

BUDGET ANALYSIS BRIEF

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INTRODUCTION

WHY ARE BUDGETS IMPORTANT?

Budgets are the most tangible expression of government's real policy priorities.

Few decisions made by a government are as important as those relating to its budget. Governments may issue policy statements and policy papers, but it is in government budgets that we see the most *practical expression* of policy decisions actually made. These decisions relate both to the spending plans and priorities selected and, equally importantly, those *not* selected; and they also relate to the plans to finance these plans and priorities from tax and other revenues to be paid by citizens and businesses.



Each year, the government presents a statement of revenues and expenditures for the coming financial year. The budget translates a government's manifesto, policies and goals into decisions on how to raise revenue, and how to use this money to meet the country's competing needs. The budget directly or indirectly affects the lives of all within a country, with the money government spends being the government's most powerful economic tool to meet

the needs of the people, especially those who are poor and marginalized.

International Budget Partnership



WHY IS BUDGET ANALYSIS IMPORTANT?

Analysis of budgets is essential in order to assess how well government's declared policy priorities in different sectors are being planned for and implemented and the quality of the spending underlying this.

THE PURPOSE OF BUDGET ANALYSIS

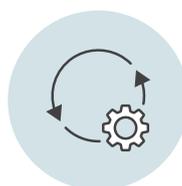
Since government budgets are the most tangible aspect of public policy it is important for all stakeholders – outside and also within government – to be able to understand and analyze them, in order to *assess the direction of policy and the quality of policy implementation*. This especially applies to such policy areas as local infrastructure and service delivery which depend critically on the level and quality of public spending.

For many years in Myanmar, budgets and the decisions on what to spend money on have been shrouded in mystery, with budgets not necessarily serving the population effectively or equitably. A starting point for ensuring the success of reforms to planning and budgeting processes requires that policy-makers, political actors, donors, civil society, and other stakeholders understand budget processes and outcomes, and have evidence with which to assess the impacts of reforms.

Both the need and the opportunities for greater scrutiny of budgets have become much greater in recent years. The creation of elected state and region governments with their own budgets under the 2008 Constitution was a highly significant step for Myanmar. Since their creation, state/region governments' budgets have almost tripled in size, and these governments are exercising increasing discretion in how that money is used. The need to strengthen budgetary decision-making has also been recognized by the Union government in recent years. The NLD has embraced not only "bottom-up" planning, whereby an increasing proportion of budget spending is based on planning proposals identified at the local township level, but has also placed much emphasis on budget transparency.

IMPORTANCE OF BUDGET ANALYSIS

All stakeholders must be concerned with the following sorts of questions around budgets and spending quality:



EFFICIENCY

Is money being spent so as to ensure greatest impact per thousand kyat, or is there unnecessary waste or duplication? Are capital investments being properly prepared and costed? Are assets being properly operated and maintained? Are funds allocated to budgeted activities actually being spent and, if not, what are the bottlenecks?



EFFECTIVENESS

Are relative sector spending patterns aligned with relative national policy priorities? Are there variations in these patterns across states/regions or townships? Do spending patterns also match varying local needs in different local contexts?



EQUITY

Are geographic spending patterns 'fair'? Do variations in per capita spending in different sectors reflect differing relative poverty and deprivation levels across states/regions, townships and village tracts?



TRANSPARENCY

Are budget revenue and spending decisions made on a clear basis, that is well documented and allows for interrogation and accountability, both from inside government and by citizens and civil society?

IMPORTANCE FOR CIVIL SOCIETY

If civil society actors are to play a constructive role in engaging government around policy issues, it is not sufficient to do this only through generic advocacy. In order to be credible and constructive, and to hold government to account for the quality, efficiency and equity of its spending in different areas, they need also to *engage and interrogate government in an informed manner* around specific budget issues.

Particularly, universities, research institutes, the media and development partners all have a legitimate interest in being able to track and assess government revenue-raising and spending in different sectors, to be able to play constructive roles in their different spheres. One further role for civil society is to ensure *government itself* is making use of budget and other data analysis in formulating its policies and budget plans.

For all this, budget information needs to be available and civil society actors need to be budget-literate.

