



Budget for **Citizens**

of the institutions of Bosnia and Herzegovina
and international obligations of
Bosnia and Herzegovina

2022





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BOSNA I HERCEGOVINA
MINISTARSTVO FINANCIJA/
FINANSIJA I TREZORA



БОСНА И ХЕРЦЕГОВИНА
МИНИСТАРСТВО ФИНАНСИЈА
И ТРЕЗОРА

BOSNIA AND HERZEGOVINA
MINISTRY OF FINANCE
AND TREASURY

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Budget for Citizens

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Dear Citizens,

This is the document “Budget for Citizens”, which presents a certain illustrative guide showing clearly and simply how the revenue is collected and spent from the Budget of the institutions of Bosnia and Herzegovina and international obligations of BiH in 2022.

It is our desire that, by introducing a practice of regular publication of this document, we become even more open and accountable to citizens in terms of planning, managing, and using the finances of the institutions of Bosnia and Herzegovina.

The purpose of this document is to provide the public with a better insight and understanding of the public about the ways in which the state-level institutions distribute and spend public revenues from the Budget. Having in mind that the money received to the Budget comes from the taxpayers, it is our obligation to use it to the best interest of all the citizens of Bosnia and Herzegovina and to present clear and understandable data about the sources of the collected funds and their spending.

The document is intended for all the persons who would like to be informed about the plans of individual institutions of BiH and for all those who would like to follow spending of the funds in the implementation of the set goals.

I honestly hope that the “Budget for Citizens” will provide answers to the key questions related to the Budget of the institutions of BiH and international obligations of BiH and that it will also encourage an increasing number of stakeholders to give their opinions and suggestions that will serve as a foundation for the development of the Budget for Citizens in the future.

We are open for an increased participation of citizens in the budgeting process to prepare the future document of “Budget for Citizens”, even in addition to the constitutional limitations in the structure of the budget of the BiH institutions. We would like to create a more accessible and understandable budget, since this is one of the initial requirements for improving the management of public finances.

We are looking forward to our future cooperation.

Kind regards,

MINISTER
Vjekoslav Bevanda



Budget for **Citizens**

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The money within the **budgets** of governmental institutions at all levels is the money of citizens. Governmental revenues are collected from citizens through taxes and payments of different duties and charges. In addition to this, the revenue also comes from **concessions** for the usage of resources which make a common heritage and belong to all the citizens. Even when the revenues come from loans, citizens are the ones who will have to repay them in the end. Governmental institutions are responsible for the funds within their budgets, and they decide in the name of its citizens about the distribution of the collected funds for different purposes.

Having in mind that the budget is also a reflection of **public policies**, it is clear why the countries with a developed democratic culture have a significant interest of the public in many budget-related issues. Citizens want to know and decide on how their money is spent. In this, a basic precondition for citizens to participate in the process of budgetary decision-making is to be informed. In line with that, the task of the authorities is to provide transparency of their work and provide information about all the important questions related to the process of creation, adoption, and execution of the budget.

Budget for Citizens is a document which summarizes and explains the basic budget information. This is a report, presented in an accessible format, which uses a simple and clear language understood by the citizens. If they can understand it, the citizens can then achieve their citizens' rights in a democracy – they can ask questions making sure the government explains what they do in the name of citizens.



Budget

A document forecasting all revenues and expenditures in one year.

Concession

A permission of the government given to legal or physical persons to perform certain business activities according to pre-determined requirements.

Public policy

A plan or course of action of governmental institutions.

Budget for Citizens

A simplified and illustrated overview of certain parts of the official Budget.

Competencies of the institutions of Bosnia and Herzegovina

Pursuant to Article III of the **Constitution** of Bosnia and Herzegovina, the following areas are in the competence of the institutions of Bosnia and Herzegovina:

- a) Foreign policy,
- b) Foreign trade policy,
- c) Customs policy,
- d) Monetary policy,
- e) Financing of the institutions and international obligation of BiH,
- f) Policy and regulation of the issues of immigration, refugees and asylum,
- g) Implementation of the international and inter-entity criminal law regulations, including the relations with the Interpol,
- h) Establishing and functioning of the common and international means of communication,
- i) Regulation of the inter-entity transport,
- j) Air traffic control.

The same article of the Constitution further defines that all the governmental functions and authorisations not explicitly entrusted to the institutions of Bosnia and Herzegovina belong to the entities. At the same time, Bosnia and Herzegovina may take over the competence for issues as agreed upon by the entities; the issues that are defined by Annexes 5-8 of the General Framework Agreement; or those that are necessary to preserve the sovereignty, territorial integrity, political independence and international subjectivity of Bosnia and Herzegovina, in accordance with the division of competences among the institutions of Bosnia and Herzegovina. Additional institutions can be established, if need be, for the purpose of performance of these competences.

Currently, there are 75 **budget users** i.e. different institutions in Bosnia and Herzegovina (ministries, agencies, regulatory bodies, judiciary institutions and such), which are direct users of the Budget of the institutions of Bosnia and Herzegovina and international obligations of Bosnia and Herzegovina.

Legislative framework

The Law on Financing the Institutions of Bosnia and Herzegovina is the law setting out the preparation, adoption, execution, accounting, reporting and supervision of the Budget of Bosnia and Herzegovina. The Budget presents a legal document of the Parliamentary Assembly of Bosnia and Herzegovina, setting out a plan of financial activities of budgetary users, which includes the projection of amounts of revenues and a set amount of expenditures for the period of one fiscal year. This Budget also sets out an upper limit of the overall debt of Bosnia and Herzegovina, including the existing debt and projection of a new debt for the given fiscal year. Equally, the document sets out the budget users, which are all the institutions of Bosnia and Herzegovina and all other bodies financed by the budget as well as regulatory bodies.

The Ministry of Finance and Treasury of Bosnia and Herzegovina is in charge of preparing the budget, executing the budget and financing of the budget institutions, coordination of all activities to ensure the budget funds and investment of public finances and it also performs other activities in the area of financing of budget users in accordance with the Constitution and the law.



Constitution

A basic legislative act of a country establishing a political and legal order.

Budget user

Institutions and all other bodies financed by the budget.

Budget calendar and budget process

Budget calendar is set out by the Law on Financing the Institutions of Bosnia and Herzegovina and it defines the activities significant for the preparation and adoption of the Budget. It defines the timelines and responsibilities of individual institutions with regards to preparing for the adoption of an official Budget.

Budget process is based on prescribed activities of all the participants in the process of preparing and adopting the Budget of the institutions of BiH and international obligations of BiH and also for the execution, reporting and control.

Budget process starts in January, when the Ministry of Finance and Treasury sends out, until 31st of this month, its budgetary instructions with the budget calendar for the preparation of a **Framework Budget Document (FBD)** to all the budget users.

Budget process

The process which includes preparing and adopting the budget, its execution, reporting and control.

