donor funding for short term trainings and internships
Internal Systems	Lack of updated Regulation for Weight and Measures	<ul style="list-style-type: none"> <li>i. No commitment in the past to research and development</li> <li>ii. Lack of technical skills to undertake the review of outdated regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Contract TA to design assessment strategy and tools</li> <li>• Conduct Private Sector Market Assessment Study</li> <li>• Conduct Service Sector Market Assessment Study</li> </ul>	Commence from July 2016	60,000 in FY2016/17, in kind donor funding
	Lack of a plan to strengthen the PPP	<ul style="list-style-type: none"> <li>iii. Lack of technical skills to develop MCCTIL Inclusive PPP Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Contract TA to design</li> </ul>	Commence from July 2016	50,000 in FY2016/17, in kind donor funding

**3. Budget Required and Source of Budget:**

- a. Budget Estimate for ongoing operations including salary for 7 staff amounts to **TOP\$287,800** in 2016/2017 and forms the baseline for budget estimates for the following two financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at \$110,000 to be funded under the development budget.

**4. Indicators:**

Program Key Performance Indicators are as follows:

- a. That a plan for provision of coherent policy advice by MCCTIL is developed
- b. That a statistics and policy research program is developed
- c. That a strategy is developed to strengthen PPP and deliver results to the private sector

### **5. Risks and Assumptions:**

- a) That there will be strong political will for promotion of PPP and integration of PPP into MCCTIL policies
- b) That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c) That donor funding is readily available to finance identified performance gaps
- d) That the Ministry's senior management will maintain priorities reflected in the MCCTIL Strategic Results Map provided in this Corporate Plan
- e) That required data for policy research is accessible at no/low costs

### **6. Accountabilities and Targets:**

a. The Acting Head of the Policy Division, Pauline Siasau, will be accountable for the delivery of the following **7 divisional outputs**:

- 1) *That a MCCTIL policy formulation standard and process is developed and implemented*
- 2) *That regulatory review to address gaps in MCCTIL legislations are developed and implemented*
- 3) *That policies to address key policy issues in commerce, consumer, trade and innovation are developed*
- 4) *That review to address regulatory gaps are developed and implemented*
- 5) *That core datasets for commerce, consume, trade and labour are developed*
- 6) *That policy research programs are developed and implemented*
- 7) *That MCCTIL Inclusive PPP Plan is developed and implemented*

b. The **7 staff** under this Program is assigned job descriptions linked to **16 activities** under Policy and Partnership Program FYMP 2016/2017 and associated Action Plan which are designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

## **6. Fair and Effective Labour Program:**

### **1. Intended future delivery level/Sub-Programs:**

- a. That a conducive legal and institutional employment framework is developed
- b. That labour research and information program is developed and implemented
- c. That a national labour standard strategy is produced and implemented

