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# KOSOVO WATER INSTITUTIONAL SECTOR REFORM (K-WISER)

SECOND ANNUAL REPORT

**JANUARY 2012**

**Report No. 29**

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government

# Kosovo Water Institutional Sector Reform (K-WISER)

Second Annual Report

January 2012

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## **TABLE OF CONTENTS**

|  |           |
|--|-----------|
| LIST OF ACRONYMS   | 6         |
| <b>1. EXECUTIVE SUMMARY</b>  | <b>7</b>  |
| <b>2. INTRODUCTION</b>   | <b>10</b> |
| 2.1 Background   | 10        |
| 2.2 Task Descriptions  | 10        |
| 2.3 Key Personnel  | 11        |
| <b>3. ACHIEVEMENTS IN YEARS 1 AND 2</b>  | <b>13</b> |
| 3.1 Introduction   | 13        |
| 3.2 Component 1 – National Level Activities  | 13        |
| 3.2.1 Board of Directors Training and Development (Task 1.1)   | 13        |
| 3.2.2 Private Sector Participation (Task 1.2)  | 13        |
| 3.2.3 Key Performance Indicators (Task 1.2)  | 14        |
| 3.2.4 Managerial Strengths and Weaknesses (Task 1.3)   | 14        |
| 3.2.5 Core Competencies Framework for Technical and Managerial Staff (Task 2.1)  | 14        |
| 3.2.6 Training Needs Assessment in Targeted RWCs (Task 2.1)  | 15        |
| 3.2.7 MIS Systems Review and Development (Task 2.2)  | 15        |
| 3.2.8 Needs Assessment and Gap Analysis of Business Units (Task 2.3)   | 15        |
| 3.2.9 Review and Implementation of MoUs between RWCs and Municipalities (Task 2.4)   | 15        |
| 3.2.10 Public Awareness and Behavioral Change (Task 2.5)   | 15        |
| 3.2.11 Infrastructure and Equipment Program (Tasks 3.1 and 3.2)  | 15        |
| 3.2.12 Equipment   | 16        |
| <b>4. CHALLENGES</b>   | <b>18</b> |
| <b>5. PROJECT IMPLEMENTATION PROGRESS</b>  | <b>20</b> |
| 5.1 Overall Objectives   | 20        |
| 5.2 Components and Tasks   | 20        |
| 5.3 Component 1: Strengthened Enabling Environment   | 21        |
| 5.3.1 Task 1.1: Support effective operation of RWCs at the national scale  | 21        |
| 5.3.1.1 Objectives   | 21        |
| 5.3.1.2 Methodology  | 21        |
| 5.3.1.3 Deliverables – Task 1.1  | 22        |
| 5.3.2 Task 1.2: Support the development of the legal/regulatory framework for eventual private sector participation in water supply and sanitation | 22        |
| 5.3.2.1 Objectives   | 22        |
| 5.3.2.2 Methodology  | 23        |
| 5.3.2.3 Deliverables – Task 1.2  | 23        |

|         |   |    |
|---------|---|----|
| 5.3.3   | Task 1.3: Support institutional strengthening of Regional Water Companies at the national scale   | 23 |
| 5.3.3.1 | Objectives  | 23 |
| 5.3.3.2 | Methodology   | 24 |
| 5.3.3.3 | Deliverables – Task 1.3   | 24 |
| 5.3.4   | Task 1.4 - Strengthen civil society engagement at the national level in water supply and sanitation governance  | 25 |
| 5.3.4.1 | Objectives  | 25 |
| 5.3.4.2 | Methodology   | 26 |
| 5.3.4.3 | Deliverables – Task 1.4   | 26 |
| 5.4     | Component 2: Strengthened RWCs for Sustainability   | 27 |
| 5.4.1   | Task 2.1 Build the capacity of managerial and technical staff in targeted RWCs  | 27 |
| 5.4.1.1 | Objectives  | 27 |
| 5.4.1.2 | Methodology   | 27 |
| 5.4.1.3 | Deliverables –Task 2.1  | 29 |
| 5.4.2   | Task 2.2 Strengthen Integrated Information Management for Enhanced RWC Performance  | 29 |
| 5.4.2.1 | Objectives  | 29 |
| 5.4.2.2 | Methodology   | 29 |
| 5.4.2.3 | Deliverables – Task 2.2   | 30 |
| 5.4.3   | Task 2.3: Strengthen Satellite Business (Operating) Units in Targeted RWCs  | 30 |
| 5.4.3.1 | Objectives  | 30 |
| 5.4.3.2 | Methodology   | 30 |
| 5.4.3.3 | Deliverables –Task 2.3  | 31 |
| 5.4.4   | Task 2.4: Strengthen effective coordination of targeted RWCs and municipal governments  | 31 |
| 5.4.4.1 | Objective   | 31 |
| 5.4.4.2 | Methodology   | 31 |
| 5.4.4.3 | Deliverables – Task 2.4   | 32 |
| 5.4.5   | Task 2.5 Enhance public awareness and consumer behavior change to support more effective water supply delivery and sustainable water resources management in RWCs | 32 |
| 5.4.5.1 | Objective   | 32 |
| 5.4.5.2 | Methodology   | 32 |
| 5.4.5.3 | Deliverables – Task 2.5   | 32 |
| 5.5     | Workshops Conducted during Year 2   | 33 |
| 5.6     | Component 3: Targeted Investments in Infrastructure Rehabilitation  | 33 |
| 5.6.1   | Objectives (no change since project inception)  | 33 |
| 5.6.2   | Methodology   | 34 |
| 5.6.3   | Deliverables – Task 3.1 & 3.2   | 42 |

**Annex 1: Construction Work in Progress 45**

|   |           |
|---|-----------|
| <b>Annex 2: Annual Financial Status</b>                 | <b>51</b> |
| <b>Annex 3: Bibliography of Documents</b>               | <b>52</b> |
| <b>Annex 4: List of Short-Term Technical Assistance</b> | <b>55</b> |
| <b>Annex 5: Major workshops – Years 1 and 2</b>         | <b>60</b> |
| <b>Annex 6: Equipment and Furniture Purchased</b>       | <b>70</b> |
| <b>Annex 7: Narrative Success Stories</b>               | <b>75</b> |

## **LIST OF ACRONYMS**

|         |   |
|---------|---|
| DMA     | District Metering Areas                                 |
| GoK     | Government of Kosovo                                    |
| IFI     | International Finance Institution                       |
| IPH     | Institute of Public Health                              |
| KEK     | Kosovo Electricity Corporation                          |
| KfW     | Kreditanstalt fuer Wiederaufbau (German Bank)           |
| KPI     | Key Performance Indicator                               |
| m       | Meters  |
| MoU     | Memorandum of Understanding                             |
| POE     | Publicly Owned Enterprise                               |
| POE-PMU | Publicly Owned Enterprises – Policy and Monitoring Unit |
| PSP     | Private Sector Participation                            |
| RWC     | Regional Water Company                                  |
| SDC     | Swiss Development Corporation                           |
| SHUKOS  | Water and Wastewater Works Association of Kosovo        |
| Tt      | Tetra Tech ES, Inc.                                     |
| USAID   | U.S. Agency for International Development               |
| WIS     | Water Information Systems                               |
| WWRO    | Water and Waste Regulatory Office                       |

## **1. EXECUTIVE SUMMARY**

---

This second annual report of the K-WISER project highlights the achievements of the project during Years 1 and 2. At the strategic national level the project has:

- ❖ Reviewed legislation regarding private sector participation and promoted PSP as a viable option for sector development; reviewed and provided formal comments on the Laws on Publicly Owned Enterprises (POE), and on the National Water Policy concept paper
- ❖ Promoted cooperation between municipalities and regional water companies; and developed a MoU between the RWCs, Municipalities and the Kosovo Police to strengthen the cooperation between them in assisting the RWCS in combatting illegal connections and collecting past due debts through disconnection of water service
- ❖ Implemented Board of Directors training and a development plan; and developed a customer satisfaction survey for use by RWC Hidroregjioni Jugor to determine the customers opinions about the services they receive from the RWC
- ❖ Developed core competencies framework for executive management teams
- ❖ Supported sector development plans of Kosovo Government (especially the activities of WWRO) by actively participating in the monthly coordinated meetings of the Donor Water Project Implementers with direct linkages to the Water Task Force

With regard to project targets key successes include:

- ❖ Development of MoUs between RWCs and municipalities
- ❖ Review of management systems and preparation of technical specifications for purchase of MIS, GIS, and leakage detection equipment in Peja and Prizren regions; all this equipment was successfully procured and delivered during Year 2
- ❖ Requests for Approval and Environmental Reviews on six separate infrastructure schemes; all six infrastructure projects were constructed in Year 2 (three in Prizren – Emin Duraku, Haziz Ismail, and Bujar Godeni; and three in Peja – Istog, Sahat Kulla, and Zarat)
- ❖ Review of reporting on Key Performance Indicators; developed a strategy to help the two RWCs collect and report accurate data monthly to WWRO, using the KPIs agreed upon by the WWRO, to improve their overall performance in the eyes of the Regulator
- ❖ Development and implementation of improvement plan for meter reading in Prizren; during Year 2 K-WISER has worked extensively with the customer service departments and control teams of both RWCs, but especially RWC Hidroregjioni Jugor, to obtain a larger percentage of actual meter readings, to process and deliver more accurate bills to customers, to exert more pressure on their customers to pay their bills, and to significantly reduce the number of complaints
- ❖ Development of core competencies framework for executive management teams; during Year 2 K-WISER has worked extensively with the finance departments of both RWCs, to improve their accuracy of recording and posting of assets, financial journal entries, and

utilizing best accounting practices with respect to implementing internal audit procedures and asset management

These achievements have enabled a close working relationship to develop between the K-WISER team and the RWCs' staff which is proving invaluable as the project becomes more deeply involved in the operations of the companies.

