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PERFORMANCE OF REGIONAL WATER COMPANIES IN KOSOVO – 2022 H1

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1. INTRODUCTION

This report represents the performance of public companies that provide water and wastewater services for the period of 2022 H1 (first half of 2022) compared to 2021, FOR some of the key performance indicators, which best reflects the management of works in the RWCs.

This report represents relative performance of water and wastewater companies at the sector level and the relative individual performance of each company.

The report was prepared based on the data reported by the water companies in accordance with their reporting obligations. It should also be taken into account that the data for the year 2021 are audited, while the data for the period 2022 H1 are reported and not audited data.

The purpose of this preliminary report is to provide to the responsible officials of RWCs, and other stakeholders involved in the water sector, with an analysis of development trends for some of the **Key Performance Indicators**, for the first 6-month period of 2022.

The water quality indicator has not been considered, due to the lack of data-reports from NIPHK. With regard to this performance indicator, which is the one of the service standards, WSRA has been consulted and agreed, that from now on the RWCs will report directly to WSRA according to a template that was prepared by WSRA and shared with all RWCs.

2. GENERAL WATER SECTOR OVERVIEW

The water sector in Kosovo for some indicators has shown a slight improvement in the 2022 H1 period in terms of reaching the targets approved through the 2022-2024 tariff process. Nevertheless, in a number of other indicators are lagging. In general, RWCs have not yet reached a stable level of key performance indicators.

In continuation of this performance report, some of the main performance indicators for the first six months of 2022 are summarized for the sector as a whole and for each RWC separately, the same indicators are compared with the previous year (2021). The more detailed list of operational and financial indicators are summarized in Appendix 1 of this report.

Table 1 shows the performance of the water service providers sector for the following performance indicators, for the six-month period (2022 H1) compared to 2021.

Table 1. Relative performance at the sector level for the RWC

Indicators	2021	2022 H1
Water production (l/b/d)	301	296
Water sale (l/b/d)	135	136
Non-revenue water (%)	55	54
Proportion of customers with water meters (%) ¹	98	98
Collection rate (%)	96	84
Labour coverage rate	1.31	1.14
Total cost per unit (€/m3 of produced water) ²	0.16	0.17
staff ('000 customers)	4.84	4.67
Complaints per ('000 customers)	63	11

At the sector level, water production is about 296 litres per inhabitant per day [l/inh/d], which is a high rate in relation to the standard rate of daily needs for a residential customers, while in water sales the value is very low, only 136 [l/inh/d]. During the 2022 H1 period, although a slight improvement is observed compared to the previous year 2021, but that is not a satisfactory improvement.

Non-revenue water (NRW) expressed as a percentage has marked a slight improvement of 1% during the six-month 2022 H1 compared to the previous year 2021. Non-revenue water continues to be at very high level without exception in all RWCs, and it is higher than international standards and good practices for the indicator (<20 %).

¹The proportion of household customers with water meters is calculated taking into account the data reported by RWCs for household customers with metering and without metering as the average of the current year, in the case the previous year 2021 and the first half of 2022 H1.

²This indicator is based on all operating expenses for water supply services (expenses of product/treated, expenses of distributed water, and expenses of business activities) in relation to the amount of water produced.

The proportion of domestic customers with water meters, during this six-month period, did not show an improvement trend compared to the previous year: approximately 2% of customers are not yet equipped with water meters. WSRA will inspect the data reported by RWCs in terms of water meter coverage of customers, as metered billing is the service standard.

The collection rate has marked a significant decrease for 12% during the 2022 H1 period; this decrease is mostly attributed to the reduction of the collection rate among institutional customers and partially among household customers. Institutional customers usually pay their bills in the second half of the year. Another reason for the reduction of the collection rate may be the deterioration of the social condition of domestic customers due to the increase in the cost of living, although the water bill compared to the average salary in Kosovo does not exceed the percentage of 2.54%.

The labour coverage rate has also decreased compared to the previous year from 1.31 as it was in 2021 to 1.14 during the 2022 H1 period, which mainly occurred due to the increase in total operating expenses and the decrease in the collection of billed income including subsidy.

