

# MUNICIPALNE OBVEZNICE KAO INSTRUMENT FINANSIRANJA LOKALNIH SAMOUPRAVA

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## Apstrakt

*Sve veći zahtevi za poboljšanjem standarda života građana na lokalnom nivou iziskuje značajne potrebe lokalnih vlasti za novim izvorima finansiranja. Iskustva razvijenih zemalja i činjenica da su tradicionalni izvori finansiranja lokalnih samouprava nedovoljni, ukazuju na sve veći značaj municipalnih obveznica. Autor u radu ističe posebne specifičnosti municipalnih obveznica kao hartija od vrednosti. Pored toga, identifikovane su tipične vrste municipalnih obveznica, ukazujući na karakteristike svake od njih. Istaknuti su benefiti od emitovanja municipalnih obveznica, odnosno prednosti investiranja u ovaj tip hartija od vrednosti. Empirijskim istraživanjem pokazano je koje su se opštine i gradovi u Republici Srbiji odlučili za emitovanje municipalnih obveznica, pod kojim uslovima i za koju svrhu je ta emisija izvršena.*

**Ključne reči:** *Municipalne obveznice, lokalna samouprava, kreditni rejting, hartije od vrednosti.*

**JEL:** *G10, H70, H74*

## Uvod

Aktuelni proces urbanizacije i konstantno unapređenje kvaliteta usluga, a sve u cilju zadovoljenja sve većih potreba stanovništva, na lokalnom nivou, predstavlja globalni trend koji ne zaobilazi ni Srbiju. Iz tih razloga, potrebe za investicijama često su značajno veće od raspoložive količine sredstava jedne lokalne samouprave. S tim u vezi, lokalne vlasti su prinuđene da se okrenu i drugim izvorima finansiranja, pored već zastupljenih i popularnih tradicionalnih oblika prikupljanja javnih prihoda. Municipalne obveznice, upravo zbog toga, vremenom su dobijale

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na značaju, te danas predstavljaju česti oblik finansiranja za kojim potežu lokalne samouprave širom sveta. Primer najrazvijenijeg tržišta municipalnih obveznica, svakako su Sjedinjene Američke Države (97,5% svetskog tržišta municipalnog duga) (Fahim, 2012). Upravo Sjedinjene Američke Države kao nosici ovog tržišta, sugerišu zemljama u tranziciji da ovakav vid zaduživanja omogućava lokalnim vladama finansiranje njihovih rastućih potreba. Naravno, treba istaći da razvoj tržišta municipalnih obveznica direktno zavisi od nivoa razvoja tržišta kapitala u određenoj zemlji. Uz razvoj tržišta, neophodan je i razvoj institucija tržišta kapitala, kao što su investicioni i penzioni fondovi, koji su faktički glavni nosioci investicionih poduhvata.

Predmet rada jeste analiza uslova pod kojim su gradovi u Srbiji izvršili emisiju municipalnih obveznica, uz osvrt na način na koji su to učinile zemlje u regionu. Pored toga, ukazuje se na specifičnosti pomenutih obveznica kao hartija od vrednosti i kao važnog instrumenta finansiranja lokalnih nivoa vlasti. Ističu se posebnosti prilikom korišćenja različitih vrsta ovih obveznica. Cilj rada jeste ukazivanje na benefite koje mogu da ostvare lokalne samouprave izdavanjem i korišćenjem municipalnih obveznica kao korisnog finansijskog instrumenta.

U radu su korišćene različite metode istraživanja radi sveobuhvatnijeg i realnijeg prikaza stanja posmatranih preduzeća. Korišćen je metod analize sadržaja, komparativni metod i sintetički metod koji je omogućio izvođenje zaključnih stavova. Za potrebe ovog istraživanja korišćeni su naučni radovi, normativni akti i objavljeni izveštaji i prospekti.

### **Teorijske osnove**

Pozajmljivanje, emitovanjem obveznica (Labudović-Stanković, 2015), predstavlja jedan od mogućih i veoma važnih načina finansiranja lokalnih dugoročnih kapitalnih projekata (Bhattacharyay, 2013; Peng et al., 2014). Emitovanjem municipalnih obveznica obezbeđuju se jeftiniji izvori finansiranja, za razliku od klasičnog načina zaduživanja (kreditno zaduženje kod bankarskog sektora) (Dafflon, 2002; Gogova et al., 2017). Jedna od pogodnosti koje nose municipalne obveznice jeste visoki stepen likvidnosti i relativno visoka zarada koja se ostvaruje čak i ako ne postoje izuzeća od operezivanja prihoda od kamata. Kao i svake druge hartije od vrednosti, pa tako i municipalne obveznice, nose sa sobom određeni rizik za investitore. Fabozzi, Fabozzi i Feldstein (1995) ističu nekoliko rizika prilikom kupovine pomenutih obveznica: rizik kamatne stope, rizik reinvestiranja, rizik otkupa, rizik volatilnosti, poreski rizik, rizik inflacije i kreditni rizik. Od navedenih rizika, rizik neplaćanja predstavlja jedan od najozbiljnijih rizika sa kojima se mogu susresti gradske obveznice, i odnosi se na potencijalnu mogućnost izdavača da ne može da isplati po unapred utvrđenoj ceni (Sumers i Noland, 2008).

Poslednih decenija tržišta municipalnih obveznica beleži veliki rast emitovanja, sa tendencijom daljeg povećanja svake godine. Rad se oslanja na literaturu koja se direktno bavi razvijenošću Američkog tržišta hartija od vrednosti (Li i Schurhoff, 2019, Brancaccio et al., 2020; Hungonier, 2018; Naklydov, 2019). Tržište municipalnih obveznica smatra se manje rizično od drugih tržišta, pre svega upoređujući ga sa tržištem korporacijskih hartija od vrednosti (Peng i Brucato, 2004). Karakteristično za pomenuto tržište jeste veća pojava asimetričnih informacija, nego što je slučaj sa drugim tržištima hartija od vrednosti. Takođe, treba napomenuti da se municipalnim obveznicama trguje na sekundarnom i vanberzanskom tržištu. S tim u vezi, ne postoji organizovano tržište municipalnih obveznica, kao što je slučaj sa korporacijskim hartijama od vrednosti (Daniels i Vijayakumar, 2007; Bejatović, 2008).

