

MFAT Management Response to the Evaluation of the
Ministry of Foreign Affairs & Trade's Cook Islands
Programme 2015-2021

Evaluation Report Recommendation	MFAT Response and Action (Agree, Partially Agree, Reject)
<p>1. Domestic risks to Cook Islands' fiscal security are identified and their mitigation forms a regular part of bilateral discussions.</p>	<p>Agree. We note that New Zealand continues to engage with Cook Islands on domestic risks regularly, both informal and formal bilateral discussions. These risks are identified at a programme and activity level in Enquire as part of our standard management practice. These risks and their mitigation measures are reported through our Governance Group to PDLT on a regular basis.</p> <p>New Zealand's support to the Cook Islands has been responsive to risks identified by the Cook Islands – for example, our COVID support, infrastructure support (e.g. New Zealand's support in designing a wastewater solution to sanitation issues in Muri Lagoon and the risk this poses to public health and tourism) and core sector support. We agree that consideration of fiscal risks should be examined more extensively at the strategic level and through active engagement with the Cook Islands Government, including in relation to levels of annual budget support.</p>
<p>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.</p>	<p>Agree. We sought to do this with the current 4YP (2021-2025) and new Statement of Partnership Waka Hourua/Vaka Purua. Noting the Cook Islands' resourcing constraints, however, MFAT prepared the first drafts following commissioning conversations and then consulted on these as appropriate. We note that both the 4YP and WHVP draw on key Cook Islands documents such Te Kauono Tutara e te Mana Tiaki / Statement of Strategic Intentions 2019-2024 and Te Ara Akapapa'anga Nui – NSDA 2020+. We agree that we should look to ensure that all future documents are co-designed, if resourcing permits.</p>

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<p>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.</p>	<p>Agree. New Zealand provides a suite of climate change support to the Cook Islands (some of it was out of scope for the evaluation) including strengthening water security, improve ecosystem resilience, improving data for informed-decision-making and strengthened government planning. Furthermore, the new climate flexible funding (CFF) mechanism <i>Kerekere Moana</i> (June 2023) further integrates climate change into New Zealand's support for the Cook Islands. This channels a total of \$24m through the existing Infrastructure Trust Fund (ITF) in two tranches. All projects funded from <i>Kerekere Moana</i> finance must be Climate Principal projects i.e. climate change resilience is the primary objective of the project.</p>
<p>4. Gender equity and social inclusion issues are given greater visibility and support at a programmatic level, and mutually agreed indicators are monitored.</p>	<p>Agree. PACPF/RRO will work with DCI, other MFAT colleagues and the Cook Islands Government to develop indicators for gender equity and social inclusion that reflect the high level modalities being used. Doing so will give the programme the ability to give better visibility to gender equity and social inclusion. These can also form part of our bilateral high level discussions with the Cook Islands.</p> <p>This issue is one being looked at more broadly within MFAT and we will work closely with colleagues in the Pacific and Development Group sharing knowledge and experience on this issue and drawing on the experience of our development partners (DFAT, ADB, World Bank, SPC, etc).</p>

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<p>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.</p>	<p>Agree. MFAT will continue to provide funding to the ITF While the ITF is still a relatively new mechanism (established by the Cook Islands in late 2019) and its early years were overshadowed by the impacts of COVID-19, we consider it remains the best option to manage multiple public capital investments prioritised by the Cook Islands. MFAT will continue to work with the Cook Islands to help build the capacity of the ITF to prioritise, select and monitor projects that fall within its mandate. Please note that the ITF is now also the host for the Cook Islands Climate Flexible Funding mechanism Kerekere Moana.</p>
<p>6. There is targeted technical assistance to assist the Cook Islands with legislation reform to ensure any mitigations can be actioned.</p>	<p>Agree. A variety of mechanisms already exist to do this. Output 4 of the Core Sector Support is one area where TA can be identified to assist with legislation relating to public sector reform. In addition, the Parliamentary Counsel Office (PCO) runs the Pacific Legislative Drafting Programme (funded by MFAT) for Pacific countries, but with a priority given to those with a special constitutional relationship with New Zealand such as the Cook Islands. Various multi-country and regional programmes also have aspects of support for legislative updates or reforms relevant to their focus.</p>
<p>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.</p>	<p>Agree. MFAT will continue engagement with the Cook Islands Government around higher order policy outcomes, focused around the principles contained in the Waka Hourua/Vaka Purua joint statement. This can be taken forward at the Joint Ministerial Forums (with the first face-to-face one due to occur in the first quarter of 2024) and in the associated Senior Officials Working Groups (the latest in March 2023) and other programme related meetings as they occur. Importantly Waka Horua/Vaka Purua also emphasises working together around shared principles which will be an aid to taking forward these dialogues.</p>

