



# Project Concept Paper

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Project Number: 50281-001  
March 2018

## Proposed Grant Tonga: Introducing eGovernment through Digital Health

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 28 February 2018)

Currency unit	–	Pa'anga (T\$)
T\$1.00	=	0.4602
\$1.00	=	T\$2.1730

## ABBREVIATIONS

ADB	-	Asian Development Bank
CRVS	-	civil registration and vital statistics system
HIS	-	health information system
ICT	-	information and communications technology
TA	-	technical assistance

## NOTE

- (i) The fiscal year (FY) of the Government of Tonga and its agencies ends on 30 June. "FY" before a calendar year denotes the year in which the fiscal year ends, e.g. FY2017 ends on 30 June 2017.
- (ii) In this report, "\$" refers to US\$ unless otherwise stated.

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## PROJECT AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number:</b> 50281-001	
<b>Project Name</b>	Introducing eGovernment through Digital Health	<b>Department /Division</b>	PARD/PAUS
<b>Country</b>	Tonga	<b>Executing Agency</b>	Ministry of Finance and National Planning
<b>Borrower</b>	Tonga		
<b>2. Sector</b>	<b>Subsector(s)</b>	<b>ADB Financing (\$ million)</b>	
✓ <b>Health</b>	Health sector development and reform		7.50
		<b>Total</b>	<b>7.50</b>
<b>3. Strategic Agenda</b>	<b>Subcomponents</b>	<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
Regional integration (RCI)	Pillar 4: Other regional public goods		
<b>4. Drivers of Change</b>	<b>Components</b>	<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Institutional development	Effective gender mainstreaming (EGM)	✓
Knowledge solutions (KNS)	Knowledge sharing activities		
	Pilot-testing innovation and learning		
Partnerships (PAR)	Implementation		
	International finance institutions (IFI)		
<b>5. Poverty and SDG Targeting</b>		<b>Location Impact</b>	
Geographic Targeting	No	Nation-wide	High
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG3, SDG5, SDG9, SDG16		
<b>6. Risk Categorization:</b>	Low		
<b>7. Safeguard Categorization</b>	<b>Environment: C</b>	<b>Involuntary Resettlement: C</b>	<b>Indigenous Peoples: C</b>
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>7.50</b>	
Sovereign Project grant: Asian Development Fund		7.50	
<b>Cofinancing</b>		<b>5.00</b>	
World Bank - Project grant (Not ADB Administered)		5.00	
<b>Counterpart</b>		<b>2.00</b>	
Government		2.00	
<b>Total</b>		<b>14.50</b>	

## PROBLEM TREE

### EFFECTS

Delivery of basic public services is high cost and low access, particularly in the outer islands

Health services don't meet population needs

### MANIFESTATIONS OF CORE PROBLEMS

Inefficient and inequitable allocation of financial and staffing resources

Weak integrated health sector policy and planning

Poor interface between different information systems of government

Poor timeliness, relevance and quality of data impedes decision making

Lack of access to health information services and communication channels

Obsolete technology and equipment limits service delivery

### CORE PROBLEM

Lack of effective collection, storage and usage of basic public health services data, particularly on the outer islands