### **Municipalne obveznice kao instrument finansiranja lokalnih samouprava**

Najčešći izvor prihoda, koji koristi lokalna samouprava, a po osnovu kojeg se finansiraju lokalni razvojni projekti jeste ostvareni tekući prihodi opštine (tkzv. pay as you go sistem). Drugi oblik finansiranja koji se značajno ređe primenjuje odnosi se na ranije prihode koje je lokalna samouprava ostvarila, odnosno na zaradu ostvarenu većim prilivima u odnosu na rashode u definisanom vremenskom periodu. Izvor prihoda za kojim često posežu lokalne samouprave jeste zaduživanje kod banaka na osnovu svojih budućih prihoda. Naravno, kao još jedan oblik prihoda lokalnih samouprava pojavljuju se i transferi sa drugih nivoa vlasti. Svi pomenuti izvori finansiranja lokalnog ekonomskog razvoja postaju nedovoljni, i u vezi sa tim municipalne obveznice dolaze do izražaja naročito kod zemalja u razvoju (Carić, 2000; Breuer, et al., 2015).

Rast i razvoj tržišta municipalnih obveznica u Sjedinjenim Američkim Državama, delom je i zasluga karakterične decentralizovane federalne strukture američke države (SEC, 2021). Veličina ovog tržišta danas iznosi preko 3,7 biliona američkih dolara (veliki deo BDP-a) (Fahim, 2012). Kod zemalja u tranziciji stvaranje aktivnog tržišta municipalnih obveznica u velikoj meri zavisi od samog stepena razvijenosti domicilnog tržišta kapitala. Karakterističan nizak nivo kreditnog rizika koji se vezuje za municipalne obveznice, odnosno nivo rizika neizvršenja municipalnih obveznica prikazan je u tabeli 1.

**Tabela 1.** Kumulativna istorijska stopa kreditnog rizika

Kreditni rejting	Moody's		Standars & Poor's	
	Municipalne	Korporativne	Municipalne	Korporativne
Aaa/AAA	0.00	0.52	0.00	0.60
Aa/AA	0.06	0.52	0.00	1.50
A/A	0.03	1.29	0.23	2.91
Baa/BBB	0.13	4.64	0.32	10.29
Ba/BB	2.65	19.12	1.74	29.93
B/B	11.86	43.34	8.48	53.72
Caa-C/CCC-C	16.58	69.18	44.81	69.19
Investicioni nivo	0.07	2.09	0.20	4.14
Špekulativni nivo	4.29	31.37	7.37	42.35

Izvor: An Investors Guide to Municipal Bonds, (2003) The New York: Bond Market Association

### **Specifičnosti različitih tipova municipalnih obveznica**

Kratkoročne municipalne obveznice su obveznice koje se emituju sa rokom dospeća do 1 godine. Upravo ova karakteristika nije specifična za municipalne obveznice, s obzirom da se radi o finansijskom instrumentu koji se koristi za dugoročno finansiranje. Razlog izdavanja municipalnih obveznica na duži rok jeste činjenica da se one koriste prvenstveno radi finansiranja infrastrukturnih projekata, te se shodno tome postavlja pitanje koje je ekonomsko stanovište emitenta prilikom emisije ove vrste obveznica (Worlington, 2010). Razlog zbog kojeg se jedan emitent opredeljuje na izdavanje pomenutih obveznica na tako kratak vremenski period, jeste obezbeđenje finansijskih sredstava kojima se može pokriti eventualni budžetski deficit (Boričić, 1998). Ono što je karakteristično za kratkoročne municipalne obveznice jeste da se one pojavljuju pretežno na razvijenim finansijskim tržištima (Compton, 2009).

Za razliku od kratkoročnih, dugoročne municipalne obveznice se izdaju na duži vremenski period (duže od 1 godine). Jedini aspekt koji se razlikuje u odnosu na kratkoročne jeste period dospeća istih. Ostale razlike pre svega su ekonomske prirode. Veći prihod koji se ostvaruje izdavanjem kratkoročnih municipalnih obveznica sa sobom nosi i veći rizik prilikom plasmana, dok je vrednost plasmana značajno manja (Dorit, 1998).

Sa aspekta sigurnosti otplate duga i novčanog toka koji iz njih proizilazi, u osnovi razlikujemo dve vrste municipalnih obveznica (Fabozzi i Fledstein, 2008): 1. Opšte obavezujuće municipalne obveznice; 2. Dohodovne ili prihodne municipalne obveznice. Specifičnost opštih obavezujućih municipalnih obveznica je ta što imaooci ovih obveznica poseduju garanciju da će emitent iste, dugovanja po osnovu glavnice i kamate, izmiriti obaveze iz bilo kog izvora prihoda. Emitent ima obavezu

isplate pristiglog duga i iz imovine koja se smatra adekvatnom za pokrivanje pomenutih obaveza. Upravo ovakva vrsta garancije i visoki stepen zaštite interesa, koji se pruža kupcima opštih obavezujućih municipalnih obveznica osnovna je i najvažnija odlika koja izdvaja ovu vrstu municipalnih obveznica. Kod municipalnih obveznica, stepen autonomije emitenta (lokalne samouprave) direktno zavisi od nivoa decentralizacije i fiskalne autonomije emitenta (Labudović-Stanković, 2015).

