

ADB

Development  
**Effectiveness**  
Brief

# Cook Islands ▶

Investing in a Sustainable Future



Asian Development Bank



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**Effectiveness**  
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Investing in a Sustainable Future

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# Cook Islands

## Development Indicators

### Non-Millennium Development Goals

Population (millions) (2012)	0.01
Annual population growth rate (%) (2010–2012)	10.0
Adult literacy rate (%)	...
Population in urban areas (%) (2011)	73.5

### Millennium Development Goals

Population living on less than \$1.25 (PPP) a day (%)	...
Population living below the national poverty line (%) (2006)	28.4
Under-5 mortality rate per 1,000 live births (2011)	10
Population using an improved drinking water source (%) (2007)	95

... = data not available

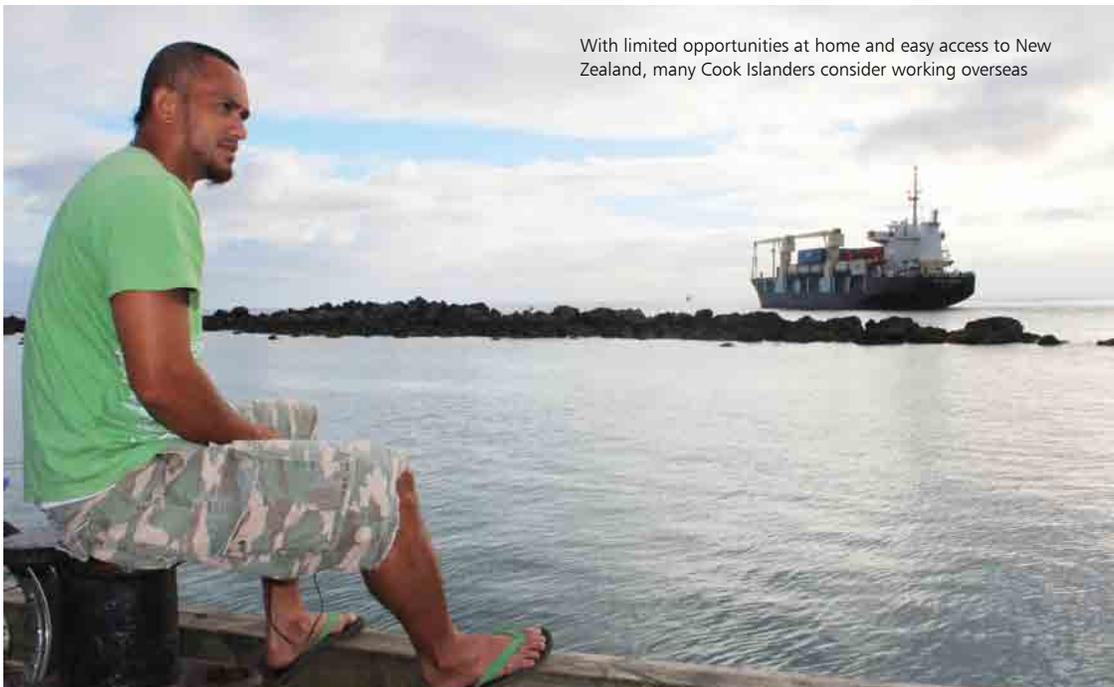
Source: ADB. 2013. *Asian Development Bank and Cook Islands: Fact Sheet*. Manila.

# Cook Islands and ADB: Investing in a Sustainable Future

In one respect, the Cook Islands is vast. The exclusive economic zone extends across 1.8 million square kilometers of the Pacific Ocean. But by most other measures this is a microstate. The 15 volcanic islands and coral atolls add up to a land area of only 240 square kilometers, which in 2012 were occupied by a resident population of around 13,200.

As well as being one of the world's smallest states, the Cook Islands is also one of the most remote—four hours by air from the nearest major population center, New Zealand. Even travel within the country can be arduous and expensive: the more remote northern group of atolls and sand cays are 1,200 kilometers from the southern group. Relatively few Cook Islanders have visited other parts of their own country.

