

2024-2025 NATIONAL BUDGET



GOVERNMENT OF TUVALU

PRESENTING BY

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DEPUTY PRIME MINISTER AND MINISTER OF FINANCE AND ECONOMIC
DEVELOPMENT

ON THE OCCASION OF THE BUDGET 2024-2025

24th JUNE 2024

Theme: Navigating Tuvalu's Challenges:

Investing in Resilience, Sustainability, and Prosperity

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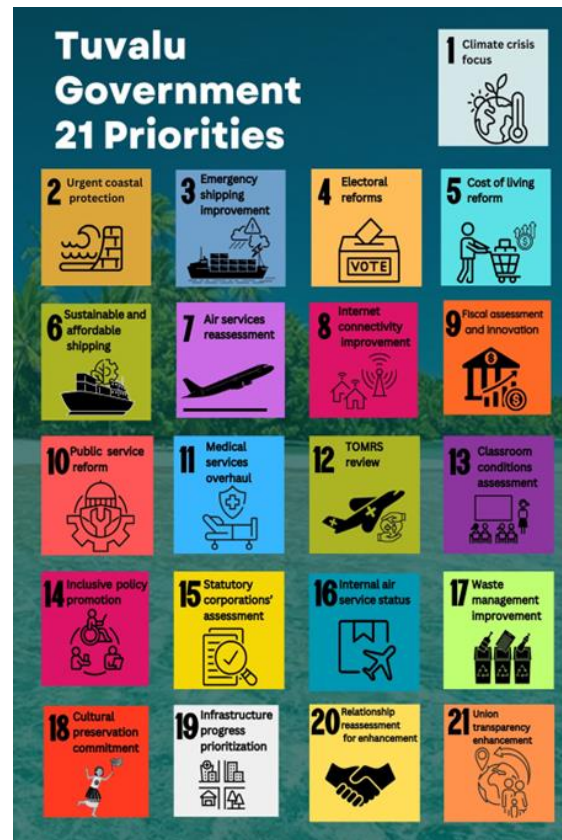
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STATEMENT OF PRIORITIES

The new government of Tuvalu has outlined key priorities (see summary below) that demand immediate attention and allocation of resources. These priorities encompass various critical aspects essential for the nation's development and well-being.

1. Addressing climate change and mitigating sea level rise, with a commitment to providing support for Tuvalu's resilience.
2. Immediate measures to minimise destructive impacts of king tides and tidal surges on coastal areas.
3. Urgent reforms to resolve chronic issues in shipping services, especially passenger safety and operational conditions.
4. Electoral process reforms, including comprehensive legislative review, following recent challenges.
5. Tackling Tuvalu's high cost of living involves identifying and addressing root causes, including taxation and price regulations.
6. Sustainable and affordable shipping services within Tuvalu and to outer islands.
7. Ensuring sustainable, reliable, and affordable air services to and from Tuvalu.
8. Sustainable, reliable, and affordable internet connectivity, including through submarine cables.
9. Prompt assessment of Tuvalu's fiscal situation and exploring new revenue-generating opportunities.
10. Substantial reforms to enhance efficiency and accountability in the public service.
11. Urgent review of medical services to provide equitable and reliable healthcare nationwide.
12. Streamlining the Overseas Medical Referral Scheme and assessing its financial implications.
13. Upgrading classroom conditions throughout the country.



14. Inclusive policies and infrastructure development for youth, women, and people with special needs.
15. Assessing and enhancing operational efficiencies of statutory corporations.
16. Urgent assessment of progress in the internal air service project.
17. Addressing waste disposal issues, particularly on Funafuti.
18. Continued support for Tuvalu's values, culture, and tradition.
19. Expediting the completion of unfinished infrastructures and developing a National Infrastructure Plan.
20. Reaffirming and strengthening the special relationship with Taiwan.
21. Addressing transparency issues and working towards a workable arrangement in the Tuvalu-Australia Falepili Union.

FOREWORD

In accordance with Section 169 of the Constitution of Tuvalu and Section 4 of the Public Finance Act 2008, it is an honour to present to Parliament and the people of Tuvalu the 2024-2025 National Budget which is the first budget prepared by the new Government following the formation in February and coincided with the execution of the change of financial year from calendar year to July/June for the first time.

The formulation of the 2024-2025 National Budget is guided by the vision of the Government which is rooted deeply on the successful implementation of 21 broad priorities. These priorities aim to bolster our country's resilience against impacts of climate change, strengthen economy efficiency and enhance service delivery to uplift welfare and the wellbeing of Tuvalu. Importantly, this budget further upholds core values of traditional Tuvaluan society and the national vision embedded in Te KETE.

Ensuring fiscal sustainability in the medium term remains critical and the Government is committed through the efficient allocation of resources to line ministries and priority programs, while also considering the adequacy of financial reserves. The 2024-2025 budget forecasts a deficit of **\$3.9 million** and it will be fully covered under the Consolidated Investment Fund (CIF). In line with the recovery of financial markets and favourable returns anticipated on TTF and CIF, the current level is adequate to finance this deficit.

Our early quick wins this year on policy prioritisation and the attainment of substantial funding commitments from our development partners, supporting scaled up adaptation, enhanced connectivity, strengthened national security and grant support, showcase the shared collaboration and support of our stakeholders, including government ministries, Kaupule, island communities, civil society, the Private Sector, and our development partners. On this note, I respectfully appeal for the continued cooperation and support from our key stakeholders in delivering the 2024-2025 budget outcomes successfully.

Finally, I commend the tremendous efforts invested by each line ministry, Government Advisory Committee (GAC) and Cabinet on the budget preparation through multiple reviews and deliberation. It would have not been successful without the united support of all. Acknowledgement is also made to the dedication from the Planning, Budget and Aid Coordination Department (PBACD), who have worked tirelessly in the compilation of this budget document.

Fakafetai Lasi, TUVALU MO TE ATUA

Hon. Panapasi Nelesone

Deputy Prime Minister and Minister of Finance and Economic Development

Part 1: FISCAL STRATEGY AND ECONOMIC OUTLOOK

1.1 BUDGET OVERVIEW

The 2024-2025 budget demonstrates the Government's commitment to catalyse investment on climate resilience, economic stability, infrastructure improvements, efficient public service delivery, essential support services, inclusive government policies, while also deepening cooperation with development partners.

Central among these ambitious priority areas is a robust financial management that ensures fiscal sustainability and backs the momentum of economic development across sectors both in Funafuti and the Outer-islands.

CATEGORIES	2022 Actual	2023 Actual	2024 HY Projection	2024/25 Budget	2025/26 Projection	2026/27 Projection
Total Revenue	78,685,000	110,558,070	49,685,670	93,032,640	94,247,140	96,092,880
Total Expenditure	90,652,270	105,473,050	49,661,250	96,984,210	99,449,770	101,379,150
Fiscal Balance	(11,967,260)	5,085,020	24,420	(3,951,570)	(5,202,630)	(5,286,280)
Consolidated Investment Fund (CIF)	37,578,480	39,250,660	42,809,780	41,484,540	38,734,110	35,708,490
Amount above MTSB	3,320,440	2,729,650	4,225,540	536,030	(4,723,530)	(10,412,040)
Minimum Target Saving Bal (MTSB)	34,258,040	36,521,010	38,584,240	40,948,510	43,457,650	46,120,530
TTF Maintained Value	214,112,770	228,256,330	241,151,510	255,928,170	271,610,290	288,253,330

Table 1: Fiscal Summary

The 2024-2025 budget is a deficit budget which appropriates the total level of expenditure above the projected revenue collection, thus, it warrants the sole reliance on financial reserves to cover the deficit without borrowing.

Total revenue is projected at \$93.0 million, comprising \$39.0 million from fishing licences, \$12.7 million from taxation, \$10.9 million from commercial contracts, \$4.1 million from interest-dividends and rent, and \$1.8 million from other government generated income. Additionally, development partner assistance for general budget support is projected at \$24.5 million.

Total budget expenditure for 2024-2025 financial year is \$96.9 million. This includes \$86.1 million for operating expenditure, \$7.7 million for capital investments and \$3.1 million provides for statutory expenditure.

This budget outlines the financial planning of the government to deliver effective policies and implementation of program activities essential to the achievement of broad priorities.

1.2 ECONOMIC OUTLOOK

For the 2024-2025 budget formulation, the Ministry of Finance and Economic Development (MFED) utilises economic parameters primarily drawn from data gathered by the Central Statistics Division (CSD). Forecasts are conducted by the Department of Planning for two

forward years with the support from the Pacific Financial Technical Assistance Centre (PFTAC).

Despite major setbacks from recent geopolitical crises, global growth is forecasted to marginally recover in 2025, showing positive economic outlooks. However, underlying challenges remain, impacting potential economic growth.

1.2.1 Global Economic Outlook

Global growth is projected to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023 while global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025. In a surprising turn, the global economy has been resilient, despite significant central bank interest rate hikes to restore price stability.

Lingering geopolitical tensions in regions such as the Middle East and Ukraine have continued to create economic headwinds and unpredictable challenges to economic growth. Additionally, there has been a noticeable softening in labour market conditions, possibly indicating subdued economic activity and structural shifts within industries. Enduring reduction in energy prices, such as oil and natural gas, have significantly contributed to the moderation in inflationary pressures.

For 2025, the priority consensus lies in navigating declining inflation rates by fine-tuning monetary policies towards a less restrictive stance. As inflation recedes, economies can effectively manage fiscal tightening, enabling targeted consolidation to fortify budgetary resilience. These adjustments empower nations to absorb future shocks, mobilise revenue for key priorities, and potentially alleviate public debt. Enhancing productivity and ensuring debt sustainability through strategic structural reforms pave the way for higher income levels. Enhanced multilateral collaboration is critical for tackling debt issues, facilitating investments, and addressing the impacts of climate change.

1.2.2 Domestic Economic Overview

In the face of the formidable challenges brought forth by the global pandemic, Tuvalu stands resolute in its pursuit of economic recovery. Positive developments in the country include ongoing projects implementation on coastal adaptation and boat harbour developments in Nanumaga, Nui, and Niutao islands, along with primary and pre-school construction in Nanumea, and sustained government housing initiatives in Funafuti. These initiatives expedite infrastructural development, tackle pressing housing shortages, and the anticipating impacts of climate change.

Tuvalu faced its first economic downturn in seven years in 2020, impacting key sectors like construction and hospitality, resulting in job losses and reduced working hours. In 2023, a significant trade deficit widening by 33% was noted, largely attributed to the resurgence of infrastructure projects, with imports soaring by 32.9%, driven by heightened demand for fuel and capital machinery associated with construction activities. Despite an expected decline in

import prices post-2022 and 2023, sustained growth in imports of goods and services is projected throughout 2024 and 2025, underscoring the vital role of infrastructure projects in driving economic expansion and the importance of implementing prudent trade management strategies to maintain this growth trajectory.

Furthermore, the resurgence of the hospitality sector post-pandemic, evidenced by a notable upsurge in visitor arrivals in recent years, reflects Tuvalu’s resilience in reopening travel and stimulating economic activity. Additionally, the reinstatement of labour schemes between Tuvalu, Australia, and New Zealand plays a significant role in providing employment opportunities and fostering skill transfer, as evidenced by the increased participation of Tuvaluan nationals in such programs. This surge in labour scheme participation correlates with a notable rise in remittances, indicative of the positive impact on Tuvalu’s economy.

Despite these successes, challenges persist, notably the reduction in fisheries revenue, which could impact government investment capacities. Economic growth is forecast to gradually realign from 3.5% in 2024 to 2.4% in 2025 as the level of economic stabilises and risk of natural disasters, fish migration and imported shocks pose heavily on resilient development.

1.2.3 Gross Domestic Product

The GDP growth for Tuvalu in 2023 is estimated at 3.9%, indicating a modest growth trajectory. This growth is largely driven by factors such as the recovery of the hospitality sector, public administration, trade activities, and the resumption of construction projects. These sectors play a vital role in sustaining economic activity and employment opportunities within Tuvalu.

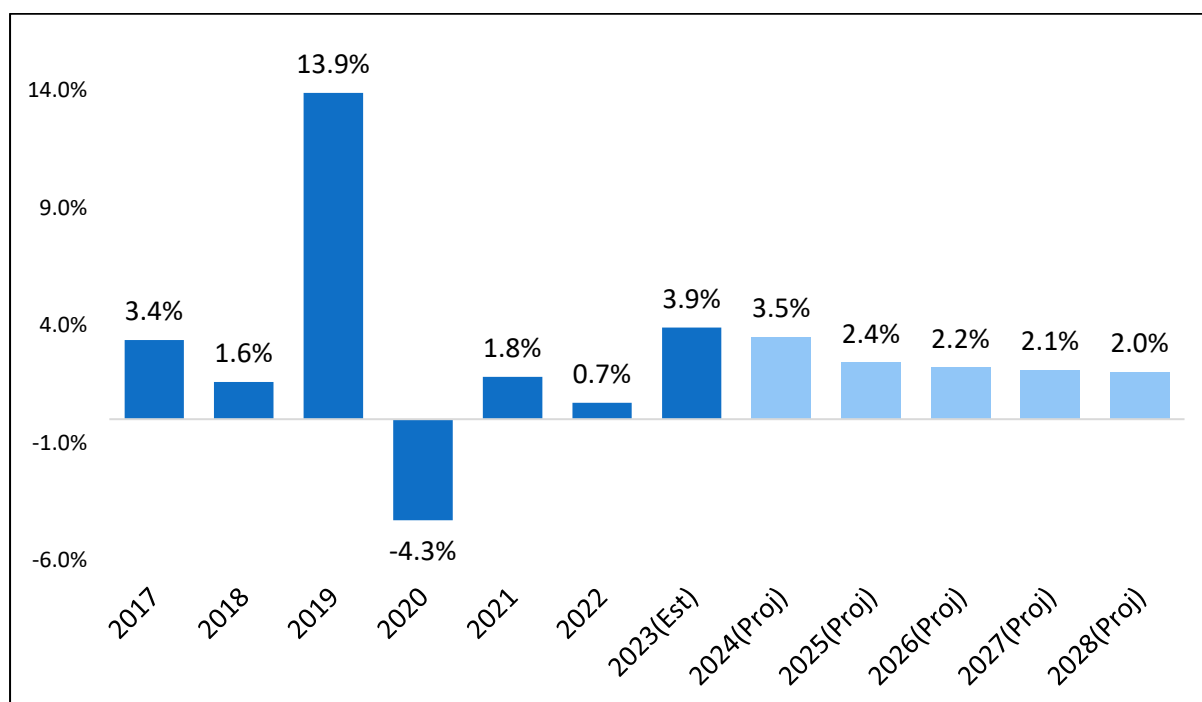


Figure 1 Real GDP growth

The economic growth in 2024 is forecasted to fall slightly to 3.5% on the back of persisting challenges such as shipping delay, price surge and weaker exchange rate. The decrease in fishing revenue, attributed to climate-related factors, has also contributed largely to this moderation in growth. Looking ahead to 2025, the International Monetary Fund (IMF) forecasts a further decline in GDP growth down to 2.4%. The slight decline reflects key challenges faced domestically to accelerate infrastructure developments without swift responses of development partners in terms of project design, approval, and timely mobilisation. The projected volatility in fishing revenue, uncertainty of new revenue generation and grant support may further compound pressures on fiscal buffers over the medium term and subsequently impact the level of infrastructure investments.

1.2.4 Exchange Rate

Analysing the daily exchange rate movement published by the Reserve Bank of Australia over recent past years reveals significant fluctuations and potential impacts on fiscal management.

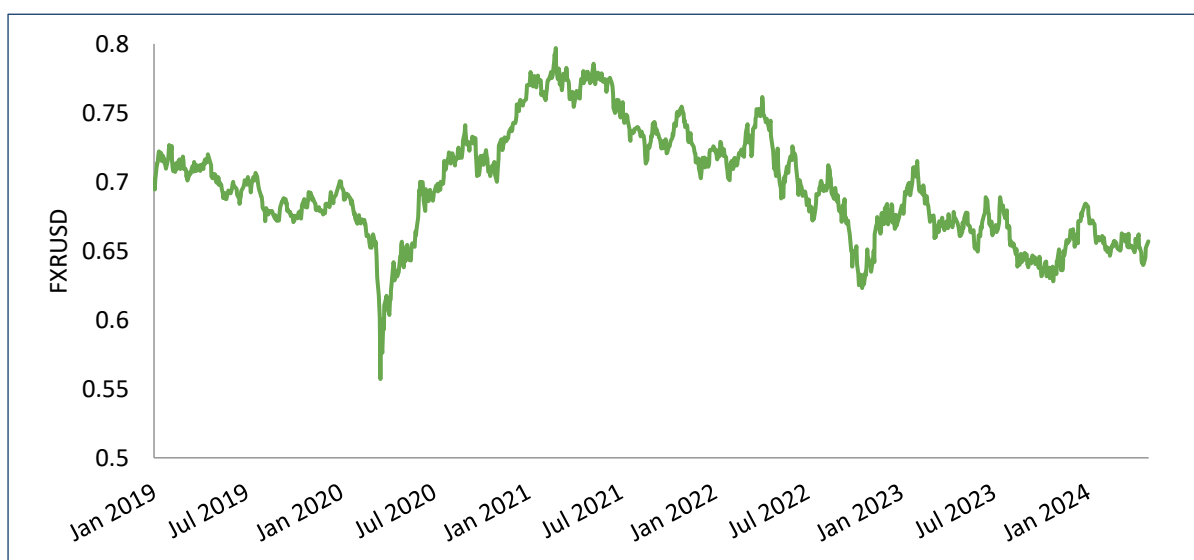


Figure 2 AUD/USD Exchange Rate (2019-Apr 2024)

In 2021, the exchange rate averaged around 0.73 USD, placing a relatively strong Australian dollar against the US Dollar. However, the Australian Dollar depreciated in subsequent months, with the exchange rate dropping to 0.71 AUD/USD on average in 2022 and further declining to 0.68 AUD/USD on average in 2023. These fluctuations have had positive impacts on several revenue sources such as fishing revenues, dot.TV agreement, development partner assistance and Taiwan Grant as they originated in the US currency, however, the strong US currency had a negative impact on foreign payments as it became more expensive. To mitigate the fiscal risks associated with potential fluctuations in exchange rates in the upcoming years, a conservative approach has been taken in projecting revenues for the Medium-Term Fiscal Framework (MTFF) for FY2025, as well as the subsequent years 2026 and 2027.

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.

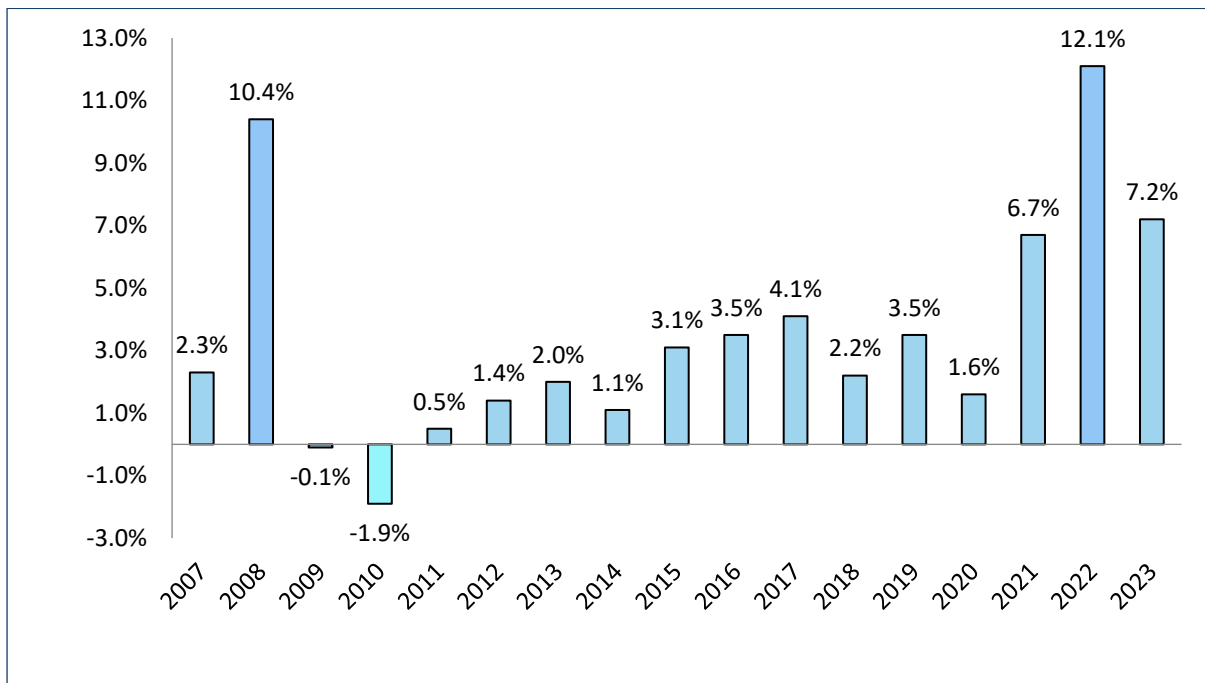


Figure 3 Average Annual Inflation

Average annual inflation in 2022 observed a huge spike of 12.1 percent, higher compare to the inflation rate experienced at the GFC 2008 of 10.4 percent, and slightly dropped to 7.2 percent in 2023. This inflationary period between 2021-2023 was largely associated with soaring price in the region on major items such as fuel and food items, and exacerbated by the high cost of shipping to isolated countries like Tuvalu. Diseconomies of scale and small market as structural characteristics of Tuvalu drive up costs exponentially in the domestic market. The lingering of geopolitical tensions has exerted considerable strain on imported supplies which put more financial burden on households and government programs. Inflation-fuelled living costs prompt the Government to urgently prepare further measures to support low-income households.

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 – which has elevated challenges of managing fiscal sustainability. The underlying objective of the fiscal strategy is to:

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

To achieve these objectives, the Government embarked on firming up its commitments to deliver a fiscally sustainable budget through:

- Prudently managing fiscal reserves to ensure economic stability and anticipate the unpredictable nature of global imbalances, in addition to ongoing threats of natural disasters.
- Prioritising initiatives that align with available resources, emphasising fiscal consolidation.
- Strengthening the monitoring and evaluation framework to enhance accountability and transparency.

Underpinning these commitments, the Government has identified effective measures to focus on:

- Increasing investments in major infrastructures both in the capital and outer islands.
- Delivering targeted programs and investments to enhance community resilience, bolster health systems, and improve education outcomes.
- Prioritising productivity within the government workforce to improve capacity building and service delivery to the people of Tuvalu.
- Exploring revenue-generating initiatives to offset planned taxation revenues on consumable goods.

1.4 FISCAL RESPONSIBILITY RATIOS

The government has utilised various fiscal indicators or ratios to provide additional guidance on the medium-term fiscal sustainability of government expenditure. These indicators are categorised into fiscal anchors and operational indicators, distinguishing between key indicators essential for debt sustainability and operational indicators necessary to promote national priorities. This set up primarily establishes sustainable benchmarks against which the government can effectively manage its limited resources.

1.4.1 Fiscal Anchors

Two indicators have been selected as effective measures to ensure debt sustainability:

- Limit Nominal Debt to GDP below 30% of Nominal GDP.
- Maintain CIF balance above 16% of TTF maintained value.

