

As regards market liberalisation, no particular development can be reported. The question of breaking up the oligopoly of fixed-line services within the country has not yet been addressed.

As regards the regulatory framework, the Communications Regulatory Agency (CRA) is responsible for regulation in the areas of telecommunication and electronic media, as well as for issuing operating permits to both electronic media and telecommunications operators. The CRA is financially and organisationally distinct from the Ministry of Communications. In November 2004 it took a decision to reduce the prices of voice services for calls between fixed and mobile networks. The decision imposing a price cap for voice telephony services between fixed and mobile networks came into force in January 2005. In March 2005, the Bosnia and Herzegovina Parliament appointed seven members to the CRA Council, which held its first meeting in May 2005. The Council is responsible for determining strategic goals in the sector and monitoring their implementation. It adopts internal CRA rules and acts as the appeal body against decisions by the Agency.

As regards **information society services**, the Council of Ministers adopted the Information Society Development Policy, Strategy, and Action Plan in November 2004. Nonetheless, Bosnia and Herzegovina has not yet adopted the Law on the Information Society Agency. The Law foresees the establishment of the Agency as the main institution for the implementation of the information society development strategy and action plan, as well as for the coordination of related activities in the country. Bosnia and Herzegovina has signed but not ratified the Council of Europe Convention on Cybercrime. It will also need to align its legislation with EU standards on electronic commerce and conditional access services.

Concerning **audiovisual policy**, progress can be reported. The European Convention on Transfrontier Television entered into force on 1 June 2005. In August 2004, BHT Public Television, covering the entire country, started broadcasting. Regarding public broadcasting legislation, the adoption of the Law on the public broadcasting system and the progress made towards the adoption of the law on public broadcasting service have been positive developments. The public broadcasting service law needs now to be urgently adopted. The essential point of the public broadcasting legislation is to bring together the three current public broadcasters (the two Entity broadcasters and the nationwide one) into a single legal entity with a single steering board, with the objective of preventing monolingual channels. This should help reduce ethnic divisions and avert undue political use of public TV services. Bosnia and Herzegovina will also need to ensure the timely adoption of public broadcasting legislation at Entity level and accelerate the structural reform of the public broadcasting sector. Proper implementation of the Council of Europe Convention on Trans-Frontier Television and preparation for progressive alignment with the “Television without Frontiers” Directive are also important issues.

### ***3.2.7. Financial control***

The Supreme Audit Institutions (SAIs) of Bosnia and Herzegovina, at State and Entity level were established by law in 1999. The SAIs are independent from other government authorities, and report to the Parliament. The SAIs are invited to fully adhere to the recommendations of the so called LIMA declarations of INTOSAI. The three SAIs co-

operate in a Co-ordination Board. Their reports are made widely available, however, there is still a lack of responsiveness and follow up to the SAIs' recommendations.

Overall, the current set up for **public internal financial control** (PIFC) is inadequate. Bosnia and Herzegovina should take co-ordinated steps towards developing its Public Internal Financial Control system in line with international control and audit standards<sup>8</sup> and EU best practice. More specifically, Bosnia and Herzegovina should develop and introduce the modern principles of managerial accountability and functionally independent internal audit, with a focus on assessing the internal control systems. The management and control of legality and regularity of financial transactions needs to be further developed and co-ordinated in a harmonised way.

At the Entity level, both the Federation of Bosnia and Herzegovina and the Republika Srpska need to develop decentralised internal audit within a proper public internal control context.

Bosnia and Herzegovina should establish an independent central organisation (preferably in the Ministry of Finance) based on professional standards of transparency and integrity, and which is assured of strong and continuous support from the government. This organisation would be responsible in the long term for the harmonisation and co-ordination of the development and implementation of a commonly agreed PIFC strategy that should lead to comprehensive primary and secondary legislation and to adequate organisational structures for the internal control systems relating to public funds throughout the public sector. This organisation would also be responsible for the co-ordination of the training needs for management, controllers and internal auditors and should receive the human resources and other means needed for its adequate functioning.

