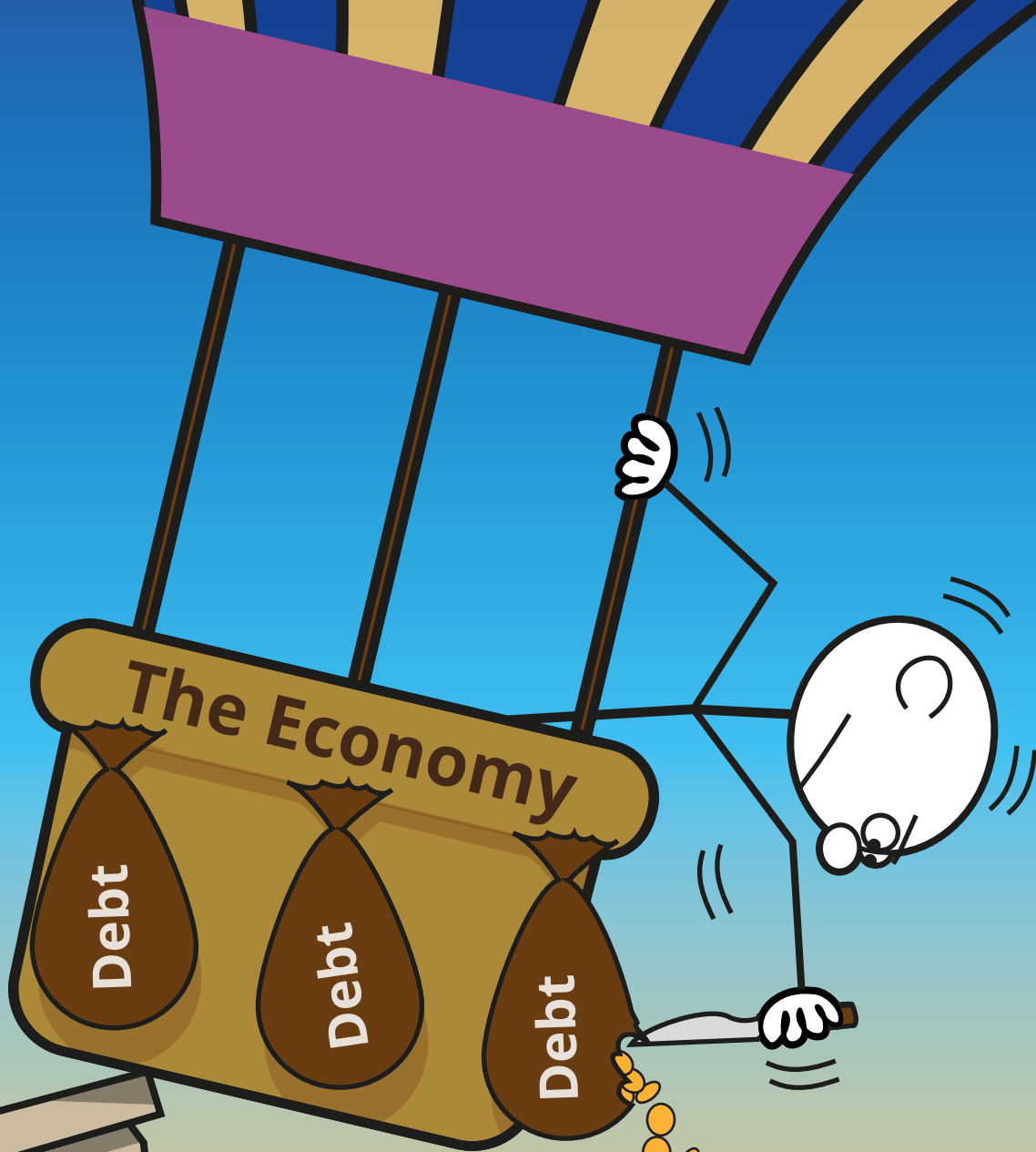


February 2018

# gap | analysis



**EFFECTS OF THE LAW  
ON DEBT FORGIVENESS**

# EFFECTS OF THE LAW ON DEBT FORGIVENESS

## Executive summary

Law on debt forgiveness entered into force on September 3, 2015 and was applicable for two years. This law provided debt forgiveness facilitations for citizens and businesses that owed to state institutions and publicly-owned enterprises until 31 December 2008. The condition to benefit from debt forgiveness was full payment of debts accumulated between January 1, 2009 and December 31, 2014, or entry into two or three-year repayment contracts for said debts by natural and legal persons.

Before Kosovo, similar policies on debt forgiveness were adopted by Croatia (2015) and Macedonia (2014). However, contrary to Kosovo, these two countries aimed to address the most vulnerable groups of the society and have not imposed any repayment conditions.

The process of debt forgiveness in Kosovo was not transparent or correctly reported. The debt forgiveness commission in the Ministry of Finance has not managed to provide reports from all publicly-owned enterprises and state institutions and data on debt forgiveness was not accessible for the public. According to the report of this commission, the total debt to be forgiven by the end of 2008 was 568 million euros, which was around 100 million euros less than initially presented to the Assembly by the former Minister of Finance in 2015. In addition, according to data obtained from publicly-owned

enterprises and state institutions, the total debt owed to them by 2008 was 584 million euros.

As regards the success of the law on debt forgiveness, based on the data gathered by GAP Institute, some 56% of all debts accrued up to end-2008 were forgiven. In addition, some 30% of the debts accrued in the period 2009-2014 were forgiven.

