

SHAN GROUP POLICY PAPER

Background

The common trend toward greater federalism and decentralization seems wide spreading in recent decades. Not only the developed countries, emerging and developing economies are also seeking to improve with fiscal decentralization. In theory, placing government as much as closer to the public promote accountability of the governments. As local government are directly accountable to local citizens for providing fundamental public goods and services, it has been widely accepted decentralization enables efficient spending with the public needs oriented policies. World Bank (2010) express that “The transfer of authority and responsibility from the central to local government brings the decision making authority closer to the people, enhances efficiency, equity, transparency, and accountability of the public sector”.

The decentralization can be classified with four dimensions; namely, political decentralization, administration decentralization, fiscal decentralization and market decentralization. Founding on the 2008 constitution, Myanmar starts its steps to transition from a centralized to a more decentralized system of government. In its decentralization process, 14 sub-national governments, with the partially elected parliaments, and 5 self-administrative areas. Along with its political decentralization, the administrative decentralization in the form of highly deconcentrated system has been introduced in newly established sub-national governments. Schedule 2 of the 2008 Constitution and 2015 Constitutional Amendment define these assignments over levels of government but only in broad terms (See Table 1).

Table 1 : Conceptual Framework on Expenditure Assignments (Legislative mandate) in Myanmar		
Sector	Responsible by	Remarks
Foreign Affairs	CG	
International Trade	CG	
Defense	CG	
Police	CG	
Fiscal Policy	CG, S&RGs	
Planning and Budgeting	CG, S&RGs	
Monetary Policy	CG	
Immigration	CG	
Environmental and Natural Resources	CG, S&RGs	<i>merely assignment to S&RGs</i>
Education	CG	<i>progress on deconcentration</i>
Health	CG	<i>progress on deconcentration</i>
Electricity	CG, S&RGs	
Highways	CG, S&RGs	
Industry and Agriculture	CG, S&RGs	
Social Welfare	CG	
Border Area Development	CG	
Municipal and Urban Management	S&RGs	

Note: CG = Central Government, S&RGs = States and Regions Government

Remark: Separation of assignments between Union Government and States and Region Governments are often difficult to distinguish. In many sectors, the legislative mandate and revenue mobilization power are overlap or not being clearly stated in constitution or directed to the related Union laws. As a result, many sectors are not assigned or merely assigned to sub-national government as allowed by the existing institutions such as Union laws, internal directives and/or administrative structure which were shaped before constitution.

Clear revenue and expenditure assignment and balancing these responsibilities are vitally important for Sub-national Governments. As long as the assignment between Union Government and Sub-national Governments are ambiguous, the intended benefits from the fiscal decentralization are hard to attain. Sub-national governments, who are in place close to

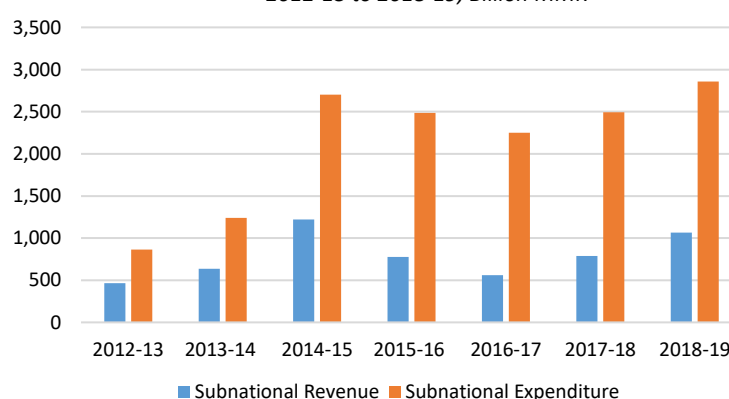
the citizen's needs and feedbacks, difficult to provide the fundamental public services and maintain the commitments without the appropriate level of decentralized power. Likewise, the clearly expressed revenue assignment, including the (understanding of) rights on changing tax base and tax rate, is essential for sub-national government fiscal autonomy. To narrow down the broad discussion on decentralization, the remaining part of this policy note will shed the light on the financial decentralization process especially the imbalance of expenditure and revenue assignments to sub-national government analyzing Shan State's budgetary situation as an example. In the later part of the report, the consequences of imbalance of fiscal assignments and policy recommendations will be discussed.

Myanmar's fiscal decentralization process

Myanmar's fiscal decentralization process starts in second half of 2011-2012 FY. States and regions Budget Departments have been established with the responsibilities for compiling and providing budget sanction while already existed Planning Departments becomes accountable to capital investment expenditure proposals for both Union Fund Account (UFA) and State and Regional Fund Account (SFA/RFA). Within the legal mandate (expenditure mandate) and revenue options (revenue mandate) given by the Schedule 2 and 5 of 2008 constitution and 2015 amendment, the deconcentrated (and devolved) departments and organizations implement their functions mostly sharing with line ministries and departments, with the two accountability streams both to local government and union line minister.

Sub-national governments in Myanmar are playing in increasingly larger role in general government finance than ever before, and total revenue and expenditure of sub-national fund accounts reach 2.86 Trillion MMK and 1.06 Trillion MMK respectively in 2018-2019 FY (*Figure 1*).^{1, 2, 3} It is considerably higher than the expenditure and revenue of sub-national governments in 2012-2013 FY, first full fiscal period after decentralizations started, which was 467 Billion MMK and 864 Billion MMK.

