



**The Government of the Cook Islands**

**Quarterly Financial Results**

**31 December 2023**

Prepared by the Ministry of Finance and Economic Management

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### **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 December 2023**

	Table	Budget Estimates Full Year 2023/24	Carry Forwards from 2022/23	Additional Funding Approval/Transfers 2023/24	Total Budget & Approval	Budget YTD 31 Dec 2023	Actual YTD 31 Dec 2023	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2023/24
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Operating Revenue</b>									
	<i>1</i>								
Taxation Revenue		162,193			162,193	81,096	91,216	10,119	56%
Other Crown Revenue		19,272			19,272	8,718	8,226	-492	43%
Trading Revenue		5,024			5,024	2,367	2,878	511	57%
Dividends		1,000			1,000	0	0	0	0%
Interest on Balances		2,508			2,508	1,364	2,106	742	84%
Core Sector Support		9,100			9,100	9,100	9,100	0	100%
<b>Total Operating Revenue</b>		<b>199,097</b>	<b>0</b>	<b>0</b>	<b>199,097</b>	<b>102,645</b>	<b>113,525</b>	<b>10,880</b>	<b>57%</b>
<b>Operating Expenditure</b>									
Ministry Outputs									
Personnel		71,514	329		71,843	35,712	31,533	4,179	44%
Operating		18,869	228		19,097	17,675	9,236	8,439	48%
Administered Payments	3	52,797	1,860	3,185	57,842	30,736	23,159	7,577	40%
Depreciation		8,583			8,583	4,292	4,292	0	50%
POBOC	2	32,328		481	32,809	19,341	17,367	1,974	53%
Debt Interest Contribution to LRF		8,960			8,960	4,480	6,507	-2,027	73%
Crown Infrastructure & Contingency Depreciation		4,603			4,603	2,302	2,302	0	50%
Transfer to Emergency Response Trust Fund		50			50	25	0	25	0%
Depreciation Contingency Fund		2,174			2,174	1,087	1,087	0	50%
Contingency Funds - Operating		100			100	0	0	0	0%
Loss on Foreign Exchange					0	0	1,533	-1,533	100%
<b>Total Operating Expenses (including YTD Depreciation)</b>		<b>199,978</b>	<b>2,416</b>	<b>3,666</b>	<b>206,061</b>	<b>115,649</b>	<b>97,015</b>	<b>18,635</b>	<b>51%</b>
<b>Net Operating Surplus/(Shortfall) Balance</b>		<b>-881</b>	<b>-2,416</b>	<b>-3,666</b>	<b>-6,964</b>	<b>-13,004</b>	<b>16,510</b>	<b>29,514</b>	<b>-237%</b>
<b>Add</b> Depreciation		15,360			15,360	7,680	7,680	0	50%
<b>Less</b> Capital Expenditure	4	22,761	5,837		28,598	16,667	7,484	9,183	26%
<b>Net Fiscal Surplus/(Shortfall) Balance</b>		<b>-8,282</b>	<b>-8,253</b>	<b>-3,666</b>	<b>-20,202</b>	<b>-21,991</b>	<b>16,706</b>	<b>38,697</b>	<b>-83%</b>

At a Glance: Fiscal Position

\* Government's Net Fiscal balance for the quarter ended 31 December 2023 was a \$16.70 million surplus. This was an improvement by \$38.69 million compared to the budget estimate of \$21.99 million deficit. Overall revenue collection was slightly higher than anticipated by \$10.88 million and cost savings in Personnel (of \$4.17 million) Operating (of \$8.43 million) and Administered Payments (of \$7.57 million) have contributed to the improvement in Government's net fiscal balance.

\* The total Operating Revenue collected was \$10.88 million higher than anticipated for the quarter ended 31 December 2023. Taxation revenue collection was significantly higher than estimated compared to YTD budget estimates, due to increased business activity and consumer spending. This was slightly counteracted by an overall decrease in Other Revenue of \$0.59 million (inclusive of Upper Air Space Fees of \$1.38 million, Longline Licenses of \$2.30 million and Core Sector Support of \$9.1 million), followed by Trading Revenue of \$2.87 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 December 2023 was \$97.01 million, which is \$18.63 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, of which the expenditure has yet to be spent. There were also underspends in Personnel caused by vacant positions within Government that are expected to be filled within the next 3-6 months as well as savings in Administered Payments equal to \$7.57 million, mainly contributed by YTD underspends in Airline Underwrite (of \$1.46 million) and Economic Recovery Roadmap (of \$1.35 million). Refer to Table 3 - Administered Payments for details

\* Capital Expenditure: Capital expenditure was significantly lower than budgeted by \$9.18 million for the quarter ended 31 December 2023. 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 December 2023**

