



Albanian Government Policies on Consumer's Protection

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Subsidy Scheme

- Beneficiary Categories;
- Amount of power to be subsidized;
- Subsidy Amount;
- Subsidy Mechanism.

What needs to be clarified?

- What do benefit families and individuals from the social programs;
- Identification of the beneficiary categories;
- Why protection for families from power price increase;
- Why a new mechanism for the compensation for price increase.

Beneficiary Categories from the power price compensation

- Families treated with economic assistance as well as families that have disability members .
- Head of family that receive state invalidity pension and do not have employed family members
- Head of family that receive state old age pension and live alone or have dependent children, with no incomes;
- Families of budgetary employees, with gross monthly salary under 35 thousand leke per month, when the employee is Head of family and no other family member as self-employed in the private sector.

Social Protection implementable programs

- With EA (Economic Assistance) are supported 96 thousand poor families in urban and rural areas, with about 4.2 billion leke.
- Are supported 81 thousand disability persons in mental, physical, blind, para and tetraplegic and 55 thousand work invalids that benefit 11.7 billion leke.
- Are offered public services in 26 institutions for 1200 beneficiaries with cost of 560 million leke.

Benefits based on special status

55 thousand work invalids, addition to the pension, benefit:

- Supplement on the invalidity pension, 2-4 thousand leke per month;
- Reimbursement for drugs, fuel and **power**;
- Are excluded from customs taxes for motor vehicles;
- Free fare on the public transport.

Benefits based on the special status

12 blind individuals, benefit:

- Financial treatment of 9800 leke per month, that are not calculated for Economic Assistance for the family;
- Students that continue the high schools and universities receive 200-300% of the blindness salary;
- Are excluded by the straight forward taxation;
- Free fare on the public transport means;
- Reduced tariffs for telephony and **power**.

Benefits based on special status

5100 para and tetraplegic and 4950 caretakers, benefit:

- Financial treatment of 8700 leke per month and the income is not calculated for effect of Economic Assistance and 9200 leke for the care takers and 16 000 leke for the hygiene-sanitary package;
- Free health care for illness resulting from trauma;
- Reimbursement for drugs, fuel, and exclusion from the straight forward taxes and customs for the motor vehicles;
- Free fare in the public transport;
- Reduced telephone and **power tariffs.**

Amount and timeline of the subsidy

- Increase of the power price must be reimbursed every year, whenever there is price increase, until the moment of the equality between the price with the costs.
- Amount of kWh subsidized remains constant

Compensation time line

- In 2006 was decided : amount of compensation 200 kW with amount of 500 leke per month that it belonged:
- *The power price increased from 4.5 to 7 leke:
 $2.5 \text{ leke} * 200 \text{ kW} = 500 \text{ leke}$*
- In 2010 the compensation amount increased from 500 to 640 leke : Power price increased from 7 to 7.7 leke
 $0.7 * 200 \text{ kW} = 140 \text{ leke}$

Is compensated a contract with OSSH

Subsidy Mechanism

- Invoice is fulfilled by OSSH the same way as per all household customers.
- The head of family pays the whole invoice
- Completes the documentation and asks for compensation where the aid is taken :
 - a) at local entities when benefits EA or payment for disability
 - b) at Social Insurance Institute when benefits old age pension or invalidity
 - c) at the finance office in budgetary institutions.