



It's time for Bijeljina





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AREA
734 km²

POPULATION
114,663

LOCAL
COMMUNITIES
70

- **114.663 inhabitants** in 70 settlements in an area of 734 km²
- Around **900 companies** and around **2000 entrepreneurs**
- 19.952 employees in the year 2014 (11.182 men and 8760 women) while there were 13.666 unemployed
- The average gross salary in the city of Bijeljina in the year 2014 amounted to 1.319 KM





Bijeljina – The city with the business-friendly environment

- **One of four local authorities in BiH with certification for business-friendly environment (BFC – business friendly certificate)**
- **Favorable geographical position**
- **Qualified and skilled workforce**
- **Locations ready for investment in the industrial zones**
- **Local government supports investments and is committed to improving the business environment and economic prosperity of City of Bijeljina through systematic strategic planning and orientation towards service users**
- **Natural resources – thermal water, waters, arable land**
- **Regional education and health center**



AGRICULTURE

FOOD INDUSTRY

METAL INDUSTRY

TIMBER/LUMBER INDUSTRY

**MAIN
ECONOMIC
SECTORS**



Public enterprises within the competence of the City

- **A.D. (joint stock company) “Water and Sewarage”** - company engaged in water supply and waster water managment
- **P.U. Regional landfill “EKO-DEP”** – modern sanitary landfill with core activites being gathering and disposal of solid waste from region of Bijeljina which is made up of City of Bijeljina and municipalities of Ugljevik, Lopare, Čelić i Teočak. First public enterprise in Republic of Srpska conducting an operation of processing and and disposal of non-hazardous waste in sanitary manner
- **A.D. “Komunalac”** – company engaged in communal activities (transport of solid waste, collection of recyclable waste, maintenance of public-traffic areas and services with special utility vehicles – tow trucks, and urban green maintenance, and green market services.
- **P.U. “Gradska toplana”** – core activity of the company is the production and supply of steam and hot water.



MFSA – City of Bijeljina

- Part of cooperation between World Bank Austria-Urban Partnership Programme and NALAS
- Segment of NALAS activities in the area of Association development and fiscal decentralization
- The associations provide technical assistance to members(municipalities) for implementation of World Bank tool : Municipal finance self-assessment (MFSA)



Execution of the City budget 2012 - 2015

Year	Tax Revenues	Non tax revenues	Other revenues	Total	% structure total revenues		
					Tax revenues	Non tax revenues	Other revenues
2012	29.084.605	9.395.563	10.349.853	48.830.021	59,56%	19,24%	21,20%
2013	26.793.162	8.680.652	9.846.773	45.320.587	59,13%	19,15%	21,72%
2014	27.201.193	8.403.600	7.043.450	42.648.243	63,78%	19,71%	16,51%
2015	30.217.850	12.389.102	2.935.589	45.542.541	66,35%	27,20%	6,45%



Benefits of using MFSA

- Assessment of financial condition of local government through integrated approach:
- Historical analysis showed that the observed period had steady increase in revenue, as well as steady increase in capital expenditures, which implies that in the previous period the city budget had characteristics of capital development budget with a strong tendency towards the development of roads, electrical and plumbing infrastructure.
- Tax performance analysis showed that from this aspect the City had no problems, all tax liabilities are settled within the time limits and there was no blockage of account in this respect
- Analysis of costs for maintenance of local property showed that the costs also increased given that in this period the process of decentralization has been carried out and transfer of assets and competences to local governments in accordance with the law on local self government.



Our benefits from using MFSA

- Long term projection of revenues and expenditures of the budget and combined with the strategic documents of the City:
- **City Development Strategy for period 2014-2023**
- **Capital Investment Plan for the period 2016 – 2018**



Our benefits from using MFSA

- Financial projections for 5 years allow for evaluation of impact of local policies on financing capacities and credit worthiness of the City.
- Projections are made on the basis of reliable and relevant historical data and assumptions about the effects of local political decisions (expenditures, tax burden, borrowing, etc. itd).
- It is necessary to test a number of assumptions and scenarios : eg.. Projections based on historical trends and projections based on significant changes in trends



