



Tuvalu

**MINISTERIAL ORDER ON FISCAL RISKS
REPORTING (AMENDMENT) 2026**



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MINISTERIAL ORDER ON FISCAL RISKS REPORTING (AMENDMENT) 2026

LN 05 of 2026

MADE UNDER SECTION 5 OF THE PUBLIC FINANCE ACT

1 Citation and Commencement

- (1) This Order may be cited as the Fiscal Risks Reporting (Amendment) Order 2026.
- (2) This Order shall come into force on the date of publication.

2 Amendment of Terminology

The principal Order is amended by replacing all references to “MOF” with “MFED” referring to the Ministry of Finance and Economic Development, throughout the text.

3 Amendment to Order 2(1)(a)(i)

- (1) The second sentence of Order 2(1)(a)(i) is repealed and replaced with the following:

“It includes establishing a framework for identifying, assessing, monitoring, reporting, and managing fiscal risks in the budgetary system, and supporting the development and implementation of measures to mitigate such risks and strengthen fiscal resilience.”

- (2) Order 2(1)(b) is repealed in its entirety and replaced with the following:

“(b) The FRTWG will be formed by representatives from the following entities:

- (i) Ministry of Finance and Economic Development
Headquarters, which will chair the committee;
- (ii) Planning, Budget, and Aid Coordination Department; will play secretariat role and focus on analysing macro, debt related risks and

other contingent liabilities.

- (iii) Climate Change Department and the National Disaster Management Office ('NDMO'); focusing on climate change and natural disasters fiscal risks.
- (iv) Public Enterprise Reporting and Monitoring Unit, focusing on SOEs: National Bank of Tuvalu, Development Bank of Tuvalu, Tuvalu Post Limited.
- (v) Revenue and Customs Department, focusing on domestic and customs tax revenues.
- (vi) Ministry of Natural Resources and Development, focusing Tuvalu Fisheries Authority on fishing licenses and other SOE such as NAFICOT.
- (vii) Ministry of Transport, Energy, Communication and Innovation, overseeing the Tuvalu Electricity Corporation, Tuvalu Telecom Corporation, and Tuvalu Broadcasting Corporation;"

4 Amendment to Order 2(2)(c-g)

- (1) Order 2(2)(c) is repealed in its entirety and replaced with the following:

"Climate change and natural disasters: Tuvalu's geographical, geological, and socioeconomic conditions make the islands extremely vulnerable to the adverse effects of climate change and natural disasters. It is a significant source of fiscal risks and will become critical in the medium and long term for public policy and public finances. The government has already set up a framework to manage risk arriving from natural disasters. Main sources of natural disasters are cyclones, reduced rainfall, water shortages, and coastal inundation, including king tides. Other hazards with potential fiscal impacts include foods, droughts, tsunamis, public health emergencies, extreme heat, volcanic eruptions, and sea level rise.

The Climate Change Department and the National Disaster Management Office are the focal points for climate change and natural disasters policies and activities in the country."

- (2) Order 2(2)(d) is amended by adding the following paragraphs after (iv):

"(v) A quantitative assessment of disaster-related fiscal risks arising from climate-related hazards, natural hazards, and other disasters, including the government's potential contingent liabilities and financing needs associated with preparedness, response, recovery, and reconstruction activities.

(vi) An analysis of disaster financing gaps assesses the adequacy of existing financial resources for disaster preparedness, response, and recovery and identifies potential gaps under relevant disaster scenarios.

(vii) An assessment of disaster risk financing options evaluates the instruments available to the government, including budgetary reserves, contingent financing, sovereign and sub-sovereign insurance arrangements, regional risk pooling mechanisms, and other risk transfer and risk retention instruments, and provides recommendations on their potential uses.

(viii) Recommendations to strengthen the government's financial preparedness for disasters inform the preparation, review, and implementation of the government's Disaster Risk Financing Strategy/Policy and other relevant fiscal risk management policies."

(3) Order 2(2)(e) and (f) are renumbered to (f) and (g) respectively.

(4) A new Order 2(2)(e) is inserted and shall read as follows:

"Man-made and technological disaster risks: Potentially anthropogenic risks including maritime transport accidents, fuel or hazardous-material spills, waste-management incidents, and critical energy, water, or telecommunication infrastructure failures can impose sudden economic and fiscal demands on the government.

The Fiscal Risk Report shall initially evaluate these hazards on a qualitative basis, progressing toward quantitative assessment and integration into national disaster risk financing strategies/policies as data, methodologies, and analytical tools become available."

(5) Order 2(2)(g)(i)(1)(ii) is repealed in its entirety and replaced with the following:

"(ii) An Order will be issued to guide the work and tasks of the FRTWG. The Committee shall meet at least once a year to review the FRR prior to publication."

(6) Order 2(2)(g)(i)(5) shall read as follows:

"In the fifth year, the annual FRR will also include man-made and technological disaster risks."

Made under my hand on this 24th day of September 2026.



HON. PANAPASI NELESONE

Deputy Prime Minister and Minister for Finance and Economic Development

Published by exhibition at the Government Notice Board on Funafuti this 23rd day of September 2026.



DR TUFOUA PANAPA

Secretary to Government