

ANNEX 1

Official Development Assistance (ODA)

Official Development Assistance was appropriated at the total value of \$61.1 million in the 2018/19 Budget. This value includes all ODA projects including significant projects such as the Manatua Cable project, the Renewable Energy Grant from the Green Climate Fund and Core Sector Support Grant Funding with New Zealand with outputs 1 - 3 treated as Revenue on behalf of the Crown (ROBOC) through Treasury and distributed to core ministries (Education, Health and Tourism).

Total spend illustrates programme/project expenditures from July to December 2018. ODA estimated spend to date is reported at \$11.0 million representing a 18% spend against the total budget.

NEW ZEALAND PROGRAMMES

New Zealand has committed \$52 million towards the bilateral program and an additional \$4 million from outside the bilateral programme for the next three years. In late December 2018 the Cook Islands received \$13 million grant contribution towards supporting asset management. Additionally the design of Core Sector Support Grant Funding Arrangement (GFA) is underway and it is anticipated that a GFA will be finalized by April 2018. The CSS modality has been an effective mechanism to deliver key priorities in the sectors such as Health, Tourism, Education and strengthening public sector initiatives. The estimated budget towards CSS has been based on the previous baseline data which has been pre-approved by New Zealand in anticipation of a finalized Grant Funding Arrangement.

Sanitation is also a key priority between NZ and CIGov and a new GFA is anticipated to be finalized once the preferred option of reticulation has been confirmed by the government.

Manatua Cable

Implementing Agency: Avarua Cables Limited

Total spend to date: \$2,722,175.16

As of October 2018 the 4 Consortium members (Avaroa Cables Limited (ACL) – Cook Islands, Office des Postes et Telecommunications de Polynesie Francaise (OPT) – French Polynesia, Samoa Submarine Cable Company Limited (SSCC) - Samoa and Telecom Niue (TN) - Niue) signed the Construction and Maintenance Agreement (C&MA) and the Supply Contract. A formal signing ceremony was organised in Auckland New Zealand on the 09 November 2018 which reaffirmed each of consortium countries and their respective government's solidarity in the Manatua Cable

Consortium and commitment to the Manatua Cable Project. In addition endorsement of participation of the respective country executing agencies ACL, OPT, SSCC and TN as standing members of the Manatua Cable Consortium and the Manatua Cable Project Steering Group (PSG).

Key milestones which have been successfully met by the PSG include but not limited to:

- Executed the C&MA, establishing the Manatua Cable Consortium and governing the design, construction, operation and maintenance of the Manatua Cable during its life expectancy;
- Awarded the submarine cable supply contract (Manatua Supply Contract) to Subsea Communciations LLC (SubCom);
- Achieved all the Manatua Supply Contract conditions precedent including the financing requirements allowing the Manatua Cable Project to enter its construction phase and for the Manatua Supply Contract to achieve Contract-in-Force.

As the C&MA has come into effect, the Management Committee (MC) will replace the Manatua Cable Consortium PSG. The Consortium PSG have elected a Chairperson and Vice-Chairperson for the MC and Procurement Group (PG). The MC Chairperson is a representative from OPT and the MC Vice-Chairperson is a representative from ACL as Vice-Chair. The MC is responsible for directing the progress of engineering, provisioning and installation, bringing into service and continued operation of Manatua Cable System. The Procurement Group Chairperson is a representative from OPT and the PG Vice-Chairperson is a representative from SSCC. The PG will ensure that the Supplier, Cable Landing Parties (CLP's) and Third-Party providers, if any, will engineer, provide and install Segment S and SLTE Segment in time and in accordance with the technical specifications to permit Manatua to be placed into operation by the scheduled date. The Manatua Cable Consortium will retain Axiom as the consulting team to oversee the project implementation. The Manatua Consortium member for the Cook Islands is Avaroa Cables Limited (ACL).

The Supply Contract was awarded to SubComm for the design, manufacture, installation, integration, testing and commissioning of the Manatua Cable System and the provision of long term technical support and maintenance of the System. The Cook Islands component of the contract is 38.79793% of the total contract value (USD18,048,653.87). The Coming into Force/On-signing payment of NZD2,662,090.48) was made this quarter and the next milestone payment is due early2019.

A site visit was carried out by SubComm from the 13-18 December 2018 to determine the readiness of the Cook Islands to implement the submarine cable and to ensure the cable is designed to appropriate specifications. The site visit including meeting with Government agencies and ACL.

ACL commenced the recruitment process for a new Establishment Chief Executive Officer (ECO) that will report to the ACL Board in September 2018. As of January 2019 a CEO has been formally offered the position. The CEO and ACL have commenced the process for recruitment of a Project Manager (PM) to lead the Project Management Unit (PMU) in country. The PM will be reporting directly to the CEO and will likely be appointed in February/March 2019.

Cook Islands Core Sector Support (CSS): Output 4 TA Programme

Programme Management Oversight: DCD-MFEM & Policy Division-OPM

Total spend to date: \$1,114,761

The CSS makes up 32% of total New Zealand Aid in the ODA Schedule. The NZ CSS Programme includes direct budget support to Ministry of Education, Cook Islands Tourism and the Ministry of Health. The following are reporting only for NZ CSS Output 4 as the activities for Output 1-3 are complete. To date there are 14 TA projects in progress for CSS Output 4. New Zealand Ministry of Foreign Affairs and Trade (MFAT) together with the Ministry of Finance and Economic Management of the Cook Islands are currently drafting the new Core Sector Support Grant Funding Agreement for 2018/19 – 2020/21 which should be finalized by March 2019.

