



Nuku'alofa Urban Development Sector Project Project Implementation Assistance Consultants

ADB GRANT-0264 TON

Consolidated Annual Report Year 1 - 2013



March 2014



Quality Information

Project title	Nuku'alofa Urban Development Sector Project
Document title	Consolidated Annual Report 2013
Date	March 2014
Author(s)	Seventeen TOUMOUA / John GILDEA
Reference n°	EUR 11521M

Quality control

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Acronyms and Abbreviations

AB	Affected Business
Aps	Affected Persons
ADB	Asian Development Bank
AusAID	Australian Agency for International Development
BME	Benefit Monitoring and Evaluation
CDTA	Capacity Development Technical Assistance
CSS	Country Safeguard System
DP	Displaced Person
EA	Executing Agency
EIRR	Economic Internal Rate of Return
EMA	External Monitoring Agency
EU	European Union
FGD	Focus Group Discussions
GAP	Gender Action Plan
GDP	Gross Domestic Product
GFP	Grievance Focal Point
GIS	Geographic Information System
GoT	Government of Tonga
GRC	Grievance Redress Committee
Ha	Hectare
HH	Households
IA	Implementing Agency
ISA	Initial Social Assessment
IUDP	Integrated Urban Development Project
IUDSP	Integrated Urban Development Sector Project
IMA	Internal Monitoring Agency
Km	Kilometre
LAR	Land Acquisition and Resettlement
MOH	Ministry of Health
MOI	Ministry of Infrastructure
MOLECCNR	Ministry of Lands, Environment, Climate Change and Natural Resources

NGOs	Non Government Organizations
NUDSP	Nuku'alofa Urban Development Sector Project
O&M	Operation and Maintenance
PAM	Project Administration Manual
PIA	Project Implementation Assistance
PIU	Project Implementation Unit
PMU	Project Management Unit (in PUMA)
PPMS	Project Performance Management System
PSA	Poverty and Socio Economic Assessment
PSC	Program Steering Committee
PUMA	Planning and Urban Management Agency (in MoLECCNR)
RP	Resettlement Plan
RRP	Report and Recommendation of the President (to the Board of Directors)
SPS	Safeguard Policy Statement
SES	Socio Economic Survey
SW	Solid Waste
SWM	Solid Waste Management
TA	Technical Assistance
TNIIP	Tonga National Infrastructure Investment Plan
TNA	training needs assessment
TOR	Terms of Reference
TSDF	Tonga Strategic Development Framework
TUIDP	Tonga Urban Infrastructure Development Plan
TWB	Tonga Water Board
WAL	Waste Authority Limited
WB	World Bank
WS	Water Supply

Chapter A. Introduction and Basic Data

A.1 Introduction

The project will provide high priority urban infrastructure identified in the Nuku'alofa Urban Infrastructure Development Plan (NUIDP¹). The project will expand upon infrastructure development currently being undertaken in Nuku'alofa through the Nuku'alofa Reconstruction Project (NRP) and the Integrated Urban Development Sector Project (IUDSP²).

A project summary is provided as Table 1.

Table 1: Project Summary

GRANTNUMBER	ADBNo.0264-TON(SF)
PROJECTTITLE	Nuku'alofa Urban Development Sector Project (NUDSP)
RECEIVER	GOVERNMENTOF TONGA (GOT)
EXECUTIVEAGENCY	Ministryof Finance and National Planning (MFNP)
IMPLEMENTING AGENCY	PUMA
ESTIMATEDPROJECTCOST	Total:USD 14.59million (USD 6.06 millionfromADB) (USD6.44millionfromAusAID) (USD 2.09millionfrom counterpart fundingGoT)
PROJECTFINANCINGSTATUS	<i>Imprest Account - MoFNP</i> Funds by the Reserved Bank of Tonga (RBT) from the donors up to 31 st December 2013. 1. Funds received up to 31 st December 2013, as follows Total to date: \$713,956.46 Receivedon30 June 2013: \$431,026.27 (ADB\$209,213.05- DFAT\$221,813.02) Received on 28 October 2013: \$282,903.19 (ADB \$135,822.69 – DFAT \$147,080.50) Expenditure is funded with monies then transferred from the RBT to the MoFNP, as follows. 2. Expendedupto31 st December 2013): \$274,930.19 (ADB\$133,345.03–AusAID \$141,585.16)
DATEOFAPPROVALBYADB	September 2011

¹ UIDP was prepared under TA 7082-TON: Urban Planning and Management System (ADB, 2008 US\$700,000) and provides an urban infrastructure investment plan for Nuku'alofa for the period 2010/11 to 2030/31

² NRP is funded through a RMB400 million loan from China and was approved on 2007. An Asian Development Fund grant of \$11 million for IUDSP (G0108-TON) was approved by ADB in March 2008

DATE OF SIGNING AGREEMENT	11 January 2012
DATE OF EFFECTIVENESS	23 September 2012
DURATION PROJECT	7 Years
GRANT CLOSING DATE	10 January 2019
PROJECT IMPLEMENTATION PERIOD	Commencing on 1 January 2012 and terminating on 31 December 2017
DATES OF ADB MISSIONS	Inception Mission: 03 -07 December 2012 Grant inception mission conducted by Mr Steve Blaik – Senior Project Officer, Ms Maria Paniagua – Unit Head, Project Administration, SPSO; Ms Lavenia Uruvaru, Project Analyst, SPSO, and Mr Taniela Faletau, Safeguards Officer, SPSO. Field Review Mission #1: 07 – 11 October 2013 Review conducted by – Ms Maria Paniagua – Unit Head, Project Administration Unit, SPSO and Taniela Faletau, Safeguards Officer, SPSO.
PROJECT STEERING COMMITTEE ACTIONS	PSC meeting #1 held on 30 October 2012 approved the following: • PSC membership be amended in accordance with current GoT structure; • Establishment of Project Procurement and Tender Committee (PPTC); • TOR for the PPTC be included in the updated PAM; • Procurement be in accordance with ADB and GoT guidelines; • Update/amend the PAM as required; and • PUMA finalise and submit staffing requirements to MoFNP (EA) for onward submission to ADB.
	PSC meeting #2 on 28 February 2013 approved the following: • PSC notes the current project progress status and the updated project schedule of timetable; • PSC and ADB to note and endorse the initial screening of potential candidate subproject list; • PSC to note the proposed urgent actions for the next 6 months; • PSC to note and endorse the proposed Addendum No.1, which is the exemption of taxes and duties from the project - Annex-D; • Procurements to be in accordance with the ADB and GoT guidelines; and • Update/amend the Project Administration Manual (PAM) and Monitoring and Evaluation Framework accordingly.

	PSC meeting #3 on 29 August 2013 approved the following: • Executing Authority (EA) and Implementing Agency (IA) to devise strategies in addressing lack of operational budget for PUMA and PMU offices for regular and NUDSP activities. IA will look into this and revert back to PSC and EA on proposed way forward; • PSC quarterly meetings to meet program required under PAM. IA to set the next meeting date as programmed; • Taxes and duties for NUDSP had been gazetted following Parliamentary approval; • PSC agreed in principal to the addition of International Hydrogeologist to NUDSP PIAC Team but EA and IA to assess the contracts and proposed variation.																														
PROJECT COMMENCED	26 September 2012																														
MAINTA FIELDING	All of the following International and National PIAC team members have been mobilised in the reporting period: <table> <tr> <td>International</td><td></td></tr> <tr> <td>John Gildea</td><td>Team Leader/Municipal Engineer</td></tr> <tr> <td>Andrew Henricksen</td><td>Water Engineer Specialist</td></tr> <tr> <td>Girle Labastilla</td><td>Planner Specialist</td></tr> <tr> <td>Dick Watling</td><td>Environmental Specialist</td></tr> <tr> <td>Sonia Chirgwin</td><td>Solid Waste Specialist</td></tr> <tr> <td>National</td><td></td></tr> <tr> <td>Seventeen Toumoua</td><td>Deputy Team Leader/Project Eng.</td></tr> <tr> <td>Malakai L Sika</td><td>Accountant</td></tr> <tr> <td>Tapu Panuve</td><td>Revenue</td></tr> <tr> <td>Monalisa Tukuafu</td><td>Social/Safeguard/Gender</td></tr> <tr> <td>Andrea Talia'uli</td><td>Environmental</td></tr> <tr> <td>Leipi Falemaka</td><td>Gender Planner</td></tr> <tr> <td>Daniel Fale</td><td>Spatial Planner</td></tr> <tr> <td>Silia Leger</td><td></td></tr> </table> The assignment periods completed or ongoing for each of the above team members are provided in Chapter D, Table 6 and 7.	International		John Gildea	Team Leader/Municipal Engineer	Andrew Henricksen	Water Engineer Specialist	Girle Labastilla	Planner Specialist	Dick Watling	Environmental Specialist	Sonia Chirgwin	Solid Waste Specialist	National		Seventeen Toumoua	Deputy Team Leader/Project Eng.	Malakai L Sika	Accountant	Tapu Panuve	Revenue	Monalisa Tukuafu	Social/Safeguard/Gender	Andrea Talia'uli	Environmental	Leipi Falemaka	Gender Planner	Daniel Fale	Spatial Planner	Silia Leger	
International																															
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Andrea Talia'uli	Environmental																														
Leipi Falemaka	Gender Planner																														
Daniel Fale	Spatial Planner																														
Silia Leger																															

Chapter B. Utilization of Funds

B.1 Contract Awards

The Project cumulative contract awards achieved is USD4.22 million (48.2%) against the total proposed Project procurement contract awards of USD8.76 million (refer to updated PAM March 2013). A summary of these contract awards is provided in **Table 2** below.