Remoteness can be an asset. This is a largely unspoiled tourist destination. Pristine palm-fringed beaches offer views of dolphins playing in the waves and attract over 100,000 visitors each year from all over the world. There is some income from fishing and the sale of the distinctive black pearls but nowadays the lifeblood of the economy is tourism—accounting for around half of gross domestic product (GDP). But distance is also a drawback. This is a relatively expensive destination, so when the global economic clouds darken, people in the developed countries are likely to cut back on vacations. Distance also means that for Cook Islanders life is relatively expensive, since most goods have to be imported.



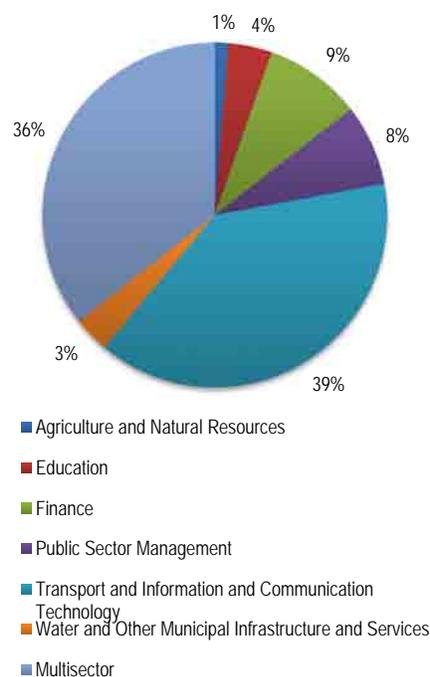
With limited opportunities at home and easy access to New Zealand, many Cook Islanders consider working overseas

**Combined with government investment in education and health, economic growth has enabled relatively high levels of human development. The Cook Islands is likely to achieve almost all the Millennium Development Goals**

From 2001 to 2004 growth was fairly steady, averaging around 3.5%. The economy then contracted in 4 of the next 5 years, but turned positive again from 2010. Combined with government investment in education and health, economic growth has enabled relatively high levels of human development. The Cook Islands is likely to achieve almost all the Millennium Development Goals. Net enrolment in primary education, for example, was 98% in 2011. There has been rapid progress in reducing child mortality and nutrition concerns focus less on underweight than on obesity. Since 2002 there has been no maternal mortality.

Nevertheless, this is a small country with a fairly narrow economic base and limited job opportunities. Cook Islands residents hold New Zealand citizenship and many younger people take advantage of this to migrate to New Zealand and Australia for education or employment. So while natural population growth is around 4% per year the resident population has been declining, especially on the outer islands. More than three times as many Cook Islanders live overseas than in the Cook Islands: more than 50,000 reside in New

**Sector Distribution of Loan and Grant Approvals (%)**  
31 December 2012



Source: Asian Development Bank.

Zealand and an estimated 15,000 in Australia. On the other hand, this is also an attractive location for New Zealanders and others to set up small businesses, so there is some immigration of entrepreneurs.

Cook Islands joined ADB in 1976 and by the end of 2012 had benefited from 18 loan projects amounting to \$65.71 million. In earlier years the loans were directed towards education and the pearl industry but more recently they have been used for investment in economic and social infrastructure. The most difficult period was in

**Table 1: Loan Approvals (\$ million)**

	1980–2006	2007	2008	2009	2010	2011	2012	Total
ADF	29.50	0.00	6.88	0.00	0.00	0.00	0.00	36.38
OCR	0.00	0.00	8.63	10.00	0.00	4.70	6.00	29.33
Total	29.50	0.00	15.51	10.00	0.00	4.70	6.00	65.71
ADF Disbursements	25.31	0.09	1.34	-0.31	0.60	3.56	2.06	32.65

ADF = Asian Development Fund, OCR = ordinary capital resources.  
Source: Asian Development Bank.

the mid-1990s, when the country faced a fiscal crisis. An ADB review concluded that the country would need to restructure loans and seek debt relief from its bilateral creditors. This resulted in debt write-offs, lower interest rates, extended maturities, and other major concessions.