IMPORTANCE FOR GOVERNMENT

Inside government, *policymakers and elected representatives* at Union and state/region levels need to be able to understand the patterns and trends in revenue collection and spending by the different departments. These officials need to be able to assess the appropriateness of sector and aggregate spending plans in light of policy priorities, to assess their implementation, and to use these assessments to guide future policy, spending and revenue-raising directions.

BASIC INTRODUCTION TO BUDGETS IN MYANMAR

THE FRAMEWORK

The legal framework specifies that the only budget levels are the Union and the state/region, and the revenue powers and spending responsibilities of each. Budgets for City Development Committees and DAOs are folded into and approved as part of state/region budgets.

At each level the hluttaw approves an annual ‘budget estimate’ plan; this is later changed to a “revised estimate” mid-year; and then a final budget is prepared some time after end-year, with actual budget revenues and expenditures.

BUDGET LEVELS

The legal framework for budgeting is given primarily by the 2008 Constitution and by Ministry of Planning and Finance (MoPF) Financial Rules and Regulations (2016). Apart from the Union budget, where Union government revenues and expenditures are recorded, and aside from a few special administrative zones, it only provides for *one sub-national* government budget level: the state/region budgets. There are no district, township or village tract government budgets.

State/region budgets record all revenues and expenditures for which responsibilities have been constitutionally mandated to states/regions, including those for Yangon and Mandalay City Development Committees and Development Affairs Organisations (DAOs), whose budgets are ‘folded’ into – and approved as part of - the state/region budgets.

BUDGET CALENDAR & TYPES OF BUDGET

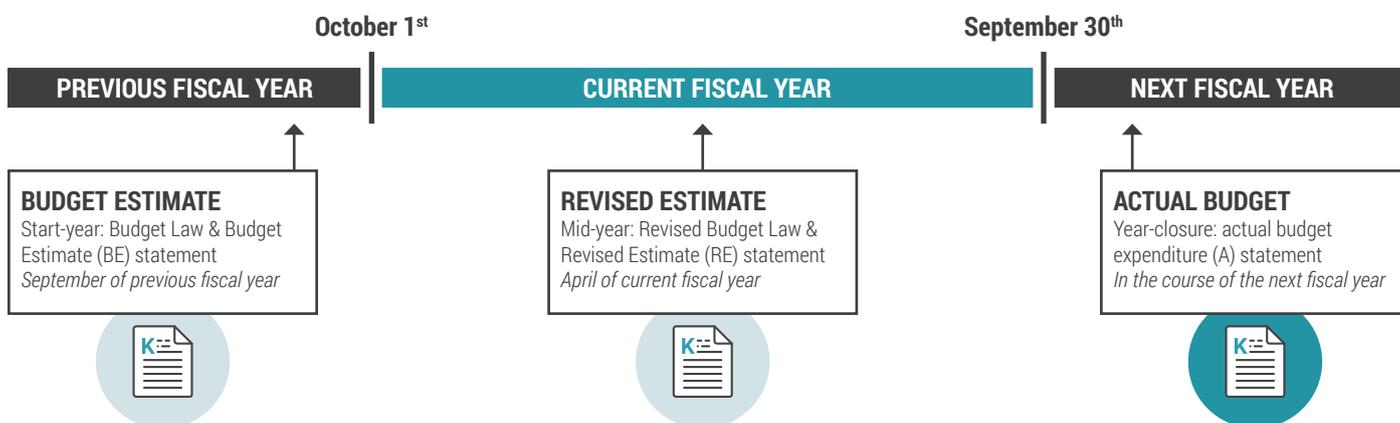
After a recent change, the budget year at both levels now runs from 1st October to 30th September. In preparation for the budget year Union and state/region governments prepare budget proposals which are submitted for legislative review and approval, by the hluttaw public accounts committee and then by the full hluttaw at both levels before coming into law. Attached to these Union and state/region budget laws are the annual revenue and spending plans, referred to as the “budget estimate” (BE).

In the course of the budget year, as deviations from planned revenue collection and spending plans become apparent during budget execution, a “revised budget” (RE) is prepared at both levels to endorse these changes, for approval by the respective hluttaws.

