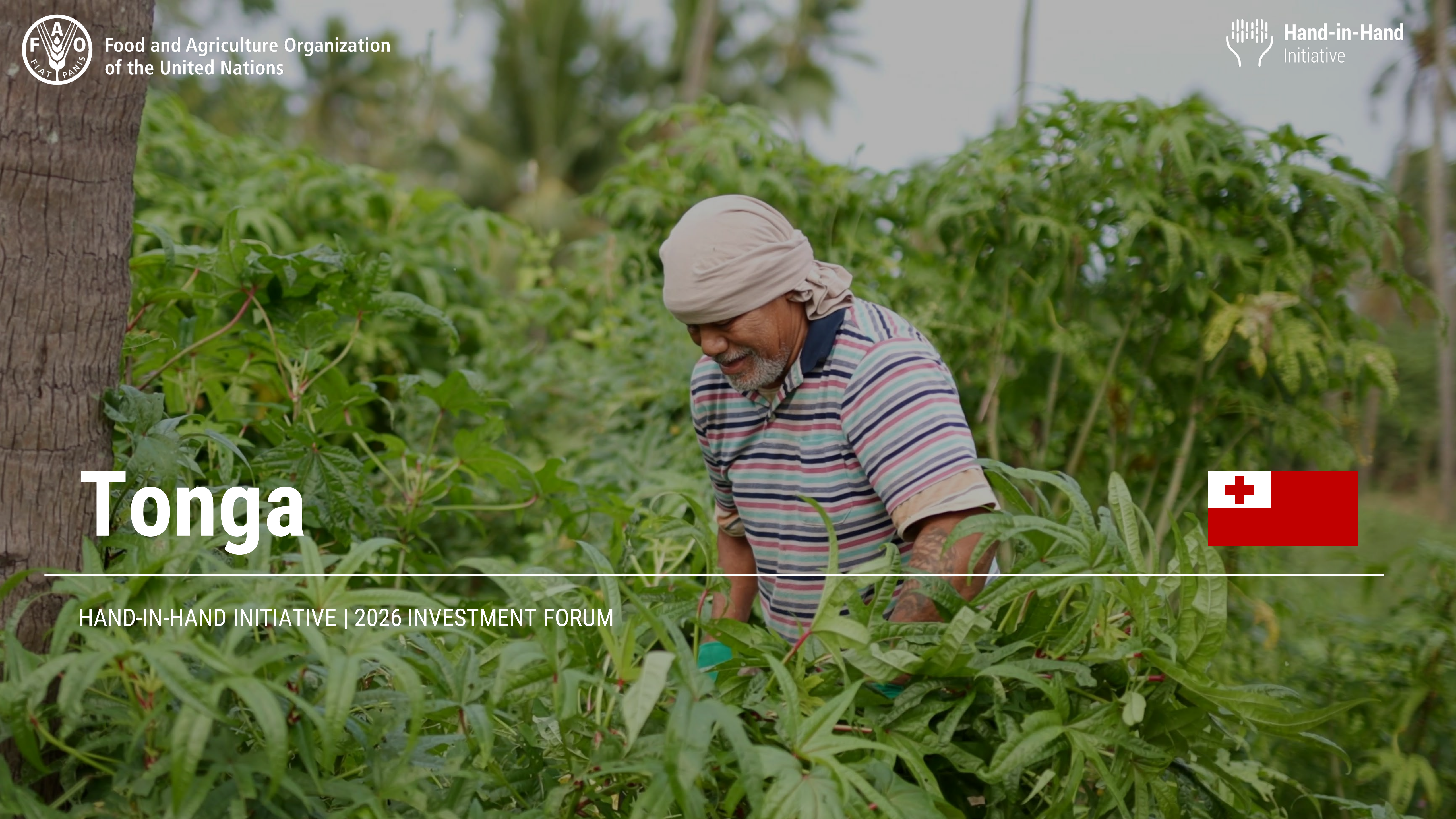


Food and Agriculture Organization of the United Nations

Hand-in-Hand Initiative

Tonga

HAND-IN-HAND INITIATIVE | 2026 INVESTMENT FORUM

IMPORTANT NOTES

FAO'S HAND-IN-HAND INITIATIVE

The investment opportunities presented in this document derive from government-led investment plans developed under FAO's Hand-in-Hand (HIH) Initiative. The Initiative supports countries in identifying high-impact agrifood system investments through a combination of data-driven territorial analysis, value chain assessments, and close collaboration with national counterparts. Using the Hand-in-Hand Geospatial Platform, the Initiative integrates geospatial, biophysical, and socio-economic data to identify priority "green zones" where agricultural potential and poverty incidence overlap, creating strong opportunities for transformative investment. Based on these analyses, national governments lead the development of investment plans that identify priority value chains, key bottlenecks, and potential investments required to accelerate agrifood system transformation. These investment opportunities aim to raise incomes, improve nutrition, and empower poor and vulnerable populations, while strengthening resilience to climate change and supporting the sustainable management of natural resources. The Initiative focuses on territories where targeted investments can generate the greatest impact in reducing poverty and hunger, contributing to progress towards Sustainable Development Goals SDG1 (No Poverty), SDG2 (Zero Hunger), and SDG10 (Reduced Inequalities), while balancing economic growth, social inclusion, and environmental sustainability.

IMPORTANT CLARIFICATIONS

The opportunities presented in this document are derived from government investment plans and reflect national development priorities identified through the Hand-in-Hand Initiative. FAO provides analytical and technical support in the identification and assessment of these opportunities and facilitates engagement with potential partners. The concepts presented are indicative and require further structuring and discussion with the relevant governments and potential investors. This document therefore presents a pipeline of government-prioritized agrifood investment opportunities that have been pre-screened using FAO's Hand-in-Hand analytical tools. FAO can support interested partners by facilitating technical exchanges and follow-up discussions with relevant government counterparts.

IMPACT TAGS

Investment cases are classified across four impact areas to highlight their primary development contributions and ensure comparability across countries and value chains.