In response to the crisis, the government embarked from 1996 on an Economic Restructuring Program (ERP), supported by a \$4.8 million ADF loan, completed in 1998, to improve public sector institutional capacity and create a more competitive, private-sector-based economy. This was supported by five technical assistance projects at a total cost of \$2.4 million. New Zealand, also offered support and coordinated their contributions, with ADB taking the lead. Following this experience it was agreed that further ADB lending to the country should be on concessional terms. This lasted until 2009, when the Cook Islands graduated to full access to funds from ordinary capital resources (OCR).

By the end of 2012 there have also been 32 technical assistance projects worth almost \$11.4 million. Some of these have directly

supported loan projects; others have helped develop tourism and strengthen environmental monitoring and management.

The government's long-term development framework is Te Kaveinga Nui—Living the Cook Islands Vision—A 2020 Challenge. The eight goals of the long-term framework for development are articulated through the National Sustainable Development Plan 2011–2015. ADB's assistance to the Cook Islands is guided by the Pacific Approach 2010–2014 and support is provided to four of the eight goals: an innovative and well-managed private sector-led economy; sustainable use and management of natural resources and the environment; strengthened and affordable basic infrastructure, transport, and utilities; and a safe, secure and resilient community. Assistance is operationalized through the country operations business plan. ADB supports the Cook Islands in transport, energy, public management and social protection. For ADB, some of the most substantial contributions have been for transport, particularly by supporting the development of wharfs.

# ADB's Contribution to Development and Poverty Reduction

ADB support has benefited those who work in the tourism industry which is the mainstay of the economy. Reconstruction following the series of 2005 cyclones supported increases in visitor arrivals which although dipping in 2008 increased in 2009 and 2011. Technical assistance has also enabled the country to establish an emergency management system which has already shown its value in the response to subsequent cyclones. In addition, ADB has made a major contribution to public health through the development of sustainable waste management systems on the most populous islands of Rarotonga and Aitutaki.

Financial Secretary, Richard Neves says: "ADB has not just been a source of funds for the Cook Islands but also a guide—to ensure investments provide both economic and social returns. In the mid-1990s, we were over-borrowed and people became worried about the excesses of government."

"Now the psyche is debt averse. So when we borrow money we have to be doing it for good reasons—for assets which will produce a particular return. We have set a limit for the total public sector debt of 35% of GDP and debt servicing of 5% of crown revenue. Most of the core government debt is with ADB. State-owned enterprises do borrow themselves as well as get government loans. We try to run a balanced budget. The majority of capital development is through development partners."

## Standing Up to Storms

One of the most critical sectors is maritime transport. For this, the Cook Islands relies heavily on Rarotonga's port, Avatiu which has two wharfs and a marina. The larger, international wharf takes in around 90% of the country's imports most of which are shipped from New Zealand. The smaller, national wharf services the inter-island shipping line which delivers goods to and from the outer islands. Alongside the wharf is a marina which is used by smaller fishing vessels, both deep-sea and long-line, as well as those catering to tourists.

ADB's major involvement in the port started after a sequence of natural disasters. In February and March 2005, the islands were buffeted by five major cyclones with wind speeds above 200 kilometers per hour. Thanks to effective early warning systems, there were no casualties. But the cyclones did damage infrastructure—particularly the wharf and the breakwater in Avatiu.

ADB responded quickly. A damage assessment mission laid the foundations for a well-coordinated response by the government and development partners. Within four months, ADB had approved a \$2.5 million ADF loan for the Cyclone Emergency Assistance Project (CEAP), which was completed in June 2009.



Bill Williams and the *Gold Country* at the wharf at Avatiu

This included using up to 30% of the loan to cover expenditure in the immediate aftermath, including repairs to high-voltage substations and streetlights.