Figure 1: Subnational Fund Account
2012-13 to 2018-19, Billion MMK



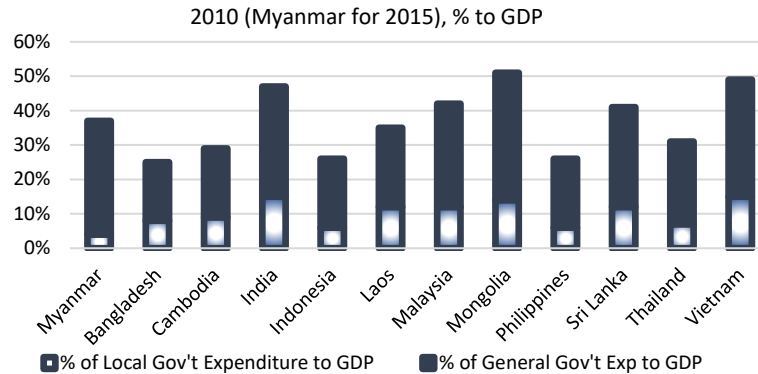
Myanmar remains a centralized country compared to the selected neighboring and ASEAN economies. Figure 2 below illustrates the share of general government and local government expenditure in respective GDP. The overall importance of government in Myanmar is relatively higher than most of the countries in comparison partly because of existence of informal economy and legacy of command economy. The aggregate government expenditure of Myanmar is 37 percent of GDP and only 4 percent of it is sub-national government expenditure.

¹ Fiscal period before 2017-18 FY April to March and it has been changed to October to September period since 2018-18FY. 2018 fiscal interim had been introduced from April 2018 to end of September 2018 to bridge the two different fiscal period. Analysis on 2018 interim is intentionally omitted for comparing between full fiscal years.

² Unless the specific mention, actual data for 2012-13 and 2013-14, provisional actual data for 2014-15, revised estimated data for 2016-17 and budget estimate data for 2017-18 and 2018-19 are used.

³ Sub-national revenue here excludes only grant transfers from Union. Tax sharing and Constituency Development Fund and other miscellaneous small transfers before 2016-2017 are counted as actual receipts on these transfers are beyond the desk review.

**Figure 2: Percentage of Local and general government expenditure to GDP
in selected economies**



Similarly, although the total sub-national revenue and expenditure is growing by size, the share of its composition in general government remains considerably unchanged especially the revenue generation of sub-national government (*Figure 3*). Composition of sub-national government revenue in general government revenue is projected at 5 percent, compared to 4 percent in 2012-2013, while the sub-national government expenditure is estimated at 10 percent of overall government expenditure, which was 6 percent in 2012-2013. In number, out of the general government revenue and expenditure estimated at 21 Trillion MMK and 27.6 Trillion MMK in 2018-2019 FY, revenue and expenditure under States and Regions budget are only 1.06 Trillion MMK and 2.86 Trillion MMK respectively. From 2012-2013 to 2018-2019, state and regional government expenditure has increased by about 230 percent while the sub-national revenue growth rate is below than expenditure accumulated rate at 130 percent (*Figure 4*).

Figure 3: Union and Sub-national Budget

2012-13 to 2018-19, Billion MMK

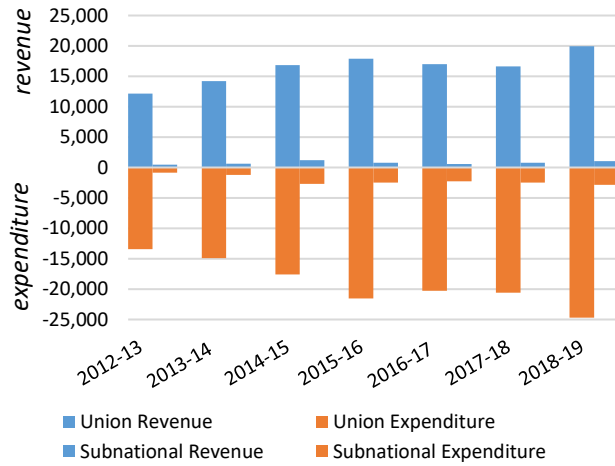
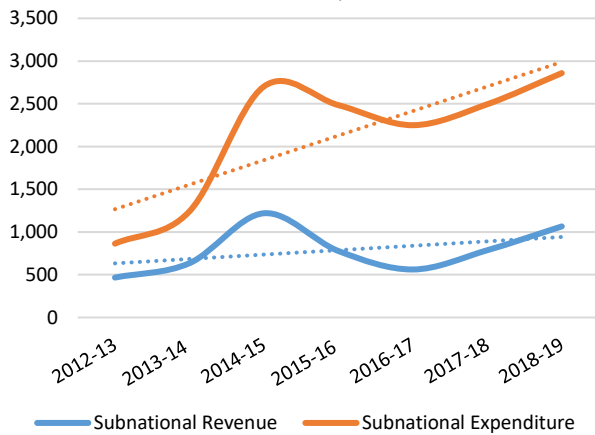


Figure 4: sub-national revenue and expenditure trend

2012-13 to 2018-19, Billion MMK



Sub-national governments are relying the Union transfers.⁴ In 2018-2019 FY, Union's grant transfer and tax sharing, two biggest Union transfers, is projected to finance 63 percent and 12 percent respectively in sub-national government outlays. Own revenue, composing of own tax and non-tax collection, is estimated at 25 percent of government expenditure. However, the own revenue at sub-national governments is mostly concentrated only at Yangon and Mandalay (Figure 6). In Yangon and Mandalay, the two biggest economies in Myanmar, own revenue makes 53 percent and 56 percent of their respective expenditure comparing to average 9 percent in other States and Regions. The following sections will highlight the imbalance of expenditure and revenue assignment in Shan State.

