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.

**BiH is the least favourable place to do business in ECA**

**Significant red tape**

Simplification of business administrative procedures at the municipal and cantonal level in 20 localities:

- Improvement of regulatory service delivery and overall systems for business and property registration, construction permits and obtaining electricity connections.

**Simplified regulatory environment**

- Improved transparency of regulatory delivery
- Investor servicing and investments facilitated
- Methodology and tools handed over

**Improved business climate and competitiveness in BiH at select localities**

**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.

**PRIVATE SECTOR**

**REGULATORY SIMPLIFICATION**
Reducing costs and time in permitting Streamlined business and property registration, construction permitting and obtaining electricity Increased capacity and efficiency

**INCREASED TRANSPARENCY**
- Establishing of transparent and secure E Registries of procedures
- Creating feedback loop for private sector involvement
- Establishing of systematic and transparent registers of incentives

**ENHANCING INVESTMENTS AND RE-INVESTMENTS**
- Identifying and promoting investment opportunities
- Preparing investment profiles
- Improving investor servicing skills
- fostering investor aftercare and grievance mechanisms

**LOCAL AUTHORITIES (MUNICIPALITIES AND CANTONS)**

**LOCAL OWNERSHIP**
- Transferring regulatory simplification methodology
- Institutionalizing the regulatory reform process with entities’ ministries
- Introducing benchmarking tools to monitor investment climate reform

**World Bank Group**

**British Embassy Sarajevo**

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

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