



Budget *for* Citizens

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



2020



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CONTENTS

Introductory note of the Minister	5
Budget for Citizens	6
Competence of the institutions of Bosnia and Herzegovina	8
Legislative framework	8
Budget calendar and budget process	9
Macroeconomic projections and forecasts	10
Revenues	12
Expenditures	14
Expenditures by COFOG classification	15
Institutions of BiH and amount of their budgets for 2020	16
The largest budget users	20
Budget glossary	30
Questions, comments and suggestions	31



Dear Citizens,

This is the first edition of 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.

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.

During the preparatory activities, we have also ensured participation of nongovernmental organisations, institutions of BiH and citizens by having a survey on the website of the Ministry of Finance and Treasury of BiH with the questions related to the development of this document. Likewise, workshops were organised to create a Methodology for developing and publishing a document titled “Budget for Citizens” of the institutions of BiH and workshops related to the contents of this document as well as proposals of the visual solutions and info-graphic. It is exceptionally important that these activities have included representatives of nongovernmental organisations and institutions of BiH and our goal is for this cooperation to intensify.

The purpose of this document is to enable better availability 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 also 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 also 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.

In the end, I would like to express a huge gratitude to the Governments of the Federal Republic of Germany and United Kingdom for their cooperation within the Strengthening Public Institutions Programme in BiH and for their supporting the development of the first Budget for Citizens. We are looking forward to our future cooperation.

Kind regards,
MINISTER
Vjekoslav Bevanda

Budget *for* Citizens



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 questions. 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. During the development of the very document, numerous individual and group consultations were done with the citizens, representatives of nongovernmental organisations as well as representatives of the institutions of Bosnia and Herzegovina.



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 obligations 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.

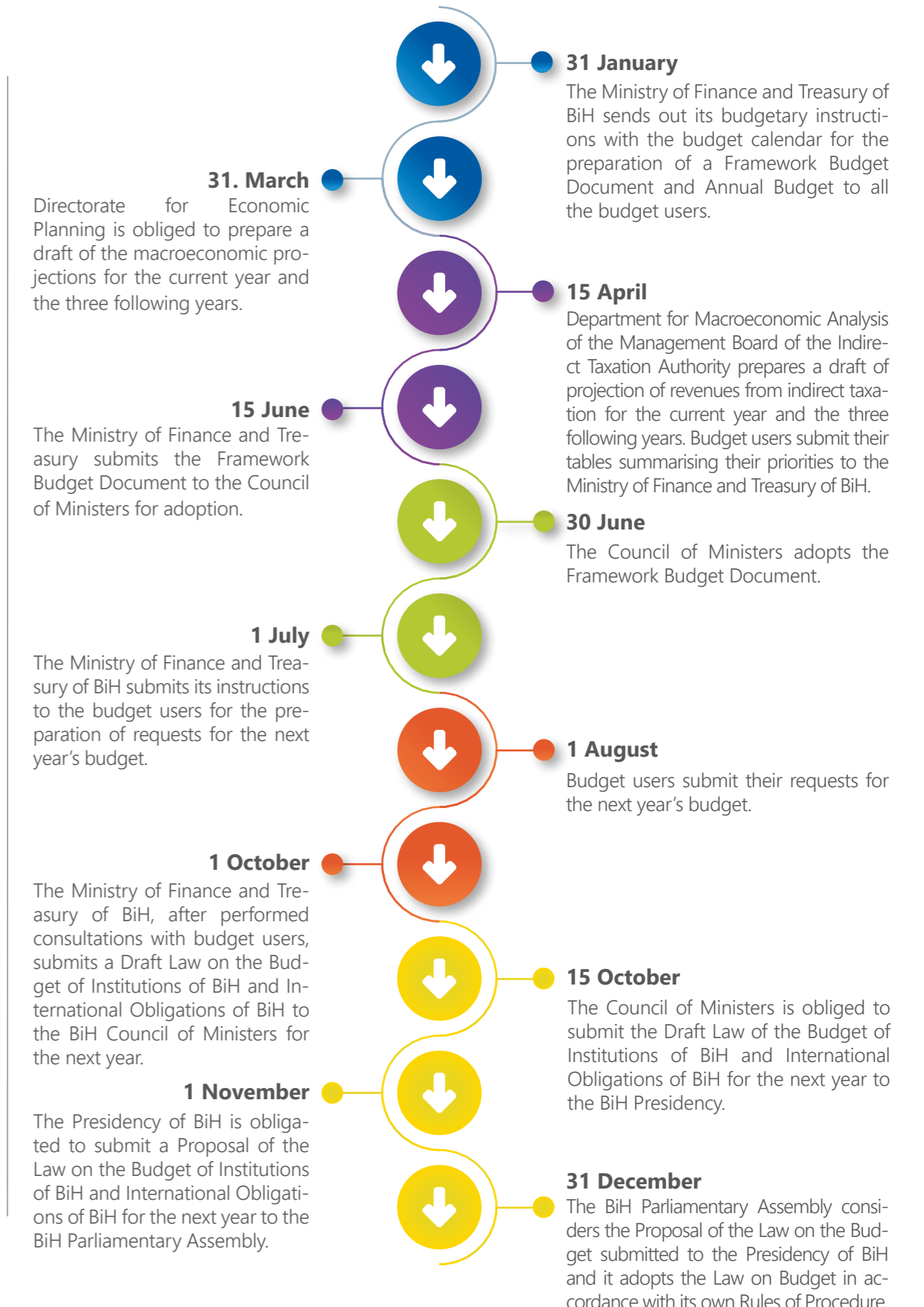
Budget process starts in January, when the Ministry of Finance and Treasury sends out, until 31st of this month, its budgetary instructions with the budget calendar for the preparation of a **Framework Budget Document (FBD)** to all the budget users.

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.



Macroeconomic projections and forecasts

The beginning of 2020 is characterised by a more complex economic situation due to the occurrence of the COVID-19 virus, which will have quite negative implications on the economic trends in the world, in the region and in the very Bosnia and Herzegovina. The intensity and duration of the newly occurring circumstances will in principle determine the economic growth trends both in the short-term and mid-term periods.

The following table shows the **macroeconomic** indicators for the period of 2018-2023, as prepared by the Directorate for Economic Planning of the Council of Ministers of Bosnia and Herzegovina.

