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**MUNICIPAL ECONOMIC  
GROWTH ACTIVITY**

### Loznica LED Office – It Pays Off to be the Best

*“If an investor came a year ago and asked us whether s/he can build a factory in our municipality, we would have to say NO, because we haven’t had any land available to investors, there was no industrial zone, no General Urbanistic Plan, and no LED action plan. Now, we have all that, as well as the letters of interest from 11 potential investors. But we realize that we have to move fast in order not to lose them and in order to keep developing”, said Ljiljana Nikolic, the Head of the LED Office, commenting on the change in the municipality of Loznica since the inception of USAID-funded Municipal Economic Growth Activity.*



Every municipality’s dream: Investor signing documents to invest in Loznica

The success of local government in promoting local economic development can be measured in different ways. One of the better ways is to be a recipient of the letter of intentions from interested investors. The municipality of Loznica, one of the most active MEGA program partners, has received as much as 11 letters of intentions during the last several months. This is the first time after five years that any investor showed interest in Loznica. The municipal LED Office of Loznica, created in partnership with MEGA, designed a number of activities which are directly impacting new interest of investors for this striving municipality.

In less than six months since its establishment, six LED office staffers were the main implementers of

economic development activities. They have completely changed prospects, project partners and citizen impressions of municipal administration. LED Strategic Planning process has been successfully completed and the Implementation Plan has been finalized. The priority projects are establishment and development of industrial zone and Business Improvement District, gasification of municipality, strengthening tourism capacities, and recruiting new investments.

The establishment of the BID meant first public-private partnership in Loznica. Project implemented with the assistance of USAID projects MEGA and CRDA, improved the cooperation between the public and private sector, and resulted in creation of 10 new shops and 40 new jobs. Projected revenue increase of BID commercial entities is 10 to 15%.

Loznica is the first Serbian municipality which closely cooperates with the Serbian Chamber of Commerce and participates in the privatization of companies located in the municipality. After the privatization of Hortikultura, Lofolen and Energetika in the Privatization Agency of the Republic of Serbia, the Head of LEDO, Ljiljana Nikolic, handed to the new investors the letters expressing clear intention of the local government to provide all required assistance to new businesses. Based on the initiative of the new owner of Energetika, a meeting in the town hall has been held immediately after the privatization to discuss future cooperation.

Municipal Economic Growth Activity (MEGA), Osmana Đikića 3, 11000 Belgrade, Serbia  
Tel: +381 11 2071 900, fax: +381 11 2071 950  
e-mail: [mega@ui-serbia.org](mailto:mega@ui-serbia.org)

Besides being the only municipality in Serbia to participate in privatization, in the anticipation of investors looking for skilled workforce, the LED Office organized computer trainings for unemployed and targeted trainings for farmers from Loznica. When asked about the contribution of MEGA to this success, Mr. Vidoje Petrovic, the Mayor of Loznica, stated the following for the "Local Government", monthly newsletter of the Standing Conference of Towns and Municipalities: "Cooperation with MEGA is very important, particularly education of the LED Office staff, who are increasingly becoming a true local economic development professionals. The support we were provided by MEGA in the privatization process, establishment of public-private partnerships, designing capital investment plans and other was of essential importance for us".