

2025-2026 NATIONAL BUDGET



GOVERNMENT OF TUVALU

PRESENTED BY

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DEPUTY PRIME MINISTER AND MINISTER OF FINANCE AND ECONOMIC
DEVELOPMENT

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Theme: Enabling Progress:

Enhancing Connectivity and Domestic Investments for a Secure Future

Table of Contents

FOREWORD

Part 1: FISCAL STRATEGY AND ECONOMIC OUTLOOK

1.0 BUDGET OVERVIEW	v
1.1 BUDGET AGGREGATE	8
1.2 ECONOMIC OUTLOOK	9
1.2.1 Global Economic Outlook	9
1.2.2 Domestic Economic Overview	9
1.2.3 Gross Domestic Product	11
1.2.4 Exchange Rate	12
1.2.5 Inflation	12
1.4 FISCAL RESPONSIBILITY RATIOS	14
1.4.1 Fiscal Anchors	14
1.4.2 Operational Anchors	15
1.5 FISCAL PRIORITIES	16
1.5.1 STATEMENT OF PRIORITIES	16
1.5.2 CABINET DECISIONS	16
1.5.3 CORPORATE PLANNING	16
1.6 FINANCIAL ASSETS	17
1.6.1 Tuvalu Trust Fund (TTF)	18
1.6.2 Falekaupule Trust Fund	19
1.7 LIQUIDITY RISK AND CASH BUFFER	20
1.7.1 Tuvalu Survival Fund	21
1.8 FISCAL RISKS and FISCAL RISKS MANAGEMENT	21
1.9 DEVELOPMENT PARTNERS	22
1.9.1 Tuvalu Development Fund	23
1.9.2 Long Term Coastal Adaptation	23
1.9.3 Digital Connectivity	23
1.9.4 Renewable Energy	24
1.9.5 Maritime Connectivity	24
1.9.6 Sector Supports	25

Part 2: APPROPRIATION AND PRIORITIES

2.1 APPROPRIATION ESTIMATES	26
2.1.1 Comparative Graphs 2023-2025/2026	26
2.1.2 Comparative Expenditure Estimates by Heads	27
2.1.3 Comparative Expenditure Estimates to Total Expenditures	27

2.1.4 Comparative Expenditure Estimates by Natural Accounts	28
2.1.5 Comparative Revenue Estimates by Head	30
2.1.6 Comparative Revenue Estimates to Total Revenue	30
Part 3: ALIGNING THE BUDGET TO NATIONAL DEVELOPMENT PRIORITIES	31
3.1 ALIGNING THE BUDGET TO NATIONAL DEVELOPMENT PRIORITIES	31
3.2 2025-2026 BUDGET POLICY SETTINGS	32
3.3 MEDIUM TERM FISCAL FRAMEWORK 2025/2026 - 2027/2028	34
3.4 REVENUE	34
3.4.1 Taxation	34
3.4.2 Interest, Dividends and Rent	35
3.4.3 Fishing Licences	35
3.4.4 Commercial Contracts	36
3.4.5 Other Income	36
3.4.6 General Budget Support	36
3.5 EXPENDITURE	37
3.6 CASH FLOW PLANNING	42
Part 4: EXPENDITURE BY HEAD AND BY DEPARTMENT	44
4.1 EXPENDITURE MEASURES BY HEAD	44
4.1.1 Head A: Office of the Governor General	44
4.1.2 Head B: Office of the Prime Minister	44
4.1.3 Head C: Legal Affairs	46
4.1.4 Head D: Office of the Parliament	47
4.1.5 Head E: Office of the Auditor General	48
4.1.6 Head F: Ministry of Finance and Economic Development	49
4.1.7 Head G: Ministry of Public Works and Infrastructure Development and Water	50
4.1.8 Head H: Ministry of Health and Social Welfare	52
4.1.9 Head I: Ministry of Natural Resources Development	53
4.1.10 Head J: Ministry of Home Affairs, Climate Change and Environment	55
4.1.11 Head K: Tuvalu Police Services	56
4.1.12 Head L: Ministry of Transport, Energy, Communication and Innovation	58
4.1.13 Head M: Ministry of Education and Human Resources Development	59
4.1.14 Head N: Office of the Judiciary	61
4.1.15 Head O: Ministry of Foreign Affairs, Labour and Trade	62
Part 5: EXPENDITURE BY HEAD AND BY DEPARTMENT	64
5.1 DETAILED EXPENDITURE BY HEAD	64
5.1.1 Head A: Office of the Governor General	64
5.1.2 Head B: Office of the Prime Minister	65
5.1.3 Head C: Office of the Legal Services	67
5.1.4 Head D: Office of the Parliament	68
5.1.5 Head E: Office of the Auditor General	69
5.1.6 Head F: Ministry of Finance, Economic and Development	70
5.1.7 Head G: Ministry of Public Works and Infrastructure Development	72
5.1.8 Head H: Ministry of Health and Social Welfare	73
5.1.9 Head I: Ministry of Natural Resources Development	75

5.1.10 Head J: Ministry of Home Affairs, Climate Change and Environment	76
5.1.11 Head K: Tuvalu Police Services	78
5.1.12 Head L: Ministry of Transport, Energy, Communication and Innovation	79
5.1.13 Head M: Ministry of Education and Human Resources Development	81
5.1.14 Head N: Office of the Judiciary	83
5.1.15 Head O: Ministry of Foreign Affairs, Labour and Trade	84
5.2 CARRY-FORWARD ESTIMATES	86
5.2.1 Infrastructure Special Fund	86
5.2.2 Contractual Obligation Special Fund	87
Part 6: PUBLIC DEBT AND PUBLIC GUARANTEED DEBT	88
6.1 CENTRAL GOVERNMENT DEBT	88
6.1.1 Creditor, Interest Rate and Maturity Composition	88
6.1.2 Currency Composition	89
6.1.3 Maturity Structure	89
6.1.4 Debt Service Schedule	89
6.2 Publicly Guaranteed Debt	90
6.2.1 Explicit Guarantees	90
6.3 Total Public Debt	91
6.4 Prudent Fiscal Management with no non-concessional borrowing in the medium-term	91
Part 7 : SCHEDULES	93
Schedule 1: List of Capital Expenditures	93
Schedule 2: List of One-Off Expenditure	93
Schedule 3: Pipeline Projects for FY2025-2026	94
Schedule 4: Grant, Subsidy and Donations	95

21 Priorities Summary Progress Status

The March 2025 progress update on the twenty-one government priorities highlighted the critical need for stronger collaboration and development cooperation. While commitment within ministries is crucial for achieving these priorities, the update also emphasized that clear governance, effective systems, and coordinated efforts are equally important.



The outcome of the progress update reveals significant milestones achievement across climate change resilience, infrastructure, governance, economic and social development, digital and maritime connectivity. Significant progress in climate action includes the completion of a Hazard Assessment Report, the Third National Communication & Biennial Transparency Report, and the Country Program to the Green Climate Fund, alongside the formulation of the National Adaptation Plan (NAP) and the completion of coastal protection works on Funafuti, Nanumaga, and Nanumea under the TCAP. Further advancements in understanding climate risks are marked by the production of a three-dimensional coastal inundation model for these atolls, and the launch of an AI weather forecasting system to enhance early warning.



In the transport sector, the implementation of a new Shipping Operations Policy has increasingly improved efficiency, reducing diversions by 90 percent, cutting fuel



costs, and enhancing service reliability and passenger experiences. Key achievements also include obtaining an interim Safety Management Certificate for the MV Manusina, completing a pavement for the entire wharf area to boost safety, and procuring new stevedoring equipment for better cargo handling. Aviation safety and connectivity have seen major achievements with the completion of airfield resurfacing funded by the World Bank, installation of new navigational aids, and a fully operational automated weather observation system.



Governance reforms are progressing with the completion of a preliminary assessment of Tuvalu's electoral laws and practices, leading to the government's approval of an electoral reform strategy. Economically, a consultant has been recruited to conduct a national cost of living review, assessing taxation, price control, shipping freights, and fuel costs. Significantly, the banking system has also seen modernization with the introduction of Tuvalu's first ATM's and Point of Sales machines, greatly enhancing financial access and convenience for the public.



Finally, significant improvements in reliable internet connectivity have been achieved. Tuvalu Telecom Corporation has substantially reduced data plan costs, including a 73 percent drop in 4G data, and a 36 percent reduction in Kacific internet rates. The landing of the VAKA cable, set for service this June/July, will greatly improve internet connectivity. The issuance of Starlink licenses promises data

plans up to 65 percent cheaper than in Australia and New Zealand. To ensure continuous service, a Starlink Community Gateway has been procured under a World Bank ICT project, providing redundancy with the VAKA cable, alongside the roll out of Fibre to the Premises (FTTP) in Funafuti, expanding access to high-speed internet.



FOREWORD

In accordance with Section 169 of the Constitution of Tuvalu, I present the National Budget for the fiscal year 2025-2026 with deep humility and a steadfast commitment to the prosperity of our nation. More than just a financial document, this budget represents our shared aspirations, serves as a strategic roadmap for sustainable development, and affirms our resilience in the face of changing global and regional dynamics.

The theme of the 2025-2026 National Budget is **“Enabling Progress: Enhancing Connectivity and Domestic Investments for a Secure Future.”** This framework lays out a strategic blueprint for Tuvalu's advancement, emphasizing the necessity of strengthening our foundational capabilities. We prioritize the enhancement of critical digital, maritime, and air connectivity, recognizing that robust infrastructure is essential for fostering integration among our islands and with the global economy. This connectivity will unlock new opportunities for commerce, education, and social cohesion.

Additionally, this budget reflects our commitment to cultivating national capabilities through strategic investments that stimulate a vibrant local private sector, empower entrepreneurship, and direct public funds toward vital national assets and essential services. This dual-pronged approach aims to build comprehensive national resilience, encompassing economic stability, social well-being, and environmental sustainability, ultimately safeguarding our sovereignty and ensuring a prosperous future for all Tuvaluans.

This budget is the result of extensive consultation and collaboration, reflecting the voices and needs of our communities across all islands. It embodies the spirit of community and collective strength, guiding our decisions with wisdom and foresight. We extend our heartfelt gratitude to our development partners; their continued support is invaluable in helping us achieve our national goals.

As we embark on this fiscal journey, let us do so with renewed determination and unity. The 2025-2026 National Budget establishes a solid foundation for a resilient, prosperous, and sovereign Tuvalu. Together, we will navigate the path ahead and build a brighter future for generations to come.



Hon. Panapasi Nelesone

Deputy Prime Minister and Minister of Finance and Economic Development

Part 1: FISCAL STRATEGY AND ECONOMIC OUTLOOK

1.0 BUDGET OVERVIEW

The 2025-2026 budget demonstrates the Government's commitment to driving investments in climate resilience, fostering economic stability, upgrading infrastructure, improving public service delivery efficiency, and providing essential support services. Additionally, it reflects a dedication to advancing inclusive government policies and strengthening engagement with development partners.

1.1 BUDGET AGGREGATE

The preparation of the 2025-2026 budget is aligned with the Government's commitment to responsible financial management and economic stability. By outlining priorities that reflect the aspirations of TE KETE and its 21 priorities, the budget emphasizes delivering effective public services and making investments that lead to meaningful outcomes for the people of Tuvalu.

Table 1: Budget Aggregates

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Total Revenue	96,900,140	103,412,830	114,115,210	115,161,060	116,805,320
Total Expenditure	102,737,460	87,814,590	114,115,210	116,418,270	118,756,880
Fiscal Balance	- 5,837,320	15,598,240	- -	1,257,210 -	1,951,560
Consolidated Investment Fund (CIF)	39,250,670	36,448,550	37,070,470	37,886,030	38,681,630
Amount above/below MTSB	2,729,650 -	3,211,460 -	2,959,400 -	3,024,500 -	3,088,020
Minimum Target Saving Bal (MTSB)	36,521,020	39,660,010	40,029,870	40,910,530	41,769,650
TTF Maintained Value	228,256,330	247,875,080	250,186,690	255,690,800	261,060,300

The 2025-2026 National Budget is a balanced budget, aligning the total projected revenue with total budget expenditure to enhance reserve levels for long-term sustainability.

Total projected revenue for 2025-2026 budget is **\$114.1** million from both domestic revenues and budget support and it represents a slight increase of \$10.7 million (10%) from the 2024-2025 estimated actual, largely due to improved fisheries revenues and investment return. Revenue from commercial contracts is expected to increase by \$2.2 million.

The total budget expenditure for the fiscal year 2025-2026 is **\$114.1 million**, representing a \$26.3 million (30%) increase from the estimated actual for 2024-2025. This notable change is primarily due to non-recurring expenditures or one-off programs associated with significant upcoming events, including TILA, the PNA Meeting, the Cultural Festival, Sei Tuvalu, and TE KETE Mid Term Review. Increased allocations for key recurrent programs such as the medical scheme and scholarships also contribute to the overall rise in expenditure. Furthermore, there is a significant increase in funding for infrastructure investment, with the aim of supporting development in the outer islands and critical infrastructure on Funafuti.

1.2 ECONOMIC OUTLOOK mtff

The Ministry of Finance and Economic Development (MFED), in collaboration with the Central Statistics Division (CSD), the Department of Planning, and the Pacific Financial Technical Assistance Centre (PFTAC), has prepared this Economic Outlook based on the most current macroeconomic parameters. The outlook integrates recent IMF projections, regional developments, and Government priorities. The Tuvaluan economy continues to recover strongly from pandemic related disruptions, though it remains vulnerable to climate shocks, global uncertainty, and structural constraints.

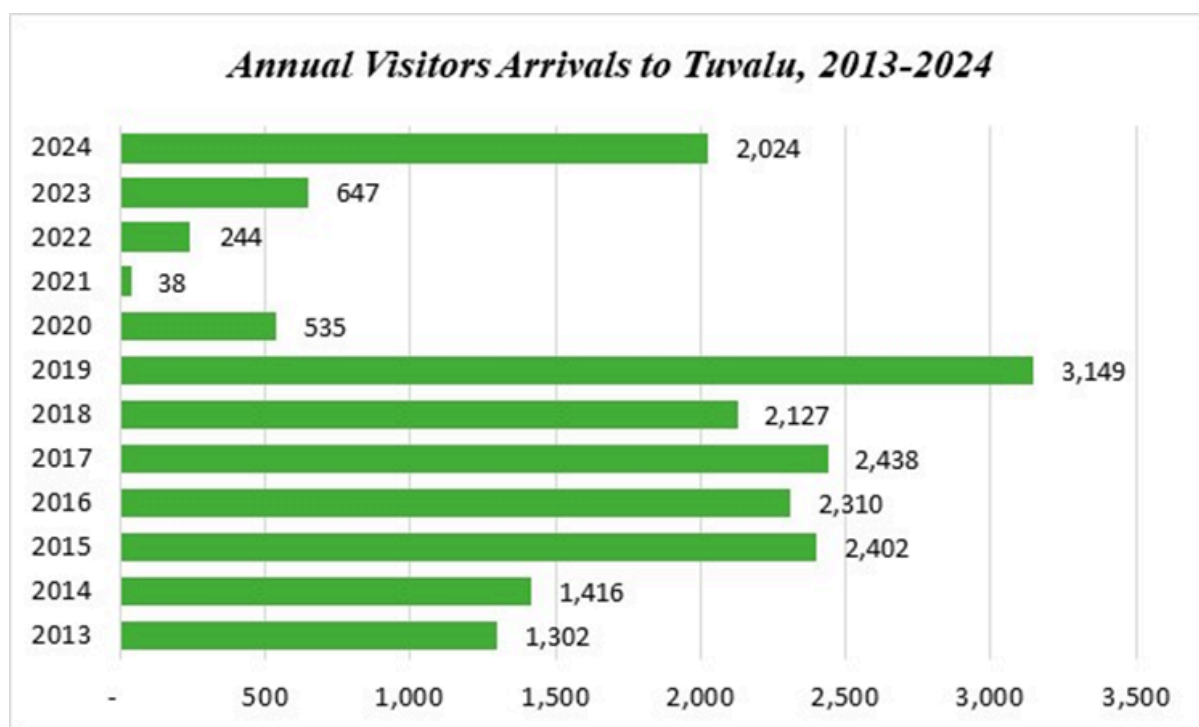
1.2.1 Global Economic Outlook

The global economy continues to navigate a complex landscape shaped by successive shocks, including the COVID-19 pandemic, heightened trade tensions, tighter financial conditions, and increasing policy uncertainty. According to the International Monetary Fund (IMF), global growth is projected to slow to 2.8% in 2025, down from 3.3% in 2024, before modestly rebounding to 3.0% in 2026. This forecast reflects the cumulative impact of heightened trade barriers, particularly following the United States' implementation of near-universal tariffs in April, 2025, and subsequent retaliatory measures by trading partners. These developments have introduced significant policy uncertainty, dampening investment and trade flows globally.

1.2.2 Domestic Economic Overview

Tuvalu's domestic economy continues to recover, supported by strong momentum in infrastructure investment, a rebound in tourism, and increasing participation in regional labour mobility programs. While challenges remain, the country is progressing steadily toward long-term resilience and inclusive growth.

The Government of Tuvalu has positioned infrastructure development as a central pillar of its economic strategy. The Tuvalu Vaka subsea cable, together with the introduction of Starlink community gateways, is expected to transform digital connectivity and expand access to essential services. The MV Manu Sina ferry will enhance inter-island transport, while the ongoing rehabilitation of the Funafuti Airport runway will improve air travel safety and reliability. The second phase of the Tuvalu Coastal Adaptation Project aims to protect vulnerable shorelines and reclaim land on Fogafale, supporting long term climate resilience. Simultaneously, ongoing boat harbour developments across Nanumaga, Niutao, and other islands are enhancing maritime access and emergency response capacity. The recent commissioning of a large solar energy facility in Funafuti, alongside distribution and storage upgrades on outer islands, demonstrates strong national progress toward achieving 100% renewable energy by 2030. Together, these infrastructure investments not only address urgent service needs but also lay the foundation for economic diversification, connectivity, and sustainable national development.



Source: Tuvalu Central Statistics Division, MFED

Tourism has shown significant signs of recovery, after a dramatic decline due to the COVID-19 pandemic. As illustrated in the above chart, international visitor arrivals fall from a peak of 3,149 in 2019 to just 38 in 2021. However, by 2024, arrivals rebounded to 2,024 demonstrating Tuvalu's resilience in reopening travel and stimulating economic activity.

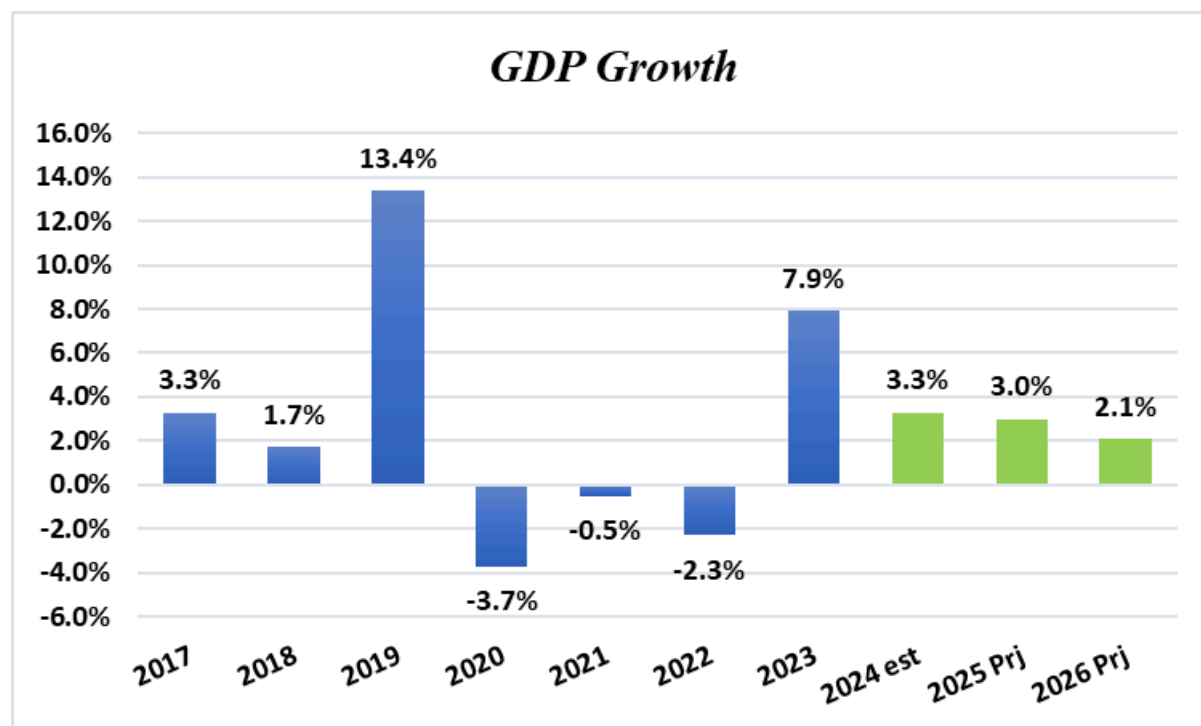
Labour mobility schemes between Tuvalu, Australia, and New Zealand have expanded significantly in recent years. Between 2023 and 2024, over 480 Tuvaluans participated in these regional employment programmes, contributing to increased remittance inflows and providing vital support to household incomes. According to the National Bank of Tuvalu (MoneyGram), remittances from New Zealand and Australia rose to 7% of GDP between 2021 and 2023, largely driven by participation in labour mobility schemes. These programmes have become a key source of income for Tuvaluan families and continue to play an important role in strengthening economic resilience. The Government remains committed to broadening access to labour mobility opportunities and enhancing secure, efficient, and affordable remittance channels.

Recent labour market data is encouraging. The 2022 Census showed the national unemployment rate falling to 6.3 percent, down from 28.5 percent in 2017, with rising employment in public services and infrastructure. While labour force participation decreased slightly from 49.3 to 43.0 percent, the employment-to-population ratio increased from 35.2 to 40.3 percent, signaling improved absorption in productive sectors.

Looking ahead, economic growth is forecast to moderate from an estimated 3.3 percent in 2024 to 3 percent in 2025, reflecting stabilisation after a post-pandemic rebound and an increase in public spending. However, vulnerabilities persist, including exposure to natural disasters, climate change, fish stock migration, and external price shocks. Despite these downside risks, including external revenue volatility, fiscal pressures, and climate shocks, the

Government remains strongly committed to inclusive development and long-term resilience. Structural reforms targeting public finance management, digital connectivity, and economic diversification are being prioritised to support sustainable growth across all islands.

1.2.3 Gross Domestic Product



Source: Tuvalu Central Statistics Division and IMF Article 4

Following a 7.9 percent GDP growth in 2023, Tuvalu's economy is estimated to grow by 3.3 percent in 2024, reflecting ongoing recovery efforts following the pandemic. The moderation in growth is partly due to a decline in fishing revenue, driven by climate-related disruptions of shipping schedules. However, this growth is supported by the resumption of key infrastructure projects and a rise in trade-related activities. The economic recovery is expected to continue, but growth is projected to moderate gradually over the medium term. In 2025, GDP growth is expected to further moderate to 3 percent as the post-pandemic recovery stabilizes. This slowdown is partly driven by the implementation of the new phase of Tuvalu Coastal Adaptation Project and an increase in public spending. While externally financed projects will continue to support economic activity, the moderation also reflects ongoing shipping delays, which are increasingly affected by the impacts of climate change.

Looking ahead to 2026, the International Monetary Fund projects GDP growth to ease further to 2.1 percent, signaling a transition toward more modest and sustainable growth levels. This trend reflects underlying structural challenges, including sluggish productivity, rising emigration, and growing exposure to climate-related risks.

Despite the recovery, Tuvalu's economy is small and heavily reliant on a few sectors, including fishing, remittances, and government service. The GDP growth rate can fluctuate significantly due to its high vulnerability to external shocks, such as climate change and

global economic conditions. These vulnerabilities underscore the importance of continued efforts to enhance economic resilience, diversify income sources, and ensure long-term fiscal sustainability.

1.2.4 Exchange Rate

An analysis of the exchange rate movements published by the Reserve Bank of Australia in recent years reveals significant fluctuations, which may have considerable implications for fiscal management.

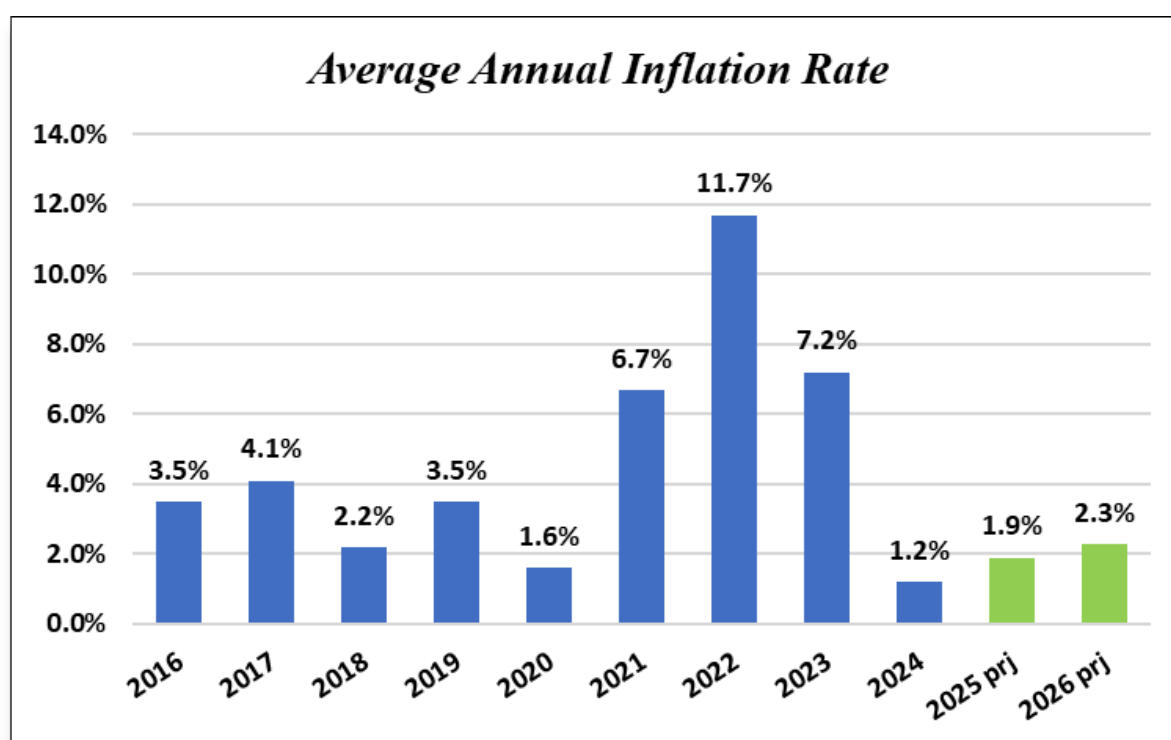


Over the course of 2022, the AUD weakened, reaching a low of around 0.64 USD by December. This downward trend continued throughout 2023 and into early 2024, reflecting broader market conditions and global economic uncertainty. By December 2024, the rate had dropped to approximately 0.62 USD, before showing a slight recovery to about 0.64 USD by April 2025. These fluctuations are important for Tuvalu as many of its transactions and financial assessments involve AUD and USD. Changes in exchange rates can affect the real value of aid, investments, and imports. To mitigate the exchange rate fluctuations, a conservative approach has been adopted for revenue projection purposes in the Medium Term Fiscal Framework for FY2025-2026 as well as subsequent years 2027 and 2028.

