



The Government of the Cook Islands

Quarterly Financial Results

31 March 2021

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 2020/21 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 2020/21 Appropriation Bill was passed in June 2020.

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 March 2021

	Table	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Budget Estimates YTD March 2021	Actual YTD March 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Operating Revenue	1								
Taxation Revenue		93,814	0	0	93,814	70,361	66,878	-3,483	71%
Other Crown Revenue		17,614	0	0	17,614	13,071	35,394	22,323	201%
Trading Revenue		3,703	0	0	3,703	2,179	2,191	13	59%
Dividends		1,500	0	0	1,500	0	0	0	0%
Interest on Balances		800	0	0	800	600	660	60	83%
Core Sector Support		7,925	0	0	7,925	7,825	7,825	0	99%
Total Operating Revenue		125,357	0	0	125,357	94,035	112,948	18,913	90%
Operating Expenditure									
Ministry Outputs		195,504	10,715	445	206,664	156,186	137,800	18,385	67%
Personnel		64,356	0	0	64,356	46,267	45,159	1,108	70%
Operating		19,573	133	550	20,257	15,627	11,314	4,313	56%
Administered Payments	3	105,215	10,582	-106	115,692	89,673	76,981	12,692	67%
Depreciation		6,360	0	0	6,360	4,619	4,346	272	68%
POBOC	2	29,569	0	0	29,569	24,539	21,937	2,602	74%
Crown Infrastructure & Contingency Depreciation		4,603	0	0	4,603	3,452	954	2,498	21%
Transfer to Emergency Trust Fund		50	0	0	50	0	0	0	0%
Depreciation Contingency Fund		2,174	0	0	2,174	0	0	0	0%
Contingency Funds - Operating		100	0	0	100	41	33	8	33%
Bank Fees		0	0	0	0	0	61	-61	0%
Gain/(Loss) on Foreign Exchange		0	0	0	0	0	1	-1	0%
Total Operating Expenses		232,000	10,715	445	243,160	184,218	160,725	23,493	66%
Net Operating Surplus/(Shortfall) Balance		-106,643	-10,715	-445	-117,803	-90,183	-47,776	42,406	-41%
Add Depreciation		13,137	0	0	13,137	8,071	5,300	2,771	40%
Less Capital Expenditure	4	42,419	514	0	42,932	34,438	19,011	15,428	44%
Net Fiscal Surplus/(Shortfall) Balance		-135,925	-11,229	-445	-147,598	-116,550	-61,487	55,063	-42%

At a Glance: Fiscal Position

* General Government's Fiscal Position reported a shortfall in net fiscal balance of \$61.49 million. The shortfall was lower than anticipated by \$55.06 million when compared against the budget estimates for the March quarter. The increase was due to higher revenue collection by \$18.91 million, of which \$15 million pertains to a grant received from NZ Government, savings in Operating Expenses of \$23.49 million and underspending in Capital Expenditure of \$15.43 million.

* Government's Net Operating Position: The General Government reported a net operating shortfall of \$47.78 million for the March quarter, a positive variance than expected by \$42.41 million when compared against the net operating position estimated for the same period, due primarily to grant received, while effectively monitoring budget expenditure.

* Operating Revenue: Operating revenue reported an \$18.91 million higher collection against the budget estimates for the quarter. This was primarily due to a \$15 million NZ Government grant received to go towards the COVID-19 ERP followed by Vested Assets funds received from FSC of \$8.26 million, both were not included in the original appropriation. This was offset by taxation revenue reporting a \$3.48 million unfavourable variance in comparison to the budget estimate. The estimate for taxation revenue was reduced to almost 50% of the 2019/20 taxation revenue estimates, taking into account the impact of COVID-19 on taxation collection. Collection was unfavourable than expected despite stringent audits and collection activities during the period.

* Operating Expenditure: General Government operating expenditure reported lower actual spending by \$23.49 million against the budget estimates for the March quarter. This was attributed to the underspending in the Ministry/Pa Enea operating expenditure (\$4.31 million), due to early payment of COVID-19 discounts and cost-sharing between different funded programmes, followed by an underspend in Administered payments of \$12.69 million, largely due to timing and processing of ERP expenditure, which the budget is expected to be further utilise within the last quarter, following Government's announcement to extend the Wage Subsidy up to June 2021. POBOC expenditure is on track against budget.

* Capital Expenditure: Spending on Capital budget was 44% by the end of the March quarter. This is a low utilisation considering the size of the annual budget and our capacity to implement projects before the end of June. The low utilisation was due to the impact of Covid-19 on travel and the sourcing of resources overseas, which has interrupted the scheduled projects planned on both Rarotonga and the Pa Enea. Several significant projects are expected to utilise the remainder of their annual budgets in the last quarter, refer to Table 4 Capital Expenditure commentary.

Schedule 2: Cash Reserves General Government March 2021

	31 Mar 2021
	\$'000
Crown	93,270
Agencies	12,445
Term Deposits and Trust Accounts	105,715
Crown	24,556
Agencies	9,089
Operational Bank Accounts	33,645
Total Cash Reserves	139,360
Committed:	
General Reserve Trust Fund	3,486
Disaster Response Fund ¹	1,971
Loan Repayment Fund ²	13,945
Trust Account Deposits ³	3,487
Aid Trust Fund ⁴	17,074
Stabilisation Account ⁵	-
Land/Law Trust/Other Agency Trust Fund ⁶	12,445
Infrastructure Trust Fund ⁷	7,955
Vat/Tax Imprest and Customs Bonds Account ⁸	2,139
Total Commitment for this year	62,502
Estimated General Cash Reserve	76,858

¹ 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.

² 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.

³ 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.

⁴ 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.

⁵ Stabilisation Account - The Stabilisation Fund has been mobilized in the 2020/21 financial year to support Government's Economic Response Plan (ERP) cashflow.

