

# 15

# CAMBODIA

Provides scant information to the public in its budget documents during the year.



OPEN BUDGET INDEX SCORE  
— OUT OF 100 —

81-100 Extensive

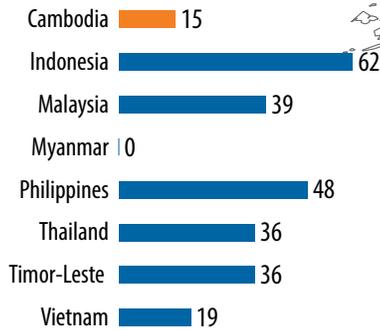
61-80 Substantial

41-60 Some

21-40 Minimal

0-20 Scant or None

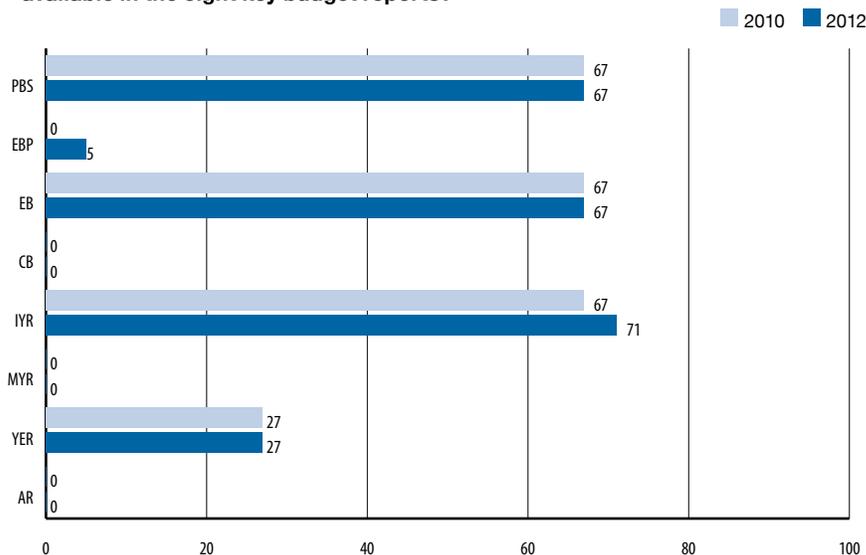
## How does Cambodia compare to its neighbors in Southeast Asia?



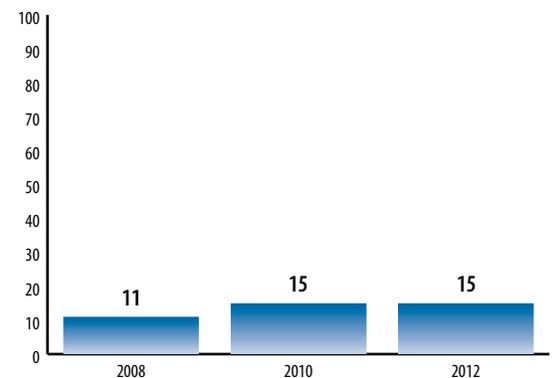
## What are each of the eight key budget documents, and does the public have access to them?

Document	Description of Document	Publication Status
<b>PBS</b>	<b>Pre-Budget Statement:</b> Provides information that links government policies and budgets and typically sets forth the broad parameters that will define the budget proposal that is presented to the legislature.	Published
<b>EBP</b>	<b>Executive's Budget Proposal:</b> Presents the government plans to raise revenues through taxes and other sources and spend these monies to support its priorities, thus transforming policy goals into action.	Produced for Internal Use
<b>EB</b>	<b>Enacted Budget:</b> The legal instrument authorizing the executive to raise revenues, make expenditures, and incur debt.	Published
<b>CB</b>	<b>Citizens Budget:</b> A nontechnical presentation to enable broad public understanding of a government's plans for raising revenues and spending public funds in order to achieve policy goals.	Not Produced
<b>IYR</b>	<b>In-Year Reports:</b> Periodic (monthly or quarterly) measures of the trends in actual revenues, expenditures, and debt, which allow for comparisons with the budget figures and adjustments.	Published
<b>MYR</b>	<b>Mid-Year Review:</b> An overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies.	Produced for Internal Use
<b>YER</b>	<b>Year-End Report:</b> Information comparing the actual budget execution relative to the Enacted Budget.	Published
<b>AR</b>	<b>Audit Report:</b> Independent evaluation of the government's accounts by the country's supreme audit institution. It typically assesses whether the executive has raised revenues and spent monies in line with the authorized budget, and whether the government's accounts of its revenues and expenses are accurate and provide a reliable picture of the fiscal situation.	Produced for Internal Use

## From Zero to 100: Has Cambodia increased the amount of information it makes available in the eight key budget reports?