1.4.2 Operational Indicators

Balancing policy limitations and flexibility, operational indicators have been chosen to complement fiscal anchors on sustaining future fiscal space by highlighting sustainable thresholds for certain expenses and revenue allocation:

- Fiscal Balance not exceeding a deficit of 10% of GDP.
- Wages and Salaries to Domestic Revenue not exceeding 40%.
- Capital Expenditure to GDP above 30%.
- TOMRS to Domestic Revenue below 6%.
- Scholarship to Domestic Revenue below 5%.
- Taxation to Domestic Revenue above 20%.

Expenditure	Target	2018	2019	2020	2021	2022	2023	2024/2025	2025/2026	2026/2027
		Actual	Actual	Actual	Actual	Actual	Actual	Budget	Proj	Proj
Scholarship to Domestic Revenue	<5%	5.8%	6.6%	8.4%	9.2%	8.7%	8.2%	9.4%	9.4%	8.8%
Staffing to Domestic Revenue	<40%	28.0%	35.4%	34.0%	38.7%	45.4%	40.6%	54.2%	56.5%	57.3%
TOMRS to Domestic Revenue	<6%	6.1%	7.7%	9.2%	10.2%	13.5%	19.3%	7.3%	7.7%	7.9%
Revenue										
Tax Revenue to GDP	>20%	14.7%	15.4%	15.3%	12.7%	13.6%	12.1%	11.7%	11.3%	10.7%
Fishing License to GDP		79.9%	48.9%	58.0%	47.4%	41.3%	41.8%	35.7%	35.1%	34.7%
Domestic Revenue to GDP		124.9%	87.9%	96.5%	83.3%	69.9%	67.2%	62.7%	59.5%	58.2%
Additional Fiscal Ratio										
Capital Expenditure to GDP	>30%	51.7%	40.9%	42.0%	19.9%	5.1%	4.9%	7.1%	7.1%	7.1%
Operating Expenditure to GDP	<60%	84.6%	71.2%	78.7%	90.3%	90.0%	92.5%	78.8%	77.5%	75.0%
Fiscal Balance to GDP	+/-10%	26.6%	4.6%	9.1%	-0.3%	-13.1%	4.8%	-3.6%	-4.6%	-4.4%

Table 2: Fiscal Ratios

1.5 FISCAL PRIORITIES

In order to enhance efficiency and effectiveness on development and public service delivery, the government has established guiding fiscal priorities designed to be implemented over the medium term. These priorities focus on identifying initiatives and reforms to support the integration of medium-term outcomes and annual outputs, which are linked to each line ministry's departmental Annual Work Plans (AWP). The consolidation and sequencing of these priorities pose challenges, thus, necessitate the engagement of line ministries to coordinate the mapping of outputs and detailed activities to fiscal priorities as follows:

1.5.1 Statement of Priorities

The new government of Tuvalu has outlined twenty-one priorities that aim on enhancing the delivery of core services to the public and to effectively safeguard Tuvalu from adverse effects of climate change and exogenous shocks. Each priority is aligned and translated to activities managed under the mandate of each line ministry.

1.5.2 Cabinet Decisions

As the highest government organ mandated to carry out high-level decision making, the Cabinet set out priorities to ensure the country is well-positioned to thrive in the face of changing climate, deliver critical infrastructure developments and foster a closer partnership with development partners. Over the years, the Cabinet rollouts the annual financial plan aligns with its priorities to implement at a sector level include activities, programs and projects that are financially and economically viable to the public, and importantly, respond effectively to unanticipated shocks and global crises.

1.5.3 Corporate Plans

Corporate plans are directly aligned with the strategic areas outlined in ‘*Te KETE*’. These plans incorporate key strategic actions that are more detailed and specific to translate them into departmental outputs and granular annual activities prior to determining required inputs. However, in line with the Government’s new vision for transformation, each ministry is set out to formulate new corporate plans aligned with the ‘Statement of Priorities’. Each ministry is required to provide AWP that delineate their priority activities and programs to expedite economic development more effectively within 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.

	Tuvalu Trust Fund		Falekaupule Trust Fund	
Years	Market Value	Maintained Value	Market Value	Maintained Value
2020	183,249,548	185,645,303	33,157,081	32,832,816
2021	205,655,607	193,252,181	36,896,720	34,152,939
2022	183,239,859	214,112,769	33,299,617	38,093,534
2023	202,791,936	228,256,325	34,489,075	40,140,617
2024 (March)	236,218,558	241,151,509	38,214,954	40,763,642

Table 3: Financial Assets

1.6.1 Tuvalu Trust Fund (TTF)

TTF 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.

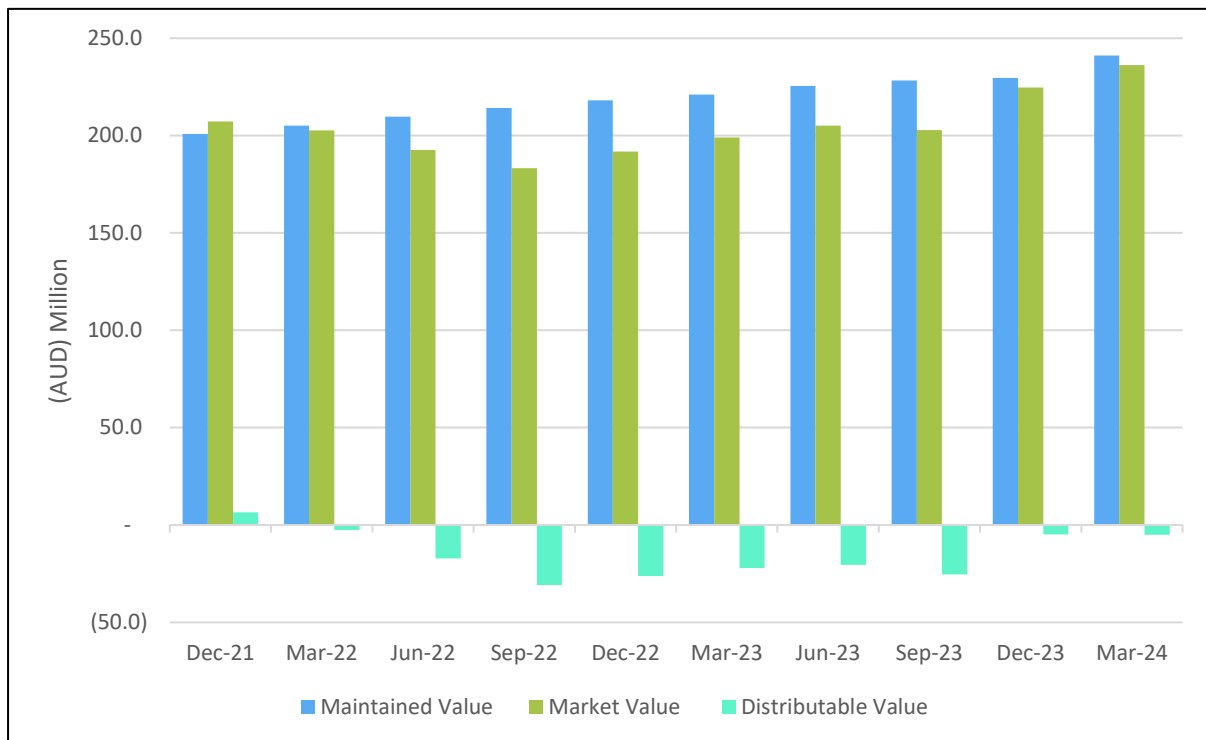


Figure 4: Tuvalu Trust Fund

As of March, 2024 the TTF’s maintained value exceeded the market value, thus no distribution was made. However, following improvement of global markets, TTF has performed relatively better, increasing the market value to \$236.2 million and closing the gap between the market value and maintained value from -\$25.5 million: Sep 2023 to -\$5 million: March 2024. It is forecast that distribution can be made next year provided markets continue performance without downside risks.

The portfolio value increased substantially recently above the target of \$200 million by 2020 as a result of continued capital contributions from traditional development partners Australia and New Zealand apart from government own reinvestments. As required under the Deed, distribution can only be made when the market value exceeds the maintained value, which the latter is indexed on the Australian CPI +4%.

1.6.2 FaleKaupule Trust Fund (FTF)

The FaleKaupule Trust Fund (FTF) was established in 1999 with the main objective of supplementing Outer Islands Kaupule developments and securing future opportunities. Modelled after the success of the TTF, the FTF was established and follows the same distribution policy as that of the TTF.

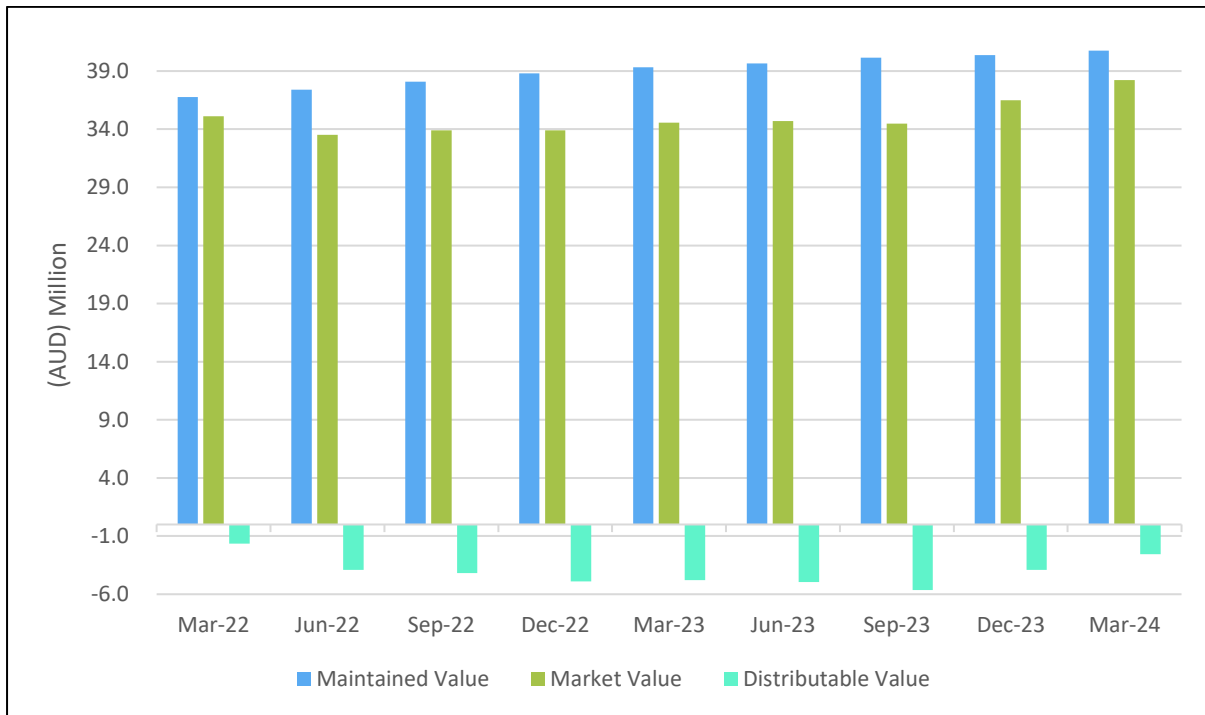


Figure 5: FaleKaupule Trust Fund

As of the 1st quarter of 2022, the FTF has a maintained value of \$40.7 million, while the market value stood at \$38.2 million. Major disruptions in the market during COVID have impacted the FTF, however, the rebound in market performance has produced a positive outlook for 2025 where a drawdown could be realised.

1.7 LIQUIDITY RISK AND CASH BUFFER

The fiscal cash buffer plays a crucial role in the government’s financial stability, meticulously crafted to manage cash flow complexities and mitigate liquidity risks effectively. This pool of readily accessible funds represents a forward-thinking strategy, strategically accumulated to strengthen the government’s fiscal resilience. By nurturing a robust reserve, the government shields itself against uncertainties, ensuring it can meet financial obligations even during challenging periods, such as economic downturns or natural disasters.

	2022	2023	2024 (April)
Consolidated Investment Fund	37,578,479	39,250,659	42,809,780
Tuvalu Survival Fund	9,156,390	9,125,872	9,544,753
Tuvalu Development Fund	9,022,540	10,119,747	3,235,758
Total	\$55,757,409	\$58,496,278	\$55,590,291

Table 4: Financial Reserves

1.7.1 Consolidated Investment Fund (CIF)

Established in 1991, the Consolidated Investment Fund manages distributions from the TTF for governmental budgetary needs while serving as a budget management buffer against

unexpected economic shocks. The CIF is also mandated to maximise cash holding return through an appointed manager at a lower risk profile.

The **9% (\$3.5 million)** increase in the CIF reflects an improved market performance and a good strategic investment.

1.7.2 Tuvalu Survival Fund (TSF)

The Tuvalu Survival Fund was established to address urgent responses arising from climate change and natural disasters. TSF is designed to provide immediate response services to the people of Tuvalu in the aftermath of natural disasters. It also enables both the government and the citizens of Tuvalu to prepare proactively for future climate-related challenges and natural disasters. A designated Board is overseeing the Fund's operations, formulating policies, providing strategic direction, and ensuring responsible management to fulfil its objectives.

The **4.6% (\$418,881)** increase in the Tuvalu Survival Fund reflects growing recognition of the Fund to support mitigating unanticipated climate-related disasters.

1.7.3 Tuvalu Development Fund (TDF)

The Tuvalu Development Fund is a crucial financial mechanism dedicated to advancing development in Tuvalu and addressing challenges and vulnerabilities to climate change. Supported by international donors, the TDF channels resources into projects spanning infrastructure, education, healthcare, environmental conservation, and disaster resilience. Operated under Tuvalu Government oversight and in collaboration with donors and stakeholders, the TDF ensures efficient project executions, while contributing significantly to Tuvalu's sustainable development and resilience.

A comprehensive record of the active projects supported by the TDF in 2024-2025 is provided in the TDF Document. As of April, this year, the cumulating funding balance for ongoing and new projects amounted to **\$3,235,758**.

1.8 FISCAL RISKS and FISCAL RISK MANAGEMENT

Deviations from expected fiscal budget outcomes could stem from macroeconomic shocks, climate variations and State-Owned Enterprise (SOE) performance. Specifically, the following variables could influence the level of budgetary revenue and expenses:

- Inflationary pressures on imported goods due to ongoing geopolitical tensions may lead to higher inflation, resulting in significant fiscal expenditure.
- Exchange rate volatility (USD to AUD) could impact revenue and expense estimates denominated in foreign currencies.
- The government's ability to deliver expected outcomes reflected in the Policy Reform Matrix closely links to budget support disbursement.
- Weak financial performance of SOEs creates contingent risks for the government.

- Severe natural disasters and climate change pose latent threats to the economy, potentially impacting fishing licence revenues, human and physical capital losses, and food and water security.

The government has undertaken several mitigating measures to minimise the impacts of these risks, including:

- Conducting fiscal consolidation to review rigid expenses, such as the medical treatment scheme, recent increase in the wage bill, and payments on goods and services.
- Expanding the revenue base through improved taxpayer compliance and increasing the size of fiscal buffers from savings of cyclical revenues.
- Strengthening SOE performance, accountability and transparency.
- Encourage direct access to climate finance through re-accreditation and enhancement of public financial management.
- Enforcing building code regulations to support cyclone-proof public properties.

1.9 DEVELOPMENT PARTNERS

The Government enjoys a closer partnership with its key development partners on many critical aspects of program and project implementation across sectors. Facing the enormous challenge of climate change, sea level rise and connectivity problems, the ability for effective responses are being hampered by a large funding gap and capacity needs. With the government's limited resources, the presence of development partners offers an assurance on continuity of concrete developments that will help Tuvalu withstand the severity of climate change.

1.9.1 Long-Term Coastal Adaptation

Long-term coastal adaptation has been the flagship development project of the Government to scale up community adaptation and mitigate severe effects of sea level rise and storm surges. Ongoing projects on coastal protection and reclamation lands have gained the support of the public and development partners. Major contributions have started to flow in to support construction of more land reclamation.

- Australia has increased its contribution to \$38M
- New Zealand made a commitment of NZD \$6.15M
- ROC Taiwan has made a contribution of \$1M
- ADB offers under the ADF 14 pipeline programme a USD \$30M

1.9.2 Digital Connectivity

Tremendous efforts have been made between the Government and development partners to expedite the landing of the undersea cable in 2025 as an effective solution to enhance internet connection. The undertaking is anticipated to create massive spinoff benefits across sectors and the potential to unlock opportunities in the tourism sector and the domestic air service. Key development partners have shown support and pledge large contributions.

- Australia commits a significant amount of \$50 million

- New Zealand offers a contribution of NZD \$8.2M
- United States, Japan and Taiwan are also taking part in the initiative

1.9.3 Sector Supports

Significant funding and technical supports have also directed to specific programs under Health, Education, and other sectors from Australia, New Zealand, ROC Taiwan and UN Agencies. European Union has contributed over \$1 million to support the Coconut Rehabilitation Project in partnership with the Department of Agriculture.

1.9.4 Asia Development Bank

Grant funded projects under ADB have significantly boosted infrastructure developments in line with national infrastructure priorities. Asia Development Fund (ADF) 13 will conclude in 2024 and the ADF 14 would see Tuvalu increase its country allocation significantly. Proposed pipeline projects identified under ADF 14 (2025-2028) will support drive the momentum of achieving mitigation and adaptation outcomes.

Project Title	Key Objectives	Value (USD)
Outer Island Maritime Infrastructure Project (OIMI)	Overcome domestic maritime connectivity constraints with the construction of small workboat harbours in the outer islands of Niutao, Nui, and Nukulaelae.	\$11.8M AF \$15.4 AF2 \$20M AF3 \$30M
Strengthening Domestic Shipping Project	Replace the existing passenger and cargo ship Manu Folau.	\$30M
Increasing Access to Renewable Energy Project	Climate-proofing the distribution grid and replacement of batteries in the outer islands as well as climate-proofing grid infrastructure upgrades in Funafuti.	AF \$7.8 AF2 \$10.84
Funafuti Water Supply and Sanitation Project*	Increase access to safe water and improve sanitation to reduce the incidence of waterborne disease in Funafuti.	\$16.27M
Increasing Access to Renewable Energy Project*	Support for the national energy policy reaches near its goal of 100% renewable energy.	AF3 \$40M
Public Sector Management Reforms*	Support public sector management reforms using a programmatic approach and help meet Tuvalu's development financing needs.	\$14M
Funafuti Climate and Disaster Resilience Infrastructure*	Support long-term climate adaptation developments	\$30M

* Pipeline projects under ADF 14 (2025-2028)

1.9.5 World Bank

The country's project portfolio under the World Bank's International Development Association (IDA) is entirely grant funded through cycle 20. IDA 21 is scheduled for 2025 in which country allocation is anticipated to increase. The following outline each project and development objectives.

Project Title	Key Objectives	Value (USD)
Maritime Investment in Climate Resilience Operations (MICRO)	To improve the climate resilience of Nanumaga harbour and Funafuti port. Nanumaga harbour is now moved under MICRO II.	\$9.5M
Maritime Investment in Climate Resilience Operations (MICRO) II	To improve the climate resilience and safety of the maritime sector in Tuvalu. (Boat Harbours in Nanumaga, Nanumea and Nukufetau).	\$46.5M; AF \$40M Total \$84.6M
Energy Sector Development Project	Enhance Tuvalu's energy security by reducing its dependence on imported fuel for power generation and by improving the efficiency and sustainability of its electricity system.	\$7M AF \$6M
Telecommunications and ICT Development Project	Facilitate improved access to, and reduced cost of internet services in Tuvalu	\$29M
Tuvalu Learning Project (TULEP)	Improve the readiness of children entering first grade and improve the reading skills of students. (Include CPMO operations)	\$14M
Tuvalu Safety Resilient Aviation Project (TuSRAP)	Improve the safety and resilience of the Recipient's aviation sector and to ensure reliable regional air connectivity.	\$34.12M
Tuvalu Health System Strengthening Project	Improve delivery of select health services, strengthen health management systems.	\$15M
Tuvalu First Climate and Disaster Resilience Development Policy Financing with a Catastrophe Deferred Drawdown Option	(i) promote climate and disaster resilient fiscal policy and trade facilitation, and (ii) improve the institutional and regulatory framework for climate and disaster resilient infrastructure.	\$11.5M
Pacific Islands Regional Oceanscape Program - Second Phase for Economic Resilience	Strengthen regional collaboration and national capacity for the management and the sustainable development of the oceanic and coastal fisheries sector in Tuvalu	\$13M

PART 2: 2024 HALF-YEAR FISCAL SUMMARY

Categories	2024 Original HY Budget	2024 HY Revised Budget	2024 HY Actual (April)	2024 Projection
Domestic Revenue				
Taxation	6,712,500	6,712,500	5,249,280	6,824,070
Interest, Dividends & Rent	246,100	246,100	110,070	165,110
Fishing Licenses	40,468,560	33,082,780	24,993,490	33,741,210
Commercial Contracts	5,644,910	5,644,910	3,005,250	4,507,870
Other Income	1,899,420	1,899,420	1,252,720	1,879,090
Total Domestic Revenue	54,971,490	47,585,710	34,610,810	47,117,350
Operating Expenditure				
Staffing	19,062,460	19,062,460	10,340,730	15,511,090
Travel & Communication	2,108,150	2,368,960	918,860	1,378,290
Maintenance	1,534,660	1,534,660	1,823,000	1,914,150
Fuel & Oil	1,551,430	2,040,620	1,059,050	1,908,940
Grants, Subsidies & Donations	6,700,850	6,700,850	5,622,860	6,325,710
Scholarship	3,939,540	3,939,540	1,920,760	3,121,230
Training	189,010	189,010	134,570	201,860
Medical Scheme	3,000,000	6,655,610	4,317,750	7,556,060
Goods & Services	11,296,630	15,315,780	5,215,470	14,342,530
Loan & Interest Payment	150,000	150,000	130,610	130,610
Total Operating Expenditure	49,532,730	57,957,490	31,483,660	52,390,470
Capital Expenditure	9,041,930	9,041,930	3,400,570	5,100,860
Statutory Expenditure	1,700,990	1,700,990	996,740	1,495,110
Total Expenditure	60,275,650	68,700,410	35,880,970	58,986,440
Domestic Budget Balance	(5,304,160)	(21,114,704)	(1,270,160)	(11,869,090)
Budget Support	10,071,430	13,049,730	8,913,840	14,432,220
Total Revenue	65,042,920	60,635,440	43,524,650	61,549,570
Surplus/(Deficit)	4,767,270	(8,064,970)	7,643,680	2,563,130

2.0 REVENUE PERFORMANCE

Total revenue for 2024 HY is estimated at \$61.5 million, an improvement of \$0.9 million on the 2024 HY Revised Budget, with domestic revenue slightly down by \$0.5 million and budget support increasing by \$1.4 million, driven largely by the additional New Zealand's contribution for the vessel Nivaga II overhaul maintenance.

With the appreciation of the US dollar against Australian dollar, US denominated revenues have received around 4% higher than the revised budget amount. This is included the ROC Taiwan Grant, dot.TV, Ship Registry, Fishing License fees and World Bank Grant or ADB Grant (when disbursed) which make up 70% of total revenue.

