

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



Cook Islands: 2016 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
10.00	-	-	4.26	14.26

- = nil.

Note: Grants and technical assistance include ADB-administered cofinancing.

Cook Islands: Cumulative Lending, Grant, and Technical Assistance Approvals^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	6	2.35	2.11
Education	3	3.35	3.01
Energy	5	23.46	21.07
Finance	7	6.54	5.87
Industry and Trade	1	0.28	0.25
Public Sector Management	14	25.79	23.16
Transport	7	26.70	23.98
Water and Other Urban Infrastructure and Services	4	3.49	3.13
Multisector	10	19.39	17.41
Total	57	111.34	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of approvals.

^d Numbers may not sum precisely because of rounding.

ADB supports the Cook Islands' aim to develop renewable energy sources, improve internet connectivity, enhance information and communication technology, strengthen resilience to natural disasters, and improve public sector effectiveness.

COOK ISLANDS

The Cook Islands are a group of 15 small islands scattered over a large area in the South Pacific. The national capital, Avarua, is found on the largest island, Rarotonga.

The Cook Islands is a self-governing country in free association with New Zealand. Its nationals are New Zealand citizens. They have open access to work and reside in New Zealand and—under various reciprocal entry agreements—in Australia. Emigration has contributed to a declining population, leading to a shortage of skilled workers.

The economy of the Cook Islands is small, narrowly based, and vulnerable to external shocks. Tourism accounts for around 60% of gross domestic product, followed by offshore banking, fishing, and agriculture.

The Asian Development Bank (ADB) has worked with the Government of the Cook Islands since 1976, approving 20 loans for \$86.9 million, 3 grants for \$12.3 million, and 36 technical assistance projects for \$12.1 million.

Cumulative disbursements to the Cook Islands for lending and grants financed by ordinary capital resources, the Asian Development Fund, and other special funds amount to \$65 million.

ADB-SUPPORTED PROJECTS AND PROGRAMS

Economic activity and living standards in the Cook Islands are significantly affected by a heavy reliance on generating power from imported diesel fuel, the price of which can be extremely volatile.

In 2011, the government issued the Cook Islands Renewable Energy Chart, which set a target of generating 50% of power from renewable energy sources by 2015—a target that was met—and



100% by 2020. A year later, it launched the Cook Islands Renewable Energy Chart Implementation Plan (CIRECIP), 2012–2020, which incorporates a development schedule for electricity generation from renewable sources. In 2016, ADB helped complete a report on energy efficiency policy implementation, outlining tariff and subsidy recommendations and electricity load demand through to 2020.

In 2014, ADB approved a renewable energy project that will construct new solar photovoltaic power plants on islands in the southern group by the end of 2019, and develop institutional capacity to implement the CIRECIP. In 2016, additional Global Environment Fund financing of \$4.3 million became effective to expand the scale of the current project and deliver greater benefits. In December 2016, the Green Climate Fund approved ADB's Pacific Islands Renewable Energy Investment Program, including an initial \$12 million grant for the Cook Islands to install energy storage systems and support private sector investment in renewable energy.

The Cook Islands has an urgent need for better internet and telecommunication connectivity, and is in discussion with regional partners and ADB for an international fiber optic submarine cable system. The project will be processed in 2017.

The Cook Islands is prone to regular extreme weather events, particularly tropical cyclones. In 2016, ADB approved a \$10 million policy-based loan to fund the Cook Islands Disaster Resilience Program, making financing available in the event of a disaster. Through critical actions in the areas of policy strengthening and institutional arrangements for disaster risk management, the program supports the implementation of the government's National Sustainable Development Plan. It will help build resilient infrastructure and expand disaster risk financing.

ADB technical assistance, at both the country and regional levels—has also supported infrastructure efficiency and sustainability, asset management, public sector management, private sector development, financial services, renewable energy and energy efficiency, climate change safeguards, and capacity development.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. Additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program.

From 1976 to the end of 2016, cumulative direct value-added official cofinancing for the Cook Islands amounted to \$11.5 million for one investment project, and \$1 million for three technical assistance projects.

In 2016, the Global Environment Facility provided \$4.3 million grant cofinancing for the Renewable Energy Sector—Additional Financing.

A summary of projects with cofinancing from 1 January 2012 to 31 December 2016 is available at www.adb.org/countries/cook-islands/cofinancing

Cook Islands: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2011	100.0	1
2015	0.0	1
2016	100.0	1
Total	66.7	3

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2016.

Cook Islands: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2015–2016

	No. of Ongoing Loans (as of 31 Dec 2016)	
	2015 (\$ million)	2016 (\$ million)
Contract Awards/Commitments ^{a,b}	1.04	–
Disbursements ^a	0.32	0.41
	No. of Ongoing Grants (as of 31 Dec 2016)	
	2015 (\$ million)	2016 (\$ million)
Contract Awards/Commitments ^{a,b}	–	–
Disbursements ^{a,c}	–	–
Actual Problem Projects (%) (as of 31 Dec 2016)	–	–

– = nil.

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

^b Excludes policy-based lending/grants.

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

Cook Islands: Projects Cofinanced, 1 January 2012–31 December 2016

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	1	11.52
Grants	1	11.52
Technical Assistance Grants	1	0.50

^a A project with more than one source of cofinancing is counted once.

