

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



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

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	6	2.34	2.19
Education	3	3.40	3.17
Energy	5	22.43	20.94
Finance	7	6.47	6.04
Industry and Trade	1	0.28	0.26
Multisector	10	19.56	18.26
Public Sector Management	14	25.53	23.84
Transport	7	23.61	22.05
Water and Other Urban Infrastructure and Services	4	3.48	3.25
Total	57	107.09	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 commitments.

^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 consists of 15 small islands scattered over 1.8 million square kilometers in the South Pacific. The country's economy 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 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 from the Cook Islands has contributed to a declining population and a shortage of skilled workers.

The Asian Development Bank (ADB) has been supporting the Cook Islands since 1976, with loans for \$83.5 million, grants for \$12.3 million, and technical assistance projects for \$12.1 million committed.

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 \$68.5 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.

The Cook Islands Renewable Energy Chart sets a target of generating 100% of power from renewable energy sources by 2020, while the Cook Islands Renewable Energy Chart



Implementation Plan, 2012–2020 incorporates a development schedule for electricity generation from renewable sources. ADB helped complete a report on energy efficiency policy implementation, outlining tariff and subsidy recommendations and electricity load demand through to 2020.

A \$24 million renewable energy project 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 Cook Islands Renewable Energy Chart Implementation Plan. Expansion of the project is supported by \$4.3 million from the Global Environment Facility. The Green Climate Fund endorsed ADB's Pacific Islands Renewable Energy Investment Program in 2016, committing a \$12 million grant to install energy storage systems (with a preliminary capacity of 3 megawatts) in the capital, Rarotonga, and support private sector investment in renewable energy. In October 2017, ADB approved this additional Green Climate Fund financing.

In December 2017, ADB approved \$15 million to support a submarine cable internet connectivity project, which

will bring faster and more affordable internet access to the Cook Islands. The country will also receive grant support from the Government of New Zealand for the project. The Cook Islands has joined Samoa, Niue, and French Polynesia to implement the project, commencing in 2018, through a regional cable system.

The Cook Islands is prone to regular extreme weather events, particularly tropical cyclones. ADB has approved a \$10 million policy-based loan to fund the Cook Islands Disaster Resilience Program, making financing available in the event of a disaster and helping to build resilient infrastructure. 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.

ADB technical assistance—at both the country and regional levels—has also supported the Cook Islands in infrastructure efficiency and sustainability, asset management, public sector management, private sector development, broadening of financial services, promoting 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. The 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 and Supply Chain Finance Program.

From 2008 to the end of 2017, cumulative direct value-added official cofinancing commitments for the Cook Islands amounted to \$11.52 million for one investment project, and \$1.00 million for three technical assistance projects.

A summary of projects with cofinancing from 1 January 2013 to 31 December 2017 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). Compared with the numbers in previous years' *Fact Sheet*, the success rate reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and does 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 2017.

Cook Islands: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2016–2017

	No. of Ongoing Loans ^a (as of 31 Dec 2017)	
	2016 (\$ million)	2017 (\$ million)
Contract Awards ^{b,c}	-	5.40
Disbursements ^b	0.41	3.50
No. of Ongoing Grants ^a (as of 31 Dec 2017)		
	2016 (\$ million)	2017 (\$ million)
Contract Awards ^{b,c}	-	-
Disbursements ^{b,d}	-	-
Actual Problem Projects (%) (as of 31 Dec 2017)	-	-

- = nil.

^a Based on commitments.

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

^c Excludes policy-based lending/grants.

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

Cook Islands: Projects Cofinanced, 1 January 2013–31 December 2017

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	2016		2017		Cumulative (as of 31 Dec 2017)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	-	-	-	-	29.65	0.02
Consulting Services	-	-	-	-	1.85	0.02
Total Procurement	-	-	-	-	31.50	0.02

- = nil.

Top 5 Contractors/Suppliers from the Cook Islands Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2013–31 December 2017

Contractor/Supplier	Sector	Contract Amount (\$ million)
Concrete Systems Ltd.	TRA	0.62
Landholdings Ltd.	TRA	0.17
Aitutaki Disability Center	PSM	0.03
Others		6.03
Total		6.86

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 2013–31 December 2017

Consultant	Sector	Contract Amount (\$ million)
Romani Design Ltd.	ENE	0.35
Individual Consultants		0.03
Total		0.38

ENE = energy.

PARTNERSHIPS

In 2012, an ADB development coordination office was established within the Cook Islands' Ministry of Finance and Economic Management. In November 2017, the office was relocated to its own premises and opened by the deputy prime minister, Teariki Heather. 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 effectiveness of aid is relatively high.

Significant support for private sector development, business support services, and infrastructure planning in the Cook Islands is being provided by ADB-administered regional programs and partnerships, such as the Pacific Private Sector Development Initiative, the Pacific Asia Project Preparation 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 \$11.28 billion in 2016 and \$10.43 billion in 2017. Cumulative procurement since 1966 was \$169.12 billion covering 211,316 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 \$627.79 million in 2016 and \$741.84 million in 2017. Cumulative procurement since 1966 was \$12.02 billion covering 55,420 contracts.

In the Cook Islands, 44 contracts worth \$1.85 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.

Because 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 otherwise be provided. ADB will continue to support the government with macroeconomic assessments and policy advice, and to develop tools for fiscal analysis.

FUTURE DIRECTIONS

ADB's Pacific Approach, 2016–2020 acts as the country partnership strategy for the 11 small Pacific island countries (PIC-11), including the Cook Islands. The country operations business plan, 2018–2020 for the PIC-11 also takes a multicountry approach to identify commonalities and opportunities for operational efficiencies. The business plan supports the three-pronged strategy of the Pacific Approach: reducing costs, managing risks, and enabling value creation. For the Cook Islands, ADB assistance focuses on increasing electricity generation from renewable energy sources, improving internet connectivity, enhancing information and communication technology, and strengthening resilience to natural disasters. This operational focus aligns with the strategic objectives of the government's National Sustainable Development Plan 2016–2020.

Well-focused technical assistance, aimed mainly at building capacity and strengthening governance, will remain an integral part of ADB support to the Cook Islands. ADB will also explore grant financing to support the country's water and sanitation sector.



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: \$4.02 million
Paid-in capital subscription: \$0.20 million

Mark Brown is the Governor and **Garth Henderson** is the Alternate Governor for the Cook Islands in ADB.

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

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 2017, lending volume was \$18.72 billion (111 projects), with technical assistance at \$200.53 million (246 projects) and grant-financed projects at \$597.49 million (24 projects). In addition, \$11.92 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 2013 to 31 December 2017, ADB's annual lending volume averaged \$14.55 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$617.74 million and \$166.28 million over the same period. As of 31 December 2017, the cumulative totals excluding cofinancing were \$255.14 billion in loans for 2,955 projects in 44 countries, \$8.36 billion in 328 grants, and \$4.27 billion in technical assistance grants, including regional technical assistance grants.

CONTACTS

ADB Development Coordination Office

Nikao, Rarotonga
P. O. Box 3338
Cook Islands
Tel + 682 22697

Pacific Subregional Office

Level 5, Ra Marama Building
91 Gordon Street
Private Mail Bag, Suva, Fiji
Tel +679 331 8101
Fax +679 331 8074
adbpsps@adb.org
www.adb.org/cook-islands

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444

Ministry of Finance and Economic Management

Government of the Cook Islands
Rarotonga
P.O. Box 120
Cook Islands

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