



Session 5:

Defense and Security Budgeting For CT/CVE

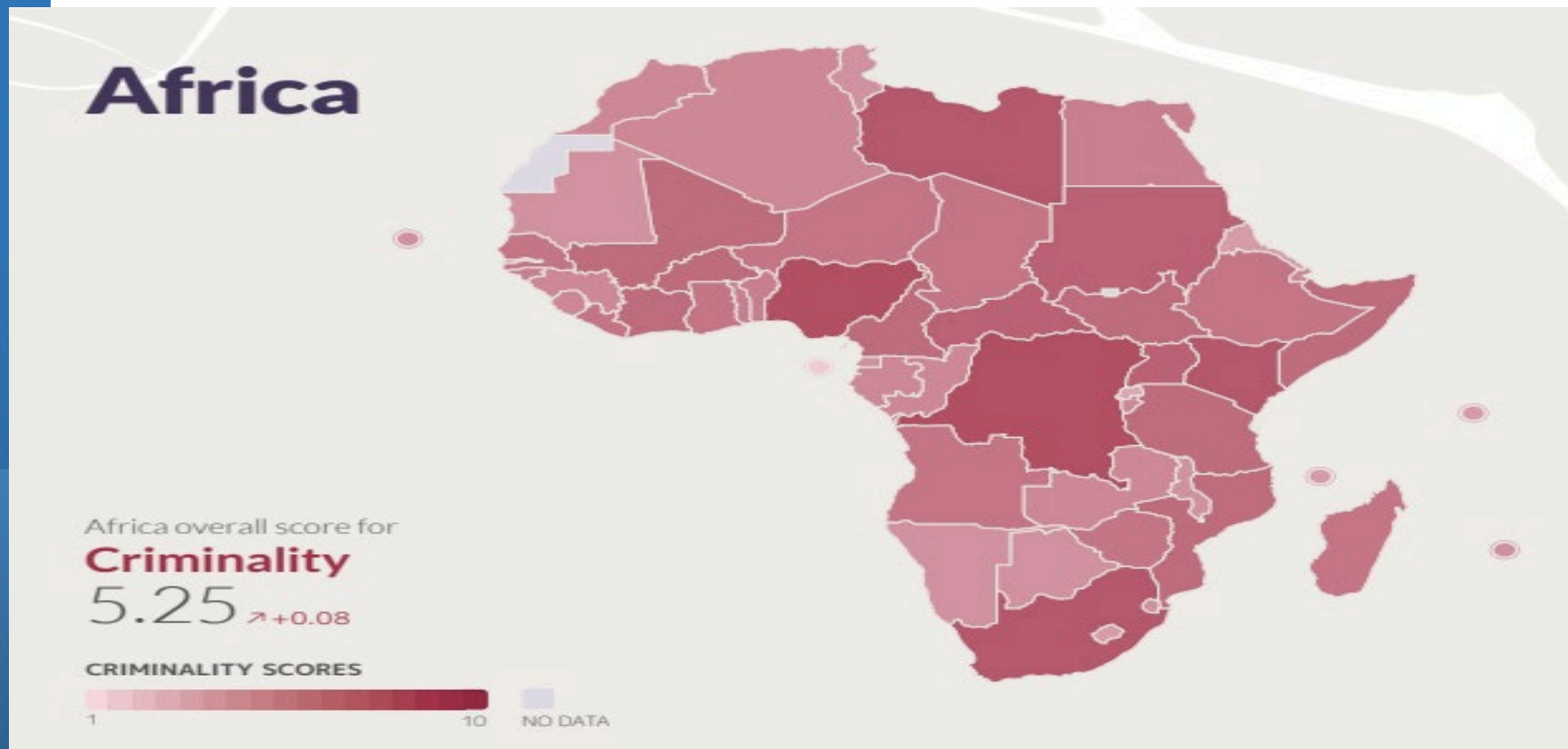
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April 10th, 2025

Africa Transnational Organized Crime Index 2023: Criminality, Criminal Markets, Criminal Actors and Resilience



