



COVID-19 Economic Response Plan

SMART Economy Initiative

Performance, as at 22 February 2021

Background

The SMART Economy Initiative (**SMART**) is a key measure under Phase II of the Government's COVID-19 Economic Response Plan. The aim of this \$2 million initiative is to provide a mix of grants and tax credits to support commercially-viable business ventures that will provide new or scaled-up innovative ICT applications and services to businesses and consumers. This will help drive a more productive, complex, and diverse economy that is more dynamic and resilient to changing circumstances and shocks.

Unlike most other Economic Response Plan measures, SMART employs a competitive 2-stage application process. Applications are assessed at each stage by a SMART Panel, with MFEM providing secretariat services. The Panel members comprise:

- Ranulf Scarbrough, Chief Executive, Avaroa Cable Ltd;
- Mii Nimerota – Director, Centre of Excellence in Information Technology, University of the South Pacific; and
- Repeta Puna – Chief Executive Officer, Business Trade and Investment Board.

Applicants have to demonstrate, to the satisfaction of the Panel, innovation, business viability, broader economic benefits for the Cook Islands, as well as providing matching funding. They also have to compete with other applicants for a contested pool of scarce funds.

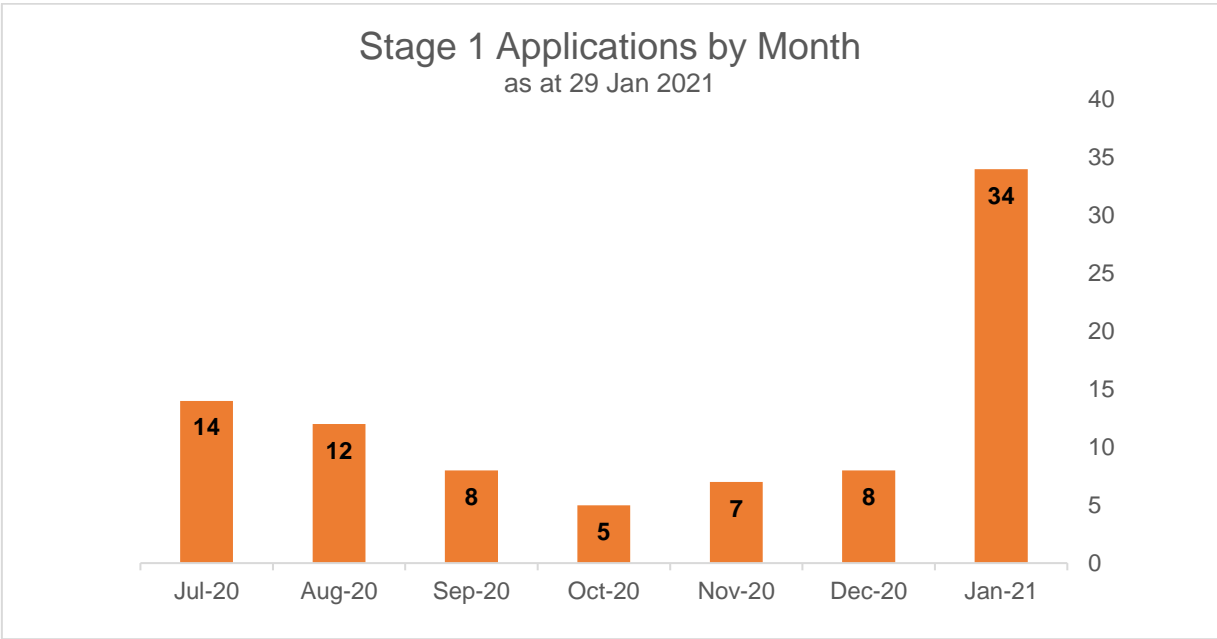
SMART commenced in July 2020, and **Stage 1 applications closed on 29 January 2021** (see media release on the [MFEM Facebook](#)) as the initiative approached full subscription.

