



Highlights on Public Availability of Key Budget Documents in Cambodia

Cambodia's score on the Open Budget Index shows that the government 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 very difficult for citizens to hold government accountable for its management of the public's money.

The Open Budget Index 2008 evaluates the quantity and type of information that governments make available to their publics in the eight key budget documents that should be issued during the budget year. One of the most important documents is the executive's budget proposal. It should contain the executive's plans for the upcoming year along with the cost of the proposed activities. The proposal should be available to the public and to the legislature prior to being finalized, at least three months before the start of the budget year to allow for sufficient review and public debate.

In Cambodia, the proposal is produced for internal purposes only. It is not made public until it has been adopted by the National Assembly, the Senate, and promulgated by the King. This means citizens do not have a comprehensive picture of the government's plans for taxing and spending for the upcoming year. Moreover, it is difficult to track spending, revenue collection and borrowing during the year. Cambodia publishes monthly in-year reports but does not release a mid-year review to the public. Publishing this document could strengthen public accountability by providing a more comprehensive update on how the budget is being implemented during the year.

Pre-Budget Statement	<input type="radio"/> No
Executive's Budget Proposal	<input type="radio"/> No
Citizens Budget	<input type="radio"/> No
Enacted Budget	<input checked="" type="radio"/> Yes
In-year Reports	<input checked="" type="radio"/> Yes
Mid-Year Review	<input type="radio"/> No
Year-End Report	<input checked="" type="radio"/> Yes
Audit Report	<input type="radio"/> No

It is also difficult to assess budget performance in Cambodia once the budget year is over. A year-end report is produced, allowing comparisons between what was budgeted and what was actually spent and collected, but it lacks explanations for most of these differences. Also, Cambodia does not make its audit report public and does not provide any information on whether the audit report's recommendations are successfully implemented.

Access to the highly detailed budget information needed to understand the government's progress in undertaking a specific project or activity remains limited. Cambodia has not codified the right to access government information into law.

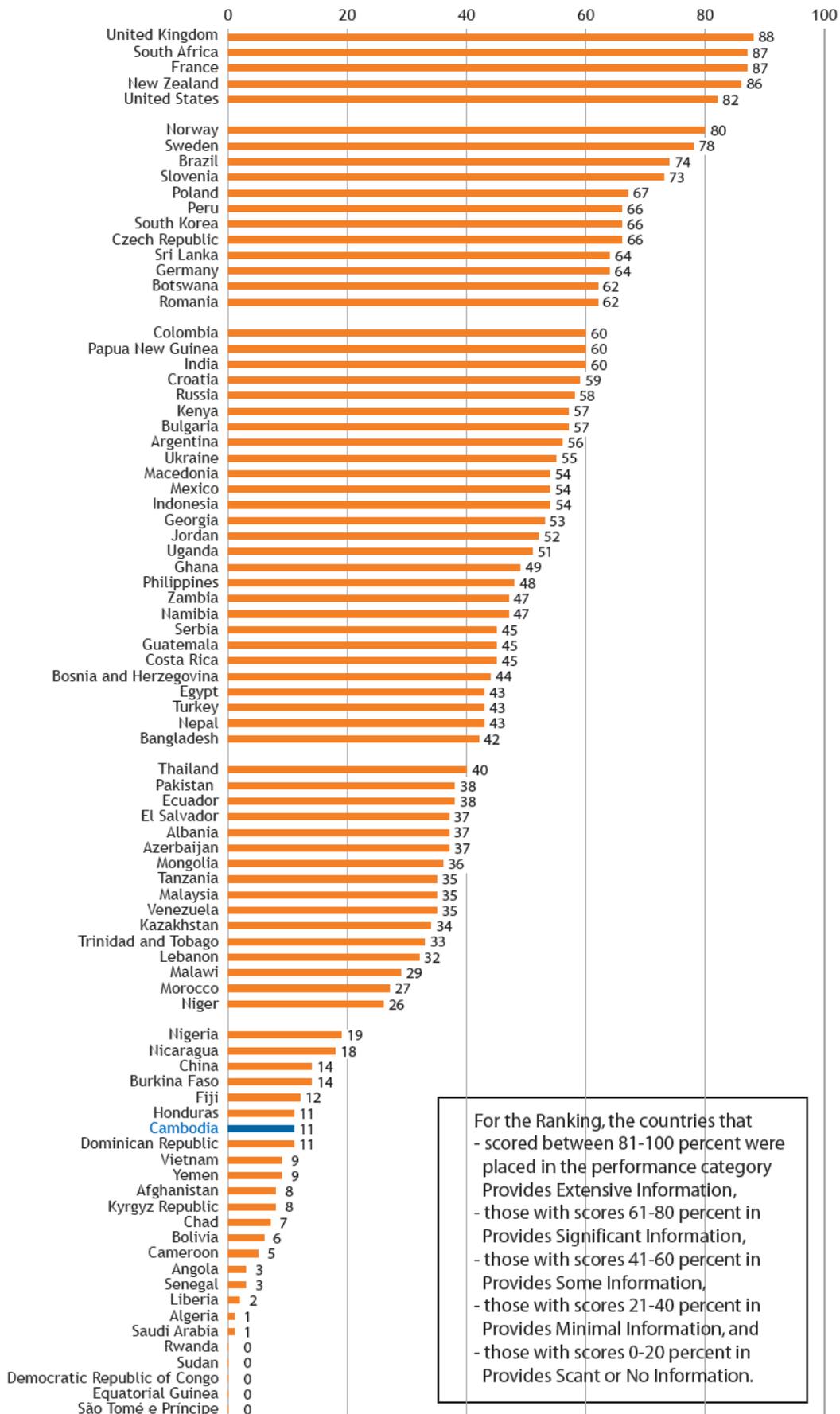
Public Participation and Institutions of Accountability