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

Item	2015		2016		Cumulative (as of 31 Dec 2016)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	–	–	–	–	29.65	0.02
Consulting Services	0.34	0.05	–	–	1.84	0.02
Total Procurement	0.34	0.00	–	–	31.49	0.02

– = nil, 0.00 = less than \$50,000.

Top 5 Contractors/Suppliers from the Cook Islands Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2012–31 December 2016

Contractor/Supplier	Sector	Contract Amount (\$ million)
Concrete Systems Ltd.	TRA	0.62
Landholdings Ltd.	TRA	0.17
Te Vaerua Community Rehabilitation Services	PSM	0.10
Te Ata O Te Ra-Mauke Disability Center	PSM	0.08
Mangaia Disability Centre	PSM	0.07
Others		6.09
Total		7.14

PSM = public sector management, TRA = transport.

Top 5 Consultants from the Cook Islands Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2012–31 December 2016

Consultant	Sector	Contract Amount (\$ million)
ROMANI DESIGN LTD.	ENE	0.34
Individual Consultants		0.03
Total		0.38

ENE = energy.

PARTNERSHIPS

In 2012, a development coordination office was opened to support ADB's responsiveness to the needs of the Cook Islands. The office works to enhance the relationship between ADB and the government, improve development partner coordination, and help build local capacity in the design and implementation of ADB-supported projects.

ADB participates in annual meetings of Cook Islands stakeholders, who have assessed that coordination is adequate, effectiveness of aid is relatively high, and governance is satisfactory.

ADB partnerships in the Pacific leverage additional financing and knowledge for greater impact at the national level. Significant support for private sector development, business support services, and infrastructure planning is being provided by ADB-administered regional programs, such as the Pacific Private Sector Development Initiative, the Pacific Business Investment Facility, and the Pacific Region Infrastructure Facility.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries; and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$11.09 billion in 2015 and \$11.42 billion in 2016. Cumulative procurement since 1966 was \$158.68 billion covering 206,915 contracts.

In the Cook Islands, 138 contracts worth \$29.65 million were awarded to contractors and suppliers since 1976.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$655.31 million in 2015 and \$612.46 million in 2016. Cumulative procurement since 1966 was \$11.26 billion covering 52,232 contracts.

In the Cook Islands, 44 contracts worth \$1.84 million were awarded to consultants since 1976.

OPERATIONAL CHALLENGES

The ease with which Cook Islands residents can relocate to New Zealand or Australia can hasten staff turnover in critical positions, draining national skills and significantly increasing the cost of capacity building.

The country needs to upgrade infrastructure to meet tourism needs, and will do so over the next 10 years through the National Infrastructure Investment Plan.

As the Cook Islands is not a member of the International Monetary Fund, the government and its development partners do not benefit from the macroeconomic monitoring that would be provided. ADB will continue to support the government with macroeconomic assessments and policy advice, as well as in developing tools for fiscal analysis.

FUTURE DIRECTIONS

The ADB [country operations business plan, 2017–2019](#) for the Cook Islands is aligned with ADB's [Pacific Approach 2016–2020](#). The business plan aims to develop renewable energy sources, improve internet connectivity, enhance information and communication technology, strengthen resilience to natural disasters, and improve public sector effectiveness. The operational focus aligns with the strategic objectives of the government's National Sustainable Development Plan 2016–2020.

ADB is seen as a key supporter of pipeline projects to access grant financing from the Green Climate Fund. In late 2016, ADB helped secure a 12 million grant with the Green Climate Fund to install three battery energy storage systems in two different locations on Rarotonga, with a preliminary capacity of 3 megawatts.

ADB will also help strengthen the government's public service strategy and private sector development.

The provision of well-focused technical assistance, aimed mainly at building capacity and strengthening governance, will remain an integral part of ADB support to the Cook Islands.



ABOUT THE COOK ISLANDS AND ADB

ADB Membership

Joined 1976

Shareholding and Voting Power

Number of shares held: 282 (0.003% of total shares)
Votes: 39,889 (0.301% of total membership,
0.461% of total regional membership)
Overall capital subscription: \$3.79 million
Paid-in capital subscription: \$0.19 million

Syurkani Ishak Kasim is the Director and **Mario Di Maio** is the Alternate Director representing the Cook Islands on the ADB Board of Directors.

Robert Jauncey is the ADB Regional Director of the Pacific Subregional Office. The office was opened in 2004 and provides the primary operational link for activities between ADB and the governments of the subregion, the private sector, civil society stakeholders, and development partners. The office engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in the Cook Islands, Fiji, Kiribati, Samoa, Tonga, and Tuvalu.

The Cook Islands government agency handling ADB affairs is the Ministry of Finance and Economic Management.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2016, lending volume was \$16.35 billion (126 projects), with technical assistance at \$169.03 million (225 projects) and grant-financed projects at \$526.75 million (31 projects). In addition, \$14.06 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2012 to 31 December 2016, ADB's annual lending volume averaged \$13.74 billion. In addition, investment grants and technical assistance funded by ADB and special funds resources averaged \$562.24 million and \$154.91 million in technical assistance over the same period. As of 31 December 2016, the cumulative totals excluding cofinancing were \$247.28 billion in loans for 2,935 projects in 44 countries, \$7.75 billion in 296 grants, and \$4.06 billion in technical assistance grants, including regional technical assistance grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

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

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

Depository Libraries
www.adb.org/publications/depositories

To access a complete list of development and economic indicators, visit:

Statistics and Databases
www.adb.org/data/statistics