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AUTORITETI RREGULLATOR PËR SHËRBIMET E UJIT  
REGULATORNI AUTORITET ZA USLUGE VODE  
WATER SERVICES REGULATORY AUTHORITY



Schweizerische Eidgenossenschaft  
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Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC

# KOSOVO LICENSED WATER PROVIDERS' COMPLIANCE WITH LICENCE CONDITIONS

## THE LEVELS OF SERVICE PROVIDED BY LICENSED PROVIDERS IN 2019



**This Report is prepared by the Water Services Regulatory Authority, with the support of the Project 'Expert Support to the Water Services Regulatory Authority and the Regional Water Companies in Kosovo', which is an integral part of the Rural Water and Sanitation Support Programme - Phase VI, co-funded by Government of Kosovo and Swiss Agency for Development and Cooperation managed by the Swiss Cooperation Office in Kosovo.**

**Photo source: borrowed from the Internet and taken at Licensed Providers' locations**

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## ACRONYMS AND ABBREVIATIONS

BOD <sub>5</sub>	Biochemical Oxygen Demand
COD	Chemical Oxygen Demand
EU	European Union
EURATOM	European Atomic Energy Community
GIS	Geographic Information System
HE	Hydro-economic Enterprise
m <sup>3</sup>	Cubic metre
MIA	Ministry of Infrastructure and Environment
NIPHK	National Institute of Public Health in Kosovo
OFWAT	Water Services Regulation Authority in England and Wales
RWC	Regional Water Company
RWSSP-F VI	Rural Water and Sanitation Support Programme in Kosovo - Phase VI

## FOREWORD FROM THE DIRECTOR

The report 'Licensed Providers' Compliance with Licence Conditions' is the second annual report published by the Water Services Regulatory Authority (the Authority), which provides information on the level of water services in 2019 and development trends compared to 2018.

The information in this Report relates to the level of **water supply services, bulk untreated water supply, wastewater collection and treatment provided by eight licensed water service providers**. More precisely, the purpose of publishing this Report is to provide detailed information to decision-makers in the water sector and to the public, interested in the levels of service provided to respective customers and the degree of compliance with service licence conditions. The main analytical areas comprise: **security, quality and sustainability of services** (including analysis of available technical, financial and human capacities). In addition to the data received from the Licensed Providers, the analysis also took into account the information received from customers through the Report of the Water Services "Customer Satisfaction Survey" . For the Authority **customer feedback always remains the key tool for the measurement of the level of services provided by the Licensed Providers**.

Further improvements in the levels of service delivered to customers remain the primary commitment of the Authority. This is why the Authority promotes the process of continuous improvement of Licensed Providers until they achieve and maintain all the **set standards and fully implement the current legislation**.

As last year, this report is prepared by the Authority, supported by the Project 'Expert Support to the Water Services Regulatory Authority and the Regional Water Companies in Kosovo', which is an integral part of the Rural Water and Sanitation Support Programme - Phase VI, co-funded by Government of Kosovo and Swiss Agency for Development and Cooperation managed by the Swiss Cooperation Office in Kosovo.

Details about the level of compliance with licence conditions by all Licensed Providers can be found in the following chapters.

RAIF PRETENI

Director of the Authority

# 1. SUMMARY

## 1.1 ORGANIZATION OF WATER SERVICE PROVIDERS

In Kosovo, drinking water supply, bulk untreated water, wastewater collection and treatment services are provided by regional and local public Providers. Only eight of these Providers are licensed.

Seven out of the eight Licensed Providers supply most of Kosovo's population with water, or about 75%, and provide wastewater collection services to about 65% of the population.

According to the available data, in total, the seven Licensed Providers (comprising the Regional Water Companies) are estimated to manage 5,524 km of water supply network and 2,257 km of sewerage network.

Wastewater treatment coverage in Kosovo still remains very low, with only 2% of collected wastewater being treated currently.

In addition to the seven Regional Water Companies (RWCs) that operate legally, there are other organizations that supply with water the populations of certain areas. These organizations are in the form of enterprises registered as legal entities or voluntary community organizations. In both cases, they provide services without licence, even without any water permit for use of water sources. On the one hand, the non-functioning of some water supply systems and the illegal operation of some others (noting that raw water used by them is usually not treated properly, together with the uncontrolled discharge of untreated wastewater effluent, result in health risks for the population. On the other hand, both water and wastewater systems are subject to the physical degradation of assets due to the lack of any proper maintenance. Whilst as per environmental aspect, the issue remains with the unregulated use of water and discharge of wastewater.

According to the information received from officials of the 'Rural Water and Sanitation Support Programme in Kosovo - Phase VI (RWSSP-VI)' and from Licensed Providers, there are about 155 small water supply systems already built in rural areas which should be upgraded and managed by the seven respective Licensed Providers.

In recent years, a significant number of public wastewater collection (sewerage) systems have been built and put in operation, which are not managed by the Licensed Providers. Similarly, some small wastewater treatment plants which are also not managed by Licensed Providers have been built but are not currently operational.

However, in 2019 compared to 2018, there were 39 additional rural water supply systems and 18 additional sewerage systems that were put under the management of RWCs.

Based on respective policies and strategies in the water sector adopted by the Government of Kosovo and supported by the Water Services Regulatory Authority (the Authority), in the near future, it is expected that all water supply, sewerage and wastewater treatment systems will all be managed by the relevant RWCs.

The mandates of institutions in the water sector, in general, are well established, but there is always room for better cooperation and data and information exchange between them.

Management of natural, human and material resources by Licensed Providers is well adjusted to regional/local natural and socio-economic factors. In general however, it cannot be said yet that the management approach adopted by the Licensed Providers is based on clear objectives, and even less that they aim at achieving high levels of efficiency in the provision of services.

**Despite a relatively good institutional arrangement, the challenges of the sector, which ultimately are reflected in the level of customer services, for some years have been: (i) full implementation of legislation, (ii) the poor level of cooperation of respective institutions/organizations to move processes forward and for smooth data and information exchange between them, (iii) the inadequate internal organization of the Service Providers, and (iv) the negligence or unwillingness of the Service Providers to take action against organizational bodies/ individuals in the case of non-performance.**

## **1.2 ACHIEVED LEVEL OF WATER SERVICES BY LICENSED PROVIDERS**

In 2019, in general, water supply services provided by Licensed Providers were at an acceptable level. A large majority of customers are currently supplied with good quality drinking water which meets water quality standards set by the National Institute of Public Health in Kosovo (NIPHK). However, the **compliance rate of 99.2% for bacteriological tests and 97.9% for chemical tests** shows that the degree of approximation with standards has not made any progress compared to 2018.

**Water supply provision for the majority of customers (about 94%) in 2019 has been continuous, i.e. without interruptions, whilst only 6% have reported they experienced restrictions, which compared to 2018 has increased (a negative trend) by 4.5%.**

Furthermore in areas with a regular supply, it was reported that in 2019, **1.7% of customers have experienced interruptions in water supply due to low water pressure, mainly during peak water consumption periods.**

The above mentioned issues, depending on the case, continue to be present due to (i) an unfavourable situation with water resources (especially in the case of water supply to the town of Gjilan); (ii) lack of infrastructure: plant or reservoirs in high-elevation supply zones, which otherwise would enable water supply for customers living in such areas who have problems with low water pressure (in some neighbourhoods of the town of Peja); (iii) insufficient control by the RWCs of unauthorized use of water either by authorized (registered) customers (the case of “bypass” connections) or use by unauthorized customers (illegal connections).

The estimated water demand in 2019 has increased compared to 2018, while on the other hand, despite the fact that Licensed Providers have made efforts to increase their capacity, they have not always been able to ensure the necessary capacity, especially at times of peak demand.

Wastewater collection management continues to remain a challenge for the water service sector. The latest inspection results indicate that none of the RWCs has drafted any proper plan for

preventive maintenance of their sewerage system and only some of them have provided facts about the cleaning of the sewerage system (including wells). The seven Licensed Providers reported that by the end of 2019 they had cleaned 308 km of the sewerage network in total, which represents about 14% of the estimated total sewerage length. Given that the figures of the total sewerage length are underestimated, and given that the Authority requires from Licensed Providers that they clean about 20% of the network every year, then it may be concluded that **the standard set by the Authority for preventative cleaning of the sewerage network and inspection/ maintenance of manholes is not being complied with**. On the other hand, RWCs were faced with the problem of the citizens' low awareness on non-disposal of solid waste in sewerage manholes and negligence by relevant municipalities to co-finance maintenance in cases where there are mixed/combined wastewater and rainwater runoff collection system. **The harmonised standards set by the Authority and Municipalities for regulation of water services is also a problem in itself**. This issue should be resolved quickly through a working group by addressing the existing dual legislation and revising the agreement with municipalities to reflect the changes.

The central and local governments in Kosovo, supported by the donor community, are continuously working to solve the problems with wastewater treatment. To date, in the whole of Kosovo there are 5 wastewater treatment plants in operation, 4 of which are being administered by Licensed Providers. These plants each have a relatively small capacity and **all together have capacity to treat wastewater collected from 0.7% of the population with access to public sewerage managed by the seven Licensed Providers**. There are 3 more large plants in the process of construction (which will mainly cover the urban areas of municipalities of Prizren, Gjakova and Peja) that are expected to provide treatment for about 30% of the collected wastewater.

Protecting customers, listening to their voices and ensuring the proper management of customer complaints by the Licensed Providers is at the core of the Authority's work, and therefore the Authority continues to act as a mediator during the complaint solving process. **The inspection results indicate that managing and reporting of customers' complaints, and responding to customers' requests, by the Licensed Providers is still not at an acceptable level**. Therefore, it is recommended to further develop the system for managing the complaints, reports and requests and such data and information to be used firstly by the respective Licensed Providers 'Management teams and then also by the Authority for the purpose of improving the level of service regarding the management of customer complaints.

In order to achieve the Licensed Providers' objective for achieving full financial sustainability, the Authority uses a tariff methodology that supports the principle of full cost recovery, always keeping in mind the payment capacity of customers.

On the other hand, the Authority pays great attention also to the sustainability of Licensed Providers in terms of integrated management of available resources. In this context, attention is paid to monitoring human resource management policies, preventive asset maintenance, and raising funds for replacement of infrastructure assets, data management, but also regarding levels of cooperation with relevant institutions in the sector and beyond.

The inspection results show that overall, the seven Licensed Providers, in general, still do not manage their activities based on the overall objectives that they need to achieve in order to ensure the long term sustainability of their operations. In most cases other key stakeholders in the sector

must therefore continue to intervene and support the Licensed Providers, recognising the failure of the Licensed Providers to learn and benefit from the support provided by these stakeholders to date.

### **1.3 CHALLENGES OF THE SECTOR**

Accuracy in reporting and data provision, as well as their reliability from the perspective of storage, processing and manipulating these data in electronic systems, remains a continued issue of concern for the Authority and other relevant institutions in charge of overseeing the Licensed Providers. Significant inaccuracies are observed in both technical and commercial data inspected by the Authority. Considering the facts found during the latest inspection with regard to data accuracy and reliability, for the purpose of eliminating incorrect estimates for the sector performance, the authors of this Report did not take into account any data considered to be unreliable in the overall analysis and conclusions.

**It can be concluded that the data used for this Report, in general for all Licensed Providers, are considered only partially reliable. In order to increase the data quality, the Authority strongly supports further development of advanced automated/electronic systems to control and monitor the level of services and in parallel with it to develop human capacity for using these systems.**

In two consecutive years, the Authority has produced the relevant modules for data storage and processing, a platform that serves as a basis for monitoring. Among other things, these modules show the reliability of each data set and the overall reliability of the data.

Licensed Providers are expected to be part of an integrated water services management system. In this context, Licensed Providers are expected to cooperate with all stakeholders, but also to be supported by all relevant government institutions. Thus, in addition to the focus of achieving the required levels of drinking water supply and wastewater collection and treatment services, much greater attention should be paid (in practice) to environmental considerations by taking adequate measures for the protection and rational use of water resources. Licensed Providers are required to develop meaningful business plans, which should be based on clear objectives, whose starting point should be the initial situation, which show all the shortcomings of the current levels of service. The analysis of the current socio-economic situation in their service area and other environmental priorities should also be considered in the business plan.

## 2. ORGANIZATION, LICENSING AND MONITORING OF SERVICE PROVIDERS

### 2.1 ORGANIZATION AND LICENSING OF SERVICE PROVIDERS

Water supply services (including retail and bulk water supply services) as well as wastewater collection and treatment services are mainly provided by public entities. Among these entities are 7 Regional Water Companies (RWCs), 1 Hydro-Economic Enterprise, 4 Municipal Public Enterprises and some local ones (at the level of a settlement).

Of all these types of organizations, only 8 are licensed by the Authority for providing relevant services, while others operate without a licence. More specifically, in September 2018, the Authority has extended Service Licences for 8 years, covering the period September 2018 - September 2026, for the **regional Licensed Providers**, who provide water supply, wastewater collection and treatment, as well as untreated bulk water supply services.

Water supply, wastewater collection and treatment service Providers are licensed to provide services to **28 municipalities, while in the meantime they have extended their services to 4 other municipalities. As result of this, 32 out of the total of 38 municipalities of the Republic of Kosovo are provided with water supply and wastewater services.** However, the Licensed Providers do not provide services to all settlements of these 32 municipalities, as some of the settlements, mainly rural, are still not part of the public water supply and sewerage systems.

The areas (municipalities) covered with services by the 7 Licensed Providers are presented below:

**Table 1: Municipalities covered with services from 7 Licensed Providers in 2019**

Name of Service Providers	Municipalities covered by services	
	During licensing exercise	After licensing exercised was completed
RWC Prishtina	Prishtina; Podujeva; Fushë Kosova; Obiliç; Lipjan; Shtime; Gllgovc; Graçanica	Two settlements of Vushtrri (one completely and the other partially)
RWC Hidroregjioni Jugor	Prizren (excluding 10 villages that are supplied by RWC Gjakova); Suhareka; Malisheva; Dragash; Mamusha <sup>1</sup>	
RWC Hidrodrini	Peja; Istog; Klina; Junik; Decan	
RWC Gjakova	Gjakova; Rahovec; Prizren (only 10 villages of this municipality)	
RWC Mitrovica	South Mitrovica; Vushtrri; Skenderaj	
RWC Hidromorava	Gjilan; Kamenica; Vitia	Partesh, Novobërda, Ranillug
RWC Bifurkacioni	Ferizaj; Kaçanik	Hani i Elezit

In terms of legal status, all Licensed Providers are registered as publicly owned enterprises, seven of them as "central public enterprises" and one as "local public enterprise" (RWC Bifurkacioni). All

<sup>1</sup> RWC Hidroregjioni Jugor, for technical reasons did not manage to supply residents of this municipality with water

these eight publicly owned companies are organized as "joint stock companies" in accordance with the applicable law for business organizations in Kosovo.

However, the Service Providers in Municipalities of **Leposavic, Zubin Potok, North Mitrovica and Shterpce** carry out their activities without a licence from the Authority. The latter has made continuous legal efforts to call on these Providers to apply for a licence, but with the exception of representatives of Municipality of Shterpce, the others have not responded positively. For clarification, water supply of Municipality of Shterpce is expected to be included shortly under the management of RWC Bifurkacioni following the investments from RWSSP-VI.

Similarly, other organizations operate at the level of rural settlements, which are usually managed by a village representative or private operator, entrusted with the task of water treatment, maintenance of water supply and/or sewerage network and billing. **These organizations operate without a service license, mainly without any water quality monitoring by NIPHK and do not have water permits for using water resources and discharging untreated wastewater effluent.**

On the other hand, the Government of Kosovo with the support of Donors in this sector, mainly Swiss Office for Cooperation and Development in Kosovo, during 2019 has continued to invest in the construction of new systems and rehabilitation of some existing non-functional systems, in order to provide the Kosovo population with access to drinking water and public sewerage services.

Whilst the Authority is responsible for undertaking measures against these unlicensed Providers based on paragraph 2 and sub-paragraph 2.1 of Article 46/B of the Law no. 06/L-088 amending the Law No. 05/L-042 on the Regulation of Water Services (*the service provider is guilty of an offense and shall be fined from five hundred (500) EUR up to twenty thousand (20,000) EUR if it provides services without the relevant service licence*), on the other hand, it may issue service licences only to providers who meet the criteria set forth in Articles 15 and 16 of the Regulation no. 05/2016 on Licensing of Water Service Providers in Kosovo. Since these criteria, as a whole, cannot be met by most local Providers, then it is suggested that public assets under the management of these local Providers should be transferred to the management of Licensed Providers. **In this context, the Authority welcomes the support of relevant institutions of the Republic of Kosovo for consolidation and integration of these unlicensed Providers under the "umbrella" of regional Licensed Providers, as a precondition for licensing. An initial approach to solve this problem would be for the Government of Kosovo to establish a working group consisting of relevant institutions (such as Ministry of Infrastructure and Environment (MIE); Ministry of Health/NIPHK; the Authority and Municipalities) that would follow these steps: (i) collect information on the exact status of these Providers, as well as on systems which are not in use at all; (ii) appeal to unlicensed Providers (those who violate the Law on Waters, Law on the Regulation of Water Services, and the Administrative Instruction on Drinking Water Quality) in order to inform them of the appropriate penalties in case they continue their activities; (iii) take action in the event there is no positive response from these Providers in the first call for cooperation; (iv) their integration within the Licensed regional Providers.**

Whilst for functional but unused systems it is recommended (i) to analyse the functionality of these systems; (ii) appeal to residents to connect to the existing network based on the Municipal Regulations requirement to provide access to all citizens where the public network exists and present to residents the health risks and possible consequences of unregulated water

**consumption; (iii) take measures in case there is no positive response of these residents; (iv) their integration within the Licensed Providers.**

The Authority continues to strongly believe in cooperation with other relevant institutions of the sector, and at the same time encourages Licensed Providers to do so, as one of the preconditions for maintaining the License.

On the other hand, despite the cooperation with other institutions, there are still shortcomings in harmonization of legislation. A concrete case is the existence of the Regulation on Municipal Services of the Municipality of Prishtina, which, *inter alia*, regulates some water service standards that are already regulated by the Authority through the Regulation on Minimum Standards of Services. Similar cases may be with other municipalities too. Therefore, in order to solve this problem, the Authority intends to meet with relevant Municipalities to harmonize this respective piece of legislation.

A deeper cooperation is also expected with MIE concerning mutual obligations of this Ministry and Licensed Providers, as these obligations have a direct implication on tariffs. This recommendation comes as result of inefficient communication observed between all licensed Providers and MIE: (i) in issuing water permits and providing accompanying documents and (ii) in monitoring the obligations stemming from these permits.

During 2019, based on recommendations made in the 'Report on Compliance with Licensing Conditions for 2018', published by the Authority, Licensed Providers, with the support of IMWC, have begun revising the 'Service Agreement' as a document in which mutual obligations of Licensed Providers and respective Municipalities are agreed upon. However, **the Authority recommends that these agreements should be finalized only after the above mentioned regulations for municipal public services containing water service standards have been revised.**

All seven Licensed Providers and NIPHK have mutual obligations related to drinking water quality. These obligations are further explained in the draft version of the Revised Administrative Instruction on Monitoring of Drinking Water Quality which is expected to be adopted by the Government of Kosovo during 2020.

## **2.2 MONITORING OF LICENSED PROVIDERS**

This Report firstly enables the Authority but also other stakeholders in the sector to monitor the achieved levels of service. The Authority's competences and obligations for licensing and monitoring of licence conditions for Licensed Providers' services are defined in the Law no. 05/L-042 on the Regulation of Water Services and Regulation No. 05/2016 on Licensing of Water Service Providers in Kosovo.

Article 4, paragraph 3.4 of the Law No. 05/L-042 on the Regulation of Water Services, gives the Authority the following competencies: *performance monitoring of service providers to evaluate if they fulfil the conditions defined by service licence as well as the targets defined by tariff process.*

Furthermore, paragraph 3 of Article 19 of the Regulation on Licensing of Water Service Providers in Kosovo obliges licensees to cooperate with the Authority in reporting all required data during the licence validity period.

On the other hand, based on the above mentioned Law, more precisely, paragraph 2 and subparagraph 2.3 of Article 46/B of the Law no. 06/L-088 amending the Law No. 05/L-042 on Water Services Regulation, the Authority may impose fines if Licensed Providers fail to meet their obligations under the relevant legislation, including the terms of the service licence. However, considering the environment in which these Providers operate, the Authority tries to leave such measures as the last one by favouring softer sanctions, i.e., continuously making recommendations for improvement until a satisfactory level is reached.

To fulfil the above-mentioned mission, the Authority's Inspection Unit in cooperation with Department of Legal Affairs and Licensing and Department of Performance Monitoring, based on its mandate, during all of 2019 and early 2020, has conducted inspections for monitoring the compliance with licence conditions with special emphasis on meeting service standards. In 2019, with the support of the Support Project a series of workshops and trainings were organized with the staff of Licensed Providers to address some of the recommendations issued in the same Report for 2018. The results of the latest inspection show that some of the recommendations from these working meetings and from the same Report for 2018 have already been implemented by the Licensed Providers.

The inspection findings were further processed and detailed results are provided in the following chapters of this Report. Otherwise, conclusions have taken into account comments and suggestions derived from the Report of Water Service Customer Opinion Survey in 2019, publication of which is funded by the Authority.

At the same time, when drawing conclusions on the Licensed Providers' performance, the Authority takes into account the impact of external factors on the structure, sustainability and cost of services. In general, specific regional conditions also determine the structure of water supply and wastewater collection and treatment services. This year too, water supply in a large part of the Licensed Providers' areas has depended directly on weather conditions. Configuration of the area, local availability of water resources (both surface and underground waters) and the quality<sup>2</sup> of raw water have impacted on a number of plants and reservoirs but also on the service provision operational costs.

In addition to natural conditions, a direct pressure on provision of services during 2019 arose from demographic factors including population density, population movements from village to the city and rapid urbanization, especially in the Municipality of Prishtina. Among other influential factors were also the pressure of Board of Directors' members for Licensed Providers to employ people that

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<sup>2</sup> This is affected, *inter alia*, by climate, vegetation, land use (agriculture, industry, etc.) and substances that are naturally present in water (e.g., manganese) that are attributed to geological impacts. Findings in the field indicate that water resources (raw water) around Municipality of Mamusha, but also in some springs in Klina, are of poor quality and despite the efforts of Management of the relevant Licensed Providers (RWC Hidroregjioni Jugor and RWC Hidrodrini) this problem has not been fully resolved yet.

are not needed or employ persons with inadequate qualifications, and other pressures which are to the detriment of the Licensed Providers' financial sustainability.

All the above factors have had an impact on Licensed Providers' performance and have reduced the service provision efficiency.

The Authority is constantly committed to improve conditions for the Licensed Providers by setting tariffs which are based on the principle of necessary "cost recovery" to achieve the desired levels of service. Therefore, efforts are now being made to further improve the tariff process for the period 2021-2023, which will be based on a thorough analysis of each set of costs so that they reflect the planned improvement in levels of service. Thus, where the need for improvement (maintenance) or enhancement of infrastructure is identified in order to improve the service quality, Licensed Providers will be allowed to make necessary investments. On the other hand, in order to keep the tariff at acceptable level, the Authority will have to review the high proportion of overall costs represented by staff costs.

### **3. LEVELS OF SERVICE PROVIDED BY LICENSED WATER SUPPLY AND WASTEWATER SERVICE PROVIDERS**

This Chapter presents the levels of service provided by the seven licensed water service providers (hereinafter RWCs), as well as wastewater collection and treatment services during 2019, and it presents the development trends compared to 2018.

