Early Warning System

ADB-43452-024

Outer Island Renewable Energy Project - Additional Financing

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Quick Facts

Countries	Tonga
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2016-12-14
Borrower	Tonga Power Limited
Sectors	Energy
Investment Type(s)	Loan
Investment Amount (USD)	$ 5.00 million
Project Cost (USD)	$ 5.60 million

Project Description

To expand the scale of the current project and deliver greater benefits by reducing power distribution losses, the government has asked ADB for a loan and a grant of $2.5 million each from ADB's Special Funds resources to expand the on-going grid rehabilitation works from 80% to 100% and from 20% to 50% of existing grid networks on Eua and Vava'u.

The overall project including additional financing will construct and install solar power systems with a preliminary capacity of 1.32 megawatt-peak (MWp) on 9 outer islands in Tonga. This capacity will be provided as follows: (i) a total of 0.75 MWp on ‘Eua and Ha’apai including a repair program on Vava’u; (ii) a total of 0.39 MWp on the four Ha’apai outer islands of 'Uiha, Nomuka, Ha'ano, and Ha'afeva; and (iii) 0.18 MWp of the solar home systems (SHS) on Niuafo’ou and Niuatoputapu. In addition, the project will update the existing electricity distribution network completely on ‘Eua and by 50% on Vava’u. The ongoing project has hired project management consultants (PMC) to (i) draft the final designs of equipment, (ii) support the bidding process, (iii) conduct training on the operation and maintenance (O&M) of solar equipment, and (iv) provide efficient project implementation and management services for at least 5 years after the plants are commissioned.1

The impact of the ongoing project is reduced dependence on imported fossil fuel for power generation. The outcome of the project is (i) optimized use of ongrid and off-grid generation systems, and increased consumer access to electricity generated by solar power due to a reduction in cost. The aggregate impact and outcome of the overall project will be enhanced as a result of the additional financing.

Investment Description

- Asian Development Bank (ADB)

Contact Information

Ministry of Finance and National Planning
Vuna Road
Nuku'alofa
Kingdom of Tonga

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- Outer Island Renewable Energy Project - Additional Financing: Gender Action Plan [Original Source]
- Outer Island Renewable Energy Project - Additional Financing: Procurement Plan [Original Source]
- Outer Island Renewable Energy Project - Additional Financing: Project Administration Manual [Original Source]
- Outer Island Renewable Energy Project - Additional Financing: Report and Recommendation of the Presi [Original Source]
- Project Disclosure PDF