

ANNUAL PERFORMANCE REPORT

of the Public Water and Waste Companies in Kosovo

•2007•



WATER AND WASTE REGULATORY OFFICE
ZYRA RREGULLATORE PËR UJË DHE MBETURINA
REGULATORNI URED ZA VODU I OTPAD

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● **WWRO's Mission is to:**

Implement economic regulation of water and solid waste services in a transparent and equitable manner in accordance with good European practices in order to ensure that service providers deliver qualitative and affordable services for all customer groups in Kosovo with respect for the environment and public health.

WWRO uses its regulatory powers and good regulatory practices for the fulfilment of its mission. The most important WWRO activities are summarised below:

- Setting price limits which:
 - Enable well-managed Water and Solid Waste Companies to finance the delivery of services in line with relevant standards and requirements
 - Recognise the current affordability constraints especially amongst the poorer communities in Kosovo
- Ensuring WWRO is aware of stakeholders' views and priorities by consulting with stakeholders through exchanges of information, Memoranda of Understanding, organising open, consultative workshops, publishing relevant information on its website and through the activities of the seven regional consultative committees;
- Working with other regulators of the water and waste sectors (i.e. Ministry of Environment and Spatial Planning and the Ministry of Health's Institute of Public Health) to ensure responsibilities are clearly defined and followed;
- Cooperating closely with other economic regulators of water and waste services in the region and in Europe in order to exchange experiences and to apply good practices;
- Ensuring customers' tariffs are fair and do not unduly discriminate or show preference to any class of customers;
- Ensuring that minority and gender issues are addressed in full compliance with Kosovar legislation;
- Publishing information openly and transparently thereby allowing all stakeholders to understand and influence regulatory decisions taken by WWRO;
- Assessing performance and stimulating improvements in efficiency by making and publishing appropriate annual comparisons between regulated companies;
- Helping develop revisions to policy (e.g. regarding possible de-regulation of the waste collection sector in line with European good practice);
- Handling disputes and complaints involving the Companies economically, effectively, transparently and fairly.

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Foreword by the Director of Water and Waste Regulatory Office



2007 was another year of challenges and difficulties for the water and waste sectors in Kosovo. Last year Kosovo faced a severe drought which directly affected production capacities of water companies during the year and consequently caused more problems for them in delivering the required level of services to their customers. If we add to this the chronic problems and difficulties which these companies have faced in collecting their bills, then one gets a clear picture of an unfavourable environment in which water and waste public companies in Kosovo have been obliged to operate in 2007.

Despite the above, I am pleased to state that water and waste services sectors in Kosovo have shown progress in 2007 compared to 2006 as shown later in this report. This progress, although modest, is apparent practically in all performance indicators which the Water and Waste Regulatory Office (WWRO) uses for monitoring and evaluating performance of the licenced water and waste

One explanation for this progress should be certainly attributed to the reformed institutional context of water and waste services sectors in Kosovo developed during the last years (i.e. the consolidation of the water and waste companies on a regional basis and later on their incorporation, as well as the establishment of the WWRO economic regulatory framework). These important reforms are expected to provide more significant improvements in the years to come. Two very important roles in achieving this progress have been the continuing contribution of the donors who have made significant investments in supporting water and waste companies, and also the companies themselves through their improved management.

However, notwithstanding the progress achieved in 2007, water and waste services sectors in Kosovo have had to deal with and overcome numerous challenges in order to be able to deliver qualitative and efficient services to their customers. One very obvious indication of the low level of services is the failure of most of the water companies to supply water to all their customers routinely for 24 hours a day.

For substantial improvements in the water and waste sectors, it is necessary to have a harmonized and strategic approach by all key stakeholders in the fulfilment of their respective roles and responsibilities. This primarily relates to the management of companies from whom WWRO expects a more effective and efficient management in the future and the achievement of 'tangible' results, particularly in reducing water losses and improving collection efficiency which is at this stage the poorest facet of the water companies' performance. Even though in 2007 water companies have achieved some progress with regard to these two performance indicators (the average collection rate has increased to 61% from 59% compared with 2006, whilst the average water losses have decreased to 58% from 59% compared with 2006), their performance in these two areas is still unsatisfactory and does not allow the generation of necessary funds for undertaking any significant capital investments which are vital for the sector. It is encouraging that lately the awareness among water companies about the importance of water loss reduction is increasing. Evidence for this is the annual conference organized in October 2007 by Water Company Association (SHUKOS) whose central topic was reduction of water losses.

Of course, an important factor which has had a direct impact on the performance of water and waste service sector is the fundamental issue of the Rule of Law. Current problems of Kosovar society regarding the rule of law are reflected in water and waste company performance as well, primarily in the form of the practical problems which these companies face in fighting illegal connections (water companies) and in debt collection (water and waste companies). Also, non-payment of the bills by customers who have financial difficulties to pay for water and solid waste services (social cases) is an area where institutional support from respective institutions is necessary in order to enable water and waste companies to operate as commercial entities. In cooperation with the respective institutions, WWRO will play an active role in helping to eliminate problems of this nature affecting the operation of water and waste companies.

On the other hand, through the regulatory process and available regulatory mechanisms, WWRO shall continue to work actively in increasing the transparency in provision of the water and waste services as well as encouraging improvements by the companies in the level of these services.

In this context, this second report published by WWRO, in addition to providing a detailed overview of each company's performance, aims to encourage competition in these monopoly services through benchmarking or comparative competition. Based on the selected key performance indicators, WWRO has ranked companies in this report using the same analytical approach as for the previous year. Despite the weaknesses that the current methodology used by WWRO for overall performance appraisal entails (not all the data are perfectly reliable and also the system does not take into account specific factors influencing the operation of companies), WWRO believes that ranking of the companies based on their measured performance fosters the competition in the water and waste services sectors. Hence, in the water services sector, the company which has been evaluated with the overall best performance in 2007 is RWC Radoniqi, whilst the best improvement in 2007 compared to 2006 has been demonstrated by RWC Hidroregjioni. Regarding the waste collection sector, the best performance in 2007 has been demonstrated by regional waste company RWCC Uniteti.

WWRO congratulates the successful companies above for their achievements.

In order to increase the quality of this report in terms of accuracy and reliability of reported data, this year for the first time WWRO has carried out formal technical auditing of the data reported by water and waste companies. In some areas the quality of reported information still is very low. This primarily relates to data concerning water production as well as to data concerning the level of customer services (e.g. complaints handling). Water production data is key information which directly affects numerous performance indicators and therefore it is absolutely essential that this information is reported to WWRO based on accurate measurement by companies in accordance with good practice and up to date technologies. It is absolutely unacceptable for WWRO (and other stakeholders) that this data is reported in the future based on estimations (as in the case of regional water company Hidroregjioni). It is first and foremost in the interest of companies and their management to have accurate information about their performance, but also for the WWRO and the regulatory process. Hence, WWRO will work closely with water and waste companies on further improvements in the quality of reported data.

It is part of WWRO's strategic approach to continue to closely cooperate with all key stakeholders in the water and waste sectors in order to address and overcome the current problems in these sectors in an appropriate and inclusive manner. This involves close cooperation with other regulators of the water sector and waste sectors in Kosovo (MESP and NIHPK) but also with other relevant actors (eg Central and local Government). Also, WWRO will further expand the ongoing cooperation with other economic regulators in Europe in order to exchange experiences and adopt good practice in regulating the water services sector. WWRO has already established a sound basis for good cooperation with the water and waste regulator in Portugal (IRAR), with the Water Industry Commission for Scotland (WICS) as well as with the Water Regulator Institute in Albania (ERRU). Other neighbour countries (Macedonia and Montenegro) are considering the idea of establishing economic regulators in the water sector along the lines adopted already in Kosovo and WWRO in its contacts with representatives of these countries has expressed a willingness to share its experience with the respective authorities of these countries.


In 2007 WWRO has continued to work in close consultation with the water and waste companies as well as with other stakeholders on all relevant issues concerning the regulatory process. Seven workshops, in which we have discussed variety of issues pertaining to the water and waste services aiming to improve the regulatory process and ultimately to improve the level of water and waste services, are a demonstration of the WWRO's inclusive approach in performing its regulatory functions. In this context, I would like to express my appreciation for their interest and willingness to actively participate in these workshops and other consultation activities.

I would like to note that as of 15th June 2008 a new Law (N0. 03/L-086) has been adopted by the Kosovo Parliament which replaces UNMIK Regulation 2004/49 as the primary legislative framework for the WWRO establishment and WWRO responsibilities. This new Law transferred WWRO's ultimate accountability from UNMIK/SRSG to the Kosovo Parliament. The new Law does not contain any substantial technical changes compared with Regulation 2004/49 although WWRO had earlier proposed de-regulation of waste collection services and hence legally enabling the introduction of market competition for provision of these services in line with virtually all other European countries, together with a WWRO Board structure in line with other Kosovo utility regulators. These important issues remains to be discussed and eventually included through future amendments of the new Law.

Finally, I would like to thank all who supported and are supporting WWRO. In particular, I would like to thank European Commission Liaison Office (ECLO) and Swiss Cooperation Office (SCO) who have given valuable contribution in preparing this report.

Afrim Lajçi

Water and Waste Regulatory Office

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a series of loops and a final horizontal stroke.

Foreword by the Director of National Institute for Public Health

The Kosovo National Institute of Public Health (NIPH) is responsible for monitoring drinking water quality compliance with National Kosovo drinking water quality standards throughout Kosovo. Our regional staff take many thousands of samples each year of the drinking water supplied by licensed water companies as well as rural water supplies and we carry-out analysis for microbiological, chemical and physical parameters. We work closely with water companies and WWRO in our efforts to improve standards and address any problems which may arise.

NIPH signed a Memorandum of Agreement with WWRO in March 2007 in order to specify the respective roles and responsibilities of these two organisations and we continue to collaborate closely with WWRO on all issues concerning drinking water quality as supplied by the seven licensed regional water companies.

We are pleased to see that this second Annual Performance Report produced by WWRO indicates that the number of reported drinking water quality failures for licensed water companies have reduced overall by 1% since 2006. However there is still scope for major reductions in the number of failed tests as reported by the licensed water companies and we will continue to work closely with the water companies and with WWRO to address this important issue especially where microbiological quality is poor.

IPH is very pleased to contribute to WWRO's second Annual Performance Report on the service provided by licensed water and waste companies. The quality of water supplied to customers is a key element of this service.

In particular we look forward to introducing new drinking water national standards and associated sampling regimes in the future in Kosovo in line with European Directive 98/83/EC, subject of course to securing adequate donor support.

Prof. Dr. Assoc. Naser Ramadani

Director of National Institute for Public Health of Kosova

Acronyms and Abbreviations

KEPA	●	Kosovo Environmental Protection Agency
KfW	●	Kreditanstalt für Wiederaufbau
KPI	●	Key performance indicator
KTA	●	Kosovo Trust Agency
MESP	●	Ministry of Environment and Spatial Planning
NIPHK	●	National Institute for Public Health in Kosovo
NRW	●	Non-revenue water
OFCR	●	Operational, Financial and Customer Reporting
OFMP	●	Operational and Financial Monitoring Project
POE	●	Publicly-owned Enterprise
SHUKOS	●	Water and Wastewater Works Association in Kosovo
SOE	●	Socially-owned Enterprise
SRSG	●	Special Representative of the Secretary General
UNMIK	●	United Nations Mission in Kosovo
WWRO	●	Water and Waste Regulatory Office

● Purpose of the Annual Performance Report

This is the second annual report published by WWRO on the performance of public companies which provide water, wastewater and waste (collection and disposal) services in Kosovo.

The purpose of this (and previous) reports is to increase transparency and accountability pertaining to the water, wastewater, and solid waste services in Kosovo in a form of complete and objective overview about financial, operational and customer service performance in 2007 of the public companies which provide these services. Furthermore, this report compares the performance of water and waste companies in 2007 with their performance in 2006 as well as comparing the relative performance of each company with other similar companies in Kosovo.

This report provides to all stakeholders, including customers, an opportunity to see the performance and the level of services provided by water and waste companies in 2007. In addition, the report aims to stimulate competition with the ultimate objective being the improvement of the quality of service to customers and to the operating efficiency of water and waste companies.

● The Reliability of Reported Data

The data used in this report have been reported by licensed water and waste companies in accordance with their reporting obligations set out in the legislation and in their service licences. In order to increase the level of accuracy and reliability of this report, the data reported by companies have been audited by WWRO for the first time this year.

All licensed companies have been visited by WWRO auditing team in April 2008. This audit consisted of comparison of data reported by companies with real data checked in the information system of each company. The companies have been given the opportunity to appraise the data used in this report before its finalization; therefore WWRO considers that these data are accurate and fair.

● Performance Assessment

WWRO has analyzed the data reported by water and waste companies based on a range of selected performance indicators. For each performance indicator an overview of the performance of each company is given as well as the average of the sector.

The evaluation of the overall performance and ranking of the companies is done based on a more limited number of key performance indicators (KPI) which are deemed by WWRO as: (i) reliable, (ii) relevant, and (iii) under the management control of the companies.

● **Licensed Companies**

In this report, the term *licensed companies* or *companies* is used which includes 14 public companies which are under WWRO's regulatory mandate, according to UNMIK Regulation 2004/49 and which provide: (i) water and waste services (7 No), (ii) bulk water services (1 No), (iii) waste collection services (7 No) and (iv) waste disposal services (1 No).

In some cases terms such as: *water and wastewater companies* or *waste collection companies*, or *bulk water supply companies*, or *waste management companies* are used in this report to define precisely their specific activities.

Contact details of these companies are given in Annex E.

● **The Structure of the Report**

This report consists of five chapters:

Chapter 1 explains the quality of data used in this report in terms of their accuracy and reliability. In this chapter, conclusions and recommendations are given regarding the improvement of the quality of reported data which is essential for an objective assessment and comparison of companies' performance;

Chapter 2 provides an overview of water and wastewater sector performance and evaluates relative performance of each of the seven companies compared to other companies for 2007, and compared to the individual company's performance in 2006 as well. In the end of this chapter, we have ranked the companies according to the measured performance on the basis of key performance indicators (KPI);

Chapter 3 provides an overview of the performance of the seven regional waste collection companies in the same form as in the case of water and wastewater companies;

Chapter 4 provides an overview of the performance of the Kosovo Landfill Management Company (KLMC) which is the only company that manages sanitary landfills in Kosovo; and

Chapter 5 provides a brief summary of performance of the only Bulk Water Service Provider in Kosovo - Ibër Lepenci.

Furthermore, this report contains six annexes as well:

In Annex A are provided definitions of performance indicators used in this report;

In Annex B are provided explanations regarding the overall performance evaluation (selected key indicators, used methodology, reasons, etc.)

In Annex C are given main statistics about operational, financial and customer service parameters for licensed companies;

In Annex D is given an extract from Regulation 2004/49 which sets out service standards applicable for water, wastewater and waste collection and disposal services;

In Annex E are given contact details of the licensed companies WWRO, and the regional Customer Consultative Committees; and

Annex F provides an information (in the form tables and maps) about the service area of each of the seven water and seven waste companies.

A short summary of the WWRO role and responsibilities is provided at the end of the Report.

Chapter 1

Information Quality – Data Auditing

For a proper assessment of the companies' performance and for carrying out sensible comparisons thereof, it is vitally important that the data used are reliable and robust. Hence, in order to present the reliable information through the Annual Performance Report WWRO has this year, for the first time, undertaken auditing/inspection of the operational, financial, and customer service data which have been reported to WWRO during 2007 on a monthly basis by the water and waste companies.

The auditing process, which was carried out by WWRO staff in April 2008, involved: (i) checking the reliability of reported data and (ii) checking whether the licensed companies have in place adequate procedures as required by the WWRO Regulation and Rules. This process shall from now on be a regular annual activity. Moreover, WWRO will undertake 'ad-hoc' auditing/inspection of relevant data regarding specific issues when it deems it appropriate and necessary for the regulatory process.

It is our general impression that the auditing process was well accepted and supported by all companies. Therefore, WWRO appreciates and acknowledges the high level of cooperation provided by all companies during this process.

Following the physical data auditing, WWRO prepared a draft Auditing Report for each company. These draft reports were subject to review and comments by all companies before their inclusion in the Annual Performance report.

● General conclusions

Water sector

According to the findings, the auditing team concludes that the main problem rests with poor and incomplete usage of the modules forming part of the information systems in two of the software packages that are available in water companies (Pro-net and Piano) as well as to the lack of other applications which are supposed to be part of these software packages.

None of the seven regional water companies has a proper data management system with regard to customer relations.

In most of the companies the water production data are based on water meters installed at the outlet of the water treatment plants, but there are also cases where these production data have only been estimated i.e. not measured with meters. Where the estimation of production figures occurs without proper metering, it raises serious concerns about the accuracy of some key performance indicator figures (especially those for non revenue water) reviewed elsewhere in this report.

It appears that some of technical data concerning wastewater services have not been recorded correctly within the management information system of the companies.

Waste collection sector

According to the findings, the auditing team concludes that the main concerns relate to the poor functioning of the existing system information modules. We did not pursue a detailed explanation regarding the reasons for the non-functioning of these modules since the whole existing Management Information System (MIS) will be replaced with a new MIS package shortly which will include all necessary modules needed for the proper management of information in all waste collection companies.

Currently, none of the companies has any written form of the procedures necessary for efficient management of important issues for the regulatory process.

Waste disposal sector

According to the audit findings, the auditing team concludes that the data maintenance system is satisfactory.

Remarks regarding non compatibility of the reported financial data mainly relate to poor comprehension of data definitions.

● General recommendations

Water sector

In order to ensure better data management within companies and the consequent reporting of more accurate data to WWRO, all the companies are recommended by the auditing team to:

- further develop their information system modules (Pro-net and Piano)
- ensure adequate staff training is received from the software suppliers for any new applications (e.g. customer relations modules) and that adequate software support and upgrading arrangements are in place for the full software packages.
- develop customer relation modules
- develop geographic information systems (GIS) with the data for water and wastewater services
- develop more sophisticated systems for data maintenance for water production
- install water meters on the outlets of each water treatment plant to enable accurate reporting of the estimated amount of water produced
- clearly define areas which are subject to water interruptions and the number of customers in these areas
- develop and implement internal procedures to manage the collection and reporting of data

Waste collection sector

In order to ensure better data management within companies and the consequent reporting of more accurate data to WWRO, all the companies are recommended by the auditing team to:

- ensure that all reported data are based upon regular records which are properly maintained and archived by the companies
- pay more attention to the registering of all data in relevant modules of the new MIS package and thus make possible easier extraction of the data from reports
- ensure adequate staff training is received from the software suppliers for the new applications and that adequate software support and upgrading arrangements are in place.
- draft and implement internal procedures to manage the collection and reporting of data

Waste disposal sector

In order to improve performance reporting, the auditing team recommends that reported data should be fully in line with the reporting requirements of WWRO.

Operating, Financial and Customer Service Performance Monitoring

Prior to the establishment of WWRO in November 2004, performance monitoring of water and waste companies was developed as a part of the Operational and Financial Monitoring Project (OFMP). Its purpose was to create, implement, and further develop a computerised system for reporting monitoring and publication of the operational data and financial performance of the seven regional water companies in Kosovo. This project was transferred from KTA to WWRO at the end of 2006, because performance monitoring and assessment are normal economic regulatory activities and therefore the WWRO was considered as the most appropriate institution for managing this important regulatory responsibility.

In 2007, WWRO expanded the reporting system (OFCR) with more technical and customer related service data requirements in consultation with the water (and waste) companies. Considering the importance of performance monitoring and assessment and in order to improving the quality of this activity, in the beginning of 2008, WWRO was provided with technical assistance through the provision of an experienced local consultant funded by SDC through the WM-OFMP funding project.

● Performance Standards

Water services

UNMIK Regulation 2004/49 (Section 11(a)), (hereinafter Regulation) prescribes the following water services standards for the provision of water supply services:

- Quality of water
- *Water pressure
- Water availability
- Number of interruptions
- Response time for investigation and repair of leaks
- Time to process applications for water services

* The data for 2006/2007 concerning pressure were not reported by water companies

The specified standards as set out in the regulation are reproduced in Annex D.

Four of these standards as explained below, are not examined in this report.

Pressure in the network is very difficult for companies to measure and report meaningfully due to a variety of technical reasons, e.g. topography and other technical constraints. Consequently companies have not been required to measure and report this service standard.

Number of interruptions is reported by companies. However, the continuity of supply as considered in the previous section is considered to be a more meaningful indicator of service provision.

Response time to customers' queries is currently reported by companies to WWRO but this standard has not been examined in this report due to the questionable reliability of data reported.

The time to process applications has been reported by companies to WWRO during 2007, and only reliable data received from companies have been taken into consideration in this report. WWRO considers that companies need to further develop customer-relations management which should result in significant improvements in handling and reporting customer related issues and in the production and reporting of more reliable data on which the WWRO can assess and report performance accurately.

