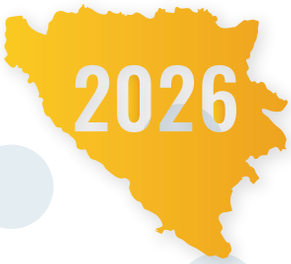
BOSNA I HERCEGOVINA
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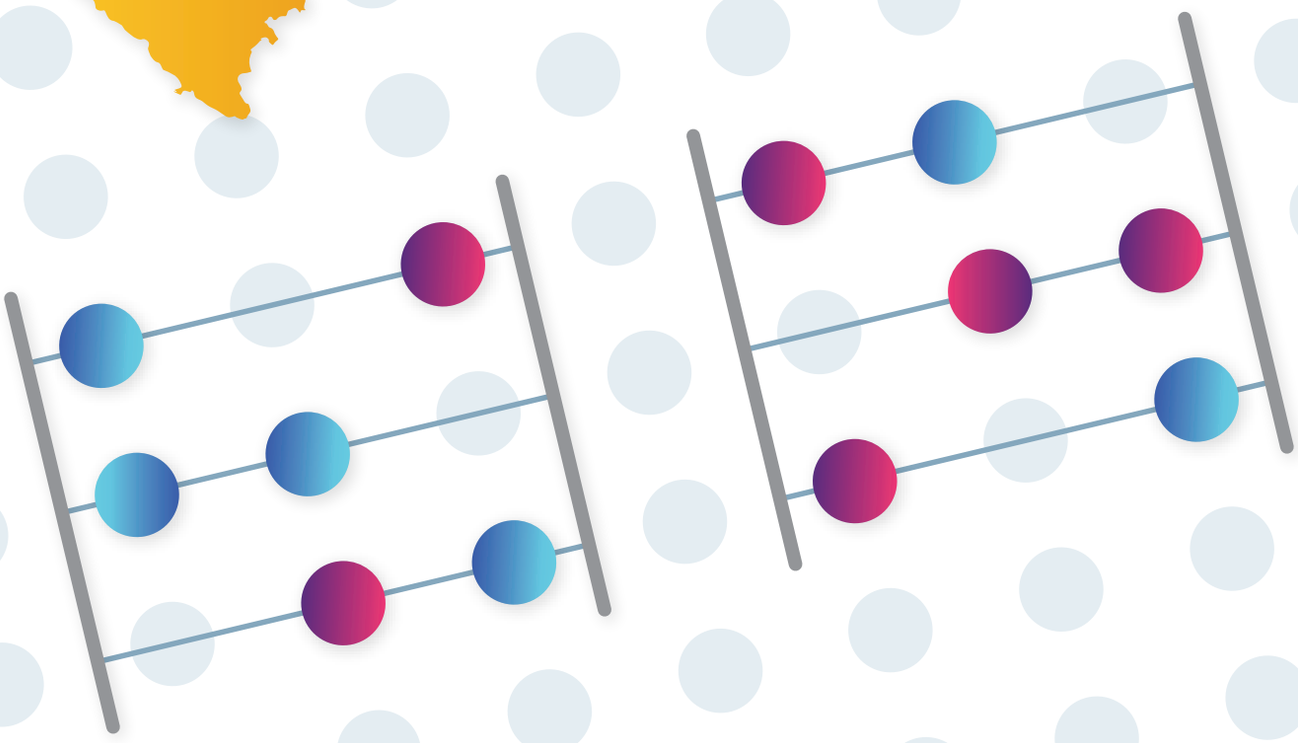
БОСНА И ХЕРЦЕГОВИНА
МИНИСТАРСТВО ФИНАНСИЈА
И ТРЕЗОРА

BOSNIA AND HERZEGOVINA
MINISTRY OF FINANCE
AND TREASURY

BUDGET FOR **CITIZENS**

Ministry of Finance and Treasury
of Bosnia and Herzegovina













BUDGET FOR CITIZENS

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BOSNA I HERCEGOVINA
MINISTARSTVO FINANCIJA/
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MINISTRY OF FINANCE
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CONTENTS

Introductory note of the Minister 5

Budget for Citizens 6

- Field of work 8
- Jurisdictions 8
- Legal basis 8
- Goals 8
- Budget calendar and budget process 9

Expenditure structure 10

Program activities 14

Questions, comments and suggestions 15



INTRODUCTORY SPEECH BY THE MINISTER

Dear citizens,

This is the fourth edition of the publication "Budget for Citizens of the Ministry of Finance and Treasury of Bosnia and Herzegovina for 2026", an illustrated guide that clearly and simply explains how funds in the Ministry of Finance and Treasury of Bosnia and Herzegovina's budget are collected and spent.

