

Sidste Nyt fra Albanien, Kosóva og Makedonien

The Latest News from Albania, Kosóva and Macedonia

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Retssagen mod tidl. Præsident Milutinovic m.fl. påbegyndes i Haag. ICTY meddeler:

The trial of six former high-level political and military leaders of Serbia and the Federal Republic of Yugoslavia (FRY) charged with alleged crimes in Kosovo during 1999, will begin on Monday, 10 July at 9.00 a.m. in Courtroom I.

The charges against Milan Milutinovic, Nikola Šainovic, Dragoljub Ojdanic, Nebojša Pavkovic, Vladimir Lazarevic and Sreten Lukic, all former associates of former Yugoslav leader Slobodan Milošević, focus on an alleged campaign of terror and violence directed against Kosovo Albanians and other non-Serbs living in Kosovo. The crimes with which they are charged include deportation, forcible transfer, murder and persecutions of thousands of Kosovo Albanians.

The prosecution's indictment alleges that the accused participated in a joint criminal enterprise, the purpose of which was, among other things, to modify the ethnic balance in Kosovo to ensure continued Serb control over the province. The accused, and other members of the joint criminal enterprise, used the powers available to them as political and military leaders to achieve this purpose by criminal means consisting of a widespread or systematic campaign of terror and violence that included deportations, murders, forcible transfers and persecutions directed at the Kosovo Albanian population.

According to the indictment approximately 800,000 Kosovo Albanian civilians were deported.

The prosecution asserts that throughout Kosovo, forces of Serbia and the FRY systematically shelled towns and villages, burned homes and farms, damaged and destroyed Kosovo Albanian cultural and religious institutions, murdered Kosovo Albanian civilians and other persons taking no active part in the hostilities, and sexually assaulted Kosovo Albanian women.

A pre-trial conference will be held on Friday, 7 July 2006 at 9.00 a.m. in Courtroom III, all accused will be present.

Makedonien

Parlamentsvalg onsdag 05.07.2006. Valget blev vundet af oppositionen; ny PM ventes at blive Nikola Gruevski; den hidtidige PM - Vlado Buckovski -har erkendt nederlaget. Grevski og VMRO-DPMNE vil intensivere arbejdet for at få Makedonien optaget i EU og NATO. Man vil søge at gøre landet mere attraktivt for investeringer.

Se evt. reportage på BBC: <http://news.bbc.co.uk/1/hi/world/europe/5152732.stm>

OSCE skriver om valget:

SKOPJE, 6 July 2006 - Parliamentary elections in the former Yugoslav Republic of Macedonia on 5 July largely met international standards for democratic elections, but violence and intimidation cast a shadow over the campaign, and election day, 5 July, was calm with isolated cases of serious irregularities, concluded the International Election Observation Mission in a preliminary statement, released today.

Some 380 observers monitored the election on behalf of the OSCE's Office for Democratic Institutions and Human Rights (ODIHR) and the Parliamentary Assembly of the Council of Europe (PACE). This was the ninth time the OSCE observed elections in the country.

"There were a number of improvements in the election process which are a result of the implementation of previous recommendations," said Audrey Glover, Head of the ODIHR mission.

"However, serious incidents during the campaign and on election day are a continuing reminder that perpetrators must be held accountable in accordance with the rule of law."

Mevlut Cavusoglu, who led the PACE delegation, said: "Yesterday the citizens could, and did, decide on the political direction of their country in a generally democratic fashion. The serious, but isolated, irregularities observed should not be allowed to overshadow the democratic progress made. We regret that for some violence and manipulation are still acceptable tools to further their political goals. This can only be condemned. We welcome the willingness and capacity of the people and the electoral system to take corrective action towards such abuses, which is a sign of political maturity."

The observers also concluded that voting and counting were conducted in an orderly and peaceful manner in most of the country, but isolated, serious irregularities, such as vote buying, ballot box stuffing, tension and intimidation tainted the election process in a number of municipalities.

While observers did not find any deliberate attempt to manipulate polling station protocols during the count, major procedural problems were reported.

Following an inclusive registration of political parties, the campaign was competitive, offering the electorate a broad choice. However, a number of violent incidents cast a shadow over the first half of the campaign. Observers also noted instances of abuse of administrative resources, particularly by mayor's offices.

Overall, the broadcast and print media provided the voters with a variety of views, but the public broadcaster, Macedonian Television, favoured the ruling parties in its coverage. The tone of the media coverage was generally moderate, with some partisan comments in private media.

Although the new consolidated Election Code was finalized only three months before the elections, it provides a more consistent basis for their conduct, including provisions for increasing participation of women and national minorities.

PDF-rapport kan hentes fra: http://www.osce.org/documents/odihr/2006/07/19801_en.pdf

Albanien

060703 **Finn Theilgaard, chargé d'affaires på den Danske Ambassade, har haft sin sidste arbejdsdag på ambassaden i Tirana.** Han efterfølges senere af Ambassadør Niels Severin Munk, hidtil Dhaka, Bangladesh. Theilgaard har bl.a. haft møde med Præsident Moisiu, der tildelte ham en særlig hædersbevisning:



July 3, 2006

The President of the Republic, Alfred Moisiu received today in a meeting the Ambassador of the Kingdom of Denmark, Finn Theilgaard who is leaving our country.

