

**INTEGRATED SAFEGUARDS DATA SHEET**  
**RESTRUCTURING STAGE**

Note: This ISDS will be considered effective only upon approval of the project restructuring

Report No.: ISDSR22288

**Date ISDS Prepared/Updated:** 30-May-2017

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Tonga	<b>Project ID:</b>	P150113
<b>Project Name:</b>	Tonga Cyclone Ian Reconstruction and Climate Resilience Project (P150113)		
<b>Task Team Leader(s):</b>	Michael Bonte-Graptin, Artessa Saldivar-Sali		
<b>Estimated Appraisal Date:</b>	03-Apr-2014	<b>Estimated Board Date:</b>	28-May-2014
<b>Managing Unit:</b>	GSU08	<b>Financing Instrument:</b>	Investment Project Financing
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	15.89	<b>Total Bank Financing:</b>	12.00
<b>Financing Gap:</b>	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			2.09
Global Facility for Disaster Reduction and Recovery			1.80
IDA Credit from CRW			6.00
IDA Grant from CRW			6.00
Total			15.89
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

**2. Current Project Development Objectives**

**Proposed New PDO (from Restructuring Paper)**

**3. Project Description**

Tropical Cyclone Ian (TCI) hit the South Pacific region in January 2014 and had a devastating impact in Tonga. On January 11, 2014, it passed directly through the Ha'apai Islands Group, intensifying to a Category 5 system with winds of over 200 km per hour. It was the most powerful storm ever recorded in Tonga. One

person died and 14 suffered minor injuries as a result of the cyclone. In response, the Government of Tonga (GoT) declared a state of emergency in Ha'apai and Vava'u on the day of the storm. Good preparedness measures had been in place and GoT's response was rapid and likely prevented more fatalities and injuries to human life.

The GoT's National Emergency Management Office (NEMO), jointly with the Bank and in collaboration with other development partners, subsequently undertook a rapid assessment of the damages and losses in accordance with the Damage and Loss Assessment (DaLA) methodology. Of the 6,616 people (2011 census) living in Ha'apai, some 5,500 people in 18 villages across six islands in the group were affected. The DaLA estimated the combined physical damage and economic losses to be USD49.5 million (about 11 percent of Tonga's Gross Domestic Product, GDP). The immediate physical damage, particularly on housing stock, transport infrastructure, and agriculture, was estimated at USD39.4 million. TCI is expected to cause a potential income loss for the Ha'apai Island Group of around 40 percent for 2014, and a significant increase in the poverty level of the affected persons via the destruction of subsistence agricultural crops, inputs for handicraft production, and disruption to private sector business activity.

The housing sector bore the brunt of damages and losses from TCI as reflected in the National TCI Response Plan which outlined the immediate relief and recovery priorities. The plan included the need to reconstruct and rehabilitate some 800 homes, with an urgent priority to assist affected families move out of tents and evacuation centers and into safe housing with adequate water and sanitation facilities.

The project will assist with the TCI emergency recovery effort through the following:

- Component A: Housing and Key Community Facilities Repair, Reconstruction and Climate Resilience (USD 12.97m including contingencies and taxes)
- Component B: Technical Assistance and Training for Enhanced Disaster and Climate Resilience (USD 1.58 m including contingencies and taxes)
- Component C: Project Support (USD 1.34 m including contingencies)

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

The project is located in the Ha'apai Island Group in the Kingdom of Tonga.

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. The population is primarily Polynesian, with a literacy rate close to 99 per cent and a relatively low incidence of poverty. However, 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% of Gross National Income, GNI). Remittances from an estimated 100,000 Tongans abroad have historically been equivalent to about 40% of GNI.

The Ha'apai economy is built around subsistence agriculture: 23% of the population is estimated to live below the basic needs poverty line. TCI is expected to cause a short-term increase in poverty due to the: (i) destruction of subsistence agricultural crops and lost fisheries and agricultural output; (ii) destruction of inputs for handicraft production; and (iii) disruption to private sector business activity. The scale of losses is very substantial relative to current incomes, given the under-developed nature of the Ha'apai economy, and suggests a Ha'apai income loss of around 40% for 2014. The other pillar of the economy, tourism related to whale watching, has been seriously affected, but since TCI happened outside of the season, the impact is lower than it would otherwise have been.

