Republika e Kosovës - Republika Kosova - Republic of Kosova

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

ZRRUM

PERFORMANCE ANNUAL REPORT OF WATER AND WASTE SERVICE PROVIDERS 2009

VISION

Provide qualitative, safe and efficient water and waste services to all customers throughout Kosovo

MISSION

Implement regulation of water and solid waste services in effective, transparent and safety manner in accordance with good European practices, in order to ensure that water and waste regional companies deliver qualitative, sustainable, reliable and affordable prices throughout Kosovo, taking into consideration protection of environment and public health

FOREWORD

This is the forth WWRO annual report published by WWRO, on the performance of water and waste regional companies in Kosovo for 2009.

This report continues to provide an objective and independent annual overview of the performance of the water and waste regional companies in Kosovo, and provides valuable and reasonably reliable performance information for all stakeholders related to water and waste sector, including Government of Kosovo, Municipalities, Donors, the Water and Waste Regional Companies and last but not least, customers.

It is estimated that about 66% of Kosovo residents, have access to drinkable water supply, provided by the water supply companies, where around 48% have sewage services, while the wastewater treatment has not begun yet. Coverage with waste collection services is 42%.

The maintenance of the existing service sustainability is jeopardized in the absence of necessary investments, which are unlikely to be provided from the current business companies. As a result of this, most of the water providers continue to be financially unsustainable (in the limits of coverage of operating expenses).

In 2009, the performance level of the water services sectors in general showed a negative trend for most of the key performance indicators, while the collection rate decreased from 65% to 63% in 2008, the water losses have increased from 56% to 58% in 2009, the work coverage rate is also at 0.97, that's means the companies are not able to cover operating expenses

A Waste sector performance is worrying, especially there is a negative trend at financial indicators, where the collection rate decreased from 61% to 55% in 2009, and the work coverage as a result of low incomes remained at the same level at 0.87 during the period 2008-2009.

It is disappointing to stress that in 2009, none of the waste collection companies (excluded Higjiena that paid for two months of 2009), did not pay the annual licensing fee to WWRO. This is a reflection of poor financial situation of these companies, but also shows the lack of respect for the current Law No: 03/L-086 which is in force.

In accordance with the legal framework, WWRO licensed 15 public companies that provided water and wastewater services, bulk water supply services, waste collection services and waste disposal services in 2009. For water companies, the validity of the license is for a three-year period whilst companies who offer waste services, are licensed only until the end of 2010.

By the beginning of 2009, the application of new tariffs has started, which for water services are valid for a further period of three years, while for the waste services tariff approval is for a further one year period. Approval of new tariffs by WWRO resulted in a tariff increase in comparison with the previous tariffs. This tariff increase is deemed as necessary action to enable companies, to generate revenue needed to cover their costs and also to improve the quality of customer service.

My appointment as Director of WWRO by the Kosovo Assembly in April 2010 makes me to reflect the same comments on the performance in 2009, like previous years.

I would like to stress that it is disappointing to report that the performance across most of the indicators for both water and waste regional companies has deteriorated in 2009 compared with 2008. The reasons for this may be complex but they will be reviewed vigorously in the coming months with all stakeholders involved in the Water and Waste Regional Companies.

It is my responsibility, but also and the other institutions responsibility to fully implement the Kosovo Assembly recommendations, on the occasion of the work report adoption of WWRO in 2009, in plenary session in July 2010, recommendations that are specified and presented in the part E of this report. These recommendations provide a clear summary of WWRO priorities. Companies and other Institutions aim to help the water and waste service providers for a better performance in the coming period.

As in previous reports as well as on this occasion, in the absence of market competition for water and waste services, we compared the relative performance of companies based on the key performance indicators, where as a result of this comparison was made their ranking.

I am pleased to confirm that RWC ‘Pristina’ is estimated as a company with the best performance in 2009, while RWC "Bifurkacioni’ is announced as a company with the most visible improvements in 2009, compared with 2008. As for the waste collection sector RWC 'Pastrimi' is estimated as a company with the best performance in 2009, while RWC ‘Uniteti” is estimated as a company with the most visible improvements in 2009.

I congratulate these companies for their showed performance, and at the same time I invite other companies to contribute in further increase of their operational efficiency and service quality.

I hope that donors would like to provide needed support related to improving of the company's performance. I very much welcome the continuing support provided by all donors, and I trust that the combined efforts of WWRO staff, MEF ,RWC staff, Water Task Force, and the donor funded technical assistance consultants will result in measurable improvements in the performance of the RWCs in future years.

Lastly I am convinced that the performance monitoring annual report shall serve as a very useful tool, in order to assist stakeholders in understanding the work of water and waste service providers, and to stimulate the competition on ongoing improvement of provided services.

Raif Preteni,

WWRO Director

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Acronyms and Abbreviations

WB	World Bank
SOK	Statistical office of Kosovo
NIPHK	Institute of Public Health of Kosovo
KfW	German Development Bank
CCC	Customers Consultative Committees
KLMC	Kosovo Landfill Management Company
RWCC	Regional Waste Companies
RWC	Regional Water Companies
MEF	Ministry of Economy and Finance
MESP	Ministry of Environment and Spatial Planning
WC-IL	Water company (RWCs +Iber- Lepenci)
PMU -POE	Policies and Monitoring Unit of Public owned Enterprises
PSP	Private Sector Participation
OFCR	Operating, Financial and Customer data report
SCO	Swiss Cooperation Office
WTF	Water Task Force
KPI	Key Performance Indicators
NRW	Non revenue water
USAID	U.S. Agency for International Development
ECLO	European Commission Liaison Office
WWRO	Water and Waste Regulatory Office

INTRODUCTION

This latest annual report on the performance of the water and waste regional companies has been prepared by WWRO, and is aimed at providing the necessary information for each supplier individually and for the services sectors in general in Kosovo, to assess the overall performance of water supply, wastewater and waste management services. Also this report provides information and other important developments in the water and waste sector in Kosovo

The report consists of four sections: A, B, C, D and E. Section A provides information about the developments occurring in these sectors in 2009. Parts B and C represent a central part of the report, which analyzes the performance of the Water and Waste sectors, under regulatory mandate of WWRO, continuing to section D which summarizes the activities of the Consumer Consultative Committees, and in the part E are given the general recommendations for improving of the situation in these sectors with specific recommendations for Companies, Government and Municipalities. At the special part, there are annexes containing statistical data and basic contact details for the water and waste sector, which can help other parties related to these sectors.

The report provides a comprehensive set of performance indicators and statistical data for all licensed companies; it provides comparative information on performance over the last two years 2008-2009, and the average of the sector in general.

This report is an important source of information for all stakeholders including: ***(i)*** customers, to see the level of service that's been offered to them, ***(ii)*** company management to identify areas for improvement and setting realistic goals and compare their current performance with previous years' work or the work of their colleagues in the sector, ***(iii)*** local institutions (Parliament, Central Government, Local Government), to guide and influence necessary policies in order to create sustainable sectors, ***(iv)*** donors for investment in more suitable place ***(v)*** the media to have accurate and reliable information.

Furthermore, reporting to the general public contributes to an increasing of transparency and accountability and provides a mechanism which can promote competition in service markets which in Kosovo currently operate in complete monopoly.

In accordance with reporting requirements that service providers have towards WWRO, it is created a database (DB), which includes various aspects of their work as operational, financial and customer service. The data are reported on a monthly basis by service providers, under the Financial Operating Report format and Customer Services (ROFK).

The data used for water quality analysis are also reported by the service providers on a monthly basis to WWRO in accordance with a cooperation agreement between NIPHK and WWRO, as two institutions with particular responsibilities for safe water supply to customers in Kosovo.

The staff of WWRO ensures quality of collected data through an auditing process, which is comprehensive and systematic and includes operational financial data and data related to customer services, which are reported in WWRO, as well as other aspects of the activities of companies.

Specifically the audit conducted by the WWRO audit team is focused on:

- Controlling data in information systems of companies, in order to verify the compatibility of data reported through the OFCR, in relation to factual data in each company's information system;
- Analysis of system maintenance and data reporting to ensure that it is generates accurate and verifiable data;
- Analysis of internal company procedures, to assess the consistency with legal obligations established by the WWRO Rules and Service License;
- Inspecting condition of acceptance, reviewing, and replying to customer complaints and other issues.

Reported data from regional companies are verified / audited, analyzed, and as such serve as the basis for the preparation of annual performance reports on Water and Waste Sector.

The financial records are considered fully accurate, while the operational data and the customer service data are still not completely accurate. Although there are improvements from year to year, still are reported few data estimated but not very accurate, particularly data on population, few operational data and customer service data. For this reason those data are not included in the calculation of some important indicators. It should be noted that these uncertainties result because of not using the opportunities, that provide the time technology, but some are also due to the unsatisfactory level of responsibility of some officials involved in the process of reporting the data.

The data reported form the basis for calculating a number of performance indicators in this report that are consistently monitored for each regional company and then compared between them. Estimates are made on the basis of key performance indicators (KPIs), which are considered more reliable, more important and are influenced by the company management. Similar to last year and this year, is used the same assessment methodology, regarding the number of KPIs, weightings of indicators and reliability of the data used to calculate them.

Part A

Developments in Water and Waste Sectors

3. DEVELOPMENTS IN THE WATER AND WASTE SECTORS

3.1 General Developments

In Kosovo, the system of drinkable water supply, wastewater services, and bulk water supply system is public.

Public Companies operating in this sector have undergone internal reform (the consolidation and restructuring process was completed in 2006), in order to merge and have closer cooperation, where from a small number of operational units seven regional water and wastewater companies were created. Regional companies currently offer their services in 27 municipalities of Kosovo based on service agreements signed by the respective Municipalities. They have the status of joint stock companies, whose owner is the Republic of Kosovo[1] except RWC Bifurkacioni[2] (where the owners are the municipalities Ferizaj and Kacanik), in accordance with Law no.03/L-087 for Public Enterprises.

Within previous reforms in the Water and Waste Sector, a regulatory framework has been implemented according to Law no.03/L-86, as approved by the Assembly on June 13, 2008. Accordingly, WWRO is responsible for regulating public companies that provide water supply services, wastewater services, waste collection and waste disposal services and bulk water supply services., determining the service tariffs, issuing licenses to setting and monitoring of service standards, monitoring and reporting the performance of regional companies, e) establishing and supporting the CCCs, and) adoption of conditions for old-debt amnesty.

In Kosovo there are a number of rural water suppliers build from donor organizations and communities that are not under the management of central companies and in most cases are maintained by the communities. In order to be managed in accordance with minimum standards of service, they should be incorporated into the central water supply.

In Kosovo currently there are no operational wastewater treatment facilities. Sewage is collected through the sewerage systems and without any further treatment discharged to flow into rivers.

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[1]The Kosovo Government has the competence to exercise shareholder rights of the Republic of Kosovo for the Central Regional Companies.

[2]The Municipal Committee of Shareholders exercises the stock rights of Municipalities.

According to the law on public enterprises, No.03/L-087, the Policy and Monitoring Unit of the Public Enterprises was created under the MEF for the purpose of overseeing the business of POEs.

In 2009, the Government set up Boards of Directors (BD) for all RWCs, in accordance with the Law on public companies and also assigned responsibilities to public companies.

With the initiative of the Government, in early 2009, the Water Task Force (WTF) began work. The WTF is being supported by the Swiss Cooperation Office, as the lead donor for the water sector.WTF is led by Deputy Prime Minister of Kosovo and consists of four ministers related to the water sector (MESP, MEF, and MFA MLGA), representatives of the donor community (without voting rights),and supported by policy advisors for Water and Water Company. Government of Kosovo through WTF has expressed its assurance to increase commitments in the water sector.

The general issues addressed through WTF in water sectors, are related to the policy development in the water sectors, supporting in development of water strategy, completion and harmonization of legal and institutional framework, preparation of investment plans in water sector, preparation of investment plans in water sectors, drafting of policies in order to involve private sectors in water sectors, development of academic capacity in water sector, international and donors cooperation .

The other issues addressed by WTF in the water service sectors are; drafting of the policies for corporate governance, drafting and implementation of performance agreement, the drafting of policy for subsidizing of RWC on behalf of the bills payment of consumed water by the social categories , consolidation of public water supply enterprises in the newly established municipalities, policy development in rural systems of water supply, and finding of modalities in increasing of collection. With the mutual cooperation between PMU -POE, WTF, WWRO and RWC is being finalized the draft agreement on performance, which will be implemented by early of 2011, in achieving of goals in key performance indicators

The International donor community is actively supporting the water services sector in Kosovo through some of the most powerful donors such as the EU managed by the European Commission Liaison Office (ECLO), the German Development Bank (KfW), the Swiss Cooperation Office (SCO), the World Bank (WB), and U.S. Agency for International Development (USAID), etc. Donors have supported a number of activities through investments in water infrastructure in urban and rural areas, especially in increasing production capacity, investment in distribution networks, service coverage etc. These programs are complemented by supporting institutional strengthening of RWCs and supporting various related institutions engaged in the water sector.

WWRO-is supported by the SCO in the Monitoring and Comparative Assessment Program in RWC during 2008 to the first half of 2010.

The problems of a political nature in the northern municipalities (Leposavic, Zvecan and Zubin Potok) are not yet solved. This reflects on the companies that provide water and wastewater services and waste management services, which have remained out of the consolidation and regionalization process. These companies are also not subject to economic regulation by WWRO.

The Regional Company of Mitrovica is in the difficult position, and since after the Kosovo conflict, over 20% of water produced by RWC Mitrovica has been sent to the companies in the northern part, and until now has not been received any compensation. In order to cover the costs of water delivered to the northern part, the company is subsided partially by the Government of Kosovo, and tools according to the company in question do not cover costs totally created for the production of water quantity, where as a consequence in the last instance, RWC Mitrovica is facing with the lack of financial stability and regular water supply.

In Kosovo, the system of waste collection and disposal is currently provided by public companies.

Based on the Law for POE no. 03/L-087, the owners of waste collection companies are Municipalities. The powers transfer process of municipalities, initiated by the Law on Local Self-Government and the Law on Public Enterprises, continues. However, it is not currently clear how these competencies will be applied in practice, since the waste services up to now are regional and not local.

The pressure of private sector is increasing further, which means they fully participate in providing of waste collection services in the near future. However, the private sector participation (PSP) is still limited, as result of delays in implementing of proposed legislative changes, and strengthening of institutional measures.

3.2 Licensing of Water and Waste Regional Companies

In accordance with the current legal framework, during year 2009, WWRO has developed the process of licensing regional companies providing water, wastewater and waste collection and waste disposal services regional companies and has licensed 15 (sixteen) publicly owned companies comprising:

- 7 (seven) Regional water companies (RWCs)
- 1 (one) bulk raw water company (Iber Leepenci),
- 7 (seven) Regional waste collection companies (RWCCs).

During the licensing process, WWRO has concluded that the applicants for service licenses are facing a number of problems and difficulties such as; de-consolidation of some operating units, which WWRO considers illegal (Decan, Viti and Kaqanik Municipalities), problems with financial viability (inability to collect issued bills), and the inability to fulfill the criteria for licensing required by the current legal framework.

Considering these problems, WWRO has issued three year licenses[3] for the water and waste regional companies and one year licenses for the waste collection regional companies with additional terms.

In terms of the current legal framework promotions, have been undertaken the activities in amending of the primary and the secondary legislation, namely in amending of the Law Nr.03/L-086, respectivelly in changing of UNMIK Regulation on water supply, sewage and waste service providers activities, which has not been achieved yet, in order to be finalized, and the amendment of secondary legislation (regulations).

Based on current trends, it is expected by our society to engage the private operators in these sectors , which is of the great interest , while the WWRO considers, that it is a competent and responsible institution (analog Regulators in other countries) to regulate the private sectors.

3.3 Approval of Tariffs for Water and Waste Services

After the process of consolidation that has occurred in the water and waste sectors, the tariff rates for drinkable water, sewerage services and waste were harmonized within each supply area of regional companies.

By the beginning of 2009, the application of new tariffs for water services started. The tariffs are valid for a period of three years and approval of new tariffs by WWRO has resulted in an increase in tariff in comparison with the previous tariffs.

In the water and wastewater sector, the average volumetric water and wastewater tariff for the category of domestic customers in 2008 was 0.28€/m^3,and for 2009 has increased to € 0.31 / m 3, expressed as a percentage increased to 10.72%, while for water non-domestic consumers the volumetric tariff was € 0.59 / m3 ,and the same was increased to € 0.68 / m3, or 15:26% higher in 2009.

Tariffs for the waste sector have been approved for a period of one year only. For waste collection services, the average rate for domestic customers in 2008 was 3.55€ per month and the figure increased to 3.81€ per month for 2009. Expressed as a percentage this is an increase of 7.32%.

The above mentioned increases are the first in three years and regarded as necessary after careful analysis of forecasts provided by water and waste companies. The tariff which has been set has been evaluated to be adequate to allow the companies to generate income needed to cover operating costs and improve the quality of customer services..

It is important to note that with new tariff approvals substantial investments are foreseen from the companies to be undertaken during 2009-2011 in all water

[3] With the current legislation, the service licenses may be issued for a period not less than 1 (one) year and not more than 5 (five) years, except service licenses of waste disposal which may be issued for a period not more than 10 (ten) years

companies, by all water companies, in total worth over 140 million euros, these investments are necessary in water and sewerage systems and will enable better quality of services to be provided to customers. Most of capital investments are expected to be financed by donations and grants, while the value of 23 million Euros will be provided from the tariffs during this process. Planned Investments funded from companies' own revenues is an important step. WWRO monitored implementation of these investments during 2009, to see how they are being implemented in value as well as the planned dynamics. In line with progress towards their implementation the WWRO may consider reviewing the tariffs in forthcoming years.

3.4 Tariff Developments from 1st January 2009

From the end of 2007, WWRO worked with the water and wastewater regional companies, to achieve a profound change in the basis of tariff determination. In the early years of economic regulation of the water sector, when the licensees were still familiarizing themselves with regulatory concepts, tariffs were set annually, and were determined by the cost recovery method. Although WWRO has always sought to encourage investment in the water and wastewater network, in practice licensees have generated only marginal cash flow to fund investment, in large part because they have failed to meet even undemanding cash collection targets. The working coverage ratios set out in this report are close to or below 1.0 for all companies, which confirms this analysis. Licensees have therefore relied largely on grants from donor organizations for any substantial investment. Without doubt, however, those current levels of investment in the water sector are inadequate even to maintain the status quo.

In order to encourage investment, encourage medium-term planning and increase tariff transparency, WWRO, having consulted widely with stakeholders, introduced the following changes to the tariff regime in Kosovo’s water sector with effect from 1 January, 2009:

- A move from annual tariffs to a three-year tariff review period (2009 to 2011). This will significantly increase regulatory certainty, and therefore encourage medium term planning. The opportunity for a licensee to retain the financial benefits of exceeding targets throughout the review period should also help to deliver significantly improved commercial performance.
- The introduction of a Return on Regulatory Capital Value. This will allow licensees to achieve a reasonable level of profit in addition to the recovery of cost, and will therefore provide additional cash flow to fund investment programs, and encourage licensees to maintain their capital bases.
- The introduction of accounting and tariff determination for the Wastewater businesses separately from Water Supply. This will provide greater transparency and fairness in tariff levels, and lead to sharper management focus.

At the same time as seeking to improve the cash flow performance of licensees, WWRO has protected the interests of customers by setting challenging performance targets, particularly for non-revenue water and collection efficiency, and insisting that the planned additional cash flow be re-invested in the networks.

The tariff determination for 2009 to 2011 was the first time that WWRO had set explicit targets for licensees, and accordingly this report goes beyond an analysis of historic performance, as in the past, and examines actual performance also against targets. The charts displayed in Part B therefore include not only data for 2009 and 2008, but also target data in the case of:

- Non-revenue water (%)
- Non-revenue water (m3/cust/month)
- Collection efficiency (%)
- Working coverage ratio
- Working ratio

Part B

Comparative Performance of the Water Sektor

4. GENERAL PERFOMANCE OF WATER AND SEWAGE SECTORS.

4.1 Performance of Water Sector Services

A water and sewage supply sector in Kosovo is organized on regional basis. By WWRO-i, are licensed seven regional companies, in order to provide services, water and sewage services, and a company which provides untreated bulk water in two regional companies.

Table 1 gives a brief profile of regional water and wastewater companies associated with their abbreviations for their names which are used in the report.

