CAMBODIA

TECHNICAL ASSISTANCE REPORT ON GOVERNMENT FINANCE STATISTICS MISSION (DECEMBER 6, 2021–JANUARY 11, 2022)

January 2023

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TECHNICAL ASSISTANCE REPORT

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Report on Government Finance Statistics Mission (December 6, 2021 – January 11, 2022)

JANUARY 2023

PREPARED BY

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CDOT

BENEFICIARY COUNTRIES

Cambodia	Lao P.D.R.	Myanmar	Vietnam

Indonesia	Malaysia	Mongolia	Philippines	Thailand

PARTNERS
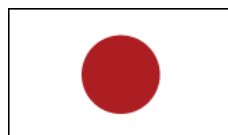
BANK OF THAILAND

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Glossary

APD	Asia and Pacific Department of the IMF
BCG	Budgetary Central Government
CDOT	IMF Capacity Development Office in Thailand
COFOG	Classification of the Functions of Government
FMIS	Financial Management Information System
GDB	General Department of Budget
GDNT	General Department of National Treasury
GDP	General Department of Policy
GFS	Government Finance Statistics
GFSM 2014	*Government Finance Statistics Manual 2014*
IMF	International Monetary Fund
JSA	Japan Administered Account for Selected IMF Activities
LG	Local Government
LM	Line Ministry
MEF	Ministry of Economy and Finance
MFS	Monetary and Financial Statistics
MoE	Ministry of Environment
MOU	Memorandum of Understanding
NBC	National Bank of Cambodia
NFA	Nonfinancial Assets
NIS	National Institute of Statistics
NSSF	National Social Security Fund
PAE	Public Administrative Establishment
PSDS Guide	*Public Sector Debt Statistics: Guide for Compilers and Users*
STA	Statistics Department of the IMF
TA	Technical Assistance
WB	World Bank

SUMMARY OF MISSION OUTCOMES AND PRIORITY RECOMMENDATIONS

1.   A follow-up technical assistance (TA) mission to the Ministry of Economy and Finance (MEF) was conducted remotely during 10 days over the period of December 6, 2021–January 11, 2022. This activity was part of Cambodia's participation in the Japan-funded Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) Project for selected Asian countries (JSA3).[1] The mission assisted the authorities in further improving fiscal data according to the *Government Finance Statistics Manual 2014* (*GFSM 2014*) and the *PSDS: Guide for Compilers and Users.* The mission liaised with Alexandros Mourmouras, Director of the Capacity Development Office in Thailand (CDOT), Rifaat Basanti, the IMF Regional JSA3 GFS/PSDS Project Manager, and Yasuhisa Ojima, the IMF's Resident Representative for Cambodia. The mission would like to thank the authorities for their collaboration.

2.   In cooperation with the MEF General Department of Policy (GDP) the mission implemented the following tasks: (i) reviewed the GFS treatment of selected transactions, such as social security benefits, subsidies, equity injections, and transactions in other accounts receivable/payable; (ii) discussed the progress in reconciling the coverage of government deposits and other financial balance sheet data by the MEF and the National Bank of Cambodia (NBC); (iii) addressed the availability and detail of source data on net acquisition of nonfinancial assets; (iv) discussed the content of ministerial programs related to environmental protection and their mapping to the international Classification of the Functions of Government (COFOG); (v) reviewed the first draft of technical guidelines on compiling and disseminating the *GFSM 2014*-based GFS and PSDS; and (vi) updated the action plan for GFS and PSDS developments.

3.   The mission noted a limited progress in the compilation and dissemination of GFS and PSDS since the previous TA mission (April 26 – July 15, 2021). The GDP GFS Team focused its efforts mainly on reviewing the detail of mapping from the national program classification to COFOG with the MEF General Department of Budget (GDB) and selected Line Ministries (LMs). In October 2021, the MEF reported extended 2019 GFS for general government, including the National Social Security Fund (NSSF) and other public administrative establishments (PAEs). Annual GFS for 2020 cover budgetary central government (BCG) and local governments (LGs) pending more detailed source data from PAEs. Quarterly PSDS for joint World Bank/IMF PSDS Database are still reported on a semi-annual basis following the date of the national publication; the most recent PSDS submission relates to 2020 Q2. The mission recommended GDP resume reporting quarterly PSDS and comply with the established calendar (one quarter after the reporting quarter). The status of implementing the previous mission's recommendation is described in Appendix III.

