



2021 APPROPRIATION BILL 2021

(NO. 2 OF 2021)





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A

BILL

Entitled

AN ACT TO APPROPRIATE THREE BILLION, NINE HUNDRED AND FIVE MILLION, NINE HUNDRED AND FIFTY ONE THOUSAND AND THREE HUNDRED AND SIXTY DOLLARS TO THE SERVICE OF THE FINANCIAL YEAR ENDING 31 DECEMBER 2021.

ENACTED BY THE NATIONAL PARLIAMENT OF SOLOMON ISLANDS.

2021 APPROPRIATION BILL 2021

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2021 APPROPRIATION BILL 2021

1 Short title

This Act may be cited as the *2021 Appropriation Act 2021*.

2 Commencement

This Act commences on the date of assent.

3 Authorisation of appropriation

- (1) The issue of an amount of \$3,905,951,360 from the Consolidated Fund is authorised, to be applied to the service of the financial year ending 31 December 2021.
- (2) The amount specified in subsection (1) is appropriated for the supply of the heads specified in Schedule 1 in the amount specified for each head.

4 Government borrowing limits

- (1) This section applies for the purposes of section 66(2) of the *Public Financial Management Act 2013* for the financial year ending 31 December 2021.
- (2) The Government may borrow or agree to borrow amounts not exceeding in total the borrowing limits specified in Schedule 2.

5 Debt service account

- (1) This section applies for the purposes of section 69(2) of the *Public Financial Management Act 2013* for the financial year ending 31 December 2021.
- (2) The Minister must set aside 2.01% of the Government's domestic own source revenue earned in the financial year ending 31 December 2021 to be transferred into the debt service account for the purpose of discharging statutory debt.

6 Advance warrants

- (1) This section applies for the purposes of section 60(2) of the *Public Financial Management Act 2013* for the financial year ending 31 December 2021.
- (2) The Minister must not, at any one time, after deducting repayments and monies on deposit, issue advance warrants to an amount exceeding \$150,000,000 during the financial year ending 31 December 2021.

7 Contingency warrants

- (1) This section applies for the purpose of section 58 of the *Public Financial Management Act 2013* for the financial year ending 31 December 2021.
- (2) The Minister may authorise a contingency warrant for a sum not exceeding \$20,000,000 for:
 - (a) Heads of Recurrent expenditure specified in Part 1 of Schedule 1; or
 - (b) Heads of Development expenditure, specified in Part 3 of Schedule 1.

SCHEDULE 1

(section 3)

PART 1 - RECURRENT EXPENDITURE

Head	Ministry	Expenditure Authorised (\$)
268	Solomon Islands Electoral Commission	5,555,415
269	Office of the Ombudsman	4,447,531
270	Ministry of Agriculture and Livestock Development	32,006,054
271	Office of the Auditor-General	5,813,918
272	Ministry of Education and Human Resources Development	1,063,279,090
273	Ministry of Finance and Treasury	142,572,804
274	Ministry of Foreign Affairs and External Trade	53,406,470
275	Office of the Governor-General	4,251,935
276	Ministry of Health and Medical Services	427,639,584
277	Ministry of Infrastructure Development	54,864,515
279	National Parliament of Solomon Islands	90,201,854
280	Ministry of Forestry and Research	23,990,195
281	Office of the Prime Minister and Cabinet	77,326,338
283	Ministry of Police, National Security and Correctional Service	266,409,606
284	Ministry of Provincial Government and Institutional Strengthening	101,200,534
285	Ministry of Lands, Housing and Survey	18,824,570
286	Ministry of National Planning and Development Coordination	5,257,381
287	Ministry of Culture and Tourism	25,233,623
288	Ministry of Commerce, Industries, Labour and Immigration	42,344,782
289	Ministry of Communication and Aviation	45,150,565
290	Ministry of Fisheries and Marine Resources	21,966,944
291	Ministry of Public Service	25,812,610
292	Ministry of Justice and Legal Affairs	32,147,685
293	Ministry of Home Affairs	14,387,732

294	Ministry of Traditional Governance, Peace and Ecclesiastical Affairs	25,906,971
295	Ministry of Mines, Energy and Rural Electrification	15,838,655
296	National Judiciary	20,776,215
297	Ministry of Women, Youth, Children and Family Affairs	9,810,809
298	Ministry of Rural Development	18,448,643
299	Ministry of Environment, Climate Change, Disaster Management and Meteorology	34,482,018
	TOTAL RECURRENT ESTIMATES	2,709,355,046