Wastewater services

UNMIK Regulation 2004/49 (Section 11 (b)) prescribes the following services standards for the provision of wastewater services:

- Frequency of sewer cleaning
- Frequency and time for repair of leakages and flooding in the wastewater collection system
- Time to process applications for wastewater services

Performance of companies against these standards is not considered in this report unfortunately because performance data as reported by companies are not considered sufficiently reliable.

Standards recognised in tariff setting

Section 10.3 of UNMIK Regulation 2004/49 includes a requirement that WWRO's tariff setting process shall recognise the degree to which the service provider has, over the previous 12 months, provided its services:

- In accordance with the applicable service standards
- Reduced the quantity of NRW
- Increased the total number of invoices delivered to customers and the percentage of all invoices collected

It can be concluded from this requirement in the Regulations that these particular performance indicators are amongst the most important for assessing the performance of water companies and they are therefore reviewed in detail later in this report.

● Indicators Used in this Report

Technical and customer related service standards

The choice of which water sector performance indicators to review in this report has been determined mainly by the availability of information provided by companies with respect to the relevant standards specified in the Regulations.

The additional indicators used in this section of the report, but not specifically required in the Regulations, have been chosen to give a reasonable representation of the level of service provided by companies. The list is not exhaustive and has been limited to seven technical/ customer service indicators.

The technical and customer services indicators used are:

- Water quality
- Availability of water
- Service coverage
- Metered consumption
- Staffing efficiency
- NRW (percentage)
- NRW (litres per customer per day)
- No of Complaints per 1000 customers

Financial indicators

Four key financial indicators used in this report are:

- Working ratio
- Working coverage ratio
- Collection rate
- Unit cost of production

Several of the above performance indicators impact on one or more other performance indicators (for example a reduction in pressure can result in a reduction in physical water losses), and thus focusing on the results given by just one indicator can be misleading.

In this report, each indicator has been reviewed separately for simplicity but an overall assessment has also been undertaken to give a more comprehensive picture of company performance.

● Water Quality

Drinking water quality provided to customers by water companies is arguably the most important standard to be fulfilled by the companies since it has a direct impact on public health. WWRO has a statutory responsibility in accordance with the Regulations to ensure that drinking water quality delivered by licensed water companies is in compliance with the current National drinking water quality standards for Kosovo.

On the other hand, the authority responsible for setting drinking water quality standards is NIPH which also monitors compliance with these standards through taking and analyzing water quality samples in accordance with enforceable legal acts.

According to responsibilities regarding drinking water quality, WWRO and NIPH signed a Memorandum of Agreement in March 2007 for further developing cooperation in order to ensure that water delivered to customers by water companies is in accordance with the standards and the roles and responsibilities of NIPH and WWRO were clearly defined.

In addition, WWRO is continuing to support improvements in drinking water quality through the development of drinking water quality standards in Kosovo in line with the latest EC Directive (98/83/EC) on Drinking Water Quality.

¹ Administrative Instruction (Health) 2/1999. This standard is in urgent need of revision to bring it into line with current standards for sampling and analysis of drinking water quality in accordance with European Directive 98/83/EC.

Figure 1 Illustrates the percentage of the water quality tests which failed bacteriological, physical and chemical drinking water quality standards in 2006 and 2007 for each company.

Whilst the different characteristics are not differentiated in the Figure most of the tests (and reported failures) related to microbiological parameters.

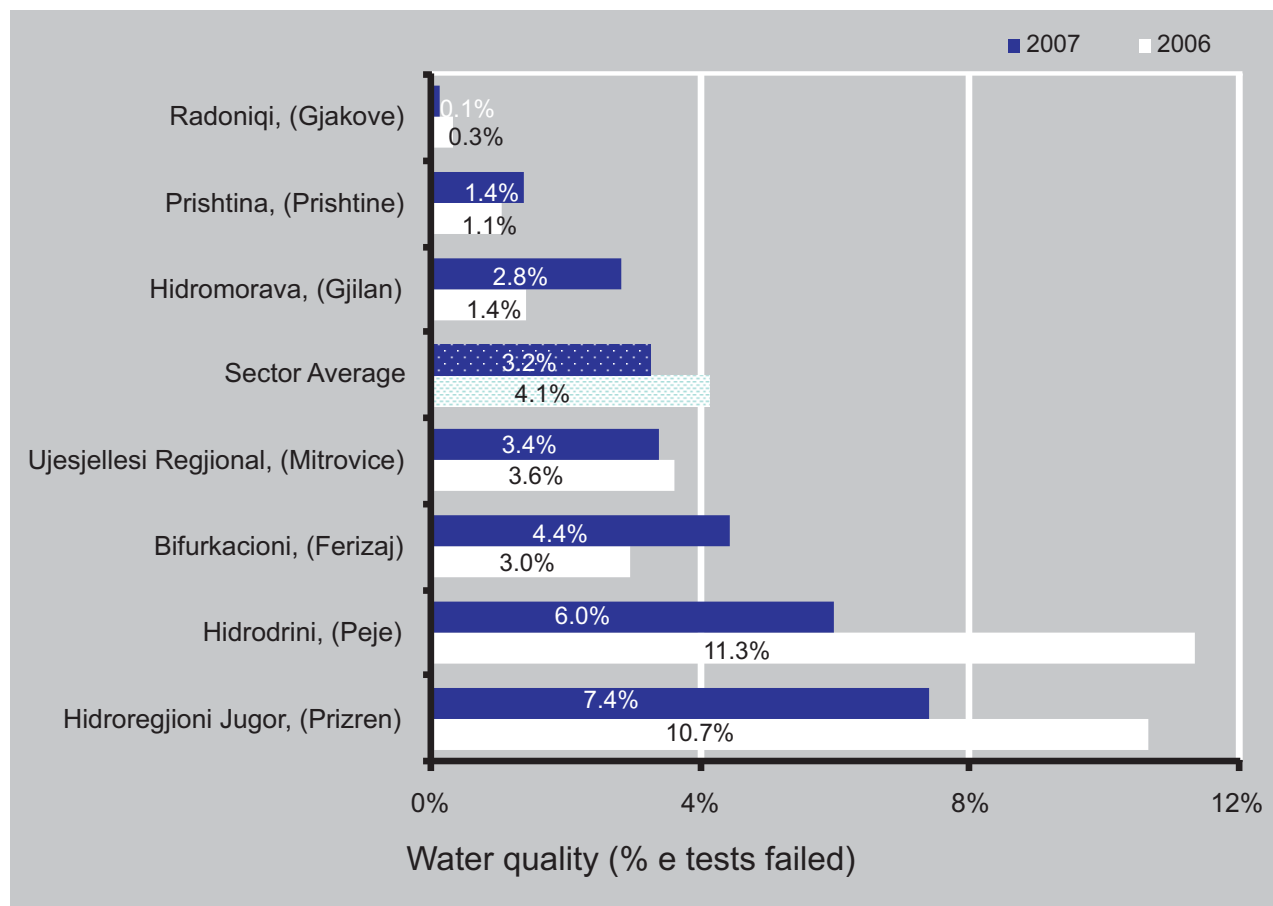


Figure 1 Water quality

In 2007 compared with 2006, four of the seven water companies have shown improvement in drinking water quality whilst companies 'Prishtina', 'Hidromorava' and 'Bifurkacioni' have shown deterioration in performance compared with 2006. WWRO considers that frequent water interruptions during the period covered by this report may have had an impact on drinking water quality compliance due to the drought during 2007 bearing in mind that water distribution networks in Kosovo are not in a good state and some contamination can result from interruptions in water supply through back syphonage.

Considerable improvement in drinking water quality in Hidrodrini has come as a result of installation of good chlorination systems in operating units in Klina and Junik.

Overall sector performance regarding the drinking water quality has improved with the reduced failure rate from 4.1% in 2006 to 3.2% in 2007. Radoniqi is the best performing company for drinking water quality compared with the other six water companies. However, WWRO consider that notwithstanding the specific circumstances in 2007, all companies should strive to improve drinking water quality in the future, especially microbiological quality. Specifically, the number of samples taken must comply with the minimum requirements set by the NIPH and chlorination of treated water must be effective at all times.

● **Continuity of Supply**

Continuity in water supply is reported by companies in terms of hours of continuous supply i.e. the number of hours per day on average that water is supplied to customers in the service area.

Figure 2 shows the average hours of water supplied to customers per day. During the assessment of this indicator, only water supply hours were taken into consideration and pressure was not considered. Data on water pressure were not collected since water companies are not supplied with adequate pressure measurement equipment and any results would have been inaccurate and potentially mis-leading.

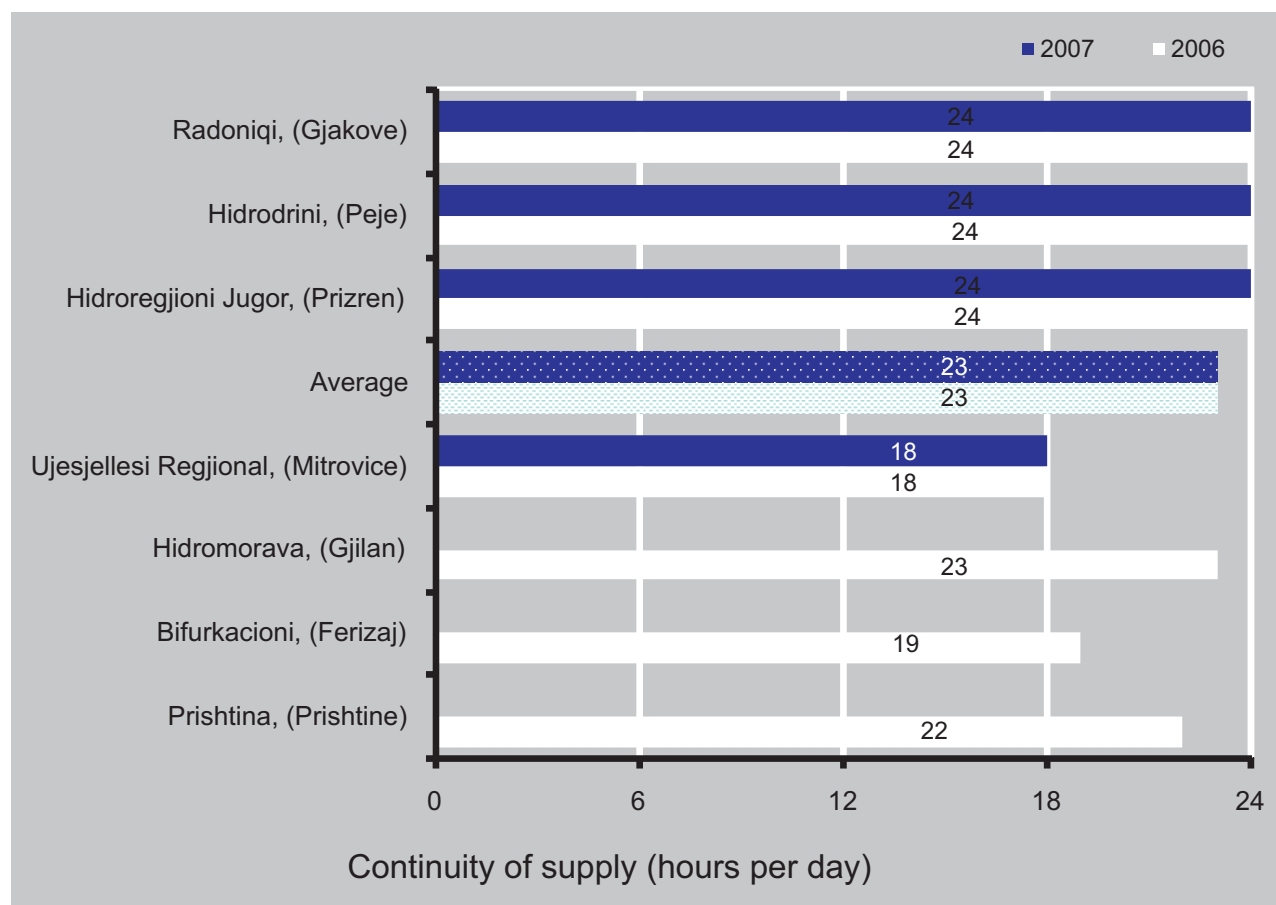


Figure 2 Continuity of Supply

In 2007, Radoniqi, Hidrodrini and Hidroregjioni Jugor have continued to deliver continuous water supply for 24 hours to their customers with some minor interruptions due to extreme drought conditions in that year. Service area of Ujësjiellësi Regjional Company in Mitrovica with 18 hours water supply availability is well below the service standard as a result of limited plant capacity. The three other companies (Prishtina, Hidromorava, Bifurkacioni) did not provide reliable data on water availability. However, it is understood by WWRO that these companies were not able to supply water 24 hours per day due to resource constraints.

Reporting of sector level average of 23 hours of water supply availability is based on the data of four water companies (Hidrodrini, Hidroregjioni Jugor, Radoniqi and Ujësjiellësi Regjional, Mitrovicë). This is due to the fact that data reported by Prishtina, Hidromorava and Bifurkacioni are considered by WWRO as unreliable.

Where companies are unable to provide water supply for 24 hours each day they are required in accordance with the Regulations to apply to WWRO for formal exemptions setting out the arrangements for allocating the available water resources equitably and without any discrimination. WWRO will seek to ensure that companies apply for these exemptions where appropriate and that formal exemptions are issued in 2008.

● **Water and Wastewater Service Coverage**

Figure 3 shows the percentage of the population within each company's defined area of supply that enjoys easy access to public water services.

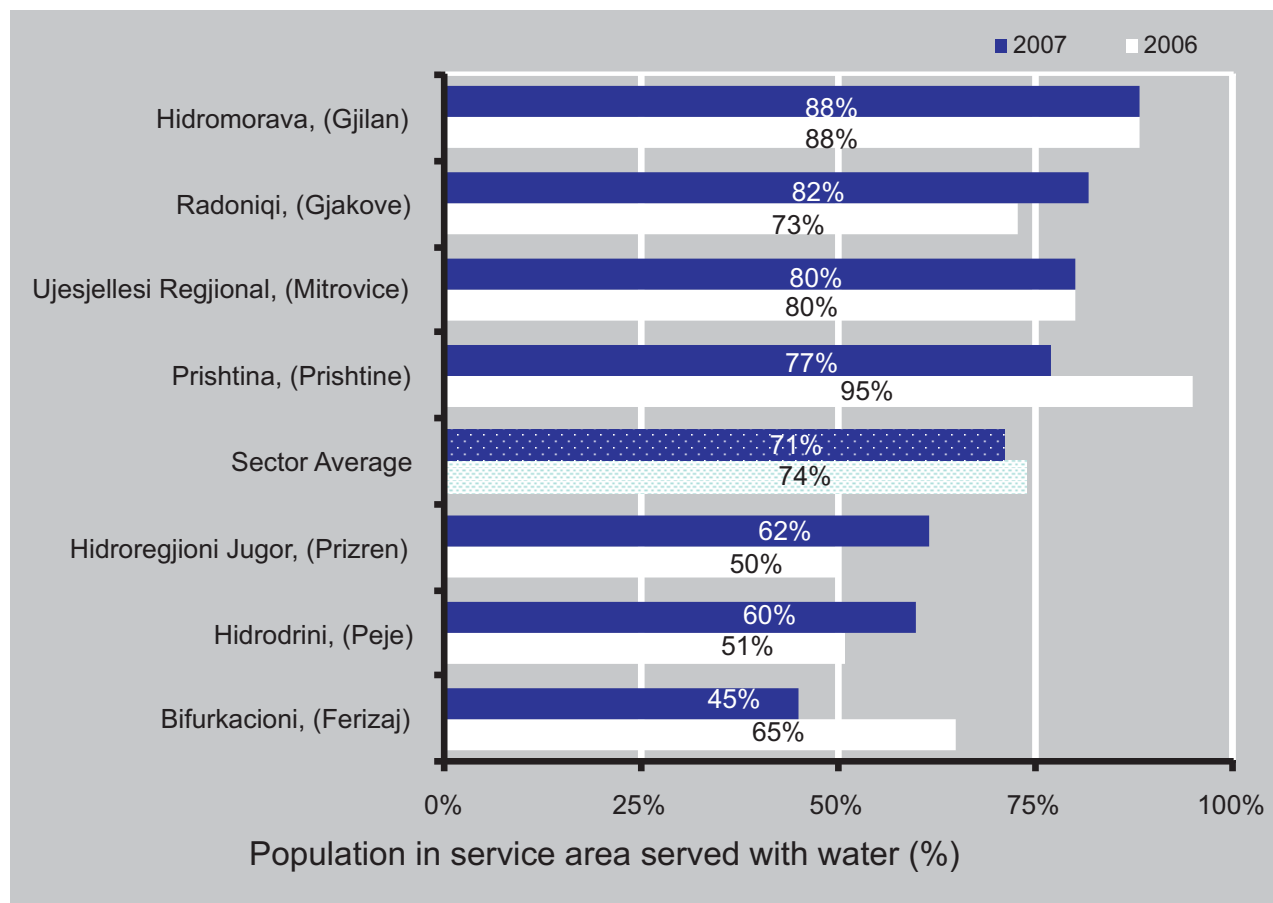


Figure 3 Water service coverage

Based upon data reported by water companies in 2007, in absolute figures, the population which lives in the entire area where the seven regional water companies operate is 2,374,230, from which only 1,698,560 (71%) have access to water services provided by water companies.

Data for two years (2006 and 2007) are the only data which have been evaluated by WWRO; therefore WWRO considers it inappropriate to comment on year by year change of data.

According to the data available, Hidromorava has the highest service coverage level with 88% and Bifurkacioni has the lowest coverage level with approximately 45%. However, WWRO considers that the reported data present a fairly arbitrary estimation, therefore do not provide reliable information concerning the coverage with water services.

There are no current official policies or targets for service coverage for Kosovo against which WWRO can monitor and report on progress, although ultimately WWRO would expect 100% coverage (less those not wishing to have a supply) within the foreseeable future.

Figure 4 shows the population percentage in each service area covered by companies with access to wastewater services.

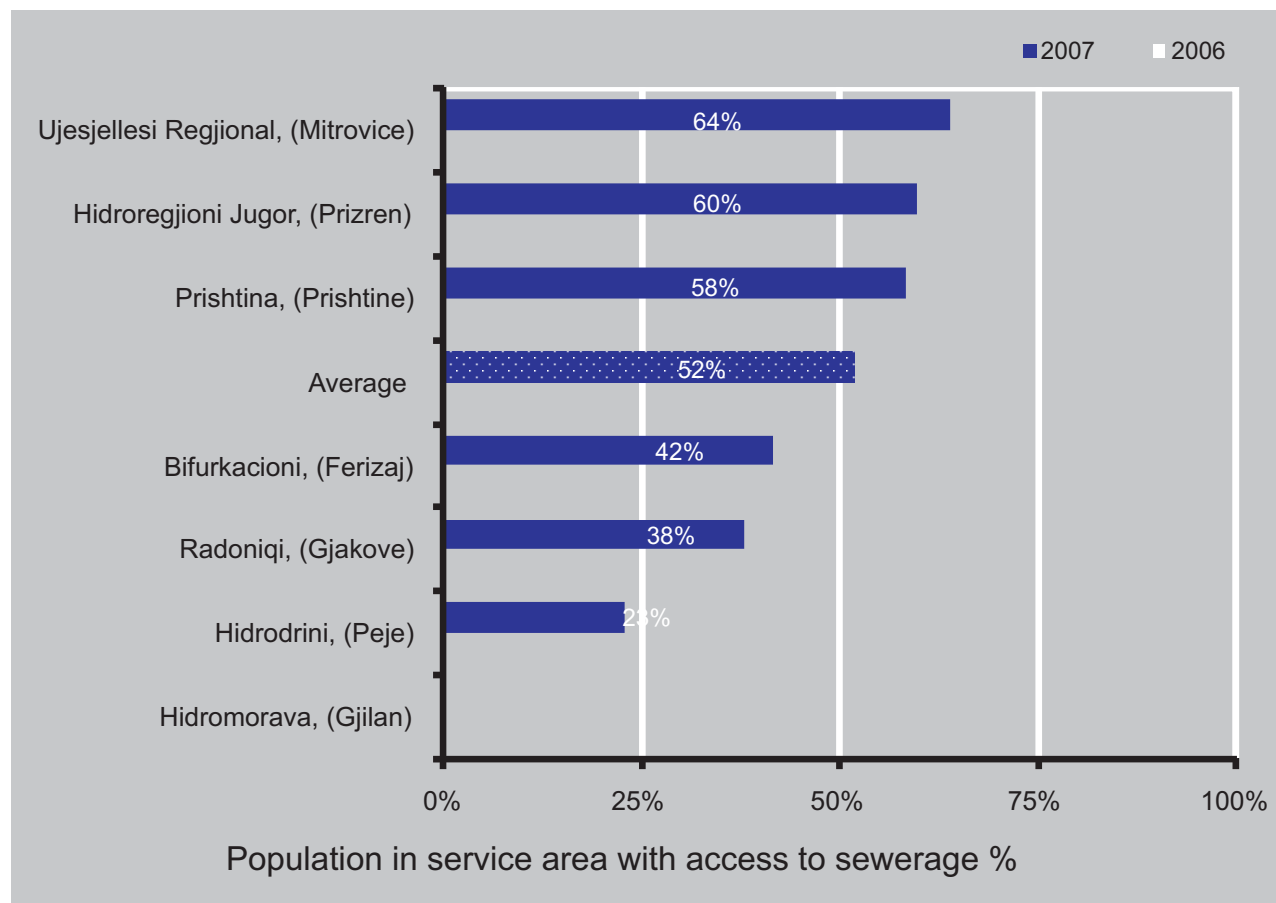


Figure 4 Wastewater service coverage

Only 62% have access to wastewater services provided by water companies from the overall population included in the area covered by the six water companies. Data regarding Hidromorava have not been reported.