⁴ Miscellaneous transfers before 2016-17 FY and Constituency Development Transfers are purposely excluded for their small size to compare.

Figure 5: Change in sub-national revenue sources

2012-13 to 2018-19, Billion MMK

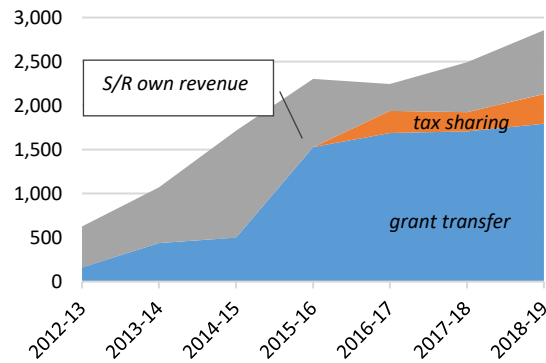
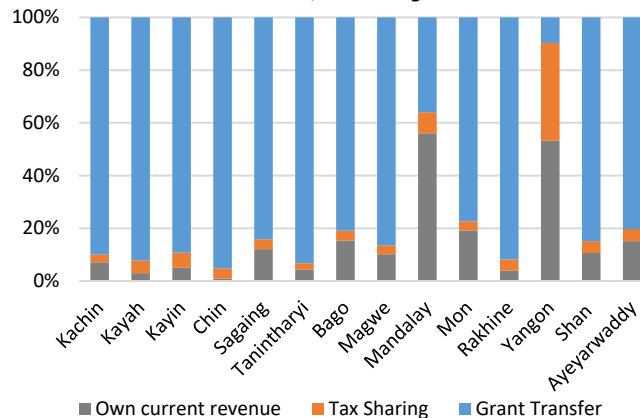


Figure 6: Compositions of revenue by types across States and Regions

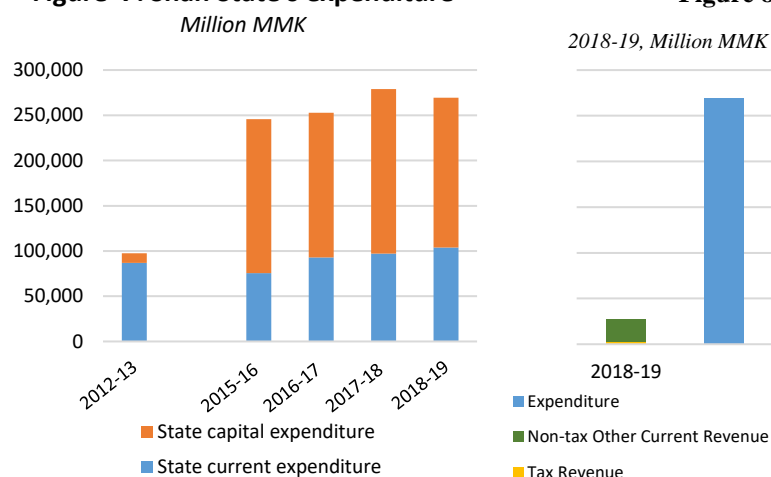
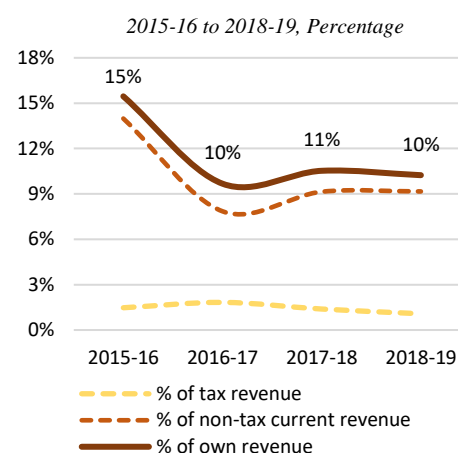
2018-19, Percentage



Shan State's Public Finance Situation

Shan State expenditure has increased by nearly 2 times between 2012-2013 and 2018-19 with the significant rise in investment capital expenditure (*Figure 7*).⁵ State expenditure is projected at 269 Billion MMK in 2018-19 for which only 27.6 Billion MMK will be financed from own source revenue, equivalent to 10 percent of total expenditure (*Figure 8*). Non-tax current revenue, mostly receipts from Municipal offices, accounts for 90 percent of own revenue while the remaining is State tax income. After a brief discussion on the imbalance of expenditure responsibilities and revenue mobilization, the following part will focus on the state own revenue, consequences of fiscal imbalances and policy recommendations on it.

⁵ Provisional actual for 2012-13, 2015-16 and 2016-17. Revised estimate for 2017-18 and Budget estimate for 2018-19.

Figure 7: Shan State's expenditure**Figure 8: Own revenue and expenditure**

Under its revenue assignment, Shan State is collection 8 types of taxes and miscellaneous collection from non-tax current revenue sources, ranging from renting of government assets, sales of business licenses to income from receipts on fines.⁶ In practice, the distinction between sub-national tax and non-tax revenue is blurry. Some of the taxes are more like the non-tax revenue for running particular business operations such as excise tax and fishery tax. As a result, like the expenditure side, current revenue sources is in align with the mandate allowed in constitution or not and/or difficult to understand how far sub-national governments have done raising own revenue within the assigned legal mandate.