Indicators	Official data		Projections			
	2018	2019	2020	2021	2022	2023
Nominal GDP in mil. BAM	34,023	35,365	34,283	35,709	37,460	39,226
Nominal growth in %	5.2	3.9	-3.1	4.2	4.9	4.7
Realistic GDP in mil. BAM	33,399	35,116	34,342	35,330	36,898	38,778
Realistic growth in %	3.3	3.2	-2.9	3.1	3.3	3.5
Inflation in %	1.4	0.6	-0.5	1.2	1.3	1.4
Government spending in mil. BAM	6,611	6,776	6,972	7,007	7,231	7,448
Realistic growth in %	0.9	1.0	2.5	-0.2	0.7	0.5
Private consumption in mil. BAM	25,437	26,155	25,377	26,229	27,197	28,247
Realistic growth in %	2.3	2.0	-2.8	2.0	2.1	2.3
Import in mil. BAM	19,097	19,955	18,435	19,497	20,848	22,542
Export in mil. BAM	14,087	14,850	13,515	14,571	15,810	17,289

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.



According to the currently available preliminary data of the Agency for Statistics of Bosnia and Herzegovina, it is assessed that Bosnia and Herzegovina achieved an economic growth of about 2.6% in 2019 compared to the previous year¹.

The most up-to-date reference document of the IMF "World Economic Outlook, April 2020, The Great Lockdown" forecasts a drastic drop of the world economy of 3% in 2020, depending on the duration and intensity of COVID-19 pandemic spreading. According to these projections, the expected drop of **GDP** in developed countries amounts to 6.1%, whereas in the developing countries the GDP is expected to decrease by 1%².

A 7.5% drop of GDP is also envisaged for the EU countries, at which the expected GDP decline by countries amounts to: Germany 6.5%, Italy 9.5%, Austria 5.5%, Croatia 9.1% and Slovenia 7.0%³.

If we have in mind that the economic trends in the EU and the aforementioned countries in the past have presented the main structural determinant of the economic trends in Bosnia and Herzegovina (production, consumption and foreign trade exchange), it can be concluded that the consequences of these events to the overall economic trends in the country will be rather unfavourable.

In the course of 2020, government spending is expected to decline by 2.8% in a realistic sense compared to the previous year. The main determinant of this decline of private consumption is presented by a certain drop of the number of employees, decreased salary and remittances from the citizens abroad, which will significantly decrease the available citizens' income. This will certainly affect the amount of collected taxes, thereby affecting the very public revenue.

However, a much stronger growth of **public spending** is expected in the year of 2020, compared to the multi-annual average, and it will amount to 2.5% compared to the previous year, positively contributing to the very economic growth.

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).



¹ BHAS, Saopćenje, „Bruto domaći proizvod, rashodni pristup, tromjesečni podaci“, 2.4.2020. godine / BHAS, Press Release, "Gross Domestic Product, Expenditure Approach, quarterly data" 2 April 2020

² IMF, „World Economic Outlook, April 2020, The Great Lockdown“.

³ DG ECFIN, „Spring 2020 Economic Forecast: A deep and uneven recession, and uncertain recovery“, May 2020.

REVENUES, PROCEEDS AND FINANCING

BiH institutions' budget revenues are planned on the basis of the Global Framework of the Fiscal Balance and Policy in Bosnia and Herzegovina for 2020-2022 period.

The basic revenue within the Budget of the Institutions of Bosnia and Herzegovina and International Obligations of BiH for 2020 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 780,000,000).

Other proceeds and support to financing of the BiH institutions are related to the non-tax revenues (BAM 146,082,000), transfers from other levels of government (BAM 502,000) as well as current support from abroad (BAM 215,000).

Financing and proceeds include also the transferred surplus from the previous years (BAM 68,175,000), proceeds from succession (BAM 682,000) as well as proceeds from sale of permanent assets (BAM 344,000).

In the end, it should be added that the Budget revenues includes the revenue for public debt financing (BAM 807,552,931), which is allocated by end debtors, i.e. by the state-level and entities.

Succession

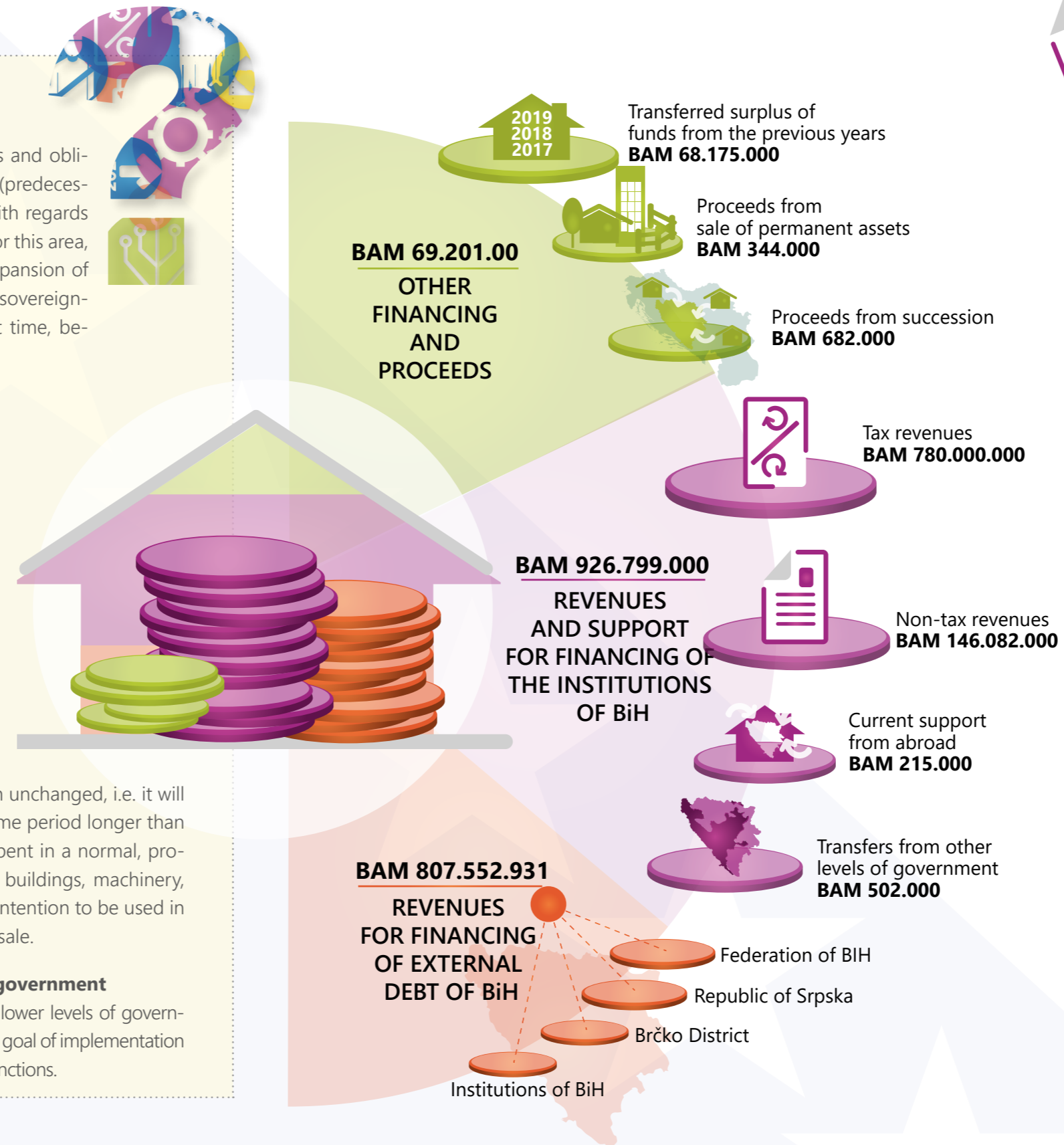
It means taking over of the rights and obligations of the previous country (predecessor) by a new state (successor) with regards to a number of issues significant for this area, which are the consequence or expansion of government, i.e. establishing of sovereignty and state which has, until that time, belonged to a different state.

