

Overall, Bosnia and Herzegovina's preparations in the field of information society and media are advancing slowly. Implementation of the public broadcasting legal framework is necessary for reforms in this sector, a European Partnership priority. Ensuring the functional independence of the CRA remains a top priority. Continued challenges to the CRA's independence are having a negative impact on the development of competition.

4.2.7. *Financial control*

Bosnia and Herzegovina has made some progress in the area of financial control.

Further steps have been taken to introduce **Public Internal Financial Control (PIFC)**. Laws on internal audit continued to be implemented at State and Entity level and the administrative capacity is slowly being strengthened to ensure sound management of public funds. However, the number of skilled internal auditors remains very low.

The State-level Council of Ministers and the governments of Republika Srpska and the Federation adopted their PIFC policy papers. In the Federation and Republika Srpska internal audit units are being established. Central Harmonisation Units (CHUs) exist in the Ministries of Finance of the State and Republika Srpska. However, the Federation has not yet recruited managers for its CHU. Lack of staff is an impediment to further development of PIFC. Adequate financial management and control systems need to be developed. A coordination board to ensure a harmonised approach to PIFC across all three CHUs remains to be established.

As regards **external audits**, the four supreme audit institutions (SAIs) (State, Entities and Brčko District) are performing well, but have no impact on public financial management. In the Entities SAIs are not subject to administrative and civil service laws. The State-level SAI is not entirely independent from the Council of Ministers. The audit offices at State and Entity level are building capacity for performance audits. Cooperation among SAIs through the Coordination Board continued. The Coordination Board issued guidelines for performance audits and a human resource development strategy. The establishment of parliamentary audit committees increased the capacity of all three parliaments to deal with audit reports. As a result, based on audit reports, the audit committee of the Bosnia and Herzegovina Parliamentary Assembly recommended budget changes.

Overall, in the area of financial control Bosnia and Herzegovina has partly met its objectives regarding PIFC legislation, regulations and re-organisation. Internal auditing is being introduced. Financial management and control systems need to be further developed. The issue of the independence of external auditors remains to be addressed.

4.2.8. *Statistics*

Limited progress has been made in the area of statistics.

Very little progress has been made on **statistical infrastructure**. The staff number of the Agency for Statistics of Bosnia and Herzegovina (BHAS) increased. However, cooperation between the BHAS and the Entities institutes for statistics needs to be considerably improved. Different interpretations of the existing legislation persist. Neither the State-level statistics law nor the Agreement on cooperation and coordination in the area of statistics are being correctly implemented.

Cooperation between the BHAS and the Indirect Taxation Authority (ITA) is poor. The ITA does not provide administrative data to the BHAS in a sufficient way. The results are low-quality business, macro-economic and external trade statistics (*See Chapter 4.1.4 – Customs and taxation*).

Some progress has been made regarding **classifications and registers**. The statistical business register is operational, but the lack of data from certain administrative sources negatively affects its quality. Approximation to the NACE Rev. 2 statistical classification of economic activities is moderately advanced.

Some progress has been made on **sector statistics**. Technical preparations for the population and household census are advanced. Entities are at different stages of preparation of maps for census enumeration areas. However, the State-level law on the population and household census was not adopted. Political agreement could not be reached on the use of the census results for the composition of public bodies. In the absence of a census law, no pilot census has taken place.

In the area of social statistics, the 2010 extended Labour Force Survey (LFS) has been carried out and first results were published.

Limited progress has been made on macro-economic statistics. The annual GDP estimate for 2009 was published. However, the Republika Srpska Statistical Office does not fully implement the multi-annual master plan for developing national accounts. Therefore, quarterly national accounts cannot be developed.

The quality of short-term statistics, construction industry statistics and structural business statistics improved. Quarterly surveys are being conducted on input prices in agriculture. Preparations for an agriculture census started (*See Chapter 4.2.2 – Agriculture and fisheries*). A pilot farm structure survey was carried out. Progress has been made on energy statistics.

Overall, preparations in the field of statistics are moderately advanced. National accounts, business and agricultural statistics remain to be improved. The BHAS development plan has to be implemented to ensure necessary capacity. Technical preparations for the population and household census are advanced. The Law on the population and household census remains to be adopted. Closer cooperation between the BHAS and Entity statistical offices as well as between the BHAS and State agencies remains essential.

4.3. Justice, freedom and security

4.3.1. Visa, border management, asylum and migration

Progress has been made in the field of **visa policy** and in the framework of the visa liberalisation dialogue. The visa facilitation agreement between the EU and Bosnia and Herzegovina is being implemented. The number of visas issued at the border was further reduced from 684 in 2008 to 345 in 2009. However in the first half of 2010, 145 visas were issued which is an increase of 20% compared to the same period of 2009. At the moment, positive and negative lists are not fully harmonised with the EU visa list.

Biometric passports started to be issued. The Agency for identification documents, registers and data exchange (IDDEEA) finished verifying all registers and entering data into the central database. As of end September 2010, a total of 329,400 biometric passports had been issued.