In 2007, according to available data which were evaluated by companies themselves, Ujësjelesi Regional has the higher rate of wastewater service coverage with 64% whilst Hidrodrini has the lowest rate with approximately 23%.

As a result of low water and wastewater coverage levels, in general, WWRO considers that there is a clear need for major investments regarding water and wastewater network rehabilitation and expansion, increase of water production capacity and development of wastewater treatment works.

● Metered Consumption

Metered consumption represents the percentage of consumption based on actual meter readings compared with the total billed volume of water (metered plus notional consumption)².

Metered consumption is considered as good practice by both the companies and the customers. Besides representing a fair billing method, it also enables customers to manage their water consumption and companies to accurately determine the amount of billed water. On the other hand, notional consumption reflects an assumed average and if it is not properly calculated by water companies it may adversely affect the accuracy of other indicators particularly the Non-Revenue Water indicator.

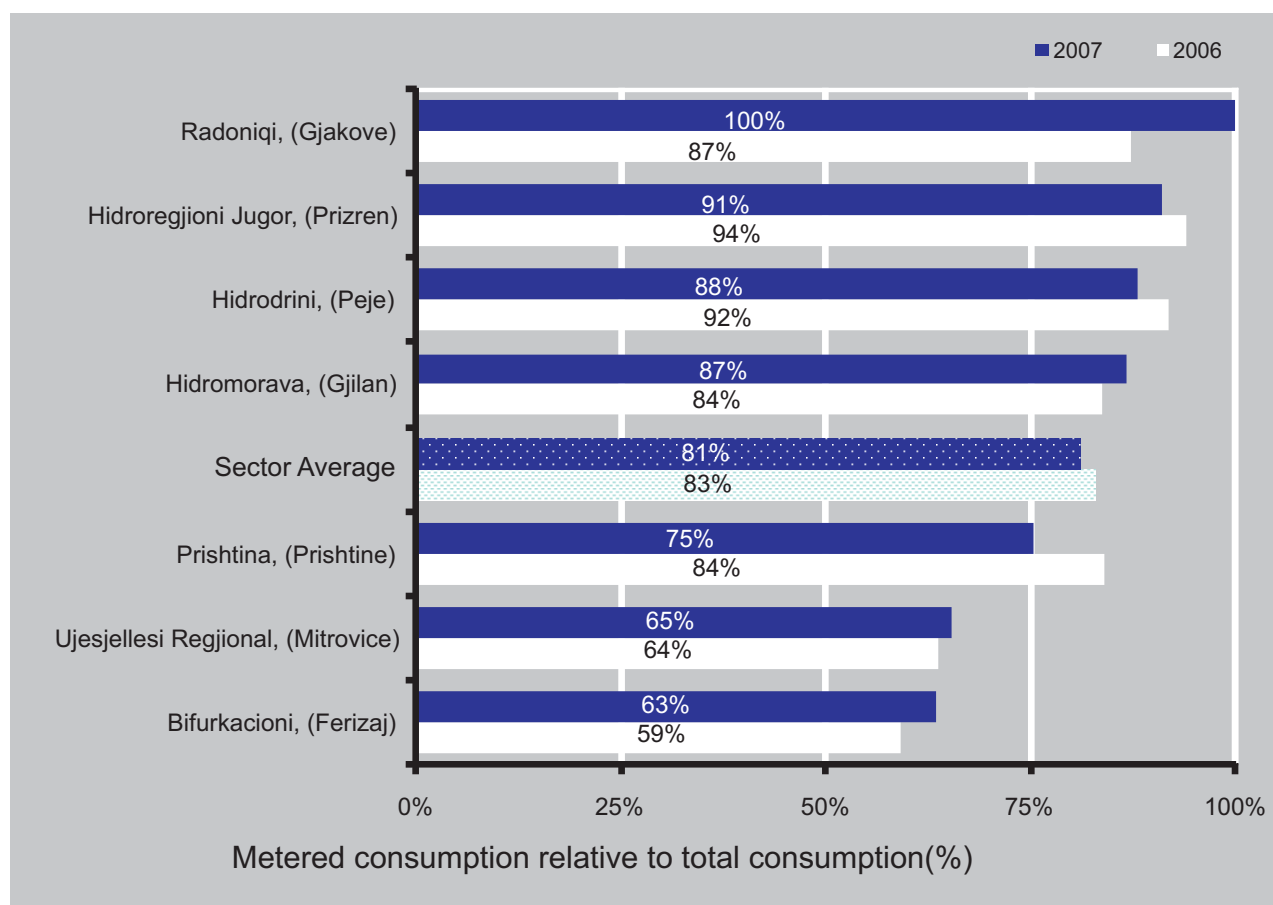


Figure 5 Metered consumption

Figure 5 illustrates that four of the seven companies reported positive trends for this indicator. This is a result of an increased number of customers with meters, whilst on average, the water consumption (according to billing data) by customers with meters has decreased.

While Radoniqi has shown the highest level for this indicator, Bifurkacioni and Ujësjiellësi Regjional Mitrovica still undertake billing based upon measurement of only 63 % and 65% respectively of the total amount of water billed.

Overall metered consumption has decreased from 83% in 2006 to 81 in 2007. WWRO considers that this small difference may be a result of more accurate data reporting in 2007 compared to 2006.

²The total billed volume of water comprises the volume of water measured through functioning meters plus the volume of water estimated to have been consumed (and therefore billed) by those customers whose meters are either faulty or missing.

● Staffing Efficiency

Figure 6 illustrates the staffing efficiency for each company, measured as staff employed per 1000 customers. This indicator provides information on how efficiently each company utilises its human resources. It is clear that lower figures indicate more efficient operations by the company.

Since the cost of staff is one of the most significant operating costs for each company this indicator is an important reflection of overall company efficiency.

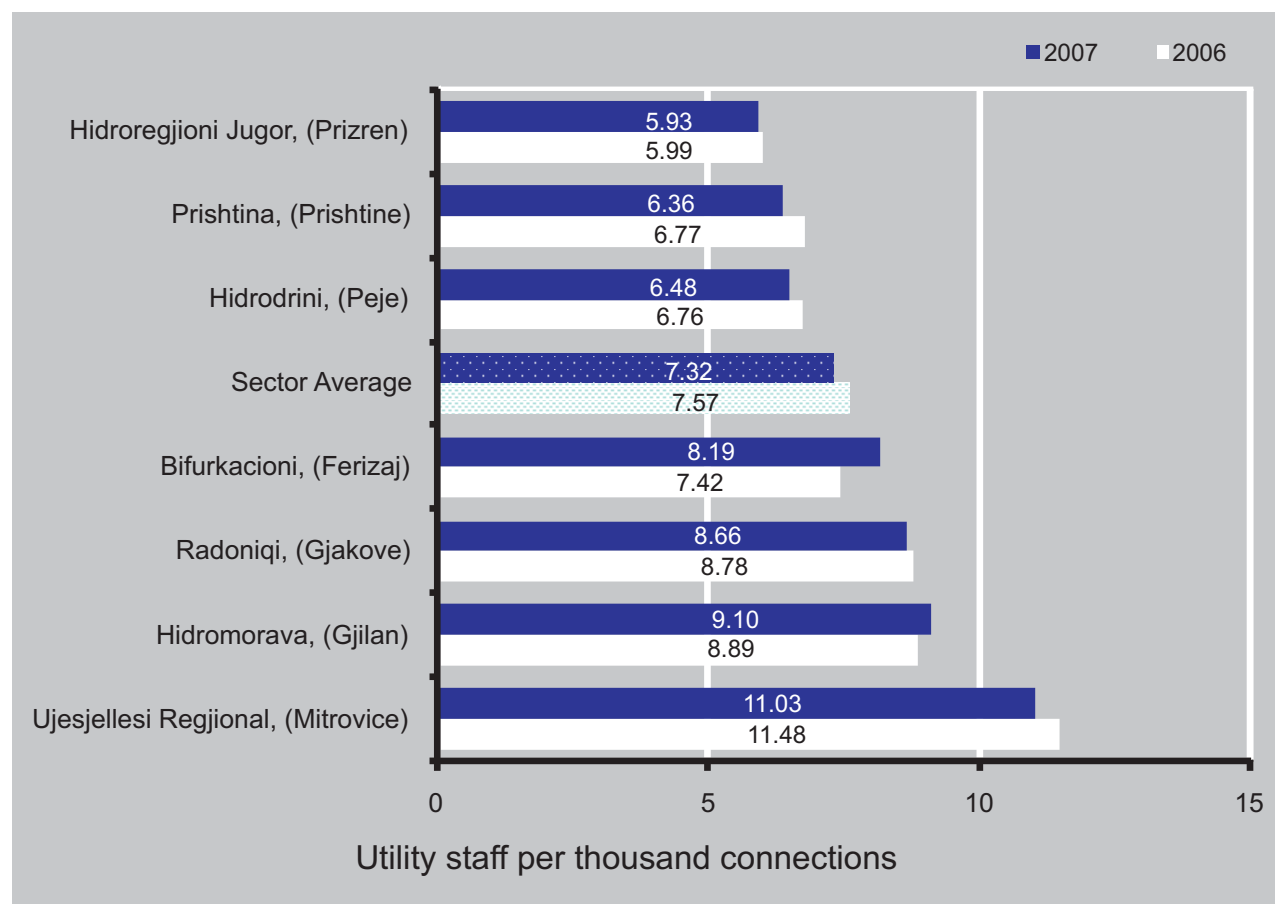


Figure 6 Staffing efficiency

Results based on 2007 data indicate that the average number of staff per 1000 customers (billing points) is 7.32 which shows an improvement compared to 2006 when the result for this indicator was 7.57. Increase in staff efficiency year by year in sector is a result of considerable increase in the number of customers.

Regarding this indicator, company Hidroregjioni Jugor remains the best with 5.93 whilst the worst is Ujësjeļļesi Regjional Mitrovica with 11.03. Low apparent staff efficiency in the company Ujësjeļļesi Regjional is because the northern part of Mitrovica is considered as one billing point (as bulk water customer).

Although there are improvements in results for this indicator in 2007 compared to 2006, WWRO still considers that this indicator demonstrates considerable over-staffing in the water companies compared to many other European countries where staff efficiency levels of 4-6 are more usual.

In countries with low service coverage levels, considerable improvements may be achieved in staffing efficiency levels through increasing service coverage without a corresponding increase in staff numbers.

In 2007 compared to 2006, lower reported levels of staffing efficiency in Hdromorava and Bifrukacioni have arisen as a result of improvements in the accuracy of the customer databases resulting in a higher number of actual customers.

● **Non Revenue Water (NRW)**

NRW comprises physical losses (through leaks and bursts) and commercial losses (through under-reading meters and illegal connections). Physical and commercial NRW are not just losses to the company but also losses to the customers. For every litre of water lost through leakage the cost of its production is wasted and it deprives customers of using that water productively and paying for it.

Non revenue water is calculated as a percentage of water produced and also (preferably) in terms of litres per customer per day. Since data provided by companies are limited, the disaggregation of NRW into physical and commercial losses is unfortunately not possible. WWRO considers that physical and commercial losses are likely to be roughly of the same magnitude as components of total losses and therefore supports the initiative by each company in adopting a strategic approach to solving this problem in order to address both NRW loss categories.

WWRO acknowledges the participation of representatives of several water companies in the IWA Water-Loss Conference in Bucharest in September 2007 and looks forward to significant reductions in NRW as each company starts to implement its water loss reduction strategy.

Figure 7 shows NRW as a percentage of production for each company and Figure 8 shows NRW as litres per customer per day³.

³A customer is a single billing point i.e. a single household or commercial customer.

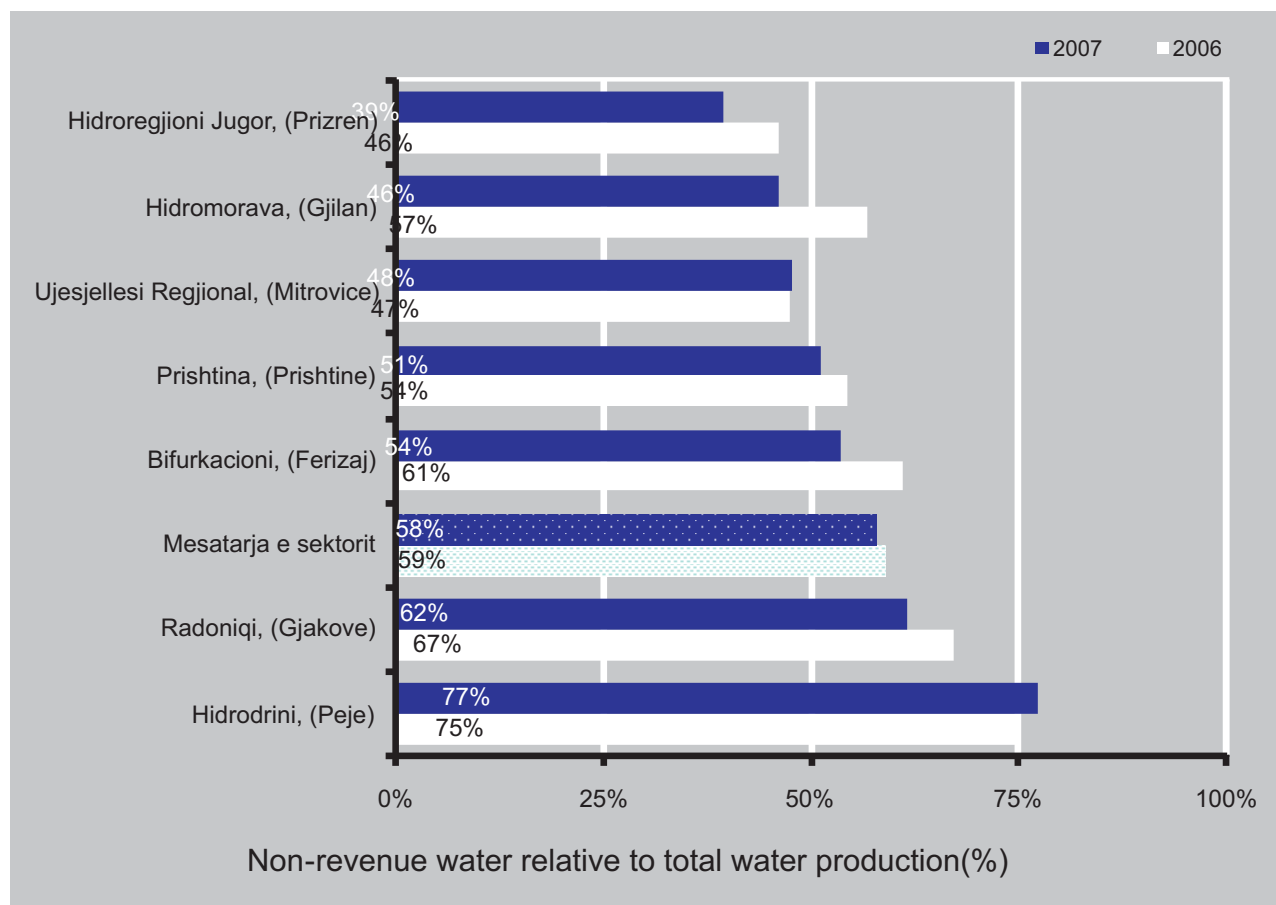


Figure 7 Non Revenue Water (%)

In 2007, NRW reached an average of 58% of the water produced for whole sector but the individual level differed among companies from the lowest figure of 39% (Hidroregjioni Jugor) to the highest figure of 77% (Hidrodrini). Overall NRW at the sector level has decreased slightly from 59% in 2006 to 58% in 2007.

In 2007 the value of the non revenue water lost has reached an amount of nearly 8 million.

Hidrodrini management has identified causes regarding its high NRW and is currently working to reduce the figure.

The apparent low percentage of NRW of Hidroregjioni Jugor may be a result of an under-estimate of the actual water produced. Reported amounts of water produced by this company in 2007 are mainly based upon estimation and not metered measurement.

WWRO consider it unacceptable for water production not to be measured accurately with meters and will strive to ensure that Hidroregjioni Jugor install meters to accurately measure water production in future.

- NRW (litres per customer per day)

NRW expressed in litres per customer per day is a much more suitable unit for comparing performance.

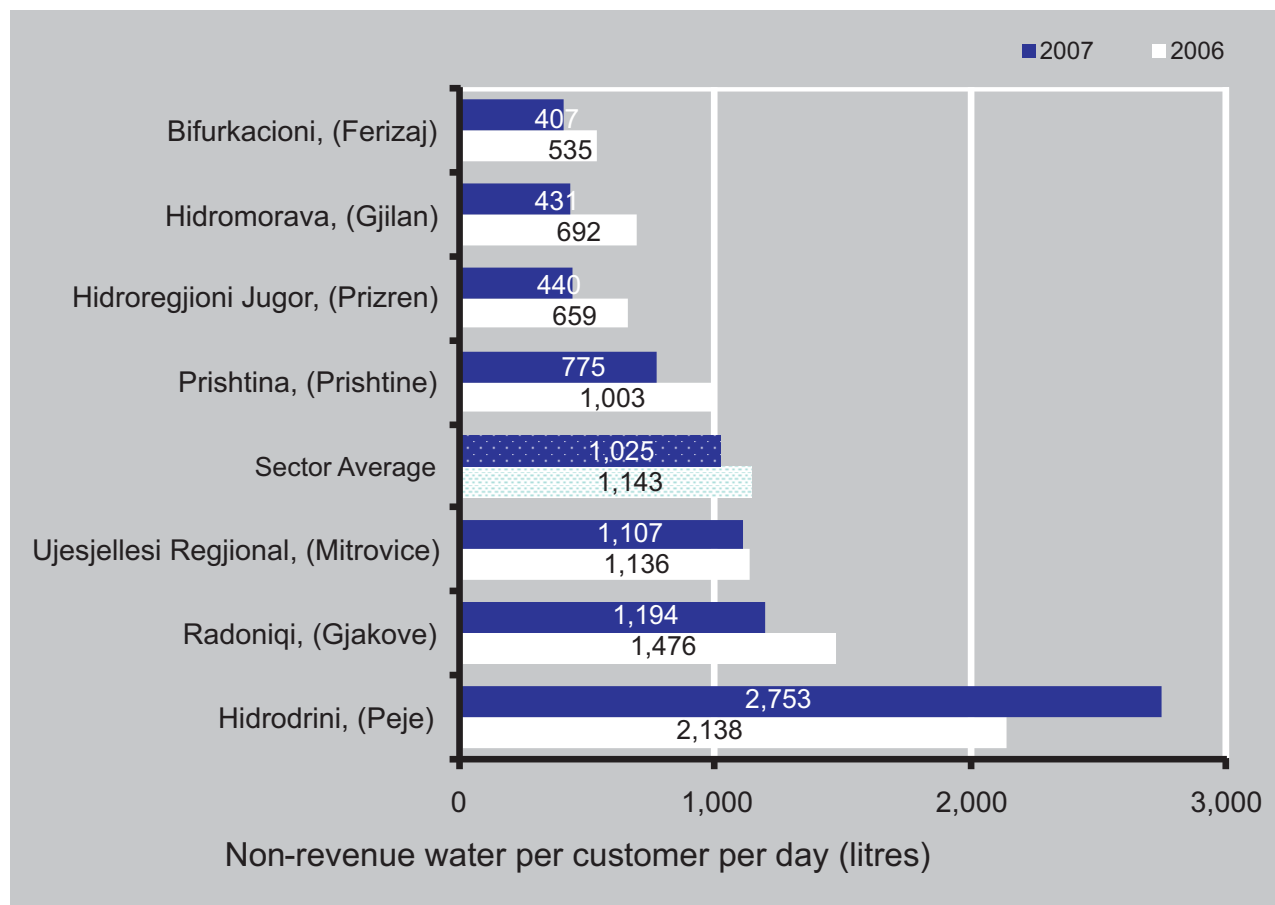


Figure 8 Non revenue water (l/c/d)

Figure 8 indicate that in 2007 Hidrodrini is the worst performing company with losses of 2,753 litres per customer per day whilst Ferizaj is the best performing company with 407 litres lost per customer per day.

