



# BOSNIA AND HERZEGOVINA

## TECHNICAL ASSISTANCE REPORT—GOVERNMENT FINANCE STATISTICS MISSION

January 2018

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# **INTERNATIONAL MONETARY FUND**

Statistics Department



## **BOSNIA AND HERZEGOVINA**

**REPORT ON THE GOVERNMENT FINANCE STATISTICS MISSION**

(April 7–18, 2014)

**Prepared by Léonard Haakman**

**June 2014**

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## ACRONYMS

BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
COA	Chart of Accounts
<i>ESA2010</i>	<i>European System of National Accounts 2010</i>
EUR	European Department of the IMF
FBiH	Federation of Bosnia and Herzegovina
GDDS	General Data Dissemination System
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
GFS	Government Finance Statistics
<i>GFSY</i>	<i>Government Finance Statistics Yearbook</i>
IMF	International Monetary Fund
NBS	National Bureau of Statistics
MOF	Ministry of Finance
<i>PSDSG</i>	<i>Public Sector Debt Statistics—A Guide for Compilers and Users</i>
RS	Republika Srpska
SPD	Statistics and Publication Department of the CBBH
STA	Statistics Department of the IMF
<i>SNA2008</i>	<i>System of National Accounts 2008</i>
TA	Technical Assistance

## EXECUTIVE SUMMARY

In response to a request for IMF technical assistance made by the Bosnia and Herzegovina authorities and in consultation with the European Department (EUR), a government finance statistics (GFS) technical assistance (TA) mission from the Statistics Department (STA) visited Sarajevo during April 7–April 18, 2014. This activity 13STF68 is undertaken within the context of the following project: Government finance statistics STA\_BIH\_2008\_04.

**The main objective** of the mission was to continue to assist the Central Bank of Bosnia Herzegovina (CBBH) in the compilation and dissemination of GFS in accordance with the guidelines of the *Government Finance Statistics Manual 2001 (GFSM 2001)* and its update (*GFSM 2014*). The mission focused on the compilation of a financial balance sheet. Another important topic of the mission was the extension of quarterly GFS tables to also include local government data.

**The main findings and recommendations** are as follows:

- The legal basis for the collection of GFS data by the CBBH should be strengthened in order to get more easily access to (confidential) data which serve as input for GFS;
- The production of GFS could benefit from more cooperation between the CBBH, the Ministries of Finance (MOFs) and the National Bureau of Statistic (NBS). A permanent working group of compilers of macroeconomic statistics in different institutions should be set up to this aim;
- The general government sector coverage should be extended to other non-market units controlled by government, e.g. subsidized public corporations. The so-called sectorization project led by the NBS in cooperation with the CBBH and MOFs could facilitate this. The aim of the project is to classify institutional units in Bosnia and Herzegovina enabling the production of sector accounts according to the SNA2008/ESA2010. Results from this project are expected at the end of 2016;
- The CBBH has compiled a financial balance sheet meeting the main requirements of the *GFSM 2001*. Additional work has to be done to finalize the production of the balance sheet for the years 2011–2013. Simultaneously, the change in stocks can be decomposed into transactions and other flows. Main improvements in future would be the valuation of shares and other equity, and the reporting of other flows which should be further analyzed;
- The CBBH can take first steps to participate to the quarterly reporting in the context of the IMF/OECD/World Bank public sector database. Based on the methodology for the compilation of the annual financial balance sheet data on loans and securities other than shares for central government can be provided soon. Data on other accounts payable cannot be produced on a quarterly basis yet;