After conclusion of the budget year, when final revenue and expenditure reports have been compiled across all departments, an “actual budget” (A) is prepared to show the actual revenues collected and expenditures undertaken – the “budget out-turn”.

Thus, at both Union and state/region levels, for every budget year there will be 3 main budget statements or reports: the BE at start of year, the RE around mid-year, and then the A sometime after the close of the year.

FIGURE 1 Timing of budget statements for current fiscal year (October 1st – 30th September)



BUDGET CATEGORIES

Budgets for spending at both levels are separated into two parts: “current” and “capital” budgets. Current budgets record spending for staff, and for operations and maintenance of facilities (incl. medicines, books, fuel, electricity, etc.); capital budgets record spending for investment in assets such as buildings, infrastructure and equipment. Plans for the current budget are under the administrative authority of the Budget Department of MoPF; those for the capital budget are under the administrative authority of the Planning Department of MoPF.

DEPARTMENTAL RESPONSIBILITIES

Both revenue collection and spending responsibilities are assigned to different Ministerial departments, at either Union or state/region level, based on the provisions of the Constitution (under Schedules I, II and V) and on other sector laws and regulatory instruments.

TABLE 1 Current and Capital budget spending

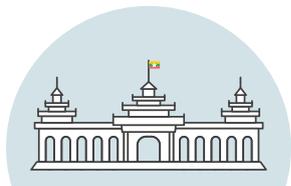
Current budget	Capital budget
<ul style="list-style-type: none"> ● Staff salaries, wages & related expenses ● Staff travel & operations ● Electricity, water, fuel ● Consumables (school & hospital supplies, office supplies, etc.) ● Routine repairs and upkeep of infrastructure ● Other assets under MMK 1 million 	<ul style="list-style-type: none"> ● Buildings – construction and major repair ● Roads, electricity, water and other infrastructure – construction and major repair ● Vehicles and equipment ● All other assets with useful life span over 1 year and cost over MMK 1 million

“NON-BUDGET” AND “OFF-BUDGET” SPENDING

Within the Union and state/region budgets there may be *appropriations without clearly designated spending purpose*. The Union budget includes an appropriation for the General Reserve Fund which allows a degree of inter-ministerial flexibility in spending during the budget year – referred to by the Budget Department of MoPF as “non-budget” spending. Similarly, state/region budgets include appropriations for the Cabinet account which allow the same sort of flexibility. Both practices may pose accountability problems.

Lastly, however, it should be remembered that not all revenue collection and spending for public infrastructure and services appears on government budgets. “Off-budget” funding of local infrastructure or services by communities, individuals or firms (or by NGOs or development partners) may at times be significant, but is *not officially accounted for or reported* – leading at times to “accountability” problems.

WHAT BUDGET DOCUMENTS ARE PRODUCED AND ARE THEY PUBLICLY AVAILABLE?



Union Level

At Union level the annual budget laws, to which are attached the “budget estimate” or plan for the next year, are now made public. Citizens’ Budget initiatives produce simplified versions of these. Subsequent mid-year revised budgets, as well as quarterly and annual actual spending reports are also made public.



State/Region Level

At state/region levels the annual budget laws, to which are attached the “budget estimate” or plan for the next year, are made public in principle, though access is not always obvious. Citizens’ Budget initiatives produce simplified versions of these. Subsequent mid-year revised budgets are also made public.



Township Level

In each state/region “township plans” are compiled, indicating the capital spending approved for each department on both state/region and Union budgets. But this more detailed budget data can only be obtained via official request.

THE UNION BUDGET

Union budget data made public (for online sources see Table 2 below)

The annual *Union Budget Law* is made public. It has in attachment a BE statement, which comprises a series of tables detailing the approved revenue and expenditure plan for the Union government. This budget data is available online in PDF and MS Word format. The publicly available *Union Citizens’ Budget* is a summary version of the Union BE and is also available in PDF format.

Union Budget Law – Budget estimate format

Union revenues are broken down by:

- Ministry / Department or other Union government institution collecting.
- Category of the revenue source, principally: Taxes, other current revenue (from fees or licensing), capital revenue (from sale or rental of assets), aid revenue, and loan revenue.

