



*PRISM RESEARCH*

for

*The Foreign Investment Advisory Service (FIAS)*

**Survey of administrative costs related to licenses and permits in Bosnia and Herzegovina**



## Main objective

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- **Main objective of this survey was to analyze administrative costs and other burdens on business related to obtaining various licenses and permits in Bosnia and Herzegovina (B&H)**



## Research methodology

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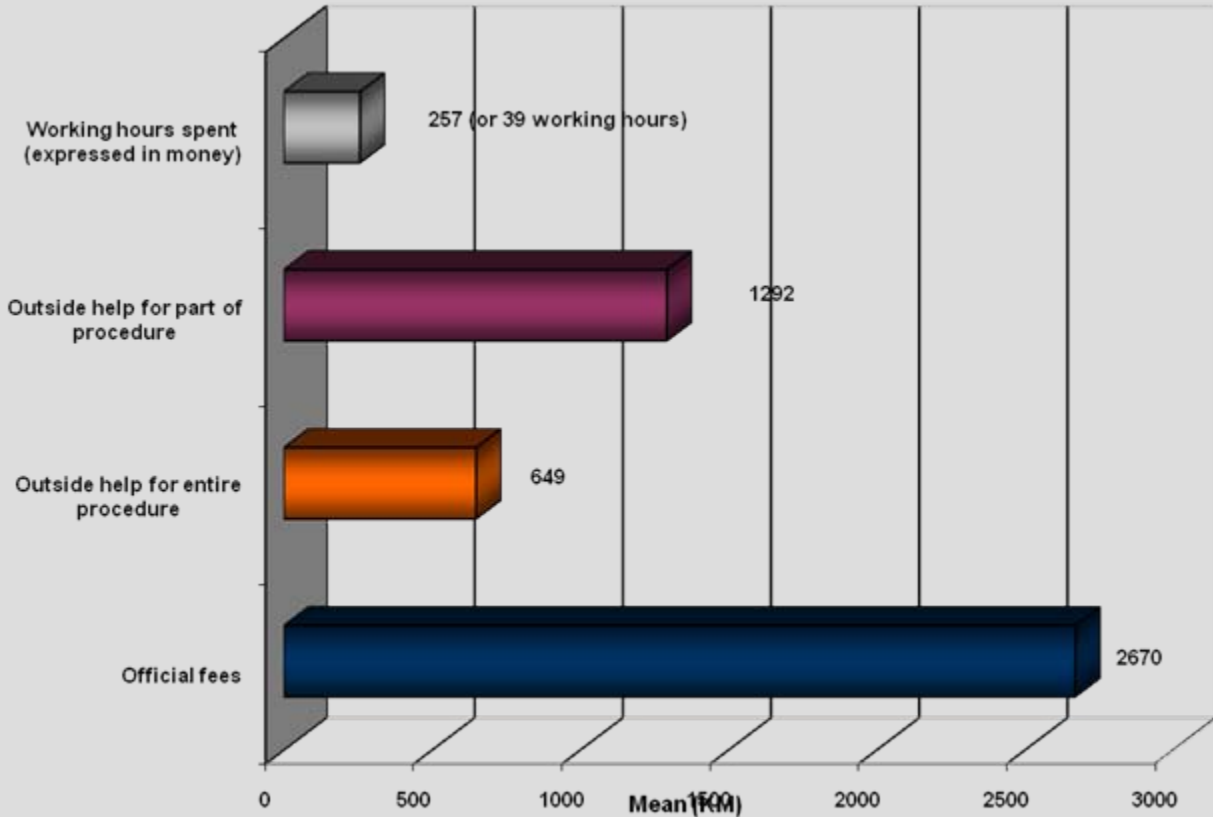
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|-------------------------------|---|
| <i>Survey period</i>          | April to September 2008.  |
| <i>Data Collection Method</i> | This survey was conducted using face-to-face interviews with qualified managers or owners of selected companies.  |
| <i>Questionnaire design</i>   | This survey questionnaire was developed, in close consultation, by FIAS and Prism Research  |
| <i>Sample</i>                 | <p>Representative sample stratified geographically by 18 major geographic regions in B&amp;H</p> <p>In this survey participated 800 companies from Federation B&amp;H (FB&amp;H), Republika Srpska (RS), and District Brcko (DB) which had at least 4 employees and had obtained/renewed at least one license/permit in 2007.</p> <p>Sample is including special booster municipality Novo Sarajevo and cities Mostar and Banja Luka</p> <p>Questions included details about specific licenses, overall burden of licenses/ permits per year, and perception questions.</p> |