## 5. Environmental and Social Safeguards Specialists on the Team

Ross James Butler( GSU02 )

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6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>About 80% of the project expenditure has been directed to facilitate the provision of housing and basic services, repair of affected housing stock and key public buildings, and undertaking climate resilience improvements to undamaged housing. The project has facilitated safe removal and disposal of asbestos waste and reuse, recycle and disposal of Construction Demolition Waste (CDW). Waste was disposed of in a manner certified by a licensed asbestos management consultant from New Zealand.</p> <p>The Policy is triggered.</p>
Natural Habitats OP/BP 4.04	No	<p>The Lifuka and Foa Islands, where most of the reconstruction work is taking place does not have any critical or non-critical natural habitats, nor will the project affect critical or non-critical natural habitats. Therefore, the policy is not triggered.</p>
Forests OP/BP 4.36	No	<p>The Project will not affect any forests. The policy is not triggered.</p>
Pest Management OP 4.09	No	<p>The Project does not involve procurement or use of pesticides. The policy is not triggered</p>
Physical Cultural Resources OP/BP 4.11	No	<p>The Project involves replacement or reconstruction of destroyed or damaged housing. Given the coral nature of the islands, physical culture resources are not expected. Nonetheless, a chance find procedure is included in the Environmental Management Plan.</p>
Indigenous Peoples OP/BP 4.10	No	<p>The population is 97.5% indigenous Tongan or part Tongan, is homogeneous and does not conform to the Bank's definition of Indigenous Peoples. The policy is not triggered.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>The principle adopted by the project was to replace housing on existing sites/allotments wherever possible. Accordingly, there was an expectation that the need for houses to be constructed on sites other than the site where the destroyed house was located would be unlikely. Nevertheless, because there was a</p>

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		<p>possibility that relocation of some houses may be required and therefore that some alternative land would need to be identified by the Government.</p> <p>These relocations may be due to safety, legal or occupancy security reasons. Accordingly, OP 4.12 was triggered to ensure appropriate safeguards were, and remain in place. A Resettlement Policy Framework was prepared to document the process agreed for ensuring compliance with OP 4.12. The key purpose of the RPF is to protect any people owning or using the alternative land that may be identified by the Government to accommodate houses funded by the project. The principle was, and remains, that any people affected by the project such as people who own or use the alternative land needed to accommodate the houses for beneficiaries must be afforded full protection of the Bank safeguard policies.</p> <p>To date (May 2017) all houses funded under the project have been built on the land where the beneficiaries lived. However, there remains some houses where the land owners have not consented to the construction of a house on their land to be occupied in perpetuity by another person/family. To address this issue, the restructuring proposes that the house be owned by the land owner and that the beneficiary be able to live in the house for four years to allow them time to recover from the impacts of the cyclone. A part of the purpose of this is to incentivize land owners to allow houses to be built on their land, thereby significantly reducing the potential need for alternative land.</p>
Safety of Dams OP/BP 4.37	No	The Project does not involve dams. The policy is not triggered.
Projects on International Waterways OP/BP 7.50	No	The Project does not involve international waterways. The policy is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	The Project is not located in disputed areas. The policy is not triggered.

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

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

The key physical aspect of constructing housing has not created substantive environmental issues, and construction impacts have been effectively managed. The two key aspects requiring safeguarding were the management of asbestos products and CDW, as well as the issues associated with the provision of basic services. The project will improve public health by facilitating the provision of basic services, improving housing conditions by facilitating the replacement or repairing damaged houses or retrofitting undamaged housing to cyclone resilience standard, thus leading to general improvements in the environment. Works will also be undertaken to improve sanitation.

