



REPUBLIKA E KOSOVËS - REPUBLIKA KOSOVO - REPUBLIC OF KOSOVO

AGJENCIA KOSOVARE E PRIVATIZIMIT - KOSOVSKA AGENCIJA ZA PRIVATIZACIJU - PRIVATISATION AGENCY OF KOSOVO

Privatisation Agency of Kosovo

Annual Report

2009

Table of Content

1. CHAIRMAN’S STATEMENT	3
2. ORGANISATIONAL STRUCTURE.....	5
2.2 BOARD ACTIVITIES DURING 2009	6
3. THE ASSET REALISATION DIVISION.....	8
3.1 THE SALES DEPARTMENT.....	8
3.1.1 <i>The Tender Preparation Unit</i>	11
3.1.2 <i>Marketing and Investor Relations Unit</i>	12
3.1.3 <i>Cadastral Unit</i>	13
3.1.4 <i>Agriculture and Forestry Unit</i>	13
3.2 PRESS AND PR UNIT.....	14
3.3 LIQUIDATION DEPARTMENT	15
3.3.1 <i>Liquidation Unit</i>	15
3.3.2 <i>Transition Unit</i>	16
3.3.3 <i>Tender Closing Unit</i>	16
3.3.4 <i>Workers List Unit</i>	17
4. THE CORPORATE GOVERNANCE DIVISION.....	22
4.1 CONTROL AND SUPERVISORY UNIT	22
4.2 DIRECT ADMINISTRATION UNIT.....	23
4.3 MONITORING UNIT	25
4.4 TREPÇA UNIT	27
5. EXECUTIVE BRANCH.....	31
5.1 DEPARTMENT OF REGIONAL COORDINATION	31
5.2 INTERNAL AUDIT UNIT	32
5.3 FINANCE AND BUDGET DEPARTMENTS.....	33
5.4 THE LEGAL DEPARTMENT	35
5.4.1 <i>Secretariat of the PAK Board of Directors</i>	35
5.4.2 <i>Claims Unit</i>	35
5.4.3 <i>Workers List Review Committee</i>	36
5.4.4 <i>Liquidation Review Committee (LRC)</i>	36
5.5 HUMAN RESOURCES DEPARTMENT	37
5.6 THE ADMINISTRATION DEPARTMENT	39
ANNEXES	41
ANNEX I – INFORMATION MATRIX ON COMPANIES UNDER DIRECT ADMINISTRATION.....	42
ANNEX II – INFORMATION MATRIX FOR COMMERCIALISED SOES	50
ANNEX III – INFORMATION MATRIX FOR SPECIAL SPIN OFFS SOES.....	52
ANNEX IV – BALANCE IN BANK ACCOUNTS 2008-2009	54
ANNEX V – PAK ANNUAL ACCOUNTS 2008-2009	56
ANNEX VI – PAK MANAGEMENT INFORMATION SUMMARY	65

Privatisation Agency of Kosovo – Annual Report 2009

1. Chairman’s Statement

Honourable President and distinguished members of the Assembly of the Republic of Kosovo,

On behalf of the Board of Directors, I am pleased to inform you that the Privatisation Agency of Kosovo (PAK) is fully operational and heading forward in achieving its goals in privatizations of remaining SOEs with particular focus on big and strategic SOEs for the economic development of the Republic of Kosovo and become a driving force in closure of liquidation cases. During the reporting period, we have completed tasks deriving from business plan for 2009.

The PAK, is established with the promulgation of the Law on the Privatization Agency of Kosovo (Law No. 03/L-067) that entered into force on 15 June 2008 (hereinafter the “Law”). This Law implements relevant provisions of the Comprehensive Proposal for the Kosovo Status Settlement dated 26 March 2007 (Annex VII, Article 2 thereof), which is an integral part of the Constitution of the Republic of Kosovo (Article 145 of the Constitution of the Republic of Kosovo).

The PAK is an independent public body that shall carry out its functions and responsibilities with full autonomy. The Agency shall possess full juridical personality and in particular the capacity to enter into contracts, acquire, hold and dispose of property and have all implied powers to discharge fully the tasks and powers conferred upon it by the present law; and to sue and be sued in its own name.

Pursuant to the Article 20, point 20.2 of the Law, Board shall submit to the Assembly of Kosovo and makes publicly available an annual report of Agency which shall include:

- a) financial statements of the accounts of the Agency;
- b) Separately from the accounts of the Agency, statements of the accounts and other assets held by the Agency in trust;
- c) a record of Enterprises placed under the direct administration of the Agency pursuant to Article 6.1;
- d) a record of transactions pursuant to Article 8 accomplished during the reported year and those transactions pending;
- e) a record of Enterprises liquidated pursuant to Article 9; and
- f) a record of enterprises over which reorganisation proceedings were initiated.

The Board of Directors present herewith the Annual Report of the Privatisation Agency of Kosovo (PAK) for the calendar year 2009 - an successful year for the PAK taking into consideration inherited situation, the impact of the financial global crises and difficulties with respect to the Special Chamber of the Supreme Court of Kosovo. By year-end, PAK had tendered 85 SOEs in 98 NewCos. In total, 102 Ordinary Spin-Off Contracts (including several pending transaction from the predecessor Agency (KTA) and 65 Contracts form liquidation asset sale (from KTA) have been signed and the related assets handed over to the new owners. A further 41 contracts are in the process of being prepared. Moreover, PAK has

Privatisation Agency of Kosovo – Annual Report 2009

managed to publish 27 final workers` lists and 87 preliminary lists (all pending the review and decision from the SCSC of Kosovo)

The Board of Directors have already approved an ambitious business plan for 2010 and we will strive to achieve and exceed tasks deriving from the document. Since its initiation, the liquidation programme has put 120 SOEs into liquidation (all inherited from KTA), and during the 2010 we plan to close first wave of 55 liquidation cases.

An overview of the privatisation programme shows that total spin-off revenues paid and banked amount to €429.8 million, compared to €387.6 million as of a year ago. Total revenues paid or pending are €442.3 million.

The PAK Board of Directors continues to meet on a regular basis in order to carry out its functions and responsibilities under the present Law. I would like to express my gratitude to what I consider highly productive and successful contribution of all of the Directors of the Board toward the Agency.

I would also like to thank the sole donor of the Agency, the ECLO in Kosovo, for their continues support.

Last, I would also like to express my sincere appreciation to the management and staff of the Agency for their enormous efforts and dedication as they remain the main driving force behind the success of the Agency over the past 12 months.

Finally, please let me assure You that the Agency remains at your disposal at any time to provide any additional clarifications that might be required.

The Board of Directors,

Dino Asanaj,
Chairman
Privatisation Agency of Kosovo
February, 2010

2. Organisational Structure

The organisational structure of the PAK can be separated into three functional areas: the Asset Sale (AR) Division under the management of the Deputy Managing Director, AR; the Corporate Governance (CG) Division under the management of the Deputy Managing Director, (CG) and the Executive Branch under the direct supervision of the management of the Agency, while the Internal Audit Unit and Press and PR Unit reports directly to the management of the Agency and in specific matters to the Board of Directors .

The Asset Realisation Division consists of two main departments: the Sales Department and Liquidation Department.

The Corporate Governance Division consists of Trepca Unit, Control and Supervisory Unit, Direct Administration Unit and Monitoring Unit.

The Executive Branch consists of the Regional Offices led by the Department of Regional Coordination, the Finance and Budget Department, the Legal Department, the Administration Department and the Human Resources Department.

The Directors of the PAK Board during 2009 are/were as follows:

1. Dino Asanaj, Chairman and Director
2. Fadil Ferati, Vice – Chairman and Director (1960 – 2010)
3. Andrea Capussela, Director
4. Bahri Shabani, Director
5. Haxhi Arifi, Director
6. Hubert Warsmann, Director
7. Mohammed Omran, Director
8. Slobodan Petrovic, Director

Privatisation Agency of Kosovo – Annual Report 2009

2.2 Board Activities during 2009

The PAK Board of Directors consists of eight Directors, five appointed by the Assembly of the Republic of Kosovo and three appointed by the International Civilian Representative in accordance with the provisions of Law on establishment of PAK. All powers of the Agency are vested in the Board, which may delegate exercise of its powers to the management, apart from those powers reserved by the Law to the Board.

Following is a brief description of the board activities during the 2009:

On 21-22 January 2009 the seventh (7) meeting of PAK Board of Directors was held and in this meeting for the first time have participated two new recently appointed members from the representative of International Civilian Office (ICO). PAK Board of Directors has given the approval for the beginning of reestablishment of 120 Liquidation Committees and the appointment of members of Liquidation Committees also approved transactions of round 33 of privatization

The eighth (8) meeting of PAK Board of Directors was held on 27-28 February 2009. In this meeting was reported on the situation and issues inherited from former Kosovo Trust Agency (KTA) which in general represent an extraordinary burden for the PAK work dynamic for 2009. In this meeting, PAK Board of Directors has approved the PAK business plan for 2009. During this period PAK also drafted an overview of three years strategy of activities and operational overview, which were presented to the Board of Directors.

The ninth (9) meeting of PAK Board of Directors was held on 26-27 March 2009. In this meeting the 34th Wave of the privatization process was approved. In regard to this, PAK has signed a Memorandum of Understanding with the Ministry of Trade and Industry by which procedures are made official in relation to statutory changes of the Enterprises sold through Special Spin-Off. PAK has also signed earlier a Memorandum of Understanding with the Ministry of Internal Affairs related to verification/background checks in relation to the winning bidders (provisional winners) in the privatization process

The tenth (10) meeting of PAK Board of Directors was held on 29 April 2009. PAK Board of Directors approved wave 35 of privitisation in which are included 9 New Co-s and also Wave 36 in which are included 9 New Co-s. In this meeting Board of Directors has also approved transactions of wave 33 of privatization.

The eleventh (11) meeting of PAK Board of Directors was held on 29 May 2009. PAK Board of Directors has approved the Liquidation Procedures and updated forms and was reported that new liquidation database is created. In this meeting, Board of Directors approved transactions of 34 Wave of privatization and also approved Wave 37 in which are included 10 NewCos.

The twelfth (12) meeting of PAK Board of Directors was held on 26 June 2009. Board of Directors approved wave 38 of privatization with 12 NewCos and Wave 39 with 10 NewCos. Moreover Board approved most of the transactions from Wave 35.

Privatisation Agency of Kosovo – Annual Report 2009

The thirteenth (13) meeting of the PAK Board of Directors was held on 29 and 30 July 2009. Board of Directors approved Wave 40 of privatization with 9 NewCos and Wave 41 with 10 NewCos. Moreover Board approved most of the transactions from Wave 36.

In this meeting, Board of Directors had approved unanimously proposal to acknowledge full compliance with commitment agreement with regard to NewCo “Ferronikeli”, “Peja Brewery”, “IMN in Gjakova” and “Banja e Kllokotit” and to release them from further reporting duties towards PAK. Management also reported that several big companies will be presented for approval by the BoD and subsequent privatisation.

The fourteenth (14) meeting of the PAK Board of Directors was held on 30 September and 1 October and approved for privatization four big SOEs, to be included in Wave 40 of privatization. In this meeting, Board of Directors also approved to re tender all previous NewCos in wave 41 of privatisation, which transactions were not approved by the Board of Directors or where there were no bids. Moreover Board approved most of the transactions from wave 37 and 38.

It should be noted that in this meeting, PAK management reported that all procedures to exercise “Call Option” with regards to NewCo “Llamkos” are completed and that the PAK has taken the control of the premises and placed the NewCo under Direct Administration.

The fifteenth (15) meeting of the PAK Board of Directors was held on 30 October and approved most of the transactions from Wave 39 of privatization. In this meeting the launch of Wave 41 with additional NewCos was approved which included 32 NewCos.

The sixteenth (16) meeting of the PAK Board of Directors was held on November 23, 2009, approving transactions from Wave 40.

The seventeenth (17) meeting of the PAK Board of Directors was held on December 16, 2009, approving transactions from Wave 41. The Board of the Directors had made another significant step in relation to the liquidation process by approving revised version of the Liquidation Guide and updated forms.

3. The Asset Realisation Division

The entire asset realisation activities of the Agency with respect to the enterprises under its administrative authority are resting with the Deputy Managing Director for Asset Realisation (AR). Two Departments reports directly to the DMD A.R. these being the Sales Department and Liquidation Department while the Department of Regional Coordination reports to DMD AR only for matters related to preparation of documents of privatisation and liquidation of the enterprises in the respective region.

In the case of privatisations, it should be clear that PAK has exceeded the projected number of planned NewCos in Business Plan of 2009. In 2009 PAK has projected to prepare 74 NewCos however managed to prepare and tender 98 NewCos. From 98 NewCos there are 16 NewCos that in the Bid Day did not receive any Offers/Bids. Therefore PAK managed to outperform the plan from 74 NewCos up to 98 NewCos and the difference is preparation of 24 more NewCos.

If we look at SOEs, PAK planned in 2009 to create 74 NewCos from 47 SOEs and the result is that PAK managed to create 98 NewCos from 85 SOEs. A Number of 20 SOEs is touched for the first time from privatisation in 2009. This means that from 20 SOEs until now no NewCos have been created from these SOEs.

3.1 The Sales Department

The Sales Department comprises of Tender Preparation Unit, Marketing and Investor Relation Unit, Cadastral Unit and Agriculture and Forestry Unit.

The Sales Department is responsible for the process of privatisation and liquidation sales of the SOE's.

Waves 34,35,36,37,38,39,40 and 41 were launched in 2009 and significant parts of those transactions are expected to be concluded during the first quarter of 2010 subject to background checks.

The Bid Day for the 34th Wave of Privatization Tenders was held on 20th of May 2009, comprising of ten (10) SOEs in ten (10) NewCos. The total number of bids received for Ordinary Spin Off was 39, with total amount of € 7,958, 971.

The Bid Day for the 35th Wave of Privatization Tenders was held on 10th of June 2009, comprising of nine (9) SOEs in nine (9) NewCos. The total number of bids received for Ordinary Spin Off was 28, with total amount of €2,301,810.

The Bid Day for the 36th Wave of Privatization Tenders was held on 8th of July 2009, comprising of seven (7) SOEs in nine (9) NewCos. The total number of bids received for Ordinary Spin Off was 34, with total amount of € 3,010,825.

Privatisation Agency of Kosovo – Annual Report 2009

The Bid Day for the 37th Wave of Privatization Tenders was held on 12th of August 2009, comprising of nine (9) SOEs in nine (9) NewCos. The total number of bids received for Ordinary Spin Off was 34, with total amount of € 6,200,756.

The Bid Day for the 38th Wave of Privatization Tenders was held on 9th of September 2009, comprising of five (5) SOEs in ten (10) NewCos. The total number of bids received for Ordinary Spin Off was 43, with total amount of € 1,341,340.

The Bid Day for the 39th Wave of Privatization Tenders was held on 14th of October, comprising of nine (9) SOEs in ten (10) NewCos. The total number of bids received for Ordinary Spin Off was 27, with total amount of € 2,319,215.

The Bid Day for the 40th Wave of Privatization Tenders was held on 11th of November, comprising of twelve (12) SOEs in twelve (12) NewCos. The total number of bids received for Ordinary Spin Off was 27, with total amount of € 27,953,545.

The Bid Day for the 41st Wave of Privatization Tenders was held on 9th of December, comprising of twenty four (24) SOEs in twenty nine (29) NewCos. The total number of bids received for Ordinary Spin Off was 82, with total amount of € 7,966,890.

Payments Update

All provisional winners from Waves: 34th ,35th ,36th ,37th ,38th , completed (25%) first and (75%) second installment, Wave 39 and 40 completed 25 % of the payment based on notification payment details send by PAK and for wave 41 deadline for 25 % of the payment is on 19th January 2010.

Background Checks

Following the signing of the Memorandum of Understanding (MoU) on December 2008 between the PAK and the Ministry of Internal Affairs (MIA), to carry out the background checks for the provisional winning bidders on behalf of the PAK, during the year 2009 PAK has continuously cooperated with the Kosovo Police – Directorate of Crime Analysis in this regard. A total of 110 cases are forwarded to the Kosovo Police in order to facilitate the background check clearance.

During January – December 2009, eight (8) Waves of privatization have been completed, in total ninety eight (98) New Co's were tendered. There were 334 bidders, with a total bid price of 59,053,353 €.

