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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 4.3

4.3 Systematic Efficiency and Effectiveness Expenditure Reviews

Introduction

The JFF proposes countries should undertake fundamental cost-effectiveness reviews to free up resources for people-centered justice.

There are substantial opportunities for improvements in the efficiency and cost effectiveness of people-centered justice pathways. Some are immediately realizable, while others will take longer to have impact at scale. Efficiency and effectiveness reviews are best undertaken for the justice sector as a whole in order to review the allocation of resources across the entire sector. The alternative is to undertake a review of a particular organization (e.g., the judiciary), or function (e.g., dispute resolution).

Examples of efficiency and effectiveness issues to consider include: the split between wage/non-wage/capital budgets; the potential for innovative financing mechanisms such as performance-based financing; and identifying financing arrangements resulting in inefficient spending and costs elsewhere in the justice chain, including rebalancing spending toward early intervention through information, advice, assistance, and informal dispute resolution (see **Background Brief 3.3**).

Procurement of a finance ministry agreement is crucial for any efficiency savings to remain in the sector (or organization) for reallocation within the sector (or organization) and not be used to fund spending in other sectors.

This background brief provides additional information on:

- The potential for smart spending to improve justice outcomes.
- How efficiency and effectiveness reviews can free up resources for people-centered justice.
- The World Bank's approach to public expenditure reviews.
- The importance of the political economy.
- Sources of guidance on efficiency and effectiveness improvements in the justice sector.
- Examples of efficiency and effectiveness improvements.

1. Potential for Smart Spending to Improve Justice Outcomes

Recent ODI Global econometric analysis reveals the potential for "smart spending" to improve justice outcomes (further details provided in Annex A).[133] A key finding is that once allowance is made for a country's overall level of income,[134] there is no correlation between the level of justice spending and justice outcomes. This suggests that it is the quality of spend, rather than the amount of spending, that is key. The conclusion is that smart spending matters. This conclusion mirrors similar analyses of financing in the health sector. This has highlighted how some countries—most notably Thailand—have much better health outcomes than other comparable countries, despite relatively low levels of health spend.

2. How Efficiency and Effectiveness Reviews Can Free up Resources for People-Centered Justice

In most countries, sectors typically face intense competition for government funding. Policymakers note that their judiciaries are underfunded and underpaid. In general, OECD countries allocate a much smaller proportion of their budgets to justice than non-OECD countries.[135] This suggests that as countries become richer, competition for resources between sectors becomes even more intense.

This poses a challenge for countries that are seeking to shift to a people-centered justice approach. It is much easier to transform the justice system when there are adequate resources available.

In a resource-constrained environment, another way forward is for the justice sector to agree with finance ministries that change will be financed (at least in part) by internal efficiency savings within the sector. This would be a departure from normal practice where efficiency savings are taken by finance ministries as a justification for reducing funding. Box 1 on next page provides a country example.

133 Gross National Product (GDP) per person.
134 Stephanie Manea, "Justice financing and justice outcomes: a cross-sectional and dynamic panel analysis," *ODI Global*, October 13, 2025, https://odi.org/en/publications/justice-financing-and-justice-outcomes-a-cross-sectional-and-dynamic-panel-analysis/.
135 Marcus Manuel and Clare Manuel. "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/.

Box 1: Uganda—Country Examples of Justice Sector Engagement with the Ministry of Finance[136]

Late 1990s: In Uganda, rather than each justice institution negotiating separately with the Ministry of Finance, the sector agreed to present its budget request collectively based on each institution's response to its budget call circular. The judiciary was satisfied that such an approach was possible while still maintaining its constitutional independence. Efficiency savings were identified in the sector, and agreement sought with the Ministry of Finance that such savings should be retained within the sector and reallocated across it.