The likely environmental issues are:

- Some of the buildings damaged by TCI contain asbestos products (asbestos roofing sheets, tiles, or gutters). A firm specializing in asbestos waste management has been hired by the Ministry of Infrastructure (Mol) to prepare an asbestos management and removal plan and subsequently identify, remove, secure and dispose of asbestos products in an appropriate and safe manner.
- Ha'apai lacks a properly engineered landfill site. Much of the cyclone and CDW will be re-used (timber, iron sheeting, plastic piping/reticulation, some bricks and masonry) or recycled (bricks and masonry can be crushed to be used in the reconstruction). Asbestos waste was disposed of in accordance with the advice and supervision of a certified asbestos consultant from NZ.
- The project will facilitate the provision of water and sanitation services, which may include some septic tanks and soak pits. There will be minor excavation for new concrete pad footings and septic tanks and soak pits. Some of the excavated material will be reused in constructing soak pits, with the remainder spread in gardens or used in pothole filling or road construction. All construction material for housing will be sourced locally, from Tongatapu, or imported from overseas.
- All groundwater on the islands is saline and contaminated and is not fit for drinking or cooking. The islanders use rainwater or bottled water for drinking and cooking purposes. Tap water is used for bathing, cleaning and flushing toilets. Since the project does not involve heavy construction and civil works requiring lot of water, there adequate non-potable water supply readily available for construction use, except in condition of draught when pumping of the groundwater aquifer may be restricted.

The likely social safeguard issues relate primarily to issues around ensuring land is available for the reconstruction of housing. As outlined above, it is expected that in most cases, houses will be constructed or repaired on the same allotment. At the time of appraisal, the situation in terms of land availability was as follows:

- Approximately 40% of lands have clear land title in favor of the beneficiaries.
- For the remaining approximately 60% of beneficiaries, some owners are absent, cannot be identified or contacted, and others have no formal or informal occupancy arrangements. In the Tongan context, where communal and/or familial sharing of land assets underpins much of the traditional land management arrangements, this is common. The Ministry of Lands, Environment, Climate Change and Natural Resources (MLECCNR) worked to achieve a level of certainty for all beneficiaries by identifying the formal title holders and to confirm that the beneficiaries have consent to remain on the allotment and construct a replacement house and basic services on the land.
- If identified informal arrangements are disputed by the registered title holder and consent is not granted to reconstruct on the land, the GoT will consider other measures, specifically the identification and preparation of alternative land, which will provide a security of occupancy to the beneficiary for the design life of the building (approx. 30 years) in accordance with the process defined by the Resettlement Policy Framework.
- The Act of Constitution of Tonga Clause 109 Beach Frontage includes a 17 meter (50 feet) foreshore building line from the high-water mark to establish a foreshore protection area. Some of the houses damaged

by TCI are located within this protection area. Where land is available on the same allotment, the replacement houses will be located on that part of the allotment setback from the foreshore building line. In the event that land outside the protection area is not available on the allotment, the GoT will consider other measures to identify land and to provide a security of occupancy to the beneficiary in accordance with the process defined by the Resettlement Policy Framework.

The discussion in the Table above under OP4.12 Involuntary Resettlement, provides an update of the current situation and the process proposed under the restructure to address current issues.

**2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:**

The construction of housing, improved water supply and sanitation services, repairs to damaged housing and retrofitting of undamaged housing, the removal and safe disposal of asbestos products and CDW, and institutional strengthening, will all have net positive environmental, health and social benefits for the residents of the affected Ha'apai Islands.

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

Given that this is an emergency project in response to a natural disaster, options available to reduce social and environmental impacts are limited. The two exceptions are: (i) disposal of asbestos and CDW, and (ii) the location of any housing outside existing allotments, if required.

After considering options for establishing a landfill in the Ha'apai Group, the Government of Tonga decided to utilize the existing engineered landfill in Tongatapu to receive asbestos and CDW under this project. This will minimize any negative environmental impacts from disposal, and is consistent with the current GoT preferences. Measures to minimize the impacts from disposal of asbestos and CDW are presented in the agreed Environmental Management Plan.

The likelihood of land for housing outside existing allotments be required is considered to be very low. Notwithstanding this, if land is required, alternative sites will be identified as assessed based on the requirements of the agreed Resettlement Policy Framework.

**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.**

The project has been implemented by the Mol through the Transport Sector Consolidation Project Support Team (PST). The PST is implementing the World Bank and Australian Aid funded Transport Sector Consolidation Project and has gained experience and developed competencies to address safeguard policy issues. A dedicated Project Management Unit was established in Ha'apai for on the ground implementation. The project provided funds for social and environmental safeguards support and oversight, including funds for a suitable qualified individual who will be appointment to be based in the PMU in Ha'apai by the commencement of project implementation.

