



**Ministry of Interior**



# **Guideline**

## **On**

# **Citizen Participation in the Formulation and Adoption of the Budget of Commune/Sangkat Administration**

June 2021





## Guideline

# On Citizen Participation in the Formulation and Adoption of the Budget of Commune/Sangkat Administration

Referring to Royal Kram No. NS/RKT/0301/05, dated March 19, 2001, promulgating the Law on Administrative Management of Commune/Sangkat Administration, Sub-Decree No. 16, dated February 25, 2002 on Commune/Sangkat Fund, Sub-Decree No. 22 Or NKr.BK, dated March 25, 2002 on the Decentralization of Powers, Roles and Responsibilities to Commune/Sangkat Councils, Sub-Decree No. 26 Or NKr.BK, dated April 2, 2002 on the Commune/Sangkat Financial Management System, and MEF Prakas No.331 dated April 29, 2002 on the Formulation and Execution of Commune/Sangkat Budget, the Commune/Sangkat (CS) administration shall formulate and adopt its budget annually with the participation of citizens at the CS level. The budget shall align with the five-year development plan and the three-year rolling investment program of CS administration.

To promote the participation of citizens and the public at the village and CS level in the process of formulation and adoption of the annual budget of CS administration, the Ministry of Interior has issued the following guidelines:

1



## The Process of Formulation and Adoption of the Commune/Sangkat Annual Budget

2



## Citizen or Public Participation during Dissemination of Approved Commune/Sangkat Budget

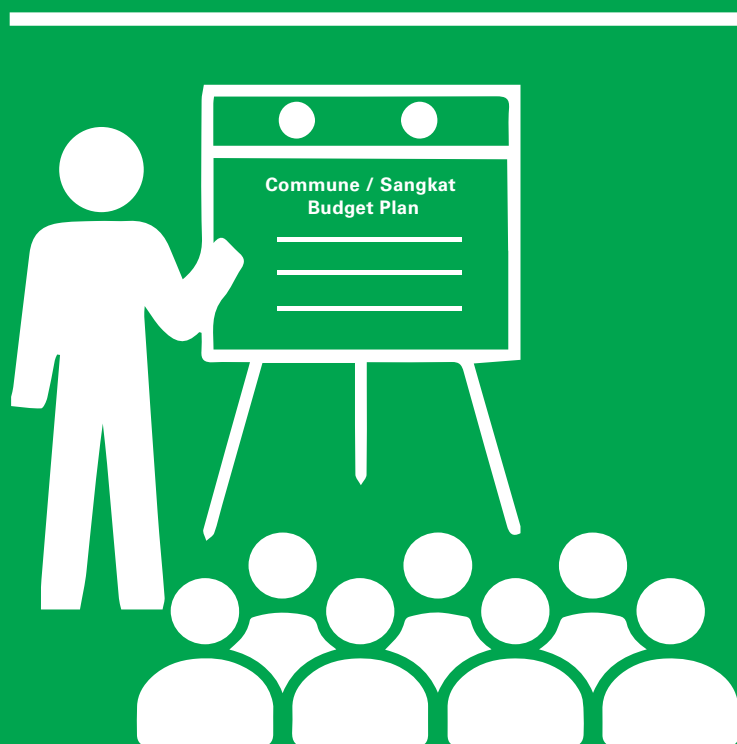
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## Monitoring the Process of Citizen or Public Participation in the Formulation and Adoption of the Commune/Sangkat Budget



# The Process of Formulation and Adoption of the Commune/Sangkat Annual Budget



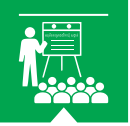
After receiving the notification from the Capital/Provincial administration on the annual budget allocation of the CS administration, the CS Planning and Budgeting Committee, chaired by the CS chief, shall hold a meeting to discuss the process of formulating and adopting the annual budget of the CS administration for the following year, in accordance with the procedures introduced in MEF Prakas No. 331, dated April 29, 2002 on the Formulation and Execution of the CS budget. The first meeting is to discuss and prepare the action plan and schedule for the Planning and Budgeting Committee in order to start formulating and adopting the budget, based on the following important steps:

- The process of formulating and adopting the budget of the CS administration will run from July to October 31, following the brief steps indicated in Annex 1 of this guideline.
- Organizing the steps of filling in the budget information in the annual CS citizen budget template and posting the completed CS citizen budget template. During the meeting, the CS clerk shall show the completed CS citizen budget template as in Annex 2 of this guideline, as well as documents used to fill in information in the CS citizen budget template. This will include total revenue, total expenditure, development expenditure of CS budget and related documents as listed in point 1.2 of this guideline.
- Establish a mechanism for citizen participation in the process of CS annual budget formulation and adoption by CS council. The council meeting may review information through the participation of citizens or the general public, consultations or other means in the process of CS budget formulation and adoption by the CS council, as in point 1.3 of this guideline.

