



DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
TONGA CYCLONE IAN RECONSTRUCTION AND CLIMATE RESILIENCE PROJECT
APPROVED ON MAY 28, 2014
TO
KINGDOM OF TONGA

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE
EAST ASIA AND PACIFIC

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I. BASIC DATA

Product Information

Project ID P150113	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 28-May-2014	Current Closing Date 30-Jun-2018

Organizations

Borrower Kingdom of Tonga	Responsible Agency Ministry of Finance and National Planning, Ministry of Infrastructure and Tourism
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Project Development Objective (PDO)

Original PDO

The project development objectives are to: (i) Restore housing, community facilities, and basic services to the affected population of Ha’apai; and, (ii) Strengthen the country’s resilience to natural disasters.

Current PDO

The objectives of the Project are to: (a) strengthen the climate resilience of housing and selected community facilities for the affected population of Ha’apai; and (b) strengthen the Recipient’s preparedness to recover from future natural disasters.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-54770	28-May-2014	11-Jun-2014	01-Jul-2014	30-Jun-2018	6.00	5.41	0
IDA-H9620	28-May-2014	11-Jun-2014	01-Jul-2014	30-Jun-2018	6.00	5.60	.01
TF-17580	28-May-2014	08-May-2015	08-May-2015	30-Jun-2018	1.80	1.39	.41



Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

Progress towards achievement of the PDO is currently moderately satisfactory, Implementation progress is also Moderately Satisfactory. Disbursement for IDA is 96% with all new houses built (400), and repairs done with the exception of 22 out of 627. All 18 Community halls have been repaired to a better standard and are now also used as evacuation centers. The GoT is financing the installation of water tanks and gutters to provide water supply facilities for the households that did not receive them during phase I due to budget constraints as a result of design creep.

Technical Assistance activities had not started until the reconstruction and repairs of the houses were well underway in July 2016. For the Technical Assistance activities funded under EU-ACP (GFDRR), the national housing reconstruction policy is being finalized to be submitted for cabinet approval by the original end date. The remit of this consultancy was expanded to develop a Cyclone Gita specific housing reconstruction strategy which has been submitted to cabinet in April 2018. The second TA Safer Reconstruction Toolkit is currently undergoing consultation with the local construction industry and is due to complete by the original end date. The data preparedness work is also progressing well, with the firm due to finalize the work by the original end date following an implementation mission in May/June. The building code updating contracting suffered due to protracted negotiations with the preferred first candidate firm on liability issues, which eventually fell through just prior to Cyclone Gita in February 2018. The second firm has submitted the proposal, that requires 22 weeks from the start of the project, requiring an extension of the closing date for the project.

In the context of ongoing post-Cyclone Gita reconstruction activities in Tonga, and the important to have a standard for residential buildings in place, an extension of the closing date for the RETF is requested to complete the code updating to ensure build back better principles are adopted by the repair and reconstruction work to take place in the next year. Project Management is Moderately Unsatisfactory due to the reduction of the capacity of the PMU. However as the IDA has disbursed 100%, and remaining tasks are mostly TA that are finishing in June, the current skeleton PMU is likely to provide enough support to the project. The Project is in compliance with all legal covenants, fiduciary and safeguard policies. The sanitation activities proposed under activity part 1(e) will be removed as these activities will no longer be undertaken. Furthermore, implementation of the water supply and gutters will now be implemented using GoT funding, following the Task Force Group (consisted of key stakeholder ministries for this project and led by Deputy Prime Minister) decision, documented in the minutes from meeting 47 dated July 10, 2017.

III. DETAILED CHANGES

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
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Tonga Cyclone Ian Reconstruction and Climate Resilience Project (P150113)

IDA-54770	Effective	30-Jun-2018		30-Jun-2018	30-Oct-2018
IDA-H9620	Effective	30-Jun-2018		30-Jun-2018	30-Oct-2018
TF-17580	Effective	31-Dec-2016	30-Jun-2018	30-Nov-2018	30-Mar-2019