Table 2 : Sub-national own revenue

A. Sub-national taxes		B. Sub-national non-tax revenue
▪ Excise tax	General Administration Department	▪ Receipts from selling goods and services
▪ Land tax		▪ Income from rents and fees
▪ Embankment tax		▪ Business licenses
▪ Mineral tax		▪ Monopoly licenses
▪ Fishery tax	Fishery Department	▪ Renting government owned-properties
▪ Forest tax	Forest Department	▪ Fines and penalties receipts
▪ Property tax	Development Affairs Organizations	▪ Selling small office accessories
▪ Wheel tax		▪ Other miscellaneous current revenue

The assignment between Union and Sub-national Governments is opaque, and the relevant changes on reviewing the assignments and on improving the formation of sub-national departments accordingly. For instance, incomes on custom duties, income taxes and commercial taxes has been allow for sub-national governments with the clause saying the right on collecting those revenue has to be accordingly with the (existing) Union Laws, in 2015 constitutional amendment. Likewise, the actual revenue generation also depend on whether a particular department (or part of its function) is budgeted under State or Regional Fund Account or Union Fund Account. Without placing the relevant revenue generating departments, here Customs Department and Internal Revenue Department within the local budget, it would be hard to take the steps forward on decentralization.

Table 3 : Sub-national fiscal assignments without relevant decentralized administrative structure

Source of revenue	Relevant Departments	Place holder
- Excise tax*	General Administration Department	2008 Constitution

⁶ Capital and financial receipts are excluded for its nature of uncertainty and

- Insurance tax	Insurance Department **	2015 Constitution Amendment
- Capital tax (if assume as income tax)	Internal Revenue Department **	
- Income tax	Internal Revenue Department **	
- Commercial tax	Internal Revenue Department **	
- Custom Duties	Internal Revenue Department **	
- Taxes on natural resources	Several Depts./SEEs **	
- Industrial taxes	Department of Industry **	
- Taxes on air transport	Department of Civil Aviation **	
- Taxes on private schools and trainings	Ministry of Education **	
- Taxes on private hospitals and clinics	Ministry of Health and Sports **	

* Current excise tax collecting from General Administration Department under State/Regional Fund Account are sales of license on selling alcohol and related products. Excise tax denotes a fiscal levy which has a much broader base than just license fees. Under the Union Tax Law (2016), Internal Revenue Department, on behalf of the Union Government, collects 'special goods taxes' on alcohol and tobacco would appear to be 'excise revenues'.⁷

** Departments (and organizations/enterprises) under Union Government Fund Account.

Quantifying the taxation authority of the Union and Sub-national Government, this section will discuss on the overall Internal Revenue Department tax revenue and its receipts from Shan State. Internal Revenue Department (IRD) is the key revenue generation department in Myanmar and its tax receipts account for 80 percent of total Union tax revenue.⁸ According to Ministry of Planning and Finance, IRD will collect 6 Trillion MMK in 2018-19 which equivalent to around 6 percent of national output (*Figure 9*).⁹ Income tax and commercial tax are major IRD tax while the tax revenue from Specific Goods Tax becomes important tax source. Referring to 2018-19 forecast, tax amount of 2.3 Trillion MMK, 2.1 Trillion MMK and 1.4 Trillion MMK will be raised from these 3 types of taxes equaling to 38 percent, 35 percent and 23 percent of IRD tax revenue (*Figure 10*).

⁷ See "What is in the wallet? : Public Money in Myanmar's States and Regions", Idrim Valley et al. (2018), Source : <https://rimyanmar.org/>

⁸ Union of Myanmar's Citizen's Budget (2016-17, 2017-18 and 2018-19)

⁹ Union of Myanmar's Citizen's Budget (2018-19). Overall tax collection to GDP percentage is forecast at 7.14 percent.

Figure 9 : IRD and Union Tax Collection
2016-17 to 2018-19, Million MMK

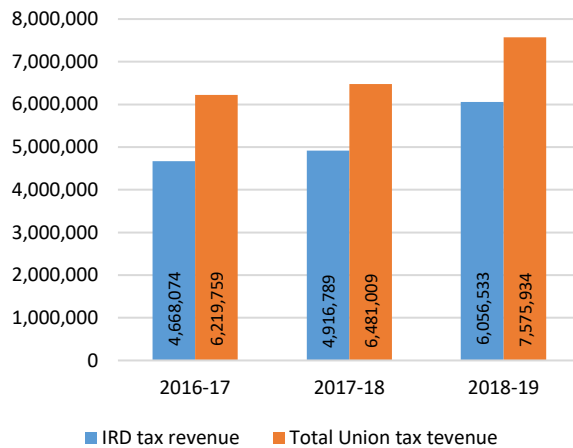
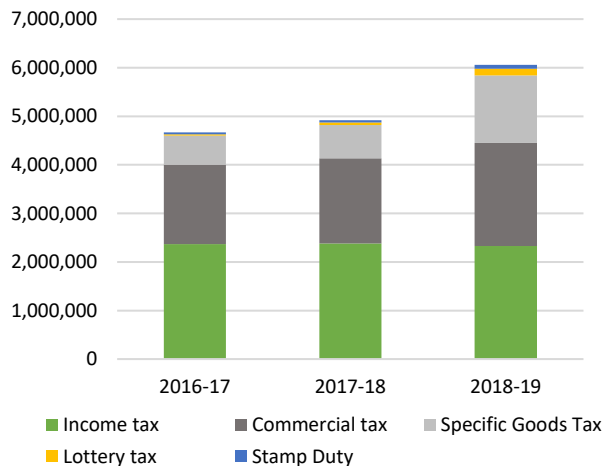


Figure 10 : IRD Tax Revenue by types
2016-17 to 2018-19, Million MMK



In 2016-17 and 2017-18, Shan State Internal Revenue Department of collected 243 Billion MMK and 227 Billion MMK from 5 different Union taxes in Shan State (*Figure 11*). This is equivalent to 96 percent and 81 percent of total State expenditure for individual year. Even the Specific Goods Tax, which is actually more like excise tax in States and Regions, is nearly 2 times higher than the local tax revenues. Due to the current fiscal arrangement; however, only the specific percentage of IRD tax collection has been sent back to origin of tax collection as Union transfer. Union tax sharing to Shan State government is expected to be growing with the improvement in overall economy and tax administration, and reaches 32 Billion MMK in 2017-18 equaling 14 percent of Union TRD tax collection in State.¹⁰

¹⁰ Until 2017-18, IRD shared specific percentage on different types of tax collection to tax origin. Since 2018-19, tax sharing is arranged with two methods: (a) specific percentage of tax income from private sector to tax origin, (b) tax sharing based on needs of States and Regions using a sharing formula with equally weighted 6 indicators.