REGION	CRIMINALITY	CRIMINAL MARKETS	CRIMINAL ACTORS	RESILIENCE
EAST AFRICA	5.88 $+0.22$	5.52 $+0.32$	6.23 $+0.11$	3.46 -0.08
WEST AFRICA	5.44 -0.03	5.40 $+0.01$	5.49 -0.06	4.28 $+0.23$
NORTH AFRICA	5.08 $+0.22$	5.20 $+0.39$	4.97 $+0.05$	3.67 -0.13
CENTRAL AFRICA	5.06 -0.06	4.66 -0.13	5.45 $+0.02$	3.23 $+0.03$
SOUTHERN AFRICA	4.83 $+0.16$	4.57 $+0.14$	5.08 $+0.17$	4.22 $+0.04$
AFRICA AVERAGE	5.25 $+0.08$	5.05 $+0.11$	5.45 $+0.05$	3.85 $+0.05$

Source: Global Initiative Against Transnational Organized Crime



East Africa overall score for **Criminality**



* 2023 score includes new criminality indicators. The criminality average of the original 10 criminal markets and 4 criminal actor types is 5.93.

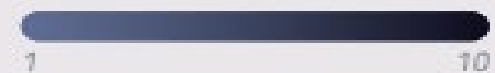
CRIMINALITY SCORES



East Africa overall score for **Resilience**



RESILIENCE SCORES



Public Financial Management (PFM) Concept

- **What is PFM?**

- It refers to the set of laws, rules, systems and processes used by sovereign nations, to mobilize revenue, allocate public funds, undertake public spending, account for funds and audit results.

- **Why is PFM important?**

- Effective delivery of public services as one of the core functions of any democratic, accountable, transparent and responsible state.
- Ability to tax fairly and efficiently and to spend responsibly that contributes 'inclusive' state institutions, which generate trust, promote sustainable social contract.

Source: Andrew Lawson, March 2015 , PFM: Why does it matter and how best to improve it?

Public Financial Management (PFM) Concept

- **What are the objectives of the PFM system?**
 - **Aggregate fiscal discipline to ensure that aggregate levels of tax collection and public spending are consistent with targets for the fiscal deficit, and do not generate unsustainable levels of public borrowing.**
 - **Allocative efficiency to ensure that public resources are allocated to agreed strategic priorities.**
 - **Operational efficiency to achieve maximum value for money in the delivery of services.**
 - **Follow due process by being transparent, with information publicly accessible, and by applying democratic checks and balances to ensure accountability.**

Source: Andrew Lawson, March 2015 , PFM: Why does it matter and how best to improve it?