Also in the late 1990s, a more modest initial step toward broader cooperation and coordination across the sector was the creation of a small flexible fund for a specific change the sector collectively decided it wished to achieve: a reduction in the backlog of cases clogging up the courts. The most cost-effective approach to achieve this involved coordinated removal of bottlenecks across the sector. The Ministry of Finance allocated a special fund to the Ministry of Justice for this purpose with the intent that the fund would be allocated in line with a cross-institutional plan to achieve this desired outcome across all institutions involved.

During this same period, the Prison Service secured an agreement with the Ministry of Finance that savings on prisoners' food through better use of prison farms could be retained within the Prison Service.

3. World Bank Public Expenditure Reviews

Public expenditure reviews (PERs) are one of the World Bank's core diagnostic tools for engaging with stakeholders about the state of a sector's financing in a country. Such reviews—key tools in other sectors[137]—assess the efficiency, effectiveness, and equity of expenditures in the sector concerned, and their adequacy and sustainability relative to the country's sector goals. The World Bank has undertaken PERs since at least the 1990s, and such reviews can be done at sector level (justice, health, etc.) or at national or a subnational level.

A PER will typically examine six core questions:

1. Who finances the sector, and how are funds channeled?
2. How much does the government spend, and on what?

136 Source: ODI. Personal experience of Marcus and Clare Manuel, ODI Senior Research Associates then working as advisors in the Ugandan Ministry of Finance and Ministry of Justice.

137 The World Bank lists 535 PERs on their Open Knowledge Repository. See World Bank, "Public Expenditure Review," accessed April 18, 2025, https://hdl.handle.net/10986/2109.

3. Is the public financial management system set up to enhance financial accountability?

4. Relative to the government's policies and standards, how much is needed now (adequacy), and what can be afforded in the medium and long term (sustainability)?

5. Are public resources being used efficiently and effectively?

6. Does public spending promote equity?

Box 2: Recent Example of World Bank Public Expenditure Review for the Health Sector (Uganda 2024)[138]

The introduction of the Uganda public expenditure review for health notes:

> The overall PER seeks to provide evidence on the financing and spending in the country in order to inform the government on areas for fiscal savings and expenditure rationalization, raising the equity and efficiency of spending, rebalancing expenditures between hard infrastructure, investments in quality service delivery and human capital development, and strengthening institutional aspects of public financial management.[139]

The PER states that it builds on previous analysis of the health sector undertaken by the government, with support from the World Bank, that examined public spending on health, efficiency, resource mobilization, and service delivery. These included analyses of pay reform; an assessment of how the budget share for the health sector could change, including through raising taxes for improving health; and a survey on health service delivery.

138 World Bank, "Uganda - Public Expenditure Review 2022-23: Module III (B) - Efficiency, Effectiveness, and Equity in Health Spending," April 2024, https://hdl.handle.net/10986/41438.

139 Ibid.

The first Justice Sector Public Expenditure Review (JPER)[140] was in 2008, in Bulgaria. Since then, there have been justice sector expenditure reviews or budget reviews in Armenia (2023), Croatia (2014), El Salvador (2012), Liberia (2012), Moldova (2018), Morocco (2013), Serbia (2010), Solomon Islands (2015), Somalia (2013 and 2017), Uganda (2020), and Zambia (2022).[141] Some of these were as part of wider "security and justice sector reviews" or "security and criminal justice sector reviews." The Somalia review (2017)[142] included a detailed examination of different cost and affordability scenarios over a ten-year horizon and compared the level of police salaries with other countries in the region.

JPERs include additional questions beyond those in standard PERs, such as:

- Is the system appropriately funded to achieve key policy goals?
- How is the budget allocated across agencies/delivery units and what is the spending breakdown for each agency or delivery unit?
- Does current spending reflect and support performance goals?
- Does the budget inform and allow "right-sizing" of each agency/delivery unit?
- For fragility, conflict, and violence (FCV): What should the new justice system look like, what budget is needed to fund such a system, and can the country afford this now and in the future?

