

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 2018 to March 2019. ODA estimated spend to date is reported at \$18.2 million representing a 30% spend against the total budget. The low spend to date is mainly attributed to the delay in the finalizing of grant funding agreements with several donor partners, in particular one of our largest donor partners, New Zealand. It is envisioned that the grant funding arrangement with New Zealand will be finalized during the next quarter and spends will be significantly higher as a result.

NEW ZEALAND PROGRAMMES

New Zealand has committed \$52 million towards the bilateral program with an additional \$4 million from outside the bilateral programme for the next three years. In late December 2018 the Cook Islands received a \$13 million grant contribution towards supporting asset management. Additionally the design of the second Core Sector Support Grant Funding Arrangement (GFA) is underway and it is anticipated that a GFA will be finalized by May 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 the Cook Island Government 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: \$2,779,616

Avarua Cables Limited has been formed to operate and manage the Cook Islands stake in the Manatua project and an independent board has been appointed to oversee the company. An

exercise to recruit a CEO has been undertaken and an appointment made. A project manager is anticipated to be appointed in April 2019 to provide support.

As required by the Construction & Maintenance Agreement, the Manatua cable consortium formed a management committee. The MC held its first meeting in Auckland in November 2018 with also it's Procurement Group (PG) subcommittee. The Manatua consortium has appointed Axiom as specialist technical advisers.

The Manatua PG is overseeing the operation of the supply contract with Tyco Electronics Subsea Communications LLC (TE Subcom). Contract Coordination Meetings (CCM) between the Manatua PG and TE Subcom were completed late January 2019 and Design Reviews, technical demonstrations and factory inspections completed late March 2019. Thus TE Subcom have submitted detailed plans for design reviews, land and marine surveys, subsequent cable fabrication and installation works. The project is on course for Installation by January 2020 and ready for Service in May 2020.

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

Programme Management Oversight: DCD-MFEM

Total spend to date: \$4,575,710

The CSS makes up 32% of total New Zealand Aid in the ODA Schedule. The NZ CSS Programme includes direct budget support to the 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 May 2019.

CSS TA Project Name

& Implementing Agency

March Quarter 2019 Progress

Financial Management Information Systems (FMIS) Treasury Division-MFEM	The FMIS project unit continues to deliver the FMIS system on a single platform to all of Cook Islands Government (CIG). The high-level approach to delivery will see the project implemented in a 5 stage method – Planning, Build, Test and Cut-over. The project is currently in the fourth stage where progress is 80%. Current project timelines is currently planned out to May 2020 with budget forecast to June 2020. It is expected that the first group to be brought onto
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CSS TA Project Name & Implementing Agency	March Quarter 2019 Progress
	the system includes Ministry of Finance and Economic Management (MFEM), Crown and Development Coordination Division (DCD) in April 2019.
Cook Islands Aviation International Compliance Ministry of Transport (MOT)	The Director of Civil Aviation (DCA) contract was extended for an additional 12 months commencing 01 st July 2018 – 30 th June 2019 to progress the current work plan and negotiate safety oversight services. The TA work is on track to achieving desired results against the framework. MOT have advised that continued support for this work is still required after the contract end date to ensure the level of service and standards are maintained. MOT are proposing to include the financing for the continuation of this support into their budget for appropriation in 2019/2020.
Fixed Term Maritime Technical Manager Ministry of Transport	New tasks have been identified and added to the current work plan under the relevant output. The TA continues to provide ongoing support to completed outputs to ensure the level of service MoT has achieved through this TA remains on track. The TA contract end date is 6 May 2019. A completion report is due at the end of May 2019. MOT are also proposing to include the financing for the continuation of this support into their budget for appropriation in 2019/2020
Ministry of Transport International Compliance Quality Management System	Final stage of this project was completed with the approval of the Completion report conducted early November. Processing of final milestone payment was made in early January 2019 due to delays in receiving the final invoice from GHD
Online Companies Registry Ministry of Justice	Using ADB procurement processes, the contract for the software has been awarded to Paradigm Applications LLC for US\$540,000. An inception mission conducted in March 2019 advised that the 'go-live' date is planned for November 2019. ADB's Private Sector Development Initiative (PSDI) will be contributing approx. US\$300,000 towards this work, which has a breakdown of USD\$100,000 to

CSS TA Project Name & Implementing Agency	March Quarter 2019 Progress
	cover the remaining balance to purchase the registry and USD200,000 to cover the PSDI TA and the NZ Companies office consultancy support. Next support mission is proposed for early May 2019.
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 the Cook Islands Investment Corporation (CIIC) will work on drafting the 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 (TMD), Ministry of Finance and Economic Management (MFEM)	TMD has sought and received approval to extend the TA's contract for another year. The programme has been making considerable progress and contribution to TMD's and CIAO's achieving up to date financial reports for CIG. This work is crucial to ensuring that financial information is accurate and complete prior to migration into new the FMIS.
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 final report has been received as well as recommendations. The final payment to Delta Pearl Partners Pty Ltd is now being processed. This TA is now complete.

