



MUNICIPAL FINANCE SELF-ASSESSMENT (MFSA)

WORLD BANK – AUSTRIA
URBAN PARTNERSHIP PROGRAM (UPP)

FEDERATION OF BOSNIA AND HERZEGOVINA

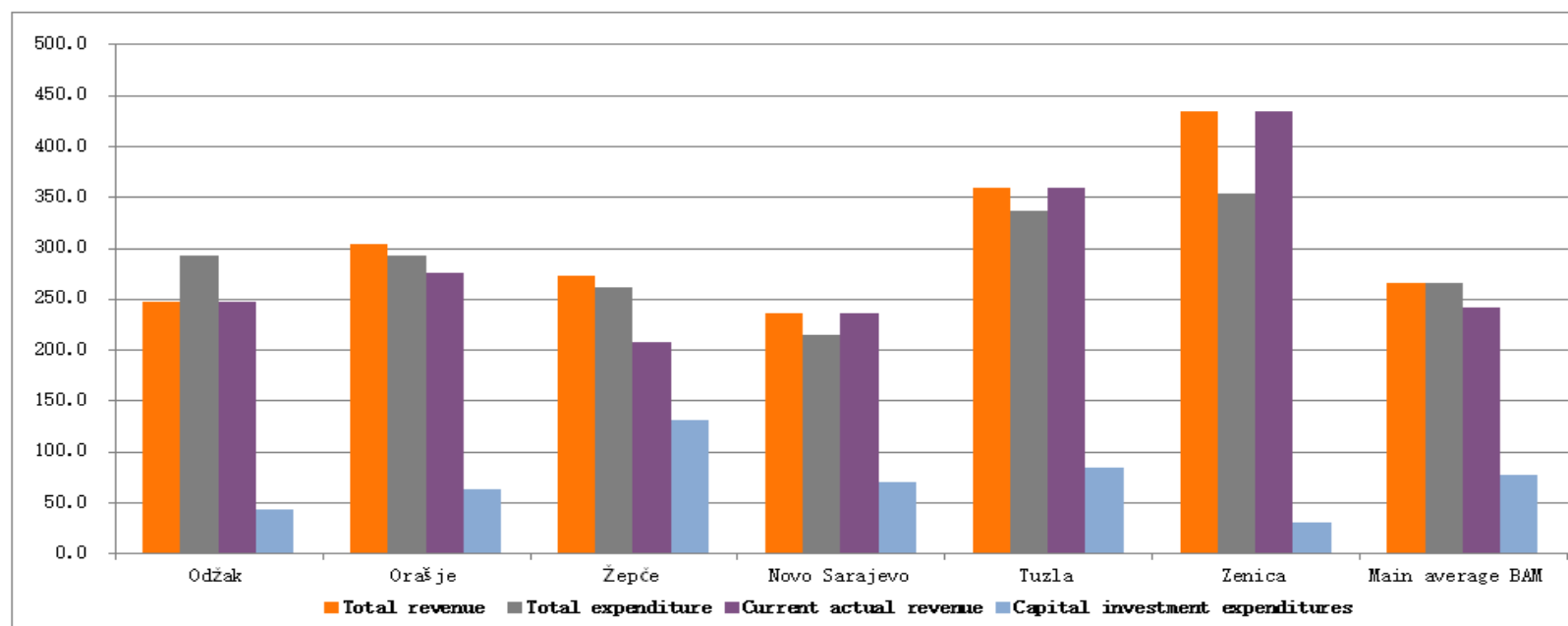
Federation of BiH

- Partners of UPP II are 6 local governments (4 municipalities and 2 cities)
- 17% of F BiH population have benefits from the Program
- The Program covers 7% of Federation BiH territory



COMPARISON RATIOS per capita (2015)