Framework Budget Document (FBD)

A projection of three-years' revenues and expenditures, i.e. a mid-term budget projection.

31 March

Directorate for Economic Planning is obliged to prepare a draft of the macroeconomic projections for the current year and the three following years.

15 June

The Ministry of Finance and Treasury submits the Framework Budget Document to the Council of Ministers for adoption.

1 July

The Ministry of Finance and Treasury of BiH submits its instructions to the budget users for the preparation of requests for the next year's budget.

1 October

The Ministry of Finance and Treasury of BiH, after performed consultations with budget users, submits a Draft Law on the Budget of Institutions of BiH and International Obligations of BiH to the BiH Council of Ministers for the next year.

1 November

The Presidency of BiH is obligated to submit a Proposal of the Law on the Budget of Institutions of BiH and International Obligations of BiH for the next year to the BiH Parliamentary Assembly.

31 January

The Ministry of Finance and Treasury of BiH sends out its budgetary instructions with the budget calendar for the preparation of a Framework Budget Document and Annual Budget to all the budget users.

15 April

Department for Macroeconomic Analysis of the Management Board of the Indirect Taxation Authority prepares a draft of projection of revenues from indirect taxation for the current year and the three following years. Budget users submit their tables summarising their priorities to the Ministry of Finance and Treasury of BiH.

30 June

The Council of Ministers adopts the Framework Budget Document.

1 August

Budget users submit their requests for the next year's budget.

15 October

The Council of Ministers is obliged to submit the Draft Law of the Budget of Institutions of BiH and International Obligations of BiH for the next year to the BiH Presidency.

31 December

The BiH Parliamentary Assembly considers the Proposal of the Law on the Budget submitted to the Presidency of BiH and it adopts the Law on Budget in accordance with its own Rules of Procedure.



Macroeconomic projections and forecasts

The following table shows the estimate and forecast of macroeconomic indicators of Bosnia and Herzegovina for the period of 2019-2024, as prepared by the Directorate for Economic Planning of the Council of Ministers of Bosnia and Herzegovina..

INDICATORS	OFFICIAL DATA		PROJECTIONS			
	2019	2020	2021	2022	2023	2024
Nominal GDP in mil. BAM	36.527	35.436	36.806	38.447	40.094	41.907
Nominal growth in %	4,6	-3,0	3,9	4,5	4,3	4,5
GDP deflator (previous year = 100)	101,8	100,2	100,8	101,0	100,7	100,8
Realistic GDP in mil. BAM (previous year = 100)	35.885	35.359	36.520	38.051	39.803	41.577
Realistic growth in %	2,8	-3,2	3,1	3,4	3,5	3,7
Inflation measured by the consumer price index in %	0,6	-1	1,1	0,9	0,8	1
Spending in mil. BAM	32.809	32.360	33.205	34.174	35.085	36.120
Realistic growth in %	2,0	-1,8	1,7	1,7	1,5	1,6
Government spending in mil. BAM	6.862	7.129	7.272	7.504	7.744	7.992
Realistic growth in %	0,9	1,3	1,3	0,7	0,7	0,7
Private consumption in mil. BAM	25.947	25.232	25.934	26.670	27.341	28.127
Realistic growth in %	2,3	-2,6	1,9	2,0	1,7	1,8
Investments (gross) in fixed assets in million BAM	8.129	7.779	8.252	8.916	9.664	10.624
Realistic growth in %	5,8	-3,0	4,8	7,0	6,9	7,9
Government investments in mil. BAM	929	1.674	1.719	1.939	2.130	2.449
Realistic growth in %	7,2	82,6	1,2	10,8	7,6	11,7
Private investments in mil. BAM	7.200	6.105	6.532	6.976	7.535	8.175
Realistic growth in %	5,7	-14,0	5,8	6,1	6,7	6,8
Imports in mil. BAM	19.492	16.601	18.594	19.915	21.326	23.119
Nominal growth in %	1,7	-14,8	12,0	7,1	7,1	8,4
Realistic growth in %	1,3	-13,6	10,1	4,6	4,1	4,8
Exports in million KM	14.320	11.820	13.928	15.238	16.635	18.280
Nominal growth in %	0,5	-17,5	17,8	9,4	9,2	9,9
Realistic growth in %	0,4	-16,2	16,0	6,7	6,9	7,4
National gross savings in %	21,4	19,6	20,2	20,8	21,6	22,4
Current account balance in mil. BAM	-1.087	-1.090	-844	-950	-1.032	-1.223
Growth in %	-1,5	-15,4	-7,8	12,5	8,7	18,5
Current account balance in % of GDP	-3,0	-2,6	-2,3	-2,5	-2,6	-2,9

According to official data, the real growth (by 2,8%) of the gross domestic product was registered in 2019, while in 2020 there was an obvious decline of this indicator by 3.2%.

DEP projections for the medium-term period have their main foothold in projections of international institutions and are based on the assumption of improvement in economic activity in the external environment, which would stabilize the economic opportunities and stimulate the economic growth in this period. Apart from this improvement in external environment, a very important precondition for the recovery of economic growth in the country during this period will be the country's institutional capacity in carrying out structural reforms to strengthen the contribution of internal dynamics in creating the same. Assuming the materialization of the mentioned circumstances according to DEP projections in the period 2022-2024, somewhat stronger economic recovery is expected in Bosnia and Herzegovina, with an average rate of economic growth of approx. 3.5% annually (2022: 3.4%, 2023: 3.5% and 2024: 3.7%). It is assumed that the key basis of economic growth during this period should be domestic demand through an increase of private consumption and investments.

Macroeconomics

It is an area of economic sciences dealing with the total economy of an area (country), studying the mutual relations of the total (aggregate) production, revenue, employment, prices and other variables.

Nominal GDP

It is a sum of quantities of manufactured final goods and services by resident units in a country in a certain period of time multiplied by their current prices.

Realistic GDP

It presents a sum of quantities of final goods in permanent (instead of current) prices and it also points out to the quantity of manufactured products and services.



Economic growth

It implies a total growth of production, production capacities and all other parts of one economy, i.e. it shows the total growth of total output of an economy due to the growth of its labour force, capital goods and improvements in technology and productivity.

Gross Domestic Product (GDP)

It is a macroeconomic indicator showing the value of final goods and services produced in the country in one year, as expressed in monetary units.

Inflation

It is an increase in the general level of prices compared to the value of money.

Government/public spending

(Expenses for the final government spending) – The sector of government consists of all the institutional units which, through the meeting of their political obligations and role of economic regulation, in principle produce the non-market services (possibly also non-market goods) for individual or collective consumption and they also redistribute the proceeds and wealth. Expenses for final government spending include two categories of expenditures:

- Non-market output; except for investments for own account; which is measured by costs of production, decreased by occasional sale.
- Government procurement of goods and services from the market producers, which are sold to households without any transformation, as a social transfer in "kind".

Foreign trade exchange

It is an overall exchange of goods and services on one country with foreign countries (import and export of goods and services).