CSS TA Project Name & Implementing Agency	March Quarter 2019 Progress
Occupational Health and Safety Legislation Review Ministry of Internal Affairs	A 4 week no-cost extension was granted to the TA to enable the policies to go through an extra draft to address the Chamber of Commerce's concerns that they need more time to consult their members. The communications consultant continues with its concept design for effective promotion and awareness of OSH in the Cook Islands.
Improving Audit Performance Cook Islands Audit Office (CIAO)	The additional resources provided to CIAO has enabled the agency to make progress to catch up with the audit back logs. A dedicated Crown Audit team has been established so as not to compromise the completion of Ministry audits and timeframes. DCD 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. The CSS funding for this programme is expected to end in June 2020.
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.

CSS TA Project Name & Implementing Agency	March Quarter 2019 Progress
Prison Review & Warden Training Ministry of Justice (MOJ)	<p>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. Corrections expertise was required and NZ Corrections had 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. A second visit consisting of five Senior NZ Correction officials was carried out from the 4th to 28th February 2019. The visit purpose is to conduct the final scoping mission which will involve a number of trainings for the Ministry of Corrective Services. The support provided during the visit by the NZ Corrections is timely to support setting up of the new Ministry to ensure the Corrective Services has an efficient and effective management system in place to manage inmates, probationers and staff. The report for the above mission is due.</p>
ODA Graduation Treasury Division – MFEM	<p>The TA has pulled together initial GNI numbers and a report which has resulted in Statistics publishing the Balance of Payment data. Work is still in progress to finalise this data.</p>
Financial Analysis of Manatua Cable Ministry of Finance and Economic Management	<p>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.</p> <p>The TA was engaged by MFEM to provide economic and financial technical assistance (TA) to the Cook Islands Government in relation to liberalising the telecommunications market and establishment of ACL. The TA involved the review and refinement of ACL financial</p>

CSS TA Project Name**& Implementing****March Quarter 2019 Progress****Agency**

pricing models, commercial advice on submarine cable interconnection arrangements and advice on transitional regulatory arrangements associated with proposed new regulatory framework.

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 Guandong 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 2017/18 financial year. These were discussed with representatives from CIIC and 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 RMB¥70,000,000, to fund the renovations project.

This project has since been suspended pending outcome of discussions between PRC Government and the Cook Islands Government.

JAPAN PROGRAMMES**Non Project Aid Grant Programme: Palmerston Island multipurpose Cyclone Centre**

Implementing Agency: Ministry of Finance and Economic Management

Total spend to date is: NZ\$935,115

Cook Islands Government directly manages the remaining balance NZ\$1.3 million of the 2014 TAU Fuel Project. The remaining balance from the TAU Fuel Project, received approval to be allocated towards the Palmerston Island Cyclone Centre Project. In February 2019, all construction work was completed. A 50% defect retention (\$33,955.33 excl VAT) is currently in place, which will become payable to the Contractor in 12 months, following completion of the defects period as per the terms of the contract.

Non Project Aid Grant Programme: Economic and Social Development Programme

Implementing Agency: Ministry of Finance and Economic Management

Total spend to date is: NZ\$62,832

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.

During this reporting period the Excavators contract was signed on 20 March 2019 between JICS and Futurebud International Co., LTD. The estimate arrival of the excavators in Rarotonga is mid-January/ February 2020.

The draft technical specifications for the Drinking water trucks, Sprinkler water truck for civil works, Truck head + trailer and the Patrol type ambulances are undergoing final preparation to be completed early April 2019 to enable advertising for expressions of interest by May 2019

Grassroots and Human Security Grant Fund Project (GGP)

Implementing Agency: Japan Wellington Embassy

Cumulative total is NIL

On the 25 February 2019, four grant contracts were signed by Minister/deputy head of mission from the Embassy of Japan and the designated authorised person for each of the four projects. Management of the project deliverables and financing is directly between the Implementing Agency and the grant contract recipients. An overview of each of the projects is as follows:

1. Mitiaro - \$115,500 to construct 10 concrete water tanks in eight sites and purchase a mobile water tank for the transfer of water to remote areas as well as for the fire emergencies. This project aims to improve the water storage capacity in the Mitiaro

community and assist in enhancing community resilience during periods of low rainfall, and by doing so mitigate the impact of climate change on the island community.