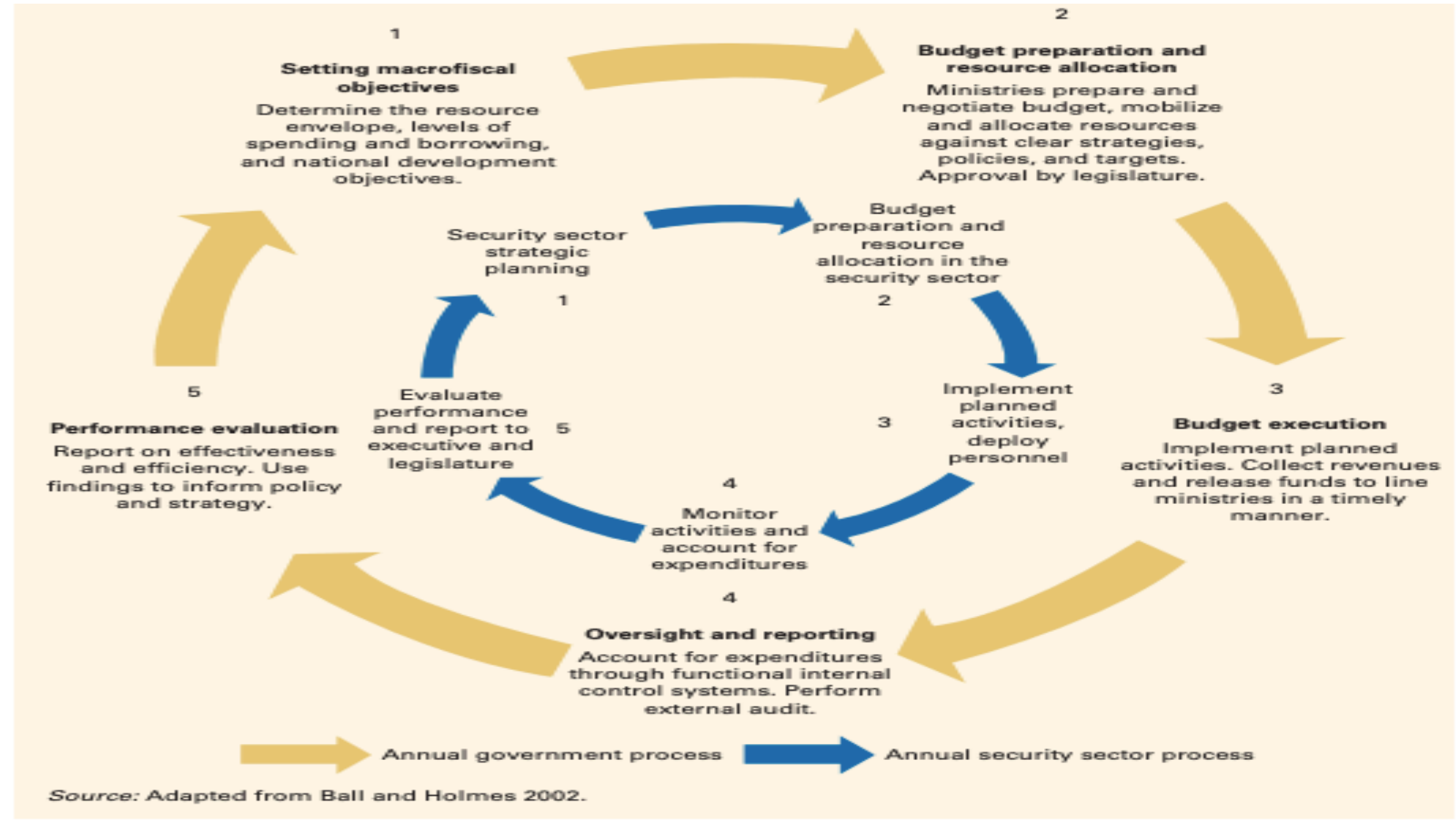
PFM, Good Governance and Oversight

The PFM Cycle, Inclusivity and Oversight



Source: Andrew Lawson, March 2015, PFM: Why does it matter and how best to improve it?

