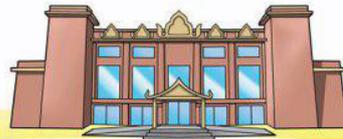


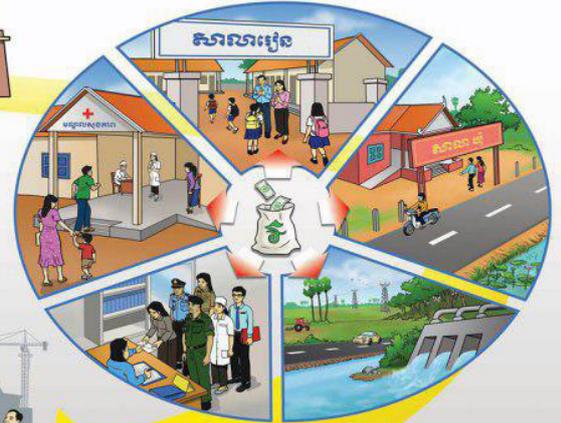
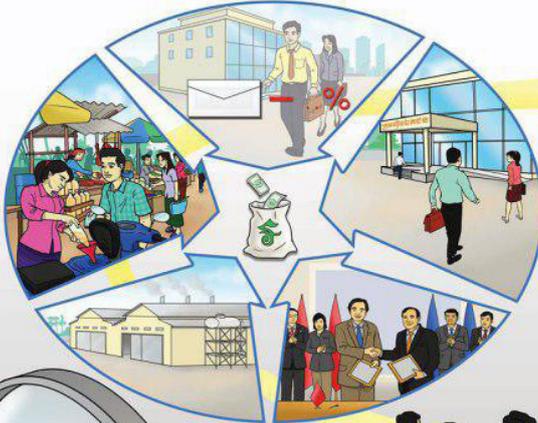
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ACCOUNTABILITY AND TRANSPARENCY OF BUDGET PROCESSES

NATIONAL SURVEY

APRIL 2018

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We work together with individuals and institutions at all levels including government, civil society, business, media and the wider public to achieve sustainable economic development, promote integrity, and fight against corruption.

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FOREWORD: AN APPETITE FOR CLARITY

Budgeting and finance are the cornerstones of a successful state. State funds belong to citizens themselves, but without the means to view how they are spent, the public can never fully consider themselves – as they should – the masters of their government. Consequently, it is both right and necessary that Cambodia’s healthy economic growth of recent years be accompanied by a broadening and deepening of fiscal transparency. In a very real sense, our ongoing prosperity depends on it.

Furthermore, this is something that citizens themselves are increasingly aware of. As the scope of our national budget has expanded significantly in recent years in terms of revenues and expenditure, so too has public appetite for greater access to information about how funds are raised, allocated, and spent. Almost every one of the 1,596 Cambodian men and women surveyed for this report agreed that access to budget information is important for citizens. As the nation’s wealth grows, so too does its desire that the public portion of that wealth be accountable to those who create it.

Nevertheless, appetite is not the same as understanding. Despite a widespread desire for greater knowledge about the financial affairs of the government, the great majority of this report’s informants claimed only limited knowledge about how budget processes function and little experience engaging with budget information and reporting. Yet this should not be viewed as a public failure. The government must help the public to grow its knowledge alongside its income, by making budget information across the different tiers of government more accessible and easy to understand for the general public.

As a result, we very much welcome the initiatives of the Royal Government of Cambodia to foster accountable and transparent budget processes. This includes establishing a creditable legal and policy framework through the Public Financial Management Reform Programme and a suite of associated measures. In addition, development partners, civil society organisations and citizens are also playing a role in advocating for accountable and transparent budget processes in Cambodia. All are aware that the process is complex, requiring a coordinated response and innovative reforms, action and education on multiple levels.

These multilateral efforts and innovations leave us optimistic that Cambodia is on the right path to creating accountable and transparent budget processes. Yet this survey provides evidence that the momentum can accelerate further. By making full use of its findings, I believe that we will be placed in a position to take the next step towards full transparency and accountability in our country’s fiscal affairs.



Preap Kol
Executive Director
Transparency International Cambodia

ACKNOWLEDGEMENT

The survey has only been possible through the collaborative effort of its contributors, most notably its authors and researchers – Drs Sabina Lawreniuk & Laurie Parsons – whose hard work and expertise have provided Transparency International Cambodia with the highest quality content. We are also indebted to the Centre for Advanced Study for their assistance in leading the data collection. Fielding data collection teams to 25 provinces across the country is a big challenge. However, the teams performed remarkably well and completed the assignment in their characteristic professional, adept and timely manner.

We are also grateful to the project’s Advisory Board, a group of distinguished practitioners who have all worked on in-country on issues relating to public financial managements and budgeting. This group provided inputs on all aspects of the study from inception to completion. The members of the Advisory Board include Oxfam in Cambodia, the NGO Forum on Cambodia, Save the Children Cambodia, Star Kampuchea (SK), Gender and Development for Cambodia (GAD/C), NGO Education Partnership (NEP) and the Centre for Advanced Study (CAS), as well as an independent researcher.

We would like to thank our external reviewers for their thorough feedback on the full draft of the report. Ms Valentina Montanaro and her colleagues at Oxfam Novib provided thoughtful and incisive comments on the draft. Mr Justin Joseph Flurschein comprehensively reviewed and edited the draft, providing important suggestions that led to refinement and improvement of this final version of the report.

The report could not have been completed without the inputs from TI Cambodia’s Internal Review Team, who have provided valuable comments. We are also indebted to our committed and talented colleagues who have supported this research project from the beginning until the end. We would like to thank our senior management, namely, Preap Kol, Pech Pisey and Sun Long, for their guidance and support for the project.

Finally, we would like to thank our donor for this research project – Oxfam in Cambodia. Without their generous support, this report would not have been possible. We are also grateful to TI Cambodia’s core donors: the Swedish International Development Cooperation Agency (SIDA) and the European Union (EU), who are always supportive of our work.

LIST OF ABBREVIATIONS

CAS	Centre for Advanced Study
CDB	Commune Database
CIPS	Cambodia Inter-Censal Population Survey
CSF	Commune/Sangkat Fund
GAD/C	Gender and Development for Cambodia
IBP	International Budget Partnership
IMF	International Monetary Fund
KAP	Knowledge, Attitudes and Practices
MEF	Ministry of Economy and Finance
NCDD	National Committee for Sub-National Democratic Development
NEP	NGO Education Partnership
NIS	National Institute of Statistics
OBS	Open Budget Survey
OECD	Organisation for Economic Cooperation and Development
RGC	Royal Government of Cambodia
SK	Star Kampuchea
SNA	Sub-National Administrations
TI	Transparency International



EXECUTIVE SUMMARY

Research reports and international indicators show a low level of budget transparency and accountability at national and sub-national levels in Cambodia. The Royal Government of Cambodia (RGC), civil society organisations and members of the international donor community have advocated for and implemented a number of commendable initiatives to improve this situation. To date, however, still relatively little is known about the knowledge, attitudes and practices (KAP) of ordinary Cambodian citizens regarding public budget information, processes and outcomes. These understandings are critical for building citizens' awareness, engagement and participation, which are in turn vital to ensuring budget transparency and accountability.

To address this gap, this report presents the findings of a nationally representative survey seeking to understand and quantify citizens' perceptions and attitudes toward budgeting transparency and accountability in Cambodia, as well as their awareness and experience in dealing with budget and budget issues in the country. This survey took place in October 2017, collecting responses from 1,596 individuals from 200 villages in 100 communes across all 25 provinces of Cambodia.

It is hoped that the survey will provide evidence to relevant governmental and non-governmental organisations, as well as development partners, looking to deepen their understanding about citizens' perceptions of and attitudes toward budget and public finance management matters in Cambodia, both at the national and sub-national levels. This knowledge, in turn, can help them in the formulation or reform of policies and programmes to increase budget transparency and accountability.

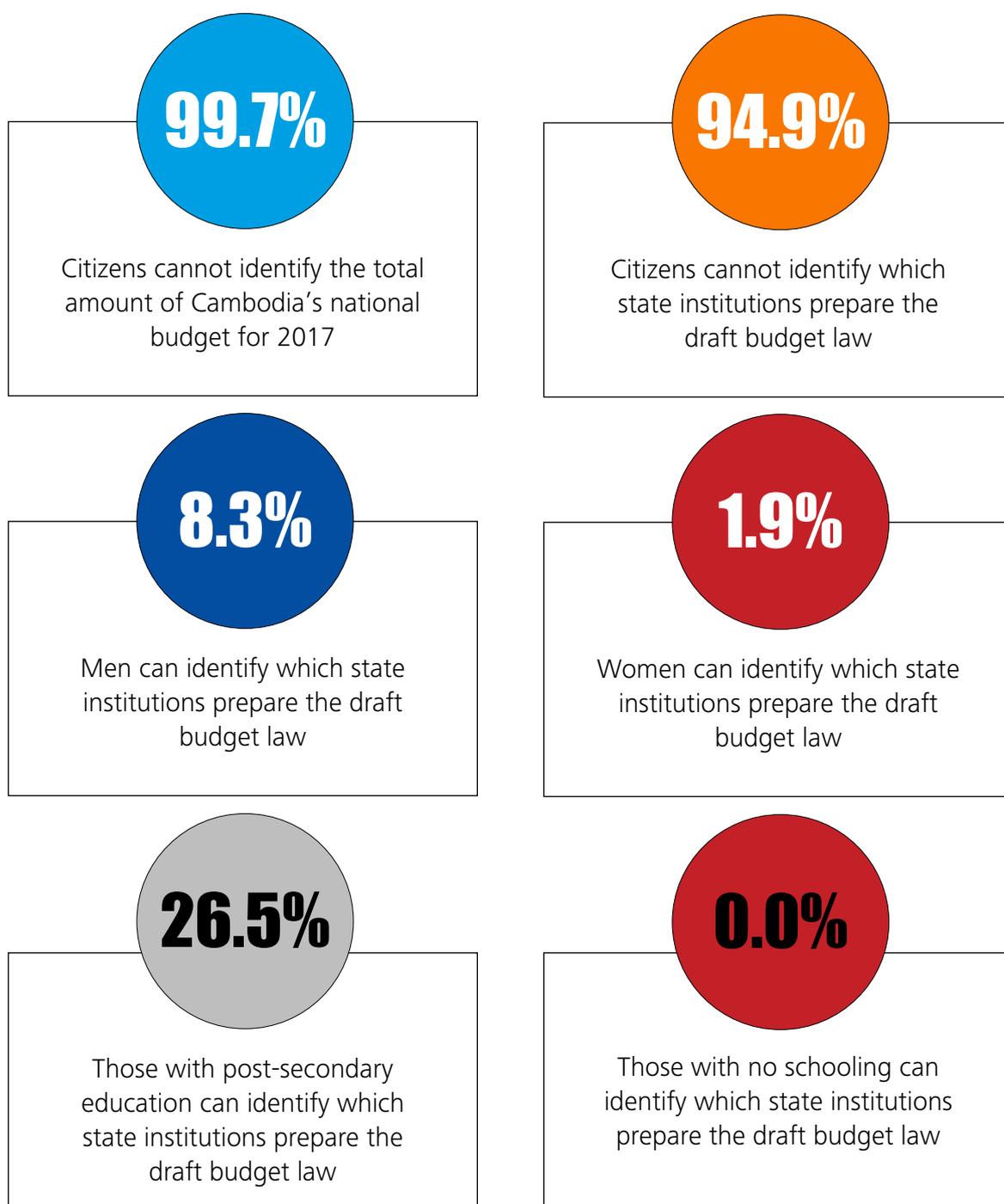
Below, the main findings of the survey are summarised in two parts, presenting survey data from national and Commune/Sangkat components of the survey, respectively. This is a distinction made to reflect the different systems of financial management at the local and national levels following the decentralisation and deconcentration processes underpinned by the 2008 Organic Law. As outlined throughout this survey, this is a key distinction. Although knowledge at both scales remains limited, the recent decentralisation and deconcentration programmes have resulted in considerably better understanding of the right to participate in financial management and planning at the local level than the national level.

Main Findings

Budget Transparency and Accountability at the National Level

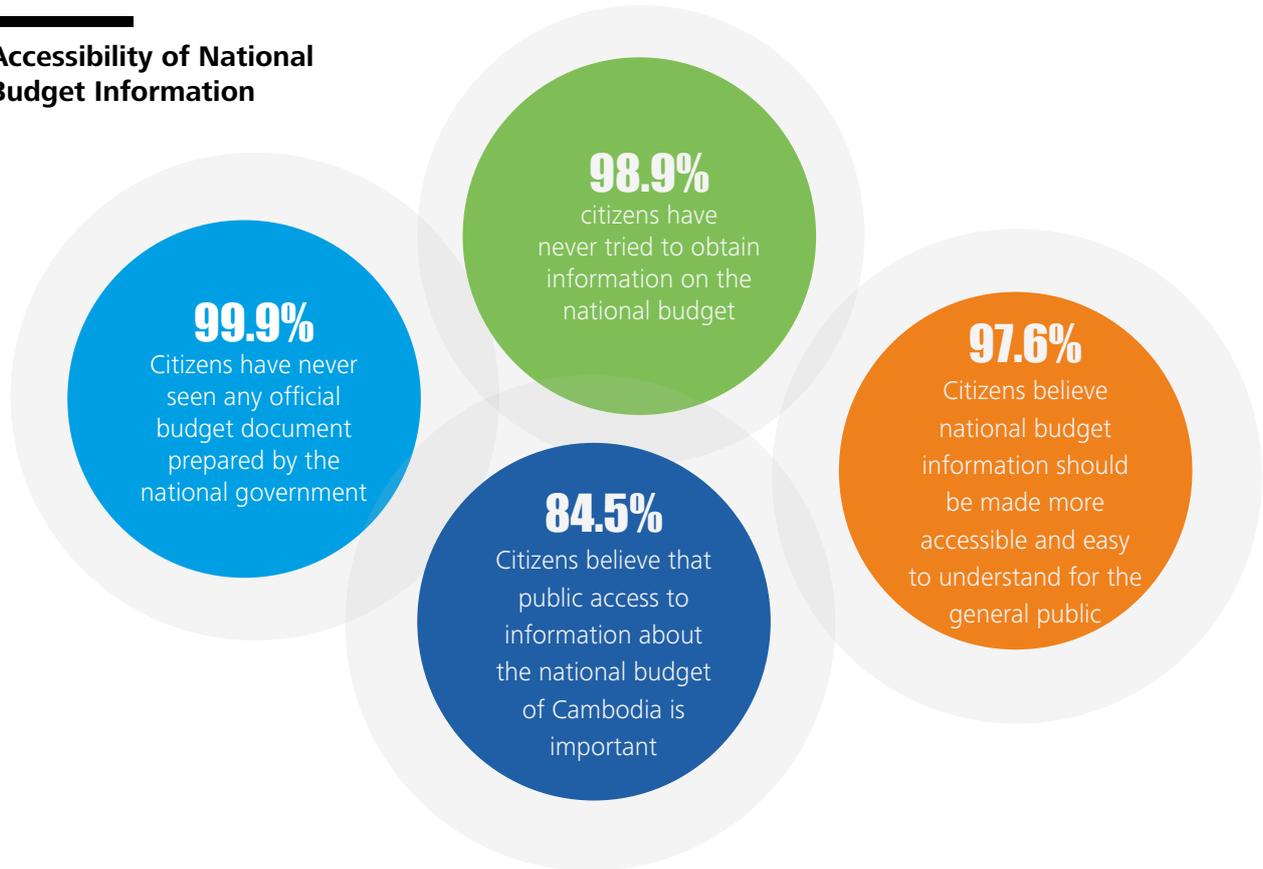
Citizens' knowledge and understanding of national budget processes at the national level are generally very low. Knowledge and understanding are strongly affected by socio-demographic and socio-economic variables, including gender, education and income.

Understanding of National Budget Processes



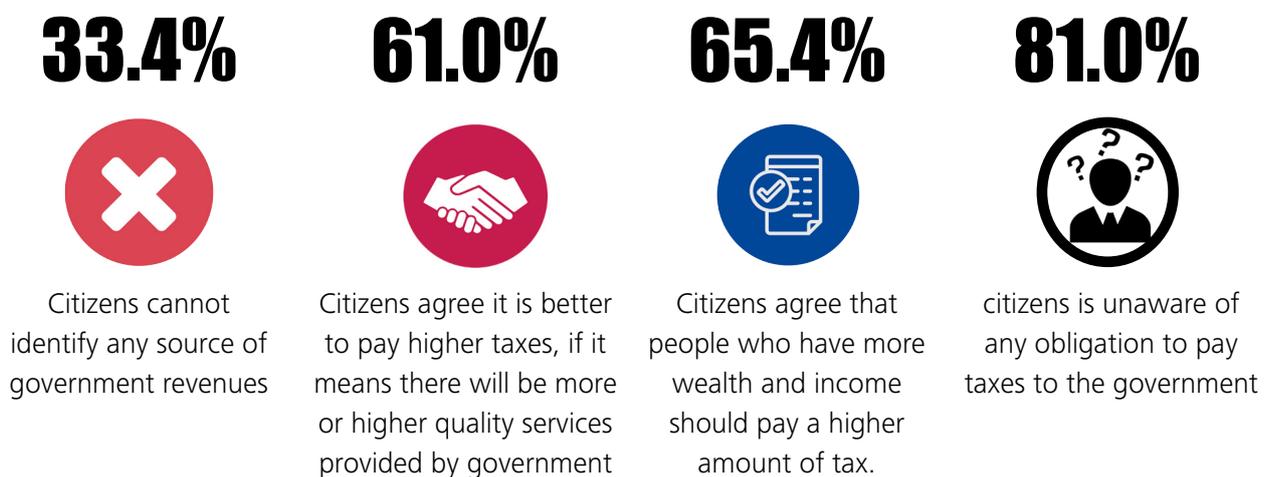
Citizens' access to budget information is currently very limited. Despite this, there is strong belief that access to budget information is important. Accordingly, there is strong support for more timely and transparent access to budget information.

Accessibility of National Budget Information



Knowledge about budget revenue sources is also low. This extends to limited knowledge about tax obligations of citizens. Despite this, there is good support for an increase in tax collection if it is matched with an increase or improvement in public service provision. A progressive system of taxation is also supported by most, where higher earners pay a higher share of tax.

Knowledge of Budget Revenue Sources



Reflecting this lack of clear knowledge, information and understanding, levels of public participation in the national budget process are also low. However, there is strong support among citizens for higher levels of participation. Public participation in the national budget process is seen as a means to increase the relevance and quality of public projects and services.

Perceptions of Public Participation



89.0%

Citizens believe that the quality of services would be improved if citizens could participate in national budget processes



87.8%

Citizens believe that the national budget would better address the real needs of citizens if citizens could participate in national budget processes

The line between state and party politics is not clearly understood by respondents, who are often unsure of the distinction between state and party funding. Most are aware of examples of funding being offered in exchange for political support.

Perceptions of Development Project Funding



60.7%

citizens have heard/
witnessed a case in which
a development project is
promised in exchange for
political support



41.0%

Citizens cannot clearly
differentiate between
development projects
funded by the state
budget and development
projects funded by
political party budgets

Budget Transparency and Accountability at the Commune/Sangkat Level

Whilst citizens' knowledge and understanding of budget processes at the Commune/Sangkat level is low, it is generally higher than at the national level. Level of knowledge remains strongly affected by socio-demographic and socio-economic variables.

Knowledge of Commune/Sangkat Budget Process



62.5%

Citizens cannot identify who is responsible for Commune/Sangkat budget preparation



53.6%

Men cannot identify either who is responsible for Commune/Sangkat budget preparation or who is responsible for reviewing and approving the Commune/Sangkat budget



62.4%

Women cannot identify either who is responsible for Commune/Sangkat budget preparation or who is responsible for reviewing and approving the Commune/Sangkat budget



36.7%

Citizens with post-secondary education can identify either who is responsible for Commune/Sangkat budget preparation or who is responsible for reviewing and approving the Commune/Sangkat budget



16.1%

Those with no schooling can identify either who is responsible for Commune/Sangkat budget preparation or who is responsible for reviewing and approving the Commune/Sangkat budget

Knowledge about sources of revenue is limited, with most respondents unable to identify any source of Commune/Sangkat funding. Nonetheless, the overall level of funding received by commune councils is generally regarded as somewhat insufficient. Most citizens support an increased Commune/Sangkat budget to address this insufficiency.

