



Technical Assistance Report

Project Number: 55254-002
Transaction Technical Assistance (TRTA)
September 2021

Kingdom of Tonga: Preparing the Integrated Aged Care Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 1 September 2021)

Currency unit	–	Pa'anga (T\$)
T\$1.00	=	\$0.449600
\$1.00	=	T\$2.224199

ABBREVIATIONS

ADB	–	Asian Development Bank
TA	–	technical assistance

NOTE

In this report, "\$" refers to United States dollars.

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^a Outposted to the Pacific Subregional Office in Suva, Fiji.

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TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 55254-002	
Project Name	Preparing the Integrated Aged Care Project	Department/Division	PARD/PASP
Nature of Activity Modality	Project Preparation Regular	Executing Agency	Ministry of Finance
Country	Tonga		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Public sector management	Social protection initiatives		0.32
Health	Disease control of non-communicable diseases and other priority programs		0.07
	Nutrition		0.07
		Total	0.45
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		GHG Reductions (tons per annum)	0.000
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Low
		ADB Financing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.3		Gender Equity (GEN)	✓
SDG 2.1, 2.2			
SDG 3.4			
SDG 4.4			
SDG 5.2, 5.4			
SDG 10.2			
4. Risk Categorization Low		Poverty Targeting	
		General Intervention on Poverty	✓
5. Safeguard Categorization Safeguard Policy Statement does not apply			
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.45	
Transaction technical assistance: Technical Assistance Special Fund		0.45	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		0.45	
Currency of ADB Financing: US Dollar			

I. THE ENSUING PROJECT

1. The project aims to improve the well-being of older people in Tonga through a range of appropriate, safe, and high-quality integrated care services for older people and support to caregivers. The project will build on the current government-funded homecare program in Tonga and further expand it to respond to older people's desire to remain in their homes and community. For the first time in Tonga, caregivers (who are predominantly women) will be supported to promote a more sustainable and positive experience in providing care for the older people. The project outputs include (i) community-based aged care centers established, (ii) aged care services and programs implemented, and (iii) caregiver support and measures to promote equitable care responsibility implemented. The project will be aligned with the following impact: healthy aging among the older people improved. The project will result in the following outcome: integrated aged care system improved and expanded. The project is estimated to cost \$14 million, of which \$5 million grant is proposed for funding from Asian Development Bank's (ADB) Special Funds resources and \$5.5 million grant from ADB's Special Funds resources Asian Development Fund (ADF) 13 thematic pool. It is expected that the Government of Tonga will allocate an estimated \$0.5 million as counterpart fund. Cofinancing of an indicative \$3 million by other development partners to be administered by ADB will be sought.

II. THE TECHNICAL ASSISTANCE

A. Justification

2. The proposed transaction technical assistance (TA) will undertake due diligence and assessments to assist the government and ADB to develop the proposed Integrated Aged Care Project. The TA will also build the capacity of the Ministry of Internal Affairs (MIA) and other relevant government agencies to implement the ensuing project and enhance project readiness for timely implementation of activities. The TA is justified given the scope of preparatory activities and specialist nature of skills required for the due diligence and capacity building. The TA is included in ADB's country operations business plan for Tonga.¹

B. Outputs and Activities

3. **Output 1: Review of project design and completion of project due diligence.** This output is expected to review the proposed project components from the ongoing integrated aged care feasibility study in Tonga and carry out necessary due diligence to ensure its effectiveness and appropriateness to meet the objective of promoting healthy aging in the country.² Due diligence includes poverty, social, and gender analysis; safeguards assessment; procurement capacity assessment; risk assessment and management plans including anticorruption and integrity studies; and project implementation arrangements including monitoring and evaluation, among others. Based on these assessments and analyses, all the required project and linked documents will be prepared based on ADB requirements and standards.

¹ ADB. Forthcoming. *Eleven Small Pacific Island Countries: Country Operations Business Plan (2022–2024)*. Manila.

² Feasibility study on aged care in Tonga is being undertaken with funding from the People's Republic of China Poverty Reduction and Regional Cooperation Fund administered by the Asian Development Bank under the Strengthening Social Protection in ADB. The feasibility study includes economic and financial management assessment, financial evaluation, and financial analysis as required by ADB. ADB. 2020. *Technical Assistance for Strengthening Social Protection in the Pacific*. Manila.

