



BFC SEE STANDARD

Certification of Business Friendly Cities
and Municipalities in South East Europe



www.bfc-see.org



BFC SEE CERTIFICATION

Business Friendly Certification South East Europe (BFC SEE) is a unique program for evaluating and improving the conditions for doing business and investing on the local level. The certification program provides cities and municipalities with a clear reform plan and a roadmap for creating a favorable business environment and introducing internationally recognized standards of efficient and transparent local administration.

For businesses and investors looking to move or expand their operations in South East Europe, BFC SEE ensures a stable and predictable business environment, indicating which cities and municipalities offer the best investment climate and the greatest development potential.

CERTIFIED CITIES AND MUNICIPALITIES

More than 100 local governments from the region have joined the program, 63 of them being certified as business friendly.

BiH: Banja Luka, Bihać, Bijeljina, Bosanska Krupa, Brod, Goražde, Gradačac, Gradiška, Doboj, Jablanica, Kakanj, Laktaši, Kotor Varoš, Maglaj, Mrkonjić Grad, Novi Grad, Novi Grad Sarajevo, Posušje, Prijedor, Prnjavor, Sanski Most, Tešanj, Teslić, Trebinje, Zavidovići, Zenica, Zvornik, Žepče, Živinice.

Croatia: Bjelovar, Cres, Crikvenica, Grubišno Polje, Ivanec, Kostrena, Labin, Jastrebarsko, Pleternica

North Macedonia: Bogdanci, Gazi Baba, Ilinden, Skopje, Štip, Strumica and Veles

Montenegro: Bijelo Polje, Danilovgrad, Žabljak, Podgorica, Tivat

Serbia: Bor, Leskovac, Novi Sad, Pančevo, Pećinci, Pirot, Požarevac, Ruma, Sombor, Stara Pazova, Čuprija, Čačak, Šabac

PARTNERS FOR SUCCESS

BFC SEE certification program was launched by a network of partner institutions from the region with the support of Deutsche Gesellschaft für Internationale Zusammenarbeit – GIZ Open Regional Fund for Modernization of Municipal Services (GIZ ORF MMS), with the aim of establishing the first common standard and a seal of quality for the business environment in municipalities and cities of South East Europe. The regional network gathers the following institutions:

- Federal Ministry of Development, Entrepreneurship and Crafts (BiH)
- Ministry of European Integration and International Cooperation (BiH)
- Ministry of Administration and Local Self-Government (BiH)
- Ministry of Finance – Sector for Financial System and Improvement of Business Environment (Montenegro)
- Faculty of Economics in Rijeka – Center for Local Economic Development (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, Croatia, Macedonia, Serbia, and since 2016 in Montenegro. The BFC SEE platform welcomes new countries and partners who are open to participate in exchanging best practices towards regulatory standardization, improved business environment and the region's economic integration.

UP TO 50% SUPPORT FOR JOINT DEVELOPMENT PROJECTS OF THE PRIVATE AND PUBLIC SECTORS

Thanks to the support of German Ministry of Economic Cooperation and Development, certified local governments in cooperation with the BFC SEE Network and GIZ ORF MMS offer support to potential investors and existing businesses for taking part in specialized development cooperation programs. The program offers co-funding up to 2,000,000 EUR for projects dealing with new technologies, energy efficiency, environment protection, technology and knowledge transfer, improving education and industry development.



CERTIFICATION CRITERIA

The quality of local business environment is evaluated based on 67 indicators of the BFC SEE standard, in the following 10 areas:

1. Sustainable local development strategy
2. Functional Local economic development office
3. Partner relationship with the private sector
4. Efficient system for issuing construction permits
5. Up-to-date economic profile and electronic databases
6. Proactive approach in investment promotion and destination marketing
7. Predictable costs of doing business and responsible finance management
8. Labor force availability and alignment with the needs of businesses
9. Stimulating policies and measures for supporting entrepreneurship
10. Adequate infrastructure and reliable utility services

In order to be certified as business friendly according to the BFC SEE regional standard, local governments need to meet at least 75% of the listed criteria, with a positive rating of the regional verification commission. The certificate is valid for three years.

BENEFITS OF BFC SEE PROGRAM

- Harmonizing and improving the business environment on the local and regional level through implementation of joint standard
- Strengthening the position of certified local governments in attracting and negotiating with potential investors
- Knowledge exchange and replication of best practices, local policies and regulatory solutions among the local governments and countries in the region and the EU
- Strengthening the image of South East Europe as investment destination through the common seal of quality (BFC SEE)
- Encouraging economic cooperation and exchange, recruiting new investments in the region
- Strengthening competitiveness on the local and national level and ranking on international lists (fDi Financial Times, World Bank's Doing Business)
- Promotion of certified municipalities and brand development in country and abroad
- Providing information to investors, governments and donors regarding local communities with greatest investment and development potential
- Support of national and international institutions and donors
- Electronic networking all stakeholders, data, statistics and results (e-certification)

Local governments need to submit documentation and evidence on fulfilling the criteria through online system (bfc-see.org portal), which guides them through the reform process, enables direct communication with the evaluators, provides insight into decision models and databases, as well as the status of the certification process.

