



Tonga: Nuku'alofa Port Upgrade Project

Project Name	Nuku'alofa Port Upgrade Project	
Project Number	53045-003	
Country	Tonga	
Project Status	Proposed	
Project Type / Modality of Assistance	Grant	
Source of Funding / Amount	Grant: Nuku'alofa Port Upgrade Project concessional ordinary capital resources lending / Asian Development Fund	US\$ 45.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Transport - Transport policies and institutional development - Water transport (non-urban)	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	The proposed project will upgrade the Nuku'alofa port, rehabilitate, renew and expand the existing infrastructure and improve the management and operations practices. The project outputs will result in the following outcome: capacity and operations of the Nuku'alofa Port improved. The project will be aligned with the following impact: safer, more reliable, and more affordable transport infrastructure and services in Tonga.	
Project Rationale and Linkage to Country/Regional Strategy	The development goals of Tonga include safer, more reliable, and more affordable transport infrastructure and services, as presented in the Tonga Strategic Development Framework, 2015 to 2025. The National Infrastructure Investment Plan, 2013 to 2023 outlines the vision for the development of the infrastructure sector; the plan prioritizes the improvement of maritime infrastructure to cope with increased demand and the impact of climate change and disasters. The proposed project is aligned with the Pacific Approach, 2016 to 2020 in reducing costs by improving regional connectivity through transport infrastructure, managing risks, and enabling value creation. ADBs Strategy 2030 also expands the focus on small island developing states to strengthen connectivity, access, and institutional capacity, while tackling climate change impacts and disaster risks. The proposed project is listed in ADBs country operations business plan for Tonga, 2019 to 2021.	
Impact	A safer, more reliable, and more affordable transport infrastructure and services provided in Tonga.	
Outcome	Capacity and operations of the Nuku'alofa Port improved.	
Outputs	Existing port infrastructure rehabilitated Existing international cargo wharves extended Port operations and management improved	
Geographical Location	Nation-wide	
Safeguard Categories		
Environment		B
Involuntary Resettlement		C
Indigenous Peoples		C
Summary of Environmental and Social Aspects		
Environmental Aspects	An initial environmental examination (IEE) is ongoing. The IEE demonstrates that impacts on the physical, biological and socio-economic environment will be minor, few, if any are irreversible, and most can be managed through good practice during both construction and operation along with implementation of the projects environmental management plan (EMP) detailed in the IEE. Short-term impacts are anticipated during construction. A sediment plume analysis demonstrates that any impacts from turbidity will be localized and insignificant. The ADB will ensure the Safeguard Policy Statement as well as country safeguards are complied with.	
Involuntary Resettlement	The port upgrade will occur on existing facilities located on government-owned land. The land is leased by the Port Authority of Tonga (PAT). There is no expected involuntary resettlement impacts, and this will be verified by a social safeguards specialist.	
Indigenous Peoples	The project will not impact any distinct and vulnerable group of Indigenous Peoples as defined under ADB's Safeguard Policy Statement. The project is limited to port upgrading civil works within existing port facilities located in the capital of Tonga and some capacity building activities with employees of the Port Authority of Tonga.	
Stakeholder Communication, Participation, and Consultation		
During Project Design	The main stakeholders will be the Government (Ministry of Finance and National Planning, and the Ministry of Infrastructure), PAT workers, contractors and suppliers to PAT, importers and exporters, shipping companies and agencies, domestic market retailers, the general public and development partners. The key stakeholders from the Government and PAT will form the Project Management Unit (PMU) and will oversee the preparation and delivery of the project. The business community and general public will take part in consultation process regarding the project design.	
During Project Implementation	The Government and PAT staff will be engaged in all aspects of the project through its investigation, design and implementation stages. Community consultation will also be undertaken during project implementation.	

Business Opportunities

Consulting Services	ADB approved in July 2019 a Project Readiness Financing (PRF) grant to prepare engineering designs, update due diligence, and procurement support. A consulting firm (Haskoning DHV Nederland B.V.) was recruited under the PRF to undertake these activities. The PRF also supported the strengthening of the governments capacity on project preparation with the establishment in September 2019 of a Project Management Unit (PMU) under the Ministry of Infrastructure. These contracts included provisions that subject to the satisfactory performance of the consultants, the Government may single source the consultants for further downstream assignments. Advance contracting will be used to accelerate the recruitment of consulting services.
Procurement	The project will include a single civil works contract comprising all marine and land side works. Procurement method will be open competitive bidding (internationally advertised) with prequalification. Prequalification is expected to start in June 2020.

Responsible ADB Officer	Gonzalez Jimenez, Juan Francisco
Responsible ADB Department	Pacific Department
Responsible ADB Division	PATC
Executing Agencies	Ministry of Finance Vuna Road Nuku'alofa Kingdom of Tonga

Timetable

Concept Clearance	06 May 2020
Fact Finding	11 May 2020 to 15 May 2020
MRM	28 Aug 2020
Approval	-
Last Review Mission	-
Last PDS Update	06 May 2020

Project Page	https://www.adb.org/projects/53045-003/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53045-003
Date Generated	08 May 2020

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