Privatisation Agency of Kosovo – Annual Report 2009

Summary of ordinary spin off privatisation up to 31 December 2009

2009 Activities Spin Off	Wave 34	Wave 35	Wave 36	Wave 37	Wave 38	Wave 39	Wave 40	Wave 41	Total
As NewCo's	10	9	9	9	10	10	12	29	98
Bids Received Bid Day	39	28	34	34	43	27	47	82	334
Bid day Total Bid Price/€	7,958,971	2,301,810	3,010,825	6,200,756	1,341,340	2,319,216	27,953,545	7,966,890	59,053,353
Withdraws Rejections/€	3,284,500	825,467	705,887	3,517,425	316,130	30,240	846,874	214,098	9,740,621
Total Bid Price / €	4,674,471	1,476,343	2,304,938	2,683,331	1,025,210	2,288,976	27,106,671	7,752,792	49,312,732
No. of NewCo's rejected by BoD, withdrawn	4	4	3	4	3	3	4	13	38
NewCo's Sales Completed	5	5	5	1	3	0	0	0	19
NewCo's Sales Pending	1	0	1	4	4	7	8	16	41

Privatisation Agency of Kosovo – Annual Report 2009

Sales Department – Activities 2009
8 Waves
98 NewCo
14 NewCo tender cancelled (board decision)
8 NewCos tender cancelled (withdrawal)
16 NewCo's with no bids
334 Total Number of bidders
200,000 Euro Total Deposit forfeited
59,053,353 Euro Total Bid Price
18,013,390 Euro Total Payment (100 % of the payment Waves:34,35,36,37,38) (25% Wave 39 & 25% Wave 40 - 25% Wave 41 deadline 19 January 10)

3.1.1 The Tender Preparation Unit

This Unit is responsible for overseeing , coordinating and managing the “privatisation pipeline” from the first stage review of status determination based on historical documentary evidence that an enterprise is actually socially-owned, through cadastral records and other documentation – that an SOE possesses specific land and assets and coordinating which SOE from a variety of regions and industries should be offered for sale and the timing of such tenders taking into account potential investor interest.

During calendar year 2009 the target of the Tender Preparation Unit was management of privatisation pipeline and improvement and review of the quality and accuracy of the privatisation materials and data prepared by RO and PAK HQ.

The following are some details of activities realised and achieved in 2009:

- Unit has been able to coordinate with Ministry of Trade and Industry in respect of obtaining information and checked that 67 SOE's prepared for privatization , do not have any asset pledged and/or registered in Pledge Office within Ministry of Trade and Industry.
- On 21 January 2009 the request for cooperation was sent to Commercial Court (CC) Prishtina, and to Kosovo Judicial Council due to the adoption and enforcement of Administrative Directive No.2008/02 that affected the coordination between PAK and CC.
- Managed to process 62 requests on finding historical documentary evidence that enterprises are actually socially-owned to Commercial Court Prishtina.
- Review of 61 SDR status determinations of enterprises on behalf of Sales Department based on historical documentary evidence that enterprise is actually socially-owned.
- 85 Approval for Privatisation forms (AP's) has been reviewed on behalf of Sales Department based on historical documentary evidence that an enterprise is actually socially-owned, through cadastral records and other documentation – that an SOE possesses specific land and/or assets.
- A Comprehensive Master List of SOE's has been updated regularly.

Privatisation Agency of Kosovo – Annual Report 2009

3.1.2 Marketing and Investor Relations Unit

The Marketing and Investor Relation Unit provides full support to the spin off and all liquidation asset sales. Marketing & IR Unit supports the Sales Department in launching of the new Privatisation and Liquidation Waves, Asset Sales and any other events that are important to the Agency. The Unit works closely with all other Departments and Units within the Agency to successfully complete the Privatisation process in Kosovo.

Marketing Unit oversaw the production of one TV advert, one brochure and four newspaper publications for each Wave launched. Marketing unit produced 8 documentary videos of the successfully privatised NewCo's.

Marketing Unit placed all the information regarding Privatisation on the PAK website. This included launching of Privatisation Waves, Workers Lists, both Provisional and Final, Lists Tender Notices, Job Opportunities, Press Releases, Rules and Regulations, Useful Links and other important information.

Marketing & IR Unit:

- Provided information and promotion materials to Potential investors. Also, informed Potential International investors and promoted the privatisation process, in the country and internationally.
- Signed confidentiality agreements with all interested potential investors (over 700) and provided them with all the necessary materials (i.e. Rules of Tender, Info Memos, Ortho-photos etc.)
- Ensured that all the potential investors are informed accurately on the Pre-qualification procedures and also on the correct manner of filling the documents as specified in the Rules of Tender.
- Enhanced the coordination between Marketing Unit and other departments, in particular with Public Relations Department, in order to better prepare all relevant marketing/promotions materials that will strongly support the strategy for promoting and attracting international, regional and local investors.
- Organised teams to travel to the field to strengthen information gathering on different SOE-s and/or for features on issues of special concern from Regional Offices and accompanying the team when required.

Privatisation Agency of Kosovo – Annual Report 2009

3.1.3 Cadastral Unit

The Cadastral Unit is operating under PAK Sales Department and the most important role of it has been to ensure that available cadastral documents concerning the real estate properties, which were planned to be offered for privatization throughout official methods, were valid.

The main activities of the Unit were:

- Reviewed of 85 AP's (Approval for Privatisation) forms of enterprises through cadastral records and other documentation – that an SOE possesses specific land and/or assets.
- On the average we did two site visits in order to explore all possible land problems and claims from third parties.
- Printing out of thematic maps. In order to be possible finalization of the contracts concerning privatized new enterprises we have printed out 334 thematic maps
- Replacement of outdated cadastral documents took place as well. In order to enable finalization of the contracts concerning privatized new enterprises according to the actual legislation, cadastral documents must ensure new issue date.
- Primarily the Unit has ensured that cadastral data regarding real properties in Kosovo were valid. This issue is important due to the facts that Agriculture & Forestry Unit has prepared real properties of the former SOE's for privatization.

In general, it is important to point out that from all mentioned prepared new enterprises, six of them has been within Gjakova Municipality and the rest have been situated within Gllogovc Municipality. The most problematic situation regarding cadastral records has been recognized in Gjakova. Significant remarks in Gjakova have been found in:

1. Treatment of land parcels forms the local cadastral office that has been included under the Land Consolidation measure.
2. Investigation of land claims from third parties results with lots of uncertainties due to miss-use of legal cadastral documents from local cadastral officers and from local court.

Beside all above mentioned, the Unit has made all efforts to increase cooperation with other Kosovo institutions and authorities to promote, protect and present PAK policies.

3.1.4 Agriculture and Forestry Unit

Since the beginning of the 2009 Agriculture and Forestry Unit has been directly involved in preparation and finalization of 9 (Nine) NewCos. Agriculture and Forestry Unit has worked closely with cadastre experts and marketing unit in finalizing NewCos and had also accompanied potential investors on field visits.

The main activities of Agriculture and Forestry Unit were:

- Coordinated with the Kosovo Cadastral Agency and other stakeholder's actions in the resolution of major obstacle to land reform in Kosovo (missing/inaccurate records, consolidation, issue of 99-year leaseholds, etc.).
- Resolved unclear legal/ownership status of agricultural cooperatives, Forestry sector in conjunction with MAFRD officials implementing the Law on Farmers' Cooperatives and Forestry.

3.2 Press and PR Unit

The Press and PR Unit (P&PR U) aims to service all Departments within the PAK, especially to Asset Realisation Division, namely Marketing and Investors Relation Unit with the general overall objective of raising the profile of the PAK both locally and internationally.

Throughout 2009, on the other hand, the Press and PR Unit has worked closely with the PAK Sales Department, Regional Offices and Legal Department to produce accurate, timely information to inform the general public, stakeholders, potential investors and other target audiences about the general composition of Privatisation in Kosovo, and the specific SOEs available for purchase.

In general support of the Privatization Agency of Kosovo and the Privatisation effort, the Press and PR Unit has:

- Handled numerous detailed media enquiries – sometimes as many as four per day – from the nine daily newspapers, 4 news agencies, 3 radio stations and three national television stations in Kosovo.
- Handled numerous media enquiries from International Medias.
- Participated in several TV and radio shows.
- Planned, organized and managed numerous Press conferences in support of PAK goals.
- Conducted daily media monitoring (nine newspapers and three TV stations), to ensure that PAK management and other key stakeholders are constantly up-to-date on media coverage of Privatisation and other relevant PAK issues.
- Drafted and circulated numerous press releases to keep the general public fully informed about the overall Privatisation process, and to maintain necessary standards of transparency and responsiveness to media queries.

3.3 Liquidation Department

3.3.1 Liquidation Unit

Liquidation Committees

With the establishment of the Privatization Agency of Kosovo (PAK) as a successor of the KTA, PAK exercises its powers to liquidate Enterprises in accordance with the Law Nr. 03/L-067 and relevant applicable laws and regulations covering and regulating this highly complex process.

There are 120 Liquidation Committees already established (all inherited from the predecessor Agency (KTA). Each liquidation committee shall have an international member, appointed by the International Civilian Representative (ICR) (*sec. 9.2 Law on Establishment of PAK*). The initial ICO members initially appointed only in 20 Liquidation Committees have already been deployed in the respective PAK Regional Offices, and the preparations for the further liquidation asset sale and claims review and assessment have begun and completion of the Liquidation Committees is expected in early January 2010. Below is the list of the PAK Liquidation Committees for 20 SOE-s with priority for the liquidation closure.

No	SOE Name	Region/Municipality
1	Mirusha	Gjilan/Gjilan
2	Stacioni i Veterinarisë/Vet. Station	Gjilan/Ferizaj
3	Kinemaja e Qytetit/City Cinema	Gjilan/Gjilan
4	Universiteti i Punëtorëve/Workers University Ferizaj	Gjilan/Ferizaj
5	Klinapremix	Pejë/Klinë
6	Fabrika e Farës/Seed Factory	Pejë/Klinë
7	Kompresori	Pejë/Gjakovë
8	Vrella-Teuta	Pejë/Istog
9	NBI Suhareka - Bottling of non alcoholic drinks Suhareka (Former name Schweppes) NBI Suahreka - NPJA Suhareka	Prizren/Suharekë
10	Ekoplast	Prizren/Rahovec
11	Termosistem	Prizren/Rahovec
12	Transporti	Prizren/Prizren
13	Kluz	Prishtinë/Drenas
14	19 Nëntori	Prishtinë/Drenas
15	Kosova Control	Prishtinë/Prishtinë
16	Teka Commerce	Prishtinë/Prishtinë
17	Shtypshkronja "Progresi"	Mitrovicë/Mitrovicë
18	DEN/DES	Mitrovicë/Mitrovicë
19	AC Vushtrri (Kooperativa Bujqësore)	Mitrovicë/Vushtrri
20	Teuta Bare	Mitrovicë/Mitrovicë

Privatisation Agency of Kosovo – Annual Report 2009

During the mandate of the predecessor Agency (KTA) there were no unique Liquidation procedures and guidance to assist liquidation committees in performing their daily tasks arising from applicable laws and operational policies of the Agency.

Due to the foregoing reasons the Liquidation Department and experts from Pohl Consulting & Associates (in support to PAK) have updated the Liquidation forms (templates) and drafted Liquidation Guide for the PAK Liquidation Committees.

Furthermore, several recommendations about the amendments of this Guide have been made by ICO representatives and they are considered during the drafting of the amended Guide. The recommendations made by ICO representatives concerning the need of amending the Guide for PAK Liquidation Committee Members have been analyzed by the staff of the PAK Liquidation Department and Legal Department. The document and updated forms have entered into force on 01 January 2010 and all prerequisites for closure of liquidation cases are fulfilled.

c. Liquidation Time Lines

The laws and regulations governing liquidations have been researched and the individual steps and time allowances mapped. It is now obvious that a liquidation going through all the mapped steps will take, on average, 34 months to be completed. In fact, the liquidation time line map highlights that the majority of the time taken (approximately 19 months) is outside of the control of PAK.

d. Liquidation Database

The Liquidation Database is finalized and is now fully operational. The latter is a web based application designed to make possible the registering, editing and searching of the information for the SOE-s in liquidation and their assets.

e. Insolvency Practice course

Twenty four PAK staff members from PAK ROs and HQ participated on the course “Insolvency Practice”. The trainees participated on two modules: Corporate Business Recovery and Insolvency Law and Procedure. The course is finished now and the exam will soon take place.

3.3.2 Transition Unit

Transition unit is responsible to manage resources regarding transition period. (Period between the closing of the tender, the preparations for the handover of the enterprise to its new purchaser and commencement of Liquidation).

During 2009 year Transition Unit has managed to process 397 signed contracts for Service Providers (195 in Transition and 202 in Liquidation). Those are the contracts signed with ex workers of SOEs in order to prepare archives of the privatised SOEs and work on preparation of 20% Workers Lists and other issues in relation to the transition phase from privatisation into liquidation

3.3.3 Tender Closing Unit

The role of the Unit is to prepare draft contracts for the sales carried out by the PAK through the spin-off and liquidation method. After Board of Director approves the sale and bid has been paid fully the Tender Closing Unit starts preparation of the draft contract which includes the tendered real property, assets and obligations and sends to Legal Department for legal review.

Privatisation Agency of Kosovo – Annual Report 2009

The PAK inherited from the predecessor Agency (KTA) 149 pending Contracts. After the consolidation of the PAK Legal Department in the beginning of the March 2009 and up to date, in total 102 Spin-off Sales Contracts are completed (€39,272,858). In addition there are 65 Contracts Liquidation Contracts completed or in value €12,975,053.

The table and the chart below show in detail the achievement of the PAK during the period of time of the beginning of March 2009, up to the end of December 2009.

	Ordinary Spin-off		Special Spin-off		Liquidation	
	In number	In value (€)	In number	In value (€)	In number	In value (€)
KTA Pending Contracts	77	€ 34,478,440	2	€ 4,258,000	70	€ 14,189,134
PAK Signed Contracts	106	€39,272,858	0	€ 0.00	65	€12,975,053

3.3.4 Workers List Unit

Workers List Unit remains committed to push forward the process of distribution of 20% employee entitlement.

PAK has distributed more than € 4.5 million to 3065 employees of 19 SOEs making the total amount distributed so far in € 20.2 million.

Table below shows amount of 20% distributed to each SOE and number of employees that benefited from distribution of 20%.

No	SOE Name	Region	Amount distributed	No. of employees
1	IMN Dukagjini	Peja	€ 1,216,899.39	227
2	Plastic Factory	Mitrovica	€ 185,335.61	142
3	FAN	Prishtina	€ 496,765.43	420
4	Eximkos	Prishtina	€ 605,156.20	110
5	Kosova Control	Prishtina	€ 17,476.67	6
6	Veterinary Station Prizren	Prizren	€ 32,573.39	5
7	Bujqësia Pejë	Peja	€ 258,513.50	115
8	Llapi	Prishtina	€ 39,541.02	123
9	Lux	Mitrovica	€ 87,790.36	438
10	IMB	Mitrovica	€ 28,403.61	182
11	Trepça Confenction	Mitrovica	€ 11,221.34	46
12	1 Maj	Mitrovica	€ 14,682.72	160
13	17 Nentori	Peja	€ 708,146.62	345
14	Auto House "Mustafe Rexhepi"	Gjilan	€ 40,592.69	262
15	TE Rugova	Peja	€ 8,728.51	14
16	NHTT Rugova	Peja	€ 526,115.44	157

Privatisation Agency of Kosovo – Annual Report 2009

No	SOE Name	Region	Amount distributed	No. of employees
17	Çeliku	Gjilan	€ 169,598.98	171
18	NH Drita	Gjilan	€ 80,297.38	50
19	Kosovasirovina	Mitrovica	€ 35,810.29	92

Table 1: Distribution of 20% by PAK - List of SOEs

A total number of 114 employee lists have been published (27 final and 87 preliminary lists) since March 2009.

In the tables below are presented names of the final lists published.