Beyond improving access to key budget documents, there are other ways in which Cambodia's budget process could be made more open.

Opportunities for citizen participation in budget debates could be increased. For example, the legislature does not hold hearings at the National Assembly on the budget in which the public can participate although the representatives from National Assembly and the Senate participated actively in workshops on the draft National Budget at the end of 2007 and 2008.

Furthermore, though the National Audit Authority (NAA) has the discretion to decide which audits to undertake, it does not have a budget sufficient to fulfill its mandate. Additionally, the NAA does not maintain any formal mechanisms of communication with the public. In the International Ranking next page, Cambodia is scored 11 out of 100 in the open budget index and is classified in group of countries that provide scant information to the public.

International Ranking of Budget Transparency 2008



For the Ranking, the countries that

- scored between 81-100 percent were placed in the performance category Provides Extensive Information,
- those with scores 61-80 percent in Provides Significant Information,
- those with scores 41-60 percent in Provides Some Information,
- those with scores 21-40 percent in Provides Minimal Information, and
- those with scores 0-20 percent in Provides Scant or No Information.

The Open Budget Index evaluates the quantity and type of information available to the public in a country's budget documents. A country's placement within a performance category was determined by averaging the response to 91 questions on the Open Budget Questionnaire related to information contained in the eight key budget documents that all countries should make available to the public.

The Open Budget Survey 2008: Key Findings of the Global Survey

The Open Budget Survey 2008, a comprehensive evaluation of budget transparency in 85 countries, find that the state of budget transparency around the world is deplorable. This encourages inappropriate, wasteful, and corrupt spending and—because it shuts the public out of decision making—reduces the legitimacy and impact of anti-poverty initiatives.

At the same time, the Survey shows a number of countries have significantly improved their performance over the past two years. It also shows that many more governments could quickly improve budget transparency at low cost by making publicly available the budget information that they already produce for their donors or internal use.

The Open Budget comprehensive analysis and survey that evaluates whether central governments give the public access to budget information and opportunities to participate in the budget process. The Survey also examines the ability of legislatures and auditors to hold their governments accountable. The Survey findings are based on data collected before September 28, 2007, so changes occurring after that date are not reflected in the results.

To simply measure the overall commitment of the 85 countries to transparency and to allow for comparisons among countries, IBP created the Open Budget Index (OBI) from the Open Budget Survey 2008. The budget is a government's plan for how it is going to use the public's resources to meet the public's needs. Transparency means all of a country's people can access information on how much is allocated to different types of spending, what revenues are collected, and how international donor assistance and other public resources are used. Transparency is an important first step to holding governments accountable for how they use the people's money. Also, IBP defined "Publicly Available" information as that which any and all members of the public might be able to obtain through a request to the public authority issuing the document. This definition, therefore, includes information that is available through well-defined procedures that ensure simultaneous release of public documents to all interested parties, as well as information or documents that are available only on request.