		31 Dec 2023 YTD	30 Sept 2023 YTD	Variance
		\$'000	\$'000	\$'000
<i>Cash At Bank</i>				
Term Deposits and Trust Accounts		142,491	141,544	947
Operational Bank Accounts		15,445	25,884	(10,439)
Foreign Exchange Reserves		24,715	16,428	8,287
<b>Total Cash Reserves</b>		<b>182,651</b>	<b>183,856</b>	<b>(1,205)</b>
<i>Committed:</i>				
Loan Repayment Fund <sup>1</sup>	LRF Act 2014	15,704	18,111	(2,407)
Outer Islands Reserves <sup>2</sup>	IG Act 2012	1,615	1,706	(91)
Disaster Response Fund <sup>3</sup>	Trust Fund	2,290	2,247	43
Infrastructure Trust Fund <sup>4</sup>	Trust Fund	46,355	45,964	391
Aid Trust Fund <sup>5</sup>	Trust Fund	30,111	28,871	1,240
Land/Law Trust/Other Agency Trust Funds	Trust Fund	15,440	15,360	80
Trust Account Deposits <sup>7</sup>	Trust Fund	2,672	2,630	42
<b>Total Committed Funds</b>		<b>114,187</b>	<b>114,889</b>	<b>(702)</b>
<i>Other General Funds:</i>				
Government Department/Agencies Bank Accounts	General Fund	2,726	2,908	(182)
Vat/Tax Imprest and Customs Bonds Account <sup>8</sup>	General Fund	2,064	1,757	307
General Reserves - Legacy	General Fund	3,606	3,606	0
<b>Total Other General Funds</b>		<b>8,396</b>	<b>8,271</b>	<b>125</b>
<b>Estimated General Cash Reserve</b>		<b>60,068</b>	<b>60,696</b>	<b>(628)</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 Dec 2023 YTD
	\$'000
<b>Opening LRF Balance</b>	18,111
Contribution to LRF Principal	6,397
Contribution to LRF Interest	0
<b>Total Transfer into LRF by General Government</b>	24,508
Realised Gain/(Loss) on Foreign Exchange	(167)
Transfer out of LRF	348
Interest earned by LRF	64
<b>Total Inflows/(Outflows)</b>	245
Principal paid out of LRF	3,165
Interest paid out of LRF	5,884
<b>Total Outflows</b>	9,049
<b>Closing LRF Balance</b>	<b>15,704</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	3,257
<b>Total Balance</b>	<b>1,627</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
<b>Total Executive Council Orders Authority as at 31 Dec 2023</b>			<b>3,257</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/Transfer	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	-	78,957	39,479	52,135	12,657	66%
Individual Income Tax	33,730	-	33,730	16,865	21,180	4,315	63%
Company Income Tax	19,366	-	19,366	9,683	6,569	-3,114	34%
Import Duties	15,939	-	15,939	7,970	5,492	-2,477	34%
Withholding Tax	1,622	-	1,622	811	1,079	268	67%
Departure Tax	12,578	-	12,578	6,289	4,760	-1,529	38%
	<b>162,193</b>	-	<b>162,193</b>	<b>81,096</b>	<b>91,216</b>	<b>10,119</b>	<b>56%</b>
<b>Other Revenue</b>							
FSC - Vested Assets	0	-	0	0	0	0	0%
Financial Supervisory Commission - Return of Excess	3	-	3	2	70	69	2333%
Immigration Fees	500	-	500	250	1,243	993	249%
IMO Subscriptions MCI	66	-	66	33	0	-33	0%
Court Services	27	-	27	14	14	0	52%
Police Fines	60	-	60	30	7	-23	11%
US Fisheries Treaty (upfront days)	3,810	-	3,810	1,270	73	-1,197	2%
EU Agreement	1,400	-	1,400	700	240	-460	17%
Purse seine fishery	7,000	-	7,000	3,500	1,243	-2,257	18%
Longline Licenses and QMS	3,000	-	3,000	1,500	2,303	803	77%
Other Fisheries and Auxilliary Vessel Licensing	133	-	133	67	64	-2	48%
Research Fees	2	-	2	1	1	0	50%
Permits	10	-	10	5	9	3	83%
Vodafone Dividend	1,000	-	1,000	0	0	0	0%
Numismatics	850	-	850	425	0	-425	0%
Sale of Circulating Currency	204	-	204	100	240	140	118%
Drivers License Fees	260	-	260	94	196	102	75%
Motor Vehicle Registration	875	-	875	336	126	-210	14%
Interest on Balances (Crown)	907	-	907	454	2,106	1,652	232%
Interest on Balances - Loan Reserve Fund	220	-	220	110	0	-110	0%
Interest on Balances - SOE Advances	1,601	-	1,601	800	0	-800	0%
Foreign Investment Fees	34	-	34	17	11	-6	31%
Upper Air Space Fees	338	-	338	169	1,381	1,212	408%
Shipping Registry Licenses	98	-	98	49	253	204	259%
International Shipping Fee	15	-	15	0	2	2	12%
Liquor License	50	-	50	5	4	-1	7%
Tattsлото Grants	120	-	120	60	114	54	95%
Censorship Fees	1	-	1	0	0	0	0%
Land Court Fees	147	-	147	91	91	0	62%
Motor Vehicle Dealers	3	-	3	2	2	0	59%
SIOFA - Regional Fisheries Management Organisations	46	-	46	0	0	0	0%
SPRFMO - Regional Fisheries Management Organisations	-	-	0	0	0	0	0%
Gain on Foreign Exchange	-	-	0	0	542	542	0%
General Budget Support	-	-	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	-1	-1	520%
	<b>31,880</b>	-	<b>31,879</b>	<b>19,182</b>	<b>19,432</b>	<b>249</b>	<b>61%</b>
<b>Total ROBOC</b>	<b>194,073</b>	-	<b>194,072</b>	<b>100,279</b>	<b>110,647</b>	<b>10,368</b>	<b>57%</b>
Government Agencies & Island Governments Trading Revenue	5,024	-	5,024	2,367	2,878	511	57%
<b>Total Operating Revenue</b>	<b>199,096</b>	-	<b>199,096</b>	<b>102,645</b>	<b>113,525</b>	<b>10,880</b>	<b>57%</b>