Figure 11 : IRD tax revenue in Shan State

2016-17 and 2017-18, Million MMK

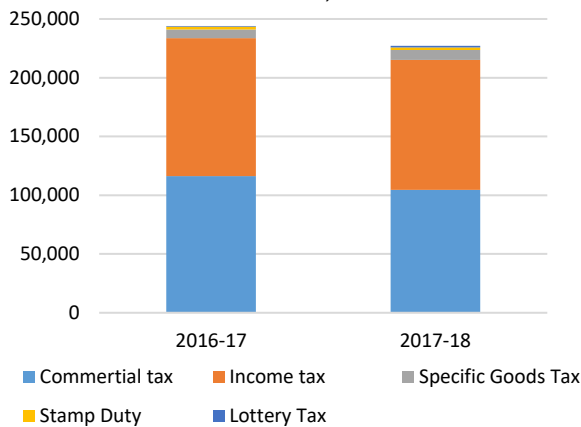
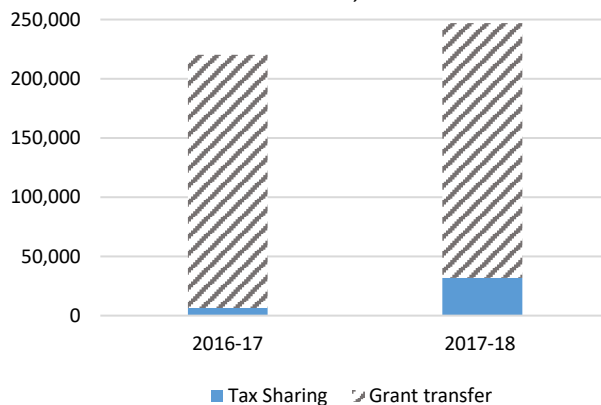


Figure 12 : Union Transfers to Shan State

2016-17 and 2017-18, Million MMK



Consequences of misbalancing assignment

(1) Limited fiscal autonomy

As mentioned, likewise other States or Regions except Yangon and Mandalay, Shan State is heavily depending on the Union transfers and the fiscal authority is limited. The different between responsibilities and own resources point to large intergovernmental fiscal transfers. As sub-national government are relying on the fiscal transfers which is transferred and notified on annual basis, it makes States and Regions governments difficult to draw and implement the multi-year planning and development agenda as flow on biggest source of funding is insecure and unpredictable. This hinder the comprehensive and inclusive development programs and reforms which in turn makes weak revenue generation.

The understanding and administrative capacity on local autonomous taxes and non-tax revenues is also in question. Local government's exercise discretion over tax policy and reviewing tax performance are required to develop to less reply on the Union transfers. In recent years, several states and regions have passed their own taxation laws with the changes in tax base and rates. However, some difficulties remain. Abolishing of Union laws placed before 2008 constitution can be done only after relevant local laws are enacted in all states and regions to be substitute. Administrative system reform also required in place for full autonomy over local tax collection such as Municipal offices under sub-national government which is the solely department with fully decentralized authority.

(2) Fund limitations for development

As States and Regions governments have a higher propensity to spend out of transfers, it potentially leading to inefficient levels of public expenditure. Shan State is one of the least

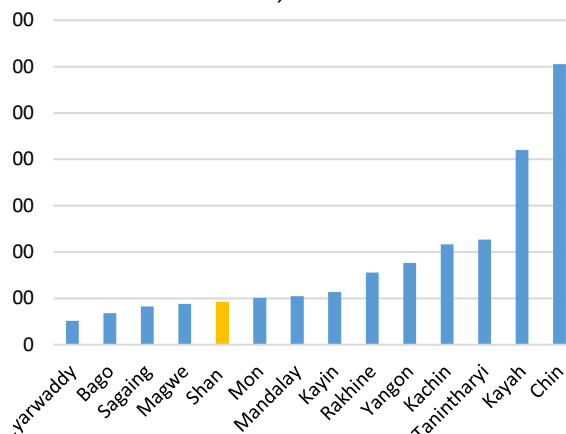
Figure 13 : Multidimensional Welfare Index across States and Regions

State/Region	Index
Rakhine	39.2
Ayeiawady	27.4
Kayin	27.3
Tanintharyi	26.7
Chin	24.7
Shan	24.0
Bago	21.1
Mon	20.7
Magway	19.1
Sagaing	17.9
Kayah	17.5
Nay Pyi Taw	15.9
Kachin	15.4
Mandalay	14.5
Yangon	14.0

Figure 14 : Expenditure per capita across States and Regions 2018-19, MMK

State/Region	Expenditure (MMK)
-yarwaddy	10
Bago	12
Sagaing	15
Magwe	15
Shan	15
Mon	15
Mandalay	15
Kayin	15
Rakhine	25
Yangon	30
Kachin	35
Tanintharyi	35
Kayah	35
Chin	100

**Figure 14 : Expenditure per capita
across States and Regions
2018-19, MMK**



(3) Challenges on benefits of decentralization

While improving the budget transparency and public participation in planning and budgeting process, sub-nation government are facing with increasing demands from citizens. It would not be able to take advantage from local knowledge and proximity to citizens without having enough financial and administrative capacity at the sub-national level. Without sufficient authority, sub-national governments are unlikely to be able to respond citizen's

¹² Department of Highways responsible for construction of highways roads, major roads, and town to town connection roads. Department of Rural Roads Development and Department of Border Affairs responsible for rural roads. Urban roads are managed by Development Affairs Organizations.

demand; and as a result, citizens have less reason to participate in political and/or reforming process.

