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WATER AND WASTE REGULATORY OFFICE
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ANNUAL PERFORMANCE REPORT FOR THE WATER AND WASTE COMPANIES IN KOSOVO 2010

A report on the 2010 performance of the licensed water supply, wastewater, bulk untreated water and solid waste companies

July 2011

Prepared and Published by: WATER AND WASTE REGULATORY OFFICE (WWRO)

Prishtina, July 2011

Water and Waste Regulatory Office

Vision

"Water and solid waste utilities delivering a consistent, good quality and efficient service to all customers throughout Kosovo."

Mission

"To regulate the water and solid waste sectors in a transparent and equitable manner in accordance with good European practice which ensures that the water and solid waste utilities deliver a qualitative, sustainable, reliable and affordable service throughout Kosovo, with respect for both the environment and for public health."

ANNUAL PERFORMANCE REPORT FOR THE WATER AND WASTE COMPANIES IN KOSOVO 2010

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Acronyms and abbreviations

CCC	Customer Consultative Committee
ECLO	European Commission Liaison Office
EU	European Union
FE	Ferizaj Regional Water Company Bifurkacioni (Ferizaj)
GJA	Gjakova Regional Water Company Radoniqi (Gjakova)
GJI	Gjilan Regional Water Company Hidromorava (Gjilan)
IL	Ibër Lepenc
KEPA	Kosovo Environmental Protection Agency
KfW	German Bank for Reconstruction
KLMC	Kosovo Landfill Management Company
MESP	Ministry of Environment and Spatial Planning
MIT	Mitrovica Regional Water Company Mitrovica
NIPH	National Institute of Public Health (NIPH)
NRW	Non-revenue water
PE	Peja Regional Water Company Hidrodrini (Peja)
PoE	Public-owned Enterprises
PR	Pristina Regional Water Company Prishtina (Pristina)
PZ	Prizren Regional Water Company Hidroregjioni (Prizren)
RWC	Regional Water Company
RWCC	Regional Waste Collection Company
SCO	Swiss Cooperation Office
SDC	Swiss Agency for Development and Co-operation
WTF	Water Task Force
WWRO	Water and Waste Regulatory Office

FOREWORD

I am pleased to publish this fifth annual report on the annual performances of the licensed water supply, wastewater, bulk water and solid waste companies in Kosovo for 2010.

This report presents a markedly improved performance measurement framework for the water sector, focussing on those aspects that directly or indirectly impact on customers, e.g. levels of service, cost efficiency and commercial efficiency. In addition we have taken the opportunity to compare the performance of the Regional Water Companies (RWCs) against their planned performance as set out in their tariff submissions for the 2009 – 2011 Tariff Review.

For the first four years that the WWRO has been measuring performance the water sector performance has shown an overall improvement year-on-year, but at a very slow rate (and the wastewater sector has not improved at all). Regrettably, the 2010 performances of the RWCs generally are well below expectations with few areas showing any noticeable improvements compared to 2009. Water losses are at an all-time high of 83 million m^3 per year, unacceptable when supply to customers is less than continuous (i.e. 24 hour supply); the frequency of pipe bursts and sewer blockages/overflows are very high and in some cases increasing; supply disruptions are still much higher than they should be; and complaints are on the increase, reflecting this worsening of performance. The only noticeable area of improvement in 2010 is water supply service coverage but without parallel investment in water production this is resulting in greater suppressed demand effects of water rationing and supply disruptions. Collection efficiency has also improved significantly in several companies including RWC Pristina (Prishtina), RWC Hidroregjioni Jugor (Prizren) and Regional Water Company Hidromorava (Gjilan) where active disconnection policies have started to show results. Performance measured on an absolute basis suggests that even the best performing water and wastewater company in Kosovo only measures up to less than 60% of that expected of an 'ideal' company. I do not expect the 'ideal' to be achieved under current economic conditions in Kosovo generally but I would consider a target of around 80% of 'ideal' as being a realistic ambition for Kosovo in the short term. The RWCs in Kosovo have a long way to go to attain even this modest aspiration.

Actual performance relative to planned performance is even worse. Although revenue collection has improved marginally it is substantially less than planned. This has resulted in actual investment being less than 10% (inflation adjusted)[1] of what was planned and approved by WWRO in the previous tariff review, the vast majority of which came from donor funds rather than from the RWCs own financial resources. Although cited as the principal cause of failing to meet investment and levels of service targets I believe that revenue collection improvement is an area within the direct control of the RWCs and failure to achieve targets cannot be totally blamed on customers who are illegally connected or unwilling to pay. I believe that the RWCs are not doing enough to actively pursue the money they are owed. I encourage all the RWCs to be more forthright in their revenue collection activities including the implementation of firm but fair disconnection policies. Without this money the RWCs are powerless to be able to meet their level of service and investment obligations.

Limited wastewater services, comprising only collection services, stand out as being the area of greatest need of support and investment. Without a single functioning wastewater treatment plant in Kosovo the level of service is well below what should be expected of a modern European environment. I recognise that this cannot be achieved overnight, nor can the necessary major investment be delivered from the RWCs' own financial resources. Kosovo needs substantial external capital investment in the sector with the support of the development agency community.

[1] The actual capital investment in nominal prices was approximately 12% of the planned investment (at mid 2008 price levels). Donor funded capital investment accounted for 11% of the planned investment (also at mid 2008 price levels).

The forthcoming 2012 – 2014 Tariff Review is the RWCs' opportunity to redress most of the problems by preparing well thought-out regulatory business plans based upon challenging but nonetheless realistic and achievable targets of performance and investment. The customers of Kosovo cannot afford a repeat of the last tariff review where targets proved to be very unrealistic and the RWCs failed to meet virtually all of their commitments. I trust that the RWCs will rise to this challenge in a professional and methodical manner.

Finally, after 5 years of performance monitoring by WWRO it is timely to ask the fundamental question: despite the high levels of past and current donor support on capital investments and Institutional strengthening, why is there so little evidence that the RWCs are improving their performance? One key issue is the lack of financial incentives for individual RWC staff. I have tried to address this lack of motivation by encouraging the introduction of a simple, self-funding incentive scheme for all RWC staff. It is now up to the Government of Kosovo, through the Ministry of Economic Development as asset owners, and the RWCs to develop and implement the proposed mechanism together.

The waste sector continues to perform badly with performance in 2010 showing relatively little improvement compared to 2009. Revenue collection efficiency has improved but at a rate of 61% we consider it to be too low and seriously impacts on the financial integrity of the RWCCs. In particular I am disappointed that waste companies paid only 12% of the annual license fees levied on them by WWRO in 2010. However, I look forward to the decision of the Kosovo Assembly concerning the future licensing and tariff setting arrangements for licensed waste companies, expected shortly.

In accordance with Kosovo Government Decision dated 8 June 2011 the WWRO expects cooperation from the RWCs, RWCCs and the Policy Monitoring Unit for PoEs regarding the incorporation of new municipalities in the RWC and RWCC service areas and the re-incorporation of those that have chosen, illegally, to leave.

Although the data in this report provides a fair reflection of performance we do believe that the data provided to us is less than perfect. We urge the RWCs and the RWCCs to improve their data management systems to enhance the accuracy and reliability of future performance reports.

The information presented in this report should be of interest to customers, RWC and RWCC managers, investors, Government and the Assembly of the Republic of Kosovo to see how their respective companies and sectors are performing. We trust that the Government and the Assembly will enact measures to improve performance for the future.

Finally, I would like to thank my staff and all who supported and are supporting WWRO. In particular, I would like to thank the European Commission Liaison Office (ECLO) for their extensive assistance in the preparation of this report, through the support provided by the IPA[2]-led consortium of Consultants as part of the 'Further Institutional Strengthening Support to WWRO Project '

Raif Preteni

Director WWRO

July 2011

[2] Comprising IPA Energy+Water Economics, RODECO Consulting GmbH and Edinburgh Economics

ROLE AND RESPONSIBILITIES OF WWRO

The Water and Waste Regulatory Office (WWRO) was originally established in 2004 through UNMIK Regulation 2004/49 which was subsequently superseded by Law No. 03/L-086 as passed by the Kosovo Assembly in June 2008. According to this Law we report our activities and are accountable to the Kosovo Assembly.

Our role as an economic regulator for the water supply, wastewater and solid waste sectors is to ensure that the regulated service providers (the publicly-owned and socially-owned providers of water, wastewater, and solid waste services) do not abuse their monopoly positions by ensuring that they provide a reasonable standard of service at a fair price and that their rights and obligations, and those of their customers, are fairly balanced and enforced. To achieve this role we undertake the following principle activities:

- Setting tariffs at levels sufficient for the service providers to finance their activities in accordance with obligatory standards of service and acceptable level of service expectations, but at the same time promoting efficiency to ensure that prices are no higher than they need to be;
- Ensuring that service providers meet their level of service obligations;
- Issuing licenses to the water and waste service providers;
- Stimulating competition in the water and waste sectors through benchmarking and regular performance reporting;
- Safeguarding customers' interests by ensuring that the regulated service providers do not abuse their monopolistic positions and ensuring that services are provided in accordance with established and appropriate standards of service;
- Establishing and supporting customers' consultative committees;
- Providing a mechanism for customers to pursue complaints against service providers through the Customer Consultative Committees (CCC) and ultimately to the WWRO directly.

In accordance with good regulation practice our regulatory approach is output driven. We are primarily concerned with the levels of service and overall costs. We do not, therefore, directly interfere with the day-to-day management of the regulated service providers, leaving this responsibility to their management teams and boards. Furthermore, we do not have any jurisdiction over private water supplies, bottled water providers or non-POE operators providing water supply services outside the POEs' defined areas of supply, e.g. rural water supply. Similarly, we have no regulatory jurisdiction over the many informal private waste collection operators.

We are not responsible for setting drinking water quality standards or for monitoring drinking water quality. This is the responsibility of the National Institute of Public Health (NIPH). However we do work closely with the NIPH, especially with respect to sharing information on compliance with water quality standards and we have a Memorandum of Understanding with NIPH.

Similarly, we are not responsible for the protection of the environment. This is the responsibility of the Ministry of Environment and Spatial Planning (MESP) and the Kosovo Environmental Protection Agency (KEPA). However our approach is to ensure that our policies and procedures do not harm the environment or public health and to cooperate closely where possible with other regulators.

A WATER SUPPLY AND WASTEWATER

1 INTRODUCTION

1.1 New performance monitoring framework

The measurement of performance of the RWCs in this report is substantially different to previous performance reports. In this report we focus on those outcomes that impact directly or indirectly on customers, e.g. water quality, service reliability, cost efficiency etc. rather than those indicators that are of principal interest to managers but not necessarily to customers. In addition we have sought to harmonise the reporting framework (base data, indicators and definitions) with other regulatory tools employed by the WWRO, namely: the Regulatory Accounting Guidelines including the Business Planning and Tariff models. This is necessary in order to measure performance not only against past years but, and indeed more importantly, against the levels of performance agreed to in the RWCs tariff submissions, in this case the 2009 to 2011 Tariff Review. These submissions, and the agreed tariffs, effectively constitute a contract between each RWC and the customers it serves; i.e. an agreed price in exchange for a commitment to deliver a specific level of service.

Another break from the past is the measurement of performance on an absolute (rather than comparative) basis whereby performance is measured against the 'ideal' water and wastewater utility that is able to: deliver services to all, be in full compliance with standards of service, operate at maximum levels of cost efficiency and at the same time generate a revenue stream that is sufficient for the utility to finance its activities and investment requirements.

For comparative purposes all financial data in this annual report are converted to mid 2010 price levels using published inflation statistics for Kosovo. This is necessary to properly compare financial performance year on year.

We believe the above changes provide a much improved performance measurement framework and provides greater insight into the needs of the sector. Furthermore, it will provide guidance to the managers of the RWCs (and their boards) in determining their priorities for the short, medium and long term. We also believe that this improved framework will help the Government of Kosovo formulate sector policies. Investors, in particular the international development agencies will, hopefully, use this report to identify, prioritise and evaluate investment projects and programmes.

1.2 Water and wastewater sector report structure

This report opens with an overview of the developments in the water and wastewater sectors (chapter 2 Developments in the sector), including: the current debate concerning the structure of the sector and the role of municipalities; the recent developments (and their implications) in the wastewater sector; new legal instruments; the accommodation of new municipalities within the regional water companies; the adverse impacts of RWC fragmentation; the forthcoming 2012 – 2014 Tariff Review; and the support programmes ongoing and planned.

The core of this report follows (chapter 3 RWC performance) where we provide information, analysis and commentary on the performance of the seven RWCs. In this analysis we examine the relative performances of the RWCs with respect to water supply services, wastewater services and financial / commercial management. This section concludes with an assessment of overall performance based upon a new performance index relative to the ideal level of performance.

We then present an overview of sector performance over the last five years (chapter 4 Sector performance) where we examine aspects such as: water production, sales and NRW; income and revenue collection; and capital expenditure.

The performance of the country's only bulk untreated water supplier is then examined and discussed (chapter 5 Bulk water supply performance (HE 'Ibër Lepenc')).

We then report on the role of the Customer Consultative Committees (CCCs) (chapter 6 CCC Activities).

Lastly we present our opinions with respect to future challenges for the sector in Kosovo (chapter 7 Challenges for the future), in particular the need for the RWCs to take more seriously their investment obligations as set out in their regulatory business plans.

Following the principal text of the report we provide supplementary information in a series of annexes including: detailed performance data for each of the RWCs; other supporting information (definitions and rationales); financial statements; tariff schedules; and contact details.

2 DEVELOPMENTS IN THE SECTOR

Current structure of the Kosovo water sector

Good regulatory practice supports the clear separation of roles of the three key bodies involved in ensuring the provision of suitable services to customers. These comprise the Government (setting sector policy and legislating through the introduction of appropriate laws), the economic regulator (setting of tariffs and protecting customer interests), and the service providers (providing a reasonable service to customers).

The current structure of the water and wastewater sector in Kosovo whereby seven regional water and wastewater companies based on river catchment boundaries and with significant economies of scale, are regulated by an independent regulator (WWRO) as established under Law No 03/L-086 and accountable to the Kosovo Assembly, fully satisfies these criteria. In fact the Kosovo water sector is more advanced than other countries in the Balkan region in relation to efficiency, accountability, and compliance with European standards.

However as part of the process of decentralisation in Kosovo, there has been considerable debate on the future role of municipalities in the water sector-mainly as a result of the Law on Local Self Government, which reflects the earlier Ahtisaari recommendations and states that Municipalities are *inter alia* responsible for *"provision and maintenance of public services and utilities including water supply, sewers and drains, sewage treatment, waste"*. How this expectation is to be achieved, whilst maintaining the current regional structure of the water companies and the independent regulator, is currently unclear and subject to debate.

WWRO has been actively involved with other stakeholders in developing a revised 'Service Agreement' between RWCs and municipalities to enhance the role of municipalities and in contributing to the development of the draft report presented at a major WTF/ SDC conference on 6 June 2011 on the future role of municipalities in the water sector The final report is publicly available[3]. The main proposals being considered by the Government of Kosovo, and supported by WWRO, provide for the participation of municipality representatives on the RWC Boards and an increased role in certain areas for municipalities including planning issues through a revised 'Service Agreement'. To implement these proposals new and/or amendments to existing legal instruments will be necessary.

Wastewater

WWRO has required the RWCs to separate their water and wastewater costs to ensure proper accountability and to ensure cost reflective tariffs. Wastewater tariffs are low reflecting the current situation in Kosovo where the service is, at best, wastewater collection only[4]. There are, however, plans for future major investment in urban wastewater facilities, some well advanced and already at the feasibility stage for several of the larger water companies. These investments are anticipated to be financed in the main by international development agencies through grants and soft loans. Although such investment is recognised as necessary if Kosovo is to meet its longer term environmental obligations the consequential impact to customers will be a necessary real and significant increase in wastewater tariffs from their current low levels.

Changes in WWRO legal instruments

WWRO have recently reviewed several of the Rules including the Rule on Customer Consultative Committees and the Rule on Service Standards and, following statutory consultation with stakeholders, revised and updated Rules have been issued. The revised CCC Rule includes a clearer

[3] http://www.kryeministri-ks.net/tfu/repository/docs/Final_Report_WTF_Kosovo_June_2011.pdf.

[4] There are no functioning major public wastewater treatment plants in Kosovo other than one wastewater treatment facility serving Skenderaj but this has yet to be commissioned.

definition of role for the CCC members and an enhanced municipal role in proposing candidates to WWRO.

Water service provision to new municipalities

Several new municipalities have been created recently with independent existing or new water facilities. These new municipalities will need to be integrated into the respective RWC area of responsibility requiring adoption, by the RWC, of these water and wastewater facilities. WWRO is currently visiting these new municipalities in order to facilitate the integration of these water systems into the respective RWC's scope of responsibilities.

Municipality water systems withdrawal from the Regional Water Companies

Several Municipalities including Kacanik and Decan have illegally and unilaterally withdrawn their water systems from the licensed regional water company structure in recent years.

Tariff setting

A profound change in the way tariffs were determined, in accordance with regulatory best practice, was introduced from the end of 2007 and is applicable over the current three year tariff period 2009-2011. The current multi-year tariff setting approach has been enhanced (with technical support provided by Consultants funded by EU and managed by ECLO) with a view to setting tariffs for the next three year period (2012 – 2014).

Sector support

Consultants funded by International donors including European Union, Swiss Cooperation Office, KfW, USAID, Luxembourg Development Cooperation Agency and World Bank have continued to provide significant support to the RWCs and WWRO over the past several years and this support is likely to continue over the next few years with a focus on institutional support and capital investments in water treatment plants and wastewater treatment plants.

3 RWC PERFORMANCE

This section of the report focuses on the principal performance indicators that impact on customers. A more detailed examination of performance that includes many indicators not mentioned in the main text of this report is provided in ANNEX 1.

3.1 Water supply

This sub-section examines the performance of the seven RWCs with respect to water supply services in 2010 and compares the 2010 performance to that of earlier years and against targets / expectations that were included in the 2009 to 2011 tariff review. We sub-divide this analysis into three principal sections: non-financial (technical), non-financial (commercial) and financial.

3.1.1 Non-financial (technical)

This sub-section focuses on the technical aspects of water supply such as quality, levels of service etc. with a focus on those aspects experienced directly by customers.

Standards of service

The principal standards of service for water supply are: **continuous** supply of water at an acceptable **pressure** and that the water supplied is in compliance with statutory **quality** standards.

Water quality

Water quality is regulated by National Institute of Public Health (NIPH) (within the Ministry of Health). The standards against which compliance is measured are set out in Administrative Instruction 2/1999 which is partly based on the EU Drinking Water Directive (1998)[5]. This report reproduces the information provided by the NIPH.

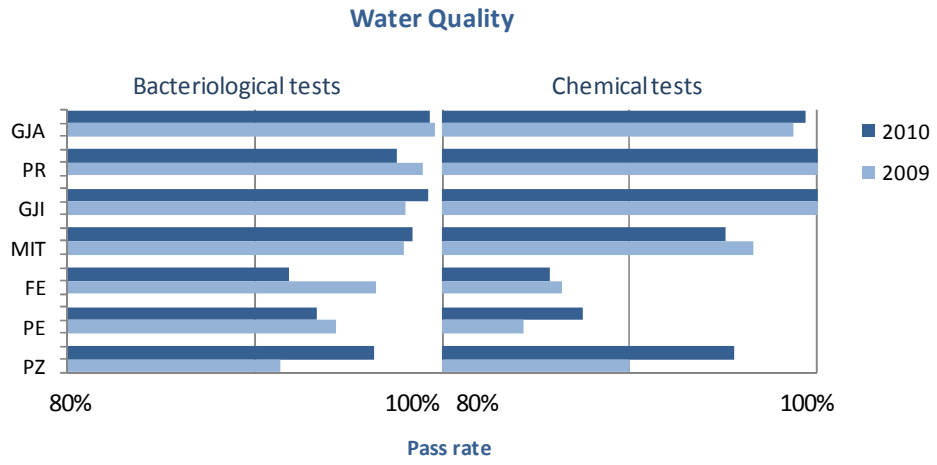


Figure A - 1 Water quality test results

Figure A - 1 above illustrates the 2009 and 2010 water quality test results. Although pass rates in excess of 90% sound impressive they fall well below internationally accepted norms where pass rates in excess of 99% are to be expected. A pass rate of 90% (especially for bacteriological tests) still presents an unacceptable level of risk of customers suffering illness from their water supply system. This is especially

[5] The NIPH is currently reviewing Administrative Instruction 2/1999 with a view to developing new standards in compliance with the EU Drinking Water Directive.

important in view of the regular supply disruptions prevalent in RWCs during which times the system is at risk of contamination. We believe that the RWCs, in particular RWC Bifurkacioni (Ferizaj), RWC Hidrodrini (Peja) and RWC Hidroregjioni Jugor (Prizren), still have a long way to go to ensure that their customers have confidence in the quality of water supplied by their RWCs, an indicator of success being a marked fall in the widespread purchase of bottled water.

Pressure

For this 2010 performance report we have sought to include water pressure as a measure of performance, defined as the number of properties experiencing, on a regular basis, low pressure (below 7m at the point of supply[6]). Not all RWCs provided the information necessary for this evaluation and for those that have submitted data there are doubts over its reliability[7]. Notwithstanding such concerns the information received suggests that there are limited pressure problems with most RWCs reporting that less than 5% of their customers suffer from low pressure. This should not, however, be a cause for complacency and the RWCs should strive to improve pressure where it is below prescribed minimum levels. We expect to report on pressure in more detail in future performance reports.

Availability

Water supply in Kosovo is generally subject to supply/demand balance constraints that often limit supply to less than the ideal 24 hours per day service. In the past we have reported performance on the basis of average hours per day. We have since refined this indicator to reflect the number of properties affected (in three categories of: 24 hours per day service, 18 -23 hours per day service and less than 18 hours per day service). As for pressure the performance data from the RWCs is incomplete (RWC Hidroregjioni Jugor (Prizren) did not report data). The 2009 performance data are questionable and is disregarded in this analysis.

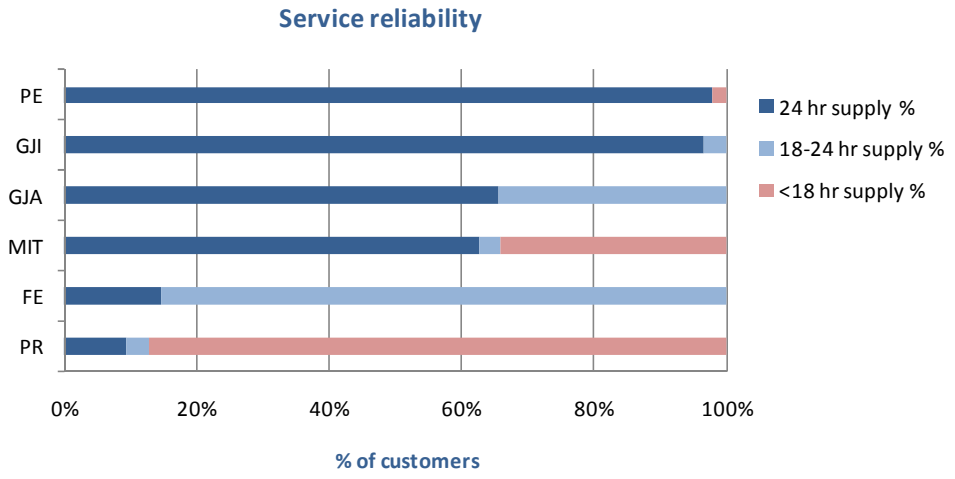


Figure A - 2 Service reliability (2010) expressed as customers affected by regular supply disruptions[8]

Figure A - 2 above illustrates the current level of service under this new performance measure. Although RWC Prishtina (Pristina) is providing a supply of less than 18 hours per day in many parts of the city it is recognised that its current major investment programme is designed to address this and other problems. Once these investments are commissioned we expect the level of service to improve markedly. Elsewhere we urge the RWCs to improve service reliability, striving to deliver a continuous supply to all customers throughout the year. To achieve this we expect to see in the forthcoming tariff submissions provisions for investment in water resources and production capacity expansion but bearing in mind the tariff implications and any limitations on affordability.

[6] In accordance with the WWRO Service Standard Rule in force in 2010

[7] For overall water supply performance measurement pressure is weighted as 5%. For those that have not reported a score of 0% has been allocated for this indicator, if only to impress upon them the need to provide accurate and reliable performance data in future reports.

[8] RWC Hidroregjioni Jugor (Prizren) did not report data for this indicator of performance.

Infrastructure serviceability

Infrastructure serviceability is the ability of the assets to deliver the required levels of service, failures of which are attributable to pipe bursts and water losses.

Pipe bursts

Pipe bursts experienced by the RWCs (measured as number of bursts per 100 km of pipe per year) are generally high at over 70 per 100 km of pipe (un-weighted average), ranging from less than 20 (RWC Hidrodrini (Peja)) to almost 200 (RWC Bifurkacioni (Ferezaj)). The wide range of results together with possible differing interpretations of what constitutes a burst renders a comparative analysis largely invalid. This high number of bursts (and consequential losses) could well be the manifestation of the limited expenditure in water supply network capital maintenance (infrastructure renewals). Please refer to sub-section 3.1.3 for further details.

Non-revenue water

Non-revenue water (NRW) is measured as the difference between the volume of water produced and the volume of water sold. The absolute level of NRW in Kosovo has increased from just over 78 million m^3 in 2009 to over 83 million m^3 in 2010 (see Figure A - 3 below). More disappointing is that the level of NRW is at an all-time high (previously just under 83 million m^3 in 2006 and a substantial increase on the 2008 low of 73 million m^3). We offer caution in the interpretation of these results in that loss reduction activities need to be balanced against costs and benefits. For example, water supply service in RWC Hidrodrini (Peja) is largely gravity fed with little or no energy costs and consequently the financial benefits of NRW reduction are limited. However, we are of the firm opinion that a) losses should not increase year on year, and b) such a high level of losses cannot be justified on economic grounds when the level of service is less than continuous.