Through this initiative, we aim to become even more open, transparent and accountable to citizens in the planning, management and use of financial resources.

The purpose of this document is to give the public a better understanding of how the Ministry plans, allocates and spends public funds from its budget. As these funds come from taxpayers, we have a responsibility to manage them in the best interests of all citizens of Bosnia and Herzegovina and to provide clear and understandable information on where the funds come from and how they are spent. This document is intended for everyone who wishes to learn more about the Ministry's plans, as well as for those who wish to monitor how funds are spent in pursuing the objectives that have been set.

I sincerely hope that this document will provide answers to key questions concerning the Ministry's budget and encourage as many stakeholders as possible to share their views and suggestions, which will help inform the preparation of future editions of the Budget for Citizens.

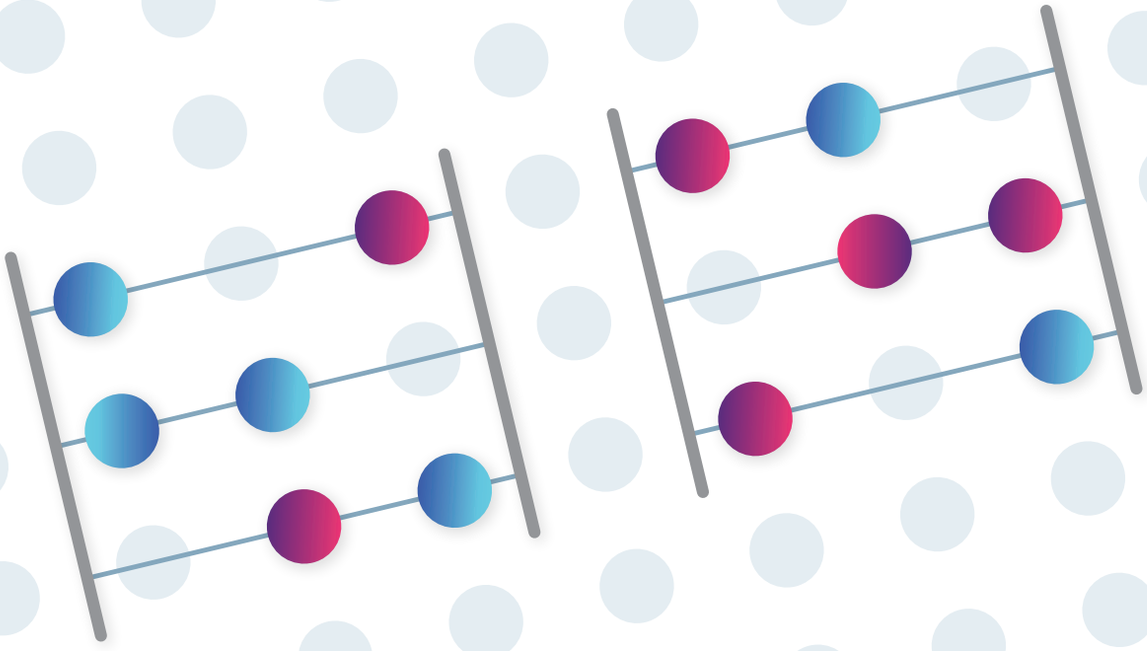
We are open to greater citizen participation in the budget process and in the preparation of future Budget for Citizens publications, despite the constitutional constraints affecting the structure of the budget of the institutions of Bosnia and Herzegovina. Our aim is to make the budget more accessible and easier to understand, as this is one of the fundamental prerequisites for improving public financial management.

We look forward to continued cooperation.

MINISTER

Srđan Amidžić, PhD

BUDGET FOR **CITIZENS**



The money available to government institutions at all levels through their **budgets** is citizens' money. Government revenue comes from citizens through taxes and the payment of various fees and charges. In addition, revenue is generated from concessions for the use of resources that form part of the common heritage and therefore belong to all citizens. Even when revenue comes from loans, it is ultimately the citizens who will have to repay them. Government institutions are responsible for the funds within their budgets and decide, on behalf of citizens, how the collected funds are allocated for different purposes.

Given that the budget also reflects **public policies**, it is clear why there is considerable public interest in a wide range of budget-related issues in countries with a well-developed democratic culture. Citizens want to know and have a say in how their money is spent. A basic prerequisite for citizen participation in budget decision-making is being informed. Accordingly, public authorities have a responsibility to ensure transparency in their work and to provide information on all key issues related to the preparation, adoption and execution of the budget.

