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## **II. Situation Analysis and Sector Overview**

- 2.1** Niue Island lies 200 miles east of Tonga, 300 miles south of the Samoa and 600 miles west of the Cook Islands. The island is 11 miles wide by 13 miles long, with a coastline of 50 miles encompassing an area of 64,900 acres. Niue is an uplifted atoll, the largest in the world. Its centre - the site of a former lagoon and now a plateau of gently undulating relief - is completely surrounded by a narrow rim, the “Mutalau reef”, and then sloping down a moderately steep incline to the sea shore. The soils are characteristically thin, with exposed coral-reef limestone outcrops on arable land almost everywhere. There are about 1500 people in 14 villages on the island and village life remains the focus for Niue's cultural and political organisation. Niue has been self-governed in free association with New Zealand since 1974 and all Niueans are New Zealand citizens. The economy is fragile due to shortages of skilled professionals, relative isolation and a small private sector. Tourism, fisheries and horticulture are seen as providing the most significant prospects for economic development
- 2.2** Over the past five years, Niue has struggled to balance the national budget and continues to rely mostly on New Zealand for direct budget and development support, which averages above 30 per cent of the total annual national budget. Furthermore, Niue's population continues to decrease, and this puts a heavy burden on the ability of the government to provide basic services to its citizens. Depopulation of the country has been an ongoing phenomenon since 1970s. Population decreased from over 5,000 in 1969 to less than 1,500 in 2008. Economic development (heavily sponsored by the New Zealand Government) has traditionally focused on agriculture and associated processing. Government policy has consistently aimed at “maintaining and developing a permanent living community”. A number of adverse events have disrupted development and weakened the economy. These include the continuing depopulation of Niue, severe disruptions to airline (currently only one Air New Zealand flight per week) and shipping schedules and extreme events such as Cyclone Ofa in 1990 and more recently, the most destructive ever, Cyclone Heta in 2004.

**2.3** Agriculture in Niue is predominantly subsistence based on shifting cultivation of 8-10 years fallow. The fallow period has in some areas been reduced to 3-5 years, resulting in declined soil fertility and yields. The fragility of the physical and chemical properties of the island's soils has made long periods of fallow between crops necessary. Soils are free draining and dry out rapidly, thus crop droughts occur frequently which negatively affect food security and the continuity of agricultural export. Gross misuse of the soils in the past has resulted in vast tracts of land being turned into "desert lands" A key challenge is to evolve a more permanent farming system that does not damage the very restricted natural resources of the island. Therefore increasing attention to sustainable agricultural practices and land management is a priority. Strengthening the traditional coconut based agroforestry system would seem to offer potential. The farming of pigs and poultry is an important activity, but proper confinement of pigs is necessary to prevent adding to the population of feral pigs, which cause considerable damage to crops and the ecosystem in Niue. Further support is needed for sustainable piggery and poultry development.

**2.4** Women increasingly play a supporting role to men in agriculture particularly in planting, harvesting and marketing, although traditionally, their role in the household excludes agriculture. There is an increasing trend of women involving directly in the production of newly introduced commodities such as vanilla. Many of the current growers of vanilla are women. The country's major export commodities are taro, noni<sup>26</sup> and a fledging vanilla industry is being nurtured with minor exports made to New Zealand. The main overseas market is New Zealand although small quantities of taro have been exported to American Samoa. Annual agricultural export is estimated to be between NZ\$200,000 to \$350,000 from 2001 and 2005<sup>27</sup> and about 90% is from the export of taro to New Zealand. There was no export in 2004 because of the devastation caused by Cyclone Heta. Foreign trade data show that between 2001 and 2005, value of imports exceeded value of exports by NZ\$ 4.1 million. Small size of the domestic market, geographical isolation from global markets coupled with poor sea and air transport links constrain commercial agricultural development and trade. The Department of Agriculture, Forestry and Fisheries has been restructured a number of times with resulting substantial reductions in technical capacity which severely reduces its ability to support development programmes.