- The MOFs collect quarterly data including local government data which are not yet fully provided to the CBBH. The production of full quarterly GFS including local government should be further discussed with MOFs. First data collection procedures for the quarterly data should be established in cooperation between different institutions. Compilation of quarterly data is feasible within one year. Additional resources and IT investment are a requirement to successfully compile quarterly GFS that can be reported timely;
- Functional data of all government units according to COFOG will be collected by the MOFs as of 2015. The NBS, the CBBH and the MOFs should discuss the methodology to assign functions to outlays. It should also be discussed between the CBBH and the NBS who will be responsible for the data COFG compilation in future. Compilation of good quality functional data is a long term process for which additional resources may be needed.
- The following benchmark actions will help in evaluating Bosnia and Herzegovina's progress in the area of GFS and in considering any future request for follow-up technical assistance. The mission is of the view that (i) the compilation of a financial balance sheet including the statement of other economic flows to be finalized by end-2014, (ii) the production of quarterly GFS to start within one year, (iii) regular production of COFOG functional data to start in 2016, (iv) expansion of the general government sector to include non-market units controlled by government currently classifies as public corporations in 2018 The latter three actions are dependent on the availability of additional resources.
- The mission would like to thank the CBBH, in particular the head of the GFS unit and his staff, for their hospitality and support, which contributed greatly to the success of the mission.

## I. INTRODUCTION

1. **The main objective** of the mission was to continue to assist the Central Bank of Bosnia and Herzegovina in the compilation and dissemination of government finance statistics (GFS) in accordance with the guidelines of the *Government Finance Statistics Manual 2001 (GFSM 2001)* and its update (*GFSM 2014*).
2. **The major tasks** of the mission were to (i) review the main findings and recommendation of the previous TA GFS mission of January 16–January 27, 2012; (ii) assist the authorities with the production of a (financial) balance sheet and assess the current draft balance sheet compiled by the CBBH and recommend further improvements, as needed; and (iii) explore the possibility of expanding the quarterly GSF tables, e.g. including municipalities and road/highway funds; (iv) discuss with the MOFs their problems with consolidation, the inclusion of municipalities and road/highway funds in quarterly GFS; (v) develop other annual GFS statistics related tables that are currently missing (e.g. outlays by function); (vi) take first steps to report on public sector debt (IMF/World Bank Public Sector Database) and other statistical issues.
3. This report has five sections, including the introduction. Section II provides general information on the institutional arrangements and data coverage. Section III describes the current status of the financial balance sheet, quarterly GFS and other accounting issues, Section IV proposes an action plan towards further implementation of the *GFSM 2001 /2014* framework, and Section V concludes with an assessment on the resources, training, and further technical support needs.

## II. INSTITUTIONAL AND DATA COVERAGE OF THE GENERAL GOVERNMENT

### Legal Framework

4. The authority of the CBBH to request data and information from government units is granted by the CBBH Law (Article 68) and the By-Law. The CBBH By-Law also specifies that in its implementation, guidance provided in two CBBH official documents should be followed: Terms of Reference for Data Reporting and Statistical Methodology Framework. The CBBH By-law specifies the scope of the responsibility of the CBBH for collecting, compiling and disseminating monetary statistics, balance of payments statistics, and government finance statistics. The assignment of the responsibility for collecting, compiling, and disseminating GFS solely to the CBBH was confirmed by an agreement reached between the CBBH and the Ministries of Finance in July 2003.
5. The responsibility for compiling GFS resides with the CBBH's Statistics and Publication Department (SPD). The SPD comprises a Research Division and a Statistics Division. The Statistics Division consists of three units, responsible for (i) monetary and financial statistics, (ii) government finance and financial accounts statistics, and (iii) balance of payments statistics, respectively.



6. The previous GFS TA mission noted that the CBBH has hardly any legal power to require data. This hampers high quality GFS. The mission of 2014 concludes that there has been no change since then as was also evidenced in meetings with data providers. The recommendation of the previous mission to strengthen the legal basis for data collection has not been executed.

7. The collaboration between the CBBH and the National Statistical Bureau (NBS) could be improved regarding GFS according to the Memorandum of Understanding between CBBH and the NBS regulating mutual cooperation between the institutions regarding compilation of statistics and data sharing. The CBBH and the NBS explained to the mission that they will cooperate in the sectorization project. This project has the aim to classify institutional units in one of the institutional sectors (among which the general government sector) according to SNA2008/ESA2010. This project, led by the NBS, is financed by the European Union (EPA 2012). Experts from other European countries will provide technical assistance. The project will start in the second half of 2014 and concludes by end 2016. The European statistical office, Eurostat, will assess the results. Both CBBH and the NBS informed the mission that they are reconsidering the division of tasks related to macro-economic statistics. They are of the opinion that the non-financial sector accounts (part of National accounts) should be compiled by the NBS and the financial accounts by the CBBH. The division of tasks would also affect the compilation of GFS. It stresses the necessity to a closer collaboration between the two institutions.