Union expenditures are broken down by:

- Ministry / Department or other Union government institution spending.
- Category of spending, principally: current, capital, interest or loan repayment, and “contributions” – these are grants to other organizations.

The Union budget also includes an important *link to state/region budgets* through its mention of various fiscal transfers to those budgets. Schedule 4 of the Union BE lists, as Union “contributions”:

- *The general grant transfers* to each state/region – this is general budget support to allow states/regions to finance their mandated responsibilities, which otherwise they are unable to do given the low levels of their own revenues (see also the separate Brief on the General Grant Allocation Formula).
- The total allocation for the *Constituency Development Fund grants* provided equally (MMK 100 million) to the 330 townships.

However, there is no clear indication of the 'shared-revenue' transfers to states/regions, whereby percentages of commercial, special goods, and income taxes, and stamp duties are reverted to the states/regions where they are collected.

These public Union budget documents *do not provide breakdown* of Union spending by state/region, by program or project, or by State Economic Enterprise.

Mid-budget year, a *Union Supplementary Appropriation Law* (in pdf format) is issued, to which is attached a series of tables indicating approved additions to levels of expenditure which have been approved, in the same format as the BE.

Finally, *Quarterly Budget and Annual Budget reports of actual spending* from the Union budget are also now issued.

UNION BUDGET DATA NOT MADE PUBLIC

Sector Ministries and departments prepare various internal budget-related statements and reports (often in Excel file format), e.g.: current and capital budget proposals as submissions to the Union budget process; current and capital budget plans based on the approved department budget; and routine current and capital budget execution reports on actual spending. These various statements also contain budget data by *state/region* – but *not by township*.

The Budget Department (Intergovernmental Fiscal Relations Division) of MoPF also prepares computations (Excel file format) as a basis for its annual budget proposal for the general grant transfer to states/regions.

With appropriate official approval, some of these internal budget statements and data can sometimes be obtained from the departments concerned.

STATE/REGION BUDGETS

State/region budget data made public (for online sources see Table 2)

All states/regions now make their *annual Budget Laws* public online (in pdf format), which have in attachment a BE statement, in the form of a series of tables detailing planned revenues and spending, by department, and which are much more detailed than the Union budget. These are in a three part format, as follows (see next page):

TABLE 2 Summary of public online Budget and other Data Sources

Information	Online Source
Union Budget	
<ul style="list-style-type: none"> Annual Union Budget Law with attached BE Annual Union Supplementary Appropriation Law with RE Budget. 	Myanmar Law Information System https://www.mlis.gov.mm/
<ul style="list-style-type: none"> Executive Budget Proposal Budget Summary (BE) Citizens' Budget (BE) Quarterly & Annual Budget Execution Reports 	Ministry of Planning & Finance https://www.mopf.gov.mm/en/content/budget-news
Various other budget reports and data	Ministry of Planning & Finance – DG Budget https://www.facebook.com/budgetdepartment Myanmar Budget Dashboard (The Ananda) https://mmbudgets.info/ Renaissance Institute https://rimyanmar.org
State/Region Budgets	
Budget Laws with attached BE (not always complete for all states/regions)	Myanmar Law Information System https://www.mlis.gov.mm
Citizens' Budgets (BE) and other budget statements and reports	Selected State/Region Government Facebook pages- for example: https://www.facebook.com/Mon-State-Budget-Department-341457833264707/?ref=page_internal https://www.facebook.com/pages/category/Government-Organization/Bago-Budget-Transparency-1949377861818981/ Myanmar Budget Dashboard (The Ananda) https://mmbudgets.info/ Renaissance Institute https://rimyanmar.org
Socio-economic data	
Population, Myanmar Living Conditions Survey (2017), and other socio-economic data	Myanmar Management Information Unit (MIMU) http://themimu.info/ Myanmar Statistical Information Service http://www.mmsis.gov.mm/