The **Budget for Citizens** is a document that summarizes and explains basic budget information. It is a report presented in an accessible format, using simple and clear language that citizens can understand. When citizens are able to understand this information, they can exercise their civic rights in a democracy: they can ask questions and ensure that the authorities explain what they are doing on their behalf.



Budget
A document forecasting all revenues and expenditures in one year.

Concession
An authorization granted by the authorities to legal entities or individuals to carry out a specific activity under predetermined conditions.

Public policy
A plan or course of action pursued by government institutions.

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

I FIELD OF WORK

- The Ministry implements laws and other regulations through their direct application, by resolving administrative matters in administrative proceedings, carrying out administrative supervision, and performing other administrative tasks within its scope of work.
- The Ministry prepares and proposes to the Council of Ministers of Bosnia and Herzegovina and the Parliamentary Assembly of Bosnia and Herzegovina laws, other regulations and general acts within its scope of work, and performs other tasks prescribed by specific laws and other regulations.
- The Ministry prepares and submits to the Council of Ministers of Bosnia and Herzegovina and the Parliamentary Assembly of Bosnia and Herzegovina analyses, reports and information on the situation in areas within its competence and on activities falling within its scope of work.
- The Ministry monitors the situation in areas within its scope of work, particularly the implementation of laws and other regulations, takes measures within its authority, and makes recommendations aimed at improving their implementation.

IV GOALS

Strategic Goal

- Macroeconomic stability

Medium-Term Goal

- A stable and transparent system for financing Bosnia and Herzegovina, managing and controlling public finances, and fulfilling international financial obligations.

Specific Goals

- Developing effective policies and systems for managing and controlling the financing of Bosnia and Herzegovina institutions;
- Improving the public debt management system and aligning external financing with the needs of Bosnia and Herzegovina;
- Improving fiscal policy and developing the system for managing assets owned by Bosnia and Herzegovina institutions;
- Developing effective policies and systems for financial planning for development and for managing EU pre-accession assistance.

II JURISDICTIONS

The Ministry is responsible for:

- Principles of tax policy, fees and related regulations;
- Relations with international and domestic financial institutions;
- Preparing contracts, agreements and other acts through which Bosnia and Herzegovina assumes loans and other financial obligations towards other countries and international organizations;
- Planning and managing the debt of Bosnia and Herzegovina and fulfilling international financial obligations;
- Policy on new borrowing domestically and abroad;
- Preparing the Budget of the Institutions of Bosnia and Herzegovina and the annual financial report;
- Coordinating activities to secure budgetary funds for Bosnia and Herzegovina;
- Executing the Budget of the Institutions of Bosnia and Herzegovina and ensuring the financing of its institutions;
- Conducting activities related to the succession of assets of the former SFRY;
- Preparing and implementing banking regulations related to the functioning of the Central Bank of Bosnia and Herzegovina;
- Managing property owned by the institutions of Bosnia and Herzegovina;
- Collecting, consolidating, distributing and publishing consolidated general government fiscal data;
- Coordinating international economic assistance to Bosnia and Herzegovina, except for the part related to European Union assistance;
- Establishing and improving the system of internal financial controls for budget users in accordance with internationally recognized standards, and preparing guidelines for its implementation and maintenance;
- Developing, managing and coordinating the internal audit system in the institutions of Bosnia and Herzegovina;
- Financial planning for development within the institutions of Bosnia and Herzegovina, including public investment management and medium-term planning, implementation monitoring and reporting.

III LEGAL BASIS

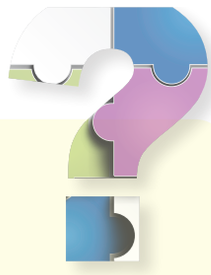
The Constitution of Bosnia and Herzegovina; the Law on Ministries and Other Administrative Bodies; the Law on Administration; the Law on Civil Service in the Institutions of Bosnia and Herzegovina; the Law on Labour in the Institutions of Bosnia and Herzegovina; the Law on Public Procurement of Bosnia and Herzegovina; the Law on Financing of the Institutions of Bosnia and Herzegovina; the Law on Salaries and Allowances in the Institutions of Bosnia and Herzegovina; the Law on the Budget of the Institutions of Bosnia and Herzegovina; the Law on Internal Audit of the Institutions of Bosnia and Herzegovina; the Law on Borrowing, Debt and Guarantees of Bosnia and Herzegovina; the Law on the Procedure for Concluding and Executing International Agreements; the Agreement on Succession Issues of the Former SFRY; and the Framework Agreement on the Rules of Cooperation between the European Commission and Bosnia and Herzegovina regarding EU financial assistance to Bosnia and Herzegovina through IPA.

