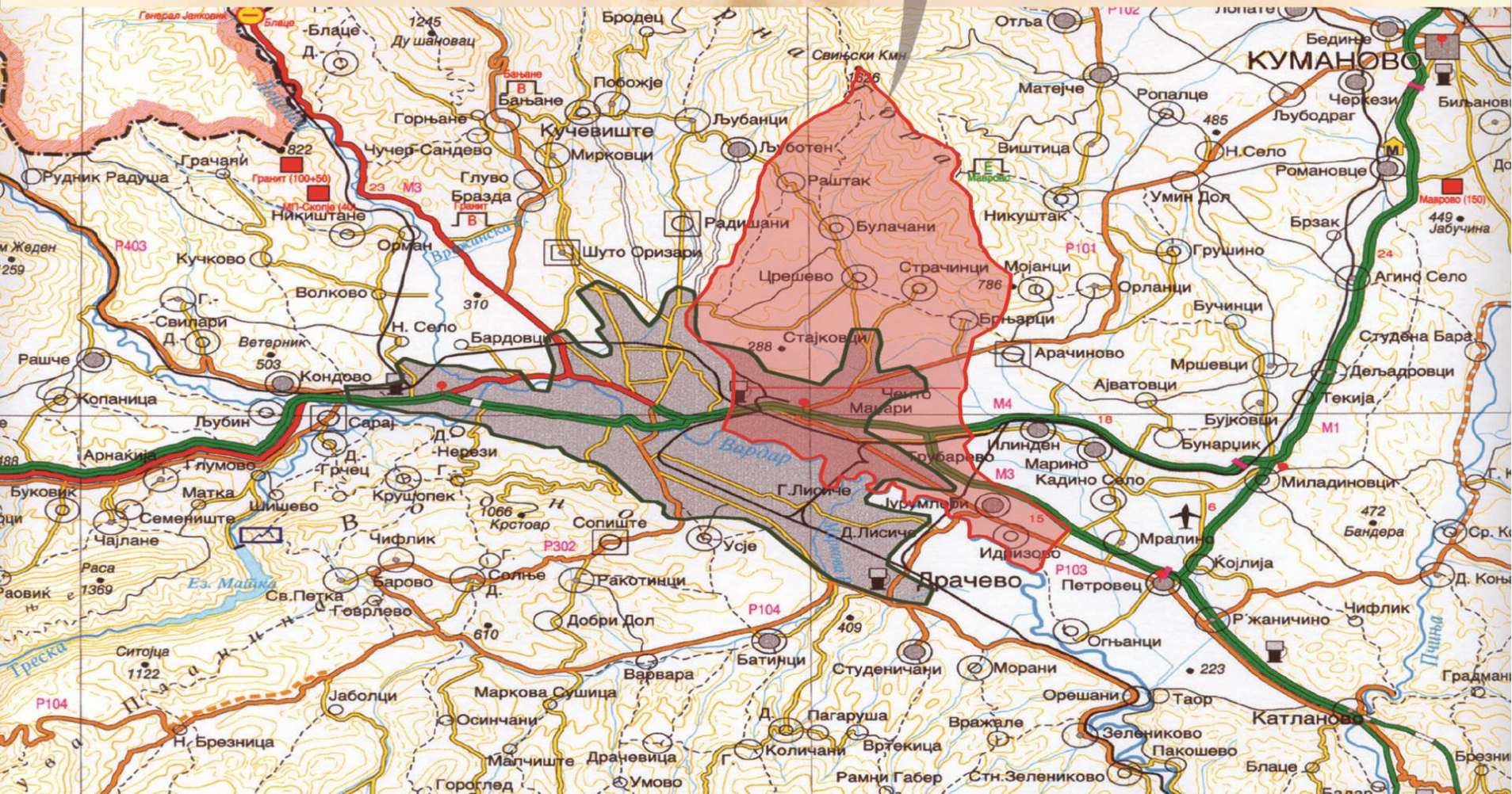




Municipality of GAZI BABA

Mr. Vladimir Bozhinovski



Population	Area	Density	Population as % in Macedonia	Part of City of
76,458	92 km ²	831	3.69%	Skopje

