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Consideration and approval of country programmes

FIRST COUNTRY PROGRAMME FOR
THE COOK ISLANDS

UNDP assistance requested by the Government of the Cook Islands
for the period 1982-1986

Illustrative IPF for 1982-1986: \$1 120 000

INTRODUCTION

1. The Cook Islands is a small developing island country situated in the South-East Pacific subregion. Severe constraints for development are inherent in the geographic and demographic situation of the country. These constraints result from small size, fragmentation of 12 sparsely populated islands over a vast area of 1.8 million square kilometres and remoteness from suppliers and markets. It has a population of approximately 18,000 living on a total land area of 234 square kilometres.

Note: In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, Annex I), the country programme for the Cook Islands is being submitted to the Council without an accompanying note by the Administrator.

2. The relatively high level of per capita Gross Domestic Product (\$963 in 1978) is an inappropriate measure of the true living standards of the Cook Islands people. The geographic spread of the islands and their small population lead to high costs of Government administration which is being externally subsidized. This is one of a number of factors which give a distorted picture of real wealth. Raising the living conditions of Cook Islanders, both by increasing cash incomes and improving basic infrastructure, is therefore a goal of paramount importance. This is especially important as a pre-condition for reducing migration from the outer islands to the main island of Rarotonga and from the Cook Islands in New Zealand.

3. To enable close co-ordination of socio-economic development policies, the Government has formulated its First Development Plan covering the period 1982-1985. This Plan is committed to the achievement, over time, of greater economic independence of the country and to work towards this objective by progressively restoring and expanding the productive capacity of the local economy. Moreover, the Plan is committed to a wider and more equitable distribution of development benefits, especially for those living in the outer islands. It accepts that all Cook Islanders should have access to services that adequately satisfy their basic needs: i.e., education, health, water supply, sanitation, housing and general welfare. A renewed effort is to be made, in particular, in the field of training in order to expand the opportunities for Cook Islanders to apply their skills, initiatives and talents at all levels of government service and in the private sector.

4. In the formulation of the First Development Plan, it has been necessary to bear in mind the unique status of the Cook Islands as a self-governing State in free association with New Zealand. This is most important in that the Cook Islands nationals have free right of access to New Zealand making it possible for them to emigrate to New Zealand without entry restrictions of any kind. This has caused steady and serious contraction in the absolute size of the population with a consequent effect on the size of the labour force creating a chronic shortage of personnel particularly of skilled workers and tradesmen. This problem received attention by UNDP-assisted projects in the second programming cycle and will continue to receive attention in the third cycle.

5. The UNDP/Cook Islands country programme covering the period 1983-1986 is the first of its kind. Hitherto, allocation of UNDP funds has been on an ad hoc basis. Considering that the Government has now prepared its First Development Plan, the allocation of UNDP resources available under this country programme will be made in accordance with the development objectives and strategies identified in the Plan.

The programming exercise

6. Formulation of the Cook Islands first country programme has been a concerted effort of many organizations, both at the national and international levels.

7. At the national level, the Department of Development Planning played a key role in the country programming exercise. Responsibility for the formulation of the Cook Islands First Development Plan was vested in that Department which is also the Government's central aid co-ordinating body. The country programme is based on the objectives and strategies contained in the First Development Plan

and as such is the result of a process of consultations with local communities, private sector organizations and Government agencies. An important contribution in the programming exercise was furthermore made by the Department of External Affairs, the official channel of communications of Government, and until recently the major co-ordinating body of UNDP's programme of development assistance.

8. In the preparatory stages of the country programme formulation, consultations were held on a regular basis with the Office of the UNDP Representative of Samoa, the Cook Islands, Niue and Tokelau. Through that office consultations regarding the country programme were held with the United Nations specialized agencies. Where there was the opportunity, informal discussions took place directly with the United Nations agencies, e.g., ILO, WHO, ICAO, UNIDO, UNV, WFP, and FAO.