**2.5** Analysis of land cover maps indicated that from the period of 1994-2001, the area of mature forest increased from 26% to 36% coverage. This data suggest that deforestation in Niue prior to 1994 was serious and that the success of the National Forest Policy 1994 thereof resulted in conservation of mature trees. However, the pressing issue faced now is more likely to be the over-cropping of areas already cleared for agriculture, with shorter rotation periods thus affecting fertility status of these areas. A New Zealand funded reforestation project implemented for a decade from the late 1980s focused on replanting exotic species such as Mahogany (*Swietenia macrophylla*) or *Toona australis*, but these did not perform well and many were damaged during cyclone Heta. Current efforts focus, albeit on a much smaller scale, with assistance of the FAO and Secretariat of the Pacific Community (SPC), on propagating local forest species. The fragility and the resulting degradation of vast portions of Niue's soils have led to the clearing of forested land for cropping. The continuing adoption of the bulldozer for associated land preparation does not bode well for the maintenance of natural forests in un-protected areas of the country. A National Forest Policy endorsed in 2000 aims at conservation and sustainable use of the remaining forest areas of Niue. It

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<sup>26</sup> Reef Group (NZ) formed a Joint Venture company with the Government of Niue to develop the Noni Industry in Niue as well as other horticulture products including Limes and Vanilla. Vaiea Farm, a major part of the joint venture, was officially opened in October 2004, and is the most technologically advanced processing plant in the Southern Pacific. It is capable of producing up to 100,000 litres of juice per month.

<sup>27</sup> Niue Statistical Release, 28 January 2005

promotes integrated land use practices to reduce the need to clear more forest, community forestry based on indigenous species, and agroforestry. Niue has embarked on the development of a management framework that includes a forest inventory, forest law and a forest management plan. This framework will provide the regulatory provisions that will ensure forests are not destroyed in the pursuit of increased agricultural productivity.

**2.6** Niue's fisheries are an important source of subsistence food for communities and also offer opportunity for economic development. Tuna long lining has been recognized as a potentially lucrative export industry. Export of fish products is presently insignificant although recent efforts spearheaded by the Reef Company, through construction and operation of a fish processing and exporting venture was eventually closed down in 2008. Effort is being made to attract foreign fishing vessels to fish in Niue EEZ. However, natural physical limitations of the harbour area that render landing and loading of vessels difficult and lack of resources, has limited development in this sector. The involvement of women in fisheries development has been mainly restricted to inshore fishing, mainly for family consumption.

**2.7** Sustainable environmental management is a national priority and adequately reflected in the Government's Niue Integrated Strategic Plan 2009-2013 (NISP). The Government of Niue is a signatory to Multi-lateral Environmental Agreements and Conventions both within the UN and the Pacific Region. In line with the NISP the highest priority in the strategy for developing Niue agriculture and forestry has to be sustainability of the production system and prevention of environmental degradation. Particular attention should be given to prevent destruction of virgin forests and pollution of the water table and coastal areas by animal wastes, pesticides and fertilizers. Environmental degradation is threatening Niue's biodiversity including endangered endemic species such as: Peka, Lupe, Hega, Coconut crab and Pekapeka. There is a need to extend and consolidate the Protected Area Network, strengthen forest management legislation, policy and strategies that would allow for innovative, community-based management of PAs and empower local people to participate and benefit from PA management.

### **III. Key issues shaping priorities for FAO assistance**

- ☐ Brain and labor-force drain resulting in a lack of effective and efficient services.
- ☐ Drastic reduction of capacity of the ministry makes it difficult to support development programs.
- ☐ Aging farmers: The age range of persons permanently engaged in farming is gradually narrowing into the older group and school leavers who remain in Niue have not shown appreciable interest in taking up farming as their life occupation.
- ☐ Lack of data collection systems that can provide baseline information and indicators of progress e.g.: Agriculture Census, Food Balance Sheets etc
- ☐ Absence of an Integrated Agriculture Sector Plan/Policy
- ☐ The fragility of the physical and chemical properties of the island's soils (including poor water holding capacity) leading to low productivity.
- ☐ Loss in agricultural production due to destruction by feral pigs.
- ☐ Limited water supply for competing demands between domestic and agricultural uses.
- ☐ Inconsistence in supply and high costs of agriculture and livestock inputs (including livestock feeds).
- ☐ Lack of improved breeds of livestock – especially pigs and chickens.
- ☐ Lack of infrastructure & key machinery for agriculture and fisheries development.
- ☐ Lack of capacity in off-shore pelagic fisheries management,
- ☐ Need for increased participation & strengthening of fisheries & agriculture NGOs in resource management and development.
- ☐ High costs of materials for and lack of skills on fishing canoe (vaka) making.
- ☐ High level of reliance on food imports especially meat.

