

## SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country:	Kingdom of Tonga	Project Title:	Cyclone Gita Recovery Project
Lending/Financing Modality:	Project grant	Department:	Pacific Department
		Division:	Transport, Energy, and Natural Resources

### I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY

Targeting classification: general intervention

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

Tonga's Strategic Development Framework II for 2015–2025 aims to develop and promote a just and progressive society.<sup>a</sup> This is to be achieved by improving the living standards of the people through equitable access to and distribution of resources. The Asian Development Bank (ADB) country operations business plan for Tonga for 2016–2018<sup>b</sup> and ADB's Pacific Approach 2016–2020<sup>c</sup> are in line with the government's strategic development framework. The priority outcomes of the strategic development framework, as supported by the country operations business plan, are (i) a dynamic partnership of the public and private sectors as the main engine of growth; (ii) appropriate, well-planned, and well-maintained infrastructure that improves the everyday lives of the people and lowers the cost of doing business; and (iii) integration of environmental sustainability, disaster-risk management, and climate change adaptation into planning and program implementation.

The proposed Tropical Cyclone Gita Recovery Project is an emergency assistance operation that meets the eligibility criteria set out in ADB's Disaster and Emergency Assistance Policy.<sup>d</sup> The government formally requested emergency assistance under ADB's Disaster Response Facility (DRF) on 12 April 2018. Under ADB's policy to pilot the DRF, which became effective on 1 January 2013,<sup>e</sup> a developing member country that is eligible for Asian Development Fund resources can access up to 100% of its annual performance-based allocation from the DRF to respond to a disaster.

#### B. Results from the Poverty and Social Analysis during Project Preparation or Due Diligence

1. **Key poverty and social issues.** Based on the 2015 Millennium Development Goals Final Report for Tonga, the proportion of households and of people living under the food poverty line has increased marginally (from 2.0% to 2.4% of households and from 3.1% to 3.8% of the population during 2009–2015). The proportion of people living under the basic needs poverty line fell from 16.4% to 15.8% of households and from 22.5% to 22.1% of the population over the same period. This illustrates little change.<sup>f</sup>

The total economic value of the effects caused by Cyclone Gita is estimated to be about T\$356.6 million (\$164.3 million). This is equivalent to 38% of Tonga's gross domestic product.<sup>g</sup> The cyclone also had different effects on different economic and social sectors. The housing sector that sustained the highest level of damage was, accounting for 60% of the total damage cost, followed by tourism sector with 14% of the damage. The largest economic losses were in agriculture sector, estimated at 80% of total losses.<sup>h</sup>

While the destruction of physical assets by the cyclone occurred in February 2018, the effects of production losses and associated higher costs of production will linger for some time. Given the proportion of the population living in rural areas, the cyclone is likely to have had substantial impacts on Tonga's poorest and most vulnerable through its effect on small-scale and subsistence farming activities. While reconstruction activities are expected to give the economy a substantial boost, the negative impact of the disaster on overall economic conditions in the country will be felt for several years to come, and without remedial action by the government and Tonga's development partners, the effects of the cyclone are likely to cause a significant increase in poverty and hardship.

2. **Beneficiaries.** The primary beneficiaries of the project will be the people of Tongatapu, who will benefit from broader and safer access to electricity. Especially the people living in the Nuku'alofa urban area will benefit from reliable electricity supply through the inclusion of safe service lines and meters in households. In particular, the project will contribute to social and human resource development and reduce hardship by improving opportunities for businesses, jobs, and social development in the area. Tonga Power Limited (TPL) will also benefit from capacity building and training in project management.

3. **Impact channels.** About 10%–15% of the average monthly household income is spent on electricity; the rest goes to other family expenses. According to interviews, household income can usually cover the monthly power bill, but other expenses get prioritized over electricity bills when school fees need to be paid or the household faces such social or family obligations as the costs of funerals and weddings. This frequently leads to disconnection from the electricity service.

