GOVERNMENT OF SOLOMON ISLANDS

2025 Final Budget Outcome

June 2026

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MINISTER'S FORWARD

The **2025 Final Budget Outcome Report (FBO)** has been prepared in accordance with Section 52 (1) (b) of the *Public Financial Management Act 2013.*

The Minister shall table in the National Parliament and officially publish the following national budget review reports at the following times;

(b) Within four months after the end of the financial year, a report giving an overview of the budget's execution for the whole financial year.

The report begins with an overview of the global and domestic economic environment, highlighting key growth sectors, emerging risks, and future opportunities shaping economic progress and development in Solomon Islands. It also assesses the performance of the 2025 Budget by comparing final budget outcomes against the revised 2025 estimates and the 2024 fiscal outturn. This assessment covers all major segments of the national budget, including revenues, expenditures, donor support and debt management.

The report further outlines adjustments made to the budget during the fiscal year; including the regularisation of supplementary provisions, virements, advance warrants, and contingency warrants. While these changes were less significant than in previous years, careful budget management remains important to avoid unnecessary spending and ensure public resources continue to support Government's core priorities.

The report concludes by outlining measures undertaken in 2025 to strengthen fiscal discipline and safeguard stability. These measures enabled government to manage costs effectively and prevent overspending, ensuring the budget was delivered within the fiscal targets prescribed for the year. Government will continue to exercise prudent strategies to promote sound management of public finances and maintain fiscal stability in the medium term.

2025 Fiscal Position

The fundamental features of the report are outlined below:

- **Overall Budget Outcome:** The year 2025 closed with a deficit of **$768.0 million,** equivalent to about **5.2 percent of GDP**. This outcome was significantly lower than the projected deficit of **$1,364.7 million**, but higher than the 2024 deficit of **$145.0 million.**

- **Government Revenue:** Total SIG revenue reached **$4,071.4 million**, exceeding the revised budget of **$3,781.6 million** by **$289.8 million (7.7 percent)**. It was also higher than the 2024 revenue outturn of **$3,581.5 million.**

- **Government Expenditure:** Total consolidated expenditure amounted to **$5,140.3 million,** against a revised budget of **$5,447.1 million**, representing an execution rate of **94.4 percent**. Compared to 2024 expenditures, this was higher by **$1,394.7 million.**

- **Recurrent Expenditure:** Recurrent expenditure totalled **$4,047.9 million**, which was **$95.1 million (2.3 percent)** below the revised budget of **$4,143.0 million.** However, compared to 2024 spending levels, it was higher by **$768.0 million (23.4 percent).**

- **Development Expenditure:** Development expenditure reached **$791.6 million**, compared to a revised budget of **$1,003.3 million**, representing **78.9 percent execution**. This was a major improvement from 2024, where expenditures amounted to **$479.4 million**, reflecting execution of **73.8 percent**.

- **Donor Support:** Total donor support funding amounted to **$300.8 million** in 2025, exceeding the budget of **$95.9 million** and surpassing the 2024 contribution of **$131.3 million**.

- **Debt Stock:** As a consequence of the fiscal deficit, the government's debt stock rose to **29.0 percent of GDP**, still within sustainable thresholds.

Summary

In summary, Government achieved a strong fiscal outcome in 2025, supported by revenue collections performing above expectations and expenditure being managed within approved budget allocations. As a result, the fiscal deficit was significantly lower than originally projected, while debt levels remained sustainable and manageable.

Looking ahead, Government will continue to manage the budget responsibly to maintain fiscal stability and support long-term economic growth. This will be strengthened through key reform initiatives, including improvements to financial systems to ensure timely reconciliations and financial reporting in line with the requirements of the *2013 Public Financial Management Act*. Government will also strengthen medium-term fiscal planning and continue implementing prudent fiscal measures to improve financial discipline and the management of public resources.

In accordance with standard budgetary procedures, this report will be submitted to the Public Accounts Committee and the Auditor General for further scrutiny and verification. This process reinforces transparency and accountability, while strengthening public confidence in the responsible management of public finances.

With this assurance, I commend the 2025 Final Budget Outcome Report to the National Parliament of Solomon Islands for its consideration and scrutiny. I am confident that this report reflects our shared commitment to transparency, accountability, and sound fiscal management, ensuring public resources continue to support sustainable growth and improved livelihoods for all Solomon Islanders.

MINISTRY OF FINANCE AND TREASURY SOLOMON ISLANDS

Honourable Gordon Darcy Lilo, MP
Minister for Finance and Treasury

1.0 INTRODUCTION

The Final Budget Outcome Report (FBO Report) has been prepared in accordance with Section 52(1)(b) of the Public Financial Management Act 2013 (PFM Act 2013), which requires the Government to present a report on the final budget outcome within four months of the close of each fiscal year.

The submission of this report has been delayed due to challenges encountered in reconciling financial data across the Government's Financial Management Information System (FMIS) and key interfacing systems, including the Customs ASYCUDA system and the AURION Payroll system. These challenges reflect the complexities associated with implementing and integrating new financial management systems. Despite these constraints, substantial improvements in reconciliation processes and financial reporting practices have enabled the successful completion of this report. The Ministry of Finance remains committed to strengthening these systems and processes through ongoing public financial management reforms aimed at improving the timeliness, accuracy, and reliability of fiscal reporting.

The publication of this report demonstrates the Government's continued commitment to transparency, accountability, and sound fiscal management. Following its tabling, a summary version will be prepared and disseminated to provide the public, development partners, and other stakeholders with an accessible overview of the Government's budget performance for the 2025 financial year. Through this process, the Government reaffirms its commitment to maintaining public confidence and ensuring the responsible stewardship of public resources.

Final Budget Outcome Report

The Final Budget Outcome (FBO) Report is organised into two sections.

Section I: Economic Performance

This section assesses developments in the global and domestic economy and their implications for economic performance in Solomon Islands. It examines trends in key macroeconomic indicators, including economic growth, inflation, employment, foreign reserves, and the balance of payment; and evaluates the principal drivers, risks, and opportunities shaping the economic outlook. The analysis provides the macroeconomic context for the fiscal outcomes covered in this report.

Section II: Fiscal Performance

This section assesses the Government's fiscal performance in 2025 by comparing final budget outcomes against approved budget estimates and the 2024 fiscal outturn. It examines the performance of the Government's key fiscal aggregates, including revenue, expenditure, donor support and debt financing, and analyses the factors influencing fiscal outcomes during the year.

The section also reviews budget adjustments undertaken through virements, warrants, and supplementary appropriations, and assesses their implications for budget execution and fiscal discipline. It concludes by outlining the key fiscal challenges and risks encountered during the year and the measures implemented to strengthen public financial management, preserve fiscal sustainability, and maintain macroeconomic stability.

2.0 DATA SOURCES AND VERIFICATION

Most of the financial data presented in this report are drawn from the **D365 Finance and Operations System**, the government's primary **Financial Management Information System (FMIS)**. This system provides comprehensive records on **expenditures**, **revenues**, **donor support**, and **debt management** – the core components of the government budget.

The following processes are followed to reconcile data for the above-mentioned fiscal parameters:

Expenditure: All expenditure data posted into the system are carefully reconciled with records maintained by line ministries before they are confirmed and locked into the system.

Revenue: All tax revenue data are verified against source information in the ASYCUDA system and IRD tax records. Non-tax revenue data are reconciled with records held by various revenue-generating agencies.

Payroll: Payroll data are cross-checked with the **AURION system** to guarantee consistency.

Donor Support: Donor support data are reconciled with records held by the Central Bank and other relevant ministries and departments.

Debt Management: Debt data are verified and reconciled with internal records and files in the Ministry of Finance and Treasury, as well as with key lending partners.

Through these verification processes, the government ensures that the final results presented in this report are both accurate and consistent, reinforcing confidence in the integrity of fiscal reporting.

3.0 REPORT SUMMARY

Overview of the 2025 Final Budget Outcome Report (FBO Report)

Economic Growth: Real GDP expanded by 3.7 percent in 2025, up from 2.7 percent in 2024 and 2.9 percent in 2023, reflecting stronger overall economic performance.

Fiscal Balance: The fiscal year closed with a deficit of $768.0 million, well below the revised estimate of $1,364.7 million. However, this remains significantly larger than the $145.0 million deficit recorded in 2024.

Government Revenue: Total SIG revenue reached $4,071.4 million, exceeding both the revised budget of $3,781.6 million and the 2024 outcome of $3,581.5 million.

Government Expenditure: Consolidated expenditure amounted to $5,140.3 million, below the revised budget of $5,447.1 million, yielding an execution rate of 94.4 percent. Compared to 2024, this represents an increase of $1,249.7 million.

Recurrent Expenditure: At $4,047.9 million, recurrent spending was $95.1 million (2.3 percent) lower than the revised budget but still $768.0 million (23.4 percent) higher than in 2024.

Development Expenditure: Development spending reached $791.6 million, reflecting an execution rate of 78.9 percent against the revised budget of $1,003.3 million. This marks a notable improvement from 2024, when expenditure was $479.4 million with a 73.8 percent execution rate.

Donor Support: Donor funding surged to $300.8 million in 2025, far above the budgeted $95.9 million and more than double the 2024 contribution of $131.3 million.

Debt Stock: By December 2025, government debt stood at $4,230.4 million, equivalent to 29.0 percent of GDP. This remains comfortably within the sustainable threshold of 35 percent of GDP.

SECTION I: ECONOMIC PERFORMANCE 2025

World Economic Update

According to the latest World Economic Outlook (WEO), global growth is expected to slow from 3.3 percent in 2024 to 3.2 percent in 2025, and reduce further to 3.1 percent in 2026. Advanced economies are projected to expand by around 1.5 percent, while emerging market and developing economies are expected to grow just above 4 percent.

Inflation is anticipated to continue declining globally, though with variation across countries. It remains above target in the United States, with risks tilted to the upside, while being more subdued elsewhere.

Risks to the outlook are largely tilted to the downside. Prolonged uncertainty, rising protectionism, and labour supply shocks could weaken growth. In addition, fiscal vulnerabilities, potential financial market corrections, and the erosion of institutions pose further threats to macroeconomic stability.

Against this backdrop, policymakers are urged to restore confidence through credible, transparent, and sustainable measures. Trade diplomacy should be complemented by appropriate macroeconomic adjustments to safeguard external stability. Fiscal buffers must be rebuilt, central bank independence must be safeguarded, and structural reform efforts should be strengthened to ensure resilience in the face of ongoing challenges.

Table 1: IMF World Economic Outlook

World Economic Outlook Growth Projections

(Real GDP, annual percent change)	2024	PROJECTIONS 2025	2026
World Output	3.3	3.2	3.1
Advanced Economies	1.8	1.6	1.6
United States	2.8	2.0	2.1
Euro Area	0.9	1.2	1.1
Germany	-0.5	0.2	0.9
France	1.1	0.7	0.9
Italy	0.7	0.5	0.8
Spain	3.5	2.9	2.0
Japan	0.1	1.1	0.6
United Kingdom	1.1	1.3	1.3
Canada	1.6	1.2	1.5
Other Advanced Economies	2.3	1.8	2.0
Emerging Market and Developing Economies	4.3	4.2	4.0
Emerging and Developing Asia	5.3	5.2	4.7
China	5.0	4.8	4.2
India	6.5	6.6	6.2
Emerging and Developing Europe	3.5	1.8	2.2
Russia	4.3	0.6	1.0
Latin America and the Caribbean	2.4	2.4	2.3
Brazil	3.4	2.4	1.9
Mexico	1.4	1.0	1.5
Middle East and Central Asia	2.6	3.5	3.8
Saudi Arabia	2.0	4.0	4.0
Sub-Saharan Africa	4.1	4.1	4.4
Nigeria	4.1	3.9	4.2
South Africa	0.5	1.1	1.2
Memorandum			
Emerging Market and Middle-Income Economies	4.3	4.1	3.9
Low-Income Developing Countries	4.2	4.4	5.0

Source: IMF, *World Economic Outlook*, October 2025

Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2024/25 (starting in April 2024) shown in the 2024 column. India's growth projections are 7.0 percent in 2025 and 6.1 percent in 2026 based on calendar year.

INTERNATIONAL MONETARY FUND IMF.org/pubs

Domestic Economic Performance

The Solomon Islands economy is estimated to grow by 3.7 per cent in 2025, compared to 2.7 percent in 2024 and 2.9 percent in 2023, indicating a strengthening in economic activity. The higher growth in 2025 was mainly driven by a significant expansion in the industry sector, while the services sector also recorded moderate growth. Growth in the agriculture, fisheries, and forestry sector remained relatively stable.

The industry sector recorded strong growth of 6.1 per cent in 2025, up from 2.5 per cent in 2024. This performance was largely driven by a substantial increase in mining and quarrying activity, which grew by 48.5 per cent in 2025, compared to 12.0 per cent in 2024. This sharp increase reflected higher production and exports in minerals, making mining the main contributor to overall GDP growth. Other industry subsectors also improved, including construction, which grew from 1.6 percent to 4.3 percent, and electricity and water, which increased from 1.8 percent to 2.5 percent. Manufacturing also recorded a slight increase, from 1.9 percent to 2.1 percent.

The services sector grew by 3.9 percent in 2025, compared to 3.3 percent in 2024, supported by broad-based growth across most subsectors. Transport and storage increased significantly from 0.6 per cent to 4.6 per cent, reflecting higher movement of goods, particularly related to mining and trade. Communications recorded strong growth of 7.3 per cent, up from 2.3 percent, indicating expansion in telecommunications and digital services. Wholesale and retail trade grew slightly from 3.4 per cent to 3.5 percent, while financial intermediation and insurance services increased from 2.0 percent to 2.7 percent. Health services remained strong at 5.1 percent, while education and public administration recorded moderate growth.

The agriculture, fisheries, and forestry sector grew by 2.0 percent in 2025, slightly lower than 2.1 percent in 2024. Within the sector, agriculture and hunting grew strongly at 2.7 percent, compared to 1.9 percent in 2024, while fishing remained stable at 1.5 percent. However, forestry and logging contracted by 1.1 percent, compared to growth of 3.8 percent in 2024, partly offsetting gains in other subsectors.

Stronger GDP growth in 2025 reflected the recovery and expansion in mining, improved performance in construction and utilities, and broad-based growth in services. Despite weaker performance in forestry, the economy performed better than in 2024, driven mainly by the industry sector.

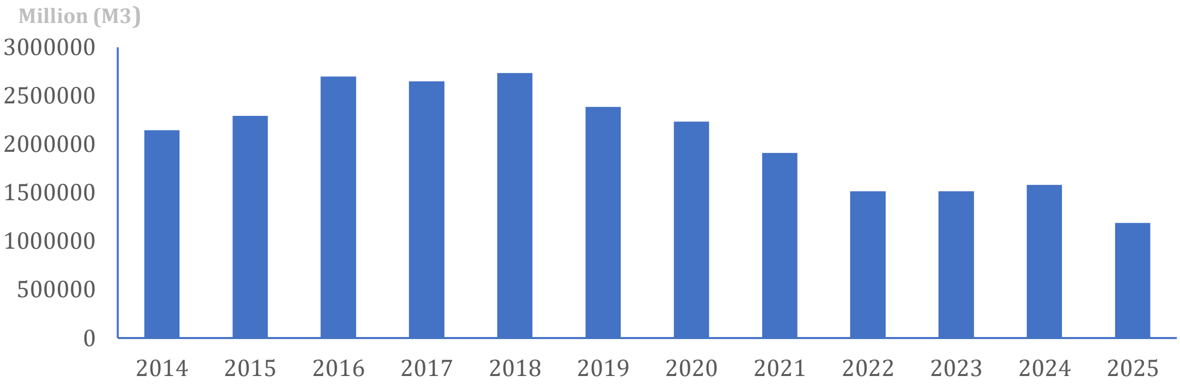
Logging Activities (2025)

The logging sector recorded a significant decline in 2025 compared to the strong performances of 2023 and 2024. Logging revenue fell from $310.5 million in 2024 to $216.7 million in 2025, representing a decline of approximately 30.2 per cent. Log export volumes also decreased, from 1,581,074 m^3 to 1,188,771 m^3, a reduction of 24.8 percent, underscoring the substantial contraction in production and export activity.