MFSA experience

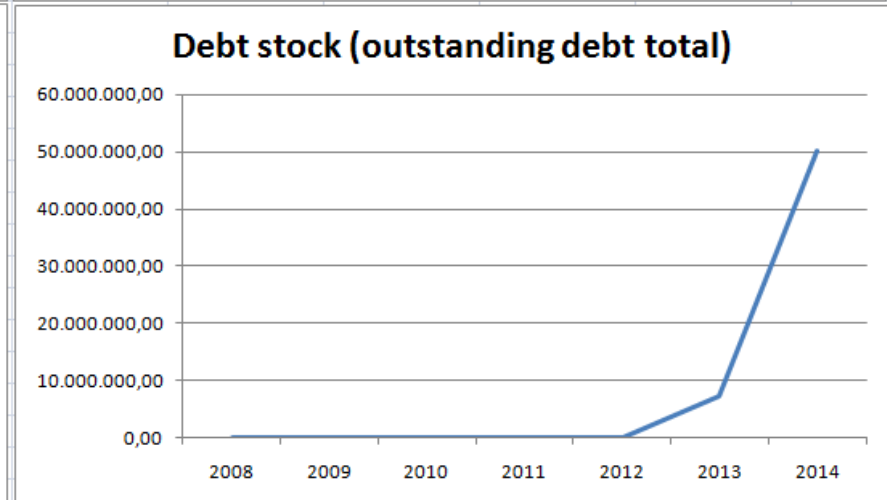
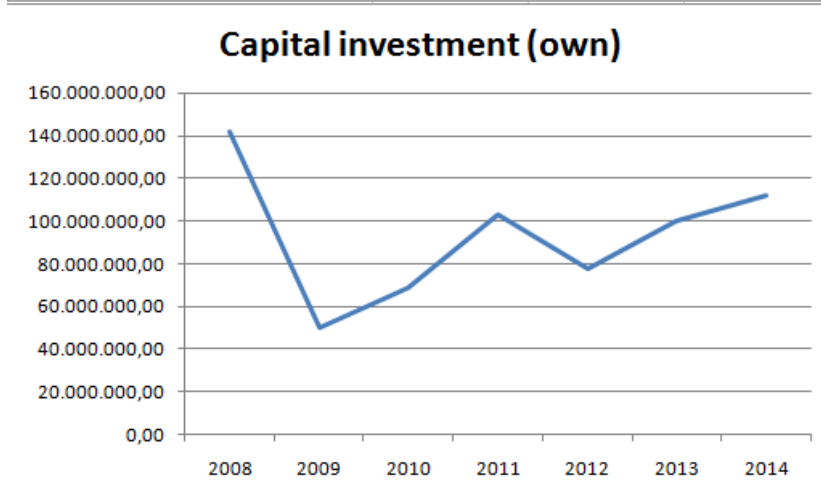
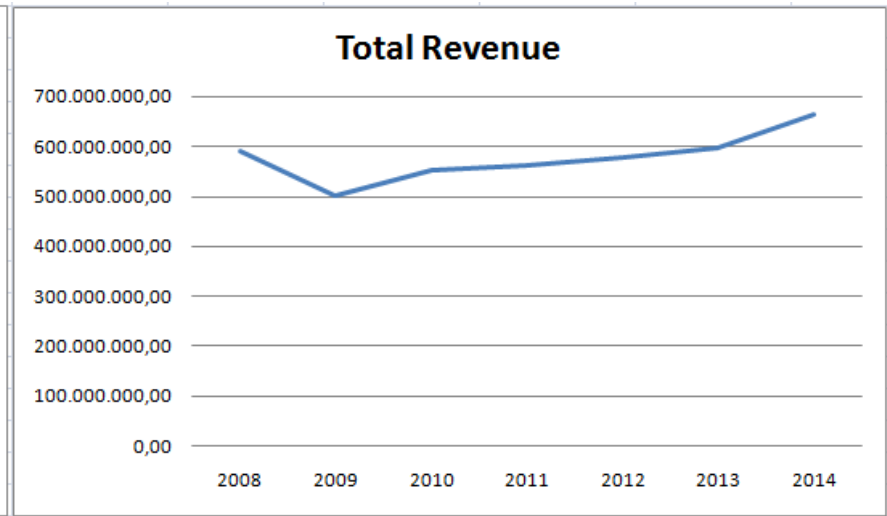
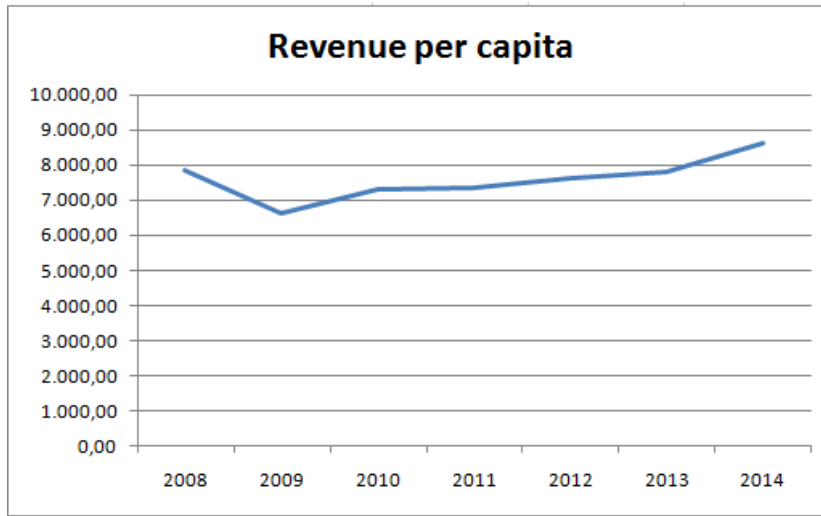
- 1. WB MFSA tool is used in MGB since 2012 and influenced the financial decision making during the years.***

