

KIRIBATI CITIZEN BUDGET 2026

MINISTRY OF FINANCE AND ECONOMIC DEVELOPMENT
NATIONAL ECONOMIC PLANNING OFFICE
BAIRIKI

Introduction

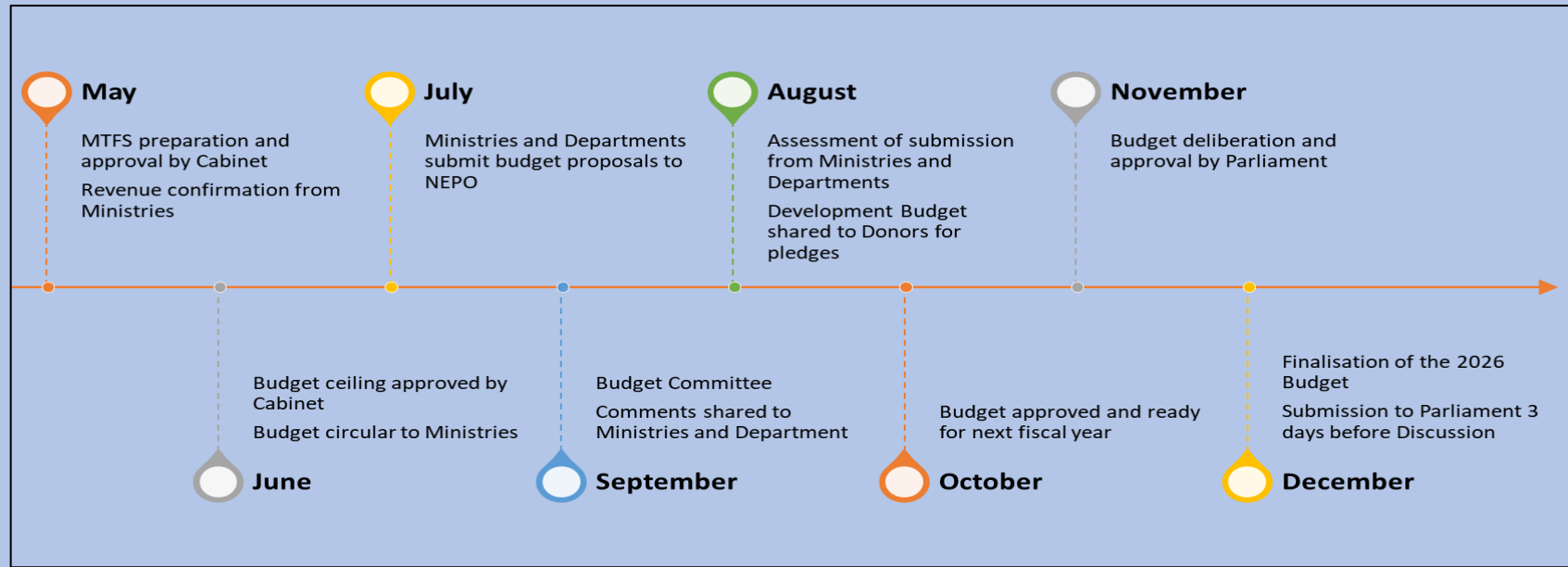
The 2026 National Budget marks another important milestone in Kiribati's journey toward translating its national vision into measurable outcomes that deliver real and lasting value to all I-Kiribati. Guided by the theme "Vision to Value – Advancing Development Through Action," this Budget reinforces the Government's commitment to bridge the gap between strategic intent and practical implementation, ensuring that our development aspirations are realized through purposeful, coordinated, and results-driven action.

It also recognizes the complex global environment in which Kiribati operates. Heightened geopolitical tensions, disruptions to global trade routes, and rising energy and food prices continue to shape economic conditions across the Pacific. These dynamics underscore the importance of resilience, self-reliance, and strategic partnerships, ensuring that Kiribati remains prepared to navigate external shocks while safeguarding fiscal stability and advancing its long-term development goals.

