




Sub-national Budgeting in Myanmar



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26 September 2012
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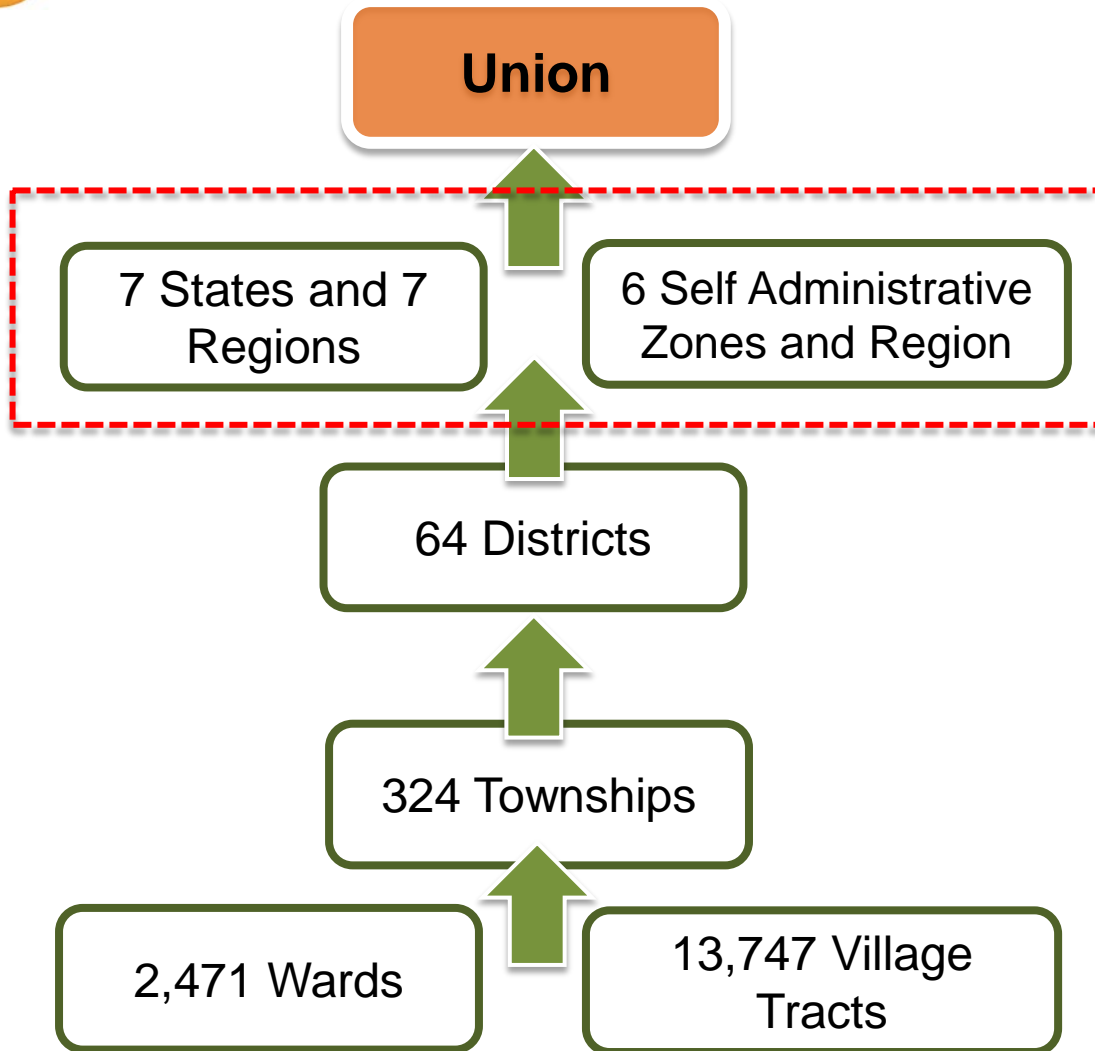
Budget

-  Strictly top-down
-  Discretionary power of Head-of-State
-  Special Project Committee – large slush fund

Governance

-  Centralised administration – British legacy
-  Line ministries maintain authority to the lowest unit