The number of shipments dropped from 483 in 2024 to 337 in 2025, a decline of 30.2 per cent, while the number of logs harvested fell from 585,876 to 493,341, down 15.8 per cent. Export earnings mirrored this downward trend, declining from $1.37 billion in 2024 to $988.2 million in 2025, a fall of 27.8 per cent, reflecting both lower export volumes and weaker international prices.

Looking ahead, the sector is projected to experience further contraction, driven by subdued demand, falling prices, reduced harvesting activity, and increasing resource constraints.

Chart 1: Log Volume 2014-2025



Mining Activities (2025)

Mining activity in the Solomon Islands remained robust in 2025, building on the strong recovery seen in 2024. The sector's performance was driven largely by gold production, with Gold Ridge Mining operations contributing significantly to higher output and increased export earnings.

Gold output was estimated at around 220,000 ounces (approximately 6.8 tonnes), while nickel production remained modest at about 1,500 tonnes. The majority of gold produced was exported, reinforcing the sector's role as a key source of export earnings and foreign exchange inflows.

Commodity prices remained favourable, with gold averaging about USD 2,500 per ounce and nickel around USD 20,000 per tonne. As a result, total mining export earnings were estimated at approximately SBD 3.2 billion, driven predominantly by gold.

Overall, the mining sector recorded stable production levels and strong export performance in 2025, although growth was more moderate compared to the sharp recovery achieved in 2024.

Fisheries Sector (2025)

Fisheries, particularly tuna production, remains an essential part of the Solomon Islands economy and a major source of export earnings and employment. In 2025, the sector recorded modest growth of 1.5 percent, but its contribution to GDP declined slightly due to high fuel costs and global shipping disruptions affecting export logistics. Despite these challenges, tuna exports remained strong, particularly to Japan, the United States, Europe, and Pacific Island countries. The expansion of fish processing capacity in Noro supported value-added production.

However, fishing activities underperformed compared to 2024 due to unfavourable weather conditions, shifting fish migration patterns, and rising operational costs. Total fish catch increased by only 9 per cent, lower than the growth recorded in 2023, indicating a slowdown in fishing activity. This, combined with higher costs, weakened overall sector performance despite strong export demand.

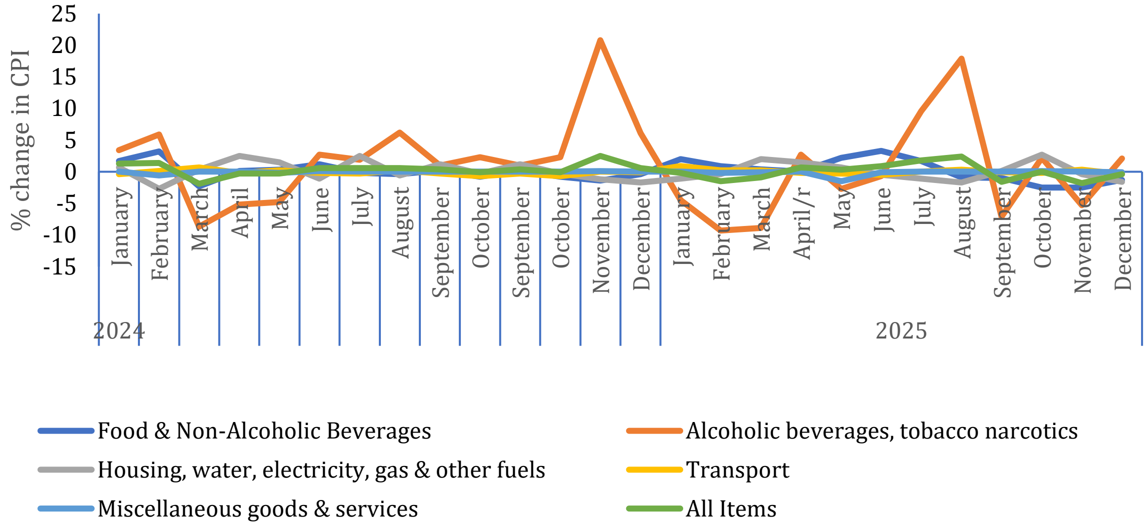
Chart 2: Solomon Islands Real GDP growth (2010-2025)

Inflation Update

The National Consumer Price Index (NCPI) declined by **0.4 percentage points** in December 2025 compared to December 2024, reflecting mixed price movements across several expenditure categories. These price movements are show below:

- **Food and Non-Alcoholic Beverages:** (–1.3%)
- **Alcoholic Beverages, Tobacco and Narcotics:** (+2.1%)
- **Housing, Water, Electricity, Gas & Other Fuels:** (–1.6%).
- **Transport:** (–0.4%)
- **Miscellaneous Goods & Services:** (–0.1%).

Chart 3: Solomon Islands Inflation Rate



Annual inflation for the calendar year 2025, measured on a three-month moving average basis, was 3.4 percent, representing a decline of 0.8 percentage points from the 2024 annual rate of 4.2 percent. According to the National Statistics Office, the corresponding annual imported inflation rate was 0.8 percent, while the domestic inflation rate stood at 4.4 percent in 2025.

Employment Update

The labour market in the Solomon Islands improved in 2025 compared to 2024, as evidenced by rising total employment and a corresponding decline in unemployment. Total employment rose from 97,089 in Q4 2024 to 104,212 in Q4 2025, representing an increase of 7,123 jobs, or approximately a 7.3 percent growth, which reflected an expansion in formal employment opportunities during the year.

At the same time, the number of unemployed persons declined from 110,672 in Q4 2024 to 108,525 in Q4 2025, a decrease of 2,147 persons, suggesting a modest improvement in labour market conditions, although unemployment levels remain relatively high.

According to SINPF[1] data, the labour market strengthened in 2025, supported by growth in key sectors of the economy, particularly mining, construction, and services, which contributed to the overall expansion in employment opportunities.

The largest employing sectors in 2025 were:

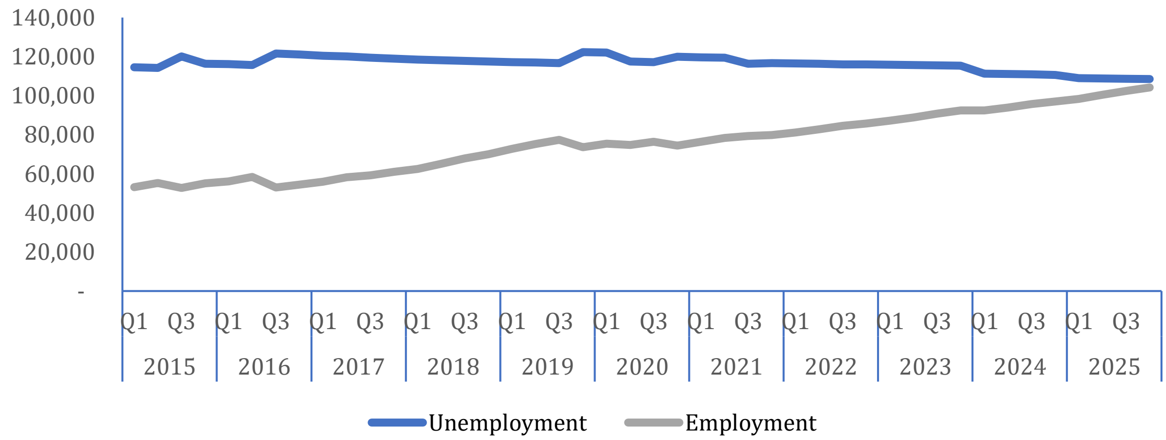
[1] Solomon Islands National Provided Fund

Table 2: Employment by Sector

Sector	No. of Employment (Q4 2025)	Sector Contribution to Employment (%)
Public administration and defence	24,601	28.5%
Wholesale and retail trade	18,883	21.9%
Forestry	16,462	19.1%
Other service activities	7,778	9.0%
Manufacturing	7,225	8.4%
Construction	4,613	5.4%
Agriculture	3,706	4.3%
Mining	2,767	3.2%

Public administration remained the largest employer in 2025, underscoring the significant role of government in sustaining employment across the economy. Within the private sector, wholesale and retail trade continued to be the leading source of jobs, while forestry also remained one of the largest employing sectors despite the decline in logging activity.

Chart 4: Employment (SINPF data)



Balance of Payments

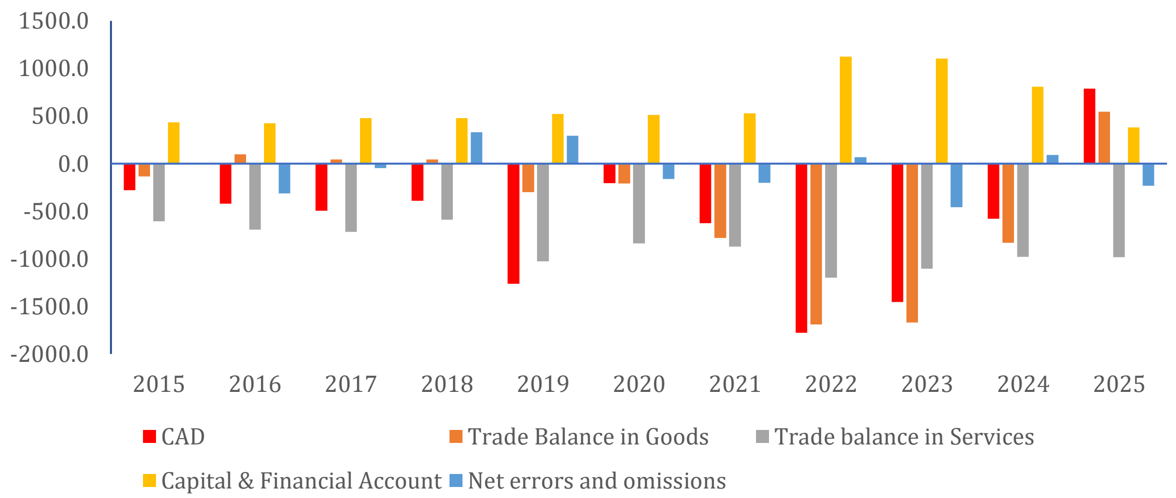
In 2025, the current account reversed its historical trend and registered a surplus of $788 million, equivalent to 4.7 percent of GDP. This marks a sharp contrast with the persistent deficits that characterized much of Solomon Islands' economic history, including a deficit of 4.2 percent in 2024 and 12.6 percent in 2023. The surplus was driven mainly by higher merchandise exports, particularly minerals and gold, alongside cocoa and logs. Imports remained stable in the absence of major infrastructure programs, while the services account continued to post a large deficit of $983 million, broadly unchanged from the previous year.

The country's external position strengthened in 2025, with gross foreign exchange reserves held by the Central Bank of Solomon Islands rising to around $6.7 billion, sufficient to cover approximately 12 months of imports. Despite this improvement, structural challenges persist, including an undiversified economic base - shifting from logging to mining, volatile aid inflows, and governance weaknesses, all of which constrain long-term growth prospects.

The capital and financial accounts registered a surplus of $382 million in 2025, though this was markedly weaker than the $812 million surplus in 2024 and the $2.1 billion surplus in 2023. The decline was largely driven by a sharp contraction in the financial account, which for the first time since 2014 recorded a deficit of $187 million.

While infrastructure development financed by the government and donor partners continued to sustain the surplus, slower foreign direct investment (FDI) and lower other investment flows weighed heavily on the overall balance of payments. This shift underscores the growing reliance on public and donor-financed projects to maintain external stability, while private capital inflows remain subdued.

Chart 5: Solomon Islands Current Accounts Deficit



SECTION II: FISCAL PERFORMANCE OVERVIEW

The 2025 fiscal year closed with a deficit of **$768.0 million**, a notable improvement compared to the revised deficit projection of **$1,364.7 million.** This outturn, however, was still higher than the **$145.0 million** deficit recorded in 2024**,** underscoring continuing challenges in sustaining the fiscal balance and effectively managing ministry budgets. **Summary Table 1: 2025 Final Budget Outcome (Summary)** provides an overview of the fiscal outcome for 2025.

Revenue: Domestic revenue collection strengthened significantly in 2025, with actual receipts reaching **$4,071.4 million**, reflecting a 13.7 percent increase over 2024 collections. This outcome was driven by strong performances from the Inland Revenue Division (IRD) and the Customs & Excise Division (CED)**,** whose collections exceeded the $2 billion and $1 billion thresholds respectively.

Payroll Costs: Payroll spending amounted to **$1,697.3 million** in 2025, reflecting a slight underspend of $7.0 million (0.4 per cent) against the revised budget of **$1,704.4 million**. Nevertheless, personnel emolument costs were higher than the 2024 outturn of $1,581,6 million, representing an increase of $115.7 million (7.3 per cent).

Other Charges: Expenditure totalled **$1,965.8 million**, falling below the revised budget of $2,158.6 million by 8.9 percent. Despite this underspend, expenditures in 2025 remained above the 2024 expenditure of $1,632.7 million.

Debt Servicing: National debt servicing rose sharply to **$384.7** million, exceeding the revised budget of $263.4 million by 46.1 percent. This payment was also substantially higher than the $65.6 million recorded in 2024, marking a significant departure from past moderate trends.

Development Expenditure: Development spending reached **$791.6** million in 2025, falling short of the revised budget of $1,003.3 million by 21.1 percent. This amount, however, was well above the 2024 expenditure of $479.4 million, underscoring the government's stronger emphasis on driving development and growth across the nation.

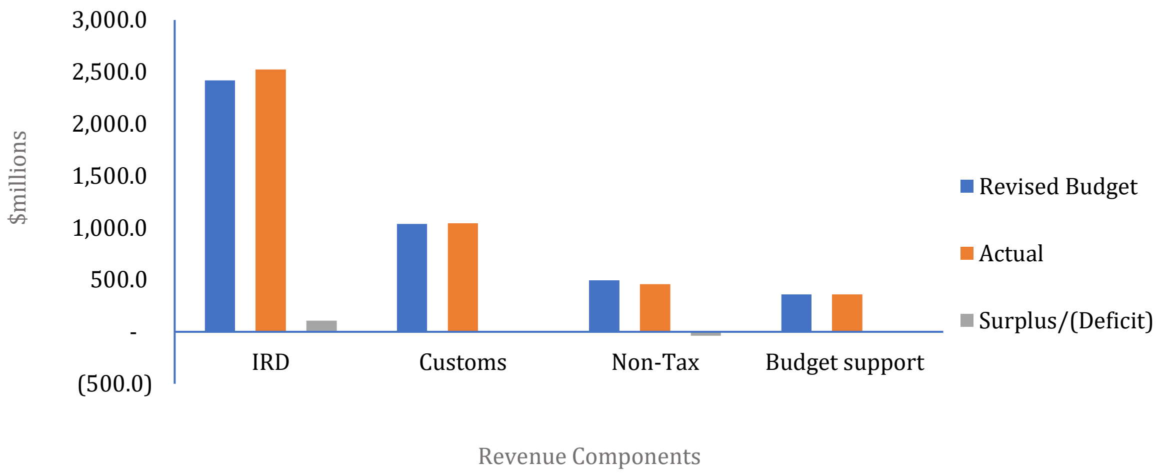
4.0 REVENUE BUDGET

Total domestic revenues — also referred to as Solomon Islands Government (SIG) revenue — is made up of both tax revenues and non-tax revenues. Tax revenues are collected by the Inland Revenue Department and the Customs and Excise Department; while Non-Tax Revenues are collected by line ministries administering various statutory fees and charges.

