



គោលការណ៍សហការដើម្បីការពង្រឹងសេដ្ឋកិច្ច
The NGO Forum on Cambodia

Working Together for Positive Change

ធ្វើការរួមគ្នាដើម្បីការពង្រឹងសេដ្ឋកិច្ច

Analysis of the Financial Law (Budget Law) for 2010 Management

Actual Recurrent Expenditure in Percentage of Allocation by Selected Non-Priority Ministries 2006-2009

Actual Recurrent Expenditure Line Ministries/Year	2006	2007	2008	2009e
5.1 Office of CoM	173.4%	190.8%	191.0%	206.4%
07. Ministry of Interior - General administration	191.1%	160.2%	135.3%	155.0%
10. Ministry of Economy and Finance	185.2%	172.8%	130.5%	114.1%
30. National Election Committee	113.0%	1073.5%	677.9%	172.3%
06. Ministry of Defense	105.4%	116.3%	147.2%	151.2%
07.1. Ministry of Interior-Public Security	108.8%	130.2%	140.1%	137.0%
13. Ministry of Industry, Mines and Energy	339.3%	347.5%	809.7%	291.7%

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Analysis of the Financial Law (Budget Law) for 2010 Management

The NGO Forum on Cambodia started its budget work in 2006 with the intention to stimulate debate among stakeholders who are directly or indirectly involved in the National Budget, including government officials, members of parliament, media professionals, university lecturers and students, NGO staff, and the Cambodian public.

Summary

The 2010 Budget Law shows that the Royal Government of Cambodia (RGC) expects to receive nearly two billion US dollars during the course of the year. Spending this revenue collected from taxes, fees and fines paid by citizens and companies, as well as the grants and loans from development partners, is the RGC most potent instrument to achieve the goals and objectives outlined in the Rectangular Strategy phase II and the National Strategic Development Plan (NSDP).

The 2010 Budget Law has to respond to many challenges. While the food prices that started to rise in 2008 continue to be high, many families saw their income reduced as a result of job-losses and underemployment in the construction, garment, and tourism sectors. Recent research by the Cambodian Economic Association shows that recent gains in poverty reduction are being reversed as many rural households are facing food insecurity, reducing health expenses and taking loans to cover their health expenses, daily consumption, and the repayment of old debts. In turn, the increased indebtedness makes these families vulnerable in the near future as they have little opportunity to pay off these debts.

Positive developments in the 2010 Budget Law are:

- A significant increase in allocations to agriculture and rural development, which raises hopes for further improvements in maintenance and expansion of rural infrastructure, such as roads, water supply and irrigation needed for better access to markets and higher yields.
- An increase in the tax rate on luxury cars and the introduction of a 0.1 percent tax on properties will increase RGC revenues especially for the benefits of sub-national administration budget. The 0.1 property tax on land, houses, buildings and other construction projects is especially expected to promote productive investment by discouraging the holding of unused land for speculation.

Issues for Consideration in 2010 Budget Implementation and 2011 Budget Allocation:

- The allocations for the recurrent budgets of the Ministries of Education, Youth & Sports, as well as Labor and Vocational Training, are below average and should be higher in the next year budget given the need to improve the quality of education, and achieve Cambodia millennium development goals (CMDG).
- A similar concern is raised for the current allocation to the Ministry of Agriculture, Forestry and Fisheries as there is a real need to improve agriculture extension services and agricultural research & development,

According to the Rectangular Strategy phase II, the Priority Mission Groups (PMGs) and Merit Based Pay Initiative (MBPI) incentive schemes are important to deepen nationwide reforms. The suspension of the PMGs and the MBPI, announced in the Explanatory Note to the Draft Budget Law, may have a negative impact on the progress of reform agenda of the RGC.

The information and suggestions on sector budget allocation were also provided by key NGOs working in the sector of Health, Education and Decentralization & Deconcentration which include MEDiCAM, NEP and CCSP.