Most of the basic services were restored within a few months of the cyclones. More than 87% of the original loan proceeds were used by government, enabling them both to finance the overall reconstruction and catalyze finance from New Zealand Aid Programme and the European Union. There were, however, significant delays: some arose because of the time taken by the government to decide how to use the funds; others arose because local governments and public-sector agencies lacked sufficient experienced professional staff. Lessons include the importance of setting realistic targets, and allowing sufficient time for technical and political processes.

Bill Williams is captain of the fishing boat, *Gold Country*. "We had good warning of the cyclones so with four or five other boats we were able to shelter on the other side of the

island. But the cyclone damaged the wharf and breakwater and blocked the harbor with rocks."

Some of the ADB loan was used to clear the debris but most was subsequently used for developing the marina. Construction of the marina had started before the cyclone but the government then took the opportunity of the ADB loan to extend it and deepen the harbor. The project also strengthened the breakwater to reduce the height of waves buffeting the marina during storms.

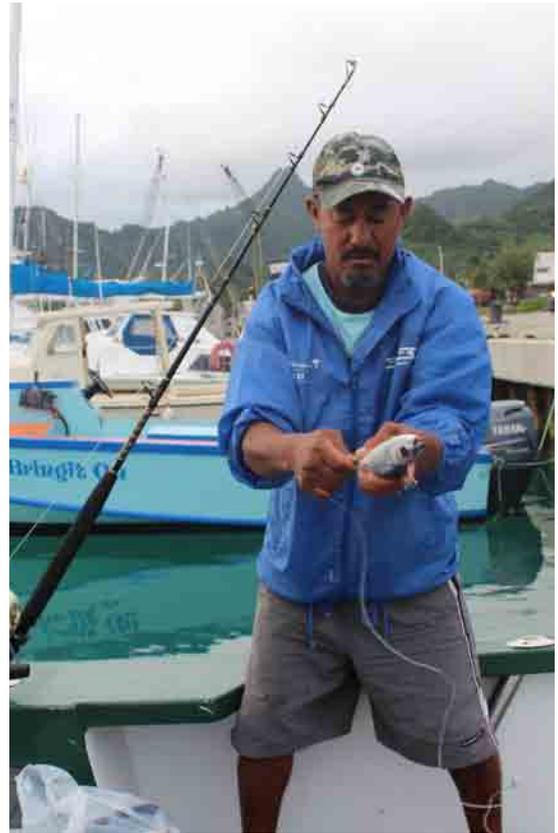
The development of the port has made a huge difference to local fishing enterprises. Bill Williams says: "We mainly fish for tuna and swordfish, which we sell to businesses across the island and also export. Previously we could only use the small domestic wharf. But this

**The development of the port has made a huge difference to local fishing enterprises**

was very congested. Often we got called in the middle of the night to move because another boat had arrived.”

The extended marina has also boosted tourism. Around half a dozen companies are now based at the marina and take visitors out for a day’s game fishing. Wayne Barclay has operated Pacific Marine Charters for more than 20 years. “We can take four or five people out at a time on a shared charter, mostly fishing for tuna and wahoo. Many of the visitors have come in wedding parties—there are about 700 weddings a year here. Before, the port had only room for three boats, now there are a dozen. It is also much safer. When there’s suddenly a big wind from the north nowadays you don’t need to come down and stay here all night.”

However, there is still work that could be done. Pupuke Robati, a skipper for the Seafarers charter company also has his own boat *Bringit On*. “The breakwater was not finished because there was not enough money. Also there is not enough pressure in the water supply. And the tourists need toilets here.”



Pupuke Robati prepares bait at the Avatiu marina



Wayne Barclay welcomes aboard a tourist wedding party for a day’s fishing

Across from the marina is the main wharf, where international ships bring in around 100,000 tons annually in drystocks and fuels. Nooroa (Bim) Tou is General Manager of the Ports Authority. "When the wharf was originally built in 1989 it was not up to standard, and over the years there has been a lack of maintenance. There were a lot of voids under the hard-standing area and gaps in the berth face."

