



SUBMISSION TO CABINET

HONOURABLE CABINET MINISTERS,

TITLE: PROGRESS REPORT ON THE NUKU'ALOFA PORT UPGRADE PROJECT & FANGA'UTA LAGOON CROSSING (BRIDGE) PROJECT (ADB GRANT 6018TON).

Submitted by: Hon. Minister for Infrastructure & Tourism.

Date of Submission: 11 March 2021

Type of Submission: Infrastructure Policy

Purpose of Submission:

The purpose of this submission is to provide a project implementation progress report to Honourable Cabinet Ministers for the Nuku'alofa Port Upgrade Project and Fanga'uta Lagoon Crossing Project under the ADB funded Grant 6018TON: Transport Project Development Facility.

Recommendations:

1. That the Nuku'alofa Port Upgrade Project progress report be noted.
2. That the Fanga'uta Lagoon Crossing Project progress report be noted.
3. That the Environment Fee of 1% for the Nuku'alofa Port Upgrade Project and Fanga'uta Lagoon Crossing Project as government contribution be waived.

1.3 Project Progress – Fanga’uta Lagoon Crossing Project

1) Project Processing and Grant Approval

ADB has initiated the internal project processing with the preparation of the project concept paper and safeguards categorization package, which is the first step in project processing. The indicative date for the fact-finding mission is September 2021, with ADB’s Board approval in 2022.

2) Detailed Engineering Design

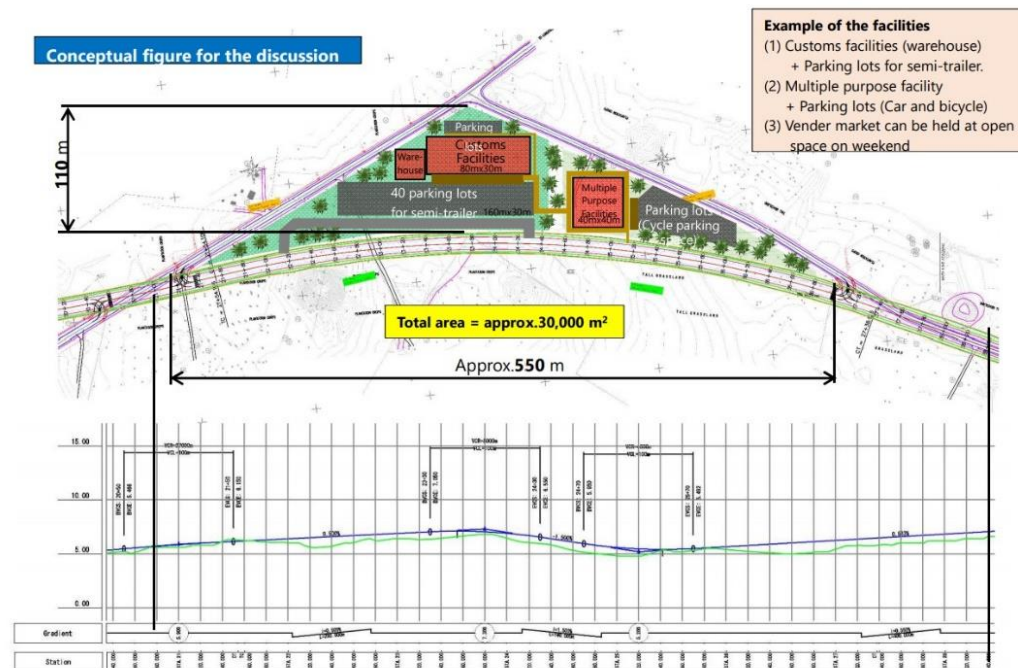
The detailed engineering design for the bridge project is 95% complete. The remaining 5% consist of the additional scope along Niuloa Road in ‘Umusi connecting to Alaivahamama’o Road. The initial cost estimate for civil works only is USD\$89 million, this does not include consultancy services of supervisory engineering firm, PMU, taxes and duties, and other associated project cost. The cost is higher than the available ADB funding envelope for Tonga across several years. This funding gap issue highlights the need to further optimize the design of the bridge and have more clarity and certainty in the cost estimates.



3) Funding Gap and Possible Measures.

The resolution of this issue emphasizes the importance to seek different options to reduce the overall cost of the project. These options are mainly:

- (i) **Explore an innovative procurement approach (design-build contract).** This approach gives flexibility to contractors to prepare their own designs (complying with the specifications) as they are in a better position to make these decisions and hence bringing innovative design solutions and potentially substantial savings to the project.
- (ii) **Optimize the scope and specifications of the project.** Pending on the outcome of the detailed engineering design and revised cost estimates, the project scope and specifications may be further refined and optimized to fit within the available funding by selecting those infrastructure components that are considered essential to provide the lagoon crossing. This may be related to reducing the length

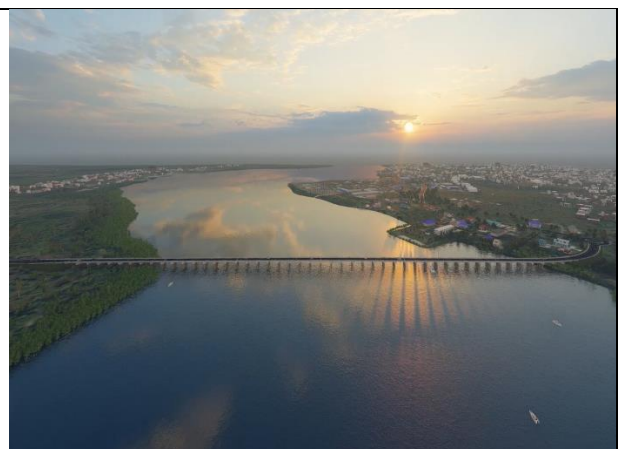


Facility area

	Items	Specification	Quantities	Unit	Remarks
Area	Facility area		30,000	m2	
Common Items	Clearing and grubbing		30,000	m2	
	Roadbed		55,000	m3	
	Planting	sodding	16,814	m2	
	Lighting	same as road lighting	20	nos.	@40m around parking lots + α
Custom facility	Custom facility	office	2,400	m2	80m×30m
	warehouse	roof top	400	m2	20m×20m
	Parking	Asphalt pavement	4,800	m2	160m×30m
	Access road	Asphale pavement	1,760	m2	220m×8m
Multiple Purpose Facilities (Driving shool?)	Office	building	1,600	m2	40m×40m
	Toilet		4	set	with water supply, septic system
	Parking or school	Asphalt pavement	2,000	m2	100m×20m
	Walkway	Concrete pavement	226	m2	

* excluding equipments/devices in the facilities

8) 3D Images of the Bridge





9) Public Community Consultations

Consultations have been conducted with communities, key stakeholders and civil society groups. The first round of public consultations was conducted by the Ministry of Lands and Natural Resources (MLNR) with support from the PMU in December 2017, January and February 2018. A second round of consultations was conducted by MLNR and the PMU in January to February 2020. Community consultations will resume in March 2021 to provide a project update to Folaha, Longoteme, 'Umusi, Vaini and Ma'ufanga Districts and other key stakeholders.

10) Timeline and Implementation Schedule for the Bridge Project

Activity	2020										2021									
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Project Processing																				
Concept Paper																				
Fact-Finding																				
Project Implementation																				
Consulting Services																				
Detailed design																				
Recruitment of CSC																				
Procurement																				
Invitations for Prequalification																				
Prequalification Evaluation																				
Issue Invitations for Bidding																				
Bid Evaluation																				

CSC = Construction Supervision Consultant

Source: Asian Development Bank.

Completed

Planned