4.   The mission advised on the treatment of social security benefits and government support to public financial corporations in line with the *GFSM 2014*. Social payments to

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[1] The IMF's Statistics Department (STA) in collaboration with the IMF's Capacity Development Office in Thailand (CDOT) manages the Japan Administered Account for Selected IMF Activities Project (JSA3).

households through the NSSF should be classified as social security benefits. The transfers from BCG to the NSSF to finance the payments of social security benefits represent grants between subsectors of the general government sector, which are subject to consolidation. The GFS treatment of the equity injections or other financial support to the Agricultural and Rural Development Bank (ARDB) and the Small and Medium Enterprise Bank of Cambodia (SME Bank) depends on several factors (see the *GFSM 2014*, Box 6.3). Subsidies would be current payments calculated based on the quantities or values of services. Regular transfers to cover the recurrent deficit resulting from government's fiscal policy would be also subsidies in GFS. Transfers to cover large operating deficits accumulated over two or more years, repayments of banks' debt liabilities without acquiring an effective claim, or investments without reasonable expectations of return are recorded as capital transfers.

5.   **The mission discussed with the GDP GFS Team the treatment of other accounts receivable/payable in GFS time series.** Source data for high-frequency GFS contains the line "outstanding operations", which offsets the difference between above-the-line transactions (revenue and expenditure) and below-the-line transactions (financing) pending the data on actual spending by line LMs. The GFS Team informed the mission that starting from 2018 "outstanding operations" have been regulated during the complementary period at the end of the fiscal year and confirmed the absence of accounts payable in subsequent annual GFS time series. The accounting basis for GFS is considered as non-cash since the data include in-kind transactions in foreign grants corresponding to acquisitions of nonfinancial assets under externally financed projects.

6.   **The mission reviewed the joint work of the MEF GDP and the NBC on reconciling the coverage of government deposits, but progress here has been limited.** Defining the scope of government deposits and consolidating government financial resources would support effective treasury management and fiscal policy implementation. The MEF GDP identified 60 accounts for externally financed projects outside Treasury Single Account representing around 1/3 of total discrepancy between GFS and monetary and financial statistics (MFS) data on government foreign currency deposits. Work needs to be continued on checking the remaining government deposits at the NBC and then identifying the holders of government deposits at commercial banks and other financial corporations. Discrepancies between GFS and external sector statistics are mainly due to different exchange rates.

7.   **The final decision on adopting the inter-agency Memorandum of Understanding (MoU) is pending.** The draft MoU[2] was developed by the MEF to encourage data exchange between statistics-producing agencies and provide a formal basis for creating the Technical Working Group on Consistency in the System of Macroeconomic Statistical Accounts. The representatives of the MEF, the NBC, and the National Institute of Statistics (NIS) discussed the draft MoU during the inter-agency workshop hosted by the MEF GDP (December 22-23, 2021). The NBC considers the current cooperation with the MEF as good at the technical staff level but admits that the MoU would make this cooperation more sustainable. The NIS supports the inter-agency cooperation in principle but has concerns about capacity issues. At

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[2] Exists in Khmer only.

the current stage, the NIS technical staff is not prepared to share the bridge tables neither the resulting numbers for general government accounts in the national accounts.

8.   **The mission discussed quality issues in classifying government expenditure according to COFOG.** Several LMs map administration and support programs with "not elsewhere classified (n.e.c.)" COFOG categories instead of splitting by relevant subfunctions (COFOG groups). Therefore, for some LMs expenditure classified under "n.e.c" subfunctions represents 50-80% of current expenditure. Additional issues relate to COFOG for LGs, which is currently under development. Following a request from the GFS Team, the mission provided recommendation on bridging the LGs programs with COFOG (Appendix II to the report). The mission stressed the need for concerted efforts of the MEF, LMs, and LGs to ensure international comparability and analytical usefulness of data by COFOG subfunctions. In addition, the mission recommended improvements in COFOG compilation to capture government expenditure on environmental protection for reporting to the IMF Climate Change Indicators Dashboard.