CSS TA Project Name & Implementing Agency	December Quarter 2018 Progress
Financial Management Information Systems (FMIS) Treasury Division-MFEM	<p>The 11 week Build Stage which commenced in June 2018 moved into the preparation for the Test Stage with Integrated Systems Training (IST) for the Project Management Unit (PMU) in the first half of the quarter. The Build Stage included but is not limited to:</p> <ul style="list-style-type: none"> • Configuration of System • QA Review • Integration development • Data Migration preparation <p>Following the completion of the build stage, the FMIS project moved into its 11 week test stage which includes but is not limited to PMU training, IST Prep & Execution, Data Migration completion, Integration development and User Acceptance Testing (UAT). The last half of the quarter saw the IST preparation extended with the justification focussed on the quality of tests leading into UAT,</p>

CSS TA Project Name & Implementing Agency	December Quarter 2018 Progress
	completion of data migration, master records, GL transactions and budgets – transition to IST team continue into TEST and GO Live Cutover Stages.
Cook Islands Aviation International Compliance Ministry of Transport (MOT)	The Director of Civil Aviation (DCA)_contract was extended for another 12 months commencing 01 st July 2018 – 30 th June 2019 to progress the current workplan and negotiate safety oversight services. Key deliverables and highlights over the last quarter include the completion of the Aviation Sector Risk Review at the request of Honourable Robert Tapaitau, Minister of Transport. The condition of the Rarotonga International Airport’s runway has been ranked as the highest risk in the review. Director of Civil Aviation (DCA) met with the Cook Islands Investment Corporation (CIIC) and stressed the need for adequate capital for the AACI to fund the rehabilitation of the runway. Another key deliverable included the amended Cook Islands Civil Aviation Rules (CICAR) which was signed by the Minister and effective from 01 st July and are being progressively uploaded to the MOT website www.transport.gov.ck . All relevant safety and legislative rules, information and guidance documents being approved, adopted, gazetted has also been published on the website.
Fixed Term Maritime Technical Manager Ministry of Transport	The 12 month appointment commenced in May 2018. Progress against results framework is ongoing as well as working towards successfully completing intended outcomes as per contract.
Ministry of Transport International Compliance Quality Management System	An initial risk assessment was carried out by the TA (GHD Ltd NZ) with the Ministry of Transport (MOT) to identify procedures and processes critical to addressing these risks. Following the assessment, additional scope of works were identified. A successful training took place in September 2018 of the Draft QMS as well as business process maps for each output of MOT. Final stage of this project was completed with the approval of the Completion Report early November 2018. Processing of final milestone payment was

CSS TA Project Name & Implementing Agency	December Quarter 2018 Progress
	made in early January due to delays in receiving the final invoice from the Contractor GHD Ltd NZ.
Online Companies Registry Ministry of Justice	Following ADB procurement process, Expressions of Interest (EOI's) were advertised mid 2018. Six EOI's were received and the bid evaluation process carried out. The contract was awarded in November 2018 with an in-country mission planned for early 2019. NZ's contribution of \$615,000 has been paid direct to ADB's Pacific Private Sector Development Initiative (PSDI) for the registry and implementation.
Asset Management Stocktake Cook Islands Investment Corporation	The Cook Islands Government requested NZ Government in October 2017 to facilitate the procurement process given the market reach and potential access to international respondents in this specialist area, supported with a strict and robust procurement management system. A waiver of the tender process was approved by the Tender Committee in July 2018. The tender report is currently with MFAT thereafter Cook Islands Investment Corporation (CIIC) will work on drafting terms and conditions of the contract before a review is undertaken by Crown Law Office (CLO). It should also be noted that the tender evaluation is satisfied at the choice of the preferred company which scored highest in both price and non-price components of the tender. Since September 2018 no further updates on the project has been received due to other competing priorities and under resourced staff at CIIC.
Audit House Keeping Treasury Management Division, Ministry of Finance and Economic Management	This programme has been making considerable progress and contribution to Treasury Management Division (TMD), Ministry of Finance and Economic Management (MFEM) and Cook Islands Audit Office (CIAO) achieving up to date financial reports for Cook Islands Government. There has been major improvement in fast tracking the turn over time of submissions of annual accounts and