Businesses in the project site are highly dependent on a consistent supply of power, e.g., to deliver services and goods on time. The safety of electricity use is also an important concern. In this context, the project will support the rehabilitation of the existing 11-kilovolt overhead network and the low-voltage overhead network using disaster-resilience measures such as modern aerial-bundled conductors, and install new 11/0.4-kilovolt distribution transformers and new underground service cables to customer premises with new smart meters.

4. **Design features.** The project will help improve opportunities for business, jobs, and social development in the Nuku'alofa urban area on the main island of Tongatapu. The project will be carried out using similar implementation arrangements as were established in TPL for an ongoing ADB project—the Outer Island Renewable Energy Project. The project will

(i) strengthen the capacity of vulnerable communities and the energy sector to support transformation to a climate-resilient development path; and (ii) strengthen climate proofing of critical infrastructure, supported by the communities and sectors affected by Cyclone Gita.
<b>II. PARTICIPATION AND EMPOWERING THE POOR</b>
<p>1. <b>Participatory approaches and project activities.</b> Continual formal and informal consultations will be held with government agencies, civil society, and residents of the project area. Community leaders and government officials will be consulted throughout the design, implementation, and monitoring of the project. Consultation with beneficiary communities will be carried out through interviews, focus group discussions, and community meetings. The preparation of Tonga's post-disaster rapid assessment (footnote h) involved the government, civil society, nongovernment organizations, and development partners.</p> <p>2. Explain how the project ensures adequate participation of civil society organizations in project implementation. – Not applicable.</p> <p>3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA)  <input type="checkbox"/> Information gathering and sharing (H) <input type="checkbox"/> Consultation (M) <input type="checkbox"/> Collaboration <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> NA</p> <p>4. <b>Participation Plan.</b>  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No.</p>
<b>III. GENDER AND DEVELOPMENT</b>
<p>Gender mainstreaming category: some gender elements</p> <p><b>A. Key issues.</b></p> <p>Tonga is one of only seven countries globally that have not ratified the Convention on the Elimination of (all Forms of) Discrimination Against Women (CEDAW). Traditional and conservative cultural and religious norms limit the role of women in active decision-making, and their access to resources such as land, which cannot be owned by women. In this context, the percentage of women in nonagricultural wage employment (industries and services) has not changed substantially since the early 1990s, remaining at 30%–35% (footnote f). Most women are thus employed in unskilled menial work or subordinate and low-paid positions.<sup>i</sup></p> <p>General health and education standards in Tonga are high, however, with little gender disparity. The main health issues for women are obesity, diabetes, and cardiovascular diseases. Tonga has a high literacy rate—99.35% of men and 99.45% of women aged 15 years or older—but the presence of women in higher education does not translate into the labor market because most graduating women marry and remain at home, not using their skills in the marketplace. Within the public service, almost 50% of staff are women, but despite women achieving a larger share of senior roles than in the past, this does not appear to flow on to women influencing governmental decision making or policy. Women are also predominantly represented in ministries traditionally seen as covering “women’s issues,” such as health and education, while men dominate in hard infrastructure and energy.</p> <p>One of the project’s key impacts will be the provision of an affordable, reliable power supply to beneficiary households, which would potentially include women and allow them to engage in other income-generating activities after hours and to increase earnings for their households. The project will also allow women to perform their other household roles safely and more efficiently. It will enable school children to study after nightfall. The project will also increase gender awareness and improve the capacity within government and TPL to facilitate women’s participation during consultations.</p>
<p><b>B. Key actions.</b></p> <p><input type="checkbox"/> Gender action plan <input checked="" type="checkbox"/> Other actions or measures <input type="checkbox"/> No action or measure</p> <p>Trainings will be conducted to increase gender awareness, including detecting and preventing (or referring) cases of sexual harassment, gender-based violence, and other problems that may emerge during project implementation. This will be provided to concerned government and TPL staff. Community meetings and consultations during project implementation will also ensure women’s active participation to identify issues affecting them and propose effective mitigating measures. Finally, TPL’s active recruitment of women line workers in other outer islands will be replicated in this project for additional workers.</p>
<b>IV. ADDRESSING SOCIAL SAFEGUARD ISSUES</b>
<p><b>A. Involuntary Resettlement</b> <span style="float: right;"><b>Safeguard Category:</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI</span></p> <p>1. <b>Key impacts.</b> No impact. The rehabilitation of the grid will be done through service lines and meters to households with power distribution assets such as power lines, transformers, switchgear, and other auxiliary equipment located on government lands. No additional land is required, and the project will not displace or affect assets and livelihoods.</p>

