



World Bank Group

Local Investment-friendly Environment (LIFE)

December 2015- Januar 2019

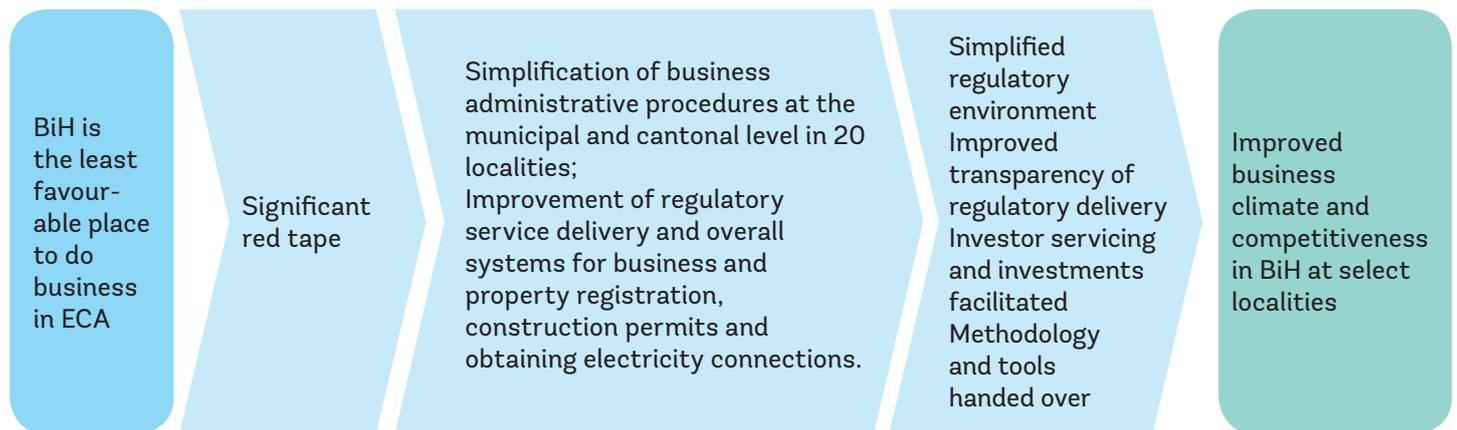
The overall objective of LIFE Project is to support local authorities in Bosnia and Herzegovina (BiH) in strengthening their competitiveness and boosting private sector growth by:

- Reducing the regulatory burden at local level
- closing the regulatory implementation gap
- advancing the transparency in regulatory service delivery, and
- Increasing investment through the generating, facilitating and retaining investors in the country.

Over the next 2, 5 years LIFE will be implemented in up to 20 localities countrywide.

Why local level?

Diverse levels of authorities, including 143 municipalities countrywide and 10 cantons in Federation BiH place tremendous burden on private sector with an average of 156 administrative procedures at municipal and 222 administrative procedures at cantonal level, i.e. \$4 million compliance costs or \$21 million, respectively.



Local within the “Reform Agenda”

LIFE Project is building on lessons learnt in previous World Bank Group engagement where synergetic effects of regulatory simplification lead to significant results, such as increased employment by 6,4% in targeted localities. This programmatic approach ensures that interventions are linked striving for complementarity of overall reform process known as “Reform Agenda”. The BiH-wide “Reform Agenda” provides a roadmap identifying attraction of investment a focus of future growth and prosperity. Since investment is local phenomenon driven by local investment climate, LIFE Project lays the foundation to strengthen local competitiveness and create more stable and dynamic economy.