## Average company burden related to obtaining occupancy permits

Specific licenses

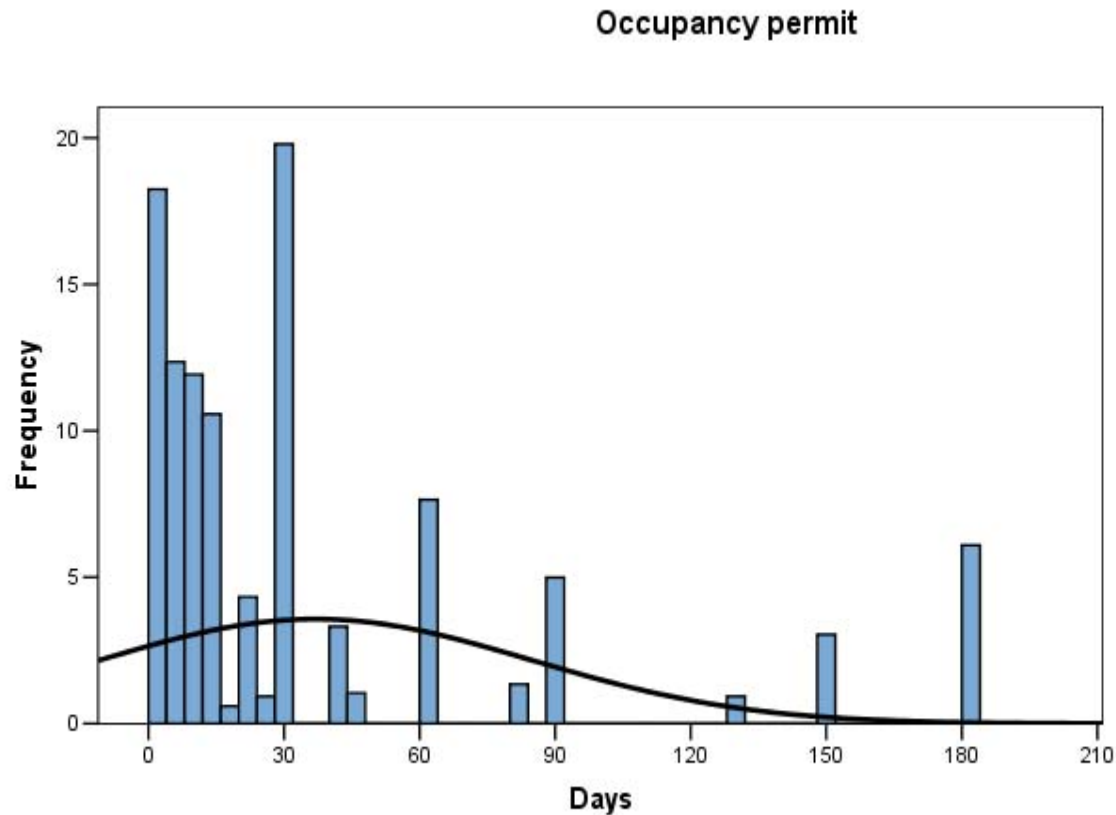
Chart represents cost in KM; staff time valued at KM 6.6/hr.





## Frequency distribution of waiting time related to obtaining occupancy permits

The period for issuance of an usage permit took, on average, 37 days from the date of submitting all required documentation.  
**Mean: 37 days**  
**Median: 17 days**