⁶ 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.

⁷ Infrastructure Trust Fund - 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.

⁸ 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 2021
	\$000
Opening LRF Balance	16,068
Contribution to LRF Principal	0
Contribution to LRF Interest	0
Total Transfer into LRF by General Government	0
Realised Gain/(Loss) on Foreign Exchange	-42
Transfer out of LRF	0
Interest earned by LRF	3
Total Inflows	-39
Principal paid out of LRF	1,621
Interest paid out of LRF	463
Total Outflows	2,084
Closing LRF Balance	13,945

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

Section 70(3) (b) (i): Calculation	\$000
Total Government Appropriation 2020/21	344,023
Excess (1.5%) of Total Appropriation	5,160
less: Approved expenditure for the March 2021 Quarter	445
Total Balance	4,716
Executive Council Orders Authority	\$000
Top up to Special Select Committee Admin. Fund	69
Funding a Ministerial Support Office for Hon. Patrick Arioka	240
Top up to the Prime Minister's Support Office appropriation	110
Funding to cover costs for the passing of former PMs Dr. Joe Williams and Hon. Jim Marurai	25
Total Executive Council Orders Authority as at 31 March 2021.	445

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.

\$0.445 million out of the \$5.16 million allocation was utilised for the quarter ending 31 March 2021.

Table 1: Revenue on Behalf of Crown (ROBOC)

	Budget Estimates Full Year 2020/21	Additional Funding Approval 2020/21	Total Budget & Approval	Budget Estimates YTD March 2021	Actual YTD March 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Taxation Revenue							
Individual Income Tax	20,708	0	20,708	15,531	14,750	-781	71%
Withholding Tax	1,321	0	1,321	991	1,458	467	110%
Company Income Tax	14,938	0	14,938	11,204	15,456	4,252	103%
Value Added Tax	39,902	0	39,902	29,927	25,941	-3,986	65%
Departure Tax	4,729	0	4,729	3,547	254	-3,293	5%
Customs Tax	12,216	0	12,216	9,162	9,019	-143	74%
	93,814	0	93,814	70,361	66,878	-3,483	71%
Other Revenue							
Drivers License Fees	260	0	260	195	80	-115	31%
Instant fines	40	0	40	30	82	52	204%
Immigration Fees	560	0	560	420	608	188	109%
International Shipping Licence	17	0	17	12	0	-12	0%
Motor Vehicle Dealers	3	0	3	2	3	0	86%
Shipping Registry Licenses	90	0	90	68	69	2	77%
Upper Air Space Fees	0	0	0	0	171	171	0%
Court Services	11	0	11	8	25	17	226%
Foreign Investment Fees	27	0	27	20	17	-3	64%
IMO Subscription - Maritime Cook Islands	66	0	66	50	2	-48	2%
Censorship Fees	1	0	1	1	1	0	98%
Employer Liabilities	75	0	75	56	0	-56	0%
Liquor Licencing	70	0	70	53	37	-15	53%
Motor Vehicle Registrations	875	0	875	656	403	-253	46%
Research Fees	2	0	2	1	0	-1	27%
Permits	24	0	24	18	9	-9	38%
Vodafone Dividend	1,500	0	1,500	0	0	0	0%
Interest on Balances (Crown)	800	0	800	600	660	60	83%

Table 1: Revenue on Behalf of Crown (ROBOC) Cont'd

	Budget Estimates Full Year 2020/21	Additional Funding Approval 2020/21	Total Budget & Approval	Budget Estimates YTD March 2021	Actual YTD March 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Numismatic	450	0	450	338	323	-15	72%
Circulating Currency- Coins	350	0	350	263	0	-263	0%
Fisheries US Treaties (purse seine)	5,000	0	5,000	3,750	4,190	440	84%
Fishing Fines	190	0	190	143	761	619	401%
Fishing Licences	9,000	0	9,000	6,750	3,202	-3,548	36%
Tattslotto Grants	120	0	120	90	161	71	134%
FSC - Vested Assets	0	0	0	0	8,264	8,264	100%
FSC - Return of Excess	198	0	198	149	100	-49	0%
South Indian Ocean Fisheries Agreement (SIOFA)	179	0	179	0	0	0	0%
South Pacific Fisheries Management Organisation (SPRFMO)	7	0	7	0	0	0	0%
Seabed Exploration Licenses	0	0	0	0	200	200	0%
Other Revenue on Behalf of Crown	0	0	0	0	16,686	16,686	0%
	19,914	0	19,914	13,671	36,054	22,383	164%
Core Sector Support	7,925	0	7,925	7,825	7,825	0	0%
Total Other ROBOC	27,839	0	27,839	21,496	43,879	22,383	80%
Total ROBOC	121,653	0	121,653	91,857	110,757	18,900	91%

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

	Comparative Actual March 2020 Quarter	Actual YTD March 2021	Variance of Actual YTD	Commentary
	\$'000	\$'000	\$'000	
Taxation Revenue items				<i>Note: Comments are provided on all Taxation revenue items.</i>
Individual Income Tax	20,642	14,750	-5,892	Decrease compared to prior year of the same quarter due to COVID-19. In terms of the budget estimate, this has increased slightly than expected so this is on track.
Withholding Tax	1,078	1,458	379	Increase in terms of both comparative 2019/20 year and budget estimate, due to compliance activities initiated (audit, collections, education etc).
Company Income Tax	14,617	15,456	839	Increase in terms of both comparative 2019/20 year and budget estimate, due to compliance activities initiated (audit, collections, education etc).

