

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Tonga: 2023 Commitments (\$ million)^a

Product Type	Sovereign	Nonsovereign	Total
Grants	32.10	-	32.10
Technical Assistance ^b	2.31	-	2.31
Total	34.41	-	34.41

- = nil.

Notes:

Commitment is the financing approved by ADB's Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB. It comprises the amount indicated in the investment agreement, which—depending on the exchange rate at the time of signing—may or may not be equal to the approved amount.

^a Numbers may not sum precisely because of rounding.

^b Financing for technical assistance projects with regional coverage is distributed to their specific developing member countries where breakdown is available.

Tonga: Cumulative Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	
		Sovereign	Nonsovereign
Agriculture, Natural Resources, and Rural Development	11	8.84	0.17
Education	-	0.11	-
Energy	14	57.26	-
Finance	10	9.14	0.04
Health	5	18.72	-
Industry and Trade	7	2.50	0.44
Information and Communication Technology	1	9.70	0.14
Multisector	9	22.39	-
Public Sector Management	42	107.04	-
Transport	9	73.73	-
Water and Other Urban Infrastructure and Services	8	38.54	-
Total	116	347.98	0.79

- = nil.

^a Includes loans, grants, and technical assistance.

^b Using primary sector in the reporting of commitments.

^c From 2020, financing for technical assistance projects with regional coverage is distributed to their specific developing member countries where breakdown is available.

^d Numbers may not sum precisely because of rounding.

The Pacific Approach, 2021-2025 guides ADB's operations in Tonga, with a focus on building resilience against economic shocks, delivering sustainable services, and promoting inclusive and sustainable growth.

TONGA

Tonga faces many of the challenges typical among small island developing states including geographical isolation, limited human and financial resources, and high costs of doing business and providing basic services. The economy has a narrow base and is dependent on inflows of remittances and external assistance, while the country, more broadly, is highly vulnerable to external shocks including disasters triggered by natural hazards.

The Asian Development Bank (ADB) has been supporting Tonga since 1972 and is currently assisting with health and elderly care, transport infrastructure, climate resilience, disaster recovery, renewable energy, urban development, and public sector management.

As of 31 December 2023, ADB has committed 115 public sector loans, grants, and technical assistance totaling \$348 million to Tonga. ADB's current sovereign portfolio in Tonga includes 1 loan and 14 grants worth \$146.6 million.¹

Cumulative sovereign loan and grant disbursements to Tonga amount to \$230.12 million. These were financed by concessional ordinary capital resources, the Asian Development Fund, and other special funds.

ADB's Pacific Disaster Resilience Program Phase 4, committed in May 2023 with a disaster-contingent financing grant of \$10 million, will provide Tonga with immediate response and reconstruction budget support when the Government of Tonga declares a state of emergency due to disasters triggered by natural hazards or health emergencies.

¹ Sovereign portfolio consists of ADB-financed loans, grants, equity investment, and sovereign guarantee committed and not financially closed. Regional projects with loans/grants to multiple countries are reported separately.



To boost resilience to risks from disasters and climate change, ADB approved \$30 million in additional financing for the Nuku'alofa Port Upgrade Project in April 2023, \$20 million of which is cofinanced by the Australian Infrastructure Financing Facility for the Pacific. The additional amount will support the cost escalation, ensuring project objectives are met.

To enhance the well-being and quality of life of elderly people in Tonga, ADB committed the funding for the Integrated Aged Care Project in November 2023 comprising \$11.5 million from the Asian Development Fund, \$3 million from the Japan Fund for Prosperous and Resilient Asia and the Pacific, \$600,000 from the Climate Change Fund, and \$1.08 million from the Government of Tonga. The project will provide appropriate, safe, and high-quality integrated health and care services and support to caregivers. Poor people and households headed by women will be prioritized.

The \$7.2-million grant committed in December 2022 to upgrade the distribution network of Tonga's capital, Nuku'alofa, continues to help restore reliable access to the electricity supply network and make it more resilient to extreme weather and disasters.

A \$53.2-million renewable energy project is currently helping expand renewable energy generation and install battery storage systems. Together with another renewable energy project for the outer islands of \$28.1 million, the project supports Tonga's renewable energy targets and facilitates private sector investment.

ADB remains active in the joint policy reform dialogue with the government and other development partners. The current program comprises two subprograms that will strengthen public sector management and sustainability, and boost economic and social resilience in Tonga. Subprogram 1 links to a policy-based grant of \$10 million, with \$5 million for subprogram 2. Previous recent budget support disbursements included \$12.2 million in June 2022 and \$5 million in November 2021.

A grant of \$18.3 million is improving urban infrastructure and services in Nuku'alofa with a focus on boosting disaster and climate change resilience.

ADB continues to assist in the customization of the national digital health information system through a \$7.5-million grant committed in 2019, as well as the introduction of three new vaccines in Tonga with a \$3.9-million grant committed in 2018. Additional financing of \$5.5 million was provided in 2021 to support the government in its coronavirus disease (COVID-19) vaccine deployment activities.