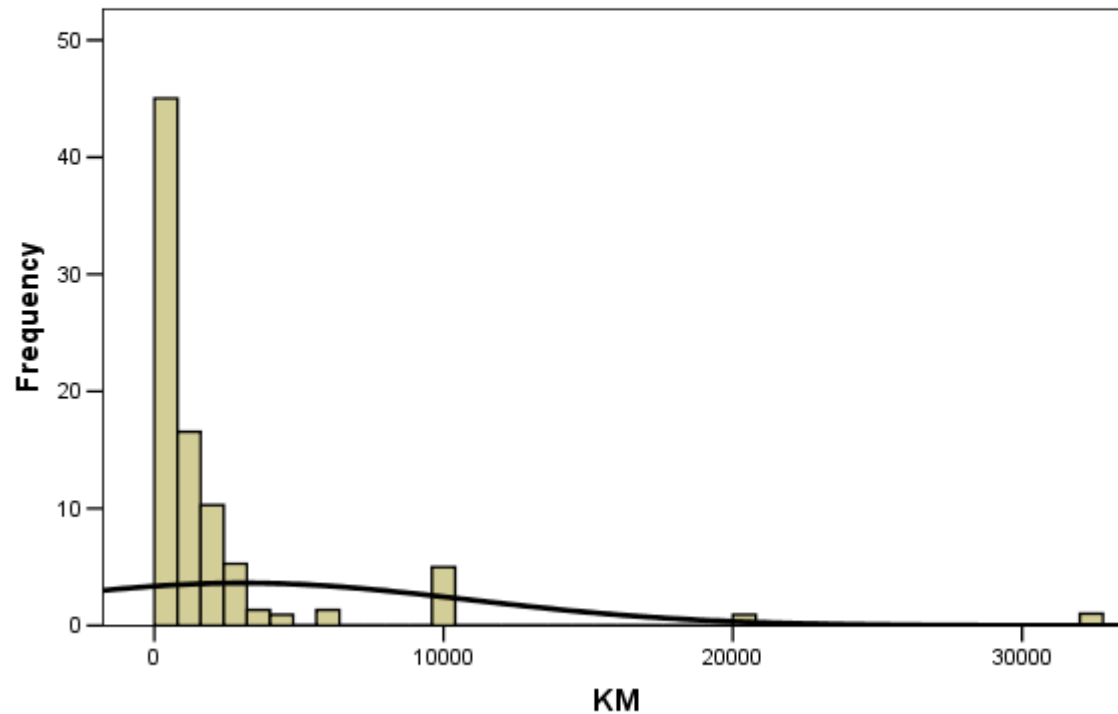




## Frequency distribution for overall costs related to obtaining occupancy permits

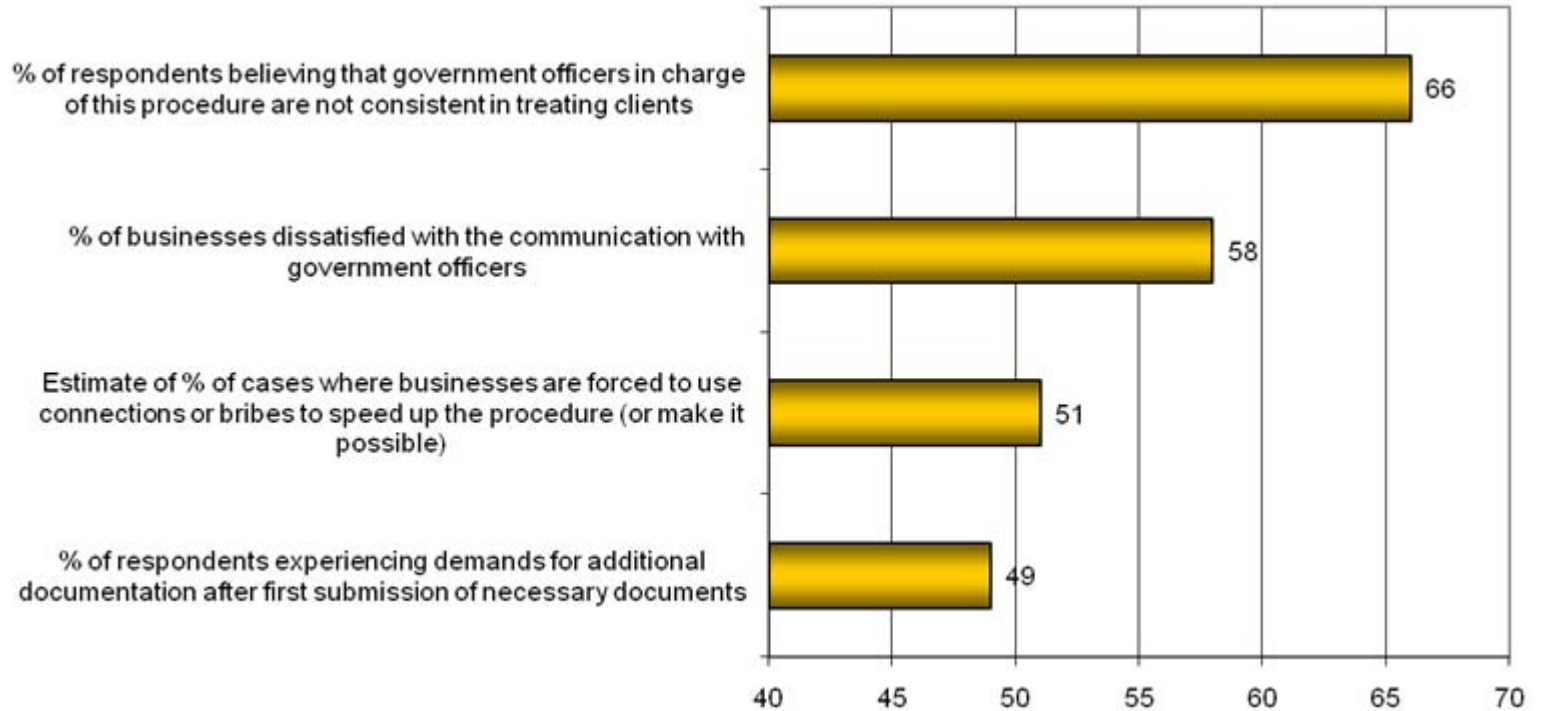
Chart represents overall cost in KM: official fees, staff costs, hiring an intermediary (if relevant) and any reported bribes.  
Mean: KM 3062  
Median: KM 765

