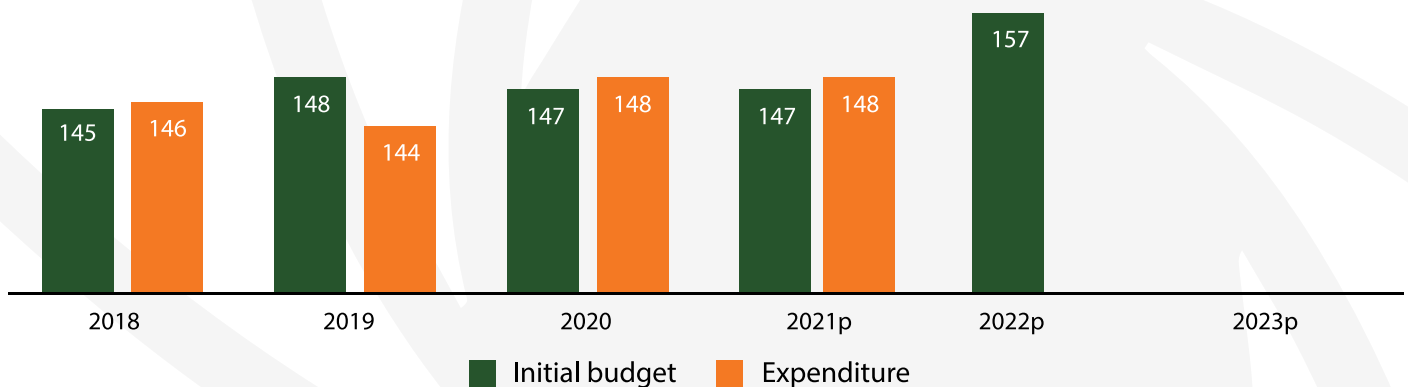


The military expenditure of Bosnia and Herzegovina has been almost the same in the past five years, both nominally and as the share of GDP.¹

2021
Share of GDP **0.74%**

The Parliamentary Assembly has not adopted a federal budget in a timely manner since 2018. The budget is usually adopted during, or at the end of, the year to which it pertains. Due to a political crisis, the federal budget for 2021 was not been adopted at all, and quarterly decisions on temporary financing were adopted on the basis of the 2020 expenditure. The 2022 budget was adopted only in July, while the budget for 2023 has not been adopted yet. Balance sheets, presenting the actual expenditure, are adopted regularly and in a timely fashion.

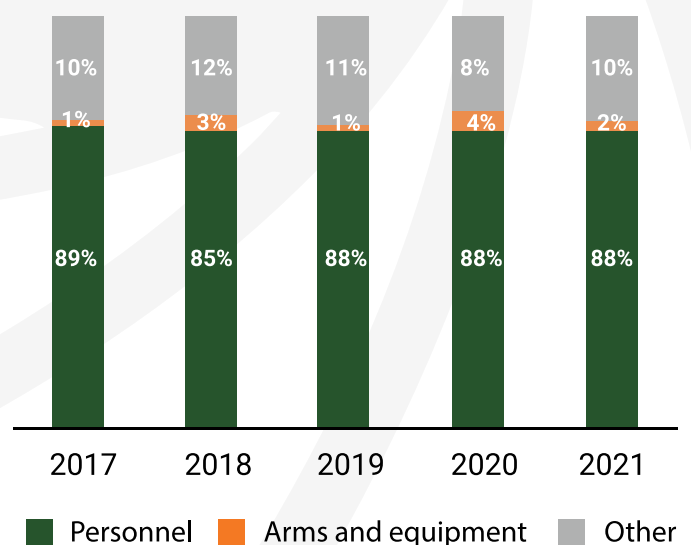
Initial budgets and expenditure (in million EUR)



Almost 90% of the defence budget in 2021 and 2022 was spent on personnel due to the political deadlock, which obstructed planning and allocation of resources. Bosnia and Herzegovina generally spends the largest portion of its defence budget on personnel costs, while the arms and equipment share has not exceeded 4% since 2017.

Budget and balance sheets contain aggregated sums and sources of funding for rather general categories of expenses. For instance, arms and equipment expenses can be found under the aggregated category Equipment Procurement. The documents also include narrative reports with the rationale behind some general categories, i.e. monthly personnel turnover.

Budget structure



¹ Due to the complexity of the budget system, it is methodologically challenging to calculate the military expenditure of BiH as a share of the total government expenditure, comparable to other countries in the region. Namely, the two entities have independent budgets that, then, allocate funds upward to the federal budget, which includes the defence budget.