8. The TA GFS mission of January 2012 encouraged the establishment of a working group of compilers of macro-economic statistics in different organizations which has not been established yet.

*Recommendations:*

- *As a producer of official statistics CBBH should be specifically mentioned in the statistical law of BiH, thereby strengthening the legal basis for the collection of confidential data when these data are required for statistical purposes.*
- *A working group of compilers of macroeconomic statistics in different institutions should be established in order to improve the interagency cooperation and to ensure consistency between these statistics.*

**Description of General Government and Public Sector (GFSY institutional table)**

9. BiH is composed by the two entities Republic Srpska (RS) and the Federation of BiH (FBiH), and the District of Brčko (DB). The two entities RS and FBiH have a high degree of autonomy, and comprise each about half of the country. Unlike RS, FBiH has 10 cantons. Both entities have municipalities and cities. Many of the tasks commonly observed as the responsibility of the government at the national level are in BiH found at the entity level. For example, tasks related to issues like unemployment, social security, health and highways are in BiH under the responsibility of the entity and cantonal level authorities. This is also reflected by the budgets, where the budget of the government on the national level (BiH institutions) accounts for about 10 percent, FBiH 60 percent and RS 30 percent.

10. The budgetary central government includes the ministries, agencies and other administration offices at the BiH level, the RS, the FBiH, the 10 cantons of FBiH and the DB. Extra-budgetary central government is comprised of public enterprises for road and reconstruction and maintenance on entity and cantonal level, and public enterprises for highways on entity levels.

11. The local government subsector is comprised of 139 municipalities and four cities from both entities.

12. The subsector social security funds consists of pension funds, unemployment funds, health care funds and funds for professional rehabilitation and employment of disabled. One fund for care of children is found only in RS. Units of the subsector social security funds are typically in many countries found at the national level. In BiH, this is not the case which reflects the high degree of entity autonomy as these units are on the level of entities, the DB and on the cantonal level.

13. The previous GFS TA mission advised to reclassify the FBiH cantons as state governments. The CBBH has not yet implemented this viewpoint as it argued that the current classification as central government fits best the administrative structure. The classification of the cantons will be dealt with in the aforementioned sectorization project.

14. The BiH has many public corporations. During the mission it became clear that some of those public corporations such as the public broadcasting corporation are mainly subsidized by government, and thus should be reclassified in general government sector. The production of a list with all public corporations and the subsequent classification of these units will be part of the sectorization project. According to the NBS the current business register cannot be used to delineate the general government sector. One of the issues mentioned is that it contains many inactive enterprises and institutions.

15. An institutional table describing the current institutional structure of general government in BiH used by the GFS Unit of the CBBH is presented in Appendix II. Compared to the 2012 table the unit civil aviation authority is added. Currently, there is no overview provided of the units comprising the public sector, i.e. no overview of public corporations has been established.

*Recommendations:*

- *Reclassify the FBiH cantons, currently considered as central government units, as state governments.*
- *The general government sector should be extended to other non-market units controlled by government, e.g. subsidized public corporations. The sectorization project led by the NBS in cooperation with the CBBH and MOFs with the aim to classify institutional units in BiH could facilitate this. Results from this project are expected by end 2016;*

## **Statistical Coverage of Fiscal Data Compiled and Disseminated**

16. At present, the CBBH produces a statement of government operations for the consolidated central and general government and for local governments on an annual basis. The data do not include foreign expenditures directly financed from abroad. No data are reported on balance sheets, other economic flows and outlays by function. Also, quarterly GFS exclude data on local government. Bosnia and Herzegovina participates in the General Data Dissemination System.