2. <b>Strategy to address the impacts.</b>	
3. <b>Plan or other Actions.</b>	
<input checked="" type="checkbox"/> None	
<b>B. Indigenous Peoples</b>	<b>Safeguard Category:</b> <input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI
1. <b>Key impacts.</b> Impacts on indigenous people are not anticipated. No indigenous peoples considered as distinct and vulnerable will be affected by the project.	
2. <b>Strategy to address the impacts.</b> No strategy	
3. <b>Plan or other actions.</b>	
<input type="checkbox"/> Indigenous peoples plan	<input type="checkbox"/> Combined resettlement plan and indigenous peoples plan
<input type="checkbox"/> Indigenous peoples planning framework	<input type="checkbox"/> Combined resettlement framework and indigenous peoples planning framework
<input type="checkbox"/> Environmental and social management system arrangement	<input type="checkbox"/> Indigenous peoples plan elements integrated in project with a summary
<input type="checkbox"/> Social impact matrix	
<input checked="" type="checkbox"/> No action	
<b>V. ADDRESSING OTHER SOCIAL RISKS</b>	
<b>A. Risks in the Labor Market</b>	
1. Relevance of the project for the country's or region's or sector's labor market.	
<input checked="" type="checkbox"/> L unemployment <input type="checkbox"/> underemployment <input type="checkbox"/> retrenchment <input type="checkbox"/> core labor standards	
2. <b>Labor market impact.</b> Although little direct employment is expected, government employees and TPL staff designing and implementing the project components will be encouraged to employ local labor. Compliance with core labor standards, including equal pay for men and women for work of equal type, will be ensured in accordance with national laws and international treaty obligations. Safe working conditions will be provided for both men and women workers.	
<b>B. Affordability.</b> The project will improve affordability by reducing energy sector expenditure by reducing damage and losses from disasters.	
<b>C. Communicable Diseases and Other Social Risks</b>	
1. Indicate the respective risks, if any, and rate the impact as high (H), medium (M), low (L), or not applicable (NA):	
<input type="checkbox"/> Communicable diseases	<input type="checkbox"/> Human trafficking NA
2. Describe the related risks of the project on people in project area. – Not applicable.	
<b>VI. MONITORING AND EVALUATION</b>	
1. <b>Targets and indicators:</b> The DMF sets indicators and targets for the project, with special attention to gender.	
2. <b>Required human resources:</b> TPL's project management unit with dedicated social and gender counterpart staff will, with ADB capacity building support under the project, ensure that social development and gender targets are met.	
3. <b>Monitoring tools:</b> Monitoring will be done through field visits and progress reports to be submitted by the implementing agency to the Ministry of Finance and National Planning, and to ADB.	

<sup>a</sup> Government of Tonga. 2010. *Tonga Strategic Development Framework "TSDF II" (2015–2025)*. Nuku'alofa.

<sup>b</sup> ADB. 2015. *Country Operations Business Plan: Tonga, 2016–2018*. Manila.

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

<sup>d</sup> ADB. 2004. *Disaster and Emergency Assistance Policy*. Manila.

<sup>e</sup> ADB. 2012. *Piloting a Disaster Response Facility*. Manila.

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

<sup>g</sup> For the nominal gross domestic product of 2017

<sup>h</sup> Government of Tonga. 2018. *Post Disaster Rapid Assessment, Tropical Cyclone Gita*. Nuku'alofa.

<sup>i</sup> Japan International Cooperation Agency. 2010. *Country Gender Profile: The Kingdom of Tonga*. Tokyo.

Source: Asian Development Bank estimates.