The general cost per m³ of produced water has increased from 0.16 €/m³ as it was in 2021 to 0.17 €/m³ during the period 2022 H1, the results of which is the reduction of the volume of produced water in m³ and the increase of expenses operational for water services (mainly as a result of increased cost of chemicals and other materials related to water treatment).

The efficiency of the staff during the period 2022 H1 showed a positive trend compared to 2021, a trend which was partially influenced by the increase in number of customers (during this period 14,472 new customers were registered from all RWCs) and by the slight decrease of the number of workers. The achieved staff efficiency level of 4.67 workers per 1,000 customers for water and sanitation services is within the benchmark level under 5 workers per 1,000 customers.

For the 2022 H1 period, the average number of complaints addressed to every 1,000 customers is 11, this indicator reflects the level of services provided by water companies and is significantly lower than in 2021. The largest number of complaints submitted by the customer are related to the operational aspect of the service, while a smaller portion of complaints are of a commercial nature. The number of complaints reported by RWCs should be verified by WSRA.

3. RELATIVE PERFORMANCE OF REGIONAL WATER COMPANIES

This part of the report reflects the relative individual performance of the companies for the first half of the year (H1) of 2022, and data compared to 2021.

RWC Prishtina j.s.c.

Table 2 shows the performance of RWC Prishtina j.s.c. in some of the most representative indicators

Table 2. Relative performance of RWC Prishtina j. s. c.

Indicators	2021	2022 H1
Water produced (l/inh/d)	348	343
Water sale (l/inh/d)	146	150
Non- revenue water (%)	58	56
Proportion of customers with water meter (%)	99	99
Collection rate (%)	91	82
Labor coverage rate	1.28	1.20
Total cost per unit (€/m3 of produced water)	0.18	0.19
Staff efficiency ('000 customers)	3.62	3.43
Complaints per ('000 customers)	61	0.8

In the course of 2022 H1, RWC Prishtina has produced 343 [l/inh/d] which value if compared to 2021, has a small decrease, but still remained quite high. There is also a slight improvement in the other indicator of water sales (billing - l/inh/d). Nevertheless, not even half of the produced water is sold.

Non-revenue water for RWC Prishtina has marked a small improvement; from 58% during 2021 it has decreased to 56% during the 2022 H1 period. The reduction in production and the increase in water sales have immediately reflected in the 2% improvement in the NRV level during this six-month period of 2022 H1.

In the course of 2022 H1, the proportion of household customers with water meters remained the same level as in the previous year 2021 that is 99%. During an earlier inspection, in the RWC Prishtina was a significant number of customers who have not been equipped with water meters, who should be equipped with water meters as soon as possible.

The collection rate has decreased by 9% in 2022 H1 compared to 2021, which is worrying. This decrease in collection rate was partly influenced by the volumetric increase of water sales, but also by deterioration of customers' social well-being (affordability).

The labour coverage rate has also decreased compared to the previous year from 1.28 as it was in 2021 to 1.20 in the period 2022 H1, and the main reason is the decrease in revenue collection and the slight increase in total operating expenses. Although RWC Prishtina has shown a negative trend in this indicator for the first six months of 2022, it has still been in a good

financial position to cover operating expenses and generate financial resources for the implementation of capital investments.

The overall cost per m³ of water produced for RWC Prishtina for the period 2022 H1 compared to 2021 has shown a slight increase from 0.18 Euro/m³ to 0.19 euro/m³.

The efficiency of the staff is the indicator in which RWC Prishtina has shown a positive trend compared to 2021 with a decrease of 5%, which was mainly as a result of the increase in the number of customers and the decrease in the number of workers.

A drastic reduction in the number of complaints per 1,000 customers is noted; WSRA shall analyse whether the problem is with the wrong reporting of RWC Prishtina for this indicator, or there is a real reduction of customer complaints. On the other hand, the complaints that reach to the WSRA from the service area covered by RWC Prishtina has shown an increasing trend.

Achievements noted:

- Over 3,000 new water meters have been installed, a good trend of equipping customers with water meters is observed.
- Reduction of NRW; RWC Prishtina is encouraged to continue with this trend of addressing the NRW. To optimize water production and increase water billing.
- Staff efficiency has improved in the H1-2022 period, the number of customers has increased by 4,860, and on the other hand, there has been a slight decrease in the number of workers.