Table 1. Regional Water and Wastewater Companies Profile

Name of the company	Served Municipalities	Total no population in service areas (x1000)	Population served with water (x1000)	Population served with wastewater service(x1000)	Number of Customers	Water production mil/m^3	Number of employees	Used name
RWC „Prishtina, J.S.C	7	580	467	348	86,491	45.1	497	Prishtina
RWC Hidroregjioni Jugor, J.S.C	4	390	192	170	31,230	15.2	189	Hidroregjioni Jugor
RWC Hidrodrini, J.S.C	5	244	185	96	30,896	28.2	176	Hidrodrini
RWC Mitrovica, J.S.C	3	212	135	104	21,314	17.3	219	Mitrovica
RWC Radoniqi, J.S.C	2	167	162	105	27,230	15.2	218	Radoniqi

RWC Hidromorava, J.S.C	3	263	86	82	16,676	6.9	92	Hidromorava
RWC Bifurkacioni, J.S.C	2	147	86	64	13,964	5.1	145	Bifurkacioni
Total	26	2,002	1,312	969	227,801	133	1,536	

The Kosovo's total population is estimated to be 2,104,540[4], of which 2,001,908 are estimated to live in service areas of companies, of which 1,311,648 are estimated to have access to water services from the regional companies, and 969,194 are estimated to have access to wastewater services from the regional companies..

Monitoring includes 7 (seven) RWCs, provided water and wastewater services in 26 municipalities of Kosovo through their operational units. A water service coverage from regional companies was 66%, while wastewater services coverage were about 48%, i.e. 34% of the population still had no access to water provided by public companies, and 52% did not have access to wastewater services. Low access of the low level of wastewater services provided in Kosovo, priority areas for future investments for wastewater services must be determined including wastewater treatment.

In 2009 were produced 133,089,834 m3 drinkable water, which is distributed to all customers, and by all produced water, 77,192,101 m3 have been lost and misused, which means the water that does not bring revenues in the company, while over 8,491,131€ are expenses on behalf of Non-Revenue Water.

On average in 2009, 20% of customers were still not equipped with water meters according to data provided by the RWCs, and billing of these customers was therefor done on a lump sum basis. Taking into consideration that a certain number of water meters were not functional (which fact emerged from the inspection[5] undertaken by WWRO in 2009), the proportion of customers who are not equipped with functional water meters was in reality somewhat higher than 20%.

The Collection rate of 63%, has conditioned that the rate of recovery work to be 0.97, leaving the companies under the coverage of limit expenses and not financially capable, in order to make investments in replacements and incensement of assets.

The average amount accumulated by customers for services provided to companies in 2009 were 10,235,076€,while the accumulated obligations of creditors is 2,377,104€.

[4] This figure is taken from an analysis of the statistical analysis SOK for the new period.
[5] Inspection of an individual reading of water meter in service area of RWC , Hidromorava, Bifurkacioni , Pristina and Mitrovica.

The total number of workers employed in all seven regional companies was 1.536 in 2009. This shows a growth of 0.7% compared to 2008. However, a staff efficiency ratio for the sector of 6.7 remains still high.

4.2 Performance and ranking of Regional Water Companies

The following Key Performance Indicators (KPI) for the water and wastewater sector have been used in this report to evaluate and rank the RWCs for best performance in 2009 and best progress recorded in 2009 compared to 2008:

- Collection rate
- Non Revenue Water (NRW)
- Working Coverage Ratio
- Customer Complaints
- Water Quality
- Staff Efficiency
- Measured consumption
- Increase of customers number

Table 2. Achieved level of KIP by companies and the sector average in 2009

Regional Water Companies	Collection rate (%)	Non-Revenue Water (%)	Working coverage ratio	Customer complains (no./1000 cost)	Water quality (%)	Staff efficiency (staff/1000cust)	Metered consumption (%)	Unit operating costs (€/m3)
Prishtina	65%	54%	1.06	32.0	2.0%	5.75	90%	0.14
Hidroregjioni Jugor	60%	55%	0.88	25.1	3.9%	6.05	87%	0.12
Hidrodrini	60%	74%	1.03	58.2	8.3%	5.70	93%	0.05
Mitrovica	51%	51%	0.67	-	2.4%	10.27	71%	0.10
Radoniqi	69%	55%	1.02	59.2	0.7%	8.01	79%	0.12

Hidromorava	63%	57%	0.90	122.2	0.5%	8.70	78%	0.15
Bifurkacioni	61%	57%	1.24	32.8	10.3%	6.59	65%	0.10
Sector average	63%	58%	0.97	41.5	3.6%	6.7	84%	0.11

Table 3. Sector Performance in 2008-2009

Regional Water Companies	Collection rate (%)	Non – Revenue water (%)	Working coverage ratio	Customer complains (no./1000 cust)	Water quality (%)	Staff efficiency (staff/1000cost)	Metered consumption (%)	Unit operating costs (€/m3)
Sector in 2008	65%	56%	1.04	62.4	3.0%	7.0	86%	0.11
Sector in 2009	63%	58%	0.97	41.5	3.6%	6.7	84%	0.11
Trend	Negative	negative	negative	positive	negative	positive	negative	same

It is evident from Table 3 that the sector has generally performed poorly on five financial and operating key indicators including Collection Rate, Non Revenue Water and Working Coverage Ratio, thus threatening the financial viability of the water service sector. Water quality, one of the most important indicators for service quality, has seen an increase in the number of failures of analyzed samples using data from NIPHK out of total of 8 KPIs, the trend in Customer Complaints and Staff Efficiency, has been positive, while only Unit Operating Cost remained stable during the two year period 2008-2009.

Table 4. Weight indicators

Indicator	Collection rate	Non Revenue Water	Working coverage ratio	Customer complaints	Water quality	Staff efficiency	Metered consumption	Unit operating cost	Increase of customer numbers
Importance	1.0	1.0	1.0	1.0	0.8	0.8	0.8	0.8	0.2

In accordance with the approved methodology for assessing of performance, KIP was given an importance which is divided into three categories: ***(i)*** by 1.0 points are weighted two most important financial indicators, an operational and one of service level, ***(ii)*** by 0.8 points are weighted three operating and financial indicators and ***(iii)*** with 0.2 points is assessed progress in increasing of customer's number from year to year (although this is not proper indicator , however was given a symbolic weight in order to encourage companies to make efforts in registering of new customers and identifying of illegal connections). It is used only to performance evaluation of the progress achieved during the assessment in 2009 compared with 2008.

Table 5. Number of points according to indicators (in 2009)

Regional Water Companies	Collection rate (%)	Non-revenue Water(%)	Working coverage ratio	Customer complains (000cost)	Water quality (%)	Staff efficiency (staff/1000cost)	Metered consumption (%)	Unit operating costs (€/m3)	Total of points
Prishtina	0.78	0.67	0.67	0.93	0.68	0.79	0.72	0.09	5.33
Hidroregjioni Jugor	0.51	0.21	0.37	0.50	0.53	0.74	0.64	-0.02	3.48
Hidrodrini	0.52	0.00	0.62	0.66	0.17	0.80	0.80	1.00	4.57

Mitrovica	0.00	0.75	0.00	0.00	0.64	0.00	0.16	0.16	1.71
Radoniqi	1.00	0.62	0.61	0.49	0.79	0.40	0.41	-0.06	4.26
Hidromorava	0.69	0.56	0.39	0.00	0.80	0.28	0.36	0.00	3.08
Bifurkacioni	0.53	0.74	1.00	0.46	0.00	0.64	0.00	0.28	3.65

Total points accumulated for each company represents the total number of points collected for each indicator. Separation of points for the best performance for the year 2009 and the progress achieved in performance improvement for the period 2008-2009, is made under the same method used during the pointing over the past years, and is based on proportional allocation of points depending on the level achieved in one indicator. Thus for the company that achieved the highest level in one indicator the maximum score of 1.0 points was given, while a score of zero has been allocated to the poorest performing company, the remaining companies were scored between zero and 1.0 pro rata.

Table 6. The number of points according to the improvement of performance 2008-2009.

Regional Water Companies	Collection rate (%)	Non-Revenue water (%)	Working coverage ratio	Customer complains (000 cost)	Water quality (%)	Staff efficiency (staff/1000cost)	Metered consumption (%)	Unit operating costs (€/m3)	Customer increasement (%)	Total of points
Prishtina	0.67	0.20	0.38	1.00	0.26	0.39	0.57	0.50	0.14	4.11
Hidroregjioni Jugor	0.52	0.00	0.46	0.00	0.63	0.49	0.34	0.14	0.20	2.78
Hidrodrini	0.36	0.69	0.15	0.65	0.45	0.80	0.53	0.08	0.16	3.87
Mitrovica	0.58	0.61	0.00	0.00	0.57	0.00	0.80	0.30	0.11	2.97
Radoniqi	0.59	0.75	0.35	0.46	0.00	0.06	0.21	0.00	0.11	2.53

Hidromorava	0.00	0.22	0.36	0.67	0.80	0.08	0.00	0.63	0.14	2.90
Bifurkacioni	1.00	0.16	1.00	0.00	0.45	0.49	0.57	1.00	0.00	4.67

Table 7. Ranking of companies by better performance in 2009.

Position	RWC	Points collected
1	Prishtina	5.33
2	Hidrodrini	4.57
3	Radoniqi	4.26
4	Bifurkacioni	3.65
5	Hidroregjioni Jugor	3.48
6	Hidromorava	3.08
7	Mitrovica	1.71

Table 8. Ranking of companies according to the performance progress 2008-2009

Position	RWC	Points collected
1	Bifurkacioni	4.67
2	Prishtina	4.11

3	Hidrodrini	3.87
4	Mitrovica	2.97
5	Hidromorava	2.90
6	Hidroregjioni Jugor	2.78
7	Radoniqi	2.53

Table 9. Ranking of companies during 2006-2009

Regional Water Companies	Ranking 2006	Ranking 2007	Ranking 2008	Ranking 2009
Prishtina	3	2	1	1
Hidrodrini	5	6	2	2
Radoniqi	1	1	3	3
Bifurkacioni	7	5	7	4
Hidroregjioni Jugor	4	3	5	5
Hidromorava	2	4	4	6
Mitrovica	6	7	6	7

The company Pristina, remained in the first place since the last year, even though there was a slight decrease in some key indicators of performance. Hidrodrini also remained stable in 2008 and 2009 following the progress achieved in 2008, while Radoniqi over the years has shown a negative trend and from the position of the first place (2006-2007), and in 2009 is ranked in the third place.This is worrying because it deteriorates further, and it is noticed from the ranking in the last position of the progress achieved during 2008 to 2009.

Bifurkacioni is the company that showed the greatest progress in 2009 compared with 2008, being ranked in the first place.Bifurkaciobi is the only company that made progress in most of the key performance indicators in 2009, thus reinforcing its position in the ranking of performance in 2009 (ranked in the fourth place). Three companies with the best performance have a small difference in total gathered points that makes the competition more competitive through comparative assessment and more challenging.

5. COMPARATIVE PERFORMANCE OF THE REGIONAL WATER COMPANIES

To reflect a meaningful and comprehensive picture of RWCs comparative information is presented below (in tables and charts) following WWRO's detailed analysis of 18 indicators, of which 9 represent Key Performance Indicators (KPIs).

Description of the indicators is done by grouping them into the following four categories:

- Operational indicators,
- Service level indicators,
- Financial indicators,
- Staff efficiency Indicators.

5.1 Operational Indicators

5.1.1 Service Coverage with Water Supply

Definition: Population served with water supply service from RWCs divided by the registered population in a service area, expressed as a percentage.

More than 10 years after the Kosovo conflict, the population of Kosovo is still not completely covered with public water supplies and wastewater services provided by the regional water companies.

Earlier, the water sector continued to be supported by international donors, while in recent years is supported by the local level, respectively with communities that help to expand service coverage.

And this year, in the absence of accurate statistics that will in future emerge from the process of registration of the population in Kosovo, WWRO used data from the Statistical Office of Kosovo (SOK), in order to get indirectly the data regarding population number that lives in each of the regions served by RWCs. The population served data has been obtained by multiplying the number of household bills with an average number of inhabitants in respective regions. .

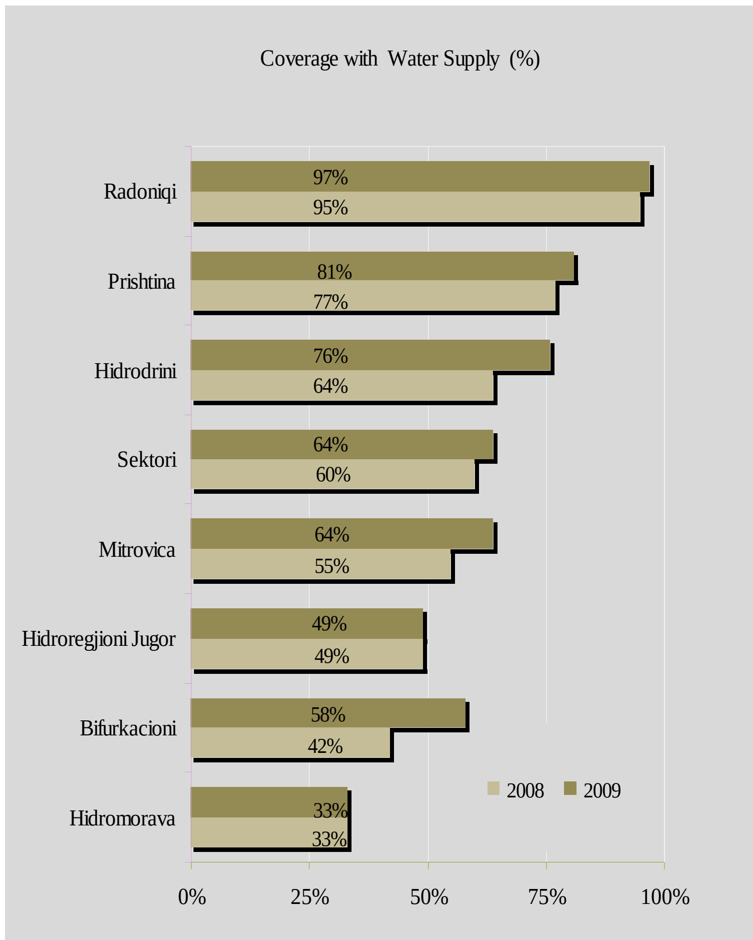

Chart 1. Coverage with Water Supply

In 2009, RWC Radoniqi showed the highest level of water coverage with 97%, while the lowest was RWC Hidromorava with 33%.

During 2009, compared with 2008, extension of services at the sector level appears to have increased by 6 %. This is as a result of donations and investments from own funds in order to expand water supply services.

Hidrodrini in 2009 compared with 2008 showed increase of 12% in covering with water services[6]. This increase happened due to investments in expansion of coverage in some villages.

Investments in expanding of services from own resources and donations as well had the Companies Prishtina, Bifurkacioni and Mitrovica.

Expanding of coverage with services, as one of the most important aspects that affects in water quality, welfare of population and economic and social development is followed with high cost which can hardly be afforded by RWC's. It is necessary that the Government and Municipalities to manage their investments and potential donors in improving of the current situation.

5.1.2 Service Coverage with Wastewater

Definition: Population with access to wastewater services maintained by the RWCs divided with registered population in a service area, expressed in percentage.

Coverage of wastewater services by RWC's is generally lower than coverage with water supply services.

[6] The Municipality of Peja has designed, Development Plan for Water and Sewerage infrastructure - 2008

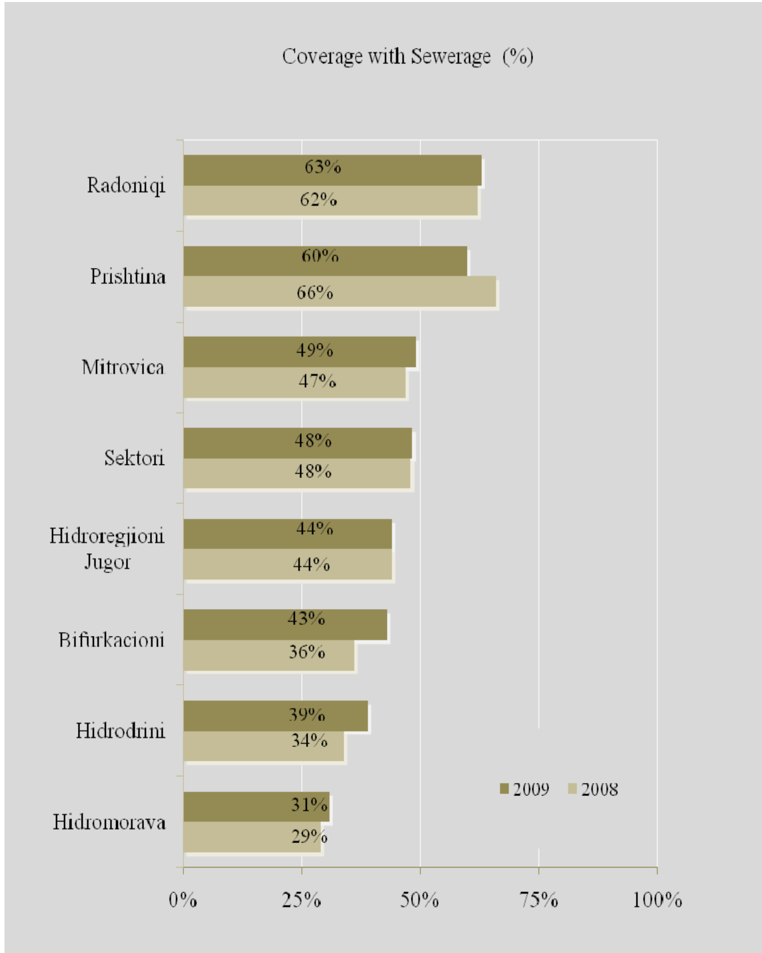

Chart 2. Service Coverage with Wastewater

In 2009, as with water service coverage, the highest level with wastewater coverage service continues to be RWC Radoniqi (63 %), while the lowest coverage figure was for RWC Hidromorava (31%).

During 2009, compared with 2008, the extension of wastewater services in the sector level decreased by 2%. This happened because the RWC Prishtina has eliminated some customers from its database, who by 2009 were also billed for wastewater services, although they had no access to the wastewater network, while this trend for the RWC Bifurkacioni was affected by the separation of the Kacanik operating unit.

Low coverage of sewerage services offers the potential possibility of investments in the development of sewerage network and wastewater treatment as well, thereby improvement of drinking water quality consumed from wells[7].

7 In the service area of Bifurkacioni and several settlements of Prishtina, due to large reductions of water, the customers use the alternate supply (wells), and water quality in most of the cases does not comply with the sanitary standards.

5.1.3 Water Production

In 2009, the water companies together produced a total of 133, 089.83 m 3 of drinking water, that's means an increase of 4.34% compared with 2008.All companies increased the amount of produced water, excluding companies Radoniqi and Hidrodrini, which have seen a reduction in the produced water amount. Increased water production in RWC Hidromorave and RWC Bifurkacioni in 2009 comes as a result of two these companies that increased the production capacity, with above of one million m3 more than the previous year.

Water production (l/c/d)

Definition: Total monthly water production expressed as liters per capita per day supply.

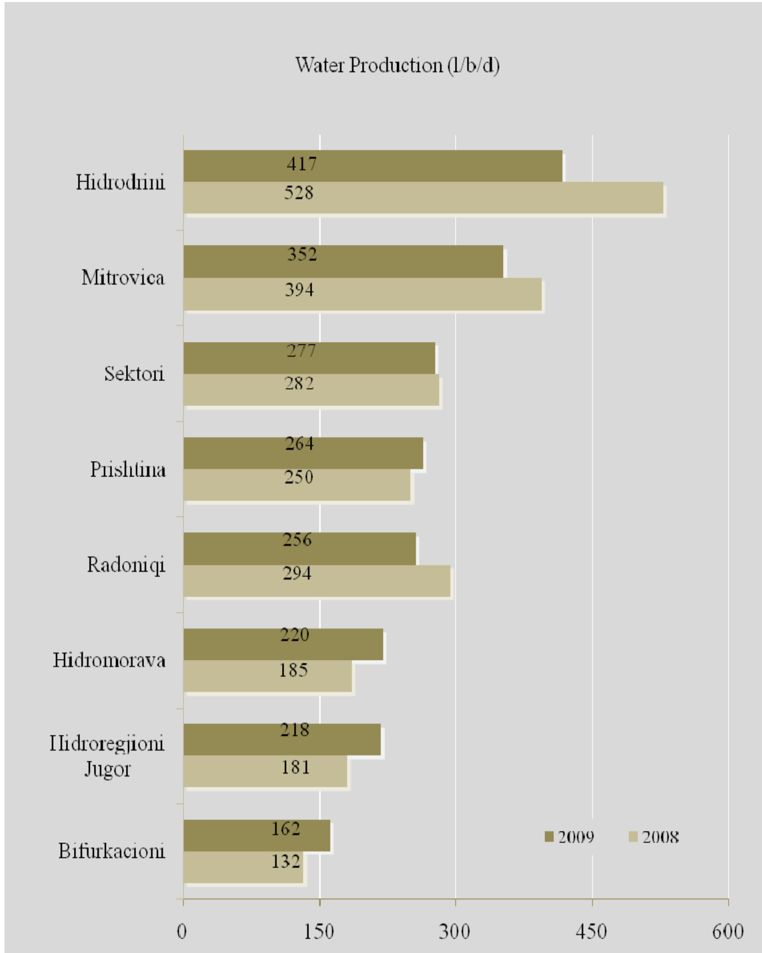

Chart 3. Water Production (l/c/d)

The water amount supplied by the regional companies varied widely, whereby the highest amount per capita per day was RWC Hidrodrini, with 417 (liters/capita/day) / d), while the lowest provided amount has Bifurkacini with 217 (liters/capita/day).