In general, last year's Report by the Authority was well received by water sector stakeholders including the RWCs and information from that Report was quoted in other reports and presentations and some of the recommendations from that Report were addressed by respective stakeholders.

For 2019, monitoring and evaluation of the service level is based on data inspected in the offices of RWCs as well as other information obtained from field visits. The inspected data and information for each RWC are stored in a separate Module where they are also processed in relation to specific performance indicators. These Modules will serve the Authority as a tool to monitor the levels of service provided by RWCs against standards and rules set by the Authority and NIPHK.

The validation of data provided by RWCs also turned out to be a challenge for this report, since access to and quality of data varied significantly from one RWC to another. In the coming years the Authority will try to find more effective and efficient solutions for collecting reliable data without the need for detailed inspections. The solution may include a proposal for taking sanctioning measures against RWCs that provide inaccurate or manipulated data, whenever that is confirmed (through selective audit/ inspection). Such a measure is already being implemented by OFWAT (the Economic Regulator of the Water Sector in England and Wales).

The inspection also verified the source system of all data in order to confirm their degree of reliability - three data reliability levels were used: reliable; moderately reliable; and unreliable. Regarding data recording, storage and processing systems, in general, it is concluded that these are not yet at the satisfactory level of development and use; therefore the collected data generated from these systems are considered partially reliable. More detailed information regarding the reliability of each data set is presented in Chapter 5 of this Report.

#### **3.1 POPULATION WITH ACCESS TO WATER SUPPLY SERVICES**

RWCs as Licensed Providers of water supply and wastewater collection and treatment services provide water supply services to 75% of the population<sup>3</sup>. This indicator represents the percentage of population that is supplied by each of the RWC managed systems against the total population within the licensed service area.

Expressed in terms of settlements<sup>4</sup>, out of a total of 1,238 settlements, there are only 584 settlements that have access to public water supply systems managed by the RWCs.

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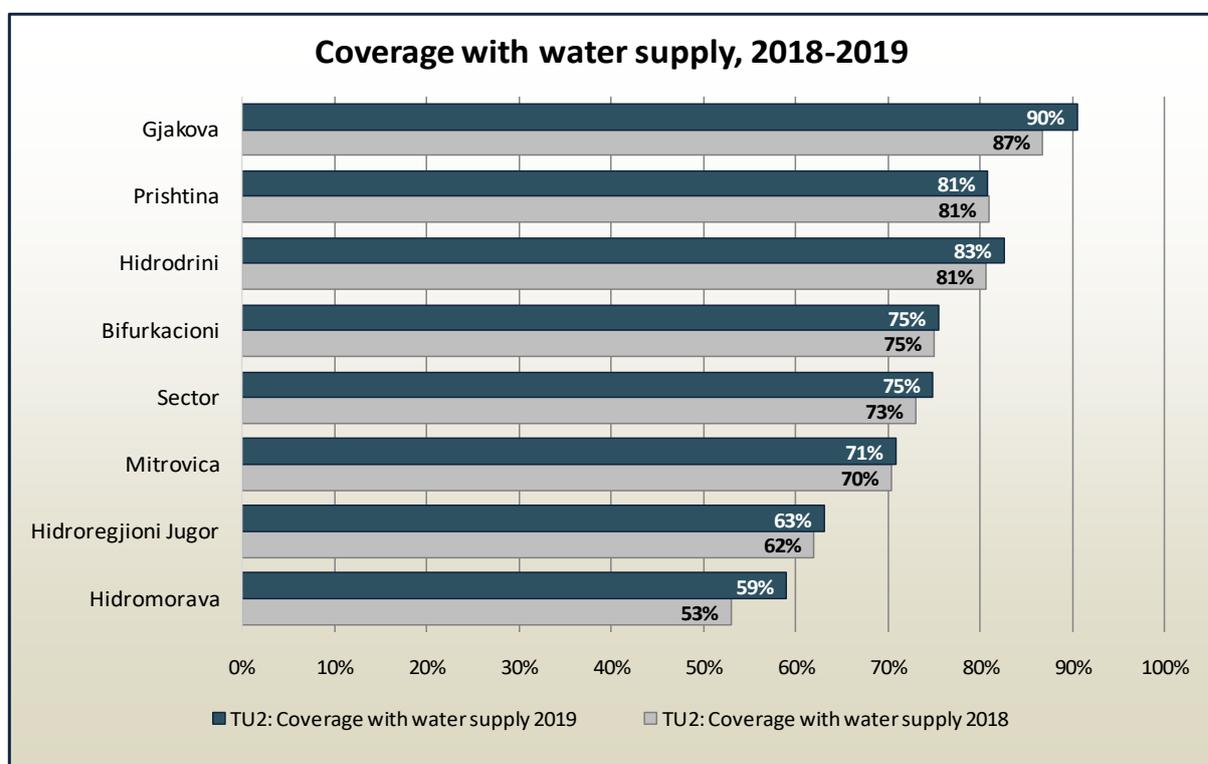
<sup>3</sup> The population data were taken from relevant reports published by the Kosovo Agency of Statistics (2011 Census Report and Report on Population Projection 2017-2061)

<sup>4</sup> According to the definition used by the Kosovo Agency of Statistics

In 2019 compared to 2018, 39 additional rural water supply systems were taken under the management of all RWCs. However, according to the information received from officials of the RWSSP-VI and RWC management staff, there are also about 155 water supply systems already built in rural areas which should become operational shortly and which will be managed by the respective RWCs. In most cases these systems possess the necessary infrastructure up to the customer connection pipe<sup>5</sup>. Given that according to applicable legislation, connection to services must be initiated by the customer himself, it is expected that in the future these customers will submit requests to the relevant RWC for a connection. It should be noted that here are a considerable number of a rehabilitated rural systems where there are individual connections, but the local population does not agree for their system to be managed by the RWC, preferring the individual (illegal) management of these systems to continue. In these cases, the possibility of raising awareness of these residents about consequences of uncontrolled water consumption or asset degradation in case of absence of regular maintenance needs to be considered.

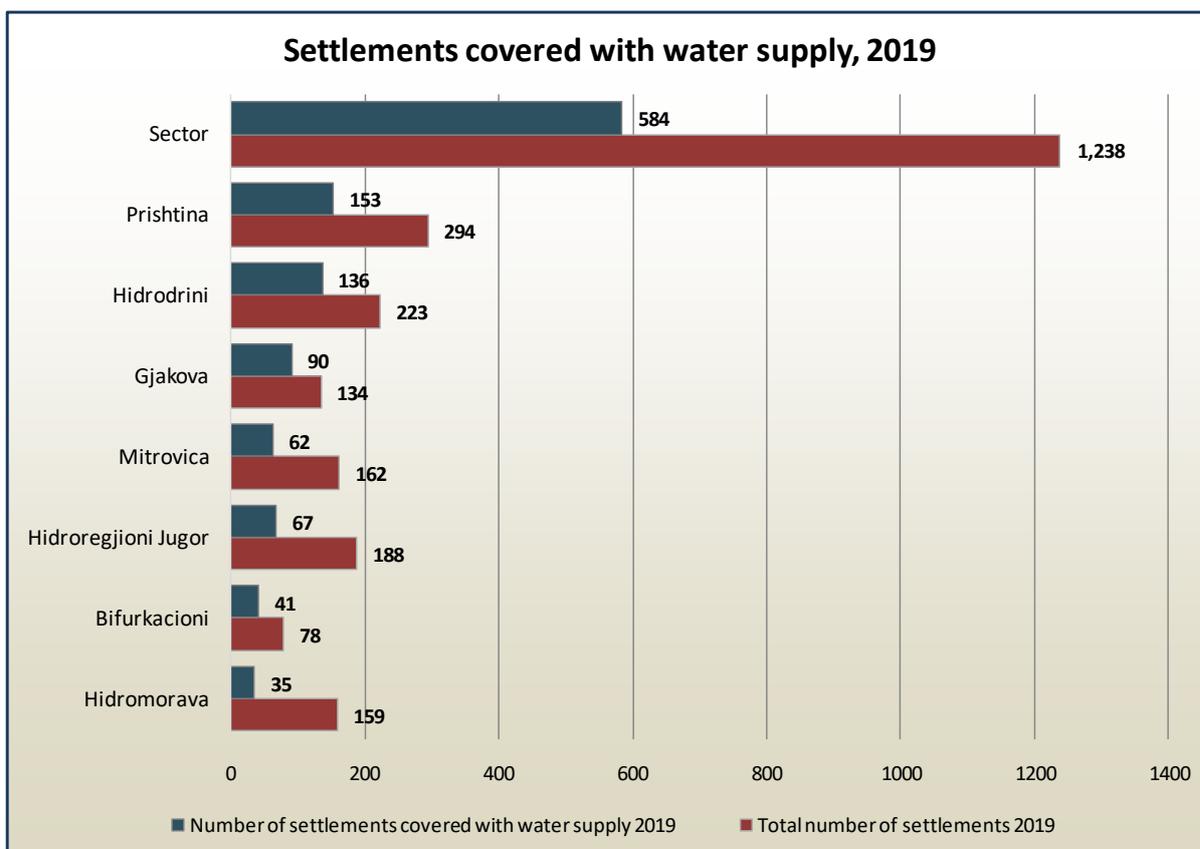
Following the commissioning of the 155 above-mentioned systems, about 150,000 inhabitants would be supplied and the percentage of the population with access to public water supply systems managed by the RWCs would increase from 75% to 83%. In addition to environmental and health benefits, taking over the management of these systems should increase the efficiency of RWCs through economies of scale, i.e. reducing the average cost per unit resulting from increased size of operation - service area.

However, more accurate data on the status of the operation and management of rural water supply and sewerage systems, which are outside the RWC management, are expected from the national Census planned for 2021.



<sup>5</sup> The customer connection pipe means the pipe from distribution network of Service Provider to customer's water meter, or customer's building (in cases where the water meter is inside the customer's' building)

The coverage with water supply and sewerage services in the form of maps is provided in Annex 1 of this Report.



In 2019, the number of new connections to water supply services in the entire Kosovo territory served by the 7 RWCs has increased by 19,919 compared to 2018. A total of 2,212 requests for new water supply connections were received, which were reviewed within the standard time allowed in the service standards. However, as it can be seen, there is a huge discrepancy between the actual number of new customers and the number of requests for a new connection, which is due to several factors, such as: (i) registration of customers in rural systems, who are connected by sub-contracted companies; (ii) registration of illegal connections; (iii) review of requests received by the end of 2018, and (iv) execution of connections by customers themselves without the supervision of respective RWC staff – an occurrence that should be stopped. **The Authority further appeals to the Management of all RWCs to strictly implement the standard regarding the execution of new connections and legalization of existing ones, in order to avoid consequences from connections executed outside the standards that have a direct impact on increased physical (technical) and commercial water losses.** It is also recommended that the RWC Management engage their staff in routine inspection of existing connections and take appropriate measures against badly constructed connections.

## 3.2 WATER SECURITY TO CUSTOMER

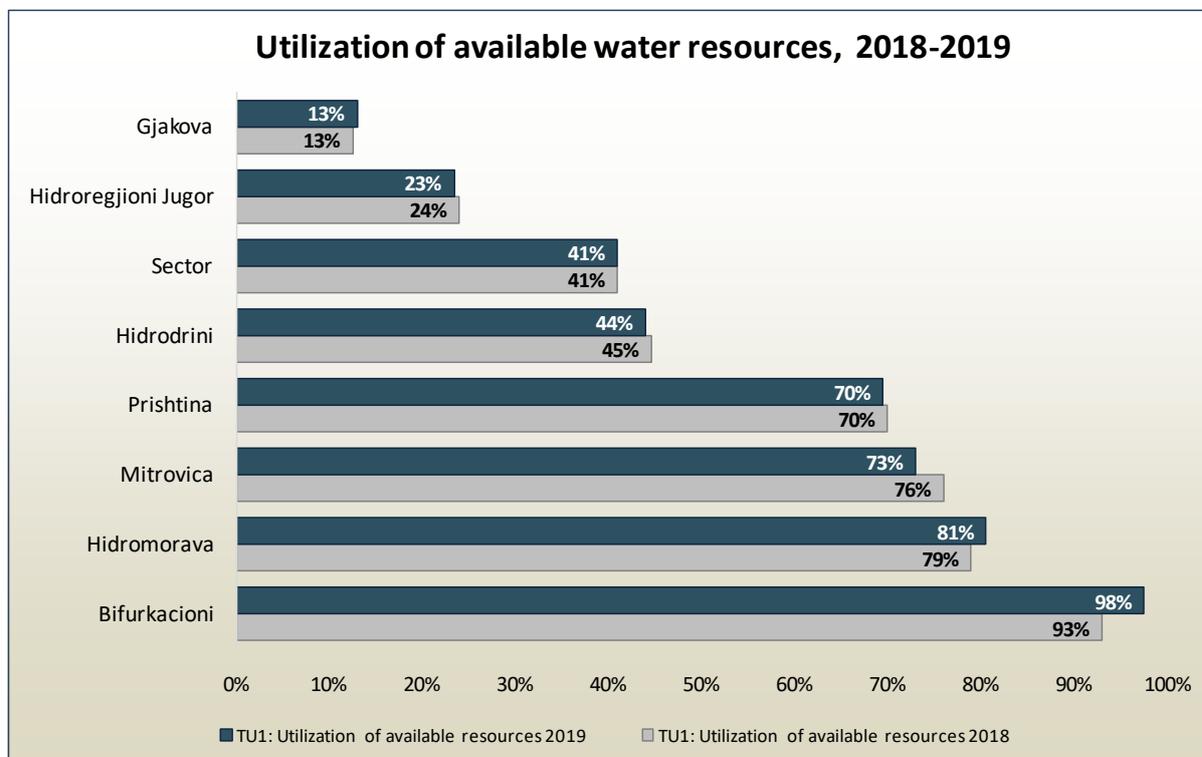
### 3.2.1 Water resource availability and demand

The demand for access to water supply is and will continue to increase until the population is adequately covered with this service. In 2019, the estimated water demand from the domestic<sup>6</sup> and non-domestic customers, who have access to water supply, including the estimated authorized but unbilled consumption, has been about 93 million m<sup>3</sup>, which is about 2 million m<sup>3</sup> more than last year. On the other hand, water resources available to 7 RWCs can provide a total of 380 million m<sup>3</sup> of water, while the current overall treatment capacity can provide a total of 300 million m<sup>3</sup> of treated water.

Despite the fact that in total the water demand from all RWCs is lower than the available water resources, that is not the case for specific areas. A typical example of this is the water supply of customers in the municipality of Gjilan, Ferizaj and those in the municipality of Mamusha.

Failure to meet the water demand in certain zones is an issue that should be addressed by the relevant RWCs. The Authority encourages investments in systems to optimize the use of water resources that guarantee a reliable supply and that meet the overall demand.

On the other hand, it has been observed that the cooperation between MIE and RWCs related to mutual obligations, especially concerning water permits for using resources was not very effective. Among main problems arising from this is the non-possession of water permits for about 55% of resources in use and failure of RWCs to fully understand their obligations for maintenance of water and wastewater assets.



<sup>6</sup> Demand from the population was calculated using the rate of 150 liters/per capita

### 3.2.2 Water treatment

During 2019, the total amount of treated water (including treated bulk water supply) by the 7 RWCs was 155,792,029 m<sup>3</sup>, which is 1,999,577 m<sup>3</sup> lower than in 2018. As it can be seen, most of the RWCs have shown changes from year to year, where RWC Mitrovica and RWC Hidromorava have reported significantly lower quantities, one due to lower demand for bulk water whilst the other one due to unavailability of sufficient water resources. Other RWCs mainly had relatively small quantitative increases as a result of expansion of their service areas.

**From the above mentioned amount of water treatment, only 66,217,862 m<sup>3</sup><sup>7</sup> of water supplied (or 43%)<sup>8</sup> has been billed to customers, which is 1% higher compared to 2018 (a positive trend).** From a simple analysis it can be concluded that if the RWCs would properly control the distributed water, they would have enough water for all current customers and for additional demands.

The significant amounts of treated water not being sold (not billed) remains one of the biggest current problems in the water sector. Given that each stakeholder in the sector can have an impact to improve the situation, the Authority has engaged international and local experts to identify the roles and measures that each actor should take in order to contribute to the reduction of the non-revenue water.

**Table 2: Billed water (%), according to the RWC, in 2019**

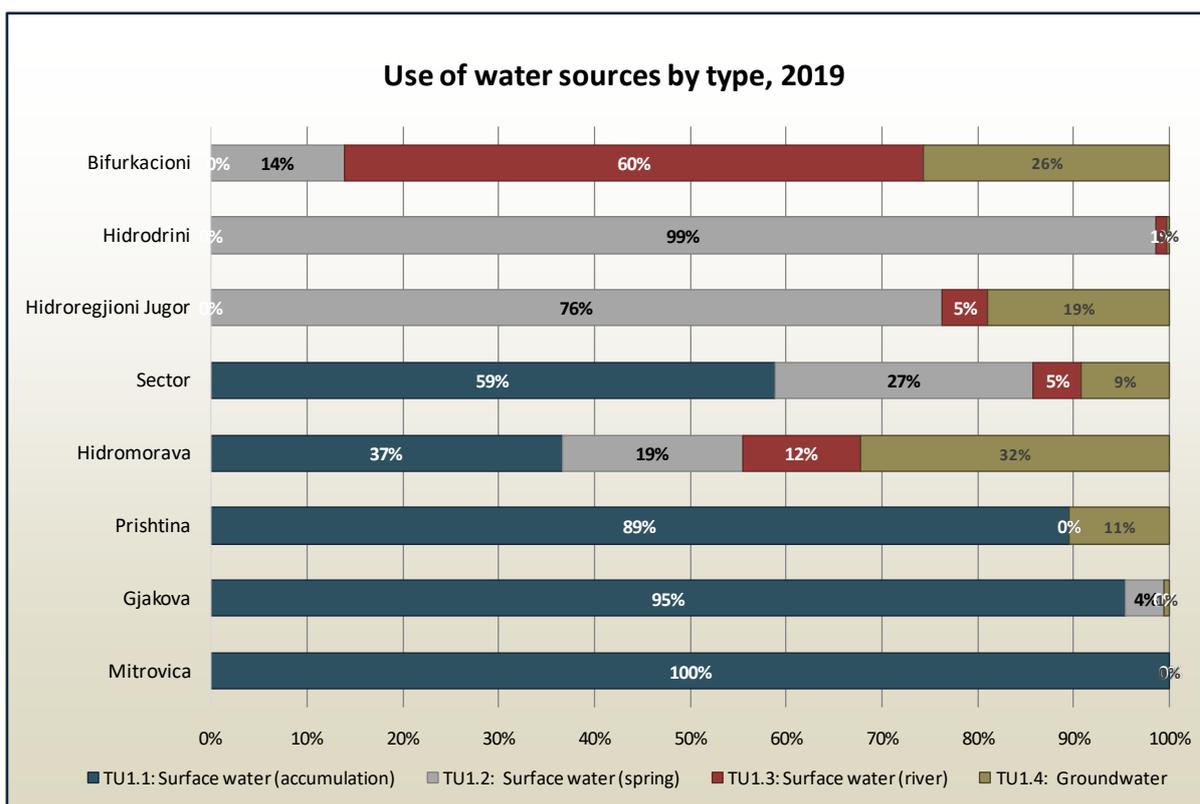
Name of RWC	Treated water		Billed (sold) water		% of billed water	
	2018	2019	2018	2019	2018	2019
RWC Prishtina	54,569,918	54,557,503	218,412,05	22,834,651	40%	42%
RWC Hidro. Jugor	17,038,292	16,653,327	7,347,813	7,347,891	43%	44%
RWC Hidrodrini	25,396,310	25,024,176	9,662,708	9,433,944	38%	38%
RWC Gjakova	14,992,458	15,538,250	8,467,412	8,896,189	56%	57%
RWC Mitrovica	28,347,492	27,228,630	11,553,470	10,694,032	41%	39%
RWC Hidromorava	8,464,519	7,397,821	4,012,702	3,732,950	47%	50%
RWC Bifurkacioni	8,982,618	9,392,322	3,350,037	3,278,205	37%	35%
<b>Sector</b>	<b>157,791,607</b>	<b>155,792,029</b>	<b>66,235,347</b>	<b>66,217,862</b>	<b>42%</b>	<b>43%</b>

For all RWCs, raw water is abstracted from a combination of surface and groundwater sources. With a share of 91% at the sector level, the use of surface waters (artificial lakes; spring water<sup>9</sup> and rivers) predominates over the use of groundwater.

<sup>7</sup> This includes treated bulk water

<sup>8</sup> Based on the latest data of about 30 DMAs for all seven Providers, commercial losses seem to prevail over technical losses. Given this element it can be concluded that the estimated water demand presented earlier is very close to the amount summing the billed water plus commercial losses.

<sup>9</sup> 'Spring water' according to a broad definition is characterized as groundwater, which naturally comes to the surface of the earth and is known as surface water.



According to the data provided by the RWCs, 34% of the water is treated using simple chlorination systems. However, according to the information received from customers we learn that during the season of high precipitations, which usually continues for several days, water from these sources that is treated only with chlorine that does not go through water filtering stages, often does not meet the physical water quality standards (i.e. water is turbid). **For these cases, there might be a need to assess the conditions of such systems and come up with necessary recommendation for further treatment stages.**

### 3.2.3 Continuity in drinking water supply

According to the standard, RWCs are required to continuously provide drinking water in sufficient quantity, with 24-hour uninterrupted supply under the same conditions for all categories of customers.

However, during 2019 some of the RWCs have failed to meet this standard as they were faced with the issue of spring water scarcity. In such cases, customers, mainly in the urban area of municipality of Gjilan, were not continuously supplied with water, especially during the second half of 2019. The crisis of drinking water supply for these customers has been a consequence of the lack of sufficient water reserves after the depletion of Lake Perlepnica due to lack of precipitation. However, in order to overcome this situation, main stakeholders have undertaken measures to find additional sources, including opening and operating wells in the 'Fidanishte' neighbourhood in Gjilan. Since this is not considered to be a long term measure, the Authority has suggested that the RWC Hidromorava explore other sources that could provide a reliable continuous supply, as required by the service standards set by the Authority.

