

## IV. PORTFOLIO MANAGEMENT ISSUES

### A. Portfolio Performance

24. As of 31 December 2002, cumulative lending by ADB totaled 12 loans with a value of \$26.7 million from the Asian Development Fund (ADF) since the Cook Islands joined ADB in 1976. Project completion reports (PCRs) have been prepared for 9 of them and 3 projects have been post evaluated: 2 are rated generally successful and 1 unsuccessful.<sup>4</sup> Since 1976, a total of US\$8.0 million in TA grants has been provided for 25 projects. One PPTA<sup>5</sup> and one ADTA<sup>6</sup> are currently ongoing. Details of the portfolio performance and disbursements are shown in Appendix 2, Tables A2.7 and A2.8.

25. The Waste Management Project<sup>7</sup> is progressing, albeit with an 8-month delay relative to the original schedule. Due to the recent appreciation of the New Zealand dollar, there is expected to be a shortfall of around NZ\$1.1 million. The Government has agreed to fund this shortfall from its own resources. The ADTA on Improvement of Corporate Management of Government Services is progressing well. The Government has requested continued assistance to extend the pilot implementation to include training to all ministries, crown agencies, and island administrations. The ADTA on Capacity Building in Environmental Monitoring, Regulation and Community Participation was included in the 2002 pipeline, but has not been effective due to the delay in the enactment of the National Environment bill. The bill is expected to be considered by Parliament at its July 2003 session. Appendix 2, Table A2.9 shows the details of project implementation status.

### B. Performance Monitoring and Evaluation

26. ADB's project monitoring and evaluation (M&E) techniques have been introduced in the Cook Islands in step with their development within ADB, in particular the use of the pilot technical assistance project review (TPR) system. M&E carried out on ADB-financed projects indicates good progress in project implementation.

## V. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS

### A. Lending Level Proposed

#### 1. Lending Level

27. Consistent with ADB's policy on performance-based allocations for ADF funding, the level of ADF funds allocated to the Cook Islands is linked to country performance with respect to macroeconomic management (through achievement of levels of expenditure and affordability of

<sup>4</sup> Rated generally successful were Loan 1466-COO(SF): *Economic Restructuring Program*, for US\$5.0 million, approved on 26 September 1996; and Loan 1588-COO(SF): *Cyclone Emergency Rehabilitation*, for US\$800,000, approved on 8 December 1997. Loan 1309-COO(SF): *Pearl Industry Development Project*, for US\$817,000, approved on 30 August 1994, was rated unsuccessful.

<sup>5</sup> ADB. 2001. *Technical Assistance to the Cook Islands for Preparing the Outer Islands Development Program*. Manila.

<sup>6</sup> ADB. 2001. *Technical Assistance to the Cook Islands for Improving Corporate Management in Government Services*. Manila.

<sup>7</sup> ADB. 2001. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Cook Islands for Waste Management*. Manila.