Mitorvica is ranked in the second place with water quantity of 352(l/c/d), however it applies reductions of water supply; because a portion of its production about 30% is send to the northern part of Mitrovica.

In 2009, we have a less product of water per capita compared with 2008, despite the overall increase of the amount of produced water. This increase comes as a result of sufficient raining, which affects in some companies to not have restrictions on production. On the other hand, the increase of production capacity in Hidromorava and Bifurkacioni influenced in this parameter. The average of water production in Kosovo in 2009 is 277(l/c/d).

Water Production (m^3/customer/month)

Definition: Monthly total water production expressed as m^3 per month for registered customers.

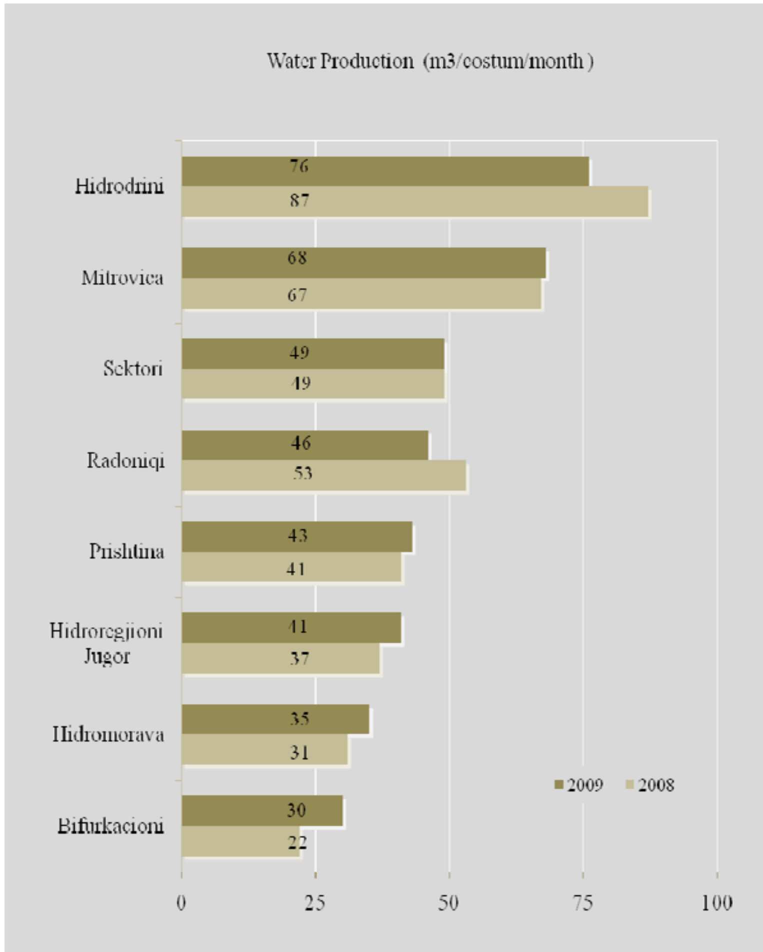

Chart 4. Monthly Water Production in m^3 per registered customers

In 2009, Hidrodrini had the highest quantity of produced water 76 m^3/customer/month, while Bifurkacioni had the lowest quantity of produced water 30 m^3/customer/month.

During 2009, compared with 2008, the produced water m3/cust/m remained the same in overall level, with 49 m3/cust/month.

In any case, these two analyzed indicators (l/c/d) and (m3/cust/month) of water production do not show a clear overview in increasing of the produced water amount. This as a result of the statistical data, which are not objective enough[8] , however may be taken as the orientation values

[8] The number of residents is still estimated due to lack of accurate data that will emerge from the census.

5.1.4 Water Sold

Definition: The total monthly sale of water, expressed as m ^{3} per month for registered customers.

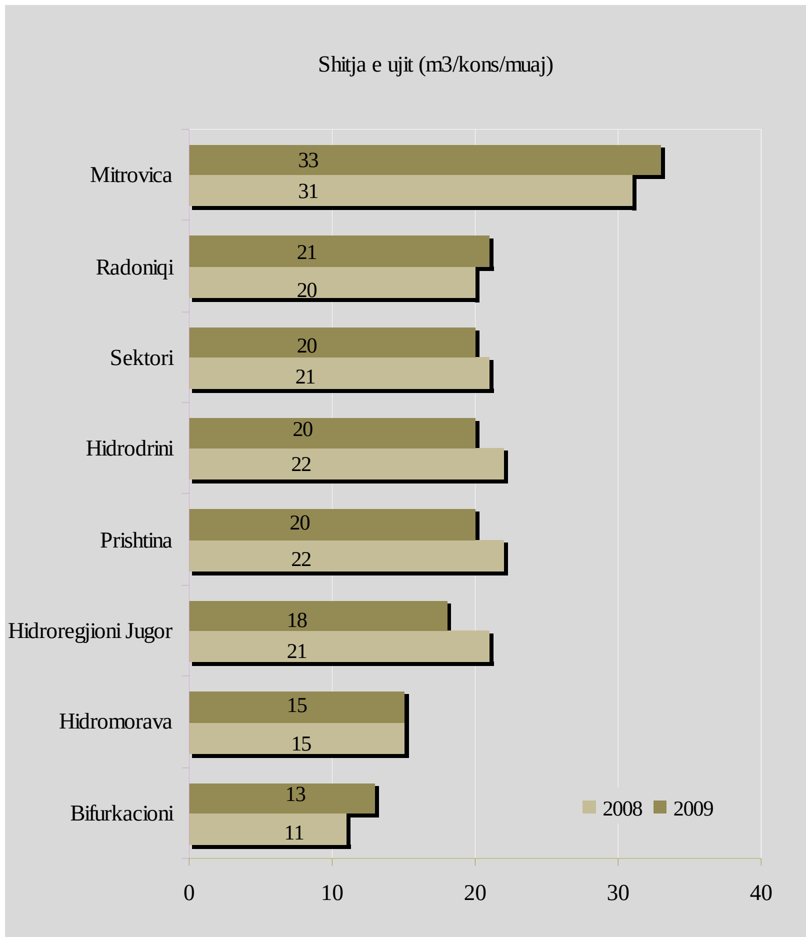

Chart 5. Water Sold (m ^{3} / customer / month)

This indicator represents the sale of water expressed in m3 per month for customers including all categories of customers. In 2009, RWC Mitrovica[9] had the largest quantity of billed water, this happened because the northern part is billed as a single customer, while RWC Bifurkacioni had the lowest billed amount.

In 2009 compared with 2008 is found a small decrease (about 1%) of billed water at sector level, this amount of sold water remained more or less in the same level over the past two years.

[9] Due to the northern problem, Mitrovica seems to be better in these indicators, similar to the amount of supplied water for (l/b/d), where the northern part is considered as one customer.

In comparison with 2008, in 2009 Bifurkacioni recorded a small increase, which reflects in the creation of opportunities for a higher quality supply of consumers, after increasing of production capacities. This is not reflected in Hidromorava, which after the increasing of production capacities the same amount of billed water has billed for cust / m

Hidrodrini is ranked below the sector average of 20 m3, although it has the higher production amount to consumers, confirming that the company has the highest UPF of all companies.

5.1.5 Water Losses

Losses may be real (i.e. leakages which are usually referred to as physical loss) and administrative losses (illegal connections, theft, measurement inaccuracies, over or under valuation of the estimated amount by lump sum, etc.) ,as well as authorized but not billed consumption losses (public springs, and in some cases religious institutions).

The high level of water losses has a negative impact on the financial sustainability of water companies, and this also negatively affects in the quality of water distributed to customers.

Assessment of water losses is a complex process associated with the measurement of produced water, measuring the amount of water used with individual meters, and eliminating errors created through the process of billing and consumption assessment through lump sum billing.[10]

The most common reasons for companies failures to reduce water losses in Kosovo, in most cases can be summarized as follows: *(i)* companies still do not have a strategic approach in the solving of the problems, *(ii)* some companies partly implement water loss reduction mainly within a few pilot projects, *(iii)* failure by companies to mobilize the necessary human and financial resources and *(iv)* lack of identification and coordination between the components of the problem (identification of administrative and technical losses).

On the reduction of water losses, particularly reducing leakages, other benefits of all companies and customers would be primarily in the financial benefits from increased water selling or reducing water production, thereby reducing the need for increased manufacturing capacity, improvement of water quality by reducing the risk of contamination and improvements in public relations.

Non Revenue Water (%)

Definition: Non Revenue Water is the difference between the amount of water produced and water invoiced divided by water produced, expressed as a percentage.

[10] RWCs do not use any standard rate for unmetered billing.

The most common indicator used to gauge the level of water losses is the amount lost assessed expressed as a percentage. While this indicator is easy to understand and is widely used in practice, it was always recognized that this is not the most suitable indicator to describe the real level of water losses.

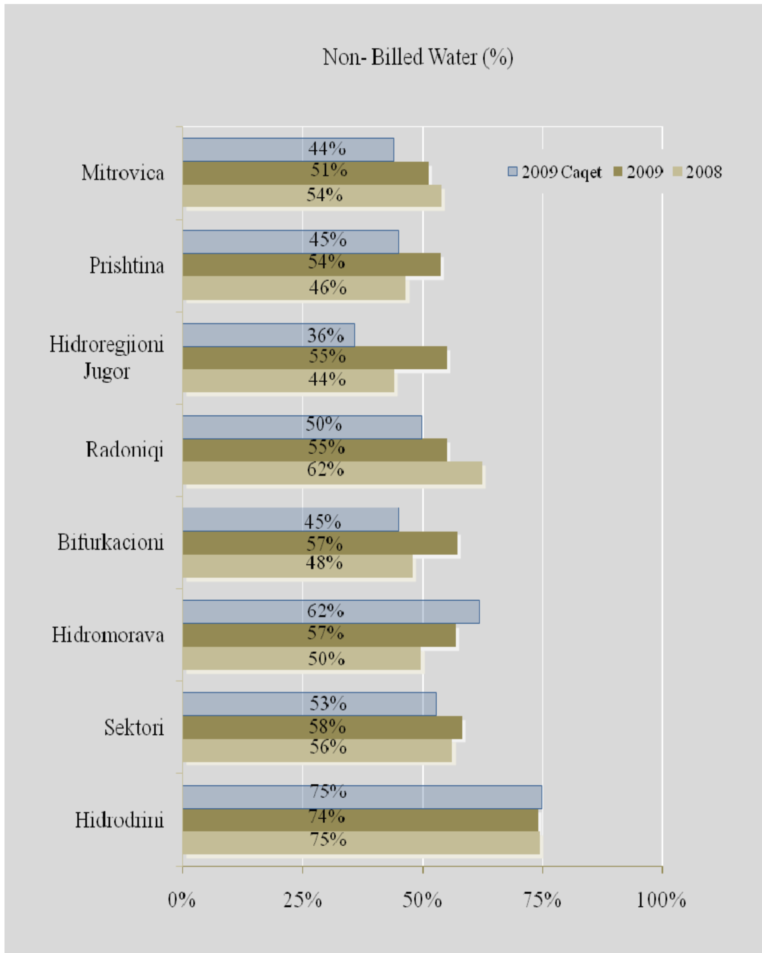

Chart 6. Non Revenue Water (%)

Referring to Chart 6 in 2009 compared with 2008, the average of NRW in the sector has increased (negative trend) from 66% to 58% which means that in 2009, 42% of water produced was not billed.

Water losses of 58% are unacceptable, and it is known that this is much higher than the level of 20%, which publicly accepted

In 2009 progress in reducing NRW by RWC Hidrodrini (1%), RWC Mitrovica (3%) and RWC Radoniqi (7%) can be seen. In 2009 compared to 2008 RWC, Radoniqi recorded a steady improvement in the reduction of NRW as a result of the reduction of water production and an increasing billed amount of water.

For the sector in general, NRW of water production was 58.4% in 2009 compared with an objective of 52,5%. Hidrodrini and Hidromorava exceeded their objectives, although in percentage terms Hidrodrini was weaker performer.

In response to the current level of high, NRW RWC Hidrodrini has developed a more advanced approach to reducing NRW. In this context it has established a department for water loss, installed meters for measuring the produced and distributed water, and developed geographic information system (GIS), which activities should in the near future give expected results.

WWRO expects other RWCs to follow the good example of RWC Hidrodrini, and develop an advance approach to address the high levels of NRW.

Non Revenue Water (m^3/cust/month)

Definition: The difference of water produced and water invoiced expressed as m3 per customer per month.

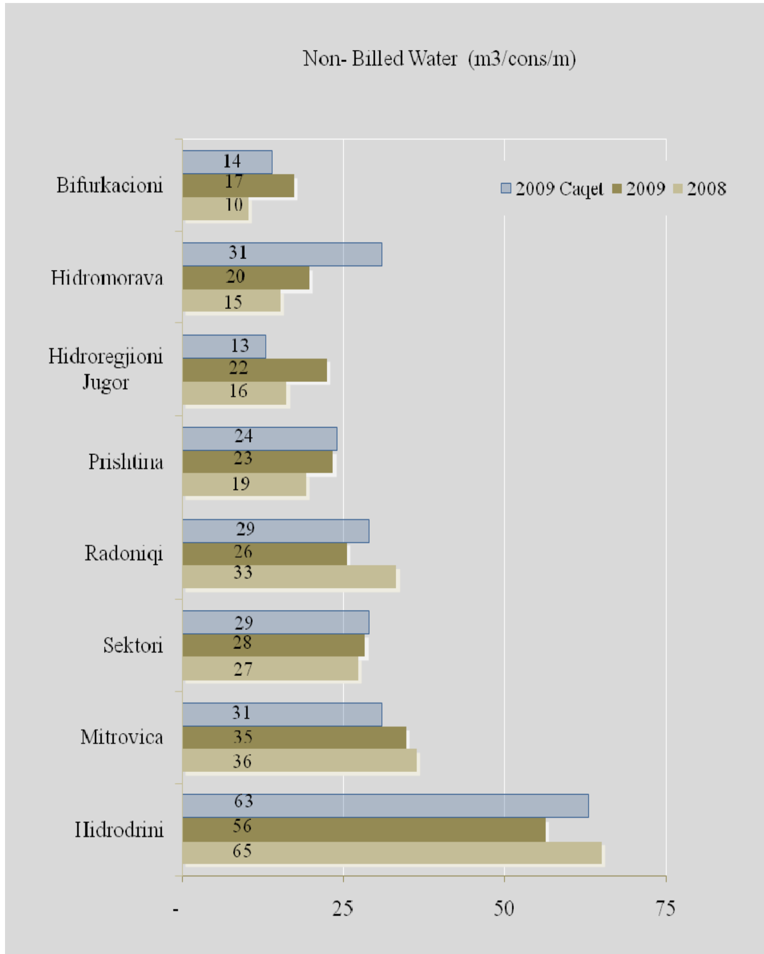

Chart 7 Water losses in (m^3/customer/month)

Even to this indicator in 2009 compared with 2008, is noticed that Non Revenue Water recorded a negative trend in the sector average of 27 (m3/customer /month to 28 (m3/customer /month).

The companies as Hidrodrini, Radoniqi and Mitrovica have positive trends in this indicator, as well as it was noticed to Non Revenue Water calculated in percentage.

The indicator presents the multiple average compared with service providers in developed European countries, as Germany or the UK (with 10-20% annual loss of water).

An alternative way to evaluate the performance of NRW is examination of the absolute loss of water per customer, per month. On this basis, the sector performance of 28 m3/cust/month has slightly exceeded its target of 29 m3/cust/month. Pristina Hidrodrini, Radoniqi and Hidromorava also exceeded the target.

Non Revenue Water in the future will also be reviewed in terms of water losses per km of network per day (m^3 / km / day), once WWRO is confident of accurate information reported by regional companies.

If high water losses are shown in monetary terms, as showed in table 10, we can more easily understand the size of the problem and the amount of lost revenue annually. This should serve as an incentive for each company to come up with a strategy and implement it successfully to reduce water losses.

Table 10. Non Revenue Water (NRW) data

Regional Water Companies	NRW (%)	NRW (million m3/)	NRW (million €)
Prishtina	54%	24,35	3.41
Hidroregjioni Jugor	55%	8,36	1.00
Hidrodrini	74%	20,87	1.04
Mitrovica	51%	8,82	0.88
Radoniqi	55%	8,36	1.00
Hidromorava	57%	3,93	0.59
Bifurkacioni	57%	2,91	0.29
Total	58%	77.1	8.2

5.1.6 Rate of measured consumption

The measured water is a measurement process of the water consumption through water meters, while the main purpose of placement of customer water meters is the amount billing of spent water based on metered consumption.

Measured individual consumption of the consumer should be an integral component of water supply companies in the country, because was given the opportunity to the customer, in order to affect on their own bill, then also in increase of demand for water management and real evaluation of water losses.

In the absence of the customer individual water meter have no any incentive to limit the water consumption, while it is not calculated and billed according to measured consumption. This leads to the quantities of water consumption above the average, especially during the summer months, where water is used for irrigation of gardens raising consumption and creating difficulties in functioning of water system..

Metered Consumption (%)

Definition: Amount of water invoiced based on metering relative to the total (notional plus metered amount) amounts of water invoiced expressed in percentage.

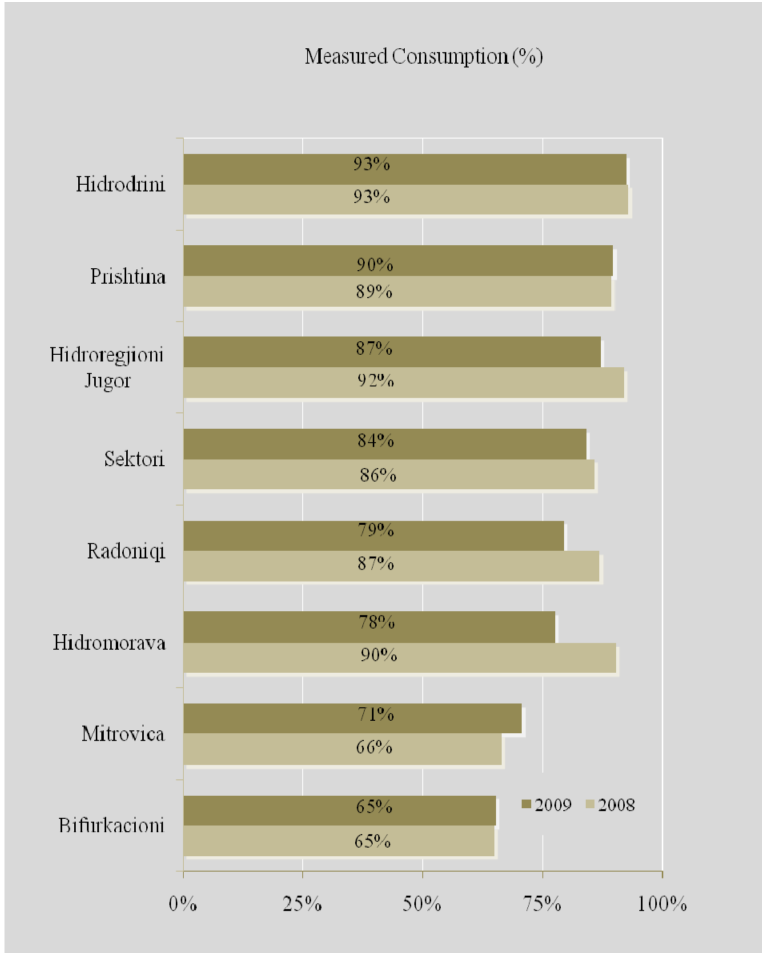

Chart 8. Measured Consumption

Measured Consumption in 2009 compared with 2008 at the sector level decreased by 2% ,due to an overall decrease in measured consumption in some companies such as Hidromorava, Radoniqi and Hidroregjioni Jugor.

Reduction of metered consumption may reflect a more realistic assessment of the actual situation rather than deterioration. This is largely assumed to be a result of previous unmetered (estimated) consumption figures being replaced by lower (actual) metered consumption once new meters are installed.