New Administrative Structure of Myanmar



Sub-national parliaments
Sub-national governments
Chief Ministers

Significant Initial Steps of Reform in Myanmar

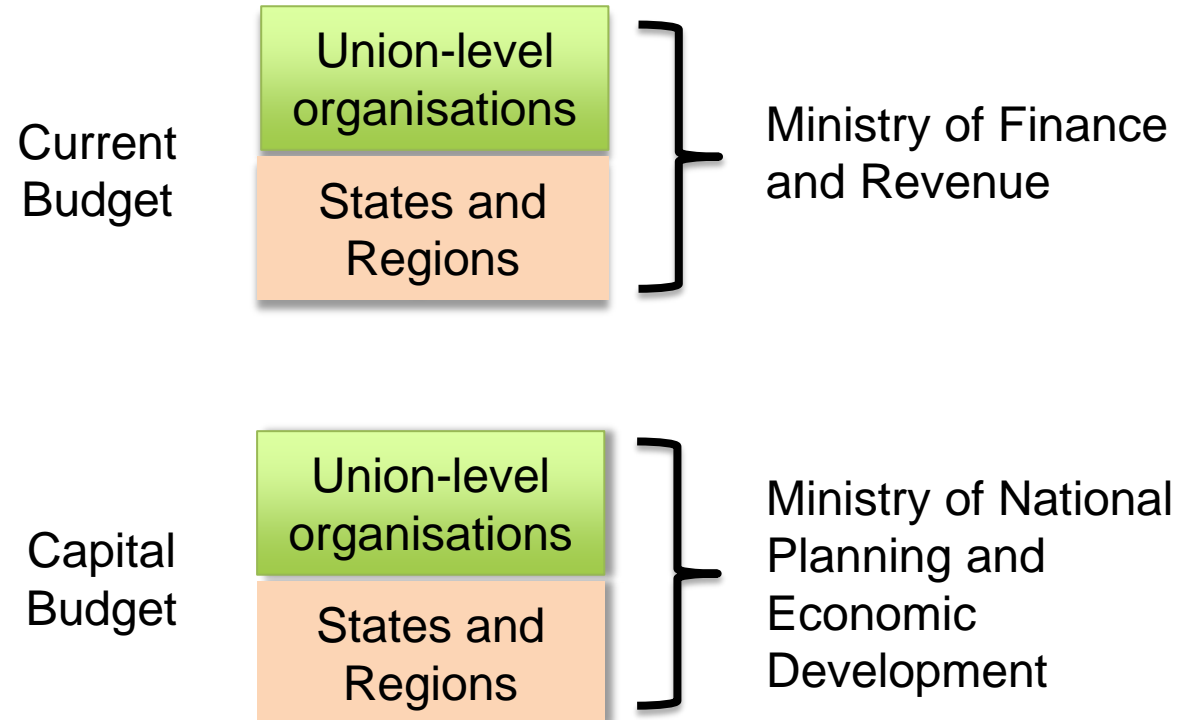
- ♣ **Fiscal reform:**
 - ♠ Budget deficit was reduced in FY2012/13(10% of previous year)
 - ♠ Abolishing and streamlining ministries (Industrial development for special and defense projects; Electricity Production)
 - ♠ President encourages ministries to trim down uneconomical and redundant State Economic Enterprises → Privatization
 - ♠ Emphasize on-going review of public utilities performance and reforms: communication, electricity, energy, forestry, education, health and financial sectors where the ratio of government ownership is large

- ♣ **Monetary reform:**
 - ♠ Exchange rate unification
 - ♠ Central Bank autonomy