No	Name of the SOE	Region	Final Date of publication of final list - Last date	Deadline for filing claims with the SCSC	No. of employees on the list
1	KNI Ramiz Sadiku Prishtine	Prishtina	7-Mar-09	27-Mar-09	536
2	Ramiz Sadiku Prizren	Prizren	9-May-09	30-May-09	323
3	Ballkan	Prizren	9-May-09	30-May-09	1259
4	Krikos	Prishtina	9-May-09	30-May-09	14
5	Aromatik	Prizren	9-May-09	30-May-09	22
6	16 Qershori	Peja	9-May-09	30-May-09	16
7	Trasing	Prishtina	23-May-09	13-Jun-09	242
8	Energomontimi	Prishtina	23-May-09	13-Jun-09	48
9	Theranda	Prizren	23-May-09	13-Jun-09	56
10	Mushrooms Factory	Prishtina	23-May-09	13-Jun-09	25
11	Anamorava	Gjilan	23-May-09	13-Jun-09	13
12	Tools and Apparatus Factory	Gjilan	23-May-09	13-Jun-09	229
13	Kosovatrans Gjilan	Gjilan	30-May-09	20-Jun-09	158
14	Luboten Brick Factory	Gjilan	30-May-09	20-Jun-09	4
15	28 Nëntori	Gjilan	13-Jun-09	4-Jul-09	255
16	Agromorava Viti	Gjilan	13-Jun-09	4-Jul-09	123
17	Kosovatrans Kamenica	Gjilan	13-Jun-09	4-Jul-09	42
18	Mustafa Goga	Gjilan	13-Jun-09	4-Jul-09	115
19	Çyçavica	Mitrovica	13-Jun-09	4-Jul-09	186
20	Agr. Station Gjakova	Peja	13-Jun-09	4-Jul-09	4
21	Utva	Peja	13-Jun-09	4-Jul-09	179
22	Peja Brewery	Peja	11-Jul-09	01-Aug-09	508
23	Kosovarja	Prishtina	11-Jul-09	01-Aug-09	138
24	Plantacioni Ferizaj	Gjilan	11-Jul-09	01-Aug-09	26
25	KHT Kosova	Prishtina	08-Aug-09	28-Aug-2009	692
26	Kosova Construction	Mitrovica	08-Aug-09	28-Aug-2009	252
27	Kosova Hidroteknika	Prishtina	08-Aug-09	28-Aug-2009	58

Table 2: Final lists published

Privatisation Agency of Kosovo – Annual Report 2009

No	SOE Name	Region	Publication of list (last date)	Deadline for filling claims with the PAK	No. of employees on the list
1	Bujqësia Prishtinë	Prishtina	09-May-2009	30-May-09	49
2	KB Orllani	Prishtina	09-May-2009	30-May-09	8
3	Fertrans Ferizaj	Gjilan	09-May-2009	30-May-09	13
4	KB Skivjani	Peja	09-May-2009	30-May-09	11
5	Workers University	Gjilan	09-May-2009	30-May-09	3
6	Standard	Peja	16-May-2009	8-Jun-09	111
7	KBI Agrokultura	Gjilan	16-May-2009	8-Jun-09	255
8	Metalografika	Gjilan	16-May-2009	8-Jun-09	11
9	Filigran	Prizren	16-May-2009	8-Jun-09	44
10	Ferromikeli	Prishtina	06-Jun-2009	27-Jun-09	1866
11	Inginiering	Prishtina	06-Jun-2009	27-Jun-09	28
12	Jometalet Kaolini	Gjilan	04-Jul-2009	30-May-09	11
13	KB Banja	Peja	04-Jul-2009	30-May-09	3
14	KB Bujku-Rogana	Gjilan	04-Jul-2009	8-Jun-09	111
15	KB Vitia	Gjilan	04-Jul-2009	8-Jun-09	255
16	KB Mirusha	Gjilan	04-Jul-2009	8-Jun-09	11
17	Qëndresa/Morava-Kamenice	Gjilan	04-Jul-2009	8-Jun-09	44
18	Vetfarm-Viti	Gjilan	04-Jul-2009	27-Jun-09	1866
19	Teuta/Vrella	Peja	04-Jul-2009	27-Jun-09	28
20	AC Istog	Peja	18-Jul-2009	8-Aug-09	9
21	AC Kosova Lipjan	Prishtina	18-Jul-2009	8-Aug-09	47
22	Seed Factory	Peja	18-Jul-2009	8-Aug-09	40
23	Drithnaja	Prishtina	18-Jul-2009	8-Aug-09	6
24	Pioniri	Gjilan	18-Jul-2009	8-Aug-09	178
25	SHAM Drita	Gjilan	18-Jul-2009	8-Aug-09	4
26	XIQ Karaqeve	Gjilan	18-Jul-2009	8-Aug-09	459
27	Malishgan	Peja	18-Jul-2009	8-Aug-09	95
28	Agimi - Mishi Gjakove	Peja	25-Jul-2009	15-Aug-09	70
29	Bentokos	Gjilan	25-Jul-2009	15-Aug-09	25
30	Dardania	Prishtina	25-Jul-2009	15-Aug-09	170
31	IMF Kosova-Industria e mishit F.Kosove	Prishtina	25-Jul-2009	15-Aug-09	109
32	KB Ferizaj	Gjilan	25-Jul-2009	15-Aug-09	8
33	Mulliri Gjakove	Peja	25-Jul-2009	15-Aug-09	86
34	Qarkullimi/Promet	Gjilan	25-Jul-2009	15-Aug-09	68
35	Stacioni per mbrojtjen e bimeve	Peja	25-Jul-2009	15-Aug-09	5
36	Pasuria Bujqësore	Gjilan	25-Jul-2009	15-Aug-09	16
37	Tregtia e Kosoves	Prishtina	25-Jul-2009	15-Aug-09	12
38	Dobrusha	Peja	01-Aug-2009	21-Aug-09	9
39	Dubrava	Peja	01-Aug-2009	21-Aug-09	79
40	Dardania/Putnik	Prizren	01-Aug-2009	21-Aug-09	59
41	Hidromont	Peja	01-Aug-2009	21-Aug-09	11
42	Kosovashped	Prishtina	01-Aug-2009	21-Aug-09	36
43	Kosovatex	Prishtina	01-Aug-2009	21-Aug-09	386
44	Prizrencoop	Prizren	01-Aug-2009	21-Aug-09	15

Privatisation Agency of Kosovo – Annual Report 2009

No	SOE Name	Region	Publication of list (last date)	Deadline for filling claims with the PAK	No. of employees on the list
45	Vet. Station Skenderaj	Mitrovica	01-Aug-2009	21-Aug-09	5
46	Elan	Mitrovica	15-Aug-2009	5-Sep-09	218
47	Artizanati	Prizren	15-Aug-2009	5-Sep-09	31
48	Banesa	Prizren	15-Aug-2009	5-Sep-09	10
49	1 Maj Rahovec	Prizren	15-Aug-2009	5-Sep-09	77
50	IFS Progresi	Prizren	15-Aug-2009	5-Sep-09	864
51	Klinapremix	Peja	15-Aug-2009	5-Sep-09	45
52	Thertorja Eksportuese Prizren	Prizren	15-Aug-2009	5-Sep-09	68
53	Vinex	Gjilan	15-Aug-2009	5-Sep-09	228
54	Integj	Gjilan	22-Aug-2009	12-Sep-09	786
55	Zastava Ramiz Sadiku	Peja	22-Aug-2009	12-Sep-09	993
56	Sek-Kos/Sirkos	Prishtina	22-Aug-2009	12-Sep-09	15
57	Boal Piston Pump Factory	Peja	22-Aug-2009	12-Sep-09	108
58	Kosovo Elektro/Eletrotehna	Prishtina	22-Aug-2009	12-Sep-09	18
59	Leather & Shoes Combine	Peja	29-Aug-2009	19-Sep-09	746
60	Armature Factory	Peja	29-Aug-2009	19-Sep-09	57
61	Kulla/Ratko Mitrovic	Prishtina	29-Aug-2009	19-Sep-09	21
62	Transporti	Prizren	29-Aug-2009	19-Sep-09	27
63	Prizrenmarket	Prizren	29-Aug-2009	19-Sep-09	87
64	Bujku	Mitrovica	29-Aug-2009	19-Sep-09	24
65	Produkti	Mitrovica	29-Aug-2009	19-Sep-09	132
66	Komuna	Prizren	05-Sep-2009	25-Sep-09	765
67	Koritnik	Prizren	05-Sep-2009	25-Sep-09	50
68	Agroprodukti	Gjilan	05-Sep-2009	25-Sep-09	22
69	Grafikos	Gjilan	05-Sep-2009	25-Sep-09	56
70	Morava e Eperme	Gjilan	05-Sep-2009	25-Sep-09	68
71	Ndertimtari	Prishtina	05-Sep-2009	25-Sep-09	33
72	Deçani	Peja	05-Sep-2009	25-Sep-09	23
73	Korenik	Peja	05-Sep-2009	25-Sep-09	104
74	KB Liria Bardhosh	Prishtina	12-Sep-2009	3-Oct-09	42
75	Modeli	Peja	12-Sep-2009	3-Oct-09	177
76	Bashkimi	Prizren	12-Sep-2009	3-Oct-09	7
77	NBI Suhareka	Prizren	12-Sep-2009	3-Oct-09	236
78	Kinemaja e Qytetit	Gjilan	12-Sep-2009	3-Oct-09	3
79	Kualiteti	Gjilan	12-Sep-2009	3-Oct-09	110
80	Vocar/Urata	Prishtina	12-Sep-2009	3-Oct-09	349
81	KB Drita Raushiq	Peja	19-Sep-2009	10-Oct-09	7
82	Tregtia	Gjilan	19-Sep-2009	10-Oct-09	248
83	Ferma e Shpezeve Ereniku	Peja	19-Sep-2009	10-Oct-09	40
84	Fabrika e Ushqimit te Kafsheve/Animal Feed Factory	Prishtina	19-Sep-2009	10-Oct-09	17
85	Germia	Prishtina	26-Sep-2009	17-Oct-09	413
86	Fabrika per prodhimtarine e Destinuar Zastava	Peja	26-Sep-2009	17-Oct-09	67
87	XIM Strezovci	Gjilan	26-Sep-2009	17-Oct-09	59

Table 3: Preliminary lists published

Privatisation Agency of Kosovo – Annual Report 2009

Ever since PAK took over the Privatization Process in Kosovo one of the main challenges of the agency was to accelerate the distribution of 20% employee entitlement.

In order to accomplish successfully such an important process the PAK has increased its human capacities and therefore has established a special unit within Legal Department which will be dealing only with claims regarding 20%. As the outcome of the dedicated efforts by PAK there are 114 provisional and final lists published during 2009.

Although there have been some political obstacles with respect to the publishing of Workers List in Serbian newspapers, PAK remained persistent on its commitments and therefore unblocked the process through alternative solutions. Advances are quite obvious – in average 10 workers list published monthly. This distinctive progress is presented in the following chart.

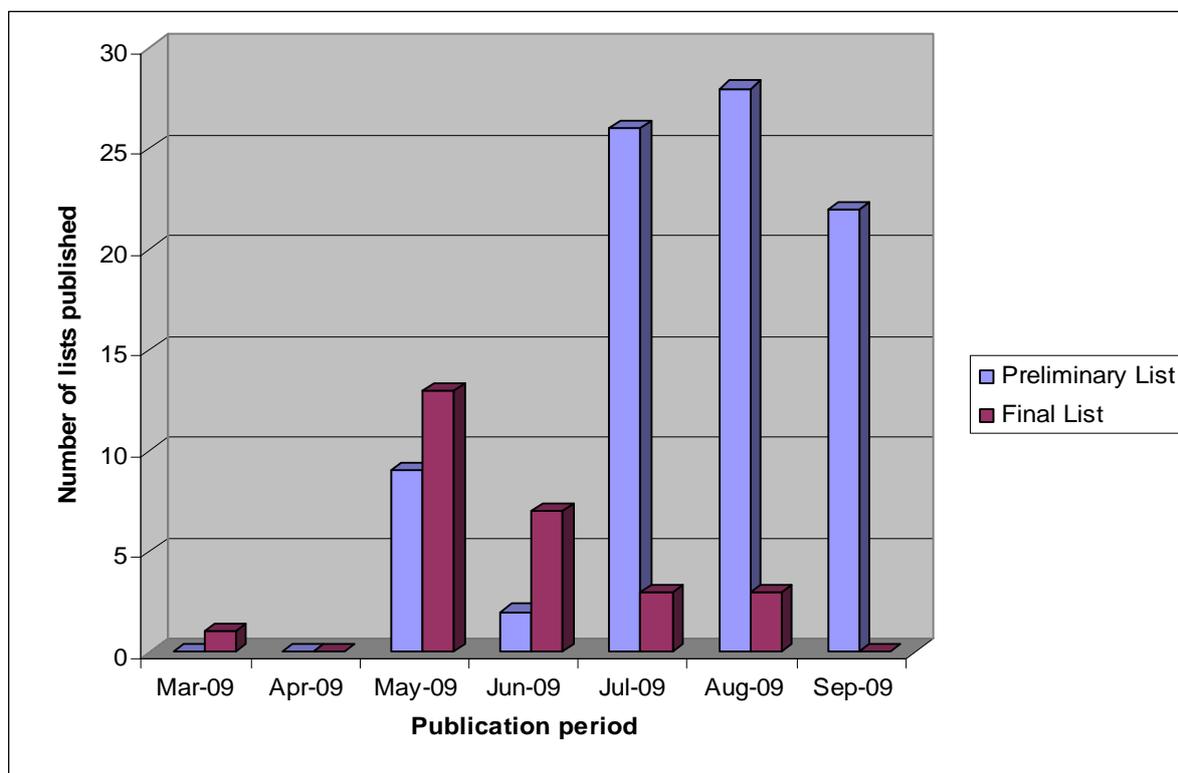


Chart 3: Published Workers List since March 2009

It should be noted that PAK has not continued to publish other Workers Lists as it will create significant back log for the Review Committee and SCSC.

4. The Corporate Governance Division

The entire corporate governance activities of the Agency with respect to the enterprises under its administrative authority are resting with the Deputy Managing Director for Corporate Governance (DMD CG). Four units are reporting directly to the DMD CG these being the Control and Supervisory Unit, Direct Administration Unit, Monitoring Unit and Trepca Unit, while The Department of Regional Coordination is reporting to DMD CG only for matters related to Corporate Governance of the enterprises in the respective region. With respect to Trepca two Managing Directors are currently in place in Trepca and a new Trepca Project Officer will be hired during the first quarter of 2010, who will undertake reporting and oversight activities.

4.1 Control and Supervisory Unit

Main duties of Control and Supervisory Unit are collection and systematization of financial reports from Socially Owned Enterprises (SOE) that are administered by PAK. Systematization, collection and comparison of financial reports in order to protect the value of the SOEs, increase the value or even undertake timely measures in cases when property could be mismanaged. Control and Supervisory Unit prepared and executed the transfer of liabilities from SOE to the buyers of those enterprises in accordance with the operational policies of the PAK

Besides the financial reports that are collected from the regions, this Unit has performed also other activities:

1. Performed the transfer of obligations to the buyers for 126 New Co's, where the buyers of NewCos were informed in details regarding the obligations that are being transferred to them and their obligation for payment of liabilities. From 126 New Co's, 63 of them have been privatized by KTA (from 2005 until 2008, 4 of them are from 2005, 2 of them 2006, 20 of them from 2007 and 37 of them are from 2008) and transfers of liabilities for those were done in 2009 by PAK. 63 transfers of liabilities are for NewCo's that were privatized by PAK.
2. Conducted visits, meetings with Management and the other staff for 58 SOEs, where we have suggested, informed and asked them to cooperate with our Regional Officers, not only concerning financial reports, but also for other activities, and after these visits we have witnessed the improvement of this cooperation, and the administrators of these enterprises have provided on time and without hesitation all information requested by our officers.
3. All notifications concerning the transfer of obligations and property were handed over to (Tax Administration of Kosovo) and KEK (Kosovo Corporation Energy) are to informed those institutions for liabilities that have been transferred to new buyers, also TAK and KEK are informed that they do not have a right to apply in committee of liquidation for this summary that have been transferred to New Co.

Privatisation Agency of Kosovo – Annual Report 2009

Tabular form with the above mentioned activities:

	Transfer of obligations to the New Co	Visits performed to the different Enterprises	Notifications Delivered to TAK	Notifications Delivered to KEK
Quantity	126	58	126	126

4.2 Direct Administration Unit

In the usual course of events, the supervision control and monitoring of the enterprises has been preformed by PAK Regional Offices. In cases when one Social Enterprise has been financially damaged, it has reflected in disfavor of enterprise's and employees' interest. When PAK Regional Offices have used all the opportunities to influence in those enterprises that were not successful, then it is proposed to put those enterprises under Direct Administration.

Based on the Law no. 03/L-067 article 6.1, PAK Direct Administration Unit is responsible for assuming direct control over an enterprise with prior approval from Board of Directors.

Based on the activities and duties of Direct Administration preformed during the year of 2009, we believe that the results which have been achieved by Direct Administration Unit are quite satisfying which shall be presented below.

It should be considered that Direct Administration Unit has modest personnel of 5 people: Head of Direct Administration, 3 Direct Administration Officers and one Lawyer, who also serves for two other units of Corporate Governance.

Direct Administration unit has been completed with personnel on 20th February 2009 and since then it continues working with its full commitment and capacity.

Enterprises which are under Direct Administration and the reasons for putting these enterprises under Direct Administration are:

1. Social Enterprise "Emin Duraku", Gjakovë.
 - Mismanagement of the enterprise, sale of assets of ther Social Enterprise without Agency's consent.
2. Social Enterprise "Virxhinia", Gjakovë.
 - Documents that were provided do not present evidence to show that the enterprise has been transformed into Joint Stock Company.
1. Social Enterprise "Rekreaturs", Kamenovo, Montenegro.
 - Legal property conflict
2. Social Enterprise "Unimont", Krushë e Vogël, Prizren.
 - Loan to ABU (Agro Business Union) unpaid at the amount of 1.1 million and sale of assets
3. Social Enterprise "Sharr Salloniti", Hani i Elezit.
 - Financial Irregularities
4. Social Enterprise "Artizanati", Pristina.
 - Lack of documentation regarding the ownership rights
5. Social Enterprise "Qendra për Rini dhe Sport", Prishtinë
 - Internal conflict and financial liabilities
6. Social Enterprise "DLB-Drejtoria,Lavërtaria dhe Blegtoria", Prizren.

