**GENERAL DIRECTORATE OF THE BUDGET AND PUBLIC DEBT**

**BUDGET MANAGEMENT DIRECTORATE**

**REPORT ON NEW ARREARS**

**OCTOBER-DECEMBER 2017 AND PROGRESSIVE JANUARY 2016 – DECEMBER 2017**

Pursuant to Council of Minister Decision (CoD) No. 50, dated 05.02.2014 "*On approval of the Strategy for the prevention and settlement of arrears and the action plan"* and in response to correspondences received from ministries, in the framework of periodic monitoring of new arrears, as well as following the closure of processing analytical data process, reported for this purpose until 31 December 2017, information regarding to new arrears on the period 01.10.2017 to 31.12.2017 and accumulated liabilities 01.01.2016-31.12.2017, is given in the table below:

***in Million ALL***

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NR.** | **TOTAL OF ARREARS**  **LINE MINISTRY** | **Total**  **Arrears from the period  Jan 2016 – Sep 2017** | **Inherited**  **(unpaid from Jan 2016 - Sep 2017)** | **Total**  **New Arrears from Oct -Dec 2017** | **Total Stock Arrears from Jan 2016 – Dec 2017** | **Arrears arising from court decisions** | **Planned to be paid from the 2018 Budget** | | **Arrears left unpaid until December 2017 (after allocations to B2018)** | **(Court Decisions)** |
| **Court decisions** | **Others** |
|
| ***a*** | ***b*** | ***c*** | ***d=b+c*** | ***e*** | ***f*** | ***g*** | ***h=d-(f+g)*** | ***i=e-f*** |
| **3.182,60** | **2.779,80** | **2.943,20** | **5.723,00** | **1.977,10** | **442,00** | **3.081,00** | **2.199,90** | **1.535,00** |
| **1.** | **MINISTRY OF INFRASTRUCTURE AND ENERGY** | 1.254,0 | 1.254,0 | 2.000,8 | 3.254,8 | 425,5 | 200,0 | 2.446,8 | 608,0 | 225,5 |
| *Maintenance* | 636,6 | 632,2 | 524,2 | 1.156,4 |  |  | 901,7 | 254,7 | - |
| **2.** | **MINISTRY OF DEFENSE** | 11,2 | 11,1 | 9,4 | 20,5 | 6,1 | 6,1 | 14,4 | - | - |
| **3.** | **MINISTRY OF INTERNAL AFFAIRS** | 919,2 | 768,2 | 156,0 | 924,2 | 392,6 | 35,7 | 389,6 | 498,9 | 356,9 |
| **4.** | **MINISTRY OF JUSTICE** | 348,0 | 260,8 | 19,8 | 280,6 | 270,2 | 22,2 | 10,4 | 248,0 | 248,0 |
| **5.** | **MINISTRY OF HEALTH AND SOCIAL PROTECTION** | 100,7 | 100,5 | 38,2 | 138,7 | 138,7 | 29,2 | - | 109,6 | 109,6 |
| **6.** | **MINISTRY OF FINANCE AND ECONOMY** | 139,1 | 111,7 | - | 111,7 | 111,7 | 102,0 | - | 9,7 | 9,7 |
| **7.** | **DIRECTORATE GENERAL OF TAXATION**  **(refund of VAT)** | 134,0 | 40,5 | 196,9 | 237,4 |  |  | 97,0 | 140,4 | - |
| **8.** | **MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT** | 38,5 | 13,7 | 407,0 | 420,7 | 332,7 | 2,7 | 88,0 | 330,0 | 330,0 |
| **9.** | **MINISTRY OF KULTURE** | - | - | 1,4 | 1,4 | 1,4 | 1,4 | - | - | - |
| **10** | **MINISTRY OF TURISM AND ENVIRONMENT** | 177,0 | 177,0 | 78,3 | 255,3 | 255,3 | - | - | 255,3 | 255,3 |
| **11** | **MINISTRY OF EDUCATION, SPORTS AND YOUTH** | 42,3 | 42,3 | 35,4 | 77,7 | 42,9 | 42,9 | 34,8 | - | - |
| **12** | **MINISTRY FOR EUROPE AND FOREIGN AFFAIRS** | 18,6 | - | - | - | - | - | - | - | - |

*\* For local infrastructure projects, financed by the Regional Development Fund, no new obligations created after year 2013.*

Below, the value of these arrears is more detailed for each line ministry according to the new governing structure, based on official information.