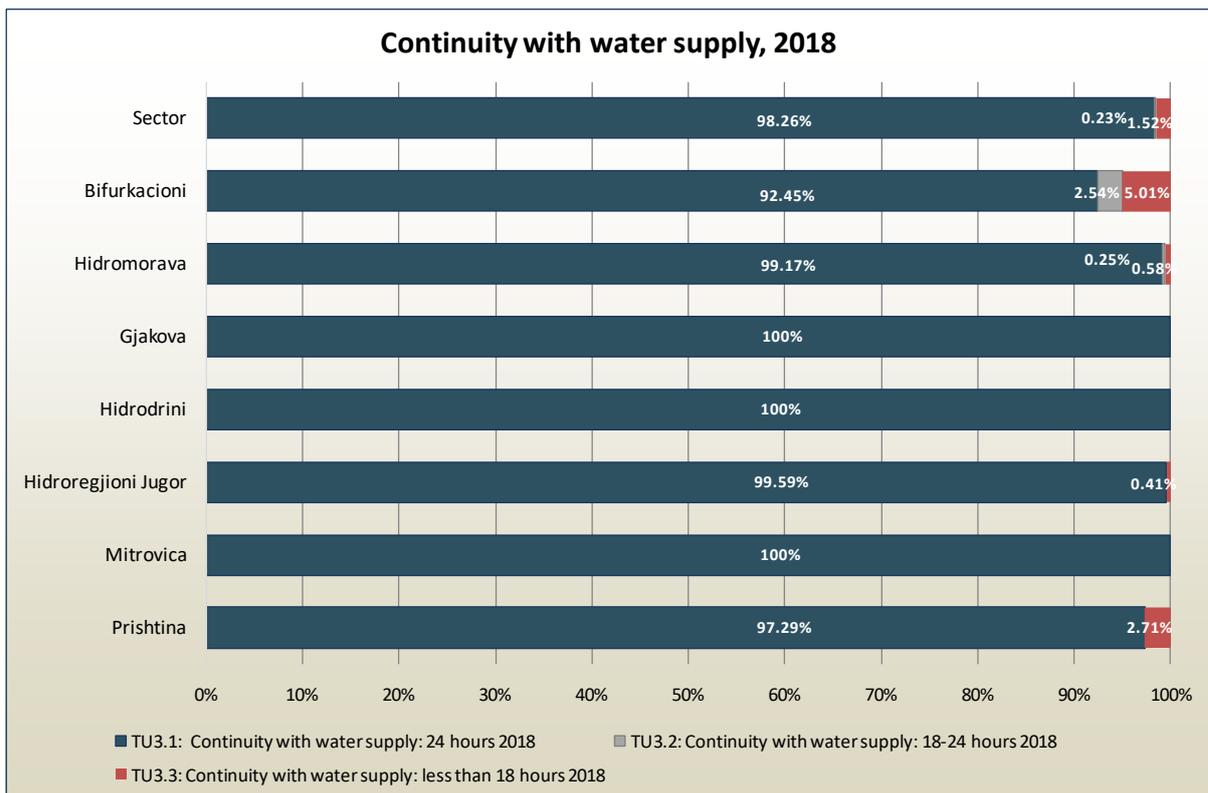
Another case has been the interruption of water supply for customers in the Municipality of Mamusha. In order to maintain Licence conditions, RWC Hidroregjioni Jugor, during 2018 and 2019,

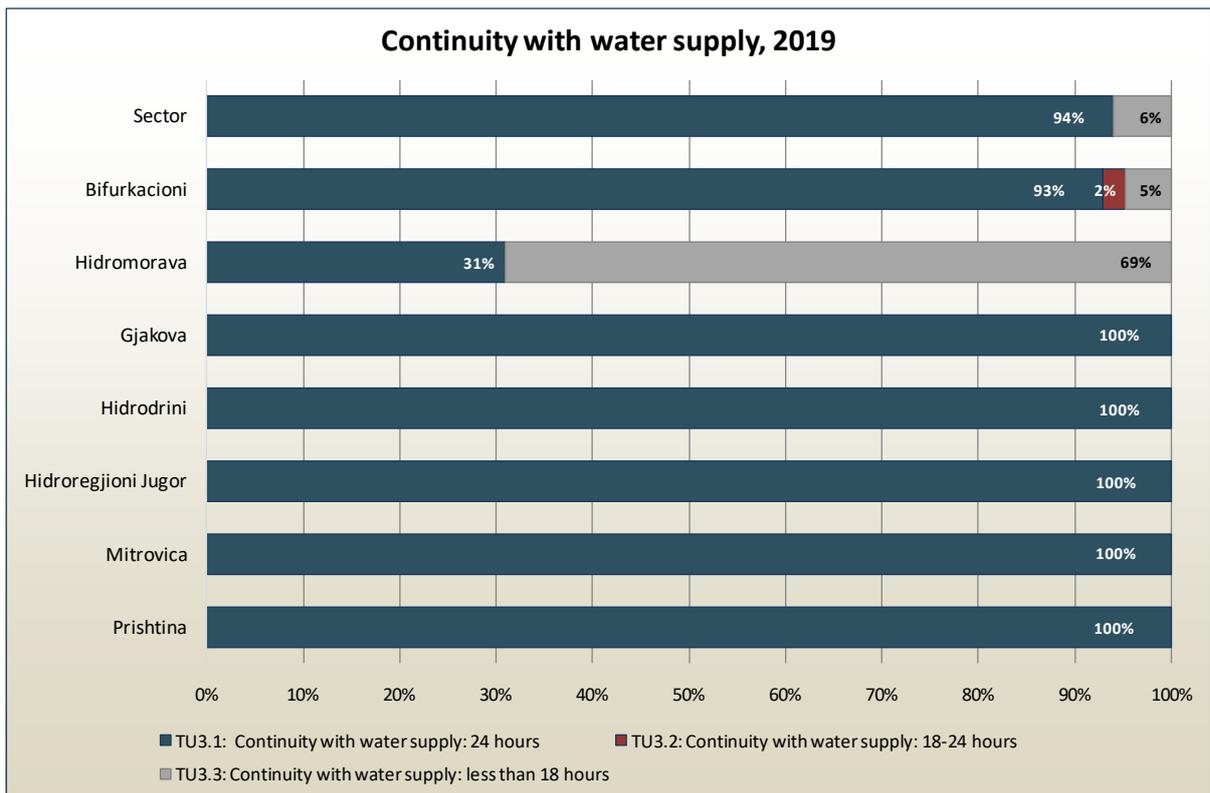
has invested to ensure sources and main pipe for water supply from the Novaka springs up to the reservoir and has begun using a new spring (well) with a capacity of 9-11 l/sec, which will only be used to supply the municipality of Mamusha. In this way, RWC Hidroregjioni Jugor has ensured that in addition to the new source, if necessary, to use Novaka spring as an alternative.

RWC Hidroregjioni Jugor should also look at the possibility of improving the water system in the area of Landovica, whose population (about 800 inhabitants) is currently not supplied with water due to some technical problems.

Water restrictions by RWC Bifurkacioni have continued also in 2019 in the neighbourhood of Komogllava, villages of Muhovc, Lloshkobarë, Kosinë, Kosharë, Bublicë and Slivovë.

According to inspection findings, all RWCs that have applied planned water restrictions have published the restriction schedule and have kept customers informed of all measures taken to overcome the situation. However, findings show that none of the RWCs has requested from the Authority to approve the Restriction Program and none has requested to enter into an 'Agreement for Changing the Terms of Licence', which, among other things, would specify measures that should be taken by the RWCs to solve the problem, for a certain period of time.





Despite the above water supply problems, from year to year there are improvements in this indicator in RWC Prishtina and RWC Bifurkacioni. In addition to the planned restrictions, during 2019, many customers have faced the problem with water continuity due to low pressure, especially during the summer. More specifically, the data inspected from RWCs indicate that the number of customers who have faced this problem has increased from about 1,755 in 2018 to about 6,545 in 2019 (5,445 customers are reported in the town of Gjilan and about 1,100 in the town of Suhareka). However, information from customers (received from the 'Report of the Water Services 'Customer Satisfaction Survey'), indicates that there are more cases than those reported by the RWCs. Therefore, during 2020 Authority will further investigate the problem of low water pressure in all RWCs, especially during the summer months, and will discuss with the relevant RWCs possible solutions to problems in the areas facing this issue.

Based on the data assessment, the average water pressure for all RWCs is about 3.5 bars (under normal water use conditions, the hydraulic pressure in a customer's connection pipe should be not less than 1.5 bars and not more than 7 bars). It should be stated that in cases where the pressure is lower than 1.5 bars it is the responsibility of the RWC to install pressure regulating equipment so that the pressure meets this standard. While, regarding apartment buildings, it should be repeated in this Report as well that it is not the responsibility of the RWC to provide adequate pressure to elevated floors, but the direct responsibility of the owners.

### 3.2.4 Water supply interruption due to works

The general condition of the water supply and sewerage network and their preventative maintenance are two factors that affect the sustainable of water supply systems.

The findings from the latest inspection indicate that RWCs continue to have problems with water pipe bursts, which according to the reported data are usually repaired within the time set out in the

service standards. However, given that the storage and processing systems for this data are not sufficiently reliable; the Authority expresses reservations about the reality of meeting this standard by all RWCs. On the other hand, in most cases when the repair lasts longer than the time set out in the service standards, according to customer data, the RWCs do not currently provide water for customers by the provision of tankers.

Regarding the notification of customers in cases of planned or even unforeseen water supply interruptions, it can be concluded that the standard is being met.

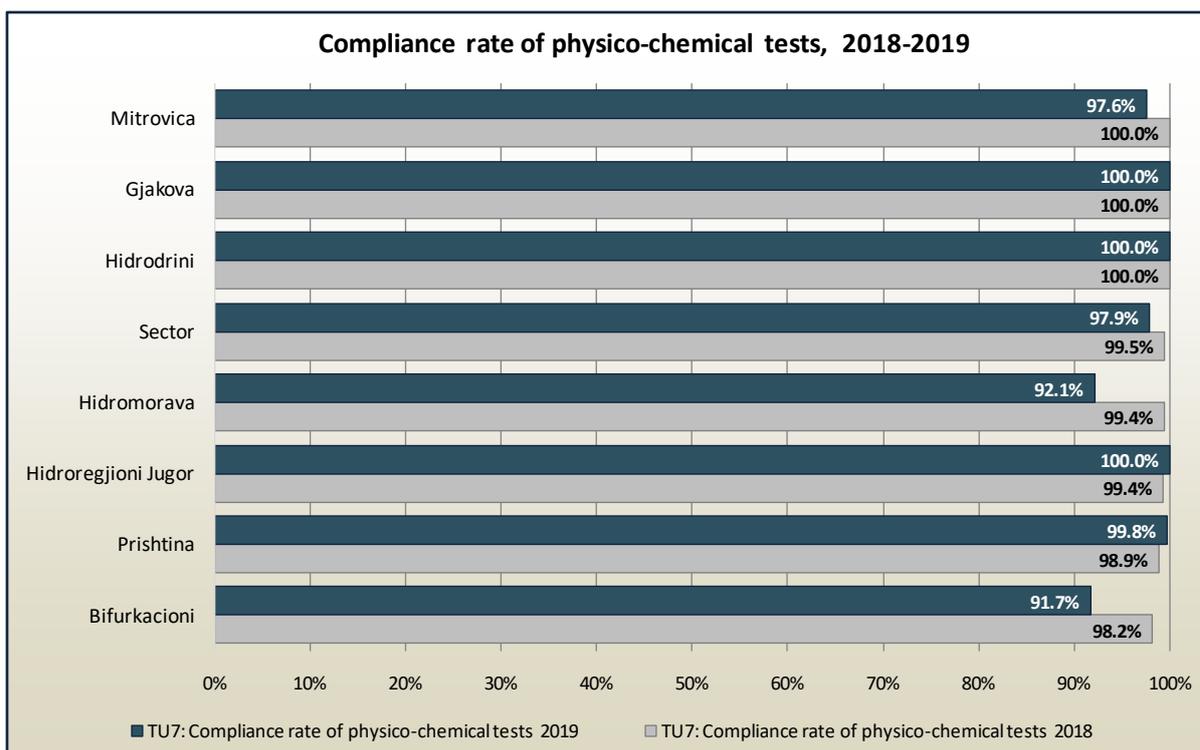
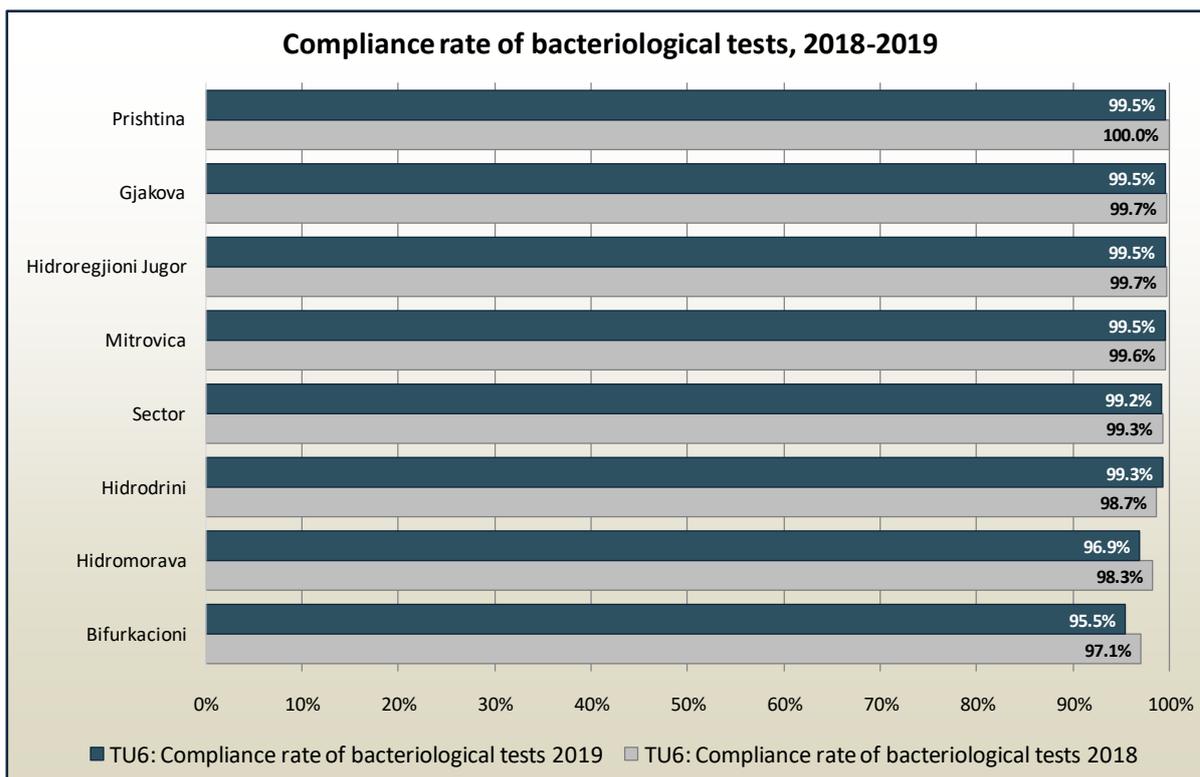
### 3.3 QUALITY OF WATER DISTRIBUTED TO CUSTOMERS

Drinking water quality monitoring is regulated by Administrative Instruction no. 16/2012 on the Quality of Water for Human Consumption, according to which RWCs are responsible for operational monitoring of water quality based on approved 3-year Operational Monitoring plans, whilst NIPHK is responsible for monitoring the compliance of drinking water quality with the set standards.

The accreditation of existing laboratories in 5 out of 7 RWCs remains a challenge. However, the laboratories of RWC Prishtina and RWC Gjakova continuously comply with the accreditation conditions. Tests performed by these RWCs are mainly used to monitor water quality parameters throughout the treatment process starting from testing of untreated water at the source.

According to the information received from other RWCs, the status of their laboratories is as follows: laboratories in RWC Hidromorava and RWC Bifurkacioni are in the process of accreditation and are going to be supported technically and financially by RWSSP-VI Program until they get full accreditation. Meanwhile, other RWCs expect to learn from this experience in order to start the process in due course.

According to the data provided by NIPHK, for areas supplied by the 7 RWCs and monitored by the NIPHK, the average compliance of bacteriological water testing in 2019 was 99.2%, while the compliance of physical and chemical testing was 97.9%. **In 2019 compared to 2018, water quality for both testing categories seems to be further away from the approximation to standards, as it can be seen in the following diagrams. However, despite this fact, according to the interpretation by NIPHK officials, the water supplied in 2019 by the RWCs has generally been safe for drinking.**



Based on the analysis of results received from NIPHK, it is observed that non-compliance with standards is mainly related to the level of residual chlorine. This situation is constantly present in most RWCs and is reflected in the general compliance overview. This indicates an operational problem that the RWCs need to address in the right way with regular and adequate chlorination of water they supply.

Compliance results are relevant for the majority of the water supply zones of RWCs, excluding some water supply areas which were put under the RWC management during 2019. However, water used to supply these areas is monitored throughout the operational process by the respective RWC. But for higher security of quality water supply, the Authority recommends that the NIPHK in cooperation with the RWC determine the "water supply zones" for those systems newly managed by RWCs, and also review current areas in case there are eventual zonal boundary changes.

In order to further improve the water quality monitoring in Kosovo, during 2019, NIPHK, supported by the Program RWSSP-VI Component for supporting NIPHK, has led the process of revising Administrative Instruction no. 16/2012 to approximate it with EU Directive 2015/1787 and Directive 2013/51/EURATOM which set out the requirements for protection of general public health concerning radioactive substances in water intended for human consumption. Also in the revised version, the RWCs, after a set period of time are expected to modify their drinking water quality monitoring approach from 'Monitoring plans' to 'Water Safety plans'<sup>10</sup>. These revisions are expected to be approved during 2020.

### 3.4 WASTEWATER COLLECTION AND TREATMENT

All RWCs, in addition to water supply service provision, provide a wastewater collection service too. **In 2019, this latter service was provided to 403 settlements in Kosovo, which covers about 65% of the population<sup>11</sup>.**

From the inspected data, it was observed that RWCs are managing a significant number of sewerage systems, which receive maintenance services for which customers are not billed at all. This will be explored more in depth by the Authority in 2020.

In 2019 compared to 2018, there are 19 additional rural water sewerage systems that were taken under the management of RWCs, mainly financed from the Kosovo budget. However, according to the information from RWCs and other stakeholders in the water sector, there are many other sewerage systems that are not managed by the RWCs.

According to RWC reporting, in 2019, the collected wastewater was discharged into about 25 water receiving bodies, mostly untreated, despite the fact that Kosovo legislation on treatment of urban/industrial wastewater is clearly defined in the Administrative Instruction no. 30/2014. This Instruction defining permissible wastewater effluent discharge values effectively requires that all polluting bodies (including RWCs) shall treat wastewater before discharging it into water bodies. **The wastewater treatment by RWCs remains low with only 2% of the total amount of wastewater billed to customers by all RWCs**, while it is expected that in the near future, as a result of investments in 3 wastewater treatment plants, which will mainly cover urban areas of municipalities of Prizren, Gjakova and Peja, about 30% of collected wastewater will be treated.

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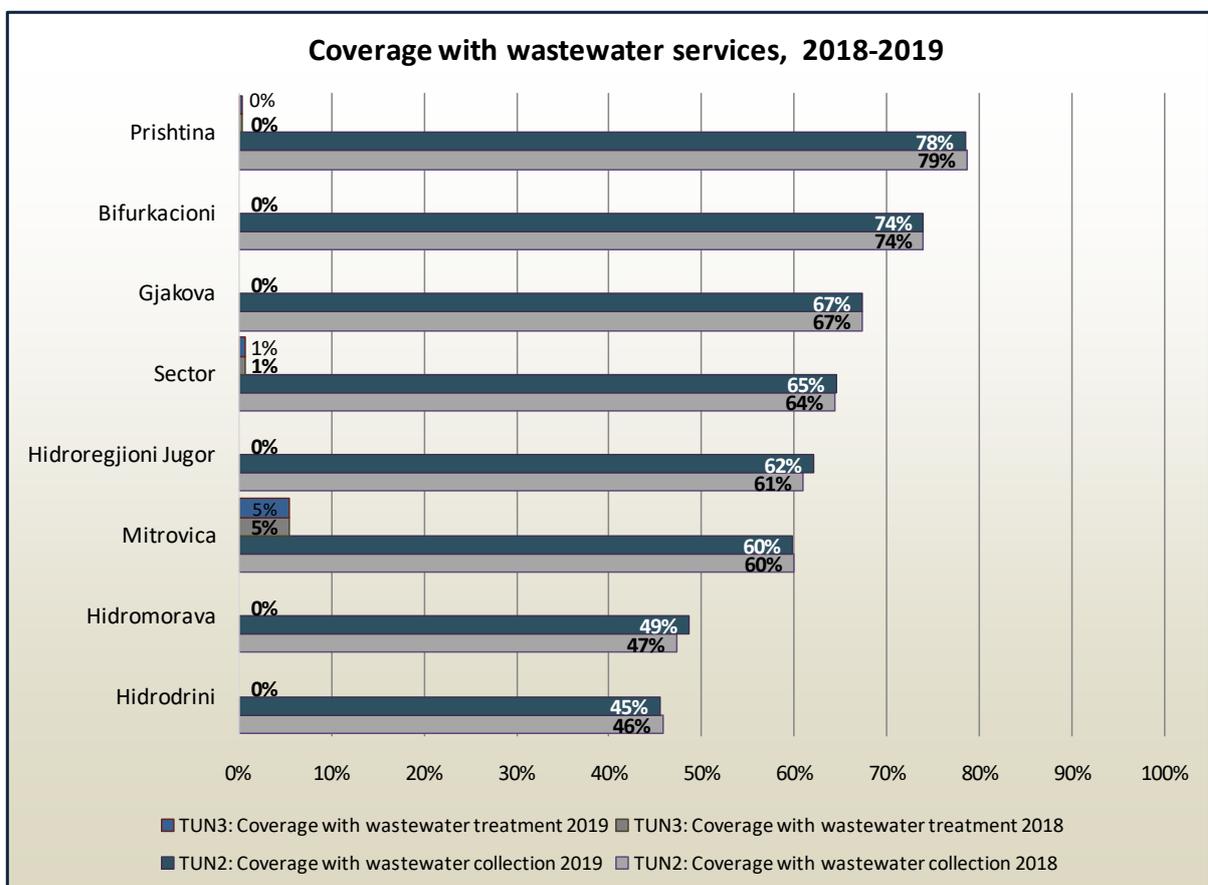
<sup>10</sup> World Health Organization experts estimate that 'Water Safety Plans' are the most effective means to ensure the safe drinking water supply and as such, require a risk assessment including all steps in water supply 'from catchment to consumer tap', followed by the implementation and monitoring of risk management control measures, with a focus on high-priority risks.

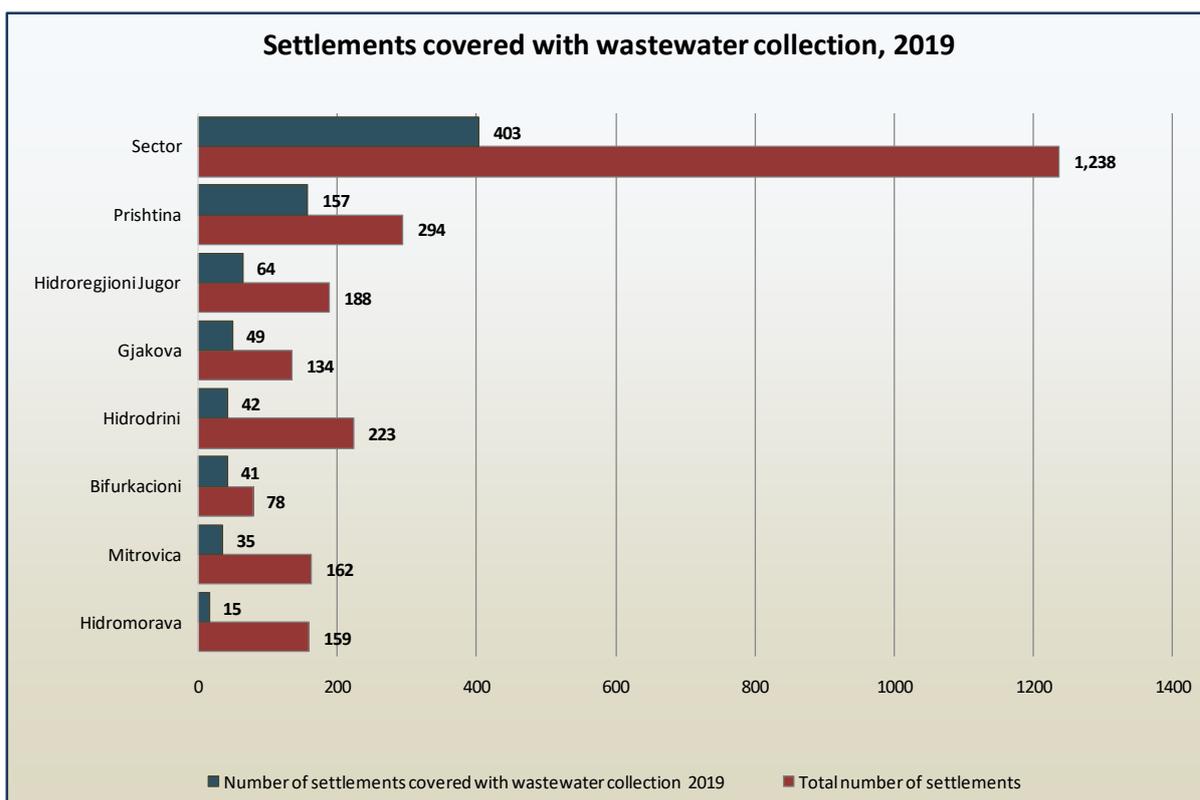
<sup>11</sup> This indicator represents percentage of population that is supplied by systems managed by RWCs against the total population within the licensed service area.