Privatisation Agency of Kosovo – Annual Report 2009

- Financial Liabilities
- 7. Social Enterprise “Nerezina”, Mushtisht, Suharekë.
 - Lack of documentation regarding the ownership rights
- 8. Social Enterprise “Vreshtaria”, Landovicë, Prizren.
 - Legal conflicts with the enterprise Kosovavera
- 9. Enterprise “Newco Llamkos”, Vushtrri.
 - Non fulfillment of commitments of special spin off by the Buyer

No	NAME OF THE ENTERPRISE UNDER DIRECT ADMINISTRATION	Date of entrance under DA
1	NSH “EMIN DURAKU” Gjakovë (passive)	09/04/2008 Based on <u>AR1391</u>
2	NSH “VIRXHINIA” Gjakovë (passive)	09/04/2008 Based on <u>AR1367</u>
3	NSH "REKREATURS" Kamenovo-Montenegro (PAK Legal Office is following the judicial proceeding)	20/03/2008 Based on <u>AR1388</u>
4	NSH "UNIMONT" Krushë e Vogël, Prizren (passive)	21/09/2006 Based on <u>AR1091</u>
5	NSH "SARR SALLONITI" Hani i Elezit (has been sold in the 40 th round)	20/06/2006 Based on <u>AR1002</u>
6	NSH "ARTIZANATI" Prishtinë (passive- issued for rent by the Ministry of Internal Affairs)	20/06/2006 Based on <u>AR1015</u>
7	NSH "PALLATI I RINISË" Prishtinë (active)	24/05/2006 Based on <u>AR0998</u>
8	NSH "LAVERTARIA – BLEGTORIA" Prizren (small activity)	20/07/2006 Based on <u>AR1020</u>
9	NSH "NEREZINA" Mushtisht, Suharekë (the whole enterprise has been given for rent)	08/02/2006 Based on <u>AR0853</u>
10	NSH “VRESHTARIA” Landovicë, Prizren (passive)	14/07/2004 Based on the request of Prizren RO dated 30. 06. 2004
11	NSH "NEWCO LLAMKOS" Vushtrri (passive)	28/09/2009 Based on PAK Board meeting dated 29 April 2009

Enterprise that has been put under Direct Administration during the year of 2009 is:

1. “Newco Llamkos” , Vushtrri.
 - Non fulfillment of commitments of special spin off by the Buyer

Enterprises which have been removed from Direct Administration during the year of 2009 are:

1. Social Enterprise “Thertorja eksportuese”, Prizren.
2. Social Enterprise “18 nëntori”, Hoçë e Madhe, Rahovec.

Enterprises under Direct Administration that have been privatized during the year of 2009 are:

1. Social Enterprise “Sharr Salloniti”, Hani i Elezit.
2. “Cattle Farm” in Arbanë (former Dushanovë) of Prizren, that is an asset of Social Enterprise “DLB-Drejtoria, Lavërtaria dhe Blegtoria”

Privatisation Agency of Kosovo – Annual Report 2009

It can be concluded that Direct Administration has continuously held a managing role in stabilizing the financial situation, which has resulted in improvement and prevention of further destructions of Social Enterprises.

Additional details of the activities and results of Direct Administration for the time period 1 January – 31 December 2009 have been listed in Annex 1.

4.3 Monitoring Unit

The Monitoring Unit aims to monitor the fulfillment of conditions related to commercialization contracts signed between UNMIK and Department for Trade and Industry for Enterprises subject to commercialization, as well as monitoring the fulfillment of investment and employment commitments, based on Commitment Agreement for enterprises privatized through the method of Special Spin-Off.

Commercialized Enterprises

The first commercialization was performed on 13 June 2000. Until the year 2003, there were eighteen commercialized enterprises, nine of them within the commercialization time limit, four of them were privatized and five enterprises were terminated due to the failure to fulfil the commitments.

Monitoring Unit didn't inherit a clear and exact overview over fulfillment of commercialization contract terms and conditions from Kosovo Trust Agency. All electronic data have been erased and the KTA didn't maintain data base for monitoring of Commercialized Enterprises, as in the case of Special Spin-off. Moreover, the reports weren't updated and almost all enterprises reported only until the end of 2007.

In order to overcome this situation, external independent auditors were engaged by PAK for all commercialized enterprises. All audits were completed, (except for SharrCem which will become the subject of audit process during 2010) and from the audit reports results an average investment and employment fulfillment, while the lease payment remains below average limit.

On the other hand, there are four (4) enterprises that requested to enter privatization before the end of contracts, and which are planned to be privatized during 2010, which are:

1. Zdrukthtaria;
2. Remont-Servis;
3. Industria Ushqimore and
4. Motel "Besiana"

Moreover, during 2010 we will proceed with privatization of SharrCem Factory, since the commercialization contract will end on date 13.06.2010.

Special Spin Offs

The first Sale was done on 23 March 2005 through Special spin-off and there is a total number of 24 enterprises privatized through Special Spin Off. Since the beginning of work, PAK has initiated an independent external audit for 22 enterprises privatized through the method of Special Spin Off.

Privatisation Agency of Kosovo – Annual Report 2009

These audits were completed depending on auditor's findings and based on the strategy for Special Spin-off-s, the Monitoring Unit has prepared certain recommendations for Board of Directors. Based on these recommendations, the Board of Directors has approved release from terms and conditions deriving from Commitment Agreement, pursuant to the article 7.1 for Special Spin Off-s, as the following:

1. Banja e Kllokotit ;
2. Feronikeli;
3. Birraria Peja
4. Contruction Material Industry "IMN".

While six (6) recommendations are waiting for Board of Director's decision, and those are:

1. Hotel Iliria
2. Rahoveci Winery
3. Grand Hotel
4. IDGJ Tobacco
5. MIM Golesh
6. XIM Strezoc

Board of Directors in the meeting held in January 2009, has confirmed the PAK Board decision brought in the meeting held in May 2008 concerning Call Option for Llamkos, since the Buyer and the Company have egregiously violated the Commitment Agreement. All procedures are completed and the Shares have been returned on behalf of the SOE administered by PAK.

On the other hand, there have been many efforts in order to overcome and cure the situation in enterprises, which failed to fulfil entirely the commitments and the Commitment Agreement timeline has expired. During 2010, it is expected to make decisions for future steps.

For further details concerning the situation of Commercialized Enterprises and Privatized Enterprises through special spin-off, see Annex II and III:

4.4 Trepça Unit

The report includes overall working activities of Trepça enterprise, with the specific emphasis for mines and flotation of the enterprise, for the year 2009. In the analytical way it is presented the fulfilled production for year 2009, for Stantërg and Artana mines, and Chemical Industry.

As a consequence of the negative flow at the metal stock-market and drastic decrease of prices during the year 2008, and beginning of year 2009, Trepça management canceled the announced tender for sale of the Pb and Zn concentrate in January 2009. With the increase of prices at the metal stock-market, management decided to re-announce the tender for sale of Pb and Zn concentrate. The action of sale of concentrate in June, brought to Trepça enterprise increase of revenues in the amount of 548,796.28 € or 57.76%, compare to sale conditions that were in January. In the report presented are visits of distinguished local and international personalities that were done to Trepça enterprise.

Trepça's activity

Trepça has 9 mines in Kosovo, 6 of which have good possibilities for a full activation and successful business. These mines present a splendid opportunity for ore exploitation. They are located in municipalities of Albaniku (Leposavic), Mitrovica, Prishtina and Artana (Novo Bërdo). Trepça possesses two foundries for Zinc and Lead whereas as secondary activities it includes the battery factory, plastic factory, silver ornaments, factory for hunting munitions, processing factory and hotels and business premises as well.

Activities during 2009

As an initial remark we need to emphasize the fact that Trepça as an enterprise comprises of some assets where a part of them are located in the north of Kosovo and they are not yet completely controlled by PAK, this report includes the Trepça activities for the southern part only. PAK has appointed a new director for the south part of Trepça and with his arrival the work has started without any delay in direction of identifying many problems with which the enterprise is dealing. The reorganizing and restructuring has started in Trepça. The new organization structure was drafted and based on it the staff changes have been done. The only aim of these measures was increase of labors' productivity in Trepça by enforcing modern methods of management through planning, organizing, leadership and control. Management of Trepça focused its efforts in increase of the financial stability of the enterprise by increasing incomes and decreasing losses.

The current situation in Trepça (south part) regarding employees is as follows:

Regular employees	– 1339 employees
Beneficiaries of pensions and stipendiums	– 3926 beneficiaries

- By recommendation of MLSW and Office of the Auditor General, they have done the identification and removal of 353 persons from the lists of beneficiaries of early retirement and social assistance, they had a working contract but they benefited also early pensions or stipendiums.

Except other common activities of the limited business of Trepça, on February 20-28 they have organized a manifestation Miners' Week, in order to celebrate the twentieth anniversary of miners' protests. This manifestation was held for the first time under the attention of the Kosovo Prime minister Mr. Hashim Thaqi. During this period, the mine with flotation in Stantërg, was visited by politicians, military personalities and businessmen as are: Head of the International Civilian Office (ICO) Peter Faith, the ambassador of France in Prishtina, Ms

Privatisation Agency of Kosovo – Annual Report 2009

Delphine Borione, the KFOR French general Mr.Patrik Ribayrol, the General Commander of KFOR in Kosovo E. Gay, representative of the American Embassy and USAID, Minister of Energetics and Mines , Mrs. Justina Pula –Shiroka, Deputy Minister of Economy and Finance Bedri Hamza etc. They have discussed and exchanged opinions with all these persons in order to overcome difficulties and problems that preoccupy Trepça.

During this year (2009) , Trepça has signed a memorandum of understanding with the : University of Prishtina, University of Humboldt from Berlin, University College “ Tempulli” Prishtina, Ministry of Public Services, Ministry of Energetics and Mines, Ministry of Environment and Spatial Planning and Post- Telecomm of Kosovo.

In all these agreements it is planned to have possibilities for a cooperation, whereas within this cooperation the ministry of Environment and Spatial Planning together with the Ministry of Energy and Mines, with a joint investment with Trepça enterprise to build premises of the crystals museum in Stanterg where according to the project that is by now ready, these premises will be built basing on European standards.

The Board of Post and Telecomm of Kosovo seeing the difficult situation of Trepça decided to donate to the enterprise: 80.000 Euro monetary means that will be used for improvement of work conditions, food, repair of cafeteria and other spaces for Trepça enterprise; settlement of debt that the enterprise had toward PTK in value of 14.736,37 Euro, a vehicle of type Mercedes E-200. Agreement between parties was signed on 03.06.2009, and the enforcement begun immediately.

With the aim to integrate all assets of Trepça enterprise, many contacts and visits were realized in factories: Famipa in Prizren, factory of industrial batteries Trepça in Peja and factory Metaliku in Gjakova which shown complete understanding. In the last one (Metaliku), a new director was appointed by the mayor of Gjakova municipality Z. Pal Lekaj which shows a positive tendency for a good cooperation with Municipal Assembly. Also there were contacts set with the management of the north part Trepça enterprise. Management of the south part met with the director of the north part and they agreed to deepen the cooperation in the areas of joint interest for this enterprise. This cooperation is continuing in the level of experts and managing staff of two sides.

On May in Stantergu mine, miners have stopped the work with the aim to start a strike. After a discussion of many hours in the tenth horizon and after consulting the prime minister of Kosovo Republic, they have reached an agreement for the miners to start to work while the management together with the strike council have formed the committee for salaries leveling and classifying the working positions in the whole enterprise, a work that has been done based on these criteria: professional qualification of employees, risk at the working place, level of responsibility etc.

The committee has finished the job successfully and salaries for June were given based on this classification. During this time the negotiations have continued with KEK and MEM for the debt that our enterprise has for electricity. Trepça has made a request to the relevant institutions of Kosovo, to grant subsidies to Trepça in the budget review, in order to overcome the difficult situation of the enterprise. Experts of Trepça enterprise participated in public debates organized by Ministry of Energy and Mines related to mining strategy and have expressed their ideas, advises and suggestions for these issues.

The management of enterprise has drafted a strategy for initiating processes for development of Trepça enterprise, presented to relevant institutions that are linked with Trepça.

Privatisation Agency of Kosovo – Annual Report 2009

Production, Revenues and Capital investments:

In the following section are presented the production, revenues and capital investments for year 2009. These figures were compared with the figures of the previous year in order to have a better picture of the achievements in 2009.

Production:

At the Stanterg Mines there was 27.73% more ore produced then during the year of 2008. Flotation in the first tunnel during 2009 it was 6.60% higher than the previous year, on the other side Artana Mines ore production was higher in 2009 comparing to 2008 for 45.19%. Furthermore, at flotation in Kishnica there was 20.23% increased production then the previous year.

The following tables contain more specific data in this regard:

Name of Unit	Year 2008	Year 2009	Comparison 2008-2009 in %
Stanterg Mines	69,854.0 (t) Ore	89,225.0 (t) Ore	27.73%
Flotation in first tunnel	3,060.0 (t) K/Pb 5,207.0 (t) K/Zn	3,719.0 (t) K/Pb 5,094.0 (t) K/Zn	6.60%
Artana Mines	19,777.0 (t) Ore	28,713.0 (t) Ore	45.19%
Kishnica Flotation	590.0 (t) K/Pb 1070.8 (t) K/Zn	620.0 (t) K/Pb 1,376.8 (t) K/Zn	20.23%

Revenues:

Successively, the revenues indicate an increase as well. Revenues received from the production and processing are shown in the tables as follows:

Name of Unit	Year 2008 (€)	Year 2009 (€)	Comparison 2008-2009 in %
Flotation in first tunnel	2,529,822.10	4,321,055.17	70.80%
Kishnica Flotation	459,079.22	761,983.26	65.98%
Zinc Metallurgy	0.00	1,275,264.56	
Chemical Industry	161,813.67	162,007.89	0.12%
Customs Terminal	658,401.00	1,077,798.00	63.70%
TOTAL	3,809,115.99	7,598,108.88	

Capital Investment:

Trepça's capital investments in the Mine Division indicate €2,301,400.00 manly in aintenance and preparation of the mines for extraction of ore. On the other side investments in industry and processing division during 2009 was €252,495.00. Total investments realized for year 2009 reach the amount of €2,553,895.00. See the following table:

Privatisation Agency of Kosovo – Annual Report 2009

Division	Name of Unit	Year 2009
Mine Division	Stanterg Mine	€2,301,400.00
	Flotation in the first tunnel	
	Artana Mine	
	Flotation in Kishnica	
Industry and Processing Division	Zinc Metallurgy	€252,495.00
	Chemical Industry	
	Factory of Processing Equipment	
	Customs Terminal	
TOTAL		€2,553,895.00

Subsidies at Trepça Enterprise during the year 2009

The Trepça Enterprise, under the PAK administration, during the year 2009 has benefited 4,739,431.00 € from the Consolidated Budget of Kosovo, in the form of subsidies.

These funds were received through transfers as follows:

- First trench in the amount of 1, 443,527.00 € was transferred at the Trepça account on 11.02.2009.
- Second trench in the amount of 943,527.00 € and 150,000.00 € was transferred at the Trepça account on 29.04.2009.
- Third trench in the amount of 423,536.00 € was transferred at the Trepça account on 30.07.2009.
- Fourth trench in the amount of 1,778,841.00 € was transferred at the Trepça account on 30.10.2009.

From these funds, 1,446,077.00 € have been dedicated for Trepça Enterprise – north part meanwhile other part, the amount of 3,293,354.00 € were spent on the Trepça Enterprise - south part.

5. Executive Branch

5.1 Department of Regional Coordination

The Department of Regional Coordination is supervising the work of the PAK Regional Offices. The PAK, beside the main headquarters in Prishtina, has five Regional Offices (ROs) in Prishtina, Peja, Prizren, Gjilan and Mitrovica located throughout Kosovo and three satellite offices in Leposavic, Shtërpe and Gracanica that bear primary responsibility for collecting information about SOEs in the respective regions, as well as implementing privatization, liquidation and corporate governance activities.

The mandate of the ROs is to exercise the administrative functions of PAK with respect to the SOEs ensuring that PAK properly performs its trust obligations in their regard. The RO's are responsible for performing all tasks needed for PAK to successfully accomplish its mandate that have not been exclusively reserved by PAK headquarters or assigned to other PAK functional units. In particular the Regional Offices undertakes the liquidation of the enterprises under the Administrative Authority of the PAK and as such provide the majority if not all of the staff for the Liquidation Committees.

