



## SUCCESS STORY

### Kosovo Moves to Modern Methods for Business Agreements

Put it on Paper campaign promotes benefits of written contracts



One of many roundtable organized through the Put it on Paper Campaign

“We have learned about the importance of contracts and the benefits when using written contracts.”

October 2017—Kosovo businesses often rely on oral contracts or “handshake” deals to conduct business transactions rather than putting agreements in writing. Such non-written agreements can result in numerous complications.

When a dispute arises under a verbal agreement, the parties are unclear on their rights and obligations and are subject to misunderstandings, uncertain contractual terms, and difficulty proving any details of the agreement. When businesses use well-written contracts, the terms are unambiguous. If a dispute arises, the parties can refer to the written agreement or present the contract as evidence in judicial or other proceedings.

In 2011, USAID, initiated the *Qiten’Letër* (Put It on Paper) campaign, through its Strengthening Enhanced Systems and Decisions (SEAD) Program, which concluded in 2013. However, the campaign continued through the [Contract Law Enforcement](#) program built on the successes of the previous activity. The campaign educated businesses about the benefits of written contracts with the aim to decrease the use of oral agreements. It targeted businesses from various sectors including agriculture, wholesale and distribution, food processors, and women and minority-owned businesses. Additionally, the campaign expanded into roundtables to educate businesses on the traps and pitfalls that can be avoided by using written contracts. Initially, it was the PSAs only however it was decided that a three-pronged approach would be more strategic to reach the milestones. The campaign also provided ready to use standard form contracts, making it easier for the businesses to use written contracts.

“The initiative has been very useful to us as we have learned about the importance of contracts and the benefits when using written contracts,” says Nora Zhilivoda of the Kosovo Apparel Marketing Association. “The roundtables are also helpful as we now have examples of contracts that we can modify and use and learn more about what the contract contains in detail.”

To date, over 400 business representatives throughout Kosovo have participated in roundtables that were delivered in all regions of Kosovo. Many of the businesses and entrepreneurs in these remote communities claim that, without the campaign, they would otherwise not have access to such beneficial information for establishing or growing their business.

A survey on written contract usage was conducted in 2011, 2014 and 2015 to measure the number of businesses that use written, rather than oral, contracts. Representatives from 900 businesses throughout Kosovo responded to the survey. In 2011, 67 percent of businesses regularly used

written contracts. This number increased to 82 percent in 2015, reflecting a 15 percent increase from 2011 to 2015.

The USAID Contract Law Enforcement program is a five-year program to improve the rule of law in Kosovo and create a better business environment for economic development and investment. The program aims to help Kosovo institutions improve the enforcement of civil judgments, dramatically reduce the backlog of court cases, and strengthen the contract and commercial law framework and systems, including those for bankruptcy and mediation.