

# Speech by Principal Deputy High Representative Donald Hays At a Conference on Local Self Government Organised by the Friedrich Ebert Foundation

Ladies and Gentlemen,

The Federation Parliament has just approved legislation enabling the direct election of mayors. The pressure to do this came from a groundswell of popular opinion, some of it orchestrated by the mayors themselves. Their rationale is clear. Direct elections will provide them with a mandate that will increase their effectiveness.

Municipalities deal with tangible everyday services – rubbish collection and street lighting and children's day care; they process the documents that define our lives – birth certificates and wedding certificates and all sorts of other certificates. They may be the lowest tier of government, but for most citizens it is this tier that affects their basic interests, more so than the Cantons or the Entities.

So, allowing for the direct election of mayors is an unusually significant step forward in the democratic process.

This reform will enhance the accountability of mayors and the effectiveness of municipal government.

What we must now do is make sure that the opportunities that this creates are not wasted.

Those opportunities are as plentiful as the activities for which municipalities have primary responsibility.

Municipalities are in the service delivery business, and how well they deliver services is the best way – pretty much the only way – of gauging their effectiveness. Now that direct elections are to take place in November we can focus on ensuring that democratically chosen municipalities deliver better services to the people who put them in office.

One way they can do this is by initiating and developing cooperation with other municipalities – not just municipalities in the same Entity but municipalities that share the same rivers, the same mountains, the same rubbish disposal problems, the same public health and social services challenges. This means inter-Entity cooperation.

We have already seen effective municipalities leading the way. Mayors on both sides of the IEBL have successfully initiated cooperative links with one another, and their residents have benefited as a result. The object has been to maximize natural synergies and economies of scale in infrastructure and communications projects. This kind of cooperation is based on the straightforward premise that if five municipalities pool their resources they will be able to set up a more efficient and economical waste disposal system than if each municipality tries to go it alone. Likewise, you can't clean up just one stretch of a river, you have to get the cooperation of all the communities along the riverbank, and that means getting several municipalities working together.

As some of you may know, I have spent a good deal of time in the course of the last 18 months or so visiting municipalities throughout BiH. One of the things I have noticed is that the more transparent a municipal administration is, the more economically successful that municipality tends to be.

Recently I visited Gracanica, which has made a name for itself

by attracting investment and creating jobs. All of the major pre-war companies in the municipality have been privatised and are operational and Gracanica has secured significant volumes of capital for start-ups in the SME sector.

Interestingly, Gracanica – which by the way has its fair share of problems, not all of which have been solved – displays broad characteristics that are not directly connected with the economy but are common factors among municipalities that have succeeded in turning their economic fortunes around. For example, the Mayor operates an open-door policy, actively soliciting suggestions, complaints and innovative ideas from citizens; he also briefs residents on municipality developments through a weekly radio broadcast.

And Gracanica looks good.

This is more important than it may seem.

Last month in Sarajevo I called on BiH businesspeople to start displaying self-confidence, the kind of self-confidence that is self-fulfilling. You have to believe that you are going to succeed, and you may as well aim for the most ambitious kind of success. I called for a confident believe that BiH has decisively turned the corner, and that it can in the medium term attain levels of prosperity that far outstrip what was achieved in former Yugoslavia before the war.

Yesterday I made a similar call to international investors – I asked them to show confidence in BiH and invest here – not out of goodwill or humanitarian concern but because there is solid evidence to show that putting money into this country is a commercially viable thing to do.

Well, today, I want to make a similar call for confidence, but now I'm talking about municipalities. Let us not think in terms of making municipalities across BiH acceptable, or tolerable, or simply livable.

Let us go a lot further than that. Let us think in terms of creating municipalities that are desirable places to live, that compete every day to offer their residents the very best in terms of service. This is the kind of ethos that is reflected in efficiently maintained parks, punctual rubbish collection, civic buildings that are properly maintained and consequently a source of pride.

The fact that Gracanica looks good, I think, testifies to and reflects an emerging municipal self-confidence.

The Federation Parliament's landmark decision to pave the way for direct elections of mayors resolves a major constitutional issue. Now, I think we have to resolve a psychological issue. Every municipal administration, it seems to me, should be engaged in the business of making their municipality not simply better but the best.

Let me finish with a comment on the process that has led to the constitutional change in the Federation and to the beginnings of a new resilience among a certain number of municipalities across BiH. This meeting is itself part of the process.

We have every kind of municipality in this country – very large, very small, very well run, very badly run. One complaint I hear is that well-run municipalities are sometimes penalized for their success. When a municipal administration is self-evidently capable of, for example, attracting investment and generating employment it can find itself passed over by government departments and international organizations, who focus their attention on struggling municipalities. In the short term that must be very frustrating – but the long-term benefits of well-run municipalities, in terms of jobs, amenities, and quality of life far outweigh the benefits of remedial programmes. And remedial programmes will never mask the shortcomings of a badly run municipality.

So I believe that the well-run municipalities will generate and maintain their own momentum and it will be in the interests of other municipal administrations to try to learn from their more successful counterparts – or face the dissatisfaction of their constituents at the next election.

So this process in which we are engaged – to reform BiH at the municipal level, which means reforming the country at the grassroots, and to improve in a systematic way the services that are offered to citizens – is not going to be confounded by the incompetence or obstruction of opponents of reform. To progressive mayors I say, move forward with confidence because the momentum is on your side.

Thank you