Za razliku od opšte obavezujućih municipalnih obveznica, za prihodovne municipalne obveznice karakteristično je da isplata po osnovu ovih obveznica zavisi od prihoda koji se ostvari ili koji će biti ostvaren iz određenog, najčešće kapitalnog projekta isfinansiranog sredstvima obezbeđenim po osnovu pomenutih obveznica (Dorit, 1998). Razlika između gore navedenih obveznica vidljiva je i sa pravno-ekonomske prirode, kao i kod položaja emitenata, ali i kupaca ovih obveznica. Obaveza emitenta pre izdavanja prihodnih municipalnih obveznica je da priloži projekat za kojeg će se eventualno obezbediti finansijska sredstva po osnovu prodaje pomenutih obveznica. Ovaj korak značajno utiče na podizanje transparentnosti u toku postupka. Upravo priloženi projekat omogućava emitentu sagledavanje ostvarenja mogućih prihoda. Ukoliko je reč o infrastrukturnim projektima koji na neki način ne generišu prihode emitent nema mogućnost emitovanja ovih obveznica. Rizik plasmana sredstava kupca u ovu vrstu municipalnih obveznica je na većem stepenu (Božić i Todorović, 2009).

Namenske municipalne obveznice relativno imaju slične karakteristike kao i prethodno navedene prihodne municipalne obveznice. Namenske municipalne obveznica možemo okarakterisati kao specifičan vid prihodovnih obveznica. Razlika se može prepoznati u definisanju zaloge, odnosno garancije prilikom isplate pomenute obveznice. Najčešće ova garancija pojavljuje se u prihodu fiskalnog karaktera (porez). Emitent se obavezuje da će se sredstva usmerena prilikom kupovine pomenutih obveznica povratiti po osnovu osnovnog fiskalnog prava emitenta obveznica, koji se direktno vezuje sa poreskom obavezom. Najveće prepreke koje se u praksi pojavljuju kod ove vrste obveznica, vezuju se za stepen fiskalne decentralizacije države. Centralizovan fiskalni sistem jedne zemlje podrazumeva da jedinica lokalne samouprave ne može obezbediti fiskalne prihode, i na taj način obezbediti budžetska sredstva za normalno funkcionisanje jedinice. U praksi može se utvrditi da u zemljama u kojima je izvršena decentralizacija fiskalnih prihoda, postoji značajno interesovanje za ovom vrstom obveznica (Carić et al., 2015; Suranji i Jarai, 2014).

Karakteristika hibridnih municipalnih obveznica je što one podrazumevaju kombinovanje specifičnosti različitih vrsta municipalnih obveznica. U poslednjih 15 godina došlo je do ekspanzije emitovanja hibridnih obveznica, kao gore već pomenut odgovor na potrebe investitora. Jedna od tih obveznica su i osigurane

municipalne obveznice, koje su karakteristične po tome što su dodatno osigurane (garancija od strane osiguravajućeg društva) (Fabozzi i Feldstein, 2008). Osiguranje daje mogućnost obveznicima da unaprede nivo sigurnosti naplate onog potraživanja koje je kreirano u skladu sa obveznicama koje su emitovane (Janković, 2012). Evidentno je da postoji rizik od nemogućnosti naplate potraživanja, koja su se odnosila na vrednost obeznica koje su dospеле. Tako emitent definiše ugovor sa osiguravajućom kućom, u cilju obezbeđenja dopunske sigurnosti, a u korist kupca. Osiguravajuće društvo, shodno tome, u svoje ime preuzima obavezu da reguliše isplatu glavnice i kamate, ako ta obaveza nije realizovana u skladu sa ugovornim uslovima (Liu, 2011). Može se zaključiti, s obzirom na nivo osiguranja, da je i cena ovih obveznica viša u odnosu na prethodno navedene obveznice (Carić et al., 2015).

### **Korist od emitovanja municipalnih obveznica**

Atraktivnost municipalnih obveznica ogleda se u širokoj skali pogodnosti koje nudi ova vrsta hartija od vrednosti. Upravo pomenute obveznice mogu privući veću bazu potencijalnih investitora, a ta šira investiciona baza doprinosi diverzifikaciji izvora finansiranja i jeftinijem finansiranju. Pravna sigurnost je izuzetno važno pitanje u postupku emitovanja municipalnih obveznica (Božić i Todorović, 2009).

Da bi opština ili grad ušla u postupak emisije municipalnih obveznica, i sa uspehom emitovala, odnosno prodala obveznice, neophodno je da grad raspolaže sa administrativnim, kadrovskim i drugim kapacitetima unutar organizacione strukture emitenta. Ističe se potreba da grad pre ulaska u sam proces emitovanja uradi *screening* kapaciteta ljudskih resursa i raspoložive informacione tehnologije. Dobijeni rezultati će pokazati da li postoje kapaciteti ili ne, i koje su potencijalne slabosti koje bi emitent trebao da otkloni u budućem vremenskom periodu (Compton, 2009).

Da bi se sam proces emitovanja otpočeo od strane emitenta, neophodno je da se angažuje finansijski savetnik radi efikasnije pripreme emisije obveznica. Finansijski savetnik može biti fizičko ili pravno lice, sa adekvatnim nivoom znanja i veština koje će posredno ili neposredno uticati na emisiju pomenutih obveznica (Dorit, 1998; Peng i Brucato, 2001). Iako angažovanje finansijskog savetnika predstavlja trošak za grad, njegovo izostavljanje može se pokazati kao izuzetno pogrešna odluka. Praksa je pokazala da veličina, reputacija i iskustvo pokrovitelja, koje se uglavnom meri njegovim tržišnim učešćem, značajno utiče na nivo troškova emineata pri emisije obveznica (Kenneth i Jayaraman, 2006).

Možemo istaći tri moguća načina prodaje obveznica (Fabozzi i Feldstein, 2008): 1. Tenderska prodaja (javna prodaja); 2. Prodaja putem pregovora; 3. Privatni plasman. Ukoliko se opština ili grad odluči za emitovanje obveznica, onda opštini stoji na raspolaganju mogućnost kupovine emitovanih obveznica pre njihovog

dospeća kod poverilaca, odnosno kupaca obveznica (Worlington, 2010; Dugalić i Stojković, 2014).