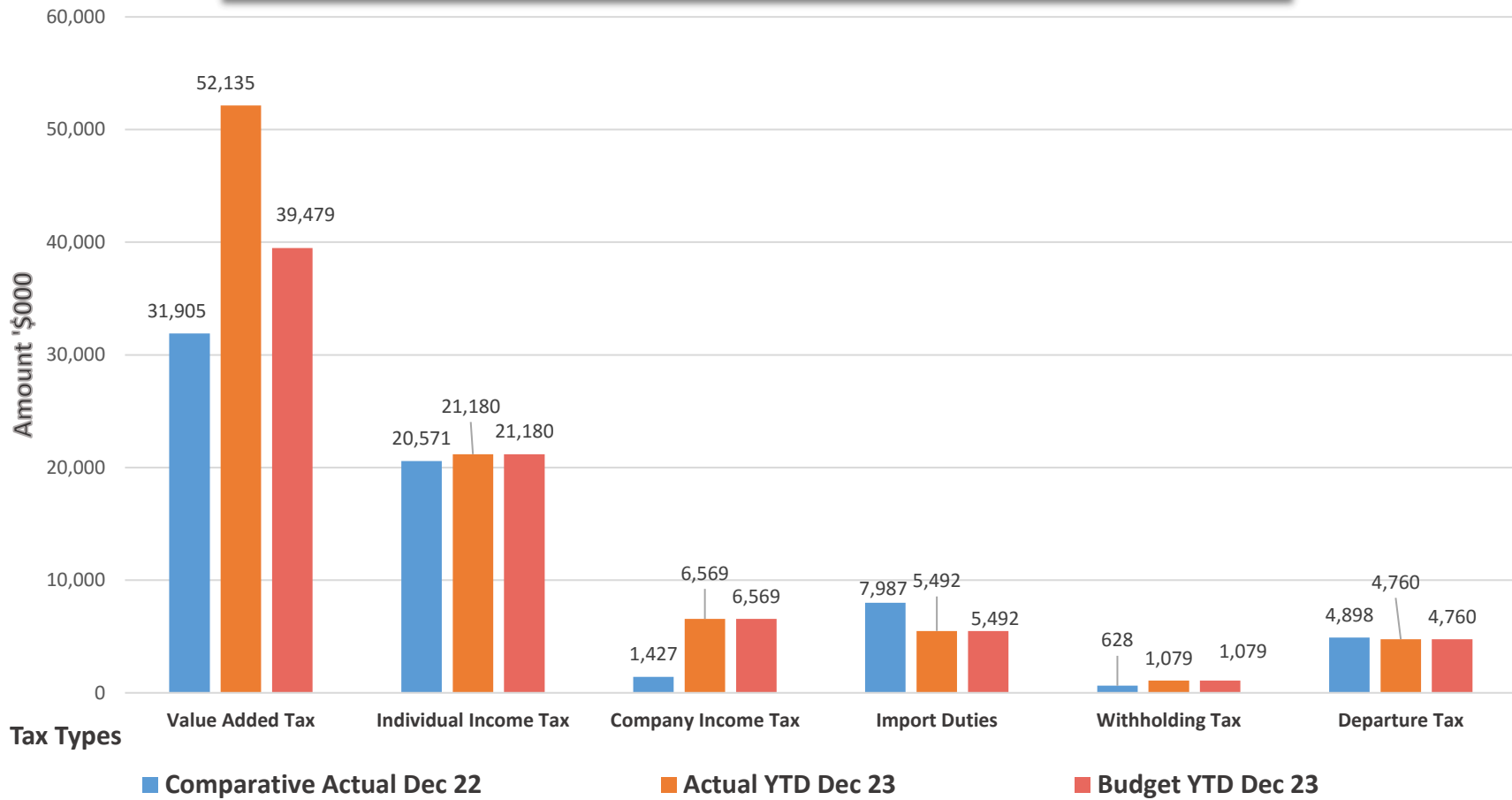


**Table 1: Revenue on Behalf of Crown (ROBOC) Commentary**

	Comparative Actual Dec 22	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	31,905	52,135	20,230	63%	VAT collection has significantly increased compared to previous year due to an increase in visitors during this quarter, resulting in increased spending overall within the economy.
Individual Income Tax	20,571	21,180	609	3%	Individual Income Tax was up by 3 per cent from a year ago but down by 22 per cent against YTD budget estimate.
Company Income Tax	1,427	6,569	5,142	360%	Company Income Tax was up by 360 per cent from a year ago and up by 32 per cent against the YTD budget estimates. Provisional tax collected from companies are significantly higher than anticipated for the quarter.
Import Duties	7,987	5,492	-2,495	-31%	Customs Tax was down by 31 per cent from a year ago but up by 34 per cent against the YTD budget estimate. Payouts of import tax levy refunds were slightly less for the current quarter.
Withholding Tax	628	1,079	451	72%	Withholding Tax was up by 72 per cent from a year ago but down by 33 per cent against the YTD budget estimate. This relates to tax on interest, dividends and royalties.
Departure Tax	4,898	4,760	-138	-3%	Departure Tax was down by 3 per cent compared to a year ago but up by 38 per cent against the YTD budget estimates. This is expected to increase until the final quarter, given the additional airline routes via Hawaii, Sydney and Tahiti.
		91,216			

	Comparative Actual Dec 22	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)	82	73	-9	-11%	Fisheries US Treaties Revenue was down 11 per cent from a year ago. The majority of this revenue is expected to be received in the next two quarters (Jan - Jun 2024) and has been phased in the budget accordingly.
Longline Licenses and QMS	1,786	2,303	517	29%	Longline licenses and QMS Revenue was up by 29 per cent from a year ago. There was a steady collection of revenue for the last quarter.
		3,859			

## CIG Tax Revenue Year over Year (YoY) Dec 2023 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	750	750	0	50%
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	0%
Child Benefit	5,387	0	0	5,387	3,132	2,787	344	52%
CIG Insurance	40	0	0	40	40	41	-1	103%
Civil List - Constituency Visits	170	0	0	170	133	146	-13	86%
Civil List - Personnel	2,902	0	0	2,902	1,654	1,435	219	49%
Competition and Regulatory Authority	400	0	0	400	200	167	33	42%
Government Paid Maternity Leave	150	0	0	150	78	43	35	29%
House of Ariki Operating	337	0	0	337	210	194	16	58%
Infirm/Destitute Benefit	1,296	0	0	1,296	762	724	38	56%
International Subscriptions	890	0	0	890	401	151	250	17%
IMO - Maritime Organisation	63	0	0	63	63	149	-86	235%
Maritime Radio Coverage	120	0	178	298	178	178	0	60%
MP Travel and Allowances (local and overseas)	250	0	304	554	452	333	119	60%
New Born Allowance	230	0	0	230	116	97	19	42%
Old Age Benefit	14,489	0	0	14,489	8,263	7,809	453	54%
Pacific Catastrophe Risk Insurance	160	0	0	160	160	47	113	29%
Parliamentary Sitting Expenses	200	0	0	200	186	91	95	45%
Parliamentary Superannuation	180	0	0	180	90	38	52	21%
PERC Salaries and Administration Costs	58	0	0	58	29	26	3	44%
Ports Authority Subsidy	110	0	0	110	73	73	0	67%
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	85	88	-3	80%
To Tatou Vai - POBOC	3,000	0	0	3,000	2,000	2,000	0	67%
	<b>32,328</b>	<b>0</b>	<b>481</b>	<b>32,809</b>	<b>19,341</b>	<b>17,367</b>	<b>1,974</b>	<b>53%</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	750	50%	This funding is to support the day to day operations of the Airport Authority in Rarotonga. Budget will be fully utilised for the year. Currently tracking in line with budget.
Child Benefit	5,387	2,787	52%	Welfare payments relating to Child Benefits and 52% of the annual budget has been utilised will be monitored closely
Civil List - Personnel	2,902	1,435	49%	This budget was overspent in the 2023 year due to the clothing allowance. It is now tracking in line with budget with the annual budget.
Infirm/Destitute Benefit	1,296	724	56%	These payments are 56% of the annual budget and will be monitored closely in the third quarter.
Old Age Benefit	14,489	7,809	54%	These payments consist of 54% of the annual budget and will be monitored closely in the third quarter to bring it back in line with budget.
To Tatou Vai - POBOC	3,000	2,000	67%	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. Currently 67% of the annual budget has been utilised in the first half of the year, with it to slow down in the latter part of the year to align with annual budget.