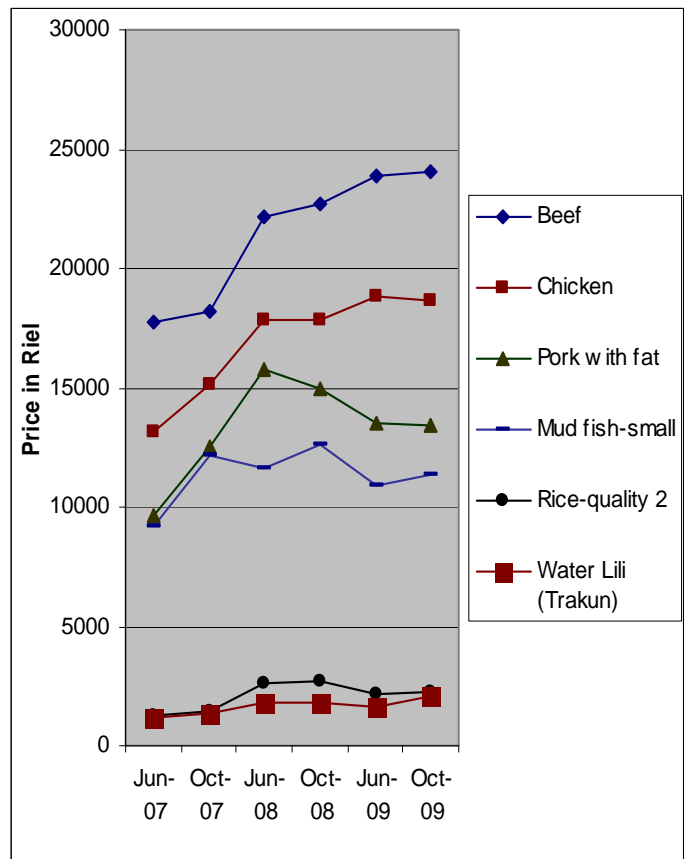
1. Introduction: the 2010 Budget Law Needs to Respond to Many Challenges

The National Budget Law is government's most important instrument to achieve economic growth and poverty reduction. Both 2008 and 2009 have been especially difficult years for many people, in particular the poor and vulnerable communities.

The food crisis that started in early 2008 had a negative effect on the gains made in poverty reduction and as can be seen in Figure 1, most prices continue to be high, making life especially difficult for the poor who spend 83 percent of their income on food and beverages.

During a time when many of Cambodia's youth are entering the job-market, the financial crisis that followed in late 2008 caused many job losses, especially in construction and the garment industry,¹ and has led to a significant reduction in income for many families. In addition, farmers of rubber, cassava, soy bean, and maize were hard hit due to high input prices during the planting season and a drop in the international price at harvest time.

Figure 1: Selected Goods 2007-2009, Riel per Kg



Source: National Institute of Statistics (NIS), 2009

As traditional coping mechanisms (selling labor & migration) are not available due to the crisis, recent research by the Cambodian Economic Association shows that gains made in poverty reduction are being reversed as many rural households are becoming food-insecure, reducing health expenses and taking loans to cover health expenses, daily consumption, and the repayment of old debts. This increased indebtedness made these families vulnerable in the future as they had limited opportunity or high inability to pay off these new debts.

Through the National Budget, including development aid, the Royal Government of Cambodia (RGC) has to prioritize the needs of the most vulnerable and support their efforts to recover from the crisis in 2010. Important elements for this recovery include the provision of social safety nets, affordable health services, keeping children and youth in school, investment in agriculture and rural developments, and continued government reforms. The analyses of the 2010 Budget Law figures below, and the suggestions made for the plenary session of the National Assembly Debate on the draft budget law on Monday, November 30th, 2009 were made with the difficulties faced by the poor and vulnerable communities in mind.

2. Revenues

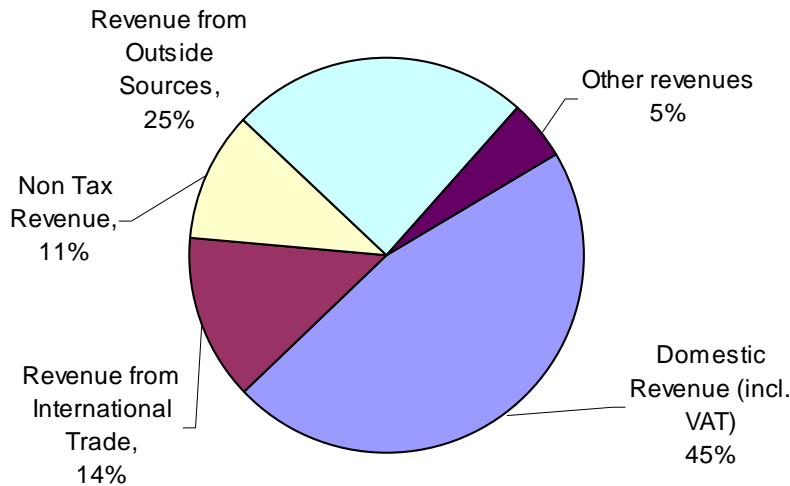
The 2010 Budget Law is the Government's single most important tool to achieve its vision outlined in the Rectangular Strategy Phase II and the National Strategic Development Plan. For the 2010 fiscal