Perception of Commune/Sangkat Funding

36.7%

Citizens are unable to name any source of Commune/Sangkat funding

42.5%

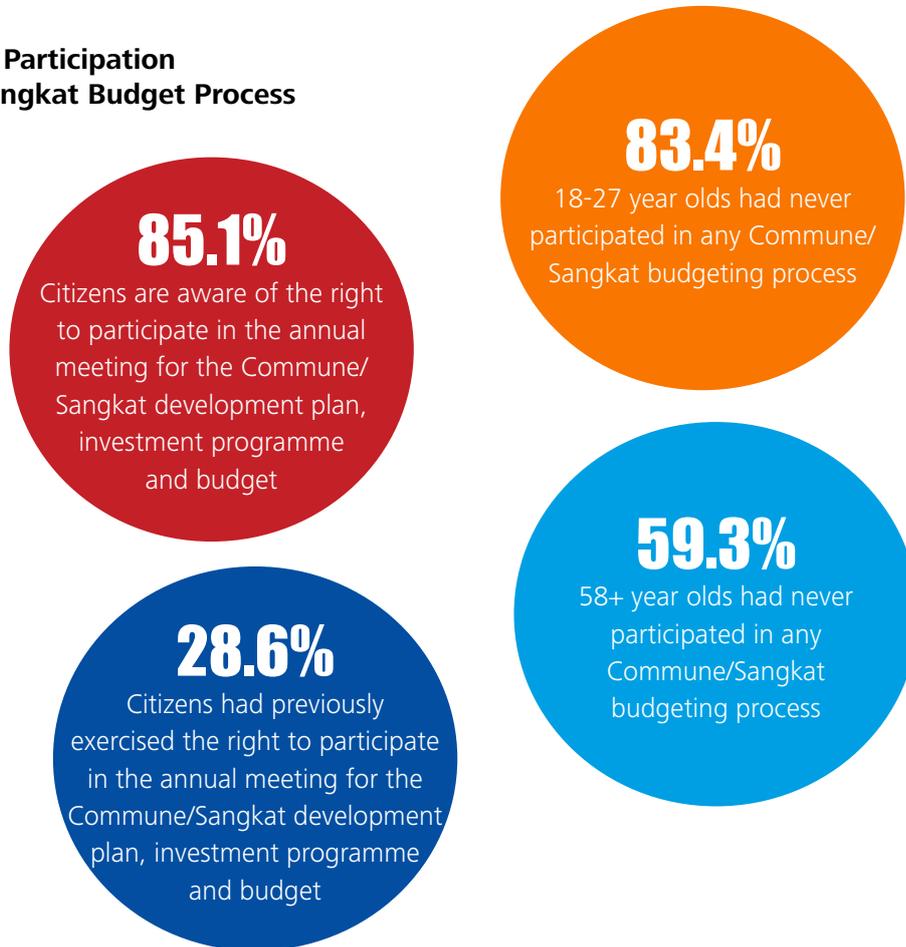
Citizens believe that the funds available to the Commune/Sangkat Council are in sufficient to pay for necessary administration, development projects and services in their area

66.3%

Citizens believe that the Commune/Sangkat should get more funds from the national government

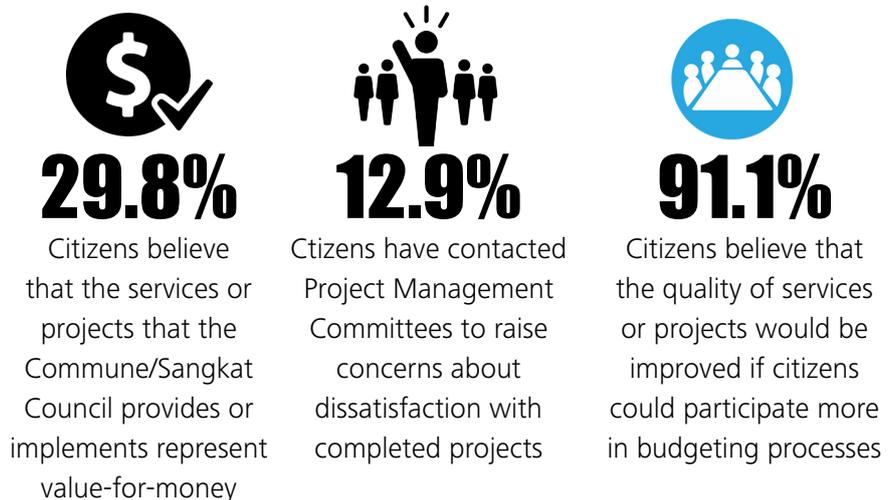
Citizens also displayed good understanding of their rights to participate in different stages of Commune/Sangkat budget planning and implementation activities. However, despite this, past experience of participation in different stages of Commune/Sangkat budget planning and implementation activities was limited. Levels of participation were particularly affected by age.

Level of Citizen Participation in Commune/Sangkat Budget Process



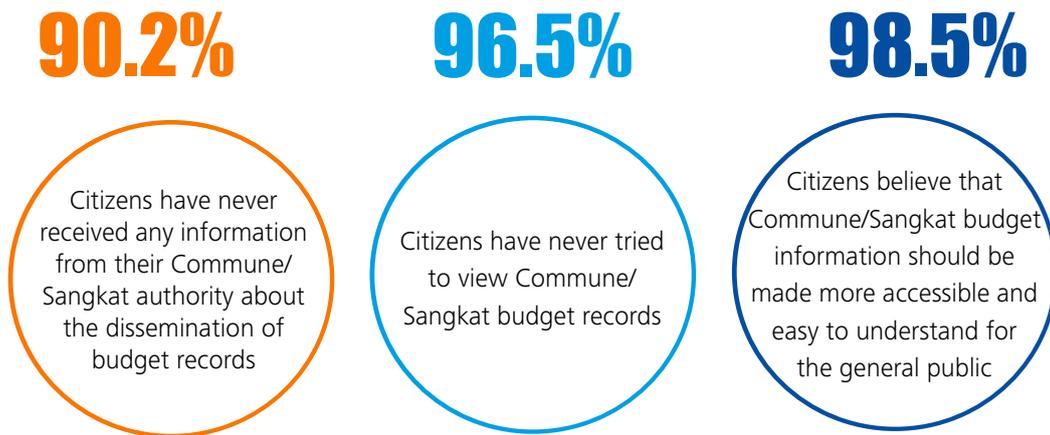
Perceptions of value-for-money of Commune/Sangkat services or projects are generally low. Despite this, citizens have rarely taken action to raise these concerns or seek redress. Most believe that quality and value would be improved with greater citizen participation in budgeting processes.

Perceptions of Value-for-money of Commune/Sangkat Services and Projects



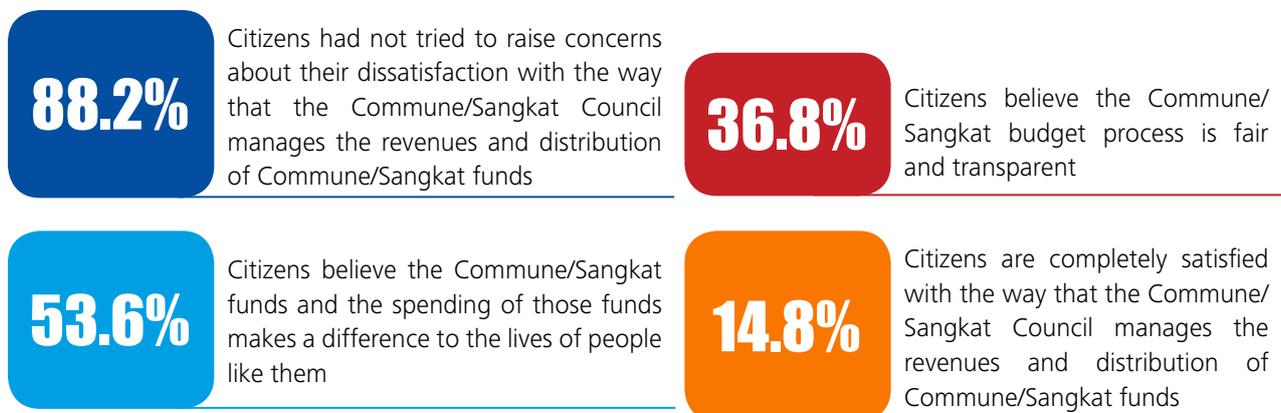
Citizens' access to budget information at the Commune/Sangkat level is limited, with many unaware if budget records are maintained by their Commune/Sangkat Council. Few have received information about the dissemination of budget records and few have voluntarily tried to access information. There is strong support for improved access to timely and transparent information at the Commune/Sangkat level.

Accessibility of Commune/Sangkat Information



Others

Overall, most citizens agreed that the Commune/Sangkat budget had some impact on their lives. However, few citizens reported that they were completely satisfied with the Commune/Sangkat budget process, with only a few believing that the process was transparent and accountable. Underlining the lack of transparency and accountability, few citizens had found ways to successfully raise their concerns about their dissatisfaction with the Commune/Sangkat budget process to public officials or by other avenues.



Key Recommendations

Conclusions and Recommendations for National Level Government

Address low level of knowledge about budgets and the budgeting process

Public understanding of budgetary processes is generally very low. The RGC should therefore make greater efforts to inform the public about national scale budgeting processes. Improving public knowledge in this way will not only generate a greater sense of ownership concerning budgeting in general, but is also required as a means to achieve the remainder of the recommendations outlined in this report.

Enhance inclusivity of budget processes and allocations, especially for women

Although public understanding of the national budget is generally low, women's knowledge of the national budget is consistently below men's. This is likely to be due to structural factors such as women's generally lower inclusion in education and public administrative roles that the RGC can rectify with greater public outreach and must be a key target for government policy in relation to future budget dissemination.

Provide better access to timely and clear budget information

Although public understanding of national budgeting is low, accessibility of relevant information in relation to the national budget is an even greater cause for concern. The national government should therefore increase budgetary accessibility for the ordinary citizen in order to encourage nascent public interest in national budgeting and finances.

Increase understanding of revenues and taxation

A key obstacle to the national government's obligations to budgetary transparency is the low level of public understanding of government revenues and taxation. This is an issue not only in terms of transparency and accountability but also in relation to government efforts at revenue collection. Greater efforts to improve public understanding of taxation and revenue collection are therefore key.

Conclusions and Recommendations for Sub-National Government

Maximise the gains from decentralisation and deconcentration reforms to improve transparency, accountability, and accessibility

Decentralisation and deconcentration has brought government closer to the people. However, significantly more work remains to be done to improve the accountability of the local government to its constituents is therefore essential in order to build on past efforts (see section 2: policy context).

Provide greater accountability for urban residents

Rural/urban geographical distinctions are key to understanding the transparency and accountability of public budgets. Urban people generally display a higher level of understanding about budgetary processes at the national level, but a lower level of knowledge and participation at the local level. Greater efforts are therefore necessary to encourage greater engagement with urban local government budgeting processes.

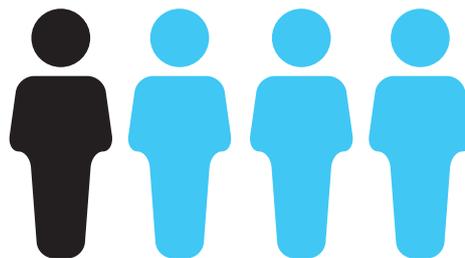
Facilitate increased levels of public participation

Low levels of public participation in local budgeting is not only an issue facing urban people. Across the sample as a whole, 88% of people think that more public participation would bring greater accountability, yet participation in practice remains low. Local government must improve its outreach work to involve more of the public in budgetary decision making.

Facilitate transparency regarding local politics and local budgets

Over 60% of respondents can recall instances in which local development plan funds could have been used in order to gain political support. Moreover, almost a third of respondents are “completely unclear” about the distinction between development projects funded by the state budget and development projects funded by political party budgets. Greater efforts are necessary to clarify this distinction, in order to improve public perceptions of the transparency of Commune/Sangkat level budgeting.





INTRODUCTION

1.1. Budget Transparency and Accountability in Cambodia: Background and Rationale of Research

Despite significant efforts over past decades to improve public financial management and budgeting in Cambodia, there remain fundamental weaknesses in the administration and operation of budgeting systems. Though gains have been made in certain respects, largely through greater visibility of local budgets engendered through the decentralisation process and national budgets through the – albeit limited and often overdue – public provision of documents via the internet, the accountability and transparency of budgeting processes remain significant issues. The remaining challenges here are highlighted by Cambodia’s declining performance from 2012 and 2015 in the Open Budget Survey [OBS] (International Budget Survey 2012, 2015), which has dropped from a score of 15 to 8 out of 100; a score that ranked among the lowest in the world. The OBS cites particular failings relating to a lack of public participation in budgeting processes and a lack of provision of accessible and timely information to citizens. Since 2015, more positive developments have occurred, including publishing the Mid-Year Review, Audit Report, and Citizens Budget online, as well as publishing the In-Year Reports in a timely manner (International Budget Survey 2017). As a result, the overall OBS score for Cambodia in 2017 has improved ‘significantly’ to 20 out of 100. However, the score for public participation has dropped from 8 to 4, suggesting a need for action to redress.

Nonetheless, whilst the OBS provides a measure based on an evaluation of operations and outcomes related to budgeting, relatively little is known about how the Cambodian public understand and perceive the quality of public financial management in Cambodia and their opportunities to participate in budgeting processes. This nationally representative survey project contributes to addressing this gap in knowledge, seeking to understand and quantify citizens’ perceptions and attitudes toward budgeting transparency and accountability in Cambodia, as well as their awareness and experience in dealing with budget and public finance issues in the country.

This report presents the detailed findings of the survey. It is structured in five parts. Chapter One, here, is an introduction that provides a brief overview of the background to the study, its objectives and the research methods employed, including a description of the research design, tools and participants. Chapter Two expands on the background to the survey outlining budget transparency and accountability in the Cambodian policy context. It is divided into two key sections, discussing developments at the national level then the sub-national level. Chapters Three and Four present a detailed analysis of the survey findings. Chapter Three begins with an analysis of the data pertaining to the national level before Chapter Four moves on to consider the sub-national level, with an emphasis on Commune/Sangkat processes. Finally, Chapter Five presents the conclusions and recommendations that follow from the analysis.

1.2. Study Objectives

Through a nationally representative survey of 1,596 individuals residing across all 25 provinces of Cambodia, this survey report aims to:

- Understand and quantify citizens' perceptions and attitudes regarding the transparency and accountability of budgets in Cambodia; and
- Understand and quantify citizens' awareness and experience in dealing with budget and budgeting issues in the country.

Transparency here refers to contextual, accessible, timely, understandable and accurate disclosure of information on actions, rules, plans and processes, while **accountability** is defined in terms of an overall accountability system, where actors are held answerable and face consequences within the government and from outside of the government. **Participation** is included as a necessary element of **good governance**: an element key to making transparency and accountability directly meaningful to citizens and to fostering an open, responsive and accountable government.

Whilst research such as the OBS has explored public financial management and budgeting in Cambodia and highlighted certain shortcomings with respect to transparency, accountability and participation, to date much work has focused on an objective assessment of national-level governmental practices in disseminating information on budgeting processes. By contrast, relatively little work has explored the knowledge, perceptions and practices of ordinary citizens with respect to these same issues, and fewer still studies are available at sub-national levels of government.

By working to fill these gaps in knowledge, the findings of the survey serve two principle uses. First, the data and analysis help to provide a robust evidence base for policy-makers and practitioners looking to deepen their understanding about citizens' perceptions of and attitudes toward public financial management and budgeting in Cambodia, both at the national and sub-national levels. It is hoped that this knowledge, in turn, can help inform policies and programmes to increase budgeting transparency and accountability.

Additionally, the results of the survey may begin to stimulate debates and inform discussions on this topic. Greater awareness among citizens of public financial management and budgeting, and particularly their rights in these respects, can work to generate demand for greater transparency and accountability in government budgeting processes. The findings will also assist TI Cambodia and its various partners in fine-tuning existing programmes and creating future initiatives to increase citizens' awareness, interest, and demand for greater transparency and accountability.

1.3. Research Methods

1.3.1. Research Design

To pursue the objectives outlined in Part 1.2. of this report, the research followed a mixed-methods approach, combining schemes of qualitative and quantitative data collection, and reconciling primary and secondary data analysis. This research strategy was devised in consultation with TI Cambodia staff and an Advisory Board comprising stakeholders from the NGO, CSO, independent researchers and government sectors. Implementation of research was conducted in two principal phases, as below.

1. Desk review of data and information held by external sources to provide background in which to contextualise the research activities and inform research themes.
2. Nationally representative survey of 1,596 Cambodian citizens to quantify KAP surrounding public budgeting accountability and transparency.

Following each of these two phases of data collection, review and analysis, a workshop was staged including TI Cambodia staff and the Advisory Board to provide feedback and discuss emerging themes and findings. This critical feedback was used to revise and enhance elements of this research.

A summary of data sources is provided in Table 1, below.

A Summary of Data Sources is Provided in Table 1

Table 1. Research Data Sources

Primary Sources	Secondary Sources
<ul style="list-style-type: none"> • Nationally representative survey of 1596 Cambodian citizens • Consultative meetings with TI Cambodia staff • Workshops and written submissions from an Advisory Board including stakeholders from NGO, CSO, independent researchers and government sectors 	<ul style="list-style-type: none"> • Literature from international and local NGOs and CSOs • Literature and data produced by government and ministries at the national level, including relevant policy and legal frameworks • Academic sources

The 1,596 entries of the survey provide a robust gender-disaggregated and multi-factoral evidence base to explore variations in KAP towards public budget accountability and transparency among different groups in Cambodia society. Findings of the survey have been triangulated and corroborated with the results of the desk review and testimony from TI Cambodia and other relevant sources, as above, to ensure the veracity of the data. Two public forums were also organised in Svay Rieng and Kratie with community members. Observations at these events provided further means of corroboration, with comments consistent with the report's findings.

1.3.2. Sampling Design

The core quantitative component of the study presented in this report is a nationally representative survey of 1,596 Cambodian citizens that explores KAP towards accountability and transparency in budgeting processes. To achieve national representation, the survey was enumerated to 1,596 Cambodian citizens' resident in 200 villages located in 100 communes across all 25 provinces of Cambodia. The sample of 1,596 respondents is representative of the Cambodian population aged 18 or older and is proportional to population by province, to urban/rural distribution and to gender. A four-stage stratified method was employed to achieve representation, described here.

The village database prepared for the Commune Database (CDB) in 2014 by the Ministry of Planning was used as the sampling frame for sample selection. Primary and secondary sampling units were identified prior to the start of the data collection process. Primary sampling units were communes, and 100 were selected from the CDB using the Probability Proportional to Size with Linear Systematic Sampling (PPSLSS) and random start method. Secondary sampling units were villages, with 2 villages per commune selected using Simple Random Sampling Without Replacement (SRSWOR).

Third- and fourth- stage samples were taken as part of the data collection at field sites. The third-stage unit was the household. For these purposes, a household is defined as a group of people who presently eat together from the same pot. By this definition, a household does not include persons who are currently living elsewhere for purposes of studies or work but it does include domestic workers or temporary visitors. In multi-household dwelling structures (like blocks of flats, or backyard dwellings for renters, relatives, or household workers), each household was treated as a separate sampling unit. A sample selection of 8 households was taken using Linear Systematic sampling with equal probability (LSS-EQP). Due to time constraints in the field, instead of drawing up a full village household list to sample randomly from, the sampling began at a randomly chosen household and subsequent households were sampled at intervals of 5 households or 10 households, for small and large villages respectively.

Individual household members were the fourth-stage sample unit. An equal probability method selected one household member for participation using a household member list and Kish grid. To achieve gender representation in the study, 4 female household members and 4 male household members were selected in each village.

1.3.3. Survey Tools and Enumerator Training

A bespoke survey tool was developed for deployment in the large scale survey, following from themes and issues highlighted in the desk review and the first consultative workshop (see Part 1.3.1. above). The survey was structured in four parts. The first part was a module to gather informed consent from the respondent. Enumerators read aloud to potential respondents a brief introduction to the aims and methods of the survey, as well as intended use for the data, before asking respondents whether they were willing to participate. For those who declined, the survey was terminated here. Part two and three sought information on KAP related to public budget accountability and transparency at national and sub-national levels, respectively. A final fourth section collected basic demographic data in order to facilitate cross-sectional analysis.

The survey tool was rigorously translated and then field tested by the data collection team (five supervisors and 20 enumerators) with the assistance of TI Cambodia prior to deployment. Enumerators attend a three-day training session to build familiarity and understanding of the survey tool and its instructions. The first two days of training centred on office-based training, where the research objectives, methods, ethics, core concepts and principles were outlined to enumerators, in addition to a full run-through and discussion of all survey questions and instructions. The enumerators also conducted practice interviews with each other that served as an initial pilot test of the survey tool. The third day of training was a field-based practical session that served as the main pilot study. This pilot survey was conducted prior to the enumeration of the study, to test the suitability of the survey tool and manual, as well as the standards of enumerators. The pilot study was conducted by all members of the data collection team with a sample of respondents in two urban and rural locations in Phnom Penh and Kandal. Based on the outcomes of the field test, all aspects of the survey tool – including the language, question order, and skip logic – were refined, revised and retested as necessary in order to make the survey accessible, clear and unambiguous for both enumerators and respondents.

1.3.4. Data Collection, Entry and Analysis

Data collection of responses from 1,596 individuals from 100 communes across 25 provinces of Cambodia, as per the sampling methodology outlined above, took place over 21 days in October 2017. An external specialist agency was recruited to implement and oversee the data collection process. For this purpose, 25 data collection staff were deployed in teams of five persons, with each team comprised of one supervisor and four enumerators. The survey was administered face-to-face using paper forms in private locations convenient for respondents, usually the respondents home. Each survey took approximately one hour to deliver. TI Cambodia staff attended field locations to conduct random spot checks on the data collection process, verifying consistency and completeness.

Data entry was conducted by the same external specialist agency in November 2017. A system of double data entry using CSPro was followed as a quality control measure. TI Cambodia staff conducted random checks on input data to

verify quality and accuracy. Following this, data analysis was conducted by the consultant team in December 2017, using IBM SPSS.

1.3.5. Consultative Approach, Advisory Board and Verification of Findings

TI Cambodia's approach to the promotion of budget transparency and accountability is constructive engagement. Thus, the survey was undertaken in a participatory way, with the involvement of a variety of stakeholders. The rigour of the research design was enhanced by this consultative approach, which engaged a cross-section of relevant stakeholders to provide feedback on the processes and findings of the survey. Through dialogue at meetings, workshops and written submissions, the objectives, methods, tools and findings of the study were subject to several rounds of scrutiny by a team of internal and external reviewers upon whose guidance the approach and analysis of the research was subsequently refined.

To support this work, a project Advisory Board comprised of freelance consultants and representatives from NGOs, CSOs, independent researchers as well as government representatives was recruited. The Advisory Board was convened on two occasions : first, to provide constructive feedback on the survey design and questionnaire development; and second, to review the first draft of the survey report and propose actionable recommendations. Beyond this, the Advisory Board played an ad-hoc but vital role providing technical support to TI Cambodia and the consultant team in conducting the survey and continues to work to promote and develop the findings of the report.

1.3.6. Limitations

The research presented in this report was designed to generate nationally-representative data on ordinary citizen's knowledge, attitudes and practices with respect to budget accountability and transparency in Cambodia. As a quantitative study, it provides a set of robust and reliable data to measure the extent and scope of these ideas and experiences in national context. However, as with any quantitative study, an inherent drawback of the research design is that, beyond the refinements made following the pilot study, the terms, questions and topics of the research were decided upon prior to implementation of the research process. Thus, the ability of a qualitative approach to redefine its own internal parameters as alternative themes and new problems arise in the research process was not facilitated.