One of the most significant findings of the Survey is that many governments produce the budget information that would allow the public to participate effectively in the budget process but do not release it. In 51 of the 85 countries surveyed, the government produces at least one key document that is not disclosed to the public. Thus governments could improve transparency immediately and at a very little cost, simply by disclosing information that is already produced.

The Most Closed and the Most Open

The worst offenders, the countries that make scant, if any, information available are: Saudi Arabia, Algeria, Democratic Republic of Congo, Sudan, Rwanda, Equatorial Guinea, and São Tomé e Príncipe. At the other extreme, some countries are highly transparent and make abundant data available to the public throughout the budget process. According to the OBI 2008, the most transparent countries are: United Kingdom, South Africa, France, New Zealand, and United States.

These top performers include both developed and developing countries. The strong showing of South Africa, as well as that of Slovenia, Sri Lanka, and Botswana (all of which provide significant information to their people), demonstrate that developing countries can achieve transparency given sufficient willingness of their governments to be open and accountable to their people.

Publicizing Budget Information Leads to Change – Country Examples

Evidence shows that when citizens have access to information and opportunities to participate in the budget process they are able to improve the decisions made about what to spend public money on and the quality of how the money is actually spent. That means that the allocation of scarce public resources is more equitable and effective. For example:

- In Mexico, Fundar, a nongovernmental organization, found the budget did not allocate funds to combat the loss of lives during childbirth and successfully advocated for funds for emergency obstetrical care, especially in rural areas.
- In India, Mazdoor Kisan Shakarti Sangathan, an organization of small farmers and workers, pieced together budget information to uncover corruption, such as the names of dead people and fictitious names on payrolls and payments for work never done.
- At the urging of the Uganda Debt Network, which monitors local spending, Uganda officials identified substandard work in school construction and evidence of corruption by local officials and denied payment to the construction firm.
- In the Philippines, Government Watch (G-Watch) has used budget information since 2000 to monitor the delivery of school textbooks, the construction of new schools and other infrastructure, and of the distribution of disaster relief funds. With the cooperation of other groups, the G-Watch efforts have dramatically cut the cost of textbooks to the government, improved the quality of the books, and substantially lowered the percentage of “no-show” contractors who previously failed to deliver contracted books.
- Public Service Accountability Monitor, in South Africa’s Eastern Cape Province, has used budget reports and other information it obtained as a starting point to monitor the misuse and irregularities in funds budgeted for essential services, such as education, health care, and clean water, that account for the poor quality of services people receive in the province.

Open Budget Survey Based on Extensive Questionnaire

The Survey is composed of 123 questions that cover the four phases of budget development—formulation, legislative approval, implementation, and audit—and help researchers evaluate the information that should be available at each phase and the other measures needed for effective legislative oversight and auditing of budgets.

The Open Budget Index is based on calculating the averages of the responses to the 91 questions that evaluate public access to budget information. The remaining 32 questions on the Survey include information about opportunities for public participation in the budget process, legislative oversight, and independent auditing.

Within each country, a researcher or team of researchers, who are drawn from civil society and are independent from the government and political parties, does the survey. The researchers have to provide evidence of their answers. Their work is analyzed and reviewed by the IBP staff to cross check it against available information, and then peer reviewed by two independent in-country budget experts. This internal civil society evaluation of how open and accountable a government is to its people distinguishes the Open Budget Survey from other studies of budget transparency, which rely primarily on self-reporting by governments and research by external reviewers.