Operational challenges. The World Risk Report 2023 ranks Tonga at 103 among 193 countries in terms of disaster risk worldwide, with a focus on diversity. Tonga's main challenges are sustaining economic recovery beyond the COVID-19 pandemic, the volcanic eruption, and the tsunami in January 2022; mitigating potential damages caused by disasters triggered by natural hazards; and creating jobs for its youth. Furthermore, Tonga's relatively limited business environment restricts the ability of ADB and other development partners to source local contractors and consultants to implement development activities.

ADB is providing technical assistance to build the capacity of the government in improving gender outcomes, private sector development, international arbitration, climate and disaster resilience, social protection, water and energy supply, domestic transport networks, and public sector management.

Tonga: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	Goods, Works, and Related Services	
	Amount (\$ million)	% of ADB Total
2022	11.98	0.07
2023	4.62	0.03
Cumulative (as of 31 Dec 2023)	134.33	0.05

Item	Consulting Services	
	Amount (\$ million)	% of ADB Total
2022	1.14	0.21
2023	0.25	0.05
Cumulative (as of 31 Dec 2023)	8.88	0.06

Item	Total Procurement	
	Amount (\$ million)	% of ADB Total
2022	13.11	0.08
2023	4.87	0.03
Cumulative (as of 31 Dec 2023)	143.20	0.05

Top 5 Contractors/Suppliers from Tonga Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2019–31 December 2023

Contractor/Supplier	Sector	Contract Amount (\$ million)
Tonga Power Ltd.	ENE	4.12
Aotearoa Tonga Forest Products Ltd.	ENE	3.30
B.B. Construction Ltd.	WUS	1.12
T-Construction and Civil Works Ltd.	WUS	0.47
Kona Winds Electric LLC	ENE	0.40
Others		42.93
Total		52.34

ENE = energy, WUS = water and other urban infrastructure and services.

Top 5 Consultants from Tonga Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2019–31 December 2023

Consultant	Sector	Contract Amount (\$ million)
Survey, Statistical Solutions and Management Tonga	FIN	0.06
Individual Consultants		4.15
Total		4.21

FIN = finance.

KNOWLEDGE WORK

ADB brings added value to its members beyond its role in project financing. The bank acts as a knowledge broker by helping its members engage in regional issues, including climate change and ocean health. ADB's key flagship publications, such as the [Asian Development Outlook](#) and [Pacific Economic Monitor](#), help with macroeconomic forecasting and assess economic and key topical issues to guide national policy development and decision-making.

With knowledge support and activities being demand-driven, ADB works closely with Tonga in identifying and responding to both country and regional knowledge needs. In Tonga, knowledge support is geared toward providing advice to the government and supporting policy reforms including in public finance and administration, climate change and disasters, state-owned enterprise performance, private sector and financial sector development, and gender equality.

FINANCING PARTNERSHIPS

Financing partnerships enable ADB's financing partner governments or their agencies, multilateral financing institutions, and private organizations to participate in financing ADB projects. The additional funds provided may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in Tonga:

- Sovereign cofinancing: \$188.69 million for 14 investment projects and \$3.63 million for 7 technical assistance projects since 1974

In 2023, Tonga received a \$20-million additional grant cofinancing from the [Government of Australia](#) for the [Nuku'alofa Port Upgrade Project](#) and a \$3-million grant cofinancing from the [Japan Fund for Prosperous and Resilient Asia and the Pacific](#) for the [Integrated Aged Care Project](#).

A summary of projects with cofinancing from 1 January 2019 to 31 December 2023 is available at www.adb.org/countries/tonga/cofinancing.

FUTURE DIRECTIONS

ADB's [Pacific Approach, 2021–2025](#) serves as the country partnership strategy for Tonga and focuses on building resilience against economic shocks, delivering sustainable services, and promoting inclusive and sustainable growth while recovering from the impacts of the COVID-19 pandemic and recent disasters triggered by natural hazards. The priority areas under the strategy include (i) a more programmatic approach to climate change support; (ii) a deeper focus on long-term capacity support, including the use of capacity supplementation; (iii) increased flexibilities in procurement and contracting; and (iv) emphasis on gender equality. It remains aligned with the country's [Strategic Development Framework II, 2015–2025](#).

ADB's assistance to Tonga will focus on promoting renewable energy, improving transport, making Nuku'alofa a more livable city, protecting vulnerable groups, building resilience to climate risks, sustaining good fiscal management, and strengthening health systems. Technical assistance will remain an integral part of ADB's support to the country.

Tonga: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2022–2023

No. of Ongoing Loans ^a (as of 31 Dec 2023)	2022 (\$ million)	2023 (\$ million)
		1
Contract Awards ^{b,c}	–	0.06
Disbursements ^b	0.33	0.18
No. of Ongoing Grants ^{a,d} (as of 31 Dec 2023)	2022 (\$ million)	2023 (\$ million)
		14
Contract Awards ^{b,c,d}	46.09	10.29
Disbursements ^{b,d}	23.28	28.73
At Risk Projects (%) ^e (as of 31 Dec 2023)		–

– = nil.