Local-generated revenue from taxation, registrations and fees have been fairly stabilised compare to historic amounts, and it is projected to remain closer to revised budget amounts.

2.1 EXPENDITURE PERFORMANCE

Total operating expenditure in 2024 HY is estimated to be \$52.4 million, a fall of \$5.6 million from 2024 HY Revised Budget and primary attributable to significant underspending in programs. High level of vacancies and delay of recruitments have been the underlying cause of \$3.6 million underspending for staffing.

Expenditure	2024 HY Revised Budget	2024 HY Projection	Variation
Staffing	19.1	15.5	(3.6)
Travel & Communication	2.4	1.4	(1.0)
Maintenance	1.5	1.9	0.4
Fuel & Oil	2.0	1.9	(0.1)
Grants, Subsidies & Donations	6.7	6.3	(0.4)
Scholarship	3.9	3.1	(0.8)
Training	0.2	0.2	0.0
Medical Scheme	6.7	7.6	0.9
Goods & Services	15.3	14.3	(1.0)
Loan & Interest Payment	0.2	0.1	(0.0)
Total Operating Expense	58.0	52.4	(5.6)
	0.0	0.0	
Capital Expenditure	9.0	5.1	(3.9)
Statutory Allocation	1.7	1.5	(0.2)
Total Expenditure	68.7	59.0	

Several major expenditure categories are also estimated to fall below budget allocations particularly Travel & Communication and Good & Services estimating closer to \$1 million to be underspent.

Tuvalu Overseas Medical Referral Scheme continues at the higher level of spending and it is estimated to go above the revised budget amount through virements despite supplementary amount approved by Parliament.

Capital expenditure is estimated a modest unspent amount of \$3.9 million and it would be rollover as permissible under the Special Infrastructure Regulation.

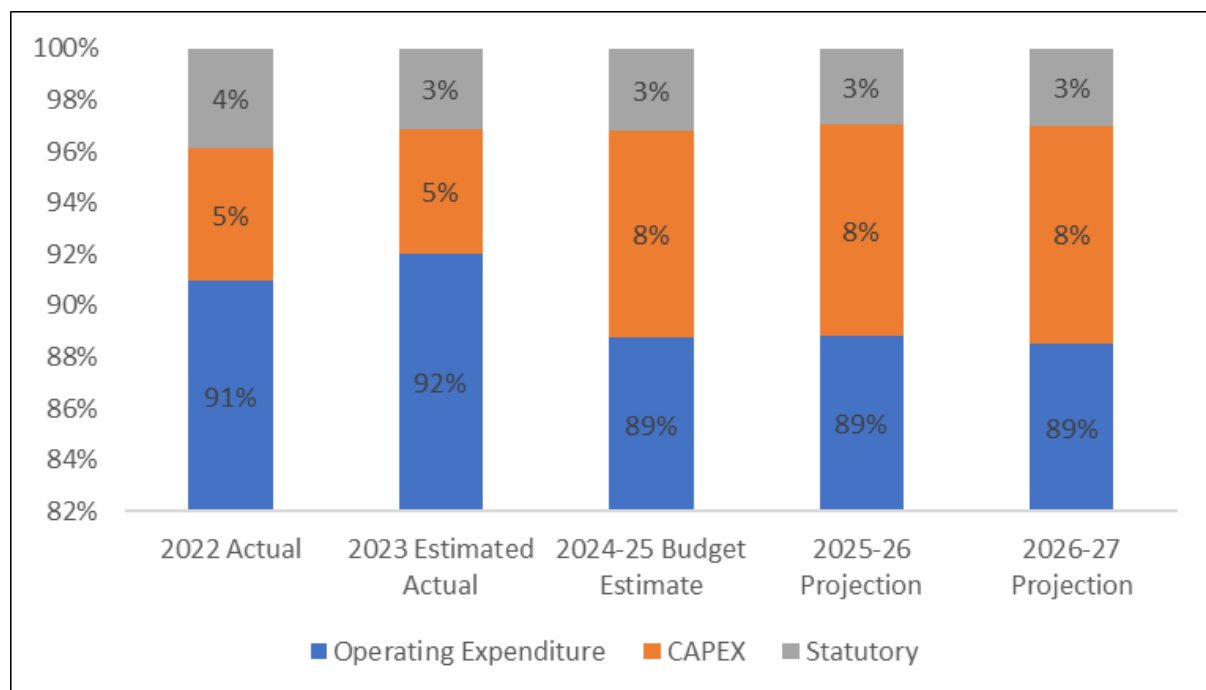
PART 3: APPROPRIATION AND PRIORITIES

3.0 APPROPRIATION ESTIMATES

The appropriation estimates for the 2024-2025 budget are presented in the below tables.

Head	Ministry	Operating Expenditure	Capital Expenditure	Statutory Expenditure	2024-2025 Budget	2024-2025 Appropriation
A	Office of Governor Gene	49,730	-	189,000	238,730	49,730
B	Office of the Prime Minis	5,407,030	-	318,720	5,725,740	5,407,030
C	Legal Affairs	1,293,380	-	57,910	1,351,290	1,293,380
D	Office of the Parliament	662,070	-	1,243,490	1,905,560	662,070
E	Office of the Audit Gene	395,460	-	54,330	449,790	395,460
F	MFED	9,169,000	-	157,500	9,326,500	9,169,000
G	MPWDW	5,606,380	1,000,000	139,100	6,745,480	6,606,380
H	MHSW	13,970,050	-	153,000	14,123,050	13,970,050
I	MNR	3,599,460	59,000	147,600	3,806,060	3,658,460
J	MHACCE	6,889,370	5,600,010	144,000	12,633,380	12,489,380
K	TPS	2,917,690	-	48,330	2,966,020	2,917,690
L	MTECI	14,133,910	-	157,500	14,291,410	14,133,910
M	MEHRD	15,214,750	1,094,670	157,500	16,466,910	16,309,410
N	Office of the Judiciary	731,940	-	-	731,940	731,940
O	MFALT	6,064,840	-	157,500	6,222,340	6,064,840
Grand Total		86,105,060	7,753,680	3,125,480	96,984,200	93,858,730

3.0.1 Comparative Graphs 2022-2024/2025



3.0.2 Comparative Expenditure Estimates by Head

Head Ministry		2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
A	Office of Governor General	324,430	187,020	238,730	229,320	236,180
B	Office of the Prime Minister	6,436,260	5,219,110	5,725,740	5,855,370	5,944,950
C	Legal Affairs	975,210	1,068,780	1,351,290	1,395,990	1,430,330
D	Office of the Parliament	1,826,240	1,854,860	1,905,560	1,870,750	1,893,300
E	Office of the Audit General	350,930	425,600	449,790	465,050	481,530
F	MFED	12,488,090	12,748,020	9,326,500	9,690,460	9,528,870
G	MPWIDW	5,946,910	6,611,770	6,745,480	6,880,820	7,074,150
H	MHSW	16,374,750	20,861,980	14,123,050	14,669,480	15,152,790
I	MNR	2,011,070	2,137,620	3,806,060	3,907,990	4,037,940
J	MHACCE	11,589,910	10,670,410	12,633,380	13,108,900	13,402,660
K	TPS	2,859,160	2,585,270	2,966,020	3,069,690	3,190,240
L	MTECI	8,019,720	15,941,420	14,291,410	14,607,430	14,872,310
M	MEHRD	11,718,960	13,392,630	16,466,910	16,699,800	16,942,820
N	Office of the Judiciary	679,440	748,860	731,940	748,920	760,970
O	MFALT	9,051,190	11,019,720	6,222,340	6,249,810	6,430,120
Grand Total		90,652,270	105,473,070	96,984,200	99,449,780	101,379,160

3.0.3 Comparative Expenditure Estimates to Total Expenditures

Head Ministry		2022 Actual	2023 Actual	2024-25 Budget	2025-26 Projection	2026-27 Projection
A	Office of Governor General	0.4%	0.2%	0.2%	0.2%	0.2%
B	Office of the Prime Minister	7.1%	4.9%	5.9%	5.9%	5.9%
C	Legal Affairs	1.1%	1.0%	1.4%	1.4%	1.4%
D	Office of the Parliament	2.0%	1.8%	2.0%	1.9%	1.9%
E	Office of the Audit General	0.4%	0.4%	0.5%	0.5%	0.5%
F	MFED	13.8%	12.1%	9.6%	9.7%	9.4%
G	MPWIDW	6.6%	6.3%	7.0%	6.9%	7.0%
H	MHSW	18.1%	19.8%	14.6%	14.8%	14.9%
I	MNR	2.2%	2.0%	3.9%	3.9%	4.0%
J	MHACCE	12.8%	10.1%	13.0%	13.2%	13.2%
K	TPS	3.2%	2.5%	3.1%	3.1%	3.1%
L	MTECI	8.8%	15.1%	14.7%	14.7%	14.7%
M	MEHRD	12.9%	12.7%	17.0%	16.8%	16.7%
N	Office of the Judiciary	0.7%	0.7%	0.8%	0.8%	0.8%
O	MFALT	10.0%	10.4%	6.4%	6.3%	6.3%

3.0.4 Comparative Expenditure Estimates by Natural Account

Natural Account Description	Governor General	OPM	Legal Services	Parliament	Audit	MFED	MPWIDW	MHSW	MNRD	MHACCE	TPS	MTECI	MEHRD	Judiciary	MFALT
Operating Expenses															
Staffing															
Salary - Local	15,290	1,690,370	793,000	111,240	311,780	1,598,270	2,107,910	3,821,620	1,943,340	2,860,820	1,976,170	1,916,270	5,128,830	260,230	1,243,310
Salary - Expatriate/ Contract	-	8,680	-	30,880	-	18,580	-	441,040	251,830	30,000	-	795,360	212,950	179,810	583,420
Salary - Casuals	-	32,660	-	-	-	19,800	1,197,350	49,500	62,500	-	87,360	1,121,640	27,130	-	30,000
Consultant Fees	-	-	42,000	-	-	-	-	-	-	90,000	-	15,000	-	-	-
Allowances	500	48,560	17,580	1,500	5,500	82,910	131,190	201,170	66,880	68,000	259,140	657,170	89,860	2,000	79,030
Provident Fund	1,530	176,550	79,300	11,120	31,180	161,710	318,300	402,240	386,670	297,230	201,120	267,020	681,480	26,020	168,970
Relieving Fund	-	247,260	56,510	-	-	50,000	34,720	30,000	45,000	164,850	35,000	301,850	166,260	20,000	96,650
Sub Total	17,320	2,204,080	988,390	154,740	348,460	1,931,270	3,789,470	4,945,570	2,756,220	3,510,900	2,558,790	5,074,310	6,306,510	488,060	2,201,380
Travel & Communication															
Overseas Business Travel	16,210	175,010	34,150	9,000	5,000	24,500	12,000	416,810	32,460	27,000	24,000	28,000	278,000	4,000	279,980
Local Business Travel	1,440	3,060	54,760	5,000	5,000	18,460	11,000	56,640	93,500	59,380	12,800	26,000	51,380	4,000	138,690
Leave Travel	700	8,500	13,450	1,500	6,000	21,980	15,050	61,500	19,080	16,790	20,200	31,750	77,850	3,000	66,480
Telecom & Internet	1,500	11,520	7,780	3,000	-	6,680	38,300	54,480	8,600	18,200	9,000	442,960	16,160	9,600	83,660
Sub Total	19,850	198,090	110,140	18,500	16,000	71,620	76,350	589,430	153,640	121,370	66,000	528,710	423,390	20,600	568,810
Maintenance															
R&M (Vessel)	-	-	-	-	-	-	-	-	12,200	-	45,470	430,000	-	-	-
R&M (Motor Vehicles)	840	4,200	400	1,000	1,500	2,000	125,000	17,200	7,400	13,970	18,370	44,400	6,400	2,000	24,100
R&M (Plant)	-	-	-	-	-	-	16,400	-	17,000	47,000	-	1,000	1,000	-	-
R&M (Office Equipments)	360	2,000	3,300	1,000	500	2,400	19,650	96,500	26,700	5,100	5,620	62,000	7,200	1,000	9,100
R&M (Buildings/Facilities)	-	85,200	5,000	-	-	2,500	519,800	18,000	20,000	-	5,590	60,000	44,360	500	2,000
Deferred Maintenance	-	-	-	-	-	-	500,000	-	-	-	-	-	-	-	-
Sub Total	1,200	91,400	8,700	2,000	2,000	6,900	1,180,850	131,700	83,300	66,070	75,050	597,400	58,960	3,500	35,200
Fuel & Oil															
Petrol and Oil	1,000	5,070	2,900	1,820	500	3,050	123,250	37,150	10,200	155,570	30,820	40,800	32,000	2,000	74,170
Vessel Fuel	-	-	-	-	-	-	-	-	35,000	-	30,000	2,120,000	-	-	-
Sub Total	1,000	5,070	2,900	1,820	500	3,050	123,250	37,150	45,200	155,570	60,820	2,160,800	32,000	2,000	74,170
Grants, Subsidies & Donations															
Subsidy	-	-	-	-	-	-	-	-	-	-	-	3,113,950	88,170	-	-
Cost of Service Obligation (CSO)	-	-	-	-	-	395,000	-	-	-	-	-	-	-	-	-
Grants - General	-	25,000	-	-	-	-	-	75,000	200,000	25,000	-	900,000	2,449,760	-	70,000
Grants - Falekaupule	-	-	-	-	-	-	-	-	-	599,920	-	-	-	-	-
Grants - Block	-	-	-	-	-	-	-	-	-	380,980	-	-	-	-	-
Grants - VDS	-	-	-	-	-	-	-	-	-	1,600,000	-	-	-	-	-
Financial Support/Donation	3,310	47,000	-	-	-	-	-	-	-	36,000	-	200,000	63,500	-	20,000
Sub Total	3,310	72,000	-	-	-	395,000	-	75,000	200,000	2,641,900	-	4,213,950	2,601,430	-	90,000
Training															
Other Training Awards	-	-	-	-	-	-	-	-	-	-	53,200	-	-	-	-
Capacity Development	-	-	19,700	3,000	-	-	-	32,800	35,000	111,000	-	-	-	-	5,000
Sub Total	-	-	19,700	3,000	-	-	-	32,800	35,000	111,000	53,200	-	-	-	5,000

Natural Account Description	Governor General	OPM	Legal Services	Parliament	Audit	MFED	MPWDW	MHSW	MNRD	MHACCE	TPS	MTECI	MEHRD	Judiciary	MFALT
Goods & Services															
Clothing Allowance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,150
Housing Allowance	-	-	-	-	-	-	-	621,250	-	-	-	-	-	-	6,000
Rental/Rent subsidy	-	1,060,900	6,000	36,000	-	3,850	14,100	213,800	15,600	1,100	10,250	4,000	23,000	1,000	986,250
Education Children Allowance	-	-	-	-	-	-	-	2,000	-	-	-	-	-	-	519,300
Cost of Living Adjustment (COLA)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	642,910
Office Stationery	970	4,600	9,260	5,000	2,500	5,900	9,300	29,710	6,400	10,240	5,020	17,980	27,000	2,000	10,760
Office Expenses	3,500	42,570	95,880	405,000	8,000	19,500	10,200	57,460	10,400	53,990	15,030	44,100	110,090	7,000	132,950
Supplies and Gears	590	20,200	-	-	-	-	230,850	1,173,000	22,680	34,770	510	122,220	44,500	-	29,140
Plant and Equipment	-	37,000	6,000	10,000	10,000	48,900	23,900	138,300	15,000	13,540	17,050	34,500	21,800	3,000	32,000
Building and Structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Welfare Schemes	-	-	-	-	-	-	-	1,300,000	-	-	-	-	-	-	-
Compensation	-	7,000	-	-	-	-	-	-	-	80,000	-	-	-	-	-
Entertainment	2,000	31,660	10,000	6,000	-	9,500	9,900	18,500	20,540	18,680	7,600	11,960	5,000	3,000	116,720
Ration/Victualling	-	-	-	-	-	-	-	90,000	23,680	-	34,850	348,000	600,000	-	-
Vessel Slipping	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Uniform	-	-	3,000	-	-	8,800	-	10,420	1,000	-	2,050	17,500	-	1,380	-
Utilities	-	5,690	6,100	-	-	1,753,200	3,200	16,200	3,200	3,200	-	3,200	1,490	-	96,200
Drugs and Medicines	-	-	-	-	-	-	-	2,964,660	10,000	-	-	-	-	-	-
Insurance	-	-	-	-	-	100,000	-	5,000	-	-	-	6,000	-	-	139,000
Overseas Contribution	-	16,410	2,300	20,000	7,010	46,500	31,500	13,700	172,960	31,040	3,080	811,830	301,000	400	322,390
Freight	-	-	-	-	-	-	-	-	1,000	-	-	-	-	-	-
Non-taxable allowance	-	1,610,360	25,000	-	1,000	7,600	76,500	1,423,900	23,650	28,000	3,000	54,000	4,658,590	200,000	2,500
Fumigation	-	-	-	-	-	-	-	-	-	-	-	40,000	-	-	-
Bank Charges	-	-	-	-	-	48,000	-	-	-	-	-	-	-	-	11,000
Forex (Gains/Losses)	-	-	-	-	-	50,000	-	-	-	-	-	-	-	-	-
Systems/Annual Subscriptions	-	-	-	-	-	651,480	15,000	-	-	8,000	5,390	3,440	-	-	-
Land Leases	-	-	-	-	-	3,000,000	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	400,000	12,000	80,500	-	-	-	40,000	-	-	-
Sub Total	7,060	2,836,390	163,540	482,000	28,510	6,153,230	436,450	8,158,400	326,110	282,560	103,830	1,558,730	5,792,470	217,780	3,090,270
Domestic Loan Repayment - prin	-	-	-	-	-	282,010	-	-	-	-	-	-	-	-	-
Domestic Loan Repayment - inte	-	-	-	-	-	325,930	-	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	607,940	-	-	-	-	-	-	-	-	-
Total Operating Expenses	49,740	5,407,030	1,293,370	662,060	395,470	9,169,010	5,606,370	13,970,050	3,599,470	6,889,370	2,917,690	14,133,900	15,214,760	731,940	6,064,830
Capital Expenditures	-	-	-	-	-	-	1,000,000	-	59,000	5,600,010	-	-	1,094,670	-	-
Statutory Expenditure	189,000	318,720	57,910	1,243,490	54,330	157,500	139,100	153,000	147,600	144,000	48,330	157,500	157,500	-	157,500
Grand Total	238,740	5,725,750	1,351,280	1,905,550	449,800	9,326,510	6,745,470	14,123,050	3,806,070	12,633,380	2,966,020	14,291,400	16,466,930	731,940	6,222,330

3.0.5 Comparative Revenue Estimates by Head

Head	Ministry	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
A	Office of Governor General	-	-	-	-	-
B	Office of the Prime Minister	19,890	67,510	20,000	19,000	18,150
C	Legal Affairs	44,500	62,730	118,870	124,810	123,100
D	Office of the Parliament	-	-	-	-	-
E	Office of the Audit General	13,250	17,500	25,000	26,250	27,560
F	MFED	31,531,580	54,394,750	40,993,790	40,655,700	40,591,910
G	MPWIDW	352,940	311,070	234,000	230,000	224,880
H	MHSW	8,100	21,930	20,000	21,000	22,050
I	MNR	37,858,900	43,857,400	39,067,020	40,105,820	41,524,770
J	MHACCE	134,280	16,260	17,700	18,290	18,620
K	TPS	53,640	53,380	52,100	53,900	56,560
L	MTECI	2,505,270	2,274,750	12,420,550	12,929,720	13,423,740
M	MEHRD	2,650	2,880	3,400	3,510	3,670
N	Office of the Judiciary	5,820	3,670	10,200	10,630	11,050
O	MFALT	6,154,190	9,474,250	50,000	48,500	46,820
	Grand Total	78,685,010	110,558,080	93,032,630	94,247,130	96,092,880

3.0.6 Comparative Revenue Estimates to Total Revenues

Head	Ministry	2022 Actual	2023 Actual	2024-25 Budget	2025-26 Projection	2026-27 Projection
A	Office of Governor General	0.0%	0.0%	0.0%	0.0%	0.0%
B	Office of the Prime Minister	0.0%	0.1%	0.0%	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	40.1%	49.2%	44.1%	43.1%	42.2%
G	MPWIDW	0.4%	0.3%	0.3%	0.2%	0.2%
H	MHSW	0.0%	0.0%	0.0%	0.0%	0.0%
I	MNR	48.1%	39.7%	42.0%	42.6%	43.2%
J	MHACCE	0.2%	0.0%	0.0%	0.0%	0.0%
K	TPS	0.1%	0.0%	0.1%	0.1%	0.1%
L	MTECI	3.2%	2.1%	13.4%	13.7%	14.0%
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	7.8%	8.6%	0.1%	0.1%	0.0%

3.1 ALIGNING THE BUDGET TO NATIONAL DEVELOPMENT PRIORITIES

The customary budget allocation process is generally designed to align and be consistent with ‘Te KETE’. With the initiation of the statement of priorities inaugurated by the new government, it sets a mandate that upon every submission of annual work plans and funding proposals by line ministries must be prioritised and directly related to the indicated priorities:

- Strengthen policies that will enhance the government’s commitment to provide every available form of support and enable Tuvalu’s ability to withstand and adapt to the severe consequences of climate change;
- Enhancing measures to resolve the unreliable shipping services particularly derived from the unsatisfactory and life-threatening operational conditions that passengers were exposed to when transporting them from ship to shore and vice versa, especially during unfavourable weather conditions;

- Addressing the high cost of living in Tuvalu, including the review of taxation regime, price control regulations, freight costs, costs of basic commodities, fuel costs, and costs of services in general;
- Developing possible solutions for a more sustainable and affordable internet connectivity in Tuvalu through the installation of a submarine internet cable;
- Improving the quality and standards of the healthcare system with the objective of providing more sustainable and reliable medical services throughout the country;
- Assessing and reviewing of the Tuvalu Overseas Medical Referral Scheme (TOMRS) to streamline its operational guidelines and enhance its financial implications on the national budget and the nation's limited financial resources; and
- Enhancing and broadening the scope of a quality education through investments aimed at increasing funding for scholarships and infrastructure development.

3.2 2024-2025 BUDGET POLICY SETTINGS

The formulation of the 2024-2025 budget is the first arrangement that emanated from the change in the government's financial year-end from July to June. It is necessary that such a transformation requires cohesive coordination among functions to execute both the financial and operational changes for this arrangement. Necessary coordination was required to ensure minimal disruptions resulting from these changes. The 2024-2025 budget is focusing more on maintaining a sustainable fiscal position, ensuring that the government avoids a significant negative fiscal balance that would necessitate excessive drawing of reserves. To achieve this objective, effective allocation of resources relies on effective expenditure policy measures and the government's ability to source additional revenues for the fiscal year 2024-2025.

Key revenue and expenditure policies underpinning the formulation of the 2024-2025 budget include:

Revenue Policy

- Responsible financial management that ensures revenues are fully accounted for and support macroeconomic stability.
- Support the fishing sector to sustainably manage foreign fishing vessels to fish in Tuvalu waters, in turn, boost fisheries revenue. A total of **\$39 million** is forecast to be generated from selling fishing days;
- Strengthening compliance and stringent border controls for imported goods and services to ensure correct dues are received and thus a projected amount of **\$12.7 million** to be collected; and
- Maximising returns from sovereign rents particularly dotTV, upper airspace fees and ships registry over the medium term, **\$10.8 million** is anticipated to be collected from these revenue sources.

