



KIRIBATI CITIZENS BUDGET 2023

***“Building Back Better and
Stronger”***

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Introduction

The Ministry of Finance & Economic Development (MFED) is pleased to present to the people of Kiribati the Citizens Budget for 2023. This is the second Citizens Budget produced by MFED, reflecting current efforts through government's financial management reforms to improve transparency and accountability in the government budget.

This document is a simplified version of the Government's 2023 National Budget, which presents the budget's key priorities in a clear and non-technical format with visual illustrations.

Given the 2023 Budget theme of **'Building Back Better and Stronger'**, the Citizens Budget hopes to convey crucial policy initiatives that will help our people and communities rebuild their lives as the country emerges from the shadows of COVID-19. These include policies to support the plight of vulnerable families and policies to improve the economic wellbeing of our nation as a whole.

We hope that everyone who reads this document will gain a better understanding of important issues in the national budget, such as how government intends to raise revenue, and where it intends to spend public funds. This includes being aware of initiatives to improve the delivery of health and education services, strengthen social support programs and build critical public infrastructure such as roads, water and electricity. It is crucial that our people understand these budget initiatives so that everyone can access and benefit from various government services.

We anticipate that this initiative will serve to develop greater trust between the Government and the people; and encourage more community engagement and participation in our national budget processes. This collaboration is vital for the development of more inclusive budget policies and it will also boost our efforts to achieve key national goals as espoused in the KV20 Vision.

We strongly encourage everyone to read and understand the Citizens Budget. It is very informative and provides you with essential information to broaden your knowledge of the government's budget activities for 2023. It will also enable you to contribute to improved budget policies that will help meet your needs and aspirations for the future.

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2023 Budget Theme

“Building Back Better and Stronger”

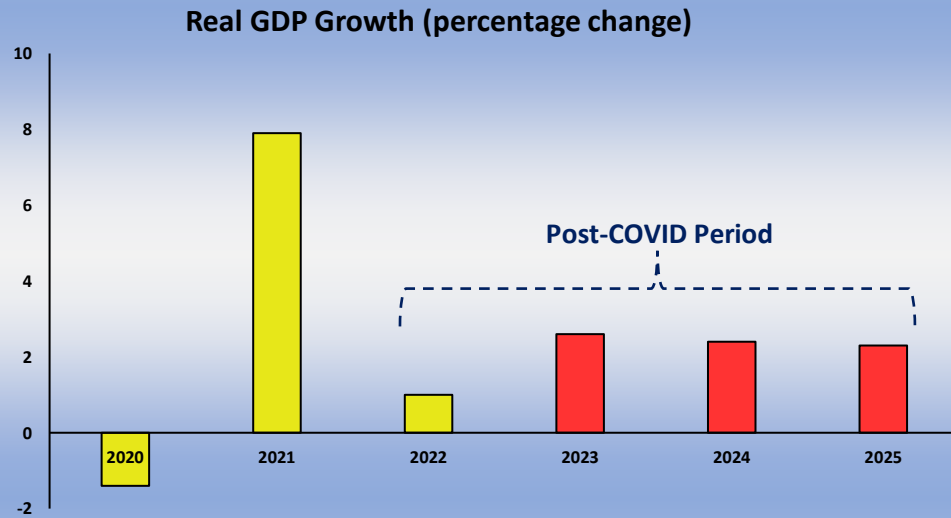
'Building back better and stronger' is the theme of the 2023 budget. This theme goes beyond the theme for 2022 - *adapting to the new normal* - to reflect the hope that we have overcome the effects of the Pandemic and can now begin to rebuild our economy.

The Pandemic and recent global events have taught us valuable lessons about how to protect our lives and livelihoods during times of crisis. We will use these lessons to continue to support our people and build a better future for all i-Kiribati citizens.



Economic Outlook

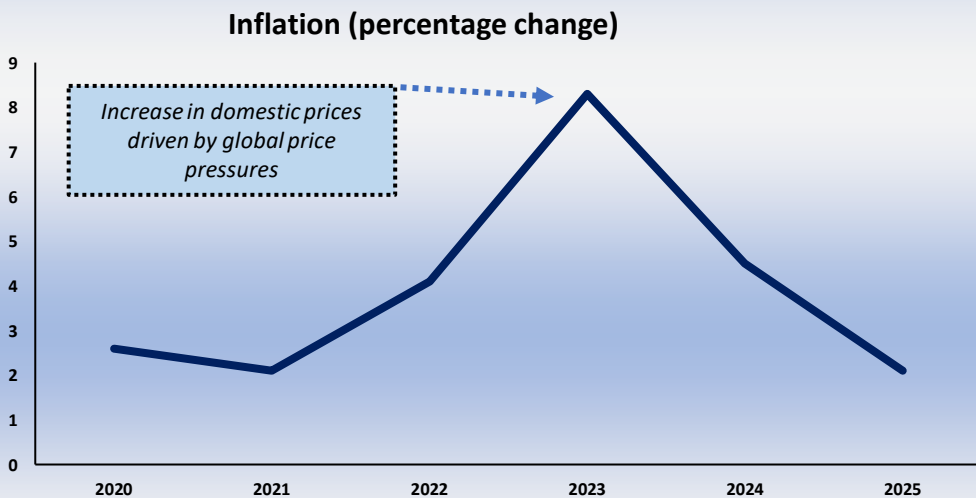
Growth



Real GDP (growth) measures how well our economy is doing. It is a metric that measures the total value of all goods and services produced in our economy in a given year.

According to the most recent IMF growth projections, our economy will grow by about 1.0 percent in 2022 and then by 2.6 percent in 2023. This expansion is attributed to a strong recovery in domestic economic activity since the international borders reopened this year. Growth is expected to pick up significantly next year, driven by increased investment and consumption.

Inflation



Inflation is simply the general increase in price levels for goods and services. Inflation in Kiribati increased to approximately 4.1% in 2022 and is projected to accelerate to 8.3% in 2023. Multiple factors are contributing to the current rise in inflation, including global supply shortages and the ongoing conflict between Russia and Ukraine.



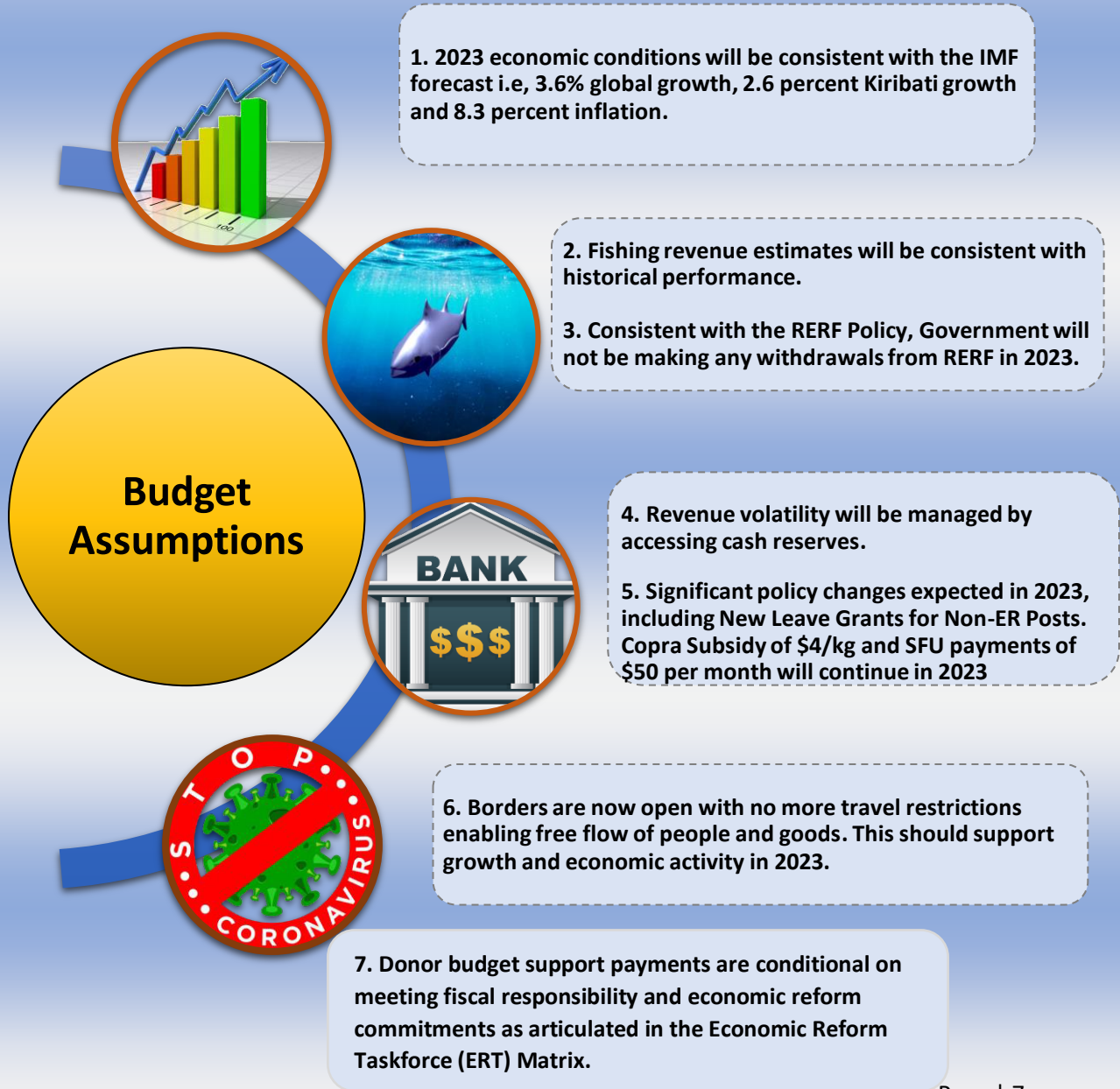
Budget Assumptions

What are Budget Assumptions?

In preparing the national budget, government makes reasonable 'assessments' about various factors that can potentially impact the budget. These are known as budget assumptions.

These assumptions outline expectations about our nation's growth and other critical factors that can influence the size of the budget.

Making the right 'budget assumptions' is crucial for preparing a budget that is realistic, affordable and responsive to people's needs.