Table 2: Summary of Contract Awards

Contract No.	Contract Description	Budget Cost (USD million)	Actual Cost (USD million)
QCBS-ICB	Project implementation assistance consultants	2.646	2.716
SHO-2012-1A	4 x 4 double cab, utility – 2 no (TWB & WAL)	0.085	0.063
ICB-2013-WAL01	Articulated, wheeled loader	0.200	0.182
ICB-2013-WAL03	Lot-1: Rear loading, 8m ³ , compactor truck-2 no	0.390	0.405
ICB-2013-WAL03	Lot-2: Septage truck, 5,500 liter, vacuum pump out with hoses, fittings and accessories	0.150	0.183
NCB-2013-WAL05	Construct landfill cell no.2	0.440	0.476
SHO-2012-2A	Financial management package – computer hardware and software and training	0.096	0.092
SHO-2013-WAL06	Groundwater monitoring equipment	0.004	0.005
Totals		4.011	4.122

B.2 Disbursements

The total fund received by MoFNP for the NUDSP imprest account to end of June 2013 was USD \$431,026.27 (ADB - USD\$209,213.25 and DFAT, Australia – USD\$221,813.02). In the period from July 2013 to the end of December 2013 further funds of USD \$282,903.19 (ADB - USD\$135,822.69 and DFAT, Australia – USD\$147,080.50) were received by MoFNP.

Against these projections, the expenditure achievement was **USD\$274,930.19** (ADB - **USD\$133,345.03** and DFAT, Australia - **USD\$141,585.16**)

Table 3 below shows the detailed total project expenditure breakdowns as of 31 December 2013.

Table 3: Financial Summary

Funding Source	Account	Budget		Expenditure	Expenditure/Budget
		USD	TOP	TOP	%
ADB	Imprest	6,060,000	9,696,000	83,300.89	0.86%
	Direct			133,345.03	1.38%
	Sub-Total			216,645.92	2.23%
DFAT Australia	Imprest	6,440,000	10,304,000	88,448.17	0.86%
	Direct			141,585.16	1.37%
	Sub-Total			230,033.33	2.23%
GoT		2,088,000	3,340,800	0	0%
TOTALS	Imprest	14,590,000	23,340,800	171,749.06	0.74%
	Direct			274,930.19	1.18%
	Total			446,679.25	1.91%

Source: Data from MOFNP to 31 December 2013. The detailed project financial summary is attached as Annex 6.2.

B.3 Costs to Completion

Given below in **Table 4** are details of the budget allocations and expenditure to date for the investment and contingency costs related to the TWB and WAL core subprojects and candidate subprojects.

Table 4: Financial Projection to Completion

Item	Description	PAM ^A \$'000	Balance at 31 Dec 2013 \$'000
A.	Investment Costs		
	1. Civil Works comprising		
	1a Water supply core subproject	1,868.0	1,868.0
	1b Solid waste core subproject		
	+ Construct landfill cell #2	404.0	404.0
	1c Other municipal subprojects	618.0	618.0
	2. Equipment		
	2a Water supply core subproject	2,604.0	2,679.0
	2b Solid waste core subproject	990.8	1,011.3
	+ Articulated wheeled loader	200.0	200.0

Item	Description	PAM ^A \$'000	Balance at 31 Dec 2013 \$'000
	+ Groundwater monitoring	1.9	4.0
	+ Vehicle 4x4 utility – 2 no	85.0	85.0
	+ Waste collection trucks – 2 no	580.0	388.0
	+ Waste collection trucks – spares	0.0	35.0
	+ Waste septage truck	0.0	155.0
	+ Waste septage truck – spares	0.0	6.0
	+ Village collection pilots	17.3	17.3
	+ Financial management package	106.6	96.0
	+ Public awareness & information	0.0	25.0
	2c Other municipal subprojects	304.2	208.7
	3. Land acquisition	238.0	238.0
	4. Consultancy services	2,646.0	2,716.0
	5. Taxes and Duties	2,088.0	2,088.0
	Subtotal (A): Total Base Cost	11,760.9	11,830.9
B.	Contingencies	2,827.0	2,757.0
	Total Project Cost (A+B)	14,587.9	14,587.9

Notes: A Update PAM, April 2013

Chapter C. Project Purpose

C.1 Project Description

The project will provide high priority urban infrastructure identified in the Nuku'alofa Urban Infrastructure Development Plan (NUIDP³). The project will expand upon infrastructure development currently being undertaken in Nuku'alofa through the Nuku'alofa Reconstruction Project (NRP⁴) and the Integrated Urban Development Sector Project (IUDSP⁵).

The expected impact of the project is improved living conditions for the population of Nuku'alofa. The outcome of the project will be effective, efficient, and sustainable urban services.

C.2 Project Outputs

Project outputs planned include:

- **Output 1:** Strengthened policy environment for delivery of urban services. The project will strengthen the policy environment for delivery of urban services in Tonga
- **Output 2:** Effective, efficient, and sustainable water supply services in Nuku'alofa.
- **Output 3:** Sustainable solid waste services in Nuku'alofa. This core subproject will assist WAL to improve its service delivery to the residents of Nuku'alofa
- **Output 4:-** Other municipal services within Nuku'alofa. Other municipal services will be improved through the implementation of selected high-priority urban infrastructure components identified in the Urban Infrastructure Development Plan (UIDP) and the National Infrastructure Investment Plan (NIPP) (candidate subprojects)
- **Output 5:** - Raised community awareness of municipal services. The project will raise community awareness of municipal services issues
- **Output 6** - Effective project management. The project management unit (PMU), supported by project implementation assistance consultants will provide project design and supervision, monitoring, reporting, quality and cost control, screening and preparation of resettlement plans, and initial environmental evaluations for candidate subprojects, contract administration services and monitoring of the gender action plan.

C.3 Compliance with Grant Covenants

Refer to Section 6.8 for details.

³ NUIDP was prepared under TA 7082-TON: Urban Planning and Management System (ADB, 2008 US\$700,000) and provides an urban infrastructure investment plan for Nuku'alofa for the period 2010/11 to 2030/31.

⁴ NRP is funded through a RMB400 million loan from China and was approved on 2007.

⁵ An Asian Development Fund grant of \$11 million for IUDSP (G0108-TON) was approved by ADB in March 2008.

C.4 Compliance with Financial Grant Covenants

Refer to section F4 for details.

C.5 Compliance with Project-Specific Grant Covenants

Refer to section F4 for details.

C.6 Compliance with Development Objectives

Refer to section F4 for details.

C.7 Sustainability of Project Activities

Project activities were still on-going up to the end of December 2013.

C.8 Changes to Key Assumptions and Risks

The key assumptions and risks identified during the project preparation remain valid and following project mobilisation further risks have been identified, as shown in the updated risk assessment matrix provided at **Table 5** below:

Table 5: Risk Assessment Matrix

Identified Risk	Risk Level	Mitigation Strategies
Political interference in urban sector planning, development and management	Low	PUMA to be the NPA independent of GoT
PUMA as an independent planning authority and its function not well known to the public.	Medium	GoT to change the status of PUMA to become the independent National Planning Authority.
Political and general public awareness of the new Act NSPM	Low	Public awareness of the new NSPM Act to be implemented at all levels of the society.
Government budgetary and policies do not sufficiently support the operation of PUMA during the implementation phase of the project.	Medium	- That the GoT allocates sufficient budget to PUMA for its effective and efficient operation. - GoT to allocate sufficient urban planning and management staff resources - GoT improves and maintains coordination among Ministries and agencies managing urbanisation in Tonga and growth of Nukualofa
TWB land lease issues	Low	TWB to update its current agreements to legal land leases to comply with the ADB requirements

Identified Risk	Risk Level	Mitigation Strategies
Water valves and mains along the Nuku'alofa water reticulation system have been buried during recent road construction	Low	• TWB and MOI: That the existing Nuku'alofa water reticulation system valves need to be located/identified; and new valve chambers and cast iron lids need to be installed by project.
Insufficient funds are available for solid waste infrastructure maintenance	High	• Increase revenue collection by WAL • Review and increase tariff and fees
Implementation and cost overruns occurs as a result of limited capacity of local contractors	Low	• PIAC to supervise and monitor civil works contractors closely. • International contractors are likely to be involved due to ICB procedures
Poor quality maintenance and repairs caused by limited capacity of local staff and contractors	Low	• PIAC will carry out training and mentoring of local contracting staff.

C.9 Project Development Impacts

C.9.1 Environmental

Refer to section F4 for details.

C.9.2 Social

Refer to section F4 for details.

Chapter D. Implementation Progress

D.1 Project Implementation Arrangements

Ministry of Finance and National Planning will be the executing agency (EA) and the Planning and Urban Management Agency Planning (PUMA) of the Ministry of Transport will be the implementing agency (IA).

PUMA is the Project management unit (PMU). PUMA will provide the project manager and PMU will be responsible for the overall implementation of the project.

The PMU is supported by Project Implementation Assistance (PIA) consultants. The PIA consultants will assist the PMU in delivering the project outputs.

