

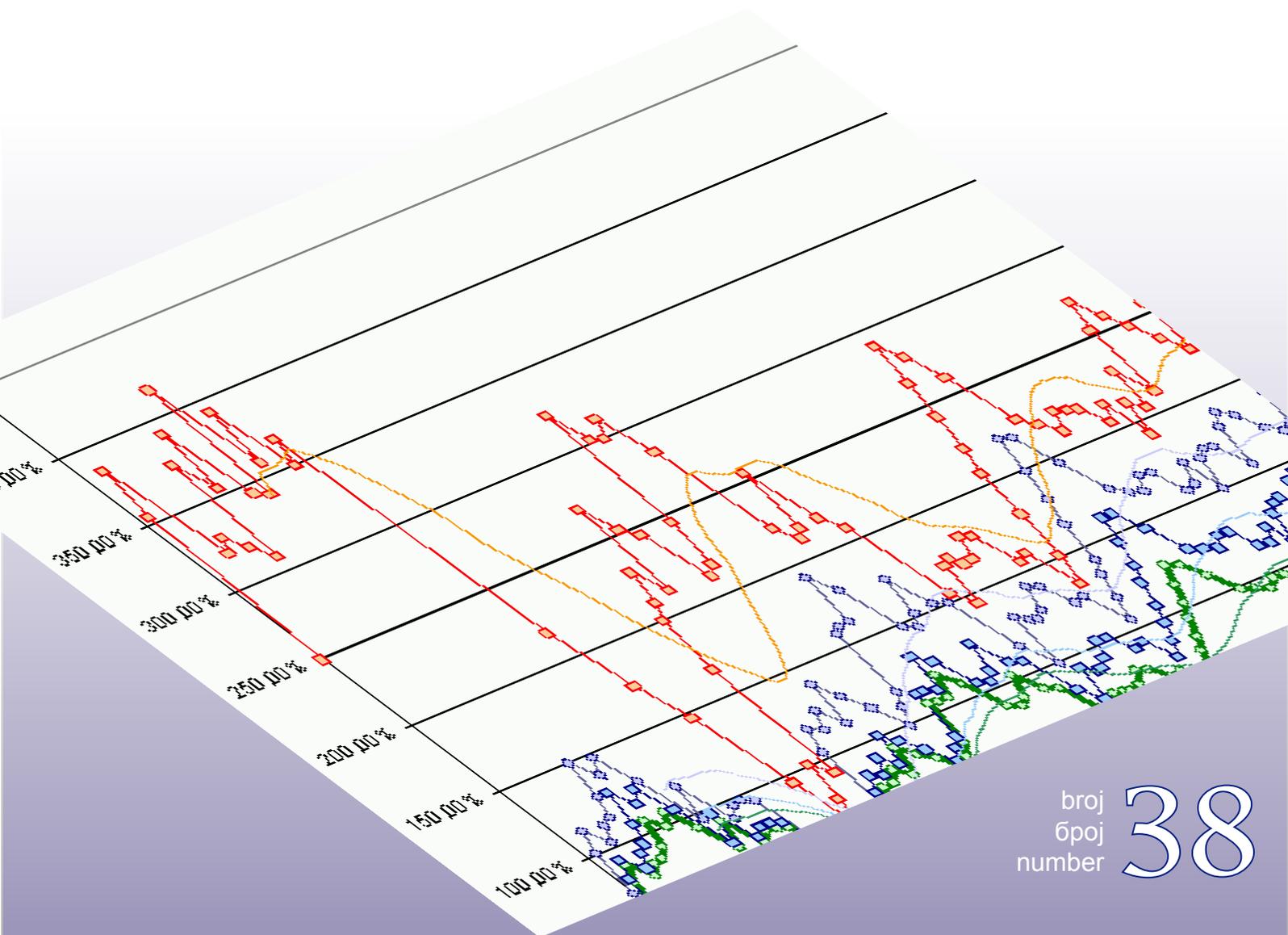
Bosna i Hercegovina
Odjeljenje za makroekonomsku analizu
Upravnog odbora Uprave za indirektno-
neizravno oporezivanje



Босна и Херцеговина
Одјељење за макроекономску анализу
Управног одбора Управе за indirektno-
опорезивање

Macroeconomic Unit of the Governing Board of the Indirect Tax Authority

Oma Bilten



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With this issue

Implementation of Stabilization and Association Agreement already reflects on the collection of revenues from customs and total collection of indirect taxes. In addition, the collection of other types of revenues has gradually slowed down as the consequence of price trends in the world market in first half of this year. It is also evident that we are entering second phase of VAT system, which is according to experiences of other countries, characterized by higher allocation for VAT refunds and stabilization of tax base. First year of the VAT implementation brought significant expansion of the tax base and inclusion of the share of grey economy into regular flows. Along with partial suspension of refunds and low level of tax frauds, expansion of the tax base with standard rate, which is above revenue neutral one, contributed to high fiscal surplus. Due to growth of import prices and prices in the country during 2007, single effects of the VAT introduction, and fiscal surpluses, were carried to 2007. However, as we announced, initial success was followed by stabilization of the VAT system and "consolidation" of taxpayers when it comes to frauds. So, in the period ahead of us, we need to strengthen analytical capacities of Indirect Taxation Authority in terms of discovering fraud methods in the VAT system in BiH, in cooperation with neighboring countries and EU member states.

Due to the significance of excise revenues for fiscal balance in BiH, this issues contains analysis of the collection of revenues by certain types of excise products. In the article on financing cantons in BiH Federation, we analyzed first effects of new financing system that was introduced in 2006. Due to huge interest of the public for pre-accession EU funds, we provided special article on basic features of Instrument for pre-accession assistance (IPA), which was approved for Bosnia and Herzegovina for the period 2007-2009.

In accordance with dynamics of data collection from the reporting units, we are able to publish consolidated report for first half of 2008, which includes budget execution of BiH Institutions, BiH Federation, Republika Srpska, Brcko District and cantons for aforementioned period.

Dinka Antić, MSc
Head of Unit – Supervisor

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Collection of indirect taxes: January – July 2008

(Author: Dinka Antić, MSc)

For seven months of 2008, Indirect Taxation Authority (ITA) collected total of 2,820 billion KM of revenues from indirect taxes net or by 10,72% more than in the same period of 2007. In the same period, ITA collected additional 16,561 million KM of revenues that remained as unadjusted in ITA records in the end of July¹.

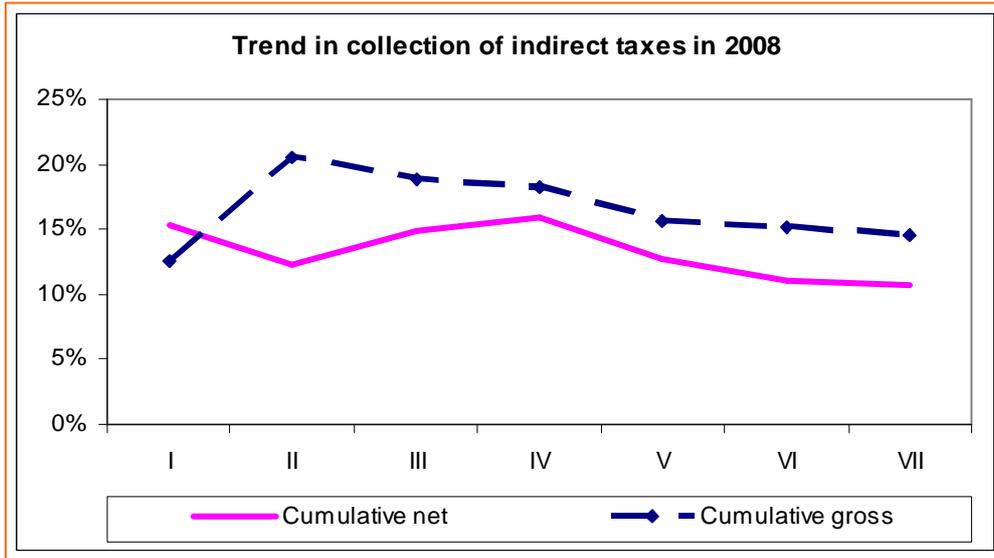


Chart 1

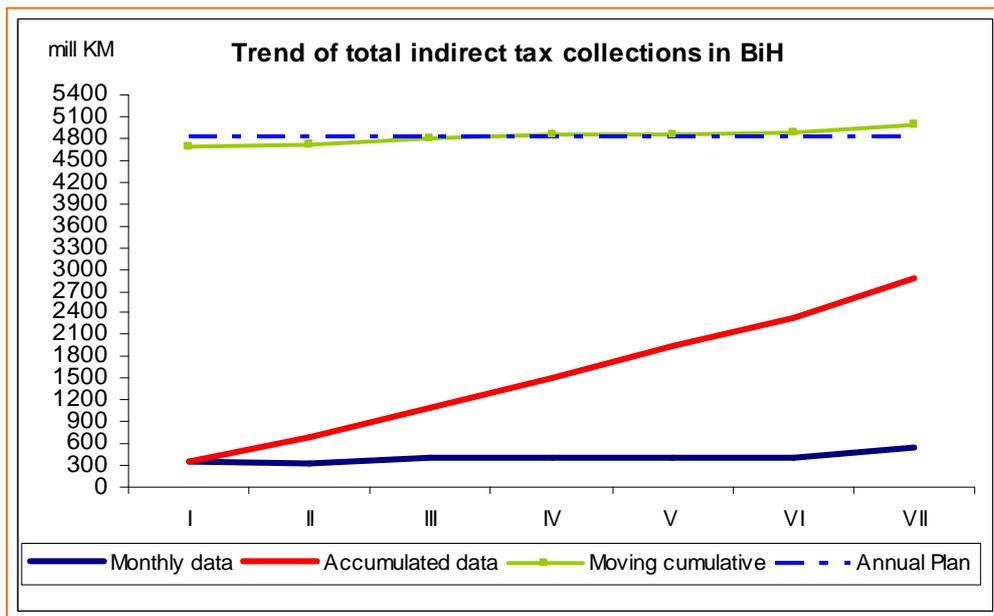


Chart 2

In comparison with the same month of 2007, the collection of indirect taxes increased by 9,21%. Observing trend of cumulative collection in the chart 1, we can see slowdown, which is continuation of the trend from first six months although the collection of indirect taxes in July was 6,96% higher than in June this year. However, it's necessary to mention that the collection of indirect taxes is still higher than planned collection for this year (Chart 2). Observing the

¹ Unadjusted revenues include revenues for which breakdown of payments (single account) and analytical records of taxpayers in IT modules of ITA can not be matched (VAT, customs, excise)

collection of individual types of indirect taxes, the growth of collection in July is based on strong growth in collection of excise in VAT. It was as expected after the application of Stabilization and Association. However, at the level of seven months, the collection of customs was 13,36% higher than in the same period of 2007. In July, collection of customs was 11,67% lower than in July 2007 i.e. by 14,68% less than in June 2008.