### ROOT CAUSES

Low institutional capacity for eGovernment reform

Limited interagency coordination

Lack of eGovernment legislation and regulations

### SUB-CAUSES

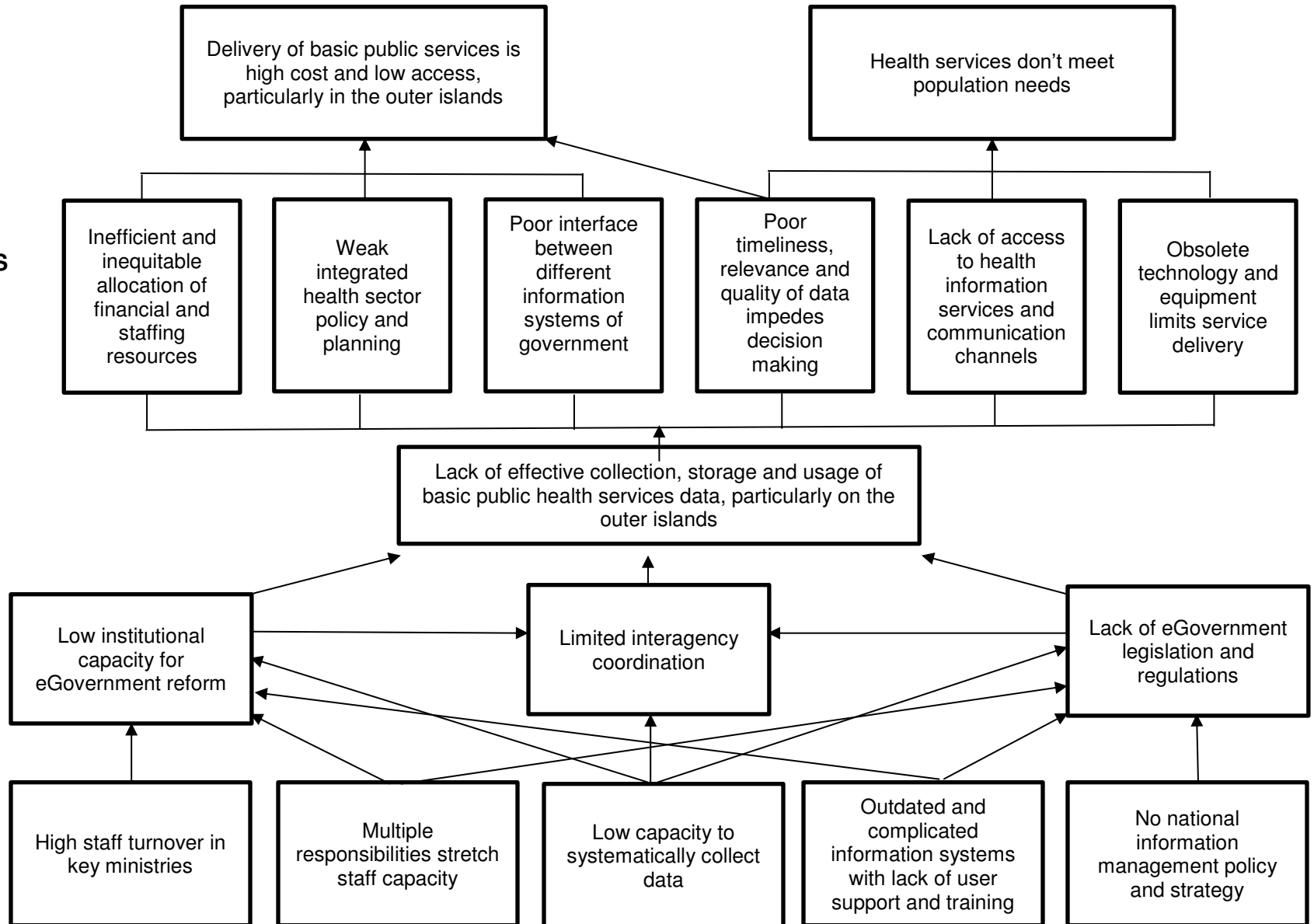
High staff turnover in key ministries

Multiple responsibilities stretch staff capacity

Low capacity to systematically collect data

Outdated and complicated information systems with lack of user support and training

No national information management policy and strategy



## I. THE PROJECT

### A. Rationale

1. The strategic use of information and communication technology (ICT), through an eGovernment structure, can transform the ability of a government to improve public service delivery and strengthen governance. Its introduction is a complex undertaking and a phased rollout can help deliver gradual but clear results. An initial focus on the health sector through digital health<sup>1</sup> will showcase how ICT can strengthen service delivery and increase transparency and real time information, leading to better decision making for attaining universal health coverage.<sup>2</sup> Digital health solutions that effectively support health systems need a solid governance framework with a clear digital strategy and architectural support for an overarching vision for health care.<sup>3</sup> This requires a foundation eGovernment system on which a digital health component can be developed.

2. **Development Problem.** The population of Tonga is approximately 107,000, living on 170 islands scattered over 750,000 square kilometers in the South Pacific Ocean. Natural constraints to economic development include remoteness and dispersion, in addition to exposure to external economic shocks and internal bottlenecks (limited capacity and migration). Government struggles to provide equitable access to public services and information; including health services, awareness raising and preventative information, as well as accessible patient data.

3. Despite these challenges, Tonga has a higher life expectancy and lower infant mortality in comparison to its Pacific neighbors<sup>4</sup> However, Tonga faces an increasing burden of non-communicable diseases, and the current health system is not able to respond to the challenges this creates with the growing requirement for long term management and the strain on health financing.<sup>5</sup> The country produces some health information using manually collected surveys and through an existing limited health information system (HIS), and most of this data is aggregated. The data is not compiled on a timely basis nor presented in an appropriate format to inform management decision making around services, resources or financing. There is an opportunity to establish a health information exchange, which provides both population health data and patient-centered health information for seamless and continuous patient care, this is especially required for non-communicable diseases.

4. In 2014 a joint ADB and World Bank project supported the introduction of high-speed internet via a submarine fiber optic cable system linking Tonga to Fiji.<sup>6</sup> Increasing access to ICT, and in particular broadband, and ICT applications provides an opportunity to address some of these shortcomings in provision of public services. Government seeks to leverage the increased bandwidth through direct investments in digital health which will improve health system response by facilitating real time, integrated population health data and patient-centered care. This requires

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<sup>1</sup> Digital health in this context refers to the digitizing of health information, for example through health information systems and integrated systems.