PART 2 - BUDGET SUPPORT EXPENDITURE

Head	Ministry	Expenditure Authorised (\$)
370	Ministry of Agriculture and Livestock Development	7,312,000
372	Ministry of Education and Human Resources Development	64,155,851
374	Ministry of Foreign Affairs and External Trade	3,500,000
376	Ministry of Health and Medical Services	157,709,165
383	Ministry of Police, National Security and Correctional Service	9,842,885
390	Ministry of Fisheries and Marine Resources	14,648,743
393	Ministry of Home Affairs	724,270
397	Ministry of Women, Youth, Children and Family Affairs	654,400
	TOTAL BUDGET SUPPORT ESTIMATES	258,547,314

PART 3 - DEVELOPMENT EXPENDITURE

Head	Ministry	Expenditure Authorised (\$)
470	Ministry of Agriculture and Livestock Development	25,000,000
472	Ministry of Education and Human Resources Development	34,750,000

473	Ministry of Finance and Treasury	10,000,000
476	Ministry of Health and Medical Services	44,800,000
477	Ministry of Infrastructure Development	100,000,000
479	National Parliament of Solomon Islands	1,500,000
480	Ministry of Forestry and Research	10,636,000
481	Office of the Prime Minister and Cabinet	201,400,000
483	Ministry of Police, National Security and Correctional Service	10,000,000
484	Ministry of Provincial Government and Institutional Strengthening	31,500,000
485	Ministry of Lands, Housing and Survey	10,000,000
486	Ministry of National Planning and Development Coordination	8,400,000
487	Ministry of Culture and Tourism	10,000,000
488	Ministry of Commerce, Industries, Labour and Immigration	25,000,000
489	Ministry of Communication and Aviation	24,803,000
490	Ministry of Fisheries and Marine Resources	15,000,000
492	Ministry of Justice and Legal Affairs	1,000,000
493	Ministry of Home Affairs	5,500,000
494	Ministry of Traditional Governance, Peace and Ecclesiastical Affairs	1,000,000
495	Ministry of Mines, Energy and Rural Electrification	11,800,000
496	National Judiciary	5,000,000
497	Ministry of Women, Youth, Children and Family Affairs	3,000,000
498	Ministry of Rural Development	342,000,000

499	Ministry of Environment, Climate Change, Disaster Management and Meteorology	5,960,000
	TOTAL SIG FUNDED DEVELOPMENT ESTIMATES	938,049,000

TOTAL APPROPRIATION FUNDING \$3,905,951,360

NOTE: In addition to the amount authorised by this Act, a further \$113,129,385 is forecast to be expended through statutory charges on the Consolidated Fund, including \$84,861,561 to be expended on National Debt Repayments. These Statutory Appropriations are explained in the Financial Policy Objectives and Strategies Statement (Budget Paper 1) and the Recurrent Estimates Document (Budget Paper 2) and are appropriated by existing legislation or the Constitution.

SCHEDULE 2

(sections 4 and 7)

GOVERNMENT BORROWING LIMITS

Column 1	Column 2	Column 3
Total borrowing limits	Permitted purposes	Sources
\$350,000,000	New borrowing for high priority infrastructure and development initiatives in line with the Government's development and debt policies as authorised by section 71(3) of the <i>Public Financial Management Act 2013</i>	Multilateral or bilateral development partners, domestic financial institutions
Face value of Treasury Bills on issue at the end of 2021 must not exceed the face value of Treasury Bills on issue at the beginning of 2021 by more than \$100,000,000	Necessary borrowing to deal with exceptional circumstances like a major economic shock or a natural disaster as authorised by section 71(4) of the <i>Public Financial Management Act 2013</i>	Treasury Bills issued under <i>Government Loans and Securities Act</i> (Cap. 119)

2021 APPROPRIATION BILL 2021

EXPLANATORY MEMORANDUM

OBJECTS

The object of this Bill is to authorise expenditure of \$3,905,951,360 for the services of the Government for 2021.

