

## Chair's Summary of Meeting of the Board of Directors

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15 July 2008

### **COOK ISLANDS: COUNTRY PARTNERSHIP STRATEGY (2008-2012)**

1. Directors endorsed the Cook Islands Country Partnership Strategy (CPS) for 2008-2012 and agreed that the proposed country program addressed the binding constraints to sustainable development posed by inadequate infrastructure and high vulnerability to natural disasters and external shocks. Directors supported the emphasis in the non-lending pipeline on improvements in institutional arrangements and capacities for infrastructure management, noting that such improvements were essential to ensure sustainability.
2. Some Directors noted that the Cook Islands had a high GDP per capita that exceeded the benchmark set for graduation. Some Directors were of the view that the CPS should have included discussion on Cook Islands access to ADB's assistance in the context of ADB's 1998 Graduation Policy and in the context of its special relationship with New Zealand. Some Directors acknowledged that Cook Islands faced critical vulnerabilities in terms of its isolation, small size, narrow economic base, exposure to extreme weather events and environmental issues. Several Directors also noted ADB's unique role as the only multilateral development agency in Cook Islands as the country is not a member of IMF, UN, or the World Bank Group. The Country Team offered to provide a note to the Board explaining the Cook Islands graduation status as background (the Team subsequently sent the note).
3. Several Directors commended the alignment of the CPS with the Cook Islands National Sustainable Development Plan 2007-2010. The Directors also welcomed the ADB-led coordination among the development partners for the preparation and implementation of the Infrastructure Development Project (IDP). The Directors welcomed the recent expression of interest by the European Investment Bank, the European Union, New Zealand, and the People's Republic of China in supporting the IDP with grant and loan financing.
4. Several Directors commended the CPS focus on environmentally sustainable development and the incorporation of climate change into the project design. The Directors acknowledged that preservation of a pristine environment was important to sustain growth of the tourism industry. The Directors noted that ADB will seek additional financing from trust funds for climate change adaptation, energy efficiency, and clean energy activities.
5. A Director noted gaps in the Country Economic Indicators and Country Poverty and Social Indicators and recommended that full data sets should be presented with the CPS, as possible. A few Directors noted that the increasing size of the public sector was of concern and many Directors commended the CPS focus on capacity building for public financial management, noting the need to ensure that macroeconomic stability is preserved.