## OBI scores over three Surveys



## Open Budget Index

The **Open Budget Survey** assesses whether the central government in each country surveyed makes eight key budget documents available to the public, as well as whether the data contained in these documents is comprehensive, timely, and useful. The Survey uses internationally accepted criteria to assess each country's budget transparency developed by multilateral organizations, such as the International Monetary Fund (IMF), the Organization for Economic

Co-operation and Development (OECD), and the International Organization of Supreme Audit Institutions (INTOSAI).

The scores on 95 of the 125 Open Budget Survey questions are used to calculate objective scores and rankings of each surveyed country's relative transparency. These composite scores constitute the Open Budget Index (OBI), the world's only independent and comparative measure of budget transparency.

Cambodia's OBI 2012 score is 15 out of 100, which is well below the average score of 43 for all the 100 countries surveyed. It is also below the score of other countries in the region, including Cambodia's neighbors Indonesia, Malaysia, the Philippines, Thailand, Timor-Leste, and Vietnam. Cambodia's score indicates that the government provides the public with scant information on the national government's budget and financial activities during the course of the budget year. This makes it challenging for citizens to hold the government accountable for its management of the public's money.

**Cambodia's OBI 2012 score of 15 has remained the same as it was in 2010.**

The Open Budget Index is composed of subscores for each of the eight key budget documents assessed in the Survey. These subscores represent the average of the scores received on a set of questions in the Survey that measure the public availability of and amount of information in the documents. The subscores are comparable across all of the countries included in the Survey.

### Recommendations

Cambodia's score on the Open Budget Index has remained the same as it was in 2010. With a score of 15 out of 100 on the Open Budget Index 2012, the government of Cambodia has the potential to greatly expand budget transparency by introducing a number of measures, some of which can be achieved very quickly and at almost no cost to the government.

The International Budget Partnership recommends that Cambodia undertake the following steps to improve budget transparency:

- Publish the Executive's Budget Proposal, Mid-Year Review, and Audit Report. All of these documents are currently produced for internal use only (detailed guidance on the contents of these three documents can be found in this guidebook: <http://bit.ly/QGzHv8>). As per the Open Budget Survey 2012, 79 countries publish an Executive's Budget Proposal, including Cambodia's neighbors Indonesia, Malaysia, the Philippines, Thailand, and Timor-Leste; 29 countries publish a Mid-Year Review, including its neighbor Indonesia; and 68 countries publish an Audit Report, including its neighbors Indonesia, Malaysia, the Philippines, and Vietnam. Links to the budget documents published by these countries can be accessed from the IBP's website: <http://bit.ly/P8NPOV>.
- Produce and publish a Citizens Budget. Detailed guidance on the contents of the Citizens Budget can be found in this guidebook: <http://bit.ly/QGzFmJ>. According to the Open Budget Survey 2012, 26 countries publish a Citizens Budget, including Cambodia's neighbors Indonesia and Thailand.
- Increase the comprehensiveness of the Pre-Budget Statement by describing the government's macroeconomic and fiscal framework (see question 61 of the Open Budget Questionnaire).
- Increase the comprehensiveness of In-Year Reports by providing information on the composition of government debt (see question 71 of the Open Budget Questionnaire).
- Increase the comprehensiveness of the Year-End Reports by presenting audited data on the actual outcomes; explaining the differences between the enacted levels and the actual outcome for expenditures; explaining the differences between the original macroeconomic forecast and the actual outcome for the year; explaining the differences between the original estimates of nonfinancial data and the actual outcome for the year; explaining the differences between the original performance indicators and the actual outcome; explaining the differences between the enacted level of funds intended to directly benefit the country's most impoverished populations and the actual outcome; and presenting the actual outcome for extra-budgetary funds (see questions 78-79 and 82-86 of the Open Budget Questionnaire).

## Strength of Legislatures and Supreme Audit Institutions in Budget Oversight

The Open Budget Survey examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAIs). These institutions play a critical role — often enshrined in national constitutions — in planning and overseeing the implementation of national budgets.

The Open Budget Survey assesses whether legislatures provide effective budget oversight by measuring performance on 11 indicators, including: consultations with the executive prior to the tabling in the legislature of the draft budget, research capacity, formal debate on overall budget policy, time available to discuss and approve the budget, legal authority to amend the budget proposal, approval of shifts in expenditure budget and excess revenues collected, supplemental budget powers, authority to approve use of contingency funds, and scrutiny of audit reports.

The Open Budget Survey assesses whether supreme audit institutions are empowered to provide effective budget oversight by using the following four indicators: authority to remove the head of the supreme audit institution, legal power to audit public finances, financial resources available, and availability of skilled audit personnel.