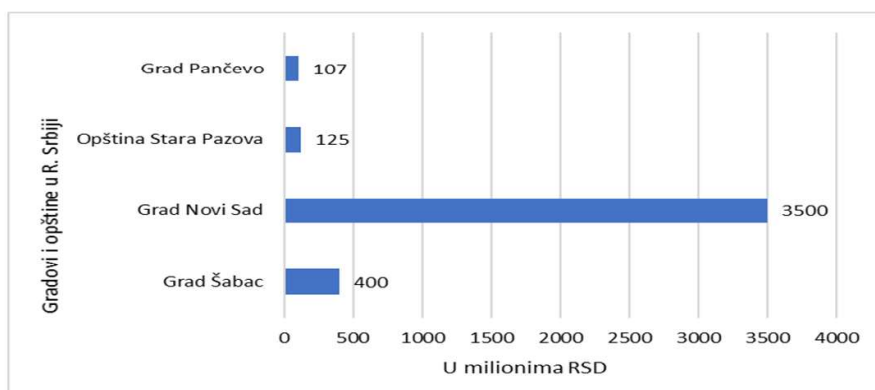
### **Rezultati rada sa diskusijom**

Emitovanje municipalnih obveznica predstavlja novinu na tržištu kredita lokalnih samouprava u Srbiji. Većina zemalja u tranziciji koristile su iskustva i pravne regulative primenjene kod razvijenijih finansijskih tržišta. Međutim, prema istraživanjima (Momirović) iako je pravna regulativa pre svega bila zasnovana na modelu primenjenim u SAD-u, tržišta municipalnih obveznica u tranzicionim zemljama značajno se razlikuju od američkog modela. Na osnovu rezultata istraživanja, ovakva konstantacija može se potvrditi i kada je slučaj sa našim domicilnim finansijskih tržištem. Ako sagledamo istraživanja (Momirović, 2009; Đurović, J., et al., 2016) koja obuhvataju finansijska tržišta zemalja u regionu, može se zaključiti da su naše komšije značajno pre pristupile ovakvom vidu finansiranja (Hrvatska 2008. godine emitovala municipalne obveznice u vrednosti od 80 miliona evra; Bosna i Hercegovina 2008. godine u vrednosti od 16 KM). Treba istaći da je finansiranje putem municipalnih obveznica više zastupljeno u Republici Srpskoj nego u BiH, i da se prema istraživanju (Kozarević i Božić, 2017), 2014. godine, 92,86% građana BiH izjasnilo da postoji potreba za razvijenošću pomenutog tržišta. Razlog razlike u zastupljenošću obveznica između ova dva entiteta pre svega se može ogledati u ograničavajućem pravnom okviru iz 2010. godine, koji je značajno u tom pogledu ograničio lokalne samouprave u BiH. Takođe, je uviđeno da je procenat realizacije javnih ponuda municipalnih obveznica kao načina finansiranja nešto veći u BiH (82,14%) nego u Republici Srpskoj (69,23%), ali i da bi se taj procenat uvećao ukoliko bi se obezbedili bolji uslovi na tržištu kapitala od uslova koje nude same banke (Kozarević i Božić, 2017). Utisak je da su iskustva zemalja u regionu u upotrebi ovog finansijskog instrumenta nedovoljno uticala na veću upotrebu ovog vida zaduživanja na našem finansijskom tržištu. Naravno treba istaći domaću legislativu, koja nije na adekvatan način regulisala ovaj segment tržišta. Ona je do nedavno bila glavna prepreka u razvoju tržišta municipalnih obveznica. Mogućnost emitovanja municipalnih obveznica od strane lokalne samouprave definisano je u skladu sa Zakonom o tržištu hartija od vrednosti i drugih finansijskih instrumenata i Zakonom o javnom dugu. Problem sa kojim su se nosile lokalne samouprave, a tiču se pravne regulative, jeste Zakon o sredstvima u svojini Republike Srbije koji potiče iz 1995. godine. Novim zakonskim aktivima, definisani su uslovi koji bliže određuju sferu opštinskih obveznica i njihovo mesto u okvirima savremenog finansijskog sistema. Novi zakonski akti pre svega odnose se na dugo očekivani Zakon o javnoj svojini i neophodne izmene koje su učinjene u okviru Zakona o javnom dugu i Zakon o tržištu hartija od vrednosti i drugih finansijskih instrumenata. Izmene su se odnosile na uvođenje mogućnosti prodaje

municipalnih obveznica ne samo državi ili finansijskim institucijama, nego i mogućnost prodaje fizičkim licima.

Prvi grad na teritoriji Republike Srbije, koji je u svoj finansijski portofio uključio municipalne obveznice je Grad Novi Sad. Ovaj grad je emitovao dugoročne dužničke hartije od vrednosti do nivoa 3.500.000.000,00 RSD, sa mogućnošću valutne klauzule u evrima. Pokrovitelj emisije je Unicredit Bank Srbija a.d. Beograd, izabrana 2011. godine. Rok dospeća izdatih obveznica određen je na 12 godina, bez mogućnosti uključivanja na regulisano tržište. Definisana kamata se obračunava na godišnjem nivou, korišćenjem nepromenljive kamatne stope od 6%. Namena emisije bila je izgradnja kanalizacione mreže u prigradskim naseljima i izgradnja Bulevara Evrope.

**Grafikon 1.** Nivo emitovanih municipalnih obveznica u okviru Republike Srbije



Izvor: Autor na osnovu: Smernice za izdavanje municipalnih obveznica (2015. godina)

Grad Šabac je emitovao municipalne obveznice i to je realizovano dva dana od primarne prodaje u dematerijalizovanom obliku, na ime i u denominaciji u dinarima – indeksirano u evre. Ukupna vrednost emisije obveznica iznosi 400.000.000,00 RSD, sa rokom dospeća od 7 godina. Grad Šabac omogućio je uključivanje obveznica na regulasino tržište, odnosno na tržište Beogradske berze AD. Definisana je nominalna kamatna stopa od 6,20% i efektivna od 6,25%. Objavljivanjem Prospekta, Grad je sproveo javnu ponudu obveznica samo u Republici Srbiji. Namena emisije jeste prikupljanje finansijskih sredstava koja su namenjena finansiranju rekonstrukcije, obnove i prilagođavanja zatvorenog bazena u Gradu.

