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



ANNUAL
REPORT

PERFORMANCE OF THE WATER AND WASTE COMPANIES IN KOSOVO 2008

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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 and transparent manner in accordance with good European practices in order to ensure that water and waste service providers deliver qualitative, sustainable, reliable, and affordable prices throughout Kosovo, taking into consideration protection of environment and public health."

FOREWORD

This third WWRO report on the performance of water and waste service providers in Kosovo reveals that, in 2008, regional water companies (RWCs) have continued to further improve their operational, financial, and customer service performance.

Unfortunately, similar improvements cannot be reported for the solid waste companies which have in 2008 faced serious financial problems as a result, primarily, of low collection rates. The financial difficulties of the waste companies pose an urgent need for finding adequate mechanisms for substantial improvements in collection efficiency of these companies. I believe that a solution for this problem is only possible if the current bill collection model for waste services is revised by transferring this responsibility from waste companies to the municipalities. Taking into account the importance of this issue and its repercussions for the waste management in Kosovo, relevant institution in Kosovo (primarily MESP and the municipalities) should treat it as a matter of high priority.

In the water services sector, high water losses and low collection efficiency continue to be the weakest points of the water companies' performance and, accordingly, the main impediment to their financial viability. Despite the progress achieved in 2008 (average water losses have been reduced from 58% to 56%, whereas collection rate has increased from 61% to 65%), the performance concerning these two indicators still remains rather poor. As a result, only four out of seven RWCs were able to cover their operating costs, while their financial capacities for undertaking any significant capital investments are very limited and dependant on donations.

Therefore, the reduction of water losses and the increase of collection efficiency are the main challenges for the management of all RWCs and as such should be treated as their absolute priorities. Also, WWRO expects that in the near future RWCs will need to make notable improvements in operating efficiency and in the area of customer services.

On the other hand, without a stronger institutional support from the government, water and waste companies can not make significant progress in bill collection. In this respect, the establishment of the Water Task Force (WTF) as part of the project funded by Swiss Cooperation Office (SCO) is very promising, comprising representatives of the government cabinet headed by

the Prime Minister. The WTF is supposed to focus its activities in policy development for the water sector and specifically in creating effective mechanisms for addressing the issues relating to bill collection (subsidize the payment of water bills for indigent customers, provide support by the police and courts for the RWC debt collection etc.).

In the waste sector, the key issue is to eliminate the current confusion (misinterpretation) concerning the institutional roles and responsibilities. WWRO stance regarding this issue, stated in all fora where waste management issues were discussed, is that the municipalities should have full responsibility for waste management in their administrative area (including billing and collection functions), and together with MESP be the key actors of this sector (as set forth in the Waste Law). At the same time, waste collection services should be de-regulated (by amending Law Nr. 03/L-086), in order to create an enabling environment for introducing market competition in rendering these services, in case the municipalities decide to do that.

In the absence of market competition in the water and waste services, in this report as in the previous reports, we have compared the relative performance of RWCs based on the selected key performance indicators, and as a result of this comparison we have ranked them. RWC "Prishtina" has been evaluated as the best performing company for the year 2008, and RWC "Hidrodrini" Peja is announced as the company with the most evident performance improvements in 2008 compared to 2007. I congratulate them for their demonstrated performance and I encourage them and other companies to further increase their operating efficiency and the quality of service.

I am happy to say that in 2008, the responsiveness of RWCs towards the regulatory framework has improved in terms of timely reporting as well as in terms of the quality of reported data. The financial data and the majority of the operational data are fully accurate and reliable. On the other hand, the quality of data pertaining to the level of customer services is still unsatisfactory, hence WWRO will in 2009 work closely with RWCs to improve the quality of these data.

In conclusion, I would like to thank Swiss Cooperation Office (SCO) for the valuable support given to WWRO in preparation of this Report through the engagement of the consultant Vera Muhaxhiri.



Afrim Lajçi
WWRO Director

ACRONYMS AND ABBREVIATIONS

KEPA	•	Kosovo Environmental Protection Agency
SOK	•	Statistical Office of Kosovo
NIPHK	•	National Institute for Public Health in Kosovo
CCC	•	Customers' Consultative Committees
KLMC	•	Kosovo Landfill Management Company
RWC	•	Regional Water Company
RWCC	•	Regional Waste Company
WC	•	Water Company (RWCs + Ibër-Lepenci)
MESP	•	Ministry of Environment and Spatial Planning
MFE	•	Ministry of Economy and Finance in Kosovo
OFMP	•	Operational and Financial Monitoring Project
OFCR	•	Operational, Financial and Customer data Report
SCO	•	Swiss Cooperation Office
KPI	•	Key Performance Indicators
ECLO	•	European Commission Liaison Office
WWRO	•	Water and Waste Regulatory Office

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1.1. Background

Water and Waste Regulatory Office (WWRO) is the economic regulator of the water and waste services sectors in Kosovo. One of its most important functions is to monitor and report the performance of public companies that provide these services.

Monitoring and publicly reporting on the performance of water and waste companies is important primarily because it makes the operation of these companies more transparent and their management more accountable, by providing objective and comprehensive information via key performance indicators on their financial and operational performance.

In addition to increasing their transparency and accountability, the aim of this report is to stimulate the public water and waste companies to improve their performance, by using the comparative performance as a means that stimulates the competition. In this respect, based on the performance comparison results, in the report we have ranked the companies according to: (i) their performance demonstrated in 2008, and (ii) the progress achieved in performance improvement during the period 2007/2008. The experiences in the public sector show that performance comparisons and public reporting in principle do actually stimulate performance improvement.

Not less important is the fact that the data presented in this report may serve as useful information for costumers to see how their service provider has performed compared with other companies, as well as important information for the Government, companies, donors, and various agencies.

1.2. Content of the Report

The report contains two principal parts in which is analyzed the performance of two public services which are under the WWRO's regulatory mandate:

- **Water Services** - (i) Drinking water supply services and wastewater services, and (ii) bulk water supply; and

- **Waste services-** (i) waste collection and transportation services, and (ii) waste disposal services.

For all these services, WWRO has, in cooperation with the water and waste companies accordingly, developed performance indicators for analyzing and assessing the overall performance of respective sectors as well as the performance of individual companies.

With regard to water supply and wastewater services, and waste collection services, the report provides comparative performance of service providers within the same sector for a selected set of performance indicators. On the other hand, for bulk water supply and waste disposal services an overview of the performance of the public companies that provide these services ('Ibër-Lepenci' and 'KLMC') is given without an opportunity to compare their performance, since they are the only companies that provide these services in Kosovo.

It should be noted, that in the report information is not included on the water services provided by entities which are currently not under the WWRO's regulatory regime, such as: (i) rural water supply systems which are not under the management authority of the licensed RWC, and (ii) water and waste services provided in the municipalities with Serbian majorities, which are not licensed by WWRO. This fraction of water services was left out from the report for a simple reason: WWRO has no data for these services. Also, no information on storm water services and water supply for irrigation purposes is included in this report because these sectors are outside the WWRO's regulatory remit.

1.3. Data Reliability of the Report

The report has been prepared based on the data reported from licensed water and waste companies in accordance with their reporting obligations as set forth under the legal framework and in their service licenses, except the data related to the water quality which were provided to WWRO by the National Institute of Public Health (NIPHK) in accordance with the Memorandum of Cooperation signed between WWRO and NIPHK in 2007.

The data reported by the companies as per the reporting system developed by WWRO (OFCR), were audited by WWRO staff during the period January-April 2009. The purpose of the audit was to verify the data quality i.e. its accuracy and reliability. The audit exercise consisted of comparing the reported data with the actual data in companies' information systems as well as in the evaluating their reliability. In general, the WWRO considers that the data used in this report (except the data related to customer service levels) are reliable and correct.

1.4. Performance Assessment

The overall performance assessment and ranking of the companies as a result of this assessment, is done based on the key performance indicators (KPIs) which WWRO has selected out of numerous performance indicators analyzed in this Report. For the selection of KPIs, WWRO took into account the following criteria:

- The KPIs should be based on reliable data
- The KPIs should be relevant;
- The KPIs should be under the companies' management control; and
- The KPIs taken together best represent the overall performance.

In order that the performance assessment is as objective as possible, WWRO has made several changes in this Report compared with the previous reports. The changes relate mainly to the ranking methodology, such as:

- The number of KPIs has increased from 5 to 9;
- The KPIs are given weightings depending on their importance;
- The reliability of the data is scored based on the findings from the audit process;

Also, this year for the first time, WWRO has evaluated the performance of RWCs in terms of their compliance with their obligations towards WWRO that derive from the regulatory framework.

2 WATER AND WASTE SECTORS

2.1. Institutional Roles and Responsibilities

The water sector in Kosovo in principle comprises 2 sub-sectors: (i) water resources sector, and (ii) water services sector.

In Kosovo, the Ministry of Environment and Spatial Planning (MESP) is the responsible authority for the management of water resources, policy drafting and the strategy for water management. The water services sector comprises water supply services and wastewater services that are provided by regional public water companies licensed and regulated by WWRO.

On the other hand, the waste sector comprises two components: (i) waste collection services, and (ii) waste disposal services. Waste collection services are provided by regional waste companies, whereas waste disposal services are provided by Kosovo Landfill Management Company (KLMC).

The main institutions and their respective responsibilities for water and waste sector are:

(i) Ministry of Environment and Spatial Planning (MESP)

MESP is the leading institution in the water and waste sectors in Kosovo, and has the responsibility to develop sectoral policies and strategies. The Water Law (no. 2004/24) regulates issues related to management, planning, and protection of water resources. It also sets forth responsible institutions in the water sector by specifying MESP's and other institutions' responsibilities in the water management. According to this law, MESP is responsible to develop policies for the water sector as well as to prepare the strategic plan for water resources management in Kosovo. Furthermore, Water Law establishes the authority of MESP to issue water permits for water abstraction and for wastewater disposal.

MESP's roles and responsibilities in the waste sector are set forth in the Waste Law (*No.02/L-030 and the Regulation 2006/31*).

(ii) Water and Waste Regulatory Office (WWRO)

WWRO was established under the *Law Amending UNMIK Regulation 2004/49 on the Activities of Water, Wastewater and Waste Service Providers (Law No. 03/L-086)*, which established the legal framework for the economic regulation of the public companies that provide water, wastewater and solid waste services in Kosovo, and also sets out the WWRO authorities and

responsibilities as an independent regulator that reports to the Assembly of Kosovo. The WWRO, according to this law, is the responsible authority for: (i) licensing water and waste service providers, (ii) setting (approving) service tariffs for water and waste services, (iii) setting and monitoring the service standards, (iv) monitoring the performance of service providers, and (v) establishing the relationship between the service providers and the customers.

(iii) Ministry of Economy and Finance (MFE)

The MFE under *the Law on Publicly Owned Enterprises (Law No. 03/L-087)*, through the Policy and Monitoring Unit, monitors publicly owned enterprises that are the property of the Republic of Kosovo in order to ensure accountability and transparency in their operations. This law establishes the legal framework governing the exercise of ownership rights in publicly owned enterprises and regulates the corporate governance of these enterprises

(iv) National Institute of Public Health (NIPH)

NIPH is the responsible body for setting drinking water quality standards which is supplied by water service providers and for monitoring the compliance with these standards. The legislative basis for the NIPH mandate is provided under *Administrative Directive (No. 2/99)* that regulates the quality issues of drinking water.

(v) Municipalities

According to the *Law on Local Self-Government in Kosovo (Law No. 03/L-040)*, municipalities are inter alia responsible for providing water and waste services. This responsibility is to be implemented through the Service Agreement signed by the municipality and the relevant regional water and waste company that provides services in the municipality.

2.2. Current Structure of the Water and Waste Sectors

Reforms in the water and waste sectors in Kosovo initially consisted in restructuring (consolidation) of municipal water and waste enterprises. As the result of this process, which started in 2003 and was completed in 2006, 35 municipal water and waste utilities (most of whom provided basically all the municipal services) were merged into 7 regional water and wastewater companies and 7 regional waste collection companies. The municipal enterprises located in the areas with Serbian majorities, (Shterpce, Novobardo, North Mitrovica, Leposaviq, Zubin Potok and Zveçan) for political reasons, did not participate in this process, hence they remain unconsolidated.

The main driving force for regionalization of municipal enterprises was to establish companies that are financially viable through:

- Use of the potential offered by economies of scale
- Effective implementation of regulatory and managerial monitoring
- Preparation for further reforms of the sectors with Private Sector Participation (PSP)
- Prevention of political interferences in the management of publicly owned enterprises.

Apart from the resistance made by several municipalities regarding the consolidation process, the process was concluded in 2006. The positive effects of this process are apparent, and they essentially consist of: elimination of fragmented structure, increase in accountability and transparency, and improvements in efficiency.

The second step of the reforms has been the establishment of a legal framework for an economic regulation of the water and solid waste service providers in November 2004 (under UNMIK Regulation 2004/49) and the establishment of the Water and Waste Regulatory Office (WWRO) as a responsible authority for economic regulation of public water and waste companies.

Finally, the third step of the reforms was the incorporation of the public water and waste companies. This process was finalized in 2007, by transforming water and waste regionalized companies into joint stock companies (J.S.C) with a clearly defined legal and financial identity which are governed according to the principles of corporate governance. The issue of ownership of these enterprises was regulated by the Law on Publicly Owned Enterprises (adopted on 13th of June 2008).

Pursuant to its legal responsibilities, WWRO has licensed 16 publicly owned companies from which: (i) 7 provide water supply and wastewater services, (ii) 1 provides bulk water supply, (iii) 7 provide waste collection services, and (iv) 3 provide waste disposal services.

(i) Water Services (Water Supply and Wastewater)

Currently, the water supply and wastewater services in Kosovo are provided by 7 regional public companies that are licensed by WWRO:

1. RWC 'Prishtina' Sh. A., provides services in the municipalities: Prishtina, Fushë Kosova, Obiliq, Podujeva, Lipjan, Shtimje, and Gillogovc;
2. RWC 'Hidroregjioni Jugor' Sh.A, provides services in the municipalities: Prizren, Malisheva, Suhareka, and Dragash;

3. RWC 'Hidrodrini' Sh.A., provides services in the municipalities: Peja, Istog, Klina, Junik and Deçan¹;
4. RWC 'Mitrovica' Sh.A., provides services in the municipalities: Mitrovica, Skënderaj and Vushtri;
5. RWC 'Hidrosistemi Radoniqi' Sh.A., provides services in the municipalities: Gjakova and Rahovec;
6. RWC 'Hidromorava' Sh.A., provides services in the municipalities: Gjilan, Kamenica, and Vitia;
7. RWC 'Bifurkacioni' Sh.A., provides services in the municipalities: Ferizaj and Kaçanik².