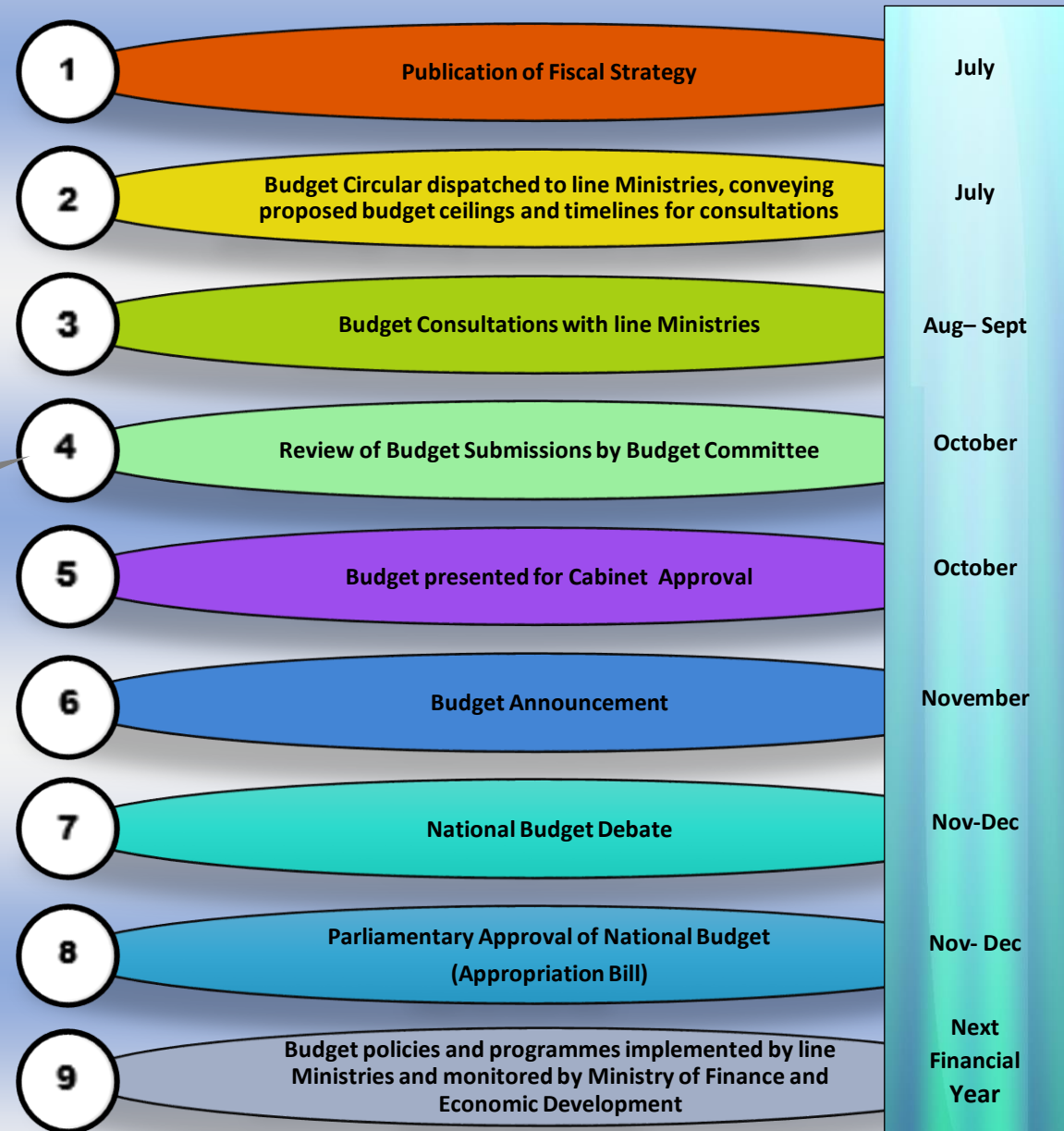


Budget Cycle

Government adopts an open, transparent and inclusive process for preparing the national budget; involving extensive consultations with key stakeholders; such as the private sector, development partners, non-government organizations, state-owned entities, Island councils and local community groups.

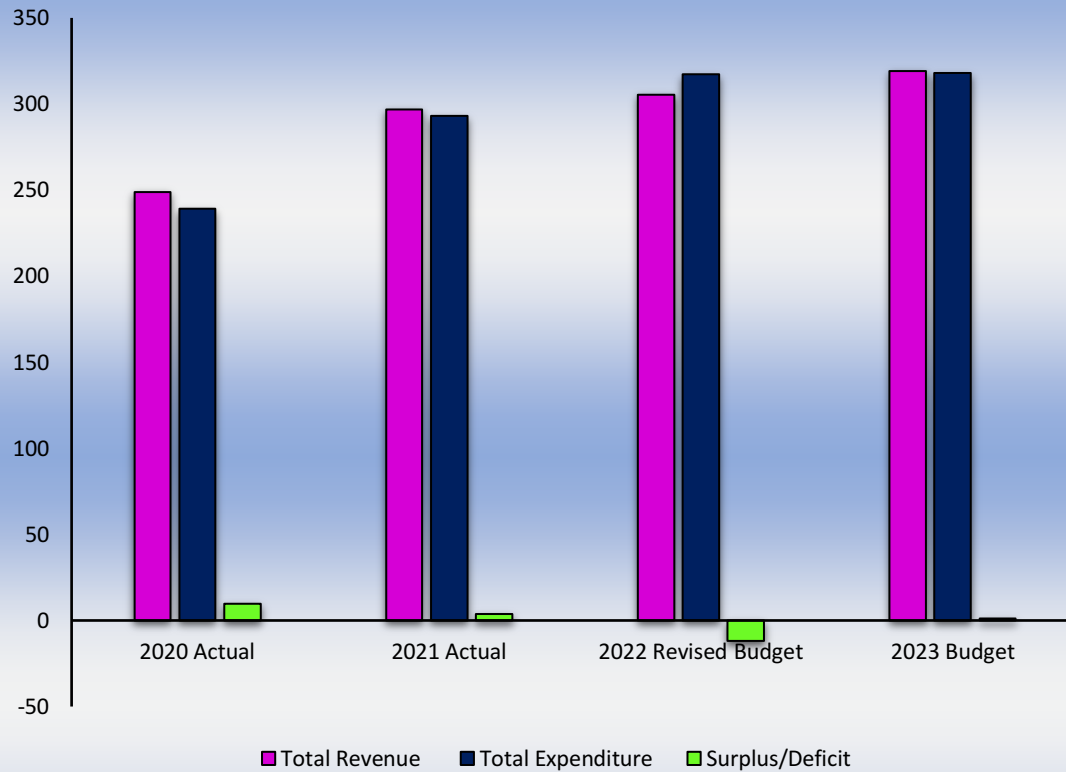
The formal budget cycle starts in July with the publication of the Fiscal Strategy, and concludes in November or December with the presentation of the Budget Appropriation Bill in Parliament.

Budget Committee: Chaired by Minister for Finance with representatives from the private sector, civil society and non-government organizations.



Budget Performance

Budget Performance (2020 - 2023)



Government has managed to secure financial stability in the midst of current uncertainties.

Government revenues rose in 2022 to about \$305.2 million and is expected to rise further in 2023 to \$319.1 million. This is expected to provide much needed support for our economic recovery and growth.

A fiscal deficit of \$11.9 million is expected in 2022, equivalent to about 3.4 percent of GDP. The expected budget outcome for 2023 is a surplus of \$1.0 million or 0.3 percent of GDP.



Medium Term Fiscal Strategy

Government's fiscal strategy aims to build a strong and sustainable economy over the next 3 to 5 years whilst maintaining fiscal stability. This will be achieved through the following strategies:

-  **Strengthen government's financial position over the medium term by prudently managing the RERF, cash balances and reducing debt.**
-  **Achieving 'budget balance' over the medium term consistent with economic conditions and inclusive economic growth.**
-  **Investing in critical social and economic infrastructure to enhance productivity, strengthen climate resilience and support future sources of growth.**
-  **Pursue planned structural reforms to diversify the economy, improve private sector investments and create new meaningful job opportunities.**



2023 Budget Overview

| Summary Government Budget (\$Millions) | |
|--|------------------------|
| Total Revenue | \$319.1 |
| <i>Fishing Revenues</i> | <i>\$200.0 million</i> |
| <i>Tax Revenues</i> | <i>\$79.4 million</i> |
| <i>Dividends</i> | <i>\$4.9 million</i> |
| <i>Interest Income</i> | <i>\$1.5 million</i> |
| <i>RERF Dividends</i> | <i>\$0.0 million</i> |
| <i>Other Ministries' Revenue</i> | <i>\$9.1 million</i> |
| <i>Budget Support</i> | <i>\$24.1 million</i> |
| Total Expenditure | \$318.1 |
| Appropriated Expenditure | \$304.3 million |
| Statutory Expenditure | \$13.8 million |
| Budget Surplus (Savings) | \$1.0 |
| Surplus as percentage of GDP | 0.3% |

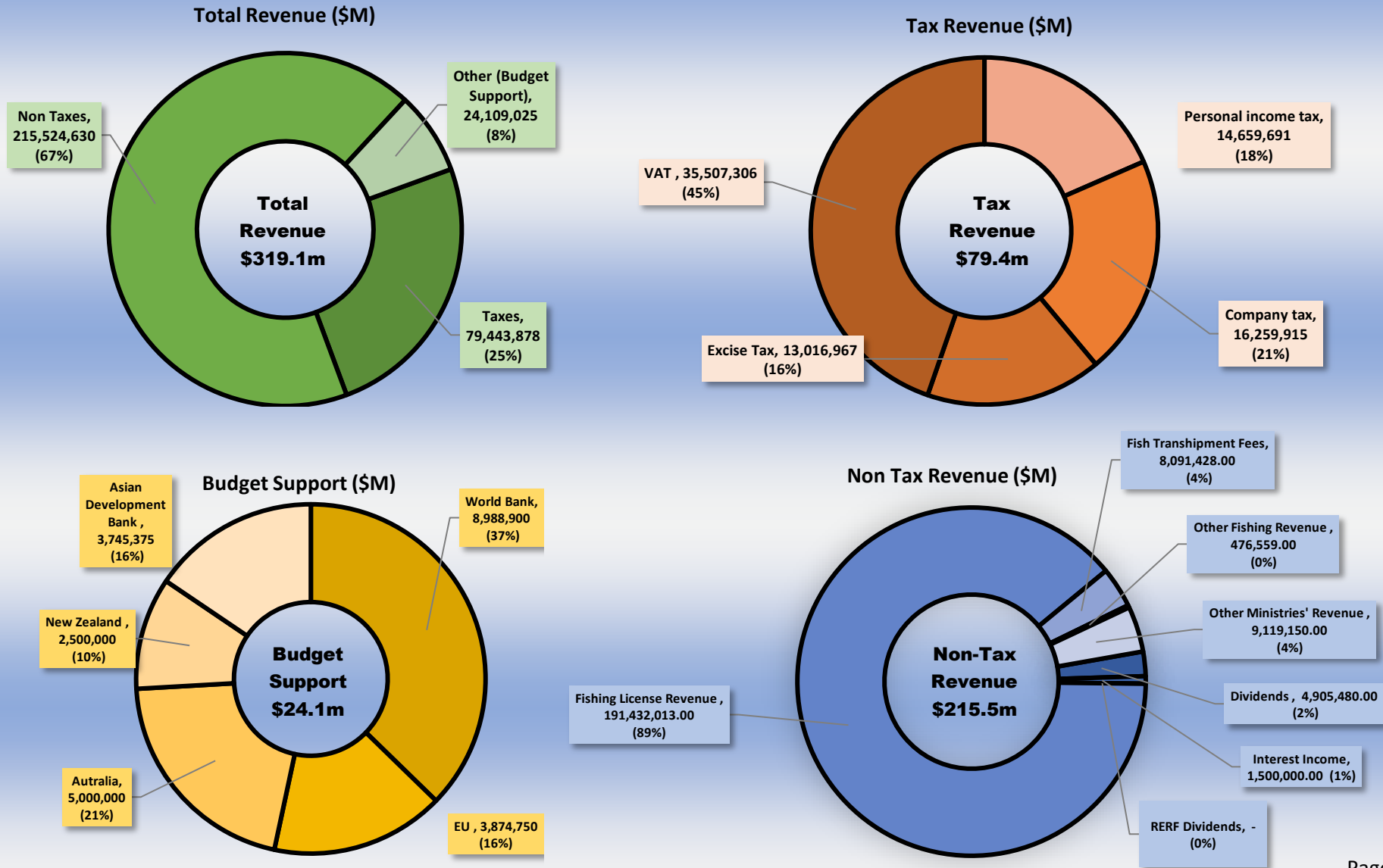
In the 2023 National Budget, the government aims to earn \$319.1 million (revenues) and spend around \$318.1 million (expenditures). This is expected to generate savings of about \$1.0 million or 0.3 percent of GDP.