One consequent drawback is that though the proposed study illustrates readily identifiable patterns of and within knowledge and practice – for example, among population sub-groups – the scope of the research does not allow for further investigation of the underlying causes in these differences. Instead, these are highlighted as avenues for future research. In this respect, the report serves as an exploratory tool for the development of future priorities in this arena.

Finally, as a perceptions survey, this research is intended to elucidate public opinion about public budget accountability and transparency, and levels of public engagement and participation in budgeting processes. It is not intended – nor is it able – to offer a full account of the strengths and weaknesses of Cambodia’s public finance management or budgeting.

1.3.7. Profile of Respondents

The following table, Table 1.2., shows the distribution of respondents across Cambodia. It demonstrates that data was collected from every province in Cambodia, with the number of respondents in each province weighted to reflect their population size. As such, only 16 interviews were conducted in each of Cambodia’s seven least populous province: Kep, Koh Kong, Mondulkiri, Oddar Meanchey, Pailin, Rattanakiri and Stung Treng. By contrast, 144 interviews were conducted in Cambodia’s most populous province, Phnom Penh. In total, 1,596 interviews were conducted across the country in order to provide a proportionally representative sample of the population.

Table 1.2. Province Location of Survey Respondents

Province	N ^o Respondents	% Respondents
Banteay Meanchey	80	5.0
Battambang	96	6.0
Kep	16	1.0
Kampong Cham	124	7.8
Kampong Chhnang	48	3.0
Kampong Speu	96	6.0
Kampong Thom	64	4.0
Kampot	64	4.0
Kandal	128	8.0
Koh Kong	16	1.0
Kratie	48	3.0
Mondulkiri	16	1.0
Oddar Meanchey	16	1.0
Pailin	16	1.0
Phnom Penh	144	9.0
Preah Sihanouk	16	1.0
Preah Vihear	16	1.0
Prey Veng	128	8.0
Pursat	48	3.0
Rattanakiri	16	1.0
Siem Reap	80	5.0
Stung Treng	16	1.0
Svay Rieng	80	5.0
Takeo	128	8.0
Tboung Khmum	96	6.0
Total – all respondents	1,596	100.0

(Source: National survey data, 2017.)

In order to achieve gender representation in the data, equal numbers of men and women were interviewed in the survey. In total, 798 men and 798 women took part in this study as shown in Table 1.3.

Table 1.3. Gender of Survey Respondents

Gender	N ^o Respondents	% Respondents
Female	798	50.0
Male	798	50.0
Total – all respondents	1,596	100.0

(Source: National survey data, 2017.)

Table 1.4. presents the socio-demographic characteristics of the survey respondents. It shows three key characteristics of the sample: age, marital status and educational level. The data show that the largest proportion of informants are in the 28-37 category, with the smallest proportion of the study being in the 18-27 category. No significant difference is observed between the age ranges of the male and female participants in the survey.

In terms of marital status, by far the largest proportion of survey respondents are married. Overall, 84.1 % of the sample are married, compared with only 7.8% of the sample being single and 8.1% of the sample being divorced, separated, or widowed. Notably, there are some gendered differences in the marital status of the survey. Slightly more interviewed men than women fell into the married or single categories, whilst the number of women who were divorced, separated or widowed is over triple that of men.

Regarding education level, the largest group within the sample – 40.7% of respondents – have incomplete primary education, whilst the second largest group – 20.3% of respondents – have completed primary education. A minority of the sample have secondary education or higher, with 17.7% having completed lower secondary schooling and only 6.3% have completed higher secondary schooling. The proportion of the sample who have completed post-secondary education is, at 3.1%, far smaller than the 12% who have no education. However, gender is once again important here: a smaller percentage of men than women have no education – 9.8% compared with 14.3% – and less women (1.9%) in the sample have post-secondary education, compared with men (4.3%).

Table 1.4. Socio-Demographic Characteristics of Survey Respondents

Variable	All		Female		Male	
	N	%	N	%	N	%
Age in years						
• 18-27	253	15.9	138	17.3	115	14.4
• 28-37	401	25.1	220	27.6	181	22.7
• 38-47	291	18.2	151	18.9	140	17.5
• 48-57	378	23.7	184	23.1	194	24.3
• 58 +	273	17.1	105	13.2	168	21.1
Total – all respondents	1,596	100.0	798	100.0	798	100.0
Marital status						
• Single	125	7.8	57	7.1	68	8.5
• Married	1342	84.1	643	80.6	699	87.6
• Divorced, separated or widowed	129	8.1	98	12.3	31	3.9
Total – all respondents	1,596	100.0	798	100.0	798	100.0
Educational level						
• No schooling	192	12.0	114	14.3	78	9.8
• Incomplete primary	649	40.7	364	45.6	285	35.7
• Complete primary	324	20.3	155	19.4	169	21.2
• Complete lower secondary	282	17.7	108	13.5	174	21.8
• Complete higher secondary	100	6.3	42	5.3	58	7.3
• Post-secondary	49	3.1	15	1.9	34	4.3
Total – all respondents	1,596	100.0	798	100.0	798	100.0
Location						
• Urban	352	22.1	176	22.1	176	22.1
• Rural	1,244	77.9	622	77.9	622	77.9
Total – all respondents	1,596	100.0	798	100.0	798	100.0

(Source: National survey data, 2017.)

Table 1.5. highlights the socio-economic characteristics of the survey respondents. It presents data on the employment status, household income and category and household status of the sample. Overall, it shows that 81.5% of the sample are employed, with a greater percentage of women (18.3%) than men (9.4%) “inactive”, meaning neither employed nor looking for work.

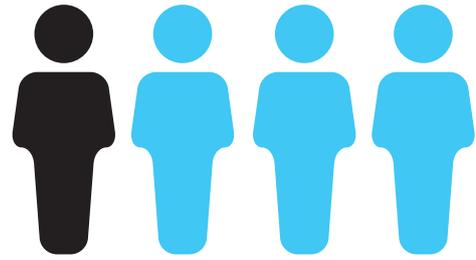
The same table shows the monthly income categories of the respondents. It demonstrates a relatively equal distribution across income quintiles and a small variance between men and women. Household status, by contrast is overwhelmingly in the category “owner occupier”, with 94.1% of the sample occupying their own homes, compared with only 4% who rent a property. A further 1.8% of the sample live in properties they neither own nor rent.

Table 1.5. Socio-Economic Characteristics of Survey Respondents

Variable	All		Female		Male	
	N	%	N	%	N	%
Employment status						
• Employed	1,300	81.5	607	76.1	693	86.8
• Unemployed	75	4.7	45	5.6	30	3.8
• Inactive	221	13.8	146	18.3	75	9.4
Total – all respondents	1,596	100.0	798	100.0	798	100.0
Household monthly income category						
• First quintile, under \$41	318	19.9	168	21.1	150	18.8
• Second quintile, \$41-\$78	315	19.7	148	18.5	167	20.9
• Third quintile, \$79-\$100	342	21.4	179	22.4	163	20.4
• Fourth quintile, \$101-\$160	324	20.3	152	19.0	172	21.6
• Fifth quintile, over \$160	292	18.3	147	18.4	145	18.2
• Prefer not to say	5	0.3	4	0.5	1	0.1
Total – all respondents	1,596	100.0	798	100.0	798	100.0
Household status						
• Owner occupier	1,502	94.1	753	94.4	749	93.9
• Rent	64	4.0	34	4.3	30	3.8
• Not owned, but free	29	1.8	11	1.4	18	2.3
• Other	1	0.1	0	0.0	1	0.1
Total – all respondents	1,596	100.0	798	100.0	798	100.0

(Source: National survey data, 2017.)





POLICY CONTEXT

In Cambodia, both budget content and scope have changed significantly in recent years. The scope of the Cambodian national budget has seen noticeable expansion alongside relevant reforms in the legal framework. The expansion of the budget scope, both in term of revenues and expenditures, has created demands from citizens and civil society to have access to budget information, as well as creating a need from the government to disseminate the information. Limitations in the current mechanisms means there remains a definite need to transform methods of how budget information is made available to the public. The following sections briefly review the legal framework and reform programme that have reshaped the national budget in this respect in recent years, before later Parts move to consider changes at sub-national level.

2.1. The National Budget: Legal Framework

In Cambodia, the national budget is executed in five major steps, set out in Figure 1, before becoming enacted as the National Budget Law. The National Budget Law is prepared every year for implementation during the next calendar year. Each year, this Law gives the national executive the authority to both collect revenues and disburse them to achieve policy objectives, as set out in the Nation Strategic Development Plan, rectangular strategy, and sector policies .

Figure 1. The Process of the National Budget Law



Source: NGO Forum, 2016

The Law on Public Finance System (2008) is the main mechanism that manages and directs the scope and processes of that the National Budget Law, defining the structure and contents of the National Budget Law, rules and regulations that govern it, and specific issues and principles of budget management. Article 1 of the Law on Public Finance System (2008) clarifies its objectives in this respect:

The Law on Public Finance System aims at setting fundamental principles to manage the overall public financial system and to develop the Law on Finance (National Budget Law), especially each step of budget preparation, adoption and implementation, review of budget performance, identification of roles and responsibilities, and consequences of wrongdoings in public financial management of ministries, institutions, similar public entities, public establishments, and sub-national administrations.

The Law on Public Finance System (2008) enshrines a strong commitment for budget transparency and accountability in public financial management and recognises the right of public access to budget information. Article 84 states that:

... all records of revenues and expenditures of national and sub-national administrations shall comply with the chart of accounts and budget nomenclature, all accounting and financial reports must be transparent and publicly disclosed.

Whilst the ability of citizens and civil society to engage with the national budget process is therefore mandated in law, often in practice their role has been limited across the four different stages of the budget cycle. Citizens and civil society are not invited to formally participate in formulation (stage one) or enactment (stage two) of the annual budget, but may seek to exert influence through public proposals and analysis, providing information to the executive and legislature before decisions are made (NGO Forum 2016). The delayed publication of only limited financial statements and audits at the stages of execution and implementation (stage three) and auditing and assessment (stage four) present challenges for enabling citizens and civil society to provide effective oversight as the most recent Open Budget Survey reports (2017,2015) detail. The most recent Open Budget Survey, 2017, notes improvement in this latter respect, where the availability of budget information has improved with the publication of Mid-Year Review, Audit Report, and Citizens Budget online, as well as publication of In-Year Reports in a timely manner.

2.2. Public Financial Management Reform Programme

In light of these prevailing concerns, the RGC has carried out several initiatives and efforts toward improving budget transparency in the past few years. These improvements in availability of budget information between 2015 and 2017, recognised by the OBS, reflect gains made under the one of the RGC's flagship reform efforts: the Public Financial Management Reform Programme (PFMRP), launched in 2004 as a four-phase plan. The PFMRP is a commendable and ambitious effort to transform Cambodian public financial management systems across four platforms by focusing on improving budget credibility (phase one), improving financial accountability (phase two), improving budget policy linkages (phase three) and improving performance accountability (phase four). Though the PFMRP was scheduled to complete in 2015, it is currently only in the second stage, improving financial accountability, having been extended due to challenges encountered from 2008-2013 (NGO Forum 2016).

Phase one (2005-2008) of the PFMRP achieved considerable success, including improvements made to revenue collection that support NSDP targets. The second phase (scheduled 2009-2015), aimed to build on these gains to achieve better financial accountability. In April 2018, it was announced that the third phase of the PFMRP is underway.

The second phase of the PFMRP is working towards achieving the guarantees established by the Law on Public Financial System for budget transparency and accountability, offering commitments to improving the availability of budget information for citizens. Objective 25.4 of PFMRP phase 2 aims to:

Improve forms of reporting to and communication with the public.

The key performance indicators under this activity provision the availability of key budget information - including In-Year Report, Year-End Report, Audit Report among others – and set incremental targets for their publication, starting at three reports being published in 2008, moving to five in 2010. However, the PFMRP is unclear on some details, including the level of information to be included in the public documents and the timeliness of publication. Thus, for example, the 'Budget in Brief' published by the RGC and the MEF in 2014 was criticised in the Open Budget Survey 2015 as the information it contained was not comprehensive enough and the publication date fell several days later than the required deadline.

2.3. The Sub-National Budget: Deconcentration and Decentralisation Reforms

The earliest initiatives to transform public financial management in Cambodia predate the PFMRP by several years, beginning with the passage of a number of laws, regulations and institutional frameworks as well as the adoption of a five-year development plan and a three-year rolling investment programme for all tiers of Sub-National Administrations (SNA). Since its transition to democratic governance and a market economy in the 1990s, post-conflict Cambodia, under financial and technical support of the international community, has embarked on several major initiatives in relation to decentralisation reforms, including a fiscal decentralisation process which places a greater significance on citizens' oversight and participation in matters related to budgets.

Since 2001, the RGC has gradually established and implemented laws and policies to improve sub-national governance. Cambodia's decentralisation process began with Communes/Sangkats which is the lowest tier of government. This included the passage of the Law on Administrative Management of Communes/Sangkats and the Commune/Sangkat Election Law, which paved the way for implementing reform at the Commune/Sangkat level, and subsequent Commune/Sangkat Council elections. It was also followed by the adoption of the sub-decrees on the establishment of the Commune/Sangkat Fund and the transfer of the national recurrent revenues to Commune/Sangkat administrations, which have further enabled communes and sangkats to implement their local development priorities. These initiatives have provided a legal basis for Commune/Sangkat Councils to implement local democratic governance.

In December 2008, an inter-ministerial National Committee for Sub-National Democratic Development (NCDD) was established to provide an institutional framework for overseeing the implementation of the D&D reforms. The NCDD launched the National Programme for Sub-National Democratic Development (NP-SNDD), a comprehensive local governance reform agenda spanning ten years (2010-2019), which is operationalised into three periodic implementation plans: IP3-I (2011-2014), IP3-II (2015-2017) and IP3-III (2018-2019). The government has also made considerable progress in the formulation of laws and policies to transfer functions and resources to SNA, including adoption of the Law on the Financial Regime and Management of State Property of Sub-National Administrations in June 2011.

The government and CSOs, as part of its joint effort, also developed the Strategic Plan for Social Accountability in Sub-National Democratic Development in July 2013. The policy framework was formulated with the purpose of empowering citizens to hold public servants accountable for local service delivery and resource allocation. The policy framework also paved the way for the adoption of the Implementation Plan for Social Accountability in Sub-National Democratic Development (I-SAF), a multi-sectorial initiative that promotes social accountability, initially in schools,

health centres and communes, through enhancing citizen's access to information, open budgets and citizen monitoring. The I-SAF, which is currently implemented by both CSOs and the government, aims to cover 70% of rural districts over a three year period. It is expected that by 2017 it will reach out to approximately 120 districts which corresponds to approximately 1,000 communes, 500 health centres and 7,000 primary schools.

2.4. Public Participation in Commune/Sangkat Budget Processes

This series of legal and policy frameworks that govern the deconcentration and decentralisation reforms have placed strong emphasis on participatory models of local governance, including local public financial management. The principle of public participation has been mainstreamed in legislation that governs sub-national budget processes, including those at Commune/Sangkat level, which are the focus of the survey presented in this report. These requirements are found in the Law on Financial Regime and Property Management of Sub-National Administrations (2011) as well as earlier legislations such as the Law on Administrative Management of the Commune/Sangkat (2001) and various sub-decrees (Im et al. 2017). These measures have been promoted as a means of ensuring that the budget is responsive to the needs of citizens.

The law mandates that the budget of a Commune/Sangkat is prepared by the Commune/Sangkat chief and approved by its council. Unlike at national level, however, the legislation requires that the draft budget is prepared in consultation with citizens and relevant stakeholders, through public participation in planning meetings at the Commune/Sangkat office where annual budget proposals with their supplementary documents are discussed and approved. The laws also require the Commune/Sangkat chief to disclose the draft budget for public comment, at least two weeks before the draft budget is submitted for deliberation and approval by the council. Public participation is also mandated at the annual public plenary meeting where the Commune/Sangkat Council adopts the budget. In practice, however, the scope and means provided for public participation varies widely, according to commune council capacity and organisation (Plummer and Tritt 2012).

These rights are guaranteed by the Sub-Decree on Commune/Sangkat Financial Management System (2002), which states:

The Commune/Sangkat chief must ensure wide public participation in the budget formulation process through the following measures.

- The draft budget must be disclosed to the public at least two weeks before the meeting of the council.
- The Planning and Budgeting Committee meeting must be open to citizens that are interested in reviewing on the draft budget.

- Citizens must be given the opportunity to attend the council deliberation on the draft budget.
- Any other mechanisms to be established by the council to promote public participation.

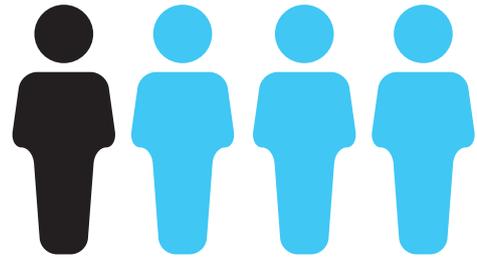
The draft budget shall be prepared by the Commune/Sangkat chief and submitted to the Commune/Sangkat Council for adoption. The Commune/Sangkat Council shall adopt the draft budget during a public plenary meeting not later than October 31.

Public access to budget information and reporting is also guaranteed. Monthly budget implementation reports are prepared and submitted at Commune/Sangkat level. At year-end, these monthly reports are then consolidated into an annual final budget report for the council's review and approval. After adoption by respective councils, the law requires the Commune/Sangkat chief to release the report to the public, ideally by publishing on its information board.

As such, the legal framework provides a strong commitment to the principle of public participation in the interests of accountability and transparency toward building responsive local government. However, implementation has brought only measured success. Positive changes include general improvements in downward accountability toward citizens; local authorities in some areas becoming sensitive to local needs; and in some cases improvements in the delivery of public services have also been noticed (Im et al. 2017; Plummer and Tritt 2012). The implementation of ISAF has also made a significant contribution here. A number of Communes/Sangkats have made information about budgets and financial reports available for the public and the NCDD has also made some information about local development, budgets and procurement available online (Im et al. 2017).

Despite these advances, there remain key challenges towards ensuring transparency and accountability at the sub-national level. The challenges range from devolution of power, under-resourcing, lack of staffing, and limited capacity to the issues involving disclosing of information, auditing and responsiveness of local authorities. Most importantly, building public enthusiasm for public engagement remains an issue, where citizens continue to feel that the affairs of local government are not relevant to or have minimal impact on their lives and livelihoods. Overturning this perception and demonstrating to the public that participation is a worthwhile critical next step.





FINDINGS ON BUDGET TRANSPARENCY AND ACCOUNTABILITY AT NATIONAL LEVEL

This chapter examines budget accountability and transparency at the national level. It is divided into four parts. The first, Part 3.1. examines how well people in Cambodia understand national budgeting processes. Following this, Part 3.2. considers the accessibility of national budget information. Part 3.3. explores the provision and understanding of budgetary information. Part 3.4. investigates the effective collection and distribution of national budgets. Finally, Part 3.5. looks at questions of influence, responsiveness and accountability in relation to the national budget.

3.1. Understanding of National Budget Process

Table 3.1. presents data on a series of knowledge questions responded to by survey informants. It shows the results of three questions about the size of the national budget and the institutions that have responsibility for it. The data presented here show a very low level of budgetary knowledge amongst the survey population. Only 0.3% of respondents were able to correctly answer that the national budget was \$5 billion; only 5.1% of respondents were able to correctly identify that the institution that prepares the national budget is the Ministry of Economy and Finance; and only 3.4% of the survey population were able to identify the Senate and National Assembly as the institutions responsible for approving the draft budget law.

Table 3.1. Knowledge of National Budget Processes

Question	Correct answer given by respondent	Incorrect / no answer given by respondent
Can you tell me what is the total amount of Cambodia’s national budget for 2017? (Answer accepted: \$5 billion)	0.3%	99.7%
Can you tell me which state institution prepares the draft budget law? (Answer accepted: Ministry of Economy and Finance)	5.1%	94.9%
Can you tell me which state institutions debate and approve the draft budget law? (Answer accepted: Senate and National Assembly)	3.4%	96.6%

(N = 1,596. Source: National survey data, 2017.)

Table 3.2. presents a demographic breakdown of how knowledge of national budget processes is distributed amongst different groups. It shows that levels of knowledge are higher among men than women: 8.3% of men knew that the Ministry of Economy and Finance prepares the state budget, whilst only 1.9% of women know this. Knowledge of national budget processes is also higher among those with higher education, higher income, and those living in urban location. For instance, 26.5% of those with post-secondary education compared with 0.0% of those with no schooling can identify which state institutions prepare the draft budget law.