Table 1: Revenue on Behalf of Crown (ROBOC) Commentary Cont'd

Taxation Revenue items	Comparative Actual March 2020 Quarter \$'000	Actual YTD March 2021 \$'000	Variance of Actual YTD \$'000	Commentary
				<i>Note: Comments are provided on all Taxation revenue items.</i>
Value Added Tax	62,493	25,941	-36,551	Decrease in terms of both comparative 2019/20 year and budget estimate, due to impact of COVID-19 on travel border restrictions.
Departure Tax	8,577	254	-8,323	Decrease in terms of both comparative 2019/20 year and budget estimate, due to impact of COVID-19 on travel border restrictions.
Customs Tax	10,829	9,019	-1,810	Decrease in terms of both comparative 2019/20 year and budget estimate, due to impact of COVID-19 on travel border restrictions.
Other Revenue items	Comparative Actual March 2020 Quarter \$'000	Actual YTD March 2021 \$'000	Variance of Actual YTD \$'000	Commentary
				<i>Note: Comments are provided on Other Revenue items that have generated significant revenue compared to the budget estimate.</i>
Interest on Balances (Crown)	1,740	660	-1,080	Decrease in Interest revenue due to reduction in Term Deposits held. A few term deposits have been utilised for COVID-19 ERP.
Fisheries US Treaties (purse seine)	4,142	4,190	49	Increase in terms of both comparative 2019/20 year and budget estimate due to the sale of fishing days. Despite this, adverse La Nina weather conditions prove detrimental on the sale of fishing days, which results in reduced demand for upfront days and in lower fishing levels by purse seine fleet.
Fishing Licences	4,102	3,202	-900	Decrease in terms of both comparative 2019/20 year and budget estimate, due to a decline in purse seine interest and in longline quota purchase brought about by the La Nina weather pattern, which has affected demand and sale of fishing days.
FSC - Vested Assets	0	8,264	8,264	FSC transferred to Crown \$8.26 million vested assets that was under their Trust. This fund was utilised for the COVID-19 Economic Recovery Plan. Vested Assets was not budgeted for.
Other Revenue on Behalf of Crown	53	16,686	16,633	Consists of \$15 million Grant by the NZ Government towards the Cook Island Government's COVID 19 Economic Recovery Plan (ERP), and \$1.45 million grant from ADB also towards COVID-ERP. These funds were not budgeted for.
Upper Air Space Fees	816	171	-646	Timing issue due to the receiving of this unanticipated revenue pertaining to June 2020 in the first quarter of the current financial year. No budget allocated for this financial year due to COVID-19 impact on travel restrictions.

Table 2: Payments on Behalf of Crown (POBOC)

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Budget Estimates YTD March 2021	Actual YTD March 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Old Age Benefit	12,914	0	0	12,914	11,062	10,018	1,044	78%
Child Benefit	5,413	0	0	5,413	4,655	4,324	331	80%
Infirm/Destitute Benefit	1,104	0	0	1,104	903	716	187	65%
Government Paid Maternity Leave	150	0	0	150	136	108	29	72%
Carer Order Payment	10	0	0	10	9	0	8	2%
BCI Transaction Fees	176	0	0	176	144	20	124	12%
New Born Allowance	240	0	0	240	218	177	41	74%
Audit Fee	96	0	0	96	48	27	21	28%
PERC Salaries and Administration Costs	58	0	0	58	29	39	-10	67%
Bank of the Cook Islands Subsidy	128	0	0	128	0	0	0	0%
Airport Authority Subsidy	3,048	0	0	3,048	2,286	2,286	0	75%
Ports Authority Subsidy	110	0	0	110	110	110	0	100%
Te Mana Uira O Araura - Subsidy	500	0	0	500	500	471	29	94%
Civil List - Constituency Visits	170	0	0	170	167	131	36	77%
Civil List - Personnel	2,902	0	0	2,902	2,121	2,258	-137	78%
House of Ariki	338	0	0	338	223	227	-4	67%
Parliamentary Sitting Expenses	150	0	0	150	120	107	13	71%
QR Travel and Allowances (local and overseas)	109	0	0	109	90	10	80	9%
MP Travel and Allowances (local and overseas)	341	0	0	341	290	132	158	39%
International Subscriptions	890	0	0	890	803	508	295	57%
IMO - Maritime Organisation	63	0	0	63	48	0	48	0%
Maritime Radio Coverage	79	0	0	79	79	0	79	0%
Pacific Catastrophe Risk Insurance	160	0	0	160	160	144	16	90%
Crown Insurance	180	0	0	180	180	35	145	19%
Parliamentary Superannuation	180	0	0	180	135	74	61	41%
BEPS Subscription	35	0	0	35	0	0	0	0%
Local Government Election	24	0	0	24	24	16	8	68%
	29,569	0	0	29,569	24,539	21,937	2,602	74%

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

	Full Year Budget	Actual YTD Mar 2021	Actual vs Full year Budget	Commentary
	('000)	('000)	%	
Old Age Benefit	12,914	10,018	78%	Welfare payments for this budget are on track in the third quarter of the financial year. The budget will continue to be closely monitored to avoid any overrun.
Child Benefit	5,413	4,324	80%	Similar to Old Age beneficiaries, welfare payments for this budget are on track in the third quarter of the financial year. The budget will be closely monitored to avoid any overrun.
Airport Authority Subsidy	3,048	2,286	75%	Funding to support the day-to-day operations of the airports on the islands of Aitutaki and Rarotonga.
Civil List - Personnel	2,902	2,258	78%	Monitoring expenditure, should come within budget.

Important Note: All other POBOC expenditure items will closely be monitored for the remainder of the financial year.