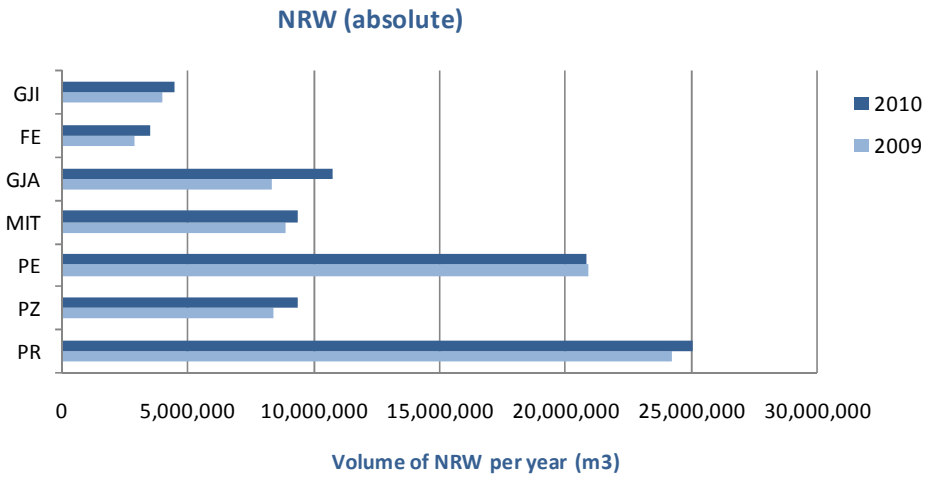


Figure A - 3 Non-revenue water (absolute)

Statistical comparisons of NRW should be treated with caution as they can easily be misinterpreted (especially expressing NRW as a percentage of production). However, the internationally accepted indicator of NRW expressed as litres per customer per day is used by us to compare the performance of RWCs of varying size (see Figure A - 4 below). For illustrative purposes the value of NRW expressed as a percentage of production is included in parentheses. The international Water Association's *'Water Balance Software'* describes loss per connection per day in excess of 600 litres (at 30 m pressure) as *'Horrendously inefficient use of resources; leakage reduction programs imperative and high priority.'* Without exception, all RWCs fall into this category.

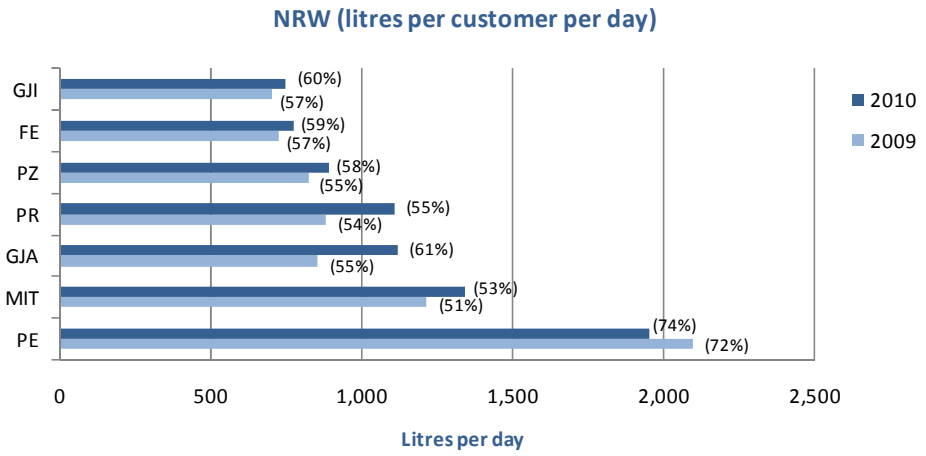


Figure A - 4 NRW comparative performance in litres per customer per day (% of production)[9]

It is unrealistic to expect the RWCs to dramatically reduce the level of NRW in the short term. Significant reductions can only be achieved with a combination of capital investment in infrastructure renewals and improved network management. Despite the generous provisions for infrastructure renewals in the 2009 – 2010 Tariff Review, which we believe would have reduced NRW, the actual expenditure on infrastructure renewals over the period 2009 – 2010 by all RWCs was negligible. We are therefore not surprised that NRW has increased and unless the RWCs commit themselves to the expenditure plans as set out in their business plans and adopt a more strategic approach to reducing NRW the situation will only worsen.

3.1.2 Non-financial (commercial)

This sub-section focuses on the commercial aspects of water supply such as service coverage, metering and complaints with a focus on those aspects felt by customers.

Service coverage

Water supply service coverage is defined as the proportion of the population within the service area that have a dedicated water supply service[10]. Figure A - 5 below illustrates the level of service coverage of the seven RWCs for 2009 and 2010. Although all RWCs have increased service coverage the rate of increase is slower than it should be. Excluding RWC Radoniqi (Gjakova) (at 99% service coverage it is considered to be complete) it will take up to ten years for RWC Hidromorava (Gjilan), RWC Bifurkacioni (Ferizaj), RWC Prishtina (Pristina) and RWC Hidrodrini (Peja) to achieve complete coverage at the current rates of progress. RWC Mitrovica and RWC Hidroregjioni Jugor (Prizren), however, would take substantially longer. We urge the RWCs to accelerate their service expansion plans; not only is this in the customer interest it should also be seen as beneficial for the RWCs themselves as a result of the additional income new customers could bring. We certainly expect the forthcoming tariff submissions to include investment in service expansion with a view to meeting longer term targets of full service coverage.

Network expansion on its own is not sufficient. This report has already demonstrated a lack of production capacity resulting in less than continuous supply. Any network expansion to new customers has to be accompanied by complementary investment in water resources and production facilities.

[9] The value of NRW per connection per day is adjusted to compensate for hours service per day.

[10] Past assessments of service coverage were reliant on population data that was subject to error. In this report, however, we have up-to date statistical information from the 2011 census. We have assumed that the population and household data used in 2006 was, at that time, correct and that changes are uniform annually since then.

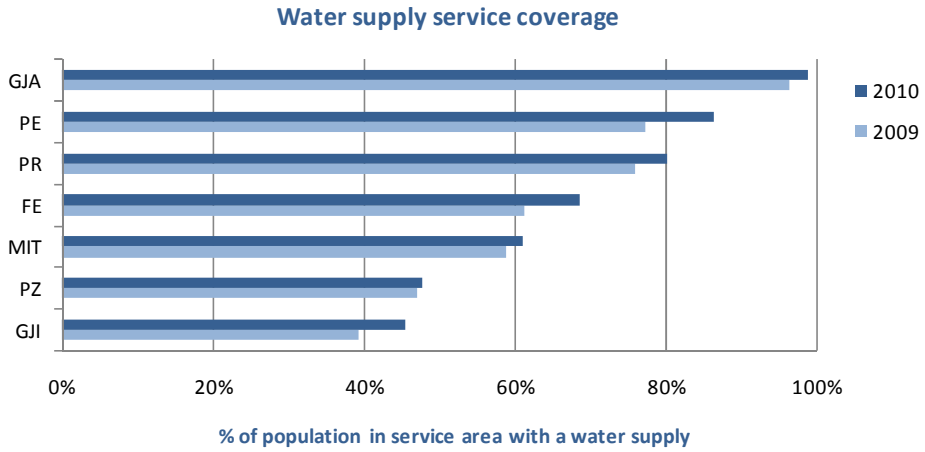


Figure A - 5 Water supply service coverage

Metering

The Assembly of Kosovo has, as one of its objectives, a requirement for all customers to be metered (individually or through communal 'block' meters). The RWCs have, over the years, been working hard to achieve this objective and most have achieved more than 80% metered coverage (with the notable exceptions of RWC Mitrovica and RWC Bifurkacioni (Ferizaj) with metering rates of less than 60% and 75% respectively). We observe that the annual increase in the metering rate for most RWCs is very small suggesting that they may be reaching the point that further meter installation may be limited by technical constraints, e.g. old apartment blocks not designed to accommodate water meters. We continue to support the metering programme and urge the RWCs to continue with the efforts made to date but at the same recognising the technical constraints facing the RWCs in meeting this objective. Furthermore, we encourage all developers to ensure that their designs incorporate individual water meters for each dwelling.

Complaints

The RWCs maintain complaints registers from which we can examine performance. The nature of complaints, however, can be many and varied with very different degrees of importance, thereby rendering this as a somewhat subjective indicator of performance. Despite the subjectivity of this indicator we are able to make some general observations:

- The overall number of complaints in 2010 has increased by over 30%[11] suggesting an overall growing discontentment with the performance of the RWCs by customers.
- The vast majority of complaints (in the order of 75%) relate to technical issues rather than commercial issues suggesting a general dissatisfaction with levels of service, but only limited dissatisfaction with prices, meter readings and other commercial aspects.

These observations reinforce our concerns that levels of service are not what they should be. The root cause of the increase in technical complaints could be in response to increasing suppressed demand effects resulting from an increased customer base without a corresponding increase in production capacity. Furthermore, we believe that the perception of affordability constraints may be exaggerated with customers most probably willing to accept higher prices in return for improved services. We do not subscribe to the concept of depressing prices on the grounds of unproven affordability constraints, especially if such action was to result in levels of service falling (or not improving).

3.1.3 Financial

This sub-section focuses on the financial aspects of water supply such as sales, unit costs and expenditure.

[11] Complaints have increased from 7,200 technical and 2,257 commercial in 2009 to 9,166 and 3,338 respectively in 2010

Important: All financial values expressed in EUR have been adjusted to a mid-2010 price basis to ensure proper year-on-year comparisons.

Sales

Sales volume

The volume of water sold is not itself an indicator of performance but rather how much water was sold relative to what was planned. Figure A - 6 below presents the water sales performance relative to the planned estimates of water sales as set out in the RWCs tariff submissions for the 2009 – 2011 Tariff Review.

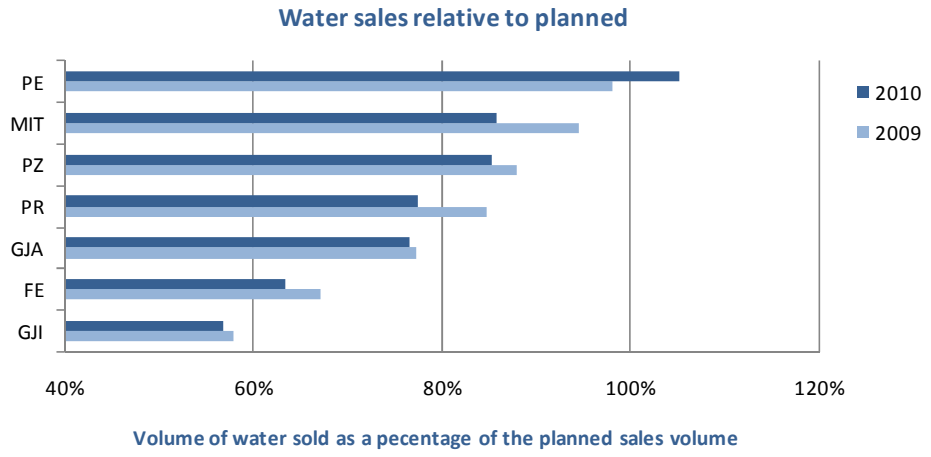


Figure A - 6 Water sales volume relative to planned sales as set out in the 2009 – 2011 Tariff Review

Bearing in mind that the submissions were prepared in 2008 it is hard to understand how sales estimates (with the exception of RWC Hidrodrini (Peja)) for 2009 could be so different to actual sales. Part of the sales under-performance can be attributed to an increase in NRW which, when production facilities are operating at maximum capacity, will result in supply constraints. Similarly, failure to expand the customer base would also contribute to sales under-performance. These factors, however, would only be expected to have a marginal impact on actual sales relative to planned sales. Closer inspection of the tariff submissions, however, reveals a more fundamental failing in that the baseline sales volume data used in the tariff submissions were substantially different to the actual sales volumes (reported to WWRO) raising serious concerns over the planning abilities in some of the RWCs. The biggest impact of such significant over-estimations of sales volumes is that the tariffs determined in the last review were substantially less than what they would have been had their sales projections been more accurate. The consequential impacts are sales revenues insufficient to meet the financial needs of the RWCs, in particular financing capital maintenance and enhancement. The importance of a well thought out plan and accurate projections from RWCs in future tariff submissions cannot be overstated.

Sales value (EUR)

Unsurprisingly, the sales value for each RWC was well below its planned sales value (see Figure A - 7 below), largely due to poor projections of sales volumes as described above. In addition, the sales value was reduced in real terms due to WWRO withholding the annual inflation adjustment to tariffs as required in the 2009 – 2011 Tariff Review process[12], WWRO's intention being to penalise the RWCs for not meeting their investment targets.

[12] The tariffs for 2009 and 2010 were determined at mid-2008 price levels. The tariff for 2009 should have been the determined tariff adjusted for inflation over the period Oct 2007 – Oct 2008. This should have realised a 4.5% increase in the tariff as determined in 2008. Similarly, for 2010, tariffs should have been adjusted by 2.8% (the combination of 4.5% and negative inflation of 1.7% in 2009) over the tariff for 2010 as determined in 2008.

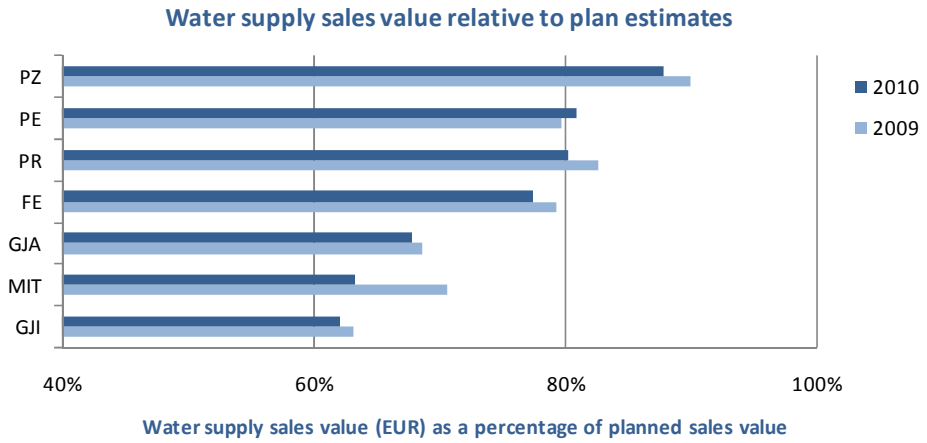


Figure A - 7 Water sales value relative to planned sales as set out in the 2009 – 2011 Tariff Review

This substantial under-estimation of sales volumes and sales values has completely starved the RWCs of the financial resources necessary to meet their investment plans. Notwithstanding this failure to meet sales targets the absolute value of sales has increased, predominantly attributable to the increase in tariffs between 2009 and 2010.

Unit costs

Production

It has been possible to undertake an approximate assessment of the unit costs of water production[13]. The water production costs range from EUR 0.025/m^3 (RWC Hidrodrini (Peja)) to EUR 0.063/m^3 (RWC Hidroregjioni Jugor (Prizren)). Although these unit costs appear small in comparison to the average tariff it needs to be recognised that with the high level of losses together with poor revenue collection efficiency it takes approximately 4 m^3 of water produced to generate 1 m^3 of water sold and paid-for. Consequently, the real cost of water production per m^3 of water sold and paid for is EUR 0.10 to EUR 0.25.

In real terms the cost of water production appears to have fallen marginally from 2009 to 2010.

Due to the regulatory accounting assessment of fixed assets and their depreciation provisions there is very little difference between the operating and full costs of water production.

Total unit cost of water supply

The total unit cost of water supply activities (operating costs plus capital maintenance but excluding return on capital and bad debts[14]), adjusted to mid 2010 price levels, is presented in Figure A - 8 below.

[13] The assessment has been made by splitting operating costs between production, distribution and business activities based largely on the work undertaken by WWRO on developing regulatory accounts and a degree of professional judgement. The results are far from precise but over time, with the introduction and proper use of regulatory accounts unit cost analysis will be substantially more precise.

[14] Bad debts in this report is defined as the amount of uncollected revenues from the prior year in accordance with the Regulatory Accounting Guidelines

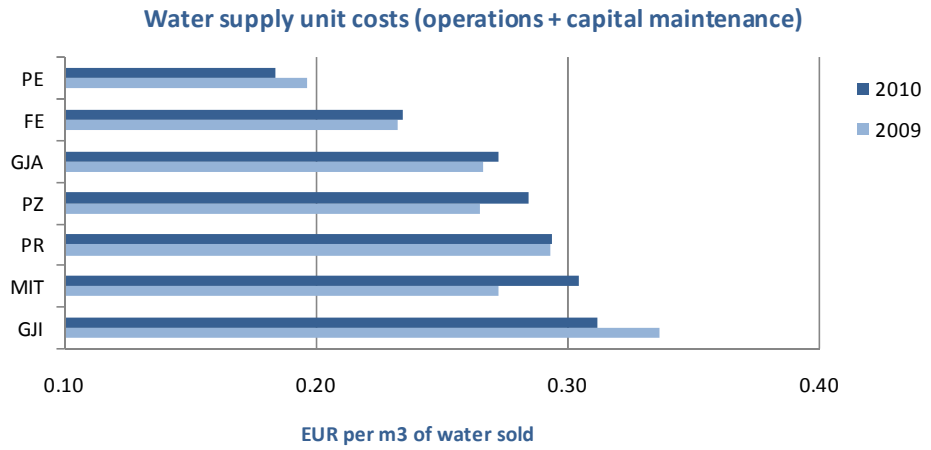


Figure A - 8 Unit cost of water supply (excluding return on capital and bad debts)

The planned unit costs derived from the 2009 – 2011 Tariff Review (adjusted to 2010 price levels) were, in the main, significantly higher than actual (see Figure A - 9 below). This does not, however, suggest efficiency greater than planned in that the planned unit costs included for considerable expenditure on infrastructure renewals and current cost depreciation on new assets, both of which did not take place (see following sub-section). This apparent improved efficiency was, in fact, forced upon the RWCs as a result of their cash flow constraints (poor revenue collection) prohibiting them from undertaking the necessary capital maintenance activities, especially infrastructure renewals. What this means is that although unit costs were generally lower than planned it came at the cost of deteriorating assets and falling levels of service.

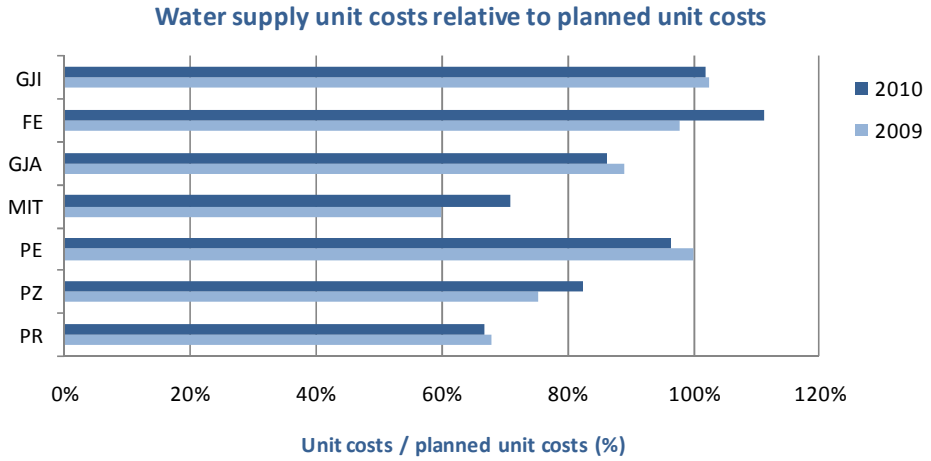


Figure A - 9 Water supply unit costs relative to planned unit costs

Capital expenditure

The 2009 – 2011 Tariff Review included considerable provisions for capital expenditure on both capital maintenance and capital enhancement. Much of this expenditure, especially capital maintenance, was expected to be financed out of the RWCs own financial resources and was therefore included in the tariffs. We are disappointed to observe that the actual capital expenditure undertaken by the RWCs in the last two years was negligible in comparison to what was planned (see Figure A - 10 below). We recognise that is not yet possible to accurately differentiate between expenditure on capital maintenance and capital enhancement but our investigations lead us to believe that virtually all capital expenditure has been on enhancement with little or no expenditure on capital maintenance leading to deterioration of the asset base and falling levels of service. The increase in NRW is testament to this failure to undertake effective capital maintenance within the network.

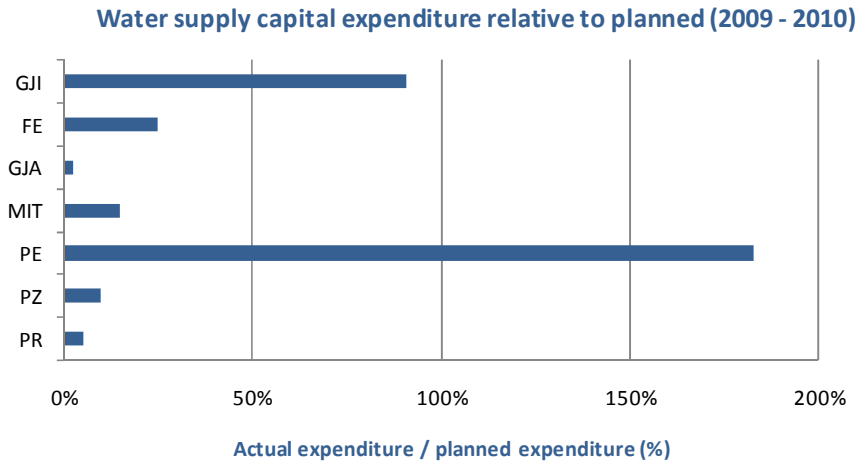


Figure A - 10 Water supply capital expenditure relative to planned (at mid 2010 price levels)

It is noted that the majority of the high levels of investment declared by RWC Hidromorava (Gjilan) and RWC Hidrodrini (Peja) was from development agency financing rather than their employing their own financial resources. The root cause of this failure to meet investment targets was down to commercial under-performance; revenue collection was substantially less than projected and when combined with sales less than projected the expected available cash for investment was virtually wiped out. We expect projections for the future to be substantially more accurate and as a result we expect the investment plans as provided for in the forthcoming tariff review to be carried out.

3.2 Wastewater services

This sub-section examines the performance of the seven RWCs with respect to wastewater services in 2010 and compares 2010 performance to that of earlier years and against targets / expectations that were included in the 2009 to 2011 tariff review. As for water supply we sub-divide this analysis into three principal sections: non-financial (technical), non-financial (commercial) and financial.

3.2.1 Non-financial (technical)

This sub-section focuses on the technical aspects of wastewater services such as wastewater discharge quality, levels of service etc. with a focus on those aspects felt by customers.

Standards of service

Wastewater discharge quality

As there are no functioning wastewater treatment facilities in Kosovo it is rational to assume that all wastewater discharge fails to meet environmental quality standards[15]. Furthermore, it is unlikely that widespread wastewater treatment will be in place for many years to come thereby rendering the measurement of discharge quality on the basis of percentage of tests passed as being meaningless. As an alternative means of quality monitoring we shall, in future years, measure quality on the basis of the percentage of households served not only by wastewater collection but also treatment.

Reliability and serviceability

The principal measure of wastewater collection reliability is sewer overflows (or blockages) and for comparative purposes this is normally measured on the basis of blockages per 100 km of pipe per year. The reported results suggest a wide range of performances from 186 blockages per 100 km of pipe (RWC Hidroregjioni Jugor (Prizren)) through to 886 (RWC Bifurkacioni (Ferizaj)), with an (un-weighted) average

[15] For the purposes of overall performance with respect to discharge quality it is assumed that all RWCs score zero with respect to compliance with environmental standards.

of 568. There is no international benchmark level of satisfactory performance as such but our preliminary research suggests that a well functioning wastewater network should experience no more than 100 blockages / overflows per 100 km of pipe per year. We have as yet no supporting information as to the root causes of such a high level of blockages and overflows but we can assume that a long term neglect of necessary capital maintenance has not helped where the principal function of the wastewater operating staff is reactive (unblocking sewers etc.) rather than pro-active (sewer relining, repairs etc.).

Serviceability of the wastewater collection system is measured by the number of sewer failures (collapses) per 100 km of pipe per year. As with sewer overflows the rate is exceptionally high with an average rate of over 330 necessary repairs per 100 km per year. Again, no root cause is identifiable at this stage but it is rational to assume that as the systems are old and have had little or no money spent on capital maintenance over the years a high failure rate is to be expected.

To improve both reliability and serviceability we expect the RWCs, in their forthcoming tariff submissions, to include substantial provisions for rehabilitation and upgrading of the wastewater networks.

3.2.2 Non-financial (commercial)

This sub-section focuses on the commercial aspects of wastewater such as service coverage and complaints with a focus on those aspects felt by customers.

Service coverage

Wastewater service coverage is defined as the proportion of the population within the service area that are connected to the wastewater network. Unlike the water supply the goal is not necessarily 100% coverage, as many properties in the rural areas may be located too distant from the network whereby on-site treatment (septic tanks) may be more appropriate. A coverage target in the order of 95% would be more than likely expected but this should be subject to further investigation by the RWCs.

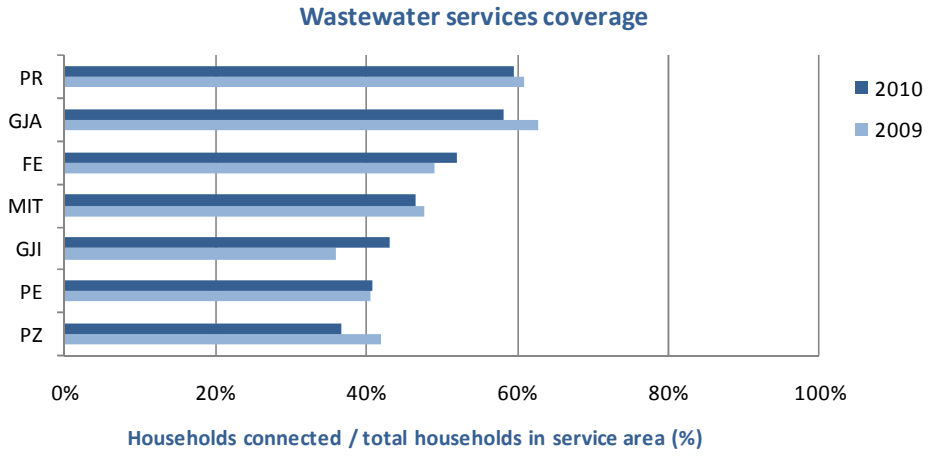


Figure A - 11 Wastewater services coverage

The coverage rates as illustrated in Figure A - 11 above suggest that there has been very little service expansion from 2009 to 2010[16]. A reduction in service coverage can be explained by an increase in the number of households without a corresponding increase in the number of connections. These coverage levels are much too low for European urban environments and if Kosovo is to meet the aspirations of complying with EU environmental standards significant investment in wastewater network expansion is necessary and we expect the forthcoming tariff submissions to include a substantial element of wastewater network enhancement expenditure. We appreciate, however, that such investment is

[16] The coverage rate is distorted as they are determined on the average number of connections in the year. End 2008 coverage figures are higher than 2009 suggesting that the end 2008 figure (upon which the average for 2009 is calculated) may be incorrect.

costly and the level of investment required cannot be undertaken without the support of the international development community.

