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**MUNICIPAL ECONOMIC
GROWTH ACTIVITY**

NALED – Rocky Road to Success



“The authors of the new Law on Foreign Investment and various stakeholders interested in the investment climate in Serbia participated in the roundtable organized by the National Alliance for Economic Development (NALED) on August 30, 2006 at the Hotel Palas. Over 100 guests representing businesses and business associations, foreign investors, local and national government representatives, the Ministry of International Economic Relations, the Serbian Investment and Export Promotion Agency (SIEPA), the Foreign Investors Council (FIC), the World Bank and Multilateral Investment Guarantee Agency (MIGA), embassies, media as well as other important stakeholders, attended the roundtable. The outcome of this roundtable was twofold: first, it put the issue of FDI in public focus and provoked a series of vivid debates in the media on the effects and implications of the law; second, it demonstrated the importance of an open, public discussion on issues of common interest among the representatives of business community, the government and the civil society.” – This is how it all started. Eight months ago, the first high-visibility event was hosted by the National Alliance for Local Economic Development (NALED), at the time fully supported by the USAID-funded MEGA program. The event also marked the first time that a law was publicly discussed and opened to public criticism and comments with the Minister present to present his views.

This innovative philosophy in Serbian’s legislation management made the headlines and distinguished NALED from other think-thanks and civil-society organizations. As Prof. Dr. Mijat Damjanovic, NALED Coordinator once stated: “Only legal initiatives made available to a wide auditorium and to all interested parties have a chance to be well accepted and well implemented. The laws created under the veil of secrecy have always encountered a debacle.” Even the new Constitution, which was adopted almost entirely ‘under the veil of secrecy’ without a day of public discussion, got its place on NALED’s agenda. The lack of public and professional discussion, as well as the urgent adoption of new Constitution created a public dilemma if this legal act could provide a solid framework for further economic development. Thus, NALED organized “Can the New Constitution be a Solid Framework for Economic Development?”, public forum in November, 2006, on the latest constitutional reform and its implications on economic development and growth. The forum was opened by professor Mijat Damjanovic, conducted by Milan Parivodic, the Minister of International Economic Relations, Slobodan Vucetic, former President of the Constitutional Court of the Republic of Serbia, Ljubomir Madzar, professor at the Belgrade University, and professor Milan Kovacevic, independent consultant for foreign investment, and attended by more than 80 guests in the Belgrade Media Center.

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This has all strategically positioned NALED on the map of Serbia's pro-reform organizations lobbying for local economic development, so that barely three months following the forum on the new Constitution, it has a Management Board headed by Mr. Miodrag Babic, the President of Hemofarm, and one of the most successful business persons in the country, and the members-base of 16 members and constantly increasing. Some of the better known members of the Alliance are Reiffaisen Bank, Holcim, Hemofarm, Media Center, and the municipalities of Indjija, Pecinci and Vrsac – all of them recognized leaders of local economic development. It is anticipated that NALED will become fully self-sustainable in July 2007.

Looking back to when it all begun with the signing of the Declaration of Support to Establishing NALED by the President of Serbia, Mr. Boris Tadic, the U.S. Ambassador, Michael C. Polt, and a number of relevant Ministers, such as Minister of Public Administration and Local Self-Government, and Minister of International Economic Relations, it was a rocky road, sometimes maybe doubtful and questionable, but the road to success nevertheless, because Serbia desperately needed an organization such as NALED.