Department or Organization	Categories of Revenue				Categories of Expenditure			
	Tax	Other current	Union transfer	Etc.	Current	Capital	Loan repay.	Etc.
Part 1. State/Region government (“central group”) <ul style="list-style-type: none"> ● Cabinet ● Hluttaw ● Court ● Etc. 								
Part 2. Ministries / departments <ul style="list-style-type: none"> ● Home Affairs (Fire, Police, etc.) ● Agriculture, Livestock, Irrigation (Agriculture, Fisheries, etc.) ● Natural Resources & Environmental Conservation (Forests, Mining, etc.) ● Health & Sports (Sports & Physical Educn.) ● Construction (Highways & Bridges, Rural Roads, etc.) ● Etc. 								
Part 3. Independent organizations <ul style="list-style-type: none"> ● City Development Committee (for Yangon & Mandalay) ● Development Affairs Organizations (DAOs) ● Electricity Supply Enterprise 								
TOTALS								

The columns in the BE table are sub-divided into categories:

- *Revenue columns* are categorized as: taxes, other current revenues (fees, licenses), emergency fund, foreign assistance, loan receipts, and Union transfers
- *Expenditure columns* are categorized as: current, capital, loan repayment, etc.

It should be stressed that certain important Ministerial departments *do not appear* in these BE statements, if they are solely funded on the Union budget, e.g. the Departments of Rural Development (DRD) or of Basic Education (DBE).

All state/region governments now issue Citizens’ Budgets, in PDF format. These are more accessible versions of the Budget Estimate. They vary in format and content but generally include all details of the revenue and expenditure plans for each department, as outlined above, as well as details of state/region policy priorities and the planning and budgeting process. In some states/regions there are also selected details of planned capital projects for each township from both state/region and Union budgets.

STATE/REGION BUDGET DATA NOT MADE PUBLIC

State/region Budget Departments (BDs) prepare various more detailed internal state/region budget reports and statements (as Excel files), but with formats and detail that vary between states/regions, although generally following the three part structure just outlined. They *may* show more detail around, e.g.:

- *Types of revenues collected by the three main entities:* state/region governments, General Administration Department (GAD) & Development Affairs Organizations (DAOs).
- *Types of spending under the state/region government account:*
 - The current and capital breakdown
 - The capital investments (as highlighted below, a significant share of state/region capital spending is often recorded under the government account rather than under those of the sector departments)

State/region Planning Departments (PDs) compile 'Township Plans' (in Excel file format). These are tabulations of all capital budget expenditures approved on the state/region budget and on the Union budget, by department, for each township, which are prepared at the beginning of the budget year based on BEs, once both Union and state/region budgets have been approved. These 'township plans' are later revised to reflect any changes as endorsed in the RE. They are compiled in the following general format:

Spending entities	Union Budget	State/Region Budget	Support/Loan	Total
Part 1. Central group organizations ---				
Part 2. Ministries & departments ---				
Part 3. Independent organizations ---				
TOTALS				

However, although referred to as 'township plans' it must be underlined that they do *not reflect capital budgets determined by township authorities*. They are simply *compilations of approvals made at state/region or Union level*, which are partly based on township department proposals, but only represent a small fraction of these proposals. They include capital spending by those departments, such as DRD or DBE, which are not seen on the state/region budget. In the case of townships which are state/region capitals, they may also include capital spending (e.g. government buildings) for the whole state/region rather than for the specific township – which may therefore at times 'inflate' the relative level of capital spending recorded in those townships, and which needs to be noted in making comparisons across townships.

Yangon and Mandalay City Development Committees and DAOs also produce annual budget statements (usually in Excel format) after the state/region budgets, within which they are 'folded', have been approved. These show revenues, capital and current expenditures, and loans received or repaid, in varying detail and in varying formats. These are not public.

With appropriate official approval, some of these internal budget statements and data can sometimes be obtained from the departments concerned.

SOCIO-ECONOMIC DATA

In order to assess the effectiveness and equity of relative state/region or township spending patterns, it is necessary to correlate them against appropriate socio-economic measures of relative need and deprivation. To that end, there are several publicly available data sources, for example:

- Myanmar Management Information Unit (MIMU) which is the most convenient portal to access a range of reports and data sets, including population census data (by state/region, by township, by urban/rural area, by gender, etc.). The Myanmar Living Conditions Survey (2017) which contains recent state/region socio-economic measures based on sample surveys can also be accessed here: <http://themimu.info/>
- Myanmar Statistical Information Service with various socio-economic data sets but which are not always disaggregated geographically: <http://www.mmsis.gov.mm/>

The Asia Foundation has compiled township development indicators data from various sources on a range of socio-economic measures. This can be accessed upon request.