The wharf has recently been rebuilt with finance from ADB of an \$8.6 million OCR loan and a \$6.9 million ADF loan approved in November 2008. The Avatiu Port Development Project dredged the harbor, and widened the entrance and rebuilt the quay to extend its life to 2040. A further \$4.7 million OCR loan was approved in March 2011 to take account of increases in construction costs and exchange rate fluctuations. In addition, the ADB Climate Change Fund provided a grant of \$0.8 million to finance measures for climate change adaptation.

"These days," says Bim Tou, "companies are moving to larger and deeper draft vessels. By removing a kink in the wharf we are able to dock these, as well as some cruise vessels."

## Planning for Disasters

The 2005 cyclones also exposed weaknesses in the country's systems for responding to emergencies. Charles Carlson is Director of Emergency Management Cook Islands (EMCI). "The response was poorly executed. So after the disaster we got technical assistance from ADB to look at our system for emergencies. They recommended a more proactive approach, with an all-agency response."

ADB support was channeled through a \$512,343 technical assistance project, Strengthening Disaster Management and

### The main disaster risks faced by the Cook Islands are cyclones, storm surges, floods, and droughts—all of which could be exacerbated by climate change

Mitigation, which was completed in March 2007. This supported the development of the 2007 Disaster Risk Management Act, the establishment of EMCI within the office of the Prime Minister, and the integrated preventive infrastructure master plan.

The main disaster risks faced by the Cook Islands are cyclones, storm surges, floods and droughts—all of which could be exacerbated by climate change. The islands are also vulnerable to tsunamis.



Reconstruction under way at the main wharf at Avatiu

“In the past,” says Carlson, “we were not really prepared and when the cyclones hit we came together on an ad hoc basis. Now we have an Action Plan for Disaster Risk Management—2009–2015. The EMCI is the focal point. We work with each ministry so that they know their roles and responsibilities and how to work with an emergency operations center.”

“As part of the preparations we are installing warning sirens on each island, along with signs that show tsunami escape routes. We are now starting awareness programs, asking people to trim trees near their houses and check their roofing. We also have regular exercises to test sirens, for example, and school evacuations.”

“Compared with 2005, we have come a long way. But there is always room for improvement. After cyclone Pat in Aitutaki in 2010, for example, there was better coordination between departments. But it also exposed some issues. This has to be an ongoing process of preparedness and training, especially on outer islands since the mayors, councillors and island administrators change every three years.”

## Watching Out for Water

One of the slower-acting emergencies facing the Cook Islands is drought. Even in normal years a number of islands have limited water supplies during the dry season. On the island of Atiu, for example, the principal source is rainwater collected from roofs and stored in household tanks. This is supplemented partly by run-off from public buildings. The largest public tank, around 20,000 liters, is connected to the island community hall in Tengtangi village. The 2005 cyclone badly damaged the roof but this was rapidly repaired using ADB funds from the Cyclone Emergency Assistance Project (CEAP).

Tangata Vainepoto is husband of the village leader and looks after the system. “After the cyclone the roof was blown off. We prayed for a new roof and tried to patch it up ourselves. But soon we were pleased to see materials for a new roof start to arrive.” The CEAP loan was used not just to construct a new roof but also to line the water tank to prevent leakage.



Charles Carlson applies anti-corrosion spray to the cyclone warning siren on the police station roof in Rarotonga



"We are in the middle of a drought so this tank is vital. People come from all over the island with wheelbarrows or bicycles or cars to fill up buckets and bottles. In fact we now have to control the use by locking the tank overnight. We could use another tank to collect water from the church which has the island's biggest roof."

Roru Poturu is a grandmother whose household uses the public tank and says they have to reuse the water for washing dishes and laundry. "It has not rained for three or four months. Papa has to keep going to the public tank to fetch water. Now he is praying for rain!"