- Increasing levels of food and nutrition related non communicable diseases, which impact negatively on health system, families and the national economy.
- Marketing challenges: including information, meeting technical requirements for market access and transport issues.
- Improved marketing and branding for organic and fair trade is critical.
- Lack of capacity to produce value-added products.
- Farmers engage in shifting agricultural practices, thus land clearing is an integral part of production.
- Limited national capacity in pest & disease surveillance & control (biosecurity)
- Potential loss of valuable biodiversity because of a lack of community managed Protected Areas (marine & land areas)
- Absence of infrastructure in the education system for a structured technical vocational curriculum to teach agriculture, livestock and fishing for ECE, NPS & NHS (Early Childhood, Primary & Secondary) – (Inclusive Education Program – IEP).

#### **IV. Country program framework**

**4.1** The Niue Integrated Strategic Plan 2009-2013 lays down the priority areas for development on which the resources of Niue and her development partners would be directed. The NISP overall focus is to build the population, reduce dependency on aid and move to a stronger private sector with a wider revenue base. The NISP identifies tourism, vanilla and fisheries as industries where Niue has a comparative advantage and so are targeted as key initiatives. The national strategic objectives are in the areas of: financial stability; governance; economic development; social and the Environment. The strategic objective of economic development is to maximise benefits from Niue's resources in a sustainable manner. The key strategy for agriculture is to facilitate agricultural development of products with proven commercial merits, particularly vanilla, through research and product and market development. The key strategy for fisheries is to increase the returns from fisheries resources in a sustainable and responsible manner. For private sector development: to promote, assist and support a vibrant private sector; and form and foster partnership with non-government organisations. Following Cyclone Heta (January 2004), a Recovery Plan was formulated which built on the NISP and prioritized strategies to rebuild the country. For agriculture developing commercial products (vanilla, noni and taro) and strengthening food security were identified priorities. Sustainable resource management and organic farming are highlighted. Niue desires to be the first country to be fully organic in crop production.

**4.2** New Zealand is the principal development partner and the main form of assistance is through direct budget support which makes up roughly half of Niue's total yearly budget, and allows the government to meet its key objectives. A programme of Strengthened Co-operation is helping Niue develop closer and more valuable partnerships with NZ Government departments. This aims to build the capacity of the Niue public sector so they can fulfill the range of services required of them. New Zealand also assists Niue to improve its infrastructure and is assisting effort to expand the production and marketing of vanilla and Noni. UNDP have assisted mainstreaming disaster risk management into national development plans through institutional capacity building activities and policy review. This will provide an enabling environment for Niue to address disaster risk management in an integrated and holistic manner. They are also implementing GEF environment support (the NCSA and POPs support).

#### ***Overview of FAO on-going and recent assistance***

**4.3** FAO has focused attention on sustainable resource management through strengthening policy and planning. Support has been provided for development of Niue Agricultural Policy Paper, Forest Legislation and drafting National Plan of Action (NPOA) to prevent, deter and eliminate Illegal, Unregulated and Unreported (IUU) fishing and to draft a NPOA for sharks.

Support has also been provided for developing an irrigation scheduling strategy for the intensification of import substitution agriculture. Support for food security through the Trust Fund RPFS (including SSC) has promoted poultry production in permaculture farming and small holder pig farming. Niue has also benefited from the Telefood Program of FAO, since becoming a member five Telefood projects have been approved.

## **V. Proposed Programme Framework**

- a. Based on the situation analysis and existing medium-term priorities of the Government and the UN System, and taking into account past and on-going FAO and partner's programmes, the following five priority outcomes will be pursued in the next four years:
  - 1) Strengthened policy, legal and regulatory frameworks for sustainable agriculture, forestry & fisheries.
  - 2) Increased agricultural production for local consumption and to meet international and domestic market demands.
  - 3) Increased income and employment opportunities through development of commercial fisheries.
  - 4) Improved marketing systems and market access for high value specialty commodities.
  - 5) Sustainably managed terrestrial, freshwater and marine resources.