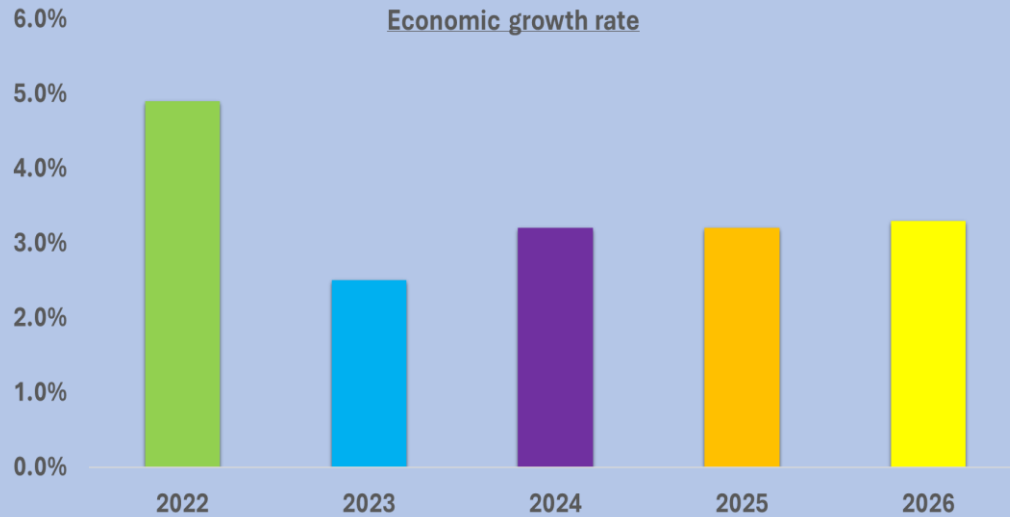
Purpose

We hope that all readers of this document will gain a clearer understanding of key issues in the national budget, including how the government plans to generate revenue and allocate public funds. This encompasses initiatives aimed at improving the delivery of health and education services, strengthening social support programs, and developing essential public infrastructure like roads, water, and electricity. It is vital for our people to be informed about these budget initiatives to ensure that everyone can access and benefit from the range of government services available.

Budget Process and Methodology

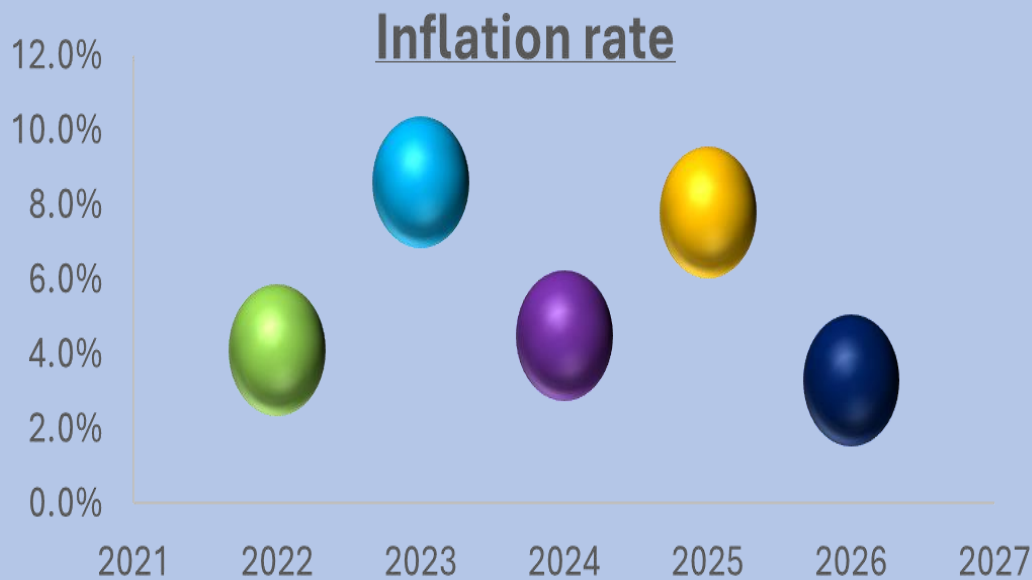


Economic Outlook



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 3.2 percent in 2025 and then slightly increase to 3.3 percent in 2026. Growth will continue to be largely driven by public consumption and the implementation of infrastructure projects.



Inflation is simply the general increase in price levels for goods and services. Inflation is forecasted to rise to 7.8 percent in 2025, primarily due to a one-off increase in fuel prices and subsidy adjustments, before easing in the medium term in line with inflation trends among major trading partners. However, it is anticipated to decline to 3.5% and return to normal rates of around 2% in the outyears, which will reduce inflationary pressures on the cost of living in Kiribati as well as Ministry outlays and project costs.

2026 Budget Overview

In the 2026 National Budget, the government aims to earn \$23.1 million (revenues) and spend around \$423.1 million (expenditures). This is expected to generate a balanced budget.