Revenues, proceeds and financing

BiH institutions' budget revenues are planned based on the Global Framework of the Fiscal Balance and Policy in Bosnia and Herzegovina for 2022-2024 period.

The basic revenue within the Budget of the Institutions of Bosnia and Herzegovina and International Obligations of BiH for 2022 is related to the tax revenue, i.e., revenues from the Single Account of the Indirect Taxation Authority for Financing of the Institutions of BiH (BAM 865,500,000). Other proceeds and support to financing of the BiH institutions are related to the non-tax revenues (BAM 145,398,000) and transfers from other levels of government (BAM 650,000).

Financing and proceeds also include the transferred surplus of funds from previous years (BAM 61,711,000), as well as proceeds from sale of permanent assets (BAM 341,000).

In the end, it should be added that the revenues of the Budget of the institutions of Bosnia and Herzegovina and the international obligations of Bosnia and Herzegovina also include the revenue for public debt financing (BAM 819,189,119) and are related to the settlement of the obligations of the institutions of Bosnia and Herzegovina, entities, and Brčko District.



Permanent assets

A part of property that will remain unchanged, i.e. it will keep the same appearance in a time period longer than one year and which will not be spent in a normal, production cycle (for example, land, buildings, machinery, etc.). These are procured with an intention to be used in own business and not for further sale.

Transfers from other levels of government

Monetary funds that the higher or lower levels of government allocate to the budget with the goal of implementation of individual programmes and/or functions.

1,892,789,119 KM

REVENUES AND SUPPORT FOR
FINANCING OF THE INSTITUTIONS
OF BOSNIA AND HERZEGOVINA

62,052,000 KM
OTHER FINANCING
AND PROCEEDS

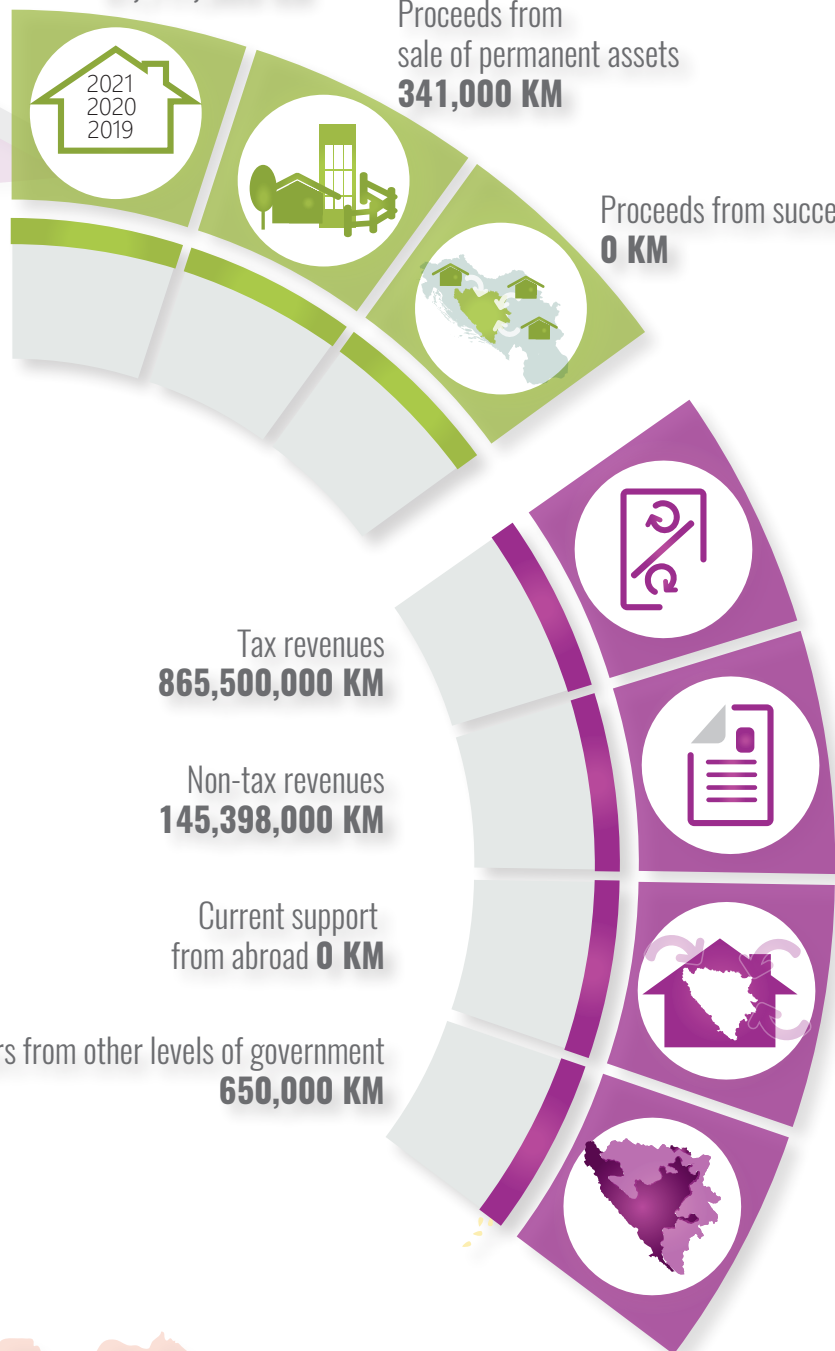
1,011,548,000 KM
REVENUES AND SUPPORT FOR
FINANCING OF THE INSTITUTIONS OF
BOSNIA AND HERZEGOVINA

819,189,119 KM
REVENUES FOR FINANCING OF
EXTERNAL DEBT OF
BOSNIA AND HERZEGOVINA

Transferred surplus of funds from the previous years
61,711,000 KM

Proceeds from sale of permanent assets
341,000 KM

Proceeds from succession
0 KM



Tax revenues
865,500,000 KM

Non-tax revenues
145,398,000 KM

Current support from abroad
0 KM

Transfers from other levels of government
650,000 KM

Federation of BiH
538,380,626

Republic of Srpska
266,566,351

Brčko District
8,319,515

Institutions of BiH
5,922,627

Non-tax revenues **145.398.000 KM**

Revenues from administrative fees/charges
16.923.000

Revenues from the court fees/charges
453.000

Revenues from special charges
61.806.000

Revenues from charges in the indirect taxation procedures
26.668.000

Revenues from personal and travel documents and registration of vehicles
24.009.000

Revenues from financial public institutions and non-financial public companies
239.000

Revenues from the interest and exchange rates' differences.
503.000

Revenue from fines
6.048.000

Own revenues
6.750.000

Other revenues
1.999.000

EXPENDITURES

Expenditures by COFOG Classification

Institutions of BiH and amount of their budget for 2022

The largest budget users

Budget for
Citizens

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2022



COFOG Classification

Classification of governmental function (COFOG – Classification of the Functions of the Government) was published by the Department for Statistics of the United Nations and it is related to the funds from the budget classified by the purposes, which these are spent for.