Total SIG revenues amounted to approximately **$4,071.4 million** by the end of December 2025, exceeding the revised budget of $3,781.6 million by $289.8 million and also outperforming the 2024 collection by $489.9 million. The growth was driven mainly by tax revenue collections, while non-tax revenues contributed marginally.

In addition to SIG revenues, the government received about **$300.8 million** from **donors** in 2025 – more than three times the budgeted amount of $95.9 million and more than double the $131.3 million recorded in 2024.

Chart 6: 2025 Revenue



Inland Revenue Division Revenue (IRD)

The Inland Revenue Department (IRD) collected a total of **$2,513.9 million** in 2025, exceeding the revised budget by $266.7 million, or 11.9 percent. Compared with 2024, receipts rose by 13.6 percent, marking the second consecutive year of double-digit growth. This strong performance was underpinned by sustained economic expansion and robust consumer spending.

The above outturn was driven primarily by higher receipts from goods tax, personal income tax, and company tax. Several underlying factors contributed to this strong performance:

- **Recovery of trade**: Imports have returned to pre-COVID levels, boosting goods tax collections.
- **Administrative reforms**: Measures implemented by the Inland Revenue Division have strengthened compliance and expanded the base for income tax receipts.
- **Mining boom**: Increased activity, particularly at Gold Ridge Mine, has provided a significant boost to revenue.

These factors are expected to continue supporting collections in the coming years, thereby enhancing overall revenue mobilization and reinforcing fiscal resilience.

The following highlights the performance of key IRD revenue components in 2025, measured against revised budget targets and 2024 collections.

- **Company tax**: Receipts totalled **$543.2 million**, exceeding the revised budget of $354.5 million by $188.7 million (53.2 percent). Compared to 2024 collections of $349.1 million, this represents an increase of $194.1 million or 55.6 percent.

- **Goods tax**: Collections reached **$910.8 million**, slightly below the revised budget of $914.7 million by $3.9 million (0.4 percent). However, compared to 2024, receipts rose by $39.7

million (4.6 per cent). Goods tax remains the largest single tax category, contributing nearly 36 percent of IRD's total revenue in 2025.

- **Personal income tax**: Receipts amounted to **$593.5 million**, surpassing the revised budget of $533.0 million by $60.5 million (10.2 percent). Compared to 2024 collections of $547.5 million, this is an increase of $46.0 million (8.4 per cent).

- **Withholding tax**: Collections totalled **$316.2 million**, exceeding the revised budget of $307.3 million by $10.7 million (3.5 per cent). This also represents a $8.3 million (2.7 per cent) increase over the 2024 actual of $307.9 million.

- **Sales tax**: Receipts reached **$97.4 million**, above the revised budget of $91.0 million by $6.4 million (6.6 percent). Compared to 2024 collections of $93.3 million, this represents an increase of $4.1 million (4.4 percent).

- **Stamp duty**: Collections totalled **$30.9 million**, exceeding the revised budget of $27.6 million by $3.3 million or 10.5 percent. Compared to 2024, receipts rose by $7.6 million or 32.5 percent.

- **Licenses & fees**: License proceeds reached **$21.9 million**, slightly above the revised budget of $19.1 million by $2.8 million (14.8 percent). Compared to 2024, this represents an increase of $1.7 million or 8.5 percent.

Customs and Excise Division Revenue (CED)

In 2025, the **Customs & Excise Division** sustained collections above the $1 billion mark, slightly exceeding the level achieved in 2024. Total receipts amounted to **$1,097.7 million**, surpassing the revised budget of $1,038.1 million by $59.7 million (5.7 percent). Compared to 2024, this reflected an increase of about $97.3 million or 9.7 percent. The growth was driven largely by strong import duty performance and a rebound in export duties, underpinned by the expansion in the mining sector.

- **Import duties**: Receipts totalled **$344.8 million**, slightly below the revised budget of $346.0 million by $1.2 million (0.4 percent). However, compared to 2024, collections rose by $20.8 million (6.4 percent). Despite the marginal shortfall, import duties remained the strongest contributor across this category, accounting for 31.4 percent of total CED revenues.

- **Export duties**: Collections reached **$329.7 million**, of which $214.6 million (65.1 percent) came from log exports. This was $58.1 million (15.0 percent) below the revised budget of $387.8 million and $17.9 million (5.1 percent) lower than 2024 collections. However, mineral exports showed notable improvement, generating $56.4 million — an increase of $33.5 million over 2024 receipts.

- **Excise duties**: Receipts totalled **$418.9 million**, exceeding the revised budget of $300.8 million by $118.1 million (39.2 percent) and surpassing 2024 collections by $92.8 million (28.5 percent). Tobacco and beer excise duties recorded substantial surpluses of $68.5 million and $89.2 million respectively against their revised targets.

- **Licenses, fees & penalties**: Collections totalled **$4.3 million**, exceeding the revised budget of $3.4 million by $0.9 million and surpassing 2024 receipts by $1.6 million.

Non-tax Revenue (NTR)

Non-tax revenue receipts totalled **$459.8 million** in 2025, falling short of the revised estimate of $496.3 million by $36.5 million (7.4 percent). Despite this shortfall, collections were significantly higher than in 2024, rising by $91.1 million or 24.7 percent. This reflects a strong recovery from the pandemic-driven downturn, signalling renewed economic momentum and a gradual improvement in the business environment.

- **Ministry of Fisheries and Marine Resources**: Collected **$333.6 million**, an increase of $99.4 million (42.4 percent) over 2024. The growth was driven primarily by a rise in fishing licenses issued, supported by favourable fishing conditions that boosted sectoral activity and revenue performance in the sector.

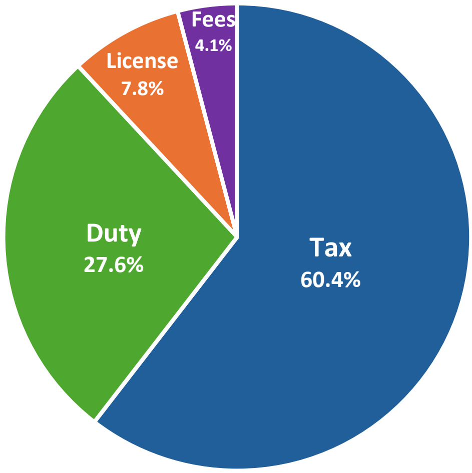
- **Other Ministries**: Notable contributions came from the Ministry of Commerce, Industry, Labour and Immigration ($46.8 million), the Ministry of Lands, Housing and Survey ($17.2 million), and the Ministry of Finance and Treasury ($16.7 million).

SIG Domestic Revenue by Economic Classification

This section provides an overview of the Solomon Islands Government (SIG) domestic revenues by economic classification, highlighting the relative contribution of each category to total collections in the 2025 fiscal year.

- **Tax**: $2,461.1 million, representing 60.4 percent of total domestic revenue of $4,071.4 million.
- **Duty**: $1,124.3 million, accounting for 27.6 percent of total domestic revenue.
- **License**: $317.1 million, contributing 7.8 percent of total domestic revenue.
- **Fees, charges & others**: $169.0 million, making up 4.1 percent of total domestic revenue.

Chart 7: SIG Domestic Revenue (Economic Classification)



Budget Support Revenue (BS)

Total budget support received in 2025 amounted to **$300.8 million**, more than triple the expected allocation of $95.9 million and more than double the 2024 contributions of $131.3 million. Of the total receipts, **DFAT** and the **World Bank** together contributed 75.2%, with the balance provided by other donor partners.

Table 7: 2025 Budget Support Revenue and Expenditure presents a detailed summary of actual receipts from donor partners in 2025 relative to the revised budget.

5.0 EXPENDITURE BUDGET

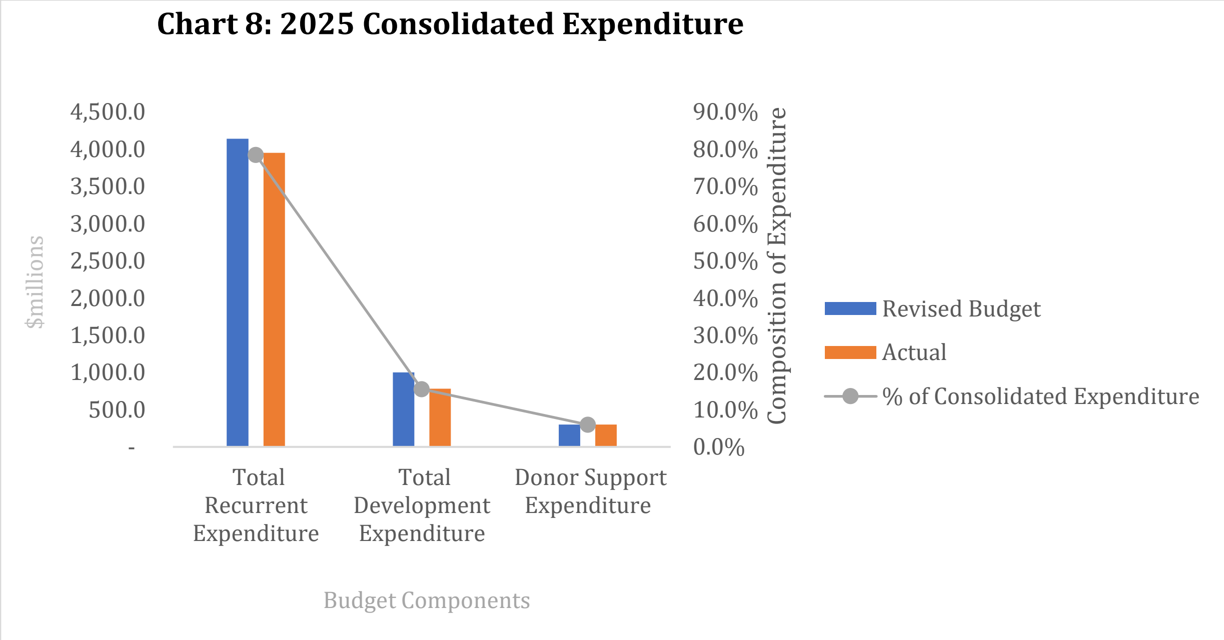
Total expenditure in 2025 amounted to **$5,140.3 million**, reflecting an underspend of $306.9 million (5.6%) against the revised budget of $5,447.1 million. Despite this variance, expenditures remained higher than 2024 levels of $3,890.6 million, representing an increase of $1,249.7 million (32.1%).

Budget execution improved significantly, reaching **94.4%** in 2025 compared to **84.6%** in 2024. Of the total expenditure, SIG Expenditure accounted for $4,839.4 million (94.0%), while Donor Support Expenditure contributed $300.8 million (6.0%).

Within SIG Expenditure:

- **Recurrent Expenditure** totalled $4,047.9 million (83.6 percent).
  - **Payroll**: $1,697.3 million (41.9 percent of recurrent).
  - **Other Charges (including debt servicing)**: $2,350.5 million (58.1 percent of recurrent).

- **Development Expenditure** totalled $791.6 million (16.4 percent).



RECURRENT EXPENDITURE

Total recurrent expenditure in 2025 amounted to **$4,047.9 million**, representing a shortfall of $95.1 million (2.3%) against the revised budget of $4,143.0 million. Nevertheless, expenditures increased substantially compared to 2024, rising by $768.0 million or 23.4%. **Budget execution** also improved in 2025, reaching **97.7%** compared to 89.3% in 2024.

The SIG Recurrent Budget is primarily composed of two expenditure categories: Payroll and Other Charges (including debt servicing). In 2025, these categories accounted for approximately 83.6 per cent of total budget expenditure, reflecting the substantial share of government resources allocated to the financing of recurrent operations and statutory obligations.

Overspending under Recurrent Expenditure

One Ministry recorded overspending against their overall SIG Recurrent Budget allocation in 2025. This is Ministry of Education and Human Resources Development (Head 05), with an overspending of **$49.7 million**, primarily under the payroll budget. The overspending was driven by the following factors:

- Increased recruitment of teachers in 2025 following the registration of new schools;
- Implementation of teachers' new pay structure for Early Childhood Education (ECE), primary, and secondary teachers in accordance with the new *Education Act 2023*.

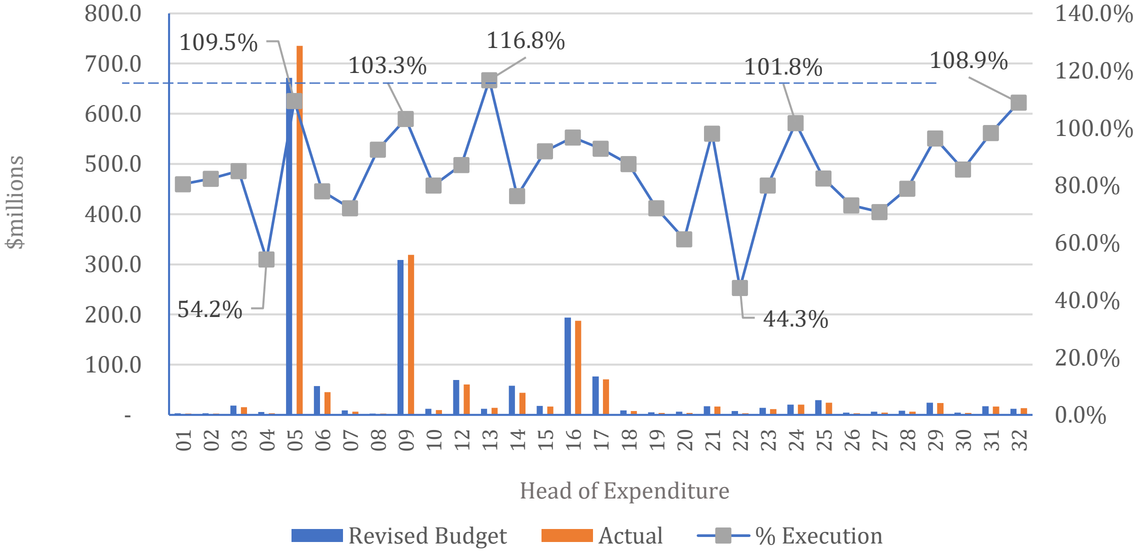
Head 11 – National Debt Servicing, also recorded an overspending of **$121.3 million**. As a statutory expenditure item, National Debt Servicing falls outside the annual recurrent appropriation. The overspending was mainly attributable to the redemption of matured bond obligations issued in previous years.

SIG Payroll

Total payroll expenditure in 2025 amounted to **$1,697.3 million**, reflecting a shortfall of $7.0 million (0.4%) against the revised budget of $1,704.4 million. Compared to the 2024 payroll expenditure of $1,581.6 million, this represented an increase of $115.7 million or 7.3 percent.