- Total appropriation expenditure - \$304.3 million (96 percent of the total budget)
- Statutory expenditure - \$13.8 million (4 percent of the total budget)



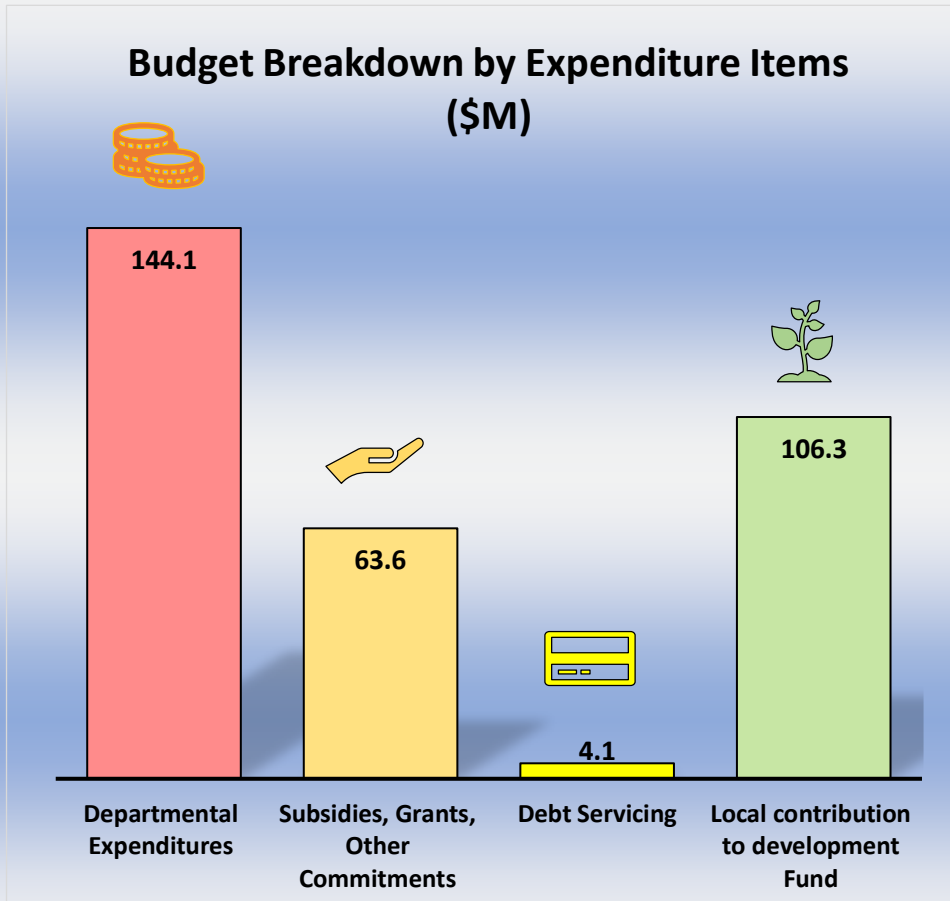
2023 Budget Revenue

Total revenues in 2023 is estimated at \$319.1 million, 4.6 percent higher than revenue earnings in 2022



2023 Recurrent Budget Expenditure

Government's recurrent expenditure for 2023 is \$318.1 million, 0.3 percent higher than the revised budget for 2022.



2023 Recurrent Budget amounts by budget categories:

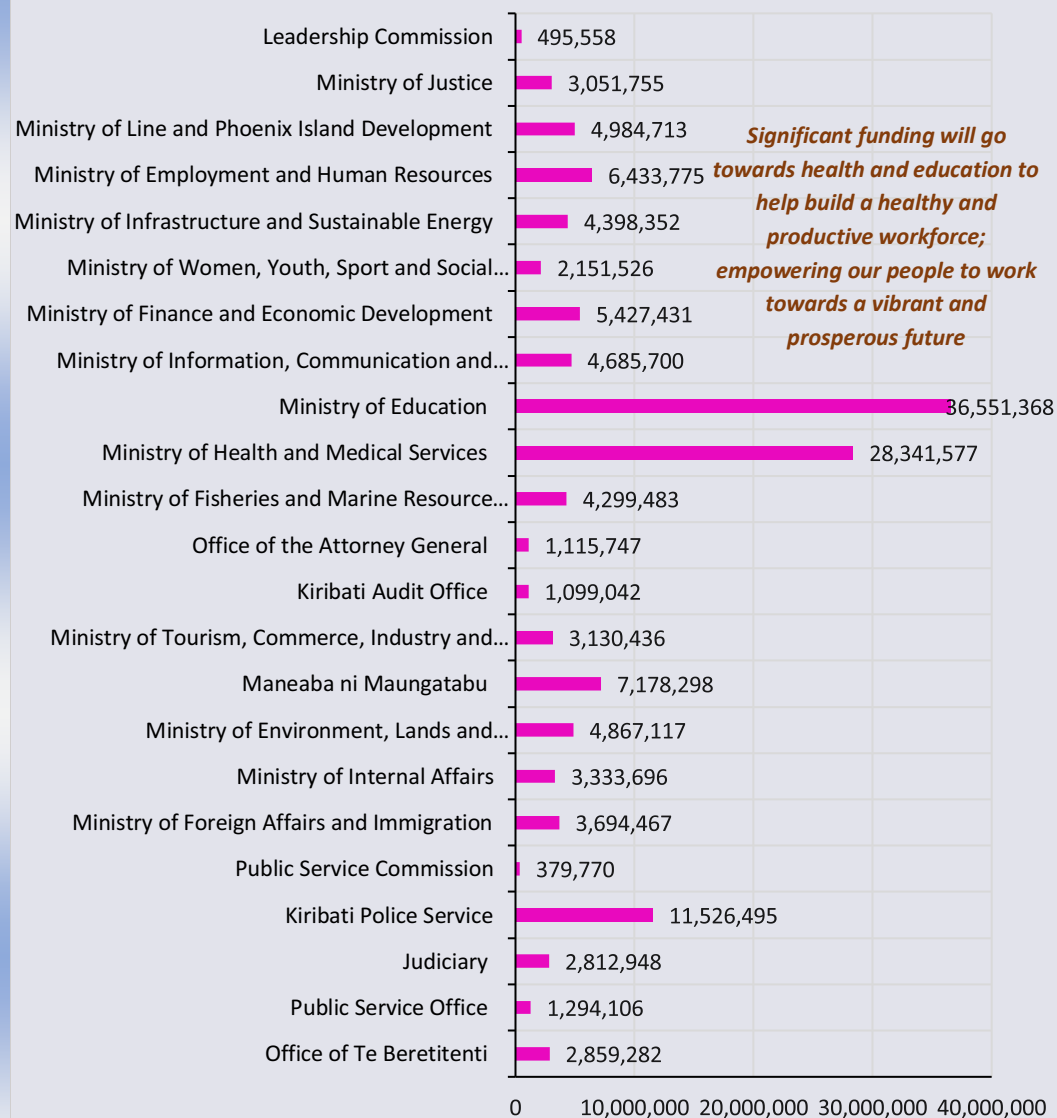
- Departmental expenditures: \$144.1 million;** covers spending on **government salaries and other operational costs.**
- Other expenditures: \$63.6 million;** covers spending on **Subsidies, Grants and Other Commitments**, including social security payments, land rent, grants to island and urban councils and support payments to State Owned Enterprises.
- Debt servicing costs: \$4.1 million;** covers payments on **Interest, Principal and Other Charges on Public debt.**
- Local Contribution to the Development Fund: \$106.3 million;** covers investments in **Projects and Grants**; and payments for **Copra Subsidies and Unemployment Benefits.**

2023 Recurrent Budget Allocations – By Ministry

Consistent with the KV20 Vision - Government's budget expenditures in 2023 is prioritized across four key sectors: **Education, Health, National Security and Human Resources.**

| Ministry | 2023 Budget |
|---|--------------------|
| Office of Te Beretitenti | 2,859,282 |
| Public Service Office | 1,294,106 |
| Judiciary | 2,812,948 |
| Kiribati Police Service | 11,526,495 |
| Public Service Commission | 379,770 |
| Ministry of Foreign Affairs and Immigration | 3,694,467 |
| Ministry of Internal Affairs | 3,333,696 |
| Ministry of Environment, Lands and Agricultural Development | 4,867,117 |
| Maneaba ni Maungatabu | 7,178,298 |
| Ministry of Tourism, Commerce, Industry and Cooperatives | 3,130,436 |
| Kiribati Audit Office | 1,099,042 |
| Office of the Attorney General | 1,115,747 |
| Ministry of Fisheries and Marine Resource Development | 4,299,483 |
| Ministry of Health and Medical Services | 28,341,577 |
| Ministry of Education | 36,551,368 |
| Ministry of Information, Communication and Transport | 4,685,700 |
| Ministry of Finance and Economic Development | 5,427,431 |
| Ministry of Women, Youth, Sport and Social Affairs | 2,151,526 |
| Ministry of Infrastructure and Sustainable Energy | 4,398,352 |
| Ministry of Employment and Human Resources | 6,433,775 |
| Ministry of Line and Phoenix Island Development | 4,984,713 |
| Ministry of Justice | 3,051,755 |
| Leadership Commission | 495,558 |
| Debt Servicing | 4,055,383 |
| Subsidies, grants and other commitments. | 63,563,782 |
| Contributions to the Development Fund | 106,336,733 |
| Total Expenditure | 318,068,543 |

Ministry Budget Allocations 2023



*Budget figures are inclusive of both Appropriated and Statutory Expenditures.

