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Contract Law Enforcement (CLE) Program Put it on Paper: The Importance of *Written* Contracts



Photo: USAID Contract Law Enforcement (CLE) Program

The Contract Law Enforcement (CLE) Program has developed the following Standard Form Contracts (SFC): Services; Employment; Supply of Goods; Transportation; Agro Brokerage; Agro Sales; Agro Transportation and Lease.

The Standard Form Contracts can be downloaded at www.kontrata.net.

The USAID Contract Law Enforcement (CLE) Program serves to improve the rule of law and create a better business environment for economic development and investment.

USAID Contract Law Enforcement (CLE) Program

Duration of the program:
May 2013 – April 2016

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October 2013

U.S. Agency for International Development
www.usaid.gov

Overview

Businesses and individuals enter into contractual agreements every day. In Kosovo, however, many – if not most- contracts remain verbal agreements, which lead to many problems. Written contracts are crucial to every legal and physical person. They serve as pillars for every business transaction at anytime and anyplace. Putting an agreement on paper is not merely a formal act; rather it is a crucial act which is valuable in preventing disputes and, in the event that a dispute arises the written agreement serves as better legal evidence than oral testimony. Written contracts do not undermine on the well-known institution of 'besa' – rather, a written contract memorializes and defines the agreement to ensure that the honor of the agreement is preserved. The Contract Law Enforcement (CLE) Program is empowering the business community through its outreach activities which aim at raising the awareness regarding the benefits of using written contracts, by providing a number of standard form contracts.

Benefits of Using Written Contracts

Well negotiated written contracts create a number of benefits which serve to the advantage of the parties to an agreement. Written contracts are essential for distributing risk, clarifying expectations, and memorializing obligations each party agrees to. Without written contracts, parties often tend to have different understanding of their obligations, a situation which directly leads to disputes. In case disputes arise, a written contract serves one as a legal evidence to support and prove one's case. As important, using Alternative Dispute Resolution (ADR) mechanisms, which are faster and cheaper than court litigation, are frequently unavailable without having expressly contracted for in writing.

Public Education Activities

The Contract Law Enforcement (CLE) Program is constantly working to empower the Kosovo business community by improving its knowledge and understanding of the importance of using written contracts, and solving disputes by utilizing ADR. The program has developed a number of standard form contracts with explanatory notes, and holds an ongoing series of round-tables with the business community throughout Kosovo, representing different sectors, and including business owned by females and minorities.