9.   **Additional limitations relate to the availability and detail of source data on net acquisition of nonfinancial assets.** Following data analysis conducted by the GFS Team over selected LGs, major reconstructions of roads and bridges can be recorded together with their current maintenance and repairs in order to simplify the budget process for this type of expenditure. The MEF continues developing the Guidelines on Accounting for Non-current Assets for all levels of government and the MEF Public Investment Project (PIP) Database Management System to enhance source data for nonfinancial assets. The authorities expressed interest in the IMF technical assistance on PIP Database design, including necessary attributes to classify expenditure and track each project's cycle.

10.   **The mission reviewed the first draft of the GFS/PSDS Technical Compilation and Dissemination Guidelines for Cambodia.** The draft includes general overview and advantages of using GFS/PSDS framework, selected provisions on the existing institutional arrangements for GFS/PSDS in Cambodia, and the description of the general government sector. To ensure the sustainability of GFS/PSDS work despite the upcoming staff rotation, the mission stressed the need to add the description of actual compilation and dissemination procedures, data sources, derivation, and bridge tables, reporting formats, relationship to other datasets, and other technical detail.

11.   **The following priority recommendations carry particular weight to improving GFS and PSDS in Cambodia (Table 1).** A detailed Action Plan for further GFS/PSDS developments is included in Appendix I to the report.

Table 1. Priority Recommendations

Target Date	Priority Recommendation	Responsible Institutions
May 2022	*Finalize reconciliation of the GG financial balance sheet data between the MEF and the NBC (IIP, MFS), explain the reasons for remaining discrepancies*	**GDP MEF, NBC**

May 2022	Include the description of compilations procedures, data sources, derivation and bridge tables, reporting formats, and other technical detail in the draft Technical Guidelines for GFS and PSDS	**GDP MEF**
September 2022	*Complete annual GFS time series for 2020 with data for NSSF and other PAEs, report GFS for general government to the IMF*	**GDP MEF**

Appendix I. Action Plan to Improve GFS/PSDS Compilation and Dissemination

N	Indicative Target Date	Recommendation	Responsible Institutions
Outcome: Data are compiled and disseminated using the coverage and scope of the latest manual/guide			
1.	May 2022	Finalize reconciliation of the GG financial balance sheet data between the MEF and the NBC (IIP, MFS), explain the reasons for remaining discrepancies – ***priority recommendation***	GDP MEF, NBC
2.	May 2022	Finalize and approve the draft MoU (including the ToR for the GFS Technical Working Group on Consistency in the System of Macroeconomic Statistical Accounts)	GDP MEF, NBC, NIS
3.	August 2022	Publish the 2015-2019 consolidated balance sheet (Table 6) for BCG and LGs and relevant metadata as part of GFS on the MEF website and report it to the IMF	GDP MEF
4.	September 2022	Complete annual GFS time series for 2020 with data for NSSF and other PAEs, report the extended GFS for general government to the IMF – ***priority recommendation***	GDP MEF
5.	October 2022	Reconcile GG data on transactions between MEF and NIS (Production account, Income Accounts, Saving) explain the reasons for remaining differences.	GDP MEF, NIS
Outcome: Data are compiled and disseminated using the classification of the latest manual/guide			
6.	May 2022	Generate and review GFS Table 3 (Transactions in Assets and Liabilities) for budgetary central government from FMIS, make necessary corrections of mapping CoA to GFS in FMIS	GDP, GDICDM, and GDNT
7.	May 2022	Generate and review GFS Table 3 (Transactions in Assets and Liabilities) for local governments from FMIS, make necessary corrections of mapping CoA to GFS in FMIS	GDP and GDNT, MEF
8.	May 2022	Finalize statistics on Environment Protection expenditure for 2018-2020 and report to the IMF STA for publication at the Climate Indicators Dashboard	GDP
9.	May 2022	Include the description of compilations procedures, data sources, derivation and bridge tables, reporting formats, and other technical detail in the draft Technical Compilation and Dissemination Guidelines for GFS and PSDS – ***priority recommendation***	GDP MEF
10.	June 2022	Consider improving the mapping of administration and support programs between COFOG sub-functions	GDP MEF

