



Slovakia

**Public Expenditure Reviews:
Defense/Security, Interior and
Criminal Justice Sectors**

AN OVERVIEW

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Public Expenditure Reviews (PERs)

- A PER is an analytical instrument that examines government resource allocations within and among sectors, assessing their equity, efficiency, and effectiveness in the context of a country's macroeconomic framework and sectoral priorities.
- A PER identifies the reforms needed in budget processes and administration to improve the efficiency of public spending.
- PERs may focus on critical economic policy questions, such as affordability and sustainability, or they may focus on public financial management (PFM) and assess the quality of budget execution.
- The latter highlights the control and management functions and mechanisms in place to ensure that public monies are used correctly for their intended purposes, are deployed quickly and efficiently, and are properly accounted for.

Why Undertake a Security/Interior/Justice Public Expenditure Review (SIJPER) - 1

- A SIJPER integrates the security, interior and justice sectors within the overall public sector through the budget process
- It usually begins with an institutional mapping to throw light on the SIJ sector management structure, key actors and their functions, and how the sector political economy affects the quantity and quality of resource allocation
- A public finance perspective addresses whether programs have adequate and sustainable resourcing, without which they are at best ineffective and at worst could create additional conflict and violence
- Where SIJ entities seek finances to modernize, a public finance perspective accounts for value for money and so can justify additional resources from national budgets and other sources

Why Undertake a Security/Interior/Justice Public Expenditure Review (SIJPER) - 2

- A PER can make explicit the resource allocation trade-offs underlying different policy options; in particular, it can help address the tendency of SIJ sector resourcing (especially defense in many cases) to absorb a large share of scarce public resources and crowd out other activities to finance key public services
- A PER can address how SIJ financial management reflects on the legitimacy of governments to both domestic and external stakeholders: SIJ service provision comprise the fundamental public goods that a state is expected to provide to its citizens; and sustained and accountable financing of these sectors is critical

Key Questions in Undertaking a Security/Interior/Justice Public Expenditure Review (SIJPER)

- Is the system appropriately funded to achieve key policy goals?
- How is the budget allocated across entities?
- What are entities spending on, and does this spending reflect and support performance goals?
- Does the budget support 'rightsizing' of each entity?
- What would a more modernized system look like – for defense and for criminal justice?
- What budget would be needed, and can Slovakia afford this now and in the future?
- Are resources being used in the most cost-efficient manner?

Context is Key for Defense

- Country context – historical, political, administrative
- EU context – alignment, convergence, open borders
- NATO context – Slovakia is a member of the military alliance
- Topical issues contributing to context: migrant issue, terrorism, cybercrime and the 'fake news' epidemic fed by social media
- Geopolitical and national security context (e.g. Slovakia dependent on Russian oil and gas for its own consumption and as a transit country for Russian gas to the EU)

Context is Also Key for Interior/Criminal Justice

- Country context – historical, political, administrative
- EU context – alignment, convergence, open borders
- Council of Europe and CEPEJ context – Slovakia is a member of both