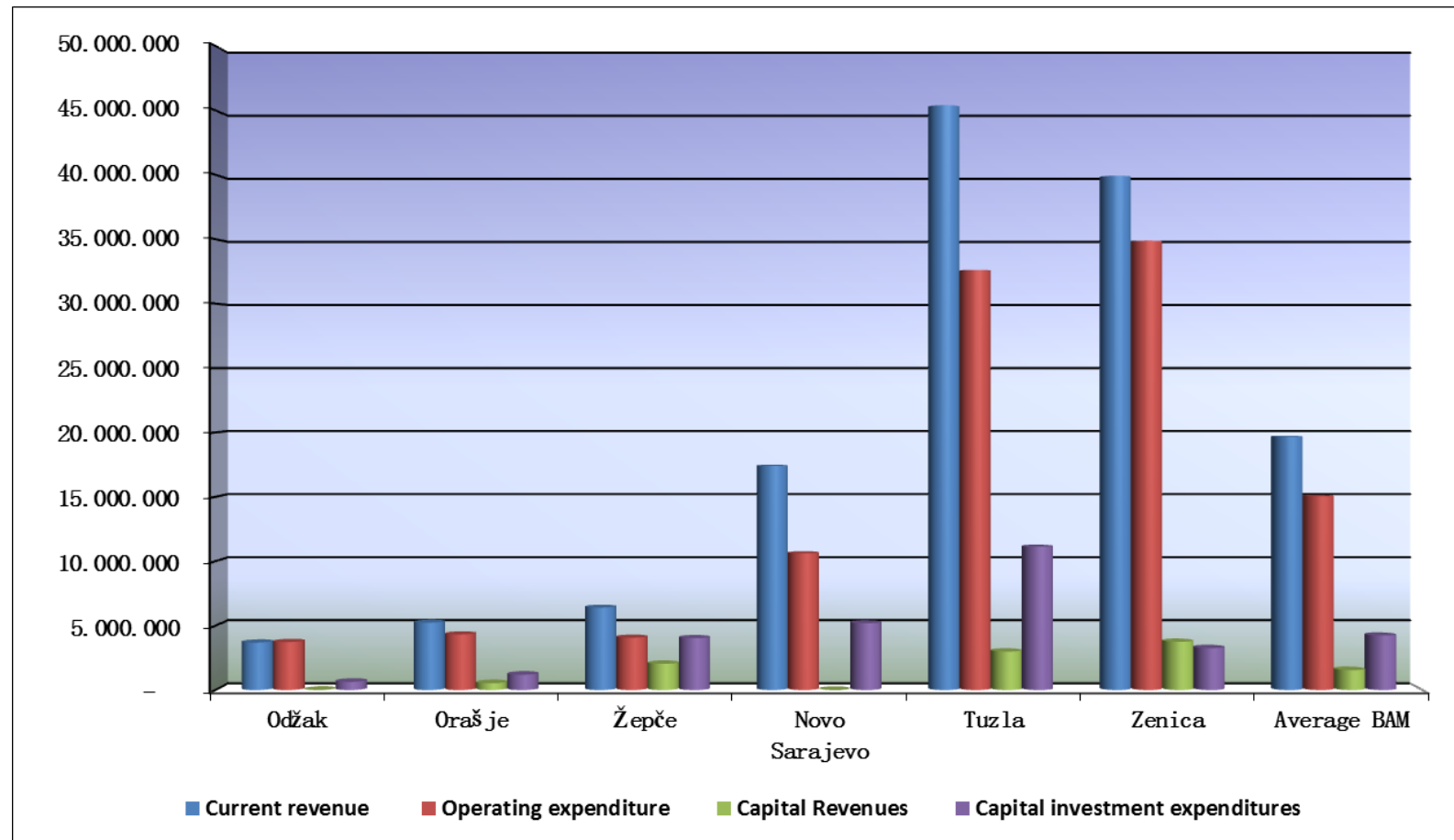
COMPARISON RATIOS for 2015	Odžak	Orašje	Žepče	Novo Sarajevo	Tuzla	Zenica	Main average BAM	Main average EUR
Total revenue / capita	247,0	304,3	272,2	235,6	359,6	434,4	264,8	135
Total expenditure / capita	292,8	292,3	261,0	214,3	336,0	353,3	265,1	136
Current actual revenue/capita	246,3	275,6	206,6	235,6	359,6	434,4	241,1	123
Capital investment expenditures/capita	42,3	62,8	130,0	70,2	84,5	29,7	76,3	39