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.



Diversity of revenues of the institutions of Bosnia and Herzegovina is shown within non-tax revenues:

- **Revenues from administrative fees/charges** – Revenues from the issuance of permits in international road traffic, revenues from the issuance of documents by the diplomatic-consular network, revenues from applications, requests, reports and other submissions, revenues from appeals, revenues from the issued certificates.
- **Revenues from the court fees/charges** – Revenues from charges/fees before the Court of BiH.
- **Revenues from special charges** – Charges from broadcasting permits for the operators of fixed telephone communications and permits from radio-communications, charges from the usage of radio-frequency spectre, charges of tax and control stamps of the ITA, revenues from the issuance of veterinary and health certificates and controls at border crossings, charges for flying over BiH.
- **Revenues from charges in the indirect taxation procedures** – Revenues from fees achieved within the competences of the ITA.
- **Revenues from personal and travel documents and registration of vehicles** – Revenues from the issuance of travel documents, driving licences, stickers, vehicle registration, cross-border passes.
- **Revenues from property** – Revenues from renting property.
- **Revenues from the interest and exchange rates' differences.**
- **Revenue from fines** – Revenues from fines in criminal proceedings, fines according to the Law on Competition, fines for offences, fines according to the Law on Movement and Residence of Foreigners in Asylum, etc.
- **Own revenues** – Revenues collected within the competences of the Service for Common Affairs of the Institutions of BiH, Institute for Standardisation of BiH, Institute of Metrology of Bosnia and Herzegovina, Institute for Intellectual Affairs of BiH and Institute for Accreditation of BiH.
- **Other revenues.**

EXPENDITURES

- Expenditures by COFOG Classification
- Institutions of BiH and amount of their budget for 2020
- The largest budget users

EXPENDITURES BY COFOG CLASSIFICATION



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.

1.
GENERAL PUBLIC
SERVICES
BAM 1,167,894,931

INSTITUTION

BUDGET 2020 (BAM)

• BiH Parliamentary Assembly	16,279,000
• BiH Presidency	7,574,000
• General Secretary of the Council of Ministers	4,047,000
• BiH Directorate for European Integration	4,339,000
• Ministry of Foreign Affairs	53,426,000
• BiH Ministry of Communication and Transport	5,145,000
• Ministry of Finance and Treasury	7,152,000
• Indirect Taxation Authority	100,510,000
• Ministry of Justice	3,799,000
• Ministry of Security	76,000
• Ministry of Civil Affairs	10,434,000
• Agency for Identification Documents, Registers and Data Exchange	23,665,000
• Service for Common Affairs of the Institutions	19,183,000
• Office for Auditing of the Institutions	5,061,000
• Central Election Commission	7,256,000
• Civil Service Agency	1,213,000
• Agency for Statistics	4,642,000
• Archives of BiH	698,000
• The Return Fund	459,000
• Civil Service Board	433,000
• Legislative Office	687,000
• Public Procurement Agency	1,061,000
• Procurement Review Board	2,212,000
• Missing Persons' Institute	2,778,000
• Directorate for Economic Planning	992,000
• Office of the PAR Coordinator	1,319,000
• Personal Data Protection Agency	1,197,000
• Central Harmonisation Unit of the Ministry of Finance and Treasury	575,000
• Agency for the Prevention of Corruption and Coordination of the Fight against Corruption	1,346,000
• Direct transfers and provisions	72,784,000



• **PUBLIC DEBT SERVICING BAM 807,552,931**

In addition to the budget users, servicing of the external debt of BiH belongs to the category of general public services.



2.
DEFENCE
BAM 287,341,000

INSTITUTION

BUDGET 2020 (BAM)

• BiH Ministry of Defence	287,341,000
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3.
**PUBLIC ORDER AND
SECURITY**
BAM 267,563,000

• High Judicial and Prosecutorial Council	5,094,000
• Constitutional Court of BiH	5,869,000
• Court of BiH	16,693,000
• Prosecutor's Office of BiH	14,298,000
• Office of the Attorney General of BiH	1,579,000
• Institution of Human Rights Ombudsman of BiH	2,482,000
• Institute for Execution of Criminal Sanctions, Custody and Other Measures	7,757,000
• BiH Ministry of Justice	7,868,000
• Ministry of Security	7,563,000
• State Investigation and Protection Agency	30,836,000
• Border Police	81,716,000
• Intelligence and Security Agency	36,495,000
• Service for Foreigner Affairs	9,782,000
• Police Support Agency	1,488,000
• Agency for Forensic Testing and Expert Evaluation	1,856,000
• Agency for Education and Professional Training	2,807,000
• Directorate for Coordination of Police Bodies	33,380,000



4.

**ECONOMIC
POLICY**

BAM 48,138,000



5.

**ENVIRONMENTAL
PROTECTION**

BAM 6,595,000

INSTITUTION

BUDGET 2020 (BAM)

• BiH Ministry of Foreign Trade and Economic Relations	7,681,000
• Foreign Investment Promotion Agency	1,258,000
• Veterinary Office	4,734,000
• Competition Council	1,239,000
• Ministry of Communication and Transport	9,556,000
• Directorate of Civil Aviation	4,253,000
• Communications Regulatory Agency	4,517,000
• Standardisation Institute	1,394,000
• Institute for Metrology	2,516,000
• Institute for Intellectual Property	1,581,000
• Institute for Accreditation	1,054,000
• Plant Health Protection Administration	1,073,000
• Market Surveillance Agency	773,000
• Food Safety Agency	1,585,000
• Labour and Employment Agency	1,116,000
• Office for Harmonisation and Coordination of Payment Systems in Agriculture, Food and Rural Development	611,000
• Commission for Concessions	1,072,000
• Insurance Agency	478,000
• Institution of Ombudsman for Consumer Protection	406,000
• Agency for Postal Traffic	788,000
• State Aid Council	453,000

• Mine Action Centre	5,686,000
• State Regulatory Agency for Radiation and Nuclear Safety	909,000



6.