DOES AVAILABLE DATA ENABLE EFFECTIVE BUDGET ANALYSIS ?

A range of factors complicates budget analysis: difficulties to access detailed budget data which is not public, limited breakdown by economic category, inconsistencies in detail, inappropriate data entry, etc.

Various factors complicate interpretation and analysis of the budget statements and data outlined above.

UNION BUDGETS

Sector budget detail and consistency

The public Union budget law and BE provides *no detail of spending within Ministries* – whether by department or sub-sector or economic category of spending. For example, for the Ministry of Education it is not possible to see separate spending by departments of basic education, higher education and technical education, nor to see separate spending on teachers, school supplies and capital construction.

Departmental budgets where these details are available are not public or easy to access, and they only provide detail down to state/region level. Each department uses a different internal budget format.

The capital vs current budget distinction

In principle, expenditures recorded in the capital budget are those above MMK 1 million which create assets with a useful life of more than one year; all other expenditures are recorded in the current budget. However, this is not always followed. For example, in all states/regions the Department of Basic Education records investments in ancillary school facilities such as toilets, fencing, or access roads (which can all cost considerably more than MMK 1 million) on the current budget. This may distort the real capital/current spending balance (and also removes this spending from scrutiny in the local planning process).

STATE/REGION BUDGETS

General: formats, consistency and detail

There are issues of inconsistency in format, data entry and detail across both the publicly available state/region BE statements attached to the Budget Laws, and also the internal state/region Dept of Budget statements. This is not necessarily a problem to analyse budgets of *single* states/regions, but *comparisons of budgets between states/regions* often requires an effort to re-work budget data, and the way state/region government bodies and ministerial departments are defined, to ensure compatibility. In addition, the fact that publicly available BE statements are only available in pdf format also means extra effort is needed to transpose data accurately into Excel for analysis.

Revenues

- Some states/regions provide complete details of the revenues collected by the government under Part 1, but others simply provide a summary total.
- Some states/regions record the shared-revenue transfer and the CDF under “other current revenues” under state/region government in Part 1, rather than as Union transfers, so risking to give an inflated view of local revenue-raising performance.
- Some states/regions record the general grant transfer misleadingly as “other current revenues” for the Dept of Budget which may also risk giving an inflated view of local revenue-raising performance.
- Some states/regions provide complete details of revenues collected by the DAOs, but others just provide a summary total.
- DAO “property tax” revenues can themselves be misleading since cases have been identified where sizeable other non-property-related revenues are also included under this heading.

Expenditures

- Generally, there is no breakdown of current budgets into staff-related spending, operations and maintenance spending, etc.
- Some states/regions present only total spending without distinguishing capital from current budgets.
- Some states/regions provide complete details of the expenditures by the government under Part 1, but others simply provide a summary total.

Loans

Loans received by YCDC and MCDC for urban projects are recorded simply as “capital revenues” in the two region budgets. This can be misleading and suggest that revenues collected locally are much higher than they actually are.

WHAT ANALYSIS OF MYANMAR BUDGET DOCUMENTS IS POSSIBLE?

Despite the problems, much useful analysis of Union sector and state/region budgets is possible, allowing examination of trends over time, and comparative assessments of revenue and spending patterns at state/region and, for capital spending, at township level.

Despite the problems and inconsistencies noted above, the limited budget data available does still allow for a substantial amount of budget analysis to inform policy-making and critical engagement around policy and public spending issues. The following are some suggested areas for budget analysis which can throw light on the basic questions around the efficiency, effectiveness, equity and transparency of public spending highlighted above in the Introduction .

