

cards including electronic identity elements in view of future e-services. There was no progress on the development of State-level legislation on electronic documents.

There was no alignment with the e-commerce Directive nor with the implementing legislation related to conditional access services. The State-level e-commerce law has not yet entered into force. The implementing legislation for the State-level e-signature law of 2006 has not yet been adopted. Administrative capacity in the State-level Ministry of Transport and Communications remains insufficient.

As regards **audiovisual policy**, the Decision on determining the body responsible for cooperation with the independent regulatory bodies in the field of audiovisual media services and the body responsible for drawing up the list of important events was adopted by the Council of Ministers in March 2013. Through adoption of this Decision, Bosnia and Herzegovina has aligned its legal framework with the Audiovisual Media Services Directive (AVMSD) and signed the memorandum of understanding with the European Commission for participation in the Media 2007 Programme.

The CRA Council adopted amendments to the Code on commercial communications to regulate product placement in audio-visual media services. It also drafted guidelines for implementation of the Code.

An updated action plan on digitalisation is yet to be adopted by the Council of Ministers. The decision on the use of spectrum freed up by the switchover has yet to be made. A tender for acquiring digital equipment for the three public service broadcasters failed for the second time. This delayed the digital switchover initially planned for the end of 2014. A new tender for acquiring the digitalisation equipment has been launched. Radio and Television Republika Srpska (RTRS) attempted broadcasting in the DVB-T format in March 2013 without a valid CRA licence.

The Statute of the public service broadcaster Bosnia and Herzegovina Radio and Television (BHRT) remains unchanged. The Law on RTV FBiH remains not harmonised with the State-level law regulating the procedure for the selection of the members of the Steering board of the public broadcaster. Efforts were made to finalise the reform of the public service broadcasting system of Bosnia and Herzegovina and establish the Corporation. Reform of the public broadcasting sector has been further delayed.

The lack of merit-based appointments and continued challenges to the CRA's independence remain a serious concern (*see 2.2 – Human rights and protection of minorities*). Legislative alignment in the fields of electronic communications and information society and media has yet to be addressed.

Overall, preparations are at an early stage. Substantial efforts are needed to develop electronic communications and the information society.

4.2.7. *Financial control*

Regarding **public internal financial control** (PIFC), the State has amended the Law on Financing of the Institutions of Bosnia and Herzegovina to introduce provisions requiring each budget user to sign an annual statement of responsibility. New budget management information systems have been implemented in the State and two Entities. The Central Harmonisation Units (CHUs) in the Ministries of Finance of the State and the Entities have prepared implementing legislation such as manuals, guidelines and charters for internal auditors. The Coordination Board of the CHUs has not yet met to perform its function as a single platform for the coordination of legislation and methodology. Progress in implementation of PIFC would significantly benefit from an active Coordination Board. Staffing of the Federation CHU remains a concern. There has been a slight increase in the

number of internal auditors in the State and in Republika Srpska, but staffing levels are generally below the optimal level.

Regarding **external audit**, the independence of the State-level State Audit Institution (SAI) from the executive was strengthened after the Bosnia and Herzegovina Parliamentary Assembly adopted amendments to the Law on Ministries and Other Bodies of Administration of Bosnia and Herzegovina. No further measures have been taken to ensure the financial independence of the SAIs from the governments, or to anchor them constitutionally

Overall, there has been little progress in the area of financial control. Substantial efforts are needed to finalise the legal framework, resume coordination between CHUs via the Coordination Board and build capacity on implementation of PIFC. The independence of the SAIs has yet to be addressed. Preparations are at an early stage.

4.2.8. *Statistics*

As regards **statistical infrastructure**, the cooperation between the Agency of Statistics of Bosnia and Herzegovina (BHAS) and the Entity institutes for statistics has improved, in particular as regards the preparations for the population and housing census. The Indirect Taxation Authority does not provide sufficient data to the BHAS. The proposed amendments to the law that would enable data sharing are pending adoption in the parliament.

The Strategy 2020 for the development of statistics in Bosnia and Herzegovina has been agreed by the Statistical institutes but not yet formally adopted. A document regulating the implementation of European Statistics Code of Practice in Bosnia and Herzegovina statistics has been adopted.

As regards **classifications and registers**, the Statistical Business Register (SBR) remains incomplete, as data from relevant administrative sources are still missing. A five-year development plan for the SBR was agreed. Bosnia and Herzegovina did not provide GDP per capita figures harmonised at NUTS level 2 to the EU on 1 July 2013, an obligation under the Interim Agreement. A working group established to draft a classification of territorial units for statistics in the country has agreed on NUTS level 1 and NUTS level 2 proposals. The work with level 3 will continue after the population and housing census.

Regarding **sectoral statistics**, the three statistical offices continued to prepare for the population and housing census to be held from 1-15 October 2013. As regards macroeconomic statistics, national accounts need further development. Bosnia and Herzegovina joined the IMF's General Data Dissemination System (GDDS). Final results of the household budget survey 2011 were published in February 2013. Some progress was made on business statistics, especially in construction, retail trade and tourism.

Overall, there was some progress in the area of statistics, in particular regarding the preparations for the population and housing census as well as in business statistics. Sectoral statistics such as national accounts, business and agricultural statistics need to be improved. Cooperation, coordination and decision-making processes need to be further improved in the national statistical system.

4.3. **Justice, freedom and security**

4.3.1. *Visa, border management, asylum and migration*

As regards **visa policy**, in 2012, 150 visas were issued at the border, a decrease of almost 40% (248 in 2011). In the first half of 2013, 49 visas were issued at the border, a decrease of 38.88% compared with the same period of 2012.

Implementation of the visa-free regime with the EU continued smoothly overall. Although the majority of travellers to the Schengen areas are *bona fide*, a number have abused the visa-free