



Summary of National Public Forum on “Citizen Engagement in Budget Formulation and Monitoring on Public Budget Expenditure Process in the Covid 19 Context”

Thursday 28 October 2021, Sofitel Phnom Penh Phokeethra, and through Virtual

Budget Working Group (BWG) which consists of local and international NGOs working on budget-related policies coordinated by the NGO Forum on Cambodia (NGO Forum) organized a National Public Forum on Citizen Engagement in Budget Formulation and Monitoring on Public Budget Expenditure Process in the Covid 19 Context both national and sub-national levels. The event was attended by key stakeholders including the representatives from dozen government institutions/ministries including the Anti-Corruption Unit (ACU), Ministry of Economy and Finance (MEF)/General Department of Taxation, Ministry of Interior (MoI)/ National Committee for Sub-National Democratic Development (NCDDs), Ministry of Women’s Affairs (MoWA), Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSVY), Ministry of Labour and Vocational Training (MLVT)/National Social Security Fund (NSSF), Ministry of Information (MoInfo), Ministry of Planning (MoP), Ministry of Education, Youth and Sport (MoEYS), National Bank of Cambodia (NBC), Development Partners (DPs) in particularly European Union Delegation to Cambodia and The Embassy of Sweden, national and international NGOs, universities, students, community youths and citizen totally 60 in-person participants (10 females) and 300 joined via zoom, 6K viewers from 5 institutions Facebook pages cross-post lives and 300 comments.

The purposes of the forum are to:

1. Increase the understanding and promote public participation on budget transparency and accountabilities including the budgetary process both national and sub-national.
2. Provide opportunities for taxpayers including youths, CSOs/NGOs to meet and discuss with relevant stakeholders and policymakers toward the public participation in the budget cycle at the national and sub-national level.
3. Provide opportunities for taxpayers including youths, CSOs/NGOs to provide inputs for relevant stakeholders and policymakers toward the improvement of national budget transparency and accountability, gender mainstreaming, inclusive principal, and other alternatives to improve the effectiveness of the sub-national budget formulation.

All participants in the forum expressed their appreciation by seeing the presence of all development actors who have participated in updating and discussions with the spirit of understanding and partnerships related to the topics. We are convinced that Cambodians will have more voices in public expenditures and other decision-making in the commune, district, and city that affects their livelihoods and environment.

The event went through 5 key short discussion sessions as follows:

1. The importance and responsibilities of the oversight body
2. Synergies between Public Finance Management (PFM) and Social Protection
3. Gender Responsive Budget (GRB)
4. Public Investment on Education and Children
5. Public Participation in the Processes of Budget Formulation and Implementation Monitoring at the Sub-National Level

Each topic has been discussed on the three main points such as:

1. Positive existing mechanism and the real practices
2. Number of challenges that hinder the practices
3. Proposed solutions, recommendations, and priority actions that will be implemented by concerned stakeholders.

As a result, we, together congratulate on the positive existing mechanisms and practices related to citizen participation in Budget Formulation and Monitoring on Public Budget Expenditure which there are 35 positive points and progresses. The number of challenges that have been hindered to the quality of the monitoring and remarkable budget evaluation, raised during the discussion in the forum including 36 key challenges and 45 Proposed recommendations.

Below are the key specific results

1.1 Positive points of the existing mechanisms and common practices of the responded institutions in Budget Monitoring (7 points)

- 1.1.1 The Royal Government of Cambodia has established a clear budget preparation mechanism and assigned clear roles and responsibilities to the relevant ministries, including the Ministry of Economy and Finance (MEF), the Senate, the National Assembly (NA), the National Audit Authorities (NAA), and citizens, in order to ensure transparency and promote stakeholder participation.
- 1.1.2 Royal Government of Cambodia has opened spaces for the Development Partners participation including European Union (EU), Sweden's government agency for development cooperation (SIDA) and other Civil Society Organization aims at promoting transparency and accountability in Public Financial Management (PFM) in Cambodia.
- 1.1.3 National Council for Anti-Corruption has adopted a five-year strategic plan with the inclusion and international standard followed with the Sustainable Development Goals (SDGs) for Anti-Corruption Unit to implement. At the same time, the Anti-Corruption Unit (ACU) always monitors the implementation of other institutions.
- 1.1.4 Based the report of the Open Budget Survey (OBS) indicated that the performance of the Royal Government of Cambodia has improved in relation to information sharing in the national budget on websites.
- 1.1.5 10th National Assembly has participated in the budget preparation and budget monitoring of other line ministries, in which this was a good sign.
- 1.1.6 There has been a collaboration between the 10th National Assembly and Anti- Corruption Unit (ACU) so far.