Grad Pančevo odlučio je da izvrši emisiju municipalnih obveznica u vrednosti od 107.000.000,00 RSD, sa rokom dospeća 7 godina. Za pokrovitelja emisije određen je Konzorcijum Banka Intesa AD Beograd i Komercijalna Banka AD Beograd, u skladu sa obavezujućom ponudom od 10.02.2012. godine. Definisana je nominalna kamatna stopa 7,45% i efektivna od 9,42%. Prodaja



je izvršena putem privatnog plasmana. Namena prikupljenih sredstava jeste izgradnja infrastrukturnih projekata.

Opština Stara Pazova odlučila se za emisiju municipalnih obveznica u vrednosti od 125.000.000,00 RSD, sa rokom dospeća od 5 godina. Obveznice su izdate u visini od 100% vrednosti obveznice. Nominalna vrednost je iznosila 10.000,00 RSD po jednoj obveznici. Opština je postala učesnik na tržištu Beogradske berze AD. Određena fiksna kamatna stopa je iznosila 6%. Osnovni cilj emitovanih municipalnih obveznica, odnosio se na prikupljanje sredstava koja su namenjena izvođenju investicionih projekata. Jedan od njih je i projekat izgradnje vrtića u naselju Belegiš. Isto tako, sredstva su bila namenjena i investicionom projektu izgradnje sportske dvorane sa kuglanom u Golubincima i projektu obnove i modernizacije centra u Novoj Pazovi.

Dobar kreditni rejting emitenta značajno utiče na uspešnost emisije municipalnih obveznica (Bejatović i Selak, 2016). Međutim, iz prethodno navedenih primera realizovanih emisija na našem tržištu, možemo zaključiti da gradovi Šabac, Novi Sad, Pančevo i opština Stara Pazova nisu imali problema, iako su se suočavali sa lošijim kreditnim rejtingom prilikom realizacije emisije. Loš kreditni rejting sa kojim su se suočavali gradovi nije negativno uticao na potencijalne investitore (sve emisije su uspešno sprovedene). Ako se sagledaju iskustva zemalja na razvijenijim tržištima (Fahim, 2012), može se uvideti da gradovi nakon realizacije emisije povećavaju svoj kreditni rejting.

### **Zaključak**

U radu je naznačeno da su municipalne obveznice hartije od vrednosti koje lokalne samouprave izdaju prvenstveno radi finansiranja infrastrukturnih projekata. Pored toga, na primerima emisije municipalnih obveznica gradova i opština u Republici Srbiji, jasno se može zaključiti da se ove obveznice prvenstveno izdaju na period od pet do dvanaest godina. Iako je postupak emitovanja municipalnih obveznica formalnopravno komplikovaniji u odnosu na kreditno zaduživanje, ove obveznice nose sa sobom čitav niz prednosti, kako za građane gradova tako i za same emitente (lokalne samouprave).

Relativno mali broj gradova koji su se do sada odlučili da na teritoriji Republike Srbije izdaju municipalne obveznice, potvrđuje činjenicu da tržište municipalnih obveznica Republike Srbije ima prostora za unapređenje i dalje uređenje, kako bi njegova efikasnost dosegla viši nivo. Ono je direktno povezano sa stepenom razvoja subjekata koji emituju municipalne obveznice. Pozitivna iskustva gradova i opština koja su izdala ove obveznice ogledaju se u izgradnji infrastrukturnih projekata. Činjenica je da na ograničeno izdavanje

municipalnih obveznica utiču i nedovoljni administrativni kapaciteti gradova i opština. Gradovi koji su do sada emitovali obveznice poseduju značajne ekonomske i kadrovske kapacitete, pa se može zaključiti da su se do sada na ovaj korak odlučivale prvenstveno opštine koje su značajno razvijenije od ostalih. Zaključak je da se gradovi i opštine moraju dodatno informisati u vezi svih benefita ovakvog oblika zaduživanja. Da bi upotreba municipalnih obveznica kao oblika finansiranja lokalnih samouprava u Srbiji zaživela, kao bitan preduslov ističe se transparentnije vođenje lokalnih javnih finansija.

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## MUNICIPAL BONDS AS AN INSTRUMENT FOR FINANCING LOCAL GOVERNMENTS

Pavle Jakšić<sup>2</sup>

Review paper

### *Abstract*

*Increasing demands for improving the living standards of citizens at the local level require for local authorities to find new sources of funding. The experiences of developed countries and the fact that traditional sources of financing local governments are insufficient, indicate the growing importance of municipal bonds. The author emphasizes the special specifics of municipal bonds as a security. In addition, typical types of municipal bonds have been identified, indicating the characteristics of each. The benefits of issuing municipal bonds, i.e. the advantages of investing in this type of securities, were highlighted. Empirical research has shown which municipalities and cities in the Republic of Serbia have decided to issue municipal bonds, under what conditions and for what purpose the issue was made.*

**Key words:** *Municipal bonds, local government, credit rating, securities.*

**JEL:***G10, H70, H74*

### **Introduction**

Current process of urbanization and constant improvement of the quality of services, all in order to meet the growing needs of the population, at the local level, is a global trend that does not bypass Serbia. For these reasons, investment needs are often significantly higher than the available funds of a local government. In this regard, local authorities are forced to turn to other sources of funding, in addition to the already prevalent and popular traditional forms of public revenue collection. Municipal bonds, precisely because of that, have gained in importance over time, and today they are a common form of financing sought by local governments around the world. An example of the most developed municipal bond market is certainly the United States (97.5% of the global municipal debt market) (Fahim, 2012). United States, as the bearer of this market has suggested transitioning countries this type of borrowing, since it enables local governments to finance their

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growing needs. Of course, it should be noted that the development of the municipal bond market directly depends on the level of development of the capital market in a particular country. In addition to market development, it is necessary to develop capital market institutions, such as investment and pension funds, which are in fact the main bearers of investment ventures.