### **2. Performance Gaps and Causes of Gaps:**

The following performance gaps exists in Human Resources and Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR Gaps	Insufficient number of technical staff	<ul style="list-style-type: none"> <li>i. Labour mobility staff that shared the workload for labour policy development were transferred to MIA in 2012</li> <li>ii. Over the years there has been no staff recruitment but the volume of work has increased hence the need for additional staff</li> </ul>	<ul style="list-style-type: none"> <li>i. Recruit senior staff with relevant qualifications/work experience</li> <li>ii. Staff trainings/attachments to upgrade existing skill set of labour staff</li> </ul>	recruit staff within first half of FY2016/17 ongoing training programs each FY	<ul style="list-style-type: none"> <li>1. Lv 7 – 26,574 for FY 2017/18</li> <li>2. capacity building: donor in kind</li> </ul>
	Lack of employment legislation	<ul style="list-style-type: none"> <li>i. Lack of technical expertise to facilitate the development of the ERB</li> <li>ii. Legal fragmentations</li> <li>iii. Lack of agreement amongst tripartite members on progressing the ERB</li> </ul>	<ul style="list-style-type: none"> <li>i. Seek technical assistance from ILO to facilitate way forward for finalization of the ERB</li> </ul>	2016/2017 finalization and ongoing thereafter	Donor funding
Internal System Gaps	Lack of conducive institutional framework for employment – labour standards services	<ul style="list-style-type: none"> <li>i. Lack of compliance with international employment standards</li> <li>ii. Lack of funding and technical expertise to facilitate required developments</li> </ul>	<ul style="list-style-type: none"> <li>i. Implementation of labour standards</li> </ul>	2016/2017	60,300
	Lack of baseline labour data for labour policy development	<ul style="list-style-type: none"> <li>i. Lack of GoT funding for annual labour surveys to build an up to date information bank on employment and the labour market in Tonga</li> <li>ii. Due to (i) the last labour survey conducted was in 2003 hence data on the domestic labour market is over a decade old</li> </ul>	<ul style="list-style-type: none"> <li>i. Develop core datasets for labour</li> <li>ii. Develop a labour research program to ensure up to date labour market data is available for labour policy development</li> </ul>	Labour market survey at a biennial basis; quarterly data collection programs in FY2017/18	Donor funding
	Lack of a Labour Market Export Strategy	<ul style="list-style-type: none"> <li>i. No clear commitment to the development of a Labour Market Export Strategy</li> </ul>	<ul style="list-style-type: none"> <li>i. Develop a strategy for the assessment of the labour market in Tonga</li> </ul>	Before end of 2016/17	Donor funding
	Fragmentation of labour functions over different Government Ministries	<ul style="list-style-type: none"> <li>i. Over the years different aspects of the labour program under the Ministry has migrated to other Ministries under Government direction - labour mobility and domestic labour under MIA; labour export policy under MoFAT</li> <li>ii. Lack of coordination and fragmentation of these functions restricts progressing work on labour market development in Tonga</li> </ul>	<ul style="list-style-type: none"> <li>i. Develop a policy paper on the constraints of the current structure of the labour framework in Government and provide recommendations on how to address constraints</li> <li>ii. Stakeholder views to be sought using labour consultation and survey programs</li> </ul>	Before end of 2017/18	In kind funding
	Changing Government directions on labour policy actions	<ul style="list-style-type: none"> <li>i. Lack of political will in the past to progress labour development policies</li> </ul>	<ul style="list-style-type: none"> <li>i. progress the drafting of the ERB and for legislation to include provisions that would achieve stability</li> </ul>	Before end of 2018/19	In kind funding

### 3. Budget Required and Source of Budget:



- a. Budget Estimate for ongoing operations including salary for 5 staff amounts to **TOP\$302,300** in 2016/2017 and forms the baseline for budget estimates for the following two financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at **TOP\$86,874**

**4. Indicators:**

Program Key Performance Indicators are as follows:

- a. That a conducive legal and institutional employment framework is developed
- b. That a plan to provide coherent labour policy advice by MCCTIL is developed
- c. That labour research and information program is developed

**5. Risks and Assumptions:**

- a. That there will be strong political will for enactment of the Employment Relations Act and development of key labour policies and strategies
- b. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c. That donor funding is readily available to finance identified performance gaps
- d. That the Ministry's senior management will maintain priorities reflected in the MCCTIL Strategic Results Map provided in this Corporate Plan
- e. That information on employment is accessible and accurate

**6. Accountabilities and Targets:**

- a. The Head of the Labour Division, Kolotia Fotu, will be accountable for the delivery of the following **10 divisional outputs**:
  - 1) *That the Employment Relations Bill is developed and enforced*
  - 2) *That the tripartite constituents for labour reforms is established*
  - 3) *That a national occupational list is developed*
  - 4) *That ongoing labour policy advice on national employment standard is maintained*
  - 5) *That domestic regional and international labour data and statistic is developed and updated*
  - 6) *That appropriate ILO conventions are ratified*
  - 7) *That decent work program for Tonga is developed and implemented*
  - 8) *That national labour issues are raised and addressed at the appropriate international forum including the Annual International Labour Conference*
  - 9) *That policies to address key labour issues are developed*
  - 10) *That labour research programs are developed and implemented*
- b. The 7 **staff** under this Program is assigned job descriptions linked to **15 activities** under Fair and Effective Labour Market Program FYMP 2016/2017 and associated Action Plan which are designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

