

**Twinning Project Bosnia and Herzegovina
Activity 1.4 „Comprehensive Financial Strategy“
in Combination with
Activity 4.2 “Definition and Organisation of Complementary
Agencies”
within the CARDS Twinning Project BA 05 IB AG 01**

Sarajevo, 08th until the 12th of September 2008

Short-Term Mission

Mission Report

1. Names of the Experts:

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2. Objective and Tasks of the Mission:

- Identification of internal budgeting procedures on the level of SVO and Entities
- Analysis of the actual status of responsibilities concerning animal disease control
- Development of procedures for more flexible reallocation of budgets
- Description of the legislation of a monitoring programme for brucellosis control

3. Time Schedule of the Mission:

Date	Meetings /Activity	Participants
08/09/2008	<p>State Veterinary Office of BiH</p> <p>Introduction to the budgeting procedures of the SVO</p> <p>Responsibilities for animal health control in BiH</p> <p>Basic legal affairs for animal health control</p> <p>Structures of administration and implementation of animal health control strategies exemplarily shown by brucellosis</p>	<p>Karoline Schollmeyer Resident Twinning Adviser</p> <p>Darko Čobanov Deputy Director of the SVO</p> <p>Sanin Tanković Secretary of the SVO</p> <p>Sabaheta Huskić Head of financial department</p> <p>Roland Labohm STE</p> <p>Michael Köstler STE</p> <p>Konrad Scholz STE</p>
09/09/2008	<p>State Veterinary Office of BiH</p> <p>Introduction to the budgeting procedures of the Federation of BiH</p>	<p>Drago Nedić Director of the SVO</p> <p>Karoline Schollmeyer Resident Twinning Adviser</p> <p>Darko Čobanov Deputy Director of the SVO</p> <p>Sabaheta Huskić Head of financial department</p> <p>Nada Rajković Assistant Minister MoAWMF</p> <p>Indira Mulalić Assistant Minister MoAWMF</p> <p>Josip Krasni Assistant Minister MoAWMF</p> <p>Roland Labohm, STE</p> <p>Michael Köstler, STE</p>

		Konrad Scholz , STE
10/09/2008 - 12/09/2008	State Veterinary Office of BiH Introduction to the budgeting procedures of the Republic of Srpska	Drago Nedić Director of the SVO Karoline Schollmeyer Resident Twinning Adviser Darko Čobanov Deputy Director of the SVO Nada Rajković Assistant Minister MoAWMF Roland Labohm , STE Michael Köstler , STE Konrad Scholz , STE

4. Summary of the Results of the Mission:

4.1 Financial Aspects Regarding Agriculture and Animal Health

The budgets of Ministry of Foreign Trade and Economic Affairs as well as of the Ministries of Agriculture of the Entities contain considerable amounts for agriculture including veterinary affairs and especially the control of animal diseases. In the Federation of BiH the share of the budget for agriculture currently is 3% of the whole budget. The aim is to increase this percentage up to 6%. Obviously the livestock-sector is provided with a considerable amount of subsidies, mainly for products of animal origin. The amount of 80 million KM was mentioned for the Republic of Srpska.

Nevertheless the tax revenues seem to be volatile and sometimes difficult to calculate. This corresponds with the potential expenses in the field of agriculture and veterinary affairs. The budgets of the SVO and the responsible authorities for veterinary affairs in the Entities are strictly separated. The transfer of financial means from the SVO to the Entities seems to be limited on situations of severe animal health crisis, e.g. outbreak of Avian Influenza.

Budgeting procedures in BiH and the two Entities are based on budget laws. The rules in the budget laws require the assignment of the planned expenses to repeated fixed costs on the

one hand and to detailed programmes (e.g. animal disease control) on the other hand. For the approval of the budget the reasons for the expenses have to be explained in detail. This is necessary for every special position like wages, material costs, laboratory expenses or costs of sampling etc.. Running the budget does not admit flexibility, because transferring financial means from one position of the budget to another one is not allowed. E.g. running the brucellosis control programme by utilising not spent means for other planned expenses is prohibited.