During both years K-WISER reviewed the detail of existing reports from WWRO and others and has developed a greater understanding of the challenges facing the water companies, which is allowing the project to confront difficult issues head-on. This includes water losses, and particularly illegal use of water as well as the avoidance of paying for water (as opposed to lack of willingness to pay!). K-WISER has been providing clear direction and encouragement to the RWCs to meet our objectives and we are supporting the management teams in providing that direction.

K-WISER has achieved a number of strategic objectives including implementing training for Boards of Directors, developing Memoranda of Understanding with municipalities, and developing training needs for management teams. The project has also procured and installed MIS systems in both RWCs and prepared recommendations for improvements in both of them for implementation under Component 3 of the project. We have carried out a review of the reporting of KPIs and are currently working with the water companies to improve levels of reporting. Most of these objectives were achieved as a result of six workshops that were sponsored by K-WISER during Year 2.

These achievements are enabling K-WISER to move into year three with the support of the companies and with confidence that an accelerated program of development can be achieved.

The water companies face a number of challenges which restrict their ability to implement all the aspects of the project at the pace required. These include the absorption capacity of the companies which has been less than anticipated, resulting in a slower implementation of some of the planned activities. Both companies have been working with a separate USAID funded project, and also with a major investment program of KfW, both of which have required substantial input from company staff. This, coupled with the management hiatus and subsequent changes that took place in Prizren, meant that the attention given to the K-WISER project in the early part of the project was less than expected. However, due to the effort of the K-WISER team the project has been able to achieve a level of cooperation within the companies that will show continually improving results over the remaining year of the K-WISER contract.

Whilst working with the companies K-WISER has observed some of the obstacles that are restricting the pace of development, including lack of political will, lack of direction for the companies, ability of staff to adapt to the business culture, competency of the Boards of Directors and not least the pressures of day to day management. A particular issue that has been identified is 'institutional lethargy' – the impression that the staff of the companies will do enough to show an improvement in performance, but not 'going the extra mile' to achieve excellent or even good performance. The need to motivate staff and management teams is therefore a high priority. In relation to this the emphasis of the project has therefore shifted slightly, from focusing directly on staff development to developing the company as a whole and providing staff with tools to carry out their duties correctly. This in turn will provide the staff with the training and competences needed for the companies to perform better. Whilst short term deliverables will continue to be achieved, the underlying aim is to steer the companies towards being effective businesses using best industry practices.

The infrastructure and equipment program has been streamlined and improved following lessons learned during implementation of the pilot projects in Peja and Prizren, particularly relating to data gathering, design specifications and contract preparation. Approximately 65% of this program was completed during Year 2 of the project with only a few smaller projects to be completed in Year 3. The largest project remaining is the replacement of 8,300 m of AC pipe in Suhareka. The Environmental Assessment Report for this project has been completed and approved by USAID; a co-funding agreement with the Municipality of Suhareka has been executed; and the construction services contract has been awarded. Actual construction will start in the Spring of 2012.

## **2. INTRODUCTION**

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### **2.1 BACKGROUND**

USAID is funding a major project in Kosovo to provide support to the water supply and sanitation sector through utility strengthening and reform in targeted Regional Water Companies (RWCs) over the medium term. This assistance is coupled with complementary direct infrastructure investments to improve the quality and sustainability of water and sanitation services in the near term.

The K-WISER project is being implemented by prime contractor Tetra Tech ES, Inc., supported by sub-contractors Environet LLC and Stella Consulting. A small team was set up in Pristina, Kosovo to undertake the work. In addition, there are two Junior Engineers, which are embedded within the two RWCs; one is assigned to RWC Hidrodrini and one is assigned to RWC Hidroregjioni Jugor.

The project addresses the challenges in partnership with the Government of Kosovo, RWCs, municipalities, civil society and the private sector. The project also recognizes the current efforts of other donors in the sector and is working with them to obtain synergies in the implementation of programs where appropriate. Several USAID-funded projects are also working in the sector or on related matters (e.g., private sector participation). K-WISER is cooperating closely with those projects to capitalize on their achievements and lessons learned to date.

### **2.2 TASK DESCRIPTIONS**

The project comprises three inter-related components, where USAID has a comparative advantage in addressing the fundamental problems of water supply and sanitation utility performance and sustainability in Kosovo. These components each have a number of defined tasks:

- **Component 1: Strengthened enabling environment and national-level water supply and sanitation policy reform**
  - Task 1.1: Support effective operation of RWC Boards at the national scale
  - Task 1.2: Support the development of a legal/regulatory framework for eventual private sector participation in the water supply and sanitation sector
  - Task 1.3: Support institutional strengthening of Regional Water Companies at the national scale
  - Task 1.4: Strengthen civil society engagement at the national level in water supply and sanitation governance
- **Component 2: Strengthened Hidrodrini and Hidroregjioni Jugor Regional Water Companies for improved water supply and sanitation service access and sustainability**
  - Task 2.1: Build the capacity of managerial staff in targeted RWCs

- Task 2.2: Strengthen integrated information management for enhanced performance of targeted RWCs
- Task 2.3: Strengthen satellite business units in targeted RWCs
- Task 2.4: Strengthen effective coordination of targeted RWCs and municipal governments
- Task 2.5: Enhance public awareness and consumer behavior change to support more effective water supply service delivery and sustainable water resources management in targeted RWCs
- **Component 3: Targeted investments in infrastructure rehabilitation to support overall system sustainability and sector reform in Hidrodrini and Hidroregjioni Jugor RWCs**
  - Task 3.1: Carry out selected infrastructure rehabilitation efforts to reduce technical losses of RWCs
  - Task 3.2: Provide equipment to enhance RWC system operations, performance and sustainability.

K-WISER's components are being implemented so that maximum synergy is developed throughout the project period. For the water companies to benefit from the infrastructure element of the program, they are required to meet certain criteria with respect to Components 1 and 2.

### 2.3 KEY PERSONNEL

The K-WISER team in Year 2 consisted of:

**Table 2.1: Staffing**

| Name                     | Position  | Company                                    |
|--------------------------|---|--|
| ██████████<br>██████████ | Current Chief of Party<br>Former Chief of Party | Tetra Tech ES, Inc.<br>Tetra Tech ES, Inc. |
| ██████████<br>██████████ | Current Deputy COP<br>Former Deputy COP         | Environet LLC<br>Environet LLC             |
| ██████████               | Regional Technical<br>Coordinator               | Environet LLC                              |
| ██████████               | Field Technical<br>Coordinator                  | Stella Consulting                          |
| ██████████               | Finance and Grants<br>Manager                   | Environet LLC                              |
| ██████████               | Office Manager                                  | Tetra Tech ES, Inc.                        |

| Name       | Position                | Company             |
|------------|-------------------------|---------------------|
| ██████████ | Translator              | Tetra Tech ES, Inc. |
| ██████████ | Jr. Engineer in Peja    | Tetra Tech ES, Inc. |
| ██████████ | Jr. Engineer in Prizren | Tetra Tech ES, Inc. |

In Years 1 and 2, the Kosovo team was supported from Tt's home office in Arlington, Virginia in the United States, by: ██████████(Partner-in-Charge), and ██████████(Contracts Manager).

### **3. ACHIEVEMENTS IN YEARS 1 AND 2**

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#### **3.1 INTRODUCTION**

The K-WISER project has achieved some significant successes during the first two years of activity and has prepared the ground work for substantial development of the two regional water companies during Year 3 of the project. This section of the Annual Report briefly describes the activities and achievements of Years 1 and 2 of the project.

