

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The Cook Islands is a self-governing country in free association with New Zealand and its nationals are New Zealand citizens. New Zealand remains the major donor to the Cook Islands under a Joint Commitment for Development. The Government of New Zealand works with the Government of Australia to deliver this aid program under a delegated cooperation agreement. The People's Republic of China provides both concessional loans and grant assistance to the Government of the Cook Islands. Multilateral agencies like the Asian Development Bank (ADB), European Union, and United Nations agencies provide grants, loans, and technical assistance. Technical support also comes from regional organizations, including the Pacific Islands Forum Secretariat, Secretariat of the Pacific Community, and Secretariat of the Pacific Regional Environment Programme.

2. New Zealand's total aid to the Cook Islands, which amounted to NZ\$25.2 million in FY2016, is made up of program funding to the Cook Islands for specific activities, and other funds supporting scholarships, regional initiatives, activities supported by other bilateral partners, and humanitarian response. New Zealand's development focus is on upgrading infrastructure, growing sustainable tourism, and supporting initiatives that strengthen the public sector and improve education, health, and social services. The Government of New Zealand, represented by the Ministry of Foreign Affairs and Trade, is providing grant support to the proposed Improving Internet Connectivity for the South Pacific project and has a broader interest in advancing connectivity among South Pacific countries through simultaneously linking neighboring countries (non-ADB members).

3. The Government of Australia provided assistance of A\$3.5 in FY2016 focusing on sanitation, education, gender, and disability-inclusive development. The European Union's 11th European Development Fund, with a total amount of €1.4 million for 2014–2020, will focus on the water and sanitation sector. Projects and programs funded by the Government of Australia and the European Development Fund could benefit from improved internet access and development of technology platforms made possible through the proposed project.

Major Development Partners in ICT Sector

Development Partner	Project Name	Duration	Amount (\$ million)
Asian Development Bank	Pacific Regional Information and Communications Technology Connectivity Project (Phase 2)	2013	\$0.9
	Improving Internet Connectivity for the South Pacific	2016–2020	\$15.0
Government of New Zealand	Improving Internet Connectivity for the South Pacific – cofinancing	2016–	\$20.0
Government of India	Online Companies Registry	2018	\$0.6
	Grant aid for socioeconomic sustainable development projects (including information technology training equipment and data sharing)	2014– Annually	\$0.2
	Development of Pan-Pacific Islands Project for Telemedicine and Tele-education	2014–	TBC

EDF = European Development Fund, TA = technical assistance, TBC = to be confirmed.

Sources: Asian Development Bank; Government of the Cook Islands, Ministry of Finance and Economic Development; Government of New Zealand, Ministry of Foreign Affairs and Trade.

B. Institutional Arrangements and Processes for Development Coordination

4. Institutional arrangements for development coordination in the Cook Islands are well established. The Development Coordination Division of the Ministry of Finance and Economic Management is the focal point for coordination across development partners. The National Sustainable Development Commission oversees implementation and coordination of overseas development assistance projects based on the National Sustainable Development Plan, 2016–2020 and the Cook Islands Development Partners Policy, 2015.¹ The Development Coordination Division also publishes annual financial statements covering all overseas development assistance expenditures for greater transparency and accountability. The Prime Minister's Office is responsible for project coordination in the telecommunications sector.

5. The government developed a National Infrastructure Investment Plan, 2015–2025 through extensive consultations with infrastructure managers, users, and development partners, and with the support of the Pacific Regional Infrastructure Facility (PRIF).² It outlines the government's priorities and plans for major infrastructure initiatives over the next 10 years from 2015, and it will be regularly updated as part of the national planning and budgeting process. The plan is a tool for a more systematic approach to infrastructure planning, coordination, and asset management. The proposed submarine cable project is listed among the 10 high-priority proposed projects.³

C. Achievements and Issues

6. Utilizing existing development coordination arrangements, the proposed project has been developed based on close coordination among the government, ADB, the Government of New Zealand, telecom providers, and the business community and community representatives. Such coordination is crucial, especially in a small country where every project leaves an impact on everyone. Most of the due diligence activities have been divided between the donors and coordinated with the Development Coordination Division to avoid duplication of efforts. A memorandum of understanding will be prepared to describe the coordination arrangement between ADB and New Zealand's Ministry of Foreign Affairs and Trade related to procurement, disbursement, monitoring, and reporting.

D. Summary and Recommendations

7. The proposed project is unlikely to overlap activities of other development partners, but ongoing consultation will be important to identify areas of future cooperation, including training, capacity building, and e-platforms that rely on information and communication technology infrastructure. Existing coordination mechanisms provided by the Ministry of Finance and Economic Management and alignment oversight by the National Sustainable Development Commission will be used for project components, as appropriate.

¹ Government of the Cook Islands. 2015. *Cook Islands Development Partners Policy*. Cook Islands

² Government of the Cook Islands. 2015. *Cook Islands National Infrastructure Investment Plan*. Cook Islands

³ The plan was developed with support from the PRIF, a multi-agency coordination mechanism aimed at improving the delivery of development assistance from donors and development partners to the infrastructure sector in the Pacific region. PRIF supports infrastructure development and maintenance in Pacific Island Countries (PICs) through investment coordination, research and technical assistance. PRIF partners include ADB, Australian Department of Foreign Affairs and Trade, New Zealand Ministry of Foreign Affairs and Trade, World Bank Group including the International Finance Corporation, European Commission and European Investment Bank, and the Japan International Cooperation Agency.