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Justice Financing Framework

A Guide to Budgeting and Financing for People-Centered Justice for the Justice Sector

Justice Action Coalition

BACKGROUND BRIEF 2.1

2.1 Financing Ambition #1: Justice Sector Share of Total Government Expenditure

Introduction

The Justice Financing Framework (JFF) proposes that countries should review the share of total government expenditure allocated to the justice sector in line with cross-country benchmarks.

This means reviewing funds allocated to the justice sector as a whole, which, in line with the United Nations (UN)/Organisation for Economic Co-operation and Development (OECD)/International Monetary Fund (IMF) definition includes ministries of justice, judiciary, police, and prisons.

The JFF also suggests that international benchmarks could be applied to funds allocated to the more narrowly defined "judicial system," which comprises the court system, prosecution services, legal aid, and other state funding for legal advice and representation. This is discussed in **Background Brief 2.2**)

FINANCING AMBITION #1: SET JUSTICE SPENDING IN LINE WITH CROSS-COUNTRY BENCHMARKS

Table 1: Total Justice Sector Share of Total Government Expenditure

Country Income Group	Benchmarks
Low-income countries	4–11% (median 6%)
Lower-middle-income countries	4–9% (median 6%)
Upper-middle-income-countries	5–9% (median 7%)
OECD countries	3–5% (median 4%)

This background brief:

- Explains how the cross-country benchmarks have been derived.
- Discusses the relatively high average level of spending on justice in non-OECD countries.

1. How the Cross-Country Benchmarks Have Been Derived

1.1 Cross-country benchmarks for justice share of total government expenditure

The aim of the benchmarks is to provide a framework for considering what levels of spending on justice seem reasonable and are in line with what other countries are spending as a proportion of their total government expenditure. The benchmarks are not prescriptive, but rather a starting point for discussions between the justice sector (including the Ministry of Justice and the Judiciary) and the Ministry of Finance to define the level of resourcing from public funds available to the justice sector.

The spending of most countries in each income group lies within the benchmarks set out in Financing Ambition #1. These benchmarks are based on ODI Global's analysis of the latest patterns of spending in 155 countries.[10]

The range and median figures provide a broad indication of norms and can be used as a starting point for discussion with the Ministry of Finance on medium-term expenditure allocations, particularly if a country's allocation to justice is at or below the lower end of the range.

For detail on variations in spending on justice within the different country income groups, see Annex Section A1. For an explanation of why a share of total government expenditure is utilized for benchmarks rather than a share of gross domestic product (GDP), see Annex Section A2.

1.2 Definitions and where the data comes from

A standard definition of the justice sector is used to ensure cross-country consistency. This is the OECD/IMF/UN-agreed Classification of Functions of Government (COFOG)[11] **category 703 public order law and safety**, comprising: police services; fire protection services; law courts; prisons; research and development on public order and safety; and public order law and safety not elsewhere classified.