### **III. ACCOUNTING AND STATISTICAL SYSTEMS**

#### **Production of a financial balance sheet**

17. The main task of the mission was to evaluate the financial balance sheet of BiH. The CBBH produced a draft financial balance sheet for general government for 2011 and 2012. Several data sources are used for the financial balance sheet. The accounts of the general government units contain balance sheet items, the so-called gross balance sheets. Additionally, data from monetary statistics, data on deposits held in the central bank, the foreign debt database from the MOF, information on debt published by government and stock exchange data are used.

18. The government of BiH does not issue coins and bank notes. It is also not involved in financial derivatives. Also, no insurance technical reserves are recorded as there only pay-as-you-go social security pension schemes managed by government.

19. The mission explained to the CBBH staff the valuation of financial assets and financial liabilities. According to *GFSM 2001* stocks of assets and liabilities should be valued at market prices. Financial instruments which are not traded such as deposits and loans should be valued at nominal value. It was clarified that there is a difference between nominal value and face value. In general, nominal values equals face value plus accrued interest not yet paid/received. Market valuation should be applied to securities other than shares, and share and other equity. For non-tradable instruments the nominal value is recommended, but face value is also allowed depending on national practices.

20. Deposits held by government are derived from the monetary statistics and central bank data. Government units of BiH hold deposits both at commercial banks and at the central bank. It appears that the amounts of deposits recorded in monetary statistics plus the deposits at the central bank is much higher than the amounts in government accounts. It is assumed that the difference relates to coverage. The CBBH tried to reconcile the monetary statistics with the government data by checking the bank accounts line by line. This comparison can be completed in coming months if the MOFs report additional information related to their bank accounts.

21. Government does not hold securities other than shares. However, it was observed that one unit recorded securities other than shares on the asset side. Since it concerned the transfer

of its own debt securities in exchange of the cancellation of tax claims, these assets should be netted off with the debt securities on the liability side.

22. The recording of shares and other equity is a complex issue as is in many countries. In the accounts of the different government units shares and other equity are recorded at book value which usually means being equal to the paid-in capital. However, the *GFSM 2001/2014* prescribes market valuation. To convert the value of the shares to market value a list of public corporations is needed. The CBBH does not have lists with public corporations. Therefore, it is decided to take into account shares and other equity in the largest public corporation and/or public corporation for which information is available. They should at least include public corporations which paid high dividends in the past. In case of quoted shares the value of the shares equals the number of shares times the prices. For unquoted shares and other equity it is advised to use the own funds as proxy for the value of the shares. The own funds can only be calculated if financial reports for these units are available to the CBBH. It is assumed that the shares and other equity in other public corporations are close to zero. The estimates can be improved after the sectorization project.

23. The data on the outstanding amount of loans is collected from the government units (domestic loans) and from the foreign debt database (foreign loans). The largest amount relates to foreign loans to the MOF of the BiH institutions which are redistributed across the other government institutions.

24. Sources of the other accounts receivable are the gross balance sheets of the government units. These items need a careful examination as it may be that some of these items are not consistent with the recording in the statements of revenues and expenses. For example, the gross balance sheet of the RS contained tax claims whereas taxes were recorded on a cash basis.

25. Different government units issue T-bills and debt securities. They should be recorded at market value. Information on the market value of individual securities is available on the stock exchange which enables translating the value of each individual debt security into market price. For some securities there is no active market after the initial auction. In such cases it is advised to use nominal value i.e. value at issuance plus accrued interest. It is also advised to include accrued interest not yet paid under the stock of debt securities. For T-bills it means that the discount should be recorded as interest accrued over time. The amount that has been amortized should be added to arrive at the market value. For other debt securities issued with a coupon the accrued interest not yet paid related to the coupon should also be taken into account. The calculations that are needed were shown during the mission. It was also noted that the accrued interest instead of interest paid should be accounted for in the expenditures.

26. Loans owed to foreign parties are obtained from the external debt database. These loans are the main part of the debt of BiH. There are small difference between the gross balance sheets and the external debt database due to difference in vintage of the data sets. The external debt database is more recent.

