



**The Government of the Cook Islands**

**Quarterly Financial Results**

**31 March 2024**

Prepared by the Ministry of Finance and Economic Management

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## Table of Contents

	Page(s)
Basis of Preparation	3
Schedule 1: Net Operating and Fiscal Balances	4-5
Schedule 2: Cash Reserves	6
Schedule 3: Loan Repayment Fund	7
Schedule 4 : Executive Council Orders	7
Table 1 : Revenue	8-11
Table 2 : Payments on behalf of Crown Expenditure	12
Table 3 : Administrated Payments Expenditure	13-17
Table 4 : Capital Expenditure	18-21
Table 5 : Borrowings	22-23
Table 6 : Official Development Assistance	24-28
Table 7 : State Owned Enterprises (SOE's)	29

### **Basis of Preparation**

The statements contained in this report have been prepared on an accruals basis as far as practical and outline income and expenses incurred which may not have been necessarily received or paid . All figures are rounded to the nearest thousand.

References to 2023/24 Additional Funding Approval used in this report relates to either an approved carry forward from previous financial year(s) or funding approved through an Executive Council order. The 2023/24 Appropriation Bill was passed in May 2023.

The financial statements have been consolidated to General Government level including Cook Islands Investment Corporation parent administrative operations only. State Owned Enterprises (SOE's) group consolidation are reported separately in later sections of this report.

**Schedule 1: Net Operating and Fiscal Balances as at 31 March 2024**

	Table	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD 31 Mar 2024	Actual YTD 31 Mar 2024	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Operating Revenue</b>	<b>1</b>								
Taxation Revenue		162,193		5,280	167,473	121,645	125,662	4,017	75%
Other Crown Revenue		19,272		517	19,789	13,283	14,228	945	72%
Trading Revenue		5,024		-46	4,977	3,666	4,405	739	89%
Dividends		1,000			1,000	1	0	-1	0%
Interest on Balances		2,508		-119	2,389	1,957	3,194	1,237	134%
Core Sector Support		9,100			9,100	9,100	9,100	0	100%
<b>Total Operating Revenue</b>		<b>199,096</b>	<b>0</b>	<b>5,632</b>	<b>204,728</b>	<b>149,652</b>	<b>156,588</b>	<b>6,936</b>	<b>76%</b>
<b>Operating Expenditure</b>									
Ministry Outputs									
Personnel		71,514	329	378	72,221	53,480	47,021	6,458	65%
Operating		18,869	228	757	19,853	15,957	13,478	2,479	68%
Administered Payments	3	52,797	1,860	5,442	60,098	47,267	31,792	15,475	53%
Depreciation		8,583			8,583	6,437	6,437	0	75%
POBOC	2	32,328		733	33,061	28,040	25,696	2,344	78%
Debt Interest Contribution to LRF		8,960			8,960	6,720	7,644	-924	85%
Crown Infrastructure & Contingency Depreciation		4,603			4,603	3,452	3,452	0	75%
Transfer to Emergency Response Trust Fund		50			50	0	0	0	0%
Depreciation Contingency Fund		2,174			2,174	1,631	1,631	0	75%
Contingency Funds - Operating		100			100	63	17	46	17%
Loss on Foreign Exchange		0			0	0	1,550	-1,550	100%
<b>Total Operating Expenses (including YTD Depreciation)</b>		<b>199,977</b>	<b>2,416</b>	<b>6,901</b>	<b>209,704</b>	<b>163,045</b>	<b>138,717</b>	<b>24,328</b>	<b>71%</b>
<b>Net Operating Surplus/(Shortfall) Balance</b>		<b>-881</b>	<b>-2,416</b>	<b>-1,269</b>	<b>-4,975</b>	<b>-13,393</b>	<b>17,871</b>	<b>31,264</b>	<b>-359%</b>
<b>Add</b> Depreciation		15,360			15,360	11,520	11,520	0	75%
<b>Less</b> Capital Expenditure	4	22,761	5,837	1,415	30,013	24,099	11,207	12,892	37%
<b>Net Fiscal Surplus/(Shortfall) Balance</b>		<b>-8,282</b>	<b>-8,253</b>	<b>-2,684</b>	<b>-19,629</b>	<b>-25,973</b>	<b>18,184</b>	<b>44,157</b>	<b>-93%</b>

At a Glance: Fiscal Position

\* Government's Net Fiscal balance for the quarter ended 31 March 2024 was a \$18.18 million surplus. This was an improvement by \$44.15 million compared to the budget estimate of \$25.97 million deficit. Overall revenue collection was slightly higher than anticipated by \$6.93 million and cost savings in Personnel (of \$6.45 million) Operating (of \$2.47 million) and Administered Payments (of \$15.47 million) have contributed to the improvement in Government's net fiscal balance.

\* The total Operating Revenue collected was \$6.93 million higher than anticipated for the quarter ended 31 March 2024. Taxation revenue collection was significantly higher than estimated compared to YTD budget estimates, due to increased business activity, consumer spending and collection of historical debt. An increase could also be seen in Other Revenue of \$0.94 million (inclusive of Upper Air Space Fees of \$1.38 million, Longline Licenses of \$2.56 million and Core Sector Support of \$9.1 million), followed by Trading Revenue of \$4.40 million. Refer to Table 1 - Revenue on Behalf of Crown for details.

\*The total Operating Expenses for General Government adjusted for depreciation for the year ended 31 March 2024 was \$138.71 million, which is \$24.32 million lower than budget estimates. This was mainly due to an overall underspend in day-to-day operational expenditure across the whole of Government ie. utilities, fuel and oil, freight etc. Government agencies are also aware of price increases and intend to take a more conservative approach regarding operation expenditure. Another contributing factor is that additional budget has been approved via Executive Order and the Supplementary Budget which was passed in February 2024, of which the expenditure has yet to be spent. There were also underspends in Personnel caused by a combination of vacant positions within Government as well as agencies re-phasing their budgeted cash flows to meet immediate obligations. There were also savings in Administered Payments equal to \$15.47 million, mainly contributed by YTD underspends in Airline Underwrite (of \$5.77 million) and Economic Recovery Roadmap (of \$3.13 million). Refer to Table 3 - Administered Payments for details

\* Capital Expenditure: Capital expenditure was significantly lower than budgeted by \$12.89 million for the quarter ended 31 March 2024. Significant underspends in To Tatou Vai, Government Building Projects and Purchase of Protocol Vehicles have contributed to this. Agencies are encouraged to appropriately plan and manage their Capital Budgets to ensure budgets are spent in the allotted periods, however given the unpredictable nature of the operating environment, delays have occurred. Refer to Table 4 - Capital Expenditure for more information.