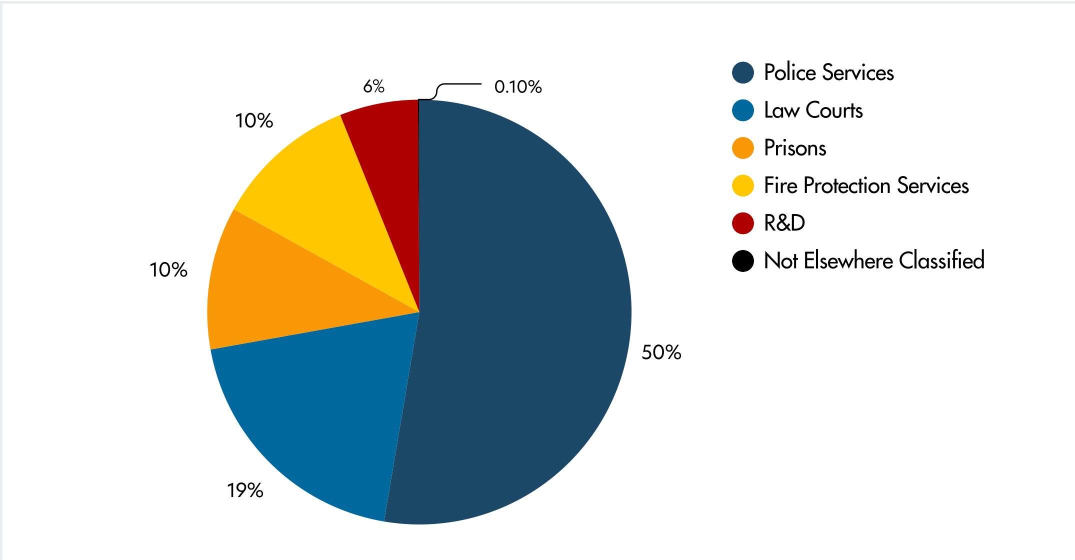
The data comes from standard internationally-recognized sources (supplemented by country-level data) and uses standard internationally-recognized definitions. Data is obtained primarily from the IMF (101 countries), supplemented by data ODI gathered from national budget websites (forty-four countries). Some countries only report total justice spend to the IMF without any further breakdown. For a full explanation of the data see ODI Global's Justice financing 2024 report and Annex Section A3. The full dataset is available from ODI Global on request.

10 Marcus Manuel et al. "Justice financing 2024 annual review: domestic financing and aid." *ODI Global*, December 6, 2024, https://odi.org/en/publications/justice-financing-2024-annual-review-domestic-financing-and-aid.

11 COFOG is a classification used to identify the socioeconomic objectives of current transactions, capital outlays, and acquisition of financial assets by the general government and its sub-sectors. For more details, see the bibliography for a complete list of sources from the United Nations and OECD.

Spending data on justice is further disaggregated into subfunctions. Figure 1 below shows the breakdown for OECD countries. Police spending accounts for half of all justice spending across all countries.

Figure 1: Median Public Order and Safety Expenditures by Subfunction in OECD Countries