CSS TA Project Name & Implementing Agency	December Quarter 2018 Progress
	audits. Furthermore, the TA is currently reviewing internal processes for Ministries/Agencies. TMD are currently requesting an extension to the TA's contract.
Study of Foreign Direct Investment (FDI) in the Cook Islands Ministry of Finance and Economic Management	The goal of this project is to have a greater understanding of the socio-economic impacts of foreign investment in the Cook Islands and the changes required to current legislation. The draft report has been received as well as recommendations. Two out of three payments have been paid out to TA Delta Pearl Partners Pty Ltd who are now working on improving the draft. There have been a number of delays largely due to the availability and quality of data from a number of key agencies.
Occupational Health and Safety Legislation Review Ministry of Internal Affairs	TA contract was awarded to Shaw Idea who began implementation of the Cook Islands Occupational Safety and Health (OSH) National Reform Project. Overall, all three sectors of health, education and tourism have seen huge improvements from the assistance provided through the CSS funding arrangement. It's evident that through the targets against indicators set out in the results management framework, the three core ministries have made progress towards them and have either surpassed the target or have come close to achieving these. Out of all three Ministries, both education and tourism were able to work towards achieving their targets at an acceptable standard however Ministry of Health (MOH) expressed the difficulty in meeting their targets due to limited funding. However, MOH still made good progress against the targets given the budget constraints.
Improving Audit Performance Cook Islands Audit Office (CIAO)	This programme continues to progress well against TOR. CIAO has procured two TA's to assist in their goal to improve audit performance. This initiative will include staff incentives for training and returning graduates employment bonds with CIAO. Contracts have been signed for both consultants to Audit, CIAO have received final approval from the Philippines Government with the two consultants now in country carrying out the required work. DCD

**CSS TA Project Name
& Implementing
Agency**

December Quarter 2018 Progress

and CIAO have signed an MOU to allow for better monitoring of outputs and disbursement of funding for this programme. The first of four payments have been paid out to CIAO to assist with relocation cost of consultants and assist with capacity development of current staff.

Public Expenditure
Review of the
Economic, Social &
Environmental
Sectors
Ministry of Finance
and Economic
Management

A review was required to determine whether sectors are adequately resourced to achieve the Cook Islands national priorities. Three sectors were considered in this review; Economic, Social and Environmental. The review assessed the baselines of specific ministries/agencies that fall within these sectors to determine whether the baselines are appropriate to meet the required outcomes, whether there is duplication of work across agencies, whether there are gaps in work areas across the sector and assess where operational and management synergies exist. The report highlights areas in need of funding and areas of inefficiency and wastage. A contract was signed in March 2018 approving the services of Sapere Research Group, NZ. The final report of TA's findings was submitted in October 2018 and approved by Cabinet in November 2018 which was the completion stage of this project.

Prison Review &
Warden Training
Ministry of Justice
(MOJ)

The overarching problem of the prison service was identified in the McDermott-Matapo incident review as a result of a shooting tragedy in October 2017. The review team determined that there were many failings in policies, procedures and intelligence sharing within the prison system. The overall determination of the review team was that this incident was preventable. In order to really professional Corrections expertise was required. NZ Corrections has previously worked with two other Pacific nations that required support namely Vanuatu and Samoa. The Contract was therefore signed by NZ Corrections in September 2018 for the mission to commence later in the month. This was led by a high level team made up of the following members Rachel Leota – National Commissioner, Jeanette Burns – Regional Commissioner, Northern

CSS TA Project Name**& Implementing
Agency****December Quarter 2018 Progress**

and Barney Tihema – Director, Maori Services. The first progress report was received in December 2018 with the team expected to return end January 2019 for phase II of the contract. An email variation to the contract was approved in order for the project to complete as per signed contract dates i.e. April 2019. No implications to the budget have been made as a result of these changes.

ODA Graduation

Treasury Division –
MFEM

A contract has been signed with the preferred supplier and the work for this programme started in October 2018 where Statistics Office is heavily involved on checking the data that is currently being developed. This work is continuing out-of-country and is still progressing.

Financial Analysis of
Manatua Cable

Ministry of Finance and
Economic Management

The Cook Island Government's overarching goal is to set up the necessary regulatory, pricing and international interconnection arrangements for the telecommunications sector to ensure that Cook Islands consumers benefit from the improved connectivity – fast, reliable and affordable broadband – that will be facilitated by the Manatua Cable Project.

The inception report was provided in early November which provides a snapshot of the situation in the Cook Islands relating to the current situation of the ICT development and focusing on the impact of the landing of the proposed submarine cable. The second report was submitted to provide commercial advice on optimal interconnection options from the Manatua Cable system to the US West Coast, from multiple potential providers. The last report is expected by the end of this month with the completion of the project.

CHINA PROGRAMMES

The Cook Islands and the People's Republic of China governments' have signed two MOU's, one relating to the cooperation within the framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative and the other promoting friendly exchanges between MFEM and the Guangdong Province. These MOU's provide the basis for strengthening and

promoting bilateral cooperation between the two countries. In the pipeline is a China Strategy inclusive of development programmes management of the Peoples Republic of China funding. This new strategy should inform the way forward.

China Building Repair

Implementing Agency: Cook Islands Investment Corporation (CIIC)

The renovations project is intended for public buildings in Rarotonga namely the Indoor Sports Arena, Ministry of Justice, and Police Headquarters.

The preliminary results from the extensive technical and structural inspections of the three building were carried out in 2017/18FY. These were discussed with representatives from CIIC and then signed off between CIIC and the Chinese working groups. Based on the preliminary inspections, the new proposed budget for this project was revised to approximately NZ\$10,146,898 million. The renovations project is to be funded through the Economic and Technical Cooperation Agreement (ETCA) Grant funded by the People's Republic of China (PRC).