¹ According to UNCT, "The Global Economic Downturn: Opportunity or Crisis", (Nov. 2009), 63,000 jobs were lost in the garment industry.

year, the RGC expects to receive US\$ 1,976.8 Million during the course of the year which is a 12 percent increase compared to the expected revenues in the 2009 Budget Law.

The majority of the revenues of the 2010 National Budget will be raised domestically, coming from the Value Added Tax (US\$ 432 million) and other taxes, fees, and fines paid by consumers, and companies. Revenues from outside sources² that are included in the Budget Law accounted for 25 percent of the expected revenues and are mainly used to help finance the capital-side (planned public investment projects under each line ministries of the RGC) of the National Budget.

Figure 1: Shares of National Budget Revenue by Major Sources in 2010 Budget Law



Source: 2010 Budget Law

The RGC raises these revenues in order to provide public goods and services and to develop the country as laid out in the phase two of the Rectangular Strategy and the National Strategic Development Plan (NSDP).

Positive developments on the revenue side that were announced in the 2010 Budget Law are:

1. an increase in the vehicle road tax rate especially with highest increase on luxury and high energy tourist cars; and
2. the introduction of a 0.1 percent tax on properties³ which includes land, houses, buildings and other construction projects built on those taxable lands that cost more than 100 million riel (or equal to US\$ 24,000). The property price will be based on market price evaluated by the Committee for Property Evaluation established by Prakas issued by Minister of Economy and Finance. Basis for this tax calculation is market price of these properties after subtracting the 100 million riel cost. However, there are also some exceptions to this tax including agriculture lands, state properties, community properties for humanitarian, religious or non-profit purpose, diplomatic mission or consulate properties, international NGOs and other government technical cooperation agencies. The NGO Forum welcomes the introduction of this tax, which is expected to promote investment in productive land and discourage holding of unused land for speculation.

3. Recurrent Expenditures by Priority Ministries

The Budget Law is split into two parts with a recurrent budget that is financed by domestic resources and a capital side of the budget financed that relies heavily on funds from development partners (the 25% percent of total revenue from outside sources). Allocations in the 2010 Budget Law for recurrent expenditure (such as wages, allowances, small maintenance and other operational costs) show a mixed picture for ministries' working areas that have been labeled priority in the past.

² This revenue is not channeled through the national treasury.

³ This tax will be based under the geographic administration of Municipality and Provincial Offices.

Table 1 below shows that allocations to the ministries of health, justice, and rural development are increasing *above average* (marked grey). This is commendable and in line with the recognized need to:

- (i) **Improve delivery of health services**, especially it is recommended by MEDiCAM that packages for maternal and newborn child services are provided for free, including emergency obstetric care services, facility deliveries by skilled birth attendants, neo-natal infection care, and nutrition for mother and child. Without these packages, Cambodia will not be able to achieve the Millennium Development Goals number four and five.
- (ii) **Improve the functioning of the judiciary**
- (iii) **Maintain and expand rural infrastructure, including rural roads, rural water supply and irrigation** needed for better access to markets and higher agriculture production yields. Both the MoRD and the MoWRM have an important mandate in this area and contribute to public investments in the rural areas with its expected positive impact for small scale farmers.