Policy considerations

(1) Drawing a clear dividing line on assignments

Making assignments clear between central and local government is the first fundamental step in designing intergovernmental fiscal relationships. A first priority for the government's implementation of the provisions for decentralization is to further specify expenditure assignments. An ambiguous and well defined institutional framework in the assignment of expenditure responsibilities among the different levels of government is prerequisite. Similarly, the sufficient fiscal autonomy with the appropriate level of revenue assignment is also equally important. Designing second pillar and third pillar of decentralization, revenue assignment and intergovernmental transfer, before setting the clear assignment on expenditure is putting the cart before the horse. Also, the reviewing and making changes on existing organization structure such as forming independent administrative units will be required to make Myanmar's decentralization process more devolution than deconcentration.

Secondly, clearing revenue assignments is important. Early stages of Myanmar decentralization process was focusing to increase the size of sub-national budgets through inter-governmental transfers, without consideration on local own revenue mandates. Even though 2015 Constitution Amendment provide the possible channels for increasing revenue assignments for the local government, it has no immediate impact on fiscal decentralization. Reviewing on current extent of revenue assignments, given space within 2008 constitution and its amendment and inclusive policy discussions would lead to considerable changes for the next wave of decentralization.

(2) Promoting local revenue generation

While the discussion and reviewing on expenditure and revenue assignments are being made, state and region governments have room to improve local revenue generation. Enacting and/or improving existing sub-national taxation laws, collecting the tax information, tax base by different types of taxes, promoting the formal economy and enlarging the tax base, reviewing on non-tax collection, revaluation on rent government assets are possible changes in the short period. Improvement in budget accounting practices and condition for individual departments to submit more detailed budget format would help to improve supervision on own revenue, especially on non-tax revenue. Systematic and detail budget accounting and extent tax data availability would also visible to see the area where and which departments have to improve its tax administration.

(3) Improving the transfer mechanism

Union transfers will remain as a major source of revenue for sub-national governments. Since 2015-16, greater emphasis has been given to implementing a more systematized approach for inter-government fiscal transfers. From deficit financing approach, now grant transfer mechanism is based on the medium term fiscal framework, total fiscal transfer pool, with the 6 different indicators for calculating transfer to each states and regions. For developing the fiscal transfer system some policy consideration should be done such as (i) reviewing whether current indicators are correctly represent the requirements and own fiscal strength of the states and regions (ii) implying different weighting for indicators (iii) considering on available resources per capita by states and regions and incorporating additional payments for areas with remote places (iv) updating the database used in the transfer formula to consistent with the changes in reality (v) reviewing on tax sharing which becomes a major source of transfers and (vi) developing intergovernmental fiscal communication.

(4) Improving government expenditure allocation

Within the given assignments, improving the effectiveness and efficiency of the expenditure would allow local governments to maximize their potentials. Governments have to make difficult choices about how to allocate scarce resources to achieve societal goals for economic growth and poverty alleviation and to balance between equity and effectiveness. Developing policy orientation with the measurable benchmark helps governments to achieve goals and to evaluate whether current expenditure patterns is align with the policy targets. Similarly, evidence based expenditure allocation, e.g. linking expenditure allocations to needs indicators of a particular townships will enhance the effectiveness of the spending and lessen the elite capture. Also, giving opportunities to citizens to discuss and participate in policy and budget formulation and to provide feedback channels will improve public participation, accountability and transparency in managing scare resources.

