



# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 06-May-2022 | Report No: PIDISDSA33915



**BASIC INFORMATION**

**A. Basic Project Data**

Country Tonga	Project ID P178848	Project Name Additional Financing to the Pacific Resilience Project in Tonga	Parent Project ID (if any) P154840
Parent Project Name Pacific Resilience Program	Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 10-May-2022	Estimated Board Date 24-Jun-2022
Practice Area (Lead) Urban, Resilience and Land	Financing Instrument Investment Project Financing	Borrower(s) Kingdom of Tonga	Implementing Agency Ministry of Finance and National Planning, Ministry of Environment, Energy, Climate Change, Disaster Mgmt, Meteorology, Information and Comms

Proposed Development Objective(s) Parent

The objective of the Project is to strengthen early warning, resilient investments and financial protection of Tonga.

Components

- Component 1: Strengthening Early Warning and Preparedness
- Component 2: Risk Reduction and Resilient Investments
- Component 3: Disaster Risk Financing
- Component 4: Project Management

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	5.00
<b>Total Financing</b>	5.00
<b>of which IBRD/IDA</b>	5.00
<b>Financing Gap</b>	0.00



**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	5.00
IDA Grant	5.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**B. Introduction and Context**

Country Context

- Tonga consists of 169 islands with a total population of around 105,000.** Situated in the South Pacific, the country stretches across 800 kilometers from north to south, with land area of approximately 800 square kilometers. The population is primarily Polynesian, with a literacy rate close to 99 percent and a relatively low incidence of extreme poverty (approximately 1% of the population<sup>1</sup>).
- Tonga’s small size, geographic dispersion and isolation, and limited natural resources, provide a narrow economic base and makes the country extremely vulnerable to external shocks.** Agriculture, fishing and tourism account for most export earnings and are critically exposed to external events offshore. There is a high dependency on consistent external aid (approximately 15 percent of Gross National Income, GNI). Remittances from an estimated 100,000 Tongans abroad have historically been equivalent to about 30 percent of GNI, increasing Tonga’s vulnerability to any international crisis impacting on remittances, such as COVID-19 travel restrictions.
- The COVID-19 pandemic is having severe negative effects on Tonga’s tourism-dependent economy and government finances.** In March 2020, a State of Emergency was declared, international borders were locked down and strict social-distancing measures and domestic travel restrictions were implemented. In February 2022, Tonga experienced its first outbreak of COVID-19. The country’s high vaccination rate (above 90 percent of the eligible population) and domestic lockdowns in February and March 2022 have helped to curb the spread.

<sup>1</sup> United Nations Development Programme, Human Development Report 2020; The Next Frontier: Human Development and the Anthropocene – Tonga, 2020.



4. **Extreme poverty (consumption of less than US\$1.90 in purchasing power parity terms per person per day) was less than 1 percent in FY16, among the lowest in the Pacific region. However, a quarter of the population suffer from hardship.** Around 30 percent of households have at least one member working in tourism-linked sectors—the sectors hardest hit by the border closure and strict social distancing measures. Business surveys indicate that over 60 percent of firms have reduced staff and/or reduced workers’ hours in response to the economic downturn. Moreover, four out of every five households receive remittances from abroad. Remittances are projected to decline by 15 percent due to COVID-19. A decline of this size would have a significant negative impact on the poorest and most vulnerable households, for whom remittances tend to account for a higher share of income. Tonga is affected by rising global commodity prices due to the Russian invasion of Ukraine, compounding the impacts on the economy and public finances.
5. **Tonga is focused on accelerating its gender commitments under its revised National Policy on Gender and Development (RNPAGD) 2014 and the Sustainable Development Goal 5: Gender Equality.** Based on the 2019 Gender Inequality Index (GII)<sup>2</sup>, the Kingdom of Tonga ranked 79 out of 162 countries on the index with a GII score of 0.354. This is a substantial improvement from 2015 when Tonga was ranked 152 with a GII score of 0.659. While significant progress has been made in education (for example, with an increase to 94.0% of girls achieving some secondary education in 2019), Tonga has encountered challenges, with only 7.4 percent of parliamentary seats held by women<sup>3</sup>. The review of the RNPAGD 2014-2018, identified important achievements of the progress of gender equality and empowerment of women for the period including (i) the enforcement of Tonga’s Family Protection Act 2013, providing greater protection of women and girls from domestic violence; (ii) a Practice Parliament for women was carried out in 2014 as an initiative to wider participation in the law making process; (iii) in 2017 a government grant targeted economic empowerment of women and women’s entrepreneurship, allowing registered women’s development groups and Non-Government Organizations to participate in regional and international handcraft expos and other projects<sup>4</sup>; and (iv) the incorporation of gender components and indicators in policies, major projects and plans involving disaster risk reduction and resilience building (e.g. Tonga’s Climate Change Policy 2016 and Joint National Action Plan II on Climate Change (JNAP 2)).