Table 1: Recurrent Expenditure per Category and Selected Line Ministries, in US\$ million

	2009 B.L	Impl.200 9	2010 B.L	% Impl.200 9	2010/200 9
TOTAL CURRENT EXPENDITURE	1064	1153	1227	108.4%	15%
A. General administration	149	200	169	134.5%	14%
<i>o.w. National Assembly</i>	25	25	28	100.0%	12%
<i>o.w. Ministry of Justice</i>	7	7	9	100.1%	30%
<i>o.w. National Audit Authority</i>	2	2	2	98.1%	-1%
B. Defense and Security	219	319	281	146.0%	28%
C. Social Sector	390	423	446	108.5%	14%
<i>o.w. Ministry of Health</i>	123	131	146	106.3%	19%
<i>o.w. Ministry of Education, Youth & Sports</i>	181	192	201	106.0%	11%
<i>o.w. Ministry of Women Affairs</i>	6	6	7	98.9%	9%
<i>o.w. Ministry of Labor and Vocational Training</i>	13	22	14	176.0%	13%
D. Economic Sector	88	97	102	110.0%	16%
<i>o.w. Ministry of Agriculture, Forestry and Fisheries</i>	19	20	21	106.0%	14%
<i>o.w. Ministry of Rural Development</i>	16	16	20	100.4%	30%
<i>o.w. Ministry of Land, Urbanization and Construction</i>	6	6	7	102.4%	12%
<i>o.w. Ministry of Water Resources and Meteorology</i>	8	8	9	99.5%	17%
99. Unallocated (current) expenditures	218	114	228	52.4%	5%
Supplementation to cities-provinces/ communes-sangkat	42	42	62	100.0%	47%
Reserved Budgets/Unexpected Expenses	145	144	100	99.8%	-31%

Source: 2010 Budget Law and Budget Management Documents 2010

The unfavorable points in Table 1 shows that five out of eight ministries that have been labeled priority in the past are receiving a less-than-average increase for their recurrent budgets: Ministries of Education, Youth & Sports; Women Affairs; Labor and Vocational Training; Agriculture, Forestry and Fisheries budgets ; and Land Management, Urbanization and Construction. There is a concern that the relative low increase for education will affect the improvement of quality education. This is seen as the biggest challenge in the sector at the moment which requires qualified teachers and appropriate teaching materials, both financed from the recurrent budget. In addition, the increase for the Ministry of Agriculture, Forestry and Fisheries (MAFF) is lower than expected, given for instance the need for investment in agriculture extension services. The favorable points is that three priority ministries are included in the top ten increase above average including Ministries of Rural Development, Justice and Health.

In the same table, it also shows that the Defense and Security sector and General Administration sector overspent their allocated recurrent budget in the estimated 2009 budget implementation and the percentage are much higher than economic and social sectors. The overspending in the General Administration sector comes mainly from overspending in non-priority ministries including Office of Council of Ministers (206.4%), Ministry of Interior-General Administration (155%) and National Election Committee (172.3%). This overspending mostly comes from the Unexpected Expenditure/Reserved Expenditure (see section on Unexpected Expenditure below). This overspending is observed to repeat almost every year in the last four years or the start of Public Financial Reform Programme in 2005 (see table 2 below).

Table 2: Actual Recurrent Expenditure in % of Allocated Budget in the Budget Laws 2006-2009

Actual Recurrent Expenditure Line Ministries/Year	2006	2007	2008	2009e
5.1 Office of CoM	173.4%	190.8%	191.0%	206.4%
07. Ministry of Interior - General administration	191.1%	160.2%	135.3%	155.0%
10. Ministry of Economy and Finance	185.2%	172.8%	130.5%	114.1%
30. National Election Committee	113.0%	1073.5%	677.9%	172.3%
06. Ministry of Defense	105.4%	116.3%	147.2%	151.2%
07.1. Ministry of Interior-Public Security	108.8%	130.2%	140.1%	137.0%
13. Ministry of Industry, Mines and Energy	339.3%	347.5%	809.7%	291.7%

Source: 2010 Budget Management Document Volume 1

3.1 Supplements to the Provinces, Defense & Security, Social Safety Nets, MBPI & PMGs

In addition to the 0.1 percent property tax to benefit sub-national administration budget, the increasing **supplement to the cities-provinces/communes-Sangkat** shows progress in the decentralization process. Compared to the 2009 Budget Law, the supplementation to cities-provinces / communes-Sangkat will increase 47 percent to US\$ 62 million, which should contribute to fund projects at the commune/Sangkat level that respond to local needs. However, since 2009 both budget line items of city-provincial budget and Commune-Sangkat budget has been grouped together which does not allow a comparison of allocation for both budget line items over the year. According to a statement by H.E. Keat Chhon in the Phnom Penh Post issued on 7 October 2009, each commune will receive an average of US\$ 22,300 in 2010.