Table 3.2. Knowledge of National Budget Processes by Socio-Demographic and Socio-Economic Group

	Number of correct answers given by respondents to the three questions listed in Table 3.1			
	0	1	2	3
Gender				
• Female	97.9%	2.0%	0.1%	0.0%
• Male	88.5%	7.9%	3.5%	0.1%
Age in years				
• 18-27	92.9%	4.7%	2.0%	0.4%
• 28-37	95.3%	3.7%	1.0%	0.0%
• 38-47	94.5%	4.5%	1.0%	0.0%
• 48-57	92.9%	4.8%	2.4%	0.0%
• 58 +	89.4%	7.7%	2.9%	0.0%
Educational level				
• No schooling	99.5%	0.5%	0.0%	0.0%
• Incomplete primary	97.4%	2.3%	0.3%	0.0%

• Complete primary	93.2%	4.3%	2.5%	0.0%
• Complete lower secondary	88.7%	8.2%	3.2%	0.0%
• Complete higher secondary	80.0%	14.0%	5.0%	1.0%
• Post-secondary	65.3%	24.5%	10.2%	0.0%

Household income category*

• First quintile – lowest income	95.9	4.1	0.0	0.0
• Second quintile	95.6	3.8	0.6	0.0
• Third quintile	95.0	3.5	1.5	0.0
• Fourth quintile	92.0	5.6	2.2	0.3
• Fifth quintile – highest income	86.6	8.2	5.1	0.0

Location

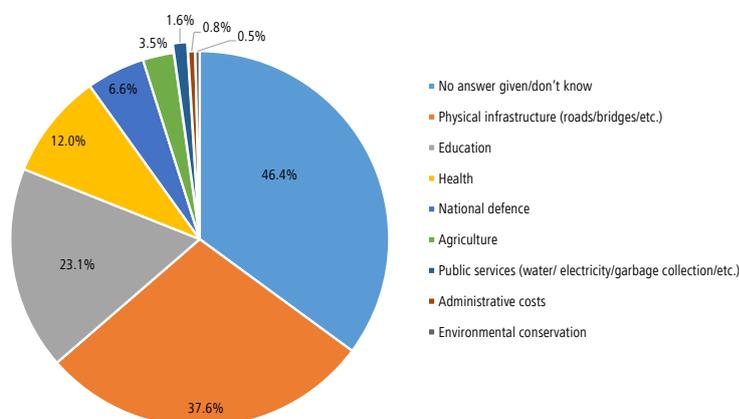
• Urban	86.9%	9.4%	3.7%	0.0%
• Rural	94.9%	3.7%	1.3%	0.1%

(N = 1,596, except *N = 1,591 since 5 respondents preferred not to give their household income.
Source: National survey data, 2017.)

Many respondents were also unclear or unsure about the allocation of national budget expenditures. As shown in Table 3.3., when asked to identify the top three sectors receiving funding in the 2017 budget, just under half of respondents were unable to identify any. Among those who offered a response, physical infrastructure (37.6% of total respondents), education (23.1%), and to a lesser extent health (12.1%) and national defence (6.6%) were recognised as key government areas of spending. This broadly aligns with actual disbursement of funds to government line ministries, where the Ministries of Public Works and Transport; Defence; Education, Youth and Sport; and Health received the highest allocations of funding in the 2017 fiscal year.

Table 3.3. Knowledge of National Budget Expenditure

According to what you know, in what sectors did the national government allocate most of its budget last year? Please choose the top three sectors.



(N = 1,596. Answers may total more than 100% because multiple response was allowed.
Source: National survey data, 2017.)

3.2. Accessibility of National Budget Information

Table 3.4. considers the accessibility of national budget information. It centres on two questions intended to measure two dimensions of the accessibility of budget information: first, “Have you ever seen any official budget documents prepared by the national government?” and second, “Have you ever tried to obtain information on the national budget?”. The answers to these questions demonstrate very low levels of budgetary accessibility. Only 0.1% of respondents stated that they had ever seen an official budget document prepared by the government, whilst only 1.1% had ever attempted to seek out information on the national budget.

Of those 18 respondents who attempted to obtain information on the national budget, the most common ways were via the media (44.4%), the internet (38.9%), or through approaching sub-national officials in person (38.9%). However, many of these attempts to access information on the national budget were ultimately unsuccessful, with only 22.2% of those who tried to obtain information reporting their efforts resulted in finding the budget information they were seeking. In contrast, 77.8% of attempts were unsuccessful and did not return the information sought.

Table 3.4. Past Access to National Budget Information

Gender	Yes	No	Don't Know
Have you ever seen any official budget document prepared by the national government?	0.1%	88.0%	11.9%
Have you ever tried to obtain information on the national budget?	1.1%	89.5%	9.3%

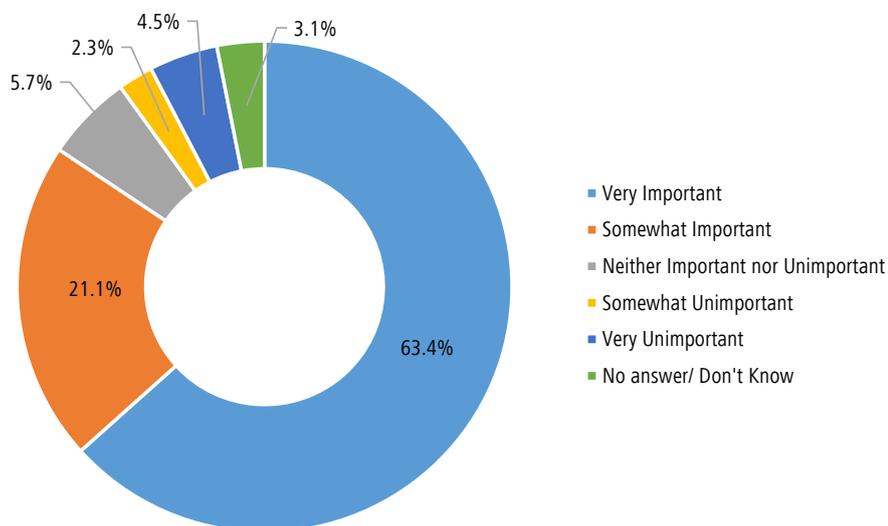
(N = 1,596. Source: National survey data, 2017.)

Nevertheless, despite the inaccessibility of budgetary information, respondents to the survey generally believed it is to be an important resource. Table 3.5. shows 63.4% of informants stated that access to national budget information, was very important, compared with only 4.5% who believed it to be very unimportant.

Of those who answered very important or somewhat important, we asked why they felt access was important. Of those 1,348, the most frequent reasons given were: to know what the government is going to do with the national fund (72.1%); to make sure that money is not wasted (18.5%), to make people feel involved in government (13.9%), to improve the Cambodian economy (17.1%), to increase efficiency (5.9%), to give power to ordinary people (4.5%) and to prevent corruption (3.5%).

Table 3.5. Attitudes on the Importance of Public Access to National Budget Information

How important do you think it is that someone like you can have access to information about the national budget of Cambodia?



(N = 1,596. Source: National survey data, 2017.)

Furthermore, when the data is disaggregated by demographic characteristics, as in Table 3.6, some key trends emerge. Men (67.7%) are more likely than women (59.1%) to believe that the accessibility of national budget information is very important, whilst the oldest group of respondents, aged 58+, are also more likely than the youngest, aged 18-27, to do so. Education is also a key variable: 77.6% of those with post-secondary information believed the accessibility of budgetary information to be very important, compared with only 55.7% of those with no schooling.

Perhaps surprisingly, income did not have a significant effect on the belief that national budgetary information accessibility is important: 66% of those in the lowest income quintile believed it to be so, compared with only 64% of those in the highest quintile. Similarly, rural/urban differences produced a second unexpected result. Urban people (59.7%) are less likely than rural people (64.5%) to believe strongly in the importance of budget accessibility.

Table 3.6. Attitudes on the Importance of Public Access to National Budget Information by Socio-Demographic and Socio-Economic Group

How important do you think it is that someone like you can have access to information about the national budget of Cambodia?	Very important	Somewhat important	Neither important nor unimportant	Somewhat unimportant	Unimportant	No answer/ Don't Know
Gender						
• Female	59.1%	23.3%	6.1%	3.0%	5.0%	3.4%
• Male	67.7%	18.8%	5.3%	1.5%	4.0%	2.8%
Age in years						
• 18-27	56.9%	26.9%	7.5%	1.6%	5.5%	1.6%
• 28-37	67.1%	20.0%	4.7%	1.7%	3.7%	2.7%
• 38-47	66.0%	20.3%	4.1%	2.4%	4.1%	3.1%
• 48-57	62.4%	20.4%	6.3%	2.9%	5.6%	2.4%
• 58 +	62.6%	19.0%	6.2%	2.6%	3.7%	5.9%
Educational level						
• No schooling	55.7%	22.4%	4.7%	4.2%	4.7%	8.3%
• Incomplete primary	59.8%	22.7%	6.8%	2.3%	4.9%	3.5%
• Complete primary	68.5%	19.8%	3.7%	2.2%	4.6%	1.2%
• Complete lower secondary	66.3%	19.9%	6.0%	1.1%	5.0%	1.8%
• Complete higher secondary	70.0%	19.0%	6.0%	3.0%	1.0%	1.0%
• Post-secondary	77.6%	14.3%	6.1%	0.0%	2.0%	0.0%
Household income category*						
• First quintile – lowest income	66.0%	18.2%	4.7%	1.6%	5.0%	4.4%
• Second quintile	62.2%	22.9%	3.8%	1.9%	5.4%	3.8%
• Third quintile	65.2%	21.9%	6.7%	2.0%	1.8%	2.3%
• Fourth quintile	59.6%	22.2%	7.4%	3.4%	5.2%	2.2%
• Fifth quintile – highest income	64.0%	20.0%	5.5%	2.4%	5.1%	2.7%
Location						
• Urban	59.7%	23.6%	6.0%	4.0%	5.1%	1.7%
• Rural	64.5%	20.3%	5.6%	1.8%	4.3%	3.5%

(N = 1,596, except *N = 1,591 since 5 respondents preferred not to give their household income. Source: National survey data, 2017.)

Despite variance in the perceived importance of budgetary accessibility, there was a very strong consensus amongst respondents that improvements to this accessibility should be undertaken as illustrated in Table 3.7. In response to the question “Should national budget information be made more accessible and easy to understand for the general public?”, 97.6% of respondents answered positively, whilst 97.5% of respondents answered yes to the question “Should national budget information be made available to the general public in a timely manner?”

Table 3.7. Attitudes on Provision of Transparent, Timely and Sufficient National Budget Information

	Yes	No
Should national budget information be made more accessible and easy to understand for the general public?	97.6%	2.4%
Should national budget information be made available to the general public in a timely manner?	97.5%	2.5%

(N = 1,596. Source: National survey data, 2017.)

3.3. General Perception of National Budget Administration

Table 3.8. highlights attitudes of the sample towards the impact of the budget, the motivations behind its use and the accessibility and transparency of reporting surrounding budgetary issues. Some of the data indicates support for government actions. For example, the largest proportion of the survey, 33.8%, “somewhat agree” that budgetary issues have a direct impact on the lives of citizens, whilst a similar percentage, 32.5%, “somewhat agree” that the government acts in a fair and honest way when giving out contracts. However, not all public opinion is so positive. Setting aside the “no answer/don’t know” category”, the largest percentage of respondents, 26.5%, “strongly disagree” that the national government reports and explains how it spends its money. Furthermore, opinion is also split roughly evenly between those who “strongly disagree” that the national government has been transparent in managing funds and those who “somewhat agree” with the statement.

Table 3.8. Perception of National Budget Impact and Administration

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	No answer/ Don't know
The national budget has a direct impact on the lives of citizens like me.	20.4%	33.8%	7.2%	12.9%	17.6%	8.1%
The national government acts in a fair and honest way when giving out contracts.	13.2%	32.5%	7.7%	16.0%	11.8%	18.9%
The national government in general accomplishes what it says it will do.	21.4%	38.2%	10.7%	13.7%	11.2%	4.9%
The national government reports and explains how the government generates and spends its money.	6.3%	17.5%	6.6%	15.3%	26.5%	27.8%
The national government has been transparent in managing national funds.	8.3%	21.8%	7.4%	16.1%	19.3%	27.1%

(N = 1,596. Source: National survey data, 2017.)

Similar trends are visible in relation to the responsiveness and inclusivity of national budget administration. As shown in Table 3.9., 44.1% of respondents “somewhat agree” with the statement “The government is like a parent. It should decide what is good for us.” However, the largest proportion of the survey also “somewhat agree” that the national government places greater emphasis on the views and needs of themselves and their friends and family (33.8%) and their party (32.6%). Similarly, only 12% “strongly agree” that the national government welcome citizen participation in decision making, whilst only 17.2% “strongly agree” that the government knows what is best for the country.

Table 3.9. Perceptions of Responsiveness and Inclusivity of National Budget Administration

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	No answer/ Don't know
The government is like a parent. It should decide what is good for us.	24.7%	44.1%	7.4%	12.8%	7.4%	3.6%
National government officials pay more attention to what they, themselves, and their families/friends require than what would be in the interest of the public.	25.6%	33.8%	9.1%	16.0%	9.4%	6.1%
National government officials pay more attention to what their party requires than what would be in the interest of the public.	25.3%	32.6%	8.0%	15.3%	10.1%	8.7%
The national government welcomes citizen participation in national decision making.	12.0%	28.6%	9.0%	12.9%	14.7%	22.9%
The national government understand the needs of the country the best and should decide how to spend money collected from taxes and fee charges.	17.2%	34.1%	7.3%	11.9%	8.3%	21.1%
Money that the government gets in taxes and fees belongs to the citizens – the citizens should play an active role in deciding how it is spent.	22.3%	30.3%	7.3%	10.1%	13.7%	16.4%

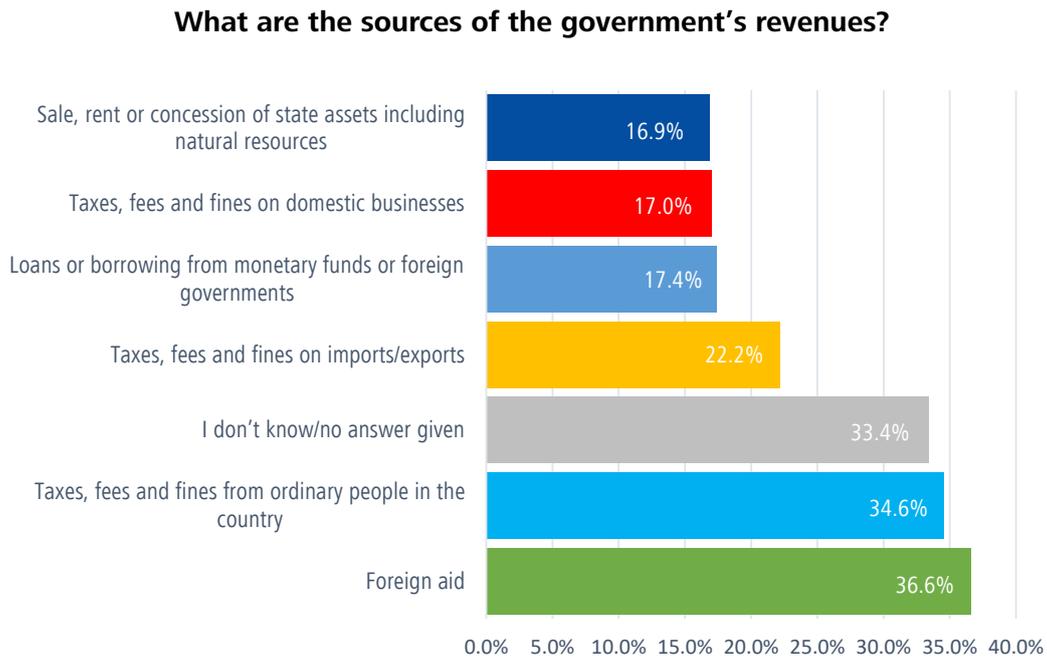
(N = 1,596. Source: National survey data, 2017.)

3.4. Effective Collection and Distribution of National Budgets

Table 3.10. explores the survey population’s knowledge of national budget revenue sources. It presents data collected in response to questions about the sources of government revenues and demonstrates the limited knowledge of the population in relation to budget revenues. In particular the most common

answer from 33.4% of people was that they were unable to identify any source of government revenue. In addition, it demonstrates some key pieces of data about Cambodian people’s knowledge of budgets. First, that foreign aid is the best known component of the budget, being named by 36.6% of people, whilst 34.6% of people were able to identify taxes on ordinary people as a source of revenues. By contrast, less than half this amount, 17% were able to name business taxes as a source of revenue, and a smaller amount, 16.9% were able to name the sale of state assets as a revenue source.

Table 3.10. Knowledge of National Budget Revenue Sources



(N = 1,596. Source: National survey data, 2017.)

Following from Table 3.10, Table 3.11. presents knowledge of national revenue sources disaggregated by socio-demographic and socio-economic categories. Again, it highlights some key trends in the data. First, men appear more knowledgeable than women about budget revenue sources: 3% of men could name 5-6 revenue sources, compared with only 1% of women. Furthermore, 41.5% of women were unable to name any budgetary revenue sources at all, compared with only 25.4% of men. Age is also a significant factor, although to a lesser extent than gender: 40.3% of 18-27 year olds are unable to name any budgetary revenue sources, compared with 34.4% of people in the category 58+.

However, educational level is the most significant variable in this respect. 54.2% of respondents with no schooling were unable to identify any sources of national budgetary revenue, compared with only 4.1% of those with post-secondary schooling. Indeed, those with post-secondary schooling were able to identify 5-6 sources of revenue in 6.1% of cases, compared with only 0.5% of those with no education.

Income quintile is also significant in this respect. Those with the lowest income were able to name these least number of sources of government revenue, whilst those with the highest income were able to name the most. Rural or urban residence was also key: 34.7% of rural residents were unable to name any budgetary revenue sources, compared with only 29% of urban residents.

Table 3.11. Knowledge of National Budget Revenue Sources by Socio-Demographic and Socio-Economic Group

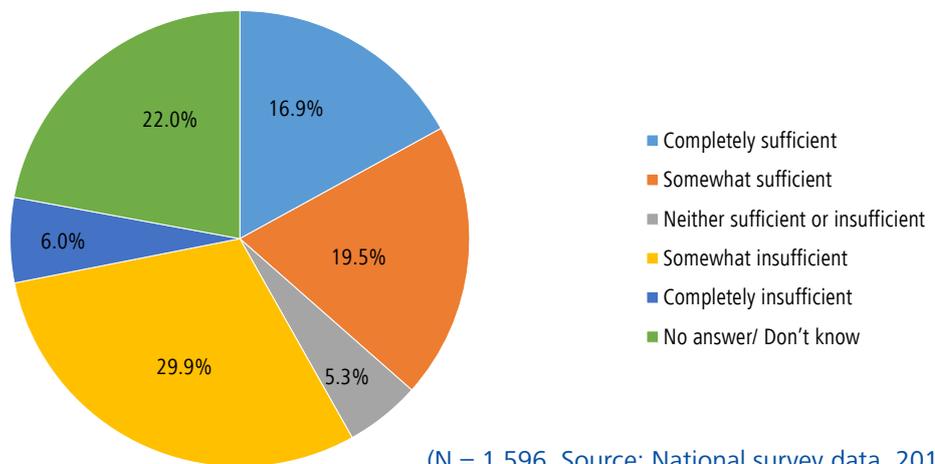
	Number of sources of national budget revenue identified by respondents			
	0	1-2	3-4	5-6
Gender				
• Female	41.5%	41.9%	15.7%	1.0%
• Male	25.4%	45.6%	25.9%	3.0%
Age in years				
• 18-27	40.3%	38.3%	19.4%	2.0%
• 28-37	30.9%	44.1%	23.2%	1.7%
• 38-47	31.3%	49.1%	17.9%	1.7%
• 48-57	32.5%	45.8%	19.6%	2.1%
• 58 +	34.4%	39.6%	23.4%	2.6%
Educational level				
• No schooling	54.2%	39.6%	5.7%	0.5%
• Incomplete primary	37.9%	44.8%	16.0%	1.2%
• Complete primary	29.0%	47.2%	21.9%	1.9%
• Complete lower secondary	25.5%	40.4%	30.5%	3.5%
• Complete higher secondary	16.0%	49.0%	31.0%	4.0%
• Post-secondary	4.1%	30.6%	59.2%	6.1%
Household income category*				
• First quintile – lowest income	38.1%	42.5%	18.2%	1.3%
• Second quintile	36.8%	46.3%	15.2%	1.6%
• Third quintile	36.8%	39.2%	21.9%	2.0%
• Fourth quintile	29.3%	48.1%	19.8%	2.8%
• Fifth quintile – highest income	25.0%	42.8%	29.8%	2.4%
Location				
• Urban	29.0%	44.6%	23.9%	2.6%
• Rural	34.7%	43.5%	19.9%	1.8%

(N = 1,596, except *N = 1,591 since 5 respondents preferred not to give their household income. Source: National survey data, 2017.)

Regarding the sufficiency of national budgets, in Table 3.12., the largest proportion of respondents answered that they believed the budget to be “somewhat insufficient”. However, only 6% of respondents viewed it as completely insufficient, considerably less than those who viewed it as “completely sufficient”.

Table 3.12. Attitudes on the Sufficiency of National Budget Revenues

Do you think the funds available to the national government are sufficient to pay for all expenses it should make?

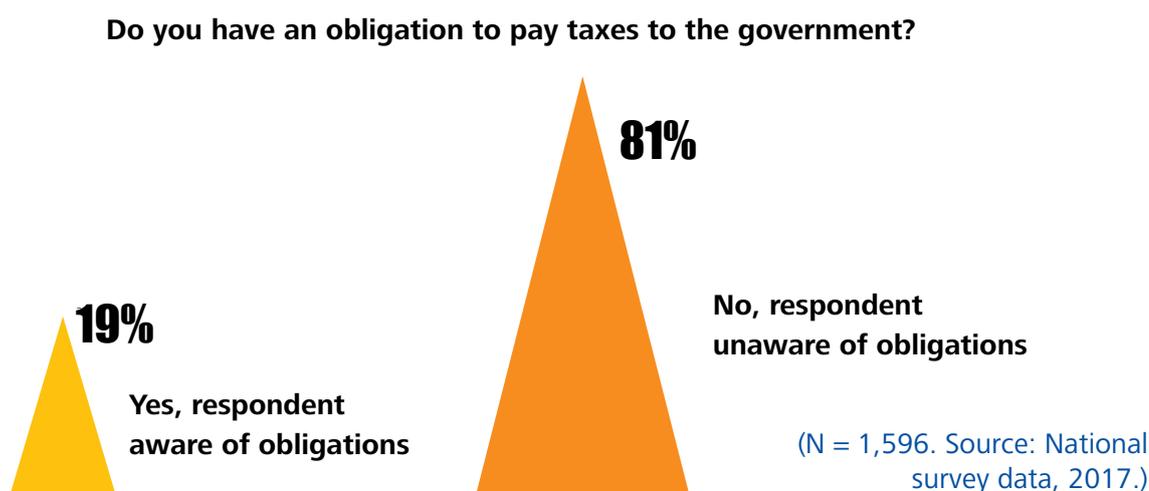


(N = 1,596. Source: National survey data, 2017.)