- 1.1.7 The Royal Government of Cambodia has adopted a good governance reform, which is a core pillar of the Rectangular Strategy and encompasses important features such as participation, transparency, accountability, and other aspects of good governance.

1.2. Number of challenges that hinder the implementation of the institution in charge of budget monitoring (6 points)

- 1.2.1 In the statute of Public Financial Management, the legislature has not yet promoted and integrated stakeholder participation.
- 1.1.2 According to the Open Budget Survey (OBS) report, Cambodia's score has gradually improved, although stakeholders' participation is still needed to improve. Budget transparency and oversight, on the other hand, remain issues as compared to other countries in the region.
- 1.2.3 Some information has been shared, but the quality of the information from the National Assembly is not inaccessible to the general public, particularly women, people with disabilities, and indigenous peoples. According to article 35 of the institutional law, the National Assembly's role is to share information.
- 1.2.4 The National Assembly lacks a clear method for alerting the committee in charge of monitoring the budget preparation and implementation, and there has been no reaction from the National Assembly to public questions.
- 1.2.5 There has been no piloting process to encourage public engagement in budget formulation.
- 1.2.6 There hasn't been a public forum or a regular mechanism for public participation in budget monitoring of budgets that have already been authorized.

1.3 Proposed Solution and priority recommendations for concerned stakeholders (14 points)

- 1.3.1 Request the National Assembly and the Royal Government of Cambodia begin the reforms by establishing a legal framework and policies that promote public participation in public financial management by amending the 2008 Public Financial System Law to include articles on public participation, civil society participation, and government institutions to open up opportunities for inputs, beginning with the budget planning stage at the ministry level.
- 1.3.2 Request the Ministry of Economy and Finance (MEP), Senate, National Assembly, and National Audit Authority to enhance and further improve the score related to Open Budget Survey, in this regard, Cambodia should release all the eight key documents in a timely basis for the public. The budget proposal from the Council of Ministry (CoM) shall be prior announced on the website.
- 1.3.3 Request for increased public awareness-raising through collaboration with NGOs and the preparation of a citizen budget, particularly liaison to have a mechanism at both the national and sub-national levels.
- 1.3.4 Request the procedure facilitation for citizen participation in budget preparation and monitor the budget expenditure of other budget implementers.
- 1.3.5 Citizens should be able to access data in budget and audit reports, according to a request.
- 1.3.6 Request the legislative institution to discuss the budget policy and provide the recommendation for budget revision before approval.

- 1.3.7 Request the Legislative Committee to review the budget proposals of the relevant ministries and publish the report with its analysis to the public through a website or the Internet.
- 1.3.8 Request to have the encouragement for promoting the participation through digital platform especially at the sub-national level
- 1.3.9 Request the Ministry of Economy and Finance (MEF) to report the monthly expenditure through the website of the MEF
- 1.3.10 Request to share the information and ensure the quality of the information to the citizen, especially women and indigenous people. Documents related to the National Budget law shall simplify the summary and ensure it is readable and understandable for the general public. The important information related to the debt and taxation shall be shared with the general public.
- 1.3.11 Request that the Senate monitor at the grassroots level, concerned ministries, and live the questions and answers through the media, and that there be a framework in place for citizens to be consulted prior to the official discussion of the National Budget Revision.
- 1.3.12 Request that the Ministry of Economy and Finance develops a piloting system to encourage public participation in budget preparation.
- 1.3.13 Request the Ministry of Economy to create a Public Forum or regular mechanism for citizens to contribute to monitoring the implementation of the approved budget.
- 1.3.14 Request the National Assembly to allow any citizen or civil society organization to testify during its hearing on the budget proposal before the budget is approved.