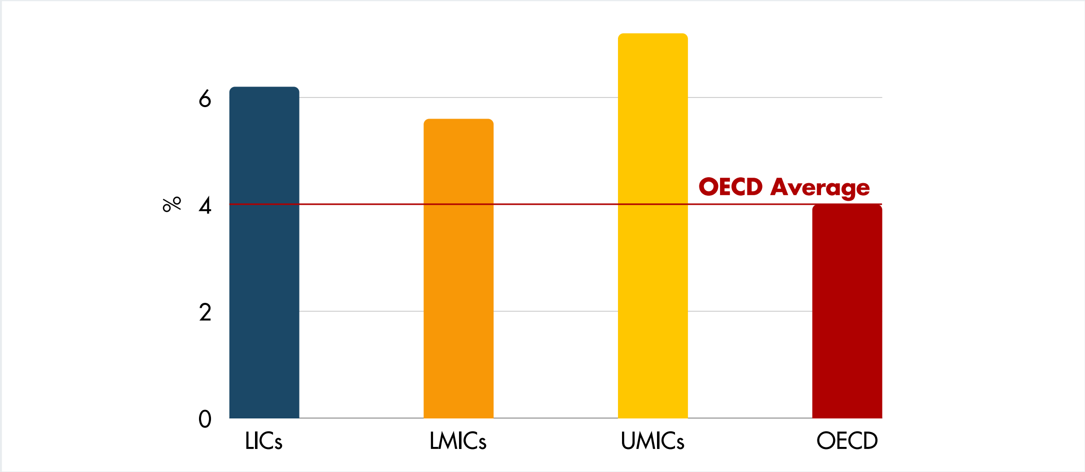


2. Spending on the Justice Sector

2.1 Non-OECD countries are on average spending proportionately more on justice than their OECD counterparts

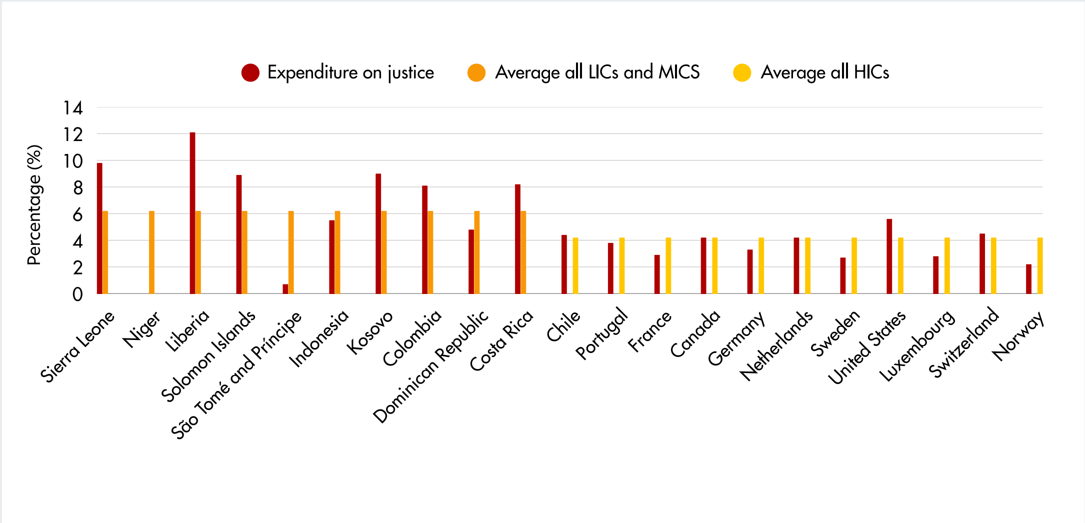
Non-OECD countries spend 55 percent more on justice proportionately than OECD countries. OECD countries are spending an average of 4 percent of their total spending on justice. In contrast, in low- and middle-income countries, the average figure is 6.2 percent. See Figure 2 below.

Figure 2: Non-OECD Countries: Spending on Justice as a Percentage Share of Total Government Expenditure.



Justice Action Coalition (JAC) members that are low- and middle-income countries spend even more on justice than their peers. In contrast, most high-income JAC members spend less than their peers (on average 5 percent). Figure 3 below shows all JAC members with the lowest-income countries on the left-hand side and the highest income on the right-hand side.

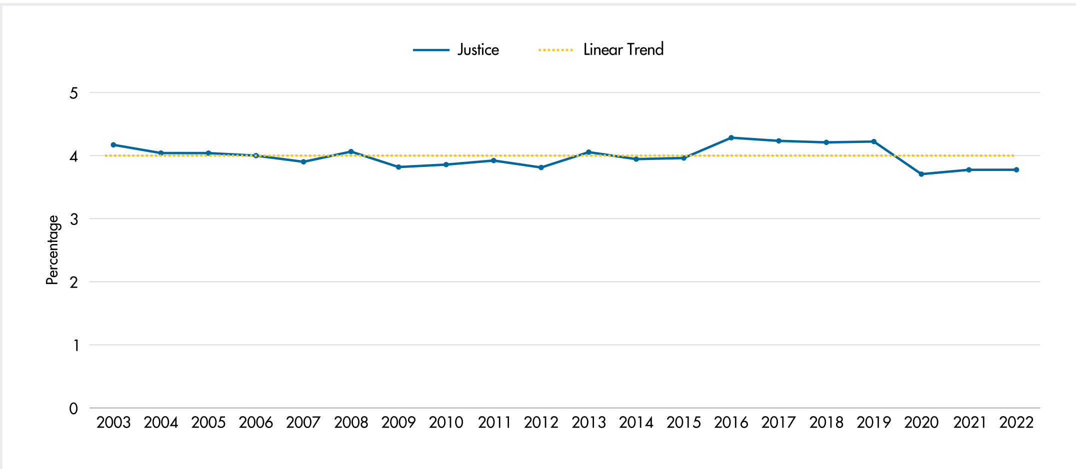
Figure 3: JAC Member Countries Spending on Justice as Percentage of Total Government Expenditure



2.2 Consistency of OECD spend across time

It is striking that in OECD countries the average (median) share of spending on justice has been remarkably constant at around 4 percent. Since 2003, it has always been within the range of 3.8 to 4.3 percent (see Figure 4 below). Unfortunately, historical data is not compiled for non-OECD countries.