During the friendly talk held at the meeting, President Moisiu pointed out the contribution of Mr. Theilgaard in the qualitative enhancement of the good relations between our two countries and peoples and also in the further strengthening of the cooperation to the benefit of reciprocal interests. Appreciating this contribution, the Head of state handed to the Danish Ambassador the Medal of Gratitude.

Then the interlocutors expressed the consideration for the positive achievements of Albania in its path towards European and Euro-Atlantic integration by pointing out especially the signing of the Association-Stabilization Agreement by our country with the European Union and also other significant steps that will be taken in this direction.

060703 **Zef Pllumbi, Romersk-Katolsk Præst, der var fængslet i mange år i Hoxha-tiden, blev dekoreret samme dag.** I højtideligheden deltog bl.a. Ismail Kadaré.



July 3, 2006

The President of the Republic, Alfred Moisiu handed today to Father Zef Pllumbi, this high

personality in the field of culture and Albanian literature, the distinguished Order “The Honour of the Nation.”

At the decorating ceremony, President Moisiu held an address where he stressed the fact that Albanian society needs to pay tribute to its most precious values and their carriers at the right time, when these remarkable people are still with us by giving incessantly and with dedication their precious contribution.

The Head of state highly praised Father Zef Pllumi as “a representative of the human and cultural asset, as a true institution who resisted to the most difficult regimes and times and as the symbol of the free citizen, whose vision is inspired by the European values. At the same time, President Moisiu emphasized the importance that has for the younger generation to know the works of Father Zef Pllumi as a precious asset of our national memory in order to not allow the return anymore of dictatorships in all their forms.

On his part, Father Zef Pllumi stated that he accepts willingly this honor, as a sign that from today on there would not be anymore censorship and districts’, religious and ideological divisions that shatter the Albanian culture and as a sign of the unity of this culture throughout the centuries.

Present in this ceremony were the Deputy Speaker of the Assembly, Fatos Beja, the Minister of Education and Science, Genc Pollo, the Minister of Tourism, Culture, Youth and Sports, Bujar Leskaj, the Archbishop of Tirana, Durres and entire Albania, Monsignor Rrok Mirdita, parliamentarians and other famed personalities of Albanian culture and publicists, among them also the noted writer Ismail Kadare and the Head of the Academy of Sciences, Ylli Popa.

060706 NATO Generalsekretær - Jaap de Hoop Scheffer - har været i Albanien. Han har besøgt Præsident Moisiu [billedet] og holdt en tale til det Albanske Parlament:



SPEECH BY NATO SECRETARY GENERAL JAAP DE HOOP SCHEFFER AT THE ALBANIAN PARLIAMENT

[Mr. Speaker,]

Ladies and Gentlemen,

Let me start by saying how pleased and honoured I am with this opportunity to complement my official meetings in Tirana today with a public appearance. I was a parliamentarian myself not that long ago, and I am always delighted to meet with legislators. But I am also very pleased to see a considerable number of young people in the audience. Their interest in and understanding of security issues is of vital importance, in all our countries.

My visit to Albania this afternoon follows a visit to Skopje a few weeks ago, and a visit to Croatia this morning. The main purpose of these visits is clear. It is to commend all three countries with the impressive progress they have made in preparing for NATO membership – and to reassure them that they will accede to NATO, if they keep up their efforts.

But I have another objective, too, with these three visits. And that is to further explain – to policymakers and the public at large – what it really means to be a member of NATO today. And why it is in your interest, as well as NATO’s, that you continue your efforts to join the

Alliance.

NATO is a unique institution. It features, first of all, an exceptional political consultation mechanism that is geared towards consensus. This consensus process is sometimes perceived as slow and cumbersome. But it has distinct advantages. It creates a sense of predictability. And it fosters both a responsibility and a pre-disposition among the Allies – big and small – to seek common solutions to common problems.

NATO also has an integrated multinational military structure to implement these common decisions. Over the years, the militaries of our member nations have become highly interoperable, and capable of working together effectively under the most demanding circumstances. And that military potential is another unique feature of the Alliance.

What also makes NATO unique is its transatlantic dimension. There is simply no other forum that brings Americans, Canadians and Europeans closer together. And transatlantic consultation and cooperation in the Alliance works both ways. Through NATO, the United States and Canada can make their voice heard in Europe. And we Europeans, in turn, use NATO to get our views across the Atlantic.

Together, these various characteristics make NATO a truly unique organisation. But the real glue that has held the Alliance together for more than half a century is not structures, is not bureaucracies. It is not even a common threat. What continues to bind us are the common values on which all our societies are built – pluralism, freedom, democracy, and tolerance.

What has changed – and what has changed dramatically – is the way in which those common values are threatened, and the manner in which we have to defend them. In the face of threats from terrorism, the proliferation of weapons of mass destruction and failing states, a reactive approach is simply no longer good enough. These new and complex threats call for much more active engagement, including well away from our own borders – and that is what the NATO Alliance is very much geared towards these days.