9. A final draft of the country programme document was approved by the Cook Islands Cabinet and is presented herewith.

The resources available

10. The Cook Islands illustrative indicative planning figure (IPF) for the third cycle, 1982-1986 is \$1.4 million, 80 per cent of which, or \$1.2 million, has been taken into account for programming purposes. Since estimated 1982 expenditures, prior to the 1983-1986 programming period, are expected to amount to \$300,000 of these third cycle funds, the total amount available for planning of country programme activities is \$820,000.

Review of prior UNDP supported activities

11. The Cook Islands has been a recipient of UNDP technical assistance since 1970. However, during the first and second programming cycles, planning was not done on the basis of a specific country programme and, therefore, the UNDP effort represented more a collection of projects formulated on an ad hoc basis rather than a coherent plan specifically designed to meet needs in priority areas.

12. The absence of a development plan in the past, and the shortage of Government personnel required to co-ordinate the country's overall external assistance also contributed to the ad hoc utilization of development assistance and occasionally to a less than optimum delivery of aid resources. This has been the case with assistance for UNDP whose procedures have sometimes placed serious strains on a small cadre of experienced officials. Furthermore, the distance between the UNDP field office, previously in Fiji and now in Western Samoa, compounded the problems of programming and delivery of UNDP technical assistance.

13. Based upon experience, the Cook Islands Government intends to use UNDP-funded expatriate personnel to the maximum extent possible in advisory roles and thereby reduce the dependence on Operations Assistance (OPAS) Officers to fill established Government positions. The continuation of certain OPAS positions, of course, will require the identification of local counterparts who must be adequately trained to assume positions in the public service. Counterparts may not always be easily identified owing to a shortage of skilled personnel in the public service arising from sometimes better employment opportunities in the private sector and in New Zealand.

14. Experience has shown a need to clarify responsibilities between Government agencies and departments in the administration of UNDP-assisted projects and care has been taken to ensure that such responsibilities are adequately delineated for ongoing and new projects.

15. The executing agencies play a vital role in the successful implementation of projects and are called upon to maximize their efforts to ensure that project objectives are suitably meshed with Government priorities and that there will be a timely delivery of experts and equipment and placement of fellows.

Significant Features of the First Country Programme

(i) Continuous programming

16. In line with new UNDP policy guidance and the expressed preference of the Government, the country programme will employ a continuous programming approach. Hence, it will not present a detailed catalogue of anticipated projects nor will it attempt to specify UNDP funding on a project-by-project basis. Rather, it will focus on the major problem areas in which UNDP assistance will be concentrated.

17. During the country programme period, there will be a comprehensive review of the programme as part of the annual review of the Development Plan. This will enable the Government to review the general thrust of the programme, maintain full delivery of UNDP assistance and modify the substance and emphasis to suit changing requirements.

(ii) Problem and policy-oriented programming

18. The substantive priority areas of the programme are discussed in a subsequent section. Given the limited resources available to the Cook Islands, the Government will concentrate UNDP assistance in those areas which pose the most severe developmental constraints.

(iii) Modalities of UNDP assistance

19. In order to maximize outputs with limited UNDP resources, the Government will take full advantage of the following modalities which were successfully applied during the second programming cycle.

(a) Technical co-operation among developing countries (TCDC)

20. While there will continue to be a wide range of countries represented in the recruitment of experts and overseas training facilities used in the Cook Islands programme, to the maximum extent possible an attempt will be made to utilize the expertise and training institutions available in the Pacific Region.

(b) Government-executed subcontracts

21. There will be a continued use of Government-executed subcontracts on projects where it is most efficient and expeditious to do so while at the same time retaining agency technical backstopping.

(c) Investment orientation

22. In order to maximize the impact of UNDP assistance, the Government will take advantage, where appropriate, of opportunities to use such funding for pre-investment and investment-support activities in co-operation with development banks and bilateral donors. For example, UNDP technical assistance can be useful in facilitating the implementation of major capital projects such as sanitary engineering and harbour development in Rarotonga and the outer islands.