D.2 Project Implementation Assistance Consultant (PIAC)

Egis Eau in association with PECG is the PIA consultant. The contract between Egis Eau/ PECG, and Ministry of Finance & National Planning was signed on 22th May 2012.

It was agreed during negotiation stage in April 2012 that the consultant services will tentatively commence on June 5, 2012. However, this Contract only came into force and effect on the 21st September 2012. This delay had a significant impact on the availability of National experts and the team's proposed mobilization schedule.

During the months of May and June 2013, PIAC completed the process of recruiting the remainder of the National Consultants. Four positions were advertised in the four local papers as well as Matangi Tonga on-line. At the time of closure 20 applications had been received. After a comprehensive short-listing process, 11 interviews were arranged. The interview panel comprised Seventeen Toumoua (NUDSP Deputy Team Leader), Tukua Tonga (Director PUMA and PMU Manager), Sonia Chirgwin (NUDSP Waste Management Specialist) and a nominee from MoFNP as a specialist from Government. The following national consultants, as shown in **Table 6**, were selected and have now been mobilized.

Table 6: National Consultant Recruitment

Description	Date/Comments
Advertisement Date	03 May 2013
Deadline for applications	06 June 2013
Interview Period	10 - 13 June 2013
Recommended/Approved Candidates by MFNP	14 June 2013
National Planner Specialist	Mr Daniel Fale
Revenue Generation Specialist	Mr Tapu Panuve
Accounting / Financial Specialist	Mr Malakai Lomu Sika
Environment Specialist	Ms Andrea Talia'uli
Date Approved by MoFNP	18 June 2013
Mobilization Date	Q3, July 2013

PIAC team members input to the end of December 2013 are provided in **Table 7**.

Table 7: PIAC Team Member Inputs to end December 2013

NAME	POSITION	TOTAL INPUTS (To end of December 2013)		INPUTS REMAINING
		Days	Month	Months
<u>International</u>				
Gildea, John	Team Leader/Municipal Engineer	207	6.90	17.10
Henricksen, Andrew	Water Supply/Leak Detection Engineer	147	4.90	4.10
Chirgwin, Sonia	Solid Waste Specialist	112	3.73	2.27
Labastilla, Girlie	Planner	146	4.87	4.13
Watling, Richard	Environmental Specialist	93	4.87	3.00
<u>National</u>				
Toumoua, Seventeen	Deputy Team Leader/Project Engineer	288	13.17	36.83
Fale, Daniel	Planning Specialist	120	5.45	18.55
Falemaka, TomaSisifaLeipi	Planner (Gender)	258	11.86	12.14
Malakai, LomuSika	Accounting/Financial Management Spec.	128	5.82	18.18
Tapu, Panuve	Revenue Generation Specialist	126	5.70	3.30
Tukuafu, Monalisa	Social/Community/Gender/Safeguards Specialist	129	5.98	6.02
Andrea, Talia'uli	Environmental Specialist	100	4.57	4.43
Leger, Silia	Office Assistant/Accounting Officer	227	10.45	39.55

D.3 Inventory of PIAC Support Equipment

The list of equipment provided in **Table 8** has been procured to support a number of the activities of the PUMA staff and the PIAC team.

Table 8: Inventory of PIAC support equipment procured

Ser. No.	Item	Date of purchase	Description	Location for Use	Personnel responsible
1	Desk Computer	02/10/2012	I3 Computer Set	PIAC Office, PUMA	SL
2	Lap top	11/10/2012	Acer Aspire V5-471G-32364G50Mabb	PIAC Office, PUMA	ST
3	Mobile 1	15/10/2012	Superphone	PIAC Office, PUMA	ST

Ser. No.	Item	Date of purchase	Description	Location for Use	Personnel responsible
4	Mobile 2	16/10/2012	Durga Lakshmi Manufacturing	PIAC Office, PUMA	ST
5.	2 xOffice, air conditioners	18/11/13	SHARP AH-A9PVE	PIAC Office, PUMA	ST
6.	2 x Laptops	26/11/13	Toshiba Satellite - Pro	PIAC Office, PUMA	WH/AT
7.	2 x Desk Computer	24/02/14	I3 Computer Set	PIAC Office, PUMA	DF/MT

An asset register listing the details of this equipment, the location and the personnel responsible has been prepared for these items.

D.4 Project Executing and Implementing Agencies

Six (6) new staff positions for PUMA (5) and MoFNP (1) offices are funded by ADB to assist project management and operations. These six positions were advertised locally and 22 applications were received. Following a detailed review of applicants, a shortlist was prepared and interviews undertaken by Tukua Tonga (Director of PUMA), Lu'isa Malolo (Director of Climate Change), Pesalili Tu'iano (Officer-in-Charge, Ministry of Infrastructure). All candidate selections received ADB "no objection".

Details of the national project support staff recruited and mobilized are provided in **Table 9**.

Table 9: National Project Support Staff Recruited for PUMA

Description	Date/Comments
Advertisement Date	03 May 2013
Deadline for applications	06 June 2013
Interview Period	10 - 13 June 2013
Recommended/Approved Candidates by MoFNP	14 June 2013
PMU/PUMA (EA)	
Winston Halapua (Deputy Project Manager)	01 July 2013
Kaati Hakaumotu (Evaluation & Enforcement)	01 July 2013
Motei Tapa (Technical Support)	01 July 2013
Laitia Fifita (Planning & Standard)	01 July 2013
Kefilini 'Unga (Chief Clerk)	01 July 2013
MoFNP (IA)	
Suliasi 'Aholelei (Accountant)	01 July 2013
Date Approved by MoFNP	18 June 2013
Mobilization Date	Q3 July 2013

D.5 Project Progress by Components

Table 10 provides a summary of project progress from commencement up to end of December 2013, through both the Inception phase and commencement of the Implementation phase.

Table 10: Project Progress for Inception Phase (Q3)

Phase 1		Inception Phase – October 2012 to March 2013 (Q1 and Q2)
	Activity	Results/Outputs
(i)	Team mobilization - office set-up and transportation	COMPLETED: See PIAC team member inputs – Table 7; inventory of project equipment purchased – Table 8. Project office allocated and project vehicle arrived and operating.
(ii)	Meetings with stakeholders	ONGOING
(iii)	Review available background documents and core subproject proposals	ONGOING
(iii)	Undertake subproject field visits - technical disciplines and safeguard specialists	ONGOING
(iv)	Review overall relevance and alternative options - from TNIIP and IUDP lists	ONGOING: Review continues throughout project for identification and screening of potential candidate subprojects
(v)	Establish Project Steering Committee (PSC)	COMPLETED: A PSC established and members as stated in the updated PAM. Three meetings carried out by the PSC for the year 2013.
(vi)	Further workshops to confirm preliminary prioritization - public information, local government	ONGOING
(vii)	Prepare and submit Inception Report	COMPLETED: Draft Inception Report submitted 29 November 2012.
(viii)	Stakeholder meeting/workshop - confirm TNIIP and IUDP updates and prioritization processes	COMPLETED: Meetings with stakeholders completed.
(ix)	Prepare and submit monitoring and evaluation framework (PMEF)	COMPLETED: Draft PMEF prepared and submitted April 2013.
(x)	Update Draft Project Administration Manual	ONGOING: PAM Update 1 dated March 2013 endorsed by MoFNP and approved by ADB. PAM Update 2, dated October 2013, submitted to PMU and MoFNP.

Table 11: Project Progress for Implementation Phase –to end of Year 2013

Phase 2	Implementation Phase	
DESCRIPTION	INDICATORS/TARGETS ^A	STATUS/ISSUES
Output1:Policy Environment for Delivery of Urban Services		
1.1 Building capacity within PUMA to develop urban planning and management policies and to implement the NPSM.	1.1.1 Capacity within PUMA for urban policy development and implementation of the NSPM developed by December 2014.	Planning data/information to be collected and collated by PUMA staff in readiness for next step of plan preparation during international planner's next assignment #3 (Q2 2014). Recruitment of 6 new staff at PUMA office, funded by ADB to help its operation. Five (5) of the six new staff are working on Nuku'alofa Strategic Development Plan together with the International Planner
1.2 Reforming TWB and WAL tariffs for recovery of water supply and solid waste services operations and maintenance costs.	1.2.1 TWB and WAL tariffs reviewed, amended, and implemented by March 2014 1.2.2 TWB and WAL asset management plans prepared and implemented by July 2014	National Revenue Specialist and Accounting/Financial Specialist were mobilized in July 2013. They have undertaken revenue/tariff and financial management reviews of both TWB & WAL. They have assisted the National Social/Community/Gender/Safeguards Specialist with public consultations for the tariff setting and structure reviews.
1.3 Mandating the development and implementation of urban infrastructure asset management plans.	1.3.1 Preparation of asset management plans mandated by all public urban services providers by March 2014	To be initiated in Q3/Q4–2014. An asset management planning workshop was presented by the Team Leader on 31 Oct 2013 for all public enterprises.
Output 2:Assist TWB provide effective, efficient and sustainable water supply services in Nuku'alofa		
2.1 Building technical capacity to reliably deliver water to all parts of the supply network through the creation of supply zones and improved bulk supply metering	2.1.1 Modelling of water supply network 2.1.2 Review and upgrade bulk supply metering 2.1.3 Review and implement critical zoning	Collection of assets data for preparation of EPANET model. Incorporated in civil works package for new 4,000m ³ reservoir. Initial network study completed. Pilot area in eastern Nuku'alofa selected. Materials, valves, fittings and valve covers to be procured using Local Shopping.
2.2 Designing and assist in implementing a comprehensive program to reduce non-revenue water from the current level of about 50% to less than 25% by 2017.	2.2 1 Rehabilitation of 7 existing boreholes 2.2 2 Construction of 12 new boreholes 2.2.3 Construct new 4,000 m ³ water storage 2.2.4 Undertake NRW studies	Design completed. Draft procurement documentation for civil works borefield package NUDSP – ICB – 2013 – TWB01 – LOT 1 completed. Draft procurement documentation for design and construct of 4,000 m reservoir package NUDSP – ICB – 2013 – TWB01 LOT 2 completed. NRW studies to be initiated Q3 – 2014.
2.3 Developing consumer water meter replacement policies and replace defective consumer meters.		To be initiated in Q3 - 2014