During the year 2009 compared to 2008, Hidrodrini showed the highest percentage of consumption measured by meter at 93%, followed by Prishtina with 90%.

Proportion of Customers with Water Meter (%)

Definition: Customers with water meter divided by registered customers, expressed in percentage.

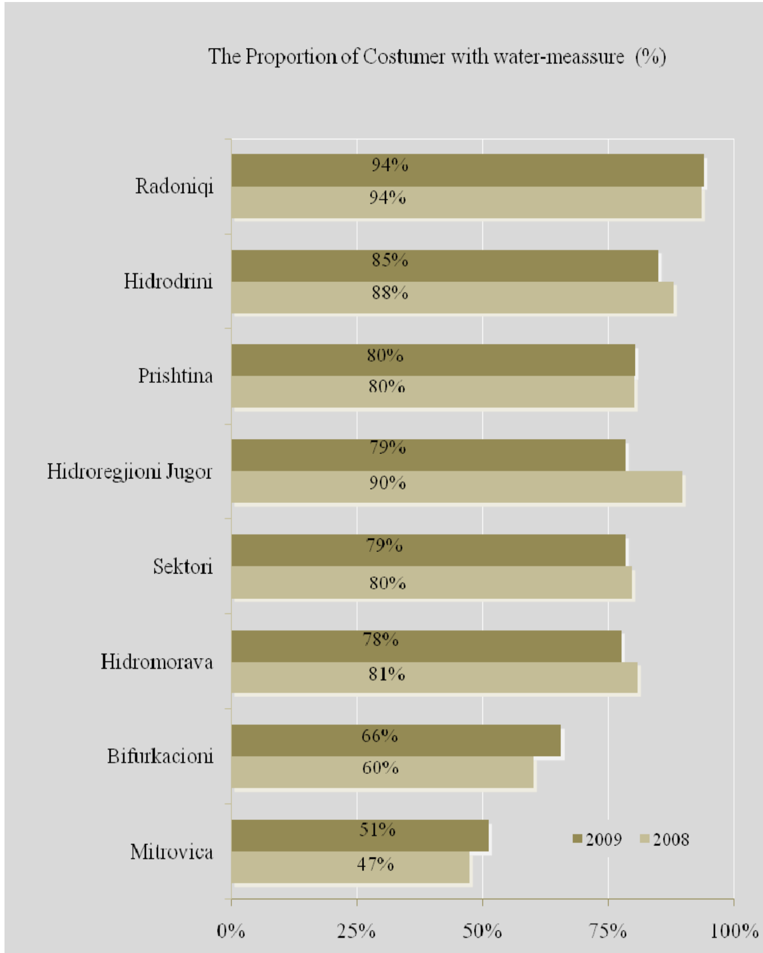

Chart 9. Proportion of Customers with Water Meter (%),

The customer proportion with meters at the sector level showed a decrease from 80% in 2008 to 79% in 2009.

In 2009, Radoniqi has the highest percentage of metered customers with 94%, while Mitrovica lowest level of 51%.

A working water meter is a precondition for accurate billing of customers based on their real consumption.

During the inspection of individual reading taken by WWRO, in some RWC service areas as (Prishtina, Bifurkacioni and Hidromorava), WWRO staff determined that a number of the meters were not functional and not regularly maintained. Furthermore none the RWC's could not provide any performance standard applicable to water meters i.e. accuracy, durability, etc.

Problems arise with water meters especially in the case of supply interruptions and sudden changes in pressure which can damage water meters making them not functional. This is common in some companies. Water meters also become less accurate over time, if not maintained, repaired and replaced regularly during their use.

WWRO requires that RWCs in future should install water meters with internationally accepted standards with necessary accuracy and calibration on regular basis. For collective buildings individual water meters for each customer must be a priority.

5.2 Service Level Indicators

5.2.1 Water Quality

The quality of drinking water is one of the main indicators of service quality that directly affects on human health. The public companies are responsible for enforcing of drinking water standards, while in Kosovo is monitored by NIPHK as responsible institution under the administrative direction 2 / 1999 for setting and monitoring of drinking water standards.

We are pleased to inform through this annual report the customers and wide public about the quality of drinking water, while the commitment and purpose of WWRO is to ensure regulated companies to provide safety and reliable drinking water to all citizens in Kosovo.. About 66% of the total population in Kosovo is supplied with drinking water from public companies, and the rest mainly are supplied with water from individual wells. Urban part is mainly covered by central supply. In some of the cities, the water supply is provided in an alternative way and from individual wells, especially in Ferizaj, Kosovo Polje, Shtime, etc, while the rural parts are not covered yet by the central system supply.

Most of water used for drinking (either surface or subsurface) requires several types of treatment, before it is going to be used for drinking, while the treatment level depends on the type and level of pollution.

Table 11. Analysis of Drinking Water Quality in 2009

Regional Water Companies	Bacteriological test		Physical – chemical test	
	Tested	Out of standards	Tested	Out of standards

Prishtina	3,881	93	710	-
Hidroregjioni Jugor	1,235	45	498	22
Hidrodrini	1,273	85	480	60
Mitrovica	1,181	19	412	20
Radoniqi	867	6	498	3
Hidromorava	701	5	307	-
Bifurkacioni	709	58	386	55
Total	9,847	311	3,291	160

The water quality parameters of drinkable water are divided into two categories: Chemical/physical and microbiological. Chemical parameters tend to present a risk of chronic aspect, whereas physical parameters affect the aesthetics and taste of drinking water, while the microbiological parameters (especially pathogens) are the greatest interest because of their potential danger to human health.

According to Administrative Instruction No. 2/1999, is foreseen the frequency and the number of samples taken for laboratory tests from treated and untreated water. Most of the samples of treated water are being taken by consumption wells of distribution network, and each sample can be tested for some specific parameters.

Drinkable water results for 2009 reported by NIPHK, shows that from 9,847 samples taken from the supply network, 311 or 3.16 % did not meet the bacteriological standards, whilst from 3,291 samples taken for chemical-physical tests, 160 or (4.86%) did not meet established standards.

As in 2008 the failure rate for chemical physical parameters for the sector is higher than the failure rate for microbiological parameters.

Water quality failures (%)

Definition: Total number of tests of treated water performed that are in non-compliance with standards divided by total number of tests of treated water performed, expressed in percentage.

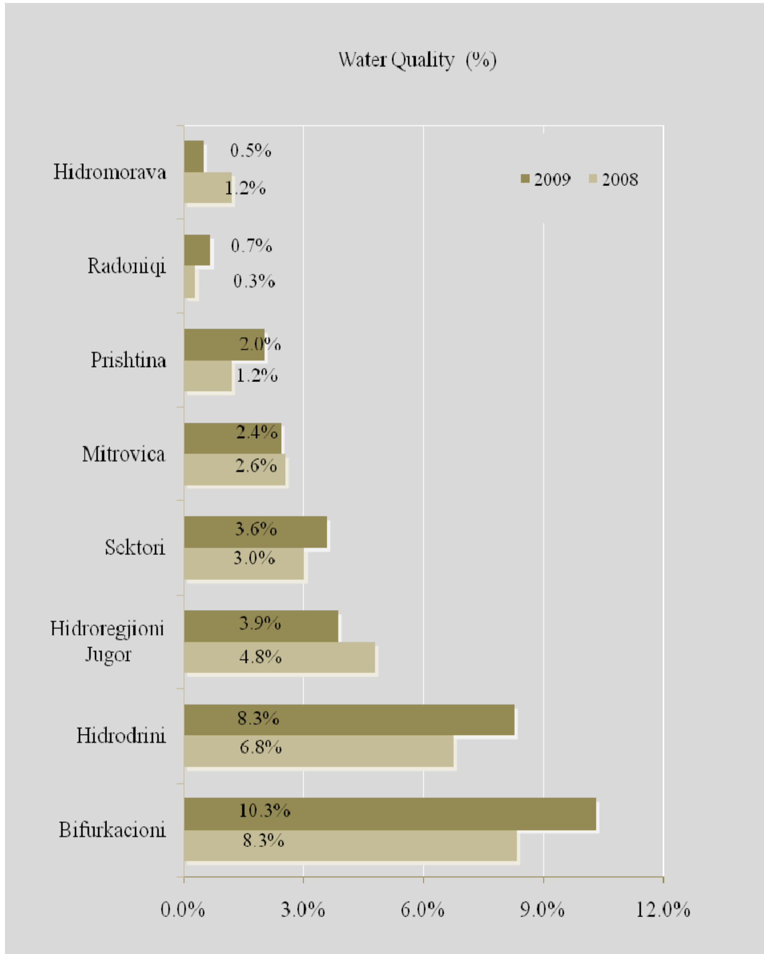

Chart. 10 Water Quality Failure (%)

In year 2009 compared with 2008, the average frequency of water quality failures in the sector had a negative trend from 3.0% to 3.6%, showing a rise of 0.6% of samples which did not comply with standards.

During 2009 Hidromorava made a significant improvement compared with 2008 by providing the high quality of water, with only 0.5% of failed samples, and was ranked in first place as the best company in terms of provided water quality.

Bifurkacioni had the lowest level of performance in 2009 with 10.3%, and Hidrodrini with 8.3% of samples out of standards and the other four of seven RWC's (Bifurkacioni, Hidrodrini, Pristina and Radoniqi) had also negative trends in water quality.

5.2.2 Water Supply without interruption

Definition: The number of hours per day on average that water is supplied to customers in the service area expressed in hours.

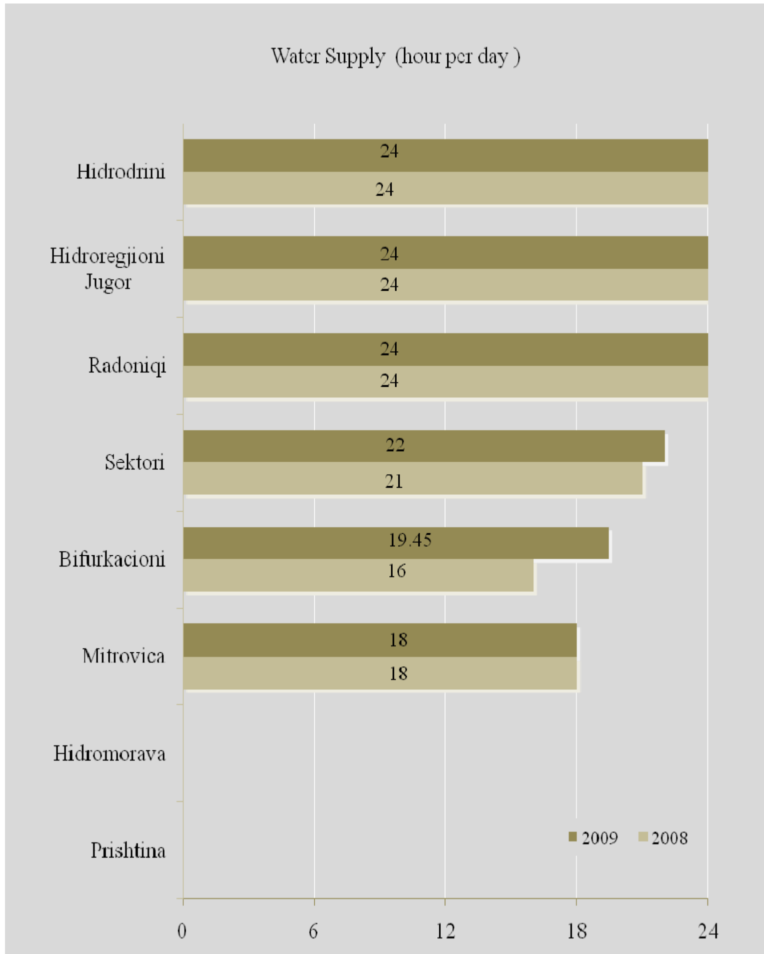

Chart 11. Supply Hours

Regular water supply without interruptions is one of the most important indicators of quality service.

The service area of both companies as: Pristina[11] and Mitrovica is worrying, because there is an interruption of water for a long intervals of time and without any proportional division.

It is noticed from the diagram, only seven companies are able to provide customers with 24 hours of drinking water, unless if happens any big technical fault as it was in Djakovica in the summer of 2009.

11 Prishtina did not provide data of WWRO for water reductions in 2008 and 2009.

In Bifurkacioni and Hidromorava, the supply hours of drinking is improved .

5.2.3 Customer Complaints

Definition: Total number of technical and commercial complaints divided by '000 registered customers (billing points).

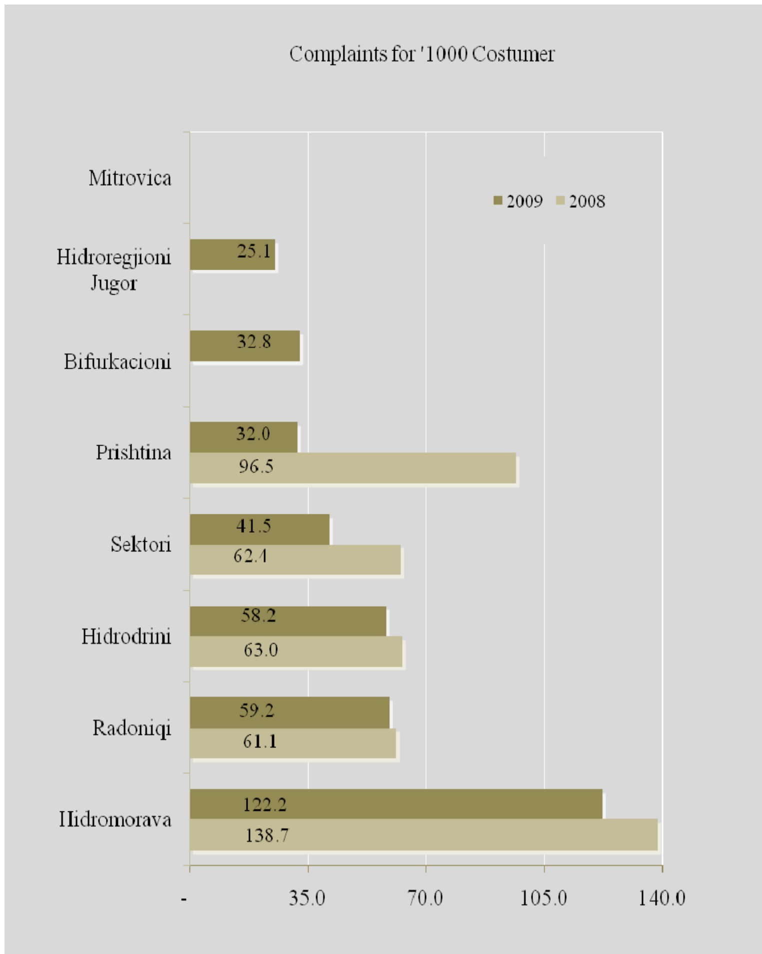

Chart 12. Complaints per '1000 customers

Number of complaints on water and wastewater services per 1000 customers in 2009 was reduced to 41, 5 from 62.4 complaints in 2008.

Hidromorava recorded the highest number of complaints in 2009 with 122.2 complaints per 1000 customers, Mitrovica has not reported any complaints while Hidroregjioni Jugor and Bifurkacioni in 2009 have handled more complaints and have diligently kept a better log.

Apparently reduction of complaints directed to companies, may still be due to the shortcomings of procedures to register complaints, or even the fact that consumers are accustomed to poor services and have noticed that there is no benefit to address complaints to the company.

Foreseen standards for the selection of customer complaints under the rules of WWRO provide that towards technical complaints should be reacted within 6 hours after notice while on commercial complaints company must respond in writing within 14 days from the filing of the complaint.

It’s been noticed that time effort for customer to file and address a complaint to a company and their prolonged response directly impacts the credibility and undermines accountability.

Table 12. Customer complaints

Regional Water Companies	Technical complains		Commercial-industrial complains		Total of complains	
	2008	2009	2008	2009	2008	2009
Prishtina	4,833	1,494	3,126	1,273	7,959	2,767
Hidroregjioni Jugor	-	622	-	163	-	785
Hidrodrini	1,760	1,691	67	106	1,827	1,797
Mitrovica	-	-	-	-	-	-
Radoniqi	1,140	1,112	490	500	1,630	1,612
Hidromorava	2,172	2,023	34	15	2,206	2,038
Bifurkacioni	-	258	-	200	-	458
Total	9,905	7,200	3,717	2,257	13,622	9,457

5.3 Financial Indicators

5.3.1 Collection Efficiency

Definition: *Euro amount collected for collecting revenues (ex VAT), divided by the Euro amount invoiced for operating revenues for the certain period (ex VAT)*

Effective billing and collection system components are critical to ensure the necessary financial viability for service providers. Their improvement has an immediate impact on the revenue flow and in the end results with improved services by service providers. However a strong system of billing and collection depends on many factors including updating customers internal database, developing customer billing procedures, increase the measured level of water, reduction of the lump sum billing, distribution of bills and access to facilities for customer payments, as well as promoting and encouraging staff to read meters and bill invoices more diligently.

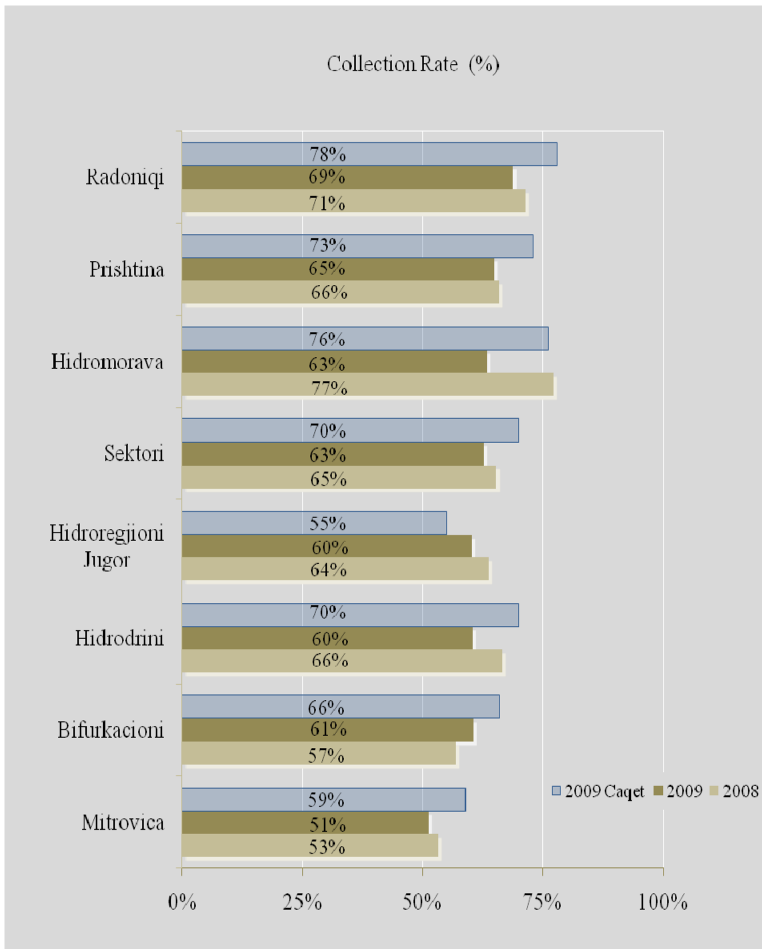

Chart 13. Collection rate (%)

In 2009, the actual Collection rate of water and wastewater bills as sector average was 63%, which shows a decline from 2008 of 2%.

The highest collection rate for 2009 of 69 % was achieved by Radoniqi, whilst lowest collection rate of 51 % was reported by Mitrovica. Apart Bifurkacioni river which in 2009 had a collection rate increase from 4%, all other companies showed a negative trend in this indicator.

All RWC failed in fulfilling of objective in 2009, for billing amount, while the sector reached only 83% of the objective. So only Hidroregjioni Jugor reached its collection objective (in absolute terms, Euro), and exceeded its objective to 1%. In general, the collection reached only 76.4% of objective, representing 62.7% of billing instead of 69.7%.

The collection rate could be increase significantly, if companies took some internal organizational measures ranging from creation of an effective billing system to encouraging customers to pay, through: reprogramming of debts, enforcement of legal proceedings (timely lawsuits in courts), technical measures implementation of disconnection from water supply, and,

5.3.2 Operating costs per unit (€/m^3)

Definition: Operating cost for production of one m3 treated water

This indicator is greatly influenced by several internal factors of the company, such as, water resource availability, type of system used for water supply, the level of water treatment, etc.

In principle larger companies are able to ensure a more rational utilization of production capacities and staff , and therefore the cost per unit of production (1m3 water) for large companies is lower than smaller companies. This principle has been in favour for the consolidation of the water companies in Kosovo, creating the larger companies that would benefit from the use of economy of ratio.