1.2.5 Inflation

Inflation is gauged using the Consumer Price Index (CPI), which monitors the fluctuation in the prices of a basket of goods and services commonly consumed by households. Published quarterly by the Tuvalu Central Statistics Division (CSD), the CPI serves as the primary indicator for headline inflation.

In 2023, Tuvalu experienced an average annual inflation rate of 7.2%, which then declined to 1.2% in 2024. The reduction in inflation was primarily driven by broad based decreases across multiple expenditure categories, including a 0.5% decline in miscellaneous group influenced by cleaning materials and telecommunications, a significant 9.8% drop in the food group mainly influenced by the cereals, cooking oil and fats, and the meat indices alongside ongoing shipping bottlenecks. These price declines across essential goods and services contributed significantly to easing inflationary pressures in 2024. Inflation in 2025 is projected at 1.9%, representing a slight increase but still remaining below 2%. This uptick is attributed to factors such as climate change and migration. Extreme climate events and the broader impacts of climate change pose significant risks to Tuvalu's economic outlook, potentially disrupting supply chains and increasing costs, which may in turn contribute to higher inflation. Additionally, an acceleration in outward migration could result in labor shortages, leading to upward pressure on wages and prices.



Looking ahead to 2026, Inflation is projected to rise moderately. This upward movement is driven by a combination of global and domestic factors such as trade tensions and rising global commodity prices as well as domestic challenges including climate change-related disruptions and growing public expenditure; it also presents opportunities for positive change that can benefit the wider community. A moderate level of inflation can be a sign of a growing and adapting economy. As prices rise gradually, the government can collect higher nominal revenues, which will help to create more fiscal space that will contribute to better living conditions and long-term national resilience. Although the cost of living may increase, particularly affecting low-income households, targeted government support and subsidies can help cushion these effects. If inflation remains within a manageable range, it allows for smarter fiscal planning and supports a more dynamic domestic economy. Moderate inflation, if well guided, can be harnessed as a tool for sustainable growth and public benefit.

1.3 MEDIUM TERM FISCAL STRATEGY

The medium-term fiscal strategy is formulated against the backdrop of economic headwinds resulted from inflation spill overs from higher energy and food prices regionally, ongoing geopolitical conflicts, and reliance on foreign originated revenues – including fishing licences, dotTV asset revenues, TTF dividends disbursements, and budgetary support from development partners. The underlying objective of the fiscal strategy is to:

Objectives of the Fiscal Strategy:

- Enhance fiscal planning within government departments to improve fiscal deficits
- Support medium-term fiscal sustainability through responsible fiscal and economic management.
- Building fiscal buffers to mitigate pressures on borrowing for improved debt sustainability.

Strategies to Achieve these Objectives:

- Prudent management of fiscal reserves: Safeguard economic stability by managing reserves carefully and preparing for unforeseen global and natural shocks.
- Prioritise initiatives that align with available resources, emphasising fiscal consolidation.
- Enhance monitoring and transparency: Strengthen frameworks for tracking fiscal performance and ensuring accountability.

Key Focus Areas:

- Increase investments in major infrastructures both in the capital and outer islands.
- Community resilience and social programs: Support health, education and community resilience initiatives to improve living conditions.
- Revenue diversification: Explore new revenue - generating initiatives to offset potential declines in revenue forecasting.

1.4 FISCAL RESPONSIBILITY RATIOS

To ensure the sustainability of government expenditure guided by the Medium-Term Fiscal Strategy, the government uses financial ratios to monitor fiscal performance, assess fiscal risks, and guide policy decisions aimed at maintaining prudent levels of spending, borrowing, and debt. The main types of ratios used are fiscal and operational anchors measure debt sustainability and the Government's fiscal capability to address national priorities. These measures aim for more effective management of the government's limited resources.

1.4.1 Fiscal Anchors

Fiscal anchors are quantitative policy tools that set limits on key fiscal variables to support long-term sustainability, manage fiscal risks, and maintain economic stability.

In Tuvalu, two fiscal anchors guide debt and reserve management:

- Limit public debt to below 30% of nominal GDP

- Maintain the CIF balance above 16% of the maintained value of the TTF

These benchmarks help ensure prudent fiscal management and resilience against economic shocks.

1.4.2 Operational Anchors

Operational anchors are short- to medium-term fiscal indicators that help maintain budget discipline and protect fiscal space by setting sustainable limits on spending and revenue components. Tuvalu uses the following operational anchors to guide annual budget planning and execution:

- **Fiscal balance:** Deficit not to exceed 10% of GDP
- **Wages and salaries:** Not to exceed 40% of domestic revenue
- **Capital expenditure:** To remain above 30% of GDP
- **TOMRS:** Not to exceed 6% of domestic revenue
- **Scholarships:** Not to exceed 5% of domestic revenue
- **Taxation:** To contribute at least 20% to GDP

These thresholds support efficient and targeted use of public funds within available resources.

Table 2: Fiscal and Operational Indicators

Expenditure	Target	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024/2025 Actual (Est)	2025/2026 Budget	2026/2027 Proj	2027/2028 Proj
Scholarship to Domestic Revenue	<5%	7%	8%	9%	9%	10%	9%	10%	10%	10%
Staffing to Domestic Revenue	<40%	35%	34%	39%	45%	51%	50%	44%	44%	44%
TOMRS to Domestic Revenue	<6%	8%	9%	10%	14%	24%	22%	15%	15%	15%
Revenue										
Tax Revenue to GDP	>20%	15%	15%	13%	14%	13%	13%	13%	13%	12%
Fishing License to GDP	50%	49%	58%	47%	41%	31%	30%	41%	41%	40%
Domestic Revenue to GDP		88%	97%	83%	70%	60%	58%	76%	75%	95%
Additional Fiscal Ratio										
Capital Expenditure to GDP	>30%	41%	42%	20%	5%	6%	3%	11%	11%	11%
Operating Expenditure to GDP	<60%	71%	79%	90%	90%	100%	81%	98%	97%	32%
Fiscal Balance to GDP	+/-10%	5%	9%	0%	-13%	-6%	15%	0%	-1%	-2%

Major recurrent expenditures—namely scholarships, public sector wages, and the Tuvalu Overseas Medical Referral Scheme (TOMRS)—have consistently exceeded their policy thresholds. In 2023, staffing costs reached 51% of domestic revenue (against a <40% target), while TOMRS expenditure, which peaked at 24% in 2022, remains elevated and is projected to stay at 15% through 2027/28—more than double its intended ceiling. These pressures place considerable strain on an already limited domestic resource base.

Revenue performance remains weak. Tax revenue has remained well below the 20% of GDP target, averaging 13–15%, highlighting persistent structural challenges in revenue mobilization. Although fishing license revenues have historically met the 50% target, a sharp decline to 30% in 2023 and 2024/25 has increased fiscal vulnerability due to the volatility of this income source. Meanwhile, capital expenditure has fallen significantly, reaching just 3% of GDP in 2024/25. While a partial recovery is projected, sustained underinvestment may undermine national development, particularly in climate-resilient infrastructure.

Operating expenditure has remained high—consistently above 90% of GDP—while the fiscal balance has shown volatility, shifting from a surplus of 9% in 2021 to a deficit of 13% in 2022. A temporary surplus is anticipated in 2024/25; however, deficits are projected to return in the medium term. These trends reinforce the need for comprehensive fiscal reforms focused on enhancing domestic revenue, controlling recurrent expenditure, and aligning public spending with national development priorities. Continued commitment to prudent fiscal management, alongside support from development partners, will be essential to ensuring long-term fiscal sustainability and resilience

1.5 FISCAL PRIORITIES

To strengthen the efficiency and effectiveness of development outcomes and public service delivery, the Government of Tuvalu has established a set of guiding fiscal priorities to be implemented over the medium term. These priorities are aimed at driving institutional reforms and strategic initiatives that link medium-term development outcomes with annual outputs, as reflected in each line ministry's Annual Work Plan (AWP).

The process of consolidating and sequencing these priorities poses inherent challenges. As such, the active engagement of line ministries is essential to ensure coordinated planning. Ministries are expected to map outputs and detailed activities to fiscal priorities in a manner that enhances coherence and operational alignment.

1.5.1 STATEMENT OF PRIORITIES

The Government anchors milestone progress and achievement on twenty-one strategic priorities. These priorities are geared towards improving the delivery of essential public services and enhancing the country's resilience to climate change and external shocks. Each priority is systematically translated into sector-specific activities under the direct mandate of the respective line ministries, ensuring a whole-of-government approach to implementation.

1.5.2 CABINET DECISIONS

As the principal decision-making body of government, the Cabinet has set strategic priorities to ensure national resilience, particularly in addressing climate change, improving critical infrastructure, and strengthening partnerships with development partners. Cabinet decisions are reflected in the annual financial plan, which aligns with national priorities and guides sector-level programming. All proposed activities, programs, and projects are required to be financially and economically viable, with mechanisms to respond effectively to emerging shocks and global disruptions.

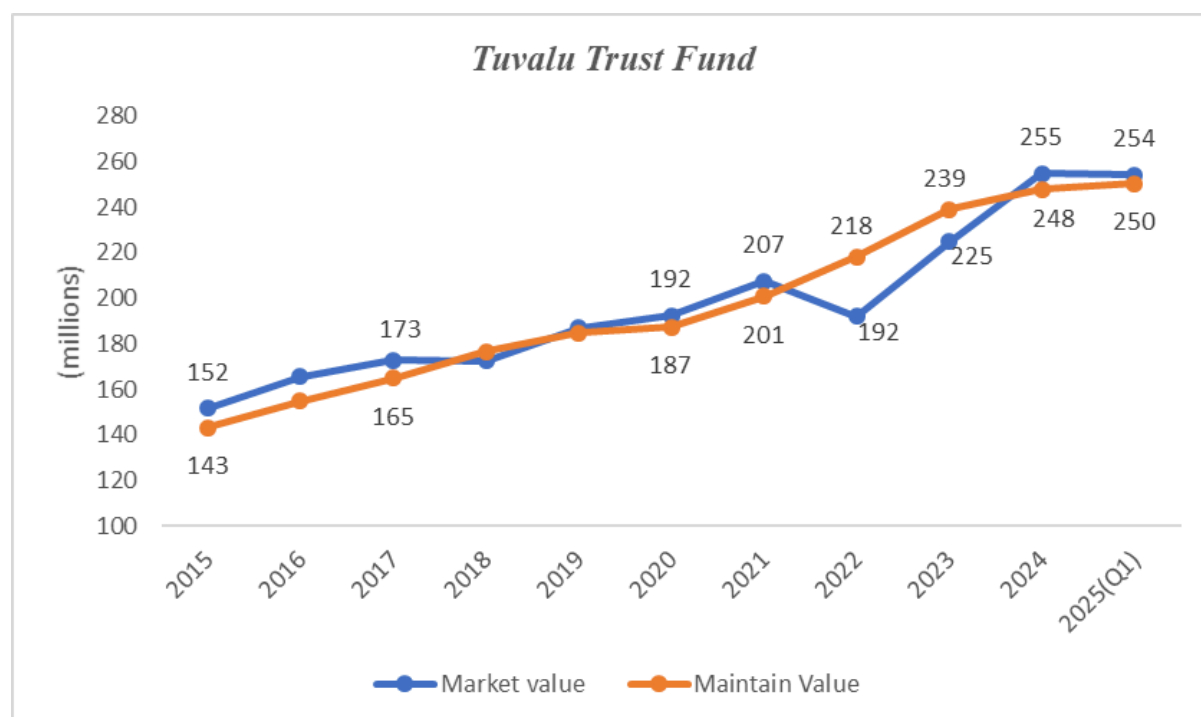
1.5.3 CORPORATE PLANNING

Corporate plans are developed in alignment with the overarching strategic framework of Te Kete. These plans articulate detailed actions that translate national priorities into ministry-level outputs and operational activities. In support of the Government's renewed vision for transformative development, all ministries are now mandated to formulate updated corporate plans consistent with the Statement of Priorities. These plans must be accompanied

by Annual Work Plans that clearly outline priority programs and initiatives, ensuring effective service delivery within established fiscal parameters.

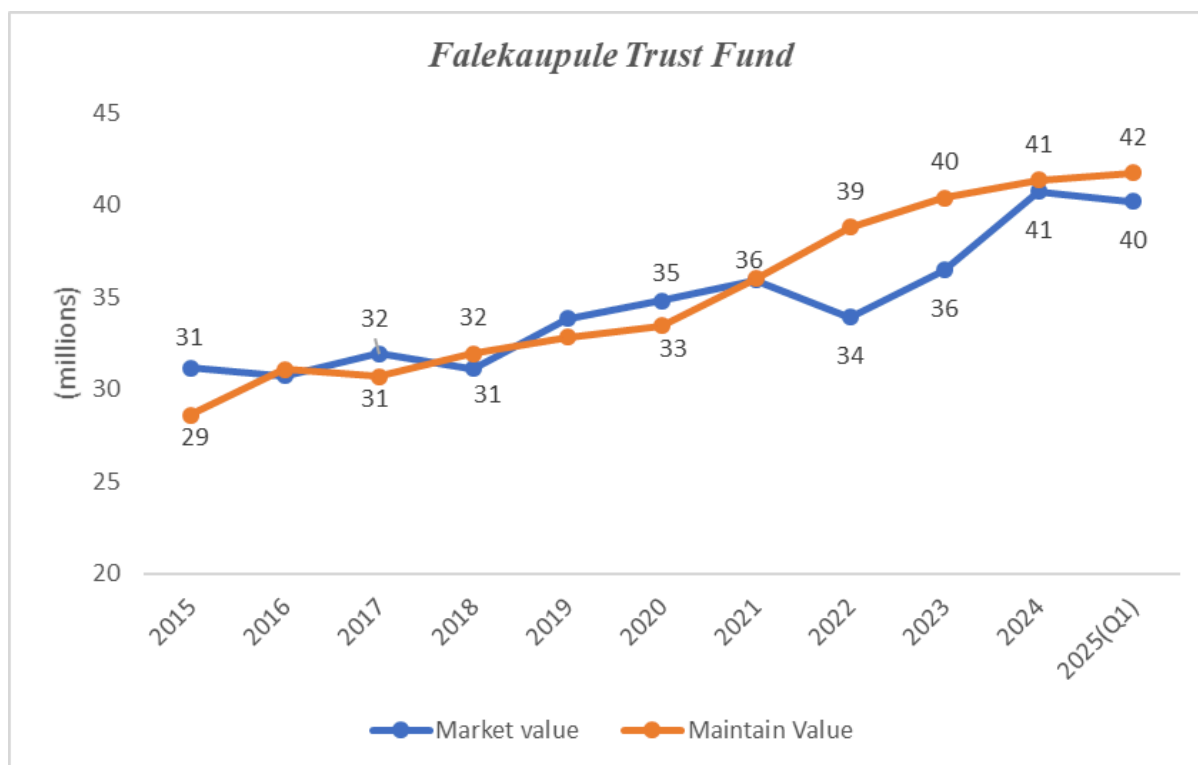
1.6 FINANCIAL ASSETS

Tuvalu has established two financial assets with the main objective of contributing to the sustainability of the government's long-term objective of financial security and autonomy while ensuring effective delivery of public services, better standard of living and secure more opportunities for future generations.



The above graph presents the trend in the Tuvalu Trust Fund (TTF) from 2015 to 2025, showing steady growth in both market value and maintained value over the ten-year period. The market value increased from \$152 million in 2015 to \$254 million in 2025, indicating a strong overall performance. While the fund generally remained above the maintained value, enabling transfers to support the national budget, certain years such as 2018 and 2022 reflect instances where the market value dropped below the maintained value, restricting access to automatic drawdowns. As of 2025, the market value is only slightly above the maintained value, indicating market volatility due to unresolved trade tariffs.

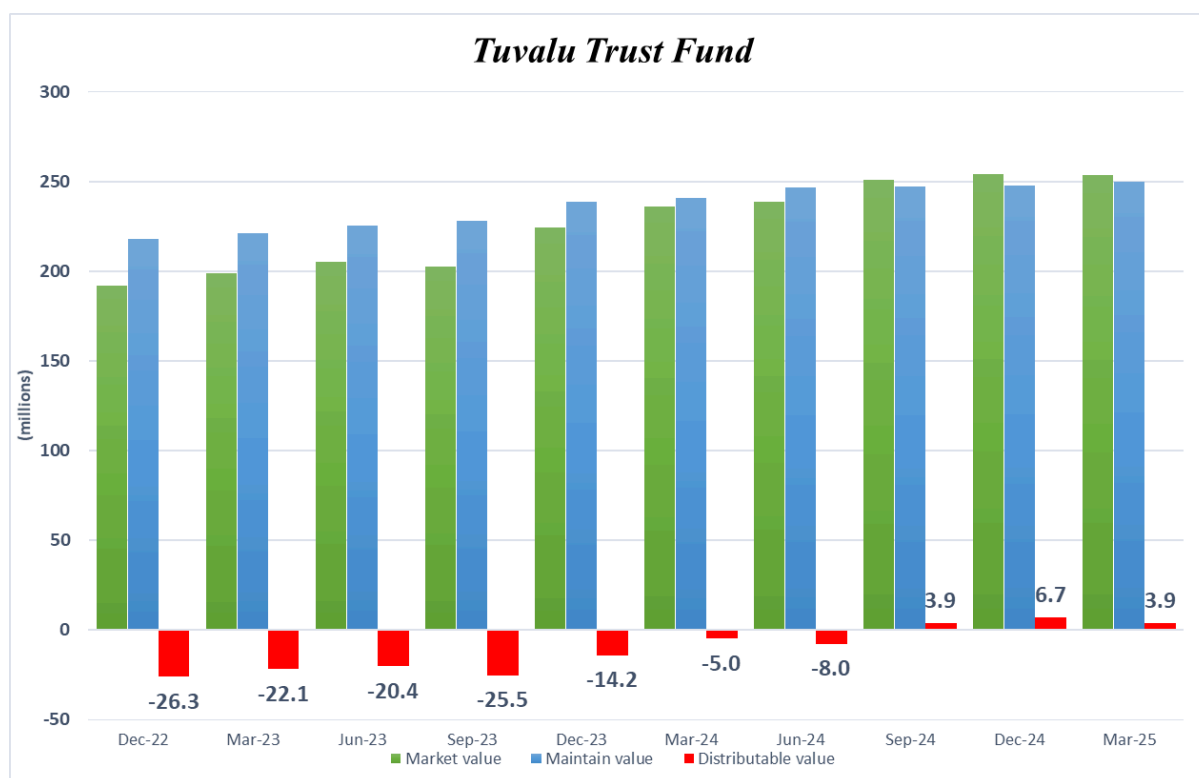
The TTF is also set to benefit from a significant one-time contribution of \$12 million from Australia, confirmed in May 2025. This generous support acknowledges the fluctuating market value of the TTF.



The above graph illustrates the trend in the Falekaupule Trust Fund (FTF) from 2015 to 2025, highlighting the gradual growth in both market value and maintain value over the period. The market value increased from \$31 million in 2015 to \$40 million in 2025, reflecting modest overall growth. Although the fund generally maintained a stable position in relation to its maintained value, specific years such as 2018, 2022, and 2025 indicate periods where the market value fell below or was closely aligned with the maintained value, thereby limiting the availability of distributable earnings to support outer island development. As of 2025, the market value remains slightly below the maintain value, underscoring the importance of prudent financial management to safeguard the long-term sustainability of the fund and its continued contribution to the development priorities of the Falekaupule.

1.6.1 Tuvalu Trust Fund (TTF)

Tuvalu Trust Fund is a national-sovereign wealth fund that was established in 1987, with the UK, Australia and New Zealand as main contributors to the Fund. Distributions from the TTF are made to the Consolidated Investment Fund (CIF) and can be drawn down by the government to supplement the national budget.

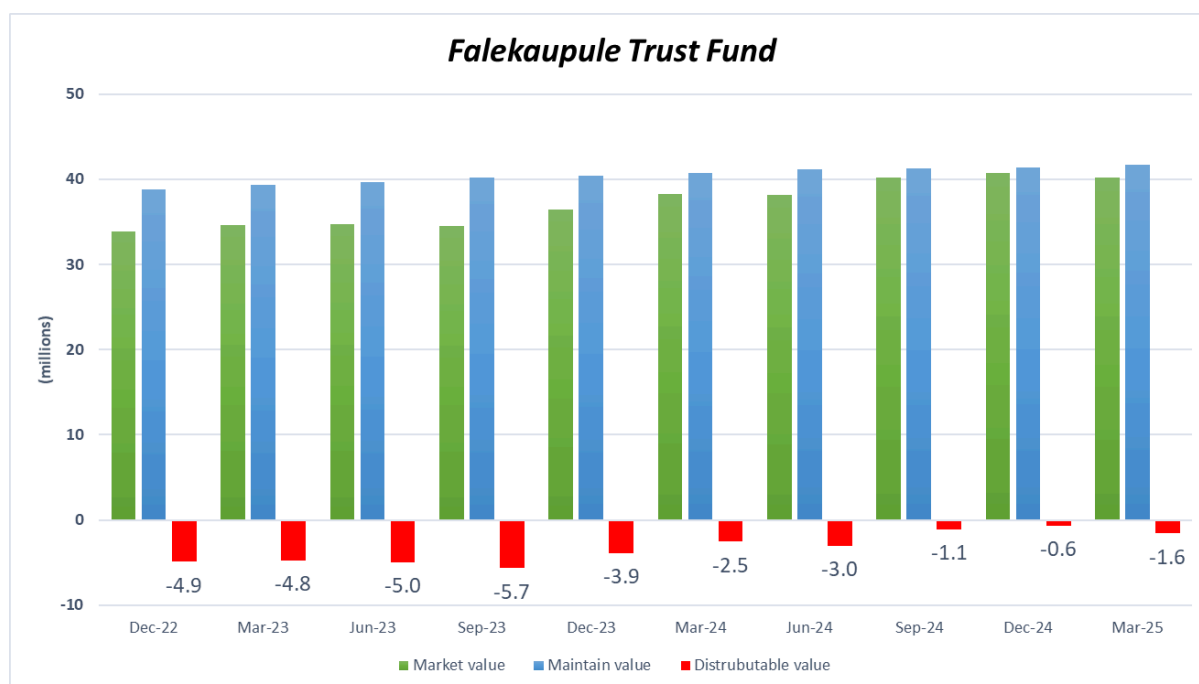


As of March 2025, the market value of the Tuvalu Trust Fund (TTF) is AUD 254.1 million, which is slightly higher than the maintained value of AUD 250.2 million. This means the Fund is performing well and may allow for a distribution to the Consolidated Investment Fund (CIF), if market conditions remain stable. In recent years, the Fund faced challenges, especially in 2022 and 2023 when the market value fell below the maintained value due to global economic conditions. Nevertheless, the Fund has recovered strongly in 2024 and 2025. This recovery has been driven by better investment returns, contributions from Tuvalu’s main development partners (Australia and New Zealand), and the Government’s own reinvestments.

Under the rules of the TTF (Agreement), distributions to support the national budget can only happen when the market value is higher than the maintained value. With the market value now above the maintained level, Tuvalu may benefit from another distribution in the upcoming year if this positive trend continues.

1.6.2 Falekaupule Trust Fund

FTF was established in 1999 with the main objective of supplementing outer islands Kaupule with their island developments and secure future opportunities. The success of the TTF leads to the establishment of the FTF, which follows the same structure as that of the TTF.



As of 2025, the market value of the Falekaupule Trust Fund (FTF) stands at **AUD 40.2 million**, slightly below the maintained value of **AUD 41.7 million**. While this means no distribution can be made this year, the Fund has shown steady improvement since 2022 when the market value dropped to AUD 33.9 million. This recovery reflects better investment performance and market conditions. The maintained value of the FTF continues to increase each year. Once the market value exceeds the maintained value, distributions to outer island Falekaupule accounts will be allowed again, helping to support local development initiatives. Continued monitoring and responsible management of the Fund are essential to ensure its long-term sustainability and benefit to island communities.

1.7 LIQUIDITY RISK AND CASH BUFFER

Effective management of liquidity risk, specifically, the danger of insufficient readily available cash for immediate government commitments is crucial for the government's smooth operations and its ability to meet financial obligations without resorting to costly measures. At the same time, a robust fiscal buffer, consisting of accumulated resources, is essential for cushioning against economic shocks and unexpected fiscal pressures, such as revenue shortfalls and disaster-related expenses. This buffer stabilizes the government's fiscal stance, allowing it to maintain planned expenditures and respond to crises without resorting to extreme measures.

Sound liquidity management, achieved through accurate forecasting of cash inflows and outflows, prevents cash shortages from escalating into fiscal crises. Fiscal buffers, when strategically managed with clear targets and investment strategies, provide readily available funds to absorb shocks.

The government strategically utilizes the Consolidated Investment Fund (CIF) and the Tuvalu Survival Fund to strengthen its resilience against its unique vulnerabilities. The CIF acts as an economic buffer, cushioning against revenue fluctuations and supporting fiscal stability,

while the TSF provides crucial resources for disaster relief and long-term climate change adaptation.

Effective management and coordination of these funds, ensures both immediate liquidity needs and long-term strategic goals are met, strengthening Tuvalu's capacity to navigate economic shocks and environmental challenges.

	2022	2023	2024	2025 (April)
CIF	37,578,480	39,250,660	36,448,550	37,070,470
TSF	9,156,390	9,125,870	10,390,940	10,696,500
Total	46,734,870	48,376,530	46,839,490	47,766,960

Source: Tuvalu Trust Fund Secretariat, (May 2025)

1.7.1 Tuvalu Survival Fund

The primary objectives of the Tuvalu Survival Fund (TSF) are to provide immediate and necessary services to the people of Tuvalu in the face of devastating impacts from climate change and natural disasters; and also enabling the government and its people to respond to future climate change impacts and natural disasters in a coordinated, effective and timely manner. This includes ensuring that resources are readily available to address urgent needs and to facilitate proactive planning and preparedness for future challenging events.

The TSF addresses the necessary needs across several critical areas aiding the people's vulnerability to disaster and climate change. The fund can be used to provide immediate financial assistance for emergency relief following disaster, support the recovery and rebuilding of communities affected by such events, and finance climate change adaptation projects designed to enhance Tuvalu's long-term resilience to environmental shifts. Ultimately, The TSF serves as a crucial mechanism for the government to safeguard the well-being and future of its people in the face of significant climate-related challenges.

A recent amendment to the Tuvalu Survival Fund Act was made to allow better access to climate finance for community-based adaptation and loss and damage projects.

The TSF has a designated board of directors chaired by the Minister of Finance and Economic Development. It also has a separate committee comprising various government and civil society representatives and is chaired by the Secretary to Government.

