

Spending Review in Practice: Slovakia

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VfM in Slovakia: spending reviews and investment assessments

Who we are:

- internal consultancy type organization, not classical bureaucrats,
- established in 2016,
- currently 40 employees (starting from 5),
- Division at the Ministry of Finance with 2 sections – structural and investment authority.

Philosophy:

- promoting evidence-based policy making by providing evidence analysis,
- not only „comply with law“ but look for „the best option“,
- strengthening the orientation towards results.

Main roles: spending reviews and investment assessments:

- inform budget decisions,
- review majority of public spending through spending reviews,
- increase the economic value of new investment projects (>10 m).



A spending review (SR)...

... is a process

of identifying and weighing **savings options**, based on the systematic scrutiny of baseline expenditure.

... focuses on value

Cut „bad“, promote „good“ expenditure within each sector. Focus on **value rather than consolidation** - gives the government control over the level of expenditure and improve **expenditure prioritization**.



... comes in many shapes

Targeted reviews by sector (education, health) or by a **function** (IT, wages, energy procurement)

... offers measures

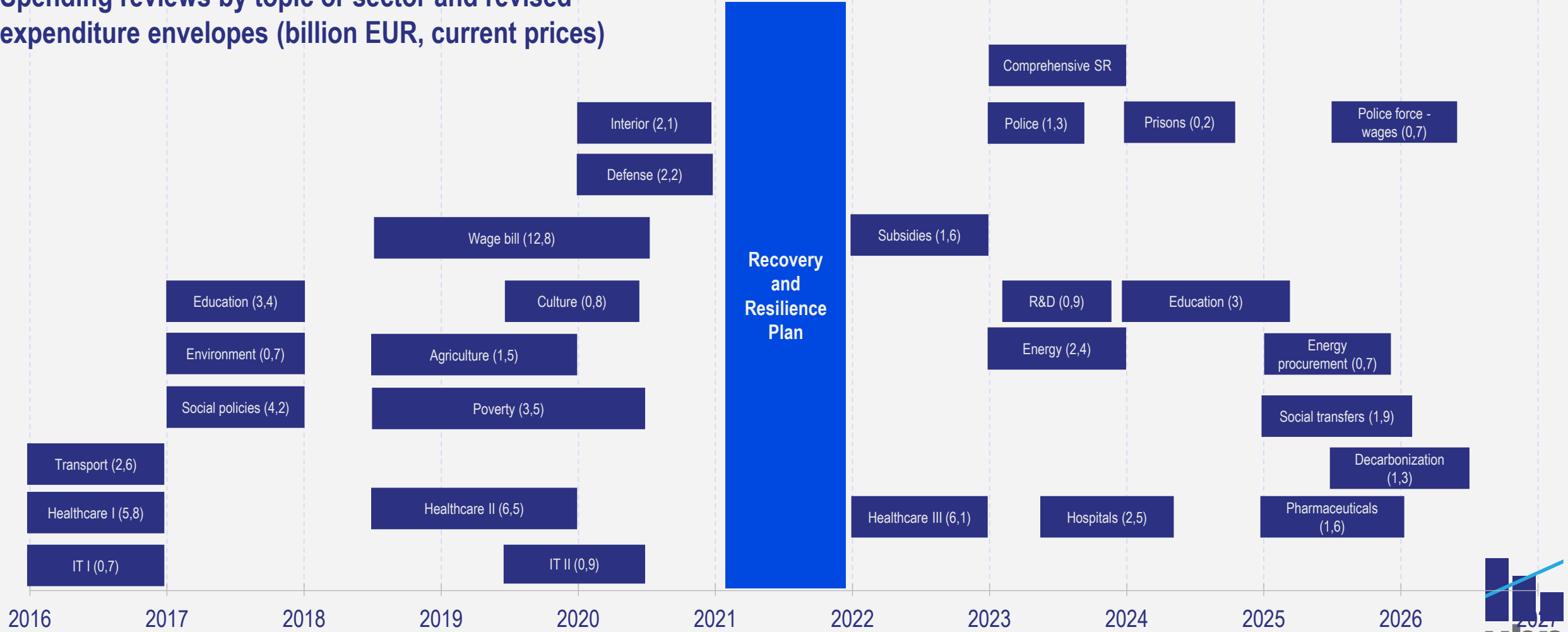
Savings option can have the **character of improved efficiency** of policy or **reallocation and reduction** of public expenditure - this determines the type of measure (**cost-saving, value-adding and process measure**)

... is established by law

From 2018, Slovak VfM review "most" of the public expenditure during the election term from 2020 (Budget Law Amendment).