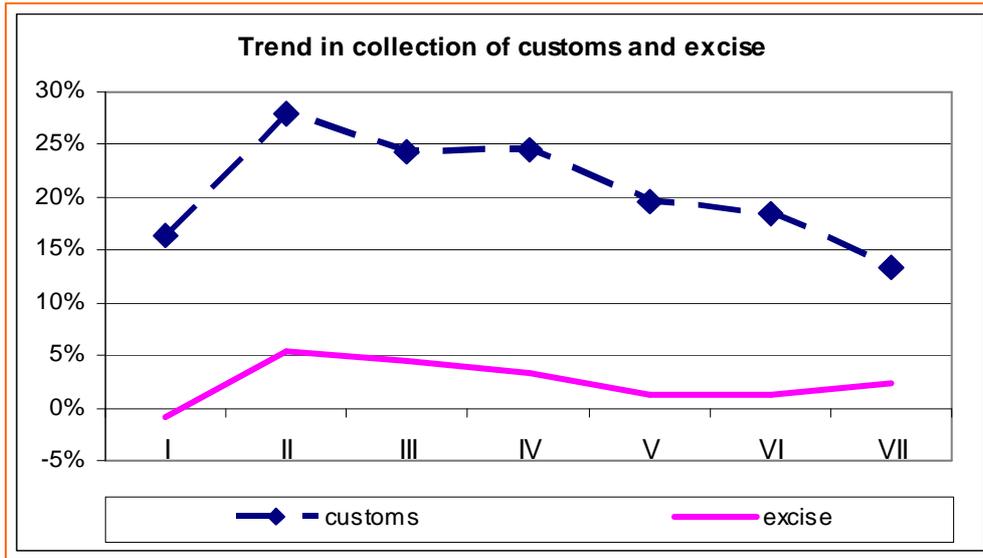


Chart 3

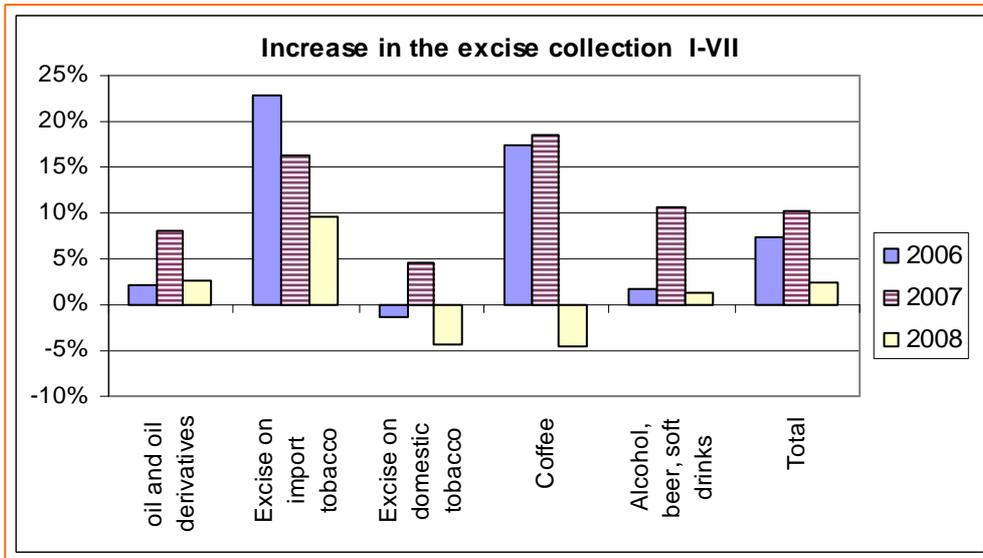


Chart 4

Compared to June, the collection of excise increased by 22,28%. Better collection of excise in July had impact on slow growth of cumulative collection in the first seven months. However, this is still below projected growth for this year. In the chart 4, we can see the trend of slower growth of total revenues from excise and excise on energy and negative growth for excise on coffee and domestic tobacco products².

There was strong growth of revenues from VAT in July. Net VAT collection was 22,93% higher than in June of this year (Chart 5).

² More information in special contribution of this issue.

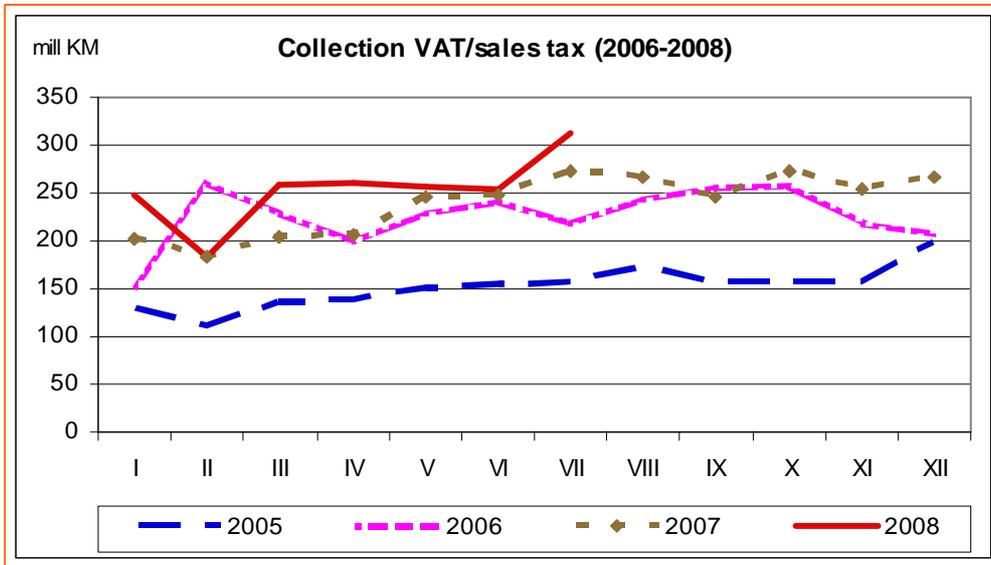


Chart 5

Growth in collection of VAT is the result of two factors: higher increase of gross collection and lower refunds in July (Chart 6).

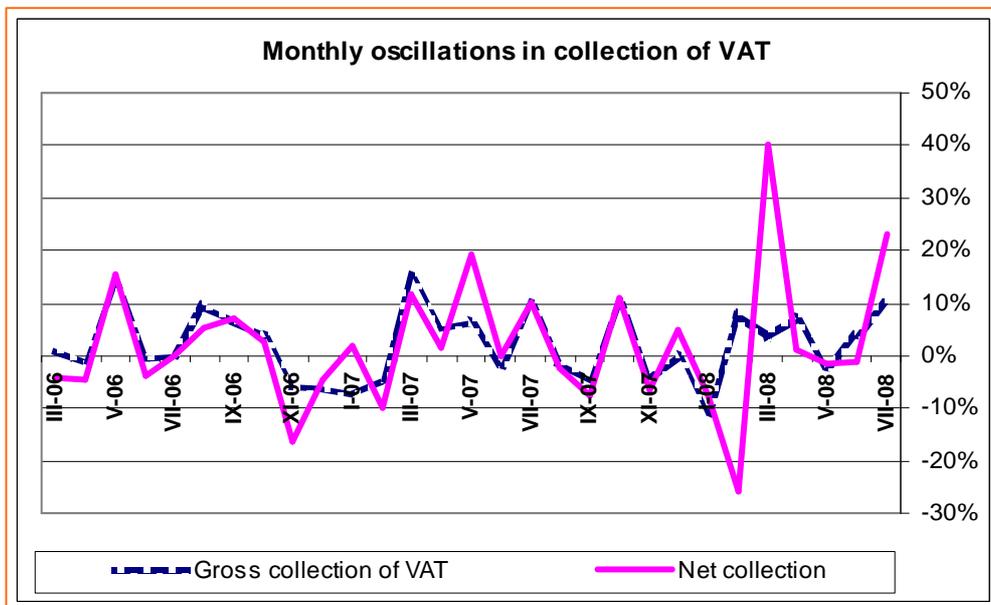


Chart 6

Analysis of revenues from excise by type for the period 2005 - 2008

(Author: Aleksandar Eskić, Macroeconomist in the Unit)

If we observe the structure of revenues from indirect taxes, we can notice that revenues from excise are experiencing most significant decrease in comparison with previous year. This trend has been present since the half of 2007 as our economy and population have been facing with strong inflation pressures since then. That's why there is a change in structure of budget expenditure at individual level. Ultimate effect is that the smaller share of individual's budget remains available for use of "excise products", which leads to slowdown of nominal growth for this type of income of individual i.e. government revenue on these basis.

Since the consumption of every excise product has its own logic and certain rules, we present you with "general" analysis of excise revenues by type of excise for the period from 2005 to 2008 (at six month level)³. We would like to mention that current Law on excise in BiH is in force since January 1st, 2005 (Official Gazette of BiH 62/04). We will do in depth analysis of individual types of this revenue in next issues of the bulletin.

Excise on oil and oil derivatives

During the period observed, there was slowdown in growth of excise on oil and oil derivatives. So, in the end of first half of 2008, these revenues increased only by 2.9% compared to the same period last year.

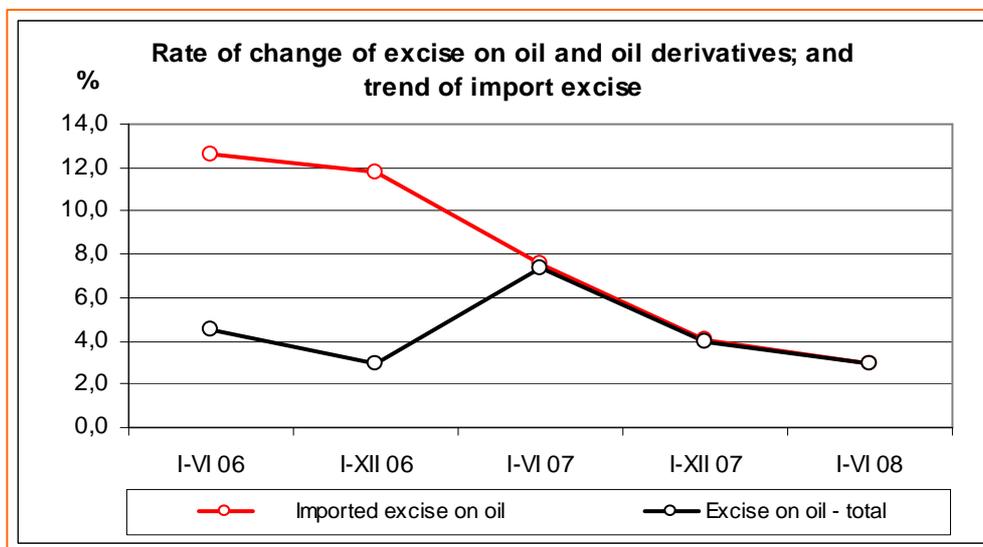


Chart 7 (Table 1): Trend of excise on oil; domestic and imported

Table 1.

(yt / yt-1)	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Excise on oil - total	4,5	3,0	7,3	4,0	2,9
Imported excise on oil	12,6	11,8	7,6	4,1	2,9

From the table 1, we can see that domestic excise on oil and oil derivatives disappeared although it never had significant share in the structure of this excise.

From the table 2, we can see the significance of oil excise ranged from 47.3% to 51.3%. On basis of data available, our estimates are that the significance of this type of excise will grow by the end of this year.

³ Comparations in this analysis are made in the following way : period January-June has been compared with the same period of the previous year. Also, January-December period of the current year has been compared with the corresponding period of the previous year.

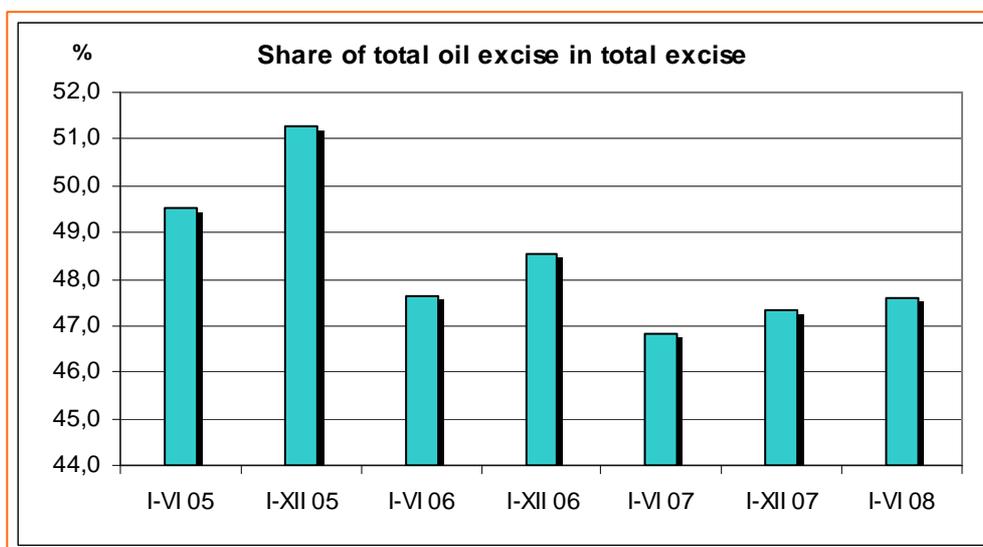


Chart 8 (Table 2): Significance of excise on oil

Table 2.

	I-VI 05	I-XII 05	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Share of total oil excise in total excise	49,5	51,3	47,6	48,5	46,8	47,3	47,6

Excise on tobacco and tobacco products

Chart 9 clearly shows simultaneous slowdown in growth of both import and domestic excise and latter one enters negative zone. However, there was growth of 1.3% in the first six months of this year.

