



Guyana's Budget Process and Windows for Advocacy

A Guide to Inform Advocacy for HIV and Health Resources

Introduction

Guyana is a signatory to the 2016 United Nations Political Declaration on HIV and AIDS, which calls for intensified government efforts to achieve comprehensive prevention, care, treatment, and support programs for people living with and/or affected by HIV. The government has committed to achieving the Joint United Nations Programme on HIV/AIDS' "95-95-95" treatment targets. In late 2017, the government also announced its commitment to adopt the "treat all" approach as of 2018, with the goal of ending the epidemic by 2030 (Cummings, 2017). These are ambitious goals for the country, as Guyana currently has an adult HIV prevalence of 1.6% and concentrated epidemics among key populations. New infections have increased by 23% and AIDS-related deaths by 33% since 2010 (UNAIDS, 2016).

Health programs in Guyana are funded by government revenue, loans, and grants. Many donors, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), provide grants to respond to specific diseases, including HIV. Donor funding, however, is declining in anticipation of Guyana reaching middle-income status, placing significant resource constraints on the country's HIV response. To meet its ambitious

commitments and achieve overall epidemic control, the government of Guyana will need to increase domestic resources for HIV. To achieve this, stakeholders at civil society organizations and elsewhere can advocate throughout the budget process to ensure that the HIV response remains a priority. In order to engage effectively in budget advocacy, civil society organizations must first understand the government budget-making process and when key windows for advocacy occur.

This brief details the budget-making process in Guyana, including specific points for stakeholder identification and advocacy—a process that, up to this point, has not been well-documented. This brief can be used by advocates at civil society organizations and elsewhere as a tool in planning for budget advocacy activities throughout the process—from budget development and decision making regarding HIV response allocation to parliamentary approval and monitoring.

Budget Process

The annual budget-making process begins with the Ministry of Finance issuing the Budget Circular—a document that outlines deadlines and requirements for submitting budget proposals. By law, the circular is issued on or before July 1 of the preceding fiscal year. Each ministry designates a Head of Budget (typically the Permanent Secretary) to steer the process (GOG, 2003). The Head of Budget then forms an Agency Budget Committee to prepare the agency's budget for submission. The agency's budget must be approved by

Budget advocacy can help ensure that domestic financing begins, increases, and/or is effectively monitored.



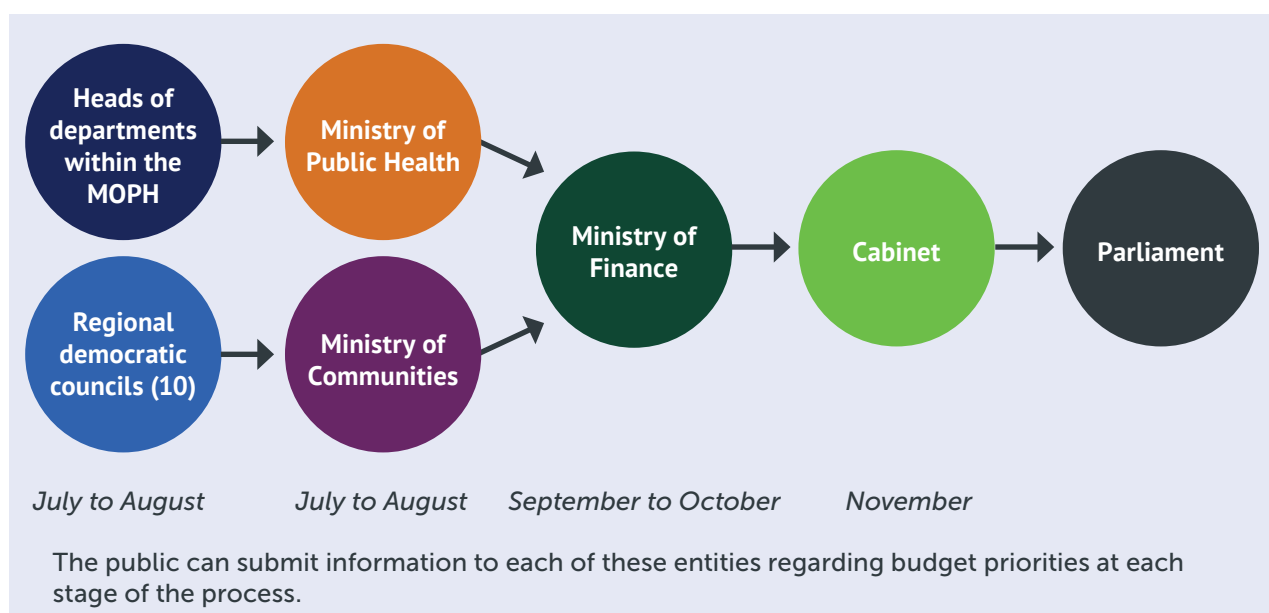
the minister who is responsible for the agency by signing a Transmittal Statement (GOG, 2003). The budget is then formally submitted to the Ministry of Finance to form part of national budget estimates. National budget estimates must be presented to the National Assembly on or before March 31 of the fiscal year (GOG, 1980).¹