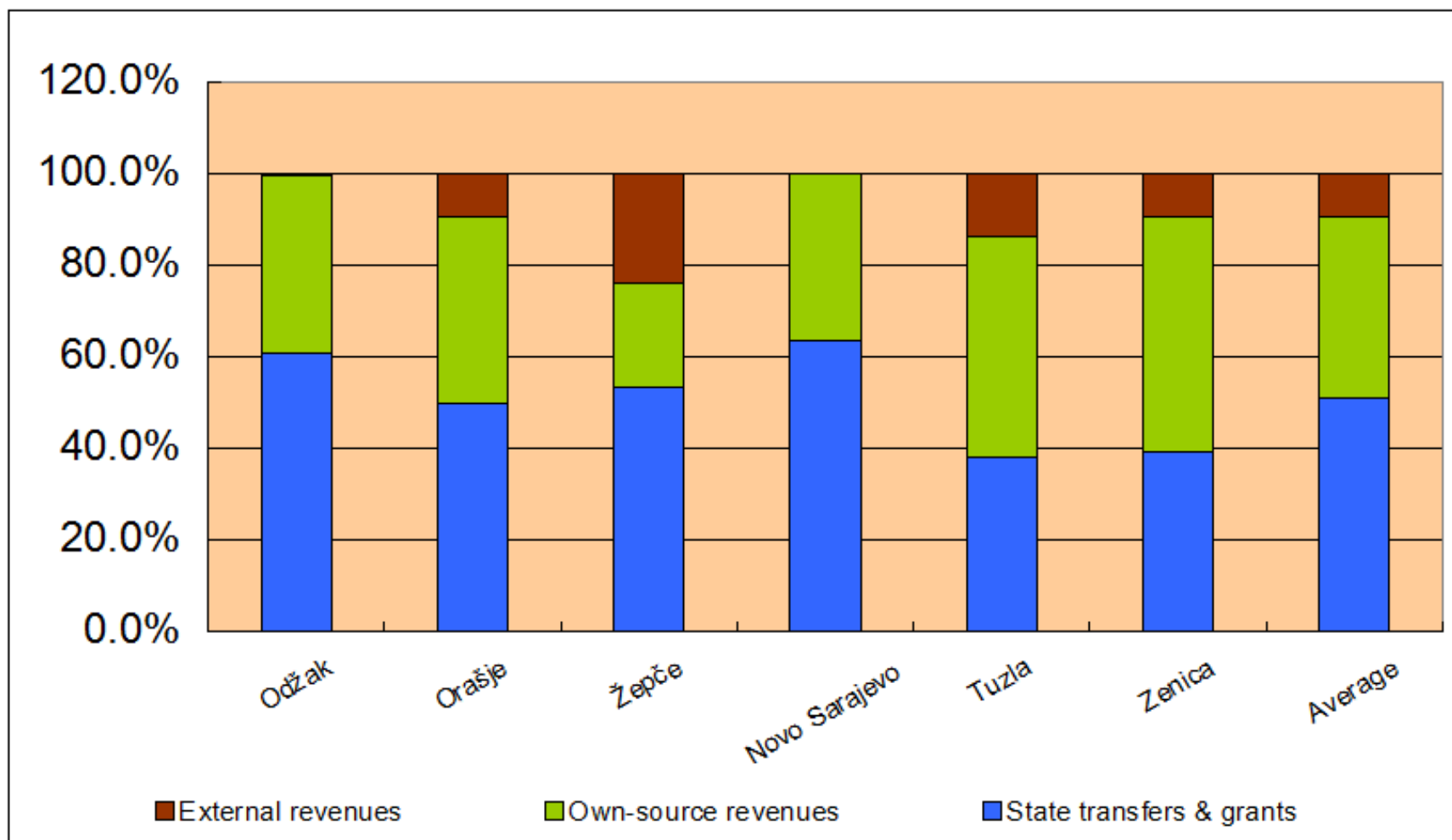
Financial Snapshot for 2015

Items	Odžak	Orašje	Žepče	Novo Sarajevo	Tuzla	Zenica	UPP Total	Average in BAM
Current revenue	3.688.096	5.233.873	6.408.362	17.403.647	45.400.622	39.930.000	118.064.600	19.677.433
Operating expenditure	3.728.783	4.316.341	4.064.480	10.610.438	32.611.413	34.887.000	90.218.455	15.036.409
Gross Operating balance	(40.687)	917.532	2.343.882	6.793.210	12.789.209	5.043.000	27.846.146	4.641.024
Debt service and borrowing costs	57.013	5.743	25.302	-	792.457	692.000	1.572.515	262.086
NET CURRENT BALANCE	(97.700)	911.789	2.318.580	6.793.210	11.996.752	4.351.000	26.273.631	4.378.938
							-	-
Capital Revenues	10.212	527.535	2.034.585	-	2.990.033	3.753.000	9.315.365	1.552.561
Own capital revenues	0	131.147	2.620		-	2.617.000	2.750.767	458.461
Investment grants and donations	10.212	396.388	2.031.965		2.990.033	1.136.000	6.564.598	1.094.100
Capital investment expenditures	633.750	1.192.079	4.031.803	5.187.118	11.125.048	3.263.000	25.432.798	4.238.800
BALANCE AFTER INVESTMENTS	(721.238)	247.245	321.362	1.606.092	3.861.737	4.841.000	10.156.198	1.692.700
								-
Cash reserves from previous years	0	0	0	0	0	0	0	-
Loan proceeds	0	0	0	0	0	0	0	-
OVERALL CLOSING BALANCE	(721.238)	247.245	321.362	1.606.092	3.861.737	4.841.000	10.156.198	1.692.700

