

ERP PHASE II UPDATE

ERP continues to provide essential support and kick-start economic revival

Phase II of Government's Economic Response Plan (ERP Phase II) continues to provide our people and businesses with essential support and to help kick-start our economy's revival through three main areas:

- **Lifeline support:** Supporting the livelihoods of our people and businesses.
- **Recovery:** Kick-starting economic growth.
- **Transformation:** Moving to a smarter, greener economy.

On 11 November, the Prime Minister, the Honourable Mark Brown announced the following updates to ERP Phase II.

Under **Lifeline Support**, the **Wage Subsidy is being extended until the end of February 2021**. This recognises that even if borders open, businesses are likely to need additional support.

The Government will also provide **a further sole trader grant from 1 January of \$2,000** to align with the extension of the wage subsidy and continue to support livelihoods. This extension will now be subject to the business showing a 50 per cent or more decrease in turnover.

The Government has now made the first Interest Hibernation Program payments, totalling \$3.4 million to the banks on behalf of eligible businesses and individuals. Further payments will be made in January for the period October to December, and this will continue until June 2021.

So far 119 Business Continuity Credit Facility (BCCF) loan contracts have been finalised, in partnership with the Bank of the Cook Islands. This provides fast access to cheap loans for businesses to meet their daily cash-flow needs.

While the Unemployment Benefit is a short-term measure, due to the extended border closure Government has **extended the Unemployment Benefit to June 2021**. For the same reasons, the **Emergency Hardship Fund will remain available until June 2021** to continue supporting families facing hardship.

Under **Recovery** Government has invested \$2.8 million in Training Subsidy support, with 47 businesses and 473 employees taking advantage of this program. This initiative provides businesses and their employees the opportunity to upskill and gain a qualification.

To further support the upskilling of our popu-

lation, Government has also been running the Fees Free Initiative, covering the costs of select courses through CITTI and USP, between July and December. We currently have 3,345 people enrolled under Fees Free, ensuring the benefits of the ERP will be felt for many years to come.

Finally, under the **Transformation** scheme MFEM has received 41 SMART Economy Initiative applications. The SMART Economy Initiative provides a total of \$2 million in grants and tax credits to stimulate innovative, commercially viable ICT business ventures that will benefit the Cook Islands economy. So far 10 applications have now been approved and endorsed for Grant Funding Agreements worth a total of \$805,000.

The SMART Agritech Scheme provides a total of \$1 million in grant funding to foster innovation and productivity in our commercial agricultural sector. MFEM has received 29 applications and one Grant Funding Agreement has been signed.

Both the SMART Economy and AgriTech measures have a two-stage application process and will remain open for applications until the available grant funds are exhausted.