Budget Cycle, Security Sector, Secrecy, and Off-budget



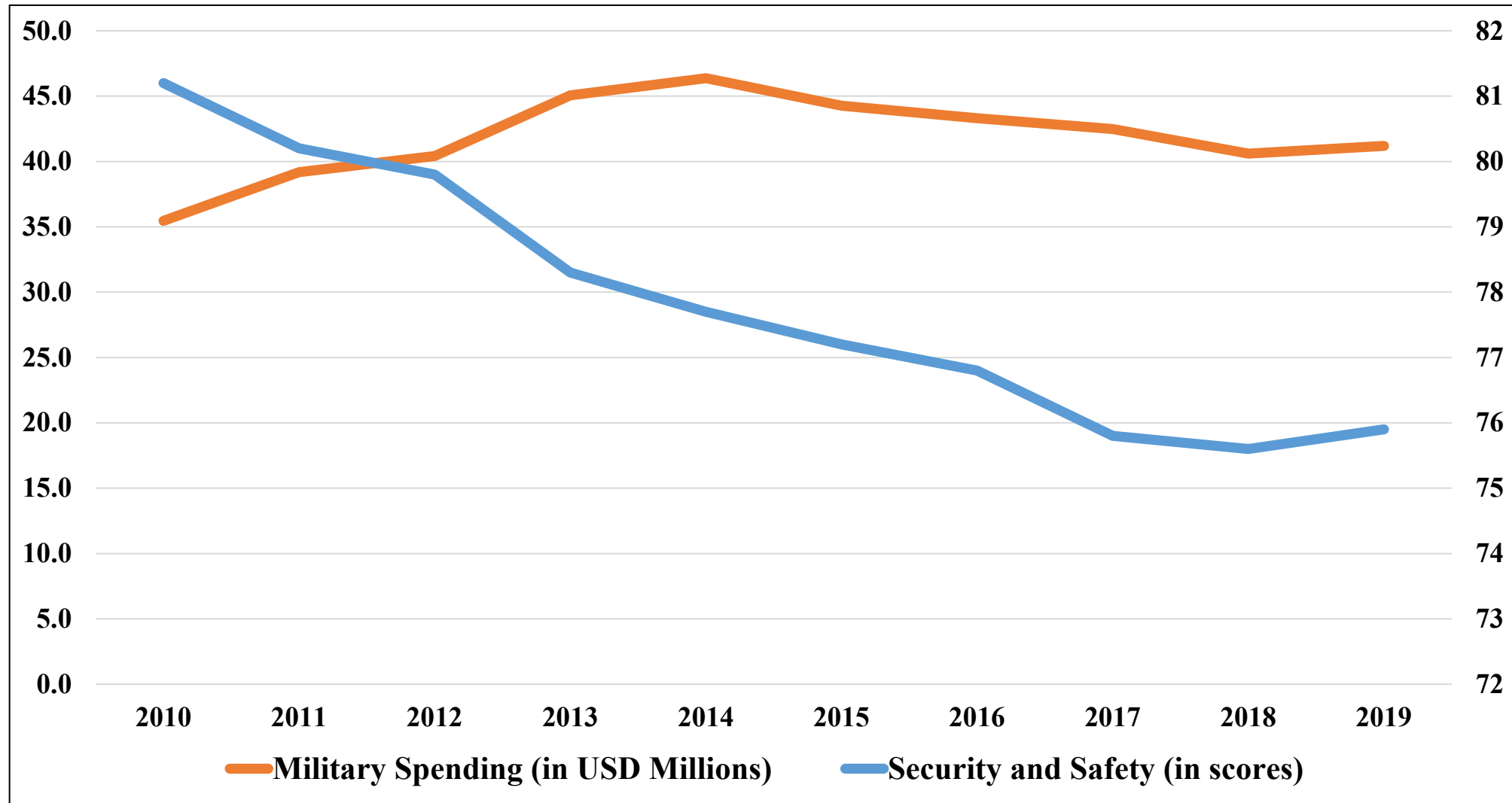
How do we know whether a PFM system is effective?

PFM can easily be assessed by measuring its performance against its four objectives:

- **Fiscal Discipline:** It is straightforward to measure it by the Open Budget Index (OBI) that provides a reasonable proxy for transparency.
- **Allocative and Operational Efficiency:** Both require special evaluation studies. Some countries such as South Africa undertake these regularly through program evaluations or value for money audits. Some **Public Expenditure Reviews (PERs)** also address these issues.
- **Public Expenditure & Financial Accountability (PEFA) Assessment Framework:** It provides high-level indicators by which to measure the performance of a PFM system.

Source: Andrew Lawson, March 2015, **PFM: Why does it matter and how best to improve it?**