This Bill sets annual limits on new Government borrowing, for the purpose of section 66 (2) of the *Public Financial Management Act 2013*. There are 2 categories of permitted borrowing:

- borrowing by way of Treasury Bills to deal with exceptional circumstances
- borrowing from development partners or domestic financial institutions for the purpose of high priority infrastructure and development initiatives

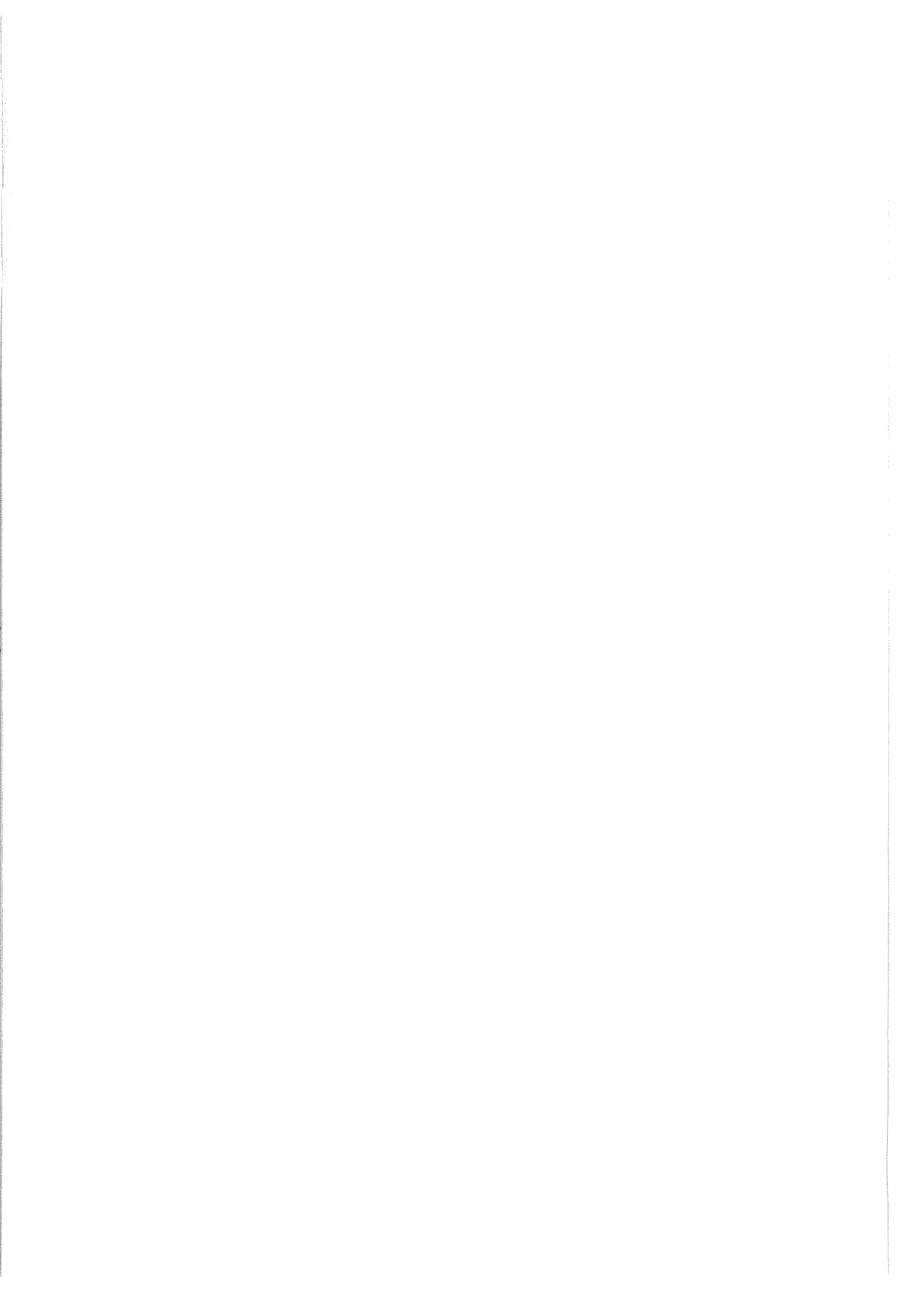
The Bill specifies a borrowing limit for each category of permitted borrowing.

Provisions relating to the issue by the Minister for Finance and Treasury of advance warrants and contingency warrants during 2021 are also included.

The Bill should be read in conjunction with the Budget Papers provided to Parliament, including Budget Paper 1: Financial Policy Objectives and Strategies Statement.

The Bill provides authority under section 56 of the *Public Financial Management Act 2013* for a General Warrant to be issued by the Minister for Finance and Treasury up to three billion, nine hundred and five million, nine hundred and fifty one thousand and three hundred and sixty dollars to the Permanent Secretary of Finance and Treasury. This further allows the issue of Accounting Warrants by the Permanent Secretary in accordance with section 57 of the *Public Financial Management Act 2013*. The accounting warrants to be issued are outlined in Budget Paper 2: Recurrent Budget Estimates and Budget Paper 3: Development Budget Estimates.

HON. HARRY KUMA
MINISTER FOR FINANCE AND TREASURY



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