Regional Coordination Departments coordinates activities in the regions, ensuring a uniform policy approach and effective implementation of PAK decisions across the region. Also supervises the flow of information from the Regional Offices to relevant Departments and Units of the PAK

Regional Coordination Departments through its five regional offices during the 2009 were responsible for the following issues:

- Created a Task Force Working Group for review of status of Gjakova enterprises. This group comprise with Peja Regional Office, Legal Department, Sales Department and Internal Audit Unit;
- Preparation of Master List for all PAK SOEs;
- Collection of relevant data for SOE's and ensuring its storage and safekeeping;
- Identifying, analysing and prioritising socially-owned enterprises for privatisation, and assisting where necessary in relation to those enterprises that come under different divisions of the PAK as and when requested within the limited resources available;
- Preparation of all documents for eight (8) Waves of privatisation during 2009 which includes 91 NewCos, 75 Board Briefs (BB), 91 Fact Sheets (FS), 91 Information memorandums (IM), 91 Certain Legal and Other Risks (CLOR), 91 Data Rooms (DR).
- Preparation of all documents for Status Determination (SDR) for 62 SOEs;
- 52 Workers Lists prepared and submitted to PAK HQ.
- Regional offices have certified all information and cadastral updates, mortgages, pledges, for 103 Contracts from sale of Ordinary Spin-Off and 65 contracts form liquidation asset Sale.
- Financial issues: regular monitoring and control of financial statements of active SOEs.
- Legal issues: regular monitoring, assistance and legal representation of SOEs in regular courts as required.
- Cadastral issues: investigation and completion of all required pending cadastral issues and increase of cooperation with Municipal Cadastre Offices.

Privatisation Agency of Kosovo – Annual Report 2009

- Continuous work in scanning and archiving of documentation of SOEs in all five Regional Offices.
- Participation of staff members based in Regional Offices in in-house trainings related to the liquidation procedures
- All documents related to Wave 42 of privatisation have been prepared and submitted to PAK HQ.
- Regional Coordination Department through its 5 regional offices identified and prepared Business Plan 2010.

5.2 Internal Audit Unit

The Internal Audit Unit has successfully managed to fulfil its work plan for 2009, by providing substantial recommendations to the senior management.

Following presents achievements for 2009 separately, for each activity/audit undertaken by Internal Audit Unit.

1. **Human Resources Department Audit**, This audit began functioning in September 2009, and it mainly involved the audit of recruitment procedures, employment contracts, evaluation, employment termination, etc. The results deriving from this audit, are consisted of 6 (six) relevant recommendations, which were almost entirely accepted by management. The follow-up of the recommendations will be conducted during 2010.
2. **Procurement's Unit Audit**, was a part of the annual plan for 2009, and it has been developed in full compliance with legislation. This audit has mainly involved the procurement procedures and resulted with concrete recommendations that will assist the management in the future. The follow-up will be conducted during 2010.
3. **Audits conducted at the request of Management**, during the year 2009, were conducted two audits of different natures, advances and the SOE Absorbers "Amortizatorët". Relevant recommendations were given for the same problem.
4. **Drafting IAU Strategy for 2010 – 2012**, for the first time, was developed a three year internal audit strategic plan in a professional way, based on risk assessment for all PAK Units. The aim of this strategy is to complete the audit process for the entire system (over 25 processes) within a period of three years.
5. **Drafting Work Plan for 2010**, is conducted in full accordance with IAU's strategy, where are planned 12 regular auditing, monitoring the recommendations provided during 2008, and audits at the director's request. Both documents (work plans) were approved by Directors of the Board of PAK, and as such they have an executive power within the organization.
6. **Drafting IAU charter**, after a very successful work, the IAU has also managed to prepare the Internal Audit Unit charter in the PAK. In this very important document were foreseen the rights and responsibilities for internal auditors, and the senior Management.
7. **Other works**, conducted in relation with work managing and Consulence for Management and similar.

5.3 Finance and Budget Departments

The following duties were performed successfully by the Finance and Budget Department during the year 2009:

- Finalisation of financial statements for fiscal year 2008;
- Preparation of the software for the fiscal year 2009 (trust funds, KCB funds, donor funds and payroll database).
- Regular monthly reconciliation of trust accounts, KCB budget and funds received from the donor;
- Monthly reports were regularly submitted to the Management of the Agency and Directors of the Agency;
- Monthly reports were regularly submitted to the Director of Treasury MEF;
- Annual reconciliation of trust accounts, KCB budget and donor funds for the year 2009;
- Monthly preparation of Summary of Management Information System (MIS) and regular reporting to the Management;
- The issue of the interpretation of the VAT change from 15% to 16% for contracts in force as of 1st January 2009 was agreed in full compatibility with the Tax Administration of Kosovo. Confirmation in writing was taken from TAK for this interpretation;
- Finance and Budget Department has completed the first phase of designing an advanced database in MS Excel for the financial administration of the trust funds. The database has been tested during the reconciliation process for months of May to Dec 2009. The second phase of designing the database is expected to start in 2010. This phase includes designing the database in Access and integration with the Central Bank database. The integration of reports of the PAK Liquidation Management System (LMS) of the Agency and the Finance and Budget Department for all bank accounts is successfully generated in the new database;
- Finance and Budget Department prepared in MS Excel platform an advanced Liquidation Management System of SOEs in Liquidation:
 - The database is designed following guidelines for priority of legal claims, international standards for liquidation and Agency needs for reporting by the liquidation committees and PAK Finance and Budget reporting requirements;
 - Based on above requirements, the new database (LMS) was designed by the Agency's contractor for the integrated software application for all SOEs in liquidation.
 - The new software keeps the reporting format as outlined in financial and liquidation requirements database. The final acceptance certificate has been signed. The new software will be used by all Liquidation Committees.
- Memorandum of Understanding between Central Bank of Kosovo and Privatisation Agency of Kosovo has been signed on 12th December 2009 on electronic transfers. Main objective of the Agency is the automatic and electronic registration of bank transfers prepared by the Agency and executed by CBK.
- Budget 2010 for the Agency has been approved by the Assembly of the Republic of Kosovo.
- Financial statements 2009 were prepared based on Administrative Instruction from MEF and International Public Sectors Accounting Standards (IPSAS)
- Financial statements of trust funds were prepared according to the concept of cash basis and according to the best practice. This format of financial statements was audited by

Privatisation Agency of Kosovo – Annual Report 2009

The Office of the General Audit of Kosovo during the year 2007 and had no complains whatsoever in the format of financial reporting and was given an unqualified audit opinion by the Auditor regarding the financial statements of trust funds.

During the year 2009, the Agency had five external audits:

1. The Office of the Auditor General of Kosovo performed the audit of Financial statements for 2008. The last audit report was issued on 27 July 2009. OAG has issued an unqualified opinion as follows: In our opinion the financial statements present a fair and true view in material aspects of financial of the Agency for the period ended on 31 December 2008 and its financial operation during the same year. As an emphasize of matter, OAG has drawn the attention to the Agency for the lack of reporting from the north part of Trepca complex.
2. The Office of the Auditor General of Kosovo during 2007 audited trust funds for the period from July 2003 until 30 September 2007 during the mandate of ex-Kosovo Trust Agency. As continuity of the audit of Trust Funds, The Office of the Auditor General of Kosovo performed the audit of Trust Funds for the period 1 October 2007 until 31 December 2009. The audit was performed in two phases. The first phase includes the period from 1 October 2007 until 30 September 2009. Whereas the second phase includes last three months of 2009 and the audit of the financial statements of trust funds.
3. The Office of the Auditor General of Kosovo performed the audit of fiscal year 2009. The audit is being performed in two phases. The first phase included the first nine months of 2009. Whereas the second phase includes the last three months of 2009, the financial statements 2009 and the Assets Register for 2009.
4. The Audit of the first Donor Grant (European Commission Liaise Office in Kosovo) for the period August 2008 until June 2009 was performed by Moore and Stephens Chartered Accountants from London (contracted by the European Commission Liaison Office in Prishtina). This audit is performed as a regular audit conducted on various projects financed by ECLO in Kosova. The audit report has not been submitted yet until the date of declaration of financial statements of the Agency for the year 2009, and
5. The Audit of the first Donor Grant (ECLO) was performed by Univerzum Audit from Prishtina (contracted by the Agency). This audit is performed as a condition of the grant agreement between ECLO and the Agency. The audit report has not been submitted yet until the date of declaration of financial statements of the Agency for the year 2009.

Detailed Balance in Bank Accounts 2008-2009 is presented in Annex IV.

Detailed PAK Annual Accounts 2008-2009 are presented in Annex V.

PAK Management Information Summary is presented in Annex VI.

Privatisation Agency of Kosovo – Annual Report 2009

5.4 The Legal Department

The PAK Legal Department provides significant input into all the activities of the PAK including privatization, liquidation, procurement, court litigation, review and amendments of sales contracts, internal regulations and other legal instruments. The PAK Legal Department is also the focal point and one of the crucial support units towards PAK Board of Directors related matters.

Generally, Legal Department among significantly high volume of work handled, faces with a problem of change of the staff since most of the old staff member left their jobs mainly joining new international organizations coming in Kosovo. At the moment PAK Legal Department in composed by 42 staff members. New recruitment of the vacant positions are expected from the beginning of the January 2010. Constant and systematic capacity building of the staff within the PAK Legal Department represents an immediate objective of the Agency.

In addition to this, very uncertain policy position of the Special Chamber of the Supreme Court of Kosovo (“SCSC”) toward the Privatization Agency of Kosovo represents serious obstacle and a challenge for the PAK Legal Department. During the second half of the year 09, the SCSC moved relatively in its position in positive meaning toward PAK legal subjectivity.

Cross border activities

The Litigation Unit has taken part in several court cases that are in process outside the Kosovo. Based on records that possess the Agency in total there are 8 court cases that are in process in the different courts in Montenegro. The Staff members of the Legal Unit have participated in some these cases, and have undertaken the certain legal actions. In meantime the Agency has engaged external law company whom is currently dealing with these cases.

5.4.1 Secretariat of the PAK Board of Directors

Board Secretariat Office of the Privatization Agency of Kosovo supports all PAK Departments in preparing the subjects and its material for approval, it organizes BoD meetings, respectively twelve of them during a calendar year, not including extraordinary. Secretariat of the PAK Board of Directors is chaired by the Director of the Board Executive Secretariat appointed by ICO and tow PAK staff members.

5.4.2 Claims Unit

Claims Unit (CU) consists of eight staff members, two of them serves in Mitrovica Claims Office.

CU has been registering over two 2455 new claims during the year 2009, also three to four times more documents submitted to CU were registered as additional submissions which do not count in the electronic calculation of the total number of claims.

All claims submitted by the claimants, from the Special Chamber of the Supreme Court (SCSC) and other local courts were duly registered, electronically stored and processed.

From the total 2455 claims received from the claimants and regular Courts, during 2009, about 1700 court documents were submitted to PAK by the Special Chamber of the Supreme Court (the SCSC).

Privatisation Agency of Kosovo – Annual Report 2009

5.4.3 Workers List Review Committee

Workers List Review Committee during the period of 2009 has achieved to realize its main objectives as set. All SOE claims have been reviewed which were published during the activity of predecessor Agency, respectively the enterprises that were published in 2007.

List of the seven (7) SOE finalized distribution of 20%

SOE	Region	Amount Distributed	Number of Employees
1. Eximkos	Prishtina	€ 605,156.20	110
2. IMN Dukagjini-Gjakovë	Peja	€ 1,216,899.39	227
3. NHTT Rugova	Peja	€ 526,115.44	157
4. Plastic Factory-Skenderaj	Mitrovica	€ 185,335.61	142
5. Veterinary Station Prizren	Prizren	€ 32,573.39	5
6. FAN-Podujevë	Prishtina	€ 496,765.43	420
7. Kosova Control	Prishtina	€ 17,476.67	6

5.4.4 Liquidation Review Committee (LRC)

- (i) Reviews and decides on claims submitted against decisions issued by the Liquidation Committee's.
- (ii) Prepares and distributes decisions of the Liquidation Review Committee.

During the second half of the 2009 the International member of the LRC is appointed by ICR/EUSR. In addition the aforementioned assigned member serves also as a Chairperson of the LRC. The other member of the LRC is also recruited during the 2009. Due to well known fact concerning the general postponement of the Liquidation process, LRC was highly engaged in preparation work including active role in re- drafting of liquidation guide and liquidation templates. In addition LRC staff was actively involved in staff liquidation capacity building courses organized by PAK and on ad hoc basis the staff was engaged in other tasks mainly in reviewing of the sale contracts and specific litigation matters.

Committee is now equipped with its appropriate stamps that will be used for protocol (log) and certifying the decisions.

Privatisation Agency of Kosovo – Annual Report 2009

5.5 Human Resources Department

The Human Resources Department function is the management and service function, driven by changing strategic and operational priorities of the Agency. The Human Resources Department contributed by providing professional leadership in the implementation and operation of effective human resources systems and practices. These includes staff planning, recruitment, salary policy, analysis of training needs and introduction of appropriate training activities, conflict resolution, staff counselling and contribution to the development of sound and effective administrative processes. The Director of Human Resources reports to and works interactively with the Agencies management in accordance with the staff and employment policies of the Agency approved by the PAK Board of Directors, and manages a compact group of Human Resources Officer. The Human Resources Department works in close interaction with the Finance and Budget Department.

Present Status December 2009

ECLO

		STATUS			TOTAL
		FILLED	ONGOING	VACANT	
DEPARTMENT BROAD	Department	LOCAL	LOCAL	LOCAL	
LEGAL DEPARTMENT	Legal Secretariat	4	1		5
	Claims Registration Unit	7			7
	Liquidation Review Committee (LRC)	3	2		5
	Workers Lists Review Committee (WLRC)	8	1		9
	Claims Registration Unit North Mitrovica	2			2
	Legal Services-Litigation	9			9
	Legal Services-SDR	3			3
	Legal Services-Opinions	3	1		4
	Legal Services-Contracts	3			3
TOTAL		42	5		47
INTERNAL AUDIT UNIT	Internal Audit Unit	4			4
TOTAL		4			4
FINANCE AND BUDGET DEPARTMENT	Finance and Budget Department	11			11
TOTAL		11			11
HUMAN RESOURCES DEPARTMENT	Human Resources Department	5			5
TOTAL		5			5
ADMINISTRATION DEPARTMENT	Procurement Unit	4			4
	It Comms Unit	5			5
	Archive Unit	3			3
	Language Unit	10			10
	General Services Unit	8			8
	Front Office	1		1	2
TOTAL		31		1	32

Privatisation Agency of Kosovo – Annual Report 2009

		STATUS			
		FILLED	ONGOING	VACANT	TOTAL
DEPARTMENT BROAD	Department	LOCAL	LOCAL	LOCAL	
CORPORATE GOVERNANCE DIVISION	Direct Administration Unit	5			5
	Control and Supervisory Unit	3			3
	Monitoring Unit	4			4
	Executive Front Office	3			3
	Trepca Unit		1		1
TOTAL		15	1		16
DEPARTMENT OF REGIONAL COORDINATION	Front Office	2			2
	Pristina Regional Office	20	1		21
	Gjilan/Gnjilane Regional Office	15	1		16
	Peja/Pec Regional Office	18			18
	Mitrovica Regional Office	18			18
	Prizren Regional Office	17			17
TOTAL		90	2		92
ASSET REALISATION DIVISION	Executive Front Office	3			3
TOTAL		3			3
SALES DEPARTMENT	Sales Department	4			4
	Tender Preparation Unit	2			2
	Marketing and Investor Relation Unit	6			6
	Agriculture and Forestry Unit	8			8
	Cadastral Unit	4			4
TOTAL		24			24
LIQUIDATION DEPARTMENT	Liquidation Department	3			3
	Liquidation Unit	1			1
	Tender Closing Unit	5			5
	Transition Unit	2			2
	Workers List Unit	3			3
TOTAL		14			14
MANAGING DIRECTOR EXECUTIVE BRANCH	Press and Public Relations Unit	1	1		2
	Executive Front Office	1		1	2
TOTAL		2	1	1	4
TOTAL		241	9	2	252

5.6 The Administration Department

Budget

In the reporting period ending 31st of December 2009, the Administration Department had €1,568,685.00 allocated for its budget.

Out of this, the Administration Department managed to spend around 71.70% of this allocated budget for 2009.

It is important to note, that out of this budget, 2 budgetary lines were not initiated. One of these lines the development of financial administration software which was a capital project, had an allocation of funds in the amount of € 65,000.00, whereas the other project was for Liability Insurance in the amount of € 120,000.00.

These two projections have been allocated in the 2010 budget.

Policies and procedures

During 2009, the Administration Department prepared and received management approval for the following internal policies and procedures:

- Procedures for Assets registration, control and reporting;
- Regulation on Occupational Safety, Health and the Working Environment;
- Fire Protection Regulation;
- Procurement Policy;
- Representation Policy in collaboration with the Finance and Budget Department;
- Regulation on establishment and operation of the Property Commission;
- Smoking resolution;

Management of PAK assets

The Administration Department is currently in the process of registering its assets for the year ending 2009. Committees have been set up in HQ and regional offices and they are currently in the process of registering all PAK assets. The final report on the status of PAK assets will be delivered after 18th of January 2010.