Occupancy permit





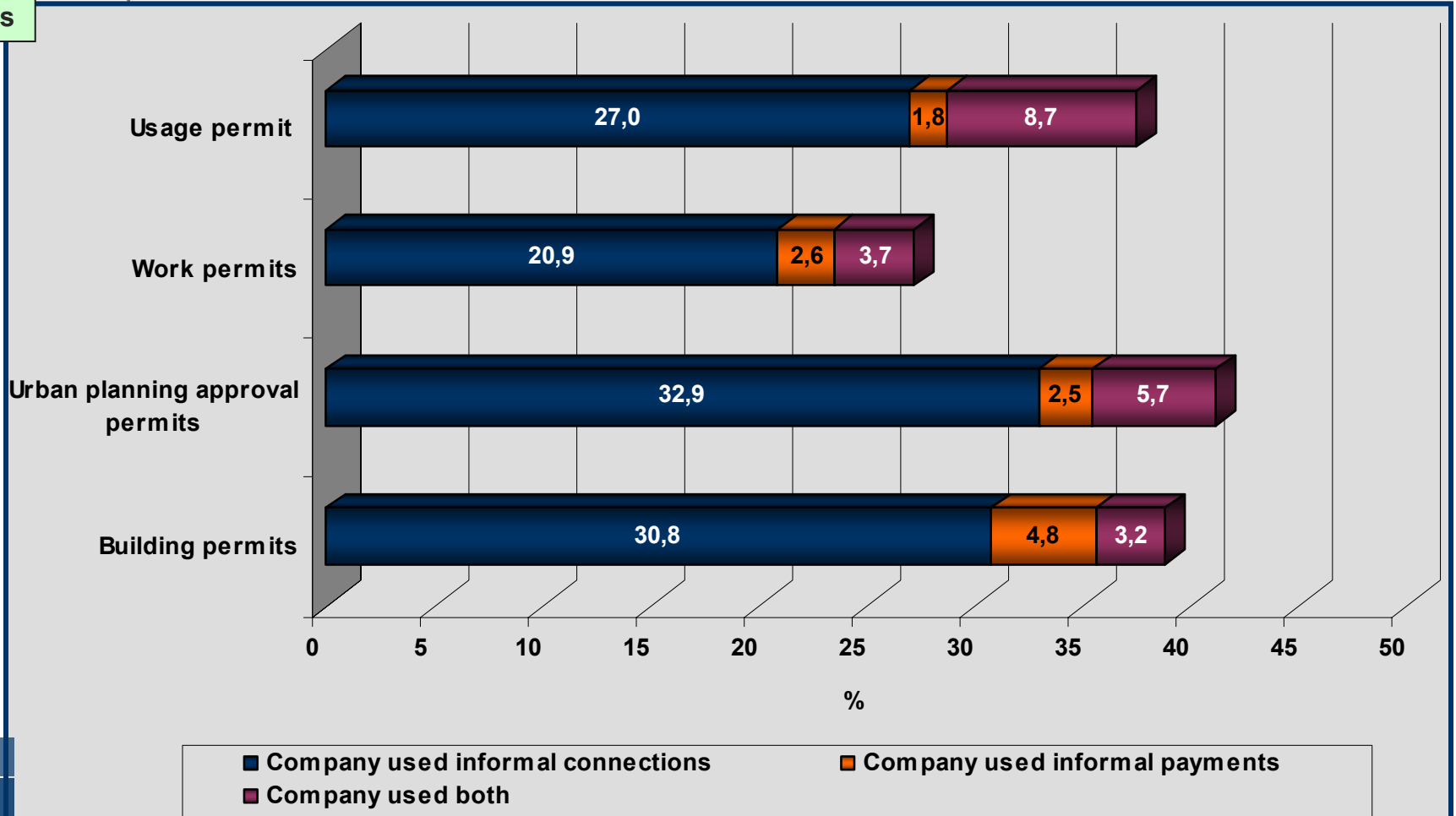
## Other issues related to obtaining occupancy permits