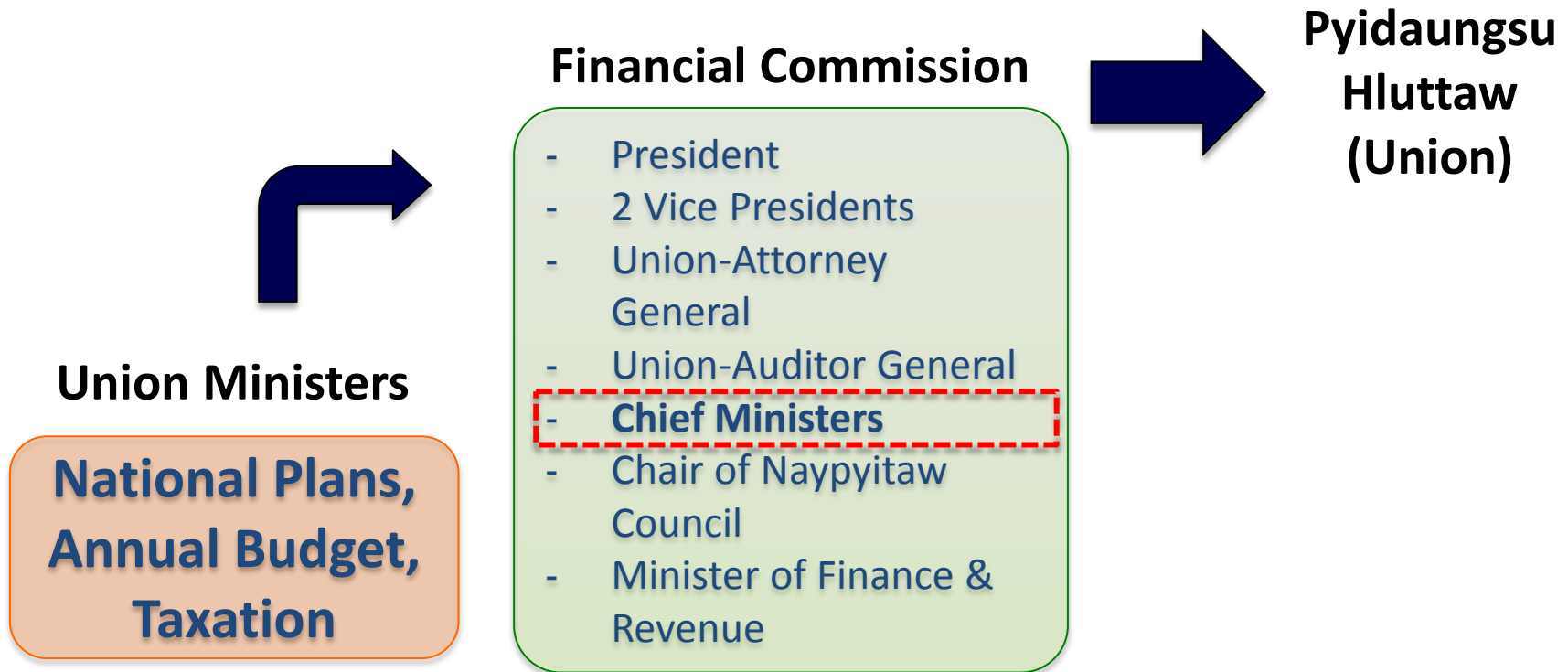
Public Access to Budgetary Information

- ♣ The government took a key step towards fiscal transparency through the publication of the FY 2012/13 budget
- ♣ However, Ministry of Information still controls the legal and regulatory framework to require the publication of budgetary information
- ♣ Media plays an important role in introducing transparency and budgetary execution
- ♣ Parliamentary oversight – thorough scrutiny of public expenditures and spending priorities

Budget System of Myanmar



The Process of Budget Bill



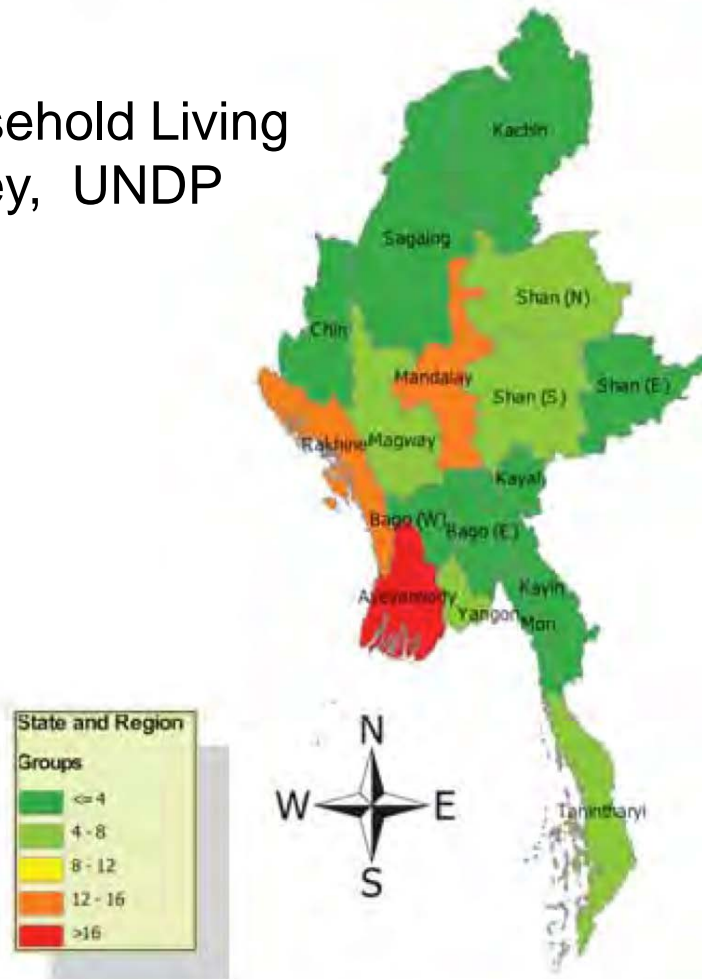
Budget estimates are submitted to the parliament. It takes at least two months to review and debate the budget proposals.