<sup>2</sup> World Health Organization, *Global Observatory for eHealth, Global Diffusion of eHealth: Making Universal Health Coverage Achievable*, 2016, <http://apps.who.int/iris/bitstream/> (accessed 20 December 2017).

<sup>3</sup> ISO/TR 14639-1:2012 *Requirements of ehealth architecture and COBIT 5*.

<sup>4</sup> World Bank. *World Development Indicators* <http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators> Accessed on 1 March 2017.

<sup>5</sup> Hou, X., Anderson, I. and Burton-Mckenzie, E.J. 2016. *Pacific Possible: Health & Non-Communicable Diseases*. Sydney.

<sup>6</sup> ADB. 2011. *Proposed Grant Assistance to Tonga for the Tonga-Fiji Submarine Cable Project*. Manila.

the ICT infrastructure and systems necessary to transform the fragmented paper-based HIS into a digital one and improve birth and death notifications, to enable accurate population statistics to all who require such data.

5. A strong digital HIS underpins all elements and functions of a health system. It allows health system stewards to monitor progress and create evidence based policy.<sup>7</sup> The creation of sex-disaggregated data will further inform future health policies and better track progress on sustainable development goals 3 and 5.<sup>8</sup> It is an essential investment needed to strengthen the health system to improve allocative and technical efficiency, increase the timeliness and accuracy of patient care and administration, progress service capacity, and inventory levels, and improve the quality of care. By managing the health sector better Tonga will become less dependent on foreign support for health, which currently comprises around 18.5% of total health expenditure<sup>9</sup> and may contribute to inclusive growth.

6. The Government of Tonga has requested support from the Asian Development Bank and World Bank for a project that will encompass initial eGovernment reform and the HIS reform.<sup>10</sup> The project will demonstrate the benefits of delivering essential public services using an enterprise approach<sup>11</sup> where ICT supports the health system to enable it to maximize health outcomes. In doing so the project will contribute to the achievement of the Tonga Strategic Development Framework 2015-2025<sup>12</sup> and the National Health Strategic Plan 2015-2020.<sup>13</sup> A joint mission conducted by ADB and World Bank in December 2016 agreed the eGovernment Conceptual Framework (Appendix 4) with government which underpins the project. The project is in line with the objectives of reducing costs and managing risks of ADB's Pacific Approach, 2016-2020<sup>14</sup>, the Country Operations Business Plan – 11 Small Pacific Islands 2018-2020<sup>15</sup> and is consistent with ADB's Operational Plan for Health.<sup>16</sup>

## B. Proposed Solutions

7. The e-Government Strategy and upgrading of the technical ICT framework, will create the environment for the successful implementation of ICT-based service delivery at the sector level. Ensuring the collection, storage, and usage of basic health data within a digitized health system requires attention to the overarching e-architecture for Tonga and ensuring the health system's alignment with the broader e-Government strategy. Digital information systems, policy advice, and capacity building in the health sector are required to support the expansion of ICT-based service delivery. It will pave the way for possible future investment in an enterprise resource planning system to help health facilities integrate functions like supply chain and human resource

<sup>7</sup> WHO. 2007. *Everybody business: strengthening health systems to improve health outcomes*: WHO's Framework For Action. [http://www.who.int/healthsystems/strategy/everybodys\\_business.pdf](http://www.who.int/healthsystems/strategy/everybodys_business.pdf).

<sup>8</sup> Sustainable Development Goals. SDG 3 – Good health and well-being. SDG 5 – Achieve gender equality and empower all women and girls. <https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals>

<sup>9</sup> Ministry of Health Tonga and WHO. 2016. National Health Account Report 2009/2010 – 2013/2014. Suva

<sup>10</sup> The project is included in ADB. 2017. *Country Operations Business Plan - 11 Small Pacific Island Countries: 2018–2020*. Manila.

<sup>11</sup> The enterprise approach is a holistic approach to digital health, which considers strategy, leadership, governance, legislation and policy, compliance and investment for successful nationwide, sustainable roll out.

<sup>12</sup> Government of Tonga. 2015. *Tonga Strategic Development Framework II 2015-2025*. Nuku'alofa.

<sup>13</sup> Government of Tonga, Ministry of Health. 2015. *National Health Strategic Plan 2015–2020*. Nuku'alofa.

<sup>14</sup> ADB. 2016. *Pacific Approach: 2016–2020*. Manila.

<sup>15</sup> ADB. 2017. *Country Operations Business Plan - 11 Small Pacific Island Countries: 2018–2020*. Manila.

