



BUSINESS FRIENDLY CERTIFICATION

of Cities and Communities
in South East Europe



BFC SEE program

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 roadmap for creating a favorable business environment and introducing international standards of efficient and transparent local administration, in accordance with the good governance principles.

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 cities and municipalities which offer the best investment climate and the greatest development potential.

Expanding partnership for success

The BFC SEE Network was established in 2012 by institutions and organizations from Bosnia and Herzegovina, Croatia, North Macedonia and Serbia, with the support of German Development Cooperation implemented by GIZ Open Regional Fund for Modernization of Municipal Services (GIZ ORF MMS), with the aim of creating the first joint BFC SEE standard and a seal of quality for the business environment in cities and municipalities of the region.

Over the years, new partners from Montenegro (2016), Albania and Kosovo* (2022) have joined the network, transforming it into a Partnership with a mission to create a strong and competitive region.

Also, the Memorandum of Understanding was signed with the CPMR (Conference of Peripheral Maritime Regions) setting the framework for joint initiatives and projects to promote business friendly environment in the Balkans, Adriatic-Ionian, and wider Black Sea regions.

Today, the regional Partnership gathers over 20 institutions, chambers, CSOs and universities, with the following organizations acting as BFC SEE technical secretariats:

- Association of Local Self-Governments – ZELS, North Macedonia
- Association for Local Autonomy – ALAA, Albania
- Chamber of Commerce and Industry of Republika Srpska, Bosnia and Herzegovina
- Chamber of Commerce of Montenegro
- Faculty of Economics in Rijeka, Croatia
- Institute for Development Research – Riinvest, Kosovo*
- National Alliance for Local Economic Development – NALED, Serbia
- Regional Development Agency for Herzegovina, Bosnia and Herzegovina

** This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.*

Evolving standard of business friendliness

The quality of local business environment is evaluated through the electronic certification process and verified by an independent commission of international experts based on key indicators of the BFC SEE standard. The newest, 4th edition of the standard was approved in 2023, introducing new criteria in the following areas:

- ✓ Strategic and institutional framework for economic development
- ✓ Infrastructure and utility services
- ✓ Public-private dialogue and cooperation
- ✓ Efficient system for issuing construction permits
- ✓ Proactive approach in investment promotion and destination marketing
- ✓ Predictable costs of doing business and responsible finance management
- ✓ Labor force availability and alignment with the needs of businesses
- ✓ Stimulating policies and measures for supporting entrepreneurship and innovation
- ✓ Environmental protection and circular economy
- ✓ Digital transformation and e-services

Certification process takes 12 months, and local governments need to exceed 75% of the standard to be certified as business friendly. The BFC SEE certificate is valid for three years.

More than 100 local governments from SEE region improve their business environment up to 70% through BFC SEE Program. Financial Times included more than 40% of certified cities and municipalities in its list of best investment destinations in Europe (fDi Cities of the Future).

The Partnership welcomes new organizations to participate in knowledge exchange among Western Balkans and EU countries in implementing policy reforms and digital solutions towards improved business environment and the region's economic and EU integration.



Benefits of BFC SEE program

- Harmonizing and improving the business environment on the local and regional level through implementation of joint standard
- Facilitating implementation of EU policies and good governance standards on the local level through revisions of the BFC SEE standard
- 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) and promotion of business friendly cities and municipalities
- Strengthening competitiveness on the local and national level and ranking on international lists
- Providing information to investors, governments, and donors regarding local communities with greatest investment and development potential
- Networking with economic development stakeholders from public, private and civil sectors and participation in national and regional projects



Regional network has inspired new regional initiatives and implemented projects worth more than 7 million € with the support of key international institutions such as GIZ, SDC, USAID, SIDA, RCC, EBRD, World Bank, as well as private partners.

BFC SEE PROGRAM AREA

More than 100 local governments from the region have joined the program, 44 of them being certified as business friendly since 2019.





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, 2016-2021



BFC SEE program has proven not only as a good instrument to improve services on the local level but also as an excellent platform for improving regional cooperation through exchange of experiences and good reform practices
H.E. Robert Heinrich Weber, Ambassador of the Federal Republic of Germany to Montenegro, 2018-2022



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 when applying for state budget funds
Valter Glavičić, Mayor of Labin, Croatia



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

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