The Implementation Agreement for this project was finalized and signed in October 2017. Furthermore, the Governments of the Cook Islands and Peoples Republic of China have signed Grant Agreements to the value of CNY¥30,000,000, to fund the renovations project.

Since then, this project has been suspended pending outcome of discussions between PRC Government and the Cook Islands Government.

JAPAN PROGRAMMES

There are now four officially recognised Japan ODA programme to the Cook Islands.

The NZ\$0.55 million towards the Cook Islands Renewable Energy sector programme with **Pacific Environment Community (PEC) Fund** administered by Pacific Islands Forum Secretariat (PIFS) have come to an end as of last quarter.

The **JICA training and development programme** with an allocated funding of NZ\$125,000 have now been fully expended to date.

Whereas, the one off grant from the **Japan Trust Grant** accessed by Ministry of Marine Resources (MMR) through the regional Western and Central Pacific Fisheries Commission (WCPFC) is to undertake and fisheries monitoring, control and surveillance (MCS) gap analysis with target project completion by end of financial year. Current spend to date for this grant is \$32,000.

Non Project Aid Grant Programme: Palmerston Island multipurpose Cyclone Centre

Implementing Agency: Ministry of Finance and Economic Management

Total spend to date: NZ\$499,345

Cook Islands Government directly manages remaining balance NZ\$1.3 million of this 2014 TAU Fuel Project. This is towards the construction of the Palmerston Island Cyclone Centre, a project that is now currently in progress with Landholdings Ltd as successful bidder for construction of this multipurpose shelter Infrastructure Cook Islands in project management unit and contract manager for this work aside from close collaboration with Palmerston Island Government, Office of the Prime Minister and Cook Islands Investment Corporation. Work is already underway since September with the initial site visit made, materials shipping and foundation construction currently in progress. Of importance in this work in managing contractor and community expectation towards joint collaboration in the construction of this much awaited new building.

Economic and Social Development Programme

Implementing Agency: Ministry of Finance and Economic Management

Total spend to date: Zero

Per the Exchange of Notes between the governments of Japan and the Cook Islands for this particular programme a procurement agent agreement was signed with Japan International Cooperation System (JICS) on 22 August 2018. Through this agreement the grant of two hundred million Japanese Yen (JPY200,000,000) is managed by JICS to procure the goods and/or services for the implementation of this programme on behalf of the Cook Islands.

Focus during this reporting period was to, firm up the priority item list, complete technical specifications for at least one priority item to go to tender before the end of December 2018, and submit a final priority item list including a budget to JICS.

The initial priority list contained Sixteen (16) items. JICS explored interest from manufacture to provide the items in the list and provided an estimate budget for each item. Based on the exploratory feedback and the estimated budget the priority list was reduced to Five (5) priority items and the total estimated cost falls within the grant allocation.

One priority item was fast-tracked to ensure the fuel specifications for this item matched the fuel supplied in Cook Islands. Using JICS procurement processes, the technical specifications and all other tender documents for this item were drafted, reviewed by all key stakeholders, finalised and submitted to JICS on 30 November 2018. The tender notice (JICS website) and expression of interest (Japanese newspaper) were advertised on 3rd December 2018. An update on the progress of this tender will be provided in the the next quarter report.

Work on progressing the four (4) remaining items towards procurement is anticipated take place Mid 2019.

MULTILATERAL PROGRAMMES

The ODA Schedules lists several multilateral – either governments from more than two countries and/or funding mechanisms coming together to fund regional programmes for access by the Cook Islands where the regional programme is aligned to the Cook Islands national priority development areas in the Cook Islands National Sustainable Development Plan.

Pacific Information and Communication Technology Investment Planning and Capacity Development Facility: Phase 2

Programme Oversight Management: Office of the Prime Minister with TA Support from Asian Development Bank (ADB), Cook Islands

Implementing Agency: Office of the Prime Minister

Total spend reported this quarter is \$13,427.66

In March 2018, ADB approved a regional technical assistance programme to provide e-Government implementation support to Pacific DMCs. The government of the Cook Islands is the first one to use the programme to initiate e-Government (e-Gov) assessment of their existing digital platform. A consulting team was recruited comprising; an e-Gov specialist, a network engineer, and an application architect to help the government find the gaps and recommending implementation to demonstrate digital application capability. Will

The eGov mission visited from 19 – 23 November 2018. The main objectives were to assess current e-Gov infrastructure and capability through stakeholder consultation and site visits; provide recommendations and strategies for e-Gov architecture and road map, initial phase requirements, resources and third party support, and requirements for the move from the existing government multi separate ICT infrastructure to a common network. The Mission also discussed the SMART cable capabilities in the Manatua Cable system.

The ICT division of the Office of the Prime Minister is implementing the project with TA support from ADB. The Team plan to return to the Cook Islands in January 2019.

RENEWABLE ENERGY

Programme Oversight Management: Asian Development Bank (ADB), Ministry of Finance and Economic Management (MFEM), Office of the Prime Minister (OPM) and Te Aponga Uira (TAU)

Implementing Agency: Office of the Prime Minister

Total spend to date: \$271,942.52

The programme has a blended funding arrangement, primarily the ADB loan and grant financing support from the European Union (EU), Global Environment Facility (GEF) and the Green Climate Fund Grant (GCF). All grant financing is administered by ADB.