#### Sectoral and Institutional Context

6. **Tonga is one of the world’s most exposed countries to climate change and natural disasters.** It is ranked as the third most at-risk nation in the world to natural hazards, due to the country’s high exposure to extreme natural events and the high level of societal vulnerability. Tonga is highly susceptible to the impacts of climate change and multiple disaster risks. Tonga’s vulnerability is primarily due to its geographical isolation and geological and socio-economic characteristics, and consequently the multiple effects of climate change pose significant threats to infrastructure, resources and human health.<sup>5</sup> This, coupled with its susceptibility to natural hazards and adverse weather events such as tropical cyclones, sea level rise, storm surges, drought, flooding and volcanic eruptions make the country vulnerable to current and future climate change events. Each of these hazards, bar volcanic eruptions, are being compounded by the impacts of climate change, resulting in the higher frequency and intensity of adverse

<sup>2</sup> United Nations Development Programme, Gender Inequality Index Data, 2019.

<sup>3</sup> United Nations Development Programme, Human Development Report 2020; The Next Frontier: Human Development and the Anthropocene – Tonga, 2020.

<sup>4</sup> Questionnaire for the Content of National Reports on Beijing +25 - Tonga response

<sup>5</sup> World Bank Climate Change Knowledge Portal, Tonga Dashboard.



events. Catastrophic risk modeling by the World Bank<sup>6</sup> indicates Tonga is expected to incur, on average, US\$15.5 million per year in losses due to earthquakes and tropical cyclones and losses of up to 14 percent of GDP in years affected by specific disasters. In the next 50 years, Tonga has a 50 percent chance of experiencing a loss exceeding US\$175 million and casualties higher than 440 people, and a 10 percent chance of experiencing a loss exceeding US\$430 million and casualties higher than 1,700 people.

7. **In recent years, Tonga has been hard-hit by a number disasters which have had significant financial impacts.** Tropical Cyclone (TC) Gita, which struck the Kingdom of Tonga on February 12, 2018 as a Category 4 Tropical Cyclone, caused extensive damage and loss totaling US\$164.2 million, which is equivalent to around 38 percent of Tonga’s annual gross domestic product (GDP). More recently, and while the country was still recovering from the impact of TC Gita, TC Harold struck on April 9, 2020, resulting in significant damages and losses totaling at least 12 percent of Tonga’s GDP. The Hunga-Tonga-Hunga-Ha’apai (HT-HH) volcanic eruption and associated tsunami on January 15, 2022, is estimated to have caused physical damages and economic losses of at least US\$182 million (36.4 percent of GDP).

### C. Proposed Development Objective(s)

Original PDO

8. The objective of the Project is to strengthen early warning, resilient investments and financial protection of Tonga. There are no proposed changes to the PDO

Key Results

9. The PDO will be measured by the following PDO level indicators:
  - a) Direct Beneficiaries of enhanced Multi-Hazard Early Warning System (disaggregated by gender);
  - b) School children to benefit from increased resilience to their school;
  - c) Government of Tonga received payment within a month of the occurrence of a covered (insurance) event;  
and
  - d) Time taken to trigger the contingency emergency response component (CERC) for an eligible emergency.