(d) United Nations Volunteers (UNVs) on cost sharing basis

23. Under UNV-executed projects, the UNVs have been provided on a cost-sharing basis to fill various Government positions. This arrangement has proved to be an effective and economical means of providing vocational skills while concurrently encouraging on-the-job training.

(e) Use of regional projects

24. The present country programme takes full advantage of UNDP-funded regional projects to supplement the national IPF especially in training and consultancies. The Cook Islands fully supports the new UNDP intercountry programme for Asia and the Pacific, 1982-1986, and intends to use it to best advantage. Some of the projects of special interest to the Cook Islands are mentioned in the following paragraphs.

25. In common with other developing countries, the Cook Islands is heavily dependent on imported fuel. Therefore, it is interested in exploring alternative sources of energy. The Government expects to draw on the new Pacific Energy Programme to strengthen its energy planning, research and information dissemination.

26. With its widely scattered islands, the Cook Islands has an Exclusive Economic Zone (EEZ) of about 1.8 million square kilometres. The ocean area contains considerable tuna resources which are believed to offer substantial scope for expanded catches. The Cook Islands, therefore, expects to continue to take advantage of the technical backstopping provided by the Regional Fisheries Advisory Services project to assist the Government's efforts to strengthen the growth of a fishing industry which encourages employment and import substitution.

27. Following the completion of the Rarotonga International Airport in 1973, the tourism industry has become a significant source of revenues by attracting about 21,000 tourists in 1980 who spend an estimated \$4.1 million. The hotels and motels which provide 331 rooms and full-time and part-time jobs to 150 employees have already started to benefit from the WTO-executed Regional Training Programme of Hotel Personnel which is designed to contribute to the upgrading of catering and tour guide services, house-keeping, front office management and hotel operations. It is hoped that the project will also be able to assist in training in other tourist-promotion techniques.

28. In addition to drawing on the projects described above, the Government hopes to participate in other projects which are contained in the new intercountry programme, 1982-1986, most especially those projects which focus on mineral investigation of the South Pacific, training in agriculture, fisheries and

forestry, root crops development, telecommunications development, postal services, manpower development, training in public administration, training in project formulation and appraisal, industry survey, development of small-scale enterprises and entrepreneurship, trade promotion and marketing and business workshop.

UNDP TECHNICAL CO-OPERATION ENVISAGED IN SUPPORT OF NATIONAL DEVELOPMENT PRIORITIES

A. Objectives and general approach

29. The UNDP/Cook Islands country programme will focus on achieving the following four major objectives of the First Development Plan:

(a) To attain a large measure of economic independence;

(b) To raise the level of prosperity of the people of the Cook Islands and to encourage them to remain within their home islands;

(c) To ensure an equitable distribution of the benefits of development; and

(d) To increase the level of participation of the Cook Islanders in the development process.

30. In order to realize the development objectives, the National Development Plan deploys the following strategies:

(a) Productive activities and support infrastructure are to be given a high priority in the allocation of the Government's development funds;

(b) Resources will be concentrated in the key development sectors of agriculture, marine resources, tourism and small-scale industries;

(c) Transport services and infrastructure will be rationalized;

(d) Reliance on imported fossil fuels to meet energy demands will be reduced as much as possible through the introduction of alternative energy resources and appropriate energy saving measures;

(e) Manpower training will be strengthened with greater emphasis accorded to technical training;

(f) Certain social projects are to be emphasized as a means towards further discouraging emigration;

(g) The private sector will be encouraged to play a more important role in the development process; and

(h) Greater efforts will be made to diversify both import and export trade.

31. It is proposed that the UNDP inputs concentrate on development activities related especially to the strategies described in (b), (d), (e), and (f) above.

B. The programme

Concentration of resources in key development sectors

32. A Task Force has recently completed a detailed report on the country's agricultural potential focusing on export crops and processing possibilities. The report provides major guidelines for the formulation of a comprehensive and realistic programme of action. A follow-up project to Agriculture Development (CKI/78/008) will be the vehicle by which UNDP assistance to this sector will be provided, mainly in the form of advisory services and training for the duration of the country programme. There will be a need for consultancy services in various fields, including tropical agricultural research. The Cook Islands may also require the services of an agricultural economist on a longer-term basis.

