



Initial Poverty and Social Analysis

Project Number: 53045-002
April 2021

Tonga: Fanga'uta Lagoon Crossing Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 8 March 2021)

Currency unit	–	pa'anga (T\$)
T\$1.00	=	\$0.44
\$1.00	=	T\$2.27

ABBREVIATIONS

ADB	–	Asian Development Bank
COVID-19	–	coronavirus disease
CSO	–	civil society organization
MOI	–	Ministry of Infrastructure
TA	–	technical assistance

NOTES

- (i) The fiscal year (FY) of the Government of Tonga ends on 30 June. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2021 ends on 30 June 2021.
- (ii) In this report, "\$" refers to US dollars.

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INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Tonga	Project Title:	Fanga'uta Lagoon Crossing Project
Lending/Financing Modality:	Sector Grant	Department/Division:	Pacific Department Transport and Communications Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

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

The project is consistent with the Tonga's Strategic Development Framework II 2015–2025, which sets out strategic development for the country.^a The framework aims to achieve a more progressive Tonga supporting a higher quality of life for all Tongans through improved social, economic and political wellbeing. For the infrastructure sector, the framework targets more reliable, safe and affordable transport services by improving the road network. This vision is also articulated in the National Infrastructure Investment Plan (2013–2023).^b The plan outlines that infrastructure plays a critical role in achieving the goals of the framework and already identifies the project as a priority initiative to improve the resilience of infrastructure to the impacts of climate change and natural disasters. The project aims to improve living standards, disaster resilience and urban development in Tonga through improving domestic and regional connectivity through transport infrastructure, managing risks, and enabling value creation supporting the government's development priorities, as articulated in the Asian Development Bank's (ADB) Pacific Approach for 2016–2020,^c which serves as the country partnership strategy for the 11 small Pacific island countries (PIC-11), including Tonga. The project reflects ADB's Strategy 2030^d to support climate change adaptation providing a long-term asset boosting resilience to sea level rise and tsunamis. The project is listed in the country operations business plan for PIC-11 for 2020–2022.^e

B. Poverty Targeting

General Intervention Individual or Household (TI-H) Geographic (TI-G) Non-Income MDGs (TI-M1, M2, etc.)

The project has been identified as a key infrastructure investment to address constraints to the current road network and ease traffic congestion to the southern and eastern sides of Tongatapu. The project will be a part of a new economic corridor connecting the capital Nuku'alofa and its main port to the international airport, acting as a critical interface in the logistical supply chain between air transportation and the shipping industry. The improved route will reduce delays in transport operations, increase economic turnaround and thus result in reduced costs with the benefits directly influencing costs of living within the country. The project will provide an alternative evacuation/access route in times of natural disaster.

C. Poverty and Social Analysis

1. *Key issues and potential beneficiaries.* Tonga is a stratified society with consumption patterns from households with the highest incomes nearly seven times that of the poorest households. Between 2009 to 2015, the Basic Needs Poverty Line was relatively stable at around 16.4% for households and 22% for the general population. Tonga is highly susceptible to price shocks due to its reliance on food and fuel imports. This, alongside a lack of diversity and opportunities in employment and Tonga's high vulnerability to disaster, place low-income Tongans at risk of impoverishment. Cyclone Gita in February 2018 caused extensive damage, particularly affecting the agriculture and tourism sectors. Delays in reconstruction efforts led to a muted recovery of 0.7% growth in FY2019 (ends 30 June 2019), with coronavirus disease (COVID-19) further disrupting the wider economic recovery in 2020. The International Monetary Fund estimates that gross domestic product fell 1.0% in FY2020 and will fall a further 1.5% in FY2021. The primary beneficiaries of the project will be the general public who will benefit from more efficient operations of the road network, which will not only ease traffic congestion but also reduce travel costs for people, whom currently travel to school and work in the capital. It will also improve travel time efficiency and reduce costs of transporting goods to markets, the port and airport, reducing the cost of living. During the construction phase, people will benefit from increased employment. The construction workers will create demand for food, accommodation and services, thus benefiting the local economy.

2. *Impact channels and expected systemic changes.* Poor and low-income groups will indirectly benefit from the project through reduced travel costs to access education, healthcare, markets and work in the national capital. The project will address the vulnerability to natural disasters, particularly to sea level rise and potential tsunamis through the provision of a tsunami evacuation route alternative to the residents of the greater Nuku'alofa area.

3. *Focus of (and resources allocated in) the technical assistance (TA) or due diligence.* Social, gender and poverty assessments will be conducted to identify the impact, and special features for consideration in project design to maximize project benefits flowing to target groups such as low-income households and women. A project communication strategy and community participation plan will be prepared to ensure raised awareness with crucial feedback informs design with the participation of women and vulnerable groups.

4. *Specific analysis for policy-based lending.* Not applicable

II. GENDER AND DEVELOPMENT

1. *What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?* Tonga rates 105th out of 187 economies on the United Nations Development Programme's Gender Inequality Index (June 2019). Tonga is one of only seven countries globally that have not ratified the Convention on the Elimination of all forms of Discrimination Against Women. Between 31–62% of women have experienced intimate partner violence, and 68% had