According to data obtained from the surveys of publicly-owned enterprises and institutions, the largest debt accumulated until the end of 2008 was by the Kosovo Tax Administration (KTA) amounting to 48%, and publicly-owned enterprises (70% of which to the Kosovo Energy Corporation). For the largest amount of debts accrued during this period, the legal term for claim suits against customers of publicly-owned enterprises had expired, as said term is 12 months for natural persons and 36 months for legal persons according to the 1978 law on obligations which was applicable until the end of 2011.

With this law on debt forgiveness, the government hoped to stimulate customers pay regularly its obligations to the state for the years to come. In 2015 and 2016, certain institutions and publicly-owned enterprises have shown an increase in collection. In the water sector, for instance, we observed a very positive effect in the collection rate of the relevant publicly-owned enterprises, however, for most institutions the accumulated debt remains very high.

However, the law was well received by the citizens, as over 77% of the respondents have assessed that debt forgiveness is fair, while only 8% have considered it unfair. Most of those considering it unfair have not benefited from debt forgiveness, implying that regularly-paying customers were discouraged by this initiative.

According to surveyed institutions and enterprises, the law in question has partially managed to achieve its objective, mostly due to the poor economic state of the citizens and inefficient judiciary. However, the partial impact is also considered to be a consequence of the untimely submission of state institution claims in courts.

## Introduction

Debt forgiveness is the partial or total forgiveness of debt owed by individuals, companies or countries to creditors, including banks, state institutions, and public or private companies. In Kosovo, the law on debt forgiveness entered into force in 2015, as a consequence of problems with collection of customer obligations and the severe socio-economic situation in the country. The purpose of this analysis is to evaluate if the law on debt forgiveness achieved its objectives related to debt forgiveness and its effects in debt collection by public institutions. In addition, by classifying citizens

based on their family income, this analysis identifies the categories of citizens that benefited from the law on debt forgiveness.

The amount of debt owed by citizens and businesses to institutions regarded in the law, by the end of 2014, was around 900 million euros. Before the law entered into force, in August 2015, GAP Institute analyzed<sup>1</sup> its potential effects, the structure of the debts and obstacles to be faced in its implementation. Ultimately, GAP Institute concluded that the law on debt forgiveness resembled an administrative assistance for institutions much more than a legitimate debt forgiveness since debts were already prescribed or obsolete and were no longer subject to legal claim suits.

Debt forgiveness aimed to provide facilitations for customers of all categories, including households, businesses and other entities, but in fact revealed that some of the state institutions and publicly-owned enterprises had not kept detailed records of debtors and most failed to legally pursue small debtors, which, in fact, made for the greatest part of debts forgiven by the abovementioned law. Due to the cost of court claims against small customers, and prolonged court proceedings, the collection of debts and submission of court claims against debtors was made impossible. As a result, even prior to the completion of the legislation on debt forgiveness, most of the debts forgiven were already a lost cause.<sup>2</sup>

## Methodology

To analyze the results of debt forgiveness, GAP Institute conducted preliminary analyses and submitted questionnaires to the Kosovo Tax Administration and Kosovo Customs, as well as to 22 publicly-owned enterprises, but only received ten responses. Data provided through questionnaires in some cases reveal a lack of data classification of customers by categories, as shown in the annex tables.

The citizen survey utilized quantitative research methods. The survey was conducted in 38 Kosovo municipalities, and covered 1065 citizens over 18-years old – 818 Albanians, 150 Serbs, and 97 representatives of other communities. In determining the sample for the survey, the ‘random layered sample’ technique was used, whereby the general population was divided in smaller groups known as layers, based on common characteristics of members of such layers. In each municipality the sample covered urban and rural areas, as per the official statistics provided by the Kosovo Statistics Agency (KSA). The third layering was performed based on the number of surveys realized in each location (starting point). The starting points for this

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<sup>1</sup> GAP Institute (2015) “Who will benefit from debt forgiveness?” Source: <http://bit.ly/1KGBUOY>

<sup>2</sup> Ibid.

research were set through a random method. Field research was conducted by UBO Consulting, between 14 and 25 December 2017. This research has a reliability level of 95%, with an error margin of +/-3%.

## Examples of public debt forgiveness

Debt forgiveness is not a new practice. During the last three decades, the most well-known method of debt forgiveness is that of international development banks and other financial institutions relieving poor or developing countries of their obligations to repay their debts, in order to decrease their financial burden and not hinder their development. This initiative derived from the 1996 International Monetary Fund (IMF) and World Bank (WB) initiative to alleviate the burden of debt for poorer countries with large debts (HIPCs).<sup>3</sup>

Internal debt forgiveness in most developed countries takes the shape of student loan forgiveness, which are usually repaid throughout their lives or through programs with commercial banks. National debt forgiveness towards state institutions mostly occurs in undeveloped, developing, or transition countries, such as Kosovo.