Phase 2	Implementation Phase	
DESCRIPTION	INDICATORS/TARGETS ^A	STATUS/ISSUES
2.4 Building financial management capacity particularly in the areas of revenue collection and billing.	Recommend financial system upgrades and staff training required to improve of financial computer package for WAL.	
2.5 Preparation of the TWB asset management plan.		To be initiated in Q2 - 2014
Output 3: Assist WAL provide sustainable solid waste services in Nuku'alofa		
3.1 Building technical capacity to reliably manage solid waste collection, transportation and disposal for Nuku'alofa and its peri-urban areas	3.1.1 Installation of an impervious liner to cell no. 2 of the Tapuhia landfill completed by October 2014 3.1.2 New landfill loader, procured, delivered, and entered into service at Tapuhia landfill by February 2014 3.1.3 Groundwater water quality monitoring program at Tapuhia landfill.	Contract site works commenced 21 October 2013. Good progress but rain affected as expected through rainy season. Work still on schedule for October 2014 completion. Loader and spare parts delivery on schedule for February 2014. Maintenance and operator training to be undertaken following clearance, delivery and commissioning Groundwater sampling and testing field trial completed in May 2013. International shopping for groundwater testing equipment completed October 2013. Delivery of equipment expected February 2014.
3.2 Building financial management capacity particularly in the areas of revenue collection and billing	3.2.1 Financial management and billing software and associated hardware platforms procured and commissioned by September 2013, and financial management and asset management capacity of WAL developed by February 2015	Contract awarded September 2013. Installation and commissioning completed October 2013. Financial data for current FYE 2013-14 entered onto system. WAL staff now entering financial data for FYEs 2011, 2012 and 2013.
3.3 Preparation of the WAL asset management plan.	3.3.1 WAL updates and implements its asset management plan for Tapuhia landfill facility plant and solid waste handling and processing equipment by July 2014	To be initiated in Q3 - 2013
Output 4: Assist the PMU to improve other municipal services within Nuku'alofa		
4.1 Identifying potential candidate subprojects from the UIDP or TNIP.	4.1.1 Candidate subprojects identified, screened, selected, designed, and implemented	Nineteen (19) potential candidate subprojects were presented and approved by PSC No. 2 meeting. Further screening and meetings for urban energy/electricity

Phase 2	Implementation Phase	
DESCRIPTION	INDICATORS/TARGETS ^A	STATUS/ISSUES
4.2 Preparation of resettlement plans and initial environmental evaluations for candidate subprojects approved by the PSC and ADB.	by January 2019	and marine port subprojects.
Output 5: Raise Public awareness of municipal services within Nuku'alofa		
5.1 A community awareness and education program covering municipal services issues including planning and development consent requirements, household responsibilities for managing solid waste (reduce, recycle, re-use), public health benefits of safe waste handling and disposal, and the responsibilities of the Nuku'alofa community as beneficiaries of urban services such as the need to pay for services	Community awareness and education implemented throughout the project implementation period	Six (6) public consultation and public awareness workshops were carried out by the PIAC team for different stakeholders both government and NGOs. A training framework was developed by Ms Sonia Chirgwin to be carried out for the WAL staff. Within the training framework, there are 3 workshops for all WAL staff. The first of these was conducted at Keleti Resort on May 11 th . It is the first time that all staffs have come together for training. It was opened by the Hon Minister of Public Enterprises and WAL board members were present. The workshop was broad in its content, with presentations on waste management, organisational effectiveness and the new complaints mechanism at WAL and focus on customer service. The workshop involved group work on WAL's vision and objectives, and WAL's strengths, weaknesses, opportunities and threats. A full report on the workshop has been written.
5.2 Assist TWB and WAL to improve their customer complaints mechanisms	Customer complaints mechanisms in TWB and WAL are improved and the public is consulted on service standards, water conservation, and demand management by February 2015.	Review and analysis of current complaint mechanisms and proposal for six month trialling of revised procedures in both TWB and WAL. A computerised version of the proposed complaint mechanism is currently on trial at WAL yet to be introduced to TWB. using MSAccess.
5.3 Undertake public consultation on service standards, water conservation, and demand management.		To be initiated in Q2 - 2014
5.4 Consult and encourage the participation of women's groups and community associations in urban planning and design issues.	Women's groups and community associations are consulted and encouraged to participate in urban planning and design issues by June 2013.	Six (6) public consultation and public awareness workshops were carried out by the PIAC team for different stakeholders both government and NGOs.
Output 6: Assist the PMU to effectively manage the project		

Phase 2	Implementation Phase	
DESCRIPTION	INDICATORS/TARGETS ^A	STATUS/ISSUES
6.1 Project implementation assistance and capacity development consultants fielded	PIAC and capacity development consultants fielded (March 2012–April 2016)	All the international consultants were fielded during the year.
6.2 Strategic development plan for Nuku'alofa and other municipal areas on Tongatapu	Strategic development plan for Nuku'alofa and other municipal areas on Tongatapu prepared by September 2014	The International Planner Specialist together with the National Planner, Gender Planner and the six (6) new recruitments for PUMA are currently working on collection data to develop the SDP for Nuku'alofa. It is expected to be completed by end of 2014.

Notes: A Targets/Indicator dates have been amended in accordance with the ADB/MOFNP Inception Mission MOU, December 2012 and the endorsement of PSC meeting no.2, held 28 February 2013. Now as shown in PAM – Update No. 1, April 2013

D.6 Gender Action Plan Implementation

A work plan for gender and community activities has been prepared by the social community/gender/safeguard specialist in accordance with the objectives of the Gender Action Plan.

All data recording in relation to project meetings and activities is disaggregated by gender in accordance with the Gender Action Plan and the Draft M&E framework.

D.7 Stakeholder Consultations and Community Awareness Activities

Six (6) public consultation and public awareness workshops were carried out by the PIAC team for different stakeholders from government and business sectors, community leaders and the general public from Nuku'alofa Districts and Townships, women's groups and NGOs.

A training framework was developed by Ms Sonia Chirgwin to be carried out for the WAL staff. Within the training framework, there are 3 workshops for the whole staff of WAL. The first of these was conducted at Keleti Resort on May 11th 2013. It is the first time that all staffs have come together for training. It was opened by the Hon Minister of Public Enterprises and WAL board members were present. The workshop was broad in its content, with presentations on waste management, organisational effectiveness and the new complaints mechanism at WAL and focus on customer service. The workshop involved group work on WAL's vision and objectives, and WAL's strengths, weaknesses, opportunities and threats. A full report on the workshop has been written.

MonalisaTukuafu and TapuPanuve carried out public consultations with the district and town officers on WAL and TWB tariff. This included meetings, television programs and radio programs and talkbacks.

D.8 Land Acquisition and Resettlement

ADB has a clear mandate on the TWB subproject requiring that TWB hold legal leases over lands where the proposed infrastructure is to be built by the project. Refer to Section 6.9 of this report for details.

The National planner (gender) completed collecting necessary information regarding the TWB land leases and PMU staff presented its findings to TWB. During the discussions at the meeting there was a request to explore other similar legal options such as **land rental**. This was to find out if that had the similar legal effect as a **land lease**. Land rental is the current form of land agreement that TWB uses for its boreholes on the privately owned/tax allotment lands.

A meeting was held with the legal advisor of MLECCNR and recommended use of the Land (Amendment) ACT (No.2) 1991, "PART VIA - EASEMENT as a means of compliance with the Lands Act. This appeared to be the way forward on these land lease issues.

The project informed the ADB SPOSA office, Fiji of these developments with the land lease issues. The SPOSA office advised that the Project Resettlement Plan should be updated to reflect the proposed use of easements. The ADB will then review the updated Resettlement Plan and issue a "no objection" if the document is accepted.