Figure 4: Justice Share of Total Government Expenditure in OECD Countries



2.3 The relatively high levels of spend on justice in non-OECD countries is unlikely to be sustained

The relatively high proportional spend on justice in non-OECD countries reflects relatively lower proportional spend on health, pensions, and social protection. Populations in OECD countries tend to be older, and OECD countries have a longer tradition of providing other types of social protection such as child, maternity, and disability benefits. While nationwide social protection schemes are becoming increasingly common in upper-middle-income countries, they remain rare in low-income countries.

Rising spending pressures from health, social protection, and education in lower-income countries mean that current levels of allocations to justice are likely to come under pressure. In particular, lower-income countries are "overspending" on justice relative to health. As Table 1 shows, in low-income countries justice spending is at 90 percent of the level of health spending. In OECD countries, justice comprises just 24 percent of health spend.

Table 1: Spending on Justice and Health as a Percentage of All Government Expenditure

	Low-income countries	Lower middle-income countries	Upper middle-income countries	OECD (average)
Justice	6.2	5.6	7.2	3.8
Health	6.9	7.4	12.0	15.7
Justice as Percentage of Health	90%	76%	60%	24%

Note: Justice and health figures are the median percentage expenditure.

Sources: Justice: Authors' calculations based on IMF and ODI Global data. Health: ODI Global calculations based on World Bank data. For more information, see Manuel et al., "Justice financing 2024 annual review."

Rising pressures for spending on health are likely to reduce the justice sector's share of total government expenditure. This suggests it is unrealistic to develop justice financing plans on the assumption that justice's share will increase[12]. However, as countries become richer, government revenues increase in line with the growth of the economy. As a result, even if justice receives a declining share of the total, this can still result in an increase in government expenditure on justice.

The relationship between countries' income and relative expenditure on justice and health is discussed further in the Annex Section A4.

12 ODI Global is aware of at least one country example where the key financing assumption was an increase in justice's share of total government expenditures.

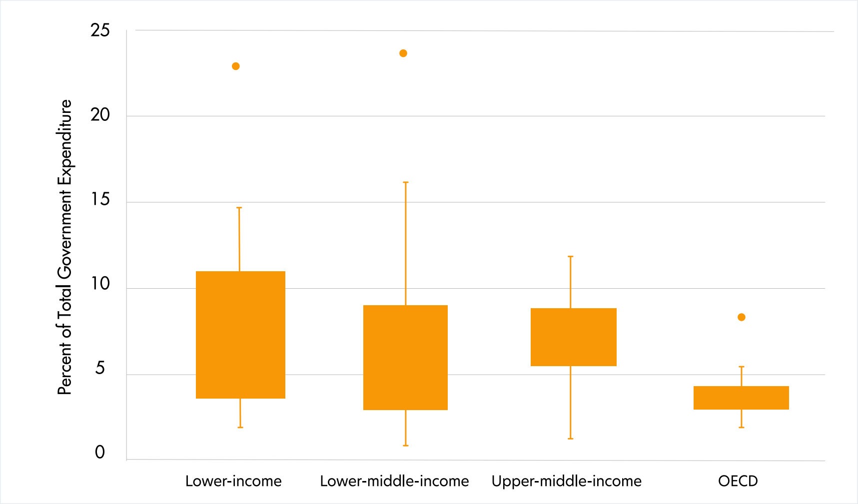
Annex

A1. Variations in levels of spending on justice within country income groups

Most OECD countries have similar levels of spending on justice as a proportion of total government expenditure. There is much greater variation in the level of spend in lower-income, non-OECD countries. Nevertheless, there is a case to be made for increasing spend where these countries' levels of spending are significantly below their peers.