- 2. The experience with the MFSA is extremely positive and useful for:***
 - Municipal finance capacity diagnostic - clearer picture of the financial position, budget structure, predictions and trends of the municipality.

 - Identification of financial areas of great importance and potential that can be significantly improved (ie. local taxes, donations, operating expenses, etc.).

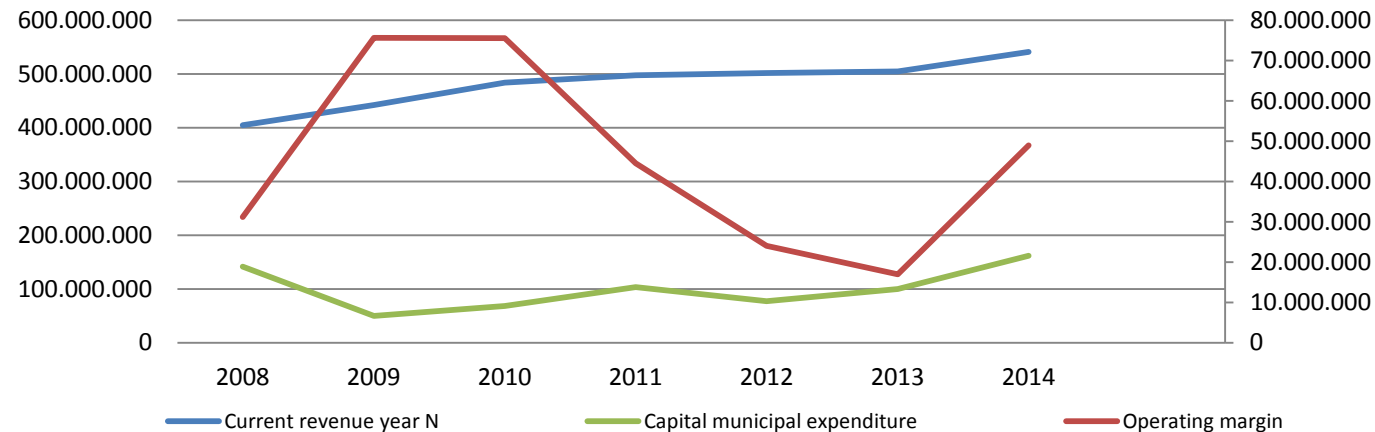
 - Creating an Improvement Action Plan that helps us improve the municipal financial planning and management.

Main Financial trends - MGB



Generic accounting framework

Items	Calculation	2008 actual	2009 actual	2010 actual	2011 actual	2012 actual	2013 actual	2014 actual
1Total current revenue		430.634.450	480.323.400	510.832.700	502.499.198	506.379.800	506.832.420	546.138.641
2Balance N-1 (if surplus)		25.854.550	38.066.240	26.774.400	5.078.997	4.441.905	2.138.526	4.967.601
3Current revenue year N	(1 - 2)	404.779.900	442.257.160	484.058.300	497.420.201	501.937.895	504.693.894	541.171.040
4Operating expenditure		399.480.179	404.666.280	435.271.800	457.961.500	482.385.375	489.854.276	497.143.810
5Operating margin	(1 - 4)	31.154.271	75.657.120	75.560.900	44.537.698	23.994.425	16.978.144	48.994.831
6Debt repayment		0	0	0	0	0	0	47.417
7Net margin	(5 - 6)	31.154.271	75.657.120	75.560.900	44.537.698	23.994.425	16.978.144	48.947.414
8Capital municipal expenditure		141.704.750	49.890.580	68.507.500	103.097.006	77.434.350	99.622.998	161.983.092
9Financing	(8-7)	110.550.479	-25.766.540	-7.053.400	58.559.308	53.439.925	82.644.854	113.035.678
10 - Own capital invest. rev.		126.108.500	6.430.650	37.915.000	38.661.663	61.088.020	81.988.787	68.344.546
11 - Loan		0	0	0	0	0	7.244.496	50.065.908
12 - Investment grants central government		31.637.250	15.071.600	5.000.000	19.948.579	8.247.341	0	0
13 - Donations rev.		1.338.850	0	0	0	1.663.867	0	0
14 - Balance	(9- (10+11+12+13))	-48.534.121	-47.268.790	-49.968.400	-50.934	-17.559.303	-6.588.429	-5.374.776
15Investment balance	(8 - (7+10+11+12+13+14))	0	0	0	0	0	0	0
16Overall closing balance	(1+10+11+12+13+14) - (4+6+8)	0	0	0	0	0	0	0