Similar debt forgiveness policies were also applied in other countries of the region. In 2015, Croatia undertook measures to forgive the debt for poorer groups of the society, to ensure a 'fresh start' for debtors and to assist the economy.<sup>4</sup> Differently from Kosovo, Croatia's aim was citizens in need, respectively families with income under 350 euros, with no savings or properties, and with debts up to 4,900 euros.<sup>5</sup> The Croatian Government assessed that there could be up to 60,000 beneficiaries from debt forgiveness. According to a press release by the Croatian Government, in total 37,000 debt forgiveness were made, of which 30,202 were upheld, 194 are pending and 4,662 were rejected due to their failure to meet requirement.<sup>6</sup>

In 2014, the Government of Macedonia, in cooperation with public service companies and banks, undertook an initiative to settle citizen debts accumulated until the end of 2013, aiming to assist mostly the poor,

<sup>3</sup> International Monetary Fund (IMF). HIPC Factsheet 2017". Source: <http://bit.ly/2n0VzaK>

<sup>4</sup> The Telegraph, Croatia writes off debts for poorest citizens). Source: <http://bit.ly/1ypyY3T>, accessed on 14 February 2018.

<sup>5</sup> The Washington Post, Croatia just canceled the debts of its poorest citizens. Source: <http://wapo.st/2DQ8dQZ>, accessed on 14 February 2018.

<sup>6</sup> Government of the Republic of Croatia, "107 million HRK in written-off debts". Source: <http://bit.ly/2nW0jPe>, accessed on 12 February 2018.

unemployed and widowers.<sup>7</sup> In return for cancelling debts, the government offered annual tax holidays.<sup>8</sup> According to the Macedonian government, this initiative assisted over 9,000 families, although over 41,000 applications were submitted under the program.<sup>9</sup> Similar to Croatia, Macedonia defined certain financially-sensitive categories as beneficiaries of the law due to their severe living conditions. In Kosovo, the welfare status was not considered a condition. Rather, debt forgiveness was applied for all persons accumulating debts before 2008, with the sole condition being their obligation to pay debts accumulated after 2008.

## Legal basis for debt forgiveness

Law No. 05/L-043 on public debt forgiveness entered into force on September 3, 2015 and defined the criteria and procedures for public debt forgiveness to state institutions and publicly-owned enterprises. According to this law, beneficiaries of public debt forgiveness are all natural and legal persons, with the exclusion of the socially-owned enterprises managed by the Kosovo Privatization Agency (KPA).<sup>10</sup>

Forgiveness of public debts accumulated prior to December 31, 2008, in the form of tax obligations, customs, property tax or other financial obligations, also includes all other debt deriving from the failure to pay the principal, such as interest, penalties and fees.<sup>11</sup> On the other hand, all debts under 100 euros would be automatically cancelled.<sup>12</sup>

All entities, including cases for which claim suits were submitted, could benefit from public debt forgiveness, subject to<sup>13</sup>:

- a) Repaying in full debts accumulated from beginning of 2009 to end of 2014, and

<sup>7</sup> Reuters: Macedonia's top banks and companies pledge debt write-off for poor. Source: <http://reut.rs/2FTXNAz>, accessed on 11 February 2018.

<sup>8</sup> Government of Macedonia. "Government campaign writes-off 30 million euro in citizen debts". Source: <http://bit.ly/2EYvsss>, accessed on 09 January 2018

<sup>9</sup> Government of Macedonia. "Gruevski: The debt cancellation program assisted 9.000 households". Source: <http://bit.ly/2EWYulZ>, accessed on 09 January 2018

<sup>10</sup> Official Gazette of the Republic of Kosovo, Law No. 05/L-119 on amendment and supplementation of Law No. 05/L-043 on Public Debt Forgiveness, Article 2. Source: <http://bit.ly/2DxIQSS>

<sup>11</sup> Official Gazette of the Republic of Kosovo, Law No. 05/L-043 on Public Debt Forgiveness,

Article 3. Source: <http://bit.ly/1STtA4k>

<sup>12</sup> Ibid, Article 4.

<sup>13</sup> Ibid, Article 4.

- b) Signing special contracts for repaying the remaining debts in installments during a term of two or three years for natural and legal persons respectively.

In the event that entities meet one of the two abovementioned criteria, or have no debts for the period leading to the end of 2008, but yet opt to repay debts for the period 2009-2014, then they are relieved of their obligations related to delayed payments, including fines, fees, interest and other obligations, and only pay the principal debt. However, in case the agreement is not adhered to, said obligations would reappear in the accounting books.<sup>14</sup>

Initially, entities were able to utilize debt forgiveness facilitations within one year from the date of the law's entry into force, however, the term was extended until September 1, 2017, meaning that the law was in force for two years.<sup>15</sup>

Another law that regulates the issue of debts or customer obligations towards institutions is Law No. 04/L-077 on obligation relations, which entered into force in 2012. This law contains basic principles and general rules governing all obligation relations. However, provisions of this law are not applicable for obligation relations accrued prior to the entry of the Law into force.<sup>16</sup>

Therefore, in this case, debt forgiveness is treated in line with the applicable law in Kosovo – Law No. 3/3/1978 on obligation relations.<sup>17</sup> Based on its provisions, the only debts that can be legally pursued are debts for which claim suits were filed within the legal deadline and debts that are yet not prescribed. However, according to this law, the term may represent a challenge in itself, as the term for debt prescription for natural persons is 12 months and for legal persons is 36 months.<sup>18</sup>

## Results of the implementation of the debt forgiveness law

Debt forgiveness for the period 2000-2008 covered all Kosovo citizens that had not paid various dues to state institutions. Although it was justified as a step to ease the financial burden of especially poorer categories, debt forgiveness was also applicable for high-income families. Concretely, to

<sup>14</sup> Ibid, Article 6.