GENERAL PUBLIC SERVICES **1,205,764,119 KM**



Parliamentary Assembly of Bosnia and Herzegovina	19,526,000
Presidency of Bosnia and Herzegovina	9,571,000
General Secretary of the Council of Ministers of Bosnia and Herzegovina	5,931,000
Directorate for European Integration of Bosnia and Herzegovina	4,747,000
Ministry of Foreign Affairs of Bosnia and Herzegovina	58,098,000
Ministry of Communication and Transport of Bosnia and Herzegovina	5,572,000
Ministry of Finance and Treasury of Bosnia and Herzegovina	11,737,000
Indirect Taxation Authority of Bosnia and Herzegovina	122,362,000
Ministry of Justice of Bosnia and Herzegovina	3,307,000
Ministry of Security of Bosnia and Herzegovina	86,000
Ministry of Civil Affairs of Bosnia and Herzegovina	11,152,000
Agency for Identification Documents, Registers and Data Exchange	28,663,000
Service for Common Affairs of the Institutions of Bosnia and Herzegovina	17,817,000
Office for Auditing of the Institutions of Bosnia and Herzegovina	4,933,000
Central Election Commission of Bosnia and Herzegovina	15,777,000
Civil Service Agency of Bosnia and Herzegovina	1,423,000
Agency for Statistics of Bosnia and Herzegovina	5,188,000
Archives of Bosnia and Herzegovina	754,000
The Return Fund of Bosnia and Herzegovina	487,000
Civil Service Board of Bosnia and Herzegovina	429,000
Legislative Office of Bosnia and Herzegovina	757,000
Public Procurement Agency of Bosnia and Herzegovina	1,386,000
Procurement Review Board of Bosnia and Herzegovina	2,658,000
Missing Persons' Institute of Bosnia and Herzegovina	2,970,000
Directorate for Economic Planning of Bosnia and Herzegovina	1,022,000
Office of the PAR Coordinator	1,398,000
Personal Data Protection Agency of Bosnia and Herzegovina	1,349,000
Central Harmonisation Unit of the Ministry of Finance and Treasury of Bosnia and Herzegovina	676,000
Agency for the Prevention of Corruption and Coordination of the Fight against Corruption	1,528,000
Direct transfers and provisions	45,271,000
PUBLIC DEBT SERVICING	819,189,119

DEFENCE **306,675,000 KM**



Ministry of Defence of Bosnia and Herzegovina

306,675,000

PUBLIC ORDER AND SECURITY **289.093.000 KM**



High Judicial and Prosecutorial Council of Bosnia and Herzegovina	6,497,000
Constitutional Court of Bosnia and Herzegovina	6,932,000
Court of Bosnia and Herzegovina	19,203,000
Prosecutor's Office of Bosnia and Herzegovina	16,042,000
Office of the Attorney General of Bosnia and Herzegovina	1,447,000
Institution of Human Rights Ombudsman of Bosnia and Herzegovina	2,779,000
Institute for Execution of Criminal Sanctions, Custody and Other Measures	12,384,000
Ministry of Justice of Bosnia and Herzegovina	6,850,000
Ministry of Security of Bosnia and Herzegovina	8,535,000
State Investigation and Protection Agency	33,164,000
Border Police of Bosnia and Herzegovina	86,548,000
Intelligence and Security Agency of Bosnia and Herzegovina	36.550.000
Service for Foreigner Affairs of Bosnia and Herzegovina	10,592,000
Police Support Agency	1,733,000
Agency for Forensic Testing and Expert Evaluation	2,000,000
Agency for Education and Professional Training	2,778,000
Directorate for Coordination of Police Bodies	35,059,000

ECONOMIC POLICY **55,882,000 KM**



Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina	9,408,000
Foreign Investment Promotion Agency of Bosnia and Herzegovina	1,381,000
Veterinary Office of Bosnia and Herzegovina	5,146,000
Competition Council of Bosnia and Herzegovina	1,382,000
Ministry of Communication and Transport of Bosnia and Herzegovina	10,348,000
Directorate of Civil Aviation of Bosnia and Herzegovina	4,737,000
Communications Regulatory Agency of Bosnia and Herzegovina	6,685,000
Standardisation Institute of Bosnia and Herzegovina	1,513,000
Institute for Metrology of Bosnia and Herzegovina	3,021,000
Institute for Intellectual Property of Bosnia and Herzegovina	1,738,000
Institute for Accreditation of Bosnia and Herzegovina	1,194,000
Plant Health Protection Administration of Bosnia and Herzegovina	1,296,000
Market Surveillance Agency of Bosnia and Herzegovina	873,000
Food Safety Agency of Bosnia and Herzegovina	1,781,000
Labour and Employment Agency of Bosnia and Herzegovina	1,247,000
Office for Harmonisation and Coordination of Payment Systems in Agriculture, Food and Rural Development	681,000
Commission for Concessions of Bosnia and Herzegovina	1,141,000
Insurance Agency of Bosnia and Herzegovina	532,000
Institution of Ombudsman for Consumer Protection	446,000
Agency for Postal Traffic of Bosnia and Herzegovina	837,000
State Aid Council	465,000

ENVIRONMENTAL PROTECTION **7,206,000 KM**



Mine Action Centre of Bosnia and Herzegovina	6,118,000
State Regulatory Agency for Radiation and Nuclear Safety	1,088,000

HEALTH SECTOR **6,682,000 KM**



Agency for Medicinal Products and Medical Devices of Bosnia and Herzegovina

6,682,000

RECREATION, CULTURE, RELIGION **8,331,000 KM**



Srebrenica – Potočari Memorial Centre, Memorial and cemetery for the victims of 1995 genocide

1,123,000

Communications Regulatory Agency of Bosnia and Herzegovina

3,789,000

Ministry of Civil Affairs of Bosnia and Herzegovina

1,239,000

Commission to Preserve National Monuments of Bosnia and Herzegovina

1,495,000

Agency for Anti-Doping Control of Bosnia and Herzegovina

685,000

EDUCATION **2,996,000 KM**



Agency for Development of Higher Education and Quality Assurance of Bosnia and Herzegovina

940,000

Agency for Preschool, Primary and Secondary Education of Bosnia and Herzegovina

1,201,000

Centre for Information and Recognition of Qualifications in Higher Education of Bosnia and Herzegovina