**Schedule 2: Cash Reserves General Government**

**31 March 2024**

		31 Mar 2024 YTD	31 Dec 2023 YTD	Variance
		\$'000	\$'000	\$'000
<i>Cash At Bank</i>				
Term Deposits and Trust Accounts		149,236	142,491	6,745
Operational Bank Accounts		24,732	24,715	17
Foreign Exchange Reserves		17,956	15,445	2,511
<b>Total Cash Reserves</b>		<b>191,924</b>	<b>182,651</b>	<b>9,273</b>
<i>Committed:</i>				
Loan Repayment Fund <sup>1</sup>	LRF Act 2014	12,628	15,704	(3,076)
Outer Islands Reserves <sup>2</sup>	IG Act 2012	1,509	1,615	(106)
Disaster Response Fund <sup>3</sup>	Trust Fund	2,290	2,290	0
Infrastructure Trust Fund <sup>4</sup>	Trust Fund	46,611	46,355	256
Aid Trust Fund <sup>5</sup>	Trust Fund	37,225	30,111	7,114
Land/Law Trust/Other Agency Trust Funds	Trust Fund	15,586	15,440	146
Trust Account Deposits <sup>7</sup>	Trust Fund	2,672	2,672	0
<b>Total Committed Funds</b>		<b>118,521</b>	<b>114,187</b>	<b>4,334</b>
<i>Other General Funds:</i>				
Government Department/Agencies Bank Accounts	General Fund	2,278	2,726	(448)
Vat/Tax Imprest and Customs Bonds Account <sup>8</sup>	General Fund	2,421	2,064	357
General Reserves - Legacy	General Fund	3,606	3,606	0
<b>Total Other General Funds</b>		<b>8,305</b>	<b>8,396</b>	<b>(91)</b>
<b>Estimated General Cash Reserve</b>		<b>65,098</b>	<b>60,068</b>	<b>5,030</b>

<sup>1</sup> Loan Repayment Fund – This fund was legislated under the Cook Islands Loan Repayment Fund Act 2014; established for the purpose of repaying Government debts. Funds in this Account must not be withdrawn for any other purpose other than repayment of such debt.

<sup>2</sup> Outer Islands Reserves - Consists of funds held with each Outer Islands Administration. The Island Government Act 2012-13, section 55 states that the Island Governments are entitled to retain control over any revenues collected by them.

<sup>3</sup> Disaster Response Trust – The establishment of this fund was detailed in the Cook Islands Disaster Emergency Trust Fund Policy which was approved by Cabinet in May 2011 (CM (11) 0157). The purpose is to enable a swift and coordinated response by the Disaster Response Executive once a State of Emergency or Disaster is activated.

<sup>4</sup> Infrastructure Trust Fund (ITF) - Funds provided by the New Zealand Government for Infrastructure; establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Fund Accounts.

<sup>5</sup> Aid Trust Fund – Funds tagged for aid funded projects and programmes. The establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Funds Accounts.

<sup>6</sup> Land Trust/Law Trust and Other Agency Trust Funds - Funds held in trust on behalf of land and law related deposits at the Ministry of Justice and small trust account held at the Agencies eg. Hararanga Trust held at Penrhyn Island Administration. The establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Fund Accounts.

<sup>7</sup> Trust Account Deposit – Funds held by Crown for Law Trust, Workers Compensation Trust, Immigration bonds held, International unclaimed monies and Insurance Trust. The establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the Cook Islands Government Financial Procedures and Policy Manual (CIGFPPM): Trust Funds Accounts.

<sup>8</sup> VAT/Tax Imprest Accounts - Held by Revenue Management Department (RMD) as clearing account for Tax Refunds and Custom Bonds and Tax Revenues payable to Crown account; establishment of these accounts is in line with the mandatory requirements stated in Part B, Section 17 of the CIGFPPM: Trust Fund Accounts.

**Schedule 3: Loan Repayment Fund Statement**

	31 Mar 2024 YTD
	\$'000
<b>Opening LRF Balance</b>	15,704
Contribution to LRF Principal	915
Contribution to LRF Interest	0
<b>Total Transfer into LRF by General Government</b>	16,619
Realised Gain/(Loss) on Foreign Exchange	209
Transfer out of LRF	247
Interest earned by LRF	166
<b>Total Inflows/(Outflows)</b>	622
Principal paid out of LRF	2,845
Interest paid out of LRF	1,767
<b>Total Outflows</b>	4,612
<b>Closing LRF Balance</b>	<b>12,629</b>

In February 2014, the Parliament of the Cook Islands passed the *Cook Islands Loan Repayment Fund Act (LRF) Act 2014*, formally creating a Loan Repayment Fund (LRF). The aim of the LRF is to quarantine funds previously accumulated for loan repayments and to prevent them from being utilized for anything outside of debt servicing requirements.

Schedule 3 outlines the movement of funds in and out of the LRF account. Funds transferred in by the Government as appropriated and payments made for debt servicing and other service fees.

**Schedule 4: Executive Council Orders**

<b>Section 70(3) (b) (i): Calculation</b>	<b>\$'000</b>
Total Government Appropriation 2023/24	325,610
Excess (1.5%) of Total Appropriation	4,884
less: Approved expenditure as at Quarter-End	3,612
<b>Total Balance</b>	<b>1,272</b>

<b>Executive Council Orders Authority</b>	<b>Budget</b>	<b>Agency</b>	<b>\$'000</b>
Top up to the National Events Fund	Admin	MOCD	500
Top up to the Maritime Radio Coverage Fund	POBOC	MOT	178
Top up to the MPs Travel and Allowances	POBOC	CPS	304
Top up to the Patient Referrals Fund	Admin	MOH	1,000
Top up to the Inter-Island Shipping Fund	Admin	MFM	1,275
Top up to the Lexis Nexis Fund	Admin	CLO	150
Top up to the National Events Fund	Admin	MOCD	205
<b>Total Executive Council Orders Authority as at 31 Mar 2024</b>			<b>3,612</b>

Section 70(3)(b) of the Cook Islands Constitution allows for expenditure to exceed the appropriation provided that the total amount of all sums issued and paid shall not exceed one and a half percent (1 ½ per cent) of the total amount of all sums appropriated by the Appropriation Act or Acts for that year.