<sup>15</sup> Official Gazette of the Republic of Kosovo, Law No. 05/L-119 on amendment and supplementation of Law No. 05/L-043 on Public Debt Forgiveness, Article 3. Source: <http://bit.ly/2DxIQSS>

<sup>16</sup> Official Gazette of the Republic of Kosovo, Law No. 04/L-077 on obligation relations, Article 1057. Source: <http://bit.ly/2E51Jhg>

<sup>17</sup> GAP Institute (2015) "Who will benefit from debt forgiveness".

<sup>18</sup> Ibid.

benefit from this law, citizens only needed to pay the debts accumulated in the period 2009-2014 in full, or enter into a repayment agreement with the creditors. Considering that some 17.6% of Kosovo citizens live in poverty, chances of them benefiting from this possibility were low.<sup>19</sup>

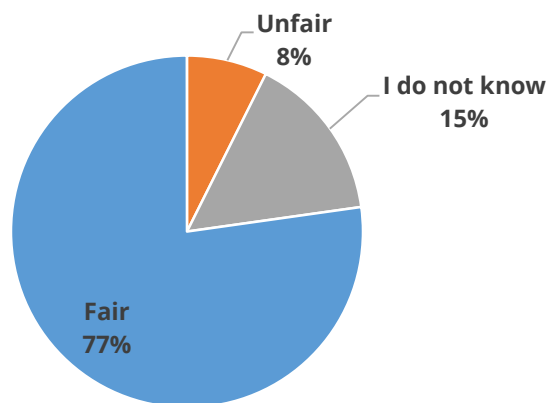
Of all publicly-owned enterprises and state institutions that provided us information on debt forgiveness, the accumulated debt by end of 2008 was 584 million euros, of which around 56% (324 million euros) were written off. For the period 2009-2014, from the overall 254 million euros owed, some 30% (76 million euros) were written off.

### Citizens benefiting from debt forgiveness

Alongside the analysis of data on debt forgiveness, GAP Institute used the responses obtained from public institutions and its research conducted in 38 municipalities in Kosovo to measure citizens' observations regarding debt forgiveness.

According to GAP Institute, the law on debt forgiveness was very well received by the citizens. Over 77% of the respondents considered debt assessment a fair step, while only 8% considered it unfair. Of those not agreeing with the cause of the law (8%), over 82% did not benefit from the debt forgiveness. This suggests that customers that have regularly paid their bills were discouraged by this initiative.

**CHART 1:** CITIZEN PERCEPTION ON THE LAW ON DEBT FORGIVENESS:



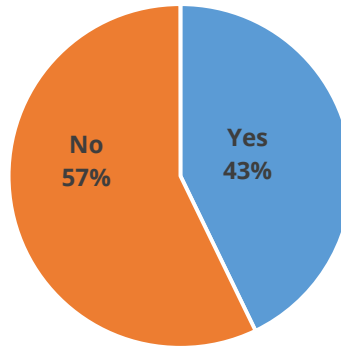
Source: GAP Institute

However, according to the findings in this research, not all citizens have utilized the possibility to benefit from debt forgiveness. Data gathered reveals that only 43% of the respondents used this opportunity. Moreover, only 52% of the respondents that considered the decision fair have benefited from debt forgiveness.

<sup>19</sup> Consumption poverty in the Republic of Kosovo in the period 2012-2015. April 2017. Kosovo Statistics Agency. Source: <http://bit.ly/2l38Uk0>



**CHART 2:** HAVE YOU BENEFITED FROM THE DECISION ON DEBT FORGIVENESS?



Source: GAP Institute

On the other hand, if we analyze beneficiaries based on their family's income level, we are able to conclude that respondents with higher family income have benefited from the law more than those with lower income. Specifically, findings show that 50% of the respondents in families with monthly income exceeding 900 euros have benefited from this law, while only 38% of the respondents in households with no income and 49% of the respondents in households with monthly income up to 150 euros benefited from the opportunity. Additionally to the lack of interest among citizens to benefit from said law, reasons for the exclusion of these categories may be lack of special treatment for low-income citizens and government's failure to specifically outreach to vulnerable groups in its awareness raising campaigns.

**TABLE 1:** DEBT FORGIVENESS BY MONTHLY FAMILY INCOME

Personal income level	Have you benefited from debt forgiveness?	
	Yes	No
0 - 150 euros	49%	51%
151 - 300 euros	47%	53%
301 - 450 euros	39%	61%
451 - 600 euros	56%	44%
601 - 750 euros	57%	43%
751 - 900 euros	64%	36%
Over 900 euros	50%	50%
No income whatsoever	38%	63%
Declines to provide information	22%	78%

Source: GAP Institute

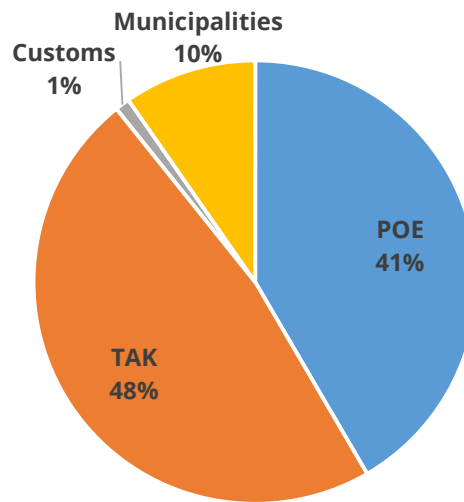
### Debt owed to state institutions

According to the latest report of the Commission on Debt Forgiveness (2017)<sup>20</sup>, the amount registered for cancellation for the period 2000-2008 by publicly-owned enterprises, Kosovo Tax Administration (KTA) and Customs is about 568 million euros. The amount reported by the commission is different from that presented in 2015 to the Assembly of Kosovo by former Minister of Finance Avdullah Hoti (which was about 680 million euros).<sup>21</sup> This discrepancy is a result of the commission's failure to register all debts owed to publicly-owned enterprises. The largest amount of debts to institutions were owed to KTA (some 48%) followed by publicly-owned enterprises where around 70% of the debt was owed to the Kosovo Energy Corporation – KEK).