SHAN BUDGET BY ADMINISTRATIVE CLASSIFICATION																
	2014-2015 (A)								2015-2016 (PA)							
	Current Revenue	Current Expenditure	Capital Revenue	Capital Expenditure	Financial Revenue	Financial Expenditure	Total Revenue	Total Expenditure		Current Revenue	Current Expenditure	Capital Revenue	Capital Expenditure	Total Revenue	Total Expenditure	
Regional Cabinet Office	17,472	12,876		53,851			17,472	66,726		29,877	12,984		43,690	29,877	56,674	
Regional Parliament	1	315		81			1	396		2	687		65	2	752	
Regional Supreme Court	1,264	20					1,264	20		370	57			370	57	
Regional Attorney General Office	2	550		321			2	871		5	686		9	5	695	
Regional Auditor General Office	1	1,321		106			1	1,427		2	1,568		29	2	1,597	
General Administration Dept	860	9,207		3,305			860	12,511		1,221	12,132		2,164	1,221	14,296	
Bureau of Special Investigation	0	165		27			0	192		0	218	0	236	0	454	
Prisons Dept							-	-						-	-	
Fire Services Department	40	2,244		13,167			40	15,411		99	2,498		2,296	99	4,794	
Movie Industry	37	38					37	38						-	-	
Department of Agriculture	40	3,410		360			40	3,770		62	4,516		349	62	4,865	
Water Resource Utilisation Department	3	193		396			3	589		1	92		95	1	187	
Department of Industrial Crops Development	16	343					16	343		2	215		8	2	223	
Fishery Department	16	116		119			16	235		22	145		18	22	163	
Livestock and veterinary Department	9	532		54			9	586		11	654		74	11	728	
Department of Cooperatives	13	760		78			13	838		12	1,095		27	12	1,122	
Department of Small Industries	2	30		17			2	47		4	83		138	4	220	
Forestry Department	191	1,758		28			191	1,786		201	2,234		68	201	2,302	
Enviromental Conservation Department							-	-		0	63		29	0	92	
Salt Department							-	-						-	-	
Salt and Mineral Enterprise	3	22					3	22		3	27			3	27	
Department of Sport and Physical Education	105	409		1,475			105	1,885		96	771		786	96	1,557	
Department of Electrical Distribution				9,114			-	9,114		70	1		15,206	70	15,207	
Planning Department	4	864		1,470			4	2,334		13	1,172		204	13	1,376	
Central Statistical Organization							-	-						-	-	
Budget Department	2,162	130		174	1,226	1,226	3,388	1,530		216	117		18	216	135	
Myanmar Investment							-	-						-	-	
Urban and Housing Development Department	56	250		3,470			56	3,720		56	407		114	56	521	
Department of Roads	165	32,302		94,912			165	127,214		144	25,741		95,690	144	121,431	
Department of Public Works	108,633	104,386		256			108,633	104,642			804			-	804	
Cargo Handling Committee Office		12					-	12		-	7			-	7	
DAOs	12,810	5,240	29	6,589			12,839	11,829		15,961	6,466	4	8,819	15,965	15,285	
Grant Transfer	223,810						223,810			199,372				199,372	-	
	367,716	177,494	29	189,368	1,226	1,226	368,970	368,087		247,823	75,442	4	170,130	247,827	245,571	

SHAN BUDGET BY ADMINISTRATIVE CLASSIFICATION							
	2016-2017 (BE)						
	Current Revenue	Current Expenditure	Capital Revenue	Capital Expenditure	Total Revenue	Total Expenditure	
Regional Cabinet Office	17,346	16,824		40,987	17,346	57,811	
Regional Parliament		778		4,603	-	5,381	
Regional Supreme Court	100	66			100	66	
Regional Attorney General Office	1	748		686	1	1,435	
Regional Auditor General Office	1	1,725		447	1	2,173	
General Administration Dept	764	13,492		8,780	764	22,271	
Bureau of Special Investigation	0	272		221	0	493	
Prisons Dept					-	-	
Fire Services Department	3	4,113		7,263	3	11,376	
Movie Industry					-	-	
Department of Agriculture	29	5,977		898	29	6,875	
Water Resource Utilisation Department					-	-	
Department of Industrial Crops Development					-	-	
Fishery Department	12	188		165	12	354	
Livestock and veterinary Department	8	736		245	8	981	
Department of Cooperatives	8	1,223		332	8	1,555	
Department of Small Industries	3	201		264	3	465	
Forestry Department	145	2,694		265	145	2,960	
Environmental Conservation Department	1	112		567	1	679	
Salt Department	3	28		23	3	51	
Salt and Minereal Enterprise							
Department of Sport and Physical Education	93	898		1,420	93	2,318	
Department of Electrical Distribution	40	5		16,080	40	16,085	
Planning Department	1	1,625		542	1	2,167	
Central Statistical Organization					-	-	
Budget Department		177		172	-	349	
Myanmar Investment					-	-	
Urban and Housing Development Department	28	738		5,501	28	6,239	
Department of Roads	140	35,718		57,309	140	93,026	
Department of Public Works					-	-	
Cargo Handling Committee Office		24			-	24	
DAOs	14,569	6,727	0	7,842	14,569	14,569	
Grant Transfer	216,408				216,408	-	
	249,701	95,089	0	154,612	249,701	249,701	

SHAN BUDGET BY ADMINISTRATIVE CLASSIFICATION							
2017-2018 (BE)							
	Current Revenue	Current Expenditure	Capital Revenue	Capital Expenditure	Total Revenue	Total Expenditure	
Regional Cabinet Office	21,821	13,873		42,122	21,821	55,995	
Regional Parliament	1	1,008		3,971	1	4,979	
Regional Supreme Court	103	66			103	66	
Regional Attorney General Office	1	793		535	1	1,328	
Regional Auditor General Office	1	2,062		422	1	2,484	
General Administration Dept	1,122	14,096		8,393	1,122	22,489	
Bureau of Special Investigation	0	265		185	0	450	
Prisons Dept					-	-	
Fire Services Department	5	4,550		6,836	5	11,386	
Movie Industry					-	-	
Department of Agriculture	34	4,846		703	34	5,549	
Water Resource Utilisation Department					-	-	
Department of Industrial Crops Development					-	-	
Fishery Department	12	187		128	12	315	
Livestock and veterinary Department	19	950		189	19	1,139	
Department of Cooperatives	8	1,261		241	8	1,502	
Department of Small Industries	5	213		258	5	471	
Forestry Department	145	3,373		253	145	3,626	
Environmental Conservation Department	0	126		318	0	443	
Salt Department	4	29		13	4	42	
Salt and Mineral Enterprise							
Department of Sport and Physical Education	93	1,316		1,669	93	2,985	
Department of Electrical Distribution	52	107		17,464	52	17,571	
Planning Department	1	1,536		528	1	2,064	
Central Statistical Organization		153		170	-	323	
Budget Department	45	201		572	45	773	
Myanmar Investment					-	-	
Urban and Housing Development Department	80	710		6,828	80	7,538	
Department of Roads	8	35,029		60,913	8	95,941	
Department of Public Works					-	-	
Cargo Handling Committee Office		17			-	17	
DAOs	16,651	7,175		12,188	16,651	19,362	
Grant Transfer	218,630				218,630	-	
	258,841	93,941	-	164,900	258,841	258,841	