Table 8: 2025 Payroll Expenditure provides a detailed breakdown of payroll spending by Head, covering all 32 ministries and agencies of the Solomon Islands Government.

Chart 9: 2025 SIG Payroll



Overspending under Payroll Budget

As illustrated in **Chart 9: 2025 SIG Payroll**, five cases of overspending were identified under the payroll budget for 2025. These are;

1. **Ministry of Education and Human Resources Development (Head 05)** Overspending of **$63.5 million (9.5 percent)** above the revised budget of $671.5 million. Significant overspending occurred in: Salaries – Public Servants; Housing Allowance – Public Servants; Various Allowances – Public Servants; NPF – Employers Contribution; and Long Service Benefits.

2. **Ministry of Health and Medical Services (Head 09):** Overspending of **$10.1 million (3.3 percent)** above the revised budget of $308.9 million. Key overspending lines include: Salaries – Public Servants; Various Allowances – Public Servants; and Special Duty Allowance – Public Servants.

3. **Ministry of Forestry and Research (Head 13)** Overspending of **$2.0 million (16.8 percent)** above the revised budget of $11.8 million. Significant overspending occurred in: Salaries – Public Servants; and Long Service Benefits.

4. **Ministry of Public Service (Head 24):** Overspending of **$0.4 million (1.8 percent)** above the revised budget of $20.3 million. Key overspending lines include: Salaries – Public Servants; and Long Service Benefits.

5. **Ministry of Environment, Climate Change, Disaster Management and Meteorology (Head 32)**: Overspending of **$1.1 million (8.9 per cent)** above the revised budget of $12.0 million. The main overspending line was Long Service Benefits.

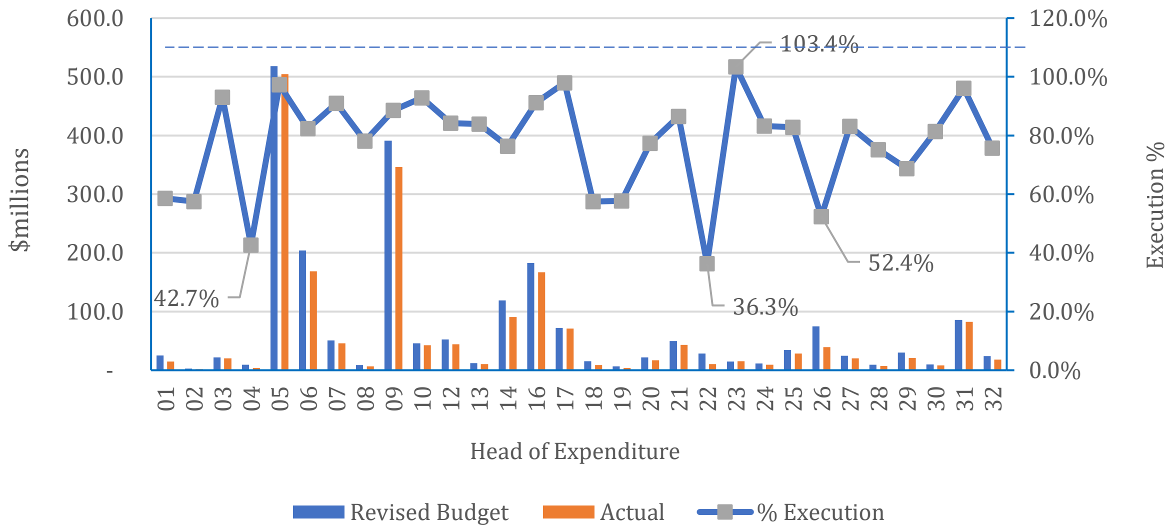
SIG Other Charges Expenditure

Total expenditure on Other Charges (excluding Head 11 – National Debt Servicing) amounted to $1,965.8 million in 2025, against a revised budget of $2,158.6 million. This represented an underspend of $192.8 million (8.9%) and an execution rate of 91.1%.

Compared to 2024, however, spending on Other Charges increased substantially, rising from $1,632.7 million to $1,965.8 million — an increase of $333.2 million or 16.9%.

Table 9: 2025 Other Charges Expenditure provides a detailed breakdown of spending by Head across all 32 ministries of the Solomon Islands Government.

Chart 10: 2025 SIG Other Charge



Overspending under Other Charges

For the fiscal year 2025, only one case of overspending was recorded under Other Charges, involving the Ministry of Fisheries and Marine Resources.

- **Ministry of Fisheries and Marine Resources (Head 23):** Overspending of $0.5 million (3.4%) above the revised budget of $14.6 million. Significant overruns were noted in the following budget line:
  - Public Servants – Annual Leave Fares

Despite overspending by some ministries, the overall expenditure remained within the total revised budget of $4,143.0 million. This is attributed to underspending across other ministries which more than offset the above over-expenditures.

DEVELOPMENT EXPENDITURE

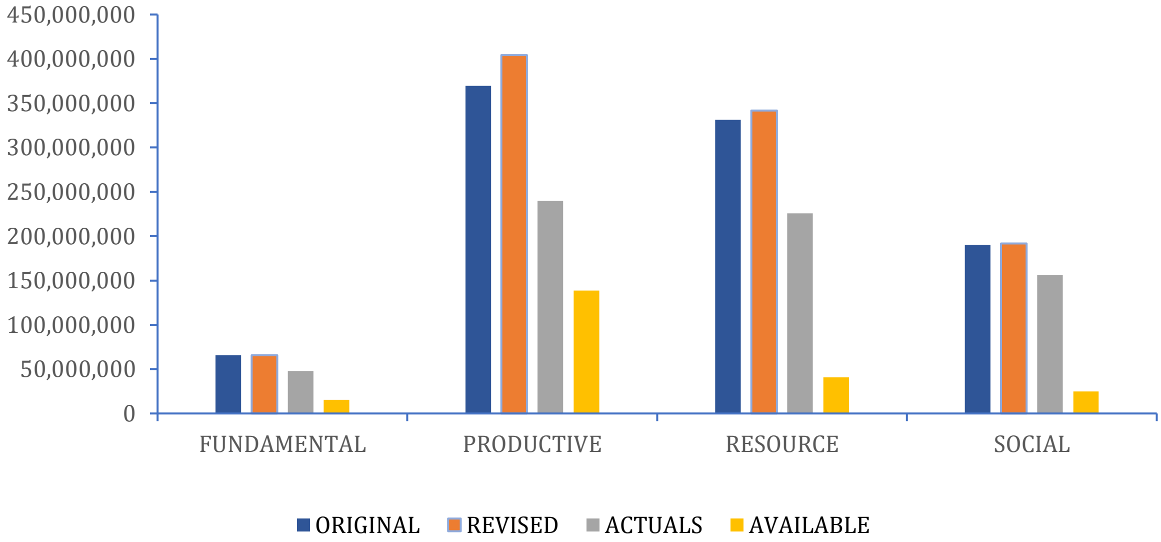
At the end of the 2025 financial year, development budget execution stood at 78.9%, marking a notable improvement over prior year. Execution rates rose from 69% in 2023 to 74% in 2024, before reaching 78.9% in 2025.

Development Expenditure – Sectoral Performance 2025

Execution across the Government's four key sectors in 2025 all exceeded 50 percent:

- **Resource Sector** – 89 percent execution, the highest performance rate.
- **Social Sector** – 88 percent implementation.
- **Fundamental Sector** – 79 percent of provision.
- **Productive Sector** – 64 percent, the lowest execution rate among the four.

Chart 11: 2025 DB Execution by Government Sector



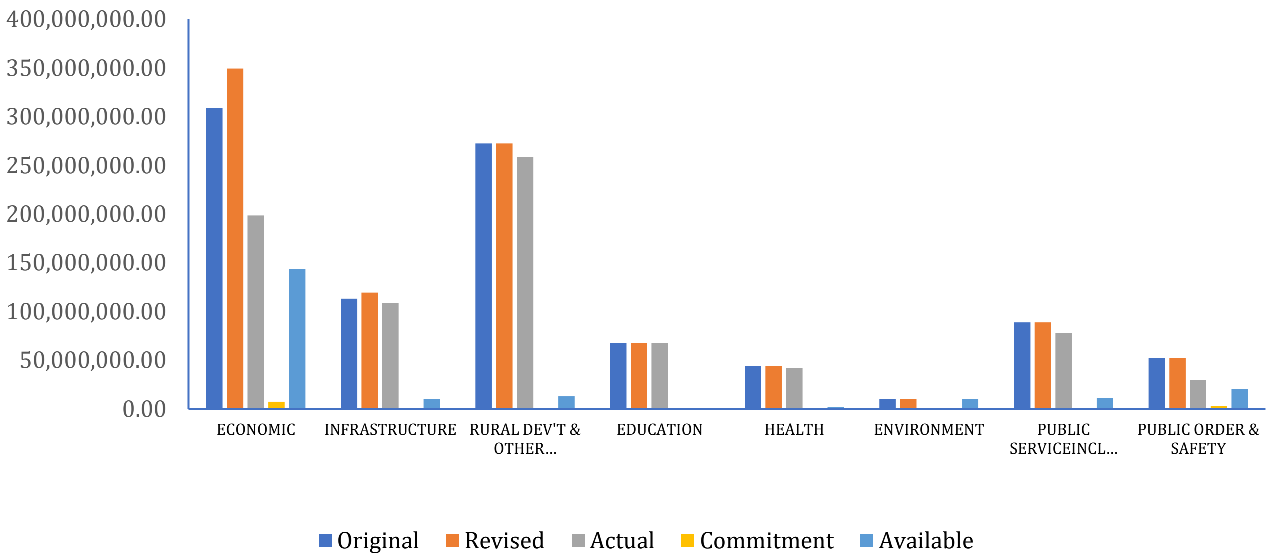
Execution by NDS Sector Classifications

The table below presents execution rates for sectors outlined in the National Development Strategy (NDS 2016–2035).

Table 3: Execution by NDS Sector Classifications

Sector	Execution Rate	Notes
Infrastructure Sector	91%	Strong delivery of planned projects
Rural Development & Other Social Sector	95%	Demonstrated high absorption capacity
Health Sector	95%	Maintained consistent performance
Education Sector	~100%	Highest execution among all sectors
Economic Sector	57%	Moderate performance
Public Order & Safety Sector	57%	Faced similar challenges as the Economic Sector
Environment & Disaster Sector	0%	No expenditure recorded in 2025
Public Service & Provincial Government Sector	88%	Strong budget utilization

Chart 12: 2025 Development Budget Execution by NDS Sectors



6.0 STATUS OF KEY BUDGET PROGRAMMES AND PROJECTS

Following the appropriation of the **2025 Development Budget**, government line ministries implemented a wide range of programmes and projects across the country within their respective sectors. These initiatives reflect the Government's commitment to advancing infrastructure, social services, resource development, and institutional strengthening in alignment with national priorities.

The progress updates are organized by sector:

Table 4: Key Budget Programmes and Projects

Sector	Key Achievements / Notes
Fundamental Sector	• **Noro Customs Building and Staff Residence** completed; Inland Revenue Office site works finalized. • **Telecommunication Towers rollout** progressing: 125 completed, 36 under construction out of 161 planned. • **MNPDC Integrated Development Management Database** feasibility and training completed; alignment with business processes underway. • **Prime Minister's Residence** design and BOQ received; institutional house renovations at Lengakiki ~90% complete. • **National Judiciary Programme**: payments cleared, High Court GenSet procurement 80% complete, with some components rolling into 2026.
Productive Sector	• **Tenaru Field Experiment Station** operational; land acquisition and office complex scoping ~50% complete, but UXO clearance delayed. • **Cocoa & Coconut Development Programme** revolving funds successfully released; subsidies boosted exports. • **Garanga Cattle Project**: pasture improvements ongoing, fencing 30% complete; procurement delays noted. • **Provincial Airport Development**: Santa Cruz Airfield ~95% complete; Atoifi contract signed; Avuavu feasibility done; Marau awaiting MOU. • **Special Economic Zone Act** passed; Suava Bay and Gozoruru growth centres progressing. • **SME Bill** under AG's Chambers; $8.5m transferred via DBSI credit line. • **Tourism Development Programme** supported facilities like Raiders Hotel, Zaru Hotel, Paraniju Lodge; YECSI MOU signed for youth entrepreneurship. • **Economic Infrastructure Programme**: feeder roads in Honiara, Guadalcanal, and Malaita progressing. • **Sea Infrastructure Programme**: wharf maintenance ongoing; shipping franchise routes largely implemented.
Resource Sector	• **GIFT Tilapia Hatchery** nearing completion; solar installed; sea cucumber and seaweed projects supported. • **Bina Harbour Project**: Master Lease ~65% complete; EIA and safeguards ~55% complete. • **Botanical Garden upgrades** (drying sheds, security) 70–100% complete; plant specimens relocated from Fiji. • **Energy & Mining**: Modern Petroleum Act progressing; geological mapping for Makira completed; Tina Hydro dam construction commenced Q3 2025. • **Urban Water Supply Programme**: sewage main completed; Ziata water supply upgrades ongoing. • **Constituency Development Fund**: $120m delivered across 50 constituencies.
Social Sector	• **SINU Projects**: Faculty of Nursing building 70% complete; Kukum Library 20%; other faculties ~20%; Admin Complex site preparation 10%. • **Education Infrastructure Programme**: 31 schools funded ($17.6m); projects ongoing into 2026. • **Primary Health Care**: multiple Area Health Centres completed and handed over (e.g., Wagina, Tukutaunga, Leona). • **Secondary Health Care**: Taro Hospital TB upgrade ~95%; Kilu'ufi Medical Store ~10%. • **Tertiary Health Care**: NRH Operating Theatre upgrade ~45% complete ($4.5m allocated). • **RSIPF & CSSI Infrastructure**: Maka Police Post completed; staff housing ongoing; UXO clearance at Mamara done. • **National Security Programme**: consultations on National Security Bill; UXO legislative framework in progress; border security strategy strengthened. • **Youth Development**: Makira Provincial Government received $3.0m for youth centre project, fully disbursed.

DONOR SUPPORT EXPENDITURE

In 2025, donor support expenditure totalled **$300.8 million**, against donor revenue of $360.7 million. The resulting balance of $59.0 million has been carried forward into 2026 to fund the relevant donor-supported programs. This balance is not recognised in the final 2025 accounts; as it has been transferred for utilisation in 2026.

Expenditure in 2025 significantly exceeded the revised projection of **$95.6 million** and also surpassed the 2024 expenditure of **$131.3 million**. This sharp rise reflects the gradual recovery of donor support following the peak of the 2023 South Pacific Games and the conclusion of the COVID-19 Economic Stimulus Package.

It is important to note that a substantial portion of donor assistance is not appropriated within the government budget. These funds are managed directly by recipient agencies rather than through government systems. The government will continue to strengthen collaboration with donors to ensure that all external support for the Solomon Islands is integrated into the national budget and administered within the government's financial system.