Other important activities

- In order to provide more adequate office space, new office containers were purchased to accommodate for the growing number of PAK staff;
- 3 new satellite offices in Shterpce, Gračanica and Leposavic were set up;
- In order to provide for a better working environment, all carpets in PAK have been refurbished;
- Archive software purchased and in process of being tested by the Archive Unit;
- All POE documents that need to be cleared out of PAK and sent to the Ministry of Finance and Budget have been identified.

Conclusion

PAK strongly believes that it has performed well under the given circumstances and in order to increase performance and continue with the smooth operations, there is an urgent need regarding the amendments to the current legislation related to the activities of PAK and the Special Chamber of the Supreme Court of Kosovo and their full compliance with the provisions of the Comprehensive Status Proposal of President Ahtisari.

These necessary adjustments in the current legislation are required in order to enable the proper functioning of the PAK and SCSC of Kosovo which un-doubtedly will accelerate the overall process of privatization and in particularly liquidation and the distribution of 20% to the eligible employees by allowing the PAK to fulfil its mandate within given time frame.

Finally, we would like to express our gratitude to the European Commission Liaison Office (ECLO) in Kosovo for the financial support.

The Board of Directors,

Dino Asanaj,

Chairman

Annexes

Privatisation Agency of Kosovo – Annual Report 2009

Annex I – Information Matrix on Companies under Direct Administration

STATE OF THE ENTERPRISES UNDER DIRECT ADMINISTRATION 01 January – 31 December 2009

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Difficulties of the Social Enterprise	Management issues and Corporate Governance	Perspective of the future
1.	<p>SOE “EMIN DURAKU”</p> <p>09/04/2008 <i>BASED ON AR1391</i></p> <p>Based on financial state of 31st December 2009</p> <p>Income: 22.993 € Income from government’s grant: 2.882 € Expenses: 16.524 € Cash: 1.677€</p>	<p>-Social Enterprise “Emin Duraku” is claimed to be Joint Stock Company. -Difficult recovery after the dismissal of the previous management which has been caught selling production equipments as waste. -Difficulties in collecting rent.</p>	<p>-Situation in SOE Emin Duraku is under control, after the intervention with security workers from Security Company Delta Security, PAK’s contractor. –The right of entrance into the Directory-Administration premises has only the management of the Enterprise “Emin Duraku” composed of 5 people and the leadership of the Workers Union composed of three people. -The registration of the Enterprise’s assets has been preformed and bank accounts of the enterprise have been put under control. -Work is being done on the definition of the status of the enterprise - The collection of the rent has been increasingly improved and from it the management is regularly paid and from time to time the workers on social assistance.</p>	<p>-Work shall be done to define as soon as possible the status of the enterprise. After this it can be proceeded very quickly since the enterprise has no other disputes be it related to ownership or legal.</p>
2.	<p>SOE “VIRXHINIA”</p> <p>09/04/2008 <i>BASED ON AR1367</i></p> <p>Based on financial situation on 31st December 2009 Income: 55.201 € Expenses: 53.062 € Cash: 83 €</p>	<p>-This enterprise has been proposed for privatization in Wave 27 but after the management’s refusal for cooperation as well as workers cooperation it has been withdrawn. -Workers claims are that it is a Joint Stock Company The enterprise has filed a claim in the Special Chamber of the Supreme Court against KTA for not defining its status. -</p>	<p>-A proper cooperation with this enterprise has been achieved in this enterprise during this year and now they report to Direct Administration. -The bank account of this enterprise is also being controlled by Direct Administration. -This enterprise is active and generates income from rent. The equipments of this enterprise are very well maintained. -This enterprise pays all its financial liabilities as well.</p>	<p>-It is proposed that during the year of 2010 this enterprise to be removed from Direct Administration and to be returned under the jurisdiction of Agriculture where it has been earlier.</p>

Privatisation Agency of Kosovo – Annual Report 2009

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Difficulties of the Social Enterprise	Management issues and Corporate Governance	Perspective of the future
3.	<p>SOE “REKREATURS” 20/03/2008 <i>BASED ON <u>AR1388</u></i></p> <p>Based on financial situation on 31st December 2009</p> <p>Income: 0 € Expenses: 0 € Cash: 0 €</p>	<p>-This enterprise has an overall surface of 3.5 hectares placed between Saint Stefan and Budva in Montenegro.</p> <p>-From the overall surface 80 % is asset of the enterprise and approximately 20 % of it has been property of Social Enterprise “Derma Commerce” and “Bankos”.</p> <p>-Lack of documentation and information.</p> <p>-Development of judicial proceedings in Podgorica in Montenegro.</p> <p>-Hesitation of Montenegrin authorities to accept PAK as equal party.</p> <p>-Existence of parallel Social Enterprise with name “Rekreaturs” in Serbia.</p>	<p>-Legal Representation of Legal Department of Privatization Agency of Kosovo in judicial hearings in Montenegro.</p> <p>-This enterprise does not perform any activity in Kosovo.</p>	<p>-Selection of temporary Managing Director of the enterprise</p> <p>-Following the court hearings and expecting the epilogue of the trial.</p> <p>-Preparation of variants after final epilogue of the judicial process in Montenegro.</p>
4.	<p>SOE “UNIMONT” 21/09/2006 <i>BASED ON <u>AR1091</u></i></p> <p>Based on financial situation on 31st December 2009</p>	<p>- On June 2006 main manager deceased. From that time a lack of complete management in the enterprise has existed. Former main manager took with him a range of secrets related to the agreements made with suppliers and clients.</p> <p>-Furthermore the enterprise has left as mortgage several of its assets to the Financial Institution ABU-on</p>	<p>-Two responsible people have been appointed from this enterprise that report to PAK.</p> <p>-Asset registration has been finished.</p> <p>-The enterprise has been given for rent to a private enterprise with the monthly rent at the amount of 2500 Euros and from this amount on monthly bases 100 workers of the enterprise are paid by 25 Euros each.</p>	<p>-Control and monitoring of the Rent Agreement.</p> <p>-Preparation of the Administration Building for privatization during the year of 2010.</p> <p>-Judicial Procedures to be followed and to find a solution in regards to the mortgaged assets as well as for the unpaid</p>

Privatisation Agency of Kosovo – Annual Report 2009

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Difficulties of the Social Enterprise	Management issues and Corporate Governance	Perspective of the future
	Income from the rent: 13,150.00 € Other income (Government's grant): 6,583.56 € Expenses: 19,083.56 € Situation of the bank account: 1.291,68 €	behalf of the loan at the amount of 1.1 million €. The mortgage is applied in all assets of the enterprise apart from the administration building, including here real estate which is its primary asset. -Continuous efforts of private employers for exploiting gravel from the enterprise's area.		loan.
5.	<p>SOE "SHARR SALONITI"</p> <p>20/06/2006 <i>BASED ON AR1002</i></p> <p>Based on financial situation dated 31 December 2009</p> <p>Income: 2.979.830 € Expenses: 2.006.756 € Investment: 364.276 € Cash: 608.798 €</p>	- This year there were huge difficulties until the moment when tendered for privatization, when there were frequent protests of workers against the privatisation.	- This was the most successful year since this enterprise exists. - Income has been increased significantly whereas expenses are decreased meanwhile there were significant investments in this enterprise. - Investment are made purchasing inventory for Customs Terminal which is under enterprise's areas. - The Enterprise is sold in Wave 40 of privatisation with a solid price of €8.890.000.	- After signing the sale contract this enterprise will be taken off from Direct Administration. - Signing of the Contract will take place after the buyer pays entire purchasing amount of this Enterprise.

Privatisation Agency of Kosovo – Annual Report 2009

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Difficulties of the Social Enterprise	Management issues and Corporate Governance	Perspective of the future
6.	<p>SOE “ARTIZANATI”</p> <p>20/06/2006 <i>BASED ON AR1015</i></p> <p>Based on financial situation dated 31 December 2009 Income: 36.000 € Expenses: 34.149 € Cash: 1.851 €</p>	<ul style="list-style-type: none"> - The Enterprise does not operate with its essential business and the income is from the rent of premises in Prishtina. - There is lack of documentation regarding the ownership rights of the enterprise. - In the last 20 years the Management failed to document ownership of the enterprise. 	<ul style="list-style-type: none"> - On 31 June 2006, the premise was rented to the Ministry of Internal Affairs for two year period with possible extension for one more year in amount of €3,000.00 per month, plus VAT. The Agreement between SOE Artizanati and Ministry of Internal Affairs ends on 01 July 2010. - 16 workers of the enterprise are paid from this rent. 	<ul style="list-style-type: none"> - Identification of ownership rights and preparation for privatisation process.
7.	<p>SOE “YOUTH SPORT CENTRE”</p> <p>24/05/2006 <i>BASED ON AR0998</i></p> <p>Based on financial situation dated 31 December 2009</p> <p>Income: 1.637.104 € Expenses: 1.272.387€ Cash: 200.186 € Investment: 82.296 €</p>	<ul style="list-style-type: none"> - A major problem of the Enterprise is the filed Claim at the Special Chamber of the Supreme Court by 15 claimants, claiming to be damaged when a part of the Youth Centre was burnt. - Other problem is undefined status of the Enterprise. - Interim measures from the Special Chamber of the Supreme Court. The delay of changing the status and other actions from the Special Chamber. 	<ul style="list-style-type: none"> - This is the most successful year after the war. - Main Income of the Enterprise are from the rent and marketing as well as Fairs. Enterprise’s income is mainly from the rent, cultural activities, economical activities (advertisements), parking and fairs. - There is an increase of income monthly collection from parking, from around €3000 to over €12.000. - Increase of rent price. Lists of new rent prices are increased to 20%. - There is limitation of expenses. - For the first time after the war it is managed to be invested from own source revenue of the Enterprise as refurbishment of the Red Hall and isolation of the Youth Centre’s Platform. - A large number of shows, programs, manifestations and other activities were held. - This Enterprise manages to pay all taxes and other 	<ul style="list-style-type: none"> - Control and monitor bank account. - Will work more with legal defending of the Youth Centre at the Special Chamber of the Supreme Court, against 15 claimants, claiming to be damaged a part of the Youth Centre was burnt. - Will move forward with investment plan of the Enterprise, mainly with refurbishment. - Will work on determination of the status of Youth Centre. - No steps can be taken on changing the status of the Youth Centre before completion of the case at the

Privatisation Agency of Kosovo – Annual Report 2009

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Difficulties of the Social Enterprise	Management issues and Corporate Governance	Perspective of the future
			<p>obligations.</p> <ul style="list-style-type: none"> - The Enterprise has hired a lawyer for defending Youth Centre at the Special Chamber of the Supreme Court. 	<p>Special Chamber of the Supreme Court.</p>
8.	<p>SOE “DLB-DREJTORIA, LAVËRTARIA DHE BLEGTORIA”</p> <p>20/07/2006 <i>BASED ON AR1020</i></p> <p>Based on financial situation dated 31 December 2009</p> <p>Income: € 130.254 Expenses: €127.524 Cash: €3.977</p>	<ul style="list-style-type: none"> - The Enterprise has an approximate surface of 2,000 ha that is not registered in the name of the enterprise but in the name of former Combine KBI Progress. The Enterprise claims that to be a legal successor of this Combine. Cadastral Issue is related with the background of the Combine and the way that the land was taken through confiscation and occupation of the agricultural private land in the region. Since the conflict ended in 1999, the Enterprise is facing with an important number of claims and Court decisions regarding the confiscated/occupied land. - Unpaid taxes for a long time 	<ul style="list-style-type: none"> - Payment of all suppliers was done, that the Enterprise owed them in the previous years. - There are other liabilities for workers salaries and other tax liabilities. - Large number of court hearings for cleaning assets of the Enterprise were held and going to be held. - During this year was privatised an asset of the Enterprise “Cattle Farm” in Arbana (former Dushanova) Prizren. - Collection of rent is increased and in the meantime expenses were decreased. <p>Investment on seeding wheat continues as well for 2009/2010.</p>	<ul style="list-style-type: none"> - Exact control of financial situation and cadastral movements. - There should be cleaned the situation of disputed cases. - After signing the Contract with the buyer shall be handed over in possession “Cattle Farm”. - Two assets of the enterprise will be prepared for privatisation during 2010: <ul style="list-style-type: none"> 1) Hotel “Tirana” 2) Restaurant “Pojata”. - In the second part of 2010 shall be proposed that this enterprise go to liquidation.
9.	<p>SOE “NEREZINA”</p> <p>8/02/2006 <i>BASED ON AR0853</i></p> <p>Based on financial situation dated 31 December 2009</p>	<ul style="list-style-type: none"> -There are three potential owners of this Enterprise: <ul style="list-style-type: none"> a. Ballkan, b. Municipality, c. Zelengora; - There is a court case regarding the 	<ul style="list-style-type: none"> -Enterprise “Nerezina” is certainly the most modern and productive company of textile in Kosovo with a highly modern machinery which dates since 1992. - The Enterprise is given for rent to ArtaTex and month income is €80.00. The leaseholder pays monthly salaries to 20 workers of the Enterprise (€150.00 for each) total €3,000.00. Lease Agreement ends on 30 June 2010. 	<ul style="list-style-type: none"> - Monitoring the Leaseholder who is responsible to pay the lease and 20 workers and minimize debts to the privatisation time. - Work with the Legal Department on defining Enterprise’s status.

Privatisation Agency of Kosovo – Annual Report 2009

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Difficulties of the Social Enterprise	Management issues and Corporate Governance	Perspective of the future
	<p>Income: 960.00 € Other income (Government grant): € 8,880.00 Expenses: €9,552.24 Cash: €855.35</p>	<p>land, which emphasizes that the Municipality is the owner</p>	<p>- Despite the fact that the Enterprise is under lease, the building is protected by workers of the Enterprise, in total €740.00 per month.</p>	<p>- With definition of the status this enterprise can be taken off from the Direct Administration since there are no contests of other natures.</p>
10.	<p>NSH “VRESHTARIA” LANDOVICË 14/07/2004 <i>According to the request of RO Prizren, dated 30. 06.2004</i></p> <p>Based on financial situation dated 31 December 2009 Income €420 Other Income(government grant): € 26,400.00 Expenses: €27.294.00 Cash: €609.95</p>	<p>- The problem related to legal issue with Kosovavera. - Due to lack financial sources, no maintenance of approximately 1000 Vineyard are done. - The problem is large number of Claims by physical entities for returning the property. - Also another problem is the fact that the highway Vërmicë-Merdare covers large part of land of this Enterprise.</p>	<p>- Security guard of the Enterprise are currently in place protecting vineyard from damages and theft. - 20 Workers of the Enterprise are paid and the amount granted by the Government is €2,200.00 per month. - In order to protect assets from damage/break and provide a permanent protection to the vineyard by any harmful party. PAK Direct Administration has hired 19 security guards from the SOE and Enterprise Coordinator who at the meantime prepares asset lists required by PAK Direct Administration Unit. Twenty worker of this enterprise are paid by Kosovo Consolidated Budget.</p>	<p>- The purpose is to protect assets from damages and provide a protection to the vineyards by any irresponsible people. - This Enterprise shall propose to sent in liquidation in the second part of 2010.</p>
11.	<p>“NEWCO LLAMKOS” 28/09/2009 <i>Based on the PAK Board Meeting dated 29 April 2009</i></p>	<p>- Due to non fulfilment of Special Spin Off criteria by the buyer, PAK Board has taken a decision to return the shares. - “NewCo” large debts. - Unpaid salaries toward worker for</p>	<p>- On 28 September 2009 the Enterprise entered under Direct Administration. - Physical security was placed by “Delta Security” contracted by PAK. - A temporary management consisted of 6 people was selected, including Trade Union representative.</p>	<p>- This Enterprise will be prepared for retendering. - Court proceedings shall be followed for this Enterprise</p>

Privatisation Agency of Kosovo – Annual Report 2009

No. of SOE	Name of the enterprise and the mandate of Direct Administration	Difficulties of the Social Enterprise	Management issues and Corporate Governance	Perspective of the future
	Based on financial situation dated 31 December 2009 Income from Government grant 9.075 € Expenses: 9.075 € Cash: 0 €	16 months. - Continues Protests of workers.	- Registration of assets of the Enterprise is carried out. - Representatives of many International Corporations are allowed to visit departments at the Enterprise, which are in a very good condition	