NATO, today, is actively engaged on 3 continents – in Europe, in Asia, and in Africa. In Kosovo, our troops continue to keep the peace and ensure a safe and stable environment for the UN-sponsored status talks to bear fruit. In Afghanistan, the NATO-led International Security Assistance Force helps the Government of Afghanistan to provide the necessary security so that democracy and redevelopment can flourish with Albanian participation and I commend you for that. In Iraq, NATO is training Iraqi security forces to allow them to take on more responsibility for the security of their own country. And in Africa, we are airlifting African Union peacekeepers into the Darfur region of Sudan, and providing other assistance to that force in order to facilitate, I hope, a smooth transition to the United Nations.

Alongside these commitments, NATO maritime forces are conducting an anti-terrorist operation in the Mediterranean. We provided humanitarian relief to the victims of last year's Hurricane Katrina in the United States, as well as to victims of last October's earthquake in Pakistan. And NATO aircraft have been helping to secure the skies over Germany during the Football World Cup, just as we supported several other big public events during the past few years.

NATO's operations are one important part of our pro-active, values-based security policy. But they are not the only one. Because the best way to safeguard our values is by nourishing them – by upholding our values at home, and advocating them abroad. By believing in the power of open, democratic systems and liberal economic systems. By encouraging other countries to open up their societies too. And by lending them advice and assistance if they so request.

NATO has acted in line with this logic. Over the past fifteen years, the Alliance has built up a wide network of security relationships – all over Europe and into the Caucasus and Central Asia. Through this network we have not only been able to promote our values. We have also fostered a genuine Euro-Atlantic security culture – a strong disposition to tackle common security problems by working together. And we have greatly improved our ability to cooperate in meeting such common challenges.

NATO's enlargement process also shows how our values and our security interests converge. It has extended a unique zone of security throughout our continent. It has given – and continues to give – our neighbours new confidence in their own future, and a strong incentive to reform. And in so doing, it enhances prosperity and security for us all.

This logic of integration through NATO enlargement remains as valid as ever. It remains particularly valid here in Southeast Europe, because I strongly believe that for this region, Euro-Atlantic integration offers the only feasible way forward. There is simply no alternative.

Our Membership Action Plan remains the key instrument for Albania and other aspirant countries to move closer to NATO. The MAP enables your country to benefit from the Alliance's support and guidance to complete reforms in key areas; to stay abreast of the reforms which NATO itself is going through; and to ensure that you are able to make a meaningful contribution to the Alliance, as soon as you get on board.

Over the past few years, Albania has made a determined effort to implement far-reaching reforms, and with considerable success. The new government is to be commended for placing a strong emphasis on the fight against corruption and organised crime, and the strengthening of the rule of law, which are all vital to Albania's future as a viable and prosperous democratic nation. There are encouraging signs of progress in these areas, but much remains to be done, especially to improve the efficiency of the judicial system. The Stabilisation and Association Agreement which Albania concluded with the European Union last month provides a particularly good basis for this work.

Defence reform is another area where there has been clear progress, but where further work remains to be done. We appreciate the effort that is being made to set more realistic goals for Albania's armed forces, and to make better use of the growing but still limited financial resources that are available for defence. That kind of change is obviously important with a view to NATO membership, which is why we will continue both to encourage and to assist it, including through our NATO Headquarters here in Tirana.

One further area that I wish to mention relates to the handling of classified information, which is another important NATO requirement. Important progress has been made in this area as well. With NATO's advice and assistance, all the necessary structures and procedures have been put into place, and it will be important now for the relevant authorities to ensure that they work as intended.

So there still is work to do in a number of areas. But let me tell you that, on the whole, the 26 NATO Allies view the seriousness and determination with which Albania is pursuing the necessary reforms in a very favourable light. And we are confident that this positive trend can and will be carried through.

The same holds true for Albania's international engagement, first of all with its neighbours here in South-East Europe. As a matter of fact, Albania has been playing a very helpful, moderating role here in this region – especially with regard to Kosovo – and it is to be commended for that constructive approach.

But Albania has also been looking further, quite literally. We are pleased that, in addition to its valuable contribution to the NATO-led International Security Assistance Force in Afghanistan, Albania is also considering support for NATO's anti-terrorist maritime operation in the Mediterranean. This demonstrates that Albania shares our view that security today requires active engagement and solidarity. And it is another indication that Albania, once it joins the Alliance, is going to be a reliable and active NATO member.

So when will this be? I know there were hopes in this country and the other two MAP countries that invitations might be forthcoming in November, when NATO Heads of State and Government meet in Riga. I am glad that there is generally greater realism now. The NATO enlargement process was never driven by deadlines. It was, is, and remains a performance-based process. And as I just pointed out, some work still needs to be done.

But let me also very clearly state this: once a country has done what we expect from it, NATO will keep its own part of the deal – and open its doors for new members. And this means that your country's accession to NATO is clearly no longer a question of "if", but only of "when".

Ladies and Gentlemen,

In NATO today, twenty-six strong and independent democracies consult and co-ordinate their positions on the key strategic issues of the 21st century. They pool their individual military capabilities to create an exceptionally capable defence community. They meet common threats

and challenges together, including well away from their own borders. And they shape the strategic environment in ways that no single country could ever hope to achieve on its own.