The variations in spending on justice within country income groups are shown in the "box and whisker" plot in Figure 5 below. The OECD box (representing the 50 percent of countries that are closest to the median level of spend on justice) is small and the whiskers (representing the rest of the countries) do not extend far. In contrast, the boxes for lower income countries are larger, with longer whiskers.[13]

Figure 5: Expenditure on Justice as a Share of Total Government Expenditure



13 The midpoint of each figure is the median level of spending. Half of the countries will be above, and half below, this level of spending. The shaded portion extends to covers half of all the countries. The 'whiskers' extend to cover nearly all the other countries, except for one or two extreme outliers (as is the case for a few LICs and LMICs).

A2. Justice spending as a share of GDP

The Justice Financing Framework benchmarks present justice spending as a share of total government expenditure, in line with the approach taken in other sectors including health and education. However, it is also possible to look at justice spend as a share of GDP. The reason for the Justice Financing Framework's focus on share of total government expenditure rather than GDP is that IMF research has shown the economic structure of lower-income countries limits their ability to raise taxes (in part due to their tendency to have a much larger subsistence and informal sector). A lower level of taxation in turn limits their level of government expenditure. These economic structural constraints make it inherently more difficult for a lower-income country to achieve a certain level of spend as a percentage of GDP. Thus, when comparing relative effort, it is more relevant to look at spending as a percentage of total government expenditure. As Figure 6 shows, although OECD countries spend a lower proportion of their total expenditures on justice, this is still a higher proportion as a percentage of GDP.

A3. Data coverage

Table 2: Data Availability—By Number of Countries and as a Percentage of Each Income Group

Income Group	Number of Countries with Data on Justice Spending	Percentage of Income Group with Data
Low-income countries (LICs)	20	77%
Low- and middle-income countries (LIMCs)	43	83%
Upper-middle-income countries (UMICs)	39	72%
OECD*	38	100%
High-income countries (HICs)	53	65%
Total all countries	**155**	**71%**

Notes: OECD member countries comprise some UMICs and some HICs.

A4. Relationship between countries' income and relative spending on justice and health

Figure 7 below shows the widening disparity between justice and health spending with countries' increased income. The figure suggests that with increased expenditure on health as countries become richer, the justice sector's share of the total government expenditure decreases.

Figure 6: Expenditure on Justice as a Share of Total Government Expenditure and GDP