4. **Output 2: Support to project readiness and project management capacity of the implementing agency.** This output will support project management capacity and readiness. Specific outputs include assisting the government in undertaking advance actions, such as preparation for the recruitment of a project management unit, managing the mobilization period, and preparing draft bidding documents. The capacity of the executing and implementing agencies and other relevant organizations for project preparation and implementation will also be strengthened. Key activities include (i) assessing the institutional capacity of the implementing agency and other relevant organizations, if needed, to implement the project; and (ii) organizing training, capacity building exercises, and activities to address identified gaps and areas requiring improved capacity.

5. The major outputs and activities are summarized in Table 1.

Table 1: Summary of Major Outputs and Activities

Major Outputs	Delivery Dates
Output 1: Review of project design and completion of project due diligence Review of project components and design Procurement assessments, plans, and preparation Poverty, social, and gender analysis including gender action plan Risk assessment and management plans Safeguards due diligence and preparation of plans Anticorruption and integrity studies Project administration manual and consultancy requirements	October 2021– April 2022
Output 2: Support to project readiness and project management capacity of the implementing agency Advisory role to ensure effective project design and implementation arrangements Preparation of project management unit recruitment and mobilization, and bidding document Project management capacity assessment and training and capacity building exercises to address identified capacity requirements for relevant government agencies	May 2022–June 2023

Source: Asian Development Bank estimates.

C. Cost and Financing

6. The TA is estimated \$500,000, of which \$450,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-7). The key expenditure items are listed in Appendix 1. The government will provide in-kind support in the form of counterpart staff, data, information, and other in-kind contributions estimated at \$50,000. The government was informed that approval of the TA does not commit ADB to finance any ensuing project.

D. Implementation Arrangements

7. ADB will administer the TA. The Pacific Department's Social Sectors and Public Sector Management Division will lead the TA implementation and will select, evaluate, engage, and supervise the consultants. The Ministry of Finance will be the executing agency and MIA will be the implementing agency. They will provide necessary counterpart support and guide the implementation of the TA to achieve the TA outputs and desired outcomes within the agreed implementation period. A Project Steering Committee will be established to guide the project preparation and due diligence. The project steering committee is envisaged to continue its support during the implementation of the project.

8. The implementation arrangements are summarized in Table 2.

Table 2: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	October 2021–June 2023		
Executing agency	MOF		
Implementing agencies	MIA		
Project Steering Committee	MOF, MIA, MOH, and MOI		
Consultants	To be selected and engaged by ADB		
	Individual consultant selection (due diligence and project readiness and capacity building support)	International (13 person-months); National (6.5 person-months)	\$408,100
	Resource Persons	Advisory/capacity building support	\$15,000
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time).		

ADB = Asian Development Bank, MIA = Ministry of Internal Affairs, MOF = Ministry of Finance, MOH = Ministry of Health, MOI = Ministry of Infrastructure, TA = technical assistance.

Source: Asian Development Bank.

9. **Consulting services.** ADB will engage the consultants following ADB Procurement Policy (2017, as amended from time to time) and its associated staff instructions.³ ADB will recruit international and national individual consultants with an estimated 19.5 person-months for project design review, due diligence, and project readiness and capacity building. For the simple and quick deployment, individual procurement consultants may be contracted through the issuing of call-offs from the Procurement, Portfolio and Financial Management Department's Framework Agreement of procurement consultants (in Consultant Management System: Framework Agreement # 100008) who can assist with the full range of procurement activities. All information on the expertise of empaneled experts and how to issue call-offs is included in the Consultant Management System record.

³ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 2).

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	340.1
b. International and local travel	74.0
c. Reports and communications	9.0
2. Training, seminars, and conferences ^b	10.0
3. Contingencies	16.9
Total	450.0

Note: The technical assistance (TA) is estimated to cost \$500,000 of which contributions from the Asian Development Bank are presented in the above table. The government will provide counterpart support in the form of counterpart staff, data, information, and other in-kind contributions. The value of the government's contribution is estimated to account for 10% of the total TA cost.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-7).

^b Includes rent of venue, cost of materials, refreshments, honorarium and travel costs of resource persons, and other workshop-related expenses. Also covers travel costs of ADB staff acting as resource persons.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=55254-002-TARreport>

1. Terms of Reference for Consultants