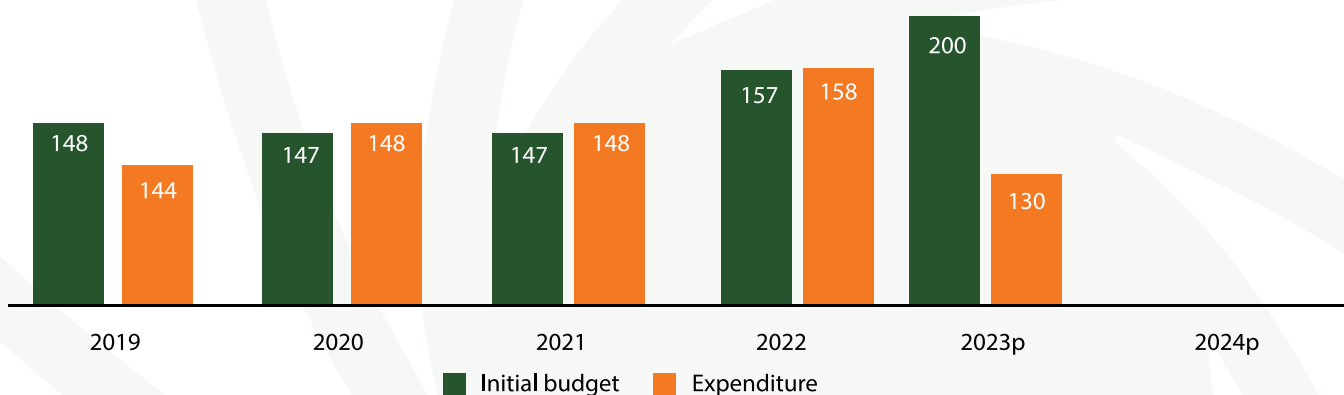


Although military expenditure of Bosnia and Herzegovina has increased comparing to previous years, it remains the lowest in the region – below 1% of GDP. ¹

2022
Share of GDP **0.69%**

Based on the federal budget for 2023 (adopted in April 2023), the initial defence budget is increased by approximately 27%. However, the balance sheet for 2023 has not been adopted yet, but only the report on actual expenditure from January 1, 2023, until September 30, 2023. Based on that information, the military spending of Bosnia and Herzegovina does not seem to be significantly increased in 2023 either. The 2024 budget has not been adopted yet.

Initial budgets and defence expenditure (in million EUR)



Traditionally, Bosnia and Herzegovina allocates the majority of its defence budget on personnel costs. The MoD has the largest number of employees among state institutions in the country and the highest share in the total amount of gross salaries. Still, the biggest turnover of personnel is evident at the MoD because of the implementation of provisions of the Law on the Armed Forces in Bosnia and Herzegovina related to the prescribed age limit. Namely, the Armed Forces of Bosnia and Herzegovina were in a transitional period starting from 2010 when the majority of military personnel were discharged from the Armed Forces due to age limit. The transition continued in the following years, which involves the dismissal of one generation of military personnel who reached the prescribed age limit and the admission of a new generation.² For instances, until the end of September 2023, the total of 501 employees were discharged from the MoD, while 225 new employees were hired.³ The dynamics of hiring new military personnel significantly impacts the expenditure on personnel.

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, two entities have independent budgets that, then, allocate funds upward to the federal budget, which includes the defence budget.

2 Ministarstvo finansija i trezora BiH, "Izveštaj o izvršenju budžeta institucija Bosne i Hercegovine i međunarodnih obaveza Bosne i Hercegovine za 2022. godinu," [Report on the execution of the budget of the institutions of Bosnia and Herzegovina and the international obligations of Bosnia and Herzegovina for the year 2022] April 2023 <https://www.mft.gov.ba/Content/OpenAttachment?id=538fd6f1-b65d-41e3-8f8e-7037868ca98e&lang=bs>

3 Ministarstvo finansija i trezora BiH, "Izveštaj o izvršenju budžeta institucija Bosne i Hercegovine i međunarodnih obaveza Bosne i Hercegovine za period I – IX 2023. godine [Report on the execution of the budget of the institutions of Bosnia and Herzegovina and the international obligations of Bosnia and Herzegovina for the period I – IX 2023] November 2023, <https://www.mft.gov.ba/Content/OpenAttachment?id=bc7ccedd-d913-4527-a21f-441445b73240&lang=bs>

Arms and equipment expenses are documented in the budget and balance sheets under the aggregated category Equipment procurement, without providing further details on types of procurement. The MoD initiated multi-year projects which include overhaul of helicopters (for instance, repairs and overhaul of Gazelle helicopters or procurement of spare parts for UH-1H helicopters) and purchase of specialized motor vehicles. However, additional funds for these projects were not provided in 2023.

Budget structure