To date, in the whole of Kosovo there are only 5 relatively small wastewater treatment plants/systems in operation, 4 of which are administered by Licensed Providers. These four plants/systems treat wastewater of following settlements: Skënderaj, Prekaz i Epërm, Prekaz i Poshtëm, Tërnavc (managed by RWC Mitrovica) and Mramor and Harilaç (managed by RWC Prishtina) and in total they **treat wastewater collected by 0.7% of the population with access to public sewerage systems managed by all RWCs.**

According to the reported data, tests performed in all these treatment systems have shown that the treated wastewater effluent has been 100% in compliance with the set standards for the biochemical oxygen demand (BOD<sub>5</sub>) and chemical oxygen demand COD).

Coverage details of wastewater collection and treatment service can be found in the following diagrams.



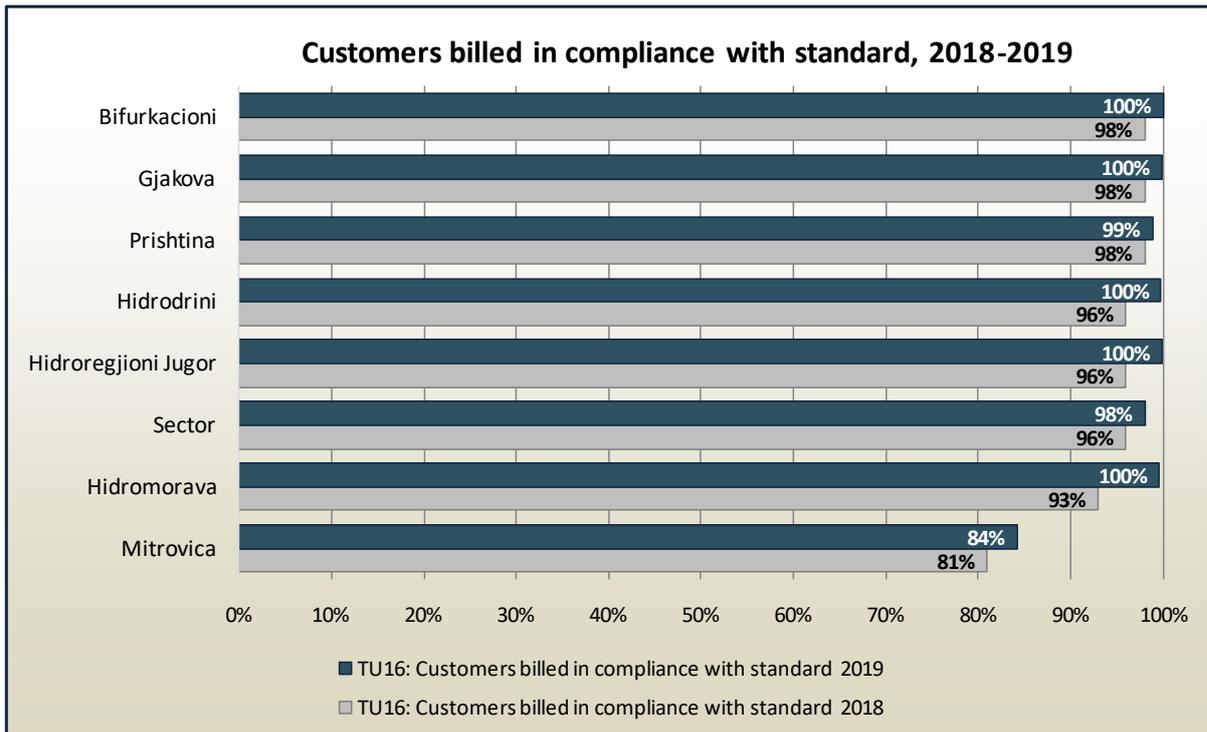


### 3.5 CHARGING (BILLING) FOR SERVICE PROVISION

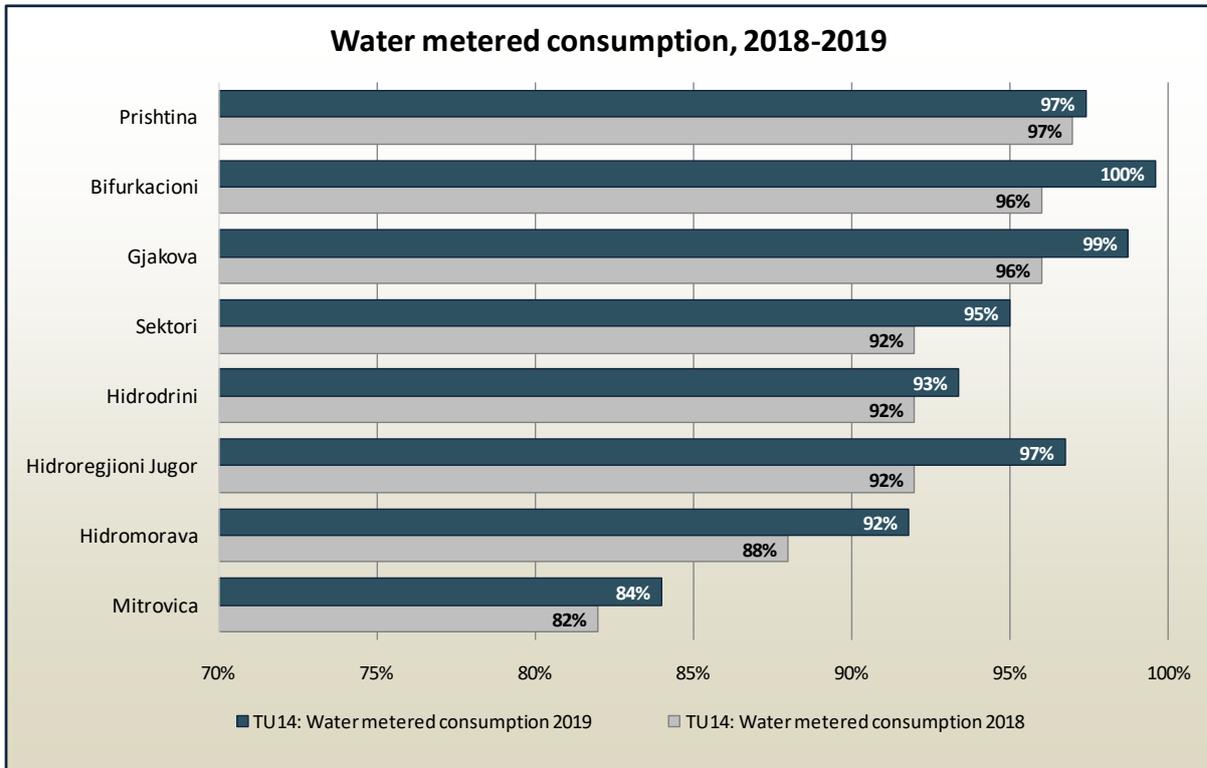
In principle, all customers should be charged (billed) by the RWC for any service received from RWC in accordance with standards and the tariff order issued by the Authority.

During 2018, in order to implement the Law on Customer Protection No. 06/L-034, the Authority has issued a Decision on eliminating unmetered charges and has supplemented and amended the Regulation on Minimum Service Standards, while on the other hand sufficient time has been given to RWCs for the implementation. During 2019, the implementation of these decisions/changes and other commercial service standards has been monitored through inspection activities and measures (mainly “soft”) have been taken in cases of non-compliance. During the initial inspections it was found that none of the RWCs has fulfilled the obligations from these two acts and the unmetered charges of water services have continued further resulting in 13,728 customers with lump sum charges (inspection statistics: June 2019). Following the actions by the Authority through numerous advisory meetings and other issued warnings, at the end of 2019, the number of customers billed on a lump sum basis was reduced to 7,533. Meanwhile, this number is expected to be eliminated completely by May 2020.

In 2019, the above mentioned results are also confirmed by the compliance rate with commercial/billing standards of 98%, which has marked a progress of 2% compared to 2018. Year to year progress for each RWC can be seen in the following diagrams.



The development trend of water meter reading from year to year, for each RWC, is presented in the diagram below.



However, despite the increased metered billing, the latest inspection findings confirm the concern of RWCs and customers related to the measuring accuracy of the old water meters installed many years ago (in most cases 10 years ago) and which were not calibrated at the time specified by metrology standards but also due to earlier installation of water meters which did not meet the

relevant standards. The results from the data indicate that in 2019, all RWCs have installed in total 14,774 water meters, including those in new connections and replacement of existing ones. All these water meters comply with metrology standards.

However, replacement of old water meters and the regular calibration of the replacement meters still remains a challenge for all RWCs. Even during 2019, RWCs have not yet drafted the Water Meter Management Plan, which otherwise would address in an organized way the issue of calibration and replacement of old water meters. Despite this, water meters are replaced based on the customers' *ad hoc* requests or upon identification of a measuring problem by the reader. **Therefore, in the absence of Water Meter Management Plans, RWCs are not able to know exactly their annual demands for new water meters and subsequently, are not able to justify their related investments in the Regulatory Business Plan. To overcome this problem, the Authority, for the new tariff process 2021-2023 recommends the RWCs should develop medium-term Water Meter Management Plans.**

During 2019, the 7 RWCs have continued to bill their customers every month. It should be noted that despite continuous recommendations from the Authority, **the number of signed contracts still remains low. This phenomenon not only brings legal consequences in customer-provider relations, but also affects the customers' lack of information on the rights and obligations they have towards the RWC.**

### **3.6 THE RELATIONS BETWEEN RWC - CUSTOMERS - AUTHORITY**

Recognizing the importance of customer protection, the Authority during 2019 has increased its activities in terms of enhancing and improving the cooperation between the Authority and Customers and between each RWC and its Customers.

#### **3.6.1 Relations between RWC and Customers**

The Authority monitors and stimulates RWCs to build correct and transparent relations with their customers. The inspection results for 2019 also show progress in this direction. Based on the findings it may be concluded that all RWCs already have in place (i) a special office that is used to receive feedback from customers at the central and local level (offices of operational units); (ii) electronic applications for data recording and processing; and (iii) permanent commissions for reviewing complaints.

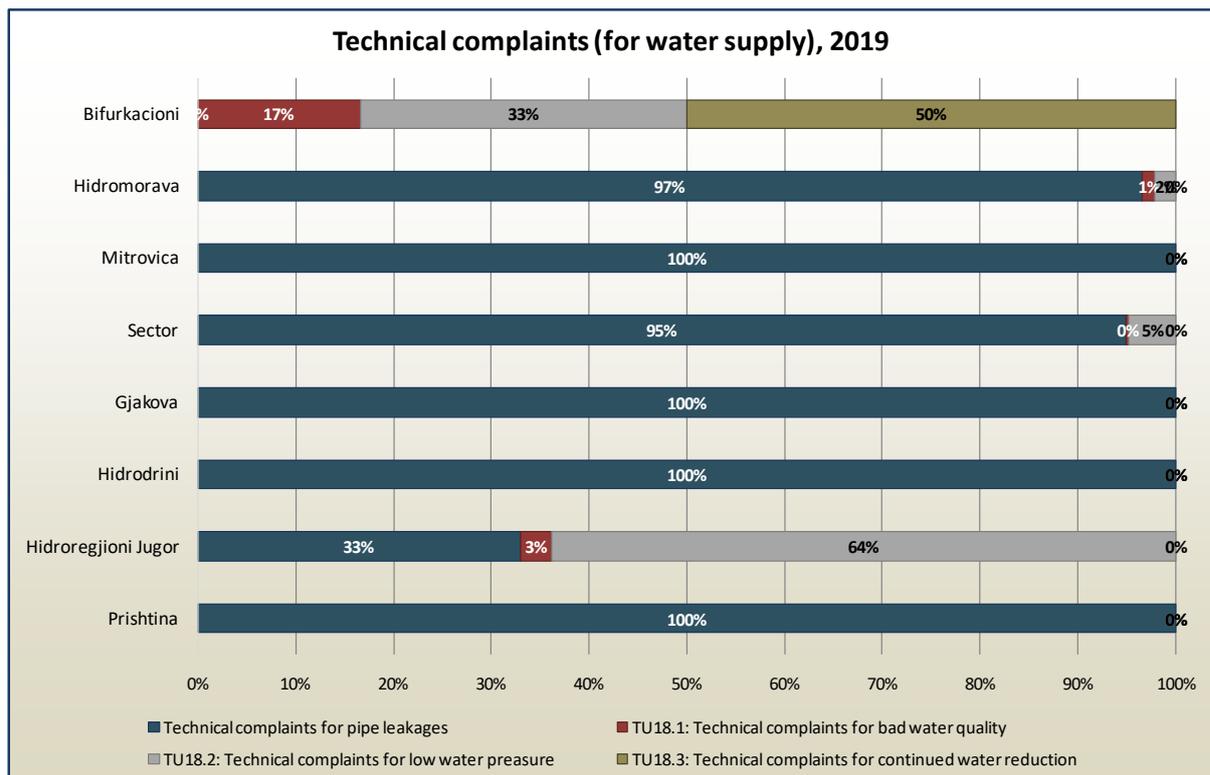
During 2019, based on recommendations of 2018 report, the Authority has organized a joint workshop and some individual meetings with RWCs' representatives to address issues such as: **(i) accurate recording of information and customer feedback as per "complaints - reporting - requests - compliments" categories and their sub-categories;** (ii) generation of detailed reports; and (iii) identification of the time for replying to customers compared to the time set out in the service standards. The above-mentioned guidelines provided by the Authority in cooperation with the Support Project have been implemented to a certain extent by the RWCs. The best examples of this are RWC Bifurkacioni and RWC Hidromorava.

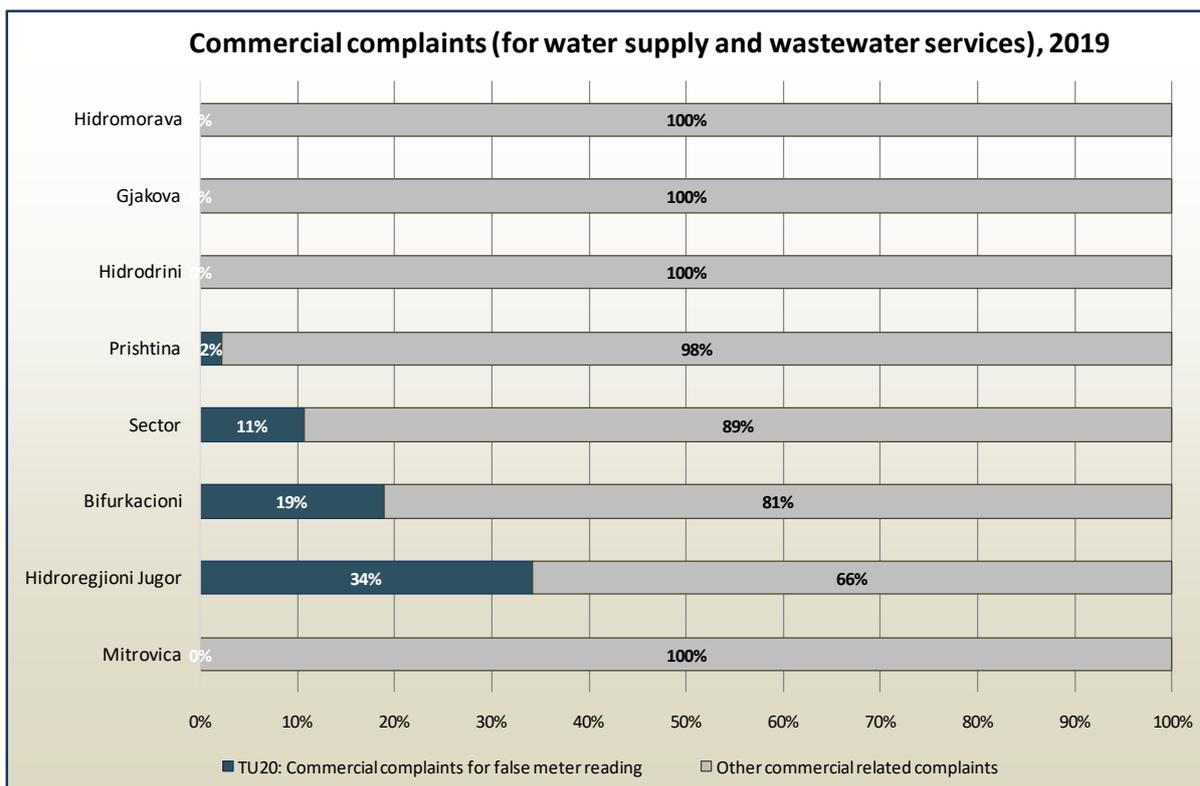
The findings indicate that data on customer complaints are still not used by RWC Management in taking decisions to improve the level of service. On the other hand, total number of customer complaints of 10,891 or the assumption that every 35<sup>th</sup> customer has filed a complaint could be

considered high. Although it has been difficult to accurately identify complaints against notifications, the provided data show a bigger number of complaints on commercial rather than technical services. From this number, 11% were for not reading water meters, while 95% of complaints of a technical nature were mostly about leakages, i.e. water pipe bursts (this category in the future will be recognized as a reportable service standard) and 5% for low water pressure.

Although the above mentioned data include the entire RWC service area, it is obvious that their highest number is related to the RWCs' central operations units.

Details of complaints, according to the topic, can be found in the following diagrams.





According to the standard set by the Authority, it is required that all complaints and inquiries be reviewed within a certain specified period of time. **The inspection findings show that based on the current organization of the relevant module it is not easy to accurately track the resolution time for complaints/inquiries. However it may be concluded that 96% of technical complaints submitted for water supply services, 100% of technical complaints for wastewater services and 100% of commercial complaints for both services were resolved within a calendar year.**

**Regarding the tracking of resolution time for complaints/inquiries, at the end of 2019 RWCs were supported to make these improvements in relevant modules, therefore this issue is not expected to be reported anymore.**

Another relation between the customer and their RWC is also the communication through various media, including social media. In this regard, it can be said that all RWCs continue to have daily communication with their customers. Communication is mainly of an informative character about issues that occur in the field. However, despite the fact that customers are informed about the issues that occurred, they are not very much aware of mutual rights and obligations with the RWC as most of them are not aware of the existence of the customer charter and the customer service contract. From the inspection of customer relations offices, with the exception of RWC Hidrodrini, the charter is not posted in a visible place.

Another way to inform customers is the invoice (bill). During the inspection it was found that last year's recommendations relevant for 3 RWCs were implemented only by one of them (RWC Prishtina), while the RWC Hidromorava and RWC Mitrovica have still to consider them.

### **3.6.2 Relations between the Authority and RWC Customers**

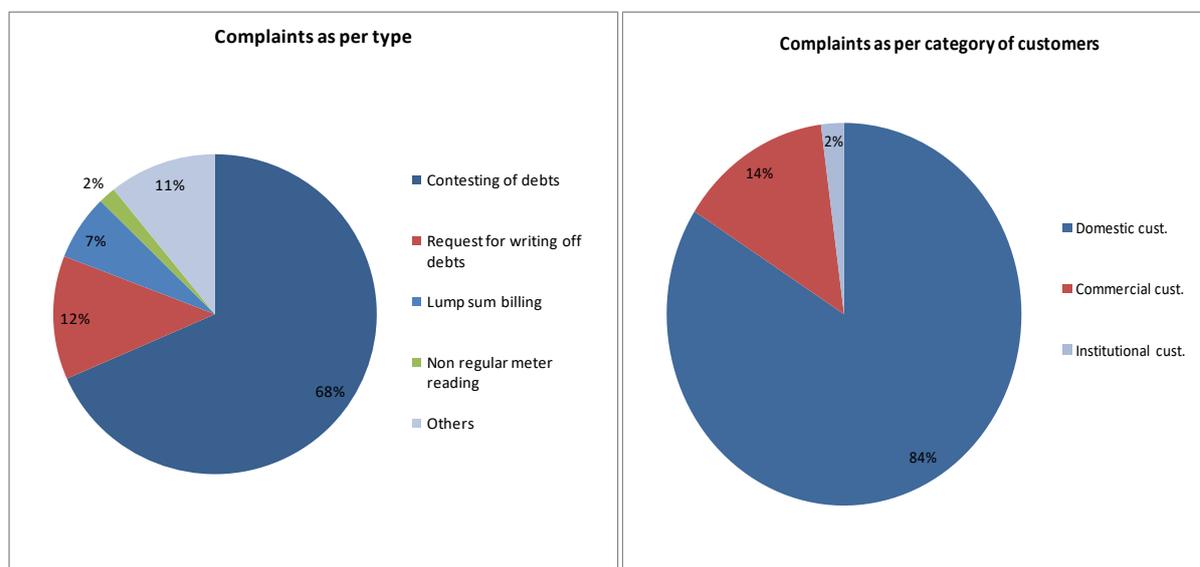
In implementing the Law No. 06/L -088 on Amending and Supplementing the Law No. 05/L-042 on the Regulation of Water Services, in June 2019, the Authority has abolished the Customer

Consultative Committees and in place of them, in accordance with Article 5 of Regulation no. 09/2019 on the Resolution of Customer Complaints, has established the Committee for Resolution of Customer Complaints, which operates under the Department for Legal Affairs and Licensing in Authority. The main task of this Committee is to resolve customer complaints at the second instance. This body shall professionally and impartially review and issue written decisions on any complaint addressed to the Authority by customers. Since the implementation of these decisions is mandatory for the RWC, during the inspection activities to RWCs, the degree of implementation of these decisions was checked. The absolute data of complaints reviewed by the respective body under the Authority, the degree of their implementation by respective RWCs, and 2018-2019 trends, according to the service areas of the RWC, are provided in the following table.