Two ministries control resources for health: the Ministry of Communities (MOC) and the Ministry of Public Health (MOPH). The MOPH is responsible for overall health policy and certain vertical health programs, including the country's HIV response (GOG, 2005). The Ministry of Communities is responsible for health service delivery, via 10 administrative regional democratic councils, with policy guidance from the MOPH regarding prioritization of resource allocations. While both of these ministry budgets contribute resources to health, advocacy directly related to HIV services should focus primarily on the MOPH budget process. Advocates should be aware, though, that opportunities exist to push for greater general health resources within the MOC and that advocacy geared toward the Ministry of Finance can help ensure that health priorities are reflected in the approved national budget.

Budget-Making Process at the Regional/Department Level

The budget-making process uses a bottom-up approach. For the MOC, this begins with the regional democratic councils submitting regional budgets, including health budgets, to the MOC. With the MOPH, department heads submit departmental budgets to the Minister of Public Health, who consolidates them. Once the MOC and MOPH have consolidated their respective budgets, each submits a ministry budget the Ministry of Finance which, as noted above, consolidates all ministry budgets into the national budget document that is then submitted for Cabinet approval. At each stage in this process, opportunities exist for citizens to provide input through public hearings, advocacy, or consultations with key government decision-makers. Figure 1 summarizes opportunities for advocacy at each level; while the exact timeline varies from year to year, a general timeframe for each stage is also included.

Figure 1: Overview of Guyana's Budget-Making Process



¹ The term "National Assembly" is used to describe a meeting of parliamentarians. The term "Parliament" is used to describe a gathering of parliamentarians and the president.

Budget-Making at the Ministry of Finance Level

The Minister of Finance is central to all budget-making activities and plays several roles throughout the process. These include:

- Initiating the process by issuing the Budget Circular to budget agencies
- Consulting with each budget agency about government priorities
- Receiving final submissions through relevant Cabinet ministers
- Preparing a draft budget
- Presenting the draft budget to Cabinet for discussion
- Obtaining Cabinet's permission to present the budget to the National Assembly
- Presenting the budget to Parliament
- Responsibility for presenting the Appropriation Bill for passage in Parliament
- Responding to questions during the Committee of Supply review
- Responsibility for piloting the Appropriation Bill through its various stages, with guidance from the Speaker
- If budgetary measures affect any existing laws, then it is customary that the Ministry of Finance propose any necessary amendments to these laws and pilot them through the process of approval (GOG, 2003)

Upon passage of the budget, the Ministry of Finance is responsible for disbursing the appropriated funds to the various budget agencies in accordance with parliamentary appropriations. Advocates can pursue opportunities to engage stakeholders from the Ministry of Finance to advocate for inclusion of resources for HIV and health in the approved national budget, as well as ensure that any such funds are released.