The main activities during this reporting period have been project review, project site visits, procurement, contract award and disbursement, variations and reporting.

An ADB Project Review Mission visited the Cook Islands from 26-29 November 2018 to conduct an inception and review mission. An MOU records discussions held and understandings reached between the Government of Cook Islands, Te Aponga Uira and the Mission. The MOU was signed on 7 December 2018. The next review Mission is set for June 2019 or upon completion of Phase 1 projects, whichever comes first.

Key government stakeholders and the ADB mission team visited Mangaia for a site inspection and the official opening. The Solar power station and arrays are 100% complete and operational. Total 477kWp solar PV modules and 15 units of solar inverters, 36 battery inverters installed together with 576 units of lead acid batteries. The existing diesel generators are also connected as backup supply. Modules and substructures, batteries, inverters and control systems in the power house were all installed properly.

Global Environment Facility (Battery Energy Storage System (BESS)).

Implementing Agency: Office of the Prime Minister

Total spend to date: \$109,085

This BESS component of the project is nearing completion and commissioning tests are underway. This BESS comprises 1 MW/4 MWh and is designed for load shifting and enabling additional solar to be installed in the grid.

Delays in payment disbursements occurred during this reporting period, due to a shortfall caused by foreign currency exchange exposure. A solution has been recommended and endorsed.

Green Climate Fund – Renewable Energy Battery Storage.

Implementing Agency: Office of the Prime Minister

Total spend to date: Zero

This funding will be used for the procurement of equipment and materials, civil works, related transportation, insurance, and installation costs for the installation of three additional units of

BESS. TAU is the implementing agency for this subproject. Procurement for this subproject is in two lots. The Airport South (LOT2) contract was awarded on 28 September 2018. Works is anticipated to comment in January 2019.

The Power Station (LOT1) contract is yet to be awarded. An update will be provided in the next reporting period.

Aitutaki Renewable Energy Project – Refer to the Capital section.

Mei Te Vai ki te Vai Project

Implementing Agency: Ministry of Finance and Economic Management

Total spend to date: NZ\$506,380

The purpose of the Mei Te Vai Ki Te Vai Project is to improve the water quality of the lagoons in Rarotonga and Aitutaki for the benefit of our health, environment and economy. The following are project activities progress to date.

(for further information please visit <https://www.totatouvai.co/te-mato-vai-1>)

Project Activity	Quarterly Progress
Master plan and road Map	A draft masterplan has been developed, however there is insufficient environmental data available at this stage. A workshop is planned around February to update and guide the project going forward.
Environmental investigations and monitoring	<p>The environmental investigations are complete and the findings have been presented to major stakeholders with a summary of the findings released to the public.</p> <p>This is to establish a firm scientific and environmental understanding of the current situation to ensure that the final technical options developed are robust and can be clearly justified.</p>
Muri Wastewater concept design	<p>Conceptual design work has been undertaken to assist in informing the community on the technical solutions that are being considered. Workshops and consultations with the public are underway, where options concerning the disposal of the treated effluent generated from the reticulation system.</p> <p>Cost estimates, environmental and engineering information will go into the Concept Design report, together with a summary of community feedback</p>
Wastewater Infrastructure	Designs are in progress for wastewater infrastructure, specifically a Muri/Avana area reticulation system. The purpose of the reticulation system is to collect wastewater (from toilets, sinks and other drains) from properties and feed it into a network of pipes, pump stations and other infrastructure to

transport it to a single point (off-site). This will help to better treatment of wastewater on a larger scale and reduce the likelihood of overwhelming amounts of nutrients in the soil.

Consultation and engagement with the community on the short list of disposal options. Government is yet to make a decision on a concept option to proceed to detailed design.

Early Mitigation	<p>Early measures are actions we can implement in the short term to help alleviate some of the issues.</p> <p>Dredging of sediment from the mouth of Are mango stream, in order to improve flushing in the lagoon and reducing the favorable conditions for algae growth.</p> <p>The design component of the sediment removal, beach nourishment and coastal protection works is now complete, with a contract to undertake this works in February 2019.</p>
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Te Mato Vai (TMV)

Implementing Agency: Ministry of Finance and Economic Management

Total spend: NZ\$3,400,000

NZ contribution towards TMV has been fully expended for the quarter. Cook Islands Government is continuing to fund TMV Stage 2 which is estimated to be completed by the end of the calendar year.