33. With an extensive EEZ, the marine resources of the Cook Islands are of significant importance. The Government's initiatives will be directed towards the establishment of onshore facilities to encourage the widest possible participation of Cook Islanders in harnessing the resources of their lagoons, off-shore waters and the EEZ. With the assistance of New Zealand and UNDP, the Government is currently establishing on-shore freezing facilities on the Islands of Penrhyn, Rakahanga and Palmerston. It is planned that by 1986 all islands in the Northern Group will have their own freezing and ice-making facilities. Continuation of the UNDP project Small-Scale Fisheries Development (CKI/79/005) well into the 1983-1986 country programme period is foreseen. The main thrust of this project is the development of artisanal fisheries. UNDP assistance will concentrate on the provision of some equipment and technical expertise: e.g., refrigeration engineering; short-term consultancies in such areas as marine biology; and training in such subjects as management of small-scale commercial fishing ventures.

34. UNDP assistance to the tourism industry is discussed under regional projects, paragraph 28 above.

Rationalization of transport services and infrastructure

35. The Cook Islands is heavily dependent on overseas trade for its existence. Reliable and efficient transport services are essential for economic development and the maintenance of a reasonable standard of living. UNDP has assisted the Cook Islands by providing technical expertise in shipping, harbour construction and civil aviation. The magnitude of the transport problem, coupled with UNDP's ability to provide the required expertise, make this an area specifically suited for continued UNDP inputs.

36. Improvement of Inter-Island and feeder transport services (CKI/79/001) The project will continue to provide advisory services in the area of sea transport to each island in the Cook Islands. The advisor(s) will look into the economic and technical feasibility of different inter-island systems; examine and improve cargo handling, packing and transport methods for perishable goods; and recommend and implement organization management and pricing policy principles.

37. Infrastructure Engineering Assistance (CKI/79/004) The project which is currently designed to continue through 1983 will provide the services of a Harbour Engineer, Quantity Surveyor and UNVs to strengthen the engineering and

physical operations of the various Government departments that deal with infrastructure development.

38. As a follow-up to the project Civil Aviation Adviser (CKI/81/002) a short-term consultancy services will be provided to assist the Government in designing a comprehensive air transport network and policy for each island in the Cook Islands and also between the Cook Islands and neighbouring countries. The project will also aim to assist in establishing a civil aviation division within the Department of Trade, Labour and Transport and will include the training of local personnel to fill key positions.

Strengthening of manpower training

39. The greatest need in developing a training programme for the Cook Islands is to ensure that in-service training is provided in general fields that have wide application. A high priority is given by the Government to public sector training aimed at raising the standard of management and administrative skills as well as improving standards of operations, maintenance and repair of plant, equipment and machinery. In implementing its training programme, special attention will be given to the outer islands. The Government will also assist the private sector through appropriate training courses in small business management and the development of entrepreneurial skills using, inter alia, inputs from appropriate UNDP regional projects.

40. There is also a definite need for short term attachments of Cook Islanders to counterpart organizations overseas. For example, the arrangement made during the second cycle for the Treasury staff to be attached to the Treasury offices in New Zealand and Australia under Modernization of Financial Administration (CKI/79/003) has proved ideal.

41. It is proposed that a new project, Development Management and Administration be implemented during the country programme period to support the country's training needs.

Other manpower assistance

42. In addition to the specific areas mentioned above in which UNDP inputs will be concentrated during the country programme period, there is need for a longer-term contribution by the UNDP in the field of manpower support. The manpower shortage in some middle management and vocational trade fields requires long-term inputs from the United Nations Volunteers through UNVs for Government Services (CKI/81/001) and Modernization of Financial Administration (CKI/79/003). These two projects will continue through 1983 with a possible extension to 1984-1985. Also, the Government faces a serious problem in filling position which require specific, high-level technical expertise. UNDP will be requested to continue, in certain cases through OPAS arrangements, assistance in such appropriate areas as the post of Solicitor General through Assistance to the Office of the Attorney General (CKI/77/011). The problem envisages continued assistance through 1985 when the post of Solicitor General is scheduled to be localized by a trained Cook Island lawyer.