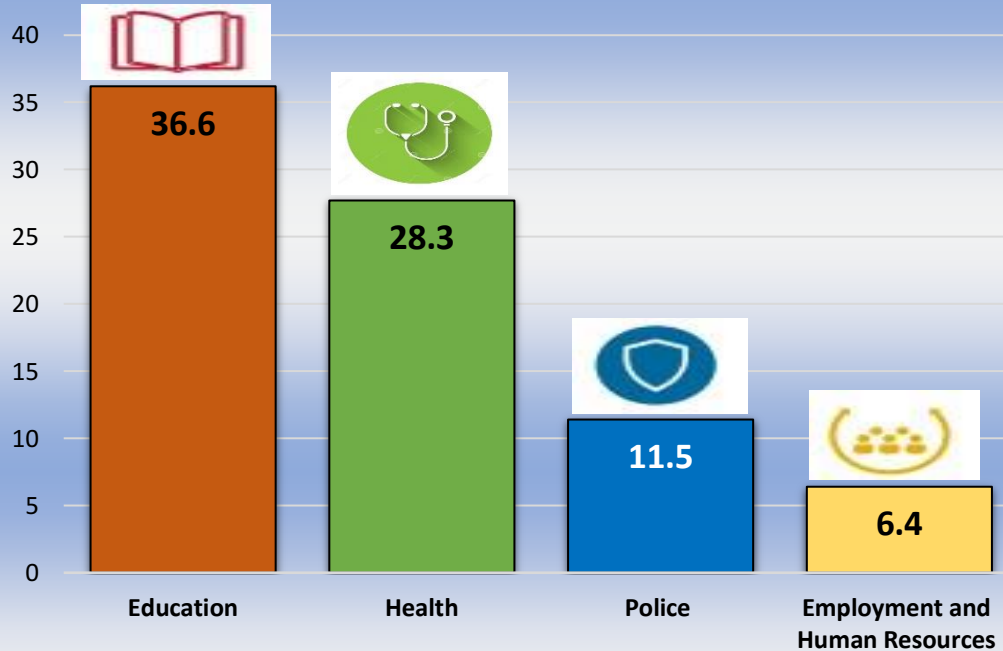
2023 Recurrent Budget Allocations – By Priority Ministries

Ministries with the highest budget allocations:

- **Education:** \$36.6 million;
- **Health:** \$28.3 million;
- **Police:** \$11.5 million; and
- **Employment and Human Resources:** \$6.4 million.

Four largest budget allocations in 2023: Ministry of Education; Ministry of Health; Ministry of Employment & Human Resources; and the Kiribati Police Services. Together these four Ministries consume approximately \$82.8 million, or 26 percent of the government budget.

Four Largest Consumers of the Total Recurrent Budget (\$M)



Educating our Children for a bright and prosperous future

Detailed Budget Allocation by Priority Ministries

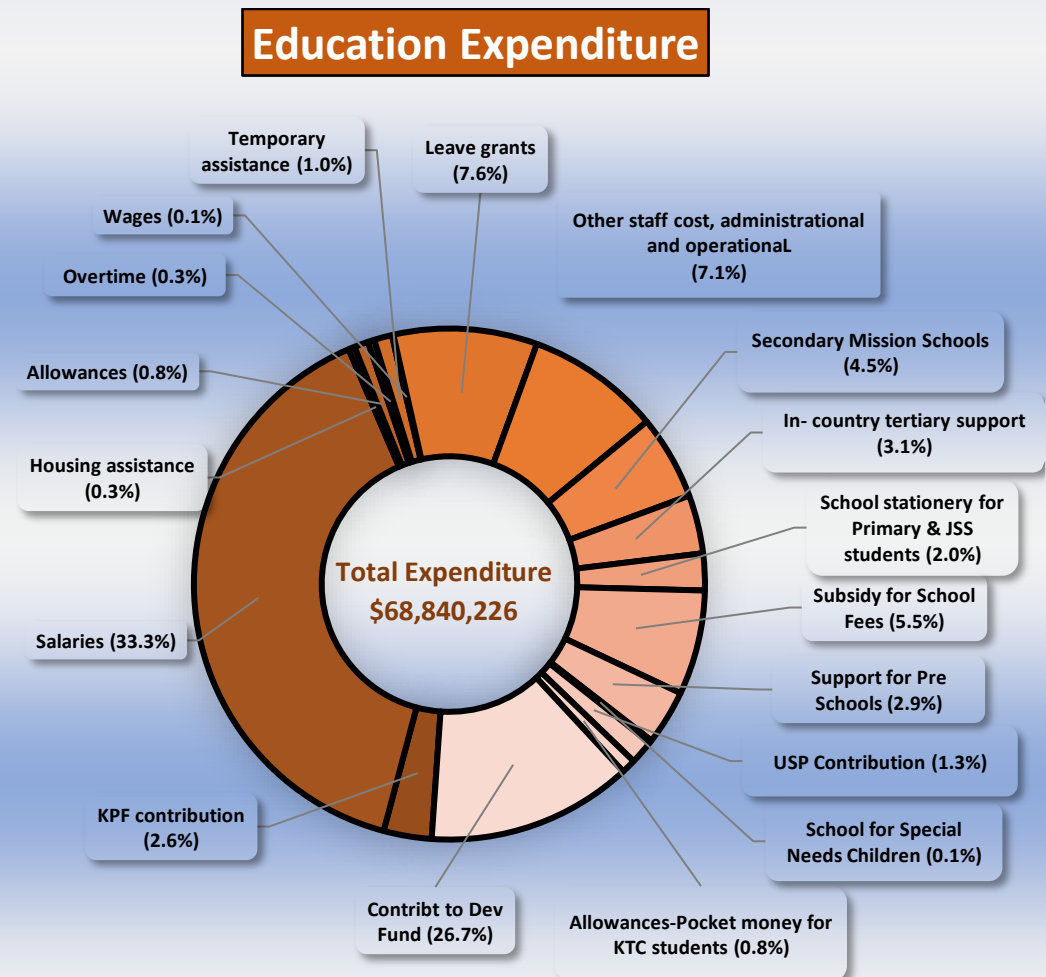


MINISTRY OF EDUCATION

The Ministry of Education is allocated \$36.6 million in the Recurrent Budget for 2023. This funding will go towards improving the standard of education in Kiribati and ensuring effective delivery of education services. To realize these goals government plans to increase funding support to primary and secondary schools; continue with the 'free education' scheme for students up to Year 12; and bolster support for students and teachers at all levels. This should help uplift the overall quality of education in Kiribati.



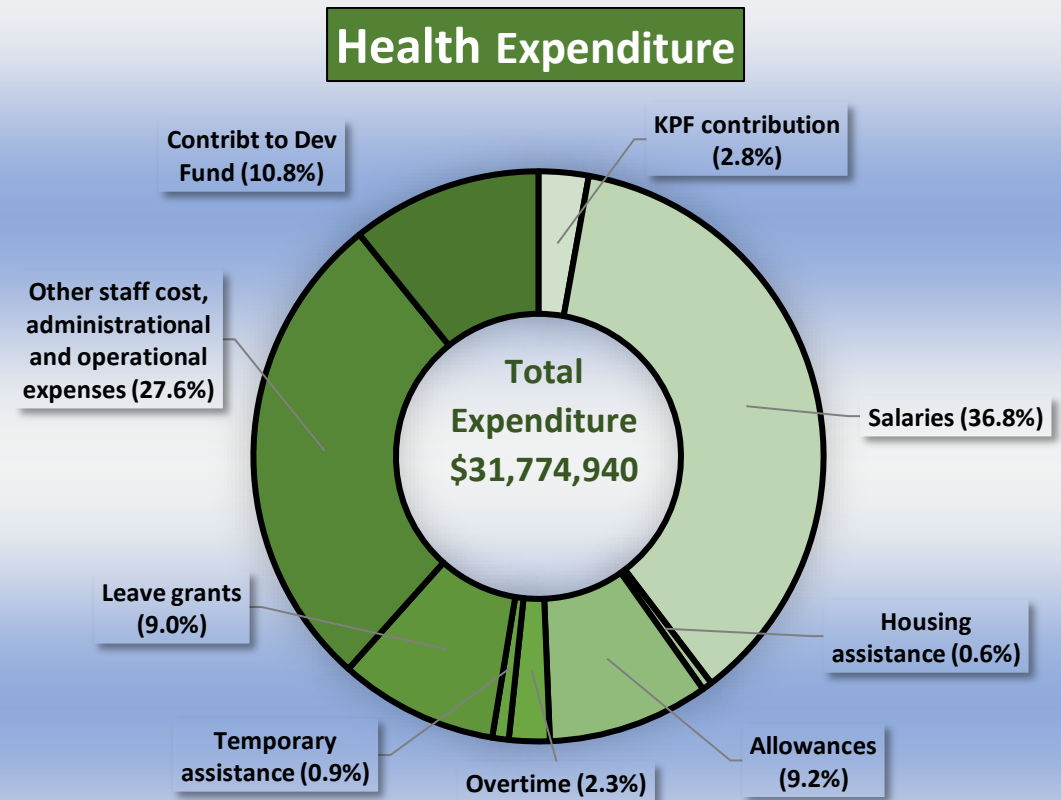
| | DESCRIPTION | 2023 BUDGET (\$) |
|------------------------------|---|-------------------|
| EDUCATION EXPENDITURE | KPF Contribution | 1,770,798 |
| | Salaries | 22,952,454 |
| | Housing Assistance | 222,144 |
| | Allowances | 520,260 |
| | Overtime | 235,724 |
| | Temporary Assistance | 658,192 |
| | Wages | 55,000 |
| | Leave Grants | 5,250,000 |
| | SUB TOTAL | 31,664,572 |
| | Other Staff Cost, Administrational and Operational Expenses | 4,886,796 |
| | TOTAL RECURRENT EXPENDITURE | 36,551,368 |
| | Secondary Mission Schools | 3,081,403 |
| | In-Country Tertiary Support | 2,131,200 |
| | School Stationery for Primary & JSS Students | 1,342,961 |
| | Subsidy for School Fees | 3,818,812 |
| | Support for Pre Schools | 2,000,000 |
| | School for Special Needs Children | 102,376 |
| | USP Contribution | 875,980 |
| | Allowances-Pocket Money for KTC Students | 527,040 |
| | Contribution to Dev Fund | 18,409,085 |
| | TOTAL LCDF EXPENDITURE | 32,288,857 |
| | GRAND TOTAL | 68,840,226 |