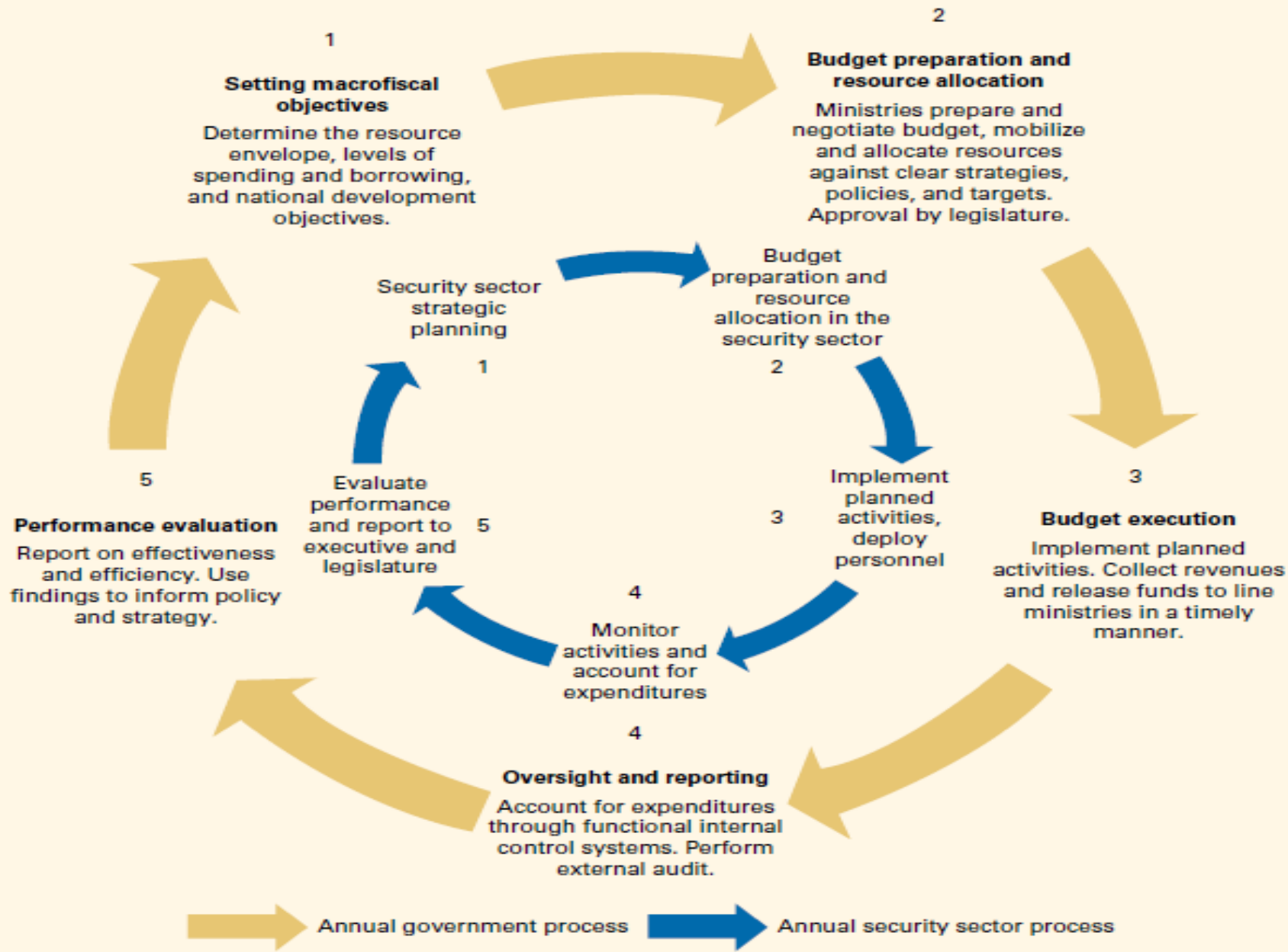
Defense/Security Sector

- Agency mandates
- Institutional architecture
- Sources of financing
- On-budget and off-budget revenues and expenditures
- Wages, salaries and allowances
- Other O&M expenditures
- Capital budgeting and capital expenditures
- Other issues

Public Finance and Defense/Security

- Key concepts
- Budgets and the goals of fiscal policy
- PFM in the Defense/Security Sector
- UN and IMF classifications of the functions of government - defense

Figure O.2 The Security Sector in the Budget Cycle



Source: Adapted from Ball and Holmes 2002.