2.1 Existing mechanisms and procedures for ensuring coherence between public financial reform and social protection

- 2.1.1 In Covid 19 context, the Royal Government of Cambodia planned to allocate a budget in the amount of 1,100 million USD to respond to economic recovery.
- 2.1.2 The Royal Government of Cambodia has endorsed mechanisms to support employers and employees during the covid-19 pandemic
- 2.1.3 The Ministry of Labour and Vocational Training issued circulation numbers 45-20 on the work suspension and delay of NSSF for garment factories, enterprises, and institutions in the garment sector and tourism that have been affected by Covid 19. Workers who have been suspended by the company continue to receive the same medical care and services.
- 2.1.4 National Social Security Fund (NSSF) so far has implemented two projects: Risk of work and Health Care. The pension scheme is going to officially roll out in 2022.
- 2.1.5 Informal workers who have been registered with NSSF by their employers can still use NSSF's health-care services and receive a budget when they are delivered a baby.
- 2.1.6 Small and Medium Enterprises have followed the government's guidelines to the best of their abilities, such as supplying food and other support to their employees throughout the lockdown.
- 2.1.7 During the Covid 19 outbreak, no companies reduced their employee salaries.
- 2.1.8 The Civil Society Organization has conducted an assessment on the informal workers by compiling their effects during the Covid-19 outbreak.

- 2.1.9 The Ministry of Economy and Finance has established a sub-committee on Social Assistants, which is responsible for assessing the performance of social assistants.
- 2.1.10 Each commune is given a tablet and a phone number to manage data on the social assistant.
- 2.1.11 The Royal Government of Cambodia has provided a cash transfer to the people who were affected by the Covid-19 outbreak with a total of 470 million USD by October 24, 2021.

2.2 Number of Challenges which is hindered in the implementation/practices of the consistency between Public Financial Management and Social Protection (9 points)

- 2.2.1 Union has faced difficulty in finding the information on cash flow and the annual net income of the invested companies in Cambodia.
- 2.2.2 Some business owners have been experiencing financial difficulties, forcing them to spend money on their employees' salaries and office rent, while others have been forced to downsize their workforce and salaries.
- 2.2.3 Informal workers receive less support, making it more difficult for them to maintain their livelihoods.
- 2.2.4 Provided budget support to garment industry workers impacted by the Covid 19 outbreak; nevertheless, this sum is insufficient because most of them must pay back bank loans.
- 2.2.5 Public Health Service in Covid-19 Context has still limited which this is made a difficulty for citizens the access medical services.
- 2.2.6 Many poor and vulnerable people are becoming poorer, while others who were previously not in poverty would become vulnerable if the covid-19 pandemic continues.
- 2.2.7 Mental Health issue is among other issues for Cambodians during the Covid-19 pandemic.
- 2.2.8 The understanding of social protection is limited in the Cambodian context.
- 2.2.9 Decent work is not yet the norm, as seen by the lack of freedom of association, security, health, and social safety. Workers in Cambodian garment factories have not utilized their freedom to debate with their employers

2.3 Proposed recommendations and priority measures to ensure consistency between public financial management and social protection. (7 points)

- 2.3.1 Request the Royal Government of Cambodia should provide NSSF card for Informal workers
- 2.3.2 Request that the government gives training on how to start a business and a small grant to citizens who have been affected by the Covid-19 outbreak, particularly informal workers.
- 2.3.3 The government should stop taking over the fee markets during the outbreak of Covid-19 while people are in trouble.
- 2.3.4 Propose to have a normal economic situation, especially for the information workers.
- 2.3.5 Request the government to speed up the provision of pensions to the private sector and Non-Governmental Organizations.
- 2.3.6 The request for additional capacity-building measures related to social protection is new in Cambodia.

2.3.7 Request the government to enhance and motivate the private in the establishment of the inclusive business and provide the incentive to those who have implemented this business model.

3.1 Existing mechanism and practices responses to the gender issues (7 points)

3.1.1 The Ministry of Women Affaire has prepared the Strategic Plan on Neary Ratanak in promoting Gender equality and women empowerment which has defined two strategies focusing on promoting and mainstreaming facilitation in sector strategy framework and national program as well as Public Administration Reform, Decentralization and Deconcentration and Public Financial Management through the specific activities as following:

- Develop capacity-building programs on gender-responsive budgeting for gender mainstreaming teams, relevant ministries, and budget officers.
- Compile the best practices in a gender-responsive budget

3.1.2 Through the Public Financial Reform, the Program-Budget from each line ministry has aligned with the government policy, therefore, Gender Mainstreaming Working Members from each line ministry has prepared the budget with response to the gender needs in their sector.

3.1.3 Commune/Sangkat Administration has invited women in their community to participate and share their comments in preparing the commune development plan.

3.1.4 The budget allocation on Gender Responsive Budget has increased every year, except in the last two years.

3.1.5 There are some opening processes for youths in some communes in Cambodia

3.1.6 The Ministry of Women's Affairs has a working group to address and review institutional needs to develop a response plan.