experienced physical violence by someone other than a partner^f Customary law is recognized in the constitution, but disconnects with statutory laws leads to women without the same rights to land allotments as men, and consequently inequitable access loans for enterprise and business development. The low representation of women in decision-making bodies reflects a strong gender bias in Tongan society, which views men as key decision makers. For example, appointments in state-owned enterprises remains low, with 20% of women in the transport and utilities sectors. Nonetheless, women have traditionally held high social status and play an important role in household decision-making. Gender stereotypes in Tonga are consistent with those in neighboring Pacific countries.⁹ The role of women in the transport and infrastructure sector is minimal and includes clerks and cashiers to support institutional operations, and a limited number of engineers. Limited gender awareness and limited number of women in Science, Technology, Engineering, and Mathematics (STEM) sectors, community decision-making and economic opportunities leads to constraints related to the transportation sector including gender differences in travel patterns, mobility, access, safety, opportunities and time-use and time poverty. The preparation of the project will seek to integrate gender considerations and ensure equitable participation of men and women in preparation and implementation activities. The project will support the development of the Ministry of Infrastructure (MOI) gender equality policy on enhanced gender awareness, grievance mechanisms to address gender discrimination, zero tolerance for any forms of gender based violence, as well as training, support and opportunities for women in MOI; Science, Technology, Engineering, and Mathematics fields; and community decision-making. It will also carry out gender awareness sessions on workplace anti-sexual exploitation, abuse and harassment for all staff, and increased employment opportunities for women in MOI.

2. *Does the proposed project or program have the potential to make a contribution 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 Please explain.

The proposed project is expected to significantly contribute to the promotion of gender equality and women's empowerment. The gender assessment by the Social Development and Gender Specialist will confirm potential gender features in the design of the project.

3. *Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?*

Yes No Please explain

HIV/AIDS infection of women is a potential risk factor during construction and will be the subject of an HIV/AIDS awareness and prevention program. Other measures will be identified during due diligence.

4. *Indicate the intended gender mainstreaming category:*

GEN (gender equality) 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 government (Ministry of Finance and the Ministry of Infrastructure, Ministry of Lands and Survey), the general public, in particular the residents of the eastern and southern side of Tongatapu, and the business community. Consultations held with the main stakeholders, project beneficiaries, affected communities and representatives of vulnerable groups will inform the design in order to increase benefits and reduce social impacts. Development partners will also take part in the consultative process

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?*

A communications strategy and consultation plan was prepared and implemented during the project through investigation, design and implementation stages. Community consultations will focus on safety measures for women, children and people with disabilities, willingness to pay for tolls with vulnerable groups and the poor, opportunities to support socio-economic components, as well as cultural aspects within the design. Awareness sessions on sexually transmitted diseases will be included for the community/beneficiaries/construction laborers as part of social safeguards.

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

Information generation and sharing H Consultation M Collaboration Partnership

Key, active and relevant civil society organizations (CSO) include the CSO umbrella body, the Civil Society Forum of Tonga, business associations including the Tonga Chamber of Commerce and Industry plus disability, child/youth and women's groups. Nongovernment organizations and civil society organizations will be consulted during the project design and options will be explored for CSOs to have a role in project preparation and implementation through the provision of specific services (including the anti-sexual harassment/STD training and/or the evacuation drills planned, both under Output 2) and/or involvement during monitoring and evaluation processes.

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

Local communities will be consulted during social and poverty analysis to identify any social impacts that need to be mitigated. Poor and excluded groups will be targeted for participation in the preparation of the evacuation plans and drills.

The poor and excluded will also be included in willingness to pay surveys relating to toll charges. These consultations will be inclusive of civil society, women, poor people, people with disabilities, and other marginalized groups.

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

Permanent and temporary land acquisition will be required, in particular on the landing sites and road widening activities. There is also a possibility that structures maybe affected. The extent of potential resettlement impacts will become clearer during project preparation and a resettlement plan prepared to guide acquisition activities.

2. What action plan is required to address involuntary resettlement as part of the 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

3. Will the project require broad community support of affected indigenous communities?

- Yes No

4. What action plan is required to address risks to indigenous peoples as part of the project preparatory technical assistance or due diligence process?

- Indigenous peoples plan Indigenous peoples planning framework Social Impact matrix
 Environmental and social management system arrangement None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?

- Creating decent jobs and employment Adhering to core labor standards M Labor retrenchment
 Spread of communicable diseases, including HIV/AIDS L Increase in human trafficking Affordability
 Increase in unplanned migration Increase in vulnerability to natural disasters Creating political instability
 Creating internal social conflicts Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design?

During design, the potential size of the workforce, and the requirements for international workers will be assessed and social risks will be mitigated through labor management measures identified in the environmental impact assessment and other related documents (including a labor management framework). Bidding and contract documents will include requirements to adhere to core labor standards and Tonga national labor laws. During construction, the inclusion of international workers will increase risks of spread of communicable diseases, including HIV/AIDS and COVID-19. This risk will be assessed and mitigation measures included in the environmental impact assessment and other related documents.

VI. PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the TA (or other due diligence) contain key information needed to be gathered during project preparatory technical assistance 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?

- Yes No

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 TA or due diligence?

International and national Social Development and Gender Specialists will be engaged. They will prepare a consultation strategy and community participation plan, and will undertake social and poverty assessment including gender analysis.

^a Government of Tonga, 2015. *Tonga Strategic Development Framework 2015–2025*. Nuku'alofa.

^b Government of Tonga, 2013. *Tonga National Infrastructure Investment Plan 2013–2023*. Nuku'alofa.

^c ADB, 2016. *Pacific Approach, 2016–2020*. Manila.

^d ADB, 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

^e ADB, 2019. *Country Operations Business Plan: 11 Small Pacific Island Countries, 2020–2022*. Manila.

^f United Nations Women. [Tonga](#). (accessed 9 October 2020).

^g Women's Affairs Division, Ministry of Internal Affairs, Government of the Kingdom of Tonga, 2019. *Gender equality: Where do we stand? The Kingdom of Tonga*. Fiji.