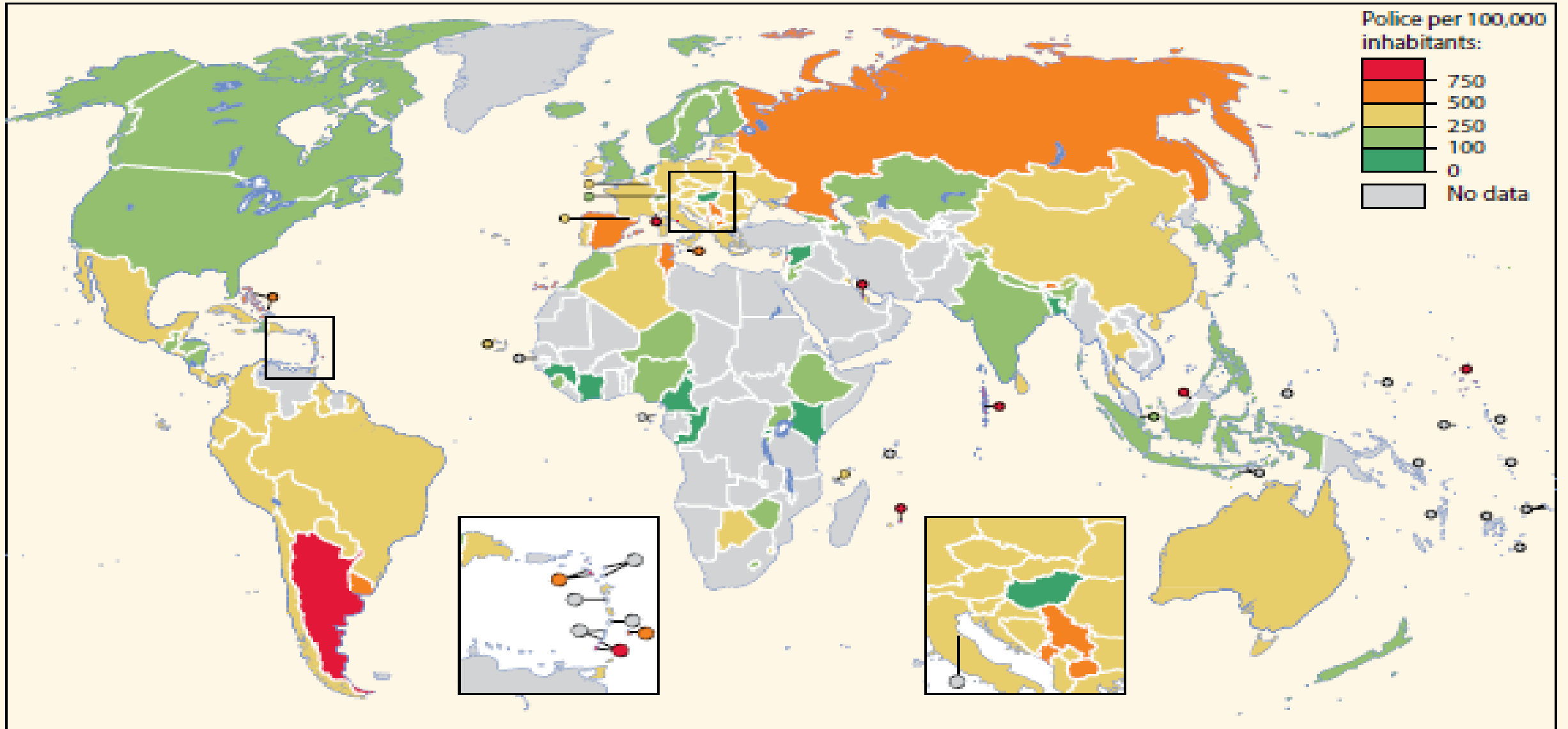
PERs – Defense/Security Sector

- Defense and national security functions
- Military and national security institutions
- Risks, strategies, policies
- The NATO and EU contexts
- Budgeting in defense
- Budget execution
 - Defense sector corruption risks
- Performance measurement
- Oversight arrangements

PERs - Policing Services

- Police in defense and criminal justice
- Policing and the budget cycle
- Policing costs – how much is borne by different levels/tiers of government
- Measuring police performance
- Key issue: policy options for delivering safety and security
- Relevant questions in many countries:
 - What factors drive crime and violence? (Examples include high youth unemployment, poverty, inequality, social exclusion, insufficient integration of recent migrants, drug trafficking, human trafficking, organized crime and extortion/protection rackets)
 - Are statistics compiled on complaints against police, prosecution, etc.?
 - Are allegations of police corruption recorded?
 - Are there statistics on gender, ethnicity, religious background of officers in law enforcement? What is the gender ratio at different seniority levels?
 - Are there performance standards for the police?
Are there statistics on public and private sector trust and confidence in the police?

Map 4B.3 Police per 100,000 Inhabitants, 2012 or Most Recent Year



IBRD 42384 | JULY 2016

Sources: UNODC, Surveys on Crime Trends and the Operations of Criminal Justice Systems, various years.