27. Similar to the other accounts receivable the payables are obtained from the gross balance sheets, but they need also a careful analysis. One of the issues regarding the payables

relate to war claims which originate from the war in 1992–1995. In the balance sheet projected claims are recorded, but there has been no counter entry in the expenditures. The issue is whether the claims should have been recorded in the year where they refer to, or the year when the claims are verified. In the latter cases it affects expenditure in recent years as new claims are still being recognized.

28. The mission verified the methodology as described above. Three separate meetings with the MOFs of the BiH institutions, the FBiH and the RS took place to clarify the recording of some items in their gross balance sheet, and to discuss with them the differences with other data sources. Transmission of the financial balance sheet by end 2014 is feasible. Some work needs to be done on the estimates of shares and other equity.

29. The mission demonstrated how to decompose the change in stocks of the financial balance sheet into transactions and other economic flows. As financial transactions are currently being reported to the IMF the other flows can be easily obtained by deducting the financial transactions from the change of stocks. However, it should be noted that the financial transactions are currently calculated as the result of the change in stocks as determined by the gross balance sheets. As the gross balance sheets use face value it is assumed that the change in stocks mainly corresponds to financial transactions. However, it cannot be excluded that the change in stocks are also partially related to write-offs, reclassification or changes in foreign currency exchange rates.

30. The main debt instruments are loans and securities other than shares. Information on these instruments for central government is also available on a quarterly basis. The same methodology can be applied as for the annual data. Hence, the CBBH can also provide information on the quarterly debt in the framework of the public sector debt database of the IMF/OECD/World Bank. The only difference is that the securities other than shares should be valued at nominal value according to the PSDSG.

*Recommendations:*

- *The CBBH has compiled a financial balance sheet meeting the main requirements of the GFSM 2001. Additional work has to be done to finalize the production of the balance sheet for the years 2011 – 2013. Simultaneously, the change in stocks can be decomposed into transactions and other flows. Main improvements in future would be the valuation of shares and other equity, and the reporting of other flows which could be further analyzed;*
- *The CBBH can take first steps to participate to the quarterly reporting in the context of the IMF/OECD/World Bank public sector database. Based on the methodology for the compilation of the annual financial balance sheet data on loans and securities other than shares for central government can be provided. Data on other accounts payable cannot be produced on a quarterly basis yet.*

## Compilation quarterly GFS

31. A second task of the mission was to examine the possibility to compile quarterly data on GFS including local government. During the mission it became clear that all MOFs collect quarterly data including local government units. However, these data are not fully shared with the CBBH. The CBBH stressed that they also need raw data in order to transform the data to GFS standards. Hence, data collection procedures for the quarterly data should be established in cooperation between the CBBH and the MOFs.

32. The mission also examined the possibility to use other data sources on a quarterly basis. The national accounts compiled by the NBS provide estimates for the expenditure needed for quarterly GDP. However, for general government expenditure, of which wages is most important for quarterly GDP, estimates are made on the basis of employment data as an indicator. This does not yield good quality estimates for the purpose of quarterly GFS.

33. Steps to be taken to compile quarterly GFS including municipalities are (i) establishing procedures to obtain quarterly data on a regular basis from the MOFs, (ii) translating the quarterly (raw) data into GFS output, (iii) analyzing the quality of the quarterly data, especially the alignment with the annual data and statistical discrepancies.

### *Recommendations:*

- *The production of full quarterly GFS including local government should be further discussed with MOFs. First data collection procedures for the quarterly data should be established in cooperation between different institutions. Compilation of quarterly data is feasible within one year. Additional resources and IT investment are a requirement to successfully compile quarterly GFS that can be reported timely;*

### **Other issues**

34. The MOFs of the BiH institutions and the FBiH start collecting functional information as of 2015. The MOF of RS has already compiled functional data. Although the COFOG data are available soon it may take time to ensure that the expenses are correctly classified according to COFOG. Also, the issue was raised which institution should be responsible for the COFOG compilation. This relates to the issue of the division of tasks between the CBBH and the NBS in future. Nevertheless, close cooperation between the CBBH, the NBS and the MOFs is needed for the compilation of COFOG. The MOFs of the BiH institutions and the FBiH agreed with the CBBH to examine classification issues related to COFOG before COFOG data collection is implemented in 2015. The quality of the data transmitted to the CBBH needs to be carefully assessed. This success of provision of COFOG data to the IMF also depends on additional resources for the CBBH and the NBS.