3.1.7 Each commune has a Commune Committee for Women and Children (CCWC).

3.2 Number of Challenges affected the implementation/practices of the Gender Responsive Budget

3.2.1 Public Participation in budget preparation is still limited, especially women, People with Disabilities, Children, and indigenous people.

3.2.2 The budget allocation to meet gender needs is still limited due to the limited capacity of commune councils to link budgets with gender. At the national level, it is still limited.

3.2.3 We have a mechanism to promote women's participation, however, participation in commune investment planning is limited by women, children, the elderly, the disabled, and indigenous peoples.

3.2.4 Funding from the national level is insufficient to implement at the sub-national level. The budget isn't yet balanced and fair.

3.2.5 Lack of budget system defined as specific account numbers for responsive and gender budgets. Previously, we only had data aggregated by sex. We lack data, which is the power to make decisions.

3.2.6 There is no clear data regarding the lack of a clear gender budget to make the decision to set up a follow-up mechanism.

- 3.2.7 There is no clear indicator or standard related to gender at line ministries
- 3.2.8 Awareness of the gender-responsive budget to stakeholders is still limited, with the most understanding that it is focusing only on women.
- 2.2.9 Gender needs assessment and gender analysis are still poorly understood by many stakeholders.

3.3 Proposed priority recommendations which are needed to respond by stakeholders to consistence between Public Financial Management and Social Protection (8points)

- 3.3.1 Request the sub-national authorities to promote more participation, especially the participation of women, children, people with disabilities, the elderly to participate in the development of Commune Investment Plans (CIP)
- 3.3.2 Request to have more budget allocation from national to response to the gender needs.
- 3.3.3 Request to have more capacity building related to gender analysis to the general public and stakeholders at both national and sub-national levels.
- 3.3.4 Request to advertise the services that citizens receive and be aware of how citizens can participate in the budgeting process.
- 3.3.5 Request local authorities to encourage people to participate in the commune investment plans process
- 3.3.6 Ask the government to consider using tools such as gender measurement, gender auditing, public spending analysis, gender equality concepts, and benefits analysis, focusing on resource allocation.
- 3.3.7 Gender Responsive Budget (GRB) shall start with the evaluation of gender needs by focusing on the roles and responsibilities of women and men.
- 3.3.8 Build capacity on gender analysis in the sector by collecting data aggregated by gender, age, education, vulnerability, and potential by sector.

4.1. Existing mechanism and practices on the education investment and children (5 points)

- 4.1.1 The Ministry of Education Youths and Sports (MoEYS) is utilizing the existing framework called Education Sector Working Group (ESWG) in order to collect other inputs from stakeholders in preparation.
- 4.1.2 Private educational institutions distribute materials to staff and scholarships to those in need, providing both food and accommodation to gain knowledge and experience.
- 4.1.3 In the context of Covid-19, the ministry of education youths and sports has established many mechanisms in teaching and learning to teachers and students based on their local situations.
- 4.1.4 The Ministry of Education Youths and Sports has prepared a sector strategic plan from 2019-2023 and other legal policy frameworks focus on improving the quality of education. In that regard, the Ministry of Education Youths and Sports has committed to allocate public expenditure at the rate of 20%
- 4.1.5 The Ministry of Education Youths and Sports has a Technical Working Group in which the composition comes from the ministry, Civil Society Organization, and Development Partners who are working in the education sector. This platform is not just only focusing on budget preparation but can be used as a working group that can reflect the implementation.

4.2 Some of the obstacles that have hampered the practice of investing in children's education (6 points)

- 4.2.1 Children's education is constrained in the context of the Covid 19 outbreak, particularly in rural areas, due to a lack of resources and access to online education. Furthermore, most children do not receive adequate schooling as a result of their parents' livelihood, and some are forced to migrate with their parents.
- 4.2.2 Both teachers and students have a limited understanding of online teaching and learning techniques.
- 4.2.3 Due to the inability to pay school building fees, private sector involvement in developing the education sector in the context of Covid-19 is facing major financial difficulties. Some private schools require additional teachers and the purchase of online teaching materials.
- 4.2.4 Students' capacity to continue in the next academic year may differ due to unequal access to education in the context of Covid-19, which will also affect the dropout rate.
- 4.2.5 Children with disabilities are unable to attend school in the context of the Covid-19 outbreak
- 4.2.6 Parents' awareness of the importance of monitoring their children is still limited. In this environment, some pupils have taken advantage of the chance to learn online in order to focus on other undesirable applications such as games.