Complaints

Complaints specific to the wastewater sector are not identifiable. Refer to Sub-section 3.1.2.

3.2.3 Financial

This sub-section focuses on the financial aspects of wastewater services such as sales, unit costs and expenditure.

Important: As for water supply performance reporting all financial values expressed in EUR have been adjusted to mid-2010 price basis to ensure proper year-on-year comparisons.

Sales

The value of wastewater services sales is directly linked to water services sales volumes. Due to the significant under-performance of the actual water sales relative to the planned sales the actual sales value of wastewater services is also well below the planned sales value (see Figure A - 12 below).

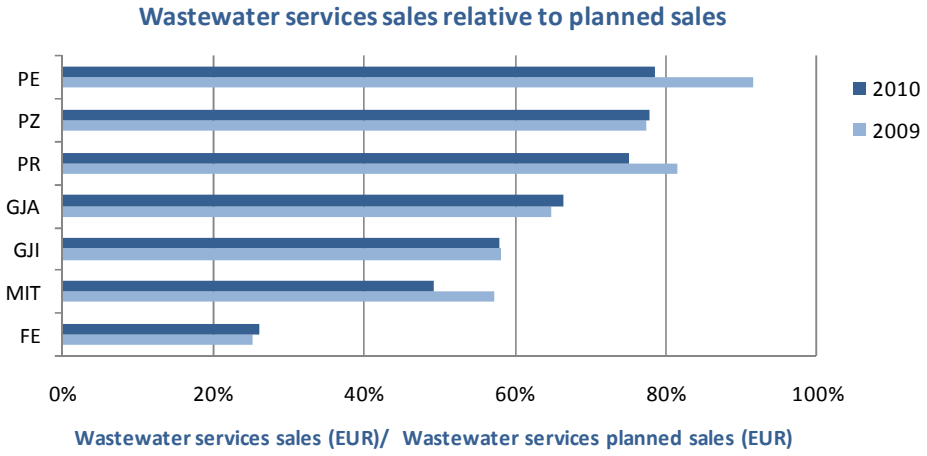


Figure A - 12 Wastewater sales value relative to planned sales as set out in the 2009 – 2011 Tariff Review

Despite not meeting the sales targets wastewater services sales revenue has actually increased in real terms by 4% although this was largely due to tariff increases rather than improved commercial performance.

Unit costs

The unit cost of wastewater services is defined as the annual cost per household served[17]. The unit costs for 2009 and 2010 are illustrated in Figure A - 13 below. These unit costs are very low in comparison to the costs of wastewater services in many other western economies, largely due to the fact that there are no costs of treatment. Furthermore, by not undertaking any capital maintenance on the network in the reporting period these costs are lower than what they should be.

[17] Households served is defined as the actual number of households served plus the number of non-household customers converted to household equivalents based upon pro-rata water consumption.

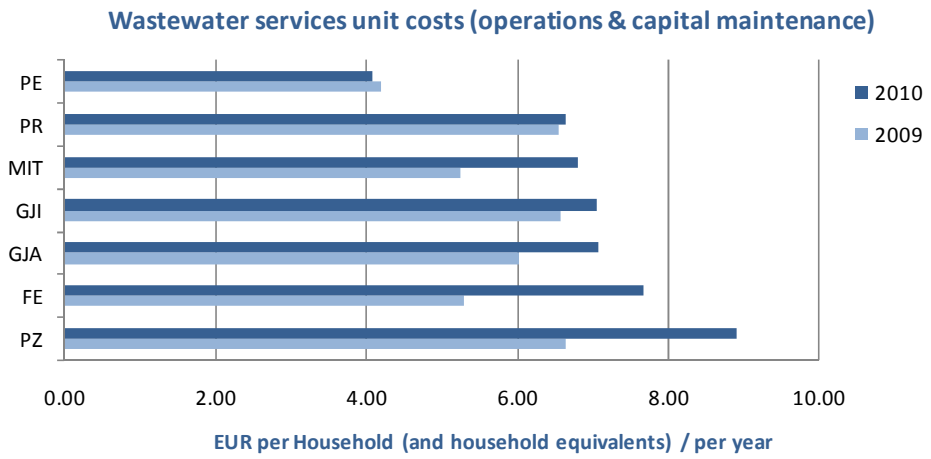


Figure A - 13 Unit cost of wastewater services (excluding return on capital and bad debts)

We recognise the need to vastly improve the wastewater service in Kosovo, especially the introduction of well functioning wastewater treatment facilities and network expansion. These activities, however, greatly add to the cost of wastewater services and in the long run could result in the costs of wastewater services rising to as much, if not more than, the costs of water supply services. Currently the annual household cost of wastewater services is less than 1/10th of water supply costs.

Capital expenditure

As for water supply the 2009 – 2011 Tariff Review included considerable provisions for capital maintenance and capital enhancement but in reality the actual expenditure fell far short of expectations. Aside from RWC Mitrovica and RWC Hidromorava (Gjilan) where there was significant grant financed contributions from the international development agencies, the RWCs' capital expenditure on wastewater services was less than 2% of what was planned in the review. As for water supply we expect future plans to provide for adequate investment in the wastewater sector to ensure satisfactory levels of service, improved service coverage and, in the longer term, wastewater treatment. Once these investment plans are included in the forthcoming 2012 – 2014 Tariff Review we expect these plans to be implemented.

3.3 RWC performance – Financial

3.3.1 Sales and revenue collection

As mentioned earlier in this report, the RWCs' sales performances for both 2009 and 2010 have been significantly below target. The combined (water and wastewater) sales relative to planned are similar to that of water supply (Figure A - 7). Compounding this problem, however, is the significant under-performance in cash collection (see Figure A - 14 below).

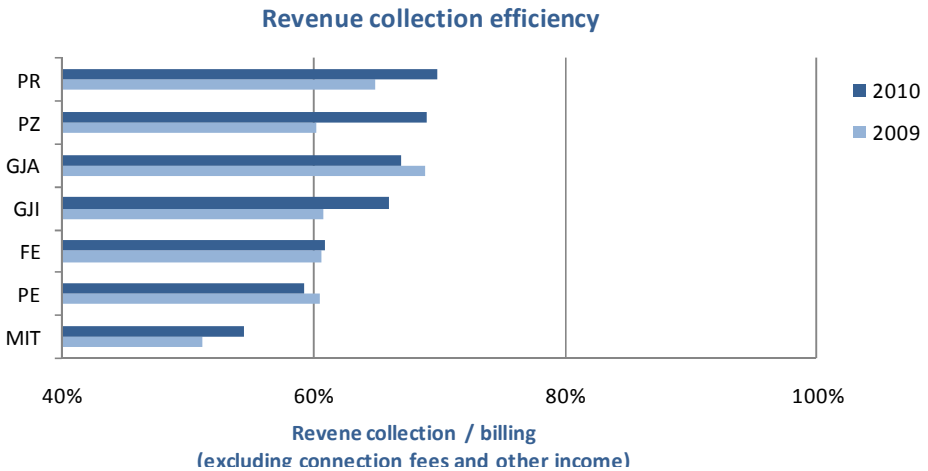


Figure A - 14 Revenue collection efficiency[18]

The revenue collection performance of all seven RWCs was well below expectations. We do not agree with the assertion made by the RWCs that resistance to payment is mainly due to affordability constraints-especially from the registered 'social cases'. Research undertaken by the WWRO and their Consultants in 2007 suggests that even under the worst case scenarios we expect only 8% of customers could experience difficulties in paying for their water supply and wastewater services. We believe that the problem is one of management motivation rather than affordability. We also believe that significant improvements in revenue collection are unlikely to materialise without the introduction of personal financial incentives for management and staff. The WWRO has presented simple proposals to the Government of Kosovo and the RWCs themselves for the establishment a **self-financing** incentive mechanism for all RWC staff to improve revenue collection but this has yet to be approved and adopted.

Figure A - 15 below illustrates the overall combined impact of failing to achieve sales targets with a failure to achieve collection targets (2010 data only). In the extreme, actual overall cash collection for the seven RWCs amounts to only 50% of planned sales[19], a level of performance that is less than satisfactory.

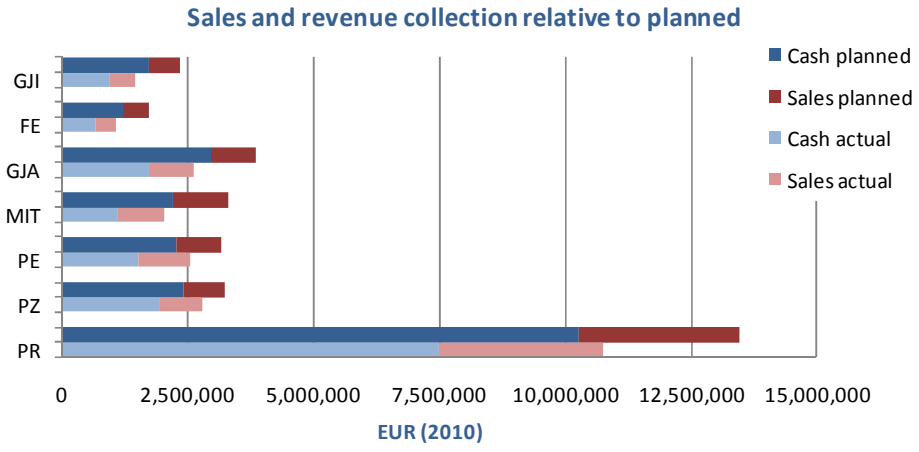


Figure A - 15 Sales and revenue collection relative to planned (2010)

[18] The calculation for revenue collection efficiency has been amended to exclude income received for connection fees and other income as these are up front charges that are not subject to the risk of non-payment.

[19] A very small (almost negligible) part of the failure to achieve revenue targets is attributable to the RWCs not being awarded the 2.8% inflation adjustment to the tariffs required by the tariff determination method applied in the review.

3.3.2 Return on capital

The 2009 – 2011 Tariff Review introduced the concept of the RWCs earning a return on capital as a necessary prerequisite to achieving a level of creditworthiness sufficient to attract much needed investment in the sector. For the 2009-2011 review we proposed a real (post-inflation) return of 4% on the regulatory asset base (RAB)[20]. Unsurprisingly, the actual returns are well below this rate and in most cases negative (see Figure A - 16 below). Although RWC Bifurkacioni (Ferizaj), RWC Prishtina (Pristina) and RWC Hidrodrini (Peja) achieved positive returns in 2010 that were not far short of the planned return this does not necessarily suggest good performance but rather that they managed to keep their expenditure (including current cost depreciation on RAB) within the limits of their income. Had these companies implemented their infrastructure renewals activities as set out in their plans these returns would be substantially reduced or even eliminated altogether.

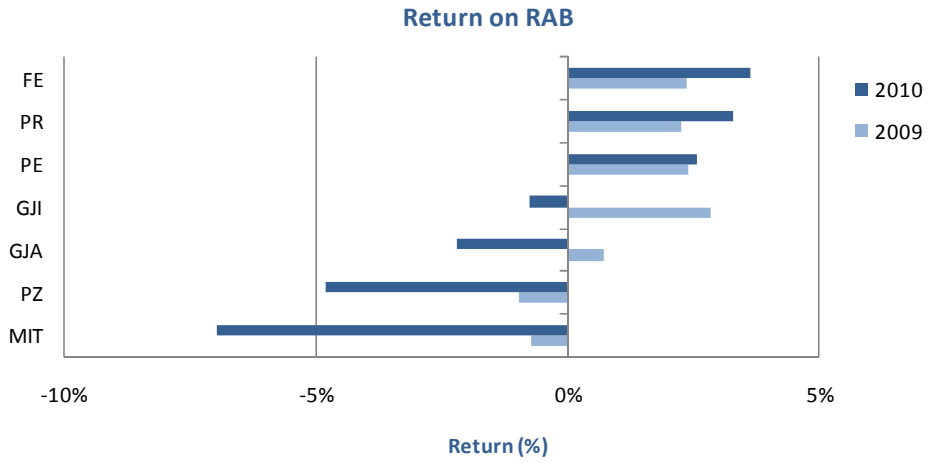


Figure A - 16 Return on Regulatory Asset Base (RAB)

3.4 Overall RWC performance

3.4.1 Rationale

In past annual performance reports we measured overall performance of the RWCs relative to each other. In this 2010 performance report we have substantially amended the rationale for overall performance measurement whereby performance is measured against an ideal level of performance. We evaluate overall performance for each sector (water supply and wastewater) on the basis of quality, levels of service, coverage and cost efficiency. These are then combined and to which is added commercial and financial efficiency (revenue collection and return on RAB) to obtain an overall measure of RWC performance. All performance measures are expressed as percentages with the ideal being 100%.

ANNEX 2 provides a detailed explanation of the rationale employed.

3.4.2 Performance assessment

Water supply services

Figure A - 17 below illustrates the measure of overall performance of the seven RWCs based upon this new measurement regime. The results should be treated with caution in that several RWCs did not submit complete returns and were thus awarded zero ratings for those elements where data were incomplete[21]. For example, the performance by RWC Hidroregjioni Jugor (Prizren) may, in fact, be

[20] For further details on the Regulatory Asset Base (how it is defined and determined etc.) can be found in the WWRO Regulatory Accounting Guidelines.

[21] RWC Prishtina (Pristina), RWC Hidroregjioni (Prizren), RWC Mitrovica and RWC Radoniqi (Gjakova) did not provide information on availability for 2009, and RWC Hidroregjioni (Prizren), did not provide data on availability for 2010. RWC Hidroregjioni (Prizren), and RWC Mitovica did not provide data on pressure for both 2009 and 2010.

substantially better than illustrated here if data on water availability had been made available to WWRO for the analysis. For future reports we expect more complete data and, where necessary, amend the data for previous years.

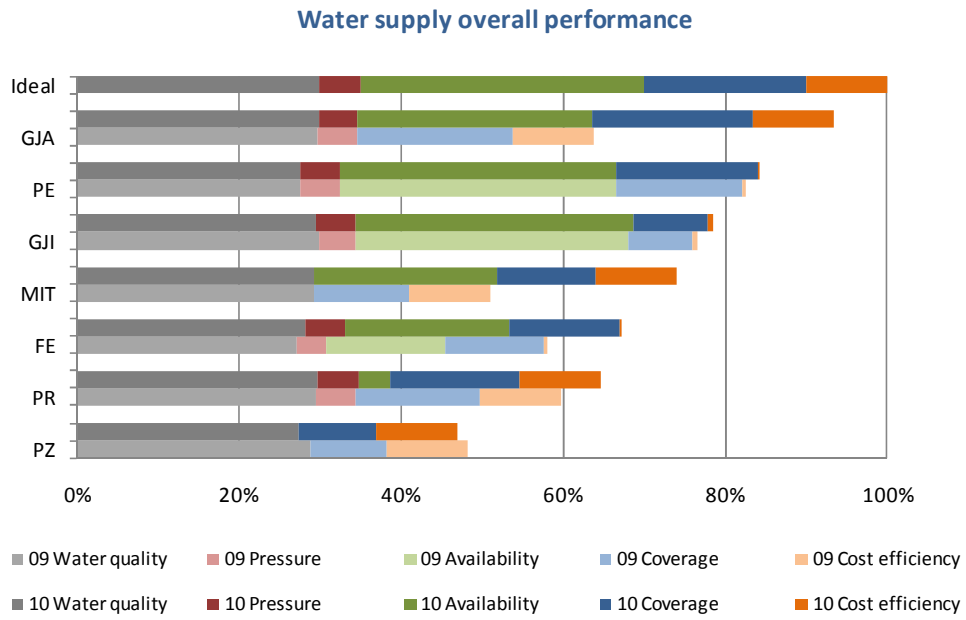


Figure A - 17 Water supply overall performance assessment (2009 & 2010)

Of particular note is that the performance by RWC Prishtina (Pristina) is near the ideal on most indicators with the exception of the principle failure to deliver a 24 hour supply to the vast majority of the customer base. The ongoing investment programme is designed to overcome this major obstacle to performance. Once the works are commissioned we expect the performance by RWC Prishtina (Pristina) to jump markedly to near the ideal level of performance.

Due to the incomplete data submissions in accordance with this new rationale for 2009 it is not possible to ascertain precisely whether or not performance is improving, either for individual RWCs or for the overall water services sector. It is also not possible to identify the most improved RWC. Next year's performance report will produce a far more accurate assessment of performance and the degree to which performance has improved (or worsened) since 2010.

Wastewater services

Figure A - 18 below illustrates the overall performance of the RWCs with respect to wastewater services. It is obvious that without wastewater treatment facilities in Kosovo all RWCs are going to score badly relative to the ideal service provider. Similarly, the reliability for all RWCs (measured on the basis of overflow / blockages incidents per 100 km of pipe per year) as being above the absolute maximum of 100 and therefore they all score zero for this parameter.

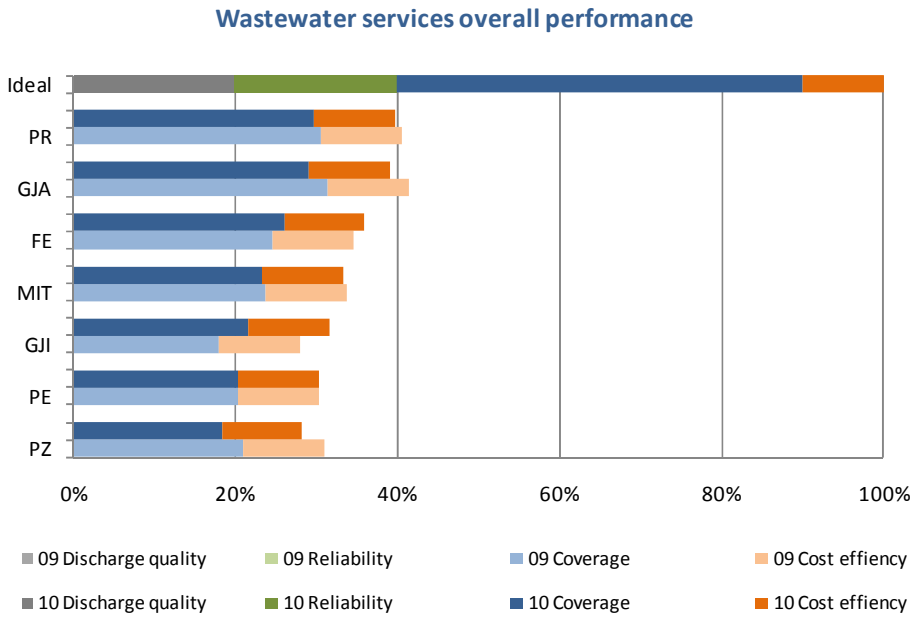


Figure A - 18 Wastewater services overall performance assessment (2009 & 2010)

The performance chart illustrates a need for significant and extensive investment in enhancing the wastewater facilities including: the development of wastewater treatment and disposal facilities; large scale expansion of the system; and major system rehabilitation in order to improve its reliability, without which it will be impossible for the RWCs to achieve any material improvements to their wastewater services provision.

Overall combined performance

Figure A - 19 below brings together the performance two business sectors of water supply and wastewater as well as the wider commercial aspects of profitability and revenue collection performance.

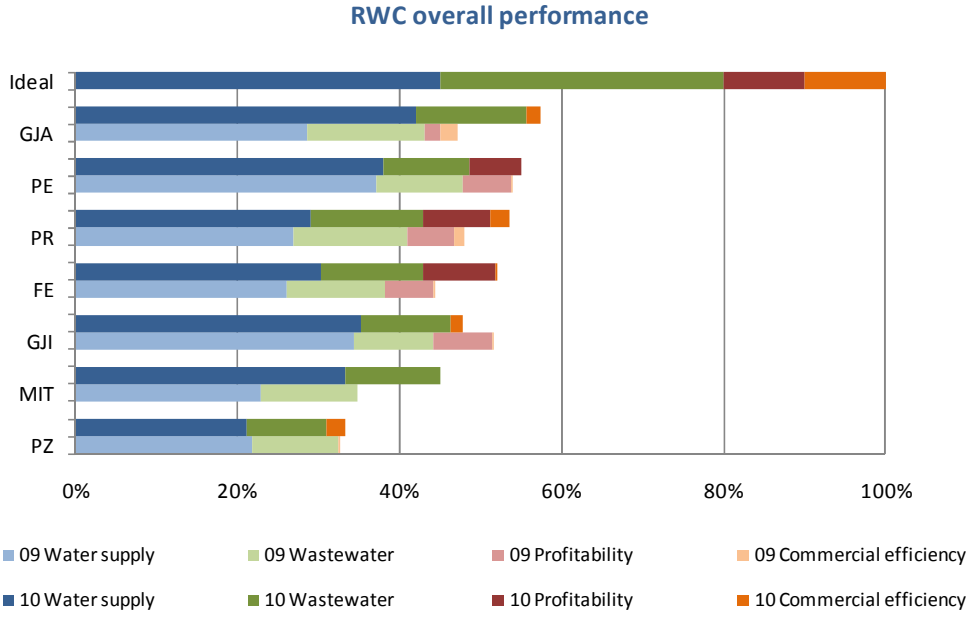


Figure A - 19 Overall RWC performance (2009 & 2010)

This figure clearly illustrates that, without exception, the RWCs are operating at levels well below what should be considered a minimum level of, say, 80% of the ideal. It is recognised that the principal area impacting on overall performance is the wastewater services, and the lack of treatment and poor service coverage in particular. We also recognise that much of the necessary improvements (for both business activities) require significant levels of investment. In order to secure such investment, however, the RWCs need to demonstrate their abilities to maximise efficiency in those areas that they have direct control over, in particular revenue collection performance and operational efficiency.

WWRO has a major role to play in ensuring that the tariffs determined in the next review are sufficient to finance the investment plans necessary for the RWCs to achieve their level of service objectives and to ensure that the RWCs actually undertake the investment activities allowed for in the tariff review. However, the need to limit tariff increases over the period 2012-2014 to within affordability constraints in Kosovo may compel the WWRO to impose limits on the amount of capital expenditure over the 2012 – 2014 Tariff Review period.

4 SECTOR PERFORMANCE

This is the fifth annual performance report produced by the WWRO. We feel that it is opportune to examine performance of the sectors as a whole over this period focussing on production, sales, coverage, turnover, investment etc. This section of the report presents a brief overview of performance relative to plans where data are available. We offer caution in the interpretation of the results of this analysis as we suspect a degree of error in the results, especially in the early years where data management within the RWCs was far less reliable than it is today.

It should be recognised that the very large size of RWC Prishtina (Pristina) in relation to the other RWCs means that the sector statistics are heavily dependent upon the performance of RWC Prishtina (Pristina). The generalised conclusions reached in this section may not, therefore, be applicable to all RWCs.

4.1 Water production, sales and NRW

Figure A - 20 below illustrates the water produced and sold over the last five years, the difference being defined as non-revenue water.

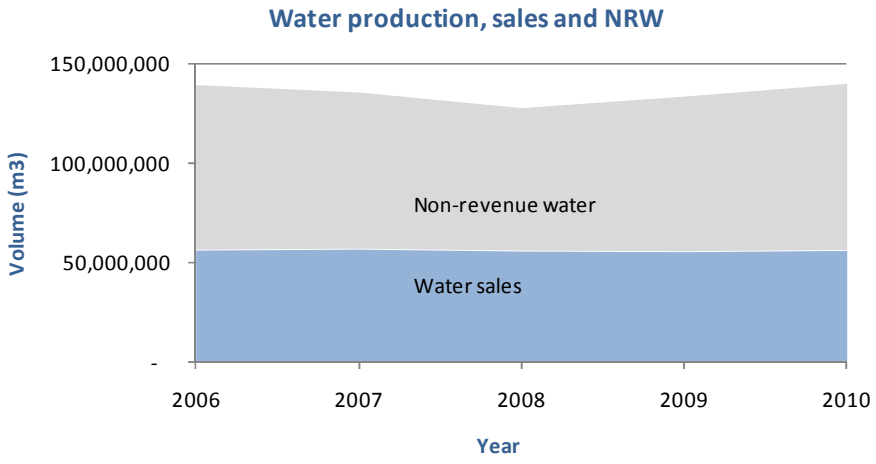


Figure A - 20 Water production, sales and non-revenue water

The observation from this illustration is that sales are almost static despite a 15% increase in the number of customers over this period. It would appear that expansion of the customer base does not contribute to increased revenues but rather distributes the same volume of water over a larger customer base resulting in suppressed demand effects, in turn leading to supply rationing and disruptions. It is therefore imperative that the RWCs invest in expansion of the production facilities and a reduction of non-revenue water in parallel with their network expansion programmes without which such programmes will not realise any financial benefits.

It also appears that the RWCs' efforts to reduce NRW have failed on average. We appreciate, however, that large scale leakage reduction in Kosovo is unlikely to be achieved without substantial investment in system refurbishment. The lack of RWC expenditure on infrastructure renewals leads us to believe that the RWCs do not consider infrastructure renewals to be high priority despite the mounting evidence to the contrary.

Even without large scale capital investment the RWCs should be able to undertake some NRW reduction activities at minimal cost, e.g. active leakage detection and repair, pressure reduction etc. We urge the RWCs to do much more than they are doing at present to reduce NRW and thereby increase sales revenue in those areas suffering from suppressed demand.

4.2 Service coverage

Service coverage growth trends for the two business activities are illustrated in Figure A - 21 below. At the current rate of progress near full service coverage for water supply could be achieved in less than ten years. Wastewater coverage rates (only recorded in detail since 2009) would appear to be falling. As we have stated earlier there is an overwhelming need to expand the wastewater networks and develop modern well-functioning wastewater treatment and disposal facilities.

