

15

OPEN BUDGET INDEX SCORE
— OUT OF 100 —

81-100 Extensive

61-80 Substantial

41-60 Some

21-40 Minimal

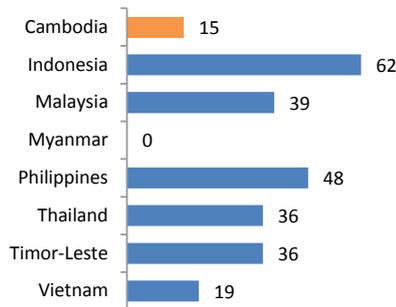
0-20 Scant or None

CAMBODIA

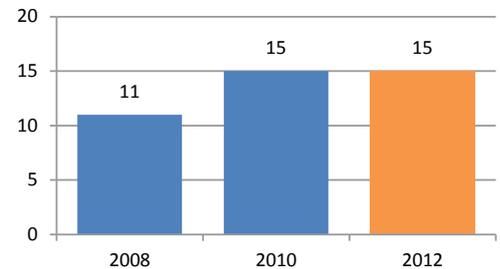
Budget Transparency Brief No. 04 | January 2013



How does Cambodia compare to its neighbors in South East Asia?



How does Cambodia's OBI score change from 2008 to 2012?



What is the Open Budget Survey 2012?

The **Open Budget Survey (OBS)**¹ assesses whether and how the central government in each country surveyed makes public eight key budget documents, and whether the data contained in these documents is comprehensive, timely and useful. Conducted every two year, the survey also assesses the extent of effective oversight provided by legislatures and supreme audit institutions (SAIs), and the opportunities for public participation in the national budget process.

International institutions, many individual governments and independent experts all agree that for public monies to be managed efficiently and in accordance with a country's needs, public access to budget information, meaningful public participation and strong independent oversight bodies are crucial and need to exist. Without these mechanisms in place, it is believed that the oversight bodies, civil society organizations, media and the broader public cannot participate effectively in the decision making process, nor can they hold the Executive to account for the use of public resources.

Like previous surveys (2006, 2008, 2010), the **OBS 2012** is not an opinion poll but a **factual representation of transparency, accountability, and participation in the national budgets** using internationally accepted criteria and rigorous methodology implemented by independent budget experts. The survey consists of 125 questions and covers 100 countries for 2012. The scores on 95 questions are used to calculate an objective score known as the **Open Budget Index (OBI)** for each country surveyed, ranking its budget transparency relative to other countries. The remaining 30 questions relate to public participation and the roles of legislatures and SAIs in the budget process.

Key Findings for Cambodia

- ❖ The Cambodia's OBI 2012 score of 15 has remained the same as it was in 2010, which is well below the global average score of 43 and the regional average score of 32.
- ❖ This score indicates that the Royal Government provides the public with scant information on the central government's budget and financial activities during the course of the budget year.
- ❖ The strengths of Cambodia's legislature and supreme audit institution are both moderate, while its neighbors, except for Myanmar, have moderate to strong legislatures, and strong supreme audit institutions.
- ❖ Opportunities for public participation in the budget process in Cambodia are weak.

The state of budget transparency in Cambodia

Over the period 2010-2012, the level of budget transparency in Cambodia has stagnated, as reflected by its OBI score of 15 in 2012. This score indicates that the Royal Government of Cambodia (RGC) provides the public with scant information on the central government's budget and financial activities during the course of the budget year. This makes it difficult for citizens to hold their government accountable for its management of the public's monies, including the collection of revenues and the use of public funds in an efficient and effective way, and in influencing policies to improve the services they receive, thereby the quality of their lives.