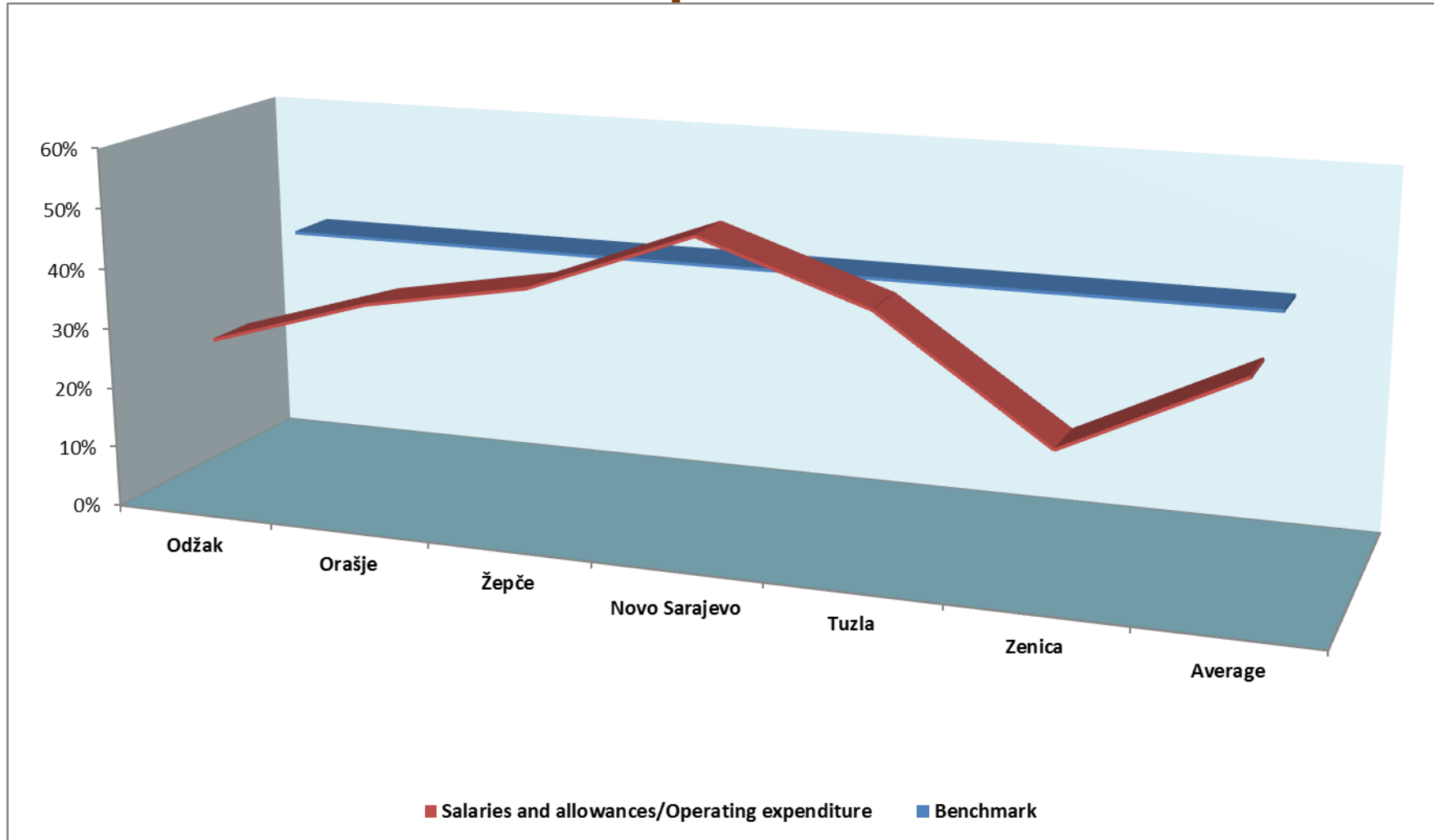
FINANCIAL SNAPSHOT 2015



MAIN REVENUE



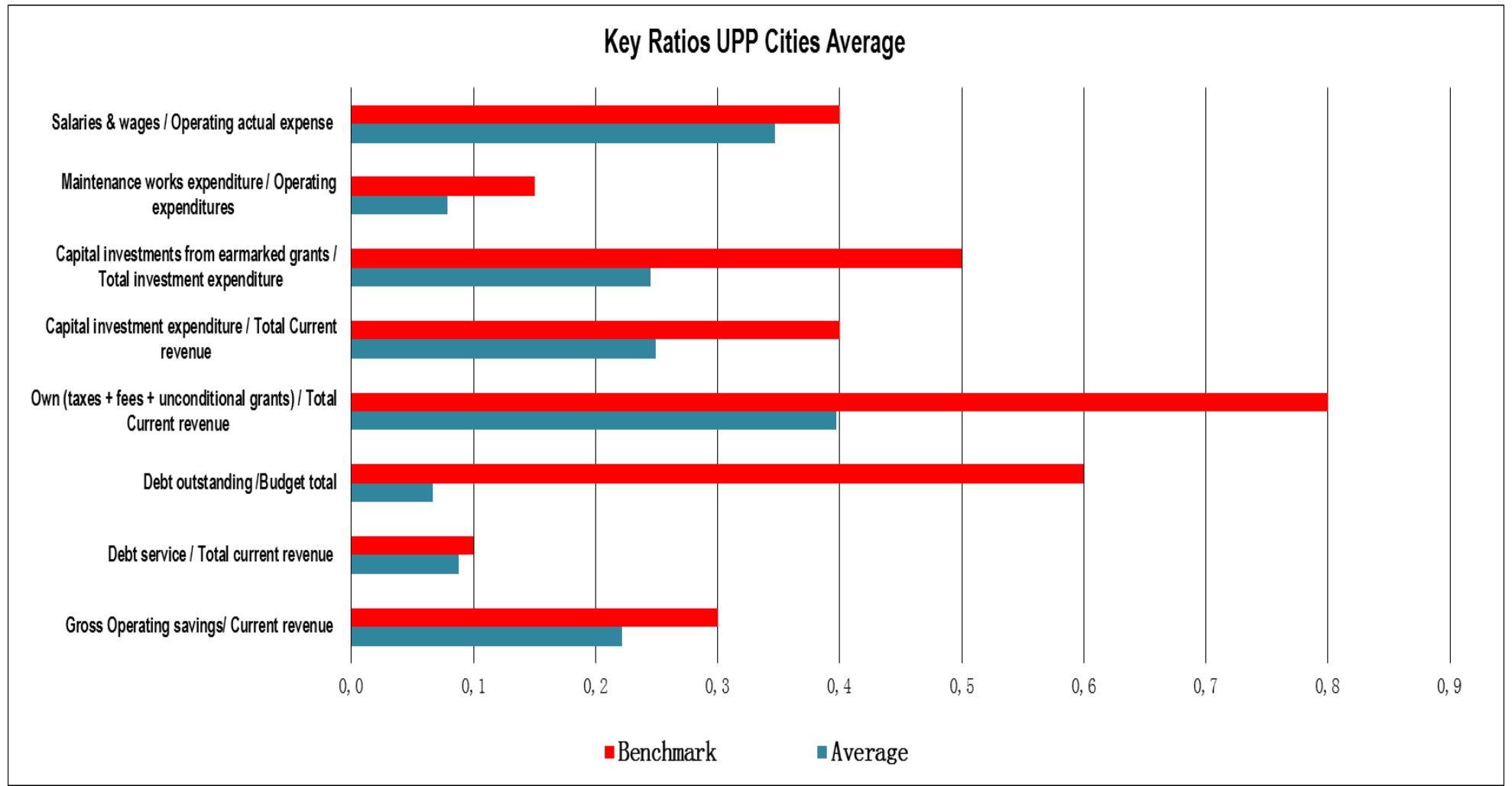
Expenditure



INDICATORS

Indicator (definition)	Benchmark	Odžak	Orašje	Žepče	Novo Sarajevo	Tuzla	Zenica	Average
Gross Operating savings/ Current revenue	0,3	-0,01	0,18	0,37	0,39	0,28	0,13	0,22
Debt service / Total current revenue	0,1	0,21	0,13	0,08	0,05	0,02	0,02	0,08
Debt outstanding /Budget total	0,6	0,1	N/A	0,1	0,0	0,2	0,2	0,1
Own (taxes + fees + unconditional grants) / Total Current revenue	0,8	38,8%	41,1%	22,5%	36,5%	48,0%	51,4%	39,7%
Capital investment expenditure / Total Current revenue	0,4	17,1%	20,6%	47,8%	29,8%	26,8%	7,5%	24,9%
Capital investments from earmarked grants / Total investment expenditure	0,5	1,6%	33,3%	50,4%	0,0%	26,9%	34,8%	24,5%
Maintenance works expenditure / Operating expenditures	0,15	7,7%	5,7%	6,9%	3,1%	10,1%	13,6%	7,8%
Salaries & wages / Operating actual expense	0,4	27,5%	35,8%	40,7%	51,1%	41,9%	23,0%	34,7%