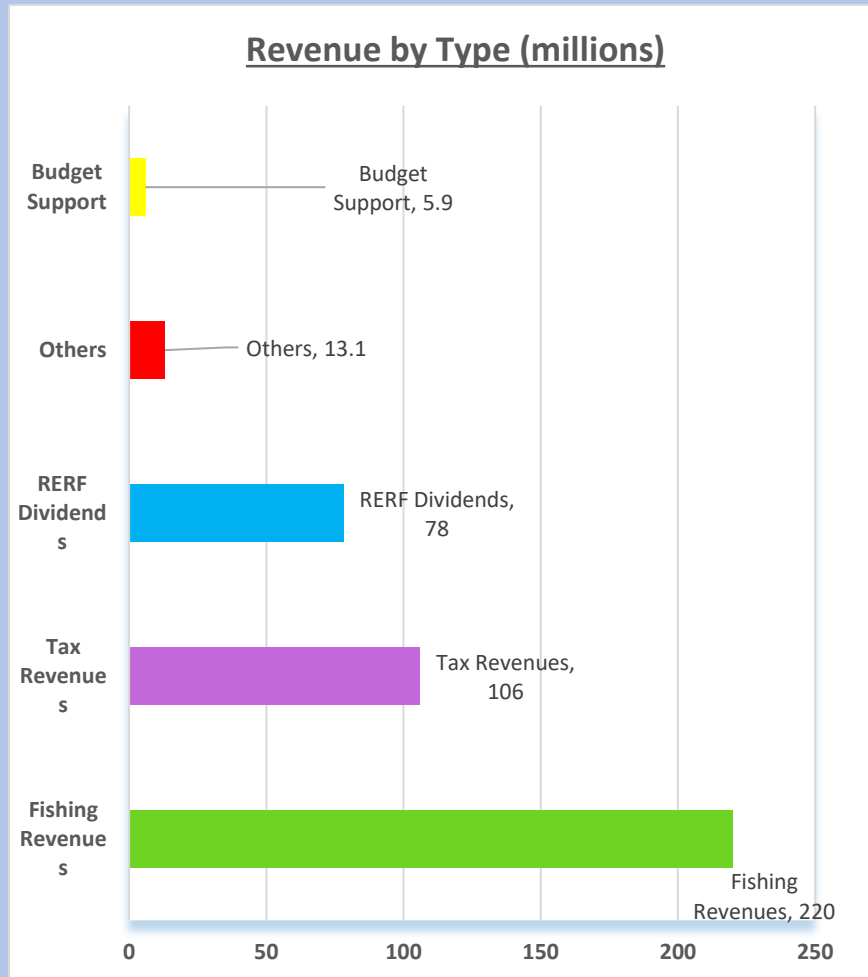
Total appropriation expenditure - \$408.1 million (96 percent of the total budget)


Statutory expenditure - \$15 million (4 percent of the total budget)


Summary Government Budget (\$Millions)	
Total Revenue	\$423.1 million
<i>Fishing Revenues</i>	<i>\$220 million</i>
<i>Tax Revenues</i>	<i>\$106.1 million</i>
<i>RERF Dividends</i>	<i>\$78.0 million</i>
<i>Others</i>	<i>\$13.1 million</i>
<i>Budget Support</i>	<i>\$5.9 million</i>
Total Expenditure	\$423.1 million
<i>Appropriated Expenditure</i>	<i>\$408.1 million</i>
<i>Statutory Expenditure</i>	<i>\$15.0 million</i>
Budget balance	\$0.00 million


2026 Budget Revenue


Total revenues in 2026 is estimated at \$423.1 million, 6 percent higher than revenue earnings in the revised 2025 Budget




 Fishing Revenues – Income from fishing licenses, transshipment and other fishing revenues.

 Tax Revenues – VAT, personal income tax, and other domestic taxes.

 RERF Dividends – Returns from Kiribati’s sovereign wealth fund.

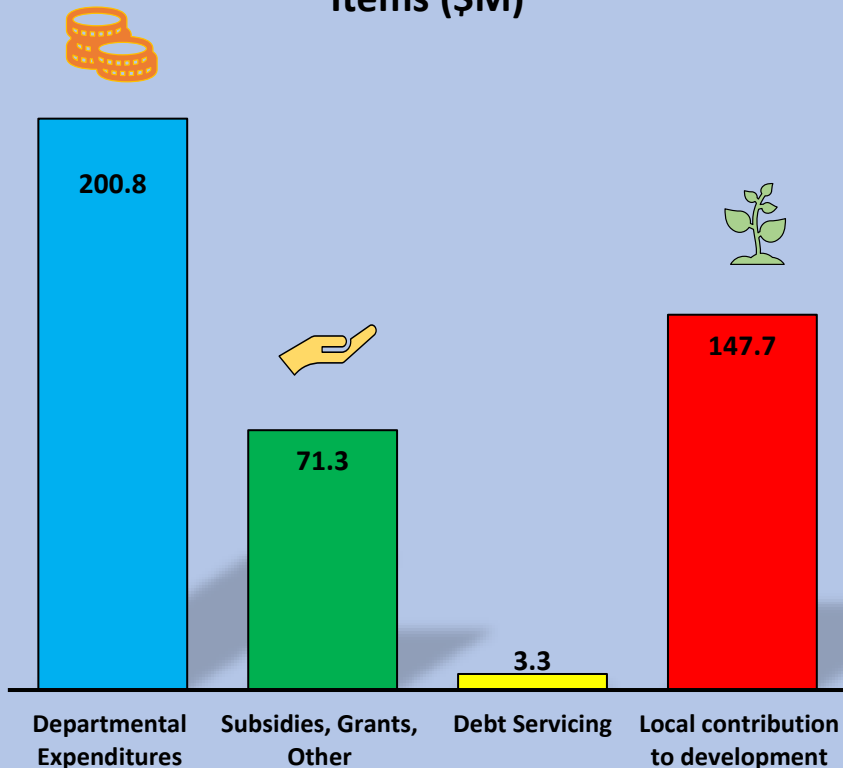
 Other Revenues – Fees, permits, and other small income sources.