The subject of the paper is the analysis of the conditions under which cities in Serbia issued municipal bonds, with reference to the way in which countries in the region have done so. In addition, the specifics of the mentioned bonds as a security and as an important instrument of financing local levels of government are pointed out. The peculiarities of using different types of these bonds stand out. The aim of this paper is to point out the benefits that local governments can achieve by issuing and using municipal bonds as a useful financial instrument.

The paper uses different research methods for a more comprehensive and realistic presentation of the state of the observed companies. The method of content analysis, the comparative method and the synthetic method were used, which enabled the derivation of concluding statements. For the purposes of this research, scientific papers, normative acts and published reports and prospectuses were used.

### **Theoretical basis**

Lending by issuing bonds (Labudović-Stanković, 2015) is one of the possible and very important ways of financing local long-term capital projects (Bhattacharyay, 2013; Peng et al., 2014). Issuing municipal bonds provides cheaper sources of financing, in contrast to the traditional way of borrowing (credit borrowing from the banking sector) (Dafflon, 2002; Gogova et al., 2017). One of the benefits of municipal bonds is high level of liquidity and relatively high earnings that is achieved even if there are no exemptions from interest income. Like any other security, it carries a certain risk for investors. Fabozzi, Fabozzi and Feldstein (1995) highlight several risks when buying these bonds: interest rate risk, reinvestment risk, redemption risk, volatility risk, tax risk, inflation risk and credit risk. Of these risks, default risk is one of the most serious risks that city bonds may face, and refers to the potential possibility of the issuer not being able to pay at a predetermined price (Sumers and Noland, 2008).

In recent decades, the municipal bond market has seen a large increase in issuance, with a tendency to increase further each year. The paper relies on literature that directly deals with the development of the American securities market (Li and Schurhoff, 2019; Brancaccio et al., 2020; Hungonier, 2018; Naklydov, 2019). The municipal bond market is considered less risky than other markets, primarily comparing it to the corporate securities market (Peng and Brucato, 2004). Characteristic for the mentioned market is the greater occurrence of asymmetric

information than is the case with other securities markets. It should also be noted that municipal bonds are traded on the secondary and over-the-counter markets. In this regard, there is no organized market for municipal bonds, as is the case with corporate securities (Daniels and Vijayakumar, 2007; Bejatović, 2008).

### **Municipal bonds as an instrument of financing local self-governments**

Most common source of income, which is used by local self-government, and based on which local development projects are financed, is municipality's revenue (the so-called pay as you go system). Second form of financing, which is significantly less frequently applied, refers to previous revenues generated by local self-governments, i.e. earnings generated by higher inflows in relation to expenditures in a defined time period. Source of income that local governments often resort to is borrowing from banks based on their future income. Of course, transfers from other levels of government also appear as another form of local government revenue. All the mentioned sources of financing local economic development are becoming insufficient, and in this regard, municipal bonds are particularly pronounced in developing countries (Carić, 2000; Breuer, et al., 2015).

Growth and development of the municipal bond market in the United States is partly due to the characteristic decentralized federal structure of the US (SEC, 2021). The size of this market today is over 3.7 trillion US dollars (a large part of GDP) (Fahim, 2012). In transitioning countries, the creation of an active municipal bond market largely depends on the degree of development of the domicile capital market. Characteristic low level of credit risk associated with municipal bonds, i.e. the level of risk of default of municipal bonds is shown in Table 1.

**Table 1.** Cumulative historical credit risk rate

Credit rating	Moody's		Standars & Poor's	
	Municipal	Corporate	Municipal	Corporate
Aaa/AAA	0.00	0.52	0.00	0.60
Aa/AA	0.06	0.52	0.00	1.50
A/A	0.03	1.29	0.23	2.91
Baa/BBB	0.13	4.64	0.32	10.29
Ba/BB	2.65	19.12	1.74	29.93
B/B	11.86	43.34	8.48	53.72
Caa-C/CCC-C	16.58	69.18	44.81	69.19
Investment level	0.07	2.09	0.20	4.14
Speculative level	4.29	31.37	7.37	42.35

Source: An Investors Guide to Municipal Bonds, (2003) The New York: Bond Market Association

### **Specifics of different types of municipal bonds**



Short-term municipal bonds are bonds issued with a maturity of up to 1 year. This characteristic is not specific to municipal bonds, as it is a financial instrument used for long-term financing. The reason for issuing municipal bonds in the long run is the fact that they are used primarily to finance infrastructure projects, and accordingly the question arises what is the economic position of the issuer when issuing this type of bond (Worlington, 2010). The reason why one issuer decides to issue the mentioned bonds for such a short period of time is to provide financial resources that can cover the possible budget deficit (Boričić, 1998). What is characteristic of short-term municipal bonds is that they appear predominantly in developed financial markets (Compton, 2009).

Unlike short-term, long-term municipal bonds are issued for a longer period of time (longer than 1 year). The only aspect that differs from the short-term ones is the period of their maturity. Other differences are primarily economic in nature. Higher income generated by issuing short-term municipal bonds carries with it a higher risk in placements, while the value of placements is significantly lower (Dorit, 1998).

From the aspect of security of debt repayment and cash flow arising from them, we basically distinguish two types of municipal bonds (Fabozzi and Fledstein, 2008): 1. General binding municipal bonds; 2. Income or revenue municipal bonds. The specificity of general binding municipal bonds is that the holders of these bonds have a guarantee that the issuer of the same, will settle its debts on the basis of principal and interest from any source of income. The Issuer has the obligation to pay the received debt from the assets that are considered adequate to cover the mentioned obligations. This type of guarantee and the high degree of protection of interest, which is provided to buyers of general binding municipal bonds, is the basic and most important feature that distinguishes this type of municipal bonds. In the case of municipal bonds, the degree of autonomy of the issuer (local self-government) directly depends on the level of decentralization and fiscal autonomy of the issuer (Labudović-Stanković, 2015).