### ***3.2.8 Other policies***

Progress with regard to **employment** and **social policy** is part of the work towards European standards. Further efforts to establish economic and social rights as well as to promote employment and encourage social dialogue will contribute to improving governance and economic performance.

## **3.3 Justice, freedom and security**

### ***3.3.1. Visas, border control, asylum and migration***

Bosnia and Herzegovina has made progress in these areas.

As regards the processing of **visas**, as of November 2004, data entered into local systems at Diplomatic Missions and Consular Representation Offices are electronically transferred to the Ministry of Security. This has speeded up the issuing of visas. A Migration Information System, covering all aspects of migration, has also been developed. This system is intended to fully computerise all aspects of visa processing, enabling real-time information exchange between the visa-issuing authority and other designated authorities.

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<sup>8</sup> i.a. the INTOSAI Guidelines for Internal Control in the public sector

The issuing of visas at border crossing points increased in 2004 to around 5 600, compared with 4 300 in 2003. However, due to the application of new instructions limiting the circumstances under which visas may be issued at border crossings, the number of such visas has dropped to around 1 000 during the first six months of 2005.

Bosnia and Herzegovina's visa lists are not aligned with EU lists. Nonetheless, the recent removal of visa requirements for EU citizens has been a positive development.

As regards **border control**, the number of persons denied entry to Bosnia and Herzegovina increased from around 9 400 in 2003 to 10 500 in 2004. In 2004, almost 1 000 persons were apprehended trying to enter Bosnia and Herzegovina illegally, 10% more than in 2003. During the reporting period, Bosnia and Herzegovina adopted a series of laws relevant to border management, namely the Law on Police Officers, the Law on Supervision and Control of Crossing of the State Border, and a new Law on the State Border Service (SBS). The Council of Ministers has adopted new decisions on the internal organisation of the SBS and decided to increase its human resources from 2 000 to 2 500 employees. In July 2005, Bosnia and Herzegovina also adopted the Integrated Border Management Strategy. This provides for enhanced cooperation between the State Border Service, the Indirect Taxation Administration, the phytosanitary and veterinary services and market inspections, on the basis of regional guidelines distributed by the European Commission to all Western Balkan countries in October 2004.

Involvement of the SBS in regional cooperation initiatives has also increased, notably under the South-East European Cooperation Centre, the Democratic Control of Armed Forces Programme, the Ohrid Process and the Stability Pact. Steps have also been taken to enhance cooperation between the SBS and other law enforcement agencies. In June 2005, the Bosnia and Herzegovina State Border Service signed a cooperation agreement with the Border Police of Croatia.

Positive developments have been registered in the area of **asylum**. Since July 2004, the Ministry of Security of Bosnia and Herzegovina has taken over responsibility for refugee status determination from UNHCR, and is assuming responsibility for the management of refugee centres. In June 2004, the Ministry of Security issued a bylaw to the Law on Movement and Stay of Aliens from 2003, prescribing the principles, competent authorities, the requirements and the procedure for acquisition of refugee status and temporary residence on humanitarian grounds. The new legislation broadly meets international standards. In 2005, the Ministry of Security has proposed amendments to the Law on Immigration and Asylum related to the accelerated procedures, detention of aliens, withdrawal/cessation/cancellation of status. The suggested amendments should be made in line with the *acquis* and international standards and by no means delay the implementation of the existing provisions including, particularly, those on asylum and refugees' rights.

The current level of asylum applications in Bosnia and Herzegovina is low (there were only 40 applications for asylum in the second half of 2004); however these may raise in coming years if Bosnia and Herzegovina increasingly becomes a country of destination rather than a transit country. There are still a large number of people enjoying temporary protection (around 3 000 citizens of Albanian origin from Serbia and Montenegro) and finding long-term solutions for them will be a test of Bosnia and Herzegovina's capacity in this field. In this context, the number of staff handling asylum at the Ministry of Security remains low, with only 9 of the proposed 22 staff in place.