Livelihoods	Income, productivity, jobs, and market access
Gender & Youth	Inclusion and opportunities for women and young people
Planet & Environment	Climate resilience and sustainable resource management
Digital	Use of technology to improve efficiency and access

TONGA

A Pacific smallholder economy turning cultural staples into resilient, export-ready value chains

KEY INVESTMENT SIGNALS

POPULATION

101,179

(2021)

GDP

USD 508.7M

(MILLION)

AGRICULTURE SHARE OF EXPORTS

44.0%

(%)

INVESTMENT CASE

FAVORABLE INVESTMENT CLIMATE

- Moderate 20%/25% individual and corporate tax rates
- Full repatriation of capital and profits permitted
- Tax incentives and exemptions available in some cases
- Market access via regional trade and cooperation agreements

GOVERNMENT-LED SECTOR PRIORITY

- Agrifood named a top national investment priority
- National strategies support production, safety and climate resilience
- Low government interference in private-sector operations
- Skills training initiatives build vocational, entrepreneurial capacity

RESILIENT NICHE ADVANTAGE

- Remote geography creates unique niche-market positioning
- Nationwide infrastructure upgrades improving ports, roads, energy
- Climate-smart practices strengthen resilience to natural disasters
- Growing renewable energy supports reliable processing operations

TONGA: INVESTMENT PORTFOLIO

Strengthening production, quality and processing across Tonga's three priority food and cash crop value chains

INVESTMENT PLAN **TONGA**	INVESTMENT CASE **1. KAVA**	INVESTMENT CASE **2. CASSAVA**	INVESTMENT CASE **3. BELE (ISLAND CABBAGE)**
IMPACT TAGS	IMPACT TAGS	IMPACT TAGS	IMPACT TAGS
INVESTMENT **USD 25.0 million**	INVESTMENT **USD 10.9 million**	INVESTMENT **USD 12.1 million**	INVESTMENT **USD 2.0 million**
NPV **USD 18.3 million**	NPV **USD 9.4 million**	NPV **USD 7.9 million**	NPV **USD 1.0 million**
AVG IRR **27.1%**	IRR **26.1%**	IRR **26.7%**	IRR **34.9%**
DIRECT BENEFICIARIES **4.7 thousand**	DIRECT BENEFICIARIES **1.5 thousand**	DIRECT BENEFICIARIES **3.1 thousand**	DIRECT BENEFICIARIES **58**
INDIRECT BENEFICIARIES **23.3 thousand**	INDIRECT BENEFICIARIES **7.5 thousand**	INDIRECT BENEFICIARIES **15.5 thousand**	INDIRECT BENEFICIARIES **300**
AVG PER CAPITA INCOME INCREASE **+USD 4,148**	AVG PER CAPITA INCOME INCREASE **+USD 7,878**	AVG PER CAPITA INCOME INCREASE **+USD 2,101**	AVG PER CAPITA INCOME INCREASE **+USD 16,919**
GHG IMPACT **TBD tCO2-e**	GHG IMPACT **TBD tCO2-e**	GHG IMPACT **TBD tCO2-e**	GHG IMPACT **TBD tCO2-e**