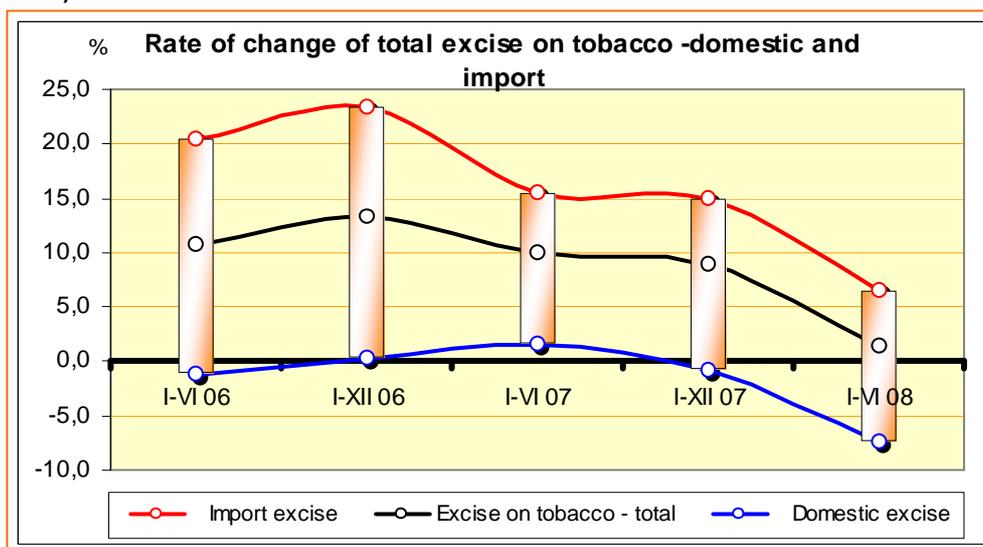


Chart 9 (Table 3): Trend of excise on tobacco; domestic and imported

Table 3

(y_t / y_{t-1})	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Excise on tobacco - total	10,7	13,3	9,9	8,8	1,3
Domestic excise	-1,2	0,2	1,5	-0,8	-7,5
Import excise	20,3	23,4	15,6	14,9	6,4

When we compared collected excise, value and quantity of imported tobacco and tobacco products, we can conclude that there is an increase in consumption of cheaper tobacco, which leads to lower collection of excise for the same quantity.

From the table 4, we can see that the significance of tobacco excise increased during the period observed.. We assume that this trend will continue i.e. share of tobacco excise in the end of the year will be 38+%. We also see that the tobacco excise follows total excise.

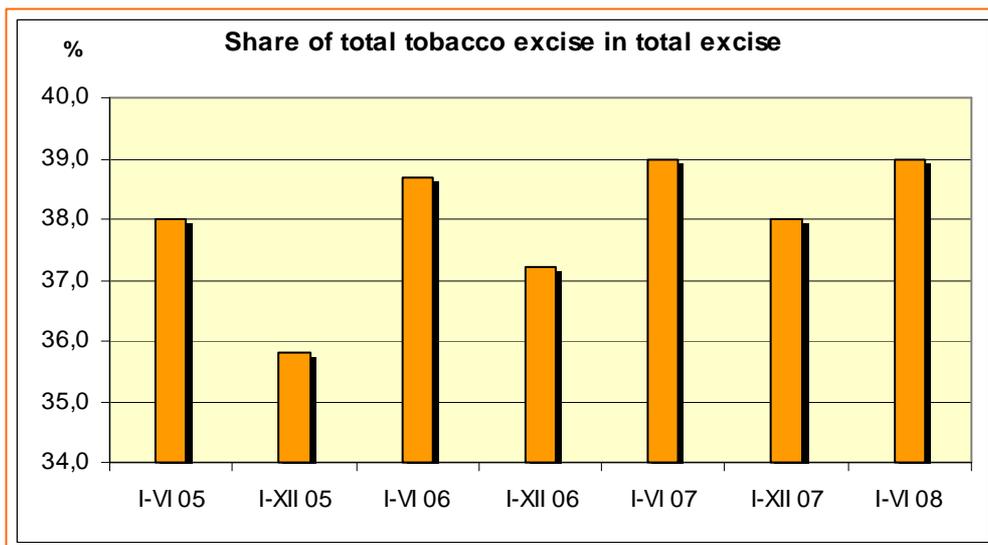


Chart 10 (Table 4): Significance of tobacco excise

Table 4

	I-VI 05	I-XII 05	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Share of total tobacco excise in total excise	38,0	35,8	38,7	37,2	39,0	38,0	39,0

In the table 5, we see higher share of import excise in total excise. So, in the end of observed period, share of import excise is almost 2/3, while domestic excise decreased from 44.9% to 33.8%.

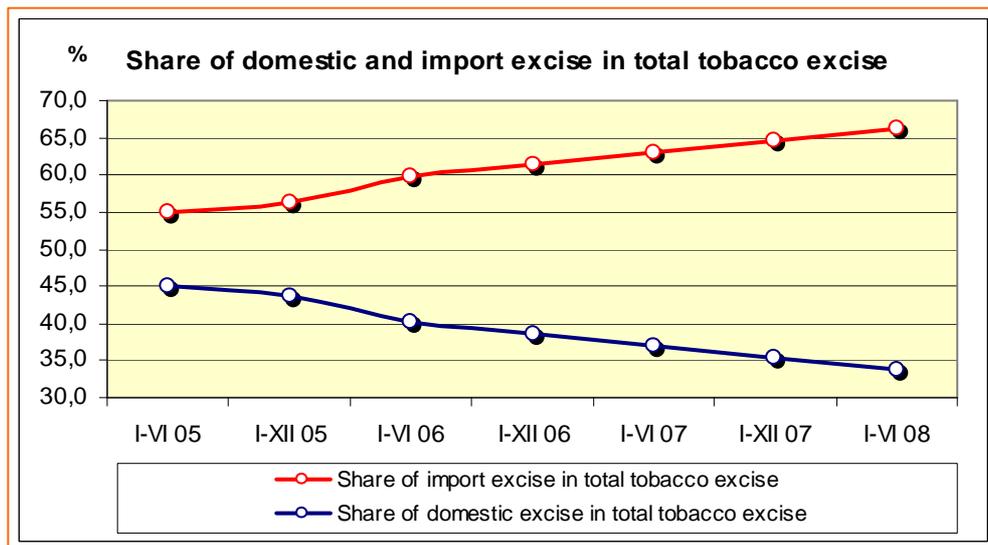


Chart 11 (Table 5): Significance of domestic i.e. import excise

Table 5

	I-VI 05	I-XII 05	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Share of domestic excise in total tobacco excise	44,9	43,8	40,1	38,7	37,0	35,3	33,8
Share of import excise in total tobacco excise	55,1	56,2	59,9	61,3	63,0	64,7	66,2

Excise on beer, wine and alcohol

From the table 6, we can see that the excise on these products was “negative” for the first time. At the same time, there is large decrease of domestic excise and significant slowdown of import excise. The result of these two trends is decrease of this type of excise by 5.1% for the period I-VI 2008.

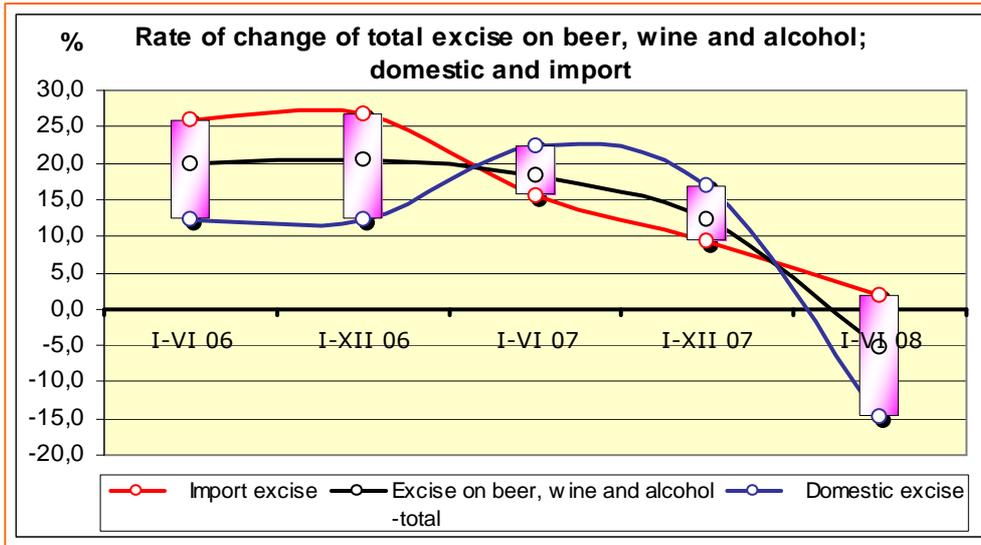


Chart 12 (Table 6): Trend of excise on beer, wine and alcohol; domestic and import

Table 6

(yt / yt-1)	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Excise on beer, wine and alcohol - total	19,9	20,4	18,3	12,3	-5,1
Domestic excise	12,2	12,3	22,3	16,8	-14,7
Import excise	25,8	26,8	15,5	9,2	1,8

Even when we look preliminary data for the first 8 months (available at the time when this article was written) we conclude that there will be decrease of this type of excise in the end of the year.

From chart 13, we can see more and less balances share of this excise in total excise revenues. However, the last period showed slight decrease of this type of excise. In the end, we can expect share of this type of excise of about 10%.

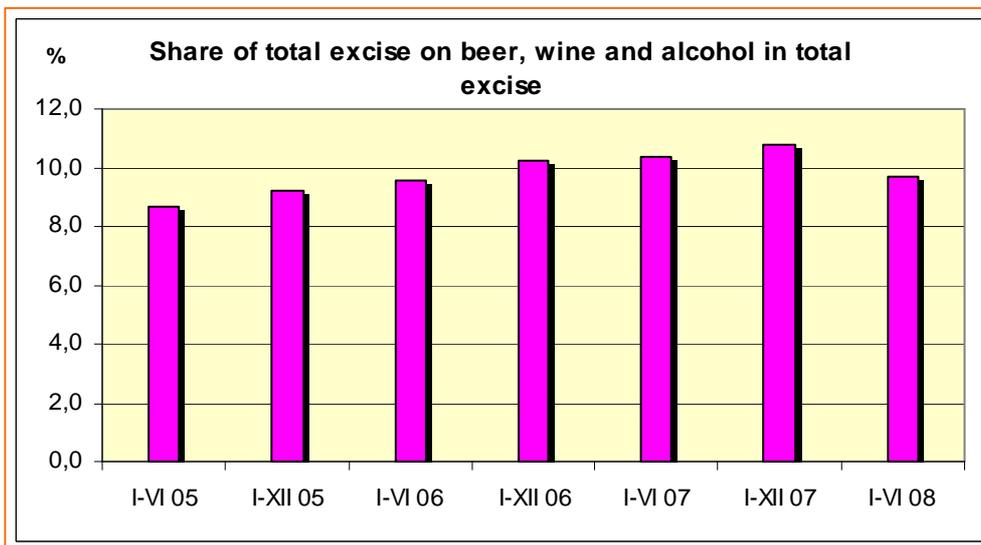


Chart 13 (Table 7): Significance of excise on beer and alcohol

Table 7

	I-VI 05	I-XII 05	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Share of total excise on beer, vine, and alcohol in total excise	8,7	9,2	9,6	10,2	10,4	10,8	9,7

In the end of observed period, there was more rapid change in significance of import excise, so it went above limit of 60% for the first time and it was 62.1%. In other hand, there was decrease in collection of domestic excise

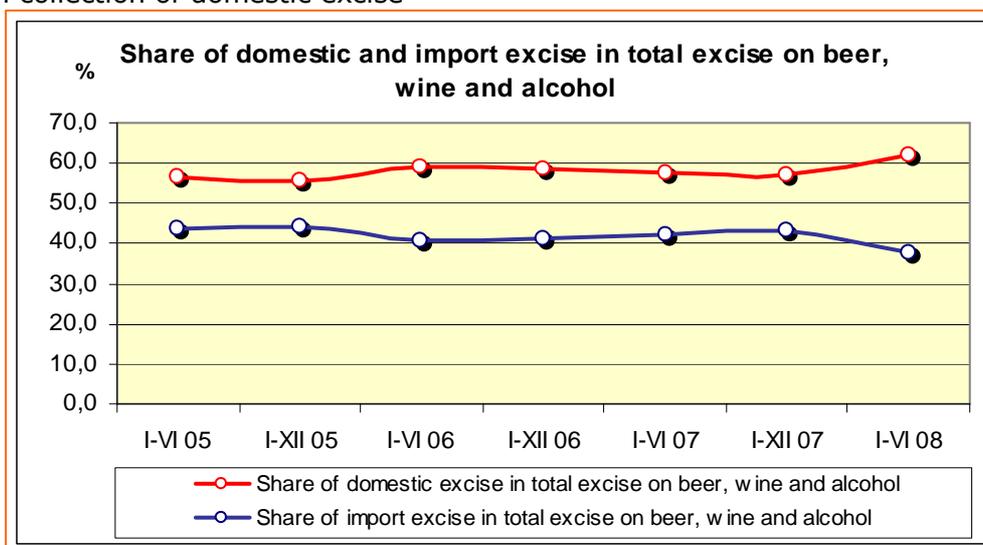


Chart 14 (Table 8): Significance of domestic i.e. import excise

Table 8

	I-VI 05	I-XII 05	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Share of import excise in total excise on beer, wine and alcohol	56,4	55,6	59,2	58,6	57,8	56,9	62,1
Share of domestic excise in total excise on beer, wine and alcohol	43,6	44,4	40,8	41,4	42,2	43,1	37,9

Excise on coffee

We can notice that there was slowdown in growth of total excise on coffee, which entered negative zone in 2008 i.e. there was decrease in collection of this type of excise. Domestic excise is decreasing much faster than import excise.