**Table 3: Number of decisions on customer complaints by RWC service areas, in 2019**

Name of RWC	No. of decisions issued by the Authority		No. of decisions issued by the Authority, implemented by the RWC		Rate of implementation	
	2018	2019	2018	2019	2018	2019
RWC Prishtina	185	178	185	178	100%	100%
RWC Hidro. Jugor	11	24	11	24	100%	100%
RWC Hidrodrini	1	4	1	4	100%	100%
RWC Gjakova	38	41	38	41	100%	100%
RWC Mitrovica	0	2	0	2	100%	100%
RWC Hidromorava	6	19	0	19	0%	100%
RWC Bifurkacioni	37	20	37	20	100%	100%
<b>Sector</b>	<b>278</b>	<b>288</b>	<b>272</b>	<b>288</b>	<b>98%</b>	<b>100%</b>

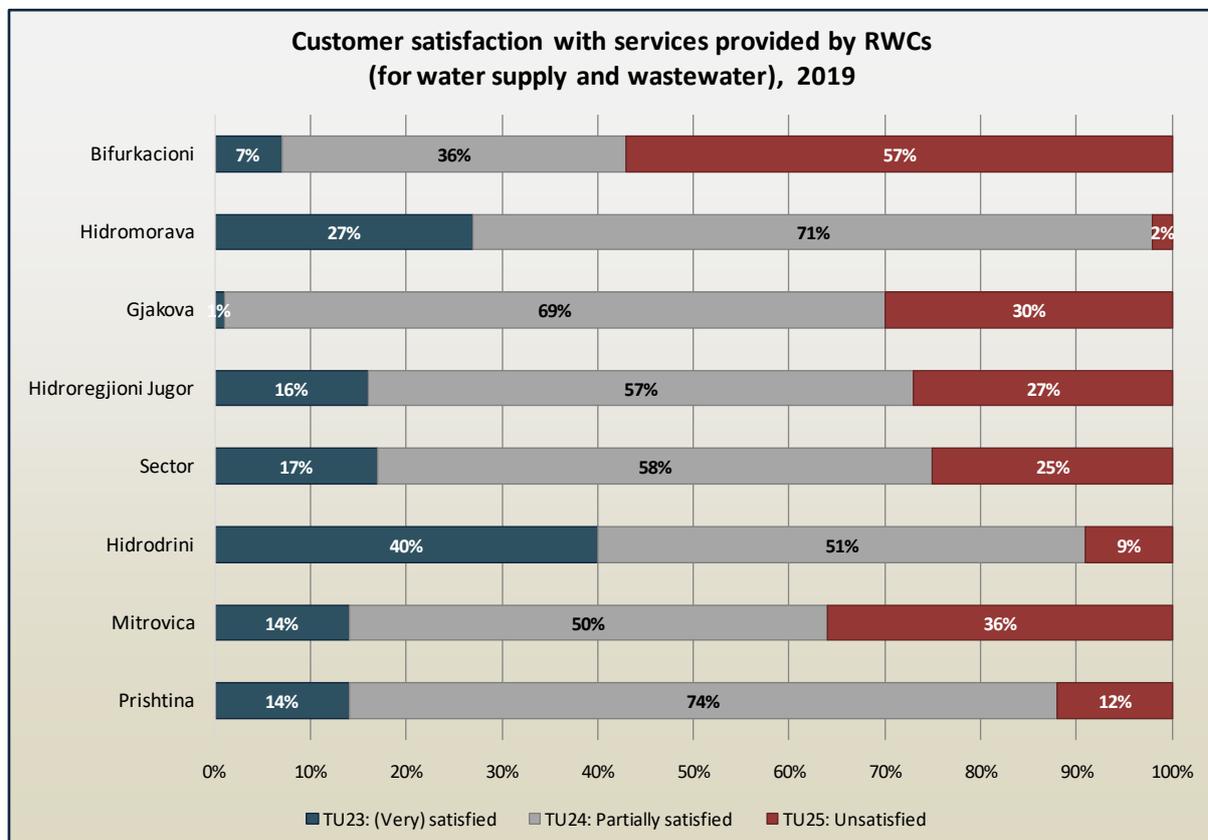
Details of complaints by topic and customer category may be found in the following diagrams.



Another important role that the Authority should play in relation to customers is to inform, educate and raise their awareness using various mechanisms. It is possible to learn how that role is fulfilled also from the results of the customer opinion survey.

The Authority, in order to fulfil its legal obligations, during 2019 has conducted a customer opinion survey regarding customers' satisfaction with the provision of water supply and sewerage services in

Kosovo. This survey has followed the standards of Citizens' Reporting Charter. The full report of this survey implemented by the Kosovo Management Institute in collaboration with experts of the field is available on the Authority's website. According to the report, the analysis is based on results of the questionnaires from 1,202 samples of domestic, institutional and commercial customers. Selection of respondents or samples was random and aimed at maintaining the level of regional representation. From the findings in that Report<sup>12</sup> it can be concluded that generally the perception of customers as beneficiaries of these services is that the quality of services including water quality, price reasonableness, sufficient access to these services, continuity in drinking water supply, and other services, is relatively good. Also, compared to results of the same survey for 2016, in general it can be concluded that the quality of services provided by 7 RWCs in Kosovo has improved and customer perception about the Authority and RWCs has changed positively. Whilst the concrete results of the 2019 survey on the level of customer satisfaction show that on average 17% of customers are satisfied; 58% are relatively satisfied; and 25% are dissatisfied with the services of 7 RWCs. Details for each RWC are presented in the following diagram.



However, in most cases customers' opinions present a different view regarding levels of service from the one given by RWCs. This discrepancy will be further investigated by the Authority.

<sup>12</sup> Customers Water Services Opinion Survey on in Kosovo, 2019, <http://www.arru-rks.org/assets/cms/uploads/files/Publikimet/studimet/ARRU%20RAPORTI%202019%20FINAL-%20i%20fundit.pdf>

### 3.7 SERVICE SUSTAINABILITY

The Authority is mandated to use its own mechanisms to ensure the sustainability of water services provided by Licensed Providers. This means long-term security of drinking water supply with high quality and sufficient quantities, adequate wastewater collection and treatment, meeting customer expectations, and careful management of water resources and other available capacities in a highly efficient way.

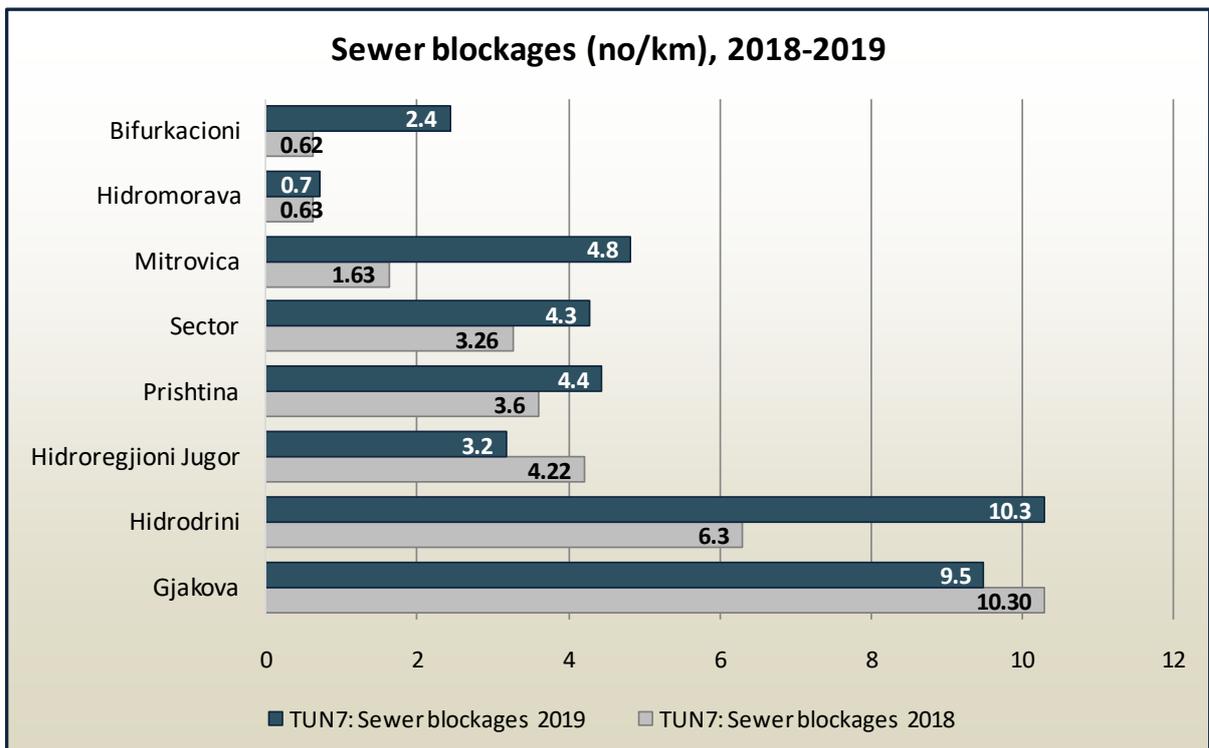
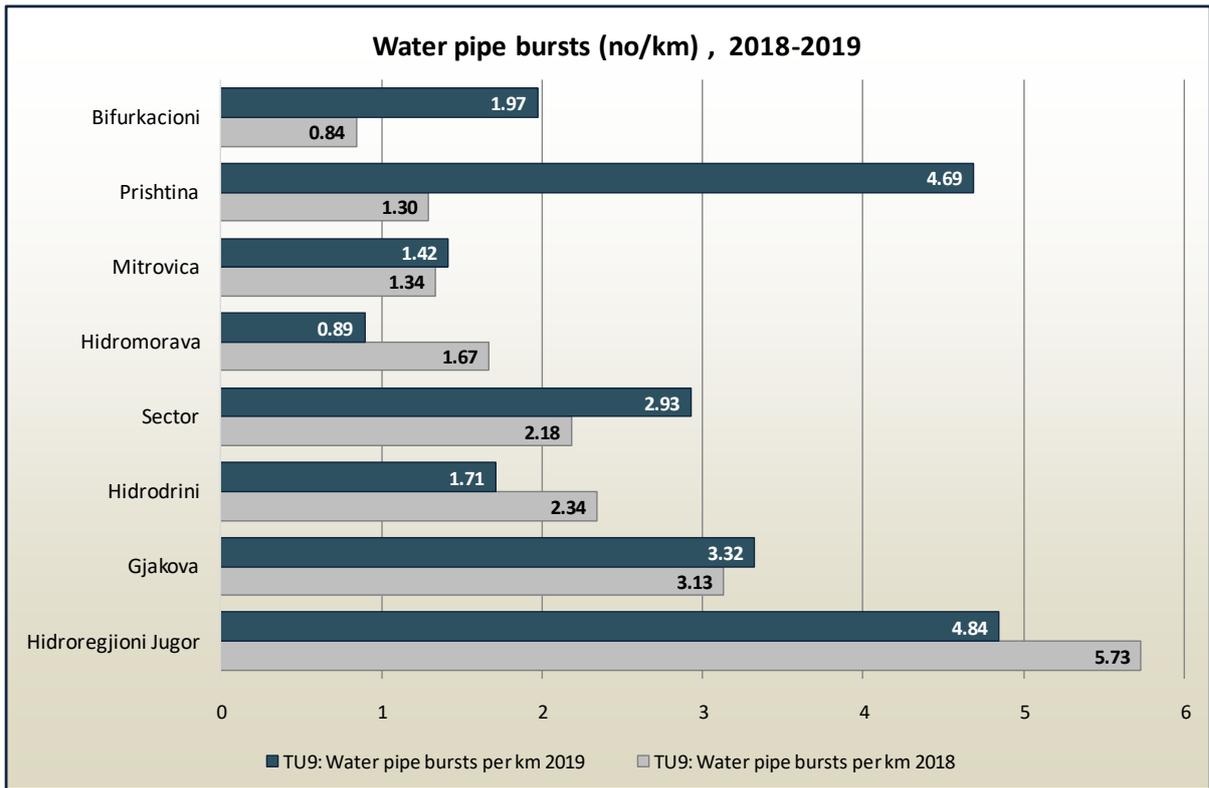
To maintain long-term service sustainability for the Licence validity period and further, RWCs must ensure they:

- (i) **have sufficient water resources available** to meet the growing customer demands for water.

Based on the available data, it can be estimated that for 2019, every RWC would have been able to cover water demand from the current customers if the RWC had been able to better control the distributed water. Given that a large amount of water is used by unauthorized connections and is lost technically, in some RWCs the problem with insufficient water from some current sources in use was evident. Therefore, it is recommended that the RWCs urgently take appropriate measures for better management of demand, consumption and availability of water for each individual supply zone and source. This management will require a much better cooperation with MIE.

- (ii) **maintain underground assets.** For a more effective maintenance, each RWC should work as soon as possible on drafting Asset Management Plans in order to know the asset conditions and level of serviceability and as a result, to avoid deterioration of infrastructure which in turn would result in high physical water losses. A major progress in asset inventory has been made by the RWC Hidrodrini, followed by RWC Hidroregjioni Jugor, both of which would be able to quickly develop a Proper Asset Plan. Significant progress in asset inventory has been made by RWC Prishtina, RWC Hidromorava and to some extent, RWC Mitrovica, which are supported by the Project "Asset Management Advisory Services for Water Utilities in South-Eastern Europe". Only RWC Bifurkacioni is lagging behind in this aspect.

During 2019, all RWCs have faced issues of leakages and blockages in respective networks, which have been fixed mostly within the time set out in the service standards. However, none of them has proven to have had a regular preventive maintenance plan for both these networks. Evidently, lack of these plans and subsequent lack of their implementation has resulted in increased number of bursts in the water supply network year after year, which in 2019 was 1 burst/km more than in 2018 (negative trend). The similar case was with the blockages in the sewerage networks where there was an increase (negative trend) of 1 blockage/km compared to 2018. Details for each RWC are presented in the following diagram.



On the other hand, about 40 km of the existing water supply network was replaced as result of conducted repairs.

One thing that should improve in RWCs is the failure to use funds according to their destination in regulatory business plans. More specifically, in 2019 during the tariff process the Authority

has allowed the RWCs to invest in preventive maintenance, but, as required, possibility of taking measures against the RWCs that have changed the destination of these funds shall be considered.

Therefore, for the next periods Authority requests from the RWCs to implement the standard for preventive cleaning of sewerage and inspection/maintenance of manholes using the funds allocated for such purpose.

An issue that was reported last year is to address quickly the co-financing of maintenance of shared/ combined system of wastewater and rainwater runoff collection system by RWCs and respective Municipalities in the revised Agreement. However, during 2019, based on the inspected data, all RWCs together have cleaned up 308 km of sewerage networks , which includes 14% of the estimated total sewerage length.

The data for the sewerage network, for the most part, still remain estimation, as RWCs are still working on the inventory of these assets in GIS.

**(iii) maintain above-ground assets.** All RWCs together have a significant number of above-ground assets including water treatment plants, water reservoirs, wastewater treatment plants, administrative buildings, and the like. **During the 2019 inspection, it was noticed that the maintenance of these assets continues to be relatively good in headquarters offices, but not in the operational units.** In the operational units, particular attention should be paid to the protection and safety of water reservoirs but also to the administration office.

**(iv) properly manage human resources.** Employment of experts in relevant fields and continuous training are essential for the sustainability of RWCs. But the inspection results of 2019 also show a lack of professionalism in human resource management. Furthermore, the information provided by the staff dealing with human resources in all 7 RWCs has been incomplete, with the exception of RWC Gjakova and RWC Hidroregjioni Jugor, which can be considered as good examples.

Number of employees and distribution of their roles and tasks is also a topic that requires more attention. Relevant institutions should conduct a more in-depth study on how the staff resources are being used.

**(v) further develop data storage and processing technology.** Despite efforts to develop information technology, the degree of usage of advanced applications for data storage and processing in all RWCs, in 2019, continues to remain at unsatisfactory level. Knowing that non-functioning of these applications makes it difficult to extract and process data/information (reports) when required by the RWC management or other stakeholders, the Authority suggests that all necessary applications should be upgraded as soon as possible.

The status of data storage and processing systems in 2019 is as follows:

**Table 4: Status of use of electronic data storage and processing applications in 2019**

Providers / Applications	Financial data application	Customer relations data application	Human resource data application	GIS and maintenance	SCADA in treatment	SCADA in distribution
RWC Prishtina						
RWC Hidroregjioni Jugor						
RWC Hidrodrini						
RWC Gjakova						
RWC Mitrovica						
RWC Hidromorava						
RWC Bifurkacioni						

*Legend:*

Advanced	Moderately advanced	Not advanced
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As it can be seen, the status of the use of electronic data storage and processing applications is almost the same as reported last year, except for the upgrading of customer relations application in RWC Hidromorava.

Otherwise, during 2019, the Authority staff in cooperation with the Support Project, have held several workshops for respective RWC staff in order to improve the above mentioned systems.

**(vi) have management based on clear objectives.** It is expected that the Board of Directors and Executive Management of the RWC will manage by assessing the situation within the company in terms of available resources, assessment of levels of service, good knowledge of legal obligations, and based on these will set clear objectives and concrete action plans. But the observation suggests that their management in the form of 'management by panic' still continues - where the Executive takes action in response to requests from various regulatory and supervisory institutions. This form of management is recommended to change fundamentally and be replaced with "management by objectives".

**(vii) be cost-effective.** In principle, RWC should apply the following principles of public financial performance: (i) principle of equivalence (proportionality): tariffs must be in the right proportion to the service provided in return; and (ii) principle of covering operating and investment costs: all necessary costs related to water supply and wastewater collection and treatment must be fully covered by regular fees or other taxes, or other forms of subsidies.

Application of these principles by the RWCs in 2019 will be addressed in the other report prepared by the Authority on actual performance against targets.

## 4. LEVELS OF SERVICE PROVIDED BY THE LICENSED UNTREATED BULK WATER SUPPLY SERVICE PROVIDER

The sector of bulk untreated water supply services is represented by HE Ibër-Lepenc. In fact, this Provider also provides other services and activities, but the Authority has the mandate to only license and monitor the above mentioned service.

The data inspected in HE Ibër-Lepenc show that the billed water for RWC Prishtina and RWC Mitrovica in 2019 was 48,917,232 m<sup>3</sup>, a figure that does not match with figures reported by these RWCs. In both cases there is a significant difference in figures reported by HE Iber-Lepenc which are higher than those reported by the respective RWCs. **The difference in reporting between RWC Mitrovica and HE Ibër-Lepenc is 5,936,100 m<sup>3</sup>, whilst between HE Ibër-Lepenc and RWC Prishtina is 2,045,798 m<sup>3</sup>.** It is also noticed that the difference between these data has increased significantly in 2019 compared to 2018. This difference requires further investigation and in both cases the Authority requires that all three Licensed Providers resolve this difference by installing water meters at the inlet of the water treatment plans and investigating and taking measures against illegal customers connected to the main pipe.

In HE Ibër-Lepenc, same as in the RWCs, number of employees and distribution of their roles and tasks is also an issue that requires more attention and it is observed that there have been no improvements compared to 2018.

Despite efforts of the HE Ibër-Lepenc to develop information technology, the level of possession and use of advanced applications for data storage and processing is not yet at a satisfactory level.

To achieve sustainability in providing services, HE Ibër-Lepenc should work as soon as possible on drafting an Asset Management Plan in order to know the exact asset conditions and level of serviceability and as result, to avoid deterioration of infrastructure as it has happened in the past. On the other hand, the Authority has continuously allowed significant lump sum amounts of funds to HE Ibër-Lepenc for maintenance of assets related to the provision of bulk untreated water service to RWC Prishtina and RWC Mitrovica, but the asset assessment will enable it to fully adopt the regulatory methodology to also include the return on capital, which would enable the Company to make additional investments and improve performance.

## 5. DATA RELIABILITY

In general, the accuracy and reliability of data reported by the RWCs systematically remains an issue of concern not only for the Authority but for the entire water sector. Significant inaccuracies are observed both in terms of technical and commercial data that result in unreliable indicators.

This fact is found by the Authority during the verifications/inspections of data and their storage systems (databases) in use by the RWCs during 2019. Inspected data were recorded and processed on the same platform as last year and the same were shared with every RWC for final validation.

The ultimate goal of data validation is to improve transparency and customer services.

The following are estimates related to data accuracy of specific data groups, together with reliability assessment of the data storage systems:

### **Population access to water supply services**

- All data regarding the location and number of population of settlements are provided by the Kosovo Agency of Statistics, being considered as a reliable source.
- The information on settlements that have access to public water services, managed by the RWCs are based on the data of respective RWCs. However, at this point improvements are necessary in recording the correct input data for each customer so that their residential addresses are clearly known for an easier sorting of information.
- Data on new requests and connections are considered as moderately reliable. After inspecting the data storage systems, the Authority concluded that there should be interventions in all RWCs in the way how they register data to enable fast, accurate and detailed generation of such data. In this context, the Authority will prepare guidelines, which will recommend to the RWC staff the exact necessary improvements that should be made in each of their Modules.
- The data on the length of the water supply network, to a large extent, are estimated figures since the RWCs are still working on an inventory of these assets in GIS, therefore these data are considered as moderately reliable.

### **Ensuring 24/7 water continuity and quality**

- Given that not all water treatment systems are equipped with water meters, it is estimated that the data on the amount of water treated are moderately reliable. On average, 17% of treatment systems in all RWCs do not have water meters installed. Systems without meters are mainly reported by the RWC Bifukacioni and RWC Hidroregjioni Jugor. It is required that all treatment plants be equipped with water meters as soon as possible.
- The pressure data are moderately reliable and they are mainly based on readings of mechanical pressure equipment and evidence of these readings is missing. It is therefore recommended to install water pressure measuring devices at all appropriate points, as well as data loggers to enable regular (automatic) monitoring from the office.

- Data on the number of customers with water supply continuity problems are also moderately accurate, as findings from customers indicate that this problem is increasingly present. Data on the number of affected customers and time of water interruptions were not possible to be investigated for 5 out of 7 RWCs. RWC Hidrodrini and RWC Hidroregjioni Jugor have made a significant improvement in managing these data, which are stored in relevant maintenance modules, directly connected to the GIS. In both cases, every network repair is recorded in the Module, where, among other things, the repair time is identified (corresponding to the time of water interruption) and after connecting to the GIS, it is possible to identify the number of affected customers. It is recommended that other RWCs, as soon as possible, develop Maintenance Modules, as without using these Modules it is impossible to draw conclusions on the assessment of compliance of RWCs with this standard.
- Drinking water quality compliance data are considered reliable and their source is NIPHK.

#### **Wastewater collection and treatment**

- The wastewater collection and treatment data are considered reliable.
- The data for the sewerage networks, for the most part, are estimated since RWCs are still working on the inventory of these assets in GIS. In general, without inventory of these assets the indicators for sewer blockages can be taken with reservation.

#### **Charging (billing) for provided services**

- The data source of the metered-based billed amount is considered to be accurate, but what remains a concern is the meter measurement accuracy for the large number of existing water meters.

#### **Customer relations**

- Customer complaint data are considered only moderately reliable due to inaccurate recording of customer information in the appropriate categories and sub-categories of customer feedback.

## 6. GENERAL ASSESSMENT ON THE COMPLIANCE WITH LICENCE CONDITIONS AND RESPECTIVE RECOMMENDATIONS

The general assessment on the compliance with the Service Licence conditions for all Licensed Providers is made against the general conditions, general obligations and reporting obligations of Licensed Providers specified in the Service Licence of these Providers (as follows).