Expenditure Policy

- Effective alignment of fiscal plans with priority outcomes of the Government;
- Improve productivity of the government’s workforce to deliver effective and efficient services to the public. An amount of **\$37.1 million** is allocated to budget personnel emoluments;
- Allocation of resources consistent with the Statement of Priorities and promotion of co-sharing activities to alleviate costs;
- Increase investment in education to develop the necessary human capital in line with the development needs of Tuvalu. The scholarship programs are allocated a total budget of **\$6.4 million**, with **\$1.7 million** for in-service scholarship, **\$1.4 million** for Student Education Loan Fund (SELF) program and **\$3.3 million** for pre-service scholarship;
- Enable Tuvaluans to have equal access to medical treatment, either not available in outer islands clinics, but available at Princess Margaret Hospital (PMH) and facilitate the referral medical scheme abroad when it cannot manage locally. An amount of **\$5.0 million** is anticipated for the TOMRS;
- Providing support to the Tuvalu Electricity Corporation (TEC) through fuel subsidy at **\$3.0 million**;
- Maintain government investment in capital infrastructure in outer islands, with a total budget of **\$7.7 million**; and
- Proper management of leave travel, overseas business travel, and internet use leading to a significant cost saving.

3.3 MEDIUM-TERM FISCAL FRAMEWORK 2024-2025

A Medium-Term Fiscal Framework (MTFF) is a financial plan that extends two forward years beyond the annual budget year. It provides projections of government income and spending based on baseline policies, allowing assessment of impacts of current programs on the short-term while informing decisions on resource allocation. This multi-year perspective is crucial for ensuring long-term fiscal sustainability and prudent financial planning.

The 2024-2025 budget prioritises long-term fiscal health through responsible spending analysis, transparency, and information dissemination. This is reflected in the government’s total projected expenditure estimates, including statutory and capital allocation, of \$96.9 million. This represents a decrease of 8.0% from the 2023 estimated actual. While this decrease is positive for fiscal management, the budget deficit remains. The deficit for the 2024-2025 fiscal year is \$3.9 million and is expected to be funded by a drawdown from the Consolidated Investment Fund.

In light of decreased expenditure, some items have been identified for increased allocation. This includes staff salaries, a 29.9% increase (\$8.5 million) from 2023 due to the implementation of the new pay structure, high vacancy level, and new positions. Scholarship has an 11% increase (\$642,340) while unchanged the existing funding ratio. These expenditures will be funded by the Government through domestic revenue and general budget support from development partners.

Medium-Term Fiscal Framework

MEDIUM-TERM FISCAL FRAMEWORK					
NOTE CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2026-27 Projection	2027-28 Projection
2.4.1 Taxation	12,450,400	12,693,700	12,745,630	12,868,970	12,792,830
2.4.2 Interest, Dividends & Rent	4,631,720	315,860	4,087,410	1,626,390	1,662,620
2.4.3 Fishing Licenses	37,819,430	43,848,300	39,028,990	40,067,390	41,488,150
2.4.4 Commercial Contracts	5,885,400	9,075,180	10,870,000	11,358,700	11,871,290
2.4.5 Other Income	3,289,290	4,534,580	1,820,740	1,860,880	1,850,450
Total Domestic Revenue	64,076,240	70,467,620	68,552,770	67,782,330	69,665,340
2.5.1 Staffing	29,059,240	28,594,910	37,142,350	38,307,720	39,939,860
2.5.2 Travel & Communication	3,406,320	4,304,500	2,240,030	2,235,550	2,296,910
2.5.3 Maintenance	1,735,680	6,792,210	2,344,220	2,411,430	2,414,150
2.5.4 Fuel & Oil	2,342,240	2,731,890	2,699,300	2,834,270	2,922,930
2.5.5 Grants, Subsidies & Donations	12,380,600	9,627,450	10,292,590	10,298,440	10,174,400
2.5.6 Medical Treatment Scheme	8,668,810	13,630,950	5,000,000	5,232,770	5,494,050
2.5.7 Scholarships	5,552,830	5,800,080	6,442,420	6,386,980	6,106,160
2.5.8 Training	220,900	315,310	259,700	272,690	262,130
2.5.9 Goods & Services	18,518,480	24,630,610	19,076,500	19,742,380	19,549,340
2.5.10 Loan & Interest Payment	605,200	613,290	607,940	616,980	612,520
Total Operating Expense	82,490,300	97,041,200	86,105,050	88,339,210	89,772,450
2.5.11 Capital Expenditures	4,634,010	5,090,310	7,753,680	8,141,360	8,548,430
2.5.12 Statutory Eallocation	3,527,950	3,341,530	3,125,470	2,969,200	3,058,270
Total Non-Recurrent Exp	8,161,960	8,431,840	10,879,150	11,110,560	11,606,700
Dmoestic Budget Balance	(26,576,020)	(35,005,420)	(28,431,430)	(31,667,440)	(31,713,810)
2.4.6 General Budget Support	14,608,770	40,090,460	24,479,860	26,464,800	26,427,540
GRAND TOTAL REVENUE	78,685,010	110,558,080	93,032,630	94,247,130	96,092,880
GRAND TOTAL EXPENDITURE	90,652,260	105,473,040	96,984,200	99,449,770	101,379,150
Grand Total	(11,967,250)	5,085,040	(3,951,570)	(5,202,640)	(5,286,270)

3.4 REVENUE

3.4.1 Taxation

Taxation revenue is forecasted to increase slightly to \$12.7 million, an increase of \$51,950 (0.4%), from the 2023 estimated actual. Such increases are driven from an improved tax collection with the support of the ASYCUDA system.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Personal Income Tax (PAYE)	2,958,370	3,670,190	3,685,610	3,869,890	3,676,400
Company Tax	2,028,470	2,659,280	2,800,000	2,940,000	2,793,000
Tuvalu Consumption Tax	2,605,420	2,010,480	2,100,000	1,995,000	2,094,750
Presumptive Tax	15,660	120,570	90,000	94,500	89,780
Room Tax	-	-	-	-	-
Departure Tax	-	-	100,000	100,000	100,000
Sales Tax	-	-	-	-	-
Import Duty	2,252,760	2,224,660	2,000,000	1,975,060	2,073,810
Import Levy	197,150	235,100	230,000	241,500	229,430
Excise	2,145,320	1,549,030	1,580,010	1,501,010	1,576,060
Service Levy	247,260	224,370	160,010	152,010	159,610
Taxation	12,450,410	12,693,680	12,745,630	12,868,970	12,792,840

3.4.2 Interest, Dividends and Rent

Projected revenues from interest, dividend and rent revenue is expected to reach \$4 million, an increase of \$3.7 million from the 2023 estimated actual. In 2023, a noticeable decrease in interest, dividend and rent revenues mainly due to a substantial decline resulting from the absence of investment returns in the TTF. For the 2024-2025 financial year, an increase of \$3.7 million is estimated attributing to dividend collection the government bound to receive from the NBT after audit completion between 2019-2021.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Interest Revenue	4,256,280	10	75,000	71,250	74,810
Dividends	-	-	3,733,310	1,287,990	1,333,070
Rentals	256,590	233,220	197,000	187,150	178,740
Hire	104,760	61,570	62,110	59,000	56,050
Lease Revenue	14,080	21,070	20,000	21,000	19,950
Interest, Dividends & Rent	4,631,710	315,870	4,087,420	1,626,390	1,662,620

3.4.3 Fishing Licences

Recurrent fishing licences are anticipated to reach \$39.0 million, indicating a decrease of \$4.8 million (10.9%) from the 2023 estimated actual. The reduction in revenues is attributed to the limited sale of vessel days, influenced by El Niño phases characterised by elevated temperatures in the central and eastern Pacific Ocean. These conditions create a favourable habitat for skipjack tuna, prompting their migration from the western fishing grounds to the central region. The alterations in temperature also impact ocean currents and marine life

production, particularly in equatorial regions such as Tuvalu. A modest increase in revenue is expected to continue over the next three years as projected.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Access fee	179,860	1,263,190	1,347,830	1,415,220	1,485,980
Flagship management fee	1,982,200	2,485,350	2,173,910	2,282,610	2,396,740
Fishing Licence - Long Line Vessels	374,230	101,830	72,460	68,840	65,400
Fishing Licence - Pole and Line Vessels	-	-	-	-	-
Vessel days - Purse Seine - Bilateral	28,493,310	30,912,580	23,188,410	24,347,830	25,565,220
Vessel days - Purse Seine - US Treaty	1,837,750	853,880	5,797,100	5,507,250	5,782,610
Vessel days - Purse Seine - Traded	1,338,180	264,780	724,640	688,410	722,830
Vessel days - Purse Seine - FSMA	2,940,650	3,445,690	2,028,990	2,130,440	2,023,910
Vessel days- Purse Seine - Sub Region:	-	3,408,940	1,739,130	1,652,170	1,569,560
Other Vessels (BU,FC,PL)	381,650	855,360	1,159,420	1,217,390	1,156,520
Transshipment	291,610	256,710	797,100	757,250	719,380
Fishing Licenses	37,819,440	43,848,310	39,028,990	40,067,410	41,488,150

3.4.4 Commercial Contracts

Commercial contracts are expected to increase to \$10.8 million, an increase of \$1.79 million (19.8%) from the 2023 estimated actual. The increase in revenue is a result of the successful transition of Tuvalu’s ccTLD dotTV to a new registry service provider, GoDaddy, in late 2022. This transition led to higher quarterly receipts in 2023, and it is expected that this increase will continue into the next financial year 2024-2025 and the following financial years as projected.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Dot TV Marketing Agreement	5,885,400	9,075,180	9,500,000	9,975,000	10,473,750
Upper Air Space	-	-	70,000	70,700	71,410
Joint Ventures	-	-	-	-	-
Ships Registry	-	-	1,300,000	1,313,000	1,326,130
Commercial Contracts	5,885,400	9,075,180	10,870,000	11,358,700	11,871,290

3.4.5 Other Income

Other income is projected to collect \$1.8 million, representing a reduction of \$2.7 million (59.8%) from 2023 estimated actual. This figure reflects revenue generated by the government through services rendered to the public.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Service Fee	198,720	318,620	268,500	281,930	296,030
Registraion	949,350	1,252,420	42,130	44,240	46,450
Sales	83,730	106,480	120,850	126,890	120,550
Stevedoring & Wharfage	64,340	68,520	150,000	157,500	149,630
Fares	298,750	385,620	378,300	397,210	379,160
Freights	520,630	203,690	320,030	304,030	319,230
Birth, Death and Marriage	920	890	1,000	970	1,010
Penalties and Fines	22,740	32,120	47,990	50,390	52,910
Licensing	27,260	19,560	22,520	21,390	22,460
Charter	161,450	98,630	110,000	104,500	109,730
Membership	350	30	600	570	600
Affidavit	220	590	580	610	580
Passport	166,300	282,580	250,240	262,750	249,610
Commission	434,000	116,770	55,000	52,250	49,640
Security Bonds	-	-	-	-	-
Reimbursement	-	-	-	-	-
Miscellaneous	360,530	1,648,050	53,000	55,650	52,870
Other Income	3,289,290	4,534,570	1,820,740	1,860,880	1,850,460

3.4.6 General Budget Support

The general budget support is estimated at \$24.4 million, marking a decrease of \$15.6 million (38.9%) compared to the estimated actual for 2023. This decline primarily stems from the absence of budget support both from the World Bank and ADB. A policy reform matrix outlines policy disbursement triggers, with the financial assistance revolving around

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Australia contribution	2,999,980	9,500,000	6,000,000	-	-
New Zealand contribution	-	1,375,160	1,500,000	-	-
World Bank	-	11,316,830	-	-	9,859,150
Grants Received (ROC)	10,513,740	18,083,470	16,974,860	16,586,740	16,563,380
ADB Grant	-	-	-	9,873,060	-
Grants - European Union (EU)	1,048,730	-	-	-	-
Grants - Other Development Partners	46,320	185,000	5,000	5,000	5,000
General Budget Support	14,608,770	40,090,460	24,479,860	26,464,800	26,427,530

enhancement of public financial management systems and attaining essential social inclusion.

3.5 EXPENDITURE

3.5.1 Staffing

Total expenditure on personnel emoluments is budgeted at **\$37.1 million**, representing an increase of \$8.5 million (29.9%) from the 2023 estimated actual. This increase resulted from the increasing number of casual workers, 21 new permanent positions at the cost of \$316,206 and the provision for the large number of vacancies. The total establishment for 2024-2025 increases to 1,403 permanent staff. In accordance with the requirements of the Financial

Instructions, a breakdown of Ministry establishments by salary-band and position title is included in the Nominal Roll.

3.5.2 Travel and Communication

Expenditure on travel and communications is budgeted at **\$2.2 million**, indicating a decrease of \$2.1 million (48%) from the 2023 estimated actuals. This drop is attributed to cost-cutting measures, including the shift towards virtual attendance for meetings and forums, and staff

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Salary - Local	17,628,650	19,458,480	25,778,460	27,067,390	28,243,030
Salary - Expatriate/ Contract	3,395,950	2,504,670	2,431,500	2,309,930	2,421,130
Salary - Casuals	2,806,830	2,182,200	2,627,950	2,496,560	2,603,680
Consultant Fees	277,260	150,690	147,000	139,650	132,670
Allowances	2,045,050	1,443,770	1,711,000	1,625,450	1,706,240
Provident Fund	1,929,040	1,955,650	3,198,330	3,358,250	3,457,180
Relieving Fund	878,740	897,440	1,248,100	1,310,500	1,375,920
Gratuity	97,710	2,000	-	-	-
Staffing	29,059,230	28,594,900	37,142,340	38,307,730	39,939,850

physically attending only those events fully funded by development partners.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Overseas Business Travel	1,646,930	1,467,530	624,800	593,560	623,000
Local Business Travel	594,100	470,760	539,970	512,970	489,700
Leave Travel	266,120	311,770	363,820	382,010	400,590
Telecom & Internet	899,170	2,054,450	711,440	747,020	783,630
Travel & Communication	3,406,320	4,304,510	2,240,030	2,235,560	2,296,920

3.5.3 Maintenance

Maintenance expenditure is budgeted at **\$2.3 million**, indicating a decrease of \$4.4 million (65%) from the 2023 estimated actuals. This results from line ministries consensus to utilise 2024 half year provisions and the one-off maintenance of Nivaga III started in 2023.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
R&M (Vessel)	617,570	5,513,040	487,670	512,060	537,660
R&M (Motor Vehicles)	224,260	248,220	268,780	282,210	296,330
R&M (Plant)	23,990	66,480	82,400	86,520	82,190
R&M (Office Equipments)	108,200	114,740	242,430	254,550	241,820
R&M (Buildings/Facilities)	721,520	847,730	762,940	801,090	785,670
Deferred Maintenance	40,130	2,010	500,000	475,000	470,480
Maintenance	1,735,670	6,792,220	2,344,220	2,411,430	2,414,150

3.5.4 Fuel and Oil

Fuel and Oil expenditure is budgeted at **\$2.6 million**, a slight decrease to \$32,590 (1.2%). This drop resulted from the reduction of fuel provision across line ministries.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Petrol and Oil	447,780	553,710	514,300	540,020	513,960
Vessel Fuel	1,894,460	2,178,180	2,185,000	2,294,250	2,408,960
Fuel & Oil	2,342,240	2,731,890	2,699,300	2,834,270	2,922,920

3.5.5 Grant, Subsidy and Donations

Expenditure on grants, subsidies and donations is anticipated to be **\$10.3 million**, reflecting an increase of \$665,135 (6.9%) from the 2023 Estimated Actuals. This increase results from the inclusion of a government fuel subsidy amounting to \$3.0 million.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Subsidy	172,920	2,248,010	3,202,120	3,362,230	3,194,120
Cost of Service Obligation (CSO)	595,000	667,660	395,000	414,750	394,010
Grants - General	5,111,250	2,856,380	3,744,760	3,557,520	3,735,400
Grants - Falekaupule	545,400	599,920	599,920	629,920	598,420
Grants - Block	379,300	380,980	380,980	382,670	363,540
Grants - VDS	1,599,960	1,600,000	1,600,000	1,600,040	1,520,040
Financial Support/Donation	3,976,780	1,274,500	369,810	351,320	368,880
Grants, Subsidies & Donations	12,380,610	9,627,450	10,292,590	10,298,450	10,174,410

3.5.6 Tuvalu Overseas Referral Medical Scheme

The budget provided for the TORMS is anticipated to be **\$5.0 million**, indicating a decrease of \$8.6 million. This decrease signifies efforts to strengthen the medical scheme policy to cap this program within the threshold target ratio.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Local Business Travel	20	-	1,140	1,080	1,030
Salary - Expatriate/Contract	28,100	23,460	121,040	114,980	120,730
Provident Fund	830	-	12,100	11,500	12,070
Relieving Fund	-	900	-	-	-
Non-Taxable Allowances	2,815,390	3,124,310	1,400,000	1,470,000	1,543,500
Overseas Business Travel	295,780	651,070	374,810	393,550	413,220
Telecom & Internet	60	-	-	-	-
Housing allowance	540,960	925,950	621,250	652,310	684,930
Drugs and medicine	4,932,580	8,774,870	2,426,660	2,548,000	2,675,400
Rental/Rent Subsidy	840	103,100	-	-	-
Office Expenses	27,520	21,470	25,000	23,750	24,940
Utilities	21,110	-	12,000	11,400	11,970
Petrol and Oil	5,620	5,810	6,000	6,200	6,260
Medical Treatment Scheme	8,668,810	13,630,940	5,000,000	5,232,770	5,494,050

3.5.7 Scholarships

The total funding allocated for scholarships in 2024-2025 has increased to **\$6.4 million**, representing an increase of **\$642,350 (11%)** from the 2023 estimated actuals. This funding

breakdown includes **\$1.4 million** for SELF scholarships, **\$3.3 million** for Pre-Service scholarships and **\$1.7 million** for in-service scholarships.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Overseas Business Travel	196,120	308,340	366,510	384,830	404,070
Salary - Local	600	-	-	-	-
Provident Fund	-	170	-	-	-
Non-taxable allowance	5,349,190	5,486,110	6,067,280	5,993,170	5,693,510
Office Expenses	1,700	4,250	5,640	5,930	5,630
Rental/Rent subsidy	1,600	-	1,000	950	950
Entertainment	1,170	1,380	2,000	2,100	2,000
Forex (Gains/Losses)	-	-	-	-	-
Plant and Equipment	2,600	-	-	-	-
Scholarship	5,552,810	5,800,080	6,442,430	6,386,980	6,106,160

3.5.8 Training

The budget earmarked for the training program is **\$259,700**, covering expenses associated with capacity building and short-term training initiatives.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Attachment training	-	10,000	-	-	-
Other Training Awards	21,660	92,220	53,200	55,860	56,140
Capacity Development	199,240	213,090	206,500	216,830	205,980
Training	220,900	315,310	259,700	272,690	262,120

3.5.9 Goods and Services

Expenditure on goods and services are estimated at **\$19 million**, reflecting a **22.5% (\$5.54 million)** decrease from the 2023 estimated actuals. This reduction is primarily driven by the exclusion of one-off provisions.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Statutory Allowance	590	710	-	-	-
Clothing Allowance	51,170	35,960	43,150	40,990	42,740
Housing Allowance	6,000	3,000	6,000	5,700	5,990
Rental/Rent subsidy	2,085,840	4,836,730	2,374,850	2,493,590	2,608,440
Education Children Allowance	209,660	216,640	521,300	495,230	516,740
Cost of Living Adjustment (COLA)	537,110	470,460	642,910	610,760	625,930
Office Stationery	226,010	186,740	146,640	139,310	146,270
Office Expenses	1,422,500	2,202,810	985,040	1,034,300	983,110
Supplies and Gears	1,067,840	1,175,370	1,678,460	1,762,390	1,710,320
Plant and Equipment	248,730	1,731,240	410,990	431,540	410,330
Building and Structures	64,600	267,810	-	-	-
Welfare Schemes	1,230,890	1,254,560	1,300,000	1,325,000	1,391,250
Compensation	55,810	52,500	87,000	82,650	78,520
Entertainment	547,880	420,720	269,060	255,610	243,160
Ration/Victualling	1,013,750	1,098,330	1,096,530	1,151,360	1,169,760
Vessel Slipping	105,150	649,460	-	-	-
Uniform	350,880	27,300	44,150	41,940	44,040
Utilities	1,338,960	1,839,760	1,879,680	1,973,660	1,875,870
Drugs and Medicines	400,340	1,983,570	548,000	575,400	546,630
Insurance	441,240	207,480	250,000	237,500	248,850
Overseas Contribution	1,399,370	1,528,820	1,780,110	1,869,120	1,860,860
Freight	9,490	810	1,000	950	900
Non-taxable allowance	317,320	608,550	646,830	679,170	645,210
Fumigation	12,840	36,980	40,000	42,000	42,210
Bank Charges	6,230	43,280	59,000	61,950	65,050
Forex (Gains/Losses)	1,964,330	-	50,000	47,500	49,880
Systems/Annual Subscriptions	83,650	226,580	683,300	717,470	753,340
Land Leases	2,466,840	2,695,340	3,000,000	3,150,000	2,992,500
Contingency	853,470	829,100	532,500	517,300	491,430
Goods & Services	18,518,490	24,630,610	19,076,500	19,742,390	19,549,330

3.5.10 Loan and Interest Payment

The budget allocation for loan and interest payments is capped at **\$607,940**, reflecting a decrease of **\$5,353** (0.9%) from the 2023 estimated actuals. This accounts for repayments payable to ADB billing statements for maritime training contracted by the Government.

CATEGORIES	2022 Actual	2023 Actual (Est)	2024-25 Budget	2025-26 Projection	2026-27 Projection
Domestic Loan Repayment - princip	300,000	296,860	282,010	279,060	265,110
Domestic Loan Repayment - interes	305,200	316,430	325,930	337,920	347,420
Loan & Interest Payment	605,200	613,290	607,940	616,980	612,530

3.5.11 Capital Expenditure

The total capital expenditure is budgeted at **\$7.7 million**, comprising **\$1.0 million** for one B-Grade housing, **\$5.6 million** for Kaupule General Grants and Community Development Assistance (CDA), **\$59,000** for Agriculture Elisefou staff quarters and **\$1.0 million** to support ongoing construction works at Kaumaile Primary School and Kaumaile Pre-School.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Salary - Expatriate/Contract	9,115	-	-	-	-
Salary - Casual	-	249,856	1,028,766	1,080,204	1,134,215
Allowances	10,981	192	-	-	-
Staffing	20,096	250,048	1,028,766	1,080,204	1,134,215
Local Business Travel	5,378	1,399	-	-	-
Travel & Communication	5,378	1,399	-	-	-
R&M (Plant)	-	80,000	-	-	-
R&M (Buildings/Facilities)	14,708	-	-	-	-
Maintenance	14,708	80,000	-	-	-
Petrol and Oil	-	6,000	-	-	-
Fuel & Oil	-	6,000	-	-	-
Grants - General	1,133,557	3,495,662	5,600,010	5,880,011	6,174,011
Grants, Subsidies & Donations	1,133,557	3,495,662	5,600,010	5,880,011	6,174,011
Rental/Rent Subsidy	-	1,057	-	-	-
Plant and Equipment	2,469,677	369,376	10,000	10,500	11,025
Building and Structures	982,901	886,770	969,000	1,017,450	1,068,323
Compensation	7,698	-	-	-	-
Contingency	-	-	145,900	153,195	160,855
Goods & Services	3,460,276	1,257,203	1,124,900	1,181,145	1,240,202
Capital Expenditure	4,634,014	5,090,312	7,753,676	8,141,360	8,548,428

3.5.12 Statutory Expenditure

Statutory expenditures are spending charged on the Consolidated Fund by any written law other than the Appropriation Act. These expenditures are clearly described under the *Prescription of Salaries (Amendment) (No. 2) Act 2023*.