**Table 1: Revenue on Behalf of Crown (ROBOC)**

	Budget Estimates Full Year 2023/24	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Taxation Revenue</b>							
Value Added Tax	78,957	974	79,931	59,218	70,181	10,963	88%
Individual Income Tax	33,730	3,662	37,391	25,297	27,504	2,207	74%
Company Income Tax	19,366	2,787	22,153	14,525	9,904	-4,621	45%
Import Duties	15,939	-599	15,340	11,955	9,230	-2,724	60%
Withholding Tax	1,622	-66	1,556	1,217	1,523	306	98%
Departure Tax	12,578	-1,477	11,100	9,433	7,320	-2,114	66%
	<b>162,193</b>	<b>5,280</b>	<b>167,473</b>	<b>121,645</b>	<b>125,662</b>	<b>4,017</b>	<b>75%</b>
<b>Other Revenue</b>							
FSC - Vested Assets	0	-	0	0	0	0	0%
Financial Supervisory Commission - Return of Excess	3	-	3	2	220	218	7333%
Immigration Fees	500	-	500	375	1,734	1,359	347%
IMO Subscriptions MCI	66	-	66	50	0	-50	0%
Court Services	27	-	27	20	20	0	74%
Police Fines	60	-	60	45	8	-37	13%
US Fisheries Treaty (upfront days)	3,810	-	3,810	2,540	596	-1,944	16%
EU Agreement	1,400	-	1,400	700	1,834	1,134	131%
Purse seine fishery	7,000	-	7,000	5,250	2,198	-3,052	31%
Longline Licenses and QMS	3,000	600	3,600	2,250	2,560	310	71%
Other Fisheries and Auxilliary Vessel Licensing	133	-	133	100	64	-36	48%
Research Fees	2	-	2	1	1	0	66%
Permits	10	-	10	8	13	5	125%
Vodafone Dividend	1,000	-	1,000	0	0	0	0%
Numismatics	850	-	850	637	901	264	106%
Sale of Circulating Currency	204	-	204	150	269	119	132%
Drivers License Fees	260	-	260	195	287	92	110%
Motor Vehicle Registration	875	-	875	336	214	-122	25%
Interest on Balances (Crown)	907	-	907	680	2,006	1,325	221%
Interest on Balances - Loan Reserve Fund	220	-119	101	76	0	-76	0%
Interest on Balances - SOE Advances	1,601	-	1,601	1,201	1,188	-13	74%
Foreign Investment Fees	34	-6	28	25	17	-9	60%
Upper Air Space Fees	338	-87	251	251	1,381	1,130	550%
Shipping Registry Licenses	98	-	98	74	253	179	259%
International Shipping Fee	15	-	15	15	18	3	119%
Liquor License	50	10	60	40	36	-4	60%
Tattslotto Grants	120	-	120	90	157	67	131%
Censorship Fees	1	0	1	0	0	0	64%
Land Court Fees	147	-	147	119	118	-1	81%
Motor Vehicle Dealers	3	0	3	3	3	0	80%
SIOFA - Regional Fisheries Management Organisations	46	-	46	0	0	0	0%
Gain on Foreign Exchange	0	-	0	0	1,326	1,326	0%
General Budget Support	0	-	0	0	0	0	0%
Core Sector Support	9,100	-	9,100	9,100	9,100	0	100%
Other Revenue on Behalf of Crown	0	-	0	6	-1	-7	323%
	<b>31,880</b>	<b>398</b>	<b>32,278</b>	<b>24,340</b>	<b>26,521</b>	<b>2,181</b>	<b>82%</b>
<b>Total ROBOC</b>	<b>194,073</b>	<b>5,678</b>	<b>199,751</b>	<b>145,985</b>	<b>152,183</b>	<b>6,198</b>	<b>76%</b>
Government Agencies & Island Governments Trading Revenue	5,024	-46	4,977	3,666	4,405	739	89%
<b>Total Operating Revenue</b>	<b>199,096</b>	<b>5,632</b>	<b>204,728</b>	<b>149,651</b>	<b>156,588</b>	<b>6,937</b>	<b>76%</b>

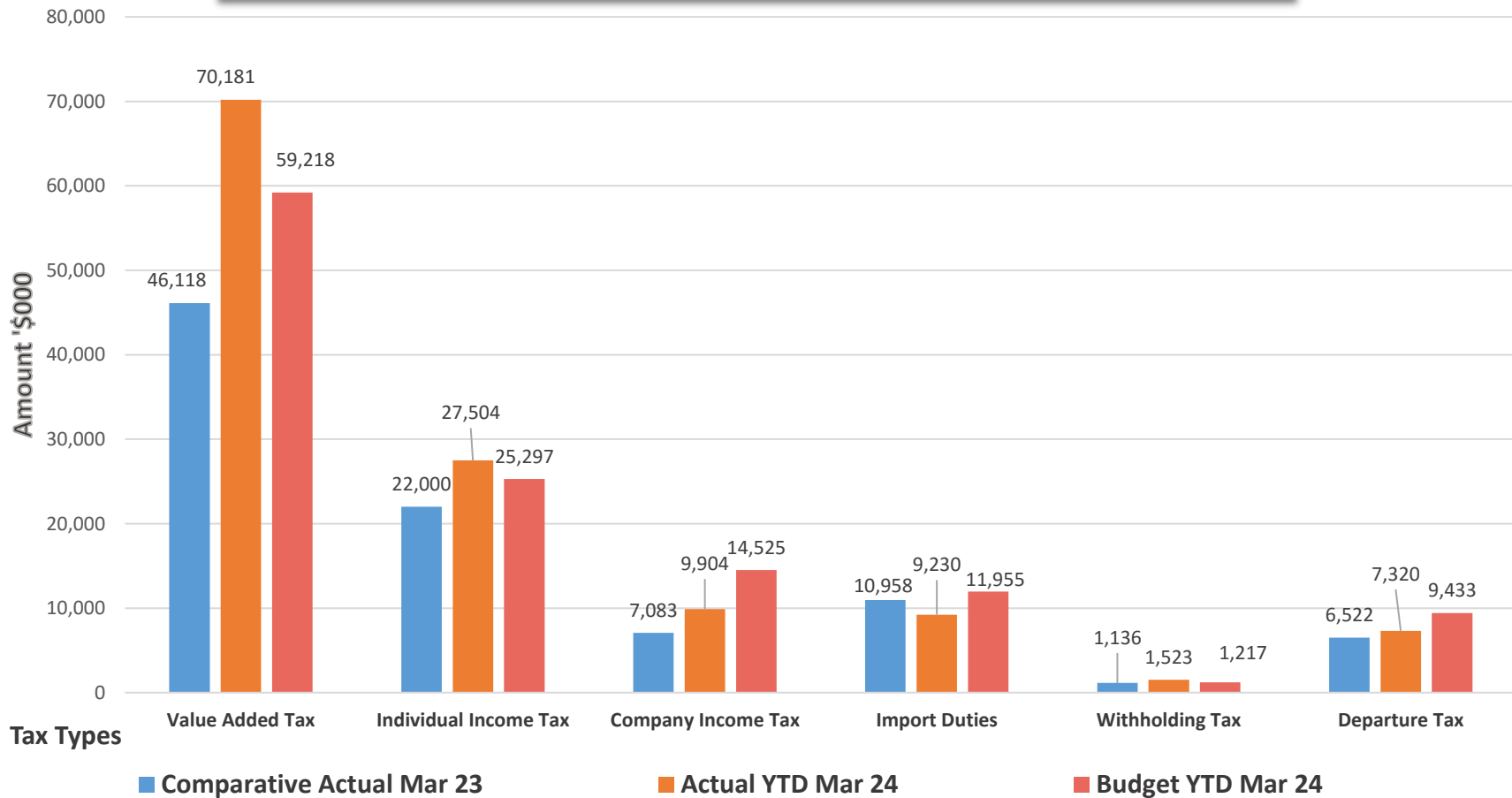


**Table 1: Revenue on Behalf of Crown (ROBOC) Commentary**

	Comparative Actual Mar 23	Actual YTD	Year on Year	Year on Year	Commentary
Taxation Revenue items	\$'000	\$'000	\$'000	%	<i>Note: Comments are provided on all Taxation revenue items. Refer to page 12 for a visual presentation of Tax Revenue items Year over Year (YoY).</i>
Value Added Tax	46,118	70,181	24,063	52%	VAT collection has significantly increased compared to previous year by 52 percent possibly due to increased collections of historical debts over the current reporting period and the overall increase in business activity.
Individual Income Tax	22,000	27,504	5,504	25%	Individual Income Tax was up by 25 per cent from a year ago and up by 9 percent against YTD budget estimate. This is a reflection of steady PAYE contributions from larger employers.
Company Income Tax	7,083	9,904	2,821	40%	Company Income Tax was up by 40 per cent from a year ago but down by 32 percent against the YTD budget estimates. Provisional tax collected from companies are lower than anticipated for the quarter.
Import Duties	10,958	9,230	-1,728	-16%	Customs Tax was down by 16 percent from a year ago and also down by 23 percent against the YTD budget estimate. The level of import duty collected and goods imported was lower than expected.
Withholding Tax	1,136	1,523	387	34%	Withholding Tax was up by 34 percent from a year ago and up by 25 percent against the YTD budget estimate. This relates to tax on interest, dividends and royalties.
Departure Tax	6,522	7,320	798	12%	Departure Tax was up by 12 percent compared to a year ago but down by 22 percent against the YTD budget estimates as a result of delayed collections. Departure tax is anticipated to be collected from additional airline routes via Hawaii, Sydney and Tahiti by the end of the June 2024 quarter.