**Table 5. Description of the Conditions/ Obligations of Service License**

Reference to Licence Conditions/ Obligations	Description of Licence Conditions/ Obligations
<b>Article 2 General Conditions</b>	
<b>Article 2.2</b>	The Licensee will provide services throughout the service area according to the documentation submitted in the Application
<b>Article 2.4</b>	The Licensee is obliged to notify the Authority of any change in the information and conditions of this License of Services in accordance with Article 17, paragraph 2 and paragraph 3 of Regulation no. 05/2016 on Licensing of Water Service Providers in Kosovo.
<b>Article 2.6</b>	This Service License may not be transferred to any other party without the prior written consent of the Authority
<b>Article 2.8</b>	The Licensee is obliged to pay to the Authority the annual licensing fee in accordance with Article 14 of Law no. 05/L-042 and Article 18 of Regulation no. 05/2016
<b>Article 3 General obligations of the Licensee</b>	
<b>Article 3.1.1</b>	Implement the applicable legislation, rules, procedures and methodologies issued by the Authority.
<b>Article 3.1.2</b>	Implement conditions of Licence for services. If during the performance of the licensed activity there are circumstances for which the Licensee is not reasonably able to perform the activities specified under the terms of this Licence for services, the Licensee shall immediately notify the Authority and follow his instructions.
<b>Article 3.1.3</b>	Perform the activity according to categories of services defined in this Licence inside the service area
<b>Article 3.1.4</b>	Ensure water quality according to water quality standards set by the relevant local authorities
<b>Article 3.1.5</b>	Maintain necessary financial, technical, and managerial capacities required in terms of service provision at the level of minimum service standards in accordance with Regulation no. 05/2016 on Licensing of Water Service Providers in Kosovo.
<b>Article 3.1.6</b>	Use all means, in accordance with applicable law, to secure funding for licensed activities
<b>Article 3.1.7</b>	Implement terms of the contract signed with its customers
<b>Article 3.2</b>	In carrying out the activity, Licensee cannot cooperate with other licensees to the detriment of customers of any or both parties.
<b>Article 3.3</b>	The Licensee should carry out its activity in accordance with operational plans and capital investments approved by the Authority during the tariff setting
<b>Article 3.4</b>	The Licensee should apply service fees approved by the Authority for the service

Reference to Licence Conditions/ Obligations	Description of Licence Conditions/ Obligations
	categories according to customer categories
<b>Article 3.5</b>	The Licensee will not enter into any agreement with anyone which may result in violation of terms of this Licence for services or any other applicable legal and sub-legal provisions.
<b>Article 3.6</b>	The Licensee has no right to enter into an agreement with a third party for the sale of bulk drinking water for commercial purposes without the approval of the Authority.
<b>Article 4 Reporting obligations of the Licensee towards the Authority</b>	
<b>Article 4.1</b>	The Licensee is obliged to cooperate with the Authority in reporting all required data during the validity period of this service Licence.
<b>Article 4.2</b>	The Licensee shall submit to the Authority, by the end of April of each year, financial statements audited by independent auditors.

Below is the assessment for each licensed Provider, against each Licence condition/ obligation for their services and relevant measures that should be undertaken in cases when it is assessed that conditions/obligations have been partially or fully unimplemented.

**Table 6. Overall assessment of compliance with Service Licence conditions for RWC Prishtina, in 2019**

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
<b>Article 2 General Conditions</b>		
<b>Article 2.2</b>	Partially implemented	RWC Prishtina should also include the villages of Municipality of Vushtrri in the relevant licensing documents.
<b>Article 2.4</b>	Partially implemented	RWC Prishtina should be warned to inform the Authority formally and promptly in case of changes affecting the terms of Service Licence.
<b>Article 2.6</b>	Implemented	
<b>Article 2.8</b>	Implemented	
<b>Article 3 General obligations of the Licensee</b>		
<b>Article 3.1.1</b>	Partially implemented	The applicable legislation, rules, procedures and methodologies issued by the Authority are required to be implemented.
<b>Article 3.1.2</b>	Provider was not found in such circumstances.	
<b>Article 3.1.3</b>	Implemented	
<b>Article 3.1.4</b>	Implemented	
<b>Article 3.1.5</b>	Partially implemented	RWC Prishtina is required to contact the Authority to find modalities for billing all customers based on billing standards. It is required to implement a new staff management policy, in general, in order to increase the efficiency and effectiveness of staff activities.
<b>Article 3.1.6</b>	Implemented	

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
Article 3.1.7	Partially implemented	Firstly, RWC Prishtina should, within a short time (as agreed with the Authority), enter into a service contract with all its customers.
Article 3.2	Implemented	
Article 3.3	Partially implemented	RWC Prishtina should be required to carry out its activity in accordance with operational plans and capital investments approved by the Authority during the tariff setting.
Article 3.4	Implemented	
Article 3.5	Implemented	
Article 3.6	Implemented	
<b>Article 4 Reporting obligations of the licensee to the Authority</b>		
Article 4.1	Implemented	RWC Prishtina is recommended to further develop data recording, storage and processing technology and systems in order to provide accurate data to the Authority.
Article 4.2	Implemented	

**Table 7. Overall assessment of compliance with Service License conditions for RWC Hidroregjioni Jugor, in 2019**

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
<b>Article 2 General Conditions</b>		
Article 2.2	RWC Hidroregjioni Jugor, after obtaining the Licence for services which included Mamusha in the service area, has not managed to supply the population of municipality of Mamusha with water services.	RWC Hidroregjioni Jugor in cooperation with the Authority should look at the possibility of supplying water services 24/7 to the entire population of Municipality of Mamusha. It should also look into the possibility of regulating the water system in one part of Landovica, whose population (about 800 inhabitants) is currently not supplied with water due to some technical problems.
Article 2.4	Partially implemented	RWC Hidroregjioni Jugor should be warned to inform the Authority formally and promptly in case of changes affecting the terms of the Service Licence.
Article 2.6	Implemented	
Article 2.8	Implemented	
<b>Article 3 General obligations of the Licensee</b>		
Article 3.1.1	Partially implemented	The applicable legislation, rules, procedures and methodologies issued by the Authority are required to be implemented.
Article 3.1.2	Provider was not found in such circumstances.	
Article 3.1.3	Implemented	

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
Article 3.1.4	Implemented	
Article 3.1.5	Partially implemented	RWC Hidroregjioni Jugor is required to find modalities in the shortest time possible to (i) regulate water pressure in certain areas; and (ii) bill all customers based on billing standards. In order to provide sustainable services in certain sub-areas it is suggested to review the Project proposal of "Villages of Anadrinia". It is required to implement a new staff management policy, in general, in order to increase the efficiency and effectiveness of staff activities.
Article 3.1.6	Implemented	
Article 3.1.7	Partially implemented	Firstly, RWC Hidroregjioni Jugor should, within a short time (as agreed with the Authority), enter into a service contract with all its customers.
Article 3.2	Implemented	
Article 3.3	Partially implemented	RWC Hidroregjioni Jugor is required to carry out its activity in accordance with operational plans and capital investments approved by the Authority during the tariff setting.
Article 3.4	Implemented	
Article 3.5	Implemented	
Article 3.6	Implemented	
<b>Article 4 Reporting obligations of the Licensee to the Authority</b>		
Article 4.1	Implemented	RWC Hidroregjioni Jugor is recommended to further develop data recording, storage and processing technology and systems in order to provide accurate data to the Authority.
Article 4.2	Implemented	

#### 26211 82 Overall assessment of compliance with the Service Licence conditions for RWC Hidrodrini, in 2019

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
<b>Article 2 General Conditions</b>		
Article 2.2	Implemented	
Article 2.4	Implemented	
Article 2.6	Implemented	
Article 2.8	Implemented	
<b>Article 3 General obligations of the Licensee</b>		
Article 3.1.1	Partially implemented	The applicable legislation, rules, procedures and methodologies issued by the Authority are required to be implemented.
Article 3.1.2	Provider was not found in such circumstances.	

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
Article 3.1.3	Implemented	
Article 3.1.4	Implemented	
Article 3.1.5	Partially implemented	It is required to implement a new staff management policy, in general, in order to increase the efficiency and effectiveness of staff activities.
Article 3.1.6	Implemented	
Article 3.1.7	Partially implemented	Firstly, RWC Hidrodrini should, within a short time (as agreed with Authority), enter into a service contract with all its customers.
Article 3.2	Implemented	
Article 3.3	Partially implemented	RWC Hidrodrini should be required to carry out its activity in accordance with operational plans and capital investments approved by the Authority during the tariff setting.
Article 3.4	Implemented	
Article 3.5	Implemented	
Article 3.6	Implemented	
<b>Article 4 Reporting obligations of the Licensee to the Authority</b>		
Article 4.1	Implemented	RWC Hidrodrini is recommended to further develop data recording, storage and processing technology and systems in order to provide accurate data to the Authority.
Article 4.2	Implemented	

**Table 9. Overall assessment of compliance with the Service Licence conditions for RWC Gjakova, in 2019**

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
<b>Article 2 General Conditions</b>		
Article 2.2	Implemented	
Article 2.4	Implemented	
Article 2.6	Implemented	
Article 2.8	Implemented	
<b>Article 3 General obligations of the Licensee</b>		
Article 3.1.1	Partially implemented	The applicable legislation, rules, procedures and methodologies issued by the Authority are required to be implemented.
Article 3.1.2	RWC Gjakova was not in such circumstances	
Article 3.1.3	Implemented	
Article 3.1.4	Implemented	
Article 3.1.5	Partially implemented	RWC Gjakova is required to contact the Authority to find modalities for billing all customers based on billing standards. It is required to implement a new staff

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
		management policy, in general, in order to increase the efficiency and effectiveness of staff activities.
Article 3.1.6	Implemented	
Article 3.1.7	Partially implemented	Firstly, RWC Gjakova should, within a short time (as agreed with the Authority), enter into a service contract with all its customers.
Article 3.2	Implemented	
Article 3.3	Partially implemented	RWC Gjakova should be required to carry out its activity in accordance with operational plans and capital investments approved by the Authority during the tariff setting.
Article 3.4	Implemented	
Article 3.5	Implemented	
Article 3.6	Implemented	
<b>Article 4 Reporting obligations of the licensee to the Authority</b>		
Article 4.1	Implemented	RWC Gjakova is recommended to further develop technology and systems for data recording, storing and processing in order to provide accurate data to the Authority.
Article 4.2	Implemented	

**Table 10. Overall assessment of compliance with the Service Licence conditions for RWC Mitrovica, in 2019**

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
<b>Article 2 General Conditions</b>		
Article 2.2	Implemented	
Article 2.4	Implemented	The name of the Municipality of South Mitrovica (from: Mitrovica) and contact details of RWC Mitrovica should be corrected.
Article 2.6	Implemented	
Article 2.8	Implemented	
<b>Article 3 General obligations of the Licensee</b>		
Article 3.1.1	Partially implemented	The applicable legislation, rules, procedures and methodologies issued by the Authority are required to be implemented.
Article 3.1.2	RWC Mitrovica was not in such circumstances.	
Article 3.1.3	Implemented	
Article 3.1.4	Implemented	
Article 3.1.5	Partially implemented	RWC Mitrovica is required that in cooperation with the Authority to find modalities for billing all customers based on billing standards. It is required to implement a new staff management policy, in general, in order to

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
		increase the efficiency and effectiveness of staff activities.
Article 3.1.6	Implemented	
Article 3.1.7	Partially implemented	Firstly, RWC Mitrovica should, within a short time (as agreed with the Authority), enter into a service contract with all its customers.
Article 3.2	Implemented	
Article 3.3	Partially implemented	RWC Mitrovica should be required to carry out its activity in accordance with operational plans and capital investments approved by the Authority during the tariff setting.
Article 3.4	Implemented	
Article 3.5	Implemented	
Article 3.6	Implemented	
<b>Article 4 Reporting obligations of the Licensee to the Authority</b>		
Article 4.1	Implemented	RWC Mitrovica is recommended to further develop technology and systems for data recording, storing and processing in order to provide accurate data to the Authority.
Article 4.2	Implemented	

**Table 11. Overall assessment of compliance with Service Licence conditions for RWC Hidromorava, in 2019**

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
<b>Article 2 General Conditions</b>		
Article 2.2	Partially implemented	RWC Hidromorava should add to the Service Licence Municipalities of Partesh, Ranillug and Novobërda, according to official documents sent by the Authority, respectively by the Department of Legal Affairs and Licensing, since during 2019 some settlements of these Municipalities were supplied with water by the Company.
Article 2.4	RWC Hidromorava has not officially notified the Authority of the changes made to Provider's address; however, this change has been noticed by the Authority staff.	RWC Hidromorava should be warned to inform the Authority formally and promptly in case of changes affecting the terms of Service Licence.
Article 2.6	Implemented	
Article 2.8	Implemented	
<b>Article 3 General obligations of the Licensee</b>		
Article 3.1.1	Partially implemented	The applicable legislation, rules, procedures and methodologies issued by the Authority are

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
		required to be implemented.
Article 3.1.2	RWC Hidromorava was not in such circumstances.	
Article 3.1.3	Implemented	
Article 3.1.4	Implemented	
Article 3.1.5	Partially implemented	The RWC Hidromorava is required, in cooperation with the Authority, to find modalities for meeting the conditions of the license to (i) supply customers with 24 hours of water, in certain areas; (ii) regulate water pressure in certain areas; (iii) bill all customers based on billing standards. It is required to implement a new staff management policy, in general, in order to increase the efficiency and effectiveness of staff activities.
Article 3.1.6	Implemented	
Article 3.1.7	Partially implemented	Firstly, RWC Hidrodrini should, within a short time (as agreed with the Authority), enter into a service contract with all its customers.
Article 3.2	Implemented	
Article 3.3	Partially implemented	RWC Hidromorava should be required to carry out its activity in accordance with operational plans and capital investments approved by the Authority during the tariff setting.
Article 3.4	Implemented	
Article 3.5	Implemented	
Article 3.6	Implemented	
<b>Article 4 Reporting obligations of the Licensee to the Authority</b>		
Article 4.1	Implemented	RWC Hidromorava is recommended to further develop technology and systems for data recording, storing and processing in order to provide accurate data to the Authority.
Article 4.2	Implemented	

**Table 12. Overall assessment of compliance with Service Licence conditions for RWC Bifurkacioni, in 2019**

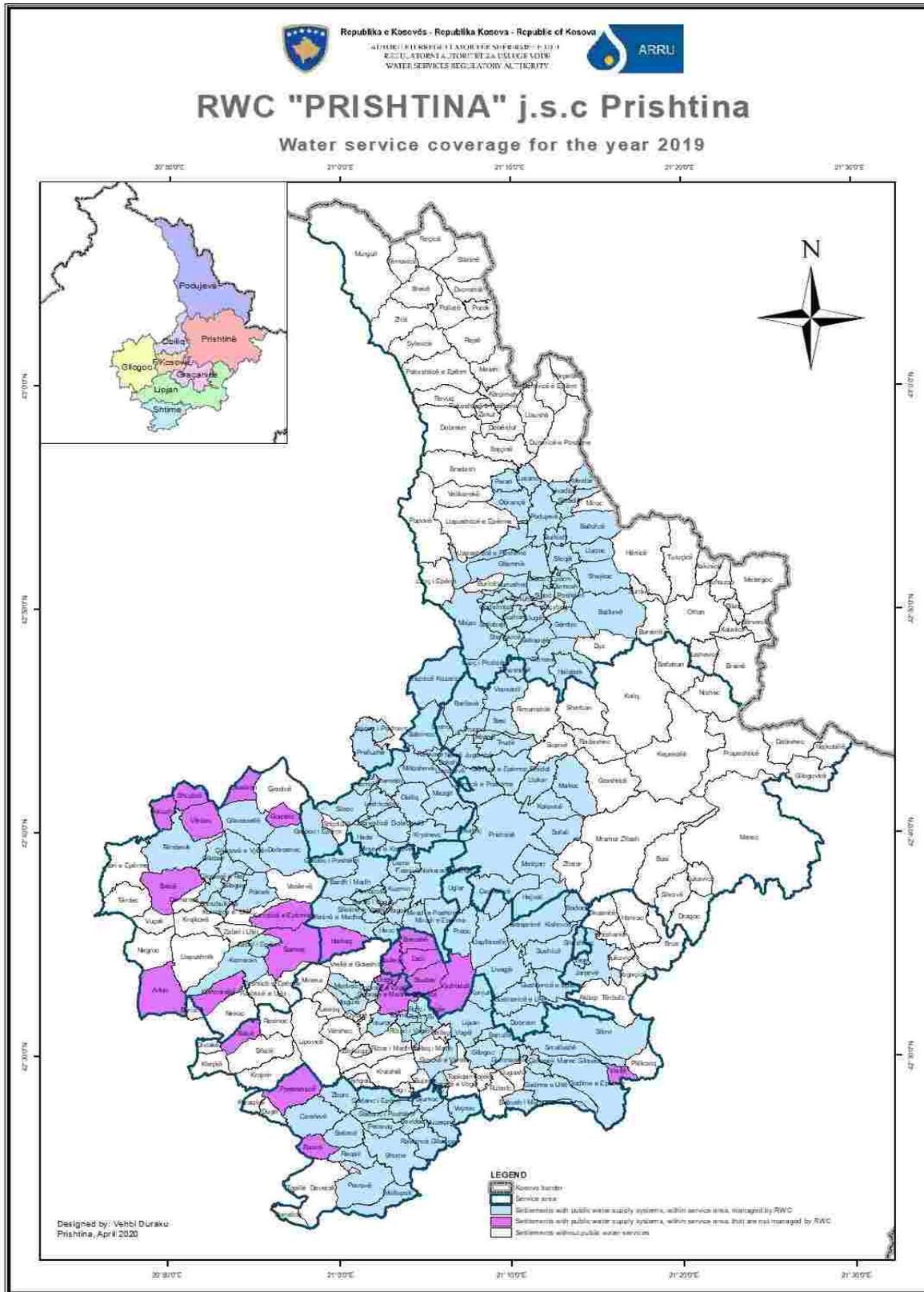
Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
<b>Article 2 General Conditions</b>		
Article 2.2	RWC Bifurkacioni, after obtaining the Service Licence, has extended the service area to include the municipality of Hani i Elezit	RWC Bifurkacioni should include in the Service Licence the Municipality of Hani i Elezit, according to official documents sent by the Authority, respectively by the Department of Legal Affairs and Licensing, since during 2019 some settlements of this Municipality were

		supplied with water by the Company.
<b>Article 2.4</b>	RWC Bifurkacioni has not officially notified the Authority of changes that occurred in the service area; however, this change has been noticed by the Authority staff.	RWC Bifurkacioni should be warned to formally and promptly inform the Authority in case of changes affecting the terms of Service Licence.
<b>Article 2.6</b>	Implemented	
<b>Article 2.8</b>	Implemented	
<b>Article 3 General obligations of the Licensee</b>		
<b>Article 3.1.1</b>	Partially implemented	The applicable legislation, rules, procedures and methodologies issued by the Authority are required to be implemented.
<b>Article 3.1.2</b>	RWC Bifurkacioni was not in such circumstances.	
<b>Article 3.1.3</b>	Implemented	
<b>Article 3.1.4</b>	Implemented	
<b>Article 3.1.5</b>	Partially implemented	The RWC Bifurkacioni is required to find modalities in the shortest time possible to (i) supply customers with 24 hours of water, in certain areas; and (ii) bill all customers based on billing standards. It is required to implement a new staff management policy, in general, in order to increase the efficiency and effectiveness of staff activities.
<b>Article 3.1.6</b>	Implemented	
<b>Article 3.1.7</b>	Partially implemented	Firstly, RWC Bifurcation must, within a short time (as agreed with the Authority), enter into a service contract with all its customers.
<b>Article 3.2</b>	Implemented	
<b>Article 3.3</b>	Partially implemented	To require the RWC Bifurkacioni to carry out its activity in accordance with operational plans and capital investments approved by the Authority during the tariff setting.
<b>Article 3.4</b>	Implemented	
<b>Article 3.5</b>	Implemented	
<b>Article 3.6</b>	Implemented	
<b>Article 4 Reporting obligations of the licensee to the Authority</b>		
<b>Article 4.1</b>	Implemented	RWC Bifurkacioni is recommended to further develop the technology and systems for recording, storing and processing data in order to provide accurate data to the Authority.
<b>Article 4.2</b>	Implemented	

**Table 13. Overall assessment of compliance with Service License conditions for NH Ibër-Lepenci, in 2019**

Reference to Licence Conditions/ Obligations	Implementation assessment	Relevant measures
<b>Article 2 General Conditions</b>		
Article 2.2	Implemented	
Article 2.4	Implemented	
Article 2.6	Implemented	
Article 2.8	Implemented	
<b>Article 3 General obligations of the Licensee</b>		
Article 3.1.1	Implemented	
Article 3.1.2	NH Ibër-Lepenci was not in such circumstances.	
Article 3.1.3	Implemented	
Article 3.1.4	Implemented	
Article 3.1.5	Implemented	
Article 3.1.6	Implemented	
Article 3.1.7	Implemented	
Article 3.2	Implemented	
Article 3.3	Implemented	
Article 3.4	Implemented	
Article 3.5	Implemented	
Article 3.6	Implemented	
<b>Article 4 Reporting obligations of the Licensee to the Authority</b>		
Article 4.1	Implemented	Provider is recommended to further develop the technology and systems for recording, storing and processing data in order to provide accurate data to the Authority.
Article 4.2	Implemented	

# ANNEX 1: SERVICE COVERAGE MAPS



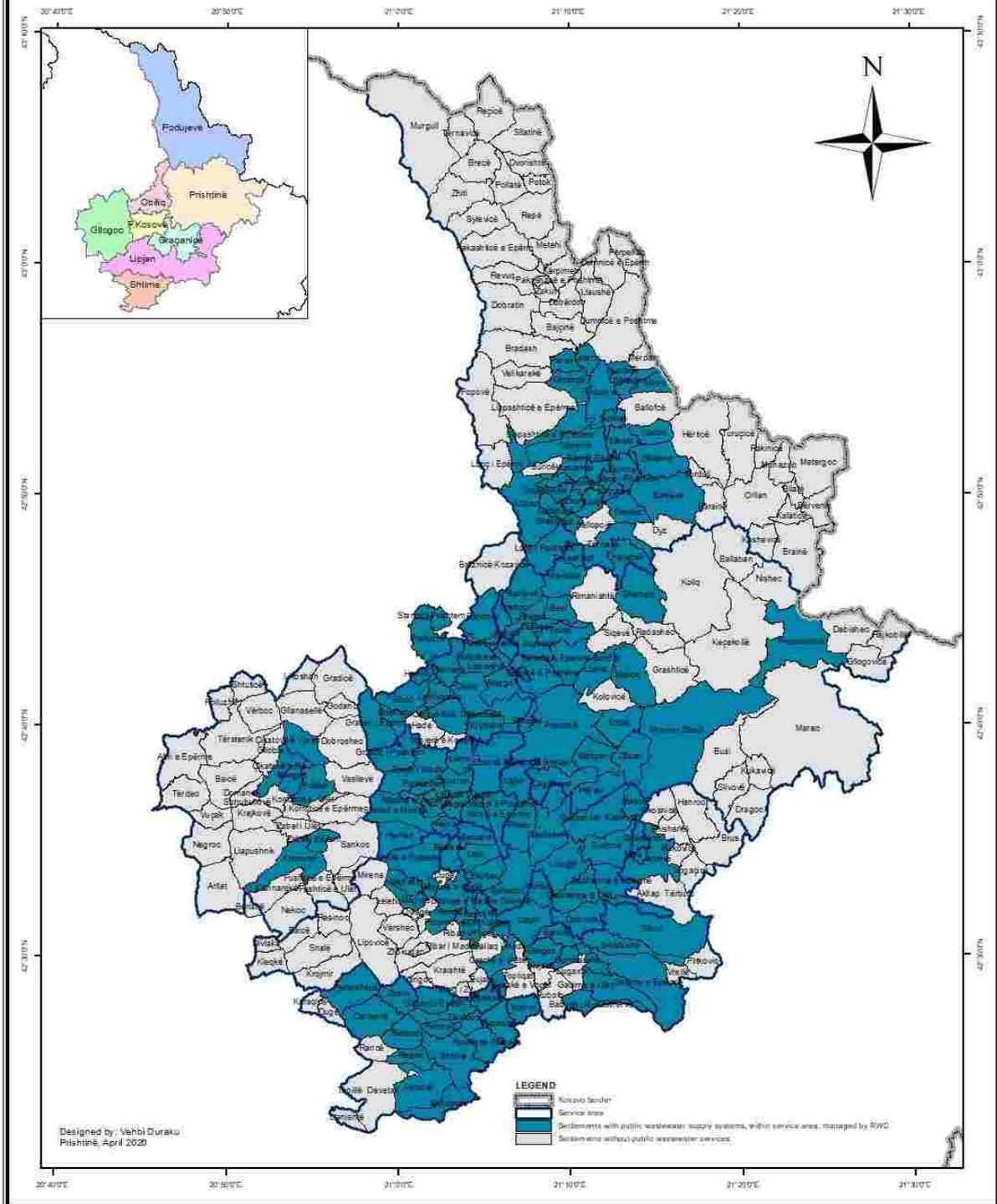


Republika e Kosovës - Republika Kosova - Republic of Kosovo  
 AUTORITETI REGULIMOR I UJËT PËR SHËRBIMET E UJËT  
 REGULIMIN AUTORITETI ZA UJNE IZ VODE  
 WATER SUPPLY AND REGULATORY AUTHORITY