In addition to the particular activities and targets set out in the Year 2 life-of-program work plan, the project team has been fully engaged in supporting the regulatory activities of the WWRO and fully participating in the Water Task Force implementers' coordination committee. The team has also been working with staff and management of the companies to provide support and development in operational activities. This work has helped build confidence between the companies and the project which is essential for the overall implementation of K-WISER, particularly when both Hidrodrini and Hidroregjioni Jugor RWCs have several donors and implementers working with them concurrently. It should also be noted that the K-WISER project requires the companies to develop and improve their operating practices in order to benefit from the infrastructure development component of the project, and much has been accomplished in Years 1 and 2 of the project in this regard, particularly with respect to improving meter reading, collections, and internal controls.

#### **3.2 COMPONENT 1 – NATIONAL LEVEL ACTIVITIES**

##### **3.2.1 Board of Directors Training and Development (Task 1.1)**

The project carried out a substantial development program for members of all Boards of Directors of the seven regional water companies in Kosovo starting with a fact-finding workshop, a skills and knowledge questionnaire, and a series of training and development workshops for the board members. These workshops were implemented in cooperation with the POE Policy and Monitoring Unit of the Ministry of Economic Development (formerly the Ministry of Economy and Finance) and have included modules on responsibilities and ethics, understanding of the water sector and financial understanding of company accounts.

##### **3.2.2 Private Sector Participation (Task 1.2)**

The project completed the review of relevant laws and concluded that there is no impediment to implementing private sector participation (PSP) in the water sector. The Law on Private Sector Participation, drafted by a separate USAID funded project, enables water companies to engage in PSP activities, subject to approvals from the Kosovo Assembly. In addition the Law on Publicly Owned Enterprises (POEs) allows the Government of Kosovo to sell or dispose of its shares in the companies, also subject to approval of the Kosovo Assembly. This was reported in the base-line study and completed the first part of the PSP activities. During Year 3, K-WISER will design and sponsor two PSP pilot programs, one in Prizren and one in Peja. The SOW of these projects are still being worked out and are under discussion with USAID and the two RWCs.

K-WISER is currently discussing internally about introducing a *pilot K-WISER PSP program in leak detection* in Prizren. We are considering using the CMC Ekocon SH.P.K Company as our PSP partner. They are the local supplier that we selected to provide the leak detection

equipment and initial training to Prizren employees. They have qualified technicians and engineers on their staff that can assist the Prizren RWC in putting together a systematic plan and approach to conducting leak detection surveys of the entire transmission and distribution networks, such that each segment or DMA circuit of the networks is investigated for leaks at least once per year.

K-WISER is also currently discussing with the Director of RWC Hidrodrini about creating a PSP program that would focus on creating additional controller teams to improve the collections, especially in the rural villages. We are presently searching for a suitable PSP partner for this opportunity, which would work side-by-side with RWC Peja and develop a strategy to address the following issues:

How to handle social cases and develop greater cooperation with the Treasury Department within the GoK;

How to handle billing and collections from religious institutions;

How to handle collections from minority communities;

Tax administration issues and VAT payments to the government;

Developing strategies for handling bad debts;

### **3.2.3 Key Performance Indicators (Task 1.2)**

The short term expert completed the review of reporting of KPIs together with the analysis of existing KPIs and their definition and that report was finalized and submitted to USAID in September 2010. The primary finding was that there is no need to change the definitions of KPIs which were developed in accordance with international norms, although greater emphasis needs to be made on the financial aspects of activities that will support business performance rather than being a means of comparison of RWC performance. Detailed work on the methodology of collecting and reporting data by the targeted RWCs is continuing, and will be followed up again in Year 3 of the project to support the companies in improving measurement and enhance their understanding of business operations.

### **3.2.4 Managerial Strengths and Weaknesses (Task 1.3)**

The project team completed the review of the strengths and weaknesses of the management teams of each of the Regional Water Companies, in order to prepare an outline training and development plan to be implemented in the rest of the project. The report was submitted during September 2010 and marked the completion of that part of the task. However, additional training and capacity building will continue in Year 3 in selected areas to continue to develop the skills of designated managers.

### **3.2.5 Core Competencies Framework for Technical and Managerial Staff (Task 2.1)**

The core competencies framework was completed and presented to USAID and other stakeholders including POE-PMU and the targeted Regional Water Companies to use in future appointments.

### **3.2.6 Training Needs Assessment in Targeted RWCs (Task 2.1)**

A training needs assessment was conducted as part of the review of strengths and weaknesses undertaken in Task 1.3. This assessment was used to develop the training plan for the executive management teams in the targeted RWCs.

### **3.2.7 MIS Systems Review and Development (Task 2.2)**

The project completed the base-line assessment of hardware and software, the technical capacity and the needs assessment for the Companies and technical specifications were prepared for implementation of the necessary equipment and training of staff. The MIS hardware equipment was tendered, delivered, and installed in Year 2. The MIS software design and implementation was also tendered in Year 2 and the contract was awarded. It will be fully implemented during the first half of Year 3.

### **3.2.8 Needs Assessment and Gap Analysis of Business Units (Task 2.3)**

The needs assessment and gap analysis was completed and findings were included in both the base-line study and the MIS systems report as these issues are closely linked.

### **3.2.9 Review and Implementation of MoUs between RWCs and Municipalities (Task 2.4)**

The project completed a thorough review of existing MoUs between RWCs and Municipalities and proposed improvements to be implemented as the existing MoUs are renewed. Because many of the Regional Water Companies have already signed MoUs with relevant municipalities based on the original model prepared by the Water and Waste Regulatory Office, it would be inappropriate to make changes until these are due for renewal. Additionally the Water Task Force, WWRO and its consultants and the Ministry of Local Government are all concerned parties with related objectives, and it is therefore proposed that activities between the interested parties are coordinated to achieve full implementation. K-WISER will continue to develop improvements based on discussions and workshops to be held during Year 3 of the project.

### **3.2.10 Public Awareness and Behavioral Change (Task 2.5)**

K-WISER completed the review of public awareness campaigns carried out by the targeted RWCs and included comments in the base-line study. The project conducted an initial workshop with customer related staff of Hidrodrini and Hidroregjioni Jugor RWCs and has developed additional programs based on the results of the workshop.

The project also reviewed the operations of the Customer Councils to identify weaknesses and prepared a training program for members to develop their knowledge and their advocacy skills in working with RWCs.

### **3.2.11 Infrastructure and Equipment Program (Tasks 3.1 and 3.2)**

In Year 2 K-WISER completed construction of three rehabilitation projects in Prizren; namely Emin Duraku, Bujar Godeni, and Haziz Ismail. These projects have received technical acceptance and were officially turned over to the Prizren RWC in a ceremony hosted by the Prizren RWC in collaboration with USAID on August 26, 2011.

Construction was also completed on additional K-WISER infrastructure rehabilitation projects located in Peja; namely Sahat Kulla, Zarat, and Istog/Gurakoc. Pictures of all these construction projects are included in Annex 1 of this report.

Preparation work is currently under way on two additional infrastructure rehabilitation projects in Prizren; namely Janina, and Suhareka/Pusi I Atit. In the case of the Suhareka project, the EA and detailed design work were completed and final approval for the EA was received from USAID in December 2011. For Janina, the Recommendation for Award (RfA) and ER are still being prepared.

K-WISER has been supporting the development and rehabilitation of the “Dardania” District Metered Area (DMA) pilot zone in the RWC Peja municipal distribution network and the “Grazdanik/Kobaj” DMA pilot zone in the RWC Prizren municipal distribution network. As part of its comprehensive support to these two DMA pilot zones, K-WISER is supplying both equipment (bulk and domestic water meters, leak detection equipment, GIS mapping hardware and software) as well as investing in rehabilitation of segments of pipe. K-WISER’s progress in Year 2 towards procurement of bulk and domestic water meters as well as other equipment intended for installation in the DMA zones are described in the next section of this report. The component of K-WISER’s DMA support program consisting of rehabilitation of pipes in the Dardania and Grazdanik/Kobaj pilot zones will follow standard K-WISER project protocol identical to other rehabilitation projects implemented to date. An RfA and ER will be submitted in advance of completion of design and tender documentation during Year 3 with bid evaluation, signing, and construction going forward later in Year 3.

### **3.2.12 Equipment**

Phase I of support to upgrade computer hardware and software systems at the two RWCs (collectively dubbed “MIS-Management Information Systems” support under K-WISER), was completed during Year 2.

Phase II of MIS support to the water companies, consists of installation and training in use of Enterprise Resource Planning (ERP) software modules plus Geographical Information Systems (GIS) and is on-going from Year 2 into Year 3. In Year 2, tenders were announced, the implementing sub-contractor selected, and kick-off workshops were held. Year 3 will focus on implementation of the ERP systems including customization of software, installation, and associated training.

Also in Year 2, K-WISER delivered a comprehensive package of leak detection equipment and associated training to RWC Prizren through an equipment subcontractor. This equipment is essential to the formation of a leak detection/water management team at the water utility. In Year 3, K-WISER will continue to provide training and technical support to help build the capacity of this team.