N	Indicative Target Date	Recommendation	Responsible Institutions
11.	August 2022	Finalize the mapping of LGs' programs to COFOG	GDP, GDSNAF, and GDB
12.	September 2022	Compile Table 7 (Expenditure by Functions of Government) covering expense and net acquisitions of NFAs for BCG and report to the IMF as part of annual GFS submission	GDP, MEF
Outcome: Higher frequency data has been compiled and disseminated internally and/or to the public			
13.	May 2022	Resume reporting to the Joint World Bank–IMF PSDS database	GDP and GDICDM, MEF
14.	June 2022	Update explanations on the TOFE/GFS derivation table on the MEF website	GDP MEF
15.	August 2022	Improve the frequency of quarterly PSDS reporting to the Joint World Bank–IMF PSDS database and comply with the established calendar (one quarter after the reporting quarter)	GDP and GDICDM, MEF
16.	November 2022	Review available source data for SOEs and conclude on the possibility of compiling GFS on public sector	GDP and GDSPNTR, MEF

Appendix II. Recommendations on Mapping Local Governments' Programs/Subprograms to COFOG

Local Government Program/Subprogram	Mission's Recommendations	
	COFOG	Comments
Non-tax revenue collection	70112 Financial and fiscal affairs	Includes, among others, administration of financial and fiscal affairs and services and operation of taxation schemes, operation of the revenue agency.
Justice and dispute resolution services	70330 Law courts	Includes the activities of civil and criminal law courts and the judicial system, administrative tribunals, ombudsmen.
Transfers between subnational administrations	7018 Transfers of a general character between different levels of government	Includes transfers between different levels of government that are of a general character and not allocated to a particular function. Important to keep a separate code in order to facilitate consolidation.
Security and social order	7036 Public order and safety n.e.c.	The content of the program is unclear from the COFOG standpoint. Public order and safety expenditure could be assigned to 7031 Police services, 7032 Fire protection services, 7033 Law courts, 7034 Prisons, or 7035 R&D Public order and safety. Otherwise, it falls under 7036.
Improving hygiene, environment, people well-being	7074 Public health services	Includes provision of public health services to groups of clients, most of whom are in good health, at workplaces, schools, or other nonmedical settings; public health services not connected with a hospital, clinic, or practitioner; public health services not delivered by medically qualified doctors.
	7056 Environmental protection n.e.c.	Environmental protection should be assigned to 7051Waste management, 7052 Waste water management, 7053 Pollution abatement, 7054 Protection of biodiversity and landscape, or 7055 R&D Environmental protection. Otherwise, it falls under 7056.
	7109 Social protection n.e.c.	"People well-being" is unclear from the COFOG standpoint. For instance, it could be classified under 7102 Old age or 71040 Family and children. The code 7109 could be used pending more detail in specifications.
Prevention of disasters and epidemics in all circumstances	70560 Environmental protection n.e.c.	Prevention, reduction, and elimination of pollution and other forms of degradation of the environment constitute the purpose of environmental protection activities
	70740 Public health services	Provision of public health services, including administration, inspection, operation, or support of public health services, prevention (immunization, inoculation), epidemiological data collection, and so forth.

Local Government Program/Subprogram	Mission's Recommendations	
	COFOG	Comments
Acceleration of poverty reduction	7107 Social exclusion n.e.c.	Includes provision of social protection to persons who are socially excluded or at risk of social exclusion (such as persons who are destitute, low-income earners, immigrants, indigenous people, refugees, alcohol and substance abusers, victims of criminal violence, etc.) to help alleviate poverty or assist in difficult situations, help with carrying out daily tasks, food, clothing, fuel, etc.
Organizing public road traffic and accident control	70310 Police services	Includes, among others, road traffic regulation and control.
Planning electricity in the streets, installation of light poles, electricity framework, including cost of maintenance and repairs	70640 Street lighting	Includes administration of street lighting affairs, installation, operation, maintenance, upgrading, etc. of street lighting, except for lighting affairs and services associated with the construction and operation of highways, which are classified under 70451 Road transport.
Provision of health services by hospitals in capital, province	7073 Hospital services	In COFOG, hospitals are defined as institutions that offer inpatient care under direct supervision of qualified medical doctors. Medical centers, maternity centers, nursing homes, and convalescent homes also provide in-patient care, but their services are supervised and frequently delivered by staff of lower qualification than medical doctors. Hospitalization is defined as occurring when a patient is accommodated in a hospital for the duration of the treatment. The group 7073 in COFOG is further split into 70731 General hospital services, 70732 Specialized hospital services, 70733 Medical and maternity center services 70734 Nursing and convalescent home services.
Provision of health service by health centers and health posts	7072 Outpatient services	This COFOG group covers medical, dental, and paramedical services delivered to outpatients by medical, dental, and paramedical practitioners and auxiliaries. The services may be delivered at home, in individual or group consulting facilities, dispensaries, or the outpatient clinics of hospitals and the like.
Support for mothers and children to access health and nutrition services	70740 Public health services	Includes, among others, administration, inspection, operation, or support of public health services, such as disease detection, prevention (immunization, inoculation), monitoring (infant nutrition, child health), epidemiological data collection, family planning services, and so forth.