The Ministry of Health and Medical Services is allocated a sum of \$28.3 million in the Recurrent Budget for 2023. This will help support the Ministry in achieving its vision of “creating a healthy population that is well supported by quality health services”. Funding for 2023 will be distributed across the six strategic areas of the Ministry’s Strategic Plan i.e.: (1) Population Growth; (2) Maternal Morbidity and Mortality; (3) Communicable Diseases; (4) Non-Communicable Diseases; (5) Health Service Delivery; and (6) Gender and Youth Health. Ongoing engagement with development partners will be strengthened in 2023 to improve the mobilization of donor support across the Ministry’s six strategic areas.

| | DESCRIPTION | 2023 BUDGET (\$) |
|---------------------------|---|-------------------|
| HEALTH EXPENDITURE | KPF Contribution | 899,328 |
| | Salaries | 11,694,243 |
| | Housing Assistance | 181,098 |
| | Allowances | 2,909,961 |
| | Overtime | 732,651 |
| | Temporary Assistance | 296,792 |
| | Leave Grants | 2,864,000 |
| | SUB TOTAL | 19,578,073 |
| | Other Staff Cost, Administrational and Operational Expenses | 8,763,504 |
| | TOTAL RECURRENT EXPENDITURE | 28,341,577 |
| | Directly Observable Treatment Support | 138,570 |
| | Health Specialists | - |
| | Local Referrals | 1,294,793 |
| | Overseas Referrals | 2,000,000 |
| | Kiribati Internship Program (for Doctors) | - |
| | Essential Medical Equipment | - |
| | TOTAL LCDF EXPENDITURE | 3,433,363 |
| | GRAND TOTAL | 31,774,940 |

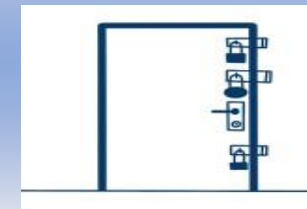




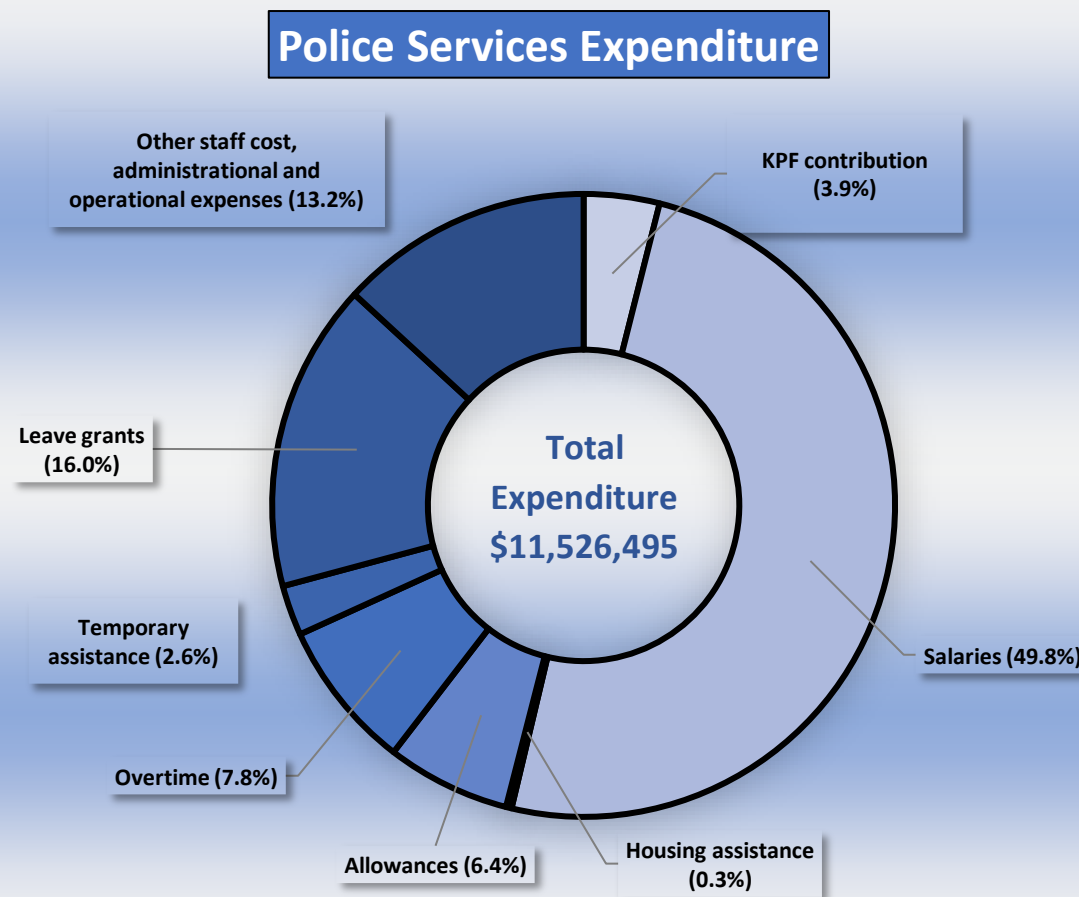
KIRIBATI POLICE SERVICES

The Kiribati Police Services is allocated a sum of \$11.5 million for Recurrent Expenditures in the 2023 Budget. This funding will be invested in the following key strategic functions:

- Maintenance of Law and Order;
- Domestic Fire Services;
- EEZ Surveillance, Search & Rescue, and Transport;
- Investigation, Prosecution and Intelligence; and
- Administration and Policy Development.



| | DESCRIPTION | 2023 BUDGET (\$) |
|----------------------------|--|-------------------|
| POLICE SERVICE EXPENDITURE | KPF Contribution | 453,011 |
| | Salaries | 5,738,873 |
| | Housing Assistance | 33,660 |
| | Allowances | 741,477 |
| | Overtime | 895,121 |
| | Temporary Assistance | 301,276 |
| | Leave Grants | 1,847,000 |
| | SUB TOTAL | 10,010,418 |
| | Other Staff Costs, Administrative and Operational Expenses | 1,516,077 |
| | TOTAL RECURRENT EXPENDITURE | 11,526,495 |
| GRAND TOTAL | 11,526,495 | |





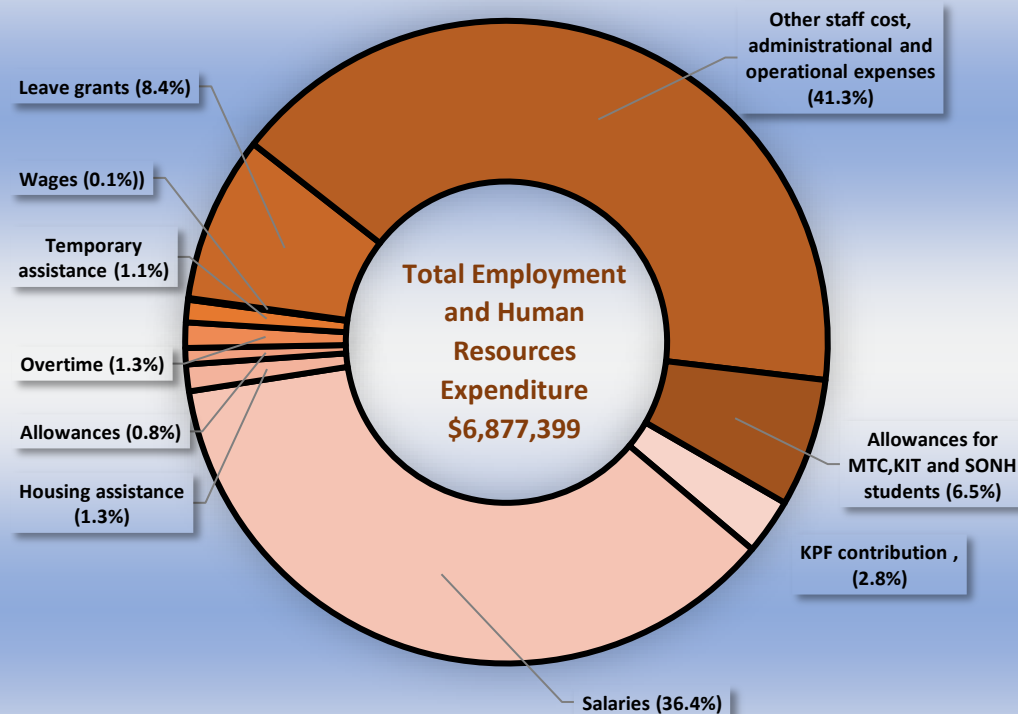
MINISTRY OF EMPLOYMENT AND HUMAN RESOURCES

The Ministry of Employment and Human Resources is allocated a sum of \$6.4 million for Recurrent Expenditures in the 2023 National Budget. The Ministry is primarily responsible for securing new employment opportunities for our citizens in both domestic and international markets. The Ministry also supports the Kiribati Institute of Technology and the Marine Training Centre in their facilitation of key training programs.



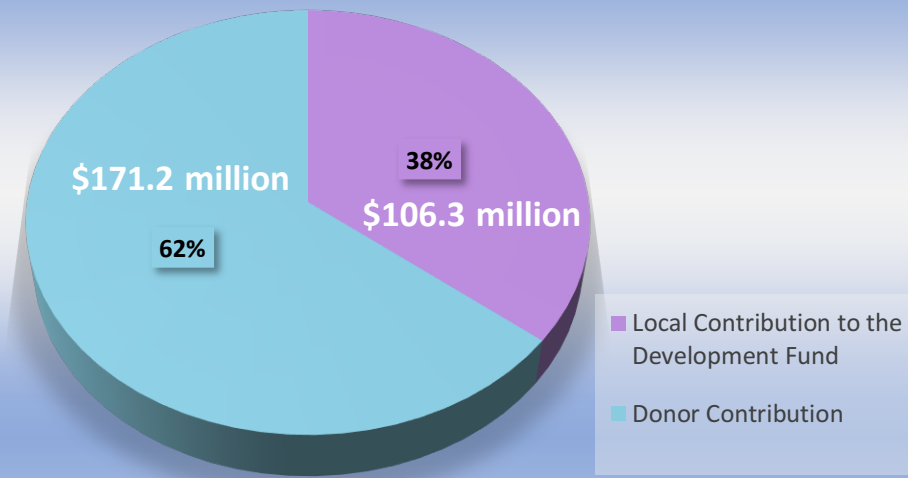
| | DESCRIPTION | 2023 BUDGET (\$) |
|---|---|------------------|
| EMPLOYMENT AND HUMAN RESOURCES EXPENDITURE | KPF Contribution | 193,566 |
| | Salaries | 2,503,420 |
| | Housing Assistance | 92,304 |
| | Allowances | 56,389 |
| | Overtime | 87,656 |
| | Temporary Assistance | 77,463 |
| | Wages | 6,050 |
| | Leave Grants | 576,000 |
| | SUB TOTAL | 3,592,849 |
| | Other Staff Cost, Administrative and Operational Expenses | 2,840,926 |
| | TOTAL RECURRENT EXPENDITURE | 6,433,775 |
| | Allowances for MTC, KIT and SONH Students | 443,624 |
| | TOTAL LCDF EXPENDITURE | 443,624 |
| | GRAND TOTAL | 6,877,399 |