Public availability of the eight key budget documents

Like in 2010, Cambodia produces four of the eight key budget documents and publishes them in the public domain. These documents include the Pre-Budget Statement, Enacted Budget, In-Year Report and Year-End Report, which are available in the Government's Official Gazette, and on the Ministry of Economy and Finance (MEF)'s website (www.mef.gov.kh). The other three budget documents that are not available to the public are the

¹ The OBS is one of the main components of the **Open Budget Initiative** launched by the **International Budget Partnership (IBP)** to promote public access to budget information, and adoption of accountable and participatory budget systems globally. For more information on the IBP's Open Budget Initiative, and the four rounds of the Open Budget Survey, including full reports and an extensive amount of data and other related budget documents, please visit the IBP's website: <http://internationalbudget.org/>

Executive Budget’s Proposal, Mid-Year Review and (External) Audit Report. Cambodia does not produce the Citizens Budget.

Availability & Adequacy: Eight key budget documents (2012)

Documents	Publication Status	Level of Information*
Pre-Budget Statement (Royal Government’s circular on guidelines for preparation of Draft Budget Law 2012)	Published	B
Executive’s Budget Proposal (Draft Budget Law 2012)	Produced for Internal Use	E
Enacted Budget (Budget Law 2011)	Published	B
Citizens Budget	Not Produced	E
In-Year Reports (TOFEs in 2011)	Published	B
Mid-Year Review	Produced for Internal Use	E
Year-End Report (TOFE 2010)	Published	D
Audit Report	Produced for Internal Use	E

* The level of comprehensiveness of the information provided in each document and its accessibility are calculated from average scores received on a subset of questions related to each document in the OBS 2012. Grade A represents an average score of 81-100, B: 61-80, C: 41-60, D: 21-40, E: 0-20.

◆ **The Pre-Budget Statement** provides information (previous and current year macroeconomic performance and projection of the coming budget or fiscal year) that links government policies and budgets. This statement should be published before the draft budget law, and typically sets forth the broad parameters that will define the government’s forthcoming budget.

Cambodia publishes the **Royal Government Circular on Guidelines for Preparation of the Draft Budget Law** in the *Government Official Gazette*² since 2009, which is publically accessible at a minimal cost.

◆ **The Executive’s Budget Proposal** is the government’s most important policy instrument. It presents how the government plans to raise revenues through taxes and other sources, and spend these monies to support its priorities, thereby transforming policy goals into action.

In Cambodia, the Executive’s Budget Proposal or the **Draft Budget Law** is produced for internal use, and not published by the RGC for public access as per international good practices in public financial management. In November 2010, the Draft Budget Law 2011 was released by both the MEF and the National Assembly (NA) to the NGO Forum on Cambodia upon its request. However, since 2011 the MEF has not released the document. The NA has the full authority to release the annual Draft Budget Law; however, it did not do so in 2011, and in 2012 released only the Draft Budget Law, without detailed annexes on budget revenues and allocations.

² The Gazette can be found on sale at the *Office of General Department of Official Gazette and Computer Service* under the *Office of the Council of Minister*. The circulars and other budget documents covered by the OBS 2012 can also be found on the MEF’s website or the Cambodian Budget Website at www.cambodianbudget.org.

◆ **The Enacted Budget** becomes a country’s law, thereby a legal instrument authorizing the executive to raise revenues, make expenditures and incur debts. The document provides baseline information for all budget analyses conducted during the budget year. Therefore, it is the starting point of any effort to monitor budget execution. In general, the Enacted Budget should provide the public with necessary data they can use to assess the government’s stated policy priorities and hold her accountable.

Cambodia publishes its annual Enacted Budget or **Law on Finance** in the *Official Gazette*, but this document does not contain program-level details for expenditure. Access to these laws is also observed to be scattered across a few other public sources such as on the websites of the NA³, MEF⁴ and MEF’s Tax Department⁵.

◆ **A Citizens Budget** is a nontechnical presentation (simplified version) of a government’s budget that is intended to enable the public—including those who are not familiar with public finance—to better understand the government plans for raising revenues and spending public funds.

