

## SUCCESS STORY

## Debtors Beware: Kosovo Takes New Measures to Enforce Collections

Courts are more easily and efficiently enforcing backlogged civil cases



Judicial officials learn more about the new enforcement system to collect debts through IT monitoring tools provided by USAID.

(From right to left: Fejzullah Hasani - President of the Supreme Court of the Republic of Kosovo, David Greer - USAID Contract Law Enforcement Program Director and Salih Mekaj - President of the Appellate Court)

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December, 2014 U.S. Agency for International Development www.usaid.gov Dec. 2014—For years, Kosovo courts have been challenged in their ability to enforce civil judgments. Kosovars, particularly businesses throughout the country, have come to believe that it is not worth the time, money and effort to bring their business disputes to court because the courts are not efficient in enforcing decisions.

With more than 120,000 unenforced cases, many of them more than five years old, many citizens refuse to pay their utility bills because they rightly believe public utility companies cannot force them to pay their debt, at least not for many years to come.

Over the last year, USAID's <u>Contract Law Enforcement Program</u> has assisted the Kosovo Judicial Council (KJC), the courts, the Central Bank of Kosovo, the Kosovo Tax Administration and other stakeholders to build a network of information resources that enable courts to more easily and efficiently locate debtors and their assets.

Using IT solutions, these linkages have been established, and court enforcement has improved considerably as a result. In the last year, more than 12,000 cases have been enforced against bank accounts—an avenue that was practically unavailable to courts in the past. Enforcement against wages has also been enabled by increased cooperation between courts, tax authorities and the Civil Registration Agency. Wage garnishment as a means to satisfy legal obligations has been tested and proven effective—an additional 25,000 cases, or more, will be enforced against wages in the coming months.

As part of the program, leaders of the judiciary also have access to a USAID-developed online statistical reporting application, which allows them to monitor court performance and the performance of individual enforcement personnel, thus increasing the capacity of the judicial officers to manage personnel and increase accountability.

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Long dormant capital is now being infusing back into the economy. In the last eight months, courts have collected over I million euros for judgment creditors who have been unable to use the money to grow their businesses and provide employment opportunities.

USAID's Contract Law Enforcement (CLE) Program is a three-year program that began in May 2013 to improve rule of law in Kosovo and create a better business environment for economic development and investment.