Our benefits from using MFSA

- Assessment of possibilities to finance capital investment projects
- Plan of capital investments 2016 – 2018 (plan that includes **52** capital projects for period of three years 2016 - 2018)
- Total value of projects: **101.265.648 KM**, of which:
 - Funds of the City: **13.263.023 KM**
 - External funds: **88.002.624 KM**
- Through the analysis of projections of municipal revenues and expenditures we are in the process of prioritizing projects from the plan of capital investments



Priority capital projects from the plan of capital investments 2016 – 2018 of City of Bijeljina

1. Cleaning up the riverbed of Janja river and solving internal and mountain waters in Novo Naselje Janja in length of 8 km

III phase:

- **Embassy of Turkey in BiH donation - 4.700.000,00 KM**

- **City of Bijeljina budget: 500.000,00 KM** (costs of land expropriation as part of phase III);

- **Solidarity fund of RS: 1.000.000,00 KM** (costs of land expropriation I, II i IV phase);

- **IV phase: 2.600.000,00 € or 5.070.000,00 KM** (from IPA funds – applied by Public institution „Srpska waters“).

In the year 2017:

- **I i II phase: 5.000.000,00 KM** (funds from the World Bank loan).

Total value of the project is **16.270.000,00 KM**.

Planned beginning of the project: 2016

Implementation period: 2016 – 2017



Priority capital projects from the plan of capital investments 2016 – 2018 of City of Bijeljina

2. Continuation of construction of sewerage system Bijeljina – according to the „Orio“ program

Funds:

- Donor funds „Orio“ program: 6.500.000,00 € or 12.712.000,00 KM;
- City Budget: 800.000,00 KM.

Total value of the project is **13.512.000,00 KM.**

Planned beginning of the project : 2016

Implementation period: 2016 – 2018

3. Construction of main secondary transport gas pipeline

Funds:

- City Budget: 150.000,00 KM;
- “Bijeljina Gas” LTD. : 5.280.000,00 KM.

Total value of the project: **5.430.000,00 KM.**

Year of implementation: 2016.



Priority capital projects from the plan of capital investments 2016 – 2018 of City of Bijeljina

4. Reconstruction of public lighting – introduction of LED technology

Funds:

- „ESCO“ model of financing: **5.750.000,00 KM** with VAT
- Planned beginning of the project : 2016

5. Flood protection project of river Drina for Bijeljina region – construction of Drina embankment

Funds:

- Funds from the World Bank loan: **16.083.000,00 KM**
- Solidarity Fund of RS: **6.111.540,00 KM**

Total value of project: **22.194.540,00 KM**

Planned beginning of the project :2017



Our benefits from using MFSA

- Preparing a plan to improve financial conditions and financial management:
 - The aim is to use the knowledge acquired during the MFSA contribute to development of several planned activities whose implementation will improve financial conditions and management of the city, such as better collection of non-tax or other revenues and also better administration of property taxes.
 - Activities that are not under full control of LGUs are set and will be implemented through activities of the RS Government and the Association of municipalities and towns of Republic of Srpska, for example, the development of new and changes to the existing laws.
 - ✓ Law on financing of local government units,
 - ✓ Law on amendments to the law on the Budget system in Republic of Srpska
 - ✓ Law on amendments to the law on Property Tax,
 - ✓ Law on amendments to the law on forests,
 - ✓ Law on amendments to the law on public roads,
 - ✓ Amendments to the law on communal fees and others.



Our benefits from using MFSA

Alignment of medium-term strategies and capital investment plans with a medium-term fiscal capacity of the City:

- defining action plans for the implementation of strategies adapted to available funds
- sequencing programs, projects and measures based on the calculation of all the costs and benefits of their implementation
- medium-term budgeting of capital investments
- formulating appropriate indicators and the development of monitoring functions
- Comparison with other similar cities in BiH, and hopefully in the near future, to the cities in the region



Results:

- Increasing fiscal autonomy through improved management of local own revenues**
- Increasing fiscal stability through improved management of local expenditures**
- Increasing fiscal consolidation through improved asset management (PC / PUC)**
- Improvement of debt management in order to lower the risk of borrowing**



Thanks for your attention !

**BIJELJINA
CITY ADMINISTRATION**

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