Table 3: Administrative Payments

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Budget Estimates YTD March 2021	Actual YTD March 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Power Subsidy	84	0	0	84	63	39	24	47%
Funeral Assistance Allowance	170	0	0	170	139	141	-2	83%
Caregivers Allowance	420	0	0	420	357	345	12	82%
Christmas Bonus	338	0	0	340	340	340	0	100%
Infrastructure Committee	130	0	0	130	118	98	20	75%
Joint Venture with SBMA	130	0	0	130	108	19	89	15%
Provision for Land Rentals	500	0	-128	372	372	60	312	16%
School Security	230	0	0	230	209	159	51	69%
Government Facility Development Department	420	0	128	548	506	341	165	62%
Avaroa Cable	150	0	0	150	150	150	0	100%
To Tatou Vai	3,330	0	0	3,330	2,800	2,303	496	69%
Renewable Energy Maintenance	100	0	0	100	0	0	0	0%
Legal Provisions	155	0	0	155	155	4	151	3%
Marketing Resources - Tourism Growth Strategy	4,500	0	0	4,500	2,475	2,475	0	55%
Domestic Hosting Entertainment	15	0	0	15	11	9	2	62%
QR Social Responsibility Fund	8	0	0	8	8	8	0	100%
Head of State Rent	13	0	0	13	10	7	3	50%
Bridges and Drainage Maintenance	970	0	0	970	566	240	326	25%
OI Equipment Repairs of Unanticipated Breakdowns	200	0	0	200	191	181	9	91%
Road and Civil Maintenance	1,100	0	0	1,100	987	960	27	87%

Table 3: Administrative Payments Cont'd

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Budget Estimates YTD March 2021	Actual YTD March 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Waste Management	730	0	0	730	487	425	61	58%
Emergency Work	200	0	0	200	175	175	0	87%
Te Maeva Nui Celebrations	503	0	0	503	382	294	88	59%
Te Kopapa Reo Maori Board	15	0	0	15	13	9	4	61%
Cook Islands Cultural Fund	200	0	0	200	140	134	6	67%
Returned Services Association	5	0	0	5	4	0	4	0%
Cook Islands Student Association Support	10	0	0	10	10	0	10	0%
Fisheries Development Facility	250	0	0	250	250	198	52	79%
Government Funded Scholarships	780	0	0	780	664	621	43	80%
Private School Funding - Nukutere	639	0	0	639	504	496	7	78%
Tertiary Training Institutions	1,160	0	0	1,160	865	843	21	73%
University of the South Pacific Contribution	205	0	0	205	187	53	134	26%
Bus Service	26	0	0	26	20	16	4	62%
Private School Funding - St. Josephs	441	0	0	441	364	364	0	82%
Private School Funding - Creative Centre	132	0	0	132	109	109	0	83%
Private School Funding - Te Uki Ou	519	0	0	519	419	376	43	72%
Private School Funding - Papaaroa	275	0	0	275	218	218	0	79%
Private School Funding - Aitutaki SDA	193	0	0	193	168	168	0	87%
Private School Funding - Immanuela Akatemia	226	0	0	226	179	179	0	79%
Private School Funding - Blackrock	86	0	0	86	70	70	0	81%
NCD Fund	195	0	0	195	195	195	0	100%
Patient Referrals	850	0	0	850	850	850	0	100%
Pharmaceuticals	868	0	0	868	868	867	1	100%
CISNOC Grant	370	0	0	370	370	370	0	100%
Lease Extension	72	0	0	72	54	27	27	38%
SIF - CIG Contribution	1,000	0	0	1,000	1,000	564	436	56%
Vaka Maintenance	400	0	0	400	300	298	2	74%
Special Assistance Projects	250	0	0	250	250	147	103	59%

Table 3: Administrative Payments Cont'd

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Budget Estimates YTD March 2021	Actual YTD March 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Internal Affairs Youth Program	45	0	0	45	45	23	22	51%
Judge's Allowances	300	0	0	300	275	113	162	38%
Land Records Update Project	120	0	0	120	90	38	52	32%
Legal Aid	40	0	0	40	30	2	28	4%
National Heritage Trust	122	0	0	122	92	103	-11	84%
Management of Suwarrow Park	150	31	0	181	181	181	0	100%
EIA Process	150	0	0	150	140	130	10	87%
Search and Rescue	20	0	0	20	19	0	19	0%
Serious Crime Investigations	100	0	0	100	76	42	34	42%
Te Kukupa - Biannual Slipping	150	0	-150	0	150	0	150	0%
Te Kukupa - Fuel Contribution	140	0	0	140	106	62	44	44%
Police Youth Program	45	0	0	45	34	27	7	60%
HOM's Salaries	1,742	0	0	1,742	1,276	1,379	-104	79%
Community Support Fund	100	0	0	100	100	91	9	91%
ICT Support Team	250	184	0	434	225	135	90	31%
Red Cross	50	0	0	50	50	50	0	100%
Pa Enea Mechanical Overseer	100	0	0	100	90	58	32	58%
Energy Commissioner	50	0	-25	25	25	0	25	0%
Marae Moana Ambassador	60	0	0	60	45	45	0	75%
PM Social Responsibility Fund	363	0	0	363	363	363	0	100%
Provision for Inter-Island Shipping	800	0	0	800	660	490	170	61%
Air New Zealand Underwrite	7,000	0	-7,000	0	0	0	0	0%
Public Sector Strengthening - Process & Systems	150	0	0	150	113	31	81	21%
Price Tribunal Committee	45	0	0	45	34	10	24	22%
Competition and Regulatory Authority	480	0	0	480	480	480	0	100%
Production of new currency, transportation and sale of o	380	0	0	380	380	335	45	88%
Subsidy of audio/visual broadcasting in Pa Enea	45	0	0	45	34	0	34	0%

