



# Tonga: Renewable Energy Project

Project Name	Renewable Energy Project												
Project Number	49450-012												
Country / Economy	Tonga												
Project Status	Active												
Project Type / Modality of Assistance	Grant												
Source of Funding / Amount	<table border="1"><tr><td>Grant 0640-TON: Renewable Energy Project</td><td></td></tr><tr><td>Asian Development Fund</td><td>US\$ 12.20 million</td></tr><tr><td>Grant 0641-TON: Renewable Energy Project</td><td></td></tr><tr><td>Green Climate Fund</td><td>US\$ 29.90 million</td></tr><tr><td>Grant 0642-TON: Renewable Energy Project</td><td></td></tr><tr><td>Government of Australia</td><td>US\$ 2.50 million</td></tr></table>	Grant 0640-TON: Renewable Energy Project		Asian Development Fund	US\$ 12.20 million	Grant 0641-TON: Renewable Energy Project		Green Climate Fund	US\$ 29.90 million	Grant 0642-TON: Renewable Energy Project		Government of Australia	US\$ 2.50 million
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Government of Australia	US\$ 2.50 million												
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth												
Drivers of Change	Gender Equity and Mainstreaming Knowledge solutions Partnerships Private sector development												
Sector / Subsector	Energy / Electricity transmission and distribution - Renewable energy generation - solar												
Gender	Effective gender mainstreaming												
Description	Tonga Renewable Energy Project (TREP) has three components: (i) a large BESS capacity on Tongatapu to ensure that the intermittent electricity generated from solar photovoltaic and wind power to be funded by private independent power producers can be stored and used overnight without negatively affecting Tonga Power Limited's grids; (ii) electricity generation from the most feasible renewable resources in Tonga in Eua and Vava'u islands, and in five outer islands (O'ua, Tungua, Kotu, Mo'unga'one, and Niuafu'u); and (iii) grid technologies and management support, with an emphasis on providing women with training and economic empowerment opportunities.												
Project Rationale and Linkage to Country/Regional Strategy	TREP will help Tonga rapidly move from its heavy dependence on imported fossil fuels for power generation (about 90%) to using clean and renewable energy resources that are low carbon and climate resilient. TREP will also provide technical solutions, such as a battery energy storage system, and capacity building for promoting more private sector investments in renewables, which will help Tonga meet its 50% renewable energy target by 2020 and 70% by 2030. TREP will also increase energy access of marginalized populations in the outer islands, where access is low and limited.												
Impact	Reduced Tonga's dependency on imported fossil fuel for power generation												
<b>Project Outcome</b>													
Description of Outcome	Expanded access to clean, resilient and affordable energy for the population in Tonga at a lower cost												
<b>Progress Toward Outcome</b>													
<b>Implementation Progress</b>													
Description of Project Outputs	Battery Energy storage system (BESS) facilities on Tongatapu installed Grid-connected renewable energy generation on 'Eua and Vava'u installed Renewable-based hybrid systems and mini-grids on outer-Islands installed Strengthening of capacity building installed												
Status of Implementation Progress (Outputs, Activities, and Issues)	Achieved - BESS on Tongatapu completed Nov 2021 and commissioned Oct 2022. Achieved - Eua and Vavau commissioned March 2023. Renovation works to TPL's Control Room in Eua is ongoing. Ongoing - a contract to construct renewable energy-based hybrid mini-grids on 4 Haapai outer islands and Niuafu'u was awarded in Mar 2020 but delayed faced due to COVID-19 pandemic and finalization of contract variations which was completed in April 2023. Local sub-contractor mobilized to start site preparatory works in June 2023. Main contractor mobilizing to Niuafu'u in September 2023. A contract to construct mini grids on 4 Vavau outer islands was awarded in July 2023 and the contractor will mobilize in December 2023. 2 contracts to modernize TPL's control centre are ongoing. Work by the PMU consultants and the Consultancy Services Contract firm continues. 2 consultants for the independent power producer transaction advisory services continue to work with TPL to achieve Tonga's 80% renewable energy target.												
Geographical Location	Nation-wide												
<b>Safeguard Categories</b>													
Environment	B												
Involuntary Resettlement	B												
Indigenous Peoples	C												
<b>Summary of Environmental and Social Aspects</b>													
Environmental Aspects	Enviro- The IEE has been approved by the Department of Environment and has been revised to include additional scope. The CEMPs for each site have also been approved and complied with. The EA/IA are complying with the legal covenants and no actions are required to maintain compliance.												

Involuntary Resettlement IR- The RP has also been approved and has been revised to include additional scope. The EA/IA are complying with legal covenants.

Indigenous Peoples IP- Not applicable.

#### Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation The IA has been undertaking consultations with the communities before construction works commenced and these are ongoing until the project is complete. Several consultations have also been done for landowners and affected persons prior to construction works commencing.

Responsible ADB Officer	King, Grace
Responsible ADB Department	Pacific Department
Responsible ADB Division	Pacific Subregional Office in Suva, Fiji (SPSO)
Executing Agencies	Ministry of Finance

#### Timetable

Concept Clearance	14 Dec 2019
Fact Finding	30 Jul 2018 to 03 Aug 2018
MRM	22 Jan 2019
Approval	11 Mar 2019
Last Review Mission	-
Last PDS Update	17 Sep 2023

## GrantÂ 0640-TON

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
11 Mar 2019	13 Sep 2019	22 Nov 2019	30 Apr 2023	30 Apr 2024	-

Financing Plan			Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	17.80		Cumulative Contract Awards			
ADB	12.20		23 Oct 2023	11.75	0.00	96%
Counterpart	5.60		Cumulative Disbursements			
Cofinancing	0.00		23 Oct 2023	7.94	0.00	65%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	Satisfactory	Partly satisfactory	Satisfactory	Satisfactory

## GrantÂ 0641-TON

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
11 Mar 2019	13 Sep 2019	22 Nov 2019	30 Apr 2023	30 Apr 2024	-

Financing Plan			Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	29.90		Cumulative Contract Awards			
ADB	0.00		23 Oct 2023	0.00	28.92	97%
Counterpart	0.00		Cumulative Disbursements			
Cofinancing	29.90		23 Oct 2023	0.00	20.85	70%

## GrantÂ 0642-TON

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
11 Mar 2019	13 Sep 2019	22 Nov 2019	30 Apr 2023	30 Apr 2024	-

Financing Plan			Grant Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	5.50	Cumulative Contract Awards				
ADB	0.00	23 Oct 2023	0.00	2.51	100%	
Counterpart	3.00	Cumulative Disbursements				
Cofinancing	2.50	23 Oct 2023	0.00	1.98	79%	

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	Satisfactory	Satisfactory	Satisfactory	Satisfactory

Project Page <https://www.adb.org/projects/49450-012/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=49450-012>

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