## 1.1 Preparation of Annual Commune/Sangkat Citizen Budget Template

During the first meeting of the Planning and Budgeting Committee (PBC) or after the meeting, the Planning and Budgeting Committee shall:

- Prepare and approve specific dates for each step as stated in the summary 



budget calendar for formulation and adoption of the CS budget from July to October 31, as set out in MEF Prakas No. 331, dated April 29, 2002 on the Formulation and Execution of CS budget. This is in accordance with the CS three-year rolling investment program, as shown in Annex 1 of this guideline, to promote citizen or public participation through the use of the annual CS citizen budget template. For sangkats in Phnom Penh and municipalities, their planning and budgeting committee shall prepare and approve specific dates for each step as stated in the summary budget calendar for formulation and adoption of the CS budget. This is in line with the circular on budget formulation of the capital and municipality budget.


- Instruct the CS clerk as the secretary of the PBC to prepare the annual CS citizen budget template as in Annex 2, following detailed procedures in point 1.2 of this guideline.
- Meeting to review and approve the initial draft of the completed annual CS citizen budget template. In this meeting, the secretary of PBC shall present the process of completing the CS citizen budget template.

## 1.2 Completion of Commune/Sangkat Budget Information in the CS Citizen Budget

The CS clerk and/or the CS administrative assistant as secretary of the Planning and Budgeting Committee, are responsible for completing the CS budget information the annual CS citizen budget template, as in Annex 2 of this guideline. Budget information used to fill in the CS citizen budget template must be consistent with CS three-year rolling investment program, CS annual social service budget plan, and documents related to the annual CS budget, including:



### 1.2.1 Completion of Total Revenue and Total Expenditure Information

- + Complete the annual CS total budget revenue information by quoting the budget figures from the draft of the annual CS budget revenue 

and expenditure plan. Total Revenue and Total Expenditure must be balanced. Budget revenue includes mainly grants from the national level, grants from the national level for investment expenses, grants from the capital/provincial level for investment expenses, carried-over balance from the previous fiscal year, contributions from local development components, and other revenues.

- + Fill in the information on the total annual budget expenditure of the CS administration.



### 1.2.2 Completion of Development Expenditure Information

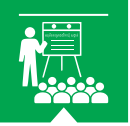
- + Based on the approved or draft three-year rolling investment program, the CS shall fill in development expenditure information by extracting budget information from table 2.3 of the approved three-year rolling investment programme on projects/activities funded by the CS fund, or table 1.1.C on project needs and priority activities to be funded by the CS fund, and extract information in the draft or approved CS annual social service budget plan.
- + There are four sections of development expenditure: (1) economic, (2) social, (3) natural resources, environment and climate change adaptation, and (4) administration and public order and security. Each section has a project name, project location, amount, and number of beneficiaries.



### 1.2.3 Completion of Administrative Expenditure Information

- + Administrative expenses include allowances for CS councillors, village officials and CS administrative assistants, operating expenses and unexpected expenditure.
- + Completion of administrative expenditure information shall be based on the annual budget of the CS administration and the annual budget revenue and expenditure plan in the budget memorandum of CS administration. Information to be filled in on administrative expenses includes:

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- allowances of CS councillors, village officials and CS administrative assistants (the sum of Chapter 64 and Sub-Account 61091)
- unexpected expenditure (Chapter 69)
- operating expenses shall be deductions: total expenditure minus total development expenditure minus allowances for CS councillors, village officials and CS administrative assistants, minus unexpected expenditure.

## 1.3 Public or Citizen Participation



### 1.3.1 Public Posting

After completing the CS citizen budget template in Annex 2, following the procedure in point 1.2 above, the CS chief shall report or request the CS council to review and approve the draft completed template before its public posting and consultation with citizens. For the posting, the CS chief shall be responsible for the following tasks:

- + review and redefine the date in the CS citizen budget template (or printed poster of CS citizen budget template) for posting the draft annual CS budget. The posting shall be made twice: the first posting will last for two weeks until 15 October, before the council approves it, and the second posting will last for two weeks until 31 October, after the council approves it.
- + instruct each village chief to mobilize the public, civil society organizations, the private sector and communities to review the project or activity information contained in the CS citizen budget template that has been posted, and to participate in making suggestions or highlighting needs during the meetings organized by the Planning and Budgeting Committee as inputs to the CS annual budget of their respective localities.
- + instruct members of the Planning and Budgeting Committee and/or the village chief on who will be responsible for posting the completed CS citizen budget template of the draft CS annual budget at the CS



halls, at villages, markets, schools, religious gathering places, health centres, pagodas and other areas where people gather. These locations must be convenient for the public to pass through, see and read the postings. If necessary, the village chief or a member of the Planning and Budgeting Committee can consult with people directly on the draft budget in the village or communities and provide contact information, such as a phone number or social media.