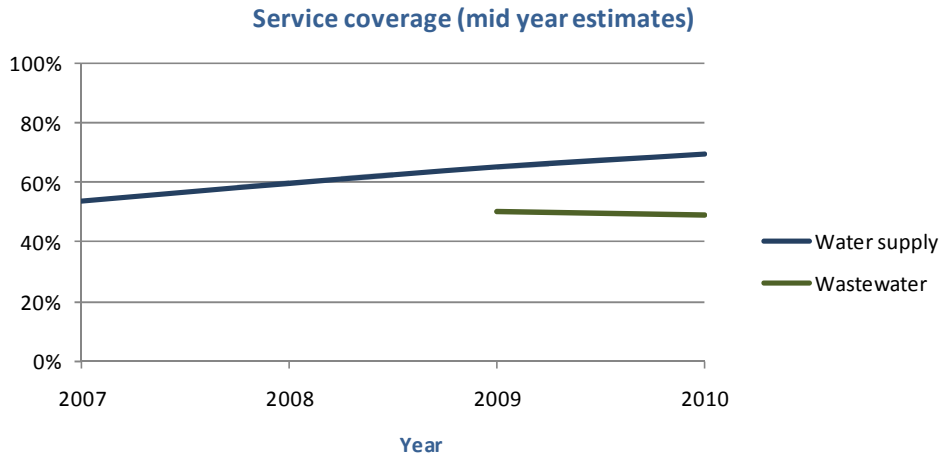


Figure A - 21 Service coverage

4.3 Planned income, turnover and cash received

The sector sales performance (adjusted to mid-2010 price levels) is illustrated in Figure A - 22 below.

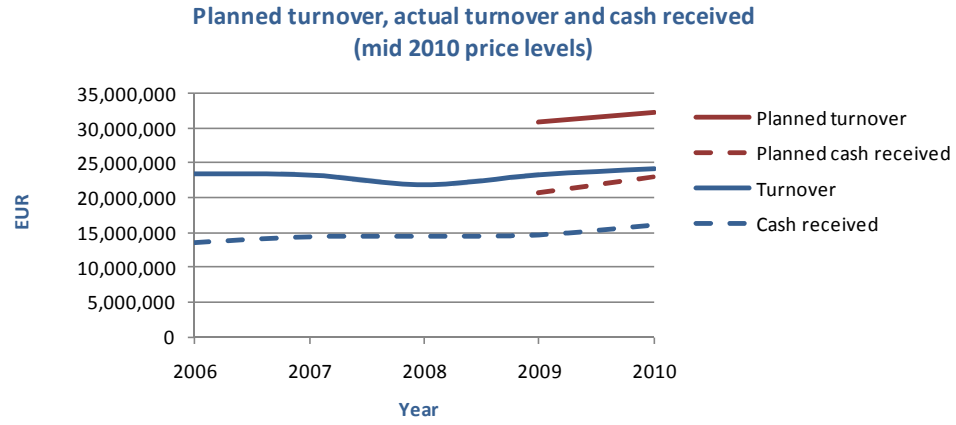


Figure A - 22 Sector financial performance (mid 2010 prices)

It is evident that real income has hardly improved in the five years since we have been reporting performance. Furthermore, in absolute terms cash received has only improved by less than 3.5% per year (annualised over the five years), more than likely attributable to real terms tariff increases rather than efforts to improve revenue collection. The RWCs need to do substantially more to improve revenue collection and to focus on absolute amounts rather than percentages[22].

[22] The drive to improve revenue collection efficiency measured as a percentage of billing could create the perverse incentive of RWC commercial managers to 'not bill' customers who they feel are unlikely to pay. This will reduce the billing and raise the percentage collection rate even if absolute cash received falls.

What is also apparent from this analysis is the gross under-estimation of improved sales and revenue collection performance in the RWCs' tariff submissions. We urge the RWCs to submit realistic, but still nonetheless challenging targets of improvements in revenue collection in their business plan submissions for the forthcoming 2012 – 2014 Tariff Review.

4.4 Capital expenditure (capital maintenance and enhancement)

Capital expenditure in the sector has been woefully inadequate over the last five years with the only material (yet still very small) levels of expenditure coming from development agency grants rather than from the RWCs' own financial resources, despite the provisions in 2009 – 2011 Tariff Review to cover the costs in the tariff. Out of a planned capital programme of some EUR 94 million for the period 2009 to 2010 (approximately split 2/3 for water supply and 1/3 for wastewater) less than EUR 8 million was actually implemented (EUR 7 million of which was for water and just over EUR 0.5 million for wastewater). Furthermore, our investigations reveal that the vast majority of this investment was for system enhancement and virtually nothing has been spent on capital maintenance. If this pattern was allowed to continue the levels of service will continue to worsen and could ultimately lead to widespread system collapse. We urge the RWCs to include in their business plans (as part of the 2012 – 2014 Tariff Review) sufficient provisions for effective capital maintenance and enhancement and to ensure that the final WWRO approved planned investments are fully implemented.

5 BULK WATER SUPPLY PERFORMANCE (HE 'IBËR LEPENC')

WWRO has a mandate for Regulation of the Bulk Water Service Providers. In accordance with this WWRO has licensed HPE 'Ibër-Lepenc' company that supplies bulk water to RWC Mitrovica (Mitrovica) and RWC Prishtina (Pristina). A summary of the company's activities is presented in Table A - 1 below

Table A - 1 Statistical data for HE 'Ibër-Lepenci' (2010)

Statistical data 2010	Total
Bulk water sales (m^3)	17,817,840
Bulk water sales (€)	374,962
Collection from bulk water sales (€)	120,990
Operating cost for bulk water supply (€)	484,965
Number of employees on bulk water supply	21

Four financial indicators have been used to assess the performance of HE 'Ibër-Lepenc' (see Table A - 2 below.The collection rate in 2010 was only 32% of water billed, which is lower than in 2009, mainly because of low collection from RWC Mitrovica (Mitrovica). As a result of low collection efficiency, the working ratio was also lower, showing that collected revenues did not cover operating costs.

Table A - 2 Performance of HE 'Ibër Lepenc'

Performance indicator	2009	2010	Trend
Collection ratio	82%	32%	Negative
Working ratio	0.84	0.77	Negative
Working coverage ratio	0.69	0.25	Negative
Unit operating cost (€/m3)	0.021	0.027	Negative

6 CCC ACTIVITIES

One of the most important functions and responsibilities of WWRO is the protection of customer interests by ensuring that services provided to them, by the licensed companies, satisfies the determined level of service standards, and that they have effective mechanisms available for addressing their complaints and objections.

The rights and protection of the customer interests, shall be in accordance with the current legislation, namely with Section 6.1 of the Rule for Customer Consultative Committee for the Water and Waste Services in Kosovo (WWRO R-08 / W & SW) where it is foreseen the formation of Customer Consultative Committees (CCC) and also are set modalities and functioning arrangements of these committees. In accordance with these provisions, WWRO in 2005, after reviewing the proposals of the Municipal Assemblies, and in accordance with the Plan for Consolidation of Water and Waste Service Providers, established the Customer Consultative Committees in the seven regions of Kosovo.

The role and responsibilities of CCCs are as follows:

- Resolution of complaints filed by customers that are not addressed and resolved by the companies in right manner for the customer,
- Undertaking surveys, studies and appraisals on service standards, at the request of the Regulator
- Providing advice to the Regulator in relation to service tariffs.

During 2010, the CCCs met on a regular basis, every month, holding a total of 77 meetings in which customer complaints were reviewed as well as the proposals for RWCCs tariffs, and amendment of the WWRO Rules (Rule on CCCs and Rule on Minimal Service Standards).

Table A - 3 CCC Received complaints by category

Complaint	CCC Pristina	CCC Prizren	CCC Peja	CCC Mitrovica	CCC Gjakova	CCC Ferizaj	CCC Gjilan	Total
Billing	14		1		3			**18**
Lump sum billing	27				4			**31**
High tariffs	4	1				2		**7**
Total complaints	**45**	**1**	**1**		**7**	**2**		**56**
Resolved complaints	6	1			2	2		**11**

Table A - 3 above shows that during 2010 the CCCs reviewed a total of 56 customer complaints, which were submitted by the customers to the companies. Overall, during 2010, the number of complaints reviewed by the CCCs, as compared to 2009, was higher.

7 CHALLENGES FOR THE FUTURE

This annual performance report for 2010 firmly illustrates that the water and wastewater sectors in Kosovo are still far from satisfactory and that we have a long way to go to achieve the standards and levels of efficiency expected in a modern European economy. We do believe, however, that success is achievable provided the RWCs (and their boards), the Government of Kosovo, the WWRO and the customers all work hard together. In particular, the following immediate challenges facing the sector have to be addressed as a matter of urgency:

2012 - 2014 Business plan, tariff submissions and targets

The forthcoming 2012 – 2014 Tariff Review is a golden opportunity for the RWCs to prepare well thought-out regulatory business plans setting out their real investment needs, operational cost efficiency expectations and commercial performance, especially revenue collection. We do not wish to see a repeat of the last review where the submitted plans were subsequently proved to be very unrealistic resulting in widespread and substantial underperformance relative to targets set.

The RWCs must fully appreciate the concept that the plan is a 'moral' contract between them and their customers in that the customers are paying for service improvements (including capital expenditure) for which the RWCs are morally obliged to provide.

We expect the RWCs over the next three year period to make all efforts necessary to deliver the outcomes as set out in their plans. Our future monitoring of performance will assess in detail, the performance of the RWCs against their promises to customers as set out in their plans.

Access to capital financing

We appreciate that the massive capital investment expenditure requirements of the RWCs cannot be financed through the RWCs cash balances and that external sources of finance (loans and grants) are essential. We have provided, in the forthcoming 2012 – 2014 Tariff Review, an increased return on capital of 5.3% (real), equating to approximately 8% (nominal) which we believe is comfortably high enough to finance most donor funded loan terms and satisfy other cash requirements of the RWCs. We call upon the development agency community to look favourably on the RWCs for future investment projects, in particular investment in the wastewater sector.

Wastewater treatment presents opportunities for private sector investment through build-operate-transfer type concessions. In principle we are supportive of such schemes subject to the highest levels of procurement procedures and governance to ensure that customers receive the best value services.

The lack of expenditure on capital maintenance (especially infrastructure renewals) is a particular concern to us and we appreciate that the cumulative backlog of expenditure requirements is growing rather than shrinking. We call upon the development agency community to consider grant funded assistance to the RWCs in the short term to initiate an effective and sustainable capital maintenance programme until such time that the tariffs can meet these requirements.

Wastewater development and price implications

This report clearly demonstrates that the wastewater sector in Kosovo is seriously under-developed, in particular wastewater treatment and disposal. Experiences elsewhere in the world tell us that fully functional wastewater collection, treatment and disposal services can cost as much as (or even more than) water supply services. The RWCs and customers in Kosovo need to be aware that future wastewater charges will have to rise substantially as the sector develops.

Improved efficiency

The operational and commercial efficiency of the RWCs is still much lower than it should be, in particular revenue collection performance. We believe that improved levels of efficiency are best achieved

through the provision of personal financial incentives to management and staff. We have proposed simple options that we believe can improve efficiency that is totally financed by those customers that currently receive a service but do not currently pay for it. We urge the Government of Kosovo and the RWCs (and their boards) to take this process further towards implementation at the earliest opportunity.

Customer responsibilities to pay for services

The RWCs are plagued by the widespread non-payment of services by customers that clearly can afford to pay. Although we believe the RWCs are not doing enough to pursue this lost source of income, e.g. through the application of a firm but fair disconnection policy, we also believe that the customers themselves are not supportive enough. It is in everyone's interest to pay for the services they receive, without exception, and we urge all customers to meet their payment obligations in full and on time.

ANNEX 1 Detailed performance data

Detailed performance statistics on the seven RWCs are presented in the following schedules. The information presented is based upon the regular information submissions to the WWRO, additional information requested specific to this new reporting framework and other sources. As this reporting framework is a marked change from previous years it is recognised that there may be differences in interpretation of requirements. The data presented herein shall therefore be subject to revision in future annual performance reports in the light of improved information reporting, improved WWRO auditing and greater clarity of requirements.

Note the following:

1. Much of the data has been based upon reported information that is not necessarily in the format required for this new reporting framework, e.g. detailed separation of customer numbers and sales etc between metered and un-metered customers. We have, however, applied pro-rata assumptions and other statistical techniques to arrive at our best estimates of these data accordingly. We cannot, therefore assume precise accuracy but, on the basis that the same techniques were applied for all RWCs we consider the results sufficient to provide a fair comparative assessment of performance. We expect greater accuracy and reliability of reporting in the future with the introduction on improved data reporting and auditing systems.
2. Information relating to population statistics, customer numbers, lengths of pipe, etc. is not year-end data but the estimated average of the year.
3. All financial data expressed in EUR are adjusted to mid-2010 price levels in accordance with published inflation statistics to allow proper year-on-year comparisons
4. Where possible, financial information is reported in accordance with the Regulatory Accounting Guidelines (RAG), in particular:
    a. Non-core activities excluded;
    b. Asset values determined on the basis of the Regulatory Asset Base;
    c. Capital maintenance defined as the combination of infrastructure renewals and current cost depreciation on non-infrastructure assets;
    d. Provisions for bad debts (write –off) are defined as the difference between billing and revenue collection from the previous year.
5. Revenue collection performance is defined as the difference between billing for water and wastewater services (excluding connection fees and other income) and cash revenue for water and wastewater services (also excluding connection fees and other income).

RWC Prishtina (Prishtina)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	98%	99%
		Water quality (physical and chemical)	W.1.A.02	% pass	100%	100%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	353	405
		Properties affected by low pressure	W.1.A.04	% properties	1%	1%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	0	6,604
		Properties with 24 hour supply	W.1.A.06	% properties	0%	9%
		Properties with 18-24 hour supply	W.1.A.07	Nr	0	2,381
		Properties with 18-24 hour supply	W.1.A.08	% properties	0%	3%
		Properties with less than 18 hours supply	W.1.A.09	Nr	0	61,727
		Properties with less than 18 hours supply	W.1.A.10	% properties	0%	87%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	24,214,078	25,091,969
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	882	861
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	882	1,108
		Non revenue water (relative to production)	W.1.B.04	% production	54%	55%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	33	33
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	37	43
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	66,218	70,712
		Coverage (households served relative to total)	W.2.A.02	% total households	76%	80%
	New connections	New connections (household)	W.2.A.03	Nr	3,138	5,849
		New connections (commercial and institutional)	W.2.A.04	Nr	300	-47
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	90%	91%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	91%	94%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	3,460	5,365
		Meters installed (com & inst)	W.2.B.04	Nr	inc in hh	inc in hh
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	1,494	2,911
		Complaints received (commercial)	W.2.C.02	Nr	1,273	2,457
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	14,033,646	14,003,826
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	73%	67%
		Volume of sales to households (un-metered)	W.3.A.03	m3	2,068,735	1,934,352
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	0%	0%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	4,714,857	4,704,839
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	87%	80%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	74,063	69,252
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	0%	0%
	Values	Value of water sales to households	W.3.A.09	EUR	5,789,218	5,959,243
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	82%	79%
		Value of water sales to com & inst	W.3.A.11	EUR	3,758,679	3,946,547
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	84%	82%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.060	0.053
		Unit total cost of water production	W.3.B.02	EUR/m3	0.063	0.056
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.293	0.294
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	1,014,019	797,350
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	11%	5%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	2,122	2,168
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	863	740
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	0	401
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	0	137
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	53,125	52,485
		Coverage (households served relative to total)	S.2.A.02	% total households	61%	59%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	-5,194	3,913
		New connections (commercial and institutional)	S.2.A.06	Nr	-1,175	-2,996
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	0	0
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	474,691	480,469
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	87%	73%
		Value of sales to com & inst	S.3.A.01	EUR	275,028	346,206
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	74%	78%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	6.47	6.57
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	6.54	6.64
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	7,648	14,465
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	0%	0%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	10,297,616	10,732,465
		Total sales relative to plan	F.1.A.02	% of plan estimate	83%	80%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	6,682,718	7,492,546
		Total revenue collection out-performance	F.1.B.02	EUR	-2,377,570	-2,782,302
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	74%	73%
		Total revenues written off	F.1.B.04	EUR	3,258,268	3,614,898
		Total revenues written off relative to billing	F.1.B.05	% of billing	32%	34%
		Revenue collection relative to billing	F.1.B.06	% of billing	65%	70%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	2.27%	3.29%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Hidroregjioni Jugor (Prizren)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	96%	91%
		Water quality (physical and chemical)	W.1.A.02	% pass	96%	90%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	0	0
		Properties affected by low pressure	W.1.A.04	% properties	0%	0%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	0	0
		Properties with 24 hour supply	W.1.A.06	% properties	0%	0%
		Properties with 18-24 hour supply	W.1.A.07	Nr	0	0
		Properties with 18-24 hour supply	W.1.A.08	% properties	0%	0%
		Properties with less than 18 hours supply	W.1.A.09	Nr	0	0
		Properties with less than 18 hours supply	W.1.A.10	% properties	0%	0%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	8,420,885	9,378,798
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	827	892
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	827	892
		Non revenue water (relative to production)	W.1.B.04	% production	55%	58%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	9	10
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	47	57
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	23,667	24,441
		Coverage (households served relative to total)	W.2.A.02	% total households	47%	48%
	New connections	New connections (household)	W.2.A.03	Nr	301	1,248
		New connections (commercial and institutional)	W.2.A.04	Nr	56	201
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	90%	89%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	86%	84%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	1,050	0
		Meters installed (com & inst)	W.2.B.04	Nr	inc in hh	inc in hh
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	622	316
		Complaints received (commercial)	W.2.C.02	Nr	163	167
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	4,388,500	4,430,940
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	72%	71%
		Volume of sales to households (un-metered)	W.3.A.03	m3	695,185	586,554
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	0%	0%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	1,553,657	1,568,682
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	92%	92%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	186,749	157,567
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	0%	0%
	Values	Value of water sales to households	W.3.A.09	EUR	1,405,372	1,457,052
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	80%	79%
		Value of water sales to com & inst	W.3.A.11	EUR	1,070,513	1,064,903
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	107%	102%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.060	0.061
		Unit total cost of water production	W.3.B.02	EUR/m3	0.063	0.063
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.265	0.284
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	243,413	168,964
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	14%	68%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	222	375
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	110	186
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	112	118
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	56	59
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	21,181	18,740
		Coverage (households served relative to total)	S.2.A.02	% total households	42%	37%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	33	-4,915
		New connections (commercial and institutional)	S.2.A.06	Nr	1,334	-1,224
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	0	0
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	157,609	155,051
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	65%	67%
		Value of sales to com & inst	S.3.A.01	EUR	138,624	128,602
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	98%	96%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	6.61	8.86
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	6.65	8.91
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	7,672	11,221
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	0%	0%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	2,772,118	2,805,608
		Total sales relative to plan	F.1.A.02	% of plan estimate	88%	87%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	1,670,374	1,935,133
		Total revenue collection out-performance	F.1.B.02	EUR	-563,714	-469,932
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	75%	80%
		Total revenues written off	F.1.B.04	EUR	903,957	1,101,744
		Total revenues written off relative to billing	F.1.B.05	% of billing	33%	39%
		Revenue collection relative to billing	F.1.B.06	% of billing	60%	69%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	-0.97%	-4.79%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Hidrodrini (Peja)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	93%	94%
		Water quality (physical and chemical)	W.1.A.02	% pass	88%	84%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	599	605
		Properties affected by low pressure	W.1.A.04	% properties	2%	2%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	24,610	26,441
		Properties with 24 hour supply	W.1.A.06	% properties	98%	98%
		Properties with 18-24 hour supply	W.1.A.07	Nr	0	0
		Properties with 18-24 hour supply	W.1.A.08	% properties	0%	0%
		Properties with less than 18 hours supply	W.1.A.09	Nr	599	605
		Properties with less than 18 hours supply	W.1.A.10	% properties	2%	2%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	20,908,029	20,815,245
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	2,083	1,943
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	2,096	1,954
		Non revenue water (relative to production)	W.1.B.04	% production	74%	72%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	7	7
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	18	18
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	25,209	27,046
		Coverage (households served relative to total)	W.2.A.02	% total households	77%	86%
	New connections	New connections (household)	W.2.A.03	Nr	4,069	-395
		New connections (commercial and institutional)	W.2.A.04	Nr	-3,098	3,149
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	94%	94%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	93%	94%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	376	2,117
		Meters installed (com & inst)	W.2.B.04	Nr	inc in hh	inc in hh
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	1,691	2,438
		Complaints received (commercial)	W.2.C.02	Nr	106	187
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	5,262,501	5,870,043
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	101%	111%
		Volume of sales to households (un-metered)	W.3.A.03	m3	487,130	504,829
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	0%	0%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	1,483,688	1,654,976
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	67%	69%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	51,111	52,968
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	0%	0%
	Values	Value of water sales to households	W.3.A.09	EUR	1,252,079	1,461,234
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	72%	80%
		Value of water sales to com & inst	W.3.A.11	EUR	942,147	865,120
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	94%	83%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.023	0.024
		Unit total cost of water production	W.3.B.02	EUR/m3	0.024	0.025
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.196	0.184
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	157,243	1,386,360
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	68%	832%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	984	0
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	933	0
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	0	951
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	0	1,039
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	13,273	12,757
		Coverage (households served relative to total)	S.2.A.02	% total households	41%	41%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	1,785	-2,815
		New connections (commercial and institutional)	S.2.A.06	Nr	30	-596
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	0	0
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	117,747	127,406
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	99%	89%
		Value of sales to com & inst	S.3.A.01	EUR	91,489	97,010
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	83%	68%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	4.10	3.96
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	4.20	4.07
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	290	1,663
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	1%	0%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	2,403,462	2,550,770
		Total sales relative to plan	F.1.A.02	% of plan estimate	81%	81%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	1,452,707	1,510,018
		Total revenue collection out-performance	F.1.B.02	EUR	-533,149	-778,458
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	73%	66%
		Total revenues written off	F.1.B.04	EUR	784,650	950,755
		Total revenues written off relative to billing	F.1.B.05	% of billing	33%	37%
		Revenue collection relative to billing	F.1.B.06	% of billing	60%	59%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	2.40%	2.57%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Mitrovica (Mitrovica)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	98%	98%
		Water quality (physical and chemical)	W.1.A.02	% pass	95%	97%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	0	0
		Properties affected by low pressure	W.1.A.04	% properties	0%	0%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	0	12,489
		Properties with 24 hour supply	W.1.A.06	% properties	0%	63%
		Properties with 18-24 hour supply	W.1.A.07	Nr	0	602
		Properties with 18-24 hour supply	W.1.A.08	% properties	0%	3%
		Properties with less than 18 hours supply	W.1.A.09	Nr	0	6,812
		Properties with less than 18 hours supply	W.1.A.10	% properties	0%	34%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	8,895,248	9,374,853
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	1,217	1,225
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	1,217	1,345
		Non revenue water (relative to production)	W.1.B.04	% production	51%	53%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	36	19
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	72	52
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	19,089	19,902
		Coverage (households served relative to total)	W.2.A.02	% total households	59%	61%
	New connections	New connections (household)	W.2.A.03	Nr	2,785	-1,158
		New connections (commercial and institutional)	W.2.A.04	Nr	-1,765	2,005
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	51%	54%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	62%	78%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	58	2,368
		Meters installed (com & inst)	W.2.B.04	Nr	inc in hh	inc in hh
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	0	0
		Complaints received (commercial)	W.2.C.02	Nr	0	0
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	1,798,120	1,492,522
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	43%	35%
		Volume of sales to households (un-metered)	W.3.A.03	m3	2,391,215	2,425,944
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	0%	0%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	587,684	487,805
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	64%	48%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	85,098	86,334
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	0%	0%
	Values	Value of water sales to households	W.3.A.09	EUR	1,448,961	1,369,640
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	83%	75%
		Value of water sales to com & inst	W.3.A.11	EUR	493,405	450,538
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	49%	43%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.057	0.056
		Unit total cost of water production	W.3.B.02	EUR/m3	0.058	0.057
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.272	0.304
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	353,086	11,345
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	56%	2%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	0	1,142
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	0	627
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	432	227
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	263	125
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	15,468	15,155
		Coverage (households served relative to total)	S.2.A.02	% total households	48%	47%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	557	-1,183
		New connections (commercial and institutional)	S.2.A.06	Nr	-220	-2,247
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	0	0
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	165,977	160,321
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	151%	145%
		Value of sales to com & inst	S.3.A.01	EUR	77,851	56,156
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	25%	17%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	5.24	6.80
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	5.25	6.81
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	27,762	47,400
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	94%	160%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	2,186,194	2,036,655
		Total sales relative to plan	F.1.A.02	% of plan estimate	69%	61%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	1,119,948	1,107,848
		Total revenue collection out-performance	F.1.B.02	EUR	-896,126	-1,095,731
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	56%	50%
		Total revenues written off	F.1.B.04	EUR	945,346	1,066,247
		Total revenues written off relative to billing	F.1.B.05	% of billing	43%	52%
		Revenue collection relative to billing	F.1.B.06	% of billing	51%	54%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	-0.74%	-6.96%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Radoniqi (Gjakova)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	99%	100%
		Water quality (physical and chemical)	W.1.A.02	% pass	99%	99%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	1,149	1,149
		Properties affected by low pressure	W.1.A.04	% properties	5%	5%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	0	15,722
		Properties with 24 hour supply	W.1.A.06	% properties	0%	66%
		Properties with 18-24 hour supply	W.1.A.07	Nr	0	8,234
		Properties with 18-24 hour supply	W.1.A.08	% properties	0%	34%
		Properties with less than 18 hours supply	W.1.A.09	Nr	0	0
		Properties with less than 18 hours supply	W.1.A.10	% properties	0%	0%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	8,366,233	10,726,265
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	856	1,071
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	856	1,119
		Non revenue water (relative to production)	W.1.B.04	% production	55%	61%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	26	26
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	59	58
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	23,392	23,956
		Coverage (households served relative to total)	W.2.A.02	% total households	96%	99%
	New connections	New connections (household)	W.2.A.03	Nr	469	660
		New connections (commercial and institutional)	W.2.A.04	Nr	84	99
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	96%	96%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	84%	82%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	24	176
		Meters installed (com & inst)	W.2.B.04	Nr	inc in hh	inc in hh
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	1,112	777
		Complaints received (commercial)	W.2.C.02	Nr	500	498
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	4,621,033	4,683,522
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	64%	63%
		Volume of sales to households (un-metered)	W.3.A.03	m3	1,399,146	1,402,423
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	0%	0%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	775,874	786,366
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	50%	51%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	0	0
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	0%	0%
	Values	Value of water sales to households	W.3.A.09	EUR	1,779,990	1,787,663
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	73%	74%
		Value of water sales to com & inst	W.3.A.11	EUR	628,840	601,081
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	58%	55%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.052	0.046
		Unit total cost of water production	W.3.B.02	EUR/m3	0.055	0.049
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.266	0.273
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	11,959	151,917
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	1%	5%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	0	399
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	0	620
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	311	314
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	340	488
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	15,250	14,102
		Coverage (households served relative to total)	S.2.A.02	% total households	63%	58%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	310	-2,607
		New connections (commercial and institutional)	S.2.A.06	Nr	-83	-304
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	0	0
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	154,876	151,059
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	66%	67%
		Value of sales to com & inst	S.3.A.01	EUR	66,380	66,905
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	63%	65%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	5.37	6.34
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	6.02	7.08
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	769	844
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	3%	4%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	2,630,085	2,606,708
		Total sales relative to plan	F.1.A.02	% of plan estimate	68%	68%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	1,809,806	1,743,314
		Total revenue collection out-performance	F.1.B.02	EUR	-1,080,707	-1,220,517
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	63%	59%
		Total revenues written off	F.1.B.04	EUR	736,919	820,280
		Total revenues written off relative to billing	F.1.B.05	% of billing	28%	31%
		Revenue collection relative to billing	F.1.B.06	% of billing	69%	67%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	0.72%	-2.20%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Bifurkacioni (Ferizaj)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	92%	96%
		Water quality (physical and chemical)	W.1.A.02	% pass	86%	86%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	3,339	0
		Properties affected by low pressure	W.1.A.04	% properties	28%	0%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	1,759	1,877
		Properties with 24 hour supply	W.1.A.06	% properties	15%	15%
		Properties with 18-24 hour supply	W.1.A.07	Nr	6,429	10,906
		Properties with 18-24 hour supply	W.1.A.08	% properties	54%	85%
		Properties with less than 18 hours supply	W.1.A.09	Nr	3,635	0
		Properties with less than 18 hours supply	W.1.A.10	% properties	31%	0%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	2,910,571	3,486,570
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	622	692
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	727	775
		Non revenue water (relative to production)	W.1.B.04	% production	57%	59%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	33	19
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	290	194
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	11,822	12,783
		Coverage (households served relative to total)	W.2.A.02	% total households	61%	69%
	New connections	New connections (household)	W.2.A.03	Nr	872	1,049
		New connections (commercial and institutional)	W.2.A.04	Nr	-1,216	1,242
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	71%	75%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	62%	60%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	189	2,009
		Meters installed (com & inst)	W.2.B.04	Nr	inc in hh	inc in hh
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	258	140
		Complaints received (commercial)	W.2.C.02	Nr	200	15
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	1,310,394	1,427,917
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	44%	41%
		Volume of sales to households (un-metered)	W.3.A.03	m3	569,800	627,956
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	0%	0%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	103,863	113,178
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	43%	40%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	194,012	213,814
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	0%	0%
	Values	Value of water sales to households	W.3.A.09	EUR	656,549	733,970
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	76%	76%
		Value of water sales to com & inst	W.3.A.11	EUR	196,647	193,059
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	92%	83%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.043	0.043
		Unit total cost of water production	W.3.B.02	EUR/m3	0.046	0.045
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.232	0.235
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	242,666	162,159
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	53%	36%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	550	691
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	710	886
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	395	228
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	510	292
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	9,477	9,691
		Coverage (households served relative to total)	S.2.A.02	% total households	49%	52%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	-704	1,132
		New connections (commercial and institutional)	S.2.A.06	Nr	-669	-290
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	0	0
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	79,170	104,928
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	22%	24%
		Value of sales to com & inst	S.3.A.01	EUR	28,329	33,467
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	40%	38%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	4.70	7.15
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	5.29	7.68
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	5,151	8,096
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	2%	3%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	960,694	1,065,424
		Total sales relative to plan	F.1.A.02	% of plan estimate	64%	62%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	581,878	649,266
		Total revenue collection out-performance	F.1.B.02	EUR	-416,696	-580,285
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	58%	53%
		Total revenues written off	F.1.B.04	EUR	405,226	378,816
		Total revenues written off relative to billing	F.1.B.05	% of billing	42%	36%
		Revenue collection relative to billing	F.1.B.06	% of billing	61%	61%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	2.36%	3.63%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Hidromorava (Gjilan)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	99%	98%
		Water quality (physical and chemical)	W.1.A.02	% pass	100%	100%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	1,040	515
		Properties affected by low pressure	W.1.A.04	% properties	8%	4%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	12,619	14,076
		Properties with 24 hour supply	W.1.A.06	% properties	92%	97%
		Properties with 18-24 hour supply	W.1.A.07	Nr	1,030	510
		Properties with 18-24 hour supply	W.1.A.08	% properties	8%	3%
		Properties with less than 18 hours supply	W.1.A.09	Nr	0	0
		Properties with less than 18 hours supply	W.1.A.10	% properties	0%	0%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	3,954,319	4,481,901
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	698	746
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	704	749
		Non revenue water (relative to production)	W.1.B.04	% production	57%	60%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	11	11
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	76	79
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	13,649	14,586
		Coverage (households served relative to total)	W.2.A.02	% total households	39%	45%
	New connections	New connections (household)	W.2.A.03	Nr	-49	1,923
		New connections (commercial and institutional)	W.2.A.04	Nr	376	-389
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	82%	83%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	91%	93%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	2,023	2,584
		Meters installed (com & inst)	W.2.B.04	Nr	inc in hh	inc in hh
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	2,023	2,584
		Complaints received (commercial)	W.2.C.02	Nr	15	14
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	1,958,372	2,007,597
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	46%	48%
		Volume of sales to households (un-metered)	W.3.A.03	m3	538,926	490,200
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	0%	0%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	355,775	364,718
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	39%	36%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	130,108	118,344
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	0%	0%
	Values	Value of water sales to households	W.3.A.09	EUR	844,416	863,209
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	61%	62%
		Value of water sales to com & inst	W.3.A.11	EUR	362,959	346,347
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	68%	64%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.057	0.044
		Unit total cost of water production	W.3.B.02	EUR/m3	0.061	0.047
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.336	0.312
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	1,316,086	935,508
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	208%	176%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2009	2010
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	248	416
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	207	347
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	0	133
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	0	111
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	12,553	13,815
		Coverage (households served relative to total)	S.2.A.02	% total households	36%	43%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	733	1,791
		New connections (commercial and institutional)	S.2.A.06	Nr	250	-376
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	0	0
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	141,259	149,081
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	50%	52%
		Value of sales to com & inst	S.3.A.01	EUR	83,795	80,977
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	79%	74%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	5.85	6.41
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	6.57	7.04
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	245,320	174,926
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	1175%	838%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	1,432,430	1,439,614
		Total sales relative to plan	F.1.A.02	% of plan estimate	62%	61%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	869,704	949,205
		Total revenue collection out-performance	F.1.B.02	EUR	-745,717	-793,748
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	54%	54%
		Total revenues written off	F.1.B.04	EUR	313,147	562,726
		Total revenues written off relative to billing	F.1.B.05	% of billing	22%	39%
		Revenue collection relative to billing	F.1.B.06	% of billing	61%	66%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	2.86%	-0.76%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