# RWC "PRISHTINA" j.s.c Prishtinë

Wastewater service coverage for the year 2019

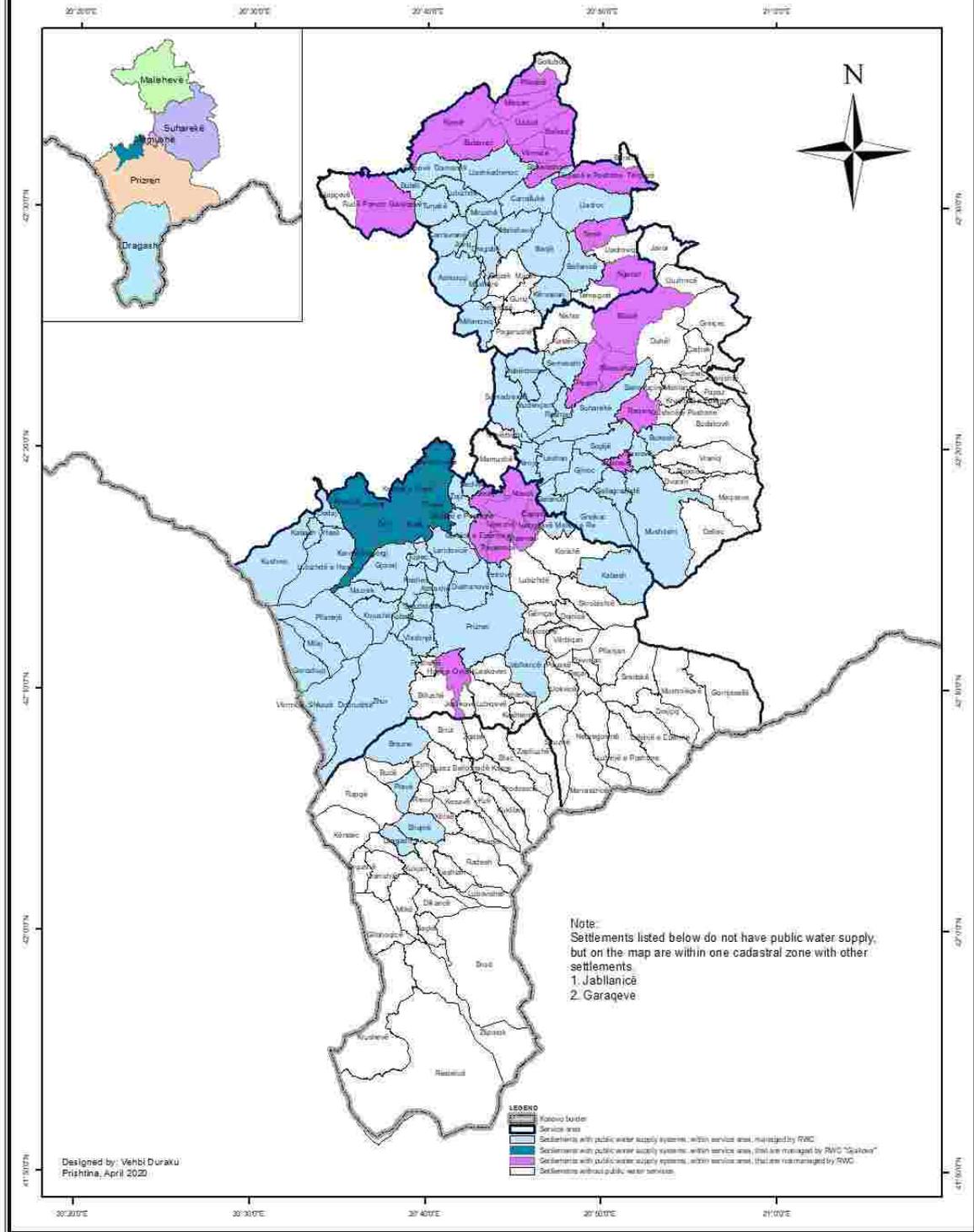


Designed by: Vehbi Duraku  
 Prishtinë, April 2020



# RWC "Hidroregjioni-Jugor" j.s.c Prizren

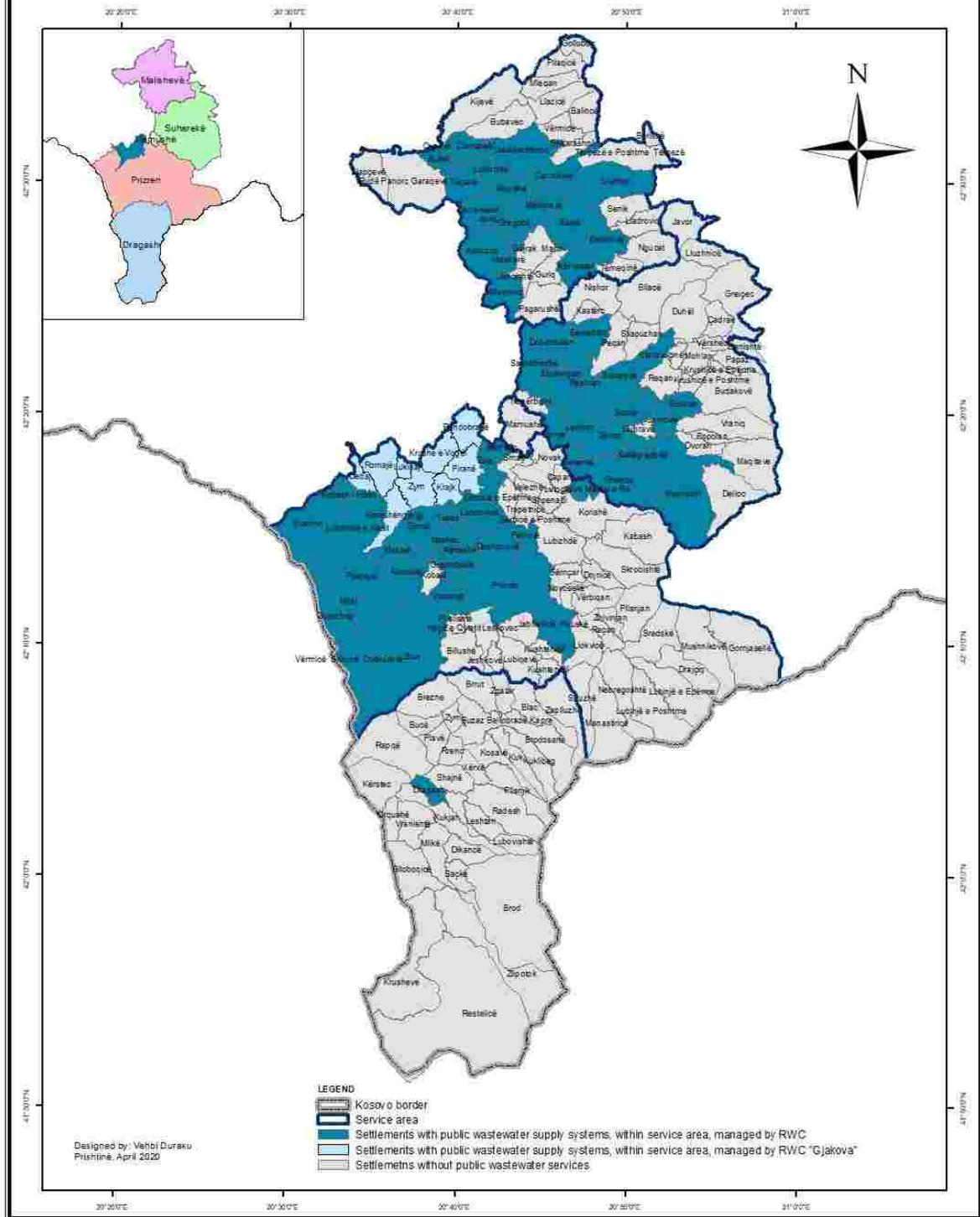
## Water service coverage for the year 2019





# RWC "Hidroregjioni-Jugor" j.s.c Prizren

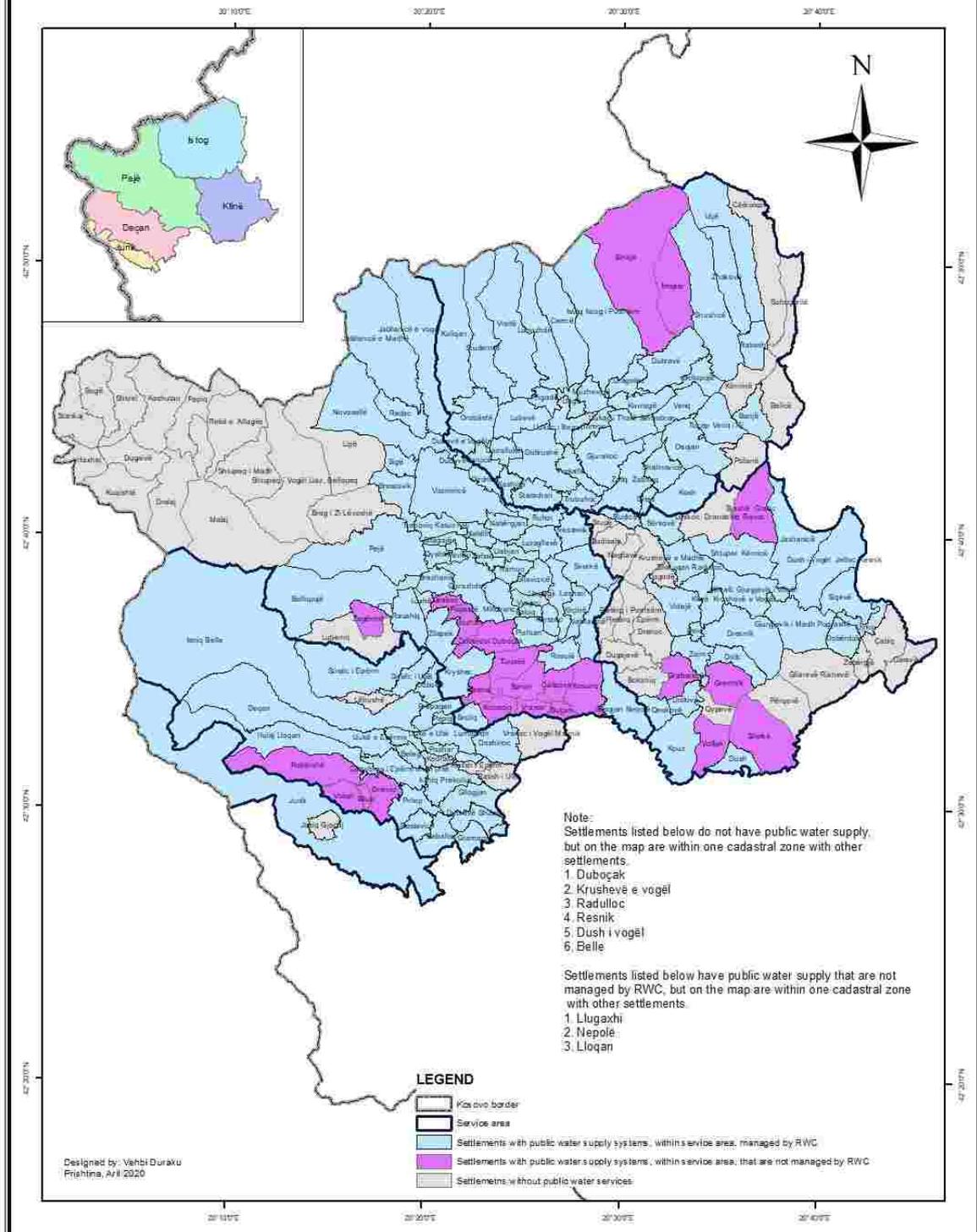
Wastewater service coverage for the year 2019





# RWC "Hidrodrini" j.s.c Pejë

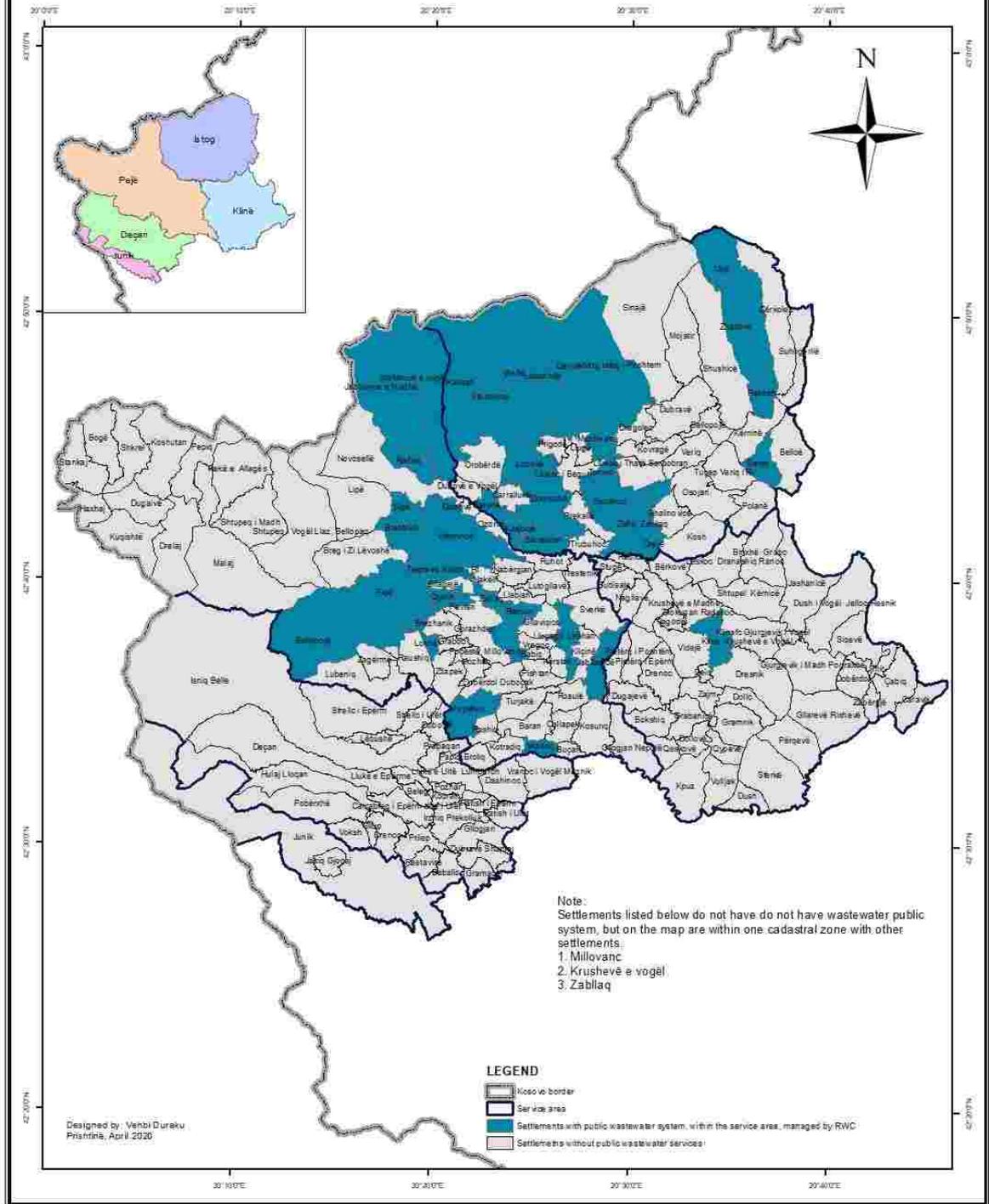
Water service coverage for the year 2019





# RWC "Hidrodrini" j.s.c Pejë

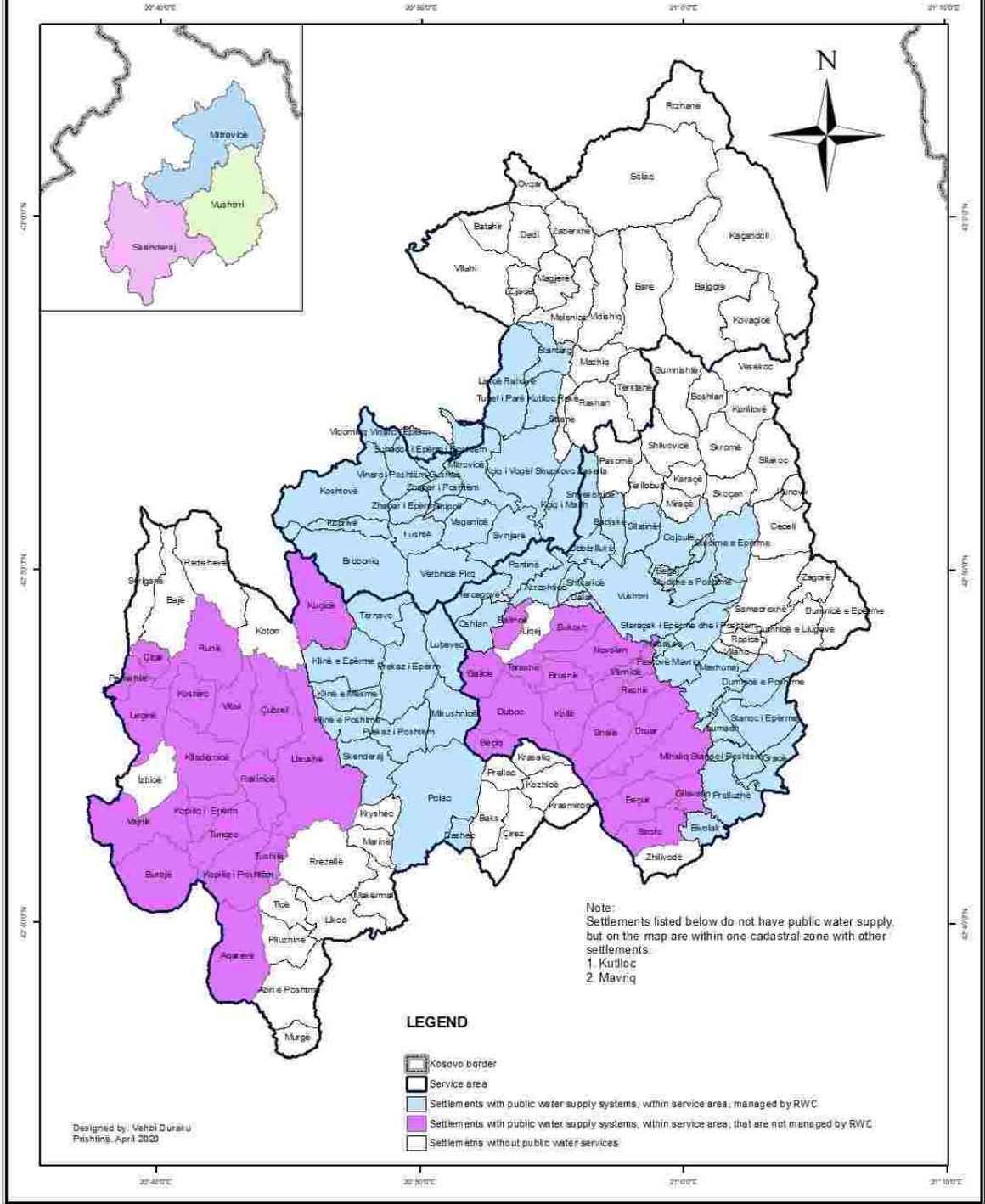
Wastewater service coverage for the year 2019





# RWC "Mitrovica" j.s.c Mitrovicë

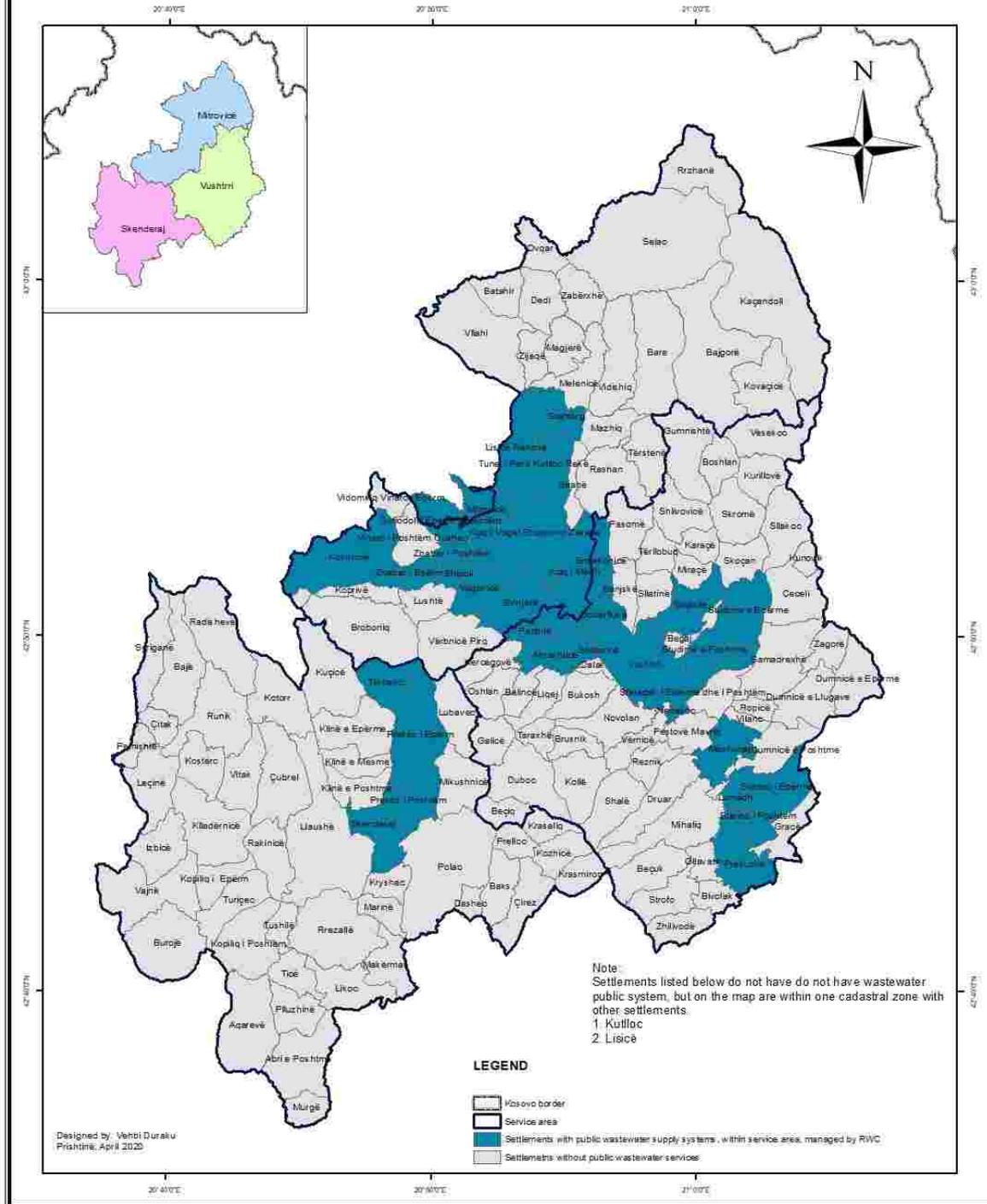
Water service coverage for the year 2019