	Comparative Actual Mar 23	Actual YTD	Year on Year	Year on Year	
Other Revenue items	\$'000	\$'000	\$'000	%	<i>Note: Comments are provided on Other Revenue items that have generated significant revenue compared to the budget estimate.</i>
US Fisheries Treaty (upfront days)	1,592	596	-996	-63%	Fisheries US Treaties Revenue was down 63 percent from a year ago and down by 77 percent against the YTD budget estimate. The majority of this revenue is expected to be received in the last quarter (Apr - Jun 2024) and has been phased in the budget accordingly.
Longline Licenses and QMS	1,423	2,560	1,137	80%	Longline licenses and QMS Revenue was up by 80 percent from a year ago and up by 14 percent against the YTD budget estimate. There was a steady collection of revenue during the March 2024 quarter.

## CIG Tax Revenue Year over Year (YoY) Mar 2024 Report



**Table 2: Payments on Behalf of Crown (POBOC)**

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Airport Authority Subsidy	1,500	0	0	1,500	1,125	1,125	0	75%
Audit Fees	103	0	0	103	103	0	103	0%
Bank of the Cook Islands - Social Assistance Subsidy	128	0	0	128	128	0	128	0%
BEPS Subscription	45	0	0	45	45	0	45	0%
Caregivers Allowance	0	0	0	0	0	0	0	0%
Carer Order Payment	10	0	0	10	10	0	10	3%
Child Benefit	5,387	0	-230	5,157	4,385	4,059	326	79%
CIG Insurance	40	0	0	40	40	41	-1	103%
Civil List - Constituency Visits	170	0	0	170	170	150	20	88%
Civil List - Personnel	2,902	0	0	2,902	2,326	2,181	145	75%
Competition and Regulatory Authority	400	0	166	566	566	300	266	53%
Government Paid Maternity Leave	150	0	-55	95	126	69	57	73%
House of Ariki Operating	337	0	0	337	287	262	24	78%
Infirm/Destitute Benefit	1,296	0	70	1,366	1,082	1,071	11	78%
International Subscriptions	890	0	0	890	890	837	53	94%
IMO - Maritime Organisation	63	0	0	63	63	47	16	75%
Maritime Radio Coverage	120	0	178	298	178	178	0	60%
MP Travel and Allowances (local and overseas)	250	0	467	717	554	411	143	57%
New Born Allowance	230	0	-15	215	192	147	45	68%
Old Age Benefit	14,489	0	80	14,569	12,308	11,590	719	80%
Pacific Catastrophe Risk Insurance	160	0	0	160	160	47	113	29%
Parliamentary Sitting Expenses	200	0	72	272	191	166	25	61%
Parliamentary Superannuation	180	0	0	180	135	56	79	31%
PERC Salaries and Administration Costs	58	0	0	58	43	38	5	67%
Ports Authority Subsidy	110	0	0	110	110	110	0	100%
Production of new currency, transportation and sale of old coins		0	0	0	0	0	0	0%
KR Travel and Allowances (local and overseas)	109	0	0	109	121	110	11	101%
To Tatou Vai - POBOC	3,000	0	0	3,000	2,700	2,700	0	90%
	<b>32,328</b>	<b>0</b>	<b>733</b>	<b>33,061</b>	<b>28,040</b>	<b>25,696</b>	<b>2,344</b>	<b>78%</b>

**Table 2: Payments on Behalf of Crown (POBOC) Commentary**

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget	Commentary
	\$'000	\$'000	%	
				<i>Note: Commentary provided on POBOCs appropriated at an annual budget of over \$1 million.</i>
Airport Authority Subsidy	1,500	1,125	75%	This funding is to support the day to day operations of the Airport Authority in Rarotonga. The authority is bulk funded \$125,000 per month.
Child Benefit	5,157	4,059	79%	Welfare payments relating to Child Benefits. Currently tracking in line with Budget
Civil List - Personnel	2,902	2,181	75%	Currently tracking in line with Budget
Infirm/Destitute Benefit	1,366	1,071	78%	Currently tracking at 3% above the expected 75% spend for the period, this will need to be closely monitored.
Old Age Benefit	14,569	11,590	80%	Currently tracking at 5% above the expected 75% spend for the period, this will need to be closely monitored
To Tatou Vai - POBOC	3,000	2,700	90%	This funding is to assist To Tatou Vai in its management and operations to supply and maintain Rarotonga's water network and infrastructure. The agency submits monthly reports to keep track of expenditure and is bulk funded on a monthly basis. The Agency have phased the budget to reduce in the last quarter to \$300,000

**Table 3: Administrative Payments**

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Audit of Crown Accounts	30	-	-	30	0	0	0	0%
Asian Infrastructure Investment Bank (AIIB) Membership	31	-	-	31	0	0	0	0%
Airline Route Development	17,450	447	650	18,547	12,524	6,751	5,773	36%
ASYCUDA Administrative Fund	100	-	-	100	100	0	100	0%
Bridges and Drainage Maintenance	700	-	-	700	510	209	301	30%
Bus Service	26	0	10	36	26	22	4	61%
Caregivers Allowance	739	-	145	884	828	683	145	77%
Christmas Bonus	321	-	17	337	337	337	0	100%
CISNOC Grant	370	-	-	370	370	370	0	100%
CISNOC Grant Top Up EO 1.5%	0	-	-	0	0	0	0	0%
Cabinet Support Fund	270	-	-	270	240	154	86	57%
Cook Islands Cultural Fund	100	-	-	100	70	48	22	48%
Cook Islands Red Cross [MFM]	50	-	-	50	50	25	25	50%
Cook Islands Student Association Support	10	8	-	18	18	0	18	0%
Conduct a Labour Force Survey	200	-	-	200	30	21	9	11%
CIG Buildings Repairs & Maintenance	1,000	-	-	1,000	850	605	245	61%
COVID-19 Medical Response Fund	0	-	-	0	0	-7	7	0%
Debt Advisory Services	0	-	-	0	0	0	0	0%
Domestic Hosting Entertainment	15	-	-	15	15	12	3	82%
Economic Recovery Roadmap	3,517	973	-	4,490	3,361	229	3,132	5%
EIA Process	150	-	-	150	141	138	3	92%
Emergency Work	200	-	-	200	145	23	122	12%
Fisheries Development Facility	150	-	-	150	135	119	16	80%
FMIS Maintenance	145	-	-	145	109	69	39	48%
Funeral Assistance Allowance	170	-	33	203	160	152	8	75%
Feasibility Study for Coastal Protection - Rarotonga & Pa Enua	400	-	-	400	300	0	300	0%
Government Facilities Development Division	420	-	-	420	360	216	144	51%
Government Funded Scholarships	780	0	50	830	644	383	261	46%
Government Funded Scholarships - Fees Free	50	-	-	50	50	7	43	14%
Head of State Rent	13	-	-	13	13	7	6	50%
HOM's Salaries	1,903	38	50	1,991	1,478	1,508	-30	76%
House of Ariki Operating				0	0	0	0	0%
House of Ariki - Personnel				0	0	0	0	0%
ICT Support Team				0	0	0	0	0%
Infrastructure Committee	100	-	-	100	100	71	29	71%
Internal Affairs Youth Program	45	-	-	45	45	32	13	71%
International Exchange of Information System Upgrade (IGOR)	55	89	-	144	144	127	17	88%
International Labour Conference	0	0	80	80	80	0	0	0%
International Subscriptions	0	-	-	0	0	0	0	0%
Joint Venture with Seabed Minerals Authority	50	-	-	50	50	50	0	100%
Judge's Allowances	465	109	-	574	391	278	114	48%
Land Records Update Project	120	-	-	120	76	63	13	53%

