



## MEDIA RELEASE

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### **Global report finds Cambodia’s budget transparency ranking is among the world’s lowest, yet improvements are possible with little cost**

Today the NGO Forum on Cambodia (NGO Forum), in cooperation with Advocacy and Policy Institute (API), Cambodians for Resource Revenue Transparency (CRRT), Oxfam and Transparency International Cambodia, released the Open Budget Survey (OBS) 2012 findings in regard to Cambodia’s budget transparency ranking.

The survey shows that Cambodia has been scored 15 out of 100, the same score it achieved in 2010.

Compared to its neighbors and other South-East Asian countries surveyed, Cambodia’s score is half the regional average score of 32 and well below the global average, 43.

The OBS is an initiative of the International Budget Partnership (IBP), and is a biennial global survey providing the only independent, comparative, regular measure of budget transparency and accountability around the world. It is a factual representation of transparency, accountability and participation in the national budget process.

The OBS assesses whether and how central governments make public eight key budget documents, and whether the data is comprehensive, timely and useful for the public. The survey also assesses the extent of effective oversight provided by legislatures and supreme audit institutions, and the opportunities for public participation in the national budget process.

“We sincerely hope that the Royal Government of Cambodia will consider these findings and rectify this situation with the provision of the remaining unpublished budget documents, especially the annual draft budget laws, mid-year reviews and audit reports, in a timely and regular manner. This could be done for little or no extra cost, and the provision of these documents would significantly improve the opportunities for public participation in the budget process and lead to a more informed society,” said Mr Chhith Sam Ath, Executive Director, NGO Forum on Cambodia.

“This will also enact the commitment and efforts of the government in implementing the Public Financial Management Reform Program,” he said.

The eight key documents include the Pre-Budget Statement, the Executive’s Budget Proposal, the Enacted Budget, Citizens Budget, In-Year Reports, a Mid –Year Review, the Year-End Report and Audit Report.

Of these eight documents, Cambodia produces four, and publishes them in the public domain. These are the Pre-Budget Statement, the Enacted Budget, In–Year Reports and Year-End Report. Yet there are problems with timing and detail in regard to at least two of these documents. The Year-End Report, for example, is published in the second half of the next fiscal year, and there is a lack of consistency between the format of budget classification used in this document and that in other major budget documents.

Three of the most important documents, the Executive’s Budget Proposal, Mid-Year Review, and the Audit Report, are produced but not published in Cambodia. At the same time, Cambodia does not produce a Citizens Budget. Yet they are critical to enhance opportunities for public participation in the budget process and holding the government accountable for the management of public monies.

A Citizens Budget is a simplified version of the Annual Budget Law and therefore an important document for the public to better understand the government's budget plan.

"The importance of this document has been significantly recognized by our neighbors in the region, particularly Indonesia and Thailand. In Indonesia, the publication of a Citizens Budget has contributed to a significant increase in its OBI score, lifting it from the group of countries providing "some information" to that providing "substantial information". Cambodia can attain the same progress if the government considers re-publishing a "Budget in Brief" which was once published in 2007," said Mr. Sam Ath.

As the survey reveals, the strength of Cambodia's legislature and supreme audit institutions are both 'moderate', while its neighbors, with the exception of Myanmar, have moderate to strong legislatures, and strong supreme audit institutions. In addition, opportunities for public participation in the budget process in Cambodia are weak.

"We see no real technical complexity to prevent Cambodia from achieving a higher score in its budget transparency. What it takes is a genuine political will from its government leaders to be accompanied by concrete actions to promote it throughout the budgeting process while opening its door for the civil society to engage and support in making it a reality" said Mr. Preap Kol, Executive Director of Transparency International Cambodia.

"Transparency and openness are the cornerstones for a democratic society which bring trust and create legitimacy. Since Cambodia had chosen a democratic path, her leaders shall adhere to these values and principles for the benefit of her citizens and to improve its image internationally" he continued.

"Opening government and its budget, the access to information, the so-called the right to know and the right to information of individual citizens is a key foundation in promoting public participation on budget transparency," said Mr Sinthay Neb, Director, The Advocacy and Policy Institute (API).

"Budget decisions and processes are critical to addressing many of the world's most pressing problems", commented Warren Krafchik, Director of the International Budget Partnership.

"The success of efforts like those to reduce maternal mortality, eliminate persistent poverty, provide all children with access to high-quality education, and address the impact of climate change, among others, hinges on whether countries make the right budget choices and whether those decisions are implemented effectively. This is more than an abstract governance issue; it's about the quality of life for millions of people around the world."

Based on the survey findings, CSOs would like to call for the Royal Government of Cambodia to:

- Take immediate actions with little or no costs in publishing the Executive's Budget Proposals (draft budget law), Mid-Year Reviews (six-month report) and Audit Reports in a timely, regular manner on the Ministry of Economy and Finance's website;
- Produce and publish a Citizens Budget (Budget in Brief);
- Increase the comprehensiveness of the Pre-Budget Statement, the In-Year Reports and the Year-End Reports;
- Take concrete steps toward expanding public engagement by providing for the public to testify at legislative hearings or discussions about the budget; enabling the legislature to perform improved oversight of the budget process; and empowering the National Audit Authority by increasing its budget and legislating its budget to be determined by the legislature or judiciary.

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