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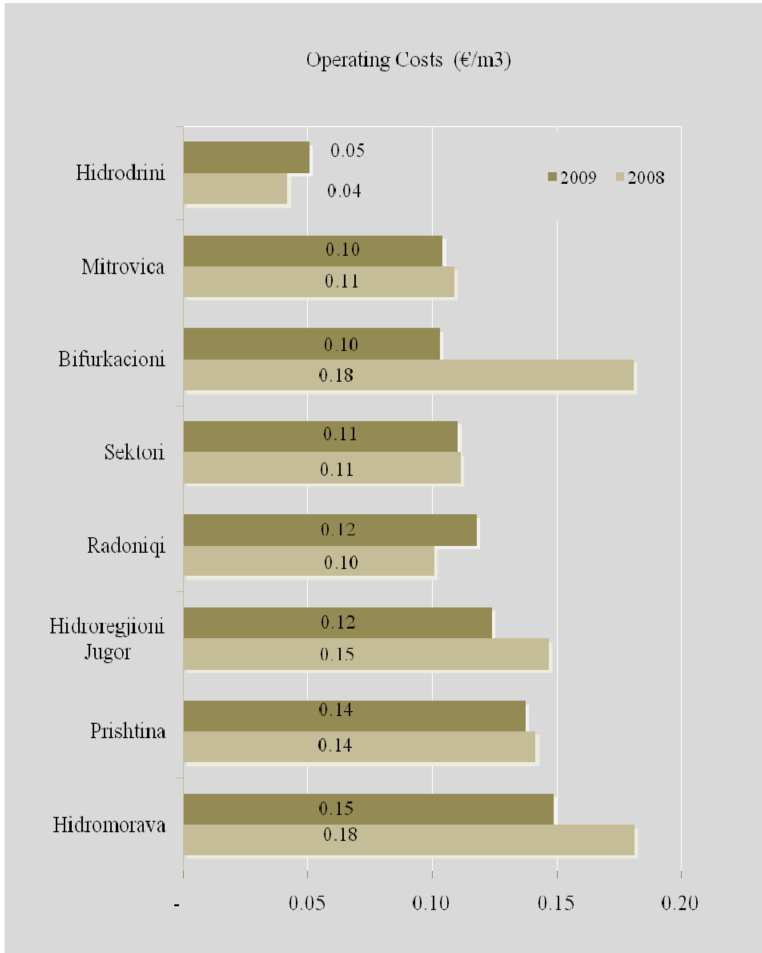


Chart 14. Unit water production cost

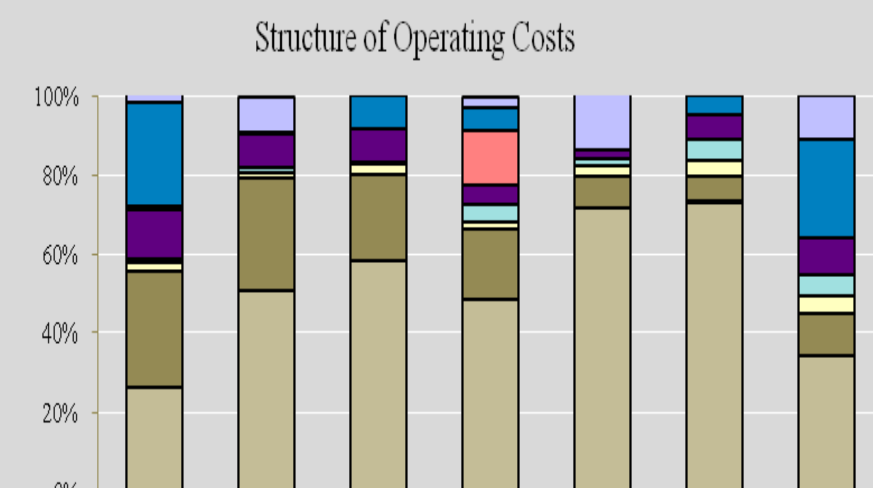
Unit cost of producing of one m^3water for the sector average of 0,11 in 2009 remains the same as in 2008.

Bifurkacioni and Hidromorava during the reporting period showed the significant reduction in unit production costs of 0.08€ (Bifurkacioni), and of 0.03€ (Hidromorava). This reduction of costs in these two companies comes mainly because of the increased production capacity in some category of operating costs.

Hidrodrini in this indicator is in the advantage compared to other companies, because a large percentage of its water supply system is gravity based.

5.3.3 Structure of Operating Costs

Definition: *The division of operating expenses by categories compared with total expenses.*



	Prishtina	Hidroregjioni Jugor	Hidrodrini	Mitrovica	Radoniqi	Bifurkacioni	Hidromorava
The other expenditures	2.0%	9%	0%	3%	14%	0%	11%
The common expenditures	26%	0%	9%	6%	0%	5%	25%
Purchuased water with wholesale	0.9%	0%	0%	13.3%	-	-	-
Maintance	13.1%	9.0%	8.0%	4.9%	2.0%	5.6%	8.9%
Chemicals	0.6%	1.1%	0.2%	4.2%	2.2%	5.8%	5.7%
Fuels	2.1%	1.7%	3.0%	2.2%	2.5%	4.1%	4.3%
Energy	30%	28%	22%	18%	8%	6%	11%
Wages	26%	51%	58%	48%	72%	73%	34%

Chart 15. Operating expenses by structure

Highest percentage (over 50%) in the structure of operating expenditures on water companies constitutes staff expenses.

Bifurkacioni and Radoniqi have higher costs for staff, in 2009 has (Radoniqi) with 72% and (Bifurkacioni) with 73%.

The second category of the highest costs constitute energy, on average for the sector in 2009, they were 22% and are higher by 3% than in 2008, only two companies Pristina and Mitrovica have costs for purchased bulk water, its worth mentioning that Bifurkacioni despite the expenditure of 5.8% in chemicals, water quality provided is still with high percentage of failures.

5.3.4 Working coverage ratio

Definition: Cash operating revenues from bills issued and other operating incomes divided by total operating costs before depreciation.

The work coverage radio presents the annual operating costs in relation to the collection and also is an indicator that best reflects the company's financial situation.

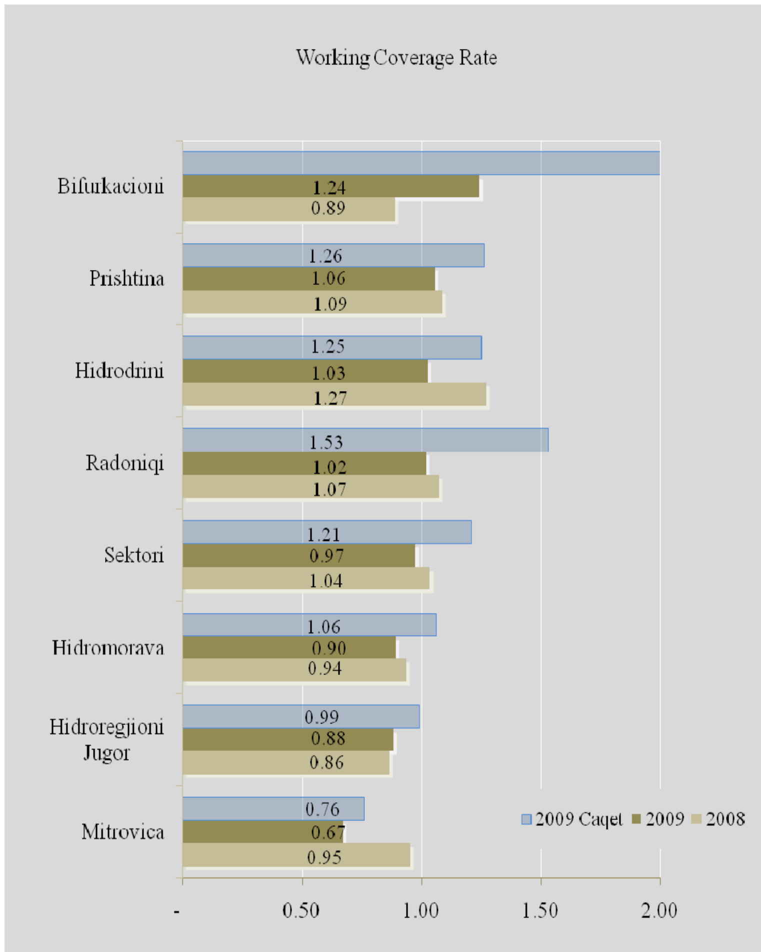


Chart 16. Working coverage radio

The coverage ratio of operating expenses from revenues by billing services of water and wastewater services varies from a company to another.

From Chart 15, can be seen that working coverage ratio in 5 out of 7 RWCs has negative trend, except Bifurkacioni and Hidroregjioni Jugor who have shown improvements.

Company Bifurkacioni had a good increase in collection and reduction of operating costs which has affected significantly improvement in work.

The work coverage ratio he rate is associated with operating revenues and total operating costs. The sector has reached 0.97, compared with one objective 1.21, and clearly this is unsustainable. Four of the seven companies have managed to cover operating expenses with operating revenues.

For the sector the working coverage ratio reduced to 0.97 for 2009 from 1.04 in 2008.

Current level of revenue from water and sewerage tariff services, allows only four regional companies to cover their operating costs (personnel, energy, chemicals, fuels and other operating expenses) and a small part of maintenance, while the cost of capital investment are limited. Three other companies, Hidromirava, Hidroregjioni Jugor and Mitrovica, are under the coverage of operating expenses. These companies should be aiming to achieve the rate of 1.00, in order to cover operating costs with revenues that generate them.

5.3.5 Working ratio

Definition: Operating revenues from bills issued and other operating incomes divided by total operating costs before depreciation.

Employment ratio is an indicator that illustrates the company's financial condition, which would have been if the company would get to collect all billed amounts, and also represents the company's ability to cover operating costs without depreciation with revenues from billing and other operating revenues.

Work ratio at the sector level in general is 1.53 and during two-year period (2008-2009) remained without change.

The highest working ratio was achieved by Bifurkacioni with 1.94 for 2009, and increased of 0.50 over 2008, while Mitrovica was ranked last with a working ratio of 1.24.

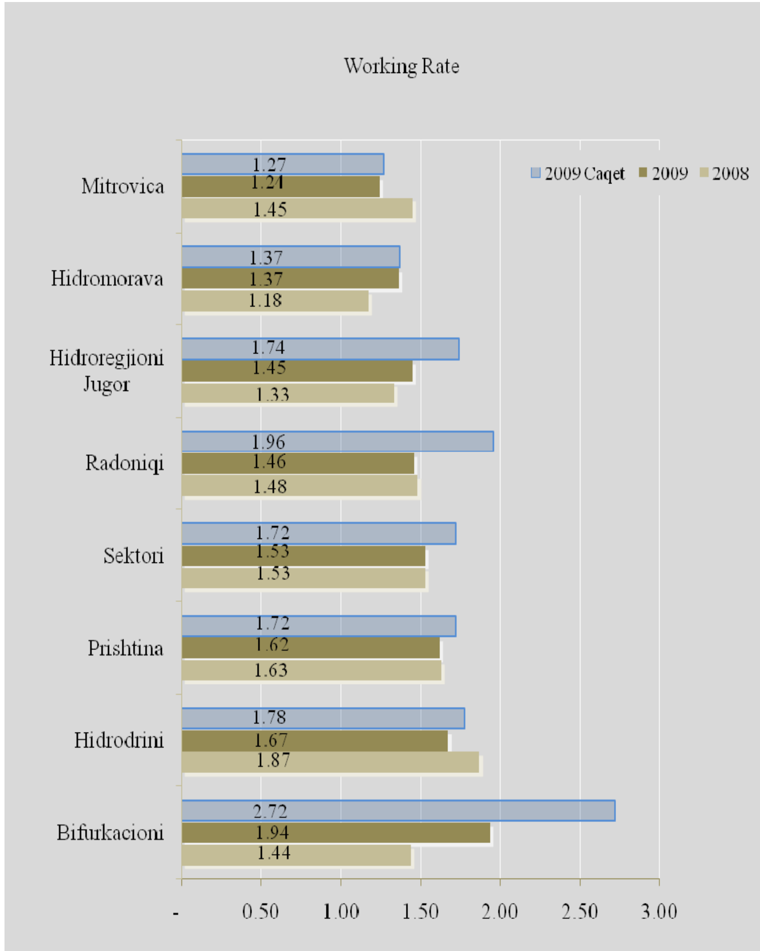


Chart 17. Working ratio

The working ratio is related to the billed operating revenues and total operating costs. The sectors reached 1.53, compared with one objective of 1.72. Hereupon every RWC was below the objective. The expenditures were slightly below the objective, despite the higher charges of electricity, but the billing as mentioned above was disappointing.

It is worth of mentioning, the increase of operating expenses, decrease of billing ratio and reduction of other operating revenues in some companies of several companies, influenced to have the lower work ratio in 2009.

5.4 Staff efficiency Indicator

5.4.1 Staff to (1'000 customers)

Definition: Total number of staff divided per thousand customers (billing points)

An important indicator to calculate staffing requirements or to reduce excessive workforce is the number of staff that should serve for 1000customers. Excessive staff numbers leads to low efficiency of their work and certainly in the last instance increase the financial cost of the workforce. Strengthening and good management of human resources is one of the challenges that are facing the companies in Kosovo, in order to improve the work efficiency and raise service standards.

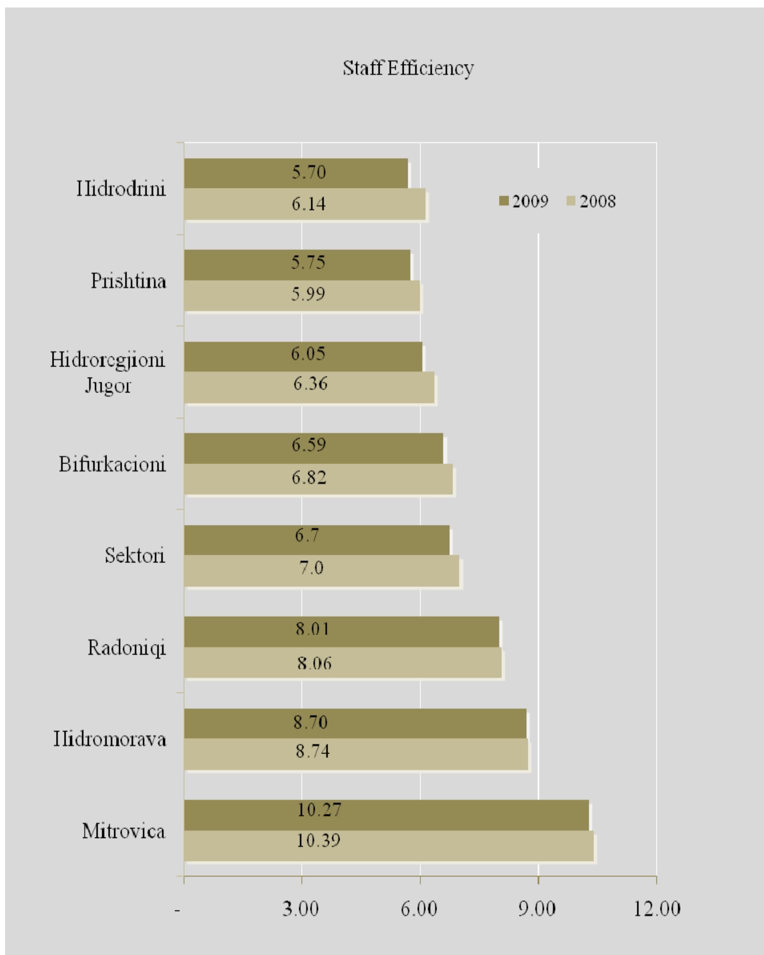


Chart 18. Staff (1000 customers)

All public companies in Kosovo have employed more staff than was necessary. Staff rate at sector level was 6.7 employees/for 1000 customers in 2009 showing an improved trend compared to 2008 by 0.3 employees.

In comparison with developed European countries, where this indicator ranges about 4-7 employees /1000 connections sector average in Kosovo it's still too high.

For 2009, Mitrovica had the highest number of employees serving per thousand customers with 10.27, while Hidrodrini with 5.70 had the highest efficiency of employees per thousand connections.

RWC-s management should have a restructuring approach in terms of human resources management, primarily with analyzing the existing workforce and the possible restructuring of the workforce and later in terms of raising their qualification structure, necessary training and motivation of staff.

6. RWC ACCOUNTABILITY TOWARDS WWRO

WWRO also during 2009 has continued to monitor the performance of RWCs in regard to their responsibilities toward regulatory process while for evaluation of this indicator are taken into account the following criteria:

- Timely submission of OFCR reports,
- respecting deadlines in terms of submission of application for tariff process,
- Payment of annual licensing fee,
- Response to obligations and requirements made from the WWRO.

Table 12'. Ranking of RWCs as per compliance towards WWRO

Position	RWC	Total points 2008	Total points 2009
1	Hidrodrini	1.67	3.17
2	Prishtina	2.67	3.00
3	Radoniqi	3.00	2.17
4	Bifurkacioni	3.17	2.00
5	Hidroregjioni Jugor	1.50	2.00
6	Mitrovica	0.83	1.67
7	Hidromorava	1.33	0.83

Ranking of companies in terms of this indicator is made according to the same methodology which was also used to allocate the KPI points.

In 2009, the company most responsive to WWRO was Hidrodrini with 3.17 points collected out of max four. Hidrodrini has significantly improved in this indicator since last year, while Hidromorava was the least responsive company in relation to all other companies. Compared to 2008 it has shown even less accountability towards WWRO.

Three companies with overall best performance, also have better performance in this indicator, by being more responsive to regulatory procedures compared with other companies.

Regulated companies should be aware, that in order to have higher positive effects and consistent regulatory processes led by WWRO, they should increase their responsiveness, answering the regulatory requirements in quality and timely manner.

7. CAPITAL INVESTMENTS

Table 13. Investment implementation 2009

RWC	Total amount of investments (€)	For water services (€)	For waste water services (€)	Self-funded (€)	From donations(€)
Prishtina	987,304	906,520	80,783	696,904	290,399
Hidroregjioni Jugor	323,851	313,351	10,500	94,524	225,327
Hidrodrini	167,090	166,340	750	133,273	33,810
Mitrovica	445,975	402,127	43,848	0.,000	445,970
Radoniqi	239,043	239,043	0.000	12,319	226,723
Hidromorava	172,211	112,711	59,500	3174	169,036
Bifurkacioni	876,827	563,047	313,779	40,886	835,940
Total	3,212,301	2,703,139	509,160	981,080	2,227,205

Table 13 shows implemented capital investments from RWCs during 2009.The amount of total investments in water supply and wastewater services for 2009 is 3,212,301 (€), of which 2,703,139 (€) are invested in water services while the rest 509,160 (€) in wastewater services. From the total of invested amount 2,227,205 (€) or 69 % of assets were donations, while other amount of 981,080 (€) or 31 % were provided by the companies own resources. Majority of investments in water supply sector 1,676,892 (€) are made in areas of water supply infrastructure, which mainly are related to rehabilitation of pipelines, expansion of water supply in urban areas as well as rural areas, especially in the service area of Bifurkacioni , Pristina and Hidrodrini. There have been also investments in setting individual and area water meters, purchase of equipment for management of water losses, pumps and other devices. With 1,026,191 (€) are also covered non-infrastructural parts like, building and offices rehabilitation, purchase of vehicles, information technology equipment, etc. while there were no investments related to expansion of production capacity which are necessary measures in Prishtina and Mitrovica.

8. Bulk Water supplier Performance

Iber Lepenci is a hydro economic company, which as a main activity has the use of water, supply of untreated bulk water for different users, irrigation industry and water supply.

Performance monitoring and comparative assessment of the Iber Lepenci Company as specific from other companies that supply drinkable water, is under regulatory mandate of WWRO only related to the supply of untreated bulk water for two regional companies, Mitrovica and Prishtina. Mitrovica is supplied with untreated water in the amount of about 500 l / s whereas Prishtina with the amount of 40 l / s for the operating Drenas unit.

Iber Lepenci performance is evaluated with a limited number of financial indicators presented in Table 14.

The parameters that affect in the operating costs (in impossibility of separation from the rest of the operation), were taken from an acquiring key of IL and WWRO.

Table 14. Iber Lepenci performance

Performance indicator	2008	2009	Trend
Collection rate	114%	82%	Negative
Working ratio	1.4	0.84	Negative
Working coverage ratio	1.54	0.69	Negative
Unit operating costs (€/m3)	0.013	0.021	Negative

After a good performance in 2008, Iber Lepenci showed a decreasing trend in all working indicators in year 2009.