(ii) Bulk Water Supply

Bulk water supply is defined as supply with untreated water for water and waste service providers.

The only licensed company that provides bulk water is PHE 'Ibër-Lepenci' Sh.A. which supplies bulk water for RWC 'Mitrovica' Sh.A. and for RWC 'Prishtina' Sh.A.

(iii) Waste Collection Services

Waste collection and transportation services in Kosovo are provided by 7 regional public companies licensed by WWRO.

1. RWCC 'Pastrimi' Sh.A. provides services in the municipalities: Prishtina, Fushë Kosova, Obiliq, Glogovc, Lipjan, and Podujeva;
2. RWCC 'Ekoregjioni' Sh.A. provides services in the municipalities: Prizren, Rahovec, Suharekë, Malishevë, and Dragash;
3. RWCC 'Ambienti' Sh.A. provides services in the municipality of: Peja, Istog, Klina, and Deçan³;
4. RWCC 'Uniteti' Sh.A. provides services in the municipality of: Mitrovica, Skënderaj and Vushtri;
5. RWCC 'Çabрати' Sh.A. provides services in the municipality of: Gjakova;
6. RWCC 'Higjiena' Sh.A. provides services in the municipality of: Gjilan, Kamenicë, and Vitia⁴;
7. RWCC 'Pastërtia' Sh.A. provides services in the municipalities: Ferizaj, Shtime and Kaçanik.

¹ The Municipality of Decan was a part of RWC "Hidrodrini" service area, until the decision made by the Municipal Assembly of Decani in 2007 which decided not to be a part of the regional company "Hidrodrini" and has established municipal company for water supply. The WWRO considers that the decision made by the MA of Deçani is unlawful and is non-compliance with the Law on Publicly Owned Enterprises.

² The Municipality of Kaçanik, with a decision made by the Municipal Assembly in February 2009, which decided not to be a part of the RWC "Bifurkacioni" Sh.a, and has established a special municipal water company, which the WWRO considers as an unlawful decision in violation of the Law on Publicly Owned Enterprises.

The licenses issued to the regional waste companies are valid until 31st of November 2009.

(iv) Waste Disposal Services

The waste disposal services in Kosovo are provided from 3 regional public companies licensed by WWRO:

1. **Kosovo Landfill Management Company in Kosovo- KLMC J.S.C** which manages sanitary landfills in: Prishtina , Podujeva, Gjilan, Prizren and Transfer Station in Ferizaj;
2. **RWDC 'Ambienti' Sh.A.** manages landfill in Peja ; and
3. **RWDC 'Uniteti' Sh.A.** manages landfill in Mitrovica.

¹ The same situation as with the water supply and wastewater services is also with waste collection services in municipality of Deçani.

¹ The Municipal Assembly of Vitia has also taken a decision (in 2008) not to be a part of RWCC 'Higjiena' and has established a special enterprise for waste collection, that is also in violation of the Law on Publicly Owned Enterprises. In the absence of information for the Operational Unit of Vitia the WWRO has analyzed the performance of RWCC 'Higjiena' in 2008 only for Operational Units in Gjilan and Kamenica.

FIRST PART: PERFORMANCE OF THE WATER COMPANIES

3 SUMMARY OF THE WATER COMPANIES' PERFORMANCE

3.1. Water and Wastewater Services

Water and Wastewater services in Kosovo are provided by 7 licensed regional water companies (RWCs). Except for the urban zones, these companies also provide their services in several villages that are located within their service areas.

Table 1: RWC Profile in 2008

Regional Water Company	Served Municipalities (No)	Customers (No)	Served Population ⁵ (No)	Annual Water Production (million m ³)	Annual Billing ('000 EUR)	Personnel (No)
Prishtina	7	82,443	445,432	40.8	9,147	494
Hidroregjioni Jugor	4	28,464	189,069	12.6	2,382	181
Hidrodrini	4	28,996	157,120	30.3	2,275	178
Mitrovica	3	20,780	116,440	16.8	1,933	216
Radoniqi	2	26,667	158,394	17.0	2,462	215
Hidromorava	3	15,901	86,413	5.8	1,114	139
Bifurkacioni	2	14,947	79,816	3.9	901	102
Total	25	219,198	1,232,683	127.3	20,214	1,525

Served municipalities: Seven licensed RWCs provide their services in 25 municipalities in Kosovo. The municipalities with Serbian majorities (Shtërpce, Novobërdo, Leposaviq, Zubin Potok, Zveçan and the northern part of Mitrovica) are not under the managing authority of RWCs.

Number of customers and population served: WWRO has estimated that the number of population that receive water supply services from the 7 RWCs is 1,232,683 inhabitants (equivalent to 60% of the total population) while 987,130 inhabitants receive wastewater services (equivalent to 48% of the total population). This estimation was made based on the number of

⁵

The population served with services is calculated by multiplying the number of domestic customers with the average number of family members per respective municipality (as per the data of Statistical Office of Kosovo).

household customers that are billed for the water services by RWCs. WWRO considers that this is the best possible assessment of the population coverage with water services, in order to avoid using the arbitrary figures reported by RWCs in the past years.

It should be noted, however, that it is obvious that these figures do not include customers that might be illegally connected without being registered in the RWCs and, accordingly, are not invoiced.

Furthermore, there is a considerable number (196) of rural⁶ systems that are not operated by RWCs but from the village communities and as such are not included in this assessment. Water supply systems in municipalities with Serbian majorities which are not managed by RWCs are also not included in this estimation. As a conclusion, in the absence of accurate statistics, every serious analysis which intends to estimate the overall service coverage with water supply and wastewater services has to take into account all the aforementioned factors. The WWRO considers that when taking into account the above factors, the best estimation concerning the water supply coverage in Kosovo is in the range of: 70%-75%, whilst for the wastewater services is in the range of : 50%-55%.

Personnel: The overall number of the personnel employed in the 7 RWCs in 2008 was 1,525. Compared to the year 2007, the number has decreased by 11 persons (1%).

Water Produced and Distributed: The total water production of the 7 water companies in 2008 was 127.3 million m³. More than the half of this water (55%) was abstracted from surface water sources (accumulations) whilst the remaining part (45%) was from groundwater sources.

From this amount, 55.7 million m³ were billed to the customers, whereas the remaining amount of 71.6 million m³ (or 56 %!) is water that was not billed i.e. "water lost".

The overall length of the water supply network which is operated and maintained by the 7 RWCs is 3,357 km, whilst the length of sewerage network is 938 km.

Annual incomes: Total billing by the 7 RWCs for water supply and wastewater services in 2008 was the amount of 20,214,398 EUR, which is 2% higher than in 2007. The sales in 2008 have decreased from 23 m³/cust. in 2007 to 21 m³/cust. The total amount of collections in 2008

⁶ According to the data of a survey conducted by CDI (NGO which works in construction of rural water supply systems) in Kosovo there are 533 individual water supply systems in the rural zones from which 337 (64%) are under the management of the licensed Public Companies.

3.1.1 RWC Performance

The performance of water services sector as demonstrated through the KPIs is shown in the table 2, while the performance for the sector during the period 2007-2008 is illustrated in the Table 3.

Table 2: KPI Overview of RWCs 2008

Regional Water Company	Non-Revenue Water (%)	Collection Rate (%)	Water Quality (% of failures)	Metered Consumption (%)	Staff Efficiency (Staff/1000 cust.)	Cost Coverage (coef)	Unit Operating Costs (EUR/m ³)	Custom. Complaints (No/ 000 cust.)
Prishtina	46	66	1.2	89	5.99	1.09	0.14	8.04
Hidroregjioni Jugor	44	64	4.8	92	6.36	0.86	0.15	-
Hidrodrini	75	66	6.8	93	6.14	1.27	0.04	5.25
Mitrovica	54	53	2.6	66	10.39	0.95	0.11	-
Radoniqi	62	71	0.3	87	8.06	1.07	0.10	5.09
Hidromorava	50	77	1.2	90	8.74	0.94	0.18	11.56
Bifurkacioni	48	57	8.3	65	6.82	0.89	0.18	-
Sector	56	65	3.0	86	6.99	1.04	0.11	5

Table 3: Sector's performance comparison: 2007-2008

Regional Water Company	Non-Revenue Water (%)	Collection Rate (%)	Water Quality (% of failures)	Metered Consumption (%)	Staff Efficiency (Staff/1000 cust.)	Cost Coverage (coef)	Unit Operating Costs (EUR/m ³)	Custom. Complaints (No)
Sector 2007	58	61	3.2	81	7.35	1.03	0.10	3
Sector 2008	56	65	3.0	86	6.99	1.04	0.11	5
Trend ⁷	↗	↗	↗	↗	↗	↗	↘	↘

⁷ Trend developments are illustrated with the following signs: (↗) positive trend, (↘) negative trend and (→) unaffected

It is evident from the table above that the performance of RWCs in 2008 compared with 2007 has noted an improvement in virtually all KPIs. Even though it is a quite a modest, the improvement is apparent in most of the KPI (6 out of 8), and demonstrates a positive trend in the sector development.

The negative trends occurred in the following KPIs: (i) unit operating cost and (ii) number of complaints. The increase of unit operating cost may be attributed to the increase of electricity costs as a result of tariff increase; on the other hand the increase in the number of customer complaints is likely as a result of improved quality of data reporting by RWCs as well as of the increased awareness of the customers that their complaints will be dealt with by RWCs.

3.1.2 Ranking of RWCs' Performance

Based on the performance results demonstrated in 2008, WWRO has ranked RWCs, by using KPIs which WWRO considered to be under the control of RWCs' management and to best reflect the overall performance. The WWRO has given certain weightings to the KPIs expressed in the form of weighting factors.

KPIs used for scoring and ranking the RWCs and their respective weightings are given in the table 4.

Table 4: KPI and their Weightings

	Key Performance Indicators	Weighting Factor
1	Metered Consumption	0.8
2	Water Quality	0.8
3	Non-Revenue Water	1.0
4	Collection Rate	1.0
5	Staff Efficiency	0.8
6	Unit Operating Cost	0.8
7	Working Coverage Ratio	1.0
8	Customers' Complaints	1.0
9	Increase of Customers Number ⁸	0.2

RWC are ranked by applying the following rules: for each KPI, a score of 1.00 has been allocated to the best performing company while a score

⁸ This indicator is used only for assessment of "Performance Improvement during 2007-2008". This indicator is important for 2 reasons: (i) it demonstrates the RWCs' engagement in expanding the service coverage, and (ii) it shows the RWCs' commitment to identify and register the illegal customers.

of 0.0 has been allocated to the poorest performing company. The remaining RWCs were scored between 1.0 and 0.0 pro rata. It must be emphasized that scoring of RWCs is based on their relative performance, therefore a high score does not necessarily indicate satisfactory performance but rather that performance is better than that of other RWCs.

The WWRO has ranked the RWC according to:

- Overall performance in 2008, and
- Performance improvements during years 2007-2008

Table 5: Ranking of RWCs according to the Performance in 2008

Position	RWC	Points
1	Prishtina	4.96
2	Hidrodrini	4.83
3	Radoniqi	4.63
4	Hidromorava	4.07
5	Hidroregjioni Jugor	2.74
6	Mitrovica	1.93
7	Bifurkacioni	1.30

As shown in table above, RWC 'Prishtina' has demonstrated the best overall performance in 2008 with 4.96 points out of maximum 7.20. On the other hand, the poorest performing RWC is "Bifurkacioni" with 1.30 points.

Table 6: Ranking of RWCs according to the progress in: 2007-2008

Position	RWC	Points
1	Hidrodrini	5.10
2	Prishtina	4.12
3	Hidromorava	3.83
4	Mitrovica	2.80
5	Radoniqi	2.57
6	Bifurkacioni	2.09
7	Hidroregjioni Jugor	1.61

In relation to the progress achieved in 2008 compared with 2007, RWC 'Hidrodrini' has been scored as the best improving with 5.10 points, while RWC 'Hidroregjioni Jugor' was ranked as the last with the poorest

improvement during the last 2 years with 1.61 points in total out of maximum 7.40.

The WWRO congratulates and encourages the RWCs that have been ranked as the best as well as requiring from those and others a further engagement on improvement of their performance.

3.2. Bulk Water Supply

Bulk Water Supplier is defined as *“any person that supplies bulk water (bulk water means the water that has not been treated in order to be suitable for human consumption) to a Water Service Provider (UNMIK Regulation 2004/49).*

The only licensed company that provides bulk water in Kosovo is ‘Ibër-Lepenci’. This company supplies bulk water to RWC ‘Prishtina’ and RWC ‘Mitrovica’.

Being the only company in Kosovo that provides such service, the performance of HPE ‘Ibër-Lepenci’ could not be compared with other companies. Moreover, bearing in mind the specific nature of ‘Ibër-Lepenci’ activities which are notably different from those of RWCs, the number of performance indicators used in assessing its overall performance is fairly limited.

Tables 7 points up the performance of HPE ‘Ibër Lepenci’ in 2008 as well as the comparison of its performance in 2008 with the one in 2007.

Table 7: Performance of HPE ‘Ibër-Lepenci’ Sh.A.

	Performance Indicators	2008	2007	Trend
1	Working Ratio	1.4	1.4	→
2	Working Coverage Ratio	1.54	0.2	↗
3	Collection Rate (%)	114	15	↗
4	Unit Operating Cost (EUR/m3)	0.013	0.013	→

As shown in the table above, HPE ‘Ibër Lepenci’ has noted an improvement in terms of collection rate that has resulted in increase in the working coverage ratio. The working ratio and unit operating costs have remained unaffected during the period 2007-2008.

4 COMPARATIVE PERFORMANCE OF RWCs

This part of the report describes the comparative analysis i.e. the comparison of relative performance indicators expressing the operational, financial and customer service effectiveness of the seven RWCs.

In 2008, WWRO continued to implement comparative analysis in the water sector through analyzing the operation of the seven RWCs in order to identify problems they face and to identify companies which could be a good model for other companies to follow to reach the best results. Comparison of performance encourages companies to make better use of internal resources to improve their performance. The analysis includes year to year comparisons too.

The analyses cover ten main indicators:

- Service coverage with water supply and wastewater services
- Water quality
- Continuity with water supply
- Water Losses
- Metered consumption
- Revenue Collection Efficiency
- Costs coverage
- Unit operating costs
- Staff efficiency
- Customer complaints

4.1. Service Coverage with Water Supply and Wastewater

For this performance indicator higher values are desirable. It should be noted that the figures for the population living in the RWC service areas, WWRO has used Statistical Office of Kosovo (SOK) data, and the population-served data have been obtained by multiplying the number of household bills with an average number of inhabitants per family in respective region/municipality. The figures for the average size of households in the regions have been provided by SOK.