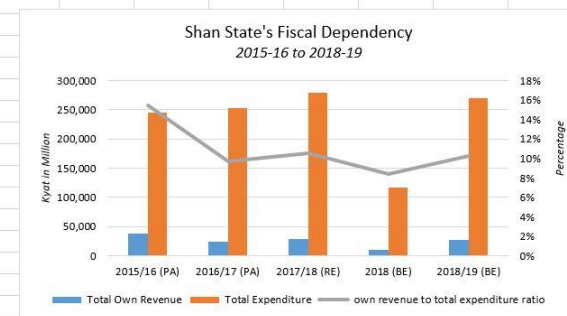
SHAN BUDGET BY ADMINISTRATIVE CLASSIFICATION																			
				2018(6months) (BE)								2018-2019 (BE)							
				Current Revenue	Current Expenditure	Capital Revenue	Capital Expenditure	Total Revenue	Total Expenditure		Current Revenue	Current Expenditure	Capital Revenue	Capital Expenditure	Total Revenue	Total Expenditure			
Regional Cabinet Office				2,885	6,731		17,430	2,885	24,161		25,310	14,049		47,281	25,310	61,331			
Regional Parliament				1	512		56	1	568		2	1,112		609	2	1,720			
Regional Supreme Court				77	33			77	33		237	66		-	237	66			
Regional Attorney General Office				0	450		3	0	453		1	1,039		547	1	1,586			
Regional Auditor General Office				0	965		96	0	1,061		1	2,237		500	1	2,736			
General Administration Dept				752	7,274		359	752	7,634		1,524	17,159		3,000	1,524	20,159			
Bureau of Special Investigation				0	151			0	151		0	371		199	0	570			
Prisons Dept								-	-						-	-			
Fire Services Department				3	2,573		217	3	2,790		7	5,738		4,853	7	10,591			
Movie Industry								-	-						-	-			
Department of Agriculture				23	5,964		158	23	6,122		50	6,272		741	50	7,012			
Water Resource Utilisation Department								-	-						-	-			
Department of Industrial Crops Development								-	-						-	-			
Fishery Department				10	103		24	10	127		15	213		108	15	321			
Livestock and veterinary Department				6	557		77	6	633		33	1,291		483	33	1,774			
Department of Cooperatives				2	597		26	2	623		6	1,380		245	6	1,625			
Department of Small Industries				2	139		65	2	204		6	258		229	6	487			
Forestry Department				96	1,296		270	96	1,566		145	2,781		456	145	3,237			
Environmental Conservation Department				0	230		288	0	518		0	254		970	0	1,223			
Salt Department				1	17			1	17		4	39		7	4	46			
Salt and Mineral Enterprise																			
Department of Sport and Physical Education				46	1,136		4,396	46	5,532		100	2,513		2,500	100	5,013			
Department of Electrical Distribution				29	13		17,916	29	17,929		40	24		19,746	40	19,770			
Planning Department				1	794			1	794		1	1,694		882	1	2,575			
Central Statistical Organization							4	-	4		0	136		99	0	235			
Budget Department					104		74	-	179		10	259		244	10	503			
Myanmar Investment					64			-	64		72	79		366	72	445			
Urban and Housing Development Department				42	327		545	42	872		92	823		3,899	92	4,722			
Department of Roads					12,546		22,920	-	35,466		50	35,474		67,658	50	103,131			
Department of Public Works								-	-						-	-			
Cargo Handling Committee Office					9			-	9			20			-	20			
DAOs				8,119	3,766		6,188	8,119	9,954		17,715	8,457		10,155	17,715	18,612			
Grant Transfer				105,369				105,369	-		224,091				224,091	-			
				117,465	46,350	-	71,115	117,465	117,465		269,512	103,737	-	165,775	269,512	269,512			





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How Fiscal Gap					
	2015/16 (PA)	2016/17 (PA)	2017/18 (RE)	2018 (BE)	2018/19 (BE)
Tax Revenue	3,611	4,618	3,867	1,428	2,895
Non-tax - Other Current Receipts	34,338	19,856	25,522	8,490	24,698
Capital Revenue	-	26	-	-	-
Financial Revenue					
Total Own Revenue	37,949	24,499	29,388	9,918	27,593
Total Expenditure	245,569	252,926	279,083	117,452	269,512
own revenue to total expenditure ratio	15%	10%	11%	8%	10%
	2015/16 (PA)	2016/17 (PA)	2017/18 (RE)	2018 (BE)	2018/19 (BE)
Tax Revenue	583	746	625	231	468
Non-tax - Other Current Receipts	5,549	3,208	4,124	1,372	3,991
Capital Revenue	-	4	-	-	-
Financial Revenue	-	-	-	-	-
Total Own Revenue	6,132	3,959	4,749	1,603	4,459
Total Expenditure	39,680	40,869	45,096	18,979	43,549



Comparison on Revenue

Kachin	1829849
Kayan	310213
Kayin	1593053
Chin	508359
Sagaing	5491170
Tanintharyi	1459953
Bago	4918821
Magwe	3941239
Mandalay	6389391
Mon	2011427
Rakhine	3300039
Yangon	7936637
Shan	6188689
Ayeyarwaddy	6271070
NayPyiTaw	1238038
	53387948