ANNEX 2 Definitions and rationale

A Performance indicator definitions

Section	Reference	Indicator	Unit	Definition
W - Water supply				
Non-financial (technical)				
Standards of service	W.1.A.01	Water quality (bacteriological)	% pass	Percentage of bacteriological test results passing prescribed standards for bacteriological quality in the reporting period.
	W.1.A.02	Water quality (physical and chemical)	% pass	Percentage of physical and chemical test results passing prescribed standards for physical and chemical quality in the reporting period.
	W.1.A.03	Properties affected by low pressure	Nr	Average number of served properties over the reporting period situated in zones that regularly experience pressure below minimum pressure levels. Does not include short term intermittent periods of low pressure.
	W.1.A.04	Properties affected by low pressure	% properties	Average number of properties defined in W.1.A.3 divided by estimated number of served propertied in the service areas
	W.1.A.05	Properties with 24 hour supply	Nr	Average number of properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for 23 or more hours per day.
	W.1.A.06	Properties with 24 hour supply	% properties	Percentage of served properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for 23 or more hours per day.
	W.1.A.07	Properties with 18-24 hour supply	Nr	Average number of properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for 18-23 hours per day.
	W.1.A.08	Properties with 18-24 hour supply	% properties	Percentage of served properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for 18-23 or more hours per day.
	W.1.A.09	Properties with less than 18 hours supply	Nr	Average number of properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for less than 18 hours per day.
	W.1.A.10	Properties with less than 18 hours supply	% properties	Percentage of served properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for less than 18 hours per day.
Infrastructure serviceability	W.1.B.01	Non revenue water (total)	m3 per day	Average volume of NRW (difference between water production and water sold) per day over the reporting period
	W.1.B.02	Non revenue water (per connection)	litres per cust. per day	Average volume of NRW divided by the total number of connections in the service area.
	W.1.B.03	Non revenue water (per connection) - adjusted	litres per cust. per day	Average volume of NRW divided by the total number of connections in the service area adjusted for restricted supplies.
	W.1.B.04	Non revenue water (relative to production)	% production	Total volume of NRW divided by total volume of production
	W.1.B.05	Pipe network bursts frequency	bursts per month	Average number of pipe bursts per month
	W.1.B.06	Pipe network bursts per 100 km of pipe	Nr / 100 km	Total number of pipe bursts per year per 100 km of pipe (excluding service connections)
Non-financial (commercial)				
Service coverage	W.2.A.01	Households served	Nr	Total average number of households over the reporting period served with a piped water supply in the defined service area
	W.2.A.02	Coverage (households served relative to total)	% total households	Total average number of households over the reporting period served with a piped water supply in the service area divided by the total average number of households (served and un-served) in the defined service area.
	W.2.A.03	New connections (household)	Nr	Total number of new water supply connections to households (excluded reconnections) over the reporting period.
	W.2.A.04	New connections (commercial and institutional)	Nr	Total number of new water supply connections to commercial and institutional customers (excluded reconnections) over the reporting period.
Metering	W.2.B.01	Metered households relative to total households	% households	Average number of metered (meters functioning) households over the reporting period divided by the average number of households served with a piped water supply in the service area as defined in licence agreements.
	W.2.B.02	Metered com & inst relative to total com & inst.	% com & inst	Average number of metered (meters functioning) commercial and institutional customers over the reporting period divided by the average number of commercial and institutional customers served with a piped water supply in the service area as defined in licence agreements.
	W.2.B.03	Meters installed (households)	Nr	Total household meters installed in the reporting period.
	W.2.B.04	Meters installed (com & inst)	Nr	Total commercial and institutional customer meters installed in the reporting period.
Complaints	W.2.C.01	Complaints received (technical)	Nr	Total number of complaints received by the RWC in relation to levels of service (poor water quality, pressure, reliability, disruption due to construction activities and other technical issues) in the reporting period.
	W.2.C.02	Complaints received (commercial)	Nr	Total number of complaints received by the RWC in relation to water supply billing and tariffs in the reporting period.
Financial				
Sales	W.3.A.01	Volume of sales to households (metered)	m3	Total volume of water sold to metered households in reporting period.
	W.3.A.02	Volume of sales to households (metered) relative to plan estimates	% of plan estimate	Total volume of water sold to metered households in reporting period divided by volume of metered household sales estimated in the business plan for the same reporting period
	W.3.A.03	Volume of sales to households (un-metered)	m3	Total volume of water sold to un-metered households in reporting period.
	W.3.A.04	Volume of sales to households (un-metered) relative to plan estimates	% of plan estimate	Total volume of water sold to un-metered households in reporting period divided by volume of un-metered household sales estimated in the business plan for the same reporting period
	W.3.A.05	Volume of sales to com & inst (metered)	m3	Total volume of water sold to metered commercial and institutional customers in reporting period.
	W.3.A.06	Volume of sales to com & inst (metered) relative to plan estimates	% of plan estimate	Total volume of water sold to metered commercial and institutional customers in reporting period divided by volume of metered household sales estimated in the business plan for the same reporting period

Section	Reference	Indicator	Unit	Definition
	W.3.A.07	Volume of sales to com & inst (un-metered)	m3	Total volume of water sold to un-metered commercial and institutional customers in reporting period.
	W.3.A.08	Volume of sales to com & inst (un-metered) relative to plan estimates	% of plan estimate	Total volume of water sold to un-metered commercial and institutional customers in reporting period divided by volume of un-metered household sales estimated in the business plan for the same reporting period
	W.3.A.09	Value of water sales to households	EUR	Total EUR value of water sales to households including fixed monthly charge component of tariff.
	W.3.A.10	Value of water sales to households relative to plan estimates	% of plan estimate	Total value of water sold to households in reporting period divided by value of water sold estimated in the business plan for the same reporting period (adjusted for inflation)
	W.3.A.11	Value of water sales to com & inst	EUR	Total EUR value of water sales to commercial and institutional customers including fixed monthly charge component of tariff.
	W.3.A.12	Value of water sales to com & inst relative to plan estimates	% of plan estimate	Total value of water sold to commercial and institutional customers in reporting period divided by value of water sold estimated in the business plan for the same reporting period (adjusted for inflation)
Unit costs	W.3.B.01	Unit operational cost of water production	EUR/m3	Total operating cost of water production in the reporting period divided by the volume of water produced in the same period
	W.3.B.02	Unit total cost of water production	EUR/m3	Total cost (operating + capital maintenance provisions) of water production in the reporting period divided by the volume of water produced in the same period
	W.3.B.03	Unit cost of water sold	EUR/m3	Total cost (operating + capital maintenance provisions) of the water supply business activity in the reporting period divided by the volume of water sold in the same period
	W.3.B.04	Unit cost of water sold and paid for	EUR/m3	Total cost (operating + capital maintenance provisions) of the water supply business activity in the reporting period divided by the volume of water sold and paid for in the same period
Capital expenditure	W.3.C.01	Total capital maintenance expenditure	EUR	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance).
	W.3.C.02	Total capital maintenance expenditure relative to plan	% of plan estimate	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance) divided by infrastructure renewals and current cost depreciation provisions in the business plan.
	W.3.C.03	Total capital maintenance expenditure relative to RAB	% of RAB	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance) divided by the regulatory asset base value of water assets.
	W.3.C.04	Total capital enhancement expenditure	EUR	Total capital enhancement expenditure (infrastructure enhancement + investment in non-infrastructure capital enhancement).
	W.3.C.05	Total capital enhancement expenditure relative to plan	% of plan estimate	Total capital enhancement expenditure (infrastructure enhancement + investment in non-infrastructure capital enhancement) divided by infrastructure enhancement and non-infrastructure enhancement provisions in the business plan.
S - Sewerage (wastewater)				
Non-financial (technical)				
Standards of service	S.1.A.01	Discharge quality	% pass	Percentage of wastewater treatment plant effluent quality tests passing prescribed standards for environmental quality in the reporting period.
Reliability	S.1.B.01	Sewer overflows	Nr	Number of reported incidents of sewer flooding reported to the RWC (or identified by RWC personnel) in the reporting period
	S.1.B.02	Sewer overflows per 100 km of pipe	Nr per 100 km	Number of reported incidents of sewer flooding reported to the RWC (or identified by RWC personnel) in the reporting period divided by the length of sewer network x 100.
Serviceability	S.1.C.01	Sewer collapses	Nr	Number of reported incidents of sewer collapses reported to the RWC (or identified by RWC personnel) in the reporting period.
	S.1.C.02	Sewer collapses per 100 km of pipe	Nr per 100 km	Number of reported incidents of sewer collapses reported to the RWC (or identified by RWC personnel) in the reporting period divided by the length of sewer network x 100
	S.1.C.03	Wastewater treatment plan overflows	Nr	Number of incidents of wastewater treatment plant overflows in the reporting period
Non-financial (commercial)				
Service coverage	S.2.A.01	Households served	Nr	Total average number of households over the reporting period served with water borne piped sewerage system (including those connected to well functioning septic tanks in rural and semi-rural areas) in the service area as defined in licence agreements.
	S.2.A.02	Coverage (households served relative to total)	% total households	Total average number of households over the reporting period served with water borne piped sewerage system (including those connected to well functioning septic tanks in rural and semi-rural areas) in the service area divided by the total average number of households (served and un-served) in the defined service area.
	S.2.A.03	Households served with wastewater treatment	Nr	Total average number of households over the reporting period served with water borne piped sewerage system leading to a wastewater treatment plant (including well functioning septic tanks in rural and semi-rural areas) in the service area as defined in licence agreements
	S.2.A.04	Coverage (households served with wastewater treatment relative to total)	% households	Total average number of households over the reporting period served with water borne piped sewerage system leading to a wastewater treatment plant (including well functioning septic tanks in rural and semi-rural areas) in the service area divided by the total average number of households (served and un-served) in the defined service area.
	S.2.A.05	New connections (household)	Nr	Total number of new sewerage connections to households (excluded reconnections) over the reporting period.
	S.2.A.06	New connections (commercial and institutional)	Nr	Total number of new sewerage connections to commercial and institutional customers (excluded reconnections) over the reporting period.
Complaints	S.2.B.01	Complaints received (technical)	Nr	Total number of complaints received by the RWC in relation to levels of service (sewer overflows etc. in the reporting period.
	S.2.B.02	Complaints received (commercial)	Nr	Total number of complaints received by the RWC in relation to wastewater billing and tariffs in the reporting period.
Financial				
Sales	S.3.A.01	Value of sales to households	EUR	Total EUR value of wastewater services sales to households
	S.3.A.02	Value of sales to households relative to plan	% of plan estimate	Total value of wastewater services sold to households in reporting period divided by value of wastewater services sold estimated in the business plan for the same reporting period (adjusted for inflation)
	S.3.A.03	Value of sales to com & inst	EUR	Total EUR value of wastewater services sales to commercial and institutional customers

Section	Reference	Indicator	Unit	Definition
	S.3.A.04	Value of sales to com & inst relative to plan	% of plan estimate	Total value of wastewater services sold to commercial and institutional customers in reporting period divided by value of wastewater services sold estimated in the business plan for the same reporting period (adjusted for inflation)
Unit costs	S.3.B.01	Unit operational cost of treatment and disposal per m3	EUR/m3	Total operating cost of wastewater treatment and disposal in the reporting period divided by the measured volume of wastewater delivered to the wastewater treatment plants in the same period
	S.3.B.02	Unit total cost of treatment and disposal per m3	EUR/m3	Total cost (operating + capital maintenance provisions) of wastewater treatment and disposal in the reporting period divided by the volume of wastewater delivered in the same period
	S.3.B.03	Unit operational cost of treatment and disposal per household	EUR/ household	Total operating cost of wastewater treatment and disposal in the reporting period divided by the average number of households and household equivalents served by wastewater treatment facilities in the same period
	S.3.B.04	Unit total cost of treatment and disposal per household	EUR/ household	Total cost (operating + capital maintenance provisions) of wastewater treatment and disposal in the reporting period divided by the average number of households and household equivalents served by wastewater treatment facilities in the same period
	S.3.B.05	Unit operational cost of wastewater collection per household	EUR/ household	Total operating cost of the wastewater collection in the reporting period divided by the average number of households and household equivalents in the same period
	S.3.B.06	Unit total cost of wastewater collection per household	EUR/ household	Total cost (operating + capital maintenance provisions) of the wastewater collection in the reporting period divided by the average number of households and household equivalents in the same period
	S.3.B.07	Unit operational cost of wastewater services per household	EUR/ household	Total operating cost of the wastewater services business activity in the reporting period divided by the average number of households and household equivalents in the same period
	S.3.B.08	Unit total cost of wastewater services per household	EUR/ household	Total cost (operating + capital maintenance provisions) of the wastewater services business activity in the reporting period divided by the average number of households and household equivalents in the same period
Capital expenditure	S.3.C.01	Total capital maintenance expenditure	EUR	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance).
	S.3.C.02	Total capital maintenance expenditure relative to plan	% of plan estimate	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance) divided by infrastructure renewals and current cost depreciation provisions in the business plan.
	S.3.C.03	Total capital maintenance expenditure relative to RAB	% of RAB	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance) divided by the regulatory asset base value of wastewater assets.
	S.3.C.04	Total capital enhancement expenditure	EUR	Total capital enhancement expenditure (infrastructure enhancement + investment in non-infrastructure capital enhancement)
	S.3.C.05	Total capital enhancement expenditure relative to plan	% of plan estimate	Total wastewater capital enhancement expenditure (infrastructure enhancement + investment in non-infrastructure capital enhancement) divided by wastewater infrastructure enhancement and non-infrastructure enhancement provisions in the business plan
F – Financial				
Sales and revenue collection				
Sales	F.1.A.01	Total sales	EUR	Total value of services (water and wastewater) sold (billing) excluding connection fees and other income in the reporting period.
	F.1.A.02	Total sales relative to plan	% of plan estimate	Total value of services (water and wastewater) sold (billing) excluding connection fees and other income in the reporting period divided by the total sales estimated in the business plan for the same reporting period
Revenue collection	F.1.B.01	Total revenue collection	EUR	Total cash received from water sales (excluding connection fees and other income) in the reporting period.
	F.1.B.02	Total revenue collection out-performance	EUR	Total cash received from water sales (excluding connection fees and other income) in the reporting period less the cash receipts from sales expected in the business plan over the same period
	F.1.B.03	Total revenue collection out-performance(relative)	% of plan estimate	Total cash received from water sales (excluding connection fees and other income) in the reporting period divided by the cash receipts from sales expected in the business plan over the same period
	F.1.B.04	Total revenues written off	EUR	Total revenues written off (excluding connection fees and other income) in accordance with RAG in the reporting period
	F.1.B.05	Total revenues written off relative to billing	% of billing	Total revenues written off in accordance with RAG in the reporting period divided by the total sales (excluding connection fees and other income) over the same period.
	F.1.B.06	Revenue collection relative to billing	% of billing	Total cash received from water sales (excluding connection fees and other income) in the reporting period divided by the total billing (excluding connection fees and other income)
	F.1.B.07	Accounts receivable	EUR	Total accounts receivable after write offs (not more than 12 months old) from billed sales (excluding connection fees and other income) in the reporting period
	F.1.B.08	Accounts receivable relative to turnover	Days turnover	Total accounts receivable (not more than 12 months old) from billed sales divided by total sales (excluding connection fees and other income) in the reporting period multiplied by 365.
Key financial values and ratios				
Values	F.2.A.01	Free cash flow	EUR	Total net cash flow from operations over the reporting period.
Ratios	F.2.B.01	Return on capital	%	Total net income from operating activities before interest, dividends and corporation taxes divided by average regulatory asset base (RAB) over the reporting period.
	F.2.B.02	Cost of debt	%	Total interest payments made in the reporting period divided by the average value of debt in the reporting period.
	F.2.B.03	Gearing	ratio	Long-term debt divided by regulatory asset base (a slight deviation from gearing as defined in conventional financial accounting)
	F.2.B.04	Cash interest cover	ratio	Net cash flow before interest and taxes divided by interest payments in the reporting period.
	F.2.B.05	Funds from operations/debt	ratio	Net cash flow from operating activities less tax paid less net interest paid, all divided by net debt
	F.2.B.06	Debt service coverage ratio	ratio	Net cash flow from operating activities less net interest paid less repayment of principal, all divided by debt service (interest and repayment of principal)

B Performance measurement rationale

The water supply and wastewater services performance measurement criteria are such that a 100% score reflects the delivery of a level of service comparable the performance of a modern well functioning efficient water supply utility.

Performance measurement structure

Group	Performance measure	Sub-group weighting		Group weighting		
Water	Drinking water quality	30%	100%		45%	100%
	Pressure	5%				
	Availability	35%				
	Service coverage	20%				
	Cost efficiency	10%				
Wastewater	Discharge quality	20%	100%		35%	
	Reliability	20%				
	Service coverage	50%				
	Cost efficiency	10%				
Financial / commercial	Profitability			10%	20%	
	Commercial efficiency			10%		

Performance measurement criteria, definitions, weightings and calculations

Parameter	Performance measurement criteria
Water supply performance measurement	
Water quality	*Definition*: The combination of bacteriological and physical/chemical test performance on the basis of 75:25 relative weighting Performance category weighting: 30% Calculation: [W.1.A.01 x 0.75 + W.1.A.02 x 0.25] x 30%
Pressure	Definition: The percentage of properties unaffected by pressure falling below minimum pressure levels Performance category weighting: 5% Calculation: [100% - W.1.A.04] x 5%
Availability	Definition: Defined as the (adjusted) percentage of properties unaffected by regular intermittent supplies. This indicator is adjusted to reflect the degree by which those affected by supply interruptions are affected by weighting the number of households with an 18 – 24 hrs service by a factor of 0.5 and those with less than 18 hrs by 1.0. Performance category weighting: 35% Calculation: [100% - 0.5 x W.1.A.08 – W.1.A.10] x 35%
Service coverage	Definition: The percentage of population in the service area served with a piped water supply. Performance category weighting: 20% Calculation: [W.2.A.02] x 20%
Cost efficiency	Definition: The unit cost of water sold relative to the unit cost estimated in the tariff review (U_{WT}) (excluding return on capital). A unit cost of less than or equal to 90% of U_T will score 100% and a unit cost equal to or exceeding 140% of U_{WT} will score 0%. Unit costs between 90% and 140% of U_{WT} are calculated pro-rata Performance category weighting: 10% Calculation: If W.3.B.03 ≥ 140% x U_{WT} = 0%, or If W.3.B.03 ≤ 90% x U_{WT} = 100% x 10% = 10%, else [[140% x U_{WT} - W.3.B.03] / 50%] x 10%
Wastewater services performance measurement	
Wastewater discharge quality	Definition: As no discharge quality monitoring is undertaken a surrogate indicator based upon the percentage of population served by functioning wastewater treatment facilities (including well functioning septic tanks in rural and semi-rural areas) is applied. Performance category weighting: 20% Calculation: [S.2.A.04] x 20%

Parameter		Performance measurement criteria
Reliability		Definition: The annual number of sewer overflow incidents per 100 km of pipe relative to relative to an ideal level of 0 to a maximum of 100 Performance category weighting: 20% Calculation: If S.1.B.02 ≥ 100 = 0%, else [100 - S.1.B.02] x 20%
Service coverage		Definition: The percentage of population in the service area served with a water borne sewerage system Performance category weighting: 50% Calculation: [S.2.A.02] x 50%
Cost efficiency		Definition: Defined as unit cost of wastewater services per household served relative to the unit cost estimated in the tariff review (U_{ST}) (excluding return on capital). A unit cost of less than or equal to 90% of U_{ST} will score 100% and a unit cost equal to or exceeding 140% of U_{ST} will score 0%. Unit costs between 90% and 140% of U_{ST} are calculated pro-rata Performance category weighting: 10% Calculation: If W.3.B.03 ≥ 140% x U_{ST} = 0%, or If W.3.B.03 ≤ 90% x U_{ST} = 100% x 10% = 10%, else [[140% x U_{ST} - W.3.B.03] / 50%] x 10%
Combined services and commercial performance measurement		
Water supply		Definition: Water performance score multiplied by overall performance weighting Overall performance weighting 45% Calculation: [Water performance score] x 45%
Wastewater services		Definition: Wastewater services performance score multiplied by overall performance weighting Overall performance weighting 35% Calculation: [Wastewater performance score] x 35%
Financial / commercial Cost efficiency	Profitability	Definition: The return on capital as determined in the regulatory accounts divided by the return on capital provided for in the tariff review (ROC_T) Performance category weighting: !0% Calculation: If F.2.B.02 ≤ 0% = 0%, or If F.2.B.02 ≥ ROC_T = 10%, else [F.2.B.02 / ROC_T] x 10%
	Commercial efficiency	Definition: The revenue collection efficiency as measured by revenue collected divided by total billings with a range of 60% equating to zero performance and a maximum of 100% for ideal performance. Performance category weighting: 10% Calculation: If F.1.B.06 ≤ 60% = 0%, or If F.2.B.02 ≥ 100% = 10%, else [F.2.B.02 – 60%]/40%] x 10%

ANNEX 3 Summary income statements

These summary income statements have been prepared based upon the information submitted to the WWRO and amended in accordance with the Regulatory Accounting Guidelines (RAG). The principal differences between RAG and the conventional accounting system adopted by the RWCs are:

1. Income and expenditure related to non-core[23] activities (as far as they can be identified) have been removed from the income statements.
2. In place of depreciation these statements provide for capital maintenance made up of infrastructure renewals expenditure and **current cost** deprecation on the determined Regulatory Asset Base (RAB)
3. Provisions for bad debts are defined as the difference between billing and revenue collection from the previous year.