## 7. Consumer Protection Program:

### 1. *Intended future delivery level/Sub-Programs:*

- a. That a consumer regulatory and institutional reform plan is produced and implemented
- b. That an awareness and education strategy to empower consumers is developed and implemented
- c. That a plan for enforcement of consumer regulations is developed and implemented
- d. That a strategy is developed and implemented on the Competent Authority work program under the Price and Wage Control Act

### 2. *Performance Gaps and Causes of Gaps:*

The following performance gaps exists in Human Resources and Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR Gaps	Lack of skilled staff	i. New division established and focused on Enforcement program only therefore have no staff allocated to look into these important task	i. Recruitment of a L/5 for PCU and 1 L/7 for regulatory framework – FY2018/19 ii. Capacity building and review of internal processes according to the new regulations	Beginning of FY2016/17	Lv.7 - in FY2016/17,\$26,574
		i. Lack of funding for technical trainings ii. Most of the staff are junior officers without knowledge of international best practices in regulatory enforcement	i. Seek assistance for professional technical training opportunities for staff ii. Conduct technical in-house trainings such as capacity building programs by Crown Law	Ongoing	10,000 per FY
Internal System Gaps	Lack of a Tonga Consumer Council	i. The protection of consumer rights was traditionally treated as less of a priority for the Ministry due to its focus on business development ii. Conflicting interests within MCCTIL roles of promoting business development whilst protecting consumer rights	i. Research on the institutional design of the Tonga Consumer Council (overseas travel, TA) ii. Develop proposal for the establishment of the Tonga Consumer Council iii. Establishment of the Tonga Consumer Council (staffing, rental, office equipment, technical supplies, etc)	2016/17  2016/17 2017/18	61,000  1,572,660
	Lack of timely reviews of regulated goods	. Lack of technical and specialized skill to implement reviews i. No clear structure was established earlier to take full responsibility of the review of regulated goods	. Undertake regular surveys to update data on pricing of regulated goods i. Review list of regulated goods	2016/17 and ongoing thereafter	10,000

	Lack of metrology system to review current system and develop Roadmap for Metrology System for Tonga.	i. Lack of awareness and understanding in Gov't of the need to review and standardize Tonga's metrology system.	i. Develop Roadmap for Metrology System for Tonga. ii. Recruit T/A to review current system and submit proposal.	2016/2017	Donor support
	Lack of data on consumer behaviour in Tonga to inform consumer policy development	i. Lack of data on issues such as consumer buying behavior, awareness of their rights and the roles of government in enforcing these rights	i. Conduct Consumer Behaviour Survey ii. Develop survey report iii. Align internal processes, awareness programs and enforcement policies	2016/17	18,000

**3. Budget Required and Source of Budget:**

- a. Budget Estimate for ongoing operations including salary for 15 staff amounts to **TOP\$1,919,400** in 2016/2017 and forms the baseline for budget estimates for the following two financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at **TOP\$1,738,234**.