- + Appoint members of the Planning and Budgeting Committee and the village chief to be responsible for facilitating the receipt of feedback, and collecting information from citizens on the draft CS citizen budget template that has been posted at each location.



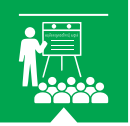
### 1.3.2 Budget Consultation Meeting

After the first posting of the annual CS citizen budget template, the Planning and Budgeting Committee, having the CS clerk and CS administrative assistant as secretary, shall prepare a summary report on the collection of information or inputs from citizens and the public on the annual CS citizen budget posted at various locations.

The Planning and Budgeting Committee shall hold a meeting to review and discuss the report, summarizing the information and suggestions collected from citizens on the draft CS annual budget in the template before the council approval meeting on the draft CS annual budget.

Commune/Sangkat chiefs shall ensure that a consultation meeting with citizens is held at least once on the draft CS annual budget presented in the CS citizen budget template before the CS council meets to approve its annual CS budget. This consultation meeting shall be held at the CS hall after the Planning and Budgeting Committee has reviewed and decided on the report, summarizing the collection of suggestions from citizens on the draft CS annual budget no later than 22 October.

In the process of consulting with citizens on the draft CS annual budget, 



Commune/Sangkat chiefs who is the chairman of the Planning and Budgeting Committee is responsible for the following main tasks:

- + ensure the composition of the meeting, including members of the Planning and Budgeting Committee, CS focal person on Women's and Children's Affairs, village chiefs of all villages, and representatives of indigenous people for CS with indigenous people, people with disabilities, youth, poor households in villages, primary schools and kindergartens, civil society organizations, health centres, communities and the private sector.
- + issue a notice inviting stakeholders or institutions located inside or outside the CS administration.
- + During the consultation meeting, the Planning and Budgeting Committee must:
  - register attendance before the start of the meeting
  - set the meeting agenda and rules
  - welcome remarks of the CS chief
  - CS clerk who is the secretary of the Planning and Budgeting Committee shall report comments/suggestions collected from the posting of the CS citizen budget template on the draft CS annual budget (the location of the posting and the suggestions or requests received) and show the details in the CS citizen budget template
  - consult in the meeting by giving an opportunity and right to participate to citizens and the public
  - CS clerk and CS administrative assistants take minutes of the meeting
  - chairperson summarizes the results of the meeting and chair of the council shall provide information about the upcoming meetings on approval of CS annual budget.



## 1.3.3

**Approval of the Annual Budget of the Commune/Sangkat Administration**

Immediately after posting the CS citizen budget template, the CS clerk as the secretary and/or the CS administrative assistant shall revise the information in the CS citizen budget and annual budget based on results of the meeting. They shall prepare a report on the participation of citizens in the preparation of the annual budget of CS administration (Annex 3) so that the CS council can meet and approve its annual budget. This report shall present the results of the posting and the results of the public and citizen consultation in their localities.

The Planning and Budgeting Committee shall meet to review and approve the budget information in the CS citizen budget template and the report on citizen or public participation before the CS council meeting to approve the CS annual budget.

The chairman of the CS council shall be responsible for ensuring that the meeting of the CS council to approve the annual budget happens no later than 31 October, in accordance with the budget calendar as stated in Prakas No. 331, April 29, 2002 on the Formulation and Execution of the Commune/Sangkat Budget, and as stated in the posted CS citizen budget template, unless there is an urgent need to postpone the meeting or as per requirement by other legal provisions.

Through the CS council, the chairman of the CS council shall determine the composition of participation, as in paragraph 4 of point 1.3.2 above. According to this composition, the CS chief shall issue an invitation only to the relevant parties or institutions located inside or outside of the CS.