4.3 Proposed recommendation and priority actions for other stakeholders of the investment in education and children (8 points)

- 4.3.1 Request that public citizens and students receive mental health education during and after Covid-19.
- 4.3.2 Request that the Ministry of Education, Youth, and Sports give more support in educating children and students following the conclusion of the covid 19 pandemic, and that the Ministry of Education, Youth, and Sports investigate the actual inadequacies that occur at the grassroots level.
- 4.3.3 Request the Ministry of Education, Youth and Sports, and other institutions to consider the well-being of students and teachers in the context of the Covid-19 pandemic, especially mental health.
- 4.3.4 Request the Ministry of Education, Youths, and Sports strengthen the teaching methodology to teachers and assign teachers based on their area of expertise.
- 4.3.5 Educational institutions shall focus on quality rather than quantity and schools should be more oriented to children and students so that they have a greater sense of national conscience. The Ministry should encourage students to focus on a single field of study rather than pursue multidisciplinary but non-qualitative courses.
- 4.3.6 Request schools, local authorities, and parents to work together in order to monitor the performance of the children.
- 4.3.7 Request the Ministry of Education, Youths, and Sport to include the private sector into the Sector Education Working Group, and they are able to attend other related meetings.
- 4.3.8 Incorporate educational programs for children with special educational needs in public and private schools, establish school counselors and career guides to help students orient and choose subjects according to their talents and preferences.

5.1 Existing mechanism and practices of general public participation in Budget Preparation and Budget Monitoring at Sub-national (5 points)

- 5.1.1 Have provided the capacity building to the local authorities on the process of budget preparation which is supported by the development partners. There are some revisions and summarized on the process of annual advance request for the commune and advertise to all the citizens.
- 5.1.2 The Ministry of Economy and Finance has revised the methodology of paying taxes through a digital platform aims at producing easiness. Tax information has been released on the website of the Ministry of Economy and Finance
- 5.1.3 Royal Government of Cambodia has collected taxes over the target plans, due to we have a good reform of Public Financial Management
- 5.1.4 The city, district, and Khan administrations all have a five-year strategic plan, and they always do a year-to-year rolling plan that allows ordinary citizens and other stakeholders to participate.
- 5.1.5 There are legal policies and circulation which introduced how to prepare the sub-national budget.

5.2 Number of challenges hinder the implementation of participation of public citizens in budget preparation and budget monitoring at the sub-national level. (6 points)

- 5.2.1 Even, we have the existing mechanism to promote participation from citizens, however; it is still limited.
- 5.2.2 The Limited knowledge of officials in commune/Sangkat which this is made a difficulty to knowledge transfer on budget preparation.
- 5.2.3 There are mechanisms in opening spaces for the citizen to raise their proposal, however, the proposed budget request to support Community Forestry has never been allocated.
- 5.2.4 The sharing of information about the budget preparation process has not yet been widely announced.
- 5.2.5 Citizen has not participated due to the belief that they have less opportunity to speak and also their house is far from the commune.
- 5.2.6 The Local development is mostly focused on the infrastructure rather than social services

5.3. Proposed and recommendation on the priority actions to be implemented by stakeholders on the Public Participation in Budget preparation and budget monitoring at sub-national level (8 points)

- 5.3.1 Request that the Commune/Sangkat Councils clearly outline the five-year development strategy and guarantee that citizen engagement is responsible and transparent. The management of natural resources in the community, particularly the supply of community forestry funds, must be prioritized in Commune / Sangkat investment planning.
- 5.3.2 Request to have more capacity building to commune councils and other stakeholders on how the budget preparation at the sub-national level.
- 5.3.3 Request that the authorities make a general announcement about the government's authorized budget that will be executed in their commune.
- 5.3.4 Request to execute based on legal policy and distribution, ensuring that citizens are aware of the situation and working in partnership with civil society and development partners.
- 5.3.5 Request the Royal Government to continue to increase the budget to the sub-national level at least at 10% of the national budget.

- 5.3.6 Propose that coaching be strengthened at all levels, from national to subnational, and that local governments be encouraged to promote people's full engagement.
- 5.3.7 Request for more widespread distribution of commune news bulletins via social media.
- 5.3.8 Propose a connection system between the Ministry of the Interior and the Ministry of Education, Youth, and Sports to encourage secondary and high school students to take part in community development.

Finally, we, the participants in this public forum, pledge to continue working together in a professional relationship and in a supportive climate to promote transparency and accountability in budgeting oversight at both the national and sub-national levels.