Of those who answered “somewhat” or “completely insufficient”, we asked why they felt current revenues were insufficient. Of those 572, most respondents, 30.8%, answered that they did not know. Beyond this, the most frequent reasons given were: The national government distributes funds effectively, but sub-national administrators use the funds to benefit themselves instead of citizens’ needs (25.9%); The national government does not manage the funds efficiently (18.4%), the national government uses the funds to benefit themselves instead of citizens’ needs (17.7%), citizens do not pay enough taxes or fees (4.9%) and businesses do not pay enough taxes or fees (3.8%).

The small proportion of people who highlight personal taxation as a reason for national budgetary shortages is possibly a reflection of low knowledge of tax obligations amongst respondents. As shown in Table 3.13, only 19% of the sample answered that they were aware of an obligation to pay tax. By contrast, 81% of the sample were unaware of any obligation to pay tax.

Table 3.13. Knowledge of Tax Obligations for Citizens



Despite the low level of knowledge amongst the sample regarding their personal tax obligations, there was a general tendency amongst respondents to favour higher taxes in return for more or better services. Indeed, whilst 27.1% of respondents “somewhat agreed” that they received good value from the government for the taxes they pay, there was a strong preference for taxes to be higher, rather than lower. 25.7% of respondents “strongly agreed” that it is better to pay more tax for better services, whilst 35.3% “somewhat agreed” with the same statement. By contrast, over half of the sample – 50.4% - “somewhat disagreed” that lower taxes were an adequate substitute for poorer services. Relatedly, 37.5% of respondents “strongly agreed” that wealthier people should pay a higher amount of tax than the less wealthy.

Table 3.14. Perceptions on Value of Tax Revenue for Citizens

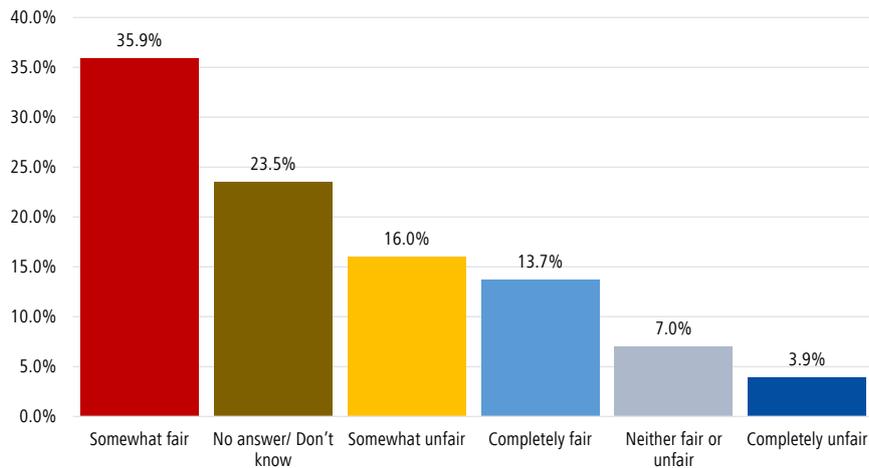
	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	No answer/ Don't know
I am satisfied with what I receive from the government in exchange for taxes or fee charges I have paid, and public assets and properties.	12.6%	27.1%	10.6%	17.4%	18.5%	13.7%
It is better to pay higher taxes, if it means there will be more or higher quality services provided by government	25.7%	35.3%	5.9%	12.7%	16.3%	4.1%
It is better to pay lower taxes, even if it means there will be fewer or lower quality services provided by government.	4.4%	10.0%	5.5%	24.5%	50.4%	5.3%
People who have more wealth and income should pay a higher amount of tax.	37.5%	27.9%	4.2%	9.7%	14.5%	6.1%

(N = 1,596. Source: National survey data, 2017.)

Despite strong opinions on the fairness of tax arrangements, though, the largest proportion of the sample were satisfied with the current situation in Cambodia as demonstrated by Table 3.14. 13.7% of the sample believe that tax arrangements are “completely fair”, compared with only 3.9% who believe it to be “completely unfair”. Similarly, 35.9% of people believe that the level of tax contributions in the country are “somewhat fair” compared with only 16% who see them as “somewhat unfair”.

Table 3.14. Attitudes on Levels of Tax Contributions

In your opinion, do you think that people in Cambodia are paying a fair share of tax?

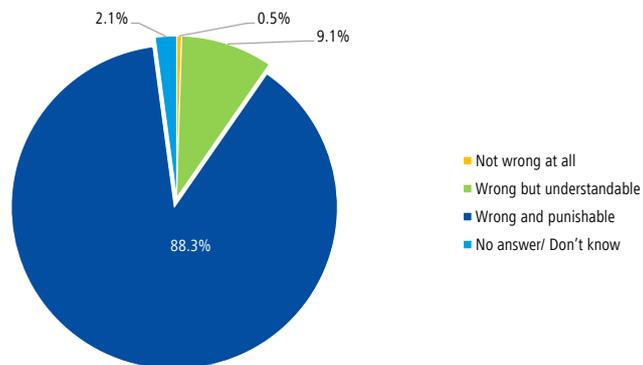


(N = 1,596. Source: National survey data, 2017.)

Table 3.15. illustrates that the moral attitudes exhibited by respondents in relation to personal income tax are replicated to an even greater extent regarding tax evasion. 88.3% of respondents stated that individuals or businesses avoiding tax is both “wrong and punishable”, compared with only 0.5% who believe that it is “not wrong at all” and only 9.1% who believed it to be “wrong but understandable”.

Table 3.15. Attitudes on Tax Avoidance and Evasion

What would you think if you heard that some individuals/businesses were avoiding paying taxes they owe to the government?

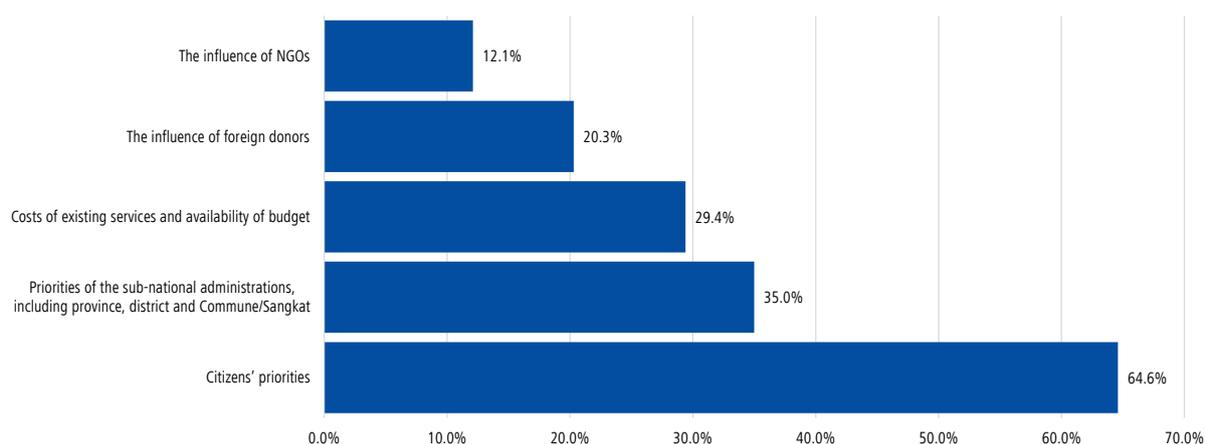


(N = 1,596. Source: National survey data, 2017.)

Public attitudes to the way that the government should spend the revenue that it collects reflect a concern with small scale and local priorities. Table 3.16. demonstrates that almost two thirds of respondents, 64.6%, think that citizens’ priorities should be the most important factor in government spending, whilst a further 35% believe that the priorities of the sub-national administration should take precedence. A further 29.4% of respondents believe that the costs of existing services and the availability of budget is an important factor. However, relatively few believe that international influence should be prioritised. Only 20.3% of respondents believe that foreign donors should be important factors in budgetary decision making, whilst only 12.1% believe that NGOs should be influential in this respect.

Table 3.16. Attitudes on Government Responsiveness in National Budget Distribution

What do you think the national government should consider when it makes decisions on how much money to spend and on which services?



(N = 1,596. Answers may total more than 100% because multiple response was allowed.
Source: National survey data, 2017.)

Moreover, the data in Table 3.17. show that Cambodians believe their priorities to be largely reflected in government budgeting decisions. Over half of the sample – 50.2% – stated that they believe citizens’ priorities to be a “very important” factor in government decision making, whilst a further 27.3% of the sample believed this to be a “somewhat important” factor. By contrast, only 4.8% of respondents believe citizens’ priorities to be “unimportant” to the government and only 6.1% believe them to be “somewhat unimportant”.

Table 3.17. Attitudes on the Importance of Citizen’s Priorities to Government in National Budget Distribution

	Very important	Somewhat important	Neither important nor unimportant	Somewhat unimportant	Unimportant	No answer/ Don't know
How important do you think citizens’ opinions and priorities to the national government when deciding how to spend	50.2%	27.3%	6.8%	6.1%	4.8%	4.8%

(N = 1,596. Source: National survey data, 2017.)

However, although respondents generally perceive the government as taking their opinions into consideration in their decision making, Table 3.18. shows that there is nevertheless a strong sense that greater participation by citizens in budget processes would be preferable. In total, 87.8% of respondents replied that the national budget would better address the needs of citizens if those citizens were given greater opportunity to participate in the budget process. Moreover, a similar percentage, 89% believe that the quality of services would also be improved if citizens were allowed greater participation in the process of budgeting.

Table 3.18 Attitudes on Citizen Participation in National Budget Processes

	Yes	No	Don't Know
Would the national budget better address the real needs of citizens if citizens could participate in national budget processes?	87.8%	5.5%	6.7%
Would the quality of services be improved if citizens could participate in national budget processes?	89.0%	4.5%	6.5%

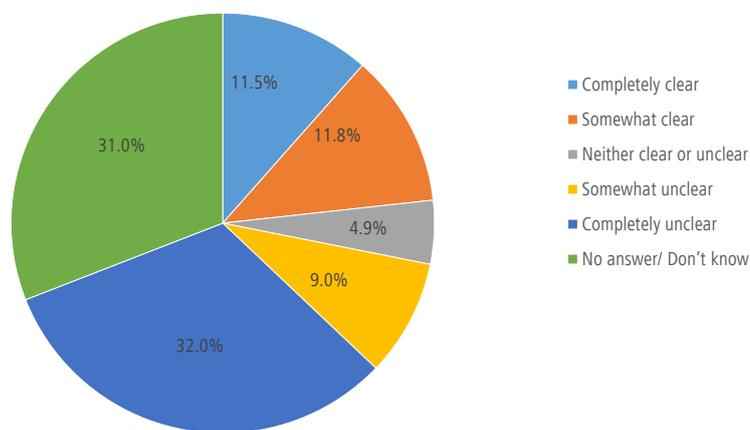
(N = 1,596. Source: National survey data, 2017.)

3.5. Influence, Responsiveness, Accountability

As shown in Table 3.19., a key issue in the transparency of the budget process is the lack of clear distinction between development projects funded by the state budget and development projects funded by the political party budgets. Only a relatively small percentage of respondents, 11.5%, feel “completely clear” about this distinction, compared with a far larger proportion, 32%, who feel “completely unclear” about it. Notably, a sizeable proportion of respondents also answered that they “do not know”, indicating that over two thirds of respondents lack clarity in total.

Table 3.19. Perceptions of Development Project Funding

How clearly do you differentiate between development projects funded by the state budget and development projects funded by political party budgets?



(N = 1,596. Source: National survey data, 2017.)

This lack of clarity over the sources of funding for development projects is further compounded by the sense that political support is a key factor in decision making related to development projects. As shown in Table 3.20, over half of respondents, 60.7% stated that they had witnessed or heard of a development project being promised in return for party support. Nevertheless, examples of state resources being used to benefit of a political party's interests were rarer. Only 22.2% of respondents stated that they know of this having occurred, whilst 53.2% stated that they did not know of it occurring.

Table 3.20. Perceptions of Development Project Objectives

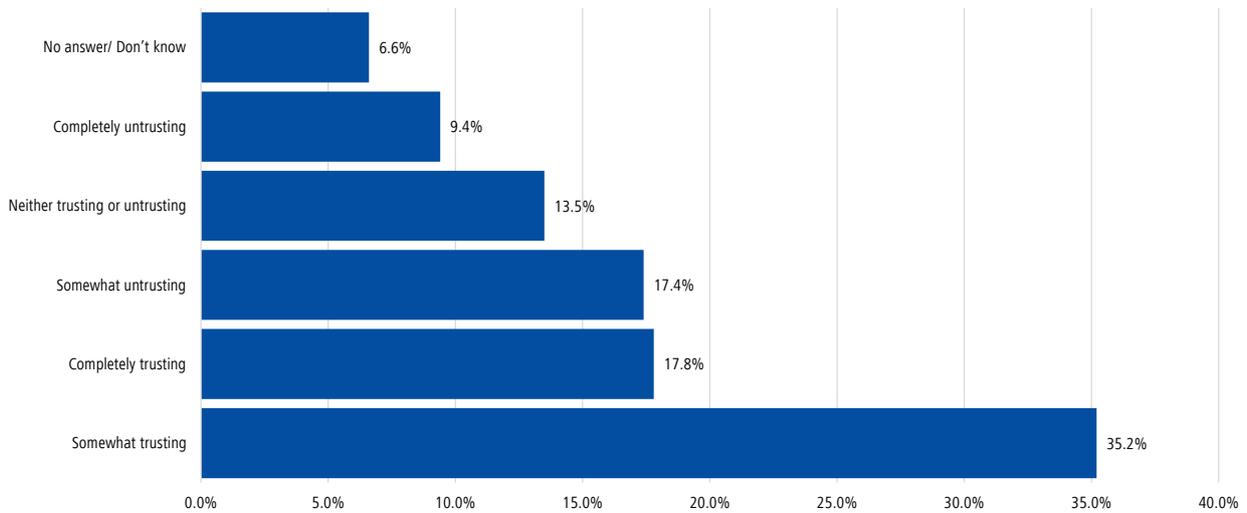
	Yes	No	Don't Know
Have you ever heard/witnessed a case in which a development project is promised in exchange for political support?	60.7%	30.5%	8.8%
Have you ever heard/witnessed of a case in which a government official uses state resources to benefit of a political party's interests?	22.2%	53.2%	24.6%

(N = 1,596. Source: National survey data, 2017.)

Overall, though, more of the sample stated that they trust the government’s management of national funds than do not trust it. Table 3.21. shows that whilst only 9.4% of respondents are “completely untrusting”, almost double this percentage, 17.8%, are “completely trusting”. Furthermore, the greatest percentage of the sample stated that they are “somewhat trusting” of the government’s budgetary management. Nevertheless, for the 82.2% of the sample who are less than “completely trusting”, a key issue is the lack of avenues for discussion or transparency. Of those who did not completely trust the government’s management of national funds, 91.5% had never attempted to raise the issue. Of those who did, the most common course of action was “speaking with family or friends”, with 3% doing so. An even smaller proportion wrote or spoke to a sub-national office or official (2.6%), wrote or spoke to the media (1.1%), or made a petition with others (1.1%).

Table 3.21. Attitudes Towards Government Management of National Budget

How much trust do you have in the government’s management of national funds?



(N = 1,596. Source: National survey data, 2017.)

The lack of avenues in which to raise their concerns about budget management means that many respondents feel their only option is to use national elections to address the issue. As shown in Table 3.22., over half of the sample stated that the management of national budgets is an important issue in their voting choice, with 27.9% stating that it is “very influential” and 29.3% stating that it is “somewhat influential”. By contrast, less than a quarter of those asked (21.9%) responded that national budget management is “very unimportant” in their voting choice.

Table 3.22. Attitudes Towards National Budget and Voting Decision

	Very influential	Somewhat influential	Neither influential nor unimportant	Somewhat unimportant	Very unimportant	No answer/ Don't know
How does the way the national government manages the revenues and distribution of state funds influence your voting decision?	27.9%	29.3%	7.5%	5.1%	21.9%	8.2%

(N = 1,596. Source: National survey data, 2017.)

១. តើហេតុអ្វីបានជាយើងចាំបាច់ត្រូវត្រួតពិនិត្យនៅក្នុងការកសាងផែនការ និងការងារផ្សេងៗដោយយើងកំពុងធ្វើ?

- ដើម្បីបង្កើនប្រសិទ្ធភាពរបស់យើង និងសមត្ថភាពយើង
- ដើម្បីបង្កើនការយល់ដឹងរបស់យើងអំពីការងារដែលយើងធ្វើ និងដើម្បីបង្កើនការយល់ដឹងអំពីការងារដែលយើងធ្វើ
- ដើម្បីបង្កើនការយល់ដឹងអំពីការងារដែលយើងធ្វើ និងដើម្បីបង្កើនការយល់ដឹងអំពីការងារដែលយើងធ្វើ
- ដើម្បីបង្កើនការយល់ដឹងអំពីការងារដែលយើងធ្វើ និងដើម្បីបង្កើនការយល់ដឹងអំពីការងារដែលយើងធ្វើ

២. តើអ្នកដឹងទេថា ឧបសគ្គអ្វីទទួលបានពីការងារដែលយើងធ្វើ?

- ឧបសគ្គអ្វីទទួលបានពីការងារដែលយើងធ្វើ
- ឧបសគ្គអ្វីទទួលបានពីការងារដែលយើងធ្វើ

៣. តើអ្នកដឹងទេថា ឧបសគ្គអ្វីទទួលបានពីការងារដែលយើងធ្វើ?

- ឧបសគ្គអ្វីទទួលបានពីការងារដែលយើងធ្វើ
- ឧបសគ្គអ្វីទទួលបានពីការងារដែលយើងធ្វើ

៤. តើអ្នកដឹងទេថា អ្នកដឹងទទួលបានពីការងារដែលយើងធ្វើ?

- អ្នកដឹងទទួលបានពីការងារដែលយើងធ្វើ
- អ្នកដឹងទទួលបានពីការងារដែលយើងធ្វើ

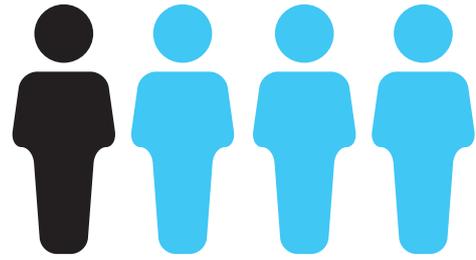
**ប័ណ្ណកម្មវិធីមានអំពី
ដំណើរការថវិកា/សង្កាត់**



លោកអ្នកនឹងទទួលបានពីតំណែង

1. តើហេតុអ្វីបានជាយើងចាំបាច់ត្រូវត្រួតពិនិត្យនៅក្នុងការកសាងផែនការ និងការងារផ្សេងៗដោយយើងកំពុងធ្វើ?
2. តើអ្នកដឹងទេថា ឧបសគ្គអ្វីទទួលបានពីការងារដែលយើងធ្វើ?
3. តើអ្នកដឹងទេថា ឧបសគ្គអ្វីទទួលបានពីការងារដែលយើងធ្វើ?
4. តើអ្នកដឹងទេថា អ្នកដឹងទទួលបានពីការងារដែលយើងធ្វើ?
5. តើអ្នកដឹងទេថា អ្នកដឹងទទួលបានពីការងារដែលយើងធ្វើ?
6. តើអ្នកដឹងទេថា អ្នកដឹងទទួលបានពីការងារដែលយើងធ្វើ?
7. តើអ្នកដឹងទេថា អ្នកដឹងទទួលបានពីការងារដែលយើងធ្វើ?

អង្គការពន្យារពេលកម្ពុជា
 ផ្ទះលេខ ៣ ផ្លូវលេខ ៣៩០ សង្កាត់បឹងកេងកង ៣ ខណ្ឌចំការមន,
 ទួលគោក ១២៣០៤, រាជធានីភ្នំពេញ ព្រះរាជាណាចក្រកម្ពុជា
 ទូរស័ព្ទ: ០២៣ ២១៤ ៤៣០ តេឡិក្រាម: www.ticambodia.org



FINDINGS ON BUDGET TRANSPARENCY AND ACCOUNTABILITY AT COMMUNE/SANGKAT LEVEL

This chapter addresses budget accountability and transparency at the Commune/Sangkat level and is divided into six parts. The first of these, Part 4.1. addresses general understanding of the Commune/Sangkat level budget process. Secondly, Part 4.2. presents data on Commune/Sangkat fund raising. Following this, Part 4.3. examines budget priorities and citizen participation in budget decisions. Part 4.4. explores revenue collection and expenditure at the Commune/Sangkat level whilst Part 4.5. afterwards considers issues of influence, responsiveness and accountability in these processes and decisions. Finally, Part 4.6. considers the overall levels of satisfaction with Commune/Sangkat budget processes and outcomes.

4.1. General Understanding of Commune/Sangkat Level Budget Process

Table 4.1. presents data on knowledge of Commune/Sangkat budget processes. First, it highlights the knowledge of the sample concerning who is mainly responsible for Commune/Sangkat budget preparation. The correct answer is the Commune/Sangkat chief. However, only a minority of the sample, 37.5%, were able to answer this question correctly. Similarly, only 22.7% of the sample were able to correctly identify the Commune/Sangkat Council as being responsible for reviewing and approving the Commune/Sangkat budget.

Table 4.1. Knowledge of Commune/Sangkat Budget Processes



(N = 1,596. Source: National survey data, 2017.)

As shown in Table 4.2., significant differences are apparent in the level of knowledge of Commune/Sangkat budget processes displayed by various socio-demographic groups. In particular, gender and age were key variables: 62.4% of women were unable to answer either of the above questions correctly, compared with only 53.6% of men, whilst only 15.7% of women were able to answer both questions correctly, compared with 20.8% of men. At the same time, younger respondents were also less knowledgeable about Commune/Sangkat budget processes: 66.8% of 18-27 year old respondents were unable to answer either question correctly, compared with only 52% of 58 + year olds.