Stage 1 applications

Over the period from July 2020 to 29 January 2021, a total of 88 Stage 1 applications were received, with a total grant value request of \$6.8 million. As of 22 February 2021, all Stage 1 applications have been assessed, with 29 (33 per cent) approved to proceed to the Stage 2 process, with a total grant value request of \$2.0 million.

Stage 1 applications	#	Grant request (\$m)
Received	88	\$6.8
Approved to Stage 2	30	\$2.1
Stage 1 approval rate	34%	31%





Stage 1 applications showed a U-shaped distribution, with an initial peak in the first month of the initiative opening, with 16 per cent of total applications received in July 2020, followed by a large spike in the final month, with 39 per cent received.

ERP PHASE II: TRANSFORMATION

Last chance: SMART Initiatives funding applications close this month

The Ministry of Finance and Economic Management (MFEM) advises would-be applicants that both SMART Economy and SMART Agritech funding applications close on Friday 29th January 2021.

The SMART Economy Initiative provides a mix of grants and tax credits to support new commercial business ventures providing innovative ICT applications and services to business and consumers in the Cook Islands and abroad.

SMART Agritech grants provide grant funding to support investment in smart, productivity-enhancing agritech and equipment to improve the commercial viability of agricultural businesses and the economic sustainability of the agricultural sector.

Applications for both SMART initiatives follow a three-step process that helps guide applicants toward a successful outcome and ensure Government funding is invested wisely. MFEM has received 54 applications for SMART Economy funding and 38 for SMART Agritech funding since applications opened in July last year.

Commenting on the SMART Initiatives progress to date, MFEM Financial Secretary Garth Henderson says he is pleased with the response:

"To-date we have approved 23 grant applications, 16 for SMART Economy initiatives and 7 for SMART Agritech, and we have received 6 additional Stage 2 applications for review. So far we've approved **\$1.7 million** of Government support to be invested in a broad range of innovative new business and agritech ventures. This is on top of the corresponding private investment made by applicants as part of their grant funding agreements."

"This significant injection of funding will help transform our economy to become more dynamic, complex and diverse – this will in turn make our country more resilient to changing circumstances and economic shocks."

The \$76 million Covid-19 Economic Response Plan is designed to provide comprehensive financial support for local businesses and to sustain livelihoods in the short term and onwards, propelling the country towards a post-COVID-19 future. The SMART grant initiatives are designed to work alongside other measures to create a more robust and stronger economy.

If you intend to apply for SMART funding you must submit your application by 4pm on Friday 29th January to have your application considered. Please contact MFEM if you have any questions:

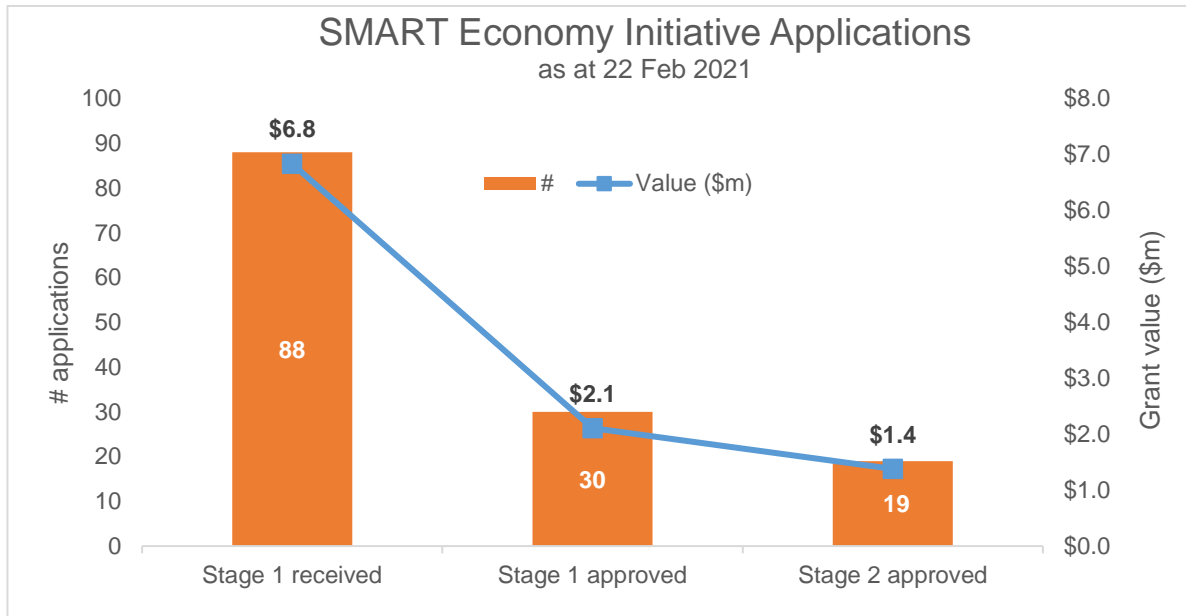
For more information on SMART Economy grants, please contact **Ian Hayes** at mfem.economics@cookislands.gov.ck