During Year 2, K-WISER completed identification of energy efficiency investment options to rehabilitate infrastructure aimed at reducing per unit energy costs of the two beneficiary RWCs (including water supply sources, control panels, and pumping stations). The second phase of this work consists of detailed technical analysis and prioritization of investments and will be implemented in Year 3. This work will form the basis for tendering documents which K-WISER will publicly announce in Year 3 for subsequent procurement and installation.

Finally, in Year 2, K-WISER completed technical scoping of metering equipment needs at each of the two RWCs. A Request for Approval for procurement and installation of remotely readable domestic water meters was submitted to USAID and approved in July 2011 for RWC Peja and in September 2011 for a combination of bulk meters, production meters, and domestic meters to be installed at RWC Prizren. Also in Year 2, tendering documentation was prepared, the tender was publicly announced, bids received and evaluated, and the firms were selected for award of the contract. The metering equipment is being procured and will be installed in RWC Peja and Prizren during Year 3.

#### 4. CHALLENGES

The challenges facing the sector are many and varied, and whilst some have a detrimental effect on project implementation, there are mitigating actions that the K-WISER team can take and has taken to minimize these effects. One of the most important factors has been the development of strong working ties with the Chief Executives and staff of the companies, based on the skill and experience of the K-WISER team, which has enabled a good working relationship to develop. These challenges are highlighted in the table below:

**Table 4.1: Critical Assumptions**

| Assumption  | Risk  | Mitigating Action   |
|---|---|---|
| Water company management and staff are committed to development   | Poor commitment will lead to inability to implement program and reduced investment in infrastructure  | K-WISER is working closely with key managers and staff to ensure ownership of process and cooperation in implementation   |
| Water company staff have the sense of drive and urgency to meet the objectives of the company   | Institutional lethargy will lead to poor customer response, negative impacts on revenue collection, worsening water losses, etc.                            | K-WISER is working with staff of company to provide encouragement and direction   |
| Absorption capacity of Water companies and staff is sufficient to enable developmental changes to occur, particularly as both companies have major projects in progress with another USAID project and other donors | Necessary changes are not made, or lack ownership by management of RWCs; information is slow to be provided; companies develop more slowly than anticipated | K-WISER is working with management team and developing programs with timing to meet needs of companies; the MIS applications are key to accelerating information sharing                |
| Government is committed to make any changes necessary in Boards of Directors  | Where necessary changes are not implemented, governance of RWCs will be impaired  | K-WISER is working closely with POE-PMU to develop and implement proposals for improvement. K-WISER is working closely with the Water Task Force to achieve synergies from the programs |
| No political influence in Board and management appointments to RWCs   | Companies may respond to political rather than technical priorities   | K-WISER is working closely with POE-PMU to develop and implement criteria for appointment of Board members and managers   |
| Stakeholders are committed to development of private sector participation in the water sector   | Poor identification of suitable PSP projects and slow implementation of PSP   | K-WISER is working closely with all stakeholders to identify options, opportunities and methodologies for PSP;<br><br>It will provide high-level support                                |

|   |   |  |
|---|---|--|
|   |   | to enhance decision making capacity regarding PSP  |
| RWCs to ensure that all land is available for any infrastructure work | Unclear or contested ownership will delay or prevent construction | K-WISER is working closely with both RWCs to identify schemes, route and land requirements, and ensure that correct authorities and permissions are in place |
| Cooperation by municipalities   | Delayed or prevented construction/installation                    | K-WISER is requiring RWCs to obtain all necessary permits in advance of tenders  |

## 5. PROJECT IMPLEMENTATION PROGRESS

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### 5.1 OVERALL OBJECTIVES

The overall goal of the K-WISER program is:

***To support the financial and technical sustainability of Regional Water Companies to improve water supply and sanitation services for the population of Kosovo as a foundation for economic growth and social well-being.***

The underlying principle of this work plan is to further support the development of the Regional Water Companies so that any investor – whether, IFI, donor, government or private sector investor, will be satisfied that their investment will provide a sustainable return, both in financial and social terms. K-WISER will work with all the key stakeholders to achieve this aim in the two targeted RWCs and through the training and development element of the project, with all other RWCs.

### 5.2 COMPONENTS AND TASKS

The project comprises three separate but linked components, each with a number of specific tasks:

- **Component 1: Strengthened enabling environment and national-level water supply and sanitation policy reform**
  - Task 1.1: Support effective operation of RWC Boards at the national scale
  - Task 1.2: Support the development of a legal/regulatory framework for eventual private sector participation in the water supply and sanitation sector
  - Task 1.3: Support institutional strengthening of Regional Water Companies at the national scale
  - Task 1.4: Strengthen civil society engagement at the national level in water supply and sanitation governance
- **Component 2: Strengthened Hidrodrini and Hidroregjioni Jugor Regional Water Companies for improved water supply and sanitation service access and sustainability**
  - Task 2.1: Build the capacity of managerial staff in targeted RWCs
  - Task 2.2: Strengthen integrated information management for enhanced performance of targeted RWCs
  - Task 2.3: Strengthen satellite business units in targeted RWCs
  - Task 2.4: Strengthen effective coordination of targeted RWCs and municipal governments

- Task 2.5: Enhance public awareness and consumer behavior change to support more effective water supply service delivery and sustainable water resources management in targeted RWCs
- **Component 3: Targeted investments in infrastructure rehabilitation to support overall system sustainability and sector reform in Hidrodrini and Hidroregjioni Jugor RWCs**
  - Task 3.1: Carry out selected infrastructure rehabilitation efforts to reduce technical losses of RWCs
  - Task 3.2: Provide equipment to enhance RWC system operations, performance and sustainability.

K-WISER's components are being implemented so that maximum synergy is developed throughout the project period. For the water companies to benefit from the infrastructure element of the program, they are required to meet criteria related to improvements in operations, attendance at training events, etc., with respect to Components 1 and 2. These criteria were defined in the Initial life-of-program work plan.

### **5.3 COMPONENT 1: STRENGTHENED ENABLING ENVIRONMENT**

This component deals with national-level issues including operations of the Boards of Directors of the RWCs, legal status regarding private sector participation, overall strengthening of senior management in the RWCs, and strengthening of civil society in relation to the sector.

#### **5.3.1 Task 1.1: Support effective operation of RWCs at the national scale**

K-WISER is working with the POE-PMU and Boards of Directors of all the Regional Water Companies to improve their effectiveness. The underlying objective is to develop the Boards so that the company is run in such a way that external investors are persuaded that funding projects or investing funds is a profitable and beneficial venture.

##### **5.3.1.1 OBJECTIVES**

- RWC Boards operating in a capable, professional and ethical manner
- Clear and comprehensive RWC Board rules and procedures in place

##### **5.3.1.2 METHODOLOGY**

The training program for Boards of Directors, started in May 2010 and although it was originally anticipated that two days training would be sufficient to provide the technical support needed by the board members, it was discovered that a broader program was required which encompassed financial as well as technical issues, together with a clear definition of the role of the boards. Four days of training were provided in May 2010 with completion of all training in October 2010.

During the first quarter of Year 2 of the project, a detailed review of the POE law to identify Board responsibilities was undertaken and a gap analysis was prepared based on a review of

minutes of Board meetings. During this quarter, K-WISER developed proposals for rules and procedures for operation of the Boards and held workshops to generate agreement and ownership of the stakeholders.

We reviewed the appointments criteria for Board members and held discussions with POE-PMU to develop revised criteria where appropriate and requested. The project subsequently held workshops with stakeholders to discuss findings and secure agreement on the principles involved. K-WISER continues to work with POE-PMU on a review of the members appointed and identification of any variations from the criteria. Based on our discussions, it is expected that some of the Board members on the RWCs will be replaced before March 2012.

Having identified selection criteria, rules and procedures, we will continue to support Board members in undertaking their duties in accordance with the POE law and good management practice. In addition to the structured training, on-the-job training will be continuous throughout the project, as needs are identified.

### 5.3.1.3 DELIVERABLES – TASK 1.1

| No | Task  | Output  | Planned Completion | Actual Completion | Reason for delay         |
|----|---|---------|--------------------|-------------------|--------------------------|
| 1  | Analysis and recommendations on improvements to the selection process for RWC Board members           | Report  | Dec 2010           | Apr 2010          | N/A                      |
| 2  | Discussions with stakeholders on selection processes  | Seminar | Dec 2010           | May 2010          | N/A                      |
| 3  | Draft of revised rules and procedures for Boards; also provided comments on draft amended Law on POEs | Report  | Apr 2011           | May 2011          | It took longer to finish |

### 5.3.2 Task 1.2: Support the development of the legal/regulatory framework for eventual private sector participation in water supply and sanitation

Much progress has been made in providing a legal basis for the implementation of PSP in publicly owned enterprises in Kosovo, but there remains some considerable resistance to PSP within the water sector, Government and key stakeholders; despite the high capital requirements needed to provide adequate water and sanitation services. K-WISER will continue to support the process of PSP through developing regulations and by providing clear examples of the alternative types of PSP and the distinct benefits of implementing such schemes.