1.8 FISCAL RISKS and FISCAL RISKS MANAGEMENT

Tuvalu's Ministry of Finance and Economic Development outlines key fiscal risks faced by the government and the strategies in place to manage them. The report emphasizes the importance of identifying and mitigating fiscal risks to maintain economic stability and ensure sound public financial management. Tuvalu is highly vulnerable to climate risks that threaten infrastructure, reduce revenue (especially from fisheries), and increase unplanned public spending. Rising sea levels and extreme weather pose increasing threats to long-term economic sustainability.

Risk	Source	Fiscal Implication
Climate Change	Sea-level rise, disasters	Higher spending on resilience/adaptation
External Revenue Dependence	TTF, budget support, fishing licenses, dotTV, shipping registry	Revenue volatility
Narrow Tax Base	Small economy, informal sector	Low domestic resource mobilization
Public Sector Size	High wage bill	Reduced fiscal flexibility
Imported Inflation	Energy and food imports	Rising costs, potential deficits
Exchange Rate Limitations	Stronger USD	Rising costs, potential deficits
Migration & Demographic Change	Youth emigration	Smaller tax base, rising service demands
Potential Debt Risks	Sudden shocks or borrowing needs	Debt sustainability challenges

Fiscal Risk Management Measures:

- **Invest in climate-resilient infrastructure and disaster risk financing** (e.g. insurance, climate funds) to reduce the fiscal impact of natural disasters and climate change.
- **Diversify revenue sources** by enhancing income from fisheries, the dottv domain, and sustainable tourism to reduce reliance on aid grants.
- **Broaden and modernize the domestic tax base**, including better tax administration and supporting the formalization of small businesses.
- **Manage the public sector wage bill** through efficiency reforms, workforce planning, and performance-based budgeting.
- **Reduce import dependency** by promoting local food production, renewable energy, and regional procurement strategies.
- **Invest in human capital and engage the diaspora** to retain skills, boost remittances, and harness external resources for development.
- **Maintain prudent debt management** by prioritizing concessional borrowing, improving transparency, and conducting regular debt sustainability analyses.

1.9 DEVELOPMENT PARTNERS

Development partners play a crucial role in supporting the Government's strategic priorities across various sectors. Through the provisions of financial resources, technical assistance, and capacity-building support, these partners help address critical gaps and ensure the successful implementation of key projects. Their contributions are particularly valuable in areas such as environmental sustainability, infrastructure development, and human resource development, all of which are central to Tuvalu's long-term growth and resilience. Given the Government's limited resources, the ongoing collaboration with development partners is fundamental to achieving national development objectives and ensuring the sustainability of initiatives aimed at strengthening Tuvalu's economic, social, and environmental resilience.

1.9.1 Tuvalu Development Fund

The Tuvalu Development Fund directly facilitates the management of financial assistance remitted by development partners that is specifically earmarked for projects and programs, rather than direct budget support, thereby providing a dedicated mechanism to channel external funding in alignment with Tuvalu's strategic development objectives as defined by TE KETE and the government's immediate priorities.

As of the end of April this year, the Tuvalu Development Fund held an available balance of **\$21 million**.

1.9.2 Long Term Coastal Adaptation

Long-term coastal adaptation has remained a flagship project of the government, aimed at enhancing community resilience and addressing the escalating threats of sea level rise and storm surges. Current efforts in coastal protection and land reclamation have received strong backing from both the public and international development partners.

The table below outlines key coastal protection projects under this initiative:

Project Site	Reclamation area	Donor	Status/ Completion date	Value
TCAP	7.3ha	Green Climate Fund (GCF) Australia Tuvalu	Completed October 2023	GCF -USD\$36m
TCAP 1A	8ha	Australia New Zealand	70% - to be completed by September 2025	Australia - AUD\$16.9m New Zealand - NZD\$5m
TCAP 1B	5ha	Australia New Zealand	To commence in January 2026	Australia - AUD\$19.1m New Zealand- NZD\$3m
TCAP 1C	6ha	Asian Development Bank (ADB)	Planned for October 2026	USD\$30m

Taiwan (ROC) has also provided **USD \$2 million** to TCAP 1A.

1.9.3 Digital Connectivity

The Government of Tuvalu, in close collaboration with its development partners, has made significant progress on the Tuvalu Vaka Cable project, which is on track for completion and expected to be ready for service in June or July 2025 as planned, marking a major milestone in the nation's digital development. The project is supported by strong international backing, with major funding contributions from Australia, New Zealand, the United States, Japan, and Taiwan.

Another key initiative set to go live in June is the Starlink Community Gateway, funded by the World Bank. This gateway, which is for Funafuti only, will deliver an additional 3Gbps of bandwidth to the community and enable its efficient distribution to the multiple endpoints.

This is expected to significantly enhance internet access, speed, and reliability in areas that previously had limited or no connectivity.

Work is currently underway to connect government offices outside of the government building, Non-Government Organizations, businesses, schools, clinics and all households in Funafuti to the new fibre- to- the- premises network, funded by the World Bank. The Princess Margaret Hospital (PMH) has already been connected to the fibre network, improving the delivery of essential digital services in critical public sectors.

1.9.4 Renewable Energy

In November 2024, the Asian Development Bank and the Government of Tuvalu officially commissioned a 500 kilowatt grid connected solar rooftop system in Funafuti, alongside a two- megawatt-hour battery energy storage system (BESS). This important new infrastructure will provide clean and reliable electricity supply for Funafuti, significantly moving the government closer to its ambitious target of 100% renewable energy for electricity generation by 2030, a key contribution to sustainable development goal 7.

This major step in Tuvalu's energy transition is further supported by the Tuvalu Increasing Access to Renewable Energy project, an ADB funded project, enabling the installation of solar photovoltaic system (PV) in the outer islands of Nui, Nukufetau and Nukulaelae, extending clean energy benefits beyond the capital Funafuti.

The World Bank has also played a crucial role in Tuvalu's broader energy sector development through its Tuvalu Energy Sector Development Project (ESDP), contributing significantly to renewable energy investments, grid modernization, and energy efficiency across the nation.

1.9.5 Maritime Connectivity

The Government of Tuvalu, in partnership with the World Bank, the Asian Development Bank (ADB), the Australian Government through DFAT, and key line ministries, continues to make steady progress in strengthening maritime infrastructure and services through the Maritime Investment in Climate Resilient Operations (MICRO) Project, the Outer Island Maritime Infrastructure Project (OIMIP), and the Strengthening Domestic Shipping Project (SDSP) with a focus on enhancing port infrastructure and maintaining reliable shipping services.

Under the MICRO project, the rehabilitation of Funafuti Port has been successfully completed, with only minor works remaining, such as the installation of slide doors for the cargo building. For the MICRO 2 Project, the procurement processes for the design and build, as well as the supervision of works in Nanumea and Nanumaga, are in the final stages. The government, through the Ministry of Public Works, Infrastructure, Development, and Water, continues to prioritize climate-resilient maritime infrastructure to ensure safe and reliable connectivity for all islands.

Under the OIMIP, boat harbors in Nui and Nukulaelae have been completed and officially handed over to the Government, while construction in Niutao is currently in progress and it is expected to complete in August. Lastly, the SDSD project has also reached a key milestone

with its completion, marked by the successful arrival of the new government vessel, the MV Manu Sina, in April 2025.

1.9.6 Sector Supports

Sector support plays a vital role in advancing national development by channeling targeted financial and technical assistance into key areas such as Health, Education, Agriculture, and Infrastructure. Countries and organizations such as New Zealand, Australia, Taiwan (ROC), UN agencies, and the European Union have contributed significantly to these efforts, providing essential funding, expertise and resources. This support aims to strengthen the capacity and effectiveness of public services, improve outcomes, and drive sustainable growth.

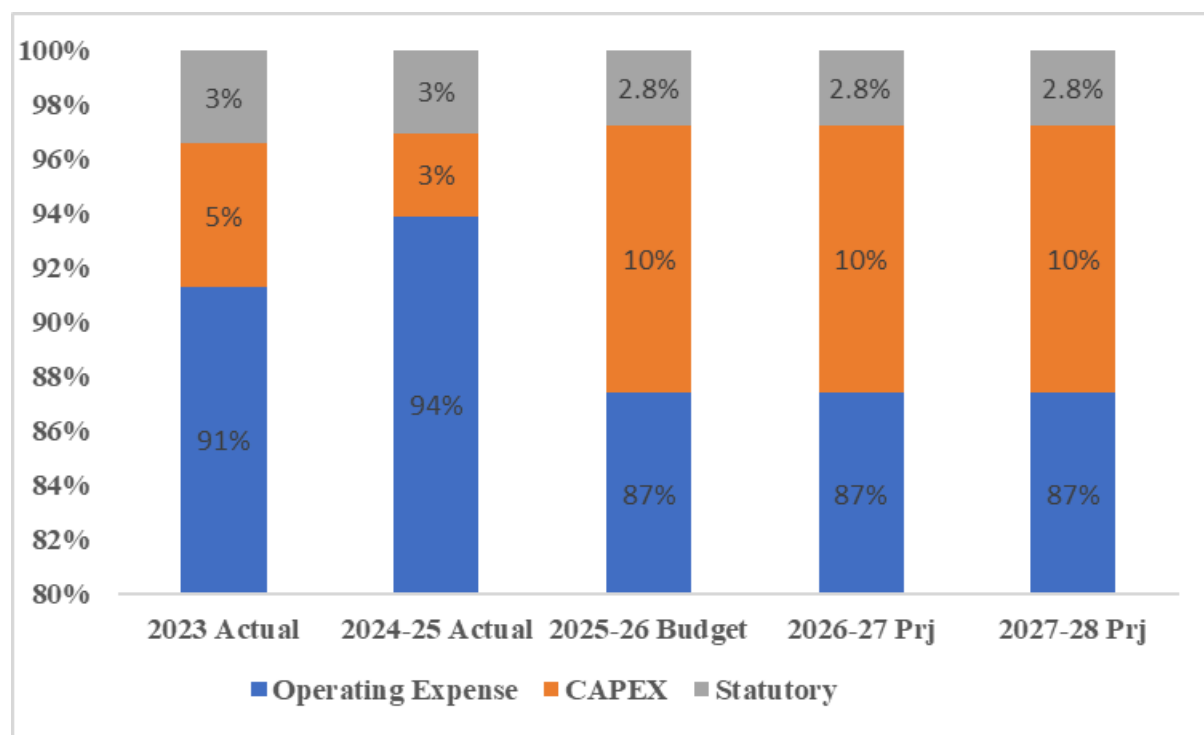
Part 2: APPROPRIATION AND PRIORITIES

2.1 APPROPRIATION ESTIMATES

The appropriation estimates for the 2025-2026 budget are presented in the below tables.

Head	Ministry	Operating Expenditure	Capital Expenditure	Statutory Expenditure	2025-2026 Budget	2025-2026 Appropriation
A	Office of Governor General	49,740	-	189,000	238,740	49,740
B	Office of the Prime Minister	5,926,040	-	320,540	6,246,580	5,926,040
C	Legal Affairs	1,294,330	-	57,910	1,352,240	1,294,330
D	Office of the Parliament	733,200	-	1,243,490	1,976,690	733,200
E	Office of the Audit General	439,770	-	54,330	494,100	439,770
F	MFED	7,035,930	1,000,000	157,500	8,193,430	8,035,930
G	MPWIDW	5,552,900	3,490,070	160,100	9,203,070	9,042,970
H	MOHSW	20,953,650	-	153,000	21,106,650	20,953,650
I	MNRD	7,644,450	-	147,600	7,792,050	7,644,450
J	MHACCE	7,362,290	6,600,000	153,000	14,115,290	13,962,290
K	TPS	2,999,360	-	48,300	3,047,660	2,999,360
L	MTECI	17,510,850	-	157,500	17,668,350	17,510,850
M	MEHRD	14,558,430	151,380	157,500	14,867,310	14,709,810
N	Office of the Judiciary	876,040	-	-	876,040	876,040
O	MFALT	6,779,510	-	157,500	6,937,010	6,779,510
Grand Total		99,716,490	11,241,450	3,157,270	114,115,210	110,957,940

2.1.1 Comparative Graphs 2023-2025/2026



2.1.2 Comparative Expenditure Estimates by Heads

Ministry	2023 Actual	2024-25 Actual (Est)	2025-2026 Budget	2026-27 Prj	2027-28 Prj
Office of Governor General	194,690	191,870	238,740	243,970	249,100
Office of the Prime Minister	4,993,570	4,799,200	6,246,580	6,383,980	6,518,070
Legal Affairs	1,069,740	691,110	1,352,240	1,381,960	1,411,050
Office of the Parliament	1,857,570	1,632,790	1,976,690	2,020,170	2,062,620
Office of the Audit General	425,610	378,310	494,100	504,970	515,580
MFED	10,179,460	8,859,220	8,193,430	8,357,610	8,524,890
MPWIDW	6,614,030	5,627,350	9,203,070	9,387,090	9,574,810
MOHSW	20,569,160	20,629,390	21,106,650	21,528,760	21,959,230
MNRD	2,151,670	3,033,930	7,792,050	7,947,880	8,106,840
MHACCE	10,685,580	7,239,910	14,115,290	14,397,610	14,685,520
TPS	2,600,530	2,547,790	3,047,660	3,108,600	3,170,770
MTECI	15,959,610	14,466,870	17,668,350	18,021,750	18,382,050
MEHRD	13,253,800	13,245,210	14,867,310	15,164,650	15,467,820
Office of the Judiciary	749,290	746,910	876,040	893,550	911,420
MFALT	11,433,150	3,961,730	6,937,010	7,075,720	7,217,110
total	102,737,460	88,051,590	114,115,210	116,418,270	118,756,880

2.1.3 Comparative Expenditure Estimates to Total Expenditures

Ministry	2023 Actual	2024-25 Actual (Est)	2025-2026 Budget	2026-27 Prj	2027-28 Prj
Office of Governor General	0.2%	0.2%	0.2%	0.2%	0.2%
Office of the Prime Minister	4.9%	5.5%	5.5%	5.5%	5.5%
Legal Affairs	1.0%	0.8%	1.2%	1.2%	1.2%
Office of the Parliament	1.8%	1.9%	1.7%	1.7%	1.7%
Office of the Audit General	0.4%	0.4%	0.4%	0.4%	0.4%
MFED	9.9%	10.1%	7.2%	7.2%	7.2%
MPWIDW	6.4%	6.4%	8.1%	8.1%	8.1%
MOHSW	20.0%	23.4%	18.5%	18.5%	18.5%
MNRD	2.1%	3.4%	6.8%	6.8%	6.8%
MHACCE	10.4%	8.2%	12.4%	12.4%	12.4%
TPS	2.5%	2.9%	2.7%	2.7%	2.7%
MTECI	15.5%	16.4%	15.5%	15.5%	15.5%
MEHRD	12.9%	15.0%	13.0%	13.0%	13.0%
Office of the Judiciary	0.7%	0.8%	0.8%	0.8%	0.8%
MFALT	11.1%	4.5%	6.1%	6.1%	6.1%

2.1.4 Comparative Expenditure Estimates by Natural Accounts

Natural Account Description	GG	OPM	Legal Affairs	Parliament	Audit	MFED	MPWIDW	MOHSW	MNRD	MHACCE	TPS	MTEQ	MEHRD	Judiciary	MPALT
Operating Expenditure															
Staffing															
Salary- Local	15,750	1,495,140	725,680	66,810	248,810	1,496,470	1,983,580	3,122,470	925,390	2,465,710	1,826,930	1,797,820	4,189,680	230,750	1,270,090
Salary- Expatriate/Contract	-	8,680	-	52,970	-	103,080	-	539,620	62,630	81,000	-	990,010	212,950	300,000	707,740
Salary- Casuals	-	32,660	-	-	-	19,800	1,161,350	189,560	62,500	69,520	87,360	1,132,030	29,730	-	31,000
Consultant Fees	-	-	42,000	-	-	-	-	-	100,000	115,000	-	15,000	-	-	-
Allowances	500	48,550	17,000	1,500	5,940	82,260	257,290	153,310	21,880	58,960	439,440	647,600	89,660	2,000	88,030
Provident Fund	1,530	142,770	72,560	17,750	24,880	157,290	199,970	345,630	92,540	257,710	182,690	392,820	443,550	28,320	148,250
Relieving Fund	-	247,260	68,650	-	24,570	50,000	37,630	30,000	77,890	143,170	35,000	526,930	216,260	20,000	127,170
Gratuity	-	-	-	-	-	-	-	-	-	-	-	-	-	51,090	-
Sub Total	17,780	1,975,060	925,890	139,030	304,200	1,908,900	3,639,820	4,380,610	1,342,830	3,191,070	2,571,420	5,502,210	5,182,030	632,160	2,372,280
Travel & Communication															
Overseas Business Travel	20,000	176,650	74,470	6,680	30,000	73,300	63,000	550,690	61,330	34,800	40,000	67,020	411,470	4,000	470,960
Local Business Travel	200	2,500	58,920	4,480	26,600	13,310	34,170	62,200	70,000	61,970	13,070	45,210	66,180	4,000	169,840
Leave Travel	700	10,250	13,070	1,500	8,110	27,270	18,050	63,880	15,550	32,060	21,410	28,910	78,350	3,000	84,050
Telecom and Internet	-	12,840	8,360	1,680	-	6,280	31,120	52,180	8,900	15,500	11,480	445,220	13,560	9,600	103,970
Sub Total	20,900	204,240	154,820	14,340	64,710	120,160	146,340	728,950	155,780	144,330	85,960	586,360	569,580	20,600	828,820
Maintenance															
R&M (Vessel)	-	-	-	-	-	-	-	-	-	-	45,480	1,432,910	-	-	-
R&M (Motor Vehicles)	-	4,200	400	1,000	4,390	2,000	124,600	19,200	9,000	13,100	22,220	47,900	6,400	2,000	37,360
R&M (Plant)	-	-	-	-	-	-	8,000	-	2,000	50,000	-	2,250	1,000	-	-
R&M (Office Equipments)	-	2,000	4,900	1,910	500	3,960	21,000	97,100	4,700	6,100	5,970	70,000	7,200	1,000	11,450
R&M (Buildings/Facilities)	-	85,200	6,500	-	-	2,500	513,000	18,000	-	-	9,130	50,000	206,690	500	27,000
Deferred Maintenance	-	-	-	-	-	-	500,000	-	-	-	-	-	-	-	-
Sub Total	-	91,400	11,800	2,910	4,890	8,460	1,166,600	134,300	15,700	69,200	82,800	1,603,060	221,290	3,500	75,810
Fuel and Oil															
Petrol and oil	1,000	5,570	2,900	2,400	500	3,270	136,050	40,430	11,000	120,260	35,910	43,580	32,000	2,000	79,000
Vessel Fuel	-	-	-	-	-	-	-	-	-	-	30,000	3,306,460	-	-	-
Sub Total	1,000	5,570	2,900	2,400	500	3,270	136,050	40,430	11,000	120,260	65,910	3,350,040	32,000	2,000	79,000
Grants, Sub & Donations															
Subsidy	-	-	-	-	-	-	-	-	-	-	-	3,590,000	88,170	-	3,000
Cost of Service Obligation (CSO)	-	-	-	-	-	467,830	-	-	-	-	-	-	-	-	-
Grants - General	-	25,000	-	-	-	200,000	-	75,000	2,815,860	25,000	-	900,000	2,464,760	-	70,000
Grants - Salary Kaupule	-	-	-	-	-	-	-	-	-	599,920	-	-	-	-	-
Grants - Block	-	-	-	-	-	-	-	-	-	600,800	-	-	-	-	-
Grants - VDS	-	-	-	-	-	-	-	-	-	1,600,000	-	-	-	-	-
Financial Support/Donation	1,000	43,000	-	-	-	-	-	-	-	-	-	160,000	63,500	-	20,000
Sub Total	1,000	68,000	-	-	-	667,830	-	75,000	2,815,860	2,825,720	-	4,650,000	2,616,430	-	93,000

Natural Account Description	GG	OPM	Legal Affairs	Parliament	Audit	MFED	MPWIDW	MOHSW	MNRD	MHACCE	TP\$	MTEQ	MEHRD	Judiciary	MF&T
Operating Expenditure															
Scholarship and Training															
Other Training Awards	-	-	-	-	-	-	-	-	-	-	53,210	-	-	-	-
Capacity Development	-	-	24,700	2,880	-	-	-	29,400	10,000	78,390	-	45,000	-	-	5,200
Sub Total	-	-	24,700	2,880	-	-	-	29,400	10,000	78,390	53,210	45,000	-	-	5,200
Goods and Services															
Clothing Allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,690
Housing Allowance	-	-	-	-	-	-	-	621,250	-	-	-	-	-	-	6,000
Rental/Rent Subsidy	-	1,060,900	6,000	36,000	-	2,800	12,100	213,800	32,050	1,300	13,100	48,000	24,000	1,000	1,008,630
Education Children Allowance	-	-	-	-	-	-	-	2,000	-	-	-	-	-	-	516,800
Cost of Living Adjustment – COLA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	624,050
Office Stationery	970	2,800	9,280	1,780	2,500	7,810	8,800	29,740	19,400	14,060	8,040	20,660	27,000	2,000	13,690
Office Expenses	1,500	39,790	97,940	480,000	3,150	18,000	11,220	135,290	87,600	42,630	25,330	170,510	112,100	7,000	138,510
Supplies and Gears	590	20,200	-	-	-	-	262,970	1,180,330	6,300	17,760	1,300	126,810	44,500	-	55,500
Plant and Equipments	-	36,000	12,600	4,980	10,800	34,700	23,900	139,950	17,000	44,400	6,430	25,840	21,800	3,000	36,000
Building and Structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000
Welfare Schemes	-	-	-	-	-	-	-	2,414,500	-	-	-	-	-	-	-
Compensation	-	4,000	-	-	-	-	-	-	-	80,000	-	-	-	-	-
Entertainment	6,000	32,840	12,000	30,000	3,800	45,250	9,900	17,670	91,730	680,460	10,000	189,700	6,150	3,000	228,140
Ration / Victualling	-	-	-	-	-	-	-	91,200	16,000	-	44,320	317,540	600,000	-	-
Uniform	-	-	3,000	-	-	7,000	-	10,420	1,000	-	18,080	16,080	-	1,380	-
Utilities	-	5,690	6,100	-	-	1,753,200	4,200	66,500	3,200	3,200	-	5,600	1,490	-	98,710
Drugs and Medicines	-	-	-	-	-	-	-	8,631,610	10,000	-	-	-	-	-	-
Insurance	-	-	-	-	-	100,000	-	5,000	-	-	-	306,000	-	-	176,190
Overseas Contribution	-	16,400	2,300	18,880	10,000	46,500	31,500	13,700	8,000	31,040	3,070	363,190	301,300	400	348,740
Freight	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-
Non-Taxable Allowance	-	2,363,150	25,000	-	1,500	427,300	72,500	1,892,000	-	10,470	5,000	72,000	4,798,760	200,000	19,600
Fumigation	-	-	-	-	-	-	-	-	-	-	-	108,820	-	-	-
Bank Charges	-	-	-	-	-	48,000	-	-	-	-	-	-	-	-	12,150
Forex (Gains/Losses)	-	-	-	-	-	50,000	-	-	-	-	-	-	-	-	-
Systems/Annual Subscriptions	-	-	-	-	33,720	647,380	15,000	-	-	8,000	5,390	3,430	-	-	-
Land Leases	-	-	-	-	-	-	-	-	3,000,000	-	-	-	-	-	-
Contingency	-	-	-	-	-	809,370	12,000	100,000	-	-	-	-	-	-	-
Sub Total	9,060	3,581,770	174,220	571,640	65,470	3,997,310	464,090	15,564,960	3,293,280	933,320	140,060	1,774,180	5,937,100	217,780	3,325,400
Loans and Interest															
Domestic Loan Rep – Principal	-	-	-	-	-	180,000	-	-	-	-	-	-	-	-	-
Domestic Loan Rep – Interest	-	-	-	-	-	150,000	-	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	330,000	-	-	-	-	-	-	-	-	-
Total Operating Expenditure															
Total Operating Expenditure	49,740	5,926,040	1,294,330	733,200	439,770	7,035,930	5,552,900	20,953,650	7,644,450	7,362,290	2,999,360	17,510,850	14,558,430	876,040	6,779,510
Capital															
Capital	-	-	-	-	-	1,000,000	3,490,070	-	-	6,600,000	-	-	151,380	-	-
Statutory	189,000	320,540	57,910	1,243,490	54,330	157,500	160,100	153,000	147,600	153,000	48,300	157,500	157,500	-	157,500
Grand Total	238,740	6,246,580	1,352,240	1,976,690	494,100	8,193,430	9,203,070	21,106,650	7,792,050	14,115,290	3,047,660	17,668,350	14,867,310	876,040	6,937,010

2.1.5 Comparative Revenue Estimates by Head

Head	Ministry	2023 Actual	2024-25 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
A	Office of Governor General	-	-	-	-	-
B	Office of the Prime Minister	67,390	277,360	5,620	5,590	5,700
C	Legal Affairs	55,080	62,560	72,420	73,970	75,560
D	Office of the Parliament	-	-	-	-	-
E	Office of the Audit General	17,500	15,000	18,000	18,400	18,780
F	MFED	54,975,070	60,356,850	55,557,410	55,432,110	55,822,050
G	MPWIDW	311,080	456,770	309,080	315,250	321,870
H	MOHSW	21,930	14,090	10,000	10,200	10,410
I	MNRD	29,633,780	30,171,700	41,827,710	42,664,290	43,560,230
J	MHACCE	16,260	12,200	2,000	2,040	2,080
K	TPS	54,180	66,330	52,480	53,510	54,630
L	MTECI	2,275,150	8,718,810	16,200,290	16,524,300	16,871,310
M	MEHRD	2,880	3,040	-	-	-
N	Office of the Judiciary	3,860	5,320	10,200	10,400	10,620
O	MFALT	9,465,980	3,252,800	50,000	51,000	52,080
		96,900,140	103,412,830	114,115,210	115,161,060	116,805,320

2.1.6 Comparative Revenue Estimates to Total Revenue

Head	Ministry	2023 Actual	2024-25 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
A	Office of Governor General	0.0%	0.0%	0.0%	0.0%	0.0%
B	Office of the Prime Minister	0.1%	0.0%	0.3%	0.0%	0.0%
C	Legal Affairs	0.1%	0.1%	0.1%	0.1%	0.1%
D	Office of the Parliament	0.0%	0.0%	0.0%	0.0%	0.0%
E	Office of the Audit General	0.0%	0.0%	0.0%	0.0%	0.0%
F	MFED	56.7%	48.7%	58.4%	48.1%	47.8%
G	MPWIDW	0.3%	0.3%	0.4%	0.3%	0.3%
H	MOHSW	0.0%	0.0%	0.0%	0.0%	0.0%
I	MNRD	30.6%	36.7%	29.2%	37.0%	37.3%
J	MHACCE	0.0%	0.0%	0.0%	0.0%	0.0%
K	TPS	0.1%	0.0%	0.1%	0.0%	0.0%
L	MTECI	2.3%	14.2%	8.4%	14.3%	14.4%
M	MEHRD	0.0%	0.0%	0.0%	0.0%	0.0%
N	Office of the Judiciary	0.0%	0.0%	0.0%	0.0%	0.0%
O	MFALT	9.8%	0.0%	3.1%	0.0%	0.0%

Part 3: ALIGNING THE BUDGET TO NATIONAL DEVELOPMENT PRIORITIES

3.1 ALIGNING THE BUDGET TO NATIONAL DEVELOPMENT PRIORITIES

The Government of Tuvalu has progressed implementation of 21 strategic priorities achieving major milestones. These priorities are designed to align with TE KETE, Tuvalu's National Strategy for Sustainable Development 2021–2030, ensuring that all governmental planning and budgeting efforts are cohesive and targeted towards the nation's most pressing needs.