These statements are un-audited and are presented as indicative information on the performance of the RWCs. Until such time the RWCs produce audited accounts in accordance with RAG no guarantees as to the accuracy and reliability of these statements can be provided.

RWC Prishtina (Pristina)

	2010	2009
Turnover	11,003,514	10,033,390
Operating costs	6,415,256	6,197,879
Net operating income (excluding capital maintenance)	**4,588,258**	**3,835,511**
Capital maintenance (infrastructure renewals + cc depreciation)	174,006	160,591
Net operating income (including capital maintenance)	**4,414,252**	**3,674,920**
Provision for bad debts	3,614,898	3,148,678
Net operating income (after bad debts)	**799,354**	**526,242**
Interest on long term loans	0	0
Pre-tax profit	**799,354**	**526,242**
Taxation on profits	0	0
Net post-tax profit	**799,354**	**526,242**

RWC Hidroregjioni Jugor (Prizren)

	2010	2009
Turnover	2,861,044	2,734,760
Operating costs	2,089,601	1,889,153
Net operating income (excluding capital maintenance)	**771,443**	**845,607**
Capital maintenance (infrastructure renewals + cc depreciation)	47,243	45,680
Net operating income (including capital maintenance)	**724,200**	**799,927**
Provision for bad debts	1,101,744	873,553
Net operating income (after bad debts)	**(377,544)**	**(73,626)**
Interest on long term loans	0	0
Pre-tax profit	**(377,544)**	**(73,626)**
Taxation on profits	0	0
Net post-tax profit	**(377,544)**	**(73,626)**

[23] For a more precise explanation of core and non-core activities please refer to the WWRO Regulatory Accounting Guidelines (RAG)

RWC Hidrodrini (Peja)

	2010	2009
Turnover	2,698,280	2,390,289
Operating costs	1,526,327	1,430,695
Net operating income (excluding capital maintenance)	**1,171,954**	**959,594**
Capital maintenance (infrastructure renewals + cc depreciation)	38,200	37,143
Net operating income (including capital maintenance)	**1,133,754**	**922,451**
Provision for bad debts	950,755	758,259
Net operating income (after bad debts)	**182,998**	**164,192**
Interest on long term loans	0	0
Pre-tax profit	**182,998**	**164,192**
Taxation on profits	0	0
Net post-tax profit	**182,998**	**164,192**

RWC Mitrovica (Mitrovica)

	2010	2009
Turnover	2,527,853	2,699,989
Operating costs	1,849,015	1,807,515
Net operating income (excluding capital maintenance)	**678,838**	**892,474**
Capital maintenance (infrastructure renewals + cc depreciation)	21,040	20,708
Net operating income (including capital maintenance)	**657,798**	**871,766**
Provision for bad debts	1,066,247	913,550
Net operating income (after bad debts)	**(408,448)**	**(41,784)**
Interest on long term loans	0	0
Pre-tax profit	**(408,448)**	**(41,784)**
Taxation on profits	0	0
Net post-tax profit	**(408,448)**	**(41,784)**

RWC Radoniqi (Gjakova)

	2010	2009
Turnover	2,654,977	2,615,478
Operating costs	1,917,234	1,788,139
Net operating income (excluding capital maintenance)	**737,743**	**827,339**
Capital maintenance (infrastructure renewals + cc depreciation)	68,110	67,233
Net operating income (including capital maintenance)	**669,633**	**760,106**
Provision for bad debts	820,280	712,134
Net operating income (after bad debts)	**(150,646)**	**47,973**
Interest on long term loans	0	0
Pre-tax profit	**(150,646)**	**47,973**
Taxation on profits	0	0
Net post-tax profit	**(150,646)**	**47,973**

RWC Bifurkacioni (Ferizaj)

	2010	2009
Turnover	1,164,327	1,018,983
Operating costs	632,884	525,337
Net operating income (excluding capital maintenance)	**531,443**	**493,646**
Capital maintenance (infrastructure renewals + cc depreciation)	20,504	19,869
Net operating income (including capital maintenance)	**510,939**	**473,777**
Provision for bad debts	378,816	391,597
Net operating income (after bad debts)	**132,123**	**82,180**
Interest on long term loans	0	0
Pre-tax profit	**132,123**	**82,180**
Taxation on profits	0	0
Net post-tax profit	**132,123**	**82,180**

RWC Hidromorava (Gjilan)

	2010	2009
Turnover	1,589,335	1,467,519
Operating costs	1,015,805	1,031,718
Net operating income (excluding capital maintenance)	**573,530**	**435,801**
Capital maintenance (infrastructure renewals + cc depreciation)	37,228	36,226
Net operating income (including capital maintenance)	**536,302**	**399,575**
Provision for bad debts	562,726	302,615
Net operating income (after bad debts)	**(26,424)**	**96,960**
Interest on long term loans	0	0
Pre-tax profit	**(26,424)**	**96,960**
Taxation on profits	0	0
Net post-tax profit	**(26,424)**	**96,960**

ANNEX 4 Tariff schedules (2009 - 2011)

The following tariffs were applied in 2009, 2010 and are currently being applied in 2011. These schedules do not include connection fees. For further details please refer to the WWRO web-site for the tariff orders.

2009 tariff schedule

	Unit	RWC Prishtina	RWC Hidroregjioni Jugor	RWC Hidrodrini	RWC Mitrovica	RWC Radoniqi	RWC Bifurkacioni	RWC Hidromorava
Households								
Water supply fixed monthly charge	EUR/month	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water supply volume charge	EUR/m^3	0.30	0.22	0.17	0.28	0.27	0.25	0.28
Wastewater charge (based on volume of water consumed	EUR/m^3	0.03	0.04	0.05	0.05	0.05	0.09	0.07
Commercial and institutional								
Water supply fixed monthly charge	EUR/month	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water supply volume charge	EUR/m^3	0.72	0.46	0.41	0.7	0.57	0.6	0.6
Wastewater charge (based on volume of water consumed	EUR/m^3	0.07	0.08	0.07	0.13	0.11	0.14	0.10

2010 tariff schedule

	Unit	RWC Prishtina	RWC Hidroregjioni Jugor	RWC Hidrodrini	RWC Mitrovica	RWC Radoniqi	RWC Bifurkacioni	RWC Hidromorava
Households								
Water supply fixed monthly charge	EUR/month	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water supply volume charge	EUR/m^3	0.32	0.24	0.18	0.29	0.28	0.27	0.29
Wastewater charge (based on volume of water consumed	EUR/m^3	0.04	0.04	0.05	0.05	0.05	0.10	0.07
Commercial and institutional								
Water supply fixed monthly charge	EUR/month	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water supply volume charge	EUR/m^3	0.76	0.51	0.42	0.72	0.62	0.62	0.62
Wastewater charge (based on volume of water consumed	EUR/m^3	0.09	0.08	0.08	0.13	0.11	0.15	0.11

2011 tariff schedule

	Unit	RWC Prishtina	RWC Hidroregjioni Jugor	RWC Hidrodrini	RWC Mitrovica	RWC Radoniqi	RWC Bifurkacioni	RWC Hidromorava
Households								
Water supply fixed monthly charge	EUR/month	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water supply volume charge	EUR/m^3	0.34	0.27	0.19	0.29	0.29	0.28	0.30
Wastewater charge (based on volume of water consumed	EUR/m^3	0.04	0.04	0.05	0.06	0.05	0.11	0.07
Commercial and institutional								
Water supply fixed monthly charge	EUR/month	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water supply volume charge	EUR/m^3	0.81	0.57	0.43	0.73	0.64	0.64	0.64
Wastewater charge (based on volume of water consumed	EUR/m^3	0.10	0.08	0.09	0.15	0.11	0.18	0.12

ANNEX 5 Contact details

Regional water companies

RWC	CEO	Phone number	E-mail address	Address
RWC Prishtina	Gjelosh Vataj (Acting CoE)	038/540 749 Loc.128	gjelosh.vataj@kur-prishtina.com'	St. Tahir Zajmi without number , Prishtina 10000
RWC Hidroregjioni Jugor	Besim Baraliu	029/244 150	besimbaraliu@hotmail.com	St. Vatra Shqiptare Prizren, 20000
RWC Hidrodrini	Agron Tigani	039/432 355	a.tigani@hidrodrini.com	St. Gazmend Zajmi nr.5, Pejë 30000,
RWC Mitrovica	Faruk Hajrizi	028/533 707	farukhajrizi@gmail.com	St. Bislim Bajgora , without number Mitrovicë 40000
RWC Radoniqi	Albert Zajmi (Acting CoE)	0390/320 503	albert_zajmi@yahoo.com	St. UÇK, nr.07, Gjakova 50000
RWC Hidromorava	Myrvete Hoti	0280/321 104	myrvetej@yahoo.com	St. UÇK without number Gjilan 60000
RWC Bifurkacioni	Faton Frangu	0290/320 650	faton_frangu@yahoo.com	St. Enver Topalli, nr.42/A, Ferizaj, 70000
NPH Ibër-Lepenc	Hajdar Beqa	038/225 007	hajdarbeqa@gmail.com	St. Bill Klinton nr.13, Prishtina, 10000

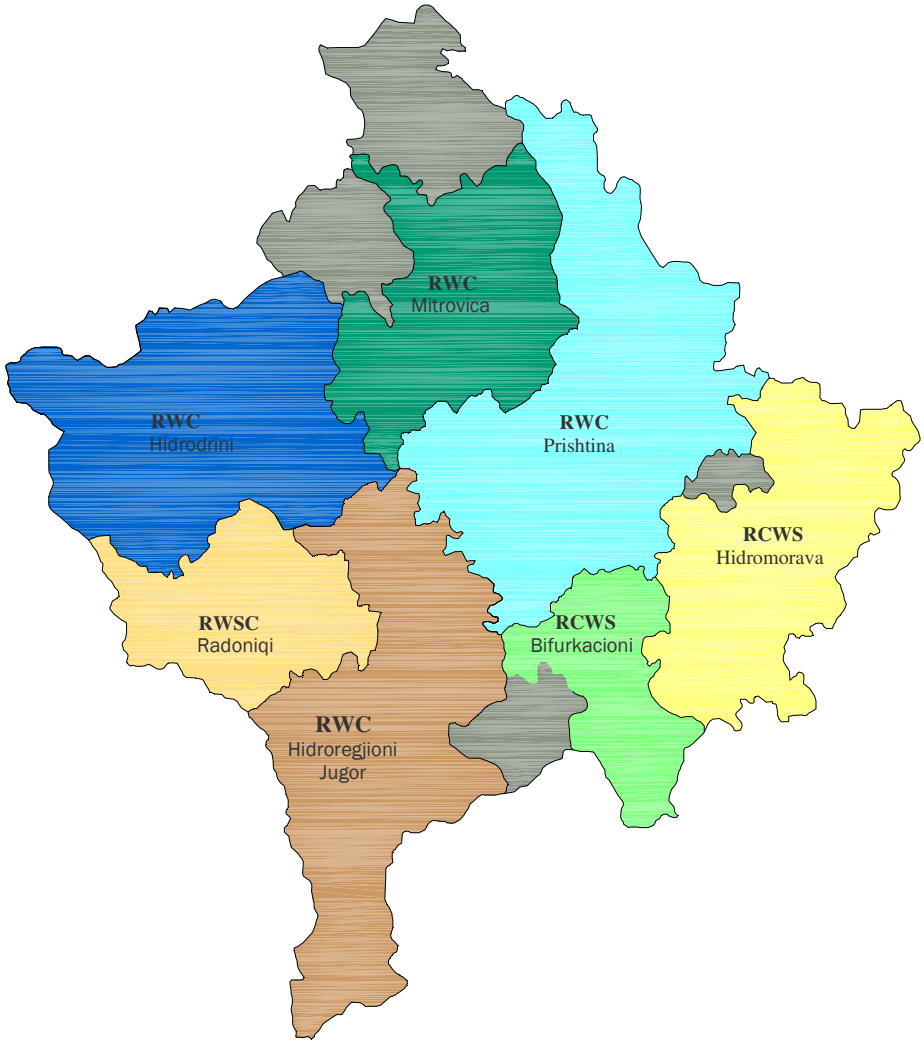
Water and waste regulatory office

WWRO	Name	Phone number	E-mail address	Address
Director	Raif Preteni	038/249 165/ 111	raif.preteni@wwro-ks.org	St. Ferat Dragaj nr.68, Prishtina, 10000
Deputy director	Kero Bardhaj	038/249 165/124	kero.bardhaj@wwro-ks.org	St. Ferat Dragaj nr.68, Prishtina, 10000
Head of Law and licensing department	Mejreme Cërnobregu	038/249 165/117	mejreme.cernobregu@wwro-ks.org	St. Ferat Dragaj nr.68, Prishtina, 10000
Head of performance monitoring and reporting department	Qamil Musa	038/249 165/121	qamil.musa@wwro-ks.org	St. Ferat Dragaj nr.68, Prishtina, 10000
Head of tariffs and regulatory finances department	Sami Hasani	038/249 165/120	sami.hasani@wwro-ks.org	St. Ferat Dragaj nr.68, Prishtina, 10000
Head of administration and finances department	Ramiz Krasniqi	038/249 165/110	Ramiz.krasniqi@wwro-ks.org	St. Ferat Dragaj nr.68, Prishtina, 10000
Customers contact person	Sylë Syla	038/249 165/ 124	syle.syla@wwro-ks.org	St. Ferat Dragaj nr.68, Prishtina, 10000

Customer consultative committees

CCC	Name	Position	Municipality	Phone number
CCC Pristina	Teuta Rugova	Head	Pristina	044/158 989
	Kadri Shalaku	Member	Obiliq	044/556 688
	Jasmine Hysaj	Member	Shtime	044/044 193
	Hamdi Qerimi	Member	Fushe Kosova	044/299 025
	Arsim Ajvazi	Member	Podujeva	044/123 529
	Sasha Zdravkoviq	Member	Graqanica	049/776 585
	Burim Kastrati	Member	Drenas	044/552 890
	Xhelal Limani	Member	Lipjan	044/932 626
CCC Prizren	Fejsal Hoti	Head	Prizren	044/268 597
	Berat Berisha	Member	Suhareka	044/218 230
	Hamzi Huljaj	Member	Dragash	044/201 039
	Fikret Morina	Member	Mamusha	045/270 744
	Hasan Mazreku	Member	Malisheva	044/890 311
CCC Peja	Drita Kelmendi-Kukaj	Head	Peja	044/298 803
	Muhamet Raxhaj	Member	Istog	044/138 634
	Zenel Kuqi	Member	Junik	044/134 051
	Sadri Lokaj	Member	Deçan	044/134 123
	Liridon Hoxhaj	Member	Klina	044/231 165
CCC Mitrovica	Fatime Krasniqi	Head	Mitrovica	044/773 832
	Agron Lushtaku	Member	Skenderaj	044/192 393
	Sevdije Sadiku	Member	Vushtri	044/732 053
CCC Gjakova	Musë Gjergjaj	Head	Gjakova	044/307 890
	Florian Hasku	Member	Rahovec	044/200 691
CCC Ferizaj	Zekri Bytyçi	Head	Ferizaj	044/756 233
	Zymer Bushi	Member	Hani i Elezit	044/224 904
	Afrim Bajrami	Member	Kaçanik	044/183 563
	Igor Nikolqeviq	Member	Shterpca	045/446 111
CCC Gjilan	Burbuqe Zymberi	Head	Gjilan	044/370 040
	Haxhi Qerimi	Member	Viti	044/209 908
	Mirvete Rashiti	Member	Kamenica	044/368 749
	Ivica Radiq	Member	Kllokot	044/357 724
	Dragan Aleksiq	Member	Ranillug	045/482 146
	Sami Vllasaliu	Member	Novoberda	044/293 279
	Dejan Jociq	Member	Partesh	044/376 788

ANNEX 6 Service area of RWCs



RWC Prishtina	**RWC** Hidroregjioni Jugor	**RWC** Hidrodrini	**RWC** Mitrovica	**RWSC** Radoniqi	**RCWS** Bifurkacioni	**RCWS** Hidromorava	Municipalities that are not provided with water service
-Prishtina -Podujeva -Fushë Kosova -Obiliçi -Lipjani -Drenasi -Shtime -Graqanica	-Prizreni -Suhareka -Malisheva -Dragashi	-Peja -Klina -Istogu -Juniku -Deqani	-Mitrovica -Skenderaj -Vushtria	-Gjakova -Rahoveci	-Ferizaj -Kaçaniku	-Gjilani -Kamenica -Vitia	-Novoberda -Zubin Potoku -Leposaviqi -Shtërpca

B SOLID WASTE

1 DEVELOPMENTS IN WASTE SECTOR

Waste is one of the most troubling environmental problems for the country. RWCCs are responsible for the collection, transportation, and discharge of the waste to the sanitary landfills and KLMC is responsible for managing the licensed sanitary landfill sites. Solid waste collection sector in Municipalities has a public character, and is implemented by the seven regional companies, which are licensed to collect and transport the waste in 33 Municipalities throughout Kosovo, as well as one central company (KLMC) that is licensed to manage the landfills in Kosovo. The Law on Public Enterprises (No.03/L-87) defines municipalities as owners of the Regional Companies that provide waste collection services in municipalities, while the Kosovo Landfill Management Company (KLMC) is owned by the Government of Kosovo.

Law on Public Enterprises (No.03/L-87) defines municipalities as owners of the Regional Companies that provide waste collection services in municipalities, while the Kosovo Landfill Management Company (KLMC), is owned by the Government of Kosovo.

In 2010, in the waste management sector, cooperation intensified between Municipalities. It is encouraging that they are aware of the importance of the regional concept of organization for the sector and they have expanded cooperation at the regional level in order to solve the waste problems, being convinced that this is the best way to acquire and implement the projects in this area and find the various donors who are interested in investment, especially in waste recycling projects.

Private Sector Participation (PSP) in waste collection and transport is still not legalized. Currently PSP is active in street cleaning while there is continuing pressure to provide waste collection and transport services through PSP. Almost in all service areas of RWCCs, a number of private operators operate and provide services to selected customers and areas that guarantee them an efficient operation and high service fees-a fact that has caused concern and obstacles in operating the public companies. In this regard, the Government of Kosovo, is committed to open the way for private sector participation in the management of regional landfills in Kosovo, in order to substantially improve the infrastructure and to provide better services by ensuring that infrastructure and services will be provided in the most cost efficient and affordable way. The International Finance Corporation (IFC), which will issue proposals and options that are acceptable and would enable substantial investments via the private sector in this sector and at the same time to ensure efficient and professional management of the regional landfills in Kosovo support the process of private sector participation.

In the waste sector, donors are giving considerable support through various projects in waste management, mainly in institutional support and equipment. USAID through the Democratic and Effective Municipalities Initiative (DEMI), is continuing to provide support in some of Kosovo municipalities for several years, providing support on capacity builiding of municipalities and also in regard to waste management. The Japanese International Cooperation Agency, during 2010 has helped the Municipalities of Prizren and Prishtina with substantial investments, through projects for management and recycling of waste. This kind of support is planned to be extended also to the other municipalities.

Part B of this report covers the performance of the seven licensed solid waste collection companies and the waste disposal company (KLMC). The evaluation of sector and individual company performance follows the approach adopted in earlier reports.

2 OVERALL PERFORMANCE OF WASTE SECTOR

Service coverage by the RWCCs, during 2010, was 48%, which if compared to 2009 increased by 5%. Public companies mainly provide services in urban areas while in rural areas (villages) services are currently limited. Undoubtedly, one of the main goals of municipal waste services should be to increase service coverage, which currently is very low.

Annual collection of solid waste has increased to 252,111 tonnes during 2010, while during 2009 it was 245,961 tonnes. Total number of vehicles used for waste collection by all RWCCs is 189 including tractors and trucks of different types, which are mostly old and significantly have an effect on the performance of the RWCCs. It is also evident that the number of vehicles in most of the companies is insufficient. The number of employees in the seven RWCCs in Kosovo in 2010 was 1,460 workers, who provide services to approximately 151,566 customers (including domestic, commercial-industrial and institutional customers). These employees are mainly engaged in the collection and transportation of municipal solid waste within a given area, and some secondary activities. Staff efficiency during 2010 for the sector was 173 tonnes of collected waste per worker.

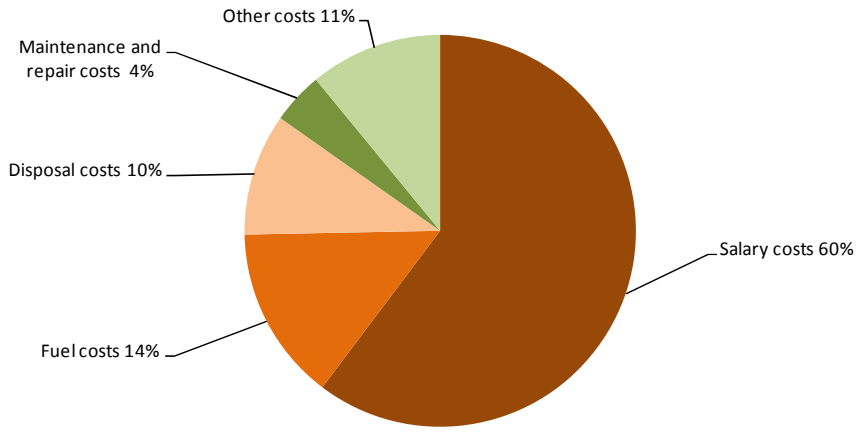


Figure B - 1 Sector distribution of costs

Staff costs have the highest component (60%) in total operating costs (see Figure B - 1 above). Regarding the waste collection service quality, it is important to note that the frequency of collection in all seven RWCCs is sufficient. Six out of seven RWCCs perform their activities in two shifts while RWCC Uniteti (Mitrovica) works in three shifts.

RWCCs, in accordance with WWRO regulations are required to have a proper system for receiving, reviewing and resolving customer complaints. This requirement is currently not at the appropriate level in any of the RWCCs.

2.1 Performance assessment methodology

An assessment is conducted annually by WWRO and is done in the following three stages: (i) Reporting of data on a monthly basis through OFCR Reporting System, (ii) Data processing and calculation of performance indicators, and (iii) Analysis, comparison and scoring of performance indicators.

In order to assess the relative performance of the RWCCs, a set of key performance indicators (KPI) has been developed, which were divided into three groups including technical, financial and customer service aspects.

The rationale of relative performance assessment is based on RWCCs' performance summary for the selected KPI, and to achieve this, these criteria have been used: (i) Six KPIs were used in the overall analysis. It is considered that the companies can control these indicators that altogether reflect in the best possible way the overall level of services offered by all of the RWCCs; (ii) KPI are weighted with different weightings depending on the importance they have on company performance and the level of customer service, and (iii) One (1.0) point is awarded to the best performing company and zero (0.0) point was given to the worst performing company. The remaining companies have received scores between 0.0 and 1.0 based upon proportional allocation of points, depending on the level achieved in that particular indicator. An accumulated total of points for one company represent the sum of points collected for each indicator.

Table B - 1 Waste sector performance (2009-2010)

RWCC	Collection rate (%)	Working coverage ratio	Percentage of complaints resolved (%)	Cost per unit (Euro/t)	Staff efficiency (Staff/1000 con)	Increased no. of customers (%)
Sector in 2009	55	0.87	98.7	32.32	9.26	2.33
Sector in 2010	61	0.93	99.78	33.48	9.63	-1.37
Trend	Positive	Positive	Positive	Negative	Negative	Negative

In general the sector has shown positive trends in three key indicators (see Table B - 1 above), especially in financial indicators: collection rate and working coverage ratio, which best reflect the financial stability of RWCCs. There is also progress in regard to meeting the standard for timely resolution of the customer complaints. Unit costs from year to year have increased, especially for the sub-category of wages and fuel for the same level of provided service.

Table B - 2 Key performance indicators and their weightings

Key Performance Indicators	Importance
Collection rate (%)	1.0
Working coverage ratio	1.0
Percentage of resolved complaints (%)	1.0
Operating cost per unit	0.8
Staff efficiency (staff/1000 con)	0.8
Percentage of increased no. of customers (%)	0.2

The three most important indicators, two financial and one of meeting the level of service standards, are weighted with 1.0 point; the other two are weighted with 0.8 while a symbolic weight of 0.2 points was given to increased number of customers (see Table B - 2 above).