The MEF once published a “**budget in brief**”, which contained some aggregate figures of revenues, expenditure and macroeconomic indicators, in 2007; however, the publication was later observed to be ceased. Republication and distribution of this document is critical for improving citizens’ understanding of the RGC’s plans to use their monies, while also reflecting the RGC’s due accountability towards its citizens. These will also help stimulate public demand for more budget information and further interest in knowing and monitoring their monies, which should enable them to participate effectively in the national budget process.

In addition to absence of the Citizens Budget, the lack of simplified guiding documents on the whole national budget process, including budget terminologies, makes it even more difficult for interested citizens and concerned stakeholders such as CSOs working in specific sectors to fully understand budget technicalities. As observed so far, there has been no (Khmer) glossary or dictionary on budget terminologies published for public access or encouraging public participation, except for those few key words and budget terms explained in the Law on Public Finance System and the MEF’s Prakas No. 1448 issued on 27 December 2007 on the implementation of the economic budget classification. To our best knowledge, these documents have been the only publically available glossary and guiding documents for CSOs and citizens to partly address technical constraints in their budget work.

Based the 2012 first-quarter report on the implementation of the Public Financial Management Reform Program (PFMRP), development of lexicons⁶ and legal papers for Public Financial Management is being developed. It is important and highly

³ However, only the laws approved during its first, second and third mandate can be downloaded (<http://www.national-assembly.org.kh/>). It is anticipated that those approved during the fourth mandate (2008-present) will be available in the near future.

⁴ Law on Finance for 2013 Management (<http://www.mef.gov.kh/budget.html>)

⁵ Law on Finance from 1994 to 2010, with some years missing (<http://www.tax.gov.kh/taxtypes.php>)

⁶ This report was accessed from www.pfm.gov.kh on June 19, 2012.

appreciated that these documents be made widely available to the general public to enable meaningful participation in the budget process, in addition to strengthening capacity of line ministries/agencies in advancing the Public Financial Management Reform Program (PFMRP).

◆ **In-Year Reports** provide a snapshot of the budget's effects during the budget year. The primary objective of publishing the In-Year Reports is to provide a periodic measure of the trends in actual revenues and expenditures, which allows for a comparison with the budget figures and adjustments.

Cambodia's In-Year Reports or TOFEs (Table of Public Financial Operation) provide somewhat comprehensive budget information; however, they lack important details such as breakdowns of expenditures by line ministries, detailed explanations of the difference between actual and planned revenues and expenditures, and regular update or posting on the MEF's website/other public domain. The timing of release of the monthly TOFEs has not been consistently regular from one to another; sometimes they are released more than two months after the reporting month. While this late release is understood to be due mainly to the time needed in coordinating and verifying figures across MEF's departments, as well as in getting the management's approval before releasing it on the website for official use, it is highly appreciated that efforts be made to ensure a regular and timely release of the future TOFEs.

◆ The **Mid-Year Review** provides an overview of the budget's effects at the mid-point of a budget year. Information in this report allows governments' fiscal performance to be assessed against the plan laid out in the original budget. It allows the governments, legislatures, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made during the last six months of the year.

In Cambodia, the MEF once published the Mid-Year Review of 2010 Budget Law implementation, along with the Cambodia Macroeconomic Framework 2000-2011 on its website. This reflected the RGC's commitment to improving budget transparency despite the fact that Article 37 of the Law on Public Finance System requires the MEF to submit this document and the Year-End Report only to the NA and the Senate by the second half of the year and during the adoption of the next fiscal year's budget⁷. However, since 2011, the Mid-Year Reviews have not been published. It is important to note that the publication of this document marks a sound step the RGC can take to fulfill her obligation to engage the public in the budget process, regardless of public demand, which can be low at the moment, but growing; as well as to fulfill its legal duty as stipulated in Article 84 of the law, which requires all financial and accounting reports to be publicly disclosed. Furthermore, the release of this document, as well as other budget documents, requires minimal or no financial cost. If this initiative continues in a more systematic manner, Cambodia is likely to improve its overall results in the next round of OBS.