The estimated expenditure in this category is **\$3.1 million**.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Salary - Local	112,182	121,478	111,600	106,020	109,201
Salary - Expatriate/Contract	456,164	436,772	320,000	304,000	313,120
Salary - Ministers/MP's	858,750	737,232	855,000	812,250	836,618
Allowances	5,250	-	1,500	1,425	1,468
Provident Fund	103,146	83,929	96,660	91,827	94,582
Relieving Fund	-	566	-	-	-
Gratuity	22,500	24,000	24,000	22,800	23,484
Staffing	1,557,992	1,403,977	1,408,760	1,338,322	1,378,472
Overseas Business Travel	1,325,557	1,245,049	451,675	429,091	441,964
Local Business Travel	73,414	100,522	91,000	86,450	89,044
Telecom & Internet	69,889	64,216	74,400	70,680	72,800
Travel & Communication	1,468,861	1,409,787	617,075	586,221	603,808
Petrol and Oil	37,540	40,758	47,760	45,372	46,733
Fuel & Oil	37,540	40,758	47,760	45,372	46,733
Financial Support/Donation	1,638	-	-	-	-
Grants, Subsidies & Donations	1,638	-	-	-	-
Statutory Allowance	55,336	33,224	100,000	95,000	97,850
Clothing Allowance	10,691	15,376	32,400	30,780	31,703
Housing Allowance	26,800	27,600	72,000	68,400	70,452
Rental/Rent Subsidy	900	2,208	21,600	20,520	21,136
Office Expenses	2,000	1,725	2,000	1,900	1,957
Plant and Equipment	45,505	97,993	400,455	380,432	391,845
Welfare Schemes	611	-	-	-	-
Entertainment	78,156	90,052	122,000	115,900	119,377
Utilities	125,467	88,674	112,240	106,628	109,827
Drugs and Medicines	13,657	3,321	67,000	63,650	65,560
Non-taxable allowance	106,075	126,840	122,180	116,071	119,553
Goods & Services	465,197	487,013	1,051,875	999,281	1,029,260
Statutory Expenditure	3,531,228	3,341,535	3,125,470	2,969,197	3,058,272

Part 4: EXPENDITURE BY HEAD AND BY DEPARTMENT

4.0 EXPENDITURE MEASURES BY HEAD

4.0.1 Head A: Office of the Governor General

Accounting Officer: Personal Assistant to His Excellency, the Governor General

Mandate: *Effectively supports 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 Government General is allocated a total expenditure of **\$238,740**.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Staffing	16,860	16,030	17,320	18,130	18,900
Travel & Communication	38,000	10,040	19,850	19,070	19,890
Maintenance	430	220	1,200	1,260	1,280
Fuel & Oil	920	720	1,000	1,050	1,000
Grants, Subsidies & Donations	22,580	-	3,310	3,150	3,300
Goods & Services	14,860	16,010	7,060	7,120	6,870
Recurrent Expenses	93,650	43,020	49,740	49,780	51,240
Statutory Expenditures	230,790	143,990	189,000	179,550	184,940
Non-Recurrent Expenditure	230,790	143,990	189,000	179,550	184,940
Grand Total	324,440	187,010	238,740	229,330	236,180

Summary of significant expenditure items

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

4.0.2 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 **\$5,725,750**.

CATEGORIES	2022	2023	2024-25	2026-27	2027-28
	Actual	Estimated	Budget	Projection	Projection
Staffing	1,858,660	1,796,970	2,204,080	2,305,290	2,405,190
Travel & Communication	358,900	247,980	81,580	79,500	83,190
Maintenance	83,960	79,680	91,400	95,970	94,360
Fuel & Oil	5,560	6,160	5,070	5,320	5,060
Grants, Subsidies & Donations	631,670	20,480	72,000	68,400	71,820
Medical Treatment Scheme	-	-	-	-	-
Scholarship	2,294,910	2,459,280	1,699,620	1,686,280	1,614,200
Training	-	10,000	-	-	-
Goods & Services	619,980	376,000	1,253,280	1,311,820	1,359,270
Loan & Interest Payment	-	-	-	-	-
Recurrent Expenses	5,853,640	4,955,590	5,407,030	5,552,580	5,633,090
Capital Expenditures	-	-	-	-	-
Statutory Expenditure	582,630	263,530	318,720	302,780	311,860
Non-Recurrent Expenditure	582,630	263,530	318,720	302,780	311,860
Grand Total	6,436,270	5,219,120	5,725,750	5,855,360	5,944,950

Summary of significant expenditure items

- An amount of **\$1,060,900** is allocated for rent subsidy.
- **\$1.7 million** is provided for the government's ongoing investment in scholarship programs through in-service awards.

Targeted Outcomes for 2024-2025

- Improved provision on administration and policy support from headquarters, Cabinet and GAC
- 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 29, scheduled to be held from November 11-12, 2024 in Baku, Azerbaijan.

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.

4.0.3 Head C: Legal Affairs

Accounting Officer: Attorney General

Mandate: *The Legal Affairs consist of the Office of the 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 services 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 **\$1,351,290**.

CATEGORIES	2022 Actual	2023 Estimated	2024-25 Budget	2026-27 Projection	2027-28 Projection
Staffing	663,080	610,590	988,400	1,031,860	1,072,430
Travel & Communication	43,760	64,170	110,140	106,760	106,890
Maintenance	4,420	4,960	8,700	9,140	8,880
Fuel & Oil	1,640	1,560	2,900	3,050	2,890
Grants, Subsidies & Donations	-	-	-	-	-
Medical Treatment Scheme	-	-	-	-	-
Scholarship	-	-	-	-	-
Training	2,780	6,950	19,700	20,690	19,650
Goods & Services	209,740	374,090	163,540	169,490	162,920
Loan & Interest Payment	-	-	-	-	-
Recurrent Expenses	925,420	1,062,320	1,293,380	1,340,990	1,373,660
Capital Expenditures	4,390	-	-	-	-
Statutory Expenditure	45,390	5,060	57,910	55,010	56,660
Non-Recurrent Expenditure	49,780	5,060	57,910	55,010	56,660
Grand Total	975,200	1,067,380	1,351,290	1,396,000	1,430,320

Summary of significant expenditure items: There are no significant expenditures beyond regular office operational costs.

Targeted Outcomes for 2024-2025

- Continued review of outdated laws and Acts with stakeholder involvement.

- Improved legal services were provided to both the government and the people of Tuvalu.
- Consolidation of Tuvalu Law from 2009-2022.
- Final approval from the Minister and Cabinet for tabling the Citizenship Bill and the Civil Registration Bill in the 2024 Parliament session.
- Completion of outer islands consultations and drafting of the Intellectual Property Bill.
- Completion of all aligned projects for 2022 and 2023 (National ID).
- Continuous setup and implementing of the internal Database for civil cases.
- Operationalizing of the Office Filing Tracking System which is already in place.
- Assisting the Judiciary in the launching of the Bench book.

Commitment to Climate Change: The Legal Affairs continues 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:

- Conduct consultations with the public on the reviews of outdated laws.
- Provide necessary training to all staff to improve service delivery.
- Offer incentives to reduce staff turnover.
- Tabling of the Civil Registration Bill, Citizenship Bill and Intellectual Property Bill in the upcoming 2024 Parliament Sessions.
- Registration of all Tuvalu citizens (ID Card rollout).
- Consolidation of laws from 2008 to 2022 (in printed volumes and on the website).
- Clearance of all backlog cases.
- Establish a database for all civil cases.
- Create a filing and tracking system.

4.0.4 Head D: Office of the Parliament

Accounting Officer: Clerk to Parliament

Mandate: *The Parliament Office is responsible for providing support to the Parliament of Tuvalu through effective, efficient and timely services of the highest possible standard.*

The Parliament Office is allocated a total expenditure budget of **\$1,905,560**.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Staffing	96,400	108,440	154,750	159,250	166,220
Travel & Communication	69,780	49,110	18,500	18,030	18,450
Maintenance	1,930	2,560	2,000	2,100	2,100
Fuel & Oil	360	1,820	1,820	1,910	1,820
Training	7,510	-	3,000	3,150	2,990
Goods & Services	394,070	482,130	482,000	505,000	484,960
Recurrent Expenses	570,050	644,060	662,070	689,440	676,540
Capital Expenditures	82,540	-	-	-	-
Statutory Expenditures	1,173,640	1,210,790	1,243,490	1,181,310	1,216,750
Non-Recurrent Expenditure	1,256,180	1,210,790	1,243,490	1,181,310	1,216,750
Grand Total	1,826,230	1,854,850	1,905,560	1,870,750	1,893,290

Summary of significant expenditure items

- An allocation of **\$100,000** is available for members of parliament to access their salaries and remunerative allowances as instructed in the Schedule 2 of the Prescription of Salaries Act.

Targeted Outcomes for 2024-2025

- Conduct an Induction Program for new members of Parliament to apprise them with their statutory roles and responsibilities and other matters pertaining to the proper and efficient conduct of their duties.
- Carry out community outreach programs and visits to educate communities and schools on the importance of engaging more with the parliamentary process of reviewing bills, understanding the roles of members, and encouraging youth participation in mock parliament sessions.

Commitment to Climate Change

- Parliament Office through the Speaker and Members of Parliament who attend conferences and seminars organised by the Commonwealth Parliamentary Association (CPA), Inter-Parliamentary Union (IPU) and the Asia-Pacific Parliamentary Union (APPU), and other international organisations advocate on the issue of climate change.

Service Delivery/Outputs

- Familiarised new members of parliament with their legal mandates and critical leadership competencies.
- Increased number of youth and women participation in national, regional and international level dialogue/meetings.

- Enhanced public knowledge on parliamentary systems and processes through organising frequent Parliamentary open days.

4.0.5 Head E: Office of the Auditor General

Accounting Officer: Auditor General

Mandate: *The Office of the Auditor General (OAG) in accordance with Section 172 of the Constitution, is responsible for performing financial audits of the Government of Tuvalu accounts, public sector accounts, and any other accounts, financial statements, or reports that the Auditor General is required or authorised by law to audit. Performing performances audits, compliance audits, and inquiries about public sector entities and any other audit-related services following a request from the Parliament, Public Account Committee, and the Executive. The performance of the latter is at the discretion of the Auditor General.*

The Office of the Auditor General is allocated a total expenditure budget of **\$449,790**.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Staffing	208,560	265,520	348,450	365,330	380,830
Travel & Communication	45,960	42,680	16,000	15,800	16,120
Maintenance	2,040	1,500	2,000	2,100	2,150
Fuel & Oil	500	500	500	530	500
Goods & Services	46,110	68,420	28,510	29,680	28,770
Recurrent Expenses	303,170	378,620	395,460	413,440	428,370
Statutory Expenditures	47,770	46,970	54,330	51,610	53,160
Non-Recurrent Expenditure	47,770	46,970	54,330	51,610	53,160
Grand Total	350,940	425,590	449,790	465,050	481,530

Summary of significant expenditure items

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

Targeted Outcomes for 2024-2025

- Strengthen the accountability, transparency and integrity of the Government and the public and private sector entities.
- Conduct financial audits of Government, Kaupule and other entities' annual accounts and tabling them to Parliament.
- Increase staff capacity in the performance and compliance audit units.

Commitment to Climate Change

- The Office of the Auditor General is conducting a performance audit on climate change adaptation actions, focusing on evaluating the effectiveness and efficiency of coastal erosion and sea level rise adaptation actions. Through effective and timely audits, we aim to promote and enhance accountability and transparency in the use of public funds for climate change adaptation and mitigation activities.

Service Delivery/Outputs

- Deliver high quality and timely financial, performance and compliance audit reports.
- Enhance communication with stakeholders.
- Increase accountability and transparency in the public sector and the Office of the Auditor General.
- Establish internal controls and staff development plan.

4.0.6 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 expenditure budget of **\$9,326,510**.

CATEGORIES	2022 Actual	2023 Estimated	2024-25 Budget	2026-27 Projection	2027-28 Projection
Staffing	1,755,760	1,650,610	1,931,270	2,015,710	2,102,140
Travel & Communication	121,100	142,170	71,620	70,900	72,690
Maintenance	14,140	15,700	6,900	7,250	7,170
Fuel & Oil	13,380	8,230	3,050	3,200	3,040
Grants, Subsidies & Donations	2,221,090	3,557,180	395,000	414,750	394,010
Medical Treatment Scheme	-	-	-	-	-
Scholarship	-	-	-	-	-
Training	2,900	3,080	-	-	-
Goods & Services	6,056,120	6,439,600	6,153,230	6,412,050	6,183,170
Loan & Interest Payment	605,200	613,290	607,940	616,980	612,520
Recurrent Expenses	10,789,690	12,429,860	9,169,010	9,540,840	9,374,740
Capital Expenditures	1,501,740	-	-	-	-
Statutory Expenditure	196,660	302,260	157,500	149,630	154,110
Non-Recurrent Expenditure	1,698,400	302,260	157,500	149,630	154,110
Grand Total	12,488,090	12,732,120	9,326,510	9,690,470	9,528,850

Summary of significant expenditure items

- A dedicated centralised budget of **\$1.7 million** has been provided to finance the whole of government electricity bills.

- \$513,997 is allocated for acquiring the HR Payroll Module and cover annual maintenance support of the Financial Management Information System.

Targeted Outcomes for 2024-2025

- Ensure macro-economic growth and stability for a sustainable economy.
- Strengthen financial systems, reports and processes to promote efficiency.
- Develop the private sector for economic growth and prosperity.
- Improve effectiveness of overseas development assistance (ODA).
- Integration of HR and Payroll modules into the FMIS to provide easy access to personnel data, expedite payroll calculations and deductions, generate accurate pay slips, and automate reports.
- Conduct a formal Public Expenditure and Financial Accountability (PEFA) assessment to measure the strengths and weaknesses of the government public financial management (PFM) systems, and to provide clear reform priorities that are to be undertaken to improve PFM systems.
- Assess and review the status and operational efficiencies of statutory corporations.
- Promptly assess Tuvalu's fiscal situation, particularly its debt situation (external and internal).

Commitment to Climate Change

The Ministry is engaged in an ongoing Governance for Resilience (Gov4Res) project under UNDP that will focus on integrating risk-informed development and the development of the Climate Budget Tagging which seeks to integrate change-related activities into the budget process and reporting. The Ministry aims to maintain the momentum to increase its access to climate financing to support mitigation and adaptation actions that will address climate change effects.

Service Delivery/Outputs

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

4.0.7 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 **\$6,745,480**.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Staffing	3,087,070	3,197,920	3,789,480	3,846,100	4,009,340
Travel & Communication	169,800	209,520	76,350	77,870	80,720
Maintenance	616,850	666,220	1,180,850	1,189,890	1,179,530
Fuel & Oil	81,800	123,510	123,250	129,410	122,940
Grants, Subsidies & Donations	25,000	25,000	-	-	-
Goods & Services	1,568,890	1,606,390	436,450	455,410	443,020
Recurrent Expenses	5,549,410	5,828,560	5,606,380	5,698,680	5,835,550
Capital Expenditures	239,660	649,210	1,000,000	1,050,000	1,102,500
Statutory Expenditures	157,830	134,000	139,100	132,150	136,110
Non-Recurrent Expenditure	397,490	783,210	1,139,100	1,182,150	1,238,610
Grand Total	5,946,900	6,611,770	6,745,480	6,880,830	7,074,160

Summary of significant expenditure items

A budget of **\$1 million** was allocated for reconstructing the Minister's residence to meet housing standards.

Targeted Outcomes for 2024-2025

Throughout the 2024-2025 financial year, the following outcomes will be achieved:

- Increase public awareness of the national building code and regulatory framework to cover all Islands.
- TASTII to provide students with contemporary skills and training to match the labour market demand.
- Construct new government houses, and continue maintenance works on government houses and public roads.
- Provide sustainable access to water supply and sanitation services in Tuvalu especially during droughts.
- Deliver quality electrical, refrigeration and air-conditioning works for the safety of all civil servants and the general public.

- Continue to raise awareness on reducing vulnerabilities and disaster risks through mitigation measures and preparedness.
- Responding promptly to disasters, including relocation of affected families and clearing of public roads during high tides and wave surges.
- Committed to providing quality, reliable and timely weather bulletins regularly to inform the public of strong wind conditions.

Commitment to Climate Change

Outreach programs have been organised with other government departments, non-government organisations, private sectors, and local communities to discuss disaster risk management and risk reductions. The Tuvalu Meteorological Services continues to run its annual National Climate Outlook Forum to discuss and dialogue with communities on weather tools and information useful to the general public in preparation for unexpected weather events. The Ministry would like to see that compliance with the National Building Code will reduce disaster risk and help adapt to the impact of climate change. Several donor-funded projects will collaborate with the respective departments to roll out direct training and consultations with the grassroots communities to build resilience against the effects of climate change.

Service Delivery/Outputs

- Inform the public about standardised and sustainable building code.
- Prepare TASTII graduates for the local and international labour markets.
- Increase government houses for civil servants, and continue maintenance works on government houses.
- Improved road strength for safer access and travelling.
- Achieve SDG and National Water Sanitation Policy (NWSP) targets to access safe, adequate, and reliable water supply.
- Provide the government and public with specialised electrical and air conditioning services.
- Ensure safer, resilient communities and timely post-disaster rehabilitation and recovery.
- Public will be adequately and equally distributed with water.
- Attend to families and disadvantaged people during disasters.
- Public is well informed about weather forecasts, especially during strong wind seasons.

4.0.8 Head H: Ministry of Health and Social Welfare

Accounting Officer: Secretary for Ministry of Health and Social Welfare

Mandate: *The Ministry of Health and Social Welfare (MHSW) provides strategic leadership in effective quality healthcare and social development. This ensures that the Ministry achieves*

the Goals set out for health, social welfare in the National Sustainable Development Goals ‘Te KETE’, Sustainable Development Goals on Health and the 21 national priorities.

The Ministry has allocated a total budget expenditure of **\$14,123,050**.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Staffing	4,102,370	3,648,570	4,812,430	4,995,990	5,211,380
Travel & Communication	278,900	257,610	213,480	214,400	219,850
Maintenance	43,970	38,210	131,700	138,290	133,760
Fuel & Oil	21,090	25,590	31,150	32,710	31,070
Grants, Subsidies & Donations	100,000	100,000	75,000	71,250	74,810
Medical Treatment Scheme	8,668,810	13,630,950	5,000,000	5,232,770	5,494,050
Training	13,630	40,020	32,800	34,440	32,720
Goods & Services	2,950,190	2,956,480	3,673,490	3,804,280	3,805,440
Recurrent Expenses	16,178,960	20,697,430	13,970,050	14,524,130	15,003,080
Statutory Expenditures	195,790	164,550	153,000	145,350	149,710
Non-Recurrent Expenditure	195,790	164,550	153,000	145,350	149,710
Grand Total	16,374,750	20,861,980	14,123,050	14,669,480	15,152,790

Summary of Significant Expenditure Items:

- **\$5.0 million** is allocated for the Medical Treatment Scheme (TOMRS).
- **\$500,000** is allocated to fund locum Doctors and Nurses.
- **\$1,173,000** is allocated to procure supplies and gears under the Curative Department.

Targeted Outcomes for 2024-2025

- Building resilient and adaptable healthcare systems, and improving the overall health and wellbeing of its population by reducing the burden of NCDs.
- Improving the Child Protection System; response services to address Mental Health-related issues; enhancing the wellbeing of the most vulnerable groups through the administration of welfare benefits, and improving the livelihoods and increased participation of persons with Disabilities in economic and social development.

Commitment to Climate Change:

- The impact of climate change on social norms and structural inequalities among men and women are integral issues addressed under Social Development (SPA 3) ‘Te KETE’. As the impacts on health are diverse and serious, through WHO assistance, Tuvalu now benefits from the GEF LCD project.
- Health departments support awareness through advocacy on preparedness and response to mitigate natural disaster impacts, and building climate-resilient health infrastructure.
- The Social Welfare department’s support for climate change awareness is guided by

the principle of inclusivity, ensuring that ‘No one is left behind’. The department will address climate change through adaptation and resilience, especially advocating for a wider awareness on how natural disasters impact the elderly, children, women and persons living with disabilities.

Service Delivery/Outputs:

- Efficient and availability of health professionals to improve preventative measures, as well as curative healthcare services responding to NCD, communicable diseases and maternal child- health conditions.
- Expand government financial support for the elderly and persons living with disabilities.
- Promote social inclusiveness and equality in policy making.

4.0.9 Head I: Ministry of Natural Resources

Accounting Officer: Secretary of Natural Resources

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 **\$3,806,070**.

CATEGORIES	2022 Actual	2023 Estimated	2024-25 Budget	2026-27 Projection	2027-28 Projection
Staffing	1,131,380	1,212,230	2,756,220	2,855,910	2,976,930
Travel & Communication	87,520	68,900	153,640	148,720	147,280
Maintenance	113,260	90,380	83,300	87,460	85,790
Fuel & Oil	47,540	52,140	45,200	47,460	48,760
Grants, Subsidies & Donations	175,680	227,810	200,000	190,000	199,500
Medical Treatment Scheme	-	-	-	-	-
Scholarship	-	-	-	-	-
Training	6,110	70	35,000	36,750	34,910
Goods & Services	289,100	340,210	326,110	339,520	335,290
Loan & Interest Payment	-	-	-	-	-
Recurrent Expenses	1,850,590	1,991,740	3,599,470	3,705,820	3,828,460
Capital Expenditures	19,320	-	59,000	-	-
Statutory Expenditure	141,160	145,880	147,600	140,220	144,430
Non-Recurrent Expenditure	160,480	145,880	206,600	140,220	144,430
Grand Total	2,011,070	2,137,620	3,806,070	3,846,040	3,972,890

Summary of Significant Expenditure Items

- **\$153,640** is allocated for Travel and Communication which the majority will go towards the Lands Department efforts to survey the lands used for the Half-Acre project under the Agriculture Department.
- **\$59,000** has been allocated for the Agriculture Department to construct one staff living quarters for the extension officers at their site at Elisefou on Vaitupu.

Targeted Outcomes for 2024-2025

- **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 licences 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 of Natural Resources Development is fully committed to addressing climate change in Tuvalu through integrated approaches. This involves implementing climate-resilient practices across sectors, including sustainable fisheries management, land-use planning, and climate-smart agriculture. Through community empowerment, infrastructure strengthening, and international collaboration, the Ministry aims to safeguard Tuvalu's natural resources and enhance resilience to climate impacts, ensuring a sustainable and resilient future for its citizens amidst the challenges of climate change.