<sup>16</sup> ADB. 2015. *Health in Asia and the Pacific: A Focused Approach to Address the Health Needs of ADB Developing Member Countries—Operational Plan for Health, 2015–2020*. Manila.

management and a unified authentication system for data exchange, in a secure way, within a broader eGovernment system. Accurate and up-to-date information on the number of deaths, by age, sex, and geographical sub-region, and subsequently by cause are critical for health system stewards. Improving the civil registration and vital statistics (CRVS) system to better collect and collate data is a priority for health systems in the region.<sup>17</sup>

8. These solutions will result in the following outcome: the reliability, quality and granularity of health statistics improved, disaggregated by sex and age.<sup>18</sup> The project's impact is a more inclusive, sustainable and dynamic knowledge-based economy and is aligned with the Tonga Strategic Development Framework 2015-2025 (footnote 12) and the eGovernment agenda and priorities as outlined in the eGovernment Conceptual Framework (Appendix 4). The project has three outputs providing for the above solutions:

9. **Output 1: The enabling environment for eGovernment improved.** The project will support the Ministry of Health to develop a digital health strategy and a health ICT blueprint. This will create a strategic framework to define the digital health investments from which the improvement of the health information systems, as outlined in Output 2, will be guided to ensure ongoing interoperability and so will support Component 1 of the eGovernment Conceptual Framework. The digital health strategy will be aligned to the overarching eGovernment roadmap and the review and updating of the legal and regulatory framework for eGovernment to be undertaken with World Bank support. The legal and regulatory environment including relevant policies and standard operating procedures specific to health will also be reviewed and revised as part of output 1.

10. **Output 2: National digital health information systems strengthened.** This output will develop an integration platform or “health information exchange” to ensure interoperability between different information within the health system (e.g., using electronic health records to link with disease specific information systems). It will extend the current HIS that operates only in one hospital to support hospitals and health facilities across the country replacing the fragmented paper-based system currently in use elsewhere. It will expand on an existing patient administration system and ensure interoperability within the health system and a future central eGovernment system. This is part of foundational digital health investment which includes patient, facility, and workforce registries, adoption of health informatics standards and terminology, and defining the overall architecture in line with a national digital health strategy. The infrastructure required to support the system will also be built, including an information security infrastructure to ensure information is protected from unauthorized access, use, disclosure, disruption, modification or destruction. This supports Component 4 of the eGovernment Conceptual Framework.

11. **Output 3: Civil registration and vital statistics (CRVS) system strengthened.** As one of the core registries of eGovernment, the CRVS will support the eGovernment goal of integrating information across ministries and enabling more accurate population statistics. An integrated system for birth and death registration using both the Ministry of Health and the Ministry of Justice (who have responsibility for issuing birth and death certificates) and appropriate codes to efficiently track population data will provide the foundation for other ePopulation investments across different ministries, an essential building block for a whole-of-government eGovernment

<sup>17</sup> The 2013 Pacific Ministers of Health Meeting in Apia, Samoa noted that Pacific island countries and territories are forced to rely on partial or estimated data to inform planning, policy and resource allocation decisions. Developing strong HIS and CRVS systems must remain a priority in the region. WHO. 2013. Apia Outcome Tenth Pacific Health Ministers Meeting 2–4 July 2013. ([http://www.wpro.who.int/southpacific/pic\\_meeting](http://www.wpro.who.int/southpacific/pic_meeting)) Accessed 20/12/2017.

<sup>18</sup> The design and monitoring framework is in Appendix 1.



architecture. The project will strengthen the process of issuing birth and death notifications and certification including improving cause of death information. This supports Component 3 of the eGovernment Conceptual Framework.

### C. Proposed Financing Plans and Modality

12. The project is estimated to cost \$14.5 million (Table 1). ADB proposes to provide \$7.5 million in grant financing (\$2.5 million from Tonga's country allocation and \$5.0 million from the concessional resources regional pool). The World Bank will provide parallel grant financing of \$5.0 million for eGovernment support. It is expected that Tonga will allocate funds approximating \$2.0 million in-kind support and towards exemption of import duties and taxes.

**Table 1: Indicative Financing Plan**

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Special Funds resources (ADF grant)	2.5	17.0
Concessional Resources Regional Pool	5.0	35.0
World Bank	5.0	35.0
Government	2.0	13.0
<b>Total</b>	<b>14.5</b>	<b>100.0</b>

ADF: Asian Development Fund

Source: ADB estimates

### D. Implementation Arrangements

**Table 2: Indicative Implementation Arrangements**

Aspects	Arrangements
Indicative implementation period	October 2018 – October 2023
Indicative completion date	October 2023
Management	
(i) Executing agency	Ministry of Finance and National Planning
(ii) Key implementing agencies	Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications, Ministry of Health, Ministry of Justice

Source: Asian Development Bank

13. The executing agency will be the Ministry of Finance and National Planning. The Ministry of Health; Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications; and Ministry of Justice will be the implementing agencies. Implementation of the project will be overseen by a Steering Committee that will include senior level participants from all implementing agencies. The implementation period is October 2018 – October 2023.