Table B - 3 Ranking of RWCC performance 2010

Position	RWCC	Performance score
1	RWCC Pastërtia	3.59
2	RWCC Ambienti	3.23
3	RWCC Pastrimi	2.59
4	RWCC Çabrati	2.38
5	RWCC Higjiena	2.20
6	RWCC Ecoregjioni	1.42
7	RWCC Uniteti	1.21

Overall, RWCC Pastërtia (Ferizaj) has shown the best performance in 2010 scoring 3.59 points out of possible maximum score of 4.8 (see Table B - 3 above). This company has shown better performance in the collection rate, working coverage ratio and in timely review and resolution of customer complaints, while if compared with the other companies costs per collected waste are higher. RWCC Uniteti (Mitrovica) is in the bottom ranking position, showing poor performance in most of the KPIs. A more detailed analysis of the KPI scoring is provided in ANNEX 2

Table B - 4 Ranking of RWCC performance improvement (2009 – 2010)

Position	RWCC	Performance improvement score
1	RWCC Pastërtia	3.82
2	RWCC Ambienti	2.75
4	RWCC Pastrimi	2.35
3	RWCC Çabrati	2.30
5	RWCC Uniteti	1.74
6	RWCC Ekoregjioni	1.59
7	RWCC Higjiena	0.95

RWCC Pastërtia (Ferizaj) has shown the greatest improvement during 2010 compared to 2009, while RWCC Higjiena (Gjilan) has shown the lowest progress during the analysed period (see Table B - 4 above). A more detailed analysis of performance improvement scoring for 2010 and for the period 2006 to 2010 is provided in ANNEX 2.

3 COMPARATIVE PERFORMANCE OF THE WASTE COLLECTION COMPANIES

In order to compare the performance of the RWCCs this report uses a set of performance indicators, six of which are Key Performance Indicators. Indicators are grouped into three categories and include operational, financial and customer service aspects.

3.1 Technical performance

The purpose of this group of indicators is to assess what are the operating capabilities of the companies, including technical, infrastructure and human aspects to provide waste collection services.

3.1.1 The amount of waste collected per employee

Figure B - 2 below shows the amount of waste collected per employee (tonnes/year). Overall, the average waste collected per employee in 2010 was 173 tonnes same as in 2009.

Figure B - 2 Waste collection efficiency

RWCC Pastrimi (Pristina), RWCC Ekoregjioni (Prizren) and RWCC Uniteti (Mitrovica) are three companies which have better performance on these indicators and are above the sector average. Better efficiency with a significant difference if compared with other companies may be because of the fact that these companies have greater coverage than the others (economy of scale) but also because of the other factors such as availability and sufficient number of the vehicles and distance from the regional landfills.

3.1.2 Waste disposed to licensed disposal sites

Figure B - 3 below presents the percentage of waste disposed in licensed sanitary disposal sites. Overall 87% of waste collected from the RWCCs, in 2010, was disposed in regional sanitary landfills, a marginal 3% increase on the 2009 level. For RWCC Uniteti[24] (Mitrovica), RWCC Higjiena (Gjilan) and RWCC Pastërtia (Ferizaj) all of the waste collected is transported to sanitary landfills while three other companies: RWCC Pastrimi (Pristina), RWCC Ekoregjioni (Prizren) and RWCC Ambienti (Peja) dispose of a certain amount of the waste collected in un-licensed landfills.

[24]RWCC Uniteti and RWCC Ambienti are not licensed by the WWRO for managing the sanitary landfills in Mitrovica and Peja.

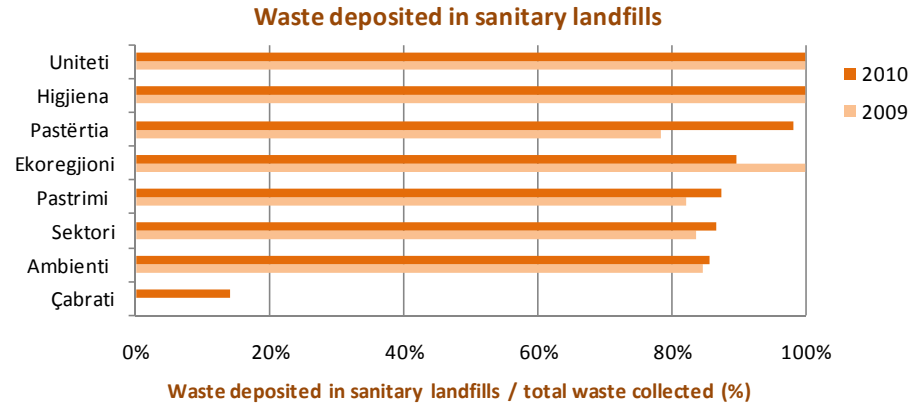


Figure B - 3 Percentage of waste deposited in sanitary landfills

A waste transfer station has been built in the region of Gjakova in 2010 and RWCC Çabrati (Gjakova) began using it.

The inability of the RWCCs to fully pay KLMC for waste disposal is a problem. This is because of the financial difficulties that RWCCs face.

3.1.3 Staffing efficiency

Figure B - 4 below illustrates the staffing efficiency of the companies represented as staff per 1,000 customers.

Figure B - 4 Staffing efficiency

Overall staff efficiency in 2010 was 10 staff per 1000 customers, a slight worsening of efficiency from 2009 (9 staff per 1000 customers). This worsening of efficiency is due to growth in the number of staff that was disproportionately higher than the increase in the number of customers. The data show a large difference between the companies in regard to this indicator, which ranges from the lowest in RWCC Ambienti (Peja) with 7, to the highest in RWCC Uniteti (Mitrovica) with 17 staff per 1000 customers.

All the companies except RWCC Pastrimi (Pristina) have had a decrease in the staff efficiency for the period 2009-2010.

3.2 Service level performance

3.2.1 Service coverage

Figure B - 5 below illustrates the solid waste collection service coverage for the RWCCs relative to their respective service areas.

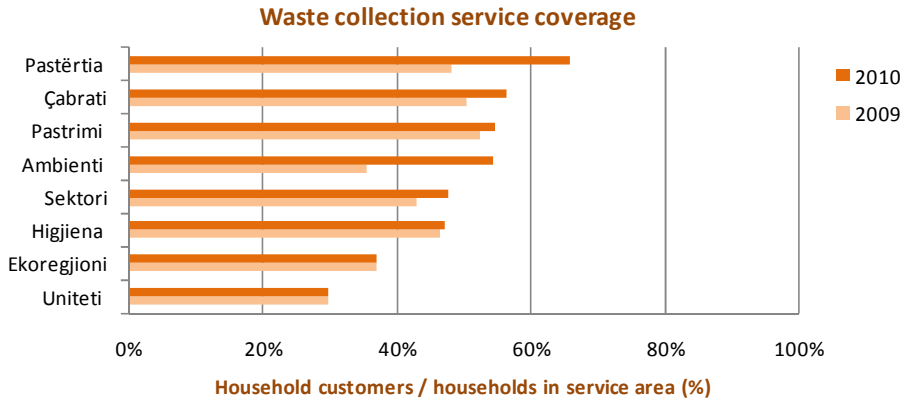


Figure B - 5 Solid waste collection service coverage

In general, service coverage compared to 2009 has increased by 5% in 2010. RWCC Pastërtia (Ferizaj) has the highest coverage with 66% marking an increase of coverage in its service area by 18%, whilst the RWCC Uniteti (Mitrovica) had lowest service coverage with only 30% without showing any change during this period.

In general, the waste collection service coverage in 2010 was low with only 48% of covered service area.

3.2.2 Customer complaints

Figure B - 6 below presents the number of service complaints per 1000 registered customers. In 2010, in sector average there were reported around ten complaints per 1000 customers, a marked increase on the 2009 rate of approximately 5 complaints per 1000 customers.

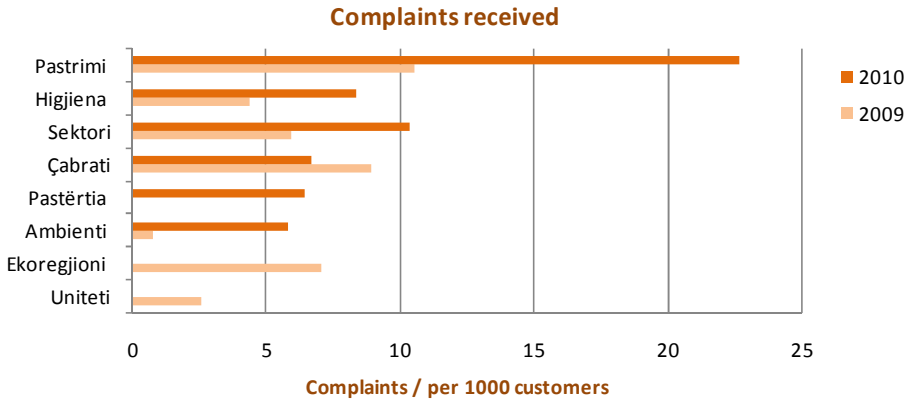


Figure B - 6 Complaints received

KRM Pastrimi (Prishtina) had the largest number of complaints per 1000 customers, as a result of company updating its complaints register more regularly. This fact does not apply for the RWCC Ekoregjioni (Prizreni) and RWCC Uniteti (Mitrovica), which failed to provide data during the verification procedure that was conducted by the WWRO.

Even in 2010, it was difficult to obtain fully reliable data regarding this indicator as the RWCCs did not establish procedures for managing complaints and information systems (appropriate programs) for their registration.

3.3 Financial performance

3.3.1 Unit operating costs

This indicator represents the operating cost per tonne of waste collected.

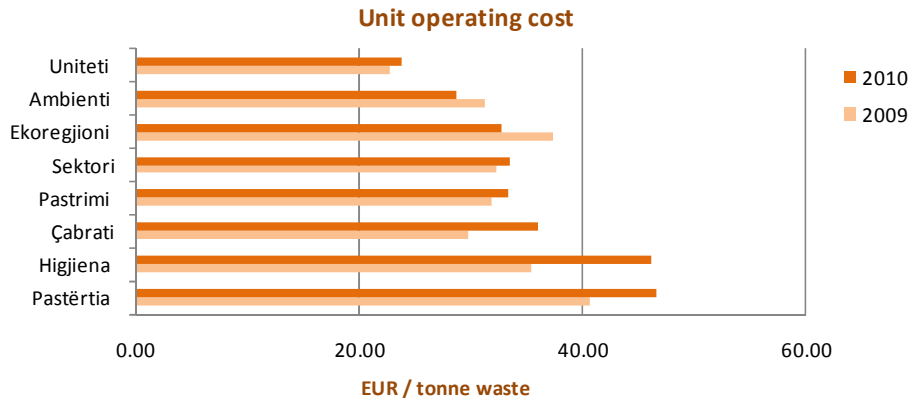


Figure B - 7 Unit operating cost of waste collected

The average unit cost of waste collected in 2010 was €33.58 per tonne, an increase of €1.16 per tonne over the 2009 unit cost representing a 4% increase which is in line with inflation over this period. The operating costs in RWCCs have a wide degree of variance; largely attributable to economies of scale where the largest providers of services operate at significantly lower cost than other smaller operators.

Except RWCC Ekoregjioni (Prizren) and RWCC Ambienti (Peja), the unit operating costs in other companies increased. RWCC Pastërtia (Ferizaj) has the highest operating costs of €46.55 per tonne in 2010 and it is higher than in 2009 by €5.88 per tonne. RWCC Uniteti (Mitrovica) and RWCC Ambienti (Peja) are two companies that have less operating costs per tonne of waste, because these two companies use sanitary landfills for waste disposal that they manage themselves.

3.3.2 Collection rate

Figure B - 8 below illustrates the revenue collection rates of the RWCCs defined as the cash received as a percentage of billing in the reporting period. The collection rate ranges from 55% (RWCC Pastrimi (Prishtina)) to79% (RWCC Pastërtia (Ferizaj)).

In overall, the sector collection rate improved by 6%. With the exception of RWCC Ekoregjioni (Prizren) all RWCCs have shown an improvement in revenue collection, largely due to initiatives such as agreements with the Municipal Assemblies in order to make it conditional for commercial-industrial customers, when they apply for working permits, to pay all their debts to RWCC, and conditional upon domestic customers to pay 30% of their debts when registering their cars.

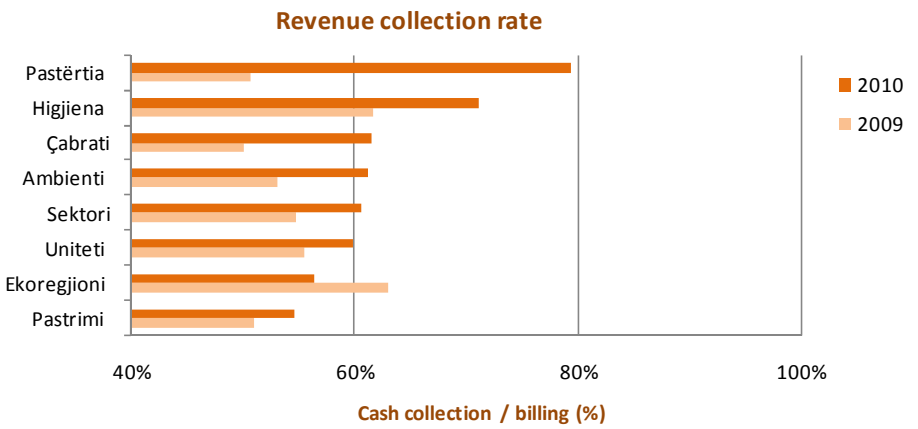


Figure B - 8 Solid waste revenue collection rate

WWRO encourages companies to further seek ways to improve the collection rate such as: supervising and motivating money collectors, public awareness through media and leaflets, pressurising customers by delivering warnings for court proceedings, and payments through monthly instalments (re-programming of the debt).

3.3.3 Working ratio

Figure B - 9 below illustrates the working ratios of the RWCCs. This ratio is illustrative of the ability of the organisations to finance their operating costs (before depreciation) with billed income.

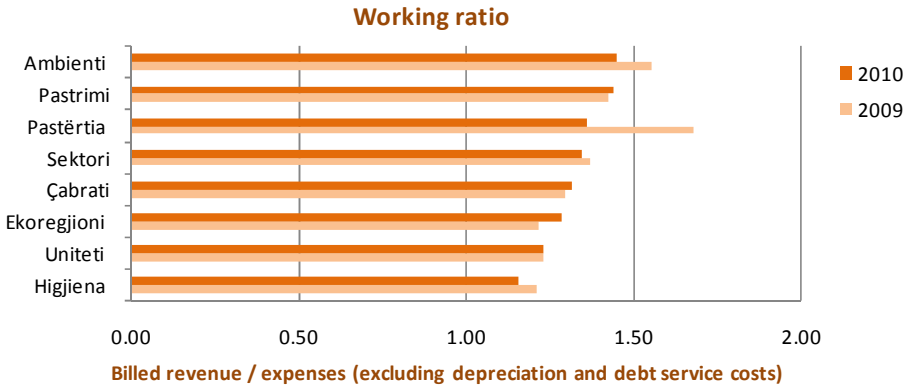


Figure B - 9 Working ratio

In 2010, in sector level, the working ratio of 1.34 remained stable compared to 2009.

The working ratios range from 1.16 in RWCC Higjiena (Gjilan), which should make greater efforts in the revenue collection in order to cover its operating costs, to 1.45 for RWCC Ambienti (Peja) which is in position that is more favourable.

3.3.4 Working coverage ratio

Figure B - 10 illustrates the working coverage ratios, which are indicative of the abilities of the companies to cover their operating costs with cash revenues collected.

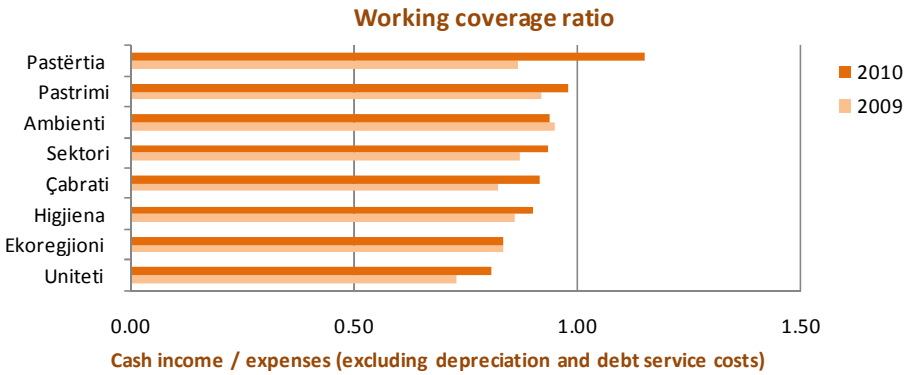


Figure B - 10 Working coverage ratio

In 2010, in sector average, the working coverage ratio was 0.93, which means that with the revenue collected the companies were able to cover about 93% of operating costs incurred during the same reporting period. Only RWCC Pastërtia (Ferizaj) has a working coverage ratio in excess of 1.0.

4 PERFORMANCE OF KOSOVO LANDFILL MANAGEMENT COMPANY

In Kosovo there are seven sanitary landfills and two transfer stations. Kosovo Landfill Management Company (KLMC) founded in 2007 is licensed by WWRO to manage the regional landfills in Mirash Landovica, Velekinca, and Dumnica and the two transfer stations in Ferizaj and Gjakova. Main clients of KLMC are the RWCCs which provide waste collection services in the region of Prishtina, Gjilan, Prizren, Ferizaj, Gjakova and Podujeva. KLMC other clients are a number of local and international private operators.

RWCC Uniteti (Mitrovica) and RWCC Ambienti (Peja) also manage the regional landfills in the regions of Mitrovica and Peja, but they are not licensed by WWRO to manage those landfills. Both companies are in the process of applying for licenses. KLMC performance rating was based on key performance indicators, calculated from data received from this company (see Table B - 5 below).

Table B - 5 KLMC performance indicators

Performance indicators	2009	2010	Trend
Working ratio	1.84	1.51	Negative
Working coverage ratio	0.82	0.86	Positive
Collection ratio (%)	45%	57%	Positive
Unit operating cost (Euro/t)	2.94	3.53	Negative

In general, the sanitary landfills managed by KLMC do not have any huge differences between them, and without any exception, all of them are in bad condition because of their poor management, out of which the Mirash landfill is especially in a difficult situation. The main reason, but not the only one, is that KLMC could not collect the debts from RWCCs, which have a major role in the business of KLMC. Lack of revenue in this company has caused KLMC to be unable to maintain all of the licensed landfills properly. During 2010, around 190,758 tonnes of waste were disposed in landfills managed by the KLMC this amount is 8% higher compared to 2009.

In 2010 compared to 2009, KLMC has shown better performance on financial indicators: collection rate and working coverage ratio.

Collection rate (%) increased by 12% as a result of measures taken to collect the debts. In 2010 compared to 2009 despite an increase in revenue collection the working coverage ratio of 0.86 still does not show a satisfactory financial situation.

From 2009 to 2010 operating costs per tonne of treated waste increased from €2.94 to €3.53.

Sanitary landfills were constructed under the program of the European Agency for Reconstruction and are planned to be used for at least 15 years. It is the responsibility of KLMC to ensure effective and safe operation of landfills in accordance with requirements for preservation of the environment.

Although WWRO does not have a mandate to oversee the landfills in terms of environmental parameters, this being under the mandate of the Ministry of Environment and Spatial Planning (MESP) as the environmental regulator, it insists that KLMC has to meet all the environmental conditions that are required according to environmental permit.

5 CHALLENGES FOR THE FUTURE

In future, the waste collection sector will face some challenges that must be addressed and resolved by the relevant central institution (Government of Kosovo) and local institutions (municipalities).

Amendment of the Waste Law

The Waste Law is currently under the amendment procedure by the Ministry of Environment and Spatial Planning (MESP). This law is inconsistent with the responsibilities of institutions that are operating in the waste sector, the reforms undertaken since 2003 dealing with consolidation, incorporation, and the principles: (i) Collection and management of municipal waste as public activity, (ii) Public companies are subject to economic regulation and service level by the Independent Regulator, and (iii) Organization of the sector on a regional basis reflecting international best practices.

Waste sector regulation by the WWRO

WWRO is still committed that this sector continues to be regulated by an independent regulator in accordance with the mandate according to the Law (No.03/L-86), continuously supporting the advantages offered by the economic regulation by an independent authority of which include: (i) An unique system of licensing of operators, (ii) Determination of tariffs taking into account only the operating and capital costs required to provide a satisfactory level of service (iii) Adequate protection of customer interests through the already consolidated mechanism (CCC), (iv) Proper system of reporting on the activities of operators and (v) Defining and effective oversight of service standards.

Private sector participation

WWRO considers the PSP as the best opportunity for improving the infrastructure and raising the level of municipal waste collection, always respecting Law No. 03/L-090 on 'Public Private Partnership'.

Improving performance

RWCCs should continue improving their performance in the following areas: increasing the service coverage, extending their services in more rural areas; increasing the collection efficiency, through internal and external dedication (relevant institutions); as well as reduction of their operating costs.

Respect of minimal service standards

WWRO in the near future will examine the minimum service standards with all the RWCCs but will also intensify site inspections in order to see how service standards are being met by licensed operators and in case of identifying violations, according to Law, it will take administrative measures.

ANNEX 1 Detailed performance data

RWCC Pastrimi (Pristina)

Category	Ref.	Performance indicators	Unit	2009	2010
Service coverage	SI 001	Service coverage	%	52	55
	SI 002	Billing percentage	%	100	100
	SI 003	Billing for domestic customers	%	-	100
	SI 004	Billing for industrial- commercial customers	%	-	100
	SI 005	Billing for institutional customer	%	-	100
Financial	FI 006	Collection rate	%	51	55
	FI 007	Collection for domestic customers	%	-	52
	FI 008	Collection for industrial-commercial customers	%	-	38
	FI 009	Collection for institutional customers	%	-	89
	FI 010	Working coverage ratio	Ratio	0.92	0.98
	FI 011	Working ratio	Ratio	1.42	1.44
	FI 014	Staff efficiency	n	9.04	8.70
	FI 015	Operating costs per tonne	€	31.87	33.24
	FI 016	Staff costs	%	-	58
	FI 017	Fuel costs	%	-	14
	FI 018	Disposal costs	%	-	14
	FI 019	R&M costs	%	-	5
Technical	OI 020	Waste collected per employee	tonne	199.20	198.62
	OI 021	Waste collected per core employee	tonne	-	-
	OI 022	Waste collected per customer registered	tonne	0.15	0.14
	OI 023	Percentage of waste disposed to licensed landfill	tonne	0.82	0.87
	OI 024	Waste collection & transportation fleet capacity	tonne	1,261	859
	OI 025	Total waste collection & transportation per shift per month	tonne	44,223	43,995
	OI 026	Waste collection & transportation fleet efficiency	tonne	35.07	51.22
Customer services	CI 027	Service complaints per 1000 customers	n	13.60	22.65
	CI 028	Compliance rate with regard to service standards on technical complaints	%	100	100
	CI 029	Compliance rate with regard to service standards on commercial complaints	%	100	100

RWCC Ekoregjioni (Prizren)

Category	Ref.	Performance indicators	Unit	2009	2010
Service coverage	SI 001	Service coverage	%	37	37
	SI 002	Billing percentage	%	100	100
	SI 003	Billing for domestic customers	%	-	100
	SI 004	Billing for industrial- commercial customers	%	-	100
	SI 005	Billing for institutional customer	%	-	100
Financial	FI 006	Collection rate	%	63	56
	FI 007	Collection for domestic customers	%	-	48
	FI 008	Collection for industrial-commercial customers	%	-	47
	FI 009	Collection for institutional customers	%	-	98
	FI 010	Working coverage ratio	Ratio	0.84	0.83
	FI 011	Working ratio	Ratio	1.21	1.29
	FI 014	Staff efficiency	n	9.08	9.54
	FI 015	Operating costs per tonne	€	37.34	32.76
	FI 016	Staff costs	%	0	53
	FI 017	Fuel costs	%	0	15
	FI 018	Disposal costs	%	0	14
	FI 019	R&M costs	%	0	4
Technical	OI 020	Waste collected per employee	tonne	181.97	198.72
	OI 021	Waste collected per core employee	tonne	-	-
	OI 022	Waste collected per customer registered	tonne	0.14	0.16
	OI 023	Percentage of waste disposed to licensed landfill	tonne	1.00	0.90
	OI 024	Waste collection & transportation fleet capacity	tonne	1,654	1,654
	OI 025	Total waste collection & transportation per shift per month	tonne	21,473	24,642
	OI 026	Waste collection & transportation fleet efficiency	tonne	12.98	14.90
Customer services	CI 027	Service complaints per 1000 customers	n	7.08	-
	CI 028	Compliance rate with regard to service standards on technical complaints	%	100	-
	CI 029	Compliance rate with regard to service standards on commercial complaints	%	-	-

RWCC Ambienti (Peja)

Category	Ref.	Performance indicators	Unit	2009	2010
Service coverage	SI 001	Service coverage for population	%	36	54
	SI 002	Billing percentage	%	64	62
	SI 003	Billing for domestic customers	%	-	61
	SI 004	Billing for industrial- commercial customers	%	-	65
	SI 005	Billing for institutional customer	%	-	80
Financial	FI 006	Collection rate	%	53	61
	FI 007	Collection for domestic customers	%	-	59
	FI 008	Collection for industrial-commercial customers	%	-	69
	FI 009	Collection for institutional customers	%	-	55
	FI 010	Working coverage ratio	Ratio	0.95	0.94
	FI 011	Working ratio	Ratio	1.55	1.45
	FI 014	Staff efficiency	n	7.05	7.15
	FI 015	Operating costs per tonne	€	31.18	28.66
	FI 016	Staff costs	%	-	70
	FI 017	Fuel costs	%	-	16
	FI 018	Disposal costs	%	-	-
	FI 019	R&M costs	%	-	7
Technical	OI 020	Waste collected per employee	tonne	150.50	162.21
	OI 021	Waste collected per core employee	tonne	-	-
	OI 022	Waste collected per customer registered	tonne	0.09	0.10
	OI 023	Percentage of waste disposed to licensed landfill	tonne	0.85	0.86
	OI 024	Waste collection & transportation fleet capacity	tonne	793	774
	OI 025	Total waste collection & transportation per shift per month	tonne	23,177	24,656
	OI 026	Waste collection & transportation fleet efficiency	tonne	29.23	31.87
Customer services	CI 027	Service complaints per 1000 customers	n	0.78	5.83
	CI 028	Compliance rate with regard to service standards on technical complaints	%	--	100
	CI 029	Compliance rate with regard to service standards on commercial complaints	%	94	-