Local Government Program/Subprogram	Mission's Recommendations	
	COFOG	Comments
Construction/repair of health facilities	70760 Health n.e.c.	A correct COFOG classification depends on the type of health facilities.
Water supply and sanitation in schools, kindergartens, community and housing	7063 Water supply	Includes, among others, administration of water supply affairs, assessment of future needs and determination of availability in terms of such assessment; supervision and regulation of all facets of potable water supply including water purity, price, and quantity controls; construction or operation of nonenterprise-type of water supply systems.

Appendix III. Implementation Status of the Previous Mission's Recommendations

N	Indicative Target Date	Recommendation	Responsible Institutions	Implementation Status (as of January 11, 2022)
Outcome: Data are compiled and disseminated using the coverage and scope of the latest manual/guide				
1.	December 2021	Conclude on the possibility of using cash-based IPSAS reports for 2017-2019 as source data for compiling GFS Statement II (Statement of Sources and Uses of Cash)	GDP MEF	**Partially Implemented** The GDP included this activity in the MEF Action Plan (CAP4). The implementation of CAP4 is scheduled to start in 2023.
2.	December 2021	Report the coordinated list of general government and public sector units to STA as part of annual GFS metadata	GDP MEF	**Partially Implemented** The updated list of General Government units was reported to the IMF STA in October 2021 as part of the annual GFS submission. The Techo Startup Center created in 2021 is considered as a PAE (general government). In addition, the GDP shared the list of 17 public enterprises, including the following: 1. NBC, 2. Phnom Penh Water Supply Authority, 3. Siem Reap Water Supply Authority. 4. Publishing and Distribution House, 5. Building and Public Works Laboratory, 6. Telecom Cambodia, 7. Sihanoukville Autonomous Port, 8. Phnom Penh Autonomous Port, 9. Electricite du Cambodge, 10. Cambodia Post, 11. Agriculture and Rural Development Bank (ARDB), 12. Green Trade Company, 13. Cambodia Reinsurance Company (Cambodia Re). 14. Cambodia Securities Exchange. 15. SME Bank, 16. Credit Gurantee Corperation of Cambodia (CGCC), 17. Enterprise for Managing Transfer Stations and Landfills for Solid Waste (EML). From the *GFSM 2014* standpoint, the public enterprises controlled by government should be classified within general government (GG) or