FROM CERTIFICATION TO E-PERMITS FOR THE ENTIRE REGION

In 2014, electronic construction permitting in Macedonia was identified through the BFC SEE network and the certification process as a best practice example in South East Europe region (4th certification criteria). A year later, partners from the BFC SEE network, NALED and ZELS initiated the project "Implementing the e-permitting system in SEE" with the support of the Governments of Germany and Switzerland, with the idea to replicate the practice in at least two countries in the region. Starting from 1 January 2016, the e-permitting system was launched in Serbia - thus, the BFC SEE certification initiated one of the 10 greatest reforms globally, as viewed by the World Bank, with Serbia making a major leap from 182nd to the incredible 10th place in terms of construction permitting in the Doing Business report.



BFC SEE KEY RESULTS

More than 90 local governments from Bosnia and Herzegovina, Montenegro, Croatia, Macedonia and Serbia improve their business environment up to **70%** through BFC SEE certification program.

Conditions for doing business in cities and municipalities with BFC SEE certificate are **76%** better than in other local governments, according to „mystery shopper“ survey.

Financial Times included nearly **40%** of certified cities and municipalities in its list of best investment destinations in Europe (fDi Cities of the Future).

90% of certified cities and municipalities in the region find that having a business friendly certificate and BFC SEE seal of quality is useful or very useful.

20 institutions and organizations from 5 countries participate in the BFC SEE network, thus contributing to strengthening regional cooperation and exchange – including line ministries, chambers of commerce, associations of municipalities, development agencies, CSOs and universities.

BFC SEE network has developed the regional structures and strengthened the capacities of **450+** local government officers, consultants and evaluators from the SEE region, who received training on the business friendly environment standards and certification.

BFC SEE network has inspired new regional initiatives and implemented projects worth more than **2 million €** with the support of key international institutions such as GIZ, SDC, USAID, SIDA, RCC and World Bank.

The number of local governments from South East Europe ranked on the Financial Times' fDi list has doubled since the beginning of BFC SEE program.



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BFC SEE program is a high-quality standard of business environment for the entire South East Europe
Ana Brnabić, Prime Minister of Serbia



It is important for us to strengthen the local administration capacities in the region by establishing a joint standard for digitalization, construction permitting, Cadaster and other topics significant for investors
Zoran Zaev, Prime Minister of North Macedonia



BFC SEE standard is a recognizable seal of quality held only by the best local governments, and it should be used as a pre-requisite for all cities and municipalities when applying for state budget funds
Valter Glavičić, Mayor of Labin, Croatia



BFC SEE program should be applied on the national level, so as to enable all municipalities to be more efficient and provide a broad range of services to our citizens and businesses
Fuad Kasumović, Mayor of Zenica, Bosnia and Herzegovina



This Program essentially inspires local governments to do better, to compete not only among themselves but on the regional level as well, which is an additional benefit
Bojana Bošković, General Director of the Sector for Financial System and Improvement of Business Environment, Ministry of Finance of Montenegro



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Recertified Cities / Municipalities:

Ivanec, Crikvenica, Jastrebarsko, Dobož, Trebinje, Kotor Varoš, Zvornik, Teslić, Prijedor, Gradiška, Laktaši, Banja Luka, Bijeljina, Brod, Novi Grad, Prnjavor, Gradačac, Jablanica, Posušje, Žepče, Kakanj, Tešanj, Zavidovići, Bosanska Krupa, Bihać, Leskovac, Novi Sad, Šabac, Stara Pazova, Ruma, Sombor

Certified Cities / Municipalities:

Tivat, Žabljak, Bijelo Polje, Podgorica, Danilovgrad, Bjelovar, Grad Cres, Grubišno Polje, Kostrena, Pletternica, Sanski Most, Zenica, Goražde, Živinice, Novi Grad Sarajevo, Mrkonjić Grad, mica, Veles, Štip, Skoplje, Gazi Baba, Bogdanci, Ilinden, Požarevac, Čačak, Čuprija, Pećinci, Bor, Pirot, Pančevo

Cities / Municipalities in process:

Niš, Subotica, Paraćin, Velika Plana, Užice, Niš, Mionica, Indija, Lapovo, Kragujevac, Kraljevo, Zrenjanin, Zaječar, Loznica, Valjevo, Matulji, Modriča, Stanari, Srb