A key directive accompanying these priorities mandates that all line ministries must align their annual work plans and funding proposals with the specified priorities. This approach ensures that resource allocation is focused on areas of greatest impact and urgency. These priorities reflect the government's dedication to addressing critical issues and fostering a sustainable and prosperous future for Tuvalu. The key priorities outlined are:

- Climate Change, Environmental and Disaster Resilience - strengthening climate adaptation policies, initiating immediate actions on coastal protection and improving waste management particularly in densely populated areas.
- Infrastructure and Connectivity- Enhancing maritime transport safety during unfavorable weather conditions, establishing sustainable air services development, ascertaining the status of internal air services and to expedite the completion of unfinished infrastructural development
- Social Services: Health and Education - Enhancing the quality and standards of healthcare services, assessment and reviewing of Tuvalu Overseas Medical Referral (TOMRS) Scheme to streamline operational guidelines and manage financial implications on the budget, increasing funding for scholarship opportunities and improving classroom infrastructure, implementing measures to promote gender equality and support people with special needs.
- Governance and Institutional Reform - strengthening institutional legislation and related procedures, evaluating the status and operational efficiencies of statutory corporations, and enhancing cultural preservation.
- Economic Development and Cost of Living - reviewing taxation regimes, price control regulations, freight costs and prices of basic commodities to address the cost of living and also to develop sustainable and affordable shipping services within Tuvalu and from abroad to ensure reliable transportation for all commodities.
- International Relations and Strategic Partnerships - strengthening and enhancing its relationships with development partners through a series of strategic initiatives and agreements aimed at promoting sustainable development, resilience and mutual cooperation

3.2 2025-2026 BUDGET POLICY SETTINGS

Tuvalu's 2025-2026 budget policy framework is centered on enhancing national resilience, ensuring fiscal sustainability, and aligning with the government's 21 strategic priorities. This budget presents the second full year cycle following the government's transition to a new financial year, now running from July to June. Building on the adjustments made during the previous cycle, the 2025-2026 budget continues to refine the coordination and alignment of the financial and operational planning within this timeline. The government's focus remains on consolidating administrative reforms, improving budget execution, and addressing technical and institutional challenges that surface during the initial transition. In particular, there is an emphasis on adapting the revenue collection system to align with the new fiscal structure, ensuring a more responsive and adaptable budget process that meets the country's evolving development needs.

At the core of this year's policy is the government's commitment to achieving a balanced budget, an essential component of maintaining long-term fiscal sustainability amid economic uncertainty, limited domestic revenue capacity, and growing public expenditure demands. To reach this goal, the government will focus on disciplined expenditure control, realistic revenue forecasting, and enhanced efficiency in public service delivery. The budget aims to strike a balance between fiscal responsibility and the need to invest in crucial services, climate resilience, infrastructure, and human capital. This approach acknowledges the current fiscal constraints while paving the way for inclusive and sustainable growth.

Key revenue and expenditure policies shaping the 2025-2026 Budget includes:

Revenue Policy

- Sound Financial management - Strengthening the integrity of public finances by ensuring all government revenues are fully and accurately recorded, and supporting fiscal transparency and macroeconomic stability.
- Sustainable Fisheries Revenue - Promoting sustainable use of Tuvalu marine resources by regulating foreign fishing vessels access, with projected revenue of \$41.7 million from the sale of fishing days.
- Enhanced tax compliance and administration - Strengthening domestic revenue mobilization through improved tax compliance, streamlined administration and enforcement measures resulting in a projected \$12.8 million in tax revenue.
- Strengthened Commercial Contract management - Enhancing revenue generation through improved negotiations, oversight and enforcement of contracts of the long-term licensing of Tuvalu .tv domain with projected earnings of \$12.6 million.
- Increased Investment Returns - Enhancing returns from public investments, including the Tuvalu Trust Fund (TTF) and dividends from the National Bank of Tuvalu (NBT), contributing an estimated \$5.8 million to the budget.

Expenditure Policy

- Outcome-Based Fiscal Planning and Priority alignment - Ensuring all government expenditures are strategically aligned with long-term national development goals and the Government's Statement of Priorities. This includes targeted allocations to key sectors to maximize impact and achieve sustainable growth and development outcomes.
- Enhancing Public Sector Productivity - Strengthening service delivery through an efficient and capable public workforce, supported by a personnel emolument allocation of \$33.9 million.
- Investing in Human Capital Development - Expanding access to education and skills development to meet Tuvalu's long-term development needs. A total of \$7.4 million is allocated to scholarship programs.
- Improving Health Access and Referral Systems - Supporting equitable access to quality healthcare through enhanced funding for the Tuvalu Overseas Medical Referral Scheme (TOMRS), with a budget allocation of \$11.3 million.
- Supporting Energy Access and Affordability - Providing a \$3.5 million fuel subsidy to the Tuvalu Electricity Corporation (TEC) to ensure stable electricity supply and affordability for households and businesses.
- Sustainable Infrastructure Investment - Continuing capital investment in infrastructure development with a total budget of \$11.2 million to improve living standards and resilience.
- Efficient service delivery - supporting essential government operations, ensuring continued service delivery, with a budget allocation of \$22.4 million.
- Supporting Civil Society development - Enhancing national development and strengthening community engagement, the government allocates \$13.6 million to Non-Government Organizations, Public Enterprises and Island Kaupule through grants, subsidy and donations.

3.3 MEDIUM TERM FISCAL FRAMEWORK 2025/2026 - 2027/2028

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Taxation	12,693,360	13,702,170	12,868,010	13,125,370	13,401,000
Interest, Dividends & Rent	366,800	2,605,100	5,841,170	5,968,800	6,094,130
Fishing Licenses	29,624,670	30,145,010	41,725,710	42,560,250	43,454,010
Commercial Contracts	10,270,670	10,400,010	12,641,860	12,894,700	13,165,490
Other Income	3,299,180	2,402,770	3,675,600	3,749,080	3,827,830
TOTAL DOMESTIC REVENUE	56,254,680	59,255,060	76,752,350	78,298,200	79,942,460
Staffing	28,729,660	29,386,540	33,975,060	34,661,200	35,357,710
Travel & Communication	4,459,140	2,126,030	2,953,010	3,012,930	3,073,540
Maintenance	6,736,290	1,968,170	3,491,720	3,561,790	3,633,060
Fuel & Oil	2,744,340	2,907,830	3,840,880	3,917,730	3,996,040
Grants, Subsidies & Donations	9,102,440	10,476,660	13,812,840	14,089,230	14,371,080
Scholarship	5,434,530	5,163,040	7,420,010	7,573,170	7,727,060
Training	310,790	163,890	248,780	253,800	258,920
Medical Scheme	13,335,250	12,778,320	11,370,270	11,597,680	11,829,630
Goods & Services	22,248,810	16,729,910	22,273,920	22,723,430	23,179,880
Loan & Interest Payment	613,290	361,540	330,000	336,600	343,330
TOTAL OPERATING EXPENSE	93,714,540	82,061,930	99,716,490	101,727,560	103,770,250
Capital Expenditure	5,669,510	2,883,540	11,241,450	11,466,270	11,695,600
Statutory Expenditure	3,353,410	2,869,120	3,157,270	3,224,440	3,291,030
TOTAL NON+RECURRENT EXPENSE	9,022,920	5,752,660	14,398,720	14,690,710	14,986,630
DOMESTIC BUDGET BALANCE	(46,482,780)	(28,559,530)	(37,362,860)	(38,120,070)	(38,814,420)
General Budget Support	40,645,460	44,157,770	37,362,860	36,862,860	36,862,860
GRAND TOTAL REVENUE	96,900,140	103,412,830	114,115,210	115,161,060	116,805,320
GRAND TOTAL EXPENDITURE	102,737,460	87,814,590	114,115,210	116,418,270	118,756,880
FISCAL BUDGET BALANCE	(5,837,320)	15,598,240	-	(1,257,210)	(1,951,560)

3.4 REVENUE

3.4.1 Taxation

Taxation revenue is projected to reach \$12.8 million, a decrease of \$834,160 (-6%) from the estimated actual for 2024-2025. This decline is primarily driven by lower income tax revenue collection, possibly influenced by ongoing infrastructure projects funded by the World Bank and the Asian Development Bank.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Income Tax	3,669,870	4,939,880	3,700,000	3,774,000	3,853,250
Company Tax	2,659,280	1,879,880	2,800,000	2,856,000	2,915,980
Tuvalu Consumption Tax	2,010,480	2,382,880	2,100,000	2,142,000	2,186,980
Presumptive Tax	120,570	22,160	90,000	91,800	93,730
Departure Tax	-	-	180,000	183,600	187,460
Import Duty	2,224,660	2,220,400	2,000,000	2,040,000	2,082,840
Import Levy	235,100	236,360	230,000	234,600	239,530
Excise	1,549,030	1,796,520	1,580,000	1,611,600	1,645,440
Service Levy	224,370	224,090	188,010	191,770	195,790
Taxation	12,693,360	13,702,170	12,868,010	13,125,370	13,401,000

3.4.2 Interest, Dividends and Rent

Revenue from interest, dividends and rent revenue is expected to reach \$5.8 million, an increase of \$3.2 million (124%) from the 2024-2025 estimated actual. This increase is driven from investment returns in the TTF of \$3.9 million and the anticipated dividend from the NBT.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Interest Revenue	51,850	920	3,979,550	4,066,950	4,152,360
Dividends	-	2,100,000	1,500,000	1,533,000	1,565,190
Rentals	232,300	215,170	214,000	218,280	222,860
Hire	61,580	23,710	67,620	68,970	70,410
Lease Revenue	21,070	265,300	80,000	81,600	83,310
Interest, Dividends & Rent	366,800	2,605,100	5,841,170	5,968,800	6,094,130

3.4.3 Fishing Licenses

Fishing licenses revenue are anticipated to reach \$41.7 million, an increase of \$11.5 million (38%) from the 2024-2025 estimated actual. This growth results from the potential disbursement of the US Treaty and bilateral agreement with new additional vessels from Taiwan and China. Favourable exchange rates between the US and AUD currencies also improved revenue from this source.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Access Fees	2,852,950	1,005,880	1,071,430	1,092,860	1,115,810
Flagship Management Fees	4,148,460	1,301,040	2,285,710	2,331,430	2,380,390
Fis Lic – Long Line Vessels	101,830	196,920	71,430	72,860	74,390
V+Days – P/Seine – Bilateral	13,436,070	17,992,180	25,000,000	25,500,000	26,035,500
V+Days – P/Seine – US Treaty	853,880	691,540	6,571,430	6,702,860	6,843,620
V+Days – P/Seine – Traded	264,780	415,880	571,430	582,860	595,100
V+Days – P/Seine – FSMA	3,445,690	4,918,100	2,857,140	2,914,290	2,975,490
V+Days – P/Seine (Sub –reg pool)	3,408,940	2,343,470	1,440,000	1,468,800	1,499,640
Other Vessels (BU, FC, PL)	855,360	547,320	857,140	874,290	892,650
Transshipment	256,710	732,680	1,000,000	1,020,000	1,041,420
Fishing Licenses	29,624,670	30,145,010	41,725,710	42,560,250	43,454,010

3.4.4 Commercial Contracts

Revenue from commercial contracts is expected to increase to \$12.6 million, an increase of \$2.2 million (22%) from the 2024-2025 estimated actual, primarily driven by the increase in the number of premium sales of dot TV.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Dot TV Marketing	9,075,180	9,133,870	11,041,860	11,262,700	11,499,220
Upper Air Space	-	-	100,000	102,000	104,140
Ship Registry	1,195,490	1,266,140	1,500,000	1,530,000	1,562,130
Commercial Contracts	10,270,670	10,400,010	12,641,860	12,894,700	13,165,490

3.4.5 Other Income

Other income is anticipated to be \$3.6 million, an increase of \$1.2 million (53%) from the 2024-2025 estimated actual. This increase reflected the charter of the MV Nivaga III and other government generated revenue from services provided to the public.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Service Fees	319,240	652,310	187,180	191,000	195,010
Registration	49,540	56,360	58,240	59,490	60,750
Sales	106,500	25,670	514,950	525,090	536,120
Stevedoring & Wharfage	68,520	158,470	215,000	219,300	223,910
Fares	385,820	549,080	615,500	627,800	641,010
Freights	203,690	177,050	550,030	561,030	572,800
Birth, Death and Marriage	890	3,740	1,000	1,020	1,040
Penalties and Fines	32,550	21,940	27,840	28,390	28,980
Licensing	20,060	16,440	18,080	18,430	18,820
Charter	98,630	58,980	1,085,710	1,107,430	1,130,680
Membership	30	70	-	-	-
Affidavit	540	520	790	800	820
Passport	274,540	245,920	250,260	255,260	260,620
Commission	116,770	115,420	140,000	142,800	145,800
Miscellaneous	1,621,860	320,800	11,020	11,240	11,470
Other Income	3,299,180	2,402,770	3,675,600	3,749,080	3,827,830

3.4.6 General Budget Support

General budget support is estimated at \$37.3 million, a decrease of \$6.7 million (-15%) from the 2024-2025 estimated actual. This decline is mainly with no additional one-off budget support from New Zealand. This financial assistance is complemented by a focus on enhancing public financial management systems and achieving critical social inclusion objectives, thereby fostering sustainable development.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Grants – ROC (Taiwan)	18,083,470	18,556,120	17,142,860	17,142,860	17,142,860
Australia (CIF)	9,500,000	6,000,000	6,500,000	6,000,000	6,000,000
New Zealand (CIF)	1,375,160	8,852,770	3,720,000	3,720,000	3,720,000
Grants – World Bank	11,316,830	10,748,880	-	10,000,000	-
Grants - ADB	-	-	10,000,000	-	10,000,000
Grants – O/Development Partners	370,000	-	-	-	-
General Budget Support	40,645,460	44,157,770	37,362,860	36,862,860	36,862,860

3.5 EXPENDITURE

3.5.1 Staffing

The staffing expenditure is budgeted at \$33.9 million, marking an increase of \$4.3 million (15%) from the 2024-2025 estimated actuals. This increase is primarily driven by elevated salary costs associated with contractors and expatriate personnel, coupled with a rise in casual labour expenses necessitated by the heightened demand for workforce in ongoing projects and construction developments. Despite the overall increase, there is a notable decrease of Salary-Local from the 2024-2025 budget, attributed to high vacancy rates, which has facilitated the strategic reallocation of these funds to support critical operational activities and programs.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Salary – Local	19,433,750	20,286,640	21,861,080	22,303,330	22,751,960
Salary – Expatriate/Contract	2,613,580	1,703,160	2,969,060	3,028,570	3,089,210
Salary - Casuals	2,201,510	1,905,290	2,815,530	2,871,910	2,929,350
Consultant Fees	150,690	70,470	272,000	277,520	283,130
Allowances	1,444,580	1,870,570	1,914,120	1,952,550	1,991,610
Provident Fund	1,986,100	2,205,610	2,487,650	2,537,910	2,588,900
Relieving Fund	897,450	1,581,800	1,604,530	1,637,300	1,670,400
Gratuity	2,000	-	51,090	52,110	53,150
Staffing	28,729,660	29,623,540	33,975,060	34,661,200	35,357,710

3.5.2 Travel and Communication

Expenditure on travel and communications is budgeted at \$2.9 million, an increase of \$826,980 (39%) from the 2024-2025 estimated actual. This increase is primarily attributable to the escalating demands for staff attendance at an increasing number of high-level official meetings, compounded by the necessary rescheduling of various outer island duty travels that were previously deferred in the preceding financial year due to other pressing governmental commitments.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Overseas Business Travel	1,609,110	906,760	1,196,370	1,220,860	1,245,510
Local Business Travel	477,030	320,240	630,250	643,040	655,970
Leave Travel	311,800	256,370	406,160	414,360	422,630
Telecom and Internet	2,061,200	642,660	720,230	734,670	749,430
Travel & Communication	4,459,140	2,126,030	2,953,010	3,012,930	3,073,540

3.5.3 Maintenance

The maintenance budget is set at \$3.4 million, reflecting an increase of \$1.5 million (77%) from the 2024-2025 estimated actual. This increase is primarily allocated for the essential and upkeep of government vessels, including the recently acquired MV Manu Sina, alongside vital maintenance works for classrooms at Motufoua Secondary School.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
R&M (Vessel)	5,511,950	508,830	1,478,390	1,507,960	1,538,130
R&M (Motor Vehicles)	247,990	192,260	293,770	299,660	305,630
R&M (Plant)	66,480	77,310	63,250	64,520	65,800
R&M (Office Equipments)	114,750	80,590	237,790	242,580	247,380
R&M (Buildings/Facilities)	793,110	688,660	918,520	937,070	955,920
Deferred Maintenance	2,010	420,520	500,000	510,000	520,200
Maintenance	6,736,290	1,968,170	3,491,720	3,561,790	3,633,060

3.5.4 Fuel and Oil

The budget for fuel and oil is expected to reach \$3.8 million, an increase of \$933,050 (32%) from the 2024-2025 estimated actual. This increase is primarily due to higher fuel requirements for government vessels, including the charter of the MV Nivaga III to the Cook Islands, in addition to the increased fuel consumption associated with the newly acquired vessel, MV Manu Sina.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Petrol and oil	566,160	605,450	504,420	514,540	524,790
Vessel Fuel	2,178,180	2,302,380	3,336,460	3,403,190	3,471,250
Fuel & Oil	2,744,340	2,907,830	3,840,880	3,917,730	3,996,040

3.5.5 Grant, Subsidy and Donations

Expenditure on grants, subsidies, and donations is anticipated to total \$13.8 million, representing an increase of \$3.3 million (31%) compared to the 2024–2025 estimated actual. This increase is predominantly attributable to the allocation of \$2.5 million to the Fisheries Authority and a \$3.5 million subsidy designated for the Tuvalu Electricity Corporation (TEC). A detailed breakdown of all recipients is provided in **Schedule 4**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Subsidy	2,248,010	4,221,560	3,681,170	3,754,790	3,829,890
Cost of Service Obligation (CSO)	667,660	231,900	467,830	477,180	486,730
Grants - General	2,856,360	3,825,140	6,575,620	6,707,180	6,841,340
Grants - Salary Kaupule	599,920	442,960	599,920	611,920	624,160
Grants - Block	380,980	283,680	600,800	612,820	625,070
Grants - VDS	1,600,000	1,200,000	1,600,000	1,632,000	1,664,640
Financial Support/Donation	749,510	271,420	287,500	293,340	299,250
Grants, Subsidies & Donations	9,102,440	10,476,660	13,812,840	14,089,230	14,371,080

3.5.6 Tuvalu Overseas Referral Medical Scheme

The Tuvalu Overseas Referral Medical Scheme is budgeted at \$11.3 million, reflecting a decrease of \$1.4 million (-11%) from the 2024-2025 estimated actual. This amount accurately aligns with the realistic annual cost of the policy.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Salary – Expatriate/Contract	23,460	119,200	89,620	91,410	93,240
Provident Fund	-	1,208,300	20,610	21,020	21,450
Relieving Fund	900	-	-	-	-
Overseas Business Travel	651,140	1,203,650	500,000	510,000	520,200
Local Business Travel	-	870	2,400	2,450	2,500
Telecom and Internet	-	-	480	490	500
Petrol and oil	5,810	5,620	11,450	11,680	11,910
Housing Allowance	925,950	1,634,120	621,250	633,680	646,350
Rental/Rent Subsidy	103,100	-	-	-	-
Office Expenses	21,470	86,220	102,850	104,910	107,000
Entertainment	-	100	-	-	-
Utilities	-	17,110	60,000	61,200	62,420
Drugs and Medicines	8,749,530	7,366,990	8,093,610	8,255,480	8,420,590
Non-Taxable Allowance	2,853,890	1,136,140	1,868,000	1,905,360	1,943,470
Medical Scheme	13,335,250	12,778,320	11,370,270	11,597,680	11,829,630

3.5.7 Scholarship

Scholarship expenditure is expected to be at \$7.4 million, an increase of \$2.2 million (44%) from the 2024-2025 estimated actual. This increase is directly attributable to the planned new scholarship intakes for both in-service and pre-service programs commencing in February 2026.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Overseas Business Travel	308,350	307,330	390,000	397,880	405,880
Rental/Rent Subsidy	-	-	1,000	1,020	1,040
Office Expenses	4,250	3,740	5,650	5,770	5,880
Entertainment	1,380	920	3,800	3,880	3,970
Non-Taxable Allowance	5,120,550	4,851,050	7,019,560	7,164,620	7,310,290
Scholarship	5,434,530	5,163,040	7,420,010	7,573,170	7,727,060

3.5.8 Training

The budget provided for the training is anticipated at \$248,780, an increase of \$84,890 (52%) from the 2024-2025 estimated actual. This accounts for costs associated with comprehensive capacity building and various short-term training initiatives.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Attachment Training	10,000	-	-	-	-
Other Training Awards	87,710	16,550	53,210	54,270	55,360
Capacity Development	213,080	147,340	195,570	199,530	203,560
Training	310,790	163,890	248,780	253,800	258,920

3.5.9 Goods and Services

The expected budget for goods and services is \$22.4 million, an increase of \$5.5 million (33%) from the 2024-2025 estimated actual. The primary drivers of this increase include a \$2.4 million allocation to Welfare Schemes to fully support eligible beneficiaries, a \$1.0 million increase in the entertainment budget encompassing one-off provisions, and a \$500,000 provision for the insurance of the MV Manu Sina.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Statutory Allowance	710	-	-	-	-
Clothing Allowance	36,790	11,300	40,690	41,510	42,330
Housing Allowance	3,000	6,000	6,000	6,120	6,240
Rental/Rent Subsidy	4,861,160	1,363,020	2,458,680	2,510,030	2,561,340
Education Children Allowance	299,340	94,470	518,800	529,180	539,750
Cost of Living Adjustment –COLA	488,680	184,390	624,050	636,530	649,250
Office Stationery	186,600	86,250	168,530	171,910	175,360
Office Expenses	2,201,460	759,450	1,262,070	1,288,500	1,314,880
Supplies and Gears	1,176,270	1,448,010	1,716,260	1,750,620	1,785,670
Plant and Equipments	1,776,620	230,250	417,400	425,880	434,430
Building and Structures	(2,345,240)	400,680	2,000	2,040	2,080
Welfare Schemes	1,254,560	1,643,930	2,414,500	2,462,790	2,512,050
Compensation	61,970	42,440	84,000	85,690	87,400
Entertainment	422,950	369,320	1,362,840	1,390,250	1,418,140
Ration / Victualling	1,118,300	975,520	1,069,060	1,090,450	1,112,260
Vessel Slipping	627,500	23,760	-	-	-
Uniform	29,260	9,140	56,960	58,120	59,270
Utilities	1,849,820	1,833,100	1,887,890	1,925,640	1,964,200
Drugs and Medicines	1,983,560	254,740	548,000	558,960	570,140
Insurance	229,600	247,770	587,190	598,940	610,890
Overseas Contribution	1,545,680	1,641,200	1,195,020	1,219,030	1,243,440
Freight	810	-	1,000	1,020	1,040
Non-Taxable Allowance	608,560	429,270	999,720	1,019,820	1,040,280
Fumigation	36,980	48,000	108,820	110,990	113,220
Bank Charges	42,860	3,170	60,150	61,350	62,580
Forex (Gains/Losses)	-	-	50,000	51,000	52,020
Systems/Annual Subscriptions	226,570	795,350	712,920	727,260	741,830
Land Leases	2,695,340	3,244,580	3,000,000	3,060,000	3,121,200
Contingency	829,100	584,800	921,370	939,800	958,590
Goods & Services	22,248,810	16,729,910	22,273,920	22,723,430	23,179,880

3.5.10 Loan and Interest Payment

The budget provided for loans and interest payments is capped at \$330,000, a decrease of \$31,540 (-9%) from the 2024–2025 estimated actual, covering repayments due to ADB billing statements for maritime and ROC billing statements for Tuvalu Convention Centre.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Domestic Loan Rep – Principal	296,860	188,360	180,000	183,600	187,270
Domestic Loan Rep – Interest	316,430	173,180	150,000	153,000	156,060
Loan & Interest Payment	613,290	361,540	330,000	336,600	343,330

3.5.11 Capital Expenditure

The total capital expenditure is budgeted at \$11.2 million, an increase of \$8.8 million from the 2024–2025 estimated actual. This includes: \$5.0 million for the Community Sustainable Funding Assistance (COSFA); \$1.6 million for Outer-Islands projects; \$3.3 million for C and D grade housing, the court house, road maintenance, \$1.0 million as financial support to DBT, and \$151,380 as a top-up to support ongoing construction works at Kaumaile Primary School.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Grants - General	3,495,660	1,428,620	1,600,000	1,632,000	1,664,640
Financial Support/Donation	525,000	-	1,000,000	1,020,000	1,040,400
Grants - Development	-	-	5,000,000	5,100,000	5,202,000
Grants, Subsidies & Donations	4,020,660	1,428,620	7,600,000	7,752,000	7,907,040
R&M (Buildings/Facilities)	-	90,170	100,000	102,000	104,040
Maintenance	-	90,170	100,000	102,000	104,040
Plant and Equipment	-	-	158,000	161,160	164,380
Building and Structures	268,440	860,030	3,383,450	3,451,110	3,520,140
Good & Services	268,440	860,030	3,541,450	3,612,270	3,684,520
Capital Expenditure	4,289,100	2,378,820	11,241,450	11,466,270	11,695,600

3.5.12 Statutory Expenditure

Any written regulation other than the Appropriations Act that charges money to the Consolidated Fund is considered a statutory expenditure. The *Prescription of Salaries (Amendment) (No. 2) Act 2023* provides a detailed description of these expenses. The total statutory expenditure is budgeted at **\$3.1 million**, an increase of \$288,150 (10%) from the 2024-2025 estimated actual.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-2027 Projection	2027-2028 Projection
Salary - Local	121,490	80,600	111,600	113,990	116,350
Salary - Expatriate/Contract	438,220	256,490	320,000	326,760	333,500
Salary - Minister	737,250	821,100	855,000	873,040	890,970
Allowance	-	-	1,500	1,530	1,570
Provident Fund	83,930	90,500	96,630	98,680	100,690
Relieving Fund	570	-	-	-	-
Gratuity	24,000	21,600	24,000	24,530	25,040
Staffing	1,405,460	1,270,290	1,408,730	1,438,530	1,468,120
Overseas Business Travel	1,255,440	996,260	472,680	482,620	492,510
Local Business Travel	100,520	99,010	100,000	102,080	104,210
Telecom and Internet	64,230	45,830	74,400	75,970	77,600
Travel & Communication	1,420,190	1,141,100	647,080	660,670	674,320
Petrol and Oil	40,760	38,300	47,760	48,780	49,780
Fuel & Oil	40,760	38,300	47,760	48,780	49,780
Statutory Allowance	33,220	3,000	100,000	102,080	104,120
Clothing Allowance	15,370	10,550	32,400	33,110	33,760
Housing Allowance	27,600	46,080	72,000	73,560	75,100
Rental/Rent Subsidy	2,210	-	21,600	22,070	22,540
Office Expenses	1,730	40	2,000	2,040	2,090
Plant and Equipments	97,990	94,930	400,460	409,270	417,870
Entertainment	90,050	100,690	122,000	124,590	127,150
Utilities	88,670	89,320	112,240	114,610	116,990
Drugs and Medicines	3,320	26,520	67,000	68,400	69,800
Non-Taxable Allowance	126,840	48,300	124,000	126,730	129,390
Good & Services	487,000	419,430	1,053,700	1,076,460	1,098,810
Statutory Expenditure	3,353,410	2,869,120	3,157,270	3,224,440	3,291,030

3.6 CASH FLOW PLANNING

3.6.1 Risk Management

Managing cash flow in this government budget requires strategic timing of revenues and expenditures to ensure sufficient liquidity throughout the financial year. This process is supported by accurate forecasting and regular monitoring, which enable timely adjustments and minimize the risk of service disruptions or payment delays. One effective approach to manage cash flow is to smooth out revenues by ensuring that funds from development partners are received on time. This can be achieved by actively fulfilling budget support requirements, such as completing necessary reforms or submitting acquittal reports. On the expenditure side, the government can negotiate to delay non-essential payments to suppliers or contractors, and stagger larger capital projects to better align with anticipated cash inflows. The table below illustrates the historical cash flow trend for the financial year 2024-2025, highlighting the months when total payments exceed domestic revenues and when development partner grants are disbursed. It is crucial for the government to take note of this information to establish cash buffers that can support operations when needed.