In the meeting of CS councils to approve the annual budget, there are important tasks:

- + registration of attendance before the start of the meeting
- + set the agenda



- + welcome remarks by the chairman of the CS council
- + CS clerk, as secretary of the Planning and Budgeting Committee, shall make a detailed presentation on CS annual budget revenue and expenditure and citizen or public participation in the preparation of annual CS administration budget
- + discussion in CS Council meeting on the approval of the CS budget shall be in accordance with regulations and procedures in the internal regulations of each commune/sangkat council. The CS council shall meet to adopt:
  - CS annual budget revenue and expenditure
  - budget memorandum, including economic and financial estimates of the budget, links between the CS three-year rolling investment program and the budget, and reports on citizen participation in the annual budgeting process of commune/sangkat administration.
- + the CS clerk shall take minutes of this meeting and submit this to the chairman of the CS council for review and signing within three (3) days after the meeting.

#### 1.4 Certification of Compliance on Commune/Sangkat Administration Annual Budget

After the adoption by the CS council of the annual budget (revenue and expenditure) of commune/sangkat administration (for next fiscal year), there are other important tasks:

- + CS clerks shall be responsible for ensuring the adjustment of the annual budget revenue and expenditure plan of CS Administration and memorandum of CS annual budget details
- + CS chief signs a request letter to the capital/provincial governor for certification of compliance of the annual revenue and expenditure plan of CS administration, no later than 5 November. Documents needed to be attached to the request for certification of compliance include:
  - annual revenue and expenditure plan of CS administration
  - memorandum of detailed annual budget revenue and expenditure of commune/sangkat administration

- report on the participation of citizens in the budgeting process as in Annex 3 of this guideline
- the meeting minutes on the approval of the annual budget revenue and expenditure plan of the Commune/Sangkat administration and other necessary relevant documents
- the request for certification of compliance and the above documents shall be copied (one copy) to their relevant district, municipality and khan.





**Citizen or Public Participation during  
Dissemination of Approved  
Commune/Sangkat Budget**

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After receiving certification of technical compliance by the governor of the board of governors of the capital/provincial administration on the annual budget revenue and expenditure plan of the CS administration, the CS administration shall:

- ensure CS clerks adjust the information in the CS citizen budget template in the A4 paper and poster template as in Annex 2
- post the completed CS citizen budget template at appropriate locations as stated in point 1.3.1 above for at least 30 days and post at CS hall regularly
- send one copy of CS citizen budget template in A4 papers to respective District/Municipal/Khan administration.
- dissemination and posting can be done through various meetings, use of loudspeaker, social media and other means on information in the CS citizen budget template, as in Annex 2
- after the completion of the announcement, the printed poster format will be kept for the following year at the CS hall. ✓



## **Monitoring the Process of Citizen or Public Participation in the Formulation and Adoption of the Commune/Sangkat Budget**







The General Department of Administration of the Ministry of Interior shall prepare a plan to support training of the Planning and Investment Division, the Finance Division, and the relevant divisions of the Capital and Provincial administration on the participation of citizens in the formulation and adoption of the CS budget as well as monitor and evaluate the participation of citizens in the formulation and adoption of the budget of the CS administration.

The capital/provincial administration shall prepare a plan to support training on the participation of citizens in the formulation and adoption of the CS budget for the Office of Planning and Commune/Sangkat Support of the district administration, the Office of Planning and Sangkat Support of the municipality administration, as well as the Office of Planning and Finance of khan administration and relevant offices of municipality, district and khan administrations. The capital/provincial administration shall monitor and evaluate the participation of citizens in the formulation and adoption of the CS budget. The municipal, district and khan administration must support this training to relevant stakeholders at CS level, and promote the implementation of the procedures and processes of citizen participation in the formulation and adoption of the CS budget, as stated in this guideline.

The capital/provincial administration, which has the Division of Planning and Investment as its executive body, shall promote and monitor the implementation of the guideline on the participation of citizens in the formulation and adoption of the CS administration budget and shall prepare an annual report on this. The report shall be sent to the General Department of Administration, Ministry of Interior, before the end of the first quarter of the fiscal year.

Receiving this guideline, the General Department of Administration, capital, province, municipality, district, ~~kh~~ commune, sangkat administration and relevant units shall implement it effectively.

Phnom Penh, 08 June 2021

Deputy Prime Minister, Minister of Interior

Samdech Krolahom Sar Kheng

**CC:**

- Office of the Council of Ministers
- NCDD Secretariat
- General Department of Administration of the Ministry of Interior
- General Department of Sub-national Administration Finance of Ministry of Economy and Finance
- Sub-National Administration
- Records - Archives



**Guideline No. 025, dated 08 June 2021 on the Participation of Citizens in the Formulation and Adoption of the Commune/Sangkat Administration Budget**

## **ANNEX 1**

### **Summary Steps**

#### **On the Process of Formulation and Adoption of the Annual Commune/ Sangkat Budget**

**1 )- Commune/Sangkat chiefs fill in the information in the CS citizen budget template for dissemination to citizens**



**2)- Commune/Sangkat chiefs post completed CS citizen budget template two weeks before the draft budget consultation meeting(from day.....to day..... month.....year 20.....no later than 15 October)**