JPERs are a useful tool for governments to identify insufficient funding or misalignment of public spending and policy goals in a given sector. They are particularly suitable instruments when governments need to make allocation decisions in the context of major reforms, and when budgets are limited or shrinking.

PERs can play an important role in supporting a move toward a more outcome-focused budget, an action promoted by the JFF (see **Background Brief 1.1**). A recent World Bank paper highlights a reform trend of introducing program-based and performance-oriented budgeting in the judiciary, moving away from historical line-item budgeting.[143] A new World Bank program on public finance management, "Public Finance Re-imagined," is also encouraging a shift away from a budget process driven by institutional needs to one that starts with development outcomes. Such a shift implies that budgets incorporate considerations of the results to be achieved by specific investments, which are measured by targets and indicators. This transition can help enhance accountability and add a strategic vision on the allocation of financial resources. It means that the justice system will be better positioned to show results for the money and allocate funds to investments that have better outcomes.

140 Heike Gramckow and Fernando Fernandez-Monge. "Public Expenditure Reviews of Justice Sector Institutions: One Size Does Not Fit All." *Just Development*, July 2014, http://documents.worldbank.org/curated/en/835951505899513665.

141 Eva Maria Melis et al. "Supporting Judicial Reforms in Armenia : A Forward Look - Public Expenditure and Performance Review of the Judiciary in Armenia." *World Bank*, June 2023, https://documents.worldbank.org/pt/publication/documents-reports/documentdetail/099062723042016725/p17300304037dc02d08f5b07652545b057a; World Bank, "Republic of Croatia Justice Sector Public Expenditure and Institutional Review: Resourcing the Justice Sector for Efficiency and Performance," October 2014, http://hdl.handle.net/10986/20666; Amitabha Mukherjee et al., "Moldova - Improving Access to Justice : From Resources to Results - A Justice Sector Public Expenditure and Institutional Review (Vol. 1 of 2)," *World Bank*, January 2018, http://documents.worldbank.org/curated/en/683491537501435060; Daniel Evans, "Institutional and Fiscal Analysis of Lower-level Courts in Solomon Islands," *World Bank*, February 2015, http://documents.worldbank.org/curated/en/429921468294672433; "Judiciary of The Republic of Uganda: Rapid Institutional and Economic Assessment," *World Bank*, June 2020, https://hdl.handle.net/10986/34154; Rama Krishnan Venkateswaran, "Zambia - Judicial Sector Public Expenditure and Institutional Review," *World Bank* June 2022, http://documents.worldbank.org/curated/en/099915106222221125.

142 World Bank, "Somalia Security and Justice Public Expenditure Review," January 2017, https://openknowledge.worldbank.org/entities/publication/0a66f97a-e0e1-584a-bcd4-bc2b8d791eac.

143 Erica Bosio. "Reforming Justice: Engaging with Countries on Judicial Budgets." *World Bank*, December 9, 2024, http://hdl.handle.net/10986/42517.

4. Importance of the Political Economy

Efficiency reforms may appear technocratic. Political context, however, is critical for their implementation (see Box 3 below).[144, 145]

Box 3: World Bank Evidence on the Political Conditions for Judicial Reform[146]

A recent World Bank survey of judicial effectiveness[147] found that transformative judicial reform has been most likely to succeed when it coincides with, or is motivated by, periods of extraordinary politics (e.g., emergence from conflict and/or pursuit of access to regional or international groups). In the absence of such conditions, reformers are better off focusing on more limited reforms such as the adoption of procedural rules.

General efficiency reforms are still more likely to succeed than reforms directed toward quality or independence. Indeed, the fact that certain efficiency reforms are seen as procedural may increase the chances of their success. In addition, reforms that are procedural can be implemented through the judiciary and tend not to require long legislative or constitutional processes. This may facilitate political economy considerations.