Chapter E. Project Time frame

E.1 Project Time Frame

[illegible]

[illegible]

Chapter F. Annexes

F.1 Summary of Financial Report to End March 2013

MOFNP Financial Report Summary to end of June 2013

NUDSP - ADB

Budget

Transaction Date	Accounting Period	Min\Prgm\Subprgm\Act Analysis Code	Account Code	Locn\FndSrcel\Clk Analysis Code	Base Amount	Debit\Credit marker	Description	Project Code Analysis Code	Journal No.
4/01/2013	2013/001	20205144	2008	1500	209,213.25	D	FUND REC FRM ADB FOR NUDSP	517	963
Totals					209,213.25				

Actuals

Transaction Date	Accounting Period	Min\Prgm\Subprgm\Act Analysis Code	Account Code	Locn\FndSrcel\Clk Analysis Code	Base Amount	Debit\Credit marker	Description	Project Code Analysis Code	Journal No.
21/02/2013	2013/008	20205144	2008	1500	17,423.90	D	NUDSP PMT IFO EGIS EAU FOR MOB DEC 2012	517	44136
41326	2013/008	20205144	2008	1500	42.98	D	NUDSP PMT B/FEE IFO EGIS EAU FOR MOB DEC 2012	517	44136
26/02/2013	2013/008	20205144	2008	1500	14,094.67	D	NUDSP PMT IFO EGIS EAU FOR MOB JAN 2013	517	44137
26/02/2013	2013/008	20205144	2008	1500	43.19	D	NUDSP PMT B/FEE IFO EGIS EAU FOR MOB JAN 2013	517	44137
5/03/2013	2013/009	20205144	2008	1500	51,696.15	D	NUDSP PMT IFO ASCO MOTORS 2 DOUBLE CABS	517	48455
27/03/2013	2013/009	20205144	2008	1500	50,001.13	D	NUDSP PMT IFO EGIS EAU FOR FEB13	517	49204
27/03/2013	2013/009	20205144	2008	1500	43.01	D	NUDSP PMT B/FEE IFO EGIS EAU FOR FEB13	517	49204
Totals					133,345.03				

NUDSP - AusAID

Budget

88448.2	141585.2	133,345.03	83300.89	171,749.06	274,930.19
0.85839	1.37408	1.375258148	0.859126341	0.73583193	1.17789532

Transaction Date	Accounting Period	Min\Prgm\Subprgm\Act Analysis Code	Account Code	Locn\FndSrel\Ck Analysis Code	Base Amount	Debit/Credit marker	Description	Project Code Analysis Code	Journal No.
21/12/2012	2013/001	20205144	2008	1100	221,813.02	D	FUND REC FRM ADB FOR AUSAID NUDSP	517	961
Totals					221,813.02				

Actual

Transaction Date	Accounting Period	Min\Prgm\Subprgm\Act Analysis Code	Account Code	Locn\FndSrel\Ck Analysis Code	Base Amount	Debit/Credit marker	Description	Project Code Analysis Code	Journal No.
21/02/2013	2013/008	20205144	2008	1100	18,501.66	D	NUDSP PMT IFO EGIS EAU FOR MOB DEC 2012	517	44136
21/02/2013	2013/008	20205144	2008	1100	42.98	D	NUDSP PMT B/FEE IFO EGIS EAU FOR MOB DEC 2012	517	44136
26/02/2013	2013/008	20205144	2008	1100	43.19	D	NUDSP PMT B/FEE IFO EGIS EAU FOR MOB JAN 2013	517	44137
26/02/2013	2013/008	20205144	2008	1100	14,966.49	D	NUDSP PMT IFO EGIS EAU FOR MOB JAN 2013	517	44137
5/03/2013	2013/009	20205144	2008	1100	54,893.85	D	NUDSP PMT IFO ASCO MOTORS 2 DOUBLE CABS	517	48455
27/03/2013	2013/009	20205144	2008	1100	53,093.98	D	NUDSP PMT IFO EGIS EAU FOR FEB13	517	49205
27/03/2013	2013/009	20205144	2008	1100	43.01	D	NUDSP PMT B/FEE IFO EGIS EAU FOR FEB13	517	49205
Totals					141,585.16				

F.2 Proposed Project Activities and Target Dates for 2014

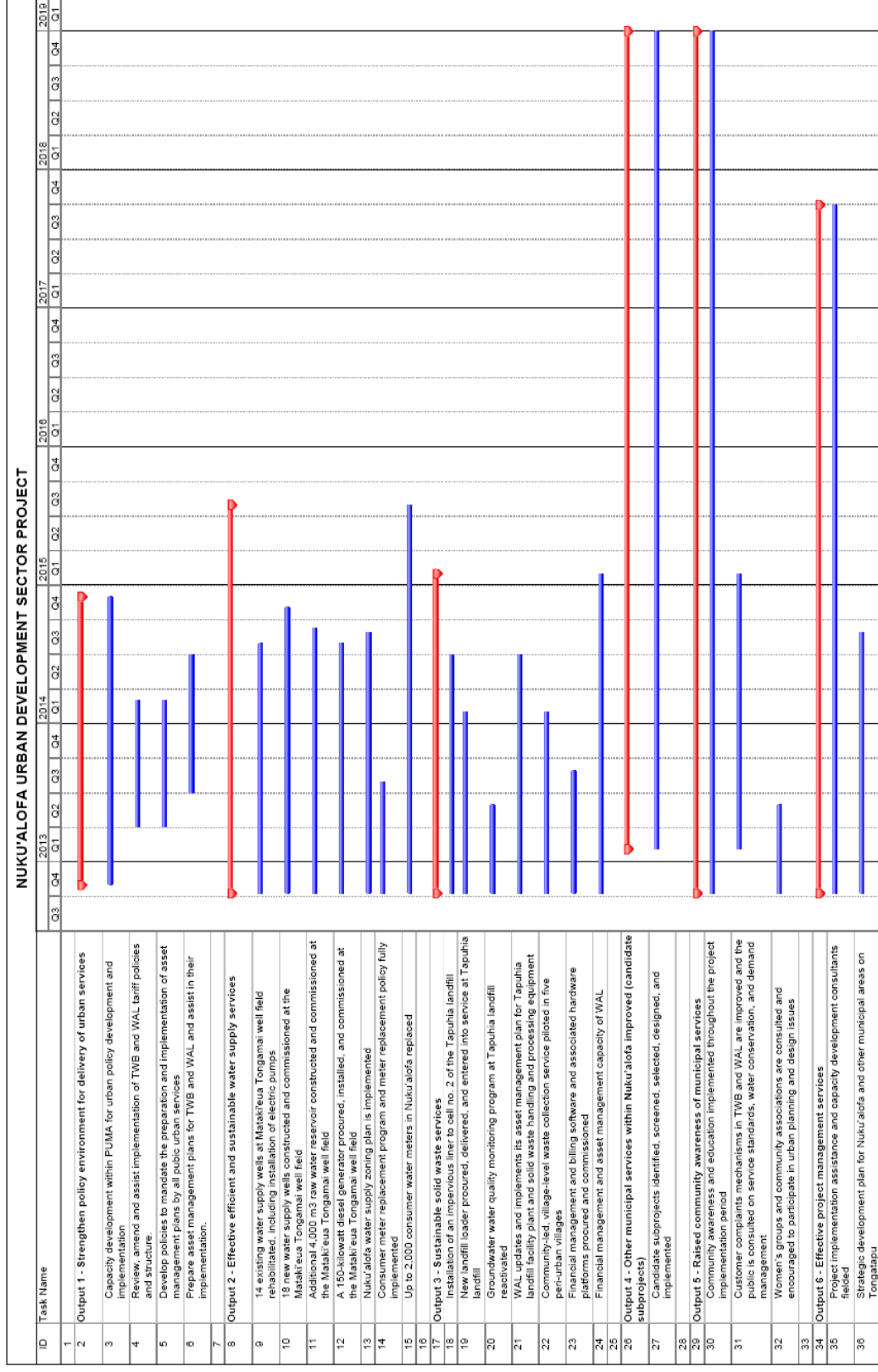
Output	Activity	Target dates
1	Data/information collection for Nuku'alofa Strategic Development Plan – 5 sectors Institutional, Social, Infrastructure, Economic, Environment,	Basic data/information available by 31 August 2014
2	Upgrade wellfield – rehabilitation and new equipment (timing dependent upon land lease issues)	ICB tendering process to be completed by – September 2013. Construction to be completed by Q3 2015.
3	Design and construct new 4,000 m ³ RC storage (timing dependent upon land lease issues)	ICB tendering process to be completed by – September 2013. Construction to be completed by Q4 2014.
4	Crane truck	ICB tender and supply contract bidding commences – September '13
5	Financial Management Package - WAL	Contract award and sign in July 2013. PMC currently working together with WAL on implementation.
6	Waste collection trucks – 2 x 6m ³	Contract award and sign in September 2013. Site inspection to be carried out in Q1 2014 before shipment.
7	Septage collection truck – 1 x 5,500 litre	Contract award and sign in September 2013. Site inspection to be carried out in Q1 2014 before shipment.
8	Spare parts for waste collection trucks	Contract award and sign in September 2013. Site inspection to be carried out in Q1 2014.
9	Feasibility studies of candidate subprojects (requires ADB endorsement of screened list)	Further PSC/ADB screening/appraisal – Q2 2014.
10	Sanitation Master Plan for Nuku'alofa	Data /field information collection – commenced Master Plan document preparation – Q2 2014.
11	Community and stakeholder consultations	For development of Nuku'alofa Strategic Development Plan commencing 15 September 2014