**3) Planning and Budgeting Committee organizes a consultation meeting on the CS budget with citizens at the CS hall (on day.....month.....year 202.....no later than 22 October or before 22 October)**



**4) CS chiefs post completed CS citizen budget template before the adoption of CS annual budget by CS council (from.....to day.....month.....year 202.... no later than 29 October)**



**5) CS chiefs invite citizens to participate in CS council meeting on the adoption of the CS annual budget(from....to day.....month.....year 202...before 31 October)**



**6) CS chiefs prepare and submit annual budget to the Capital/Provincial Governor to certify compliance before 05 November**



**7) CS chiefs post the completed CS citizen budget template after receiving certification of compliance on the CS annual budget**



## ANNEX 2

### Citizen Budget Template for Commune/Sangkat Year 20.....

Commune/Sangkat ..... Municipality/District/Khan ..... Capital/Province .....

Description of Project or Activity	Plan Amount (Riels)	Location (Village)	Number of Beneficiaries
<b>Total Income</b>			
<b>Total Expenditure</b>			
<b>Development Expenses</b>			
<b>Economic sector</b>			
1. ....			
2. ....			
3. ....			
4. ....			
5. ....			
<b>Social sector</b>			
1. ....			
2. ....			
3. ....			
4. ....			
5. ....			
6. ....			
7. ....			
8. ....			
<b>Natural resources, environment and climate change adaptation</b>			
1. ....			
2. ....			
3. ....			
<b>Administration, public security and social order</b>			
1. ....			
2. ....			
3. ....			
<b>Administrative expenses</b>			
1. Allowance of CS councillors, village officials and CS assistants			
2. Operation expenditure			
3. Unexpected expenditure			

Consultative meeting with citizens on Draft CS Budget on Date: ..... Month ..... Year ..... Location: .....

CS council meeting on adoption of CS budget on Date: ..... Month ..... Year ..... Location: .....



## **ANNEX 3**

### **Kingdom of Cambodia Nation Region King**



**Capital, Province:**.....

**Municipality, District, Khan:**.....

**Commune/Sangkat Administration:**.....

**No:**.....

**Dated**.....month.....year 202.....

### **Report on Citizen Participation in the Formulation and Adoption of CS Administration Budget Year 20.....**

#### **1-Geographical Situation**

Geography of CS.....

.....

Number of villages.....Number of Households.....

#### **2-Citizen Participation in the CS administration budget formulation process**

##### **2.1-Posting of Completed CS Citizen Budget**

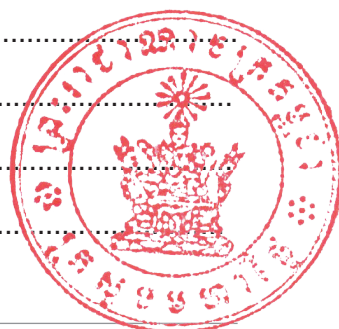
<b>Posting</b>	<b>Number of locations</b>	<b>Number of Teplate</b>	<b>Date</b>	<b>Other</b>
Posted before consultation (first time)			...../20.....-...../20.....	
Posted after consultation			...../20.....-...../20.....	

.....*Activities of citizen participation*.....

.....

.....

.....



2.2-Consultation with citizens

- Consultation meeting was held on day..... month..... year 20....at Commune/ Sangkat hall.....
- Number of participants..... (female.....) including members of Planning and Budgeting Committee, village chief, school representative, youth representative.....
- Recommendations on each section in the completed CS citizen budget template (summary of revisions or additions of project/activities):
  - + Revision of economic, social, natural resource, environment, and climate change adaptation and public administration, order and security .....  
.....  
.....
  - + Adding projects (if any).....  
.....
- Citizen contribution to local development (if any, specify the amount) .....  
.....

3-Challenges and suggestions

3.1-Challenges

- .....
- .....

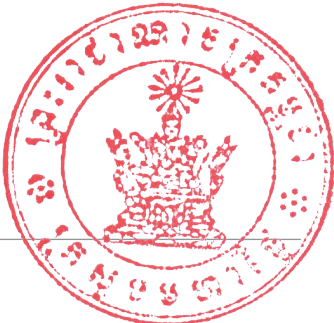
3.2-Suggestions

- .....
- .....

3-Related documents

- List of participants in the consultation process
- Completed CS citizen budget template (A4)

Commune/Sangkat Chief







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**Sverige**

**unicef**   
for every child