

Cambodia



The Resource Governance Index (RGI) measures the quality of governance in the oil, gas and mining sector of 58 countries. Learn more and explore findings at www.revenuewatch.org/rgi.

Background

Cambodia's underdeveloped oil and mineral reserves currently account for only a small fraction of government revenues and less than one percent of exports. International mining companies have started exploration projects, but no large-scale extraction is expected before 2015. Similarly, despite the discovery of petroleum reserves, Cambodia's oil and gas potential remains untapped. While the government's priority is to attract private investment in the extractive industries, civil society groups have called for greater focus on sustainable natural resource management and good governance.

Cambodia	2000	2005	2011
Population (million)	12.45	13.36	14.31
GDP (constant 2011 international \$ billion)	4.7	7.1	12.8
GDP per capita, PPP (constant 2005 international \$)	1,035	1,508	2,083
Extractive exports (% total exports)	0%	0%	0%

SOURCES: World Bank.

Cambodia's Performance on the RGI

Cambodia received a "failing" grade of 29, ranking 52nd out of 58 countries. Very low scores on the Reporting Practices and Enabling Environment components contrasted with a higher score on Institutional and Legal Setting.

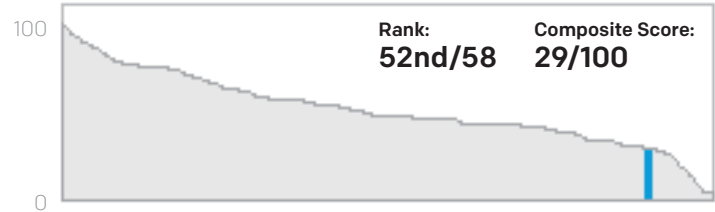
Institutional and Legal Setting

(Rank 42nd/58 Score: 52/100)

Cambodia's "partial" score of 52 is the product of an emerging legal framework and limited disclosure requirements.

The Ministry of Industry, Mines and Energy is the primary collecting agency for mining revenues, though the Economy and Finance Ministry also collects some revenues. The Cambodian National Petroleum Authority (CNPA) directly collects fees from oil companies.

The primary legislation governing the sector is the 2001 Law on Management and Exploitation of Mineral Resources, which



contains critical gaps and ambiguities. A Petroleum Law has been in draft for over 10 years; the amended Petroleum Regulations currently govern the sector.

Environmental impact assessments are required but often provide little information and are not easily accessed by the public. Both the Mining Law and the petroleum regulations contain non-disclosure provisions, and there is no equivalent of a Freedom of Information Act. The licensing process is opaque, involving direct negotiations between companies and the government.

Reporting Practices

(Rank 56th/58 Score: 13/100)

Cambodia's "failing" score of 13 is its lowest on any component, reflecting a near-total lack of government data on the extractive sector.

The government does not publish information on the licensing process, and contract terms are not disclosed. The Economy and Finance Ministry publishes extractive revenues only in aggregated form and does not include information on current operations and indicators. The CNPA does not publish an annual report. MIME, CNPA and other government agencies recently expanded the information available on their websites to include lists of relevant laws and regulations and the names of operating companies. Cambodia's resources have not been extensively surveyed or developed, so there is little information on reserves, although estimates of potential revenues from these resources vary from millions to billions of dollars.

Safeguards and Quality Controls

(Rank 40th/58 Score: 46/100)

Cambodia's "weak" score of 46 is due to insufficient government reporting mechanisms and a lack of effective checks on the licensing and budgetary process.

Cambodia's licensing authorities are technically independent, but powerful officials often have a stake in private enterprises. The Mining Law and other regulations do not effectively limit the discretionary powers of the licensing agencies and there is no process by which to appeal licensing decisions. The National Assembly has limited oversight

powers; the executive branch's Council for Development of Cambodia oversees contracts and licensing issues. The national audit office reviews government accounts and publishes results, but is subject to little legislative oversight.

However, the Cambodian government appears to be taking steps toward reform. A newly enacted Law on Anti-Corruption prohibits bribe-taking and requires public officials to disclose their assets.

Enabling Environment

(Rank 43rd/58 Score: 20/100)

Cambodia received a "failing" score of 20, performing particularly poorly on rankings of corruption control and the rule of law.

Cambodia's Composite, Component and Indicator Scores

Rank (out of 58)		Score (out of 100)
52	COMPOSITE SCORE	29
42	Institutional and Legal Setting	52
	Freedom of information law	0
	Comprehensive sector legislation	67
	EITI participation	0
	Independent licensing process	50
	Environmental and social impact assessments required	100
	Clarity in revenue collection	50
	Comprehensive public sector balance	100
	SOC financial reports required	..
	Fund rules defined in law	..
	Subnational transfer rules defined in law	..
56	Reporting Practices	13
	Licensing process	33
	Contracts	0
	Environmental and social impact assessments	0
	Exploration data	0
	Production volumes	0
	Production value	0
	Primary sources of revenue	0
	Secondary sources of revenue	0
	Subsidies	0
	Operating company names	100
	Comprehensive SOC reports	..
	SOC production data	..
	SOC revenue data	..
	SOC quasi fiscal activities	..
	SOC board of directors	..
	Fund rules	..

Rank (out of 58)		Score (out of 100)
	Comprehensive fund reports	..
	Subnational transfer rules	..
	Comprehensive subnational transfer reports	..
	Subnational reporting of transfers	..
40	Safeguards and Quality Controls	46
	Checks on licensing process	22
	Checks on budgetary process	33
	Quality of government reports	28
	Government disclosure of conflicts of interest	100
	Quality of SOC reports	..
	SOC reports audited	..
	SOC use of international accounting standards	..
	SOC disclosure of conflicts of interest	..
	Quality of fund reports	..
	Fund reports audited	..
	Government follows fund rules	..
	Checks on fund spending	..
	Fund disclosure of conflicts of interest	..
	Quality of subnational transfer reports	..
	Government follows subnational transfer rules	..
43	Enabling Environment	20
	Corruption (TI Corruption Perceptions Index & WGI control of corruption)	9
	Open Budget (IBP Index)	21
	Accountability & democracy (EIU Democracy Index & WGI voice and accountability)	33
	Government effectiveness (WGI)	22
	Rule of law (WGI)	13

■	Satisfactory	■	Weak
■	Partial	■	Failing