

**Statement by Ms. Esterlina Kautoke Alipate, Senior Trade Officer,
at the Third Symposium on Natural Disasters and Trade Symposium
Room D, WTO Secretariat**

Friday, 10th May, 2019

Madame Chair Thank you very much for giving me the floor,

First of all, allow me to thank the organisers for inviting Tonga to speak at this important and timely symposium. I also wish to acknowledge with appreciation the work undertaken by the WTO, with the generous support of Australia, on research conducted in Tonga and the results that were just presented to us.

Recognising the connection between natural disasters and trade is vital for a small island developing country like Tonga. The onset of climate change, and the unpredictability and frequency of natural hazards and natural disasters, not only affect and devastate our natural and surrounding environment, but it also sets back our development efforts in one single day. This connection is crucial in better recognising the unique vulnerabilities that we as Small Island developing states encounter, particularly its impact on trade. It helps to put the spotlight on the Trade and Natural Disaster nexus which will enable us to devise better and effective policy responses, especially with respect to the important role trade is expected to play in the achievement of the SDGs. In so saying, allow me to offer a few remarks and comments to highlight and add on to the results that were just presented in particular Tonga's efforts towards developing resilience and the challenges posed.

Tonga is a small island developing state located in the South West Pacific. Its geographical, geological and socio-economic impacts makes Tonga highly susceptible to hydro-meteorological events such as tropical cyclones, tsunamis, sea-level rise, earthquakes, droughts with consequences that are often predictable or difficult to predict. Tonga's economy is highly dependent on remittance flows, donor grants, agriculture, tourism and fisheries exports posing sustainability challenges in light of the natural disasters encountered. It's geographical remoteness, high transportation costs, low diversification and connectivity, a narrow production base, and limited economies of scale, as highlighted in the report does place Tonga at a competitive disadvantage.

The combination of Tonga's ongoing encounter of natural hazards and it's impacts and the implications it has on our narrow export base reflects the challenges Tonga faces in world trade. To illustrate this, in 2018, Cyclone Gita a category 4 tropical cyclone impacted 80,000 people in Tonga, basically two thirds of Tonga's population and suffered an economic loss of approximately USD164.1 million or 30% of GDP in nominal terms. TC Gita caused 3 times more damage (as measured as a % of GDP) than Tropical cyclone Ian in 2014. The economic growth rate as a result for 2017/18 was 1.1 %, way below the 3.0% earlier estimated and far below the average of 3.4% of the previous three years. The agricultural, housing, tourism and fisheries sectors were greatly affected with the agriculture sector being the hardest hit with 90%

of fruit trees and 40% of root crops destroyed, while the fishing sector for 2017/18 saw negative growth of 0.1% associated with TC Gita impact on fishing vessels and other fishing infrastructure, the housing sector accounted for 53% of total damage cost followed by the Tourism sector with 13%.

In recognising these multiple and complex impacts, Tonga has worked to develop a coordinated and whole of government approach for its resilience efforts to climate change amongst many other disasters. As a country ranking second of the most at risk to natural hazards according to the World Vulnerability Index, building greater resilience, at all levels and in all sectors of government to is a priority for Tonga in ensuring the sustainable progress desired as reflected in our Tonga Strategic Development Framework II and our second Joint National Action Policy on Climate Change and Disaster Risk Management.

To fully mainstream the goal of a Resilient Tonga into government legislation, policies and planning at all levels, government, with the assistance of our development and donor partners, has taken steps to focus on disaster risk management (DRM) and climate resilience by integrating it into our main development framework The Tonga Strategic Development Framework 2015-2025 which sets one of its seven goals to commit Tonga to becoming more resilient to climate and risk. To complement the national response a Tonga Climate Change Policy: A resilient Tonga by 2035 and a revised version of the Joint Action Plan for Disaster risk Reduction and Climate Change adaptation (JNAP2), were adopted. It sets out six policy objectives and targets and an implementation strategy for the country to achieve its vision of a Resilient Tonga by 2035. These policies focus on mainstreaming for a resilient Tonga, resilience-building actions and response capacities, finance and regional and international cooperation.

Taking a 'whole of Tonga' approach, JNAP2 remains consistent with the Framework for Resilient Development in the Pacific and international agreements including the Sendai Framework, the Paris Agreement, and the 2030 Agenda for Sustainable Development to coincide with a holistic approach together with other national sectoral policies to build resilience. In the wake of cyclone Gita, donor partners and Tongan diaspora all over the world helped by providing the support for recovery effort. The work undertaken by Government included grants provided to farmers, fishermen and some business people (tourism related) to alleviate debts on recovery efforts, fixing of infrastructure. Tax exemptions for building materials imported from overseas for recovery efforts. The Global Facility for Disaster Reduction and Recovery (GFDRR) supported the Government of Tonga to conduct a rapid disaster assessment that helped identify damage, loss, and recovery needs following Tropical Cyclone Gita which resulted in a \$20 million request from the World Bank International Development Assistance Crisis Response Window to finance immediate climate resilient school repair and reconstruction and budget support.

At present Tonga is investing close to 40m USD in building resilience through the improvement of multi-hazard early warning systems including 1) ADB Climate Resilience sector project (CRSP) 2M USD for the upgrade of weather and coastal ocean monitoring equipment 2) Pacific Resilience Project of 11m for the upgrade of multi-hazard early warning systems and 3) Japan Grant Aid 25.5m USD for Nation Wide Early Warning System (NEWS Project) .

Additionally, the Government of Tonga has made strides in strengthening its financial resilience to natural hazard shocks and has participated in the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) pilot program.

The challenge however which remains are, what are the key features necessary to develop a robust policy as it relates to trade in accordance with the WTO. Such as better incorporating the economic impact of natural disasters in the medium and long-term economic planning to improve fiscal policy decisions and so that is better adapted and prepared for natural disasters. How do we effectively integrate it into existing policies in accordance with the WTO rules but also tailored to the specific needs of a country? Whilst many discussions are taking place in the international fora on developing resilience to climate change, such as the development of environmentally sound technologies, resilient infrastructure, it is vital to recognise the trade implications which arise and the various interlinkages and interconnections on the issue of resilience. In doing so, it will allow for the avoidance of duplication and facilitate a coordinated approach towards resilience.

To conclude,

While humanitarian action to mitigate the impact of disasters will always be vitally important, the global community is facing a critical challenge: How to better anticipate — and then manage and reduce — disaster risk by integrating the potential threat into its planning and policies. Particularly for countries such as Tonga, it is crucial to recognise that our resilient efforts is not a sole effort but is widely supported by donor partners

As suggested by Vanuatu and highlighted in the report, learning from the experience with integrating health objectives into tariff policy, a similar approach could be piloted for disaster resilience.

I thank you.