855,000

SOCIAL PROTECTION **10,160,000 KM**



Ministry of Human Rights and Refugees of Bosnia and Herzegovina

10,160,000

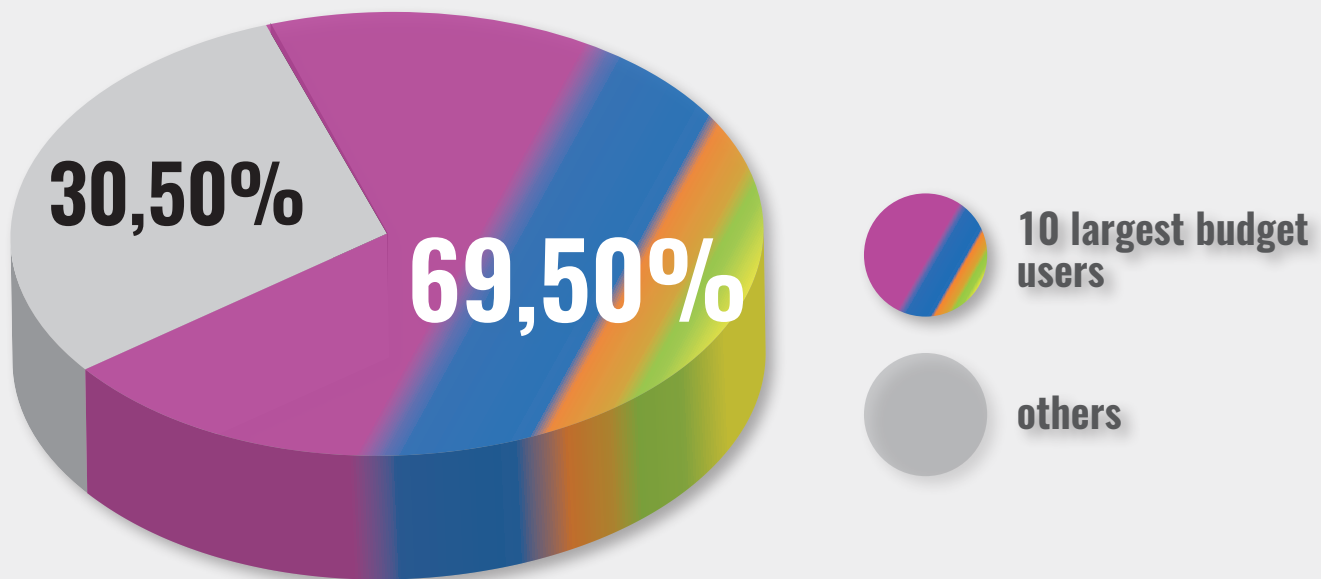
THE LARGEST USERS OF THE BUDGET OF BOSNIA AND HERZEGOVINA INSTITUTIONS

When observing the total expenditures of the institutions of Bosnia and Herzegovina, it is visible that **745,848,000 BAM, or 69.5% of the total expenditures** of the budget (without allocation of funds to finance external debt) of the institutions of Bosnia and Herzegovina relates to just **10 budget users**.

The above-mentioned clearly shows that the largest portion of funds from the Bosnia and Herzegovina Budget is allocated for the sectors of defence and public order and security.

The following part gives an overview of the costs for salaries and allowances of employees as well as the budget of six institutions which, according to the conducted consultations, were the largest focus of attention of the interested individuals and civil society organisations.

Primarily, these are the institutions spending the largest amounts of funds when performing the competences entrusted with **(Ministry of Defence, Border Police and Indirect Taxation Authority)** as well as the institutions whose work is of great interest due to individual programmes and projects implemented within them **(Ministry of Civil Affairs, Ministry of Human Rights and Refugees and Ministry of Foreign Affairs)**.





1. MINISTRY OF DEFENCE



2. INDIRECT TAXATION AUTHORITY



3. BORDER POLICE



4. MINISTRY OF FOREIGN AFFAIRS



5. INTELLIGENCE AND SECURITY AGENCY



6. DIRECTORATE FOR COORDINATION OF POLICE BODIES



7. STATE INVESTIGATION AND PROTECTION AGENCY



8. AGENCY FOR IDENTIFICATION DOCUMENTS, REGISTERS AND DATA EXCHANGE



9. PARLIAMENTARY ASSEMBLY



10. COURT OF BOSNIA AND HERZEGOVINA



SHARE OF SALARIES AND ALLOWANCES FOR EMPLOYEES OF THE LARGEST BUDGET USERS

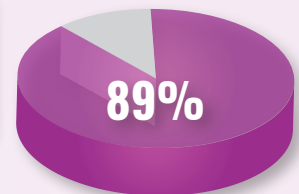
At the same time, as was the case in the part with total expenditures, within these 10 institutions, the largest amount of budget funds is allocated for salaries and allowances, having in mind a large number of employees in the aforementioned institutions.

Other expenditures within the aforementioned institutions are related to the expenses related to the needs of their undisturbed functioning, including several capital projects, which will be presented in more details in the part related to the individual institutions.



Ministry of Defence 306,675,000 BAM

NUMBER OF EMPLOYEES	10011
PARTICIPATION IN TOTAL NUMBER OF BUDGET USERS	42%
PARTICIPATION OF GROSS SALARIES AND ALLOWANCES IN TOTAL SALARIES OF BUDGET USERS	35%

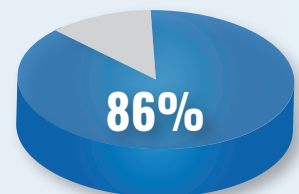


GROSS SALARIES AND ALLOWANCES
273.085.000 BAM



Police Agencies 191,321,000 BAM

NUMBER OF EMPLOYEES	4856
PARTICIPATION IN TOTAL NUMBER OF BUDGET USERS	21%
PARTICIPATION OF GROSS SALARIES AND ALLOWANCES IN TOTAL SALARIES OF BUDGET USERS	21%



GROSS SALARIES AND ALLOWANCES
164.329.000 BAM

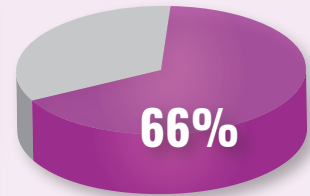


Indirect Taxation Authority 122,362,000 BAM

NUMBER OF EMPLOYEES **2591**

PARTICIPATION IN TOTAL NUMBER OF BUDGET USERS **11%**

PARTICIPATION OF GROSS SALARIES AND ALLOWANCES IN TOTAL SALARIES OF BUDGET USERS **11%**



GROSS SALARIES AND ALLOWANCES
81,162,000 KM

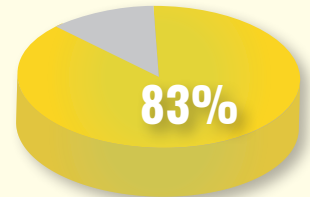


Judicial Institutions 48,674,000 BAM

NUMBER OF EMPLOYEES **707**

PARTICIPATION IN TOTAL NUMBER OF BUDGET USERS **3%**

PARTICIPATION OF GROSS SALARIES AND ALLOWANCES IN TOTAL SALARIES OF BUDGET USERS **5%**



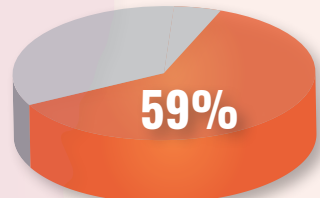
GROSS SALARIES AND ALLOWANCES
40,453,000 KM