**Table 3: Administrative Payments Cont'd**

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Law and Order Clinical Psychologist	90	-	-	90	68	0	67	0%
Lease Extension	72	-	-	72	54	24	30	33%
Legal Aid	40	-	-	40	40	1	39	3%
Legal Provisions	100	38	-	138	138	62	76	45%
Legacy Waste - Vehicles & Whiteware	360	-	-	360	270	269	1	75%
Lexis Nexis - Portal Maintenance	80	-	150	230	230	34	196	15%
Management of Suwarrow Park	100	-	-	100	70	60	10	60%
Marae Moana Ambassador	-	-	-	0	0	0	0	0%
Marketing Resources - Tourism Growth Strategy	5,743	-	-650	5,093	4,714	4,714	0	93%
National Events	500	-	500	1,000	870	818	52	82%
National Census	0	-	-	0	0	0	0	0%
National Heritage Trust	122	-	-	122	119	105	13	86%
NCD Fund	195	-	-	195	195	195	0	100%
OPM ICT Activities - Internet Data and Fiber Connection	460	-	-	460	344	243	101	53%
OPM ICT Activities - Licenses and Software	450	-	-	450	360	243	117	54%
Pacific Islands Forum (PIFs) meeting	150	-	-	150	150	0	150	0%
Pa Enua Connectivity	-	-	-	0	0	0	0	0%
Pa Enua Machinery Maintenance Fund	100	-	-	100	100	61	39	61%
Pa Enua Mechanical Overseer	120	-	-	120	102	82	20	68%
Patient Referrals	850	-	1,800	2,650	1,850	1,850	0	70%
Patient Referrals Top Up EO 1.5%	-	-	-	0	0	0	0	0%
Pharmaceuticals	1,168	-	280	1,448	1,168	931	237	64%
PM Social Responsibility Fund	483	-	-	483	386	309	77	64%
Police Youth Program	45	-	-	45	45	24	21	53%
Post Tax Amnesty Work	0	-	-	0	0	0	0	0%
Power Subsidy	109	-	-15	95	100	63	38	66%
Price Tribunal Committee	45	20	-	65	65	45	20	69%
Private School Funding - Aitutaki SDA	192	-	51	243	219	219	0	90%
Private School Funding - Blackrock	46	-	51	97	82	82	0	84%
Private School Funding - Creative Centre	108	-	51	159	134	134	0	85%
Private School Funding - Immanuel Akatemia	231	-	51	282	239	239	0	85%
Private School Funding - Nukutere	749	-	51	800	649	649	0	81%
Private School Funding - Papaaroa	272	-	51	323	272	272	0	84%
Private School Funding - St. Josephs	446	-	51	497	421	421	0	85%
Private School Funding - Te Uki Ou	691	-	51	742	627	627	0	84%
Production of new currency, transportation and sale of old coins	350	-	-	350	350	274	76	78%
Provision for Inter-Island Shipping	500	104	1,275	1,879	1,865	1,058	807	56%
Provision for Land Rentals	400	-	-	400	384	364	20	91%
Public Sector Strengthening - Process & Systems	150	35	-	185	150	67	83	36%
Public Sector Strengthening - Renovation Support	-	-	-	0	0	0	0	0%
KR Social Responsibility Fund	8	-	-	8	8	8	0	100%



**Table 3: Administrative Payments Commentary**

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget 2023/24	Commentary
	\$'000	\$'000	%	<i>Note: Commentary provided on Administered Payments appropriated at an annual budget of over \$1 million.</i>
Airline Route Development	18,547	6,751	36%	This budget is to subsidise the cost of direct flights from non-NZ markets to Rarotonga, which is necessary to support tourism recovery. Actual YTD expenditure is less compared to YTD budget estimates due to untimely receipt of supplier invoices to be processed. All invoices should be accounted for in the final quarter. YTD actual spend includes consultancy fees for aviation and quarterly contract payments to partner airlines.
Economic Recovery Roadmap	4,490	229	5%	This budget is to support economic stimulus measures for a sustainable economic recovery from the impacts of COVID-19, to subsidise the cost of fuel for airlines and to support the Fees Free programme. YTD expenditure includes loan administration fee for Business Credit Facility loans, USP Course Fees and costs related to the 58th meeting of the Commission on the Limits of the Continental Shelf (CLCC). Significantly below budget with bulk of spend planned for the final quarter.
HOM's Salaries	1,991	1,508	76%	The first quarter saw YTD expenditure tracking well against budget. For the third quarter 76% of the annual budget was utilised. This will be monitored closely going into the final quarter.
Marketing Resources - Tourism Growth Strategy	5,093	4,714	93%	This budget is for Cook Islands Tourism to promote the Cook Islands as an ideal travel destination. YTD actual expenditure \$3.1 mil relates to International Representation, Stakeholder Management, Sales and Marketing, Public Relations, E Commerce and Destination Development. \$1.24 mil has been reappropriated to the 2024FY.
Pharmaceuticals	1,448	931	64%	The YTD expenditure saw 64% of the spend eventuate in the third quarter. This Funding is to cover the procurement of essential medical consumables and supplies as per EML, to ensure delivery of health services and treatment to both Rarotonga and Pa Enua. Spend is expected to ease off in the final quarter to align with budget. This will be monitored closely.
Tertiary Training Institutions	1,100	862	78%	This Budget is to support the operating expenses for the Cook Islands Tertiary Training Institute to deliver courses in the Rarotonga and the Pa Enua. YTD Expenditure includes Tutors, Professional Services & communication expenses. Currently 78% of the annual budget has been utilised and will be bought back into line with budget in the upcoming months.



Table 4: Capital Expenditures

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Pa Enua Government Building Projects - Northern Group	0	90	-	90	90	39	51	44%
Aitutaki Capital Funding	16	-	-	16	16	0	16	0%
Arutanga Harbour Project	980	-	-	980	980	197	783	20%
Geotech Scoping & Feasibility	100	-	-	100	100	22	78	22%
Atiu Capital Funding	12	-	-	12	6	0	6	0%
General X-Ray & Mammography	200	-	-	200	200	0	200	0%
Bridges and Structures Asset Management and Improvement Programme	4,766	-	-4,037	728	583	89	494	12%
Capital Distribution Fund	300	-	-	300	300	0	300	0%
COVID-19 Response Fund - Capital Needs	0	-	-	0	0	0	0	0%
Drainage Asset Management and Improvement Programme	720	-	-	720	446	0	445	0%
Fund to be Prioritised by Education	400	-	-	400	400	368	32	92%
Fund to be Prioritised by Health for Technical Equipment	300	-	-	300	300	18	282	6%
Government Building Projects	496	-	-	496	372	0	372	0%
Government Building Projects - Rarotonga	1,301	650	400	2,351	2,236	942	1,294	40%
Government IT Network	200	-	-	200	170	110	60	55%
Land Acquisition	550	95	-	645	545	16	529	2%
Mangaia Capital Funding	12	-	-	12	6	1	5	11%
Manihiki Capital Funding	10	-	-	10	5	0	5	0%
Mauke Capital Funding	10	-	-	10	5	0	5	0%
Mitiamo Capital Funding	8	-	-	8	8	0	8	0%
Purchase of Capital Equipment	0	-	280	280	0	0	0	0%