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 licences 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.

4.0.10 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, preserving traditional values and culture identity, safeguarding the natural environment 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 ecosystems and scarce resources.

The ministry is allocated a total expenditure of **\$12,633,380**.

CATEGORIES	2022 Actual	2023 Estimated	2024-25 Budget	2026-27 Projection	2027-28 Projection
Staffing	3,723,890	3,185,620	3,510,900	3,667,640	3,816,860
Travel & Communication	148,020	104,360	121,370	118,800	119,100
Maintenance	8,440	72,200	66,070	69,370	67,370
Fuel & Oil	132,240	162,720	155,570	163,350	155,190
Grants, Subsidies & Donations	4,764,640	2,641,900	2,641,900	2,670,580	2,542,840
Medical Treatment Scheme	-	-	-	-	-
Scholarship	-	-	-	-	-
Training	122,980	130,780	111,000	116,550	110,720
Goods & Services	427,170	639,700	282,560	285,800	275,660
Loan & Interest Payment	-	-	-	-	-
Recurrent Expenses	9,327,380	6,937,280	6,889,370	7,092,090	7,087,740
Capital Expenditures	2,151,600	3,495,660	5,600,010	5,880,010	6,174,010
Statutory Expenditure	110,920	237,470	144,000	136,800	140,900
Non-Recurrent Expenditure	2,262,520	3,733,130	5,744,010	6,016,810	6,314,910
Grand Total	11,589,900	10,670,410	12,633,380	13,108,900	13,402,650

Summary of Significant Expenditure Items

- **\$4.0 Million** is allocated to support Islands Development projects that are covered under the Community Development Assistance (CDA).
- Funding of **\$1.6 Million** is provided as a general grant to support Island Development projects where \$200,000 allocated for each Island, these projects are managed by Island Kaupule and directly linked with their ISPs.
- **\$599,920** is allocated to support Falekaupule grants that were under budget last year in 2023.

Targeted Outcomes for 2024-2025

- Improve the traditional governing organisational structure.
- Strengthen institutional mechanisms in the Culture Sector.

- Enhance capacity of waste practitioners.
- Continued training with the Kaupule to enhance capacity of Kaupule Staff.
- Develop and implement improved waste management strategies with the local communities and the private sector.
- Improve physical working environment and conditions.

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. 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

- Strengthening service delivery and sustainable development at Falekaupule and Kaupule level through the provision of technical assistance and administrative support that reinforces capacity development in accordance with the Falekaupule act and other legislations.
- Promote and safeguard Tuvalu culture heritage and values through developing appropriate policies and programmes.
- Develop and implement appropriate waste management strategies through concerted efforts to various stakeholders which includes Government, communities, schools, churches and individual families to safeguard and protect the environment and health of the people of Tuvalu.
- Develop the capacity of Kaupule, Government Ministries on EIA and social safeguard processes.

4.0.11 Head K: Tuvalu Police

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 **\$2,912,810**.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Staffing	2,143,130	2,122,090	2,558,780	2,652,070	2,766,480
Travel & Communication	88,270	89,800	66,000	65,620	67,680
Maintenance	66,270	74,580	75,050	78,800	81,750
Fuel & Oil	45,920	62,000	60,820	63,860	63,820
Goods & Services	446,460	122,820	103,830	107,560	107,070
Recurrent Expenses	2,790,050	2,471,290	2,864,480	2,967,910	3,086,800
Capital Expenditures	-	330	-	-	-
Statutory Expenditure	47,440	21,450	48,330	45,910	47,290
Non-Recurrent Expenditure	47,440	21,780	48,330	45,910	47,290
Grand Total	2,837,490	2,493,070	2,912,810	3,013,820	3,134,090

Summary of Significant Expenditure Items

- **\$53,204.50** is allocated for ‘Other Training’ as part of police training initiatives in Navesau, Fiji, aimed at bolstering their social welfare efforts.
- **\$27,000.00** has been allocated for petrol and oil expenses, reflecting the substantial fleet of vehicles that require regular maintenance and servicing throughout the year.

Targeted Outcomes for 2024-2025

- 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 effective judicial system are implemented through necessary constitutional reform

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

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

Mandate: *The Ministry's is comprehensive, focusing on fostering economic development, sustainability, security, connectivity and digitalization. Priority is placed on ensuring efficient, reliable, and affordable Sea transportation to enhance accessibility. With air transportation it's to ensure safety in Aviation and Airport Operations in Tuvalu through compliance with agreed. The Ministry is also committed to achieving sustainable tourism growth and development over the next four years. With a cross-cutting industry under our portfolio, integrating sustainable tourism principles into our infrastructure and service improvements will significantly contribute to a more progressive and prosperous Tuvalu.*

The Ministry is allocated with a budget of **\$14,344,610** .

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Staffing	3,782,160	3,516,090	5,074,320	5,069,120	5,294,980
Travel & Communication	105,850	101,780	528,710	549,750	574,760
Maintenance	592,590	5,527,730	597,400	627,270	647,660
Fuel & Oil	1,897,870	2,185,090	2,160,800	2,268,840	2,378,000
Grants, Subsidies & Donations	-	3,540	4,213,950	4,314,650	4,203,420
Training	21,830	92,220	53,200	55,860	56,140
Goods & Services	1,098,980	4,448,750	1,558,730	1,628,180	1,619,380
Recurrent Expenses	7,499,280	15,868,120	14,187,110	14,513,670	14,774,340
Capital Expenditures	419,020	-	-	-	-
Statutory Expenditure	123,020	160,360	157,500	149,630	154,110
Non-Recurrent Expenditure	542,040	160,360	157,500	149,630	154,110
Grand Total	8,041,320	16,028,480	14,344,610	14,663,300	14,928,450

Summary of Significant Expenditure Items:

- **\$3.0 million** is provided for the TEC subsidy;
- **\$700,000** provided for MV Nivaga III vessel fuel;
- **\$640,000** has been allocated for TMTI.

Targeted Outcomes for 2024-2025

- Improve inter-islands shipping and domestic air services.
- Fast, reliable and affordable internet connectivity.
- Established legal framework to protect against cybercrime while also promoting investment and the use of digital technology.

- Update operational practices and procedures.
- Strengthen enforcement mechanism.
- Updated and Amended Passport Act.
- Invest more in Renewable Energy.
- Increase tourists' arrivals to Tuvalu.
- Developing ecotourism and tapping into the sustainable potential of Tuvalu.

Commitment to Climate Change:

- The digital tools enable swift and widespread communication, awareness-raising on climate issues and safeguarding the rights and well-being of people. It emphasises the interconnectedness of environmental, social and economic factors in shaping migration dynamics. On the other hand, Tourists who either use the digital tools or witness firsthand the impacts of climate change in vulnerable countries like Tuvalu can play crucial roles in raising awareness and advocates about climate change. While investing in renewable energy technologies can inspire similar initiatives in other countries and contribute to global efforts to reduce greenhouse gas emissions, decarbonization of the shipping industry is crucial for reducing carbon emissions, as it is one of the major contributors to global greenhouse gas emissions.

Service Delivery/Outputs:

- Effective, efficient, reliable and affordable inter-islands shipping services.
- Reliable Domestic air services and affordable international air services.
- Increased online investments and use of inclusive digital technology.
- Update and maintain passport, visa and permit application to align with ICAO.
- Passport Act reviewed, consulted and implemented.
- Explore other Renewable energy sources.
- Invest more in Renewable energy sources and to phase out fossil fuels completely.
- Deliver surveys to capture accurate data collection on tourists' arrivals and ascertain their experiences in Tuvalu.
- Develop a strong brand identity for Tuvalu as a sustainable tourism destination through targeted marketing campaigns and online presence.

4.0.13 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 **\$16,466,920**.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Staffing	4,112,320	4,430,170	6,306,510	6,588,840	6,869,000
Travel & Communication	156,170	220,830	173,390	174,120	177,940
Maintenance	84,980	64,380	58,960	61,910	60,920
Fuel & Oil	27,450	38,820	32,000	33,600	31,920
Grants, Subsidies & Donations	2,381,240	2,477,610	2,601,420	2,480,170	2,594,920
Scholarship	3,257,480	3,340,800	4,742,800	4,700,700	4,491,960
Goods & Services	1,441,200	2,030,850	1,299,670	1,361,450	1,355,180
Recurrent Expenses	11,460,840	12,603,460	15,214,750	15,400,790	15,581,840
Capital Expenditures	105,130	621,180	1,094,670	1,149,400	1,206,870
Statutory Expenditures	152,550	168,000	157,500	149,630	154,110
Non-Recurrent Expenditure	257,680	789,180	1,252,170	1,299,030	1,360,980
Grand Total	11,718,520	13,392,640	16,466,920	16,699,820	16,942,820

Summary of Significant Expenditure Items

- **\$1.4 million** is allocated for the SELF, and additional to the **\$3.2 million** allocated for scholarship awards.
- A total of **\$1.4 million** is allocated to fund all pre -school teachers' salaries.
- Special Infrastructure funding has been allocated to fund:
 - Kaumaile Primary School at **\$832,816**.
 - Kaumaile Pre -School at **\$328,149**.

Targeted Outcomes for 2024-2025

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

Commitment to Climate Change

Climate Change has been included as a priority area under the Tuvalu and Australia Partnership for Quality Education (TAPQE) program that focuses on supporting and improving the quality of education in Tuvalu.

Service Delivery/Outputs

- Improved literacy rates in all schools.
- Completed review of the Education Bill.
- Reviewed the Youth and Sports Policy.
- Complete preparation work for building resilient infrastructure for physical education.

4.0.14 Head N: Office of the Judiciary

Accounting Officer: Senior Magistrate

Mandate: To provide independent, accessible and an efficient forum of the judicial service between people who seek support from the courts.

The Office of the Judiciary is allocated a total expenditure of **\$731,940**.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024-25 Budget Estimate	2026-27 Projection	2027-28 Projection
Staffing	305,340	288,130	488,060	494,280	516,690
Travel & Communication	27,770	20,180	20,600	20,830	21,490
Maintenance	2,620	2,930	3,500	3,680	3,720
Fuel & Oil	2,970	2,890	2,000	2,100	2,000
Training	43,090	27,040	-	-	-
Goods & Services	68,690	272,630	217,780	228,030	217,070
Recurrent Expenses	450,480	613,800	731,940	748,920	760,970
Capital Expenditures	35,780	-	-	-	-
Statutory Expenditures	193,170	135,060	-	-	-
Non-Recurrent Expenditure	228,950	135,060	-	-	-
Grand Total	679,430	748,860	731,940	748,920	760,970

Summary of Significant Expenditure Items:

- **\$200,000** provided to support capacity development for the judiciary reforms.

Targeted Outcomes for 2024-2025

- Translation of a summary outline of the Bench Book to support lay magistrates.

Commitment to Climate Change:

Building on a resilient and efficient court system that serves the needs of the people of Tuvalu through a functional court operation system; and staff who are efficient and can guarantee the continued collaboration with other service providers for the sake of users of our services.

Service Delivery/Outputs:

- Cohort 1 and 2 Certificate in Justice (in-country studies and tutorials).
- In-country Legal Policy Development Training and Presentation Skills Training (in partnership with AGD, Australia).
- Magistrate Bench book.
- Joint Outreach Awareness (Court Procedures and Case processing- Land matters).

4.0.15 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 **\$6,222,340**.

CATEGORIES	2022 Actual	2023 Estimated Actual	2024/25 Budget	2026/27 Projection	2027/28 Projection
Staffing	2,072,270	2,545,950	2,201,380	2,242,200	2,332,470
Travel & Communication	1,666,520	2,675,380	568,820	555,390	570,860
Maintenance	99,760	150,960	35,200	36,960	37,710
Fuel & Oil	62,990	60,140	74,170	77,880	74,930
Grants, Subsidies & Donations	2,058,710	621,970	90,000	85,500	89,780
Medical Treatment Scheme	-	-	-	-	-
Scholarship	-	-	-	-	-
Training	43,090	27,040	5,000	5,250	4,990
Goods & Services	2,886,920	4,440,620	3,090,270	3,097,000	3,165,280
Loan & Interest Payment	-	-	-	-	-
Recurrent Expenses	8,890,260	10,522,060	6,064,840	6,100,180	6,276,020
Capital Expenditures	74,830	-	-	-	-
Statutory Eallocation	129,190	202,170	157,500	149,630	154,110
Non-Recurrent Expenditure	204,020	202,170	157,500	149,630	154,110
Grand Total	9,094,280	10,724,230	6,222,340	6,249,810	6,430,130

Summary of significant expenditure items

- **\$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.
- **\$157,000** is budgeted for the postings and repatriation of staff to the overseas missions in the next financial year.

Targeted Outcomes for 2024-2025

- 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.

4.1 DETAILED EXPENDITURE BY HEAD

4.1.1 Head A: Office of the Governor General

NA Code	Natural Account Description	Office of the Governor General
Operating Expenses		
Staffing		
2000	Salary - Local	15,290
2005	Salary - Expatriate/ Contract	-
2015	Salary - Casuals	-
2020	Consultant Fees	-
2025	Allowances	500
2030	Provident Fund	1,530
2035	Relieving Fund	-
2040	Gratuity	-
Sub Total		17,320
Travel & Communication		
2100	Overseas Business Travel	16,210
2105	Local Business Travel	1,440
2110	Leave Travel	700
2120	Telecom & Internet	1,500
Sub Total		19,850
Maintenance		
2200	R&M (Vessel)	-
2205	R&M (Motor Vehicles)	840
2210	R&M (Plant)	-
2215	R&M (Office Equipments)	360
2220	R&M (Buildings/Facilities)	-
2225	Deferred Maintenance	-
Sub Total		1,200
Fuel & Oil		
2300	Petrol and Oil	1,000
2305	Vessel Fuel	-
Sub Total		1,000
Grants, Subsidies & Donations		
2400	Subsidy	-
2405	Cost of Service Obligation (CSO)	-
2410	Grants - General	-
2415	Grants - Falekaupule	-
2420	Grants - Block	-
2430	Grants - VDS	-
2435	Financial Support/Donation	3,310
Sub Total		3,310
Training		
2625	Attachment training	-
2630	Other Training Awards	-
2635	Capacity Development	-
Sub Total		-
Goods & Services		
2730	Office Stationery	970
2735	Office Expenses	3,500
2740	Supplies and Gears	590
2765	Entertainment	2,000
Sub Total		7,060
2900	Domestic Loan Repayment - principal	-
2905	Domestic Loan Repayment - interest	-
Sub Total		-
Total Operating Expenses		49,730
Capital Expenditures		-
Statutory Expenditure		189,000
Grand Total		238,730

4.1.2 Head B: Office of the Prime Minister

Natural Account	Natural Account Description	HQ	DCC Secretariat	Human Resources Management	In-Service Scholarships	Gender Affairs
Operating Expenses						
Staffing						
2000	Salary – Local	293,660	178,470	1,138,740	-	79,510
2005	Salary – Expatriate/Contract	-	-	8,680	-	-
2015	Salary - Casuals	32,660	-	-	-	-
2025	Allowances	20,500	-	27,060	-	1,000
2030	Provident Fund	34,680	17,850	113,970	-	10,050
2035	Relieving Fund	227,260	-	-	-	20,000
Sub Total		608,750	196,320	1,288,460	-	110,560
Travel & Communication						
		-	-	-	-	-
2100	Overseas Business Travel	49,500	-	6,000	116,510	3,000
2105	Local Business Travel	2,000	-	1,060	-	-
2110	Leave Travel	4,250	-	2,750	-	1,500
2120	Telecom and Internet	7,200	-	4,080	-	240
Sub Total		62,950	-	13,890	116,510	4,740
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
Fuel and Oil						
		-	-	-	-	-
2300	Petrol and oil	4,920	-	-	-	150
Sub Total		4,920	-	-	-	150

Natural Account	Natural Account Description	HQ	DCC Secretariat	Human Resources Management	In-Service Scholarships	Gender Affairs
	Grants, Sub & Donations	-	-	-	-	-
2410	Grants - General	-	-	-	-	25,000
2435	Financial Support/Donation	47,000	-	-	-	-
	Sub Total	47,000	-	-	-	25,000
	Goods and Services	-	-	-	-	-
2715	Rental/Rent Subsidy	1,060,900	-	-	-	-
2730	Office Stationery	1,000	1,800	1,500	-	300
2735	Office Expenses	12,460	10,500	16,860	750	2,000
2740	Supplies and Gears	20,200	-	-	-	-
2745	Plant and Equipments	30,000	1,000	6,000	-	-
2760	Compensation	-	-	-	-	7,000
2765	Entertainment	20,140	6,000	3,020	2,000	500
2785	Utilities	5,690	-	-	-	-
2800	Overseas Contribution	16,410	-	-	-	-
2810	Non-Taxable Allowance	-	-	30,000	1,580,360	-
2830	Systems/Annual Subscriptions	-	-	-	-	-
	Sub Total	1,166,790	19,300	57,390	1,583,110	9,800
	Total Operating Expenses	1,979,610	215,620	1,360,940	1,699,620	151,250
	Statutory Expenditure	318,720	-	-	-	-
	Grand Total	2,298,330	215,620	1,360,940	1,699,620	151,250

4.1.3 Head C: Legal Affairs

Natural Account	Natural Account Description	Office of the Attorney General	People's Lawyer	Ombudsman Office
Operating Expenses				
Staffing				
2000	Salary – Local	387,410	211,370	194,230
2020	Consultant Fees	42,000	-	-
2025	Allowances	11,000	5,580	1,000
2030	Provident Fund	38,740	21,140	19,420
2035	Relieving Fund	25,000	31,510	-
		-	-	-
	Sub Total	504,150	269,600	214,650
Travel & Communication				
		-	-	-
2100	Overseas Business Travel	23,470	4,680	6,000
2105	Local Business Travel	21,920	30,840	2,000
2110	Leave Travel	6,720	5,390	1,350
2120	Telecom and Internet	4,580	1,700	1,500
		-	-	-
	Sub Total	56,690	42,600	10,850
Maintenance				
		-	-	-
2205	R&M (Motor Vehicles)	-	400	-
2215	R&M (Office Equipments)	2,000	300	1,000
2220	R&M (Buildings/Facilities)	-	4,000	1,000
		-	-	-
	Sub Total	2,000	4,700	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	7,200	5,000
	Sub Total	7,500	7,200	5,000
Goods and Services				
		-	-	-
2715	Rental/Rent Subsidy	-	-	6,000
2730	Office Stationery	7,960	800	500
2735	Office Expenses	91,380	4,000	500
2745	Plant and Equipments	-	1,000	5,000
2765	Entertainment	4,000	-	6,000
2780	Uniform	-	3,000	-
2785	Utilities	-	-	6,100
2800	Overseas Contribution	2,300	-	-
2810	Non-Taxable Allowance	20,000	-	5,000
	Sub Total	125,640	8,800	29,100
	Sub Total	125,640	8,800	29,100
	Total Operating Expenses	697,180	333,400	262,800
		-	-	-
	Capital Expenditures	-	-	-
	Statutory Expenditure	57,910	-	-
		-	-	-
	Grand Total	755,090	333,400	262,800

4.1.4 Head D: Office of the Parliament

Natural Account	Natural Account Description	Office of the Parliament
Operating Expenses		
Staffing		
2000	Salary – Local	111,240
2005	Salary – Expatriate/Contract	30,880
2025	Allowances	1,500
2030	Provident Fund	11,120
Sub Total		154,750
Travel & Communication		
2100	Overseas Business Travel	9,000
2105	Local Business Travel	5,000
2110	Leave Travel	1,500
2120	Telecom and Internet	3,000
Sub Total		18,500
Maintenance		
2205	R&M (Motor Vehicles)	1,000
2215	R&M (Office Equipments)	1,000
Sub Total		2,000
Fuel and Oil		
2300	Petrol and oil	1,820
Sub Total		1,820
Scholarship and Training		
2635	Capacity Development	3,000
Sub Total		3,000
Goods and Services		
2715	Rental/Rent Subsidy	36,000
2730	Office Stationery	5,000
2735	Office Expenses	405,000
2745	Plant and Equipments	10,000
2765	Entertainment	6,000
2800	Overseas Contribution	20,000
Sub Total		482,000
Total Operating Expenses		662,070
	Capital Expenditures	-
	Statutory Expenditure	1,243,490
Grand Total		1,905,560

4.1.5 Head E: Office of the Auditor General

Natural Account	Natural Account Description	Office of the Auditor General
Operating Expenses		
Staffing		
2000	Salary - Local	311,780
2025	Allowances	5,500
2030	Provident Fund	31,180
Sub Total		348,460
Travel & Communication		
2100	Overseas Business Travel	5,000
2105	Local Business Travel	5,000
2110	Leave Travel	6,000
2120	Telecom & Internet	-
Sub Total		16,000
Maintenance		
2205	R&M (Motor Vehicles)	1,500
2215	R&M (Office Equipments)	500
Sub Total		2,000
Fuel & Oil		
2300	Petrol and Oil	500
Sub Total		500
Grants, Subsidies & Donations		
2435	Financial Support/Donation	-
Sub Total		-
Goods & Services		
2730	Office Stationery	2,500
2735	Office Expenses	8,000
2740	Supplies and Gears	-
2765	Entertainment	-
Sub Total		10,500
Total Operating Expenses		377,460
Capital Expenditures		-
Statutory Expenditure		54,330
Grand Total		431,790

4.1.6 Head F: Ministry of Finance and Economic Development

Natural Account	Natural Account Description	HQ	CPU	Internal Audit	FIU	PBACD	Statistics	Treasury	TRCD	PERMU
Operating Expenditure										
Staffing										
2000	Salary – Local	171,000	98,470	44,170	-	327,180	125,310	405,410	351,620	75,120
2005	Salary – Expatriate/Contract	-	-	-	18,580	-	-	-	-	-
2015	Salary - Casuals	-	-	-	-	-	17,300	-	2,500	-
2025	Allowances	5,000	2,000	400	-	2,310	1,920	6,000	64,720	560
2030	Provident Fund	17,100	9,850	4,420	1,860	32,740	12,530	40,540	35,160	7,510
2035	Relieving Fund	50,000	-	-	-	-	-	-	-	-
	Sub Total	243,100	110,320	48,990	20,440	362,230	157,060	451,950	454,000	83,190
Travel & Communication										
2100	Overseas Business Travel	4,000	1,800	1,800	2,000	3,600	1,800	4,000	4,000	1,500
2105	Local Business Travel	4,000	400	-	-	2,000	3,200	4,000	4,000	860
2110	Leave Travel	4,000	3,460	-	-	1,700	3,840	4,000	4,000	980
2120	Telecom and Internet	3,600	400	800	-	-	240	-	1,640	-
	Sub Total	15,600	6,060	2,600	2,000	7,300	9,080	12,000	13,640	3,340
Maintenance										
2205	R&M (Motor Vehicles)	2,000	-	-	-	-	-	-	-	-
2215	R&M (Office Equipments)	-	-	-	-	-	400	1,000	1,000	-
2220	R&M (Buildings/Facilities)	-	-	-	-	-	-	-	2,500	-
	Sub Total	2,000	-	-	-	-	400	1,000	3,500	-
Fuel and Oil										
2300	Petrol and oil	800	-	-	-	-	100	150	2,000	-
	Sub Total	800	-	-	-	-	100	150	2,000	-
Grants, Sub & Donations										
2405	Cost of Service Obligation (CSO)	395,000	-	-	-	-	-	-	-	-
	Sub Total	395,000	-	-	-	-	-	-	-	-
Scholarship and Training										
2635	Capacity Development	-	-	-	-	-	-	-	-	-
	Sub Total	-	-	-	-	-	-	-	-	-