Four Priority Reform Objectives of Myanmar Government

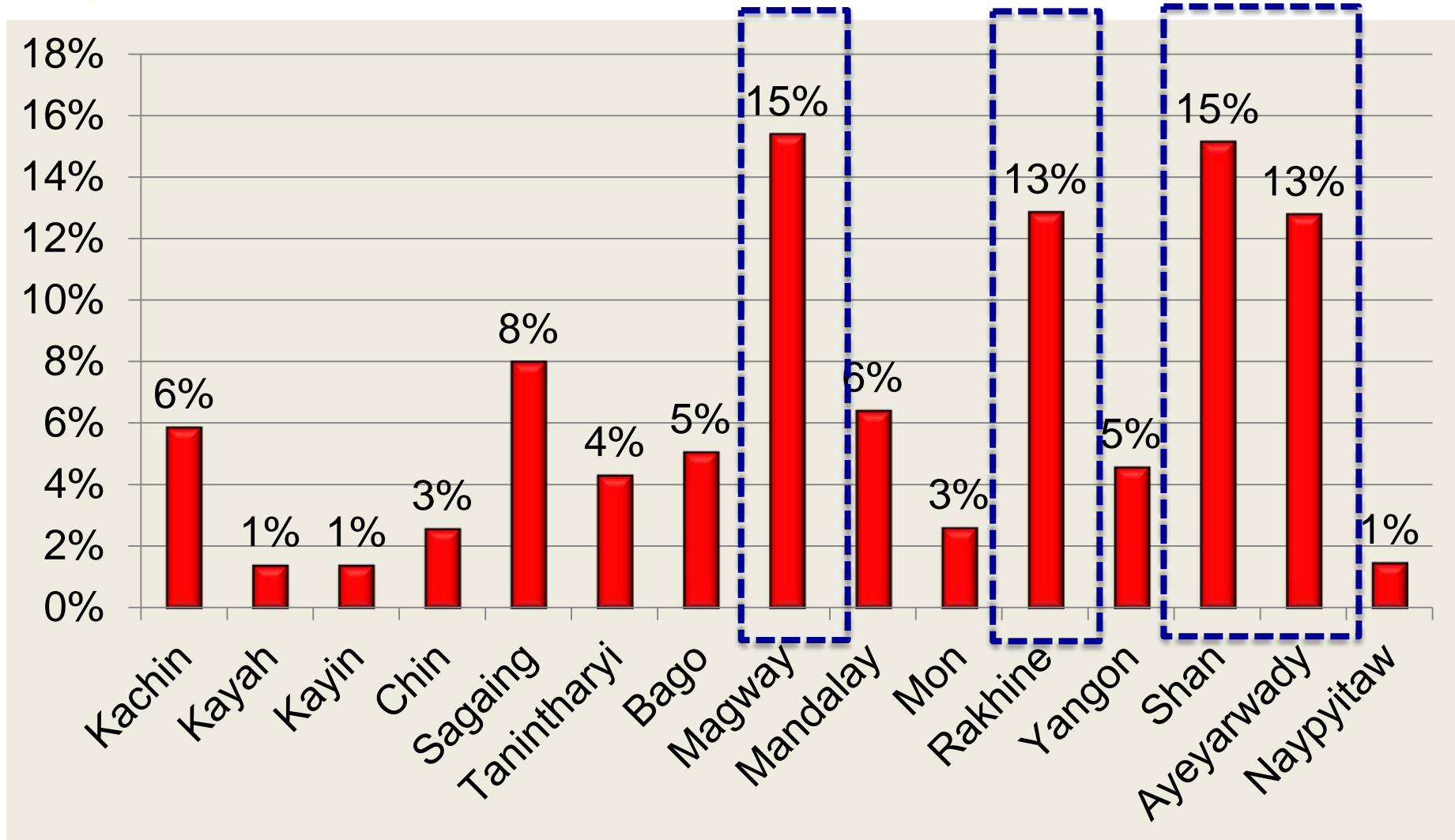
- ♣ Sustaining agriculture towards industrialisation
- ♣ **Balanced and proportionate development across States and Regions**
- ♣ Inclusive growth
- ♣ Quality of statistics

National Food Poverty Shared by State/Region (2010)