FINANCIAL IMPLICATIONS

43. Virtually all IPF resources available for 1983 are committed. However, approximately 80 per cent of the 1984 and 1985 resources are available for new projects and all 1986 funding is available for new programming.

44. Of the funds committed for 1983, approximately 62 per cent is earmarked for the area of manpower assistance and training with 32 per cent for transport services and infrastructure and 6 per cent for agriculture and marine resources. However, for the remaining three years it is anticipated that there will be a substantial redistribution of resources so that by the end of the programming period (1983-1986) the distribution of IPF resources among the three major development areas will be roughly as follows: agriculture and marine resources, 36 per cent; transport services and infrastructure, 28 per cent and manpower assistance and training, 36 per cent. More information on the anticipated distribution of available resources is found in the Annex, Financial Summary.

45. The details of UNDP assistance will be worked out through various consultations including the comprehensive review of the country programme as a part of the annual review of the development plan to be undertaken in the course of 1983. Therefore, the anticipated allocation of funds outlined in the attached Summary is only indicative and subject to review to enable the Government to ensure that its country programme reflects evolving priorities for UNDP-financed technical assistance during the programming period in line with IPF funds actually available.

OTHER EXTERNAL ASSISTANCE

46. Both New Zealand and Australia have large capital investment programmes in such areas as harbour development, energy and water supply and telecommunications. In addition, these programmes provide assistance to the key productive sectors as well as training. In the case of New Zealand, substantial personnel assistance and budgetary aid will be continued. The Asian Development Bank provides loans to the Cook Islands for infrastructural projects in the areas of harbour development, health centres, plantation roads and drainage, and has recently established a line of credit for on-lending to private sector projects through the Cook Islands Development Bank. The American non-governmental International Human Assistance Programme (IHAP) will concentrate on rural development and crop diversification projects. Technical expertise and assistance to community projects are also provided by various bilateral aid donors: e.g., Canada, the Federal Republic of Germany and the Netherlands.

47. The Cook Islands participates actively in such regional organizations as the South Pacific Commission (SPC), the South Pacific Bureau for Economic Cooperation (SPEC) and the Forum Fisheries Agency (FFA). It will continue to look to those organizations for technical and training assistance within their individual spheres of competence. Training and manpower assistance is also provided by the Commonwealth Fund for Technical Co-operation (CFTC).

48. Within the United Nations system, the Cook Islands also participates in the work of and receives assistance from ESCAP as well as from the special and regular funds for WHO, UNICEF, UNDAT, ILO, UN/DTCD, UNIDO, UNFPA and the United Nations Development Advisory Team (UNDAT). In the future it may also draw on assistance from FAO, WFP and UNCHS. ESCAP and the specialized agencies will be called upon to provide assistance wherever possible to supplement and complement aid available from other sources.

Annex

FINANCIAL SUMMARY

A. Resources

(a) IPF and other resources	\$
(i) Illustrative IPF for programme period	1 120 000
(ii) Carry-over from previous IPF cycles	-
(iii) Other resources	55 000
(b) Provision for adequate programming	-
TOTAL	1 175 000

B. Use of resources

(a) Programmed	
(i) Ongoing projects	352 000
(ii) New projects and new phases included in the country programme	-
(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	523 000
Subtotal	875 000
(b) Reserve	76 000
(c) Unprogrammed balance <u>a/</u>	224 000
TOTAL	1 175 000

C. Financial distribution of programme, by sector

	<u>Sector^{b/}</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>TOTAL</u>
		\$	\$	\$	\$
04	Agriculture	17 000	-	293 000	310 000
06	Transport	84 000	-	168 000	252 000
12	Employment and Skills Development	251 000	-	62 000	313 000
TOTAL		352 000	-	523 000	875 000

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming in accordance with the Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126.

b/ According to ACC classification.