Employment & Human Resources Expenditure



Development Budget

Donor & Government Contribution (LCDF)

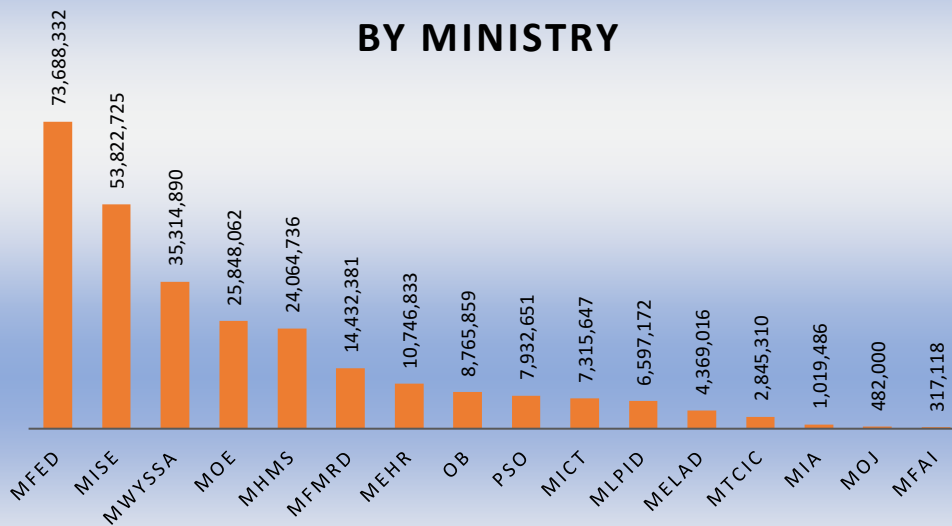


The **Development Budget** is prepared independently from the government's recurrent budget. It focuses primarily on the allocations for key development projects, such as roads, water, and electricity. Majority of development budget programs are supported by our development partners; while, government also contributes to the development budget through the LCDF provision.

The total budget for development in 2023 is approximately **\$277.6 million, or 89 percent of GDP**. This represents:

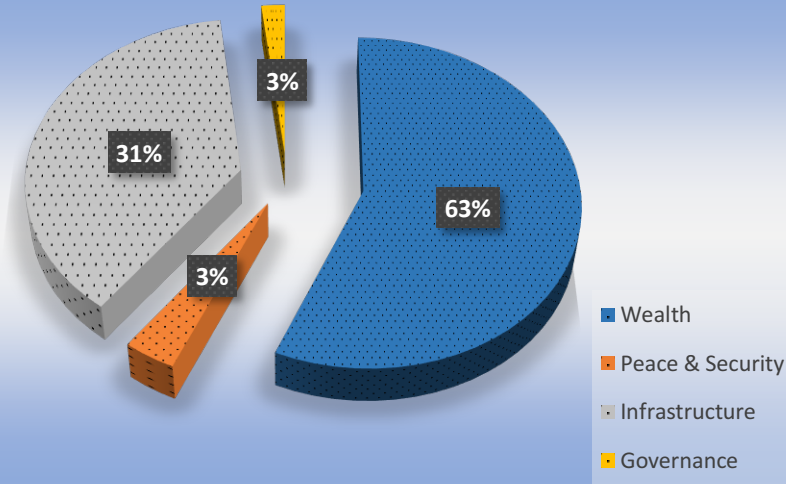
- Projects totaling **\$171.2 million** to be financed by development partners (62 percent); and
- Projects totaling **\$106.3 million** to be financed by the government via the LCDF (38 percent).

BY MINISTRY

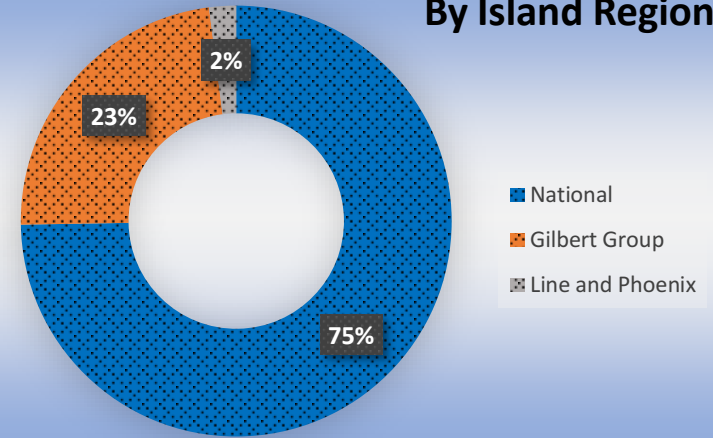


Development Budget Allocations

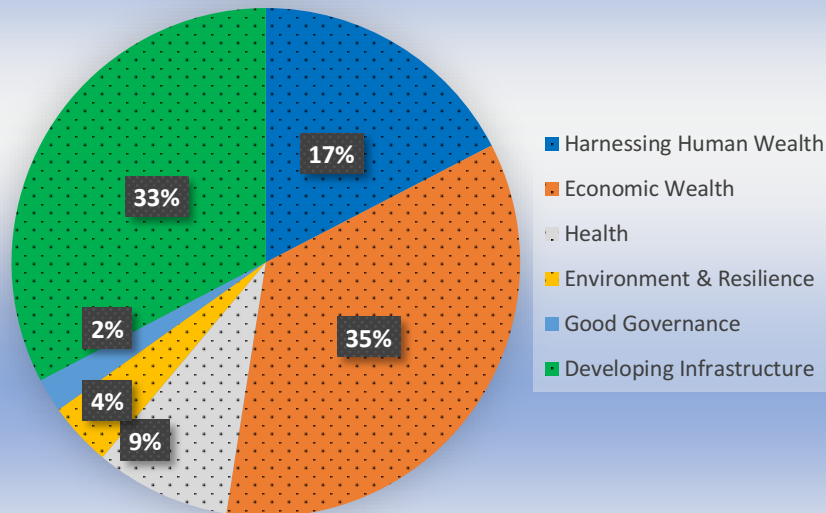
By Key Pillars - Kiribati 20 Year Vision (2016-2036)



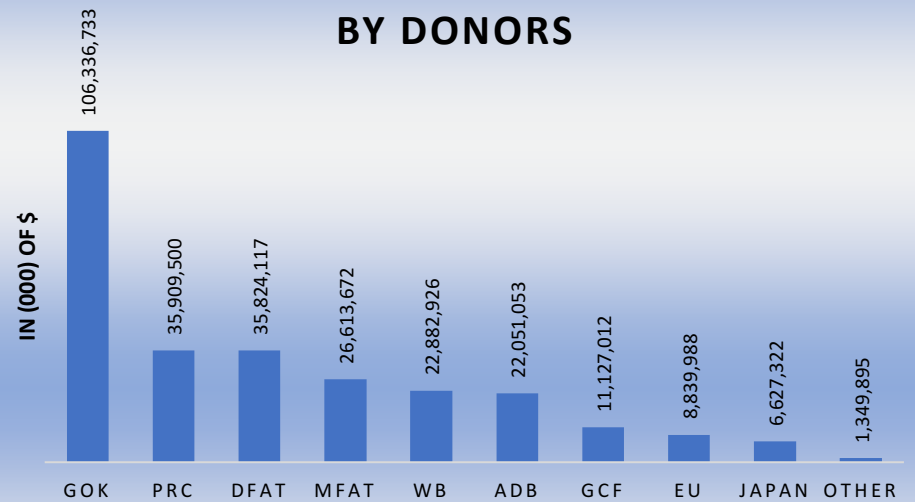
By Island Region



By Priority Sectors - Kiribati Development Plan



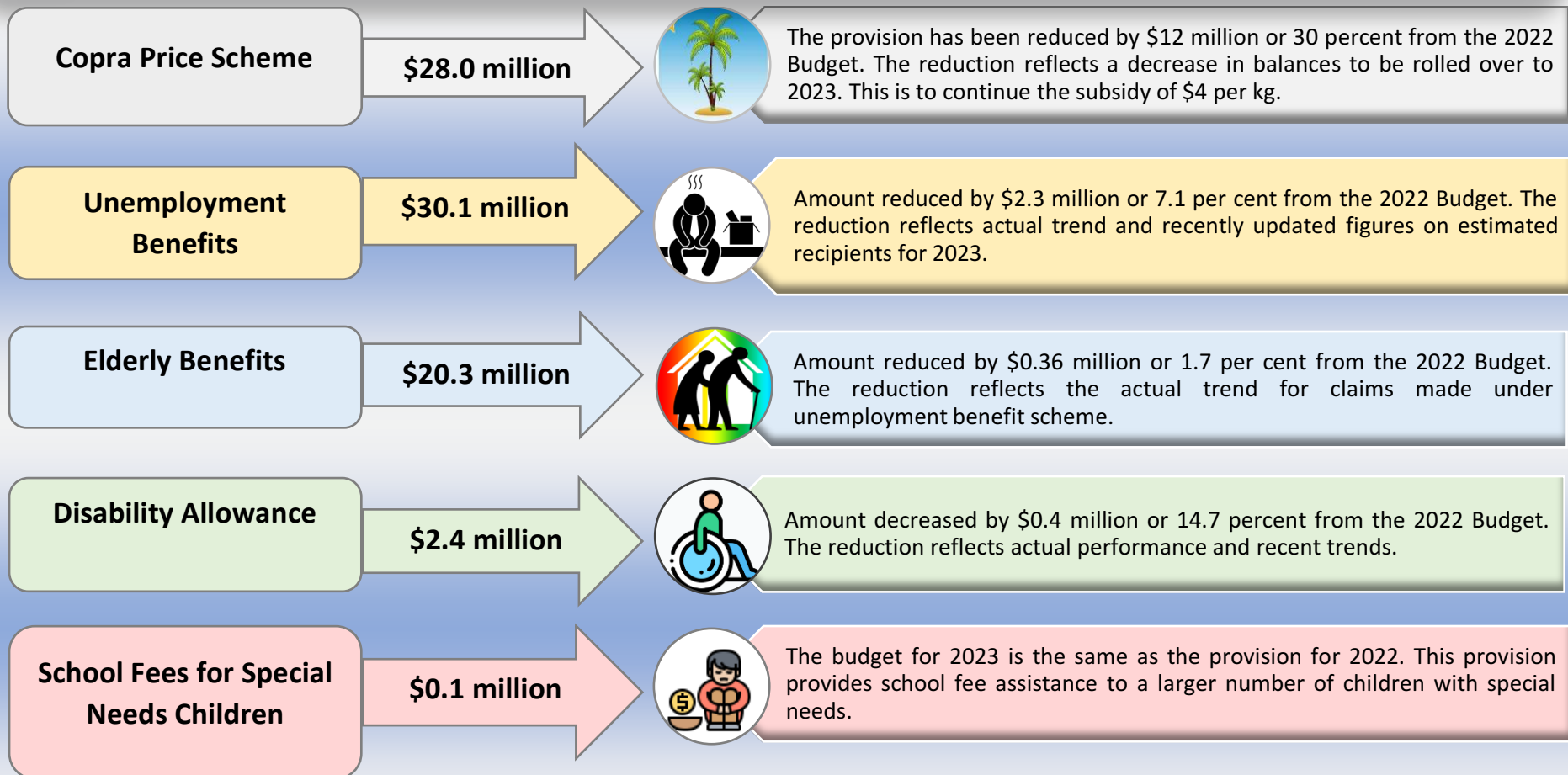
BY DONORS



2023 Budget Priorities – Focus on Social Protection

With the theme of ‘**building back better and stronger**’ the 2023 Budget will continue support for key social protection programs to help our people rebuild their lives and confront emerging challenges. [This includes policies to cushion the impacts of recent global price pressures on our people.](#)

The budget for social protection is \$80.8 million in 2023 - 25 per cent of total expenditure and 26 per cent of GDP.