### ***Strengthened policy, legal and regulatory frameworks for sustainable agriculture, forestry & fisheries.***

- 5.2 One of the key strategies that will guide Niue's economic development is the formulation of specific sector plans. These are reflected in the NISP in relation to agriculture & fisheries. However, there is limited in-country capacity to develop such plans. In addition, the data needed to guide the sector plans are either out-dated or non-existent. FAO is providing TA to help plan an Agriculture Census to enable Niue to gather the information needed for baseline and for monitoring progress. This will blend into the M&E framework of the NISP, allowing for the effectiveness of the sector plans to be measured.

### ***Increased agricultural production for local consumption and to meet international and domestic market demands.***

- 5.3 Supply side constraints limit opportunities for processing, product value adding and market development. There is a need for improved supply of inputs – planting materials, livestock feeds; for improved infrastructure – agricultural roads, fisheries facilities; and for better technology and husbandry practices supported by appropriate research and information services. Primarily through the FSSLP, but also through TCP programmes, FAO will bring support to improve production and productivity for targeted agriculture, forestry and fisheries commodities. Youth will be encouraged into farming through school curriculum development, skills training in farm management and agri-business. Particular attention will be accorded to Niue's vulnerability to the impacts of natural disasters and climate change. Recognising that Niue aims to be an organic nation, agricultural productivity/development will be guided by principles of organic farming and sustainable agricultural and land management.

### ***Increased income and employment opportunities through development of commercial fisheries.***

- 5.4 Development of the marine resource offers potential for economic growth, sustainable livelihoods and food security in Niue. Resources from the FSSLP and TCP will be available to support sustainable development of fisheries and value added products. Attention will also focus on support for development of sustainable fisheries management plans, which include responsible income-generating opportunities.

***Improved marketing systems and market access for high value specialty commodities.***

**5.5** To progress towards the NISP goal 3 there needs to be an increased commercialisation of the agriculture sector. Improved market opportunities, market access, processing and value adding are critical areas for development. The objective is to create increased income earning and employment opportunities in the primary sector. Support through the FSSLP and TCP resources could strengthen infrastructure, improve capacity for product processing and value adding, and also strengthen capacity in food safety and standards to improve market access. Assistance may also be provided to strengthen marketing opportunities for certified organic products, particularly vanilla and nonu as mentioned in the NISP.

***Sustainably managed terrestrial, freshwater and marine resources.***

**5.6** Niue fully recognizes the need to protect its valuable and unique biodiversity and the importance of community involvement in this process. Biodiversity promotes ecosystem services important amongst which are: food production, provision of raw materials, recreational opportunities and cultural values. In Niue, forests and production landscapes provide important habitat for several endangered species. Niue's pristine environment is an attribute which offers commercial advantages in marketing the country and its products through organic farming, eco-tourism and whale watching. In partnership with UNDP, and subject to availability of GEF-PAS funds, FAO will support the government of Niue implement a project for conserving Niue's biodiversity via an integrated system of protected areas (PAs). The main output areas will be: improved policy and legal frameworks to underpin PA networks; strengthened capacity for community-based conservation management; and establishment of new protected areas. Support may also be provided through TCP resources to develop a forestry sustainable utilization plan.