As already mentioned by the IMF⁴, increased recurrent spending on **defense & security** (from US\$ 219 million in 2009 to US\$ 281 million in 2010) will affect spending on priority areas. During the meeting of the Technical Working Group on Public Financial Management (TWG-PFM) in September 2009, a senior representative from the MEF stressed that the increase in defense expenditure was due to a revision in the allowance system of the military which brings it in-line with the civil service. He added that this is justified in a time that the Kingdom needs to be protected. Although these funds have a positive stimulating effect on the economy, they are also recurrent in nature and are therefore not necessarily part of a temporary stimulus package. However, the announcement in the Explanatory Note to the National Budget that function allowances of the military personnel to be revised may change this.

The Explanatory Note to the 2010 Draft Budget Law also announced the suspension of the Priority Mission Groups (PMGs) and the Merit Based Pay Initiative (MBPI) for civil servants, which receives significant donor-support. This contradicts the Rectangular Strategy (para. 25) which states that “*In the fourth legislature, the Royal Government will continue to expand the coverage of the PMGs and MBPI to a number of priority ministries and agencies, in order to deepen nationwide sectoral reform*”

⁴ Press Release: Statement at the Conclusion of an IMF Staff Mission to Cambodia, September 24, 2009

programs.” The need to balance the budget and review expenditures is necessary and needs to be carefully assessed against the risk of slowing down the urgently needed reforms, for which Cambodia “*has no other choice than continuing with firm and conscientious implementation of all needed reforms*”⁵. It is evident that the need to balance the budget needs to be met, while reforms need to be continued at the same time. This is a challenge that policy makers should solve in the interest of the millions of Cambodians benefiting from these reforms.

Many discussions have been held on expanding **social safety nets** in Cambodia with both Government and development partners making commitments to this. The 2010 Budget Law showed an increase for the Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSAVYR) from an allocation of US\$ 44.3 million in 2009 to US\$ 52.6 million in 2010. In addition, donor-financed capital allocations to the MoSAVYR increase by US\$ 13.6 million to US\$ 18.4 million. The NGO Forum will monitor whether these funds are being allocated to social safety net expenditures and who the intended beneficiaries for this increased expenditure are.

3.2 Unexpected/Reserved Expenditure

As per article 25 of the Law on Public Financial System, these funds are allocated to ministries, institutions and similar public entities by sub-decree pursuing to the request made by the Minister of Economy and Finance and beyond the oversight of the National Assembly.

In the 2010 Budget Law, the allocation for unexpected/reserved expenditure has been reduced by US\$ 44 million from US\$ 144.5 million in 2009 to US\$ 100 million. There are many good reasons for Cambodia to budget a significant amount for unforeseen expenditures, which may include: lower than expected donor funds; floods, droughts and other natural disasters; ensuring national security and protecting Cambodian boundaries. However as can be seen in the separate briefing on analysis of government use of unexpected/reserved expenditure from 2005 to 2009 by the NGO Forum, the sub-decrees authorizing actual expenditure seem to provide some level of explanation on the use of these funds. The results of the analysis show that these funds have not only been used to pay for “unexpected events” such as floods, droughts, lower than expected donor funds, but also to finance additional needs from ministries that could have been foreseen, such as payment to private companies for rice supply since 2003, payment for administrative operation of some government agencies and serving elections.

For this year’s unexpected/reserved expenses, which represents eight percent of total recurrent expenditure, NGOs request the National Assembly to monitor whether these funds can be reallocated to priority sectors mentioned earlier that will benefit more to the poor and vulnerable groups in the latter budget laws.

4. Capital Expenditure

Table C on capital expenditure in the 2010 Budget Law shows that total capital expenditure in 2010 is expected to amount to US\$ 761.3 million, an increase of 13 percent compared to the 2009 Budget Law. Table 3 below provides an overview of the line ministries that together account for 94 percent of all capital expenditure in the 2010 Budget Law.