ANALYSIS OF THE UNION BUDGET

- Analysis of the public *Union Budget Laws* (BE and RE) allows tracking and comparisons of:
 - Yearly trends in overall allocations to and spending by key service delivery departments in Ministries of Health, Education, Construction, Agriculture, etc.
 - Yearly trends in Union grant transfers to states/regions.
- Analysis of *department budget statements & other data, if accessible*, allows tracking and comparisons of:
 - Yearly trends in total levels of spending, and the current/capital and/or department breakdown, between states/regions, and the criteria used and their application to determine these annual allocations.
 - Yearly trends in budgeted activities and/or comparisons across states/regions of budget plans (BE) against actual spending, as revealed in budgets of actual expenditures (A).
 - Per capita spending patterns between states/regions (noting that spending by departments focused on rural areas should relate to rural populations and by DAOs should relate to urban populations; all other spending should relate to total population).
 - Per capita spending patterns against available measures of relative state/region deprivation in the sectors concerned (e.g. as in the 2017 Household Living Standards Survey) to determine how far spending patterns are justified.
- Analysis of MoPF's *BD budget statements and other data, if accessible*, allows tracking and comparisons of :
 - Yearly trends in the basis for computation and allocation of Union grant transfers to states/regions.
 - Yearly trends and comparisons between states/regions in per capita transfer allocations.

ANALYSIS OF STATE/REGION BUDGETS

Analysis of the public *state/region Budget Laws* (BE and RE) – supplemented by state/region BD internal budget reports, if accessible - allows tracking and comparisons of:

- Revenue-collection performance (taking care to remove loan receipts, CDF grants, shared revenues and general grants from state/region revenues), e.g.:
 - yearly trends in total level (and, in some cases, composition) of own-revenues collected within individual states/regions;
 - comparison of per capita revenue collection performance between states/regions, by type of revenue (noting that in such analyses DAO per capita revenues should relate to urban populations only);
- Total or current or capital spending (taking care to remove 'loan expenditures' from Yangon and Mandalay region budget accounts), e.g.:
 - yearly trends in total levels of spending, and the department breakdown, within individual states/regions;
 - yearly trends and/or comparisons across states/regions of budget plans (BE) against actual spending, as revealed in budgets of actual expenditures (A).
 - comparisons of departmental breakdown spending patterns between states/regions;
 - comparisons of total and departmental per capita spending patterns between states/regions (noting again that spending by departments focused on rural areas should relate to rural populations and by DAOs should relate to urban populations; all other spending should relate to total population).
 - These total and sectoral per capita spending patterns can be plotted against available measures of relative state/region deprivation in the sectors concerned (e.g. as from The Asia Foundation 'Township Development Indicator' database) to determine how far spending patterns are justified.

- Comparative per capita revenue or expenditure analysis results can then be put through a ‘variance analysis’ – to determine not only average or median values but also the range around the values.

ANALYSIS OF ‘TOWNSHIP PLANS’

- *Analysis of township capital investment spending*, allows tracking and comparisons of:
 - yearly trends in total levels of spending (or only that from state/region or Union budget), and the department breakdown, for individual townships, or for samples of townships within states/regions;
 - comparisons of total, departmental, or state/region:Union spending patterns between townships;
 - analysis of total, departmental or state/region:Union per capita spending patterns between townships in the same or different states/regions departmental (noting that DAO spending should relate to urban populations, while spending by MoALI, MoNREC or DRRD should relate to rural populations; all other spending should relate to total population).
 - These total and sectoral per capita spending patterns can be plotted against available measures of relative state/region deprivation in the sectors concerned (e.g. as in the 2017 Household Living Standards Survey) to determine how far spending patterns are justified.
 - Comparative per capita revenue or expenditure analysis results can then be put through a ‘variance analysis’ – to determine not only average or median values but also the range around the values.

HOW TO MAKE BEST USE OF BUDGET ANALYSIS?

There are important opportunities both for civil society and government to use budget analysis to improve policy and the quality of public spending, and to engage constructively around this.

SUGGESTED USES FOR BUDGET ANALYSIS

Budget analyses of the sort suggested above can be used as a basis for answering the basic questions around public spending that were outlined in the Introduction, as follows:

Civil Society

Civil society actors operating either at state/region or Union level may use budget analysis in sectors of concern to them:

- for *external* use, towards engagement with government (state/region or Union huttaw representatives, state/region cabinet members, or senior state/region or Union department officials). Thus CSOs, research institutes or media organisations might, for example promote joint work with government:
 - raising an initial query or concern (e.g. in regard to spending quality) and suggesting the need for budget analysis, as a basis for gaining access to internal budget data sources in a particular sector or area;
 - conducting analysis of budget data made available, perhaps jointly with government officials directly concerned;
 - convening a forum with government and other stakeholders to discuss the findings of the budget analysis.