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<p>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.</p>	<p>Agree. The current Core Sector Support Activity has a MERL Framework and one is being worked on for the ITF. Reporting indicators use information and reports produced by the Cook Islands system for their own purposes. In the development of the next Core Sector Support multi-year Grant Funding Arrangement consideration will be given to aligning MERL indicators to those being used for the Cook Islands’ strategic documents.</p>

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<p>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.</p>	<p>Partially agree. MFAT is working to enhance coordination and visibility of the breadth of NZ Inc engagement, without compromising the value of direct NZ Inc-CIG agency relationships. Measures have been taken within MFAT for different programmes to remind NZ Inc counterparts to provide formal advice via formal message of in country travel, its timing, purpose and duration, as early as possible. This also includes notification of meetings with the High Commission during their visits. New Zealand visitors should be registering on Safe Travel as the recommendation notes, including those travelling on official travel.</p> <p>At a high level the Waka Hourua/Vaka Purua Stocktake of Engagement 2022 – 2025 also provides a mechanism to keep track of NZ Government agencies and organisations engaging with the Cook Islands.</p> <p>Creating an online register for government agencies visiting the Cook Islands would be a hard cost to justify but MFAT could discuss internally whether such a system would be useful across the Pacific.</p> <p>For private companies and NGOs not directly working for or alongside MFAT it is difficult to see why they would sign up to an online register if they aren't already signing up to Safe Travel or otherwise engaging with Post. We'd also need to ask the question of what we are collecting the information for.</p>

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<p>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.</p>	<p>Agree. Activity Monitoring Assessments and Activity Completion Assessments saved in Enquire provide a mechanism to do this at an Activity level while the 4YP reflection reports allow for this at the programme/bilateral relationship level. In formulating the next multi-year funding agreement (2024/25 to 2026/27) there will be the opportunity to discuss the approach and priorities for funding with the Cook Islands. This could include a stronger connection to national development goals.</p>
<p>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.</p>	<p>Agree. As the IDC looks to increase the use of budget support in the Pacific there is a need to increase capability for MFAT personnel. PACPF along with DS PDG more broadly will look at sharing MFAT's knowledge and experience on budget support mechanisms and learnings from our partners (development partners, multilateral banks, DFAT, etc) internally within MFAT both more widely internally, and externally with Cook Islands experts.</p>
<p>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.</p>	<p>Partially agree. Programme staff have to work within the MFAT systems and processes. They can try and adapt these as best as possible to match the requirements of the modalities being used and can advise on changes and improvements moving forward but the pace of change will be limited by broader organisational needs, requirements (such as the NZ Public Finance Act) and resources. There is work under way by DCI to map business processes in the activity cycle with a view to better guidance and streamlining where possible, and MFAT is actively looking for opportunities to right-size processes. Both partners have acquired more experience in working with both the budget support modality and the ITF. This included several additional budget support payments associated with responding to COVID-19 and using the ITF as the mechanism for the recently agreed Kerekere Moana It will remain part of any High Level discussions that take place.</p>

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<p>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.</p>	<p>Agree. We will encourage engagement via the Aho Rua - Va'a Tele programme which is a partnership approach between New Zealand Māori Tourism (NZMT), South Pacific Tourism Organisation, and Pacific National Tourism Organisations which focuses on cultural tourism development through indigenous tourism linkages and partnerships.</p> <p>Cook Islands Tourism Corporation has also reached out to New Zealand Māori Tourism to touch base on the concept and NZMT are keen to take forward cooperation.</p>