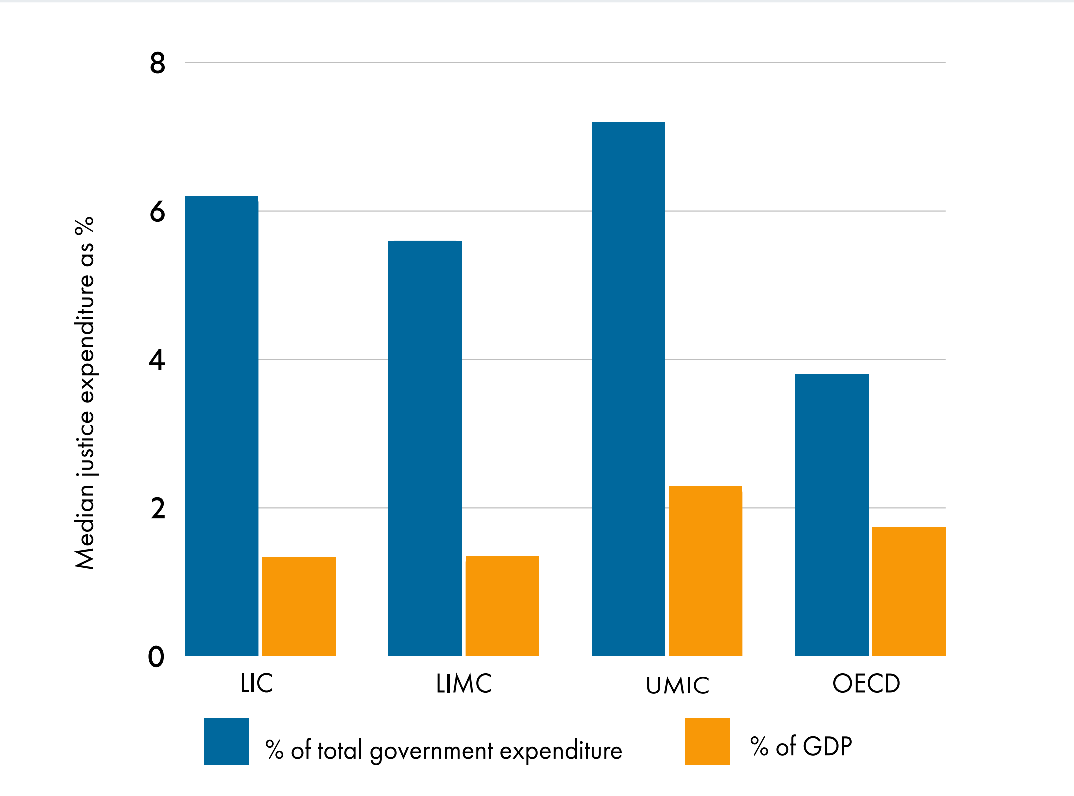
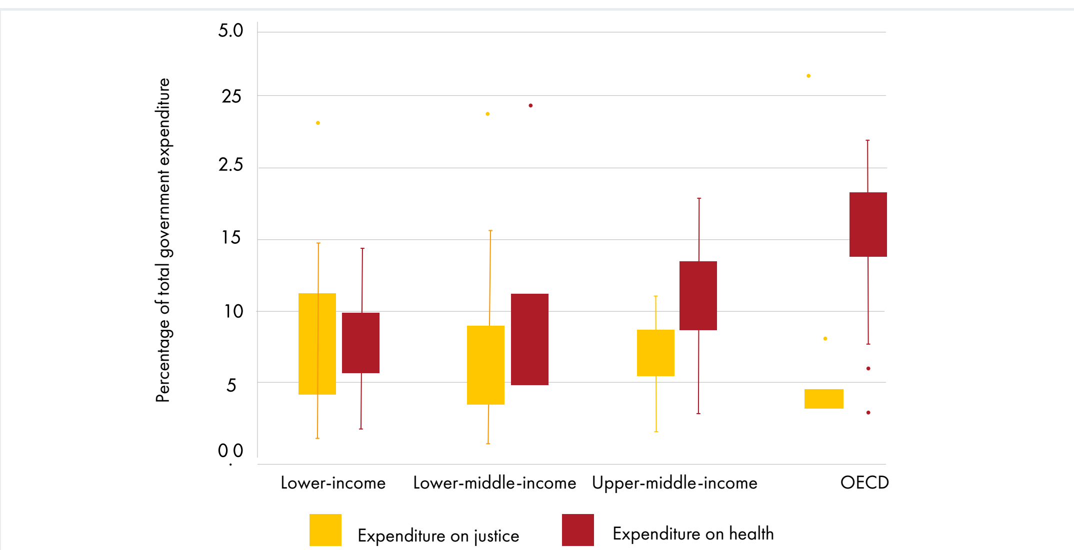


Figure 7: Spending on Justice and Health as a Percentage Share of Total Government Expenditure



Sources: IMF COFOG, World Bank, and World Health Organization—supplemented by ODI Global research.

Appendix of Background Briefs

This Background Brief is an excerpt from the Justice Action Coalition Workstream IV, "Justice Financing Framework," November 2025. For more information, see www.sdg16.plus/justice-financing-framework.