

Remarks by Principal Deputy High Representative Lawrence Butler at the Second Mayors' Conference on Civil Society in BiH

Ladies and Gentlemen,

When the core institutions that are needed in order to sustain a prosperous democracy in Bosnia and Herzegovina are operational, the IC's high-profile postwar role here will come to an end. The relationship between BiH and its international partners will be normalised.

We are getting there, and because we are within sight of the orderly and timely phasing out of international involvement in a range of areas, it is particularly important that we discuss the way in which this country's institutions will work over the long term – because sustaining a democracy and expanding prosperity is not a matter of moderate effort and good intentions; it is something that requires sustained and deep reserves of political will and a clear and practical agenda.

Garnering that political will and placing it in the service of that clear political agenda isn't my job. It is yours.

Let's be clear. The future of Bosnia and Herzegovina and its people isn't in the hands of the International Community. It's in your hands. The era of direct international support for every aspect of political, social and economic life is already over.

BiH has many of the institutions that it needs in order to

move forward with the Euro-Atlantic integration process (though not all; there are still large steps to be taken in the defence field, for example, in the field of police reform and also in making the Council of Ministers fully operational with a full compliment of ministries and departments). BiH's social and economic policy priorities have been clearly mapped out, in the Development Strategy and also in the reform agenda that comes with EU accession.

What has to happen now is action on *your* part.

You have to make sure that the institutions are working well enough to support the work you are doing at the municipal level. Politically, you have to support the reforms that will transform Euro-Atlantic integration from a legislative and administrative process into a systematic elevation of standards of living.

You have to ensure that the development path that now lies open is not blocked, either by self-interested party-political manoeuvring, or by incompetent policy making.

You have the mandate and the means to do this.

The mandate because you have been placed in office by the direct, democratically expressed will of the people. You, the Mayor, were elected. No one else.

And the means, because you have a powerful platform from which to address the policymakers and the people of BiH.

I will do what I can to help you – but rather than count on my help, I would urge you to count on your own strength.

It is prodigious – perhaps more prodigious than many of you realise.

Let me talk about some of the things that BiH urgently needs.

It needs a fiscal allocation system that rewards performance.

The Fiscal Sustainability Working Group established at the beginning of this year by the three Finance Ministers is examining the relative efficiency of different tiers of government.

You must ensure that the merits of the municipalities are made manifest.

There will have to be cuts; that much is clear, because there simply isn't enough cash. But the cuts must be in the right places – places where service delivery is poor, where administration is top-heavy, cumbersome and inefficient. Does that describe your own tier of government, or one of the other tiers?

BiH desperately needs investment in new jobs. What are you doing in your municipality to lure that investment? Do investors beyond BiH, or indeed beyond your immediate region, know about the opportunities that exist in your area? Do you have dedicated staff whose task it is to liaise with prospective investors – in whatever language may be appropriate? If you are dissatisfied with the performance of the BiH authorities in attracting international investment, what are you doing about that?

I wonder how many of you are working in areas where agricultural production and employment could be significantly boosted if BiH were able to export more of its agro-produce? Those increases in exports are not going to happen until there is a coherent BiH trade policy, backed by fully operational certification institutions such as the state Veterinary Office and the state Phytosanitary Agency. I believe this illustrates the point that the effects of the Euro-integration strategy, which includes making the Council of Ministers and its departments complete and functional, will be felt at the very heart of municipal affairs. You must do everything possible to ensure that the municipal impact of this strategy is optimal.

There are other issues, for example

- implementing the corporate governance legislation passed in the last year so as to improve the business environment and attract the investment that will create jobs;
- enacting a Law on Obligations that will modernise the way we do business in BiH and bring us into the European commercial mainstream;
- cleaning up the utilities companies so that telephone, water and electricity tariffs paid by companies and individuals in your municipalities are brought down to competitive levels;
- introducing a coherent transport policy that will allow the systematic upgrading of road and rail links; and
- enacting the statutes for a Public Broadcasting Service that is multicultural and free of political abuse.

All these affect your municipalities, because if they are not dealt with properly (if they are dealt with incompetently or dishonestly) your best efforts at the municipal level will be compromised.

Municipal issues are national issues; national issues are municipal issues – and you have the mandate and the means to ensure that the debate on these issues is thorough, that it is sensible and that it is honest.

I have touched on just a handful of topics. What I would like to learn is how you view these issues; whether these correspond to the issues that you believe are paramount in your own work; and whether you are satisfied with your capacity to have an impact on the debate over these and other issues.

I have spoken briefly because for me the most useful function at this gathering will be to listen and to learn.

Thank you