Table 4: Capital Expenditures Cont'd

	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD	Actual YTD	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Purchase of Protocol Vehicles for PIFs Conference	2,000	-	-	2,000	2,000	1,040	960	52%
Pa Enua Government Building Projects - Southern Group	350	100	-	450	450	221	229	49%
Pa Enua Marine Infrastructure Improvement Programme	2,470	-	-	2,470	667	0	667	0%
Pa Enua Air Infrastructure Improvement Programme - CIG	649	-	-	649	350	169	180	26%
Pa Enua Capital Distribution Fund	300	-	220	520	520	0	520	0%
Palmerston Capital Funding	10	-	-	10	10	0	10	0%
Penrhyn Capital Funding	12	-	-	12	3	0	3	0%
Pukapuka Capital Funding	12	-	-	12	12	0	12	0%
Rakahanga Capital Funding	8	-	-	8	8	0	8	0%
Rarotonga Airport Slab Replacement	0	780	-	780	780	0	780	0%
Rarotonga Cyclone Shelters - Remediation	400	-	-200	200	200	8	192	4%
Revenue Management System Upgrade (RMS10)	0	1,672	-	1,672	1,324	188	1,135	11%
Roads Asset Management and Improvement Programme	4,960	-	4,707	9,667	7,965	7,298	666	75%
To Tatou Vai - Capital	1,000	2,450	-	3,450	2,840	421	2,419	12%
Waste Management Infrastructure Improvement Programme	51	-	-	51	51	2	49	4%
Water and Sanitation Infrastructure Improvement Programme	158	-	46	204	153	58	95	28%
	<b>22,761</b>	<b>5,837</b>	<b>1,415</b>	<b>30,013</b>	<b>24,099</b>	<b>11,207</b>	<b>12,892</b>	<b>37%</b>

Table 4: Capital Expenditure Commentary

	Full Year Budget	Actual YTD	Actual Vs Full Year Budget 2023/24	Commentary
	\$'000	\$'000	%	<i>Note: Commentary provided on Capital Expenditure appropriated at an annual budget of over \$1 million and less than 10% budget utilisation YTD</i>
Purchase of Protocol Vehicles for PIFs Conference	2,000	1,040	52%	This budget relates to the procurement of electric vehicles for the 52nd Pacific Islands Forum Leaders Meeting held in November 2023. Since the Forum, vehicles have been distributed to agencies with the remaining vehicles put up for tender. There is an underspend because the deposit was paid out of last financial year's funding. The underspend is to be transferred to the Pa Enua Contribution Fund
Pa Enua Marine Infrastructure Improvement Programme	2,470	0	0%	This is to support the ongoing development of marine infrastructure for the Pa Enua, which serves as a key means of transportation of goods and passengers throughout the country. Variance in salary costs. Project design being modified in-house due to insufficient funds to complete project utilizing external design. Project model likely to be "Public-works" due to affordability.
Government Building Projects - Rarotonga	2,351	942	40%	This project involves the development and improvement of government buildings and facilities on Rarotonga. YTD Expenditure consists of building of Pununganui Market Toilets, ICI Toilet Block, Sports Arena Roof and Apii Rutaki Electrical Upgrade. Projects involve the development and improvement of Govt buildings and facilities on Rarotonga. For this quarter, payments went towards customs house renovation, Nikao. Currently 40% of the annual budget has been utilised.
Revenue Management System Upgrade (RMS10)	1,672	188	11%	This project is for the upgrade of MFEM's Revenue Management Division (RMD) tax management software platform from Revenue Management System (RMS) version 7 to version 10. This project is to be implemented in 5 phases. YTD expenditure consists of consultancy fees and ongoing support/maintenance costs. Spending will be going towards support/maintenance and personnel for the rest of the financial year and the actual implementation of the system upgrade will occur in the next financial year. Remaining balance is expected to be carried forward
Roads Asset Management and Improvement Programme	9,667	7,298	75%	This is for the continuation of road improvement projects on Rarotonga, particularly the road from Avana to Mai'i. YTD expenditure includes labour costs, professional engineering and project management services, fuel and materials. Currently 75% of the annual budget has been utilised. Costs for MOCD Project need to be transferred to Administered Payments for payment of work completed by Civil Works Team.
To Tatou Vai - Capital	3,450	421	12%	This budget is related to the continual work towards the completion and replacement of asbestos cement mains and transferring water from old water connections to new ones. YTD expenditure is inclusive of purchasing materials for meters and customs clearance. There is likely to be a request for carry forward at the end of the financial year.

