The Cook Islands consists of 15 small islands scattered over an exclusive economic zone of 1.8 million square kilometers. The country is vulnerable to external shocks, including the impacts of climate change and natural hazards, and its economy is reliant on tourism. Cook Islanders have open access to work and residence in Australia and New Zealand, and the country is experiencing urban migration. The steady movement of people from the outer islands to the main island of Rarotonga, paired with migration overseas, is having cultural, social, and economic impacts.

Since 1976, the Asian Development Bank (ADB) has committed 59 public sector loans, grants, and technical assistance totaling $223.2 million to the Cook Islands. Cumulative loan and grant disbursements to the Cook Islands amount to $157.95 million. These were financed by regular and concessional ordinary capital resources, and other special funds. ADB’s ongoing sovereign portfolio in the Cook Islands includes 3 loans worth $59.2 million.

The coronavirus disease (COVID-19) Active Response and Economic Support (CARES) Program helped the Government of the Cook Islands implement its countercyclical expenditure program and health response. To boost travel and tourism and support economic recovery, ADB is delivering the Supporting Safe Recovery of Tourism and Travel project, funded by a $2-million grant from the Japan Fund for Prosperous and Resilient Asia and the Pacific. ADB is also providing complementary technical assistance in the areas of infrastructure and asset management, public sector management, private sector development, financial services, renewable energy and energy efficiency, climate change safeguards, and capacity development.

ADB supports the Cook Islands in strengthening resilience against climate and economic shocks and in its recovery from the COVID-19 pandemic.

### Cook Islands: 2022 Commitments ($ million)*

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sovereign</th>
<th>Nonsovereign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical Assistancea</td>
<td>2.09</td>
<td>0.07</td>
<td>2.17</td>
</tr>
<tr>
<td>Total</td>
<td>2.09</td>
<td>0.07</td>
<td>2.17</td>
</tr>
</tbody>
</table>

DMC = developing member country, TA = technical assistance.

Notes:
- Commitment is the financing approved by ADB’s Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.
- Grants and TA include ADB-administered cofinancing.
- Numbers may not sum precisely because of rounding.
- Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

### Cook Islands: Cumulative Commitments

<table>
<thead>
<tr>
<th>Sector</th>
<th>No.</th>
<th>Total Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Natural Resources, and Rural Development</td>
<td>6</td>
<td>2.49</td>
</tr>
<tr>
<td>Education</td>
<td>3</td>
<td>4.74</td>
</tr>
<tr>
<td>Energy</td>
<td>6</td>
<td>34.61</td>
</tr>
<tr>
<td>Finance</td>
<td>7</td>
<td>7.98</td>
</tr>
<tr>
<td>Health</td>
<td>1</td>
<td>1.93</td>
</tr>
<tr>
<td>Industry and Trade</td>
<td>1</td>
<td>0.56</td>
</tr>
<tr>
<td>Information and Communication Technology</td>
<td>1</td>
<td>15.21</td>
</tr>
<tr>
<td>Multisector</td>
<td>10</td>
<td>19.73</td>
</tr>
<tr>
<td>Public Sector Management</td>
<td>19</td>
<td>136.48</td>
</tr>
<tr>
<td>Transport</td>
<td>7</td>
<td>26.02</td>
</tr>
<tr>
<td>Water and Other Urban Infrastructure and Services</td>
<td>4</td>
<td>5.00</td>
</tr>
<tr>
<td>Total</td>
<td>65</td>
<td>254.75</td>
</tr>
</tbody>
</table>

DMC = developing member country, TA = technical assistance.

- Grants and TA include ADB-administered cofinancing.
- Includes loans, grants, and TA.
- Using primary sector in the reporting of commitments.
- From 2020, financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.
- Numbers may not sum precisely because of rounding.

- Sovereign portfolio consists of loans, grants, equity investment, and sovereign guarantee committed and not financially closed. Regional projects with loans/grants to multiple countries are reported separately.
The Cook Islands is highly vulnerable to disasters triggered by natural hazards and has periodically experienced major cyclones that have caused economic damages and loss of life. However, the Cook Islands currently has few options for accessing post-disaster financing, leaving it vulnerable to the impacts of disasters. To address this gap, ADB’s Pacific Disaster Resilience Program, Phase 3 provides for $20 million in disaster-contingent financing for early recovery and reconstruction activities in the wake of natural hazards or health emergencies.