Table 3: Administrative Payments Cont'd

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Budget Estimates YTD March 2021	Actual YTD March 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Debt Advisory Services	60	0	0	60	45	20	25	33%
Special Investigative & Prosecution Services	50	0	0	50	38	28	10	56%
The Centre of Research and Policy Studies	80	0	0	80	60	0	60	0%
The Centre of Excellence in Information Technology (CEIT)	60	41	0	101	101	82	19	81%
Border Management System Maintenance	155	0	0	155	116	0	116	0%
Post Tax Amnesty Work	321	0	0	321	321	18	304	6%
COVID-19 Medical Response Fund	3,000	0	0	3,000	2,250	1,400	850	47%
COVID-19 Economic Response Plan - MFM	64,000	10,258	7,000	81,258	62,006	54,467	7,539	67%
SBMA Launch	130	68	0	198	126	113	13	57%
Asian Infrastructure Investment Bank (AIIB) Membership	31	0	0	31	23	0	23	0%
Government Broadband Utilities	30	0	0	30	23	18	4	61%
Workforce Development	234	0	0	234	234	234	0	100%
Universal Access Fund	220	0	0	220	220	220	0	100%
Standard and Poors Subscription	70	0	0	70	70	0	70	0%
Pacific Financial Regional Technical Assistance (PFTAC) Contribution	15	0	0	15	15	13	2	90%
FMIS Maintenance	80	0	0	80	80	79	1	99%
Audit of Crown Accounts	30	0	0	30	0	0	0	0%
Special Select Committee	90	0	69	159	159	158	1	99%
	105,215	10,582	-106	115,692	89,673	76,981	12,692	67%

Table 3: Administrative Payments Commentary

	Full Year Budget ('000)	Actual YTD Mar 2021 ('000)	Actual vs Full year Budget %	Commentary
				<i>Note: Comments are provided on significant expenditure items that report a Full Year Budget of over \$1 million.</i>
Tertiary Training Institutions	1,160	843	73%	Cost savings due to ERP stimulus measure of its Fees Free Initiative Courses. It is anticipated additional expenses to be incurred in the coming months.
To Tatou Vai	3,330	2,303	69%	Funding to support the day-to-day operational functions of the SOE, which will ultimately assume responsibility of Te Mato Vai (TMV) Project (Stage 1 and 2) assets. Disbursement of the funding is on track.
Marketing Resources - Tourism Growth Strategy	4,500	2,475	55%	Funding to support the day-to-day operational functions of the Corporation. Disbursement of the funding is on track, given the impact of COVID-19. As the fiscal situation clarifies through the remainder of the financial year, and the need for expenditure on tourism marketing becomes clearer, it is expected the budget will be further utilise, in efforts to generate revenue through tourism and stimulate growth in the Cook Islands.
Road and Civil Maintenance	1,100	960	87%	Road and Civil maintenance operational expenditure incurred slightly above than expected for third quarter, due to ongoing projects such as the Sheraton Bridge and the upcoming Empire Building project.
SIF - CIG Contribution	1,000	564	56%	Funding for programmes in both the Cook Islands and Pa Enua in areas such as gender, children and youth, the elderly, persons with disabilities, domestic violence, and mental health. It is expected that further expenditure to be incurred in the coming months.
HOM's Salaries	1,742	1,379	79%	Currently reporting overspend in this quarter due to changes in Head of Public Sector Agencies and their employee entitlements. The budget will be closely monitored for the remainder of the financial year.
Air New Zealand Underwrite	0	0	0%	Air NZ Underwrite budget is not expected to be utilised for the remainder of the financial year due to uncertainty of the borders reopening (Sydney and Los Angeles) in the near future. Therefore the annual budget of \$7 million has been transferred to the ERP Budget to supplement the ERP stimulus measures (Wage Subsidy, Business Cash Grants etc).
COVID-19 Medical Response Fund	3,000	1,400	47%	This budget is to support the health response to implement measures to prevent, limit or mitigate the spread of COVID-19. Expenditure for the third quarter has been less than expected due to milestone payments, with further expenditure to be committed in the coming months. Delays are also an issue, as a result of the pandemic on travel restrictions which impact the supply chain for provision of goods/services as well as inter-agency cooperation.
COVID-19 Economic Response Plan - MFM	81,258	54,467	67%	Until further notice, the Wage Subsidy has been extended to the end of June 2021 following Government's latest announcement in April 2021. The budget has been increased from the Air NZ Underwrite transfer of \$7 million and funds carried forward from 2019/20 financial year to support the social benefits and wage support for households and businesses, and other economic stimulus measures implemented.

Important Note: All other Administrative Payment expenditure items will closely be monitored for the remainder of the financial year.

Table 4: Capital Expenditures

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Budget Estimates YTD March 2021	Actual YTD March 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Bridges & Structure Improvement	2,810	0	0	2,810	2,107	947	1,161	34%
Government IT Network	300	21	0	321	300	40	260	13%
FMIS Purchase and Implementation	65	0	0	65	65	15	50	24%
Health Project	100	0	115	215	215	99	116	46%
Orongo Development Master Plan and Centre reconstruction - Ports Authority	500	0	0	500	500	359	141	72%
To Tatou Vai	3,225	0	0	3,225	2,418	0	2,418	0%
Land Acquisition	700	0	-700	0	0	0	0	0%
Drainage Improvement	950	0	100	1,050	950	952	-2	91%
Road Asset Management	8,080	0	-100	7,980	5,557	4,004	1,554	50%
Mei Te Vai ki Te Vai	2,000	0	-2,000	0	0	0	0	0%
Te Mato Vai - Rarotonga Water Upgrade	9,000	0	2,000	11,000	8,750	5,505	3,245	50%
Fund to be Prioritised by Education	360	0	0	360	270	56	214	15%
CT Scanner	1,300	0	110	1,410	1,300	811	489	58%
Aitutaki Capital Funding	16	0	10	26	22	9	13	35%
Atiu Capital Funding	12	0	0	12	9	0	9	0%
Mitiaro Capital Funding	8	0	0	8	8	4	4	49%
Mauke Capital Funding	10	0	0	10	7	0	7	0%
Mangaia Capital Funding	12	0	0	12	9	0	9	0%
Manihiki Capital Funding	10	0	0	10	7	0	7	0%
Penrhyn Capital Funding	12	0	0	12	9	1	8	12%
Palmerston Capital Funding	10	0	30	40	38	22	15	56%
Pukapuka Capital Funding	12	0	0	12	9	0	9	0%
Rakahanga Capital Funding	8	0	0	8	8	6	2	80%