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<sup>20</sup> Report on debt forgiveness. Ministry of Finance, Commission on Debt Forgiveness. Email response of 30 November 2017.

<sup>21</sup> Assembly of the Republic of Kosovo. Transcript of the plenary session of the Assembly of the Republic of Kosovo, on 09 and 10 July 2015./ Source: <http://bit.ly/2DXhiL9>

**CHART 3:** DEBTS TO BE WRITTEN OFF FOR THE PERIOD 2000-2008, BY INSTITUTION

Source: GAP Institute

### Debts owed to publicly-owned enterprises

According to the data received by publicly-owned enterprises, KEK has written off the largest amount of debts accumulated in the period 2000-2008. Of 262 million euros owed to the company, some 111 million euros were written off. In addition, KEK wrote off around 25 million euros in citizen debts for the period 2009-2014.

Based on responses received from Termokos officials, the company wrote-off around 4.6 million euros in the period 2000-2008, with household debts being the leading category (96%), followed by businesses and other categories (4%).

Among regional water supply companies that provided us the relevant data, RWC "Hidroregjioni Jugor" from Prizren leads the list of companies with largest written-off debts for the period 2000-2008 (2.5 from 3.7 million owed). The only beneficiary category from debt forgiveness by this institution were natural person (households). Of all debts written off by RWC "Bifurkacioni", which covers Ferizaj and Kaçanik municipalities, 15% of the beneficiaries were large businesses (131 thousand euros) and 85% were natural persons (753 thousand euros).

Debt forgiveness data received by regional waste disposal companies reveal that RWC "Pastërtia" from Ferizaj wrote-off the the largest debt for the period 2000-2009 (around 479 thousand euros). Around 84% of the debt written-off belonged to households (402 thousand euros); 14% belonged to large businesses (69 thousand euros); and 2% to small businesses (8.600 euros). On the other hand, in RWC "Çabrati" the second category of beneficiaries behind the households (with 87%) was the large businesses (12%).

**CHART 4:** DEBTS WRITTEN-OFF, BY CATEGORY AND BY ENTERPRISE



Source: GAP Institute

As mentioned above, the condition to benefit from debt forgiveness for the period 2000-2008 was to pay the principal debt for the period 2009-2014. In this case, citizens benefited from the write-off of fees, interests and fines accrued with the debts owed for the period 2009-2014. Detailed data from three publicly-owned enterprises reveals that RWC “Hidroregjioni Jugor” wrote-off some 4.2 million euros in debts for the period 2009-2015, RWC “Radoniqi” around 1.9 million euros and RWC “Çabрати” around 3.3 million euros (see Annex 1). Overall, households lead the lists of beneficiaries from this law and the list of largest debtors to institutions.

### Debts owed to KTA and Customs

Of all state institutions, KTA was the largest creditor for all citizen and business debts accumulated in the period 2000-2008. From around 291.6 million euros owed to this institution, around 201.5 million (69%) were written off. Some 44 million euros were also written-off for the period 2009-2014, which comprises around 32% of the total debt to KTA for this period (137 million euros).

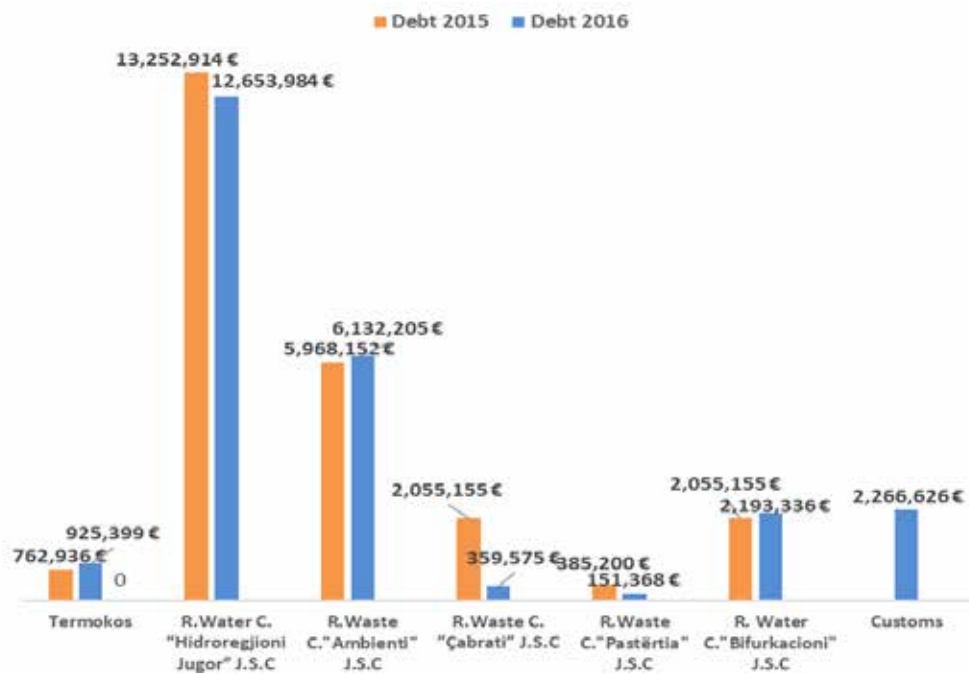
On the other hand, in Kosovo Customs, of 6 million euros owed to this institution by the citizens for the period 2000-2008, around 586 thousand euros were written-off. For the period 2009-2014, Customs have written off some 268 thousand euros.