**Priority NMPTF Outcomes and their Relationship to the to the Government and UN Medium-term Priorities**

<b>National Medium-Term Development Agenda NISP 2009-2013</b>		<b>UNDAF Results Areas: 1. Equitable economic growth and poverty reduction, 2. &amp; 4. Sustainable environmental management</b>		
<b>Strategic Goals</b>	<b>Key Issues/constraints</b>	<b>NMPTF Outcomes</b>	<b>NMPTF Outputs</b>	<b>Potential areas for FAO assistance</b>
<p><b>Pillar : Economic Development (Goal 3)</b> Goal: Maximise benefits from Niue's resources in a sustainable manner focusing on private sector development, targeting tourism, agriculture and fisheries supported by safe, reliable and affordable infrastructure</p> <p><b>Sector Specific Strategies</b> Fisheries : Increase the returns from the fisheries resource in a sustainable and responsible manner.</p> <p>Agriculture: Facilitate agricultural development of products for food and nutrition security, and with proven commercial merits, particularly noni and vanilla through research and product and market development.</p> <p>Forestry: Protect and conserve the forest and explore forestry and agro-forestry products</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Absence of an Integrated Agriculture Sector Plan/Policy</li> <li><input type="checkbox"/> Brain and labor-force drain and lack of effective and efficient services.</li> <li><input type="checkbox"/> Drastic reduction of capacity of the ministry makes it difficult to support development programs.</li> <li><input type="checkbox"/> Aging farmers and school leavers have not shown appreciable interest in taking up farming as their life occupation.</li> <li><input type="checkbox"/> The fragility of the physical and chemical properties of the island's soils (including poor water holding capacity) leading to low productivity.</li> <li><input type="checkbox"/> Limited water supply for competing demands between domestic and agricultural uses.</li> <li><input type="checkbox"/> Inconsistence in supply and high costs of agriculture and livestock inputs (including livestock feeds).</li> <li><input type="checkbox"/> Lack of improved breeds of livestock – especially pigs and chickens.</li> <li><input type="checkbox"/> Lack of infrastructure for agriculture and fisheries development.</li> <li><input type="checkbox"/> High costs of materials for and lack of skills on fishing canoe (vaka) making.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <i>Strengthened policy, legal and regulatory frameworks for sustainable agriculture, forestry and fisheries</i></li> </ul> <p><i>Increased agricultural production for local consumption and to meet international and domestic market demands.</i></p> <p><i>Increased income and employment opportunities through development of commercial Fisheries.</i></p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Integrated Agriculture Sector Plan/Policy formulated.</li> <li><input type="checkbox"/> Inputs and training provided; school curriculum development; demonstration plots established and skills enhanced</li> <li><input type="checkbox"/> Infrastructure, improved breeds and training provided</li> <li><input type="checkbox"/> Infrastructure, inputs and training provided</li> </ul>	<p>TA to support formulation of sector plans (TCPF)</p> <p>Farming systems development, including food and tree crops, capacity building and agriculture education development in schools (FSSLP)</p> <p>Pig and poultry development (FSSLP)</p> <p>Infrastructure and capacity building for sustainable fisheries (FSSLP, TCP resources)</p>





National Medium-Term Development Agenda NISP 2009-2013		UNDAF Results Areas: 1. Equitable economic growth and poverty reduction, 2. & 4. Sustainable environmental management		
Strategic Goals	Key Issues/constraints	NMTPF Outcomes	NMTPF Outputs	Potential areas for FAO assistance
<p><b>Pillar: Social (Goal 4)</b> Goal: Enjoy a harmonious and healthy lifestyle in a thriving, educated and safe community that has access to a wide range of quality social services and development opportunities.</p> <p><b>Sector Specific Strategies</b></p> <p><b>Health:</b> Provide quality health services to all residents and promote a healthy lifestyle.</p> <p><b>Education, Training and Human Resource Development:</b> Provide and maintain quality education services that contribute to the human resource development and skill needs of the country.</p> <p><b>Pillar: Governance (Goal 2)</b> Goal: Strengthen current statistical systems and dissemination mechanisms to support national, regional and international commitments.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Increasing levels of food and nutrition related non communicable diseases</li> <li><input type="checkbox"/> Absence of infrastructure in the education system for a structured technical vocational curriculum to teach agriculture, livestock and fishing for ECE, NPS &amp; NHS (Early Childhood, Primary &amp; Secondary) – (Inclusive Education Program – IEP).</li> <li><input type="checkbox"/> Lack of data collection systems that can provide baseline information and indicators of progress e.g.: Agriculture Census, Food Balance Sheets etc</li> </ul>	<p><i>Strengthened data collection and management systems in place.</i></p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Agriculture Census carried out.</li> </ul>	<p>Assistance in development of targeted (age-group) resources for use in schools and/or inclusion of Agriculture into the education curriculum.</p> <p>Assistance in Data Collection Systems (Agriculture Census, Food balance Sheets) Assistance in the development of Sector Plans for Agriculture, Forestry &amp; Fisheries as outlined in the NISP.</p>

The FAO activities have been determined through dialogue with the government and other sector stakeholders, and in accordance with the priorities set out the Niue Integrated Strategic Plan (NISP 2009-2013) and the Cyclone Heta Recovery Plan 2004.