Challenges:

- Improving operational efficiency, in which case the increase in water production occurs only if there is an increase in demand for water, an increase in the number of customers (extension of coverage with services) and an improvement in the continuity of supply.
- RWC Prishtina should continue to engage in NRW reduction, taking more dynamic actions and activities to reduce leaks as well as addressing commercial losses, by installing water meters for each customer.
- The improvement of the collection rate is very important, as RWC Prishtina has had a marked decrease in collection during 2022 – H1.
- Optimizing the relatively high cost of providing services, which mainly comes from the increase in operating expenses (personnel expenses and energy).

RWC Hidroregjioni Jugor j.s.c

Table 3 shows the performance of RWC Hidroregjioni Jugor j.s.c. for some of the most representative indicators.

Table 3. Relative performance of RWC Hidroregjioni Jugor j.s.c

Indicators	2021	2022H1
Water produced (l/inh/d)	212	200
Water sale (l/inh/d)	97	92
Non- revenue water (%)	54	54
Proportion of customers with water meter (%)	100	100
Collection rate (%)	100	92
Labour coverage rate	1.32	1.18
Total cost per unit (€/m ³ of produced water)	0.18	0.17
Staff efficiency ('000 customers)	6.14	5.86
Complaints per ('000 customers)	62	30

The production of water expressed in the unit [l/inh/d] at RWC Hidroregjioni Jugor during six-month period is high with 200 [l/inh/d], while the sales are less than half of production with only 92 [l/inh/d]. Otherwise, if we make the comparison between the previous year 2021 and the period 2022 H1 there is a decrease in production – which is positive, but what worries is the decrease in the volume of water sales per inhabitant.

During the 2022 H1 period, non-revenue water did not show any improvement compared to the previous year 2021, the value remains the same at the level of 54%.

The proportion of domestic customers with water meters in RWC Hidroregjioni Jugor reaches the level of 100%, which means that all domestic customers are equipped with water meters. This indicator must be verified if it reflects reality and if the installed water meters are functional.

In the first six months of 2022, RWC Hidroregjioni Jugor has recorded a deterioration in the collection of invoiced revenues. The collection rate has fallen to the level 92%, the decrease is for 8% compared to 2021. The collection has worsened mainly in the category of domestic and institutional customers.

The labour coverage rate has also shown regression in relation to the previous year, the result of which is the slight increase in total operating expenses for water and wastewater services and the decrease in collected revenues.

In the period 2022 H1 compared to 2021, the overall cost m³ of produced water has shown improvement, the result of which is the reduction of expenses for water services by 14% despite the reduction of produced water.

Efficiency of the staff has also marked progress during this six-month period, as a result of the increase in the number of customers and the decrease in the number of workers.

With regard to complaints, according to the reported data, it appears that the number of complaints has halved in the first months of 2022 H1 compared to 2021.

Achievements:

- Full coverage of domestic customers with water meters, this indicator must be verified.
- The decreasing trend of the overall cost per unit of produced water, as a result of the reduction of water treatment expenses.
- Staff efficiency has improved as a result of increasing the number of customers.

Challenges:

- Reduction of water losses and commitment to address both physical losses (improvement of water infrastructure) and commercial losses through identification of illegal connections, reading accuracy and water meters.
- Improvement of collection efficiency, domestic and institutional customers should be invoiced.

RWC Hidrodrini j.s.c.

The table 4 presents the performance of RWC Hidrodrini j.s.c. for some of the most representative indicators.

Table 4. Relative performance RWC Hidrodrini j.s.c.

Indicators	2021	2022 H1
Water produced (l/inh/d)	346	343
Water sale (l/inh/d)	144	146
Non- revenue water (%)	58	57
Proportion of customers with water meter (%)	100	98
Collection rate (%)	129	78
Labour coverage rate	1.77	1.06
Total cost per unit (€/m ³ of produced water)	0.10	0.11
Staff efficiency ('000 customers)	4.32	4.11
Complaints per ('000 customers)	45	43

During the period 2022 H1 water production expressed in the unit [l/inh/d] is high and reaches 343 [l/inh/d]. Of this amount, only 146 [l/b/d] was billed to customers. Water sales are very slightly higher compared to 2021. Although there is a very slight improvement compared to 2021, i.e. a very small decrease in production and an increase in water sales, these data are still worrying despite the fact that the cost of water production in RWC Hidrodrini is relatively low.