## II. PROJECT PREPARATION AND READINESS

14. The project preparation will be supported with technical assistance (TA) from the Regional Pacific Information Communication Technology Investment Planning and Capacity Development Facility (Phase 2)<sup>19</sup> and the Regional Universal Health Coverage for Inclusive Growth: Supporting

<sup>19</sup> ADB. *Regional Pacific Information Communication Technology Investment Planning and Capacity Development Facility (Phase 2)*. 2017

the Implementation of the Operational Plan for Health, 2015-2020.<sup>20</sup> Consultants to be recruited under these TAs will include (i) digital health information management expert (international consultant, 1 month), (ii) social safeguards (gender) (international consultant, 2 months) (iii) economic analysis specialist (international consultant, 1 month), and (iv) financial management specialist (international consultant, 2 months). Recruitment will be done using ADB Individual Consultant System processes. Project design will be carried out by consultants and identified after detailed analysis for the HIS has been completed, a decision to replace or improve the current system will drive the required needs for implementation.

15. The TAs will be used to develop the project suitable for ADB financing including developing a detailed project design and costing, and undertaking the necessary technical, economic, financial and safeguards due diligence.

16. Environmental, indigenous people and involuntary settlement are expected to be category C with the project having no adverse impact on the environment and no impact on involuntary resettlement and indigenous people.

### III. DELIBERATIVE AND DECISION-MAKING ITEMS

#### A. Risk Categorization

17. The project is categorized as “low risk” as (i) the grant amount does not exceed \$200 million, (ii) the project builds on ADB’s previous experience in Tonga, (iii) the executing agency has sufficient capacity to administer the project, and (iv) the project has a safeguard categorization of C.<sup>21</sup>

#### B. Project Procurement Classification

18. The project’s procurement classification is B. The procurement required is low value/not complex.

#### C. Scope of Due Diligence

Due Diligence Outputs	To be undertaken by
Development coordination	Staff
Economic analysis	Staff & TA grant
Financial management assessment, financial evaluation, and financial analysis	Staff & TA grant
Gender analysis, collection of baseline data and gender action plan	Staff & TA grant
Safeguard screening and categorization results	Staff
Initial poverty and social analysis	Staff
Project administration manual	Staff
Risk assessment and management plan	Staff
Safeguard documents on environment, involuntary resettlement, and indigenous peoples	Staff
Sector assessment	Staff
Summary poverty reduction and social strategy	Staff

TA = technical assistance.

Source: Asian Development Bank

<sup>20</sup> ADB. *Regional Universal Health Coverage for Inclusive Growth: Supporting the Implementation of the Operational Plan for Health, 2015-2020*. 2015

<sup>21</sup> The project meets all criteria to be classed as low risk.

#### D. Processing Schedule and Sector Group's Participation

**Table 3: Processing Schedule by Milestone**

<b>Milestones</b>	<b>Expected Completion Date</b>
1. Concept approval	March 2018
2. Grant fact finding	June 2018
3. Staff Review Meeting	July 2018
4. Grant negotiations	August 2018
5. Board consideration	September 2018

Source: Asian Development Bank

#### E. Key Processing Issues and Mitigation Measures

**Table 4: Issues, Approaches and Mitigation Measures**

<b>Key Processing Issues</b>	<b>Proposed Approaches and/or Mitigation Measures</b>
Commitment and capacity of line ministries to support work being undertaken	Clear roles and responsibilities agreed with line ministries and staff formally assigned tasks
Collaboration with World Bank	Timelines and dependencies need to be well planned and coordinated with constant communication, sharing of information, and joint missions as possible.
Collaboration with other donors implementing programs in the health sector	Sharing of timelines and plans between donors will be important to ensure interoperability is maintained across all systems being implemented in Tonga

## PRELIMINARY DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned with;			
<p>A more inclusive, sustainable and dynamic knowledge-based economy<sup>a</sup>            To improve the health of the nation by providing quality care through promotion of good health, reducing morbidity, disability and premature (death) mortality<sup>b</sup></p>			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
<b>Outcome</b> Reliability, quality and granularity of health statistics improved, disaggregated by sex and age.	By 2023; Health data reporting is sourced from HIS (including integrated systems) to report on SDG health indicators (2018 baseline: none)	SDG reporting produced by government	Changes in key ministerial and/or government official posts reduce the priority afforded to health information management
<b>Outputs</b> 1. The enabling environment for eGovernment improved  2. National digital health information systems strengthened	1a. Digital Health Strategy, including gender issues, developed by 2018 (2017 baseline: none)  2a. Standards based interoperable health information system (HIS) established, tested and functional by 2021 (2018 baseline: none)  2b. 50% of women health workers trained on HIS data collection and analyzing for improved health services.” (2018 baseline: none)  3a. Births and deaths electronic registries improved and functional with interoperability to wider CRVS system (2018 baseline: none)	1a. Digital Health Strategy  2a. Project reports  2b. Project reports  3a. Births and deaths registry reports	Community misunderstanding creates a pushback against provision of personal health information