**HEALTH SECTOR
BAM 5,921,000**

• Agency for Medicinal Products and Medical Devices	5,921,000
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7.

**RECREATION,
CULTURE, RELIGION
BAM 6,783,000**

• Srebrenica – Potočari Memorial Centre. Memorial and cemetery for the victims of 1995 genocide	1,067,000
• Communications Regulatory Agency	2,560,000
• Ministry of Civil Affairs	1,159,000
• Commission to Preserve National Monuments	1,363,000
• Agency for Anti-Doping Control	634,000



8.

**EDUCATION
BAM 2,831,000**

• Agency for Development of Higher Education and Quality Assurance	868,000
• Agency for Preschool, Primary and Secondary Education	1,206,000
• Centre for Information and Recognition of Qualifications in Higher Education	757,000



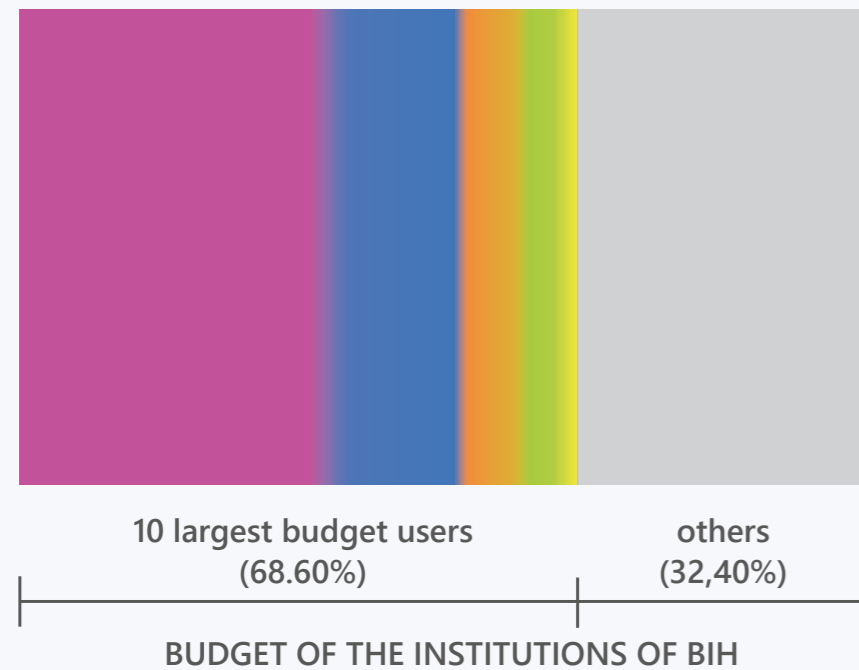
9.

**SOCIAL
PROTECTION
BAM 10,486,000**

• Ministry of Human Rights and Refugees	10,486,000
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THE LARGEST USERS OF THE BUDGET OF BOSNIA AND HERZEGOVINA INSTITUTIONS

When observing expenditures in 2020, it is visible that 10 budget users with the largest expenditures account for as much as BAM 683,245,000, i.e. 68.60% of the total expenditures of the Budget of the institutions of BiH (excluding allocations for the external debt). Hence, the **Ministry of Defence** expenditures are allocated as much as **BAM 287,341,000**, i.e. 28.85% of the total expenditures, whereas the **Indirect Taxation Authority** and **Border Police** are allocated the amounts of **BAM 100,510,000 (10.09%)** and **BAM 81,716,000 (8.20%)**.



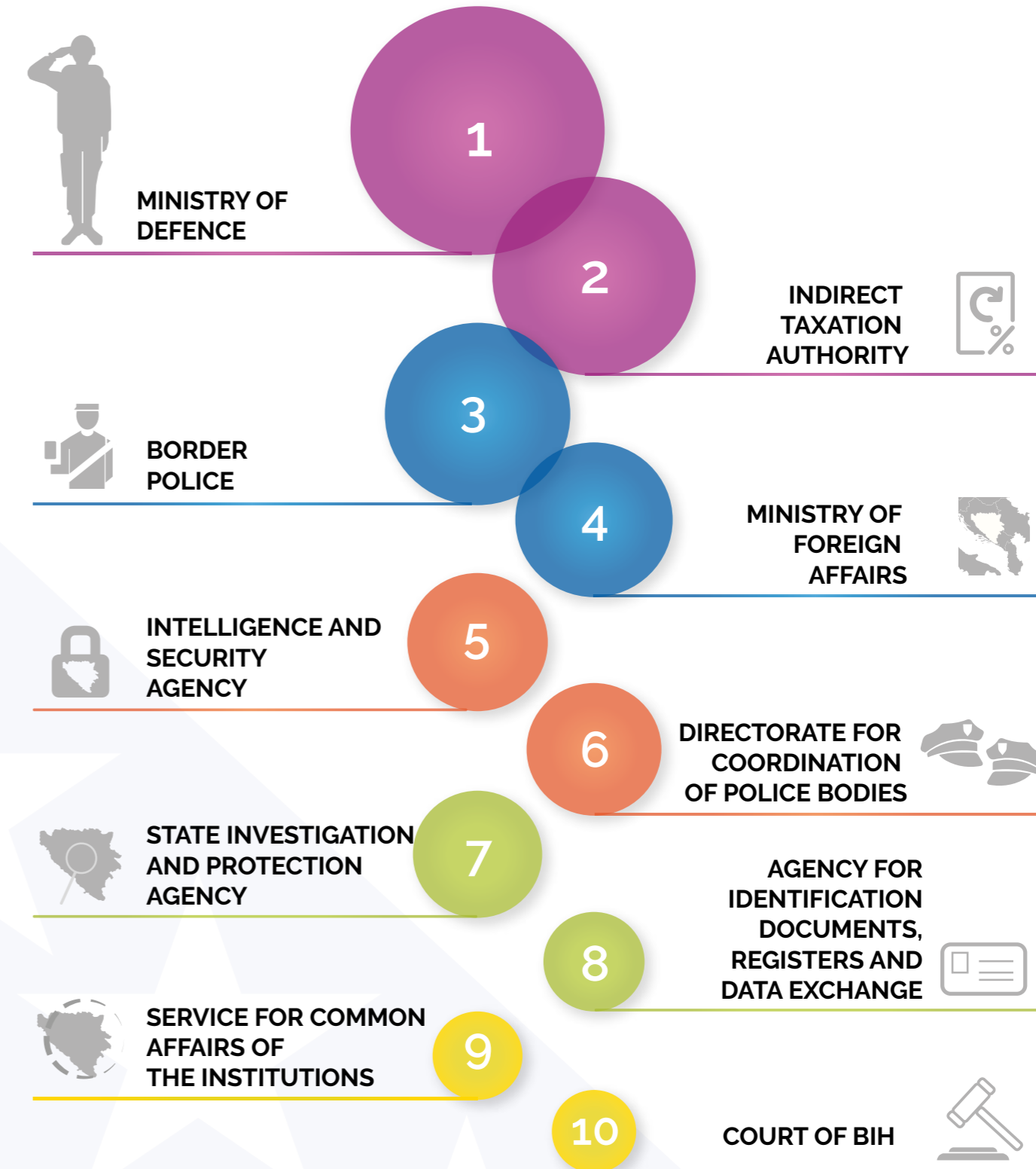
The other 10 budget users with the largest expenditures include