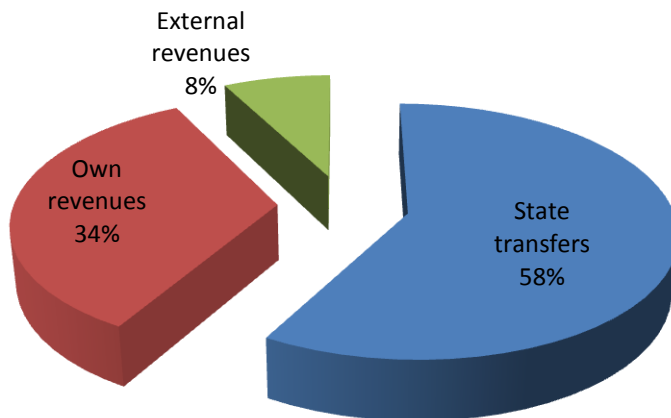


Financial structure of MGB

Revenue structure

- state transfers
- own revenues
- external revenues

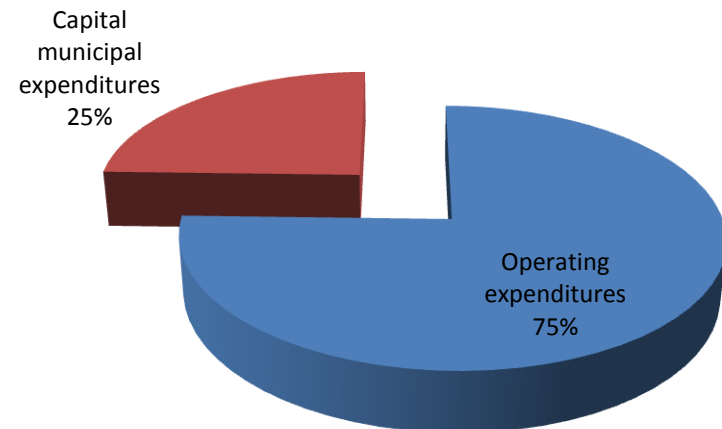
Realization 2014



Expenditure structure

- capital expense
- operating expenditures

Realization 2014



MGB action plan

Main findings about Gazi Baba are:

- **Revenue enhancing needs** – Increase effectiveness in tax collection (increasing number of tax payers and updating the data base).
- **Lowering expenditures** - Decreasing the current expenses for goods and services of the administration and reallocating them to more productive usage - finance capital investment activities (rationalization).
- **Enhancing fiscal capacity** - Multi-year fiscal planning, expenditure policy and budgeting (fiscal capacity, fiscal effort and creditworthiness). Improvement in planning of future municipal activities and strategies. Enhance the image and transparency to the citizens and creditors.
- **Enhancing External funding** - Increased revenues from donations, grants and other external sources in the municipality budget .

MFSA benefit

Benefits from the MFSA tool:

- Integrates analysis and information in one comprehensive platform;
- Provides a clearer financial picture of the municipality;
- Efficiency - Defines the financial trends that are later used in decision making process.
- Improved overview and monitoring of the capital investment realization;
- Increased transparency – Helps local government to inform central government and citizens about the financial situation.
- Breaks the working barriers between technical and financial department;
- Platform for discussions with financial institutions and external donors for access to external funding;
- Starting point for preparation of UA;
- Knowledge transfer (vertical and horizontal).

Main goal

- MFSA helps us in our main goal as local government, which is to be more flexible and effective in solving the real problems for the citizens in the Municipality of Gazi Baba.





Thank you for your attention!

Mr. Vladimir Bozinovski
Municipality of Gazi Baba Skopje
Macedonia