<p><b>Key Activities with Milestones</b></p> <p><b>1. The enabling environment for eGovernment improved</b></p> <p>1.1 Develop digital health strategy (using digital health information management consultant) (2018)</p> <p>1.2 Develop health ICT architecture (blueprint) linked to eGovernment roadmap (2018)</p> <p>1.3 Identify and revise any health specific legal and regulatory framework changes necessary (2018)</p> <p>1.4 Set up project management unit (2018)</p> <p>1.5 Define health standards and update terminology to be used nationally (2019)</p> <p>1.6 Set up digital health governance mechanisms (2019)</p> <p><b>2. National digital health information systems strengthened</b></p> <p>2.1 Define clear requirements for upgraded HIS (via recruitment of consultant/s (Q2 2018)</p> <p>2.2 Initiate contracting of software (2018)</p> <p><b>3. Civil registration and vital statistics system strengthened</b></p> <p>3.1 Develop requirements for birth and death registries (2018)</p> <p>3.2 Develop interoperability requirements of registries to fit into CRVS (2018)</p> <p>3.3 Develop standard cause of death codes to be used as part of registry (2018)</p> <p><b>Project Management Activities</b></p> <p>Establish PMU and open accounts (2018)</p> <p>Conduct the baseline survey and develop the monitoring and evaluation framework (2018)</p> <p>Recruit individual consultants (2018)</p> <p>Prepare quarterly progress reports and submit to ADB and/or the government</p>
<p><b>Inputs</b></p> <p>ADB: \$7.5 million grant</p> <p>Government: \$2 million</p> <p>World Bank \$5 million grant</p>
<p><b>Assumptions for Partner Financing</b></p> <p>World Bank \$5 million grant</p>

CRVS – Civil Registration and Vital Statistics. HIS – health information system. ICT – information and communication technology. PMU – project management unit. SDG – sustainable development goal.

<sup>a</sup> Government of Tonga. 2015. Tonga Strategic Development Framework II 2015-2025

<sup>b</sup> Government of Tonga, Ministry of Health. 2015. National Health Strategic Plan 2015–2020. Nuku'alofa.

Source: Asian Development Bank.

## PROJECT PROCUREMENT CLASSIFICATION

Characteristic	Assessor's Rating:
Is the procurement environment risk for this project assessed to be <i>high</i> based on the country and sector and/or agency risk assessments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are multiple (typically more than three) and/or diverse executing agencies and/or implementing agencies envisaged during project implementation? Do they lack prior experience in implementation under an ADB-financed project?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown
Are multiple contract packages and/or complex and high-value contracts (compared with recent externally financed projects in the developing member country [DMC]) expected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown
Does the project plan to use innovative contracts (public-private partnership, performance-based, design and build, operation and maintenance, etc.)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown
Are contracts distributed in more than three geographical locations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown
Are there significant ongoing contractual and/or procurement issues under ADB (or other externally) financed projects? Has misprocurement been declared in the DMC?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown
Does the DMC have prolonged procurement lead times, experience implementation delays, or otherwise consistently fail to meet procurement time frames?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown The MOH is not experienced with ADB procurement processes.
Do executing and/or implementing agencies lack capacity to manage new and ongoing procurement? Have executing and/or implementing agencies requested ADB for procurement support under previous projects?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown
<b>Regional department's overall recommendation (Pamela Wyatt)</b>	
Overall project categorization recommended	<input type="checkbox"/> Category A <input checked="" type="checkbox"/> Category B
Category B is recommended. The overall procurement risk is moderate and can be mitigated through detailed procurement risk assessment and ADB support through the process.	
<b>OSFMD's recommendation Rafael Nadyrshin - Endorsed</b>	
The country/ sector procurement risk level assessed for Tonga in 2017 is Substantial to Moderate. The rating "B" is based on: (i) the project packages are not expected to be complex or of high value; (ii) PFP2 procurement specialist will prior review selection of consultants, bid documents and evaluation reports.	



## Initial Poverty and Social Analysis

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March 2018

### Tonga: Introducing eGovernment through Digital Health

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

**Asian Development Bank**

**CURRENCY EQUIVALENTS**

(as of 28 February 2018)

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TA	–	technical assistance

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- (ii) In this report, "\$" refers to United States dollars unless otherwise stated

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## INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	<div style="border: 1px solid black; padding: 2px;">Tonga</div>	Project Title:	<div style="border: 1px solid black; padding: 2px;">Introducing eGovernment through Digital Health</div>
Lending/Financing Modality:	<div style="border: 1px solid black; padding: 2px;">Project Grant</div>	Department/ Division:	<div style="border: 1px solid black; padding: 2px;">Pacific Department</div>

### I. POVERTY IMPACT AND SOCIAL DIMENSIONS

#### A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The Government of Tonga through its Tonga Strategic Development Framework II, 2015–2025, targets more inclusive and sustainable growth and development to achieve higher quality of life for all. This is supported by seven national outcomes, including a more dynamic, knowledge-based economy; responsive good governance; resilience to climate change and risks; and inclusive and sustainable human development and infrastructure delivery.<sup>a</sup>