35. The mission observed that the data collection by the CBBH could be more efficient if data are provided electronically and in a more generic fashion. This was also observed by the previous GFS TA mission. Since last mission a new IT system has been implemented. The new IT system enables a more efficient and transparent data processing.

36. The mission took note that during the data processing all adjustments are well documented. However, the effect of the data manipulations on the main GFS aggregates cannot be easily extracted. Therefore, derivation tables which show how one gets from the sources data to final GFS aggregates are useful. Derivation tables are especially useful for users to understand the difference between national public accounts and the international GFS. They are also a useful tool for management to assess if resources cannot be spend to other activities e.g. when the derivation tables show that some data manipulation only has a small effect on the final GFS aggregates. The new IT system should make it more easily to produce derivation tables.

37. Revenues are currently recorded on cash basis. The former GFS TA mission advised to investigate accrual adjustments for taxes when time and resources allow. The current mission observed that some tax claims are recorded in the balance sheet of the MOF of the RS. This information might be used to make accrual adjustments in future. However, the gross balance sheets of the other government units do not contain similar items. For those units, accrual adjustments should be made in a different way. As said this needs to be explored when time and resources allow.

*Recommendations:*

- *Functional data of all government units according to COFOG will be collected by the MOFs as of 2015. The NBS, the CBBH and the MOFs should discuss the methodology to assign functions to outlays. Further, the NBS and the CBBH should agree on division of tasks. Compilation of good quality functional data is a long term process for which additional resources may be needed;*
- *The relevant government institutions should cooperate in order to establish the necessary reporting system in order to get a full picture of foreign financial support. The issue does not only concern GFS but also balance of payments statistics and national accounts.*
- *Further improvement of electronic data transmission to the CBBH by the data providers is necessary. The current IT system should be extended to be able to utilize electronic data handling.*
- *It is proposed to establish specific derivation tables to better keep track of the compilation process and for documentation purposes.*
- *Source data for revenues are on a cash basis. It is advised when the time and resources allow exploring the possibilities for accrual adjustments for e.g. some tax*

38. All countries that have adopted the *GFSM 2001* framework have done so in a phased manner. The action plan to extend the compilation of GFS according the *GFSM 2001/2014* framework takes time and is usually implemented alongside improvements to the coverage and timeliness of primary data from the accounting

#### IV. ACTION PLAN FOR IMPLEMENTING *GFSM 2001/2014*

##### Project Objectives

Objective	Verifiable Indicators	Target Date	Completion Date	Assumptions
Assist the authorities of the MOF to further improve the collection, compilation, and dissemination of GFS aligned with international guidelines.	Improving dissemination of financial balance sheets, quarterly GFS including in <i>IFS</i> and other GFS data.	2018		The necessary technical support and resources is made available to the CBBH on a timely basis

##### Project Outputs

Priority	Outputs	Verifiable Indicators	Target Date	Completion Date	Assumptions/ Implementation Status
High	The compilation of a financial balance sheet including the statement of other economic flows for 2011 - 2013	Data transmission of table 6 and 9 of the GFSY o the IMF	End 2014		This work is near to completion.
High	Quarterly data on loans and securities other than shares for central government	Data transmission to the OECD, IMF and World bank	End 2014		
High	Quarterly GFS for general government including municipalities	Data transmission to the IMF	2015		Procedures between MOFs and CBBH on data provision have to be established.
Medium	Regular production of COFOG functional data could be started as of 2016.	Data transmission of table 7 of the GFSY	2016		Additional resource required. The CBBH and the NBS have to agree on the division of tasks.
Medium	Expanding the general government sector with non-market public corporations.	Improved estimates of data on GFS for the GFSY and the IFS.	2018		Implementation depends on the results of the sectorization project. As the data collection will increase new resources are needed.