That is the community of nations which Albania is aspiring to join. To obtain the security guarantee of collective defence. To work shoulder-to-shoulder in one of the world's pre-eminent peace making forces. To play a constructive role in the NATO Council, helping the Alliance to arrive at consensus. And to play its full part in defending and promoting the values that make NATO a true symbol of cooperation, democracy and peaceful relations.

Let there be no mistake -- there is still work to do. But Albania is well on its way towards joining the NATO community, and it will be a very welcome addition.

Thank you.

Albanian Media Institute har udsendt Newsletter:

AMENDMENTS TO LAW ON BROADCASTING APPROVED BY THE PARLIAMENT for the second time

The amendments to the law on broadcasting, related to the change of formula for members of the regulatory authority on electronic media and the Steering Council of public broadcaster passed in the Parliament for the second time on June 26. This law was returned to the Parliament by the President, who decided not to decree the law, due to some anti-constitutional provisions he claimed the law had. The opposition is firm in its stance to reject this law, while the majority repeated its guarantee that nominations from the opposition will be voted by the majority. In addition to parliament discussions, the amendments to this law were also discussed in a meeting of negotiating work group in Brussels.

The amendments in question propose to change the formula and composition of the regulatory authority on electronic media and that of the highest governing body of the public broadcaster, on the grounds that these bodies have been so far inefficient and politicized. The final changes to the bill included the nomination of candidates to the regulatory authority from interest groups such as the associations of electronic media, print media associations, electric engineering associations, Chamber of Lawyers, and one from the parliamentary groups. The same groups would also nominate members for the Steering Council of the public broadcaster. This right also belonged to human and children rights NGOs and the National Cinematography Center. The nominations should be no less than two and no more than three for each member, and should pass in a consensual way by the Parliamentary Media Commission.

The formula for the Steering Council of public broadcaster is similar, except that seven members will be elected, and there is also a representative of the government and one from the faculty staff of the University of Tirana. In the meantime, the Parliament has suspended the members of both the regulatory authority and Steering Council, while the law pends to be decreed by the President. The law passed without the voting of the opposition, which proposed a formula that was based on political bipartisanship in both bodies.

In addition, a new amendment was passed on this law, which excludes the owners of television companies from public tenders. The so-called Lesi amendment has been pending in the parliament for more than a year, and its main aim is to eliminate any possible relation between public tenders for media owners and favorable media coverage on the government by the respective media. This amendment is expected to apply for print media, as well, after a new discussion and voting.

REPORTING ON EU TRAINING

The second training course aimed at improving international affairs reporting addressed reporting on EU affairs and took place on June 22-23, with the participation of fifteen journalists from print and electronic mainstream media. The first lecturer was Ledio Bianku, international right expert, the European Center. His main focus was EU and Albania's path to integration, in view of the recent signing of the Stabilization Association Agreement from Albania, with the respective obligations that follow from this act. He started with a brief description of the EU legal foundations, with an emphasis on the concept of sovereignty. Another topic addressed in

the course of the training was Euro as a common currency, its positive and negative effects. Finally, EU structures and their coordinating role constituted another topic of discussion, in view of the new obligations Albanian government faces after signing the SAA. Discussed new measures included the efforts to harmonize the Albanian legislation and the coordinating role and function of the Ministry of Integration.

The second lecturer was Albert Rakipi, Director of the Institute of International Relations, who focused on main aspects of EU since its establishment, providing a brief history. On another level, Rakipi addressed the issue of values of European Union. One of the main ideas was that EU was a unique market, but not a unique cultural identity. Another aspect addressed in the course of the lecture was EU enlargement with members from Central and Southeastern Europe, focusing on their problems in the different membership stages, comparing them to the range of problems of our countries. This course was organized by the Albanian Media Institute, with the support of Media-Im-Pakt, a part of the Institute for Foreign Cultural Relations, IFA, Germany.

TEAM TRAINING AND SUPPLEMENT PRODUCTION ON ROMA

A team reporting training took place at the Albanian Media Institute on June 19-23, with the participation of eight journalists from both mainstream and local media. The reporters produced a supplement that was published in daily "Panorama." The supplement focused on issues of Roma minority reporting and their coverage by both minority and mainstream media. The participants worked as a team and covered different stories addressing topics related to the Roma minority, their living conditions, the economic problems they experience, the existing statistics of Roma minority, government strategy on Roma, profiles of successful Roma people, etc. In order to assist their reporting, three key speakers were invited to address this topic: Lindita Xhillari from the Center for Promotion of Human Development, focused on the situation of minorities in Albania and introduced the main trends deriving from research their center has completed in this area. The second key speaker was Ledi Bianku, international rights expert, who addressed the existing legislation on minorities and their rights. Third speaker was Blendi Kajsu, analyst, who presented the findings of a research on mainstream newspapers regarding coverage of minorities in general and Roma in particular. This project was supported by Swedish Helsinki Committee and organized by the Albanian Media Institute.