### Impact of the law in 2015 and 2016 collection rates

The main reason for the initiative to forgive debts to state institutions was to provide financial assistance to the citizens and to relieve their financial burden. At the same time, it was believed that the law would stimulate entities to regularly pay their dues to institutions in the years to come. In regards to institutions, the Law on Debt Forgiveness aimed to entice them to duly register all debts owed to them and to administer them better in the future.

Since the Law on Debt Forgiveness entered into force in 2015, its positive impact on citizen behavior and attitude towards state institutions should have been more notable in 2016. In 2016, as shown in the chart below, there is significant decrease of citizen and business debts to RWC “Çabрати” in Gjakovë (83%) and RWC “Pastërtia” in Ferizaj (61%). On the other hand, citizens’ debts grew in comparison to the previous year (2015) in Termokos in Prishtina (21%) and RWC “Bifurkacioni” in Ferizaj (7%).

**CHART 5:** DEBTS OF CITIZENS AND BUSINESSES TO STATE INSTITUTIONS IN 2015 AND 2016

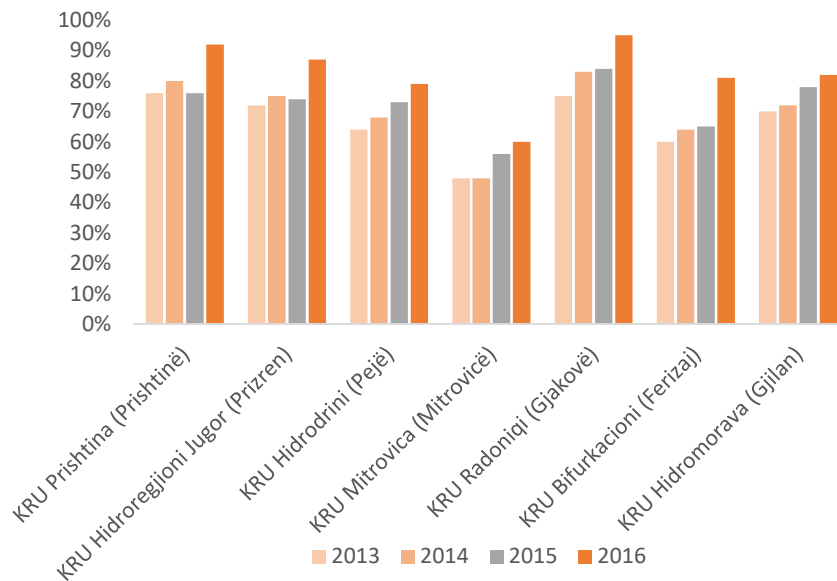


Source: GAP Institute

On the other hand, an analysis of the performance of the water sector based on its collection rate reveals that in 2016 the performance of this sector is significantly better than in the preceding years. Specifically, the collection rate for the entire sector in 2016 increased by 12 percentage points in comparison to 2015 and 15 percentage points in comparison to 2013. Most significant changes in collection are noted in the cases of RWCs Prishtina, “Bifurkacioni” and “Hidroregjioni Jugor”, which increased their collection rates by 16, 16 and 13 percentage points respectively. Other water supply companies also had a better performance in 2016 than in the previous years. As noted in the

chart below, almost all RWCs showed a continuous increase of the collection rate since 2013. However, this increase was quite significant in 2016, and it may be attributed to the impact of the law on debt forgiveness.

**CHART 6:** RWC COLLECTION RATE (%), 2013-2016



**Source:** GAP Institute based on data provided by the Water Services Regulatory Authority

Therefore, effects of the law on debt forgiveness comprise one of the important aspects regarding this topic. From the perspective of institutions from which we received information and data regarding debt forgiveness (12), they all considered that the law achieved its objective only partially. Among the reasons for this, institutions mentioned the citizens' poor economic conditions and an inefficient judiciary. Since payment of debts for the period 2009-2014 was a prerequisite for benefiting from debt forgiveness, according to institutions themselves, citizens mostly hesitated to utilize this incentive due to their inability to pay such debts. The second reason is the failure of the courts to address cases and suits filed by state institutions. Specifically, in absence of sanctions from courts for citizens failing to pay their debts, the latter were not compelled to pay their obligations, considering that this entailed the payment of one portion of the debt.

## Conclusions and recommendations

According to GAP Institute findings and data received from publicly-owned enterprises and state institutions, the debt accumulated by end-2008 was 584 million euros, of which 56% (324 million euros) were written-off. For the period 2009-2014, 76 million (30%) of 254 million euros accumulated debts identified by GAP Institute were written off. Considering these findings, the law on debt forgiveness has only partially achieved its objective to cancel certain debt categories for citizens and businesses.

However, the law is considered a good initiative for the establishment of an inventory of obligations to state institutions and publicly-owned enterprises, and the evaluation of their capacities in debt collection. This also provided an opportunity to establish debtor lists and calculate the overall accumulated debts. In addition, the law eased the burden of certain customers that considered its implementation reasonable.