	Loan start date	Loan end date	Loan currency	Original loan amount	Interest rate	Dec 2023	Principal	Draw Downs	FOREX	Revaluation/	Mar 2024	Change Mar Qtr ('000)
						Balance ('000)	Payments ('000)		Adjustment ('000)	Adjustments	Balance ('000)	
<b>Asian Development Bank</b>												
<b>Concessional OCR Loans</b>												
Second multi project loan - 849	Dec-87	Aug-27	SDR	2,150	1.00%	678	88		(29)		619	(59)
Outer Islands telecommunications project loan - 1031	Oct-90	Aug-49	SDR	2,578	1.00%	2,265	173		(104)		2,196	(69)
Second Cook Islands Development Bank loan - 1155	Mar-92	Dec-31	SDR	1,085	1.00%	613			(27)		640	27
TCI Emergency Loan- 1171	Aug-92	Jun-32	SDR	349	1.00%	215			(10)		225	10
Pearl Loan (1994) - 1309	Dec-94	Aug-34	SDR	272	1.00%	275	13		(12)		274	(1)
Education development- 1317	Feb-95	Aug-34	SDR	1,852	1.00%	1,676	81		(76)		1,671	(5)
Third Cook Islands Development Bank loan- 1380	Jan-96	Dec-00	SDR	1,977	1.00%	1,477	65		(67)		1,479	2
Economic restructuring loan - 1466	Sep-96	Sep-36	SDR	3,430	1.00%	3,454	140		(153)		3,467	13
Cyclone Rehabilitation Project loan - 1588	Jan-97	Jan-38	SDR	583	1.00%	622	23		(28)		627	5
Waste Management loan - 1832	Dec-01	Jun-33	SDR	1,695	1.50%	1,326			(58)		1,384	58
Cyclone Emergency Assistance loan- 2174	Jun-05	Jan-45	SDR	1,895	1.00%	3,115			(138)		3,253	138
(SF) Avatiu Ports Development Loan - 2473	Sep-09	Nov-40	SDR	4,524	1.50%	4,212			(187)		4,399	187
<b>Regular OC Loans</b>						<b>19,927</b>	<b>583</b>	<b>0</b>	<b>(889)</b>	<b>0</b>	<b>20,233</b>	<b>306</b>
(OCF) Avatiu Ports Development Project Loan - 2472	Sep-09	Nov-33	NZD	8,697	5.77%	7,305					7,305	0
(SF) Economic Recovery Support Program Loan - 2565	Jan-10	Oct-24	NZD	11,053	2.52%	1,005	502				503	(502)
(OCF) Avatiu Ports Development Project Loan- 2739	Dec-11	Nov-35	NZD	5,290	2.64%	4,280					4,280	0
(OCF) Economic Recovery Support Program 2 Loan - 2946	Dec-12	Oct-27	NZD	11,053	2.75%	2,417	302				2,115	(302)
(OCF) Renewable Energy Sector- 3193	Jan-15	Jun-36	NZD	12,980	1.15%	8,702					8,702	0
(OCF) Undersea Broadband Cable Loan- 3632	Jul-19	Jun-39	USD	15,000	2.65%	22,260			(677)		22,937	677
Disaster Resilience Program (Phase 2) - 3933	Dec-19	Jun-35	NZD	15,676	1.13%	15,676					15,676	0
COVID 19 Active Response - 4010	Jan-21	Jan-30	NZD	30,409	1.13%	29,658					29,658	0
Supporting Sustainable ERP - 4161	Dec-21	Dec-33	NZD	55,540	2.19%	55,540					55,540	0
<b>Total ADB</b>						<b>146,844</b>	<b>804</b>	<b>0</b>	<b>(677)</b>	<b>0</b>	<b>146,717</b>	<b>(127)</b>
<b>Asian Infrastructure Investment Bank (AIIB)</b>						<b>166,770</b>	<b>1,387</b>	<b>0</b>	<b>(1,566)</b>	<b>0</b>	<b>166,949</b>	<b>179</b>
COVID-19 Active Response & Economic Support - 0461A	Jan-21	Jun-30	USD	20,000	0.25%	30,766			(1,792)		32,558	1,792
						<b>30,766</b>			<b>(1,792)</b>		<b>32,558</b>	<b>1,792</b>
												0
<b>Export -import Bank of China</b>												
Indoor Sports Stadium & Upgrade of Existing Sports Facilities	Aug-08	Aug-28	RMB	74,100	1.80%	4,816	513		(206)		4,509	(307)
Rarotonga Water Ring Main Upgrade Loan	Dec-12	Dec-32	RMB	118,000	2.00%	16,856	897		(1,576)		17,535	679
<b>Total China Bank</b>						<b>21,672</b>	<b>1,410</b>	<b>0</b>	<b>(1,782)</b>	<b>0</b>	<b>22,044</b>	<b>372</b>
<b>Total Gross Borrowings</b>						<b>219,208</b>	<b>2,797</b>	<b>0</b>	<b>(5,140)</b>	<b>0</b>	<b>221,551</b>	<b>2,343</b>
Less Loan Repayment Fund (LRF)						15,704	2,845	0	(208)	439	12,628	(3,076)
<b>Net Borrowings by the Crown</b>						<b>203,504</b>	<b>(48)</b>	<b>0</b>	<b>(4,932)</b>	<b>(439)</b>	<b>208,923</b>	<b>5,419</b>
Less Avatiu Port Development & Avaroa Cable Ltd (SOE)						38,057	0		(864)		38,921	864
<b>Net Borrowing by the General Government</b>						<b>165,447</b>	<b>(48)</b>	<b>0</b>	<b>(4,068)</b>	<b>(439)</b>	<b>170,002</b>	<b>4,555</b>

#### Net Borrowing by the General Government

The General Government's 'Net Borrowing' is equivalent to Total Gross Borrowings, less the Loan Repayment Funds (LRF) and SOE Borrowings. The movement for the period is an increase of \$4.5 million, this is primarily due to the unfavourable exchange rate movements.

Source: NZ Reserve Bank Website for USD and RMB

Table 5.1 Average Foreign Currencies against NZD

	Mar-24	Dec-23	Movements
Foreign Currencies			
United States Dollars (USD)	0.5991	0.6340	0.034900
Chinese Yuan (RMB)	4.3307	4.5052	0.174500

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 31 March 2024

Table 5.2 Composition of Crown Debt by Currencies in Percentage (%)

New Zealand (NZD)	56%
Chinese Yuan (RMB)	10%
US Dollars (USD)	25%
Special Drawing Rights (SDR)	9%
	100%

**Table 6: Official Development Assistance**

<b>Development Partner</b>	<b>Donor</b>	<b>Budget Estimates Full Year 2023/24</b>	<b>Actual YTD</b>
Asian Development Bank		3,000,000	600,000
China		3,195,970	425,256
European Union		1,627,014	134,623
Forum Fisheries Agency		781,422	277,229
Global Environment Facility		389,888	383,442
Green Climate Fund		8,678,446	1,890,768
ILO		0	0
India		491,300	0
Japan		5,800,000	0
Korea		0	0
New Zealand		71,436,008	11,082,471
Other		5,280,000	507,242
SPC		671,692	1,288,556
UN Adaptation Fund		0	0
UNDP		204,778	297,753
UNESCO		43,260	1,477
UNICEF		285,340	98,952
WHO		0	0
UNEP		548,000	26,656
SPREP		0	0
Australia		790,928	878,711
Pacific Island Forum Secretariat		58,337	0
Saudi Arabia		506,231	0
Switzerland		65,340	0
Food and Agriculture Organisation		110,320	39,570
<b>Total Official Development Assistance</b>		<b>103,964,274</b>	<b>17,932,706</b>
			<b>17%</b>

#### Cook Islands - New Zealand Infrastructure Trust Fund

Total actual spend to date for this output is \$434,211.22

The New Zealand Ministry of Foreign Affairs and Trade acting through the New Zealand High Commission in Rarotonga provided an initial contribution of \$12 million in December 2019 to establish the Cook Islands Infrastructure Trust Fund (ITF). The purposes of the ITF are:

- Investing in physical infrastructure to deliver essential services to Cook Islanders
- Facilitating implementation of the National Infrastructure Investment Plan or Medium Term Fiscal strategy
- Supporting capability development of Cook Islands' Infrastructure sector (across government and private sector)

In March 2022, the New Zealand Government made a further grant contribution of \$40 million to the ITF to help stimulate the Cook Islands' economy and strengthen its overall resilience via capital works. Officials from both governments have since confirmed priority pipeline projects for the CKI-NZ Infrastructure Trust Fund including: i) Mei Te Vai Ki Te Vai (MTVKTV); ii) Rarotonga International Airport Slab Replacement Project; iii) Manihiki Airport Improvement; iv) Northern Group Renewable Energy; v) Avarua Town Plan and Punanganui Market; and vi) Solid Waste Disposal System for Rarotonga. Total expenditure for the Avarua Town Plan project to date is \$434,211.22. The Manihiki Airport Improvement Project has been granted access to up to NZ\$6,000,000 for the procurement of plants and equipment as part of the preparatory phase of the project. Further discussion will be held to consider the allocation of the remaining funds.

#### Improving Geospatial Data - LiDAR

Total actual spend to date: NZ\$189,087.60

This project aims to address existing data gaps by collecting high-resolution topographic data and associated imagery which will support applications such as the assessment of coastal inundation and flooding hazards, environmental monitoring and management, infrastructure and development planning, policy development and implementation as well as responses to climate change impacts across the Cook Islands.

Data Capture acquisition is completed. Processing of the initial coverage maps obtained through the data capture is progressing well. To date, ICI has received coverage maps for nine islands; Rarotonga, Mangaia, Atiu, Aitutaki, Takutea, Palmerston, Mitiaro and Mauke. Preliminary Quality Assessment (Q&A) of the maps is being undertaken by a Senior CAD & GIS Environment Engineer within ICI. Submission of the remaining initial coverage maps and preliminary Q&A will be determined in the months ahead upon finalising of the tide-gauge data.