F.2.1 List of Potential Candidate Subprojects for Initial Examination

No.	Sector/Project	NUDSP 2011	NIIP2012 - 32
	Water Supply		
1	Water Supply System Expansion Project	P 1.5	HP W4
	Drainage		
2	Residential Infiltration Program	P 3.3	
3	Community Earth Canal Systems	P3.5	
	Solid Waste Management		
4	Procurement of a Weighbridge - Tapuhia	P 4.3	
5	Additional Capacity for Septage Treatment	P 4.7	S1
	Road & Traffic Management		
6	Roads Upgrading – Phase 1	P 5.5	
	Power Supply		
7	Rehabilitation of Low Voltage Lines	P 8.2	
8	New High Voltage Feeder Line to Eastern Area of the city	P 8.3	
9	Extra Transformer Installations	P 8.4	
10	Extra High Voltage Lines	P 8.5	
11	Extra Underground High Voltage Cables	P 8.6	
12	Solar Generation (Tongatapu) – Additional 1-2 MW		E 11
13	Upgrade Bulk Fuel Logistics (Tank Farm, Bunkering)		E 9
14	Undergrounding of Key Sections of Electricity Distribution on Tongatapu		E 18
	Site Development/Upgrading		
15	Fatai Resettlement Site Development	P 10.1	

No.	Sector/Project	NUDSP 2011	NIIP2012 - 32
	<i>Social Infrastructure</i>		
16	Development of Satellite Markets	P 11.2	
17	Community Centres	P 11.3	
18	Talamahu Market Site Improvements	P 11.4	
	<i>Environmental Management</i>		
19	Fundamentals for a GIS Planning Database for Nuku'alofa	P 12.2	

F.3 Overall Project Implementation Plan



F.4 Project Specific Covenants

PROJECT SPECIFIC COVENANTS - AS DISPLAYED IN LEGAL AGREEMENTS

Product	Schedule	Para No.	Description	Remarks/Issues	Type
Grant 0264	4	1	Implementation Arrangements – The Recipient and the Project Executing Agency shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Recipient and ADB. In the event of any discrepancy between the PAM and this Grant Agreement, the provisions of this Grant Agreement shall prevail.	PAM update No.1 submitted end of March 2013 and approved by MFNP and ADB. PAM update No.2 submitted September 2013 and awaiting approval by MFNP and ADB.	Others
Grant 0264	4	2	Implementation Arrangements - The Recipient shall ensure that no later than 3 months after the Effective Date, the Project Executing Agency shall have established the PMU. The Recipient shall ensure that the PMU employs sufficient staff for the duration of the Project with the requisite expertise in the field of project management, financial management, engineering, construction supervision, procurement, construction and equipment inspection and testing, and environmental and social safeguards implementation. The Recipient shall keep the PMU equipped with the necessary office space, facilities (including telecommunications), equipment, support staff and management information systems for the entire duration of the Project. The Recipient shall endeavour to assign the same persons to key positions in the PMU for periods of at least three consecutive years.	PMU established at PUMA.ADB funded more staff for PUMA to work together with PIAC. Recruitment of these staff to commence working at Q3 2013.	Others
Grant 0264	4	3	Counterpart Support – The Recipient shall provide all counterpart funds, land and facilities required for timely and effective implementation of the Project, including, without information, any funds required (a) to meet any shortfall between cost and revenues for the operation and maintenance of the facilities created or rehabilitated under the Project, (b) to mitigate unforeseen environmental and social impacts, and (c) to meet additional costs arising from design changes, price escalation in	Being complied with	Others

Product	Schedule	Para No.	Description	Remarks/Issues	Type
			construction costs and/or unforeseen circumstances. The Recipient shall make the resources thus required available on an annual basis for each fiscal year.		
Grant 0264	4	4	Candidate Subproject Selection Criteria and Approval Process for Candidate Subprojects – The Recipient and the Project Executing Agency shall ensure that all Candidate Subprojects are selected and approved in accordance with the Candidate Subproject Selection Criteria set out in the PAM, including without limitation, the requirement of undergoing a feasibility study, which will address technical analysis and description, rationale, scope and components, cost estimates and financing plan, implementation arrangements, financial and economic analysis, environment impact assessment, and social and poverty impact assessment. Each feasibility study will be submitted initially for review and approval by ADB. After ADB has endorsed the feasibility study, the PMU will submit the feasibility study to the PSC for final review and approval.	Preliminary selection of potential candidate subproject as per NIIP and UPMS reports. The PSC meeting No. 2 endorsed this initial selection. Further screening to be carried out before finalisation and approval.	
Grant 0264	4	5	Candidate Subproject Selection Criteria and Approval Process for Candidate Subprojects – The Recipient shall ensure that all documents forming the basis for screening, selection and processing of Subprojects are made available to ADB upon request and are kept available for such purposes for a minimum period of five years from the date of the project completion report for the Project.	On going	
Grant 0264	4	6	The Recipient will ensure that the Project facilities shall be constructed, upgraded or refurbished in accordance with the agreed technical design specifications and that construction supervision, quality control, and contract management are implemented in accordance with internationally accepted standards.	Documentations is in accordance with GoT current technical design and construction supervision guidelines	
Grant 0264	4	7	Sustainability Undertakings: Recurrent Funding – For the duration of the Project Implementation Period and subsequently, the Recipient shall ensure that (i) TWB continues its program for replacement of faulty water meters as part of the overall operation and maintenance plan at TWB, and (ii) WAL continues the equipment maintenance schedule developed pursuant to the AusAID Program. Within six months prior to the end of the Project Implementation Period, the Recipient will have developed and adopted policies for ongoing operation and maintenance, including	Activities commenced and on going	

Product	Schedule	Para No.	Description	Remarks/Issues	Type
			recurrent funding, for all of the Project facilities, in a form satisfactory to ADB.		
G0264	4	8	Sustainability Undertakings: Recurrent Funding – Within nine months after the Effective Date, the Recipient shall consider, develop and adopt a set of recommendations to reduce consumers' costs in using solid waste services, and to reduce and managing or restructuring on a long term basis the indebtedness of WAL, whether through an elimination of the consumption tax on such services (for a limited time or permanently) or through a combination of other measures with substantially the same effect, and shall submit the relevant proposals to the legislature of adoption.	Activities commenced and on going	
G0264	4	9	Environment – The Recipient shall ensure and shall cause the Project Executing Agency to ensure that preparation, design, construction, implementation, operation and decommissioning of the Water Supply Subproject, the Solid Waste Subproject, and the Candidate Subprojects comply with (a) all applicable laws and regulations of the Recipient relating to environment, health and safety, (b) the Environmental Safeguard; and c) all measures and requirements set forth in (ix) the IEES, the EMP in relation to the Water Supply Subproject and the Solid Waste Subproject, and (y) the EARF in relation to the Candidate Subprojects and (d) any corrective or preventative actions set forth in a Safeguards Monitoring Report.	Documentation of project is in accordance to ADB guidelines.	Safeguards
G0264	4	10	In the case of any discrepancies between the Recipient's environmental laws, regulations, and procedures and ADB's requirements, the Safeguard Policy Statement shall prevail. The Recipient should ensure through PUJMA that no construction work of any kind under the Project shall be commenced until all applicable environmental clearances have been obtained and that all the above requirements are incorporated in the bidding documents and civil works contracts to ensure compliance.	ESU formed and these activities on going.	Safeguards
G0264	4	11	Land Acquisition; Resettlement – The Recipient shall ensure or cause the Project Executing Agency to ensure that all land and all rights of way required for the Water Supply Subproject, the Solid Waste Subproject or any Candidate Subproject are made available to the Works contractor in accordance with the Schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulations of the	TWB is working on its landlease issue but yet to finalise.	Safeguards

Product	Schedule	Para No.	Description	Remarks/Issues	Type
			Recipient relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; c) the RF; and (d) all measures and requirements set forth in the relevant RP, including any RP that is required to be prepared subsequent to the date of the Grant Agreement pursuant to the SPS and the RF, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.		
G0264	4	12	Without limiting the application of the Involuntary Resettlement Safeguards, the RF or the relevant RP, the Recipient shall ensure or cause the Project Executing Agency to ensure that no physical or economic displacement takes place in connection with the Project, the Water Supply Subproject, the Solid Waste Subproject, or any Candidate Subprojects until: (a) compensation and other entitlements have been provided to affected people in accordance with the relevant RP; and (b) a comprehensive income and livelihood restoration program has been established in accordance with the relevant RP.	In place	Safeguards
G0264	4	13	Indigenous Peoples – The Recipient and Project Executing Agency shall ensure that the Project (including the Water Supply Subproject, the Solid Waste Subproject, and the Candidate Subprojects) shall not have adverse impacts on indigenous peoples and that all Outputs shall be implemented in a culturally appropriate and participatory manner to meet the needs of various peoples of the country. If any impact is anticipated, the Recipient and the Project Executing Agency shall ensure that an IPP is prepared in accordance with the Safeguard Policy Statement.	No separate indigenous persons	Social
G0264	4	14	Human and Financial Resources to Implement Safeguards Requirements – The Recipient shall make available necessary budgetary and human resources to fully implement the EMP(s), the EARF, the RF, the RP(s) and the IPP(s) (if any), as applicable	On going	
G0264	4	15	Prohibited List of Investments – The Recipient shall ensure that no proceeds of the Grant or AusAID Grant are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the Safeguards of Policy	In place.	