Projected Cashflow 2025-2026

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Taxation	1,219,080	698,980	1,832,700	991,820	1,268,450	775,530	726,880	483,400	1,601,270	1,128,470	1,857,570	283,880	12,868,010
Interest, Dividends & Rent	82,730	51,030	49,430	64,390	60,100	217,770	126,890	4,847,960	56,960	44,760	45,500	193,650	5,841,170
Fishing Licenses	4,601,880	625,430	241,850	81,780	279,970	14,701,980	9,112,800	2,347,820	753,000	758,720	7,528,090	692,390	41,725,710
Commercial Contracts	-	3,591,620	-	3,260,720	-	-	3,682,530	-	-	-	-	2,106,980	12,641,860
Other Income	111,840	772,260	114,210	599,030	204,830	171,920	537,830	128,280	198,340	109,670	-	727,380	3,675,600
Total Domestic Revenue	6,015,530	5,739,330	2,238,190	4,997,740	1,813,360	15,867,190	14,186,920	7,807,470	2,609,570	2,041,620	9,431,150	4,004,280	76,752,350
General Budget Support	-	3,720,000	-	8,571,430	10,000,000	-	3,250,000	-	-	8,571,430	-	3,250,000	37,362,860
Grand Total Revenue	6,015,530	9,459,330	2,238,190	13,569,170	11,813,360	15,867,190	17,436,920	7,807,470	2,609,570	10,613,040	9,431,150	7,254,280	114,115,210
Staffing	2,486,840	2,536,820	2,222,090	2,199,740	2,269,340	3,434,340	2,324,590	2,456,880	2,596,350	2,292,590	12,250	9,143,220	33,975,060
Travel & Communication	212,520	116,610	54,090	262,230	189,840	352,890	338,610	114,470	331,440	273,960	211,760	494,580	2,953,010
Maintenance	389,930	500,550	166,990	372,470	238,940	155,410	209,220	181,890	281,580	285,280	127,520	581,950	3,491,720
Fuel & Oil	33,430	481,280	362,680	14,810	419,680	249,010	559,780	36,330	580,220	285,580	175,870	642,210	3,840,880
Grants, Subsidies & Donations	478,620	1,800,470	842,070	1,244,370	1,270,390	1,090,680	757,320	817,760	1,031,050	1,272,380	738,920	2,268,810	13,612,840
Scholarship	703,940	551,150	286,830	287,620	812,280	331,900	653,330	565,460	311,380	1,539,050	123,130	1,253,940	7,420,010
Training	20,600	-	2,190	-	14,940	146,830	5,760	10,140	3,560	-	3,270	41,470	248,780
Medical Scheme	620,110	773,090	708,740	657,510	187,920	1,287,670	141,360	676,960	442,850	1,694,960	347,630	3,831,460	11,370,270
Goods & Services	2,532,400	4,328,650	1,051,210	1,133,010	911,030	1,208,300	2,479,220	1,213,790	1,542,680	1,497,890	707,410	3,868,340	22,473,920
Loan & Interest Payment	-	124,280	-	-	-	-	-	-	150,730	-	-	55,000	330,000
Capital Payment	211,860	290,210	166,190	49,770	47,930	67,850	122,490	294,550	774,070	357,570	85,960	8,772,980	11,241,450
Statutory Allocation	460,470	234,410	243,890	242,390	286,210	239,410	225,960	347,490	180,780	167,420	97,680	431,170	3,157,270
Grand Total Expenditure	8,150,730	11,737,520	6,106,980	6,463,920	6,648,500	8,564,290	7,817,640	6,715,710	8,226,700	9,666,680	2,631,410	31,385,120	114,115,210
Surplus/ Deficit	- 2,135,200	- 2,278,190	- 3,868,790	7,105,250	5,164,860	7,302,900	9,619,280	1,091,760	- 5,617,130	946,360	6,799,740	- 24,130,840	-

Part 4: EXPENDITURE BY HEAD AND BY DEPARTMENT

4.1 EXPENDITURE MEASURES BY HEAD

4.1.1 Head A: Office of the Governor General

Accounting officer: Personal Assistant to His Excellency. The Governor General

Mandate: *Effectively support national affairs led by the Head of State in line with the Office's constitutional functions to perform on behalf of the sovereign both in domestic and abroad.*

The office of the Governor General is allocated a total expenditure of **\$238,740**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	16,040	16,790	17,780	18,160	18,550
Travel and Communication	10,040	24,720	20,900	21,360	21,810
Maintenance	220	830	-	-	-
Fuel & Oil	720	1,200	1,000	1,020	1,040
Grants, Subsidies & Donation	-	-	1,000	1,020	1,040
Good & Services	15,140	3,860	9,060	9,250	9,460
Recurrent Expenses	42,160	47,400	49,740	50,810	51,900
Statutory	152,530	144,470	189,000	193,160	197,200
Non-Recurrent Expenditure	152,530	144,470	189,000	193,160	197,200
Grand Total	194,690	191,870	238,740	243,970	249,100

Summary of Significant Expenditure Items

- There are no significant activities other than office operational costs for the Office of the Governor General.

4.1.2 Head B: Office of the Prime Minister

Accounting Officer: Secretary to the Office of the Prime Minister

Mandate: *The Office of the Prime Minister is responsible for advancing national well-being priorities through policy advocacy both domestically and abroad, and assessing the Human Resources Management needs of the government for improved public sector management and performance.*

The Office of the Prime Minister is allocated a total expenditure budget of **\$6,246,580**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	1,796,980	1,653,490	1,975,060	2,018,540	2,060,910
Travel and Communication	247,980	95,200	164,240	167,830	171,390
Maintenance	79,680	41,230	91,400	93,410	95,360
Fuel & Oil	6,160	93,150	5,570	5,690	5,810
Grants, Subsidies & Donation -	20,480	62,480	68,000	69,500	70,960
Scholarships	2,233,710	1,523,350	2,377,200	2,429,500	2,480,520
Good & Services	376,010	931,520	1,244,570	1,271,930	1,298,660
Recurrent Expenses	4,730,040	4,400,420	5,926,040	6,056,400	6,183,610
Statutory	263,530	398,780	320,540	327,580	334,460
Non-Recurrent Expenditure	263,530	398,780	320,540	327,580	334,460
Grand Total	4,993,570	4,799,200	6,246,580	6,383,980	6,518,070

Summary of Significant Expenditure Items

- A total of \$2.3 million has been allocated for scholarships, including ongoing and new in-service intake, a 10% top-up for students in Taiwan and Australia, reimbursement of course fees, and in-country training.

Targeted Outcomes for 2025-2026

- Improved provision on administration and policy support from headquarters, Cabinet and DCC.
- Improved administration of the honours and awards system.
- Improved capacity on electoral processes and procedures.
- Improved Tuvalu Public Services.

Commitment to Climate Change

- OPM is supporting Tuvalu's policies related to Climate Change. The Prime Minister will advocate for climate change issues at the international level, especially at the Conference of the Parties at COP 30, scheduled to be held from November 10-21, 2025 in Belem, Brazil.

Service Delivery/Outputs

- Provide policy advice to the Prime Minister and ensure effective coordination of the Prime Minister's engagement.
- Delivery of cabinet decisions to the public.
- Coordination of the 21 government priorities.
- Provide support, clear systems and instructions to staff.
- Improved administration of Public Holidays and Community Days.
- Facilitation of national leadership through sound policy support and administrative services to the Prime Minister and the Cabinet of Tuvalu.
- Efficient and effective delivery of the Honours and Award System.
- Improved participation and engagements at the general election through effective outreach programs.

- Improved systems and processes in conducting the General Election and Bye-Elections.
- Enhanced the revised government salary structure.
- Coordination and administration of official tours - Governor General and Prime Minister.

4.1.3 Head C: Legal Affairs

Accounting Officer: Attorney General

Mandate: *The Legal Affairs consist of the Office of Attorney General, Office of the People's Lawyer and the Office of the Ombudsman and the Human Rights Institution that are mandated to provide legal affairs to the people and the Government of Tuvalu. The Constitution of Tuvalu, People's Lawyer Act, the Leadership Code and the National Human Rights Act govern the mandates of the Legal Affairs.*

The Legal Affairs is allocated a total expenditure amount of **\$1,352,240**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	610,560	571,430	925,890	946,250	966,130
Travel and Communication	65,140	57,930	154,820	158,220	161,570
Maintenance	4,970	2,540	11,800	12,050	12,310
Fuel & Oil	1,560	100	2,900	2,970	3,020
Good & Services	374,100	16,360	174,220	178,040	181,800
Recurrent Expenses	1,063,280	648,360	1,294,330	1,322,770	1,350,610
Statutory	5,060	42,750	57,910	59,190	60,440
Non-Recurrent Expenditure	6,460	42,750	57,910	59,190	60,440
Grand Total	1,069,740	691,110	1,352,240	1,381,960	1,411,050

Summary of Significant Expenditure Items

- There are no significant expenditures beyond regular office operational costs.

Targeted Outcomes for 2025-2026

- Ensure updated and accessible laws of Tuvalu and civil registry records (births, deaths, marriages) for the public.
- Establish the Office of the Director of Public Prosecution, address gaps in criminal legislation, and improve intellectual property laws.
- Train legal staff, police, and Falekaupule members; expand knowledge in legal areas including intellectual property.
- Enhance legal representation, especially in outer islands, with well-trained prosecutors and better court assistance and judgments.
- Improve administrative services and implement a reliable database system for efficient case management, records, and public service delivery.

Commitment to Climate Change

- The Legal Services continue to offer technical support to the Department of Climate Change given the most profound impacts on a variety of laws of Tuvalu, particularly the Bill of Rights, including the right to life, self-determination, development, food, health, sanitation, and housing. The Legal Affairs, across its various sectors, continues to support the fight against climate change

Service Delivery/Outputs

- Improve the administration of the Office of the Attorney General and provide legal support to Kaupule and Falekaupule.
- Enhance the skills of counsels and IP officers, focusing on court duties and legal expertise.
- Register Tuvalu citizens both locally and overseas to support accurate national records.
- Develop a civil case database and implement a filing and tracking system for better case management.

4.1.4 Head D: Office of the Parliament

Accounting Officer: Clerk to Parliament

Mandate: *The Parliament Office is mandated with delivering high-quality, effective, and timely support services to the Parliament of Tuvalu.*

The Office of the Parliament has been allocated a total budget of **\$1,976,690** for operation.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	108,440	143,600	139,030	142,090	145,080
Travel and Communication	50,370	32,640	14,340	14,660	14,960
Maintenance	2,560	1,930	2,910	2,980	3,040
Fuel & Oil	1,820	2,140	2,400	2,450	2,500
Trainings	-	960	2,880	2,940	3,010
Good & Services	482,140	404,740	571,640	584,210	596,480
Recurrent Expenses	645,330	586,010	733,200	749,330	765,070
Statutory	1,212,240	1,046,780	1,243,490	1,270,840	1,297,550
Non-Recurrent Expenditure	1,212,240	1,046,780	1,243,490	1,270,840	1,297,550
Grand Total	1,857,570	1,632,790	1,976,690	2,020,170	2,062,620

Summary of Significant Expenditure Items

- An additional allocation of **\$102,420** has been designated to guarantee that Tuvalu Media effectively provides complete live coverage of parliament sessions.

Targeted Outcomes for 2025-2026

- Further progress and implement the new approved Member of Parliament entitlements that were consulted with the public.
- Ensure full coverage of all Parliamentary Sessions during the financial year are effectively and efficiently delivered.

Commitment to Climate Change

- The Parliament Office, represented by the Speaker and Members of Parliament participating in conferences and seminars organized by the Commonwealth Parliamentary Association (CPA), Inter-Parliamentary Union (IPU), Asia-Pacific Parliamentary Union (APPU), and other international organizations, actively promotes advocacy on climate change issues.

Service Delivery/Outputs

- Enhanced public knowledge on parliamentary systems through organizing frequent parliamentary open days.
- Ensure Members of Parliament uphold their legal mandates and critical leadership competence.

4.1.5 Head E: Office of the Auditor General

Accounting Officer: Auditor General

Mandate: *In accordance with Section 172 of the Constitution, the Office of the Auditor General (OAG) is mandated to undertake financial audits of the accounts of the Government of Tuvalu, public sector entities, and any other accounts, financial statements, or reports that the Auditor General is required or authorized by law to audit. In addition, the OAG conducts performance audits, compliance audits, and inquiries into public sector entities, as well as other audit-related services, upon request by Parliament, the Public Accounts Committee, or the Executive. The undertaking of such audits or services, where not mandated by law, is subject to the discretion of the Auditor General*

The Office of the Auditor General is allocated a total expenditure budget of **\$494,100**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	265,520	285,380	304,200	310,890	317,410
Travel and Communication	42,690	13,750	64,710	66,140	67,520
Maintenance	1,500	5,570	4,890	5,000	5,100
Fuel & Oil	500	300	500	510	520
Good & Services	68,420	31,260	65,470	66,910	68,330
Recurrent Expenses	378,630	336,260	439,770	449,450	458,880
Statutory	46,980	42,050	54,330	55,520	56,700
Non-Recurrent Expenditure	46,980	42,050	54,330	55,520	56,700
Grand Total	425,610	378,310	494,100	504,970	515,580

Summary of Significant Expenditure Items

- There are no significant expenditure items other than normal office operational costs.

Targeted Outcomes for 2025-2026

- Enhance accountability, transparency, and integrity across government, public, and private sector entities through strengthened audit and oversight frameworks.
- Conduct timely financial audits of Government, Kaupule, and other statutory bodies, and ensure audit reports are tabled in Parliament.
- Strengthen institutional capacity by increasing staffing and resources in the performance and compliance audit units.

Commitment to Climate Change

- The Office of the Auditor General is undertaking a performance audit to assess the effectiveness and efficiency of climate change adaptation actions, with a focus on coastal erosion and sea level rise measures. These audits aim to strengthen accountability and transparency in the use of public funds for climate change adaptation and mitigation efforts.

Service Delivery/Output

- Deliver high-quality and timely financial, performance, and compliance audit reports.
- Strengthen engagement and communication with key stakeholders.
- Promote greater accountability and transparency within the public sector and the Office of the Auditor General.
- Establish robust internal controls and implement a comprehensive staff development plan.

4.1.6 Head F: Ministry of Finance and Economic Development

Accounting Officer: Secretary of Finance and Economic Development

Mandate: *Effectively manage prudent fiscal management and produce sound financial, economic and climate-resilient advice to achieve a vibrant and resilient economy.*

The Ministry has allocated a total budget expenditure of **\$8,193,430**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	1,648,380	1,469,670	1,908,900	1,947,090	1,986,030
Travel and Communication	143,440	153,380	120,160	122,560	125,010
Maintenance	15,720	2,010	8,460	8,630	8,800
Fuel & Oil	8,220	2,140	3,270	3,330	3,400
Grants, Subsidies & Donation	3,032,180	231,900	667,830	681,180	694,810
Trainings	3,080	-	-	-	-
Good & Services	193,930	1,981,920	3,997,310	4,077,270	4,158,780
Recurrent Expenses	5,658,240	4,202,560	7,035,930	7,176,660	7,320,160
Statutory	302,260	157,450	157,500	160,960	164,340
Non-Recurrent Expenditure	827,260	157,450	1,157,500	1,180,960	1,204,740
Grand Total	6,485,500	4,360,010	8,193,430	8,357,620	8,524,900

Summary of Significant Expenditure Items

- **\$1.7 million** has been allocated for the whole of government electricity bills.
- **\$1.0 million** is allocated for the Development Bank of Tuvalu (DBT).
- **\$419,700** is provided to cover the civil servant annual performance bonus.
- **\$101,684** has been allocated for the Financial Management Information System's annual subscription
- **100,000** is allocated for the Mid Term Review of TE KETE.

Targeted Outcomes for 2025-2026

- Ensure macro-economic growth and stability for a sustainable economy.
- Strengthen financial system, internal control, reporting and processes to promote efficiency.

Commitment to Climate Change

- The Ministry is engaged in an ongoing Government for Resilience (Gov4Res) project under UNDP that will focus on integrating risk informed development and the development of the Climate Budget Tagging to integrate change related activities into the budget process and reporting.

Service Delivery/Outputs

- Improve the government financial management information system.
- Improve management of public funds and prudent macroeconomic management.
- Improve access to global climate change finance and ODA programs and projects.

4.1.7 Head G: Ministry of Public Works and Infrastructure Development and Water

Accounting Officer: Secretary of Public Works and Infrastructure Development and Water

Mandate: *The Ministry of Public Works, Infrastructure Development, and Water oversees the enhancement of economic infrastructure and support services, ensuring access to safe water supplies and sanitation services, delivering accurate weather forecasts, and*

implementing disaster prevention measures. The Ministry's various departments are committed to enhancing service delivery through their respective programs.

The Ministry has allocated a total expenditure budget of **\$9,203,070**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	3,197,930	2,962,410	3,639,820	3,712,570	3,786,840
Travel and Communication	211,710	66,290	146,340	149,270	152,240
Maintenance	612,010	1,013,190	1,166,600	1,189,930	1,213,720
Fuel & Oil	123,510	133,790	136,050	138,780	141,540
Grants, Subsidies & Donation	25,000	-	-	-	-
Good & Services	1,606,450	341,990	464,090	473,370	482,820
Recurrent Expenses	5,776,610	4,517,670	5,552,900	5,663,920	5,777,160
Capital	703,410	994,290	3,490,070	3,559,870	3,631,070
Statutory	134,010	115,390	160,100	163,300	166,580
Non-Recurrent Expenditure	837,420	1,109,680	3,650,170	3,723,170	3,797,650
Grand Total	6,614,030	5,627,350	9,203,070	9,387,090	9,574,810

Summary of Significant Expenditure Items

- A budget of **\$2,240,184** was allocated for construction of C&D-Grade Housing to meet House Standard.
- **\$991,888** was allocated to continue the construction of the Court House which has already commenced.
- **\$150,000** is allocated to purchase a new mobile mixer to meet operational activities of the PWD.
- **\$100,000** is allocated for maintenance of roads.

Targeted Outcomes for 2025-2026

- Construct a new civil servant residence and continue maintenance works on government houses and public roads.
- Continue to raise awareness on reducing vulnerabilities and disaster risks through mitigation measures and preparedness.
- Responding promptly to disasters including reallocation of affected families and clearing of public roads during hazardous (strong wind, high tided).
- Strong National Meteorological Service with legislation, relevant policy and protocols for data sharing and usage are available and implemented to guide the use and sharing of weather and climate services data including historical data.
- Capacity for climate change monitoring is available in the met services, obsolete equipment is replaced and other equipment-maintained capacity to service the needs of end users.
- Improved public awareness of weather and climate information.
- Inter-island communications are improved to receive warnings and send observations.

Commitment to Climate Change

- The Ministry of Public Works, Disaster, and Infrastructure Development is committed to promoting climate-resilient infrastructure, enhancing disaster preparedness, integrating low-carbon and sustainable practices, and strengthening policy and community engagement to address the impacts of climate change.

Service Delivery/Outputs

- Construction and maintenance of public infrastructure (roads, government buildings, water systems).
- Implementation of climate-resilient infrastructure projects to support sustainable development.
- Disaster risk reduction and management, including early warning systems, emergency response, and recovery efforts.
- Rehabilitation and upgrading of existing infrastructure to meet safety and environmental standards.
- Support to communities and sectors through reliable public utilities and transport networks.
- Coordination of national infrastructure planning to align with development and climate goals.
- Technical support and capacity building for local infrastructure and disaster management teams.
- Monitoring and maintenance of public assets to ensure long-term functionality and resilience.

4.1.8 Head H: Ministry of Health and Social Welfare

Accounting Officer: Secretary of Health and Social Welfare

Mandate: *The Ministry of Health and Social Welfare (MOHSW) provides strategic leadership in delivering high-quality healthcare and social welfare services. Its mandate is to advance national health and social objectives as outlined in TE KETE: The National Sustainable Development Strategy and the government's 21 priority areas, ensuring a healthier and more equitable society.*

The Ministry has allocated a total budget expenditure of **\$21,106,650**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	3,648,600	3,980,940	4,270,380	4,355,790	4,442,820
Travel and Communication	258,510	118,020	226,070	230,600	235,220
Maintenance	38,200	30,060	134,300	136,980	139,710
Fuel & Oil	25,600	21,220	28,980	29,560	30,150
Grants, Subsidies & Donation	100,000	75,000	75,000	76,500	78,030
Medical Treatment Scheme	13,335,250	12,778,320	11,370,270	11,597,680	11,829,630
Trainings	40,010	3,670	29,400	29,990	30,580
Good & Services	2,958,450	3,445,160	4,819,250	4,915,600	5,013,910
Recurrent Expenses	20,404,620	20,452,390	20,953,650	21,372,700	21,800,050
Statutory	164,540	177,000	153,000	156,060	159,180
Non-Recurrent Expenditure	164,540	177,000	153,000	156,060	159,180
Grand Total	20,569,160	20,629,390	21,106,650	21,528,760	21,959,230

Summary of Significant Expenditure Items

- **\$11.3 million** is allocated for the Medical Treatment Scheme (TORMS).
- **\$2.4 million** is allocated for the Welfare Scheme.

Targeted Outcomes for 2025-2026

- Strengthen healthcare system resilience and adaptability, ensuring equitable, sustainable, and high quality medical services across Tuvalu.
- Streamlined governance and financial stability of the Tuvalu Overseas Referral Medical Scheme (TORMS).
- Improved response services for mental health, child protection and social welfare, particularly for vulnerable groups, including persons with disabilities.

Commitment to Climate Change

- The Ministry of Health and Social Welfare is dedicated to building resilient and sustainable health systems through strategic partnerships and multi-sectoral collaboration. With WHO support, Tuvalu benefits from the GEF LDC project, enhancing national capacity to mitigate climate-related health risks. The Health Department leads awareness efforts on disaster preparedness, mitigation, and climate-resilient health infrastructure, while the Social Welfare Department ensures that adaptation initiatives prioritise vulnerable groups, promoting resilience in the face of climate challenges.

Service Delivery/Outputs

- Healthcare Quality and Standards: Reviewing and improving healthcare infrastructure, workforce capacity, and service delivery mechanisms to enhance nationwide medical services.
- Overseas Medical Referral Scheme: Conduct a comprehensive review to improve the well-being of vulnerable populations.

- Ensure an efficient and well-resourced healthcare workforce capable of improving preventive measures and delivering high quality curative healthcare services, particularly for NCDs, communicable diseases, and maternal-child health conditions.

4.1.9 Head I: Ministry of Natural Resources Development

Accounting Officer: Secretary of Natural Resources Development

Mandate: *The Ministry of Natural Resources Development is deeply committed to ensuring the sustainable development of the nation's fisheries, lands, and agriculture sectors through diligent stewardship and collaborative efforts. With a focus on integrity, innovation, and community engagement, the ministry strives to safeguard Tuvalu's natural heritage while promoting the well-being and prosperity of all its citizens. By implementing sound management practices and fostering resilience, the ministry aims to create a thriving future that balances environmental sustainability, economic growth, and social equity for generations to come.*

The Ministry has allocated a total budget expenditure of **\$7,792,050**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	1,224,380	2,259,050	1,342,830	1,369,690	1,397,100
Travel and Communication	70,090	142,160	155,780	158,890	162,070
Maintenance	90,680	46,780	15,700	16,010	16,330
Fuel & Oil	52,140	24,620	11,000	11,220	11,440
Grants, Subsidies & Donation	227,810	240,000	2,815,860	2,872,180	2,929,620
Trainings	70	8,200	10,000	10,200	10,400
Good & Services	340,620	169,390	3,293,280	3,359,140	3,426,320
Recurrent Expenses	2,005,790	2,890,200	7,644,450	7,797,330	7,953,280
Statutory	145,880	143,730	147,600	150,550	153,560
Non-Recurrent Expenditure	145,880	143,730	147,600	150,550	153,560
Grand Total	2,151,670	3,033,930	7,792,050	7,947,880	8,106,840

Summary of Significant Expenditure Items

- A total allocation of **\$2.8 million** has been set aside for grant subsidies and donations. This includes **\$2.5 million** for the operation of the fisheries department as an authority, \$200,000 to support the operation of the NAFICOT, and \$50,000 for the FOFA.
- **\$3 million** has been committed to cover government land lease payments.
- An allocation of **\$100,000** is provided to cover consultancy services for the Department of Lands.

Targeted Outcomes for 2025-2026

- Strengthening of Oceanic Section: Increase resources and manpower to improve management of oceanic resources, maximise fisheries revenues, and support informed decision-making through data analysis.

- Fishing License Value Enhancement: Implement strategic measures to boost the value of fishing licenses in Tuvalu waters, aiming for sustainable fisheries practices and economic growth.
- Agricultural and Geospatial Initiatives: Promote import substitution of local agricultural products, develop agricultural commercial activities, and establish an integrated geospatial framework for sustainable transformation and land management.

Commitment to Climate Change

- The Ministry has ratified the World Heritage Convention in May 2023 in order to seek recognition of its natural and cultural heritage. This will be followed by developing a concept note application to submit to the World Heritage committee to consider the Tuvalu's inventory list that outlines its natural and cultural sites that require it to be protected from climate change and natural disasters. The culture department who led this program will reach out to all Falekaupule to seek approval of the identified inventory lists and will submit to the Rising nations Initiative (RNI) secretariat who will assist and work in collaboration with the Government to develop the application and submit to the committee in February, 2024.