Enhancing climate information and knowledge services for resilience in 5 island countries of the Pacific Ocean

Total actual spend to date is NZ\$606,611.38

The programme will be administered and implemented by the United Nations Environmental Programme (UNEP) with the Cook Islands expected to benefit up to US\$5.3 million through direct support and up to US\$6 million through regional partners. The legal arrangements between MFEM and UNEP are now completed. Implementation commence in April 2022 pending regional arrangements with other partners.

The high vulnerability to climate change impacts and climate-related hazards arise from geography, exposure of our population and lack of resilience to shocks. The limited adaptation capacity is worsened by financial and human resource constraints and is compounded by an economic reliance on particularly climate sensitive sectors such as farming, fisheries and tourism.

The Cook Islands is highly vulnerable to climate change impacts therefore requires reliable, timely and actionable information and early warning on our local weather, climate and ocean environments as well as science-based advice on adaptation planning and early action for longer term climate change impacts.

The project aims to support beneficiaries in five countries of the Pacific Ocean through three outcomes:

1. Increase generation and use of climate information in decision making
2. Strengthened adaptive capacity and reduced exposure to climate risks and
3. Strengthened awareness of climate threats and risk reduction processes

The Cook Islands component is currently under implementation with core project oversight committees established. The PMU is now working with other countries and regional technical partners to progress Cook Islands activities.

#### Support to the Cook Islands PIF 2023 Chairing Responsibilities

Total actual spend to date is NZD \$238,448.18

An Agreement was finalised between the Government of the Cook Islands and the Ministry of Foreign Affairs and Trade (MFAT) for MFAT to provide support of NZ\$350,000.00 to the Cook Islands in support of its functions and duties as the incumbent Chair of the Pacific Islands Forum. The Pacific Islands Forum Leaders Meeting was hosted by the Cook Islands from 6 to 10 November 2023.

#### GEF 7 National Project

Total actual spend to date is NZD \$232,932.96

The project aims to reduce and mitigate negative environmental impacts of the key development sectors (agriculture, infrastructure, tourism), which are the main national drivers of biodiversity and habitat degradation, through mainstreaming integrated, sustainable management of land and coastal waters across the National Environment Service (NES), Infrastructure Cook Islands (ICI), Cook Islands Tourism Corporation (CIT), and the Ministry of Agriculture (MOA).

Building upon the achievements of the GEF-5 ridge-to-reef project, the GEF-7 project strategy also includes improving management effectiveness of target protected areas, as well as expansion of the protected area system through establishment of a 118-ha community conserved area safeguarding globally significant biodiversity within the cloud forests of Rarotonga.

Project results are expected to generate multiple environmental benefits, including 3,130 ha of priority catchments under improved management, and improved management of 1,260 ha of terrestrial protected areas and 14,453 ha of marine protected areas. An estimated 9,588 people (75% of the resident population of the country), of whom 51% are women, are expected to directly benefit as a co-benefit of the GEF investment, including local communities living within and benefiting from the ecosystem services provided by the priority catchments, people benefitting from the biodiversity resources and ecosystem services of the target protected areas, and management and staff members of NES, MOA, CIT, and ICI, as well as other stakeholders benefitting from strengthened capacities.

Through improved management in the agriculture, forestry and other land use (AFOLU) sector, 288,638 tons of carbon dioxide equivalent of greenhouse gas emissions mitigated are estimated to be achieved through increased carbon sequestration and reduced emissions.

#### Japan For Poverty Reductions (JFPR) - Supporting Safe Recovery of Travel and Tourism in Cook Islands – (administered by Asian Development Bank)

Total actual spend to date is \$600,000

The Supporting Safe Recovery of Travel and Tourism Project will strengthen the capacity and readiness of the Cook Islands to safely receive tourists and support the country's economic recovery from the negative impacts of the coronavirus disease (COVID-19) pandemic. The project will directly complement the Government of Cook Islands, the business community, and the general public's efforts to revive tourism and rebuild the economy. Project outputs include (i) airport readiness through improvements to the Rarotonga Airport terminal to facilitate safe COVID-19 screening and physical distancing; and (ii) health readiness through the improvement of a medium-sized health facility and the procurement and (iii) installation of a medical waste treatment system. The proposed project will be the Asian Development Bank's (ADB) first assistance to a Pacific developing member country (DMC) for safe recovery of travel and tourism through financial assistance from the Japan Fund for Poverty Reduction (JFPR). The contract signing for the upgrade to the health facility enabled implementation to commence.



Increasing the Resilience of the Cook Islands through ENAP

Total actual spend to date is \$637,347.92

The Enhancing the National Adaptation Programme (ENAP) is the Cook Islands sixth grant under Readiness Support.

The proposed activities will build knowledge and capacity to consider in detail the potential impacts of slow-onset events such as sea-level rise and ocean acidification, and the long-term adaptive response to those impacts. The proposal also includes activities to assess vulnerability of privately-owned infrastructure and climate change impacts on businesses at a sector level.

The ENAP proposal has four specific Outcomes:

- Outcome 3.2. Evidence basis produced to design adaptation solutions for maximum impact.
- Outcome 3.3. Private sector engagement in adaptation catalysed.
- Outcome 3.4. Adaptation finance increased
- Outcome 3.1: Adaptation planning governance and institutional coordination strengthened.

Cook Islands Coastal Fisheries and Aquaculture TA

Total actual spend to date is \$155,121

This project aims to build technical and policy capacity within the MMR using an in-country medium term support model, providing technical and policy advisers to support coastal fisheries management and aquaculture programmes. Focusing on advancing initiatives including community-based fisheries management, livelihoods, food security through targeted workplans, mentoring and skills transfer. Grant Agreement between SPC and MMR was signed in September 2023 with the project now implementation.

**Table 7: State Owned Enterprises (SOEs)**

	YTD Budget Estimates	Actual YTD	Variance to YTD Budget Estimates
	\$'000	\$'000	\$'000
<b>SOEs Consolidate Group</b>			
Trading Revenue	48,762	50,151	-1,389
<i>Less: Expenditure</i>			
Personnel Expense	14,280	12,760	1,520
Operating Expense	29,982	30,670	-688
Depreciation Expense	9,299	7,043	2,256
	53,561	50,473	3,088
<b>Net Surplus / (Deficit)</b>	<b>-4,799</b>	<b>-322</b>	<b>-4,477</b>

The table below consolidates the March performances of Cook Islands Investment Corporation (CIIC), Airport Authority, Bank of the Cook Islands, Ports Authority, Te Aponga Uira, To Tatou Vai Ltd, Te Mana Uira O Araura (new name for Aitutaki Power Supply) and Avaroa Cable Ltd.

The consolidated group YTD deficit is \$0.3m, which is \$4.4m favourable to a budget deficit of \$4.8m:

- Trading revenues favourable to budget largely due to higher trading revenues across a range of the SOE's
- Personnel costs were favourable to budget as the group continues to face on-boarding timing issues with vacant roles.
- Depreciation favourable to budget, due to timing of capital of spends and asset transfers.
- Operating costs were favourable to budget in total with the following key exception:
  - Te Aponga Uira and Te Mana Uira or Araura with higher fuel costs.
  - To Tatou Vai higher water treatment and repairs and maintenance costs
  - CIIC overhead costs funded from other sources