⁷ Year-end report with breakdown by line ministries produced during adoption of next fiscal year which is not publicly available provides estimate figures. The complete and more accurate is published in aggregate form only a few months after fiscal year i.e. in May/June.

◆ The **Year-End Report** contains information that contrasts the actual budget execution with the enacted budget. Year-End Reports can inform the public and policymakers on tax policies and debt requirements, as well as on major expenditure priorities for upcoming budget years. Further, information contained in this report can assist individual ministries and the public in identifying shortcomings in existing policies and programs, which can be used to influence future directions.

In Cambodia, the Year-End Report (unaudited) or TOFE is noticed to be published around the second half of the next fiscal year on the MEF's website. There is a lack of consistency between the format of budget classification used in this document (also In-Year Reports) and that in the budget laws and budget implementation laws⁸. This makes it difficult for both the public and CSOs to monitor budget implementation, thereby holding the government accountable for budget performance.

Another document similar to TOFEs, the Monthly Bulletins of Statistics, contains an aggregate breakdown of budget implementation figures by line ministries, together with more up-to-date TOFEs. These bulletins are available for sale at the MEF's Economic and Public Finance Policy Department⁹. However, it should be noticed that since the budget figures in these bulletins are provisional, collected mostly from the General Department of National Treasury, there is an issue of inaccuracy, particularly for the aggregate breakdown of budget implementation figures by line ministries reported for 2010 in the bulletin as compared to those reported in the budget management document volume I (Law on Finance for Management: Law and Regulations) 2011 and 2012. Timely and regularly released in year report is good for budget monitoring and corrective action and helps strengthen transparency, accountability and public participation.

◆ The **Audit Report** is an independent evaluation of the government's accounts (collection of revenues and expenditures) by the country's Supreme Audit Institution (SAI). It reports whether the government has raised revenues and spent monies in line with the authorized budget, and whether the government's accounts are accurate and can be relied upon to provide a reliable picture of the fiscal situation. The audit report also provides information on any problems identified by the auditors in the management of public funds during the budget year.

In Cambodia, audit reports on the RGC's annual budget implementation must be submitted to the legislature prior to the adoption of the annual budget execution law. The report is considered a public document by Article 29 of the Law on Audit; however, it may not be publicly disclosed or disclosed with detailed information omitted if it contains information treated as contrary to the national interest or commercial interest of relevant agencies of the RGC, as provided by Article 37, 38 and 39 of the law.

For the first time since its establishment in 2000, the National Audit Authority (NAA) published an Audit Report on 2006 Public Financial Management (budget implementation) in September 2009 (almost 3 years after the fiscal year), and another one on

⁸ The format and amount of information in the two reports are the same.

⁹ At KHR20,000 or USD5 per copy.

2007 Public Financial Management in October 2011 (almost 4 years after the fiscal year). Since these reports were released or made available upon request later than two years after the end of the fiscal year, it does not meet the minimum standard of international good practice, and under the OBS methodology they have been considered **produced, but not published**. A timely release of audit reports should improve Cambodia's overall budget transparency, ensure independence of the NAA and increase Cambodia OBI score in the future.

How does Cambodia compare to other countries and its neighbors in South East Asia?

Internationally, Cambodia receives a score well below the global average score of 43, and is ranked amongst a group of 26 countries that provide scant information to the public in 2012. Of all the 23 countries listed in this group in 2010, fourteen countries have seen their OBI score improved in 2012, including Vietnam which has improved from 14 in 2010 to 19 in 2012.

Compared to its neighbors and other South-East Asian countries surveyed, Cambodia's score is half the regional average score of 32, and except for Myanmar¹⁰'s score of 0, is the lowest in the region. This makes it almost impossible for Cambodian citizens to hold the RGC accountable for its management of the public's monies.