Natural Account	Natural Account Description	HQ	CPU	Internal Audit	FIU	PBACD	Statistics	Treasury	TRCD	PERMU
	Goods and Services									
2715	Rental/Rent Subsidy	500	-	-	-	500	1,550	-	1,000	300
2730	Office Stationery	800	400	500	300	1,000	400	1,000	1,000	500
2735	Office Expenses	5,000	5,000	-	2,500	1,000	2,000	1,000	1,000	2,000
2745	Plant and Equipments	2,000	-	400	7,000	-	2,800	29,200	6,000	1,500
2755	Welfare Schemes	-	-	-	-	-	-	-	-	-
2765	Entertainment	3,000	2,000	-	1,500	-	2,000	-	-	1,000
2780	Uniform	-	-	-	-	-	-	-	8,800	-
2785	Utilities	1,753,200	-	-	-	-	-	-	-	-
2795	Insurance	100,000	-	-	-	-	-	-	-	-
2800	Overseas Contribution	30,000	-	-	-	-	1,500	-	15,000	-
2810	Non-Taxable Allowance	-	-	-	-	-	-	-	7,600	-
2820	Bank Charges	-	-	-	-	-	-	48,000	-	-
2825	Forex (Gains/Losses)	-	-	-	-	-	-	50,000	-	-
2830	Systems/Annual Subscriptions	-	9,000	-	-	-	-	613,780	28,700	-
2835	Land Leases	3,000,000	-	-	-	-	-	-	-	-
2840	Contingency	400,000	-	-	-	-	-	-	-	-
		5,294,500	16,400	900	11,300	2,500	10,250	742,980	69,100	5,300
	Loans and Interest									
2900	Domestic Loan Rep – Principal	282,010	-	-	-	-	-	-	-	-
2905	Domestic Loan Rep – Interest	325,930	-	-	-	-	-	-	-	-
	Sub Total	607,940	-	-	-	-	-	-	-	-
	Total Operating Expenditure	6,558,940	132,780	52,490	33,740	372,030	176,890	1,208,080	542,240	91,830
	Capital Expenditure	-	-	-	-	-	-	-	-	-
	Statutory Expenditure	157,500	-	-	-	-	-	-	-	-
	Grand Total	6,716,440	132,780	52,490	33,740	372,030	176,890	1,208,080	542,240	91,830

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

Natural Account	Natural Account Description	HQ	Public Works Department	Meteorology	Disaster
Operating Expenditure					
Staffing					
2000	Salary – Local	178,450	1,512,660	361,840	54,960
2015	Salary - Casuals	302,950	852,000	19,630	22,770
2025	Allowances	7,500	103,400	19,290	1,000
2030	Provident Fund	18,600	251,760	40,080	7,870
2035	Relieving Fund	-	27,000	7,720	-
Sub Total		507,500	2,746,820	448,560	86,600
Travel & Communication					
2100	Overseas Business Travel	4,000	4,000	2,000	2,000
2105	Local Business Travel	1,000	6,000	2,000	2,000
2110	Leave Travel	4,250	6,800	2,000	2,000
2120	Telecom and Internet	3,600	8,900	10,800	15,000
Sub Total		12,850	25,700	16,800	21,000
Maintenance					
2205	R&M (Motor Vehicles)	-	120,000	2,000	3,000
2210	R&M (Plant)	-	16,400	-	-
2215	R&M (Office Equipments)	1,100	15,550	3,000	-
2220	R&M (Buildings/Facilities)	55,000	451,000	10,800	3,000
2225	Deferred Maintenance	-	500,000	-	-
Sub Total		56,100	1,102,950	15,800	6,000
Fuel and Oil					
2300	Petrol and oil	500	110,000	3,750	9,000
Sub Total		500	110,000	3,750	9,000
Goods and Services					
2715	Rental/Rent Subsidy	-	8,000	2,100	4,000
2730	Office Stationery	300	3,500	5,000	500
2735	Office Expenses	1,500	6,700	1,000	1,000
2740	Supplies and Gears	2,000	228,350	500	-
2745	Plant and Equipments	-	18,000	1,900	4,000
2765	Entertainment	-	6,400	2,000	1,500
2780	Uniform	-	-	-	-
2785	Utilities	3,200	-	-	-
2800	Overseas Contribution	10,000	-	21,500	-
2810	Non-Taxable Allowance	-	74,000	-	2,500
2830	Systems/Annual Subscriptions	-	15,000	-	-
2840	Contingency	-	-	-	12,000
Sub Total		17,000	359,950	34,000	25,500
Total Operating Expenses		593,950	4,345,420	518,910	148,100
Capital Expenditures			1,000,000		
Statutory Expenditure		139,100			
Grand Total		733,050	5,345,420	518,910	148,100

4.1.8 Head H: Ministry of Health and Social Welfare

Natural Account	Natural Account Description	HQ	TOMRS	Health Admin	Curative	Public Health	Social Welfare
Operating Expenditure							
Staffing							
2000	Salary – Local	143,310	-	309,660	2,689,530	607,980	71,140
2005	Salary – Expatriate/Contract	-	121,040	20,000	300,000	-	-
2015	Salary - Casuals	-	-	38,500	-	11,000	-
2025	Allowances	3,260	-	10,000	80,920	105,500	1,500
2030	Provident Fund	14,330	12,100	37,820	268,950	61,920	7,110
2035	Relieving Fund	-	-	30,000	-	-	-
Sub Total		160,900	133,140	445,980	3,339,400	786,400	79,750
Travel and Communication							
2100	Overseas Business Travel	13,500	374,810	13,500	13,500	-	1,500
2105	Local Business Travel	50,000	1,140	-	-	3,500	2,000
2110	Leave Travel	60,000	-	-	-	-	1,500
2120	Telecom and Internet	4,080	-	50,000	-	100	300
Sub Total		127,580	375,950	63,500	13,500	3,600	5,300
Maintenance							
2205	R&M (Motor Vehicles)	1,100	-	15,000	-	500	600
2215	R&M (Office Equipments)	-	-	6,000	90,000	500	-
2220	R&M (Buildings/Facilities)	-	-	18,000	-	-	-
Sub Total		1,100	-	39,000	90,000	1,000	600
Fuel and Oil							
2300	Petrol and oil	3,600	6,000	13,600	5,750	8,050	150
Sub Total		3,600	6,000	13,600	5,750	8,050	150
Grants, Sub & Donations							
2410	Grants - General	50,000	-	-	-	-	25,000
Sub Total		50,000	-	-	-	-	25,000
Scholarship and Training							
2635	Capacity Development	-	-	5,000	10,000	14,800	3,000
Sub Total		-	-	5,000	10,000	14,800	3,000

Natural Account	Natural Account Description	HQ	TOMRS	Health Admin	Curative	Public Health	Social Welfare
	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	-	10,000	1,000	13,510	1,100
2735	Office Expenses	3,000	25,000	6,000	3,000	19,460	1,000
2740	Supplies and Gears	-	-	10,000	1,087,000	76,000	-
2745	Plant and Equipments	11,000	-	-	124,300	3,000	-
2755	Welfare Schemes	-	-	-	-	-	1,300,000
2765	Entertainment	1,500	-	5,000	4,800	5,200	2,000
2770	Ration / Victualling	-	-	-	90,000	-	-
2780	Uniform	-	-	-	10,420	-	-
2785	Utilities	3,200	12,000	-	1,000	-	-
2790	Drugs and Medicines	-	2,426,660	-	538,000	-	-
2795	Insurance	-	-	-	5,000	-	-
2800	Overseas Contribution	13,700	-	-	-	-	-
2810	Non-Taxable Allowance	-	1,400,000	-	4,000	16,900	3,000
2840	Contingency	-	-	79,500	-	1,000	-
	Sub Total	37,300	4,484,910	310,500	1,882,520	135,370	1,307,800
	Total Operating Expenses	380,480	5,000,000	877,580	5,341,170	949,220	1,421,600
	Capital Expenditures						
	Statutory Expenditure	153,000					
	Grand Total	533,480	5,000,000	877,580	5,341,170	949,220	1,421,600

4.1.9 Head I: Ministry of Natural Resources Development

Natural Account	Natural Account Description	HQ	Fisheries	Lands	Agriculture
Operating Expenditure					
Staffing					
2000	Salary – Local	117,080	847,440	273,130	705,700
2005	Salary – Expatriate/Contract	-	251,830	-	-
2015	Salary - Casuals	-	-	-	62,500
2020	Consultant Fees	-	-	-	-
2025	Allowances	12,380	45,000	2,000	7,500
2030	Provident Fund	11,710	277,070	27,310	70,570
2035	Relieving Fund	20,000	5,000	-	20,000
Sub Total		161,170	1,426,340	302,440	866,270
Travel & Communication					
2100	Overseas Business Travel	3,000	4,000	20,460	5,000
2105	Local Business Travel	2,700	23,500	62,300	5,000
2110	Leave Travel	2,550	9,000	3,000	4,530
2120	Telecom and Internet	3,600	600	1,000	3,400
Sub Total		11,850	37,100	86,760	17,930
Maintenance					
2200	R&M (Vessel)	-	12,200	-	-
2205	R&M (Motor Vehicles)	1,000	3,000	1,400	2,000
2210	R&M (Plant)	-	15,000	-	2,000
2215	R&M (Office Equipments)	500	23,000	1,700	1,500
2220	R&M (Buildings/Facilities)	-	20,000	-	-
Sub Total		1,500	73,200	3,100	5,500
Fuel & Oil					
2300	Petrol and oil	1,000	3,000	1,200	5,000
2305	Vessel Fuel	-	35,000	-	-
Sub Total		1,000	38,000	1,200	5,000
Grants, Sub & Donations					
2410	Grants - General	200,000	-	-	-
Sub Total		200,000	-	-	-
Scholarship and Training					
2635	Capacity Development	-	20,000	-	15,000
Sub Total		-	20,000	-	15,000
Goods and Services					
2715	Rental/Rent Subsidy	-	8,540	7,060	-
2730	Office Stationery	1,000	2,000	1,500	1,900
2735	Office Expenses	2,000	2,800	3,600	2,000
2740	Supplies and Gears	-	16,380	3,300	3,000
2745	Plant and Equipments	-	9,000	2,000	4,000
2750	Building and Structures	-	-	-	-
2765	Entertainment	-	10,000	9,040	1,500
2770	Ration / Victualling	-	7,680	-	16,000
2780	Uniform	-	-	-	1,000
2785	Utilities	3,200	-	-	-
2790	Drugs and Medicines	-	-	-	10,000
2800	Overseas Contribution	160,000	-	2,960	10,000
2805	Freight	-	-	-	1,000
2810	Non-Taxable Allowance	-	23,650	-	-
Sub Total		166,200	80,050	29,460	50,400
Total Operating Expenses		541,720	1,674,690	422,960	960,100
Capital Expenditures					59,000
Statutory Expenditure					147,600
Grand Total		689,320	1,674,690	422,960	1,019,100

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

Natural Account	Natural Account Description	HQ	Climate Change	Environment	Local Government	Culture	Waste Management
Operating Expenditure							
Staffing							
2000	Salary – Local	118,549	137,165	142,858	1,464,122	99,153	898,975
2005	Salary – Expatriate/Contract	-	-	0	30,000	0	0
2020	Consultant Fees	90,000	-	0	0	0	0
2025	Allowances	3,000	1,000	2,000	10,500	1,500	50,000
2030	Provident Fund	11,855	13,717	14,286	157,557	9,915	89,897
2035	Relieving Fund	80,000	-	20,000	54,849	0	10,000
Sub Total		303,403	151,882	179,144	1,717,028	110,569	1,048,872
Travel & Communication							
2100	Overseas Business Travel	9,000	7,200	4,500	-	1,800	4,500
2105	Local Business Travel	5,600	3,000	4,800	24,400	11,980	9,600
2110	Leave Travel	3,339	3,897	2,550	3,000	1,000	3,000
2120	Telecom and Internet	4,600	3,600	-	-	-	10,000
Sub Total		22,539	17,697	11,850	27,400	14,780	27,100
Maintenance							
2205	R&M (Motor Vehicles)	1,000	-	-	-	-	12,970
2210	R&M (Plant)	-	-	-	-	-	47,000
2215	R&M (Office Equipments)	1,500	1,000	-	600	1,000	1,000
Sub Total		2,500	1,000	-	600	1,000	60,970
Fuel & Oil							
2300	Petrol and oil	1,000	500	500	2,800	774	150,000
Sub Total		1,000	500	500	2,800	774	150,000
Grants, Sub & Donations							
2410	Grants - General	25,000	-	-	-	-	-
2415	Grants - Falekaupule	-	-	-	599,920	-	-
2420	Grants - Block	-	-	-	380,982	-	-
2430	Grants - VDS	-	-	-	1,600,000	-	-
2435	Financial Support/Donation	-	-	-	-	36,000	-
Sub Total		25,000	-	-	2,580,902	36,000	-
Scholarship and Training							
2635	Capacity Development	-	-	1,000	110,000	-	-
Sub Total		-	-	1,000	110,000	-	-

Natural Account	Natural Account Description	HQ	Climate Change	Environment	Local Government	Culture	Waste Management
	Goods and Services						
2715	Rental/Rent Subsidy	-	600	500	-	-	-
2730	Office Stationery	1,200	2,044	1,000	4,000	2,000	-
2735	Office Expenses	2,000	7,595	5,000	20,000	1,900	17,499
2740	Supplies and Gears	-	1,765	-	-	-	33,000
2745	Plant and Equipments	1,000	8,000	1,800	2,500	240	-
2760	Compensation	-	-	-	-	-	80,000
2765	Entertainment	1,500	3,000	6,000	-	2,000	6,176
2785	Utilities	3,200	-	-	-	-	-
2800	Overseas Contribution	-	10,480	20,561	-	-	-
2810	Non-Taxable Allowance	-	-	-	3,000	10,000	15,000
2830	Systems/Annual Subscriptions	-	8,000	-	-	-	-
	Sub Total	8,900	41,484	34,861	29,500	16,140	151,675
	Total Operating Expenses	363,343	212,562	227,355	4,468,230	179,263	1,438,617
	Capital Expenditures				5,600,010		
	Statutory Expenditure	144,000					
	Grand Total	507,343	212,562	227,355	10,068,240	179,263	1,438,617

4.1.11 Head K: Tuvalu Police Services

Natural Account	Natural Account Description	Tuvalu Police Services
Operating Expenditure		
Staffing		
2000	Salary – Local	1,976,170
2015	Salary - Casuals	87,360
2025	Allowances	259,140
2030	Provident Fund	201,120
2035	Relieving Fund	35,000
Sub Total		2,558,782
Travel & Communication		
2100	Overseas Business Travel	0
2105	Local Business Travel	24,000
2110	Leave Travel	12,800
2120	Telecom and Internet	20,200
Sub Total		65,999
Maintenance		
2200	R&M (Vessel)	0
2205	R&M (Motor Vehicles)	0
2215	R&M (Office Equipments)	45,470
2220	R&M (Buildings/Facilities)	18,370
Sub Total		75,052
Fuel and Oil		
2300	Petrol and oil	75,050
2305	Vessel Fuel	0
Sub Total		60,820
Scholarship and Training		
2630	Other Training Awards	0
Sub Total		53,205
Goods and Services		
2715	Rental/Rent Subsidy	53,200
2730	Office Stationery	0
2735	Office Expenses	53,200
2740	Supplies and Gears	0
2745	Plant and Equipments	0
2765	Entertainment	10,250
2770	Ration / Victualling	5,020
2780	Uniform	15,030
2800	Overseas Contribution	510
2810	Non-Taxable Allowance	17,050
2830	Systems/Annual Subscriptions	7,600
Sub Total		103,833
Total Operating Expenses		2,917,690
Capital Expenditures		
Statutory Expenditure		48,330
Grand Total		2,966,020

4.1.12 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	147,080	1,035,870	184,250	162,300	75,140	187,900	123,730
2005	Salary – Expatriate/Contract	0	679,000	0	116,360	0	0	0
2015	Salary - Casuals	0	1,022,730	93,680	2,230	3,000	0	0
2020	Consultant Fees	0	0	15,000	0	0	0	0
2025	Allowances	8,000	620,000	16,500	4,400	3,000	2,770	2,500
2030	Provident Fund	14,700	167,350	18,430	27,870	7,510	18,790	12,370
2035	Relieving Fund	32,890	235,520	14,000	15,450	0	4,000	0
Sub Total		202,670	3,760,470	341,860	328,610	88,650	213,460	138,600
Travel & Communication								
2100	Overseas Business Travel	4,000	4,000	4,000	4,000	4,000	4,000	4,000
2105	Local Business Travel	4,000	2,000	4,000	4,000	4,000	4,000	4,000
2110	Leave Travel	4,250	10,000	6,000	3,800	1,700	4,000	2,000
2120	Telecom and Internet	4,600	19,720	9,360	4,280	5,000	400,000	0
Sub Total		16,850	35,720	23,360	16,080	14,700	412,000	10,000
Maintenance								
2200	R&M (Vessel)	0	430,000	0	0	0	0	0
2205	R&M (Motor Vehicles)	6,000	30,000	6,000	1,500	0	500	400
2210	R&M (Plant)	0	0	1,000	0	0	0	0
2215	R&M (Office Equipments)	1,400	2,000	2,000	4,000	0	47,100	5,500
2220	R&M (Buildings/Facilities)	0	30,000	30,000	0	0	0	0
Sub Total		7,400	492,000	39,000	5,500	-	47,600	5,900
Fuel and Oil								
2300	Petrol and oil	2,400	30,000	6,000	1,600	0	300	500
2305	Vessel Fuel	0	2,120,000	0	0	0	0	0
Sub Total		2,400	2,150,000	6,000	1,600	-	300	500
Grants, Subs & Donations								
2400	Subsidy	3,113,950	0	0	0	0	0	0
2410	Grants - General	900,000	0	0	0	0	0	0
2435	Financial Support/Donation	0	0	0	0	0	200,000	0
Sub Total		4,013,950	-	-	-	-	200,000	-
Scholarhsip and Training								
2630	Other Training Awards	-	-	-	-	-	-	-
2635	Capacity Development	-	-	-	-	-	-	-
Sub Total		-	-	-	-	-	-	-

Natural Account	Natural Account Description	HQ	Marine	Aviation	Energy	Tourism	ICT	Immigration
	Goods and Services							
2715	Rental/Rent Subsidy	-	-	-	4,000	-	-	-
2730	Office Stationery	2,500	8,500	2,700	1,000	1,000	280	2,000
2735	Office Expenses	5,000	21,000	3,500	2,000	1,000	8,600	3,000
2740	Supplies and Gears	-	117,720	1,500	3,000	-	-	-
2745	Plant and Equipments	-	18,000	-	-	-	13,000	3,500
2765	Entertainment	2,000	5,460	1,500	1,000	2,000	-	-
2770	Ration / Victualling	-	348,000	-	-	-	-	-
2780	Uniform	-	15,000	-	-	-	-	2,500
2785	Utilities	3,200	-	-	-	-	-	-
2795	Insurance	-	6,000	-	-	-	-	-
2800	Overseas Contribution	-	196,770	150,000	400,000	12,020	50,500	2,540
2810	Non-Taxable Allowance	50,000	-	-	2,000	2,000	-	-
2815	Fumigation	-	40,000	-	-	-	-	-
2830	Systems/Annual Subscriptions	-	-	-	-	3,440	-	-
2840	Contingency	-	40,000	-	-	-	-	-
	Sub Total	62,700	816,450	159,200	413,000	21,460	72,380	13,540
	Total Operating Expenses	4,305,970	7,254,640	569,420	764,790	124,810	945,740	168,540
	Capital Expenditures							
	Statutory Expenditure	157,500						
	Grand Total	4,463,470	7,254,640	569,420	764,790	124,810	945,740	168,540

4.1.13 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	156,040	404,400	2,786,310	1,518,580	103,720	39,130	41,100	30,510	49,030
2005	Salary – Expatriate/Contract	-	166,800	-	46,150	-	-	-	-	-
2015	Salary - Casuals	-	1,220	-	6,000	3,100	16,810	-	-	-
2025	Allowances	2,000	10,000	17,620	50,320	2,400	500	3,430	1,200	2,400
2030	Provident Fund	15,600	65,400	278,630	156,470	10,370	5,670	4,110	3,050	142,170
2035	Relieving Fund	-	15,730	100,000	2,200	-	10,890	3,000	-	34,440
	Sub Total	173,640	663,550	3,182,560	1,779,720	119,590	73,000	51,640	34,760	228,040
Travel & Communication										
2100	Overseas Business Travel	1,800	3,300	1,800	1,800	3,600	12,100	251,800	1,800	-
2105	Local Business Travel	4,000	40,500	1,680	4,000	-	1,000	-	200	-
2110	Leave Travel	3,000	9,680	40,000	20,000	1,870	1,300	1,000	1,000	-
2120	Telecom and Internet	3,600	4,380	-	4,080	4,000	100	-	-	-
	Sub Total	12,400	57,860	43,480	29,880	9,470	14,500	252,800	3,000	-
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	-	40,000	-	1,500	-	-	-
	Sub Total	7,000	3,460	-	45,300	1,000	1,700	500	-	-
Fuel and Oil										
2300	Petrol and oil	21,000	-	-	8,000	-	3,000	-	-	-
	Sub Total	21,000	-	-	8,000	-	3,000	-	-	-
Grants, Sub & Donations										
2400	Subsidy	88,170	-	-	-	-	-	-	-	-
2410	Grants - General	981,600	24,000	69,150	-	-	25,000	-	25,000	1,325,010
2435	Financial Support/Donation	25,000	-	-	-	-	-	-	-	38,500
	Sub Total	1,094,770	24,000	69,150	-	-	25,000	-	25,000	1,363,510

Natural Account	Natural Account Description	HQ	Education	Primary	Secondary	Library	Sports	Pre-Service		ECCE
								Scholarships	Youth	
Goods and Services										
2715	Rental/Rent Subsidy	7,200	1,800	-	12,000	-	-	1,000	1,000	-
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	-	5,390	1,000	-
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	-
2750	Building and Structures	-	-	-	-	-	-	-	-	-
2765	Entertainment	2,000	-	-	-	-	-	3,000	-	-
2770	Ration / Victualling	-	-	-	600,000	-	-	-	-	-
2785	Utilities	1,490	-	-	-	-	-	-	-	-
2800	Overseas Contribution	300,000	-	-	-	1,000	-	-	-	-
2810	Non-Taxable Allowance	-	102,850	-	-	1,000	65,330	4,488,410	1,000	-
2840	Contingency	-	-	-	-	-	-	-	-	-
Sub Total		314,390	204,650	9,000	681,500	12,000	66,330	4,498,800	5,800	-
Total Operating Expenses		1,623,200	953,520	3,304,190	2,544,400	142,060	183,530	4,803,740	68,560	1,591,550
Capital Expenditures				766,520						328,150
Statutory Expenditure		157,500								
Grand Total		1,780,700	953,520	4,070,710	2,544,400	142,060	183,530	4,803,740	68,560	1,919,700