N	Indicative Target Date	Recommendation	Responsible Institutions	Implementation Status (as of January 11, 2022)
				public sector (PS) depending on the nature of their activities (non-market or market) over recent years. The market/non-market test for public enterprises functioning for 3 years or more has not been done yet. Newly created enterprise (11. ARDB, 12. Green Trade Company, 13. Cambodia Re. 14. Cambodia Securities Exchange. 15. SME Bank, 16. CGCC, 17. EML) are considered as part of the PS by convention. Further work is needed on coordinating the list of GG units/accounts included in GFS, MFS/BOP, and national accounts.
3.	December 2021	Complete annual GFS time series for 2018 with data for NSSF and other PAEs, report 2018 and updated 2019 GFS for general government to the IMF – *priority recommendation*	GDP MEF	**Partially Implemented** The GFS Team in coordination with the previous GFS TA mission reviewed the bridging of 2018-2019 detailed source data for PAEs. In October 2021, the MEF reported updated GFS for 2019, including data for the NSSF and other PAEs, and GFS for 2020 covering BCG and LGs only. The coverage of 2020 GFS will be expanded once source data for the NSSF and other PAEs become available. The current mission was informed that the GDP considered the quality of detailed source data for the NSSF and other PAEs for 2018 and back as insufficient for GFS compilation. Therefore, extended GFS time series for the Cambodian GG can only start by 2019.
4.	December 2021	Discuss the draft MoU (including the ToR for the GFS Technical Working Group on Consistency in the System of Macroeconomic Statistical Accounts) with the NIS and the NBC, prepare and approve the final version	GDP MEF, NBC, NIS	**Partially Implemented** The draft MoU encourages data exchange between statistics-producing agencies (MEF, NBC, and NIS) though it does not specify concrete aggregates or balancing items to be shared by each agency. The MoU provides a formal basis for creating the Technical Working Group on Consistency in the System of Macroeconomic Statistical Accounts.

N	Indicative Target Date	Recommendation	Responsible Institutions	Implementation Status (as of January 11, 2022)
				The draft MoU was discussed during an inter-agency workshop on consistency of macroeconomic accounts (December 22-23, 2021) hosted by the MEF. In the NBC's opinion, the cooperation with the MEF is good but the MoU would make it more sustainable. The NIS supports the cooperation in general but the staff is not prepared to share the bridge tables that the NIS uses to compile GG accounts neither the resulting numbers. In addition, the NIS representatives raised staff capacity issues, which limit the NIS participation in the inter-agency data reconciliation work. The final decision on the draft MoU is pending. The draft MoU exists in Khmer only.
5.	December 2021	Improve GFS for LGs to ensure an accurate split between Compensation of employees (GFS code 21), Use of goods and services (GFS code 22), and Acquisitions of nonfinancial assets (GFS code 31)	GDP, GDNT, and GDSNAF MEF,	**Partially Implemented** During the discussions with the LGs the GFS team identified some items that need reclassification from Use of goods and services (GFS code 22) to Acquisitions of nonfinancial assets (GFS code 31), mostly relating to major reconstructions of roads. Such major reconstructions are usually recorded together with current maintenance and repairs (CoA code 61053 *Maintenance and repair of roads, path, bridges and drainage systems*) in order to simplify the budget process in term of planning and executing this type of expenditure. Following the analysis conducted by the GFS Team over selected provinces, the share of capital spending included in current expense varies substantially among provinces, which complicates establishing a right basis for estimations to correct time-series. As a result, the actual value of government nonfinancial assets in form of roads is underestimated. The new Guidelines on Accounting for Non-current Assets remains work in progress (GDNT reviews and incorporates comments from other MEF General Departments). LGs are

N	Indicative Target Date	Recommendation	Responsible Institutions	Implementation Status (as of January 11, 2022)
				supposed to use the new Guidelines in their accounting, which will improve source data for GFS.
6.	January 2022	Reconcile GG financial balance sheet data between the MEF and the NBC (IIP, MFS), explain the reasons for remaining discrepancies, including difference between the GDNT and DMFAS data for loans to GG provided by the banking system– *priority recommendation*	GDP MEF, NBC	**Partially Implemented** The GDP GFS Team has been working with the NBC on reconciling data for GG deposits and other balance sheet positions. The main discussions happened during the inter-agency workshop on consistency of macroeconomic accounts (December 22-23, 2021). The GDNT data on BCG deposits in the TOFE (and the accounting Trial Balance) covers TSA opened at NBC, deposit accounts at NBC (reserve accounts and other bank accounts held by the MEF, or jointly with other related LMs), and other bank accounts at NBC held by the MEF or LMs for running specific externally financed projects. The coverage is around 100 accounts; all of them are part of the NBC List of Government Accounts at NBC Head Office. The NBC numbers for BCG deposits include additional MEF's and LMs' accounts outside TSA used for spending cash advances or running externally financed projects. The GFS team has identified 60 outside TSA accounts for externally financed projects for the total amount of 1,315,792 million riels (as of December 31, 2018).
7.	February 2022	Reconcile GG data on transactions between MEF and NBC (BOP), explain the reasons for remaining differences	GDP MEF, NBC	**Partially Implemented** Relevant discussions happened during the inter-agency workshop on consistency of macroeconomic accounts (December 22-23, 2021). The main reason for discrepancies is the difference in the exchange rates applied by the MEF (GDICDM and GDNT) and the NBC. For instance, with relation to transactions under externally financed projects, the NBC receives source data from the MEF GDICDM in KHR (irrespective of the initial currency of the project), then converts to USD using the average