The following are key donor support projects and programs funded in 2025:

Table 5: Donor Support

Sector	Funding Amount	Source / Project
Agriculture & Livestock	$25.6m	World Bank: Solomon Islands Agriculture and Rural Transformation (SIART) Project
	$5.7m	IFAD: Agricultural Investments for Markets and Nutrition (AIM N) Project
	$0.7m	NZ MFAT: Coconut Rhinoceros Beetle (CRB) Project
Audit & Oversight	$778,785	NZ MFAT: Auditor General's Office support
	$622,404	World Bank IDA: Audit and Statistics capacity building
Education	$3.96m	NZ MFAT: Learning Resources Project
	$8.39m	Australian DFAT: Learning Resources Project & Skills Award Scholarship
Finance & Treasury	$17.41m	World Bank IDA: Audit and Statistics capacity building
Health & Social Services	$32.6m	Australian DFAT: Provincial Health Authorities, AOP activities, Church Health Grants
	$22.8m	UNICEF: Social welfare division, staff rentals, refunds of unspent funds
	$92,660	UNFPA: Health Service Grants
	$653,111	EU RWASH: Rural Water and Sanitation Hygiene activities
	$292,763	Family Planning Australia: Reproductive and Child Health Division
	$413,950	Hunter New England: Public Health Emergency & Surveillance Division
	$856,966	Small Value Donors (Murdoch Institute, Sydney Children's Hospital, Fred Hollows Foundation): Scabies survey, cervical cancer vaccination, trachoma MDA

Infrastructure Development	$27.3m	World Bank IDA: CAUSE II and SIRA II Projects
Pacific Islands Forum	$4.17m	Australian DFAT: Hosting support
	$8.47m	PRC: Procurement of 40 SUV Tank 500 vehicles
	$7.58m	Government of Indonesia: Support for hosting
Police & Security	$803,289	Australian DFAT: Asset Maintenance and Housing Project for Correctional Services
Provincial Government & Resilience	$61.0m	World Bank IDA: Integrated Economic Development and Climate Resilience (IEDCR) Project
	$243,500	UNCDF: IEDCR Project support
	$367,479	UNDP Gov4Res: IEDCR Project support
Tourism	$520,798	NZ MFAT: Tourism programs and projects
Communication & Aviation	$358,501	NZ MFAT: Provincial Airport Upgrade Project
	$21.95m	World Bank IDA: SIRA II Project
Fisheries & Marine Resources	$4.37m	NZ MFAT: BRAG, Mekem Strong Solomon Islands Fisheries (Phase 4), CABSMAT Project
	$11.87m	World Bank IDA: PROPER Project
Justice & Legal Affairs	$75,600	UNICEF: Child Protection Programme
Home Affairs	$52,806	UNICEF: Programs and projects support
Mines, Energy & Rural Electrification	$8.08m	Australian DFAT: Tina River Hydropower Development Project
	$20.35m	World Bank IDA: Sustainable Mining Development Technical Assistance (SMDTAP), Community Benefit Sharing (CBS), Tina River Hydropower
Women, Youth, Children & Family Affairs	$480,949	UNICEF: Child and Youth Participation, monitoring and evaluation framework, National Children Policy review

7.0 EXPENDITURE BUDGET REVISIONS

During the 2025 fiscal year, government made several adjustments to the **Original Budget** through the issuance of warrants and the regularisation of supplementary bills. The specific measures undertaken were as follows:

1. **Contingency Warrants** (CW) and **Advance Warrants**, regularized through the 2025 Supplementary Appropriation Act;
2. **Additional Supplementary Expenditures**, also regularized through the 2025 Supplementary Appropriation Act; and
3. **Further CWs and AWs** scheduled for regularisation under the 2026 Supplementary Appropriation Act.

As a result of these revisions, the overall spending provision for 2025 increased by **$355.0 million**, raising the total budget from **$5,152.0 million** to a revised figure of **$5,447.1 million**.

Contingency Warrant Provision

The total **Contingency Warrant (CW)** provision in 2025 amounted to **$3.4 million**. Of this amount, **$0.9 million ($897,325)** was regularised through the 2025 Supplementary Appropriation Act (SAA 2025), while the remaining **$2.5 million** will be regularised in 2026.

- **CW Regularised in 2025:** $0.9 million regularised to cover funeral costs for the late Governor General, and the former MP of West Guadalcanal.
- **CW Pending Regularisation in 2026: National Parliament:** As required under section 58(4) of the PFM Act 2013, $2.5 million to be regularised for the procurement of computer hardware and software to address the critical state of existing systems.

Advance Warrant Provision

The total **Advance Warrant (AW)** provision in 2025 amounted to **$929.8 million**. This provision reflects additional donor support received during the fiscal year that is not appropriated within the government budget. To enable the deployment of these funds through the Consolidated Fund, they are regularised via AWs.

- **AWs Regularised in 2025:** A total of **$822.6 million** was regularised through the 2025 Supplementary Appropriation Act (SAA 2025).
- **AWs Pending Regularisation in 2026:** The remaining **$107.3 million** will be regularised through the 2026 appropriation process. These pending regularisations are detailed in the table below.

Table 6: Unregularized Advance Warrants approved and utilised in 2025.

Amount	Source	Program / Project / Activities
1,117,456.04	UNDP Gov-4RES	Implementation of the Integrated Economic Development and Climate Resilience (IEDCR) Project
12,601,707.73	People’s Republic of China (PRC)	Procurement of 40 SUV Tank 500 vehicles for the 2025 Pacific Islands Forum Meeting in Honiara
175,800.00	UNICEF	Support for the Child Protection Programme in 2025
532,455.61	Asia Pacific Network Information Center (APNIC) Foundation	Procurement of server, firewall, and internet infrastructure for the Ministry of Communication and Aviation
16,433,189.66	Australian Government – DFAT	Support for hosting the 54th Pacific Islands Forum Leaders Meeting in Honiara
1,138,895.69	New Zealand Government – MFAT	Implementation of the SIG Provincial Airport Upgrade Project
19,039,804.83	World Bank – Australia-Pacific Partnership	Tina River Hydropower Development Project
10,726,072.60	Government of Indonesia	Support for hosting the 54th Pacific Islands Forum Leaders Meeting in Honiara
2,649,708.53	Australian Government – DFAT	Contribution to the Tina River Hydropower Development Project
5,050,000.00	Australian Government – DFAT	Tranche 2 support for Provincial Health Authorities in delivering essential health services

Amount	Source	Program / Project / Activities
1,164,679.35	New Zealand Government – MFAT	Bina Region Arrangements for Governance (BRAG) capacity-building for landowning groups
1,299,596.32	World Bank	Capacity-building support for Audit and Statistics Project
1,898,431.43	New Zealand Government – MFAT	Implementation of Phase 4 (2025–2029) of the Mekem Strong Solomon Islands Fisheries Programme
8,087,138.35	International Fund for Agricultural Development (IFAD)	Implementation of Agricultural Investments for Markets and Nutrition (AIM-N) in three provinces
5,916,300.00	New Zealand Government – MFAT	Activities under the Climate and Biodiversity Smart Marine Spatial Planning and Marine Protection (CABSMAT) Project
225,290.00	UNICEF	Implementation of MWYCFA monitoring and evaluation framework and review of the National Children Policy
17,467,954.63	World Bank – IDA	Planned activities under the Integrated Economic Development and Climate Resilience (IEDCR) Project
1,204,093.15	European Union (EU)	Implementation of RWASH (Rural Water, Sanitation and Hygiene) activities
77,000.00	Fred Hollows Foundation	Implementation of Mass Drug Administration (MDA) for Trachoma
446,640.00	UNICEF	Assistance for various activities under the Social Welfare Division
107,252,213.92	**Total Un-Regularized AWs**	

Additional Supplementary Expenditures

In addition to the regularised advance warrants, further supplementary expenditures were appropriated under **Section 51(a–b) of the Public Financial Management Act 2013**. These appropriations included:

- **Recurrent Budget Provision:** An additional **$42.1 million** allocated to recurrent expenditure.
- **Development Budget Provision:** An additional **$48.1 million** allocated to development expenditure.
- **Budget Variation:** A transfer of **$1.5 million** between the development and recurrent budgets.

These appropriations were formally approved by Parliament on **7 August 2025**, ensuring that both recurrent and development priorities were adequately funded within the revised fiscal framework.

Expenditure Budget Variation – Virement

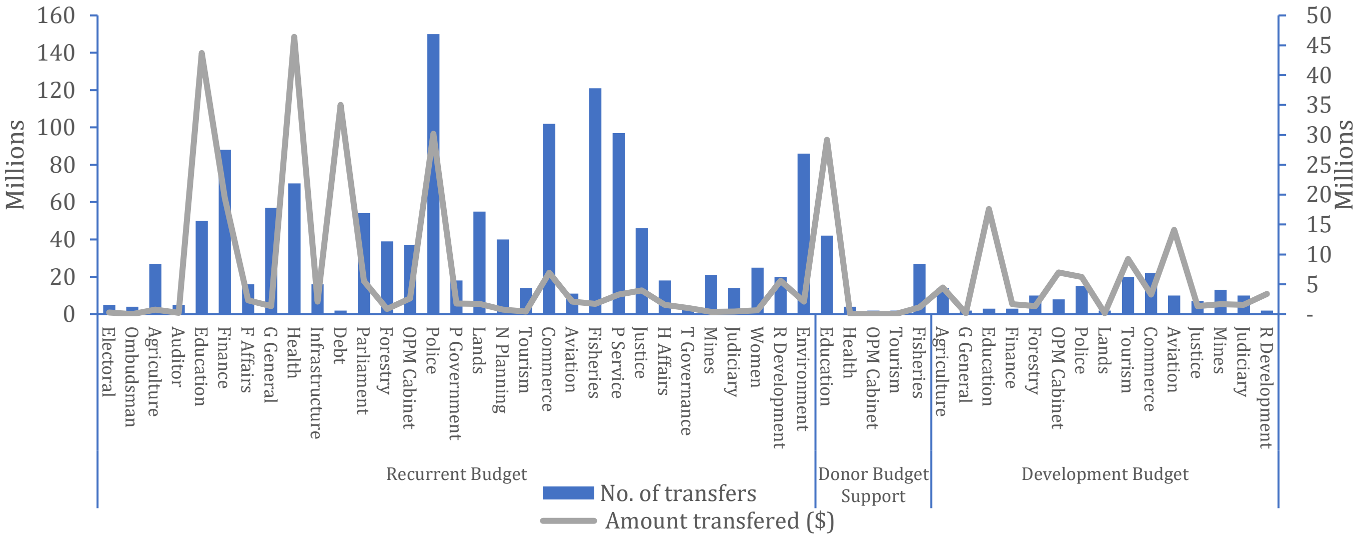
Virement refers to the reallocation of budgetary resources within a government agency's programs, policy areas, expenditure categories, or line items. The provisions governing virements are stipulated under **Sections 53 and 54(1–6) of the *Public Financial Management Act 2013***. This mechanism grants Ministries flexibility to shift funds across priorities within their approved budget appropriations at the Head level, covering both the recurrent and development budgets, as well as donor support.

The following is a summary of virement transactions in 2025:

- **Applications Approved:** 261 applications and 1,530 individual transfers were approved.
- **Total Virements:** $329.5 million in virements were executed.
- **Year-on-Year Increase:** This reflects an increase of approximately 36.6 percent (**$88.4 million**) compared to 2024.
- **Decrease in Number of Transfers:** The number of virements decreased by 3 percent (50 fewer transfers) compared to the 2024 report.

Table 12 provides a summary of virement transactions approved in 2025, while **Table 9** presents further details on virement activity between 2021–2025.

Chart 13: 2025 Virement



Recurrent Budget Virement

In 2025, the recurrent budget recorded **213 virement applications**, resulting in **1,312 transfers** across various account codes. Approved virements amounted to approximately **$225.6 million**, representing **69 percent** of the total **$329.5 million** transferred under this provision.

- **Ministry of Police, National Security & Correctional Services:** Largest share, with 150 transfers across 15 applications, valuing up to $30.2 million.
- **Ministry of Home Affairs:** 70 transfers worth $46.4 million.
- **Ministry of Education:** Reallocated approximately $43.72 million (50 virement transfers across 12 applications).

These adjustments reflect shifts in operational plans, redirecting funds from originally planned activities to priority initiatives.

Donor Budget Support Virement

Under donor budget support, **13 virement applications** and **77 transfers** were recorded, totalling **$30.5 million** or **9.3 percent** of virements in 2025.

- **Ministry of Education and Human Resources Development:** Reallocated $29.2 million.
- **Ministry of Fisheries and Marine Resources:** Transferred $1.2 million.

These adjustments supported changes to operational work plans during the year.

Development Budget Virement

The development budget recorded **35 virement applications** and **141 transfers**, amounting to **$73.4 million** or **22.3 percent** of total virements in 2025. This indicates that 35 development work plans were revised to align with updated priorities.

Unlike recurrent virements submitted directly to the **Ministry of Finance and Treasury (MoFT)**, development virements were processed through the **MNPDC Standards Committee** before approval by MoFT. These reallocations typically covered payments for existing contracts, outstanding obligations from 2024, and activities prioritized for implementation in 2025.

As shown in Chart 10, the **Ministry of Health and Medical Services**, the **Ministry of Education and Human Resources Development**, and the **Ministry of Police, National Security & Correctional Services** recorded the highest virement transfers in 2025, reflecting significant reprioritization of their activities to meet evolving operational needs.

Virement Tracking by Top 10 Account Codes

This section highlights the **ten account codes** with the highest levels of virement transfers in 2025. By focusing on these top accounts, the analysis provides insight into where the largest reallocations occurred, illustrating shifts in operational priorities and adjustments to planned activities across ministries.

Chart 14: Top 10 Account for transfer 'TO' (increase SBD $million)

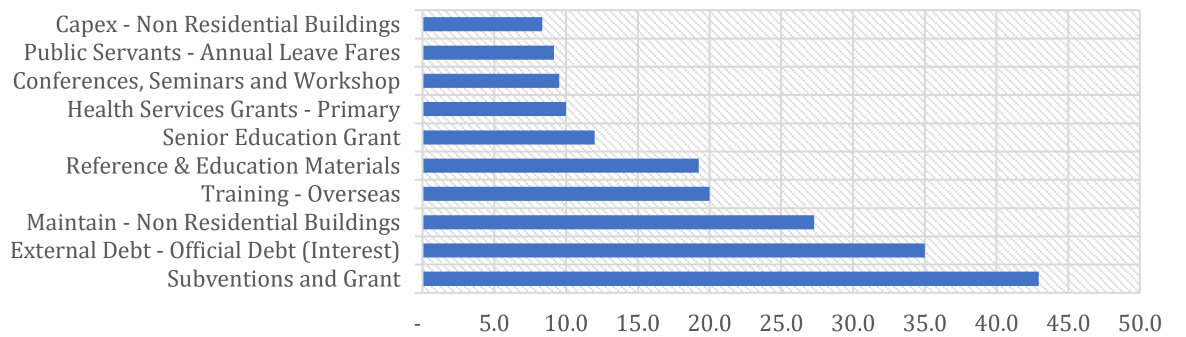
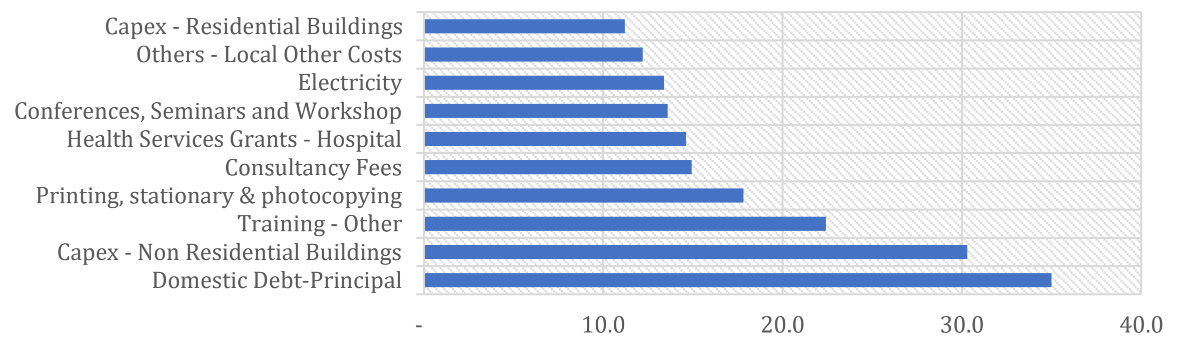


Chart 15: Top 10 Account for transferred 'FROM' (decrease SBD $million)



Virement Summary

Since 2021, the total number of virement applications has shown a steady upward trend, reflecting ministries' growing reliance on this mechanism to adjust their budgets. Although applications continued to rise through 2024, they declined slightly in 2025 by 3 percent, suggesting a modest reduction in dependence on virements.