#### 5.3.2.1 OBJECTIVES

- Legal/regulatory foundation strengthened for increased private sector engagement in water supply/sanitation service delivery
- At least one policy/legal or institutional reform to facilitate private sector engagement in the water supply/sanitation sector

- At least one private sector investment made in one of the targeted water companies
- Substantial improvement in the accuracy of reporting KPIs to WWRO.

### 5.3.2.2 METHODOLOGY

K-WISER will:

- Identify various private sector participation options relevant to the water sector in Kosovo
- Hold workshops to share knowledge with relevant stakeholders
- Identify shortfalls in the reporting of KPIs, and work with WWRO and RWCs in improving reports, throughout the life of the program.

### 5.3.2.3 DELIVERABLES – TASK 1.2

| No | Task   | Output                                 | Planned Completion   | Actual Completion      | Reason for delay  |
|----|--|--|----------------------|------------------------|---|
| 1  | Capacity building provided to POE-PMU, RWCs and Board members on alternative models of private sector participation in the water supply and sanitation sector as the basis for making decisions on the appropriate structures to adopt | Report<br>Presentation to stakeholders | Feb 2011<br>Feb 2011 | April 2011<br>May 2011 | It took more interactive discussion with stakeholders than anticipated to accomplish our objectives |
| 2  | Identify one PSP opportunity and implement with the RWC  | PSP contract                           | Apr 2012             | Ongoing                | Not due yet   |

### 5.3.3 Task 1.3: Support institutional strengthening of Regional Water Companies at the national scale

The development of managers and key staff is a critical part of the development of the water sector to enable it to meet the growing expectations of customers, and to meet international best practices in the sector. Interaction between peers, formal training and presentations by experts all form part of the portfolio of activities that K-WISER will undertake to meet these objectives.

#### 5.3.3.1 OBJECTIVES

- Permanent structures in place to provide on-going capacity building opportunities to RWC managerial and technical staff
- Strengthened national network for sector-wide RWC sharing and learning
- Formal management training provided for selected staff (subject to available funding).

### 5.3.3.2 METHODOLOGY

Training and development of senior management and technical staff is a key driver in the improvement of business operations in any company, and is a clearly identified need in the RWCs in Kosovo, particularly as key personnel at the senior level change. K-WISER recognized this and has started implementing a training and development package to support RWC managers.

Based on the skills analysis undertaken in Year 1, and subject to resource availability, we will continue to invite experts from the region, Europe and USA to provide external perspectives on water sector development in discussion events for senior managers to be organized through the offices of SHUKOS. These events are planned to take place at least quarterly between October 2011 and July 2012. Due to budget constraints, separate funding from other sources will be investigated and if available, application will be made to access these funds to support this initiative. We will also work with SHUKOS to enhance current training and discussion forums to provide for the development of technical and managerial skills.

We are encouraging knowledge sharing through corporate or personal membership in relevant water sector professional institutions in Europe or USA. However, we recognize that the cost of membership fees may be prohibitive and will work with these external institutions to try to ease this issue.

Together with SHUKOS, we will develop and implement a process of *continuous professional development* for managers and technical staff, an internationally recognized self-development tool.

The SDC funded Task Force project is investigating development of relevant training and educational courses to prepare a competent cadre of experts in the sector to fill gaps in competence within Kosovo. K-WISER will work together with the Task force advisors to develop common approaches to this issue.

Twinning programs can be a useful tool for development of staff, but are reliant on both parties to the twinning arrangement receiving benefits. Twinning opportunities might be too advanced for the RWCs in Kosovo at this time. However, K-WISER will investigate opportunities for twinning water companies in Kosovo with similar companies in other countries, and if appropriate, develop the contacts needed to continue a twinning arrangement.

We will continue to work with other donors and their implementing partners, and key stakeholders to develop synergies from existing programs to achieve common goals for improving RWC operations in both business management and technical issues. We will arrange for sharing of training courses and study tours to maximize coverage, and leverage project funds.

In Year 3, K-WISER will provide further support to RWCs in developing training programs to develop all staff in terms of customer-focused work, and will foster relationships with universities to encourage cooperation and development within the sector. This activity is in the beginning stages and needs to be pursued further to determine just how feasible it will be to accomplish.

### 5.3.3.3 DELIVERABLES – TASK 1.3

| No | Task | Output | Planned | Actual | Reason for delay |
|----|------|--------|---------|--------|------------------|
|----|------|--------|---------|--------|------------------|

|   |  |                                 | Completion                        | Completion  |  |
|---|--|---------------------------------|-----------------------------------|---|--|
| 1 | Regular national workshops in conjunction with SHUKOS to facilitate information sharing among RWCs   | Workshops held every two months | 1 <sup>st</sup> workshop Oct 2010 | Dec 2010  | Very limited funds; only two more workshops will be held                                 |
| 2 | Twinning programs with international utilities or operators associations to bring international experience in utility reform to RWCs           | 1 twinning arrangement in place | Dec 2011                          | Not yet due but unlikely to happen; too advanced for Kosovo | Peja RWC would be most likely candidate but still not affordable for them                |
| 3 | Short- and long-term training programs for water and sanitation managers and senior technical staff, to be established in Kosovo institutions. | Report                          | Apr 2011                          |   | This needs to be discussed with some Universities in Kosovo to determine interest levels |
| 4 | Development of training modules for customer-focused work (in conjunction with Task 1.4)   | 1 <sup>st</sup> training course | Mar 2011                          | Ongoing   | N/A  |

### 5.3.4 Task 1.4 - Strengthen civil society engagement at the national level in water supply and sanitation governance

Customers have not traditionally had a strong voice in Kosovo's water sector, presumably preferring non-payment rather than entering into discussions with a seemingly remote water supplier. As a result there has been little public complaint, and civil society organizations have not developed. Some NGOs have carried out water-related programs at the local level, but none appear to have developed at the regional or national level. As the population of Kosovo develops and demands improved water services, the demand for non-government organizations will grow. K-WISER will support the civil society sector through training in basic water issues and also in advocacy. Initially the objective will be to locate those organizations interested in working in the sector, whilst working with existing customer councils to develop their representative role and advocacy skills.

#### 5.3.4.1 OBJECTIVES

- Increased effective and constructive civil society engagement in water supply/sanitation governance and decision making
- Increased number of functioning customer relations departments established in Kosovo RWCs that apply sector best practices and standards.

### 5.3.4.2 METHODOLOGY

Customer codes of practice form the basis of the contract between a water company and its customers, and identify the responsibilities of both parties. Properly used they can support the process of behavioral change to encourage customers to pay for the service provided. K-WISER will analyze and review existing customer codes of practice, identify strengths and weaknesses in the documentation, hold workshops with key stakeholders to develop common documents for all RWCs, and prepare a model document for use by all RWCs.

Civil society in the water sector is notable by its absence. Some NGOs occasionally identify water issues as part of their portfolio of work, but none has been identified, to date, that is dedicated to the sector. There is considerable benefit in encouraging civil society to become more active so that water companies are encouraged to respond more closely to customers' needs. During the second and third years of the project, K-WISER will identify civil society representatives interested in becoming active in the sector through advertisements and discussion forums, and will subsequently hold workshops to identify needs and provide support in developing their advocacy role. We will continue with a process of workshops to obtain feedback and ensure effectiveness.

Most of the RWCs have formed customer service departments that operate with varying degrees of success. A single point for customer contacts improves customer relations and can increase satisfaction with service levels, provided that the whole organization works effectively. K-WISER will work with all RWCs to develop customer service departments and contact points.

We will hold discussions with each water company management team to review the current situation, identify development needs, and support the establishment of customer service departments or the development of existing departments. We will support RWC management in developing effective working mechanisms to enable the organization to implement the changes generated by customer focused working systems.