For more information on SMART Agritech grants, please contact **Lafala Turepiu** at mfem.economics@cookislands.gov.ck

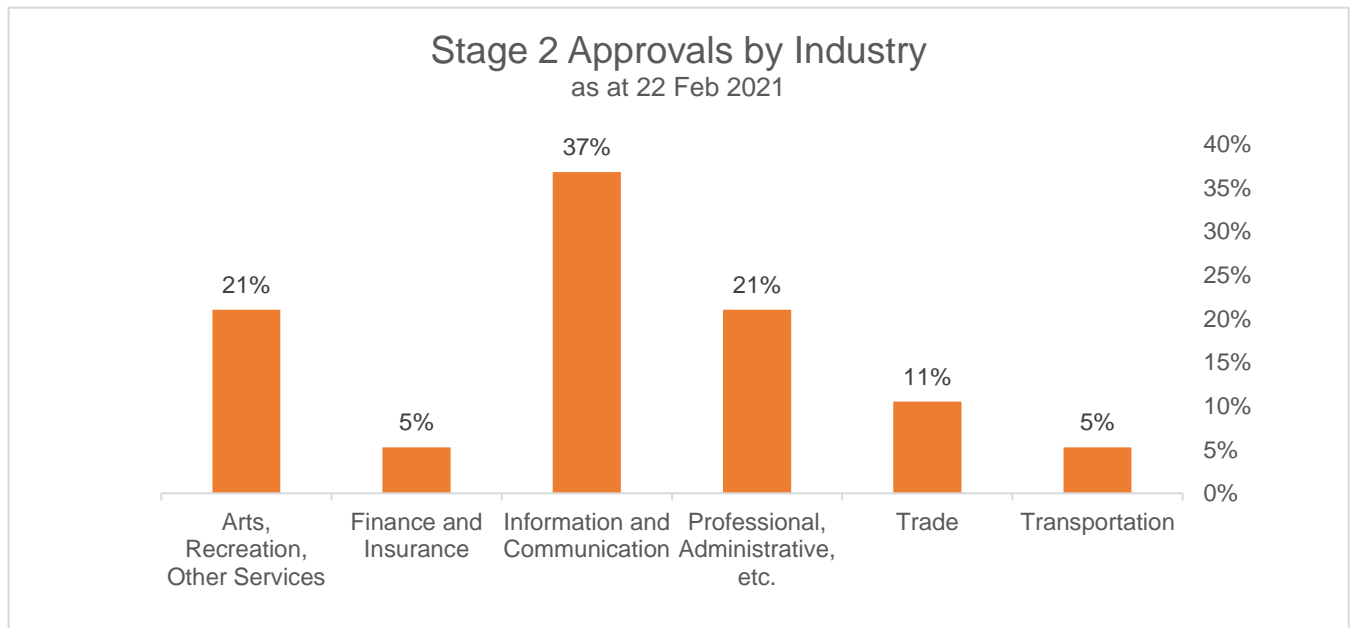
For more information on the SMART funding initiatives, please visit www.mfem.gov.ck/SMART