 Budget Support – Grants from development partners.


2026 Recurrent Budget Expenditure

Government's recurrent expenditure for 2026 is \$423.1 million, 3 percent lower than the revised budget for 2025.

Budget Breakdown by Expenditure Items (\$M)



 Departmental (largest spending – salaries & operations)

 Other expenditures (grants, subsidies, SOEs)

 Debt servicing

 Development contributions (projects + social support)

2026 Recurrent Budget Allocations – By Ministry

Consistent with the KV20 Vision - Government's budget expenditure in 2026 is prioritized across four key sectors: **Infrastructure Development, Education, Health, and Social Protection.**

Code	Ministry	2026 Budget
01	Office of Te Beretitenti	3,943,172
02	Public Service Office	1,783,205
03	Judiciary	4,121,736
04	Kiribati Police Service	18,184,075
05	Public Service Commission	455,376
06	Ministry of Foreign Affairs and Immigration	5,806,407
07	Ministry of Culture and Internal Affairs	4,400,378
08	Ministry of Environment, Lands and Agricultural Development	6,520,551
09	Maneaba ni Maungatabu	8,166,503
10	Ministry of Tourism, Commerce, Industry and Co-operatives	4,084,539
11	Kiribati Audit Office	1,477,569
12	Office of the Attorney General	1,449,132
13	Ministry of Fisheries and Ocean Resources	5,725,962
14	Ministry of Health and Medical Services	41,161,773
15	Ministry of Education	50,862,058
16	Ministry of Information, Communications and Transport	6,455,248
17	Ministry of Finance and Economic Development	8,170,502
18	Ministry of Women, Youth, Sport and Social Affairs	2,827,177
19	Ministry of Infrastructure and Sustainable Energy	6,143,509
20	Ministry of Employment and Human Resources	7,726,859
21	Ministry of Line and Phoenix Island Development	6,720,263
22	Ministry of Justice	4,038,711
23	Leadership Commission	591,441
28	Debt Servicing	3,271,396
25	Subsidies, grants and other commitments	71,331,497
	ADD TRANSFERS AND FINANCING	
282162	Contributions to development fund	147,718,983
	Total Expenditure	423,138,021



2026 Recurrent Budget Priorities Allocations

2026

Budget Priorities

Allocations for Key Sectors

Education Sector

A total of **\$43.3M** allocated for education initiatives and enhancements.



Health Sector

Health funding totals **\$8.2M** for community and healthcare services.



Social Protection

Funding of **\$47.7M** supports social welfare programs and services.



Infrastructure Development

Investment of **\$49.9M** enhances public infrastructure and transportation systems.



Community Engagement

Continued outreach programs aim to involve citizens in funding decisions.



2026 Budget Theme

Vision to Value – Advancing Development Through Action for our nation's future through strategic implementation and effective resource management.

Bridging Strategy to Implementation

- Results-driven action
- Effective resource management
- Tangible outcomes

15%

Projected increase in economic growth this year.

80%

Commitment to funding infrastructure development initiatives nationwide.

LEAVE NO ONE BEHIND



Education Budget Breakdown

\$12M

Scholarships provide essential financial support for students pursuing higher education opportunities.

"Investing in education is investing in our future, empowering every student to achieve their dreams."
- Education Advocate

The allocation of funds demonstrates a commitment to enhancing educational opportunities across the community.

\$6M

Student Loan Scheme Support
Assisting students in managing educational debt effectively.

\$11.3M

USP Contribution
Funding critical programs at the University of the South Pacific.