Unlike generally binding municipal bonds, income municipal bonds are characterized by the fact that the payment on the basis of these bonds depends on the income realized or to be realized from a certain, mostly capital project financed by funds provided on the basis of these bonds (Dorit, 1998). The difference between the above bonds is visible from the legal and economic nature, as well as the position of issuers and buyers of these bonds. The issuer's obligation before issuing income municipal bonds is to submit a project for which financial resources will be provided, based on the sale of the mentioned bonds. This step significantly increases transparency during the procedure. The attached project enables the issuer to consider the realization of possible revenues. If it is about infrastructure projects that do not generate income in some way, the issuer

does not have the possibility of issuing these bonds. The risk of placing buyer's funds in this type of municipal bonds is higher (Božić, Todorović, 2009).

Dedicated municipal bonds have relatively similar characteristics as the above-mentioned income municipal bonds. Dedicated municipal bonds can be characterized as a specific type of income bonds. The difference can be recognized in the definition of the pledge, i.e. the guarantee when paying the mentioned bond. Most often, this guarantee appears in income of a fiscal nature (tax). The issuer makes a commitment that the funds directed during the purchase of the mentioned bonds will be returned based on the basic fiscal right of the issuer of bonds, which is directly related to tax liability. Biggest obstacles that appear in practice with this type of bonds are related to the degree of fiscal decentralization of the state. The centralized fiscal system of a country implies that the unit of local self-government cannot provide fiscal revenues, and thus provide budget funds for the normal functioning of the unit. In practice, it can be established that in countries where decentralization of fiscal revenues has taken place, there is significant interest in this type of bond (Carić et al., 2015; Suranji and Jarai, 2014).

The characteristic of hybrid municipal bonds is that they involve combining the specifics of different types of municipal bonds. In the last 15 years, there has been an expansion of issuance of hybrid bonds, as the above-mentioned response to the needs of investors. One of these bonds is also secured municipal bonds, which are characterized by the fact that they are additionally insured (guarantee by the insurance company) (Fabozzi and Feldstein, 2008). Insurance gives bonds the opportunity to improve the level of security of collection of those receivables that are created in accordance with the bonds that were issued (Janković, 2012). It is evident that there is a risk of inability to collect receivables, which related to the value of bonds that have matured. Thus, the issuer defines the contract with the insurance company, in order to provide additional security, and for the benefit of the buyer. Accordingly, the insurance company undertakes in its own name the obligation to regulate the payment of principal and interest, if this obligation is not realized in accordance with the contractual conditions (Liu, 2011). It can be concluded, given the level of insurance, that the price of these bonds is higher than the previously mentioned bonds (Carić et al., 2015).

### **Benefits of issuing municipal bonds**

Attractiveness of municipal bonds is reflected in the wide range of benefits offered by this type of securities. These bonds can attract a larger base of potential investors, and this broader investment base contributes to the diversification of sources of financing and cheaper financing. Legal certainty

is an extremely important issue in the process of issuing municipal bonds (Božić and Todorović, 2009).

In order for a municipality or a city to enter in the procedure of issuing municipal bonds and successfully issue or sell bonds, it is necessary for the city to have administrative, personnel and other capacities within the organizational structure of the issuer. The need to screen the capacity of human resources and available information technology before entering the broadcasting process is emphasized. The obtained results will show whether there are capacities or not, and what are the potential weaknesses that the issuer should eliminate in the future (Compton, 2009).

In order for the issuing process to be started by the issuer, it is necessary to hire a financial advisor in order to more efficiently prepare the issue of bonds. A financial advisor can be a natural or legal person, with an adequate level of knowledge and skills that will directly or indirectly affect the issue of these bonds (Dorit, 1998; Peng and Brucato, 2001). Although hiring a financial advisor is a cost to the city, omitting it may prove to be an extremely wrong decision. Practice has shown that the size, reputation and experience of the sponsor, which is mainly measured by its market share, significantly influences the level of eminent costs in bond issues (Kenneth and Jayaraman, 2006).

We can point out three possible ways of selling bonds (Fabozzi and Feldstein, 2008): 1. Tender sale (public sale); 2. Sale by negotiation; 3. Private placement. If a municipality or city decides to issue bonds, then the municipality has the option of purchasing the issued bonds before they mature from creditors or bond buyers (Worlington, 2010; Dugalić and Stojković, 2014).

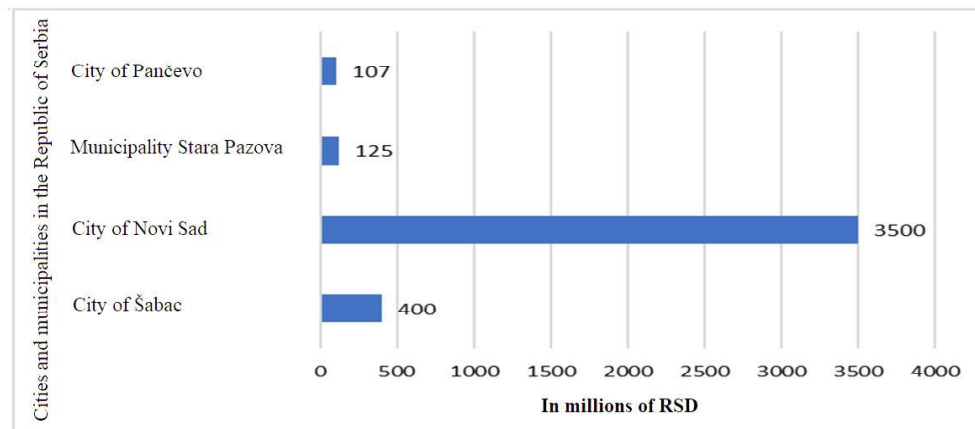
### **Research results with discussion**