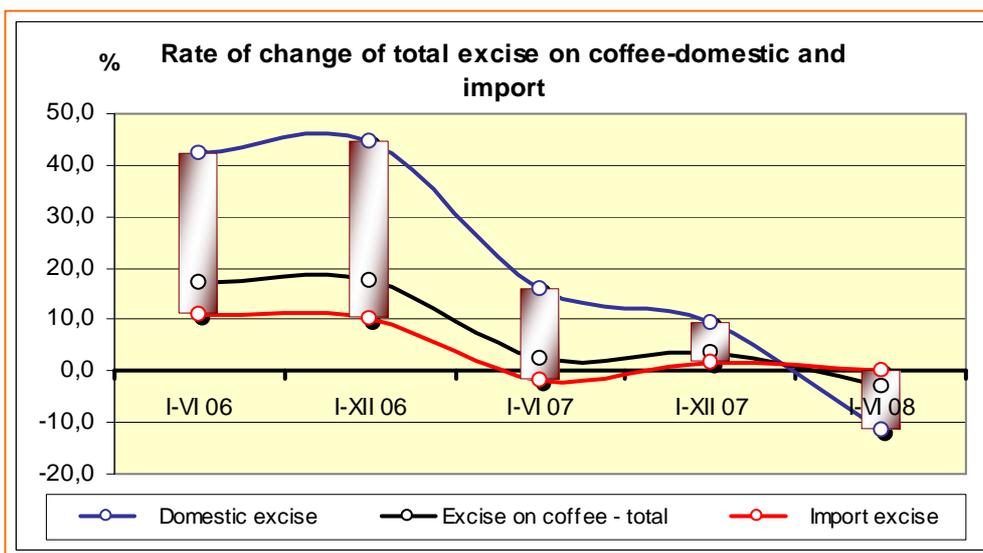


Chart 15 (Table 9): Trend of excise on coffee; domestic and import

Table 9

(yt / yt-1)	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Excise on coffee - total	17,2	17,6	2,6	3,7	-3,1
Domestic excise	42,1	44,7	15,8	9,3	-11,6
Import excise	10,9	10,3	-1,7	1,7	0,1

According to the data available, we estimate that the collection of coffee excise will be 2-3% lower in the end of 2008 compared to the last year.

From the table 10, we can see that the significance of coffee excise did not rapidly change i.e. it ranged in the interval from 3.7 to 4.0%. We assume that this trend will continue and the share of coffee excise will be in this range in the end of the year.

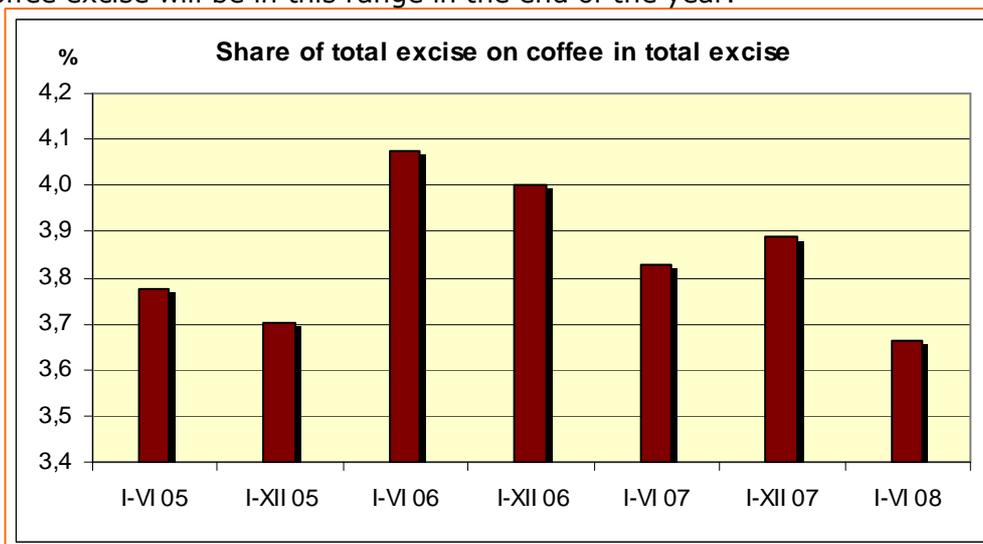


Chart 16 (Table 10): Significance of coffee excise

Table 10

	I-VI 05	I-XII 05	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Share of total excise on coffee in total excise	3,8	3,7	4,1	4,0	3,8	3,9	3,7

Import excise with the share of 72.5-80.0%, dominantly influences and shapes total coffee excise. After slight decrease in the share in 2007, relative share of import excise has started to grow and it is about 75%.

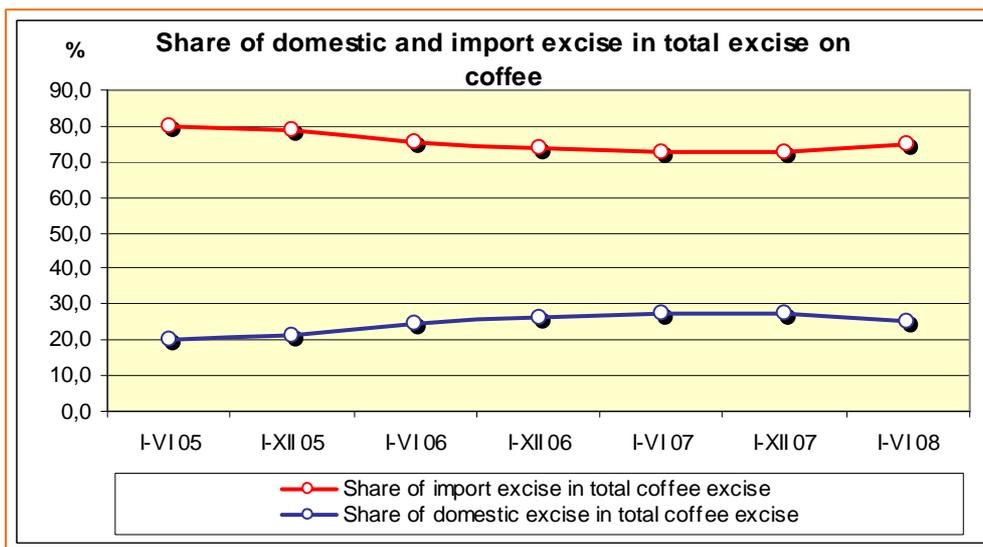


Chart 17 (Table 11): Significance of domestic i.e. import excise

Table 11

	I-VI 05	I-XII 05	I-VI 06	I-XII 06	I-VI 07	I-XII 07	I-VI 08
Share of domestic excise in total coffee excise	20,1	21,1	24,4	26,0	27,5	27,4	25,1
Share of import excise in total coffee excise	79,9	78,9	75,6	74,0	72,5	72,6	74,9

Conclusion

On previous couple of pages, we presented trends in collected excise by most significant types. Overall, there is significant slowdown in growth of these revenues, which amounts only 1.23% in the first 6 months of this year compared to the same period last year. If we also mention significant slowdown in the second half of 2007, we can conclude this is the consequence of fundamental changes in domestic and international economic system. Once again, we should underline that slowdown in growth of excise revenues will have the same effect on allocative share of VAT. If also add significant decrease in collection of customs duties as direct consequence of the process of BiH accession to single European market, this obliges fiscal authorities of the country to pay additional attention to analysis of cause for such trends of these public revenues primarily due to their importance. It is also important to mention that single market of EU has not yet finalized regulations that regulate this area. In the light of obligations of BiH as it progresses to EU, we should present basic features of European directives, which regulate this area of public finance and thoughts in direction of future solutions. This should be done in some future issues of the Bulletin.

Financing Cantons in the Federation of BiH

(Author: Aleksandra Regoje, Macroeconomist in the Unit)

Introduction

Federation of BiH has decentralized fiscal structure. It comprises of ten federal units i.e. cantons. Local governance is organized in municipalities (78) and cities (2). Constitution of F BiH divides competencies between federal and cantonal authorities. The Constitution regulates exclusive competencies of BiH Federation, joint competencies of BiH Federation and cantons, and exclusive cantonal competencies. Cantons have exclusive competencies for educational and cultural policy, implementation of social policy and establishment of social welfare services, regulation and provision of public services, housing policy, making regulations in use of local land, making regulations related to improvement of local business operations, determining policy in regards to provision of radio and TV services, and other competencies provided by the Constitution of F BiH.

Every canton is authorized to delegate its powers to municipality and city in its territory or to Federal authorities. Canton may delegate competencies to municipality or city in regards to education, culture, tourism, local business operations, humanitarian activities, radio and TV services. Canton is obliged to do this if majority of population (in terms of ethnic composition) in that municipality or city is different than majority of population in canton (in terms of ethnic composition).

Cantons adopt their own budget and collect revenues on different bases. Cantonal governments have restricted fiscal autonomy in terms of making their own regulations that related to the collection of certain types of revenues. In other hand, most of revenues is regulated at F BiH level i.e. by the Law on allocation of public revenues in BiH Federation. Cantonal revenues represent about 49% of consolidated revenues in F BiH⁴, and the other share belongs to F BiH Government (about 36% of consolidated revenues) and municipalities (about 15% of consolidated revenues of F BiH).

Cantonal sources of financing

Cantons get the following categories of revenues:

- 1) Revenues from indirect taxes from the Single Account (49,7% of revenues that belong to F BiH after allocation of funds for servicing foreign debt⁵),
- 2) Profit tax⁶,

⁴ Data of the Unit, Consolidated report for F BiH (excluding extra-budgetary funds) for 2007.

⁵ Law on changes and amendments of the Law on allocation of public revenues in F BiH; Official Gazette of FBiH no. 43 dated July 14th, 2008.

- 3) Wage tax (71,5% of total collected tax in the canton),
- 4) Fees and taxes, monetary and other fines in accordance with cantonal regulations,
- 5) Revenues from natural resources owned by canton.

Table 12. Cumulative review of cantonal revenues in the period 2006-2007.

		In million KM		Index	in % of total revenues	
		2006	2007	07/06	2006	2007
1	Revenues (11+12+13+14)	1.696,99	1.887,73	111	100,0%	100,0%
11	Revenues from taxes	1.504,44	1.657,78	110	88,7%	87,8%
	Profit tax from individuals and companies	68,53	85,05	124	4,0%	4,5%
	Taxes on wage and labor	158,26	180,46	114	9,3%	9,6%
	Revenues from indirect taxes	1.269,38	1.377,59	109	74,8%	73,0%
	Other taxes	8,28	14,69	177	0,5%	0,8%
12	Non-tax revenues	160,45	183,11	114	9,5%	9,7%
13	Grants	32,09	46,64	145	1,9%	2,5%
14	Other revenues	0,02	0,19	1.160	0,0%	0,0%

Basic source of cantonal revenues are tax revenues i.e. revenues from indirect taxes. Out of total current revenues, tax revenues represent about 87,8%⁷, while indirect taxes represent about 73% of total, i.e. over 80% of cantonal tax revenues (Chart 18).

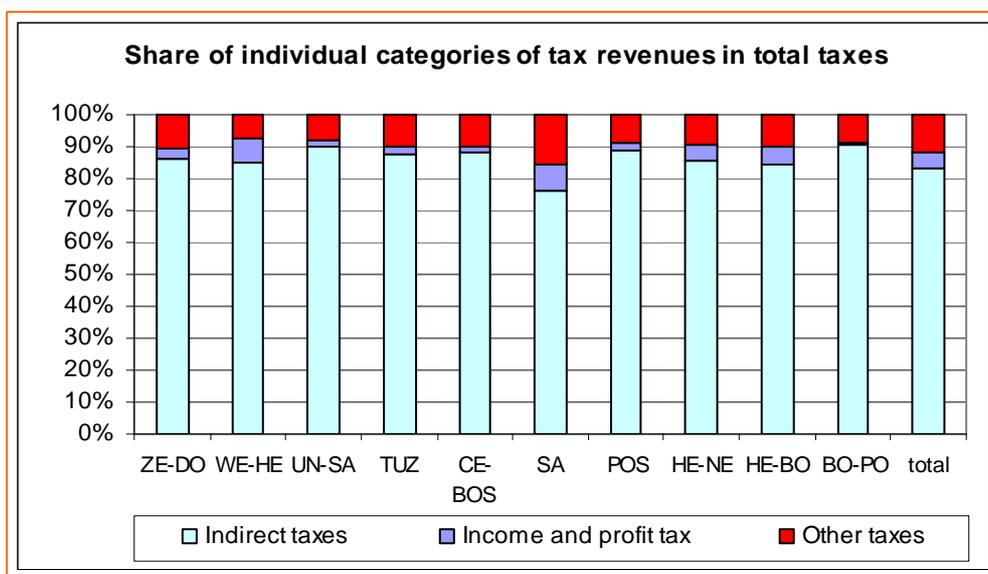


Chart 18. Share of individual categories of tax revenues in total taxes

According to the data of the Unit, total revenues (without capital gains and financing assets) showed the growth of 11% in 2007. Tax revenues increased by 10% and non-tax revenues by 14%. The grants increased by about 45% compared to previous year.