4.1.14 Head N: Office of the Judiciary

Natural Account	Natural Account Description	Judiciary
Operating Expenditure		
Staffing		
2000	Salary – Local	260,230
2005	Salary – Expatriate/Contract	179,810
2025	Allowances	2,000
2030	Provident Fund	26,020
2035	Relieving Fund	20,000
2040	Gratuity	0
Sub Total		488,060
Travel & Communication		
2100	Overseas Business Travel	4,000
2105	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
Scholarship and Training		
2635	Capacity Development	0
Sub Total		-
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
2830	Systems/Annual Subscriptions	0
Sub Total		217,780
Total Operating Expenses		731,940
Capital Expenditures		-
Statutory Expenditure		0
Grand Total		731,940

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

NA Code	Natural Account Description	HQ	Foreign Affairs	Trade	Labour	Suva Mission	New York Mission	UAE Mission	Wellington Mission	Taipei Mission	Canberra Mission	Business	Price Control
Operating Expenditure													
Staffing													
2000	Salary - Local	147,211	264,801	93,082	79,524	131,490	91,678	64,816	92,327	64,426	92,327	64,550	57,083
2005	Salary - Expatriate/ Contract	-	-	-	-	68,013	137,950	103,881	90,286	60,000	90,286	33,000	-
2015	Salary - Casuals	-	-	-	-	30,000	-	-	-	-	-	-	-
2025	Allowances	8,000	3,240	2,000	3,000	23,500	9,150	5,000	10,000	2,000	10,000	1,000	2,140
2030	Provident Fund	14,721	26,480	9,308	7,952	19,950	22,963	6,482	18,261	12,443	18,261	6,445	5,708
2035	Relieving Fund	42,432	32,914	-	17,300	-	-	-	2,000	-	2,000	-	-
Sub Total		212,364	327,435	104,390	107,776	272,953	261,741	180,179	212,874	138,869	212,874	104,995	64,931
Travel & Communication													
2100	Overseas Business Travel	218,983	5,000	4,000	5,000	10,000	10,000	10,000	5,000	5,000	5,000	1,000	1,000
2105	Local Business Travel	8,000	1,000	2,000	2,000	6,000	7,000	-	50,000	7,000	50,000	3,000	2,692
2110	Leave Travel	4,632	2,000	3,000	1,000	5,000	25,000	-	10,000	3,000	10,000	850	2,000
2120	Telecom & Internet	4,600	1,000	2,780	4,080	9,500	15,000	6,000	17,900	8,800	14,000	-	-
Sub Total		236,215	9,000	11,780	12,080	30,500	57,000	16,000	82,900	23,800	79,000	4,850	5,692
Maintenance													
2205	R&M (Motor Vehicles)	4,000	-	2,000	-	5,000	7,000	4,000	-	2,000	-	100	-
2215	R&M (Office Equipments)	600	-	500	-	5,000	-	-	-	-	-	2,000	1,000
2220	R&M (Buildings/Facilities)	-	-	-	-	-	-	-	-	2,000	-	-	-
Sub Total		4,600	-	2,500	-	10,000	7,000	4,000	-	4,000	-	2,100	1,000
Fuel & Oil													
2300	Petrol and Oil	4,001	-	2,000	200	13,000	5,000	5,000	18,000	3,000	18,000	5,499	470
Sub Total		4,001	-	2,000	200	13,000	5,000	5,000	18,000	3,000	18,000	5,499	470
Grants, Subsidies & Donations													
2410	Grants - General	45,000	-	-	25,000	-	-	-	-	-	-	-	-
2435	Financial Support/Donation	-	-	-	-	20,000	-	-	-	-	-	-	-
Sub Total		45,000	-	-	25,000	20,000	-	-	-	-	-	-	-
Training													
2635	Capacity Development	-	-	5,000	-	-	-	-	-	-	-	-	-
Sub Total		-	-	5,000	-	-	-	-	-	-	-	-	-

NA Code	Natural Account Description	HQ	Foreign Affairs	Trade	Labour	Suva Mission	New York Mission	UAE Mission	Wellington Mission	Taipei Mission	Canberra Mission	Business	Price Control
Goods & Services													
2705	Clothing Allowance	-	-	-	-	9,000	7,000	3,000	8,250	9,600	6,300	-	-
2710	Housing Allowance	-	-	-	-	-	-	-	-	-	-	6,000	-
2715	Rental/Rent subsidy	600	1,000	2,500	1,000	90,000	267,809	138,326	227,207	65,000	187,207	5,000	600
2720	Education Children Allowance	-	-	-	-	150,000	36,200	39,100	108,500	117,000	68,500	-	-
2725	Cost of Living Adjustment (COLA)	-	-	-	-	97,021	142,180	88,827	131,094	91,788	92,000	-	-
2730	Office Stationery	1,511	2,009	600	-	3,000	-	-	-	-	-	3,140	500
2735	Office Expenses	3,000	8,000	5,000	45,000	10,000	7,000	13,000	10,000	6,800	10,000	14,150	1,000
2740	Supplies and Gears	-	3,640	4,000	-	2,000	-	1,000	7,000	4,500	7,000	-	-
2745	Plant and Equipment	5,000	-	-	-	8,000	4,000	1,000	7,000	-	7,000	-	-
2765	Entertainment	-	30,720	10,000	2,000	12,800	7,000	6,000	7,000	15,000	7,000	16,700	2,500
2785	Utilities	3,200	-	-	-	37,000	8,000	1,000	20,000	10,000	17,000	-	-
2795	Insurance	-	-	-	-	57,000	25,000	12,000	11,000	23,000	11,000	-	-
2800	Overseas Contribution	250,590	-	-	6,800	-	50,000	15,000	-	-	-	-	-
2810	Non-taxable allowance	-	-	1,000	-	-	-	-	-	-	-	-	1,500
2820	Bank Charges	-	-	-	-	6,000	5,000	-	-	-	-	-	-
Sub Total		263,901	45,369	23,100	54,800	481,821	559,189	318,253	537,051	342,688	413,007	44,990	6,100
Total Operating Expenses		766,082	381,804	148,770	199,856	828,274	889,930	523,431	850,825	512,357	722,881	162,434	78,193
Statutory Expenditure		157,500	-	-	-	-	-	-	-	-	-	-	-
Grand Total		923,582	381,804	148,770	199,856	828,274	889,930	523,431	850,825	512,357	722,881	162,434	78,193

4.2 CARRY-FORWARD ESTIMATES

4.2.1 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 require to complete payments within the next financial year. As of May, 2024 the available balance is \$1.7 million and it would be lapsed in one year.

Head	Description	Roll Over Balance	Actual-to-date (May)	Available Balance
MFED	Air Tuvalu	184,110	184,109	1
	Support for Domestic Air Services	468,934	63,176	405,758
	Establishment of Insurance	173,148	57,077	116,071
	Inflation Assistance Grants	151,576	-	151,576
	HR and Payroll Module	119,499	103,777	15,722
	Sub Total	1,097,267	408,139	689,128
MPWIDW	Outer Islands Maritime Infrastructure Project	79,114	-	79,114
	Sub Total	79,114	-	79,114
MHACCE	CDA - Nanumea	6,628	-	6,628
	CDA - Niutao	9,800	7,772	2,028
	CDA - Nui	332,994	237,216	95,778
	CDA - Nukufetau	409,045	389,428	19,617
	CDA - Funafuti	212,718	-	212,718
	CDA - Nukulaelae	197,058	-	197,058
	Sub Total	1,168,243	634,416	533,827
MTECI	MV Manu Folau Slipping	2,459	-	2,459
	Tuvalu Domestic Air Service	1,498	-	1,498
	Tug and Barge	1,000,000	836,070	163,930
	Charter (LC Mauri)	588,218	520,465	67,753
	Sub Total	1,592,175	1,356,535	235,640
MFALT	Maritime Police Boat	52,000	-	52,000
	dotTV Marketing	10,738	-	10,738
	Constitutional Review	4,377	-	4,377
	Mission Repatriation	128,049	-	128,049
	Sub Total	195,164	-	195,164
	Grand Total	4,131,963	2,399,090	1,732,873

4.2.2 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, there is an amount up to \$21.1 million available for infrastructure developments which comprise of accumulated balances

from prior years, remaining balances of previous year (2024 HY Budget), and budget estimates of the current financial year (2024-2025 Budget).

Head	Description	SI avail roller balance (May)	2024 half-year avail bal (May)	2024/2025 Budget	TOTAL
MFED	Tuvalu Domestic Air Service	-	732,248	-	732,248
	Sub Total	-	732,248	-	732,248
MPWIDW	Ministers Residences (B-Grade)	196,415	-	1,000,000	1,196,415
	PM Residence	385	-	-	385
	Civil Servant Housing (D-Grade)	1,214,788	-	-	1,214,788
	Civil Servant Housing (C-Grade)	-	-	-	-
	B-C-D Grade Housing	-	224,995	-	224,995
	Court House Building	21,845	-	-	21,845
	QEII Park Maintenance	-	-	-	-
	MET Complex	75,485	159,033	-	234,518
	Warehouse	-	500,000	-	500,000
	Sub Total	1,508,918	884,028	1,000,000	3,392,946
MNRD	Half Acre Project	1,090,118	-	-	1,090,118
	Staff Quarters	-	-	59,000	59,000
	Sub Total	1,090,118	-	59,000	1,149,118
MHACCE	CDA - Nanumea	380,454	41,487	529,150	951,091
	CDA - Nanumaga	13,699	276,795	493,180	783,674
	CDA - Niutao	105,009	334,910	509,820	949,739
	CDA - Nui	471,949	337,220	474,430	1,283,599
	CDA - Vaitupu	324,791	361,930	553,860	1,240,581
	CDA - Nukufetau	721,694	351,540	503,090	1,576,324
	CDA - Funafuti	303,640	325,672	503,860	1,133,172
	CDA - Nukulaelae	574	180,834	432,620	614,028
	General Grant - Nanumea	-	-	200,000	200,000
	General Grant - Nanumaga	-	-	200,000	200,000
	General Grant - Niutao	-	-	200,000	200,000
	General Grant - Nui	-	-	200,000	200,000
	General Grant - Vaitupu	-	-	200,000	200,000
	General Grant - Nukufetau	-	100,000	200,000	300,000
	General Grant - Funafuti	-	-	200,000	200,000
	General Grant - Nukulaelae	-	-	200,000	200,000
	Waste Support Project	28,300	-	-	28,300
	Sub Total	2,350,110	2,310,388	5,600,010	10,260,508
TPS	Female Prison	99,670	-	-	99,670
	New Police Office	-	-	-	-
	Sub Total	99,670	-	-	99,670
MEHRD	Nanumea Classroom Project	1,874	-	1,094,670	1,096,544
	MSS Dormitories Project	82,394	-	-	82,394
	Science Equipment Project	12,991	-	-	12,991
	Sub Total	97,259	-	1,094,670	1,191,929
Judiciary	Outer Island Court House (Nukufetau)	-	30,000	-	30,000
	Sub Total	-	30,000	-	30,000
MFALT	Suva Office and Residence Maintenance	-	-	-	-
	Court House Building	275,823	-	-	275,823
	Suva Property	-	4,000,000	-	4,000,000
	Sub Total	275,823	4,000,000	-	4,275,823
	Grand Total	5,421,898	7,956,664	7,753,680	21,132,242

Part 5: PUBLIC DEBT AND PUBLICLY GUARANTEED DEBT

This section outlines the Government of Tuvalu’s Medium-Term Debt Outlook for 2024–2025 financial year consistent with the government’s fiscal strategy. It provides details of the loans contracted by the government and their status in terms of outstanding amounts and repayment estimates. Tuvalu’s public debt, though relatively small compared to other countries, plays a significant role in the country’s fiscal sustainability.

5.0 CENTRAL GOVERNMENT DEBT

5.0.1 Creditor, Interest Rate and Maturity Composition

External borrowing and grants from multilateral institutions have been the main sources of financing for the Government of Tuvalu in the last decade. At the end of December 2023, the total external disbursed outstanding debt stood at \$4.29 million compared with \$5.07 million in 2022. For 2024, the total external disbursed outstanding debt is projected at \$3.81 million. The government does not hold any domestic debt.

The Asian Development Bank (ADB) is the largest creditor accounting for \$2.6 million or 61 percent of the total public external debt at end-December 2023. The International Cooperation Development Fund (ICDF) of Taiwan is the other creditor, with debt amounting to \$1.69 million.

The outstanding external loan associated with the Falekaupule Trust Fund has been fully settled, with the last instalment remitted to the ADB in August 2023.

Table 4: Gross National Public Debt from 2021 to 2025 (in million AUD\$)

Lender	Contract Date	Loan Details	Outstanding Balance		Forecast		
			2021	2022	2023	2024	2025
ADB	1990	UN1693: Establishment of the Falekaupule Trust Fund Amount (USD3.97)	0.63	0.32	-	-	-
ADB	2003	LN1921: Tuvalu Maritime Training Institute Upgrade Loan (Original)(SDR1.39)	1.32	1.24	1.18	1.09	1.01
ADB	2005	LN2088: Tuvalu Maritime Training Institute Upgrade Additional Loan (Supplementary)(SDR1.35)	1.56	1.48	1.42	1.32	1.22
Total ADB Loan			3.51	3.04	2.60	2.41	2.23
ICDF (ROC)	2019	Tuvalu Convention Centre (USD 2.40)	2.36	2.03	1.69	1.40	1.12
Total ICDF Loan			2.36	2.03	1.69	1.40	1.12
TOTAL PUBLIC DEBT			5.87	5.07	4.29	3.81	3.35

5.0.2 Currency Composition

The currency composition of the external debt portfolios indicates that the Special Drawing Rights (SDR) hold the majority share at 64 percent, with the US dollar trailing at 36 percent. There are no other currencies in the external debt portfolio composition.

5.0.3 Maturity Structure

The graph shows the total external debt maturity profile of the Government of Tuvalu, including the ICDF loan from ROC Taiwan contracted in 2019.

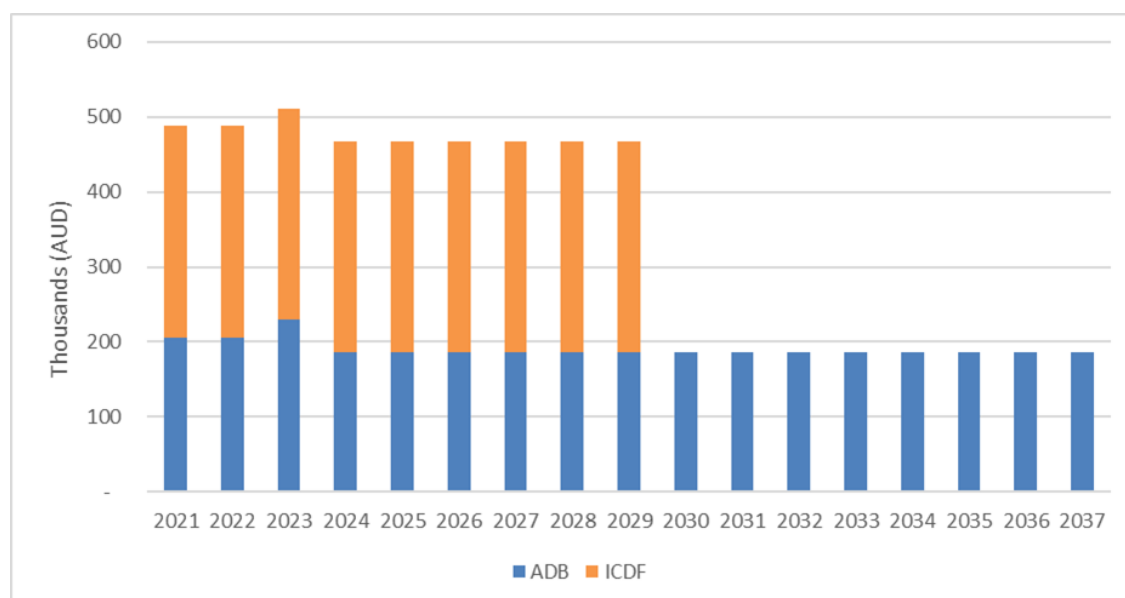


Figure SEQ Figure * ARABIC 7: Maturity Structure 2021-2037

In 2021, principal payments totalling \$574,545 were made, slightly higher than the amounts of \$515,647 and \$574,196 paid for 2022 and 2023, respectively.

With the exception of the ICDF loan that carries 4 more-year repayments, the ADB portfolio is currently anticipated to mature in 2037.

5.0.4 Debt Service Schedule

The external debt service is projected to decline from \$886,000 in 2023 to \$749,000 in 2024. Notably, interest payments constitute approximately 5 percent of the total debt service over the period of 2021 to 2023. During this timeframe, ICDF loans contributed roughly 37 percent on average to the external debt service with the remaining 67 percent attributed to the ADB.

Table 5: Total Public Debt Service from 2021 to 2025 (in thousand AUD\$)

Table 2: Total Public Debt Service 2021-2025 (In thousand of AUD unless otherwise Indicated)															
	2021			2022			2023			2024 (p)			2025 (p)		
	I	P	T	I	P	T	I	P	T	I	P	T	I	P	T
ADB	68.1	515.0	583.1	33.9	516.0	549.9	30.8	574.2	605.0	37.5	564.6	602.1	34.3	564.6	598.9
ICDF (ROC)	0.0	281.7	281.7	0.0	281.7	281.7	0.0	281.7	281.7	0.0	281.7	281.7	0.0	281.7	281.7
Total	68.1	796.7	864.8	33.9	797.7	831.5	30.8	855.9	886.7	37.5	846.3	883.8	34.3	846.3	880.6

5.1 Publicly Guaranteed Debt

5.1.1 Explicit Guarantees

No additional loan guarantees have been issued since the clearance of all guaranteed debts by the end of 2018. These debts were made to the European Investment Bank (EIB) and were associated with a loan contracted by the state-owned enterprise Development Bank of Tuvalu (DBT) back in 2003.

5.2 Public Debt

At the end of 2023, overall public debt totalled \$4.29 million or 4.1 percent of GDP down from 5.5 percent in 2022. The decline in public debt reflects both negative debt flows and an increase in GDP.

Table 3: Total Government Debt 2021-2025 (In millions of AUD unless otherwise indicated)					
	2021	2022	2023	2024 (p)	2025 (p)
Central Government Debt	5.87	5.07	4.29	3.7	3.13
Total Public debt	5.87	5.07	4.29	3.7	3.13
In percent of GDP	7.10	5.50	4.10	3.40	2.75
Nominal GDP	83.1	91.6	104.9	109.3	114.0

Table 6: Total Government Debt 2021-2023

5.3 Prudent Fiscal Management with no Non-concessional Borrowing in the Medium-Term

The Tuvalu government's primary objective is to sustain growth at manageable rates. To foster this growth, the government will closely monitor recurring expenses and direct funds towards sectors that encourage business expansion. Additionally, it aims to incentivize individuals and small medium enterprises (SMEs) to engage in economic development. Fiscal and debt management over the medium term will adhere to the following key principles:

- Ensuring prudent management of fiscal budget to avoid borrowing in the medium term;
- Expand domestic revenue base and development partners support as major sources of funding for more government activities without relying on debt financing;
- Ensure external financing is confined to capital projects for optimum returns;
- Minimise risks associated with on-lending and contingent liabilities; and

To mitigate risks associated with rise in debt level, the government will adopt the following stance:

- Development of an SOE simplified monthly financial report for improved monitoring.
- Improved cash management and forecasting of domestic revenue and development partner support to ensure expenditure and commitment controls are regularly updated.

Part 6: SCHEDULES

Schedule 1: List of Capital Expenditure

List of projects that are funded under the Capital allocation.

2024-2025 CAPITAL EXPENDITURE		
Head	Description	2024-2025 Estimates
G	MPWIW	
	Housing B-Grade Building	1,000,000
	Total	1,000,000
I	MNR	
	Elisefou staff quarters	59,000
	Total	59,000
J	MHCCE	
	Community Development Assistance (CDA)	4,000,010
	General Grants	1,600,000
	Total	5,600,010
M	MEHRD	
	Kaumaile Primary School Classrooms	766,516
	Kaumaile Pre-School Classroom	328,150
	Total	1,094,670
	Grand Total	7,753,680

Schedule 2: External Budget Proposals

The table below summarises list of pipeline project proposals seeking funding supports.

Head	Ministry	Description	Amount
C	Legal Service	Expansion of Office Space & Law Library	65,000
C		Consolidation Project (New Revised Edition of the Laws of Tuvalu)	100,000
C		National Identification Card Project (NICP)	212,036
Head C Total			377,036
F	Ministry of Finance and Economic Development	Payroll module	150,000
F		New Motorbike	2,800
Head F Total			152,800
G	Ministry of Public Works and Infrastructure Development and Water	Back-Up Power Generator Shed	15,496
G		Fencing of the Ocean Side of the MET Office Compound and renovating parts of the existing fence	29,906
G		MET Office Garage	7,479
G		1-B, 1-C & 2-D Grade Housing	3,709,677
Head G Total			3,762,557
I	Ministry of Natural Resource Development	Shoreline Change Analysis Special Equipment	7,000
I		Re-establish of Control Stations in Tuvalu	30,980
Head I Total			37,980
J	Ministry of Home Affairs, Climate Change and Environment	ISP Evaluation and Formulation	98,466
J		Partnership House	70,000
J		Nui Whole of Island Approach	70,000
J		Vaitupu Lagoon Assessment	30,000
J		Fale Causeway	1,000,000
J		Water supply and piping design from Fale to Savave	500,000
Head J Total			1,768,466
L	Ministry of Transport, Energy, communication and Innovation	Support for Tuvalu's participation at the Expo Osaka 2025	508,231
L		Tuvalu Cultural Festival & Sei Tuvalu	391,177
L		Tuvalu Tourism Sector Plan 2025 - 2030	76,000
L		Air-conditioning of School Phase 1	35,037
L		New workboat for LC Moeiteava	130,000
L		Twin Cab	60,000
L		Energy Bill	16,180
L		Reach Stacker	700,000
L		STEELBRO Side Lifter	191,304
L		TA Marine Engineers	250,000
L		Runway Fence	680,000
L		Motor Vehicle - Tuvalu Broadcasting Corporation	70,000
Head L Total			3,107,930
M	Ministry of Education and Human Resources Development	Minister's delegation to Paris 2024 Olympic Games	83,250
M		Olympics Support	34,452
M		Casual Workers for Sports Ground	33,280
M		Library & Archive	25,140
M		MSS Dormitory	300,000
M		High Performance Unit for TASNOC	270,000
Head M Total			746,122
N	Judiciary	Case Management System	71,500
N		Courthouse-Vaitupu	56,000
Head N Total			127,500
O	Ministry of Foreign Affairs, Labour and Trade	Repatriation of Mission Staff	195,075
O		New Mission Vehicle -NZ	65,000
O		Occupational, Health and Safety upgrade	40,000
Head O Total			300,075
ONE OFF AND CAPITAL EXPENDITURE GRAND TOTAL			10,380,466