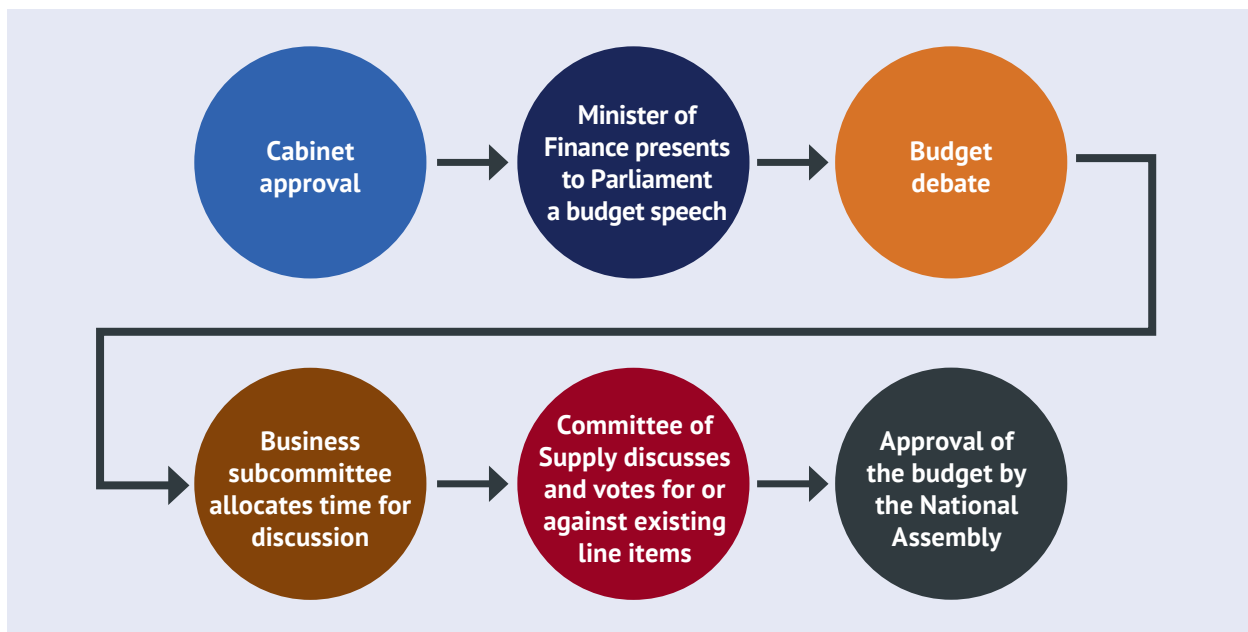
Budget-Making at the National Assembly Level

The parliamentary budget-making process follows Cabinet approval, when the Minister of Finance presents the complete budget proposal to the National Assembly. The exact timing of this process varies each year, but generally the proposed budget is under the purview of the National Assembly for about one month around November/December. The government aims to adopt the budget by December 31, though the legal deadline is March 31. The steps necessary for adoption include:

1. **Formal presentation of the budget to the National Assembly.** The Minister of Finance is responsible for this presentation. Following a prepared speech, the three-volume budget estimates are distributed to all parliamentarians and a date is set for budget debates.
2. **Budget debates in the National Assembly.** Parliamentarians are given a minimum of one week to prepare for the budget debates. During this time, Parliament's business subcommittee meets to decide how much time to allocate for parliamentary speeches. Recent practice has been to allow the Prime Minister, the Minister of Finance, and the Leader of the Opposition unlimited time to speak. Ministers and the opposition members with responsibility for specific ministry areas (i.e. health, local government, etc.) are allotted 45 minutes; all others are allotted 30 minutes. The debates generally focus on budget strengths and weaknesses and usual custom is for all parliamentarians to speak. To accommodate everyone, Parliament meets from 10 am to 10 pm from Monday to Friday; the debates usually last for one week.