COURT REPORTING TRAINING COURSE

A training on court reporting was organized at the Albanian Media Institute on June 19-21, with the participation of print Tirana-based journalists. Given the importance of appropriate reporting on this delicate section of society, the aim of the course was to introduce journalists to the basic principles of court system in the country and beyond, as well as the main elements to consider when reporting on courts and judicial system. Lecturers were Njazi Jaho, from Albanian Helsinki Committee, Ledio Bianku, European Center, and Xhezair Zaganjori, Constitutional Court. The speakers presented the participants with the main judicial bodies in the country, the way they work, presumption of innocence as a must for reporters, the different angles and phenomena that media coverage can cover in this respect, etc. This training was organized by the Albanian Media Institute with the support of the Embassy of the Kingdom of Norway in Tirana.

PHOTOJOURNALISM TRAINING COURSE FOR REPORTERS

A workshop on photojournalism was organized at the Albanian Media Institute on June 26-30, with the participation of 15 journalists from print and electronic media, both from mainstream and local ones. The main aim of this course was to introduce journalists to the basic elements of photojournalism and visual side of reporting in general. In the first three days trainer Albes Fusha discussed with the participants the elements that distinguish good photos from bad ones, taking specific examples from media coverage, participants' portfolio, and world photojournalism experience in general. Building a photostory and the different facets to consider in the process was another topic that the participants discussed and carried out on field. Attention was also devoted to the relation between reporters and editors and positions when it came to photojournalism. In the next two days trainer Mitrulla Thodhori provided an overview of the technical elements of photography, the basic software for working up photos, formats and their specific natures, etc. The course was a combination of theory, practical

examples from well-known photographs, and practice from participants themselves. This training course is part of an extensive project on professional skills training for journalists, organized by Albanian Media Institute with the support of Network Media Program.

HEALTH REPORTING FOR YOUTH

A training on health reporting for young people took place at the Albanian Media Institute on June 15-16, with the participation of fifteen correspondents of mainstream media based on main cities. The aim of the training was to raise awareness among journalists that cover health reporting in order to foster a healthy lifestyle for the youth. The speakers were Genci Mucollari, Andi Shkurti, Irida Agolli, and Arjan Harxhi, from Aksion Plus, an organization that is active in health and youth issues. The main topics covered in the course of the training were the philosophy of damage control for drug users, HIV/AIDS and human rights, role of media in improvement of information, kinds of drugs and how to report on them. Other issues related to health reporting for young people that were addressed included the generation gap, relations and communication among youth and adults, teenagers and sexual health, etc. This seminar was organized by the Albanian Media Institute, with the support of UNFPA.

ONLINE JOURNALISM TRAINING

A training course on online journalism took place at the Albanian Media Institute on June 5-9, with the participation of 15 journalists from print and electronic media, both from mainstream and local ones. The course aimed to introduce journalists to the main principles and skills of computer assisted reporting, as well as provide them with the basic knowledge in online journalism. Trainer Mitrulla Thodhori, IT expert, presented the participants to CAR methodology, its present development, and the main tools used in this regard, mainly using Internet efficiently as an information source in reporting. In her lecture she focused on search engines in Internet and their specific features, catalogues and databasis, the diverse search strategies, and the practical usage of Internet in today's reporting. Other topics included advanced usage of MS Office packange and e-mail, working with tables and collection and selection of data, charts, etc. Introducing journalists to the main websites of interest to journalist, the trainer provided practical examples for the participants. Finally, participants were introduced to and tested online journalism and its main elements. This training course is part of an extensive project on professional skills training for journalists, organized by Albanian Media Institute with the support of Network Media Program.

INVESTIGATIVE REPORTING COURSE

A training course on investigative reporting took place at the Albanian Media Institute on June 12-14, with the participation of 15 journalists from print and electronic media, both from mainstream and local ones. The topics addressed in the lecture of journalism professor Iris Luarasi were related to the definition of investigative reporting and the debates that evolve on this genre. The lecturer also provided a brief history of investigative journalism, its origins, famous cases, and the current stage of development. Further on, the lectures continued with instruction on how to draft and follow an investigative story, including both advantages and risks of this genre of journalism. The role of the editor and the media outlet predisposition were also discussed by the lecturer and participants, having in mind the present context of Albanian media when it came to this kind of reporting. The course was a combination of theoretical knowledge and practical examples, enabling the participants to test the knowledge they gained. This training course is part of an extensive project on professional skills training for journalists, organized by Albanian Media Institute with the support of National Endowment for Democracy.

PRESENTATION OF THE AMENDMENTS TO THE LAW ON DEFAMATION

The amendments to the law on defamation were presented to a group of members of Parliament on June 6. These amendments resulted from previous round tables and discussions with members of the previous parliament. In these discussions the media lawyers, media experts, and the Parliamentary Commission on one hand, and the journalists from the other, had the chance to give their input on the potential amendments needed for the law on defamation. In the final round table the members of Parliament agreed in principle on every article and the amendments made to the law. These amendments will be introduced to the Parliament as a

bill. Both the Penal Code and the Civil Code contain articles on defamation and slander that are considered regressive in the framework of the freedom of expression. While neighboring countries have improved this aspect of their legislation, Albania is lagging behind, as underlined in the annual report issued by the European Commission. These discussions are a joint initiative of the Albanian Media Institute and the Justice Initiative in New York, with the support of the Open Society Justice Initiative.