N	Indicative Target Date	Recommendation	Responsible Institutions	Implementation Status (as of January 11, 2022)
				rate for the period. The MEF GDNT uses source data converted to KHR at the date of transaction.
8.	February 2022	Publish the 2015-2018 consolidated balance sheet (Table 6) for BCG and LGs as part of GFS on the MEF website and report it to the IMF	GDP MEF	**Partially implemented** The GDP GFS Team has been working with the NBC on reconciling data for GG deposits and other balance sheet positions. The main reasons for discrepancies have been identified. However, the MEF decision on publishing financial balance sheets remains pending.
9.	April 2022	Compile the 2019 consolidated balance sheet (Table 6) for budgetary central government and local governments	GDP MEF	The work has not started yet
10.	May 2022	Reconcile GG data on transactions between MEF and NIS (Production account, Income Accounts, Saving), explain the reasons for remaining differences.	GDP MEF, NIS	The work has not started yet.
Outcome: Data are compiled and disseminated using the classification of the latest manual/guide				
11.	December 2021	Use available financial reports of PAEs (in addition to their budget execution tables) as source data for 2020 annual GFS	GDP MEF	**Not Implemented** Neither 2020 budget execution reports, nor financial reports for PAEs were available by the time of the mission.

N	Indicative Target Date	Recommendation	Responsible Institutions	Implementation Status (as of January 11, 2022)
12.	December 2021	Review GFS Table 2 (Expense) for budgetary central government generated from FMIS, make necessary corrections of mapping CoA to GFS in FMIS	GDP and FMIS Team MEF	**Implemented** Review of the GFS Table 2 (Expense) for BCG generated from FMIS has been finalized and moved to the production phase. For the upcoming 6 months, the GFS team is planning to keep a parallel GFS reporting using the Classification Assistant.
13.	December 2021	Review GFS Table 2 (Expense) for local governments generated from FMIS, make necessary corrections of mapping CoA to GFS in FMIS	GDP and FMIS Team MEF	**Implemented** Review of the GFS Table 2 (Expense) for LGs generated from FMIS has been finalized and moved to the production phase. For the upcoming 6 months, the GFS team is planning to keep a parallel GFS reporting using the Classification Assistant.
14.	January 2022	Prepare the first draft of technical guidelines on compiling and disseminating the *GFSM 2014*–based GFS and Quarterly PSDS	GDP MEF	**Partially Implemented** The GFS team shared the first draft Technical Compilation and Dissemination Guidelines for GFS and PSDS on the last day of the mission's work. The draft document includes general overview of the GFS/PSDS, explanations on the advantages of using GFS/PSDS framework mainly based on the GFS metadata published on the MEF website. In addition, the document contains selected provisions on the existing institutional arrangements for GFS/PSDS n Cambodia and the description of the general government sector. To make it more practical, the document needs to be extended with the description of GFS/PSDS compilations procedures, data sources, derivation and bridge tables, reporting formats, relationship to other datasets, and other technical detail.
15.	February 2022	Consider improving the coverage and classification of expenditure on environmental protection by	GDP MEF	**Partly Implemented** The coverage of the CPER goes beyond GG government and includes NGOs and climate-related projects and programs outside GG.