Availability of budget documents by countries in South-East Asia 2012

Documents	Cambodia	Indonesia	Malaysia	Myanmar	Philippines	Thailand	Timor-Leste	Vietnam
Pre-Budget Statement	✓	✓	NP	NP	IU	NP	NP	✓
Executive's Budget Proposal	IU	✓	✓	IU	✓	✓	✓	IU
Enacted Budget	✓	✓	✓	IU	✓	✓	✓	✓
Citizens Budget	NP	✓	NP	NP	NP	✓	NP	NP
In-Year Reports	✓	IU	✓	IU	✓	✓	✓	✓
Mid-Year Review	IU	✓	NP	IU	NP	NP	NP	NP
Year-End Report	✓	✓	✓	IU	NP	NP	NP	✓
Audit Report	IU	✓	✓	IU	✓	NP	NP	✓

Note: IU: Produced for Internal Use, NP: Not Produced, ✓: Publicly Available

Cambodia made public four budget documents, much behind Indonesia that produced and published seven, and Malaysia and Vietnam, each published five budget documents. The Philippines and Thailand each published the same number of budget documents, and Timor-Leste made only three budget documents available to the public. However, these countries scored significantly higher than Cambodia, mainly because they produced and made public the Executive's Budget Proposal, which captures 58 of the 95 questions used in calculating the

OBI scores, given its importance in informing the public of the Executive's planned revenue collection and expenditure.

The importance of the Citizens Budget has gained momentum in South East Asia, with Indonesia and Thailand starting producing the document after 2010. However, Cambodia is amongst the other five countries in the region that do not produce the Citizens Budget.

In this regards, Cambodia can make a significant improvement to its budget transparency ranking by publishing (in a timely and comprehensive manner) the Executive's Budget Proposal and other budget documents.

Strength of legislature and supreme audit institution

In addition to improving the availability and the comprehensiveness of the eight key budget documents, Cambodia's budget process can be made more open by ensuring the existence of a strong legislature and supreme audit institution to provide effective budget oversight.

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
Timor-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

Note: Average score for Strong: 67 - 100, Moderate: 34 - 66, Weak: 0 - 33

In Cambodia, the strength of legislature is moderate, while its neighbors, except for Myanmar, have moderate to strong legislatures' strength. Such assessment is based on eleven 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.

In practice, Cambodia's legislature appears to have been constrained by the lack of sufficient budget information to allow analytical discussion or debate on the management of public funds during the adoption of the budget laws. As observed so far, budget information submitted to the NA has been significantly reduced. Since 2010, the column on estimated budget implementation (table on foreign financing) of the last fiscal year was removed from the draft budget law, making it purely the allocated figures for adoption by the NA. The summarized tables on previous years' budget implementation by different classification formats, and staffing information have been seemingly removed from the explanatory note accompanying the draft budget laws. In addition, the 2010 Mid-

¹⁰ Myanmar is a new comer in the OBS.

Year Review reported to the NA released by MEF on its website provides only aggregate budget information without any attachment of detailed budget implementation figures for thorough review by the members of parliament. These constraints may limit the capacity of the Members of Parliament (MPs) to have a comprehensive overview of the budget status and issues and may not stimulate lots of debate on the draft budget law by the MPs as well as effective budget monitoring and oversight.

As in the case of legislature, the strength of Cambodia's supreme audit institution or National Audit Authority (NAA) is also assessed to be moderate, while that of other ASEAN countries surveyed is strong, except for Myanmar. The OBS 2012 assessed this strength based on the NAA's 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.

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 OBS 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, and should have a legal basis.

The OBS 2012 finds that opportunities for public participation in the budget process in Cambodia are weak. Therefore, Cambodia has much room for improvement if the certain opportunities¹¹ that do not exist now, such as testimonials by the public during budget hearings in the legislature and mechanisms developed by the RGC for participation during budget planning and executing, are provided to the public.