The purpose of the Te Mato Vai project is to replace Rarotonga's aging water network, improve storage and introduce treatment to provide our people with clean and reliable drinking water (for further information please visit <https://www.totatouvai.co/te-mato-vai-1>)

Project Activity	Quarterly Progress
Project Management Unit	<p>The Cook Islands Government has engaged GHD New Zealand Limited to project manage the Te Mato Vai project through the Project Management Unit (PMU). A multi-agency Steering Group oversees the PMU's work, to provide a consistent direction for Government policy and funding.</p> <p>Once we have completed the project, To Tatou Vai a new Crown-owned water and wastewater authority will operate and maintain the new water supply infrastructure.</p>

Land Consultation	This is an ongoing process, getting land access to all construction sites.
Stage 2	<p>McConnell Dowell was awarded the construction for Stage 2 and key updates are as follows;</p> <ul style="list-style-type: none"> • 43% of construction are complete • 8/10 of water intake sites are currently under construction • Turangi, Avana and Matavera sites to be commissioned by May 2019 • Takuvaine, Ngatoe and Tupapa sites to be commissioned by July 2019 • Papua, Totokoitu, Avatiu and Taipara sites to be commissioned by October 2019 <p>The aim is to complete all Stage 2 construction and for the upgraded treatment and filtration facilities to be operational in 2020.</p>
Community engagement and consultation	The PMU continues to provide public updates on TMV through the use of social media such as the Cook Islands News, and Facebook.

Asset Management

The Cook Islands received a \$13 million grant from NZ in December 2018 towards supporting Asset Management. This will contribute towards;

- Build and supplement capacity and capability in asset management; and
- To the maintenance and repair of key infrastructure assets

Implementing Agency: Ministry of Finance and Economic Management

Total spend this Quarter: Zero, contribution received in December 2018

Project Activity	Quarterly Progress
Te Mato Vai	Stage 1 material and workmanship non-conformity
Stage 1 Remedial works	The Cook Islands Government is scoping the design for Stage 1 remedial works, it is estimated that the remedial works will be completed in parallel with TMV Stage 2 by the end of 2019.

EUROPEAN UNION PROGRAMMES

EU Budget Support

Programme Management Oversight: DCD-MFEM

The European Union (EU) provides ODA via budget support modality. The 10th cycle of funding (EDF10) has now concluded with focus moving to the 11th cycle (EDF11) to continue with its incentive based budget support using the Cook Islands national systems up until the year 2020.

The focus of the 11th EDF funding will continue to improve the Sanitation Sector, this was ratified through the signing of the Financing Agreement (EDF11) in September 2017. The Cook Islands government will be receiving a fixed tranche of EUR\$1,350,000 for budget support for the Sanitation Sector. A further EUR\$50,000 has been earmarked for evaluation of the effectiveness of the programme. These funds are estimated to be accessed in the 2019/20 Fiscal Year, and have been targeted for the Ministry of Health to support programmes in sanitation, towards resource mobilisation, sanitation upgrades, strengthening compliance and capacity building. The agreed primary focus of this programme would be review support towards improved robust plans to upgrade sewerage systems by commercial properties in compliance with 2014 Regulations administered by Ministry of Health.

EU Partnership Multiyear Fisheries Policy Support

Implementing Agency: Ministry Marine Resources

Total spend for this quarter is NZ\$192,094

The Sustainable Fisheries Partnership Agreement includes an annual fisheries sector contribution of EUR\$350,000 by the European Commission under the 4 year protocol. These funds assists MMR with the implementation of the Multiannual Sectorial Program Matrix which supports projects in the Cook Islands fisheries sector. The third tranche of the protocol was received in early December 2018 to fund the third year of programme implementation.

EU-GIZ ACSE Northern Island Water Project Phase II

Implementing Agency: Office of the Prime Minister

Total spend to date is NZ \$288,604.96

Construction team as well as the In-Country Coordinator travelled to the Northern Group in August 2018 to commence work on the project. The team returned in December 2018 to complete work on site and envisage to have this complete by the end of October. A handover ceremony has been deferred until possibly towards the end of the project completion date which has been extended to March 2019.

Towards the end of October, a Peer learning workshop for practitioners was held in Suva, Fiji to celebrate, share experiences, best practices, success stories and lessons learnt. The workshop provided inclusive learning spaces for thematic discussions and sharing of experiences from project implementation between practitioners on a regional level. A report has documented key points from the 22 projects which was drawn together into one, cohesive 'Lessons Learnt' report for the EU-GIZ ACSE programme.

GREEN CLIMATE FUND (GCF) READINESS 2

Implementing Agencies: MFEM and OPM

The spend to date is NZ\$123,445

The second readiness programme is progressing well against the project activities as per the following:

The first tranche of the readiness funding is almost fully utilized. The progress report for this programme was submitted to the GCF and the feedback received was positive on the extensive work carried out to date. The GCF did however request for an audit on the financial statements of year 1 for this programme which is now complete and has been submitted to the GCF. This audit will trigger the second tranche payment for this programme which should be received in February 2019.

The Ministry of Finance and Economic Management as the only accredited entity in the Cook Islands to the fund are in the process of finalising the Accreditation Master agreement with Crown Law and the GCF Legal team which is scheduled to be ready for signing by the end of January 2019.

The MFEM have been working together with the Office of the Prime Minister to develop a Simplified approval process project proposal focused on the Health Sector. MFEM has been identified as the suitable NIE for the project and will submit this proposal to the GCF for consideration once finalised.

In March 2019, MFEM together with the OPM will host the first ever climate change round table meeting to launch the newly developed country programme under the GCF readiness support no.2. This will be an opportunity for development partners to review the document, in particular the project ideas and priorities of the Cook Islands and decide on which areas they might like to fund in the future. MFEM have accreditation status to fund projects up to 50 million, therefore other accredited entities who have been accredited to the GCF to handle

larger scale project from 50 million and more have been invited to potentially look at being the nominated accredited entity for the larger national projects in the pipeline.