5. Sources of Comparative Statistics and Guidance on Efficiency and Effectiveness in the Justice Sector

Efficiency reviews may find it helpful to benchmark performance. Benchmarks can be against other countries in the same region or at the same income level. Benchmarking can also help highlight disparities in performance between different institutions at both the sectoral and cross-sectoral levels within the

144 One example of political economy analysis to help understand the context is the 2022 work supported by the United Nations Development Programme (UNDP) in Somalia. The analysis emphasized the need for a longer-term perspective on change, deprioritizing major investments in justice institutions in favor of fostering dialogue and coordination—both with core decision makers and beyond, including Islamic leaders and the private sector. See more at: UNDP, "UNDP Rule of Law and Human Rights Annual Report," 2022, https://rolhr.undp.org/annualreport/2022/impact/arab-states/somalia.html.

145 UNDP supported another innovative approach in Thailand in 2023 which involved citizens in designing transformed judicial systems. See more at: Nutthapon Rathie, "Justice by Design: Transforming Thailand's Judicial System Through Collaboration, Empathy, and Innovation," *UNDP Thailand*, May 2023, https://www.undp.org/thailand/blog/justice-design-transforming-thailands-judicial-system-through-collaboration-empathy-and-innovation.

146 Erica Bosio. "A Survey of Judicial Effectiveness: The Last Quarter Century of Empirical Evidence." *The World Bank Research Observer*. June 2024, https://doi.org/10.1093/wbro/lkae007.

147 Ibid.

national budget. This can help policymakers to identify where funding is most needed, encouraging reformers to invest in specific areas or demonstrate that certain investments have yielded positive results in terms of efficiency.

There are a range of organizations that publish comparative statistics and/or offer guidance on efficiency and effectiveness, including those listed in Box 4 below.

Box 4: Examples of Comparative Statistics and Guidance on Efficiency and Effectiveness

Council of Europe Commission for the efficiency of justice (CEPEJ)[148]

The CEPEJ 2024 Evaluation Report[149] contains data and analyses on the functioning of the judicial systems of forty-four European states and two observer states (Israel and Morocco), making it possible to measure the effectiveness and quality of these systems.

CEPEJ-STAT dynamic public database[150] contains all the data collected since 2010. Efficiency data includes measures of disposition time and clearance rates.

OECD

- Principles on people-centered justice.
- Toolkit for implementing principles (forthcoming).

United Nations Office on Drugs and Crime (UNODC)

Principles and guidelines on access to legal aid,[151] which are based on international standards and agreed good practice and provide guidance for all countries in setting up an effective system of legal aid, even where resources are limited.[152]

World Bank

New assessment framework for judiciaries, Justice Pillars Towards Evidence-Based Reform (JUPITER), recently developed by the World Bank. This is a universally applicable country-based assessment framework aimed at measuring the state and performance of a country's judiciary (see Annex B for further details).

148 Council of Europe European Commission, Council of Europe European Commission for the efficiency of justice (CEPEJ), accessed March 2025, https://www.coe.int/en/web/cepej.

149 COE, Special file - Report "European judicial systems - CEPEJ Evaluation report - 2024 Evaluation cycle (2022 data), October 2024, https://www.coe.int/en/web/cepej/special-file.

150 CEPEJ, Dynamic database of European judicial systems,, n.d., https://www.coe.int/en/web/cepej/cepej-stat.

151 UNODC, United Nations Principles and Guidelines on Access to Legal Aid in Criminal Justice Systems, June, 2013, https://www.unodc.org/documents/justice-and-prison-reform/UN_principles_and_guidlines_on_access_to_legal_aid.pdf.

152 "UN Legal Aid Principles and Guidelines," Penal Reform International, 2012, https://www.penalreform.org/issues/pre-trial-justice/4716-2/legal-aid-principles-guidelines/.

6. Transparency and Accountability

As noted in the OECD People-Centered Justice Principles,[153] transparency and accountability can be powerful drivers of improved efficiency and effectiveness. Accordingly, developing and strengthening of the appropriate mechanisms is likely to be a key feature of any efficiency review. For more details see **Background Brief 5.2** on transparency and accountability.