Since the data obtained by SOK are estimated i.e. the statistics at the National level have not been updated for several decades, WWRO does not consider this indicator to be very accurate.

The service coverage for 2008 is analyzed through the following performance indicators.

4.1.1. Service Coverage with Water Supply (%)

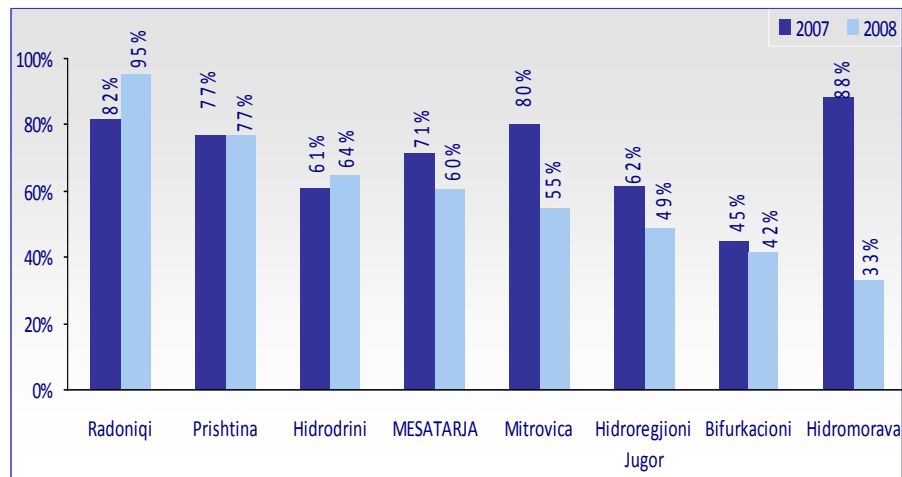
Definition:

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

Based on the data provided by SOK, in absolute figures, the population which lives in the entire area where the seven regional water companies operate is 2,046,263, from which only 1,232,684 (60%) have access to water services provided by RWCs.

The percentage of water supply coverage by each company is provided in the following chart.

Chart 1: The percentage of coverage with water supply



The chart illustrates that RWC HS Radoniqi, sh.a. has the highest service coverage level with 95%, while the RWC Hidromorava, sh.a. has the lowest service coverage level with 33%.

In general, low figures on water supply service coverage illustrate the fact that the ability of RWCs to invest and expand their service areas is rather limited.

Besides the low rate of coverage, in 2008 compared to 2007, the number of new customers has increased in six out of seven regional water companies, which makes 4% increase as the sector average.

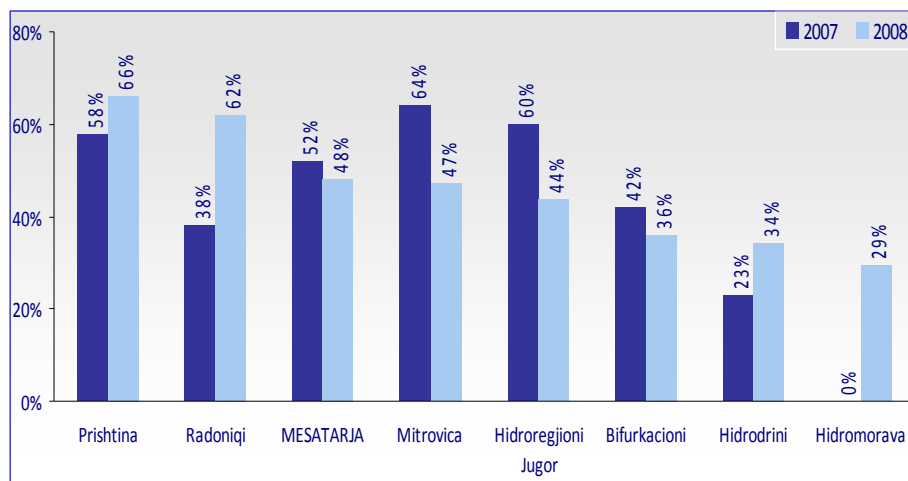
A year to year improvement by 1% in average has been noticed to bills issued relative to the number of registered customers.

4.1.2. Service Coverage with Wastewater (%)

Definition:

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

Chart 2: Percentage of Coverage with wastewater services



Compared to water supply services, the service coverage for wastewater is very low. This reflects the well-known fact that in most rural areas, in the absence of sewerage network, the population tend to be self-providers, through discharging sewage mainly to the nearest stream.

As shown in the above charts, the service coverage rate with water supply and wastewater services in 2008 results are lower than in 2007. This happened due to the estimation of this figure which WWRO introduced in 2008, compared with 2007 when WWRO reported this indicator based on data as submitted by RWCs without challenging its reliability.

Nevertheless, WWRO considers that the most realistic estimation with regard to the coverage with water supply in Kosovo varies between: 70%-75%, while the coverage with wastewater services varies: 50%-50%. This estimation takes into account factors such as: illegal connections, rural water supply systems that are not under the RWCs' management authority, and water supply systems in municipalities with Serbian majoritirs which are also not under the authority of RWCs.

4.2. Water Quality

It is known that the National Institute of Public Health in Kosovo (NIPH) was confirmed in the Administrative Instruction 2/1999 (AI 2/99) as the responsible authority for monitoring and enforcing drinking water standards. Also NIPH is given the right to carry out testing of water quality and to charge the RWCs for the cost of this service.

According to AI 2/99 NIPHK is permitted to impose compulsory remedial instructions on RWCs and arrangements for the levying of financial penalties. In this context, UNMIK Regulation 2004/49 (subsequently replaced with the law No 03/L-086 in 2008) gave the WWRO powers to impose penalties up to 50,000 euros on Publicly Owned Enterprises (POEs) for supplying water '*unfit for human consumption*'. These shared regulatory responsibilities were formalized through a Protocol between NIPHK and WWRO signed in 2007.

The water sampling frequencies are set out based on the number of Equivalent Inhabitants (with a notional consumption of 100 liters' per day).

The WWRO considers the quality of water supplied to customers a key element of this service. Therefore, the WWRO monitors the performance of the seven RWCs relative to the quality standards in force for drinking water, based on the data received from NIPH every month.

In this report, the WWRO has provided an overview of untreated and treated water quality which is distributed by RWCs. Furthermore, in this report is given a special overview of water quality in terms of chemical and bacteriological perspectives.

4.2.1 Non-compliance Rate with regard to Untreated Water Quality (%)

Definition:

Total number of tests of untreated water performed that do not comply with standards divided by the total number of tests performed for untreated water.

Year 2008 compared to 2007 shows an improvement in the performance of sector with regard to the bacteriological quality of untreated water.

The quality of untreated water varies quite significantly between companies, which reflect the local environmental conditions of water abstraction. In 2008, the worst situation was evidenced in RWC 'Bifurkacioni', sh.a., with 72% tests failures, and RWC 'Mitrovica', sh.a.,

with 71% tests failures, which posed for these two RWCs the burden of more actions during the treatment process. The best quality is shown in RWC 'HS Radoniqi' with 0% of tests failures in fulfilling the water standards.

4.2.2. Non-compliance rate with regard to Treated Water Quality (%)

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.

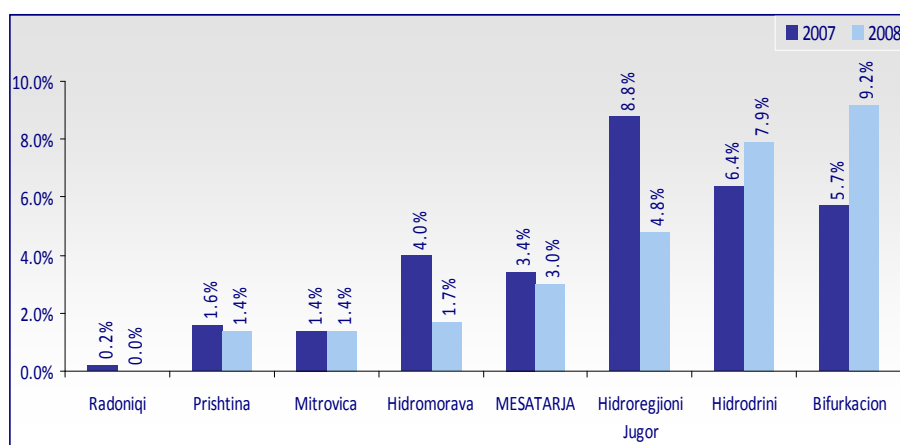
In 2008 compared to 2007, in average for the sector, the non-compliance rate of treated water relative to quality standards (bacteriological and chemical) remains stable at 3%.

In 2008 the highest percentage of **bacteriological tests failed** was recorded in RWC 'Bifurkacioni', sh.a. (9%), followed by RWC 'Hidrodrini', sh.a. (8%). The lowest percentage was recorded in RWC 'HS Radoniqi', sh.a. (0%).

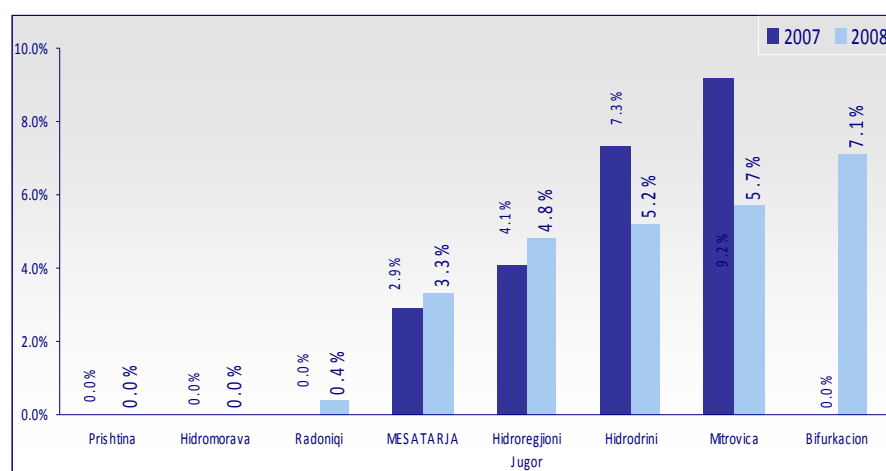
With regard to **chemical tests**, the highest percentage of tests failed was recorded for RWC 'Bifurkacioni' (7%) and the lowest (0%) was recorded for three water companies: RWC 'Prishtina', RWC 'HS Radoniqi', and RWC 'Hidromorava'.

The following charts show the percentage of bacteriological and chemical tests failed for each RWC and for the sector average.

Chart 3: Percentage of bacteriological tests failed



4: Percentage of chemical tests failed



Five specific areas where WWRO believes that RWCs can significantly improve bacteriological and chemical compliance at the customers' taps are:

- (i) *Through establishing and maintaining effective Protection Zones for surface waters and ground waters.*
- (ii) *Through the installation of secondary chlorination equipments at their major service reservoirs. In addition, training of treatment works staff in treatment processes (e.g. a reduction in pre-chlorination dosage to reduce the risk of THM exceedances in the future and developing alternatives to recycling filter wash water), will also reduce the risk of bacteriological and chemical non-compliances in the future.*
- (iii) *Through reduction/elimination of planned interruptions to water supply.*
- (iv) *Through reduction in physical water losses associated with pollution risk by carrying out active leakage control of the networks*
- (v) *Through continued, planned expansion of the piped network by the Regional Water Companies and (other stakeholders) wherever feasible.*

4.3. Continuity of Water Supply

Continuity with water supply is one of the key indicators of the quality of service. Although the pressurized supply for 24 hours per day is the optimal objective, this indicator takes into account only the number of hours when there is water supplied into the distribution system, without accounting for different pressure levels.

In the last nine years considerable investments have been directed to the water infrastructure i.e. on increasing water production capacities mainly implemented by donors. Although this has effected improvements in increasing water supply, the situation is still insufficient and much still remains to be done in this area.

In 2008, WWRO has required the seven RWCs to prepare their detailed plans for the current and planned water supply investments including planned restrictions.

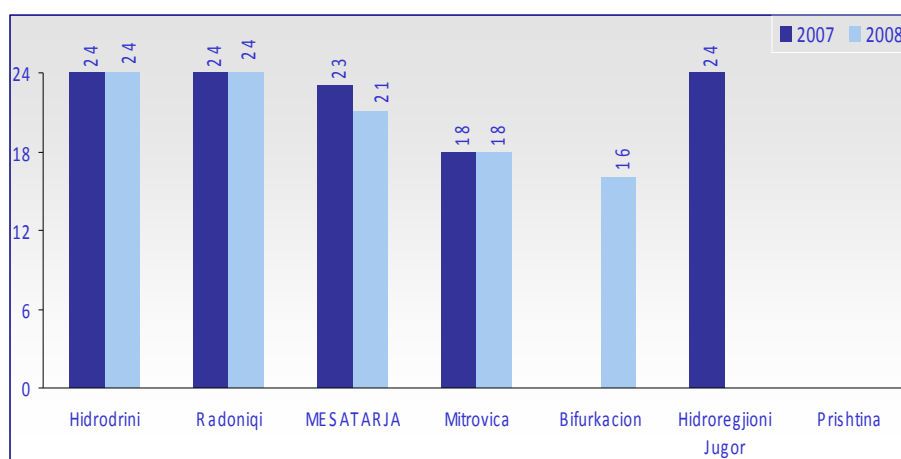
The continuity of water supply in 2008 for water companies is analyzed with the following indicator.

4.3.1. Water Supply (hours per day)

Definition:

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

Chart 5: The duration of water supply per hour



Based on the data reported by RWC, 'HS Radoniqi', RWC 'Hidrodrini', and RWC 'Hidroregjioni Jugor', on average are able to supply their customers with water 24 hours per day. This information should be taken with caution, especially in the case of RWC 'Hidroregjioni Jugor' where according to the WWRO information there were interruptions in 2008, particularly during the summer time. On the other hand, WWRO did not

receive any data on planned water interruptions from RWC 'Prishtina' and RWC 'Hidromorava', and therefore no comments can be made concerning these two companies. The duration of interruptions having occurred in Mitrovica Region (Mitrovica, Vushtrri, Skenderaj) in 2008 has remained the same as in 2007.

It should be noted that during 2008 the production capacities have been increased in Gjilan and Ferizaj with the support of Swiss donors. As a result, the continuity of water supply has increased approximately by 30 min. in Gjilan and 2 hours for Ferizaj.

In general, the reliability of data should be considered with caution, taking into account that proper record and maintenance of these data requires good management practices, which is not yet the case with RWCs.