Allocation of revenues from indirect taxes

Up to the moment when the Law on allocation of public revenues in F BiH was passed in June 2006, mechanism for allocation of shared taxes was based on derivation, which means that the taxes collected in canton were kept by the canton and allocated to municipalities according to cantonal regulations. The results of such allocation were significant disparities in amount of cantonal revenues, due to different capacities of cantonal economies. Up to the introduction of

⁶ Except profit tax that belongs to the Federation in accordance with the Law on allocation of public revenues in F BiH (FBiH, Article 4 b)

⁷ Source: MAU data for 2007

new allocation formula, allocation of resources was primarily based on location of economic activities.

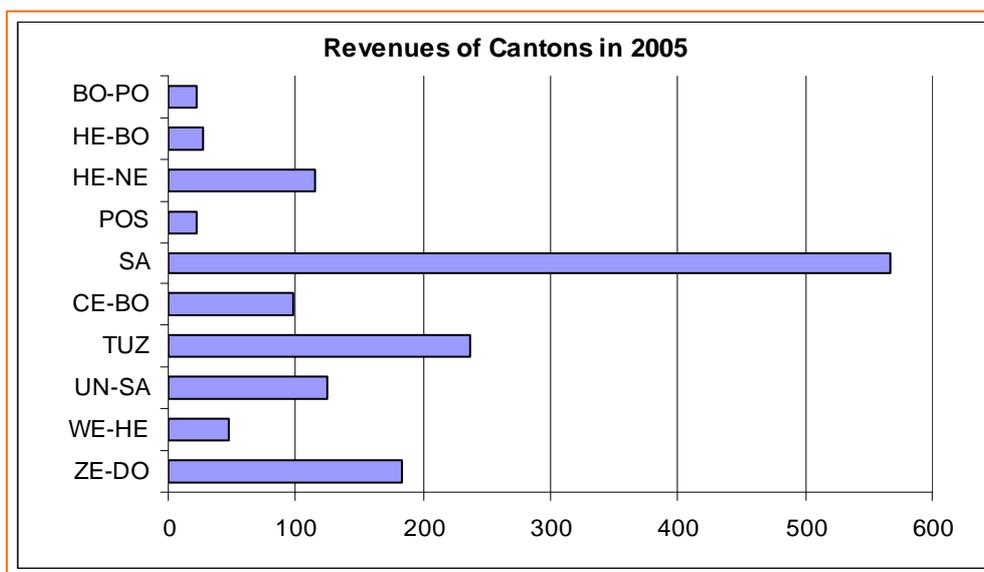


Chart 19. Revenues of Cantons in 2005⁸

Horizontal fiscal imbalance refers to differences in fiscal capacities for financing expenditures for the same level of government. New law introduces formula for allocation of revenues from the Single Account, which brings first effects of horizontal fiscal harmonization. Just as for municipalities, the formula is being introduced gradually during six year period in order to avoid budget shocks.⁹ Allocation scheme in transitional period until final introduction of formula contains ponder of historical share in sales tax – a (i), and also “demographic” ponder, i.e. ponder for individual share of cantons in total cantonal revenues passed by this Law – b(i).

Ponder of historical share in revenues from sales tax during the period of introducing formula is decreasing and ponder of share that canton has after application of allocation formula gradually increases and it amounts to 1 in the end of six year period.

Table 13. Allocation scheme in the period of 6 years

Year 1	$X(i) = a(i) * 0,9 + b(i) * 0,1$
Year 2	$X(i) = a(i) * 0,7 + b(i) * 0,3$
Year 3	$X(i) = a(i) * 0,5 + b(i) * 0,5$
Year 4	$X(i) = a(i) * 0,3 + b(i) * 0,7$
Year 5	$X(i) = a(i) * 0,1 + b(i) * 0,9$
Year 6	$X(i) = b(i)$

Final formula for allocation after transitional period – b(i), regulates individual cantonal share in allocation of revenues from indirect taxes as follows:

- 1) 57% based on population,
- 2) 6% based on size/area,
- 3) 24% based on number of students in primary schools,
- 4) 13% based on number of students in high schools in the canton.

⁸ Source: Hajrudin Hadžimehanović, „Collected public revenues in cantons in the period 2005-2007.g”, „Računovodstvo i poslovne finansije” No. 5, FEB, Sarajevo, May 2008, pages 3-7.

⁹ More information on introduction of the formula for allocation of indirect taxes in municipalities in the bulletin no. 28-29

The formula contains special coefficient for expenditure needs of cantons with lowest revenues per capita from sales tax and it is 1,8 for Bosna Podrinje Canton, and 1,1 for Herceg-Bosanski Canton.¹⁰ It also contains coefficient for special expenditure needs of Sarajevo Canton. This coefficient is 2.

Horizontal fiscal harmonization

Chart 20. shows calculated coefficients of allocation of revenues from indirect taxes for cantons as they were published in the Instruction on share of cantons and units of local governance in revenues of indirect taxes. Shares of cantons: Sarajevo, Posavina, Herzegovina- Neretva, West-Herzegovina Cantons gradually decreases and share of other cantons gradually increases.

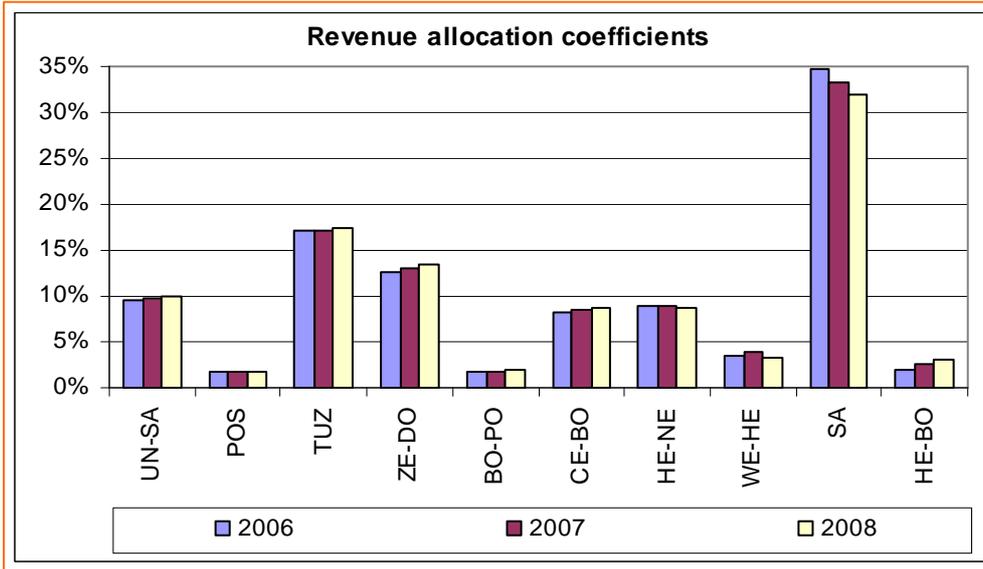


Chart 20. Revenue allocation coefficients

From the chart 21, it is possible to see first effects of the introduction of formula for horizontal fiscal harmonization of revenues from indirect taxes.

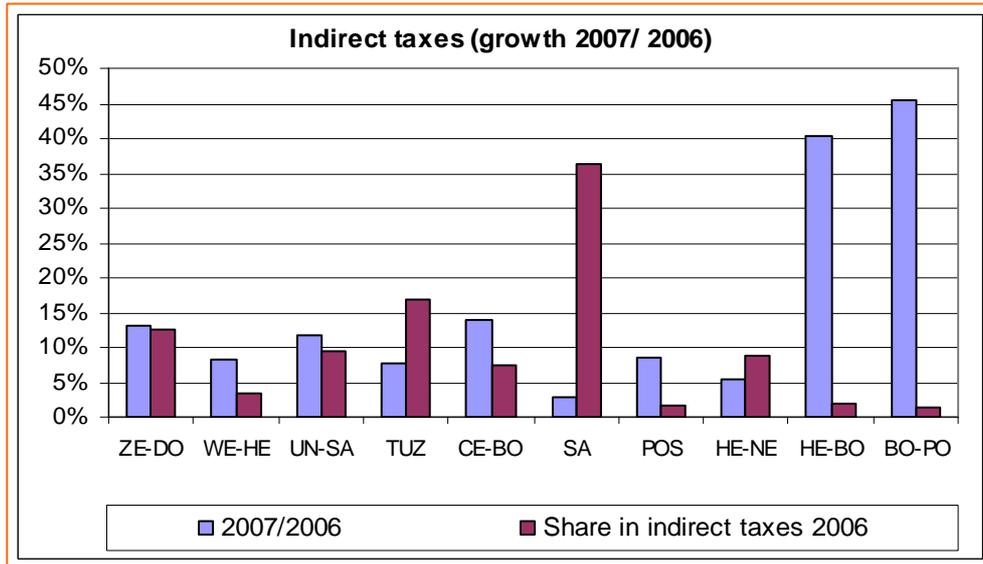


Chart 21. Indirect taxes (growth 2007/ 2006)

Source: OMA

¹⁰ In application of the formula from the Law on allocation of public revenues in F BiH, Posavski, Bosansko-podrinjski and Herceg-bosanski Cantons (cantons with lowest revenues from sales tax per capita), ponder for historical share in sales tax is historical share that each of these cantons had in revenues from sales taxes from all cantons increased by transfers to cantons and lower levels, which were allocated from the Federation budget in 2005.

Cantons with lowest share of indirect taxes in total cantonal indirect taxes, had highest increase of aforementioned revenues in 2007 compared to 2006. So, according to the Unit's data, increase of indirect taxes in Bosansko-Podrinjski and Heceg-Bosanski cantons were over 40% in 2007 compared to previous year. As mentioned earlier, these cantons had lowest revenues from sales tax per capita¹¹ in 2005, and they have special coefficient for expenditure needs according to new system of allocation. In other hand, in Sarajevo Canton, which gets highest share of cantonal indirect taxes had lowest increase of these revenues in 2007, although the formula has special coefficient for this canton too.

Chart 22 shows increase of cantonal revenues per capita in the last two years, as well as share of population of the canton in total population of F BiH. The cantons with lower population had higher increase of total revenues in comparison to base year of 2005.

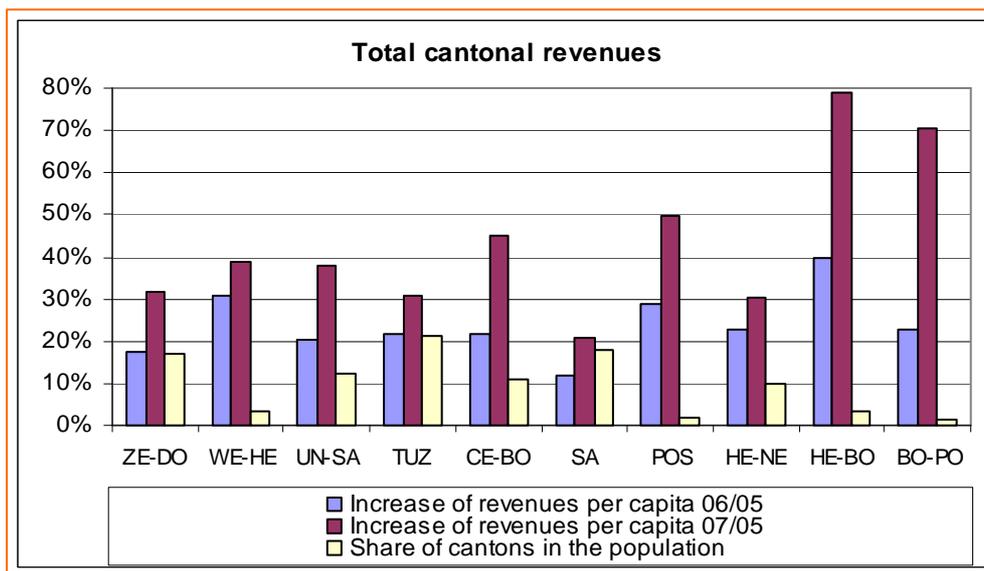


Chart 22 Total cantonal revenues¹²

Conclusion

Up to the introduction of new way for allocation, there was no system for horizontal fiscal harmonization in F BiH. New formula for the allocation of revenues from indirect taxes introduces transparent and predictable flow of allocation and brings first effects of harmonization. The purpose of horizontal harmonization is "fixing" fiscal imbalance and providing citizens in different cantons either same or similar access to public services for the same tax burden.