Or more specialized CSOs or research agencies might undertake sensitisation and training of key officials (e.g. huttaw members) or media staff in basic budget analysis.

- for *internal* use, towards:
 - raising understanding and awareness amongst staff *within* individual CSO in order to build internal capacities, and also help reach a position on sector policy and budget issues to be pursued;
 - raising awareness and understanding *between* different CSOs, to promote coordination and a common stance on policy matters of common concern.

Government

- State/region huttaw members, especially those on public accounts and related committees, should be able to use budget analysis to better interrogate government officials in regard to the budget proposals submitted to them, and also as part of their more routine oversight of budget implementation.
- Similarly, state/region Cabinet ministers and senior officials (DoB, DoP,etc) should be able to use budget analysis in the annual reviews of plan and budget execution, in determining sector budget ceilings and in selecting proposals for inclusion in the next year’s budget.

WHAT ARE THE CHALLENGES AND RECOMMENDATIONS?

To make full use of the potential for budget analysis there remain challenges and improvements to be made.

There are limits to the scope of budget analysis in Myanmar, which derive from several factors already touched on above.

BUDGET DATA AVAILABILITY

- Most basically, the amount of budget data publicly available (through the budget laws and the Citizen budgets) is very limited and quite aggregated, and often appears quite late in the year. Moreover, it is in pdf format, and needs then to be inputted into Excel if analysis is to be undertaken.
- Currently, the more detailed budget data needed for in-depth analysis needs to be obtained through official requests to the departments concerned, but this is also no guarantee that the data will be forthcoming.

Recommendations

Short term: MoPF to be engaged with a view to issuing:

- Union BE and other statements with more detail by administrative and functional classification
- Estimated/provisional "A" budget out-turn data as soon as feasible
- All such Union budget statements also in Excel format

Medium-term: engagement with MoPF and key sector ministries to encourage issuance of more detailed budget data and/or clearer protocols regulating departmental and state/region authority to release such data, to avoid misunderstandings.

CLARITY, CONSISTENCY & COMPARABILITY OF DATA

- State/region budget data is not always complete or consistent and hence not easily comparable, and at times data is recorded misleadingly under inappropriate account heads. Follow-up requests to the Dept of Budget are often needed to check particular entries.
- The practice of recording a substantial part of the state/region capital budget under the government account in Part 1 poses a particular challenge. At times this seems to be because the government wishes to fund investments in a sector (e.g. rural water) for which the sector department concerned has no state/region account (e.g. DRD); at other times it may be that these funds are held in reserve pending investment decisions yet to be made, and will be switched later to sector department accounts.
- The lack of any breakdown in current budget data to separate spending on staff from that on operations and maintenance prevents any in-depth analysis of a significant share of the state/region budget.

Recommendations

MoPF to be urged to issue detailed guidance and standard formats to states/region BDs to ensure greater consistency and detail in presentation of budget data, to address the issues noted.

LACK OF BUDGET DISAGGREGATION BELOW STATE/REGION LEVEL

Lastly, the fact that neither the districts, townships or village tracts are recognized as budget entities means that it is difficult to undertake budget analysis at any level of geographic disaggregation below the state/region (aside for the CDCs and DAOs). It needs to be remembered that states/regions are comparatively large units – in many other

Asian countries there are local government budget entities smaller than townships, for which budget analysis can be undertaken.

Although the 'township plans' do allow analysis of *capital budget spending* at that level, this data is somewhat distorted by the inclusion of spending on investments which may be for the state/region as a whole, and just located in a particular township, i.e. they are *not always "township level" investments*.

No township analysis is possible at all for the *current budget* although such a breakdown may be much harder since unlike location-specific capital investments many staff-related expenses (e.g. within the state/region or district administrations) may not be meaningfully linked to specific townships.

Recommendations

Explore with MoPF BD the scope to support state/region BDs issuing a current budget breakdown – albeit limited only to certain departments where this is meaningful - by township, similar to the 'township plans' for the capital budget.



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