



Tonga: Outer Island Renewable Energy Project (4th Additional Financing)

Project Name	Outer Island Renewable Energy Project (4th Additional Financing)					
Project Number	43452-026					
Country	Tonga					
Project Status	Approved					
Project Type / Modality of Assistance	Grant					
Source of Funding / Amount	<table border="1"> <tr> <td colspan="2">Grant 0768-TON: Outer Islands Renewable Energy Project (4th Additional Financing)</td> </tr> <tr> <td>Government of Australia</td> <td>US\$ 1.91 million</td> </tr> </table>		Grant 0768-TON: Outer Islands Renewable Energy Project (4th Additional Financing)		Government of Australia	US\$ 1.91 million
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Government of Australia	US\$ 1.91 million					
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth					
Drivers of Change	Partnerships Private sector development					
Sector / Subsector	Energy - Electricity transmission and distribution					
Gender Equity and Mainstreaming	Effective gender mainstreaming					
Description	<p>Government of Australia (GOA) proposes to increase funding of its original cofinancing, to expand the project benefits. Output 1 of the ongoing project is to construct and install solar power systems with a total capacity of 1.32 MWp on 9 outer islands of Tonga and to rehabilitate existing electricity distribution network on the islands of Vava'u and Eua by TPL. Under the first additional financing (Grant Nos. 0444 and 0445), 80% of the existing electricity distribution network on Eua and 20% of the Vava'u electricity distribution network, was to be completed. Under the second additional financing (Grant No. 0528 and Loan No. 3509), 100% of Eua and 50% of Vava'u electricity distribution networks were to be completed. The rehabilitation on Eua network was completed in May 2017 however there were delays with the rehabilitation works on Vava'u due to Cyclone Gita which struck Tonga in February 2018. Under the three grants and the loan that are funding these rehabilitation works, there are savings of \$1.77 million, which will be used to expand coverage on Vava'u to 85%. The proposed additional cofinancing will fund the 100% completion of the rehabilitation work of the Vava'u electricity distribution network.</p>					
Project Rationale and Linkage to Country/Regional Strategy	<p>Effective project management services are ongoing and the additional cofinancing will fund additional project management services for overall supervision and project administration work. The contract for project management unit consultants will be extended, based on the current unit rates. The additional cofinancing will also fund a reserve to absorb the foreign exchange fluctuations.</p> <p>The proposed additional cofinancing is considered appropriate because the overall project remains technically feasible, economically viable, and financially sound; is accorded high priority by the government; is consistent with the project's development objectives, the current Pacific Approach and the current ADB country operations business plan. The proposed additional cofinancing is in line with the objectives of ADB's 2009 Energy Policy to promote energy efficiency and renewable energy, provide access to energy for all, and support reform, capacity building, and improved governance in the energy sector. The proposed additional cofinancing will expand the project benefits, which will ensure that the project's impact and outcome will be achieved.</p>					
Impact	<p>i) The impact of the ongoing project is Tonga's dependence on imported fossil fuel for power generation is reduced and the outcome of the project is on-grid and off-grid generation systems are optimized and provide increased consumer access to electricity generated by solar power at a reduced cost.</p> <p>ii) The project is accorded high priority by the government and consistent with the project's development objectives; the Pacific Approach, 2016 2020; and the country operations business plan, 2017 2019 for Tonga.</p>					
Project Outcome						
Description of Outcome	On-grid and off-grid generation systems are optimized and provide increased consumer access to electricity generated by solar power at a reduced cost.					
Progress Toward Outcome						
Implementation Progress						
Description of Project Outputs	xx					
Status of Implementation Progress (Outputs, Activities, and Issues)						
Geographical Location						
Safeguard Categories						
Environment	B					
Involuntary Resettlement	C					
Indigenous Peoples	C					
Summary of Environmental and Social Aspects						
Environmental Aspects						
Involuntary Resettlement						

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer	King, Grace
Responsible ADB Department	Pacific Department
Responsible ADB Division	Pacific Subregional Office in Suva, Fiji
Executing Agencies	Ministry of Finance Vuna Road Nuku'alofa Kingdom of Tonga

Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	01 Dec 2020
Last Review Mission	-
Last PDS Update	02 Dec 2020

Grant 0768-TON

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	2.10	Cumulative Contract Awards			
ADB	0.00	-	0.00	0.00	%
Counterpart	0.19	Cumulative Disbursements			
Cofinancing	1.91	-	0.00	0.00	%

Project Page <https://www.adb.org/projects/43452-026/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=43452-026>

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