From 5 analysts to 23 spending reviews, Recovery and Resilience Plan and becoming a 'legal requirement'.

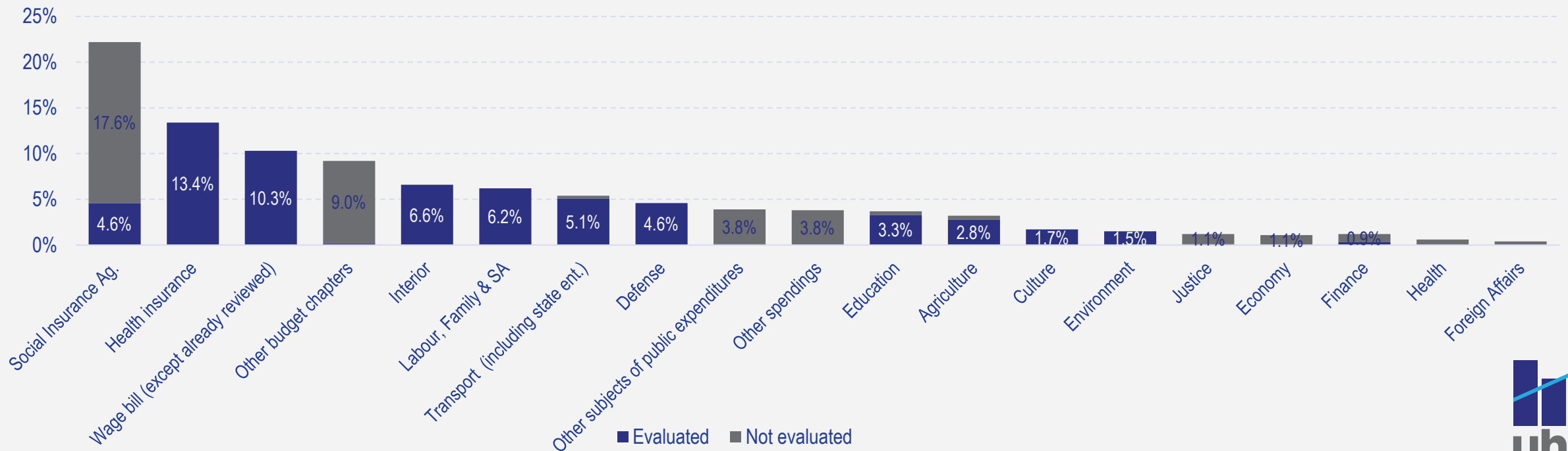
Spending reviews by topic or sector and revised expenditure envelopes (billion EUR, current prices)



2016-2023: 27 billion euros reviewed at least 369 million* euros saved

- 27 billion euros reviewed, potential savings of 2.4 billion euros identified
- 15 % of the potential saved
- *baseline budgeting and accounting for savings is crucial, but depends on political sponsor
- 516 operational spending review measures (92 saving measures)