ADB approved an $80-million policy-based loan for the Supporting Sustainable Recovery Program, including a $40-million precautionary financing option that allows for partial withdrawal if tourism does not rebound as forecasted before 31 December 2024. The precautionary financing option is designed to mitigate risks of future shocks to tourism by providing quick-disbursing funds in the wake of major adverse events or tourism downturns.

Operational challenges. ADB remains fully committed to supporting the Cook Islands’ capital investments and engagement in the infrastructure sector, as an essential lever for supporting economic recovery. ADB, together with the government, recognizes the importance of debt sustainability and addressing the capacity constraints in key ministries.

ADB will continue to provide technical assistance in various sectors, including support for the Cash Management Committee and for economic modeling to assist the Ministry of Finance and Economic Management in evidence-based decision-making. Targeted technical assistance will help build local capacity while strengthening governance and public sector management. Additional technical inputs toward core services such as infrastructure planning will be critical in complementing ongoing stimulus efforts in the private sector.

KNOWLEDGE WORK

ADB brings added value beyond project financing. It acts as a knowledge broker, engaging in regional issues such as climate change, ocean health, renewable energy, public financial management, and capacity development. The presence of an office in Rarotonga enables ADB to engage closely with the government and the private sector, as well as play a key role in regional cooperation and integration, and development partner coordination.
FINANCING PARTNERSHIPS

Financing partnerships enable ADB’s financing partner governments or their agencies, multilateral financing institutions, and private organizations to participate in financing ADB projects. The additional funds provided may be in the form of loans and grants, technical assistance, and nonsovereign cofinancing.

Cumulative cofinancing commitments in the Cook Islands:

- Sovereign cofinancing: $86.62 million for 5 investment projects and $1 million for 3 technical assistance projects since 2007

A summary of projects with cofinancing from 1 January 2018 to 31 December 2022 is available at www.adb.org/countries/cook-islands/cofinancing.

FUTURE DIRECTIONS

The Pacific Approach, 2021–2025, is ADB’s 5-year country partnership strategy for the 12 smallest Pacific members of ADB, including the Cook Islands. Focused technical assistance, aimed at building capacity and strengthening governance and public sector management, will remain an integral part of ADB’s support to the Cook Islands. In addition to sovereign lending and technical assistance, ADB is actively seeking nonsovereign investment opportunities in the country—target sectors include renewable energy, tourism, and agribusiness. ADB has committed technical assistance to support the Te Aponga Utility in exploring mechanisms for independent power producers to engage in power purchase agreements. The proposed ADB Frontier Facility will support and invest in private companies in the tourism and light manufacturing sectors in the Cook Islands and other frontier markets in the Pacific and Southeast Asia.

### Cook Islands: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2021–2022

| No. of Ongoing Loans* (as of 31 Dec 2022) | 3 |
| Contract Awards\(^c\) | – | 2.58 |
| Disbursements\(^d\) | 38.61 | 2.70 |
| No. of Ongoing Grants* (as of 31 Dec 2022) | 1 |
| Contract Awards\(^c\) | 1.00 | – |
| Disbursements\(^d\) | – | – |

\(^c\) Includes closed loans/grants that had contract awards or disbursements during the year.
\(^d\) Excludes policy-based, results-based, financial intermediation/credit, CPRO (COVID-19 Pandemic Response Option), and fully administered cofinanced loans and grants.

Note: Numbers may not sum precisely because of rounding.


<table>
<thead>
<tr>
<th>Total Number of Validated and Evaluated Projects and Programs</th>
<th>Evaluation Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly successful</td>
<td>Less than successful</td>
</tr>
<tr>
<td>Sovereign Operations</td>
<td>3</td>
</tr>
<tr>
<td>Nonsovereign Operations</td>
<td>–</td>
</tr>
</tbody>
</table>

\(^\) = nil, IED = Independent Evaluation Department.

Note: The numbers indicate sovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports circulated by ADB within the 10-year period from 1 July 2012 to 30 June 2022. See evaluations related to Cook Islands.

Source: IED success rate database.

### Cook Islands: Projects Cofinanced, 1 January 2018–31 December 2022

<table>
<thead>
<tr>
<th>Cofinancing</th>
<th>No. of Projects</th>
<th>Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign*</td>
<td>5</td>
<td>75.10</td>
</tr>
<tr>
<td>Loan</td>
<td>1</td>
<td>20.00</td>
</tr>
<tr>
<td>Grants</td>
<td>5</td>
<td>55.10</td>
</tr>
</tbody>
</table>

* A project with more than one source of cofinancing is counted once.
ADB AT A GLANCE

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.

