

# BFC SEE STANDARD

Business Friendly Municipalities in South East Europe



## BUSINESS FRIENDLY CERTIFICATION

Business Friendly Certification South East Europe (BFC SEE) is a unique program for improving the quality of services and information that municipalities in the SEE region offer to companies. BFC SEE provides municipalities with a clear roadmap for creating a favorable business environment and introducing internationally recognized standards of efficient and transparent local administration.

For investors looking to move or expand their operations in South East Europe, BFC SEE serves as a standardized tool for assessing the local conditions for doing business, indicating which municipalities in the region provide the best investment climate.

## CERTIFIED MUNICIPALITIES

Since 2012, more than 60 municipalities of the region have joined the BFC SEE Program - 26 of them being certified as business-friendly: Banja Luka, Bijeljina, Bosanska Krupa, Goražde, Mrkonjić Grad, Prijedor, Sanski Most, Tešanj, Teslić and Žepče from Bosnia and Herzegovina; Bjelovar, Crikvenica, Ivanec and Jastrebarsko from Croatia; Bogdanci, Gazi Baba, Skopje, Štip, Strumica and Veles from Macedonia; Leskovac, Pančevo, Pirot, Ruma, Šabac and Stara Pazova from Serbia.

## PARTNERS FOR SUCCESS

With the support of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) – the Open Regional Fund for Modernization of Municipal Services, the BFC SEE Program was launched by a network of partner institutions from the region with the goal of establishing common standards and a seal of quality for the business environment in municipalities and cities of South East Europe. Members of the Regional network are:

- Federal Ministry of Development, Entrepreneurship and Crafts (BiH)
- Ministry of Economic Relations and Regional Cooperation of Republika Srpska (BiH)
- Ministry of Finance – Sector for Financial System and Improvement of Business Environment (Montenegro)
- Faculty of Economics in Rijeka / Center for Local Economic Development - CLER (Croatia)
- Association of Local Self-Governments - ZELS (Macedonia)
- Macedonian Chambers of Commerce - MCC (Macedonia)
- National Alliance for Local Economic Development - NALED (Serbia)

BFC SEE has been implemented since 2012 in Bosnia and Herzegovina (BiH), Croatia, Macedonia, Serbia, and since 2016 in Montenegro. New countries and partners are welcome to join the BFC SEE platform, contributing to new investment, job creation, prosperity and growth in local communities.

*LOCAL DEVELOPMENT is not driven by the state alone - local governments need to recognize and promote investment opportunities and provide efficient service to investors.*

*BY PARTICIPATING in the Business Friendly Certification program, municipalities in SEE have the opportunity to evaluate and compare their local investment climate with that of their peers in the region, and to improve their conditions for doing business in line with the needs of investors.*





## BUSINESS FRIENDLY CRITERIA

More than 80 certification criteria are used to evaluate the quality of the local business environment in the following 12 categories:

1. Strategic approach to local economic development
2. Administrative capacity to support businesses (LED Office)
3. Partner relationships with the private sector (Business Council)
4. Efficient system for issuing construction permits
5. Database management of business related information
6. Proactive approach in investment promotion and marketing
7. Credit worthiness and financial stability
8. Promotion of job creation and human resources development
9. Promotion of public-private partnerships
10. Suitable infrastructure and reliable utility services
11. Transparent and stimulating taxes and incentives policies
12. Use of information technologies (e-government)

Municipalities need to meet at least 75% of the criteria in order to be certified as business friendly according to the BFC SEE regional standard. The certificate is valid for two years.

*ONE SUCCESSFUL INVESTMENT usually leads to another as it sends a positive message on local conditions for doing business.*

*INCREASED BUSINESS activity at the local level brings new jobs and budget revenue, providing a better quality of life and overall prosperity in the local community.*

*If you are interested in applying for the BFC SEE program, please visit [www.bfc-see.org](http://www.bfc-see.org)*

## BENEFITS OF BFC SEE

The ultimate goal of the BFC SEE Program is to improve and harmonize business conditions in the region, strengthen the image of SEE as an investment destination, encourage economic cooperation and attract new investment.

The BFC SEE seal of quality is an internationally recognized indicator of efficient local administration and a favorable investment climate in South East Europe. Ensuring a stable and predictable business environment, it guarantees investors that all certified municipalities in the region provide a premium level of services to companies.

Municipalities entering the program set benchmarks, positioning themselves against the most progressive ones in SEE, securing stronger support from national and international institutions and donors. BFC SEE has been acknowledged by the Regional Cooperation Council (RCC) and included in the SEE 2020 Strategy as a priority measure.





## BFC SEE KEY RESULTS

**More than 60** municipalities from Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia are improving their business environment by up to **70%** through BFC SEE certification.

**26** certified municipalities in the SEE region cover a total of **15.440 km<sup>2</sup>** of territory, providing a high quality service and business-friendly environment to approximately **2 million people and 105.000 businesses**.

The conditions for doing business in BFC SEE municipalities are **76%** better than in non-certified ones, according to an independent mystery shopper.

Certified municipalities realized **€1 billion** foreign direct investments in three years (2012-2015) attracting on average three times\* more investment than their non-certified peers.

Up to **20 institutions** and organizations from **5 countries** participate in the BFC SEE network contributing to enhanced regional cooperation and exchange – ministries, chambers of commerce, an association of municipalities, development agencies, CSOs and universities.

**80%** of all municipalities from the region (12) listed on the Financial Times list of top investment destinations in Europe (fDi Cities of the Future) are certified as business-friendly – this number has doubled since 2012

**90%** of certified municipalities in the region find it useful or very useful to be certified as business friendly and have a BFC SEE seal of quality.

The BFC SEE Network developed regional structures and built the capacities of **250+** local government officials, consultants and evaluators from the SEE region who received training on business friendly standards and certification.

The BFC SEE network has sparked new regional initiatives (E-permitting) and implemented projects worth more than **€2 million** with the support of major international institutions such as GIZ, SDC, USAID, SIDA and World Bank.



## SOURCES

*Evaluation Report "Ex-Post Evaluation of Business Friendly Certification";*

*Authors: Snežana Mišić, Stefan Elsing; Publisher: GIZ ORF MMS, Bosnia and Herzegovina, 2016*

*Study "Capacities of Local Governments in AP Vojvodina for Local Economic Development";*

*Authors: NALED, Ipsos Strategic Marketing; Publisher: Provincial Secretariat for Interregional Cooperation and Local Self-Government, Serbia, 2016*

*Local government databases and available statistical information, for more info please visit [www.bfc-see.org](http://www.bfc-see.org)*

*\*Measured in Vojvodina region*



*Partnership for a competitive region: ministers, mayors, businesses, leaders of the international community and the Prime Minister of Serbia at the first BFC SEE congress, Belgrade 2012*



*Business-friendly municipalities: BFC SEE certificate award ceremony to the best local governments in South East Europe, Zagreb 2013*



*International support: GIZ Open Regional Fund financed by the Governments of Germany and Switzerland announces further cooperation with the BFC SEE network, Neum 2015*



*Expansion of BFC SEE network: Montenegro, led by its Ministry of Finance, joined Bosnia and Herzegovina, Croatia, Macedonia and Serbia, Podgorica 2016*



*The best in Europe: the Financial Times included Skopje and 8 other certified cities of the region, in its fDi list of top investment destinations, Cannes 2016*



*Regional cooperation: Business friendly environment in South East Europe*



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