During the six-month period 2022 H1, the proportion of domestic customers with water meters stands at 98%. The focus of RWC should be on increasing the coverage of customers with functional water meters.

Non-revenue water during the six-month period 2022 H1 followed by a decrease of 1% in relation to the previous year 2021, which is the result of a decrease in production and a slight increase in sales.

In the course of 2022 H1 the rate of collection has recorded the highest decrease of all RWCs compared to 2021. The percentage of collection for 2022 H1 is only 78% (a decrease of 51%). It should be emphasized that the collection in 2021 was 129% - which was attributed to the collection of old debts. RWC Hidrodrini must analyse the causes of the drop in collection and focus on improving this indicator in the remaining period of the year.

The labour coverage rate has fallen from 1.77 in 2021 to 1.06 in 2022 H1; this decrease was a consequence of the decrease in the collection rate. RWC Hidrodrini has been in good financial condition in 2021, and can cover operating expenses, with the possibility to make capital investments.

The overall cost per m³ of produced water has increased from 0.10 €/m³ as it was in 2021 to 0.11€/m³ during the period 2022 H1, the result of which was the reduction of water produced per m³ and the increase of operating expenses for water services.

The efficiency of the staff has shown a positive trend for the period of 2022 H1, the result of this positive trend was the increase in the number of customers and keeping the number of workers at the same level. RWC Hidrodrini has expanded its customer base with over 2,700 new customers.

The number of customers during 2022 H1 is almost the same as in 2021.

Achievements:

- There is a slight improvement in terms of water produced and billed (l/inh/d) compared to 2021.
- As a result of reduced production and increased billing, non-revenue water has progressed by 1% compared to the previous year 2021, although the NRW level for RWC Hidrodrini remains the highest among all RWCs.
- The efficiency of the staff has improved despite the commissioning of the wastewater treatment plant.

Challenging:

- Non-revenue water still remains at a high level (57%), the company still needs to reduce water production and increase the amount of sales, and also the company needs to take other additional measures to reduce physical and commercial losses.
- The proportion of domestic customers with water meters has shown regression during the period 2022 H1 (98%) compared to the previous year 2021 (100%). RWC Hidrodrini must install water meters for all customers and billing should be done according to the meter reading.

RWC Mitrovica j.s.c.

The table 5 presents performance RWC Mitrovica j.s.c., for some of the most representative indicators.

Table 5. Relative performance RWC Mitrovica j.s.c.

Indicators	2021	2022 H1
Water produced (l/inh/d)	472	465
Water sale (l/inh/d)	209	228
Non- revenue water (%)	55	51
Proportion of customers with water meter (%)	90	91
Collection rate (%)	74	69
Labour coverage rate	1.08	0.86
Total cost per unit (€/m3 of produced water)	0.11	0.12
Staff efficiency ('000 customers)	5.92	5.84
Complaints per ('000 customers)	224	1.3

Water production [l/inh/d] in RWC Mitrovica even during the 2022 H1 period is very high. The production value is 465 [l/inh/d] which is the highest volumetric production of all the RWCs per capita. The fact that even half of the produced water is not invoiced (not sold) is worrying, even though there has been a small increase in sales; from in 209 [l/inh/d] in 2021 sales have increased to 228 [l/inh/d].

Non-revenue water has marked satisfactory progress at RWC Mitrovica; from 55% during 2021, the NRW has decreased to 51% during the 2022 H1 period. This improvement has occurred mainly as a result of the optimization of water production compared to the previous year and the volumetric increase in billing for customers per day during the 2022 H1 period.

The proportion of domestic with water meters, during this six-month period 2022 H1, has marked progress of 1% compared to the previous year, but is still far from the desired value of 100%. The number of domestic customers who do not have water meters is about 4,000 customers. RWC Mitrovica should make significant progress in this aspect, as the billing according to metering is one of the main service standards.