7. Examples of Efficiency and Effectiveness Improvements

Examples of potential efficiency and effectiveness improvements include:

- Rebalancing spending toward early intervention through information, advice, assistance, and informal dispute resolution (see **Background Brief 3.3** and **Background Brief 3.4**).
- In the criminal justice system, deployment of paralegal justice defenders[154] or switching to the use of government-employed public defenders (rather than the state paying private sector lawyers to provide defense services).[155]
- Reductions in staff costs in exchange for increased capital spend on technology.[156,157,158]

As far as the formal judicial system is concerned, recent evidence has confirmed that technology has the potential to improve judicial service delivery.[159] Studies from Europe show that increased investment in technology is correlated with reduced case backlog. Using budget data from the CEPEJ, Lorenzani and Lucidi found that a doubling of the share of public budget devoted to in-court technology is associated with a 5 percent reduction in backlog and disposition times.[160] Palumbo et al. found a similar correlation based on OECD data, concluding that dedicating a more significant part of the budget to investments in new technology results in shorter trial times.[161]

153 OECD third principle of people-centered justice is to “establish a governance infrastructure that enables people-centered justice by … supporting the efficiency and performance of justice institutions on the basis of data and evidence, including people-centered justice data, and strengthening openness, transparency, integrity, fairness, independence and accountability of justice institutions.” OECD, “Recommendation of the Council on Access to Justice and People-Centred Justice Systems,” *OECD*. 2023, https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0498.

154 Clare Manuel and Marcus Manuel. “Moving the dial on SDG 16.3.2: Evidence from lower-income countries on scaling up legal advice and assistance for unsentenced detainees.” *ODI Global*, May 2025, https://odi.org/en/publications/moving-the-dial-on-sdg-1632-evidence-from-lower-income-countries-on-scaling-up-legal-advice-and-assistance-for-unsentenced-detainees.

155 John Boersig and Romola Davenport. “Distributing the legal aid dollar - effective, efficient, and quality assured?.” *Canberra Law Review* 17, no. 2 (2020), https://www.austlii.edu.au/au/journals/CanLawRw/2020/11.pdf.

156 Virginia Upegui Caro. “Five ways digital technologies are transforming courts and access to justice.” World Bank Governance for Development, March 20, 2025. https://blogs.worldbank.org/en/governance/five-ways-digital-technologies-are-transforming-courts-and-acces.

157 Another example is IDLO supported work on digitalization of case management in Kenya.

158 n Colombia in 2023, UNDP strengthened the Family Services Offices, the main justice providers in cases of domestic violence, by developing a web application that automates the process for adopting protection measures and reduces processing time for cases. UNDP also supported the digitalization of conciliation agreements by Conciliation in Equity, a community justice mechanism created to manage daily conflicts in Colombia using an impartial third party. For more, see UNDP Rule of Law and Human Rights, “Annual Report 2022, Colombia,” 2022, https://rolhr.undp.org/annualreport/2022/impact/latin-america-caribbean/colombia.html.

159 Erica Bosio and Virginia Upegui Caro. “Reforming Justice: Improving Service Delivery through Technology.” *World Bank*, December 9, 2024, http://hdl.handle.net/10986/42514.

160 Dimitri Lorenzani and Federico Lucidi. “The Economic Impact of Civil Justice Reforms.” *European Commission Directorate General for Economic and Financial Affairs*, September 2014, https://ec.europa.eu/economy_finance/publications/economic_paper/2014/ecp530_en.htm.