Table 3 shows significant increases in capital expenditure for the ministries involved in agriculture and rural development. The combined capital budgets for MoRD, MAFF, and MoWRM will increase by US\$ 38 million which should have a positive impact on the rural areas where 90 percent of the poor Cambodians⁶ live.

⁵ Rectangular Strategy Phase II (para. 4)

⁶ Poverty headcount index for Cambodia stood at 30.1% in 2007 Cambodia Socio-Economic Survey (CSES), published by the World Bank in 2009.

As shown in previous analysis of the implementation of the budget law (see analysis of the 2008 and 2009 budget law), translating these allocated funds into actual expenditures has proven to be a challenge. This point is illustrated again by the fact that 52 projects from MAFF, 25 projects from MoWRM and 23 projects from MoRD that are featured in the 2009 Budget Law seem not to have been implemented and were moved to the 2010 Budget Law⁷. This suggests that these three ministries seems likely to be under-spending their budget again for 2009. The difficulties faced in the implementation of agricultural projects is also illustrated in Box 1 below which describes the challenges faced by MoWRM in its implementation of the North-West Irrigation project, financed with a US\$ 20 million concessional loan from the Asian Development Bank (ADB) and a US\$ 4 million grant from the French Development Agency (AFD).

Through this, the NGO Forum would like to call for bigger roles of the National Assembly on monitoring the quality of support provided by external development partners to the MoRD, MoWRM, and MAFF and what actions need to be taken by RGC with support from development partners in order to efficiently implement such development projects in a timely and effective manner.

Table 3: Capital Expenditure Allocation in the 2010 Budget Law, Selected Line Ministries (US\$ million)

	2009	2010	Increase / Decrease 2010/2009
Total capital expenditure	673.8	761.3	13%
Ministry of Social Work, Veterans and Youth Rehabilitation	4.8	18.4	285%
Ministry of Interior	10.7	22.3	109%
Ministry of Post and Telecommunications	8.2	13.8	67%
Ministry of Water Resources and Meteorology	43.9	67.4	54%
Ministry of Rural Development	13.9	21.0	51%
Ministry of Public Work and Transport	195.5	254.1	30%
Ministry of Agriculture, Forestry and Fisheries	51.2	58.5	14%
Ministry of Industry, Mine, and Energy	42.6	43.9	3%
Ministry of Health	126.0	122.6	-3%
Ministry of Economy and Finance	38.7	33.0	-15%
Phnom Penh Municipality	13.0	10.5	-19%
Ministry of Education, Youth and Sports	63.1	49.2	-22%

Source: 2010 Budget Law

Table 4: Estimated Capital Expenditure as % of Allocated Budget 2006-2009 for Priority Ministries

Capital Expenditure of Priority Ministries/Year	2006	2007	2008e	2009e
Ministry of Health	60%	95%	111%	122%
Ministry of Education, Youth and Sports	143%	72%	85%	69%
Ministry of Agriculture, Forestry and Fisheries	30%	39%	25%	50%
Ministry of Water Resources and Meteorology	41%	53%	111%	112%
Ministry of Rural Development	101%	57%	32%	70%
Ministry of Land Management, Urbanization, and	173%	12%	175%	124%

⁷ Ministry of Planning, Public Investment Programme (PIP) 2010-2012.

Construction				
Ministry of Justice	297%	35%	0%	0%
Ministry of Labor and Vocational Training	2%	0%	0%	0%
Ministry of Women's Affairs	31%	24%	82%	9%

Source: Budget Settlement Laws 2006-2007, PIP 2009-2011 & PIP 2010-2012.

Table 4 shows that Ministries of Agriculture, and Rural Development have been under-financed in the last four years while Ministry of Water Resources were under financed in 2006 & 2007 and started regaining its priority in 2008 & 2009 (with financing from state budget). If only external financing from development partners are considered, the three ministries are under-spending their budgets in 2008 & 2009. However, it is worth to note that while state budget was available for Ministry of Water Resource the other two ministries that are considered priority ministries and contribute directly to poverty reduction have been less supported with the available resources from the national or state budget.