Overall NRW expressed as litres per customer per day has improved slightly from 1,143 litres per customer per day in 2006 to 1,025 in 2007.

WWRO consider it is unacceptable that there should be a fivefold difference in NRW between the best performing and the worst performing company and expect the worst performing companies (Hidrodrini and Radoniqi) to take urgent steps to reduce NRW.

● Complaints

Figure 9 shows the average number of complaints received by each company per 1000 customers for water and wastewater services. This indicator has been considered only for the companies whose reported data were evaluated as reliable by WWRO.

There is a wide range in the number of complaints among four companies presented in the Figure. Hidromorava has the highest level of complaints per 1000 customers of 7.36,, assumed to be as a result of long water supply interruptions during 2007 as a result of the drought conditions in some areas whilst continuous 24 hours water supply availability and good water quality has resulted in Radoniqi having a lower level of complaint per 1000 customers of 2.68.

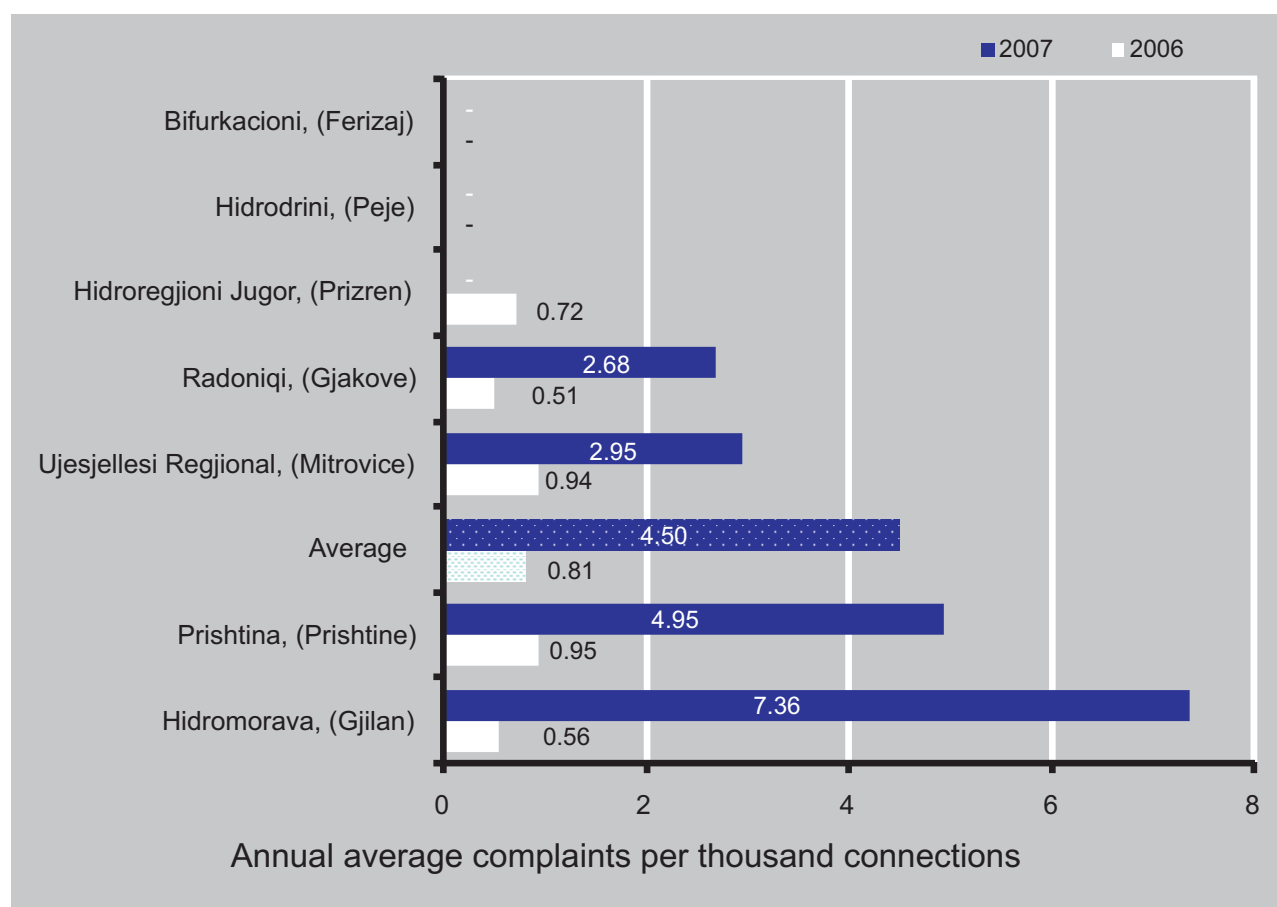


Figure 9 Complaints

Overall (for four of seven water companies), the number of complaints per 1000 customers appears to have increased significantly from 0.81 in 2006 to 4.50 in 2007. WWRO considers that considerable year by year difference may be a result of better organised facilities for registering, recording and addressing complaints and a growing awareness by customers of their rights. Furthermore, in the short term, WWRO will review water companies' arrangements for registering and responding to customers complaints.

● Working Ratio and Working Coverage Ratio

Undoubtely, the aim of each water company is full cost coverage (operating and capital cost including a return on capital) through realisation of revenues based on the tariffs set by WWRO. In transitional countries as is the case with Kosovo, this result may only be achieved in the longer term starting with the more immediate objective of covering at least the operating costs.

Working ratio is an indicator which reflect an organization's financial viability to cover operating costs less depreciation. Revenues from water supply service provision and revenues from other operating service provision are taken into account in this indicator.

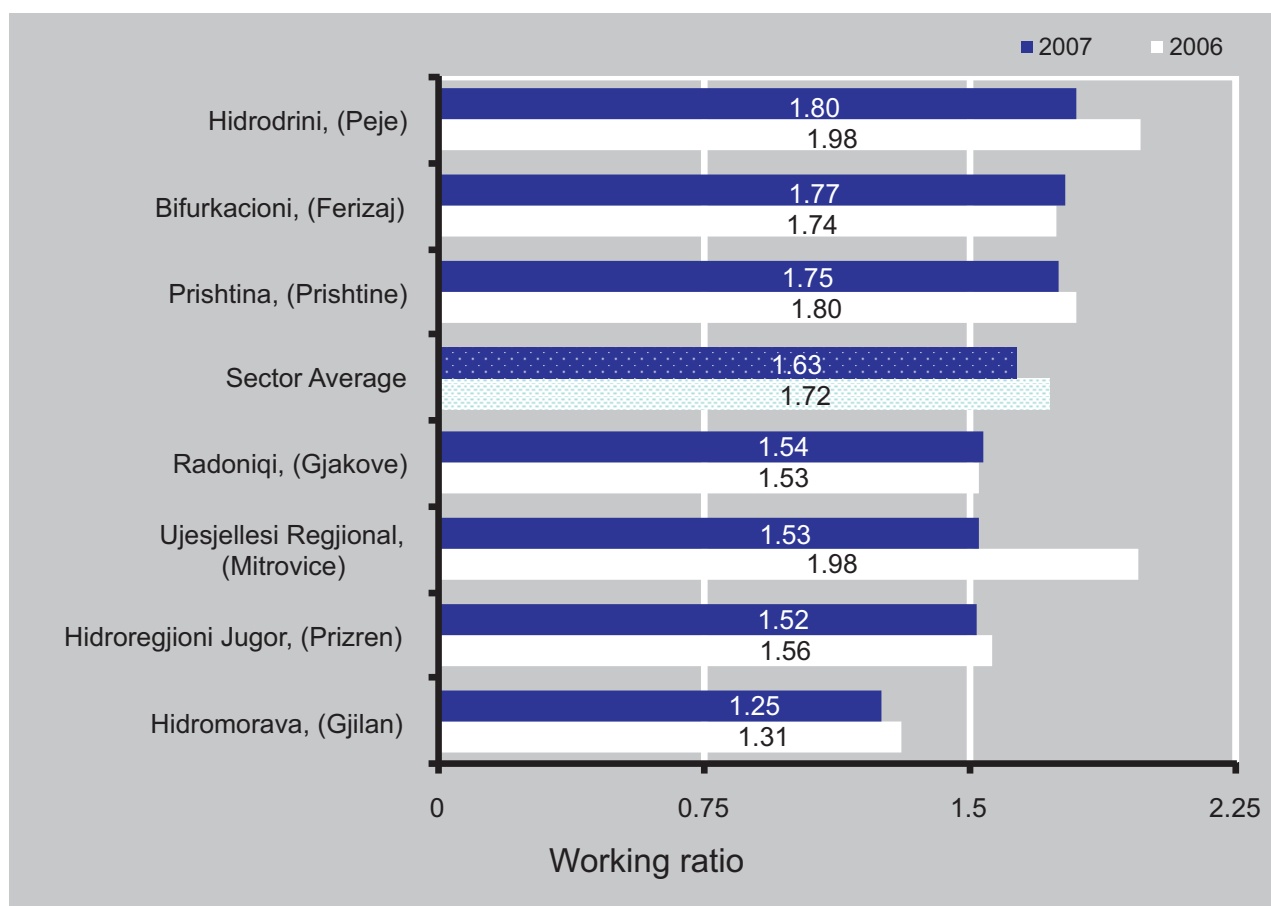


Figure 10 Working ratio

Generally, in 2007 compared to 2006, the average working ratio has shown a decrease from 1.72 to 1.63. The lower working ratio in Hidromorava in 2007 compared to 2006 is a result of a reduction in operating incomes, whilst in Prishtina, Ujësjeleës Regjional-Mitrovicë, Hidroregjion Jugor, and Hidrodrini it is a result of increase in operating cost less depreciation against increases of income. Increases in revenues compared to operating costs has made this indicator appear much better in 2007 compared with 2006 for Radoniqi and Bifurkacion companies.

The working coverage ratio is an indicator that gives a more accurate indication of the financial state of the companies since only cash incomes during the fiscal year are considered.

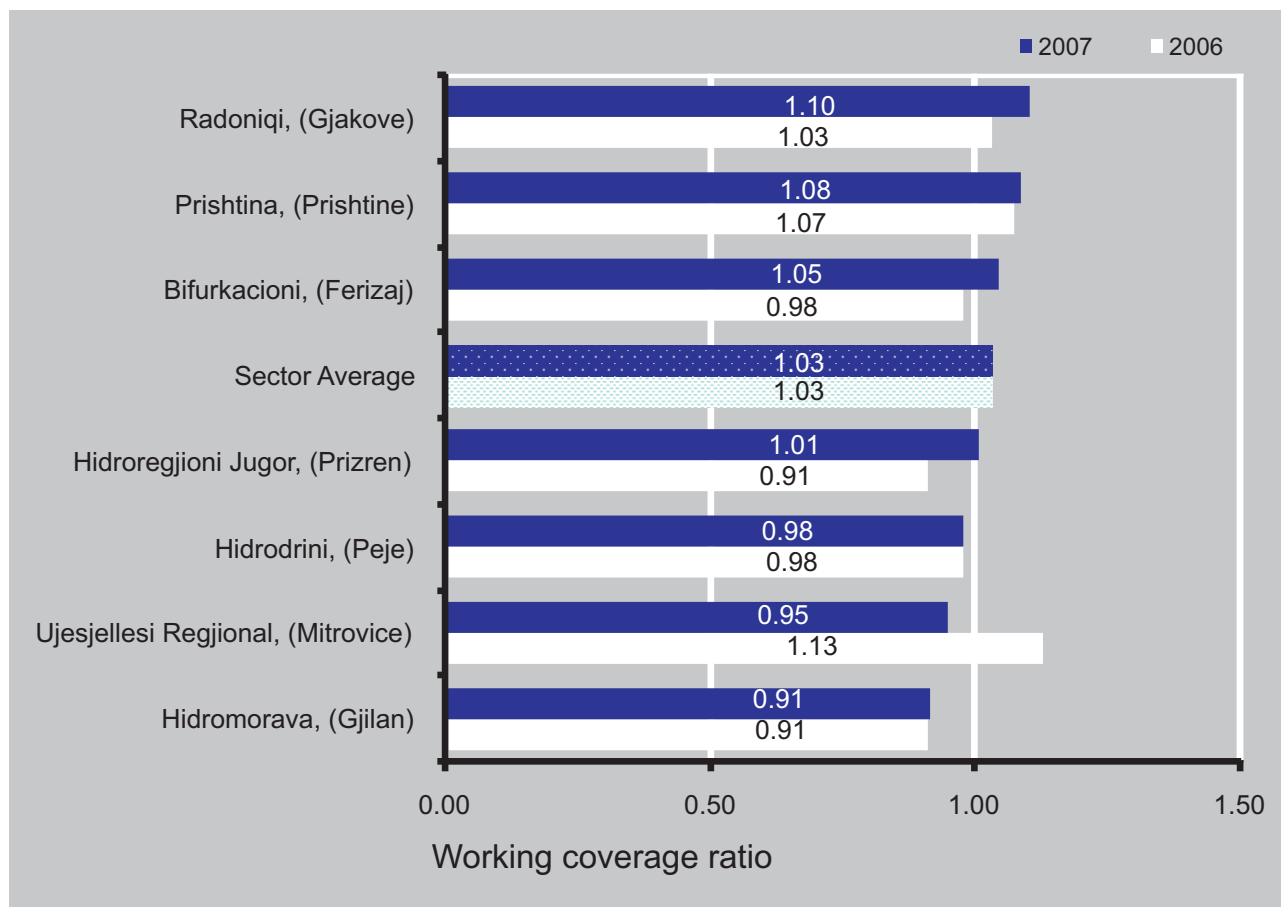


Figura 11 Working coverage ratio

Figure 11 indicates that working coverage ratio for all water companies is around 1.0.

In 2007, Hidromorava, Ujësjetllëi Regjional-Mitrovica and Hidrodrini, undoubtedly may be identified as companies with inefficient financial performance i.e. with working coverage ratios less than 1.0. These companies should be aware that this inefficiency in the long term may lead to the impossibility in delivering qualitative services and service expansion. Contrary to this, more financially viable companies such as Radoniqi, Prishtina and Ferizaj will be better able to support efficient operations and ensure service standards are maintained. This will contribute to better maintenance and improvement of services, investment and customer satisfaction.

WWRO considers that cash incomes in all companies need to be increased considerably mainly through increases in revenue collection efficiency.

● Unit Operating Cost

Figure 12 shows the operating cost per m³ of water produced for each company.

In 2007 compared to 2006, all water companies except Hidrodrini which remains stable, have shown increasing unit operating costs. The increase in operating costs can largely be attributed to significant increases in energy costs in 2007 compared to 2006.

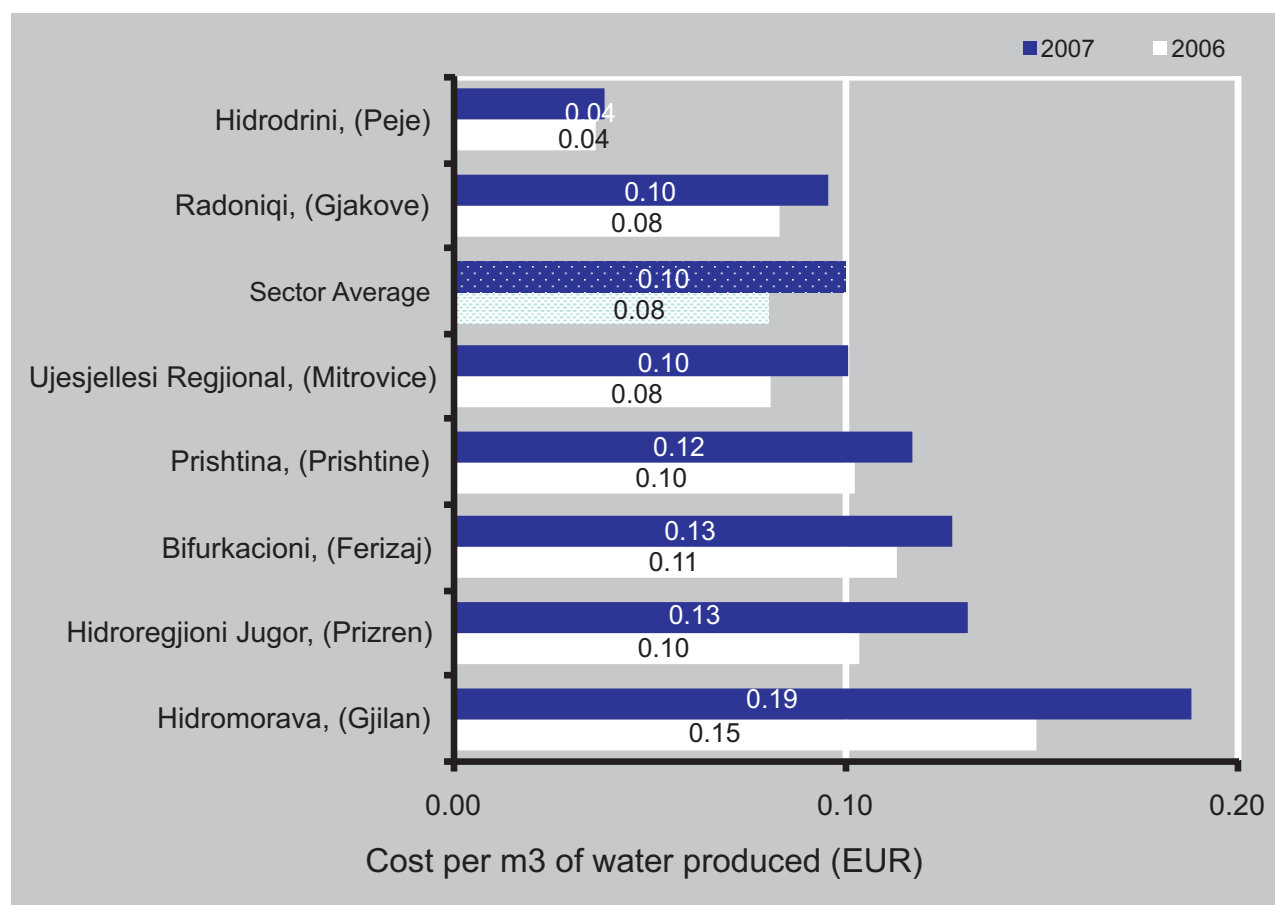


Figure 12 Unit operating costs per m³ water produced

Figure 12 indicate that there is a wide range of unit operating costs.

Overall the unit cost of water produced in 2007 compared to 2006 has shown increase of EUR 0.02 per m³. Hidrodrini demonstrates a considerably lower cost level against other water companies and no increase from 2006 to 2007. Unit operating costs are significantly affected by the type of water supply system (significant portion of water supplied by gravity and the extent of treatment required). The most significant component of overall operating costs is usually energy, For the 2008 report WWRO will assess and evaluate this indicator excluding electricity costs in order to more accurately assess operating performance.

● Collection Rate

Figure 13 shows the collection rates for the water companies in 2007.

Ujësjiellësi Regional in Mitrovica is again identifiable with a much lower collection rate than the other companies. Also in 2007, a considerable portion of revenues which were supposed to be collected on behalf of customers registered as social cases were not collected due to inadequate functioning of the financial assistance system for social cases by Government and relevant Ministries.