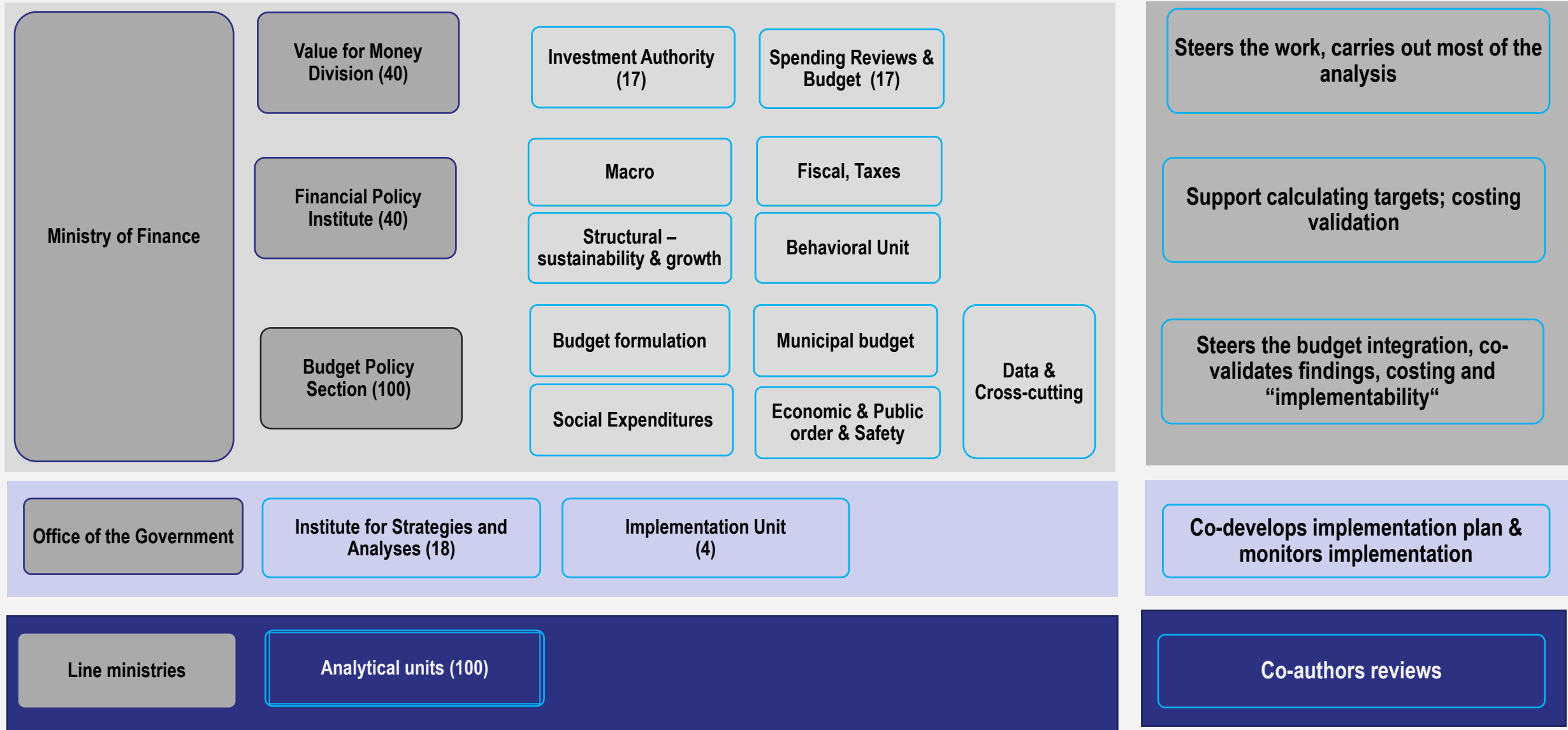
Share of public expenditure evaluated by the Value for Money Division since 2016 (% of all public expenditure, by organization)



Spending Reviews in Slovakia

institutional roles and budgeting

Division of Labor – 2026



Typical Slovak spending review was proposed by the VfM unit, consulted with and tolerated by the line ministry. The review was ‘approved’ by the gov’t, published and the results were selectively reflected in the budget.

Aspect	Modality
The most important political sponsor	Minister of Finance , MoF+LM, PM, Cabinet
Partnership with line ministries	Validated-only , Shared output, MoF only
Terms of Reference	Published (w/budget) , Published outside budgetary documentation, Internal document
explicit fiscal target	yes, interval, no
explicit outcome indicator	yes, interval, no
governance	Limited with deadlines and some responsibilities
Spending review report	Published online
Interim report	Skipped , Required and published
Final Report - Approval	MoF+Line Ministry , MoF only, Gov’t
Budget integration	When setting fiscal targets, Line ministry ceilings settings (<i>CAPEX</i>), Budgetary negotiation, Individual budget line adjustment
Implementation report & follow-up	
Implementation Plan	more detailed implementation plan , less detailed implementation plan
Implementation Report	By MoF, by Gov’t office ;

Integration of SR into the budget

- Spending reviews do not have to be integral part of budget formulation process, but experience show that they should be (Robinson, 2013).
- Goal is to **incorporate** measures / **savings** directly in the budget
- Spending review measures are also part of the **budget negotiation** – technical and political.
- VfM is part of the budget preparation process, especially in the area of **healthcare** (NPC scenario) **and investment** (CAPEX).
- Cooperation with the budgetary section is **crucial**.

Possibilities of incorporating measures from SR into the budget process



What we aspire to: reflect spending reviews measures...