The collection rate during the 2022 H1 period compared to 2021 has decreased by 5%. Such a low percentage of collection at RWC Mitrovica (69%) is worrying. This happened mainly as a result of the volumetric increase of water billed to customers, affecting then also the increase of sales in euros.

The labour coverage rate has regressed from 1.08 as it was in 2021 to 0.86 in the first half of 2022. This deterioration occurred as result of the reduction of other basic incomes and not receiving the subsidies from the Government of Kosovo for the water supplied in the northern part of Mitrovica. Another reason is the increase in operating expenses for water and wastewater.

Total costs per m³ of produced water have increased from 0.11€/m³ in 2021 to 0.12 €/m³ during the 2022 H1 period, the result of which was the increase of operating expenses for water services.

Staff efficiency has shown a slight improvement during this six-month period, as a result of the increase in the number of customers, despite the increase in the number of workers.

Regarding customers complaints, it appears that the reporting of this indicator is not accurate and needs to be confirmed.

Achievements:

- There is a positive trend in the coverage of customers with water meters from year to year. During the period 2022 H1 compared to the previous year 2021, over two thousand new water meters were installed.
- Non-revenue water during analysis period has shown a positive trend of 4%. RWC Mitrovica is encouraged to continue working towards the optimization of water production.
- Even the staff efficiency indicator showed a positive trend compared to the previous year, mainly as a result of the increase in the number of customers with over 2,600 new customers. This indicator is still high compared to the average of the sector in Kosovo and the best international practices.

Challenges:

- Despite progress in some indicators, the state of NRW is still high. The company should engage even more in reducing physical and administrative losses, especially covering all customers with new and functional water meters.
- Improving the collection rate among domestic customers.
- Improving the labour coverage rate by improving the financial performance by reducing the total operating costs and further improving the collection rate.
- Further improving the efficiency of the staff through increasing the coverage of the service area with water services.

RWC Gjakova j.s.c.

The table 6 presents performance RWC Gjakova j.s.c., for some of the most representative indicators.

Table 6. Relative performance RWC Gjakova j.s.c.

Indicators	2021	2022 H1
Water produced (l/inh/d)	253	247
Water sale (l/inh/d)	146	129
Non- revenue water (%)	42	48
Proportion of customers with water meter (%)	100	100
Collection rate (%)	103	103
Labour coverage rate	1.33	1.21
Total cost per unit (€/m ³ of produced water)	0.22	0.24
Staff efficiency ('000 customers)	6.70	6.54
Complaints per ('000 customers)	7.8	3.5

Water production for RWC Gjakova reaches the value of 236 [l/inh/d] during the period 2022 H1, which value if compared to the previous year 2021 has marked a small decrease. However, the fact that only 129 [l/inh/d] is managed to be billed (sold) to customers leaves room for improvement.

Regarding the sale of water (volumetric billing of water) per customer per day, there is a deterioration. RWC Gjakova must analyse and identify the reasons why sales have decreased and address the findings in a timely manner.

Non-revenue water in RWC Gjakova has marked deterioration, from 42% which was the percentage during 2021, it has increased to 48% during the six-month period 2022 H1. RWC Gjakova should focus on showing improvements in this performance indicator in the remaining period of 2022.

RWC Gjakova has managed to bill almost all of its customers according to the reading of the water meters. The proportion of domestic customers with water meters at this company during the period 2022 H1 reaches the rate of 100%. According to the reported data only 13 domestic customers were left without being equipped with water meters.

At RWC Gjakova, the collection rate during 2022 H1 period compared to 2021 has remained the same and reaches the percentage of 103%, as a result of the collection of old debts as well.

The labour coverage ratio showed a 9% year-over-year deterioration from 1.33 in 2021 to 1.21 period 2022 H1, partly as a result of the volumetric reduction in billings. This means that the company this year, despite the same level of collection rate, will have lower revenues, even though its financial stability is not yet at risk.

During the 2022 H1 period, the total cost per m³ of water produced at RWC Gjakova was the highest in relation to other companies, increasing by 12%; from 0.22 €/m³ as it was in 2021 to

0.24 €/m³ in 2022 H1. This is as result of the reduction of produced water and the increase of operating expenses for these services. The efficiency of the staff has shown a positive trend, falling from 6.70 to 6.54 for the six-month period of 2022, the result of this positive trend was the increase in the number of customers, while the number of workers has been kept at the same level. However, the current rate of close to 6.54 workers per 1,000 customers still remains at the highest level in relation to other companies in Kosovo.

