

**Motivation**

The Royal Government of Cambodia (RGC) requested help diagnosing issues with public expenditures in the education sector so a PETS was undertaken.

**Objectives**

The primary objective of this study was to analyze the primary education Priority Action Program (PAP 2.1).

**Main findings**

A key result of the survey is that PAP 2.1 funds do tend to reach schools. This is mainly due to the formula-based allocation method and the program budget structure.

**Leakage**

The survey found that reported leakage in PAP 2.1 is low, but also found that the PAP system is characterized by low quality record keeping, thereby limiting the robustness of the empirical findings on leakage. In terms of total PAP, there is no reported leakage of funds between Provincial Treasuries (PTs) and Provincial Offices of Education (PEOs). There is also evidence of low leakage of PAP 2.1 funds in terms of what District Offices of Education (DEOs) receive from PEOs and what schools receive, over the 2000-2002 period, but this finding is not very robust since the survey found that the quality of official, required PAP records is low, especially at the school and district levels. The funding gap—a compound measure of overall shortfalls in budget execution as well as leakage in comparison to school entitlements—has been modest in all years except in 2001, indicating that resources are reported to be reaching schools, which was a major objective of the PAP reform. The funding gap is important, given that Cambodia is constrained by budget execution problems. The gap increased from 3.1% in 2000 to 23.5% in 2001, and then fell to 6.3% in 2002, though there was significant variation across as well as within provinces.

**Other findings**

The data indicate that quite often the first PAP 2.1 disbursement reached schools in the second half of October or November, after the school year had already started, and at levels well below what schools needed. Delayed and unpredictable disbursements appear to have a highly deleterious impact on schools' operational efficiency.

**Sample**

Initial sample of 220 primary schools randomly drawn from 12 provinces and 34 districts (final sample of 200 schools in 7 provinces since some schools could not be accessed and a replacement could not be found)

**Sample design**

3-stage stratified random sample for the first stage of the sampling based on the 2002-03 school census.

The second stage of the sampling is based on the Cambodian 2003-04 household surveys (HSES).

**Resources monitored**

-Data for 2000-2002

-Recurrent expenditures (cash, in-kind and materials wage and non-wage)

**Recommendations**

-Further develop the program budget model

-Improve budget reporting

-Strengthen financial reporting requirements

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**Main report**

World Bank (2005) "Cambodia Public expenditure tracking survey in primary education," Report No. 34911-KH, December.