**"After the cyclone the roof was blown off. We prayed for a new roof and tried to patch it up ourselves. But soon we were pleased to see materials for a new roof start to arrive"**

14-year-old Viritua Kura fetches water from a community tank



Roru Poturu, with grandson Teatu, relies on water from the public tank



Pupils at Enuamanu secondary school in Atiu

If the house has older children it is usually their job to fetch water. Pupils at classes 5 and 6 of Enuamanu secondary school on Atiu explain: “We never used to worry much about water. Now we have to collect it once a day. So we say to our younger brothers and sisters: ‘Don’t waste water, turn the taps off.’ Our houses are now using more water than before. One reason is that we now have electric pumps that pump water from the household tank to the bathroom. Also there are more washing machines. And with global warming we expect the droughts to be a lot worse in future.”

**“We never used to worry much about water. Now we have to collect it once a day. So we say to our younger brothers and sisters: ‘Don’t waste water, turn the taps off’”**

## Managing Waste and Recycling

Another priority for environmental investment in the Cook Islands is the management of waste. This is critical not just for public health but also for maintaining the country’s reputation as a pristine tourist destination. Over the years the volumes of waste have steadily increased and the disposal system has been coming under strain. In Rarotonga, solid waste from homes and businesses was going to a landfill site that was filling rapidly and also polluting the groundwater. Meanwhile, liquid waste, in the form of sludge from septic tanks was simply dumped in the bush. The situation on the second-largest island, Aitutaki, was even worse: there was no service for waste collection or disposal so most of the waste was burned or buried on land around people’s homes.

In 2002 the government produced a new environment policy and with the support of ADB in 2004 devised a national waste

strategy. To put this into effect the government worked with ADB on the Cook Islands Waste Management Project which resulted in better collection and management of waste. The total cost was \$4.9 million of which \$2.46 million came from an ADF loan and the remainder from the government. The project was completed in September 2005.

This involved building fully engineered and environmentally sound landfill sites on Rarotonga and Aitutaki, with adjacent septage ponds for treating sludge from septic tanks. On Rarotonga, the existing recycling operation was moved to the new site. On Aitutaki, a new recycling operation was established.

Shirley Napa who lives close to the airport in Rarotonga says that the situation is now much improved. "Before, a lot of people were burning rubbish in their yards or dumping it at night around the social area on the beach. Now we have collections twice a week. I sort out plastics, bottles and cans for recycling. Food waste goes to the pigs."

Contractors collect the waste from households and businesses. The Rarotonga landfill site covers 8,500 square meters in a former quarry at Arorangi, where aluminum cans and plastic bottles are crushed and baled for shipping to New Zealand for recycling; the rest of the waste goes to the landfill.

The project has boosted the islands' capacity for collecting waste materials. Indeed it soon became clear that the Arorangi site which has been planned to last 20 years from 2005 might only last for 15 or less. To reassess the situation ADB commissioned an independent review. This showed that another five years could be added to the life of the site by compacting the waste more efficiently and increasing the proportion going for recycling.

**"Before, a lot of people were burning rubbish in their yards or dumping it at night around the social area on the beach. Now we have collections twice a week"**



Shirley Napa sorts waste for recycling

Acting on this advice, in 2010 the government further developed the site into what is now the Rarotonga Resource Recovery Centre, opened in 2011. Teariki Heather, Minister of Infrastructure and Planning says: "This is an innovative way of dealing with waste from an increasingly consumerist society. We should now be able to prolong the life of the site. We have no problems with recycling cans, but we have a problem with plastics since the market prices are much lower."

The new sites have also allowed for more efficient treatment of liquid waste. Most homes and businesses have their own septic tanks which they pay to have emptied by private contractors. The ADB report also indicated ways in which the operation of the septage ponds could be improved.



Teariki Heather, Minister of Infrastructure and Planning, with crushed aluminium cans being prepared for export



Tai Nooapi, Director of Waste Management, points to the septage ponds above the landfill site at Arorangi

# Operational Effectiveness: Improving Efficiency and Performance

Over the period, 1973–2012, ADB approved 18 loans and 32 technical assistance projects. In recent years both projects and TA in the Cook Islands have generally been rated “satisfactory”.