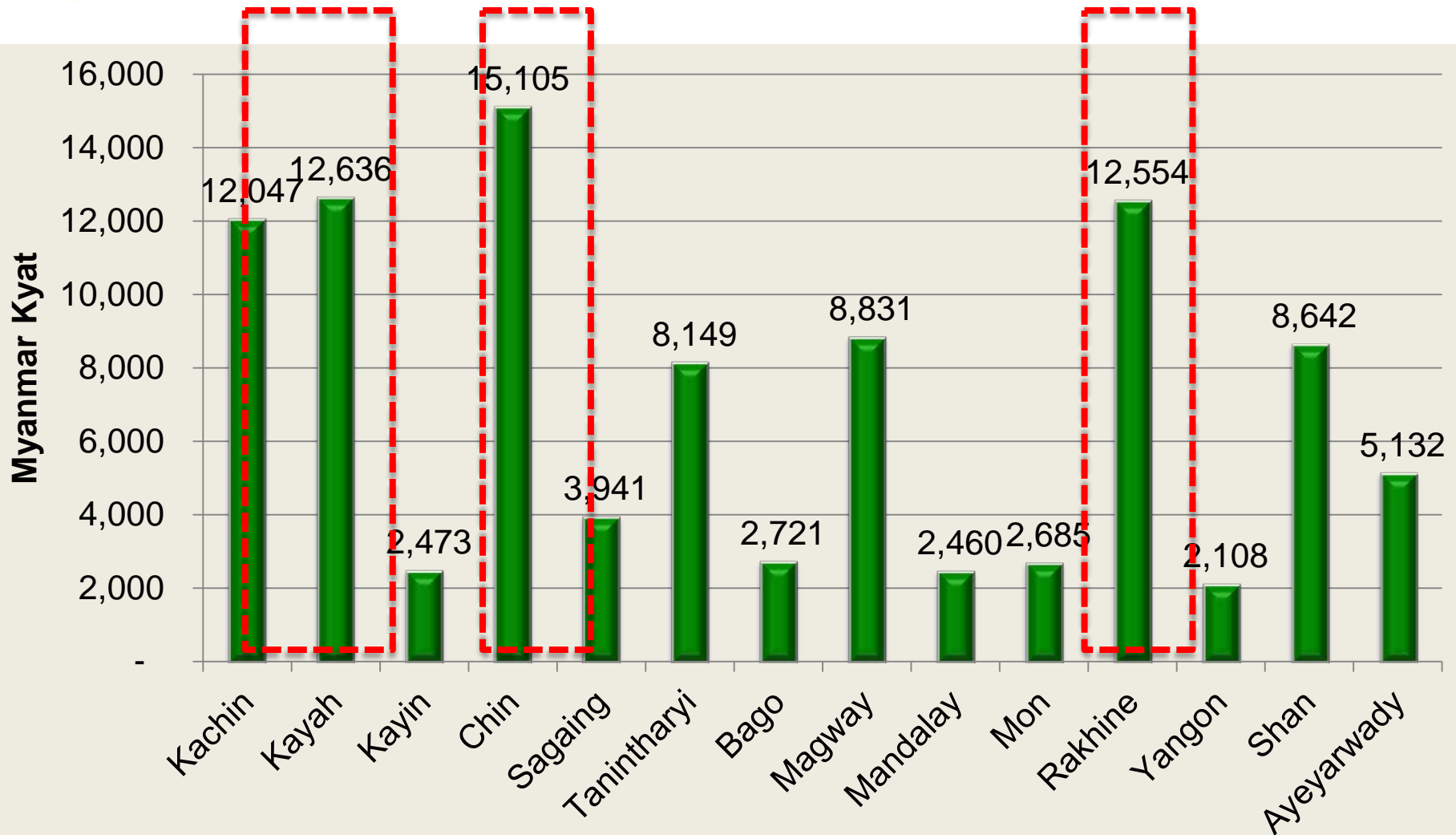
Integrated Household Living Condition Survey, UNDP



Budget Allocation by State/Region FY2012/13



Per-capita Budget Allocation by State/Region FY2012/13



Necessary Reforms at Sub-National Level

- ♣ Budget reform
 - ♠ Horizontal resource allocation rules and regulations of the transfer from Central to State/Region governments
 - ♠ More systematic formulation of sub-national fiscal plan
 - ♠ Increasing sharing of State/Region budget
 - ♠ More equitable resource sharing – step towards fiscal federalism?
- ♣ Participatory planning
 - ♠ Regional Plans and Urban Development Plan – participatory?
- ♣ Priorities
 - ♠ Capacity building of sub-national governments and institutions