Virements are commonly used by ministries as a corrective measure to address budget allocation issues or to respond to urgent pressures that emerge after the budget has been passed. They can also accommodate unexpected programs arising from shifts in government priorities or policy changes, and in some cases, they are applied to rectify errors such as incorrect accounting codes assigned to payments.

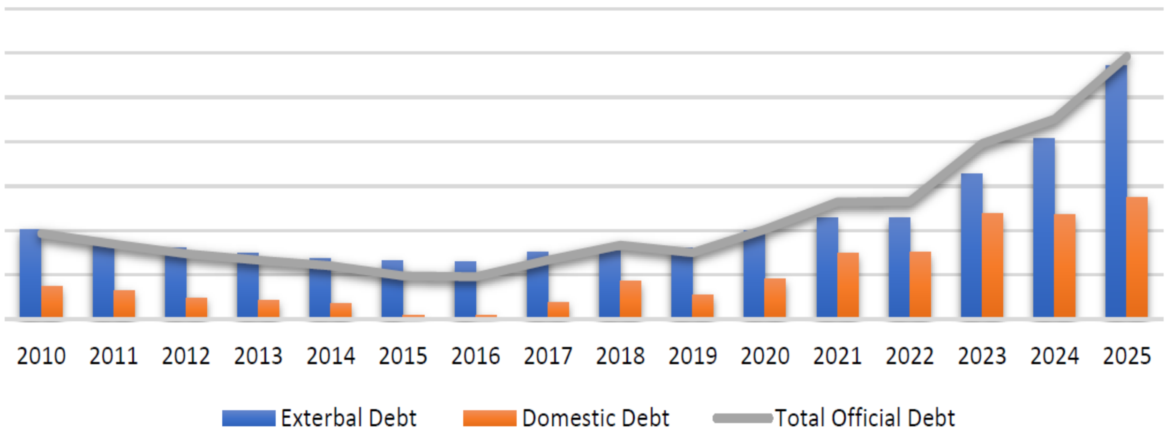
Despite these practical uses, concerns remain that line ministries continue to request large virement transfers each year. This persistent pattern signals weaknesses in budget planning and prioritisation, raising questions about the effectiveness of current processes. To address these challenges, the Ministry of Finance and Treasury (MoFT) plans to review its budget framework and processes in 2026. The goal is to strengthen scrutiny of budget proposals and ensure that appropriations more accurately reflect agency priorities.

As part of this reform, MoFT will transition from the existing line budgeting system to a hybrid output-based budgeting framework. This approach will enable ministries to plan and allocate resources according to their core outputs and deliverables for the year. By aligning budgets more closely with intended outcomes, the reform is expected to enhance fiscal discipline, reduce reliance on virements, and improve the consistency between planned activities and actual resource allocations.

8.0 DEBT SERVICING

In 2025, the **Debt Management Unit (DMU)** continued to monitor the Solomon Islands Government's (SIG) debt portfolio and maintained regular reporting on the overall debt stock. The chart referenced below presents the **SIG's debt position from 2010 to 2025**, providing a long-term view of debt trends and fiscal sustainability. This monitoring framework ensures transparency in debt management and supports informed decision-making on borrowing, repayment, and fiscal policy.

Chart 16: 2010 – 2025 SIG Debt Level

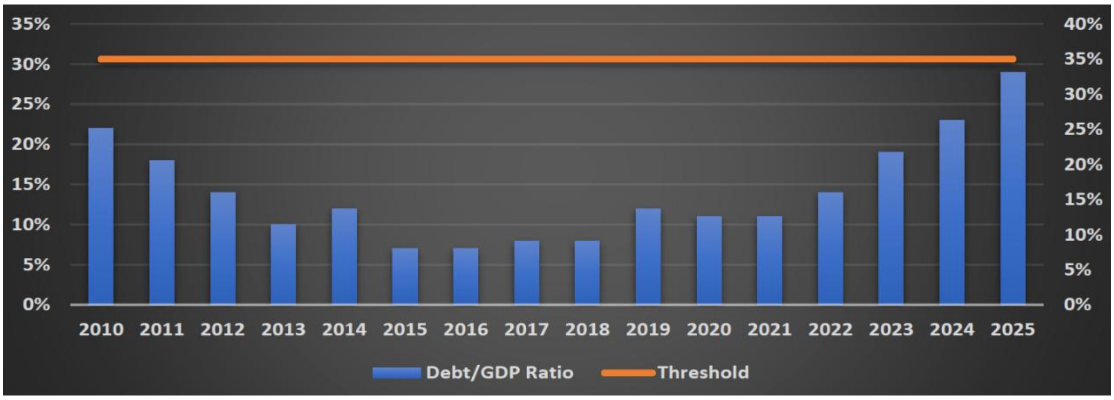


The Solomon Islands Government's (SIG) total public debt declined steadily between **2010 and 2016**, falling from **$1,333.5 million to $685.8 million**. Over the same period, the **debt-to-GDP ratio** dropped from **22.0 percent to 7.0 percent**, reflecting reductions in both external and domestic debt. Domestic debt reached its lowest level in 2015–2016.

From **2017 onwards**, however, total debt increased significantly, driven mainly by rising external debt. By **2025**, total public debt had reached **$4,230.4 million**, with domestic debt also growing steadily after 2017.

Consequently, the **debt-to-GDP ratio rose sharply to 29.0 percent in 2025**, indicating mounting debt pressures and highlighting the importance of continued fiscal discipline and effective debt management.

Chart 17: 2010 – 2025 Debt-to-GDP Ratio



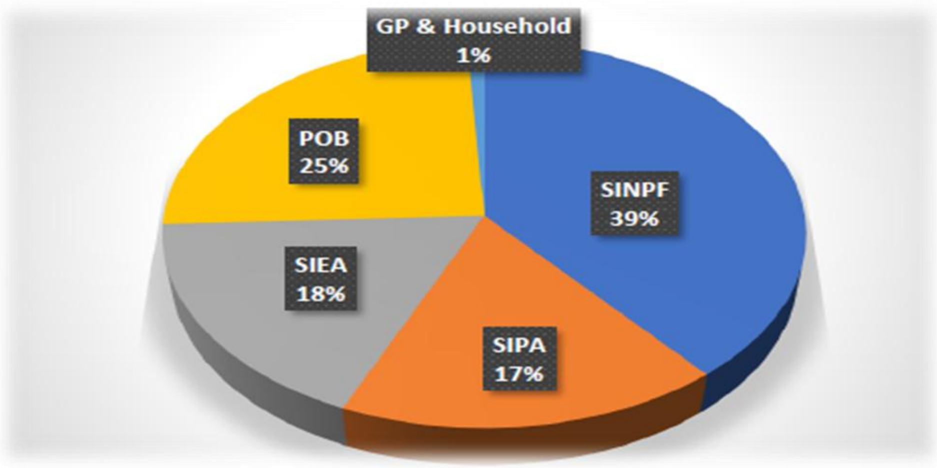
SIG Domestic Development Bond

The Solomon Islands Government (SIG) issues **Domestic Development Bonds** on a monthly basis, following an approved issuance calendar. The **Debt Management Unit (DMU)** prepares issuance notifications and submits them to the **Central Bank of Solomon Islands (CBSI)**, which then disseminates the bond schedule publicly via email and its official website.

In 2025, SIG raised a total of **$72.7 million** through public issuance, subscribed by commercial banks, provincial governments, and households.

In addition to public issuance, SIG also raised bonds through **private placements**, based on bilateral agreements between the **Ministry of Finance and Treasury (MoFT)** and participating counterparties. In FY2025, private placements amounted to **SBD$210.0 million**, with the majority subscribed by the **Solomon Islands National Provident Fund (SINPF)** and **State-Owned Enterprises (SOEs)**.

Chart 18: 2025 Domestic Investors



Debt Servicing

As mandated under the **Public Financial Management Act (PFM) 2013**, the Solomon Islands Government (SIG) is required to set aside funds in the **Debt Service Account (DSA)** to meet its debt servicing obligations.

To ensure adequate funding, the **Ministry of Finance and Treasury (MoFT)** undertakes regular **cash sweeps** from the SIG monetary account into the DSA. In FY2025, a **cash sweep rate of 9.5 per cent** was applied, which enabled the government to successfully meet all maturing debt obligations during the year.

Importantly, as of 2025, **SIG has no external debt arrears,** reflecting strong compliance with debt servicing requirements and prudent fiscal management.

Chart 19: 2025 Debt Servicing

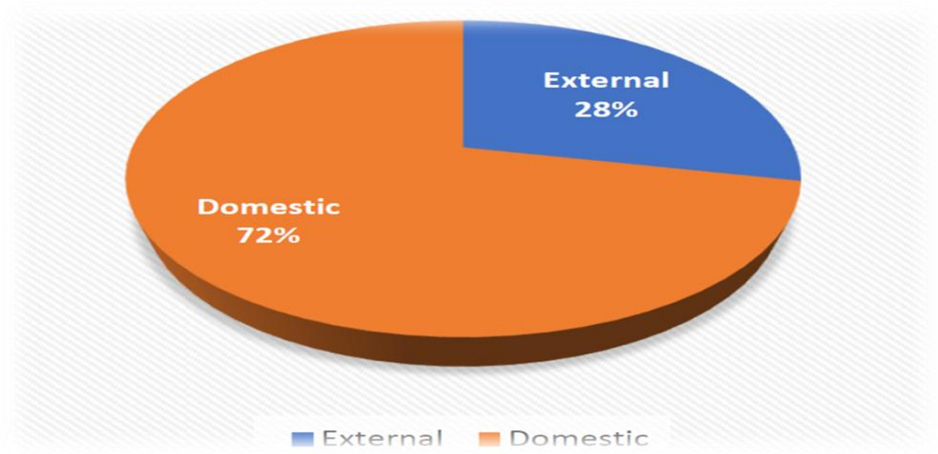


Table 7: 2025 Debt Servicing

	External ($million)	Domestic ($million)	Grand Total Debt Service ($million)
Principal	56.44	142.38	
Interest	21.26	164.58	
Total	**77.70**	**306.96**	**384.66**

The total debt service in 2025 amounted to **$384.7 million**, comprising both external and domestic components:

- **External Debt Service** – $77.7 million
- **Domestic Debt Service** – $306.96 million
  - Principal repayments: $142.4 million
  - Interest payments: $164.6 million.

9.0 FINANCING THE BUDGET

The government relied on several external financing sources to cover the deficit outturn in the 2025 Budget. These sources are summarized in the table below:

Table 8: 2025 Budget Financing

Source	Description	Received Amount(m)
SIG Cash Balance Roll over from 2024	Cash balance rolled over from 2024	143.3[2]
World Bank	Borrowing from World Bank on favourable terms	161.0
OPEC	Borrowing from OPEC on favourable terms	121.0
New Zealand - MFAT	Targeted funding to strengthen budget execution and priority programs.	14.0
European Union	Targeted funding to strengthen budget execution and priority programs.	46.0
Development Bonds	Development bond issuance - 2025	282.7
Treasury Bills	Treasury Bills issuances - 2025	59.0
CBSI Advance Facility	Draw down from Advance facility	140.0
Total Budget Financing		**967.0**

At the end of the financial year, the Government secured approximately $967.0 million to finance the 2025 budget deficit of $768.0 million. This resulted in an excess of $199 million in available financing. Table (8) above outlines the different sources of this funding.

10.0 BUDGET MANAGEMENT AND POLICY MEASURES

Pursuant to Section 44 (1–2) of the Public Financial Management (PFM) Act 2013, the Ministry of Finance and Treasury (MoFT) is mandated to oversee the national budget process and ensure compliance with the Act and its subsidiary legislation. To fulfil this mandate, MoFT maintains continuous surveillance throughout the fiscal year, monitoring budget execution across ministries to detect anomalies or irregularities in financial management.

In the event when financial breaches are identified, MoFT responds by developing targeted policy interventions to correct them. These measures are formally communicated through Financial Circulars issued to all line ministries, providing clear instructions that must be implemented to manage budget risks, reinforce fiscal discipline, and safeguard the integrity of public financial management.

Compliance with these directives is compulsory. Any ministry or agency that fails to implement the prescribed measures risks penalties or other punitive actions under the Public Financial Management Act and its regulations. By enforcing these consequences, MoFT not

[2] At the close of the 2024 fiscal year, the government reported a surplus cash balance of approximately $165.0 million. Of this total, about $143.3 million was carried forward into 2025, while the remainder was applied to financing outstanding Treasury bills during 2024.

only strengthens accountability across the public sector but also ensures that budgetary practices remain consistently aligned with the principles of transparency, discipline, and sound financial governance.

Financial Circulars Issued in 2025

Three Financial Circulars were issued in 2025 to guide ministries in implementing their budget appropriations. Each Circular provided targeted instructions aimed at strengthening fiscal discipline and ensuring that appropriations were managed in line with prudent financial management principles:

1. **Financial Circular 01/25 – Guidelines for Managing and Execution of the 2025 Budget - issued on 10 January 2025**: reinforced adherence to the PFM Act 2013 and provided comprehensive guidelines for effective budget execution, procurement, and payment processes, while clearly outlining the mandatory responsibilities of Permanent Secretaries, Financial Controllers, and Heads of Departments.

2. **Financial Circular 02/25 – Overtime Management - issued on 31 October 2025**, discouraged unsustainable overtime practices inconsistent with work health and safety standards and outlined requirements for budgeting, documentation, timely preparation and submission, as well as payment procedures for both current and subsequent financial years.

3. **Financial Circular 03/25 – End of Financial Year Instructions - issued on 31 October 2025**, provided guidance on essential year-end actions, including close-off dates for payments, expenditure management and cashflow control, budget virements, purchase requisitions and orders, payment procedures, and the requirement for staff to work during year-end processes.

11.0 ISSUES AND CHALLENGES WITH 2025 BUDGET EXECUTION

Budget Adjustments and Revisions In 2025, virement transfers rose sharply by 27%, underscoring persistent weaknesses in budget preparation and review. Many ministries continued to adjust their budgets in response to changing circumstances, often without proper oversight from their Ministerial Budget Committees (MBCs). Instead, reliance was placed almost exclusively on Financial Controllers, creating risks of misalignment with broader government priorities. Strengthening the role and functions of MBCs has therefore been identified as a critical reform for 2026, aimed at reducing deviations from government's strategic objectives.

Advance Warrants for Donor Support Significant variances amounting to $725.0 million emerged in donor-related appropriations. These were driven by two main factors. First, reappropriation and refunding issues arose when some ministries failed to include reappropriated donor funds during budget preparation, while others were required to refund unspent funds due to mismatched fiscal year cycles with donors. Second, capacity constraints limited ministries' ability to implement additional donor-funded projects alongside their planned programs. The mismatch between multi-year donor funding and SIG's annual budget cycle further complicated budget execution, making revisions unrealistic and undermining effective planning.