WWRO welcomes the planned improvements in water supply by RWCs and hopes that government and donors will invest in increasing the water production capacities in the regions where there are obvious needs for this, taking into account that RWC currently do not have financial capacities for major investments which are required for constructing new production capacities. In this context, the WWRO is informed that ECLO has allocated funds to invest in Mitrovica region in increasing water treatment capacities through building two water treatment plants, one in Mitrovica and another one in Vushtrri.

4.4. Water Losses

Not all water produced reaches the customers or is considered as contributing towards company revenues. The difference between water produced and water sold represents the volume of water lost through physical and administrative losses.

Water losses in a highly efficiently operated water system are typically under 15%. In a normally efficient system in the Region, such as Water Company in Korça (Albania) which is publicly operated, non-revenue water is 27%. This could be a good example for RWCs in Kosovo that with an additional commitment from their management it is possible to reduce water losses to a reasonable level.

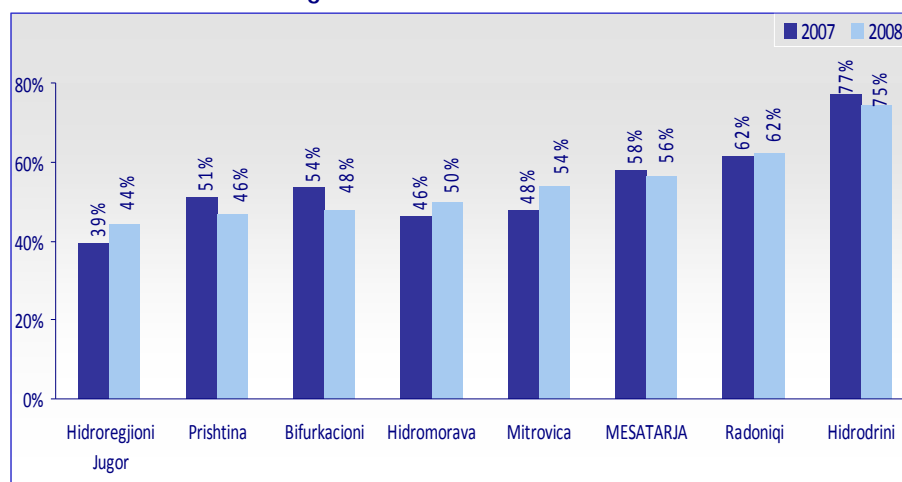
The difference between annual water production and the water sold in m3 is shown through the following indicators.

4.4.1. Non-revenue water (%)

Definition

Difference between water produced and non-revenue water divided by water produced, expressed in percentage.

Chart 6: NRW Percentage



Non-Revenue Water (NRW) in fact represents the amount of water produced that is not invoiced to customers. Referring to the chart above, the level of NRW at the sector average in 2008 stands at 56%. In other words 44% of water produced is not billed. Even though that in 2008 compared to 2007 we have an improvement of performance by 2%, the reduction of NRW remains one of the main challenges for RWCs.

The apparent low percentage in RWC 'Hidroregjioni Jugor' is the result of un-measured water production by this company, which has reported this

datum as “estimated”. This has been identified during the auditing process for verification of 2008 reported data from RWCs.

Therefore, in order to improve the quality of performance assessment and mitigate the influence of unreliable data, WWRO has scored the reliability of water production data. This implied that the performance scoring for this indicator for some of the RWCs is worse than the data presented in the above chart. In the past performance evaluations, the absence of reliability scoring on the quality of data has represented an important handicap during the analysis stage. Under such circumstances the conclusions of the final analysis were questionable.

In 2008, Hidrodrini with the highest NRW in the sector has managed to reduce its water losses for 2% compared to 2007.

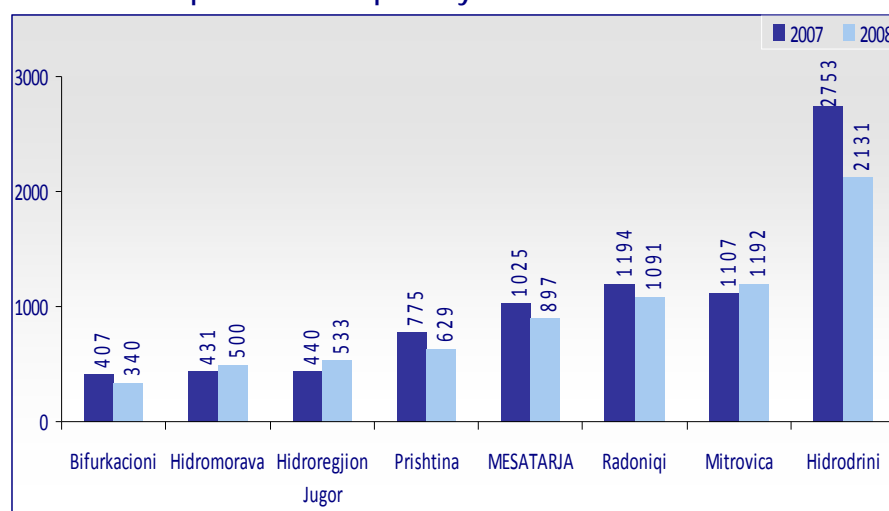
During 2008, companies such as RWC ‘Hidrodrini’, RWC ‘Hidromorava’, and RWC ‘Bifurkacioni’ supported by consultants have started to work on reduction of NRW through creating ‘District meter’ zones. This is a management tool used to determine how efficiently a system is operating and where the losses might be. This helps the companies to identify whether the problems are from physical leaks, inaccurate data, or un-metered consumption. Unfortunately, none of the companies was able to provide measurable, accurate information regarding the benefits from this activity.

4.4.2. Non-Revenue (liter /customer / day)

Definition:

Difference between water produced and water invoiced, expressed as litres per customer per day.

Chart 7: NRW per customer per day



Overall, non-revenue water expressed as liters per customer per day has improved from 1,025 liters per customer per day in 2007 to 897 liters per customer per day in 2008.

In 2008 for the sector level the value of NRW expressed in Euro is €7,878,793.

Reduction of NRW in terms of physical water losses and administrative water losses has many benefits for water companies and customers and ultimately enables better use of the available water resources.

Companies should consider the reduction of NRW as their first priority. This includes: (i) reduction of physical losses from the water network (leakages); (ii) identification and elimination of illegal connections; (iii) reduction of losses resulting from un-metered consumption etc.

While the reduction of the physical losses through leakage detection activities, and pipeline repair and replacement are considered to be costly; the reduction of administrative losses is something that companies can afford to do with their own resources.

4.5. Metered Consumption

Metered consumption and customer billing based on metered consumption is a practice that is largely accepted. This is an important instrument for controlling and managing water demand and water losses.

Not only water companies benefit from metering but customers too, by ensuring that they pay only for the amount of water they use. Experience has shown that when meters are installed the consumption level drops. This brings direct benefits for water conservation as a very important aspect for the management of water resources.

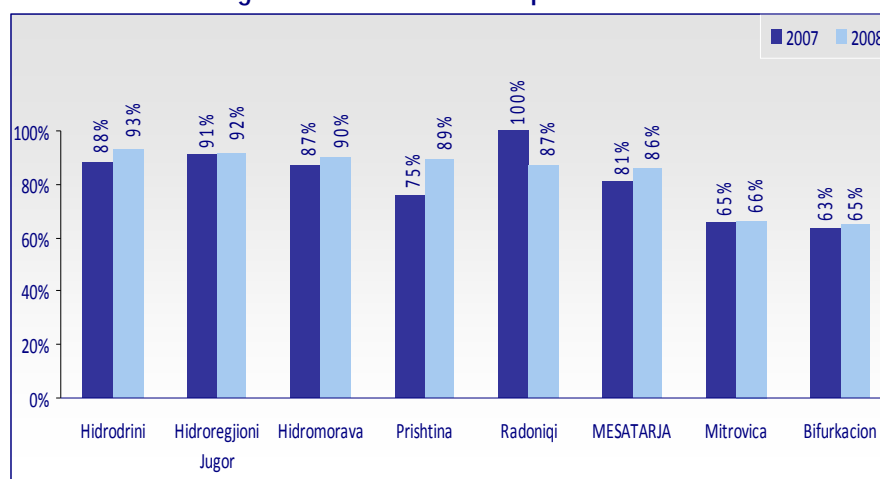
Water consumption in 2008 for RWCs was analyzed with the following indicators.

4.5.1. Metered Water Consumption Rate (%)

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: Percentage of metered consumption for RWCs.



There has been a notable increase in the metered consumption from 81% in 2007 to 86% in 2008. Although the reported figures may not be fully reliable, the underlying trend suggests that there is a tangible progress towards achieving eventually 100% metering.

Almost all RWCs managed to increase their metered consumption percentage compared with 2007. Reduction in metered consumption is reported by RWC 'HS Radoniqi', this reduction may however reflect a more realistic assessment of the actual situation, rather than deterioration.

4.5.2. Proportion of Customers with Water Meter (%)

Definition:

Customers with water meter divided to registered customers, expressed in percentage.

Table 8: Percentage of customers with water meter

	Name of RWC	2008	2007
1	Prishtina	80 %	69 %
2	Hidroregjioni Jugor	90 %	86 %
3	Hidrodrini	88 %	87 %
4	Mitrovica	47 %	45 %
5	Radoniqi	94 %	94 %
6	Hidromorava	81 %	80 %
7	Bifurkacioni	60 %	58 %
	Sector	80 %	75 %

For the sector, the proportion of customers with water meters had an increased from 75% in 2007 to **80% in 2008**. Since the RWC 'Bifurkacioni', and RWC 'Mitrovica', have limited financial capacities for installing water meters at the required level of 100% coverage, subsequently further donor support is required for these two RWCs.

The WWRO considers that the seven RWCs should be more active in meter installation in order to control water use and reduce NRW. Although the percentage of customers with a water meter is increasing every year (referring from 2006), WWRO suspects that water meters are not read regularly by RWCs. Therefore, WWRO plans for the next year WWRO to carry out verification of individual water meter readings in the field.

In order to improve the area of water meter reading and collections, it is recommended that regional water companies split these two functions. Companies should create internal control groups to conduct the inspections that will stop any possible practice of recording fictitious readings.

4.6. Revenue Collection Efficiency

In general in Kosovo, almost all public companies face continued problems of revenue collection from customers for the services delivered.

Basically, the low collection rate may be an indicator that: (i) the company does not have an effective collection system, (ii) customers are not satisfied with the level of service and refuse to pay, or (iii) customers have real difficulties to pay the bills since the prices are too high. In Kosovo's case, the low collection rate certainly is as a result of all these three factors. The WWRO considers that for the achievement of a remarkable improvement in this area, RWCs should create an effective collection system and should increase the level of service, whereas the Kosovo Government should address the customers' payment problems where it can be demonstrated they cannot afford to pay their bills.

It is very important to note that a higher collection rate does not definitely indicate that companies are financially sustainable.

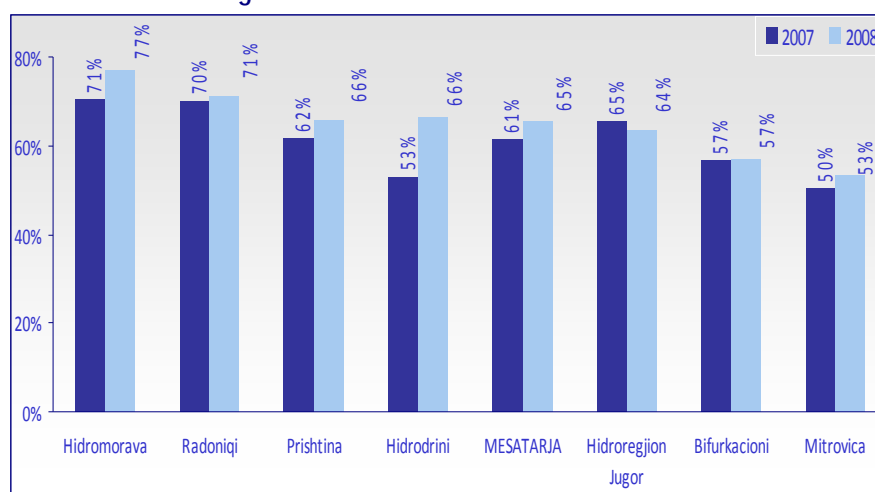
In the following section the percentage of collection revenues from billed revenues during 2008 for RWCs is analyzed.

4.6.1. Collection Rate (%)

Definition:

Euro amount collected for a certain period (ex VAT), divided by the Euro amount invoiced for the same period (ex. VAT).

Chart 9: Percentage of RWCs Collection Rate



In 2008 in relative terms the amount of revenue collected at the sector level is 65%, which corresponds with an increase of 4% compared to 2007. However, this level of collection rate is still at a far from desired level due to a number of factors, many of which are outside the control of the RWCs.

An apparent year to year increase in collection rate has occurred in RWC 'Hidrodrini', and RWC 'Hidromorava'. The actions taken by both companies can be summarized in (i) applying individual and collective disconnections to the non-paying customers, (ii) sending cases to the court and (iii) increasing customer awareness through public campaigns, which have clearly given a positive effect on improvement of the revenue stream.

During 2008, the collection rate in RWC 'HS Radoniqi' and RWC 'Hidromorava', has reached up to 71% and 77% respectively. In RWC 'Mitrovica' and RWC 'Bifurkacioni' the low water quality service, high rate of un-metered consumption and long-lasting water interruptions may have lowered the willingness of customers to pay.

In 2008 the collection rate for the domestic category, for the sector level, was up to 53%.

The WWRO recommends water companies strive to further improve their revenue collection activities. Companies besides using other means should be more insistent in the application of the disconnection policy in the case of non-payments. Another solution that might be successful is outsourcing of the collection activity.

There is no doubt that the support from relevant institutions is necessary in this area, especially in (i) ensuring the court system is dealing with non-payment and illegal connection cases, (ii) ensuring the payment from social cases, (iii) ensuring that all governmental institutions (schools, hospitals, etc.) pay their water bills regularly, (iv) ensuring the ethnic minorities are paying their bills based on water they consume.

4.7. Costs Coverage

The ultimate goal of water companies is to achieve full cost coverage i.e. operating costs and necessary capital costs through their revenues billed and collected.