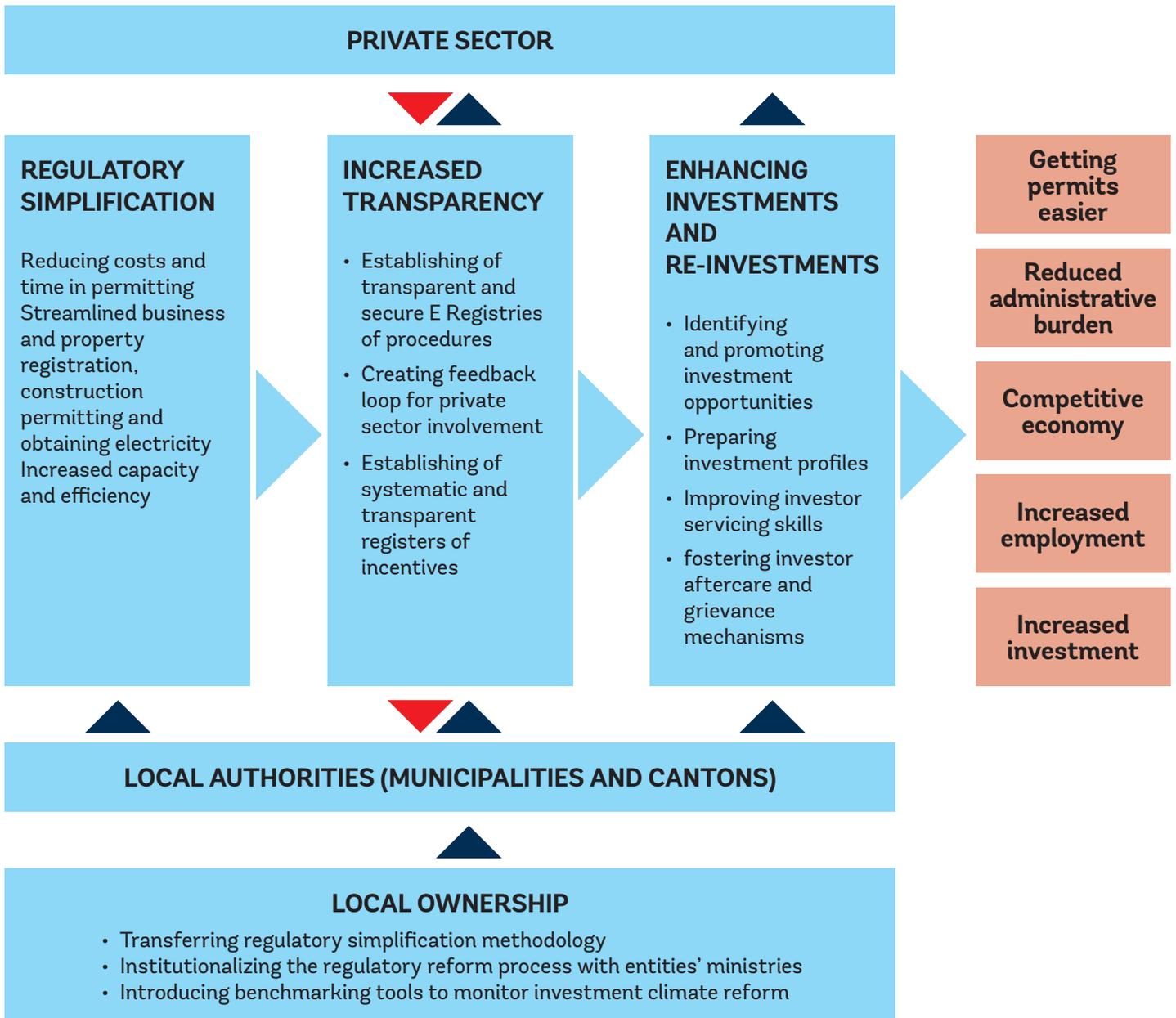


Expected results

- Increased competitiveness of private sector by reducing costs for businesses (direct costs by \$7 million, and 20% reduction in indirect costs) by project completion;
- Distance to Frontier measure (as related to Doing Business report) improved by five (5) points at any point in time in each of the business startup, registering property, getting electricity and construction permits before project completion;
- \$10 million in investment generated, facilitated and retained one year following the Project completion through the work of strengthening collaborative network of policymakers to resolve investor grievances and investor servicing;
- Increased transparency of local level government regulatory delivery for businesses through creation of a 20 fully-functional public electronic registers of administrative procedures, and 20 inventories of investment incentives by project completion to provide information on administrative procedures for businesses;
- Transferred tools for continuation of regulatory reforms work to Republika Srpska and Federation of Bosnia and Herzegovina ministries.

Project activities

LIFE Project will deploy systemic approach around three key areas ensuring local ownership upon Project completion.



Local Investment-friendly Environment (LIFE) is implemented by WBG in partnership with the British Embassy in Bosnia and Herzegovina



British Embassy
Sarajevo

Municipalities and Cantons in BiH also provide support to this Project.

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