3. **Budget discussion in the Committee of Supply.** The National Assembly convenes the Committee of Supply to review projected revenue estimates as well as expenditures under each budget line. The committee is granted a seven-day window to compare current allocations against historical expenditures and estimated available resources. Following this review, the opposition party is given an opportunity to ask questions regarding each line item, to which the party responsible for implementing each item in question must respond. Then the committee votes on approval of each line item as part of the national budget (Parliament of Guyana, 2009). Technically, an opportunity exists at this point for amending the budget; however, usual practice has been that the budget does not change at this stage.
4. **Conclusion of consideration of the estimates.** After allotments to heads and subheads have been established, the Chairperson asks the Committee of Supply to report the estimates to the National Assembly.
5. **Reporting to the National Assembly.** The Minister of Finance reports to the National Assembly and asks that the body formally adopt the budget.
6. **Implementation.** The Ministry of Finance begins budget implementation on January 1, disbursing funds to respective ministries and engaging those ministries in monitoring of and accountability for finances.

Figure 2: Guyana’s Budget-Making Process in the National Assembly

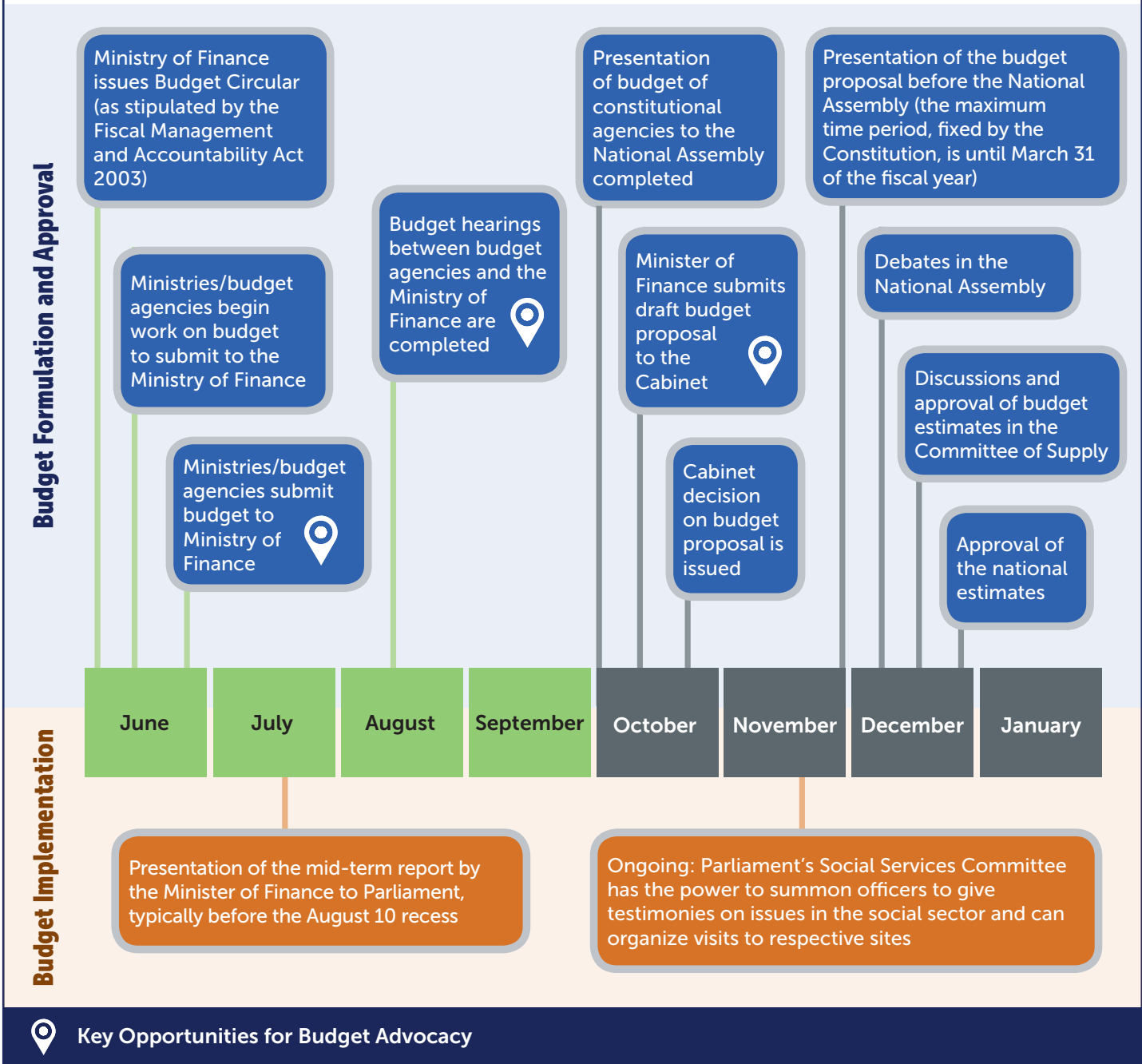


Timeline for Budget-Making

Advocacy opportunities may be limited by time constraints allotted to each step of the process. The Minister of Finance has approximately 270 days after the Budget Circular is issued to create the national budget, have it approved by the Cabinet, and submit it to the National Assembly for passage. However, the government has signaled its intention to complete the entire budget process before December 31 (MOF, 2015). This means that the actual window of opportunity for citizen input is reduced to approximately 184 days. In practice, though, it is further reduced, because the National Assembly’s review and passage typically requires a minimum of three weeks to one month. The exact

The Government of Guyana's Annual Budget Process