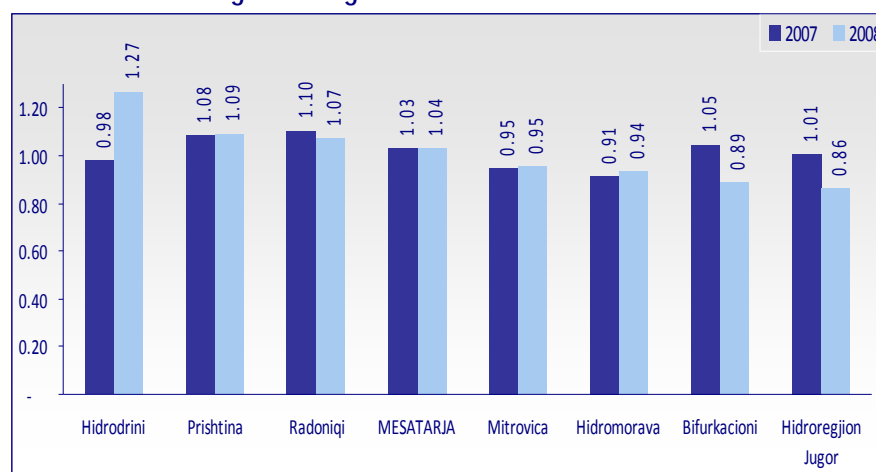
The costs coverage from RWCs during the year 2008 is described through following indicators.

4.7.1. Working Coverage Ratio

Definition:

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

Chart 10: Working Coverage Ratio



The working coverage ratio is the main indicator of financial health and financial performance of the RWCs. Through this indicator can be seen how capable the RWCs were to cover the operating expenses with the collected revenues.

In 2008, RWC 'Hidroregjioni Jugor', RWC 'Hidromorava', RWC 'Mitrovica', and RWC 'Bifurkacioni', can be identified as financially inefficiently performing companies. The above mentioned utilities must be aware that this inefficiency in the longer term will lead to providing poor services. By contrast, financially sustainable companies could support efficient operations and provide services in line with standards set by WWRO.

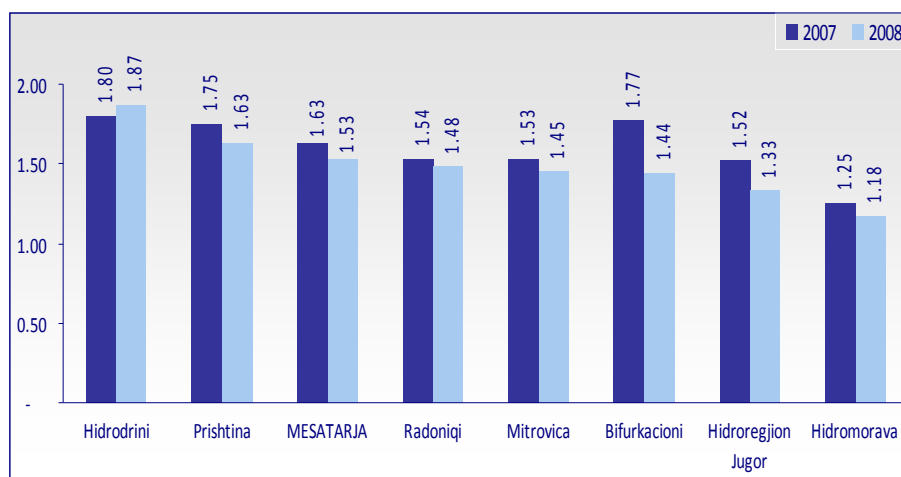
At the sector level the increases in revenues compared to operating costs has made this indicator appear better in 2008 (1.04) compared with 2007 (1.03).

4.7.2. Working Ratio

Definition:

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

Chart 11: RWCs Working Ratio



In 2008 the working ratio for the sector level is 1.53 meaning that the revenues from water sales (primarily through tariffs) and other operating revenues is almost one and a half times the amount required to cover operating costs before depreciation.

The higher working ratio in RWC 'Hidrodrini', in 2008 compared to 2007 is a result of a reduction in operating costs, whilst in the other six RWCs the lower working ratio is a result of increases in operating cost less depreciation compared to increases in income.

The WWRO considers that RWCs have to demonstrate further engagement to increase the revenues billed especially the revenue collection, as well as the reduction of costs (without endangering the quality maintenance and optimal operation of the systems).

4.8. Unit Operating Costs

Unquestionably, the smallest water companies should have the highest unit-costs. Capturing economies of scale at these companies is essential to addressing the affordability problem. Many of these companies with the high costs are located in small regions with lower average incomes, where affordability is a large concern.

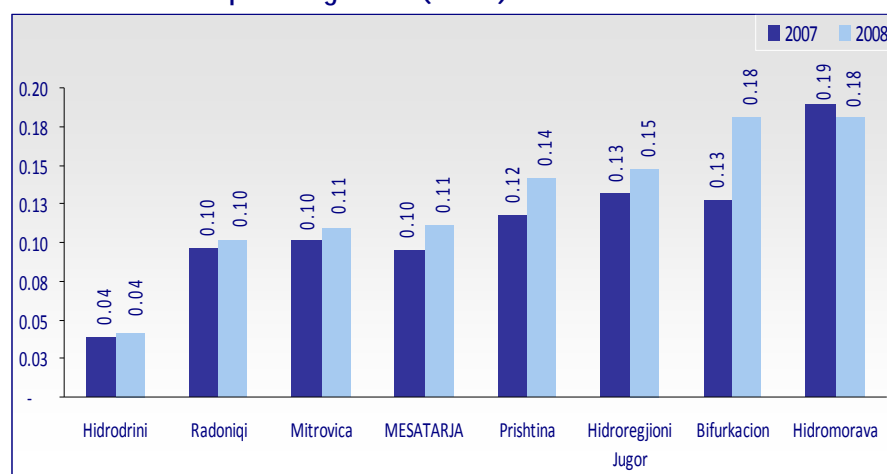
The unit operating costs in 2008 are illustrated through the following indicators.

4.8.1. Operating Costs per m³ Water Produced

Definition:

Cost in EUR how much it costs to produce a m³ of treated water.

Chart12: RWCs Operating costs (€/m³)



In 2008, the sector level the operating costs of water produced has been 0.11EUR/m³. This shows deterioration in performance as far as this indicator is concerned comparing to 2007, for 0.1 EUR/m³.

In 2008 compared to 2007 four out of seven RWCs have shown an increase in unit operating costs. This increase in operating costs can largely be attributed to significant increases in direct costs although the water production was lower in 2008 compared to 2007! In RWC 'Hidromorava', a significant increase in water production against a modest increase in operating costs has resulted in a reduction in unit operating costs.

It should be noted that unit operating costs are significantly affected by the characteristics of each water supply system.

4.8.2. Proportion of Operating Costs Categories (%)

Definition:

Involvement in percentage of each cost category to the total operating costs.

Chart 13: Proportion of operating costs categories for a sector

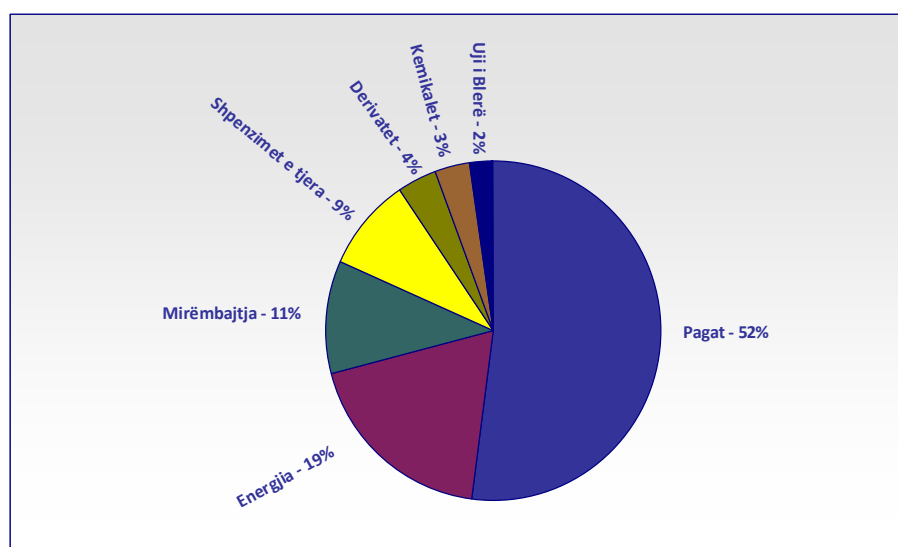


Table 9: RWCs proportion of operating costs categories

Regional Water Company	Uji i blerë me shumicë	Wages	Energy	Fuel	Maintenance	Chemicals	Other expenses
Prishtina	1.5%	47%	26%	3.4%	13.6%	3.4%	4.9%
Hidroregjioni Jugor	0.0%	49%	22%	3.1%	12.1%	0.4%	12.8%
Hidrodrini	0.0%	58%	17%	5.1%	11.7%	1.2%	7.6%
Mitrovica	12.5%	49%	15%	3.4%	7.5%	4.4%	8.2%
Radoniqi	0.0%	67%	8%	3.5%	3.7%	4.9%	12.9%
Hidromorava	0.0%	54%	5%	5.8%	9.6%	3.9%	22.0%
Bifurkacioni	0.0%	54%	10%	5.8%	11.8%	7.2%	10.9%

According to the table above the water service cost structure provided by large and small water supply companies cannot be easily explained. Usually, the comparative weight of staff costs directly depends on provided water service sales. The smaller the company, the less water services it provides, the greater should be the effect of staff costs, but this does not seem to apply to any of

seven regional water companies. In this case the low percentage of staff costs in two of the biggest companies (RWC 'Prishtina', and RWC 'Hidroregjioni Jugor') might be explained only by economy of scale.

According to the data, other expenses are higher in smaller-scale companies.

Managing water companies is very challenging as it requires continuously implementing new methods to reduce operating costs. At the same time water companies must seek additional funding sources to replace aging infrastructure, and implement the expansions and technological improvements necessary to provide efficient service and comply with WWRO standards. Water companies are increasingly challenged to effectively utilize economic concepts to develop a practical cost management approach and not only to work on ad hoc bases!

4.9. Staff Efficiency

It is very important to know how efficiently each company utilizes its human resources. It is clear that lower figures indicate more efficient operations by the staff in a RWC.

The staff efficiency in RWCs during 2008 is illustrated through the following indicator:

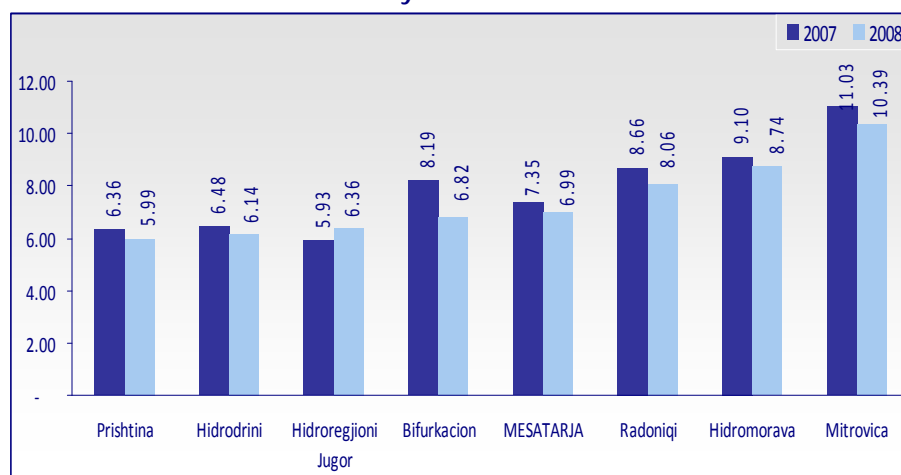
4.9.1. Staff Efficiency per '000 Customers

Definition:

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

Results based on 2008 data indicate that the number of staff per 1000 customers (billing points) is 6.99 which show an improvement compared to 2007 when the result for this indicator was 7.35. This positive trend in staff efficiency at the sector level is a result of a considerable increase in the number of customers while the number of employees has reduced by 1%.

Chart 14: RWCs Staff Efficiency



RWC 'Prishtina' is the best performing company in this indicator with 5.99 whilst the worst is RWC 'Mitrovica', with 10.39. The low staff efficiency in RWC 'Mitrovica' is mainly because of the northern part of Mitrovica being considered as one billing point (as a bulk water customer).

Although there are year to year improvements regarding this indicator, WWRO still considers that this indicator demonstrates considerable over-staffing in the water companies in Kosovo compared to many other European countries. Therefore, WWRO recommends for implementations of innovations in technology and training that will lead to costs reductions.

Active support from the Government and donor communities investing in technology will allow RWCs to benefit from staff-cost-saving.

4.10. Customers' Complaints

Customers' service performance is measured for the purpose of this report by complaints made to RWCs. Any customer who is not satisfied with the response of its water companies under the complaints procedure can refer the case to CCC. There is a formal process, which CCC has to follow to try and achieve closure.

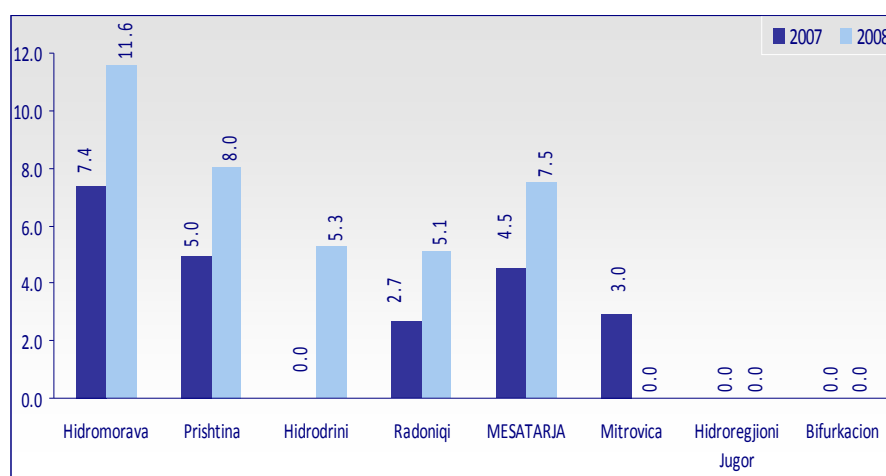
The performance of the companies with regard to customer service is illustrated through the following indicator.

4.10.1. Customers' Complaints per '000 Customers

Definition:

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

4.10.2. Chart 15: RWCs Customers' Complaints per '000 Customers



In 2008 on average (for four out of seven RWCs), the number of complaints per 1000 customers is 7.5, whereby about 89% of customer complaints were reviewed and solved.

The most frequent reason that customers contacted their water company was in relation to water bursts and to verify whether tariffs and prices for water were correctly applied in their bills.

From the data reported the WWRO observes that customers become increasingly active from year to year. In 2008 the highest level of complaints per 1000 customers were submitted to RWC 'Hidromorava', with a figure of 11.6.