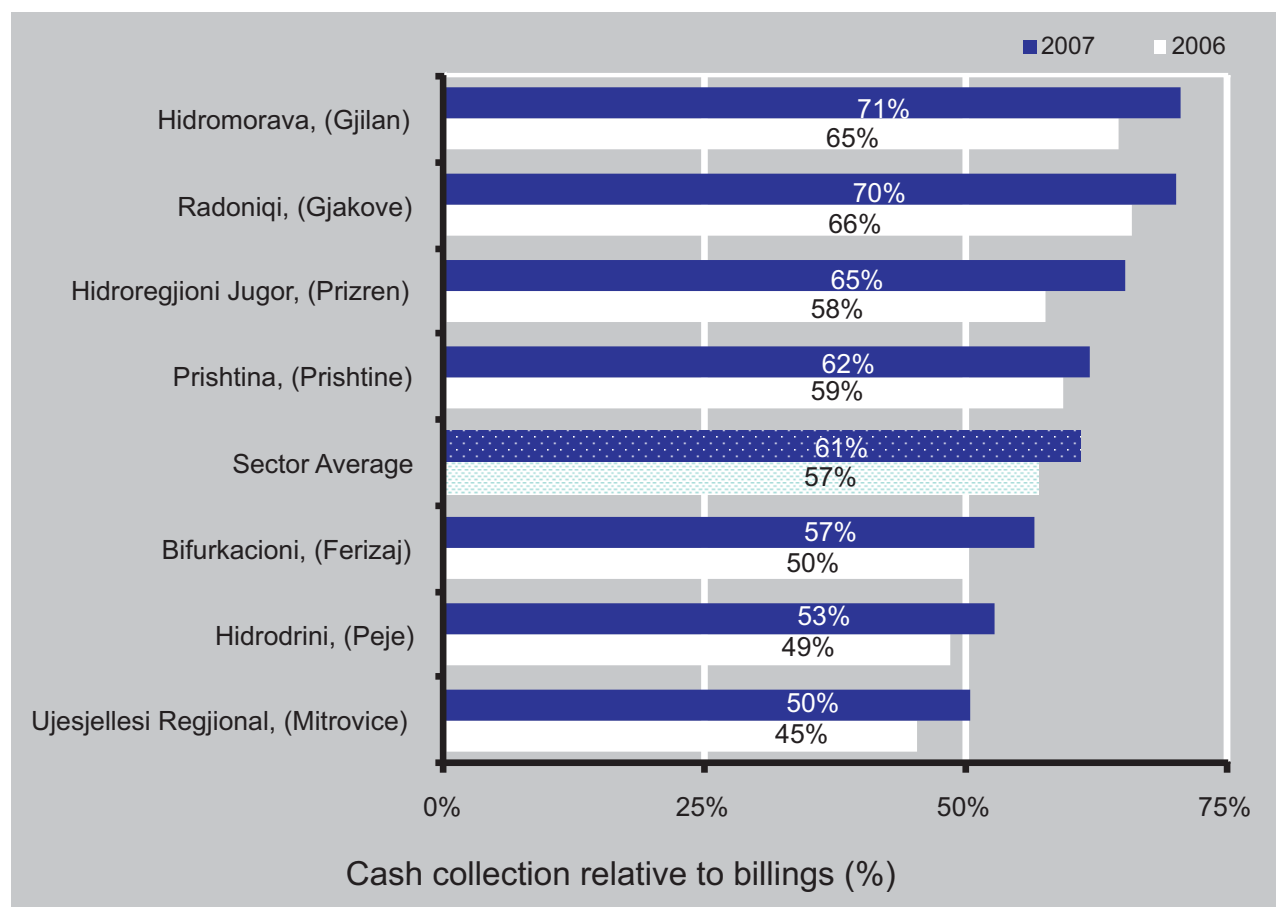


Figure 13 Collection efficiency

Considerable improvements in 2007 compared with 2006 (of 7%) were made in Hidroregjioni Jugor and Bifurkacioni as a result of implementing disconnection policies and of improved collection initiatives.

Overall collection rate has increased from 57% in 2006 to 61% in 2007 which although positive is still below what WWRO consider necessary for financial viability. In this context, WWRO expects companies to demonstrate greater engagement in improving collection rates by applying a range of legal and financial measures. Specifically, WWRO expects to see other companies implementing a more robust disconnection procedure on customers who do not pay their bills in 2008 as well as pursuing other initiatives to increase collections eg by outsourcing this activity to the private sector.

● Overall Performance Assessment - 2007

This report examines the overall performance of the water companies in 2007. The assessment is based upon a simple combination of selected KPIs. A detailed description of the rationale behind this assessment together with detailed results is presented in Annex B. It is important to recognise that the rationale is based upon relative performance and therefore a high score does not necessarily indicate satisfactory performance but rather that performance is better than others in the group.

Table 1 summarises the overall performance assessment of the seven water service providers for 2007.

Radoniqi is the best performing with 3.8 points out of a maximum of 5.0 points. At the other extreme, however, the performance of Ujësjehtësi Regjional-Mitrovica and Hidrodrini were well below performance expectations both scoring less than 2.5 points.

Table 1 2007 overall performance assessment

Pozition	Water and Wastewater Companies	Total
1	Radoniqi, (Gjakovë)	3.8
2	Prishtina, (Prishtinë)	3.6
3	Hidroregjioni Jugor, (Prizren)	3.1
4	Hidromorava, (Gjilan)	3.0
5	Bifurkacioni, (Ferizaj)	2.7
6	Hidrodrini, (Pejë)	2.2
7	Ujësjehtësi Regjional, (Mitrovicë)	1.9

● Overall Performance Improvements from 2006 - 2007

A similar approach to that described above has been taken in this report to determine the best and worst change in performance by each of the companies from 2006 to 2007.

Table 2 Overall improvements 2006-2007

Pozition	Water and Wastewater Companies	Total
1	Hidroregjioni Jugor, (Prizren)	3.4
2	Hidrodrini, (Pejë)	3.3
3	Radoniqi, (Gjakovë)	3.2
4	Ujësjehtësi Regjional, (Mitrovicë)	3.0
5	Prishtina, (Prishtinë)	2.8
6	Bifurkacioni, (Ferizaj)	2.7
7	Hidromorava, (Gjilan)	2.1

Table 2 summarises the assessment of improvements made during 2007 compared to 2006.

The most improved is Hidroregjioni Jugor through good improvements in quality, continuity and collection although unit costs and NRW have not improved much or have worsened.

Limited improvements regarding these indicators have been made in Hidromorava and Bifurkacioni.

The company with the poorest performance in 2007 compared with 2006 was Hidromorava.

● Overall Sector Improvement from 2007 vs. 2006

This report also compares sector performance in 2007 with 2006 to determine if the sector has improved overall. Here also are used five KPI as in the above mentioned comparisons.

Table 3 summarizes overall sector performance where four out of five KPIs show improvements in 2007 compared with 2006: water quality, staff efficiency, NRW, and revenue collection. Unit costs were higher (negative trend) in 2007 compared with 2006. This can be explained with increase in energy costs as the result of higher energy tariffs.

Table 3 Overall sector performance 2006 - 2007

KPI	Improvement / Deterioration	Scale of improvement
Water quality	😊	From 3.0 % to 2.0 % failure rate
Staff efficiency	😊	From 7.57 to 7.32
Unit cost	😞	From 0.08 to 0.10 EUR/m ³
NRW	😊	From 1,143 to 1,025 litres per customer per day
Collection	😊	From 57% to 61%

😊 - improved

😐 - no change

😞 - deterioration

Chapter 3

Bulk Water Sector Performance

Bulk Water Supply Company (NH 'Iber-Lepenc, JSC)

NH 'Iber-Lepenc', J.S.C. is the only licensed companies which provides bulk water supply services to water companies. This company provides company Ujësjehtësi Regjional in Mitrovica and Prishtina Water Company (for Gllogovc municipality) with bulk water.

● Performance Standards

WWRO responsibilities include economic regulation of bulk water service providers in accordance with Section 1 of UNMIK Regulation 2004/49. The different characteristics of bulk water services compared to potable water services means that the applicable service standards for bulk water services are limited compared with the water companies and thus WWRO's responsibility is mainly confined to tariff setting.

● Indicators Used in this Report

Technical and Customer Service Standards

No applicable standards.

Financial Indicators

Financial performance assessment is possible through a review of four indicators as follows:

- Revenue collection rate
- Unit Operating costs per m³ bulk water supplied
- Working ratio
- Working coverage ratio

Performance improvement

Data reported by company NH 'Iber-Lepenc', J.S.C. to WWRO enable performance analysis for the first time in 2007. Data for 2006 are not available.

- **Financial Performance**

The financial performance of NH 'Iber-Lepenc', JSC is summarized in Table 4.

Table 4 Financial performance of NH 'Ibër-Lepenc', JSC (2007)

Indicator	Value
Working ratio	1.4
Working coverage ratio	0.2
Revenue collection rate (%)	15%
Unit operating cost (EUR / m ³)	EUR 0.013

Chapter 4

Waste Collection Sector Performance

Performance Standards

UNMIK Regulation 2004/49 (Section 11 (c)) prescribes the following service standards which apply to the provision of waste collection services:

- Schedule and frequency of collection of waste
- Communal container density
- Waste collection site housekeeping
- Prevention of flying and loose debris

The specified standards as set out in the regulation are reproduced in Annex D

None of these service standards listed in UNMIK Regulation 2004/49 is reviewed unfortunately in 2007 due to the continuing lack of data provided by the waste companies.

● Indicators used in this report

Technical and customer service standards

Assessment of performance in this section of the report is limited to a certain number of indicators due to limited data availability by waste collection companies in 2007.

In practice it is very difficult to measure waste collection site housekeeping and prevention of flying and loose debris meaningfully. Instead the following relevant indicators have been reviewed in this report for which data for 2007 are available:

- Service coverage
- Waste collected per employee
- Percentage of waste disposed to licensed landfill sites
- Staffing efficiency
- Customer complaints

Financial Indicators

Financial performance assessment is possible through the review of the following four financial indicators:

- Working ratio
- Working coverage ratio
- Collection rate
- Operating cost per tonne of waste collected

Performance improvement

Data reported by companies to WWRO enable analysis of performance trends in 2007 compared to 2006. 35

● Service coverage

Service coverage, measured as served population relative to total population in the defined service area, is shown in [figure 14](#).

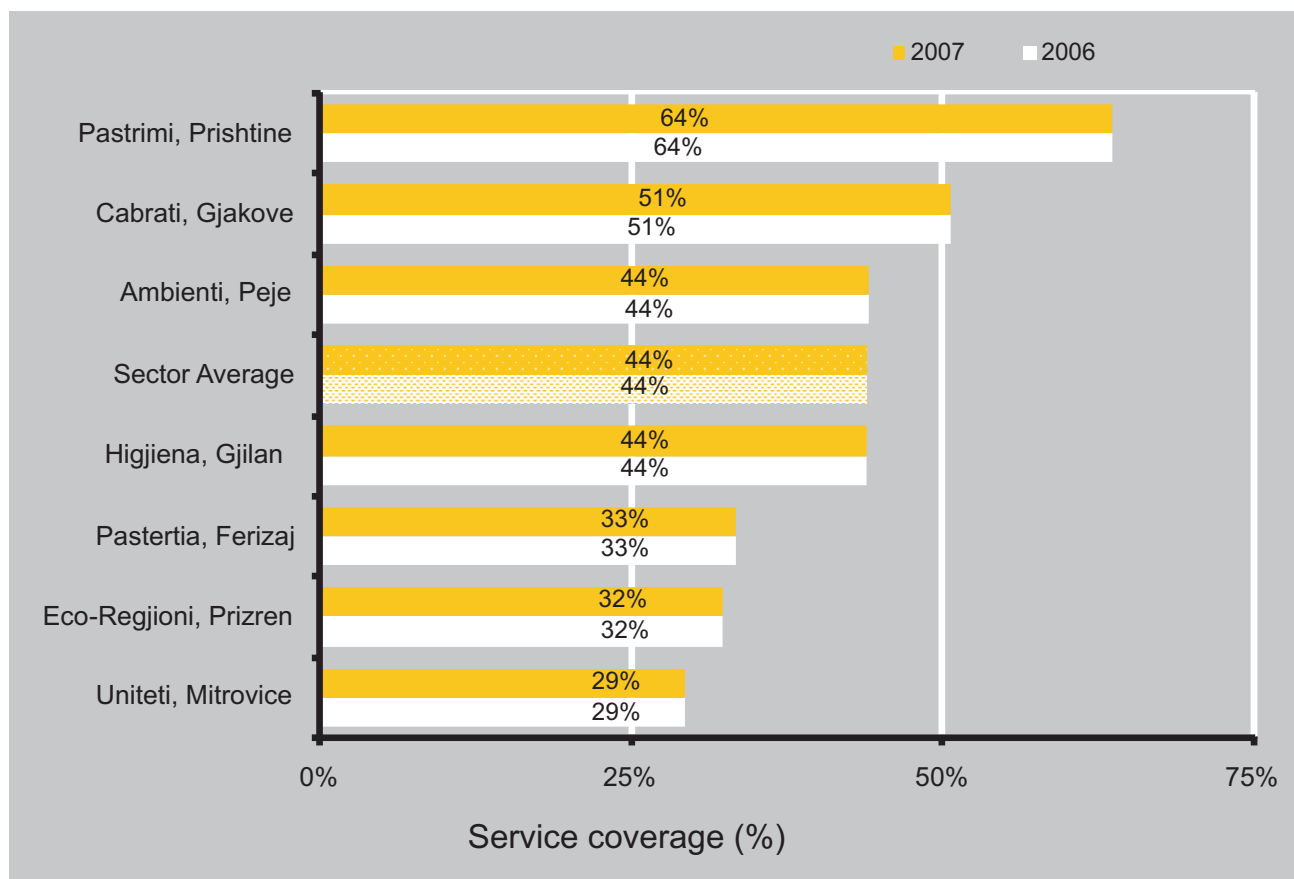


Figure 14 Service coverage

Service coverage rate by the seven waste collection companies remains low and is characterized by a wide variation in coverage rates among them. According to data received by companies, a large portion of the Kosovo population in rural areas is not in reality serviced by the regional waste collection companies.

WWRO recommends that increasing the rate of service coverage should remain a long term objective for the whole sector.

Overall average of service coverage by waste collection companies has remained the same at 44% as in 2006.

● Waste collected per employee

Figure 15 shows the amount of waste collected per employee (tonnes per month).

Overall the average waste collected per employee per month in 2007 was 156 tonnes.

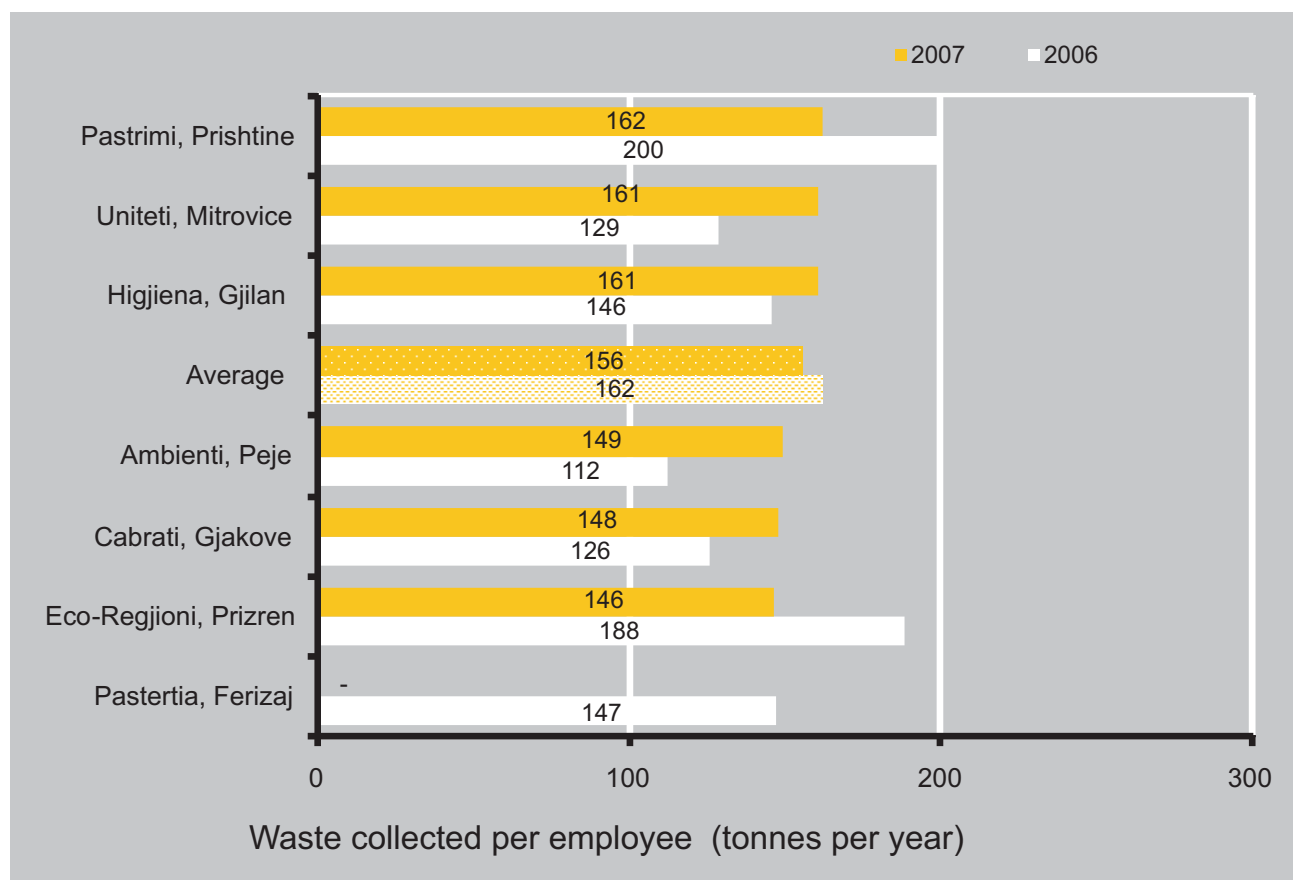


Figure 15 Waste collection per employee

Figures indicate mainly efficiency increase of waste collection in four of the seven waste companies. Efficiency increase in waste collection by Uniteti, Higjiena and Ambienti has come mainly as a result of reduction in the number of staff compared with a slight increase in the waste quantity. However Çabrati has been more efficient with the same number of employees. Decrease in the staffing efficiency of Pastrimi and Ekoregjioni is due to an increase in the number of employees but also a reduction in the quantity of waste collected as well. In both regions served by these companies, participation of unlicensed private operators in waste collection activities (mainly profitable waste collection from commercial premises) has been greater than in 2006.

Sector average for 2007 cannot be shown since there were no available comparable data by the company (Pastertia).

Furthermore, this indicator is influenced by other factors such as: regional characteristics (urban/rural), number of collection vehicles and transportation distances to the regional landfill sites.

● Percentage of waste disposed to licensed landfills

The percentage of waste disposed of to regional landfills is illustrated in figure 16.

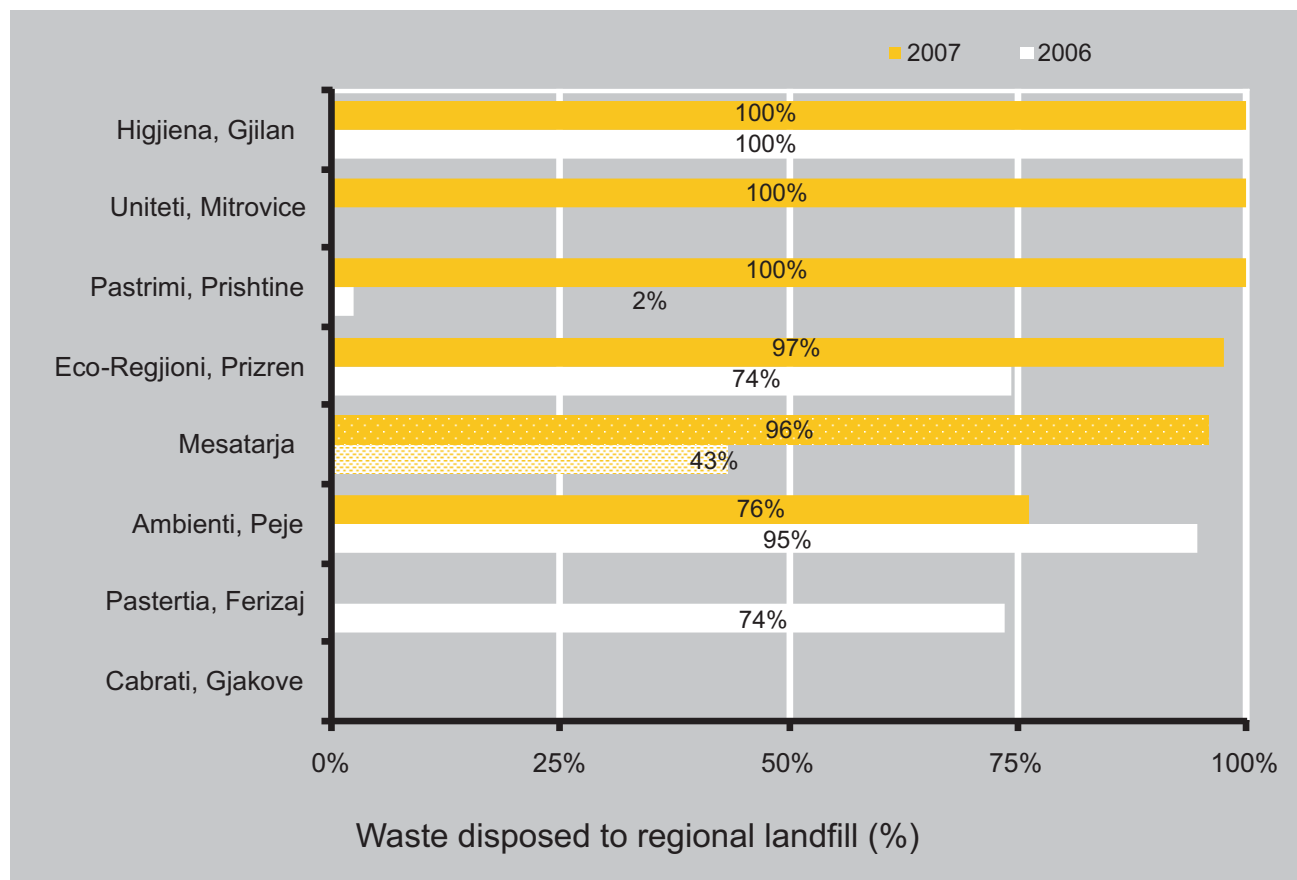


Figure 16 Waste disposed to licensed landfills

In 2007, Gjakova region continues to be without a licensed regional landfill site. Çabrati has disposed of the whole waste quantity into a dump site whilst Higjiena, Pastrimi and Uniteti, according to their data use only licensed landfills for waste disposal.

