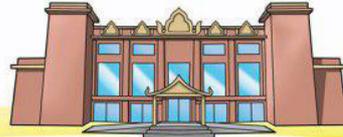


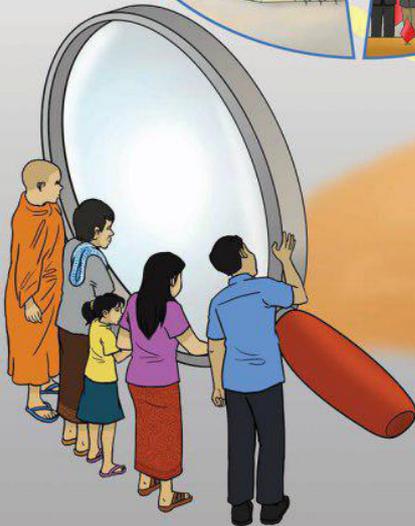
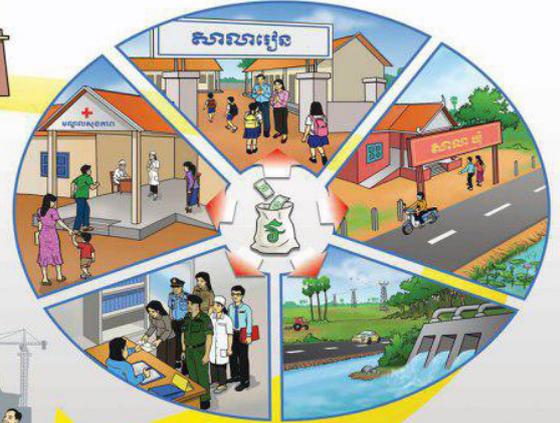
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NATIONAL SURVEY ON ACCOUNTABILITY AND TRANSPARENCY OF BUDGET PROCESSES

SUMMARY REPORT

APRIL 2018

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Transparency International Cambodia is the fully-accredited National Chapter of Transparency International and was officially founded on 5 July 2010 by a number of anti-corruption activists and professionals committed to the creation of transparent and accountable Cambodia. It has since built a strong institution arduously fighting corruption and promoting integrity, transparency and accountability in the country.

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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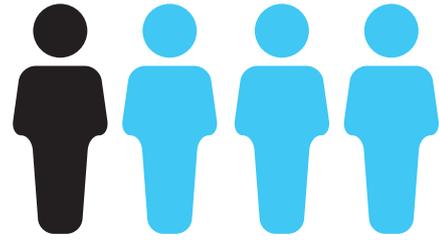
INTRODUCTION

Research reports 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

99.7%

Citizens cannot identify the total amount of Cambodia's national budget for 2017

94.9%

Citizens cannot identify which state institutions prepare the draft budget law

8.3%

Men can identify which state institutions prepare the draft budget law

1.9%

Women can identify which state institutions prepare the draft budget law

26.5%

Those with post-secondary education can identify which state institutions prepare the draft budget law

0.0%

Those with no schooling can identify which state institutions prepare the draft budget law

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 development projects 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



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



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



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



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



Those with no schooling can identify either who is mainly 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