WWRO believes that the entire process of recording customers' complaints and achieving a satisfactory outcome by water companies leaves room for improvement, therefore WWRO in the coming year will continue to address the current shortcomings as well as to monitor companies on their complaints handling performance. In this context WWRO will attempt to provide more accurate information on the total number of complaints received and responded to, considering that this will provide a more meaningful picture on levels of (dis)satisfaction of customers with their water supply and waste services.

4.11. Compliance of the RWCs towards WWRO

The WWRO considers that the measuring the performance of the RWCs in fulfillment of requirements towards the regulatory process is very important. For this assessment and ranking of the RWCs in this indicator, the WWRO used the following criteria that are entirely under the control of the management:

- timely submission of monthly and annual reports
- respecting deadlines in terms of submission of the applications for tariff process
- payment of annual licensing fee and
- response to obligations and requirements made from time to time from the WWRO.

In the following is illustrated the ranking of the RWCs in this indicator, in 2008, as per the grades.

Table 10: Ranking of the RWCs as per the compliance towards WWRO

Position	RWC	Points
1	Bifurkacioni	3.17
2	Radoniqi	3.00
3	Prishtina	2.67
4	Hidrodrini	1.67
5	Hidroregjioni Jugor	1.50
6	Hidromorava	1.33
7	Mitrovica	0.83

Out of 4.0 of the maximum points, KRU 'Bifurkacioni' achieved 3.17 points and is ranked as the best complying company towards the WWRO in 2008, whilst RWC 'Mitrovica' is ranked as the company with the poorest compliance from all other companies with only 0.83 points.

SECOND PART: PERFORMANCE OF THE WASTE COMPANIES

5 SUMMARY OF THE WASTE COMPANIES' PERFORMANCE

5.1. Waste Collection Services

Waste collection and transportation services in Kosovo are provided by 7 licensed regional waste companies (RWCC). These companies provide services mainly in urban zones.

Table 11: RWCCs' Profile in 2008

Regional Waste Company	Served Municipalities (No)	Customers (No)	Served Population ⁹ (No)	Personnel (Nr)	Waste Collected (m ³ /year)	Annual Billing ('000 EUR)
Pastrimi	6	48,070	286,502	436	81,365	2,792
Ekoregjioni	5	26,524	178,509	236	40,292	1,615
Ambienti	4	20,033	70,682	152	21,675	1,020
Uniteti	3	11,390	61,747	174	31,727	986
Çabrati	1	10,772	52,003	109	16,923	540
Higjiena	3	14,191	67,277	114	23,675	695
Pastërtia	3	17,255	77,361	155	18,178	896
Total	25	150,391	794,081	1,376	236,274	8,623

Served Municipalities: Seven licensed RWCCs provide their services in 25 municipalities in Kosovo. As with the case of water services, in municipalities with Serbian majorities (Shtërpce, Novobërdo, Leposaviq, Zubin Potok, Zvečan, and the northern part of Mitrovica) are not under the authority of RWCCs.

Number of Customers and population served: Based on the number of domestic customers that are invoiced by the licensed RWCCs, the WWRO has estimated the number of population that are provided with waste collection services that is 794,081 inhabitants or 39%.

⁹ Here as well, population served with services is accounted by multiplying the number of domestic customers with the average number of family members for a respective municipality (as per the data of Statistical Office in Kosovo).

Personnel: The overall number of employed personnel in 7 RWCCs in 2008 was 1,376. Compared to 2007, the number of personnel was reduced to 52 (4%). This large downsize of personnel was due to the exclusion of Vitia unit from RWCC 'Higjena' and non-involvement of this unit of staff (28) in the total number of staff. The staff efficiency in sector level for the year 2008 has been 19% higher than in 2007.

Waste collected: The total of waste collected from 7 RWCCs in 2008 is 233,835 tonnes. Out of this amount 194,497 tonnes are disposed in sanitary disposal sites, whereas the remaining waste amount (39,338 tonnes) were disposed in aged municipal waste disposal sites. In particular this concerns RWC 'Çabrati' who even in 2008 continued the waste disposal in the aged disposal site of Gjakova.

Annual Incomes: The total billing of 7 RWCCs for waste collection services in 2008 has been 8,544,190 EUR, which is 11% lower than in 2007. With the collected revenues (61% from billing), RWCCs were not capable to cover their operating costs.

5.1.1 RWCCs' Performance

The performance of the RWCCs against the Key Performance Indicators (KPI) is illustrated in the table 12, whilst the performance developments for the sector during the period 2007-2008 are illustrated in the table 13.

Table 12: KPI Overview of RWCCs 2008

Regional Waste Company	Collection Rate (%)	Unit Operating Cost (EUR/t)	Staff Efficiency (staff/cust.)	Customers' Complaints (Nr/ 000 cust)	Costs Coverage (koef)
Pastrimi	69	31.73	9.07	9.99	1.00
Ekoregjioni	60	37.57	8.90	6.86	0.74
Ambienti	61	33.26	7.59	-	1.00
Uniteti	57	26.41	15.28	0.97	0.77
Çabrati	62	33.07	10.12	1.86	0.91
Higjena	63	38.65	7.04	-	0.70
Pastërtia	69	43.90	8.03	-	0.88
Sector	61	33.90	9.28	7.16	0.86

Table 13: Sector's Performance Comparison: 2007-2008

Regional Waste Company	Collection Rate (%)	Unit Operating Cost (EUR/t)	Staff Efficiency (staff/cust.)	Complaints (Nr/~ 000 cust)	Costs Coverage (coef)
Sector 2007	71	36.24	9.57	5.24	0.96
Sector 2008	61	33.90	9.28	7.16	0.87
Trend	↘	↗	↗	↘	↘

As shown on the above table, the performance of RWCCs in 2008 compared to 2007 for 3 out of 5 KPIs has noted a decrease. The worsening of indicators is the result of collection rate decreases which affected negatively the RWCCs' ability to cover their operating costs.

5.1.2 Ranking of RWCCs' performance

The WWRO has ranked the RWCCs, as per the performance results demonstrated in 2008. The WWRO used the same methodology of the performance assessment and ranking of RWCCs as with the case of RWCs.

KPIs used for grading and ranking the RWCCs and their weight is given in the table 14.

Table 14: KPI and their weighting

	Key Performance Indicators	Weight
1	Increase of Customers Number	0.2 ¹⁰
2	Collection Rate	1.0
3	Staff Efficiency	0.8
4	Unit Operating Cost	0.8
5	Working Coverage Ratio	1.0
6	Customers' Complaints	1.0

¹⁰ This indicator is used only for the assessment "Performance Improvements: 2007-2008.

Table 15: Ranking of the RWCCs according to the Performance in 2008

Position	Regional Waste Company	Points
1	Pastrimi	2.88
2	Çabrati	2.70
3	Ambienti	2.65
4	Pastërtia	2.29
5	Ekoregjioni	1.92
6	Higjiena	1.54
7	Uniteti	1.54

As shown in the table 12, the best overall performance in 2008 was achieved by RWCC 'Pastrimi' with 2.88 points out of 4.60 of the possible maximum, whereas with the poorest performance is RWCC 'Uniteti' with only 1.54 points.

Table 16: Ranking of RWCCs according to the progress in: 2007-2008

Position	Regional Waste Company	Points
1	Pastrimi	2.70
2	Higjiena	2.50
3	Ambienti	2.20
4	Pastërtia	1.88
5	Uniteti	1.66
6	Ekoregjioni	1.64
7	Çabrati	0.52

RWCC 'Pastrimi' has scored the best progress during the last two years and is ranked as the first with 2.70 points. On the other hand RWCC 'Çabrati' is ranked as the last with regard to the progress achieved with only 0.52 points.

5.2. Waste Disposal Services

In this part of the report only the performance of Kosovo Landfill Management Company in Kosovo- KLMC SH.A is appraised, although the RWCC 'Ambienti' (that operates in regional disposal site of Peja) and RWCC 'Uniteti' (that operates in regional disposal site of Mitrovica) have not provided separate data for the waste disposal services (as per the centre costs)

KLMC Sh.A.¹¹ manages the sanitary disposal sites in: Prishtina, Podujeva, Gjilan and Transfer Station in Ferizaj;

In the table 17 is shown the performance of KLMC in 2008 and the performance comparison of year 2008 with the year 2007.

Table 17: Performance of Landfill Management Company (KLMC)

	Performance Indicators	2008	2007	Trend
1	Working Ratio	2.46	1.68	↗
2	Working Coverage Ratio	2.05	1.15	↗
3	Collection Rate (%)	83	68	↗
4	Unit Operating Cost (EUR/ton)	2.07	3.69	↗

Despite the fact that the performance of KLMC in 2008 is improved in all performance indicators compared to 2007, the inability of this company to collect 100% of debts towards RWCCs for services delivered has caused major financial difficulties for KLMC. These problems are manifested with difficulties for KLMC in terms of paying the private waste disposal operators as well as the inability to undertake necessary investments in sanitary disposal sites.

As a result of KLMC's financial difficulties, the operation of disposal sites in 2008 was at an extraordinarily low quality level, which not only poses a potential risk for the public health and environment, but also endangers and may cause unpredicted damages to waste disposal sites. Therefore, it is an urgent need to find a solution for the resolution of the collection issue of KLCM in order to enable a proper operation of the sanitary disposal sites in compliance with the required standards.

¹¹ KLMC was supposed to manage all regional sanitary disposal sites in Kosovo. However having into account that regional disposal sites in Peja and Mitrovica were constructed before the promotion of management of sanitary disposal sites concept in Kosovo by KLMC, adding the fact that regional disposal sites of Peja and Mitrovica are a property of the respective municipalities, the issue of handover of these two disposal sites to KLMC is not solved and as the consequence these two disposal sites are currently being managed by regional waste utilities of Peja and Mitrovica Region.

6 COMPARATIVE PERFORMANCE OF THE RWCCs

This part of the report describes the comparative analysis i.e. the comparison of relative performance indicators expressing the operational, financial and customer service effectiveness of the seven RWCCs.

In 2008 the WWRO continued to implement comparative analysis in the waste collection sector through analyzing the operation of the seven RWCCs in order to identify the greatest problems faced and to identify companies which could be a good model for other companies to follow to reach the best results. Comparison of performance encourages companies to make better use of internal resources to improve their performance.

The analyses include year to year comparisons of companies' performance too.

The analyses cover eight main indicators:

- Service coverage with waste collection services
- Waste collected per employee
- Percentage of waste disposed to disposal sites
- Revenue Collection Efficiency
- Costs coverage
- Unit Operating Cost
- Staff Efficiency
- Customers' Complaints

6.1. Service Coverage with Waste Collection Services

As explained in the First Part of this Report, the figures for population living in the regional waste companies' service area have been obtained from the Statistical Office of Kosovo (SOK), and the population served, the data have been obtained through multiplying the households bills issued with a coefficient of number of inhabitants per family. The coefficients per region have been provided by SOK.

Since the data obtained by SOK are estimated i.e. the statistics at the National level has not been updated for several decades, WWRO do not consider this indicator to be accurate.

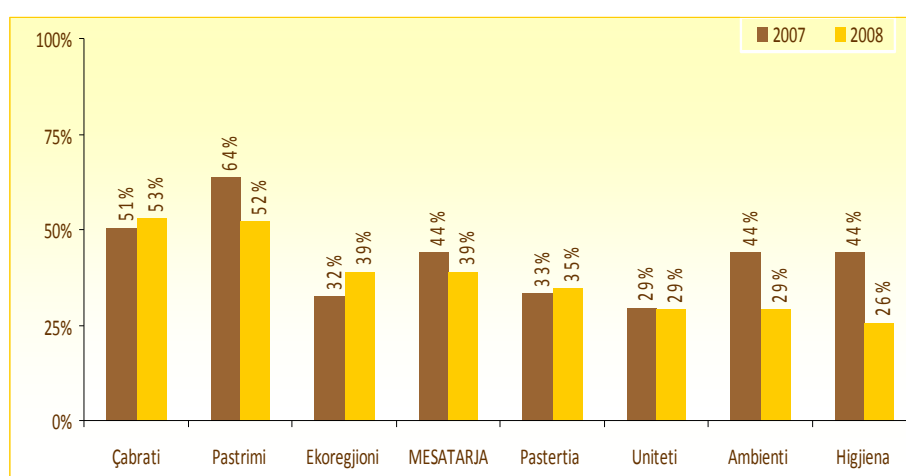
The service coverage for 2008 is analyzed through the following performance indicators.

6.1.1. Service Coverage with Waste Collection Services (%)

Definition

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

Chart 16: Percentage of the service coverage with waste collection services



The average of sector level covered with services for the year 2008 is 39%, which is still considered as very low. Almost the majority of these services are carried out in the urban zones. According to information received by companies, only 15% of the villages in Kosovo level are served with waste collection services.

The chart illustrates that RWCC 'Çabрати' has the highest level of service coverage with 53% whereas RWCC 'Higjiena' has the lowest level of service coverage with 26%.

The WWRO continues to suggest that the increase of service coverage with waste collection services to be set as an objective for all RWCCs.

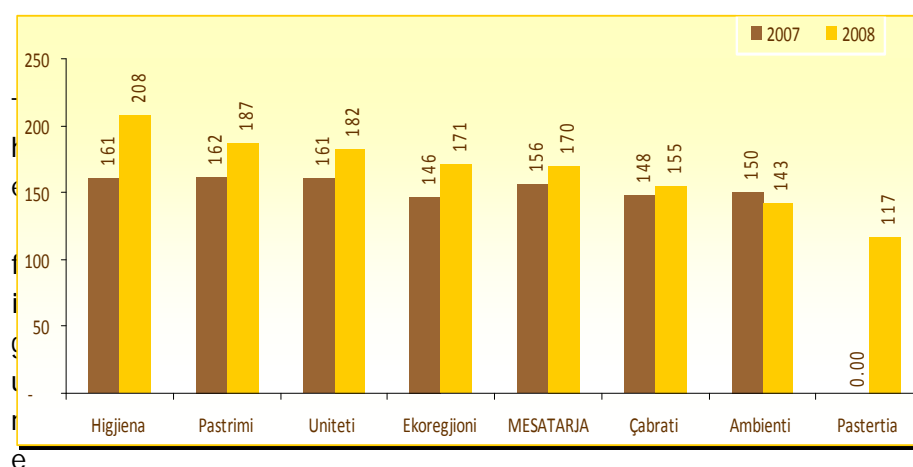
6.2. Waste Collected per Employee

Waste collection efficiency is an important indicator for measuring the performance of the companies, which the WWRO pays a special attention.

Definition:

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

Chart 17: The amount of waste collected per employee



s show that the efficiency of waste collection from year to year is increased in five out seven RWCCs and this is mainly due to the increase of waste collection amounts and modest decreases in the number of employees.

The low efficiency of several RWCCs cannot be easily explained. This phenomenon might be more related to the region's characteristics rather than to the high number of employees.