2. Rarotonga Resource Recover Centre - \$178,391 to seal the drop-off yard/working area with concrete and provided drainage and septic catchment along with installing an industrial sized glass crusher to reduce landfill waste, allowing for a safer and more efficient working environment
3. Mangaia, Puna Tavaenga Village- \$103,316 to construct a water catchment shed and install an irrigation system including six water tanks for water collection and storage to irrigate the taro plantation in Puna Tavaenga during the dry months of the year. This project aims to promote increased sustainable taro production and improve the food self-efficiency in the Puna Tavaenga community, enhance community resilience and mitigate the impact of climate change on the island community.
4. Rarotonga, Ngatangiia - \$157,344 to construct and upgrade the Health Center in Ngatangiia. The aim is to improve community health by reducing non-communicable diseases such as cardiovascular disease, diabetes, respiratory problems and other risk factors such as hypertension and obesity, which are the leading causes of morbidity and mortality facing the community of Ngatangiia. This project aims to build a Health Centre with a training terrace at the Ngatangiia netball court and upgrade the existing toilets and showers and install a kitchen facility. Through this project, community members can receive regular exercise therapy, making exercise a lifelong habit, they can also attend lectures at the training terrace and receive guidance on healthy life styles.

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 \$40,011

In March 2018, ADB approved a regional technical assistance programme to provide eGovernment implementation support to Pacific DMCs. The government of the Cook Islands is

the first one to use the programme to initiate eGovernment assessment of their existing digital platform. The ICT division of the Office of the Prime Minister is implementing the project with TA support from ADB. A consulting team was recruited comprising; an eGovernment specialist, a network engineer, and an application architect to help the government find the gaps and recommending implementation to demonstrate digital application capability.

The Consulting Team returned in January 2019 to provide recommendations and strategies on development of current multi system to single system. A work shop on eGovernment was held to build awareness and train representatives from government, non-government and the community.

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

European Union: \$271,943

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 procurement, project implementation, contract variations and reporting.

Mauke power station site drainage works have been addressed with defects list for the power station and Distribution Upgrade contracts to be remedied.

The Mauke and Mitiaro metering upgrade variation was approved with contractor to be onsite around July/August 2019.

The next review Mission is set for June 2019 or upon completion of Phase 1 projects, whichever comes first.

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

Implementing Agency: Office of the Prime Minister

Total spend reported this quarter is: \$1,143,223

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.

The delays in payment disbursements to the contractor has been resolved.

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 commenced 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\$549,697

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 was conducted in February 2019 where a final master plan will require additional environmental data and monitoring.
Environmental investigations and monitoring	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>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>
Business Case	<p>Cook Islands Government to produce a Business Case to inform a Cook Islands Government (the Government) investment decision on proceeding to the detailed design and construction stage of the Mei Te Vai Ki Te Vai Wastewater Project (MTVKTV). This is currently being advertised.</p>
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 favourable conditions for algae growth.</p> <p>Work completed in February.</p>

Te Mato Vai (TMV)

Implementing Agency: Ministry of Finance and Economic Management

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"> • Turangi, Avana and Matavera are programmed to be commissioned by May 2019 • Takuvaine, Ngatoe and Tupapa are to be commissioned in July 2019 • Papua, Totokoitu, Avatiu, and Taipara are programmed 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

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. Funding is now focussed on the 11th cycle (EDF11) which continues with its incentive based budget support using the Cook Islands national systems up until the year 2020.

The 11th EDF funding round 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\$357,129

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 assist 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 \$297,131

The In-country Coordinator (ICC) departed to Palmerston early April 2019 together with a Contractor to implement the Palmerston Island component of the project. This includes the construction of 1 x new community water catchment building as well as repair 3 x 45,000 litre concrete stove water tanks on the island. The catchment building will catch and deliver rainwater to 2 x 45,000 litre water tank buildings. The last remaining water tank located at Palmerston "Lucky" school will carry out reparations also. All three tanks have had leakages for some time with the school tank being worse off. For this reason, special equipment will be installed to better manage the school's water tank. Once completed, this will form part of the

Palmerston Island Government Water assets and will be used and managed to provide potable water for the community of around 65 residents.