The foundations for current progress were laid by the Economic Restructuring Program (ERP) which from 1996 helped cut public expenditure and establish a sound policy framework—including ten major legislative acts. Following tax reforms, the government eliminated domestic debt and started to generate significant cash surpluses. It also made good progress in corporatizing and privatizing state-owned enterprises, and recovering costs in public services, particularly electricity.

The ERP and subsequent experience has demonstrated the importance of achieving widespread participation and ownership, and analyzing institutional issues and constraints. The Cook Islands has a relatively low level of management capacity, and finds it difficult to retain skilled staff. Given that most ADB support has been for infrastructure, it will be important to ensure that the government has the capacity to manage and maintain the rehabilitated and upgraded infrastructure. This may mean longer involvement by ADB to improve outcome quality and sustainability.

The next major ADB loan was for the Cyclone Emergency Assistance Project which was approved within four months of the disaster and rated as “successful”. The associated technical assistance was delivered in a timely and satisfactory manner. This project has demonstrated the importance, however, of assessing the government’s readiness to promote significant institutional reforms and of allocating sufficient time to allow for slow technical and political processes.

**Table 2: Cook Island Islands Project Success Rates, 1973–2012**

Sector	% <sup>a</sup>	No. of Rated Projects/ Programs
Agriculture and Natural Resources	–	1
Education	100.0	1
Finance	33.3	3
Multisector	66.7	3
Public Sector Management	100.0	1
Transport and ICT	100.0	1
Water Supply and Other Municipal Infrastructure and Services	100.0	1
Total	63.6	11
Year of Approval		
1980s	–	2
1990s	71.4	7
2000s	100.0	2

– = nil, ICT = information and communication technology.

<sup>a</sup> Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PCRVRs), and project/program evaluation reports (PPERs) using PCRVR or PPER ratings in all cases where PCR and PCRVR/PPER ratings are available.

Source: ADB. 2013. *Asian Development Bank and Cook Islands: Fact Sheet*. Manila.

**Table 3: Cyclone Emergency Assistance Project  
Ratings by ADB Independent Evaluation Department**

Relevance:	Relevant	
Effectiveness in achieving outcome:	Efficient	
Efficiency in achieving outcome and outputs:	Less efficient	Mainly because of a delay of more than 2 years.
Preliminary assessment of Sustainability:	Likely sustainable	
Borrower and executing agency:	Partly satisfactory	
Performance of ADB:	Partly satisfactory	
Impact:		Economic growth after the loan was lower than had been originally targeted.
Overall assessment:	Successful	

The Waste Management Project has also been rated as “successful”. It has improved collection and disposal of most types of waste in Rarotonga and Aitutaki, with benefits for the environment and public health—as well as indirect contributions to economic growth from tourism. For Rarotonga, the economic internal rate of return was estimated at 13.2% and for Aitutaki, 20.5%. However, because the government did not introduce household user charges the project did not produce its estimated financial return.

By 2008 it had become clear that the waste management facilities had some problems. ADB commissioned an independent review which revealed significant design and construction flaws, whose effects were compounded by cyclone damage. It concluded that the sites were being operated more as open dumps rather than as engineered landfill facilities and that there was little compaction. The review presented an action plan which the government has since followed, resulting in more systematic and efficient management, waste collection and recycling.

This project has demonstrated importance of providing management assistance as an integral part of the project and of carefully assessing the government’s capacity and funding for subsequent operations. One key to the project’s success was a strong program management unit and the active involvement of the Ministry of Works and the National Environment Service. Similar arrangements should be part of future projects.