Collection rate of 82% in 2009 is lower than in 2008, where this rate was 114%.Working ratio has also fallen from 1.4 in 2008 at 0.84 in 2009.Two financial indicators, working coverage ratio and work ratio are influenced by the decrease in collection rate efficiency as well as increased operating costs.

Low level of working ratio indicates that Iber Lepenci was not able to cover its operating costs with collected revenues.

9. COMMENTS AND RECOMMENDATIONS OF WATER COMPANIES

RWC "Prishtina" J.S.C

- To raise the productive capacities, in order to enable water supply without interruption for the whole area of services (water supply for all 24 hours per day),
- To provide the necessary pressure of water pipes in some parts of the Capital and other residences, which are in the service area of RWC Prishtina,
- To develop programs in order to reduce water losses,
- To raise the collection rate ,
- To strengthen and raise the profile of customer centers in order to improve their services ,
- To reduce energy costs,
- To set an individual water meters, and to ensure the functionality of existing ones,
- To improve the information management system (IMS),
- To install and develop the geographical information system (GIS),
- To improve the billing and reading of customer water meter ,
- To make fair division of billing in collective accommodations, which are charged with common water meter (in proportion with the number of residents or housing surface.

RWC "Hidroregjioni Jugor"

- To set an individual water meters for producing of water in all sources**,**
- To set water meters in order to improve the rate of measssured consumption,
- To develop programs in order to reduce water losses ,
- To improve the working ratio, raising the collection efficiency and reducing operating costs ,
- To reduce energy costs ,
- To raise the customer centers in order to improve the customer care and service,
- To improve the information management system .

RWC "Hidrodrini" J.S.C

- To improve the water quality, and to undertake measures for water treatment,
- To use the opportunities, that with the institution and donors support to increase the coverage of population with sewerage,
- To increase the collection rate by taking the technical and administrative measures ,
- To reduce the high water losses to acceptable levels,
- To undertake measures in reducing of high electricity costs.

RWC "Mitrovica" J.S.C

- To use the opportunities, that with the institution and donors support to increase a regular water supply of drinking water ,
- To raise the customer centers in order to improve the customer services ,
- To develop programs in reducing of water losses ,
- To increase the collection efficiency,
- To reduce energy costs with implementation of measures, in order to increase the operation efficiency with energy ,
- To set water meters in order to improve the rate of measssured consumption

RWC "Radoniqi"J.S.C

- To reduce the high costs of personnel,
- To reduce the water losses to acceptable levels,
- To increase the measured consumption and the customer proportion with water meter,
- To reduce the working coverage ratio, raising the collection efficiency and reducing of operating costs ,
- To improve staff efficiency.

RWC "Bifurkacioni" J.S.C

- To improve the water quality and to undertake measures for water treatment,.
- To set an individual water meters in order to improve the rate of measured consumption,
- To undertake measures in order to reduce water losses,
- To increase the collection efficiency
- To reduce the high costs of staff .

RWC "Hidromorava" J.S.C

- To increase the coverage area with water supply and sewerage, using the opportunities that are offered to increase the production capacity,
- To improve the water quality distributed to customers,
- To set water meters in order to improve the rate of measssured consumption,
- To develop programs in order to reduce water losses ,
- To stop the negative trend of collection rate in increasing of billing efficiency and revenue collection from customer bills,
- To develop the information management system ,
- To increase the customer care by solving the customer requests and complaints in time,
- To improve the staff efficiency.

Part C

Comparative Performance of Waste Sector

10. GENERAL PERFORMANCE OF WASTE SECTOR

10.1. General performance of waste collection sector

Similar to water sector, the waste collection sector is also organized in regional basis. The waste collection services are provided by seven regional companies that are under the regulatory mandate of WWRO.

Table 15 contains a short profile of the regional companies and acronyms used in this report.

Table 15. Regional waste company's profile

Company name	Municipalities in service areas	Total of inhabitants in service area	Population served	Number of customers	Total collection in tonnes	Abbreviations used
RWCC Pastrimi, J.S.C	6	548,370	291,180	49,124	88,445	Pastrimi
RWCC Ekoregjioni, J.S.C	5	458,284	174,826	25,999	42,946	Ekoregjioni
RWCC Ambienti, J.S.C	3	201,270	72,071	21,841	23,177	Ambienti
RWCC Uniteti, J.S.C	3	211,897	63,727	11,596	34,196	Uniteti
RWCC Çabrati, J.S.C	1	97,931	51,163	10,772	16,964	Çabrati
RWCC Higjena, J.S.C	3	207,385	68,274	16,353	21,909	Higjiena
RWCC Pastërtia, J.S.C	2	178,721	78,272	17,990	18,324	Pastërtia
Total	23[12]	1,903,858	799,514	153,675	245,961	

Number of the population that are offered the waste service is 799,514 inhabitants (or 42% of total population in the service area).

12.The Municipality of Decan, Vitia and Kacanik, with the decision of the municipal assemblies are removed from regional companies, they operate without a license from WWRO .
The Municipal Enterprises in northern of Mitrovica and the municipalities of Strpce and Novo Brdo are not part of the regionalization, and are still out of regulatory mandate of WWRO

The served population has been calculated by multiplying the number of domestic customers with the average number of the family members per referring municipality (as per data taken from the Statistical Office of Kosovo).

The total number of customers registered in seven RWCC in 2009 is 153,675**,** including the domestic, commercial-industrial and institutional customers categories.

The total amount of waste collection from seven RWCC for 2009 is 245,961 tones. From this amount, 205,626 tonnes are disposed in licensed disposal sites, while 40,335 tonnes in unlicensed disposal sites. This concerns mostly Çabrati and some opretaing units of RWC ,that has continued to dispose waste in unlicensed disposal sites also in 2009.

10.2 Performance and ranking of the Regional Waste Companies

Table 16. The achieved level of KPI of the companies and the Average of the sector in 2009

Regional Waste Companies	Collection rate (%)	Working coverage ratio (coefficient)	Customer complains (no./1000 cost)	Unit costs (€/t)	Staff efficiency (staff/1000cost)
Pastrimi	51	0.92	10.52	31.87	9.04
Ekoregjioni	63	0.84	7.08	37.34	9.08
Ambienti	53	0.95	0.78	31.18	7.05
Uniteti	56	0.73	2.59	22.73	15.52
Çabrati	50	0.82	8.91	29.80	10.68
Higjiena	62	0.86	4.40	35.39	8.62
Pastërtia	51	0.87	0.00	40.67	8.50
Average	55	0.87	5.96	32.32	9.26

Table 17. Sector performance for 2008-2009

Regional Waste Companies	Collection rate (%)	Working coverage ratio ()	Customer complains (no./1000 cost)	Cost per tone(€/t)	Staff efficiency (staff/1000cost)	Customers increase (%)
Sector in 2008	61	0.87	7.16	33.90	9.28	1.07
Sector in 2009	55	0.87	5.96	32.32	9.26	2.33
Trend	negative	same	positive	positive	positive	positive

One indicator above that shows negative trend in 2009 is the collection rate. However working coverage ratio has remained unchanged from 2008 to 2009; this is evidence of good cost control by the RWCCs, as reflected in the reduction in Cost per tonne indicator..

In order to assess the best performance of the regional waste companies, WWRO has chosen some of most important KPIs based on which the scoring and ranking is done, as illustrated in table 18.

Table 18. Indicator weightings

Indicator	Importance
Collection rate	1.0
Working coverage ratio	1.0
Customer complaints	1.0
Unit costs	0.8
Staff efficiency	0.8
Customer increase	0.2

In accordance with the approved methodology for performance assessment, KPI has been divided into three categories: ***(i)*** with 1.0 points are weighted two important financial indicators and one from service level, ***(ii)*** with 0.8 points are weighted one financial and one operative indicator, and ***(iii)*** the progress in increase of customers from one year to another has been evaluated with 0.2 points, athough this is not any genuine indication, was given only a symbolic weight to encourage companies to make efforts to register new customers, and is used only to performance evaluation of the progress achieved during the assessment in 2009 compared with2008.

The Regional waste company's performance for 2009 with key performance indicators has been illustrated in table 19, whilst the achieved progress in improving performance for 2008-2009 is illustrated in table 20.

Table 19. Number of points according to performance indicators in 2009

Regional Waste Companies	Collection rate (%)	Working coverage ratio (coefficient)	Customer complains (no./1000 cost.)	Unit costs (€/t)	Staff efficiency (staff/1000cost)	Total of points
Pastrimi	0.07	0.86	1.00	0.39	0.61	2.93
Higjiena	0.89	0.59	0.31	0.24	0.65	2.68
Ambienti	0.23	1.00	0.06	0.42	0.80	2.51
Ekoregjioni	1.00	0.48	0.17	0.15	0.61	2.41
Çabrati	0.00	0.42	0.64	0.48	0.46	2.00
Uniteti	0.42	0.00	0.18	0.80	0.00	1.40
Pastërtia	0.04	0.62	0.00	0.00	0.66	1.32

The total of the accumulated points for one company reflects the amount of the accumulated points for each indicator. The scoring for the best performance for 2009 and for the achieved progress in performance improvement for 2008-2009 is done based on the same method used for scoring in previous years, which is done by the proportional scoring depending on the achieved level of an indicator. Therefore, the company that has reached the highest level with an indicator has been awarded with the max. of 1.0 point, but the company that has the lowest level in that indicator got min. of 0.0. Other companies have been scored proportionally between 0.0 and 1.0 depending on the level the indicator has achieved.

Table 20. Number of points according to performance indicators 2008-2009

Regional Waste Companies	Collection rate (%)	Working coverage ratio (coefficient)	Customer complains (no/1000 cost.)	Unit costs (€/t)	Staff efficiency (staff/1000cost)	Customer increasement (%)	Total of points
Uniteti	0.78	0.12	0.56	0.80	0.56	0.07	2.89
Higjiena	0.77	1.00	0.56	0.49	0.00	0.05	2.87
Ekoregjioni	1.00	0.68	0.06	0.06	0.55	0.00	2.35
Ambienti	0.44	0.15	0.19	0.37	0.80	0.20	2.15
Çabrati	0.22	0.00	0.75	0.57	0.46	0.04	2.04
Pastërtia	0.00	0.24	0.00	0.43	0.75	0.11	1.53
Pastrimi	0.44	0.04	0.25	0.00	0.62	0.08	1.43

In order to assess the progress in performance improvement for 2008-2009, the same scoring method has been used as in 2009, now with a change that 6 key performance indicators are taken into consideration for assessment.

Table. 21. Companies Ranking Performance 2009

Position	Regional Waste Companies	Points collected
1	Pastrimi	2.93
2	Higjiena	2.68
3	Ambienti	2.51
4	Ekoregjioni	2.41
5	Çabrati	2.00
6	Uniteti	1.40
7	Pastërtia	1.32

Table 22. Companies ranking as per performance improvements for 2008-2009

Position	Regional Waste Companies	Points collected
1	Uniteti	2.89
2	Higjiena	2.87
3	Ekoregjioni	2.35
4	Ambienti	2.15
5	Çabrati	2.04
6	Pastërtia	1.53
7	Pastrimi	1.43

Table 22 contains the assessment of improvements achieved during 2009 compared to 2008. Obvious improvements are noticed Uniteti in collection level, staff efficiency, service complaints per ‘1000 customers, unit expenditures, but no improvement in the working coverage ratio.

Limited improvements in these indicators are in Ekoregjioni and in Cabrati.

The company that had the best performance for 2009 comparing to 2008 is Pastrimi.

Table 23. Companies ranking for 2006-2009

Regional Waste Companies	Ranking 2006	Ranking 2007	Ranking 2008	Ranking 2009
Pastrimi	6	6	1	1
Ekoregjioni	4	4	5	4
Ambienti	5	3	3	3
Uniteti	7	1	7	6
Çabrati	1	2	2	5
Higjiena	3	5	6	2
Pastërtia	2	7	4	7

As illustrated in table 23, Pastrimi has kept its first position from the previous year although there was a slight trend decrease in some of key performance indicators.

Ambienti also remained stable during 2008 and 2009 after the achieved progress in 2007.

Çabrati has a negative trend during these years and from the first position in 2006, then second in 2007 and 2008, in 2009 has been ranked as the fifth,This is a quite worrying, because there is a further decrease, which is observed by ranking in fifth position as well in progress achieved during 2008 to 2009.

Higjiena is the company that has reached the second place as the higher ranking for 2009 comparing to 2008 that was ranked as the sixth.

11. COMPARATIVE PERFORMANCE OF THE REGIONAL WASTE COMPANIES

To reflect a meaningful and comprehensive picture of RWCCs comparative information, is presented (in tables and charts) associated with WWRO detailed analysis of 9 indicators, of which 6 represent key performance indicators, whereby is done the evaluation and ranking of companies to better performance in 2009, and for greater progress recorded in 2009 compared with 2008.

Key performance indicators for waste sector are::

- Collection ratio
- Working coverage ratio
- Customer Complaints
- Unit Cost
- Increase of customer number
- Staff efficiency

The description of indicators is done by grouping them into four categories:

- Operational indicators
- Indicators of service level
- Financial indicators
- Indicators of staff efficiency

11.1 Operational Indicators

11.1.1 Waste collection service coverage

Definition: *Population served with waste collection services divided by the registered population in a service area, expressed as a percentage.*

In 2009, in the absence of accurate statistics that will in future emerge from the process of registration of the population in Kosovo, WWRO used data from the Statistical Office of Kosovo (SOK), in order to get indirectly the data regarding population number that lives in served regions by RWCCs. The population served data has been obtained by multiplying the number of household bills with an average number of inhabitants for family in respective regions.

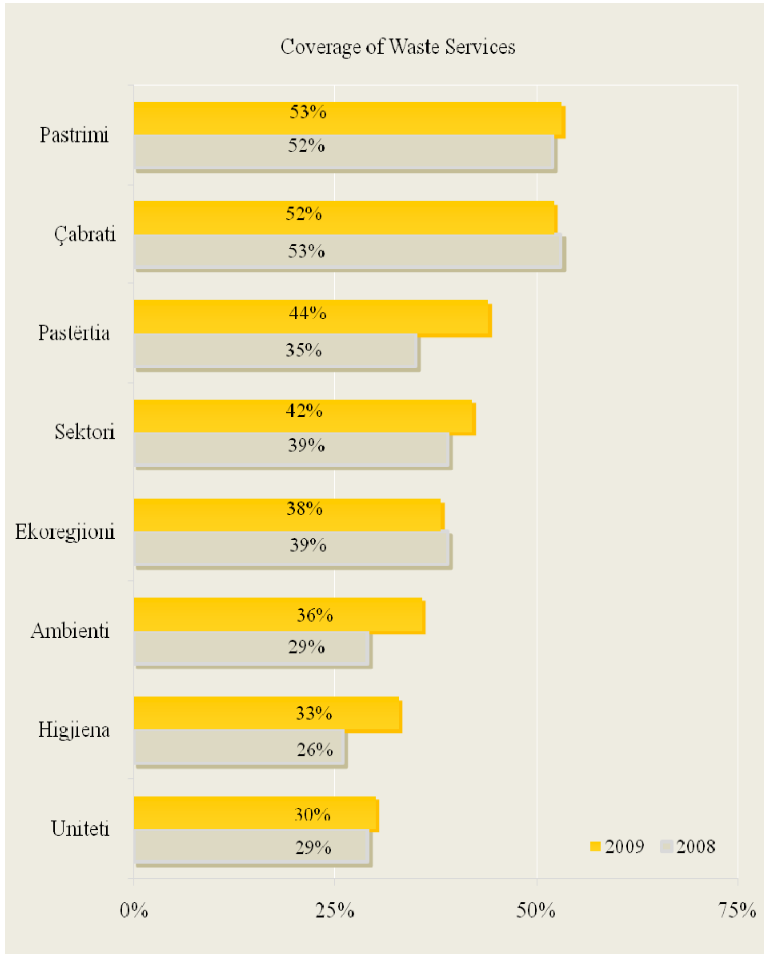


Chart 19. Waste collection service coverage

The service coverage from the seven waste collection companies still remains low, although the average of service coverage of the waste sector has increased from 39% to 42%.

As per chart 19, the Pastrimi has the highest level in service coverage with 53%, whereas Uniteti has the lowest coverage with 29%.

It is noted an increase of expansion with the waste collection services in all companies, except in Ekoregjioni and Çabrati , where the level of service expansion has dropped, as a result of reducing of the number of served population .

11.1.2 Waste collection per employee

Definition*: Total amount of waste collected divided with the total number of employees.*

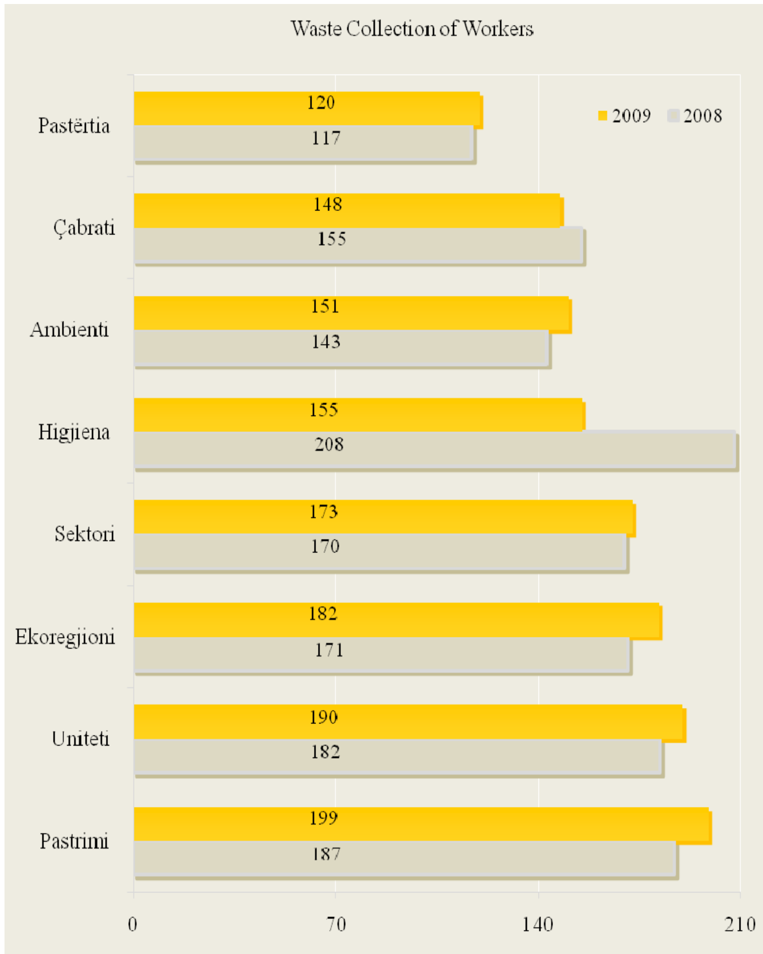


Chart 20. The amount of waste collection per employee

In 2009 compared with 2008 is mainly determined an efficiency increase of waste collection in five of seven waste companies. Increase of the collection efficiency of companies as Uniteti, Pastrimi, Ambienti and Pastertia, is as result of waste collection increase, while Ekoregjioni has been more efficient to work with the same number of employees.

The efficiency decrease of waste collection for employers in Higjiena comes due to the increased number of employers, and reduction of waste collection amount. Also Çabrati has a decreased efficiency because of the increased number of employees and insufficient increase of the waste collection amounts.