PERs – Criminal Justice Sector

- Rationale for a PER
- Mapping the criminal justice sector
- Chain of criminal justice
 - Entities
 - Interagency coordination
 - Constitutional issues (e.g. relating to the judiciary and the prosecution)
- Assessments – prosecution, criminal courts, corrections and rehabilitative services (e.g. probation)
- Data and statistics
- Measuring criminal justice performance
- **The criminal justice budget (excluding the police) is often not a priority for Ministries of Finance because of its lack of fiscal weight**

SIJPERs: Some Common Issues - 1

- Agency functions and mandates – Legal framework? Institutional arrangements? Any overlaps? Funding mismatches?
- Statistics – adequacy, availability, modernization needs
- National strategy and policy – including public consultation, performance standards/targets, are objectives set locally or nationally
- Financing – national, sub-national and other sources; are budgets linked to performance; salaries and allowances; other operations and maintenance (O&M) expenditures; capital expenditures
- Public investment management for defense/security/interior/criminal justice and adequacy of budget process, budget allocations and expenditure policies for capital expenditures
- Asset management – movable and immovable properties; issues and challenges
- “Confidential/secret expenditures” – magnitude, issues and challenges
- Off-budget revenues and expenditures
- Oversight of defense, security, interior and criminal justice functions – policies? Processes? Is complaints handling credible and trusted?
- Gender issues (depends on the country)

SIJPERs: Some Common Issues - 2

- Defense, security, interior and criminal justice corruption – risks and mitigation strategies
- Procurement - defense/interior/police/criminal justice
- Oversight of expenditures and procurements – legal framework, institutional arrangements, capacity
- Private security industry – Does it exist? How large is it? What government functions does it displace? Is it effectively regulated?

Efficiency-enhancing Innovations – Examples

- Efficiency in justice expenditures:
 - Corrections and rehabilitative functions – PPP approach in UK, USA, Australia
 - Judicial functions and services – Slovenia, Croatia, Poland
 - Enforcement of civil judicial decisions – Croatia, Poland, Azerbaijan
 - Mixed system for enforcement of judicial decision – private enforcement agents and public bailiffs
- Efficiency in budget allocations for criminal justice
 - Netherlands – budget allocations based on contracting between criminal justice agencies (e.g. courts, prosecutors, police), overseen by Judicial Council

Innovation – Coordinating and Financing The Justice Sector - New Zealand

- NZ recognizes the “pipeline” across the criminal justice system i.e. the flow of responsibilities across the sector, from investigating crime and carrying out arrests, to prosecution, sentencing, and finally to sentence management and rehabilitation.
- Actions and decisions at one part of the pipeline can substantially influence others.
- This involves a specific approach to leadership: a Sector Leadership Board formed in 2011 comprises the chief executives of Police, Justice, and Corrections, with the Justice Secretary as chair and a sector group in the Ministry of Justice providing support.
- What does the Board do?
 - It is responsible for the justice system’s overall performance
 - It coordinates major sector changes and handles improvements (modernization, cost reduction, service enhancement, etc.).
- The Justice Sector Fund, a funding pool established in 2012, further facilitates coordination across the sector and enables transfer of savings between agencies and across years, and thus allows direction of funds to the highest priority concerns

Thank you!

Questions? Please contact:

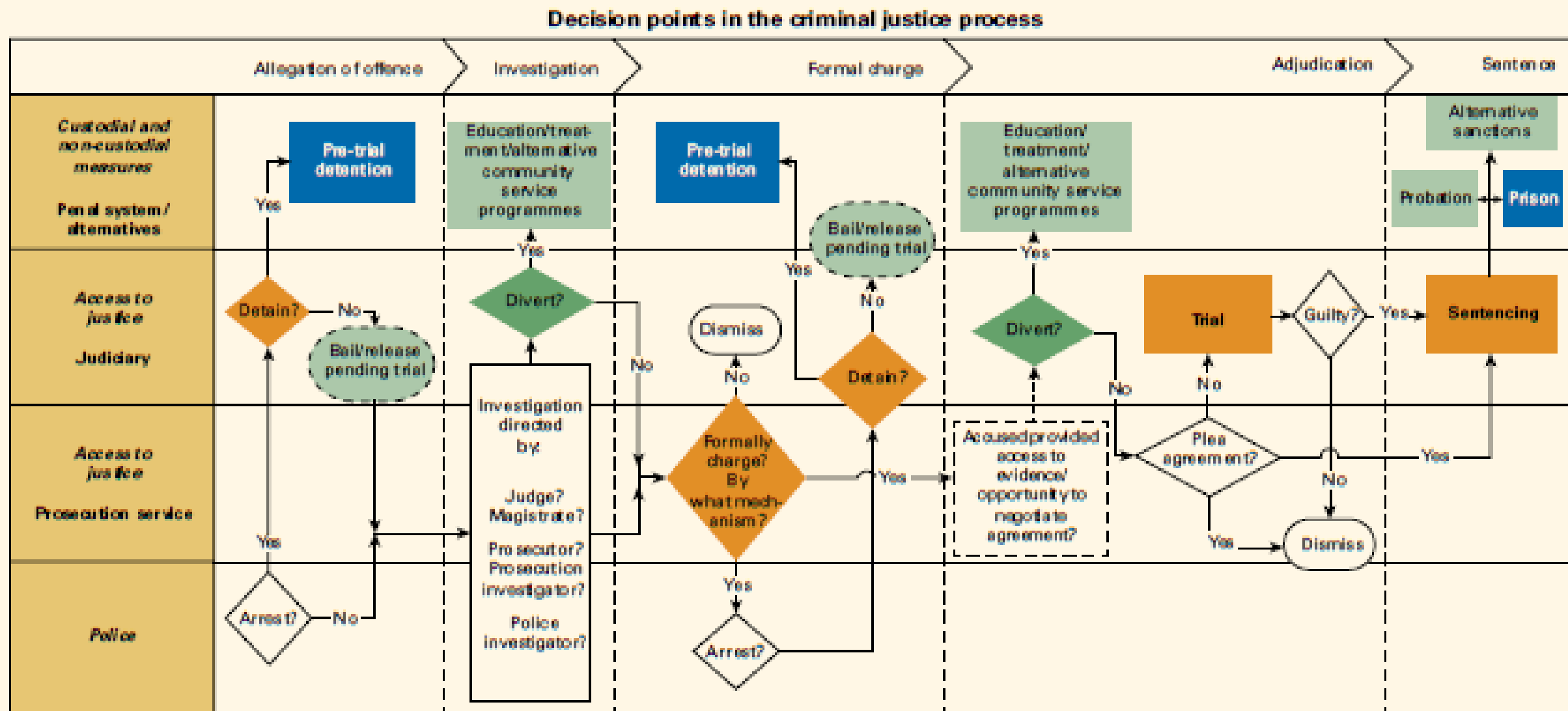
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Supplementary Slides

Figure 5.1 Example of Case Flow and Decision Points in the Criminal Justice Sector



Source: United Nations Office on Drugs and Crime, "Decision Points Map in the Criminal Justice System," in "Criminal Justice Assessment Toolkit," © 2006 United Nations, reproduced with permission from United Nations; further permission required for reuse. https://www.unodc.org/documents/justice-and-prison-reform/cjat_eng/Decision_Points.pdf.

Adjudication Function – Sample Performance Measures

- Clearance rate of criminal cases
- Average time to disposition (disaggregating by type of disposition)
- Average time of pretrial detention due to delays in trial
- Percent of citizens/users believing that criminal offences are tried fairly, efficiently and within prescribed time limits
- Percent of defendants in criminal cases saying they have not received adequate defense because of costs, unavailability of legal aid, distrust, distance or other reasons

Investigation and Prosecution – Sample Performance Measures

- Percent of reported crimes successfully prosecuted and sentenced
- Number of pretrial detainees waiting for completion of investigation and prosecution
- Average time of pretrial detention due to delays in investigation and prosecution
- Percent of citizens feeling that most crimes are successfully investigated and prosecuted
- Percent of victims/witnesses satisfied with conduct of investigation and prosecution
- Number of crimes dropped due to lack of coordination or understanding among investigation and prosecution agencies