In the past two years, most significant increase of revenues was in the cantons that had lowest revenues from indirect taxes per capita prior to the introduction of this formula. Fiscal capacities of small and undeveloped cantons are gradually strengthening, and urban and richer cantons are experiencing decreasing amount of available funds in the allocation.

We should bear in mind that the analysis of two year period is not long enough for detailed analysis of effects of new way for allocation of revenues from indirect taxes. We will be able to review final effects upon expiration of six year period, when the allocation is going to depend primarily on factors prescribed by new formula.

¹¹ For the purpose of calculation, we took estimates of populations that were used for calculation of coefficients for allocation of indirect taxes.

¹² Source: Federal Institute of Statistics and H. Hadžimehanović, Ibid.

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Instrument for pre-accession Assistance - IPA

(Author: Mirela Kadić)

Introduction

Instrument for Pre-Accession Assistance – IPA is pre-accession program for the period from 2007 to 2013, which replaces five programs that were present so far: CARDS, Phare, ISPA, Instrument for Turkey and SAPARD. In this way, new pre-accession instrument has uniform legal base.

Basic objectives of IPA program are to provide candidate countries¹³ and potential candidate countries a possibility to harmonize legislation with EU *acquis communautaire*, implementation of harmonized legislation and preparations for use of funds that will be available to candidate countries¹⁴ and potential candidate countries once they become EU member states (structural and agricultural funds, Cohesion fund).

IPA program was established by EC Council Regulation no. 1085/2006 dated 17.06.2006, which established IPA¹⁵ and EC Commission Regulation 718/2007 dated June 12, 2007, which implements the Regulation of EC Council no. 1085/2006¹⁶.

For the purpose of more efficient application of IPA basic objectives, the program is divided in five components:

1. Transition Assistance and Institution Building- IPA TAIB
2. Cross Border Cooperation- IPA CBC
3. Regional Development
4. Human Resources Development
5. Rural Development

Candidate countries are entitled to use funds through all five components, while Bosnia and Herzegovina as potential candidate country may use funds through the first two components.

According to the Component I, assistance may be provided for the following:

- a. Strengthening democratic institutions and rule of law,
- b. Promotion and protection of human rights, especially rights of minorities
- c. Reform of public administration, reform in the field of justice and internal affairs, legal system, judiciary, customs and border control system, fight against corruption, terrorism, illegal migrations
- d. Strengthening market economy
- e. Civil society development
- f. Establishment of social dialogue
- g. Policy on environmental protection
- h. Improved access of small and medium enterprises to the market
- i. Building institutions in the field of nuclear safety
- j. Participation in the Community programs that are directed towards raising awareness on European citizenship

According to the Component II, the assistance is provided for the following:

- a. Promotion of sustainable economic and social development in border regions
- b. Joint efforts on resolving challenges in the fields such as environment, natural and cultural heritage, public health and prevention of organized crime
- c. Ensuring safe and efficient borders.

¹³ Croatia, Macedonia, Turkey

¹⁴ Albania, Bosnia and Herzegovina, Monte Negro, Kosovo under UNMIK, Serbia

¹⁵ http://eur-lex.evropa.eu/LexUriServ/site/en/oj/2006/l_210/l_21020060731en00820093.pdf

¹⁶ http://eur-lex.evropa.eu/LexUriServ/site/en/oj/2007/l_170/l_17020070629en00010066.pdf

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Main strategic papers

Main strategic papers for IPA program are:

- **European Partnership** (for potential candidate countries),
- **Accession Partnership** (for candidate countries)
- Annual **Reports on progress**
- **Strategy paper**
- **Multi-annual Indicative Planning Document-MIPD**
- **Multi-annual Indicative Financial Framework-MIFF**

European Partnership

The Council concludes European Partnership for every potential candidate country and it determines priorities for each sector in terms of transposition of European legislation of the Community (*acquis communautaire*), priorities for providing the assistance from European Community and requirements for receiving the financial assistance. Documents determine priorities in details that every country has to pay attention to in preparations for accession, especially in application of *acquis communautaire*. These documents are revised annually on basis of annual reports on progress, which are regularly submitted to the Council by European Commission. Candidate countries conclude **Accession Partnerships**.

European Commission reports on progress

European Commission regularly submits to the Council the reports on progress in candidate country or potential candidate country, in regards to the so called "road to the EU", with special focus on implementation and strengthening standards of EU. The reports are used as source of information required for making decisions on following steps and they can serve as basis for funding future projects through EU programs.

Strategy paper contains comprehensive policy of European Commission in terms of expansion to candidate countries and potential candidate countries. It is published annually. Strategy paper for each country emphasizes main features of achieved success, it determines priorities for certain reporting periods and it provides recommendations for future development of European Commission strategy in terms of expanding and stabilization and association process.

Multiannual Indicative Financial Framework- MIFF

MIFF is the document of European Commission, which represents a link between EU expansion strategy and process of planning and preparing budget allocation in EU, intended for the support of expansion process. It represents indicative overview of funds for IPA programs per countries and components.

Table 14. Multiannual indicative financial framework – MIFF for BiH 2009-2011 (In million EUR)

MIFF 2009-2011 for BiH (in million EUR)¹⁷	2007	2008	2009	2010	2011
Transition assistance and institution building	58,1	69,9	83,9	100,7	102,7
Cross border cooperation	4,0	4,9	5,2	5,3	5,4
Total:	62,1	74,8	89,1	106,0	108,1

¹⁷ MIFF 2009-2011 represents revision of previous (first) framework for BiH that EC prepared for the period 2007-2010.

Multiannual Indicative Plan Document-MIPD

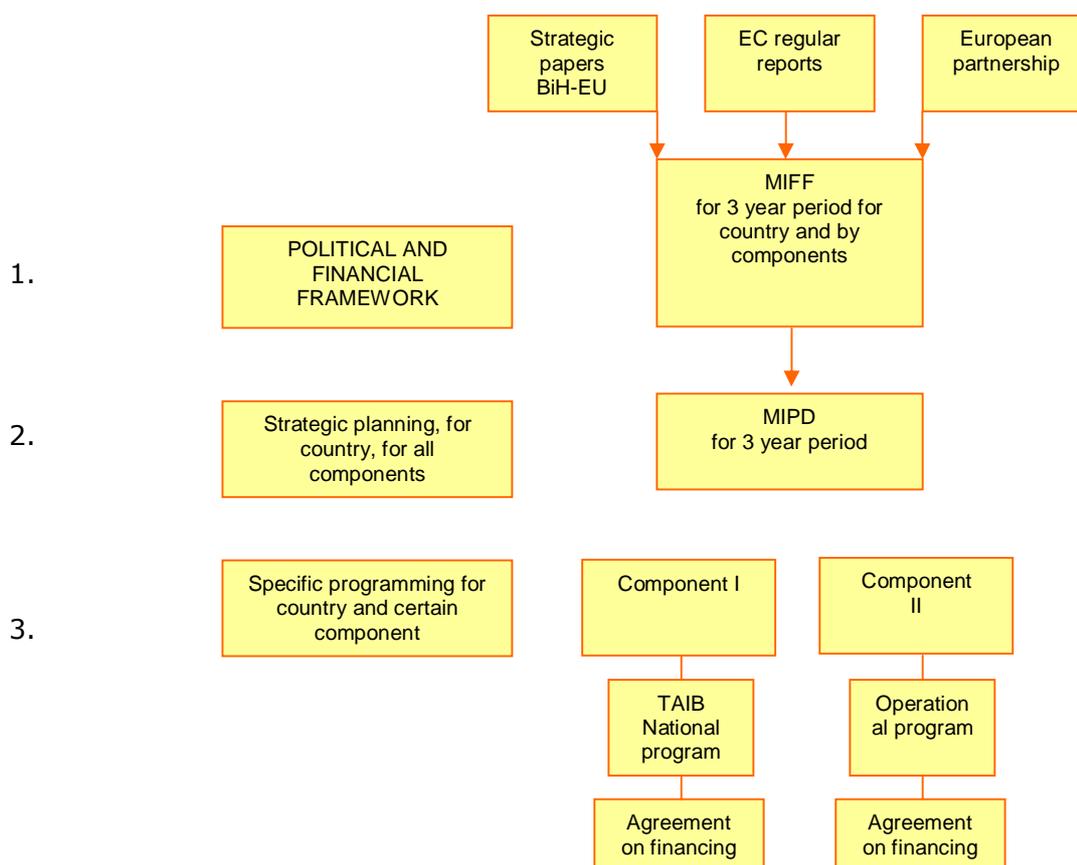
On basis of MIFF, European Commission in year N-1 prepares MIPD for individual countries. From European Commission's point of view, MIPD represents a key strategic document that determines the most important fields for intervention and priorities that country-beneficiary should pay attention to in preparation of its program documents. In preparation of current MIPD, Directorate for European Integrations and European Commission consulted representatives of BiH authorities, civil society actors, and representatives of international community in BiH (OHR/EUSR, UNDP, WB, EBRD), and it determined key priorities through three areas. These areas are: political conditions, socio-economic conditions and European standards.

We should underline that basic area for intervention and priority as part of improving socio-economic conditions is capacity building and support to Macroeconomic Analysis Unit of ITA Governing Board as the institution that is responsible for economic analysis and revenue projections¹⁸.

MIPD and MIFF cover three year period, and both documents are subject to annual revisions that European Commission submits to IPA Management Committee for consideration.

Basic mean for assessment of fulfillment of objectives set in MIPD will be annual *Reports on achieved progress*.

Hierarchy of strategic papers in IPA program



¹⁸ More information on this: *Commission Decision C(2007) 2255 of 01/06/2007 on a Multi-annual Indicative Planning Document (MIPD) 2007-2009 for Bosnia and Herzegovina*, pp. 17-18.

IPA annual programming in BiH

According to the regulation of EC, no. 718/2007 dated June 12, 2007, on implementation of IPA program, coordination of assistance can be done in the following ways:

- a. Decentralized management
- b. Centralized management (regional and horizontal program as part of component I and as part of the component for cross border cooperation)
- c. Joint management (for programs that also include international organizations)
- d. Divided management (as part of the component for cross border cooperation, for programs that include state members)

In Bosnia and Herzegovina, IPA programs are managed by competent through "Decentralized system of management (DIS)". It represents the system of administrative bodies and standard procedures established and used within the body of state administration because of managing phase for implementation of project cycle¹⁹.

Basics of the system requires:

1. Establishment of **National fund (NF)**, that European Commission allocates program funds;
2. Appointment of **National Authorizing Officer (NAO)**, who is responsible for managing aforementioned funds;
3. Establishment of **Implementing Agency (PA)** to which National fund allocates program funds and it is responsible for tendering, contracting, payments from program funds;
4. Appointment of **Program Authorizing Officer (PAO)** who is responsible for managing activities of implementing agency;
5. Appointment of **Senior Program Officer (SPO)** in competent institutions that are in charge of providing good technical support to activities of the programs and its results;
6. Appointment of **National Program Coordinator** who is responsible for coordination of programs and supervision of implementation efficiency.

Directorate for European Integrations in BiH (DEI), as a national coordinator for EU assistance in cooperation with EC Delegation is in charge of implementation of IPA programming process. It carries out consultations and other activities related to agreement on MIPD. On basis of priorities set in this way, the process is then carried out in two phases²⁰:

1. Preparation of projection ideas

- o Informing the Council of Ministers on process of IPA programming
- o Call for proposals
- o Identification of project ideas and their elaboration (from institution)
- o Delivery of logical framework matrixes and short description of projects in the form of draft in English (by institution) to DEI
- o Evaluation of project ideas (in accordance with special evaluation form) and forming initial list of projects in consultation with EC Delegation

2. Preparation of project fiches

- o Feedback from institutions in regards to evaluation of elaborated project fiches
- o Consolidation of the list of project fiches and preparation of draft project fiches
- o Evaluation of draft project fiches and consultations with EC delegation
- o Finalization of draft project fiches on basis of results of quality evaluation
- o Delivery of final draft of project fiches to the Council of Ministers for agreement
- o Delivery of final draft of project fiches to EC for formal approval

¹⁹ www.strategija.hr „Manual for IPA component: Transition assistance and institution building

²⁰ „Guidelines for annual programming for 2008 ", DEI, Sarajevo, December 2007.