Ministries, other than Ministry of Defence 136,492,000 BAM

NUMBER OF EMPLOYEES **1687**

PARTICIPATION IN TOTAL NUMBER OF BUDGET USERS **7%**

PARTICIPATION OF GROSS SALARIES AND ALLOWANCES IN TOTAL SALARIES OF BUDGET USERS **11%**



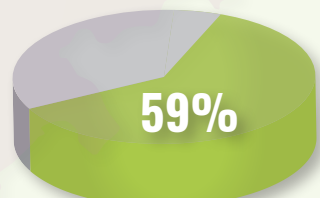
GROSS SALARIES AND ALLOWANCES
81,037,000 KM

Other Institutions 222,805,000 BAM

NUMBER OF EMPLOYEES **3706**

PARTICIPATION IN TOTAL NUMBER OF BUDGET USERS **16%**

PARTICIPATION OF GROSS SALARIES AND ALLOWANCES IN TOTAL SALARIES OF BUDGET USERS **17%**



GROSS SALARIES AND ALLOWANCES
131,705,000 KM



Ministry of Defence
306,675,000 KM

- **Current Expenditures 303,915,000 KM**
Gross salaries and allowances
Expenditures for materials and services
- **Capital Grants and Transfers 205,000 KM**
Implementation of the “Perspective” program
(registering, counseling of dismissed staff)
- **Capital Expenditures 2,555,000 KM**
Procurement of Equipment

I LEGAL GROUNDS

Law on Defence of Bosnia and Herzegovina («Official Gazette of Bosnia and Herzegovina», No. 88/05) defines the unique defence system in Bosnia and Herzegovina. Article 13 of the Law on the Defence of Bosnia and Herzegovina («Official Gazette of Bosnia and Herzegovina», No. 88/05) and Article 15 a) of the Law on Amendments to the Law on Ministries and Other Administrative Bodies of Bosnia and Herzegovina («Official Gazette of Bosnia and Herzegovina», No. 42/03, 45/06) are defining the competences of the Ministry of Defence of Bosnia and Herzegovina. The Ministry of Defence of Bosnia and Herzegovina with the Joint Headquarters of the Armed Forces of Bosnia and Herzegovina as an expert body, performs duties and tasks from the area of defence, and are within the unique defence system under the supreme command and supervision of the Presidency of Bosnia and Herzegovina.

II MISSION

The mission of the MoD of Bosnia and Herzegovina is to create and maintain the defensive capacity to:

- Ensure the protection of sovereignty, territorial integrity, political independence and international subjectivity of Bosnia and Herzegovina;
- Provide the military defence of Bosnia and Herzegovina and its citizens in the event of an attack;
- Provide military assistance to civilian government bodies in case of natural and other accidents;
- Contribute to demining in Bosnia and Herzegovina;
- Improve the objectives of the foreign policy of Bosnia and Herzegovina;
- Fulfill international obligations of Bosnia and Herzegovina from the area of defence; and
- Provide military contribution of Bosnia and Herzegovina in international activities of maintaining peace and security.

PROGRAMME AND PROJECT STRUCTURE OF EXPENDITURES

PROGRAMMES	AMOUNT (BAM)	PERCENTAGE (%)
Military defence	280,453,000	91,449
Collective security operations	4,573,000	1,491
International cooperation	4,680,000	1,526
Administration	16,969,000	5,534

PROGRAMMES AND PROJECTS	OBJECTIVES	EXPENSES (BAM)
Military defence	<ul style="list-style-type: none"> • Develop and improve operational capabilities • Reach international standards 	280,453,000
Providing of military assistance and cooperation with civil bodies in case of natural disasters and other accidents	- Provide military assistance to civilian bodies	30,100,000
Implementation of the NATO norms in warehousing (operations with weapons and ammunition and mines and explosives)	- Improve the warehousing conditions	14,900,000
Anti-mine action in BiH	- Demining the ground surface as planned	29,700,000
Resolving the surpluses of weapons, ammunition, mines and explosives	- Resolve surpluses in accordance with the plan	8,220,000
Modernisation and upgrading of weapons and military equipment	- Modernize weapons and equipment	4,216,000
Training and professional development	- Train and improve professional skills of employees	85,300,000
General logistic support and other investments	- Provide the necessary logistics support	96,522,000
Construction of stationary command and control systems, equipping of the Armed Forces of BiH with mobile K2 systems and maintenance of the existing K4 systems.	- To improve the telecommunications and information system	11,495,000



INDIRECT TAXATION AUTHORITY 122,362,000 KM

Indirect Taxation Authority was established by the Law on the System of Indirect Taxation in Bosnia and Herzegovina ("Official Gazette of Bosnia and Herzegovina" No. 44/03, 52/04, 4/08, 49/09, 32/13 and 1/17), as an independent administrative organization and the only body in Bosnia and Herzegovina competent for the implementation of legal and other regulations on indirect taxation and of the policy established by the Council of Ministers of Bosnia and Herzegovina, proposed by the Board of Directors. Also, ITA is in charge for the collection and distribution of indirect taxes in Bosnia and Herzegovina.

Competence, organization, management, and other issues important for the work of the Indirect Taxation Authority, are regulated by the Law on Indirect Taxation Authority ("Official Gazette of Bosnia and Herzegovina" No. 89/05) and other laws regulating indirect taxes in Bosnia and Herzegovina.

Indirect Taxation Authority performs the tasks within its jurisdiction through the Central office with headquarters in Banja Luka and regional centers located in Banja Luka, Sarajevo, Mostar, and Tuzla, through their main and internal organizational units, established by the Rulebook on Internal Organization of the Indirect Taxation Authority ("Official Gazette of Bosnia and Herzegovina" No. 29/13, 11/16, 72/16, 47/17, 55/17, 41/19 and 43/21).

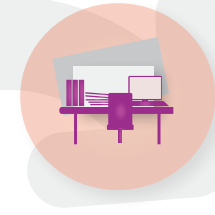
Indirect Taxation Authority is responsible for its work to the Council of Ministers of Bosnia and Herzegovina, through the ITA Board of Directors.

By the **Law on the Budget** of Institutions of Bosnia and Herzegovina and international obligations of Bosnia and Herzegovina for the year 2022 ("Official Gazette of Bosnia and Herzegovina", No. 42/22) for the Indirect Taxation Authority, as a budget user, funds in the amount of 122,362,000 BAM were allocated.