Table 4.2. Knowledge of Commune/Sangkat Budget Processes by Socio-Demographic and Socio-Economic Group

	Number of correct answers given by respondents to the two questions listed in Table 4.1.		
	0	1	2
Gender			
• Female	62.4%	21.9%	15.7%
• Male	53.6%	25.6%	20.8%
Age in years			
• 18-27	66.8%	19.8%	13.4%
• 28-37	59.9%	22.2%	18.0%
• 38-47	57.0%	23.7%	19.2%

• 48-57	55.3%	24.3%	20.4%
• 58 +	52.0%	28.9%	19.0%
Educational level			
• No schooling	60.9%	22.9%	16.1%
• Incomplete primary	60.2%	23.0%	16.8%
• Complete primary	57.4%	24.1%	18.5%
• Complete lower secondary	58.5%	25.2%	16.3%
• Complete higher secondary	48.0%	25.0%	27.0%
• Post-secondary	38.8%	24.5%	36.7%
Household income category*			
• First quintile – lowest income	53.1%	27.4%	19.5%
• Second quintile	63.8%	20.3%	15.9%
• Third quintile	55.3%	24.9%	19.9%
• Fourth quintile	61.7%	23.5%	14.8%
• Fifth quintile – highest income	55.5%	22.9%	21.6%
Location			
• Urban	63.4%	21.3%	15.3%
• Rural	56.5%	24.4%	19.1%

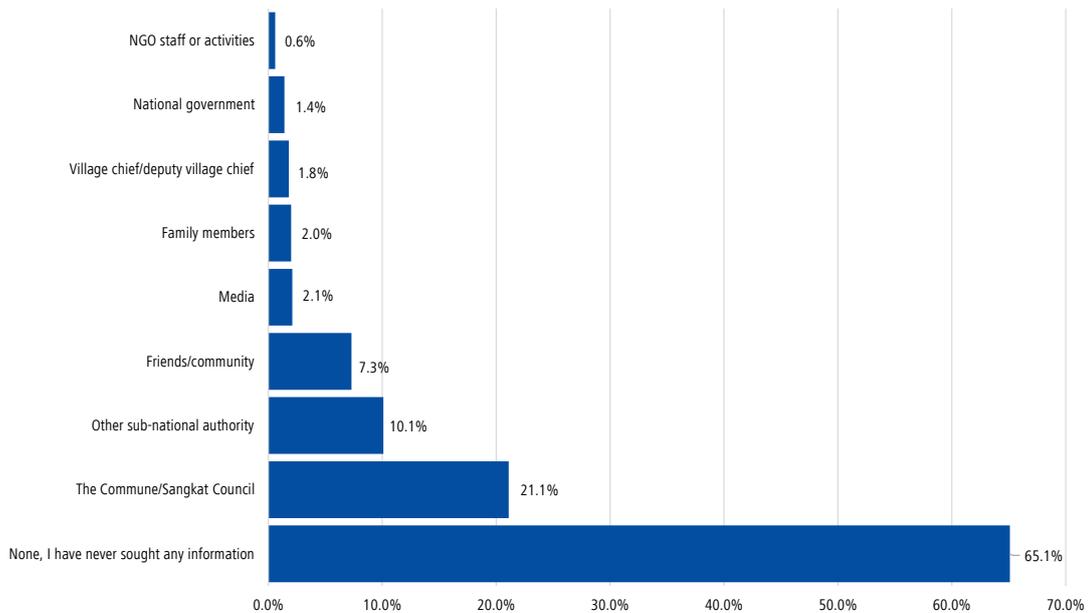
(N = 1,596, except *N = 1,591 since 5 respondents preferred not to give their household income.
Source: National survey data, 2017.)

Furthermore, Table 4.2. also shows socio-economic differences in knowledge. Unsurprisingly, education is a key variable, with 36.7% of post-secondary educated respondents being able to answer both questions correctly, whilst only 16.1% of those with no schooling were able to do so. However, income quintiles are not significant indicators of budgetary knowledge: differences between the lowest and highest income quintiles are too small to be reliable. Indeed, rural residence – negatively associated with wealth – is in fact positively associated with budgetary knowledge. 19.1% of rural residents were able to answer both questions correctly, compared with only 15.3% of urban residents.

Table 4.3. shows how lack of access to information is a key reason behind lack of knowledge about Commune/Sangkat budget processes. As it shows, almost two thirds of respondents – 65.1% – have never sought any information on these issues. Of those who do have access, the most common source is the Commune/Sangkat Council itself, which provides information to 21.1% of respondents, followed by other sub-national authorities, which provide information to 10.1% of people. Other official sources such as the village chief/deputy village chief (1.8%)

or the national government (1.4%) were less commonly used by the sampled population, leading informants to rely on informal sources such as friends/community (7.3%), media (2.1%) and family members (2%) for information. The least significant source of information was NGOs, which provided information to 0.6% of respondents.

Table 4.3. Past Access to Commune/Sangkat Budget Information

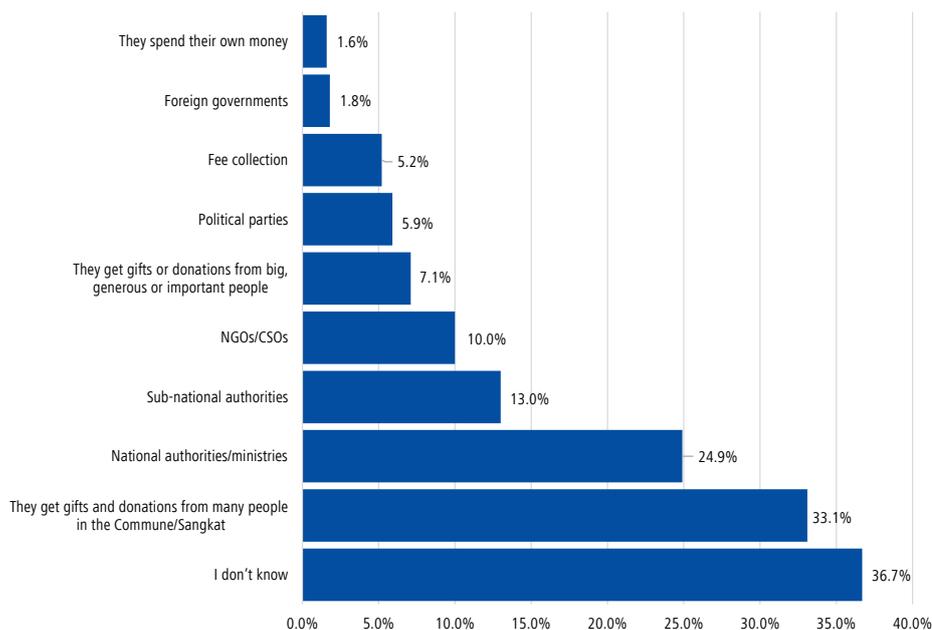


(N = 1,596. Answers may total more than 100% because multiple response was allowed.
Source: National survey data, 2017.)

4.2. Commune/Sangkat Council Fund Raising

As shown in Table 4.4., the generally low level of knowledge about Commune/Sangkat level budgeting is reflected in low levels of knowledge about Commune/Sangkat Council funding. Across the sample as a whole, 36.7% of people were unable to name any source of funding, whilst 33.1% believe that they are funded through gifts and donations from the inhabitants of the Commune/Sangkat. Only a relatively small proportion, 24.9%, identified that a portion of Commune/Sangkat Council funds come from the national government.

Table 4.4. Knowledge of Commune/Sangkat Budget Revenue Sources

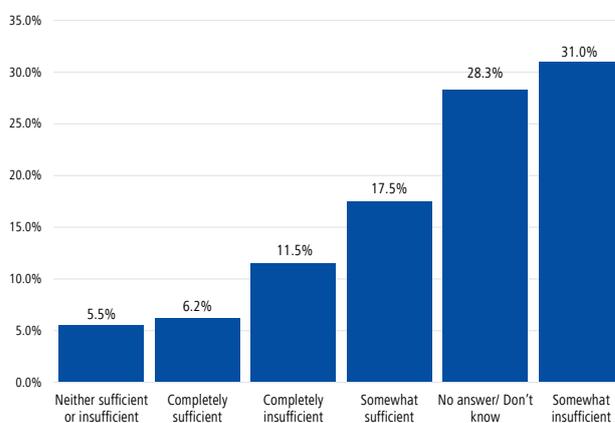


(N = 1,596. Answers may total more than 100% because multiple response was allowed. Source: National survey data, 2017.)

Respondents demonstrated in Table 4.5. somewhat more clarity with respect to the sufficiency of Commune/Sangkat Council budgets. The general lack of understanding of Commune/Sangkat level budget processes highlighted above, is also reflected in the table below, where over a quarter of respondents, 28.3%, were unable to give an opinion on the sufficiency of the Commune/Sangkat budget. Of those who felt able to comment, however, the largest group – at 31% – believed that these budgets were “somewhat insufficient”. Moreover, whilst only 11.5% saw Commune/Sangkat funding as “completely insufficient”, an even smaller percentage viewed it as “completely sufficient”.

Table 4.5. Attitudes on the Sufficiency of Commune/Sangkat Budget Revenues

Do you think the funds available to the Commune/Sangkat Council are sufficient to pay for necessary administration, development projects and services in your area?



(N = 1,596. Source: National survey data, 2017.)

Despite the lack of clarity exhibited in relation to the sources and sufficiency of Commune/Sangkat level funding, however, informants exhibited strong and coordinated opinions as to where additional funding should be sought. As shown in Table 4.6., two thirds of respondents, or 66.3%, believe that Commune/Sangkat Councils should obtain funds from the national government, compared with only 19.9% who think that further funds should be obtained by gifts or donations. Efficiency savings were also a common theme, with 21.9% of respondents stating that the Commune/Sangkat should cease using the funds to benefit themselves and 17.4% stating that the Commune/Sangkat should manage funds more effectively. Relatively few respondents, however, stated that additional funds should be raised by increasing the cost of services.

Table 4.6. Attitudes on Strategies for Improving the Sufficiency of Commune/Sangkat Budget Revenues

Strategies	
If less than completely sufficient, which of the following do you think is the best way to raise the additional funds needed?	
• The Commune/Sangkat should get more funds from national government	66.3%
• The Commune/Sangkat should get more funds from NGOs	27.5%
• The Commune/Sangkat should not use the funds to benefit themselves	21.9%
• The Commune/Sangkat should raise money from the community through gifts or donations	19.9%
• The Commune/Sangkat should manage the funds more effectively	17.4%
• The Commune/Sangkat should find less expensive ways to provide services or projects	11.8%
• The Commune/Sangkat should reduce the number of services or projects it supports	8.3%
• The Commune/Sangkat should charge the community more when they use services	3.7%

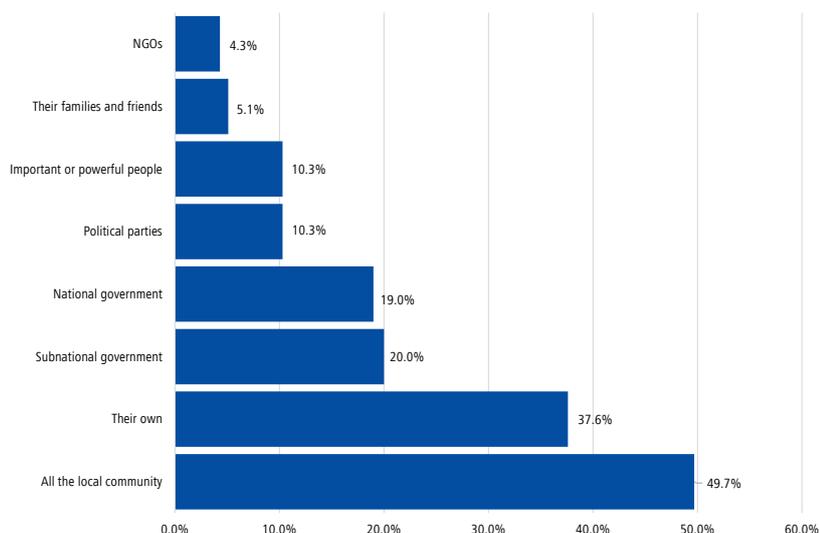
(N = 1,596. Answers may total more than 100% because multiple response was allowed. Source: National survey data, 2017.)

4.3. Budget Priorities and Citizen Participation in Budget Decisions

Table 4.7. highlights the perceived priorities of the Commune/Sangkat with respect to budget distribution. Whilst it shows that almost half of respondents believe that the Commune/Sangkat takes into account all of the community’s commune opinions in their budgetary decision making, it also highlights a high proportion of respondents, 37.6%, who believe that the opinions and priorities of the Commune/Sangkat Council itself are key. Notably, the national (19%) and sub-national (20%) government were mentioned by relatively few respondents as key influences, whilst political parties (10.3%) and “important or powerful people” (10.3%) were each mentioned by around one in ten respondents.

Table 4.7. Attitudes on Commune/Sangkat Responsiveness in National Budget Distribution

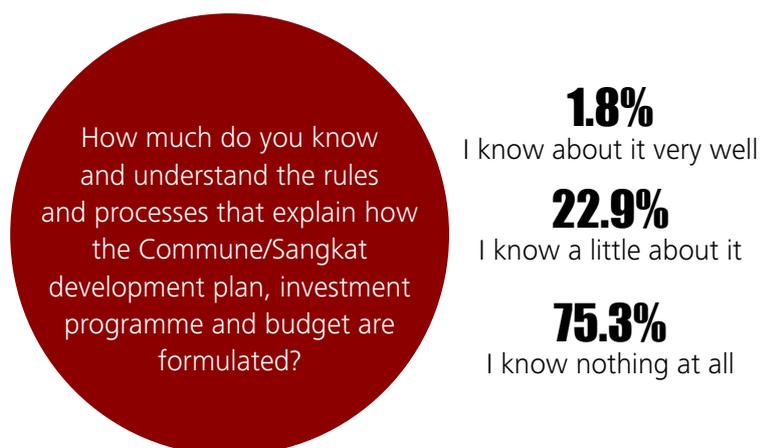
Whose opinions and priorities have strong influence on the Commune/Sangkat’s decision on how to spend the budget?



(N = 1,596. Answers may total more than 100% because multiple response was allowed. Source: National survey data, 2017.)

Table 4.8. demonstrates a lack of clear understanding about the linkages between the national and sub-national government which is reflected also in public understanding of the Commune/Sangkat development plan, investment programme and budget. As shown in Table 4.8, very few respondents displayed a confident knowledge of the rule and processes that govern this plan (for an overview of these, see section 2, policy context), with only 1.8% of the sample stating that they know it “very well”. A somewhat larger proportion, 22.9%, stated that they know a little about the plan. However, the largest percentage stated that they “know nothing at all” on the subject.

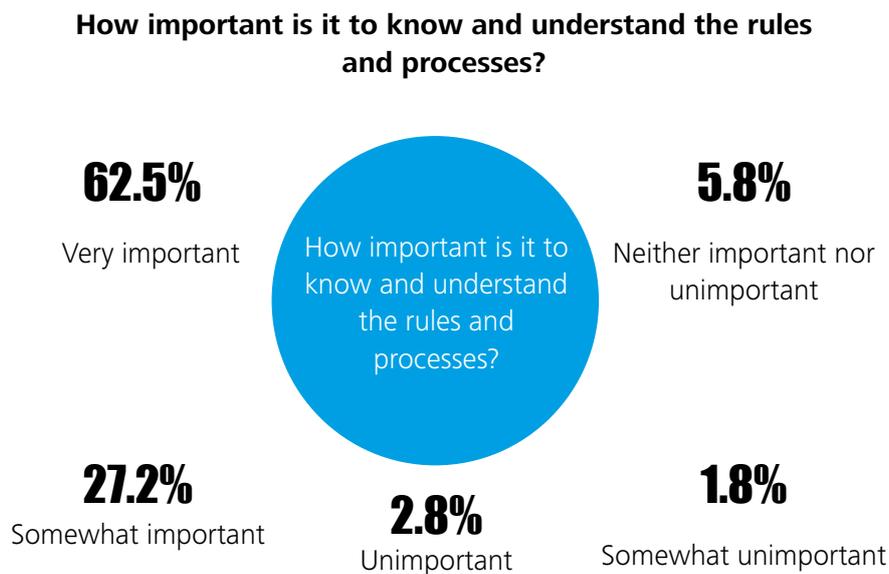
Table 4.8. Knowledge about Commune/Sangkat Development Plan, Investment Programme and Budget



(N = 1,596. Source: National survey data, 2017.)

The low level of public understanding in relation to the development plan highlighted in table 4.8. is emphasised by the data in Table 4.9., which shows the importance of this sort of understanding to the public. As the data here show, 62.5% of the sample believe that understanding these rules and processes is “very important”, whilst a further 27.2% see them as “somewhat important”. By contrast, only 1.8% of sample believed this knowledge to be “somewhat unimportant” and a further 2.8% simply “unimportant”.

Table 4.9. Attitudes on the Importance of Public Knowledge about Commune/Sangkat Development Plan, Investment Programme and Budget



(N = 1,596. Source: National survey data, 2017.)

Despite the large proportion of respondents who view knowledge of the Commune/Sangkat investment programme as important, the data in Table 4.10 indicate that a significant minority of people are unaware of their right to access information relation to this process. Crucially, moreover, public awareness of the right to participation varies according to the specific roles involved. Whilst 85.1% of respondents are aware of their right to participate in yearly village meetings to discuss the commune development plan, for example, only 72.3% are aware of their right to view and comment on the budget plan before it is adopted. Beyond this, only 62.2% are aware of their right to participate in Commune/Sangkat Council meetings and just over half – 50.6% – are aware of their right to view a full written record of funds that the Commune/Sangkat Council obtains, manages and spends.

Table 4.10. Knowledge of Public Right to Participate in Commune/Sangkat Budget Processes

Rights	Yes, participant aware of the right	No, participant unaware or unsure of the right
Do you know if all members of the community including you have right to participate in the following processes:		
• Public meeting that is held every year in your village to discuss about Commune/Sangkat development plan, investment programme or budget	85.1%	14.9%
• View and comment on the budget plan before it is adopted	72.3%	27.7%
• Participate in Commune/Sangkat Council meetings, especially when Commune/Sangkat Council reviews and adopts the budget	62.2%	37.8%
• View a full written record of funds that the Commune/Sangkat Council obtains, manages and spends	50.6%	49.4%

N = 1,596. Source: National survey data, 2017.)

Moreover, public understanding of the right to participation in Commune/Sangkat level budgeting processes varies considerably according to socio-demographic and socio-economic group as Table 4.11. shows. Gender, in particular, is key: men (12.7%) are less likely than women (14.3%) to know none of their rights relevant to Commune/Sangkat level budgeting, as well as more likely to know 3-4 of their rights (66% for men against 60.3% for women). Similarly, people aged 18-27 (17.4%) are more likely than people aged 58+ (10.3%) to know none of their rights and less likely to know 3-4 of their rights (56.5%).

Furthermore, socio-economic indicators are a strong indicator of knowledge about the right to participate in Commune/Sangkat level meetings. Of those with no schooling, 16.1% of people were unable to name any of their rights of participation in budgeting processes, whereas only 4.1% of those with post-secondary education were unable to do so. However, income was not a significant factor. 62.3% of those in the lowest income quintile were able to name 3-4 of their rights to participate in budgeting processes, exactly the same figure as those who were able to do so in the highest income quintile. As with knowledge of budgeting more generally, rural inhabitants were more knowledgeable than urban inhabitants about their rights in relation to budget process participation: 64.3% of rural people could name 3-4 of their rights of budget participation, compared with only 59.1% of urban inhabitants.

Table 4.11. Knowledge of Public Right to Participate in Commune/Sangkat Budget Processes by Socio-Demographic and Socio-Economic Group

	Number of rights listed in Table 4.10. acknowledged by respondents		
	0	1-2	3-4
Gender			
• Female	14.3%	25.4%	60.3%
• Male	12.7%	21.3%	66.0%
Age in years			
• 18-27	17.4%	26.1%	56.5%
• 28-37	14.7%	21.7%	63.6%
• 38-47	11.3%	25.1%	63.6%
• 48-57	13.5%	21.2%	65.3%
• 58 +	10.3%	24.5%	65.2%
Educational level			
• No schooling	16.1%	30.2%	53.6%
• Incomplete primary	15.4%	21.4%	63.2%
• Complete primary	13.0%	21.0%	66.0%
• Complete lower secondary	12.1%	24.8%	63.1%
• Complete higher secondary	6.0%	28.0%	66.0%
• Post-secondary	4.1%	20.4%	75.5%
Household income category*			
• First quintile – lowest income	17.0%	20.8%	62.3%
• Second quintile	14.0%	20.3%	65.7%
• Third quintile	9.6%	24.0%	66.4%
• Fourth quintile	12.3%	28.4%	59.3%
• Fifth quintile – highest income	14.0%	23.6%	62.3%
Location			
• Urban	11.9%	29.0%	59.1%
• Rural	13.9%	21.8%	64.3%

(N = 1,596, except *N = 1,591 since 5 respondents preferred not to give their household income.

Source: National survey data, 2017.)

Low levels of knowledge about budgeting processes are also reflected in participation in the Commune/Sangkat budget process. As shown in Table 4.12., only 28.6% of those surveyed had ever participated in a public meeting to discuss the Commune/Sangkat development plan, investment programme and budget, whilst an even smaller percentage – 11.6% – had viewed and commented on a budget plan before it was adopted. Moreover, even smaller proportions had participated in Commune/Sangkat Council meetings (6.2%) and viewed full written records of the funds obtained, managed and spent by the Commune/Sangkat Council (1.9%).