Service Delivery/Outputs

- Increased resources improve capacity for sustainable oceanic resource management, leading to enhanced fisheries revenues via better data analysis.
- Strategic measures boost the value of fishing licenses in Tuvalu waters, promoting sustainable practices and economic growth.
- Increased coconut production and collaboration bolster food security and livelihoods, while a Farmer Association supports agricultural development and resilience, contributing to sustainable agriculture and improved living standards

4.1.10 Head J: Ministry of Home Affairs, Climate Change and Environment

Accounting Officer: Secretary of Home Affairs, Climate Change and Environment

Mandate: *The Ministry of Home Affairs, Climate Change and Environment is mandated to strengthen sustainable development of Tuvalu. Effective waste management is crucial for maintaining environmental sustainability and public health. Providing climate-resilient advice and implementing adaptation measures to mitigate the adverse effects of climate change on Tuvalu's economy while ensuring the protection of Tuvalu's fragile ecosystem and scarce resources.*

The Ministry has allocated a total expenditure of **\$14,115,290**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	3,185,620	2,988,350	3,191,070	3,254,920	3,319,970
Travel and Communication	108,200	63,100	144,330	147,210	150,160
Maintenance	72,200	67,990	69,200	70,580	71,990
Fuel & Oil	162,720	167,590	120,260	122,670	125,120
Grants, Subsidies & Donation	2,641,900	1,983,640	2,825,720	2,882,240	2,939,880
Trainings	130,770	132,830	78,390	79,960	81,560
Good & Services	649,180	237,110	933,320	951,970	971,020
Recurrent Expenses	6,950,590	5,640,610	7,362,290	7,509,550	7,659,700
Capital	3,495,660	1,428,620	6,600,000	6,732,000	6,866,640
Statutory	239,330	170,680	153,000	156,060	159,180
Non-Recurrent Expenditure	3,734,990	1,599,300	6,753,000	6,888,060	7,025,820
Grand Total	10,685,580	7,239,910	14,115,290	14,397,610	14,685,520

Summary of Significant Expenditure Items

- **\$370,000** allocated for the Culture Festival
- **\$244,000** allocated for the TILA project
- **\$6.82 million** is allocated for the Community Sustainable Funding Assistance (COSFA), General Grant Development of Kaupule & General Grant Block;
 - **\$5.0 million** for the COSFA;
 - **\$1.6 million** is allocated for the General Grant Development to support Island Development;
 - **\$600,800** is allocated for the General Grant Development to support Kaupule's operations.

Targeted Outcomes for 2025-2026

- Ensure the resilience of the country on the impacts of sea surges and sea level rise.
- Preserve our traditions, cultures, traditional knowledge and language.
- Ensure close working relations between the Government, Kaupule and Falekaupule.
- Ensure the sustainable developments of outer islands.
- Elevate waste management strategy in terms of collection and disposal.
- Promote economic circularity on waste management.
- Ensure sound environmental management on developments.

Commitment to Climate Change

- The department of culture is now currently working to submit a full list of Tuvalu's cultural heritage sites to be recognized and preserved under the UNESCO 1972 convention.
- Promote economic circularity through the collection of organic waste to be shredded for subsistence farming. This will reduce actions relative to open burning of organic waste and thus the release of emission to the atmosphere. This also extends to other types of waste such as PET bottles and aluminum cans that are exported to Malaysia, thus reducing the number of Waste burning at the northern-end dumpsite.

- Discussions are ongoing on the reclamation of coastal areas from the Princess Market Hospital to the Wharf, including a coastal protection starting from the Pacific Energy to the residence of Paueli at Tealapae.
- The department of Home Affairs is currently working in close collaboration with the LoCAL project to deliver climate relative projects in the outer islands such as pulaka pits cements.

Service Delivery/Outputs

- Capacity building on Kaupule on the new budget templates and other financial processes that may require to be addressed.
- Meeting of the Tuvalu Island Leaders Assembly by October in Vaitupu.
- National Festival of Arts and Culture or Te Fakaapo: Fakaasiga Tu, Iloga, Poto mo Faifaiga faka Tuvalu.
- Preservation of two cultural heritage sites in each island.
- Standardizing an official Tuvalu Dictionary for any reference to the Tuvalu language.
- Exporting used PET bottles to a third country party under the Government of Tuvalu and Coca Cola partnership.
- Teu Fongafale Strategy implementation.
- Negotiation of the Plastic Pollution Treaty.

4.1.11 Head K: Tuvalu Police Services

Accounting Officer: Commissioner of Police

Mandate: *To maintain law and order throughout Tuvalu communities to effectively reduce crime and enforce the nation's laws, regulations, and policies.*

The Tuvalu Police Services is allocated a total expenditure of **\$3,047,660**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	2,122,080	2,299,580	2,571,420	2,622,840	2,675,290
Travel and Communication	109,580	88,800	85,960	87,680	89,440
Maintenance	74,580	14,170	82,800	84,460	86,150
Fuel & Oil	61,990	36,840	65,910	67,230	68,560
Trainings	87,710	16,550	53,210	54,270	55,360
Good & Services	122,810	87,610	140,060	142,850	145,710
Recurrent Expenses	2,578,750	2,543,550	2,999,360	3,059,330	3,120,510
Capital	330	-	-	-	-
Statutory	21,450	4,240	48,300	49,270	50,260
Non-Recurrent Expenditure	21,780	4,240	48,300	49,270	50,260
Grand Total	2,600,530	2,547,790	3,047,660	3,108,600	3,170,770

Summary of Significant Expenditure Items

- A total of \$2.5 million has been allocated for staffing, reflecting a significant increase in allowances, including shift, abnormal, and overtime allowances.

Targeted Outcomes for 2025-2026

- Improve quality, accessibility, efficiency, and effectiveness of legal services for the general public.
- Maintain political stability and effective judicial system, through the necessary constitutional reform.

Commitment to Climate Change:

- Tuvalu Police Service promotes climate change as a major threat to the nation's statehood and supports that Tuvalu is at the forefront of the effects of climate change. Given that Tuvalu Police's primary role is the enforcement of laws, TPS supports the government's initiatives to mitigate the effects of climate change by enforcing all laws and policies regulated by the government.

Service Delivery/Outputs:

- The establishment of new police headquarters is a major project of the TPS.
- TPS intends to increase rehabilitation and parole programs.
- Improve Fire and Rescue Unit (FRU) to respond to fire emergencies and distress calls immediately.
- Increase aviation firefighting services for the airport.
- Create and improve proper facilities for storing resources and equipment.
- Equipping the TPS with the necessary facilities and resources to provide quality accessibility to legal services by the general public.
- Political stability and an effective judicial system are implemented through necessary constitutional reform.

4.1.12 Head L: Ministry of Transport, Energy, Communication and Innovation

Accounting Officer: Secretary of Transport, Energy, Communication and Innovation

Mandate: *A key focus is on providing efficient, reliable, and affordable sea transport to improve national accessibility. In the aviation sector, the Ministry is committed to maintaining safety and compliance with international and regional standards, while also exploring the potential for domestic air services. The Ministry also aims to drive sustainable tourism, support nationwide decarbonization efforts, and increase the capacity and use of renewable energy. Enhancing communication services is another priority, with a strong emphasis on reliability and affordability. Additionally, the Ministry is dedicated to fostering local innovation with an utmost priority of protecting Tuvalu's national interests, security, cultural heritage, and core values.*

The Ministry is allocated with a total budget of **\$17,668,350**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	3,525,520	4,120,960	5,502,210	5,612,240	5,724,450
Travel and Communication	113,910	618,510	586,360	598,090	610,050
Maintenance	5,526,360	575,600	1,603,060	1,635,140	1,667,830
Fuel & Oil	2,185,090	2,340,250	3,350,040	3,417,040	3,485,380
Grants, Subsidies & Donation -	3,540	5,382,230	4,650,000	4,743,000	4,837,860
Trainings	5,160	-	45,000	45,900	46,820
Good & Services	3,921,680	563,070	1,774,180	1,809,680	1,845,830
Recurrent Expenses	15,274,180	13,600,620	17,510,850	17,861,090	18,218,220
Statutory	160,360	108,200	157,500	160,650	163,860
Non-Recurrent Expenditure	160,360	108,200	157,500	160,650	163,860
Grand Total	15,434,540	13,708,820	17,668,350	18,021,740	18,382,080

Summary of Significant Expenditure Items

- A total of **\$5.5 million** has been allocated for staffing, with the significant increase attributed to new positions created for the two vessels - MV Manu Sina and Tug and barge.
- The significant increase of **\$1.6 million** for maintenance is due to Manu Sina's maintenance compliance with International and ADB requirements.
- The **\$3.3 million** allocation for fuel and oil is due to MV Nivaga III being chartered by the Cook Islands.
- An additional **\$400,000** in grant funding has been allocated to support the budget of the Tuvalu Broadcasting Corporation.

Targeted Outcomes for 2025-2026

- Effective, efficient, reliable, safe and affordable services in transportation and communication while advancing tourism targets, digital technology and energy strategies.

Commitment to Climate Change

- The Ministry is committed to ensuring that all infrastructure and services under its mandate are resilient to climate change impacts and accessible to all communities, including outer islands and vulnerable populations. This includes leveraging digital communication tools to enable swift and effective information dissemination, raising awareness on climate change issues, and providing critical support during disasters. From a mitigation perspective, the Ministry, through its key departments, is dedicated to advancing nationwide decarbonization across the shipping, land, and air transport sectors. It is also investing in renewable energy initiatives to support Tuvalu's climate mitigation goals.

Service Delivery/Outputs

- Provide efficient, reliable, affordable, and safe inter-island transportation through improved shipping and aviation services for the people of Tuvalu.
- Ensure reliable, affordable, and efficient internet and telecommunications access for all.
- Promote inclusive digital technologies to create opportunities for the Ministry, NGOs, and communities.
- Conduct thorough review, consultation, and implementation of key regulations, acts, and policies across the Ministry.
- Strengthen nationwide decarbonization efforts through investment in renewable energy and exploration of new opportunities.
- Finalize sector plans for the Departments of Aviation and Tourism, ensuring alignment and complementarity in goals and activities.

4.1.13 Head M: Ministry of Education and Human Resources Development

Accounting Officer: Secretary of Education and Human Resources Development

Mandate: *The Ministry of Education and Human Resources Development mandate is to provide quality education, encourage youth development and support sports development for all.*

The Ministry of Education and Human Resources Development is allocated a total expenditure budget of **\$14,867,310**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	4,430,180	5,083,600	5,182,030	5,285,660	5,391,370
Travel and Communication	226,070	219,730	219,580	223,990	228,420
Maintenance	64,390	72,620	221,290	225,720	230,230
Fuel & Oil	38,810	24,120	32,000	32,640	33,290
Grants, Subsidies & Donation	2,477,600	2,441,790	2,616,430	2,668,750	2,722,120
Scholarships	3,200,820	3,639,690	5,042,810	5,143,670	5,246,540
Good & Services	2,026,750	1,137,290	1,244,290	1,269,170	1,294,500
Recurrent Expenses	12,464,620	12,618,840	14,558,430	14,849,600	15,146,470
Statutory	168,000	165,740	157,500	160,650	163,860
Non-Recurrent Expenditure	789,180	626,370	308,880	315,050	321,350
Grand Total	13,253,800	13,245,210	14,867,310	15,164,650	15,467,820

Summary of Significant Expenditure Items

- A total of **\$5.04 million** has been allocated to cover costs for scholarships, new and ongoing, for the next financial year consisting of Pre-Service, SELF, and Tuition awards.
- The major increase of **\$151,380** was aimed at finalizing the project activities and completing the Kaumaile Primary School in Nanumea.
- Additional funds of **\$100,000** was added for the repair and maintenance of the dormitories in Motufoua Secondary School.

Targeted Outcomes for 2025-2026

- Sustain excellence in education, youth development and sports for all.

Commitment to Climate Change

- Climate change has been identified as a key priority area under the Tuvalu and Australia Partnership for Quality Education (TAPQE) program. This aligns with the Ministry of Education's ongoing commitment to addressing climate change through the education sector by building awareness, fostering resilience, and integrating climate-related content into the national curriculum. As part of this collaboration, TAPQE supports efforts to enhance the quality and sustainability of education in Tuvalu in response to the growing challenges posed by climate change.

Service Delivery/Outputs

- Support nationwide efforts to raise literacy and numeracy standards in schools.
- Undertake system-wide improvements to classroom infrastructure to support effective teaching and learning.
- Increased number of students supported through scholarship funding.
- Initiate infrastructure upgrades for sports ground facilities.

4.1.14 Head N: Office of the Judiciary

Accounting Officer: Senior Magistrate

Mandate: *The department of Judiciary is mandated to establish and maintain an effective judicial service under the Constitution, Acts and Regulations of Parliaments, Te Kete and the 21 Priorities of the current Administration.*

The office of the Judiciary is allocated with a total expenditure budget of **\$876,040**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	288,130	454,000	632,160	644,790	657,690
Travel and Communication	20,190	23,630	20,600	21,010	21,430
Maintenance	2,930	4,990	3,500	3,570	3,640
Fuel & Oil	2,890	1,160	2,000	2,040	2,080
Good & Services	273,050	246,790	217,780	222,140	226,580
Recurrent Expenses	614,230	730,570	876,040	893,550	911,420
Statutory	135,060	16,340	-	-	-
Non-Recurrent Expenditure	135,060	16,340	-	-	-
Grand Total	749,290	746,910	876,040	893,550	911,420

Summary of Significant Expenditure Items

- A total amount of **\$120,190** has been allocated to accommodate the Residential Judge's contractual entitlement.

Targeted Outcomes for 2025-2026

- Establish an effective justice system where peace is maintained and strengthened together with sustenance of law enforcement.

Commitment to Climate Change

- The Judiciary of Tuvalu is committed to delivering a responsive and efficient justice system that meets the needs of its people, particularly as the impacts of climate change intensifies. In collaboration with other public service providers, it aims to strengthen legal frameworks, build institutional capacity, and ensure access to timely and effective dispute resolution. Through this coordinated approach, the judiciary supports national efforts towards climate resilience, environmental protection, and sustainable development.

Service Delivery/Outputs

- Improve quality, accessibility, efficiency and effectiveness of judicial services to the general public.
- Maintain an effective judiciary system through necessary constitutional and legislative reforms.
- Introduction and use of the New Bench Book for Lay Magistrates.
- Continue Internal training of Magistrates, Court Clerks and administration staff.

4.1.15 Head O: Ministry of Foreign Affairs, Labour and Trade

Accounting Officer: Secretary of Foreign Affairs, Labour and Trade

Mandate: *The Ministry of Foreign Affairs, Labour and Trade is committed to advancing Tuvalu's international stature and economic prosperity through strategic foreign diplomacy, including bilateral and multilateral engagements, effective diaspora relations, and addressing global issues such as climate change and security. The Ministry promotes fair labour practices and labour mobility, enhances trade through robust regulation of goods, services, and e-commerce, and supports private sector development with a focus on investment facilitation and promotion. Additionally, it ensures consumer protection through stringent price controls. Collectively, these efforts aim to foster a sustainable and competitive economic environment for all Tuvaluans.*

The Ministry of Foreign Affairs, Labour and Trade has allocated a total expenditure of **\$6,937,010**.

CATEGORIES	2023 Actual	2024-2025 Actual (Est)	2025-2026 Budget	2026-27 Projection	2027-28 Projection
Staffing	2,661,300	1,334,290	2,372,280	2,419,680	2,468,060
Travel and Communication	2,781,220	408,170	828,820	845,420	862,300
Maintenance	150,290	88,660	75,810	77,330	78,860
Fuel & Oil	72,610	59,210	79,000	80,580	82,200
Grants, Subsidies & Donation	621,970	59,620	93,000	94,860	96,760
Trainings	-	1,680	5,200	5,300	5,410
Good & Services	4,621,050	1,874,580	3,325,400	3,391,900	3,459,660
Recurrent Expenses	10,908,440	3,826,210	6,779,510	6,915,070	7,053,250
Statutory	202,180	135,520	157,500	160,650	163,860
Non-Recurrent Expenditure	524,710	135,520	157,500	160,650	163,860
Grand Total	11,433,150	3,961,730	6,937,010	7,075,720	7,217,110

Summary of Significant Expenditure Items

- \$3.3 million has been allocated for Goods and Services most of which are for the privileges of the overseas missions' staff and operation costs for our missions overseas, including the establishment of the Canberra mission in Australia.
- \$214,634 has been allocated for the repatriation of overseas missions.
- \$67,530 has been allocated to the Department of Foreign Affairs to support official entertainment purposes.

Targeted Outcomes for 2025-2026

- Enhanced international stature and influence of Tuvalu on global platforms.
- Strengthened economic resilience and sustainable growth through diversified trade and robust foreign and domestic investments.
- Improved labour market conditions, including increased job opportunities and better worker protections.
- Stable consumer prices and protection against unfair market practices, fostering a fair-trading environment.

Commitment to Climate Change

- To integrate climate change initiatives effectively, the Ministry of Foreign Affairs, Labour and Trade is actively incorporating environmental considerations across all its departments. The Department of Foreign Affairs leads this effort by advocating for climate change mitigation and adaptation strategies in international arenas, securing global partnerships for environmental projects, and ensuring that climate change is a priority in all diplomatic engagements. In the realms of trade and business, we are promoting the adoption of sustainable practices and green technologies, encouraging industries and investors to prioritise eco-friendly trade and investments. The Department of Labour is developing programs to train the workforce in skills needed for the green economy, ensuring job readiness for sustainable industries. Furthermore, the Price Control Unit is tasked with incentivizing the market to support environmentally sustainable goods and services, ensuring that our economic activities align with our environmental goals. Through these comprehensive strategies, we are

not only addressing the immediate impacts of climate change but are also making a significant contribution to global environmental sustainability efforts.

Service Delivery/Outputs

- Foreign Affairs: Effective management of bilateral and multilateral relations, successful negotiation of climate commitments, and proactive engagement with the diaspora.
- Labour: Efficient administration of labour laws, enhanced labour mobility, and successful integration of workforce development programs.
- Trade: Streamlined processes for trade in goods and services, including efficient handling of imports and exports and e-commerce facilitation.
- Business: Facilitation of private sector growth through targeted support and investment attraction, both foreign and domestic.
- Price Control: Regular monitoring and adjustment of price controls to prevent inflation and ensure affordability of essential goods and services.

Part 5: EXPENDITURE BY HEAD AND BY DEPARTMENT

5.1 DETAILED EXPENDITURE BY HEAD

5.1.1 Head A: Office of the Governor General

Natural Account	Natural Account Description	Office of the Governor General
Operating Expenditure		
	Staffing	
2000	Salary – Local	15,750
2025	Allowances	500
2030	Provident Fund	1,530
	Sub Total	17,780
	Travel & Communication	
2100	Overseas Business Travel	20,000
2105	Local Business Travel	200
2110	Leave Travel	700
	Sub Total	20,900
	Fuel and Oil	
2300	Petrol and oil	1,000
	Sub Total	1,000
	Grants, Sub & Donations	
2435	Financial Support/Donation	1,000
	Sub Total	1,000
	Goods and Services	
2730	Office Stationery	970
2735	Office Expenses	1,500
2740	Supplies and Gears	590
2765	Entertainment	6,000
	Sub Total	9,060
	Statutory Expenditure	189,000
	Grand Total	238,740

5.1.2 Head B: Office of the Prime Minister

Natural Account Description	Natural Account Description	HQ	DCC Secretariat	Human Resources Management	In-Service Scholarships	Gender Affairs
Operating Expenditure						
	Staffing					
2000	Salary – Local	327,750	155,670	926,540	-	85,180
2005	Salary – Expatriate/Contract	-	-	8,680	-	-
2015	Salary - Casuals	32,660	-	-	-	-
2025	Allowances	20,490	-	27,060	-	1,000
2030	Provident Fund	32,770	15,560	85,920	-	8,520
2035	Relieving Fund	247,260	-	-	-	-
	Sub Total	660,930	171,230	1,048,200	-	94,700
	Travel & Communication					
2100	Overseas Business Travel	120,000	-	12,650	40,000	6,000
2105	Local Business Travel	2,000	-	500	-	-
2110	Leave Travel	4,250	-	4,500	-	1,500
2120	Telecom and Internet	7,800	-	4,800	-	240
	Sub Total	134,050	-	22,450	40,000	7,740
	Maintenance					
2205	R&M (Motor Vehicles)	3,700	-	-	-	500
2215	R&M (Office Equipments)	300	-	1,200	-	500
2220	R&M (Buildings/Facilities)	85,200	-	-	-	-
	Sub Total	89,200	-	1,200	-	1,000

Natural Account Description	Natural Account Description	HQ	DCC Secretariat	Human Resources Management	In-Service Scholarships	Gender Affairs
Operating Expenditure						
2300	Fuel and Oil Petrol and oil	4,920	-	500	-	150
	Sub Total	4,920	-	500	-	150
2410	Grants, Sub & Donations Grants - General	-	-	-	-	25,000
2435	Financial Support/Donation	43,000	-	-	-	-
	Sub Total	43,000	-	-	-	25,000
	Goods and Services					
2715	Rental/Rent Subsidy	1,060,900	-	-	-	-
2730	Office Stationery	1,000	-	1,500	-	300
2735	Office Expenses	15,730	3,000	18,310	750	2,000
2745	Supplies and Gears	20,200	-	-	-	-
2765	Plant and Equipments	30,000	-	6,000	-	-
2780	Compensation	-	-	-	-	4,000
2785	Entertainment	20,140	5,000	3,400	3,800	500
2795	Utilities	5,690	-	-	-	-
28000	Overseas Contribution	16,400	-	-	-	-
2810	Non-Taxable Allowance	-	-	30,500	2,332,650	-
	Sub Total	1,170,060	8,000	59,710	2,337,200	6,800
	Sub Total	320,540				
	Grand Total	2,422,700	179,230	1,132,060	2,377,200	135,390

5.1.3 Head C: Office of the Legal Services

Natural Account	Natural Account Description	Office of the Attorney General	People's Lawyer	Ombudsman Office
Operating Expenditure				
	Staffing			
2000	Salary – Local	401,810	165,030	158,840
2020	Consultant Fees	42,000	-	-
2025	Allowances	11,000	5,000	1,000
2030	Provident Fund	40,180	16,500	15,880
2035	Relieving Fund	25,000	43,650	-
	Sub Total	519,990	230,180	175,720
	Travel & Communication			
2100	Overseas Business Tr	23,470	45,000	6,000
2105	Local Business Travel	21,920	35,000	2,000
2110	Leave Travel	6,720	5,000	1,350
2120	Telecom and Internet	4,580	2,280	1,500
	Sub Total	56,690	87,280	10,850
	Maintenance			
2205	R&M (Motor Vehicles)	-	400	-
2215	R&M (Office Equipmer	2,000	1,900	1,000
2220	R&M (Buildings/Facilit	-	5,500	1,000
	Sub Total	2,000	7,800	2,000
	Fuel and Oil			
2300	Petrol and oil	1,200	500	1,200
	Sub Total	1,200	500	1,200
	Scholarship and Training			
2635	Capacity Development	7,500	12,200	5,000
	Sub Total	7,500	12,200	5,000
	Goods and Services			
2715	Rental/Rent Subsidy	-	-	6,000
2730	Office Stationery	7,960	820	500
2735	Office Expenses	91,380	6,060	500
2745	Plant and Equipments	-	7,600	5,000
2765	Entertainment	4,000	2,000	6,000
2780	Uniform	-	3,000	-
2785	Utilities	-	-	6,100
2800	Overseas Contribution	2,300	-	-
2810	Non-Taxable Allowanc	20,000	-	5,000
	Sub Total	125,640	19,480	29,100
	Statutory	57,910		
	Grand Total	770,930	357,440	223,870

5.1.4 Head D: Office of the Parliament

Natural Account	Natural Account Description	Office of the Parliament
Operating Expenditure		
	Staffing	
2000	Salary – Local	66,810
2005	Salary – Expatriate/Contract	52,970
2025	Allowances	1,500
2030	Provident Fund	17,750
	Sub Total	139,030
	Travel & Communication	
2100	Overseas Business Travel	6,680
2105	Local Business Travel	4,480
2110	Leave Travel	1,500
2120	Telecom and Internet	1,680
	Sub Total	14,340
	Maintenance	
2205	R&M (Motor Vehicles)	1,000
2215	R&M (Office Equipments)	1,910
	Sub Total	2,910
	Fuel and Oil	
2300	Petrol and oil	2,400
	Sub Total	2,400
	Scholarship and Training	
2635	Capacity Development	2,880
	Sub Total	2,880
	Goods and Services	
2715	Rental/Rent Subsidy	36,000
2730	Office Stationery	1,780
2735	Office Expenses	480,000
2745	Plant and Equipments	4,980
2765	Entertainment	30,000
2800	Overseas Contribution	18,880
	Sub Total	571,640
	Statutory	1,243,490
	Grand Total	1,976,700

5.1.5 Head E: Office of the Auditor General

Natural Account	Natural Account Description	Office of the Auditor General
Operating Expenditure		
	Staffing	
2000	Salary – Local	248,806
2025	Allowances	5,941
2030	Provident Fund	24,881
2035	Relieving Fund	24,567
	Sub Total	304,195
	Travel & Communication	
2100	Overseas Business Travel	30,000
2105	Local Business Travel	26,600
2110	Leave Travel	8,110
	Sub Total	64,710
	Maintenance	
2205	R&M (Motor Vehicles)	4,393
2215	R&M (Office Equipments)	500
	Sub Total	4,893
	Fuel and Oil	
2300	Petrol and oil	500
	Sub Total	500
	Goods and Services	
2730	Office Stationery	2,500
2735	Office Expenses	3,150
2745	Plant and Equipments	10,800
2765	Entertainment	3,800
2800	Overseas Contribution	10,000
2810	Non-Taxable Allowance	1,500
2830	Systems/Annual Subscriptions	33,720
	Sub Total	65,470
	Statutory	54,330
	Grand Total	494,100

5.1.6 Head F: Ministry of Finance, Economic and Development

Natural Account	Natural Account Description	HQ	CSO	FIU	CPU	Internal Audit	PBACD	Statistics	Treasury	TRCD	PERMU
Operating Expenditure											
	Staffing										
2000	Salary – Local	192,080	-	-	84,590	15,450	314,090	124,770	377,250	306,030	82,210
2005	Salary – Expatriate/Contract	-	-	18,580	-	-	80,000	-	4,500	-	-
2015	Salary - Casuals	-	-	-	-	-	-	17,300	-	2,500	-
2025	Allowances	5,000	-	-	2,000	-	2,060	1,920	6,000	64,720	560
2030	Provident Fund	19,210	-	1,860	8,460	1,540	32,950	12,550	41,900	30,600	8,220
2035	Relieving Fund	50,000	-	-	-	-	-	-	-	-	-
	Sub Total	266,290	-	20,440	95,050	16,990	429,100	156,540	429,650	403,850	90,990
	Travel & Communication										
2100	Overseas Business Travel	50,000	-	5,000	1,800	1,000	3,600	2,400	4,000	4,000	1,500
2105	Local Business Travel	2,000	-	-	-	-	-	3,260	2,000	4,000	2,050
2110	Leave Travel	2,000	-	1,780	3,200	-	5,000	4,270	4,000	4,000	3,020
2120	Telecom and Internet	3,600	-	-	-	800	-	240	-	1,640	-
	Sub Total	57,600	-	6,780	5,000	1,800	8,600	10,170	10,000	13,640	6,570
	Maintenance										
2205	R&M (Motor Vehicles)	2,000	-	-	-	-	-	-	-	-	-
2215	R&M (Office Equipments)	-	-	-	-	-	-	1,460	1,500	1,000	-
2220	R&M (Buildings/Facilities)	-	-	-	-	-	-	-	-	2,500	-
	Sub Total	2,000	-	-	-	-	-	1,460	1,500	3,500	-
	Fuel and Oil										
2300	Petrol and oil	1,000	-	-	-	-	-	120	150	2,000	-
	Sub Total	1,000	-	-	-	-	-	120	150	2,000	-