The team along with the assistance of the Palmerston Island Government staff is finalising the placement of the catchment buildings and will have the roofing complete by the last week of April 2019.

ASSMC contractor who is responsible to fabricate, supply and install the tank covers is expected on Palmerston Island in the first week of May to complete his conditions of the contract. The project is progressing according to the amended timeline schedule.

GREEN CLIMATE FUND (GCF) READINESS 2

Implementing Agencies: MFEM and OPM

The spend to date is NZ\$483,480

This readiness programme is running according to the planned activities. The first disbursement has been fully utilized and the second disbursement has been requested. To initiate the disbursement for the second payment, a detailed progress report was required by the GCF including an audit of the financial information for the first year. This progress report and audit report has been submitted and is satisfactory to the GCF requirements.

The planned Climate Change Development and Resilience Round Table meeting was a success. This was held on Thursday 14th and Friday 15th March 2019. The key objectives of the Climate Change Development and Resilience Roundtable were to:

- strengthen country ownership through coordination and coherence on how the Cook Islands aims to address climate change
- implement the Country Program within a development context and through enhanced partnerships among the development and climate finance community to deliver pipeline program
- ensure capacity and technical constraints are an integral part of all partnership approaches

The Roundtable meeting was attended by various high level officials from all over the world like New Zealand, Australia, China, Japan, Spain, Belgium and also various regional organisations such as SPC, SPREP to name a few.

The outcome of the round table meeting with the GCF was an Aide Memoire document which captures all engagement with the GCF to date and record of planned activities that the Cook Islands will be looking to complete in the next year. Some of these activities include BCI's accreditation, development and approval of a SAP and EDA, approval of a 4th readiness programme to name a few.

In addition to the round table meeting, the Cook Islands were also fortunate to host a 3 day technical workshop in partnership with the GCF secretariat which is the first ever carried out in the Pacific. The workshop was very useful for stakeholders in country. The purpose of this workshop was to build capacity within the Cook Islands to develop concept notes and project proposal documents in the format and templates of the GCF and more importantly to guide participants on how to build a strong climate change rationale when developing project proposals.

The Development coordination division (DCD) of MFEM together with the Climate change office within OPM are currently working together with the Ministry of Health on the Simplified Approval Proposal (SAP) draft document and aim to have the full updated proposal complete and submitted to the GCF by May 2019 in order to meet the deadline to the GCF for the board's consideration in October 2019.

DCD have also been working closely with OPM to finalise the 4th readiness proposal which is predominately based on capacity building within OPM, MFEM, BCI and the Private sector. It is envisioned that the proposal will be approved by May 2019 so that urgent activities such as BCI's accreditation and the completion of the SAP proposal and development of the EDA can commence immediately.

ADAPTATION FUND

Pa Enua Action for Resilient Livelihoods (PEARL) Project

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

Executing Entities: Emergency Management Cook Islands, Infrastructure Cook Islands, Ministry of Agriculture

The spend to date is NZ\$121,048

The Pa Enua Action for Resilient Livelihoods (PEARL) project officially commenced in December 2018 with the Inception Workshop. An Inception Report for the workshop was developed and submitted to Adaptation Fund in January 2019. The NIE and PMU team conducted a Pa Enua Outreach program to Aitutaki in February 2019. Furthermore, a National Workshop for the Pa Enua Southern Group stakeholders was held in Rarotonga in March 2019. During the next quarter the project will be focusing on procuring equipment for the three agencies (Emergency

Management Cook Islands, Infrastructure Cook Islands and Ministry of Agriculture) responsible for each component, to enable work to progress in the Pa Enea in the next two quarters. The Programme Steering Committee (PSG) have approved work plan to expend approximately \$590,000 in the next quarter.

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\$2,062,288

A full extension request for the project lifespan was completed with the Biodiversity Committees support and endorsement and submitted to UNDP for approval. This will enable all stakeholders to implement their existing activities and work programmes in order to achieve the overarching goal of the project. Some key highlights include:

- The R2R Project Manager is taking on the responsibility of the R2R finance officer until a replacement is found. To date a number of key roles have resigned from their R2R positions. Pending the outcome of the extension, recruitment of these positions will be carried out.
- The Ministry of Marine Resources (MMR) is conducting the Aitutaki Lagoon Master Plan stakeholder consultations as well as surveys, water testing in Rarotonga and Aitutaki and capacity building in the Pa Enea
- The Cook Islands Tourism Corporation launched the 'Green Expo' to support the initiative to go Green in the Accreditation scheme with Tourism
- The Ministry of Agriculture continue their work with Crop Bank initiatives as well as capacity building and providing technical support in the Pa Enea
- Marae Moana finalised the sustainable financing mechanism TA with the contract currently drafted and due to commence in the next quarter

