Press release, 2 September 2016:

Challenges and opportunities for reforming Myanmar’s public financial management

Since the creation of State and Region governments in Myanmar’s 2008 Constitution there has been greater emphasis on expanding the responsibilities and management of the financial resources of these governments.

Research was undertaken by the Centre for Economic and Social Development (CESD), with the support of the Japan International Cooperation Agency (JICA) as one of JICA’s activities to enhance Myanmar’s public financial management (PFM) reform led by the Ministry of Planning and Finance (MOPF). The research highlighted some of the current limitations on the State and Region governments’ ability to meet their responsibilities, and their ability to provide more decentralised decision making. Addressing some of these limitations will improve the efficiency and effectiveness of public spending, and ensure community priorities and issues are better reflected in decisions made by government.

From targeted interviews and consultations with officials and stakeholders involved in public budgetary processes, CESD’s research indicates the need for greater autonomy for the State and Region governments. It also highlights the need for greater integration in project planning and budget cycles between the different levels of government. The capacity of State and Region governments to draft, understand and follow financial regulations was also commonly cited as an obstacle to fiscal autonomy and intergovernmental cooperation.

The research also highlighted some of the challenges in getting input from communities into the budget processes. Limited understanding of public finances, complicated ways for submitting a proposal, and limited transparency of community-funded projects were all noted as factors preventing greater community input.

CESD’s research concluded with a number of recommendations, including a formal clarification of the expected roles of the different levels of government, changes to the annual budget cycles of government, increasing access to information and data, and supporting increased community engagement. Cindy Jolene, CESD Research Associate, said “From our targeted interviews and research we have been able to identify a range of challenges faced by government in delivering the best outcomes for Myanmar’s citizens. There are some great opportunities for change, and we hope that the findings will inspire further discussion and future reforms.”

CESD’s research paper, “Intergovernmental fiscal relations in Myanmar: Current processes and future priorities in public financial management reform”, was launched on 2 September 2016. At the launching session, Kyosuke Inada, Senior Representative, JICA Myanmar Office, shared JICA’s experiences in supporting the planning and implementation of numerous infrastructure projects in all States and Regions, and said “Among the useful recommendations, integrating multiple-year
budgeting and planning stands out as one of the most crucial challenges. JICA is committed to work with MOPF and other concerned institutions to further improve this issue and promote the PFM reform at both the Union and State/Regions levels.” The report is available on CESD’s website, www.myanmarcesd.org.

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About CESD:

The Centre for Economic and Social Development (CESD) is Myanmar’s leading think tank supporting evidence-based policy making.

CESD undertakes participatory policy research studies related to economic reform, poverty-reduction, sustainable development, and good governance in Myanmar. It also provides training and education services for key institutions and organizations contributing to the ongoing process of reform in Myanmar.

CESD worked with the Japan International Cooperation Agency (JICA) to undertake research into public financial management in Myanmar and to develop recommendations for framing an ongoing approach to managing and reforming Myanmar’s increasingly decentralised public financial management.

Further information is available on the CESD website, http://myanmarcesd.org