Table 4.12. Past Exercise of Public Right to Participate in Commune/Sangkat Budget Processes

Rights	Yes, have participated	No, have never participated
Have you ever participated in the following process:		
• Public meeting that is held every year in your village to discuss about Commune/Sangkat development plan, investment programme or budget?	28.6%	71.4%
• View and comment on the budget plan before it is adopted	11.6%	88.4%
• Participate in Commune/Sangkat Council meeting, especially when Commune/Sangkat Council reviews and adopts the budget?	6.2%	93.8%
• View a full written record of funds that the Commune/Sangkat Council obtains, manages and spends?	1.9%	98.1%

(N = 1,596. Source: National survey data, 2017.)

Here, Table 4.13. illustrates that participation in Commune/Sangkat budget processes was less sensitive to socio-demographic factors than other dimensions of budgeting. Gender, for example, does not significantly affect the low end participation: 69.5% of women and 69.3% of men had never participated in any of the four parts of the budgeting process listed in table 4.12. It is, though, a more significant factor in the upper end of participation. Whilst only 3.8% of women had participated in 3-4 stages of the budgeting process, 5.9% of men had done so. Nevertheless, this is a far less significant relationship than is associated with age: 83.4% of 18-27 year olds have never participated in any part of the budgeting process, compared with only 59.3% of those aged 58+. Similarly, only 1.6% of 18-27 year olds had participated in 3-4 parts of the budgeting process, compared with 9.2% of people aged 58+.

Socio-economic factors were not significant in most cases. A higher proportion of those with post-secondary education (73.5%) had attended no budgeting meetings than those with no schooling (66.7%) and the number of those attending 3-4 meetings is similar amongst those with post-secondary education (4.1%) and those with no education (4.2%). Household income is also an inconclusive factor:

72.9% of those in the highest income category had never attended a budgeting meeting, compared with only 66.7% of those in the lowest income category. However, rural/urban geographical status does appear to have an influence. Rural people (68.2%) are less likely than urban people (73.9%) to participate in no budgeting meetings and more likely than urban people to have participated in 3-4 meetings (5.2% compared with 3.4%).

Table 4.13. Past Exercise of Public right to Participate in Commune/Sangkat Budget Processes by Socio-Demographic and Socio-Economic Group

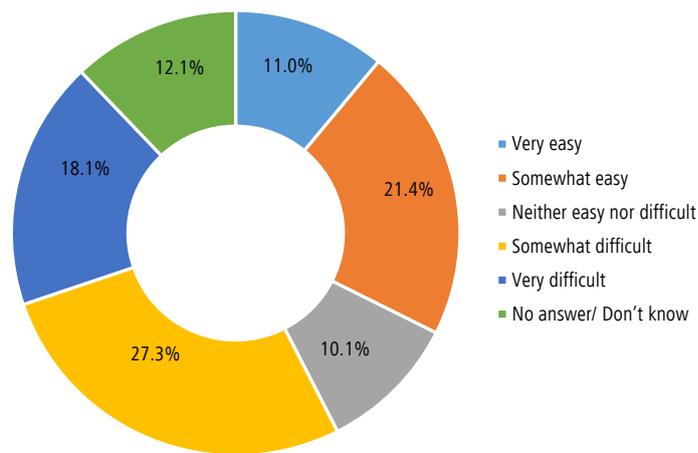
	Number of processes listed in Table 4.12. participated by respondents		
	0	1-2	3-4
Gender			
• Female	69.5%	26.7%	3.8%
• Male	69.3%	24.8%	5.9%
Age in years			
• 18-27	83.4%	15.0%	1.6%
• 28-37	73.6%	24.7%	1.7%
• 38-47	68.0%	28.9%	3.1%
• 48-57	64.0%	27.5%	8.5%
• 58 +	59.3%	31.5%	9.2%
Educational level			
• No schooling	66.7%	29.2%	4.2%
• Incomplete primary	68.6%	25.3%	6.2%
• Complete primary	68.2%	26.2%	5.6%
• Complete lower secondary	70.6%	27.7%	1.8%
• Complete higher secondary	79.0%	17.0%	4.0%
• Post-secondary	73.5%	22.4%	4.1%
Household income category*			
• First quintile – lowest income	66.7%	30.2%	3.1%
• Second quintile	76.2%	19.4%	4.4%
• Third quintile	63.5%	30.1%	6.4%
• Fourth quintile	68.2%	26.2%	5.6%
• Fifth quintile – highest income	72.9%	22.6%	4.5%
Location			
• Urban	73.9%	22.7%	3.4%
• Rural	68.2%	26.6%	5.2%

(N = 1,596, except *N = 1,591 since 5 respondents preferred not to give their household income. Source: National survey data, 2017.)

Given low levels of participation across the sample, participants were asked to assess the ease of participating in Commune/Sangkat budgeting processes. As shown in Table 4.14., responses were varied. However, more people replied both that it is “very difficult” (18.1%) or “somewhat difficult” (27.3%) than “very easy” (11%) or “somewhat easy” (21.4%) to participate, indicating that the majority of the sample faced difficulties of some sort in their attendance.

Table 4.14. Perceptions on Ability to Participate in Commune/Sangkat Budget Processes

Based on your experience or observation, how easy is it to participate in budget process at the Commune/Sangkat level in your community?



(N = 1,596. Source: National survey data, 2017.)

In order to generate better understanding of the barriers that inhibit participation in the Commune/Sangkat budget process, we asked the 1,420 people who did not indicate that participation was “very easy” what the main difficulties they found were. The most common reason, shown in Table 4.15, was “lack of time” (42.6%), followed by “not being invited or encouraged to participate” (32.8%), “not being allowed to participate” (19.4%), “not knowing when or how to participate” (13.0%), and “not knowing about their right to participate” (9.7%).

Table 4.15. Perceptions on Barriers to Participation in Commune/Sangkat Budget Process

Factors	
What makes you difficult or unable to participate in the process?	
• Lack of time	42.6%
• Not being invited or encouraged to participate	32.8%
• Not being allowed to participate	20.0%
• Not knowing when or how to participate	19.4%
• Not knowing about their right to participate	9.7%

(N = 1,420. Answers may total more than 100% because multiple response was allowed. Source: National survey data, 2017.)

Table 4.16 considers inclusivity of the Commune/Sangkat budget process, asking about the participation and therefore representation of different groups within the community in the budget process. Many respondents were confident that their people in their village were included in the process, with 57.9% answering that some people in their village had participated before. However, participation was divided between more and less advantaged groups. As Table 4.18 shows, 53.8% of respondents reported that “big powerful or important people” in the community participated in the Commune/Sangkat budget process, compared with 28.3% of people reporting that poor households participated. Similarly, 32.8% of respondents reported that “older people” participated, compared with 18.3% and 3.4% of respondents reporting that “youth” and “children” participated, respectively. Further, the participation of disabled members of the community was noted to be low, with only 14.3% of respondents reporting disabled people had taken part in Commune/Sangkat budget processes.

Table 4.16. Perceptions on Participation of Different Groups in Commune/Sangkat Budget Process

	Identified as participants
Could you please tell me if the following groups have ever participated in the budget process?	
• People in your village	57.9%
• Big, important or powerful people in the community	53.8%
• Friends or family of Commune/Sangkat council	35.8%
• Women	34.4%
• Older people	32.8%
• Your family	28.4%
• Poor households	28.3%
• You	24.7%
• Youth	18.3%
• Disabled people	14.3%
• Children	3.4%

(N = 1,420. Answers may total more than 100% because multiple response was allowed.
Source: National survey data, 2017.)

4.4. Budget Allocation and Expenditure

The lack of inclusivity highlighted in Tables 4.12., 4.13., 4.14, and 4.16. is not only an obstacle to attendance but also affects knowledge and perceptions of Commune/Sangkat budget allocation and expenditure. As Table 4.17. shows, many respondents were aware of their Commune/Sangkat investing public funds in physical infrastructure, particularly road building. However, fewer were able to identify social service expenditure by Commune/Sangkat Councils. This may reflect generally lower levels of social service expenditure by commune councils relative to allocations for physical infrastructure. Nonetheless, social service expenditures are likely broader in extent than recognised in the sample, suggesting limited knowledge among participants. Expenditure on administrative costs, including salaries, was another area of spending under acknowledged by respondents.

Table 4.17.
Perceptions of
Commune/Sangkat
Budget Expenditure

According to what you know, what sectors did the Commune/Sangkat Council spend most of its funds on in the past year?		% Respondents
Roads		67.4%
No answer given/ don't know		25.3%
Relief for poor/disaster etc		8.6%
Dams/canals		8.1%
Wells, ponds, concrete drainage		8.0%
Schools/education		4.2%
Bridges		3.7%
Agricultural development		3.3%
Pagoda		2.2%
DLatrines/toilets		1.4%
Salaries and other administration costs		1.3%
Hospitals or health		1.1%
Ceremonial halls/commune office buildings		0.9%

(N = 1596. Answers may total more than 100% because multiple response was allowed.)

Source: National survey data, 2017.)

Further, in terms of perceptions of the Commune/Sangkat budget allocation as shown in Table 4.18., a significant majority of respondents believed that they and their family benefited the same as other people. However, there were noted differences in the way certain other groups were perceived to benefit from the budget. Whilst only 16.9% of the sample stated that they believed vulnerable people benefitted most from Commune/Sangkat budget allocation, a significantly higher proportion – 23.6% – believed that Commune/Sangkat chiefs and councillors benefitted more than average from the Commune/Sangkat budget. Furthermore, 18.3% of the sample believed that the friends and family of Commune/Sangkat chiefs or councillors and other big, important or powerful people in the community were amongst the most to benefit.

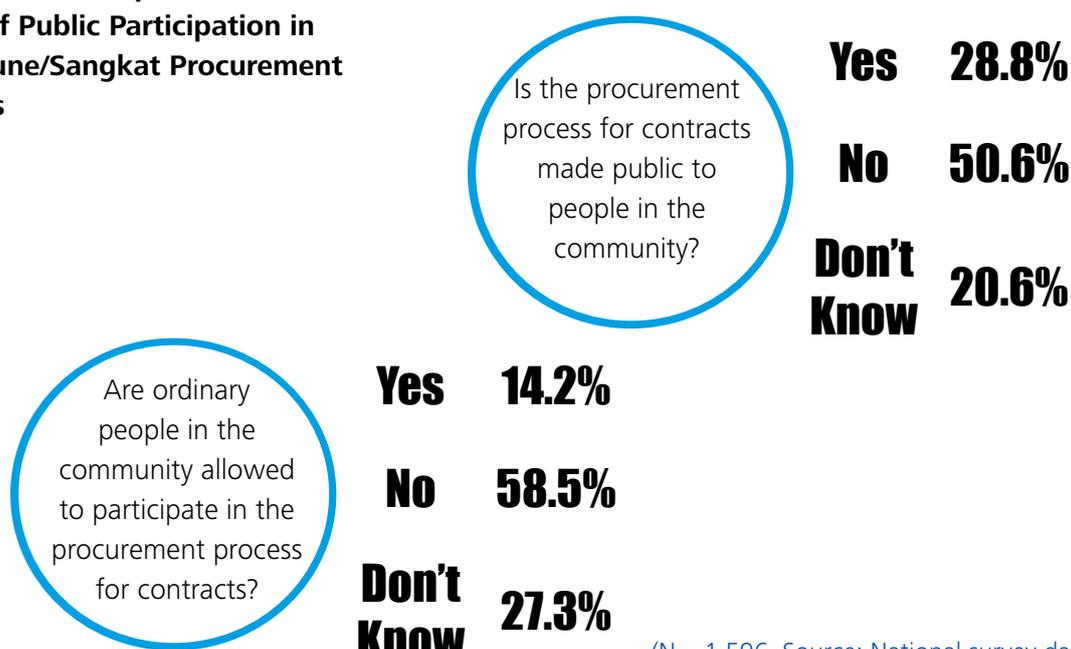
Table 4.18. Perceptions on Inclusivity and Responsiveness in Commune/Sangkat Budget Allocation

Compared to the rest of your community can you tell me how the following people or groups benefit from Commune/Sangkat spending?	They benefit more than most people	They benefit the same as most people	They benefit less than most people	No answer/ Don't know
You and your family	1.6%	81.8%	13.5%	3.1%
People in your village	2.4%	84.3%	7.3%	5.9%
Commune/Sangkat chief and councillors	23.6%	50.0%	1.8%	24.7%
Friends and family of Commune/Sangkat Councillors, or other big, important or powerful people in the community	18.3%	54.2%	1.6%	25.9%
Vulnerable people	16.9%	60.8%	10.2%	12.2%

(N = 1,596. Source: National survey data, 2017.)

Respondents also felt excluded from decisions related to the procurement process. As shown in table 4.19., only 28.8% of the sample stated that believed procurement for contracts was made public to people in the community, whilst over half of people (50.6%) stated that the process is not made public. Moreover, an even stronger trend was visible in relation to participation in the procurement process. Only 14.2% of the sample stated that they were able to participate in the procurement process, whilst 58.5% stated directly that they are unable to take part in the procurement process.

Table 4.19. Perceptions on Level of Public Participation in Commune/Sangkat Procurement Process



(N = 1,596. Source: National survey data, 2017.)

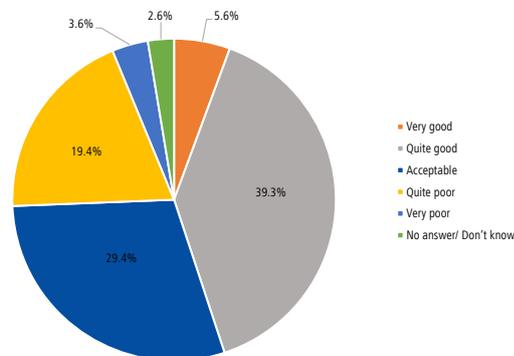
Following this, respondents we asked what factors they felt were most important to the Commune/Sangkat Council when choosing contractors to build infrastructure projects or provide services. More respondents believed that skills (42.7%), experience (29.8%) and price (28.6%) were more important than local (5.9%) or family connections (5.8%) to providers.

Despite this, there are nevertheless evident concerns about the quality and value-for-money of Commune/Sangkat services and projects as further exemplified in Table 4.20. Only 5.6% of the sample stated that they believed the overall quality of services and projects was “very good”. Although the majority of people assessed these services and projects as “quite good” (39.3%) or “acceptable” (29.4%), almost a quarter of respondents stated that they felt them to be “quite poor” (19.4%) or “very poor” (3.6%).

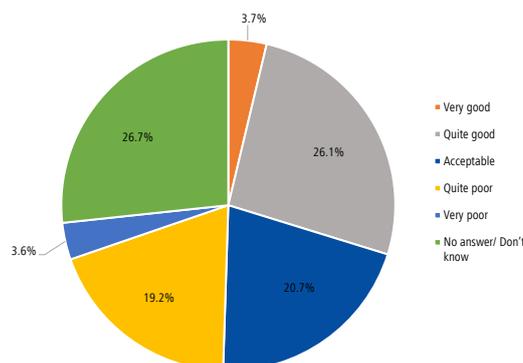
Similarly, the overall value-for-money of these projects and services was assessed as “very good” in only 3.7% of cases and “quite good” in just over a quarter of cases (26.1%). Roughly the same proportion of people stated that value for money is “quite poor” (20.7%) as deemed it “acceptable” (19.2%) and a further 3.6% believed it to be “very poor”. In contrast to assessments of the quality of services, the largest proportion of people “do not know” (26.7%) about the value for money obtained, reflecting low levels of knowledge and participation in budgeting processes.

Table 4.20. Perceptions of the Quality and Value-for-Money of Commune/Sangkat Services and Projects

How would you assess the overall quality of the services or projects that the Commune/Sangkat Council provides or implements?



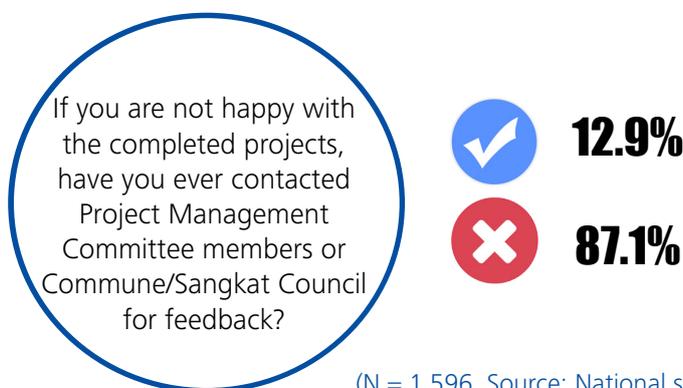
How would you assess the overall value-for-money of the services or projects that the Commune/Sangkat Council provides or implements?



(N = 1,596. Source: National survey data, 2017.)

Nonetheless, though there is concern about quality and value-for-money of projects and services, the data show that only a small proportion of people seek redress as a result. As Table 4.21. shows, 87.1% of the sample have never sought to contact a member of the Project Management Committee to request feedback on projects and services, whilst only 12.9% have done so.

Table 4.21. Past Attempts Seek Redress on Commune/Sangkat Process, Procurement, Services and Projects



This lack of engagement in the process of feedback following the provision of projects and services by the Commune/Sangkat exists despite a strong consensus that greater public engagement would be beneficial to the Commune/Sangkat and its inhabitants. As shown in Table 4.22, 86.5% of respondents believe that the Commune/Sangkat budget would better address the real needs of the local area if citizens could participate more in budget processes. Moreover, an even higher proportion of people, 91.1%, believe that the quality of services or projects would be improved if citizens could participate more in budget process.

Table 4.22. Attitudes on Citizen Participation in Commune/Sangkat Budget Processes

	Yes	No	Don't know
Would the Commune/Sangkat budget better address the real needs of the local area if citizens could participate more in budget processes?	86.5%	7.8%	5.6%
Would the quality of services or projects be improved if citizens could participate more in budget process?	91.1%	4.8%	4.1%

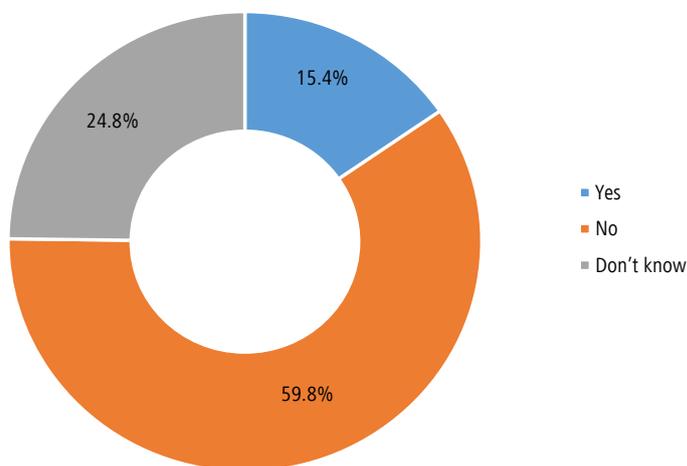
(N = 1,596. Source: National survey data, 2017.)

4.5. Budget Reporting and Evaluation

A key issue in relation to public engagement with the process of budgeting is the lack of transparency exhibited by Commune/Sangkat Councils in budget reporting. Indeed, as stated in Table 4.23., only 15.4% of the sample stated that their Commune/Sangkat Council makes a full record of the funds it obtains, manages and spends available for members of the public to view. By contrast, over half of the sample – 59.8% – stated that their Commune/Sangkat Council did not make these records available and a further 24.8% did not know whether they are made available or not.

Table 4.23. Knowledge of Commune/Sangkat Budget Reporting

Do you know if your Commune/Sangkat Council make a full record of the funds it obtains, manages and spends available for members of the public to view?



(N = 1,596. Source: National survey data, 2017.)

A key issue underpinning poor dissemination of Commune/Sangkat Council budgeting reports is the lack of action taken by Commune/Sangkat Councils to inform the public about where to access this information. As shown in Table 4.24., less than a tenth of the sample – 9.8% – had ever received information from the Commune/Sangkat authority about where to locate information about the budget. As a result, the same table shows, very few people had ever attempted to view this information: only 3.5% of the surveyed population have done so.

Of those 56 respondents who attempted to obtain information on the Commune/Sangkat budget, the most common ways were by reading a noticeboard at the Commune/Sangkat office (55.4%), speaking or writing to a Commune/Sangkat or village official (21.4%), hearing about it at a Commune/Sangkat meeting (17.9%) or asking in person at the commune office (10.7%). Respondents were divided on the success of these strategies to obtain access to information, with a significant minority (41.1%) reporting that they were not able to view the documents they sought. The more common reasons for this were cited as being told they did not have the right to view this document (34.8%), being told the document was not ready to view (30.4%), that no document was made (17.4%) or that the document was lost or otherwise unavailable (13.0%). More positively, however, for the just over half (58.9%) of respondents who were successful in their attempts to view budget documents, most (75.8%) reported that the information they found was clear and easy to understand.

Table 4.24. Past Access to Commune/Sangkat Budget Reporting

	Yes	No
Have you ever received any information from the Commune/Sangkat authority about the dissemination of the record?	9.8%	90.2%
Have you ever tried to view this document?	3.5%	96.5%

(N = 1,596. Source: National survey data, 2017.)

By contrast, Table 4.25. highlights the reasons why, people who have never attempted to view the Commune/Sangkat report, did not do so. The results show that the largest percentage of people (30.7%) stated that they did not have time to view the Commune/Sangkat budget report. However, the remainder of the responses indicate a widespread misconception that the Commune/Sangkat budget report is not relevant or accessible to the general population. Indeed, the majority of the surveyed population gave answers along these lines, with 22.9% stating that the report is “not relevant to me”, 18.7% stating that “I not know I had the right to view it”, 17% stating that “I am not allowed to view it”, 14.5% stating that “I feel that it is not important”, 14.4% stating that “I am not informed/invited to view it” and 13.7% stating that “I don’t know where, when, or how to view it”.