### D. Project Description

10. The AF will support an identified financing gap under Component 1: Strengthening Early Warning and Preparedness, and a corresponding financing gap under Component 4: Project and Program Management, due to the extended closing date of 18 months. No changes are required to the PDO, though changes are proposed to the results framework as detailed below.

#### Component 1: Strengthening Early Warning and Preparedness

11. The AF will finance the identified funding gap for the following activities:

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<sup>6</sup> Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) Country Risk Profiles, September 2011.



*Sub-component 1.1.1: Institutional and regulatory strengthening, capacity building and implementation support*

12. This sub-component supports carrying out a program of activities designed to strengthen the institutional and regulatory framework for exchange of data and information critical for the implementation of impact forecast and warning services, including strengthened capacity to ensure the operability of the future systems, and to support Project design and implementation.

*Sub-component 1.1.2: Modernization of the Observation Infrastructure, Data Management Systems, Forecasting and Warning Systems*

13. This sub-component carries out a program of activities designed to modernize the observation infrastructure, data management systems, the warning and emergency operational centers, forecasting, warning and disaster management systems.

*Sub-component 1.1.3: Enhancement of the MHEWS Service Delivery System 20.*

14. This sub-component will improve service delivery by enhancing the existing early warning systems. This will be achieved by carrying out a program of activities designed to improve service delivery by enhancing the existing early warning system.

#### **Component 4: Project Management**

15. The AF will finance the funding gap of US\$ 0.75 million for Project Management costs associated with the extended project duration.

#### **E. Implementation**

16. There are no proposed changes to the implementation arrangements.

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#### **F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

The Kingdom of Tonga consists of 169 islands with a total population of around 120,000. The country lies in the South Pacific and stretches over a distance of about 800 kilometers from north to south, covering a total land area of 748 square kilometers with an Exclusive Economic Zone (EEZ) of about 700,000 square kilometers. Its small size, geographic dispersion and isolation, and limited natural resources provide a narrow economic base. Agriculture, fishing and tourism account for most export earnings and it has a high dependency on external aid (approximately 15 percent of Gross National Income, GNI). Tonga was negatively impacted by the Global Economic Crisis through a substantial and prolonged decline in remittances from Tongans living abroad and tourism, and price spikes in imported food and fuel on which households are heavily dependent. Specific locations for the instrumentation and monitoring equipment have not been determined, however hydrological monitoring equipment will necessarily be sited adjacent



to drainage lines and seismic stations will likely be situated in upland locations. Government-owned land will be preferentially chosen to site these monitoring stations.

**G. Environmental and Social Safeguards Specialists on the Team**

Michelle Marie Dooley, Social Specialist  
Bonnie Frances Cavanaugh, Environmental Specialist

**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	
Forests OP/BP 4.36	Yes	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	
Indigenous Peoples OP/BP 4.10	Yes	
Involuntary Resettlement OP/BP 4.12	Yes	
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

**KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT**

**A. Summary of Key Safeguard Issues**

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

There are no changes to the project components proposed under the AF. Environmental and social risks have been assessed under the parent project and remain unchanged. Environmental and Social risks and impacts will continue to be managed under the parent project Environmental and Social Management Framework (ESMF).



Component 1 of the project will involve the construction of new infrastructure and upgrade of existing infrastructure, in order to strengthen the Multi-Hazard Early Warning System in Tonga. Component 2 of the project will finance climate and disaster resilient investments such as construction, retrofitting, refurbishing or rehabilitating of schools infrastructure. The retrofitted assets will meet internationally accepted building standards for resilience, with a particular focus on strengthening school buildings such as classrooms and Water, Sanitation and Hygiene (WASH). Environment and social impacts from these activities would be only minor and the types of mitigation measures are well-known and proven. Component 3 of the project involves technical assistance for financing and insurance schemes and thus has no significant impacts on the environment. Similarly, Component 4 of the project involves administration and monitoring mechanisms and thus has no tangible environmental impact however this potential impact should be avoided or minimised by following the provisions of the ESMF.