Additionally, the responsible ministries use to considerably shorten the drafted budget every year. According to given information the budget reduction can reach more than 50% of the planned budget, although the draft is based on important demands of animal disease control. The regulations laid down in decisions, laws and orders for animal disease control do not correspond with the provision of financial means.

Another problem is the approval of the budget only for one year. Thus implementation of disease control programmes, necessarily requiring long-term financial reliability, is difficult.

4.2 Structure of Administration Regarding Animal Disease Control

In general the responsibilities of the competent authorities regarding animal health seem to be sufficiently regulated on national and entity level. According to given information reorganisation of the veterinary stations as the lowest level of veterinary administration is not yet finalised in the Federation. Therefore the chain of command may probably face difficulties in certain situations of animal disease control. Efficient disease control strategies (registration of animal husbandries, documentation of control measures, reporting obligations) require good organisation and independency of the veterinary administration on each operating level.

4.3 Legislation Regarding Animal Health Control

Legislation was evaluated by the example of brucellosis control. Following legislation is in force:

- Veterinary law for BiH
- Order on measures for control of infectious and parasitic disease of animals and their implementation and financing in 2008
- Decision on measures for control of brucellosis in small ruminants in BiH (2005)

- Decision on a programme for the control of brucellosis in sheep and goats in the Federation of BiH 2007 – 2010

Due to economic losses and the zoonotic character brucellosis in sheep and goats has highest priority in control programmes of animal diseases in BiH. According to given information there is a decision for control of brucellosis in sheep and goats in the Republic of Srpska as well. It can be concluded, that the legislative background for the control of brucellosis in sheep and goats in BiH matches the requirements. From this point of view there should be no constraints for a successful control of brucellosis in small ruminants. For brucellosis control in bovine regulations only exist in the annual order, obviously based on former Yugoslavian law. These regulations exclusively refer to investigations and freedom from brucellosis in dairy products to put on the market. The extension of the brucellosis control to the entire cattle population of BiH is recommended.

5. Recommendations

- Connections between legal regulations and budget need to be considered. If law is put into force, it has to be guaranteed that the measures laid down can be implemented through sufficient funding. Costs for measures to be implemented need to be exactly calculated when drafting the law. Long-term and sustainable financing of the measures laid down must be part of the legislative procedure. Politicians must take this responsibility.
- Flexibility needs to be improved in managing the budgets of BiH and the Entities. Within the whole budget for agriculture the transfer of financial means between the positions is highly desirable. When necessary from a professional veterinary point of view it must be possible for example to spend means planned for AI -eradication for brucellosis control.
- Multiannual financing strategy (planning and managing of the budget for at least 3 years) is inevitable to guarantee an efficient and sustainable animal disease control which cannot work on a short-term basis.
- The state generally takes the main responsibility for animal health and financial support of the livestock sector in animal epizootic disease outbreaks. Considering the limited budget of the state an additional approach is recommended.

- A fund for financing animal health strategies should be established. This should be an independent organisation to ensure
 - long-term financing security for animal health strategies
 - reservation of financial means exclusively for animal health purposes
 - equal approach to financing animal health issues in the whole country following professional veterinary aspects.

- Due to their common responsibility for animal disease control the fund has to be financed by
 - the State of BiH
 - the Entities of BiH and the District of Brčko
 - the animal holders.

It should be checked if the contribution to the fund can partly be taken of

- the animal holders from their agricultural subsidies
- the BiH state organisations from the fees for certificates in the field of animal movement.

6. General Remarks

The twinning expert team would like to thank all parties concerned for active and constructive discussion. Special thanks to Mr. Drago Nedić, Mr. Darko Čobanov, Mr. Sanin Tanković and Mrs. Karoline Schollmeyer.

Sarajevo, 12th of September 2008

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