● Staffing efficiency

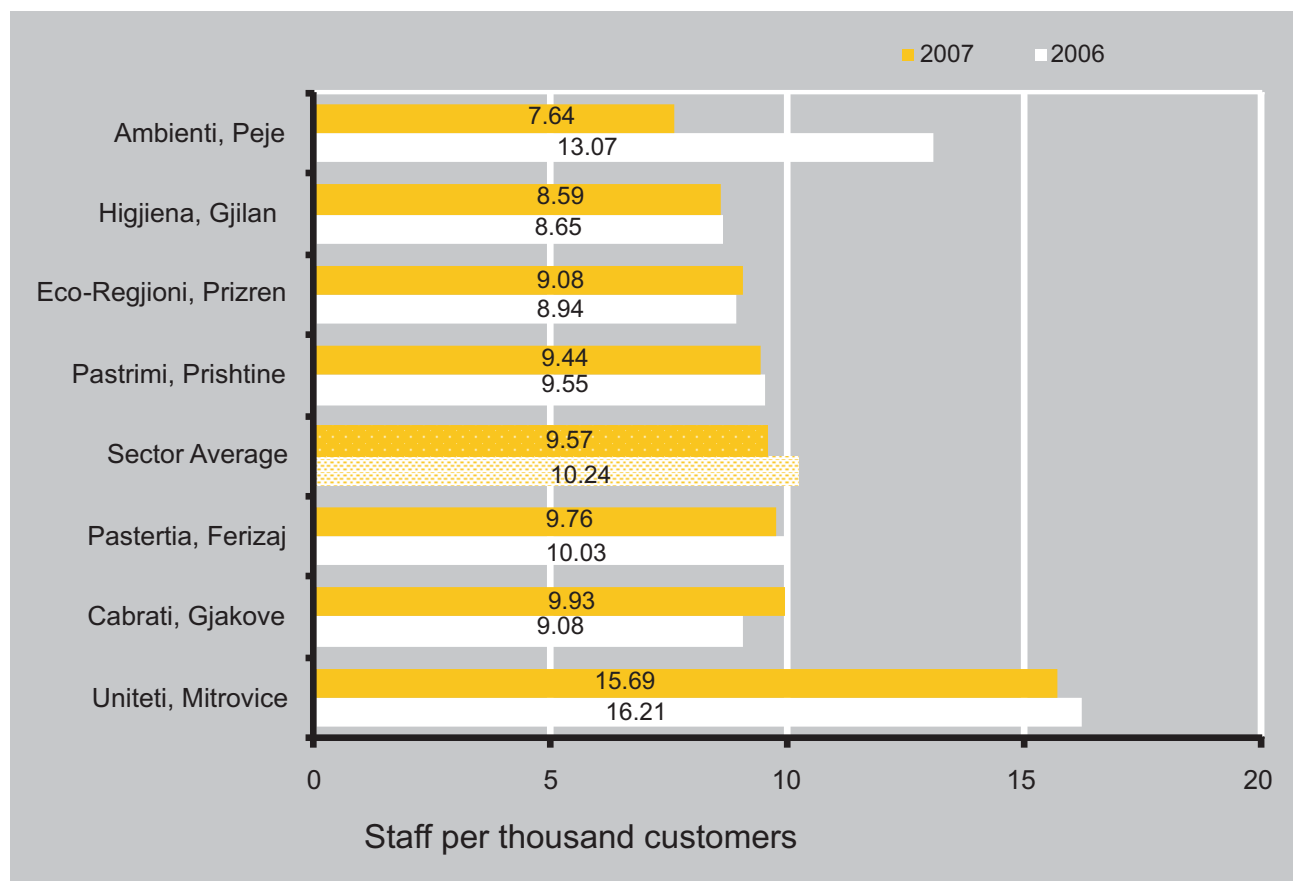


Figure 17 Staffing efficiency

Figure 17 shows the staffing efficiency (staff per 1000 customers) for each waste collection company. Since staff cost are likely to be the highest operational cost, companies should be focused on staff efficiency improvement in order to lower operating costs.

Overall staffing efficiency in 2007 compared to 2006 has increased by (positive trend) 0.62. Low efficiency of Unitet, regardless of year on year improvement will be an object for investigation for WWRO in the months to come.

Low staff efficiency in waste collection companies as in other public service companies appears to be a continuing case for concern in Kosovo for this year as well.

● Customer complaints

Customer complaints data are shown in Figure 18. As figure below indicates collection of reliable data from most of the waste collection companies were not possible due to the unsatisfactory functioning of their management systems.

WWRO expect that customer relation data for 2008 to be more reliable taking into consideration companies' information that they would shortly be supplied with new software package on information management system including a Customer Relation Module..

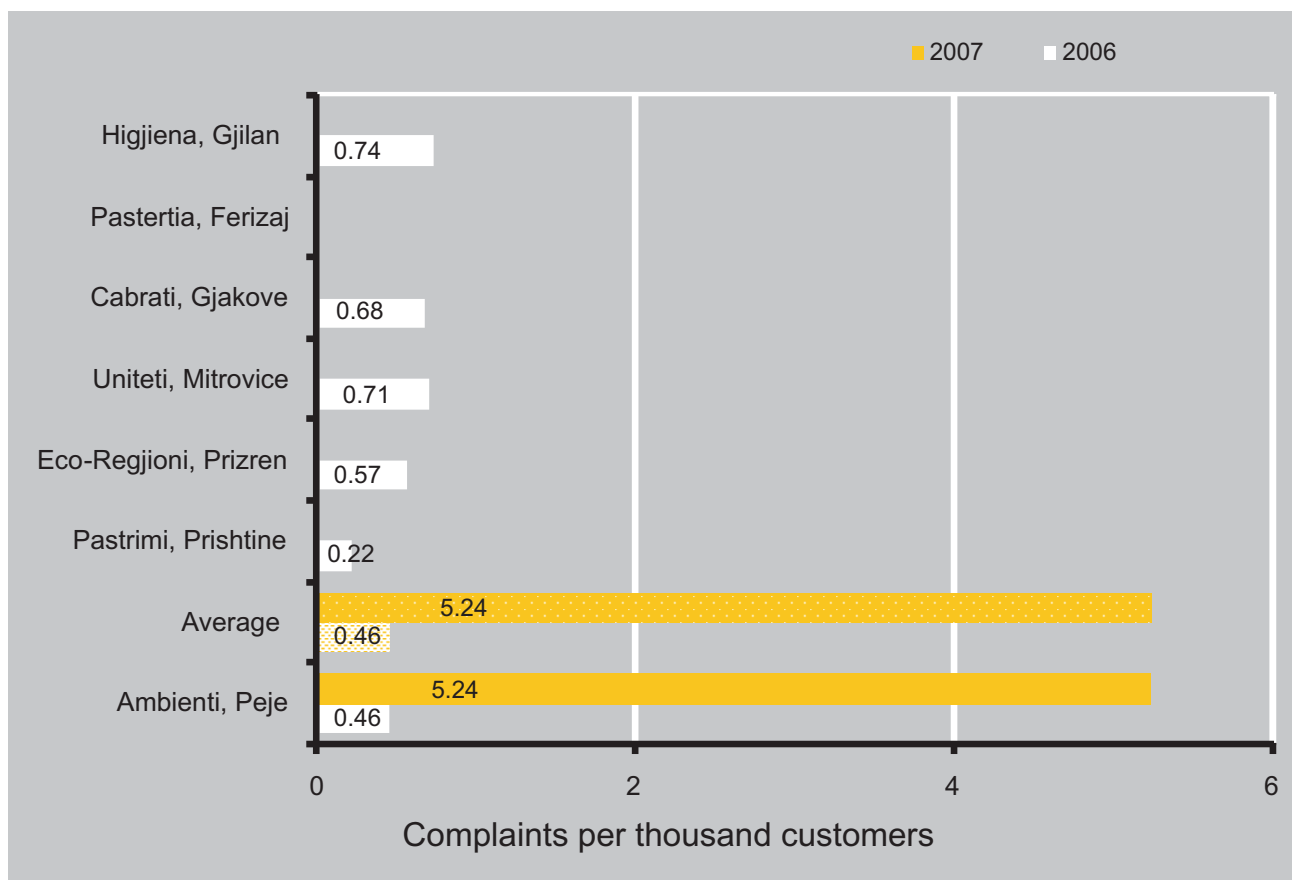


Figure 18 Complaints

- Working and working coverage ratios

The working ratio is an indicator of the ability of an organisation to finance its direct operational costs excluding non-cash expenditure such as depreciation. This includes billed amounts as income by waste collection service provision and incomes from other operating service provision.

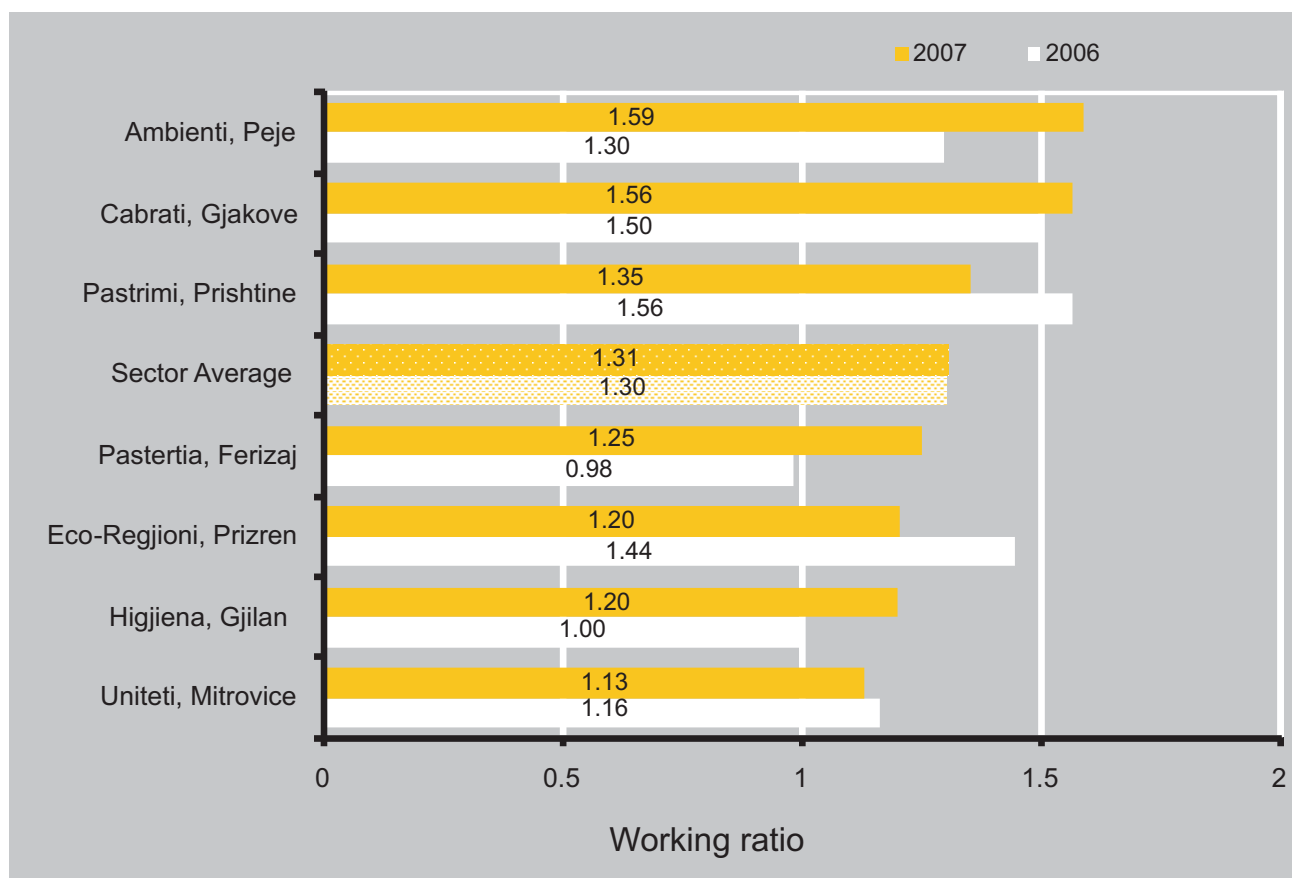


Figure 19 Working ratio

Figure 19 indicates the range of working ratios from 1.13 to 2.0.

The low working ratios in Ekoregjioni, Higjiena and particularly Uniteti require a review of tariff and other factors in 2008. Even if the collection rates of these companies would be 100%, they would hardly exceed the threshold of operating expenses coverage.

Overall, according to data audit process findings, WWRO considers that other influencing factor in decreasing the level of this indicator may be fictitious billing (more explanation will be provided in the comments for the collection rate indicator).

Working coverage ratio indicates the financial ability of companies to cover their operating costs through cash incomes.

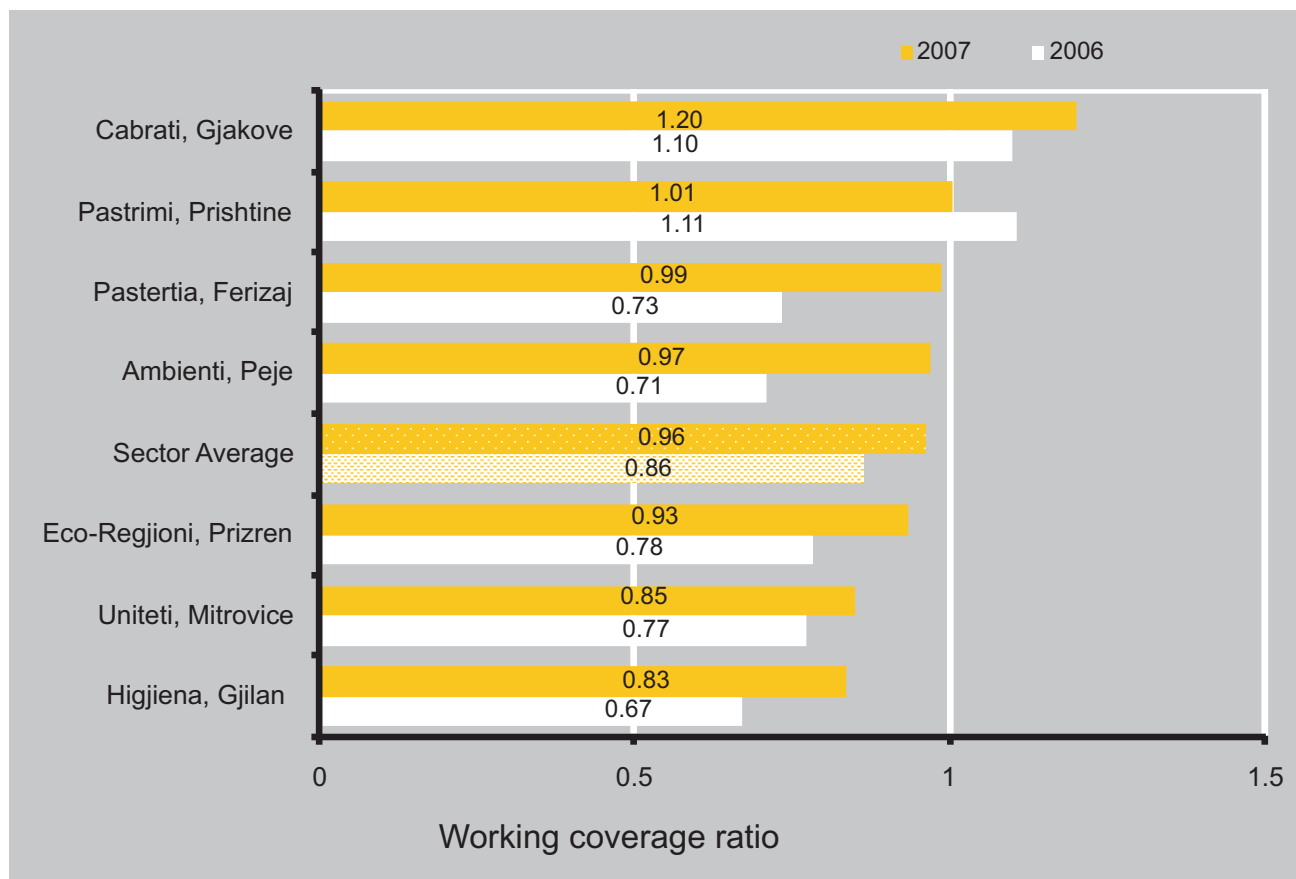


Figure 20 Working coverage ratio

Figure 20 shows that working coverage rate of five out of seven waste collection companies is below 1.0 indicating a negative financial state and requiring subsidies. For the three worst performing companies above compared to the sector average may be explained by the corresponding with low working ratio. Two companies with working coverage rate over 1.0 are in a better position but they are not able yet to cover their financial needs for capital investments.

Overall working coverage rate in 2007 compared to 2006 has increased by 0.10.

● Revenue collection rate

Figure 21 shows a considerable improvement in revenue collection rate in 2007 compared to 2006 amounting to 11%. This appears to be the only indicator where seven waste collection companies have all shown some progress.

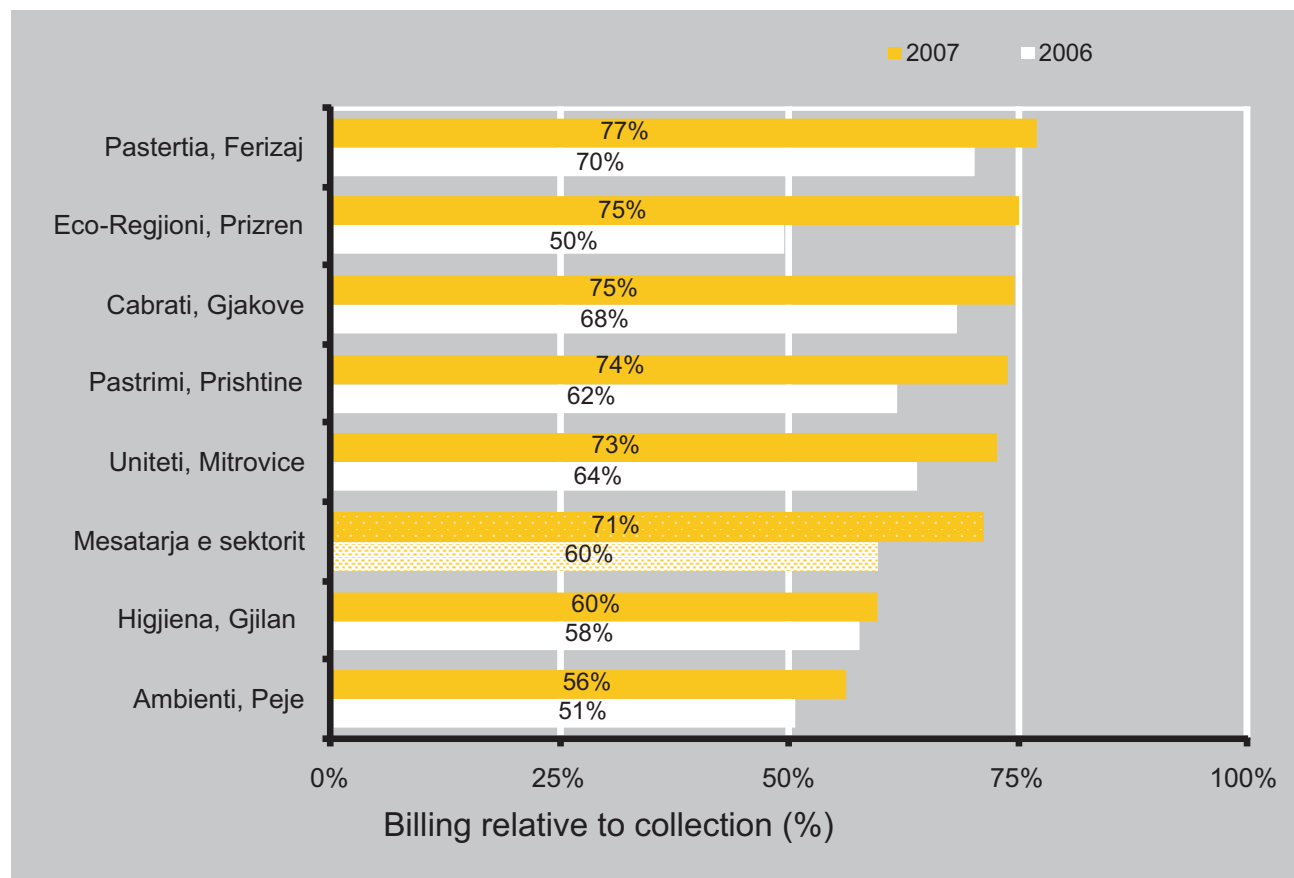


Figure 21 Revenue collection

In 2007, the average revenue collection rate of the waste collection sector is 10% higher than the water sector average. WWRO considers that the reported revenue collection rate of some waste collection companies is fictitious and inflated since most of the companies only bill some of their customers when those customers have already paid the invoice. This procedure is not used by the water companies and is not at all in accordance with KAS.