Area	Type of measure	Measure	Annual savings (EUR million)	Horizon (years)
Budget	Management	Quantify the expenditure on police services and fire protection in accordance with the COFOG methodology, including reducing the expenditure not elsewhere classified to a maximum of 0.1% of GDP	-	-
Budget	Management	Align the programme budget expenditure structure with the functions performed	-	-
Police	Savings	Reduce the number of police officers per capita to the V3 level based on prior detailed analysis and adoption of necessary measures	6 – 73	7

...in the state budget (policy changes table)

limity a zmeny RVS 2021-2023 pre rok 2023						
(v eurách)						
(v euro)		zmeny 2023				
	výdavky celkc	610	620	630	640	
X	MO SR - nový limit do návrhu RVS 2021-2023 zdroj 11	1 252 580 699	390 989 466	130 516 755	550 647 507	180 426 971
X	MO SR - nový limit do návrhu RVS 2021-2023 zdroj 11 a §17 ods.4	1 252 627 319	390 989 466	130 518 505	550 687 377	180 431 971
X	Ministerstvo vnútra SR	-110 985 103	-47 981 082	-17 184 760	-12 482 514	-5 336 747
X		0				
X	§17 ods. 4	2 020 520	5 207	2 520	2 012 793	
X		0				
X		0				
X	zníženie nedaňových príjmov	0				
X	Voľby do VÚC a OSO v roku 2022	-14 299 200	-1 600 000	-559 200	-1 690 000	-10 450 000
X	Nové voľby do VÚC a OSO v roku 2023	51 580	38 000	13 280		300
X	Novela školského zákona - predškol. dochádzka	22 815 303			22 815 303	
X	zmena platiev ústavných a iných verejných činiteľov napojených na priemernú mzdu	25 238	18 777	6 461		
X	Novela školského zákona - predškol. dochádzka - presun do VPS	0			0	
X		0				
X	viazanie OV 10%	-19 512 968	-13 216 339	-4 619 111		-1 677 518
X	viazanie 10% tovarov a služieb RO+PO	-26 342 258			-25 667 579	-674 679
X	Postupné zníženie počtu policajtov na priemer EÚ (do roku 2027 90 mil. eur)	-45 247 710	-33 221 520	-12 026 190		
X	na náhrady za škody spôsobené chránenými živočíchmi	7 465 150				7 465 150
X	Narodná stratégia integrovaného riadenia hraníc - uznesenia vlády SR č. 27/2019	0				
X	Novela zákona o strelných zbraniach a strelive	0				

Spending Reviews in Slovakia

lessons learned

From sectoral to more focused spending reviews

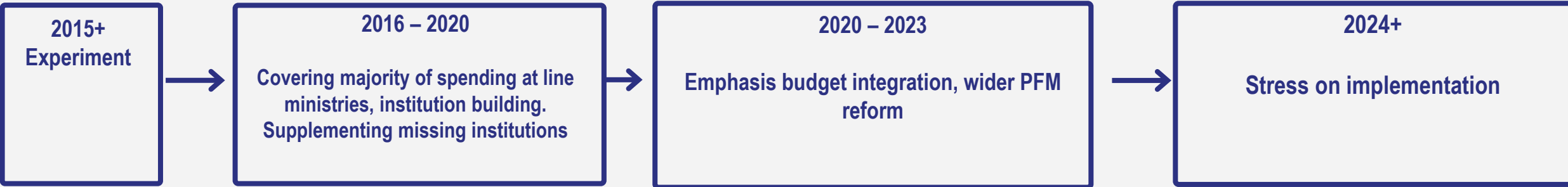
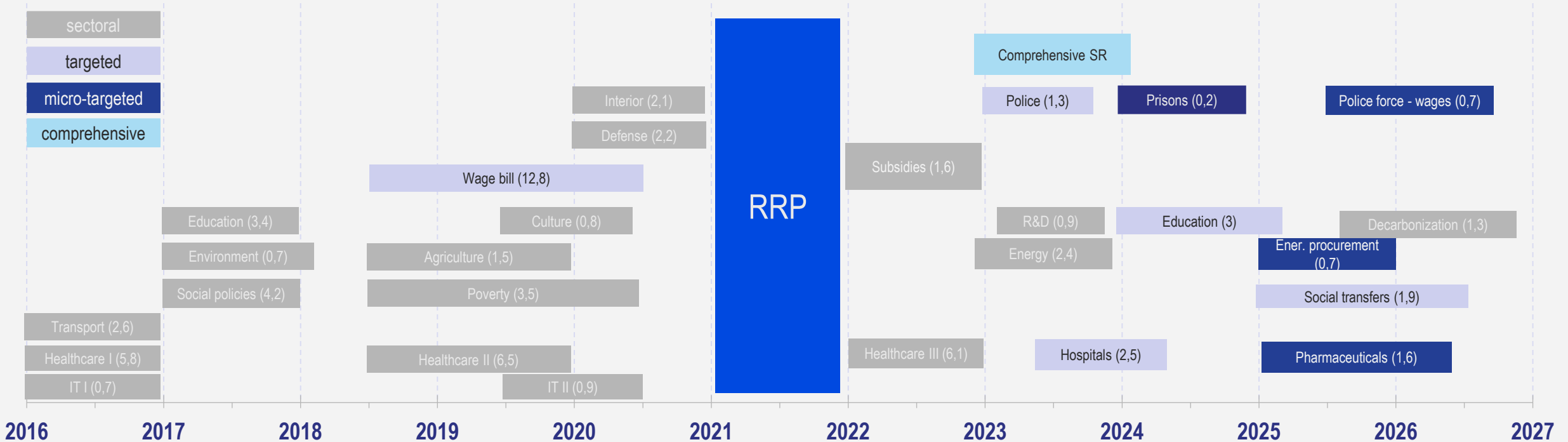
2016-2023

