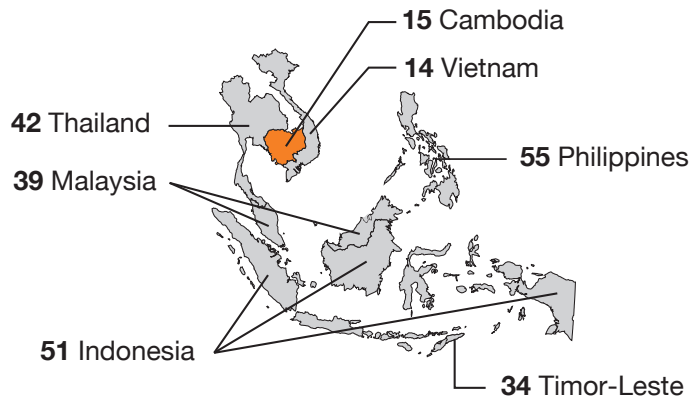
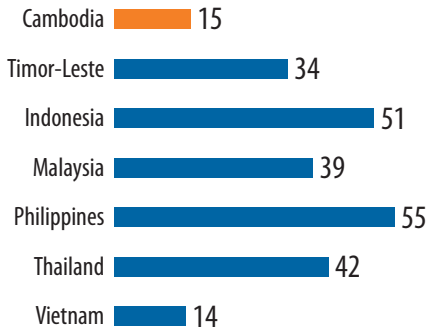


**Overall score: 15** (Out of 100) Provides scant information to the public in its budget documents during the year.

### How Does Cambodia Compare to Its Neighbors?



## Key Findings

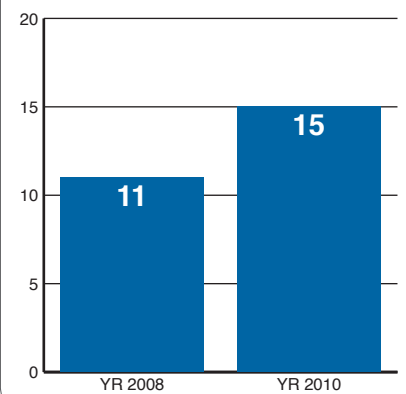
The scores for 92 questions from the Open Budget Survey (see text box) are used to compile objective scores and rankings of the relative transparency of each country's budget process. These scores constitute the Open Budget Index (OBI).

Cambodia's OBI 2010 score is 15 out of 100, which is about one-third of the average score (42) for the 94 countries surveyed. Cambodia's score is one of the lowest in the South-East Asia region, ahead of only Vietnam's score of 14. Thailand, by contrast, has a score of 42.

Cambodia's score indicates that the government provides the public with scant information on the central government's budget and financial activities assessed by the Survey. This makes it virtually impossible for citizens to hold the government accountable for its management of the public's money.

Cambodia's score has increased from 11 to 15 from 2008 to 2010 mainly because the government now publishes the Royal Government Circular on Guidelines for Preparation of the Draft Budget Law (Pre-Budget Statement) in a timely manner.

### OBI Scores Over Two Surveys



**Adequacy & Availability of Eight Key Budget Documents**

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	B	Published
Executive's Budget Proposal	E	Produced, Not Published
Enacted Budget	B	Published
Citizens Budget	E	Not Produced
In-Year Reports	B	Published
Mid-Year Review	E	Produced, Not Published
Year-End Report	D	Published
Audit Report	E	Produced, Not Published

\* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents the ways the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Cambodia, while the legislature provides some space to a limited number of NGOs to conduct analysis of the draft budget law, this document is produced for internal use, and it is not published and made available to the wider public.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. This statement should be published before the Executive's Budget Proposal is released. Cambodia publishes the Royal Government Circular on Guidelines for Preparation of the Draft Budget Law (Pre-Budget Statement) in the government's Official Gazette, and this is a comprehensive document. In the last budget survey, this document was not publicly available.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide data the public can use to assess the government's stated policy priorities and hold it to account. Cambodia publishes a fairly comprehensive Enacted Budget, but it does not present the approved budget for all programs.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. Cambodia does not produce a Citizens Budget.

**In-Year Reports** provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the Enacted Budget figures and thus can facilitate adjustments. Cambodia publishes fairly comprehensive In-Year Reports, but they do not present program-level detail on actual expenditures.

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved

# OPEN BUDGET SURVEY 2010

## Cambodia

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

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budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Cambodia produces a Mid-Year Review but does not make it available to the public.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. The Year-End Report can inform policymakers on tax policies, debt requirements, and major expenditure priorities, thus facilitating adjustments for upcoming budget years. Cambodia publishes a Year-End Report, but it is far from comprehensive. For example, it does not explain the difference between the original performance indicators and the actual outcome.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. For the first time in its history, at the end of 2009 Cambodia's National Audit Authority (SAI) produced an Audit Report. This report, however, covered the implementation of the Fiscal Year 2006 budget. Since the report became available upon request more than two years after the end of that fiscal year, it does not meet standards of international best practice and it has been considered as "Not Published," according to the Open Budget Survey methodology. The more timely release of Audit Reports in the future would improve the budget process in Cambodia and increase its OBI score.

### *Public Participation and Institutions of Accountability*

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Cambodia's budget process can be made more open. These include ensuring the existence of a strong legislature and SAI that provide effective budget oversight, as well as providing greater opportunities for public engagement in the budget process.

#### **Are oversight bodies effective in their budget role?**

Oversight Institution	Strength**
Legislature	Weak
SAI	Weak

\*\* Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey, budget oversight provided by Cambodia's legislature is weak because it does not:

1. have full powers to amend the Executive's Budget Proposal at the start of the year;
2. have sufficient time, as established by international best practice standards, to discuss and approve the budget; and
3. hold public hearings at which the public and civil society organizations can testify on priorities in the Executive's Budget Proposal.

According to the Open Budget Survey, budget oversight provided by Cambodia's SAI is weak because it does not:

1. have sufficient financial and human resources to meaningfully exercise its mandate;
2. issue timely Audit Reports on the final expenditures of national departments;
3. have proper channels of communication with the public; and
4. issue reports on the follow-up steps taken by the executive to address audit recommendations.

## *Recommendations*

### **Cambodia should:**

- publish in a timely manner, either on government websites or in the "Official Gazette," the Executive's Budget Proposal, the Mid-Year Review and the Audit Report and make them available to the public upon request;
- produce and publish a Citizens Budget;
- provide opportunities for the public to testify at legislative hearings or discussions on the budget, such as the discussions of the Second Commission of the National Assembly with the Ministry of Economy and Finance. This could be achieved if the Second Commission were to organize public hearings prior to the full assembly debate on the draft budget law and invite participation by the public, civil society organizations, academia, research institutions, media, and other interested groups; and
- enable the legislature and SAI to perform comprehensive oversight of the budget process.