DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. Tonga's development partners play an important role in supporting the country's power sector. The most active during 2011–2017 were (i) the Asian Development Bank (ADB), through project grants, an emergency grant, and the Multi-Donor Clean Energy Fund (which it administers); (ii) the Government of Australia, through the Pacific Region Infrastructure Facility and collaborative financing to ADB; (iii) the Government of Japan, through the Japan Fund for Poverty Reduction and the Pacific Environment Community Fund; (iv) the Government of New Zealand, through the New Zealand Aid Programme; (v) the Government of the United Arab Emirates, through the Abu Dhabi Fund for Development; and (vi) the World Bank.

2. The support from these partners for the development of renewable energy projects in Tonga has come in the form of technical assistance and project grants to procure consultancy services, including consultancy implementation services, equipment, and civil works. Table 1 summarizes the energy sector development projects supported by these development partners as of March 2018.

Major Development Partners

Development Partner	Project Name	Duration	Amount ($ million)
Energy			
Government of Japan	Outer Island Renewable Energy Development (conducted by ADB)	1 year	0.50
MCEF	Outer Island Renewable Energy Development (conducted by ADB)	1 year	0.30
MCEF	Outer Island Energy Efficiency Development (conducted by ADB)	1 year	0.40
Government of New Zealand	1.2 MWp Popua Solar Power Plant Project	1 year	6.35
Government of New Zealand	Tonga Village Network Upgrade—Energy Assistance Project	2 years	4.75
PEC	Solar Home Systems in the Outer Islands of Vava'u Project	3 years	3.50
PRIF	Tonga Electricity Tariff Review Project	1 year	0.12
Government of UAE	500 kWp Solar Power Plant in Vava'u Project	1 year	4.00
World Bank	TA Development of Generation and Associated Networks, and TA Development Plan for the Tonga Power Limited Grids	1 year	2.00
Government of Australia	Outer Island Renewable Energy Project	5 years	4.50
ADB	Outer Island Renewable Energy Project	5 years	2.00
ADB	Cyclone Ian Recovery Project	3.5 years	3.04

ADB = Asian Development Bank, kWp = kilowatt-peak, MCEF = Multi-Donor Clean Energy Fund, MWp = megawatt-peak, PEC = Pacific Environment Community Fund, PRIF = Pacific Region Infrastructure Facility, TA = technical assistance, UAE = United Arab Emirates.
Source: ADB.

3. ADB has supported the energy sector in Tonga by providing the government with technical assistance to promote energy efficiency. It has also provided the government with

infrastructure grant financing for the Tonga–Fiji Submarine Cable Project and the Nuku'alofa Urban Development Sector Project, which are focused on reducing overall utility services costs.[1] ADB is currently implementing the Outer Island Renewable Energy Project, which aims to reduce Tonga's dependence on imported fossil fuel for power generation through the development of on-grid and off-grid generation systems that are optimized and provide increased consumer access to electricity generated by solar power at a reduced cost. The project supports (i) constructing and installing solar power systems with a total capacity of 1.32 megawatts-peak on nine outer islands of Tonga; (ii) providing a manual and training to the implementing agencies on operation and maintenance (O&M), and conducting the O&M of solar generation and distribution systems for up to 5 years after plant commissioning; (iii) helping the implementing agencies execute the project efficiently by recruiting a project management consultant; and (iv) helping Tonga Power Limited (TPL), the sole power utility, rehabilitate about 100% of the electricity grid on 'Eua and 50% of the grid on Vava'u.[2] In addition, ADB helped the government rehabilitate the electricity distribution network on the Ha'apai islands after it was damaged by Tropical Cyclone Ian in 2014.[3]

B. Institutional Arrangements and Processes for Development Coordination

4. The Ministry of Finance and National Planning manages and coordinates the activities of development partners and project implementation across the government through its aid and project management division. The Department of Energy in the Ministry of Meteorology, Energy, Information, Disaster Management, Climate Change, and Communications coordinates government and development partner support in the energy sector. The Department of Energy works closely with TPL to implement the Tonga Energy Road Map, 2010–2020 and its overall objective of increasing renewable integration by 50% by 2020.[4] The Department of Energy is the primary institutional body responsible for policy formulation, as well as for implementation of rural electrification and demand management projects for off-grid electricity services. TPL, however, is a government-owned public enterprise under the oversight of the Ministry of Public Enterprises and the cabinet. TPL has the concession for and operates four independent grids for on-grid electricity services. These are on the main island of Tongatapu, and the main islands of the Vava'u, Ha'apai, and 'Eua island groups, where it generates, distributes, and sells electricity, and provides O&M services.

C. Achievements and Issues

5. The government has achieved a strong level of development partner coordination in the energy sector. Given growing interest by development partners to engage in energy sector development in the Pacific, continued coordination will be vital. Under the $53.2 million Tonga

[1] ADB. 2012. *Technical Assistance for Promoting Energy Efficiency in the Pacific (Phase 2).* Manila; ADB. 2011. *Report and Recommendation of the President to the Board of Directors: Proposed Grant to the Kingdom of Tonga for the Tonga–Fiji Submarine Cable Project*. Manila; and ADB. 2011. *Report and Recommendation of the President to the Board of Directors: Proposed Grant and Administration of Grant to the Kingdom of Tonga for the Nuku'alofa Urban Development Sector Project*. Manila.

[2] ADB. 2013. *Report and Recommendation of the President to the Board of Directors: Proposed Grant and Administration of Grant to the Kingdom of Tonga for the Outer Island Renewable Energy Project*. Manila; ADB. 2015. *Report and Recommendation of the President to the Board of Directors: Proposed Grant and Administration of Grants for Additional Financing to the Kingdom of Tonga for the Outer Island Renewable Energy Project*. Manila. ADB. 2016. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Grant for Additional Financing to the Kingdom of Tonga for the Outer Island Renewable Energy Project*. Manila.

[3] ADB. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Grant and Administration of Grant to the Kingdom of Tonga for the Cyclone Ian Recovery Project.* Manila.

[4] Government of Tonga. 2010. *Tonga Energy Road Map, 2010–2020*. Nuku'alofa.

Renewable Energy Project, which is scheduled to approved by ADB's Board in early 2019, there is a transformational shift away from the traditional reliance on fossil fuels toward a greater emphasis on climate-resilient renewable energy systems coupled with battery energy storage systems and reduced greenhouse gas emissions, as well as promotion of more private section investments into renewable energy development. The Tonga Renewable Energy Project is the third and final phase of renewable energy investments under the Tonga Energy Road Map, 2010–2020. The first two phases are under implementation. When these phases are complete, approximately additional 27% of Tonga's electricity will be generated from renewable energies. Implementing the Tonga Energy Road Map, therefore, will help Tonga to achieve 50% of all electricity generated from renewables.

D. Summary and Recommendations

6. Ongoing development partner consultation will be needed during ADB project implementation to prevent overlap with the activities of other development partners and to identify appropriate areas for coordination. This includes coordination in the support for training and capacity building and to ensure the compatibility of the equipment with the existing system.