1. KAVA

From cultural staple to Pacific export success: growing production, quality and market reach

Hand-in-Hand Initiative

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 10.9M
(MILLION)

NPV
USD 9.4M
(MILLION)

IRR
26.1%
(%)

RATIONALE

- Deep cultural and economic significance across Tongan rural households
- Strong export growth momentum to New Zealand, Australia and the US
- Established national quality standards support premium market positioning
- Rising regional demand from diaspora and specialty kava markets

KEY BOTTLENECKS / PROPOSED INVESTMENTS(*)

Key Bottlenecks	Proposed Investments(*)
1. Long crop cycles, limited planting materials, climate shocks; labor shortages & fragmented smallholder production	**Public** Kava production & cluster development: 1,500-acre clusters, improved planting materials, climate-resilient practices, intercropping for bridging income (USD 5.1 million)
2. Substandard drying, storage, grading; weak farmer/batch-level tracking	**PPP** Kava processing & market facility: PPP facilities in Vava'u & 'Eua; washing, slicing, drying, milling, packaging, lab testing equipment (USD 4.8 million)
3. Fragmented aggregation, high inter-island logistics costs; limited testing/certification for premium powder & extract markets	**Public** Soft investments: farmer training on SOPs, market development, "Tonga Kava" branding, MAFF export compliance capacity (USD 1.0 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
1.5K
(THOUSAND)

INDIRECT BENEFICIARIES
7.5K
(THOUSAND)

PER CAPITA INCOME INCREASE
+7,878
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
TBD
(tCO_2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.

2. CASSAVA

Tonga's staple root crop moving from subsistence supply to reliable, quality-driven export volumes

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 12.1M
(MILLION)

NPV

USD 7.9M
(MILLION)

IRR

26.7%
(%)

RATIONALE

- Most widely produced and consumed root crop nationwide
- Rapidly growing demand from New Zealand and Australian markets
- Opportunity to formalize supply chains and cut post-harvest losses
- Diversification potential through frozen, chip and flour product lines

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Scarce clean planting material; soil depletion from repeated cultivation; mechanization gaps	**Public** Cassava production & cluster development: 3,095-acre clusters with improved planting materials, soil fertility & drainage support (USD 5.6 million)
2. High perishability & non-standard quality; insufficient cold-chain and processing infrastructure	**PPP** Cassava packhouse & frozen processing facility: cold storage, HACCP, freezing, traceability equipment (8t/day capacity) (USD 4.8 million)
3. Waste from surplus/off-grade cassava limiting value capture	**Private** Cassava processing pilot facility: slicing, drying, milling, packaging for chips, flour & snacks (USD 0.8 million)
4. High freight costs; labor-intensive planting, weeding, harvesting	**PPP** Soft investments: farmer training, machinery hiring centers, product R&D and marketing (USD 0.9 million)

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
3.1K
(THOUSAND)

INDIRECT BENEFICIARIES
15.5K
(THOUSAND)

PER CAPITA INCOME INCREASE
+2,101
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
TBD
(tCO_2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.

3. BELE (ISLAND CABBAGE)

Turning a household leafy vegetable into a shelf-stable product for local and diaspora markets

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT

USD 2.0M
(MILLION)

NPV

USD 1.0M
(MILLION)

IRR

34.9%
(%)

RATIONALE

- Widely grown vegetable central to Tongan diets and food security
- Precedent for frozen leaf exports already established with New Zealand
- Blanching and freezing can extend shelf life for new markets
- Opportunity to formalize smallholder and backyard grower supply chains

KEY BOTTLENECKS / PROPOSED INVESTMENTS(*)

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Labor-intensive harvesting/handling; limited organized supply of healthy planting material	**Public** Bele production & cluster development: ~60-acre clusters with increased planting density, land prep, soil fertility support (USD 0.1 million)
2. High perishability, quality variation, limited blanching/freezing/storage capacity	**PPP** Bele blanching & export facility: washing, sanitizing, blanching, freezing, cold storage (250kg/day capacity) (USD 1.6 million)
3. Fragmented, irregular smallholder supply; short shelf life limiting market reach	**Public** Soft investments: farmer training, market development, packaging innovation for shelf-life extension (USD 0.3 million)