Achievements:

- Reduction of water produced per inhabitant per day. RWC Gjakova should continue with further optimization of produced water.
- The equipment of domestic customers with water meters is almost complete, this enables the company to have a more accurate and fair billing as well as to have greater control in terms of commercial water losses.
- The revenue collection rate has not undergone any change compared to 2021, i.e. it has remained at the same level of 103%:

Challenges:

- Reduction of NRW by undertaking more dynamic measures and activities in terms of identifying illegal connections and through the implementation of pressure management measures.
- Reducing service costs, with an emphasis on reducing costs per unit of produced water,
- Staff efficiency, although it has shown improvement in 2022H1, still continues to be the company with the largest number of workers in relation to its customers.
- Improving staff efficiency, increasing the customer base and reducing the number of workers.

RWC Bifurkacioni j.s.c.

The table 7 presents performance RWC Bifurkacioni j.s.c., for some of the most representative indicators.

Table 7. Relative performance RWC Bifurkacioni j.s.c.

Indicators	2021	2022 H1
Water produced (l/inh/d)	182	182
Water sale (l/inh/d)	78	82
Non- revenue water (%)	57	55
Proportion of customers with water meter (%)	100	100
Collection rate (%)	80	78
Labour coverage rate	1.17	1.24
Total cost per unit (€/m ³ of produced water)	0.16	0.15
Staff efficiency ('000 customers)	5.72	5.49
Complaints per ('000 customers)	5.7	3.1

Water production for RWC Bifurkacioni has remained the same as in the previous year, with 182 [l/inh/d] during the period 2022 H1, while the volumetric billing of water has increased slightly, however it remains very low and not even half of the produced water is billed (sold). Water sales have slightly increased from 78 [l/inh/d] in 2021 to 82 [l/inh/d] in 2022 H1.

The proportion of domestic customers with water meters in this company is complete, which means that all domestic customers during 2022 H1, as reported the RWC Bifurkacioni, are billed according to the water meter reading.

Non-revenue water at RWC Bifurkacioni has progressed by 2% during the six-month analysis period 2022 H1 compared to the previous year 2021. This progress is mainly attributed to the volumetric increase of billed water. RWC Bifurkacioni is encouraged to take further measures to optimize water production and increase billed water.

The collection rate in the 2022 H1 period has deteriorated by 2% compared to 2021 and that is mainly due to volumetric increase of billed water.

The labour coverage rate, unlike other companies, has improved compared to the previous year from 1.17 in 2021 to 1.24 in 2022 H1, which occurred as a result of the increase in collected revenues, and especially the reduction of operating expenses general for water and wastewater services.

In the course of 2022 H1, the total cost per m³ of produced water has improved from 0.16 (€/m³) as it was in 2021, it has decreased to 0.15 (€/m³) in 2022 H1, the result of which is the reduction of expenses for water services and keeping the water production (m³) at the same level as in the previous year.

Progress has also been noted in the staff efficiency indicator, from 5.72 as it was in 2021 to 5.49 in 2022 H1, the result of which was the increase in the number of customers, while the number of workers has not changed at all.

In terms of customers' complaints, they have remained approximately at the same level as the period of 2021.

Achievements:

- Reduction of NRW from 57% as it was during 2021 to 55% for the period 2022 H1.
- The equipment of domestic customers with water meters is at the level of 100%.
- The labour coverage rate has shown improvement, the result of which was the reduction of total expenses and the increase of revenues collected in monetary value.
- The total cost per unit of produced water showed a positive trend with a decrease of 4%.
- Staff efficiency has improved as a result of increasing the number of customers with over 1,400 new customers.

Challenges:

- Reduction of non-revenue water, through activities in controlling illegal connections, accurate reading of water meters, continuation of rehabilitation and maintenance of water supply network.
- Further improving staff efficiency by increasing the customer base and reducing the number of workers. The current level of 5.49 is above the sector average in Kosovo.

RWC Hidromorava j.s.c.