\$2.5M

Support for Preschool Teachers Initiative
Investing in early childhood education to foster foundational learning and development.



The overall budget illustrates a strategic commitment to enhancing educational equity and access, ensuring learners at all levels receive adequate support and resources to thrive in their academic pursuits.

BUDGET BREAKDOWN

Understanding Health Services funding allocation

OVERSEAS

\$7M allocated for overseas referrals ensures access to specialized medical services not available locally.



LOCAL

\$1.2M dedicated to local referrals supports essential healthcare services within the community, promoting accessibility and convenience.

PROPORTION

A small pie chart illustrates the funding distribution, highlighting the significant focus on overseas referrals compared to local services.



Social Benefits Breakdown

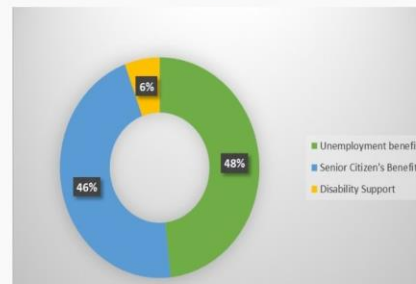
An overview of our budget allocation for essential social benefits, focusing on support for the unemployed, seniors, and individuals with disabilities.

Key Budget Allocations

- Unemployment Benefit: \$23M
- Senior Citizen's Benefit: \$22M
- Disability Support: \$2.7M

23M **22M** **2.7M**

Largest allocation for unemployment support in our budget. Significant funding for senior citizen benefits and services. Small portion of funding for the disabled citizens.



PRIORITIZING SUPPORT FOR OUR MOST VULNERABLE POPULATIONS.

BUDGET BREAKDOWN

Understanding Infrastructure Allocation for 2026

OUTER ISLAND INFRASTRUCTURE

Allocating **\$44.9M** to Outer Island Infrastructure, ensuring vital improvements and services for communities.

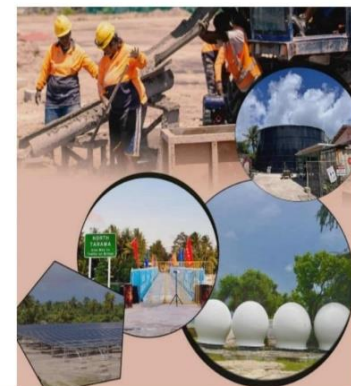
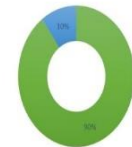


MAINTENANCE

A **\$5M** allocation to the Infrastructure Maintenance Fund ensures existing structures remain safe and sound.

CHART

Visualizing the significant difference in budget allocation between the two categories enhances understanding.





Development Budget 2026

**\$358
million**

The development budget focuses on critical infrastructure projects, **separate from** the recurrent budget.

"Investing in infrastructure is investing in our future, fostering growth, and enhancing quality of life for all citizens."

- Anonymous

This budget is supported largely by development partners, enhancing community resilience and economic growth through targeted investments.

\$210.3 million

**Funding from
Development Partners
(59%)**

Represents the **majority** of the total budget, facilitating large-scale projects.

\$147.7 million

**Government contribution
via LCDF**

This funding source plays a **crucial role** in supporting local development initiatives.

72%

**Percentage of GDP
allocated to development**

This significant allocation highlights the government's commitment to improving infrastructure and services, vital for national growth.



The Development Budget 2026 underscores a strong partnership between government and development partners, with a total allocation of \$358 million aimed at enhancing essential infrastructure. These investments are crucial for sustainable development and community well-being.

BY KV-20 PILLARS

Wealth - 50%

Wealth accounts for **50%** of the resources allocated to the KV-20 pillars, highlighting its crucial role in driving development and sustainability across various sectors.



Infrastructure - 45%

Infrastructure represents **45%** of investment in KV-20, emphasizing the importance of solid foundations for economic growth and community resilience.

Peace & Security - 3%

Peace & Security stands at **3%**, underscoring the essential role of stability in enabling a thriving society.

Governance - 2%

Governance is allocated **2%**, demonstrating the need for effective leadership in ensuring the success of the KV-20 pillars.



"INVESTMENT FUELS PROGRESS AND INNOVATION."