N	Indicative Target Date	Recommendation	Responsible Institutions	Implementation Status (as of January 11, 2022)
		cross-checking with the Cambodia Climate Public Expenditure Review (CPER) database		Expenditure on environmental protection compiled by the GFS team cover BCG expense and acquisitions of NFA for 2018-2020 under COFOG code 705 Environmental Protection and its subcodes. The methodology for compiling environmental protection expenditure is based on COFOG, which provides for international comparability of data. The methodology of the Cambodia CPER is national-based. The database for BGG is the same (FMIS for current expense and Budget Settlement Laws for capital expenditure). According to the FMIS-base source data only two LMs were reporting Government Expenditures on Environmental Protection (COFOG 705) and relevant expenditure groups: the Ministry of Environment (MoE) and the Ministry of Water Resources and Meteorology (MoWRAM). The largest part of environmental protection expenditure falls under COFOG 7056 Environmental protection not elsewhere classified. Additional checks on the content and structure of the MoE programs related to environmental protection and their mapping to COFOG did not provide additional detail for allocating the expenditure from COFOG 7056 to the more typically seen COFOG codes 7051 Waste management, 7052 Waste water management, 7053 Pollution abatement, and 7054 Protection of biodiversity and landscape. The detail of the MoWRAM's programs is absent. Further work is needed to check in the content and the COFOG mapping of the programs of the Ministry of Public Works and Transportation with relation to its activities in the field of waste water management, which might be part of COFOG 7052 Waste water management.

N	Indicative Target Date	Recommendation	Responsible Institutions	Implementation Status (as of January 11, 2022)
16.	March 2022	Generate and review GFS Table 3 (Transactions in Assets and Liabilities) for budgetary central government from FMIS, make necessary corrections of mapping CoA to GFS in FMIS	GDP, GDICDM, and GDNT	The work has not started yet
17.	March 2022	Generate and review GFS Table 3 (Transactions in Assets and Liabilities) for local governments from FMIS, make necessary corrections of mapping CoA to GFS in FMIS	GDP and GDNT, MEF	The work has not started yet

N	Indicative Target Date	Recommendation	Responsible Institutions	Implementation Status (as of January 11, 2022)
18.	June 2022	Compile Table 7 (Expenditure by Functions of Government) covering expense and net acquisitions of NFAs and report to the IMF as part of annual GFS submission	GDP, MEF	**Partially Implemented** The GFS Team focused its efforts on discussing the detail of mapping from the national program classification to the international COFOG with the MEF GDB and selected LMs. One of the important COFOG limitations occurs as a result of mapping support programs (maintenance and repairs, electricity bills, administrative expense) and the programs relating to the administration of local branches of LMs under "not elsewhere classified (n.e.c.)" of relevant COFOG functions. The mission was informed that the attempts for splitting such programs between relevant COFOG subfunctions (based on wages) have been made for health and education. For other LMs with which the GFS team had working meetings, 50-80% of current expense is considered as n.e.c. Another issue relates to limited availability and detail of source data for the net acquisition (i.e. acquisitions minus disposals) of NFA, which is part of government expenditure in GFS. The Guideline on Accounting for Non-current Assets and the MEF Public Investment Project Database Management System (both are under development by the MEF) will enhance relevant source data for GFS and PSDS.
Outcome: Higher frequency data has been compiled and disseminated internally and/or to the public				
19.	December 2021	Update explanations on the advantages of using GFS in fiscal analysis and the TOFE/GFS derivation table (by adding	GDP MEF	**Partially Implemented** Financing part has been added to the derivation table. The metadata published on the MEF site need additional explanations on the

N	Indicative Target Date	Recommendation	Responsible Institutions	Implementation Status (as of January 11, 2022)
		transactions in financial assets) on the MEF website		differences between TOFE and *GFSM 2014*-based GFS and the content of the derivation table.
20.	April 2022	Report to the Joint World Bank–IMF PSDS database on a quarterly basis	GDP and GDICDM, MEF	The work has not started yet
21.	April 2022	Improve data coverage of quarterly PSDS to include accounts payable and report to the Joint World Bank–IMF PSDS database	GDP and GDICDM, MEF	The work has not started yet
22.	May 2022	Review available source data for SOEs and conclude on the possibility of compiling GFS on public sector	GDP and GDSPNTR, MEF	The work has not started yet

Appendix IV. Officials Met During the Mission

Name	Institution
H.E. Cheang Vanarith	Director General, GDP
Dr. Chhau Somethea	Deputy Director General of the GDP
Sok Khorn	Director, Statistics and Economic Analysis Department, GDP
Yorn Sambath	Deputy Director, Statistics and Economic Analysis Department, GDP, MEF
Khut Chankanika	Young Economist Professional, GDP, MEF
Prak Tha Achharawadei	Young Economist Professional, GDP, MEF