### 5.3.4.3 DELIVERABLES – TASK 1.4

| No | Task   | Output   | Planned Completion                                   | Actual Completion   | Reason for delay                                 |
|----|--|--|--|---------------------|--|
| 1  | A model Code of Practice for RWCs on customer relations and engagement   | Model code of practice                                       | Mar 2011   | Expected Mar 2012   | A draft report is currently being prepared       |
| 2  | Training and curricula/materials for continuing education of RWC staff nationwide on customer relations – in conjunction with Task 1.3 | Training materials<br>Training program on customer relations | Mar 2011<br>1 <sup>st</sup> training course Mar 2011 | Expected March 2012 | A workshop is being jointly prepared with SHUKOS |
| 3  | Identify civil society organizations in the sector   | Advertisement  | May 2011   | Expected May 2012   | Until now, this has not been a high priority     |

|   |   |  |          |                     |  |
|---|---|--|----------|---------------------|--|
| 4 | Training of civil society organizations on water supply and sanitation sector policy, budgeting and operational issues, and constructive approaches to civil society advocacy and oversight | 1 <sup>st</sup> training course              | Jun 2011 | Expected April 2012 | Until now, this has not been a high priority |
| 5 | Review of customer services departments and development of model department in targeted RWCs  | Model customer services department operating | Jul 2011 | Expected July 2012  | This activity is still gathering momentum    |

## 5.4 COMPONENT 2: STRENGTHENED RWCS FOR SUSTAINABILITY

Capacity building is a widespread need in Regional Water Companies throughout Kosovo to improve operating efficiencies, financial sustainability, and the long-term viability of the water companies. The RWCs have deficiencies in many areas including lack of business planning and internal controls, inefficient staffing ratios, low revenue collection, high water losses, etc. This component deals with specific issues related to Hidrodrini and Hidroregjioni Jugor RWCs, in particular, building managerial and technical capacity, strengthening management information systems in the companies, strengthening the satellite business units, improving coordination with municipal governments and enhancing customer awareness to effect customer behavioral change with regard to bill payment.

### 5.4.1 Task 2.1 Build the capacity of managerial and technical staff in targeted RWCs

The project will develop and implement a comprehensive training program for RWC managerial and technical staff to improve department performance. Furthermore the project will introduce internal reporting/controlling systems in all departments.

#### 5.4.1.1 OBJECTIVES

- A strengthened mid to high level RWC management cadre with competencies in utility management best practices and reforms
- Capable technical staff in all areas of RWC management, operations and maintenance

#### 5.4.1.2 METHODOLOGY

K-WISER established baseline competencies for each of the senior positions in the RWCs and is currently defining and implementing a detailed training needs analysis of the staff. In Year 3, we will continue to implement a training and development plan that will emphasize the following points:

- Business plan becomes the main management, monitoring and self-evaluation tool

- Define weekly, monthly and yearly objectives and specific targets for all staff
- Develop and introduce internal reporting/controlling systems
- Link monitoring to performance targets, which may in due course be related to a performance-related pay system

As part of the training program and through a process of working closely with managers we are assisting them to improve operational efficiency through:

- Reducing operating costs
  - Carefully reviewing all aspects of the operations, including use of manpower, materials, energy etc to determine whether work is necessary, productive and efficient.
- Reducing water losses
  - By reducing water losses savings are accrued from reduced production and pumping costs. Component 3 of the K-WISER project provides equipment and materials to support leakage detection as well as rehabilitation of the networks, and the training program of managers and senior staff will be correlated with the implementation of this component.
- Increasing the collection rate
  - Collection rates remain at relatively low levels and need to be increased to ensure continued viability of the RWCs. Both the revenue collected in relation to bills issued and the quantity of water actually billed are important factors in increasing revenue. In Year 3, we will continue working with senior management teams to review processes, establish improved methodologies and implement them. We are also considering the impact and input that municipalities can provide in this process.
- Providing training on water quality
  - Improvements in water quality will reduce complaints, the cost of investigation and the cost of repair. It is therefore important that managers understand the implications of unsatisfactory water quality, particularly as WWRO and IPH will be monitoring this issue more closely in future.

We are working with the companies to implement best practices in these areas to the RWC managers particularly identifying successful implementation methods that may be applicable in Kosovo. We are supporting the managers of Hidrodrini and Hidroregjioni Jugor in implementation of programs that are developed in this area.

### 5.4.1.3 DELIVERABLES –TASK 2.1

| No | Task  | Output                     | Planned Completion | Actual Completion | Reason for delay |
|----|---|----------------------------|--------------------|-------------------|------------------|
| 1  | Capacity building and training module to address skills gaps in each targeted RWC | Training program commences | Feb 2011           | Ongoing           | N/A              |
| 2  | Develop and introduce internal reporting/controlling systems                      | Report and implementation  | Mar 2011           | Ongoing           | N/A              |

### 5.4.2 Task 2.2 Strengthen Integrated Information Management for Enhanced RWC Performance

One critical element of utility performance for sustainability is effective information management. The project is working with each of the two RWCs to upgrade and strengthen their management of information to improve the efficiency and effectiveness of service delivery and internal and regulatory reporting.

#### 5.4.2.1 OBJECTIVES

- Tailored, well integrated information systems for management, maintenance, and planning in place at Hidroregjioni Jugor and Hidrodrini
- Hardware and Software Water Information Systems installed/upgraded
- Staff and management trained on all aspects of effective integrated information management for utility operations and planning

#### 5.4.2.2 METHODOLOGY

During Year 1, K-WISER conducted a baseline assessment of existing systems and information flows to establish levels of effectiveness and obstacles to efficiency, and identified future needs. Areas examined included operational and financial indicators, real time operations, plus demographic and geographic information. Based on that assessment we prioritized needs, and determined the required hardware/software systems.

In Year 2, we developed an implementation plan, to include appropriate upgrades, modifications, or expansions to the existing WIS systems<sup>1</sup> and prepared specifications so that installation and implementation can be carried out in Year 3 under Component 3 of the project.

As new equipment is installed, K-WISER will support the training of staff on the harnessing of WIS systems. We will support the implementation of management and information flow

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<sup>1</sup> The WIS designation is a generic term that K-WISER uses to refer to all computerized systems within the RWCs; not any specific module or software application such as GIS, MIS, CIS, CMMS, etc.

processes that will support increased efficiencies independent of the level of hardware provided and this was included in the project proposals developed under Component 3.

#### 5.4.2.3 DELIVERABLES – TASK 2.2

| No | Task   | Output                          | Planned Completion  | Actual Completion   | Reason for delay  |
|----|--|---------------------------------|---|---|---|
| 1  | Installation of upgraded hardware and software needed in targeted RWCs (dependent upon delivery schedules) | Software and hardware installed | See Task 3.2  | Baseline Report April 2010<br><br>Hardware Installed Jun 2011 | N/A   |
| 2  | Training on all aspects of effective integrated information management for utility operations and planning | 1 <sup>st</sup> training course | Training schedule to be determined in conjunction with hardware installation (Task 3.2) | Expected during first quarter in 2012                         | Selection of MIS contractor took longer than originally anticipated |

#### 5.4.3 Task 2.3: Strengthen Satellite Business (Operating) Units in Targeted RWCs

The satellite offices of the targeted RWCs were extremely weak and not functionally linked to headquarters operations in the most efficient and effective manner possible. K-WISER will review, in conjunction with the management of the targeted water companies, the potential for structural changes to focus the companies on technical achievement rather than geographical function.

##### 5.4.3.1 OBJECTIVES

- Examples of fully integrated and well-functioning satellite business units
- Replicable development support model

##### 5.4.3.2 METHODOLOGY

K-WISER reviewed the operation of the satellite units, and established baseline operational activities and reporting levels to the head office of the RWC. In Year 2 of the project, through workshops and discussions, we established core requirements of the RWC and the satellite units, and assessed priority needs for each of the business units. Based on that assessment, in Year 3, we will develop new procedures for information management systems. We have already identified equipment and software needed to permit full data transfer between all the units and the headquarters' systems. As part of the MIS hardware, K-WISER procured and installed several LANs and a WAN for each RWC, in order to transfer data efficiently and in a timely manner.

In Year 3, K-WISER will undertake an analysis and provide recommendations regarding the creation of effective billing and collection procedures and systems in the satellite units.

K-WISER will review the possibilities of a function based management structure rather than the existing geographical one. The advantage of such a structure is that it provides for the development of focus on technical achievement rather than geographical targets.

#### 5.4.3.3 DELIVERABLES –TASK 2.3

| No | Task  | Output                          | Planned Completion | Actual Completion | Reason for delay                              |
|----|---|---------------------------------|--------------------|-------------------|---|
| 1  | Develop and agree model structures and protocols for operating units to complement the provision of data management tools | Report                          | See Task 3.2       | Ongoing           | Currently under development with MIS software |
| 2  | S/W and H/W installed and training conducted. SUs linked with H/Q   | 1 <sup>st</sup> training course | See Task 3.2       | June 2011         | N/A   |

#### 5.4.4 Task 2.4: Strengthen effective coordination of targeted RWCs and municipal governments

Although MoUs exist between municipalities and RWCs, there remains lack of clarity on the roles of municipalities in relation to RWCs, and there is no clear understanding of the responsibilities of the relevant parties. The project has reviewed and analyzed existing MoUs in order to identify and clarify the roles and objectives of each party.

Most water companies have implemented MoUs with some or all of the municipalities in their supply area, as required by WWRO, with periods of agreement up to four years. In order not to disrupt the progress of these agreements it was decided to implement this task so that renewals of MoUs trigger the changes. In the meantime K-WISER held developmental workshops with key stakeholders in Year 2 to discuss the recommendations made in the report on MoUs prepared by the project.