● Unit operating cost

Figure 22 shows operating cost per tonne of waste collection services.

In 2007, operational cost varied considerably throughout companies and cannot be explained e.g. by economies of scale.

In 2007, an increase of the unit operating cost for Pastrimi was a result of an increase in the disposal cost, i.e. in 2007 the whole amount of waste was disposed in a licensed landfill under the KLMC management compared to 2006 when only 2% was disposed to a licensed landfill.

In Eko-regjioni, a cost increase on a year by year basis has come mainly as a result of a reduction in the amount of waste collected whilst the number of employees has remained the same.

Overall average cost of collected waste for six of the seven waste companies for 2007 is 36 EUR per tonne.

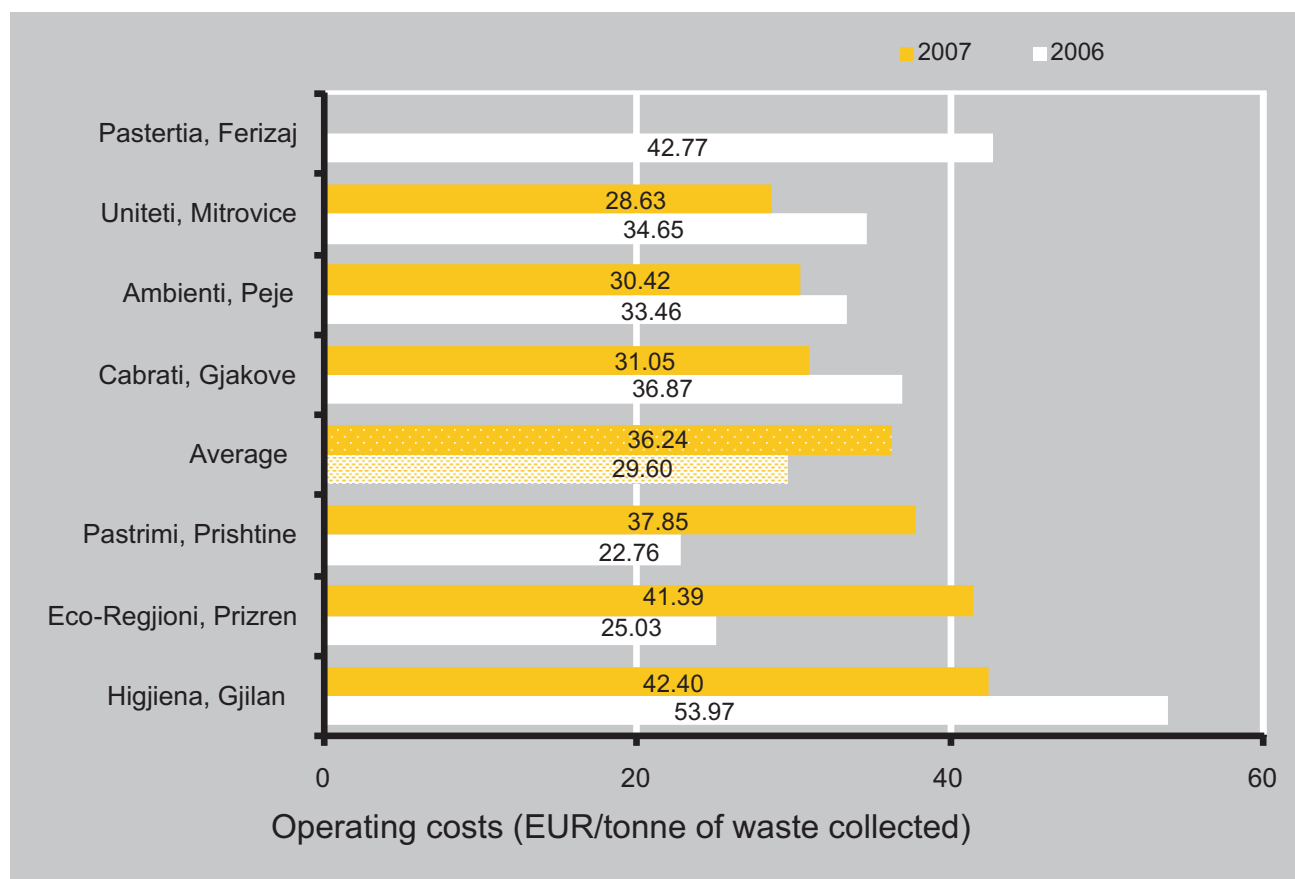


Figure 22 Unit operating costs

● Overall performance assessment - 2007

This report examines the overall performance of the waste collection service providers. The assessment is based upon a simple combination of selected KPIs. A detailed description of the rationale behind this assessment together with the detailed results of the analysis is presented in Annex B. It is important to recognise that the rationale is based upon relative performance and therefore a high score does not necessarily indicate satisfactory performance but rather that performance is better than others in the group.

Table 5 summarises the results of this overall performance assessment. The best performing waste collection company in 2007 is Uniteti scoring 1.9 out of a maximum of 2.0. At the other extreme Ambienti and Higjiena both scored less than 1.0 indicating less than satisfactory performance.

Table 5 Overall company performance assessment in 2007

NP	Company	Total
1	Uniteti, Mitrovice	1.8
2	Cabrati, Gjakove	1.7
3	Pastrimi, Prishtine	1.2
4	Pastërtia, Ferizaj	1.0
5	Eco-Regjioni, Prizren	1.0
6	Ambienti, Peje	0.9
7	Higjiena, Gjilan	0.2

● Overall companies performance improvements in 2007 - 2006

The same approach is used for ranking the best performing and worst performing companies regarding improvements achieved from 2006 to 2007.

Table 6 Overall companies performance improvements in 2007 compared to 2006

NP	Company	Total
1	Uniteti, Mitrovice	1.1
2	Cabrati, Gjakove	1.1
3	Ambienti, Peje	1.0
4	Eco-Regjioni, Prizren	1.0
5	Higjiena, Gjilan	1.0
6	Pastrimi, Prishtine	0.3
7	Pastërtia, Ferizaj	0.1

Table 6 summarizes assessment of improvements made in 2007 compared to 2006. Considerable improvements are made in Uniteti with 1.17 and Çabrat with 1.06.

Pastërtia and Pastrimi show small improvements regarding this overall indicator.

● Overall sector improvements 2007 - 2006

This report also compares sector performance 2007 with 2006 in order to know if the sector has improved. Here, the same selection of KPIs is also used as in previous comparisons for 2006 performance.

Table 7 summarizes overall sector performance where has been considerable improvement in revenue collection whilst the average unit operating cost is higher (negative trend).

Table 7 Overall sector performance 2007 - 2006

TKP	Improvement / Deterioration	Scale of Improvement
Unit operating cost	☹	From 29.60 to 36.24 EUR/tonne
Revenue collection	☺	From 60% to 71%

Chapter 5

Waste Disposal Sector Performance

Kosovo Landfill Management Company (KLMC)

KLMC is currently the only operator licensed by WWRO to operate landfills. KLMC operates the four EAR funded landfills at: Pristina, Podujevo, Prizren and Gjilan through private operators under contract.

Assessment of KLMC performance was made possible through data provided by the waste collection companies and KLMC for 2007.

● Licensed landfill sites

The majority of KLMC's customers (but not all) are the regional waste collection service providers for the Pristina, Gjilan, Ferizaj, Prizren, Podujevo service areas and numerous private/ international operators. Two of the regional waste collection companies Uniteti and Ambienti not currently use the KLMC regional landfill sites and continue to deposit waste at unlicensed sites.

● Performance Standards

UNMIK Regulation 2004/49 includes the following waste disposal sector performance standards in section 11 (d):

- Identification and quantification of waste delivered
- Operating hours of landfills and other waste disposal sites
- Site security and housekeeping procedures
- Solid waste quantity measurement (ie waste disposed)

● Indicators used in this report

Technical and Customer Service Standards

The choice of which technical and customer service indicators to use in this report has been determined mainly by the limited availability of data from KLMC for 2007.

Only data relating to solid waste quantity measurement i.e. waste disposed in tonnes are available from the above service standards included in Regulation 2004/49, for 2007. In practice it is very difficult to measure and report the other performance standards.

Financial Indicators

Financial performance assessment was made possible by the review of following four indicators:

- Collection rate
- Operating costs per tonne of waste disposed
- Working ratio
- Working coverage ratio

Performance improvement

KLMC data reported to WWRO enable an analysis of performance trend developments in 2007 compared to 2006.

● **Solid waste quantity**

151.180 tonnes of waste was disposed to all the landfill sites managed by KLMC in 2007. This amount includes waste received from all waste collection companies.

The corresponding figure for 2006 was 82,142 tonnes i.e. there has been an increase of 24% of solid waste tonnage disposed to licensed landfill sites in 2007 compared to 2006.

This represents a considerable improvement of waste disposed to sanitary landfill sites in 2007 compared with 2006 and is mainly attributable to Pastrimi disposing 100% of its waste to the Pristina licenced landfill compared to 2% in 2006. Also EcoRegjioni has significantly increased the amount of waste disposed to the licensed landfill in Prizren.

- **KLMC financial performance assessment in 2007**

The financial performance of KLMC is summarised in [Table 8](#)

Table 8 KLMC financial performance in 2007

KPI	Value
Working ratio	1.13
Working coverage ratio	1.02
Revenue collection rate (%)	90%
Unit operating cost (EUR / tonne)	EUR 9.11

- **Overall company`s improvements 2007 - 2006**

This report also compares KLMC performance in 2007 with 2006 in order to see if the company has improved. Here also is used a selection of the same KPI as in the previous assessment.

[Table 9](#) summarizes KLMC performance where working ratio and unit operational cost have shown improvement whilst working coverage ratio shows deterioration.

Table 9 KLMC performance in 2007- 2006

KPI	Improvement / Deterioration	Scale of Improvement
Working ratio	😊	From 1.13 to 1.14
Working coverage ratio	😞	From 1.02 to 0.78
Revenue collection rate (%)	😞	From 90% to 69%
Unit operating cost (EUR / tonne)	😊	From 9.11 to 5.39 EUR/tonne

Annex A - Definitions

• Annex A1: Water sector definitions

Cat.	Indicator	Unit of measur.	Definition
Levels of service	Drinking water quality	%	Total number of tests of treated water performed that are not in compliance with standards divided by total number of treated water tests performed
	Average availability of water	Hours per day	The sum of the number customers subject to water interruptions multiplied by the duration of the supply in hours divided by the total number of customers registered
	Service coverage	%	Population with easy access to water services divided by total population in the service area
	Metered consumption	%	Amount in m ³ invoiced based on metering, relative to the total, i.e. notional plus metered amount invoiced, where 'notional' is the volume of water billed based upon estimates of consumption
	Staff efficiency	No	Total number of staff per 1000 customers
	Non revenue water (1)	%	Water produced less water invoiced divided by water produced
	Non revenue water (2)	Litres per customer per day	Volume of water lost per billing point per day
	Complaints	No	Number of complaints per 1000 customers
Financial indicators	Working ratio	Ratio	Operating income divided by operating costs before depreciation
	Working coverage ratio	Ratio	Cash operating revenues divided by operating costs before depreciation
	Unit operating costs	EUR	Cost to produce one cubic metre of water
	Collection ratio	%	Euro amount collected per period (excluding VAT) divided by euro amount invoiced for that period (excluding VAT)

● **Annex A2: Waste collection sector definitions**

Cat.	Indicator	Unit of measur.	Definition
Levels of service	Service coverage	%	Population with easy access to waste services divided by total population in the service area, expressed as a percentage
	Waste collection per employee	Tonnes per month	Amount of waste collected per employee
	Licensed waste disposal	%	Percentage of waste disposed to licensed landfills
	Staff efficiency	No of staff per 1000 customers	Total number of staff per 1000 customers
	Complaints	No	Number of complaints per 1000 customers
Financial indicators	Working ratio	Ratio	Operating income divided by operating costs before depreciation
	Working coverage ratio	Ratio	Cash operating revenues divided by operating costs before depreciation
	Unit operating costs	EUR	Operating cost per tonne of waste collected
	Collection ratio	%	Euro amount collected per period (excluding VAT) divided by euro amount invoiced for that period (excluding VAT)

- **Annex A3: Waste disposal sector definitions**

Cat.	Indicator	Unit of measur.	Definition
LoS	Waste disposed	Tonnes per year	Amount of waste disposed at KLMC licensed landfill sites
Financial indicators	Working ratio	Ratio	Operating income divided by operating costs before depreciation
	Working coverage ratio	Ratio	Cash operating revenues divided by operating costs before depreciation
	Unit operating costs	EUR	Operating cost per tonne of waste disposed
	Collection ratio	%	Euro amount collected per period (excluding VAT) divided by euro amount invoiced for that period (excluding VAT)

- **Annex A4: Bulk water sector definitions**

Cat.	Indicator	Unit of measur.	Definition
Financial indicators	Working ratio	Ratio	Operating income divided by operating costs before depreciation
	Working coverage ratio	Ratio	Cash operating revenues divided by operating costs before depreciation
	Unit operating costs	EUR	Operating cost per tonne of waste disposed
	Collection ratio	%	Euro amount collected per period (excluding VAT) divided by euro amount invoiced for that period (excluding VAT)

Annex B – Overall Assessments

• B1 - Water Supply Services

Rationale

The rationale for the overall assessments of the water supply companies is based upon the summation of the performance of selected KPIs. For this the following rules have been applied:

- The same weightings have been applied to all the KPIs used in the overall assessment
- A score of 1.0 has been allocated to the best performing service provider for each KPI used in the overall assessment and a score of 0.0 has been allocated to the poorest performing service provider. The remaining service providers have then been scored between 0.0 and 1.0 pro-rata
- A similar approach to that described above has been taken in this Report to determine the best and worst change in performance by each of the companies from 2005 to 2006 using the same 5 KPIs. A score of 1.0 has been allocated to the most improved company in each category and a score of 0.0 has been allocated to the least improved (or biggest deterioration). The remaining companies have then been scored between 0.0 and 1.0 pro-rata
- Only five KPIs have been used in the overall analysis. These are considered below as indicators which the service providers have considerable control over and which taken together best represent the overall level of service provided by each water company:
 - o Water quality
 - o Staff efficiency
 - o Unit cost of per m³ of production
 - o NRW (expressed as litres per customer per day)
 - o Collection rate

For 2007 we have used staffing efficiency as a more relevant and reliable KPI instead of continuity of supply. WWRO considers that the continuity of supply is largely dependant of the existing production capacities that the water companies have, hence use of the staffing efficiency is considered to be more appropriate indication in measuring the efforts of the companies in increasing the level of efficiency. In addition, the data concerning the continuity of supply is not reliable in most of the companies.

Analysis of 2007 performance

	Water Company	Parameter					
		Quality	Staff Eff.	NRW	Unit Cost	Coll Rate	Total
1	Radoniqi, (Gjakove)	1.0	0.5	0.7	0.6	1.0	3.8
2	Prishtina, (Prishtinë)	0.8	0.9	0.8	0.5	0.6	3.6
3	Hidroregjioni Jugor, (Prizren)	0.0	1.0	1.0	0.4	0.7	3.1
4	Hidromorava, (Gjilan)	0.6	0.4	1.0	0.0	1.0	3.0
5	Bifurkacioni, (Ferizaj)	0.4	0.6	1.0	0.4	0.3	2.7
6	Hidrodrini, (Pejë)	0.2	0.9	0.0	1.0	0.1	2.2
7	Ujësjiellësi Regjional, (Mitrovicë)	0.6	0.0	0.7	0.6	0.0	1.9

Analysis of improvement on 2006-2007 performance

	Water Company	Parameter					
		Quality	Staff Eff.	NRW	Unit Cost	Coll Rate	Total
1	Hidroregjioni Jugor, (Prizren)	0.8	0.7	0.9	0.0	1.0	3.4
2	Hidrodrini, (Pejë)	0.9	0.9	0.0	1.0	0.5	3.3
3	Radoniqi, (Gjakove)	1.0	0.7	0.7	0.6	0.3	3.2
4	Ujësjiellësi Regjional, (Mitrovicë)	0.7	0.9	0.5	0.1	0.8	3.0
5	Prishtina, (Prishtinë)	0.4	1.0	0.8	0.6	0.0	2.8
6	Bifurkacioni, (Ferizaj)	0.3	0.0	0.8	0.7	0.9	2.7
7	Hidromorava, (Gjilan)	0.0	0.5	1.0	0.0	0.6	2.1

• B2 – Waste Collection Services

Rationale

The rationale for the overall assessments of the waste companies' performance is based upon the summation of the performance of selected KPIs. For this the following rules have been applied:

- The same weighting has been applied to all the KPIs included in the overall assessment
- A score of 1.0 has been allocated to the best performing company for each KPI used in the overall assessment and a score of 0.0 has been allocated to the poorest performing company. The remaining companies have then been scored between 0.0 and 1.0 pro-rata
- Only two KPIs have been used in the overall analysis. These are considered to be indicators which the companies have considerable control over and which taken together best represent the overall level of service provided by the water service provider:
 - Collection rate
 - Staff efficiency

The other KPIs reviewed earlier in the report have not been used in the overall performance assessment for the following reasons:

- They are largely outside the management control of the service providers, i.e. service coverage, working ratio, working coverage ratio
- They are not significant and/or the data are unreliable, e.g. complaints, waste per employee etc.

Analysis of 2007 performance

	Waste Collection Company	Parameter		
		Unit Cost	Coll Rate	Total
1	Uniteti, Mitrovicë	1.0	0.8	1.8
2	Cabrati, Gjakovë	0.8	0.9	1.7
3	Pastrimi, Prishtinë	0.3	0.9	1.2
4	Pastërtia, Ferizaj	0.0	1.0	1.0
5	Eko-Regjioni, Prizren	0.1	0.9	1.0
6	Ambienti, Pejë	0.9	0.0	0.9
7	Higjiena, Gjilan	0.0	0.6	0.2

Analysis of 2007 performance

	Waste Collection Company	Parameter		
		Unit Cost	Coll Rate	Total
1	Uniteti, Mitrovicë	1.0	0.2	1.2
2	Cabrati, Gjakovë	0.9	0.1	1.0
3	Ambienti, Pejë	0.9	0.2	1.0
4	Eko-Regjioni, Prizren	0.0	1.0	1.0
5	Higjiena, Gjilan	1.0	0.0	1.0
6	Pastrimi, Prishtinë	0.0	0.3	0.3
7	Pastërtia, Ferizaj	/	0.1	0.1

Annex C – Key Statistics

● Annex C1 – Regional Water Companies

Data	Seven Regional Water Companies							Sector Total
	'Pristina' (Pristine)	'Hidro-regjioni Jugor' (Prizren)	'Hidro-drini' (Peje)	'Ujesjellesi Regjional' (Mitrovica)	'Radoniqi' (Gjakove)	'Bifurkacioni' (Ferizaj)	'Hidro-morava' (Gjilan)	
Total population in the service area	650,000	421,656	258,000	500,000	235,580	180,000	107,000	2,374,236
Population served	500,000	259,471	171,330	400,000	192,267	81,000	94,500	1,698,568
Number of customers registered	77,406	29,493	27,779	19,577	25,866	13,796	14,952	208,869
Water Production (m³)	42,918,786	12,057,815	36,247,828	16,593,646	18,336,385	3,838,258	5,112,785	135,105,503
Water invoiced (m³)	20,952,349	7,309,724	8,259,716	8,663,801	7,031,253	1,784,515	2,755,893	56,757,251
Customers billed by meter	53,657	25,328	24,223	8,771	24,212	7,955	11,934	156,080
Water metered invoiced (m³)	15,811,782	6,667,538	7,271,407	5,674,399	7,031,253	1,132,566	2,391,927	45,980,872
Value of bills (EUR)	8,719,011	2,334,697	2,440,777	1,953,112	2,547,196	815,436	1,089,549	19,908,778
Value of collections (EUR)	5,385,622	1,522,483	1,288,953	983,422	1,787,266	461,576	775,290	12,204,612
Other operating income (EUR)	68,478	64,945	77,414	601,040	150,335	49,290	105,865	1,117,367
Operating costs ex. depreciation (EUR)	5,027,436	1,578,860	1,397,207	1,671,472	1,754,839	488,851	963,200	12,881,865
Number of staff	492	175	180	216	224	113	136	1,536
Length of water network (km)	1,073	222	466	872	491	104	133	3,361
Av. number of complaints month	383	Data Missing	Data Missing	58	69	49	110	669

● **Annex C2 – Regional Waste Collection Companies**

Data	Seven Regional Waste Collection Companies							Sector Total
	'Pastrimi'	'Eko-Regjioni'	'Ambienti'	'Uniteti'	'Cabрати'	'Pastërtia'	'Higjiëna'	
Total population in the service area	579,600	480,000	365,000	311,974	151,400	225,000	259,131	2,372,105
Population served	368,273	155,372	160,600	91,648	76,593	75,200	113,711	1,041,397
Number of customers registered	48,001	25,999	20,033	11,278	10,771	16,796	16,066	148,944
Total waste collected	73,170	34,511	22,842	28,445	15,786	Data Missing	22,193	196,947
Total waste disposed to licensed landfills	73,170	33,641	17,422	28,445	/	Data Missing	22,193	174,871
Total waste disposed to unlicensed landfills					15,786			
Value of bills (EUR)	3,704,372	1,551,279	982,327	839,985	703,031	949,834	845,062	9,575,890
Value of collections (EUR)	2,740,772	1,164,823	552,920	611,460	524,962	731,824	503,288	6,830,049
Operating costs ex. depreciation (EUR)	2,769,226	1,428,546	694,745	814,479	490,137	837,318	941,046	7,975,497
Number of employees	453	236	153	177	107	164	138	1,368
Number of complaints (avg per month)	Data Missing	Data Missing	8.75	Data Missing	Data Missing	Data Missing	Data Missing	8.75

- **Annex C3 – Regional Waste Disposal Company (KLMC)**

Data	Total
Waste disposed (tonnes)	151,180
Billing (EUR)	929,573
Collection (EUR)	639,363
Operating Costs ex. depreciation (EUR)	815,369
Collection rate (total)	69%

- **Annex C4 – Bulk Water Service Provider (NH 'Ibër-Lepenc')**

Data	Total
Raw water invoiced to two water companies (m3)	17,386,920
Billing for two water companies (EUR)	332,543
Collection for two water companies (EUR)	51,401
Operating costs for supplying two water companies (EUR)	236,986
Collection rate	15%
Number of employees engaged in supplying two water companies	19

ABSTRACT FROM UNMIK REGULATION 2004/49 ON THE ACTIVITIES OF WATER, WASTEWATER AND WASTE SERVICE PROVIDERS

Chapter 4 Service Standards

Section 11

Service Standards

11.1 The standards of service that apply to each Service shall be set out in the rules issued by the Regulator pursuant to Section 38.1 (d). Rules for Service Standards shall include the following:

(a) For the provision of Water Services:

- i. The quality of water supplied by reference to standards imposed by the competent public health authorities;
- ii. The water pressure in the pipes;
- iii. The availability of water within each given period to be considered (average per day, month and/or year);
- iv. Number of interruptions and/or suspensions of Water Service in any given reference periods taken by the Regulator;
- v. Response time for the investigations and repair of leakages in the Water Network; and
- vi. Time to process applications for Water Service and to complete installation of connections to the Water Network.