Table 4: Capital Expenditures Cont'd

	Budget Estimates Full Year 2020/21	Carry Forwards from 2019/20	Additional Funding Approval 2020/21	Total Budget & Approval	Budget Estimates YTD March 2021	Actual YTD March 2021	Variance to YTD Budget Estimates	Actual Vs Full Year Budget 2020/21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Fund to be Prioritised by Health for Technical Equipment	300	0	-110	190	300	100	200	53%
Capital Distribution Fund	490	0	-40	450	450	351	99	78%
Atiu Power Upgrade	0	0	66	66	0	4	-4	7%
Renewable Energy Project Management and Support	0	128	-66	62	0	0	0	0%
FM and TV Telecommunications for the Pa Enea	0	200	-50	150	200	111	89	74%
Relocation of Oral Health Services	70	0	0	70	70	69	1	98%
Prison Development Programme	132	0	0	132	132	130	2	99%
Upgrade of Nursery Facilities	49	0	0	49	49	39	10	80%
The Centre of Excellence in Information Technology (CEIT)	0	65	0	65	65	57	8	87%
Emergency Management and Support Infrastructure	3,718	0	0	3,718	2,789	1,667	1,122	45%
Inland and Coastal Waters Asset Management and Improvement Programme	530	0	0	530	530	534	-4	101%
Pa Enea Air Infrastructure Improvement Programme	1,680	0	0	1,680	1,260	203	1,057	12%
Waste Management Infrastructure Improvement Programme - Capital	250	0	0	250	187	0	187	0%
Pa Enea Government Building Projects - Southern Group	750	0	85	835	835	421	414	50%
Rarotonga Airport Refurbishment - Capital	400	0	0	400	400	119	281	30%
CIIC Government Building Project - Capital	1,500	0	365	1,865	1,683	1,344	339	72%
Health ICT Upgrade	650	0	0	650	650	441	209	68%
PCR Laboratory - Capital	900	0	0	900	900	186	714	21%
Water and Sanitation Infrastructure and Improvement Programme	400	0	0	400	300	127	173	32%
Pa Enea Government Building Projects - Northern Group	200	0	185	385	293	199	94	52%
ICI Government Building Project - Capital	850	0	0	850	637	36	601	4%
Vaka Maintenance - Capital Projects	50	0	0	50	50	0	50	0%
COVID-19 Medical Response Fund - Capital Needs	0	99	0	99	99	42	57	43%
	42,419	514	0	42,932	34,438	19,011	15,428	44%

Table 4: Capital Expenditure Commentary

	Full Year Budget	Actual YTD Mar 2021	Actual vs Full year Budget	Commentary
	('000)	('000)	%	<i>Note: Comments are provided on significant expenditure items that report a Full Year Budget of over \$1 million.</i>
Bridges & Structure Improvement	2,810	947	34%	Expenditure incurred for scheduled repair and maintenance to the Sheraton Bridge. Upcoming operational work scheduled for Empire Bridge construction project for the remainder of the financial year. The budget will continue to be monitored against project's schedule milestones.
To Tatou Vai	3,225	0	0%	To date, no expenditure has been incurred against budget. It is estimated about \$2 million expenditure will be committed towards the remainder of the financial year.
Road Asset Management	7,980	4,004	50%	Future works to be undertaken in the coming months such as Mauke road works, culvert works in Muri, and drainage works in Nikao.
Mei Te Vai ki Te Vai	0	0	0%	Mei Te Vai Ki Te Vai (MTVKTV) annual capital budget \$2 million transferred to Te Mato Vai - Rarotonga Water Upgrade Project to cover funding shortfall due to CIG reprioritising priorities as a result of Covid-19. MTVKTV Project will continue with funding received from Aid funding (EU Budget Support).
Te Mato Vai - Rarotonga Water Upgrade	11,000	5,505	50%	Project nearing its final stages before handing over to TTV which is expected to be by July 2021. The project has encountered delays due to Covid-19 on shipping of goods/services. As a result, the project milestones have been pushed out. The project is expected to incur expenditure in the coming months before year end.
CT Scanner	1,410	811	58%	Costs incurred for the purchase and supply of a CT Scanner and supply of a picture archiving computer system (PACS). This investment is to address the ongoing issue of NCD's and an alternative to patient referrals to New Zealand due to the impact of Covid-19 on travel restrictions.
Emergency Management and Support Infrastructure	3,718	1,667	45%	Scheduled works on the Penrhyn cyclone centre currently being undertaken. The project encountered shipping delays for the materials required. The project is expected to incur expenditure in the coming months.
Pa Enea Air Infrastructure Improvement Programme	1,680	203	12%	The budget is intended to improve key air infrastructure across the Pa Enea such as the Manihiki, Penrhyn and Atiu Airports. Manihiki Airport project works are expected to commenced in the coming months, followed by Penrhyn Airport project; currently undergoing negotiation and consultation process with stakeholders.
CIIC Government Building Project - Capital	1,865	1,344	72%	Repair and maintenance costs incurred on a number of Government Buildings to ensure a safe working environment for staff and the general public. Spending is on track against budget.

Important Note: All other Capital Expenditure projects will closely be monitored for the remainder of the financial year.