Sometimes businesses are forced to make some informal connections or payments in order to speed up the issuing process or even to make it possible. Did you have to make any additional payments or informal connections during your most recent renewal of specific license?

Specific licenses





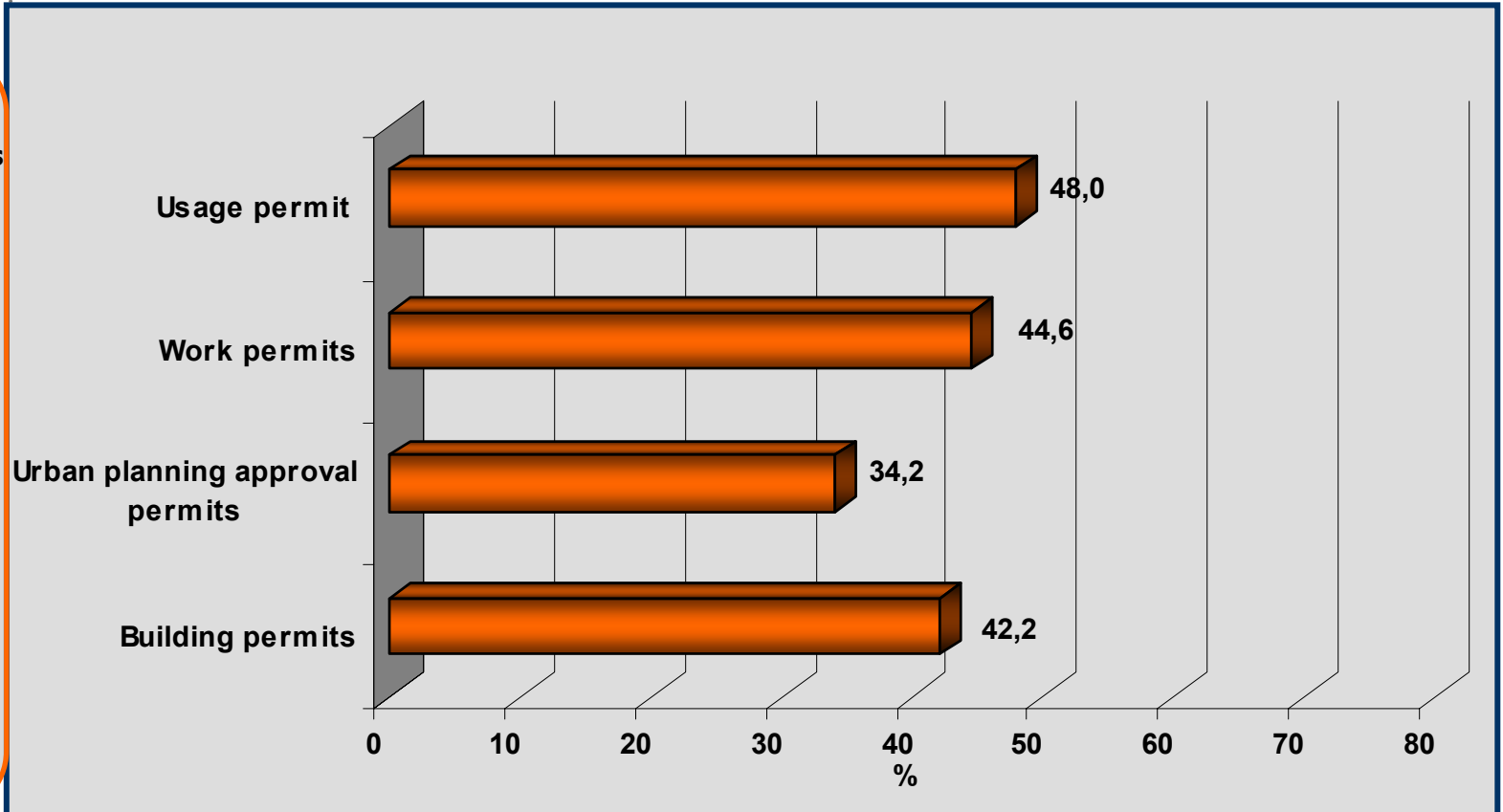
## Can you please tell me if your business was visited by any inspection related to this license in the past 12 months?