Website om Albanien som turistland skal videreudvikles

Udbud af opgaven: <http://www.ictd.org.al/index.php?fq=news&id=261>

Foreløbig udgave (mange, men ikke alle, ting virker på siden): <http://www.albaniantourism.com>

Serbien

IMF har udsendt et statement

Serbia and Montenegro—2006 Article IV Consultation and Post-Program Monitoring
SERBIA: CONCLUDING STATEMENT OF THE MISSION
June 27, 2006

1. Serbia is growing. After stagnation in the 1980s, decline in the 1990s amid the SFRY breakup, and collapse and hyperinflation in 1999-2000, GDP has risen strongly every year since. This reflects the natural rebound following the 2001 stabilization, and a significant—if sometimes interrupted—cumulative fiscal and structural reform effort. Much is going right.
2. But two lost decades are not readily recovered. Though output is up nearly 40 percent since 2000, employment has trended down, unemployment is over 20 percent and still rising, and headline inflation has not been sustained below the mid-teens. Fixed investment is well below transition country norms, yet, even so, the external current account deficit remains unsustainably high—at over 10 percent of GDP. It will be a long haul.
3. Continued structural reform and stability are key. Failed corporate and financial structures—compounded by conflict and policy instability—sapped economic vitality at the end of the 20th century. So it will take completion of the post-2000 reforms to those structures—and policy stability—to restore economic health. This might best be advanced as part of the EU accession process. These matters are considered in turn.

Corporate Restructuring

4. The role of the state has been significantly reduced since 2000. Privatization and retrenchment have reduced the state and socially owned sectors, with private firms expanding alongside. As a result, the private share in non-agricultural non-budget sector employment has risen from 30 to 60 percent between 2001 and 2006. This is a considerable accomplishment, reflected in buoyant exports and improved growth potential.
5. But the core of these corporate reforms has been left until last. Though many tough tasks have been largely completed, including bank restructuring, the more healthy firms were privatized first. So to some extent, the shift towards the private sector has been a change in form rather than substance. And the remaining mixed, socially, and state owned firms still account for over 40 percent of non-budget non-agricultural employment. They incur heavy losses, absorb considerable subsidies, and accrue wage arrears. These firms are largely responsible for low economy-wide corporate savings and impede entry of more productive firms.
6. The remaining restructuring will require sustained commitment. Plans to offer for sale all firms in the privatization agency portfolio by mid-2007 are welcome. But the quality of assets now on offer raises prospects for increased incidence of failed tenders and auctions. In this

context, the "two strikes" approach proposed by the IBRD needs to be fully observed. In particular, the tax authorities and the Development Fund should initiate bankruptcies in these cases promptly, while blockages to timely completion of insolvency proceedings—including inefficiencies in the courts—need to be removed. If not, these firms will remain a key constraint on economic performance. Broader business climate and trade arrangements—including regional free trade and WTO membership—should support this effort by encouraging new domestic and foreign investment, while abjuring targeted or firm-specific concessions. And as restructuring proceeds, the high share of administered prices in the CPI can be lowered.

7. The oil sector is an immediate test case. The burden on the economy of high international oil prices is compounded by domestic refinery and distribution inefficiencies—caused by the ban on imported processed product and oil price controls. The sale of shares in the integrated firm to a minority shareholder—albeit with management control and possible eventual majority ownership—with the import ban extended alongside, at best addresses only part of the problem. In addition to these proposals, at the very least the ban should be converted into a tariff scheduled to decline quickly over time, a process that would be consistent with EU and WTO principles. This would lower ex-refinery prices—easing non-oil corporate restructuring challenges—whether or not refining efficiencies are secured, thereby further encouraging realization of those efficiencies by the new management. And it would raise budget revenues.

8. With further corporate restructuring in prospect, employment policy should aim at job creation rather than job preservation. Currently, labor market institutions and remuneration levels discourage employment, which continues to fall even as output rises strongly. And with the toughest restructuring still ahead and the share of the private sector in total employment rising, the inflexibilities of labor market structures are becoming increasingly expensive over time. Hiring and firing rules and unemployment benefit arrangements should be rigorously scrutinized from this perspective.

Financial sector

9. Following earlier bank restructuring, credit has boomed. Drawn by high spreads and a desire to establish early in a new market, foreign parents of banks leveraged surging domestic deposits with external resources, and bank credit has risen over 11 percentage points of GDP in three years. And with credit-to-GDP ratios still regionally low, persistent further expansion is likely—compounding the upward pressures on the external current account deficit emanating from the weaknesses in non-bank corporates.

10. These credit patterns suggest that a further examination of the competitive environment among banks may be warranted. Margins appear to have been falling in some activities—though data on this are unavailable—and unremunerated reserve requirements exact an additional toll on bank profits. But banks' continued appetite to lend suggests that total anticipated returns remain highly attractive. Competition was likely reinforced by the activation of the credit registry in 2004 and, more recently, the pledge registry and legislation on enhancing creditor rights over collateral. But other steps could be considered, including providing banking customers with standardized interest rate formulations and helping them to understand the burden of the debts they take on. Reinforced competition, by securing efficient spreads, may help encourage greater attentiveness by banks to macroeconomic and prudential risks in credit extension.