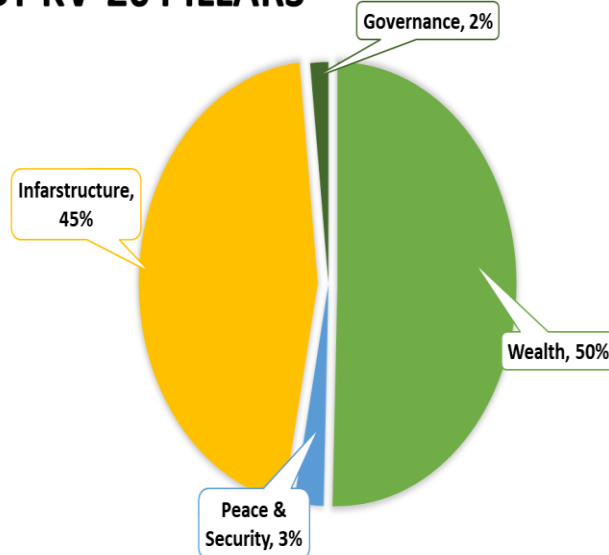
KV-20



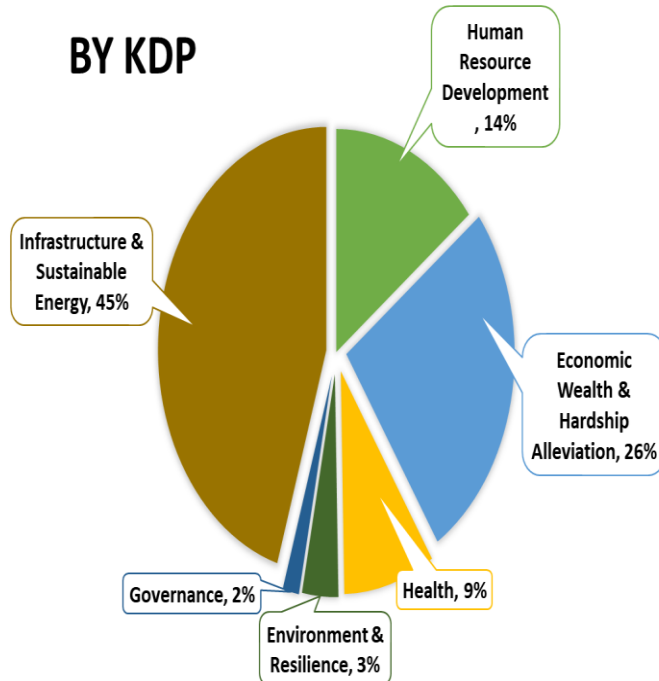
The KV-20 initiative aims to advance development through strategic investment in **Wealth, Infrastructure, Peace & Security, and Governance**. By prioritizing these pillars, communities can foster growth and resilience, ensuring a sustainable future.

Each percentage allocated reflects the importance of balance in addressing societal needs. A focus on wealth and infrastructure drives economic opportunities, while peace and governance ensure stability, enabling communities to thrive in harmony and security.

BY KV-20 PILLARS



BY KDP



BY KDP

45%

Infrastructure & Sustainable Energy constitutes **45%** of our initiatives, focusing on building resilient frameworks to support sustainable growth in communities.

26%

Economic Wealth & Hardship Alleviation

14%

Human Resource Development

9%

Health

3%

Environment & Resilience

2%

Governance



"SUSTAINABLE GROWTH IS OUR FUTURE."

- KDP Report

The pie chart illustrates the distribution of focus areas within our **KDP initiatives**. Each segment represents a key aspect of community development, showcasing our commitment to addressing vital issues through targeted action and funding in various sectors.

By prioritizing these areas, we aim to foster resilience, promote sustainable practices, and enhance community well-being. Our **data-driven approach** ensures measurable outcomes and accountability in all our projects, leading to a brighter future for all stakeholders involved.