## Recommendations

The International Budget Partnership recommends that Cambodia undertake the following actions to improve budget oversight:

- The executive should hold consultations with members of the legislature as part of its process of determining budget priorities. The legislature should have internal capacity to conduct budget analyses and have a formal pre-budget policy debate prior to the tabling of the Executive’s Budget Proposal; it should have the authority in law to amend the Executive’s Budget Proposal; the executive should be required to seek approval from the legislature prior to shifting funds between administrative units and between line items, prior to using excess revenues that may become available during budget execution, and prior to using contingency funds; and the executive should be required to seek approval from the legislature on supplemental budgets before these funds are expended (see questions 59, 97-98, 100, and 104–106 of the Open Budget Questionnaire).
- Empower the supreme audit institution by the following actions: the budget for the SAI should be determined by the legislature or judiciary; the funding level should be broadly consistent with the resources the SAI needs to fulfill its mandate; and the SAI should have skilled staff designated to undertake audits of the central government agencies in the security sector (see questions 93 and 94 of the Open Budget Questionnaire).

### Cambodia is not among the leaders in Southeast Asia on budget oversight and engagement

Country	Legislative Strength	SAI Strength	Public Engagement
Cambodia	Moderate	Moderate	Weak
Timór-Leste	Moderate	Strong	Weak
Indonesia	Strong	Strong	Weak
Malaysia	Moderate	Strong	Weak
Myanmar	Weak	Weak	Weak
Philippines	Moderate	Strong	Moderate
Thailand	Strong	Strong	Weak
Vietnam	Strong	Strong	Weak

**Strong:** average score above 66 of 100; **Moderate:** average score between 34 and 66; **Weak:** average score below 34

## Opportunities for Public Participation

Research and advocacy experience of civil society over the past 15 years has demonstrated that transparency by itself is insufficient for improving governance. Transparency along with opportunities for public participation in budgeting can maximize the positive outcomes associated with open budgeting. Therefore, the Open Budget Survey assesses opportunities available to the public to participate in national budget decision-making processes. Such opportunities can be provided throughout the budget cycle by the executive, legislature, and supreme audit institution.

Based on these indicators, the Open Budget Survey 2012 finds that opportunities for public participation in the budget process in Cambodia are weak.

### Cambodia has much room to improve public participation

Requirement	Finding
<b>Process Followed Before Consultation</b>	
Formal requirement for public participation (Q114)	Does not exist
Articulation of purposes for public participation (Q115)	Does not exist
Communication by the SAI of audit findings beyond publication of audit reports (Q124)	Does not exist
<b>Process of Consultation</b>	
Mechanisms developed by the executive for participation during budget planning (Q116)	Does not exist
Public hearings in the legislature on macroeconomic budget framework (Q119)	Does not exist
Public hearings in the legislature on individual agency budgets (Q120)	Does not exist
Opportunities in the legislature for testimonials by the public during budget hearings (Q121)	Does not exist
Mechanisms developed by the executive for participation during budget execution (Q117)	Does not exist
Mechanisms developed by the SAI for participation in audit agenda (Q123)	Does not exist
<b>Process Followed After Consultation</b>	
Feedback by the executive on use of inputs provided by the public (Q118)	Does not exist
Release by the legislature of reports on budget hearings (Q122)	Does not exist
Feedback by the SAI on use of inputs provided by the public (Q125)	Does not exist

## Recommendations

The International Budget Partnership recommends that Cambodia expand public engagement in budgeting after considering the Open Budget Survey indicators on which the country performs poorly (see table below and questions 114-125 in the Open Budget Questionnaire).

## Description of Survey, Methodology, Reliability, and Researcher Contact Information

The Open Budget Survey is a fact-based research instrument that uses easily observable phenomena to assess what occurs in practice. The research conclusions are typically supported by citations and comments, including reference to a budget document, a law, or other public document; a public statement by a government official; or comments from a face-to-face interview with a government official or other knowledgeable party. The Survey is compiled from a questionnaire completed for each country by independent budget experts who are not associated with the national government. Each country's questionnaire is then independently reviewed by two anonymous experts who also have no association with government. In addition, the IBP invites national governments to comment on the draft results from the Survey and considers these comments before finalizing the Survey results. The entire research process for 2012 took over 18 months between July 2011 and December 2012 and involved approximately 400 experts.

The Open Budget Survey provides a reliable source of data on national budget transparency practices for governments, development practitioners, the media, and citizens. Current users of the Survey results include the Open Government Partnership, Collaborative Africa Budget Reform Initiative, INTOSAI, the World Bank in its Worldwide Governance Indicators, and a number of bilateral aid agencies and international and regional multilateral bodies. The publication of the Open Budget Survey 2012 has reinforced the Survey's preeminent position as a global data repository on budget transparency, participation, and accountability.

Research to complete this country's Open Budget Survey was undertaken by Chea Kimsong, The NGO Forum on Cambodia, #9-11, St. 476, Tuol Tompoung 1, P.O. Box 2295, Phnom Penh 3, Cambodia, [kimsong@ngoforum.org.kh](mailto:kimsong@ngoforum.org.kh); [ngoforum@ngoforum.org.kh](mailto:ngoforum@ngoforum.org.kh).

Despite repeated efforts, the IBP was unable to get comments on the draft Open Budget Questionnaire results from the Cambodian government.