

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



Cook Islands: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

| Loans | | Technical Assistance | Grants | Total |
|-----------|--------------|----------------------|--------|-------|
| Sovereign | Nonsovereign | | | |
| 15.00 | - | - | 12.00 | 27.00 |

- = nil.

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

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 | 1.75 |
| Education | 3 | 3.40 | 2.53 |
| Energy | 6 | 34.43 | 25.68 |
| Finance | 7 | 6.47 | 4.83 |
| Industry and Trade | 1 | 0.28 | 0.21 |
| Information and Communication Technology | 1 | 15.00 | 11.19 |
| Multisector | 10 | 19.56 | 14.59 |
| Public Sector Management | 14 | 25.53 | 19.04 |
| Transport | 7 | 23.61 | 17.61 |
| Water and Other Urban Infrastructure and Services | 4 | 3.48 | 2.59 |
| Total | 59 | 134.09 | 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 assistance to the Cook Islands focuses on increasing electricity generation from renewable energy sources, improving internet connectivity, enhancing information and communication technology, and strengthening resilience to natural disasters.

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, with 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, having committed loans totaling \$97.6 million, grants of \$24.3 million, and technical assistance worth \$12.1 million.

Cumulative loan and grant disbursements to Cook Islands amount to \$71.1 million. These were financed by regular and concessional ordinary capital resources, and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

Economic activity and living standards in the Cook Islands are significantly affected by a heavy reliance on generating power using imported diesel fuel, which comes at extremely volatile prices.

The Cook Islands Renewable Energy Chart sets a target of generating 100% of power from renewable energy sources by 2020, while the chart's implementation plan incorporates a



development schedule for electricity generation from renewable sources through to 2020. ADB helped formulate these vital documents, completing a report on energy efficiency policy implementation, which outlined tariff and subsidy recommendations and electricity load demand.

The bank has also provided \$24 million for a renewable energy project to construct new solar photovoltaic power plants on southern islands by the end of 2019, and develop institutional capacity to implement the Cook Islands Renewable Energy Chart Implementation Plan. Solar power plants in Mitiaro, Atiu, and Mangaia were commissioned in 2018. 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 Cook Islands capital, Rarotonga, and support private sector investment in renewable energy. ADB approved this additional Green Climate Fund financing in 2017.

The Cook Islands joined with Samoa, Niue, and French Polynesia in 2018

to commence an ADB-supported submarine cable internet connectivity project. With \$15 million approved by ADB in 2017 and grant support to be received from the Government of New Zealand, the project will bring faster and more affordable internet access to the Cook Islands through a regional cable system.

Because 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](#), which makes financing available in the event of a disaster and helps 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 Cook Islands' 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.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

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

Cook Islands: Project Success Rates

| Year | Success Rate (%) | No. of Independently Evaluated Projects and Programs |
|--------------|------------------|--|
| 2011 | 100.0 | 1 |
| 2015 | – | 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 are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

Cook Islands: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

| | No. of Ongoing Loans ^a (as of 31 Dec 2018) | |
|--|---|-------------------|
| | 2017 (\$ million) | 2018 (\$ million) |
| Contract Awards ^{b,c} | 5.40 | 0.26 |
| Disbursements ^b | 3.50 | 2.56 |
| No. of Ongoing Grants ^a (as of 31 Dec 2018) | | |
| | 2017 (\$ million) | 2018 (\$ million) |
| Contract Awards ^{b,c} | – | – |
| Disbursements ^{b,d} | – | – |
| Actual Problem Projects (%) (as of 31 Dec 2018) | | |
| | – | – |

– = 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 2014–31 December 2018

| Cofinancing | No. of Projects | Amount (\$ million) |
|-----------------------|-----------------|---------------------|
| Projects ^a | 2 | 33.52 |
| Grants | 2 | 33.52 |

^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 | 2017 | | 2018 | | Cumulative (as of 31 Dec 2018) | |
|------------------------------------|---------------------|------------|---------------------|------------|--------------------------------|-------------|
| | Amount (\$ million) | % of Total | Amount (\$ million) | % of Total | Amount (\$ million) | % of Total |
| Goods, Works, and Related Services | – | – | – | – | 29.64 | 0.02 |
| Consulting Services | – | – | – | – | 1.84 | 0.01 |
| Total Procurement | – | – | – | – | 31.48 | 0.02 |

– = nil.

Top 5 Consultants from the Cook Islands Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

| Consultant | Sector | Contract Amount (\$ million) |
|------------------------|--------|------------------------------|
| Romani Design Ltd. | ENE | 0.34 |
| Individual Consultants | | 0.03 |
| Total | | 0.37 |

ENE = energy.

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](#).

ADB began cofinancing operations in the Cook Islands in 2008. Since then, cumulative direct value-added official cofinancing commitments for the Cook Islands have amounted to \$33.52 million for two investment projects, and \$1 million for three technical assistance projects.

In 2018, the Cook Islands received \$22 million in grant cofinancing from the Government of New Zealand and the Green Climate Fund for two investment projects.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/cook-islands/cofinancing.

PARTNERSHIPS

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 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 [Asia Pacific 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 \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In the Cook Islands, 138 contracts worth \$29.64 million have been 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 \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In the Cook Islands, 44 contracts worth \$1.84 million have been 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 its 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, including the Cook Islands. The country operations business plan, 2019–2021 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. The bank will also explore grant financing to support the country's water and sanitation sector.



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(Please omit the "8" from ADB HQ numbers until
Manila numbers change on 8 October 2019.)

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Useful ADB websites

Asian Development Bank
www.adb.org

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

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

ADB Data Library
data.adb.org

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: 39,979 (0.301% of total membership,
0.462% of total regional membership)
Overall capital subscription: \$3.92 million
Paid-in capital subscription: \$0.19 million

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

Syrkani Ishak Kasim is the Director and **Karen Murray** is the Alternate Director representing the Cook Islands on the ADB Board of Directors.

Masayuki Tachiiri is the ADB Regional Director of the Pacific Subregional Office (SPSO) in Suva, Fiji. SPSO 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.

In 2018, ADB approved the establishment of a country office in the Cook Islands. The office strengthens the bank's presence in the country, working to enhance the relationship between ADB and the government, improve development partner coordination, and build local capacity in the design and implementation of ADB-supported projects.

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 68 members, 49 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 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 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 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

Notes:

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.