Number of municipal employees/1000 citizens	0,25	3,3	4,6	2,7	3,0	0,7	2,6	2,8
Actual revenue / Planned revenue	95<A/P<1.05	79%	90%	104%	7%	87%	97%	77%

INDICATORS



FBiH Action Plan

Objective	Specific action	Expected results
Strengthening finance of local governments	Finalize and implement improved and more transparent system of revenue allocation in FBiH, including arrangements for external debt.*	The adopted amendments to the Law on Public Revenues are implemented
Efficient, effective and transparent management of F BiH Tax administration	Reorganize tax administration with computerized databases, easy payment systems, and collection, billing, and enforcement procedures	Taxpayers e-communicate with Tax office of F BiH. Implemented a methodology which helps solve current problem of outstanding tax obligations.
Ensure execution of the budget in accordance with the plan and in a transparent manner	Upgrade existing software and provide follow-up plan and budget execution for the FBiH, all cantons and municipalities	At all levels of F BiH implemented same software where are budget plan and budget execution recorded (now two different softwares are not connected)
Increase fiscal autonomy	Mayor and the Association should lobby the cantonal and Federal governments to increase the flexibility of local tax policies. LGs to put more efforts into collection of local taxes, fees and charges.	Increased fiscal autonomy
Budget planing based on Economic policy F BiH, Budget framework paper, sectoral strategies	Improve the cost analysis of the most significant expenses, improve the reliability of the forecasts, establish a treasury system in all F BiH municipalities	Realistically planned expenditures, improve reporting, perform analyses on planed and executed figures



Thank you!

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