Note: Totals may not add up because of rounding.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based, results-based, financial intermediation (FI)/credit, FI component of combined FIL/Project loan and grants and projects funded by Asia Pacific Disaster Response Fund (APDRF).

^d Includes only Asian Development Fund and other ADB special funds.

^e Covers active projects as of 31 December 2023.

Tonga: Independent Evaluation Ratings for Sovereign and Nonsovereign Operations, 2014–2023

	Total Number of Validated and Evaluated Projects and Programs	Evaluation Ratings		
		Highly successful and successful	Less than successful	Unsuccessful
Sovereign Operations	8	4	4	–
Nonsovereign Operations	–	–	–	–

– = nil, IED = [Independent Evaluation Department](#).

Note: The numbers indicate sovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports circulated by ADB within the 10-year period from 1 July 2013 to 30 June 2023. See [evaluations](#) related to Tonga.

Source: IED success rate database.

Tonga: Projects Cofinanced, 1 January 2019–31 December 2023

Cofinancing	No. of Projects	Amount (\$ million)
Sovereign	8	108.20
Grants	8	108.20

ADB AT A GLANCE

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it has 68 members—49 from the region and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,894 staff from 65 members as of 31 December 2023.

ADB maximizes the development impact of its assistance to its developing member countries by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others.

As Asia and the Pacific's climate bank, ADB reached its highest-ever annual financing for climate action in 2023: \$9.8 billion, including \$1 billion in nonsovereign financing.

ADB's evolution is ongoing. Strategy 2030 is being updated; and a new operating model was launched midyear to increase capacity as the region's climate bank, spur private sector development, provide a wider range of integrated development solutions, and modernize how ADB works. Major capital management reforms have also unlocked up to \$100 billion in new funding capacity over the next decade. These initiatives strengthen ADB's ability to help DMCs address urgent and accelerating development challenges and achieve the Sustainable Development Goals.

ADB operations. In 2023, ADB committed \$23.6 billion in loans, grants, equity investments, guarantees, private sector programs, and technical assistance to both the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of \$16.4 billion.

As of 31 December 2023, ADB's cumulative commitments in 45 countries stood at \$378.8 billion covering 4,324 loans, \$13.4 billion in 602 grants, and \$5.8 billion in technical assistance grants, including regional technical assistance grants.

In addition to loans, grants, and technical assistance, ADB uses equity investments, guarantees, and private sector programs to help its developing member countries.

Total commitments in nonsovereign loans, equity investments, and guarantees from ADB's own funds in 2023 amounted to \$1.7 billion for 40 transactions in economic and social infrastructure, finance sector, and agribusiness.

In 2023, ADB mobilized \$3.3 billion of long-term project cofinancing and \$3.1 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and undisbursed commitments of nonsovereign transactions funded by ADB's own resources stood at \$11.8 billion as of 31 December 2023.

FINANCING PARTNERSHIPS

Total sovereign and nonsovereign cofinancing commitments, 2023

- \$16.39 billion for 172 projects, of which:
 - » \$15.85 billion, 90 investment projects,
 - » \$103.66 million, 80 technical assistance projects,
 - » \$442.91 million transaction advisory services for 2 projects.*

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2023

- \$168.27 billion for 3,421 projects, of which:
 - » \$163.66 billion, 1,238 investment projects,
 - » \$3.03 billion, 2,172 technical assistance projects,
 - » \$1.58 billion transaction advisory services for 11 projects.**

* Adjusted to exclude \$36.71 million A Loans mobilized under transaction advisory services reported under nonsovereign operations financing, and \$150.1 million cofinancing reported in nonsovereign projects cofinancing.

** Adjusted to exclude \$41.44 million A Loans mobilized under transaction advisory services reported under nonsovereign operations financing, and \$150.1 million cofinancing reported in nonsovereign projects cofinancing.

PROCUREMENT

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations:

- \$16.33 billion in 2022
- \$13.98 billion in 2023
- \$261.05 billion covering 231,117 contracts, cumulative procurement since 1966

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations:

- \$553.94 million in 2022
- \$530.31 million in 2023
- \$16.04 billion covering 78,888 contracts, cumulative procurement since 1966

MORE ABOUT TONGA AND ADB

Shareholding and Voting Power

Number of shares held:	426 (0.004% of total shares)
Votes:	39,540 (0.297% of total membership, 0.457% of total regional membership)
*Overall capital subscription:	\$5.72 million
*Paid-in capital subscription:	\$282,000

*United States dollar figures are valued at rate as of 31 December 2023.

ADB Governor: Tiofilusi Tiueti

ADB Alternate Governor: Kilisitina Tiane Moala-Tuamei'api

ADB Director: Made Arya Wijaya (Indonesia)

ADB Alternate Director: Llewellyn Roberts (New Zealand)

ADB Director's Advisors: Rosemary Abigail Lee Hang (Samoa) and Mohammed Jabid (Fiji)

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Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org

Notes: (i) Figures are estimated by ADB unless otherwise stated. " \$" refers to United States dollars. (ii) Data are updated as of 31 December 2023 unless otherwise indicated.