



## FAQs: SMART Economy Initiative

### Introduction

This document provides answers to common questions on the SMART Economy Initiative (**SMART**) being rolled out under Phase II of the Government's COVID-19 Economic Response Plan. It should be read in conjunction with the detailed factsheet: *SMART Economy Initiative* available at <http://www.mfem.gov.ck/economic-planning/erp-phase-ii#smart-initiatives>).

### General

#### What is the application process?

There is a two-stage application process. In Stage 1 applicants will submit a short concept note. Successful Stage 1 applicants will subsequently be invited to submit a detailed Stage 2 funding proposal describing the proposed venture, its innovation benefits, commercial viability, costs and implementation plans.

#### When does SMART start?

Applications open on 1 July 2020 for Stage 1 Concept Notes.

#### Is my business eligible for this measure?

If your business is a company, partnership or sole trader, registered with the Revenue Management Division (RMD) and the Cook Islands Superannuation Fund (CINSF), operating in the Cook Islands and up to date with your tax returns, your business should be eligible. New businesses are also eligible, but any funding award will be contingent on registration with RMD and CINSF and, if a company, incorporated and registered under the *Companies Act 2017*.

### Financial support



#### What financial support is available?

There are two types of support. Cash grants up to a maximum of \$100,000 and tax credits for eligible privately funded innovation investment expenditure.

#### Will I need to provide matching funding?

Yes, you will need to match the value of the SMART Grant. Matching funding can be direct (cash, private equity and debt) or in-kind (money spent by your business on proposal activities).

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## The initiative

### What activities qualify for SMART funding?

SMART is targeting funding for commercially-viable business ventures that will provide new or scaled-up innovative ICT applications and services to businesses and consumers, locally and/ or overseas.

### How do I apply for SMART funding?

Eligible applicants must submit a Concept Note, up to a maximum of two, using the [SMART Concept Note Template](#) that is available for download on the MFEM website. Concept Notes must be submitted in electronic form by email to [MFEM.economics@cookislands.gov.ck](mailto:MFEM.economics@cookislands.gov.ck) entering “*SMART Economy Initiative*” in the subject line.

Following an assessment of Concept Notes by the SMART Panel, which may include an opportunity to present your case to the Panel, successful first-stage applicants will be invited to proceed to the second stage.

Second stage applicants will be required to complete the proforma SMART Application Template and submit it to MFEM. Your proposal will need to demonstrate:

- a clear innovative business venture that will provide new or scaled-up ICT applications or services to the business and/ or retail consumer market;
- a strong, commercially viable and deliverable business plan that addresses market potential and needs, presented through sound, practical financial plans and timelines;
- a business arrangement or working structure with the necessary skills and experience to implement the proposed venture successfully;
- awareness of all the main risks the venture will face (including contractor or equipment failure, recruitment delays, etc.) with realistic management, mitigation, and impact minimisation plans for each risk;
- clear potential to improve industry, sector or Cook Islands productivity in a positive way; and
- matching private sector funding, direct and/ or in-kind.

### Will I automatically get funding if I apply?

No. Submitting an application that meets the eligibility criteria does not guarantee funding under this initiative. Eligible applications will be assessed on their individual merits by the **SMART Panel**, with the Panel responsible for awarding funding to successful applicants. Panel decisions will be final.

### What activities do not qualify for SMART funding?

Funding will not be provided for proposals that do not:

- meet the application eligibility or activity qualification requirements;
- address the size, potential and access to market for the business activity proposed to be funded;
- demonstrate the potential for the business idea or concept to lead to significant commercial return on investment, positive economic impact, growth and/ or scale-up of the business.

Funding will not be provided for proposals to:

- establish or operate mobile telecommunications networks or provide mobile telecommunications services;
- provide products or services that your business or another business is already providing;
- purchase ICT equipment and services for normal business operations.

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