##### 5.4.4.1 OBJECTIVE

- Strengthen working relationships between RWCs and member municipalities in the planning and governance of water supply and sanitation services.

##### 5.4.4.2 METHODOLOGY

- Support the implementation of the revised MoUs in the targeted municipalities as existing MoUs come up for renewal
  - Review and identify opportunities for cooperation between the respective RWCs and municipalities in order to improve the collection rate
  - Hold a series of workshops with key stakeholders to review the proposals
  - Undertake joint training of RWC and municipality staff in the operation of the MoUs

#### 5.4.4.3 DELIVERABLES – TASK 2.4

| No | Task  | Output                             | Planned Completion | Actual Completion | Reason for delay |
|----|---|------------------------------------|--------------------|-------------------|------------------|
| 1  | Series of workshops to be held during Year 2 of the project to develop MoUs | Workshops to commence January 2011 | June 2011          | June 2011         | N/A              |

#### 5.4.5 Task 2.5 Enhance public awareness and consumer behavior change to support more effective water supply delivery and sustainable water resources management in RWCs

The lack of public awareness affects the collection rates and sustainability of the RWCs. During Year 3, the project will intensify its efforts to assist the RWCs in developing public awareness campaigns and feedback systems.

##### 5.4.5.1 OBJECTIVE

- Improve citizen behavior to protect available water resources quality and quantity
- Individuals follow applicable laws and act to protect surrounding water resources
- Increased voluntary payments by customers to the RWCs
- Improved transparency and accountability of the RWCs to customers

##### 5.4.5.2 METHODOLOGY

RWCs are committed to improving revenue collection and have used various methods to encourage customers to pay bills, with some degree of success. K-WISER is developing a social marketing and behavior change program and will assist RWCs in developing public awareness campaigns, along with participation and feedback systems to improve transparency and accountability.

#### 5.4.5.3 DELIVERABLES – TASK 2.5

| No | Task   | Output           | Planned Completion | Actual Completion | Reason for delay                      |
|----|--|------------------|--------------------|-------------------|---------------------------------------|
| 1  | Support materials to assist RWCs in developing public participation programs | Report           | Dec 2010           | Ongoing           | Until now, this was not high priority |
| 2  | Provide support to RWCs to implement behavioral change program               | Start of program | Sept 2012          | Ongoing           | N/A                                   |

## 5.5 WORKSHOPS CONDUCTED DURING YEAR 2

In support of Components 1 and 2, K-WISER conducted six workshops during Year 2, as listed in the table below.

| Date     | Task No | Description of Workshop   |
|----------|---------|---|
| Nov 2010 | 1.2     | Introduction to KPIs (Identification of gaps in reporting by the two RWCs)  |
| Dec 2010 | 1.1     | Board of Directors initial development program  |
| Dec 2010 | 2.1     | CEO / staff management and needs (vision, requirements from staff, motivation, human resource policy, planning measurement, control and targets; CEOs engaged in interactive discussions)   |
| Feb 2011 | 2.5     | Consumer consultative committee (increased capacity of the CCCs; increased efficiency of CCCs and WWRO CCC coordination; institutional development of the CCCs; increased cooperation and awareness raising with the rural development NGOs and SHUKOS in particular) |
| Mar 2011 | 1.3     | K-WISER and WWRO sponsored a workshop on improvements in revenue collections  |
| May 2011 | 1.2     | Private Sector Participation (PSP) Workshop (Introduction of PSP; legal framework of PSP; implementation, and types of PSP)   |

## 5.6 COMPONENT 3: TARGETED INVESTMENTS IN INFRASTRUCTURE REHABILITATION

Component 3 focuses on interventions to support the Hidrodrini and Hidroregjioni Jugor RWCs to improve their operation of the network and system through the provision of equipment and renewal and/or refurbishment of parts of the network. Activities within the two tasks within Component 3 are closely linked and a common approach is being taken by K-WISER.

### Task 3.1: Carry out selected infrastructure rehabilitation efforts to reduce technical losses of RWCs

### Task 3.2: Provide equipment to enhance RWC system operations, performance and sustainability

#### 5.6.1 Objectives (no change since project inception)

##### Task 3.1

Achievement of up to a 15% reduction in technical water losses in Hidroregjioni Jugor, and up to a 5% reduction in Hidrodrini as a result of implemented investments replacing or rehabilitating the water supply distribution network

Systematic Identification and development of high-priority infrastructure investments impacting technical losses in the short to medium term

- Awarding of up to US \$2.1 million worth of investments in infrastructure and services via the Grants under Contract mechanism administered through K-WISER.

#### Task 3.2

- Water and energy savings in the operations of the two targeted RWCs as a result of upgraded/replaced equipment
- Systematic identification and prioritization of infrastructure investments impacting operational efficiency
- Awarding of up to US \$2.1 million worth of investments in technical equipment and services supporting efficiency and sustainability improvements (pumps, meters, etc.) via the Grants under Contract mechanism administered through K-WISER.

### 5.6.2 Methodology

Significant progress was achieved during the first year of the project, particularly in relation to preparing both Hidrodrini and Hidroregjioni Jugor RWCs for the strict criteria to be met before infrastructure work could be started. Contracts for the first six projects were awarded and all six projects were fully constructed between October 2010 and January 2012.

The process of development and implementation of infrastructure schemes was more complex than originally anticipated and this led to initial delays in commencing site work on some of the infrastructure projects. Particular issues included obtaining sufficient technical data for assessment of schemes to ensure compliance with criteria e.g. clear advantage in reducing leakage and/or increasing revenue, and ensuring that detailed environmental reviews were carried out and that contractors and construction supervisors clearly understand the strict requirements related to environmental issues. These issues are more clearly understood and have been taken into account in planning Year 3 activities.

One pilot infrastructure project was developed in each Regional Water Company, to help develop procedures and identify any obstacles to undertaking the work. The process also helped the management of the water companies to appreciate the criteria that would need to be met to enable the projects to be implemented. The staff of the RWCs have been very cooperative, helpful and responsive to K-WISER data requests. The preparation of the requests for approval and environmental reviews were carried out in accordance with USAID procedures. Subsequently design contracts were awarded, technical specifications prepared and invitations to tender were issued through advertisements in newspapers.

The six projects completed were Emin Duraku, Haziz Ismail, and Bujar Godeni in Prizren; and Sahat Kulla, Zarat, and Istog in Peja. Pictures of construction in progress of all six projects are contained in Annex 1 of this report.

#### Summary of Grant Conditions

There has been no change in the grant conditions during Years 1 and 2. K-WISER is providing US \$4.2 million under its *Grants under Contract* allocation to assist the Hidrodrini (Peja) and Hidroregjioni Jugor (Prizren) Regional Water Companies in improving operational performance and sustainability. Funds are being directed towards:

- Equipment to increase efficiency and sustainability (leakage detection, bulk meters, pumps etc.)
- Infrastructure improvements to networks to reduce technical losses
- Associated feasibility, design, works, or supervisory services.

All elements under Component 3 will continue to be implemented through grants during Year 3. The Grants Manual was updated to reflect modifications to the K-WISER tendering procedures, based on actual experiences during Years 1 and 2.

### Year 3 Program

Year 3 activities will be directed towards the fulfillment of three programmatic investment imperatives of the Grants under Contract vehicle:

- I. Commit the remaining \$650,000 of the \$2.1 mil of K-WISER grant funds allocated to *construction* of rehabilitation projects at RWC Prizren and RWC Peja (\$1,450,000 was committed during Years 1 and 2 to various rehabilitation projects - this includes technical and environmental scoping, submission of requests for approval from USAID, preparation of pre-design and design documents, tendering, firm selection, and signing of construction contracts.
- II. Administer construction of these rehabilitation projects – including supervision and monitoring of on-going construction projects and regular reporting to USAID (note that construction of some rehabilitation projects committed in Year 2 have extended into Year 3).
- III. Commit the entire remaining \$1,450,000 K-WISER grant budget allocated to *equipment* and associated training to increase RWC efficiency and sustainability (\$650,000 of the \$2.1 million budget for equipment was committed during Year 2.) K-WISER activities undertaken in Year 2 towards delivery of equipment and training included:
  - ***Selection and procurement of some equipment*** for installation system-wide within the two RWC networks, such as bulk meters, pumps, and leakage detection equipment – these are also linked with K-WISER’s capacity building program in reconciliation of water produced and leak detection being implemented under Component 2
  - ***Purchased hardware and software*** to upgrade utility Management Information Systems (MIS) at RWC Prizren and RWC Peja
  - ***Delivered initial training*** to complement the investments in hardware and software (linked to capacity building program under Component 2)
  - ***Assisted RWC Prizren in establishing DMAs<sup>2</sup> (District Metering Area) Units***, training unit personnel, and harnessing the newly established DMAs to boost

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<sup>2</sup> A District Metering Area consists of a network branch or set of linked branches that are isolated from the rest of the network (either de facto or temporarily through intervention) in order to reconcile all water outflows with measured inflows. Using this technique, the water utility can detect and address losses from physical leakages, inaccurate measurement of consumption, unauthorized withdrawals, and other non-revenue water within the DMA. The results can then be used to identify and prioritize mitigation and repair measures as well as to guide investments and approaches in other parts of the network thought to exhibit similar conditions.

collections, improve meter reading, and reduce physical and commercial losses. Note that for these DMAs, it is not within K-WISER's budget to rehabilitate the network branches, however, K-WISER is supplying equipment and software to aid in DMA leak diagnostics.