Although at this point it is difficult to conclude if this law stimulated customers into changing their attitude towards obligations for 2015 and 2016, judging from the water services sector alone, there is an increase in the collection rates of companies from this sector.

Therefore, in order to improve transparency and collection rates of public institutions, as well as customer accountability, GAP Institute recommends that:

- The Ministry of Finance publishes detailed data on the debt forgiveness process. Data should be disaggregated by institution and beneficiary category (citizens, businesses, institutions);
- The national audit office conducts a regularity audit of the debt forgiveness and write-off process, being that the process was closed and reporting from various bodies, institutions and publicly-owned enterprises was not in line with that of the commission on debt forgiveness in the Ministry of Finance;
- The Government of Kosovo automatically writes off all debts owed to state institutions and publicly-owned enterprises by families under social assistance scheme. Additionally, in the future, the Government of Kosovo should draft special programs to address the issue of these families' debts towards institutions.

### For institutions and publicly-owned enterprises:

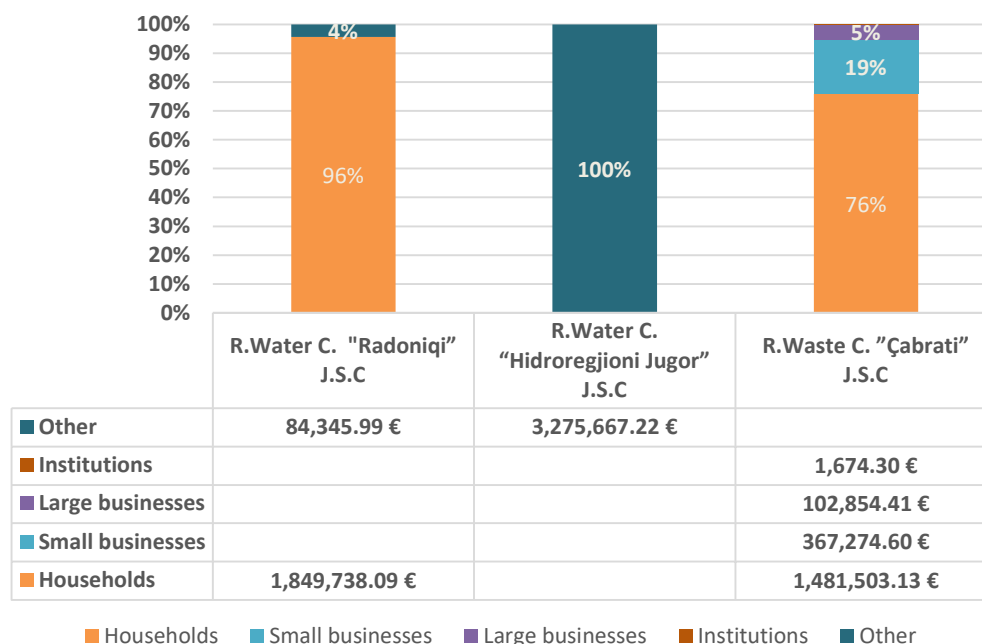
- Use private executioners to increase effectiveness in the collection of debts within legal deadlines;
- Offer alternatives in payment terms, for example sign agreements to automatically charge a specific salary percentage directly from the customer's account;

- Offer e-banking or online payment opportunities;
- Use specific software to identify liquid customers, high-risk customers and largest debtors.



## ANNEX

### ANNEX 1: DEBT WRITTEN OFF FROM RWSCs AND RWC BY CATEGORY, 2009-2014



### ANNEX 2: AMOUNT OF DEBT AS OF 31 DECEMBER 2008

Institution	Household	Biznese të vogla	Large businesses	Institutions	Other	Total
KEC						262,000,000.00 €
Termokos	9,466,499.02 €		2,119,555.18 €			11,586,054.20 €
Customs						6,017,604.00 €
KTA						291,631,945.16 €
N.P.H Ibër-Lepenc					38,128.64 €	38,128.64 €
KMDP JSC		6,837.16 €	668,585.31 €			675,422.47 €
RWC "Ambienti" JSC	200,000.00 €	130,000.00 €	70,000.00 €	0.00 €	0.00 €	400,000.00 €
RWSC "Radoniqi" JSC	3,956,420.86 €		1,060,149.08 €		0.00 €	5,016,569.94 €
RWSC "Hidroregjioni Jugor" JSC	3,505,489.22 €		150,235.25 €			3,655,724.47 €
RWC "Çabрати" JSC	679,116.26 €	146,884.89 €	191,246.24 €			1,017,247.39 €
RWC "Pastërtia" JSC	1,316,995.04 €	88,909.21 €	648,713.89 €	137,053.89 €	0.00 €	2,191,672.03 €
RWSC "Bifurkacioni" JSC	2,155,047.26 €	258,361.36 €	109,332.48 €	254,050.19 €		2,776,791.29 €