* **Ministry of Infrastructure and Energy** - reports that the arrears for the period from 01.01.2016– 31.12.2017, in the amount of **3.254,8 million ALL**. These arrears come mainly from Albanian Roads Authority (ARA). During 2018 it is planned to be paid **2.646,8 million ALL** where **901 million ALL** are planned for arrears from road maintenance contracts. Unpaid arrears, to be accommodated through 2019 budget, are **608 million ALL** for MIE, arising from court decisions and road maintenance.
* **Ministry of Defence** - reports new arrears in the amount of **9,4 million ALL** for the period 01.10.2017 - 31.12.2017 and the stock of arrears is **20.5 million ALL** by December 2017, which are planned to be settled with the budget of 2018. As a result of government restructuring “Civil Emergencies” and “State Reserve” program went through MD area of responsibilities, carrying their arrears which amount to **64 million ALL.** This amount of unpaid arrears will be settled during 2019.
* **Ministry of Education, Sports and Youth** - reports that arrears from January 2016 to December 2017 are in the amount of **77,7 million ALL**. This amount is planned to be paid all through the Budget of 2018.
* **Ministry of Justice** - reports that the arrears for the period from 01.01.2016– 31.12.2017 are worth **280,6 million ALL**. Through the approved budget of 2018 is planned to be paid **32,6 million ALL** and the remaining unpaid arrears of **248 million ALL,** mainly court decisions, will be settled during 2019 budget.
* **Ministry of Health and Social Protection** - reports that the arrears, from court decisions for former employees, for the period from 01.01.2016– 31.12.2017 are worth **138,7 million ALL.** During 2018 is planned to be paid an amount of **29,2 million ALL** from accumulated arrears.
* **Ministry of Internal Affair** - reports that the stock of arrears for the period from 01.01.2016– 31.12.2017 are **924,2 million ALL.** From the approved budget of 2018 will be paid an amount of **425,3 million ALL.** The amount of arrears to be paid through the budget 2019 is **498,9 million ALL.** This amount stands for court decisions and “Civil Status” programme, while the rest of the arrears as a result of government restructuring passed to Ministry of Defence, specifically “Civil Emergencies” programme.
* **Ministry of Agriculture and Rural Development** - reports that the arrears for the period from 01.01.2016- 31.12.2017 are worth **420,7 million ALL.** Through the approved budget of 2018 is planned to be paid **90.7 million ALL** of arrears. Remaining unpaid arrears of **330 million** **ALL,** arising from court decisions, after examining the issues will be treated with budgetary funds of 2018 - 2019.
* **Ministry for Europe and Foreign Affairs** – reports that has no inherited or newly created arrears.
* **Ministry of Finance and Economy** - reports that for the period from 01.10.2017 - 31.12.2017 has no new arrears. In total the stock of accumulated arrears for the period from 01.01.2016- 31.12.2017, are worth **111,7 million ALL** arising from court decisions. During 2018 it is planned to be paid **102 million ALL.**
* **Ministry of Culture** – reports that the arrears for the period from 01.10.2017 - 31.12.2017 are **1,4 million ALL** mainly from court decisions. This amount is also the total stock from 01.01.2016 – 31.12.2017. The total amount of arrears is planned to be settled during 2018.
* **Ministry of Tourism and Environment** - reports that the arrears for January 2016 to December 2017 are worth **255,3 million** as liabilities arising from final judicial decisions. This amount of arrears will be settled through the budget during 2018-2019.
* **Directorate General of Taxation**- reports that the arrears for the period from 01.01.2016– 31.12.2017 are worth **237,4 million ALL.** Through the approved budget of 2018, GDT has planned to to pay **97 million ALL.**