



JOINT EVALUATION OF THE PARIS DECLARATION PHASE 2  
COOK ISLANDS COUNTRY EVALUATION



**December 2010**



## Credits

We would like to express our thanks to the contributors to the design of the cover.

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- Tikitikangata –represents people holding hands as a symbol of unity.
- Kota’a – frigate bird – collectively linked together represent travel so for our purposes the journey of development.
- The shape of the ngaru (wave) represents strength and also peace.

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## Paris Declaration Principles

The Paris Declaration was formally agreed to by 91 countries which attended the Paris High level Forum in 2005. The declaration was signed on the 2<sup>nd</sup> March 2005.

The following are the Paris Declaration Principles:

<b>Ownership</b>	Developing countries set their own strategies for development, improve their institutions and tackle corruption.
<b>Alignment</b>	Donor Countries bring their support in line with these objectives and use local systems.
<b>Harmonisation</b>	Donor countries co-ordinate their action, simplify procedures and share information to avoid duplication.
<b>Managing for Results</b>	Developing countries and donors focus on producing – and measuring – results.
<b>Mutual Accountability</b>	Donor and developing country partners are accountable for development results.

\* \* \* \* \*

### Cook Islands Maori Translation:

#### Te tango e rima no te akatere anga i te tuanga tauturu:

<b>Mouanga mai</b>	Ko te au enua katoatoa e kimi ia nei te puapinga, na ratou raie tuku i ta ratou ture no tei reira akapuapinga anga, pera katoa no te akameitaki anga atu i te au taokotai'anga no tei reira auangaanga ma te kimi ravenga I te takore atu i te au kino.
<b>Aka'aiteite</b>	Ko te au Basileia tei Oronga mai I te tauturu, na ratou rai e akatano mai i tei reira kia aka'aiteite ki tei inangaro ia e te au enua ma te ta'angaanga atu i te au apinga i roto i tei reira enua.
<b>Taokotai'anga</b>	Ko te au Basileia tei Oronga mai I te tauturu, na ratou rai e kapiti mai I ta ratou au angaanga, akaari mai I te mataara tau ma te oronga mai I te au kite kia kore e pirua ia tei reira ki ta te enua e oronga ia nei teia tauturu.
<b>Akatere'anga kia Rauka te Puapinga</b>	Ko te au enua e akapuapinga ia nei kapiti'ia mai ki te pae i te basileia e oronga mai nei I teia tauturu, te akatinamou nei raua ki runga I te puapinga e te vaito nei raua I te au meitaki te ka rauka mai no roto mai I tei reira.
<b>Akatere'anga Tau Tikai</b>	Ko te au Basileia tei Oronga mai I te tauturu kapiti ia mai ki te pae I te au enua e akapuapinga ia nei, ka taokotai raua I te akatere anga I te au angaanga ma te tau tikai.

## Foreword

Kia orana tatou katoatoa i te aroa maata o te Atua,

The Cook Islands are a proud nation, and in an international development context perform well above what could be expected for a small island state. The Government, civil society and communities, are committed to a collaborative approach to strengthening the country and improving outcomes in all areas.

Cook Islands people envision a strong future and have aspirations that they believe they can meet to ensure the country, and its people, are prosperous.

The contribution from development partners in meeting these aspirations is acknowledged and appreciated, and there is a strong belief that through their collective efforts the Cook Islands will continue to move forward and become less reliant on development partners.

The Cook Islands have provided leadership and direction for development partners by establishing clear systems and processes for setting national priorities. The next development phase takes an approach that focuses on outcome based results and continues the positive direction of travel for the Government.

*“Kua iku’iku ia, kua porokiroki ia te ara tiroa o te pa enua e pini ake, tei akamouia ki runga I te tango o te inangaro. Te orama a te ai tupuna, kua turama i te mataara o tei kimi I te kite e te pakari, e tei umuumu kia autu, ko koe e te Kuki Airani, to matou kainga, to matou punanga.”*

*“It has been prophesied, it has been spoken of; the path of a Nation all embracing, is etched on the foundation of Love. The Vision of our forefathers shines upon the path of those who search for Knowledge and Wisdom and set on Success, our Cook Islands, our home, our refuge.”*

*Composed by Elizabeth Ponga, September 2010*

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Mrs Debbie Sorensen  
Project Director  
Health Specialists Limited



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### Disclaimer and Statement regarding Conflict of Interests

The findings and recommendations expressed in this Report are those of the independent reviewers and do not necessarily reflect the views of the Cook Islands Government.

Health Specialists Ltd has previously been engaged by the Cook Islands Public Service Commission to undertake a Management Review of the Ministry of Health in 2005. Mr Maoate a Director of Health Specialists Ltd is engaged as an independent advisor to the Cook Islands Ministry of Health.

## Acronyms and Abbreviations

AAA	Accra Agenda for Action
ADB	Asian Development Bank
AMD	Aid Management Division
AusAID	Australian Agency for International Development
CISO	Cook Islands Statistic Office
CIGFPPM	Cook Islands Government Financial policies and procedures manual.
CIGovt	Cook Islands Government
CIMDGs	Cook Island Millennium Development Goals
CITV	Cook Islands Television
CS	Civil Society
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DPs	Development Partners
EU	European Union
FAO	Food and Agriculture Organisation
FAP	Forward Aid Programme
GAVI	Global Alliance for Vaccines and Immunisation
GDP	Gross Domestic Product
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria
GNI	Gross National Income
GPs	Government Partners
HIES	Household Expenditure Survey
HOM	Head of Ministry
INTAFF	Ministry of Internal Affairs
LDCs	Least Developed Countries
MDGs	Millennium Development Goals
MFAI	Ministry of Foreign Affairs and Immigration
MFEM	Ministry of Finance and Economic Management
MFDR	Managing for Development Results
MTBF	Medium Term Budget Framework
MOE	Ministry of Education

MOH	Ministry of Health
MOIP	Ministry of Infrastructure and Planning
NGO	Non-Government Organization
NRG	National Reference Group
NSDC	National Sustainable Development Commission
NSDP	National Sustainable Development Plan
NZAID	New Zealand Agency for International Development
NZAP	New Zealand Aid Programme
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OPM	Office of the Prime Minister
OPSC	Office of the Public Service Commissioner
PBAs	Programme-Based Approaches
PD	Paris Declaration
PEFA	Public Expenditure Framework Assessment
PERCA	Public Expenditure Review Committee Act
PFTAC	Pacific Financial Technical Assistance Centre
PIFS	Pacific Islands Forum Secretariat
SPC	Secretariat for Pacific Countries
SWAp	Sector-Wide Approach
TC	Technical Cooperation
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNDAF	United Nations Development Assistance Framework
WB	World Bank
WHO	World Health Organization

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## EXECUTIVE SUMMARY

The Paris High Level Forum in 2005 was attended by officials from 91 countries. On March 2, 2005, they endorsed the *Paris Declaration on Aid Effectiveness* (the 'Paris Declaration'). The Cook Islands is a partner to the Paris Declaration (PD). The PD included a requirement for independent evaluation and this was confirmed in the *Accra Agenda for Action (AAA)* in 2008. In accordance with the principles of the declaration, partner countries and donors made commitments around the five key principles of effective aid delivery practices: *ownership, alignment, donor harmonization, managing for results, and mutual accountability for development results*.

The first phase of the evaluation focused on inputs and early outputs. This second phase of the evaluation focuses on outcomes and results. This report details the findings of the evaluation as they relate to the Cook Islands, a small island developing state in the South Pacific, and one of only two countries in this region.

The Cook Islands has had a long commitment to similar principles to the Paris Declaration. The Government of the Cook Islands (CIGovt) recognises that effective and efficient utilisation of Official Development Assistance (ODA) is critical to achieving the priorities of the National Sustainable Development Plan (NSDP). To this end, the CIGovt has developed, over a number of years, a transparent operational structure within government (in the Aid Management Division of MFEM), to determine aid priorities and manage and monitor the implementation of aid.

In 2007, Pacific Leaders developed the *Pacific Principles of Aid Effectiveness* in Palau which translated the Paris Declaration into a Pacific context. In 2009, Pacific leaders signed the *Cairns Compact on strengthening development and coordination in the Pacific*. The Cook Islands were a signatory to both these initiatives. This adds to the Pacific regional context of the Declaration and indicates the model of regional cooperation that exists between Pacific member countries.

From the *Accra Agenda for Action*<sup>1</sup> in 2008 there were three main questions designed to support the Paris Declaration Principles:

1. *"What are the important factors that have affected the relevance and implementation of the PD and its potential effects on aid effectiveness and development results?"*
2. *"To what extent and how has the implementation of the PD led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?"*
3. *"Has the implementation of the PD strengthened the contribution of aid to sustainable development results?"*

## Conclusions

### The Paris Declaration in Context

In relation to the Cook Islands the status and relevance of the aid effectiveness of the Paris Declaration is strong. The Paris Declaration confirmed the approach that the Cook Islands Government was developing

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<sup>1</sup> [www.oecd.org/dataoecd/11/41/34428351.pdf](http://www.oecd.org/dataoecd/11/41/34428351.pdf)



and, along with the *Pacific Principles of Aid Effectiveness* and the *Cairns Compact*, has provided an international and regional context for Aid effectiveness reform over the past four years. Key factors relevant to the implementation of the Paris Declaration have been the on-going focus of the Cook Islands Government in the establishment of the Aid Management Division, a National Sustainable Development Plan, and some legislative reforms with particular emphasis on financial accountability.

Since the 1990's the Cook Islands has made strong progress in strengthening economic sustainability. External assistance from international development partners has played an important role in the progress with the economy and development. As a Small Island Developing State the Cook Islands are committed to ensuring that all Aid contributed by a sizable pool of development partners is efficiently and effectively delivered

The Cook Islands Government as a key actor, shows its ownership and leadership of ODA policy development, planning and monitoring processes, which have been continuously strengthened prior to the Paris Declaration and after it. The Paris Declaration is a positive influence which has provided an international framework; the Pacific Aid Effectiveness Principles provides a Pacific regional context and the Cairns Compact a more focused Pacific regional approach to improved monitoring and outcomes.

The Cook Islands Government continues to make significant progress in strengthening its ownership of the aid management process and in leading the determination of priorities to ensure alignment with development activities. In order to achieve total country ownership, more involvement of civil society and the private sector would be beneficial in ensuring a consistent and aligned approach to aid management. Decision making at a level closer to the country is seen by stakeholders as being desirable.

While there have been changes in depth of engagement of government partners for the Paris Declaration, *Pacific Principles of Aid Effectiveness* and *Cairns Compact*, these tools have provided an international and regional framework to support the existing Cook Islands approach. The whole of Government approach ensures that the effectiveness debate is well understood. There have also been changes in depth of engagement with **development partners** in particular with the significant introduction of the harmonisation programme with New Zealand and Australia providing leadership for other development partners. There have been fewer and slower changes in the depth of engagement with civil society, however evaluation respondents recognise that this is the next step in deepening engagement.

Important events affecting the implementation of the Paris Declaration include changing political priorities, by both development partners and the Cook Islands. Governance reforms – strengthening the accountability mechanisms and capacity of government to manage aid and changing economic conditions such as the global recession making ODA more critical and changing relationships with donors

Paris declaration principles are well entrenched in the Cook Islands national strategy and policy frameworks and were already being developed prior to 2005. In depth understanding of the Paris Declaration is limited to those who work actively in the aid development sector such as the Aid Management Division and implementers. Development partner's show increased strategic, but limited operational engagement, with the Paris Declaration style since 2005. At a broad community level Civil society and NGO's support the principles, but may not recognise them as being connected to the Declaration. In the Outer Islands people are not aware of the declaration. Overall, the context and ownership for the Paris Declaration principles are strong in the Cook Islands with opportunities to build stronger ownership at a community level.

### **Process and Intermediate Outcomes**

Since 2005, the progress made towards improving the efficiency of aid has been small, but is increasing. There has been good progress in improving the management and use of aid through the National Sustainable

Development Plan Framework<sup>2</sup> (NSDP) process for government and key donors. While it provides a good starting point for donor partners at a country level, it has not been costed out at a high strategic level, which limits the Government's ability to determine and predict expenditure. Government leadership alone, as an element of country ownership, is not enough to improve aid delivery efficiency.

Relationships between development partners and the Cook Islands show some increase in collaboration, with more work needed to better support the systems development needs of the Cook Islands. Some development partners remain reluctant to use country systems and processes. Some development partners are moving strongly towards using Cook Islands processes and systems. It is also clear that there can be more done to improve harmonization arrangements.

There is little evidence that the *Accra Agenda for Action* (AAA) has triggered acceleration towards transparency and accountability. It is more likely the focus by government will be on its Aid policy and coupled with the launch of the next NSDP there are indications that may see increased gains in relation to the AAA which was designed to enhance and support the PD Principles

The Cook Islands Government has difficulty in meeting international measures and standards of performance accountability, largely due to the lack of financial resource allocated to the Aid management function.

Overall implementing the Paris Declaration principles has contributed to strengthening improvements in the efficiency of aid, but there is still further progress to be made. Alignment between government and donor partners is also improving given the initial NSDP. Some resources are needed to support stronger alignment of development initiatives between government and development partners.

## **Development Outcomes**

The implementation of the Paris Declaration has assisted in strengthening the contribution of aid to sustainable development results. In the two tracer studies in the Health and Infrastructure sectors, development initiatives show an increasing degree of commitment to the Paris Declaration principles, with some progress and attention in managing results. The reviewed projects reflect evidence of ownership, in terms of participation in decision making and use of government systems, by the private sector, civil society and government stakeholders.

This evaluation also indicates that there has been some sustainable increase in institutional capacity and social capital at national, sector and, to some extent, community levels. The PD contribution is small, but positive. Efforts to establish sector-based management approaches have been undertaken in the Health, Infrastructure, Marine resources and Education sectors, with positive collaboration from development partners. Progress towards more programme-based approaches, involving multiple development partners, has been slow. While fewer, longer, more comprehensive programming is a key to the PD style of aid, in a Small Island State like the Cook Islands, where human resources are an issue, it is ineffective to manage lower order modalities, especially if they are unrelated and labour intensive. Focus and specialisation is necessary so that staff engaged in aid effectiveness can build greater understanding and skills as prerequisites for managing effective development assistance. In terms of development outcomes for the most vulnerable in the Cook Islands, these are generally catered for; and while the PD principles are not conclusively directly attributable, it does provide the potential to support further advocacy and awareness for those most vulnerable.

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<sup>2</sup> [www.stats.gov.ck](http://www.stats.gov.ck)



The Paris Declaration contribution to Millennium Development Goals (MDGs) is limited; however, the PD provides an opportunity for government agencies, development partners, and Civil Society to fulfil monitoring and reporting requirements of the MDGs.

## Key Lessons

### Contextualising the Paris Declaration

The Cook Islands context and application of modalities, processes and systems, need to be understood to ensure the most effective implementation of aid. The Government is best placed to understand if development partners' priorities are able to be matched to local Cook Islands priorities. Similarly the Aid Management Division is best placed to advise donors on what modality, which implementing agency, and timeframes, are most appropriate for any activity. The lesson is the CIGovt has the most experience in country with what works and donors need to listen and then act accordingly. A successful approach is one where the CIGovt and development partners are able to identify common priority areas and work together to have an impact in these areas. The regional awareness and commitment from Pacific Leaders should provide confidence in the commitment that the region and the Cook Islands have towards improving Aid Effectiveness.

### Ownership and leadership needs to be at all levels.

Ownership and Leadership is clearly demonstrated at a CIGovt level. In order to strengthen widespread commitment and ownership, the fostering of the civil society sector and community would strengthen a whole of country commitment to the development agenda. A more explicit approach, that includes all stakeholders in the debate regarding aid effectiveness and prioritisation decisions, would strengthen the country approach, as would an explicit strategy to increase the engagement of the outer islands.

### Capacity and capability development

In the Cook Islands the Aid allocation has significantly increased over the past ten years. The recognition by both the Government and donors regarding the need to improve capacity and capability, both in systems and technology and in human resources, has been limited. Aid effectiveness is totally reliant on the individuals involved in processes from donors, recipients and implementing agencies. This is why the development of capacity is so critical. Organisational capacity and development needs to be addressed until it reaches a sustainable level. Currently, the capacity and capability to manage the aid portfolio is reliant on a few individuals with heavy workloads and increasing responsibilities. A systematic assessment of future capacity and capability would provide the guidance for strengthening this function.

The development of capacity is required at all levels of the system and across all agencies managing aid. It is important for all actors involved to understand clearly the principles and impact of aid and the various modalities; and for this knowledge and skill acquisition not to be solely focused on the Aid Management Division.

### System Strengthening

In the same way that sector strengthening is an acknowledged priority; the strengthening of the aid management function should also be prioritised. The ability to improve the confidence of donors will require significant investment in aid management infrastructure, including financial, information and evaluation systems and processes.

## Recommendations

### Aid effectiveness functions.

The Cook Islands remains committed to ensuring that all aid delivered is effective and efficient. Since the Public Sector reforms in the 1990's the Cook Islands Government have made significant progress in strengthening the economic sustainability of the country. As part of this work, the recognition that external assistance has and continues to play an important role in this progress, has been a major factor in the establishment and strengthening of the Aid Management function.

As aid flows have increased and sectors have mobilized, the operational mechanism and systems have not kept pace with the associated demands of effective aid management. Attention is needed to improve the human and institutional capacities for implementing aid information management systems; monitoring, evaluation and reporting; and financial management and procurement systems.

**Recommendations:**

**The Cook Islands government continues exercising its leadership in the aid effectiveness agenda, adopt its revised draft Aid policy, and resource and implement its objectives.**

**Development Partners continue to improve aid relationships with increased harmonized efforts in the process of delivering aid, using local systems, managing and accounting for aid, reducing fragmentation and using high level aid modalities.**

**Civil Society**

In depth understanding of Paris Declaration principles is limited to those who work actively in the aid development sector such as Aid Management Division and implementers. Civil Society has a role to play to support the sustainability of the aid effort in the Cook Islands. Improved communication strategies should be resourced. This will allow better accountability and understanding of aid performance to Civil Society partners such as the private sector, outer islands, NGOs and marginalised groups.

**Recommendations:**

**The Cook Islands government and development partners engage with Civil Society through improved communication strategies on Aid flow and performance.**

**Government and development partners give more consideration to long term budget planning. Clear goals are established and forward budget commitments are identified to measure development progress.**

**More investment into an aid management information system; strengthening of financial management systems; clarity from donors with regard to multi-year commitments; alignment of funding to NSDP with clearer accountability systems of reporting; improved aid disbursements; and a monitoring and evaluation framework, will improve and strengthen Aid effectiveness over the medium to long term**

**Development partners.**

An issue identified from interviews in this evaluation, is the role Development Partners play in devolving more decision-making to local in-country offices of the development partners, rather than solely from offshore offices. Development partners should assist and build better local In-country capacity, support the strengths of the in-country aid management systems to provide more confidence between the Cook Islands and Development partners.

**Recommendations:**

**Development partners are encouraged to devolve more decision-making to in-country offices and invest in building capacity and capability of local aid management systems.**

**Development partners and donors are encouraged to use modalities that reduce transaction costs.**



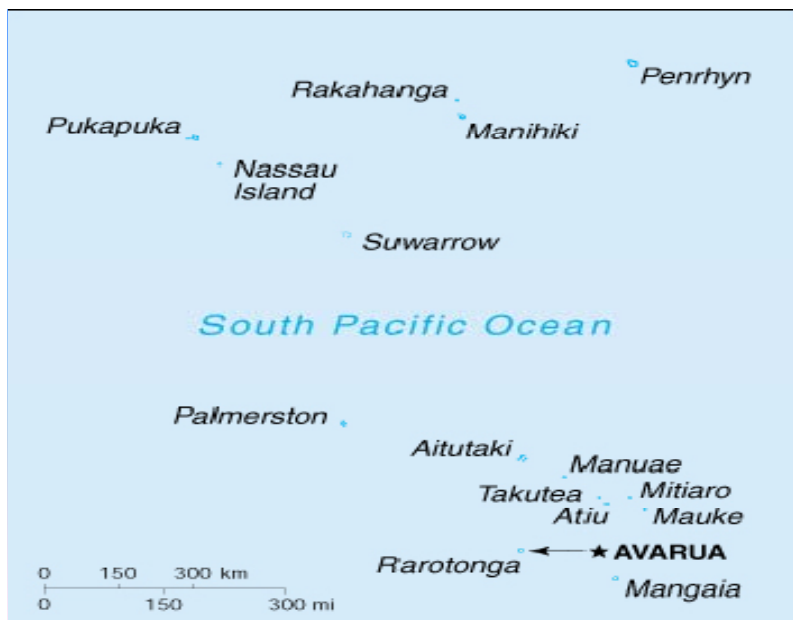


## The Cook Islands

The Cook Islands is made up of fifteen small islands distributed over two million square kilometres of the South Pacific Ocean (See Figure 1 below). The largest island of Rarotonga has a land area of 67 square kilometres. Rarotonga is the capital and the country's dominant driver of economic growth. The Southern Group of outer islands are situated within 300 kilometres of Rarotonga. The remote Northern Group of outer islands are more than 1250 kilometres from the capital and are made up of atolls and sand cays with little arable land (refer to Figure 2). These islands instead benefit from large productive lagoons that support pearl farming and are the main base for the country's fishing industry. The Cook Islands is particularly vulnerable to natural disasters. In 2005, over a two month period, five cyclones swept the country.



**Figure 1: Map of Cook Islands in the South Pacific**



**Figure 2: Map of the Cook Islands**

## The People

The resident population of the Cook Islands is 14,200 people, and the total Population is 22,100 (Cook Islands Statistics Office, 2008). Seventy percent live in Rarotonga with around 20 percent of the population living in



the Southern Group of outer islands. Development continues to occur in the face of a long-term decline in the resident population. Cook Islands residents hold New Zealand citizenship and can freely access the New Zealand and Australian job markets, as well as the New Zealand health, education, and social security systems. More than three times as many Cook Islanders live overseas than in the Cook Islands. The decline in the resident population, and the rising number of foreign workers and investors (9 percent of the 2006 resident population), have some locals concerned about the potential erosion of traditional Cook Islands' identity (Asian Development Bank, 2008b). Christianity is the predominant religion, with the indigenous language of Cook Islands Maori (and Island dialects) and English being the official languages of the country.

## Free Association

On July 26 1965, the Cook Islands became a state in free association with New Zealand. Free association means:

- The Cook Islands Government has full executive powers.
- The Cook Islands Government can make its own laws and New Zealand cannot make laws for the country unless authorised by the Cook Islands Government.
- Cook Islanders keep New Zealand citizenship.
- The Cook Islands remains part of the Realm of New Zealand and Queen Elizabeth II is Head of State of the Cook Islands.

For much of the first decade of free association the Government's focus was on domestic affairs and implementing basic social and economic programmes. The aim was to promote national development and reduce dependency on New Zealand Aid. In 1972, the Cook Islands helped form the South Pacific Forum and the South Pacific Bureau for Economic Cooperation (SPEC). This was the beginning of the Cook Islands participating as an equal partner with New Zealand and increasing its involvement, as a country, in international affairs. Over the next two decades the Cook Islands expanded its involvement internationally with participation in international organisations and treaties in its own right. It has broadened its base with bilateral and multilateral treaties. The Cook Islands is a member of Food and Agriculture Organisation, the Asian Development Bank, the International Civil Aviation Organisation, and the World Health Organisation. It is an Associate member of both the Commonwealth and the United Nations Economic and Social Commission for Asia and the Pacific Islands Forum. In June 2000 the Cook Islands signed the Cotonou Agreement, paving the way for financial and technical assistance from the European Union, and its Asia, Caribbean and Pacific Group (Source: Cook Islands Government Website [www.cook-islands.gov.ck](http://www.cook-islands.gov.ck)).

## Social Indicators

Social indicators are favourable, with the Cook Islands achieving the highest human development index (HDI) rating among the Pacific regions independent nations. Life expectancy is high at 71 years; births average nearly one child per day; infant mortality is low at 3.8 per 1,000 (2008) live births; immunization reaches almost 100%; secondary school enrolment rates exceed 90%; adult literacy is high; and most MDGs will be met by 2015. Total marriages equal approximately two marriages per day with 90 percent of these being non-residents, an indicator of the Cook Islands being marketed as a tropical islands wedding destination.

These achievements reflect a long history of substantial government investment in health, education, and welfare, a natural resource base which attracts tourism, and the benefits of close association with New Zealand. A substantial improvement in the quality of economic and public sector management since the financial crisis of the mid 1990s has also underpinned the improvement in living standards. The Cook Islands is setting its own benchmarks, and considers New Zealand standards as a base.

(Source: Cook Islands 2008 Social & Economic Report Equity in Development Tango-Tiama o te Kimi Puapinga Asian Development Bank Asian Development Bank (ADB).

## The Economy

The Cook Islands economy has grown strongly since the mid-1990s and the current GDP per head, of more than \$13,648, is the highest among independent countries in the Pacific. The total value of exports for 2008 stood at \$5.9 million, a decrease from \$7.1 million in the year ending 2007. Total revenue for the public sector for the year end 2009 was estimated to be \$116.6 million, with taxation revenue making up 69% of the total revenue. Tourism is the major sector with 100,600 arrivals for 2009. Seventy two percent of tourists came for vacation purposes. The Tourism sector was affected by the global economic crisis with reduced visitors numbers recorded during early 2010. The Cook Islands is vulnerable to global events that impact on the economy including rising fuel and food costs, distance from markets, out-migration of Cook Islands

people, and climate and environmental change. Cyclones and other adverse impacts related to climate change remain a significant threat to the lives of people and the economic viability of the islands.

### Cook Islands Development Indicators

<b>Annual Population Growth (%)</b>	<b>0.9</b>
<b>Adult Literacy Rate (%)</b>	<b>99.0</b>
<b>% of pop in urban areas</b>	<b>74.5</b>
<b>% of pop living below the Poverty line</b>	<b>28.4</b>
<b>Under 5 mortality per/1000 live births</b>	<b>15.0</b>
<b>% population using better drinking water</b>	<b>95.0</b>

**Table1: Cook Islands Development Indicators – Source: 2009 MDG report, [www.statistics.gov.ck](http://www.statistics.gov.ck); [www.UNdata.org](http://www.UNdata.org);**

## 1. Introduction

### 1.1 Background

In 2005, the Paris High Level Forum was attended by Heads of State, Ministers and development officials from ninety one countries, fifty two donor organizations and agencies, as well as thirty civil society organizations and the private sector. On March 2, 2005, they endorsed the *Paris Declaration on Aid Effectiveness*. The Cook Islands is an international partner to the Paris Declaration. The Declaration included a requirement for independent evaluation and this was confirmed in the Accra Agenda for Action in 2008. In accordance with the principles of the declaration, partner countries and donors made commitments around the five key principles of effective aid delivery practices: *ownership, alignment, donor harmonization, managing for results, and mutual accountability for development results*.

The 2007-2008 Phase 1 Evaluation Study aimed to provide information on the “How and Why” of the early implementation of the Paris Aid Declaration; and it looked at inputs and early outputs. The Cook Islands were not a participant in Phase 1.

This Phase 2 Evaluation of the Paris Declaration – Cook Islands Country Study was conducted by a team of evaluators selected subsequent to a competitive process, and working under the direction of the National Evaluation Coordinator and the Manager of the Aid Management Division, Ministry of Finance and Economic Development. The Evaluation Work Plan was prepared in March 2010 and approved in April 2010, in accordance with the Cook Islands Country Evaluation Terms of Reference. This evaluation report is consistent with the terms of reference and work plan, and has integrated any guidance issued by the Core Team for the Joint Evaluation of the Paris Declaration, Phase 2.

### 1.2 The Paris Declaration and Accra Agenda for Action: Engagement of the Cook Islands

The Paris Declaration expresses a broad international consensus developed in the 15 years up to 2005. It stipulates that new partnership relationships, and ways of working between developed countries and partner countries, are essential if development results are to be assured, aid well spent and aid volumes maintained.

The Paris Declaration<sup>3</sup> was endorsed at the 2<sup>nd</sup> High Level Forum held in Paris in 2005, by 52 donors/agencies, 91 officials from partner countries, and 30 other actors in the development cooperation field (United Nations and other multilateral agencies and non-governmental organizations). The Declaration consists of 56 “Partnership Commitments”, and aims to strengthen “partnerships” between donor countries and countries receiving aid in order to make aid more effective and to maximize development results.

The requirement for independent evaluation was built into the original Declaration and re-confirmed in the *Accra Agenda for Action* in 2008<sup>4</sup>. The first phase of the Evaluation<sup>5</sup> ran from March 2007 to September 2008 and provided information on the “HOWs and WHYs” of the early implementation process of the Paris Declaration, looking at **inputs and early outputs**. It was designed and used to deliver practical lessons and help take stock of implementation performance at the 3<sup>rd</sup> High Level Forum on Aid Effectiveness held in Accra, Ghana in September 2008. The *Accra Agenda for Action* identified a number of areas to strengthen country ownership, better manage for development results and build more inclusive partnerships.

The second phase of the Evaluation runs from the 3<sup>rd</sup> High Level Forum in 2008, up to the 4<sup>th</sup> High Level Forum in Korea in 2011. This phase emphasizes **outcomes and results**, and aims to offer answers to the

<sup>3</sup> The full Declaration can be found at: <http://www.oecd.org/dataoecd/11/41/34428351.pdf> and the Accra Agenda for Action at <http://www.oecd.org/dataoecd/58/16/41202012.pdf>

<sup>4</sup> The Evaluations complement the monitoring of the implementation of the Paris Declaration, undertaken through the Cluster D of the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) Working Party on Aid Effectiveness “Assessing Progress on Implementing the Paris Declaration and the Accra Agenda for Action.”

<sup>5</sup> Wood, B; D. Kabell; F. Sagasti; N. Muwanga; Synthesis Report on the First Phase of the Evaluation of the Implementation of the Paris Declaration, Copenhagen, July 2008. The report can be found at: [http://www.diiis.dk/graphics/Subweb/paris\\_evaluation\\_web/index.htm](http://www.diiis.dk/graphics/Subweb/paris_evaluation_web/index.htm)

critical policy question of whether the intended long-term effects of the Paris Declaration are being achieved or advanced. The evaluation is expected to analyse results in context, taking into account preconditions or enabling conditions that may lead to, or inhibit, positive development results supported by aid.

The Cook Islands has had a long commitment to similar principles to the Paris Declaration. The Government of the Cook Islands recognises that effective and efficient utilisation of Official Development Assistance (ODA) is critical to achieving the priorities of the National Sustainable Development Plan (NSDP).

To this end the Cook Islands Government has developed, over a number of years, a transparent operational structure within government to determine aid priorities and manage and monitor the implementation of aid. Stakeholder feedback indicated that where systems are working well, these lessons can be translated into other areas. There is also an opportunity to share these lessons with civil society so they can utilise these learning's in the implementation of aid. In 2007, Pacific leaders developed the *Pacific Principles of Aid Effectiveness* at the Palau meeting which translated the Paris Declaration into a Pacific context. In 2009, Pacific leaders signed the *Cairns Compact* on strengthening development and coordination in the Pacific. The Cook Islands were a signatory to both these initiatives. This adds to the regional context of the declaration and indicates the model of regional cooperation that exists between Pacific member countries. The Cook Islands is one of two countries in the Evaluation study from the Pacific region. It is critical that the region is represented in the evaluation to ensure that the Aid effectiveness agenda in the region is consistent with international 'best practice'.

### 1.3 Purpose and Scope of the Phase 2 Evaluation

The Cook Islands Evaluation Country Study (the 'Evaluation') focuses on the development outcomes which can be attributed to the Paris Declaration whilst considering the 'in country' context, which may have assisted or inhibited the achievement of development results.

The Evaluation is the main vehicle for answering the core questions on the impact of the Paris Declaration on aid effectiveness and development results, including poverty reduction in the Cook Islands. This Evaluation has assessed the effectiveness in this regard of donors and examines the relationships and partnerships between development partners and Cook Islands stakeholders. The Cook Islands context is important and unique as the numbers of development partners are small (six donor countries and 11 international and regional agencies) and the community stakeholders have a high level of interaction with government and development partners (donors and agencies).

The aim of the Evaluation is to document, analyse and assess the relevance and effectiveness of the Paris Declaration in the Cook Islands, and its contribution to aid effectiveness and ultimately to development results, including poverty reduction.

Specific objectives include:

- To document the results achieved in the Cook Islands through implementing the Paris Declaration.
- To enable the partner countries such as New Zealand, Australia, China, , India, Italy, and the European Union and agencies such as NZAP (formerly NZAID), AusAID, ADB, WHO, UNDP, PIFS and SPC that are active in the Cook Islands to clarify, improve and strengthen policies and practice consistent with the Paris Declaration in pursuit of aid effectiveness and development effectiveness.
- To highlight barriers and difficulties that may have limited the effectiveness of the Paris Declaration and its effects and impacts – and ways that these barriers and difficulties may be overcome.
- To enable sharing and exchange of experience among stakeholders, countries and partnerships so as to facilitate reflection, lesson-learning and policy improvement.

The scope and context of the Evaluation are described in the Terms of Reference Appendix 1.

The Matrix Evaluation Questions (Appendix 2) have been developed as a template with particular application for this Cook Islands country study. Specific country questions have not been added, however the questions are all being applied against a social inclusion context with particular relevance to the impact on the Outer Islands.

#### 1.4 Approach and Management of the Evaluation

The Cook Islands Country Evaluation Study was the responsibility of the Aid Management Division (AMD) with a Senior Research and Policy Adviser delegated as the National Evaluation Coordinator (NEC). He was responsible for managing all aspects of the evaluation process including establishing and convening meetings of the National Reference Group which consists of major stakeholders from governments, development partners, and civil society, recruitment of consultants, reporting on progress, quality control, and assuring that the evaluation meets DAC standards.

The National Reference Group (NRG) had the responsibility to serve as a resource to the Evaluation including commenting on the criteria for selecting the team, the design for the methodology and Evaluation questions.

The Evaluation team comprised of a group of consultants engaged by Health Specialists Ltd, who were both “in-country” based and New Zealand based. All members of the team were Cook Islanders, with the exception of the Project Director who has extensive experience in working in the Cook Islands and the Pacific region. The team brought technical expertise and Cook Islands knowledge and expertise to the evaluation, which greatly assisted in the interviewing of participants and in understanding the context of aid. An example of the ability to contextualise the evaluation was the translation into Cook Island Maori during the interview process with focus groups and individuals.

#### 1.5 Evaluation Methodology

This Cook Islands Evaluation looked at a sectoral model of approach to the Paris Declaration Evaluation, focused on the Health and Infrastructure sectors. Cross-cutting issues and themes were integrated in the evaluation matrix with supporting instruments and in close consultation with recognized specialists. This applied particularly to the examination of the aspects of gender equality, human rights and social inclusion, which are prominent in the Paris Declaration, the *Accra Agenda for Action* and the agreed Framework for the Evaluation.

This Evaluation focused on effects at the country level and its partnerships, i.e. the joint arrangements between donors and the recipients of aid that have been put in place to support the implementation of the Paris Declaration.

The Cook Islands Country Evaluation team undertook independent evaluations of aid effectiveness and development results in country. The team addressed:

- Implementation or “process” – assessing changes of behaviour of Government of Cook Islands and donors around aid and development and within the aid partnership itself. This included a strong focus on the context for design and implementation in the Cook Islands.
- Results or “outcomes” in terms of aid effectiveness and development results, with rather precise minimum common “core” questions, scope and common methodologies for all country evaluations, to allow meaningful aggregation and synthesis. The Cook Islands has not added any additional questions, but will undertake a case study methodology for the sector focus areas of Health and Infrastructure, including a focus on outer islands initiatives.

A participatory methodology was designed, where stakeholders and participants had an increased level of participation and ownership of the evaluation. A total of 196 stakeholders participated in the evaluation. The design addressed the three core evaluation questions contained in the Operational Matrix. The three core evaluation questions were:

- **Q1: “What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?”**
- **Q2: “To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?”**
- **Q3: “Has the implementation of the Paris Declaration strengthened the contribution of aid to sustainable development results?”**

A mixed method approach of quantitative and qualitative research methods, using standard data collection methods, was adopted. Methods included a survey, interviews, focus groups, literature/document review and observations. Participation in the Evaluation included meetings with the National Reference Group and National Coordinator. Data was collected on each of the three core questions and sub-questions of the Operation Matrix.

**The methods included:**

1. *Literature/Document Review* - Content analysis was conducted over 100 documents with a range of formal documents, reports, plans and agreements, DVDs from Cook Islands Television (CITV). These were accessed from a range of sources such as AMD, Cook Islands Government, Donor agencies and other stakeholders. It also included an analysis of the most relevant statistical data, for example National Strategic Development Plan (NSDP) Reports, Sector Strategies, and Cook Islands Millennium Development Goals (CIMDG).
2. *Survey* – A self-administered questionnaire was distributed targeting general development stakeholders. 80 responses (38 of whom were female) were received out of a possible 113 sent out for a response rate of 70.2 percent. Respondents included 58 government partners, 16 development partners and six civil society organisations.
3. *Interviews* - This included a semi structured format with face to face and telephone one to one interviews, small group interviews. 116 interviews (52 were female) were carried out with a range of development stakeholders throughout the Cook Islands and off shore based stakeholders. Interviews were translated into Cook Island Maori where participants felt more comfortable.
4. *Focus Group Discussions*: 25 participants (20 were female) took part in four focus group discussions on the aid effectiveness agenda. 13 of the participants were project implementers and 12 were beneficiaries of community based funding initiatives on Rarotonga along and with Outer Islands outreach activities were carried out. Focus group discussions were facilitated using a discussion guide developed from the interview guide.
5. *Participation/Observation* – This included the participation and observations of researchers at a number of national development related activities such as the Environment Forum, Infrastructure forum and International Health Conference.
6. *Health and Infrastructure Sector Tracer Studies* – This involved a backward and forward looking analysis of surveys and interviews of 30 participants and review of six project documents as below.
7. *Sample of Health and Infrastructure Development Projects* - Six development initiatives from the health and development sectors were selected. A project profile was developed for each project by reviewing project documents such as agreement, progress and evaluation reports.

Grounded in the Cook Islands context, content analysis of the evidence gathered from the sources and methods above was then undertaken to ensure that the findings and conclusions triangulated across more than one source of information.

Contribution was difficult to apportion during the evaluation as the evidence to support contribution was limited. Anecdotal change was described but evidence was often difficult to obtain from reviews or project reports and summaries.

Overall perceptions of the contribution of the Paris Declaration were combined with a two sector study in Infrastructure and Health.

A wide range of data sources were accessed for the Evaluation. These included primary sources such as: Aid programme recipients, deliverers, planners, designers. Representatives from a range of organisations and sectors such as government officials, aid agency officials and civil society members also participated. Secondary sources of data include national and sector level statements, policies, strategies and plans, Parliamentary reports, political analyses and reports, programmatic design and implementation, academic research, media report and donor conditionality policies and agreements.

## 1.6 Limitations and Constraints

The Cook Islands National Evaluation Coordinator, Aid Management Division and a range of stakeholders were very accommodating in providing available data in a timely manner. Nevertheless there were some limitations and constraints to this evaluation which were as follows:

- Poor information systems for collating or aggregating Aid related data and information. Most documents are electronic however they were not collated into a central information management database for ease of access.
- Utilisation of in country consultants/contractors who had competing priorities and emerging conflicts as the study progressed.
- Limited experience of in country consultants/contractors with international evaluation projects.
- Unavailability of key stakeholders due to competing demands or travel overseas.
- Relatively short time frames and scheduling conflicts resulting in literature reviews being undertaken whilst interviewing was commenced.
- Poor outcome data on sampled projects.
- Difficulty accessing “donor” views due to the majority of donors based outside of the country.
- Changes in donor status and new and emerging donors such as China. China is a new and emerging player to the Cook Islands development programme. They provide no support to the health sector, but significant amounts to the infrastructure sector. The growing relevance of assistance from China and its future implications with respect to the continued implementation of PD/AAA and presence in the Pacific is yet to be established.

A database of challenges and risks established by the Cook Islands Country Evaluation Team during the evaluation was regularly reviewed. Challenges and risks were of an administration nature and more importantly related to availability of data and access to participants at the country level.



## Cook Islands country findings on the common evaluation questions

### 2. KEY FACTORS relevant to the implementation of the Paris Declaration in the Cook Islands

**Q1: “What are the important factors that have affected the relevance and implementation of the Paris Declaration and its potential effects on aid effectiveness and development results?” (The Paris Declaration in context)**

#### 2.1 Development Context

From 1888-1901 the Cook Islands was a British Protectorate. From 1901 to 1965 the Cook Islands was under the administration of New Zealand. The Cook Islands became a ‘State’, or self-governing country, in July 1965 in ‘free association’ with New Zealand. This gave the Cook Islands Government full executive powers, whereby the Government can make its own laws, but New Zealand cannot make laws for the country unless authorised by Government. This special relationship confers rights and obligations on both New Zealand and the Cook Islands. Cook Islands people have New Zealand citizenship and unrestricted access to residence and work in New Zealand and, by extension, Australia. Under this special relationship, the Cook Islands Government determines its own economic, social and development aspirations. While the Constitution provides for New Zealand to be responsible for defence and some aspects of international relations, this can only be enacted upon request by the Government of the Cook Islands. The Government is responsible for, and is fully competent, to enter into international agreements and conduct its own international relationships.

Over the past 10 years the Cook Islands has continued to mature as a state. In 2001, the Governments of the Cook Islands and New Zealand clarified their responsibilities through the adoption of a *Joint Centenary Declaration* on the principles of their relationship. This declaration provided for the development of a Cook Islands international personality within the framework of the free association status.

Since self-government, the level of self-generated national revenue for the Cook Islands has steadily increased compared with donor flows. Up until the early 1990s, New Zealand provided untagged support to supplement the Cook Islands budget. This was phased out and replaced by grant aid and technical assistance. Multi-year programme strategies were developed to provide the framework for this assistance. Even with the Cook Island’s decreasing reliance on New Zealand’s aid, the effect of this special relationship on aid effectiveness progress has been both positive and negative. While many New Zealand agencies support their counterparts in the Cook Islands, other development partners tend to defer to New Zealand’s perceptions of Cook Islands development.

The Cook Islands has a Westminster parliamentary style of government, similar to that of New Zealand and England. Parliament consists of a single chamber of 24 elected members, 10 of whom are from the main island of Rarotonga and the rest are from the outer islands.

The political system is a two party system with some independent members of Parliament. The outer islands are administered by Island Secretaries, in addition to their own mayors and island councils. The Cook Islands Government, at times, has seen changes in key figures and leaders but remains very stable as a form of Government. Political reform has been on-going, albeit at a slow pace, and since a 1998, the Political Reform Commission made wide ranging recommendations for the restructuring of the Parliamentary system. The Government has implemented a number of reforms including anti party-hopping legislation; a reduction in the parliamentary term from five to four years; and removal of the overseas seat. Strategies to promote integrity and good leadership continue and current debate is focused on a referendum to further reduce the number of MPs.

The economy of the Cook Islands is amongst the strongest in the Pacific Region. However, the impacts of the Global Economic Crisis have had negative impacts on the economy with trading revenue not reaching levels expected during 2008 and 2009. The average annual growth rate of net GDP for the country declined from 1.1% in 2005 to -1.1% in 2007. This reflects the decline in returns from the business sector as both local Cook Islands people and tourists are more cautious with spending. It is hoped that with the global environment coming out of the recession, and unemployment levels slowing, the Cook Islands can expect an increase in tourism spending, and thus economic activity should improve for the Cook Islands. The Cook Islands economy is expected to continue to grow, but at a relatively low rate of foreign investment has recently slowed, and fishing and pearl farming remain weak (Asia Development Bank Report 2008)

In response, the Government in the 2009/2010 budget focused its efforts on initiatives that will stimulate the economy. Additionally, the government in 2010 has begun a review of welfare payments with a view to better target those more vulnerable and in need (MDG report 2010).

Extreme poverty does not exist in the Cook Islands and, as such, the Cook Islands have not yet developed a national definition of poverty. The Cook Islands continues to use the Asian Development Bank's (ADB) definition of poverty.

***“Poverty (or Hardship) is an inadequate level of sustainable human development, manifested by a lack of:***

- *Access to basic services*
- *Opportunities to participate fully in socio-economic life of the community; and*
- *Adequate resources (including cash) to meet the basic needs of the household, and or customary obligations to the extended family, village, community and/or church.”*

***ADB Definition of poverty***

In 2009, 15 percent of the resident population received no income and 21 percent had income of less than NZ\$5,000 per year. There is disparity in income earning opportunities between the outer islands and Rarotonga. The average income of people in Rarotonga is \$15,700, more than double that in the Southern group (\$7,200) and Northern group islands (\$7,800) (MDG Report 2010).

Two percent of the population fails to meet the basic food poverty line (HES, 2006). Although few people appear to be going hungry, there are indications in the expenditure patterns of the poorest households that many people may be getting inadequate nutrition, particularly in Rarotonga. This may be especially the case for children in Rarotonga where the traditional diet of ‘home grown’ food or seafood may not be readily available in household diets as in the outer islands.

Twenty eight percent of the population cannot meet basic needs for a decent standard of living. Households in the Northern outer islands fared better than the Southern outer islands. However this is a reflection that the population's expectations of basic needs differ, and that in Rarotonga there is an apparent level of consumerism. This also reflects the level of subsistence living in the outer islands and particularly the traditional distribution networks of the Northern group who are more self-sufficient in food supply and less reliant on purchasing basic needs than the southern group and Rarotonga.

“*Te Kaveinga Nui*”, the Cook Islands long development vision to 2020, includes its first three year National Sustainable Development Plan (2007-2010). *Te Kaveinga Nui* has undergone comprehensive community consultations and incorporates the views of all sections of society. It summarises the Cook Islands' national development vision as:

***“To enjoy the highest quality of life consistent with the aspirations of our people, and in harmony with our culture and environment”***

The NSDP is a three-year plan with two more documents planned for subsequent five-year periods to 2020. The current NSDP aims to build a sustainable future that meets economic and social needs, without compromising prudent economic management, environmental integrity, social stability, the Cook Islands culture, and the needs of future generations. The second draft NSDP is expected to be completed in 2010. The NSDP relies on the effective implementation of eight priority goals. These include:

- Education, health and other social services.
- Law and order, and good governance.
- Innovative private sector-led economic development.
- Sustainable management of the environment and natural resources.
- Basic infrastructure to support national development.
- A safe, secure and resilient community.
- A foreign policy that meets the needs and aspirations of Cook Islanders.
- National development planning, evaluation and monitoring.

Given the short timeframe of the current NSDP, not all strategies will be achievable in the first three years. It is expected that some strategies will move forward into subsequent plans. The process of prioritizing the NSDP is ongoing and involves establishing the building blocks of robust planning, performance, monitoring and evaluation. Almost all Aid activity is strongly aligned to the identified NSDP broad priorities as articulated in the NSDP Plan.

The public sector environment has changed since an economic reform programme was introduced in 1996. The economic reform programme included public sector reform and introduced three key Acts of Parliament, aimed at strengthening public sector accountability and governance. These were the Ministry of Finance and Economic Management Act 1996 requiring fiscal discipline and increased accountability on the Heads of Ministries; the Public Service Commission Act requiring performance assessments between Heads of Ministries and the Public Service Commissioner; and the Public Expenditure Review Committee (PERCA) Act establishing an independent public expenditure review committee to assist with the Audit Office.

Effective governance in the outer islands remains a challenge and limited economic opportunities have restricted the achievement of equitable development. Outer Island Administrations administer most services in parallel with the elected Island Councils or '*Konitara*'. This situation has, at times, resulted in a lack of coordination between the various administrative arms of government. The effects of political influence, policy inconsistency, poor parliamentary oversight, together with isolation, communications challenges, lack of skilled personnel and other related factors, have further compounded the challenges faced by the outer islands. This situation is common to many Pacific countries with dispersed populations.

**Table2: Characteristics of the Cook Islands Development Context**

1. **Human development indicators** – Life expectancy is high at 71 years, births average nearly 1 child per day, infant mortality is low at 3.8 per 1,000 (2008) live births, 99% literacy rate of 15-24 year olds. 28.4% cannot meet basic needs for a decent standard of living.
2. **Social indicators** – Resident population 14,200 Annual growth rate of 0.9%. National indicators demonstrate positive results in gender equality but the disparity between progress on equality for women in Rarotonga and the outer islands remains.
3. **Economic features, issues trends** – Growth in Real GDP has declined from 1.1% in 2005 to -1.1% in 2007.  
Per Capita GDP has risen from US\$8,562 in 2005 to US\$9,308 in 2009 an increase of 8.71%. CPI % change per year has also increased from 2.5% in 2005 to 6.6% in 2009. Current Account balance (as a % of GDP) was 11.5% in 2005 and is 4.7 % in 2009 a more positive trend
4. **Governance and Fragility**– Cook Islands showed highest ratings among seven Pacific countries for good governance indicators; overall governance, government effectiveness index 0.56, regulatory quality index .73, rule of law index .48 and regulatory quality index .73.
5. **National development strategies** – The first three year National Sustainability Development Plan is in place 2007 – 2010. An update for 2011-2014 is currently under development.
6. **Organisation of Government** – Democratically elected Government 4 year terms.
7. **Resource mobilization patterns** – Total Overseas Development Assistance (ODA) disbursements in 2009 were as follows:  
The Total GDP \$236.2m (NZ\$) Total allocated ODA was \$21m (NZ\$) in 2009. Therefore the real GDP to ODA was 8.9%. This is a downward trend since 2001 when ODA was 21% of GDP. In relation to total expenditure this was \$12.3m which equates to 5.2% of GDP. However, in the 2009/2010 year ODA was expected to increase to \$30.2m an increase of 43.8% from the 2009 year and could represent a trend back upwards as a % of GDP. (Millennium Development Goals Report 2009)
8. **Capacity development** – Capacity has improved in the management of donor aid.
9. **Health sector** – Improvement in health indicators, marked progress against the MDGs, alignment between NSDP priorities and Health Strategic Plan.
10. **Infrastructure Sector** – improved sector management, improved government utilities, challenges remain in telecommunication and transport costs.
11. **Millennium Development Goals** expected to be met by 2015.

***Finding 1: (Q1a of the Matrix) what are the key characteristics of the country that have been most relevant to the implementation of the Paris Declaration?***

Since the Economic and Public Sector reforms in the 1990's the Cook Islands Government have made strong progress in strengthening the economic sustainability of the country. As part of this work, the recognition that external assistance has, and continues to play a role in this progress, has been a major factor in the establishment and strengthening of the Aid Management function. A number of initiatives have seen the development of structural tools to support the strengthening of Aid management including the development of the National Sustainable Development Plan, the establishment of an Aid Management Division and the introduction of a number of legislative reforms including the introduction of the Ministry of Finance & Economic Management Act, The Public Service Act, and the PERCA Act. As a Small Island Developing State the Cook Islands are committed to ensuring that all Aid contributed by a sizable pool of development partners is efficiently and effectively delivered.

## **2.2 Pre- and Post-Paris Declaration Trends**

A review of over 100 documents, project reports, Government reports and participant interviews demonstrates a history of the Cook Islands emerging from, primarily New Zealand budget support, to a more independent and self-governing state. As the Public sector reform process was implemented the Cook Islands Government developed some principles of independence which were already well established prior to the Paris Declaration. These included **ownership** by the Government as a representative of the people of all development activities; **alignment** with priorities that are determined by the Government and consistent with the needs of the country; and **managing for results** and **accountability** for all Government activity and expenditure. Finally, the principle of **partnerships** has been a well understood principle in the Cook Islands and indeed in the region between Pacific institutions, agencies and countries.

The establishment of the Aid Management Division as part of the 1990 reforms began a process to explicitly resource and prioritise the Aid management function. In February 1996, Cabinet approved the amalgamation of the Ministry of Economic Development and Planning and the Treasury Department into a Ministry of Finance and Economic Management (MFEM), and established an Aid Coordinating Committee of the Cabinet. The Aid Coordinating Committee was supported by the Aid Management Division of MFEM. Alongside these changes legislative changes also were undertaken, with the passing into legislation of the 1995/96 Ministry of Finance and Economic Management Act, the Public Service Act (since reviewed in 2009) and the PERCA Act. This legislation was targeted to specifically strengthen fiscal management, accountability for public money and performance of the public service.

The 2005 Paris Declaration **principles** were consistent with the preferred approach that the Cook Islands Government took in relating to donor assistance. The principles were a comfortable 'fit' and well understood, though they were not always attributed to the Paris Declaration itself. This enabled the Cook Islands to utilise the Paris Declaration framework as a tool for improving development effectiveness. The signing of the declaration in 2006 by the Cook Islands reflected the trend already present 'in country'. This was further reinforced during the Pacific Leaders Forum in Palau in 2007 where the '*Pacific Principles of Aid Effectiveness*' were adopted by all Pacific forum countries including the Cook Islands and in 2009 with the signing of the '*Cairns Compact on Strengthening Development Coordination*'.

The development of the "*Te Kaveinga Nui*" National Sustainable Development Plan, in 2007, has continued the trend of ownership and leadership by the Cook Islands Government in improving aid management. This is currently being updated for the next five year period.

In 2007, the Cook Islands Budget Policy Statement identified some additional guiding principles for Overseas Development Assistance which included:

- Consistency with national and sector policies for development.
- Contribute to the attainment of Government Outcomes.
- Contribute to the objective of becoming self-reliant.
- Only be used where there is good expectation that activities become self-funding.
- Not lead to an increase in the size of Government.
- Contribute to an increase in the net physical assets or human capital.
- Produce equitable development opportunities.
- Aid funds are channelled through the Government process not managed offshore.

In 2008, the Aid and Capital Coordinating Committee was replaced by the National Sustainable Development Commission (NSDC) as the Government authority to determine the allocation of aid funds in accordance with national priorities for development and consistency with donor criteria.

There is a perception from the stakeholders (90% of survey participants) that the Cook Islands Government leads Aid coordination with donors, and those donors responded to the government's leadership (90%).

The Overseas Development Assistance (ODA) trends show an increasing amount of donor assistance. The Total GDP \$236.2m (NZ\$), Total allocated ODA was \$21m (NZ\$) in 2009. Therefore the real GDP to ODA was 8.9%. This is a downward trend since 2001 when ODA was 21% of GDP. In relation to total expenditure this was \$12.3m, which equates to 5.2% of GDP. However, in the 2009/2010 year ODA was expected to increase to \$30.2m (NZ\$), an increase of 43.8% from the 2009 year which could represent a trend back upwards as a percentage of GDP (Millennium Development Goals Report 2009)

Amounts projected for 2010 are \$39.5m (in NZ\$) which includes \$6.5m UN Partners (of which FAO is \$5.1m), \$0.15m EU Partners, Pacific regional Agencies \$3.6m, Bilateral partner's \$29.25m and NZAP \$6.5m roll over from 09/10. The single largest donor is the New Zealand/Australian harmonisation programme \$23.2m (NZ\$)

in 2010. The largest sectors in the Cook Islands are Infrastructure \$11.5m, Economic \$6.9m and Social Service Sectors \$9.4m.

In terms of forward aid programming, the Aid Management Division of the Cook Islands Government reported that ODA allocated and expended were at a high percentage and at acceptable levels on international terms. The following is an indicative table based in \$US.

**Table 3: Forward AID Programme Allocation against Expenditure Trend**

Forward AID Programme	2001/2002	2005/2006	2009/2010
Allocations (US\$)	\$5.2m	\$8.5m	\$9.95m
Expenditure (US\$)	\$4.6m	\$5.4m	\$9.1m
Expenditure Ratio	90%	64%	92%
Under Expenditure (US\$)	\$0.5m	\$3m	\$0.4m

(Source: Aid Management Division, MFEM Cook Islands: 2010)

In the MDG report, Goal 8 is to “Develop a Global Partnership for Development”. Based on allocation trends to sectors and overall ODA percentage of GDP, ODA is predicted to continue to decline. However it is expected to remain below 10% of GDP.

**Table 4: ODA Flows of GDP and Sector allocation trends from 2001 to 2008 as Percentages**

Indicators	2001	2008	Will indicator be met by 2015	Source of data
<b>8.1 Net ODA</b>	21%	8.9% of Real GDP	Decline in ODA	Ministry of Finance and Economic Management
<b>8.2 Proportion of total bilateral, sector – allocable ODA of OECD/DAC donors to basic social services (basic education, primary healthcare, nutrition, safe water and sanitation)</b>	Education 9% Health 10% Works 4% Outer Islands 31% Miscellaneous 46%	Education 20.25% Health 6.62% Works 3.3% Outer Islands 20.0% Miscellaneous 47.83%	Likely	Ministry of Finance and Economic Management

The donor/agency landscape is such that New Zealand has remained a constant presence as the only mission based in-country. Other donor relationships are managed through remote communication and limited face to face contact. Despite these off-shore constraints, the government’s relationship with its Development Partners is relatively close and important, including with relatively new entrants such as China.

China and India are the two major emerging donors in the Cook Islands. China, as a non-traditional development partner is becoming an increasingly important contributor to the development in the Cook Islands. An issue with the emerging donors is the absence of data related to the Cook Islands. Neither China nor India responded to a request to participate in the Evaluation. A review of documents showed that the main focus of China’s aid assistance was primarily in infrastructure development with some technical cooperation. In 2006 a China Pacific Island Countries Economic Development and Cooperation Forum was held in Nadi which agreed to a partnership for economic and trade cooperation. Seven Pacific countries were signatories to this including the Cook Islands.

The shape of aid to the country has shown some changes since the Cook Islands signed up to the Paris Declaration in 2005. There has been an increase in government loans. Project and programme based approaches remain the main aid delivery modalities supplemented with technical cooperation. There is an increasing trend towards targeted and full budget support.

In 2010/2011 financial year it is predicted that ODA will total NZ\$39,512,000. There is limited information on extent of Development Partner support to Civil Society including the Private Sector. Data does capture some civil society funding such as the Global Environment Fund –Small Grants Programme, NZAP/AusAID support via a small grants scheme, NGO core funding and infrastructure and India grants to Civil Society. This amounts to approximately NZ\$2.1million.

**Finding 2: (Question Q1c Matrix) What has been the place of aid subject to PD principles among all sources of development finance and resources? What have been the trends?**

The Paris Declaration confirmed the approach that the Cook Islands Government was developing and has provided, along with the *Pacific Principles of Aid Effectiveness* and the *Cairns Compact*, an international and regional context for Aid effectiveness reform over the past 4 years.

The Overseas Development Assistance has been decreasing as a percentage of GDP, up until 2009, and is expected to increase again in 2010. While the percentage of ODA against GDP has generally been decreasing, the actual amount of funding has increased over this period. ODA is a notable component in the economic and development context of the country.

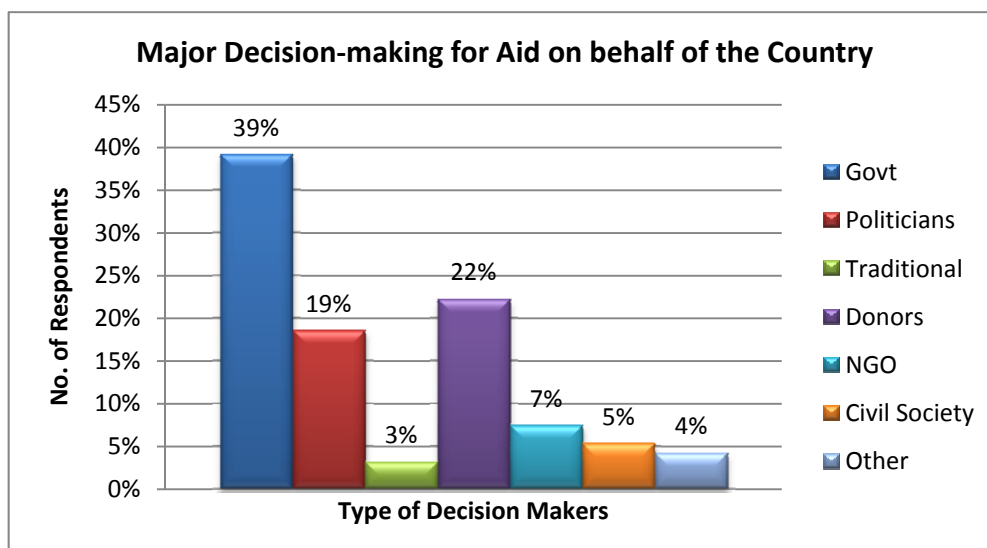
New and emerging donors such as China have entered a relatively small and stable pool of donor partners with one dominant partner (New Zealand). Over the past 10 years the donor partners have changed with increased support from traditional partners and an increasing presence of new partners such as the European Union and China. New partners are more focused on the infrastructure sector.

**2.3 Key decision-making actors**

There are a number of key actors involved in making decisions on Aid. The Cook Islands Government, political leaders and development partners are considered to have a major role in aid decision-making, with Civil Society members having little involvement.

The Cook Islands Government, development partners and those who are actively involved in aid management are mostly aware of the Paris Declaration. Other actors are familiar with the general principles in the Paris Declaration but do not necessarily attribute the principles to the Declaration. The survey identifies that 67 percent of participants have some knowledge/full knowledge of the Paris Declaration. Seventy three percent have knowledge of aid effectiveness principles.

**Graph 1: Key Decision makers**



## Cook Islands Government Ownership

Key actors of the Cook Islands Government are comprehensively described within the revised draft Aid policy (2009). The key actors of the Cook Islands Government are as follows:

**“Cabinet** at the political level has the final sign off on the strategic allocation of aid funds within the Cook Islands. Cabinet approve aid programmes based on the **National Sustainable Development Commission’s** (NSDC’s) recommendations. It is intended that the main role of the NSDC is to provide sound strategic advice to cabinet on the allocation of national resources and development aid to all sectors of the economy; and to ensure that all allocations align to:

- The implementation of the National Sustainable Development Plan 2007-2010
- Existing sector plans
- Any regional and international obligations

The NSDC consists of high ranking representatives from the Cook Islands Government, and serves as the forum for dialogue on coordination of aid to the Cook Islands, harmonisation of donor support, strategic planning and articulating government priorities. It is intended that the NSDC ensure the successful implementation of the Budget Policy Statement and the Medium Term Budgeting framework under current development.

The NSDC secretariat is the Office of the Prime Minister (OPM) and Cabinet which acts as a conduit for information from the Aid Management Division. The NSDC provides policy guidance to the Aid Management Division based on the priorities established by NSDP.

The **Aid Management Division (AMD)**, as a division within the Ministry of Finance and Economic Management (MFEM), functions within the strategic and operational interface of Government, Civil Society, and development partner’s respective aid effectiveness agendas. AMD is intended to be the focal point for all donor activity in the Cook Islands. It is intended that all donor funds are processed through AMD so that aid is accounted for in the Government’s budgetary process.

AMD is responsible to the Government and Donor for the monitoring of the program and project objectives; and for the use of aid resources, including assets purchased by aid funds. AMD is the designated executing agency for aid funding and, as such, is primarily responsible for the planning and overall management of donor programmes. This includes reporting, accounting, monitoring and evaluation of programmes. AMD is responsible for the monitoring of the implementing agencies to ensure they comply with Government and donor conditions. AMD also ensures that funds are disbursed in a timely process and according to the Cook Islands Government Financial policies and Procedures Manual (CIGFPPM) The AMD presents donor proposals for aid funding to the NSDC for consideration based on the NSDP.

The **Ministry of Foreign Affairs and Immigration (MFAI)** is the initial contact point for all donors. Political considerations are inherent in all negotiations with bilateral partners, multilateral and regional organisations. One of the key outputs for MFAI is *“strengthened political, economic and socio-cultural relationships”* with international partners. MFAI is responsible for maintaining broad policy dialogue on international relations with our partners. In terms of Official Development Assistance, MFAI is the initial contact point for all donor agencies.

Day to day management of individual initiatives, such as project programmes and technical cooperation, is the responsibility of **Implementing Agencies**. In receiving a government appropriation they may submit proposals for aid funds. The Head of Ministry (HOM) of the agency will have the responsibility for the timely, effective efficient and economical implementation of aid projects that contribute to the delivery of a specified Ministry output. The implementing agency is accountable to the AMD for the quality, timeliness



and effectiveness of the services it provides and the activities it carries out, as well as for the use of funds provided to it.

Overall, the Government of the Cook Islands recognises that effective and efficient utilisation of official development assistance (ODA) is critical to achieving the priorities of the National Sustainable Development Plan. Improving aid effectiveness is a key element in leveraging all aid assistance to benefit the people of the Cook Islands. The Cook Islands Government has developed, over a number of years, a transparent operational structure within government to determine aid priorities and manage and monitor the implementation of aid. The revised draft Aid Policy Statement (2009) identifies the policy context as being shaped by the Paris Declaration principles as well as by the *Pacific Aid Effectiveness Principles* agreed at the Pacific Leaders Forum in Palau in 2007 (Appendix 2 – Volume of Appendices Booklet). This document brings a Pacific context and relevance to the principles by referencing the principles to Pacific Regional strategies, policies, agencies and the Pacific Plan<sup>6</sup> with cultural appropriateness and sensitivity as important factors.

The most recent regional discussion regarding Aid Effectiveness was held during the Pacific Leaders Forum in August 2009, where leaders signed the *Cairns Compact on Strengthening Development Coordination in the Pacific*. The compact aims to strengthen Pacific countries' leadership of their own development agenda, and encourage partners to work more effectively together. Pacific leaders have agreed to review progress on this issue on an annual basis.

**Finding 3 (Q1a Matrix Organisation of Government, Aid Management)**

The Cook Islands Government, as a key actor, shows its ownership and leadership of ODA policy development, planning and monitoring processes have been continuously strengthened, both prior to the Paris Declaration and after it. The Paris Declaration as a positive influence has provided an international framework; the *Pacific Aid Effectiveness Principles* provides a Pacific regional context and the Cairns Compact a more focused regional approach to improved monitoring and outcomes.

**Civil Society**

According to Government policy, Non-Governmental Organisations (NGOs) utilising aid funding are required to comply with the same accountability and reporting requirements as Government agencies. Civil society, as a sector, including the private business community, is a thriving and dominant influence on development. The Private sector is the driving force behind the countries tourism industry, and is an emerging influence on partner programmes, such as fishing tourism (e.g. bone fishing on Aitutaki). In the Cook Islands, with a small community, Civil Society is influential as the separation between Government and community is minimal.

The Civil Society or NGO sector is also substantially led by women, ensuring a gender focus for most programs. The Government recognises the important work that NGOs undertake, in particular in the social sector. The Cook Islands Government has explicitly stated that it will work with NGOs to achieve the strategic goals of the NSDP and encourages an environment that empowers NGOs to participate in the development of the Cook Islands.

**Development Partners**

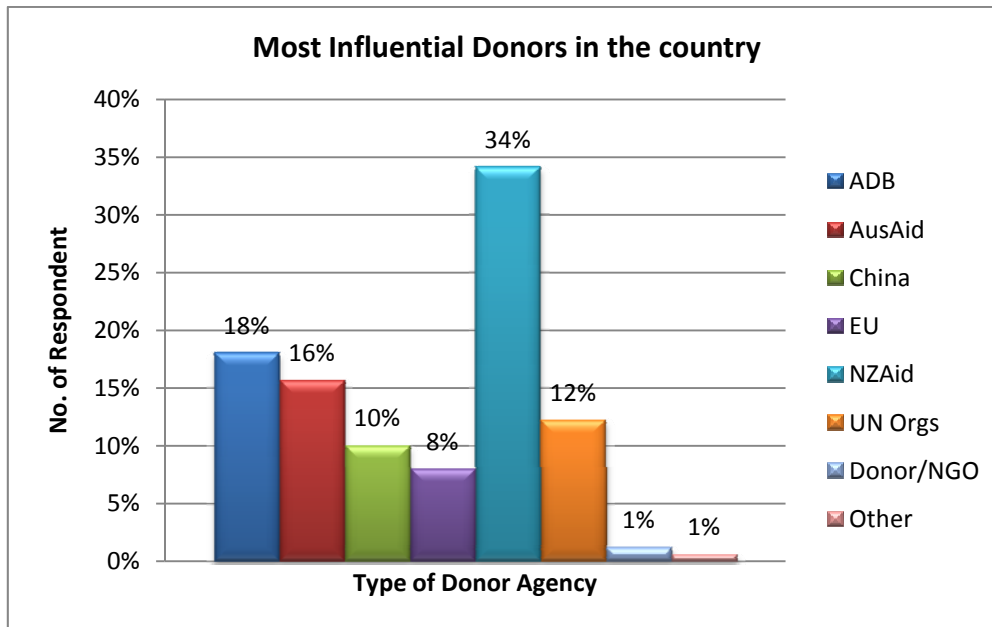
Key actors in Cook Islands development include bilateral, regional and multilateral development partners. The largest individual contributors over the past ten years are New Zealand, Australia and Asian

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<sup>6</sup> www.forumsec.org.fj

Development Bank. China is emerging as a significant non-Paris Declaration donor, with the European Union (EU) also increasing its presence since 2005.

**Graph 2: Most Influential Donors**



Over a third of participants considered that New Zealand’s Aid programme was the most influential development partner, followed by the ADB, AusAID, UN agencies, and then China. Interviews showed that their rankings were determined by the level of aid contributions, and the nature and duration of their relationship with the country and/or sector.

Since the NSDP was produced, Development Partners have increasingly been aligning their aid programmes with Cook Islands priorities, through periodic high-level discussions and meetings held in-country and off-shore. These opportunities for dialogue are informed by Principles of the Paris Declaration and are important in shaping aid effectiveness discussions and agreements.

There is a general view by stakeholders that the Cook Islands Government has made positive progress in strengthening its ownership of the Aid management process and in providing leadership in the determining aid priorities and implementation, both before and after the Paris Declaration.

Changes in the Aid Management function over the past 10 years have included;

- Stronger alignment with national and sector priorities through the NSDP plan and sector plans.
- A change in role for AMD (1998) from a project based division, including implementation and executing ODA to a stronger focus on monitoring and evaluation of Aid activities and a strategic view of the alignment with the Cook Islands Government priorities.
- Improved capacity and understanding of staff regarding Aid modalities and effectiveness.
- Stronger leadership in donor and bilateral meetings.

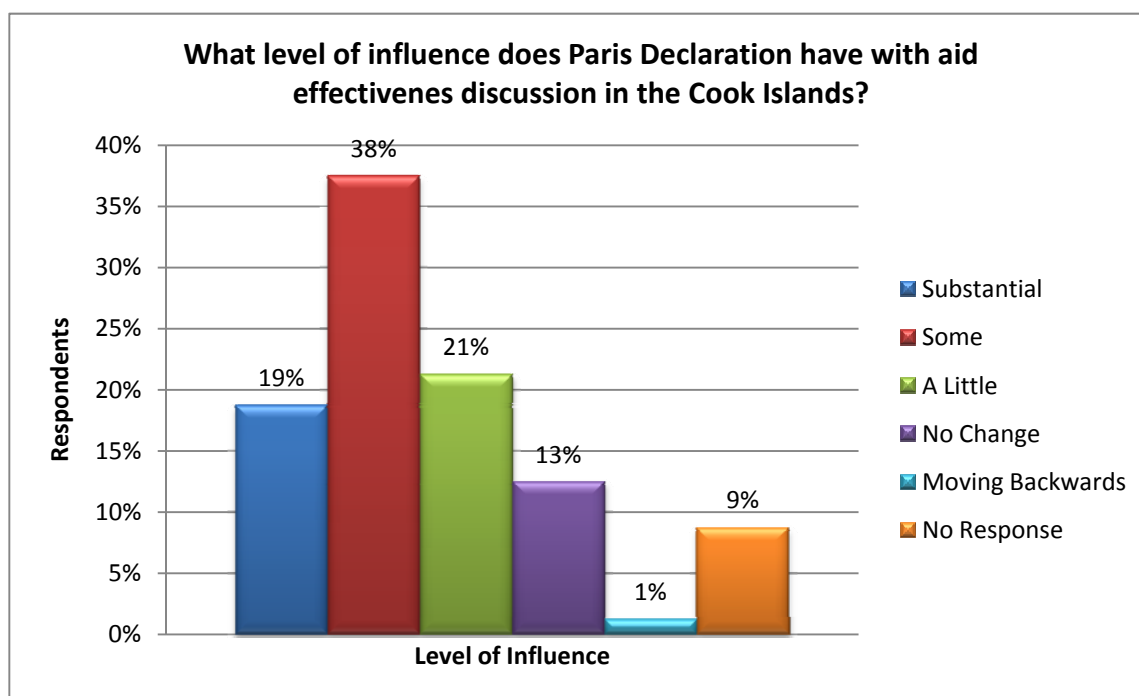
A key event since the Cook Islands Government signed the Paris Declaration was the launch of the NSDP and Preventative Infrastructure Master Plan in early 2007. This was well attended by key stakeholders, including

Civil Society representatives and Development Partners, such as NZAID/AusAID, ADB, EU and a consortium of UN agencies. The EU took this as an opportunity to pledge support to the Pukapuka Cyclone Management Centre and UN agencies carried out an in-country mission as part of the UN Development Assistance Framework.

Overall, there have been improvements in Cook Islands aid management by the Government and development partners before and after the Paris Declaration. The Paris Declaration is considered to have strong level of influence in aid effectiveness discussions. There have been some clearly identified improvements which will be discussed in Section 3 of the report.

Participants in the Evaluation reported that decision making by donors is largely made at the headquarter level. Participants felt that more decision making by donors at country level would improve effectiveness.

**Graph 3: Level of Influence of PD**



**Finding 4: (Q1d Matrix) Who are the key actors, in the country and among its development partners, who take major decisions on aid? What influence do the Paris Declaration and AAA Commitments have on them, in relation to other priorities and incentives?**

The Cook Islands Government continues to make significant progress in strengthening its ownership of the aid management process, and in leading the determination of priorities to ensure alignment with development activities. In order to achieve total country ownership more involvement of Civil Society and the private sector would be beneficial in ensuring a consistent and aligned approach to aid management. Decision making at a level closer to the country is seen by stakeholders as being desirable.

*“Development effectiveness means that countries and agencies are better able to achieve their collective development outcomes, and that they have the right tools at their disposal to measure progress toward those outcomes, report on them, and use the lessons learned to continuously improve performance”*

OECD MfDR Sourcebook 2006



## 2.5 Changes in depth of engagement of government partners

The National Sustainable Development Commission (NSDC) establishes government priorities and the Aid Management Division is the focal point for resource mobilisation and aid coordination within the Government.

The depth of Government engagement is articulated in the revised draft Aid Management Policy (2009) objectives which state the following:

- All donor activities in the Cook Islands will show clear linkages to the NSDP through agreed joint strategies.
- Donor partners will increasingly use local systems and the Cook Islands Government commits to improving local capacity and aid management processes.
- All donor partners will coordinate their assistance through the Aid Management Division of MFEM to enhance opportunities for harmonisation.
- The Cook Islands Government and donor partners commit to managing for results based on NSDP outcomes, achievable monitoring and evaluation frameworks, and a common reporting format.
- The Cook Islands Government are committed to transparency and accountability that incorporates the mutual responsibilities that each party has to each other, their respective parliaments and citizens. This is based on a joint partnership with donors providing comprehensive estimates of aid flows over a 3-5 year period.
- The Cook Islands Government will progressively move to general budget support as government systems improve.
- All donor funded technical assistance is aligned to NSDP and reported on a centralised calendar database before arrival in country.
- All regional and multilateral organisations are expected to comply with the provisions of the aid policy.

Despite changes in the Government actors over the past ten years, there has been a consistent policy approach to improving aid effectiveness from the Government. Stakeholders outside of Government, report that they are largely poorly informed about progress against this objective. This is largely due to the major responsibility being held with the Cook Islands Government therefore Government agencies are aware of progress as it is seen as their core business e.g. Aid Management Division.

Sixty seven percent of survey respondents stated that they were aware of the Paris Declaration; this however does not mean that they are aware of the progress the Government was making in improving aid effectiveness. The opportunities for parliamentary, public and civil society oversight of the budget and aid allocations are limited. One such process is led by Government during annual budget and tabling of the budget in Parliament. Further mechanisms are adhoc. A new development that recently indicated the Government's willingness to widen and broaden the discussion was a current affairs television programme called TURAMA, where the topic of the programme was Foreign Aid, and included discussions with officials, aid development consultants, beneficiaries and donors. This discussion was widely reported in the news and radio media thereby opening up public discussion on aid effectiveness.

## 2.6 Changes in depth of engagement of development partners

Government draft Aid policy states that "Politicisation of aid remains a challenge in the Cook Islands. Donor conditionality still exists and this results in problems of predictability in terms of the volume, quality and timing of aid" (p.2, 2009). Development Aid is often seen as 'A-Political', however, in a democracy, such as the Cook Islands, the Government retains the right to determine country priorities for all development

including Aid. Development partners also retain the right to determine contribution based on their policies and priorities. In the best circumstances these priorities both match.

There are variations in the way that aid relationships operate between Cook Islands, stakeholders, and emerging and established development partners. This includes differences in preferred aid modalities, as well as differences in the extent and level of policy dialogue. New Zealand works towards developing higher order modalities which requires high levels of engagement in Cook Islands domestic policy. This is in contrast to the likes of China and India, both of whom offer project support based on the Cook Islands determined priorities, and therefore require little policy dialogue. A similarity is use of tied aid with China, New Zealand and Australia operating programmes that make use of their own nationals.

“In September 2004, the Cook Islands, Australia and New Zealand entered into a Tripartite Arrangement providing for a 2 year pilot programme (covering the 2004/05 and 2005/06 financial years) for a single co-funded development assistance programme to the Cook Islands” (Crook, p.3,2007). This was the most significant change in donor engagement over the past ten years. Although the arrangement was a pilot it has since continued. An early review in 2007 identified the following issues with harmonisation including:

- The continuing poor standard of project management amongst programme implementers.
- An over estimation of the programmes ability to report against program outcomes.
- Communication errors between parties.
- High staff turnover on the donor side.

The positive points from the review included:

- The sound working relationship between NZAID and AMD.
- Stronger alignment, ownership and coordination of the program with NSDP.
- More resourcing of AMD.
- NZAID recognition of the program being developmental

This arrangement continues today with some improvements resulting from the review. From the donor perspective the arrangement is seen as working and they add the following comments as indications of success of the growing success of the harmonisation programme:

- Increased use of the AMD funds transfer system
- Increased management of contracts by partner agencies
- Better streamlining of contracting
- Increased allocation of aid by New Zealand and Australia
- Reduced transaction costs for the CIGovt
- One point of contact and communication
- Improved information flows from the New Zealand High Commission to AMD

However, Cook Island respondents report that the harmonised programme acts as a barrier for the Cook Islands to deal directly with Australia. The advantage in New Zealand taking the lead donor role is the close association and institutional understanding of the Cook Islands by New Zealand.

Other donors have also demonstrated an improved depth of relationship with a closer alignment to Cook Islands country priorities, increasing willingness to utilise Cook Islands Government mechanisms and an improved “Partnership” style relationship. UNDP have agreed they will work closely to implement the Country Programme Action Plan (CPAP), 2008-2012. As part of this agreement they will use existing Cook Islands Government procedures for managing finances.

Whilst both the Cook Islands Government and their development partners retain the right to determine their relative priorities, the challenge for any successful partnership is to identify the common areas of interest and work together to make an impact in these areas.

Changes in the relationships with donors are best demonstrated by Mr Garth Henderson's comments on a recent TURAMA current affairs program which focused on Aid Effectiveness where he stated:

***“One of the biggest changes we’ve had over the past six years would be the fact that we have a National Sustainable Development Plan. Prior to that , government negotiating teams would go to the table with the donor and we wouldn’t have a sound development plan.....(the plan) these are our needs, this is what we want to do, this is how we want to do it, this is when we want to do it – it becomes a starting point.”***

*Mr Garth Henderson, Manager, Aid Management, Ministry of Finance and Economic Management*

## **2.7 Changes in the depth of engagement and capacity of civil society**

A key principle of the Paris Declaration and *Accra Agenda for Action* is the engagement and relationship with civil society organisations. The Cook Islands Government recognises that NGOs and Civil society are key partners in development and have a complimentary role as aid implementers.

The engagement of NGO's and Civil Society as a formal process has been slow to develop over the past ten years. There is recognition through the Evaluation survey and interviews that this is an area that requires an on-going focus, including the engagement of Outer Island groups. The Cook Islands with its relatively small and interconnected population means that the community is often very aware of aid programs being implemented.

### **Finding 5:**

There have been changes in depth of engagement of government partners as the Paris Declaration, *Pacific Principles of Aid Effectiveness* and *Cairns Compact* have all provided an international and regional framework to support the existing Cook Islands approach. The whole of Government approach ensures that the effectiveness debate is well understood. There have been changes in depth of engagement with development partners in particular with the significant introduction of the harmonisation programme with New Zealand and Australia providing leadership for other development partners. There have been fewer and slower changes in the depth of engagement with civil society, however respondents recognise that this is the next step in deepening engagement.

## **2.8 Important events affecting the implementation of the Paris Declaration**

The Cook Islands had a number of important events affecting the implementation of the Paris Declaration. These are as follows:

### **2.8.1 Changing Political priorities**

Aid effectiveness has been affected by the political priorities of actors including the donor communities. For example, the New Zealand donor priority in the past nine years, up until 2008, was generally focused around the elimination of poverty. Following the New Zealand elections, and change of Government in 2008, the priority more closely aligned with the New Zealand Foreign Affairs policy, and is now focused on “sustainable development in developing countries in order to reduce poverty and contribute to a more secure, equitable and prosperous world”. This revised focus is considered an effective way to reduce poverty and in time to reduce aid dependency. The impact of these changes, where a major donor such as New Zealand is affected, has a substantial impact on NZAID investment decisions, which were reviewed for their ‘fit’ to the new priorities. For example, New Zealand have stated that existing commitments will be supported to outer

islands, but that new initiatives will be focused on supporting growth in areas, such as Tourism, and will be prioritised on Rarotonga and Aitutaki.

The challenging nature of the Cook Islands political environment, with changes in key leaders and decision makers, has at times seen ad hoc requests directly to development partners that were not channelled through agreed processes. This requires discipline from all actors including the Cook Island Government officials and development partners.

### **2.8.2 Governance reforms**

The reform of the public sector in the 1990s had a major influence on the ability of the Cook Islands Government to prioritise, direct, and manage development partner relationships. The 1990s provided for the establishment and recognition of the Aid management function. Since 2005, the refinement of 'in country' aid management systems, the development towards a medium term budget framework, and the critical development of the first NSDP, has strengthened the Cook Islands approach to Aid Effectiveness. Finalisation of the revised 2009 Aid Policy will also strengthen the Country's approach. These changes show an increasing understanding of the Paris Declaration approach. The importance of managing for results is beginning to be seen with efforts to develop monitoring and evaluation framework based on the NSDP.

### **2.8.3 Economic conditions**

The 2008 global financial crisis has impacted on the ability of the Cook Islands Government to maintain its revenue through its major industry Tourism and others, such as Pearl exports. This is reflected in the rising costs of essential imports like fuel and food. The ability to attract investment and service the level of debt on current commitments is a burden on the Government. In addition, the commitment to host the Pacific Mini Games in 2009 also added to the Government financial burden with increased debt through borrowing. The Pacific Mini Games provided the opportunity for emerging development donors (e.g. China) to contribute to infrastructure; for example, the new and upgraded sports facilities..

### **2.8.4 Changing relationships with key donors**

The implementation of the NZAID/AusAID harmonisation has been the most significant change in donor relations. New and emerging development partners, who are not explicitly aligned with the Paris Declaration, are also having some influence by providing opportunities for development in areas not usually funded, i.e. sports facilities which have the potential to support new growth opportunities for the Cook Islands economy.

### **2.8.5 Regional Influences**

The adoption of the *Pacific Principles of Aid Effectiveness* in 2007 and the signing of the *Cairns Compact for Aid Development Effectiveness* in 2009 have supported the policy context of the Cook Islands Government approach to aid development effectiveness, and have provided a regional pacific contextual view.

### **2.8.6 Natural Disasters**

The regular occurrence of cyclones and natural disasters has an impact on the effectiveness of aid implementation. Following a disaster the priority becomes the disaster recovery programmes rather than 'business as usual'. It also has an impact on the implementers as capacity can be affected for some time. Aid funding is often re-prioritised into disaster recovery programmes (e.g. NZAID/AusAID bilateral programme under expenditure for 2009/10 allocations), as are staffing resources. This may last for a long period following a disaster which, in turn, delays progress against scheduled programmes.

On the positive side, disasters often provide an opportunity to shift the approach to aid and often provide sharp learning curves for both the Cook Island Government and donors. For example, in 2005 there was no overall national disaster recovery programme during the cyclone season when five cyclones affected the Cook Islands. In 2010, when Cyclone Pat affected Aitutaki, within one month there was a framework for a national response. The response was country led and donors pooled resources. The country was able to commit its own resources and mobilise local resources. Domestic housing in Aitutaki is in the process of being rebuilt by the beginning of the next cyclone season.



**Finding 6:**

The combined effect of internal and external factors inhibits implementation of Paris Declaration and change is limited. Where some factors, such as governance reforms, are enablers, strengthening the country’s ability to lead with confidence in their other systems, such as those for natural disasters, are constrainters for shifts towards Paris Declaration type behaviour.

Important events affecting the implementation of the Paris Declaration include changing political priorities by both development partners and the Cook Islands. Governance reforms – strengthening the accountability mechanisms and capacity of government to manage aid, economic conditions such as the global recession making ODA more critical, changing relationships with donors

**2.9 Extent to which the Paris Declaration has been implemented (1E)**

Following the Cook Islands adoption of the Paris Declaration in 2006, the extent to which each of the five Paris Declaration principles have been implemented are varied.

**2.9.1 Ownership – Mouanga mai**

Prior to 2005, at a Cook Islands Government level the principle of ownership was well entrenched in a policy context. Since then, at an in depth level within the Government and Public sector, the Paris Declaration is only familiar to those stakeholders directly involved as policy implementers or agencies. The survey results indicate that 71 percent of respondents rate “ownership” as the one of three most important principles. At community or beneficiary level, people are not necessarily aware of the Declaration, however, they do agree with the importance and relevance of the principles. Similarly, at an Outer Island level people are not aware of the Declaration but agree with the principles. Changes in development partner approaches also reflect change towards the Paris Declaration, such as use of higher order aid modalities to delivered aligned programmes.

**2.9.2 Harmonisation – Taokotai’anga**

Harmonization is a well-developed principle within the Cook Islands context, largely due to the largest donor agencies from New Zealand and Australia implementing a harmonised programme. There are some issues with the harmonisation process and the lack of access for the CIGov directly to Australian officials. There was some feedback from interviews that there was a perception that harmonisation was a relationship of convenience rather than a true intention. This is not supported by evidence. Both New Zealand and Australia articulate a strong willingness to make the harmonised approach work efficiently and effectively to meet the needs of the Cook Islands. This is a relationship that continues to develop and lessons continue to be learnt along this journey.

***“Harmonisation is donor focused rather than Country focused ...if you have alignment you don’t need harmonisation....”***

*Respondent from the Government sector*

**2.9.3 Alignment – Aka’aiteite**

Development partners agree that alignment with country priorities is important. Seventy three percent of survey respondents report this is an important factor in the effectiveness of aid program. The development of the NSDP has been a key component in the on-going success of increasing alignment with country priorities. Alignment is seen at broad and strategic levels, but not necessarily reflected at operational levels with increasing use of country systems and processes. Alignment within the more detailed levels of programmes could still be improved.



#### 2.9.4 Managing for results – Akatere’anga kia rauka te puapinga

At a strategy level there is a focus on a ‘Managing for Results’ approach. At a programmes level, most continue to focus on process indicators rather than outcomes indicators. There are poor information systems and weak monitoring frameworks which make it challenging to identify outcome results and, in most cases, indicators. The development of capability, within country and within programmes, to comprehensively understand, implement and monitor programmes with a view on outcome indicators rather than process indicators, remains challenging in developed countries, particularly in the context of small island states such as the Cook Islands.

#### 2.9.5 Mutual accountability – Akatere’anga tau tikai

The Cook Islands Government is acutely aware of its accountability for Overseas Development Funding. The financial and audit systems in place in the country help support this principle. Respondents have reported that accountability could be improved through more transparency, and a better information strategy to inform the community at large of the aid funding, programmes and results. Donor accountability is also an issue, with comments from Evaluation respondents regarding the lack of information from donors on strategy, policy and programme objectives and performance. For example, the change in NZAID policy and the impact on the agreed New Zealand AID Cook Islands country strategy was not clearly and transparently understood. Most donors do not report on ‘under-spends’ in their country budget allocations. It has been suggested that donor ‘report cards’ would be helpful. Differing perceptions and expectations for Government and development partners about what is intended also creates a bottleneck to change.

#### FINDING 7:

Paris declaration principles are well entrenched in the Cook Islands national strategy and policy frameworks and were already being developed prior to 2005. In depth understanding is limited to those who work actively in the aid development sector such as Aid Management Division and implementers. Development partners’ show increased strategic, but limited operational engagement, with the Paris Declaration principles since 2005. At a broad community level Civil society and NGO’s support the principles but may not recognise them as being connected to the Declaration. In the Outer Islands people are not aware of the Declaration.

#### 2.10 Summary Conclusions on the Paris Declaration in Context

In relation to the Cook Islands the status and relevance of the aid effectiveness of the Paris Declaration is strong, whereby the Paris Declaration confirmed the approach that the Cook Islands Government was developing and has provided, along with the *Pacific Principles of Aid Effectiveness* and the *Cairns Compact*, an international and regional context for Aid effectiveness reform over the past four years. Some of the key factors in the relevance and implementation of the Paris Declaration have been the on-going focus of the Cook Islands Government is the establishment of the **Aid Management Division, a National Sustainability Development Plan, and some legislative reforms.**

Since the 1990’s the Cook Islands has made strong progress in strengthening economic sustainability. External assistance has played an important role in this progress and the development of the economy per se. As a Small Island Developing State, the Cook Islands are committed to ensuring that all Aid contributed by a sizable pool of development partners is efficiently and effectively delivered.

The Cook Islands Government has demonstrated its ownership and leadership of ODA policy development by continuously strengthening ODA planning and monitoring processes both before and after signing of the Paris Declaration. The Paris Declaration is a positive influence, providing an international framework, while the Pacific Aid Effectiveness Principles provide a Pacific regional context and the Cairns Compact a more focused regional approach to improved monitoring and outcomes.



The Cook Islands Government continues to make significant progress in strengthening its ownership of the aid management process and in leading the determination of priorities to ensure alignment with development activities. In order to achieve total country ownership, more involvement of civil society and the private sector would be beneficial for ensuring a consistent and aligned approach to aid management. Decision making at a level closer to the country is seen by stakeholders as being desirable.

While there have been changes in depth of engagement of government partners for the Paris Declaration, Pacific Principles of Aid Effectiveness and Cairns Compact these tools have provided an international and regional framework to support the existing Cook Islands approach. The whole of Government approach ensures that the effectiveness debate is well understood. There have also been changes in depth of engagement with **development partners**, in particular, with the significant introduction of the harmonisation programme with New Zealand and Australia providing leadership for other development partners. There have been fewer and slower changes in the depth of engagement with Civil Society, however, respondents recognise that this is the next step in deepening engagement.

Important events affecting the implementation of the Paris Declaration include changing political priorities, by both development partners and the Cook Islands. Governance reforms – strengthening the accountability mechanisms and capacity of government to manage aid and changing economic conditions such as the global recession making ODA more critical and changing relationships with donors

The Paris Declaration principles are well entrenched in the Cook Islands national strategy and policy frameworks and were already being developed prior to 2005. In depth understanding of the Paris Declaration is limited to those who work actively in the aid development sector such as Aid Management Division and implementers. Development partners' show increased strategic, but limited operational engagement, with Paris Declaration style since 2005. At a broad community level, Civil Society and NGOs support the principles but may not recognise them as being connected to the declaration. In the Outer Islands people are not aware of the declaration

## Recommendations

### Improving Aid effectiveness functions.

As a Small Island Developing State the Cook Islands remains committed to ensuring that all aid delivered in the Cook Islands is effective and efficient. Since the Public Sector reforms in the 1990s, the Cook Islands Government has made significant progress in strengthening the economic sustainability of the country. As part of this work the recognition that external assistance has, and continues to play, an important role in this progress has been a major factor in the establishment and strengthening of the Aid Management function.

To assist in achieving national development outcomes, the aid effectiveness architecture has been developed. This includes Te Kaveinga Nui, the National Sustainable Development Plan (NSDP), the establishment of an Aid Management Division, and the introduction of a number of legislative reforms (including the Ministry of Finance & Economic Management Act, The Public Service Act, and the PERCA Act).

As aid flows have increased and sectors have mobilized, the operational mechanism and systems have not kept pace with the associated demands of effective aid management. Attention is needed to improve the human and institutional capacities for implementing aid information management systems, monitoring, evaluation and reporting, financial management, and procurement systems.

In order for the Cook Islands Government and its stakeholders to meet their respective commitments to the Donor agencies under the *Pacific Principles of Aid Effectiveness*, the *Cairns Compact* and the Paris Declaration principles, concerted efforts are needed by the Cook Islands and its partners.

- 2.10.1 It is recommended that the Cook Islands government continue exercising its leadership in the aid effectiveness agenda and adopt its revised draft Aid policy and set about resourcing and implementing its objectives.**
  
- 2.10.2 It is recommended that Development Partners initiate with the Cook Islands support to improve aid relationships with increased harmonized efforts in the process of delivering, using, managing and accounting for aid. This includes making greater use of local systems, reducing fragmentation and use of high level aid modalities.**

### 3. EFFECTS OF PARIS DECLARATION IMPLEMENTATION ON EFFICIENCY OF AID DELIVERY

**Q2: "To what extent and how has the implementation of the Paris Declaration led to an improvement in the efficiency of aid delivery, the management and use of aid and better partnerships?"**

This section discusses the current aid relationships at a national level and the progress to date, towards outcomes. The discussion focuses on three key areas: Cook Island's ownership over development; building more inclusive and effective partnerships for development; and delivering and accounting for development results. The overall conclusion is that there has been *some progress* since 2005.

#### Cook Islands Ownership over Development

In determining the Cook Island's ownership over development we have examined three core areas: National strategies and operational frameworks; increased alignment of aid and measures; and standards of performance and accountability.

#### 3.1. Stronger National Strategies and Operational Frameworks

##### Government lead in Aid Coordination

Overall there is a perception that the Cook Islands takes a strong role in aid coordination and leadership, with 90 percent of Evaluation survey respondents considering that the Government leads in aid coordination with donors. The Cook Islands Government have been pro-active in developing the National Sustainable Development Plan (NSDP) to assist themselves and Aid Agencies to co-ordinate their Aid funding in alignment with the Cook Islands Government strategic priorities. The Cook Islands Government have processes and structures in place at the national level, as well as some at sector level (e.g. an Infrastructure Committee who focus on Infrastructure projects and developments). However, while the Government provides leadership and ownership, it does have some constraints and issues of coordination, scope, capacity, capability, and political influence. Capacity related to individuals, organisations and systems was an identified limitation to the Government continuing to develop its leadership role in coordinating donors. Increased skills and knowledge, clearer policy direction at Ministry, sector and national levels, would ensure aid effectiveness is better institutionalised and coordination continues to improve.

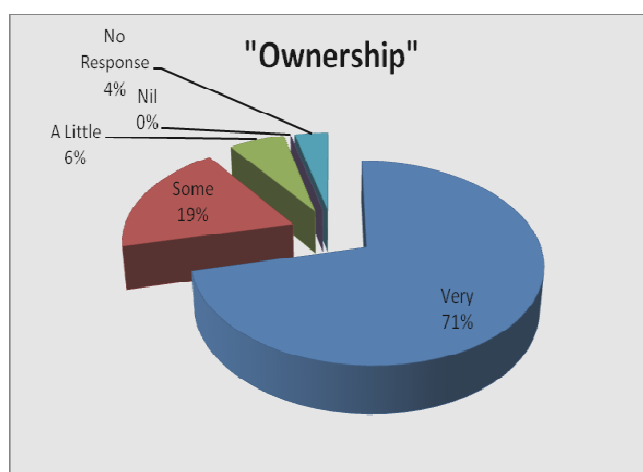


Figure 1 - "Ownership"

##### National Development Strategy

The first National Sustainable Development Plan (NSDP) covered the 2007 to 2010 period, with the second NSDP currently under development for the 2011 to 2014 period. It sets out clear goals and priorities with results orientated strategic priorities and 'bankable programmes' linked to the development of a Medium Term Budget Framework (MTBF). A recognized issue by central government agencies for the NSDP is that it is not fully costed and is yet to be fully integrated into the MTBF. The Treasury division of MFEM is working

towards this which includes trialing a 15 year forecasting model. Line Ministry annual budgets and business plans are aligned to the NSDP through the annual budget statement. In the 2010/2011 budget process each Ministry of the Government is required to identify Aid contributions in their business plans. While the Cook Islands Government has an Annual Budget process, the Cabinet decision making process gives limited consideration to the fiscal implication. For example, in 2008 the Education sector have in place a 20 year plan which was endorsed by Cabinet without any long term budget forecasts attached to the plan. This is an area that the Government is working to address. Through the interviews and research we found no evidence of increased monitoring and scrutiny of NSDP progress, however in the 2010/2011 year, it was mentioned in the budget tabled for debate in parliament. The Aid Management Division does report annually on performance through MFEM to the Government.

***“NSDP is a starting point, a work in progress, and should be kept at the forefront of National development”***  
*Quote from an interview participant*

### **Fully Consultative Processes(Including Civil Society, Women, People with Disabilities and Outer Islands)**

Since 2005, the Cook Islands Government was already engaged in the process of consultations for their first NSDP, and again they have done this in the second NSDP consultation process. Specifically they have consulted with Sector forum(s) held in the 2009 and 2010 years which will feed into the NSDP (2011-2014). While this is a good signal from the Government, of its intention to provide good community consultation, and input into the NSDP, there were some mixed views on the quality and the extent of these consultations, as well as input into the points of the decision-making process. For example, CSOs and outer island authorities who seek to work in partnership with the government, question the value of their involvement in the consultations if they are not included in the allocation of resources to meet the identified priorities.

Consultation is seen by respondents as important, but the usefulness is questioned by the respondents if there is no ongoing accountability on progress around matters discussed in the consultation process. There is a perceived lack of accountability back to the constituency in progress reporting, with over 60 percent of Evaluation respondents seeing little or no change in Government accountability back to its citizens. Improving this would assist in increasing the quality of input and confidence from key stakeholders on progress to date against the NSDP goals. Fully consultative processes are not just the domain of the Government. There is also an expectation by Civil Society that development partners engaging with Civil Society in developing programmes are also accountable with similar processes for consultation and reporting back.

### **Gender Equality, Human Rights, Disability and Environmental Sustainability.**

In terms of responses to the international commitments on Gender, Equality, Human Rights, People with Disabilities, and Environmental Sustainability, there is sufficient evidence again that shows information systems provide gender disaggregated data. There are Gender and Development Index (GDI) and Gender and Empowerment status (GEM) data gaps, and similarly with the Disability sector, where the Ministry of Internal Affairs now maintain a register. It is not clear how this feeds into national data for NSDP. This is not explicitly linked to outcome results data.

The Cook Islands is seen as clearly leading the aid coordination process with donors. Despite not being fully costed and fully integrated with a MTBF, the NSDP is a comprehensive national development strategy document. Further development is needed in taking Government leadership further with increased capacity and policy direction. Increased monitoring and scrutiny by parliamentary processes is needed. Fuller consultative processes need to be developed that clearly establish the purpose and extent of the consultations with key stakeholders such as Civil Society groups representing women, people with disabilities, the private sector and the outer islands. More intentional communication from Development

partners with Civil Society would be beneficial in terms of measuring in-country Aid Effectiveness. The challenge for the Cook Islands will be to incorporate its intent to engage with Outer Island stakeholders and Civil Society into its monitoring framework.

**FINDING 8:**

There has been some strengthening of national strategies and operational frameworks since the Paris Declaration was endorsed by the Cook Islands Government in 2006. There is good progress in leading aid coordination in terms of the NSDP framework. This provides a starting basis for input at a country strategic level, by development partners and measuring progress against goals. However, the NSDP has not been costed at a high strategic level and this limits the Government's ability to determine and predict expenditure. More consideration around long term budget planning implications could be considered, analysed, then finalised to set clear goals and forward budget commitments, and to see better development progress. Government leadership alone, as an element of country ownership, in itself is not enough to improve aid delivery efficiency. While consultative processes are in place and done well by the Cook Islands through the NSDP framework, the Cook Islands and its development partners can be more proactive in providing progress reports directly back to Civil Society, NGO and Outer Islands level, and through its Parliament.

### **3.2 Increased Alignment of Aid with Cook Islands national priorities, systems and procedures.**

Since the launch of NSDP in 2007, development partner country, or programme strategies and project documents show links to NSDP priorities. This increased alignment by development partners of aid with Cook Islands priorities are also linked to sector plans where they exist. For example, the Infrastructure Master Plans, Health Sector Plan, Education Master Plan and National Environment Sustainable Action Framework (NESAF). Table 5 indicates that through the 2010 budget process, donor contributions are aligned with the administering Ministry or agency.

The information provided in Table 5 correlates to the evidence in the Evaluation interviews and survey questionnaire, which indicate that 62 percent of participants felt alignment was very high. A further 31 percent agreed there was some level of importance around alignment of priorities to funding by donors and recipients with the overarching NSDP Plan. This also coincides with a review of Donor strategies which indicate an increasing trend of alignment to NSDP since its release in 2007. However, financing of the priority gaps are not always picked up by donors. The change in New Zealand's focus provided some anxiety that this would create a gap in support for the outer islands. This concern has not been realized as the Australia and New Zealand programme continues to support infrastructure, governance, health, education and Civil Society activities in the outer islands. The future development focus, however, will concentrate more on Rarotonga and Aitutaki and prioritise Tourism rather than other outer islands.

**Table 5: Sum of Budget AID Allocation 2009/10**

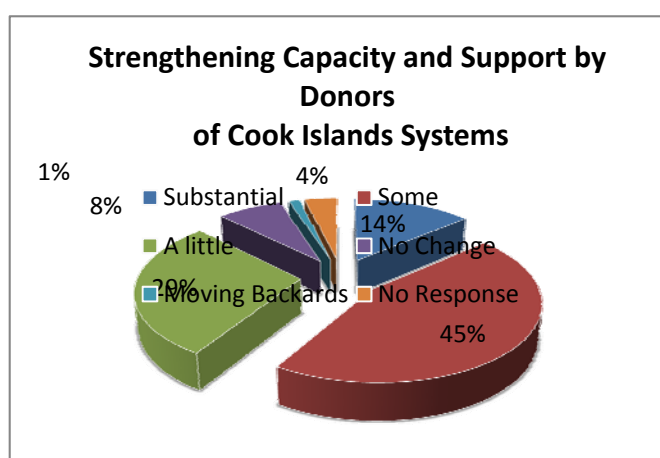
Aid Donor	Total Amount (NZ) \$	Administering Ministry/Agency	Total Amount (NZ) \$
New Zealand/Australia Harmonisation (includes a \$6.5 million roll over from previous year)	23,224,000	Ministry of Infrastructure & Planning	\$11,475,000
FAO	5,134,286	Ministry of Finance & Economics( MFEM)	6,945,571
Pacific Islands Forum Secretariat	2,857,143	Agriculture	6,159,286
ADB	2,090,057	Education	3,500,000
Australia	1,372,000	National Environment Service	1,686,071
China	1,000,000	Health	1,521,613
Aus Defence	612,640	Police	1,442,640
UNDP	496,569	Internal Affairs	1,297,057
India	471,429	Office Public Service Commissioner	1,164,000
WHO	468,249	Marine Resources	844,500
SPC	461,653	Red Cross Society	830,000
SPREP	291,429	Cook Islands Investment Corporation	800,000
UNEP	171,429	National Human Resource Development	600,000
UNFPA	161,711	Unallocated	514,000
European Union	150,000	Office of the Prime Minister	462,000
SOPAC	128,000	Foreign Affairs	150,000
NZ Defence	120,000	Cultural Development	78,000
OECD/DAC	117,000	Business Trade and Investment Board	42,998
Italy	107,143		
Unesco	78,000		
<b>Grand Total</b>	<b>\$ 39,512,736</b>	<b>Grand Total</b>	<b>\$ 39,512,736</b>

Source AMD 2010

**Increased use by donors/agencies of country systems**

The Office of the Prime Minister reported that “most” donors are aligned to the NSDP. While we see a stronger alignment with national strategic priorities through the NSDP, there has been little increase in its use by donors of country systems and procedures. The use of country systems varies from donor to donor. Overall, 75 percent (the target is 90 percent) of development partners use the Government’s financial management systems, for all or part of their programmes. This includes using the AMD system or line Ministries or Government agencies to manage budgets, approve and make payments and carry out reconciliations of expenditure. The survey data (Figure 2) indicates that only 14 percent thought there had been substantial improvement in Government systems. The majority of survey respondents felt that little or some improvement had been made.

The majority of survey respondents felt that little or some improvement had been made. Donors reported that they have limited trust of Government systems, but agree that there have been



**Figure 2 : Strengthening Local Cook Islands Systems**

Donors reported that they have limited trust of Government systems, but agree that there have been

improvements in Government systems over the years. Despite the relatively high number of development partners using public financial management systems, the Evaluation found no evidence that there is a real increase in the use of the Cook Islands procurement and financial management systems. The notable exception to this is the harmonized Australian and New Zealand programme, which channels much of its assistance through Cook Islands Government systems. In addition, there is evidence that, in some programmes (e.g. Infrastructure); the Cook Islands Government has expressly requested that the donor (NZ) manage the responsibility for procurement, due to a lack of capacity within Government. This is consistent with the Paris Declaration as a key role of leadership/ownership is to manage the implementation, which may include delegating activities such as procurement. Table 6 sets out the development partners and the systems they generally work through i.e. Aid Management Division and/or their own and/or others.

**Table 6: Development Partners Use of Financial systems – Cook Islands**

<b>Development Partner</b>	<b>Use Local/Own Finance Management Systems</b>
1. New Zealand/Australia Harmonisation	AMD
2. FAO	Agriculture
3. Pacific Island Forum Secretariat	Own
4. Asian Development Bank	Own
5. Australia	AMD/MMR
6. China	CIIC
7. Aus Defence	Own
8. UNDP	AMD
9. India	AMD
10. WHO	Health
11. SPC	Own
12. SPREP	NES
13. UNEP	NES
14. UNFPA	Health
15. European Union	AMD
16. SOPAC	Own
17. NZ Defence	Own
18. Italy	AMD
19. UNESCO	AMD





**A framework and/or manageable set of indicators drawn from the NSDP & progress reviews from which donors derive their conditions.**

There is a single framework from which donors can derive conditions. A basic Monitoring and Evaluation Framework was drafted in 2008 against the NSDP has targets & indicators. However, the OPM’s review in 2009 identified that there are monitoring and evaluation weaknesses in the NSDP Monitoring and Evaluation framework. These included the absence of accurate data in some sectors; lack of full exploitation of available data/storage and reporting; lack of capacity and resources to analyze relevant data; and lack of coordination in the data gathering, analysis, documentation, and reporting, both within and among agencies, and between agencies and development partners. These issues are currently being addressed.

There has been some effort on the part of donors to develop joint frameworks. For example, the NZAID/AusAID Joint Country Strategy was developed using NSDP indicators and then was supplemented with additional measures. However it was recognized in the *Crook Review* (2007), that implementing partners struggle with the most basic monitoring and evaluation concepts. Monitoring plans have not always been written into project designs by development partners or the Cook Island Government; again, this is changing as both the Cook Islands and donors recognize the need for evaluation and monitoring of all projects.

**Support for capacity building of country systems.**

Over time there has been an increasing support for capacity in the building of Country systems. A range of capacity building support has been provided by development partners since 2005. These are linked to NSDP with explicit objectives and initiatives in development partner strategy and programme documents. There is a focus on developing country systems; for example, the ADB 2008-12 Country Partnership Strategy describes, under its non-lending products and services, a diagnostic analysis of Public sector performance and financial management systems and capacity that is linked to NSDP, and further develops country systems. As indicated there is still room for improvement and capacity building.

In terms of Technical Assistance provided by development partners, this can vary from donor to donor, depending on the specific projects or funding allocations. Technical Assistance is an important factor in supporting sustainability of programmes; for example, “Gap Filling” where capacity is not available, and “Short term advisors” where a long term role is not necessary. The Asian Development Bank generally provides Loans to the Cook Islands Government for specific projects and, as part of these projects, a certain level of Technical Assistance (TA) is provided. The ADB is an example of a type of Donor agency that cooperates with CI Govt to strengthen the effectiveness, quality, and sustainability of the services it provides through the provision of Technical Assistance.

**Table 7: Asian Development Bank’s Loans to the Cook Islands: 2009 Loan, TA, and Grant Approvals**  
(\$ million - US)

Loans		TA	Grants	Total
Sovereign	Non-sovereign			
10.0	-	0.6	-	10.6

There was limited data available to establish aid flow percentages across all donors using local procurement systems for technical assistance (local or overseas by sector or skills. It was reported that this is due, in part, to a lack of response on the part of donors to AMD requests for such information for at least two financial years.

Another view expressed in the Evaluation interviews was that development partners tended to utilize their own procurement systems, and favour engaging overseas expertise. Cook Islands stakeholders view the building of in country capacity and capability to provide technical assistance can positively affect the medium- to long-term effectiveness of aid initiatives, including its country systems.

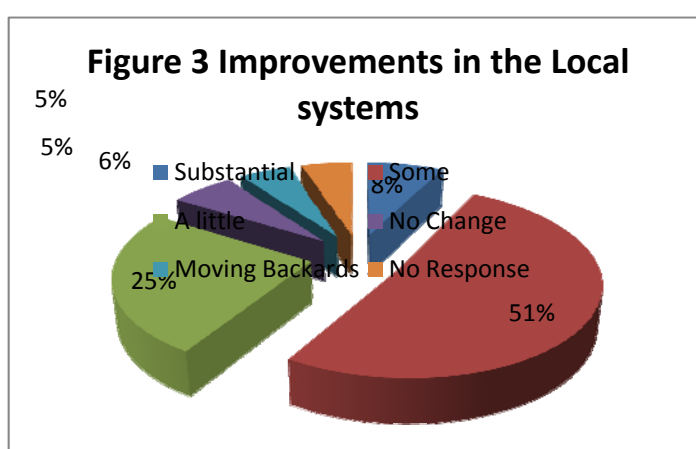
There is alignment by development partners of aid with the Cook Islands NSDP, and financial management systems, and assistance provided to strengthen capacity is clearly articulated. However, there is little evidence to show that this alignment is increasing. Further effort is needed to develop and capture the intentions of development partners in an aid information management system.

### 3.3 Measures and standards of performance and accountability.

#### Strengthened Financial Management capacity

There is evidence, from Government agencies, of diagnostic reviews and assessments being undertaken in some sectors such as education and environment. Evidence indicates the need to continue to strengthen the local financial management and procurement systems with capacity issues a key concern. Figure 3 shows that only 8 percent of those interviewed considered that the local systems had substantially improved. Most saw some or little improvement. Evaluation interviewees noted that operational and capacity concerns, such as policy and controls, were in place but the issues lay with noncompliance at an implementing Ministry level, poor quality information on aid flows and sources, and limited general accounting capacity.

The Cook Island Government indicated that a Public Expenditure Framework Assessment (PEFA), supported by the EU, will be undertaken in the first quarter of 2011. A functional review of the public service is also planned and supported by the ADB. This is expected to increase development partners' use of government systems as well as improve the management of aid programme by government agencies.



#### Strengthened National Procurement systems

The existing tender process established following the 1990 reforms provides for vetting of all tender decisions to ensure compliance with Government procurement policy. The PEFA is expected to review national procurement systems. There is evidence from the Audit Office which shows an increasing number of unqualified audits across Ministries and Agencies. As the highest standard of accountability, this is a positive indication of improvements being made; however, some sectors still require significant improvements.

#### Increase use of mutually agreed processes to carry out diagnostics, develop fiduciary reforms & monitor implementation

The PEFA can be considered a diagnostic tool for ensuring that the fiduciary standards of development partner and Cook Island investments are agreed. As another example, the AMD looked into establishing an Aid Information Management system, which was estimated to cost US\$500,000. While it is important to establish such a system to ensure more efficient management and accountability of the aid function, it will be equally important to secure a system that balances benefit with investment. Ongoing development of implementation tools, reporting systems, accountability and a monitoring and evaluation system would strengthen what is currently in place. It is recognised that more investment in the aid management function, system and processes is desirable to enable the ongoing development of a more effective and efficient management of the aid flows in the future.

Development partner use of financial management systems and assistance provided to strengthen capacity is clearly articulated. However, there is little evidence that this alignment is increasing, particularly with regard

to procurement. The Cook Islands Government shows evidence of clearly defined measures and standards of performance and accountability within its systems. Further effort is needed to develop and capture the intentions of development partners in an aid management system.

**FINDING 9:**

There has been an increased alignment by development partners of aid with Cook Islands national priorities as articulated in the NSDP. These are broadly consistent at a sector level however some development partners remain reluctant to use country systems and processes. The figure of 75 percent of donor funding utilising country systems could be misleading as the NZ/AusAID harmonized program accounts for the majority of this allocation. The inability of Aid Management and the Cook Islands government to accurately monitor and report on the aid flows has contributed to the lack of confidence in the system. Development partners contribute to this undermining of confidence in not providing aid flow information to the Cook Islands Government.

Investment in an aid management information system, strengthening of financial management systems, clarity from donors with regard to multi-year commitments, alignment of funding to NSDP with clearer accountability systems of reporting, improved aid disbursements, and a monitoring and evaluation framework, will improve and strengthen Aid effectiveness over the medium- to long-term.

## **B. Strengthening More Effective Partnerships**

### **3.4 Less duplication of efforts and more cost-effective donor activities**

#### **Use of Comparative Advantage**

New Zealand and Australia have traditionally supported development in the social sectors and have a comparative advantage over other development partners<sup>7</sup> in these sectors. Support with public infrastructure and disaster response and recovery has also been provided. The ADB, as the only international finance institution working with the Cook Islands, have engaged in economic and financial reforms, and urban infrastructure, including water supply and waste management. The ADB continues with its loans and technical cooperation approach is in infrastructure and public sector policy reform. The EU programmes have been in education, infrastructure and support to Civil Society.

China, as a relatively new development partner, has picked up 'one-off' physical infrastructure projects and offer soft loan options, along with the ADB. Since 2005, we have seen changes as New Zealand and Australia continue with social sector support and increase their assistance of economic development initiatives and waste management, primarily through grants. Evidence suggests, overall, there is little leadership by Government in mapping the divisions of labour and the use of development partner's comparative advantages to rationalise aid efforts. There are examples of donors conducting some analysis in preparing their programmes.<sup>8</sup> Guidance on this is articulated in the draft Aid policy.

The Aid Policy framework as noted previously needs to be completed. While development partner efforts are generally seen as not being duplicated, there has been a general trend of understanding, through policy analysis by Government and development partners, about which national priorities and initiatives are picked up by whom. This also includes analysis and co-ordination by AMD, through the NSDP, to avoid duplication of efforts. This is mainly due to NZAID/AusAID being harmonised and representing an estimated 62 percent

<sup>7</sup>P17 Asia Development Bank (2008) Country Partnership Strategy 2008 -12, ADB Manila.

<sup>8</sup>Table A1.5 Development Coordination Matrix in Country partnership Strategy 2008 -12, ADB, Manila.

of all Aid flows into the Cook Islands. Other donors are project or sector specific in their engagement, despite not necessarily being harmonised with each other. The NSDP assists with this process.

### **Increased delegation to lead donors for the execution of programmes, activities & tasks**

There is little evidence from Evaluation interviews and document reviews of progress, by donors, towards increased delegation to lead aid initiatives on behalf of other development partners. This appears to be ad hoc and led by development partners' inclination, rather than clearly directed through government policy. NZAID/AusAID has the delegated cooperation in place for day to day management, largely due to the fact that it is the development partner represented in country. The ADB initiated a cost sharing technical assistance activity with the NZAID/AusAID programme. The harmonised programme is considered to be primarily focused on bilateral assistance with AusAID participating in strategic level dialogue.

Comments from the Evaluation interviews indicate a source of frustration with other development partners who do not have delegated authority or an in country presence to make decisions. This can cause delays through the development activity cycle as development partner officials wait on decisions from their Home-Countries or agencies. Clearly, consideration of implications such as these for the Cook Islands, as the partner country in executing delegated programmes, must remain central.

### **Reduced fragmentation overall, by sector.**

Fragmentation between development partner strategies and the Cook Islands is less evident. The existence of a sector plans or sector management documents and the co-ordination of needs and assistance based on these sector documents are considered helpful in reducing fragmentation. Our evidence and analysis shows this is happening to some extent by lead Ministries in some sectors, such as Education and Health. It is not fully developed and integrated across all Ministries. An example of where a sector plan helps guide investment is the Health sector. The Health sector has well established sector plans. It is supported by a planning and funding mechanism, and has a monitoring and evaluation strategy embedded in its operations, as indicated through reporting against MDG and population health indicators to the Government. Development Partner efforts in terms of numbers of joint contracts and funding arrangements are minimal with the NZAID/AusAID arrangements the most significant given its proportion of ODA.

Overall, apart from New Zealand and Australia, there is little effort being made to lessen duplication and develop more rationalised and cost effective development activities. Given the relatively small number of key development partners and the size of ODA, it may not be such an onerous task for partners to engage in.

## **3.5. Reformed and simplified donor policies and procedures move collaborative behaviour.**

There has been little progress towards increasing joint field missions, country analytical work and diagnostic reviews. It has been difficult to obtain evidence to show the total numbers of all donor field missions that are joint. It was also difficult to establish the number of field mission undertaken by all development partners in any one year. However, there is collaboration between donors with the UN Agencies which under the UNDAF have joint annual review visits. There are also joint high level programme discussions held through the NZAID/AusAID arrangement. This is the kind of information that could be included in the Aid Information Management System (AIMS).

### **Common or Harmonised arrangements amongst donors for planning, funding, disbursements, Monitoring and Evaluation and reciprocity to Government on donor activities and aid flows**

Again there are few examples of shared missions and analytical work and joint and/or common arrangements but the perception from the respondents is that it is increasing somewhat. An example of moves toward more joint missions is the joint approach by ADB and New Zealand and Australia in the infrastructure sector. Efforts are being made by donors to work more collaboratively.

### **Strengthened incentives for harmonisation, alignment and result orientation**

While there is little evidence available, perceptions from respondents in interviews, surveys and focus groups indicate that incentives for harmonisation, alignment and result orientation have been increasing over recent years. However, as indicated in other parts of this evaluation, there is an opportunity for greater progress to be made with the development of the next NSDP. Communities and sectors are currently engaged with Government in various sectoral and thematic planning discussions. This engagement is an opportunity to improve and strengthen systems of accountability, reporting and monitoring and evaluation frameworks as well as an opportunity to increase alignments efforts by development partners. Little progress has been made with harmonisation, alignment and result orientation.

### **3.6 More predictable and multi-year commitments on aid flows to Cook Islands**

#### **Increased support of Aid being committed through Multi-year frameworks**

Some progress has been made by development partners to set out their indicative commitments within multiyear frameworks. Our review of donor strategies, show indicators and allocations of three years to five years as proof of longer term strategies. In actual fact, the multiyear frameworks are not 'rolling' three years. They are part of a three year cycle which means at the end of the cycle the predictable commitment can be two years or less. However, this has not previously been the case for some donors such as China. We note that, as a development partner, China is changing in its relationship, and the Chinese loans indicate a commitment to long-term engagement with their recent offer of support for roads and water (\$30million). The use of the NSDP in 2007 to 2010 has started the process for the clearest example of a multi-year framework. However stronger policy development from AMD for the Cook Islands government would set the scene for Donor agencies to comply with the Government's strategic direction.

#### **More timely and predictable aid disbursements.**

There is little evidence to determine if the percentage of aid released according to schedules has increased. However, interviews identified examples of development partner's failure to deliver disbursements according to agreed schedules. At the operational level, delays in the release of funding are attributed to implementation issues, competing demands and limited capacity. Examples cited included delays through correcting errors, lost documentation, staff absences and new staff unfamiliar with systems and processes.

It is important to note that historically the percentage of aid flow of GDP had decreased from 2001 to 2009 as indicated earlier from 21 percent in 2001 down to 5.2% in 2009. However, the Aid spend is on the increase for 2010 year increasing to \$30.2m and then \$39.5m for the 2011 year. Also Aid Management Division was reporting a 92 percent expenditure spend in 2008. This is in contrast to perceptions from interviews and document review of reported underspends in expenditure against budget in the NZAID/AusAID programme. There is no doubt that there are delays in planning and implementing development activities and actions are taken to address these delays. In the main Aid funds are utilised well with some areas open to improvement. A related issue is the timing when development partners confirm their aid flows. The annual national budget process begins in February in time for the 1 July – 30 June financial year. The ability for the government to establish quality information on aid flows in budget preparation process is hampered by the timing of when partners can confirm their allocations.

Overall, some progress has been made by development partners to ensure more predictability and multiyear commitments to aid flows are established and delivered to. Governments' ability to plan and appropriate these commitments into national budgets is still constrained due to commitments made outside of annual budget setting timeframes.

### Strengthened incentives for harmonisation, alignment and result orientation

Again, there is little evidence from interviews and document review; however, perceptions from respondents in interviews, surveys and focus groups indicate that this is increasing. Please note as indicated in other parts of this evaluation that there is acceleration with development of the next NSDP (2011 to 2014) and the development of sector planning through Government forums currently taking place. This is an opportunity to improve and strengthen systems accountability, as well as reporting, monitoring and evaluation frameworks. This will strengthen Aid Flows in the Cook Islands and improve Aid effectiveness.

### 3.7 Sufficient delegation of authority to donors field staff, and adequate attention to incentives for effective partnerships

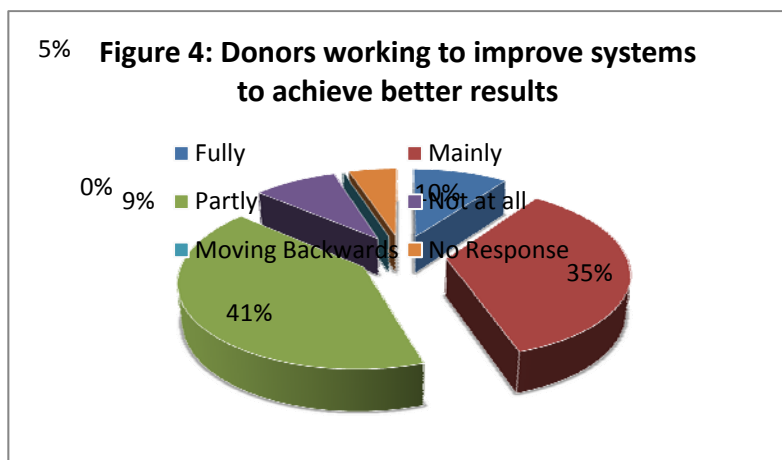


Figure 4 shows the Evaluation survey results indicate that development partners are working to improve systems to achieve better results. A small percentage (10%) believe the systems are fully working, while most believe that systems are mainly or partly working. In contrast, interviews with donor field staff showed that insufficient delegation to donor field staff does not allow them to make more timely decisions. Interviews with key government and stakeholder agencies also showed frustration with development partners who do not

have delegated authority, in country, to make decisions. This can cause delays through the development activity cycle as development partner officials based in country or off-shore wait on decisions from their home office. However in the NZAID/AusAID programme, there is evidence of a strong commitment to increase the number of field staff on the ground as the allocation has increased. The UNDP have also committed staffing resources in-country to assist with coordination of its programmes. The EU has recently changed its private sector based programme management approach to locating the resource within the AMD. Little evidence was available to establish if donors’ performance frameworks referenced effectiveness against Paris Declaration principles. Overall, across all development partners, there appears to have been some progress towards ensuring delegated authority to field staff or access to technical staff is readily available.

### 3.8 Integration of Global programmes and initiatives into Cook Islands broader development Agendas

Global programmes show a degree of integration. This includes the GEF and GF for HIV/AIDS and TB as examples. The inclusion of these funds is increasing as preparation towards the next NSDP takes shape and sector consultations and forum take place.

### 3.9 Stronger Cook Islands Capacity to plan, manage and implement result-driven national strategies

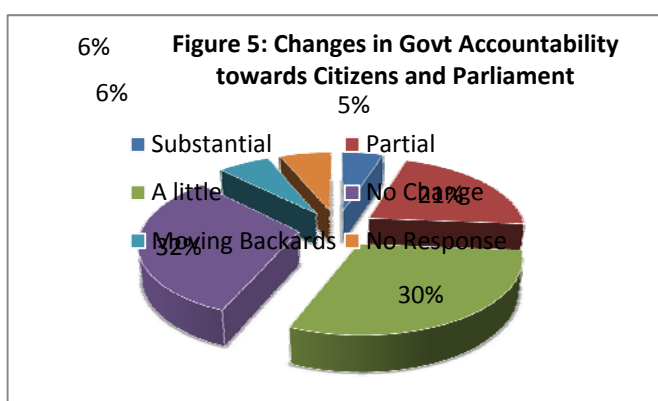
Since the NSDP was launched in 2007, the Cook Islands is at the early stages of developing results orientated reporting and assessment frameworks for assessing the impact of its strategies. Technical cooperation is delivered through programmes that are aligned to NSDP goals and strategies. This includes sector plans and policy. There is limited data available to establish the percentage of donor-capacity development support.

**FINDING 10:**

Overall the progress by development partners towards building more inclusive and effective partnerships for development has been mixed. While there is little evidence of progress in less duplication and rationalising of their efforts being led by the Cook Islands Government, more can be done to set up harmonized arrangements. The Cook Islands Government has difficulty in meeting international measures and standards of performance accountability, largely due to the lack of financial resource allocated to the aid management function. Evidence from interviews and survey data indicates a need for improvements, and the level of Aid flows have increased but are being managed with no additional resource. There remains weak institutional capacity and capability, with a particular weakness in financial monitoring and reporting. The public sector reforms have gone some way to developing the policy context, however, the operational context remains weak. This provides a clear platform for development partners to target their efforts towards more deliberate and collective commitments which ensure predicted aid flows schedules are met, and that operations foster joint missions and activities that support Cook Islands capacity to deliver its NSDP results. The Paris Declaration principle of Harmonisation plays a part in building more effective aid relationships.

**C. Delivering and Accounting for Development Results**

**3.10. Enhanced Accountability to Citizens and Parliament**



Overall the approach taken to report to stakeholders, in-country, is limited and ad hoc. The Evaluation Survey data indicates that over 60 percent of respondents see little or no change in Government's accountability. Through the interviews and review of documents we found no reports on NSDP progress tabled in parliament on a regular basis. However in the 2010/2011 year, the NSDP Progress report was included in the budget tabled for debate in parliament. Audit reports are also tabled in parliament for public debate. However, the AMD does report annually

on performance through MFEM to the Government. AMD accounts are audited annually with the Audit office in the process of completing audits for 2007/08. A special audit was undertaken in 2009 to examine concerns of under expenditure. The results of this are yet to be officially released.

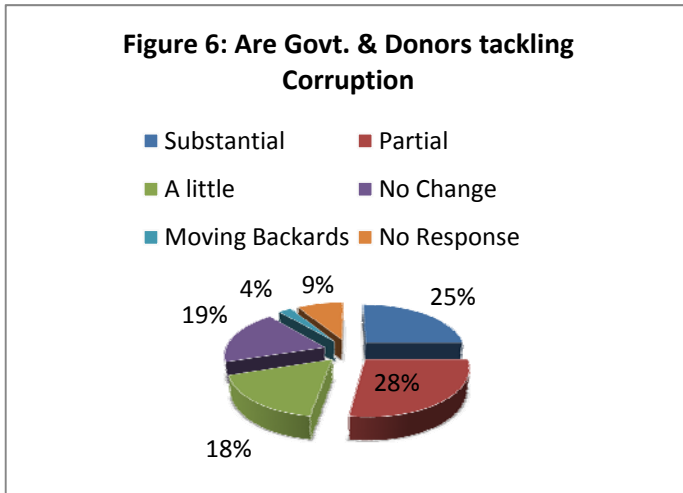
In general, development partners release annual reports on aid activities and flows to the Cook Islands. These vary in their availability and accessibility, with a number being available on agency websites. Development partner reports are not held on Government websites. Interviews with media stakeholders identified there is little public reporting through the media (print, TV or Radio) initiated by development partners and the Government. NZAID was noted as preparing media releases and a factsheet is made available to the public from its diplomatic mission in Rarotonga.

Despite these activities, a key challenge remains for development partners and Government to put in place explicit strategies, such as a legal accountability framework, for the NSDP and communication strategy with outer islands outreach.

**3.11 Transparency and Accountability for Development Results**

In considering the mutual accountability of Government and development partners, survey results noted that 53 percent of respondents indicated they felt there were increased measures taken by Government and donors to tackle corruption.

Interviews commented that the improvements were due to the improved compliance with Government financial management and procurement systems, increased number of special audits being undertaken, police investigations and court prosecutions. There was also a view that the public had increased confidence in the accountability systems, with action being seen to be taken by Government mechanisms acting as a deterrent. Corruption in the Cooks Islands is considered to be at a low level.



Other views from interviews and focus groups noted that there was a strong emphasis on the government’s accountability with little reciprocal accountability on the part of donors. This included donor reporting on disbursements, revenue and budgets and expenditure. This also included the Government having limited access to development agency own audits and performance reviews. Interview participants also commented that there was more concern with accounting for donor funds than Government funds.

**Finding 11:**  
 Transparency and accountability processes and mechanisms have improved since 2005. Expectations from stakeholders are increasing. The Paris Declaration principles of Mutual accountability, and Accounting for development results, play a part in these improvements.

### 3.12 Summary Conclusions on the Paris Declaration implementation process and immediate outcomes

Overall, the progress to improve the efficiency of aid since 2005 has been small but is improving. There has been good progress to improve the management and use of aid through the National Sustainable Development Plan Framework process for Government and key donors. However, we note that while it provides a good starting point for donor partners at a country level it has not been costed out at a high strategic level, which limits the Government’s ability to determine and predict expenditure. Government leadership alone as an element of country ownership is not enough to improve aid delivery efficiency.

Relationships between development partners and the Cook Islands show some increase in collaboration with more work needed to better support the systems development needs of the Cook Islands. At the same time some development partners remain reluctant to use country systems and processes. It is also clear that there can be more done to improve harmonization arrangements.

There is little evidence to support that the *Accra Agenda for Action* (AAA) has triggered acceleration towards transparency and accountability, in respect of progress. However it is more likely the focus by Government will be on its Aid policy and, coupled with the launch of the next NSDP, there are indications that may see



increased gains in relation to the *Accra Agenda for Action*, which was designed to enhance and support the Paris Declaration Principles

The Cook Islands Government has difficulty in meeting international measures and standards of performance accountability largely due to the lack of financial resource allocated to the aid management function. In recent times, as more development aid has increased, the resources to support the aid management function have not increased proportionately.

## **Recommendations**

### **Civil Society and the NGO sector.**

The Paris Declaration principles are well entrenched in the Cook Islands national strategy and policy frameworks. In depth understanding is limited to those who work actively in the aid development sector such as Aid Management Division and implementers. At a decision making level, Civil Society has a role to play to support the sustainability of the aid effort in the Cook Islands. There is no doubt more accountability and communication with all sectors of Cook Islands society is essential to ensure an inclusive approach to achieving development outcomes. This includes sharing information on aid flows, sources of potential support and opportunities to manage and deliver aid initiatives. Improved communication strategies should be resourced. This will allow better awareness of the impact of Aid effectiveness and account for aid performance to Civil Society partners such as the private sector, outer islands, NGOs and marginalised groups. **It is recommend that:**

- 3.12.1 The Cook Islands government and development partners engage with Civil Society in improved accountability and communication strategies on Aid flow and performance.**
- 3.12.2 The Government and Development partners give more consideration around long term budget planning implications should be considered then finalised to set clear goals and forward budget commitments to see better development progress**
- 3.12.3 More Investment is channelled into aid management information systems, strengthening of financial management systems, clarity from donors with regard to multi-year commitments, alignment of funding to NSDP with clearer accountability systems of reporting, improved aid disbursements, and a monitoring and evaluation framework will improve and strengthen Aid effectiveness over the medium to long term**

## 4. STRENGTHENED CONTRIBUTION OF AID TO SUSTAINABLE DEVELOPMENT RESULTS

**Q3: *Has the implementation of Paris Declaration strengthened the contribution of aid to sustainable development results?***

The Paris Declaration (PD) statement of intended outcomes is to increase the impact of aid on: building capacity, reducing inequality, increasing growth, reducing poverty and accelerating achievement of the Millennium Development Goals. These are challenging outcomes to show contribution from the Paris Declaration. The focus therefore is to look at progress towards 'intermediate outcomes' in a sector as a result of Cook Island led and donor supported reform and change. The evidence to assess the contribution of the Paris Declaration to sustainable development outcomes includes survey, interviews, review of data and a sample of sector projects.

### 4.1 Enhancing Results in Health and Infrastructure Sectors

This section examines development activities to identify the extent to which each activity reflects the PD principles, with a focus on managing for results. The focus is on the progress towards 'intermediate' outcomes in the Health and Infrastructure sectors as a result of the Cook Islands Government and development partner supported reforms and changes through implementation of the PD.

A sample of development activities were examined using available documentation from key agencies, i.e. progress reports, strategic plans, annual plans, as well as data from interviews and surveys.

Being able to identify such initiatives in the focus sectors of health and infrastructure that have documented evidence of outcome achievement has been a constraint. The lack of a central Aid information management system has added to the difficulty of being able to access outcome focus data. Nevertheless, the development activities do provide a descriptive view of the PD principles.

The activities are grouped by sector and each development activity is described in terms country ownership, partnerships and accounting for development results. The aid modality and coordination mechanisms, performance monitoring and documented outcome achievements are identified. The section concludes with a comment about the key outcomes achieved.

#### Managing for Development Results

Results-Based Management has only recently been introduced into the Cook Islands national planning and implementation as part of developing monitoring and evaluation frameworks for NSDP, sector plans and development partner programmes. The desire for and development of simple, straightforward frameworks are still ongoing since a readiness assessment was commissioned by the OPM in 2008. This was identified as a key step towards strengthening government capacities to develop and implement results-based national and sector strategies. Momentum has slowed due to competing commitments with the preparation and delivery of the 2009 Pacific Mini Games being led by the Office of Prime Minister. Work is still underway within the central Ministries. Managing for development results is yet to be fully integrated into the aid environment at all levels.

#### Health Sector

Overall, the management of development projects in the Health sector through the Ministry of Health (MOH) is considered to be good. In 2006, the Public Service Commission instituted a Review of the Ministry of Health focusing on improving management and clinical service delivery and infrastructure. The MOH has a

regulatory function in protecting public health. As a thematic and cross sectoral partner the MOH has engaged in environment, water, sanitation. While these partnerships are developing within government and with Civil Society stakeholders, there are no government or development partner led aid-coordination groups operating in the sector, such as formal annual donor roundtable meetings. Donors often relate directly to MOH (e.g. World Health Organisation). With only one development partner based permanently in country, this presents as a barrier to sector coordination with external partners. With the redrafted national aid policy still to take effect, there is no driving incentive for sectors to increase their leadership.

The document review focused on six key areas which included: structure, workforce, monitoring frameworks, financial systems and management reporting, overseas medical referrals, improving strategic partnerships and relationships with donor partners, NGO's and others. The Ministry of Health has a well-developed strategic plan, annual business plan and a number of sector strategies which guide investments in the sector.

Donors in this sector are predominantly WHO and SPC with some assistance from the New Zealand bilateral programme.

Three development activities were examined and supplemented with stakeholder interviews. Two were categorised as a PBA using the OECD definition.<sup>9</sup> None were identified as having involved budget support with two using country systems. The data for these three investments is presented in Table 8 below.

**Table 8: Three Health Development Activities 2009**

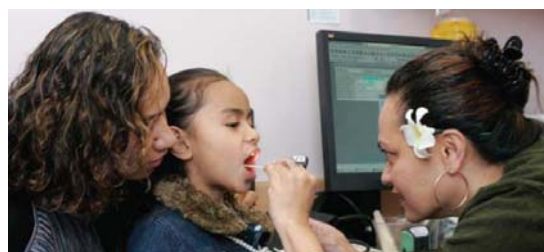
Official Title	Donor	Budget (NZ)	Implementing Agency	Total Budget (NZ)	ODA Type	PBA	PIU Type	Tied Aid	
Pandemic Influenza/H1N1 Vaccine Deployment Plan	WHO NZAID/AusAID	133,000	Ministry of Health	140,000	Grant	Yes	No	No	One off
Pacific Island Regional Multi-Country Programme to fight Tuberculosis <sup>10</sup>	Global Fund HIV/AIDS, TB & Malaria	300,000	Secretariat of the Pacific Community Ministry of Health	300,000	Grant	Yes	Yes	No	Multi year
Health Specialists Visit Scheme	NZAID/AusAID	355,000	Ministry of Health	355,000	Grant	No	No	Yes	Multi year

This Evaluation has made several observations with regard to the sample development investments in the health sector based on the profiles developed and the data extracted.

**Pandemic Influenza/H1N1 Vaccine Deployment Plan**

Jointly supported by the World Health Organisation (WHO) NZAID and AusAID, this is a one off short term activity within the Ministry of Health's Pandemic Response Strategy developed in 2009. This component involves the deployment of the vaccine to immunise 100 percent of the population (over the age of six months). There is a strong degree of country ownership in this project with its objectives aligned to its sector management plan, Ministry

**Health Projects – Check Up and Vaccines.**



<sup>9</sup> OECD definition of PBAs display the following characteristics: (i) leadership by the partner country; (ii) a single, comprehensive programme and budget framework; (iii) a formalised process for donor coordination, and harmonised procedures for reporting, budgeting, financial management and procurement; (iv) efforts to increase the use of country systems for programme design and implementation, financial management, monitoring and evaluation.

<sup>10</sup> Sits within Global Fund HIV/AIDS, TB & Malaria



annual business plan, the NSDP and MDGs. The activity is managed and monitored by the MOH through its Public Health directorate, with funds and procurement managed according to public service policy and procedures. Delegated cooperation arrangements exist between NZ and Australia’s bilateral programmes that readily enable joint work to occur. Both countries also contribute to WHO regional programmes. Decision making authority was delegated to the development partner field staff after initial HQ approval. Although the programme seeks to take measures to minimize morbidity, mortality and negative social and economic impact of an outbreak, monitoring and outcome indicators of this component are easily observed – the outcome measure being 100 percent immunisation rate.

### ***Pacific Island Regional Multi-Country Programme to fight Tuberculosis.***

The Cook Islands is one of eight countries in the region funded by Secretariat of Pacific Community (SPC) as the primary recipient of the Global Fund to combat incidence of Tuberculosis in the Pacific. The Cook Islands last incidence of Tuberculosis was reported in 2001. The three year national plan is focused on awareness, education and prevention programmes to maintain its incidence free status. Support from SPC includes staffing, plan implementation costs and technical assistance. Programme makes use of local financial management and procurement systems. The plan is linked to the sector management plan NSDP, MDGs and business plans along with its monitoring framework. Through the joint SPC-Cook Islands strategy, SPC looks for joint M&E and reporting opportunities. Links to joint monitoring indicators and frameworks show that to some extent development results are taken into account. The outcome indicator is “The Cook Islands remains Tuberculosis free”.

### ***Health Specialist Visits Scheme***

The Health Specialist Visits Scheme is a two yearly programme funded (since 2004) through the NZAID/AusAID delegated cooperation arrangement. The purpose of the scheme is to ensure that all Cook Islands peoples have access to high level secondary and tertiary medical specialists to improve their health status. This happens through a series of scheduled and prioritised teams of visiting specialists. The management was devolved to the Cook Islands Ministry of Health in 2004 and operates using local systems. Strong presence of Paris Declaration ownership principle is demonstrated in the way the scheme is managed by MOH, with decision making authority delegated to them for prioritising visits based on health needs. MOH also take the lead in coordinating the AusAID regional health support for the Royal Australasian College of Surgeons Pacific Island Programme program with this trilateral programme. Development results are taken into account in the scheme’s Monitoring and Evaluation framework, showing links to national indicators. The principles of the declaration are strongly evident in this program.

### **Visiting Health Specialists Support Project**



### **Infrastructure Sector**

Overall, the infrastructure sector management is considered to be weak but improving as it moves to address institutional capacity constraints that impact on infrastructure operations, cost recovery and service delivery. Revamped institutional arrangements are under consideration to address fragmentation, overlaps, limited coordination which has resulted in weak national and sector policy, planning and regulation. Progress is also being made to improve infrastructure that, due to limited investment in maintenance, rehabilitation and upgrade, has deteriorated and is not adequate to meet the needs of the country’s tourism driven economy

and sustain its fragile environment. Linked to the NSDP, the Infrastructure Master plan and prioritisation of investments contributes to this progress.

Three development activities were examined along with stakeholder interviews. Two were categorised as a PBA using the OECD definition (or variations of). None were identified as having involved budget support with two using country systems. The data for these three investments is presented in Table 9 below.

**Table 9: Three Development Activities 2009**

Official Title	Donor	Budget (NZ)	Implementing Agency	TC Budget (NZ)	ODA Type	PBA	PIU Type	Tied Aid	
Multi-functional indoor sports stadium, repairs & Upgrade of existing sports facilities & amenities and Ministry of Education complex.	China	13,000,000	CIIC	13,000,000	Concessional Loan	No	Integrated	Yes	One off
Cyclone Recovery and Reconstruction Plan	NZ, ADB, UNDP, EU	12,519,000	MFEM	16,158,000	Grant	Yes	Integrated	No	Multi year
Preparing the Infrastructure development project	ADB	500,000	MOIP	500,000	Technical cooperation	Yes	Stand alone	No	Multi year

The Evaluation has made several observations with regard to the sample development investments in the Infrastructure sector based on the profiles. The intent here is to examine the extent to which discrete investments reflect the Paris Declaration principles with a particular emphasis on managing for results.

***Cook Islands Recovery and Reconstruction plan (CRRP)***

The CRRP is a three year national plan for reconstruction and enhanced preparedness for disasters. This came about following the five tropical cyclones of 2005 which caused over \$20 million damage to public infrastructure and homes. Projects within the plan include community cyclone shelter construction projects, groundwater system strengthening projects and support for disaster risk management planning. The plan was designed by the Cook Islands Government and attracted funding from NZAID, EU, ADB and UNDP. Despite its development prior to the development of the NSDP, the plans management was aligned to an existing infrastructure implementation programme focused on Outer Islands and funded by New Zealand and Australia through a delegated cooperation arrangement.

The AMD coordinated assistance. The Programme Implementation Unit was managed out of the division. A level of decision making authority was delegated to NZAID field staff and each project has its own project management committee which included representatives from development partner, civil society (island representatives) and government agencies. Mutual assessment reviews, joint monitoring indicators, programme evaluations and performance reports amongst contributing development partners were not considered in the CRRP. Reporting on the CRRP in total was an obligation of the Programme Coordination Committee that was subsequently replaced by the infrastructure committee in 2008.

Subsequent reviews and evaluations across infrastructure sector showed evidence of poor performance in the sector's management and project implementation, resulting in further reforms to 'get it right'. Achievements towards NSDP goals are limited with a number of projects still incomplete five years on.

***The functional indoor sports stadium, repairs and upgrade of existing sports facilities and amenities and Ministry of Education complex***



A project-based approach, whereby resources from China are provided to complete three one off-components as part of the Cook Islands hosting the 2009 Pacific Games. The Cook Islands Investment Co-operation (CIIC) administered two of the three components to completion with MOIP taking the lead in completing component three – the Ministry of Education complex which is still at pre-construction phase.

The purpose of this project was to fulfil the Cooks Islands regional commitments to host a regional sporting event – the Pacific Games 2009. In addition, the investment would serve to broaden the base of economic growth by establishing a multi-purpose sports facility to attract future national, regional and international sporting events and expanding ownership to stakeholders, such as Civil Society organisations and private sector. Country ownership is demonstrated with the alignment to NSDP goal one target, a portion of the funding used public financial management and procurement systems and the projects implementation unit was integrated with government systems. The partnership between the Cook Islands and China Civil Engineering Construction Corporation (CCECC), as the contracted construction company, was to some extent inclusive and effective, with decision making delegated to a joint project management group on the ground. Involvement with AMD was limited, as was the aid coordination mechanism in Government. Accounting for results with the use of common frameworks, joint monitoring indicators and public reporting was limited. The outcomes and indicator data were aligned with and contributed to NSDP Goals 1 and MDG goal 8. OPM monitoring of NSDP outcomes identifies that targets in sport have been partially met. However the 2009 MDG data shows that debt ratio to GDP has risen with the uptake of this loan. The debt ratio to GDP remains within Government and ADB guidelines.

**Preparing the Infrastructure Development Project**

The Infrastructure Development Project was financed by the Asia Development Bank, and focused on supporting capacity development, improvement and reform of infrastructure agencies, including governance of the state-owned infrastructure sector enterprises through technical assistance. The expected output and outcome is a governance framework for improved and reformed infrastructure service agencies, and appropriate institutional structures capable of effective management of assets and efficient service delivery, both in Rarotonga and Aitutaki as well as in the outer islands.

Country ownership is demonstrated with the NSDP adopting the Preventive Infrastructure Master Plan as its infrastructure planning framework in 2007. Implementation of the plan is considered feasible with need for better management structures acknowledged by the Government. ADB use of local procurement and public financial management systems is not evident in this project.

While the ADB country strategy 2008-12 shows commitments to ongoing dialogue with other development partners and the Cook Islands Government, this component of the programme shows limited use of joint country missions, delegated decision making, and delegated cooperation arrangements among donors.

Use of joint monitoring indicators and results based frameworks show development results are being taken into account and that progress is being made against identified development outcomes in ADB country strategy framework and NSDP.

**Outcome Achievements**

The projects sampled in this section showed that reporting took place on budget disbursements, activities, outputs and implementation issues. While there is evidence in each initiative that shows outcomes and associated indicators are aligned with the NSDP, MDG, and sector strategies. Project monitoring and reporting systems often did not appear to systematically collect indicator data and show contributions to development outcomes. The Health sector, as a whole, is more consistent and familiar with



outcome indicators and has better developed systems and capacity than the Infrastructure sector.

The Health and infrastructure studies provide good examples of projects of aid relationships in action where there has been progress towards improving behaviours in relation to Paris Declaration principles of aid effectiveness in action. These examples indicate that PD can make a contribution towards efforts to improve longer term development results.

**FINDING 12:**

Across the Health and Infrastructure sectors, development initiatives show an increasing degree of commitment to the Paris Declaration principles with some progress and attention to managing for results. In spite of the various constraints in the infrastructure and health sectors and the limited working knowledge sector stakeholders have of the Paris Declaration, progress continues to be made to establish integrated and well performing sectors. The reviewed projects reflect evidence of ownership by private sector, Civil Society and government stakeholders in terms of participation in decision making and use of Government systems. Evidence of managing for results in the infrastructure sector was focused at inputs and outputs level with little evidence connected to the development outcomes. Evidence of managing for results was apparent in the Health sector MDG4 – reduce Child Mortality which is directly linked to the Pandemic vaccination programme.

## 4.2 Effect on Social Capital and Institutional Capacity

Addressing the effect of the Paris Declaration on building social capital and institutional capacity<sup>11</sup> to effect change in development processes and government systems is examined in this section.

### Social Capital

Prior to the Paris Declaration the Cook Islands had in place structures and networks that demonstrate positive social capital, and had initiatives that fostered relationships among different stakeholders and dialogue. These structures recognise traditional and cultural leaders through the House of Ariki (paramount chiefs) and Te Koutu Nui (Council of sub Chiefs), Outer Island Councils, Civil Society umbrella and advocacy groups, such as the Chamber of Commerce, National Council of Women (CINCW), Religious Advisory Council (RAC) and Cook Islands Association of Non-Government organisations (CIANGO) and Cook Islands Sports and National Olympic Committee (CISNOC). Such groups are seen as creating and facilitating opportunities for dialogue and interaction through established networks and relationships that exist for other purposes. These networks have been in place well before the PD.

The development of the NSDP included consultations and dialogue with these organisations and others. Through the sector based working groups of the NSDP stakeholders also engage in development dialogue. The Ministry of Education as the lead agency in the Education sector have established an Education Sector Advisory Council and the Ministry of Health have a program of regular dialogue with the community including annual or bi-annual outer island visits.

In the NSDP processes of planning these working groups are formal and introduce a variety of stakeholders along with peers to support common goals of their respective sector, theme or issue. Such groups have not been established specifically in support of promoting aid effectiveness agenda. However they may consider

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1. **Social capital:** 'Networks together with shared norms, values and understandings that facilitate cooperation within or among groups' (OECD 2001). The evaluation matrix refers to social capital as "problem-solving networks in society." **Capacity:** the ability of people, organisations, and society as a whole to manage their affairs successfully (OECD 2010) **Capacity development:** the process by which people, organisations and society as a whole create, strengthen and maintain their capacity over time. (OECD 2010)

aid effectiveness in their deliberations to identify resources and assistance to meet identified issues and needs. This includes the 2010 August National Environment forum as an example.

Interactions outside the formal channels Government and other stakeholder have taken place. An example of this is the initiative taken by the Koutu Nui to focus their annual conference on the NSDP. This involved Southern group islands visits for consultations. The ongoing sustainability of initiatives such as this is an ongoing concern if the social capital is to remain responsive to development challenges.

Reliance on formal structures to build social capital fails to take account of the cultural context that generates informal structures and networks for developing social capital. For example, church, community, and NGO meetings, as well as the media (print, radio and TV), provide opportunities to open up dialogue with various stakeholders such as radio talkback, letters to the editor.

It is more likely that Cook Islands values such as akakoromaki (patience and suffering which alludes to integrity, responsibility and fairness) rota'ianga (unity which one has to understand the importance of portraying good citizenship) and aro'a (humility) underpin the notion of social capital in the Cook Islands context rather than those that underpin PD approach.

Civil Society stakeholders, including the private sector and NGOs, are an important 'check and balance' mechanism for government and development partners. Interview data showed that Evaluation respondents viewed the government and development partners as key in the decision making processes about aid. They clearly regarded government as the leaders, but commented that Civil Society must be included in dialogue.

While dialogue has taken place around the National Sustainable Development Plan (NSDP), the private sector and NGOs have been vocal in challenging Government's approach and actions towards development priorities. Surveys and interviews expressed concern about poor access to information about Government policies and programmes aid flows and options. Civil Society reports that they find conforming to formal Government/development partner procedures difficult. They experience frustration with lengthy delays in development partner decision making processes, but prefer working directly with development partners rather than through government agencies which compound delays.

### **Institutional Capacity**

Evaluation survey results and interviews show that the ability of Government to consult with its development partners and its internal stakeholders continues to improve. Opportunities have been created for Government and development partners to work together in joint sub-groups. These opportunities for exchange and dialogue, which have potential to develop institutional capacity further, are not well established across Government. This view was shared also in relation to the interface between outer islands administration and Rarotonga based government agencies.

Survey responses and interviews from Civil Society, Government and development partners were united and positive about the reforms undertaken by government. This included improved administrative capacities, development of national public financial management and procurement systems, as well as reporting on development results.

At the sector level, the lead Ministries in the Health and Infrastructure sectors were rated as having made improvements. This included links to sector planning with national planning and budget frameworks. Survey and interview respondents were more positive about the improved institutional and systemic capacity of the Ministry of Health. The Ministry of Infrastructure and Planning by contrast were less positive identifying little change in capacity. The amalgamation of MOW and OMIA into a new ministry following concerns about ongoing poor performance, lack of accountability, corruption and under resourcing remain as ongoing reforms are institutionalised.

### **Systems Integration**

Results from the Evaluation interviews and surveys showed mixed views. The uptake of systems from central Ministry leadership across line Ministries, crown agencies and Island administrations has been varied. While



key elements of the planning, budgeting, financial management and procurement systems are in place, operational monitoring and reporting are not well established and embedded in at all levels.

Development partners and Civil Society still see future challenges with respect to integrating planning, budgeting, monitoring, and evaluation information into a coherent system. Government survey respondents, especially in the Infrastructure sector, were much more positive than development partner responses.

### **Health Sector**

The Health sector in the Cook Islands is familiar with the PD principles and is strongly aligned with the NSDP. All strategic documentation is consistent with the NSDP. The Health sector strategies clearly articulate the intended outcome measures. The Health sector has been undergoing a reform process, driven by the Public Service Commission and Ministry of Health, which has resulted in strengthening management, financial and reporting systems. This, combined with the development of both capacity and capability from a human resource perspective, has contributed to the MoH being able to manage the implementation of aid programs well.

The Visiting Medical Specialist Programme is an example of the PD principles being operationalised. There is country ownership and leadership, alignment with NSDP and MoH strategic and Business Plans, harmonization with donors Australia and New Zealand, mutual accountability with joint program meetings and reporting and managing for results in beginning to examine outcome measures (i.e. improved access to health services in an effective and efficient manner). This has been driven by the Government rather than explicitly due to there being an awareness or consideration of the PD principles. The role of PD has been little.

### **Infrastructure Sector**

Infrastructure development in the Cook Islands is extremely important. Prior to and since the economic reforms of the mid 90's, many initiatives and projects had been undertaken by the government and development partners to improve infrastructure. Sector management is undergoing considerable reform due to poor performance, unfavourable audits and lack of confidence in systems and processes. The existing infrastructure has been identified as inadequate for the demands placed upon it by the growth in tourism, particularly on the islands of Rarotonga and Aitutaki, and infrastructure in the remaining outer islands is considered inadequate to sustain adequate access and delivery of basic services.

Infrastructures are further affected as a result of natural disasters (e.g. Cyclone Pat). Long delays in starting projects due to poor governance of projects, lack of prioritisation, projects remaining incomplete and unspent aid funds, were concerns raised in the Evaluation interviews. However, interviewees identified that this was not limited to the Infrastructure sector, alone. It will be important that the Infrastructure sector places a strong focus on system improvement and results based outcomes if confidence from stakeholders and donors is to improve.

#### ***FINDING 13:***

There has been some sustainable increase in the institutional capacities and social capital at national, sector and to some extent activity levels. The PD contribution to that is small and positive.

Strong well established formal and informal networks exist in the Cook Islands. Social capital has been extended into the aid effectiveness agenda through the PD principles, primarily at the national and sector levels, with planning and with some ad hoc governance activity at the project level. Continued inclusion of Civil Society remains fundamental to achieving development results and warrants further systematic attention. The implementation of PD principles in national reform initiatives, to improve the administrative capacities, such as national public financial management, procurement systems, monitoring and reporting is ongoing. Nevertheless, the nature and pace of improvements is considered slow by stakeholders and

contributes to stakeholder's frustration with lack of progress and results. The Health sector has some projects which demonstrate 'good practice' and provide a foundation from which change can be built upon.

### 4.3 Mix of Aid Modalities

This section examines the Cook Islands mix of aid modalities, focusing on Health and Infrastructure sectors. This section also determines the extent to which the Paris Declaration has influenced the evolution of the programme-based approach as one of the primary strategies for promoting the alignment and harmonisation of development assistance.

The following statistics provide an overview of the types of official development assistance across all sectors: In 2009, investment projects and programmes represented 58 percent, technical cooperation 32.8 percent, and budgetary aid 4.8 percent, of the total share of aid.<sup>12</sup>

The Cook Islands revised draft Aid policy seeks to establish broader funding mechanisms and development approaches that encourage coordination, reduce transaction costs and increase the effectiveness of aid. No policy guidelines exist within government which determine the range of aid modalities available, preferences and application. However, through the Evaluation interviews it is apparent that, in practice, officials' expectations and behaviour is consistent with the intention to move towards higher order modalities (i.e. fewer projects and more budget support).

The traditional approach to delivering development assistance has tended to be project driven, creating a burden for the Cook Islands to respond to multi-donor specific reporting, monitoring and mission management. This also includes increased transaction costs and bypassing government systems. With a number of sectors plans in place or under development it is expected that there will be an increase towards more sector and thematic based approaches.

#### **Programme based approach.**

Using the OECD definition of PBA, programme like approaches have been established within national, sector or thematic frameworks have been undertaken in the Cook Islands. From the sample projects these show elements of leadership and variations of where leadership lies with the Cook Islands and its organisations. They have a single comprehensive programme and budget framework, and donor coordination mechanisms are in place and use local systems across the Cook Islands, such as those developed to address disaster recovery and reconstruction.

#### **Programme-Based Approaches in the Health Sector**

The three Health initiatives examined demonstrate all four elements of a programme based approach. Leadership is apparent in the way the programme are designed, managed and implemented. One aspect that is clear is the process of donor coordination and harmonising of donor systems and procedures. This is an area that interview respondents consider burdensome with lengthy delays in decision making and processing payments. Certainly Global funds and regional programmes were noted for their delays and high transaction costs.

#### **Programme-Based Approaches in the Infrastructure Sector**

In 2007, the Preventative Infrastructure Master Plan was endorsed and launched with the NSDP. It took account of the CRRP that had been developed following the damage caused by the 2005 cyclones. The Plan brings together infrastructure strands of roading, water, sanitation, telecommunication, wharfs and harbours, transport, energy and buildings, stand-alone projects into one comprehensive framework. This offers the opportunity for alignment, harmonisation, and a result based focus by stakeholders. The three

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<sup>12</sup>Calculated from MFEM/AMD figures, August 2010.



infrastructure initiatives examined all had elements of a programme based approach and are indicative of a PD approach with elements of alignment, mutual accountability and managing for results.

The challenge for the Government lies in managing the full range of aid modalities. The challenge for development partners is to better align their contributions by using programme-based approaches that are Cook Islands owned, and to harmonise their reporting requirements despite the increased burdens that this may place on their resources.

### **Investment project/programme approach**

The use of an investment project/programme approach (IPA) as a type of development assistance for the Cook Islands comes in the form of financing. This may include a technical co-operation and cost recovery component, depending on the aid project and the donor agency requirements. The ODA trend data for 2005-2009 shows that this type of assistance increased between 2005-2009, mainly through the ADB and China as concessional loans linked to the IMP and infrastructure projects.

### **Technical Cooperation**

Technical cooperation is another type of assistance common in the Cook Islands and is included in grants, concessional loans and programme approaches. Technical cooperation can come as grants to Cook Islands recipients receiving education or training at home or abroad, as well as payments to consultants, advisers and similar personnel serving in-country on a long- or short-term basis. This also includes the cost of associated equipment. Assistance of this kind provided specifically to facilitate the implementation of a capital project is included among bilateral project and programme expenditures, and not separately identified as technical co-operation in statistics of aggregate flows<sup>13</sup>. Alignment to reforms, as has been seen in the governance priorities, intended to strengthen country systems and practices, which enables greater effectiveness. Technical cooperation often has an unintended consequence of the funding being applied outside of the country such as fees paid to Technical Advisors who are not country residents.

The ODA trend data for 2005-2009 does not clearly indicate the levels of technical cooperation for the Cook Islands, but generally has to be sourced from within donor agency information. Current anecdotal evidence indicates the level of technical assistance is consistent with the types of projects and can be subject to parameters set by donors and the Cook Islands Government. Again there is no clear evidence of Health and infrastructure ODA data that shows total allocation of funding for technical cooperation.

### **Budget Support**

Budget support is a higher order aid modality. Budget support is intended to reduce the administrative burden for Government, facilitate development partner coordination, enhance predictability of ODA, help partner countries improve resource allocations and reinforce accountability through the use of the budget as a tool of government policy. Development partners utilise untied aid for general budget support that is transferred to the recipient treasury and managed in accordance with the recipient's budgetary procedures with no additional requirements (e.g. separate account, different procurement procedures or different reporting mechanisms)<sup>14</sup>. This kind of budget support differs from the direct funding the Cook Islands received from New Zealand prior to 1990's economic reforms where resources were administered in an unregulated environment.

Sector budget support is also a higher order aid modality. It is earmarked to a discrete sector; in both cases conditionality for tranche payments can apply. Their rollout as a modality and a donor driven initiative through the Pacific region presents a number of issues related to smallness, isolation, scales of economy. However, the implementation of the Education SWAP, which has been under development since it was first proposed in 2004, represents a framework for channelling aid into the education sector, and has reached a degree of success with the strongly owned Education Master plan (2008-2023). The approach taken in the

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<sup>13</sup>OECD PDE glossary

<sup>14</sup>Refer to OECD PDE glossary

Health sector is based on the results of its management review in 2006. As a key tool, this has facilitated alignment, aid coordination, implementation and monitoring of the Health Sector Strategic Plans.

In Infrastructure, the Government endorsed PIMP provides a pillar in the sectors development framework and an alignment tool for development partners such as EU, ADB, New Zealand and Australia and China to support various priorities. Establishment of a workable governance framework will add another pillar and provide scope to establish a basket of development partner resources. Collectively these elements will enable stronger performance and management to develop.

Based on the ODA trend data for 2005-2009, general budget support as a proportion of all disbursements is showing some movement. It has not been taken up in the Health and Infrastructure sectors. However, discussions are underway between the Cook Islands and the European Union to deliver its programme through the budget support modality. The challenge for the Cook Islands will be to improve financial expertise in human resources and infrastructure to ensure that any additional movement towards budget support can be resourced effectively.

**FINDING 14:**

The Cook Islands Government has made attempts to implement higher order aid modalities such as full and targeted budget support and programme based approaches. Moves include less project based approaches which stakeholders overwhelmingly consider to be high in transaction costs and burdensome.

Efforts to establish sector based management approaches have been undertaken in Health, Infrastructure, Marine resources and Education sectors, with positive collaboration from development partners. However progress towards more programme-based approaches, involving multiple development partners, has been slow. It is expected that with increased strengthening of institutional arrangements and public systems, development partners will take more direct action to engage in pooled funding mechanisms and budget support. Fewer, longer, more comprehensive programming is the key to the PD style of aid. However, in Small Islands States like the Cook Islands, where adequate human resources is an issue, it is ineffective to manage lower order modalities, especially if they are unrelated and labour intensive. Focus and specialisation is necessary so that staff engaged in aid effectiveness can build greater understanding and skills as pre-requisites for managing effective development assistance.

#### **4.4 Promoting social inclusion**

The extent to which the Paris Declaration has helped to prioritise the needs of those most vulnerable in the Cook Islands is considered in this section.

While Cook Islanders do not experience absolute poverty, those that cannot meet basic needs for a decent standard of living total 28.4 percent<sup>15</sup>. Those living in the outer islands are particularly vulnerable. In comparison to those who live on Rarotonga, outer island communities are isolated, with lower standards of living, have fewer convertible assets to build livelihoods, and limited economic opportunities. These communities also face limited and high transportation costs, as well as limited access to imported goods and foods.

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<sup>15</sup>CISO (2008) Draft Report on Poverty in the Cook Islands



Another vulnerable group are people with disabilities, making up 4.8 percent of the population<sup>16</sup> and with limited access to education and livelihood opportunities.<sup>17</sup> Weakening traditional family support systems have also resulted in a vulnerable elderly population who live alone or are supporting grandchildren on their own. The elderly are required to step in due to parents relocating for work either overseas or to the main island.

A review of documents from key government agencies, donor partners and Civil Society showed that development initiatives have, and continue to be delivered, to those most vulnerable through key development partners such as New Zealand, Australia and UN agencies with a portion of EU and ABD assistance focused on welfare activities through the economic development lens. Civil Society and NGO's with strong networks and outreach programmes provide strong advocacy and service delivery functions through direct partnerships with development partners and government agencies. Respondents identified that even though there has been a positive move by development partners to provide core, and programme funding directly to CSOs the transaction costs of proposal preparation, assessments, monitoring and reporting continue to increase and erode the strong service ethic and volunteerism that exists in the Cook Islands.

The NSDP takes account of the needs and issues of those most vulnerable in its strategic goals, strategies and targets along with annual budget policy statements. Gender equality, human rights, environmental sustainability and disability are not treated as cross-cutting themes. Data is disaggregated by income and gender (not by disability), but consistent data and systems across government agencies is not readily available, and access to collected information is limited. A review of development partner country strategies and programme documents show an increased attention to cross cutting themes. Most Infrastructure and health sector sample activities show the analysis of issues of disability, gender equality and the outer islands are included in assessments, monitoring and reporting.

Productive and meaningful dialogue has improved over time with the introduction of community based sector forums as part of the NSDP planning and review process. However, Civil Society respondents considered that decision making excluded dialogue with marginalised groups when examining the implications of concessional loans that were to provide services/infrastructure that would see cost recovery passed onto those least able to meet those costs such as the elderly, disabled, mentally ill, youth and so on.

**FINDING 15:**

There is some evidence to show that the needs of those most vulnerable are prioritised in the Cook Islands. It is not possible to conclude that the PD has contributed to the prioritisation of those most vulnerable and any subsequent changes in development results. However, focused implementation of the PD has the potential to support further advocacy and awareness of those most vulnerable.

## 4.5 Gender Equality

The extent to which the PD and the *Accra Agenda* have had an impact on gender equality results for women and girls is discussed in terms of gender equality and implementation of the PD/AAA.

The Evaluation team met with Ministry of Internal Affairs and reviewed a number of documents and sample sector projects to assess the progress of gender equality in the country since PD implementation.

<sup>16</sup>McCullough, (2002)

<sup>17</sup>ADB (2008) Cook Islands Social and economic report. Manila

The evaluation has attempted to use the three draft indicators which have been specifically created to measure progress on gender equality in harmony with the PD principles are:

- Indicator 1) Gender and Ownership - gender equality and women's empowerment are grounded in a systematic manner in National Development Strategies; -
- Indicator 2) Managing for (Gender) Results – joint frameworks for managing gender results have been developed; and,
- Indicator 3) Mutual (Gender) Accountability – mechanisms have been developed to monitor mutual accountability with respect to gender mainstreaming at the country level.

The Cook Islands Government has made a number of women's human rights and gender commitments. These include the MDGS, CEDAW and within the NSDP. The NSDP aims to improve *“and increase participation of women in the development of the Cook Islands with the key target to review and update the national policy on women by the end of 2007 and increase the number of businesses owned by women”*<sup>18</sup>.

The Cook Islands Government ratified CEDAW without reservations and acceded to the CEDAW Optional Protocol. It completed its first state party report on compliance with CEDAW; and in 2007 the Cook Islands presented its first report to the United Nations.<sup>19</sup>

Under the Cook Islands Millennium Development Goal 3: Promote Gender Equality and Empower Women reporting from 2005 and 2009 show that this goal includes three indicators which will probably be reached by 2015, and the level of nations support towards its achievement is fair. Despite the gains in gender equality goals, women are still relatively restricted in accessing opportunities for economic and political participation; are still mainly in the lower earning categories; and still experience subtle forms of gender bias.

The growing number of women employed in the non-agriculture sector has increased and is expected to do so consistently. Since the initial MDG report (2005), the percentage change has improved from 38% in 1991 to 55% in 2006. This is a 44.7 percentage change over the last 16 years, or an average annual improvement rate of 2.8 percent. Data from the 2006 Census shows that women dominated the professional category for employment and have increased in numbers from 458 in 2001 to 538 in 2006<sup>20</sup>.

According to 2009 MDG report, by regional standards Cook Islands women score highly on the gender development index and gender empowerment measure. A recent review (Liddicoat, 2010) of the Cook Islands National Women Policy informs that 75 percent of all strategies and targets have been achieved and women have progressed significantly, particularly in the areas of education and health. What remains to be achieved is primarily related to social (access to justice), economic (pay parity) and political participation, and the institutional and legislative amendments required to improve these.

Whilst, national indicators demonstrate positive results, the challenge of disparity between progress on equality for women in Rarotonga and the outer islands remains. The concluding remarks of the Committee on the Elimination of Discrimination against Women in relation to the Cook Islands first CEDAW report calls on the country to take all appropriate measures to increase the number of women elected, including temporary special measures. This also means putting into place substantive legislative changes to eliminate discriminatory practices and policies.

The Cook Islands is currently working towards the development of a National Gender Equality Policy, following the recent review of the Cook Islands National Women's Policy. Whilst, this is a positive move, progress in relation to addressing gender equality issues are constrained by budgetary limitations. The national machinery for promoting the status of women and gender and development is the Gender and Development Division of the Ministry of Internal Affairs remains under resourced both in relation of funding

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<sup>18</sup>National Sustainable Development Plan, Cook Islands government.

<sup>19</sup>Cook Islands government Initial State party report on Convention for the Elimination of All forms of Discrimination against Women (2005)

<sup>20</sup>Table 3.05 Resident Employed Population aged 15 Years and Over by Principal Occupation, Sex and Island. Cook Islands Census 2006. Cook Islands Statistics Office. Rarotonga.

and capacity for implementation of initiatives. It must also be noted that NGOs have played a valuable role as independent advocates and activists (e.g. Punanga Tauturu Inc, providing training and undertaking research and advocacy). The Cook Islands National Council of Women has been instrumental in a number of development initiatives and is the main vehicle for developing women's activities, as well as disseminating information that plays a vital role in the development efforts of both women and men in the country.

### **The Role and Influence of the Gender and Development Division and CINCW**

The Ministry of Internal Affairs Division of Women's Affairs (DWA), as it was known then, was charged with overseeing the implementation of the Policy in cooperation with the Cook Islands National Council of Women (CINCW), the latter of who were considered a driving force in gender policy during the late-1990s. As partners the DWA and CINCW have been the catalysts and advocates for mainstreaming gender equality principles into policies and programmes of government.

In 1995, the Cook Islands Government endorsed the 1995 National policy on Women to signal its commitment towards ensuring that issues of equality, development and peace were addressed for all women in the Cook Islands. The policy included a national framework for implementation and a detailed national implementation strategy. In 1996, the government adopted the 1996 – 2000 National Plan of action, based on the Beijing Platform of Action (BPA).

### **Integrating Gender Equality into the National Sustainable Development Plan**

The inclusion of gender equality into the Cook Islands development policy framework occurred with the development of the first NSDP which recognises the importance of intervention programmes focusing on gender equality related activities under Goal one of the NSDP. Challenges to address are the low representation of women in politics, high level decision making positions, policy making and other leadership roles. A second challenge is the limited access to quality health services for women and young adults.

The strategies for the promotion of gender equality and empowerment of women, stated in the NSDP, were to improve and increase participation of women in the development of the Cook Islands. The strategic targets for the stated period from 2007 to 2010 as follows:

- Endorse and implement the nation policy on gender by end of 2007
- Review and update the national policy on women by the end of 2007
- Integrate Gender Equality policies into all sectoral plans by 2010
- Achieve equitable remuneration scale and career advancement in all sectors
- Increase the number of businesses or co-owned by women

The integration of gender and development and the objectives and issues of the NPW into the NSDP is another achievement of the NPW. Despite this achievement, a new national policy on Gender has not been developed. With the current review of the NSDP the timing has been identified as right for a new policy on women and for this to be aligned with other key national planning documents and processes. The review of the NSDP is also an opportunity to recognise Gender Equality as a cross cutting issue to be integrated into all areas of the NSDP, rather than limited to social issues.

### **Current Status of Gender Equality Mainstreaming**

Based on documentation for the six sector sample projects, interviews and general documentation on gender equality in Cook Islands, this Cook Islands Paris Declaration Evaluation made the following observations with regard to the integration of gender equality into Cook Islands' development priorities:

The National Sustainability Development Plan (NSDP), 2007-2010 includes gender strategies and targets.

The PD/AAA has been preceded by national but not necessarily other aid strategies to address the advancement of women and promoted gender equality with the Ministry of Internal Affairs, along with the CINCW advocating for mainstreaming gender equality principles into development policies and programmes of the Government. Third, the PD does not incorporate gender equality among its commitments or in its monitoring indicators. It includes gender equality in only one commitment among many.



There is good progress being made and the basis exists for even more substantive progress to be made. Gender equality linkages between the NSDP, sector plans and agency business plans, do not appear to be systematic. Development partners such as the ADB, EU, UNDP, NZAID/AusAID policies and programmes are designed in such a way that they align with NSDP and agreed international commitments.

There is good progress being made with disaggregation of key monitoring indicators and more systematic data collection. The information is available publically through CISO. While the extent to which data management is operating at all levels of Government is unclear, development partners like the ADB and UNDP are providing support to develop the Cook Islands capacity in sex disaggregated data management. This could be further improved with technical support in the analysis of such data from a gender lens to enable maximum use of the data.

Both the Cook Islands and development partners undertake assessments of progress towards gender equality strategies and targets.

**FINDING16:**

The PD contribution to the achievement of gender equality results for women and girls in the Cook Islands is limited. Existing policy and frameworks established and developed prior to 2005 have set the direction towards achieving results for women and girls in the Cooks Islands which were subsequently included in the NSDP. Strategic level measures are in place but operational level implementation details for monitoring and measuring results and ensuring partners are accountable to each other are not systematically embedded to be considered sustainable.<sup>21</sup>

#### **4.6 Impact on the Cook Islands Millennium Development Goals**

The Cook Islands published its first national report on the Millennium Development Goals in 2005, which showed significant progress had already been made in education, health, and political development. Since then the MDGs have been incorporated into medium- and long-term national planning frameworks, including the long-term strategic outcomes of the NSDP.

The second report in 2009 confirms that three goals have already been achieved; eradicate extreme poverty and hunger, reduce child mortality and improve maternal health. The report also identifies that, by 2015, two goals are potentially achievable (Goal 9 - Improved governance and Goal 7 - Ensure environmental sustainability). The remaining goals are considered to be probably achievable, including Goal 8 - Develop a global partnership for development. This is very positive and acknowledges the iterative process already undertaken by the Cook Islands, and revision of its strategies and targets to meet its commitments.

The PD style improvement in institutional systems and frameworks, over time, adds to the opportunities for improving aid effectiveness so that remaining MDGs can be addressed. Improvements include establishing the NSDP, moves towards integrated planning, budgeting and monitoring systems, aid coordination, sector management and developing expenditure frameworks.

Health and Infrastructure sector data is summarised below to show the direct and indirect links to the Cook Islands MDGs.

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<sup>21</sup>Judgements based on the Gender net guiding principles.



## Health and Infrastructure Sector Improvements

- The share of Infrastructure sector in total GDP increased from 4% in 2001 to 8.9% in 2008.<sup>22</sup>
- The share of Health sector in total GDP declined from 10% in 2001 to 6.62% in 2008<sup>23</sup>
- Access to safe drinking water in the Cook Islands is high, 87% in the Outer Islands and 99.25% in Rarotonga. All water sources in the Cook Islands remain untreated.
- The proportion of the population with access to improved sanitation facilities has improved from 80% in 2001 to 90% in 2006.
- The Cook Islands has no slum dwellers.
- Under-five mortality rate continues to improve with a reduction of 66% in the years 2001-2008.
- Child survival in the Cook Islands continues to improve.
- Immunization against measles has improved over the period 2001 – 2008, by 14%.
- Since 2001, the Cook Islands have had no maternal mortality.
- There continues to be no officially recorded cases HIV/AIDS in the Cook Islands
- Prevalence of Sexually Transmitted Infections (STI) among antenatal mothers and youth is high.

Although monitored through the Environmental sustainability goal of the MDGs, water and sanitation are managed in the Infrastructure sector. Key challenges for water supply relate to the geographical dispersion, the consequent high cost of providing services to the islands, and the general shortage of appropriate qualified staff in the sector.

In recent years, water supply has had considerable support from both the Government and development partners, attracting the highest allocation of funds from the Government Capital Expenditure of all sectors, amounting to 15 percent of the national budget for capital expenditure.

Poor quality construction and lack of maintenance of septic tanks present another challenge. The contamination of freshwater lens and lagoon pollution are key concerns. Furthermore, there is no sewage treatment in the outer islands.

A key challenge faced by the Health Sector relates to providing good coverage of health services nationwide. To do this the sector must address the disparity of health between Rarotonga and the outer islands, and ensure that health outcomes for children are achieved. Depopulation in the outer islands further exacerbates the struggle to provide quality health services to fewer people.

Generally, gains in the Health Sector have resulted from improved planning processes and institutional arrangements related to the better delivery of health services in the community. However, these gains can be jeopardized by inadequate financial and human resources. There is a strong future focus on building workforce capacity and capability.

Non-communicable diseases (NCDs) such as diabetes, hypertension, heart disease, obesity and cancer continue to be the common causes of illness and death in the Cook Islands. NCDs are placing increasing pressure on the health system, including human, pharmaceutical and laboratory resources.

### **FINDING 17:**

The PD contribution to the Cook Islands MDGs is limited. PD related mechanisms and tools that are in place to support the implementation of the PD principles also have the potential to help government agencies, development partners and Civil Society advocates fulfill the monitoring and reporting requirements of the MDGs. They also provide an opportunity to engage in advocacy, education and collaboration on development mechanism (i.e., NSDP, sector, programme and business plans) to help address key challenges and monitor progress towards national goals.

<sup>22</sup>OPM, 2009 MDG Report, Cook Islands

<sup>23</sup>2009 MDG report



#### 4.7 Unintended consequences of the Paris Declaration

The identification of unintended consequences for development results of the PDs implementation number only two that emerged during the discussion with participants. They highlighted these as key reflections on relationships an increasing confidence to lead.

Context is everything and is *the* most important factor in establishing PD contribution to development results. The PD is one of a number of reforms being actively undertaken by the Cook Islands. Small Island Developing States with hallmark features of fragile economies, isolation, and declining populations, operate with limited capacity at all levels. Despite the demands of numerous governance, political, and economic reforms, the Cook Islands continues to perform well above its weight. The burden of doing business with high transaction costs runs counter to the PD principles of ownership and alignment. What is perceived as the ongoing burdens of aid effectiveness, challenges Government, Civil Society and private sector stakeholders to be assertive and maintain diplomacy in what are commonly perceived as unbalanced power relationships between donor and recipient. This also challenges commonly held perceptions about 'the Island way' of engaging in relationships and conducting ones affairs.

Comparative advantage is something that development partners build rather than bring into a country. It is not about bringing something new from outside that has worked or been appreciated elsewhere. The PD has highlighted that regardless of whether development partners are emerging and are new to a country or have long established engagement, it is about building relationships and establishing credibility based on a sound approach and a willingness to learn.

#### 4.8 Summary Conclusions on the Paris Declaration Development Outcomes

Overall implementation of Paris Declaration has assisted in strengthening the contribution of aid to sustainable development results. In the two tracer studies in the Health and Infrastructure sectors, development initiatives show an increasing degree of commitment to the PD principles with some progress and attention to managing for results. The reviewed projects reflect showed evidence of ownership by private sector, Civil Society and government stakeholders, in terms of participation in decision making and use of government systems.

This Evaluation also indicates that there has been some sustainable increase in the institutional capacities and social capital at national, sector and, to some extent, in activity levels. However the PD contribution is small, but positive. Efforts to establish sector based management approaches have been undertaken in Health, Infrastructure, Marine resources and Education with positive collaboration from development partners. However progress towards more programme-based approaches, involving multiple development partners, has been slow. While fewer, longer, more comprehensive programming is a key to the PD style of aid, in a Small Island State like the Cook Islands, where human resources is an issue, it is ineffective to manage lower order modalities, especially if they are unrelated and labour intensive. Focus and specialisation is necessary so that staff engaged in aid effectiveness can build greater understanding and skills as prerequisite for managing effective development assistance

In terms of development outcomes for the most vulnerable in the Cook Islands, these are generally catered for, and while the Paris Declaration principles are not conclusively directly attributable, it does provide potentiality to support further advocacy and awareness for those most vulnerable.

The PD contribution to Millennium Development Goals is limited; however, the PD provides an opportunity for government agencies, development partners, and Civil Society to fulfil monitoring and reporting requirements of the MDGs.

## Recommendations

### **Donor Agencies and Development partners.**

In terms of Aid effectiveness and efficiency identified in this Evaluation, one of the issues from the interviews is the role that Development Partners play in devolving more decisionmaking to local in-country offices and teams of the development partners, rather than from just offshore offices. This issue should be considered in line with development partners assisting and building better to local In-country capacity and building the strengths of the in-country aid management systems which, in turn, will also build more confidence between the Cook Islands and Development partners.

**It is recommended the Development partners be encouraged to devolve more decisionmaking to in-country offices as well as invest more in capacity and capability of local aid management systems.**

Donor Agencies should be working more with each other to capitalise on their comparative advantage given that the Cook Islands is a Small Island Developing State. There are examples of smaller projects as well as larger donors. The larger donors cover the majority of Aid Funding in the Cook Islands, but with a lot of small projects the transaction costs can be high.

**It is recommended that Development partners and donors be encouraged to use modalities that reduce transaction costs.**

## 5. FRAMEWORK FOR CONCLUSIONS

The conclusions in this report identify important factors that have affected the relevance and implementation of the Paris Declaration on the effectiveness of aid in the Cook Islands. The Evaluation leads us to conclude that the principles articulated in the Paris Declaration are principles which the Cook Islands Government have been applying prior to the Declaration. The endorsement of the Paris Declaration has, however, provided a sustainable and explicit rationale, which meets widespread international endorsement in the manner and context in which the negotiation and implementation of aid is undertaken. More importantly, the Paris Declaration has been contextualised in the Pacific region by the endorsement of the *Pacific Principles of Aid Effectiveness* adopted by the Pacific Forum Leaders (2007) and the *Cairns Compact on strengthening Aid Effectiveness* adopted in 2009, again, by the Pacific Forum Leaders. Furthermore, the Paris declaration is congruent with Pacific (Cook Islands) values and principles which underpin the methodology or way of “doing business” in the Cook Islands.

In the Cook Islands the driver to commit to the declaration was to ensure that the country strengthened its leadership in setting aid priorities, determining the best modality for implementation and in ensuring that aid could be accounted for and could demonstrate sustainable outcomes. Some of these ideals have been achieved through the development of the National Sustainable Development Plan. The NSDP guides investment in priority areas for the Cook Islands. The redrafting of the Aid Policy (revised draft in process), as well as the establishment of a high level committee to determine priorities and monitor its implementation, adds to the achievement of those ideals.

Aid continues to come with conditionality. This is especially apparent in the new and emerging donor area such as with China where the utilisation of Chinese labour in infrastructure is part of the condition of aid. It is also apparent with established donors such as New Zealand who require engagement in policy as a condition of aid. The Cook Islands still remains hesitant about being critical of donor approaches which is indicative of an imbalance in power between the parties. The notion of harmonisation, which has been largely a successful programme in the Cook Islands with New Zealand and Australia, continues to have its limitations, and all parties continue to work together to improve its effectiveness. In the Cook Islands the functions of the aid coordinating body have expanded and the aid proportion has increased; however, the resource allocation to ensuring effective implementation has not increased, and efficiency is often compromised. A concerning factor is the lack of investment in financial monitoring and reporting mechanisms for aid flows.

The Evaluation provided the opportunity for the Aid Management Division to raise the issues relating to Aid Effectiveness with the community via a public television conversation, and involved the public in dialogue regarding the issues. The intent of these exercises was to broaden the public understanding regarding aid effectiveness, and was perceived by interview and survey respondents as being successful.

The general impression of the Country Evaluation team in the Cook Islands is that, at a high level within Government, there is good understanding and appreciation of how the declaration contributes to strengthening aid effectiveness. At a Civil Society level, agencies and organisations may not always know about or understand the declaration, but the principles are congruent with the approach they prefer to take.

There is also strong agreement from all stakeholders that more needs to be done to improve evaluation and the capacity to demonstrate both the results of aid and the sustainability of aid projects.

## 5.1 Relevance of the Paris Aid Declaration

The Cook Islands routinely now refer to the Paris Declaration in discussions with development partners. The Cook Islands are able to clearly articulate the development priorities and these are reflected in the National Plan, which is overseen and monitored by the National Sustainable Development Commission. The Cook Islands is more often leading the discussions with development partners regarding the suitability of programmes and how this fits with the national priorities (Ownership). The New Zealand and Australian harmonisation programme has been relatively successful and, as they are the largest single donors for the country, this has had an impact on the context of aid development in the country (Harmonisation).

The next steps in terms of donor harmonisation would be to encourage all other donors to also coordinate and harmonise activities as led by the Cook Islands. The ability to measure results and consider the outcomes from aid continues to be weak and is the single biggest constraining factor and area of risk. This is expected to be an area of focus as the Aid Management function continues to strengthen (Managing for results). Monitoring aid effectiveness has been gathering a momentum in the Cook Islands and there have been explicit discussions between country and partners to improve monitoring by developing frameworks (Mutual accountability).

Notably there are a number of complementary initiatives taking place in the country that will also significantly improve the prospects of a successful implementation and sustainable operation of such a system over time. These include the development of a national Monitoring and Evaluation Framework; the introduction of a medium-term budgeting framework; and a substantial revision of the national Aid policy outlining the relationship between donors and the Government.

### Finding 18:

In the Cook Islands the principles in the Paris Declaration were recognised prior to the declaration being signed. The declaration did, however, provide a framework to consolidate the approaches, and also formed the basis for the regional contextualising of aid effectiveness through the adoption of the *Pacific Principles of Aid Effectiveness* and the *Cairns Compact* by Pacific leaders. The Government of the Cook Islands, despite having a number of changes, has remained committed to the principles and have ensured these are integrated into policy and government structure. The Paris Declaration principles continue to be relevant.

## 5.2 Implementation Challenges for the Paris Declaration and Accra Agenda for Action

### Ownership

The Cook Islands Government has demonstrated leadership and ownership in driving the Aid Development agenda for the country. They have established a strong policy framework, have developed the policy infrastructure and have allocated national resources in the form of the National Sustainable Development Commission. They have established an Aid Management Division which is the operational body for coordinating aid (prior to the declaration) and have ensured that all Government Ministries understand the protocols and roles of various actors.

At a Civil Society level, the sector is dominated by women. The engagement and participation of this sector in the policy priority discussion and in the monitoring of results would ensure that gender issues are considered at all levels.

At an outer island level ownership is less obvious as is awareness of the declaration and understanding of the national frameworks and policies. Outer islands are often not prioritised for development even though needs may be substantial.

The advantage of being a small island state has meant that all Government and Civil Society stakeholders are accessible, and the ability to consistently apply policy and to establish a culture of working in a collaborative manner with development partners, is stronger.

**Finding 19:**

The Government of the Cook Islands has demonstrated leadership and ownership in development through the establishment of an aid development committee, the development and refinement of an aid development policy and guidelines, the establishment of the aid management unit, and the requirement to report annually to parliament on the outcomes of aid activities. The engagement of Civil Society in determining aid priorities and monitoring aid effectiveness is slowly developing. This would also increase the participation of women. Outer Island's ownership is less obvious, as is the understanding of the declaration and aid policies and processes.

The Declaration has reinforced and provided a more robust rationale for the principles which the Cook Islands Government was already applying and has been further strengthened and influenced at a regional level by the Pacific Leaders Forum contextualising the declaration.

New and emerging partners who are not signatories to the declaration also have some influence over priorities. Although the Cook Islands is consistently applying the principles, there are some cases where development partners are less committed if it conflicts with their policies and drivers for development assistance.

**Alignment**

The alignment of development activities against the National Sustainable Development Plan and against sector plans is increasingly more consistent and demonstrates strong alignment at a broad policy level. Alignment at a more detailed level within sectors remains difficult. Even in a well-developed sector such as the Health sector, which has a strategic plan aligned with the National Sustainable Development Plan, a number of sector strategies such as workforce development and non-communicable diseases, donor agendas and priorities still have a strong influence. For example the imbalance in emphasis on HIV/Aids and Malaria versus the willingness of donors to fund activities related to Non Communicable Diseases such as Diabetes, Cardiac and Cancer.

In the Health sector, the donor agenda and MDGs continue to be dominated by priorities that are not consistent with country priorities. This is indicated by the Cook Islands anticipating meeting the health related goals for the MDGs. The utilisation of country systems including procurement, audit and reporting remains limited. Development partners express reluctance in utilising country management systems for aid especially in the procurement area. The exception to this is the New Zealand/Australian harmonised programme which channels a significant amount of assistance through the Cook Island Government systems and, where the Government requests (e.g. Infrastructure), New Zealand takes back responsibility for procurement due to a lack of capacity. The results of this are often subtle but have consequences such as not utilising contractors with Cook Island experience, therefore, missing the opportunity to build capacity and provide experience at a local level.

Some donors reported a lack of confidence in country management systems, and have a perception that capacity and capability had not significantly improved in this area. They were also clear that, as donors, they had not contributed to building capacity or improving systems in this area. A future focus on strengthening financial reporting and monitoring of aid flows would facilitate the development of confidence in the Public Sector Financial systems. There is some progress in the area of support the improvement of capacity and capability but more effort will be required from all stakeholders for this improvement to begin to have some impact.



**Finding 20:**

There is broad alignment with national priorities and sector strategies. There remains within sectors a difficulty in alignment at the next level. On outer islands the alignment again is consistent at a broad level but would benefit from a closer alignment to local priorities. There is some alignment at an operational level with reluctance by some donors to fully utilise in country management systems. Even though this has been explicitly acknowledged there has been little investment by donors to support the strengthening and capacity development of country systems. The Cook Islands need to prioritise the strengthening of financial systems and processes to monitor aid flows in order to build confidence.

**Harmonisation**

New Zealand and Australia have been historically the most significant donors for the Cook Islands. Harmonisation of a country programme with both these donors has demonstrated that harmonisation can be implemented in a small island state. The New Zealand and Australian harmonised programme features a joint country strategy, a delegation of decision monitoring, and implementation where agreed, and an intent to maximise the use of resources and ensure consistency in country. What remains now is the challenge for other development partners and the Cook Islands to build on this and develop more collaboration and harmonised ways of working.

For donors, harmonisation requires greater focus on the local development needs of the Cook Islands, instead of international, central agency priorities. This would enable the development programme to gain more efficiency and to ensure that prioritisation of donor funding was directly focused at country priorities.

The harmonisation programme of NZAID and AusAID has not been without some difficulties. Cook Islands officials report that, due to the harmonisation process in place, it is difficult to discuss country needs directly with Australia as New Zealand has taken the lead donor role. Evidence of this is the absence of Australia at the CI/NZ/AUS Programming talks in July 2009. Australia's AID Agency describes difficulty in obtaining information related to the Cook Islands as they no longer have a direct relationship. Donors jointly report difficulties in monitoring and evaluation frameworks. A way forward lies in giving greater consideration to the comparative advantages of development partner within the Cook Islands basket.

The principle of harmonisation might be considered where a development partner has strengths in a particular area which it can bring to the harmonised programme. The notion of harmonising all development partner contribution under one donor without considering the unintended consequences may have a level of risk. It is possible for the Cook Islands to move towards higher aid modalities, like budget support or sector/thematic budget support, as a primary means of aid delivery. Given the level of ODA, the number of development partners and relatively good standard of governance, it is achievable subject to the will of stakeholders.

**Finding 21:**

The Cook Islands has been involved in the harmonisation of two substantial development partners. The experience has not been without some challenges, which are expected given the developing nature of the programme. On balance, however there have been more benefits and the programme is seen generally as being successful. The challenge moving forward is to support and encourage the other development partners to build on this with greater effort towards collaboration. This will require development partners to relinquish their own organisation or Government priorities and to develop a level of confidence in the Cook Islands ability to manage, implement and account for aid funding. The concept of a partnership between country and development partners continues to need strengthening with good modelling shown by New Zealand and Australia.



## Managing for Results.

In principle, the commitment to managing for results is strong, however the ability of the Cook Islands to demonstrate the results and outcomes through its systems and development partners to establish clear and straightforward MfDR frameworks are poor. The utilisation of monitoring frameworks for programs has been improving; however, these continue to largely focus on outputs rather than outcomes. This is further hampered by a lack of good information systems and an inability to track outcome measures and indicators. For example, in the Education sector, access to primary and secondary education is assured; however, the outcome measure of secondary school qualification and/or tertiary level qualification (reported to a gender level) is not clearly apparent. Monitoring and evaluation frameworks are currently being developed by sectors. An example of progress in this area is the Health Sector Monitoring and Evaluation framework.

The current systems in place appear to be significantly inadequate for the government to reach the level of information management they want to achieve. This has a substantial impact on the ability to then implement a results-based management approach. An assessment by Development Gateway (2008) considered that the Government and its stakeholders would benefit significantly from the implementation of a more sophisticated and integrated information and management system. It would also be preferable for this system to be centrally hosted and managed, the Cook Islands Government have continued to pursue the strengthening of the aid policy context through promoting aid effectiveness with a lesser investment in the infrastructure required to assess effectiveness. The key benefits would be: improvement in the accuracy and timeliness of reporting with more meaningful communication of outcomes; the ability to actively integrate the national Monitoring and Evaluation framework into daily project management practice; improved coordination amongst donors; improved government ownership and a greater linkage between expenditures, outcomes and planning.

The ability to accurately identify aid flows, provide accurate and timely financial reporting, as well as monitor and report on outcomes, is the single biggest area of constraint. The Aid Management Division appears ready and willing (with appropriate capacity support) to spearhead this initiative, and the line Ministries are generally supportive of a shift towards a common set of processes and systems for managing information more effectively. The development of improved human processes will be required to complement the technological ones, as well as a strong focus on risk management and capacity support.

### **Finding 22:**

The commitment towards managing for results in terms of aid contributions and national development is strong from the Cook Islands Government, and is strongly supported at a Civil Society and community level. The ability to drive this principle and the capacity and resourcing to do so is limited. There has been a significant increase in donor aid over the past ten years; however, the relevant investment in the management and monitoring resources for the Aid Management function have not increased to reflect the increased spend. The single biggest constraint and risk is the ability of the Cook Islands to report, monitor and account for aid flows and outcome-based results. The Paris Declaration has not made a significant difference in influencing the ability of the country to Manage for Results.

## Mutual Accountability

The *Pacific Principles for Aid Effectiveness*, the *Cairns Compact* and the Paris Declaration all state that mutual accountability is a core principle. There is an increasing demand from the population, for Government to continue to be more transparent in its aid implementation processes and accountabilities. Interestingly some donors appear reluctant to move towards more transparency and mutual accountability. However, New Zealand and Australia continue to be committed to improving transparency and accountability. Few donors provide an annual report to the Cook Islands on progress against strategic priorities and performance from a donor perspective of their programs. For example, a recent Joint Mission by development partners was



reported to be poorly coordinated, providing little notice to the country of the impending visit and requiring the country to request that the visit is deferred.

**Finding 23:**

The principle of mutual accountability is understood in the development context. However, there seems to be an expectation that mutual accountability is more critical for the country rather than development partners. As a two way process, efforts are expected to be shared. In order to extend the small contribution of PD towards this principle, taking advantage of opportunities to strengthen existing efforts remain important.

The Evaluation process has developed the concept of mutual accountability in the Cook Islands providing the opportunity for development partners, government officials and implementers to have a very public debate (through the TURAMA programme). This demonstrates the willingness to strengthen this aspect of the Declaration and the capability of the development 'actors' to participate in the process.

**Conflicts and Trade offs amongst Paris Declaration Principles**

The Cook Islands meets the principle of **ownership** and provides the base from which all the other principles grow. They provide the clear direction with nationally set priorities and demonstrate that these can align at a policy and sector level. It is recognised that more focus is required to ensure inclusion of its people and priorities at a contextual level. For example, in the outer islands with local needs and priorities. Strengthening of the aid relationship with development partners alignment through use of country systems, predictable aid, strengthened capacity, untied aid and have fewer PIU are as important as ensuring aid flows are aligned to national plans.

The **harmonisation** of the New Zealand and Australian programmes has demonstrated an acceptance of this approach and a willingness to identify and address the associated challenges. Greater effort is required by donors to co-ordinate their actions, simplify procedures and share information to avoid duplication. However, this is largely driven by donors. Unless development partners can relinquish their need for control and the demands of their central bureaucracy, this is likely to be a slow development. The compliance issues and need for **mutual accountability** and **managing for results** are the weakest areas in the Cook Islands, largely due to a lack of investment and support for the core systems such as good information systems, good financial reporting and monitoring systems, evaluation and monitoring frameworks and human resource capacity and capability. Greater support from development partners in these areas could certainly bring balance to the ownership strengths in place at the strategic level.

**Finding 24:**

The Paris Declaration has placed *Country Ownership* as the most important principle, however without *Development Partner* acknowledgement of the country's *Ownership* and their role to support country leadership universally to the declaration and processes involved, the ability to then ensure the remaining principles are adopted in a meaningful manner is compromised. The increase in development funding in itself is not enough to improve outcomes, the ability of the country to understand, analyse and make sense of the impact of aid funding is critical. The trade off or conflict in the principles appears to be in the area of mutual accountabilities and development partners being committed to this principle.

### 5.3 Contribution to Aid Effectiveness and Development results.

**What has the Paris Declaration achieved for aid effectiveness and development results? How significant are these contributions? How sustainable? Is there evidence of better ways to make aid more effective and contribute to development results, for women, children and those who are excluded?**

The Cook Islands has integrated the *Paris Declaration Aid Effectiveness Principles*, the *Pacific Principles on Aid Effectiveness* and the *Cairns Compact on Aid Effectiveness* to guide both Government agencies and development partners, in the process of managing aid. The PD reinforced the country's preferred approach to aid development and, as an international declaration, also ensured that development partners were aware of the principles and was aligned with those. The ability to relate the principles to development results is more tenuous in the Cook Islands, due to poor information systems, the limited ability to analyse data, and the lack of monitoring and evaluation frameworks.

Harmonisation of two significant donors has resulted in a more streamlined approach. The role that New Zealand plays as the lead donor is effective, as the historical relationship between New Zealand and the Cook Islands means a greater in depth understanding of the country's needs, relationships and protocols around doing business. While New Zealand's in depth understanding of the Cook Islands may assist other donors in relationship and understanding of country priorities, it is quite rightly the Cook Islands who ultimately determine their priorities and guide donors.

The Paris Declaration has provided an international mandate for development partners and the Cook Islands to pursue explicit discussions and agreements regarding the principles. Some progress has been demonstrated in sectors such as Health, for example, the Visiting Specialist Program funded by New Zealand and Australia in other countries is managed externally by a Managing Contractor. In the Cook Islands, the donor funding is identified and a local coordinator at the Ministry of Health is wholly responsible for decisions and coordination of the program at a local level.

The policy context is well established in government policy and government implementing agencies and regardless of changes in political actors has remained constant over many years. This leads to a conclusion that sustainability is reasonably high, given that over a number of years the Aid Management Division continues to become more robust, with a subsequent increase in capability, if not in capacity.

Progress on gender programming is slow and is not recognised as a key priority explicitly by the Cook Islands government; however, the future engagement of Civil Society, in a more in-depth manner in establishing priorities and monitoring outcomes, would improve the focus on gender inequalities, for example, in the employment context.

**Finding 25:**

The Paris Declaration has had some influence on improving aid effectiveness in the Cook Islands, particularly with the contextualisation of it through the Pacific Leaders Forum. The aid management policy and the work of the Aid Management Division are sufficiently institutionalised to ensure sustainability of the principles. The Declaration has had an effect on development results; however, the ability to quantify these results has been challenging due to the lack of good information systems and process for establishing outcomes measures rather than process or volume indicators.

The ability to evaluate the impact of aid programs at a community level is even more challenging. At a broad level it could be assumed that outcomes and results are excellent given the Cook Islands are expected to meet all MDG targets by 2015. Aid investments in the Cook Islands continue to place a burden on recipient organisations. There is however an increase in recipients meeting compliance and accountability measures. The larger question is can relationships between the Cook Islands and Development Partners move from the position of trust between them, towards confidence in the Cook Islands systems and processes to enable on-going progress in the achievement of development results?

#### 5.4 Implementation effects on the burden of aid management

**What effects has the implementation of the Paris Declaration had on the respective burdens of aid management and falling on the partner country and its respective donors, relative to the changing volumes and quality of aid and the aid partnership itself? Are these effects likely to be transitional or long term?**

The increase in aid over the past 10 years from \$13.9 million NZD (1999) to approximately \$18 million (2005) and the projected \$28 million for (2010), and the increase from approximately 4 major donors in 2000 to approximately 17 donors in 2010, is not reflected in an increase in resourcing by the Cook Islands Government to manage and lead the processes; nor is it reflected in support from donors to build aid management capacity and capability. Information and financial systems, and evaluation and monitoring frameworks, are under resourced and place an unfair burden on the country to analyse and disseminate results without the infrastructure to do so efficiently.

The successful implementation of the Harmonisation programme has demonstrated that in the Cook Islands harmonisation is possible between two major donors. If the remaining three major donors also harmonised, and drew in the 12 minor donors, the transaction costs and resources required to manage donors from a country perspective would be greatly reduced. The risk of this approach is in the limited access to development partner expertise if required under a harmonised approach. This would require development partners leading the harmonisation to be very familiar with each other's relative strengths and competencies.

It is assumed that fully developed PD implementation will lead to reduced burdens. The Cook Islands and its development partners appear committed to continuing along this path. It can be expected that the transaction costs are likely to remain for the foreseeable future as the aid effectiveness reforms are taken further. However there is a need to seek out clear indications to establish whether their efforts will reduce their respective burdens or replace them with a set of different burdens.

**Finding 26:**

Reducing the burden of aid management was a key driver towards aid reform but this has not been realised in the Cook Islands. The burden of aid management administration has continued to increase, with little increase in resources, and poor investment in enabling technologies such as information and financial systems. The development of confidence in the Cook Islands systems by donors is closely related to the ability to manage data, financial and information flows, and analyse outcome measures and indicators. In order to move towards the next steps the issue of aid management infrastructure will need to be addressed. This will have the longer term effect of developing confidence by development partners in the Cook Islands systems and processes.

## 5.5 Value Added of Paris Declaration Style Cooperation

**What has been the value added of the Paris Declaration style development cooperation compared with the pre PD situation, and seen alongside other sources of development finance and development cooperation partners beyond those so far endorsing the declaration?**

In the Cook Islands the Paris Declaration was complimentary to many existing initiatives and a declared way of approaching development funding already in existence. The government reforms of the 1990s established the context for many changes that were undertaken, including the approach to development partners. The regional approach in the Pacific by Pacific leaders, endorsing a contextualised approach to aid effectiveness, has further reinforced that Paris Declaration Style approaches are the preferred manner in which Governments, partners and agencies wish to work.

The declaration has provided principles, some of which remain aspirational for the Cook Islands, and represent key principles that all parties involved in development can be measured against.

### **Finding 27:**

The Paris Declaration style of cooperation between the Cook Islands and development partners was already well developed in the Cook Islands prior to the declaration. This was not explicitly due to the PD, but rather more due to a style of relationship led by the Cook Islands Government. The declaration has subsequently provided an internationally accepted 'best practice' model and standard to which the Cook Islands and donor partners aspire to. The value added aspect of having widespread agreement i.e. through Pacific leaders Forums and regional agreement and cooperation is difficult to measure; however, it is generally accepted as a positive aspect. The influence of the region on development partners is also difficult to measure. The Declaration and the full implementation for its principles are seen as work in progress rather than a completed and fully institutionalised activity.

## 5.6 Key Messages

### **Government**

The Cook Islands Government must continue to provide leadership and direction for development partners and to fully 'own' development activity, including measuring results based outcomes. In order to become fully able to measure results and understand the impact of development activity, investment in both human resource development and in infrastructure, such as financial, evaluation and monitoring information systems, will be critical to move forward. The lack of future investment will pose the single biggest risk to donor confidence.

The dissemination of the development priority debate and discussion with Civil Society, outer islands and community groups will be an important factor in strengthening the effectiveness of aid in the Cook Islands.

## Development Partners

Development Partners need to continue to improve their systems and approaches to development in the Cook Islands. Harmonisation, as an approach, has been demonstrated to be an effective modality in the Cook Islands. Development partners (with Cook Islands leadership) should be more proactive about collaboration with their peers and with the Cook Islands Government. The burden should be on donors to meet best practice guidelines for donors as identified by the OECD-DAC guidelines for harmonisation. Donors need to work harder to develop more confidence in Cook Islands systems and processes and, where this is lacking consider, in discussion with the Cook Islands, capacity and capability investments to strengthen systems. The decisions regarding donor investment need to be made closer to the country and in a timely manner.

### 5.7 Key Implications for Aid effectiveness in the future

#### What are the key implications for aid effectiveness in the future taking account of new challenges and opportunities (e.g. climate change) and new actors and relationships?

New challenges and opportunities in the Cook Islands present themselves on a regular basis; however the fundamental principles remain the same. Deeply entrenched in the Cook Islands culture are the values of reciprocity, respect, partnership and responsibility for family, community, and country. The Paris Declaration principles are, therefore, complimentary to Cook Islands values and as such provide a stable and sustainable basis for meeting future challenges.

There is an opportunity for the Cook Islands, as a small island state where there is consistency across Government and agencies, to have development partners pool funding, to have aid untied, and to strengthen aid management systems and processes to develop confidence in the Cook Islands systems and processes. In order to achieve this, the lead will need to continue to be taken by the Cook Islands in encouraging development partners to continue the collective approach to development in the Cook Islands.

It will be important as new actors continue to enter the sector that administrative burdens are not increased and that Aid management functions are focused and resourced towards improving aid effectiveness. New actors will provide opportunities for previously unfunded areas to be considered; however, the ability to then manage the processes through the Cook Islands systems will be important.

The influence and pressure from Global Funds such as the HIV/AIDs and eradication of malaria programs should be resisted where they are not appropriate in meeting country priorities. At an international level, Global funders/donors should be lobbied to develop a funding pool that recognises and meets the needs of the Pacific region.

What is clear is that while the Paris Declaration provides a framework to focus on improving Aid Effectiveness, it is the leadership by the Cook Islands that will ultimately influence donor investment. The need to support the significant increase in donor funding needs to be supported by infrastructure and human resource capacity and capability.



## **6. KEY LESSONS LEARNED**

### **6.1 Contextualising the Paris Declaration**

The Cook Islands context and application of modalities, processes and systems, need to be understood to ensure the most effective implementation of aid. The Cook Islands Government and officials are best placed to understand if development partners' priorities are able to be matched to local Cook Islands priorities. Similarly the Aid Management Division is best placed to advise donors on what modality, which implementing agency, and timeframes, are most appropriate for any activity. The lesson is the Cook Islands Government has the most experience in country with what works and donors need to listen, and then act accordingly. A successful approach is one where the Cook Islands Government and development partners are able to identify common priority areas and work together to have an impact in these areas. The regional awareness and commitment from Pacific Leaders should provide confidence in the commitment that the region and the Cook Islands have towards improving Aid Effectiveness.

### **6.2 Ownership and leadership needs to be at all levels.**

Ownership and Leadership is clearly demonstrated at a Cook Islands Government level. In order to strengthen widespread commitment and ownership, the fostering of the Civil Society sector and community would strengthen a whole of country commitment to the development agenda. Through the TURAMA program, the Cook Islands demonstrated a public interest and appetite for discussion on Aid Effectiveness. A more explicit approach to the inclusion of all stakeholders in debates regarding aid effectiveness and prioritisation decisions would strengthen the country approach, as would an explicit strategy to increase the engagement of the outer islands.

### **6.3 Capacity and capability development**

In the Cook Islands the Aid allocation over ten years has significantly increased. The recognition by both the Government and donors regarding the need to improve capacity and capability, both in systems and technology, as well as in human resources, has been limited. More aid does not necessarily mean more effective aid. Aid effectiveness is totally reliant on the individuals involved in processes from donor, recipient and implementing agency. This is why the development of capacity is so critical. Organisational capacity and development continues to need to be addressed until it reaches a sustainable level. Currently the capacity and capability to manage the aid portfolio is reliant on a few individuals with heavy workloads and increasing responsibilities. A systematic assessment of future capacity and capability would provide the guidance for strengthening this function.

In the Cook Islands, the development of capacity is required at all levels of the system and across all agencies managing aid. It is important for all actors involved to understand clearly the principles and impact of aid and the various modalities and for this knowledge and skill acquisition not to be solely focused on the Aid Management Division.

### **6.4 System Strengthening**

In the same way that sector strengthening is an acknowledged priority, strengthening of the aid management function should also be prioritised. The ability to improve the confidence of donors will require significant investment in aid management infrastructure including financial, information and evaluation systems and processes.

## 7. RECOMMENDATIONS

### 7.1 Improving Aid effectiveness functions.

#### **Improving Aid effectiveness functions.**

As a Small Island Developing State the Cook Islands remains committed to ensuring that all aid delivered in the Cook Islands is effective and efficient. Since the Public Sector reforms in the 1990s the Cook Islands Government has made significant progress in strengthening the economic sustainability of the country. As part of this work the recognition that external assistance has, and continues, to play an important role in this progress has been a major factor in the establishment and strengthening of the Aid Management function.

To assist in achieving national development outcomes, the aid effectiveness architecture has been developed. This includes Te Kaveinga Nui, the National Sustainable Development Plan (NSDP), the establishment of an Aid Management Division, and the introduction of a number of legislative reforms (including the Ministry of Finance & Economic Management Act, The Public Service Act, and the PERCA Act).

As aid flows have increased and sectors have mobilized, the operational mechanism and systems have not kept pace with the associated demands of effective aid management. Attention is needed to improve the human and institutional capacities for implementing aid information management systems, monitoring, evaluation, reporting, and financial management and procurement systems.

In order for the Cook Islands Government and its stakeholders to meet their respective commitments to the Donor agencies under the *Pacific Principles of Aid Effectiveness*, the *Cairns Compact* and the Paris Declaration principles, concerted efforts are needed by the Cook Islands and its partners.

**It is recommended that the Cook Islands government continue exercising its leadership in the aid effectiveness agenda and adopt its revised draft Aid policy, and set about resourcing and implementing its objectives.**

**It is recommended that Development Partners initiate, with the Cook Island's support, improvement in aid relationships, with increased harmonized efforts in the process of delivering, using, managing and accounting for aid. This includes making greater use of local systems, reducing fragmentation and use of high level aid modalities.**

### 7.2 Civil Society and the NGO sector.

The Paris Declaration principles are well entrenched in the Cook Islands national strategy and policy frameworks. In depth understanding is limited to those who work actively in the aid development sector, such as Aid Management Division and implementers. At a decision making level, Civil Society has a role to play to support the sustainability of the aid effort in the Cook Islands. There is no doubt more accountability and communication with all sectors of Cook Islands society is essential to ensure an inclusive approach to achieving development outcomes. This includes sharing information on aid flows, sources of potential support and opportunities to manage and deliver aid initiatives. Improved communication strategies should be resourced. This will allow better awareness of the impact of Aid effectiveness and account for aid performance to Civil Society partners such as the private sector, outer islands, NGOs and marginalised groups.

**It is recommend that the Cook Islands government and development partners engage with Civil Society through improved accountability and communication strategies on Aid flow and performance.**

**It is recommended that the Government and development partners give more consideration to long term budget planning. Implications should be considered then finalised to set clear goals and establish forward budget commitments to see better development progress.**

**It is recommended that more Investment into an aid management information system, strengthening of financial management systems, clarity from donors with regard to multi-year commitments, alignment of funding to NSDP with clearer accountability systems of reporting, improved aid disbursements and a monitoring and evaluation framework will improve and strengthen Aid effectiveness over the medium to long term**

### **7.3 Donor Agencies and Development partners.**

In terms of Aid effectiveness and efficiency that was identified in this Evaluation, one of the issues from interviews is the role of Development Partners play in devolving more decisionmaking to local in-country offices and teams of the development partners, rather than solely from offshore offices. This issue should be considered in line with development partners assisting and building better to local In-country capacity and building the strengths of the in-country aid management systems, which, in turn, will also provide more confidence between the Cook Islands and Development partners.

**It is recommended the Development partners be encourage to devolve more decisionmaking to in-country offices as well as invest more in capacity and capability of local aid management systems.**

Donor Agencies should be working more with each other to capitalise on their comparative advantage, given the Cook Islands is a Small Island Developing State. There are examples of smaller projects as well as larger donors. The larger donors cover the majority of Aid Funding in the Cook Islands, but with a lot of small projects the transaction costs can be high.

**It is recommended that Development partners and donors be encouraged to use modalities that reduce transaction costs.**





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