# RWC "Mitrovica" j.s.c Mitrovicë

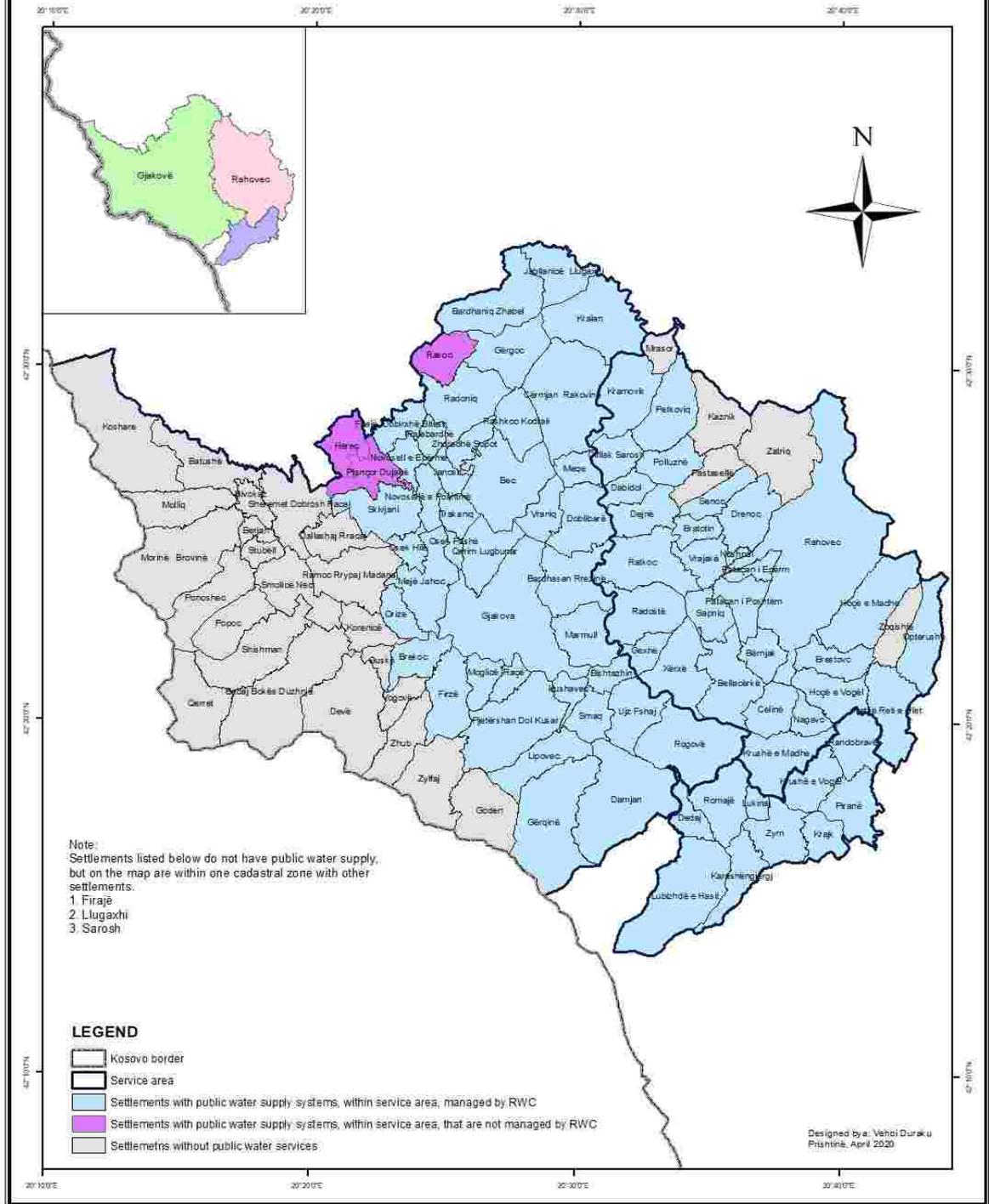
Wastewater service coverage for the year 2019





# RWC "Gjakova" j.s.c Gjakovë

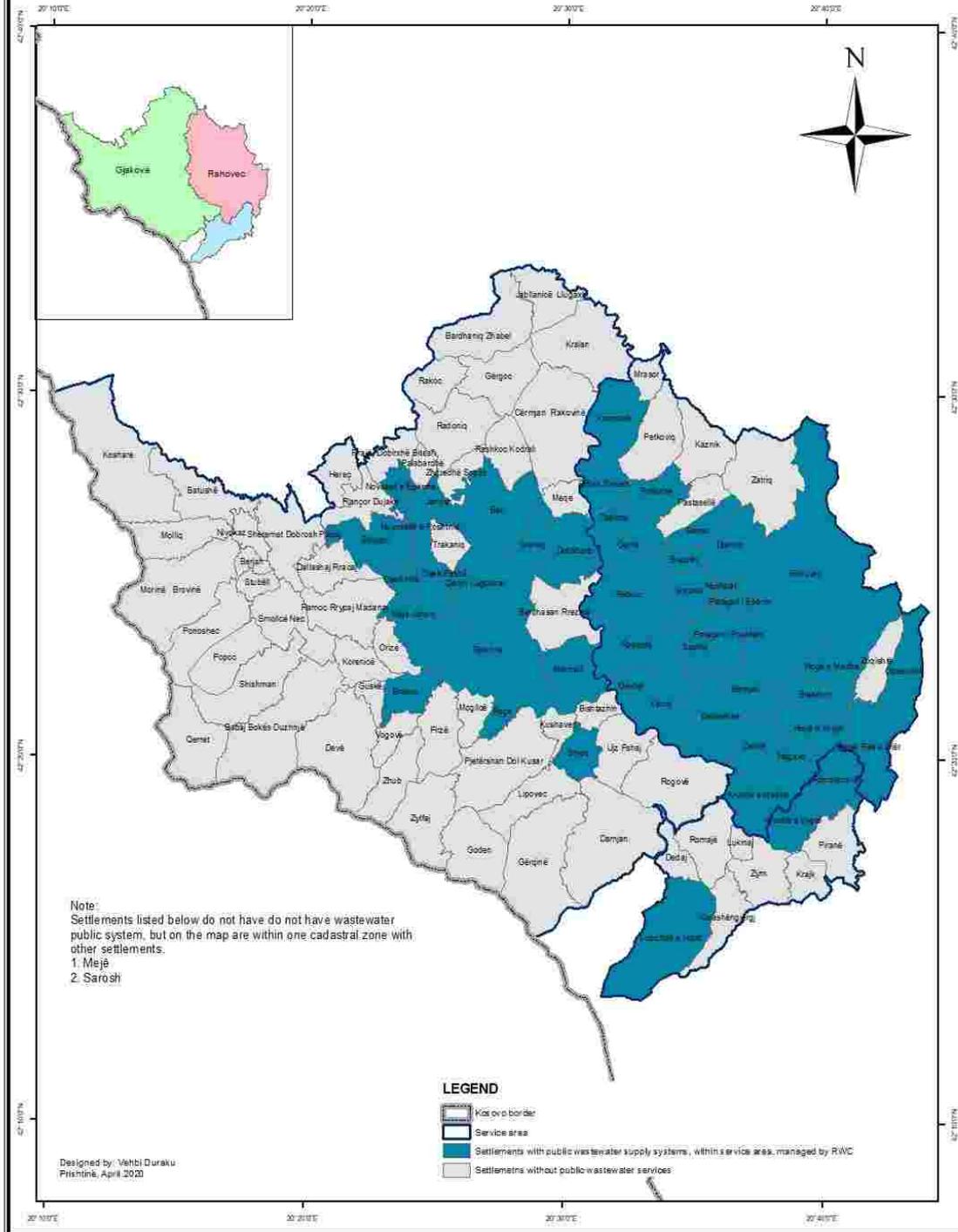
Water service coverage for the year 2019





# RWC "Gjakova" j.s,c Gjakovë

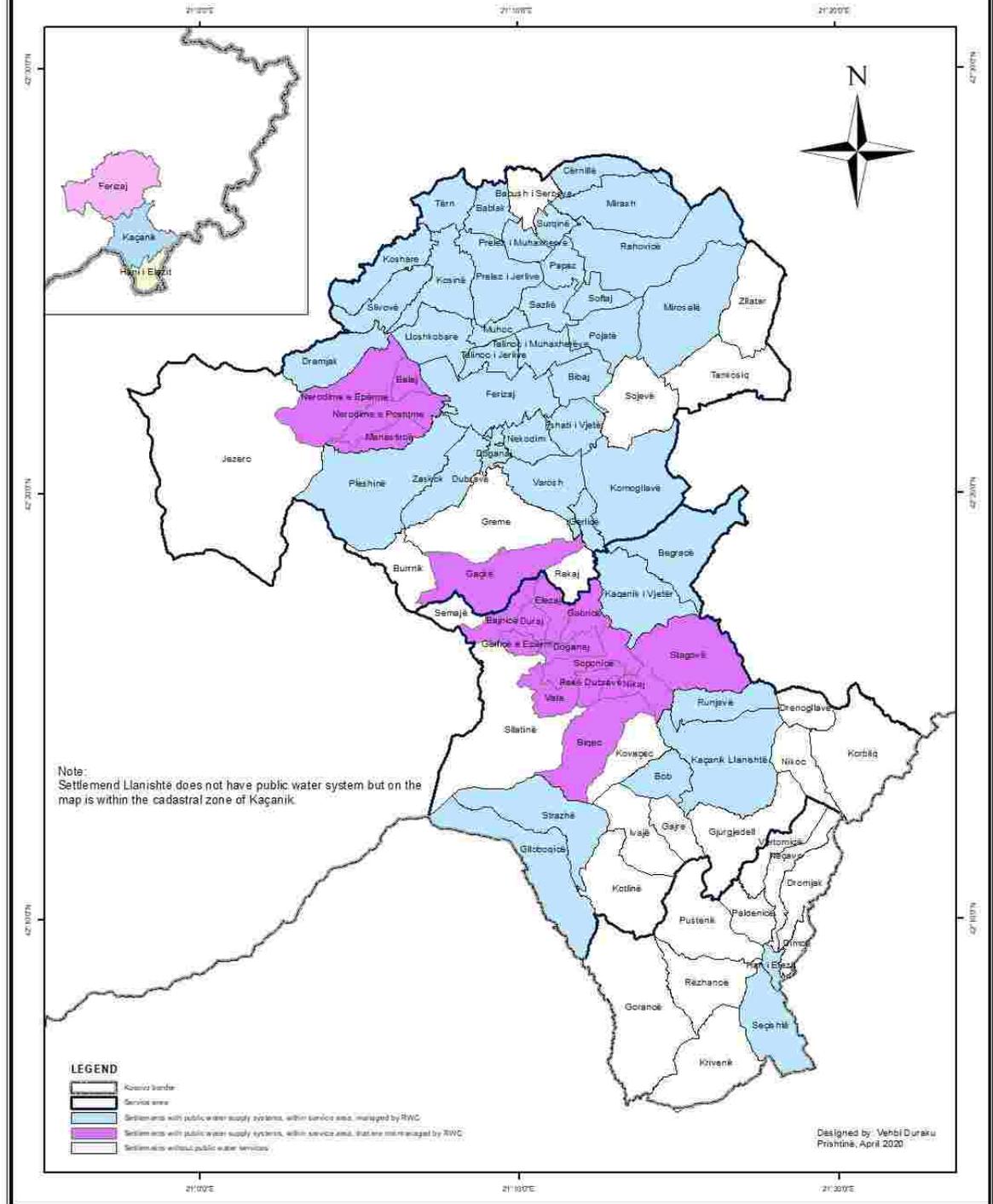
Wastewater service coverage for the year 2019





# RWC "Bifurkacioni" j.s.c Ferizaj

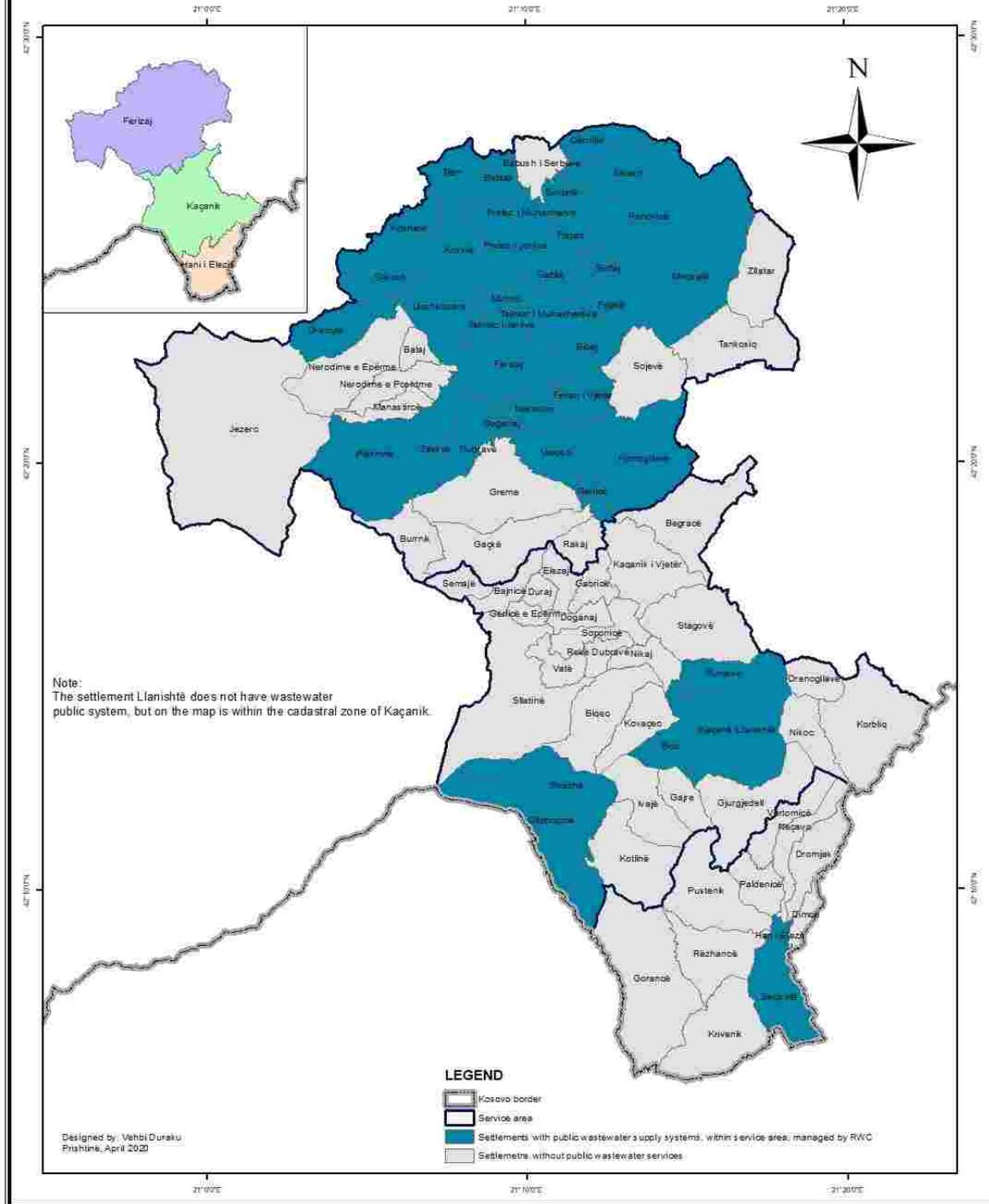
## Water service coverage for the year 2019





# RWC "Bifurkacioni" j.s.c Ferizaj

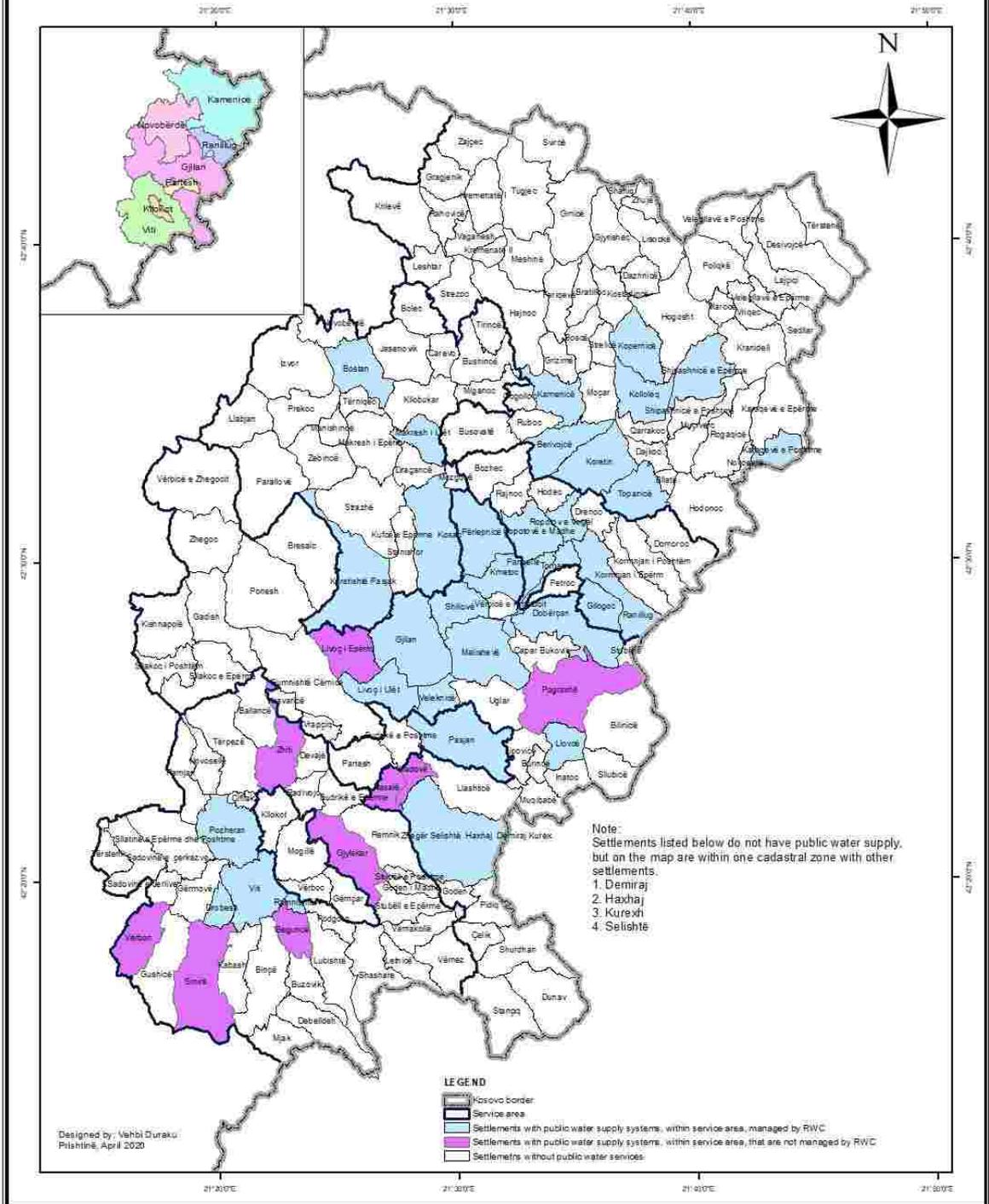
## Wastewater service coverage for the year 2019





# RWC "Hidromorava" j.s.c Gjilan

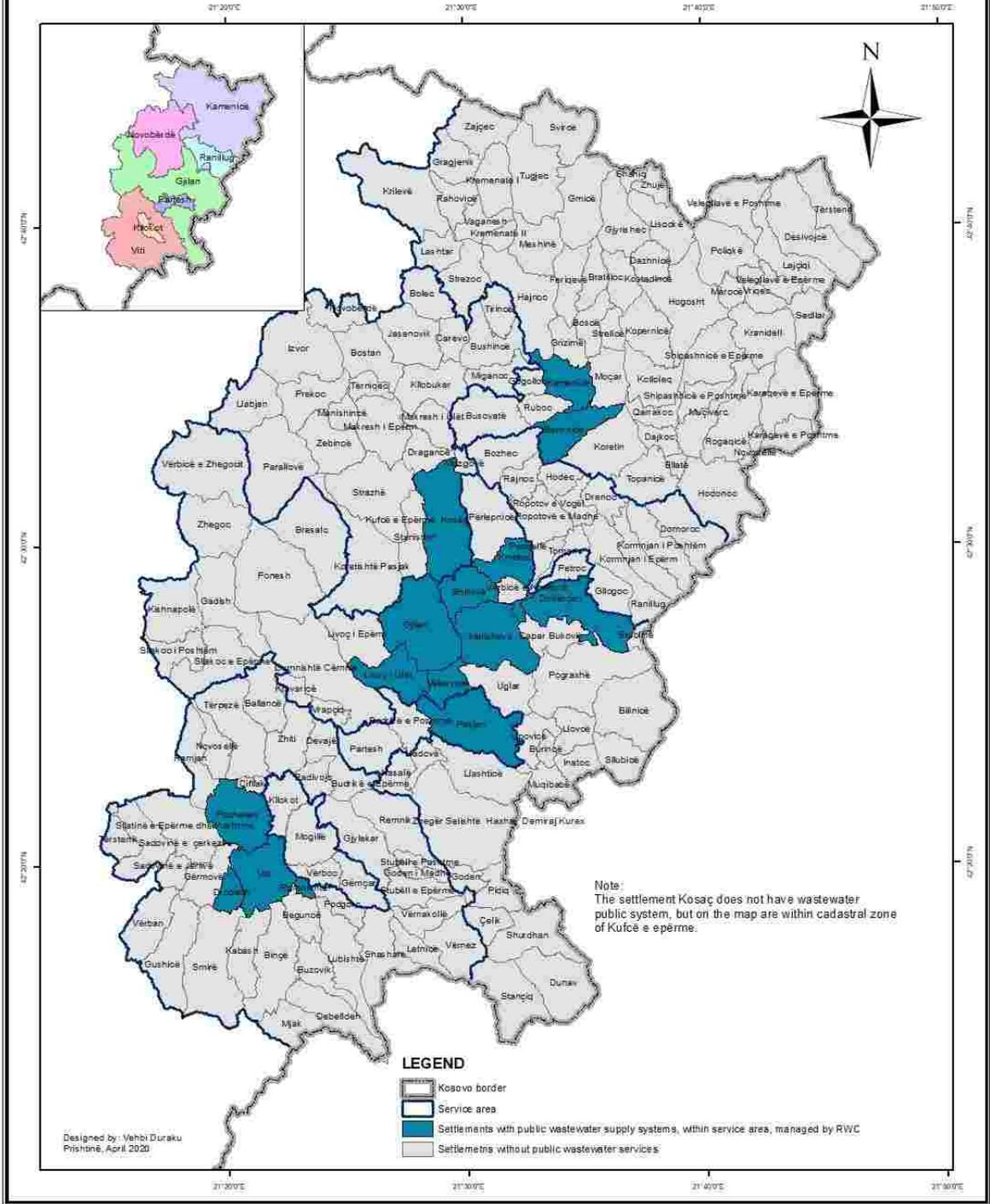
## Water service coverage for the year 2019





# RWC "Hidromorava" j.s.c Gjilan

## Wastewater service coverage for the year 2019



**Water Services Regulatory Authority**

**St. Ali Pashë Tepelena, No. 01**

**Pristina, Kosovo**

**Tel.: + 383 38 249 165**

**info@arru-rks.org**

**<http://www.arru-rks.org>**