

Remarks by Principal Deputy HR Donald Hays at a Mayors' Conference in Tuzla

Ladies and Gentlemen,

We are at the beginning of something. It might be exciting; it will certainly be difficult; I'm pretty sure it will be interesting.

All of you have been elected. You have a popular *mandate*. You have, in an utterly new sense, *power*.

How you use that power will determine the future of this country.

The High Representative has a phrase that he often repeats, and that I wholeheartedly agree with – If you keep on doing what you're doing; you'll keep on getting what you've got.

If you want change – if you want improvement – you cannot keep on doing what's been done in the past.

You *must* use your power differently.

You truly can be instruments of change. If you miss the chance, the country will miss it with you – so you mustn't fail.

Now, what kinds of things should you be doing? Let me look at some of the priority areas, and please let me emphasise that I KNOW I am preaching to the converted as far as many of you are concerned. You are either already implementing initiatives like this, or you are lobbying your municipal colleagues to get such initiatives off the ground – but it never did any harm to draw attention to ideas that work.

- Maintain a dialogue with the people who voted you into office. How? Regular surgeries at the municipality. Make yourself available. It's not a waste of a morning or an afternoon or an evening to LISTEN. It's an invaluable means of making sure that municipal policies are RESPONSIVE.
- Talk to potential investors. Sounds obvious, yet the feedback we get from many foreign investors – or, I should stress, POTENTIAL foreign investors – is that municipalities routinely do not know how to speak their language.
 - In the first instance literally. Do you have French, German and English-speaking staff ready to take a phone call from Munich or Manchester or Marseilles? You should have.
 - Learn to understand investor requirements: each municipality in BiH is competing, with other municipalities in this country and other municipalities in Southeast Europe. Competing means offering more attractive factory space, more competitive local taxes and rates, better schools, affordable housing – investment won't come to you of its own accord. It has to be *attracted*.
- How long does it take to register a new company in your municipality? If it takes more than a week you're not competing.
- Understand why investment matters – investment means jobs. That's the bottom line.
- As jobs are created in the private sector, they should be trimmed in the bureaucracy, which doesn't mean trimming services. The ideal model – and one that has already been implemented successfully in various municipalities in BiH – is to reduce staff numbers while *increasing* service and efficiency. How? By adopting private-sector models. For example, the municipality can contract out for services, such as cleaning and catering, while encouraging cleaning and catering staff

to look on the municipality not as a job for life but as a major client among many potential clients.

- Understand the importance of image. If you're not impressed by where you live, other people won't be. Remember that when potential investors see well-kept streets and well-run civic amenities they know they are dealing with a local administration that can deliver results: appearance matters.
- Work with other municipalities. Again, it sounds obvious, but identifying the synergies that exist among BiH municipalities – in terms of road and river management, waste disposal and fund management, for example – is, I believe, only now beginning to pick up momentum.

In the Federation, mayors face a particular challenge in regard to defining their operational capacity in the context of canton and Entity budget allocations and overall responsibilities. This is a nettle that has to be grasped, and I urge you to grasp it sooner rather than later. Review the legislation, take your case to the press and take your case to your partners in the other levels of government. There needs to be a more coherent, transparent and efficient relationship between the municipalities and the cantons and the Federation. The only people who can forge that relationship are you.

Municipalities are the first place where citizens meet government. That is why what you do is so important. The reforms that are now underway have a single object – to make it easier for you to act effectively.

If I may use a metaphor, the reconstruction of the municipal building affects all the floors and all the tenants. As far as local government reform is concerned, one part of the building (Republika Srpska) has been renovated, and people are starting to move in. The Federation, however, is behind schedule. It is not that they don't have builders and funds. The problem is that the construction team doesn't have a clear vision of

how it should proceed – even though the tenants do.

The Council of Europe has recommended that the Entities harmonize the basic conditions of local self-government with the principles laid down in the European Charter on Local Self Governance, if necessary by introducing constitutional amendments to that end. It is therefore clear that failure by the Federation to ensure compliance with principles laid down in the Charter will become a failure of BiH to fulfil its international obligations arising from BiH's ratification of this document and its membership of the Council of Europe.

I know that Mayors' views on local government reform are filtered through political considerations, not least of which is the political outlook of your respective municipal assemblies – but let me assure you that voters will respond positively to any reform that makes local government more responsive and more efficient – and local government reform can make this happen.

Thank you