Natural Account	Natural Account Description	HQ	CSO	FIU	CPU	Internal Audit	PBACD	Statistics	Treasury	TRCD	PERMU
Operating Expenditure											
	Grants, Sub & Donations										
2405	Cost of Service Obligation (CSO)	-	467,830	-	-	-	-	-	-	-	-
2410	General-Grant	200,000	-	-	-	-	-	-	-	-	-
2435	Financial Support/Donation	-	-	-	-	-	-	-	-	-	-
	Sub Total	200,000	467,830	-	-	-	-	-	-	-	-
	Grants, Sub & Donations										
2715	Rental/Rent Subsidy	-	-	-	-	-	-	1,500	-	1,000	300
2730	Office Stationery	800	-	300	800	-	3,000	400	1,000	1,000	510
2735	Office Expenses	5,000	-	3,000	3,000	-	1,000	1,000	2,000	1,000	2,000
2745	Plant and Equipments	2,000	-	1,500	3,500	4,000	-	1,500	16,200	6,000	-
2765	Entertainment	20,000	-	1,150	2,100	-	18,000	2,000	-	500	1,500
2780	Uniform	-	-	-	-	-	-	-	-	7,000	-
2785	Utilities	1,753,200	-	-	-	-	-	-	-	-	-
2795	Insurance	100,000	-	-	-	-	-	-	-	-	-
28000	Overseas Contribution	30,000	-	-	-	-	-	1,500	-	15,000	-
2810	Non-Taxable Allowance	419,700	-	-	-	-	-	-	-	7,600	-
2820	Bank Charges	-	-	-	-	-	-	-	48,000	-	-
2825	Forex (Gains/Losses)	-	-	-	-	-	-	-	50,000	-	-
2830	Systems/Annual Subscriptions	101,680	-	-	3,000	-	-	-	514,000	28,700	-
2840	Contingency	809,370	-	-	-	-	-	-	-	-	-
	Sub Total	3,241,750	-	5,950	12,400	4,000	22,000	7,900	631,200	67,800	4,310
	Loans and Interest										
2900	Domestic Loan Rep – Principal	180,000	-	-	-	-	-	-	-	-	-
2905	Domestic Loan Rep – Interest	150,000	-	-	-	-	-	-	-	-	-
	Sub Total	330,000	-	-	-	-	-	-	-	-	-
	Capital	1,000,000									
	Statutory	157,500									
	Grand Total	5,256,140	467,830	33,170	112,450	22,790	459,700	176,190	1,072,500	490,790	101,870

5.1.7 Head G: Ministry of Public Works and Infrastructure Development

Natural Account	Natural Account Description	HQ	Public Works & Infrastructure	Meteorology	Disaster
Operating Expenditure					
	Staffing				
2000	Salary – Local	127,580	1,419,390	359,850	76,750
2015	Salary - Casuals	302,950	816,000	19,630	22,770
2025	Allowances	5,000	230,000	19,290	3,000
2020	Provident Fund	12,760	143,340	35,990	7,870
2035	Relieving Fund	-	30,000	7,630	-
	Sub Total	448,290	2,638,730	442,390	110,390
	Travel & Communication				
2100	Overseas Business Travel	15,000	30,000	12,000	6,000
2105	Local Business Travel	6,000	11,000	11,170	6,000
2110	Leave Travel	4,250	6,800	4,000	3,000
2120	Telecom and Internet	3,600	8,900	6,000	12,620
	Sub Total	28,850	56,700	33,170	27,620
	Maintenance				
2205	R&M (Motor Vehicles)	-	120,000	2,000	2,600
2210	R&M (Plant)	-	8,000	-	-
2215	R&M (Office Equipments)	1,000	17,000	3,000	-
2220	R&M (Buildings/Facilities)	55,000	550,000	5,000	3,000
2225	Deferred Maintenance	-	500,000	-	-
	Sub Total	56,000	1,195,000	10,000	5,600
	Fuel and Oil				
2300	Petrol and oil	300	130,000	3,750	2,000
	Sub Total	300	130,000	3,750	2,000
	Goods and Services				
2715	Rental/Rent Subsidy	-	8,000	2,100	2,000
2730	Office Stationery	300	3,500	4,500	500
2735	Office Expenses	1,000	7,500	2,020	700
2740	Supplies and Gears	1,500	259,370	500	1,600
2745	Plant and Equipments	-	18,000	1,900	4,000
2765	Entertainment	-	6,400	2,000	1,500
2785	Utilities	3,200	-	-	1,000
2800	Overseas Contribution	10,000	-	21,500	-
2810	Non-Taxable Allowance	-	70,500	-	2,000
2830	Systems/Annual Subscriptions	-	15,000	-	-
2840	Contingency	-	-	-	12,000
	Sub Total	16,000	388,270	34,520	25,300
	Total Operating Expenditure	549,440	4,408,700	523,830	170,910
	Capital Statutory	160,100	3,382,070	8,000	
	Grand Total	709,540	7,790,770	531,830	170,900

5.1.8 Head H: Ministry of Health and Social Welfare

Natural Account	Natural Account Description	HQ	TORMS	Health Administration	Curative	Preventive Primary & Preventive H/Services	Social Welfare
Operating Expenditure							
	Staffing						
2000	Salary – Local	144,020	-	295,260	2,095,880	512,200	75,100
2005	Salary – Expatriate/Contract	-	89,620	-	450,000	-	-
2015	Salary - Casuals	-	-	60,000	-	129,580	-
2025	Allowances	3,260	-	30,000	92,550	26,000	1,500
2030	Provident Fund	14,400	20,610	29,530	209,590	64,000	7,510
2035	Relieving Fund	-	-	30,000	-	-	-
	Sub Total	161,680	110,230	444,790	2,848,020	731,780	84,110
	Travel & Communication						
2100	Overseas Business Travel	22,190	500,000	13,500	13,500	-	1,500
2105	Local Business Travel	50,000	2,400	-	-	3,500	6,300
2110	Leave Travel	60,000	-	-	-	-	3,880
2120	Telecom and Internet	3,600	480	48,000	-	100	-
	Sub Total	135,790	502,880	61,500	13,500	3,600	11,680
	Maintenance						
2205	R&M (Motor Vehicles)	1,100	-	15,000	-	2,500	600
2215	R&M (Office Equipments)	500	-	6,000	90,000	600	-
2220	R&M (Buildings/Facilities)	-	-	18,000	-	-	-
	Sub Total	1,600	-	39,000	90,000	3,100	600
	Fuel and Oil						
2300	Petrol and oil	3,600	11,450	14,880	2,250	8,050	200
	Sub Total	3,600	11,450	14,880	2,250	8,050	200
	Grants, Sub & Donations						
2410	Grants - General	50,000	-	-	-	-	25,000
	Sub Total	50,000	-	-	-	-	25,000

Natural Account	Natural Account Description	HQ	TORMS	Health Administration	Curative	Preventive Primary & Preventive H/Services	Social Welfare
Operating Expenditure							
2635	Scholarship and Training Capacity Development	-	-	5,000	10,000	11,400	3,000
	Sub Total	-	-	5,000	10,000	11,400	3,000
	Goods and Services						
2710	Housing Allowance	-	621,250	-	-	-	-
2715	Rental/Rent Subsidy	800	-	200,000	12,000	300	700
2720	Education Children Allowance	-	-	-	2,000	-	-
2730	Office Stationery	4,100	-	13,700	1,000	10,740	200
2735	Office Expenses	3,000	102,850	8,760	3,000	16,680	1,000
2740	Supplies and Gears	-	-	10,800	1,098,830	70,700	-
2745	Plant and Equipments	11,000	-	-	124,350	4,600	-
2755	Welfare Schemes	-	-	-	-	-	2,414,500
2765	Entertainment	1,500	-	5,000	4,800	4,370	2,000
2770	Ration / Victualling	-	-	-	91,200	-	-
2780	Uniform	-	-	-	10,420	-	-
2785	Utilities	3,200	60,000	-	3,300	-	-
2790	Drugs and Medicines	-	8,093,610	-	538,000	-	-
2795	Insurance	-	-	-	5,000	-	-
2800	Overseas Contribution	13,700	-	-	-	-	-
2810	Non-Tax able Allowance	-	1,868,000	-	4,000	17,000	3,000
2840	Contingency	-	-	100,000	-	-	-
	Sub Total	37,300	10,745,710	338,260	1,897,900	124,390	2,421,400
	Statutory Expenditure	153,000					
	Grand Total	542,970	11,370,270	903,430	4,861,670	882,320	2,545,990

5.1.9 Head I: Ministry of Natural Resources Development

Natural Account	Natural Account Description	HQ	Lands	Agriculture
Operating Expenditure				
	Staffing			
2000	Salary – Local	96,910	250,090	578,390
2005	Salary – Expatriate/Contract	62,630	-	-
2015	Salary - Casuals	-	-	62,500
2020	Consultant Fees	-	100,000	-
2025	Allowances	12,380	2,000	7,500
2030	Provident Fund	9,690	25,010	57,840
2035	Relieving Fund	57,890	-	20,000
	Sub Total	239,500	377,100	726,230
	Travel & Communication			
2100	Overseas Business Travel	20,000	36,330	5,000
2105	Local Business Travel	2,700	62,300	5,000
2110	Leave Travel	2,550	6,000	7,000
2120	Telecom and Internet	3,600	700	4,600
	Sub Total	28,850	105,330	21,600
	Maintenance			
2205	R&M (Motor Vehicles)	2,000	5,000	2,000
2210	R&M (Plant)	-	-	2,000
2215	R&M (Office Equipments)	1,000	1,700	2,000
	Sub Total	3,000	6,700	6,000
	Fuel and Oil			
2300	Petrol and oil	3,000	3,000	5,000
	Sub Total	3,000	3,000	5,000
	Grants, Sub & Donations			
2410	Grants - General	2,815,860	-	-
	Sub Total	2,815,860	-	-
	Scholarship and Training			
2635	Capacity Development	-	-	10,000
	Sub Total	-	-	10,000
	Goods and Services			
2715	Rental/Rent Subsidy	25,000	7,050	-
2730	Office Stationery	16,000	1,500	1,900
2735	Office Expenses	82,000	3,600	2,000
2740	Supplies and Gears	-	3,300	3,000
2745	Plant and Equipments	-	2,000	15,000
2765	Entertainment	81,230	9,000	1,500
2770	Ration / Victualling	-	-	16,000
2780	Uniform	-	-	1,000
2785	Utilities	3,200	-	-
2790	Drugs and Medicines	-	-	10,000
2800	Overseas Contribution	-	3,000	5,000
2805	Freight	-	-	1,000
2835	Land Leases	3,000,000	-	-
	Sub Total	3,207,430	29,450	56,400
	Statutory	147,600		
	Grand Total	6,445,240	521,580	825,230

5.1.10 Head J: Ministry of Home Affairs, Climate Change and Environment

Natural Account	Natural Account Description	HQ	Climate Change	Environment	Home Affairs	Culture	Waste Management
Operating Expenditure							
	Staffing						
2000	Salary – Local	96,330	114,420	134,860	1,293,030	74,140	752,930
2005	Salary – Expatriate/Contract	-	40,000	-	20,000	21,000	-
2015	Salary - Casuals	-	-	-	69,520	-	-
2020	Consultant Fees	90,000	-	-	-	25,000	-
2025	Allowances	3,000	1,000	1,960	3,000	-	50,000
2030	Provident Fund	9,630	11,440	13,490	140,450	7,410	75,290
2035	Relieving Fund	80,000	-	23,170	30,000	-	10,000
		-	-	-	-	-	-
	Sub Total	278,960	166,860	173,480	1,555,990	127,560	888,220
	Travel & Communication						
		-	-	-	-	-	-
2100	Overseas Business Travel	20,000	7,200	3,600	-	2,000	2,000
2105	Local Business Travel	5,600	9,120	4,800	2,000	7,290	33,160
2110	Leave Travel	3,340	3,900	2,550	18,270	1,000	3,000
2120	Telecom and Internet	4,600	4,960	-	1,400	460	4,080
	Sub Total	33,540	25,180	10,950	21,670	10,750	42,240
	Maintenance						
		-	-	-	-	-	-
2205	R&M (Motor Vehicles)	1,000	-	-	-	-	12,100
2210	R&M (Plant)	-	-	-	-	-	50,000
2215	R&M (Office Equipments)	1,500	2,000	-	600	1,000	1,000
		-	-	-	-	-	-
	Sub Total	2,500	2,000	-	600	1,000	63,100
	Fuel and Oil						
		-	-	-	-	-	-
2300	Petrol and oil	1,000	500	260	1,000	500	117,000
		-	-	-	-	-	-
	Sub Total	1,000	500	260	1,000	500	117,000

Natural Account	Natural Account Description	HQ	Climate Change	Environment	Home Affairs	Culture	Waste Management
Operating Expenditure							
	Grants, Sub & Donations	-	-	-	-	-	-
2410	Grants - General	25,000	-	-	-	-	-
2415	Grants - Salary Kaupule	-	-	-	599,920	-	-
2420	Grants - Block	-	-	-	600,800	-	-
2430	Grants - VDS	-	-	-	1,600,000	-	-
		-	-	-	-	-	-
	Sub Total	25,000	-	-	2,800,720	-	-
		-	-	-	-	-	-
	Natural Acct Level 3: 260 - Schol:	-	-	-	-	-	-
2635	Capacity Development	-	-	1,200	66,150	-	11,040
		-	-	-	-	-	-
2740	Sub Total	-	-	1,200	66,150	-	11,040
		-	-	-	-	-	-
	Natural Acct Level 3: 270 - Good:	-	-	-	-	-	-
2715	Rental/Rent Subsidy	-	600	700	-	-	-
2730	Office Stationery	1,200	2,040	3,340	2,000	4,510	970
2735	Office Expenses	2,000	7,000	2,530	9,100	2,000	20,000
2740	Supplies and Gears	-	1,760	-	-	-	16,000
2745	Plant and Equipments	1,000	-	3,900	37,500	2,000	-
2760	Compensation	-	-	-	-	-	80,000
2765	Entertainment	1,520	2,880	2,380	250,000	412,600	11,100
2785	Utilities	3,200	-	-	-	-	-
2800	Overseas Contribution	-	10,480	20,560	-	-	-
2810	Non-Taxable Allowance	-	1,200	-	320	8,950	-
2830	Systems/Annual Subscriptions	-	8,000	-	-	-	-
	Sub Total	8,920	33,960	33,410	298,920	430,060	128,070
		-	-	-	-	-	-
	Total Operating Expenditure	349,920	228,500	219,300	4,745,050	569,860	1,249,660
	Capital				6,600,000		-
	Statutory	153,000					-
							-
	Grand Total	502,920	228,500	219,300	11,345,050	569,860	1,249,660

5.1.11 Head K: Tuvalu Police Services

Natural Account	Natural Account Description	Tuvalu Police Services
Operating Expenditure		
	Staffing	
2000	Salary – Local	1,826,910
2015	Salary - Casuals	87,360
2025	Allowances	439,440
2030	Provident Fund	182,690
2035	Relieving Fund	35,000
	Sub Total	2,571,400
	Travel & Communication	
2100	Overseas Business Travel	40,000
2105	Local Business Travel	13,070
2110	Leave Travel	21,410
2120	Telecom and Internet	11,480
	Sub Total	85,960
	Maintenance	
2200	R&M (Vessel)	45,480
2205	R&M (Motor Vehicles)	22,220
2215	R&M (Office Equipments)	5,970
2220	R&M (Buildings/Facilities)	9,130
	Sub Total	82,800
	Fuel and Oil	
2300	Petrol and oil	35,910
2305	Vessel Fuel	30,000
	Sub Total	65,910
	Scholarship and Training	
2630	Other Training Awards	53,210
	Sub Total	53,210
	Goods and Services	
2715	Rental/Rent Subsidy	13,100
2730	Office Stationery	8,040
2735	Office Expenses	25,320
2740	Supplies and Gears	1,300
2745	Plant and Equipments	6,430
2765	Entertainment	10,000
2770	Ration / Victualling	44,320
2780	Uniform	18,080
2800	Overseas Contribution	3,070
2810	Non-Taxable Allowance	5,000
2830	Systems/Annual Subscriptions	5,390
	Sub Total	140,050
	Statutory	48,300
	Grand Total	3,047,640

5.1.12 Head L: Ministry of Transport, Energy, Communication and Innovation

Natural Account	Natural Account Description	HQ	Marine	Aviation	Energy	Tourism	ICT	Immigration
Operating Expenditure								
	Staffing							
2000	Salary – Local	146,600	975,570	183,030	164,930	75,860	196,180	55,650
2005	Salary – Expatriate/Contract	-	873,670	-	116,340	-	-	-
2015	Salary - Casuals	-	1,010,160	93,680	21,790	6,400	-	-
2020	Consultant Fees	-	-	15,000	-	-	-	-
2025	Allowances	8,000	606,420	16,500	7,400	3,000	3,780	2,500
2030	Provident Fund	17,950	297,160	24,070	20,460	7,590	20,020	5,570
2035	Relieving Fund	32,890	436,360	14,000	39,680	-	4,000	-
	Sub Total	205,440	4,199,340	346,280	370,600	92,850	223,980	63,720
	Travel & Communication							
2100	Overseas Business Travel	14,000	4,000	12,000	12,420	9,600	10,000	5,000
2105	Local Business Travel	3,000	2,350	3,000	20,860	8,000	4,000	4,000
2110	Leave Travel	3,000	5,000	4,500	6,000	4,410	4,000	2,000
2120	Telecom and Internet	4,600	27,360	4,980	4,280	4,000	400,000	-
	Sub Total	24,600	38,710	24,480	43,560	26,010	418,000	11,000
	Maintenance							
2200	R&M (Vessel)	-	1,432,910	-	-	-	-	-
2205	R&M (Motor Vehicles)	6,000	30,000	6,000	5,000	-	500	400
2210	R&M (Plant)	-	-	2,250	-	-	-	-
2215	R&M (Office Equipments)	1,400	10,000	2,000	4,000	-	47,100	5,500
2220	R&M (Buildings/Facilities)	-	30,000	20,000	-	-	-	-
	Sub Total	7,400	1,502,910	30,250	9,000	-	47,600	5,900
	Fuel and Oil							
2300	Petrol and oil	2,400	30,380	7,500	2,500	-	300	500
2305	Vessel Fuel	-	3,306,460	-	-	-	-	-
	Sub Total	2,400	3,336,840	7,500	2,500	-	300	500

Natural Account	Natural Account Description	HQ	Marine	Aviation	Energy	Tourism	ICT	Immigration
Operating Expenditure								
	Grants, Sub & Donations							
2400	Subsidy	3,590,000	-	-	-	-	-	-
2410	Grants - General	900,000	-	-	-	-	-	-
2435	Financial Support/Donation	-	-	-	-	-	160,000	-
	Sub Total	4,490,000	-	-	-	-	160,000	-
	Scholarship and Training							
2635	Capacity Development	-	-	-	40,000	5,000	-	-
	Sub Total	-	-	-	40,000	5,000	-	-
	Goods and Services							
2715	Rental/Rent Subsidy	-	-	-	48,000	-	-	-
2730	Office Stationery	2,000	8,380	3,000	4,000	1,000	280	2,000
2735	Office Expenses	4,000	20,970	3,500	2,000	1,000	8,600	130,440
2740	Supplies and Gears	-	106,980	1,500	18,330	-	-	-
2745	Plant and Equipments	-	14,840	-	-	-	9,000	2,000
2765	Entertainment	10,000	-	1,500	2,400	175,800	-	-
2770	Ration / Victualling	-	317,540	-	-	-	-	-
2780	Uniform	-	14,080	-	-	-	-	2,000
2785	Utilities	3,200	-	-	2,400	-	-	-
2795	Insurance	-	306,000	-	-	-	-	-
2800	Overseas Contribution	-	196,770	100,000	400	13,220	50,500	2,300
2810	Non-Taxable Allowance	50,000	-	-	20,000	2,000	-	-
2815	Fumigation	-	108,820	-	-	-	-	-
2830	Systems/Annual Subscriptio	-	-	-	-	3,430	-	-
	Sub Total	69,200	1,094,380	109,500	97,530	196,450	68,380	138,740
	Sub Total	157,500						
	Grand Total	4,956,540	10,172,180	518,010	563,190	320,310	918,260	219,860

5.1.13 Head M: Ministry of Education and Human Resources Development

Natural Account	Natural Account Description	HQ	Education	Primary	Secondary	Library	Sports	Pre-Service Scholarships	Youth	ECCE
Operating Expenditure										
	Staffing									
2000	Salary – Local	168,880	358,700	2,306,170	1,137,410	88,540	39,330	41,660	15,110	33,860
2005	Salary – Expatriate/Contr:	-	166,800	-	46,150	-	-	-	-	-
2015	Salary - Casuals	-	1,220	-	6,000	5,700	16,810	-	-	-
2025	Allowances	2,000	10,000	17,620	50,320	2,400	500	3,420	1,200	2,400
2030	Provident Fund	16,890	52,980	230,620	118,960	9,420	5,610	4,170	1,510	3,390
2035	Relieving Fund	-	15,730	150,000	2,200	-	10,890	3,000	-	34,440
	Sub Total	187,770	605,430	2,704,410	1,361,040	106,060	73,140	52,250	17,820	74,090
	Travel & Communication									
2100	Overseas Business Travel	30,000	5,880	1,800	1,800	6,300	12,090	351,800	1,800	-
2105	Local Business Travel	4,000	40,500	1,680	4,000	10,000	1,000	-	5,000	-
2110	Leave Travel	3,000	9,680	40,000	20,000	1,870	1,300	1,000	1,500	-
2120	Telecom and Internet	3,600	1,800	-	4,080	4,000	100	-	-	-
	Sub Total	40,600	57,860	43,480	29,880	22,170	14,490	352,800	8,300	-
	Maintenance									
2205	R&M (Motor Vehicles)	6,000	100	-	300	-	-	-	-	-
2210	R&M (Plant)	-	-	-	1,000	-	-	-	-	-
2215	R&M (Office Equipments)	1,000	500	-	4,000	1,000	200	500	-	-
2220	R&M (Buildings/Facilities)	-	2,860	-	140,000	-	63,830	-	-	-
	Sub Total	7,000	3,460	-	145,300	1,000	64,030	500	-	-
	Fuel and Oil									
2300	Petrol and oil	21,000	-	-	8,000	-	3,000	-	-	-
	Sub Total	21,000	-	-	8,000	-	3,000	-	-	-

Natural Account	Natural Account Description	HQ	Education	Primary	Secondary	Library	Sports	Pre-Service Scholarships	Youth	ECCE
Operating Expenditure										
	Grants, Sub & Donations									
2400	Subsidy	88,170	-	-	-	-	-	-	-	-
2410	Grants - General	996,600	24,000	69,150	-	-	25,000	-	25,000	1,325,010
2435	Financial Support/Donatio	25,000	-	-	-	-	-	-	-	38,500
	Sub Total	1,109,770	24,000	69,150	-	-	25,000	-	25,000	1,363,510
	Goods and Services									
2715	Rental/Rent Subsidy	7,200	1,800	-	12,000	-	-	1,000	2,000	-
2730	Office Stationery	700	8,800	-	13,500	2,000	-	1,000	1,000	-
2735	Office Expenses	3,000	88,700	-	10,000	2,000	-	5,400	3,000	-
2740	Supplies and Gears	-	1,500	-	40,000	1,000	1,000	-	1,000	-
2745	Plant and Equipments	-	1,000	9,000	6,000	5,000	-	-	800	-
2765	Entertainment	2,000	-	-	-	1,150	-	3,000	-	-
2770	Ration / Victualling	-	-	-	600,000	-	-	-	-	-
2785	Utilities	1,490	-	-	-	-	-	-	-	-
2800	Overseas Contribution	300,000	-	-	-	1,300	-	-	-	-
2810	Non-Taxable Allowance	-	102,850	-	-	1,000	3,000	4,688,410	3,500	-
	Sub Total	314,390	204,650	9,000	681,500	13,450	4,000	4,698,810	11,300	-
	Total Operating Expend	1,680,530	895,400	2,826,040	2,225,720	142,680	183,660	5,104,360	62,420	1,437,600
	Capital Statutory	157,500		151,380						
	Grand Total	1,838,030	895,400	2,977,420	2,225,720	142,680	183,660	5,104,360	62,420	1,437,600

5.1.14 Head N: Office of the Judiciary

Natural Account	Natural Account Description	Judiciary
Operating Expenditure		
	Staffing	
2000	Salary – Local	230,750
2005	Salary – Expatriate/Contract	300,000
2025	Allowances	2,000
2030	Provident Fund	28,320
2035	Relieving Fund	20,000
2040	Gratuity	51,090
	Sub Total	632,160
	Travel & Communication	
2100	Overseas Business Travel	4,000
2015	Local Business Travel	4,000
2110	Leave Travel	3,000
2120	Telecom and Internet	9,600
	Sub Total	20,600
	Maintenance	
2205	R&M (Motor Vehicles)	2,000
2215	R&M (Office Equipments)	1,000
2220	R&M (Buildings/Facilities)	500
	Sub Total	3,500
	Fuel and Oil	
2300	Petrol and oil	2,000
	Sub Total	2,000
	Goods and Services	
2715	Rental/Rent Subsidy	1,000
2730	Office Stationery	2,000
2735	Office Expenses	7,000
2745	Plant and Equipments	3,000
2765	Entertainment	3,000
2780	Uniform	1,380
2800	Overseas Contribution	400
2810	Non-Taxable Allowance	200,000
	Sub Total	217,780
	Grand Total	876,030