- sectoral spending reviews (education, healthcare, ...)
- a lot of media attention, improved public debate
- but implementation was slow

since 2024

- more focused, by topic (hospitals, pharmaceuticals, ...),
- with menu/list of measures for policymakers,
- motivation: more specific recommendations, focus on implementation
- based on [IMF. FAD "Next Phase of Spending Reviews", Technical Assistance Reports 2025, 011 \(2025\)](#)

Power-dynamics, ownership and impact on type of output:



What makes a spending review successful?

Political ownership



Capacity development



Transparency and communication



Implementation



Ownership defines half of the success

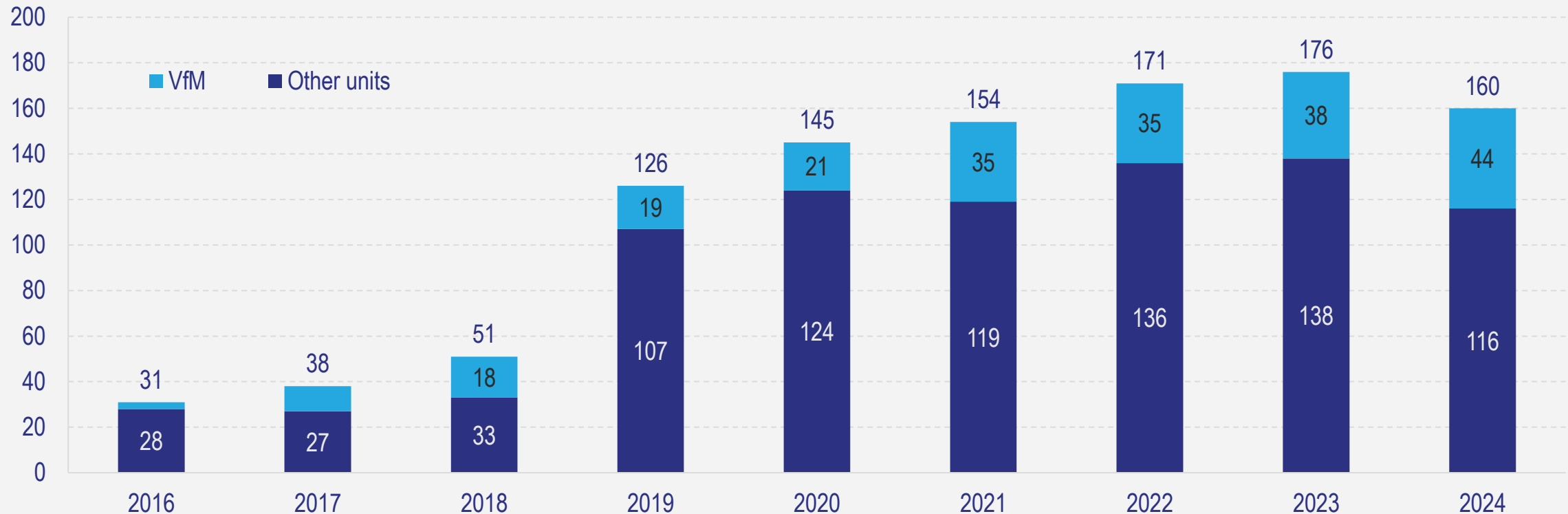
- **High-level political ownership**
 - Sustained support from both the PM and MoF is essential to the success of the spending review and its implementation
- **Involvement in line ministries**
 - Purely MoF-driven spending review is likely to be met with passive resistance from the concerned line ministry
- **Nice to have**
 - Mandate for the review from the government (ToR)
 - Spending reviews and assessments are embedded in law