- **Ministry of Foreign Affairs** with **BAM 53,426,000** i.e. 5.36% of the total expenditures.
- **Intelligence and Security Agency** with **BAM 36,495,000** i.e. 3.66% of the total expenditures.
- **Directorate for Coordination of Police Bodies** with **BAM 33,380,000** i.e. 3.35% of the total expenditures.
- **State Investigation and Protection Agency** with **BAM 30,836,000** i.e. 3.10% of the total expenditures.
- **Agency for Identification Documents** with **BAM 23,665,000** i.e. 2.38% of the total expenditures.
- **Service for Common Affairs of the Institutions** with **BAM 19,183,000** i.e. 1.93% of the total expenditures.
- **Court of BiH** with **BAM 16,693,000** i.e. 1.68% of the total expenditures.

The above-mentioned clearly shows that the largest funds from the BiH Budget, which is planned to finance the institutions, 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 6 institutions which, according to the conducted consultations, were the largest focus of attention of the interested individuals and civil society organisations.

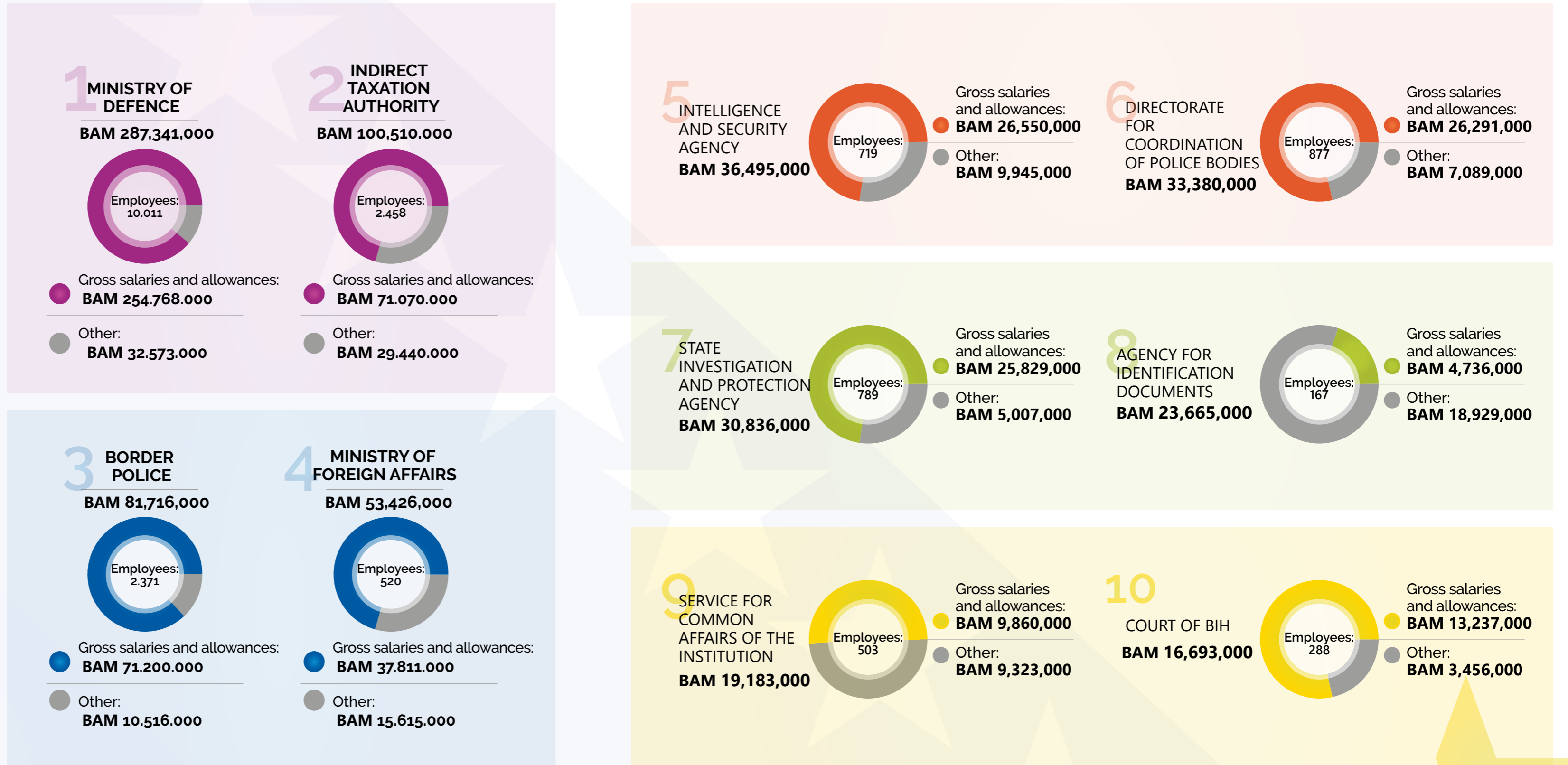
Primarily, these are the institutions spending the largest amounts of funds when performing the competences entrusted with (Ministry of Defence, Border Police and Indirect Taxation Authority) as well as the institutions whose work is of great interest due to individual programmes and projects implemented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



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

BAM 287,341,000

The Ministry of Defence of Bosnia and Herzegovina together with the Joint Staff of the Armed Forces of Bosnia and Herzegovina, as its professional body, performs the works and duties in the area of defence, and are all in a single defence system under the supreme command and control of the Presidency of BiH.