(b) For the provision of Wastewater Services:

- i. Frequency for sewer cleaning;
- ii. Frequency and time for repair of leakages and flooding in the Wastewater Collection System;
- iii. Time to process applications for Wastewater Service and to complete installation of connections to the Wastewater Collection System.

(c) For the provision of Waste Collection Services:

- il. Schedule and frequency of collection of waste;
- ii. Communal container density;
- iii. Waste Collection site housekeeping; and
- iv. Prevention of flying and loose debris.

(d) For the provision of Waste Disposal Services:

- i. Identification and quantification of waste delivered;
- ii. Operating hours of landfills and other waste disposal facilities;
- iii. Site security and housekeeping procedures; and
- iv. Solid Waste quantity measurement.

11.2 Service Standards shall be reviewed by the Regulator in accordance with the rules issued under Section 38.1(d) on each anniversary of the dates such rules were issued or at any other time as specified by the rules or an agreement referred to in Section 11.3.

11.3 The Regulator may enter into a written agreement with a Service Provider amending, supplementing or replacing the rules that apply to Service Standards pursuant to Section 38.1(d) or details of such Service Standards.

Section 12

Compliance with Service Standards

Subject to Section 13, a Service Provider shall comply with the Service Standards that apply to its Services.

Section 13

Exemptions for a Service Provider

13.1 A Service provider may apply to the Regulator to be exempt from a particular Service standard in the form prescribed by the Regulator pursuant to Section 38.1(d).

13.2 The Regulator may exempt in writing a Service Provider from complying with a Service Standard, taking into account the Customers' rights as set forth in the Customers' Charter and subject to conditions that the Regulator deems appropriate upon consultation with the Customers' Consultative Committees.

13.3 Any exemptions granted to a Service Provider pursuant to this Section 13 for a period exceeding one (1) calendar year shall be reviewed by the Regulator on the anniversary of the date such exemption was granted and on each subsequent anniversary of thereafter.

Annex E – Contact Details

• Annex E1 – Regional Water Companies

Company Name RWC "Pristina" , J.S.C.
Service area Prishtinë
Director s name Skender Bublaku
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Company address Rr. Tahir Zajmi p.n
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 Rr. Gazmend Zajmi nr.5
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 30000
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039/432 694
039/432 355
07.00 - 15.00

Company Name RWC "Hidromorava", J.S.C.
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Director s E-mail address flamurzeqiri@hotmail.com
Company address Rr.Brigada e UCK-së. N.n
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Company Name	RWC Hidrosistemi"Radoniqi", J.S.C.	NPH"lberLepenci", J.S.C.
Service area	Gjakovë	Prishtinë
Director s name	Albert Zajmi	Abdullah Nishori
Director s E-mail address	albert_zajmi@yahoo.com	nishori@hotmail.com
Company address	Rr. UCK No: 07 Gjakovë 50000	Sheshi Bill Clinton no:13 Prishtinë 10000
Office tel .no.	0390/322 055	038/225 006
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Contact tel. no.	0390/320 503 loc.107	038/225 006
Contact E-mail	manushaqe_lushaj@hotmail.com	
Office hours	07.00 - 15.00	07.00 - 15.30

● **Annex E2 - Regional Waste Collection Companies and KLMC**

Company Name	RWC "Pastrimi", J.S.C.	RWC "Çabрати", J.S.C.
Service area	Prishtinë	Gjakovë
Director s name	Kadri Retkoceri	Përparim Radoniqi
Director s E-mail address	kretkoceri@hotmail.com	pradoniqi@hotmail.com
Company address	Rr. Bill Clinton n.n Prishtinë 10000	Rr.. Mazllom Lakuci p.n Gjakovë 50000
Office tel .no.	038/525 191	0390/321 588
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Office hours	08.00-16.00	07:30 - 14:30

Company Name	RWC "Higjiëna", J.S.C.	RWC "Ekoregjioni", J.S.C.
Service area	Gjilan	Prizren
Director s name	Xhevat Latifaj	Xhemali Haxhimustafa
Director s E-mail address	krm_higjiëna@yahoo.com	zyraregjionaleoffice@yahoo.com
Company address	Rr. Adem Jashari no.111 Gjilan 60000	Rr. Tahir Sinani no.59 Prizren 20000
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038/554 552
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• Annex E3 – Water and Waste Regulatory Office

Office name
Director s name
Director s E-mail address
Office address

Water and Waste Regulatory office (WWRO)

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N/A
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Office tel .no.
Office fax
Customers relations
Customer relations tel. no.
Contact E-mail
Office hours
Website

● Annex E4 – Customer Consultative Committees

Pristina Region

Name	Municipality	Address	Profession	Tel. Number
Mehdi Aliu	Lypjan	Rr. "Lidhja e Prizrenit"	Teacher	038/ 582 717
Dhurata Ramadani	Prishtinë	Rr. "Ismail Dumoshi", No:26	Construction Eng.	
Hamdi Qerimi	Fushë Kosovë	Rr. "Lidhja e Pejës", No:24	Storeman	
Ismet Avdiu	Fushë Kosovë	Rr. "Dardania", No:8	Tailor	
Xhemajl Mulliqi	Podujevë	Rr. "Ali Ajeti" , No:245	Teacher	
Arsim Ajvazi	Podujevë	Rr. "Zahir Pajaziti" , No:27	Municipality worker	
Selmon Boçolli	Prishtinë	Rr. "Bregu i Diellit LL13/1	Construction Eng.	
Ilaz Zeqiri	Lypjan	Rr. "Adem Jashari", No: 01	Biologist	
Aziz Morina	Drenas	Fshati-Poklek i Ri	Teacher	
Ismet Dugolli	Drenas	Fshati-Nekoc	Teacher	
Muhedin Halili	Shtime	Rr."William Walker	Civil. Reg. Clerk	
Ejup Ismajli	Shtime	Kuvendi Komunal	Biological Eng.	
Kemajl Hasani	Obiliq	Rr."Daut Hashani	Machinery Eng.	
Remzi Shala	Obiliq	Fshati-Mazgit	Student	

Peja Region

Name	Municipality	Address	Profession	Tel. Number
Ylfete Blakaj	Istog	Istog	Chemist	044/ 276 538
Xhelal Radoniqi	Pejë	Rr. "Rajoni" no: 04	Economist	
Riza Krasniqi	Pejë	Rr. "Kuvendi i Lezhës", no:23	Electro Eng.	
Zekije Sutaj	Istog	Fsh. Corrolluk	Construction Eng.	
Jashar Hulaj	Deçan	Asambleja Komunale	Agronomist	
Gani Cacaj	Deçan	Deçan	Machinery Eng.	
Ndue Balaj	Klinë	Klinë	Teacher	
Haki Veselaj	Klinë	Avni Rrustemi	Teacher	

Gjakova Region

Name	Municipality	Address	Profession	Tel. Number
Ergjyment Berbullushi	Gjakovë	Rr. Luigj Gurakuqi", No:04	Lawyer	044/ 246 501
Besim Shllaku	Gjakovë	Rr. Tefik Çanga No:09	Technologist/Eng.	
Hamdi Dermalla	Rahovec	Rr. "Sheshi Hamdi Maliqi" N:49	Teacher	
Avni Hoxha	Rahovec	Rr. "Xhelal Hajda	Businessman	

Prizren Region

Name	Municipality	Address	Profession	Tel. Number
Zenel Ahmetaj	Prizren	Fshati - Korishtë	Official	044/153 295
Riza Krasniqi	Prizren	Rr."Fehmi Ibrahim", No:11	Teacher	
Mehmet Spahiu	Sharr	Rr. "Adem Jashari", No:37	Official	
Hysen Balxhi	Sharr	Rr. "Dëshmorëve", n.n	Official	
Sherif Berisha	Therandë	Rr. "Jeronim De Rada", No:09	Technologist/Eng.	
Ramë Morina	Therandë	Rr. "Xhavit Sylaj	Engineer	
Ismet Kafexholli	Malishevë	Fshati - Bellanicë	Agronomist	
Sinan Kryeziu	Malishevë	Fshati -Mleçan	Agronomist	

Ferizaj Region

Name	Municipality	Address	Profession	Tel. Number
Osman Cokli	Ferizaj	Fshati /Babllak	Official	044/ 128 401
Bashkim Ferati	Ferizaj	Rr."Elbasani" no:05	Economist	
Ekrem Dauti	Kaçanik	Rr."Dardania" no:29	Mechanic	
Xhelal Dema	Kaçanik	Fshati /Bobë	Economist	

Gjilan Region

Name	Municipality	Address	Profession	Tel. Number
Azem Ujku	Gjilan	Rr. Xhevat Ajvazi, II-IV/10	Electro Eng.	044/ 154 303
Musa Kamberi	Gjilan	Fshati/Prelepnice	Lawyer	
Avni Hoda	Kamenice	Kuvendi Komunal, Kamenica	Cashier	
Enver Ajvazi	Kamenice	Kuvendi Komunal, Kamenica	Lawyer	
Ivan Gjorgjeviç	Novo Brdo	Kuvendi Komunal, Novo Brdo	Technician	
Gafurr Mustafa	Novo Brdo	Fshati /Llabjan	Biologist	
Njazi Miftari	Viti	Rr. "2 Korriku	Lawyer	
Sami Demelezi	Viti	Fshati /Sllatinë e Poshtme	Engineer	

Mitrovica Region

Name	Municipality	Address	Profession	Tel. Number
Fehmi Qaushi	Mitrovicë	Rr."Xhafer Deva"	Economist	044 /147 544
Bilall Hasani	Mitrovicë	Rr."Ahmet Maloku", no:48	Machinist	
Fevzi Drevari	Vushtri	Rr."Lidhja e Lezhës", No:35	Lawyer	
Azem Azemi	Vushtri	Rr."Ganimete Terbesi	Professor	
Feriz Zeqiri	Skenderaj	Klinë e Poshtme	Pedagogue	
Beqir Mehmeti	Skenderaj	Skenderaj	Biologist	

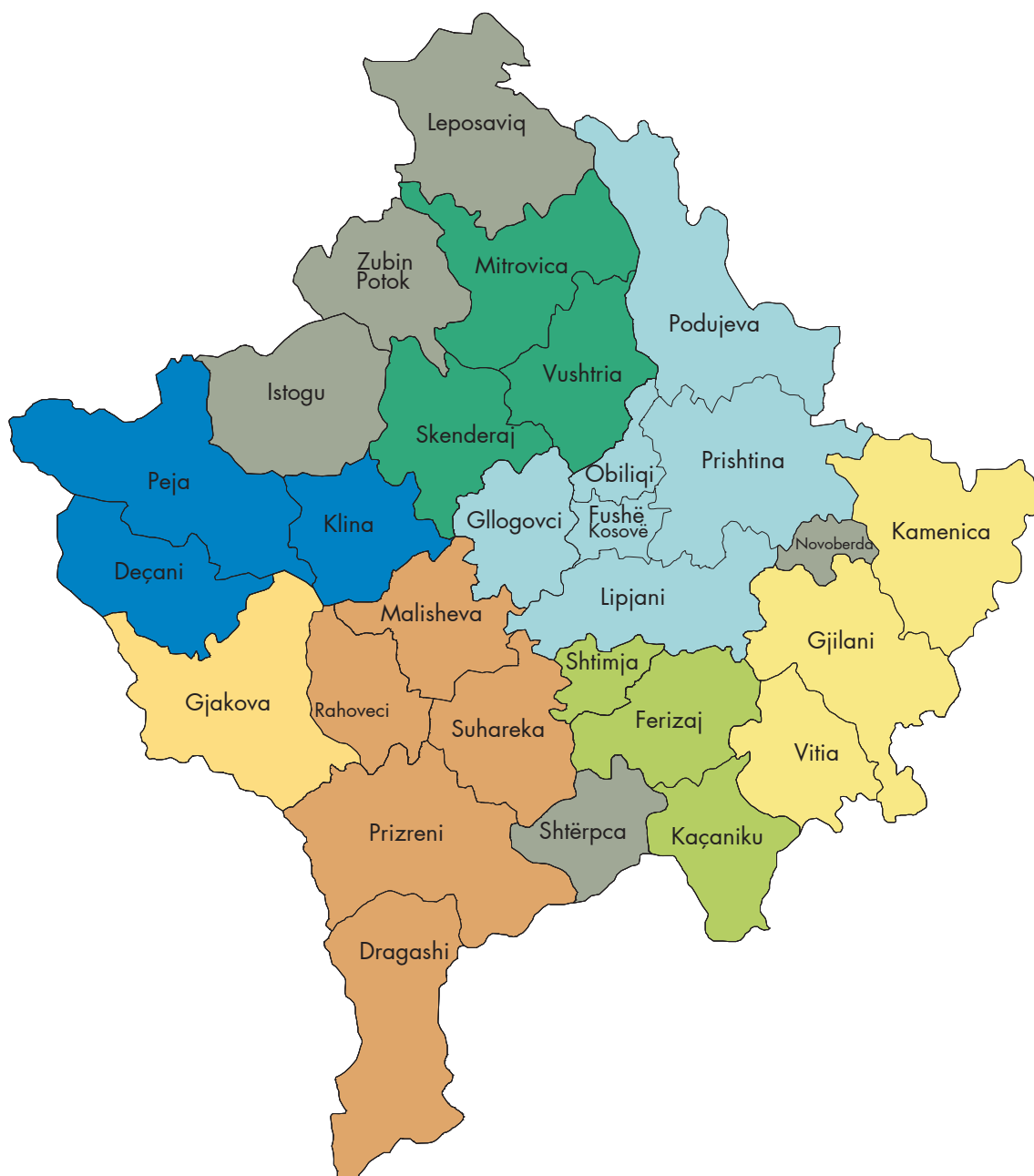
Annex F – Service Area

• Annex F1 – Regional Water Companies' Service Area



RWaterC Prishtina	RWaterC Hidroregjioni Jugor	RWaterC Hidrodrini	RWaterC Ujësjellësi Regjional	RWaterC Radoniqi	RWaterC Bifurkacioni	RWaterC Hidromorava	Municipalities that are not provided with water service
-Prishtina -Podujeva -Fushë Kosova -Obiliqi -Lipjani -Shtimja	-Prizreni -Suhareka -Malisheva -Dragashi -Shtimja	-Peja -Istogu -Klina -Deçani	-Mitrovica -Skenderaj -Vushtrria	-Gjakova -Rahoveci	-Ferizaj -Kaçaniku	-Gjilani -Kamenica -Vitia	-Novobërda -Zubin Potoku -Leposaviqi -Shtërpca

• **Annex F2 – Regional Waste Companies' Service Area**



RWaterC Pastrimi	RWaterC Ekoregjioni	RWaterC Ambienti	RWaterC Uniteti	RWaterC Çabrat	RWaterC Pasterimi	RWaterC Higjiena	Municipalities that are not provided with water service
-Prishtina -Podujeva -Fushë Kosova -Obiliqi -Lipjani	-Prizreni -Suhareka -Malisheva -Dragashi -Rahoveci	-Peja -Klina -Deçani	-Mitrovica -Skenderaj -Vushtrria	-Gjakova	-Ferizaj -Kaçaniku -Shtimja	-Gjilani -Kamenica -Vitia	-Novobërda -Zubin Potoku -Leposaviq -Shërpca -Istogu

WWRO Role and Responsibilities – A Brief Summary

Water and Waste Regulatory Office (WWRO) is an independent economic regulator responsible for regulation of the activities of public companies which provide water, wastewater, waste collection and disposal services in Kosovo. WWRO was established in accordance with UNMIK Regulation No. 2004/49 in November 2004 which Regulation sets out the legal framework for WWRO activities. Currently, WWRO has 18 employees which work within 4 departments. The managing authority of WWRO is the WWRO director who is appointed by SRSG. This function has been carried out by Afrim Lajçi since June 2005.

Main role of WWRO is to ensure that water and waste companies provide qualitative and affordable services at reasonable cost taking into consideration that these services are of monopolistic character.

Main WWRO responsibilities include:

- Service tariff determination which in one hand takes into consideration customers affordability to pay and in the other hand enables public water and waste companies to generate necessary revenues for financing costs related to the provision of services;
- Licensing of public companies which provide: i) water and wastewater services, (ii) bulk water supply for water companies, (iii) municipal solid waste collection and transportation, and (iv) solid waste disposal services.
- Stimulating competition in water and waste service sector through benchmarking or comparison of performance indicators.
- Protection of customers interests by ensuring that service provided by licensed companies are at the level of standards set and that they have available effective mechanism for addressing their complaints;
- Monitoring and reporting on licensed companies' performance;
- Establishing and supporting of Customer Consultative Committees on regional basis where licensed companies operate in cooperation with respective municipalities;
- Approval of terms for forgiveness and settlement of past debts.

Taking into account that economic regulation is relatively new in Kosovo it is very important to explain which activities **are not WWRO responsibilities**:

- *Managment of licensed companies.* WWRO does not interfere in daily management of licensed companies but it is primarily interested on the level of service and the costs related to these services countries.

- *Waste services provided by private operators.* Actually WWRO does not have regulatory jurisdiction on numerous private operators which provide informally solid waste collection services. However, WWRO is interested on this issue in order to set regularity in this aspect by recommending a framework which will enable fair and effective competition in the future provided that it is based on sound basis in accordance with environmental standards and good practices in other European countries.
- *Drinking water quality.* WWRO is not responsible for setting standards for drinking water and monitoring of drinking water quality as well. This responsibility rests with NIPHK. However, WWRO closely cooperates with NIPHK in to ensure that the quality of water provided by water companies is in accordance with set standards;
- *Environmental regulation.* WWRO is not responsible for environmental protection. This is a responsibility of MESP. However, WWRO approach is that its policies and procedures not harm environment and public health.

Some of the WWRO Activities in 2007



Signing the MoU between WWRO and IPH
March 2007



Water Services Days Prishtina, October 2007



Annual Press Conference Prishtina, December 2007



Annual Water Conference Tirana, October 2007



Meeting with the Chairman of IRAR - Lisboa
November 2007



Workshop on waste management, Prishtina, July 2007

Water and Waste Regulatory Office

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