### Specific licenses

Companies that had been visited by inspections related to building permits and urban planning approval permits, on average, the inspections had three visits

And ones that had been visited by inspections related to work permits and usage permits the inspections had two visits

Inspections rarely resulted in some form of sanction or negative consequence.



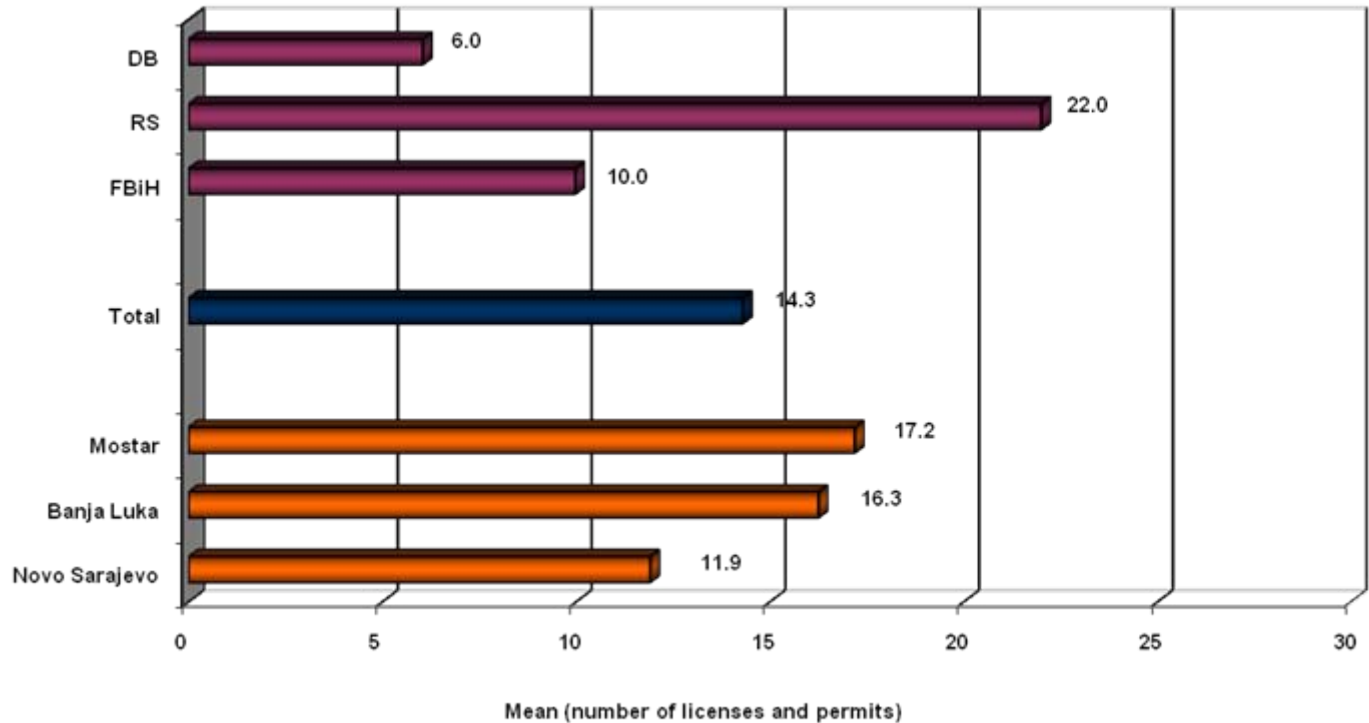
■ Business visited by some inspection related to this license in the last 12 months



On average respondents in B&H have 14 permits / licenses.