**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	-	17,897	7,252	5,792	1,460	32%
ASYCUDA Administrative Fund	100	-	-	100	0	0	0	0%
Bridges and Drainage Maintenance	700	-	-	700	320	177	143	25%
Bus Service	26	0	10	36	17	16	2	43%
Caregivers Allowance	739	-	-	739	493	447	46	60%
Christmas Bonus	321	-	-	321	340	337	3	105%
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	200	109	91	40%
Cook Islands Cultural Fund	100	-	-	100	50	25	25	25%
Cook Islands Red Cross [MFM]	50	-	-	50	50	25	25	50%
Cook Islands Student Association Support	10	8	-	18	10	0	10	0%
Conduct a Labour Force Survey	200	-	-	200	0	0	0	0%
CIG Buildings Repairs & Maintenance	1,000	-	-	1,000	690	325	365	33%
COVID-19 Medical Response Fund	-	-	-	0	0	-7	7	0%
Debt Advisory Services	-	-	-	0	0	0	0	0%
Domestic Hosting Entertainment	15	-	-	15	14	11	3	76%
Economic Recovery Roadmap	3,517	973	-	4,490	1,509	156	1,352	3%
EIA Process	150	-	-	150	75	77	-2	51%
Emergency Work	200	-	-	200	91	7	84	4%
Fisheries Development Facility	150	-	-	150	110	57	53	38%
FMIS Maintenance	145	-	-	145	73	46	27	32%
Funeral Assistance Allowance	170	-	-	170	92	81	11	48%
Feasibility Study for Coastal Protection - Rarotonga & Pa Enua	400	-	-	400	200	0	200	0%
Government Facilities Development Division	420	-	-	420	240	99	141	24%
Government Funded Scholarships	780	0	50	830	427	211	216	25%
Government Funded Scholarships - Fees Free	50	-	-	50	10	2	8	3%
Head of State Rent	13	-	-	13	13	7	6	50%
HOM's Salaries	1,903	38	0	1,941	990	1,031	-42	53%
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	70	41	29	41%
Internal Affairs Youth Program	45	-	-	45	41	39	2	86%
International Exchange of Information System Upgrade (IGOR)	55	89	-	144	144	127	17	88%
International Subscriptions	-	-	-	0	0	0	0	0%
Joint Venture with Seabed Minerals Authority	50	-	-	50	50	50	0	100%
Judge's Allowances	465	109	-	574	209	209	0	36%
Land Records Update Project	120	-	-	120	32	32	0	27%

**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	45	0	45	0%
Lease Extension	72	-	-	72	36	15	21	21%
Legal Aid	40	-	-	40	25	0	25	0%
Legal Provisions	100	38	-	138	116	45	71	33%
Legacy Waste - Vehicles & Whiteware	360	-	-	360	180	146	34	41%
Lexis Nexis - Portal Maintenance	80	-	-	80	80	0	80	0%
Management of Suwarrow Park	100	-	-	100	57	47	10	47%
Marae Moana Ambassador	-	-	-	0	0	0	0	0%
Marketing Resources - Tourism Growth Strategy	5,743	-	-	5,743	3,172	3,172	0	55%
National Events	500	-	500	1,000	870	791	79	79%
National Census	-	-	-	0	0	0	0	0%
National Heritage Trust	122	-	-	122	61	44	18	36%
NCD Fund	195	-	-	195	195	195	0	100%
OPM ICT Activities - Internet Data and Fiber Connection	460	-	-	460	230	169	61	37%
OPM ICT Activities - Licenses and Software	450	-	-	450	270	139	131	31%
Pacific Islands Forum (PIFs) meeting	150	-	-	150	150	29	121	19%
Pa Enua Connectivity	-	-	-	0	0	0	0	0%
Pa Enua Machinery Maintenance Fund	100	-	-	100	85	58	27	58%
Pa Enua Mechanical Overseer	120	-	-	120	71	67	4	56%
Patient Referrals	850	-	1,000	1,850	1,250	1,250	0	68%
Patient Referrals Top Up EO 1.5%	-	-	-	0	0	0	0	0%
Pharmaceuticals	1,168	-	-	1,168	868	722	145	62%
PM Social Responsibility Fund	483	-	-	483	290	271	19	56%
Police Youth Program	45	-	-	45	45	19	26	41%
Post Tax Amnesty Work	-	-	-	0	0	0	0	0%
Power Subsidy	109	-	-	109	83	78	5	71%
Price Tribunal Committee	45	20	-	65	45	37	8	58%
Private School Funding - Aitutaki SDA	192	-	51	243	157	157	0	65%
Private School Funding - Blackrock	46	-	51	97	60	60	0	61%
Private School Funding - Creative Centre	108	-	51	159	98	98	0	61%
Private School Funding - Immanuel Akatemia	231	-	51	282	173	173	0	61%
Private School Funding - Nukutere	749	-	51	800	462	462	0	58%
Private School Funding - Papaaroa	272	-	51	323	197	197	0	61%
Private School Funding - St. Josephs	446	-	51	497	305	305	0	61%
Private School Funding - Te Uki Ou	691	-	51	742	455	455	0	61%
Production of new currency, transportation and sale of old coins	350	-	-	350	175	0	175	0%
Provision for Inter-Island Shipping	500	104	1,275	1,879	824	392	432	21%
Provision for Land Rentals	400	-	-	400	351	314	37	78%
Public Sector Strengthening - Process & Systems	150	35	-	185	113	58	54	31%
Public Sector Strengthening - Renovation Support	-	-	-	0	0	0	0	0%
KR Social Responsibility Fund	8	-	-	8	8	8	0	100%