**ANNEX 3: AMOUNT OF DEBT FROM 1 JANUARY 2009 UNTIL 31 DECEMBER 2014**

Institution	Household	Small businesses	Large businesses	Institutions	Other	Total
KEC						96,000,000.00 €
Termokos	6,005,510.74 €				911,322.92 €	6,916,833.66 €
Customs						585,607.00 €
KTA						135,776,060.42 €
N.P.H Ibër-Lepenc					179,545.15 €	179,545.15 €
KMDP JSC		6,608.57 €	1,192,678.50 €			1,199,287.07 €
RWC "Ambienti" JSC	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
RWSC "Radoniq" JSC	4,461,182.78 €		189,625.94 €		0.00 €	4,650,808.72 €
RWSC "Hidroregjioni Jugor" JSC	5,805,368.88 €		1,451,342.22 €			7,256,711.10 €
RWC "Çabrat" JSC	1,264,529.35 €	316,778.92 €	99,112.70 €			1,680,420.97 €
RWC "Pastërtia" JSC						0.00 €
RWSC "Bifurkacioni"	2,666,136.76	295,566.92	152,460.28	298,422.19		3,412,586.15

**ANNEX 4: AMOUNT OF DEBT TË SHLYERA QË I TAKOJNË PERIU DHËS DERI MË 31 DHJETOR 2008**

Institution	Household	Small businesses	Large businesses	Institutions	Other	Total
KEC						111,000,000.00 €
Termokos	4,449,811.29 €				185,102.54 €	4,634,913.83 €
Customs	149,293.27 €	3,675,591.94 €				3,824,885.21 €
KTA						201,489,712.20 €
N.P.H Ibër-Lepenc					30,873.24 €	30,873.24 €
KMDP JSC		2,072.34 €				2,072.34 €
RWC "Ambienti" JSC	85,000.00 €	75,000.00 €	35,000.00 €	0.00 €	0.00 €	195,000.00 €
RWSC "Radoniq" JSC						0.00 €
RWSC "Hidroregjioni Jugor" JSC	2,509,287.93 €					2,509,287.93 €
RWC "Çabrat" JSC	199,662.41 €	29,410.77 €		1,581.04 €		230,654.22 €
RWC "Pastërtia" JSC	402,499.52 €	8,601.00 €	69,135.36 €	0.00 €	0.00 €	480,235.88 €
RWSC "Bifurkacioni"	752,938.90		135,151.70			888,090.60

**ANNEX 5:** AMOUNT OF DEBT WRITTEN OFF FOR THE PERIOD 1 JANUARY 2009 - 31 DECEMBER 2014

Institution	Household	Small businesses	Large businesses	Institutions	Other	Total
KEC						8,000,000.00 €
Termokos	0.00 €	0.00 €				0.00 €
Customs						0.00 €
KTA						43,588,908.65 €
N.P.H Ibër-Lepenc					73,077.88 €	73,077.88 €
KMDP JSC		0.00 €				0.00 €
RWC "Ambienti" JSC	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
RWSC "Radoniqi" JSC	420,051.45 €					420,051.45 €
RWSC "Hidroregjioni Jugor" JSC	/	/				0.00 €
RWC "Çabрати" JSC	1,264,529.35 €	316,778.92 €	99,112.70 €			1,680,420.97 €
RWC "Pastërtia" JSC						0.00 €
RWSC "Bifurkacioni"						0.00 €

**ANNEX 6:** AMOUNT OF DEBT WRITTEN OFF IN INSTALLMENTS FOR THE PERIOD 1 JANUARY 2009-31 DECEMBER 2014

Institution	Household	Small businesses	Large businesses	Institutions	Other	Total
KEC						8,000,000.00 €
Termokos	0.00 €	0.00 €				0.00 €
Customs						0.00 €
KTA						0.00 €
N.P.H Ibër-Lepenc					0.00 €	0.00 €
KMDP JSC						0.00 €
RWC "Ambienti" JSC	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
RWSC "Radoniqi" JSC	1,429,686.64 €			84,345.99 €		1,514,032.63 €
RWSC "Hidroregjioni Jugor" JSC	752,990.89 €					752,990.89 €
RWC "Çabрати" JSC	45,564.26 €	8,767.31 €		1,442.66 €	0.00 €	55,924.91 €
RWC "Pastërtia" JSC						0.00 €
RWSC "Bifurkacioni"						0.00 €

**ANNEX 7:** AMOUNT OF DEBT CONTRACTED FOR WRITE-OFF FOR THE PERIOD 1 JANUARY 2009 - 31 DECEMBER 2014

Institution	Household	Small businesses	Large businesses	Institutions	Other	Total
KEC						9,000,000.00 €
Termokos	0.00 €			0.00 €		0.00 €
Customs						267,802.31 €
KTA						0.00 €
N.P.H Ibër-Lepenc					1,778.70 €	1,778.70 €
KMDP JSC						0.00 €
RWC "Ambienti" JSC	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €	0.00 €
RWSC "Radoniq" JSC						0.00 €
RWSC "Hidroregjioni Jugor" JSC	2,522,676.33 €					2,522,676.33 €
RWC "Çabrati" JSC	171,409.52 €	41,728.37 €		2,299.05 €	0.00 €	216,960.56 €
RWC "Pastërtia" JSC						0.00 €
RWSC "Bifurkacioni"						0.00 €

INSTITUTI GAP  
GAP INSTITUTE



GAP Institute is a local think-tank founded in October 2007 in Kosovo. GAP's main purpose is to attract professionals by creating a professional research and development environment commonly found in similar institutions in Western countries. This will include providing Kosovars with an opportunity to research, develop, and implement projects that would strengthen Kosovo society. A priority of the Institute is to mobilize professionals to address the country's pressing economic, political and social challenges. GAP's main objectives are to bridge the gap between government and people, and to bridge the gap between problems and solutions.

**GAP Institute is supported by:**



**This project was supported by:**

