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**Statement by H.E. Mr. Lulzim Basha,
Minister of Foreign Affairs of the Republic of Albania
to the Permanent Council**

Vienna, 6 November 2008

**Mr. Chairman,
Excellencies,
Ladies and Gentlemen,**

It is a privilege to address the Permanent Council this morning. This is also my first appearance in this distinguished forum and I wish to thank you for the opportunity.

The OSCE continues to be an essential forum for discussion, cooperation and mutual understanding. It has not exhausted its potential as a valuable security provider in the vast area that the Organization spans.

The response of the OSCE to the Caucasus crisis, initiatives to deploy another 80 Military Monitors in Georgia and engage in Afghanistan, demonstrate that the Organization remains an alert and necessary pillar of Europe's security system. Albania strongly supports these approaches.

In the post-cold war era, security among nations is tightly linked with security inside the nations. In this context it is widely acknowledged that democracy, respect for human rights and fundamental freedoms, good governance and the rule of law are the underlying elements of the contemporary concept of security. These are also the principles that this Organization stands for.

However, there is still a long way to go until these values definitively prevail across the whole OSCE area. For this reason, we believe that the OSCE - an organization widely credited with being the farsighted precursor of the Human Dimension of Security - is best placed to continue to play a leading role in furthering the principles that I just referred to.

Mr. Chairman,

The Government of Albania is strongly committed to the principles of this Organization and, as in the past, is actively seeking to promote them at home and in South East Europe.

In this spirit, we are vigorously engaged in a series of reforms aimed at consolidating democracy and the rule of law, strengthening our free market economy and ensuring and safeguarding human rights and freedoms. Please allow me to share with you some of the most recent developments.

In line with the OSCE's ODIHR recommendations, the Government of Albania has set in motion a vast electoral reform agenda which will deliver before the next general elections. In this framework, 3 weeks after the Bucharest Summit where Albania was extended an invitation to join NATO, opposition and majority agreed to change the constitutional provisions on elections, though bipartisan consent, avoiding the distortions provoked by the so called tactical voting. Currently majority and opposition are finalizing the electoral code with a view to having it approved at the end of this month.

In close cooperation with the OSCE and the Austrian government we just have finalized the cumbersome but crucial task of completing the overhaul and transfer of the civil registry to an electronic registry of the population. The process of issuing new *ID Cards and Biometric Passports* will start by the beginning of the next year. Only 2 weeks ago we received the samples of these documents which are made to the highest technological standards and thresholds of the European Union.

The elections are expected in a period between June and August next year, most likely the end of June. Let me take this opportunity to express the commitment of the Albania Government to host the largest number of election monitors and ask ODIHR to make sure that the elections takes place in accordance of the fullest transparency as a commitment not only to the highest electoral standards, but also as a commitment to demonstrate Albania's increased capacity to assure free and fair elections, Albania's functioning democracy and Albania's readiness to take its engagement in the European process through a next stage.

Judicial reform is another top priority and a crucial benchmark in the consolidation of the rule of law and in the path toward European integration. A package of legislation concerning the functioning of the judiciary, prosecutorial system, notary public, administration of courts, legal profession, etc., is prepared, under the auspices of EURALIUS and other specialized bodies, such as OPDAT. Some of the laws have already been passed with bilateral consensus and the others are expected to pass in the coming months.

Excellencies,

For a long period of time corruption and organized crime constituted the major challenges of Albania in its path towards its two stated objectives: full membership in NATO and integration into the European Union. Report after report of international organizations criticized the state of corruption in the country stating that state capture regime was in place, stating that amounts as much as 1.4 billion dollars was disappearing in the pockets and accounts of officials, away from the resources of the state budget. Recognizing these two challenges as two walls as two barriers in our path to European integration and NATO membership this majority and the country as a whole have landed in the path of reforms with results that are now visible.

Since the Minister of Foreign Affairs of Albania last addressed the Permanent Council, in March 2007, my country has recorded remarkable results in these two areas. World Bank's "*doing business*" report and Transparency International's annual report have both recognized these achievements

An *ad-hoc* task force created to fight corruption and economic crime has increased the number of officials prosecuted and sentenced for corruption. In 2007, 224 officials of all ranks, nominated and elected, were identified as involved in corruption and power abuse, 53 of them were tried and successfully convicted.

A systemic approach has also been adopted in reducing corruption in tax administration, procurement and services to business, leading to a modernization of such services. A flat tax of 10 % has been introduced and as we have done so we have seen the budgeted revenues increase by 6 % with an accumulative effect of 4 billion USD over the past three years, equal to the amount the World Bank stated in 2004 was disappearing in private accounts and pockets of corrupt officials. The implementation of electronic systems for taxes, procurement and business licenses had considerably reduced opportunities for extortion.

Due to these reforms, Transparency International, in its last *Corruption Perception Index*, has been able to conclude that Albania is currently witnessing a significant reduction in the perceived levels of corruption. This has build confidence among the public that corruption can be successfully prosecuted and punished.

According to World Bank's *Doing Business* report, Albania is the second world economy making the most deregulatory reforms. The country rose from 135 to 86 in the global rankings on the ease of doing business, with reforms in four areas. These made it easier to start a business, eased tax burdens, and strengthened investor protections and credit information.

I would like to inform you that thanks to increased budgeted revenues, which come as a direct result of the fight against corruption, the Government of Albania is heavily investing in the modernization of the country's infrastructure.