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



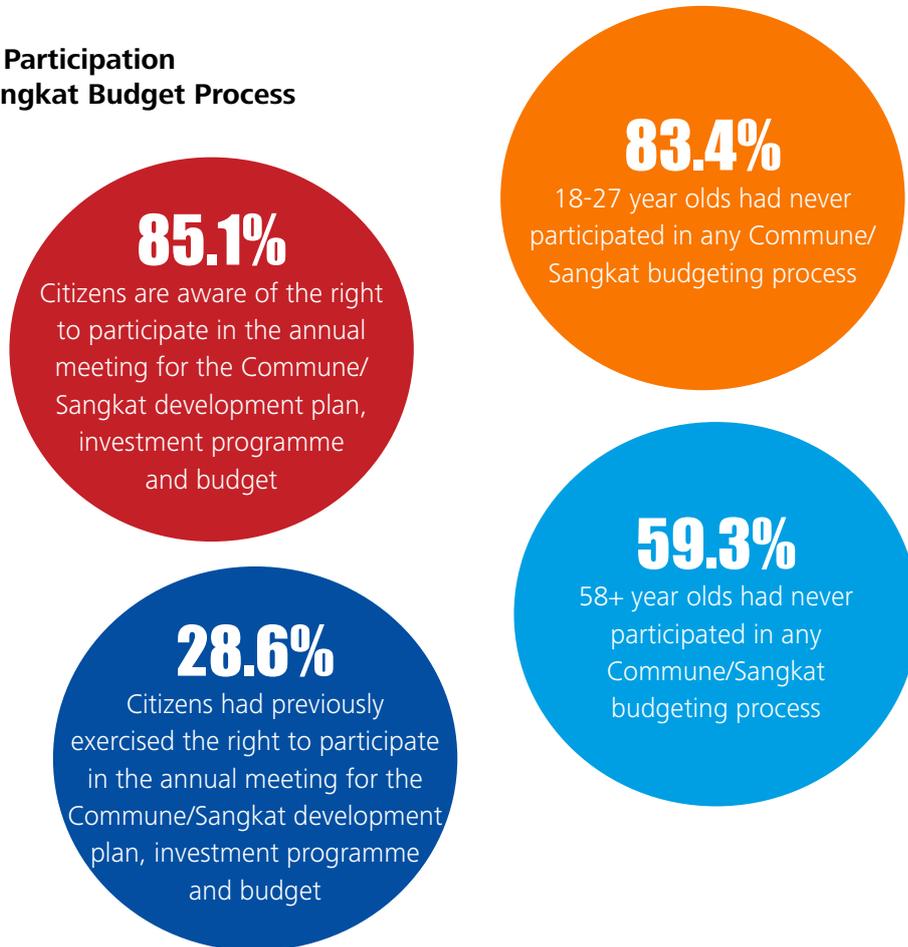
Citizens believe that the funds available to the Commune/Sangkat Council are insufficient to pay for necessary administration, development projects and services in their area



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

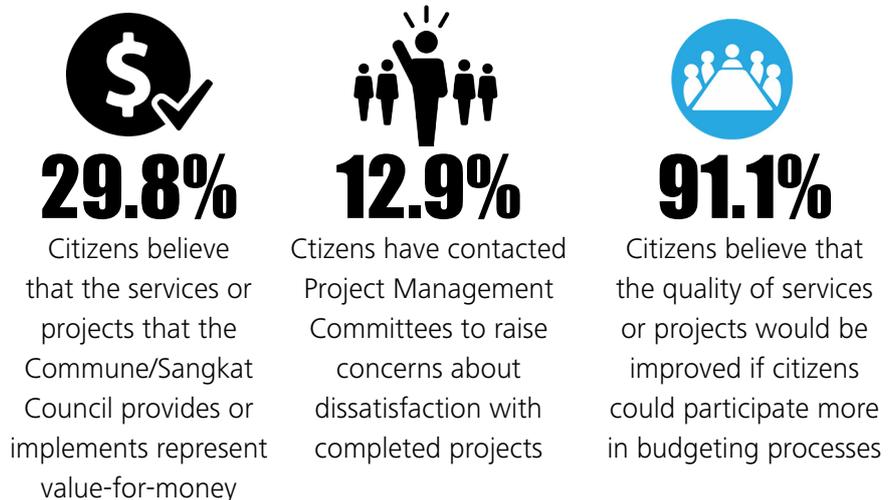
Citizens also displayed good understanding of their rights to participate in different stages of Commune/Sangkat budget planning and implementation activities. However, despite this, past experience of participation in different stages of Commune/Sangkat budget planning and implementation activities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