In addition to the climate change round table meeting, the GCF secretariat will be providing a technical workshop to build capacity within country on developing project proposals with a strong climate change rationale. This will take place prior to the Climate Change round table meeting and will be from the 11-13th March and will be extremely beneficial to the Cook Islands.

ADAPTATION FUND

Pa Enea Action to Resilient Livelihoods (PEARL) Project

Implementing Agencies: MFEM (NIE) and OPM (PMU)

Executing Entities: Ministry of Agriculture, Emergency Management Cook Islands, Water Unit within the Office of the Prime Minister

The spend to date is NZ\$32,437.59

The PEARL project got approved by the Adaptation Fund in May 2018 and officially commenced in December 2018 with the Inception Workshop. The first milestone for the project will be the submission of the Inception Report to Adaptation Fund in January 2019. The next task for the NIE and PMU team will be to conduct a Pa Enea Outreach program to Aitutaki and Atiu which is planned for February 2019. A National Workshop to be held in Rarotonga for stakeholders from the Southern Group islands is scheduled for March 2019.

UNITED NATIONS (UN) ADMINISTERED PROGRAMMES

The ODA Schedule has various programmes/projects either with direct UN funding or international funding mechanisms such as Global Environment Facility (GEF), Adaption Fund, administered by a United Nations programme. Progress to date for some of these programmes are as follows with reporting by highest budget allocations.

UNDP GEF Regional Ridge to Reef (R2R)

Implementing Agency: National Environment Service, Ministry of Marine Resources, Ministry of Agriculture, Cook Islands Tourism, House of Ariki, Marae Moana

Total Spend to date is NZ\$548,338.94

Key highlights included the following:

- Passing of the Marae Moana Act 2017 in July 2017

- The Mid Term Review conducted in November 2017
- UNDP completed its' Project Implementation Review with an overall rating of 'moderately unsatisfactory' highlight key areas for improvement
- The UNDP Internal Control Audit of National Environment Services was completed by the Cook Islands National Audit Office in February 2018.

National Environment Services (NES) have met with UNDP in November 2018 who are providing support for the request of a Project Extension as the current end date is July 2019. The Biodiversity Steering Committee are currently in discussions on the Recommendations of the Mid Term Review Management Response for UNDP to consider the extension. This project saw the reprogramming of workplans for all respective stakeholders involved and to continue with their current work programmes.

NES also administers two separate United Nations Environment Programmes:

- i) Extension of Institutional Strengthening Project (Phase VI)
- ii) Support to Produce the Sixth National Report to the Convention on Biological Diversity (CBD)

UNDP GEF Strengthening the Implementation of the Nagoya Protocol on "Access to Genetic Resources and Benefit Sharing (ABS)" in the Cook Islands

Implementing Agency: National Environment Service

Total spend to date is NZ\$191,048.56

The primary objective of this project is to develop and implement a National Access and Benefit Sharing (ABS) Legal Framework, build National Capacities and support an ABS Agreement based on Traditional Knowledge and a Public-Private Partnership.

The request for an extension of this project has been extended to 05th October 2019 to allow completion of remaining project activities. No funding has been received for the new financial year, however third party payments have continued to be made to Mathesons Enterprises Ltd as well as for reimbursement of ABS Project Activities over Quarter 2-4

UN FAO Improved production, processing and marketing of agricultural produce

Implementing Agency: Ministry of Agriculture (MOA)

Total spend to date is Nil Mia (updated)

MoA confirmed approval of CPF for the next 5 years to 2023 however, is not able to confirm the amount which is subject to the approved regional funding which they are unable to confirm either.

The ministry intends to apply for agriculture programmes in food & nutrition in schools, vegetables & fruit tree gardens, home gardens, community gardens, orchard farming, health and community gardens, summer house for off-seasons hot /rainy weather, Pa Enea gardens and such. Technical Assistance has been a challenge in this area due to lack of funding although effort continues to be made to secure same through other funding sources.

UNDP GEF Preparation of the Third National Communication under UN Framework Convention on Climate Change (UNFCCC)

Implementing Agency: Office of the Prime Minister

Total spend to date is NZ\$19,728

A brief summary of the current work completed on the Third National Communications GHG and MIT component was presented to the project manager, CCCI and interested stakeholders. There was some minor implications with data correlations. It was agreed that the consultant will use UN data for the report.

The GHG and MIT consultant on his second visit also carried out a 1 day workshop at USP on Thursday 25th October 2018. Twenty members from Government ministries, private businesses and NGO's participated in the training workshop.

The GHG and MIT consultant also visited stakeholders from Monday 29th October –Friday 2nd November 2018 to collect more accurate data and discuss and present his current work.

UNDP Pacific Regional Ridge to Reef

Implementing Agency: Infrastructure Cook Islands

Total spend to date: Zero.

Infrastructure Cook Islands (ICI) have advertised a position for Project Manager for the Pacific Regional Ridge to Reef project after the resignation of previous Project Manager almost a year ago. This project is a test site of Muri Lagoon/Area under the Regional programme testing the integration of water, land and forest and coastal management to preserve ecosystem services, store carbon, improve climate resilience and sustain livelihoods in Pacific Island Countries.