Gaps and Challenges in Development Budget Execution: Execution of the development budget faced multiple obstacles. Cash flow shortages and delayed releases from MoFT slowed payments to contractors and service providers, disrupting project timelines. Human resource and technical skill gaps in procurement and project management further hindered timely implementation. Weak coordination between national ministries and Provincial Governments created communication gaps, leaving provincial stakeholders poorly informed about project progress. In addition, persistent land ownership disputes delayed or blocked several development initiatives, compounding service delivery challenges.

Recommendations for Improvement: To address these challenges, several reforms are recommended. Development budget appropriations should be secured and front-loaded to ensure timely implementation. Staff capacity in procurement and project management must be strengthened through targeted training programs. Monitoring and evaluation systems should be enhanced to provide accurate, timely data for decision-making. Finally, coordination between national and subnational levels needs to be improved to support effective planning, communication, and delivery of development initiatives.

12.0 CONCLUSION

The 2025 Final Budget Outcome Report demonstrates the Solomon Islands Government's commitment to prudent fiscal management, transparency, and accountability. In accordance with the 2013 Financial Management Act, the report will be presented to the Public Accounts Committee and the Auditor General to ensure a thorough appraisal of the government's financial operations during the year.

Despite challenges such as declining logging revenues, rising debt servicing costs, and external economic uncertainties, the economy achieved a growth rate of 3.7 percent. This performance was supported by strong mining activity, resilience in the services sector, and improved employment opportunities. Looking forward, the government is prepared to implement policies that will sustain this momentum and further strengthen economic resilience.

On the fiscal side, revenues exceeded expectations, driven largely by Inland Revenue and Customs collections, while expenditures were contained below revised allocations. This resulted in a deficit significantly lower than projected. Donor support also played a crucial role in sustaining development programs and reinforcing external reserves. Although debt levels have risen to 29 percent of GDP, the government remains focused on implementing a prudent medium-term fiscal framework to ensure debt remains within sustainable limits.

Despite the considerable challenges faced during the 2025 fiscal year, the government succeeded in stabilizing public finances and expanding investments to drive growth and development, while simultaneously strengthening resilience against external shocks. These accomplishments have reinforced economic stability and created a solid foundation for advancing core development objectives over the medium term. Sustained reforms in revenue mobilization, expenditure efficiency, and debt management will remain essential to safeguarding long term stability and growth.

This report, submitted for parliamentary scrutiny, underscores the government's dedication to fiscal responsibility, and transparent governance. It reaffirms the commitment to ensuring that public resources are managed effectively for the benefit of all Solomon Islanders.

13.0 SUMMARY TABLES

Summary Table 1: 2025 Final Budget Outcome (Summary)

2025 FINAL BUDGET OUTCOME				
Budget Estimates ($ millions)	**2025 Original Budget Estimates**	**2025 Revised Budget Estimates**	**2025 YTD Actual**	**Variance**
	$m	**$m**	**$m**	**$m**
Consolidated Revenue	**3,877.6**	**4,082.4**	**4,372.3**	**289.8**
Total SIG Revenue	**3,781.6**	**3,781.6**	**4,071.4**	**289.8**
IRD	2,247.3	2,247.3	2,513.9	266.7
Customs	1,038.1	1,038.1	1,097.7	59.7
Non-Tax	496.3	496.3	459.8	(36.5)
Budget Support Revenue	**95.9**	**300.8**	**300.8**	**-**
Budget support	95.9	300.8	300.8	-
Consolidated Expenditure	**5,152.0**	**5,447.1**	**5,140.3**	**306.9**
Total SIG Expenditure	**5,056.1**	**5,146.3**	**4,839.4**	**306.9**
Total Recurrent Expenditure	**4,099.3**	**4,143.0**	**4,047.9**	**95.1**
SIG Payroll	1,701.4	1,704.4	1,697.3	7.0
SIG Other Charges	2,114.5	2,158.6	1,965.8	192.8
National Debt Servicing	263.4	263.4	384.7	(121.3)
Contingency Warrant Provision	20.0	16.6	-	16.6
Total Development Expenditure	**956.7**	**1,003.3**	**791.6**	**211.8**
SIG Development Expenditure	956.7	1,003.3	791.6	211.8
Donor Support Expenditure	**95.9**	**300.8**	**300.8**	**-**
Sector Budget	95.9	300.8	300.8	-
Budget Balance - Overall Budget deficit	**(1,274.4)**	**(1,364.7)**	**(768.0)**	
External Budget Financing	**870.0**	**870.0**	**967.0**	
Fiscal Balance after budget financing	**(404.4)**	**(494.7)**	**199.0**	

Summary Table 2: Consolidated Revenue

Revenue Type	2025 Original Estimates	2025 Revised Estimates	2025 Actuals	Variance
	$m	$m	$m	$m
OTHER REVENUE				
Fees, Charges and Other	237.9	237.9	164.6	(73.3)
License Revenue	258.3	258.3	295.2	36.8
Total	**496.3**	**496.3**	**459.8**	**(36.5)**
INLAND REVENUE				
Company Tax	354.5	354.5	543.2	188.7
Goods Tax	914.7	914.7	910.8	(3.9)
License Revenue	19.1	19.1	21.9	2.8
Personal Tax	533.0	533.0	593.5	60.5
Sales Tax	91.0	91.0	97.4	6.4
Stamp Duty	27.6	27.6	30.9	3.3
Withholding Tax	307.3	307.3	316.2	8.9
Total	**2,247.3**	**2,247.3**	**2,513.9**	**266.7**
CUSTOMS AND EXCISE REVENUE				
Excise Duty	300.8	300.8	418.9	118.1
Export Duty	387.8	387.8	329.7	(58.1)
Fees, charges and other	3.4	3.4	4.3	0.9
Import Duty	346.0	346.0	344.8	(1.2)
Total	**1,038.1**	**1,038.1**	**1,097.7**	**59.7**
Total Domestic Revenue	**3,781.6**	**3,781.6**	**4,071.4**	**289.8**
GRANTS AND BUDGET SUPPORT				
Donor Budget support	95.9	1,025.8	300.8	(665.1)
Total	**95.9**	**1,025.8**	**300.8**	**(665.1)**
Total Revenue	**3,877.6**	**4,807.4**	**4,372.3**	**(375.3)**

Summary Table 3: 2025 Domestic Revenue by Ministry

Head Of Revenue		2025 Budget Estimates	2025 Revised Estimates	2025 Actuals	Variance
Head	**Ministry/ Office**	**$m**	**$m**	**$m**	**$m**
03	Agriculture and Livestock Development	10.3	10.3	7.9	(2.4)
04	Office of the Auditor General	1.9	1.9	1.7	(0.2)
05	Education & Human Resources Development	0.2	0.2	0.2	(0.0)
06	Finance and Treasury	3,314.6	3,314.6	3,628.8	314.3
09	Health and Medical Services	2.1	2.1	1.1	(1.1)
10	Infrastructure Development	5.2	5.2	4.2	(1.0)
12	National Parliament	-	-	0.0	0.0
13	Forestry & Research	4.9	4.9	1.6	(3.3)
14	Office of the Prime Minister and Cabinet	0.0	0.0	0.0	(0.0)
16	Police, Nat. Security & Correctional Services	5.4	5.4	0.9	(4.5)
17	Provincial Gov't & Institutional Strengthening	-	-	13.0	13.0
18	Lands, Housing and Survey	17.8	17.8	16.7	(1.1)
20	Culture and Tourism	0.6	0.6	0.4	(0.3)
21	Commerce, Industries, Labour and Immigration	95.6	95.6	46.8	(48.8)
22	Communication & Aviation	-	-	0.0	0.0
23	Fisheries and Marine Resources	301.9	301.9	333.6	31.6
24	Public Service	-	-	0.0	0.0
25	Justice and Legal Affairs	3.4	3.4	0.5	(2.9)
26	Home Affairs	7.5	7.5	6.2	(1.3)
28	Mines, Energy & Rural Electrification	7.2	7.2	6.1	(1.1)
29	National Judiciary	2.1	2.1	1.4	(0.7)
31	Rural Development	0.0	0.0	0.0	(0.0)
32	Environment, Climate Change, Disaster Management & Meteorology	0.9	0.9	0.4	(0.6)
	Total	**3,781.6**	**3,781.6**	**4,071.4**	**289.8**

Summary Table 4: Recurrent Expenditure

Head Of Expenditure		2025 Budget Estimates	2025 Revised Estimates	2025 Actuals	Variance
Head	**Ministry/ Office**	**$m**	**$m**	**$m**	**$m**
01	Solomon Islands Electoral Office	28.1	28.1	17.1	11.0
02	Office of the Ombudsman	5.9	5.9	4.1	1.8
03	Agriculture and Livestock Development	35.5	40.2	36.0	4.2
04	Office of the Auditor General	15.2	15.2	7.2	8.1
05	Education & Human Resources Development	1,179.3	1,189.9	1,239.6	(49.7)
06	Finance and Treasury	254.0	262.0	213.4	48.6
07	Foreign Affairs and External Trade	59.6	59.6	52.5	7.0
08	Office of the Governor General	11.4	11.4	9.3	2.1
09	Health and Medical Services	700.0	700.0	665.3	34.7
10	Infrastructure Development	56.0	58.0	52.4	5.7
11	National Debt Servicing	263.4	263.4	384.7	(121.3)
12	National Parliament	119.3	121.8	104.7	17.2
13	Forestry & Research	24.0	24.0	24.0	0.0
14	Office of the Prime Minister and Cabinet	163.2	176.7	134.9	41.8
15	Pensions and Gratuities	17.7	17.7	16.3	1.4
16	Police, Nat. Security & Correctional Services	376.5	376.5	354.3	22.2
17	Provincial Gov't & Institutional Strengthening	148.6	148.6	141.7	6.9
18	Lands, Housing and Survey	20.8	24.1	16.6	7.6
19	National Planning and Development Coordination	11.5	12.0	7.6	4.3
20	Culture and Tourism	28.4	28.4	21.0	7.4
21	Commerce, Industries, Labour and Immigration	66.8	66.8	59.8	7.0
22	Communication & Aviation	36.0	36.0	13.7	22.3
23	Fisheries and Marine Resources	27.8	28.9	26.5	2.3
24	Public Service	31.8	31.8	30.3	1.6
25	Justice and Legal Affairs	62.8	63.6	52.6	11.0
26	Home Affairs	79.2	79.2	42.4	36.8
27	Traditional Governance, Peace and Ecclesiastical Affairs	30.8	30.8	24.8	6.0
28	Mines, Energy & Rural Electrification	17.5	17.5	13.5	4.0
29	National Judiciary	54.3	54.3	44.0	10.3
30	Women, Youth and Children's Affairs	14.7	14.7	12.1	2.5
31	Rural Development	102.7	102.7	99.1	3.6
32	Environment, Climate Chng, Disaster Mgmt & Met.	36.3	36.3	31.5	4.8
	Add back of Advances (deductibles & imprests)			*95.0*	*as cash out flows*
	Total	**4,079.3**	**4,126.4**	**4,047.9**	**78.5**

Summary Table 5: 2025 Payroll Expenditure

Head Of Expenditure		2025 Original Estimates	2025 Revised Estimates	2025 Actuals	Variance
Head	Ministry/ Office	$million	$million	$million	$million
01	Solomon Islands Electoral Office	2.9	2.9	2.3	0.6
02	Office of the Ombudsman	3.0	3.0	2.5	0.5
03	Agriculture and Livestock Development	18.2	18.2	15.5	2.7
04	Office of the Auditor General	5.7	5.7	3.1	2.6
05	Education & Human Resources Development	669.5	671.5	735.1	(63.5)
06	Finance and Treasury	57.7	57.7	45.0	12.6
07	Foreign Affairs and External Trade	8.9	8.9	6.4	2.5
08	Office of the Governor General	2.8	2.8	2.6	0.2
09	Health and Medical Services	308.9	308.9	319.0	(10.1)
10	Infrastructure Development	12.1	12.1	9.7	2.4
12	National Parliament	69.4	69.4	60.5	8.9
13	Forestry & Research	11.8	11.8	13.8	(2.0)
14	Office of the Prime Minister and Cabinet	58.0	58.0	44.3	13.7
15	Pensions and Gratuities	17.7	17.7	16.3	1.4
16	Police, Nat. Security & Correctional Services	193.8	193.8	187.6	6.2
17	Provincial Gov't & Institutional Strengthening	76.4	76.4	70.9	5.5
18	Lands, Housing and Survey	8.9	8.9	7.8	1.1
19	National Planning and Development Coordination	5.1	5.1	3.7	1.4
20	Culture and Tourism	6.3	6.3	3.9	2.5
21	Commerce, Industries, Labour and Immigration	17.0	17.0	16.7	0.3
22	Communication & Aviation	7.7	7.7	3.4	4.3
23	Fisheries and Marine Resources	13.3	14.3	11.4	2.8
24	Public Service	20.3	20.3	20.7	(0.4)
25	Justice and Legal Affairs	29.3	29.3	24.2	5.1
26	Home Affairs	4.2	4.2	3.1	1.1
27	Traditional Governance, Peace and Ecclesiastical Affairs	6.4	6.4	4.5	1.9
28	Mines, Energy & Rural Electrification	8.3	8.3	6.5	1.7
29	National Judiciary	24.1	24.1	23.3	0.9
30	Women, Youth and Children's Affairs	4.8	4.8	4.1	0.7
31	Rural Development	16.9	16.9	16.6	0.3
32	Environment, Climate Change, Disaster Management & Meteorology	12.0	12.0	13.1	(1.1)
	Total	**1,701.4**	**1,704.4**	**1,697.3**	**7.0**

Summary Table 6: 2025 Other Charges Expenditure

Head Of Expenditure		2025 Budget Estimates	2025 Revised Estimates	2025 Actuals	Variance
Head	**Ministry/ Office**	**$m**	**$m**	**$m**	**$m**
01	Solomon Islands Electoral Office	25.2	25.2	14.8	10.46
02	Office of the Ombudsman	2.9	2.9	1.7	1.24
03	Agriculture and Livestock Development	17.3	22.0	20.5	1.52
04	Office of the Auditor General	9.5	9.5	4.1	5.44
05	Education & Human Resources Development	509.8	518.4	504.6	13.84
06	Finance and Treasury	196.3	204.3	168.4	35.93
07	Foreign Affairs and External Trade	50.7	50.7	46.1	4.56
08	Office of the Governor General	8.7	8.7	6.8	1.89
09	Health and Medical Services	391.2	391.2	346.4	44.80
10	Infrastructure Development	44.0	46.0	42.7	3.28
12	National Parliament	50.0	52.5	44.2	8.28
13	Forestry & Research	12.1	12.1	10.2	1.95
14	Office of the Prime Minister and Cabinet	105.3	118.8	90.7	28.12
16	Police, Nat. Security & Correctional Services	182.7	182.7	166.7	16.03
17	Provincial Gov't & Institutional Strengthening	72.2	72.2	70.8	1.46
18	Lands, Housing and Survey	11.8	15.2	8.7	6.44
19	National Planning and Development Coordination	6.4	6.8	3.9	2.89
20	Culture and Tourism	22.0	22.0	17.1	4.98
21	Commerce, Industries, Labour and Immigration	49.8	49.8	43.1	6.72
22	Communication & Aviation	28.3	28.3	10.3	17.99
23	Fisheries and Marine Resources	14.6	14.6	15.1	(0.50)
24	Public Service	11.5	11.5	9.6	1.93
25	Justice and Legal Affairs	33.5	34.3	28.4	5.89
26	Home Affairs	75.0	75.0	39.3	35.70
27	Traditional Governance, Peace and Ecclesiastical Affairs	24.5	24.5	20.3	4.12
28	Mines, Energy & Rural Electrification	9.2	9.2	6.9	2.30
29	National Judiciary	30.2	30.2	20.7	9.43
30	Women, Youth and Children's Affairs	9.9	9.9	8.0	1.84
31	Rural Development	85.8	85.8	82.4	3.31
32	Environment, Climate Change, Disaster Management & Meteorology	24.2	24.2	18.3	5.88
	Add back of Advances (deductibles & imprests)			*95.0*	*as cash out flows*
	Total	**2,114.5**	**2,158.6**	**1,965.8**	**192.8**