CURRENT EXPENDITURES 104,667,000 KM



salaries and allowances
of employees
81,162,000 BAM,

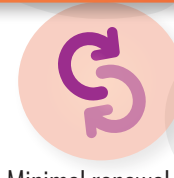


material,
small inventory, and services
23,505,000 KM

CAPITAL EXPENDITURES 17.695.000 KM



Acquisition of land and
construction of border crossings,
facilities for accommodation
of employees of the Indirect
Taxation Authority and Border Police
64%



Minimal renewal of
equipment
22%



Software
applications
14%

CAPITAL PROJECTS IN 2022

EXPENDITURES (BAM)

Continuation of financing the construction of the border crossing Svilaj	3,949,316,06
Construction and furnishing of a facility for the accommodation of employees of Indirect Taxation Authority and Border Police at the Banja Luka Airport	3,000,000,00
Construction of facilities at the Klobuk and Zupci border crossings	2,000,000,00
Acquisition of land and obtaining permits and consents for construction of border crossings for border area traffic, which construction will be financed from IPA projects	950,000,00
Construction of facilities at the Čepikuće border crossing	800,000,00
Construction of facilities at the Brod border crossing	800,000,00

In 2022, funds are planned for the maintenance of the subsystem of the Indirect Taxation Authority information system in the amount of 5,500,000 BAM and for the upgrade of existing subsystems of the Indirect Taxation Authority information system, in the amount of 2,420,000 BAM



Border Police
86,548,000 BAM

The **Border Police** of Bosnia and Herzegovina is an administrative organisation operating within the Ministry of Security of Bosnia and Herzegovina, competent for the enforcement of policing activities of border control and security of airports.



road



railway

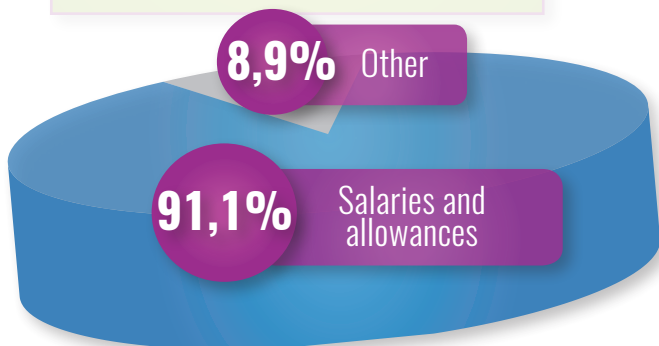


river ports



airports

BUDGET	86,548,000
Employees	2471
Gross salaries and allowances of employees	77,630,000
Other expenditures	8,918,000



Programme structure



Airport Security



Border Control and Prevention of Cross-border Crime

The most significant expenditures according to the public procurement plan



Buildings - 1,500,000 BAM
(construction of the Field Office Čapljina South, 1,500,000 BAM)



Police equipment
187,000 BAM



Computer equipment
183,000 BAM



Motor vehicles
386,000 BAM



Equipment for transfer of data and voice communications
386,000 BAM



Ministry of Foreign Affairs
58,098,000 BAM

PROGRAMME AND PROJECT STRUCTURE OF EXPENDITURES

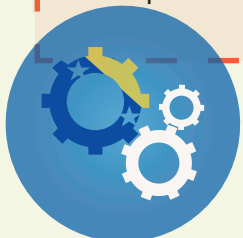


Implementation of the foreign policy of Bosnia and Herzegovina 11,620,000 BAM

- Development of political and economic relations
- Meeting of obligations under the SAA in the competence of the Ministry of Foreign Affairs of Bosnia and Herzegovina
- Participation and representation of the interests of Bosnia and Herzegovina in international organisations
- Development of a political dialogue with NATO and promotion of public diplomacy
- Cooperation projects in science, education and sport

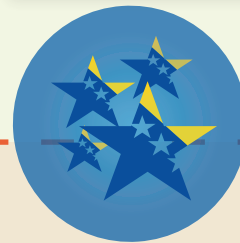
Development of a service of the ministry of foreign affairs of Bosnia and Herzegovina 36,602,000 BAM

- Raising the level of internal and diplomatic staff training
- Creation of a legal framework for functioning of the Ministry of Foreign Affairs of Bosnia and Herzegovina
- Development of the information and data protection system of the Ministry of Foreign Affairs of Bosnia and Herzegovina
- Improvement of the work of Ministry of Foreign Affairs through takeover of facilities obtained through succession process
- Ensuring standards for the work of diplomatic and consular representation offices of Bosnia and Herzegovina



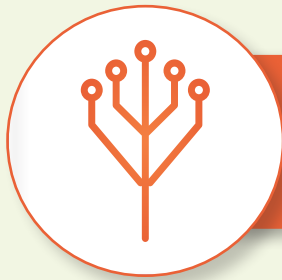
The Ministry of Foreign Affairs is competent for the implementation of set out policy of BiH and it has been working on the development of international relations in accordance with the positions and guidelines of the Presidency of Bosnia and Herzegovina. In parallel, it proposes establishing of positions on the issues of interest for foreign policy activities and international position of Bosnia and Herzegovina and it also represents Bosnia and Herzegovina in diplomatic relations to other countries, international organisations and at international conferences.

The largest part of activities is related to the organisation, guidance, and coordination of work of the diplomatic and consular representation offices of Bosnia and Herzegovina abroad.



Protection of rights and interests of citizens and legal entities of Bosnia and Herzegovina abroad, and development of international legal cooperation, in the amount of 9,876,000 BAM

- Provision of consular services to the citizens of Bosnia and Herzegovina abroad and to foreign citizens in Bosnia and Herzegovina
- Provision of international legal and consular assistance
- Participation in concluding and ratifying international agreements by applying the international law



Ministry of Civil Affairs 12,391,000 BAM

BUDGET	12,391,000
Employees	151
Gross salaries and allowances	5,248,000
Expenditures for material and services	1,003,000
Current grants and transfers	5,990,000
Capital expenditures	150,000



The above-mentioned budget is allocated to the direct consumption of the Ministry (12,133,000 BAM) and to four special purpose programs - state commissions whose establishment is determined by the law or by the Council of Ministers of Bosnia and Herzegovina (a total of 258,000.00 BAM).

Ministry of Civil Affairs of Bosnia and Herzegovina is competent for the development of the system of the accomplishment of the status rights in Bosnia and Herzegovina in the field of citizenship, personal documents, travel documents, for securing conditions for the efficient implementation of demining operations, for maintenance of the properly organized state border line, as well as for determining the basic principles of coordination activities, harmonization of entity authorities plans and defining the strategy on the international level in the areas of competence of the Ministry.