11.1.3 Disposed waste in sanitary disposal sites (licensed)

Definition: *The amount of the disposed waste in licensed sanitary disposal sites divided to the total amount of the collected waste.*

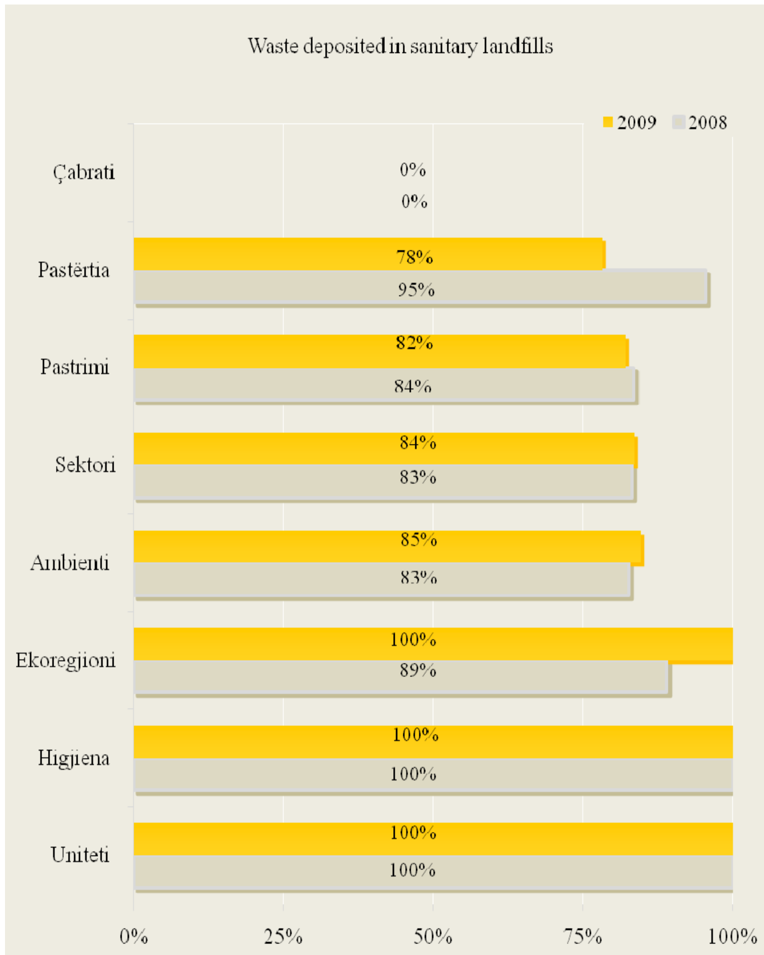


Chart 21. Waste disposal in sanitary disposal sites

Even in 2009, Gjakova region is still without a licensed disposal site and all the collected waste has been disposed in unlicensed disposal sites .Furthermore, according to their data, the regional waste companies such as Uniteti, Higjiena and Ekoregjioni, use only licensed disposal sites for waste disposal.

The average of the waste disposed in licensed disposal sites is 84%, and the other amount of waste, approximately 40,335 tones, (mostly from Çabrati) is disposed in an unlicensed disposal site, including some of other operative units in regional waste companies.

11.2 Service level indicators

11.2.1 Customer complaints

Definition: *Total number of technical and commercial complaints divided by '1000 registered customers.*

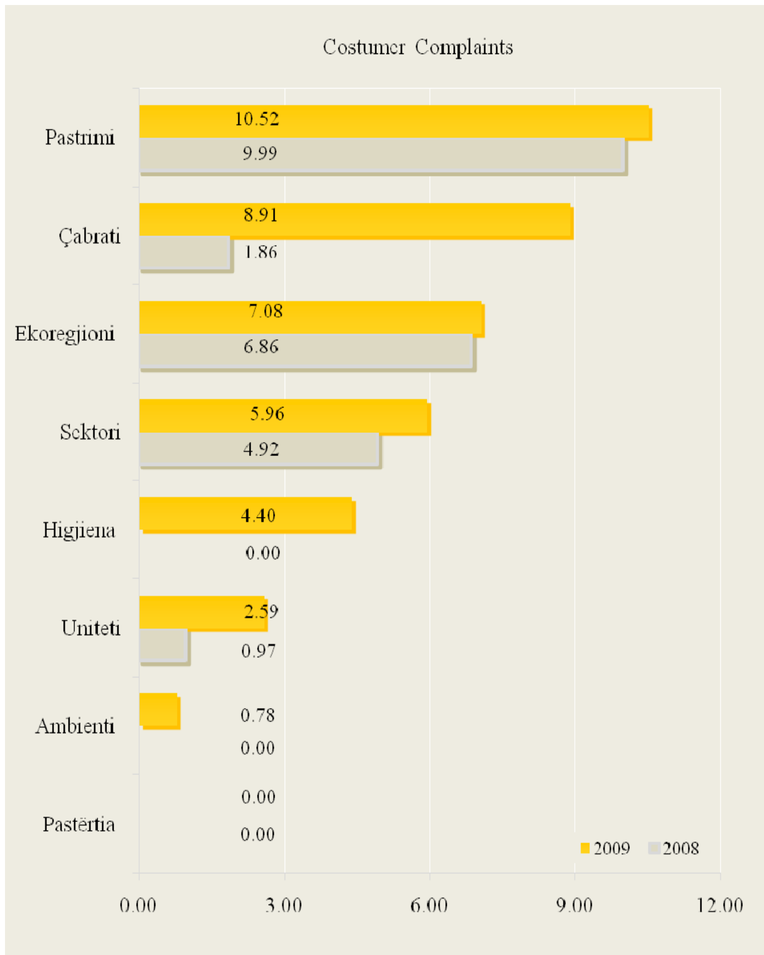


Chart 22. Complaints per '1000 customer

Complaints for waste services in one thousand customers have increased in 2009 to 5.96 comparing with 2008 with an average of 4.92. Pastrimi has registered the highest number of complaints per '000 customers for 2009 with 10.52 complaints per one thousand customers, Pastërtia did not report any complaints, whereas Ambienti in 2009 compared to 2008 has kept a better registry and treated complaints more seriously.

11.3 Financial indicators

11.3.1 Collection rate

Definition: *Euro amount of revenues collected for a certain period (ex VAT), divided by the Euro amount of revenues invoiced for the same period (ex VAT).*

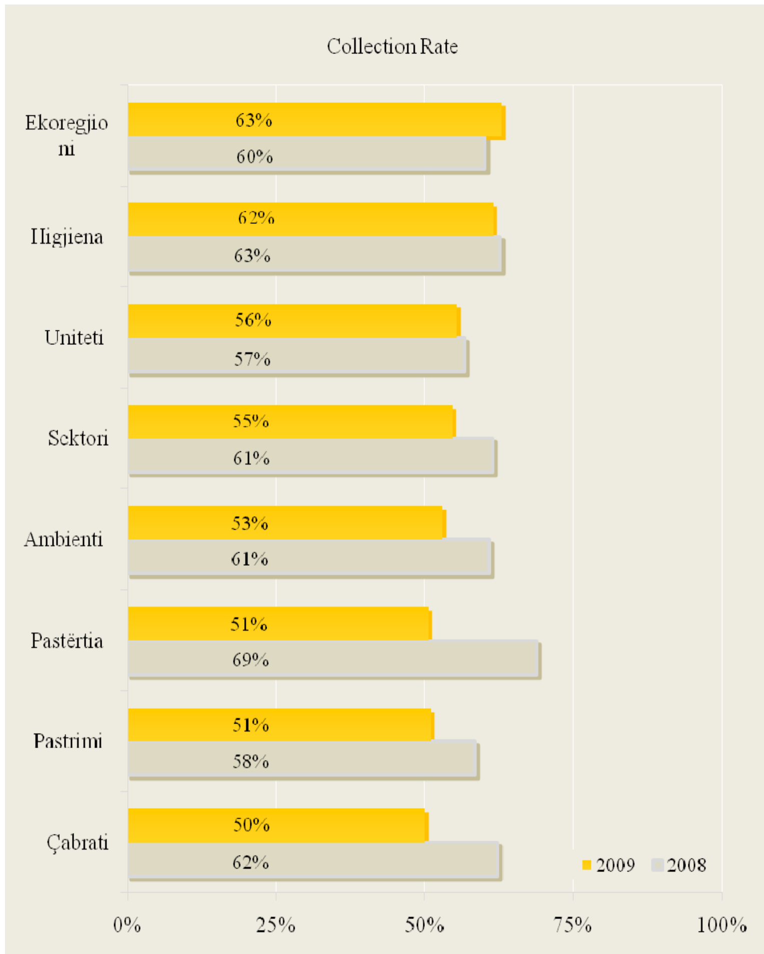


Chart 23. Collection percentage

As illustrated in chart 23, the collection rate, in 2009 compared to 2008, in the sector average, decreased significantly.

Compared to other companies, from year to year, only Ekoregjioni increased the Collection rate from 60% to 63%.

This is an extremely worrying trend and WWRO expects to see it reversed in 2010.

11.3.2 Unit operating costs

Definition: *Total of operating costs relative to total tonnage of collected waste.in ton*

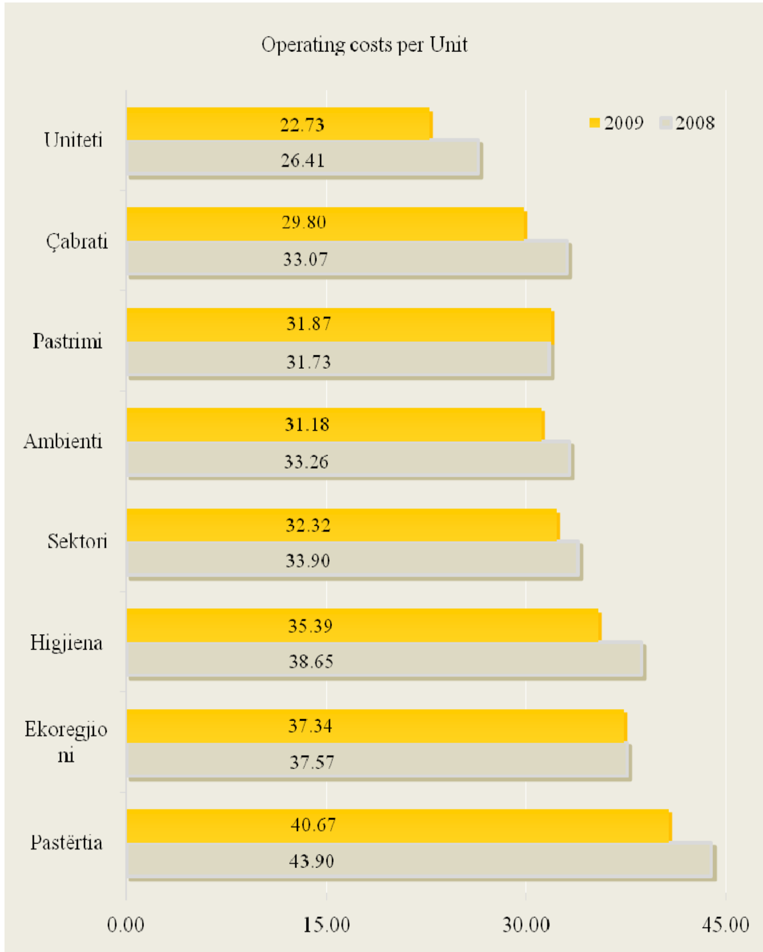


Chart 24. Unit operating costs (€/t)

As seen in chart 24, the overall average of the collected waste costs for seven companies in 2009, is 32.32 Euro per tone, which indicates a decrease of 1.58 Euro per tonne, when compared with 2008 which was 33.90 Euro per tonne .

In all regional waste companies, the decrease of unit costs in 2009 has come largely, as a result of the large amount of collected waste, and reducing of operating costs, including: fuel, waste disposal fees, vehicle's repair and maintenance and other expenditures.

11.3.3 Working coverage ratio

Definition: *Cash operating revenues from bills issued and other operating incomes divided by total operating costs..*

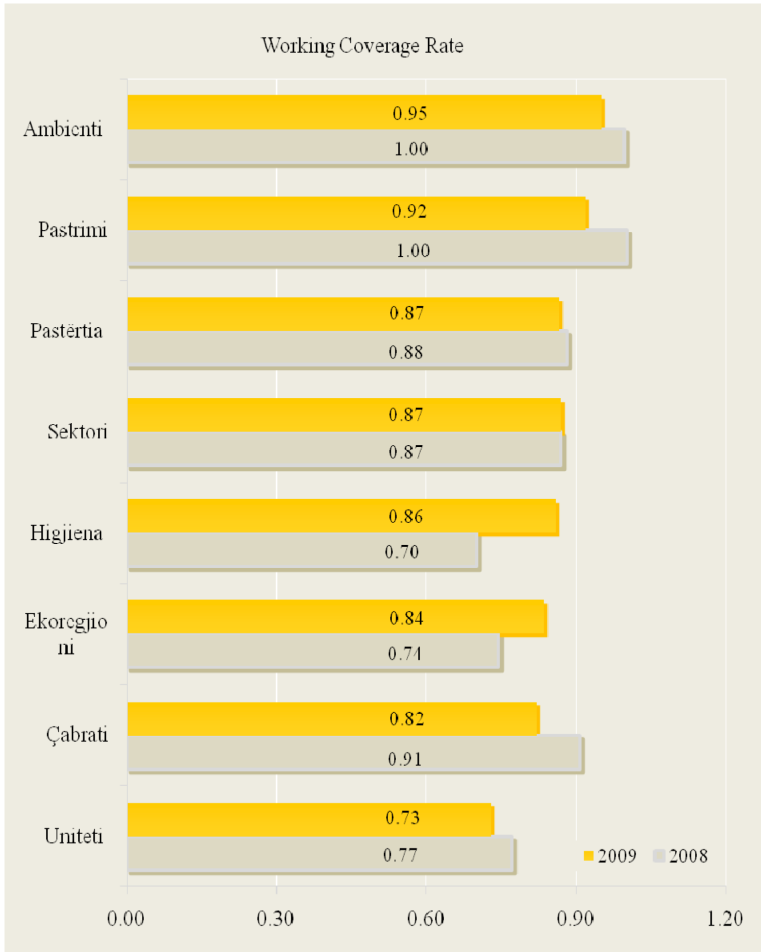


Chart 25. Working coverage ratio

Chart 25 shows that the working coverage ratio for most regional companies for 2009 is worse than in 2008, which reflects negative financial situation and needs for subsidies.

Two companies like Ekoregjioni and Higjiena showed significant improvement in 2009 The sector performance is unchanged compared to 2008, which shows that overall the waste companies continue to operate at unsustainable financial level.

11.3.4 Working ratio

Definition: *Operating revenues from bills issued and other operating incomes divided by total operating costs before depreciation..*

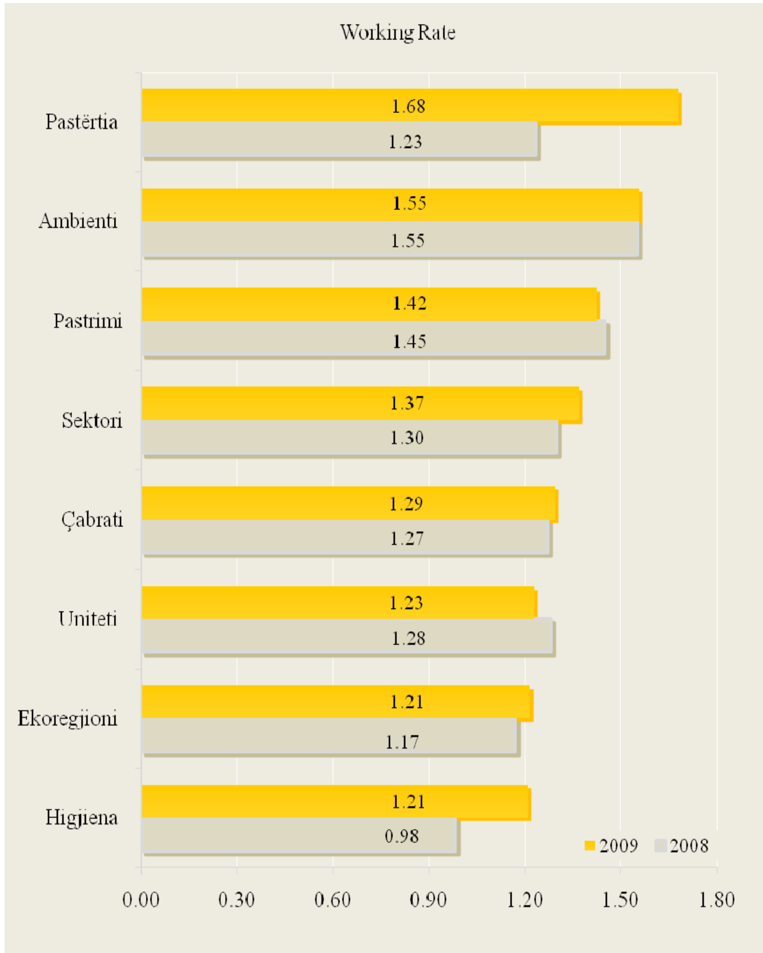


Chart 26. Working ratio

As seen in chart 26, the working ratio ranges is from min. 1.21 to max. 1.68 during 2009..

The average of working ratio of 1.30 in 2008 showed a slight increase in 1.37 in 2009, as a result of the value increase, and at the same time other revenue collected in some of Companies

One company, as Pastertia achieved a very significant improvement from 1.23 in 2008 to 1.68 in 2009. However it is noted that Pastertia failed to convert billing success as demonstrated above into improved cash collection as indicated in the previous chart for working coverage ratio.

11.4 Staff efficiency

11.4.1 Staff per one thousand customers (1000)

Definition: *Total number of staff divided per thousand customers.*

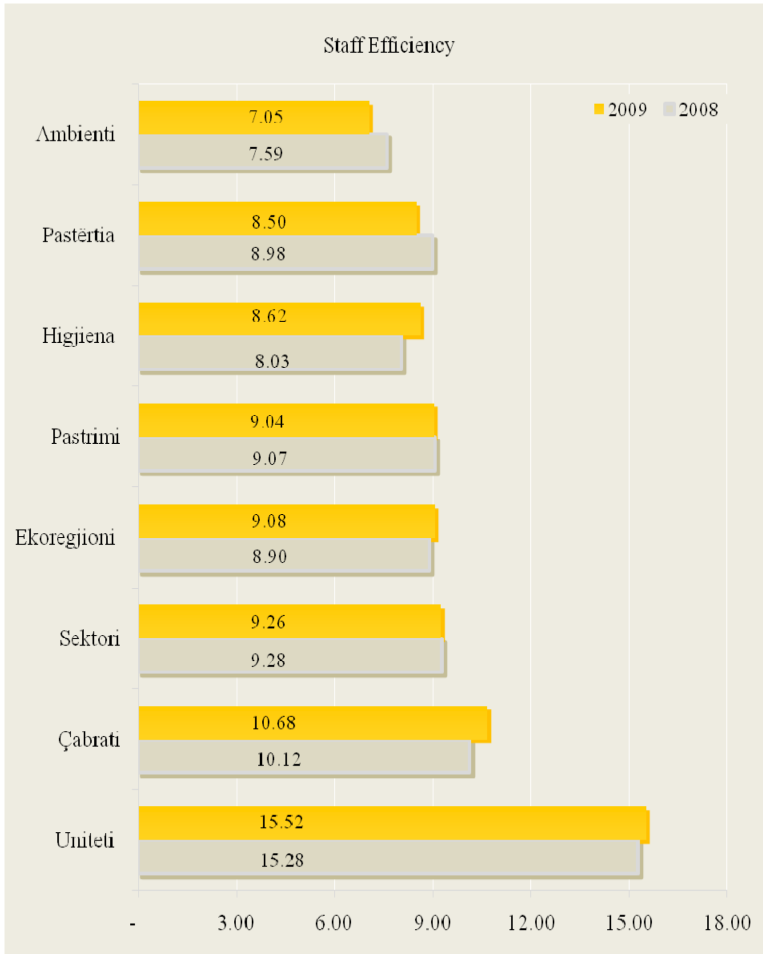


Chart 27. Staff per '1000 customers

Results based on 2009 data, indicates that the average number of staff per one thousand customers is 9.26, and it shows a small improvement compared to 2008 when this indicator was 9.28.

Increase of the staff efficiency from four of the seven companies from year to year, comes as a result of the increase in the number of customers. The best company in this indicator is the Ambienti with 7.05

The other six regional waste companies should aim achieving at least the Ambienti figure. The worst performer for this indicator, as in previous year is Uniteti with 15.52. It is not clear to WWRO why the performance of Uniteti is significantly worse compared with the other waste companies for this indicator. WWRO will investigate this issue in 2010.

11. PERFORMANCE OF THE WASTE DISPOSAL COMPANY

Kosovo Landfill Management Company (KLMC), is a public enterprise, and it manages the sanitary disposal sites in regions of Prishtina, Gjilan, Prizren, Podujevo and the transfer station in Ferizaj. The KLMC main customers are the regional waste collection companies, comprising Pastrimi, Higjiena, Pastërtia, Ekoregjioni and a number of private operators.

The two regional waste companies Ambienti and Uniteti, are also licensed by WWRO, to manage regional waste disposal sites in Peja and Mitrovica in 2008, and when the license validity expires, these companies actually manage with these sanitary landfill unlicensed by WWRO.

The sanitary disposal sites managed by KLMC are in a bad condition, due to the poor management and inability in collecting of debts from regional waste collection companies, which submit the highest percentage of all wastes, and as a consequence is caused the inability of the landfill operation, and undertaking of necessity investments form their investments

The performance assessment of KLMC added below is based on the key performance indicators calculated from the data received from this company.

Table 24. Kosovo Landfill Management Company Performance

Indicator	2008	2009	Trend
Working ratio	2.46	1.84	negative
Working coverage ratio	2.05	0.82	negative
Collection rate (%)	83%	45%	negative
Unit operating costs (€/t)	2.07	2.94	negative

During 2009, 176,272 tonnes of waste were been disposed in disposal sites managed by KLMC, an amount that was 12% lower than in 2008 (196,693 tonnes).