All respondents  
& focus cities

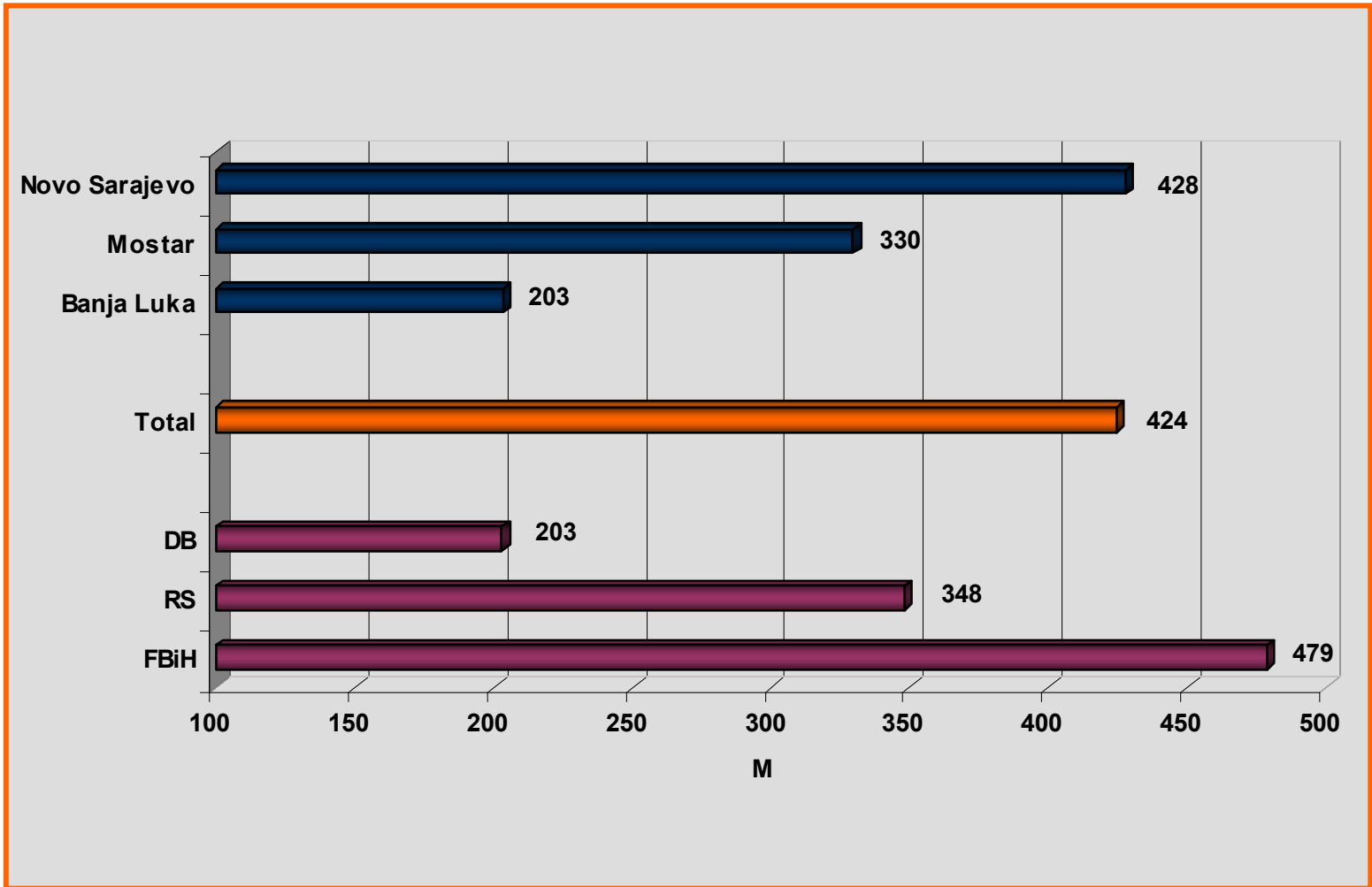
Survey respondents  
are businesses w/  
4 or more employees  
and obtained or  
renewed a license  
During 2007





On average, 424 working hours of business employees get spent for (re)obtaining all necessary licenses and permits each year.

All respondents,  
Entity & Booster





**Overall assessment of the financial costs for businesses of all licenses/permits in BiH, NOT taking into consideration working hours employees spend on preparing and submitting documentation for these permits and licenses.**

All respondents,  
Entity & Booster

Around 15% of respondents admit using informal payments during the process of (re)obtaining licenses or permits. They spend 657 KM on such payments on average.