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	%
Religious Advisory Council	10	-	-	10	10	0	10	0%
Remuneration Tribunal Committee	-	-	-	0	0	0	0	0%
Returned Services Association	5	-	-	5	0	0	0	0%
Road and Civil Maintenance	800	-	-	800	770	490	280	61%
School Security	230	-	-	230	138	95	43	41%
Seabed Minerals Compliance Development	-	-	-	0	0	0	0	0%
Seabed Minerals Sector Development	220	-	-	220	220	37	183	17%
Search and Rescue	20	-	-	20	10	2	8	9%
Serious Crime Investigations	100	-	-	100	50	49	1	49%
SIF - CIG Contribution	1,000	-	-	1,000	600	393	207	39%
SIF - ODA Graduation Support Fund	687	-	-	687	687	481	206	70%
Special Assistance Projects	250	-	-	250	191	109	82	44%
Special Investigative & Prosecution Services	50	-	-	50	33	18	14	37%
Special Select Committee	120	-	-	120	40	31	9	26%
State Events	40	-	0	40	40	38	2	95%
Standard and Poors Subscription	70	-	-	70	70	46	24	66%
Subsidy of audio/visual broadcasting in Pa Enua	45	-	-	45	45	0	45	0%
Tarai Vaka Fund	20	-	-	20	10	1	10	3%
Tax Law Review	-	-	-	0	0	0	0	0%
Te Kopapa Reo Maori Board	15	-	-	15	10	9	1	63%
Te Kukupa - Fuel Contribution	50	-	-	50	50	33	17	66%
Tertiary Training Institutions	1,160	-	-60	1,100	637	623	14	57%
The Centre of Excellence in Information Technology (CEIT)	60	-	-	60	58	41	17	68%
The Centre of Research and Policy Studies	80	-	-	80	73	31	43	38%
To Tatou Vai - Administered Payment	-	-	-	0	0	0	0	0%
Universal Access Fund	400	-	-	400	200	0	200	0%
University of the South Pacific Contribution	205	-	-	205	172	29	143	14%
Vaka Maintenance	450	-	-	450	225	178	47	40%
Waste Management	805	-	-	805	417	355	62	44%
Workforce Development	234	-	-	234	200	200	0	85%
							0	
							0	
							0	
	<b>52,797</b>	<b>1,860</b>	<b>3,185</b>	<b>57,841</b>	<b>30,736</b>	<b>23,159</b>	<b>7,577</b>	<b>40%</b>