The process of developing the Guyanese Government's budget occurs on an annual cycle from July to June. While the exact dates in the budget-making process vary from year to year, the process generally follows a similar timeline and similar engagement of ministries, local government, and Parliament. The annual process officially begins when the Ministry of Finance issues the Budget Circular at the beginning of July. This figure lays out the timeframe for each step in the budget process. Throughout the process, multiple opportunities exist for public input and/or advocates to meet with decision-makers. For specific dates in this year's process, please consult the Budget Circular, the Ministry of Health, or Parliament.



This figure highlights key opportunities for budget advocacy. If you represent a constituency who wants to see the public budget reflect specific health sector priorities, these are opportunities to present these priorities to key decision-makers. During the budget drafting process, health advocates can meet with regional democratic councils and the ministries of Communities and Health. Once ministry budgets are submitted to the Ministry of Finance, continued advocacy can help ensure that health priorities are reflected in the consolidated budget. Around the world, targeted advocacy during key moments in the annual budget cycle has proven effective in securing increased resources for health. Advocates can prepare in advance of these dates to identify key decision-makers, evidence, and advocacy messages. Sources: MOF, 2015; MOF, 2017; GOG, 1980; GOG, 2003; GOG, 2005.

dates for each step, which vary from year to year, are included in the Budget Circular. Using Budget Circular 2017 as an example, advocacy opportunities were:

Agencies	Time Period
Regional democratic councils, Ministry of Communities, Ministry of Public Health	July 1 to August 18
Ministry of Finance	August 19 to October 13
Ministry of the Presidency	November 4 to November 7

Source: MOF, 2017

To make maximum use of the limited time allowed for consultations, advocates at civil society organizations and elsewhere should anticipate these dates and begin preparation and advocacy between January 1 and July 1. After July 1, formal submissions can be made to relevant decision-makers at each level of the budget-making process.

