



USAID
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**MUNICIPAL ECONOMIC
GROWTH ACTIVITY**

Memorandum of Understanding (MOU) Signing Ceremony and Inauguration of the National Alliance for Local Economic Development (NALED)

On Monday, March 6, 2006, at the Belgrade City Hall, the US Ambassador to Serbia and Montenegro, Michael C. Polt, signed the Memorandum of Understanding (MOU) with the Mayors of ten Serbian municipalities selected to participate in the first phase of the USAID-funded Municipal Economic Growth Activity (MEGA) project. The President of Serbia, Mr. Boris Tadic, the Minister of International Economic Relations, Milan Parivodic, the Minister of State Administration and Local Government, Zoran Loncar, along with the representatives of some of the most prominent national and foreign companies, and representatives of organizations such as the Standing Conference of Towns and Municipalities, the American Chamber of Commerce (AmCham), the Foreign Investors Council, the Serbian Investment and Export Promotion Agency (SIEPA), and others, attended the event to express their support, and their willingness to participate, in what is perceived as the beginning of the process of local economic development in Serbia.



From left to right: the US Ambassador to Serbia and Montenegro, Michael C. Polt and Boris Tadic, President of Serbia, signing the Declaration of Support to Establishing NALED

“Around the world local governments play a key role in developing local economies. Although until recently economic development was not perceived as a local government function in Serbia, over the past few years local governments increasingly assumed this role. Projects such as MEGA are designed to assist them in that. The focus of MEGA activities will include assisting the local governments in a variety of economic development activities such as strategic planning, establishing industrial parks, Business Improvement Districts, Business Incubators, assisting with export promotion, property tax reform, as well simplifying and streamlining business registration and tax exemptions, thus providing incentives for investment and economic growth”, said the US Ambassador, Michael Polt in his address. “At the macro level, MEGA’s activities are

designed to address the Serbia-wide policy and legislative reform initiative which need to be put in place to allow all communities equal economic development opportunities. The first step towards this goal is today's

inauguration of the National Alliance for Local Economic Development (NALED) aimed at building a strong advocacy group made of prominent foreign and domestic businesses, and NGOs with the goal of reinforcing and promoting local economic development throughout Serbia. I would highly encourage all of you today to consider pledging your support and involvement in the emerging

Alliance. Both MEGA and NALED represent the US Governments' continued commitment to support economic and social progress in Serbia”, concluded the Ambassador.

Following the official MOU signing ceremony, which was, media-wise, one of the best covered USAID events, close to 100 companies and NGOs signed the Declaration of Support to Establishing NALED, marking a promising start for the Alliance.

The \$24.5 million Municipal Economic Growth Activity (MEGA) which will work with 24 Serbian municipalities in the next five years is funded by the American people and implemented by the Urban Institute.

Miodrag Babic, President of Hemofarm, the biggest Serbian pharmaceutical company, signs the Declaration Supporting the Establishment of NALED, Alliance which will lobby and protect the interests of companies such as his.