The global state of budget transparency, oversight and public participation

The OBS 2012 finds that the state of budget transparency and accountability is generally dismal. Nonetheless, the average budget transparency scores are gradually increasing. Progress has been especially steady and significant among those countries where the least budget information had been provided. The improvements have largely been achieved by countries taking the quick and nearly cost-free step of making public all of the budget documents they were already producing for their internal purposes, i.e. on their websites.

The OBS 2012 suggests that any country, irrespective of its geographical location, income level, or dependence on certain types of revenues, can perform well on budget transparency, if the government has the political will. Aid-dependent countries like Afghanistan, hydrocarbon revenue-dependent countries like

Mexico, countries in the Middle East and sub-Saharan Africa like Jordan and South Africa and Uganda, all have relatively transparent budget systems, scoring significantly better on the OBI than their peers.

Opportunities for public participation in the budget process in most countries are either limited or absent, and strongly correlated with the lack of transparency. In eight countries, such opportunities do not exist, which implies that their citizens are completely shut out of budget discussions and monitoring. However, as the OBS 2012 finds out, some promising innovations are being advanced such as public hearings on the executive's proposed budgets in South Korea, Malawi and "fraud alert" system accessible through SAI's website in the Philippines. These suggest that providing opportunities for public participation in the budget process can be undertaken by any government, and mechanisms for these opportunities do not have to wait until budget transparency is first expanded.

The OBS 2012 also finds that budget oversight institutions (legislature and supreme audit institutions) have, on average, moderate and slightly strong power, but nonetheless often face severe limitations, including scarce financial and human resources, and limited mandates and independence. Further their actions are often hampered by the lack of mechanisms that enable to follow up on their findings. The biggest concern is the fact that countries with weak oversight institutions frequently are those that have little budget transparency and offer limited opportunities for public participation.

Description of survey, methodology and reliability

The OBS 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 governments. Each country's questionnaire is then independently reviewed by two anonymous experts who also have no association with the governments. 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 OBS 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 OBS 2012 has reinforced the Survey's preeminent position as a global data repository on budget transparency, participation, and accountability.

¹¹ For details on opportunities Cambodia can possibly provide to the public, see section on Opportunities for Public Participation in the IBP's Cambodia country summary for OBS 2012 at <http://internationalbudget.org/wp-content/uploads/OBI2012-CambodiaCS-English.pdf>.

Recommendations

With the current state of budget transparency and oversight, and public participations, Cambodia has much room for improvements by introducing the following measures, some of which can be achieved very quickly and at almost no cost:

- Publish the Draft Budget Law, Six-Month Report (Mid-Year Review) and the External Audit Report (by NAA) and making them available to the public in a timely and regular manner;
- Publish all enacted Budget Laws and Budget Execution Laws on the MEF's website¹²;
- Produce and publish a Citizens Budget, and relevant guiding documents addressing technical aspects of budget process and terminologies;
- Increase the comprehensiveness of the **Pre-Budget Statement** by describing the government's macroeconomic and fiscal framework, the **In-Year Reports** by providing information on the composition of government debt, and the **Year-End Reports** by explaining the differences between the enacted levels and the actual outcome for expenditures, the original macro-economic forecast and the actual outcome for the year;
- Expand public engagement by providing for the public to testify at legislative hearings or discussions about the budget, including those discussions at the 2nd Commission of the National Assembly with the Ministry of Economy and Finance. This could be achieved if the 2nd Commission were to organize public hearings prior to the full assembly debate on the draft budget law and invite participation of the public, civil society organizations, academia, research institutions, media, and other interested groups;
- Enable the legislature to perform comprehensive oversight of the budget process through providing more comprehensive budget information in the budget documents submitted and reported to the NA; and
- Empower the NAA by increasing its budget for the short term, and legislate the budget for the NAA to be determined by the legislature or judiciary.

Why should the Royal Government of Cambodia publish these budget documents?