Level of Citizen Participation in Commune/Sangkat Budget Process



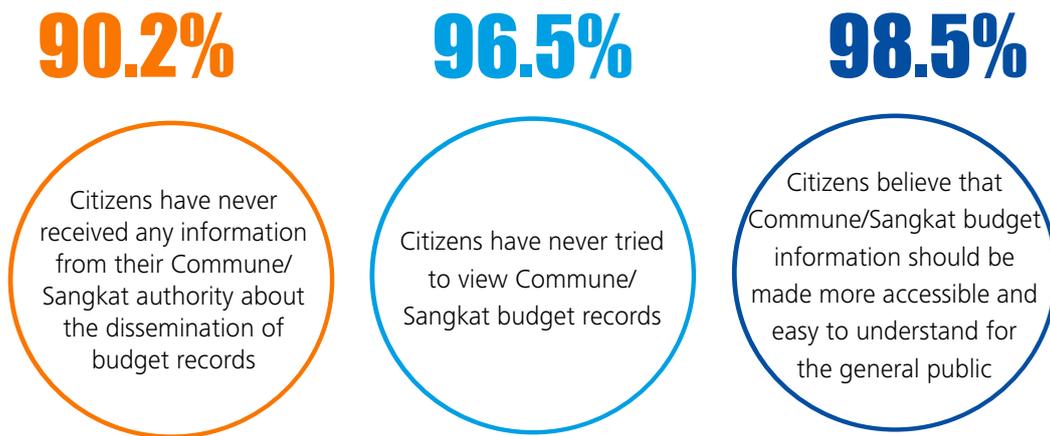
Perceptions of value-for-money of Commune/Sangkat services or projects are generally low. Despite this, citizens have rarely taken action to raise these concerns or seek redress. Most believe that quality and value would be improved with greater citizen participation in budgeting processes.

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



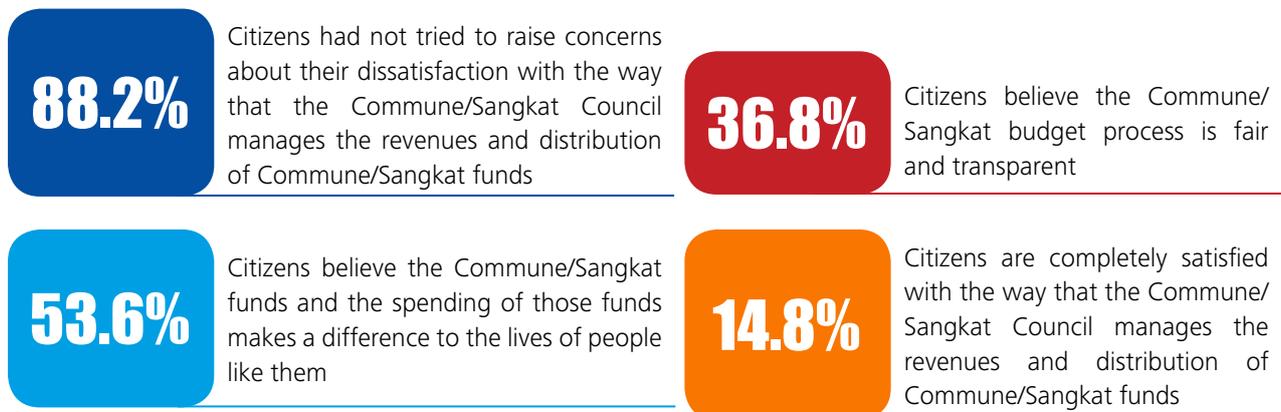
Citizens' access to budget information at the Commune/Sangkat level is limited, with many unaware if budget records are maintained by their Commune/Sangkat Council. Few have received information about the dissemination of budget records and few have voluntarily tried to access information. There is strong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

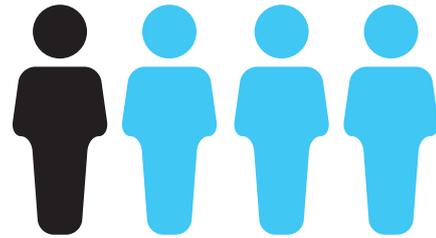
Accessibility of Commune/Sangkat Budget Information



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. 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 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. 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 lower level of knowledge is a trend which is apparent in all aspects of budgeting and 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. This 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. Only 0.1% of the sample population had ever seen a government document concerning the budget and – similarly – only 1.1% had ever attempted to view budgetary documents. Furthermore, given that 63.4% of respondents

indicated that access to budgetary information is “very important”, the national government must increase budgetary accessibility for the ordinary citizen in order to satisfy high levels of public interest in national budgeting and 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.

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.

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. 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.

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, 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.

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 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 a lack of dissemination of information about participation opportunities prevents them from doing so. 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

A clearer distinction is necessary between political support and local development plan. Currently, 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.

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