The issuance of municipal bonds is a novelty on the credit market of local governments in Serbia. Most countries in transition have used the experience and legal regulations applied in more developed financial markets. However, according to research (Momirović), although the legal regulations were primarily based on the model applied in the USA, the municipal bond markets in transition countries differ significantly from the American model. Based on the results of the research, this statement can be confirmed when it comes to our domicile financial market. If we look at research (Momirović, 2009; Đurović, J., et al., 2016) that covers the financial markets of countries in the region, it can be concluded that our neighbors significantly earlier approached this type of financing (Croatia in 2008 issued municipal bonds worth 80

million euros, Bosnia and Herzegovina in 2008 in the amount of 16 KM). It should be noted that financing through municipal bonds is more represented in the Republika Srpska than in Bosnia and Herzegovina, and that according to the survey (Kozarević and Božić, 2017), in 2014, 92.86% of Bosnian citizens stated that there is a need for development of the market. The reason for the difference in the representation of bonds between the two entities can be seen primarily in the restrictive legal framework from 2010, which significantly limited local governments in Bosnia in this regard. Also, it was found that the percentage of realization of public offers of municipal bonds as a way of financing is slightly higher in Bosnia (82.14%) than in the Republic of Srpska (69.23%), but that this percentage would increase if better conditions were provided on the capital market from the conditions offered by the banks themselves (Kozarević and Božić, 2017). The impression is that the experience of countries in the region in the use of this financial instrument has insufficiently influenced greater use of this type of borrowing in our financial market. Of course, we should point out the domestic legislation, which did not adequately regulate this market segment. Until recently, it was the main obstacle in the development of the municipal bond market. The possibility of issuing municipal bonds by local self-government is defined in accordance with the Law on Securities Market and Other Financial Instruments and the Law on Public Debt. The problem that local self-governments have been dealing with, and which concern legal regulations, is the Law on Funds Owned by the Republic of Serbia, which originates from 1995. The new legal assets define the conditions that more closely determine the sphere of municipal bonds and their place within the modern financial system. New legal acts primarily refer to the long-awaited Law on Public Property and the necessary changes made within the Law on Public Debt and the Law on the Securities Market and Other Financial Instruments. The changes referred to the introduction of the possibility of selling municipal bonds not only to the state or financial institutions, but also the possibility of selling to individuals.

The first city in the territory of the Republic of Serbia, which included municipal bonds in its financial portfolio, is the City of Novi Sad. This city has issued long-term debt securities up to the level of 3,500,000,000.00 RSD, with the possibility of a currency clause in euros. The sponsor of the emission is Unicredit Bank a.d. Belgrade, chosen in 2011. The maturity of the issued bonds is set to 12 years, without the possibility of entering the regulated market. The defined interest is calculated on an annual basis, using a fixed interest rate of 6%. The purpose of the emission was to build a sewerage network in suburban settlements and to build the Boulevard of Europe.

**Graph 1.** Level of emitted municipal bonds in the Republic of Serbia



Source: Author based on: Guidelines for issuing municipal bonds (2015)

City of Sabac issued municipal bonds and it was realized two days after the primary sale in dematerialized form, in the name and denomination in dinars - indexed in euros. Total value of issued bonds is RSD 400,000,000.00, with a maturity of 7 years. City of Sabac enabled the inclusion of bonds on the regulated market, i.e. on the market of the Belgrade Stock Exchange AD. A nominal interest rate of 6.20% and an effective interest rate of 6.25% have been defined. By publishing the Prospectus, the City conducted a public offering of bonds only in the Republic of Serbia. The purpose of the emission was to raise funds that were intended for financing the reconstruction, renovation and adaptation of the indoor pool in the City.

City of Pancevo has decided to issue municipal bonds in the amount of 107,000,000.00 RSD, with a maturity of 7 years. The consortium of Banka Intesa AD Belgrade and Komercijalna Banka AD Belgrade have been determined as the sponsors of the emission, in accordance with the binding offer from 10<sup>th</sup> February 2012. A nominal interest rate of 7.45% and an effective interest rate of 9.42% have been defined. The sale was made through a private placement. The purpose of the collected funds was to build infrastructure projects.

The Municipality of Stara Pazova has decided to issue municipal bonds in the amount of 125,000,000.00 RSD, with a maturity of 5 years. The bonds were issued in the amount of 100% of the value of the bond. The nominal value was RSD 10,000.00 per one bond. The municipality became a participant in the market of the Belgrade Stock Exchange AD. The fixed interest rate was 6%. The main goal of issued municipal bonds was to raise funds intended for the

implementation of investment projects. One of them was the project of building a kindergarten in the settlement of Belegiš. Also, the funds were intended for the investment project of building a sports hall with a bowling alley in Golubinci and a project of renewal and modernization of the center in Nova Pazova.

A good credit rating of the issuer significantly affects the success of the issue of municipal bonds (Bejatović and Selak, 2016). However, from the previously mentioned examples of realized emissions on our market, we can conclude that cities of Sabac, Novi Sad, Pancevo and the municipality of Stara Pazova had no problems, although they faced a worse credit rating during the realization of the emission. Bad credit rating faced by the cities did not negatively affect potential investors (all emissions were successfully implemented). If we look at the experiences of countries in more developed markets (Fahim, 2012), it can be seen that cities increase their credit ratings after the emission.

### **Conclusion**

The paper points out that municipal bonds are securities issued by local self-governments primarily for the purpose of financing infrastructure projects. In addition, on the examples of the issue of municipal bonds of cities and municipalities in the Republic of Serbia, it can be clearly concluded that these bonds are primarily issued for a period of five to twelve years. Although the process of issuing municipal bonds is formally more complicated in relation to credit borrowing, these bonds bring with them a number of advantages, both for citizens of those cities and for the issuers (local self-governments).

Relatively small number of cities that have so far decided to issue municipal bonds on the territory of the Republic of Serbia, confirm the fact that the municipal bond market of the Republic of Serbia has room for improvement and further regulation, so that its efficiency reaches a higher level. It is directly related to the level of development of entities issuing municipal bonds. Positive experiences of cities and municipalities that issued these bonds are reflected in the construction of infrastructure projects. The fact is that the limited issuance of municipal bonds is also affected by insufficient administrative capacity of cities and municipalities. The cities that have issued bonds so far have significant economic and human resources, so it can be concluded that so far, this step has been decided primarily by municipalities that are significantly more developed than others. The conclusion is that cities and municipalities must be additionally informed about all the benefits of this form of borrowing. In order for the use of municipal bonds as a form of

financing local self-governments in Serbia to come to life, a more transparent precondition is the more transparent management of local public finances.

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