2023 Budget Overview - Alignment to Government Priorities

| Element | 2023 Budget | Share of GDP | Share of Total Budget | Excluding Social Protection | Share of Total Budget |
|--|---------------------|-------------------------------|-------------------------|-----------------------------|-----------------------|
| | \$ | % | % | \$ | % |
| Local Contribution to the Development Fund | 106,336,733 | 34% | 38% | 38,736,733 | 18% |
| <i>Copra Subsidy</i> | 28,000,000 | 9% | 10% | - | - |
| <i>Support for the Unemployed</i> | 30,100,000 | 10% | 11% | - | - |
| <i>Leave Grant for Non-ER posts</i> | 9,500,000 | 3% | 3% | - | - |
| <i>Projects and Grants</i> | 38,736,733 | 12% | 14% | 38,736,733 | 18% |
| Donor Contribution | 171,225,484 | 55% | 62% | 171,225,484 | 82% |
| Total Development Fund | 277,562,217 | | | 209,962,217 | |
| Total a a proportion of GDP (%) | 89% | | | 68% | |
| By Region | | | | | |
| National | 207,429,256 | 67% | 75% | 139,829,256 | 50% |
| Gilbert Group | 64,518,578 | 21% | 23% | 64,518,578 | 23% |
| Line and Phoenix | 5,614,383 | 2% | 2% | 5,614,383 | 2% |
| By KV20 Pillars | | | | | |
| Wealth | 175,965,746 | 57% | 63% | 108,365,746 | 39% |
| Peace & Security | 9,425,732 | 3% | 3% | 9,425,732 | 3% |
| Infrastructure | 85,362,483 | 27% | 31% | 85,362,483 | 31% |
| Governance | 6,808,256 | 2% | 2% | 6,808,256 | 2% |
| By KDP Sectors | | | | | |
| Harnessing Human Wealth | 48,297,187 | 16% | 17% | 48,297,187 | 17% |
| Economic Wealth | 97,382,555 | 31% | 35% | 29,782,555 | 11% |
| Health | 23,910,242 | 8% | 9% | 23,910,242 | 9% |
| Environment & Resilience | 11,275,008 | 4% | 4% | 11,275,008 | 4% |
| Good Governance | 5,979,742 | 2% | 2% | 5,979,742 | 2% |
| Developing Infrastructure | 90,717,483 | 29% | 33% | 90,717,483 | 33% |
| By Ministry | | | | | |
| Ministry of Finance and Economic Development | 73,688,332 | 24% | 27% | 36,188,332 | 13% |
| Ministry of Infrastructure and Sustainable Energy | 53,822,725 | 17% | 19% | 53,822,725 | 19% |
| Ministry of Women, Youth, Sport and Social Affairs | 35,314,890 | 11% | 13% | 5,214,890 | 2% |
| Ministry of Education | 25,848,062 | 8% | 9% | 25,848,062 | 9% |
| Ministry of Health and Medical Services | 24,064,736 | 8% | 9% | 24,064,736 | 9% |
| Other | 64,823,472 | 21% | 23% | 64,823,472 | 23% |
| By System | | | | | |
| GOK System | 126,357,377 | 41% | 46% | 58,757,377 | 21% |
| Donor System | 151,204,840 | 49% | 54% | 151,204,840 | 54% |
| Donor Composition | | | | Share of Donor | |
| Government of Kiribati | 106,336,733 | 34% | 38% | - | 62% |
| Peoples Republic of China | 35,909,500 | 12% | 13% | - | 21% |
| Department of Foreign Affairs and Trade | 35,824,117 | 12% | 13% | - | 21% |
| Ministry of Foreign Affairs and Trade | 26,613,672 | 9% | 10% | - | 16% |
| World Bank | 22,882,926 | 7% | 8% | - | 13% |
| Asian Development Bank | 22,051,053 | 7% | 8% | - | 13% |
| Green Climate Finance | 11,127,012 | 4% | 4% | - | 6% |
| European Union | 8,839,988 | 3% | 3% | - | 5% |
| Japan | 6,627,322 | 2% | 2% | - | 4% |
| Other | 1,349,895 | 0% | 0% | - | 1% |
| | Total Number | 2022 Remaining Balance | 2023 New Pledges | Total | Share of GDP |
| Total Projects | 974 | 101,507,004 | 277,562,217 | 379,069,221 | 122% |



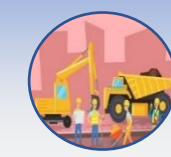
HARNESSING HUMAN WEALTH



ECONOMIC WEALTH



HEALTH



INFRASTRUCTURE



ENVIRONMENT AND RESILIENCE



GOOD GOVERNANCE

Cash Position

Total cash available at the end of October 2022 stood at \$325.4 million. \$185.6 million of this comprised cash reserves set aside by government to cater for unexpected budget demands. *This provides an expenditure coverage of approximately 7 months, which is within the sustainable target of 3 months.*

Having sufficient cash available is always prudent. It provides government with the financial capacity to respond to unexpected events and protect the stability of public finances.

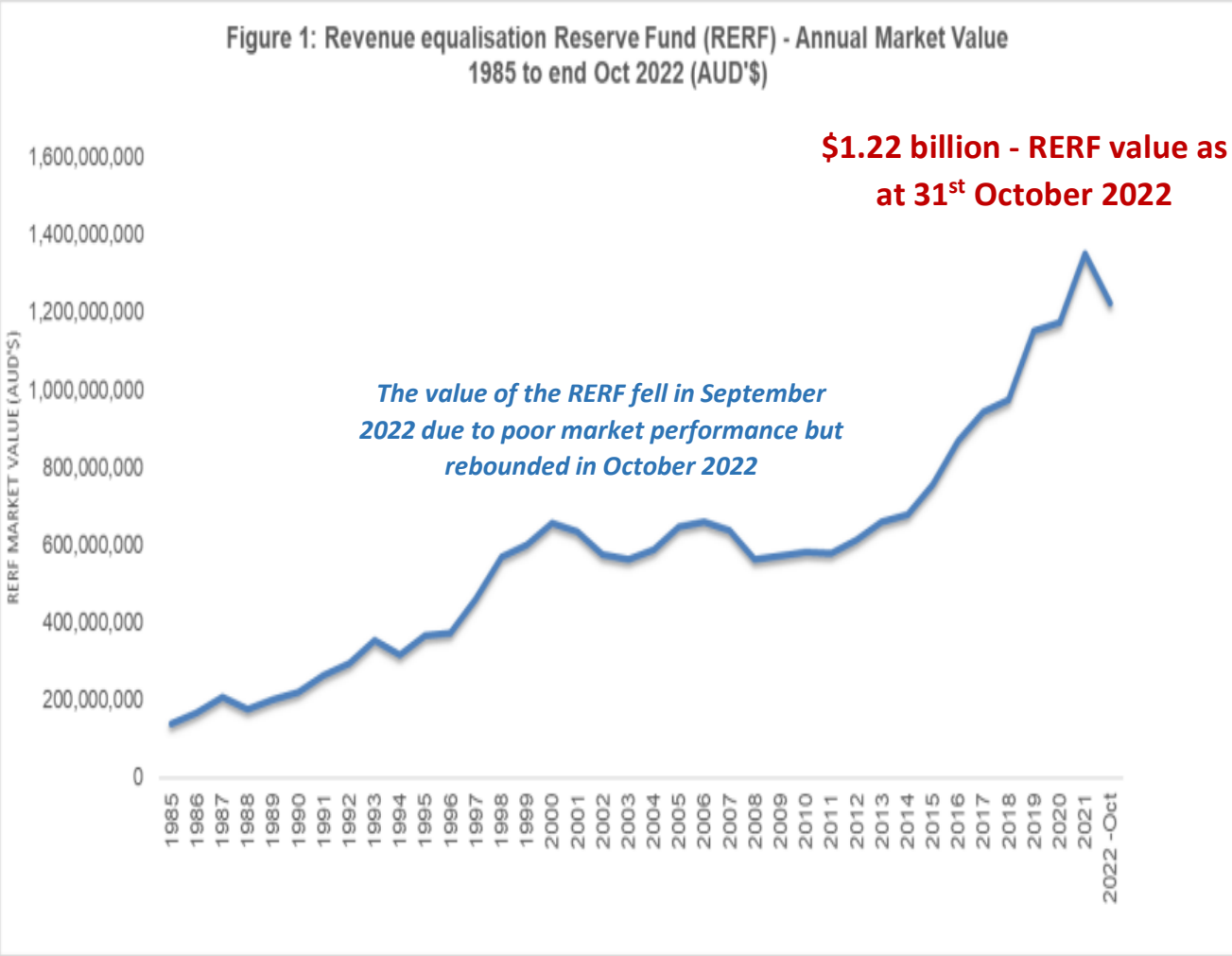
Government cash position as at 31st October 2022

| Government Bank Accounts | Description | Balance as @ 31 st October 2022 |
|---|---|---|
| Account No. 1: Operating Account | Main operational account for daily transactions. | \$33.5 million |
| Account No. 4: Development Fund | Special account for contributions to the Development Fund, managed by Ministry of Finance and Economic Development. | \$106.3 million |
| Account No. 3: Fishing License Revenue. | Primary Account for fishing license proceeds. | \$185.6 million (Cash Buffer) |
| State Street Account | Special term deposit account with the State Street Bank, Australia. | |
| Interest Bearing Deposit Account | Interest Bearing Deposit Account. | |
| Total Cash Position | | \$325.4 million |