Budget calendar and budget process

The budget calendar is prescribed by the Law on Financing of the Institutions of Bosnia and Herzegovina and defines the activities relevant to the preparation and adoption of the Budget. It sets out the timeline and responsibilities of individual institutions in the preparation and adoption of the official Budget.

The **budget process** is based on the prescribed activities of all participants involved in the preparation and adoption of the Budget of the Institutions of Bosnia and Herzegovina and International Obligations of Bosnia and Herzegovina, as well as its execution, reporting and control.

The budget process begins in January, when the Ministry of Finance and Treasury, by 31 January, provides all budget users with the budget instruction and budget calendar for the preparation of the **Framework Budget Document (FBD)**.



Budget process

The process that includes the preparation and adoption of the budget, its execution, reporting and control.

Framework Budget Document (FBD)

A projection of revenues and expenditures for a three-year period, i.e. a medium-term budget projection.

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.

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 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.

15 June

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

30 June

The Council of Ministers adopts the Framework Budget Document.

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 August

Budget users submit their 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.

15 October

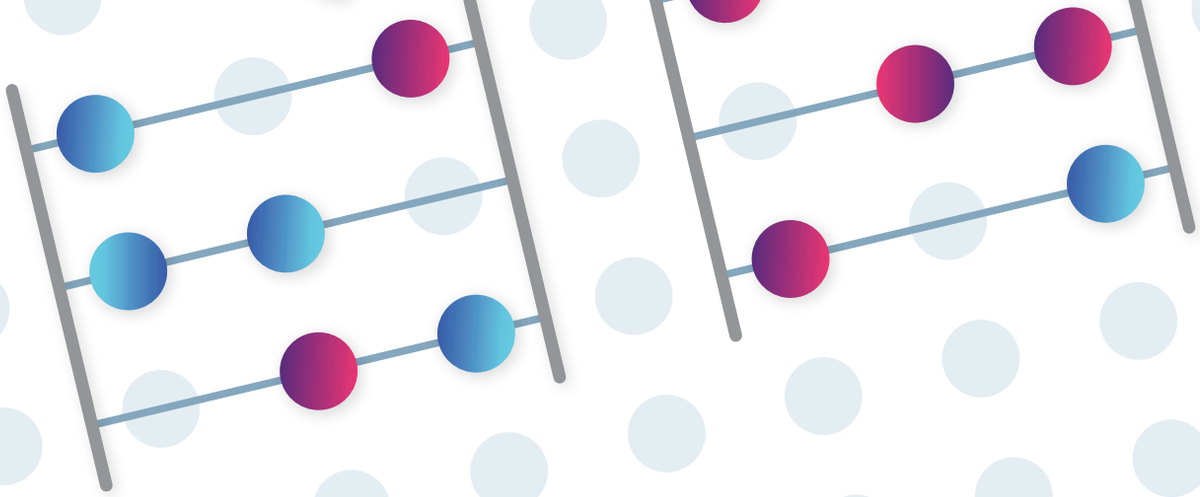
The Council of Ministers is obliged to submit the Draft Law of the Budget of Institutions of BiH and International Obligations of BiH for the next year to the BiH Presidency.

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 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.



EXPENDITURE **STRUCTURE**

The 2026 Budget of the Ministry of Finance and Treasury of Bosnia and Herzegovina amounts to 13,477,000 BAM,
with the following expenditure structure:

LINE ITEM – BY TYPE OF EXPENDITURE



91,59%

CAPITAL EXPENDITURES
1.133.000 BAM

8,41%

Procurement of Equipment
1.109.000 BAM (8,23%)

Acquisition of Fixed Assets in the Form of Rights
24.000 BAM (0,18%)

EXPENDITURE STRUCTURE BY ECONOMIC CATEGORIES

CURRENT EXPENDITURES	**12.344.000**
Gross Salaries and Allowances	8.248.000
Reimbursement of Expenses for Employees and Parliamentary Representatives	1.444.000
Travel Expenses	200.000
Expenditures for Telephone and Postal Services (PTT)	120.000
Procurement of Materials	50.000
Expenditures for Transport and Fuel Services	60.000
Rental of Property and Equipment	44.000
Current Maintenance Expenditures	1.523.000
Expenditures for Insurance, Banking Services, and Payment Transactions	21.000
Contracted and Other Special Services	634.000
EXPENDITURES FOR THE PROCUREMENT OF FIXED ASSETS	**1.133.000**
Procurement of Equipment	1.109.000
Acquisition of Fixed Assets in the Form of Rights	24.000
TOTAL	**13.477.000**