Product	Schedule	Para No.	Description	Remarks/Issues	Type
			Statement.		
G0264	4	16	Gender – The Recipient shall ensure that the Project Executing Agency implements the GAP in a timely manner over the entire Project Implementation Period, and that adequate resources are allocated for this purpose. In particular, the Recipient shall ensure that (i) a mid level female planner is engaged as a member of PUMA for at least 2 years, (ii) by 2015, women represent 50% of the participants in general meetings of TWB and WAL; (iii) at least 20% of labour on contracts for civil works under Output 4 of the Project are women, (iv) by 2015 at least 20% of mid-level staff and above of TWB, WAL, PUMA and MOFNP are women and at least 30% of senior urban planning and management positions are held by women, and (v) sex-disaggregated data are gathered for all Project activities throughout the Project Implementation Period. The Recipient shall conduct training on GAP implementation for all staff involved in the Project. The Recipient shall ensure that implementation of the GAP is closely monitored, and progress is reported to ADB.	On-going – (i) Mid level recruitment of female planner to PUMA completed (ii) In 2013 participants in general meetings were more than 50% were women. (iii) No specific candidaturesubproject as yet. (iv) Not yet due (v) On going and complied with. ESU monitoring GAP.	
G0264	4	17	Labour Standards – The Recipient shall ensure or cause the Project Executing Agency to ensure that Works contracts follow all applicable labour laws of the Recipient and that these further include provisions to the effect that contractors (i) carry out HIV/AIDS awareness programs for labour and disseminate information at work sites on risks of sexually transmitted diseases and HIV/AIDS as part of health and safety measures for those employed during construction; (ii) follow and implement all statutory provisions on labour (including not employing or using conditions; and (iii) maximize employment of women and local poor and disadvantaged persons for construction purposes, provided that the requirements for efficiency are adequately met. Such contracts shall also include clauses for termination in case of any breach of the stated provisions by the contractors.	In place	
G0264	4	18	Safeguards – Related Provisions in Bidding Documents and Works Contracts – The Recipient shall ensure or cause the Project Executing Agency to ensure that all bidding documents and contracts for Works contain provisions that require contractors to: (a) comply with the measures and requirements relevant to the contractor set forth in	In place	

Product	Schedule	Para No.	Description	Remarks/Issues	Type
			the IEEs, the EMPs, the Rps and any IPP (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set out in a Safeguards Monitoring Report; (b) make available a budget for all such environmental and social measures; (c) provide the PMU with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEEs, the EMPs, the RPs or any IPP; (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and (e) fully reinstate pathways, other local infrastructure, and agricultural land to at least pre-project condition upon the completion of construction.		
G0264	4	19	Safeguards Monitoring and Reporting – the Recipient shall do the following or shall cause the Project Executing Agency to do the following: (a) submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission; (b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEEs, the EMPs, the RPs or any IPP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and (c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMPs, the RPs or any IPP promptly after becoming aware of the breach.	ESU established with TOR and havemontly meetings and reportings on the current construction projects.....	
G0264	4	20	Governance and Anticorruption – The Recipient, the Project EA, and the IA shall (i) ensure that the Project is carried out in compliance with all applicable anticorruption regulations of the Recipient and ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through	On going	Social

Product	Schedule	Para No.	Description	Remarks/Issues	Type
			its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; (ii) cooperate with any such investigation and extend that all relevant staff actively -participate in the training in Recipient's anticorruption regulations and ADB's Anticorruption Policy.		
G0264	4	21	Governance and Anticorruption – The Project EA and the IA shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the Project Executing and Implementing Agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.	On going	Social
G0264	4	22	Development Coordination – The Recipient shall keep ADB informed of discussions with other multilateral, bilateral and national aid agencies that may have implications for the implementation of the Project. The Recipient shall provide ADB with an opportunity to comment on any resulting policy reform and/or investment proposals, and shall take into account ADB's views before finalizing and implementing any such proposals.	Ongoing	Others
G0264	4	23	Project Website – No later than 2 months after the Effective Date, the Recipient through the Project Executing Agency shall create a website dedicated to the Project and accessible to the public, to disclose key Project-related information, including (i) costs, (ii) safeguards, (iii) procurement such as the list of participating bidders, name of the winning bidder, basic details on bidding procedures adopted, amount of contract awarded, and the list of goods/services procured, (iv) implementation information, and (v) expected service levels. The Recipient shall make public information about selection of consultants and award of civil Works through publication in national newspapers.	PUMA currently has a website. Updating to be undertaking on a regular basis	Others
G0264	4	24	Project Monitoring – No later than 3 months after the Effective Date, the Project Executing Agency shall establish a project performance management system satisfactory to ADB in accordance with the detailed arrangements set forth in the PAM, pursuant to which periodic monitoring reports, including the Safeguards	On going, draft project MEF submitted April 2013..	Others

Product	Schedule	Para No.	Description	Remarks/Issues	Type
			Monitoring Reports, shall be submitted to ADB in accordance with the PAM.		
G0264	Article IV	4.02	The Recipient shall enable ADB's representatives to inspect the Project and any relevant records and documents.	In place	Others
G0264	Article IV	4.03 (a)	The Recipient shall (i) maintain, or cause to be maintained, separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than six (6) months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Grant proceeds and compliance with the financial covenants of this Grant Agreement as well as on the use of the procedures for imprest account and statement of expenditure), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.	On going	Financials
G0264	Article IV	4.03 (b)	The Recipient shall enable ADB, upon ADB's request, to discuss the Recipient's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Recipient pursuant to subparagraph (a) here above, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, provided that any such discussion shall be conducted only in the presence of an authorized officer of the Recipient unless the Recipient shall otherwise agree.	On going	Financials
G0264	2	7	Conditions for Withdrawals from Grant Account – Notwithstanding any other provision of this Grant Agreement, no withdrawals shall be made from the Grant Account in respect of civil works, equipment and materials, and land acquisition until the firm supplying the Project Implementation Consultants shall have been engaged.	Complied	Financials
G0264	2	7	Conditions for Withdrawals from Grant Account – Notwithstanding any other provision	Complied	Financials

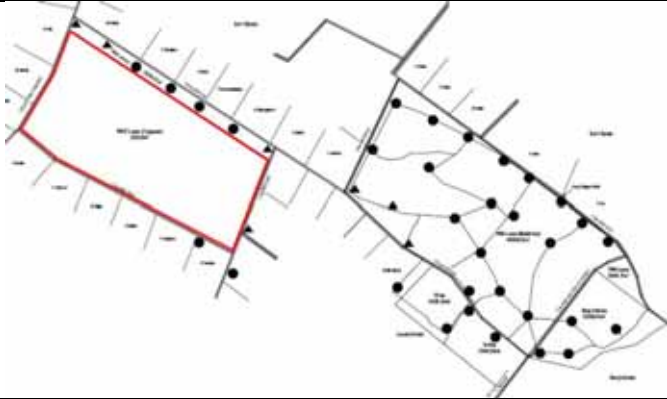
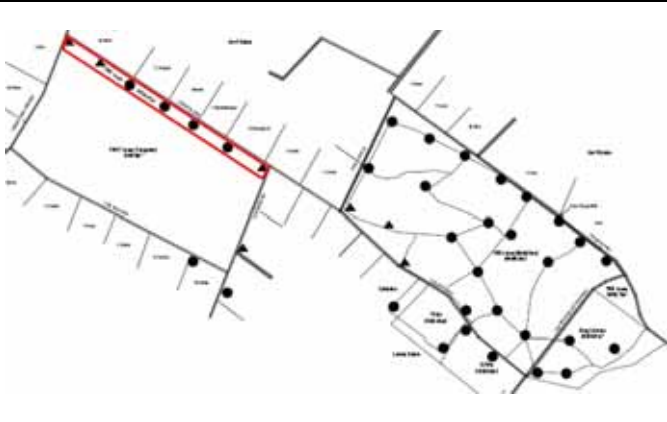
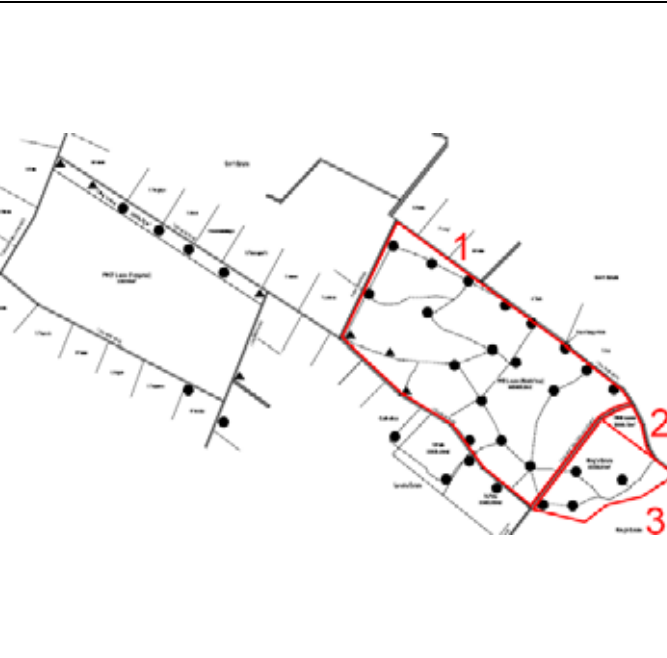
Product	Schedule	Para No.	Description	Remarks/Issues	Type
			of this Grant Agreement, no withdrawals shall be made from the Grant Account in respect of the Water Supply Subproject until TWB shall have commenced a program for replacement of faulty water meters with use of existing stocks of functioning meters, satisfactory of ADB.		
G0264	2	9	Notwithstanding any other provision of this Grant Agreement, no withdrawals shall be made from the Grant Account in respect of the Solid Waste Subproject until (i) a new chief executive officer shall have been selected and appointed to WAL pursuant to a transparent selection procedure, satisfactory to ADB; and (ii) WAL shall have recommenced the equipment maintenance schedule developed pursuant to the AusAID Program.	Complied	Financials
G0264	3	11	Conditions for Award of Contract – The Recipient shall not award, and shall not permit the Project Executing Agency or Implementing Agency to award, any contracts financed under the Project for Output 6 of the Project, unless and until the bill entitled "National Spatial Planning and Management Act" pending in the legislature as of September 2011 shall have been enacted by the legislature of the Recipient and shall have entered into force in accordance with the proclamation of the King of Tonga.	Complied	Others
G0264	3	12	The Recipient shall not award and shall not permit the Project Executing Agency to award any Works contract under the Water Supply Subproject, the Solid Waste Subproject or any Candidate Subproject which involves environmental impacts until: (a) MOECC has granted the final approval of the IEE updated for the relevant Facility Site; and (b) the Recipient has incorporated the relevant provisions from the EMP into the Works contract.	IEE and EMP submitted to DOECC	Others