It has 68 members—of which 49 are from Asia and the Pacific and 19 outside. ADB headquarters is in Manila, Philippines and has 43 offices around the world, with 3,775 staff from 66 members as of 31 December 2022.

ADB maximizes the development impact of its assistance to its members by providing financing and tailored knowledge solutions through policy dialogue and advisory services, among others. It mobilizes financial resources through cofinancing from official, commercial, and export credit sources.

ADB met strong demand for its assistance in 2022. It unlocked greater resources for its members through the private sector and partnerships. ADB provided financing for climate change mitigation and adaptation initiatives, education quality and access, affordable health care, and more sustainable and climate-resilient food systems. In 2022, 97% of ADB operations contributed to gender equality. ADB fostered greater regional collaboration on issues such as health threats and tax cooperation. ADB also responded to demand for tailored knowledge solutions from its members.

ADB operations. In 2022, ADB committed $20.5 billion in loans, grants, equity investments, guarantees, private sector programs, and technical assistance to both the public and private sectors of its borrowing members. ADB bolstered its total support with cofinancing of $11.4 billion.

As of 31 December 2022, ADB's cumulative commitments in 45 countries stood at $358.4 billion covering 4,189 loans, $12.6 billion in 566 grants, and $5.5 billion in technical assistance grants, including regional technical assistance grants.

In addition to loans, grants, and technical assistance, ADB uses guarantees, equity investments, and private sector programs to help its developing member countries.

Total commitments in nonsovereign loans, equity investments, and guarantees from ADB's own funds in 2022 amounted to $11.1 billion for 37 transactions in economic and social infrastructure, finance sector, and agribusiness.

In 2022, ADB mobilized $1.7 billion of long-term project cofinancing and $5.3 billion of cofinancing through its Trade and Supply Chain Finance Program and Microfinance Program. Total outstanding balances and undisbursed commitments of nonsovereign transactions funded by ADB's own resources stood at $12.8 billion as of 31 December 2022.

FINANCING PARTNERSHIPS

Total sovereign and nonsovereign cofinancing commitments, 2022

- $11.39 billion for 165 projects, of which:
  - $11.2 billion, 75 investment projects,
  - $126.49 million, 87 technical assistance projects,
  - $60 million transaction advisory services mandates for 3 projects.

Cumulative sovereign and nonsovereign cofinancing commitments, 1970–2022

- $151.87 billion for 3,292 projects, of which:
  - $147.81 billion, 1,163 investment projects,
  - $2.92 billion, 2,120 technical assistance projects,
  - $1.13 billion transaction advisory services mandates for 9 projects.

PROCUREMENT

ADB’s Procurement Contracts, 2022

Goods, Works, and Related Services

ADB’s procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations:

- $15.23 billion in 2021
- $16.19 billion in 2022
- $247.06 billion covering 228,149 contracts, cumulative procurement since 1966.

Consulting Services

ADB’s procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations:

- $706.65 million in 2021
- $535.61 million in 2022
- $15.45 billion covering 74,995 contracts, cumulative procurement since 1966.

MORE ABOUT THE COOK ISLANDS AND ADB

Shareholding and Voting Power

<table>
<thead>
<tr>
<th>Number of shares held</th>
<th>282 (0.003% of total shares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Votes</td>
<td>39,396 (0.296% of total membership, 0.455% of total regional membership)</td>
</tr>
<tr>
<td>*Overall capital subscription</td>
<td>$3.75 million</td>
</tr>
<tr>
<td>*Paid-in capital subscription</td>
<td>$186,000</td>
</tr>
</tbody>
</table>

*United States dollar figures are valued at rate as of 31 December 2022.

ADB Governor: Mark Brown
ADB Alternate Governor: Garth Henderson
ADB Director: Made Arya Wijaya (Indonesia)
ADB Alternate Director: Llewellyn Roberts (New Zealand)
ADB Director’s Advisors: Rosemary Abigail Lee Hang (Samoa) and Mohammed Jabid (Fiji)

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Useful ADB websites
Asian Development Bank
www.adb.org
Annual Report
www.adb.org/documents/series/adb-annual-reports
Asian Development Outlook
www.adb.org/publications/series/asia-development-outlook
ADB Data Library
data.adb.org

Notes: (i) Figures are estimated by ADB unless otherwise stated.
* “$” refers to United States dollars. (ii) Data are updated as of 31 December 2022 unless otherwise indicated.