5.1.15 Head O: Ministry of Foreign Affairs, Labour and Trade

Natural Account	Natural Account Description	HQ	Business	Price Control	Labour	Trade	Suva Mission	New York Mission	UAE Mission	Wellington Mission	Taipei Mission	Foreign Affairs	Canberra Mission
Operating Expenditure													
	Staffing												
2000	Salary – Local	194,040	70,460	57,080	85,400	83,390	134,650	93,300	64,820	94,410	64,430	264,510	63,600
2005	Salary – Expatriate/Conti	-	33,000	-	-	-	72,320	165,660	103,880	152,880	60,000	-	120,000
2015	Salary - Casuals	-	-	-	-	-	30,000	-	-	-	-	-	1,000
2025	Allowances	6,000	1,000	2,140	3,000	2,000	23,500	9,400	15,990	10,000	2,000	3,000	10,000
2030	Provident Fund	14,720	6,450	5,710	7,950	8,340	20,700	12,570	8,430	18,260	12,440	26,320	6,360
2035	Relieving Fund	45,410	-	-	17,300	-	-	-	-	2,000	-	62,460	-
	Sub Total	260,170	110,910	64,930	113,650	93,730	281,170	280,930	193,120	277,550	138,870	356,290	200,960
	Travel & Communication												
2100	Overseas Business Travel	264,630	2,000	36,000	10,000	4,000	15,000	20,240	36,000	5,000	15,000	57,870	5,220
2105	Local Business Travel	8,000	4,490	3,870	2,700	2,520	15,000	19,320	-	50,000	12,000	1,500	50,440
2110	Leave Travel	6,020	2,750	2,000	4,700	3,200	10,000	34,780	-	4,600	3,000	3,000	10,000
2120	Telecom and Internet	3,600	-	1,360	1,080	2,000	23,000	21,750	14,030	13,750	8,800	600	14,000
	Sub Total	282,250	9,240	43,230	18,480	11,720	63,000	96,090	50,030	73,350	38,800	62,970	79,660
	Maintenance												
2205	R&M (Motor Vehicles)	2,000	480	-	-	1,000	5,000	18,880	6,000	-	2,000	-	2,000
2215	R&M (Office Equipments)	1,800	2,150	1,000	-	500	5,000	-	-	-	-	-	1,000
2220	R&M (Buildings/Facilities)	-	-	-	-	-	25,000	-	-	-	2,000	-	-
	Sub Total	3,800	2,630	1,000	-	1,500	35,000	18,880	6,000	-	4,000	-	3,000
	Fuel and Oil												
2300	Petrol and oil	4,940	5,490	470	200	2,000	13,000	6,860	7,000	18,040	3,000	-	18,000
	Sub Total	4,940	5,490	470	200	2,000	13,000	6,860	7,000	18,040	3,000	-	18,000

Natural Account	Natural Account Description	HQ	Business	Price Control	Labour	Trade	Suva Mission	New York Mission	UAE Mission	Wellington Mission	Taipei Mission	Foreign Affairs	Canberra Mission
Operating Expenditure													
	Grants, Sub & Donations												
2400	Subsidy	-	-	-	-	3,000	-	-	-	-	-	-	-
2410	Grants - General	45,000	-	-	25,000	-	-	-	-	-	-	-	-
2435	Financial Support/Donation	-	-	-	-	-	20,000	-	-	-	-	-	-
	Sub Total	45,000	-	-	25,000	3,000	20,000	-	-	-	-	-	-
	Scholarship and Training												
2835	Capacity Development	-	-	2,000	-	3,200	-	-	-	-	-	-	-
	Sub Total	-	-	2,000	-	3,200	-	-	-	-	-	-	-
	Goods and Services												
2705	Clothing Allowance	-	-	-	-	-	9,000	6,940	3,000	5,850	9,600	-	6,300
2710	Housing Allowance	-	6,000	-	-	-	-	-	-	-	-	-	-
2715	Rental/Rent Subsidy	630	6,000	800	1,000	2,500	90,000	306,940	138,330	206,830	65,000	1,500	189,100
2720	Education Children Allow	-	-	-	-	-	150,000	54,300	74,800	84,700	117,000	-	36,000
2725	Cost of Living Adjustment	-	-	-	-	-	105,000	166,680	80,230	100,350	91,790	-	80,000
2730	Office Stationery	1,090	3,140	1,000	400	600	3,000	-	-	-	-	4,460	-
2735	Office Expenses	2,960	14,600	1,000	45,000	3,000	10,000	7,120	13,000	10,000	10,000	11,830	10,000
2740	Supplies and Gears	-	-	-	-	4,000	2,000	-	1,000	7,000	4,500	30,000	7,000
2745	Plant and Equipments	5,000	-	-	-	-	8,000	4,000	3,000	7,000	2,000	-	7,000
2750	Building and Structures	-	-	-	-	-	-	-	-	-	-	-	2,000
2765	Entertainment	-	32,540	9,470	2,000	10,000	12,800	15,000	10,000	15,000	20,000	67,530	33,800
2785	Utilities	1,410	-	-	-	-	37,000	10,100	3,200	20,000	10,000	-	17,000
2795	Insurance	-	-	-	-	-	57,000	57,290	16,900	11,000	23,000	-	11,000
2800	Overseas Contribution	257,320	-	-	6,800	-	-	69,620	15,000	-	-	-	-
2810	Non-Taxable Allowance	-	-	9,900	7,200	2,500	-	-	-	-	-	-	-
2820	Bank Charges	-	-	-	-	-	6,000	5,150	-	-	-	-	1,000
	Sub Total	268,410	62,280	22,170	62,400	22,600	489,800	703,140	358,460	467,730	352,890	115,320	400,200
	Statutory	157,500											
	Grand Total	1,022,010	190,550	133,800	219,730	137,750	901,970	1,105,900	614,610	836,670	537,560	534,580	701,820

5.2 CARRY-FORWARD ESTIMATES

5.2.1 Infrastructure Special Fund

The Infrastructure Special Fund Regulation was established under the Public Finance Act to consolidate funds appropriated by Parliament for infrastructure developments. This regulation permits the rollover of unexpended balances for each infrastructure project until it lapses in 3 years after the appropriation year. As provided in the table below, there is an amount up to \$6,733,945 million available for infrastructure developments which comprise accumulated balances from prior years, remaining balances of previous year (2024-2025 Budget), and budget estimates of the current financial year (2025-2026 Budget).

Ministry	Description	Roll Over Balance	Actual-to-date (May)	Available Balance
MPWDID	Ministers Residence (B-Grade)	\$ 180,715	\$ 163,393	\$ 17,322
	PMs Residence	\$ 305	\$ -	
	Civil Servants Housing (C&D- Grade)	\$ 1,022,256	\$ 267,174	\$ 755,082
	MET Complex	\$ 38,667	\$ 35,156	\$ 3,511
	Court House Building	\$ 272,755	\$ 17,593	\$ 255,162
	PWD Warehouse	\$ 500,000	\$ 384,594	\$ 115,406
	<i>Sub Total</i>	\$ 2,014,698	\$ 867,910	\$ 1,146,483
MNRD	Half Acre Agriculture Project	\$ 977,253	\$ 256,637	\$ 720,616
	<i>Sub Total</i>	\$ 977,253	\$ -	\$ 720,616
MHACCE	CDA - Namunea	\$ 356,905	\$ -	\$ 356,905
	CDA - Namumaga	\$ 190,494	\$ 33,055	\$ 157,439
	CDA - Niutao	\$ 298,616	\$ -	\$ 298,616
	CDA - Nui	\$ 704,947	\$ -	\$ 704,947
	CDA - Vaitupu	\$ 383,397	\$ 21,635	\$ 361,762
	CDA - Nukufetau	\$ 992,851	\$ 318,021	\$ 674,830
	CDA - Funafuti	\$ 739,240	\$ 2,757	\$ 736,483
	CDA - Nukulaelae	\$ 318,465	\$ -	\$ 318,465
	Waste Support Project	\$ 28,300	\$ -	\$ 28,300
	General Grant - Nanumaga	\$ 100,000	\$ 46,729	\$ 53,271
	General Grant - Nui	\$ 100,000	\$ -	\$ 100,000
	General Grant - Vaitupu	\$ 97,678	\$ 51,758	\$ 45,920
	General Grant - Nukufetau	\$ 100,000	\$ -	\$ 100,000
	General Grant - Funafuti	\$ 100,000	\$ -	\$ 100,000
	<i>Sub Total</i>	\$ 4,510,893	\$ 473,955	\$ 4,036,938
MTECI	Tuvalu Domestic Air Service	\$ 599,589	\$ 598,078	\$ 1,511
	<i>Sub Total</i>	\$ 599,589	\$ 598,078	\$ 1,511
MEHRD	Classrooms Project	\$ 934,542	\$ 253,803	\$ 680,739
	MSS Dormitories Project	\$ 134,667	\$ -	\$ 134,667
	Science Equipment Project	\$ 12,991	\$ -	\$ 12,991
	<i>Sub Total</i>	\$ 1,082,200	\$ 253,803	\$ 828,397
<i>Grand Total</i>		\$ 9,184,633	\$ 2,193,746	\$ 6,733,945

5.2.2 Contractual Obligation Special Fund

The Contractual Obligation Special Fund manages transfers of unexpended balances from the Recurrent Budget at the end of the financial year specifically for programs with obligations required to complete payments within the next financial year. As of May, 2025, the available balance is \$842,972 thousand and it would be lapsed in one year.

Head	Description	Roll Over Balance	Actual-to-date (May)	Available Balance
OPM	Maritime Police Boat	\$ 52,000	\$ -	\$ 52,000
	Sub Total	\$ 52,000	\$ -	\$ 52,000
MFED	Establishment of Insurance Unit	\$ 116,071	\$ -	\$ 116,071
	Inflation Assistance Grants	\$ 151,576	\$ -	\$ 151,576
	HR & Payroll Module	\$ 15,722	\$ -	\$ 15,722
	Sub Total	\$ 283,369	\$ -	\$ 283,369
MHACCE	FESPAC (Festival of Pacific Arts and Culture	\$ 140,000	\$ 85,973	\$ 54,027
	Sub Total	\$ 140,000	\$ 85,973	\$ 54,027
MTECI	Support for Domestic Air Service	\$ 405,758	\$ 302,116	\$ 103,642
	Outer Islands Maritime Infrastructure	\$ 79,114	\$ -	\$ 79,114
	dotTV Marketing	\$ 10,738	\$ -	\$ 10,738
	Tug and Barge	\$ 158,556	\$ 158,291	\$ 265
	Charter (LC Mauri)	\$ 57,643	\$ 57,644	-\$ 1
	Marine Engineer and Marine Management System	\$ 131,769	\$ -	\$ 131,769
	Sub Total	\$ 843,578	\$ 518,051	\$ 325,527
MFALT	Mission Repatriation	\$ 128,049	\$ -	\$ 128,049
	Sub Total	\$ 128,049	\$ -	\$ 128,049
Grand Total		\$ 1,446,996	\$ 604,024	\$ 842,972

Part 6: PUBLIC DEBT AND PUBLIC GUARANTEED DEBT

6.1 CENTRAL GOVERNMENT DEBT

The Government of Tuvalu's Medium-Term Debt Outlook for the 2025–2026 fiscal year aligns with its overarching fiscal strategy, emphasizing prudent debt management to ensure long-term fiscal sustainability. While Tuvalu's public debt remains relatively modest compared to global standards, it holds significant importance for the nation's economic stability.

6.1.1 Creditor, Interest Rate and Maturity Composition

Over the past decade, external borrowing and grants from multilateral institutions have been the primary sources of financing for the Tuvalu Government. At around Feb of 2024-2025, the total external disbursed outstanding debt stood at AUD 3.59 million, a decrease from AUD 4.40 million recorded in 2023. For 2025-2026, the government estimates that total external debts are scheduled to mature in the next 4 to 13 years respectively.

The Asian Development Bank (ADB) is Tuvalu's largest creditor, accounting for AUD 2.47 million, or approximately 68 percent of the total public external debt at the end of 2024-2025. The other significant creditor is the International Cooperation Development Fund (ICDF) of Taiwan, with an outstanding debt amounting to AUD 1.12 million of 32 percent.

The table below shows the gross national public debt from 2021 to 2024-2025 and projected balances for 2025-2026 to 2026-2027 for both the creditors; ADB and ICDF:

Gross National Public Debt from 2021 to 2026-2027 (In Millions of AUD unless otherwise indicated)						
Contract Date	Loan Details	Outstanding Balance			Forecast (Est)	
		2022	2023	2024-2025	2025-2026	2026-2027
ADB Loan						
2003	LN1921: Tuvalu Maritime Training Institute Upgrade Loan (Original)(SDR1.39)	1.31	1.23	1.11	1.03	0.95
2005	LN2088: Tuvalu Maritime Training Institute Upgrade Additional Loan (Supplementary)(SDR1.35)	1.56	1.48	1.36	1.27	1.19
Total ADB Loan		2.87	2.71	2.47	2.30	2.14
ICDF Loan						
2019	Tuvalu Convention Centre (USD 2.40)	2.03	1.69	1.12	0.84	0.56
Total ICDF Loan		2.03	1.69	1.12	0.84	0.56
TOTAL PUBLIC DEBT		4.9	4.4	3.59	3.14	2.70

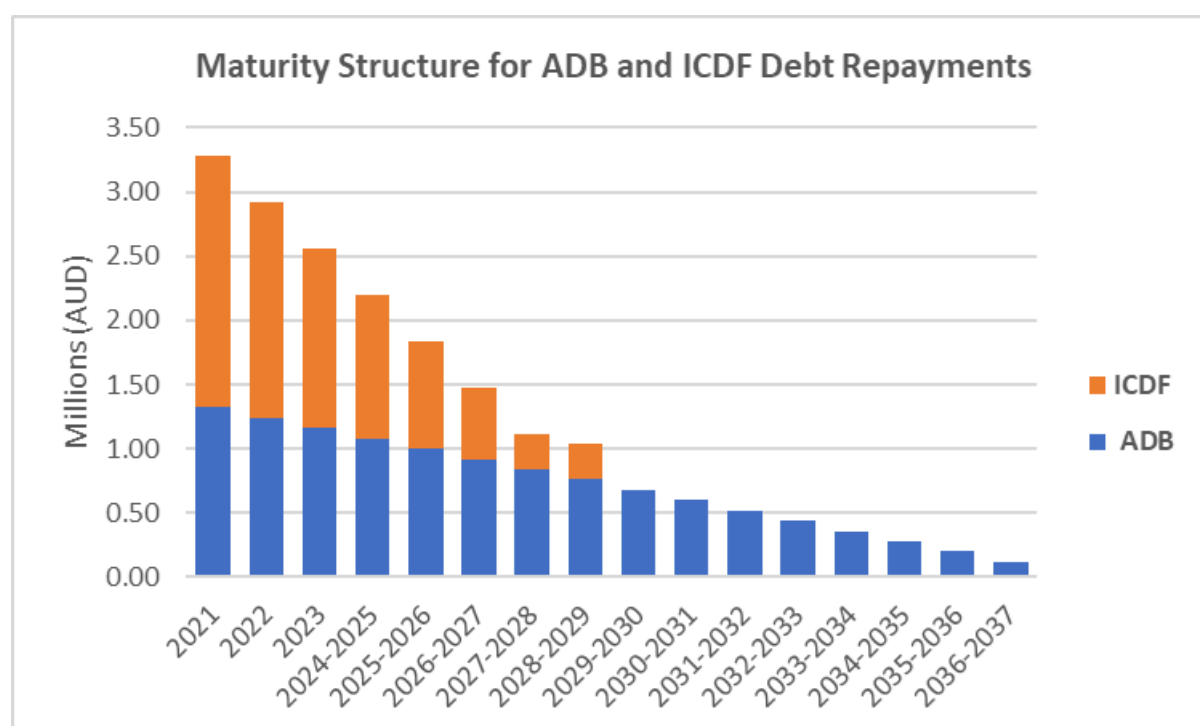
6.1.2 Currency Composition

As of the most recent data, Tuvalu's external debt portfolio is composed of approximately 62 percent in Special Drawing Rights (SDRs) and 38 percent in U.S. dollars. There are no other currencies represented in the external debt composition.

6.1.3 Maturity Structure

Tuvalu's external debt maturity profile is characterized by long-term, concessional loans primarily from two sources: The ICDF of Taiwan and ADB. The ICDF loan, contracted in 2019, has a 10-year maturity, with repayments scheduled through 2029. This loan was included in the Debt Sustainability Analysis (DSA) as external debt, providing a more transparent view of Tuvalu's debt obligations. ADB loans constitute the majority of Tuvalu's external debt and were likely contracted in the early mid-2000s and are projected to mature by 2037. These loans are on concessional terms, aligning with Tuvalu's policy to avoid non-concessional borrowing and maintain fiscal sustainability.

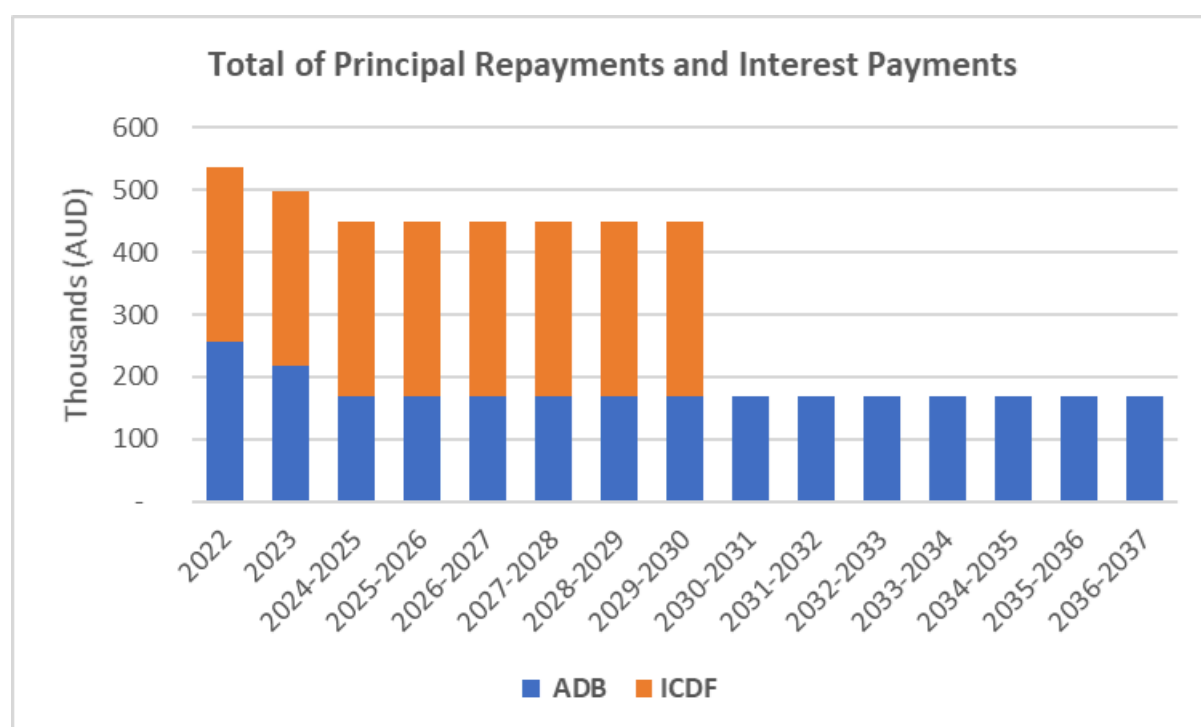
The graphs below illustrate the Government of Tuvalu's external debt maturity schedule, encompassing the 2019 loan from the ICDF of Taiwan and early mid-2000s loan from the ADB:



6.1.4 Debt Service Schedule

Tuvalu's external debt service is projected to decrease from AUD 2.47 million in 2024-2025 to AUD 2.30 million in 2025-2026 for the ADB and AUD 1.12 million to AUD 0.84 million for the ICDF respectively. This reduction reflects the country's commitment to prudent fiscal management and the gradual repayment of existing loans.

Interest payments constitute a relatively small portion of the total debt service. For instance, during the period of Feb 2024-2025, interest payments accounted for about 15 percent of the total debt service for the ICDF, highlighting the concessional nature of Tuvalu's external borrowing.



Between 2020 and 2024-2025, the ADB accounted for approximately 68 percent of external debt service payments, while the International Cooperation and Development Fund (ICDF) of Taiwan contributed about 32 percent subsequently.

These figures underscore Tuvalu's reliance on concessional financing from multilateral institutions, which aids in maintaining debt sustainability.

Total Public Debt Service 2022 to 2024-2025 (In thousands of AUD unless otherwise indicated)									
	2022			2023			2024-2025		
	I	P	T	I	P	T	I	P	T
ADB	36.07	206.24	242.31	39.00	217.34	256.34	42.57	235.27	277.84
ICDF (ROC)	0.00	281.70	281.70	0.00	281.70	281.70	0.00	281.70	281.70
Total	36.07	487.94	524.01	39.00	499.04	538.04	42.57	516.97	559.54

6.2 Publicly Guaranteed Debt

6.2.1 Explicit Guarantees

As of the end of 2018, the Government of Tuvalu had fulfilled all its contractual loan guarantees, with the final settlement being the European Investment Bank (EIB) loan contracted by the state-owned Development Bank of Tuvalu (DBT) in 2003. Subsequently, no new loan guarantees have been issued.

6.3 Total Public Debt

As of around February 2024-2025, Tuvalu's public debt stands at approximately AUD 3.59 million in total, representing 5.61 percent of its Gross Domestic Product (GDP). This marks a decrease from 6.60 percent in the year of 2023 as indicated in the table below. This shows that Tuvalu has made progress in managing its public debt, with a decrease in the debt-to-GDP ratio from 2023 to 2024–2025. The reduction appears to be driven by negative debt flows and economic growth, which suggests stronger fiscal discipline and a potentially improving economy.

Total Government Debt 2022 to 2026-2027 (In millions of AUD unless otherwise indicated)					
	2022	2023	2024-2025	2025-2026(p)	2026-2027(p)
Central Government Debt	4.75	4.41	3.59	3.14	2.70
Total Public Debt	4.75	4.41	3.59	3.14	2.70
In percentage of GDP	7.67	6.60	5.61	4.89	4.15
Nominal GDP	61.90	66.80	64.00	64.20	65.00

6.4 Prudent Fiscal Management with no non-concessional borrowing in the medium-term

The Government of Tuvalu is dedicated to promoting sustainable economic growth through prudent fiscal management. To achieve this, the government plans to closely monitor recurring expenditures and strategically allocate resources to sectors that stimulate business activity. This includes providing incentives for individuals and small to medium-sized enterprises (SMEs) to actively participate in the nation's economic development.

In terms of fiscal and debt management over the medium term, the government will adhere to key principles, including:

- **Prudent Fiscal Management:** Avoiding non-concessional borrowing to maintain fiscal sustainability.
- **Diversifying Revenue Sources:** Expanding the domestic revenue base and enhancing support from development partners to fund government activities without relying on debt financing.
- **Targeted External Financing:** Limiting external borrowing to capital projects that offer optimal returns.
- **Risk Mitigation:** Minimizing risks associated with on-lending and contingent liabilities.

To further mitigate potential fiscal risks, the government intends to:

- **Enhance SOE Monitoring:** Develop simplified monthly financial reports for State-Owned Enterprises to improve oversight and accountability.
- **Strengthen Cash Management:** Improve forecasting of domestic revenue and development partner support to ensure that expenditure and commitments are regularly updated and controlled.

These measures are aligned with international recommendations, such as those from the International Monetary Fund, emphasizing the importance of fiscal consolidation and prudent debt management to ensure long-term economic stability.

Part 7 : SCHEDULES

Schedule 1: List of Capital Expenditures

2025-2026 CAPITAL EXPENDITURE		
F	Financial Support - DBT	1,000,000
G	Court House	991,890
	C-Grade Housing	861,000
	D-Grade Housing	1,379,180
	Mobile Mixer	150,000
	Road Maintenance	100,000
	Backup Power Generator Shed	8,000
J	COSFA	5,000,000
	Outer-Island Project	1,600,000
M	Top up for Kaumaile Primary School	151,380
Grand Total		11,241,450

Schedule 2: List of One-Off Expenditure

2025-2026 One Off		
HEAD F	Mid Term Review of Te Kete	100,000
HEAD I	PNA Forum	200,000
	Native Lands Act	100,000
HEAD J	TILA	244,000
	Festival	370,000
HEAD L	Sei Tuvalu	173,800
	Charter of the Nivaga III-Vessel Fuel	732,000
	Passport	127,440
HEAD O	Repatriation	214,630
	TA for Price Control Unit	35,000
Grand Total		2,296,870

Schedule 3: Pipeline Projects for FY2025-2026

Head	Department	Description	Proposed Amount
C	OPL	Expansion of Office Space	70,000
F	MFED	Donor Round Table Meeting	49,500
G	PWD	Telehandler Machine	100,000
		Road Sweeper	150,000
		B Grade for Ministers	1,186,677
	MET	Fencing off the ocean-side of Meteorological Office compound and renovating	25,906
H	MHSW	National Health Forum	72,576
		Expatriate Registered	513,600
		MHSW Corporate Plan	6,075
I	MNRD	Land Use Policy and Sustainable Land Use	160,000
		Native Lands Act Legislation	40,000
		Establishment of the Integrated Geospatial	291,250
		Review of Land Rental Rate	20,000
		Half-Acre Initiative	1,500,000
J	MHACCE	Dumpsite Seawall & Fence	638,000
		Cultural Heritage	26,000
K	TPS	Female Prison Facility	156,000
L	Marine	Truck	26,500
Grand Total			5,032,084

Schedule 4: Grant, Subsidy and Donations

		Description	Amount
Grant - General	B	TNCW	25,000
	F	TVBC	200,000
	H	TuFHA	25,000
		Red Cross	25,000
		Fusialofa	25,000
	I	Authority	2,565,860
		Naficot	200,000
		Fofa	50,000
	J	TANGO	25,000
	L	TMTI	300,000
		TVBC	400,000
		TTC	200,000
	M	Fetuvalu Secondary School	628,521
		Seventh Day Adventist Primary School	368,079
		Primary School	93,150
		TASNOC	25,000
		TNYC	25,000
		ECCE Teachers	1,325,010
	O	TNPSO	45,000
		TOSU	25,000
Grant-VDS	J	Outer-Islands - VDS	1,600,000
Grant-Block		Outer-Islands - Block	600,800
Grant-Falekaupule		Outer Islands - Falekaupule	599,920
Subsidy	L	TEC-Subsidy	3,500,000
		TMTI	90,000
	M	Fetuvalu Secondary School	67,330
		Seventh Day Adventist Primary School	20,840
	O	Poultry Farming	3,000
Financial Support/Donations	A	GG's Gifts to official guests	1,000
	B	Tuvalu Independence Day	43,000
	L	ICT Services	160,000
	M	Youth Day	25,000
		ECCE	38,500
	O	Tuvalu Independence Day in Fiji	20,000
Cost of Service Obligation	F	NBT	163,160
		DBT	173,500
		TPL	131,170
Grand Total			13,812,840

Schedule 5: Islands Grant

	COSFA	VDS	General Grant	Block Grant	FaleKaupule Grant	TOTAL
Nanumea	583,159	200,000	200,000	54,010	74,990	1,112,159
Nanumaga	522,885	200,000	200,000	48,450	74,990	1,046,325
Niutao	604,091	200,000	200,000	54,010	74,990	1,133,091
Nui	553,128	200,000	200,000	44,350	74,990	1,072,468
Vaitupu	822,496	200,000	200,000	50,810	74,990	1,348,296
Nukufetau	587,780	200,000	200,000	46,910	74,990	1,109,680
Funafuti	962,433	200,000	200,000	42,730	74,990	1,480,153
Nukulaelae	364,028	200,000	200,000	39,530	74,990	878,548
Other				220,000*		
TOTAL	5,000,000	1,600,000	1,600,000	600,800	599,920	9,400,720

*Additional block grant approved but yet to confirm the allocation by outer-islands.