We believe that modern infrastructure and deregulations are key to the economic success of Albania. Modern infrastructure programmes are in place and are being financed by the excess revenues which the government has allocated by approving supplementary budget in accordance with IMF engagement rules. These measures have made Albania attractive to foreign direct investments and have resulted in steady economic growth of around 8 % per year.

**Mr. Chairman,
Ladies and Gentleman,**

2008 is a turning point for the region of South-East Europe. After two years engagement in the process of negotiations Kosova become independent, Albania and Croatia were invited to join NATO. Yesterday the EU commission released the progress report for 5 countries of SEE. Never has the European perspective for the region been so close and near to conclusion. The independence of Kosova has stabilized the region. Despite the opposition it faced it has contributed to peace and security.

I believe we all are pleased to note that ominous scenarios and predictions of ethnic violence and mass displacement of people following the declaration of independence have failed to materialize. On the contrary, Kosovo is firmly walking on the right track, trying to build a democratic state and a multiethnic society.

The political leadership of Kosovo has shown unambiguous commitment to the principles of the Comprehensive Proposal for Status Settlement, known as the Ahtisaari Plan, and to the protection of ethnic minorities. Since February 17 noteworthy progress has been recorded in this direction.

In its endeavors Kosova enjoys the support of EULEX, which in line with the stipulations of the Ahtisaari Plan and without preconditions from any side, must deploy in the whole territory of Kosova.

For its part, Albania will continue to play a pivotal role in the security and stability of the region. We vehemently reject any idea of division of Kosovo, for we believe that relations among the countries of SEE should lay on the principles of good-neighborly relations, mutual cooperation and integration, as well as respect for the internationally recognized borders, which are also obligations stipulated in the respective SAA. This is the only way forward towards the full integration of the countries in the region into the EU.

In this context Kosova's independence is an opportunity both kosovars and serbs to shed the legacy of the past and embrace the promise of the future. It is a promise of peace and prosperity, freedom in all this dimensions including the freedom of mobility without barriers. It is a promise of full EU membership with all its benefits for those who seek it and are willing to work for it. Albania strongly believes and supports the European future of all the countries of SEE.

Our regional policy promotes dialogue and cooperation, moderation and compromise, free movement and free trade, as its core values.

Mr. Chairman,

In 2006 Albania signed the Stabilization and Association Agreement with the EU. Currently the ratification process of this very important moment in our European integration path is drawing to a close. Yesterday the European Commission released the progress report on Albania, which is more a report of progress acknowledging the steps that Albania has undertaken in political convergence criteria, bringing the country closer to EU standards and norms, strengthening free market and fundamental freedoms and democracy, consolidating institutions and the rule of law, helping to further the cause of fundamental human rights and freedoms, fighting corruption and organized crime, strengthening its economy and promoting a regional policy in line with the goals of the EU.

In line with this report and Albania's further progress in different areas we expect the relations with the EU to take a qualitative step forward in the coming months, during the Czech and Swedish presidency.

Visa liberalization is another important step in the process of European Integration. A Roadmap presented by the Commission to Albania and other countries of SEE consists of realistic and reachable objectives. My government is seriously working to fulfill the necessary conditions contained in the road map.

In April this year, in Bucharest, NATO invited Albania and Croatia to start accession talks that would lead to the fulfillment of a paramount national aspiration of Albanians, full membership into NATO.

This invitation and the subsequent signing of the protocols, whose ratification is underway in all parliaments of the members of the alliance, marks the crowning of Albania's long and determined efforts, as well as her achievements.

Albanian armed forces have undergone substantial transformation and modernization and serve proudly today side by side their NATO allies. Albania's unflinching performance as a reliable contributor to peace and stability of the region has been acknowledged and rewarded in Bucharest.

Mr. Chairman,

I wish to share some comments and suggest a few principles that in our opinion would be most useful in the activities of the OSCE Presence in Albania.

Let me start by expressing our deepest appreciation for the work that the Presence has carried out over the years. Its proactive role has considerably contributed to the progress achieved so far in terms of strengthening of our democracy, institutions and rule of law. The more progress is recorded, the

more the PiA can boast that has fulfilled the mandate of the Permanent Council. This is something that the PiA should be proud of.

On the other hand, we strongly believe that the work and the projects of the Presence should be consistent with the reality on the ground and the progress that the host country has made hitherto.

The Government and the Presence are engaging in a close relationship in order to strengthen mutual coordination and cooperation, concentrating the Presence's focus in those areas where it has shown undisputable expertise and is able to provide maximal support to our reform agenda.

Finally Mr. Chairman,

It is in light of the above, the implementation by Albania of its commitments, the progress hitherto and the expected progress in the coming years, that we would like to reiterate our candidacy for the assumption of the OSCE Chairmanship in 2012.

Its expected consent by the OSCE participating states will ensure that, for the first time ever, the Chairmanship will be held by a Western Balkans country. This Chairmanship will be a demonstration not only of the increased contributing capacities of a country that has cooperated, has been assisted and has benefited from OSCE, but also an additional possibility for the promotion of the values and interests of the region itself.

In addition, the rich experience of our country in a very active participation at all OSCE forums and activities, the chairing of most of the regional initiatives, membership in ECOSOC, membership in the IAEA Board of Governors for the year 2007–2009, BSEC chairmanship that was just rounded up etc., are only some examples that speak for our good and ever increasing capacities in successfully delivering the task of Chairmanship, just as it would be expected from the OSCE participating states. Albania would thus substantially contribute to the further strengthening of the credibility, reliability, role and work of the Organization in achieving our common goals.

Thank you for your kind attention!