The table 8 presents performance RWC Hidromorava j.s.c., for some of the most representative indicators.

Table 8. Relative performance RWC Hidromorava j.s.c.

Indicators	2021	2022 H1
Water produced (l/inh/d)	185	177
Water sale (l/inh/d)	96	93
Non- revenue water (%)	48	48
Proportion of customers with water meter (%)	99	99.5
Collection rate (%)	92	83
Labour coverage rate	1.18	1.07
Total cost per unit (€/m ³ of produced water)	0.21	0.21
Staff efficiency ('000 customers)	4.44	4.51
Complaints per ('000 customers)	17.8	9

Water production for RWC Hidromorava has decreased from 185 [l/inh/d] in 2021 to 177 [l/inh/d] in 2022 H1. Water production in RWC Hidromorava is the lowest of all the RWC in Kosovo.

Worrying is the fact that the volumetric sales of water per inhabitant per day have also been decreased from 96 [l/inh/d] in 2021 to 93 [l/inh/d].

The NRW for RWC Hidromorava during the period 2022 H1 has remained at the same level - 48% compared to the previous year 2021. Considering the limited water resources (water scarcity) in this region, RWC Hidromorava should be more committed to reduce the NRW.

The proportion of domestic customers with water meters in 2022 H1 remains at approximately the same level as in the previous year (99% level). RWC Hidromorava must work harder to bill all its customers according to the water meter reading, which is the service standard.

During the period 2022 H1 the collection rate has dropped from 92% to 83%; this decrease is mostly attributed to the revenue collection decrease from institutional customers; the collection rate for this category of customers has dropped from 100% to 73%.

Despite the decrease in operating expenses, the high decline in collection rate will undoubtedly affect the labour coverage ratio indicator, which has decreased from 1.18 (in 2021) to 1.07 in 2022 (decrease of 9%). RWC Hidromorava, even though there was a regression in this indicator, it was still able to cover the general operating expenses.

In the period 2022 H1 compared to 2021, the operating expenses per m³ of produced water did not change, it remained at the same level of 0.21 Euro/m³.

Staff efficiency has a slight deterioration from 4.44 in 2021 increased to 4.51 in 2022 H1.

With regard to customer complaints, based on the report from RWC Hidromorava, they have been halved.

Achievements:

- A slight decrease in water production was observed compared to the previous year. In other indicators, RWC Hidromorava has remained at the level of the previous year or showed a decrease.

Challenges:

- Management of the lack of water resources, mainly in periods of drought, crises are becoming more frequent over the years.
- Reduction of non-revenue water, taking into account limited resources, RWC Hidromorava should be more focused on identifying illegal connection and rehabilitation of the distribution network.
- Increase in collection, with special focus on the category of institutional customers.
- Improving and raising the labour coverage rate, through reducing expenses and increasing collection.
- Improving staff efficiency, increasing and **customer base** in the service area.

4. GENERAL CONCLUSIONS

In general RWC also in this six-month period (2022 H1), have shown unsatisfactory operational and financial efficiency for the following reasons:

- The production of water in some RWC is very high, while less than half of this volume is billed or brings income to the RWC.
- The high percentage of NRW in all RWCs continuous to present an obstacle in the continuous supply of water as well as a lack of financial sustainability of RWC.
- Financial efficiency continuous to be one of the major challenges for RWC, services are relatively high operating cost, lack of revenue collection efficiency and poor staff efficiency.

APPENDIX

The following table summarizes the data for some operational indicators.