RWCC Uniteti (Mitrovica)

Category	Ref.	Performance indicators	Unit	2009	2010
Service coverage	SI 001	Service coverage for population	%	30	30
	SI 002	Billing percentage	%	100	100
	SI 003	Billing for domestic customers	%	-	100
	SI 004	Billing for industrial- commercial customers	%	-	100
	SI 005	Billing for institutional customer	%	-	100
Financial	FI 006	Collection rate	%	56	60
	FI 007	Collection for domestic customers	%	-	31
	FI 008	Collection for industrial-commercial customers	%	-	73
	FI 009	Collection for institutional customers	%	-	95
	FI 010	Working coverage ratio	Ratio	0.73	0.81
	FI 011	Working ratio	Ratio	1.23	1.23
	FI 014	Staff efficiency	n	15.52	17.07
	FI 015	Operating costs per tonne	€	22.73	23.84
	FI 016	Staff costs	%	-	71
	FI 017	Fuel costs	%	-	17
	FI 018	Disposal costs	%	-	-
	FI 019	R&M costs	%	-	2
Technical	OI 020	Waste collected per employee	tonne	189.98	178.77
	OI 021	Waste collected per core employee	tonne	-	-
	OI 022	Waste collected per customer registered	tonne	0.25	0.25
	OI 023	Percentage of waste disposed to licensed landfill	tonne	1.00	1.00
	OI 024	Waste collection & transportation fleet capacity	tonne	1,361	1,373
	OI 025	Total waste collection & transportation per shift per month	tonne	11,399	12,156
	OI 026	Waste collection & transportation fleet efficiency	tonne	8.37	8.85
Customer services	CI 027	Service complaints per 1000 customers	n	2.59	-
	CI 028	Compliance rate with regard to service standards on technical complaints	%	100	-
	CI 029	Compliance rate with regard to service standards on commercial complaints	%	100	-

RWCC Çabrati (Gjakova)

Category	Ref.	Performance indicators	Unit	2009	2010
Service coverage	SI 001	Service coverage for population	%	50	56
	SI 002	Billing percentage	%	92	94
	SI 003	Billing for domestic customers	%	-	89
	SI 004	Billing for industrial- commercial customers	%	-	121
	SI 005	Billing for institutional customer	%	-	95
Financial	FI 006	Collection rate	%	50	61
	FI 007	Collection for domestic customers	%	-	52
	FI 008	Collection for industrial-commercial customers	%	-	56
	FI 009	Collection for institutional customers	%	-	111
	FI 010	Working coverage ratio	Ratio	0.82	0.91
	FI 011	Working ratio	Ratio	1.29	1.32
	FI 014	Staff efficiency	n	10.68	10.68
	FI 015	Operating costs per tonne	€	29.80	36.04
	FI 016	Staff costs	%	-	58
	FI 017	Fuel costs	%	-	17
	FI 018	Disposal costs	%	-	2
	FI 019	R&M costs	%	-	4
Technical	OI 020	Waste collected per employee	tonne	147.51	139.36
	OI 021	Waste collected per core employee	tonne	-	-
	OI 022	Waste collected per customer registered	tonne	0.13	0.12
	OI 023	Percentage of waste disposed to licensed landfill	tonne	-	0.14
	OI 024	Waste collection & transportation fleet capacity	tonne	696	936
	OI 025	Total waste collection & transportation per shift per month	tonne	16,964	16,026
	OI 026	Waste collection & transportation fleet efficiency	tonne	24.38	17.13
Customer services	CI 027	Service complaints per 1000 customers	n	8.91	6.68
	CI 028	Compliance rate with regard to service standards on technical complaints	%	100	100
	CI 029	Compliance rate with regard to service standards on commercial complaints	%	100	100

RWCC Pastërtia (Ferizaj)

Category	Ref.	Performance indicators	Unit	2009	2010
Service coverage	SI 001	Service coverage for population	%	48	66
	SI 002	Billing percentage	%	70	77
	SI 003	Billing for domestic customers	%	-	80
	SI 004	Billing for industrial- commercial customers	%	-	64
	SI 005	Billing for institutional customer	%	-	100
Financial	FI 006	Collection rate	%	51	79
	FI 007	Collection for domestic customers	%	-	57
	FI 008	Collection for industrial-commercial customers	%	-	38
	FI 009	Collection for institutional customers	%	-	258
	FI 010	Working coverage ratio	Ratio	0.87	1.15
	FI 011	Working ratio	Ratio	1.68	1.36
	FI 014	Staff efficiency	n	8.50	8.88
	FI 015	Operating costs per tonne	€	40.67	46.55
	FI 016	Staff costs	%	-	63
	FI 017	Fuel costs	%	-	13
	FI 018	Disposal costs	%	-	11
	FI 019	R&M costs	%	-	6
O Technical	OI 020	Waste collected per employee	tonne	119.73	113.24
	OI 021	Waste collected per core employee	tonne	-	-
	OI 022	Waste collected per customer registered	tonne	0.08	0.08
	OI 023	Percentage of waste disposed to licensed landfill	tonne	0.78	0.98
	OI 024	Waste collection & transportation fleet capacity	tonne	1,000	1,036
	OI 025	Total waste collection & transportation per shift per month	tonne	9,162	9,116
	OI 026	Waste collection & transportation fleet efficiency	tonne	9.16	8.80
Customer services	CI 027	Service complaints per 1000 customers	n	-	6.46
	CI 028	Compliance rate with regard to service standards on technical complaints	%	-	100
	CI 029	Compliance rate with regard to service standards on commercial complaints	%	-	96

RWCC Higjiena (Gjilan)

Category	Ref.	Performance indicators	Unit	2009	2010
Service coverage	SI 001	Service coverage for population	%	47	47
	SI 002	Billing percentage	%	77	100
	SI 003	Billing for domestic customers	%	-	100
	SI 004	Billing for industrial- commercial customers	%	-	100
	SI 005	Billing for institutional customer	%	-	100
Financial	FI 006	Collection ratio	%	62	71
	FI 007	Collection for domestic customers	%	-	62
	FI 008	Collection for industrial-commercial customers	%	-	81
	FI 009	Collection for institutional customers	%	-	103
	FI 010	Working coverage ratio	Ratio	0.86	0.90
	FI 011	Working ratio	Ratio	1.21	1.16
	FI 014	Staff efficiency	n	8.62	10.91
	FI 015	Operating costs per tonne	€	35.39	46.17
	FI 016	Staff costs	%	-	63
	FI 017	Fuel costs	%	-	11
	FI 018	Disposal costs	%	-	13
	FI 019	R&M costs	%	-	3
Technical	OI 020	Waste collected per employee	tonne	155.38	142.02
	OI 021	Waste collected per core employee	tonne	-	-
	OI 022	Waste collected per customer registered	tonne	0.11	0.13
	OI 023	Percentage of waste disposed to licensed landfill	tonne	1.00	1.00
	OI 024	Waste collection & transportation fleet capacity	tonne	301	396
	OI 025	Total waste collection & transportation per shift per month	tonne	21,909	19,457
	OI 026	Waste collection & transportation fleet efficiency	tonne	72.75	49.15
Customer services	CI 027	Service complaints per 1000 customers	n	4.40	8.36
	CI 028	Compliance rate with regard to service standards on technical complaints	%	100	100
	CI 029	Compliance rate with regard to service standards on commercial complaints	%	50	100

KLMC

Category	Ref.	Performance indicators	Unit	2009	2010
Financial	FI 001	Collection ratio	%	45	57
	FI 002	Working coverage ratio	Ratio	0.82	0.86
	FI 003	Working ratio	Ratio	1.84	1.51
	FI 004	Debtors` month	n	1.60	2.01
	FI 005	Operating costs per tonne	€/t	2.94	3.53

Summary statistics of RWCCs

Data		RWCC Pastrimi	RWCC Ekoregjioni	RWCC Ambienti	RWCC Uniteti	RWCC Çabrati	RWCC Pastërtia	RWCC Higjiena	Sector total
Total population in region (no)		458,466	381,115	172,602	192,799	94,158	135,978	125,615	1,560,733
Population served (no)		250,477	141,053	93,947	57,634	53,078	89,419	59,400	745,008
Total waste collected (tonne)		87,989	49,283	24,656	36,469	16,026	18,231	19,457	252,111
Waste disposed of to a licensed landfill (tonne)		76,984	44,201	21,111	36,469	2,235	17,874	19,457	218,331
Waste disposed of to an unlicensed landfill (dumpsite) (tonne)		11,005	5,082	3,545	-	13,791	357	-	33,780
No. of customers per category (no)	Domestic	44,969	22,074	16,282	9,752	9,120	14,780	11,000	127,977
	Commercial-Industrial	5,688	3,691	4,661	1,981	1,550	3,264	1,411	22,246
	Institutional	238	234	327	217	102	81	144	1,343
Total no. of registered customers (no)		50,895	25,999	21,270	11,950	10,772	18,125	12,555	151,566
Staff number (no)		443	248	152	204	115	161	137	1,460
Billing amount (€)		2,977,683	1,675,268	928,632	915,524	602,033	856,518	801,440	8,757,098
Collection amount (€)		1,625,704	944,007	568,470	548,015	369,917	679,409	570,043	5,305,565
Other operating income		1,235,411	402,220	94,173	153,289	158,174	296,023	238,903	2,578,193
Operating cost (€)		2,925,153	1,614,467	706,729	869,591	577,547	848,628	898,333	8,440,448
Number of vehicles for waste transport (no)		42	38	24	31	14	23	17	189
Municipalities in the area of services (no)		7	6	5	3	1	4	7	33

Summary statistics of KLMC

Reference	Data	NUnit	Amount
D001	Billing	(€)	1,012,123
D002	Collection	(€)	577,834
D003	Other operating income	(€)	1,066
D004	Non operating income	(€)	439,880
D005	Operating costs ex. depreciation	(€)	673,113
D005.1	Salaries	(€)	267,334
D005.2	Maintenance	(€)	92,844
D005.3	Energy	(€)	2,415
D005.4	Fuel	(€)	175,482
D005.5	Other expenses	(€)	69,311
D006	Non operating costs	(€)	434,294
D007	Write-offs towards debtors	(€)	-
D008	Write-offs by creditors	(€)	-
D009	Cash in hand & bank	(€)	112,821
D010	Stock	(€)	-
D013	Number of employees	(nr)	46
D014	Waste disposed	(tonne)	190,758

ANNEX 2 Supporting information

Performance indicator definitions

Section	Ref.	Performance indicators	Unit	Definition
Waste collection				
Service coverage	SI 001	Service coverage for population	%	Population with access to waste services/total population of the coverage area, expressed in percentage
	SI 002	Billing percentage	%	Number of customers that receives a bill divided by number of registered customers in the database
	SI 003	Billing for domestic customers	%	Number of domestic customers that receive a bill divided by number of registered domestic customers in the database
	SI 004	Billing for industrial- commercial customers	%	Number of domestic customers that receive a bill divided by number of registered institutional customers in the database
	SI 005	Billing for institutional customers	%	Number of institutional customers that receive a bill divided by number of registered domestic customers in the database
Financial	FI 006	Collection ratio	%	Amount collected (ex. VAT) divided by the amount invoiced (ex. VAT)
	FI 007	Collection for domestic customers	%	Amount collected (ex. VAT) divided by the amount invoiced (ex. VAT) for domestic customers
	FI 008	Collection for industrial-commercial customers	%	Amount collected (ex. VAT) divided by the amount invoiced (ex. VAT) for business and industry customers
	FI 009	Collection for institutional customers	%	Amount collected (ex. VAT) divided by the amount invoiced (ex. VAT) for institution customer
	FI 010	Working coverage ratio	Ratio	Cash operating revenues (from billing) plus other operating revenues divided by operating costs before depreciation. A value should be 1 or greater for costs recovery
	FI 011	Working ratio	Ratio	Accrual operating income divided by operating costs before depreciation. A value should be greater than 1
	FI 014	Staff efficiency	n	Number of staff per thousand water billing points
	FI 015	Operating costs per tonne	€	Operating costs before depreciation divided by amount of waste collected in tonnes
	FI 016	Staff costs	%	Monthly staff costs expressed as a percentage of total monthly operating costs
	FI 017	Fuel costs	%	Monthly fuel costs expressed as a percentage of total monthly operating costs
	FI 018	Disposal costs	%	Monthly disposal costs expressed as a percentage of total monthly operating costs
	FI 019	R&M costs	%	Monthly vehicles repair and maintenance costs expressed as a percentage of total monthly operating costs
Technical	OI 020	Waste collected per employee	tonne	Total waste collected divided by employee
	OI 021	Waste collected per core employee	tonne	Total waste collected divided by core employee
	OI 022	Waste collected per customer registered	tonne	Total waste collected divided by total customers registered (billing points)
	OI 023	Percentage of waste disposed to licensed landfill	tonne	Amount of waste disposed of to landfill divided by total amount of waste collected
	OI 024	Waste collection & transportation fleet capacity	tonne	The estimated collection capacity for available collection & transportation vehicles
	OI 025	Total waste collection & transportation per shift per month	tonne	Total waste collection & transportation per shift per month
	OI 026	Waste collection & transportation fleet efficiency	tonne	The actual amount of waste collected divided by the estimated collection capacity
Customer services	CI 027	Service complaints per 1000 customers	n	The number of service complaints divided by 1000 customers
	CI 028	Compliance rate with regard to service standards on technical complaints	%	The number of technical complaints reviewed within 6 hours divided by total number of technical complaints
	CI 029	Compliance rate with regard to service standards on commercial complaints	%	The number of commercial complaints reviewed within 10 business days divided by total number of commercial complaints
	CI 030	Rate of service contracts signed with customers	%	Number of service contracts signed with customers divided by total number of registered customers
Waste disposal KLMC				
Financial	FI 001	Collection rate	%	Amount collected (ex. VAT) divided by the amount invoiced (ex. VAT)
	FI 002	Working coverage ratio	Ratio	Cash operating revenues (from billing) plus other operating revenues divided by operating costs before depreciation. A value should be 1 or greater for costs recovery
	FI 003	Working ratio	Ratio	Billed operating revenues (from billing) plus other operating revenues divided by operating costs before depreciation. A value should be 1 or greater for costs recovery
	FI 004	Debtors` months	n	Accounts receivable divided by amount invoiced per month. This number provides the number of outstanding months of payments. It gives an idea about the number of months it takes before the average customer pays.
	FI 005	Operating costs per tonne	€	Operating costs before depreciation divided by amount of waste disposed in tonnes

Overall performance assessment

RWCC	Collection rate (%)	Working coverage ratio	Percentage of resolved complaints	Costs per unit (Euro/t)	Staff efficiency (Staff/1000 cus)	Increased no. of customers (%)	Total points
RWCC Pastërtia	1.00	1.00	0.75	0.00	0.66	0.18	**3.59**
RWCC Ambienti	0.27	0.38	1.00	0.63	0.80	0.15	**3.23**
RWCC Pastrimi	0.00	0.50	0.75	0.47	0.67	0.20	**2.59**
RWCC Çabrati	0.28	0.31	0.73	0.37	0.52	0.17	**2.38**
RWCC Higjiena	0.67	0.27	0.75	0.01	0.50	0.00	**2.20**
RWCC Ekoregjioni	0.07	0.08	0.00	0.49	0.61	0.17	**1.42**
RWCC Uniteti	0.21	0.00	0.00	0.80	0.00	0.20	**1.21**

Overall performance improvement assessment

RWCC	Collection rate (%)	Working coverage ratio	Percentage of resolved complaints	Costs per unit (Euro/t)	Staff efficiency (Staff/1000 cus)	Increased no. of customers (%)	Total points
RWCC Pastërtia	1.00	1.00	0.75	0.30	0.58	0.19	**3.82**
RWCC Ambienti	0.39	0.00	0.79	0.72	0.67	0.18	**2.75**
RWCC Pastrimi	0.26	0.23	0.37	0.49	0.80	0.20	**2.35**
RWCC Çabrati	0.49	0.37	0.37	0.18	0.70	0.19	**2.30**
RWCC Uniteti	0.27	0.35	0.00	0.48	0.44	0.20	**1.74**
RWCC Ekoregjioni	0.00	0.03	0.00	0.80	0.57	0.19	**1.59**
RWCC Higjiena	0.39	0.18	0.38	0.00	0.00	0.00	**0.95**

Past performance ranking

RWCC	Past performance ranking				
	2006	2007	2008	2009	2010
RWCC Pastërtia	2	7	4	7	1
RWCC Ambienti	5	3	3	3	2
RWCC Pastrimi	6	6	1	1	3
RWCC Çabrati	1	2	2	5	4
RWCC Higjiena	3	5	6	2	5
RWCC Ekoregjioni	4	4	5	4	6
RWCC Uniteti	7	1	7	6	7

ANNEX 3 Waste collection tariffs

Customer type	Service	Unit	Sub-category / size of container	RWCC Pastrimi		RWCC Ecoregjioni		RWCC Ambienti		RWCC Uniteti		RWCC Çabrati		RWCC Pastërtia		RWCC Higjiena	
				Area		Area		Area		Area		Area		Area		Area	
				I	II	I	II	I	II	I	II	I	II	I	II	I	II
Households	Door to door	€/Month		4.14		3.88		3.45		3.8		4.48		4.31		4.14	
	Joint containers			4.14		3.88		3.45		3.8		4.48		4.31		4.14	
Commercial / industrial	Joint containers	€/Month	Sub cat 1	7.78	5.57	4.48	n/p	5.00	n/p	5.52	5.00	3.62	n/p	6.90	n/p	4.83	6.77
			Sub cat 2	11.14	6.67	10.47	n/p	8.62	n/p	9.91	6.6	4.48	9.48	9.74	n/p	8.71	10.65
			Sub cat 3	19.08	12.73	18.5	n/p	15.52	n/p	16.55	13.79	19.83	n/p	16.98	n/p	16.21	18.1
	Special containers	€/Discharge	1.1 m3	9.74		9.74		11.21		11.3		10.78		11.21		10.00	
			5.0m3	n/p		n/p		n/p		36.04		n/p		43.54		n/p	
			7.0 m3	37.80		n/p		n/p		43.24		41.38		n/p		n/p	
Institutional	Joint containers	€/Month	Sub cat 1	4.14		3.88		3.45		3.80		4.48		4.31		4.14	
			Sub cat 2	n/p		n/p		n/p		n/p		n/p		n/p		n/p	
			Sub cat 3	n/p		n/p		n/p		n/p		n/p		n/p		n/p	
	Special containers	€/Discharge	1.1 m3	9.74		9.74		11.21		11.30		10.78		11.21		10	
			5.0m3	n/p		n/p		n/p		36.04		n/p		43.54		n/p	
			7.0 m3	37.80		38.50		n/p		43.24		41.38		n/p		n/p	

ANNEX 4 Contact details

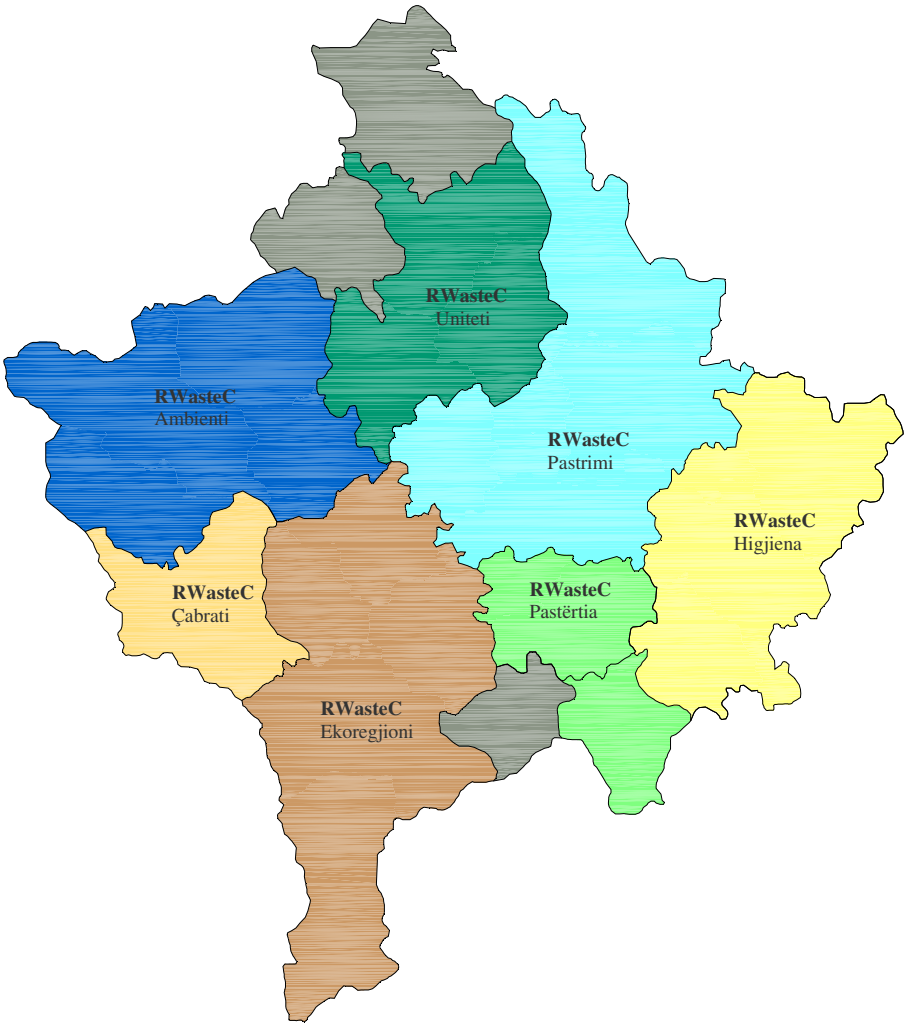
Regional waste collection companies

Company name	CoE	Phone number	E-mail address	Company address
RWCC Pastrimi	Feim Salihu	038/525 191	krm_pastrimi@yahoo.com	St. Bill Klinton p. n, Prishtinë 10000
RWCC Ekoregjioni	Xhemajli Haxhimustafa	029/244 753	krm_ecoregjioni@yahoo.com	St. Tahir Sinani nr. 59, Prizren 20000
RWCC Ambienti	Nexhat Abdullahu	039/434 729	krm_ambienti@yahoo.com	St. Fatmir Uka nr. 24, Pejë 30000
RWCC Uniteti	Rrustem Abiti	028/533 983	krm_uniteti@yahoo.com	St. Vellezërit Dragaj p. n, Mitrovicë 40000
RWCC Çabrati	Përparim Radoniqi	0390/321 588	krm_cabrati@yahoo.com	St. Mazllum Lakuci p. n, Gjakkovë 50000
RWCC Higjiena	Bajram Isufi	0280/324 040	krm_higjiena@yahoo.com	St. Adem Jashari nr. 111, Gjilan 60000
RWCC Pastërtia	Gazmend Bytyçi	0290/327 501	krm_pastrimi@yahoo.com	St. Enver Topalli nr. 44, Ferizaj
KLMC	Edmond Halimi (Acting CoE)	038/544 552	klmcedmondhalimi@gmail.com	St. Zija Shemsiu nr. 23, Prishtinë 10000

Customer consultative committees

CCC	Name	Position	Municipality	Phone number
CCC Pristina	Teuta Rugova	Head	Prishtina	044/158 989
	Kadri Shalaku	Member	Obiliq	044/556 688
	Jasmine Hysaj	Member	Shtime	044/044 193
	Hamdi Qerimi	Member	Fushe Kosova	044/299 025
	Arsim Ajvazi	Member	Podujeva	044/123 529
	Sasha Zdravkoviq	Member	Graqanica	049/776 585
	Burim Kastrati	Member	Drenas	044/552 890
	Xhelal Limani	Member	Lipjan	044/932 626
CCC Prizren	Fejsal Hoti	Head	Prizren	044/268 597
	Berat Berisha	Member	Suhareka	044/218 230
	Hamzi Huljaj	Member	Dragash	044/201 039
	Fikret Morina	Member	Mamusha	045/270 744
	Hasan Mazreku	Member	Malisheva	044/890 311
CCC Peja	Drita Kelmendi-Kukaj	Head	Peja	044/298 803
	Muhamet Raxhaj	Member	Istog	044/138 634
	Zenel Kuqi	Member	Junik	044/134 051
	Sadri Lokaj	Member	Deçan	044/134 123
	Liridon Hoxhaj	Member	Klina	044/231 165
CCC Mitrovica	Fatime Krasniqi	Head	Mitrovica	044/773 832
	Agron Lushtaku	Member	Skenderaj	044/192 393
	Sevdije Sadiku	Member	Vushtri	044/732 053
CCC Gjakova	Musë Gjergjaj	Head	Gjakova	044/307 890
	Florian Hasku	Member	Rahovec	044/200 691
CCC Ferizaj	Zekri Bytyçi	Head	Ferizaj	044/756 233
	Zymer Bushi	Member	Hani i Elezit	044/224 904
	Afrim Bajrami	Member	Kaçanik	044/183 563
	Igor Nikolqeviq	Member	Shterpca	045/446 111
CCC Gjilan	Burbuqe Zymberi	Head	Gjilan	044/370 040
	Haxhi Qerimi	Member	Viti	044/209 908
	Mirvete Rashiti	Member	Kamenica	044/368 749
	Ivica Radiq	Member	Kllokot	044/357 724
	Dragan Aleksiq	Member	Ranillug	045/482 146
	Sami Vllasaliu	Member	Novoberda	044/293 279
	Dejan Jociq	Member	Partesh	044/376 788

ANNEX 5 Service area of RWCCs



RWasteC Pastrimi	**RWasteC** Ekoregjioni	**RWasteC** Ambienti	**RWasteC** Uniteti	**RWasteC** Çabrati	**RWasteC** Pastërtia	**RWasteC** Higjiena	Municipalities that are not provided with waste service
-Prishtina -Podujeva -Fushë Kosova -Obiliçi -Lipjani -Drenasi -Graçanica	-Prizreni -Suhareka -Malisheva -Dragashi -Rahoveci -Mamusha	-Peja -Klina -Istogu -Deqani -Juniku	-Mitrovica -Skenderaj -Vushtria	-Gjakova	-Ferizaj -Shtimja -Kaçaniku Hani i Elezit	-Gjilani -Kamenica -Vitia -Novoberda -Ranillugu -Kllokoti -Parteshi	-Zubin Potoku -Leposaviqi -Shtërpca

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