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 NIL

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 Matheson's Enterprises Ltd as well as for reimbursement of ABS Project Activities over the last two quarters

UNDP GEF Small Grants Programme

Implementing Agency: Cook Islands Red Cross

Total spend to date is NZD\$103,467

This is the only in country development partner agency outside of government reporting administration of a development programme targeted at Cook Islands civil society organizations as small environment projects executing agencies. The Cook Islands Global Environment Facility (GEF) Small Grants Programme (SGP) was established in 2005 and until 2015 was part of the SGP Samoa. As of late 2014, The Cook Islands Red Cross Society serves as the SGP host institution with the GEF SGP Cook Islands now a separate programme.

There are six projects which are currently active under Operational Phase 5 (OP5), with one more pending approval.

The Operational Phase 6 (OP6) country programme strategy (Jul 2017 – Jun 2018) outlines the OP6 aim to “effectively support creation of global environmental benefits and the safeguarding of global environment through community and local solutions that complement and add value to national and global level action”. The focus of support for community based organised activities are on conservation of biodiversity, waste management, prevention of land degradation, capacity building and awareness programmes to address climate change through community based support. Formal confirmation of OP6 is actually US\$0.20 million for expenditure allocation no later than December 2019.

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\$81,110

The main tasks carried for the quarter are as follows below and the work carried out was predominately around procurement of consultancy services to deliver on Third National Communications activities.

- I. Tender committee recommendation for Shade of Green Environmental Consultants to complete Third National Communications activities
- II. Greenhouse Gases Inventory and Mitigation Chapters draft completed and circulated to relevant stakeholders
- III. Three quote process: Acquiring local consultants to complete Third National Communications activities

Tender Committee recommendation

A tender process was carried out for the Shade of Green environmental consultancy work. A response from the Tender Committee after reviewing potential organizations to undertake work for the Third National Communications was provided and unfortunately, the Shade of Green Environmental Consulting declined the offer.

The Project coordinator and Climate Change officer decided to go through the three quote process to secure local consultants especially with the time constraints to complete the work.

GHGI and MIT draft completed and circulated to relevant stakeholders for comments

Subbarro Ltd have completed the GHGI and MIT chapter drafts and had these sent to the Project Coordinator and the Climate Change Cook Islands office. This has been circulated to relevant stakeholders for any comments and changes. They are expected to complete the final GHGI and MIT chapters in June 2019.

Three quote process for local consultants to undertake work for the Third National Communications report

Due to not being able to acquire the recommended group to continue working on the rest of the chapters of the Third National Communications. Climate Change Officer and Project coordinator have now gone through the three quote process with local climate change consultants that can undertake work.

Climate Change Cook Islands has recruited a local consultant to work on Outputs 5 and 6 and another separate local consultant to work on Outputs 1 and 2 of the TNC.

Third National Communications Report tracking progress- 30% of 100% report.

INDIA GRANT FUND

Implementing Agency: Ministry of Finance and Economic Management

Total spend to date is NZ\$115,266

A total of NZD\$964,386.02 was granted for 16 approved grassroots projects of the 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, 14 have been completed successfully to date. The remaining 2 projects are at their final stages of completion and progress reports are provided as per Grant Funding Arrangement requirements. The new timeframe for these projects to be completed is by May 2019.

Of the 2018/19 funding application submissions, 19 concept notes were received in December 2018, and 11 were deemed successful and received the full application templates to complete and submit by 23rd January 2019. These applications have been vetted by the Grant Award Evaluation Committee and the recommendation submitted to NSDC on the 24th April for their review and their consideration as to which projects will be submitted to the Government of India to review and make the final selection and approval on the project submissions.

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. CIG has submitted a concept note to the Korean Embassy which focusses on improving the water supply to house-holds during periods of low rainfall on the island of Atiu.

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 targeted for the last financial year and 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 \$61,651

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: \$60,712

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. Some funds were utilised to support training for officers to participate in a one day workshop "Building your Financial Acumen" organized by the Business Trade and Investment Board (BTIB). This one day course was to improve business acumen to make better business decisions, understand the differences between the financial accounting, management accounting and financial management.