The overall environmental impact of the Program is positive, and none of the eligible investments on the menu of options include activities that would generate significant risk or irreversible adverse environmental/social impacts. The main environmental and/or social impacts for eligible activities are minor impacts from the construction and rehabilitation of small-scale infrastructure (e.g. buildings for national disaster management or meteorological offices). The scale and likelihood of adverse impacts arising from these activities is limited, and the types of mitigation activities are well-known and proven. The ESMF ensures that any potential adverse environmental impacts that are generated as a result of the project are identified, and appropriate safeguard instruments are prepared to avoid, minimize, mitigate and, in such cases where there are residual impacts, offset these impacts.

The ESMF has been implemented on the parent project to ensure that any potential adverse environmental impacts that are generated as a result of the project are identified, and appropriate safeguard instruments are prepared to avoid, minimize, mitigate and, in such cases where there are residual impacts, offset these impacts. No large scale, significant and/or irreversible impacts are anticipated.

The parent project is managing E&S risks well with a current performance rating of satisfactory. The PMU safeguards advisor is effective in managing E&S risks of the project activities. Some delays have been experienced due to the COVID-19 pandemic, particularly the procurement of equipment. Safeguards instruments for subproject activities have been completed as required including site specific risk assessment. Significant emphasis is being placed on managing OHS and CHS risks associated with construction activities in operational schools, including training of contractors and supervision engineers.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The proposed activities under the PREP parent project and AF are likely to have widespread positive indirect and long term impacts. Strengthened early warning, resilient investment planning and financial protection capacity in Tonga will allow increased ability to prevent impacts from, and respond to, disaster events. Tonga will undertake specific activities to contribute towards their increased climate resilience thereby mitigating residual social and environmental impacts, and enhancing recovery, from natural disasters.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

N/A

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Activities specific to Tonga within the four project components will be implemented by a relevant entity within the





Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications (MEIDECC), with input from Tonga’s Ministry of Finance and National Planning. There is relatively weak implementation capacity, in particular due to limited human resources. This risk will be mitigated through the continued participation of the Central Services Unit (CSU) Environmental and Social Officer and the Project implementation Unit Safeguards Officer in the Program, to manage environmental and social risks. In addition, prior to commencement of AF Project Implementation, the ongoing PREP will provide funds for social and environmental safeguards support and oversight as needed. The ESMF is the main instrument for Tonga to screen subprojects for potential environmental impacts. Adherence to the screening procedures and development and implementation of relevant safeguard instruments (eg. ESMPs and RAPs) will allow Tonga to implement required measures. The PMU Safeguards officer for the parent project will continue to operate on the AF and is experienced in E&S risk management and the World Bank Safeguards Operational Policies.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Consultation with key stakeholders for the parent project initially took place in Nuku’alofa from 27th-28th December 2014. A second consultation session took place on the 11th of February 2015 with the draft ESMF. The purpose of the public consultations was to gather stakeholder input and feedback into subproject development and design and discuss the effectiveness of mitigation measures. Consultation sessions involved specific outreach measures, tailored to the needs of vulnerable groups such as women, children and the elderly.

Consultation and engagement have continued throughout the implementation of the parent project. Two-way mechanisms have been established for ongoing consultation, to disclose information and seek feedback. A grievance redress mechanism has been established for the project. The PIU have established dedicated channels for information dissemination to ensure consistent communication at national, subnational and local levels for the Program duration, including a project Facebook page which provides regular updates to the community.

**B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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**"In country" Disclosure**

**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank	Date of submission for disclosure
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"In country" Disclosure

**Indigenous Peoples Development Plan/Framework**

Date of receipt by the Bank

Date of submission for disclosure

"In country" Disclosure

**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)**



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**APPROVAL**

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**Approved By**

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Country Director:	Paul Vallely	06-May-2022