	Period / year	Water production (m ³)	Non-revenue water (m ³)	Non- revenue water (m ³)
PR	2021	55,175,048	23,161,373	32,013,675
	2021 H1	27,205,447	11,252,839	15,952,608
	2022 H1	27,205,515	11,865,551	15,339,964
HJ	2021	16,928,504	7,718,785	9,209,719
	2021 H1	8,056,759	3,646,163	4,410,596
	2022 H1	7,961,765	3,669,255	4,292,510
HID	2021	24,842,768	10,333,538	14,509,230
	2021 H1	12,359,804	4,909,169	7,450,635
	2022 H1	12,298,918	5,232,539	7,066,379
MIT	2021	27,457,562	12,301,466	15,156,096
	2021 H1	13,319,522	5,917,386	7,402,136
	2022 H1	13,672,906	6,697,761	6,975,145
GJA	2021	15,910,071	9,167,666	6,742,405
	2021 H1	7,402,365	4,366,647	3,035,718
	2022 H1	7,787,571	4,077,807	3,709,764
BIF	2021	8,258,735	3,562,927	4,695,808
	2021 H1	4,227,517	1,728,625	2,498,891
	2022 H1	4,132,048	1,871,499	2,260,549
HIM	2021	7,801,252	4,038,271	3,762,981
	2021 H1	3,633,418	1,890,284	1,743,134
	2022 H1	3,739,485	1,951,917	1,787,568
Sector	2021	156,373,940	70,284,026	86,089,914
	2021 H1	76,204,832	33,711,113	42,493,718
	2022 H1	76,798,208	35,366,329	41,431,879

The following table summarizes the main financial indicators.

	Period/ year	Billing (Euro)	collection (Euro)	Other basic operating income (Euro)	Subsidy	Total operating expenses for Water & Wastewater (Euro)	Operating expenses for Water (Euro)
PR	2021	14,312,132	13,074,944	77,015	-	10,254,011	9,842,212
	2021 H1	7,048,788	6,291,035	33,673	-	5,035,994	4,895,223
	2022 H1	7,584,486	6,225,915	36,909	-	5,199,322	5,057,014
HJ	2021	5,067,106	5,063,171	52,881	-	3,872,999	3,063,889
	2021 H1	2,320,727	2,331,639	-	-	1,933,965	1,519,653
	2022 H1	2,475,422	2,283,571	23,179	-	1,960,929	1,322,165
HID	2021	3,961,528	5,090,905	60,785	-	2,903,742	2,606,115
	2021 H1	1,896,304	1,630,589	25,254	-	1,374,490	1,294,397
	2022 H1	2,035,705	1,589,512	21,171	-	1,526,450	1,402,610
MIT	2021	3,893,840	2,889,570	42,606	691,030	3,363,490	3,040,126
	2021 H1	1,866,704	1,299,594	-	330,000	1,695,788	1,527,471
	2022 H1	2,193,694	1,518,849	19,791	-	1,780,977	1,612,736
GJA	2021	4,662,378	4,817,042	24,640	-	3,642,510	3,425,181
	2021 H1	2,188,433	2,179,329	14,059	-	1,800,168	1,754,096
	2022 H1	2,318,185	2,391,050	10,775	-	1,984,107	1,875,341
BIF	2021	2,160,954	1,721,950	52,884	-	1,517,169	1,282,580
	2021 H1	1,034,731	779,116	8,185	-	789,709	643,060
	2022 H1	1,164,956	911,203	21,353	-	753,157	612,879
HIM	2021	2,250,514	2,069,864	33,657	-	1,784,596	1,638,731
	2021 H1	1,067,437	863,043	11,514	-	872,918	799,076
	2022 H1	1,111,701	919,736	12,962	-	869,128	799,160
Sector	2021	36,308,453	34,727,445	344,468	691,030	27,338,517	24,898,834
	2021 H1	17,423,123	15,374,345	92,685	330,000	13,503,032	12,432,976
	2022 H1	18,884,149	15,839,836	146,140	-	14,074,070	12,681,905

The following table summarizes the data on the number of customers and the number of employees in RWC.

	Period/ year	Number of customers	Number of employees
PR	2021	153,509	556
	2021 H1	151,204	557
	2022 H1	158,372	543
HJ	2021	54,104	332
	2021 H1	53,399	331
	2022 H1	55,426	325
HID	2021	53,205	230
	2021 H1	52,351	227
	2022 H1	55,919	230
MIT	2021	43,897	260
	2021 H1	42,758	260
	2022 H1	46,549	272
GJA	2021	43,737	293
	2021 H1	42,379	285
	2022 H1	44,675	292
BIF	2021	33,551	192
	2021 H1	32,431	200
	2022 H1	34,973	192
HIM	2021	34,703	154
	2021 H1	34,057	157
	2022 H1	35,264	159
Sector	2021	416,706	2,017
	2021 H1	408,579	2,017
	2022 H1	431,178	2,013