SUSTAINABILITY BENEFITS

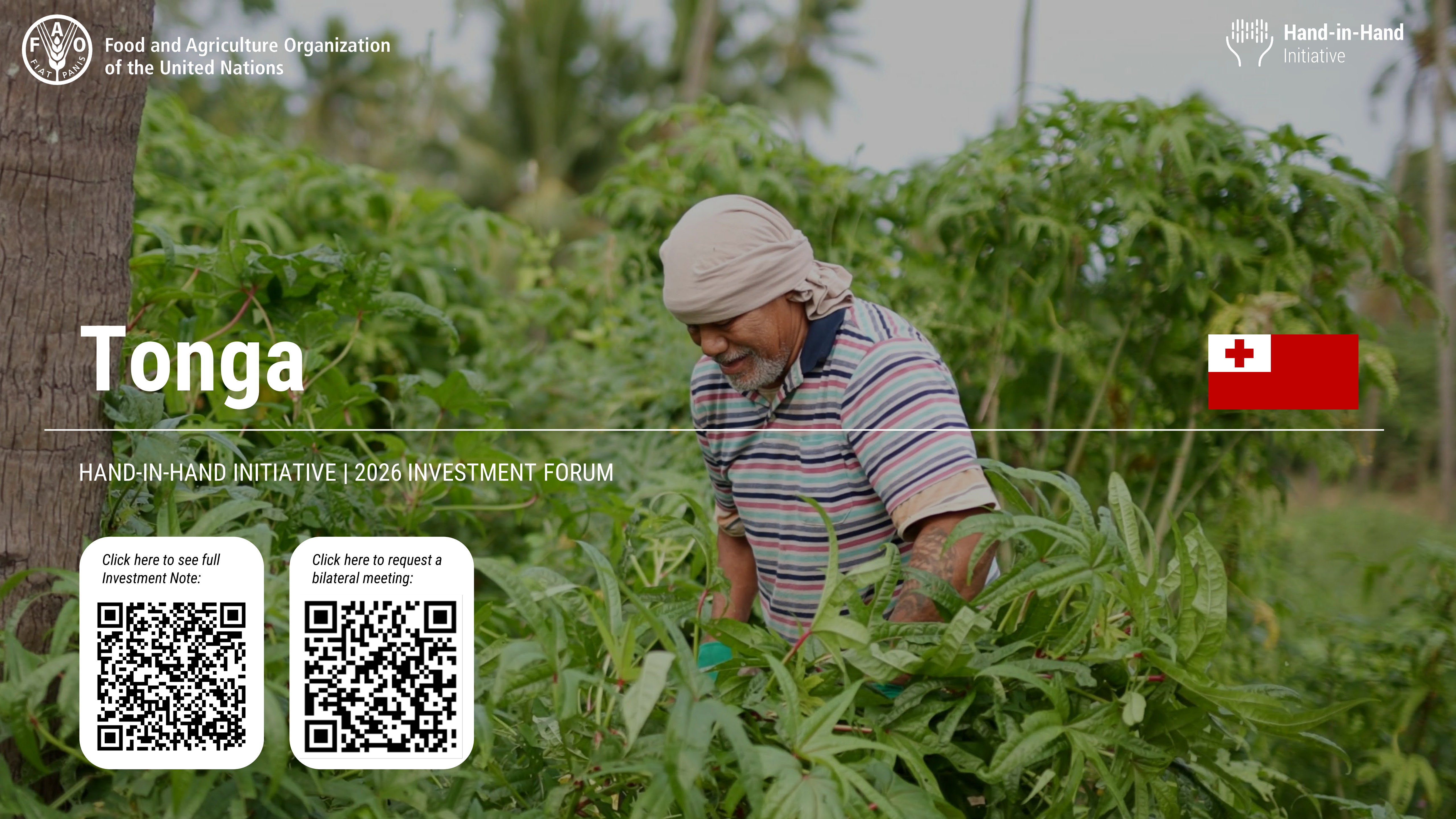
DIRECT BENEFICIARIES
58

INDIRECT BENEFICIARIES
300

PER CAPITA INCOME INCREASE
+16,919
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
TBD
(tCO2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.



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Click here to see full Investment Note:

Click here to request a bilateral meeting: