

**Report on the
Evaluation of the Ministry of
Foreign Affairs & Trade's
Cook Islands Programme
2015-21**

Ministry of Foreign Affairs & Trade | Manatū Aorere

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By Kirsty Burnett
Dr Elisabeth Poppelwell
Ben Schultz
Hilary Gorman
Peter Tierney

About Future Partners and the team

Future Partners Limited is a Wellington-based consultancy firm, owned and managed by Kirsty Burnett. Future Partners has extensive international experience in designing activities, implementing, monitoring and reviewing development assistance, and providing institutional capacity building for public sector and economic reform programs primarily in Asia and the Pacific. Future Partners is a client-focused organisation and values its reputation and modus operandi. It sees its primary clients as the people and organisations who will be impacted by their interventions. To respond to specific Terms of Reference (ToR) we assemble teams from our associates, and individuals and organisations we sub-contract.

Kirsty Burnett has over 30 years of experience as an international development practitioner. She joined the New Zealand Ministry of Foreign Affairs and Trade (MFAT) in 2005 and since 2013 Kirsty has worked as an independent consultant, primarily in the Pacific, for a range of clients. She is based in Wellington.

Dr Elisabeth Poppelwell has over 20 years of experience in applied research and evaluation. Since 2014 Elisabeth has largely focused on researching and evaluating international development and country programmes in the Pacific.

Hilary Gorman has over 15 years of experience as a researcher, practitioner and consultant working in the international development sector. Based in the Cook Islands, her work focuses on gender, inclusion, health, social protection and social policy.

Ben Schultz has over 25 years of international development experience across Asia and Pacific, where his work has focused on good governance and financial management best practice.

Peter Tierney is a Development Management consultant and Sustainable Development specialist, now based in Samoa. From 2013 to 2015 Peter was Manager for the Cook Islands Ministry of Finance and Economic Management, Development Coordination Division.

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Acronyms

4YP	Four Year Plan (MFAT)
ACA	Activity Completion Assessment
ADB	Asian Development Bank
ADD	Activity Design Document
AMA	Activity Monitoring Assessment
CfS	Contract for Services
CEO	Chief Executive Officer
CIG	Cook Islands Government
COVID-19	Coronavirus disease of 2019
CSS	Core Sector Support
DAC	Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD)
DCA	Delegated Cooperation Arrangement
DCI	Development Capability and Insights Division (MFAT)
DEVECO	Development Economy and Prosperity Division (MFAT)
DEVPP	Development Peoples and Planet Division (MFAT)
DFAT	Department of Foreign Affairs and Trade (Australia)
DSC	Development Sector Committee
EDS	Cook Islands Economic Development Strategy 2030
EU	European Union
FMIS	Financial Management Information System
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GESI	Gender equity and social inclusion
GFA	Grant Funding Arrangement
HOM	Head of Mission (MFAT's High Commissioner)
ICAO	International Civil Aviation Organisation
ICESD	International Cooperation for Effective Sustainable Development
IC	Cook Islands Infrastructure Committee
ICI	Infrastructure Cook Islands
ICT	Information and communications technology
IDC	International Development Cooperation ¹
IMO	International Maritime Organisation
ITF	Infrastructure Trust Fund
JCfD	Joint Commitment for Development
JMF	Joint Ministerial Forum
KEQ	Key Evaluation Question
LDC	Least developed country
LiDAR	Light detection and ranging (laser imaging)
LINZ	Land Information New Zealand Toitū Te Whenua
MERL	Monitoring, Evaluation, Research and Learning
MFAT	New Zealand Ministry of Foreign Affairs and Trade Manatū Aorere
MFEM	Cook Islands Ministry of Finance and Economic Management
MOU	Memorandum of Understanding
MPPS	Major Projects & Procurement Support (Division within MFEM)
MTFF	Medium-term fiscal framework

¹ Under New Zealand appropriation Vote: Foreign Affairs.

MTO	Medium-term outcomes
MTVKTV	Mei Te Vai Kai Te Vai
NCD	Non-communicable disease
NEMA	National Emergency Management Agency
NGO	Non-government organisation
NIWA	National Institute for Water and Atmospheric Research
NZ	Aotearoa New Zealand
NZD	New Zealand dollars
NZHC	New Zealand High Commission
ODA	Official Development Assistance
PACREG	Pacific Regional Division (MFAT)
PBBS	Performance-based budget support
PDG	Pacific Development Group (MFAT)
PPTC	Pacific Pathology Training Centre
SCIA	Social-Cultural Impact Assessment
SDG	Sustainable Development Goals
SIDS	Small Island Developing States
SIF	Social Impact Fund
SOE	State-owned enterprise
SOP	Statement of Partnership (Waka Hourua/Vaka Purua)
SPC	The Pacific Community
SPREP	Secretariat of the Pacific Regional Environment Programme
STO	Short-term outcomes
TA	Technical assistance
TMV	Te Mato Vai
ToR	Terms of Reference
TVP	Tarai Vaka Process
VSA	Volunteer Service Abroad

Executive Summary

Purpose of the Evaluation

This strategic evaluation was commissioned by the Ministry of Foreign Affairs and Trade Manatū Aorere (MFAT) to provide a deeper understanding of the impact of MFAT’s contribution to Cook Islands’ development priorities, focusing on the period from July 2015 to June 2021. Noting the move away from the Joint Commitment for Development (JCfD) to a Four Year Plan (4YP) in 2018, the emphasis is on the period of 2018-21, the 2nd triennium of the Evaluation period.

Evaluation approach

The evaluation was undertaken between November 2022 and March 2023 using a combination of qualitative and quantitative methods to answer the Key Evaluation Questions (KEQs) and meet the objectives. This approach enhances the reliability and validity of data, and the participatory approach increases the usability of the findings and recommendations by decision-makers to inform the future development of the 4YP and to improve performance.

In the Cook Islands, the Evaluation team undertook face-to-face interviews with identified officials from the New Zealand High Commission (NZHC), the Cook Islands Government, and other relevant key informants. Wellington-based stakeholders (including MFAT and other Aotearoa New Zealand government officials) were interviewed either in person or via Zoom. Overall, the Evaluation team interviewed 60 key informants.

Quantitative data was primarily from secondary sources, and including MFAT’s Activity Monitoring and Completion Assessments (AMA and ACA), Cook Islands Government data shared with the Evaluation team and/or gathered from their websites, and other relevant international development data, such as from the Organisation for Economic Co-operation and Development (OECD) available in open source. Approximately 80 documents were reviewed.

Findings

Below is a summary of the key findings based on the evaluation KEQs and OECD’s Development Assistance Committee (DAC) criteria.

KEQ1:	How and to what extent has MFAT’s Programme/4YP been effective in achieving its proposed goals?
Relevance	<ul style="list-style-type: none"> Aotearoa New Zealand’s approach to development cooperation in the Cook Islands strongly supports Cook Islands’ national development priorities. MFAT’s portfolio of support under the JCfD (tourism, infrastructure, public sector reform, and performance of other key sectors) was relevant to the Cook Islands Government’s plans and priorities at the time.
Alignment	<ul style="list-style-type: none"> While this programme is partner-led and funding is directed to support the outcomes, there is a lack of evidence about the role that the 4YP (2018) played in dialogue with the Cook Islands Government on setting development cooperation priorities.

	<ul style="list-style-type: none"> • Aotearoa New Zealand has a sound approach to honouring the principles set out in the International Cooperation for Effective Sustainable Development (ICESD) policy statement concerning Aotearoa New Zealand’s Official Development Assistance (ODA). In addition, its approach to development cooperation in the Cook Islands aligns with the principles of the Paris Declaration on Aid Effectiveness, which are broadly well-adhered to. • The move to more mature modalities has been well-received by the Cook Islands Government. MFAT reporting indicators have not been adapted to these modalities. • Good Cook Islands Government systems and overall governance practice meant that MFAT was able to provide COVID-19 economic recovery funding in a timely manner. MFAT’s use of local systems was well-received.
<p>Coherence</p>	<ul style="list-style-type: none"> • Aotearoa New Zealand’s approach recognised the capacity constraints that small island developing states (SIDS) face, and adapted its policy to providing support when the Cook Islands graduated from ODA. • For the other development partners (listed in Section 2.5), the coherence of Aotearoa New Zealand’s approach is somewhat ad hoc; however there is coherence with Australia and the Asian Development Bank (ADB). • There is evidence of a lack of consistent oversight of wider NZ Inc² activities poses a risk to coherence. • Aotearoa New Zealand’s approach to development cooperation in the Cook Islands has demonstrated awareness of the cultural context and there is potential to leverage the close working relationship further to the advantage of all parties. • Overall rating by the Evaluation team, using the Paris Declaration on Aid Effectiveness and the Global Partnerships for Effective Development Cooperation, is broadly favourable, with details provided on the key elements (also see KEQ3 regarding managing for results).
<p>KEQ2</p>	<p>What impact has MFAT’s Programme/4YP had on the Cook Islands’ own development, and its relationship with Aotearoa New Zealand?</p>
<p>Key achievements and impact</p>	<ul style="list-style-type: none"> • MFAT’s engagement, increased use of budget support modalities, and the use of Cook Islands’ financial systems has contributed to effective self-governance for a sustainable economy and improved well-being. • There is inconsistent or weak understanding about modalities from MFAT and Cook Islands Government, in particular that the Core Sector Support (CSS) is fungible (not tagged to the core sectors). • MFAT has contributed to a mutually beneficial bilateral and regional relationship. Without this it would not have been possible to roll out

² Defined for the purposes of this evaluation as: other Aotearoa New Zealand public sector entities providing advice, other support, training/mentoring, and resources either in-kind, from their own resources, or via a Memorandum of Understanding (MOU) with MFAT.

	<p>the COVID-19 Response fund or deliver support to the extent that NZ Inc has.</p> <ul style="list-style-type: none"> • MFAT’s investments in regional initiatives have had a positive impact on the Pa Enea (outer islands). • MFATs programme over the 2018-21 period has made a positive contribution to climate resilience and a more environmentally sustainable Cook Islands. • It is too early to assess the impact of the Infrastructure Trust Fund (ITF), as approved projects have not been completed within the timeframe of this evaluation. • The use of Activity-based modalities under the JCfD prepared both the Cook Islands Government and MFAT for the transition to new higher-order modalities under the 4YP.
<p>KEQ3</p>	<p>How can the delivery of MFAT’s Programme/4YP be improved during the next programme phase?</p>
<p>Effectiveness and efficiency</p>	<ul style="list-style-type: none"> • MFAT’s programme has used effective and efficient modalities; this was demonstrated and put to the test during the COVID-19 pandemic. • MFAT partnered effectively with Cook Islands Government senior officials, such as through the ITF governance body, and implementation of JCfD Activities. • MFAT’s level of formal engagement with civil society and other leaders throughout the country has decreased due to the new programme modalities of partnering with government. • MFAT has collaborated with NZ Inc, but there is overall weak visibility and coordination. • Development partners have effectively leveraged MFAT’s financial support, and this has enhanced the assistance provided by other partners. • The shift to a more consolidated bilateral programme has enabled a greater focus on relevant development priorities, but it is too early to assess effectiveness. • MFAT used modalities that were consistent with and align well with the Cook Islands Government systems. • The modalities used in the Cook Islands bilateral programme do not identify other sector or cross-cutting issues priorities, for example the environment or climate change. • The focus on gender equity and social inclusion issues has become ‘diluted’, or has diverged due to more consolidated programming.
<p>KEQ4</p>	<p>How could the interventions under MFAT’s Programme/4YP be more sustainable and strengthened?</p>

Sustainability and resilience

- Capacity and capability constraints in the Cook Islands have an effect on the sustainability of MFAT investments.
- The 4YP did not hinder adaptive management. COVID-19 provided an opportunity to test systems, as well as the maturity of the relationship.
- The inconsistent compliance reporting and results measurement of new modalities under the 4YP is a missed opportunity to provide the space for discussions on outcomes, longer-term benefits, and sustainability of investments.
- External risk is identified in national budget documents (for example, economic development that impact the New Zealand economy which may have a flow-on to effect tourist numbers and their spending or other Aotearoa New Zealand policy considerations). However, domestic risks to government revenue streams from factors within Cook Islands Government control (for example, the impact of public health hazard outbreak or air/sea incidents due to international safety or security standards³ not being set or adhered to) do not form part of structured investment decision making; yet if these risks are realised there will be an impact on the New Zealand International Development Cooperation (IDC) Programme.
- Wellington-based MFAT systems and knowledge are not being used to their full potential. This is exacerbated by significant staffing gaps and vacancies, and a staff rotation policy that means expertise is diluted and institutional knowledge is lost. Staff are not always well-versed in different modalities and therefore sometimes cannot engage with the Cook Islands Government at the required level.

Conclusions

The evaluation findings show that despite challenges to delivering the programme, largely due to COVID-19, MFAT’s Programme/4YP has been effective in achieving its proposed goals. It has enabled the Cook Islands’ own development, including its graduation on 1 January 2020 from eligibility for Official Development Assistance, and improved its relationship with Aotearoa New Zealand as evidenced through the delivery of the identified activities. MFAT’s engagement is assessed as consistent with international agreements and MFAT’s ICESD, especially Principle 16, is being applied.

Evidence from the evaluation shows that the portfolio of support under the JCfD (2015-18) is highly relevant. MFAT’s programme strongly supports Cook Islands’ national development priorities, although CSS does not clearly factor in other Cook Islands’ priorities such as climate change. MFAT’s new climate financing support should hopefully fully address this priority.

The Cook Islands’ strategic documents are robust, and MFAT and other development partners are using them to inform their investment decisions. For example, ADB has leveraged further support for the Cook Islands. The quality of policy dialogue with the Cook Islands Government is maturing – this is reflected in the close working relationship between Cook Islands government agencies and the NZHC in Rarotonga, along with MFAT thematic specialist advisors.

³ Set out by the International Civil Aviation Organisation (ICAO) and International Maritime Organisation (IMO).

The cultural relationship, particularly through the NZHC, is well-considered and there is potential to develop and leverage this further to both countries' advantage.

There is extensive MFAT-funded and non-MFAT-funded involvement of NZ Inc, as well as diaspora connections that bring other support and perspectives.

MFAT's support has been integral to responding to changing fiscal/socio-economic trends and consequences due to COVID-19. Output 4 Technical Advisor is contributing to strengthening government systems and is well-received. This has mostly supported public financial management and there is interest in widening the scope.

The use of budget support for the COVID-19 Response meant that MFAT funding could be delivered efficiently and effectively to the Cook Islands. The Evaluation team notes that during COVID-19, MFAT and Cook Islands Government officials worked together productively. In particular, there was a strong constructive relationship between the Ministry of Finance and Economic Management (Cook Islands Government) (MFEM) and the NZHC, and this has continued to today.

The overall findings highlight that despite the evolution of programme documents (from JCfD to 4YP), and the mismatching of monitoring outcome and reporting approaches for the higher order modalities, MFAT's Cook Islands Programme during the evaluation period aligned with Cook Islands Government priorities. MFAT's programme has contributed to effective self-governance through higher order modalities, and a mutually beneficial bilateral and regional relationship.

However, there are opportunities for improvement in various areas:

- For the ITF, it is too early to assess its impact on the Cook Islands infrastructure sector, so ongoing monitoring of this fund is needed.
- While investments achieved positive results during this period, there is a lack of evidence that the 2018-21 4YP played a role in providing strategic direction with regard to climate resilience and environmental sustainability. The lack of robust evidence for the 2018-21 period may be due to the move to higher order modalities, with a shift to a more consolidated bilateral programme which has provided greater focus on CSS pillars (health, education and tourism) and infrastructure (through ITF).
- The lack of consistent oversight over NZ Inc activities, poses potential risks of duplication, gaps or missed opportunities.
- Much of Cook Islands' legislation is out of date and this is slowing down opportunities for the further strengthening of government systems. There is an opportunity for MFAT to provide the Cook Islands Government with support to update the legislation, such as through its TA Fund.
- One of the challenges with higher order modalities has been a decreased engagement with civil society and other non-government leaders. Gender and social inclusion issues are diluted or de-prioritised under higher order modalities.
- A key challenge for the Cook Islands is the high dependency on the tourism sector and potential impact on the New Zealand IDC Programme if this risk is realised (as was the case with the COVID-19 pandemic). While this dependency is well understood, the internal risks are less understood.
- For MFAT, its staff rotation policy and business processes (including document management) present ongoing challenges to retention of institutional knowledge.
- The Grant Funding Arrangement (GFA) and Monitoring, Evaluation, Research and Learning (MERL) Framework for the CSS require considerable compliance reporting.

This is time-consuming to prepare and distracts from the all-important outcomes dialogue on indicators set out in Cook Islands documents.

- The ITF approved projects do not have a finalised MERL Framework or indicators to monitor progress. The ITF Board receives regular reporting to ensure there is accountability to stakeholders for how the funds are used. The consistency and nature of the reporting needs to ensure the focus is on the agreed priorities, that projects are well managed, and that progress is being made towards the desired outcomes.
- The Evaluation team also notes that the Output 4 Technical assistance (TA) is over-subscribed and does not have any flexibility to respond to emerging needs.

Recommendations

MFAT's partnership approach and its practice of continuous improvement supports opportunities to improve the delivery of MFAT's Programme/4YP during the next programme phase. Learnings identified in this evaluation can help to ensure that Aotearoa New Zealand's next phase better aligns with Cook Islands' strategic plan and meets its obligations to the Cook Islands.

The recommendations identify key changes needed to ensure MFAT's next Programme/4YP provides sustained social, environmental, and economic outcomes. This section also investigates opportunities for strengthening Aotearoa New Zealand's whole-of-country approach to cooperation with the Cook Islands, and includes suggested interventions to ensure MFAT's Programme/4YP is more sustainable and resilient.

Relevance, alignment, and coherence

How modalities are used should be informed by strategic discussion. Budget support is the most suitable form of development support for fulfilling commitments under the Paris Declaration on Aid Effectiveness.⁴ It should also provide MFAT with the opportunity to discuss with the Cook Islands Government its budgetary choices and overall vision of the country's political priorities, as it provides a framework for broader dialogue.

For CSS, it is important that sectors align with Cook Islands' priorities. There are opportunities for these core sectors to prioritise pressing issues such as Non-communicable diseases (NCD), gender equity and social inclusion, disaster risk reduction, climate adaptation and mitigation, and digital transformation. These issues require greater attention through mainstreaming across all modalities, and New Zealand should discuss these through partnership dialogue.

A change in the ITF governance may be required to accommodate new sources of funding, with oversight currently limited to MFAT and the Cook Islands Government, and with legal ownership residing entirely with the Cook Islands Government.

Legislation will need to continue to be updated to reflect Cook Islands independence from Aotearoa New Zealand, and ensure that outdated legislation does not impinge on the government's ability to deliver its priorities.

As stated above, the quality of policy dialogue with the Cook Islands Government is maturing. While the move to different modalities has been a positive step, the consequence of moving to budget support has been the loss of an agreed system to mutually own the outcomes from the funding.

There are also opportunities to further leverage the deep cultural links between the Cook Islands and Aotearoa New Zealand, and this could include the Cook Islands providing advice

⁴ <https://devpolicy.org/a-case-for-budget-support20110202/>

to Aotearoa New Zealand on improving well-being, based on learnings from experience in the Cook Islands.

The evaluation recommends:

1. Domestic risks to Cook Islands' fiscal security are identified and their mitigation forms a regular part of bilateral discussions.
2. The next 4YP is co-designed by MFAT and the Cook Islands Government. This would include MFAT and the Cook Islands Government working from the same documents, or documents that are at least aligned in wording around priorities and intended results.
3. Climate finance and climate change issues are integrated with climate change adaptation (including disaster risk reduction) and mitigation, and work progresses at pace using existing modalities.
4. Gender equity and social inclusion issues are given greater visibility and support at a programmatic level, and mutually agreed indicators are monitored.
5. MFAT continues to provide funding to the Infrastructure Trust Fund for at least another triennium until the Cook Islands infrastructure agencies' functions are reviewed and realigned.
6. There is targeted technical assistance to assist the Cook Islands with legislation reform to ensure any mitigations can be actioned.
7. Continue with discussions to inform higher order policy dialogue between MFAT and the Cook Islands Government. These discussions should include reflecting on the Cook Islands' experience, and identifying approaches that can inform MFAT's broader aid development agenda.

Achievements and impact

Embedding agreed monitoring and evaluation processes, which would be adapted to suit the different modalities, would enable both MFAT and the Cook Islands Government to better measure the impacts of MFAT development support.

The evaluation recommends:

8. Core Sector Support's oversight mechanisms are strengthened to measure and monitor performance. The Evaluation team understands that further work on MERL Frameworks for 4YPs is underway. These should be aligned to the measures in the new Cook Islands national development plan, thereby building capacity to serve Aotearoa New Zealand's objectives and Cook Islands capacity to measure progress against the national plan.

Efficiency and effectiveness

There is a lack of consistent visibility over the different roles NZ Inc is playing in the Cook Islands, and the New Zealand High Commission has limited oversight of and reporting on the work Aotearoa New Zealand agencies are undertaking within the Cook Islands.

Governments are accountable to their electorate to ensure the effective and efficient use of resources. It is timely to ensure there are tested systems and processes for these high-order modalities so there is adequate outcomes-based information to inform decisions on future investment.

The evaluation recommends:

9. There is better coordinated oversight of NZ Inc by MFAT and the New Zealand High Commission (NZHC) to ensure greater visibility for both partners. The NZHC is responsible for consular support, and all Aotearoa New Zealand officials and contractors should be required to be recorded with the Commission. Use of the Safe Travel website to

lodge visits and advance notice by Formal Message are both useful tools for communication and oversight. Alternatively, an online register of Aotearoa New Zealand government agency activity could provide better awareness of in-country engagement. While this would have to be voluntary for private sector companies and NGOs, they might provide information if it does not affect commercial outcomes. It may not be practical to track all of this support, but an overall increased awareness could help to ensure resources are being well used, and reduce duplication of effort or known gaps.

10. Better processes to assess and record evidence of effective work, where 'fine-tuning' is required, and how to use different modalities to strengthen performance. Strengthening the linkages between the monitoring of the national development plan and budget support policy dialogue would help to situate financing as a means to achieve the national development goals. This continual focus on the bigger picture is important to integrate financing and reduce 'silo-think' by sectors.
11. Opportunities for staff training on how budget support differs from programme activities. MFAT and Cook Islands experts on budget support can provide this training.
12. MFAT business processes are better aligned to the modality being used, and work is done to ensure the budget support modality is well understood by both partners.

Sustainability and resilience

The evaluation recommends:

13. Supporting opportunities for the Cook Islands tourism sector to develop its relationship with Aotearoa New Zealand Māori Tourism. This would build on past efforts to explore the potential for more balanced and increased culturally sensitive investments, including supporting outreach to the Aotearoa New Zealand-based Cook Islands diaspora and Iwi investment platforms.

1. Introduction, Evaluation Purpose and Objectives

1.1. Introduction

The Ministry of Foreign Affairs and Trade (MFAT) delivers an agreed programme with the Cook Islands Government through a Pacific and Development Group (PDG) Four Year Plan (4YP) that operationalises MFAT's long-term strategy for engagement with the Cook Islands.⁵

This strategic evaluation covers the 2015-2018 triennium (which used a Joint Commitment for Development (JCfD)) and the 2018-2021 (4YP) triennium. It pays greater attention to the latter to identify early lessons learned, as the consolidation of the bilateral programme under the two main pillars of budget support and infrastructure occurred during this period. To provide some context to this evaluation, the Evaluation team has noted the recommendations of the previous MFAT strategic evaluation for the period 2011-15, and made comments (Appendix A).⁶

This evaluation provides a strong evidence base and deep understanding of MFAT's contribution to Cook Islands' development priorities over the period 2015-21 and its findings will be used to:

- identify learnings for ongoing 4YP planning and management;
- inform MFAT's engagement with Cook Islands; and
- demonstrate achievements to MFAT partners and stakeholders.

1.2. Evaluation purpose and scope

In 2022 MFAT commissioned an independent evaluation to assess the delivery and performance of its Cook Islands programme, and determine the impact it has had on the Cook Islands' economy and core sectors. This strategic evaluation examines what has been achieved across the full suite of programme and policy areas, as well as the overall coherence and alignment of the strategic direction to the Cook Islands' development priorities. In addition to meeting accountability and transparency requirements, the evaluation also provides an evidence base to inform PDG's strategic oversight, direction setting, policy development, and decision-making. The evaluation's aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact, and sustainability of the programme.

The objectives below were identified by MFAT, and the Evaluation team developed the Key Evaluation Questions (KEQs) based on these objectives. The OECD Development Assistance Committee (DAC) criteria is used as an analytic and assessment tool to answer the KEQs. Section 3 outlines the methodology, and Section 4 discusses the findings against the KEQs and sub-questions.

Scope

Strategic country programme evaluations encompass:

⁵ The Pacific and Development Group (PDG) Four Year Plan (4YP) approach was introduced in 2017/2018. A Joint Commitment for Development (JCfD) informed the period from 2015 until the introduction of the 4YP.

⁶ The Cook Islands Programme was last evaluated in 2015. That evaluation focused on the 2011-2015 JCfD and was completed prior to the introduction of the PDG's 4YP approach in 2017/18. The 2015 Evaluation Report sets out six recommendations in terms of their relevance for future policy settings. See Appendix A for comments on implementation of the recommendations.

- Bilateral partnerships with partner country governments; regional agencies; multilateral organisations including development banks; and the relationships which underpin these partnerships;
- The integrated effect of Aotearoa New Zealand’s foreign policy, trade, and development cooperation priorities in the partner country; and
- The suite of activities managed by Aotearoa New Zealand’s International Development Cooperation (IDC) to achieve goals in partner countries
 - Aotearoa New Zealand’s IDC is made up of both core bilateral funding and non-core funding that flows to the country through other programmes, for example, regional and multi-country Activities, the Partnerships Funds, and Humanitarian Assistance.⁷

The scope for this evaluation includes MFAT-funded bilateral activities/programmes for the Cook Islands over the time period 2015-21. While all of these activities are in scope, the inception phase identified the activities that the evaluation would focus on (see Appendix B for primary and secondary lists). The scope for the evaluation does not include in any depth MFAT-funded regional and multilateral programmes and activities, but where relevant the evaluation refers to them.

4YP logic diagram

The original 4YP from 2018 had a high-level logic diagram, with outcomes sitting under three goals and a suite of outputs. This document has a restricted security status and could only be sighted by the Evaluation team. The 4YP (dated October 2021) has a more developed logic diagram with short- and medium-term outcomes (see Appendix C) that align to the themes of economics; infrastructure and energy; governance and institutions; health; education; and climate and environment.

1.3. Evaluation objectives

The following objectives were set out in the Terms of Reference (ToR):

Objective 1: Assess the alignment and coherence of MFAT’s engagement

- To what extent has Aotearoa New Zealand’s approach to development cooperation in the Cook Islands maximised strategic policy alignment, relevance and responsiveness for:
 - Aotearoa New Zealand’s strategic objectives;⁸ and
 - Cook Islands’ priorities for national development?⁹
- To what extent has Aotearoa New Zealand’s approach to development cooperation in Cook Islands been consistent with:
 - the Global Partnership for Effective Development Cooperation and the Paris Declaration on Aid Effectiveness (particularly donor coherence); and
 - Aotearoa New Zealand’s International Cooperation for Effective Sustainable Development (ICESD) Policy Statement?¹⁰

⁷ Core and non-core funding can include jointly funded activities with other donor partners (for example, Aotearoa New Zealand and Australia). Under this evaluation, there will be a stronger focus on Activities funded from the core programme.

⁸ As articulated in the Four Year Plan.

⁹ As outlined in the Cook Islands National Infrastructure Investment Plan and The National Sustainable Development Plan.

¹⁰ New Zealand’s International Cooperation for Effective Sustainable Development <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/>

- To what extent has Aotearoa New Zealand’s approach to development cooperation in the Cook Islands considered the cultural differences between Aotearoa New Zealand and the Cook Islands, and how has this impacted the delivery of outcomes?

Objective 2: Assess the achievement of strategic priorities

- To what extent has MFAT’s engagement over 2018-21 effectively contributed to:
 - Effective self-governance for a sustainable economy and improved well-being, including in Pa Enea (outer islands);
 - Aotearoa New Zealand and Cook Islands have a mutually beneficial bilateral and regional relationship; and
 - A climate resilient and environmentally sustainable Cook Islands?
- To what extent has MFAT’s engagement over 2018-21 successfully built on previous Aotearoa New Zealand support¹¹ to maximise positive impact?
- To what extent has MFAT’s engagement over 2018-21 successfully responded to changing fiscal and socio-economic trends, including the COVID-19 pandemic?

Objective 3: Assess the effectiveness and efficiency of Aotearoa New Zealand’s approaches and ways of working to achieve desired strategic objectives

- To what extent has MFAT’s Cook Islands engagement over the period effectively:
 - Utilised the most effective and efficient modalities (such as budget support, technical assistance, project type interventions etc.) to achieve desired objectives;
 - Effectively partnered with Cook Islands’ leaders (Government; civil society, traditional leaders) on joint priorities;
 - Successfully collaborated with other Aotearoa New Zealand government agencies to deliver development outcomes (including through regional initiatives);¹² and
 - Successfully engaged with and influenced other donors to leverage Aotearoa New Zealand effectiveness?
- To what extent has the shift to a more consolidated bilateral programme, under two main pillars, enabled or inhibited greater focus and achievement of relevant development priorities in MFAT’s 4YP and the National Sustainable Development Plan?

Objective 4: Offer insights into the sustainability of current and future support

- To what extent has MFAT’s Cook Islands engagement over the period effectively considered the sustainability of current and future support?
- What learnings can be identified to maximise achievement of the revised 4YP including:
 - Use of resources for greatest effect;
 - Ability to scale investments to best realise and maximise Aotearoa New Zealand’s impact; and
 - Ability to adapt to changes in context and manage activities with flexibility?

¹¹ As evidenced in the 2015 Strategic Evaluation of the Country Programme.

¹² Note that the Evaluation team will have limited ability to assess attribution.

2. Cook Islands Context

2.1. Cook Islands development context

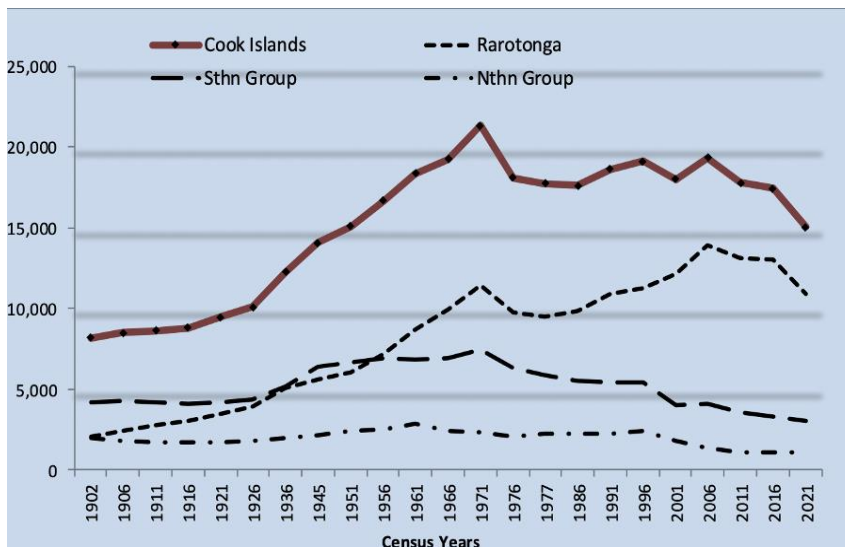
This section sets out some key aspects of the Cook Islands. Context is important to outline the country’s pressing issues and needs, to help inform the future space, and inform where Aotearoa New Zealand may be able to provide support.

Population

The South Pacific country of the Cook Islands consists of 15 islands (12 inhabited) with a land mass of 240 square kilometres and an exclusive economic zone (EEZ) of almost two million square kilometres.

Based on the 2021 Census, the total population of the Cook Islands is 15,040 people (7,392 men and 7,648 women).¹³ Over 70 percent (10,898) of the total population live on Rarotonga, about 20 percent (3,040) in the Pa Enua Southern Group Islands, and just over 7 percent (1,102) in the Pa Enua Northern Group Islands. The Cook Island Māori population account for 77 percent of the population, a slight decrease from 78 percent in 2016 and 81 percent in 2011. The diagram below shows the population by island group.

Diagram 2.1: Cook Islands total population from 1902 to 2021



Source: 2021 Cook Islands Census

The diaspora population of Cook Islanders in Aotearoa New Zealand are the third largest Pasifika ethnic group. The ethnic population of Cook Islanders in Aotearoa New Zealand was 80,532 at the time of the 2018 census. Of these, 83 percent were born in Aotearoa New Zealand. Of those born overseas, just over 67 percent arrived in Aotearoa New Zealand

¹³ Note that Total population includes a large proportion of visitors/tourists that fluctuate seasonally. For example, the decline in Total population in 2021 reflects the very low number of tourists in country due to COVID-19.

more than 20 years ago. About 8 percent had arrived in Aotearoa New Zealand less than five years ago.¹⁴

The issues related to a mobile population include high turnover of staff in government agencies and the private sector. This is exacerbated by unintentional outcomes of capacity building; as a person's skill level increases so does the incentive to move to economies where the value of employment may be two to three times higher. In this context the Cook Islands needs the sustained engagement of young people in skills development, and to mentor future leaders. While not all will stay, some will progress into roles in the public and private sectors, and those that do migrate have a higher income earning capacity. In this respect education can be seen as both an end as well as a means to development.

Political context

The Cook Islands is self-governing in free association with Aotearoa New Zealand. Under the Cook Islands constitution, Aotearoa New Zealand cannot pass laws for the Cook Islands and the Cook Islands has its own foreign service and diplomatic network. Cook Island nationals are New Zealand citizens and, where eligible, can access New Zealand government services when in Aotearoa New Zealand.¹⁵

Aotearoa New Zealand and Cook Islands' special relationship comes with a set of mutual obligations and expectations. The Cook Islands is expected to uphold shared values and principles including human rights and good governance, and Aotearoa New Zealand has specific obligations for foreign affairs, defence, and security, at the request of the Cook Islands Government. The principles of the New Zealand–Cook Islands partnership are set out in the 2001 Joint Centenary Declaration. The principles were reaffirmed in a joint statement at the 50th anniversary celebrations of Constitution Day in 2015. The two countries share a Head of State (King Charles III), a shared currency [New Zealand dollar (NZD)], and close economic, cultural, and community links.¹⁶

The Cook Islands Government has full legislative power, but some of the current legislation relates to pre-independence. Updating legislation will go some way to modernising the public sector, especially with regard to digital services. Another potential area of legislation reform or new areas of legislation commented on during the evaluation that would assist the Cook Islands relate to Cook Islands' seabed mining.¹⁷

Response to COVID-19

Aotearoa New Zealand remains the Cook Islands' main development partner, reflecting the special constitutional relationship and implicit obligations. Aotearoa New Zealand increased its level of support to the Cook Islands in response to the impacts of the COVID-19 pandemic on tourism, which is the Cook Islands' principal revenue source. As the Cook Islands' focus shifts from pandemic response to recovery, the Aotearoa New Zealand Government has stated that it remains committed to contributing to the Cook Islands' goal of economic recovery.¹⁸ This is also outlined in the 2021 4YP and 2022 Waka Hourua/Vaka Purua, and will be the principal focus of MFAT's support in the next few years, while it also re-engages on other areas of long-term significance such as climate change, education, health and security.

¹⁴ Hayes, G. (Updated in 2022). *Background paper: Population dynamics and trends in the Cook Islands 1902-2021*. Paper prepared for the Population Policy Working group and the Central Policy and Planning Office.

¹⁵ New Zealand citizens are not Cook Islands nationals.

¹⁶<https://www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/cook-islands/new-zealand-high-commission-to-the-cook-islands/about-cook-islands/>

¹⁷ Willaert, K.(2021). Seabed mining within national jurisdiction: An assessment of the relevant legislation of the Cook Islands. *Coastal Management*, 49,4, 413-430.

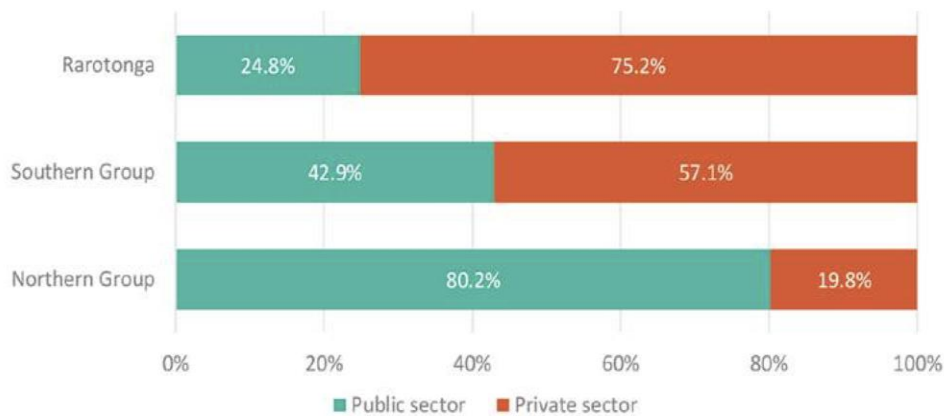
¹⁸<https://www.beehive.govt.nz/release/further-covid-19-economic-support-cook-islands-and-fiji-announced>

Economy

In 2016 the restaurant and accommodation sector was the largest employment sector, employing almost 21 percent of all employees. This fell to 15 percent in 2021. This was because of the border lockdown due to COVID-19 when the country recorded almost no tourists. Sectors related to tourism such as transport, arts, and recreation, were also impacted during this period (2021 Census).

Cook Islands Labour Force Survey report published in November 2020¹⁹ reported that the private sector was the main sector in the Cook Islands, with around 5,518 employed, providing 69 percent of all jobs. Around 31 percent of jobs are in the public sector. The private sector is most dominant in Rarotonga, where it employed 75 percent of the employed population, while in the Pa Enua Southern Group Islands and Pa Enua Northern Group Islands private sector employed 57 percent and 20 percent of the employed population, respectively. The figure below shows that it is only in the Pa Enua Northern Group Islands that the private sector plays a small role, with 80 percent of jobs being in the public sector.

Figure 2.1. Employment by public-private sector of economic activities and region, Cook Islands, 2019²⁰



Source: Cook Islands Labour Force Survey

Most of the goods traded between Aotearoa New Zealand and Cook Islands are exports from Aotearoa New Zealand to the Cook Islands. Cook Islands' economic growth is primarily due to a strong tourism sector, but it remains economically vulnerable. Its small population means that human resource capability is a constant challenge.

At a broad level, the graduation of the Cook Islands to advanced economy status is in itself a rare achievement in the short history of international development assistance, especially for the group of Pacific Small Island Developing States (SIDS). This is the underlying goal of the DAC system and, notwithstanding the subsequent impacts of COVID-19, this achievement is evidence of the effectiveness of continued support over a long period from a range of partners including Aotearoa New Zealand.

Tourism

Tourism is the main driver of economic growth, with visitor numbers in 2019 hitting a record number of more than 170,000. Tourism revenue for 2018/19 was more than NZD 356 million. Tourists are mainly from Aotearoa New Zealand (approximately 61 percent) and Australia

¹⁹ https://www.intaff.gov.ck/wp-content/uploads/2021/02/WEB_LFS-Report-2019.pdf

²⁰ https://www.intaff.gov.ck/wp-content/uploads/2021/02/WEB_LFS-Report-2019.pdf, p.49

(approximately 13 percent). Total arrivals for the month of December 2022 were 10,914; 9,916 were visitors and 998 were returning Cook Islanders and work permit holders.²¹

Fishing

Overall 39 percent (1,825) of all private households were engaged in a type of fishing activity. Rarotonga accounted for just over 22 percent (1,040 active households) and these were mostly engaged in reef or lagoon fishing. Of those households actively engaged in reef or lagoon fishing, almost 91 percent were fishing for home consumption. Only 0.5 percent were fishing for sale or commercial purposes. Ocean fishing was mainly for home consumption - just over 20 percent engaged in ocean fishing for sale (2021 Census).

Agriculture

Based on the 2021 Census, at least 70 percent of all households in the Cook Islands were engaged in one or more types of agricultural activity. Of those, the majority (just over 44 percent) were growing flowers and ornamental plants, and almost 44 percent were engaged in harvesting and growing fruit trees. Pa Enea Southern Group Islands²² households were mostly engaged in raising livestock and poultry, as well as growing and harvesting root crops. Pa Enea Northern Group Islands households were also engaged in raising livestock and poultry.

Environment

Although the total terrestrial area is just 241², the Cook Islands is responsible for a large section of the Pacific Ocean. Because its islands and atolls are spread over a wide area of ocean, the country controls an EEZ of about 1.9 million km². The Cook Islands is particularly vulnerable to the adverse effects of climate change and the *Cook Islands Climate Change Policy 2018-2028 Report*²³ notes that the Cook Islands produces minimal greenhouse gases but faces high risks of being badly impacted by climate change. The Cook Islands' geographical and topographical situation also creates high vulnerability to weather-related disasters and extremes.

Education

Education in the Cook Islands has close ties with the educational system of Aotearoa New Zealand. Education is free, inclusive, and compulsory for all children from 5 to 16 years of age. The 2021 Census outlined that the percentage of females achieving higher education was higher than males in most qualifications. Females were dominant in the Bachelor's degree category and also in post-graduate certificates and diplomas, with almost 60 percent. Males dominate in the trade qualifications, with new training and study programmes introduced by the Cook Islands Tertiary Training Institute.

Health

The Ministry of Health (Te Marae Ora) is the main provider of healthcare in the Cook Islands and is directly responsible for seven legislative acts relevant to health. Healthcare services are free or highly subsidised for residents (Cook Islanders, Permanent Residents and Expatriate Workers) and range from public health (inclusive of primary care) to secondary care.²⁴

²¹ <https://www.mfem.gov.ck/statistics/social-statistics/tourism-and-migration>

²² Comprising Mangaia, Mitiaro, Takutea, Manuae, Mauke and Palmerston.

²³ <https://climatechange.gov.ck/wp-content/uploads/2019/10/Cook-Islands-Climate-Change-Policy-2018-2028.pdf>

²⁴ Pacific Island Countries and Areas – WHO Cooperation Strategy 2018–2022

Non-communicable diseases (NCDs)²⁵ and their risk factors are major public health problems in the Cook Islands. As indicated in the *Cook Islands National Health Strategic Plan 2017–2021*²⁶, cardiovascular disease is the most prevalent NCD.

There are compelling economic reasons for countries to invest in resources to reduce the impact of NCDs. In particular, economic analysis shows that NCDs can impose large and rapid increases in costs to budgets, sometimes to an unsustainable level. They impose broader costs to the economy through loss of productivity as a result of premature deaths and disability, such as strokes.²⁷ Te Marae Ora Ministry of Health's *Ngaki'anga Kapiti Ora'anga Meitaki Cook Islands Strategic Action plan to prevent and control non-communicable diseases 2021-2025*²⁸ notes that the economic burden of NCDs in the Cook Islands is estimated to have financial costs of NZD 5 million to NZD 8 million and non-financial costs (Years Life Lost) of up to NZD 11.7 million.

The treatment of NCDs also places a burden on the New Zealand health care system as Cook Islanders are able to access health services in Aotearoa New Zealand. Extended families, typically in the Tāmaki Makaurau Auckland area, are likely to face the social and financial burden of caring for family members undertaking treatment or who are no longer able to live in the Cook Islands due to their ongoing health care needs. NCDs are therefore a health, economic, and social issue. Dealing with the complexity of drivers and persistence of problems would benefit from more government and all of society approaches, including drawing on capability from across NZ Inc.²⁹

The Cook Islands 2021-2030 NCD plan calls for multi-pronged, multi-sectoral, multi-systems, whole-of-government, and whole-of-society interventions. This life course approach seeks to empower people and communities to act decisively to live healthier lives whether at home, school, work, play, or church. It will require strong leadership and good governance, and more systematic and strategic partnerships across networked national, regional, and global systems. It will also require well-supported effective monitoring, and accountability frameworks.

The Cook Islands National Health Strategic Plan calls for an increase in the number of specialists in most disciplines including paediatrics, building the nurse practitioner workforce on all islands, and increasing the nursing, dental, and allied health workforce.

2.2. Cook Islands national development priorities

Te Kaveinga Nui National Sustainable Development Plan (NSDP) 2016-2020³⁰ served as the overarching document defining national development priorities over that five year period. It included 16 national sustainable development goals.³¹ Seven of these were supported by activities under the JCfD and the 4YP, which demonstrates that Aotearoa New Zealand's support was relevant and well-aligned. The development plan provided guidance on translating the goals into action and provided direction on monitoring progress.

During 2019 and 2020, a consultation process was undertaken by the Policy and Planning Division of the Office of the Prime Minister to update and develop a new plan: Te Ara

²⁵ <https://www.who.int/news-room/fact-sheets/detail/noncommunicable-diseases>

²⁶ <https://www.health.gov.ck/national-health-strategic-plan-2017-2021/>

²⁷ NCD roadmap report: A background document on preventing and controlling NCDs in the Pacific, circulated June 2014 for consideration by the Joint Forum Economic and Pacific Health Ministers' Meeting, July 2014.

²⁸ https://www.iccpportal.org/system/files/plans/COK_B3_s21_TMO_NCDPlan_21%20June%20Final%20NCD.pdf

²⁹ See Footnote 2.

³⁰ <https://policycookislands.files.wordpress.com/2017/08/nsdp-2016-2020-final-3rd-ed.pdf>

³¹ <https://policycookislands.wordpress.com/the-national-sustainable-development-plan-2016-2020/>

Akapapa'anga Nui 2021-2121 – National Sustainable Development Agenda (NSDA) 2020+. The NSDA 2020+ is supported by a 25-year generational plan and a five-year scorecard.

The NSDA 2020+ aims, over the next 100 years, to realise wellbeing for all.³² It aims for “An empowered, dignified and innovative people, with the highest quality of wellbeing in life” (p.3). It defines wellbeing as a state in which a person is comfortable in terms of: education, housing, and economic security; healthy in psychological and physical terms; and happy in terms of environment, culture, and vitality.

National development plans are supported by policies and strategies that define the actions to be taken to support national development goals. Key national policies and strategies include (but are not limited to) the Cook Islands Economic Development Strategy (EDS) 2030,³³ which was initiated prior to the COVID-19 pandemic and then updated and finalised in 2021. It is supported by the Economic Response Plan – Recovery during COVID-19 and the COVID-19 Economic Recovery Roadmap.³⁴ Health and education are primarily driven by the Cook Islands National Health Road Map 2017–2036³⁵ and NCD Strategy which is currently being updated, as is the Cook Islands Education Master Plan 2023.³⁶ Other policies and plans include: the Cook Islands Population Policy; Cook Islands National Environment Policy;³⁷ Cook Islands Agriculture Sector Action Plan 2020–2025;³⁸ Cook Islands Climate Change Policy 2018–2028; and the Cook Islands National Infrastructure Investment Plan 2021.³⁹ Key social policies include: the Cook Islands National Policy on Gender Equality and Women’s Empowerment 2019-2024;⁴⁰ Cook Islands Disability Inclusive Development Policy 2019-2024;⁴¹ Cook Islands National Policy Framework for Children 2017-2021;⁴² Cook Islands National Youth Policy 2021-2026; and the Cook Islands National Ageing Policy 2019-2023.

2.3. MFAT’s Four Year Plan

In 2018, MFAT moved away from JCfD signed at the level of Minister or very senior officials from both the partner government and Aotearoa New Zealand. These were replaced by 4YPs covering the total envelope of Aotearoa New Zealand’s engagement with partner governments to achieve development outcomes, bilateral relationships, development assistance including multilateral support, foreign policy, and trade.

A 4YP was prepared for the Cook Islands in 2018. This was an A3 logic diagram without narrative or a Monitoring, Evaluation, Research and Learning (MERL) Framework and indicators. It is a restricted document and could not be given to the Evaluation team. However, we were able to see it and are aware that it has three goals, 11 short- and 11 medium-term outcomes, and 13 output areas (listed in Table 4.1).

During the 2018-21 triennium (the focus period of this evaluation) Aotearoa New Zealand’s development cooperation with the Cook Islands moved from being project-based (with

³² <https://www.pmooffice.gov.ck/wp-content/uploads/2021/12/Turanga-Meitaki-100-mataiti-Digital.pdf>

³³ <https://www.mfem.gov.ck/economic-planning/economic-development-strategy>

³⁴ <https://www.mfem.gov.ck/news1/121-finacial-secretary-office-news/1024-covid-19-economic-response-plan-erp>

³⁵ <https://www.health.gov.ck/national-health-road-map-2017-2036/>

³⁶ https://www.mfem.gov.ck/images/documents/DCD_Docs/Development-Resources/CKI_Education_Master_Plan_2008-2023.pdf

³⁷

<https://environment.gov.ck/#:~:text=The%20National%20Environment%20Service%20is,future%20generatio ns%20of%20Cook%20Islander>

³⁸ <https://agriculture.gov.ck/wp-content/uploads/2020/08/FINAL-Agriculture-Sector-Action-Plan-2020-2025-ASAP-June-2020.pdf>

³⁹ https://www.theprif.org/sites/default/files/documents/Cook%20Islands%20NIIP%20Report%20Rev2_PRIF.pdf

⁴⁰ <https://www.intaff.gov.ck/wp-content/uploads/2020/07/NPGEWE-Policy-booklet-4.pdf>

⁴¹ <https://www.intaff.gov.ck/wp-content/uploads/2020/09/cidid-policy-book-21-9-2020.pdf>

⁴² <https://www.intaff.gov.ck/wp-content/uploads/2020/07/2017-C-Is-National-Policy-Framework-for-Children-FINAL.pdf>

Activity Design Documents (ADDs) and contracts such as Grant Funding Arrangements (GFAs) to higher order modalities such as budget support⁴³ and grant contributions.⁴⁴ The programmatic focus was on:

- Core Sector Support (CSS) – fungible⁴⁵ budget support for health, education, and tourism, and a technical advisory (TA) fund known as Output 4
- Infrastructure - funded through an Infrastructure Trust Fund (ITF) established in late 2019
- COVID-19 Response - budget support in addition to the original bilateral development programme allocation
- Support from partner agencies (through NZ Inc), and the completion of existing Activities commenced under the JCfD.

This package of development assistance was effectively the country programme for the Cook Islands, so the Evaluation team is using the term 4YP interchangeably with the Cook Islands' country programme.

In October 2021 a 4YP for the Cook Islands was finalised, following consultation with the Cook Islands, and this is a publicly available document.⁴⁶ It has three strategic goals, each with key indicators of progress:

- The Cook Islands' economy is more resilient, delivering benefits for all Cook Islanders
 - Increase in growth rate of Gross Domestic Product (GDP) (% increase per year)
 - Increase in average daily value of tourism spend (NZD, % increase per year)
- The Cook Islands has strengthened public institutions, leading to improved outcomes for Cook Islanders
 - Decrease in premature NCD mortality (30-69 years)
 - Increase in secondary school retention from Year 11-12 and 12-13 (by sex)
 - Increase in climate-related development finance-commitment (USD million increase)
 - Decrease in women who experienced physical and/or sexual violence by an intimate partner (% population)
- The Cook Islands is supported to grow its voice in the region and world, working with Aotearoa New Zealand towards a safer Pacific community
 - Increase in number of monitoring missions for the Cook Islands' EEZ per year.

The 2021 4YP and the 2022 Waka Hourua/Vaka Purua⁴⁷ will be the founding documents for the next strategic evaluation. Waka Hourua/Vaka Purua was signed in Rarotonga in October 2022 by Hon Nanaia Mahuta, Minister of Foreign Affairs and Hon Mark Brown, Cook Islands Prime Minister.

⁴³ Budget support is a particular way of giving international development aid, also known as an aid instrument or aid modality. With budget support, money is given directly to a recipient country government by a donor or development partner, in this case by MFAT.

⁴⁴ MFAT uses the modality of a grant contribution, in the form of a Letter providing details of the gift.

⁴⁵ Fungible is used in this Report to refer to funding that is mutually interchangeable, i.e. not tagged or linked to specific budget lines.

⁴⁶ <https://www.mfat.govt.nz/assets/Aid/4YPs-2021-24/Cook-Islands-4YP.pdf>

⁴⁷ <https://www.beehive.govt.nz/sites/default/files/2022-10/Waka%20Hourua%20Vaka%20Purua%20-%20New%20Zealand-Cook%20Islands%20Statement%20of%20Partnership.pdf>

2.4. Overview and funding under the 4YP

Overview of the 4YP

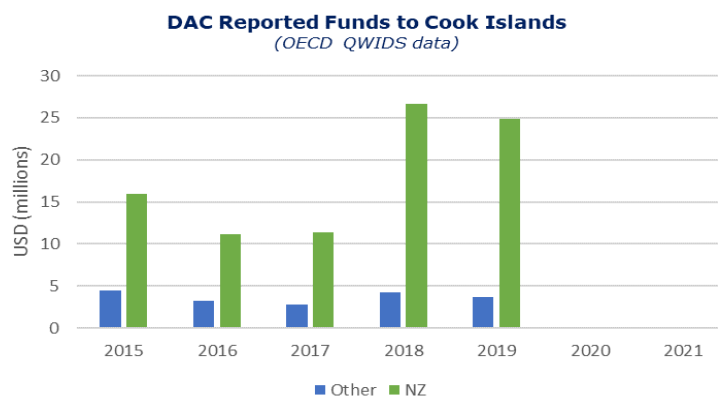
The 2018 4YP had 13 output areas and there is no accompanying narrative or indicators to measure progress against. Due to the security classification of the document, the Evaluation team was only able to sight the 2018 4YP and does not have enough information to provide detailed findings. However, we have undertaken a high level assessment of the programme during this period, and provided details in Section 4's Evaluation findings in response to KEQ1.

Modalities

The evaluation period started with the JCfD 2015-18, which built on from the previous 2011 JCfD. It provided a sound framework setting out indicators, targets, and data collection methods, and there was a strong focus on outputs and activities.

The figure below shows OECD DAC data of reported donor funds to the Cook Islands from 2015 to 2019.

Figure 2.2: DAC reported funds to Cook Islands 2015-2021⁴⁸



Source: OECD QWIDS

The move to performance-based budget support (PBBS) was aimed at providing an incentive,⁴⁹ but this did not achieve the desired results and did not continue under the 4YP.

The budget support modality using fungible CSS was introduced by way of a GFA signed in November 2016. After a one-year bridging period (2018-19), a further GFA for CSS was signed for the period of July 2019 to June 2023.

CSS is supposed to be an outcomes-focused modality. It was trialled and was favourably received, hence the four-year GFA.⁵⁰ This budget support mechanism was subsequently adapted at pace to respond to the need to provide an economic response package to the COVID-19 pandemic.

The current GFA for CSS (2019/20-2022/23) has a MERL Framework (dated November 2019) and indicators for each of the pillars and for Output 4. COVID-19 has impacted reporting and

⁴⁸ Note there was no DAC reporting for 2020 and 2021 as Cook Islands graduated to High Income Country status, but this is included here for completeness as the period of the evaluation covers 2015-21.

⁴⁹ There was a NZD 1 million bonus for reaching agreed targets (although this amount appears to have varied possibly based on negotiations).

⁵⁰ A Cook Islands Core Sector Support Evaluation was completed by MFAT in October 2018, <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Evaluations/2018/CCSS-Evaluation-final-report.pdf>

progress on some indicators, but overall there has been good compliance and MFAT has prepared annual AMAs with the overall progress rating at adequate/good.

Triennium funding (focusing on 2018-21)

Our evaluation efforts have focused on the 2nd triennium period as directed by MFAT in the evaluation ToR. Over the period from 1 July 2018 to 31 December 2022 MFAT has provided funding to the Cook Islands and this is outlined in the table below:

Table 2.2: MFAT funding 2018-2022 (based on information provided by MFEM for the period 1 July 2018 to end of 2022⁵¹)

Activities	Total amount (NZD)	Comments
CSS	\$41,675,000	Fungible funding with an agreed joint focus on health, education, and tourism. Final payment for completeness made outside the evaluation time-frame period.
Output 4	\$3,825,000	Annual TA support as determined by MFEM.
ITF	\$52,000,000	\$12m in 2019/20 and \$40m in 2021/22 (although outside the evaluation timeframe period, included for completeness).
COVID-19 response	\$92,000,000	Funding within the total Vote: Foreign Affairs.
Manatua Cable	\$15,000,000	Includes \$2.8m in FY 2017/18.
Asset Management (related to water)	\$14,000,000 ⁵²	Completed in 2020.
Other	\$7,342,971	For example, access to climate finance, maritime, Light detection and ranging (LiDAR), PACER Plus, ⁵³ airport designs, information and communication technology (ICT) connectivity.
Grand total	\$225,842,971	

2.5. Other development partners

Over the period of this evaluation, there were eight other distinct non-New Zealand ODA bilateral partners. See Figure 2.3 below of non-NZ ODA over the period 2015-2021. In addition, United Nations agencies contributed NZD 10,417,361, regional agencies⁵⁴ NZD

⁵¹ Note that an additional \$15million for TMV is not included because it was received prior to July 2018. In addition \$10million for received for water quality (Mei Te Vai Kai Te Vai (MTVKTV) - \$9million was received prior to July 2018 and a further \$1million is reflected footnote 53.

⁵² \$13,000,000 for TMV remediation and \$1,000,000 for MTVKTV)

(water quality project - <https://www.totatouvai.co/mei-te-vai-ki-te-vai>)

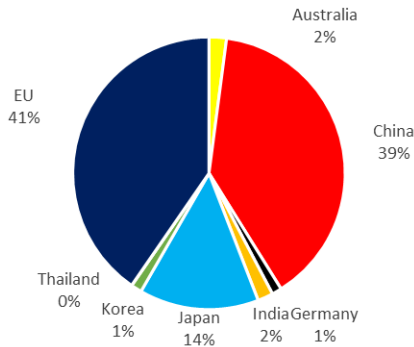
⁵³ <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-in-force/pacer-plus/>

⁵⁴ The Council of Regional Organisations in the Pacific (CROP) brings together several regional inter-governmental agencies.

1,598,257, and the Green Climate Fund (GCF)/Global Environmental Facility (GEF)⁵⁵ NZD 37,035,088.

Figure 2.3: Non-NZ ODA over the period 2015-2021

Non-NZ ODA, Bilateral & EU, Jul 2015 - Jun 2021
(estimated actuals, Cook Islands Budget Estimates)



The European Union (EU) (NZD 29,354,934): Budget support, fisheries, climate related financing

China (NZD 28,422,679): Loans for Infrastructure support (being paid off)

Japan (NZD 10,338,669): Grant aid, solar energy

Australia (NZD 1,598,257): Social programmes, budget support

India (NZD 1,333,134): Grant aid

Korea/Thailand/Germany (NZD 1,800,304): Grant aid, water

Source: Cook Islands Budget Books, 2015/16 - 2022/23

Given the Cook Islands graduation from ODA, concessional climate finance flows take on increased strategic importance, both in the public and private sectors. Not all development partners have the flexibility or motivation of Aotearoa New Zealand to adjust the definition of development assistance. Aotearoa New Zealand may also change its policy stance under future administrations. Furthermore, the post-COVID-19 recovery period is likely to be characterised by reduced fiscal space with limited additional borrowing capacity. Building on and adapting existing budget support modalities as well as public financial management systems could be a way to integrate additional climate finance flows from bilateral, regional, and global providers in a manner that limits burden and integrates financing flows. In these situations, the quality of existing public expenditure also becomes a more significant lever for better outcomes.

Grant funding from non-New Zealand development partners declined significantly over the evaluation period, notably at the time of ODA graduation, meaning development assistance based on DAC criteria is not accessible. Climate related financing remained a significant contributor throughout the period of the evaluation, although the nature of this evolved as the level of GCF certification increased. Access to concessional green finance for the private sector through further efforts to accredit the Bank of the Cook Islands to the GCF (and others) is a potential additional lever for climate action by households and commercial entities.

Debt financing from the Asian Development Bank (ADB) was accessed over the evaluation period. The surge in debt financing to plug the fiscal gap created by COVID-19 border closures, coupled with less favourable terms resulting from graduation, places a constraint on additional debt financing under existing debt management policies. However, debt financing remains a critical portion of fiscal risk management going forward with an ADB contingency loan available for disaster relief and recovery.

⁵⁵ GEF is a Foundation established in 1991 that provides grants and other finance for specific projects. The GCF is a global platform established by 194 member countries to respond to climate change by investing in low-emission and climate-resilient development.

3. Methodology

3.1. Key Evaluation Questions

The Key Evaluation Questions (KEQs) below align to MFAT’s objectives for the evaluation. An evaluation analytic framework (see Appendix D) was developed to inform how we would answer the KEQs and sub-questions. The KEQs were also used to develop the questions for our interview guide.

KEQ1: How and to what extent has MFAT’s Programme/4YP been effective in achieving its proposed goals?	This question focuses on relevance, alignment, and coherence of Aotearoa New Zealand’s delivery of the programme (including quality of policy dialogue with the Cook Islands Government).
KEQ2: What impact has MFAT’s Programme/4YP had on the Cook Islands’ own development, and its relationship with Aotearoa New Zealand?	This question examines the evidence of impact the programme has had on Cook Islands’ own development and its relationship with Aotearoa New Zealand through the delivery of the identified activities.
KEQ3: How can the delivery of MFAT’s programme/4YP be improved during the next programme phase?	This question focuses on learnings and identifying the key changes that are needed to ensure that Aotearoa New Zealand’s next 4YP better aligns with Cook Islands’ strategic plan, and to ensure MFAT is focusing on the right areas.
KEQ4: How could the interventions under MFAT’s programme/4YP be more sustainable and strengthened?	This question focuses on identifying the key changes that are needed to ensure Aotearoa New Zealand’s next 4YP provides sustained social, environmental, and economic outcomes. It investigates opportunities for strengthening Aotearoa New Zealand’s whole-of-country approach to cooperation with the Cook Islands.

3.2. Evaluation design

The evaluation design is based on good strategic country evaluation practice standards⁵⁶ and on an evaluability assessment against the OECD DAC criteria (during the inception stage (see Appendix G)).

The evaluation was undertaken between November 2022 and March 2023 using a combination of qualitative and quantitative methods. This approach enhances the reliability and validity of data, and the participatory approach⁵⁷ increases the usability of the findings

⁵⁶ For example: Dahlgren, S. (2007). *Evaluations of country strategies: An overview of experiences and a proposal for shaping future country programme evaluations*. Stockholm: SIDA; OECD. (2019). *Better criteria for better evaluation: Revised evaluation criteria definitions and principles for use*. Paris: DAC, OECD; OECD. (2021). *Applying evaluation criteria thoughtfully*. Paris: OECD.

⁵⁷ While a precise definition should be avoided as it risks excluding certain cultural and contextual techniques, the participatory approach we took involved sharing early findings with key informants for comment and clarification. In addition, these informants provided the Evaluation team access to additional relevant documents and other informants. The steering group also had a significant degree of participation through input into the evaluation design, development of the KEQs, workshopping of findings, and review of this report.

and recommendations by decision-makers to inform the future development of the 4YP and to improve performance.

Data sources

This evaluation uses multiple sources of evidence and includes contextual analyses (for example, economic, social, cultural, environmental) to answer the KEQs:

- Primary-source qualitative data from the following fieldwork:
 - Interviews with key informants from the Cook Islands and Aotearoa New Zealand to help answer the KEQs
 - Further discussions to address specific issues, and
- Secondary-source quantitative data and qualitative information from Cook Islands Government and MFAT, source material from the programme's activities (see Appendix J), published reports and government Ministry websites.

Fieldwork

In the Cook Islands, the Evaluation team undertook face-to-face interviews with identified officials from NZHC, relevant Cook Islands Government agencies, donor agencies, the private sector, civil society, and other local key informants. Wellington-based stakeholders included MFAT, New Zealand government officials, and other key informants. They were interviewed either in person, by phone, or via Zoom.

The interview approach was led by the interviewees and resembled a conversation allowing a free flow of ideas and information. Some agencies requested a group approach.

The total number of key informants interviewed was 60 (44 in the Cook Islands and 16 from Aotearoa New Zealand) and is based on the agreed stakeholder list with MFAT in the evaluation plan. It also includes some interviews from snowballing. The total number of separate interview sessions was 43.

Document and data review

Qualitative and quantitative data came primarily from published secondary data sources - MFAT monitoring data (AMA and ACA),⁵⁸ data from Cook Islands government agencies (principally the Cook Islands MFEM), and published reports. As most of the data had already been analysed by MFAT, the Cook Islands Government or in published reports, it was regarded as authoritative and verifiable.

Analysis

An analytic framework was developed as part of the evaluation plan. It outlines how each KEQ would be answered (either through qualitative or quantitative data, or a combination of both) and where appropriate using the Paris Declaration and OCED DAC Aid effectiveness criteria ratings (see Appendix D). The data was analysed by the Evaluation team and validated using a series of team workshops.

For context and to respond to the DAC criteria of efficiency, resilience and sustainability, we used financial data and information from MFEM.

The qualitative data was analysed using thematic and content coding for each KEQ and sub-questions, an Evaluation team 'sense-making' workshop, and assessment aligned with the OECD DAC criteria. For example, with budget support we focused on the effectiveness,

⁵⁸ MFAT prepares Activity Monitoring Assessments and Activity Completion Assessments as internal documents on the Activities that it funds.

relevance, and appropriateness of the budget design and mix of inputs in relation to the political, economic and social context in the Cook Islands government's policy framework, and MFAT's 4YP and Strategic Intentions document (2019-23). For donor coherence, we applied the aid effectiveness principles outlined in the Paris Declaration as a benchmarking exercise.

Reliability and validity of analysis

Reliability is about the consistency of a measure, and validity is about the accuracy of a measure. Our data quality assessment used several approaches for triangulation. This included categorisation of documents and key informants (as outlined in the evaluation plan), and these were used against our analytical framework. For validity, we mostly used two evaluators for each interview session to ensure notes are representative of responses given. In addition to a series of Evaluation team workshops, the team also hosted a sense-making workshop with the steering group for the evaluation.

Ethical considerations

Participation was voluntary and consent was provided either in writing or verbally prior to the interview commencing. Key Informants were briefed about being able to stop the interview at any time, and that they did not have to respond to any questions asked. The informants were told that responses would remain confidential to the Evaluation team, and they will not be identified in the report. Where we used a quotation to illustrate a finding, an identification number has been applied.

Before commencing with the interview, the informants were asked if they had any questions about the evaluation. The information sheet and consent form (see Appendix E) was provided to the informants in advance of the interview, and it outlined the KEQs and names of the evaluators. No interviews were recorded.

Interview responses will only be used for this evaluation, and have been securely stored. Once the evaluation report is finalised, the completed data will be destroyed.

Limitations

The AMA and ACA data assessment (see Appendix F) is from MFAT rather than an independent assessment of the activities. The Evaluation team place a caveat on this self-reported data, and it was used to supplement our own observations from reported data, documents, case studies, and interviews, rather than as direct evidence.

The team was unable to access certain relevant MFAT documents as they were classified 'Restricted'. MFAT needs to establish what data and documents are available during the process of drafting the ToR for future evaluations.

Staffing changes at MFAT has meant some loss of relevant institutional knowledge.

There is a lack of available documentation that outlines the rationale and process for the transition from JCfD to 4YP. To help overcome this limitation, the Evaluation team relied on interviews to inform our understanding.

The evaluation, which was due to commence mid-2022, was delayed because of the Cook Islands' elections and staffing changes at MFAT. This meant the evaluation timeframe was shortened. This impacted on the team's ability to do an in-country inception visit to the Cook Islands to inform the evaluation plan, and to undertake fieldwork to the Pa Enua (the outer islands).

4. Evaluation Findings

To achieve the objectives, the evaluation focused on four key evaluation questions (KEQs) under the four objectives set out in Section 1.3. The findings are based on qualitative and quantitative data, and other information gathered for this evaluation to answer the KEQs, and are analysed against the Paris Declaration and OECD DAC criteria (see Appendix D).

In sections 4.1-4.4 below, we present a summary of key findings by KEQ and sub-questions, followed by discussion of these findings and, where relevant, quotations to illustrate them.

4.1. Relevance, alignment and coherence

In this section, we present our findings regarding *KEQ1: How and to what extent has MFAT's programme/4YP been effective in achieving its proposed goals?*

This question (and its sub-questions below) focus on:

- relevance – whether MFAT's approach is doing 'the right things' and the extent to which its objectives and goals are meeting the Cook Islands Government priorities; and
- alignment and coherence – how well the 4YP fits with Cook Islands Government's priorities, and other development partners' interventions in the Cook Islands, such as those addressing climate change, gender equality, inclusion, and equity.

Box 4.1: KEQ1 key findings – Relevance, alignment, and coherence

Relevance	<ul style="list-style-type: none"> • Aotearoa New Zealand's approach to development cooperation in the Cook Islands strongly supports Cook Islands' national development priorities. MFAT's portfolio of support under the JCfD (tourism, infrastructure, public sector reform, and performance of other key sectors) was relevant to the Cook Islands Government's plans and priorities at the time.
Alignment	<ul style="list-style-type: none"> • While this programme is partner-led and funding is directed to support the outcomes, there is a lack of evidence about the role that the 4YP (2018) played in dialogue with the Cook Islands Government on setting development cooperation priorities. • Aotearoa New Zealand has a sound approach to honouring the principles set out in the International Cooperation for Effective Sustainable Development (ICESD) policy statement concerning Aotearoa New Zealand's Official Development Assistance (ODA). In addition, its approach to development cooperation in the Cook Islands aligns with the principles of the Paris Declaration on Aid Effectiveness, which are broadly well-adhered to. • While the move to more mature modalities is well-received by the Cook Islands Government, MFAT reporting indicators have not been adapted to these modalities. • Good Cook Islands Government systems and overall governance practice meant that MFAT was able to provide COVID-19 economic recovery funding in a timely manner. MFAT's use of local systems was well-received.

Coherence

- Aotearoa New Zealand’s approach recognises the capacity constraints that SIDS face, and MFAT adapted its policy to providing support when the Cook Islands graduated from ODA.
- For the other development partners (listed in Section 2.5), the coherence of Aotearoa New Zealand’s approach is somewhat ad hoc; however there is coherence with Australia and the Asian Development Bank (ADB).
- Evidence of a lack of consistent oversight of wider NZ Inc activities poses a risk to a lack of coherence.
- Aotearoa New Zealand’s approach to development cooperation in the Cook Islands has demonstrated awareness of the cultural context and there is potential to leverage the close working relationship further to the advantage of all parties.
- Overall rating by the Evaluation team, using the Paris Declaration on Aid Effectiveness and the Global Partnerships for Effective Development Cooperation, is broadly favourable, with details provided on the key elements (also see KEQ3 regarding managing for results).

Aotearoa New Zealand’s approach was relevant and appropriate

MFAT’s approach, using budget support modalities,⁵⁹ enables the Cook Islands Government to effectively deliver its priorities. Budget support modalities are appropriate when a government has a robust financial management system that can ensure accountability for funds being used against budgeted allocations, which the Cook Islands Government has.

By MFAT providing funds directly to the Cook Islands Government, budget support lowers transaction costs and promotes good governance. This approach reduces fragmentation and leads to more efficient allocation of resources. Budget support also promotes incentives for improvement in the country’s own capacity, the effectiveness of its systems, its organisations, and its institutions.

MFAT’s JCfD provided greater direction than the 4YP; but both achieved positive results

MFAT moved to the development and use of 4YPs in 2018; the Cook Islands 2018 4YP had 13 Output focus areas. We have provided comments on progress during the period of the Evaluation, up to the development of the 4YP (dated October 2021) which commenced at the end of the evaluation period.

Table 4.1: 2018 4YP output areas

Output area listed in 2018 4YP	Comments by Evaluation team on progress
Health sector gap analysis	This refers to recommendations from the 2015 evaluation report for a NCD study, but it has not been undertaken. A study by the World Bank refers to the Cook Islands as having a very high incidence of NCDs but provides no analysis. (Note that the Cook Islands is not a member of the World Bank).

⁵⁹ Footnotes in Section 2.3 provide information on modalities.

Financial Management Information Systems (FMIS) project	Core modules in place and operating. Some issues with roll-out to all line agencies (further need for staff capability building and ongoing mentoring). There are additional modules not yet implemented. Output 4 TA has been used to support the work.
Audit work	Steady work undertaken on the backlog. There is a lack of consistency of information across line Ministries/FMIS, and staffing gaps are slowing down progress.
Civil aviation succession planning	Completed, but COVID-19 travel restrictions prevented an adequate face-to-face handover as had been planned.
CSS	Designed and being implemented as proposed. A major focus of the 4YP and commented on further in this report.
Joint Ministerial Forum (JMF) Outcomes	Do not have information to be able to comment.
Cook Islands graduation and engagement with development partners	From January 2020 the Cook Islands officially became a high-income country. Details on this discussed in section 2.
Gender priorities	Development of the Family Wellbeing Plan to be supported through Output 4 TA was delayed by the COVID-19 pandemic. There are no programmes that target gender equality and social inclusion. Based on the available information there is limited visibility of gender and inclusion mainstreaming within programmes.
Specific legislation, for example, regional Health and Safety (H&S) and Crimes Act	Work in progress. Occupational Health & Safety is supported under Output 4 TA, and there were issues within the Cook Islands that delayed progressing the Crimes Act regarding decriminalising homosexuality. However, in April 2023 the Crimes (Sexual Offences) Amendment Bill was passed. ⁶⁰
Infrastructure	Water (completed), Sanitation (design work), and cable (completed and full mobilisation in 2023). The establishment of the ITF in 2019 is a significant achievement under the 4YP and is commented on further in this report.
Asset management	Under implementation using Output 4. Note that the Cook Islands Infrastructure Committee (IC) is the body that considers Cook Islands Government infrastructure priorities. The Cook Islands Investment Corporation serves as the secretariat to the IC. ⁶¹ Agencies responsible for (but not limited to) implementing infrastructure projects are ICI, IC, and MPPS (a division within MFEM responsible for major projects and procurement support). There is opportunity for better coordination.
Emergency management	Being implemented. COVID-19 tested systems, processes, and the realm-country status with Aotearoa New Zealand.
NZ Inc engagement	Being implemented, but would benefit from greater visibility and better coordination.

⁶⁰ <https://www.rnz.co.nz/international/pacific-news/488019/cook-islands-parliament-decriminalises-homosexuality>

⁶¹ The IC is made up of three public sector/ community representatives, Chief of Staff in the Office of the Prime Minister, Secretary of Infrastructure Cook Islands (ICI), and the Financial Secretary.

The evaluation did not find evidence that the 4YP played a role in providing strategic direction for dialogue with the Cook Islands Government regarding MFAT's investments. There was evidence that such investments were informed, efficient, and timely, achieving positive results, but not that they were guided by the 4YP. However, the new 2021 4YP is publicly available and has links to the NSDP and other Cook Islands Government strategic documents.

A range of documents are used to help with implementation and dialogue purposes

MFAT used JCfDs (discontinued in 2017/18), Strategic Intentions (2019-21), and ICESD policy (see below). It now uses 4YPs to inform its areas of focus for development cooperation, and also trade and foreign policy considerations.

The Cook Islands Government uses a range of documents; its NSDP (2016-20),⁶² the new Cook Islands Economic Development Strategy 2030, and the Cook Islands National Infrastructure Investment Plan (NIIP).⁶³ Each key line Ministry has planning and policy documents and reporting.

The Evaluation team found Cook Islands Government documents, rather than MFAT documents such as the 4YP, informed dialogue between the Cook Islands Government and MFAT. The first 4YP was not publicly available and the subsequent one has not been well socialised. The Cook Islands key informants are well-versed in Cook Islands Government documents and are either not aware of, or not focused on, those generated by MFAT.

It is unclear whether there has been any meaningful dialogue with the Cook Islands Government on the development of MFAT's 2018 4YP. The Evaluation team received redacted documents and cannot comment on whether dialogue was used to inform investments or was centred around the Cook Islands Government goals and priorities. It is also unclear whether both countries agreed on indicators and targets, and allocated resourcing to achieve them. However, the 2021 4YP drew on Cook Islands' strategic planning documents.

Aotearoa New Zealand's approach to development cooperation is well-aligned with Cook Islands systems

The use of high-order modalities requires partner governments to have robust and transparent public financial management systems; thus the move to forms of budget support and a trust fund signal Aotearoa New Zealand's confidence. It is acknowledged by both MFAT and the Cook Islands Government that there will always be issues around the timing and duration of key documents, and that they are working collaboratively to improve alignment during programming cycles.

There are five key elements of aid effectiveness stated in the Paris Declaration *on Aid Effectiveness and the Global Partnership for Effective Development Cooperation*: (i) Ownership, (ii) Alignment, (iii) Harmonisation, (iv) Managing for Results, and (v) Mutual Accountability. The Global Partnership has similar elements, being (i) Ownership, (ii) Results Focus, (iii) Inclusive Partnerships, and (iv) Transparency & Mutual Accountability.

A table with commentary under each of the Paris Declaration key elements is set out in Appendix F, and managing for results is considered under KEQ3. This assessment was

⁶² The National Sustainable Development Plan 2016-2020 includes 16 goals that can be grouped into five areas:- Welfare, equity and inclusion includes goals 1 and 9; Economic resilience - opportunities, sustainability and good governance includes goals 2,15, 16; Infrastructure, water and sanitation, waste management and energy includes goals 3, 4, 5, 6; Health, education and culture includes goals 7, 8, 14; Climate change, environment, marine resources and agriculture includes goals 10, 11, 12, 13.

⁶³ The first NIIP was published in 2015, and the 2021 plan focuses on strategic investments across 12 sectors over the next 10 years. It provides a prioritisation framework to ensure the project investments best align with the development priorities of the Cook Islands.

undertaken by the Evaluation team. MFAT scored highly in relation to *Ownership, Alignment and Mutual Accountability*, primarily due to the high usage of Cook Islands Government systems and processes and the formal and informal relationships between MFAT and Cook Islands Government officials. This included the use of Cook Islands strategic documents as guidance for MFAT-directed investment.

Harmonisation was rated as *Fair* due to the timing of formal commitment of funds being delayed sufficiently to miss deadlines for its incorporation into the Cook Islands Government national budget, resulting in the need for supplementary budgets.⁶⁴ MFAT's appropriations use trienniums (3 year funding cycle) and the 4YP is for four years. The Cook Islands' medium-term fiscal framework (MTFF) covers the budget year and Estimates for a further three years. As new priorities for the Cook Islands emerge, the MTFF will change and there is potential to diverge from the 4YP; it is unclear whether this presents an emerging issue or is just something to be aware of.

Inclusive Partnerships was also rated *Fair*, partly due to the lack of evidence regarding systematic oversight of NZ Inc, particularly when assistance was coming via regional agencies or not conducted in-country. In addition to the details in Appendix G, see the case study in Appendix I.

Aotearoa New Zealand's ICESD principles are reflected in the latest 4YP

To support the implementation of its Strategic Intentions, MFAT has prepared a policy statement on Aotearoa New Zealand's ICESD which has 17 policy principles. Principles 10-17 cover the scope of New Zealand's ODA.⁶⁵ Principle 16 focuses on Aotearoa New Zealand's pursuit of impact through development outcomes that are effective, inclusive, resilient, and sustained.

The Evaluation team found both documented and anecdotal evidence of MFAT's approach to honouring this principle through its implementation of the 4YP. Commentary and examples of the four areas of effectiveness, inclusiveness, resilience, and sustainability are found in Sections 4.3 and 4.4 key findings and in the Appendices (e.g. Appendix F).

Activity management and higher order modalities

The activity management system requires ongoing strengthening, and the Cook Islands Government is investing resources in its activity management system.⁶⁶

Under the JCfD, a MERL Framework was used for each Activity, but an approach that includes detailed progress reporting at output level no longer fits with the higher order modalities being used for the Cook Islands programme.

The maturity of the relationship and strengthened capacity of the Cook Islands administration has prepared the basis for a shift in ambition. This recognises that the Cook Islands has graduated to a high-income status but at the same time remains vulnerable because of structural factors. This could be described as 'shifting gears' and moving away from outputs-based contract management to more systematic outcomes-based dialogue.

An example of such dialogue could be on addressing the NCD burden. This requires an ongoing multi-sectoral and multi-level (regional and global) exchange, seeking to learn about

⁶⁴ The Cook Islands Government budget is prepared in March-May and needs to be passed by Parliament prior to the start of the new financial year on 1 July. The Cook Islands Government produces half-year Economic and Fiscal Updates.

⁶⁵ Appendix G contains a commentary on the Evaluation team's assessment against the most relevant principles (10, 11, 15, 16 and 17).

⁶⁶ MFEM is rolling out an Activity Management system that is similar to MFAT's.

what works and what does not to find the best mix of value-for-money policies for the Cook Islands context. Some solutions under this example may include a change in behaviour by Aotearoa New Zealand exporters, for example, the types of food exported to the Cook Islands, and what the Cook Islands imports (including policies on duties and taxes). Other examples may include addressing climate change mitigation⁶⁷ and adaptation⁶⁸ and the integration of climate and disaster risk financing with public financial management systems.

Donors are primarily using Cook Islands Government strategic documents to guide development investment

The high degree of involvement of Cook Islands Government officials in the engagement of donor support is evidenced by the technical assistance provided by the ADB. As MFAT is also guided by such documents and processes, donor coherence is high. This coherence increased over the period of the evaluation as the number of donors decreased following graduation, reducing scope for competing development investments.

As discussed above, MFAT mainly uses partner government systems through budget support. The CSS provides fungible funding to the core sectors of health, education, and tourism. The use of pillars is decided by the Development Sector Committee (DSC), however, there is no universal understanding that the funding is fungible nor is there consensus that 'naming' pillars leads to better outcomes.

Over the period of the evaluation, infrastructure investments moved from individually identified and resourced activities to the ITF modality. There is evidence of coherence with the original modality, with MFAT investment used to provide additional financing for the Te Mato Vai project.

The ITF has been set up external to the Cook Islands Infrastructure Committee (IC). As a trust, it is informed by the Cook Islands Government, with legal control of trust funds which rest with MFEM. Its policy framework allows it to bring in other development partners (who may request to have a role in the governance of the ITF), and it also takes its lead from the NIIP and emerging infrastructure priorities as determined by the Cook Islands Government. This approach allows for a more coherent approach to infrastructure investment, although the number of investments approved to date by the ITF is insufficient to provide a robust test.

The COVID-19 economic response funds were paid from MFAT to the Cook Islands (five separate payments totalling NZD 92 million) in a timely manner because there was a high level of confidence in the Cook Islands Government's public finance systems and overall good governance.⁶⁹ The timing of MFAT funds to complement other sources of funds (Cook Islands' reserves, ADB & Asian Infrastructure Investment Bank⁷⁰ debt financing and smaller bilateral contributions) was evidence of a high degree of coherence.

Impact of ODA graduation on coherence

Aotearoa New Zealand's approach does for the most part recognise the capacity constraints that SIDS face. Significantly, Aotearoa New Zealand revised its international development assistance policy to adapt the rigid global ODA framework to SIDS contexts, and enabled ongoing support after Cook Islands' ODA graduation. This demonstrates leadership,

⁶⁷ Process of adjusting to the current and future effects of climate change.

⁶⁸ Actions to limit climate change by reducing emission of greenhouse gases or reducing the emissions of greenhouse gases.

⁶⁹ As well as focusing on performance, transparency and accountability, good governance is responsive to local conditions and can be adapted to the culture and scale of a country (Poppelwell, E. & Overton, J. 2022. Culture, scale and the adaptation of good governance: Insights from SOEs in Samoa and Tonga. *World Development Perspectives*. 28. Elsevier).

⁷⁰ <https://www.aiib.org/en/about-aiib/who-we-are/financing-operations/index.html>

awareness, and responsiveness to global calls by the SIDS' highest level political forum for "a new financial architecture that can address the needs of SIDS in a comprehensive manner."⁷¹ It also recognises a partnership approach and Aotearoa New Zealand's constitutional obligations to the Cook Islands as a Realm country.

An impact of ODA graduation is a reduction in the number of other development partners (see graph in Section 4.4 below). While this reduces transactions and coordination efforts for the Cook Islands Government, it impacts on its access to funding sources.

There is evidence that Aotearoa New Zealand has made efforts to ensure coherence with regard to the ADB and Australian Department of Foreign Affairs and Trade (DFAT) who both have a presence in the Cook Islands. (See Section 4.4 below for further discussion on Australia).

Aotearoa New Zealand's move to higher-order modalities gives the Cook Islands Government more flexibility on the use of development assistance, which reduces unnecessary duplication, the time spent on coordination (for example, steering committees), and avoids gaps in support.

Lack of consistent oversight of wider NZ Inc activities poses a risk to coherence

An identified risk to MFAT's investment coherence is that of NZ Inc. The Pacific Reset⁷² confirmed the need for deeper partnerships in the Pacific and to consider decisions from the perspective of Pacific countries. While most major investments from NZ Inc. are broadly understood by MFAT, the lack of oversight of non-MFAT funded⁷³ and in-kind activities raises the risk of Aotearoa New Zealand investment working at cross-purposes, or of missed opportunities, or duplication of effort.

*"There is the development programme but there should also be a programme outside the normal aid environment because of New Zealand's special relationship with the Cook Islands. It can have different partnerships with different sectors needing support, for example, working with New Zealand communities. There should be additional relationships to the core bilateral. TA/service delivery partnerships depend on the 'issue', money's not the problem. The issue is how to provide the service, then cost it, and it needs to fit within the cultural context".
(ID No. 107)*

The above quotation from a key informant reflects other comments made about opportunities for the Cook Islands to seek services and advice from a range of New Zealand agencies, including non-government groups. For example, as one informant suggested, to support the social sector and social services.

Cultural differences and context are closely considered within the bilateral programme

Cultural differences between Aotearoa New Zealand and the Cook Islands are generally well considered within the bilateral programme, and the ability of both countries to work cross-culturally enables strong relationships. The programme operates in a way that builds and maintains strong relationships in a Pacific Island context, and is consistent with the ways of doing things in the Cook Islands.

⁷¹ Statement on behalf of the Alliance of Small Island States (AOSIS) at the Briefing by the Secretary-General on his priorities for 2023, 6 February 2023, New York.

⁷² https://pacificsecurity.net/wp-content/uploads/2021/10/DB82_Part6.pdf

⁷³ Not funded from Vote Foreign Affairs for International Development Cooperation (IDC).

Key informants note that they have positive working relationships with the New Zealand High Commission (NZHC) staff who engage with the Cook Islands Government in culturally respectful ways; this is greatly appreciated by Cook Island government agencies. One participant said, “We have such a good partnership with New Zealand, my feedback about the relationship is very positive” (ID No. 203). The strong relationships were noted as a key factor in enabling the different modalities to function well, particularly during the COVID-19 Response period.

There are also some areas where cultural similarities between Pasifika communities in Aotearoa New Zealand and the Cook Islands strengthened development cooperation. The Cook Islands’ Ministry of Education referred to the provision of advice to their Aotearoa New Zealand counterpart in working with Pasifika people.

However, there are some instances where cultural differences or perspectives may not have been sufficiently considered, and this has led to challenges within the bilateral programme. Some investments under the JCfD did not sufficiently factor in cultural implications, for example the Mei Te Vai Ki Te Vai wastewater project.⁷⁴ Some key informants said there is insufficient understanding by Aotearoa New Zealand and acknowledgment of the cultural challenges with improved water quality and sanitation.

4.2. Key achievements and impact

In this section, we present our findings regarding *KEQ2: What impact has MFAT’s programme/4YP had on the Cook Islands’ own development, and its relationship with Aotearoa New Zealand?*

‘Impact’ looks at what difference MFAT’s approach has made during the evaluation period, and whether it has generated (or is expected to generate) significant positive or negative, intended or unintended, higher-level effects.

Box 4.2: KEQ2 key findings - Key achievements and impact

Key achievements and Impact

- MFAT’s engagement, increased use of budget support modalities, and the use of Cook Islands’ financial systems has contributed to effective self-governance for a sustainable economy and improved well-being.
- There is inconsistent or weak understanding about modalities, from MFAT and Cook Islands Government, in particular that the CSS is fungible (not tagged to the core sectors).
- MFAT has contributed to a mutually beneficial bilateral and regional relationship. Without this it would not have been possible to roll out the COVID-19 Response fund or deliver support to the extent that NZ Inc has.
- MFAT’s investments in regional initiatives have had a positive impact on the Pa Enea (outer islands).
- MFAT’s programme/approach over the 2018-21 period has made a positive contribution to climate resilience and a more environmentally sustainable Cook Islands.

⁷⁴ <https://www.totatouvai.co/mei-te-vai-ki-te-vai>

- It is too early to assess the impact of the ITF, as approved projects have not been completed within the timeframe of this Evaluation.
- The use of Activity-based modalities under the JCfD prepared both the Cook Islands Government and MFAT for the transition to new higher-order modalities under the 4YP.

MFAT’s development investment, under both the JCfD and the 4YP, appears to have had transformative impact on the social, environmental, and economic well-being of the Cook Islands

Evaluating impact has been challenging as the 4YP goals are broad, there is no MERL Framework, and there is limited primary data. Although we are unable to assess attribution, we have been able to assess contribution. We have reviewed documents and have used interviews to assess how the interventions have supported government agencies, the private sector, communities, and built capacity within entities, as well as some unexpected positive effects.

Manatua Cable⁷⁵: Aotearoa New Zealand has provided funding for submarine cable systems to improve connectivity to the realm countries. In the Cook Islands the main population centres on Rarotonga and Aitutaki were connected to the Manatua submarine cable in 2020. Although disrupted during COVID-19 and by network rollout coordination issues, MFAT’s ongoing support will improve Pa Enea connectivity during 2023. This is key to supporting quality IT connectivity access for Pa Enea residents and provides increased social and economic resilience.

Overall, the increased use of budget support modalities has recognised and empowered the Cook Islands Government. It is clear that the funding is being used by MFEM as intended. Budget support, as part of the CSS, is appreciated by MFEM as extremely important and acted as a vote of confidence in the Cook Islands Government by Aotearoa New Zealand as a trusted partner. The fungibility of this support allows for the Cook Islands Government to invest in areas it identifies as important, as well as provides the flexibility to react to sudden changes in need, as evidenced with the fiscal collapse due to border closures.

The identified ‘core’ sectors under the CSS provide proxy measures of performance because of their significance. Health, education, and tourism are acknowledged as key sectors, however due to the fungible nature of the budget support they were not necessarily receiving a greater share of the national budget.

The achievement of strategic priorities could have been impacted by the lack of in-depth understanding of budget support, in particular how it is used and how achievement can be measured by both MFAT and Cook Islands Government agency officials. For example, there were several interviews with Cook Islands Government agencies and other stakeholders who thought this financing was tagged. Neither the Cook Islands Government nor MFAT demonstrated sufficient in-depth understanding of the budget support modality to fully realise its benefits.

A consequence of using budget support modalities is that there is no agreed and consistent system to mutually assess the contribution of this funding. CSS is funded through a GFA that requires detailed prescriptive progress reporting based on requirements set out in Section 7 of the GFA. The letter (dated 18 December 2019) about the establishment and governance of

⁷⁵ <https://www.submarinenetworks.com/en/systems/australia-usa/manatua>

the ITF requires an annual report which includes progress on each of the projects or activities (without specifying detail or reference to a MERL Framework).⁷⁶

Key informants spoke very positively about having access to thematic or specialist sector advisers, especially during the COVID-19 pandemic. Specifically the MFAT economist, MFAT's tourism adviser, and Te Whatu Ora's Pacific Health Corridors team (funded via an MOU with MFAT)⁷⁷ were singled out as having a positive impact on ongoing strategic and policy discussions, and stakeholders spoke of extending this beyond adverse events.

"[During Covid] I enjoyed working directly with [the MFAT Tourism Adviser]. Access to this expert meant we didn't have to 'reinvent the wheel'. We had him on speed dial. We could then apply his advice to the local context." (ID No.100)

Recent research from Apisalome Movono and Regina Scheyvens notes that the near-collapse of the global tourism system resulting from COVID-19 revealed tourism's vulnerability and susceptibility to sudden shocks, especially in SIDS of the Pacific region. They also add that the wage subsidy scheme in Niue and the Cook Islands supported many families, whereas other countries like Fiji had to use pension funds to access cash, and many had depleted their retirement savings. The researchers advocate for some form of tourism worker insurance or pension scheme to help minimise this financial vulnerability.⁷⁸ This is an example of a strategic policy area that MFAT may want to support the Cook Islands Government on if they wish to engage in this type of initiative.

MFAT has effectively contributed to a climate resilient and environmentally sustainable Cook Islands but it is too early to assess the impact

MFAT's investments in regional initiatives have had a positive impact in Pa Enea. The strengthening water security project case study in Appendix I shows how Aotearoa New Zealand's International Development Programme can act as a catalyst for the Cook Islands to work with other donors on critically important projects, to increase awareness, and empower local communities to develop plans to manage their water resource.

Because of this initiative, Cook Island communities in the Pa Enea Northern Group Islands⁷⁹ now have greater resilience to water scarcity through improved water resource management. This has been achieved through the infrastructure and capability required to access, collect, and store water; awareness of their water supply and demand; having plans in place to sustainably manage their water resource; and increased awareness of the risks to their water resources.

As part of its Climate Change Programme⁸⁰ MFAT has invested in invasive species management in the Cook Islands. This work builds on an Activity supported under the now-lapsed Partnership Fund from 2015, and MFAT has expanded this support from 2020 to targeted participating Pacific countries using implementing partners from Aotearoa New Zealand (Manaaki Whenua Landcare Research and the Department of Conservation Te Papa Atawhai) and the Secretariat of the Pacific Regional Environment Programme (SPREP).⁸¹

⁷⁶ It is understood that a draft MERL Framework for the ITF is being prepared.

⁷⁷ Advisory support from MFAT thematic advisors for tourism and economic during the COVID-19 pandemic was repeated by several interviewees.

⁷⁸ Movono, A. & Scheyvens, R. (2022). Adapting and reacting to Covid-19: Tourism and resilience in the South Pacific. *Pacific Dynamics: Journal of Interdisciplinary Research*, 6, 1.

⁷⁹ The Northern Group Islands are Penrhyn, Manihiki, Rakahanga, Suwarrow, Pukapuka, and Nassau.

⁸⁰ <https://www.mfat.govt.nz/en/environment/climate-change/supporting-our-region/the-climate-change-programme/>

⁸¹ <https://www.sprep.org/>

MFAT has also supported the strengthening of the enabling environment and the construction of solar PV and diesel hybrid systems to generate energy in the Pa Enea Northern Group Islands. Further details are set out in MFAT's 2021 Energy Programme Evaluation.⁸²

Experience with a range of modalities prepared both the Cook Islands Government and MFAT for the transition to new modalities under the 4YP

Activity-based funding with higher transaction costs, and modalities supported under the JCfD, were acknowledged to be resource-intensive. MFAT's funding approach during the 4YP uses a range of higher-order development modalities including budget support (COVID-19 response), core sector support (health, education, tourism), project support (TA), pooled arrangements (through regional initiatives) and trust funds (ITF). This approach enables the Cook Islands Government to exercise leadership over MFAT's programme by using its own Cook Islands Government processes, including its reporting, financial management, and procurement systems.⁸³

The demand for Output 4's TA fund is outstripping available resourcing

MFAT's support for technical assistance and public sector strengthening through CSS Output 4 received positive feedback from all informants largely because it is well-targeted and highly relevant. The Evaluation team did note, however, that once the Output 4 pipeline is full, it is not possible to add in emerging priorities. The demand for TA services is such that there is often limited scope to address emerging needs, as the approved pipeline for any given period is fully committed in advance.

The Evaluation team was also unable to determine the extent to which Output 4's TA provided new skills as opposed to providing missing skills as a result of Cook Islands Government vacancies. We note that the performance of different governance systems provided evidence that improvement is still needed. One area requiring further investment was implementation of the Financial Management Information System, Unit 4, where under-investment in TA support was identified as a factor in issues with the roll-out to line agencies.

MFAT's support and engagement over the 2018-2021 period was integral in responding to the changing fiscal and socio-economic trends during the COVID-19 pandemic

The Cook Islands economy relies heavily on the tourism sector; prior to the pandemic it was estimated to have generated about 65 percent of GDP.⁸⁴ In March 2020, income from tourism quickly came to a halt and Aotearoa New Zealand provided NZD 92 million as COVID-19 Response budget support in 2020-21, with an additional NZD 40 million in March 2023.

In addition, Aotearoa New Zealand provided medical equipment including laboratory equipment and Personal Protective Equipment (PPE), funds for hygiene stations, and funds for hygiene and food packs. Technical advice was also provided from the Aotearoa New

⁸² <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Evaluations/2021/Evaluation-Report-Strategic-Evaluation-of-MFATs-Energy-Programme.pdf>

⁸³ Note that the Cook Islands Government is introducing an Activity Management System. The Tarai Vaka Process (TVP) was initially introduced in 2015 as part of the Government's bid to become accredited for climate financing. The original approach was very similar to MFAT's system, but there was poor uptake. In 2017, DCD engaged consultants to make the activity management system more user friendly. However, without ongoing support, MFEM did not have the capacity to roll the system out. In early 2020, dedicated resources were made available and TVP became mandatory for all large-scale government projects. TVP material has been reviewed for being fit-for-purpose in the local context, a heavy training plan has been rolled out, and strategic stakeholder buy-in has been obtained.

⁸⁴ https://www.mfem.gov.ck/images/MFEM_Documents/Budget_Books/2020-21/2020-2024_Budget_Book_1_-_Estimates.pdf

Zealand Government to the Cook Islands Government to inform the health and economic response.

Vaccine rollout in the Pacific: In May 2021, Aotearoa New Zealand announced the provision of sufficient COVID-19 (Pfizer/BioNTech) vaccine to immunise the Cook Islands' population. The Cook Islands Ministry of Health was then able to focus on rolling out the vaccine on Rarotonga and the more complex logistical task of rolling out the vaccine in the outer islands, some of which could only be reached by boat.

The efficient and culturally appropriate manner in which the vaccine was rolled out enabled the country to achieve high vaccination rates, with 84 percent of the population having been fully vaccinated with two doses.⁸⁵ The coordination of a health (vaccine), as well as an economic response, effectively meant that the Cook Islands was not under pressure to open borders to incoming visitors. This was an important measure to protect local and vulnerable populations.

The provision of budget support enabled the Cook Islands Government to respond to the economic shock by rapidly developing and implementing an Economic Response Plan led by MFEM in collaboration with several government agencies and the private sector. The plan aimed to support livelihoods and local businesses in a fiscally responsible manner. It provided support to individuals, households and businesses. Support to individuals was provided through a Wage Subsidy, Unemployment Benefit, School Closure Support, Emergency Hardship Fund, Support for Vulnerable People, Support for Quarantine, and an Electricity Discount for households. Small, medium and large businesses were provided with Cash Grants, Wage Subsidy, reduced Superannuation Fund Contributions and Electricity Discount. Tax and interest relief were also provided to individuals and businesses.

These initiatives used existing national systems and were managed through MFEM, the Ministry of Internal Affairs, and the Office of Cook Islands National Superannuation Fund.⁸⁶

The existence of the budget support through CSS enabled the use of these funds as part of the pandemic response, along with government reserves and loan finance provided through the ADB. The Cook Islands Government response to COVID-19 eased the negative social and economic impacts that were associated with loss of income, and it also supported preparedness, health, and wellbeing.⁸⁷

Impact of COVID-19: The COVID-19 pandemic had a profound impact on the Cook Islands, and Aotearoa New Zealand responded positively and at pace. Almost overnight the focus of the Cook Islands Government moved from planned delivery of public services to short-term fiscal protection and subsidisation of economic activity, designed to ensure the socio-economic wellbeing of the Cook Islands and its people. The focus areas of CSS and infrastructure (the direct funding of projects and the ITF) continued as intended. MFAT provided new funding of NZD 92 million (and in 2023 an additional tranche of NZD 40 million) that was sourced from Vote: Foreign Affairs' savings on other programmes.⁸⁸

The pandemic had unintended positive impacts. For example, it provided an opportunity to 'test' the true value of the relationship and depth of trust between Aotearoa New Zealand and the Cook Islands, with positive consequences. The Cook Islands' partners moved at

⁸⁵ WHO. (2023). WHO Coronavirus (COVID-19) Dashboard. Retrieved from: <https://covid19.who.int/table>

⁸⁶ <https://www.cinsf.com/>

⁸⁷ ADB. 2020. Rapid Assessment of COVID-19 Preparedness Mitigation, and Response Measures and its Consideration of the Poor and Vulnerable Groups in the Cook Islands.

⁸⁸ The fifth tranche of NZD 40 million was paid in March 2023, so Aotearoa New Zealand has provided NZD 132 million in COVID-19 budget support to the Cook Islands since the onset of the pandemic.

pace to face the challenges of the 'new reality'. Politicians and senior officials (on both sides) bought into the value of having prudent financial management, and having conversations from a strengths-based perspective to have evidence-based decisions.

The pandemic underscored the importance and value of the Stabilisation Fund. The Cook Islands had established this in 2018 and had built up reserves (NZD 56.7 million in 2019/20 budget) and was able to draw on these funds first (e.g. for wage subsidies) before approaching Aotearoa New Zealand and then the ADB for additional funding (New Zealand provided NZD 40 million).

4.3. Effectiveness and efficiency

Both the partner government and the development partners have an obligation to their own stakeholders (i.e. taxpayers) to ensure that the allocation of resources is 'making a difference'. In this section we present our findings regarding KEQ3: *How can the delivery of MFAT's programme/4YP be improved during the next programme phase?*

KEQ3 focuses on assessing the effectiveness and efficiency of MFAT's approaches and ways of working. It also examines how Aotearoa New Zealand can better meet its obligations to the Cook Islands, and identifies key changes needed to ensure MFAT's next 4YP better aligns with Cook Islands' strategic plan.

'Effectiveness' focuses on whether the 4YP is achieving its objectives. 'Efficiency' examines how well the resources are being used, and the extent to which the interventions deliver (or are likely to deliver) results in an economic and timely way.

Box 4.3: KEQ3 key findings - Effectiveness and efficiency

Effectiveness and efficiency

- MFAT's programme has used effective and efficient modalities; this was demonstrated and put to the test during the COVID-19 pandemic.
- MFAT's programme/approach has effectively partnered with Cook Islands Government senior officials, such as through the ITF governance body, and implementation of JCfD Activities.
- MFAT's level of formal engagement with civil society and other leaders throughout the country has decreased due to the new introduced higher order modalities.
- MFAT's programme has collaborated with NZ Inc, but there is overall weak visibility and coordination of the joint effort.
- Development partners have effectively leveraged MFAT's financial support and this has enhanced the assistance provided by other partners.
- The shift to a more consolidated bilateral programme has enabled a greater focus on relevant development priorities, but it is too early to assess effectiveness.
- MFAT used modalities that were consistent with and aligned well with the Cook Islands Government systems.
- The modalities used in the Cook Islands bilateral programme do not identify other sector or cross-cutting issues priorities, for example the environment or climate change.

- The focus on gender equity and social inclusion issues has become 'diluted' or has diverged due to more consolidated programming.

Use of different modalities has been well-received

The modality of MFAT's financial support for the Cook Islands Government has matured and evolved to be consistent with the move to higher order modalities through the period of the evaluation. This is largely due to confidence in Cook Islands Government financial systems and planning.

Initially, MFAT's primary support revolved around (i) PBBS, (ii) technical assistance through individual GFAs, and (iii) infrastructure investments undertaken as distinct activities. By the end of the evaluation period this evolved to (i) Core Sector budget support through Outputs 1-3,⁸⁹ (ii) TA through Output 4, and (iii) Creation of the ITF. Importantly, this change led to more Cook Islands Government systems being used to procure, manage, and assess MFAT-financed investments.

This shift relies on a heavy use of Cook Islands Government systems to administer MFAT investments. With the Cook Islands Government undertaking much of the administrative burden, MFAT is afforded time to monitor progression towards strategic outcomes, enabling MFAT to engage with informed policy dialogue. However, the absence of Outcome indicators in the 4YP reduced the ability for MFAT to use the 4YP to provide a framework for such dialogue.

Core Sector Support: In 2015 the Cook Islands Government asked Aotearoa New Zealand to deliver a greater portion of its ODA via budget support. A pilot PBBS arrangement operated for one year in 2015/16. PBBS concluded in June 2016 and CSS was designed following this experience.

CSS is a form of budget support to the Cook Islands Government with a technical assistance component, known as Output 4. Budget support cash transfers from Aotearoa New Zealand to the Cook Islands are earmarked (or 'soft-tagged') for particular sectors. The funds are fungible and are allocated by the Cook Islands Government through its budget process to the government agencies that provide services in those sectors (namely the Ministry of Health, Ministry of Education, and the Tourism Corporation).

The CSS was evaluated in 2018 and was found to be a broadly fit-for-purpose arrangement that allowed the Cook Islands to take ownership of its national development aspirations. The CSS Evaluation also recommended some improvements, including setting out performance measures and short-term outcomes to inform a shared dialogue.

The COVID-19 pandemic drew attention to the need for programming to make a difference. The CSS's tourism pillar's focus changed as increasing the dollar value per tourist became less relevant, with domestic tourism increasing while borders were closed.

Recent educational achievements were acknowledged to have slipped somewhat, highlighting the need to be vigilant to preserve and build on gains made in the past. This is also important in the context of the global digital transformation, climate and

⁸⁹ Output 1 = budget allocated to strengthen health sector, Output 2 = budget allocated to strengthen education sector and Output 3 = budget allocated to strengthen tourism sector.

pandemic related challenges, and the need to build relevant skills to sustain essential local capabilities.

Health's focus on NCDs remains relevant, as underlying health conditions can make the impact of COVID-19 worse. This provided the opportunity for public health messaging around having and maintaining healthy lifestyles. Aotearoa New Zealand purchased and provided COVID-19 vaccines, which were rolled-out in the Cook Islands in May 2021.⁹⁰

For some Output 4 and infrastructure activities, there was disruption and delay in implementation of existing and new initiatives. An example of this was the roll-out of the centralised FMIS due to difficulties in accessing on-site training and support, aspects of which were not able to be successfully provided remotely. Infrastructure projects caught mid-implementation suffered disruption to supply chains and external quality assurance, and it is possible that some materials may have been destroyed (i.e. rust damage on 'abandoned' construction). In some cases the sequencing of projects and possible compliance issues (e.g. the concrete slabs for the airport runway) had further implications. Ongoing delays with airport runway and sanitation projects increased reputational risk from a potential accident (or non-compliance with ICAO⁹¹ safety and security requirements) or a public health outbreak or environmental issue, especially in the Muri beach area in the south-east of Rarotonga.

Core Sector Support, Outputs 1-3: The proxy sectors used to assess performance of the budget support arrangement (health, education, and tourism) are subject to review by the Development Sector Committee (DSC). As the DSC consists of Cook Islands Government representatives of health, education, and tourism there is a conflict of interest for these same government agencies to be determining the continuation of the sectors and performance measures for the general budget support. However, the potential flexibility to adjust future proxy sectors and indicators does provide space to strengthen linkages in areas such as climate change, gender equality and social inclusion, or NCDs.

There was a lack of evidence that agreed outcome indicators for each sector played a significant role in informing policy dialogue in relation to these sectors over the period of the evaluation. This appears not to be due to the quality of indicators; rather that neither government prioritised sufficient resourcing to enable an ongoing policy dialogue focused on improving outcomes in key agreed areas. Staff turnover, changing frameworks, and COVID-19 took some focus away from engagement in the policy dialogue.

While the fungible nature of budget support was strongly appreciated by MFEM and associated agencies, responses from several key informants highlighted some confusion regarding the nature of the budget support for CSS outputs 1-3. However, key informants from the tourism sector saw CSS as an efficient and effective way for the Cook Islands Government to invest in the country's principal revenue source.

"Core sector support works well for tourism. Tourism goes into discussions with a specific plan to operationalise it. Tagged tourism budgetary support meant it was able to carry over funds for marketing post-COVID". (ID No. 103)

There was a general view from the tourism sector that Aotearoa New Zealand's support in tourism should be seen as supporting the sustainability of tourism over the long term to meet

⁹⁰ <https://www.stuff.co.nz/national/health/coronavirus/300310986/covid19-vaccination-begins-in-cook-islands-as-first-doses-flown-in-from-auckland>

⁹¹ <https://www.icao.int/Pages/default.aspx>

changes in market demands; for example more sustainable tourism or eco-tourism⁹² and opportunities for business investment. However, some key informants felt that the fungible nature of CSS means that MFEM is not able to pursue new environmental initiatives for the tourism sector due to the lack of incentives.

With regard to capacity and capability issues, informants commented on providing education and health incentives to draw school students into the tourism sector and draw Cook Island New Zealanders back to the Cook Islands; initiating policy discussion with Aotearoa New Zealand about making movement more fluid between the two countries, such as for non-New Zealand tourists or migrant workers; and linking tourism funding to environmental sustainability. Key informants noted that climate change may have a detrimental impact on tourism, and that early discussion and planning will be important.

Core Sector Support, Output 4: TA administered under Output 4 was strongly appreciated by the Cook Islands Government informants. The support was considered targeted and timely. Of the 15 activities that have been approved (in GFA 2019-2023), three projects were completed by 2021: Audit Housekeeping, Improving Audit Performance, and Energy Sector Stock-take and Review. A further 12 are being implemented, with COVID-19 providing reasons for some delays to implementation.

Concerns were raised regarding the full commitment of the pipeline of activities, thereby (as discussed in the previous section) reducing the ability of the mechanism to address emerging issues in a timely manner.

Infrastructure Trust Fund: The ITF was established in late 2019 and introduced towards the end of the evaluation period. It is viewed positively by the key informants as it allows for the transfer of large levels of funding from MFAT to the Cook Islands Government without committing the funds to general budget support, and hence needing to be appropriated or committed to reserves. The Trust Fund earns interest.

It is envisaged that the ITF will provide MFAT with better oversight of how funds are being used, and effectiveness of the activities on Cook Islanders' wellbeing. The ITF was also designed so that additional financiers could use it, however, this has yet to occur.

The ITF offers limited risk reduction for MFAT in terms of procurement and implementation. The MFAT technical expert only has periodic access to documents and is not actively engaged in administration or management of any infrastructure projects funded by the ITF. However, the Fund offers a level of surety for MFAT, as projects are individually reviewed and selected by a small (4-person) committee, rather than forming part of a larger infrastructure discussion as is the case with the Cook Islands Infrastructure Committee (IC).

Feedback from the Cook Islands Government key informants in relation to the ITF was positive, however, there is insufficient robust information to provide further comment and assessment. No other development partner has used the ITF to date, so it is too early to comment on the efficiency and effectiveness of this modality in terms of attracting other investment.⁹³

Partnership with Cook Islands Government leaders is strong, but the level of engagement with civil society and other leaders has decreased

The effectiveness of MFAT's engagement with the Cook Islands Government, civil society and traditional leaders has varied. There are numerous examples of effective engagement with Cook Islands Government leadership at different levels. Through joint priorities such as

⁹² Used as a general term for tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities, so examples include using renewable energy, minimising waste and environmental impact, and using local handiwork such as furnishings and artwork and food sourced locally.

⁹³ The ITF Deed allows for this but to date no other donors have contributed.

CSS, Te Mato Vai, and the ITF, there has been in-depth engagement between Cook Islands Government heads and Ministries, and staff from the NZHC. Through the JMF there is also evidence of engagement between Cook Islands' political leadership and Aotearoa New Zealand political leadership to discuss joint priorities.

Engagement by NZHC with civil society leaders appears to have decreased over the period. NZHC's staff previously played a role in the governance of the Social Impact Fund (SIF) which provided an opportunity for understanding and interaction with Cook Islands' civil society. That opportunity ceased in 2016 when the SIF became fully funded by the Cook Islands Government.

Development Partner Meetings had also provided a means for civil society to engage with development partners, however, the last Development Partners Meeting was held in 2015. The Head of Mission Fund provides a small pool of funding for civil society organisations, but there is limited opportunity for civil society engagement and advocacy. A number of civil society organisations are supported through the Volunteer Service Abroad (VSA) programme. Direct engagement with civil society (without Cook Islands Government involvement) may be viewed by the NZHC as an intrusion on Cook Islands' sovereignty. However, having a channel for civil society participation in dialogue is a principle of the Paris Declaration on Aid Effectiveness.⁹⁴

There is also no indication of engagement with Cook Islands' traditional leaders. Similarly, engagement with the private sector and organisations representing the private sector also appears to be very limited.

As noted in the Cook Islands Development Partners Policy, a key principle within the policy is accountable partnerships between government, development partners, the private sector, and civil society.⁹⁵ Supporting engagement between development partners, government, civil society, and the private sector are also important aspects of development effectiveness, particularly inclusive partnerships. The use of higher order modalities under the MFAT Country Programme has the consequence of reduced engagement with civil society.

Aotearoa New Zealand provides support through MOUs with public sector agencies, but there is poor visibility

A wide range of support is provided through Memoranda of Understandings (MOUs), and also informally with the diaspora and other organisations. Examples of MFAT-funded public sector support include:

- Civil Aviation Authority of New Zealand Te Mana Rererangi Tūmatanui o Aotearoa for security equipment. Safety support now sits with the Pacific Aviation Safety Office which also has MFAT funding
- Immigration division of the Ministry of Business Innovation and Employment Hīkina Whakatutuki
- Land Information New Zealand Toitū Te Whenua is the primary charting authority for the Cook Islands (for further details on both of the above see the Review of MFAT's Maritime Portfolio completed in 2021)⁹⁶

⁹⁴ OECD (2005), Paris Declaration on Aid Effectiveness, OECD Publishing.

<http://dx.doi.org/10.1787/9789264098084-en>

⁹⁵ Government of the Cook Islands. (2015). Cook Islands Development Partners Policy. Retrieved from: https://www.mfem.gov.ck/images/MFEM_Documents/DCD_Docs/National_Systems/2015_Cook-Islands_Development-Partners-Policy.pdf

⁹⁶ <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Evaluations/2021/Review-of-Maritime-Activities-July-2021.pdf>

- Maritime New Zealand Nō te rere moana Aotearoa for maritime safety (there is also a GFA that provides some direct funding)
- Ministry of Health Te Whatu Ora for Polynesia Health Corridors
- Ministry for Primary Industries Manatū Ahu Matua for biosecurity and quarantine
- New Zealand Customs Service Te Mana Ārai o Aotearoa for border security
- New Zealand Police Ngā Pirihimana o Aotearoa for crime prevention policing
- Parliamentary Counsel Office Te Tari Tohutohu Pāremata for legislative drafting
- Reserve Bank of New Zealand Te Pūtea Matua
- Statistics New Zealand Tatauranga Aotearoa.

In addition, there are agencies that have contractual and other relationships outside of MFAT, such as the Auckland City Council, Middlemore Hospital, and some Crown Research Institutes, which may or may not involve funding for service delivery.

Strengthening Pacific Laboratories: In 2020 MFAT signed a GFA with the Pacific Pathology Training Centre (PPTC) to improve the ability of 27 laboratories across the Pacific to respond to public health emergencies such as COVID-19. The main hospital in Rarotonga was very appreciative of the support, describing the PPTC as being highly professional and also understanding of the operational context. The PPTC was able to work effectively with Cook Island counterparts to establish reverse transcription – polymerase chain reaction (RT-PCR) testing – providing equipment (and its set up), and training for the medical laboratory scientist and a technician. The travel bubble in 2021 led to two visits by PPTC staff to deliver face-to-face training, as well as regular ongoing online support to ensure that any issues and queries could be promptly addressed. The laboratory in Rarotonga now has Biosafety level 1 (BSL-1) recognition.⁹⁷

For this evaluation, MFAT was unable to provide a full list of MOUs (or similar) that it was supporting, and staff acknowledged they also did not have visibility of all the relationships between the Cook Islands Government and other Aotearoa New Zealand organisations.

MFAT’s efforts have enhanced the assistance provided by other donors

There was evidence over the evaluation period of MFAT working to supplement and support investments from other development partners (such as Te Mato Vai).

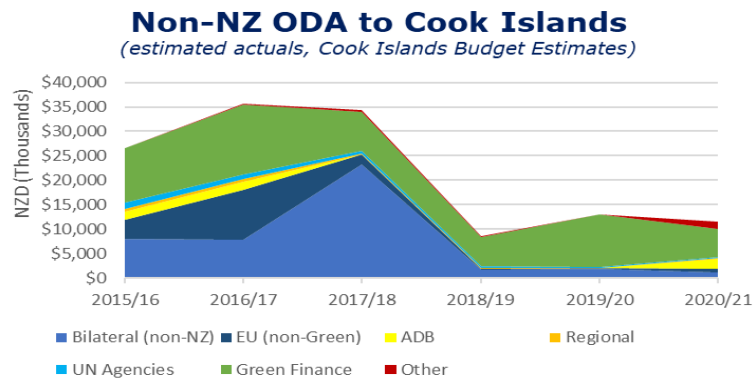
There is evidence of MFAT enhancing Australian DFAT’s financing over the evaluation period, both in terms of the Delegated Cooperation Agreement (DCA) and the movement of DFAT funds to budget support at the onset of the fiscal crisis in 2020. This improved the effectiveness of development partner support, both MFAT’s and its partners.

As previously discussed, the ITF is partly developed as a mechanism to attract further development partner support, however, it has yet to do so.

The figure below shows that the amount of funding from other development partners has declined with the onset of ODA graduation.

⁹⁷ BSL-1 is designated for those working with microbes that don't cause disease in healthy humans, for example, non-pathogenic E. coli (low-risk microbes). <https://www.cdc.gov/training/quicklearns/biosafety/>

Figure 4.1: Non-New Zealand ODA to the Cook Islands



Source: Cook Islands Budget Books 2015/16 - 2022/23

A shift to a more consolidated bilateral programme provides greater focus

The shift to a more consolidated bilateral programme under the two main pillars has enabled a greater focus and achievement of some (but not all) relevant development priorities in MFAT’s 4YP and the Cook Islands’ NSDP. As discussed above, CSS has enabled a greater focus on economic resilience and public sector strengthening, as well as health, education, and tourism. Infrastructure has transitioned from a project modality to the ITF, which should allow greater focus on priority areas.

In the areas of climate change, environment, marine resources, and agriculture, there has been engagement through regional programmes (for example, see case study in Appendix I), however, direct bilateral programming has played less of a direct role than that of NZ Inc. This is evidenced through the MOUs between Cook Islands Government agencies and NZ Inc.

The bilateral programme’s support for public sector strengthening has likely contributed to the Cook Islands Government’s ability to access climate financing, much of which requires strong financial structures and robust governance practices.

Greater focus of the consolidated bilateral programme has been at the detriment of gender equity and social inclusion

The areas of welfare, equity, and social inclusion received limited direct attention under the consolidated bilateral programme. The Cook Islands Government spends approximately NZD 20 million annually on social welfare benefits.⁹⁸ Both CSS and the COVID-19 Response efforts also supported economic development and resilience. Equity in terms of distribution of wealth is central in the first goal of the NSDP and the first objective of the EDS, as well as being prominent in the 4YP. However, there are no equity or social inclusion indicators within current MERL frameworks. Nor is there evidence of gender equity and social inclusion (GESI) receiving significant attention in reporting or in formal dialogue between Aotearoa New Zealand and the Cook Islands.

There were a series of changes within the Programme/4YP that led to the de-prioritisation of GESI. The SIF provides support to civil society organisations to provide services for vulnerable people. An evaluation of the programme was conducted in 2016, and found that the programme was achieving key outputs and outcomes and is a model for improving the wellbeing of vulnerable people.⁹⁹

⁹⁸ \$19.0 million in 2019, \$20.5 million in 2020 and \$20.3 million in 2021 was spent on social welfare benefits.

⁹⁹ Tavola, H. (2016). Evaluation Report of Social Impact Fund. Avarua, Rarotonga: Government of the Cook Islands. <https://intaff.gov.ck/wp-content/uploads/2016/07/SIF-EVALUATION-FINAL-050716.pdf>

However, Aotearoa New Zealand's support for the programme was discontinued in 2016, in line with the move toward budget support modalities. The Cook Islands Government had co-funded the programme, and then took over to fully fund it. It continues to be managed by the Ministry of Internal Affairs. This is a positive outcome in terms of sustainability; however this does mean that since 2016, Aotearoa New Zealand has provided limited direct support and engagement in the area of gender equity and social inclusion.

Previously, Aotearoa New Zealand had managed the Australian DFAT Pacific Women support for the Cook Islands through a DCA. The remaining funds under that programme were redirected to COVID-19 budget support during the pandemic. Through Output 4 of CSS, a Family Wellbeing Plan was to be developed but this has been put on hold since 2020 due to the pandemic. Limited support is provided to a small number of civil society organisations through the Head of Mission Fund. However, the funding allocation and modality of that initiative is not seen by those in the sector as producing significant sustainable outcomes.

The 4YP and other key plans articulate the importance of equity and inclusion that require greater attention and action in the future. As one key informant said, "*COVID-19 taught us that we needed to do business differently and not just think about the economic side, but also the social side*" (ID No.107).

The 4YP refers to "support to achieve greater equity and social inclusion across public services" (p.9). It also states that it "will engage in policy dialogue with the Cook Islands Government on human rights and inclusion, taking account of the local context, and offer support to local development initiatives as appropriate to improve outcomes for vulnerable and marginalised groups including women, young people and children, the economically disadvantaged, disabled, and the LGBTQTI+ community" (p.13).

Similar aspirations are outlined in Aotearoa New Zealand's International Development Principles, Gender Action Plan 2021-2025, Child & Youth Well-being Strategic Action Plan 2021-2025, and Human Rights Strategic Action Plan for International Development Cooperation 2021-2025. As well, the concepts of wellbeing and equity are central within the Cook Islands NSDA+ and EDS.

Research on the use of budget support modality through a gender lens has noted shortcomings in supporting gender equality through budget support.¹⁰⁰ The research highlights the lack of consistency from development partners who promote gender equity, yet provide support that tends to be gender-blind and/or does not have gender equity and social inclusion (GESI) indicators.¹⁰¹ A recent report titled Gender and Budget Support in the Pacific and Timor-Leste examines the challenges in supporting gender equality through budget support and provides a range of useful recommendations.¹⁰² These recommendations may also be relevant to MFAT's programming, including budget support modalities.

Assessing effectiveness

Managing for Results/Results Focus from the Paris Declaration on Aid Effectiveness and the Global Partnership for Effective Development Cooperation scored poorly (see Appendix F).

¹⁰⁰ Woestman, L. (2009). Engendering EU gender budget support: Gender responsive budgeting as a tool for fostering gender equality in EU partner countries. <https://gender-financing.unwomen.org/fr/resources/e/n/g/engendering-eu-general-budget-support-grb-as-a-tool-for-fostering-gender-equality>

¹⁰¹ Debusscher, P. (2019). Budget support through a gender lens: The case of EU development cooperation with Botswana. *The European Journal of Development Research*. <https://doi.org/10.1057/s41287-019-00236-0> The recommendations include: developing strategies for including gender in budget support operations; improving gender mainstreaming; incorporating gender-responsive budgeting; and improving political understanding of gender-informed economic policy making.

¹⁰² Warner, B. (2022). Gender and budget support in the Pacific and Timor-Leste. DFAT. <https://www.dfat.gov.au/sites/default/files/gender-budget-support-pacific.pdf>

This is not because of the lack of effectiveness of the support provided, but because there has been little evidence on measuring results and using information to make evidence-based decisions. The 2018 4YP did not have any indicators to measure progress. The 2021 4YP has seven key progress indicators for the three goals, but a full MERL Framework¹⁰³ with targets and methods of data collection has not been completed. The Evaluation team understands that further work on MERL Frameworks for 4YPs is underway.

The table below provides a summary of the extent that the 4YP has been effective in achieving its proposed goals against investment areas.

Table 4.2: Effectiveness of the Cook Islands Country Programme/4YP (findings and commentary by the Evaluation team)

MFAT Investment	Findings	Commentary
CSS, including Output 4	CSS has a MERL framework, progress reporting, and assessing achieving Outcomes. MFAT also completes AMAs.	COVID-19 interrupted BAU and plans for each of the pillars.
ITF	ITF is funded by way of a letter (from MFAT in December 2019) and it is too early to comment on achieving objectives.	ITF is not required by MFAT to have a MERL framework for each 'project'. However, the Cook Islands Government does need to know if ITF investments are meeting its NDSP and NIIP goals.
COVID-19 Response	COVID-19 Response funding ensured the social and economic well-being of the Cook Islands.	Without the funding support, possible consequences could have been mass migration, political and social disruption and a breakdown in the two countries' relationship, noting Aotearoa New Zealand's constitutional responsibilities to the Cook Islands.
Other activities (for example, infrastructure pre-ITF such as Manatua cable, water and sanitation design etc)	Using JCfD and AMAs/ACAs - see Appendix F for commentary on assessing effectiveness. Note that all Activities were relevant to JCfD: improving economic growth; strengthening human capacity; and enhancing overall economic self-sufficiency.	A total of 19 Activities were assessed across all modalities.

¹⁰³ Note that MFAT's business processes state that MERL frameworks should contain a logic diagram of the theory of change accompanied by key assumptions and risks, a MERL table with key results indicators, and a MERL work plan.

4.4. Strengthening sustainability and resilience

In this section we present our findings regarding KEQ4: *How could the interventions under MFAT's Programme/4YP be more sustainable and strengthened?*

For 'Sustainability' we look at whether the benefits will last and the extent to which any net benefits are likely to continue. This includes the financial, economic, social, environmental, and institutional capacities of the Cook Islands Government systems needed to sustain net benefits over time (resilience, risks, any trade-offs). This question focuses on identifying the key changes that are needed to ensure Aotearoa New Zealand's next 4YP provides sustained social, environmental, and economic outcomes. It investigates opportunities for strengthening Aotearoa New Zealand's whole-of-country approach to cooperation with the Cook Islands.

Box 4.4: KEQ4 key findings – Strengthening sustainability and resilience

Sustainability and resilience

- Capacity and capability constraints in the Cook Islands have an effect on the sustainability of MFAT investments.
- The 4YP did not hinder adaptive management. COVID-19 provided an opportunity to test systems, as well as the maturity of the relationship.
- The inconsistent compliance reporting and results measurement of new modalities under the 4YP is a missed opportunity to provide the space for discussions on outcomes, longer-term benefits, and sustainability of investments.
- External risk is identified in national budget documents (for example, economic development that impact the New Zealand economy which may have a flow-on to effect tourist numbers and their spending or other Aotearoa New Zealand policy considerations). However, domestic risks to government revenue streams from factors within Cook Islands Government control (for example, the impact of public health hazard outbreak or air/sea incidents due to international safety or security standards¹⁰⁴ not being set or adhered to) do not form part of structured investment decision making; yet if these risks are realised there will be an impact on the New Zealand IDC Programme.
- Wellington-based MFAT systems and knowledge are not being used to their full potential. This is exacerbated by significant staffing gaps and vacancies, and a staff rotation policy that means expertise is diluted and institutional knowledge is lost. Staff are not always well-versed in different modalities and therefore sometimes cannot engage with the Cook Islands Government at the required level.

Capacity and capability issues are still impacting service delivery for the Cook Islands Government

The ability for MFAT's programme to be sustainable and resilient depends on the absorptive capacity and capability of the Cook Islands Government. During the course of the evaluation,

¹⁰⁴ Set out by the International Civil Aviation Organisation (ICAO) and International Maritime Organisation (IMO).

the potential for higher-order modalities to provide improvements was acknowledged; however regular reference was made by key informants to the constraints on the Cook Islands Government in achieving and then sustaining a high level of service delivery. This was primarily attributed to the lack of qualified staff available to fill positions within the public service.

"We need more than low-skilled employees, we also need skilled employees. Currently, this demand is driving up the cost of rentals as skilled employees can demand higher salaries. To attract Cook Islanders back we need to push There is a lack of a national resource plan to deal with the labour shortage for skilled workers." (ID No. 105)

The Evaluation team did not see any overarching document that detailed the level of service delivery the Cook Islands Government intended to deliver, and/or the types of services intended to be either purchased from abroad or sourced in Aotearoa New Zealand. Domestic service provision versus international service purchasing was discussed in interviews and appeared well understood by Cook Islands Government key informants. However, no documentation was sighted that suggested what the Cook Islands Government viewed as a sustainable level of service provision.

The Cook Islands' high dependency on tourism as a source of revenue places its fiscal position at high risk from shocks to the tourism market, as evidenced by the impact of border closure during the COVID-19 pandemic.¹⁰⁵ While tourism is identified as a strategic priority and a key component of the nation's sustainability, there was no evidence that identification and mitigation of internal risks (such as airport certification, safe drinking water, and safe waste water disposal) formed part of an agreed risk mitigation strategy. The tourism industry is dependent on labour, including migrants (primarily from Fiji). Work permits, visa status and working towards residency, housing availability, and other issues impact the availability of labour and thus need to be factored into the long-term sustainability and resilience of the tourism sector. This high level of dependency on tourism has implications for MFAT's Programme as was evidenced during the COVID-19 pandemic.

The system of having an economist from MFAT's PDG, Development Economic and Prosperity Division (DEVECO), tagged to each of the Pacific bilateral teams (in this case the Pacific Bilateral Division Polynesia & French Pacific) provides some continuity during MFAT staffing gaps and also a depth of relevant technical knowledge to mitigate the lack of local capability. Several key informants spoke very highly of the quality of expertise and relationship with the incumbent economist and MFAT's tourism adviser.

MFAT resources or processes have not always been used for greatest effect

The second evaluation sub-question under Objective 4 asks what learnings can be identified to maximise achievement of the revised 4YP, including the use of resources for greatest effect.

The evaluation found that MFAT's staff rotation policy can present staffing gaps and challenges with the loss of institutional knowledge, the establishment of in-country relationships, and lack of understanding of different modalities used in the Cook Islands programme. MFAT has a staff rotation policy where staff commence their new roles in approximately February each year, but if they are replacing staff going overseas on posting, they start pre-posting briefings the previous October/November (depending on language and

¹⁰⁵ Movono, A. & Scheyvens, R. (2022). Adapting and reacting to Covid-19: Tourism and resilience in the South Pacific. *Pacific Dynamics: Journal of Interdisciplinary Research*, 6, 1.

cultural training). This applies to all staff who are not subject matter experts or advisers and presents challenges in managing staffing gaps, as well as vacancies.

Over the period of this evaluation, there have been three High Commissioners appointed and one acting High Commissioner. This has been due in part to the illness and death of a High Commissioner in December 2019. Head of Mission postings are usually for four years and First Secretary – Development postings are usually for three years although the most recent First Secretary Development stayed in the role for four years. There have also been other staff at the NZHC that have provided good continuity and institutional knowledge that has proved valuable, including during COVID-19. However, the Wellington bilateral desk has faced significant staffing gaps due to a range of factors such as the rotation policy and staff resignations.

MFAT has developed and implemented new IT systems and business processes. These include a global document management system, Enquire (for activity management), and an adapted version of the Treasury’s Better Business Case to make investment decisions. In addition to these internal (to MFAT) business processes, MFAT has increasingly used new modalities, such as PBBS and different forms of budget support such as core sector support and trust funds. However, interviews with MFAT staff highlighted that not everyone is as well-versed in the intricacies of the modalities as they should be, which impacts their efficiency and effectiveness.

The previously discussed (Section 4.3) lack of consistent compliance reporting and results measurement of the budget support and trust fund modalities under the 4YP is a missed opportunity for providing the space for discussions on outcomes, longer-term benefits, and sustainability of investments.

A high level of uses of Cook Islands Government systems

During the 2018-21 period, approximately 96 percent of Aotearoa New Zealand’s funding went through Cook Islands Government systems and can be tracked in publicly available documents. This is highly transparent and demonstrates that there is a high level of trust in systems and confidence in the Cook Islands Government’s ability to make sound resourcing decisions without the need for third-party contracts.

MFAT was able to adapt to changes and manage activities with flexibility

As discussed earlier, responding to COVID-19 led to increased interactions between MFAT and the Cook Islands Government that were positive, well received, and provided a platform to inform future investments. The actions of MFAT were effective in assisting the Cook Islands Government to preserve the social, economic and fiscal status of the Cook Islands. The 4YP did not preclude nor hinder such activities, yet neither was it able to act as a guide for such investments. Rather it was the modalities that were key to enabling MFAT to provide sizeable and timely funds for the COVID-19 response.

The demonstrated competence of senior MFEM officials, the advice and support they received through conversations during weekly MFAT meetings,¹⁰⁶ the monthly cash management meetings (that included the Reserve Bank in Aotearoa New Zealand), and the overall productive relationship with the NZHC were all important. Importantly, MFAT expressed confidence in MFEM’s capacity, which facilitated the financing of initiatives that preserved the fiscal integrity of the Cook Islands Government.

MFAT was able to scale-up investments to best realise and maximise Aotearoa New Zealand’s impact and support the resilience of the economy

As previously discussed, MFAT provided COVID-19 Response funding as budget support, which is the same modality used for the CSS. The COVID-19 pandemic ‘tested’ both MFAT

¹⁰⁶ CIG officials referred to the MFAT’s economist as being particularly helpful.

and the Cook Islands Government's financial management systems and business processes. MFAT was able to move at pace to scale-up financial support that was used to fund wage subsidies to the private sector, continue paying the public service, provide essential services, and avoid loan default. This preserved the fiscal integrity of the Cook Islands over the course of the pandemic.

The successful evolution and establishment of budget support mechanisms through CSS, and the establishment of the ITF, provide platforms to scale up investments. This applies not only to MFAT; other development partners can use the ITF (discussed elsewhere) and also learn from Aotearoa New Zealand's use of CSS and budget support through the COVID-19 Response fund.

Insufficient appreciation of all risk factors may affect sustainability of investments

Section 2.1¹⁰⁷ above discusses the need to better identify risk factors within the Cook Islands Government's control e.g. the impact of a public health hazard outbreak (due to the current sanitation system) or air/sea incidents (due to international safety or security standards) not being set or adhered to.¹⁰⁸ There are also external risk factors such as disasters including pandemics that will also significantly impact the sustainability of development investments made in the Cook Islands. SIDS are disproportionately vulnerable to the impact of these external risk factors and these are broadly factored into national budgets. Scaling appropriate preventative action for disaster risk reduction will be a key determinant in future losses.

¹⁰⁷ Under the health subheading.

¹⁰⁸ Set out by the ICAO and IMO.

5. Conclusions and Recommendations

This section briefly discusses our conclusions based on the overall findings, and identifies recommendations to inform the next phase of MFAT's Cook Islands programme.

5.1. Conclusions

The evaluation findings show that despite challenges to delivering the programme, largely due to COVID-19, MFAT's Programme/4YP has been effective in achieving its proposed goals. It has enabled the Cook Islands' own development, including its graduation on 1 January 2020 from eligibility for Official Development Assistance, and improved its relationship with Aotearoa New Zealand as evidenced through the delivery of the identified activities. MFAT's engagement is assessed as consistent with international agreements and MFAT's ICESD, especially Principle 16, is being applied.

Evidence from the evaluation shows that the portfolio of support under the JCfD (2015-18) is highly relevant. MFAT's programme strongly supports Cook Islands' national development priorities, although CSS does not clearly factor in other Cook Islands' priorities such as climate change. MFAT's new climate financing support should hopefully fully address this priority.

The Cook Islands' strategic documents are robust, and MFAT and other development partners are using them to inform their investment decisions. For example, ADB has leveraged further support for the Cook Islands. The quality of policy dialogue with the Cook Islands Government is maturing – this is reflected in the close working relationship between Cook Islands government agencies and the NZHC in Rarotonga, along with MFAT thematic specialist advisors.

The cultural relationship, particularly through the NZHC, is well-considered and there is potential to develop and leverage this further to both countries' advantage.

There is extensive MFAT-funded and non-MFAT-funded involvement of NZ Inc, as well as diaspora connections that bring other support and perspectives.

MFAT's support has been integral to responding to changing fiscal/socio-economic trends and consequences due to COVID-19. Output 4 Technical Advisor is contributing to strengthening government systems and is well-received. This has mostly supported public financial management and there is interest in widening the scope.

The use of budget support for the COVID-19 Response meant that MFAT funding could be delivered efficiently and effectively to the Cook Islands. The Evaluation team notes that during COVID-19, MFAT and Cook Islands Government officials worked together productively. In particular, there was a strong constructive relationship between the Ministry of Finance and Economic Management (Cook Islands Government) (MFEM) and the NZHC, and this has continued to today.

The overall findings highlight that despite the evolution of programme documents (from JCfD to 4YP), and the mismatching of monitoring outcome and reporting approaches for the higher order modalities, MFAT's Cook Islands Programme during the evaluation period aligned with Cook Islands Government priorities. MFAT's programme has contributed to effective self-governance through higher order modalities, and a mutually beneficial bilateral and regional relationship.

However, there are opportunities for improvement in various areas:

- For the ITF, it is too early to assess its impact on the Cook Islands infrastructure sector, so ongoing monitoring of this fund is needed.
- While investments achieved positive results during this period, there is a lack of evidence that the 2018-21 4YP played a role in providing strategic direction with regard to climate resilience and environmental sustainability. The lack of robust evidence for the 2018-21 period may be due to the move to higher order modalities, with a shift to a more consolidated bilateral programme which has provided greater focus on CSS pillars (health, education and tourism) and infrastructure (through ITF).
- The lack of consistent oversight over NZ Inc activities, poses potential risks of duplication, gaps or missed opportunities.
- Much of Cook Islands' legislation is out of date and this is slowing down opportunities for the further strengthening of government systems. There is an opportunity for MFAT to provide the Cook Islands Government with support to update the legislation, such as through its TA Fund.
- One of the challenges with higher order modalities has been a decreased engagement with civil society and other non-government leaders. Gender and social inclusion issues are diluted or de-prioritised under higher order modalities.
- A key challenge for the Cook Islands is the high dependency on the tourism sector and potential impact on the New Zealand IDC Programme if this risk is realised (as was the case with the COVID-19 pandemic). While this dependency is well understood, the internal risks are less understood.
- For MFAT, its staff rotation policy and business processes (including document management) present ongoing challenges to retention of institutional knowledge.
- The Grant Funding Arrangement (GFA) and Monitoring, Evaluation, Research and Learning (MERL) Framework for the CSS require considerable compliance reporting. This is time-consuming to prepare and distracts from the all-important outcomes dialogue on indicators set out in Cook Islands documents.
- The ITF approved projects do not have a finalised MERL Framework or indicators to monitor progress. The ITF Board receives regular reporting to ensure there is accountability to stakeholders for how the funds are used. The consistency and nature of the reporting needs to ensure the focus is on the agreed priorities, that projects are well managed, and that progress is being made towards the desired outcomes.
- The Evaluation team also notes that the Output 4 Technical assistance (TA) is over-subscribed and does not have any flexibility to respond to emerging needs.

5.2. Recommendations

MFAT's partnership approach and its practice of continuous improvement support opportunities to improve the delivery of MFAT's Programme/4YP during the next programme phase. Learnings identified in this evaluation can help to ensure that Aotearoa New Zealand's next phase better aligns with Cook Islands' strategic plan and meets its obligations to the Cook Islands.

The recommendations identify key changes needed to ensure MFAT's next Programme/4YP provides sustained social, environmental, and economic outcomes. This section also investigates opportunities for strengthening Aotearoa New Zealand's whole-of-country approach to cooperation with the Cook Islands, and includes suggested interventions to ensure MFAT's Programme/4YP is more sustainable and resilient.

Relevance, alignment, and coherence

How modalities are used should be informed by strategic discussion. Budget support is the most suitable form of development support for fulfilling commitments under the Paris Declaration on Aid Effectiveness.¹⁰⁹ It should also provide MFAT with the opportunity for assessment of a country's budgetary choices and overall vision of the country's political priorities, as it provides a framework for broader dialogue.

There is good alignment of the 4YP with the Te Ara Akapapa'anga Nui 2021-2121 – National Sustainable Development Agenda (NSDA) 2020+ and the Waka Hourua/Vaka Purua (developed with the Cook Islands). But given the disparity in timeframes (4 years vs 100 years), there is an opportunity to improve future 4YP programming under the NSDA.

For CSS, it is important that sectors align with Cook Islands' priorities. There are opportunities for these core sectors to prioritise pressing issues such as NCDs, gender equity and social inclusion, disaster risk reduction, climate adaptation and mitigation, and digital transformation. These issues require greater attention through mainstreaming across all modalities, and should be discussed through partnership dialogue.

A change in the ITF governance may be required to accommodate new funding, with oversight currently limited to MFAT and the Cook Islands Government, and with legal ownership residing entirely with the Cook Islands Government.

Much of Cook Islands' legislation is out of date and this is slowing down opportunities for the further strengthening of government systems. There is an opportunity for MFAT to provide the Cook Islands Government with support to update the legislation, such as through its TA Fund.

As stated above, the quality of policy dialogue with the Cook Islands Government is maturing. While the move to different modalities has been a positive step, the consequence of moving to budget support has been the loss of an agreed system to mutually own the outcomes from the funding. MFAT and the Cook Islands Government will need to lift the conversation to better align the higher-order modality with what the Cook Islands Government is trying to achieve and foster participation in the ownership of investments. To avoid overburdening the Cook Islands Government, dialogue could be aligned with the budget process and could rotate on a thematic or sectoral basis.

There are also opportunities to further leverage the deep cultural links between the Cook Islands and Aotearoa New Zealand, and this could include the Cook Islands providing advice to Aotearoa New Zealand on improving well-being, based on learnings from experience in the Cook Islands.

The evaluation recommends:

1. Domestic risks to Cook Islands' fiscal security are identified and their mitigation forms a regular part of bilateral discussions.
2. The next 4YP is co-designed by MFAT and the Cook Islands Government. This would include MFAT and the Cook Islands Government working from the same documents, or documents that are at least aligned in wording around priorities and intended results.
3. Climate finance and climate change issues are integrated with climate change adaptation (including disaster risk reduction) and mitigation, and work progresses at pace using existing modalities.
4. Gender equity and social inclusion issues are given greater visibility and support at a programmatic level and mutually agreed indicators are monitored.

¹⁰⁹ <https://devpolicy.org/a-case-for-budget-support20110202/>

5. MFAT continues to provide funding to the Infrastructure Trust Fund for at least another triennium until the Cook Islands infrastructure agencies' functions are reviewed and realigned.
6. There is targeted technical assistance to assist the Cook Islands with legislation reform to ensure any mitigations can be actioned.
7. Continue with discussions to inform higher order policy dialogue between MFAT and the Cook Islands Government. These discussions should include reflecting on the Cook Islands' experience, and identify approaches that can inform MFAT's broader aid development agenda.

Achievements and impact

Embedding agreed monitoring and evaluation processes, which would be adapted to suit the different modalities, would enable both MFAT and the Cook Islands Government to better measure the impacts of MFAT development support.

The evaluation recommends:

8. Core Sector Support's oversight mechanisms are strengthened to measure and monitor performance. The Evaluation team understands that further work on MERL Frameworks for 4YPs is underway. These should be aligned to the measures in the new Cook Islands national development plan, thereby building capacity to serve Aotearoa New Zealand's objectives and Cook Islands capacity to measure progress against the national plan.

Efficiency and effectiveness

There is a lack of consistent visibility over the different roles NZ Inc is playing in the Cook Islands, and the New Zealand High Commission has limited oversight of the work Aotearoa New Zealand agencies are undertaking within the Cook Islands.

Governments are accountable to their electorate to ensure the effective and efficient use of resources. It is timely to ensure there are tested systems and processes for these high-order modalities so there is adequate outcomes-based information to inform decisions on future investment.

As discussed, MFAT subject matter experts and other NZ Inc advisers can provide valuable advice. Developing and rolling out training modules and other resources for Aotearoa New Zealand and Cook Islands-based staff would be beneficial and help maximise achievements. A mechanism for this that doesn't exhaust Cook Islands Government human resources should be explored.

The evaluation recommends:

9. There is better coordinated oversight of NZ Inc by MFAT and the New Zealand High Commission (NZHC) to ensure greater visibility for both partners. The NZHC is responsible for consular support, and all Aotearoa New Zealand officials and contractors should be recorded with the Commission. Use of the Safe Travel website to lodge visits and advance notice by Formal Message are both useful tools for communication and oversight. Alternatively, an online register of Aotearoa New Zealand government agency activity could provide better awareness of in-country engagement. While this would have to be voluntary for private sector companies and NGOs, they might provide information if it does not affect commercial outcomes. It may not be practical to track all of this support, but an overall increased awareness could help to ensure resources are being well used, and reduce duplication of effort or known gaps.
10. Better processes to assess and record evidence of effective work, where 'fine-tuning' is required, and how to use different modalities to strengthen performance. Strengthening

the linkages between the monitoring of the national development plan and budget support policy dialogue would help to situate financing as a means to achieve the national development goals. This continual focus on the bigger picture is important to integrate financing and reduce 'silo-think' by sectors.

11. Opportunities for staff training on how budget support differs from programme activities. MFAT and Cook Islands experts on budget support can provide this training.
12. MFAT business processes are better aligned to the modality being used, and work is done to ensure the budget support modality is well understood by both partners.

Sustainability and resilience

Successful use of modalities and use of Cook Islands Government systems frees up space for policy dialogue. The COVID-19 Response presents opportunities for the long-term operation of the Programme/4YP and to help prepare for any future adverse events.

Looking to the future, there are opportunities to leverage the deep cultural links between the Aotearoa New Zealand and Cook Islands cultures, and foster participation in ownership of investments.

The evaluation recommends:

13. Supporting opportunities for the Cook Islands tourism sector to develop its relationship with Aotearoa New Zealand Māori Tourism. This would build on past efforts to explore the potential for more balanced and increased culturally sensitive investments, including supporting outreach to the Aotearoa New Zealand-based Cooks Islands diaspora and Iwi investment platforms.

APPENDICES

Please find below the following Appendices:

- A. Cook Islands 2015 Evaluation Recommendations and actions taken
- B. Activities in scope
- C. Logic diagram for Cook Islands 4 Year Plan (October 2021)
- D. Analytic framework
- E. Information sheet and consent form
- F. AMAs and ACAs data analysis
- G. Assessment using DAC and Paris Declaration criteria
- H. ICESD Policy Statement Table
- I. Case study on Strengthening water security
- J. List of source materials

Appendix A: Cook Islands 2015 Evaluation recommendations and actions taken

Table AA 1: Recommendations and actions from the 2015 Evaluation of MFAT’s Cook Islands Programme

	2015 Evaluation Recommendations	2015 Management Response	2023 Strategic Evaluation Comments
1	<p>MFAT should formulate a new process for the development of country strategies that includes its whole-of-government partners. This process should result in the development of country strategies that highlight the major constraints to economic and human development and articulate how the sum of New Zealand’s resources will be used to address these issues. Associated with these high level plans should be a series of more in-depth Investment Plans that target key areas (i.e. Tourism and Non-Communicable Diseases).</p>	<p>Agree. Long term country strategies will provide a stronger evidence base for contextualising and targeting New Zealand aid investments and enable MFAT to better demonstrate the impact of development work to partner countries. Rather than developing sectoral ‘Investment Plans’, MFAT envisages operationalising the strategies through shorter term country investment plans. These will outline the specific areas New Zealand will invest in to support strategy objectives and partner governments’ development plans. They will be reflected in political (high) level Joint Commitments for Development (JCfD) agreed between New Zealand and partner governments that spell out what each country will do to deliver on agreed objectives. The specific outcomes, targets and results will be achieved under these commitments and set out in detail through grant funding arrangements or contracts between partner governments and New Zealand.</p>	<p>In 2018 MFAT moved to Four Year Plans (4YPs) to guide Aotearoa New Zealand’s overall engagement with the Cook Islands. It is a living document that is reviewed annually. It sets out New Zealand’s Strategic Goals in the Cook Islands. The 4YP has three strategic goals and a logic diagram with 10 MTOs and 10 STOs.</p> <p>There are a total of 7 key indicators of success across the strategic goals. Several of the indicators align (usually at MTO level) to Activity or programme level GFA indicators.</p> <p>JCfD have not existed since 2017/18 and have been replaced by 4YPs.</p> <p>In response to the 2015 evaluation recommendation that MFAT moves to a longer-term funding model for budget support, MFAT delivered an interim one-year package of support in order to be able to align the next four years with Cook Islands’ own Medium Term Fiscal Framework.</p> <p>An internal/external Core Sector Support evaluation in mid-2018 informed the design for the next iteration of budget support.</p>

2015 Evaluation Recommendations	2015 Management Response	2023 Strategic Evaluation Comments
<p>2 To improve coherence, the primary focus of Country Strategies should be the bilateral programme, and other funding modalities should be deployed strategically in a way that supports the bilateral programme, to address constraints identified in the country strategy.</p>	<p>Agree. Country strategies will help MFAT achieve our objective of a country-focused aid programme by providing context and direction for all New Zealand aid delivered directly in the country. They will promote coherence between the core bilateral programme and aid delivered through other channels such as the Partnerships Fund.</p>	<p>As noted above MFAT has moved away from country strategies and JCfD, and developed 4YPs. It is not possible to measure if there is greater coherence between core bilateral and development assistance that is channelled through regional or multi-country programmes because 4YPs are high-level and Activities and Programmes are not set out in the 4YP itself.</p>
<p>3 MFAT should increase its human resource allocations in technical areas that will support quality policy dialogue, to augment the shift to higher order aid modalities in the Cook Islands. In order to ensure this occurs, Country Strategies should be linked to business unit or operational plans which outline how programme level human resources will be deployed.</p>	<p>To be considered. It is recognised that quality policy dialogue aligned with sectoral or general budget support requires high levels of subject matter expertise as well as relationship management and influencing skills. The Capability Review currently underway will consider these and other priority staff skill sets. How specialist expertise can be most effectively allocated across teams and posts will also be considered, as well as how specialist staff can work to empower and develop the organisation in order to deliver skilfully in these areas.</p>	<p>As noted above, country strategies have not been developed. However, noting the Cook Islands' special relationship with New Zealand, it is clear that MFAT's thematic advisors (for example, economist, tourism, and health) and contracted technical experts (for example, from Maritime NZ) have been generous.</p>
<p>4 In the area of human development, New Zealand should prioritise its approach to reducing Non-Communicable Diseases in a systematic way, as this is the single most pressing development challenge in the Cook Islands, which aside from its impacts on human health could have significant impacts on the health budget, and ultimately on economic development.</p>	<p>Agree. The risks to the overall development prospects of the four countries and flow-on impacts in New Zealand will demand greater attention to reducing the impact of non-communicable diseases and preventing their risk factors. MFAT will commission an assessment of the economic impact of the burden of communicable and non-communicable diseases in these countries, both for the countries themselves and to inform New Zealand's future investment in the health of their people.</p>	<p>While there is a 2016 World Bank report on NCDs, which notes the prevalence of NCDs in the Cook Islands, there is no analysis as the Cook Islands is not a member of the World Bank. The recent Skills Towards Employability and Productivity (STEPS) survey has just been completed.</p>

2015 Evaluation Recommendations	2015 Management Response	2023 Strategic Evaluation Comments
<p>5 In the area of economic development, New Zealand should redouble efforts in the tourism sector and help Cook Islands Government to develop a strategic approach to improving the enabling environment for private sector development.</p>	<p>Agree. Investing in the enabling environment for the private sector will create opportunities for both onshore and offshore businesses to contribute to economic development and will increase the sustainability of New Zealand’s aid investments in the tourism, fisheries and agriculture sectors in these countries. Alongside supporting initiatives that will enable development in these specific sectors, we will use budget support modalities to strengthen the institutions that support operation and expansion of the private sector and promote competition for services.</p>	<p>Tourism is one of three sectoral priorities under the CSS; so the use of budget support modality for Cook Islands tourism has been implemented.</p> <p>The 4YP has an indicator pertaining to tourism (increase in average daily tourist spend). During the COVID pandemic, private sector tourism operators benefitted from minimum wage and small business support subsidies. Public sector employees’ salaries were not reduced.</p>
<p>6 New Zealand should consolidate its programme further through a progressive move to general budget support. This should be accompanied by a team-based performance management programme that systematically addresses fiduciary and development risks in partnership with Cook Islands Government; this can form the basis of New Zealand’s ongoing support in government capacity building.</p>	<p>Agree. We intend to strengthen and deepen general budget support and policy engagement in Samoa and the Cook Islands. Based on the interim findings of the evaluation, MFAT has already moved to provide over half of the bilateral allocation to the Cook Islands in the form of a performance-linked general budget support arrangement. Fiduciary and development risks are assessed and reported on through our existing rigorous processes. Performance and risks are regularly monitored through policy dialogue with the partner governments.</p>	<p>Performance-based budget support was introduced 2015-16. In 2017-18 this transitioned to consolidated core sector support, 2018-19 there was core sector support bridge funding, and from 2019 (on the eve of the Cook Islands becoming a high income country) there was a move to core sector support (budget support for three sectors and TA support that was fungible).</p> <p>As the 4YP has a limited number of indicators (focused on development assistance) and does not set out targets; it is not possible to easily monitor progress. Reporting from the Joint Ministerial Forum is not publicly available.</p>

Appendix B: Activities in scope

Note that Activities have been separated into two lists, one main list of relevant core activities and secondary list of multi-country and regional activities.

The core focus is Activities that are relevant to Core Sector Support, Infrastructure Trust Fund, COVID-19 resilience fund.

Table AB1: Main List of Relevant Activities

Programme	Suggested Effort ¹¹⁰	Activity Number	Activity Name	Current Stage (Dec 2022)	Period
Cook Islands Core	High	ACT-0100233	Manatua - Cook Islands Submarine Cable	Implementation	2015-2021
Cook Islands Core	High	ACT-0100512	Core Sector Support: Bridging Funding 2018-19	Closing	2015 onwards
Cook Islands Core	High	ACT-0100637	Budget contribution: Asset Management 2018-2019	Closed	2015 onwards
Cook Islands Core	High	ACT-0101084	Core Sector Support: 2019/20-2022/23	Implementation	2015-2021
Cook Islands Core	High	ACT-0101236	Infrastructure: Trust fund	Implementation	2015-2021
Cook Islands Core	High	ACT-0A11930	Cook Islands Wastewater Activity (MTVKTV)	Closing	2015-2021
Cook Islands Core	High	ACT-0A12645	Consolidated Core Sector Support	Closed	2015 onwards
Cook Islands Core	High	ACT-0A11372	Water Partnership (Te Mato Vai)	Closing	2015 onwards
Cook Islands Core	High	ACT-0A11954	Renewable Energy (Northern Group)	Closed	2015 onwards

¹¹⁰ Suggested effort is an indication of the relevance of the activity to the evaluation. This assessment has been based on whether the activity had significant work undertaken in the evaluation period.

Programme	Suggested Effort ¹¹⁰	Activity Number	Activity Name	Current Stage (Dec 2022)	Period
Cook Islands Core	Medium	ACT-0A10786	Renewable Energy (Airport West & Enabling)	Closed	Before 2015
Cook Islands Core	Medium	ACT-0A12283	Performance Based Budget Support	Closed	Before 2015
Cook Islands Core	Medium	ACT-0100284	Cook Islands - Mental Health Strengthening	Closed	Before 2015
Cook Islands Core	Medium	ACT-0A11524	Tourism Sector Support 2013 - 2016	Closed	Before 2015
Cook Islands Core	Medium	ACT-0A12135	Cook Islands Legacy Gift 2015 /Tereora College Redevelopment	Closed	2015-2021
Cook Islands Core	Low	ACT-0100263	Air traffic controller training	Closing	Before 2015
Cook Islands Core	Low	ACT-0A10716	Border Management System	Closed	2015-2021
Cook Islands Core	Low	ACT-0A12123	Tropic Twilight 2015	Closed	2015-2021
Cook Islands Core	Low	ACT-0004439	DFAT AID Harmonisation	Closed	2015-2021
Cook Islands Core	High	ACT-0102671	Cook Islands COVID-19 Economic Recovery	Implementation	2015-2021
COVID-19 Pacific Economic Resilience Fund	High	ACT-0101776	Cook Islands - COVID-19 Resilience Fund	Implementation	2015 onwards
2020 Covid-19 Pacific Response	High	ACT-0101752	2020 COVID-19 - Cook Islands	Closed	2015-2021
COVID-19 Preparedness & Vaccines Fund	High	ACT-0102161	COVID-19 Improve Cook Islands' Health Capability	Implementation	2015 onwards

Programme	Suggested Effort ¹¹⁰	Activity Number	Activity Name	Current Stage (Dec 2022)	Period
COVID-19 Preparedness & Vaccines Fund	Medium	ACT-0102083	COVID-19: Strengthening Pacific Laboratories	Closed	2015-2021
COVID-19 Preparedness & Vaccines Fund	Medium	ACT-0102643	COVID-19 Vaccine procurement for Polynesia	Implementation	2015 onwards
COVID-19 Preparedness & Vaccines Fund	Medium	ACT-0102951	COVID-19 Testing & Therapeutics	Implementation	2015 onwards
COVID-19 Preparedness & Vaccines Fund	Medium	ACT-0102997	IVCs for Cook Islands, Niue, Tokelau	Implementation	2015 onwards
Humanitarian Core	Low	ACT-0A12129	2015-19 Disaster Risk Management in the Pacific	Closing	2015 onwards
Humanitarian Core	Low	ACT-0101280	2019-2024 Disaster Risk Management in the Pacific	Implementation	2015 onwards
Infrastructure & Energy	Medium	ACT-0102026	Cook Islands Domestic ICT Connectivity Improvement	Implementation	2015 onwards
Infrastructure & Energy	Low	ACT-0100216	Pacific Maritime Safety Programme 3	Implementation	2015 onwards
Infrastructure & Energy	Low	ACT-0100227	Pacific Aviation Security	Implementation	2015 onwards
Infrastructure & Energy	Low	ACT-0A11438	Transport: Improving Pacific Air Safety	Closed	2015-2021
Infrastructure & Energy	Low	ACT-0A11669	Transport: Pacific Regional Navigation Initiative	Implementation	2015 onwards

Evaluation of the Ministry of Foreign Affairs & Trade's Cook Islands Programme 2015-21

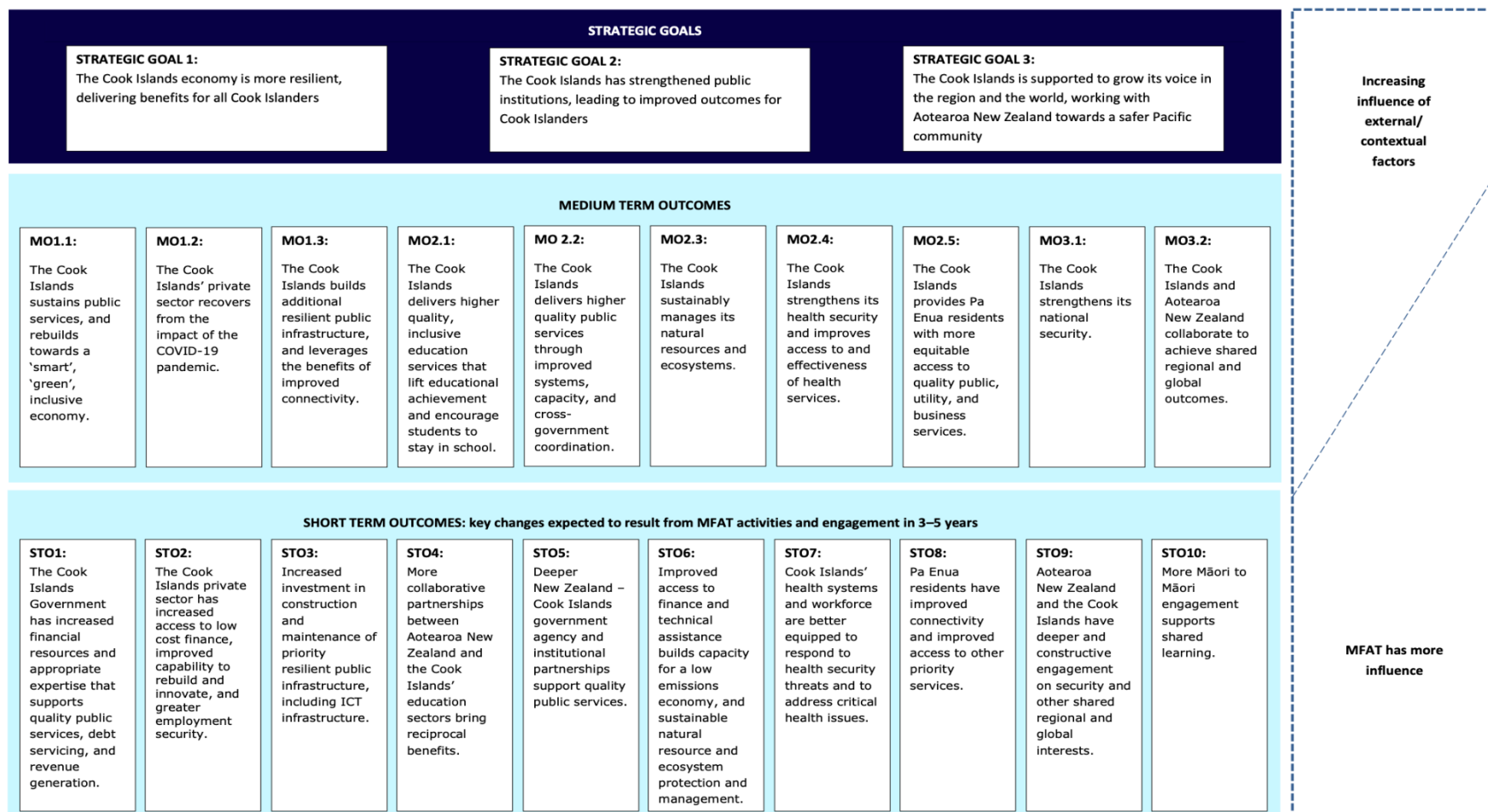
Programme	Suggested Effort ¹¹⁰	Activity Number	Activity Name	Current Stage (Dec 2022)	Period
Infrastructure & Energy	Low	ACT-0A12126	Transport: Pacific Maritime Safety Programme 2	Closed	2015-2021
Infrastructure & Energy	Low	ACT-0A12306	Transport: Pacific Aviation Regulatory Support	Implementation	2015 onwards
Scholarships Core	Low	ACT-0S00001	Cook Islands Scholarships	Implementation	2015 onwards

Table AB2: Secondary List of Activities

Programme	Activity Number	Activity Name	Current Stage (Dec. 2022)	Period
Capability and Connections for MERL and Statistics	ACT-0A12693	Pacific Statistics Support Programme	Implementation	2015 onwards
Governance & Institutions	ACT-0100427	Pacific Parliamentary Strengthening	Implementation	2015 onwards
Governance & Institutions	ACT-0A11973	Pacific Judicial Strengthening Initiative	Implementation	2015 onwards
Industry & Innovation	ACT-0A11963	Private Sector Development: Business Link Pacific	Implementation	2015 onwards
Multi-country Activities Core	ACT-0A12538	Pest Identification: Regional	Closed	2015-2021
Multi-country Activities Core	ACT-0A12539	Regional biosecurity support	Closed	2015-2021
Climate Change & Environment	ACT-0101142	CCP - Design and Delivery	Implementation	2015 onwards
Climate Change & Environment	ACT-0101181	CCP - Invasive Species Management	Implementation	2015 onwards
Climate Change & Environment	ACT-0101226	CCP - Information for decision-making	Implementation	2015 onwards

Programme	Activity Number	Activity Name	Current Stage (Dec. 2022)	Period
Climate Change & Environment	ACT-0101366	CCP - Reduce risk of water scarcity	Implementation	2015 onwards
Climate Change & Environment	ACT-0101367	CCP - Averting water-related emergencies	Implementation	2015 onwards
Climate Change & Environment	ACT-0101634	CCP - Access to Finance	Implementation	2015 onwards
Education	ACT-0101156	IEP: Programme Delivery Team	Implementation	2015 onwards
Education	ACT-0102069	IEP: Build Teaching Capacity Inclusive Education	Implementation	2015 onwards
Health	ACT-0100251	PHC Access to Essential Medicines	Implementation	2015 onwards
Health	ACT-0101691	Pacific Sexual Reproductive Health & Rights	Implementation	2015 onwards
Health	ACT-0101876	COVID-19: Continuity Support: SRHR Services	Implementation	2015 onwards
Health	ACT-0102050	PHC Pandemic Preparedness & Response	Implementation	2015 onwards
Health	ACT-0102675	Pacific Lab Strengthening: Interim Activity	Implementation	2015 onwards
Pacific Regional	ACT-0100474	Pacific Detector Dog Programme 2018-2023	Implementation	2015 onwards
Pacific Regional	ACT-0A12665	Pacific Islands Prevention Policing 2017-2023	Implementation	2015 onwards

Appendix C: Logic diagram for Cook Islands 4 Year Plan (October 2021)



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Appendix D: Analytic framework

Table AD1: Analytic framework for the Strategic Evaluation of Cook Islands Programme/4YP

Objectives:	Assess the relevance, alignment and coherence of MFAT’s engagement.	Assess the achievement of strategic priorities (incl. 4YP goals).	Assess the effectiveness and efficiency of Aotearoa New Zealand’s approaches and ways of working to achieve desired strategic goals.	Offer insights into the sustainability of current and future support.
KEQs (Performance descriptors for answering KEQs):	How and to what extent has the 4YP been effective in achieving its proposed strategic goals?	What impact has the 4YP had on the Cook Islands own development, and its relationship with Aotearoa New Zealand?	Based on lessons from the Evaluation period, how can the delivery of the 4YP be improved during the next programme phase?	How could the interventions under the 4YP be more sustainable and strengthened?
Paris Declaration and OCED DAC Aid effectiveness criteria				
Performance rating	Relevance Alignment Coherence	Impact	Effectiveness Efficiency	Resilience Sustainability
Data source Measurable effects Qualitative /Quantitative data/ info required:	<i>Key informant interviews</i> <i>Documents</i>	<i>MFAT’s AMAs and ACAs and other relevant secondary data</i>	<i>MFAT’s AMAs and ACAs and other CIG data, [for example, financial and economic information and use of budget support]</i> <i>Documents</i>	<i>Key informant interviews</i> <i>Documents</i>

				<i>Key informant interviews</i>				
Rubrics:	Relevance (Is the 4YP doing the right Activities?)	Alignment (How well aligned is the 4YP program to CIG strategic, policy, and systems?)	Coherence (How well the 4YP fits with CIG strategies?)	Impact (What difference is the 4YP making?)	Effectiveness (Is the 4YP achieving its objectives?)	Efficiency (How well is the budget (resources) used against planned?)	Resilience (Ability of CIG to absorb, recover, adapt, transform, for long-term changes)	Sustainability (Will the benefits (investment) last?)
Very good (Performance is very strong in relation to the question. Any gaps or unforeseen challenges overcome).								
Good (Performance is generally strong in relation to the question. Any gaps or challenges largely overcome).								
Fair (Performance is inconsistent in relation to the question. Some, but not all, gaps or challenges being overcome).								

<p>Poor (Performance is unacceptably weak in relation to the question. Serious unresolved weakness and does not meet minimum expectations /requirement).</p>				
<p>Insufficient (Evidence unavailable or of insufficient quality to determine performance).</p>				

Appendix E: Information sheet and consent form



Information sheet and consent form

Strategic Evaluation: Cook Islands Four Year Plan, 2015-2021

The New Zealand Ministry of Foreign Affairs (MFAT) has commissioned Future Partners to undertake an external Strategic Evaluation of the Cook Islands Four Year Plan (4YP) to assess the achievements, coherence, and strategic direction of MFAT's Cook Islands programme over the 2015-2018 and 2018-2021 trienniums (the Evaluation period). The evaluation will pay greater attention to the latter triennium to identify early lessons learned since the consolidation of the bilateral programme under the two main pillars of budget support and infrastructure. The evaluation will assess what worked well in the programme and what areas could be strengthened. The evaluation will contribute to a stronger evidence base and deeper understanding of MFAT's impact contribution to Cook Islands' development priorities over the Evaluation period.

WHY is the initiative being evaluated?

The findings to the key evaluation questions will be used by MFAT and the Cook Islands Government to inform ongoing foreign policy and the delivery of development assistance.

The key evaluation questions (KEQ) are:

KEQ1: How and to what extent has the 4YP been effective in achieving its proposed goals?

KEQ2: What impact has the 4YP had on the Cook Islands own development, and its relationship with Aotearoa New Zealand?

KEQ3: How can the delivery of the 4YP be improved during the next programme phase?

KEQ4: How could the interventions under the 4YP be more sustainable and strengthened?

WHAT will the evaluation entail?

A review of relevant documents, data, and key stakeholder interviews.

HOW can you contribute to the evaluation?

You and other key stakeholders will be invited to either meet our evaluators in person or via Zoom. The evaluators will use an interview guide and focus on questions relevant to your role and connection with the programme.

Do you have to take part?

Participation in the evaluation is voluntary.

You can agree to take part but don't have to; if you agree you still have the option to stop taking part at any time. However, your views and experiences are highly valuable to inform the evaluation and we value your input.

While your name and role will remain confidential to the evaluators, and you won't be identified in the evaluation report, what you say may be used to inform the evaluation findings. Your information will be used for this evaluation only and by the Evaluation Team.

WHO is conducting the evaluation?

The evaluation is being conducted by Aotearoa New Zealand consulting firm Future Partners Ltd. If you have any questions about the evaluation, please contact:

Kirsty Burnett, Future Partners Director; email: kirsty@futurepartners.co.nz, mobile # +64210672680

Dr Elisabeth Poppelwell, Future Partners Associate; email: voxpath@slingshot.co.nz, mobile # +64274655192

Hilary Gorman, Future Partners Associate; email: hgorman.consulting@gmail.com, mobile # 682 79290

Ben Schultz, Future Partners Associate; email: bhschultz@gmx.com

Peter Tierney, Consultant; email: peter@lexact.org

Consent

- I have read the information above, and all my questions have been answered.
- My interview responses can be used as part of the Cook Islands Strategic Evaluation report.
- I understand that I will not be identified in the evaluation report.

I agree to take part in an audio recorded interview. Yes No

I agree to take part in an unrecorded interview. Yes No

Name (print): _____

Signature: _____

Date: _____

Appendix F: AMAs and ACAs data analysis

Background

For the evaluation period (2015-21) MFAT had two standard reporting formats to record activity monitoring:

- **Activity Monitoring Assessment:** AMAs are the main mechanism through which MFAT reflects on and records the performance of activities each year. Each AMA focuses on recording results (outputs and outcomes) and brings together MFAT's assessment of the activity's effectiveness, relevance, efficiency and sustainability. They are intended to be candid assessments of activity performance undertaken by the MFAT official based on their best judgement of available evidence, in consultation with other relevant staff.

At least one AMA must be completed each year for any activity with annual expenditure of over \$250,000 or smaller Activities with a high-risk profile. Discretion is provided to staff to choose the most appropriate time each year to complete them.

- **Activity Completion Assessment:** ACAs are similar to AMAs, but completed at the end of an activity. Assessments look at largely the same criteria as the AMA, but the focus is on overall achievement of results and whether corrective actions were taken from previous AMA recommendations.

An ACA must be completed for any activity with a total expenditure of over \$500,000, but can be prepared for smaller activities in view of factors such as risk profile or learning benefits to be gained. ACAs should be completed within three months of MFAT receiving the final completion report from partners.

Assessment framework used

For each activity, the Evaluation team compiled ratings for three criteria from the AMAs. In that respect, note that the analysis here is a summary of the results contained in the AMAs rather than an independent assessment of the activities themselves. As already discussed in the Limitations section, we place a caveat on this self-reported data, and they are used to supplement our own observations from case studies and interviews rather than as direct evidence.

The three ratings compiled were:

1. Effectiveness

Each AMA contained ratings from the MFAT official for *Progress delivering the activity's outputs*, *Progress against short-term outcomes*, and *Progress against medium-term outcomes*. As per MFAT's activity Quality Rating Scale, these were on a sliding scale from Very Good, Good, Adequate, to Not Adequate, or Not Rated. Not Rated was used where the MFAT official felt insufficient progress had been made on the activity to make an assessment.

2. Efficiency

Unlike Effectiveness, the MFAT official's assessment of Efficiency in each AMA was in the form of a qualitative comment. To permit quantification, these qualitative comments were assigned a rating, similar to those used for Effectiveness, by the Evaluation team based on our best judgement. These ratings were:

- Very Good, if the activity had delivered better-than-expected results to date given the amount of actual/planned expenditure;

- Good, if the activity was on track and had delivered the expected results given the amount of actual/planned expenditure;
- Adequate, if the activity was broadly on track with its results given expenditure, but some issues or concerns were noted; or
- Not Adequate, if the activity had delivered fewer results than expected given the amount of expenditure to date.

3. Sustainability

The MFAT official's assessment of Sustainability in each AMA was in the form of a qualitative comment. To permit quantification, these qualitative comments were assigned a rating by the Evaluation team on the following basis:

- Yes, if measures were being taken to ensure the activity's benefits continued beyond MFAT funding and no concerns were cited;
- Uncertain, if risks about sustainability were flagged but these were raised as potential risks that could still be addressed; or
- No, if serious concerns were raised and the comments suggested the issues were real, substantial, and would likely prevent sustainability.

Each AMA was also reviewed for a range of other information including how it was addressing cross-cutting themes, the reported quality of the activity's coordination and governance, and whether the partner organisation was meeting reporting requirements.

A similar approach was used for the results of each ACA. However, ACAs also include ratings from the MFAT official relating to Relevance and Impact that we also compiled.

AMA and ACA data

We received a total of 44 records from MFAT's Enquire database for 19 development programme activities by Aotearoa New Zealand to the Cook Islands within the evaluation scope period. These consisted of 34 AMAs and 10 ACAs. The table below shows MFAT ratings from ACAs for completed activities and AMAs for activities that had not been completed within the evaluation scope period. Note some uncompleted activities have more than one AMA.

The 2021 4YP identifies three broad modalities: budget support [including performance-based, core sector support (2015-2016), consolidated core sector support (2016-2018), core sector support bridge funding (2018-19), core sector support 2019-2023], infrastructure investment [including Infrastructure Trust Fund (ITF)], and New Zealand (agencies) partnerships. Regional initiatives also form part of Aotearoa New Zealand's development support to the Cook Islands. The medical response for COVID-19 used the budget support modality, but applied different instruments.

AMA and ACA scores

The ratings score below is based on MFAT's AMA and ACA definitions. These are used to assess Outcomes in the 4YP:

- Very good = all on track/likely to achieve/deliver better than originally planned results.
- Good = all on track/likely to achieve/deliver as planned with any challenges overcome.
- Adequate = mostly on track/likely to achieve/deliver as planned, challenges largely overcome.

- Inadequate = only achieve/deliver some of what was planned, with some challenges remaining.
- Poor = not expected to achieve/deliver as planned, with either negative effects and/or serious unresolved challenges

The table below shows the ACA ratings of completed activities and their modalities.

Table AF1: Ratings from (n=10) ACAs

Rating	No.	Activity	Modality
Very good	3	COVID-19 Strengthening Pacific Laboratories	Budget Support (COVID-19 Response)
		CI Legacy Gift	Budget support (Core sector support)
		Consolidated Core Sector Support	Budget support (Consolidated core sector support)
Good	3	Core sector support Bridging Fundings 2018-19	Budget support (core sector support bridge funding)
		Transport Improving Pacific Air Safety	Regional
		2015-19 Disaster Risk Management in the Pacific	Regional
Adequate	3	Water Partnership Te Mato Vai (TMV)	NZ Agency Partnership
		Cook Islands Wastewater Activity (MTVKTV)	NZ Agency Partnership
		Transport Pacific Maritime Safety Programme 2	Regional
No rating	1	Budget contribution: Asset Management 2018-2019	Budget support (Core sector support)

The table below outlines the AMA ratings of activities that had not been completed during the evaluation period. Note that although there were 34 AMAs, we have excluded those where there is also an ACA. Where there are multiple AMAs for an activity, we have used the most recent AMA. It also included the funding modality used between Aotearoa New Zealand and the Cook Islands. The data shows that of the nine activities: one received a 'very good' rating; four received a 'good' rating; three received an 'adequate' rating; and one received a 'no rating'.

Table AF2: Ratings - short-term (STO), medium-term (MTO) and Outputs from AMAs

Activity	Output	MTO	STO	Modality
Manatua - Cook Islands Submarine Cable	Very good	n	Good	Infrastructure Investment
PMS programme 3	Good	n	Good	Regional
2019-2024 Disaster Risk Management in the Pacific	Good	n	Good	Regional
Cook Islands - COVID-19 Resilience Fund	Good	n	Good	Budget support (COVID-19 Response)
Transport: Pacific Regional Navigation Initiative	Good	n	Good	Regional
Core Sector Support: 2019/20-2022/23	Adequate	n	Adequate	Budget support (Core sector support)
Infrastructure: Trust Fund	Adequate	n	Adequate	ITF
Transport: Pacific Aviation Regulatory Support	Adequate	n	Adequate	Regional
Pacific Aviation Security	No rating	n	No rating	Infrastructure Investment

The table below shows the 20 activities by modality.

Table AF3: Activities by modality

Modality	ACA	AMA	Total
Budget support	4	1	5
Regional/other	3	4	7
NZ (agencies) Partnerships	2	0	2
Budget support (COVID-19 Response)	1	1	2
ITF	1	0	1
Infrastructure investment	0	3	3
Total	11	9	20

Appendix G: Assessment using DAC and Paris Declaration criteria

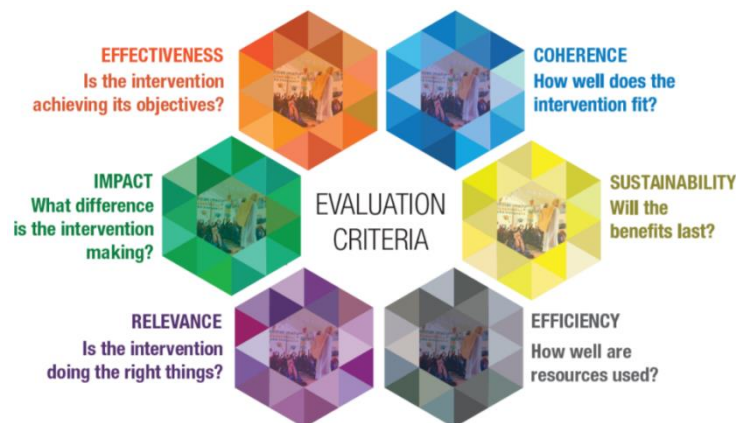
Appendix D outlines the analytic framework that the Evaluation team has developed and used (approved in the Evaluation Plan) for the strategic evaluation. This Appendix provides an assessment of the MFAT Cook Islands Programme using the Paris Declaration on Aid Effectiveness and an assessment of the MFAT Cook Islands Programme using the Global Partnership for Effective Development Cooperation.

DAC criteria summary

The OECD DAC sets out the following criteria for evaluating development assistance - relevance, impact, effectiveness, coherence, sustainability and efficiency. This evaluation has drawn on the evaluation criteria set out in the diagram below as an assessment tool.

The Cook Islands graduated from Official Development Assistance (ODA) eligibility during the period under review and therefore part of Aotearoa New Zealand’s assistance is not technically DAC eligible ODA. However, the evaluators have assumed that the criteria remain relevant to the evaluation of development effectiveness, and note that Aotearoa New Zealand broadened its formal definition of development assistance¹¹¹ to enable continued assistance post-graduation.

Diagram AG.1: OECD DAC criteria



Source: OECD DAC

‘Relevance’ examines whether the 4YP is doing ‘the right things’ – the extent to which its objectives and goals are meeting Cook Islands Government’s priorities.

‘Coherence’ looks at how well the 4YP fits with Cook Islands Government’s priorities, and other development partners’ interventions in the Cook Islands, for example, addressing climate change, gender issues.

‘Effectiveness’ focuses on whether the 4YP is achieving its objectives. Here we examine the extent to which the 4YP has achieved (or is expected to achieve) its objectives, and the sustainability of any impact. Here we also aggregate results from activities or by sector. (For example, see Appendix F for summary information based on AMAs and ACAs that were made available). Assessment of results are based on weighing the extent of achievement. Effectiveness is also linked to other criteria (for example, relevance and impact).

¹¹¹ New Zealand’s International Cooperation for Effective Sustainable Development (ICESD) Policy.

'Efficiency' examines how well the resources are being used; the extent to which the 4YP's interventions deliver (or is likely to deliver) results in an economic and timely way. This involves economic and operational efficiency and timeliness.

'Impact' looks at what difference the 4YP interventions make, and whether the extent to which they have generated (or are expected to generate) significant positive or negative, intended or unintended, higher-level effects. This can include the significance it has had on higher-level empowerment effects among MFAT's partners in the Cook Islands including the Cook Islands Government.

'Sustainability' looks at whether the benefits will last and the extent to which any net benefits are likely to continue. This includes the financial, economic, social, environmental, and institutional capacities of the Cook Islands Government systems needed to sustain net benefits over time (resilience, risks, any trade-offs).

'Alignment' - The Paris Declaration on Aid Effectiveness 'alignment' indicator principle, requires reliable country systems and is measured by the number of partner countries that have procurement and public financial management systems that either (a) adhere to broadly accepted good practices, or (b) have a reform programme in place to achieve these. This target is about aligning country governance with the requirements of donors/creditors.

Table AG1: Assessment of MFAT Cook Islands Programme using the Paris Declaration on Aid Effectiveness¹¹²

PARIS DECLARATION ON AID EFFECTIVENESS¹¹³	
<p>1. OWNERSHIP</p> <p>Developing countries set their own development strategies, improve their institutions and tackle corruption.</p> <p>Overall: Good</p>	<p>General Budget Support: Performance Based Budget Support was provided initially with distinct performance targets; however this was replaced by Core Sector Support which enabled the Cook Islands Government to decide on the allocation of all funds with no agreed targets, effectively providing the Cook Islands Government with total ownership.</p> <p>Other TA: TA is provided on request from the Cook Islands Government. TA is managed separately, yet the Cook Islands Government remains in control of outputs and performance management.</p> <p>Infrastructure: Infrastructure was jointly decided on using activity-specific funding mechanisms along a more traditional format. This evolved into the Infrastructure Trust Fund which enabled the Cook Islands Government to present potential infrastructure investments to a joint steering committee, strengthening the Cook Islands Government’s role in decision making.</p> <p>NZ Inc: Relationships with NZ Inc vary, and it is unclear as to the extent Cook Islands Government has ownership over these relationships. While there are examples of good and poor Cook Islands Government ownership, there is insufficient oversight information to draw broad conclusions.</p> <p>Other: Discretionary funding, such as the Head of Mission Fund, is by nature low on Cook Islands Government ownership, but similarly low in materiality with a limited budget and small grant amounts offered.</p>
<p>2. ALIGNMENT</p> <p>Donor countries and organisations bring their support in line with these strategies and use local systems.</p> <p>Overall: Good</p>	<p>Procurement: The Cook Islands Government procurement systems and processes were increasingly used over the period of the evaluation. The introduction of the MPPS appears to have contributed to MFAT’s confidence in relation to procurement. Infrastructure procurement over the period moved from a high level of Cook Islands Government procurement systems to entire use through the Infrastructure Trust Fund.</p> <p>Administration: The administration of distinct activities is undertaken by Cook Islands Government counterpart agencies, using Cook Islands Government systems. This is entirely true for funds under Core Sector Support and the Infrastructure Trust Fund. There are some additional processes required when using MFAT funds administered by 3rd parties.</p> <p>Financing: Initially, finance was provided in a tranche format in accordance with project-specific payment schedules aligned to GFAs. This evolved over the period of the evaluation, with the Trust Fund being financed in two large payments managed by the Cook Islands Government with a Cook Islands Government trustee.</p>

¹¹² Assessed by Evaluation team against analytic framework in Appendix D above.

¹¹³ For the Paris Declaration Indicators see: <https://www.oecd.org/dac/evaluation/38245246.pdf>

<p>3. HARMONISATION</p> <p>Donor countries and organisations coordinate their actions, simplify procedures and share information to avoid duplication.</p> <p>Overall: Fair</p>	<p>Planning: There is limited evidence of coordinated strategic planning over the period of the evaluation, with key MFAT planning documents classed as 'Restricted' and therefore was not able to be shared with the evaluation team. There is evidence of increasing use of Cook Islands Government's strategic documents, such as the NSDP & NIIP over the period. These documents were driving coordinated actions by the end of the evaluation period.</p> <p>Budgeting: As Aotearoa New Zealand and the Cook Islands have a shared financial year, there is strong harmonisation regarding investment cycles. There remain timing issues in formal commitments of funding, resulting in the need for supplementary budgets and bridging financing.</p> <p>NZ Inc: Avoiding duplication of effort involving NZ Inc remains an issue due to the lack of oversight with the types and level of support provided.</p>
<p>4. MANAGING FOR RESULTS</p> <p>Developing countries and donors focus on producing, and measuring, results.</p> <p>Overall: Poor</p>	<p>MERL: There was evidence of performance measurements for budget support early in the evaluation period, however this was removed. The first Four Year Plan (2018) had no results framework and there is little evidence that there was a focus on measuring results. However, there is ample evidence of the effectiveness of support, with the Cook Islands graduating to High Income status during the period of the evaluation and demonstrating systems with a high degree of flexibility and integrity during the fiscal crisis brought on by COVID-19.</p>
<p>5. MUTUAL ACCOUNTABILITY</p> <p>Donors and developing countries are accountable for development results</p> <p>Overall: Good</p>	<p>Contributions: The nature of both the core sector support and the Infrastructure Trust Fund is one of combined finances, systems, and decision making (at more strategic than functional levels for MFAT's CSS contributions). For infrastructure this evolved over the evaluation period, starting with project specific structures and ending with the ITF. The result is a high level of mutual accountability for development results.</p> <p>Reporting: Reporting on contribution levels is less clear, partly the result of poor measurement practices.</p>

Table AG2: Assessment of MFAT Cook Islands Programme using the Global Partnership for Effective Development Cooperation

GLOBAL PARTNERSHIP FOR EFFECTIVE DEVELOPMENT COOPERATION¹¹⁴

1. COUNTRY OWNERSHIP

See PARIS DECLARATION ON AID EFFECTIVENESS, 1: Ownership & 2: Alignment

Countries set their own national development priorities, and development partners align their support accordingly while using country systems.

2. FOCUS ON RESULTS

See PARIS DECLARATION ON AID EFFECTIVENESS, 4: Managing for Results

Development cooperation seeks to achieve measurable results by using country-led results frameworks and monitoring & evaluation systems.

3. INCLUSIVE PARTNERSHIPS

Development partners are inclusive, recognising the different and complementary roles of all actors.

Cook Islands Government: There is ample evidence of strong partnerships with Cook Islands Government actors.

NZ Inc: The role of NZ Inc is less well understood by MFAT, with oversight mechanisms unable to capture the full extent of engagement.

Civil Society: Over the period of the evaluation, MFAT’s engagement with civil society has declined with the cessation of financing of the Social Impact Fund and limited mechanisms for formal interaction and discussion.

Other Development partner: There is evidence of a good MFAT understanding and interaction with traditional donors, notably ADB and DFAT.

4. TRANSPARENCY AND MUTUAL ACCOUNTABILITY

See PARIS DECLARATION ON AID EFFECTIVENESS, 5. Mutual Accountability

Countries and their development partners are accountable to each other and to their respective constituents. They are jointly responsible for ensuring development cooperation information is publicly available.

¹¹⁴ https://www.oecd.org/dac/Global%20Partnership%20one%20pager_HLM.pdf

Appendix H: ICESD Policy Statement Table

Table AH1: Aotearoa New Zealand’s ICESD focus on scope of New Zealand’s ODA¹¹⁵

Relevant policies and principles	Comments from the Evaluation team
<p>10. New Zealand will maintain a strong ODA contribution to sustainable development and humanitarian action in Pacific Island and development countries. The majority of ODA will focus on countries most in need, particularly SIDS and LDCs.</p>	<p>While the Cook Islands is not a LDC (it moved to having a high-income status and not being eligible for ODA from January 2020), it is a SIDS.</p>
<p>11. New Zealand’s ODA will retain a primary geographic focus on the Pacific that will account for at least sixty percent of total ODA. Its relationship and ODA in the Pacific will be informed by principles of understanding, friendship, mutual benefit, sustainability and collective ambition. New Zealand will give particular consideration to its constitutional obligation to states with the Realm of New Zealand, and to Pacific countries most off-track against the SDGs.</p>	<p>During the COVID-19 pandemic, Aotearoa New Zealand acknowledged its constitutional obligations and provided an economic recovery package and COVID-19 vaccines.</p>
<p>15. New Zealand’s ODA will draw on and engage New Zealanders, public service and other institutions, resources and expertise.</p>	<p>Yes, the Cook Islands benefit from expertise and other resources from a range of public service agencies and other institutions.</p>
<p>16. New Zealand will pursue impact through development outcomes that are:</p>	
<ul style="list-style-type: none"> • Effective – that are values driven, partnership focused, adaptive, outcomes-focused, and evidence-based. 	<p>Yes, but there is work to be done on monitoring to ensure that outcomes are evidence based.</p>
<ul style="list-style-type: none"> • Inclusive – that addresses exclusions and inequality created across all dimensions of social identity, while promoting human rights, and equitable participation in the benefits of development. 	<p>Yes, but the modalities being used may ‘dilute’ the explicit focus on GESI issues, so this could be an area of greater focus and dialogue moving forwards.</p>
<ul style="list-style-type: none"> • Resilient – that strengthens the environment, economy, and societies to withstand shocks and manage crises while protecting future well-being. 	<p>The Cook Islands is among the most tourism-dependent economies in the world, so a pandemic with border restrictions had serious implications. Cook Islanders benefitted from being dual New Zealand citizens, and from</p>

¹¹⁵ <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>

	Aotearoa New Zealand’s constitutional responsibilities to all realm countries.
<ul style="list-style-type: none"> • Sustained - that responds to context and is locally owned to uphold results in the long term. 	Yes, there was evidence of strong local ownership and appreciation of the support provided by New Zealand during the pandemic.
17. New Zealand will ensure its development cooperation is effective through the following principles for how we work:	
<ul style="list-style-type: none"> • A values-based and transparent approach to engagement 	Yes, the evaluation found strong evidence of this, for example, the Cook Islands Government providing accurate fiscal information during the COVID-19 pandemic to determine the level of support required from New Zealand – weekly/ monthly cash management meeting (MFAT and Cook Islands Government).
<ul style="list-style-type: none"> • A strong focus on mutually accountable partnerships 	Yes, the evaluation found strong evidence of this, as both MFAT and the Cook Islands Government understand the value of regular meetings and sharing information, and this worked very well during the COVID-19 pandemic.
<ul style="list-style-type: none"> • Adaptive approaches driven by local context and continuous learning 	Yes, the evaluation found evidence of this, for example, acknowledging cultural ties with New Zealand.
<ul style="list-style-type: none"> • Fostering a culture of results using evidence-based decision making 	Yes, the evaluation found some evidence of this (for example, using information from the Cook Islands Government to inform the COVID-19 economic package), but there needs to be greater effort by MFAT to collect data against the key indicators set out in the 4YP’s goals (p.15-16).

Appendix I: Case study on Strengthening water security

STRENGTHENING WATER SECURITY

This case study shows how Aotearoa New Zealand’s Development Programme can act as a catalyst for the Cook Islands to work with other donors on critically important projects, and to increase awareness and empower local communities to develop plans so they can manage their water resource.

Geographical context

Almost all of the population in the Pa Enua Northern Cook Islands is on the three islands of Pukapuka, Manihiki, and Penrhyn (the other islands are Nassau, Rakahanga, and Suvarrow).¹¹⁶

The table below shows that the public water main is the major source of water supply in the Cook Islands. Based on the 2021 Census, a total of 3,990 (85.2%) of private dwellings were connected to the water mains, compared to 3,700 (83.4%) in 2016. Over 90 percent of the Rarotonga households have water supplied directly from the public water main. The next most common supply is the water tank with 2,401 (51.3%) households using it, prevalent in the outer islands particularly in the Northern Islands.

Table AI1: Regional water sources in the Cook Islands

Region	Public Water main	Public Water catchment	Own Water tank	Communal Water tank	Other sources
Cook Islands	85.2	2.6	51.3	1.7	0.5
Rarotonga	93.3	2.5	43.0	1.1	0.5
Southern Group	77.4	2.5	68.9	2.4	0.5
Northern Group	3.6	5.2	97.6	7.1	0.4

Source: Cook Islands 2021 Census of Population and Dwellings

As the data above shows, the Pa Enua Northern Group Islands source their water from rainwater and groundwater as these islands are coral atolls. Rainwater harvesting is stored in either community or privately owned water tanks. Although freshwater is present, the practice of manually extracting water from wells has been abandoned.

The project Strengthening Water Security was funded by MFAT’s New Zealand Aid Programme and implemented by The Pacific Community (SPC). Funding was for NZD 5 million for five Pacific atoll countries acutely vulnerable to the impact of drought on

¹¹⁶ Based on the 2021 Census, the total population of the Cook Islands is 15,040. 10,898 live on Rarotonga, 3,040 in the Southern Group islands and 1,102 in the Northern Group islands. Nassau and Rakahanga islands have 92 and 81 residents respectively.

drinking water supply - Cook Islands, Kiribati, Tuvalu, Tokelau, and Marshall Islands. Implementation occurred from January 2015 to December 2019.

The objectives were to anticipate, prepare and respond to drought, and to effectively and efficiently use and maintain human and infrastructure systems. The aim of the project was to ensure access to safe and reliable drinking water supplies for Pacific Island communities, including during periods of drought. This would be achieved by developing and implementing a suite of practical measures and tools to strengthen water security:

1. The establishment and implementation of water monitoring, reporting, and assessment systems.
2. Development and implementation of ways to assess and anticipate impacts of drought on drinking water supplies.
3. Community and government educational and awareness activities.
4. Development and implementation of community-level drinking water safety plans.
5. Oversight and operational support by Infrastructure Cook Islands (ICI).



Vaipae community tank lining

The impact: Cook Island communities have greater resilience to water scarcity through improved water resource management. This has been achieved through the infrastructure and capability required to access, collect, and store water. It is also due to the increased community awareness of their water supply and demand, having plans in place to sustainably manage their water resource, and increased awareness of the risks to their water resources.

Appendix J: List of source materials

Table AJ1: List of materials received from MFAT or the Cook Islands Government

Cook Islands

Cook Islands Government 2016 Activity Completion Report Cook Islands, Performance Based Budget Support

Cook Islands 2018 Core Sector Support Activity Completion Report (ACR)

Cook Islands Government MFEM CCC 2018 TMV Activity Progress Report

Cook Islands Activity Progress Report: Manatua Cable Project Jan 2019-Jun 2019

Cook Islands 2019-21 and 2022 Annual Progress Report: [Cook Islands Infrastructure Trust Fund]

Cook Islands Government MFEM TMV 2019 Final Concept Design Report

Cook Islands Government MFEM 2019 TMV Six Monthly Activity Progress Report

Cook Islands Government MFEM TMV 2020 Six Monthly Progress Report

Cook Islands 2021 National Infrastructure Investment Plan

Cook Islands Government Activity Progress Report for Economic Response Plan - Phase 2 June 2021

Cook Islands Government Ministry of Finance and Economic Management COVID-19: Economic Response Plan: Monitoring & Evaluation Plan

Cook Islands Government 2022 Activity Progress Report: Economic Recovery Roadmap (out of scope)

MFAT

MFAT 2015 Evaluation Report for Cook Islands Tourism Sector Support

MFAT 2015 Desk Study for the Evaluation of the Cook Islands Education Sector Budget Support Grant Funding Arrangement

MFAT Terms of Reference for the 2015-2021 Evaluation of MFAT's Cook Islands Four Year Plan

MFAT 2016 ACA Tourism Sector Support GFA

MFAT 2016 Pacific Connectivity Project Single Stage Business Case

MFAT 2016 Cook Islands Northern Group Renewable Energy Evaluation Report

MFAT 2017 ACA Renewable Energy (Northern Group); Rarotonga Airport West and Enabling Environment

MFAT 2017 Transport: Improving Pacific Air Safety AMA

MFAT 2018 Activity Progress Report: Pacific Maritime Safety Programme Phase 2

MFAT 2018 Cook Islands Consolidated Core Sector Support Activity Completion Assessment (ACA)

MFAT 2018 Activity Monitoring Assessment (AMA) for Core Sector Support

MFAT 2018 Concept Note for Cook Island Asset Management

MFAT 2018-19 Asset Management 2021 ACA

MFAT Activity Design Document (ADD) Cook Islands Submarine Cable (no date)

MFAT/NZHC 2018 Concept Note Te Mato Vai (TMV) Stage 1

MFAT TMV Results Diagram and Measurement Table

MFAT 2018 Activity Progress Report: Pacific Maritime Safety Programme Phase 2

MFAT Single Stage Business Case Pacific Maritime Safety Programme 3 extension

MFAT Core Sector Support 2018-19 Bridging Fund ACA

MFAT Business Case for Core Sector Support: 2018/19 Bridging Funding Cook Islands 4YP

MFAT 2018 Concept Note for Core Sector Support – Cook Islands Four Year Plan

MFAT Cook Islands COVID-19 Support Logic Diagram

MFAT 2019 Pacific Maritime Safety Programme 2 AMA

MFAT 2019 ACA for Legacy Gift 2015 (Tereora College)

MFAT ADD for Cook Islands Te Apii Tereora Ou (Tereora National College), Rarotonga

MFAT 2019 ACA Disaster Risk Management in the Pacific

MFAT 2019 Disaster Risk Management in the Pacific Business Case

MFAT 2020 Cook Islands Ministry of Health COVID-19 Request for Financial Assistance

MFAT 2020 Business Case for Improving Cook Islands' Health Capability: PCR Laboratory and ICU

MFAT COVID-19 Phase 2 Results Framework

MFAT COVID-19 Preparedness and Vaccine Fund Business Case (Multi-country)

MFAT ADD: Support to Pacific Regional Aviation Safety and Security (no date)

MFAT 2020 Single Stage Business Case for Realm Country Domestic Connectivity Improvement

MFAT 2020 ACA for COVID-19: Strengthening Pacific Laboratories

MFAT 2021 Cook Islands Economic Recovery 2nd Phase Budget Support- Business Case Lite

MFAT COVID-19 Preparedness and Vaccine Fund Business Case (no date)

MFAT 2021 Annual Activity Progress Report: Pacific Regional Navigation Initiative (PRNI)

MFAT (ADD) Cook Islands: Phase 1 (Design) of the Wastewater Investment Programme (no date)

MFAT ACA Wastewater Activity (MTVKTV) (no date)

MFAT 2021 Business Case for COVID-19: Strengthening Pacific Laboratories

MFAT 2021 and 2022 AMA Cook Islands Infrastructure Trust Fund

MFAT 2021-21 AMA Cook Islands Domestic ICT Connectivity Improvement

MFAT 2021 Manatua Submarine Cable – Cook Islands AMA

MFAT 2021 Cook Islands Four Year Plan

MFAT AMA 2022 Cook Islands COVID-19 Economic Recovery (out of scope)

MFAT 2022 ACA for Water Partnership (TMV)

MFAT 2022 AMA Pacific Aviation Safety

Other

Adam Smith International. (2015). Evaluation of [MFAT's] Cook Islands Country Programme

LINZ (2015) Activity Completion Report: South-West Pacific Regional Hydrography Programme

Geoff Bertram (2016). Implications of the Cook Islands' Graduation from Development Assistance Committee (DAC) Eligibility

NIWA TMV 2019 Technical Review

Coffey 2019 Mei Te Vai Ki Te Vai Wastewater Project Social-Cultural Impact Assessment for MFAT

NZ Customs & MFAT Partnership Arrangement for Customs Sector Development in the Pacific

Airways Corporation of New Zealand 2018 Pacific Aeronautical Charting & Procedures (PACP) Project Progress Report

Stantec New Zealand and MFAT (2018). Final Report on the Evaluation of the Tereora College Redevelopment Project

Canwell Pacific Maritime 2018 PRNI Project Management Final Report

SPC 2019 Completion Report: Pacific Regional Navigation Initiative (PRNI)

NZ Pacific Pathology Training Centre & MFAT. Grant Funding Arrangement. Pacific Pathology Training Centre Completion Report for COVID-19: Strengthening Pacific Laboratories (no date)

Maritime NZ 2019 Cook Islands Visit report for Commercial Charter Fleet Aitutaki Island

Airways International & MFAT 2019 Partners report on Completion of Pacific Aeronautical Charting & Procedures (PACP) Project

Airways International 2019 Partners report on completion of Pacific Aeronautical Charting & Procedures (PACP) Project

SPC and MFAT 2020 Report – MFAT support for the funding in establishing RT PCR Facility in Cook Islands

NEMA 2021 Progress Report Disaster Risk Management in the Pacific