PROGRAMME AND PROJECT STRUCTURE OF EXPENDITURES

Military defence BAM 262,454,000

- BAM 28,200,000**
Providing of military assistance and cooperation with civil bodies in case of natural disasters and other accidents
- BAM 10,472,000**
Implementation of the NATO norms in the area of warehousing (operations with weapons and ammunition and mines and explosives)
- BAM 25,000,000**
Anti-mine action in BiH
- BAM 8,000,000**
Resolving the surpluses of weapons, ammunition and mines and explosives
- BAM 32,882,000**
Modernisation and upgrading of weapons and military equipment
- BAM 68,000,000**
Training and professional development
- BAM 79,000,000**
General logistic support and other investments
- BAM 10,900,000**
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.

Collective security operations BAM 7,496,000

- BAM 5,296,000**
Participation in NATO, EU, UN and other international operations
- BAM 1,280,000**
Logistic support to the forces in collective security operations
- BAM 920,000**
Training and testing of units prepared for collective security operations

International cooperation BAM 4,980,000

- BAM 2,800,000**
Military and diplomatic representation of BiH abroad
- BAM 830,000**
Meeting of obligations of the Ministry of Defence and Armed Forces of BiH upon the delivered NATO documents to BiH
- BAM 1,000,000**
Implementation of bilateral and multilateral cooperation programmes
- BAM 350,000**
Meeting of obligations under the international agreements, UN resolutions and disarmament conventions

Administration BAM 12,411,000

- BAM 1,000,000**
Preparation of conceptual, normative and doctrine system documents
- BAM 2,000,000**
Planning, analyses and reports
- BAM 5,000,000**
Management of personnel resources
- BAM 4,411,000**
Management of material resources

INDIRECT TAXATION AUTHORITY

BAM 100,510,000

The Indirect Taxation Authority was established by the Law on the System of Indirect Taxation in Bosnia and Herzegovina, as an independent administrative organisation and it is the only authority in BiH in charge of the implementation of legislative and other regulations on indirect taxation and policies adopted by the Council of Ministers of BiH upon the proposal of the Management Board, entrusted with the collection and distribution of indirect taxes in Bosnia and Herzegovina.

The Indirect Taxation Authority, as a budget user, was allocated the funds in the amount of BAM 100,510,000, out of which:

Budget of the institutions of BiH and international obligations of BiH
BAM 100,295,000

97.95%

2.05%

Grants and donation funds
BAM 215,000

PROGRAMME AND PROJECT STRUCTURE OF EXPENDITURES

Current expenditures
BAM 89,051,000

- BAM 71,070,000**
Salaries and allowances the costs of employees
- BAM 17,981,000**
Expenditures for material, small inventory items and services
(out of which BAM 215,000 is financed from grants and donations)

Capital expenditures
BAM 11,459,000

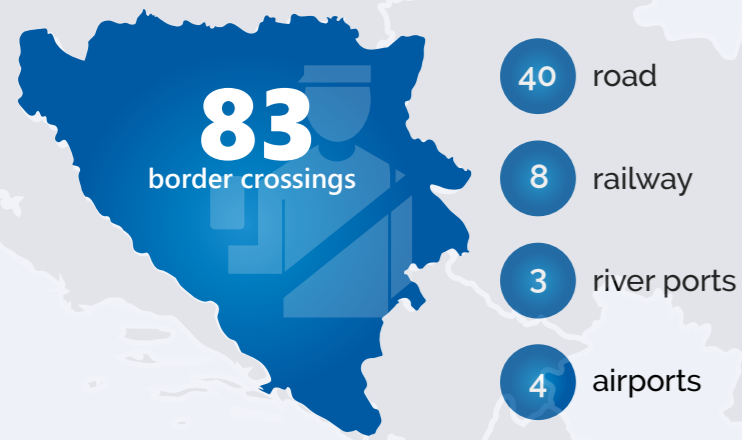
- 6.63%**
Minimal renewal of equipment
- 73.30%**
Building of border crossings
In 2020, the Indirect Taxation Authority planned to construct facilities at the border crossings of Osoje and Doljani and the total amount of BAM 8,400,000 was planned for those activities.
- 20.07%**
Software applications
In 2020, funds in the amount of BAM 2,300,000 were provided for upgrading of the existing subsystems of the ITA IS.

BORDER POLICE

BAM 81,716,000

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.

The Border Police performs border control duties at 83 border crossings, as follows: 55 international border crossings, out of which:

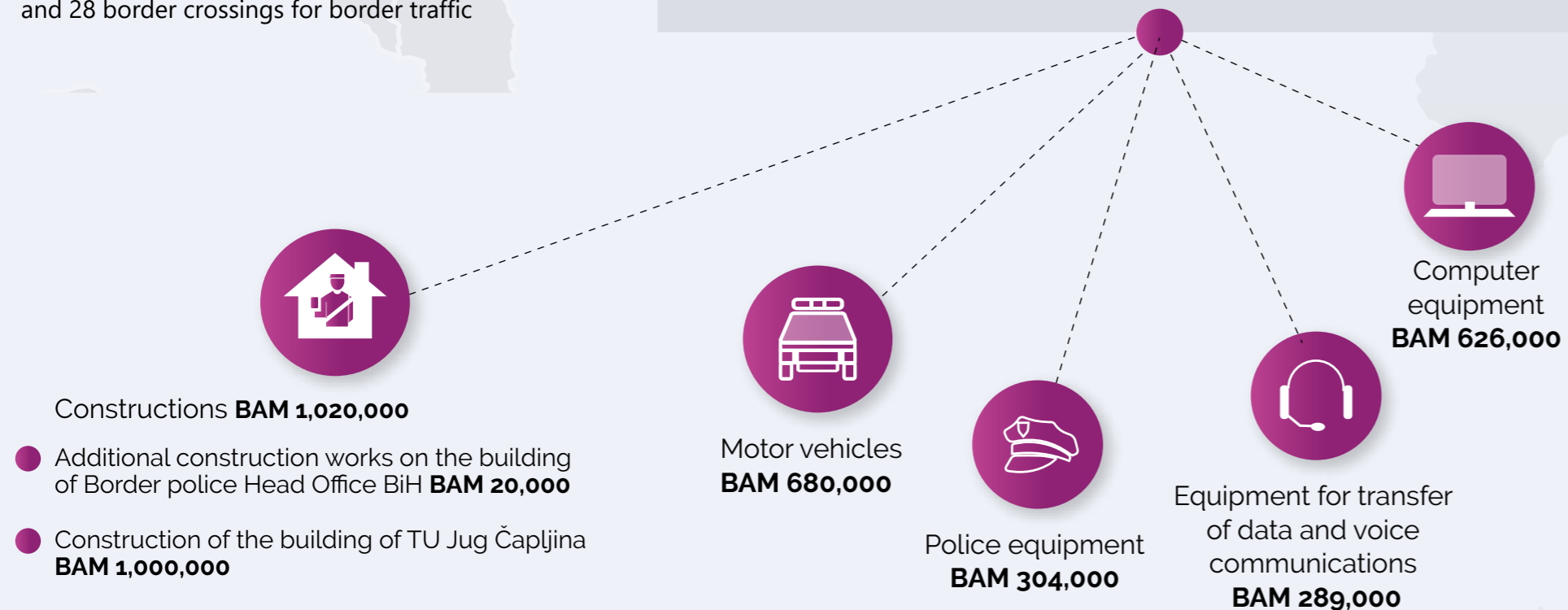


and 28 border crossings for border traffic

PROGRAMME AND PROJECT STRUCTURE OF EXPENDITURES



The largest expenses according to the 2020 public procurement plan

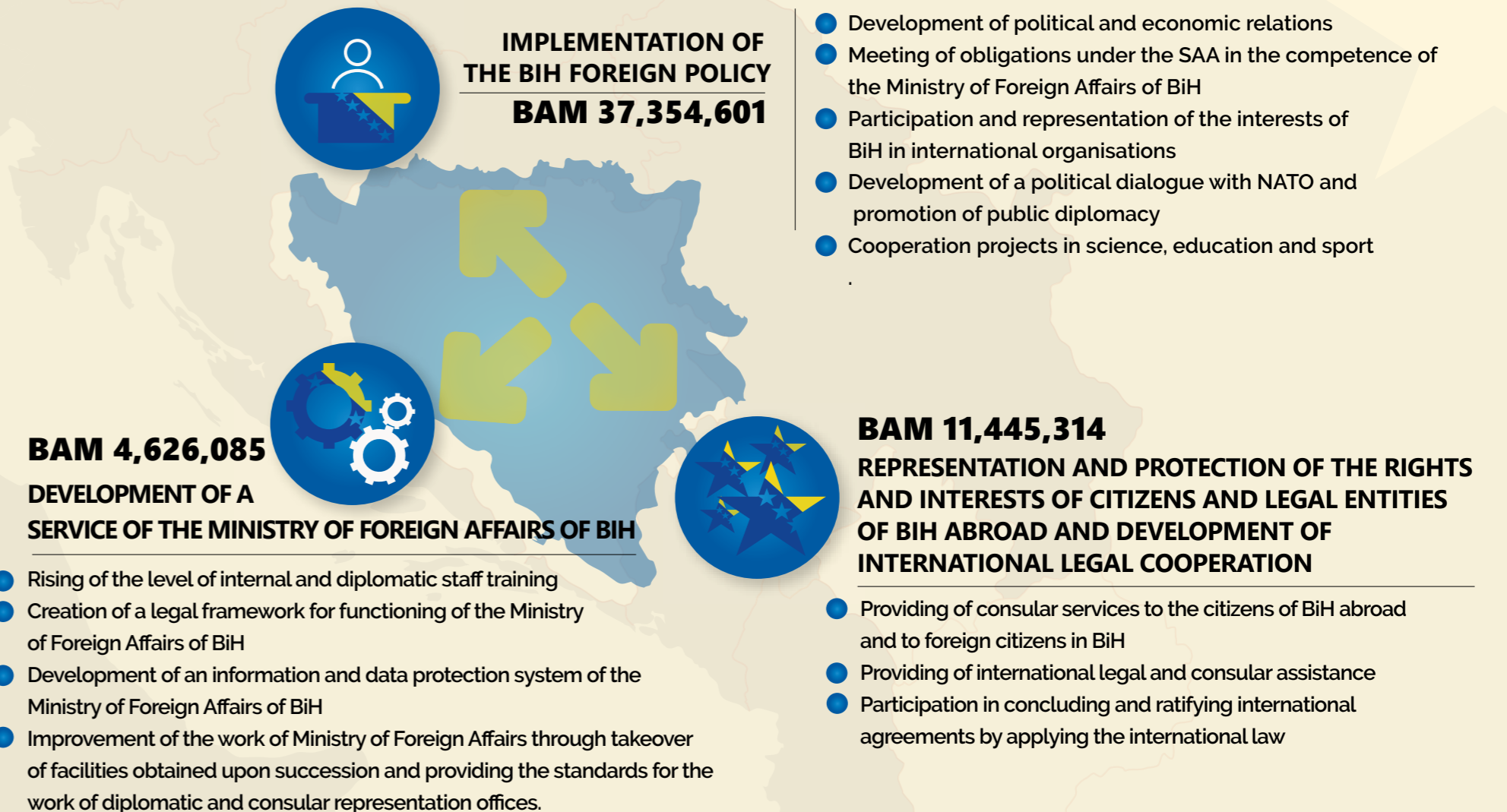


MINISTRY OF FOREIGN AFFAIRS

BAM 53,426,000

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 BiH and it also represents BiH 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 BiH abroad.

PROGRAMME AND PROJECT STRUCTURE OF EXPENDITURES



MINISTRY OF CIVIL AFFAIRS

BAM 11,593,000

The Ministry of Civil Affairs is competent for the issues of citizenship, registration and records of citizens, personal data protection, reporting on permanent and temporary residence, personal documents, travel documents and procedure of vehicle registration recording, as well as demining. It is also in charge for the performance of duties and tasks under the competence of Bosnia and Herzegovina related to establishing of the basic principles of coordination of activities, harmonisation of plans of the entity bodies of government and defining of strategies related to the international areas of health and social protection, retirements, science and education, labour and employment, culture and sport, as well as geodetic, geological and meteorological activities.