Revenue Equalisation Reserve Fund

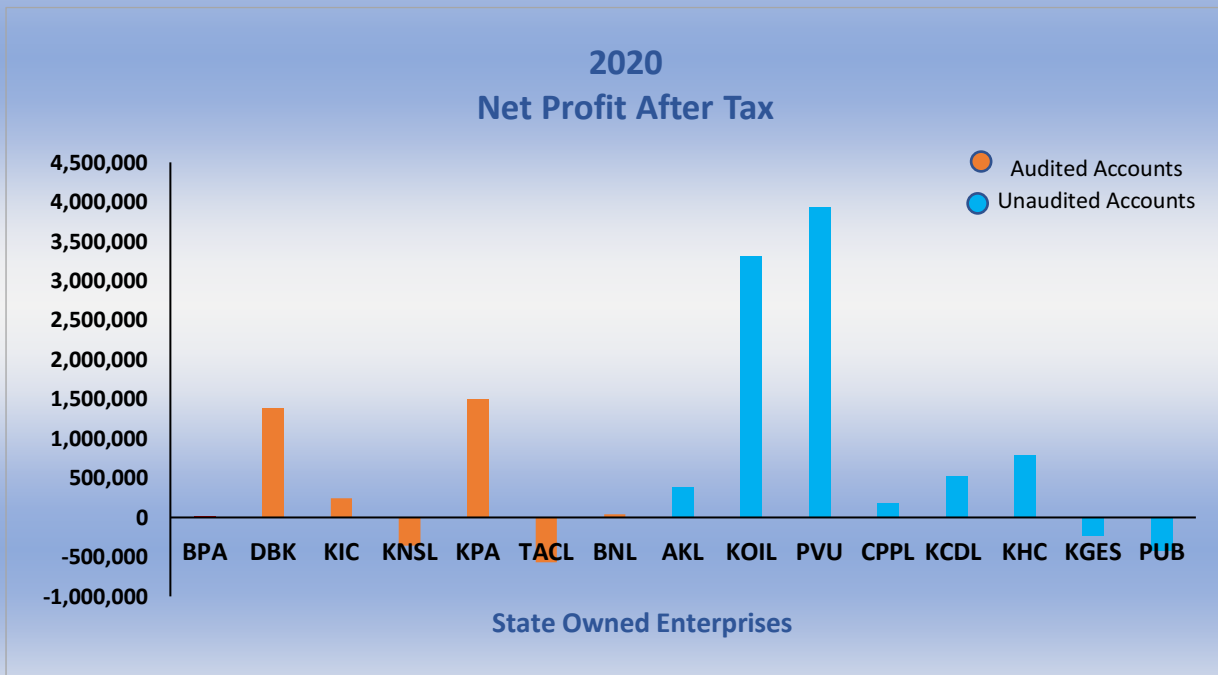
FIGURE 1. REVENUE EQUALIZATION RESERVE FUND (RERF) – ANNUAL MARKET VALUE 1985 TO END OCTOBER 2022 (AUD' \$)



Government will not be making any withdrawals from the RERF account in 2023. This is because RERF returns in 2022 remained below the 5 percent threshold under the RERF Withdrawal Policy.

The RERF performance over 2022 was severely impacted by poor market performance. The RERF's real value slumped to \$1.16 billion in September 2022 from \$1.34 billion in September 2021. However, in October 2022, the RERF's value rebounded to \$1.22 billion supported by a strong recovery in both equity and fixed income investments.

State Owned Enterprises (SOEs) Performance



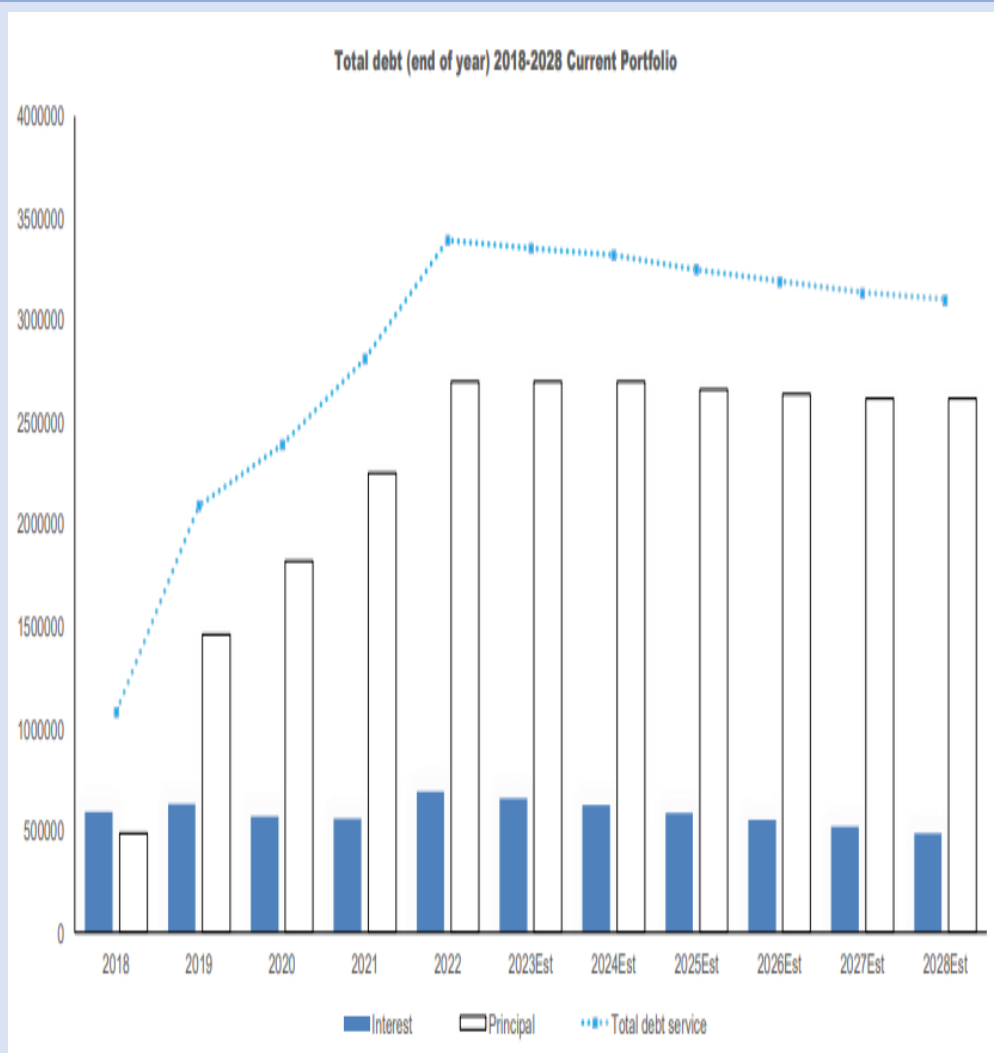
- Government support for SOEs is reflected in the Budget as Community Service Obligation (CSO) payments.
- The CSO Budget for 2023 is \$6.9 million.
- 11 of the 15 SOEs recorded net profits in 2020.
- The Return on Equity (RoE) for all SOEs in 2019 was around 5.4 percent. This was a notable improvement compared to previous years.
- The total value of equity shares across all SOE's stood at \$199 million in 2020, about 69 percent of GDP.



| SOE | Abbreviation |
|---------------------------------------|--------------|
| Air Kiribati Limited | AKL |
| Broadcasting & Publications Authority | BPA |
| Development Bank of Kiribati | DBK |
| Kiribati Insurance Company | KIC |
| Kiribati National Shipping Limited | KNSL |
| Kiribati Oil Co. Ltd | KOIL |
| Kiribati Ports Authority | KPA |
| Plant and Vehicle Unit | PVU |
| Te Atinimarawa Company Ltd | TACL |
| Central Pacific Producer Limited | CPPL |
| Kiribati Coconut Development Limited | KCDL |
| Kiribati Housing Cooperation | KHC |
| Kiribati Green Energy Solution | KGES |
| Public Utilities Board | PUB |



Debt Management



- All figures are measured in Australian currency.

Total debt reflects the funds government owes to external lenders for borrowings made in previous years. To clear its debts, government must pay-off interest and principal amounts owed on these debts on an annual basis.

Government's current policy on debt is to reduce all outstanding debt balances and to accept no new debt. If a new debt is considered, it must be on concessional terms, with at least a 35 percent grant component.

Government's debt portfolio is made up largely of loans acquired from the Asian Development Bank for large infrastructure projects.



Future Risks & Challenges for the 2023 Budget

While COVID risks have been brought under control, other challenges have emerged threatening future growth and development prospects

Strategies to Address Budget Risks

- Maintain sufficient cash reserves to ease future financial pressures

- Adopt prudent fiscal rules to strengthen the management of public finances

- Diversify and expand the government's revenue base with new revenue sources

- Closely monitor the government budget to improve the quality of public expenditures, deliver 'value-for-money' investments, and improve the efficiency of public services

- Ensure social protection programmes are appropriately targeted and efficiently managed

- Continue to progress key structural reforms over the medium term

Global economic uncertainty

Ongoing COVID-19 impacts on peoples' health and livelihoods

Eroding RERF investments

Uncertainty around Fishing Revenues

Global inflationary pressures - rising food and oil prices

Kiribati Economy

Glossary

BUDGET: The government's financial plan for the upcoming fiscal year, outlining anticipated revenue sources, expenditure provisions for line ministries, and key financing (borrowing) arrangements to finance the budget.

REVENUES: the total amount of money Government receives from both domestic and external sources.

TAX REVENUE: the amount of money government receives from various kinds of taxes, including personal income taxes, company taxes, excise taxes and value added taxes. Taxes are compulsory, non-refundable contributions owed to government through relevant tax laws and regulations.

NON-TAX REVENUE: revenue collected from sources besides taxes and budgetary support from donors. These include proceeds from fishing licenses, dividends, interest, and various other government charges.

BUDGET SUPPORT: financial support from donors and development partners for the national budget.

BUDGET DEFICIT: a situation where government expenditures would exceed government revenues.

GDP: the value of all finished goods and services produced within a country in a given year.

INFLATION: the rate at which general prices for goods and services increase over time.

EXPENDITURE: the value of all government consumption, investment and transfer payments.

FISCAL STRATEGY: Government's financial plan for the medium term, covering a period of up to 3 to 5 years. The Fiscal Strategy sets out the fiscal limits for the budget, based on assumptions about a country's future growth and development prospects. The Strategy also highlights key priority areas that government plans to pursue over the medium term, whilst recognizing key challenges in the economy that may hinder the achievement of government's goals and objectives.

Contacts



Parliament <https://www.parliament.gov.ki>

Ministry of Finance & Economic Development <http://www.mfed.gov.ki/>

Kiribati Audit Office (KAO) <https://kao.gov.ki/>

Kiribati National Statistics Office <https://nso.gov.ki/>