Internal capacities are value for money

- Internal capacities of analytical units built using specialised courses
- And by cooperating closely with the IMF and OECD

Number of FTEs in analytical units



Publish everything and talk about it

- All spending reviews and most of the analyses are public – it helps to create public pressure
- In 2023: almost 3 000 mentions of VfM in the media, 57 published outputs

Blog 6. októbra 2022 16:31 1626

Hľadanie zdrojov pre zdravotníctvo



ÚTVAR HODNOTY ZA PENIAZE

Zapnúť články e-mailom

Pravda > Ekonomika > Krajina > Najväčšia schéma štátnej pomoci pre poľnohospodárov je v o...

Najväčšia schéma štátnej pomoci pre poľnohospodárov je v ohrození, štátni analytici ju zastávajú alebo zrušiť

21.10.2023

Financie

Štátni analytici ju zastávajú alebo zrušiť

Kam smeruje najviac dotácií? ÚHP a Inštitút finančnej politiky sa pozreli na výdavky štátu za takmer 1,5 miliardy eur

01. 03. 2023 | 15:09 | Slovensko | Ekonomika

MŠV a M: Rezort urobí s ÚHP revíziu, predmetom sú výdavky vo výške 3 miliárd eur

ÚHP: Slovník zdravotníctva sú ako priemer v EÚ, výsledky sú horšie

24.10.2023 Európske zdravotníctvo

1. marca 2023 - Ostatné



od Energia.sk - SITA

Útvar hodnoty za peniaze odporúča zastaviť alebo zrušiť dotácie za 370 mil. eur

Rigorous implementation is key to delivery

- Implementation can be is the hardest part of the process
- Use budgetary process as much as you can (spending limits, measures, performance goals, etc.)
- Central implementation unit within deputy prime minister's office
 - Monitors progress and helps with the implementation of measures
 - Issues a status report once a year



Status report methodology	
Status	Colour
Fulfilled (more than 100 %)	Green
Fulfilled	Light Green
Partially fulfilled	Yellow
Not fulfilled	Red
Excessive spending or data not provided	Dark Red
Measure is scheduled to be implemented later	Grey

Súhrnná implementačná správa za rok 2022
(zdravotníctvo, obrana, informatizácia, kultúra pôdohospodárstvo a vnútro)

Inštitút pre stratégiu a analýzy
Úrad vlády Slovenskej republiky

Autori: Daniel Bobovnik, Kamil Hančák, Jozef Kotlík, Barbara Siekel, Barbara Barišáková, Roman Kolár a Daniel Kolesár

Druh opatrenia	Opatrenie	Podopatrenie	Zodpovednosť	Pôvodný termín plnenia	III 2021	IV 2021	2022
13	Riadiace	Ktorá posilí výskedy a nevykedy možných právnych fičov pre kultúrne inštitúcie					
	Zaviesť						
Riadiace	Prerokovanie priradených projektov na MK SR v čase formulovania konceptov		SKD, SEJK, SMAAP	30. 6. 2021			
Riadiace	Príprava a predloženie SR dlhodobý investičný plán pre národnú kultúrne pamiatky a investičný plán pre vstred nekomerčný majetok vo vlastníctve MK SR a jeho podriadených organizácií		IKP, SKD, SEJK, SMAAP	31. 12. 2021			
Riadiace	Dopracovať metódy na prípravu študie uskutočnit'nosti a ekonomickéj analýzy v kultúre		IKP	30. 6. 2021			
Riadiace	Zhodnotiť nákladovú efektívnu zriadenia projektov projektovej kancelárie		IKP	30. 6. 2021			
	Implementovať						
	reprokovanie podľa metódy pokynu OEK, vo všetkých rozpočtových a príspevkových organizáciách MK SR		SE	30. 6. 2021			
	Do MeaDS						
	prvokálne nahrávať údaje o nákladoch a		SPPS	31. 12. 2021			

**“Better to see something once
than to hear about it a thousand
times.”**

“Better to see do something once than to hear about it a thousand times.”