The choice made by the RGC to publish these budget documents in a timely manner provides a strong message to the citizens within these constituencies. The publication of the above information will provide positive results rather than difficulties on the reform of the public financial management and effort in combating corruption to the RGC as well as Cambodia as a whole. This action enables more public participation in the anti-corruption efforts to which the government is paying attention, because without budget information the public will not feel comfortable and assured with current article in the anti-

corruption law¹³. One strong argument supporting this is the citizens and CSOs may not dare to file any direct complaints on corruption suspicion against any institution or individual when there is no publicly available comprehensive budget information that the public could use to back up their stance to go for the complaint on any identified suspicion.

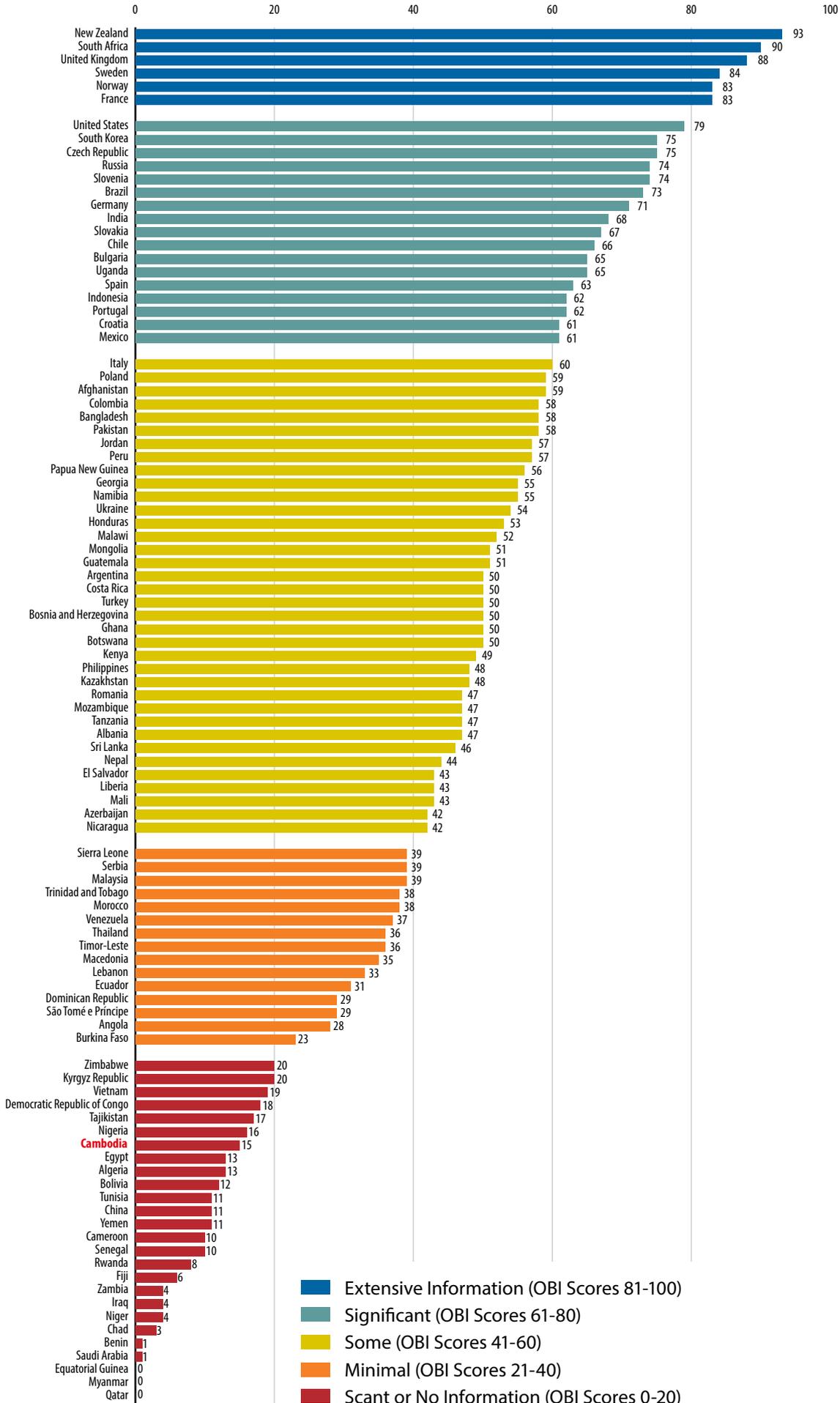
The above action also shows that the RGC is committed to transparency and accountability in the management of public monies. The following arguments support why the government should be more transparent in budget management which deserve further consideration by the RGC and relevant stakeholders. With appropriate level of transparency,