**4. Indicators:**

Program Key Performance Indicators are as follows:

- a. That a regulatory reform plan for the protection of consumer rights and welfare is developed
- b. That an information and education strategy to empower consumers is developed and implemented
- c. That an enforcement strategy is developed to safeguard consumer is developed and implemented

**5. Risks and Assumptions:**

- a) That there will be strong political will to improving business compliance and consumer protection
- b) That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- c) That donor funding is readily available to finance identified performance gaps
- d) That the Ministry's senior management will maintain priorities reflected in the MCCTIL Strategic Results Map provided in this Corporate Plan
- e) That ancillary authorities are committed to improving business compliance and consumer protection
- f) That calibration equipment and infrastructure is readily available

**6. Accountabilities and Targets:**

- a. The Head of Division for the Consumer Affairs Division, Sandradee Fifita, will be accountable for the delivery of the following **10 divisional outputs**:
  - 1) *That a regulatory and institutional reform program to protect and promote consumer welfare is produced and implemented*
  - 2) *That an awareness & education strategy to empower consumers is developed and implemented*
  - 3) *That an enforcement strategy to safeguard consumer protection is developed and implemented*

- 4) *That a strategy to regulate consumer goods is developed and implemented*
- 5) *That an enforcement strategy for Price and Wage Control and Weights and Measures is developed and implemented*
- 6) *That Metrology standards for Tonga is established and implemented*
- 7) *That a Technical Capacity Building plan for all administered Acts under the division is developed and implemented*
- 8) *That an effective strategy for TCA work program is developed and implemented*
- 9) *That a strategy for the establishment of the Tonga Consumer Council is developed and implemented*
- 10) *That national consumer issues are addressed at the regional and international forums including membership at the World Consumer International.*

- b. The **15 staff** under this Program is assigned job descriptions linked to **18 activities** under Consumer Protection Program FYMP 2016/2017 and associated Action Plan which are designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

## 8. Corporate Services Program:

### 1. *Intended future delivery level/Sub-Programs:*

- a. That a HRM programs to improve staff performance is developed and facilitated
- b. That the MCCTIL admin practice and processes are well designed, implemented and managed
- c. That improved financial management policies are established and facilitated
- d. That ICT policies are established and facilitated

### 2. *Performance Gaps and Causes of Gaps:*

The following performance gaps exists in Human Resources and Internal systems and are proposed in this Corporate Plan for budgetary consideration due to its criticalness to delivery of intended future outputs of this Program.

Performance Gaps		Causes	Diagnosis	Timeline	Budget
HR	Insufficient number of qualified staff	i. Majority of the staff are junior level with limited basic technical skills and knowledge	i. Recruitment of L/5 for ITC to improve undertakings on ITC and upgrade existing database system designs and implementation include performance management IT tool.	2016/17	31,702 in FY2016/2017
Internal Systems	Vulnerability of electronic equipment due to constant power shut downs	i. Lack of a stand-by generator	i. Purchase a stand-by generator	FY2016/17	60,000 in FY2016/17 2,000 in FY2016/17

					5,000 in FY2017/18
Lack of an I.T. server to facilitate centralization of MCCTIL electronic filing systems	i. Lack of funding	i. Funds must be identified to enable work on the serve to progress to completion.	FY2016/17	10,000 in FY2016/17	
Risk work environment for staff	i. Lack of funding	i. Funds must be identified to urgently remove asbestos roofing and high tv antenna from workplace environment.	FY2016/17	80,000	
Lack of software programs to facilitate drive for efficiency and professionalism at MCCTIL	i. Lack of funding	i. Coordinate assistance under the e-government strategy.	FY2015/16 and ongoing thereafter	In kind funding	
Faulty vehicles	ii. Depreciation of assets	i. Purchase 2 new/used vehicles to replace faulty vehicles <b>Note: MCL did not receive any of the vehicles from the distribution of coronation vehicles.</b>	FY2015/16	In kind funding	

**3. Budget Required and Source of Budget:**

- a. Budget Estimate for ongoing operations including salary for 20 staff (including Outer Islands) amounts to **TOP\$1,213,500** in 2016/2017 and forms the baseline for budget estimates for the following financial years covered in the timeframe of this Corporate Plan.
- b. Improvement Estimate to fund aforementioned performance gaps over the course of this Corporate Plan is estimated at **TOP\$188,702**

**4. Indicators:**

Program Key Performance Indicators are as follows:

- a. That a HRM program to improve staff performance is developed and facilitated
- b. That the administration practices and processes of MCCTIL are well designed, implemented and merged
- c. That improved financial management policies are established and facilitated
- d. That information and IT policies are established and facilitated
- e. That procurement plans are developed and implemented in accordance with Government's Procurement Regulations 2010

**5. Risks and Assumptions:**

- a. That budgetary appropriations for future fiscal years covered in the timeframe of the Corporate Plan will not be less than the projected baseline budgetary projections provided
- b. That donor funding is readily available to finance identified performance gaps
- c. That the Ministry's senior management will maintain priorities reflected in the MCCTIL Strategic Results Map provided in this Corporate Plan

**6. Accountabilities and Targets:**

- a. The Head of Division for the Corporate Services Division, will be accountable for the delivery of the following **8 divisional outputs**:
  - 1. That HRM programs are implemented and monitored to drive staff performance

2. *That Administrative policies are implemented and monitored for organizational improvement*
  3. *That expenditure and disbursement policies and practices are established and facilitated in alignment with Government Financial Act and Regulations*
  4. *That revenue collection processes and practices are developed and monitored*
  5. *That an asset management plan is developed and implemented*
  6. *That policies for the use and operation of the Ministry's computing systems, electronic telecommunication facilities and network resources are implemented*
  7. *That ICT systems and tools are developed and implemented to facilitate the efficient delivery of MCCTIL outputs and activities*
  8. *That activities and projects are procured in compliance with the Government Procurement Regulations 2010*
- b. The **20 staff** (including vacancies) under this Program is assigned job descriptions linked to **15 activities** under Corporate Services Program FYMP 2016/2017 and associated Action Plan which are designed to deliver the program outputs. Measurable performance indicators are incorporated into each Job Description to ensure that divisional outputs are delivered.

**Annex 7: MCCTIL Budget Estimates for FY2016/17-2018/19**

Programs	2015/2016					2016/2017					2017/2018				
	Recurrent Budget			Gaps	Total Budget	Recurrent Budget			Gaps	Total Budget	Recurrent Budget			Gaps	Total Budget
	Salaries	Operations	Total			Salaries	Operations	Total			Salaries	Operations	Total		
1	202,700	156,800	359,500	20,000	379,500	232,261	173,539	405,800	-	405,800	232261	132739	365,000	-	365,000
2	673,500	279,500	953,000	149,070	1,102,070	480,324	169,076	649,400	80,192	729,592	510516	319984	830,500	270,000	1,100,500
3	195,500	688,400	883,900	245,000	1,128,900	239,599	517,601	757,200	250,000	1,007,200	266353	664893	931,246	480,000	1,411,246
4	231,800	2,214,500	2,446,300	360,349	2,806,649				239,005	239,005	48505	2,104,280	2,152,785	191,974	2,344,759
5	228,700	309,000	537,700	116,000	653,700	192,495	95,305	287,800	60,000	347,800	192495	249505	442,000	-	442,000
6	130,100	87,300	217,400	22,000	239,400	130,960	71,340	202,300	108,805	311,105	179465	74035	253,500	56,274	309,774
7	292,900	356,400	649,300	220,070	869,370	320,208	324,692	644,900	-	644,900	320208	159992	480,200	80,000	560,200
8	551,100	739,600	1,290,700	137,419	1,428,119	422,680	729,920	1,152,600	116,200	1,268,800	422680	789820	1,212,500	16,200	1,228,700
<b>Total</b>	<b>2,506,300</b>	<b>4,831,500</b>	<b>7,337,800</b>	<b>1,269,908</b>	<b>8,607,708</b>	<b>2018,526</b>	<b>2,081,474</b>	<b>4,100,000</b>	<b>854,202</b>	<b>4,954,202</b>	<b>2,172,483</b>	<b>44,95,248</b>	<b>6,667,731</b>	<b>1,13,4448</b>	<b>7,762,179</b>





**Ministry of Commerce, Consumer, Trade, Innovation  
and Labour  
2016**