Table 5: Statement of Borrowings

	Loan start date	Loan End date	Loan Currency	Original Loan Amount	Interest Rate	Dec 2020 Balance ('000)	Principal Payments ('000)	FOREX Adjustment ('000)	Revaluation/Draw Down Adjustments ('000)	March 2021 Balance ('000)	Change Dec Qtr ('000)
Asian Development Bank											
1. First multi project loan - 461	Nov-80	Aug-20	USD	1,000	1.00%	-	-	-	-	-	-
2. First Cook Islands Development Bank project loan - 567	Jul-82	Apr-22	USD	1,500	1.00%	115	(40)	42	-	117	2
3. Second multi project loan - 849	Dec-87	Aug-27	SDR	2,150	1.00%	1,117	(83)	21	-	1,055	(62)
4. Outer Islands Telecommunications project loan - 1031	Oct-90	Aug-30	SDR	2,578	1.00%	3,048	(109)	7	-	2,946	(102)
5. Second Cook Islands Development Bank loan - 1155	Mar-92	Dec-31	SDR	1,085	1.00%	794	0	14	-	808	14
6. TCI Emergency Loan- 1171	Aug-92	Jun-32	SDR	349	1.00%	276	0	5	-	281	5
7. Pearl Loan (1994) - 1309	Dec-94	Aug-34	SDR	272	1.00%	330	(12)	6	-	323	(6)
8. Education Development- 1317	Feb-95	Aug-34	SDR	1,852	1.00%	2,010	(51)	13	-	1,971	(38)
9. Third Cook Islands Development Bank loan- 1380	Jan-96	Sep-35	SDR	1,977	1.00%	1,739	(61)	32	-	1,710	(29)
10. Economic Restructuring loan - 1466	Sep-96	Sep-36	SDR	3,430	1.00%	4,002	(130)	72	-	3,944	(58)
11. Cyclone Rehabilitation Project loan - 1588	Jan-97	Jan-38	SDR	583	1.00%	708	(21)	13	-	699	(8)
12. Waste Management loan - 1832	Dec-01	Jun-33	SDR	1,695	1.50%	1,643	-	28	-	1,671	28
13. Cyclone Emergency Assistance loan- 2174	Jun-05	Jan-45	SDR	1,895	1.00%	3,148	-	54	-	3,202	54
14. (SF) Avatiu Ports Development Loan - 2473	Sep-09	Nov-40	SDR	4,524	1.50%	5,094	-	88	-	5,182	88
15. (OCF) Avatiu Ports Development Project Loan - 2472	Sep-09	Nov-33	NZD	8,697	5.77%	8,426	-	-	-	8,426	-
16. (SF) Economic Recovery Support Program Loan - 2565	Jan-10	Oct-24	NZD	11,053	2.52%	4,019	-	-	-	4,019	-
17. (OCF) Avatiu Ports Development Project Loan- 2739	Dec-11	Nov-35	NZD	5,290	2.64%	4,768	-	-	-	4,768	-
18. (OCR) Economic Recovery Support Program 2 Loan - 2946	Dec-12	Oct-27	NZD	11,053	2.75%	4,229	-	-	-	4,229	-
19. (OCF) Renewable Energy Sector- 3193	Jan-15	Jun-36	NZD	12,980	1.15%	9,963	-	-	3	9,966	3
20. (OCR) Undersea Broadband Cable Loan- 3632	Jul-19	Jun-39	USD	15,000	2.65%	16,290	-	455	886	17,631	1,341
21. Disaster Resilience Program (Phase 2) - 3933	Dec-19	Jun-35	NZD	15,676	1.13%	15,676	-	-	-	15,676	-
22. COVID 19 Active Response - 4010	Jan-21	Jan-30	NZD	30,409	1.13%	30,409	-	-	-	30,409	-
						117,803	(509)	850	890	119,034	1,231
Asian Infrastructure Investment Bank (AIIB)											
23 COVID-19 Active Response & Economic Support - 0461A	Jan-21	Jun-30	USD	19,950	0.25%	0	-	-	28,545	28,545	28,545
						0	0	0	28,545	28,545	28,545
Export -Import Bank of China											
24. Indoor Sports Stadium & Upgrade of Existing Sports Facilities	Aug-08	Aug-28	RMB	74,100	1.80%	7,815	-	(472)	-	7,342	(472)
25. Rarotonga Water Ring Main Upgrade Loan	Dec-12	Dec-32	RMB	118,000	2.00%	21,720	(472)	(354)	-	20,894	(826)
						29,534	(472)	(826)	-	28,236	(1,298)
Total Gross Borrowings						147,338	(981)	24	29,434	175,816	28,478
Less Loan Repayment Fund						16,069	(1,621)	(503)	-	13,945	(2,124)
Net Borrowing by the Crown						131,269	640	527	29,434	161,871	30,602
Less Avatiu Port Development & Avaroa Cable Ltd						34,578	-	543	886	36,007	1,429
Net Borrowing by the General Government						96,690	640	(15)	28,548	125,863	29,173

Crown Gross Debt

The total gross debt by the Crown for March 2021 period was \$175.82 million, an increase of \$28.48 million from the December 2020 quarter. The increase in debt level was mainly due to the new Loan 0461A of \$28.54 million that was fully drawn down in January 2021. The Loan is for Covid-19 Response and Economic Support.

Crown Net Debt

The general government's 'Net Debt' is equivalent to total gross debt, net of the Loan Repayment Funds (LRF) and SOE debts. General Government Net Debt for the Quarter ending 31 March 2021 was \$125.86 million, an increase of \$29.17 million from the December 2020 quarter. This increase was attributable to new loan drawn down during the quarter plus unfavourable USD and RMB exchange rates for the period.

Source: NZ Reserve Bank Website for USD and RMB

Table 5.1 Average Foreign Currencies against New Zealand Dollars	Dec-20	Mar-21	Movements
			from Dec-20
Foreign Currencies			
United States Dollars (USD)	0.7227	0.6989	-0.0238
Chinese Yuan (RMB)	4.7200	4.5898	-0.1302
Special Drawing Rights (SDR)	0.4882	0.4932	0.0050

The above foreign currencies rates were used to calculate fair value balances of existing loans as at 31 March 2021.