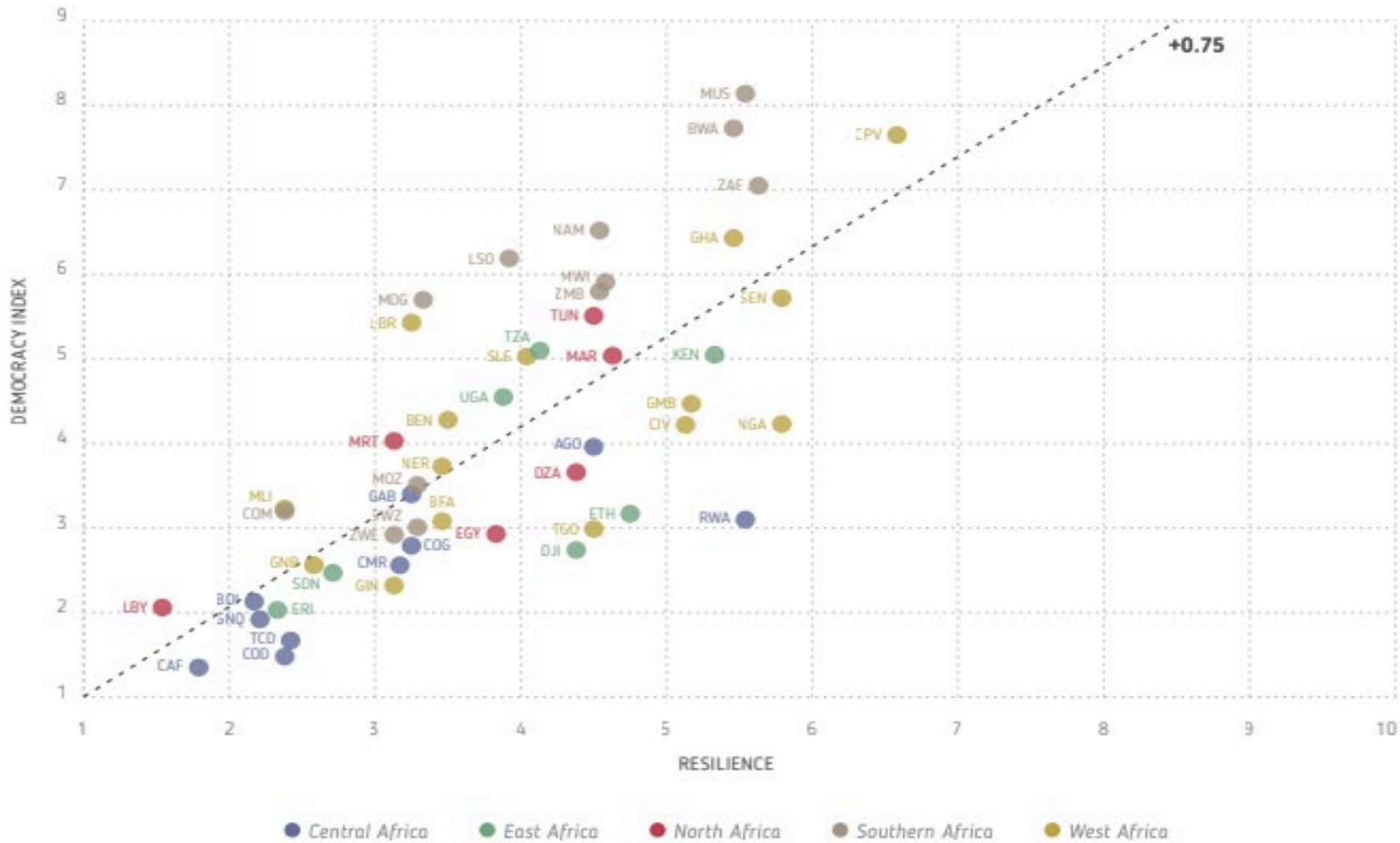
Is PFM Effective in Africa: Military Spending, Security and Safety, 2010 - 2019?



Source: Kuol and Amegboh, 2022

Africa Transnational Organized Crime Index 2023: Resilience and Democracy

Resilience and the 2022 Democracy Index



Source: Economist Intelligence Unit, Democracy Index 2022, <https://www.eiu.com/n/campaigns/democracy-index-2022/>

Source: Global Initiative Against Transnational Organized Crime

How to strengthen PFM System?

Adaptive Leadership



- Anticipation
- Articulation
- Adaptation
- Accountability

Recent research and evaluation suggest the following three critical factors for strengthening PFMS System:

Leadership – a strong political and technical commitment, clear communication and coordination of reform, and a widening group of reform leaders who manage fears, expectations and differences of opinion.

Policy space for developing appropriate reforms

Adaptive, iterative and inclusive processes – where monitoring, learning and adaptation are key through Problem-Driven Iterative Adaptation (PDIA).

Source: Ramalingam et al, 2020

Source: Andrew Lawson, March 2015 , PFM: Why does it matter and how best to improve it?

Conclusion: PFM and CT/CVE Policy