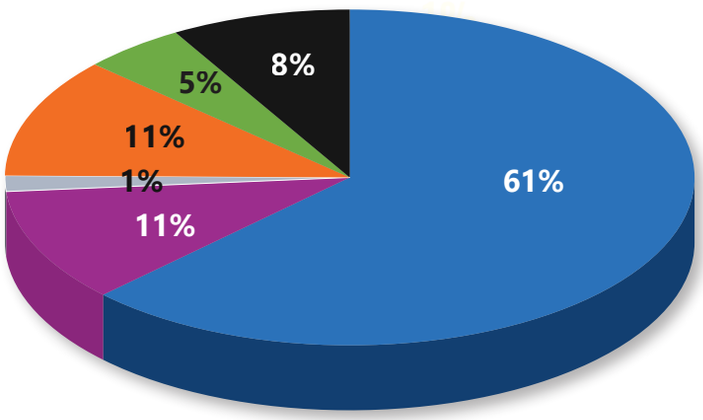
The largest share of the budget of the Ministry of Finance and Treasury of Bosnia and Herzegovina relates to Gross Salaries and Allowances (61%). The remaining expenditures cover the costs required to ensure the Ministry's uninterrupted functioning.

As part of its planned equipment purchases, the Ministry of Finance and Treasury has budgeted for the procurement of a vehicle, furniture, computers and laptops, data and voice transmission equipment, and server rack equipment. Under fixed assets in the form of rights, Oracle, Cisco VPN and Adobe Acrobat Pro licences have been planned.

Revenue from the sale of motor vehicles is planned in the amount of BAM 8,000.

The number of employees of the Ministry of Finance and Treasury of Bosnia and Herzegovina approved under the Budget is 183.

EXPENDITURE STRUCTURE



Gross Salaries and Allowances

Allowances for Employee and Assembly Representatives' Expenses

Travel Expenses

Expenditures for Ongoing Maintenance

Contracted and Other Special Services

Procurement of Equipment

COFOG Classification

According to the COFOG classification, all funds of the Ministry of Finance and Treasury of Bosnia and Herzegovina are allocated to: General Public Services – Executive and legislative bodies; financial and fiscal affairs; external affairs.



COFOG classification

The Classification of the Functions of Government (COFOG), published by the United Nations Statistics Division, classifies budget funds according to the purposes for which they are spent.

PROGRAM ACTIVITIES

MANAGEMENT AND CONTROL OF FINANCING OF INSTITUTIONS OF BOSNIA AND HERZEGOVINA

- Management and Support of the Budget of BiH Institutions
- Management and Administration
- Upgrade of the Financial Management Information System with the Budget Preparation Process Management Module (BPMIS)
- Upgrade of the Financial Management Information System with the Human Resource Management System (HRMS) Module and the Payroll Module
- Enhancement of the Information System Security of the Ministry of Finance and Treasury of Bosnia and Herzegovina
- Preparation, Analysis and Control of Budget Execution of BiH Institutions and Reporting (Budget of the Institutions of Bosnia and Herzegovina Sector)
- Management of Treasury Operations in BiH Institutions in accordance with EU Standards (Treasury Operations Sector)
- Internal Audit (Central Unit for Internal Audit)
- Management of Property Owned by BiH Institutions and Coordination of the Succession Process of the Former SFRY (Sector for the Succession of the Property of the Former SFRY and Management of BiH Property)
- Management of Public Investments and Medium-Term Planning (Sector for Coordination of International Economic Assistance)
- Management Activities and Support Activities (Office of the Minister, Office of the Deputy Minister, Secretary of the Ministry, and Sector for Legal, Personnel, General and Financial Affairs)

Number of Employees in the Program: 120 **Approved Budget: 9,683,000 BAM**

INTERNATIONAL RELATIONS IN THE FIELD OF FINANCE

- Conclusion and Implementation of International Agreements
- Public Debt Management System (Public Debt Sector)
- Relations with Financial Institutions (Sector for Relations with Financial Institutions)
- Fiscal Regulations, Taxation Policy under International Agreements, and International Cooperation in the Field of Taxation (Fiscal Affairs Sector)
- Coordination of International Assistance (Sector for Coordination of International Economic Assistance)
- Coordination and Management of EU Pre-Accession Assistance (Sector for Financing EU Aid Programs and Projects)

Number of Employees in the Program: 63 **Approved Budget: 3.794.000 BAM**

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 questions, comments or suggestions 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

Ministry of Finance and Treasury
of Bosnia and Herzegovina