**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	17,897	5,792	32%	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 third quarter. YTD actual spend includes consultancy fees for aviation and quarterly contract payments to partner airlines.
Economic Recovery Roadmap	4,490	156	3%	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 3rd and 4th quarters.
HOM's Salaries	1,941	1,031	53%	The first quarter saw YTD expenditure tracking well against budget. The second quarter saw a rise of 3% against budget which will be monitored closely going into the third quarter.
Marketing Resources - Tourism Growth Strategy	5,743	3,172	55%	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	1,168	722	62%	The YTD expenditure saw 60% of the spend eventuate in the second 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 third quarter to align with budget. This will be monitored closely.
Tertiary Training Institutions	1,100	623	57%	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 57% 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	31	59	35%
Aitutaki Capital Funding	16	-	-	16	0	0	0	0%
Arutanga Harbour Project	980	-	-	980	900	68	832	7%
Geotech Scoping & Feasibility	100	-	-	100	100	1	99	1%
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	364	10	354	1%
Capital Distribution Fund	300	-	-	300	220	0	220	0%
COVID-19 Response Fund - Capital Needs	0	-	-	0	0	-10	10	0%
Drainage Asset Management and Improvement Programme	720	-	-	720	172	0	172	0%
Fund to be Prioritised by Education	400	-	-	400	250	160	90	40%
Fund to be Prioritised by Health for Technical Equipment	300	-	-	300	300	18	282	6%
Government Building Projects	496	-	-	496	248	0	248	0%
Government Building Projects - Rarotonga	1,301	650	-	1,951	1,511	591	920	30%
Government IT Network	200	-	-	200	140	25	115	12%
Land Acquisition	550	95	-	645	395	4	392	1%
Mangaia Capital Funding	12	-	-	12	6	0	6	0%
Manihiki Capital Funding	10	-	-	10	5	0	5	0%
Mauke Capital Funding	10	-	-	10	5	0	5	0%
Mitiaro Capital Funding	8	-	-	8	4	0	4	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	217	233	48%
Pa Enua Marine Infrastructure Improvement Programme	2,470	-	-	2,470	49	0	49	0%
Pa Enua Air Infrastructure Improvement Programme - CIG	649	-	-	649	250	0	250	0%
Pa Enua Capital Distribution Fund	300	-	-	300	0	0	0	0%
Palmerston Capital Funding	10	-	-	10	10	0	10	0%
Penrhyn Capital Funding	12	-	-	12	3	0	3	0%
Pukapuka Capital Funding	12	-	-	12	6	0	6	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	-	-	400	400	6	394	2%
Revenue Management System Upgrade (RMS10)	0	1,672	-	1,672	544	118	426	7%
Roads Asset Management and Improvement Programme	4,960	-	4,037	8,998	5,444	4,857	587	54%
To Tatou Vai - Capital	1,000	2,450	-	3,450	1,665	298	1,367	9%
Waste Management Infrastructure Improvement Programme	51	-	-	51	35	0	35	0%
Water and Sanitation Infrastructure Improvement Programme	158	-	-	158	106	51	55	32%
	<b>22,761</b>	<b>5,837</b>	<b>0</b>	<b>28,598</b>	<b>16,667</b>	<b>7,484</b>	<b>9,183</b>	<b>26%</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 current YTD spend has utilised 52% of the annual budget.
Pa Enea Marine Infrastructure Improvement Programme	2,470	0	0%	This is to support the ongoing development of marine infrastructure for the Pa Enea, which serves as a key means of transportation of goods and passengers throughout the country. No spend to date as majority of the budget has been phased for the months of March - June 2024, which includes the construction of the Nassau Harbour.
Government Building Projects - Rarotonga	1,951	591	30%	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 Apiti Rutaki Electrical Upgrade. Projects involve the development and improvement of Govt buildings and facilities on Rarotonga. Currently 30% of the annual budget has been utilised with 70% spend planned in the upcoming months utilising the full budget.
Revenue Management System Upgrade (RMS10)	1,672	118	7%	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. Spend planned for the second half of the year.
