

# BUDGET CYCLE

## THREATS AND OPPORTUNITIES FOR RURAL HEALTH

### JANUARY-MARCH

#### MEDIUM TERM FISCAL FRAMEWORK

Cabinet establishes broad spending priorities and the treasury estimates how much revenue is likely to be available for the next three years. This is based on projections of economic growth and inflation.

**THREATS** Treasury predicts slow economic growth and starts talking about austerity and ‘fiscal consolidation’. ‘Do more with less!’

**OPPORTUNITIES** Start shifting discourse to do better with what we have and do things differently. Equity at the forefront of messaging.

### MARCH-MAY

#### FIRST DRAFT EXPENDITURE ESTIMATES

Departments at national and provincial levels develop expenditure estimates based on policy and political considerations. This is often a wish list or ideal budget.

**THREATS** Rural not considered explicitly. Higher costs, unmet need and historical backlogs not accounted for.

**OPPORTUNITIES** Advocate for rural factors to be considered in early draft budgets as a priority.

### MAY-JUNE

#### VERTICAL AND HORIZONTAL ALLOCATION ESTIMATES

Allocations between national, provincial and local governments are estimated. Estimates allocations to provinces based on Equitable Share Formula (ESF).

**THREATS** ESF does not account for rural adequately and deepens inequity between largely urban and rural provinces.

**OPPORTUNITIES** Advocacy for a rural adjuster to be built in to ESF.

### OCTOBER-JANUARY

#### MEDIUM TERM BUDGET POLICY STATEMENT

Treasury publishes MTBPS outlining fiscal policy and spending priorities for upcoming MTEF period. Finance and Revenue committees hold public hearings on the MTBPS.

**THREATS** Rural is not considered a priority or austerity will result in cost-cutting in critical areas.

**OPPORTUNITIES** MTBPS is a public process so using media advocacy and presenting to committees allows for pressure on departments and treasury to rural-proof budgets before they are finalized.

### SEPTEMBER-OCTOBER

#### MTEF COMMITTEE (NATIONAL AND PROVINCIAL) HEARINGS

Consideration of draft departmental and consolidated budgets. Opportunity for departments to motivate for additional allocations for priority interventions.

**THREATS** Adjustments made in favor of facilities and projects in urban settings with inadequate consideration of rural impact.

**OPPORTUNITIES** Use evidence to keep rural a priority and advocate for cost-effective service delivery options to advance rural health.

### JUNE-AUGUST

#### ADJUSTMENT OF DEPARTMENT BUDGET ESTIMATES

Treasury (national and provincial) provides departments with estimated allocations. Departments revise draft budgets in-line with expected allocations.

**THREATS** Allocations lower than expected and departments are asked to cut costs. Impact on rural facilities and workforce not adequately considered.

**OPPORTUNITIES** Advocacy for rural prioritisation to remain and for efficiencies that limit deterioration of services.

### FEBRUARY-MARCH

#### BUDGETS ARE TABLED IN PARLIAMENT AND LEGISLATURES

Budgets are published in preparation for implementation from 1 April. Minister of Finance and MEC for Finance in each province give speeches outlining priorities.

**THREATS** Rural disregarded or not properly accounted for in ‘final budgets’.

**OPPORTUNITIES** Reiteration of messaging in public and media based advocacy. Meeting with Treasuries to discuss budget shortcomings and the need for rural-proofing.

### APRIL

#### COMMITTEE HEARINGS AND ENACTMENT OF MONEY BILLS

Final public submissions can be made to finance committees before parliament votes to have division of revenue and appropriations (also at provincial level) bills are finalised.

**THREATS** Rural disregarded in budgets making any adjustments difficult at this point.

**OPPORTUNITIES** Public advocacy with committees to raise awareness of budget weaknesses and the need for rural-proofing in future processes.