Summary Table 7: 2025 Development Expenditure

Head Of Expenditure		2025 Budget	2025 Revised Budget	2025 Actuals	Variance
Head	**Ministry/ Office**	**$m**	**$m**	**$m**	**$m**
	Economic	**308.7**	**349.3**	**228.2**	**121.1**
03	Agriculture and Livestock Development	50.0	50.0	37.8	12.2
13	Forestry & Research	10.6	10.6	9.3	1.3
20	Culture and Tourism	46.4	46.4	37.9	8.5
21	Commerce, Industries, Labour and Immigration	49.2	49.2	33.1	16.0
22	Communication & Aviation	64.9	64.9	26.9	38.0
23	Fisheries & Marine Resources	29.8	59.8	38.6	21.2
28	Mines, Energy & Rural Electrification	57.8	68.4	44.5	23.9
	Infrastructure	**113.2**	**119.2**	**108.7**	**10.5**
10	Infrastructure Development	113.2	119.2	108.7	10.5
	Rural Development & Other	**269.1**	**267.6**	**255.4**	**12.1**
18	Lands, Housing & Survey	16.1	14.6	4.4	10.2
31	Rural Development	253.0	253.0	251.1	1.9
	Education	**67.6**	**67.6**	**46.6**	**21.0**
05	Education & Human Resource Management	67.6	67.6	46.6	21.0
	Health	**44.1**	**44.1**	**42.0**	**2.1**
09	Health & Medical Services	44.1	44.1	42.0	2.1
	Environment	**9.8**	**9.8**	**-**	**9.8**
32	Environment, Climate Chng, Disaster Mgn’t & Meteorology	9.8	9.8	-	9.8
	Public Service including Provincial Government	**87.6**	**87.6**	**77.8**	**9.8**
04	Office of the Auditor General	1.1	1.1	-	1.1
06	Finance & Treasury	39.0	39.0	34.8	4.2
12	National Parliament	2.2	2.2	1.6	0.5
14	Office of the Prime Minister & Cabinet	9.5	9.5	4.3	5.1
17	Provincial Gov't & Institutional Strengthening	35.0	35.0	35.0	-
19	National Planning and Development Coordination	2.0	2.0	2.0	0.0
	Public Order & Safety	**55.6**	**57.1**	**32.8**	**24.3**
16	Police, Nat. Security & Correctional Services	28.4	28.4	12.1	16.3
25	Justice and Legal Affairs	3.7	3.7	2.0	1.7
26	Home Affairs	12.0	12.0	9.9	2.1
27	Traditional Governance, Peace and Ecclesiastical Affairs	2.5	2.5	0.6	1.9
29	National Judiciary	5.8	5.8	5.1	0.7
30	Women, Youth, Children and Family Affairs	3.2	4.7	3.0	1.7
	Total	**956.7**	**1,003.3**	**791.6**	**211.8**

Summary Table 8: 2025 Budget Support Revenue and Expenditure

	Head Of Expenditure	2025 Original Estimates	2025 Revised Estimates	2025 Actual Revenue	2025 Actuals Exp	Variance
Head	**Ministry/ Office**	**$million**	**$million**	**$million**	**$million**	**$million**
03	Agriculture and Livestock Development	-	80.6	12.7	32.0	48.6
04	Office of the Auditor General	-	3.5	1.4	1.4	2.1
05	Education & Human Resources Development	64.9	71.6	11.7	12.4	59.2
06	Finance and Treasury	-	22.7	172.1	19.1	3.6
09	Health and Medical Services	20.9	70.5	17.0	57.7	12.7
10	Infrastructure Development	-	256.5	65.0	27.3	229.1
14	Office of the Prime Minister and Cabinet	-	39.8	-	20.2	19.5
16	Police, Nat. Security and Correctional Services	-	1.1	-	0.8	0.3
17	Provincial Government & Institutional Strengthening	-	105.9	31.1	61.7	44.2
20	Culture & Tourism	5.1	5.1	-	0.5	4.5
22	Communication & Aviation	-	260.8	24.6	22.3	238.5
23	Fisheries & Marine Recourses	4.7	53.2	12.6	16.2	36.9
25	Justice & Legal Affairs	-	0.2	0.2	0.1	0.1
26	Home Affairs	0.4	0.4	-	0.1	0.3
28	Mines, Energy & Rural Electrification	-	53.4	11.6	28.4	24.9
29	National Judiciary	-	-	-	0.0	(0.0)
30	Women, Youth & Family Affairs	-	0.8	0.6	0.5	0.3
	Total	**95.9**	**1,025.8**	**360.7**	**300.8**	**725.0**

Summary Table 9: Summary of 2025 Virement

Head	No. of virement in 2021	No. of virement in 2022	No. of virement in 2023	No. of virement in 2024	No. of virement in 2025	Fund transferred in 2021 ($m)	Fund transferred in 2022 ($m)	Fund transferred in 2023 ($m)	Fund transferred in 2024 ($m)	Fund transferred in 2025 ($m)
Recurrent Budget (RB)										
01	3	0	0	3	5	0.3	0.0	0.0	0.1	0.3
02	8	32	10	23	4	0.5	0.7	0.1	0.3	0.0
03	8	22	70	28	27	0.9	1.1	1.5	0.8	0.8
04	2	10	22	0	5	0.3	0.3	0.3	0.0	0.2
05	17	35	24	83	50	95.0	28.6	2.6	24.7	43.7
06	27	162	161	127	88	22.6	22.8	15.3	27.1	19.5
07	1	12	2	30	16	0.3	2.9	1.5	4.2	2.3
08	4	15	45	44	57	0.3	1.0	2.0	2.3	1.3
09	4	213	308	113	70	2.4	13.3	21.0	11.6	46.4
10	4	11	4	2	16	0.7	2.2	2.6	0.2	2.1
11					2					35.0
12	13	39	11	54	54	3.6	1.8	0.8	2.8	5.5
13	2	9	15	44	39	0.3	0.2	0.8	0.5	0.9
14	12	51	119	82	37	3.9	5.2	13.1	16.4	2.7
16	4	40	108	128	150	1.2	9.5	18.0	31.0	30.2
17	4	13	34	10	18	4.8	0.7	5.9	0.5	1.8
18	2	17	34	42	55	1.2	1.3	1.2	2.6	1.8
19	3	12	7	20	40	0.1	0.2	0.3	0.3	0.8
20	7	32	28	25	14	3.3	2.4	1.1	2.7	0.4
21	4	34	40	176	102	2.6	1.6	1.4	6.4	6.9
22	3	20	131	27	11	2.2	2.0	5.8	9.7	2.1
23	7	9	84	54	121	0.6	0.5	5.5	0.6	1.7
24	11	49	77	74	97	0.9	1.7	2.1	5.7	3.3
25	3	43	71	19	46	1.1	3.7	3.1	2.0	4.0
26	3	15	4	19	18	0.6	0.9	0.3	40.2	1.6
27	1	4	9	2	4	0.8	0.1	0.2	0.3	1.0
28	3	10	21	28	21	0.3	0.2	0.9	0.7	0.4
29	1	22	49	73	14	0.7	0.9	1.7	4.1	0.5
30	0	12	51	34	25	0.0	0.4	1.0	0.8	0.7

31	1	4	5	4	20	0.0	6.4	0.2	0.1	5.6
32	8	27	45	14	86	3.0	1.9	3.6	1.2	2.1
RB Subtotal	**170**	**974**	**1589**	**1382**	**1312**	**154.5**	**114.4**	**114.0**	**199.5**	**225.6**
Donor Budget Support (DBS)										
05	1	12	28	6	42	17.0	7.3	11.1	0.8	29.2
06	0	6	0	0	0	0.0	0.5	0.0	0.0	-
07	2	4	12	0	0	0.5	0.4	0.6	0.0	-
09	7	40	77	35	4	5.3	9.2	19.9	3.3	0.1
14					2					0.0
16	0	0	3	3	0			1.3	0.5	-
20	0		13	0	2			0.2	0.0	0.1
23	2	2	24	18	27	6.1	0.0	1.0	0.6	1.2
32	0	0	0	0	0	0.0	0.0	0.0	0.0	-
DBS Subtotal	**12**	**64**	**157**	**62**	**77**	**28.9**	**17.5**	**34.2**	**5.1**	**30.5**
Development Budget (DB)										
03	1	0	16	46	14	0.1	0.0	3.9	9.0	4.5
04	0	0	0	0	2	0.0	0.0	0.0	0.0	0.2
05	0	0	2	2	3			8.0	1.0	17.6
06	1	16	0	0	3	0.7	3.0	0.0	0.0	1.7
09	6	0	6	2	0	8.6	0.0	1.2	1.0	-
10	3	0	0	0	0	5.1	0.0	0.0	0.0	-
12	0	2	3	2	0	0.0	0.5	0.7	0.1	-
13	0	6	0	4	10	0.0	0.4	0.0	1.3	1.4
14	1	4	3	0	8	0.4	0.4	3.1	0.0	7.0
16	1	5	18	4	15	1.5	1.6	6.0	0.7	6.3
18	1	17	0	0	2	0.4	3.6	0.0	0.0	0.2
19	0	14	0	10	0	0.0	0.5	0.0	0.5	-
20	1	3	0	0	20	1.0	0.6	0.0	0.0	9.2
21	4	4	0	5	22	4.0	0.5	0.0	1.5	3.3
22	3	9	10	27	10	8.0	4.1	3.5	6.9	14.1
23	1	15	42	6	0	0.8	1.9	3.8	0.5	-
25	0	2	2	9	7	0.0	1.0	0.3	2.1	1.4
26	0	6	0	0	0	0.0	1.6	0.0	0.0	-
27	0	2	0	0	0	0.0	0.2	0.0	0.0	-

28	2	9	33	13	13	0.9	1.0	1.5	1.5	1.7
29	1	0	0	3	10	0.1	0.0	0.0	0.6	1.6
30	0	0	0	0	0	0.0	0.0	0.0	0.0	-
31	1	2	0	3	2	12.0	12.8	0.0	10.0	3.4
32	1	20	16	0	0	0.4	1.7	0.8	0.0	-
DB Subtotal	**28**	**136**	**151**	**136**	**141**	**44.0**	**35.3**	**32.8**	**36.5**	**73.4**
Grand Total	**210.0**	**1,174.0**	**1,897.0**	**1,580.0**	**1,530.0**	**227.4**	**167.2**	**180.9**	**241.1**	**329.5**

ATTACHMENTS

Attachment 1: 2024 Final Budget Outcome

2024 Final Budget Outcome (Final)				
Budget Estimates ($ millions)	**2024 Original Estimates**	**2024 Revised Estimates**	**2024 YTD Actual**	**Variance**
	$million	**$million**	**$million**	**$million**
Total SIG Revenue	**3,312.0**	**3,508.4**	**3,581.5**	**(73.1)**
IRD	1,979.3	2,206.8	2,212.3	(5.5)
Customs	924.5	1,003.9	1,000.5	3.4
Non-Tax	408.2	297.7	368.7	(71.0)
Budget Support Revenue	**135.3**	**272.8**	**164.1**	**108.7**
Budget support	135.3	272.8	164.1	108.7
Total Revenue	**3,447.3**	**3,781.2**	**3,745.6**	**35.6**
Total Expenditure	**4,403.7**	**4,614.8**	**3,890.6**	**724.2**
Total SIG Expenditure	**4,268.4**	**4,342.0**	**3,759.3**	**582.7**
Total Recurrent Expenditure	**3,611.7**	**3,692.4**	**3,279.9**	**412.4**
Payroll	1,568.2	1,572.7	1,581.6	(8.9)
Other Charges	1,885.4	1,964.0	1,632.7	331.4
National Debt Servicing	138.1	138.1	65.6	72.5
Contingency Warrant Provision	20.0	17.5	-	17.5
Development Budget	**656.8**	**649.6**	**479.4**	**170.2**
SIG Development Expenditure	656.8	649.6	479.4	170.2
Budget Support	**135.3**	**272.8**	**131.3**	**141.5**
Sector Budget	135.3	272.8	131.3	141.5
Budget Balance – Overall Budget deficit	**(956.4)**	**(833.6)**	**(145.0)**	
External Budget Financing	**487.0**	**880.0**	**553.7**	
Fiscal Balance after budget financing	**(469.4)**	**46.4**	**408.7**	
Fiscal Balance SIG Exp excl. budget support	**(956.4)**	**(833.6)**	**(177.8)**	
Fiscal Balance SIG Rec Exp excl. Dev & Donor Support	**(299.6)**	**(184.0)**	**301.6**	

Attachment 2: 2023 Final Budget Outcome

2023 Final Budget Outcome (Final)				
Budget Estimates ($ millions)	**2023 Original Estimates**	**2023 Revised Estimates**	**2023 YTD Actual**	**"Variance"**
	$m	**$m**	**$m**	
Total SIG Revenue	**3,202.6**	**3,251.7**	**3,184.9**	**(66.8)**
IRD	1,783.7	1,921.6	2,010.4	88.8
Customs	992.9	904.1	908.5	4.4
Non-Tax	426.0	426.0	265.9	(160.1)
Budget Support Revenue	**177.4**	**693.5**	**693.5**	0.0
Budget support	177.4	693.5	693.5	0.0
Total Revenue	**3,380.0**	**3,945.2**	**3,878.4**	(66.8)
Total Expenditure	**4,884.4**	**5,398.0**	**4,472.8**	**(925.2)**
Total SIG Expenditure	**4,632.0**	**4,704.5**	**3,928.9**	**(775.6)**
Total Recurrent Expenditure	**3,461.0**	**3,469.3**	**3,060.7**	**(408.6)**
Payroll	1,474.4	1,475.2	1,539.4	64.2
Other Charges	1,825.0	1,832.5	1,422.4	(410.1)
National Debt Servicing	141.6	141.6	98.9	(42.6)
Contingency Warrant Provision	20.0	20.0	-	(20.0)
Development Budget	**1,170.9**	**1,235.1**	**868.2**	**(366.9)**
SIG Development Expenditure	1,170.9	1,235.1	868.2	(366.9)
Donor Development Expenditure				
Budget Support	**252.4**	**693.5**	**543.9**	**(149.6)**
Sector Budget	177.4	693.5	543.9	(149.6)
Reconstruction program	75.0	-	-	-
Covid-19 Support				
Budget Balance	**(1,504.4)**	**(1,452.8)**	**(594.4)**	858.4
External Budget Financing	**320.2**	**880.7**	**730.8**	(149.9)
				-
Fiscal Balance	**(1,184.2)**	**(572.1)**	**136.4**	**708.5**