11. Alongside, supervision should continue to be strengthened. The pace and recent genesis of credit growth raise concerns about credit quality, as does the overwhelming dominance of FX-indexed in total credit and high NPL ratios. The recent banking law establishes the basis for enforcement of Basle Core Principles (BCPs), to take effect once the NBS has adopted detailed "decisions" to implement them. The law and the drafts reflect international and EU best practice. More challenging, however, will be to ensure an appropriately qualified cadre of supervisors to implement the law, deliver the transition from compliance to risk-based supervision, and monitor risks arising from greater exchange rate flexibility. A review of the adequacy of conditions of employment for supervisors from this perspective may be appropriate.

Fiscal policy

12. Fiscal options will remain constrained in the medium-term until corporate profitability

improves and credit slows. Until reforms in these areas decisively boost domestic private savings, fiscal policy is constrained to deliver domestic savings—lest investment be constrained by lack of funding and the external current account becomes unsustainable. With external vulnerabilities high—as signaled by external debt at 58 percent of GDP and private external debt up some 6 percentage points of GDP in 2005—and immediate political and regional uncertainties considerable, there appears to be little room for fiscal maneuver.

13. These concerns underlie the need for fiscal consolidation and budget surpluses. Adjustment of 5½ percentage points of GDP in the three years to 2005 represents a further major policy achievement. But that effort was overwhelmed by surging credit and the depth of corporate ailments, so that excluding VAT effects, the high external current account deficits barely budgeted since 2003. In that light, a budget surplus of 2½ percent of GDP (on IMF fiscal definitions) was anticipated under the Extended Arrangement with the IMF. This implied a further consolidation of 1.8 percentage points of GDP in 2006, and declines in public debt, even excluding the Paris Club write-down. Once the tough corporate reforms take root and credit decelerates, scope may be created to allow the fiscal stance to be re-anchored to fiscal sustainability—thereby accommodating some fiscal relaxation.

14. Tax options are limited. Public revenues are already burdensome at some 44 percent of GDP and tax administration is overstretched in the difficult enforcement environment. Thus, even the envisaged shift from direct to indirect taxation should not go ahead if it prejudices the fiscal balance.

15. This puts the focus on public expenditure reform. Ambitions to raise real public spending within fiscal balance targets would best be secured by growth—and growth of tax revenues—via corporate and other reforms, not by raising tax ratios. Until then, there is ample scope to curb current spending. Spending on transfers, budget wages, and subsidies—17, 10, and 3½ percent of GDP respectively in 2006—contains considerable inefficiencies. As part of a reform effort, an accounting of the costs of the September 2005 government decision to "close" pension contribution gaps is urgent. In that light, recent pension reforms can be taken further, including by rationalizing early retirement. And corporate restructuring could be aided by reduced subsidies and by the impact of budget wage restraint on general wage trends. These actions would create room within fiscal balance targets for long overdue increases in budget investment, including on roads and the social infrastructure.

Inflation, and monetary and exchange rate frameworks

16. A renewed assault on inflation would support restructuring. Still in the mid teens, headline inflation is regionally high. And it constitutes a loud signal of macroeconomic disorder—to the detriment of efforts to raise domestic and foreign investment. Disinflation, by signaling strengthened policies, would encourage investment. In this way, it would not be at the expense of jobs but an essential element in their creation. Unless the NBS takes the view that the prospective fiscal stance is insufficiently supportive, it should not be postponed.

17. Recent changes in monetary arrangements have prepared well for this. Greater exchange rate volatility has already been announced and achieved. And the dinar has strengthened in recent months in the wake of the 500 basis point hike in repo rates from Q4 2005, with banking dinar borrowing and lending rates also rising. These developments demonstrate that repo operations have matured into an effective monetary policy instrument. As the NBS continues to scale back its engagement with foreign exchange bureaus—and with it its forex intervention—the repo will become yet more powerful. Given high pass-through rates from the exchange rate to core inflation, all this signals that monetary policy can be effective through the exchange rate channel in combating inflation. And it is effective notwithstanding high rates of financial euroization and the currently limited impact of dinar interest rates on aggregate demand. Finally, adjustments to reserve requirements on foreign currency-denominated liabilities will continue to play a useful role as a measure of last resort in containing credit growth and the external balance in the context of insufficient fiscal support for these objectives.

18. These steps would best be taken further. A process towards eventual formal adoption of a new nominal anchor—inflation targeting—could be initiated. Within this process, the NBS would publicly adopt "objectives" for core inflation for 2006 and 2007 in the form of a range, extending this projection horizon every six months or so. Simultaneously, the Ministry of Finance would issue objectives for administered prices over the same rolling horizon, in consultation with the NBS. The repo would become the key instrument used to achieve NBS objectives, to be

adjusted upwards when core inflation is projected to exceed objectives and vice versa. Forex intervention would be reduced to a daily "leaning against the wind" role.

