



MINISTRY OF FINANCE OF REPUBLIC OF SRPSKA

PROGRAM BUDGETING IN REPUBLIC OF SRPSKA

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I Characteristics of Bosnia and Herzegovina and Republic of Srpska

- Dayton Peace Agreement, 21 November 1995
- Territory of Bosnia and Herzegovina – 51.209 km²
- Territory of Republic of Srpska – 25.053 km²
- Population of Bosnia and Herzegovina – 3.8 million
- Population in Republic of Srpska – 1.4 million
- 3 constituent nations and a number of national minorities

II Macroeconomic Trends in Republic of Srpska

- **GDP** – In 2010, GDP reached KM8.308,0 million, that is real growth of 0,8%.
- **INDUSTRIAL PRODUCTION** – In 2011, industrial production registered growth of 4.7%.
- **INFLATION** – annual inflation rate in Republic of Srpska recorded 3,2% in 2011.
- **(UN)EMPLOYMENT-** In 2011, average number of employed persons totaled 238.956, while an average number of unemployed persons totaled 150.344 people.

III Budgets of Common Institutions of B&H and the Entities in 2011

Legal framework comprises of:

- Law on Budget System and
- Law on Budget Execution

Institution	KM (EUR)
Common Institutions of B&H	1.25 billion (0.64 billion)
Republic of Srpska	1.75 billion (0.89 billion)
B&H Federation	1.74 billion (0.88 billion)
Brcko District	0.20 billion (0.10 billion)

IV Employees in the Public Administration of Republic of Srpska

In 2011, there were 43.950 employees:

- Public administration of RoS – 34.900 employees
- Municipalities and cities of RoS - 7.471 employees
- Funds of RoS - 1.579 employees

V Budget Process in Republic of Srpska – Program Budgeting

Results in the implementation of budget process reforms:

- Introduction of medium-term planning and budget preparation in 10 steps, as well as harmonization of the budget calendar on all Government levels.
- Budget Coordination Committee was established.
- Strengthening of organizational structures in the Budget and Public Finance Department within the Ministry of Finance of Republic of Srpska.
- Introduction of “budget discussions” between the Ministry of Finance and budget users.

VI Successful/ Unsuccessful

- Defining program structure in a relatively short time frame in good and appropriate way.
- Readiness of budget users to fully cooperate during the process of program budgeting introduction.
- Purchasing of hardware and software components necessary for implementation and expansion of program budgeting to all Government levels in B&H is in final stage.
- Area of program budgeting has not yet been legally regulated in Republic of Srpska, but is expected to be in recent future.
- Inappropriately defined program structure in small number of budget users.

VII Summary

In the previous period, Republic of Srpska has been intensively working on the process of introducing program budgeting, and in the forthcoming period certain number of activities should be realized in order to fully round up the process.





THANK YOU FOR YOUR ATTENTION!

ANY QUESTIONS?