The WWRO recommends to the management of six out seven RWCCs that in a short-term period they should strive to achieve at least the efficiency of waste collection achieved by RWCC 'Pastrimi' , nearly 190 tonnes per month per employee (t/m/e)

6.3. Percentage of Waste Disposed to Disposal Sites

In Kosovo are operating six sanitary disposal sites and one transferring station, constructed in compliance with the standards. Except the sanitary disposal sites, an amount of waste is also disposed in the dump sites. This case mainly involves RWCC 'Çabrati' who in absence of a sanitary disposal site (or transfer station) it continues the waste disposal in the town's aged disposal site.

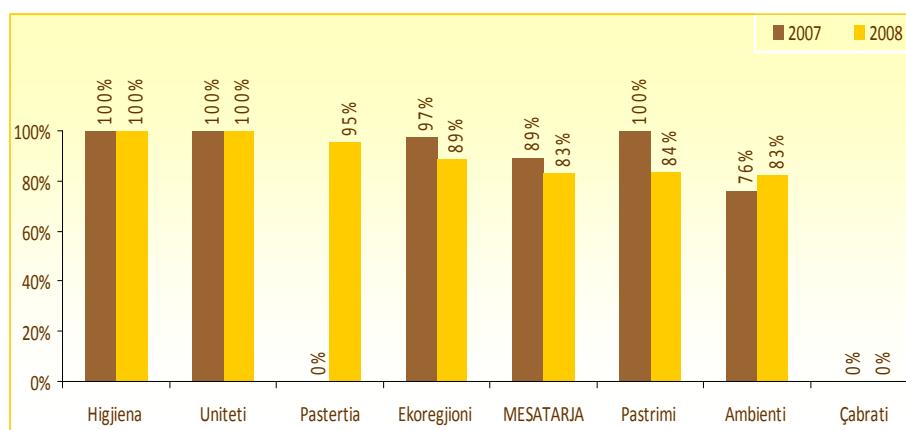
The proportions of waste disposal in sanitary disposal sites against the 'illegal' ones from seven RWCCs are illustrated as per following indicators.

6.3.1. Percentage of Waste Disposal in Sanitary Disposal Sites

Definition:

The amount of waste disposed in licensed sanitary disposal sites, divided by the total amount of waste collected.

Chart 18: Percentage of Waste Disposal



In 2008, in average for entire sector level around 92% of collected waste is disposed in the sanitary disposal sites, whilst the remaining amount of waste of 39,338 tonnes, mainly from RWCC 'Çabrati', is disposed in the aged disposal site of Gjakova.

6.4. Revenue Collection Efficiency

It is obvious that despite the efforts made by the management on increasing the revenue collection, it is difficult for RWCCs alone to resolve the problem of collection, without the help of Municipal and Governmental institutions.

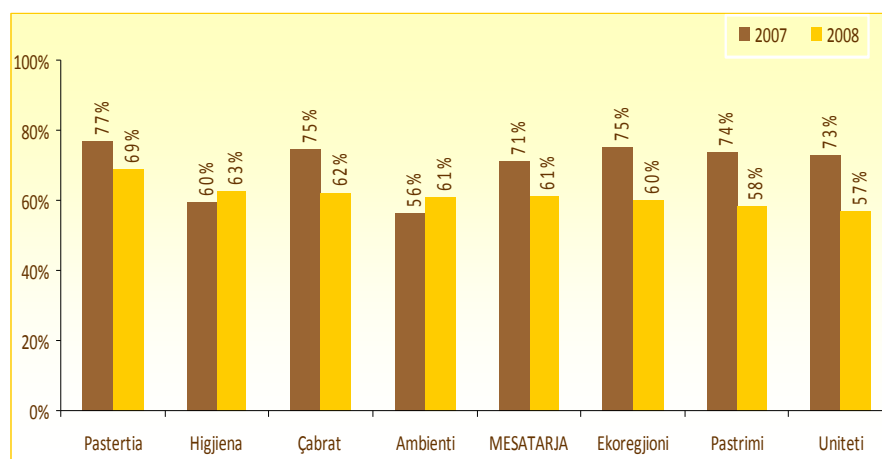
The revenue collection efficiency for RWCCs is described through the following indicator.

6.4.1. 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).

Chart19: RWCCs Collection Rate



The overall trend in sector level in 2008 compared to 2007 is negative. The decline of 10% from year to year can be explained with reduction of revenues billed (in absolute terms) for 11% and the revenues collected for 24%. The WWRO suspects that the data for billing and collection for the year 2007 were reported have included other operational incomes and in some instances have included VAT as well, which in is not the case in 2008.

The WWRO recommends to RWCCs the further development of an efficient revenue collection system, but at the same time believes that the support from the relevant institutions is even more necessary in this regard, especially in (i) ensuring the court system is dealing with non-payment cases, (ii) ensuring the payment from social cases, (iii) ensuring that all governmental institutions (schools, hospitals, etc.) pay their bills regularly.

6.5. Costs Coverage

Since the WWRO monitors the performance of RWCCs, almost every year they are faced with cost coverage and revenue collection problems.

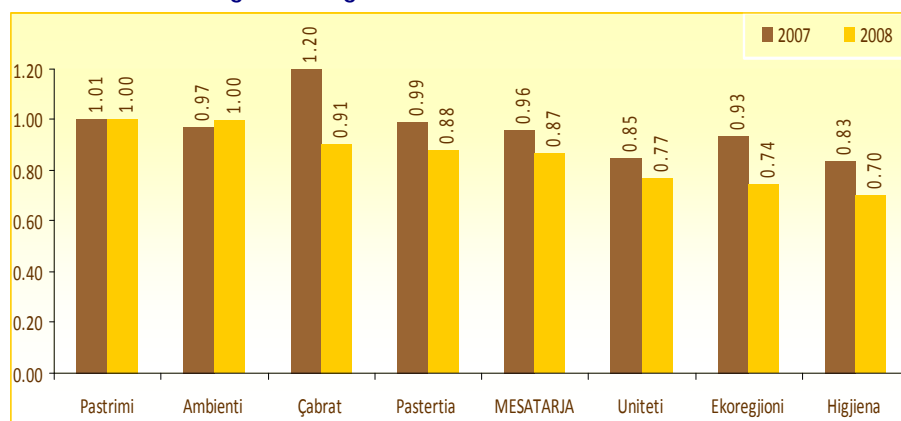
The costs coverage from RWCCs during the year 2008 is described through following indicators.

6.5.1. Working Coverage Ratio

Definition:

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

Chart 20: Working Coverage Ratio



In 2008, the working coverage ratio of 0.87 shows that only 87% of operating costs were covered from the cash revenues. The decline of the rate for 9% compared to 2007 is related with the minimal amount of cash money received (-€1,656,843) during the year 2008.

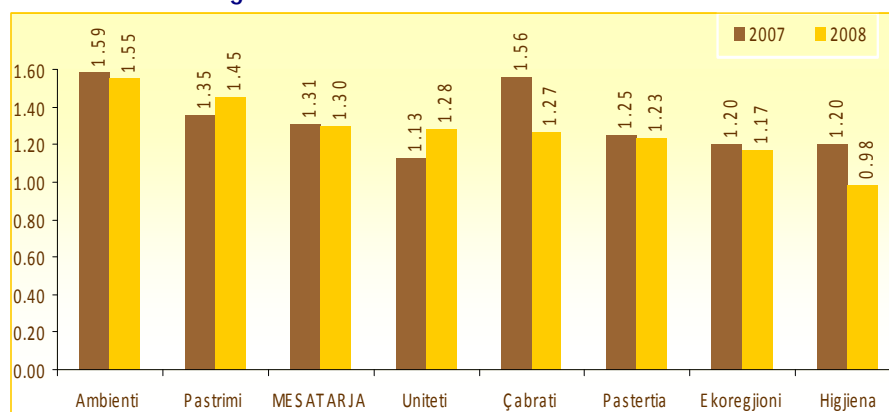
As per the data, five out of seven RWCCs have failed to cover the operating costs with the cash revenues, and there is the risk that this will lead these companies into a vicious cycle, ultimately leading into a drop of the service level.

6.5.2. Working Ratio

Definition:

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

Chart 21: Working Ratio



The working ratio of 1.31 in 2007 noted a slight decrease of 1.30 in 2008 as a result of decrease of the billing value.

The low working ratio with only 0.98 in RWCC 'Higjiena' requires a review of operating costs for the year 2008 or a review of tariff.

Companies should find ways to increase their billed and collected incomes and to reduce the expenditures, by maintaining their services in a proper level.

6.6. Unit Operating Costs

At RWCs the Unit Operating Costs depends on several factors including the main ones such as: the range of service provision and distance of waste transportation to the disposal sites.

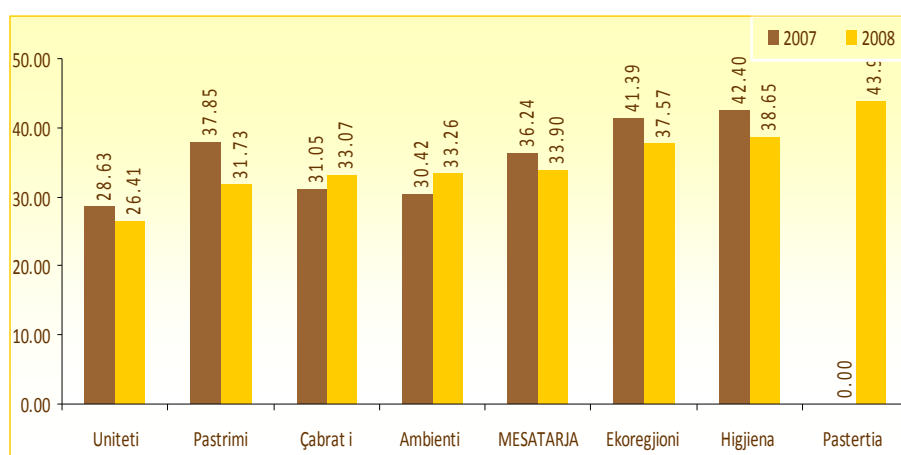
Unit Operating Costs in 2008 are illustrated through following indicators.

6.6.1. Operating costs per ton of Waste Collection

Definition

RWCC's cost per ton of waste collected

Chart 22: Operating Costs (€/t)



In 2008, at sector level, the operating cost per tone of waste collected was 33.90 EUR/t. Although the value of this indicator is still high, the development trend from year to year shows an improvement of performance for 6.60 EUR/t.

In 2008 compared to 2007 four out of seven RWCCs have displayed a positive trend of the unit operating cost and this is mainly as a result of a larger amount of waste collected in 2008.

In RWCC 'Pastërtia' the high value of this indicator from 43.90 EUR/tone demonstrates the need for a better management of operating costs.

6.7. Staff Efficiency

The Human Resources Management is a very important part of the overall management of any kind of company. This part of management in simple sense means employing people, developing their resources, utilizing, maintaining, training and assessing their performance in tune with the job requirement.

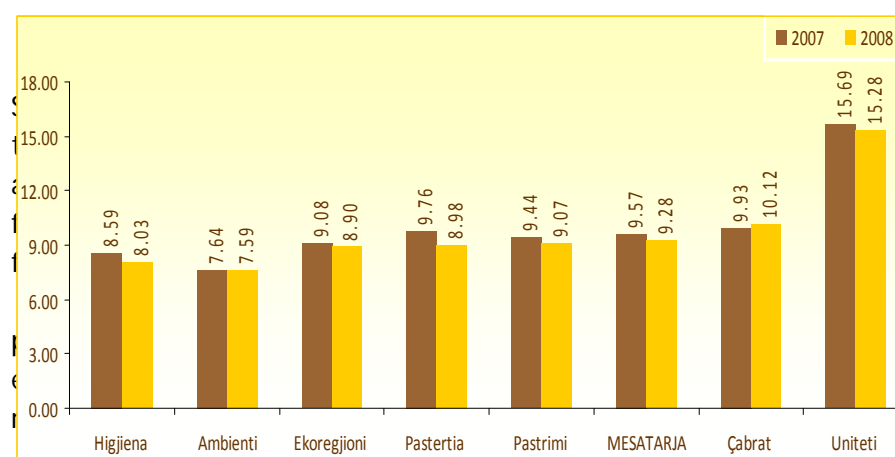
The staff efficiency at RWCCs during the year 2008 is illustrated through the following indicator.

6.7.1. Staff Efficiency per '000 Customers

Definition:

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

Chart 23: Staff Efficiency of the RWCCs



1000 customers, in sector level, has improved from 9.57 in 2007 to 9.28 in 2008. The data analysis confirms a common matter: larger companies are more efficient in staff usage than the smaller companies. This can be explained through economies of scale.

The very high value (negative trend) of this indicator at RWC 'Uniteti' of 15.28 displays the immediate need to review the number of personnel.

The best performing company with this indicator is RWC 'Ambienti' with 7.59. The achievement of this indicator should be a target for six other RWCCs in the short-term.

6.8. Customers' Complaints

Customers' service performance is measured for the purpose of this report by complaints made to regional waste collection companies. The indicator is computed only for those companies where the data were appraised as reliable.

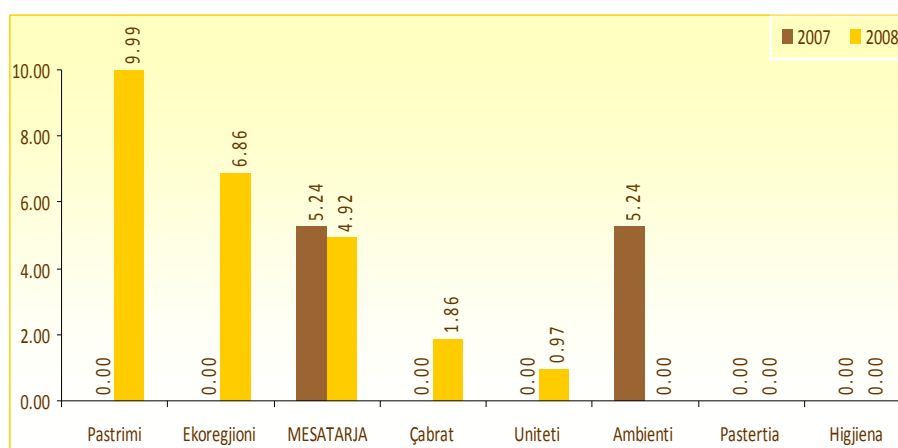
The performance of the companies with regard to customer service is illustrated through the following indicator.

6.8.1. Customers' Complaints per '000 Customers

Definition:

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

Chart 24: Customers' Complaints per '000 Customers



In 2008, on average four out of seven RWCCs, complaints towards services per 1000 customers have been 7.16. The highest number complaints were registered in RWCC 'Pastrimi' with 9.99.