The project supports this strategy by (i) creating an enabling environment for eGovernment which will help to improve public service delivery across sectors including health, (ii) strengthening the national digital health information systems, thereby creating a national database of information that will create a source for reliable health data for tracking and managing the health environment, (iii) improve the civil registration and vital statistics system (CRVS) by initially creating births and deaths registries that can be linked to a wider CRVS to enable quality data for management of the population

These outputs address issues identified in the country operations business plan 2017-2019 of the Asian Development Bank (ADB) for Tonga and aligns with the Pacific Approach 2016-2020.<sup>b</sup>

#### B. Poverty Targeting

☐ General intervention ☐ Individual or household (TI-H) ☐ Geographic (TI-G) ☒ Non-income MDGs (TI-M1, M2, etc.)

SDG 3 – Good health and well-being. SDG 5 – Achieve gender equality and empower all women and girls. SDG 9 – Industry, innovation and infrastructure. SDG 16 – Peace, justice and strong institutions.

The project will aim to impact several targets under three of the Sustainable Development Goals (SDG). Better health data that is reliable can enable better monitoring and then addressing of health issues through improved record-keeping, data sharing and usage, enhance communication between patients and their providers, and improve service quality through more efficient resource allocation whilst lowering health care costs. An improved infrastructure will allow access to people nationally to improved service delivery and the development of registries for births and deaths not only further improves access it also greatly improves data to the government to allow better governance and allocation of resources.

#### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries. Most recent poverty data for Tonga from the Household Income and Expenditure Survey of 2009 (scheduled surveys to update poverty data have been postponed) shows a very low incidence of food or absolute poverty at 3.1%, a slight increase from 2.8% in 2001, likely due to external shocks in food and fuel prices in 2007 and 2008, and the onset of the global financial crisis in 2008.<sup>c</sup> The proportion of the population living below the basic needs poverty line, covering not only basic dietary needs but also basic expenses related to housing, health care, education, clothing, transport, and customary and community obligations, is substantially higher at 22.5% in 2009, up from 16.2% in 2001. The poverty gap index measuring depth of poverty increased from 4.4% in 2001 to 6.3% in 2009. The most recent employment data is from the 2006 census and is considered outdated. It indicates an estimated unemployment rate of 4.9% and significant underemployment (including subsistence farming). While data are sparse and often outdated, social indicators are positive and the country has achieved the targets set by Millennium Development Goals 1C; 2A and 3A (education); and 4A, 5A, and 6A-C (health).<sup>d</sup> Latest available data also confirm low poverty incidence based on reference to global purchasing power parity (PPP) poverty lines, at 3.4% below \$2.00 PPP per day and 0.5% below \$1.25 PPP per day. However, vulnerability to external shocks is high, with Tonga ranking in the top 10 most vulnerable countries globally according to the UN's Economic Vulnerability Index. Fluctuations in service delivery are relatively widespread. Micro simulation analysis indicates that shocks, in particular to food and fuel prices, agricultural commodity exports, and remittances, would push households into hardship and deepen the severity of hardship for many others.<sup>e</sup>

2. Impact channels and expected systemic changes. The epidemiology of chronic diseases such as diabetes, and their impact on the health system resources are not well understood. Increasing access to ICT, and in particular broadband, and ICT solutions provides an opportunity to address some of these shortcomings. Using ICT in remote areas to collect quality data and to register births and deaths will provide data never before accessible that can influence government strategy and reaction to health priorities.

3. Focus of (and resources allocated in) the transaction TA or due diligence. During project design the team will (i) review the government policies and strategies for poverty reduction and gender development, (ii) conduct the poverty (impact) and social analysis of the project in accordance with ADB requirements, and (iii) prepare the Summary Poverty Reduction and Social Strategy in accordance with ADB policies.

## II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector and/or subsector that are likely to be relevant to this project or program?

Gender is a significant variable for understanding the impact of disease and ill health. Women and girls have specific health needs compared with men and boys particularly in the context of reproductive, maternal, and neonatal health. Men and women may also have different vulnerability to diseases and may have different levels of access to, or understanding of, information about disease prevention and treatment. To ensure the effectiveness of gender mainstreaming and gender-related outcomes of the project a project GAP will be prepared, key features of which are mirrored in the project design and monitoring framework and project administration manual. The GAP will be aligned with national and health sector gender equality commitments in Tonga and make use of newly available disaggregated data from the improved Health Information System.