19. Over a longer horizon, further developments can be envisaged. Once experience is gained with the new framework, the NBS could consider changing its inflation range "objectives" into formal "targets". And other elements of a full-fledged inflation targeting framework could be built. These include modeling, transparency, decision making procedures within the central bank, and final determination of institutional responsibility to set the inflation target band. And as corporate restructuring reduces the share of administered prices in the CPI, the NBS will progressively become responsible for a greater share of CPI developments.

Policies for 2006-07

20. Demand growth remains strong. Notwithstanding weakness in early 2006—reflecting interrupted gas imports followed by flooding—and several measures of monetary tightening, credit growth remains buoyant. VAT collections before refunds confirm that consumer spending is still surging, with concomitant effects on underlying imports.

21. Thus, a firm fiscal stance remains appropriate. The policy goals for the external current account balance—a reduction by 1¼ percentage points of GDP (corrected for the VAT effect) in 2006 and the planned reduction of ½ a percentage point for 2007—are not yet secure. Vulnerabilities would be compounded if those goals are missed, and efforts to disinflate complicated. In this light, a slippage from the anticipated budget surplus of 2½ percent of GDP (on IMF definitions) would best be avoided, and a further improvement to a surplus of 3 percent of GDP is recommended for 2007 (Text table).

22. In this context, disinflation can be purposefully pursued. With core inflation already at 10 percent, the central bank could announce an inflation "objective" range for 2006 of 7-10 percent, declining to 4-7 percent for 2007, and adjust the repo rate as needed to secure these objectives.

23. But a major weakening of budget balance targets is being considered. The suggestion is to commence a multiyear investment program with planned spending of up to 1½ percent of GDP in Q4 2006, funded by privatization and one-off MOBI63 license receipts. This implies, on IMF definitions, a budget deficit of ½ of one percent of GDP in 2006, fully 3 percentage points weaker than target. And if proposed personal tax reforms and Public Private Partnership projects for 2007 go ahead alongside, without spending cuts to offset the non-recurrence of MOBI63 receipts, then the budget would go significantly further into deficit in 2007.

24. These proposals raise again the specter of loss of fiscal discipline, putting at risk the hard-won progress made through reform in recent years. Though the proposed public spending is not debt financed, it will, if implemented fully, significantly impact the current account deficit—raising it towards 14 percent of GDP in 2006, some 3 percentage points weaker than targeted, with further deterioration in 2007 in prospect if the budget deficit enlarges further. Furthermore, the haste of project preparation and disbursement raises doubts about its quality—with considerable waste likely. If the program proceeds on anything like the scale and pace envisaged, investment costs will be raised, gains limited, and competitiveness will be harmed by the impact on non-tradable prices. And if the PIT reforms weaken the fiscal balance further, these adverse effects will be amplified.

25. Disinflation ambitions may also be harmed. Even—perhaps especially—if the fiscal weakening in 2006-07 is sizeable, the suggested reforms to the monetary and exchange regimes should go ahead. But to the extent that the central bank assesses that the fiscal stance is inadequate, it may need to scale back the specificity and ambition of its objectives for core inflation in order to shield, however modestly, the current account balance from the adverse impact of the fiscal loosening.

26. And PPM undertakings would not be observed. In the first quarter, though health sector savings are lower than anticipated and the budget wage bill target was exceeded somewhat, the budget, army reform, headline inflation, and the current account balance are all broadly on track with PPM commitments. Thus these objectives are well within reach, absent the redirection of fiscal policy now under consideration.

Concluding remarks

27. After two decades of disappointment, Serbia has made significant progress in recent years in an exceptionally challenging environment. To continue with this good progress, we urge you to carefully plan the scope and phasing of your new fiscal initiatives.

* * *

The mission is grateful for the warmth of the welcome it has received.

Serbia: Proposed Macroeconomic Framework, 2005-07

	2005	2006	2007
	(In percent of GDP)		
Non-government domestic savings	-9.6	-8.4	-6.3
Non-government domestic investment	14.3	15.2	16.2
General government fiscal balance	0.8	2.6	3.0
Current account balance (underlying) 1/	-12.6	-10.8	-10.4
External debt	64.3	63.5	61.3
	(Annual change in percent)		
Credit to non-government (end of period)	57.0	42.0	...
Real GDP	6.3	5.5	5.0
Retail price inflation (end of period)	17.7	12.0	8.1
of which: Core inflation	12.7	8.0	5.5

Source: IMF staff estimates and projections.

1/ Corrected for the impact of the VAT introduction in 2005. Excluding grants.

Danmark

DIIS har udsendt »Danish Foreign Policy Yearbook 2006« (redigeret af Nanna Hvidt og Hans Mouritzen). Den kan downloades i sin helhed som PDF [0.8 MB] fra:
http://www.diis.dk/graphics/Publications/Books2006/Yearbook2006/Yearbook2006web_b.pdf.

Contents, Preface, Abstracts of Scholarly Articles in English and Danish
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- * The 'Big Other' and the 'Small Other': Discursive Asymmetries and Cleavages in Russian-Danish Relations Andrey S. Makarychev
- * Social Defense and National Security: The Globalized Danish Welfare State Eric S. Einhorn
- * Truth on Demand: Denmark and the Cold War Thorsten Borring Olesen
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Chapter 2-5
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- * Selected Documents
- * Danish Foreign Policy in Figures
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