39. In the course of 2014 the CBBH has completed the financial balance sheet of general government. Then the CBBH is able to report the majority of the GFSY tables, 1, 2, 3, 6 and 9. Also, the compilation of full quarterly GFS could be started with as of end 2014. The medium term could be devoted to further improve the data for these tables e.g. by expanding the coverage of general government and provide data on COFOG. It is advised to establish a dedicated TA mission on quarterly accounts in 2016 to evaluate the quarterly data.

#### **V. RESOURCES, TRAINING, AND TECHNICAL ASSISTANCE**

40. The CBBH's Statistics and Publication Department needs further resources to fully adopt *GFSM 2001/ GFSM 2014*. Currently, the GFS unit comprises five staff member including the head of unit. The fact that the government units use different chart of accounts, they do not provide full breakdown for some items in the general ledger needed for GFS and data transmission to the CBBH are not electronically and harmonized makes the GFS data compilation time-consuming.

## APPENDIX I. INSTITUTIONAL STRUCTURE OF THE GENERAL GOVERNMENT

### ;aBosnia and Herzegovina

;a963

#### ;bUnits of General Government

##### ;cCentral Government

;dSubsector 1. Budgetary central government

;e1.1 Bosnia and Herzegovina institutions (highest level of administration in the country)

;e1.2 Federation of Bosnia and Herzegovina (entity-subnational level)

;e1.3 Republika Srpska (entity-subnational level)

;e1.4 Cantonal governments (10)

;e1.5 Brčko District

;dSubsector 2. Extrabudgetary units/entities

;e2.1 Public enterprise for road maintenance and reconstruction in the Federation of Bosnia and Herzegovina, two cantonal Public enterprises for road maintenance and reconstruction (Tuzla and SBK canton) and civil aviation authority

;e2.2 Public enterprise for road maintenance and reconstruction in the Republika Srpska

Public enterprise for highways of RS

Public enterprise for highways of FBiH (from 2012)

;dSubsector 3. Social security funds

;e3.1 Pension Fund of the Federation of Bosnia and Herzegovina and Pension Fund of the Republika Srpska

;e3.2 Health Fund of the Federation of Bosnia and Herzegovina, Health Fund of the Republika Srpska, Health Fund of the Brčko District and 10 Health Funds at cantonal level

;e3.3 Unemployment Fund of the Federation of Bosnia and Herzegovina, Unemployment Fund of the Republika Srpska, Unemployment Fund of the Brčko District and 10 Unemployment Funds at cantonal level. Note: Public enterprise for highways of FBiH is established in 2011 and will be included in BiH General Government for 2011 as well as FBiH and RS Professional rehabilitation and employment of invalid persons Fund;

;e3.4 Child Protection Fund of the Republika Srpska

##### ;cState Governments

;dSubsector 4. State governments

;e4.1 Not applicable

**;cLocal Governments**

;dSubsector 5.	Local governments
;e5.1	139 municipalities
;e5.2	4 cities

**;bData Coverage**

Data in central government tables cover operations of subsectors 1–3

Data in local government tables cover operations of subsector 5

**;bAccounting Practices**

- ;f1. Bases of recording:  
Revenues are reported on a cash basis, expenditure on an accrual basis;.
- ;f2. Liquidation or complementary period:  
-
- ;f3. Valuation of assets and liabilities:  
Financial assets and liabilities are at face value, Securities other than shares and quoted shares are at market prices.

**;bGFSM 2001/2014 Implementation Plan**

Compilation of a financial balance sheet end of 2014.

This institutional table is based on information reported in 2014.

**APPENDIX II. LIST OF OFFICIALS MET DURING THE MISSION**

<b>NAME</b>	<b>POSITION</b>
Mr Amir Hadžiomeragić	CBBH, Head of Statistics and Publication Department
Mr Ervin Zolić	CBBH, Head of GFS unit
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