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Consolidated Reports

(prepared by: Mirela Kadić, research assistant)

Table 15. (Consolidated report: BiH: SA and Entiteties)

The consolidated report includes:

- revenues from indirect taxes collected by the Indirect Tax Authority on the Single Account,
- transfers from the ITA Single Account for external debt servicing,
- transfers from the ITA Single Account for financing Brčko District, cantons, municipalities and Road Directorates,
- revenues of the budget of Bosnia and Herzegovina from the ITA Single Account,
- revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
- revenues and expenditures of the budget of the Republika Srpska.

Table 16. (Consolidated Report: BiH: State, entities, Brčko Distrikt, Cantons)

1. The consolidated report includes:

- revenues and expenditures of the budget of Bosnia and Herzegovina
- revenues and expenditures of the budget of Brčko District,
- revenues and expenditures of the budget of the Federation of Bosnia and Herzegovina,
- revenues and expenditures of the budget of the Republika Srpska,
- revenues and expenditures of the budget of 10 cantons in the Federation

2. Report includes amortization of foreign debt

3. 2007 year report is not fully comparable with previous year data because of separation of Health insurance fund of Brcko District as an independent financial institution.

4. May and June data for Tuzla Canton are estimated

Table 17. (Consolidated Report: FBiH: Budget FBiH, Cantons, Municipalities)

1. The consolidated report includes:

- revenues and expenditures of the budget of the FBiH,
- revenues and expenditures of cantonal budgets in FBiH,
- revenues and expenditures of municipal budgets in FBiH

2. Report includes foreign debt amortization

3. Data for the following municipalities are estimated:

Drvar, Ravno, Kupres, Bos.Grahovo and Glamoč (all months);

Široki Brijeg (April, May and June),

Pale-Prača, Mostar (grad), Neum i Tomislavgrad (June)

Table 18 and 19. (Consolidated reports: Cantons)

Consolidated report includes:

- revenues and expenditures of the cantonal budgets,
- revenues and expenditures of the budgets of related municipalities.

BiH: entities, SA, I-VII, 2008

		I	II	III	IV	V	VI	VII	Q1	Q2	Q3	Total
1	Current revenues	411,9	381,9	482,2	490,3	457,4	476,0	558,9	1276,0	1423,7	558,9	3258,5
11	Taxes	386,5	354,6	444,9	465,0	437,4	432,8	502,5	1186,0	1335,3	502,5	3023,7
111	Indirect taxes	370,2	325,0	405,8	424,6	415,1	409,4	479,2	1101,0	1249,1	479,2	2829,3
	VAT	247,3	183,8	257,3	260,5	256,9	253,7	311,8	688,5	771,1	311,8	1771,4
	VAT on imports	149,5	200,9	217,0	234,0	222,7	228,6	246,4	567,4	685,3	246,4	1499,0
	VAT from VAT returns	128,9	100,4	94,8	100,0	102,4	109,4	124,0	324,0	311,7	124,0	759,7
	VAT from automatic assessment done by ITA	0,0	0,0	0,0	0,1		0,0	0,2	0,1	0,1	0,2	0,4
	One-off VAT payments	0,3	0,1	0,2	0,1	0,1	0,1	0,1	0,6	0,2	0,1	0,9
	Other	1,2	1,1	1,0	1,1	1,9	0,9	1,2	3,3	3,9	1,2	8,4
	VAT refunds	-32,6	-118,6	-55,7	-74,6	-70,2	-85,3	-60,1	-206,9	-230,1	-60,1	-497,1
	Custom duties	40,8	58,2	62,3	66,8	61,6	60,9	52,1	161,3	189,3	52,1	402,7
	Sales tax	0,5	1,5	0,9	0,7	1,7	0,9	0,9	3,0	3,2	0,9	7,1
	Excises	67,8	66,6	70,0	79,0	77,8	77,7	95,0	204,3	234,5	95,0	533,8
	on imports	53,9	55,0	57,9	65,9	64,2	64,0	76,9	166,8	194,2	76,9	437,9
	on domestic production	13,9	11,6	12,1	13,1	13,5	13,6	18,1	37,5	40,2	18,1	95,9
	Railroad tax	12,7	14,4	14,0	16,6	16,2	15,0	18,1	41,0	47,9	18,1	107,0
	Other	1,4	1,4	1,8	1,5	1,6	1,7	1,6	4,7	4,8	1,6	11,1
	Other refunds	-0,4	-0,9	-0,6	-0,7	-0,6	-0,3	-0,4	-1,8	-1,6	-0,4	-3,8
112	Direct taxes	16,3	29,6	39,1	40,4	22,3	23,3	23,3	85,0	86,1	23,3	194,4
	Income taxes	8,0	18,8	26,6	27,4	11,0	10,1	10,1	53,4	48,5	10,1	111,9
	Other tax revenues	8,3	10,8	12,5	13,1	11,3	13,3	13,3	31,6	37,7	13,3	82,5
12	Non-tax income	24,3	27,1	37,1	24,5	19,8	41,9	55,8	88,5	86,2	55,8	230,5
13	Other revenues			0,1		0,1	0,2	0,0	0,1	0,3	0,0	0,3
14	Grants	0,2	0,0	0,0	0,5	0,0	0,2	0,0	0,2	0,7	0,0	1,0
15	Transfers from other level of government	0,9	0,1	0,1	0,2	0,1	0,9	0,6	1,2	1,2	0,6	2,9
2	Current expenditures	305,0	400,2	427,7	490,2	447,9	514,1	500,1	1133,0	1452,2	500,1	3085,2
21	Consumption expenditures	48,5	68,7	85,7	80,4	77,2	99,0	55,8	202,9	256,6	55,8	515,2
211	Wages and compensations	45,2	61,0	68,5	67,1	65,9	86,4	42,7	174,6	219,4	42,7	436,6
212	Purchases of goods and services	3,3	7,7	17,2	13,2	11,3	12,6	13,1	28,3	37,2	13,1	78,6
22	Grants	13,7	53,5	64,6	79,5	68,5	95,9	107,6	131,9	243,9	107,6	483,3
	Transfers to households	10,7	48,5	43,4	56,1	50,3	67,2	58,1	102,7	173,6	58,1	334,4
	Transfers to institutions / organizations	0,3	1,2	5,9	5,1	8,9	6,1	11,8	7,4	20,1	11,8	39,3
	Subsidies	2,7	3,8	15,2	18,3	9,3	22,6	37,7	21,8	50,2	37,7	109,6
23	Interest payments	0,6	10,1	13,6	5,4	16,2	19,8	0,6	24,3	41,5	0,6	66,3
24	Other outlays	1,9	44,4	25,5	32,1	36,7	37,3	30,0	71,8	106,1	30,0	208,0
25	Transfers from Single Account	224,3	205,4	219,8	248,2	226,9	239,7	287,6	649,5	714,9	287,6	1652,0
	o/w : BiH Budget	51,6	51,6	61,5	57,6	52,3	54,9	60,2	164,8	164,8	60,2	389,8
	o/w: FBiH / Cantons, Municipalities, Road Fund	130,8	121,1	117,7	144,6	135,4	141,6	153,5	369,6	421,5	153,5	944,6
	o/w: RS / Municipalities, Road Fund	30,7	22,7	28,4	33,1	26,5	30,4	57,1	81,8	89,9	57,1	228,8
	o/w: Brcko	11,2	10,0	12,1	13,1	12,7	12,8	16,8	33,3	38,6	16,8	88,7
27	Transfers to lower levels of government	17,2	18,1	18,7	40,2	23,0	25,4	17,3	54,0	88,5	17,3	159,8
28	Net lending*	-1,3		-0,1	4,4	-0,7	-3,0	1,2	-1,4	0,7	1,2	0,5
3	Net acquisition of nonfinancial assets	4,7	4,7	8,4	13,3	6,5	19,3	17,4	17,8	39,2	17,4	74,3
4	Government surplus (+)/ deficit(-) (1-2-3)	102,2	-23,0	46,1	-13,3	3,0	-57,4	41,5	125,2	-67,7	41,5	99,0
5	Net financing**	-0,57	-1,4	-35,2	-9,0	-5,6	-8,2	-2,0	-37,2	-22,8	-2,0	-62,0

Table 15

BiH: State, entities, Brčko Distrikt, Cantons I-VI, 2008

		I	II	III	IV	V	VI	Q1	Q2	I-IV2008
1	Current Revenues (11+12+13+14)	423.907.208	419.784.845	483.068.613	556.052.141	468.257.540	492.318.927	1.326.760.666	1.516.628.608	2.843.389.274
11	Taxes	365.884.873	361.235.083	419.722.044	440.244.102	416.866.801	415.235.731	1.146.841.999	1.272.346.634	2.419.188.633
	Income & profit tax	18.111.809	24.534.333	35.964.793	33.784.658	16.942.525	14.625.211	78.610.934	65.352.394	143.963.328
	Taxes on personal income and self-employment	20.074.584	28.816.874	25.692.452	32.049.227	27.666.912	29.503.029	74.583.910	89.219.168	163.803.078
	Property tax	2.214.127	2.371.659	1.696.239	1.745.895	1.540.358	1.592.552	6.282.024	4.878.806	11.160.830
	Transfers from Single Account	324.480.548	303.963.832	351.223.953	371.126.040	367.071.633	366.170.524	979.668.334	1.104.368.198	2.084.036.532
	Other taxes	1.003.805	1.548.385	5.144.607	1.538.282	3.645.373	3.344.415	7.696.797	8.528.069	16.224.866
12	Non-tax revenues	56.389.160	56.103.965	61.220.330	54.319.749	41.839.545	74.319.795	173.713.455	170.479.088	344.192.543
13	Grants	1.513.148	2.389.365	2.060.368	61.486.462	9.491.686	2.549.234	5.962.881	73.527.382	79.490.263
14	Other revenues	120.027	56.432	65.872	1.828	59.509	214.167	242.331	275.504	517.835
2	Total expenditures (21+22+23)	316.069.687	365.838.658	372.739.333	464.218.454	437.559.660	519.302.783	1.054.647.678	1.421.080.897	2.475.728.575
21	Current expenditures	315.663.677	363.339.245	369.619.421	455.405.173	434.260.053	517.273.118	1.048.622.343	1.406.938.344	2.455.560.688
	Wages and compensations	173.384.001	176.831.289	177.108.249	192.306.714	190.971.870	222.179.051	527.323.539	605.457.635	1.132.781.174
	of which: Gross wages	148.023.904	150.109.364	150.336.024	160.421.313	159.989.620	178.313.438	448.469.291	498.724.370	947.193.661
	of which: Compensations	25.360.098	26.721.925	26.772.225	31.885.401	30.982.251	43.865.613	78.854.248	106.733.265	185.587.513
	Other taxes and contributions	8.231.021	8.469.281	8.339.164	9.448.301	9.533.401	11.737.430	25.039.465	30.719.132	55.758.597
	Purchases of goods and services	26.331.686	35.358.117	44.612.437	43.158.361	40.031.823	44.072.652	106.302.240	127.262.837	233.565.076
	Capital grants	103.187.783	128.793.738	133.192.342	204.691.714	177.314.487	219.284.062	365.173.863	601.290.262	966.464.125
	Interest	4.529.186	13.886.820	6.367.230	5.800.083	16.408.472	19.999.923	24.783.236	42.208.478	66.991.715
22	Other expenditures	2.064.457	2.196.423	2.900.735	4.780.059	4.064.912	3.160.173	7.161.614	12.005.143	19.166.758
23	Net lending**	-1.658.447	302.990	219.176	4.033.222	-765.305	-1.130.508	-1.136.280	2.137.409	1.001.129
3	Net acquisition of nonfinancial assets	9.660.446	7.610.028	10.375.184	20.352.056	18.210.327	31.135.413	27.645.658	69.697.796	97.343.453
4	Government surplus/deficit (1-2-3)	98.177.075	46.336.159	99.954.096	71.481.630	12.487.553	-58.119.268	244.467.330	25.849.915	270.317.246
	o/w: Budget BiH	13.817.144	14.049.039	15.602.204	74.188.927	6.565.687	4.307.858	43.468.387	85.062.472	128.530.859
	Budget FBiH	23.305.367	23.305.367	23.305.367	-4.776.926	-21.358.580	-35.505.954	69.916.102	-61.641.460	8.274.641
	Budget RS	15.800.917	6.605.654	40.768.827	-6.864.609	20.420.282	-14.474.776	63.175.398	-919.104	62.256.294
	Budget Brčko	9.640.785	6.021.473	4.387.102	4.552.184	3.846.646	4.390.262	20.049.361	12.789.092	32.838.453
	Cantons in FBiH	35.612.862	-3.645.374	15.890.596	4.382.054	3.013.519	-16.836.658	47.858.083	-9.441.085	38.416.998
5	Net financing ***	-11.358.160	-13.075.109	-12.188.258	-8.667.075	-5.753.114	-8.383.447	-36.621.527	-22.803.636	-59.425.164