**Table 4: Waste Management Project  
Ratings in Project Completion Report**

Relevance:	Relevant
Efficacy:	Efficacious
Efficiency:	Efficient
Sustainability:	Likely
Institutional development and other impacts:	Average
Overall rating:	Successful

# Future Challenges

The Cook Islands has, with ADB support, made good progress since the financial crisis of the mid-1990s. Nevertheless, the country remains vulnerable. Some of the threats are environmental. The Cook Islands will remain exposed to natural disasters, notably cyclones, and can anticipate further risks from climate change. Other threats are economic. The Cook Islands is highly dependent on international tourism, but this is a remote and relatively expensive destination that tends to suffer disproportionately during global economic downturns when tourists become more frugal. The economy also relies on imports of fuel and food and thus soon feels the effects of rising fuel prices. Moreover, economic activity is increasingly concentrated in Rarotonga at the expense of the outer islands which have seen their populations decline.

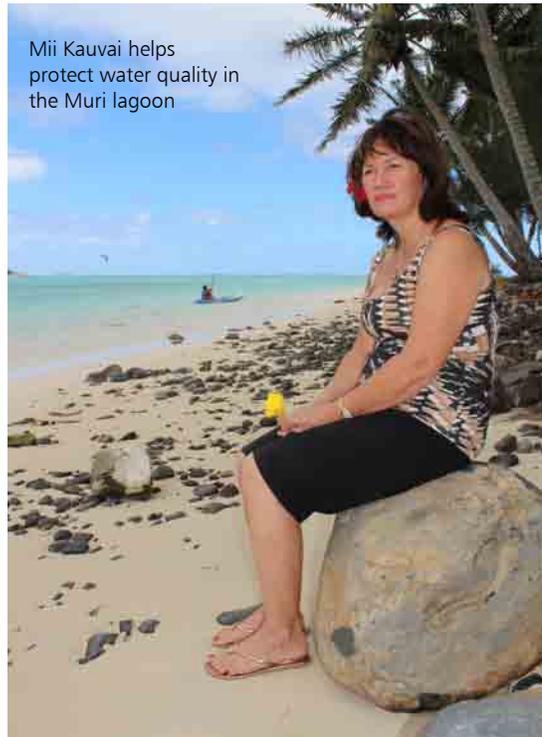
Indeed the resident population of the Cook Islands as a whole has been falling steadily as a result of emigration. Since some of the employment opportunities for young people might be expected in the public sector, there is a risk that any reduction in public administration that arises from the current ADB-funded review of the public service could accelerate outmigration.

Through its National Sustainable Development Plan, the government is aiming to make the country more resilient through stronger private-sector-led economic growth. ADB in cooperation with the country's other principal development partners, has aligned its support through a program of assistance that envisages financing for public infrastructure, while building the capacity of public agencies and improving public financial management. ADB support will also be guided by its overall Pacific Approach Framework which aims to foster connectivity, consensus, and a greater community through: inclusive and

environmentally sustainable growth; good governance; and regional cooperation and integration.

From 2014–2016, the proposed lending program from ordinary capital resources is \$11.8 million, along with technical assistance averaging around \$500,000 per annum. This will be directed toward meeting the government's renewable energy targets and strengthening public sector management.

Sustainable development is now a major concern for many Cook Islanders. Mii Kauvai runs a small accommodation business for tourists and is also an active member of the Muri Environment Care Group. "It's a beautiful island but the beauty can be stripped away. If tourism is to be our main industry, we have to take care of the environment."



Mii Kauvai helps protect water quality in the Muri lagoon

## **Development Effectiveness Brief**

### **Cook Islands**

Since 1976, the Government of the Cook Islands and the Asian Development Bank (ADB) have been partnering on projects that seek economic and social returns on investments. This collaboration has helped the country—one of the world’s smallest and most remote states—weather cyclones in the 2000s and fiscal crises in the 1990s. After 18 loan projects and 32 technical assistance projects, that partnership has contributed to stable economic and social infrastructure, helping secure a sustainable future for the Cook Islands.

### **About the Asian Development Bank**

ADB’s vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region’s many successes, it remains home to two-thirds of the world’s poor: 1.7 billion people who live on less than \$2 a day, with 828 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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