The largest share of the budget of the Ministry of Civil Affairs refers to current grants and transfers

No.	MINISTRY OF CIVIL AFFAIRS OF BOSNIA AND HERZEGOVINA CURRENT GRANTS	Account	Budget 2022 (BAM)
1	2	3	4
1	Grants to individuals - Grant for awarding cash prizes for meritorious and outstanding athletes of an international class	614200	100,000
2	Grants to individuals - Award of the state prize for sports of Bosnia and Herzegovina	614200	10,000
3	Grants to non-profit organizations - Co-financing of cultural projects in Bosnia and Herzegovina	614300	3,097,000
4	Grants to non-profit organizations - Prize for science	614300	10,000
5	Grants to non-profit organizations - International cultural cooperation	614300	390,000
6	Grants to non-profit organizations - Support to technical culture and innovation in Bosnia and Herzegovina	614300	117,000
7	Grants to non-profit organizations - Co-financing of sports events	614300	1,342,000
8	Grants to non-profit organizations - Programs for the preparation of projects and possible candidates for funds from the H2020 fund	614300	444,000
9	Grants to non-profit organizations - Financing of the Coordination Desk of Bosnia and Herzegovina for the EU Creative Europe Programme	614300	50,000
10	Grants to non-profit organizations - Co-financing of NGO projects in prevention of HIV, tuberculosis and addiction in Bosnia and Herzegovina	614300	50,000
11	Grants to non-profit organizations - Funds for the participation of Bosnia and Herzegovina at the Venice Biennale	614300	180,000
12	Grants to non-profit organizations - Grant for the implementation of projects of bilateral cooperation in the field of science, based on international agreements	614300	100,000
13	Grants to non-profit organizations - Co-financing of anti-mine actions in Bosnia and Herzegovina	614300	100,000
TOTAL			5,990,000



Ministry of Human Rights and Refugees

10,160,000 KM

BUDGET	10,160,000
Current expenditures	5,829,000
Current grants and transfers	4,296,000
Capital expenditures	35,000

The **Ministry of Human Rights and Refugees** is competent for monitoring and implementing the international conventions and other documents in the area of human rights and fundamental freedoms. It takes care of the implementation of Annex VII of the General Framework Agreement for Peace in Bosnia and Herzegovina, as well as monitoring and supervision of the implementation of that Annex, as well as creating and implementing the policy of BiH in the area of return of refugees and displaced persons in Bosnia and Herzegovina, the project of reconstruction and providing of other requirement for sustainable return.

The Ministry is also in charge of creation of Bosnia and Hercegovina policy towards diaspora, as well as strengthening of the cooperation with diaspora. The Ministry is responsible for performing tasks that are under the jurisdiction of Bosnia and Herzegovina and which refer to the determination of basic principles of activity coordination, harmonization of policies and plans of authorities of Bosnia and Herzegovina and the international community in the area of housing policy, reconstruction and development and the sustainable return projects and keeping track of it - recording. Cooperates with the non-governmental sector on issues from the jurisdiction of the Ministry.

PROGRAMME STRUCTURE



Human rights protection and gender equality



Implementation of the rights from Annex VII and exercising of the rights of persons under the international protection in Bosnia and Herzegovina, and readmission



Development of emigration policy and strengthening of cooperation with diaspora

CURRENT TRANSFERS AND GRANTS

Grants for improving the situation of Roma **1,380,000 KM**

Readmission **150,000 KM**

Implementation of activities from the platform for peace **15,000 KM**

Implementation of policies on cooperation with diaspora **70,000 KM**

Implementation of rights from Annex VII of the Dayton Peace Agreement **2,000,000 KM**

Grants to non-governmental organizations in support to protection of human rights **681,000 KM**

BUDGET GLOSSARY



Budget – a document forecasting all revenues and expenditures in one year.

Concession – a permission of the government given to legal or physical persons to perform certain business activities according to pre-determined requirements.

Public policy – a plan or course of action of governmental institutions.

Budget for Citizens - a simplified and illustrated overview of certain parts of the official Budget.

Constitution – a basic legislative act of a country establishing a political and legal order.

Budget user – institutions and all other bodies financed by the budget.

Framework Budget Document (FBD) – a projection of three-years' revenue and expenditures, i.e. a mid-term budget projection.

Macroeconomics – it is an area of economic sciences dealing with the total economy of an area (country), studying the mutual relations of the total (aggregate) production, revenue, employment, prices and

Nominal GDP - It is a sum of quantities of manufactured final goods and services by resident units in a country in a certain period of time multiplied by their current prices.

Realistic GDP - It presents a sum of quantities of final goods in permanent (instead of current) prices and it also points out to the quantity of manufactured products and services.

Economic growth - It implies a total growth of production, production capacities and all other parts of one economy, i.e. it shows the total growth of total output of an economy due to the growth of its labour force, capital goods and improvements in technology and productivity.

Transfers from other levels of government - Monetary funds that the higher or lower levels of government allocate to the budget with the goal of implementation of individual programmes and/or functions.

Gross Domestic Product (GDP)

- It is a macroeconomic indicator showing the value of final goods and services produced in the country in one year, as expressed in monetary units.

Inflation – It is an increase in the general level of prices compared to the value of money.

Government/public spending

- (Expenses for the final government spending) – The sector of government consists of all the institutional units which, through the meeting of their political obligations and role of economic regulation, in principle produce the non-market services (possibly also non-market goods) for individual or collective consumption and they also redistribute the proceeds and wealth. Expenses for final government spending include two categories of expenditures:

- Non-market output; except for investments for own account; which is measured by costs of production, decreased by occasional sale.
- Government procurement of goods and services from the market producers, which are sold to households without any transformation, as a social transfer in "kind".

COFOG Classification - Classification of governmental function (COFOG – Classification of the Functions of the Government) was published by the Department for Statistics of the United Nations and it is related to the funds from the budget classified by the purposes, which these are spent for.

Permanent assets – It means a part of property that will remain unchanged, i.e. it will keep the same appearance in a time period longer than one year and which will not be spent in a normal, production cycle (for example, land, buildings, machinery, etc.). These are procured with an intention to be used in own business and not for further sale.

Name and surname

Adress

E-mail

Organisation/
Institution

You may write your questions, comments and suggestions on the back of the form.

Name and surname

Adress

E-mail

Organisation/
Institution

You may write your questions, comments and suggestions on the back of the form.

QUESTIONS, COMMENTS AND SUGGESTIONS

Dear citizens, if you have any question, comment or suggestion with regards to the preparation and presentation of the "Budget for Citizens", you can use the pre-prepared forms, tear them out and send them by postal mail to the address:

**Ministry of Finance and Treasury of BiH (Office of the Minister – Public Relations),
Trg BiH 1, 71000, Sarajevo.**

You may also send your questions, comments and suggestions to the following e-mail at:
trezorbih@mft.gov.ba.

Sincerely,

Ministry of Finance and Treasury of BiH



Budget for
Citizens

of the institutions of Bosnia and Herzegovina
and international obligations of
Bosnia and Herzegovina

2022

BOSNA I HERCEGOVINA
MINISTARSTVO FINANCIJA/
FINANSIJA I TREZORA



БОСНА И ХЕРЦЕГОВИНА
МИНИСТАРСТВО ФИНАНСИЈА
И ТРЕЗОРА

BOSNIA AND HERZEGOVINA
MINISTRY OF FINANCE
AND TREASURY

Budget for **Citizens**

of the institutions of Bosnia and Herzegovina
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