



**Organisation for Security and Co-operation in Europe  
Presence in Albania**

**Opening address of Head of the OSCE Presence in Albania,  
Ambassador Osmo Lipponen,**

**at the Conference on Parliamentary Procedures for the Approval, Oversight and  
Implementation of the 2003 State Budget, Durres, 22 November 2002**

Your Excellencies, distinguished deputies, ladies and gentlemen,

In a parliamentary democracy, the people place their trust in their elected representatives to take decisions for them and establish public policy on how the country is to be governed. The Government, established through a confidence relationship, is accountable to the parliamentary majority to execute and implement.

One of the fundamental roles of parliament is to review the state budget and ensure that its allocation of resources is in line with the stated objectives and priorities of the Government. Parliament has been given the role to authorise the collection of taxes from the citizens and approve the way in which these monies, indeed *their* money, should be spent. Today, the budget process is very sophisticated and complex and must take into account economic forecasting, identification of resources and their appropriate allocation or re-allocation, national interests, the needs of the population, the effects of globalisation, and as in the case of Albania, relationships with the IMF, World Bank, EU and other donors.

All of this is not an easy task for the Government to accomplish—and I think we will hear about the budget preparation process from their side during this conference—let alone for Parliament, with its limited resources, to be able to undertake a proper analysis and an informed review. As part of its oversight role of the executive, Parliament should take into consideration, in a two-way street, the approved programme of the Government, which outlines its priorities and vision, the National Strategy on Socio-Economic Development, the National Strategy on Decentralisation, which has very real budget implications, other sector-based strategies and the Medium-Term Expenditure Framework. This vision has to be for several years and able to last through the changes of governments and parliament in order to provide economic actors, in particular, a sound basis for their decision-making.

Parliaments differ in the extent to which they can amend the budget proposals of the Government. On the one hand, one could say that the UK House of Commons, which, although being the origin of “budgetary democracy” has lost much of its original power in influencing revenues and expenditures. On the other, there is the United States Congress which plays a very strong role in controlling the budget of the US. European parliaments fall somewhere in between.

Given the centrality of the budget process to the overall role of parliament and the implications it has for oversight of the executive, we have included support to the budget process as a component in our overall support project to Parliament. We are providing advisory assistance to your committees for the next several weeks and, through this, we hope to be able to identify with you additional needs that may need to be met either through us or through other donor organisations.

This conference has been organised within the context of the OSCE Presence's Modernising the Capacity of the Assembly of the Republic of Albania project that is generously funded by the Netherlands Government, which has long supported parliamentary activities in Albania. Today's event, whose initiative originated with the Office of the Speaker, is being done in collaboration with the Committee on Economics, Finance and Privatisation. It marks the beginning of our concrete activities with the Parliament. We will also begin an extensive training schedule with the administrative staff after the national holiday next week, which has been developed through an intensive needs assessment process. In the new year, we will add a resident adviser to our staff.

In implementing this project, the OSCE has changed the nature of its work and its approach to the institutional development of Albania. This is largely due to the recent developments in the country as well as an evolution of the 55-member organisation itself. The development of the project came as a result of our feeling that the monitoring role we have played in Parliament was no longer sufficient and needed to be transformed into something more constructive. Since beginning work in our office in parliament, we have built up a solid working relationship with you and your staff. We are looking forward to realising additional joint initiatives, such as this one, within the guidelines of our project. A number of you have already proposed ideas for further activities to assist the work of your committees and we are developing these into our schedule.

I hope that the discussions during this conference will be fruitful and will point in the direction of enhancing your roles as legislators in reviewing the State Budget.

Thank you.