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Email: [pwarutere@worldbank.org](mailto:pwarutere@worldbank.org)**IFC and World Bank Report Finds Strengthened Business Climate in Hargeisa, Despite Challenges**

**Hargeisa, October 10, 2012**—Relative peace and security in Hargeisa in the past decade have allowed a vibrant private sector to develop, despite conflict and fragility in the surrounding region, says a new World Bank Group report.

Released today, *Doing Business in Hargeisa 2012*, for the first time provides micro-level data for business regulatory framework for domestic small and medium businesses in Hargeisa, the largest economic center in Somaliland. The report is produced by the International Finance Corporation (IFC) and the World Bank.

Following the civil war in the 1980s, Somaliland unilaterally declared independence from Somalia in 1991, but it still lacks international recognition.

Results show that the government has made strides setting up some of the institutions and rules necessary for businesses to operate. The judiciary system is being rebuilt, and legal professionals are returning from abroad or graduating from local universities. Yet challenges persist, including implementing key business regulations, and putting into place a formal banking system.

The report examines 11 regulatory areas: starting a business, dealing with construction permits, obtaining electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency, and employing workers.

“Hargeisa’s performance varies from topic to topic,” said Pilar Sánchez-Bella, co-author of the report. “In the ease of dealing with construction permits, getting electricity and registering property, institutions governing these areas are relatively efficient. But Hargeisa needs to improve its legal framework to foster a healthy environment that encourages local entrepreneurs to start businesses, which in turn can help generate jobs and growth.”

The report makes four general recommendations for regulatory reform in Hargeisa: completing the legal and regulatory framework; streamlining administrative procedures for business registration, construction permits, and property registration; reducing costs across the indicators measured; and improving compliance with regulations.

The study was produced at the request of the Ministry of Planning and Development of Somaliland and financed through a World Bank-executed trust fund, with contributions from the U.K. Department for International Development, the Danish International Development Agency, and the World Bank’s State and Peace-Building Fund.

For more information, please visit [www.doingbusiness.org/hargeisa](http://www.doingbusiness.org/hargeisa) and [www.doingbusiness.org](http://www.doingbusiness.org). Join us on [Facebook](https://www.facebook.com/DoingBusiness.org) at [www.facebook.com/DoingBusiness.org](https://www.facebook.com/DoingBusiness.org).

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