Roads Asset Management and Improvement Programme	8,998	4,857	54%	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 54% of the annual budget has been utilised with an expectation that most of this budget will be spent in the next quarter.
To Tatou Vai - Capital	3,450	298	9%	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. The budget is expected to be fully utilised by year end.

	Loan start date	Loan end date	Loan currency	Original loan amount	Interest rate	Sept 2023 Balance ('000)	Principal Payments ('000)	Draw Downs	FOREX Adjustment ('000)	Revaluation/ Adjustments	Dec 2023 Balance ('000)	Change Dec YTD ('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%	706			(28)		678	(28)
Outer Islands telecommunications project loan - 1031	Oct-90	Aug-30	SDR	2,578	1.00%	2,360			(95)		2,265	(95)
Second Cook Islands Development Bank loan - 1155	Mar-92	Dec-31	SDR	1,085	1.00%	679	40		(26)		613	(66)
TCI Emergency Loan- 1171	Aug-92	Jun-32	SDR	349	1.00%	238	13		(10)		215	(23)
Pearl Loan (1994) - 1309	Dec-94	Aug-34	SDR	272	1.00%	286			(11)		275	(11)
Education development- 1317	Feb-95	Aug-34	SDR	1,852	1.00%	1,747			(71)		1,676	(71)
Third Cook Islands Development Bank loan- 1380	Jan-96	Sep-35	SDR	1,977	1.00%	1,539			(62)		1,477	(62)
Economic restructuring loan - 1466	Sep-96	Sep-36	SDR	3,430	1.00%	3,597			(143)		3,454	(143)
Cyclone Rehabilitation Project loan - 1588	Jan-97	Jan-38	SDR	583	1.00%	648			(26)		622	(26)
Waste Management loan - 1832	Dec-01	Jun-33	SDR	1,695	1.50%	1,454	73		(55)		1,326	(128)
Cyclone Emergency Assistance loan- 2174	Jun-05	Jan-45	SDR	1,895	1.00%	3,285	40		(130)		3,115	(170)
(SF) Avatiu Ports Development Loan - 2473	Sep-09	Nov-40	SDR	4,524	1.50%	4,595	213		(170)		4,212	(383)
<b>Regular OC Loans</b>												
(OCF) Avatiu Ports Development Project Loan - 2472	Sep-09	Nov-33	NZD	8,697	5.77%	7,515	210				7,305	(210)
(SF) Economic Recovery Support Program Loan - 2565	Jan-10	Oct-24	NZD	11,053	2.52%	1,005					1,005	0
(OCF) Avatiu Ports Development Project Loan- 2739	Dec-11	Nov-35	NZD	5,290	2.64%	4,372	92				4,280	(92)
(OCR) Economic Recovery Support Program 2 Loan - 2946	Dec-12	Oct-27	NZD	11,053	2.75%	2,417					2,417	0
(OCF) Renewable Energy Sector- 3193	Jan-15	Jun-36	NZD	12,980	1.15%	9,020	346	28			8,702	(318)
(OCR) Undersea Broadband Cable Loan- 3632	Jul-19	Jun-39	USD	15,000	2.65%	24,278	664		(1,354)		22,260	(2,018)
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%	30,409	751				29,658	(751)
Supporting Sustainable ERP - 4161	Dec-21	Dec-33	NZD	55,540	2.19%	55,540					55,540	0
<b>Total ADB</b>						<b>150,233</b>	<b>2,063</b>	<b>28</b>	<b>(1,354)</b>	<b>0</b>	<b>146,844</b>	<b>(3,389)</b>
<b>Asian Infrastructure Investment Bank (AIIB)</b>						<b>171,365</b>	<b>2,442</b>	<b>28</b>	<b>(2,181)</b>	<b>0</b>	<b>166,770</b>	<b>(4,595)</b>
<b>COVID-19 Active Response &amp; Economic Support - 0461A</b>												
	Jan-21	Jun-30	USD	20,000	0.25%	33,523	824		(1,933)		30,766	(2,757)
						<b>33,523</b>			<b>(1,933)</b>		<b>30,766</b>	<b>(2,757)</b>
<b>Export -import Bank of China</b>												
Indoor Sports Stadium & Upgrade of Existing Sports Facilities	Aug-08	Aug-28	RMB	74,100	1.80%	4,979			(163)		4,816	(163)
Rarotonga Water Ring Main Upgrade Loan	Dec-12	Dec-32	RMB	118,000	2.00%	17,427			(571)		16,856	(571)
<b>Total China Bank</b>						<b>22,406</b>	<b>0</b>	<b>(734)</b>	<b>0</b>	<b>0</b>	<b>21,672</b>	<b>(734)</b>
<b>Total Gross Borrowings</b>						<b>227,294</b>	<b>3,266</b>	<b>28</b>	<b>(4,848)</b>	<b>0</b>	<b>219,208</b>	<b>(8,086)</b>
Less Loan Repayment Fund (LRF)						18,111	9,049	6,397	245	0	15,704	(2,407)
<b>Net Borrowings by the Crown</b>						<b>209,183</b>	<b>(5,783)</b>	<b>(6,369)</b>	<b>(5,093)</b>	<b>0</b>	<b>203,504</b>	<b>(5,679)</b>
Less Avatiu Port Development & Avaroa Cable Ltd (SOE)						40,635	1,179		(1,524)		37,932	(2,703)
<b>Net Borrowing by the General Government</b>						<b>168,548</b>	<b>(6,962)</b>	<b>(6,369)</b>	<b>(3,569)</b>	<b>0</b>	<b>165,572</b>	<b>(2,976)</b>