BY DONOR

An analysis of financial contributions from key organizations

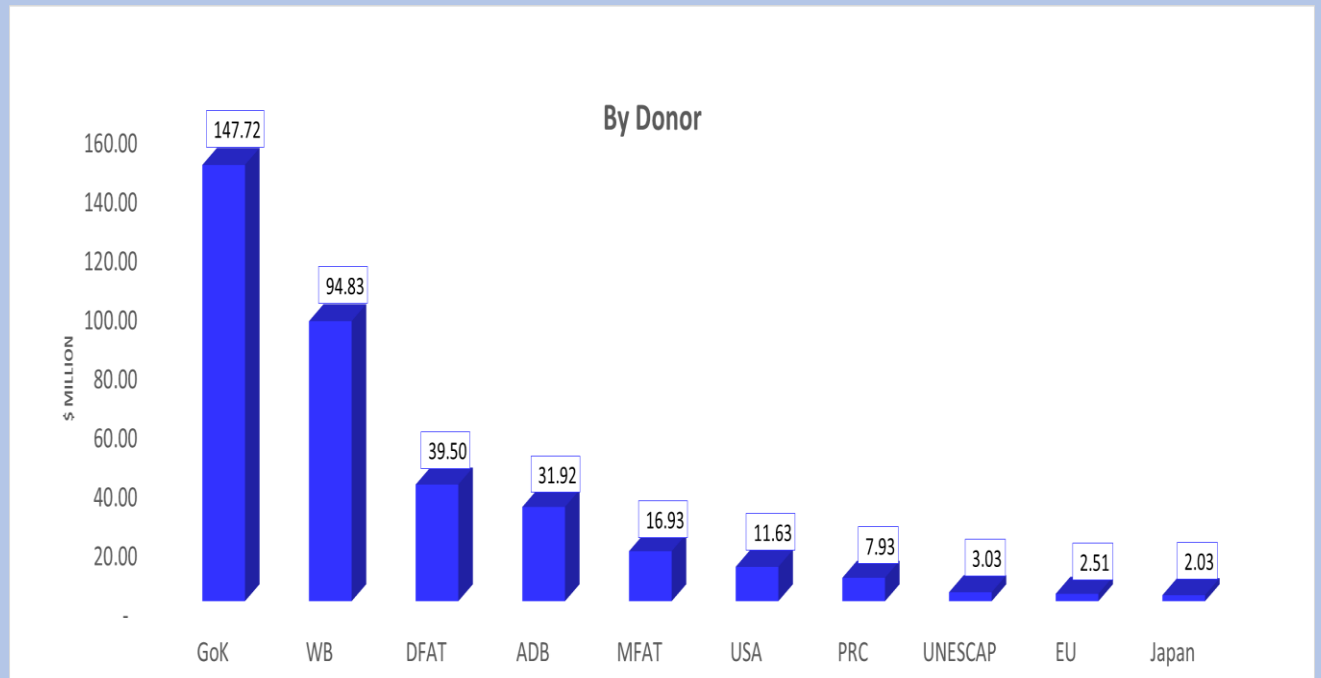
Major Contributors to Funding

The data reveals significant financial support from various donors.

147.72 Funding from GoK in millions

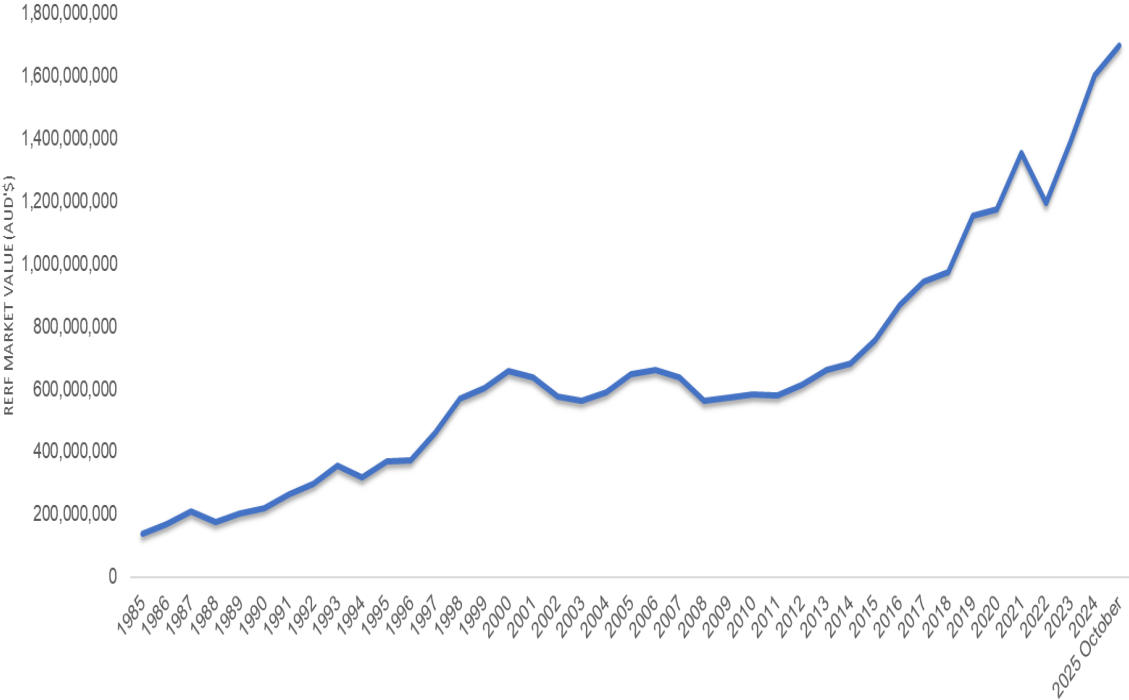
94.83 Funding from World Bank (WB) in millions

Collaborative efforts can enhance resource allocation and impact.