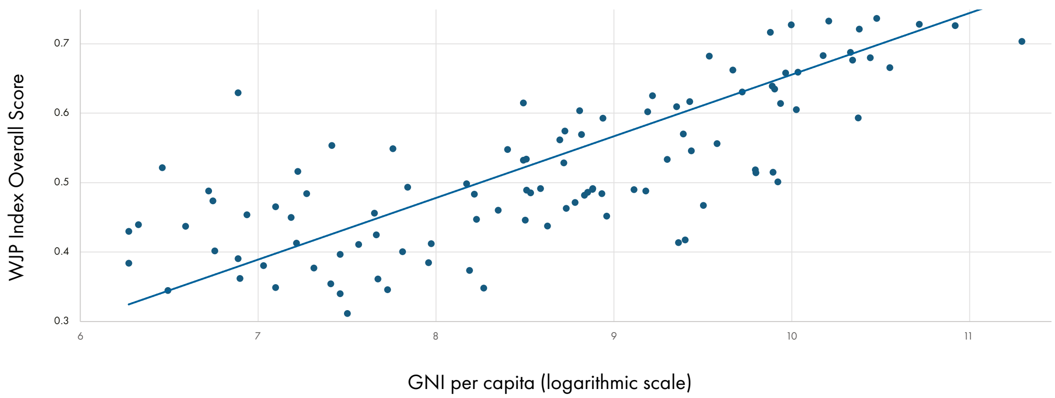
161 Giuliana Palumbo et al., “The Economics of Civil Justice: New Cross-country Data and Empirics,” *OECD Publishing*, August 14, 2013, https://doi.org/10.1787/5k41w04ds6kf-en.

Annex A: Additional Detail on ODI Global Econometric Analysis

ODI Global econometric analysis[162] is based on ODI Global data on justice spending combined with World Justice Rule of Law Index Overall Score and World Bank data on gross national income per person (Atlas method) for 123 countries.

ODI Global first compared the World Justice Project Rule of Law index overall score[163] with the countries' level of income (gross national income per person). As expected, there is a high degree of correlation between rule of law and average country income. Figure 1 below shows the clear trend of improving rule of law outcomes as the average income of a country rises.

Figure 1: World Justice Project Rule of Law Index Overall Score Versus Gross National Income per Person



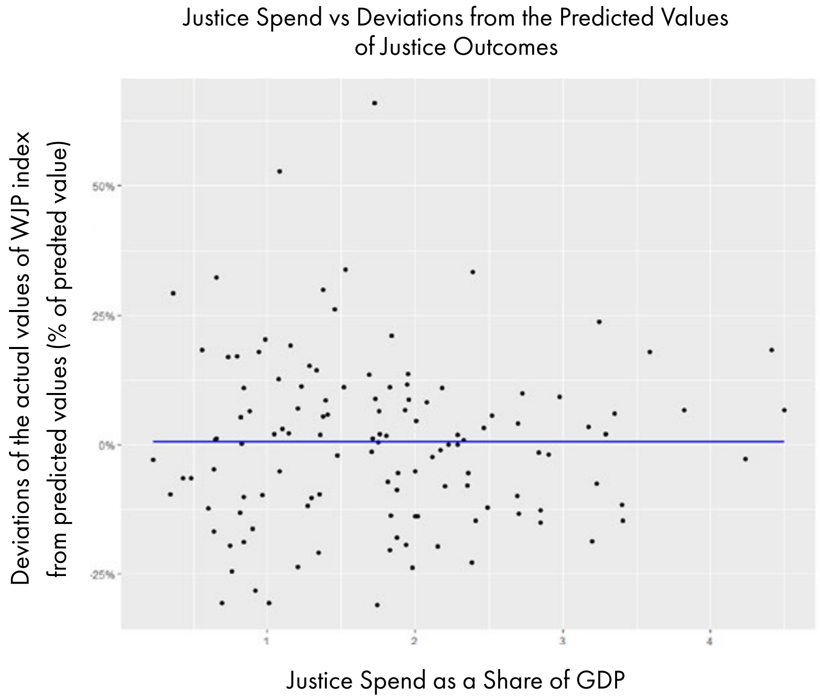
It is important to note that around this trend line there is considerable variation, with countries at the same level of income having markedly different rule of law outcomes. ODI Global has explored whether the level of justice spending explains this difference in outcomes. The evidence is clear that it does not. This suggests quality of spend—not the total amount—is key.