As illustrated in table 24, the performance of KLMC in 2009 compared to 2008 has decreased significantly in all financial indicators. The deterioration in the performance is caused by the substantial decrease in collection efficiency.

The collection rate has reduced to 45% for 2009, respectyivelly from 83% that was in 2008. which affected the working coverage ratio decrease for 0.82,bringing the KLMC in unstable financial position.

Part D

Activities of Customer Consultative Committee

13. CUSTOMER CONSULTATIVE COMMITTEES

One of the WWRO functions and responsibilities, is stable protection of customer interests, ensuring that the services offered to them by the licensed companies are in firm standard level and that they have effective mechanism for addressing their complaints and dissatisfaction.

In regard to the rights and protection of the customers' interest, according to the law in force, respectively Article 6.1 of the Regulation for Customer Consultative Committee for water and waste services in Kosovo (WWRO-R-08/W & S W) has foreseen the establishment of customers' consultative committees (CCC), and has determined the modalities and functionality of these committees. Corresponding with these provisions, and after reviewing the proposals from the Municipal Assemblies, at the end of 2005, WWRO has established the Customers consultative committees in 7 regions of Kosovo according to Consolidation plan for the water and waste service providers.

Each municipality in the region has two representatives in the respective committees. The total number of members in CCC is 52.

The CCC. role and responsibility consists of:

(i) Resolving the submitted complaints from the customers that are not previously resolved or treated by the service providers,

(ii) Upon request from the Regulatory office, directs surveys and studies related to the service standards

(iii) Offers advisory opinions to Regulatory office on service tariffs.

Customer consultative committees have regular monthly meetings, and until now there were 371 meetings in which many important issues have been discussed such as customer complaints reviewing, and other issues like the tariff proposal, harmonization of legal acts with law etc.

Throughout the meetings held until the end of 2009, there have been reviewed more than 179 complaints submitted by customers, 59 of them have been resolved and the rest have been returned to the companies for further review.

CCC in the region of Gjakova and Pristina have been more active. From the total of all complaints directed to CCC, where about 95% in 2008 and 81% for 2009 are from these two regions

From the total complaints submitted to the CCC, in 2008 were chosen 71%, while in 2009 about 61%.

The natures of the complaints mainly deal with the requirements for the deduction/payment of debts, lump sum and high tariffs.

Table 25. Number of submitted complaints in CCCs

Customer Consultative Committees in regions	Submitted complaints		Solved complaints	
	2008	2009	2008	2009
Prishtinë	7	11	5	6
Prizren	0	0	0	0
Pejë	1	1	1	1
Mitrovica	0	1	0	1
Gjakova	13	7	9	5
Gjilan	0	3	0	0
Ferizaj	0	3	0	3
Total	21	26	15	16

From the total number of submitted complaints in CCCs for 2008, 71% were solved while in 2009 approx. 61%.

The submitted complaints were mainly for deduction/amnesty of debts, lump sum billing and high tariffs.

In order to inform and raise public awareness on CCC role, WWRO was actively engaged during 2009 in cooperation with the regional CCCs in promoting their role through the local and national media. With the intention of creating conditions for active participation of the customers in matters that deal with public water and waste services, WWRO has published in daily newspapers the monthly meeting schedules of CCC. The work of the CCCs is followed by the media as well. Further efforts have been taken on better informing of customers. WWRO has also prepared and circulated, twice, more than 100,000 leaflets in three languages consisting of customer's rights and obligations and possibilities for complaints submissions.

One of the particular activities for this cause was the survey with citizens regarding their contentment with the level of offered services from the public companies, done at the beginning of 2009 and supported by CCC.

CCC have continued to cooperate closely and consult with water and waste companies and also with other stakeholders about the issues related to CCC activities, in protecting the customer interests. As regards to this, a close cooperation has been established with NGO "Konsumatori" as well as with the Ministry of Trade and Industry, as WWRO is involved in Customer Protection Program 2010-2014.

Part E

Recommendations

14 GENERAL RECOMMENDATIONS

For Companies:

- Development of strategic plans with clear objectives, and drafting of plans in order to achieve progress and set objectives in strategic plans,
- The company's internal organizational reforms in terms of management development with human resources, orientation of the contracting and using of external resources for some specific activities ,
- Investment orientation in reducing of operational costs such as: reduce of water losses, measurement of water amount produced and distributed to the customer, optimalisation of energy costs,
- Billing improvement through development of practices, and implementation of measures that deal with by developing of practices by developing and implementing of measures relating to recordkeeping most powerful, the development of billing procedures, updated database of customers, using new technologies for recording of spent water,
- Increase of collection rate by encouraging and promoting the staff, in order to undertake the billing and collection functions earnestly,
- Installation and development of information management system, as improvement of the financial information system (financial software packages modules, piano and property), use of software for customer relations (CRS), geographical information system installation and development (GIS) , asset management system, etc..

For Government:

- Approval and harmonization of legal framework, and strengthening of institutional measures in the Water and Waste Service Sectors,
- Development of strategic plan for water and wastewater treatment, and the national strategic plan for waste management,
- Development of clear policies, regarding the private sector participation (PSP) in waste sector,
- Creation and support of investment plans in the water services sector,
- The RWC's subsidy of customers, who are in difficult social situation ,
- Support of public companies on the legal aspects, in the collection of debts as
- well as operational aspects.

For Municipalities:

- Drafting of development plans, to cover the entire population with water, sewerage services and waste collection,
- Development of the appropriate mechanisms, in order to help the public companies in collecting of debts for offered services ,
- To help water and waste service companies, in order to face with the challenges of rapid development of urbanization.
- To undertake inspection activities, in order to help water and waste companies from the misuses of drinking water, waste disposal outside designated areas etc.

Recommendations of the Assembly of Kosovo

At the meeting held on the Assembly of the Republic of Kosovo in July of this year, upon approval of Annual Work Report of WWRO in 2009, were given the necessary recommendations to improve the situation in the water and waste services sectors. These recommendations which set a clear summary of priorities for WWRO in the future, on improving the performance of water and waste service providers are as follows:

The Water Service Sector

- The Government and Municipalities should put the priorities of activities in the water sector, strengthening of business and supervision of the Public Companies, and to invest in the establishment of production capacities, especially in RWC 'Pristina' and RWC 'Mitrovica.
- Through (Task Force of Water) ,should be addressed the subsidy of social cases, the involvement of the courts in solving of problems in this sector such as : Collection of debts for provided services, supporting of the operational aspects of companies as in the case of illegal connections, damage of infrastructure, obstacles in reading of water meters, debts payment of the institutional customers. Municipalities must provide support through its mechanisms, especially in the collection of debts from businesses, local development plans, in order to expand the water and sewerage services.
- Water and Waste Regulatory Office(WWRO), together with all stakeholders involved in water supply sector, should ensure continuous impact on the management boards and water companies, in improving of performance indicators, placement of water-meters where is technically possible to collective settlements of water meters , respectively, preventing of lump sum billing (billing to be done by

reading of water meters),proportional division of water (equivalent reductions),signing of service contracts Company-Customers, rectification of service tariffs (due to the failure of planned capital investment), conditioning of donations and grants with the best performance of companies, continuation of monitoring and comparative assessment, conditioning of licenses in providing of services in order to meet the service standards, payment of the annual licensing tariff in time for WWRO by licensed companies.

Waste Services Sector

- The Municipalities should engage the inspectorates to fight the wild landfills in the whole territory of Kosovo, to appoint the boards in the waste company's, to act according to Ahtisaari's package for waste collection companies, to sign the service contracts Company-Municipal Assemblies, to assist companies in collecting of service bills of municipal services through the municipal administrative mechanisms, especially to businesses and institutions, and key stakeholders to define clearly the policies for involvement of the private sector.
- The companies should raise the responsibilities in waste management, to develop the capacities in establishing of service standards (adding of weekly activities of waste collection), to raise the billing and collection rate, to make tariff's payments of waste disposal of KLMC, to make debt payments of WWRO for annual licensing, and develop plans in expanding of the waste collection service area.
- (Landfill Management Company of Kosovo) have financial support by the Government for the rehabilitation of the landfill situation.

WWRO is also recommended to correct the organizational structure and its material.

Annexes

ANNEX 1. STATISTICAL DATA

Table A. Regional Water Companies

Statistical data for RWC		Prishtina	Hidroregjioni Jugor	Hidrodrini	Mitrovica	Radoniqi	Hidromorava	Bifurkacioni	Sector total
Total population in region		579,812	389,586	243,841	211,897	166,629	262,864	147,279	2,001,908
Population served with water		467,052	191,489	184,708	134,765	161,602	86,104	85,929	1,311,648
Population served with waste water		348,138	170,424	96,039	103,609	105,370	81,648	63,966	969,194
Water production (m^3)		45,105,379	15,244,976	28,192,459	17,358,593	15,162,287	6,937,500	5,088,640	133,089,834
Billed water ($m^{3)}$		20,891,301	6,824,091	7,284,430	8,463,345	6,796,051	2,983,181	2,178,156	55,420,555
Number of customers per category	Household	75,962	23,791	26,213	19,251	23,626	14,551	12,016	195,410
	Commercial-Industrial	9,886	3,931	4,378	1,757	3,385	1,686	1,916	26,939
	Institutions	643	309	305	306	219	262	204	2,248
Total of registered customers		86,491	31,230	30,896	21,314	27,230	16,676	13,964	227,801
Metered water amount (m^3)		18,748,503	5,942,157	6,746,189	5,987,032	5,397,172	2,314,147	1,422,002	46,557,202
Customers metered with water meter		69,468	24,524	26,269	10,921	25,604	12,954	9,168	178,908
Length of water supply network (Km)		1,073	250	474	439	543	175	125	3,079
Length of waste water network (Km)		246	198	95	182	73	-	78	872
Staff(€)		497	189	176	219	218	145	92	1,536
Billed value (€)		9,951,263	2,678,879	2,325,017	2,110,663	2,541,624	1,325,638	928,382	21,861,466
Collection value (€)		6,457,949	1,614,192	1,403,846	1,082,279	1,748,934	840,452	562,307	13,709,959
Operation costs (€)		6,197,879	1,889,153	1,430,695	1,807,515	1,788,138	1,031,718	525,338	14,670,436

Tabela B. Regional Waste Companies

Statistical data		Pastrimi	Ekoregjioni	Ambienti	Uniteti	Çabrati	Higjiena	Pastërtia	Sector total
Total population in region		548,370	458,284	201,270	211,897	97,931	207,385	178,721	1,903,858
Served population		291,180	174,826	72,071	63,727	51,163	68,274	78,272	799,514
Total of collected waste		88,445	42,946	23,177	34,196	16,964	21,909	18,324	245,961
Waste disposed in licensed disposal sites		72,629	42,946	19,606	34,196	-	21,909	14,340	205,626
Waste disposed in unlicensed disposal sites		15,816	-	3,571	-	16,964	-	3,984	40,335
Number of customers per category	Household	43,074	22,074	16,924	9,686	9,120	14,358	14,774	Number of customers per category
	Commercial-Industrial	5,800	3,691	4,610	1,795	1,550	1,783	3,263	
	Institutions	261	234	307	115	102	220	36	
Total of registered customers		49,135	22,999	21,841	11,596	10,772	16,361	18,073	153,777
Staff (€)		444	236	154	180	115	141	153	1,423
Billed value (€)		2,900,250	1,644,951	931,445	874,190	479,889	708,839	1,227,948	8,767,512
Collection value (€)		1,479,570	1,036,250	494,364	485,200	240,456	436,671	622,328	4,794,839
Other operative incomes		1,110,985	302,867	191,851	80,884	174,393	22,990	228,884	2,112,854
Operation costs (€)		2,818,918	1,603,531	722,602	777,226	505,564	775,265	745,171	7,948,277
Number of vehicles for waste transport		51	38	25	30	12	20	17	193

Table C. Bulk Water Supplier (Ibër Lepenci)

Statistical data	Total
Volume of billed bulk water (m^3)	17,817,840
Billing of bulk water (€)	323,244
Collection of bulk water (€)	266,477
Operating cost for bulk water supply (€)	0.021
Number of employees engaged in bulk water supply	20

Table D. Kosovo Landfill Management Company (KLMC)

Statistical data	Total
Waste disposed (tonnes)	76,727
Billed value (€)	955,769
Collection value (€)	427,536
Operating costs (€)	519,731

ANENEX 2. CONTACT DETAILS

Tabela A. Regional Water Companies/Bulk Water Company

Regional water companies	Director	Phone number	E-mail address	Company address
Prishtina	Skender Bublaku	038/540 749, lok.128	skender.bublaku@kurprishtina.com	Street. Tahir Zajmi without number , Prishtina 10000
Hidroregjioni Jugor	Besim Baraliu	029/244 150	besimbaraliu@hotmail.com	Street..Vatra Shqiptare Prizren, 20000
Hidrodrini	Agron Tigani	039/432 355	a.tigani@hidrodrini.com	Street.Gazmend Zajmi nr.5, Pejë 30000,
Mitrovica	Faruk Hajrizi	028/533 707	farukhajrizi@gmail.com	Street.Bislim Bajgora , without number Mitrovicë 40000
Radoniqi	Albert Zajmi	0390/320 503	albert_zajmi@yahoo.com	Street.UÇK, nr.07, Gjakova 50000
Hidromorava	Myrvete Hoti	0280/321 104	myrvetej@yahoo.com	Street UÇK without number Gjilan 60000
Bifurkacioni	Faton Frangu	0290/320 650	faton_frangu@yahoo.com	Street. Enver Topalli, nr.42/A, Ferizaj, 70000
NPH Iber Lepenci	Hajdar Beqa	038/225 007	hajdarbeqa@gmail.com	Street Bill Klinton nr.13, Prishtina, 10000

Tabela B. Regional waste companies and Kosovo Landfill Management Company

Company name	Director	Phone number	E-mail address	Company address
Pastrimi	Kadri Retkoceri	038/525 191	RWCC_pastrimi@yahoo.com	Street .Bill Klinton p. n, Prishtina 10000
Ekoregjioni	Xhemaili Haxhimustafa	029/244 753	RWCC_ekoregjioni@yahoo.com	Street. Tahir Sinani nr. 59, Prizren 20000
Ambienti	Nexhat Abdullahu	039/434 729	RWCC_ambienti@yahoo.com	Street .Fatmir Uka nr. 24, Pejë 30000
Uniteti	Rrustem Abiti	038/533 983	RWCC_uniteti@yahoo.com	Street.. Vllëzrit Dragaj p. n, Mitrovicë 40000
Çabrati	Përparim Radoniqi	0390/321 588	RWCC_cabrati@yahoo.com	Street. Mazllom Lakuci p. n, Gjakova 50000
Higjiena	Bajram Isufi	0280/324 040	RWCC_higjiena@yahoo.com	Street. Adem Jashari nr. 111, Gjilan 60000
Pastërtia	Gazmend Bytyçi	0290/322 259	RWCC_pastrimi@yahoo.com	Street. Enver Topalli nr. 44, Ferizaj
KLMC	Avni Ramadani	038/544 552	klmcavniramadani@gmail.com	Street. Zija Shemsiu nr. 23, Prishtina 10000

Tabela C. Water and Waste regulatory Office (WWRO)

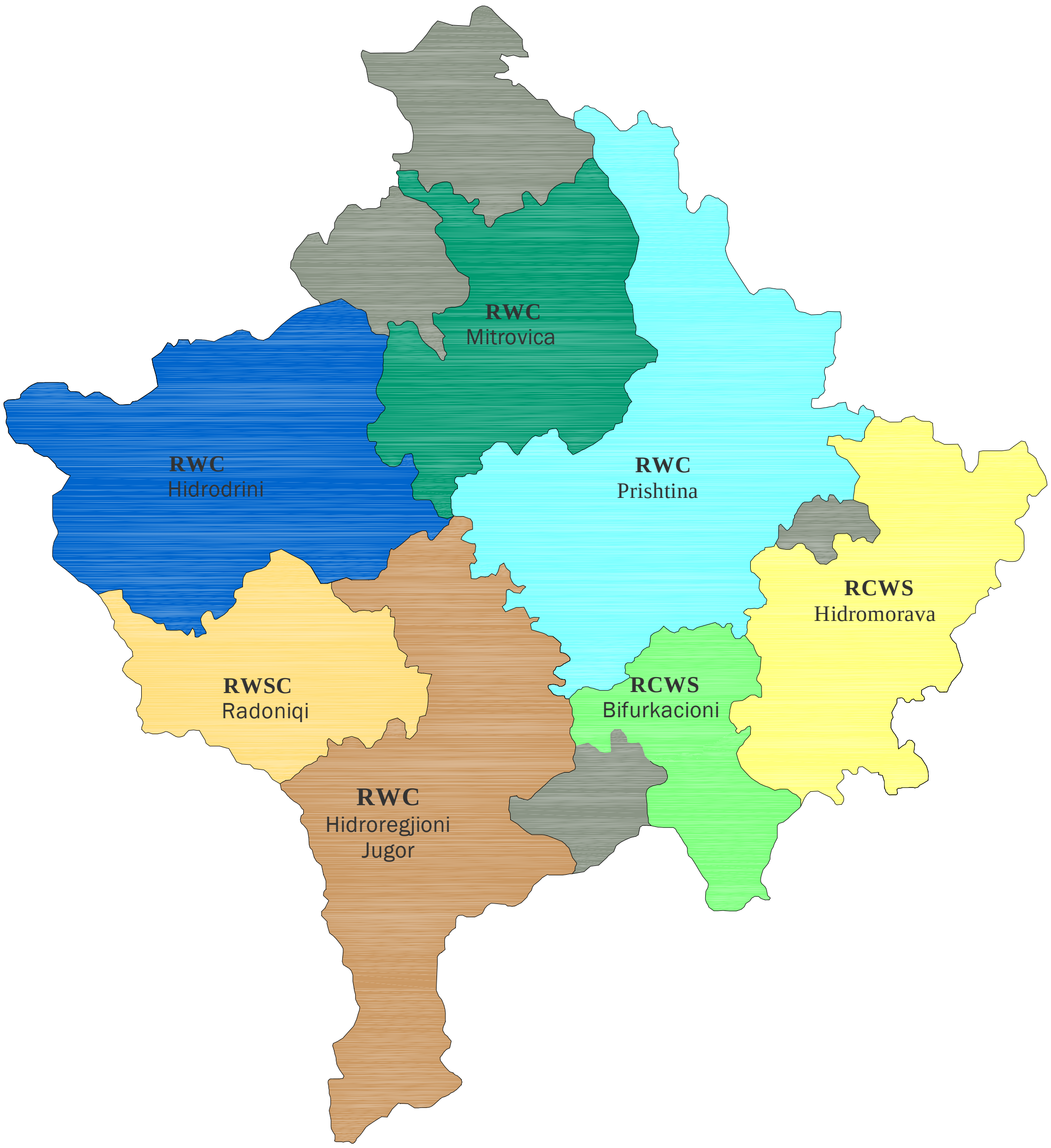
WWRO	Name	Phone number	E-mail address	Company address
Director	Raif Preteni	038/249 165/ 111	raif.preteni@wwro-ks.org	Street Ferat Dragaj nr.68, Prishtina, 10000
Deputy director	Kero Bardhaj	038/249 165/124	kero.bardhaj@wwro-ks.org	Street Ferat Dragaj nr.68, Prishtine, 10000
Head of Law and licencing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

Table D. Regional customer consultative committees

Regional committee	Chairman of committee	Phone number
CCC Prishtina	Mehdi Aliu	038/582 717
CCC Prizren	Zenel Ahmetaj	044/153-295
CCC Peja	Ylfete Blakaj	044/276 538
CCC Mitrovica	Tahir Islami	028/532 104
CCC Gjakova	Flamur Vula	044/270 755
CCC Gjilan	Hevzi Matoshi	044/308 077
CCC Ferizaj	Bashkim Ferati	0290/321 297

ANNEX 3

Service Areas of Regional Water Companies



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 -Shtimja -Drenasi	-Prizreni -Suhareka -Malisheva -Dragashi	-Peja -Istogu -Klina -Juniku -Deqani	-Mitrovica -Skenderaj -Vushtria	-Gjakova -Rahoveci	-Ferizaj -Kaçaniku	-Gjilani -Kamenica -Vitia	-Novoberda -Zubin Potoku -Leposaviqi -Shtërpca

Service Areas of Regional Waste Companies

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

Acknowledgements

We are honored and pleased to express our appreciation and thanks to management and other personnel of Regional Water and Waste Companies, WPC Iber Lepenci, KLMC and other parties as NIPHK, involved in the process of WWRO reporting, commitment and cooperation shown in gathering, processing and data reporting.

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