The zero values of three RWCCs illustrated in the chart are as a result of improper registration of customers' complaints by the company.

Taking into account the importance of the response to the customers' complaints in a reasonable time, the WWRO suggest to the top management of seven RWCCs to advance the entire customer relations system. A good example to be followed in this instance would be regional water supply companies (which were already reviewed in the first part of the Report).

THIRD PART: ANNEXES

ANNEX A | PERFORMANCE ASSESMENT – COMPANY RANKING

A.1 Ranking of RWCs according to the Performance in 2008

Regional Water Company	Non-Revenue Water	Percentage of Metered Consumption	Collection Rate	Working Coverage Ratio	Operating Cost €/m ³	Staff Efficiency	Water Quality	Complaints per '000 Customers	Total
Prishtina	0.69	0.70	0.53	0.55	0.23	0.80	0.71	0.75	4.96
Hidroregjioni Jugor	0.00	0.80	0.55	1.00	0.80	0.77	0.16	0.75	4.83
Hidrodrini	0.30	0.63	0.75	0.51	0.46	0.42	0.80	0.75	4.63
Mitrovica	0.41	0.72	1.00	0.18	0.00	0.30	0.71	0.75	4.07
Radoniqi	0.25	0.77	0.43	0.00	0.20	0.73	0.35	0.00	2.74
Hidromorava	0.68	0.04	0.00	0.22	0.41	0.00	0.57	0.00	1.93
Bifurkacioni	0.44	0.00	0.15	0.06	0.00	0.65	0.00	0.00	1.30

A.2. Ranking of RWCCs according to the improvements of performance in 2007 - 2008

Regional Water Company	Percentage Increase of Revenue	Non-Revenue Water	Percentage of Metered Consumption	Collection Rate	Working Coverage Ratio	Operating Cost €/m ³	Staff Efficiency	Water Quality	Complaints per '000 Customers	Total
Prishtina	0.06	0.35	0.47	1.00	1.00	0.59	0.42	0.46	0.75	5.10
Hidroregjioni Jugor	0.08	0.71	0.80	0.32	0.34	0.37	0.43	0.58	0.47	4.12
Hidrodrini	0.08	0.11	0.43	0.42	0.39	0.80	0.37	0.80	0.43	3.83
Mitrovica	0.12	0.00	0.37	0.29	0.35	0.59	0.44	0.64	0.00	2.80
Radoniqi	0.00	0.37	0.00	0.14	0.27	0.64	0.47	0.00	0.67	2.57
Hidromorava	0.20	0.50	0.39	0.10	0.00	0.00	0.80	0.10	0.00	2.09
Bifurkacioni	0.02	0.01	0.36	0.00	0.02	0.52	0.00	0.69	0.00	1.61

A.3. Ranking of RWCCs according to the performance in 2008

Regional Waste Company	Operating Costs	Collection Rate	Staff Efficiency (staff/cust.)	Complaints per (‘ 000 custs.)	Working Coverage Ratio	Total
Pastrimi	0.56	0.14	0.69	0.50	1.00	2.88
Çabрати	0.50	0.45	0.57	0.50	0.68	2.70
Ambienti	0.49	0.34	0.85	0.00	0.98	2.65
Pastërtia	0.00	1.00	0.69	0.00	0.60	2.29
Ekoregjioni	0.29	0.28	0.70	0.50	0.15	1.92
Higjiena	0.24	0.50	0.80	0.00	0.00	1.54
Uniteti	0.80	0.00	0.00	0.50	0.24	1.54

A.4. Ranking of RWCCs according to the improvements of performance in 2007-2008

Regional Waste Company	Operating Costs	Collection Rate	Staff Efficiency (staff/cust.)	Complaints per (‘ 000 custs.)	Working Coverage Ratio	Percentage Increase of Cust. Number	Total
Pastrimi	0.80	0.03	0.47	0.50	0.89	0.01	2.70
Higjiena	0.57	0.91	0.68	0.00	0.31	0.03	2.50
Ambienti	0.00	1.00	0.20	0.00	1.00	0.00	2.20
Pastërtia	-	0.38	0.80	0.00	0.50	0.20	1.88
Uniteti	0.54	0.00	0.37	0.13	0.56	0.07	1.66
Ekoregjioni	0.58	0.07	0.31	0.38	0.15	0.15	1.64
Çabрати	0.09	0.18	0.00	0.25	0.00	0.00	0.52

B.1 Regional Water Supply Companies

Statistical Data	RWC							Total per Sector
	Prishtina	Hidroregjioni Jugor	Hidrodrini	Mitrovica	Radoniqi	Bifurkacioni	Hidromorava	
Population in Service Area (no)	579,812	389,586	243,841	211,897	166,629	191,634	262,864	2,046,263
Population Served with Water (no)	445,432	189,069	157,120	116,440	158,394	79,816	86,413	1,232,683
Population Served with Wastewater (no)	383,925	170,159	83,936	99,944	103,250	68,901	77,016	987,130
Registered Customers (no)	82,443	28,446	28,996	20,780	26,677	14,947	15,901	218,190
Water Produced (m3)	40,832,446	12,558,975	30,351,552	16,806,031	17,047,774	3,873,580	5,847,896	127,318,254
Water Invoiced (m3)	21,853,888	7,013,136	7,737,336	7,739,707	6,396,719	2,014,800	2,937,277	55,692,863
Customers Metered with Water Meter (no)	66,028	25,496	25,533	9,830	24,957	8,979	12,843	173,666
Metered Water Invoiced (m3)	19,510,158	6,452,048	7,187,200	5,140,291	5,557,552	1,308,631	2,650,223	47,806,103
Billing Value (euro)	€9,147,772	€2,382,250	€2,275,047	€1,933,103	€2,461,809	€900,592	€1,113,825	€20,214,398
Collection Value (euro)	€6,029,848	€1,517,229	€1,511,953	€1,030,791	€1,756,631	€512,822	€859,968	€13,219,242
Other Operating Incomes (euro)	€253,902	€78,226	€99,770	€716,322	€87,044	€110,539	€132,830	€1,478,633
Operating Cost Before Depreciation (euro)	€5,775,071	€1,847,009	€1,268,907	€1,829,977	€1,718,264	€701,192	€1,059,119	€14,199,539
Staff Number (no)	494	181	178	216	215	102	139	1,525
Length of Water Supply Network (km)	1,073	225	474	767	511	147	-	3,197
Average Complaint Number/ per month	8.04	-	5.25	-	5.09	-	11.56	7.50

B.2 Regional Waste Collection Companies

Statistical Data	RWCC							Total per sector
	Pastrimi	Ekoregjioni	Ambienti	Uniteti	Çabrat	Higjiena	Pastërtia	
Population in Service Area (no.)	548,370	458,284	243,841	211,897	97,931	262,864	223,076	2046,263
Served Population (no)	286,502	178,509	70,682	61,747	52,007	67,277	77,361	794,081
Number of Registered Customers (no)	48,070	26,524	20,033	11,390	10,772	14,191	17,255	148,235
Waste Collected (ton/year)	81,365	40,292	21,675	31,727	16,923	23,675	18,178	233,835
Waste Disposed in Licensed Disposal Sites (ton/year)	67,984	35,842	17,922	31,727	-	23,675	17,347	194,497
Waste Disposed in Unlicensed Disposal Sites (ton/year)	13,381	4,450	3,751	-	16,923	-	831	39,336
Billing Value (euro)	€2,792,078	€1,614,733	€1,019,531	€985,787	€540,030	€695,524	€896,507	€8,544,190
Collection Value (euro)	€1,630,691	€971,290	€619,837	€559,511	€335,960	€439,063	€616,854	€5,173,206
Other Operating Incomes (euro)	€953,545	€155,413	€98,012	€87,229	€171,121	€203,489	€86,527	€1,755,336
Operating Cost Before Depreciation (euro)	€2,581,768	€1,513,665	€720,928	€837,983	€559,726	€914,926	€798,056	€7,927,052
Staff Number (no)	436	236	152	174	109	114	155	1376
Average Complaint Number/ per month	9.99	6.86	0.00	0.97	1.86	0,00	0,00	4.92

B.3 Kosovo Landfill Management Company in Kosovo (KLMC)

Statistical Data	Total
Waste Disposed (tonnes)	196,693
Billing (Euro)	923,674
Collection (Euro)	771,387
Operating Cost before Depreciation (Euro)	472,382
Collection Rate (Total)	83 (%)

B.4 Bulk Water Supplier (Ibër -Lepenci)

Statistical Data	Total
Volume of Billed Bulk Water (m3)	17853.26
Billing of Bulk Water (Euro)	306.249
Collection of Bulk Water (Euro)	350.896
Operating Cost for Bulk Water Supply (Euro)	227,258
Number of Employees Engaged in Bulk Water Supply	19
Collection Rate	114(%)

C.1 Regional Water Supply Companies

Regional Water Company	Name of the Director	Telephone Number	E-mail address	Company's Address
Prishtina	Skender Bublaku	038/540 749, lok.128	skender.bublaku@kur-prishtina.com	Rr. Tahir Zajmi p.n, Prishtine 10000
Hidroregjioni Jugor	Hanefi Muharremi	029/244 150	sh.a-hidroregjionijugor-prizren@hotmail.com	Rr.Vatra Shqiptare p.n, Prizren, 20000
Hidrodrini	Agron Tigani	039/432 355	a.tigani@hidrodrini.com	Rr.Gazmend Zajmi nr.5, Pejë 30000,
Mitrovica	Abdylhalim Nesimi	028/533 707	abdylhalim49@hotmail.com	Rr.Bislim Bajgora p.n, Mitrovicë 40000
Radoniqi	Albert Zajmi	0390/320 503	albert_zajmi@yahoo.com	Rr.UÇK, nr.07, Gjakovë 50000
Hidromorava	Flamur Zeqiri	0280/321 104	flamurzeqiri@hotmail.com	Rr.UÇK p.n, Gjilan 60000
Bifurkacioni	Faton Frangu	0290/320 650	faton_franqu@yahoo.com	Rr. Enver Topalli nr.42/A, Ferizaj, 70000

C.2 Regional Waste Companies

Regional Waste Company	Name of the Director	Telephone Number	E-mail address	Company's Address
Pastrimi	Kadri Ratkoceri	038/525 191	krm_pastrimi@yahoo.com	Rr. Bill Clinton p.n, Prishtinë 10000
Ekoregjioni	Xhemaili Haxhimustafa	029/244 753	krm_ecoregjioni@yahoo.com	Rr. Tahir Sinani nr.59, Prizren 20000
Ambienti	Nexhat Abdullahu	039/434 729	krm_ambienti@yahoo.com	Rr. Fatmir Uka nr.24, Pejë 30000
Uniteti	Refki Aliu	028/533 211	krm_uniteti@yahoo.com	Rr. Vllëzrit Dragaj p.n, Mitrovicë 40000
Çabрати	Përparim Radoniqi	0390/321 588	krm_cabrati@yahoo.com	Rr. Mazllom Lakuci p.n, Gjakovë 50000
Higjiena	Bajram Isufi	0280 / 324 040	krm_higjiena@yahoo.com	Rr. Adem Jashari nr.111, Gjilan 60000
Pastërtia	u.d. Agim Rexhepi	0290 / 327 501	krm_pastertia@yahoo.com	Rr. Enver Topalli nr. 44, Ferizaj 70000

C.3 Kosovo Landfill Management Company (KLMC)

Kosovo Landfill Management Company	Name of the Director	Telephone Number	E-mail address	Company's Address
KLMC	Avni Ramadani	038/544 552	klmcavniramadani@gmail.com	Rr. Zija Shemsiu nr.23, Prishtinë 10000

C.4 Bulk Water Supply Company (HS Ibër-Lepenci)

Company	Name of the Director	Telephone Number	E-mail address	Company's Address
NPH Iber Lepenci	Abdulla Nishori	038/225 007	nishori@hotmail.com	Rr. Bill Clinton nr.13 Prishtine, 10000

C.5 Water and Waste Regulatory Office (WWRO)

WWRO	Name of the Director	Telephone Number	E-mail address	Company's Address
Director	Afrim Lajçi	038/249 165/ 111	afrim.lajci@wwro-ks.org	Rr. Ferat Dragaj nr.68 Prishtine, 10000
Customers' Contact	Sylë Sylja	038/249 165/ 124	syle.syla@wwro-ks.org	Rr. Ferat Dragaj nr.68 Prishtine, 10000

C.6 Regional Customers' Consultative Committees (WWRO)

Regional Committee	Head of Committee	Telephone Number
KKK Prishtinë	Mehdi Aliu	038/582 717
KKK Prizren	Zenel Ahmetaj	044/153-295
KKK Pejë	Ylfete Blakaj	044/276 538
Mitrovicë	Tahir Islami	028/532 104
Gjakovë	Flamur Vula	044/270 755
Gjilan	Hevzi Matoshi	044/308 077
Ferizaj	Bashkim Ferati	0290/321 297

ANNEX D | SERVICE AREAS

D.1 RWCCs Service Areas



KRU Prishtina	KRU Hidroregjioni Jugor	KRU Hidrodrini	KRU Ujësjellësi Regional	KRU Radoniqi	KRU Bifurkacioni	KRU Hidromorava	Komunitet jashtë shërbimeve nga KRU-të
-Prishtina -Podujeva -Fushë Kosova -Obiliqi -Lipjani -Shtimja -Glllogovci	-Prizreni -Suhareka -Malisheva -Dragashi	-Peja -Istogu -Klina -Juniku	-Mitrovica -Skenderaj -Vushtria	-Gjakova -Rahoveci	-Ferizaj -Kaçaniku	-Gjiçilani -Kamenica -Vitia	-Novobërda -Zubin Potoku -Leposaviq -Shtërpca -Deqani

D.2 RWCCs Service Areas



KRM Pastrimi	KRM Ekoregjioni	KRM Ambienti	KRM Uniteti	KRM Çabrat	KRM Pastërtia	KRM Higjiena	Komunat jashtë shërbimeve nga KRM-të
-Prishtina -Podujeva -Fushë Kosova -Obiliqi -Lipjani -Glogovci	-Prizreni -Suhareka -Malisheva -Dragashi -Rahoveci	-Peja -Klina -Deçani -Istogu	-Mitrovica -Skenderaj -Vushtria	-Gjakova	-Ferizaj -Kaçaniku -Shtimja	-Gjilani -Kamenica -Vitia	-Novobërda -Zubin Potoku -Leposaviqi -Shtërpca

Water and Waste Regulatory Office

Str. Ferat Dragaj, 68

Prishtina, Kosova

www.wwro-ks.org