Privatisation Agency of Kosovo – Annual Report 2009

Annex II – Information Matrix for Commercialised SOEs

Privatisation Agency of Kosovo – Annual Report 2009

No	Name of SOE (Commercialized)	Contract signing date	Contract ending date	Investment		Employment		Lease		% Investment	% Employment	% Lease
				Commitment	Confirmation	Commitment	Confirmation	Commitment	Confirmation			
1	Food Industry (Abi/Elif19)	19.04.2001	18.04.2011	3,391,910.33	2,161,727.00	22,940	13,494	296,549.27	20,451.68	63.73%	58.80%	6.90%
2	Carpentry (Egi Bau/Prizren)	16.09.2002	15.09.2012	1,444,300	1,105,251	6,816	2,336	50,490	0	76.53%	34.27%	0%
3	Remont Servise (Euro Food)	08.09.2003	07.09.2013	1,140,428	954,995	5,160	2,767	111,973.20	105,225.32	83.74%	53.62%	93.97%
4	Fapol (CRK)	03.07.2001	02.07.2011	1,896,892	1,094,393	18,660	11,324	75,927	75,945	57.69%	60.68%	99.40%
5	Poultry Farm	03.07.2001	02.07.2011	2,191,119	441,943	13,128	5,063	354,325.00	143,164.00	20.17%	38.56%	40.40%
6	Termovent (Dajti)	01.12.2001	01.12.2011	619,685	420,015.40	9,690	5,525	170,430.84	30,224.84	67.78%	57.00%	17.73%
7	Fan Besiana(CRK)	01.12.2002	01.12.2012	1,200,000	487,056	8,180	2,970	120,000	0	40.59%	39.13%	0%
8	Cement Factory (2k Group)	25.06.2001	24.06.2011	680,020	362,105.00	3,600	2,676	61,355	39,884	53.25%	74.3%	65%
TOTAL				12,564,354.33	7,027,485.40	88,490	46,155	1,241,050.31	414,894.84	55.93%	52.15%	33.43%

Table summary of Commercialized Enterprises

Privatisation Agency of Kosovo – Annual Report 2009

Annex III – Information Matrix for Special Spin Offs SOEs

Privatisation Agency of Kosovo – Annual Report 2009

Table summary of Enterprises Privatized through the method of Special Spin-Off

No	Name of SOE	Signing date	Investment Committed Amount	Investment Reported Amount	Investment Confirmed Amount	No. of Employees Committed	No. of Employees reported	No. of Employees confirmed	% Investment	% Employment	The end of Monitoring process	Decisions for financial penalties	Monthly invoices 6.1.1
1	M&SILLOSI	11/05/2005	19,887,564.40	18,534,041.93	0.00	8,205.00	8,400	8,400	0.00	102.38	10/11/2007		
2	Ballkan	21/07/2005	6,000,000.00	6,073,129.13	5,902,276.86	16,386.00	17,541	17,541	98.37	107.05	21/08/2008		
3	Llamkos	21/07/2005	15,000,000.00	1,666,264.86	0.00	5,200.00	4,979	0	0.00	0.00	20/07/2007		
4	Kllokot Spa	24/11/2005	3,150,000.00	4,008,203.33	3,252,000.84	3,687.00	4,170	4,170	103.24	113.10	23/11/2007		
5	Ferronikeli	50/04/2006	20,000,000.00	59,677,464.00	59,677,464.00	28,050.00	31,284	31,290	298.39	111.55	20.04.2009		
6	Peja Brewery	29/06/2006	15,206,000.00	13,021,196.60	15,234,098.28	19,845.00	15,012	13,503	100.18	68.04	28/06/2009		
7	Hotel Iliria	31/07/2006	3,000,000.00	3,383,849.91	2,944,171.00	7,905.00	3,995	3,995	98.14	50.54	31/07/2008		
8	IMN Brick Factory	28/07/2006	N/A	N/A	N/A	3,496.00	4,625	4,625	N/A	132.29	27/07/2008		
9	KosovaTex	31/08/2006	4,000,000.00	534,381.10	37,399.27	6,141.00	6,270	6,267	0.93	102.05	31/08/2010		
10	Rahoveci Winery	31/07/2006	5,000,000.00	4,100,638.60	4,772,692.00	7,500.00	8,568	8,379	95.45	111.72	31/07/2009		
11	TIG Tabacco Industry Gjilan	14/08/2006	5,599,000.00	1,639,319.61	1,057,876.00	12,147.00	6,623	4,032	18.89	33.19	14/08/2008	3,120,489	45,411
12	FAN	23/03/2006	2,800,000.00	1,058,781.34	1,579,912.10	4,071.00	4,230	4,230	56.43	103.91	23/03/2008		
13	Grand Hotel	13/10/2006	20,200,000.00	3,028,716.93	1,244,373.33	16,194.00	16,791	16,791	6.16	93.66	12/10/2009	3,980,682	307,081
14	Modeli	13/04/2007	2,200,000.00	1,584,322.85	1,381,807.67	4,254.00	4,452	4,452	62.81	104.65	13/04/2009		
15	F.Kosove-Mill	10/07/2007	15,000,000.00	14,132,255.63	12,404,634.93	5,640.00	5,742	6,102	82.70	108.19	10/07/2009		
16	NBI Suhareka	27/08/2007	8,600,000.00	2,166,557.27	2,116,162.00	5,503.00	3,267	3,221	24.61	58.53	26/08/2009		
17	IMK Pipe Factory	20/11/2007	13,200,000.00	5,240,554.46	2,907,186.94	5,760.00	6,051	6,105	22.02	105.99	20/11/2009		
18	Xim Stezovci	13/12/2007	14,300,000.00	546,457.36	138,073.41	3,810.00	479	454	0.97	11.92	13/12/2009	3,492,885	87,804
19	MIM Golesh	11/12/2007	16,200,000.00	788,651.02	117,570.00	4,858.00	535	1,042	0.73	21.45	11/12/2009	4,086,236	110,969
20	Ferizaj-Mill	28/04/2008	5,000,000.00	2,719,988.01	948,306.71	920.00	424	920	18.97	100.00	28/04/2010		
21	Brick Factory Kamenice	04/06/2008	N/A	N/A	N/A	978.00	1,500	991	0.00	101.33	03/06/2010		
Total			194,342,564.40	143,904,773.94	115,716,005.34	170,550	154,938	146,510				14,680,292	551,265

Privatisation Agency of Kosovo – Annual Report 2009

Annex IV – Balance in Bank Accounts 2008-2009

Privatisation Agency of Kosovo – Annual Report 2009

Balance in Bank Accounts (for the year ended on 31 December 2009)

CASH FLOW STATEMENT YEAR 2009

For the period ended on 31 Dec 2009

Name	Opening Balance 1 Jan 2009	Receipts	Payments	Balance on 31 Dec 2009
Petty Cash from KCB	-	17,223.76	17,223.76	€
Bank Accounts (CBK)	403,313,119.31	124,437,216.36	76,709,038.48	€451,041,297.19
Bank Accounts (PCB)	232,851.70	57,482.00	167,494.00	€ 122,839.70
Bank Accounts (RZB)	0.02	-	-	€ 0.02

PAK ACCOUNTS IN CENTRAL BANKING OF KOSOVO (CBK)

	balance as of 1 Jan 2009		
	403,313,119.31		
income and interest	1 Jan 2009 - 31 Dec 2009	€ 124,437,216.36	
expenses/distributions	1 Jan 2009 - 31 Dec 2009	76,709,038.48	
Cash Flow Balance during	1 Jan 2009 - 31 Dec 2009	47,728,177.88	
	Balance as of 31 Dec 2009	€ 451,041,297.19	

PAK ACCOUNTS IN PROCREDIT BANK

	balance as of 1 Jan 2009		
	232,851.70		
income and interest	1 Jan 2009 - 31 Dec 2009	57,482.00	
expenses/distributions	1 Jan 2009 - 31 Dec 2009	167,494.00	
Cash Flow Balance during	1 Jan 2009 - 31 Dec 2009	(110,012.00)	
	Balance as of 31 Dec 2009	€ 122,839.70	

PAK ACCOUNTS IN RAIFFEISEN BANK

	balance as of 1 Jan 2009		
	0.02		
income and interest	1 Jan 2009 - 31 Dec 2009	-	
expenses/distributions	1 Jan 2009 - 31 Dec 2009	-	
Cash Flow Balance during	1 Jan 2009 - 31 Dec 2009	-	
	Balance as of 31 Dec 2009	€ 0.02	

		Cash Flow on all three banks (CBK, PCB and RZB)
A	balance as of 1 Jan 2009	403,545,971.03
B	income and interest 1 Jan 2009 - 31 Dec 2009	124,494,698.36
C	expenses/distributions 1 Jan 2009 - 31 Dec 2009	76,876,532.48
D=B-C	Cash Flow Balance during 1 Jan 2009 - 31 Dec 2009	47,618,165.88
E=A+B-C	Balance on PAK accounts as of 31 Dec 09	451,164,136.91

Privatisation Agency of Kosovo – Annual Report 2009

Annex V – PAK Annual Accounts 2008-2009

Privatisation Agency of Kosovo – Annual Report 2009

Budget Organization **Privatisation Agency of Kosovo**

Organization Code **239**

Statement of Cash Receipts and Payments

For the period ended on 31 Dec 2009

	Notes	31-Dec-09				31-Dec-08			
		Single Treasury Account			Payments By External 3rd Parties	Single Treasury Account			Payments By External 3rd Parties
		KCB	OSR	PAK Trust Funds		KCB	OSR	PAK Trust Funds	
€	€	€	€	€	€	€	€		
RECEIPTS									
General Fund Appropriations	2	10,322,327.10							
Special Purpose Fund Appropriations									
Designated Donor Grants	3	2,430,813.29							
Other Receipts (for Direct Payments)	4								-
PAK Trust Funds	4a			528,040,669			408,673,860.66		
Total Receipts		€ 12,753,140.39	€ -	€ 528,040,669.39	€ -	€ -	€ 408,673,860.66	€ -	€ -
PAYMENTS									
Operations									
Wages and Salaries	5	2,583,291.09							
Goods and Services	6	2,164,383.69							
Utilities	7	62,102							
		€ 4,809,777.15	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Transfers									
Transfers and Subsidies	8	4,791,970.24							
Capital Expenditures									
Property Plant and Equipmen	9	3,151,393.00							
Payments from PAK Trust Funds	10			76,876,532			5,127,890		
Total Payments		€ 12,753,140.39	€ -	€ 76,876,532.48	€ -	€ -	€ 5,127,889.63	€ -	€ -
Amounts of payments made from KCB funds and grants									
Unspent Receipts Balance		€ -	€ -	€ 451,164,136.91	€ -	€ -	€ 403,545,971.03	€ -	€ -

Privatisation Agency of Kosovo – Annual Report 2009

PAK Budget Report 2009

Budget Report (Kosovo Consolidated Budget)

For the period ended on 31 Dec 2009

Description	Original Budget Reg. 2009/13	Mid Year Reviewed Budget Admin. Dir. 2009/xx	Final Budget KFMIS [31 Dec 2009]	Differences in %	Differences in %	Differences in %
a	b	c	d	e=c/b	f=d/b	g=d/c
Total Budget 2009	€10,509,141.00	€ 12,159,141.00	€12,159,141.00	116%	116%	100%
Wages and Salaries	184,500.00	184,500.00	184,500.00	100%	100%	100%
Goods and Services	3,874,200.00	3,758,500.00	3,751,500.00	97%	97%	100%
Utilities	161,010.00	161,010.00	161,010.00	100%	100%	100%
Subsidies and Transfers	3,089,431.00	4,805,131.00	4,805,131.00	156%	156%	100%
Capital Investments	3,200,000.00	3,250,000.00	3,257,000.00	102%	102%	100%

Budget Report (Designated Donor Grants)

For the period ended on 31 Dec 2009

Description	Original Budget Reg. 2009/13	Mid Year Reviewed Budget Admin. Dir. 2009/xx	Final Budget KFMIS [31 Dec 2009]	Differences in %	Differences in %	Differences in %
a	b	c	d	e=c/b	f=d/b	g=d/c
Total Donor Budget 2009	€ 3,604,923.24	€ 3,604,923.24	€3,604,923.24	100%	100%	100%
Wages and Salaries	3,604,923.24	3,604,923.24	3,604,923.24	100%	100%	100%
Goods and Services	-	-	-			
Utilities	-	-	-			
Subsidies and Transfers	-	-	-			
Capital Investments	-	-	-			

Budget Report (Kosovo Consolidated Budget including Donor Grants)

For the period ended on 31 Dec 2009

Description	Original Budget Reg. 2009/13	Mid Year Reviewed Budget Admin. Dir. 2009/xx	Final Budget KFMIS [31 Dec 2009]	Differences in %	Differences in %	Differences in %
a	b	c	d	e=c/b	f=d/b	g=d/c
Total Budget 2009	€ 14,114,064.24	€15,764,064.24	€15,764,064.24	112%	112%	100%
General Grant	€10,509,141.00	€12,159,141.00	€12,159,141.00	116%	116%	100%
Own Source Revenues of 2009	€		€			
Own Source Revenues Carried Forward from 2007	€		€			
Internal Grants	€		€			
External Grants	€ 3,604,923.24	€ 3,604,923.24	€ 3,604,923.24	100%	100%	100%

Privatisation Agency of Kosovo – Annual Report 2009

as of 31-Dec-09					
Table 1: BALANCE OF ACCOUNTS IN CBK PER CATEGORY		AMOUNT	Table 2: SUMMARY OF PRIVATISATION TRUST MONEY		AMOUNT
1	Privatisation Trust Money (currently in the bank)	259,719,544.20	$A = \sum(D:H)$	Privatisation trust money (PROCEEDS SO FAR) including the interest	€ 429,843,970.96
2	Liquidation Trust Money	175,188,793.48		Privatisation trust money (PROCEEDS SO FAR) without interest	€ 408,669,960.31
3	SOE Money in Trust	3,388,895.31		Regular Spin Off proceeds (net of interest)	316,907,933.79
4	SOE Commercialisation Money in Trust	3,567,460.47		interest earned from regular spin off proceeds	16,534,161.28
5	Employees Entitlement in trust (transferred from privatisation and liquidation accounts)	132,985.84		Newco shareholder money from Regular Spin Off transferred to MFE	600,000.00
6	Privatisation Bid Deposits	3,391,090.84		Special Spin Off proceeds (net of interest)	91,762,026.52
7	Privatisation Tender Submission Fee	1,428,339.45		interest earned from special spin off proceeds	4,009,849.37
8	Liquidation Bid Deposits	638,467.79		Newco shareholder money from Special Spin Off transferred to MFE	30,000.00
9	Liquidation Registration Fee	49,642.22	$B = A * 80\%$	Net of employees' entitlement (80% of proceeds)	343,875,176.77
10	Liquidation Review Committee deposit	-	$C = A * 20\%$	Employees' entitlement (20% of proceeds)	85,968,794.19
11	PAK Charter Capital	1,094,206.81	D	Paid to employees (transferred to BSPK) directly from the privatisation trust funds	18,954,046.02
12	PAK Reserve Fund	2,433,523.34	E	Transferred to the Employees Entitlement Trust Accounts	387,865.38
13	Donor Money	8,347.44	F	Newco shareholder money paid by bidders and transferred to MFE	630,000.00
	TOTAL	€ 451,041,297.19	G	Transferred to the Liquidation Trust Accounts (80% of the particular NewCo sale)	150,152,515.36
			H	Privatisation Trust Money (CURRENTLY IN THE BANK)	€ 259,719,544.20

Privatisation Agency of Kosovo – Annual Report 2009

Table 3: SUMMARY OF PRIVATISATION PROCEEDS (waves reference)		AMOUNT	Table 4: SUMMARY OF PAYMENTS TO EMPLOYEES (BSPK) 20% from all privatisation and liquidation proceeds		AMOUNT
Privatisation Proceeds SO FAR		€ 429,843,970.96	A+B	GRAND TOTAL paid to employees	€ 20,220,769.49
Privatisation Proceeds CURRENTLY IN THE BANK		259,719,544.20	A=A1+A2+A3	Paid from the privatisation proceeds	19,220,919.93
Transferred to the Liquidation Trust Accounts (80% of the particular NewCo sale)		150,152,515.36	A1	Paid from Regular Spin Off Proceeds	15,589,948.39
Paid to employees (transferred to BSPK) directly from the privatisation trust funds		18,954,046.02	A2	Paid from Special Spin Off Proceeds	3,364,097.63
Transferred to the Employees Entitlement Trust Accounts		387,865.38	A3	Paid from Employees Entitlement (privatisation proceeds)	266,873.91
Newco shareholder money paid by bidders and transferred to MFE		630,000.00	B=B1+B2	Paid from the liquidation proceeds	999,849.56
Signed Contracts		411,670,532.11	B1	Paid from the liquidation proceeds (directly from liquidation accounts)	999,849.56
Pending Contracts		17,524,929.90	B2	Paid from Employees Entitlement (liquidation proceeds)	-
Cancelled Tenders		18,508.95			
Newco shareholder money paid by bidders and transferred to MFE		630,000.00			