2. Does the proposed project or program have the potential to contribute to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making? ☒ Yes ☐ No

The project has scope to contribute to the improvement of gender equity by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making via better access to public services and inclusion through registration in birth registries.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality? ☐ Yes ☒ No

4. Indicate the intended gender mainstreaming category:

☐ GEN (gender equity) ☒ EGM (effective gender mainstreaming)  
☐ SGE (some gender elements) ☐ NGE (no gender elements)

## III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design. The project will potentially impact the entire population of Tonga. The project will facilitate discussion with (i) potential beneficiaries, health workers, and community-based organizations; (ii) consultation of health staff, central ministries, and partners; and (iii) other ministries, partners, and nongovernment organizations.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable, and excluded groups? What issues in the project design require participation of the poor and excluded? The project will review the opportunities throughout the design to engage with stakeholders to ensure the specific vulnerabilities of the poor and excluded are being considered and design of systems are able to improve access.

3. What are the key, active, and relevant civil society organizations (CSOs) in the project area? What is the level of civil society organization participation in the project design?

☒ Information generation and sharing ☒ Consultation ☒ Collaboration ☒ Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how should they be addressed? ☐ Yes ☒ No

## IV. SOCIAL SAFEGUARDS

**A. Involuntary Resettlement Category** ☐ A ☐ B ☒ C ☐ FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? ☐ Yes ☒ No

2. What action plan is required to address involuntary resettlement as part of the transaction TA or due diligence process?

☐ Resettlement plan ☐ Resettlement framework ☐ Social impact matrix  
☐ Environmental and social management system arrangement ☒ None

**B. Indigenous Peoples Category** ☐ A ☐ B ☒ C ☐ FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? ☐ Yes ☒ No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? ☐ Yes ☒ No

<p>3. Will the project require broad community support of affected indigenous communities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>4. What action plan is required to address risks to indigenous peoples as part of the transaction TA or due diligence process?</p> <p><input type="checkbox"/> Indigenous peoples plan    <input type="checkbox"/> Indigenous peoples planning framework    <input type="checkbox"/> Social impact matrix</p> <p><input type="checkbox"/> Environmental and social management system arrangement    <input checked="" type="checkbox"/> None</p>
<b>V. OTHER SOCIAL ISSUES AND RISKS</b>
<p>1. What other social issues and risks should be considered in the project design?</p> <p><input type="checkbox"/> Creating decent jobs and employment    <input type="checkbox"/> Adhering to core labor standards    <input type="checkbox"/> Labor retrenchment</p> <p><input type="checkbox"/> Spread of communicable diseases, including HIV/AIDS    <input type="checkbox"/> Increase in human trafficking    <input type="checkbox"/> Affordability</p> <p><input type="checkbox"/> Increase in unplanned migration    <input type="checkbox"/> Increase in vulnerability to natural disasters    <input type="checkbox"/> Creating political instability</p> <p><input type="checkbox"/> Creating internal social conflicts    <input type="checkbox"/> Others, please specify _____</p> <p>2. How are these additional social issues and risks going to be addressed in the project design?</p>
<b>VI. TRANSACTION TA OR DUE DILIGENCE RESOURCE REQUIREMENT</b>
<p>1. Do the terms of reference for the transaction TA (or other due diligence) contain key information needed to be gathered during transaction TA or due diligence process to better analyze (i) poverty and social impact, (ii) gender impact, (iii) participation dimensions, (iv) social safeguards, and (v) other social risks. Are the relevant specialists identified?</p> <p><input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No    Not applicable. No TA.</p>
<p>2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social, and/or gender analysis, and participation plan during the transaction TA or due diligence? Not applicable. No TA.</p>

<sup>a</sup> Government of Tonga. 2015. *Tonga Strategic Development Framework II, 2015–2025*. Nuku'alofa.

<sup>b</sup> ADB. 2016 *Country Operations Business Plan: Tonga, 2015–2017*. Manila; ADB. 2014. *Pacific Approach 2010–2014*. Manila.

<sup>c</sup> Government of Tonga. 2010. *2nd National Millennium Development Goals Report*. Nuku'alofa.

<sup>d</sup> Government of Tonga. 2015. *Millennium Development Goals Final Report*. Nuku'alofa.

<sup>e</sup> World Bank. 2014. *Hardship and Vulnerability in the Pacific Island Countries*. Washington, DC.

## eGOVERNMENT CONCEPTUAL FRAMEWORK

### eGovernment Conceptual Framework Components

#### 1. Enabling/Governance Environment

- Detailed Master Plan & Implementation Roadmap
- Government Digital Platform design
- Legislation & Regulations preparation
- Policy Development

#### 2. Digital Platform and Portal Development

- ICT Infrastructure (network, data centre)
- Government cloud, enterprise architecture, cybersecurity, Government Portal and payment gateway
- Government Enterprise Architecture
- Software (operating systems, email, document and workflow management, monitoring, HR management)
- Organization (technical support)
- ICT Literacy for Civil Service

#### 3. Population Registry and ID

- Population (civil registration and civil identification, e.g., birth certification, identity credentials, authentication)
- Business registration
- Land registration

#### 4. Priority Applications

- To be identified during preparation (Health Information System, passports, birth certificates, school registration, drivers licenses)

#### 5. Project Management

- Procurement, financial management, audit, communications