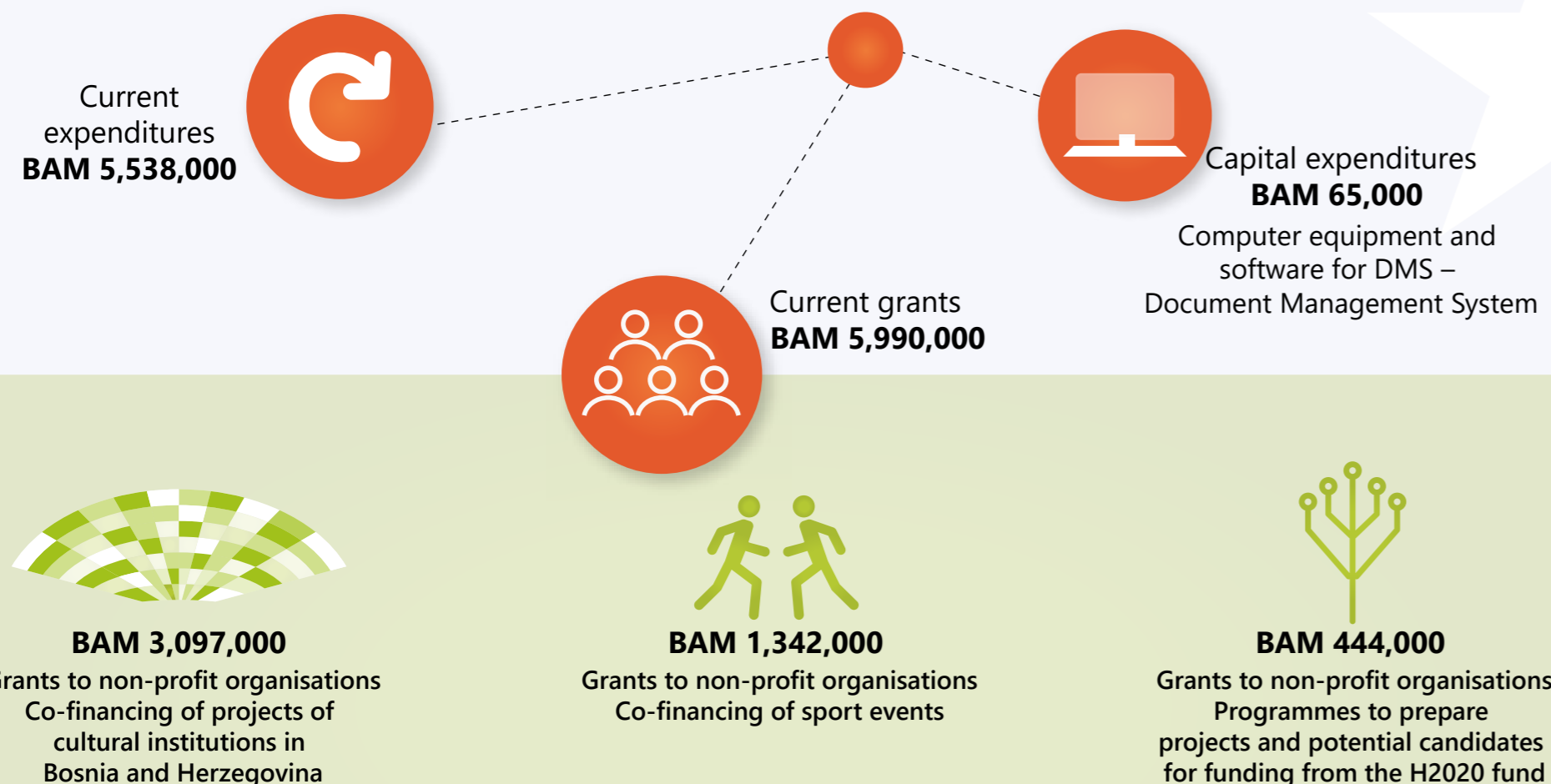
MINISTRY OF HUMAN RIGHTS AND REFUGEES

BAM 10,486,000

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 BiH, the project of reconstruction and providing of other requirement for sustainable return. The Ministry is also in charge for the performance of duties that are in the competence of BiH that are related to establishing of the basic principles of coordination of activities, harmonisation of policies and plans of the bodies of government of BiH and the international community in the areas of: housing policy, reconstruction and development and projects of sustainable return and its recording, as well as development of policies for emigrants and strengthening cooperation of BiH with the diaspora.

PROGRAMME AND PROJECT STRUCTURE OF EXPENDITURES

OPERATIONAL BUDGET



PROGRAMME AND PROJECT STRUCTURE OF EXPENDITURES



Protection of human rights and gender equality

- Grant funds for housing of the Roma **BAM 1,000,000**
- Grant funds for the employment of the Roma **BAM 600,000**
- Grant funds for health protection of the Roma **BAM 302,000**
- Grant support to the association of national minorities **BAM 130,000**
- Grants to co-finance the work of safe houses to accommodate women victims of domestic violence within an NGO **BAM 100,000**
- Grant funds for the education of the Roma **BAM 48,000**
- Grant for the implementation of the Agreement with Information Centre on the International Criminal Court for the Former Yugoslavia, Sarajevo, implementation of the activities by the Ministry of Human Rights under the Platform for Peace **BAM 35,000**
- Grants to the BiH Red Cross **BAM 150,000**
- Grants to the NGOs involved in human anti-trafficking **BAM 60,000**
- Grant of support for the needs of the Interreligious Council of BiH **BAM 100,000**
- Financing of the activities of the Jewish community – The Holocaust Remembrance Days **BAM 15,000**
- Support to the organisations of persons with disabilities **BAM 66,000**
- Grant to the associations of missing persons' families in BiH **BAM 40,000**
- Grant to the human rights organisations for the purpose of human rights promotion in BiH **BAM 50,000**

Total grants: BAM 2,696,000



Implementation of the rights from Annex VII and exercising of the rights of persons under the international protection and persons returning in line with the Readmission Agreement

- Implementation of Annex VII DMS **BAM 2,000,000**
 - Housing, reconstruction of the utility and social infrastructure and electrification of the building
 - Monitoring of the project implementation process according to Annex VII
 - Ensuring access to the rights of persons under the international protection in BiH
- Exercising of the rights of persons under the international protection and persons returning in line with the Readmission Agreement **BAM 181,000**

Total grants: BAM 2,181,000



Protection of the rights of emigrants and development of relations of BiH with the diaspora

- Grant of support to the local self-governance units for the implementation of policy on cooperation with the diaspora BiH **BAM 100,000**
- Grant of support to the Bosnian-Herzegovinian American Academy of Arts and Sciences (BHAAAS) – Days of BHAAAS in BiH **BAM 25,000**
- Grant funds to the non-profit organisations for the activities involving the diaspora **BAM 10,000**

Total grants: BAM 135,000

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 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.

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.

Succession - It means taking over of the rights and obligations of the previous country (predecessor) by a new state (successor) with regards to a number of issues significant for this area, which are the consequence or expansion of government, i.e. establishing of sovereignty and state which has, until that time, belonged to a different state.

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.

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

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

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