#### Loan Repayment Fund

The Loan Repayment Fund includes interest in the repayments refer to LRF Page for details.

#### 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 a decrease of \$2.8 million.

Source: NZ Reserve Bank Website for USD and RMB

Table 5.1 Average Foreign Currencies against NZD

	Sep-23	Dec-23	Movements
Foreign Currencies			
United States Dollars (USD)	0.6075	0.6340	0.026500
Chinese Yuan (RMB)	4.4065	4.5052	0.098650

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 31 December 2023.

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

New Zealand (NZD)	57%
Chinese Yuan (RMB)	10%
US Dollars (USD)	24%
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	533,344
China		2,050,000	0
European Union		1,627,014	99,465
Forum Fisheries Agency		501,422	0
Global Environment Facility		389,888	64,405
Green Climate Fund		8,678,446	1,012,095
ILO		0	0
India		491,300	0
Japan		5,800,000	0
Korea		0	0
New Zealand		70,259,289	10,323,959
Other		5,280,000	1,902,130
SPC		491,692	748,168
UN Adaptation Fund		0	0
UNDP		164,608	221,646
UNESCO		43,260	1,477
UNICEF		0	0
WHO		0	0
UNEP		72,000	16,964
SPREP		0	0
Australia - SPC		0	0
<b>Total Official Development Assistance</b>		<b>98,848,919</b>	<b>14,923,653</b>

15%

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

Total actual spend to date for this output is \$287,657.62

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 \$287,657.62. The Manihiki Airport Improvement Project undergoing final preparations for implementation.

#### 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\$293,381.17

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 \$230,373.19

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 \$196,996.40

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 \$533,343.65

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 \$449,583.43

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	32,150	33,298	-1,148
<i>Less: Expenditure</i>			
Personnel Expense	9,652	8,772	880
Operating Expense	20,117	19,977	140
Depreciation Expense	5,835	4,686	1,149
	35,604	33,435	2,169
<b>Net Surplus / (Deficit)</b>	<b>-3,454</b>	<b>-137</b>	<b>-3,317</b>

The table below consolidates the September 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 \$0.1m, which is \$3.3m favourable to a budget deficit of \$3.5m:

- 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:
  - TAU and TMU with higher fuel costs.
  - TTV higher water treatment and repairs and maintenance costs
  - CIIC overhead costs funded from other sources