- Cambodian citizens are (fully) aware of the government's achievement in its current work on progression of PFMRP implementation and may participate more actively in the budget process toward addressing the gap in check and balance between the Executive and legislative;
- Public view on the independence of the NAA from the government could be improved through timely publication of the audit report which allows for the NA to hold the government accountable;
- Citizens will be able to see how efficient and effective the Government budgeting system is in contributing to the achievement of poverty reduction goals as stated in its National Strategic Development Plan and Rectangular Strategy of the government;
- The reflected Cambodian image of improved international budget transparency ranking will help the government at least partly attract Foreign Direct Investment or manage development aid towards meeting the Cambodian development agenda;
- It will contribute to the government efforts in combating corruption as well as a successful enforcement of the anti-corruption law, thereby recovering lost resources for needed investment and operation such as pay rise for public civil servants to a level that could afford their living conditions; and
- It may contribute to the government efforts in improving domestic tax and other revenue collection which possibly helps reduce Cambodia's dependence on foreign aid and more importantly enable the RGC to implement broader and effective fiscal policy and redistribution policy such as speeding up the implementation of the social safety nets or social protection program, social land concessions, and other programs for the poor and vulnerable groups.

¹² There were only the Budget Execution Law for 2008 and 2009 on the website as of May 30, 2012; and all enacted budget laws are not being kept on a single website for easy public access.

¹³ Article 41 of anti-corruption law was critically seen by many CSOs as a threat to encouraging public participation in anti-corruption campaign. It states that *defamation by lying to the Anti-Corruption Unit or the court of any corruption acts which can lead to a wasted investigation must be punished with 1 to 6 month imprisonment, and a fine of 100,000 to 4,000,000 Riel.*

The Open Budget Index 2012



- Extensive Information (OBI Scores 81-100)
- Significant (OBI Scores 61-80)
- Some (OBI Scores 41-60)
- Minimal (OBI Scores 21-40)
- Scant or No Information (OBI Scores 0-20)

The International Budget Partnership

The International Budget Partnership (IBP) was established as part of the Center on Budget and Policy Priorities (CBPP), a Washington DC-based non-partisan non-profit research organization, in 1997 to collaborate with civil society organizations in developing countries to analyze, monitor and influence government budget processes, institutions and outcomes. The aims of the Partnership is to make budget systems more responsive to the needs of poor and low-income people in society and, accordingly, to make these systems more transparent and accountable to the public. For more information on the IBP and Open Budget Initiative, please visit www.internationalbudget.org and www.openbudgetindex.org.



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The NGO Forum on Cambodia

The NGO Forum on Cambodia (NGOF) is a membership organization of local and international non-governmental organizations working in Cambodia. It exists for information sharing, debate and advocacy on priority issues affecting Cambodia's development. Partly supported by the IBP, the NGOF's National Budget Project advocates for budget transparency at the national level by creating opportunities to influence the government to broaden public disclosure of budget information and to improve budget credibility and prioritization. For more information on the NGOF and its National Budget Project, please visit www.ngoforum.org.kh and www.cambodianbudget.org.



វេទិកាសម្រាប់អង្គការមិនមែនរដ្ឋាភិបាល ស្តីពីកម្ពុជា
The NGO Forum on Cambodia
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