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

New Zealand (NZD)	44%
Chinese Yuan (RMB)	16%
US Dollars (USD)	26%
Special Drawing Rights (SDR)	14%

Table 6: Official Development Assistance

Development Partner	Budget Estimates Full Year 2020/21	Actual YTD March 2021
Asian Development Bank	2,239,394	1,845,000
China	82,658	0
European Union	2,593,220	384,861
Forum Fisheries Agency	206,439	0
Global Environment Facility	3,114,088	813,183
Green Climate Fund	3,958,661	410,965
India	680,000	5,156
Japan	3,175,327	1,131,039
New Zealand	53,608,266	33,071,823
Other	100,000	35,955
SPC	1,072,458	87,364
UN Adaptation Fund	1,702,526	1,289,331
UNDP	200,000	138,447
ILO	82,394	35,218
Various	11,714,997	305,666
Total Official Development Assistance	84,530,428	39,554,008
		47%

Cook Islands Core Sector Support (CSS) - Budget Support

The New Zealand CSS Programme includes direct budget support to Ministry of Education, Cook Islands Tourism and the Ministry of Health. New Zealand Ministry of Foreign Affairs and Trade (MFAT) together with the Ministry of Finance and Economic Management of the Cook Islands. Funds of \$7,825,000 for the 2020/21 Fiscal Year are in progress to transfer to Treasury who will manage disbursement to the relevant agencies.

Cook Islands Core Sector Support (CSS) - Technical Assistance

Actual year to date spend is \$536,456.

At the preparation of this report, 9 projects are in implementation; 4 projects are tracking towards implementation, 2 projects have been deferred until 2021/ 22 due to COVID-19 impacting the ability to deliver this work and at the request of the ministry a project has been removed from receiving support from CSS as funds have been secured from a different funding source.

COVID-19 Economic and Medical Response

To date a \$15 million grant received from the New Zealand Government to go towards the Economic Response Plan (ERP), and spending to date in the International Labour Organisation (ILO) budget in collaboration with Ministry of Internal Affairs to aid national development is \$35,218. Support towards the Cook Islands economic and medical response to COVID-19 were received from various development partners, including New Zealand, Australia, People's Republic of China, Japan and a number of United Nation agencies.

Financial assistance through the general budget support have been instrumental in supporting the Cook Islands Economic Response Plan and further support preventative measures by the Ministry of Health to delay COVID-19 arrival to the Cook Islands. These included respiratory medical equipment and portable X-Rays donated by WHO, GeneXpert Test kits sponsored by UNDP, PPE gear donated by United Arab Emirates, WHO, UNICEF, MFAT and other development partners.

Japan Economic and Social Development Programme 2018

Actual Year to date spend is \$793,033.

Using Japan International Cooperation Systems (JICS) procurement processes, all six items have completed the procurement process and the contracts are awarded and signed. Four of the six items have been officially handed over to recipient entities. Entities have been informed to add their respective items to their asset registers.

The last remaining contract was signed in January 2021 with the manufacturing process underway. Details of equipment and signage for the equipments are currently being finalised. Delivery for the rest of the items under this programme is expected around September to October 2021.

Asset Management

Actual Year to date spend is \$1,292,772

The Cook Islands received a \$13 million grant from NZ in December 2018 towards supporting Asset Management. This will contribute towards the maintenance and repair of Te Mato Vai (TMV). The TMV Remediation project commenced in February 2019 and is in the final stages of the project construction phase prior to handover to To Tatou Vai.

Mei Te Vai Ki Te Vai (MTVKTV)

Actual Year to date spend is \$293,438.

The purpose of the Mei Te Vai Ki Te Vai Project is to improve the water quality of the lagoons in Rarotonga and Aitutaki for the benefit of our health, environment and economy. The impact on consultation and design activities have been reassessed in light of the impact of COVID. For detailed information of the Project, please visit:

<https://www.totatouvai.co/mei-te-vai-ki-te-vai>

Green Climate Fund Readiness

Actual Year to date spend is \$410,965.

Readiness 3 is predominantly based on concept note development and capacity building within OPM, MFEM, BCI and the Private Sector. Of the 23 activities programmed under Readiness 3, three activities (13%) have been completed to date. 10 activities (43%) are currently being implemented. The programme is on track to achieve the 50% implementation target set for June 2021.

As of December 2020, two project proposal concept notes have been submitted to Green Climate Fund. The concept note for "Building Resilient and Healthy Cook Islands Communities" was endorsed by the GCF Climate Investment Committee to move to the Project Proposal development stage. A second proposal on "Direct financing for communities and businesses to respond to climate change in the Cook Islands" have been submitted to GCF and is currently undergoing review.

Table 7: State Owned Enterprises (SOEs)

	Budget Estimates YTD March 2021 (000)	Actual YTD March 2021 (000)	Variance to YTD Budget (000)
SOEs Consolidate Group			
Trading Revenue	39,749	39,684	(65)
Personnel Expense	(11,197)	(10,292)	905
Operating Expense	(27,892)	(26,276)	1,615
Depreciation Expense	(6,231)	(6,440)	(209)
Net Activity Surplus / (Deficit)	(5,570)	(3,324)	2,246

The table above consolidates the March 2021 performances of Cook Islands Investment Corporation (CIIC), Airport Authority, Bank of the Cook Islands (BCI), Ports Authority, Te Aponga Uira (TAU), To Tatou Vai Ltd (TTV), Te Mana Uira O Araura (TMU) and Avaroa Cable Ltd. The consolidated group returned a net operating deficit of \$3.32 million, which is \$2.25 million lower than budget estimates for the quarter.

Trading revenues were \$0.07 million lower than budget at a Group level, with this largely attributable to Ports Authority being \$1.89 million lower than budget.

Personnel and Operating Costs were lower than budget with effective cost management practices employed by entities and vacant positions to be filled, however depreciation was more than budget, due to phasing of the depreciation budget for the reporting period which should come within the final quarter.