Table 4.25. Barriers to Access to Commune/Sangkat Budget Reporting

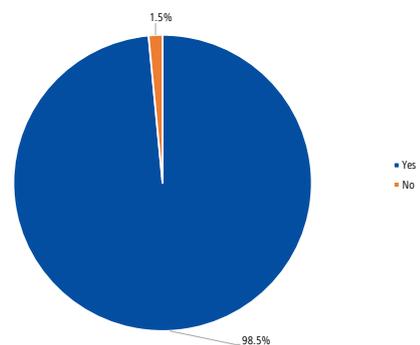
	Factors
If you have never attempted to view the Commune/Sangkat budget report, what prevents you from attempting to view this document?	
• I don’t have time to view it	30.7%
• It’s others business not relevant to me	22.9%
• I don’t know that I have the right to view it	18.7%
• I am not allowed to view it	17.0%
• I feel that it is not important	14.5%
• I am not informed/invited to view i	14.4%
• I don’t know where, when or how to view it	13.7%
• I am illiterate	2.3%
• I am fearful	0.6%

(N = 1,540. Answers may total more than 100% because multiple response was allowed. Source: National survey data, 2017.)

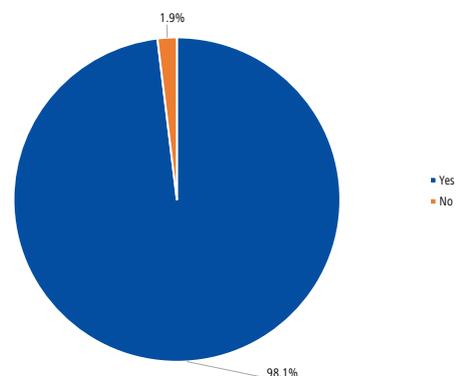
In alignment with prevalent attitudes at the national level, Table 4.26. illustrates a strong consensus that the general public should have improved access to transparent, timely and clear budget information at the sub-national level. 98.5% of respondents agreed that the Commune/Sangkat budget information should be made more accessible and easy to understand for the general public, with only 1.5% of respondents disagreeing here. Similarly, 98.1% of respondents agreed that Commune/Sangkat budget information should be made available to the general public in a timely manner, with only 1.9% of respondents disagreeing.

Table 4.26. Attitudes on Provision of Transparent, Timely and Sufficient Commune/Sangkat Budget Information

Should Commune/Sangkat budget information be made more accessible and easy to understand for the general public?



Should Commune/Sangkat budget information be made available to the general public in a timely manner?



(N = 1,596. Source: National survey data, 2017.)

4.6. Overall Satisfaction and Avenues for Redress

As shown in Table 4.27., the factors highlighted in the previous Parts are reflected in perceptions of the Commune/Sangkat budget process. For example, whilst the largest proportion of the surveyed population “somewhat agree” that the Commune/Sangkat budgeting process is fair and transparent (26.8%), a similar number (22.6%) strongly disagree with this statement and a further 19% somewhat disagree. The statement “the Commune/Sangkat funds and spending

make a difference to the lives of people like me” received a more positive response, with 42.6% of the sample stating that they “somewhat agree” and only 18% stating that they “strongly disagree”.

However, perceptions of accountability are somewhat less problematic. Whilst only 11.2% of the sample strongly agreed that “the Commune/Sangkat Council are readily accountable to the community for budget decisions and actions”, 33.1% “somewhat agreed” with the statement, compared with only 12% who “somewhat disagreed” and 8.8% who “strongly disagreed”. Probing deeper, however, revealed underlying doubts about this accountability: 30.8% of the sample “strongly disagreed” that they are able to hold Commune/Sangkat Councils to account for their budgetary management.

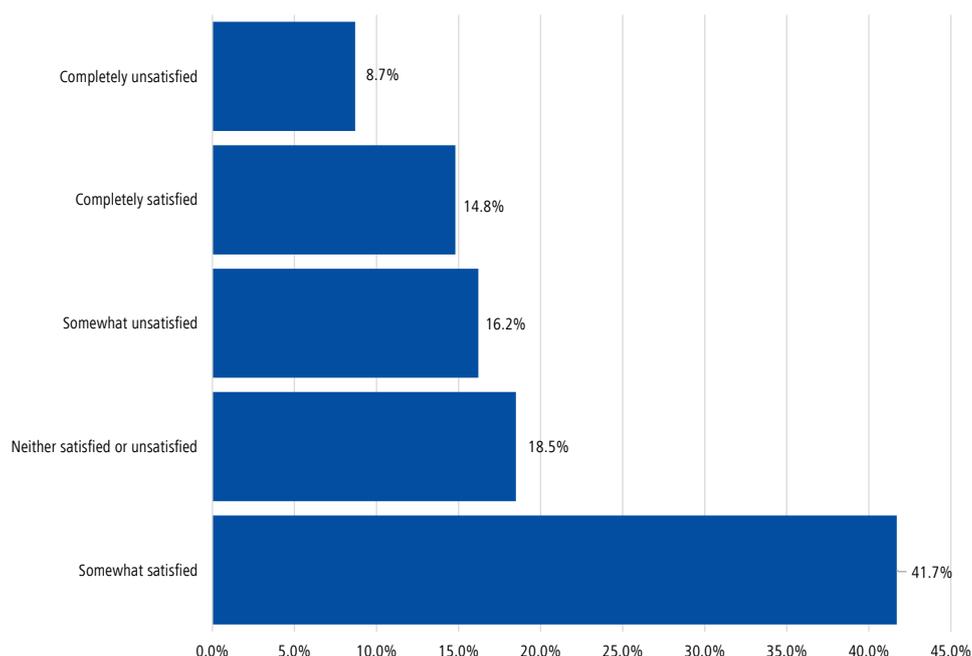
Table 4.27. Perceptions of Commune/Sangkat Budget Impact and Administration

	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Factors
The Commune/Sangkat budget process is fair and transparent.	10.0%	26.8%	7.8%	19.0%	22.6%	13.8%
The Commune/Sangkat funds and spending make a difference to the lives of people like me.	11.0%	42.6%	9.6%	14.5%	18.0%	4.3%
The Commune/Sangkat Council are readily accountable to the community for budget decisions and actions.	11.2%	33.1%	9.8%	12.0%	8.8%	25.1%
I believe that, as a citizen, I am able to hold the Commune/Sangkat Council account if public funds are misused.	12.2%	25.3%	7.1%	12.8%	30.8%	11.8%

(N = 1,596. Source: National survey data, 2017.)

Despite these doubts over accountability, however, Table 4.28. illustrates that overall satisfaction with the Commune/Sangkat budgeting process reflected broad satisfaction. Whilst only 14.8% of the sample stated that they were “completely satisfied”, a further 41.7% stated that they were “somewhat satisfied”. By contrast, only 8.7% stated that they were “completely dissatisfied” and only 16.2% that they were “somewhat dissatisfied”.

Table 4.28. Overall Satisfaction with Commune/Sangkat Budget Process



(N = 1,596. Source: National survey data, 2017.)

Nevertheless, as Table 4.29. illustrates, satisfaction is not uniformly distributed across socio-economic and socio-demographic groups. Whilst gender does not appear to be a significant determinant of satisfaction, age has a substantial impact. Whilst only 11.5% of 18-27 year olds are “completely satisfied” with the way that the Commune/Sangkat Council manages the revenues and distribution of Commune/Sangkat funds, 19% of those aged 58+ expressed “complete satisfaction”. Nevertheless, this trend does not hold with all levels of satisfaction. A smaller proportion of 18-27 year olds (6.3%) than 58+ year olds (10.3%) are “completely dissatisfied” with Commune/Sangkat budgetary management. Overall, this suggests that younger people have less strong opinions on the subject, with the largest and second largest portions of these groups declaring themselves “somewhat satisfied” (46.6%) and “neither satisfied nor unsatisfied” (19.8%).

Of the remaining socio-economic and socio-demographic factors, the majority are not significant determinants of satisfaction over Commune/Sangkat budgetary processes. However, whilst neither income quintile, nor rural/ urban residence has a significant effect, education level is a significant determinant of whether or not respondents are “completely satisfied”. A significantly higher percentage of those with no schooling (20.3%) expressed complete satisfaction than those with post-secondary education (4.1%).

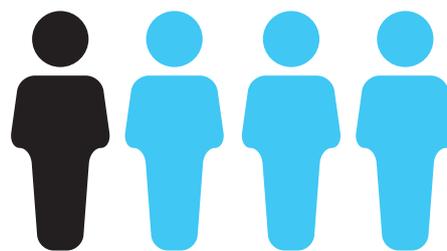
Table 4.29. Overall Satisfaction with Commune/Sangkat Budget Process by Socio-Demographic and Socio-Economic Group

Overall, how satisfied are you with the way that the Commune/Sangkat Council manages the revenues and distribution of Commune/Sangkat funds?	Completely satisfied	Somewhat satisfied	Neither satisfied or unsatisfied	Somewhat unsatisfied	Completely unsatisfied
Gender					
• Female	16.3%	42.7%	17.9%	14.7%	8.4%
• Male	13.3%	40.7%	19.2%	17.8%	9.0%
Age in years					
• 18-27	11.5%	46.6%	19.8%	15.8%	6.3%
• 28-37	12.5%	39.9%	20.9%	19.7%	7.0%
• 38-47	12.0%	40.5%	17.5%	18.6%	11.3%
• 48-57	18.5%	40.7%	18.5%	13.2%	9.0%
• 58 +	19.0%	42.5%	15.0%	13.2%	10.3%
Educational level					
• No schooling	20.3%	39.1%	15.6%	16.1%	8.9%
• Incomplete primary	15.7%	43.1%	18.0%	15.9%	7.2%
• Complete primary	15.7%	42.3%	18.2%	16.0%	7.7%
• Complete lower secondary	10.6%	40.1%	19.9%	16.0%	13.5%
• Complete higher secondary	12.0%	38.0%	21.0%	21.0%	8.0%
• Post-secondary	4.1%	46.9%	26.5%	14.3%	8.2%
Household income category*					
• First quintile – lowest income	15.7%	45.3%	14.5%	15.4%	9.1%
• Second quintile	14.9%	40.6%	21.6%	15.6%	7.3%
• Third quintile	15.5%	44.2%	17.0%	14.3%	9.1%
• Fourth quintile	14.2%	38.0%	19.1%	20.7%	8.0%
• Fifth quintile – highest income	13.4%	40.8%	21.2%	14.7%	9.9%
Location					
• Urban	13.9%	42.0%	19.0%	15.6%	9.4%
• Rural	15.0%	41.6%	18.4%	16.4%	8.5%

(N = 1,596, except *N = 1,591 since 5 respondents preferred not to give their household income. Source: National survey data, 2017.)

The 1,360 respondents who were less than completely satisfied with the way the Commune/Sangkat manages funds, were asked to specify additionally what ways they had tried to raise their concerns over the last 12 months. However, the vast majority, 88.2%, had not tried to raise any concerns in this period. The most common ways of raising concerns highlighted by respondents were speaking to or writing to sub-national officials (5.7%), talking with family or neighbours (2.7%), and speaking to or writing to wealthy or important people in the community or elsewhere (1.5%).





CONCLUSIONS AND RECOMMENDATIONS

Overall, the finding of this report is that understanding of public budgeting in Cambodia is low. Knowledge of revenue sources, budgeting processes and government spending is extremely limited at both the local and national level. Furthermore, exercise of the right to participate in and access information related to budgeting and finance is also low, despite regulatory frameworks which should facilitate this in principle. Nevertheless, it is important to recognise a distinction between knowledge and participation at the local level – where people are more often aware of budgeting processes and those responsible for them – and the national level, where very few people have any knowledge of process and practice. Understanding this distinction is key to enacting long term and effective change.

Increasing levels of budget transparency and accountability requires a coordinated response. The following are recommendations and suggested further actions for the RGC, Commune/Sangkat Councils, civil society and citizens.

5.1. Conclusions and Recommendations to Improve National Budget Transparency and Accountability

5.1.1. Address low level of knowledge about budgets and increase low levels of participation in budget processes

Public understanding of budgetary processes at the national level is generally very low. Only 0.3% of the sampled population were able to correctly identify the size of the national budget. Furthermore, the percentage of respondents able to identify the institutions responsible for the drafting of the budget was 5% or less. The national government should therefore make greater efforts to inform the public about national budgeting processes. Improving public knowledge in this way will not only generate a greater sense of ownership concerning budgeting in general, but is also required as a means to achieve the remainder of the recommendations outlined in this report.

To address this, we endorse the overall objectives and activities put forward by the OBS 2017. The RGC, working with the support of civil society organisations and the participation of citizens, should prioritise the following actions to improve public knowledge, understanding, and participation in its budgeting processes:

- Pilot mechanisms for members of the public and government officials to exchange views on national budget matters during the formulation of the budget. These mechanisms could build on innovations, such as participatory budgeting. For examples of such mechanisms, see www.fiscaltransparency.net/mechanisms/. (OBS 2017)
- Hold legislative hearings on the formulation of the annual budget, during which members of the public or civil society organisations can testify. (OBS 2017)
- In accordance with the commitment in rectangular strategy point 3.4 to ‘strengthen internal and external audit on expenditure’ it is recommended that the RGC establish formal mechanisms for the public to assist the supreme audit institution in formulating its audit programme and to participate in relevant audit investigations. (OBS 2017)

5.1.2. Enhance inclusivity of budget processes and allocations, especially for women

Although public understanding of the budget is generally low, women’s knowledge of the national budget is consistently below average. Only 2.1% of women were able to answer at least one question about the national budget correctly, compared to 11.5% of men. Women’s low level of knowledge is a trend which is apparent in all aspects of budgeting and is likely to be due to structural factors that the national government can rectify with greater public outreach. This must be a key target for government policy in relation to future budget dissemination.

In accordance with Rectangular Strategy point 2.257: Women in Public Administration, and 2.258: Women in Leadership at the Sub-national level, the RGC, working with the support of civil society organisations and the participation of citizens, should prioritise the following actions to improve inclusivity in its budget process:

- Commission research to better understand the specific challenges that create the under-representation of certain groups including women, poor households, disabled people and youth in national level budget processes. The research should further examine the consequences that this lack of representation has on the equity of budget allocations and the impacts on the specific groups in question. This research can be used to provide tailored, evidence-based recommendations for improving participation of different groups.
- Mainstream measures focusing on enhancing, in particular, the participation of disadvantaged and/or under-represented groups, such as poor households, women, youth, disabled people by creating an enabling environment for their participation into the pilot mechanisms recommended in 5.1.1.

5.1.3. Provide better access to timely and clear budget information

Although public understanding of national budgeting is low, accessibility of relevant information in relation to the national budget is an even greater cause for concern. Only 0.1% of the sample population had ever seen a government document concerning the budget and – relatedly – only 1.1% had ever attempted to view budgetary documents. Given, furthermore, that 63.4% of respondents indicated that access to budgetary information is “very important”, the national government must increase budgetary accessibility in order to satisfy high levels of public interest in national scale finances. Merely publishing information is not enough, however. The national government must also consider how this information is presented and how it is distributed and spread, to ensure a wide reach and accessibility of the information.

In order to create the conditions for Phases II, III and IV of the government’s rectangular strategy (‘Increasing Financial Accountability’; ‘Increasing the Linkage of Budget with Policies’; and ‘Increasing Deliverable Accountability’ respectively), we again endorse the overall objectives and activities put forward by the OBS 2017. The RGC should prioritise the following actions to provide better access to timely and clear budget information:

- Publish the Executive’s Budget Proposal online and the Year-End Report online in a timely manner. (OBS 2017)
- Expand the coverage of the Audit Report to include all government expenditures, including extra-budgetary funds. (OBS 2017)
- Include contact information for the Ministry of Finance as part of the Citizens Budget. (OBS 2017)
- Provide better citizen access to budget information in a less technical format through a series of publications, communication materials, social media, forums and other means.

5.1.4. Increase Understanding of Revenues and Taxation

A key obstacle to the national government’s obligations to budgetary transparency is the low level of public understanding of government revenues and taxation. As the survey shows, foreign aid is still the best known source of revenue and 81% of people are unaware of their own tax obligations. Clearly, this constitutes an issue not only in terms of transparency and accountability but also in relation to government efforts at revenue collection. Greater efforts to improve public understanding of taxation and revenue collection are therefore key.

- Use various means to explain the public how the government raise and spend public funds
- Widely disseminate the information about the state’s revenues and expenditures in accessible formats

5.2. Conclusions and Recommendations to Improve Sub-National Accountability

5.2.1. Maximise the gains from decentralisation and deconcentration reforms to improve transparency, accountability, and accessibility

Decentralisation and deconcentration has brought government closer to the people. However, significantly more work remains to be done. 65% of people have no access to information about budgets; over 75% of people know “nothing at all” about the Commune/Sangkat development plan, investment programme and budget; and less than a tenth of the sample – 9.8% – had ever received information from the Commune/Sangkat authority about where to locate information about the budget. Further work to improve the accountability of the local government to its constituents is therefore essential in order to build on past efforts.

To address this, we endorse the perspectives of the RGC as outlined in the National Programme for Sub-National Democratic Development 2010-2019 (2010) that state that ‘accountable financial management involving greater decision-making authorities by sub-national administrations (SNAs) requires qualified and motivated personnel’ and further that ‘mechanisms for downward authority must be sufficiently robust to ensure that SNAs serve as good stewards and managers of public financial resources in addressing the expressed needs of citizens’. As such, the RGC, working with the support of civil society organisations and Commune/Sangkat councils should prioritise the following actions to improve transparency and accountability of Commune/Sangkat level budget processes:

- Fulfil all legal responsibilities of Commune/Sangkat Councils, as specified in such statutes as the Law on Administrative Management of Communes/Sangkats, to ensure timely publication of Commune/Sangkat budget information.
- Provide technical training and address under-resourcing issues to build capacity of Commune/Sangkat Councils to legally fulfil their obligations to ensure timely and clear publication of Commune/Sangkat budget information.legal fulfil obligations to ensure timely and clear publication of Commune/Sangkat budget information.
- Encourage civic engagement in Commune/Sangkat administration to build mutual trust, as recommended by the NCDD’s Technical Document on Civic Engagement (2014).
- Pilot mechanisms to encourage civic engagement in Commune/Sangkat administration to build mutual trust, building on the support provided by the NCDD’s Technical Document on Civic Engagement (2014).
- Continue to roll out nationally the implementation of the Social Accountability Framework (ISAF), as this is the cornerstone of civil society participation in SNA.

5.2.2. Provide greater accountability for urban residents

Rural/urban geographical distinctions are key to understanding the transparency and accountability of local budgets. Urban people generally display a higher level of understanding about budgetary processes at the national level, with 13.1% able to correctly answer at least one question about the national budget, compared with only 5.1% of rural people. However, this level of knowledge is not mirrored in participation. Knowledge of Commune/Sangkat level budget processes is lower amongst urban people than rural people, with only 15.3% able to identify two or more questions correctly, compared to 19.1% of rural people. This pattern is mirrored in a number of sub-national indicators, suggesting that greater efforts are necessary to encourage greater engagement with urban local government budgeting processes.

To address this the RGC working with civil society organisations should prioritise the following actions to provide greater engagement and accountability for urban populations:

- Commission research to understand the specific challenges and barriers to knowledge and participation in Commune/Sangkat level budget processes by urban populations. These barriers and challenges may differ across different urban locations and may include diverse issues such as migrant/mobile populations and urban lifestyles. The research can be used to provide tailored, evidence-based recommendations for improving the participation of urban populations in local budget processes.
- Provide technical training and address under-resourcing to develop the capacity of Commune/Sangkat Councils to address the specific challenges of increasing participation in urban budget development processes.

5.2.3. Facilitate increased levels and inclusivity of public participation

Low levels of public participation in local budgeting is not only an issue facing urban people. Across the sample as a whole, 88% of people think that more public participation would bring greater accountability and over 91% of people say that the quality of services would be improved by greater participation. Yet participation in practice remains low. Those who do not participate argue that a lack of encouragement to participate and lack of dissemination of information about participation opportunities prevents them from doing so. In order to meet rectangular strategy point 3.36: that 'there would be greater focus on ensuring effectiveness, transparency, and accountability, in managing revenue collection and allocating expenditure', local government must improve its outreach work to bring more of the public into budgetary decision making.

To address this, Commune/Sangkat Councils working with the support of civil society organisations and the participation of citizens should prioritise the following actions to build participation and inclusion in Commune/Sangkat budget processes:

- Pilot mechanisms to build knowledge of and participation in budget processes by citizens. Measures focusing on enhancing, in particular, the participation of disadvantaged and/or under-represented groups, such as poor households, women, youth, disabled people by creating an enabling environment for their participation should be mainstreamed into these mechanisms. Based on evidence and review, successful mechanisms should be formalised.
- Monitor and evaluate the levels of participation of different groups in different stages of the budget cycle, and set targets for participation and response to the issues they raise.

5.2.4. Increase transparency regarding local politics and local budgets

A clearer distinction is necessary between political support and the commune development plan. Currently, over 60% of respondents can recall instances in which commune development plan funds could have been used in order to gain political support. Moreover, almost a third of respondents are “completely unclear” about the distinction between development projects funded by the state budget and development projects funded by political party budgets. Greater efforts are necessary to clarify this distinction, in order to improve public perceptions of the transparency of Commune/Sangkat level budgeting.

To address this, we again endorse the perspectives of the RGC outlined in the National Programme for Sub-National Democratic Development 2010-2019 (2010) that state that ‘accountable financial management involving greater decision-making authorities by SNAs requires qualified and motivated personnel’ and further that ‘mechanisms for downward authority must be sufficiently robust to ensure that SNAs serve as good stewards and managers of public financial resources in addressing the expressed needs of citizens’. As such, the RGC, working with the support of civil society organisations and Commune/Sangkat councils should prioritise the following actions to improve transparency and accountability of Commune/Sangkat level budget processes:

- Fulfil all legal responsibilities of Commune/Sangkat Councils, as specified in such statutes as the Law on Administrative Management of Communes/Sangkats, to ensure publication of clear and relevant Commune/Sangkat budget information and to facilitate access and inspection by citizens.
- Provide technical training and address under-resourcing issues to build capacity of Commune/Sangkat Councils to legally fulfil their obligations to ensure publication of clear and relevant Commune/Sangkat budget information and to facilitate access and inspection by citizens.

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