Key Actors

The following are key decision-makers with substantial influence on the budget-making process who can be targeted with advocacy interventions:

Ministry of Finance

1. **Minister of Finance:** responsible for the preparation of the budget estimates that must be formally presented to Parliament before March 31 of the fiscal year
2. **Secretary of the Treasury:** assists the Minister of Finance in budget preparation
3. **Director of Budget:** assists the Minister of Finance to manage the technical team responsible for budget preparation

Ministry of Public Health

1. **Minister of Public Health:** responsible for a) policy guidance to the health sector, and b) signing the Transmittal Statement once the budget submission is completed and agreed upon
2. **Permanent Secretary:** the designated Head of Budget Agency at the Ministry of Public Health who must ensure that the ministry's budget submission is compliant with Ministry of Finance recommendations
3. **Chief Medical Officer:** provides technical guidance to program heads within the Ministry of Public Health
4. **Director of Planning:** assists the Permanent Secretary in compiling the Ministry of Public Health's budget submission
5. **Program Directors:** responsible for technical, administrative, and financial matters for agencies within their remit

Ministry of Communities

1. **Minister of Communities:** responsible for a) regional policy guidance, and b) signing the Transmittal Statement once the budget submission is completed and agreed upon
2. **Permanent Secretary:** the designated Head of Budget Agency for the Ministry of Communities who is responsible for preparation and submission of the budget to the Ministry of Finance

Regional Democratic Council

1. **Regional Chairman:** responsible for providing policy guidance to the region
2. **Regional Executive Officer:** the designated Head of Budget Agency within the region who is responsible for the timely submission of the region's budget to the Ministry of Communities
3. **Regional Health Officer:** responsible for the submission of the regional health budget
4. **Chairman of Regional Health Committee:** responsible for chairing the committee to approve the regional health budget

Key Terms

The following are key terms essential to understanding the budget-making process:

Public expenditure: measures the amount of monies spent by the government in a specific time period—usually one year. This spending can be classified in various ways:

- **By level of government:** central and regional (regional democratic councils)
- **By ministries:** e.g., public health, education, public infrastructure, etc.
- **By function:** e.g., social services, health services, etc.
- **By economic category:** current and capital

Current expenditure: major categories of current government spending include:

- Employment expenditure (wages and salaries)
- Statutory payments to dependent pension funds
- Public debts
- Overhead expenditure (e.g., incentives, benefits and allowances, etc.)
- Materials, equipment, and supplies
- Fuel and lubricants
- Rental and maintenance of buildings
- Maintenance of infrastructure
- Transport, travel, and postage
- Utility charges
- Education subvention and training
- Rates and taxes, and subventions
- Subsidies to local and international organizations
- Refunds of revenue
- Pensions
- Other goods and services purchased
- Other operating expenses

Capital expenditure: primarily fixed investments in infrastructure, typically classified by type of financing into a) specific capital expenditure, which is donor-funded, and b) nonspecific capital expenditure, which comes from domestic sources

Government revenues: measures government receipts mainly from taxes, duties, and other current revenues. In terms of taxes and duties, these include tax on income, property, international trade transactions, and production and consumption; value-added tax; excise tax; and miscellaneous tax such as vehicle licenses, environmental tax levies, etc. Other current revenue includes rents and

royalties; interest; special transactions from statutory and non-statutory bodies; Bank of Guyana profits, fees, and fines; and other miscellaneous charges

Direct taxes: taxes that are levied directly on people or companies. These include taxes on personal and corporate income, capital gains, capital transfers, inheritances and wealth, royalties, mineral extraction, and dividends from public corporations

Indirect taxes: taxes levied on goods and services that can include value-added taxes (VAT), customs duties on imports, and excise duties on home-produced goods

Balanced budget: a term to describe a situation in which revenue generated is equal to spending

Budget deficits: a term to describe a situation in which spending exceeds revenue

Budget surplus: a term to describe a situation in which revenue exceeds spending

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CONTACT US

Health Policy Plus
1331 Pennsylvania Ave NW, Suite 600
Washington, DC 20004
www.healthpolicyplus.com
policyinfo@thepalladiumgroup.com

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