During preparation of the project, an Environmental Management Plan (EMP) and Resettlement Policy Framework (RPF) were prepared and disclosed both in-country and in Infoshop on April 14, 2014. The EMP covers mitigation measures to minimize the impacts from, the construction of housing units, water supply and sanitation associated with the new houses and existing infrastructure, and the removal of asbestos and CDW. The document also covers the cumulative impacts from other donors and projects on the environment, provides details on the Tapuhia Landfill in Tongatapu, and suggested monitoring actions of the key construction/recovery issues. The EMP also provides links to the World Bank Group Environmental, Health, and Safety Guidelines and the World Bank Group 2009 Guidance Note on Asbestos Management.

The RPF establishes the principles, objectives, procedures and rules to be used in the preparation abbreviated

resettlement action plans (ARAP), as well as identifying risks and associated impacts and adopted approach of resettlement under the project if resettlement is required as a result of the government finding alternative land if “in situ” solution cannot be found whereby the project funded houses are built on the land where the original house sat. It is expected the borrower will take all necessary measures to avoid, minimize, mitigate and compensate for adverse social impacts, including, but not limited to, those impacts associated with involuntary resettlement. Every viable alternative project design should be explored to avoid, where feasible, or minimize involuntary resettlement. If involuntary resettlement cannot be avoided altogether, sufficient resources will be made available to implement resettlement activities as sustainable development programs, in close consultation with displaced persons.

The project restructure – by incentivizing land owners to allow the house to be constructed on the original site – is one such effort proposed by the Government to avoid the need to identify and prepare alternative land (which would almost certainly result in some involuntary resettlement impacts to be managed by OP 4.12).

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

Given the nature of the project as an emergency response, consultations have taken place and will continue to take place to ensure that project affected people participate actively in the project activities. During project preparation a series of consultations with various groups of stakeholders including the project affected people were undertaken. The preparation of safeguards instruments were part of the consultations. Results of the ongoing consultations process will be captured in a Stakeholders' engagement plan to be developed during implementation to guide Mol's engagement with beneficiaries throughout the entire project, and incorporated into the Operational Manual and safeguards instruments as needed. The EMP was disclosed in Infoshop on April 14, 2014 and in-country on May 8, 2014. Revisions to the RPF have been discussed with beneficiaries during consultations in January - February 2017, along with the new land consent forms. The revised RPF, which includes the new land consent forms as an annex, was sent to Infoshop for disclosure on May 31, 2017 and the PST have confirmed it will be disclosed in country within the week.

During implementation, additional information about the project will be disseminated by Town Committees established under the project via public media in accordance with the project Communications Plan. Intended beneficiaries and communities will be further consulted and engaged in community meetings to discuss planning and implementation of the provision of houses, repair of damaged homes, and in planning works related to public facilities by the Town Committees. There will be a comments and complaints process (see below) through the Governor's office in Pangai, Lifuka Island.

Furthermore, consultation will be carried out during implementation once the preliminary assessment of the volume of wastes and an assessment of suitability of sites have been completed to include the identification of suitable temporary site(s) on Lifuka and/or Foa islands for the temporary storage of asbestos waste and CDW where it cannot be re-used, prior to transport and end disposal in Tapuhia landfill in Tongatapu. This will involve consultations with the residents of Lifuka and Foa Islands and involvement of the Ministry of Health, MoI, MLECCNR.

***B. Disclosure Requirements***

**If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

**If in-country disclosure of any of the above documents is not expected, please explain why::**

**C. Compliance Monitoring Indicators at the Corporate Level**

The World Bank Policy on Disclosure of Information						
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
All Safeguard Policies						
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

**III. APPROVALS**

Task Team Leader(s):	Name: Michael Bonte-Grapentin, Artessa Saldivar-Sali	
<i>Approved By:</i>		
Safeguards Advisor:	Name: Peter Leonard (SA)	Date: 02-Jun-2017
Practice Manager/Manager:	Name: Abhas Kumar Jha (PMGR)	Date: 02-Jun-2017