Product	Schedule	Para No.	Description	Remarks/Issues	Type
G0264	3	13	The Recipient shall not award and shall not permit the Project Executing Agency to award any Works contract involving involuntary resettlement impacts under the Water Supply Subproject, until the Recipient has prepared and submitted to ADB and the final RP based on the relevant detailed design and obtained ADB's clearance of such RP. The Recipient shall not award and shall not permit the Project Executing Agency to award any Works contract involving involuntary resettlement impacts under the remaining Outputs of the Project, if pursuant to the RF and RP is required to be prepared thereof, until the Recipient has prepared and submitted to ADB the final RP based on the relevant detailed design and obtained ADB's clearance of such RP.	Updated RP under preparation.	Others
G0264	3	15	Commencement of Works Contracts – The Recipient shall ensure that, subsequent to award of any Works contract under the Project for the Solid Waste Subproject, no construction activities shall be undertaken, and no land shall be handed over to the contractor, unless and until the proposed sites for community waste bins in the concerned peri-urban villages have been approved by ADB.	Development of village selection criteria has commenced.	Others

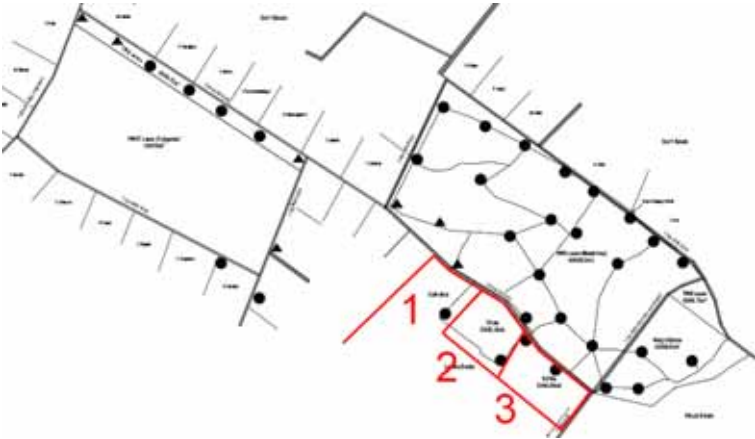




Well field land information as in December 2013

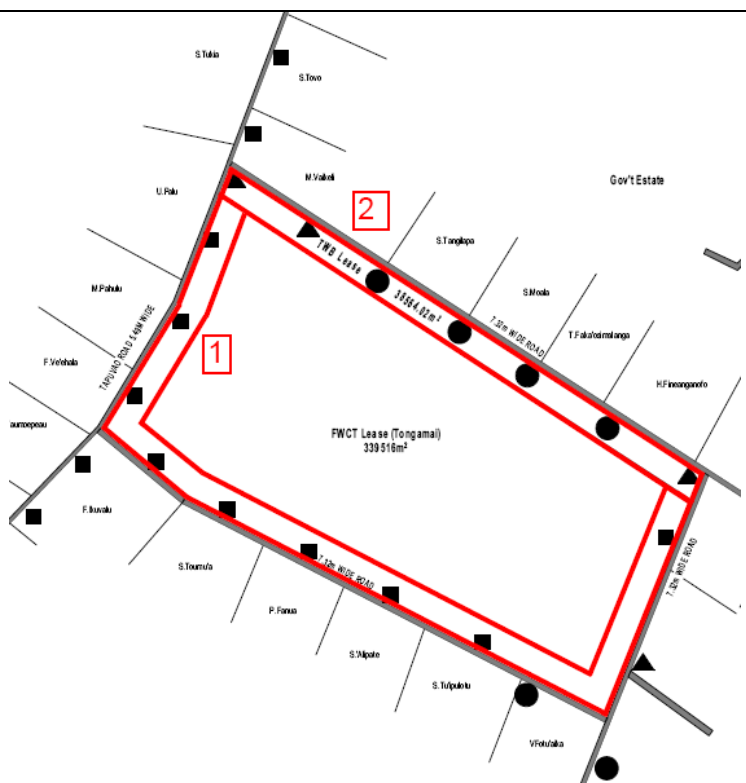
1. FWC & Lavaka Lease # 3679 - 30 years; Purpose: family; \$831/yr → 10/06/1980 – 09/06/2010 83 acres, 3 roods, 23.4 poles 339,516.3 m²	
2. TWB & Lavaka Lease # 3181 – 20 years; \$100/year → 01/09/1976 – 31/08/1996 9 acres, 2 roods, 4.7 poles 38,564.02 m²	
3. TWB & Government; Lease 1 : #5699 \$2350/year → 20/07/1990-19/07/2040 111 acres, 0 rood, 7.87 poles 449,400.5 m² 4. TWB & Government; Lease 2 : #5700 1050\$/year → 20/07/1990-19/07/2040 3 acres, 0 rood, 36.7 poles 13,068.72 m² 5. TWB & the King; Lease 3: #2711 1350\$/year No information on lease period 21 acres, 0 rood, 24.3 poles 85,598.61 m²	

For the following lands, no lease has been established between TWB and the individual land owners. Up to today, the areas of the pump sheds are under an agreement between TWB and the land owners amounting to \$600/yr for a pump shed.

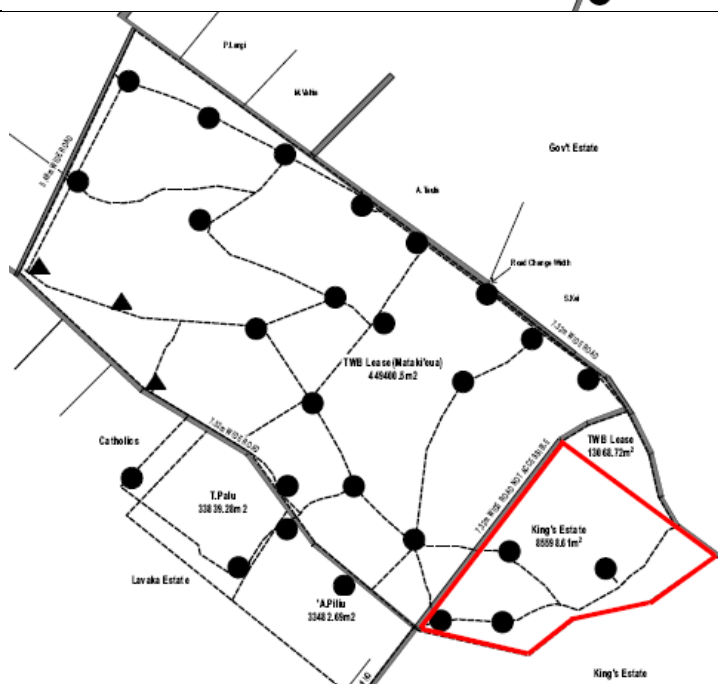
6. Land 1; Pump # 216: There's probably a slight error on the location of this pump as no rent payment has been made by the TWB to the Catholic church who were leasing the land from Lavaka, with details below: Roman Catholic Mission & Lavaka Lease # 4877 - 25 years; \$831/yr → 22/09/1986 – 21/09/2011 Cancelled CD (cabinet decision) 1660 – 21/09/2000 83 acres, 3 roods, 23.4 poles 339,516.3 m² 7. Land 2; Pumps #215 Telefoni Palu, reg. 16/10/1956 (deceased) → Mele Palu, reg. 23/8/1980 8 acres, 1 rood, 17.9 poles 33,839.28 m² 8. Land 3; Pumps #217, #218 Sione Piliu, reg. 29/05/1944 (deceased) → Asinate Piliu, reg. 26/02/1998 8 acres, 1 rood, 3.8 poles 33,482.69 m²	
9. Land 1; Pump # 133 Viliani Feleti Fotuaika, reg. 14/11/1952 Pea Block VI N°360 8 acres, 1 rood, 8 poles 33,588.91 m² 10. Land 2; Pump #132 Sione T. Taufu, reg. 25/02/1976 (deceased 18/03/2012) → Fredley Taufu (heir) 3 acres, 3 roods, 39.7 poles 16,179.72 m² 11. Land 3; Pump #131 Tukulolo Tenifa (overseas)	

Land areas to be leased by TWB

1. To be leased from Lavaka
43m wide strip, 69,961.6m²
2. To be leased from Lavaka
43m wide strip, 38,564.02 m²



3. To be leased from the King if the
lease has expired,
21 acres 0 rood 24.3 poles
85,598.61 m²



- ## 7 – TukuloloTenifa