Privatisation Agency of Kosovo – Annual Report 2009

Liquidation Trust Money (currently in the bank)			€ 175,188,793.48
GRAND TOTAL of Proceeds so far in the Liquidation Trust Money Accounts (ALL Liquidation Accounts)			€ 176,931,568.74
=i1 (liq.sale) +i3(deposits)	Income (Receipts)	Liquidation proceeds from SALE of ASSETS (includes deposits for contracted sales)	18,502,667.38
i2	Income (Receipts)	Interest earned on the liquidation trust accounts	4,877,578.24
i4	Income (Receipts)	Incoming Value Added Tax (VAT) - charged on top of the sale price	71,971.70
i5	Income (Receipts)	VAT recovered from Tax Administration of Kosovo (TAK)	-
i6	Income (Receipts)	Transfers of 80% of particular Privatisation trust acc.to Liquidation trust account	150,152,515.36
i7	Income (Receipts)	SOE Trust Money kept by PAK and transferred to Liquidation accounts	356,951.07
i8	Income (Receipts)	Cash deposits from SOE safes (vaults) into Liquidation Trust Accounts	23,203.85
i9	Income (Receipts)	Transfers from SOE bank accounts into Liquidation Trust Accounts	2,528,670.49
i10	Income (Receipts)	Receipts from SOE debtors	-
i11	Income (Receipts)	Receipts from SOE shares in other companies	-
i12	Income (Receipts)	Rent Revenues during the liquidation process	413,200.33
i13	Income (Receipts)	Operating Revenues during the liquidation process (other)	4,810.32

GRAND TOTAL of Expenditures from the Liquidation Trust Money Accounts (ALL Liquidation Accounts) based on TYPE OF EXPENSES			€ 1,742,775.26
e1	Expenditure	Bank charges	3,115.80
e33	Expenditure	Transfer of 20% to Employees (BSPK) from the Liquidation of Assets proceeds	999,849.56
e34	Expenditure	Transfer of 20% to Employees Entitlement Trust account from the Liquidation of Assets	3,058.40
e15+e16	Expenditure	Rent Paid	25,713.71
e8+e9	Expenditure	Service Providers	427,975.35
e2:e7+e1 2:13+e17 :18	Expenditure	Goods, services, advertising, notices	95,660.22
e14	Expenditure	Services for protection of property and assets	70,465.08
sum(e19: e22)	Expenditure	Monthly Expenses (electricity, water, waste, telecommunication)	34,228.77
e10+sum (e23:e29)	Expenditure	Payment of taxes (Personal Income Tax, Property Tax, VAT etc)	82,708.37
e11	Expenditure	Pension contribution (Employee and Employer)	-
e30	Expenditure	Reorganisation Expenses Incurred during the Liquidation	-
e31	Expenditure	Secured claims created by an Administrator	-
e32	Expenditure	Compensation Awards by the Special Chamber of the Supreme Court	-

Privatisation Agency of Kosovo – Annual Report 2009

GRAND TOTAL of Expenditures from the Liquidation Trust Money Accounts (ALL Liquidation Accounts) based on TYPE OF EXPENSES			€ 1,742,775.26
sum(e35:e56)	Expenditure / Distributions	Payments to Creditors of SOEs	-
e57	Expenditure / Distributions	Claims - Owners, shareholders, founders, participants or partners in the SOE	-
e58	Expenditure / Distributions	Surplus to the Government of Kosovo	-

GRAND TOTAL of Expenditures from the Liquidation Trust Money Accounts (ALL Liquidation Accounts) based on TYPE OF CLAIMS			€ 1,742,775.26
a= $\Sigma e(1:6)$	Expenditure / Distributions	Costs of Selling or Otherwise Realizing the property or Assets	67,078.88
b= $\Sigma e(7:32)$	Expenditure / Distributions	Expenses of the Liquidation Committee and any supporting Advisors	672,788.42
c= $\Sigma e(33:34)$	Expenditure / Distributions	Sale of Assets Entitlement of Employees to the 20%	1,002,907.96
d=e35	Expenditure / Distributions	Secured Claims to the extent realised from Assets securing such claims	-
e=e36	Expenditure / Distributions	Claims for Ownership of specific Assets including Real Assets	-
f= $\Sigma e(37:39)$	Expenditure / Distributions	Wage claims for 3 months gross salary unpaid at commencement of the Liquidation	-
g= $\Sigma e(40:56)$	Expenditure / Distributions	Unsecured claims	-
h=e57	Expenditure / Distributions	Claims of Owners, Shareholders, founders, Participants or Partners	-
i=e58	Expenditure / Distributions	Surplus to the Government of Kosovo	-

Detailed breakdown of Income/Receipts and Expenditures/Distributions

		Balance on the liquidation trust accounts	€ 175,188,793.48
Code	Type	GRAND TOTAL of Proceeds so far in the Liquidation Trust Money Accounts (ALL Liquidation Accounts)	€ 176,931,568.74
i1	Income/Receipts	Liquidation proceeds from SALE of ASSETS	17,573,167.38
i2	Income/Receipts	Interest earned in the liquidation trust accounts	4,877,578.24
i3	Income/Receipts	deposits transferred from the liquidation bid deposits as part of the liquidation sale	929,500.00
i4	Income/Receipts	Incoming Value Added Tax (VAT) - charged on top of the sale price	71,971.70
i5	Income/Receipts	VAT recovered from Tax Administration of Kosovo (TAK)	-
i6	Income/Receipts	Transfers of 80% of particular Privatisation trust acc.to Liquidation trust account	150,152,515.36
i7	Income/Receipts	SOE Trust Money kept by PAK and transferred to Liquidation accounts	356,951.07
i8	Income/Receipts	Cash deposits from SOE safes (vaults) into Liquidation Trust Accounts	23,203.85
i9	Income/Receipts	Transfers from SOE bank accounts into Liquidation Trust Accounts	2,528,670.49
i10	Income/Receipts	Receipts from SOE debtors	-
i11	Income/Receipts	Receipts from SOE shares in other companies	-

Privatisation Agency of Kosovo – Annual Report 2009

		Balance on the liquidation trust accounts	€ 175,188,793.48
Code	Type	GRAND TOTAL of Proceeds so far in the Liquidation Trust Money Accounts (ALL Liquidation Accounts)	€ 176,931,568.74
i12	Income/Receipts	Rent Revenues during the liquidation process	413,200.33
i13	Income/Receipts	Operating Revenues during the liquidation process (other)	4,810.32

Code	Type	GRAND TOTAL of Expenditures from the Liquidation Trust Money Accounts (ALL Liquidation Accounts) based on CATEGORIES OF EXPENDITURES	€ 1,742,775.26
e1	Expenditure	Bank charges	3,115.80
e2	Expenditure	Advertising Costs (sale advertising, liquidation appointment, creditors etc)	29,971.46
e3	Expenditure	Cost of liquidation sale assets	300.00
e4	Expenditure	Stationary, postage	-
e5	Expenditure	Storage, transportation of SOE records	-
e6	Expenditure	Other minor liquidation costs (petty cash)	33,691.62
e7	Expenditure	Court Expenses	345.00
e8	Expenditure	Service providers (Gross payments)	416,545.35
e9	Expenditure	Service providers (NET payments)	11,430.00
e10	Expenditure	Personal Income Tax	2,997.50
e11	Expenditure	Pension Contribution (Employee and Employer)	-
e12	Expenditure	Professional Fees (Lawyers, financial expertise, claims review, other experts)	28,438.18
e13	Expenditure	Service for maintenance of assets	1,088.20
e14	Expenditure	Service for protection of property and assets	70,465.08
e15	Expenditure	Rent Paid (Gross)	5,325.60
e16	Expenditure	Rent Paid (NET of taxes on rent)	20,388.11
e17	Expenditure	Goods	1,825.76
e18	Expenditure	Services	-
e19	Expenditure	Water	1,727.26
e20	Expenditure	Electricity	31,711.02
e21	Expenditure	Waste	360.24
e22	Expenditure	Telecommunication (Internet, telephone)	430.25
e23	Expenditure	Tax withheld on rent paid	2,230.72
e24	Expenditure	Tax paid on rent received	4,391.78
e25	Expenditure	Property Municipal Tax	14,242.00
e26	Expenditure	Tax on Interest received during liquidation	-
e27	Expenditure	Corporate Tax	-
e28	Expenditure	VAT paid on liquidation costs and trading costs	-
e29	Expenditure	Value Added Tax (VAT) paid to Tax Administration of Kosovo (TAK)	58,846.37
e30	Expenditure	Reorganisation Expenses Incurred during the Liquidation	-
e31	Expenditure	Secured claims created by an Administrator	-
e32	Expenditure	Compensation Awards by the Special Chamber of the Supreme Court	-

Privatisation Agency of Kosovo – Annual Report 2009

Code	Type	GRAND TOTAL of Expenditures from the Liquidation Trust Money Accounts (ALL Liquidation Accounts) based on CATEGORIES OF EXPENDITURES	€ 1,742,775.26
e33	Expenditure	Transfer of 20% to Employees (BSPK) from the Liquidation of Assets proceeds	999,849.56
e34	Expenditure	Transfer of 20% to Employees Entitlement Trust account from the Liquidation of Assets	3,058.40
e35	Expenditure - Distributions	Claims - Secured Creditors	
e36	Expenditure - Distributions	Claims - Ownership of Assets	
e37	Expenditure - Distributions	Claims - Preferential Creditors - Salaries (net only)	
e37a	Expenditure - Distributions	Claims - Preferential Creditors - Severance Pay (net only)	
e38	Expenditure - Distributions	Claims - Tax Administration - Personal Income Tax (preferential creditors salaries)	
e39	Expenditure - Distributions	Claims - Kosovo Pension Savings Trust - Pension contribution (preferent. creditors salaries)	
e40	Expenditure - Distributions	Claims - Unsecured Creditors - Borrowings	
e41	Expenditure - Distributions	Claims - Unsecured Creditors - Advances received in cash by SOEs	
e42	Expenditure - Distributions	Claims - Unsecured Creditors - Salaries (net payment only)	
e43	Expenditure - Distributions	Claims - Tax Administration - Personal Income Tax (Unsecured creditors salaries)	
e44	Expenditure - Distributions	Claims - Unsecured Creditors - Domestic Suppliers	
e45	Expenditure - Distributions	Claims - Unsecured Creditors - International Suppliers	
e46	Expenditure - Distributions	Claims - Unsecured Creditors - Municipal Property tax	
e47	Expenditure - Distributions	Claims - Unsecured Creditors - Tax Administration - tax on rent	
e48	Expenditure - Distributions	Claims - Unsecured Creditors - Tax Administration - corporate tax	
e49	Expenditure - Distributions	Claims - Unsecured Creditors - Tax Administration - value added tax	
e50	Expenditure - Distributions	Claims - Unsecured Creditors - Tax Administration - presumptive tax	
e51	Expenditure - Distributions	Claims - Unsecured Creditors - Kosovo Pensions Savings Trust	
e52	Expenditure - Distributions	Claims - Unsecured Creditors - electricity	
e53	Expenditure - Distributions	Claims - Unsecured Creditors - water	
e54	Expenditure - Distributions	Claims - Unsecured Creditors - waste	
e55	Expenditure - Distributions	Claims - Unsecured Creditors - telecommunication and internet	
e56	Expenditure - Distributions	Claims - Unsecured Creditors - other	
e57	Expenditure - Distributions	Claims - Owners, shareholders, founders, participants or partners in the SOE	
e58	Expenditure - Distributions	Surplus to the Government of Kosovo	

Privatisation Agency of Kosovo – Annual Report 2009

Annex VI – PAK Management Information Summary

Privatisation Agency of Kosovo – Annual Report 2009



Republika e Kosovës – Republika Kosovo – Republic of Kosovo
 Agjencia Kosovare e Privatizimit – Kosovska Agencija za Privatizaciju – Privatisation Agency of Kosovo

MANAGEMENT INFORMATION SUMMARY AS OF 31-Dec-09

	Latest Data 31-Dec-09	Change since last month 30-Nov-09	Change since 31-Dec-08	PAK is established 1-Jul-08	% change since 1-Jul-08	Data as of 1-Jul-08
1 Number of SOEs Tendered	258	2	13	14	5.7%	244
2* Number of NewCo-s Tendered	569	11	55	63	12.5%	506
3 Number of Sales Contracts Signed	521	14	103	103	24.6%	418
3a OSO Contracts Signed	497	14	103	103	26.1%	394
3b SSO Contracts Signed	24	-	-	-		24
4 Number of Sales Contracts "PENDING" - (Provisional Winning Bidder named)	48	(3)	(48)	(31)	-39.2%	79
4a Estimated OSO Contracts Pending	47	(3)	(47)	(30)	-39.0%	77
4b Estimated SSO Contracts Pending	1	-	(1)	(1)	-50.0%	2
5=3+4 Number of Contracts Signed & Pending	569	11	55	72	14.5%	497
5a Number of OSOs (Signed & Pending; 3a and 4a)	544	11	56	73	15.5%	471
5b Number of SSOs (Signed & Pending; 3b and 4b)	25	-	(1)	(1)	-3.8%	26
6** Total Privatisation Proceeds Received and Banked [Σ(6c:6g)]	€429,843,971	9,275,768	42,198,161	45,963,424	12.0%	383,880,547
6a Privatisation Money (net of 20% employee entitlement)	343,875,177	7,420,615	33,758,529	36,770,739	12.0%	307,104,437
6b Employees' Entitlement (from Privatisation Proceeds)	85,968,794	1,855,154	8,439,632	9,192,685	12.0%	76,776,109
6c Out of Which Paid to BSPK from Privatisation Proceeds	19,220,920	-	1,170,356	3,653,096	23.5%	15,567,824
6d Balance of Transfers to Employees Entitlement Accounts minus further transfers to BSPK	120,991	-	(14,413)	(14,413)	-10.6%	135,404
6b-6c Remained to be transferred to BSPK (from privatisation proceeds)	66,747,874	1,855,154	7,269,276	5,539,589	9.1%	61,208,286
6e Transferred to the Liquidation Accounts (80% of the particular privatisation sale)	150,152,515	-	42,267,433	42,271,888	39.2%	107,880,628
6f Newco Shareholder money paid by bidders and transferred to Ministry of Finance	630,000	188,750	202,500	202,500	47.4%	427,500
6g Privatisation Money Remaining at Bank	259,719,544	9,087,018	(1,427,716)	(149,647)	-0.1%	259,869,191
7 Estimated Amount of Sales Contracts SIGNED and PENDING	€442,382,713	(270,290)	40,756,681	51,275,820	13.1%	391,106,893
7a Value of OSO Sales Contracts Signed	304,628,533	4,701,718	43,981,575	43,981,575	16.9%	260,646,958
7b Value of SSO Sales Contracts Signed	91,723,495	-	-	-		91,723,495
7c Estimated Value of OSO Sales Contracts PENDING	45,927,685	(4,972,008)	930,106	11,449,245	33.2%	34,478,440
7d Estimated Value of SSO Sales Contracts PENDING	103,000	-	(4,155,000)	(4,155,000)	-97.6%	4,258,000
8 Amount of SSO investment contractually agreed	€196,342,564	-	-	-		196,342,564
9 Number of SSO employees to be hired contractually agreed	8,114	-	-	-		8,114
10 Amount of SSO investment evaluated	€143,900,391	(899,405)	22,181,884	44,892,719	45.3%	99,007,671
11 Number of SSO employees hired	6,577	-	(261)	210	3.3%	6,367
12 Number of investors current in the database (prequalified & other)	11,829	156	1,811	2,283	23.9%	9,546
12a Number of 'pre-qualified investors	3,043	19	251	340	12.6%	2,703
12b Number of other investors registered	8,786	137	1,560	1,943	28.4%	6,843
13 Number of approved SOEs for liquidation	120	-	-	-		120
13a SOE directly sent in liquidation (item 13a is included in item 13)	9	-	-	-		9
14 Number of Liquidation Sales Launched	106	-	-	-		106
14a Number of Liquidation Sale Contracts SIGNED	101	-	65	65	180.6%	36
14b Number of Liquidation Sale Contracts PENDING	5	-	(65)	(65)	-92.9%	70
15 Value of Liquidation Sales Contracts Signed	€17,268,218	-	12,975,054	12,975,054	302.2%	4,293,164
16 Estimated Value of Liquidation Sales Contracts Pending	€1,214,450	-	(12,974,684)	(12,974,684)	-91.4%	14,189,134
17*** Total Liquidation Sales Money Received and Banked	€18,502,667	292,652	7,407,139	7,407,139	66.8%	11,095,529
18 Paid to BSPK from Liquidation Proceeds	€999,850	35,810	914,770	914,770	1075.2%	85,079
19 Number of SOEs that the liquidation process has been completed	-	-	-	-		-
20 Number of SOE Workers' Preliminary Lists (pending claims in PAK)	101	-	60	60	146.3%	41
21 Number of SOE Workers' Final Lists (pending claims in Special Chamber)	27	-	20	20	285.7%	7
22 Number of SOE Workers' Lists Approved by the Special Chamber and Paid	66	-	1	7	11.9%	59

Explanations:

OSO - Ordinary Spin-off; SSO - Special Spin-off

*Total number of additional enterprises re-tendered during Dec not included in 1 above = 0

** Includes interest earned on the accounts.

*** For complete reference to liquidation trust money receipts and distributions, please refer to Finance and Budget Department monthly report on liquidation accounts.

This MIS is prepared*** and managed by:	Signed on:
Avni J. Jashari, CA, CFE Director of Finance and Budget Privatisation Agency of Kosovo	11-Jan-10
	***Based on information collected from PAK Departments.