Revenue Equalisation Reserve Fund

Figure 1: Revenue equalisation Reserve Fund (RERF) - Annual Market Value 1985 to end October 2025 (AUD'\$)



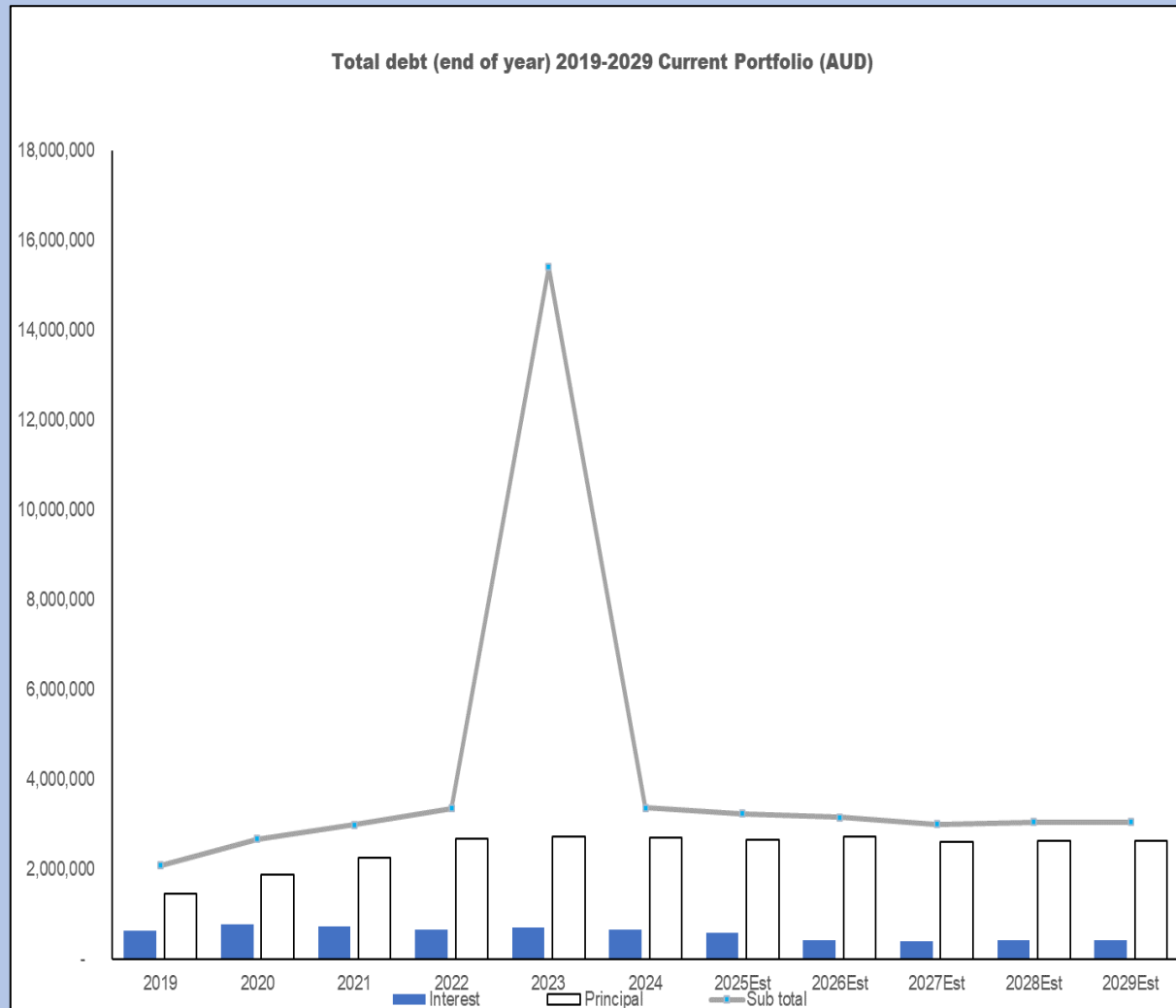
\$1.69 billion - RERF value as of 31st October 2025

The government will be making withdrawals from the RERF account in 2026, as the RERF returns for the year have generated an 6% return. This meets the threshold of 2% of nominal returns, in accordance with the RERF Withdrawal Policy.

As at 31 October 2025, the balance of the RERF stood at \$1.69 billion. Compared to the end-2024 valuation of \$1.60 billion, this implies a potential withdrawal amount of approximately \$94.1 million for 2025 in accordance with the established Rules. However, the Government has confirmed a withdrawal of \$78 million.

To date, the RERF is still performing well despite geopolitical tensions and conflicts happening in the world today.

Debt Management



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.



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