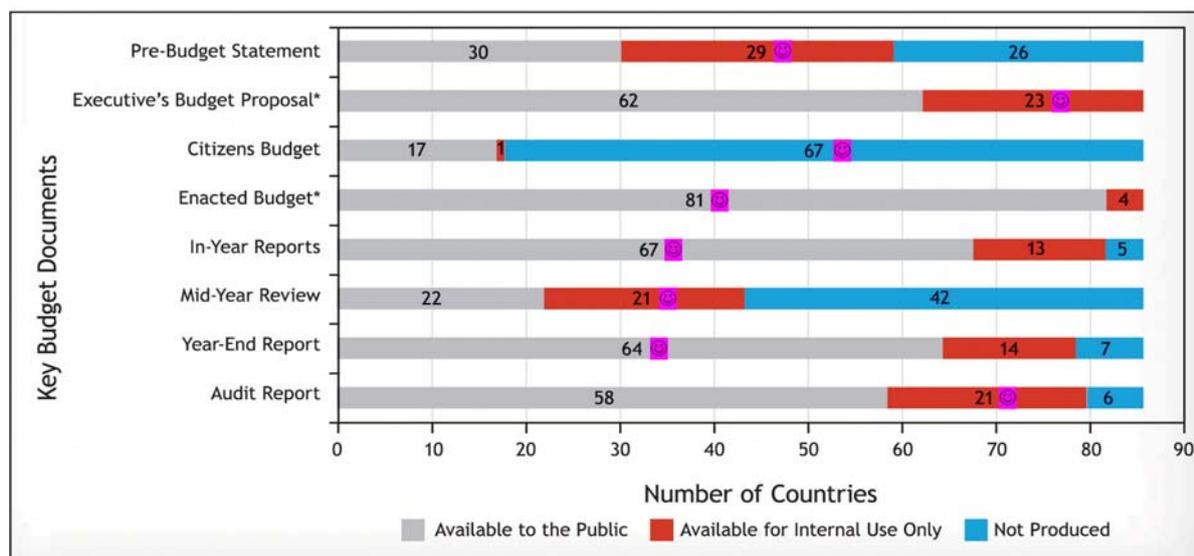
All Open Budget Questionnaires used to calculate these scores especially Cambodia and the complete OBI report can be downloaded from www.openbudgetindex.org.

Cambodia's ranking in the Open Budget Index

As explained in the Country ranking sheet, Cambodia is ranked in the category of the Open Budget Index among a group of 25 countries that provide scant information to the public. Cambodia has the same score as Honduras and the Dominican Republic, 17 countries have lower OBI scores and 65 countries have a higher score of the Index.

The graph below is copied from the Open Budget Survey 2008 report that shows for each key budget document the number of countries that: make it available to the public; only keep it for internal use; or not produce the document. For each document, the pink smiley ☺ indicates the category in which Cambodia falls. When one subsequently looks which document are commonly publicly available, budget document that the Royal Government should start making publicly available are the executive budget proposal and the audit report followed by the Pre-Budget statement and the Mid-Year Review.

Availability of Key Budget Documents



* Note: all countries produce these two documents.

Recommendations

The NGO Forum on Cambodia strongly supports the spirit of the second phase of the Rectangular Strategy that has good public governance at its core. We fully agree with its statement in point 42 on deeper implementation of Public Financial Management Reform that: "...The Royal Government will ensure the efficiency, transparency and the accountability in financial management of the public administrative establishments...". The NGO Forum on Cambodia calls on the Royal Government to work towards more transparency in the management of our public resources and enable an environment where accountability mechanisms can be strengthened. We therefore request the Royal Government of Cambodia to make the following existing budget documents publicly available, which can be realized against at a minimal cost:

- The Audit Reports from the National Audit Authority
- The disaggregated monthly and annual expenditure report (TOFE-Table of Financial and Economic Operations with line ministry budget implementation data)
- The executive budget proposal (Annual Draft Budget Law and Line Ministry Budgets)
- The pre-budget statement (Explanatory Statement on Annual Draft Budget Law)
- The Mid-year review

The International Budget Partnership and the NGO Forum on Cambodia

The International Budget Partnership (IBP) was established as part of the Center on Budget and Policy Priorities, 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 aim 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. More information on the IBP and Open Budget Initiative 2008 please visit: www.internationalbudget.org

The NGO Forum on Cambodia (NGOF) is a membership organisation for local and international non governmental organisations (NGOs) working in Cambodia. It exists for information sharing, debate and advocacy on priority issues affecting Cambodia's development. NGO Forum's budget work is partly supported by the International Budget Partnership. More information on the NGOF: www.ngoforum.org.kh

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