Table 16

FBiH: Budget FBiH, Cantons, Municipalities, I-VI, 2008

		I	II	III	IV	V	VI	Q1	Q2	Total
1	Total revenues (11+12+13+14)	309.149.409	287.888.018	309.511.259	323.643.567	312.967.456	337.059.057	906.548.686	973.670.080	1.880.218.767
11	Tax revenues	250.480.576	237.963.933	259.685.651	276.787.734	268.404.594	270.483.066	748.130.160	815.675.394	1.563.805.554
	Income & profit tax	16.337.787	18.139.162	14.636.737	8.672.163	7.209.956	6.759.077	49.113.686	22.641.196	71.754.882
	Taxes on personal income and self-employment	16.737.768	23.686.802	19.008.894	24.969.275	21.635.220	21.951.268	59.433.464	68.555.764	127.989.227
	Property tax	8.023.805	8.620.007	7.786.643	8.207.544	7.592.581	9.630.054	24.430.454	25.430.179	49.860.633
	Indirect tax revenues *	208.062.879	185.812.405	213.123.211	233.246.212	230.515.937	230.419.715	606.998.495	694.181.864	1.301.180.359
	Other taxes	1.318.338	1.705.558	5.130.166	1.692.539	1.450.900	1.722.951	8.154.061	4.866.390	13.020.452
12	Non-tax revenues	57.728.615	47.514.371	47.953.599	45.303.117	40.202.992	63.571.284	153.196.584	149.077.392	302.273.976
13	Grants	540.270	1.526.970	1.360.939	1.109.306	4.149.260	2.377.762	3.428.179	7.636.328	11.064.507
14	Other revenues	399.948	882.745	511.070	443.412	210.611	626.945	1.793.762	1.280.967	3.074.730
2	Total expenditures (21+22)	206.162.292	245.708.361	256.409.439	305.636.190	316.378.829	367.644.126	708.280.091	989.659.146	1.697.939.237
21	Current expenditures	203.937.594	242.472.075	251.317.161	302.931.068	312.957.843	361.853.589	697.726.830	977.742.500	1.675.469.329
	Wages and compensations	93.680.693	98.969.634	99.449.932	109.406.472	110.927.836	142.464.516	292.100.259	362.798.824	654.899.083
	of which: Gross wages	75.862.969	78.828.236	79.043.575	85.863.864	87.190.375	105.899.756	233.734.780	278.953.994	512.688.774
	of which: Compensations	17.817.723	20.141.398	20.406.358	23.542.608	23.737.461	36.564.761	58.365.479	83.844.829	142.210.308
	Other taxes and contributions	9.114.922	9.434.126	9.400.127	10.408.627	10.481.926	12.802.812	27.949.175	33.693.365	61.642.540
	Purchases of goods and services	23.179.253	27.851.251	30.663.326	31.766.685	28.177.263	31.488.520	81.693.830	91.432.467	173.126.297
	Grants	73.668.077	102.177.414	107.684.095	147.168.809	156.798.145	162.996.573	283.529.586	466.963.528	750.493.114
	Interest	4.294.649	4.039.650	4.119.680	4.180.475	6.572.673	12.101.167	12.453.980	22.854.316	35.308.296
22	Other expenditures	2.556.970	2.943.720	4.809.883	3.078.597	3.463.149	3.958.856	10.310.573	10.500.602	20.811.175
23	Net lending**	-332.273	292.567	282.395	-373.474	-42.163	1.831.681	242.689	1.416.044	1.658.733
3	Net acquisition of nonfinancial assets	8.072.338	11.544.628	14.287.218	15.942.199	21.618.662	27.144.526	33.904.184	64.705.387	98.609.571
4	Government surplus/deficit (1-2-3)	94.914.779	30.635.029	38.814.602	2.065.178	-25.030.035	-57.729.595	164.364.411	-80.694.452	83.669.959
5	Net financing ***	-12.761.920	-11.854.822	-12.526.403	-9.447.938	-5.610.639	-7.733.991	-37.143.146	-22.792.567	-59.935.713

Table 17

Sarajevo Canton, I-VI, 2008

		I	II	III	IV	V	VI	Q1	Q2	I-VI 2008	I-VI 2007
1	Total revenues (11+12+13+14)	70.039.724	72.258.081	71.585.397	71.695.466	64.342.106	72.666.604	213.883.201	208.704.176	422.587.377	367.227.113
11	Tax revenues	54.369.084	56.703.791	55.831.616	60.427.283	54.735.805	56.308.998	166.904.491	171.472.086	338.376.577	304.572.895
	Income & profit tax	6.047.944	7.440.639	3.173.372	3.687.758	3.513.144	2.329.481	16.661.955	9.530.383	26.192.338	23.293.464
	Taxes on personal income and self-employment	5.566.816	10.711.212	6.360.538	9.905.526	7.908.859	7.594.735	22.638.566	25.409.121	48.047.687	37.605.651
	Property tax	4.081.959	4.890.591	3.736.779	3.941.120	2.390.394	3.259.458	12.709.329	9.590.972	22.300.301	18.603.450
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	1.208.967	1.059.302	407.413	1.386.370	897.714	809.101	2.675.683	3.093.185	5.768.867	4.192.644
	Transfers from Single Account	37.076.445	31.987.579	38.128.912	40.934.167	39.552.529	41.776.536	107.192.936	122.263.232	229.456.169	215.465.148
	Other taxes	386.952	614.467	4.024.602	572.341	473.165	539.687	5.026.022	1.585.193	6.611.215	5.412.538
12	Non-tax revenues	15.345.228	13.603.044	13.389.247	9.837.285	8.214.838	13.033.783	42.337.518	31.085.907	73.423.425	54.932.708
13	Grants	266.750	1.279.428	1.992.716	1.059.080	1.389.535	2.952.005	3.538.893	5.400.619	8.939.513	6.078.122
14	Other revenues	58.663	671.818	371.818	371.818	1.928	371.818	1.102.299	745.564	1.847.863	1.643.388
2	Total expenditures (21+22)	41.677.819	64.439.715	63.079.857	68.496.443	67.427.683	82.428.885	169.197.390	218.353.011	387.550.401	318.315.259
21	Current expenditures	42.347.936	64.484.502	63.149.337	68.906.820	67.496.437	82.468.041	169.981.775	218.871.298	388.853.073	321.512.731
	Wages and compensations	20.854.429	22.684.064	22.934.820	22.788.013	21.715.947	30.997.638	66.473.313	75.501.598	141.974.911	125.453.121
	of which: Gross wages	16.769.824	17.682.481	17.897.490	17.605.145	16.959.479	18.526.410	52.349.795	53.091.035	105.440.830	91.223.914
	of which: Compensations	4.084.605	5.001.583	5.037.330	5.182.868	4.756.467	12.471.228	14.123.518	22.410.563	36.534.081	34.229.207
	Other taxes and contributions	2.004.174	2.131.675	2.127.182	2.114.882	2.030.755	2.210.214	6.263.031	6.355.851	12.618.882	10.898.524
	Purchases of goods and services	2.706.082	6.756.081	6.570.401	7.012.821	5.687.166	6.232.753	16.032.563	18.932.741	34.965.303	28.555.800
	Grants	16.696.820	32.909.830	31.467.028	36.976.076	38.012.386	43.021.908	81.073.679	118.010.371	199.084.049	155.834.519
	Interest	86.431	2.853	49.906	15.027	50.183	5.528	139.190	70.738	209.928	770.767
	Transfers to lower spending units	0	0	0	0	0	0	0	0	0	0
22	Net lending*	-670.117	-44.788	-69.480	-410.376	-68.754	-39.156	-784.385	-518.287	-1.302.672	-3.197.472
3	Net acquisition of nonfinancial assets	285.518	2.648.859	3.135.340	3.430.242	5.293.052	7.558.674	6.069.718	16.281.968	22.351.686	-1.729.016
4	Government surplus/deficit (1-2-3)	28.076.387	5.169.507	5.370.200	-231.220	-8.378.629	-17.320.955	38.616.093	-25.930.803	12.685.290	50.640.870
5	Net financing **	-125.000	-9.722	-246.310	-16.843	-66.957	-9.722	-381.032	-93.523	-474.555	-100.145

Table 18

Zenica-Doboj Canton, I-VI, 2008

		I	II	III	IV	V	VI	Q1	Q2	I-VI 2008	I-VI 2007
1	Total revenues (11+12+13+14)	26.143.515	22.896.092	29.219.389	29.209.470	26.792.618	30.644.658	78.258.996	86.646.745	164.905.742	142.736.606
11	Tax revenues	21.512.382	18.897.029	22.728.500	24.118.134	22.573.410	25.318.919	63.137.912	72.010.464	135.148.375	118.674.407
	Income & profit tax	871.479	1.016.850	681.301	577.984	492.492	585.598	2.569.631	1.656.074	4.225.704	4.134.479
	Taxes on personal income and self-employment	2.256.458	2.563.199	2.683.028	3.259.430	2.779.649	2.648.753	7.502.685	8.687.831	16.190.516	13.067.951
	Property tax	753.467	719.532	689.325	1.069.152	1.084.739	2.757.429	2.162.324	4.911.320	7.073.644	4.314.980
	Sales tax (incl.excises)(according to Regulations until 31,12,2005)	842.581	847.925	621.749	625.898	216.675	393.316	2.312.255	1.235.889	3.548.144	5.016.640
	Transfers from Single Account	16.672.915	13.659.335	17.960.931	18.485.182	17.904.729	18.828.994	48.293.181	55.218.905	103.512.086	91.733.356
	Other taxes	115.482	90.189	92.166	100.489	95.127	104.829	297.837	300.444	598.281	407.001
12	Non-tax revenues	3.424.454	3.753.128	5.920.906	4.719.035	3.760.620	4.478.686	13.098.488	12.958.342	26.056.829	23.130.443
13	Grants	1.084.642	207.892	569.983	372.301	458.587	840.332	1.862.517	1.671.220	3.533.737	811.875
14	Other revenues	122.037	38.043	0	0	0	6.720	160.080	6.720	166.800	119.881
2	Total expenditures (21+22)	19.731.941	24.164.071	26.052.657	24.949.402	27.601.885	27.842.348	69.948.670	80.393.635	150.342.305	116.819.950
21	Current expenditures	19.731.941	24.164.071	26.052.657	24.949.402	27.596.185	27.842.348	69.948.670	80.387.935	150.336.605	116.819.950
	Wages and compensations	11.219.867	13.009.127	12.888.084	12.909.086	15.097.160	13.166.991	37.117.078	41.173.238	78.290.315	64.612.986
	of which: Gross wages	9.352.033	10.314.319	10.297.254	10.357.883	10.424.438	10.553.932	29.963.606	31.336.252	61.299.858	52.132.712
	of which: Compensations	1.867.834	2.694.809	2.590.829	2.551.203	4.672.723	2.613.060	7.153.472	9.836.986	16.990.457	12.480.274
	Other taxes and contributions	1.122.497	1.226.058	1.222.158	1.223.114	1.241.802	1.244.578	3.570.713	3.709.495	7.280.208	6.172.783
	Purchases of goods and services	3.907.037	4.390.395	4.508.860	4.269.053	3.388.543	4.902.537	12.806.292	12.560.132	25.366.424	21.649.261
	Grants	3.363.862	5.336.356	7.106.332	6.290.183	7.682.633	8.176.554	15.806.550	22.149.370	37.955.920	22.451.764
	Interest	88.574	3.533	13.171	6.634	61	63.128	105.277	69.823	175.101	108.203
	Transfers to lower spending units	30.106	198.602	314.054	251.331	185.986	288.560	542.761	725.876	1.268.638	1.824.953
22	Net lending*	0	0	0	0	5.700	0	0	5.700	5.700	
3	Net acquisition of nonfinancial assets	1.014.328	1.312.966	2.753.200	2.734.031	2.685.827	2.452.953	5.080.494	7.872.811	12.953.305	6.949.846
4	Government surplus/deficit (1-2-3)	5.397.246	-2.580.946	413.532	1.526.037	-3.495.094	349.357	3.229.832	-1.619.700	1.610.132	18.966.810
5	Net financing **	-154.055	-2.500	-27.496	-14.998	-2.500	-127.547	-184.051	-145.045	-329.095	-86.902

Table 19