Box 1: A Summary of the Case Study⁸: “Implementation of the Northwest Irrigation Project”

A US\$ 20 million concessional loan from the ADB was approved for the “Northwest Irrigation Sector Project” in November 2003 which was supplemented by a US\$ 4 million grant from AFD. However, the project implementation did not commence until 2007 and to date the bulk of the fund is still unspent. It experienced a few years’ delay, raising curious interest in understanding the reasons why as Cambodia badly needs a large amount of investment in improving irrigation. Explanations provided by both the Government and ADB officials for the slow implementation included the: (i) the nature of the project, (ii) the project procurement process, and (iii) the human factors (reliance on external consultants and the change of responsible staff within the Ministry of Water Resources and Meteorology).

The delay in project implementation resulted in postponement of the anticipated benefits: higher yields, more income to thousands of farmers and poverty reduction. Interviews learned that, six years after the proposed starting date, there are now strong commitments by all the stakeholders to speed up the implementation of the remaining 10 irrigation projects. Having learned the lessons in the past few years, the Royal Government is committed and confident that the project will be completed by the end of 2010.

5. The Budget Deficit and Fiscal Stimulus

Cambodia’s budget deficit is increasing from US\$ 22 million in 2009 to US\$ 47.6 million in 2010. As indicated in the Budget Law, the increased deficit will be financed by Government reserves in the National Bank of Cambodia, which will lead to some inflationary pressure on the Riel in 2010.

The challenges Cambodia faced in 2008 and 2009, as described in the introduction, fully justify increased public expenditure that seeks to mitigate the impact of the global economic crises on the poor, secures employment, provides training to recently unemployed, etc. However, the experience in 2008 showed the negative impact of high inflation on the poor; therefore, it is important that future budget laws are working towards a more balanced budget, while avoiding inflation (as highlighted in the Rectangular Strategy phase II), and continues to fight poverty as its main priority.

6. Suggestions for Future Budget Laws

When analyzing the allocations in the 2010 Budget Law there is a concern on the degree of alignment between the Budget Law and the Rectangular Strategy as well as the National Strategic Development Plan, which was also highlighted in the analyses of the 2008 and 2009 budget laws. Key points that

⁸ The result of this study was the outcome of commissioned work from the NGO Forum to a consultant, Mr. Chan Sophal in second semester of 2009.

could be improved in future editions of the draft budget laws and budget laws to allow better oversight by the National Assembly and civil society organizations are:

- There should be a debate by the National Assembly with the RGC on the reasons behind the under-spending priority ministries and over-spending non-priority ministries. This mechanism will allow the National Assembly to hold the government accountable for managing these public funds given its oversight role over the budget.
- Both the Royal Government and Development Partners who supports the agriculture sector should work together to improve the budget implementation to avoid this under-spending as the poor and vulnerable groups are the real beneficiary of these projects. The Royal government should prioritize its available resources i.e. unexpected/reserved expenditure toward priority ministries.
- Include a clear narrative that explains the rationale behind the allocations presented in the draft budget law to Parliamentarians, which allows for analysts to understand the policy objectives behind the figures presented in the budget.
- Together with the narrative, the draft national budget law should explain its link with the allocations included in the NSDP. The NSDP Update (2009-2013) which was prepared under the leadership of the Ministry of Planning has the potential to bring together the National Budget and the Rectangular Strategy phase II. The costing of the NSDP Update with the sectoral allocations should feature in future draft budget laws as it allows Parliamentarians to make a better assessment of the alignment between the budget law and the NSDP Update.
- In addition, the Budget Law could be broken down in more detail, thereby allowing parliamentarians to have a more thorough debate that goes beyond the aggregate allocations for each line ministry. Moreover, the RGC should include column on estimated budget implementation for current fiscal year for capital budget and attached estimated recurrent budget figures and other figures as presented in budget summary in previous years (2007 & 2008) as both figures will inform the parliamentarians of status of budget implementation in current fiscal year.
- Finally, organizing separate consultative sessions or public hearings⁹ between Parliamentarians, citizens, and civil society organizations could further improve the responsiveness of the National Budget to the needs of Cambodian citizens.

For comments, suggestions, or requests for more information on this analysis, please contact:

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⁹ Since 2007, second commission of the National Assembly collaborated with the NGO Forum for organizing 3 parliamentary workshops already which focused on analysis and discussion on budget allocations in the annual draft budget law; however, there is a need for expanding this discussion or consultation with parliamentarians to wider civil society organizations and the public.