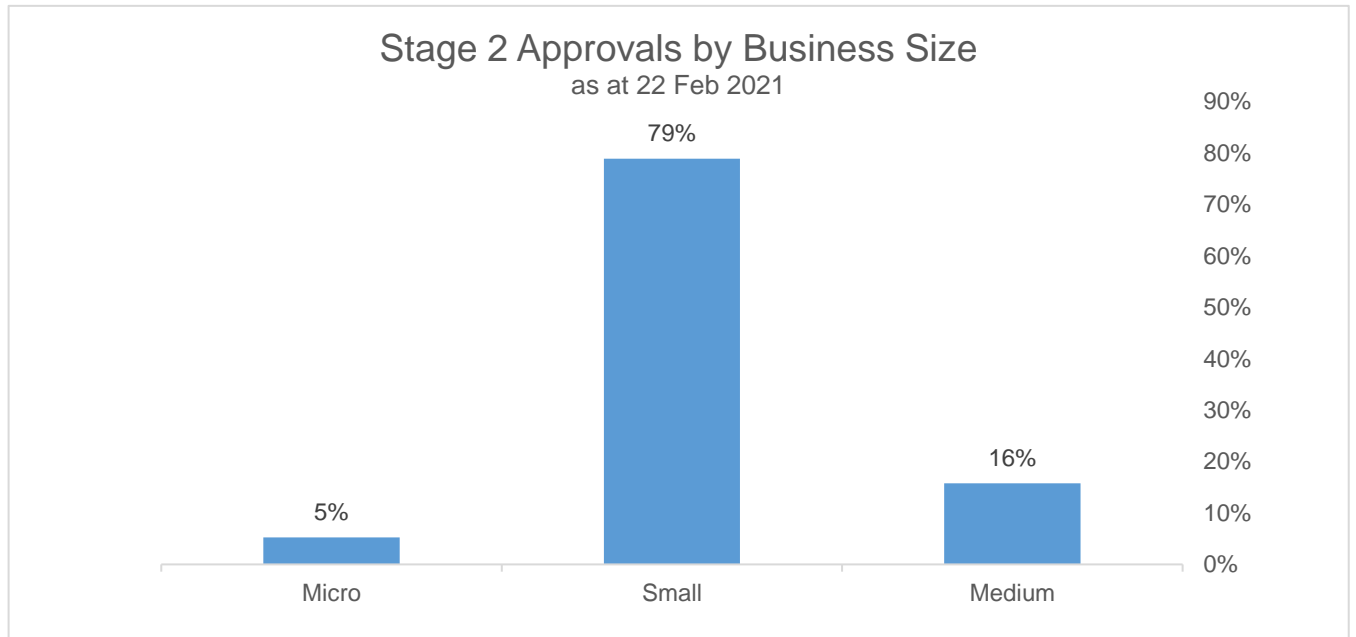
Stage 2 applications

As at 22 February 2021, 24 Stage 2 applications have been received, with 19 approved for SMART grant funding, with a total grant value of \$1.4 million. Individual grants range from \$25,000 to the maximum \$100,000, with an average grant of \$72,599. Own contributions (direct & in-kind) range from \$25,000 to \$200,000, with an average own contribution of about \$96,000.



The highest proportion of the approved Stage 2 applicant businesses are in the Information and Communication industry (37 per cent), followed by Arts, Recreation, Other Services (21 per cent) and Professional, Administrative (21 per cent). Nearly 80 per cent are small businesses (<\$300,000 per annum).





Stage 2 Media Releases

Media releases are progressively published as the successful Stage 2 applicants commence the implementation phase of their SMART ventures. The following releases have been published as at 22 February 2021:

- [Bergman Gallery](#)
- [SCO Rarotonga](#)
- [Akau Film](#)
- [Flowx](#)
- [You Can Do It!](#)
- [Project 5](#)
- [Nesia 88fm](#)
- [Araura TV](#)
- [ICT Nexus](#)
- [Sky Lounge](#)
- [Dive Raro](#)
- [Trustees & Fiduciaries](#)

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