UN World Health Organisation Technical Cooperation Biennium Budget Support

Implementing Agency: Ministry of Health

Total spend to date is NZ\$62,693

Ministry of Health reported expenditure under this project primary towards health officials continuing professional development in mental health, social health care, trauma and training for dental therapists and assistants. About \$20k was also expended on the 20th Cook Islands Annual Health Conference in July 2018 held in Rarotonga and Aitutaki. Immunization activities and the midterm review of the Non Communicable Diseases and Oral Health Strategy were also activities under this funding support.

United Nationals Internationals Childrens Emergency Fund - UNICEF

Implementing Agency: Ministry of Internal Affairs

Total spend to date is NZ\$11,358.33

The United Nations International Childrens Emergency Fund (UNICEF) has allocated Official Development Assistance (ODA) through the Ministry of Internal Affairs – National Childrens Policy to the Cook Islands for the amount of NZD \$37,015. The Ministry of Internal Affairs reported expenditure under this project primary towards officials continuing professional development in the National Childrens Policy.

INDIA GRANT FUND

Implementing Agency: Ministry of Finance and Economic Management

Total spend to date is NZ\$105,261.86

A total of NZD\$964,386.02 was granted for 16 approved grassroots projects of India Grant Fund 2016/2017 Round. The main focal area of this funding is to support, promote, and/or develop social economic and/or cultural and development cultural, economic and social development and sustainability. An additional prerequisite was the alignment to Te Kaveinga Nui Framework National Sustainable Development Plan 2016-2020.

Out of the 16 approved projects, 12 have been completed successfully to date. The remaining 4 projects are still being implemented and progress reports are provided as per Grant Funding Arrangement requirements. New timeframe for these projects to be completed by February 2019.

The next round of funding for 2018/19 was advertised in November 2018. A total of 19 concept notes were received in December 2018 and of these 11 were deemed successful and received the full application templates to complete and submit by 23rd January 2019. These applications will be vetted by the Grant Award Evaluation Committee.

KOREA GRANT FUND

Programme Oversight Management: Ministry of Finance and Economic Management

The Republic of Korea Government has allocated Official Development Assistance (ODA) through the Korean Small Grants Programme to the Cook Islands for amounts up to US\$200,000 annually.

FORUM FISHERIES AGENCY (FFA)

Project Development Fund – US Fisheries Treaty

Project Management Oversight: Ministry of Marine Resources (MMR)/ Ministry of Foreign Affairs (MFAI)

Total spend to date is NZ\$114,000

The US Multilateral Treaty for fisheries includes an annual allocation of US\$0.15 million per Pacific Island party development fisheries projects. Funds are held in trust by the treaty with FFA with direct administration by Ministry of Marine Resources (MMR). A further US\$0.02 million is provided to MFAI to assist with political level representation to regional and international meetings.

Expenditure funding this quarter was funding targeted for last financial and actually received this quarter for trial deployment of offshore Fishing Aggregate Device (FAD) and support, operational equipment support for MMR in Manihiki, sever appliance replacement, Rarotonga Scuba diving skills development towards lagoon clean-up programme, engagement of short term consultancy services and professional development supported targeted for fisheries officers and Ministry of Foreign Affairs at the regional and international levels.

AUSTRALIA GOVERNMENT

Gender Empowerment

Project Management Oversight: Ministry of Internal Affairs

Total spend to date is \$45,736.54

The Government of Australia has allocated Official Development Assistance (ODA) through the Ministry of Internal Affairs – Gender Empowerment Programme to the Cook Islands for the amount of NZD\$200,000

The Pacific Women shaping Pacific Development (Pacific Women) was announced by the Australia Government at the Pacific Leaders forum in August 2012. It commits up to \$320 Million over 10 years to the 14 Pacific Island Forum Members.

Over the 10-year life span of Pacific Women, DFAT has allocated \$3.9 Million for Women's Empowerment in the Cook Islands. The program will continue in two phases to account for the outcome of the upcoming OECD DAC review of Cook Islands ODA eligibility. The first phase (2016-2018) would provide funding to recruit national consultants to provide technical assistance to the Ministry of Intaff and Funding to PTI to continue to its program of support for ending violence against women (EVAW).

AID EFFECTIVENESS

Total estimated spend to date: \$53,149.89

The Aid Effectiveness budget is drawn from the interest earned on development partner trust accounts and is used by the MFEM to support the implementation of the official development assistance policy. The programme currently contributes to several projects including the following: annual meeting of development partners, development of Te Tarai Vaka, surge capacity to catch up and standardise Crown financial statements, training and set-up of project financial management software. The Aid Effectiveness funds was also utilised to commission a national consultant to prepare completion reports for programmes and the Islands submission of the Cook Islands assessment in accordance to the Global Partnership for Effective Development Co-operation Monitoring Framework. The framework assesses our country systems and measuring aid effectiveness principals as outlined in the ODA Policy 2015 of the Cook Islands in accordance to international standards.

Funding, in the interim, will also be allocated to support the new Finance Manager post within the Development Coordination Division, increasingly required within office to uphold fiduciary standards of ODA funds.