The figure on next page compares the level of justice spending with the difference in justice outcomes (after allowing for a country's level of income). As can be seen, there is no clear pattern. And the average—the trend line—is flat. Increasing the level of spend therefore has no correlation with better rule of law outcomes. The chart below is based on levels of spending as a percentage of GDP. The same result emerges if spending is measured as percentage of total government expenditure.

162 For full description of this econometric analysis, see Stephanie Manea, "Justice financing and justice outcomes: a cross-sectional and dynamic panel analysis." *ODI Global*, October 13, 2025. https://odi.org/en/publications/justice-financing-and-justice-outcomes-a-cross-sectional-and-dynamic-panel-analysis/.

163 World Justice Project, "2024 WJP Rule of Law Index®," 2024, https://worldjusticeproject.org/rule-of-law-index.

Figure 2: World Justice Project Rule of Law Index Overall Score (Allowing for Level of Country Income) Versus Justice Spending



Details of econometric analysis

The core regression is

Dependent variable:

WJP_index

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log_GNIpercap_atlas 0.088795***

(0.005150)

Constant -0.232280***

(0.046648)

Observations 123

R2 0.710680

Adjusted R2 0.708289

Residual Std. Error 0.080497 (df = 121)

F Statistic 297.222700*** (df = 1; 121)

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Note: *p<0.1; **p<0.05; ***p<0.01

Justice spending measures (as percentage of GDP and as percentage of total government expenditure) are all statistically insignificant when added to the above model.

This research was undertaken by Dr Stephanie Manea. "Justice financing and justice outcomes: a cross-sectional and dynamic panel analysis," *ODI Global*, October 13, 2025, https://odi.org/en/publications/justice-financing-and-justice-outcomes-a-cross-sectional-and-dynamic-panel-analysis.

Annex B: Additional Details on World Bank JUPITER Framework

The World Bank's Justice Pillars Towards Evidence-Based Reform (JUPITER) assesses the state and performance of a country's judiciary in service delivery against specific measures of effectiveness in three areas: Access, Efficiency, and Quality. The methodology has been applied in Liberia,[164] South Sudan, Kenya, and Ethiopia—and soon in more African countries.

The Access to Justice Pillar measures the different factors that affect accessibility of justice, including barriers that prevent people from understanding and exercising their rights, as well as the main constraints for those facing financial and other disadvantages. It measures the system's performance in five sub-pillars: transparency of the legal framework; proximity to court; equal access; legal aid and cost; and small claims courts.

The Efficiency Pillar measures the ability of courts to deliver justice in a timely and cost-effective manner, including by maximizing the use of case management and technological tools. It measures the system's performance in five sub-pillars: clearance rate; age of caseload; disposition time; case processing and case management; and Information and Communication Technologies (ICT).

The Quality Pillar benchmarks the determinants of the quality of judicial decisions, both at the input level (e.g., qualification of judges) and the output level (e.g., consistency of decisions). It evaluates the system's performance in five sub-pillars: qualification of judges; extrajudicial activities; judicial pay; appeal and reversal rates; and consistency of decisions.

JUPITER helps identify both the strengths and areas of improvement of the judicial system in order to establish a practical sequence of reform and capacity development actions. The output of the assessment is a comprehensive report that provides the analytical foundation for dialogue on justice reform between the government and relevant stakeholders, including other development partners. The JUPITER report also helps prioritize efforts according to the country's specific needs, ensuring that resources are allocated effectively and reforms are targeted where they are most needed.

164 Erica Bosio. "Improving Access to Justice in Liberia – A 2023 JUPITER Assessment." *World Bank*, December 14, 2023, https://openknowledge.worldbank.org/entities/publication/6cf189bd-2735-40fc-a572-09dce5996033.

Appendix of Background Briefs

Justice Action Coalition

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.