Remarks by Principal Deputy HR Donald Hays at a Conference on Land Use in BiH

Ladies and Gentlemen,

The Food and Agriculture Organisation has completed its inventory of land resources in BiH and produced a manual that brings together a variety of useful and pertinent data, including academic studies and detailed maps.

This exercise has revealed clear structural problems in the way land is utilized in BiH.

The average farm size is well below the EU average, as is the overall acreage of arable land.

It is clear to everyone now that arable land is a limited resource, and due to various factors it is not being utilized in an optimal way.

Yet, two thirds of the population – higher than the EU average – live in the countryside off some sort of agriculture related activity. A disproportionately high number of BiH citizens depend on this the land – thus compounding the problem.

Furthermore, agriculture continues to be a key component of the BiH economy. Currently it accounts for about 10 percent of GDP, and that is a figure that could be significantly higher if the sector were properly structured and able to attain an appropriate level of productivity.

The result of this structural deficiency is familiar – under production, under investment and high unemployment.

That is why addressing the land usage question effectively is a crucial component of any effort to rehabilitating the BiH

economy. It is, in fact, crucial to the future of this country.

A productive agriculture sector could well produce a significant increase in exports – addressing BiH's unsustainable trade deficit – and provide needed jobs for the increasing numbers of returnees. Families who are now faced with a lack of economic opportunity, a factor which is now generally regarded as the principal residual barrier to return to rural communities.

Steps that have to be taken are clear:

- Publicly owned land must be made more easily accessible for farming
- Legislation modernizing the law on the inheritance of privately owned land, which currently results in the fragmentation of holdings, must be drafted and implemented.NGOs, local communities, businesses and the relevant authorities must be encouraged to develop projects aimed at developing cooperative arrangements that allow farmers to benefit from economies of scale. For example, schemes should be developed to share the cost of machinery rental and for reaching agreement with agro food producers to supply crops in bulk; and
- farmers must be encouraged to grow crops that are marketable rather than simply traditional.

All of these steps would help address the problem of underproductive land use.

The FAO analysis has provided invaluable information on land allocation and land planning in BiH and – equally important – has brought together all of the main stakeholders so that the steps cited above can be taken sooner rather than later.

The guidelines that will be presented today are a tool for Land Use Development in BiH's Municipalities. It's up to the municipalities to make productive use of this tool–what

everyone must understand and understand clearly is that addressing this issue is not a specialized concern of farmers or rural communities; it is something that affects the wellbeing of the people of BiH as a whole.

The welfare of the rural communities depends on how quickly and how well this analysis is used by local authorities and by the leadership of this country. The economic and political stability depends on the commitment of this country’s leadership to address this issue on an immediate basis.

Thank you