- **Assisted RWC Peja in enhancing DMA Unit skills and capacity**, training unit personnel, and harnessing the newly established DMAs to boost collections, improve meter reading, and reduce physical and administrative losses.
- **Supported each of the two RWCs in establishing a single demonstration DMA**, equipping the DMA, repairing leaks discovered within that DMA, and harnessing the newly established DMA system to improve performance within the DMA through boosted collections, accurate meter readings, and reduction of other physical and commercial losses.

### Personnel Requirements to Implement Component 3.0

Labor requirements made of K-WISER in managing the delivery of equipment and providing extended associated technical support and training during Year 3 through the Grants under Contract will be substantial.

In order to support the implementation of these activities, K-WISER will continue to dedicate the following technical complement using the Grants under Contract budget:

- Two full time junior K-WISER engineers - one at each of the two RWCs (18 months over the second half of Year 2 and the first nine months of Year 3) who can serve as the K-WISER point of contact within the RWCs in gathering data, taking measurements, supporting day-to-day technical communications between the RWCs and K-WISER, and generally supporting implementation of the planned equipment and training programs
- The addition of 60 days of labor to the K-WISER Regional Technical Coordinator increasing his Year 3 dedication from 100 days to 130 days in Kosovo and 30 days in home country.

These additional resources were approved to be funded from the Infrastructure and equipment budget, in Year 2, via a separate and detailed formal request to USAID.

### Project Grant Disbursements

A preliminary list of infrastructure grant projects and equipment requirements was assembled at the start of Year 1 and presented in the Multi-year Work Plan. This list has been updated and refined to reflect on-going, committed, and planned infrastructure projects (see Table 6.1 below) and equipment purchases (see Table 6.2) through Year 3. Collectively, these projects account for the entire \$4.2 million K-WISER budget allocated to infrastructure improvement and rehabilitation as well as equipment via the Grants under Contract vehicle. (Note that while on-going and committed projects are fixed, planned projects may be subject to change in scope or cost upon completion of detailed feasibility and designs.) In such cases, the project scope and size will be modified or a suitable replacement project will be identified that falls within the original budget and results parameters of the rejected project.

**Table 5.1: Completed, On-going, and Year 3 Planned Infrastructure Grant Projects**

| N<br>o.                                | Rehabilitation Project   | Cost (\$)                                      | Status   |
|--|--|--|--|
| <b>Prizren RWC Hidroregjioni Jugor</b> |  |  |  |
| 1                                      | Prizren network - Emin Duraku distribution pipe rehabilitation,  | \$120,000<br>(committed)                       | Scoped, EA completed, Approved, Tendered, Contractor selected. Construction began October 2010; completed January 2011.  |
| 2                                      | Prizren network - Haziz Ismail distribution pipe rehabilitation, OD 300 mm, L=650 m,                                 | \$158,000<br>(committed)                       | Scoped, EA completed, Approved, Tendered, Contractor selected. Construction began April 2011; completed June 2011 (ahead of schedule.)                             |
| 3                                      | Prizren network - Bujar Godeni pipe rehabilitation, HDPE OD 160 mm, L=241 m,   | \$42,000<br>(committed)                        | Scoped, EA completed, Approved, Tendered, Contractor selected. Construction began April 2011; completed June 2011.   |
| 4                                      | Suhareka network – Pusi I Atit main distribution pipe, OD 400mm, L= 8,400m   | \$500,000<br>(committed)                       | Scoping completed in 2011. Total project costs are estimated at \$1.0 million but K-WISER contribution is estimated to be \$500,000. Design and EA are completed.. |
| 5                                      | Janina rehabilitation in City of Prizren   | \$180,000<br>(planned)                         | Environmental and technical scoping underway in December 2011; construction works planned for Year 3.  |
|  | <b>Sub-total Prizren RWC for Rehabilitation</b>  | <b>\$1,000,000<br/>(committed and planned)</b> |  |
| <b>Peja RWC Hidrodrini</b>             |  |  |  |
| 6                                      | Peja network - Sahat Kulla trunk rehabilitation  | \$450,000<br>(committed)                       | Scoped, ER completed, Approved, Tendered, Contractor selected. Construction began December 2010 and is ongoing; completed December 2011.                           |
| 7                                      | Peja network – Zaratrat new distribution main in upper pressure zone, southern network section. L= 1750 m, OD 250 mm | \$340,500<br>(committed)                       | Scoped, ER completed, Approved, Tendered, Contractor selected. Construction began July 2011 and is ongoing; completed January 2012.                                |
| 8                                      | Istog Gurakoc network  | \$256,500<br>(committed)                       | Scoped, ER completed, Approved, Tendered, Contractor selected. Construction began July 2011 and is ongoing; completed September 2011.                              |
|  | <b>Sub-total Peja RWC for Rehabilitation</b>   | <b>\$1,047,000<br/>(committed)</b>             |  |

|  |  |   |                    |
|--|--|---|--------------------|
|  |  | ) |                    |
| <b>Total Planned / Committed for Infrastructure at End of Year 2</b> |  |   | <b>\$2,047,000</b> |

**Table 5.2: Completed, On-going, and Planned Year 3 Equipment and Training Grants**

| No.             | Equipment   | Estimated Cost (\$)  | Status/Comment   |
|-----------------|---|--|--|
| <b>Peja RWC</b> |   |  |  |
| 1               | Installation of domestic water meters to support DMA implementation                             | \$74,000 (committed)   | Technical scoping completed; USAID approval received; tender announced; procurement and installation during Q1 + Q2 in Year 3  |
| 2               | Procurement of leak detection equipment and delivery of associated training                     | \$23,500 (committed)   | Leak detection equipment procured and training delivered during Year 2   |
| 3               | MIS hardware and operating software   | \$44,000 (committed)   | Equipment procured, delivered and installed in June and July of Year 2   |
| 4               | ERP, FIS, and GIS software and equipment procurement, installation, and training                | \$150,000 (committed from total budget of \$400,000 for this item) | Technical scoping completed; USAID approval received; tendered; vendor selected; and project kickoff completed in Year 2. Implementation in Year 3   |
| 5               | Investments in energy efficiency improving equipment  | \$200,000 (planned)  | Phase I (diagnostic) of technical scoping completed in Year 2. Phase II (prescriptive) technical study being finalized, end of Year 2. Tender, procurement and installation planned for Year 3 |
| 6               | Hydraulic modeling software and training  | \$60,000 (planned)   | To be scoped, procured, delivered, installed, and training provided in Year 3  |
| 7               | Implementation of District Meter Area (DMA) to include new equipment and network rehabilitation | \$300,000 (planned)  | DMA selected ("Dardania"); technical scoping of measurement needs completed; bulk meters installed; scoping of rehabilitation component underway in Year 2; Construction in Year 3             |
|                 | <b>Sub-total Peja for Equipment</b>   | <b>\$853,000</b>   |  |

|   |  | (committed and planned)  |  |
|---|--|--|--|
| <b>Prizren RWC</b>  |  |  |  |
| 8   | Leak detection equipment   | \$72,500 (committed)   | Leak detection equipment procured, delivered, and training provided in Year 2. Additional training planned in Year 3   |
| 9   | Hydraulic modeling software and training   | \$60,000 (planned)   | To be scoped, procured, delivered, installed, and training provided in Year 3  |
| 10  | Implementation of District Metered Areas in Prizren                              | \$350,000 (planned)  | DMA selected ("Kobaj + Grazdanik"); technical scoping of measurement needs completed; bulk meters installed; scoping of rehabilitation component underway in Year 2. Construction in Year 3    |
| 11  | MIS hardware and operating software  | \$50,000 (committed)   | Equipment procured, delivered and installed in June and July of Year 2   |
| 12  | ERP, FIS, and GIS software and equipment procurement, installation, and training | \$250,000 (committed from total budget of \$400,000 for this item) | Technical scoping completed; USAID approval received; tendered; vendor selected; and project kickoff completed in Year 2. Implementation in Year 3   |
| 13  | Procurement and installation of bulk and production water meters                 | \$100,000 (planned)  | Technical scoping completed; USAID approval expected September 2011; tender process and implementation in Year 3   |
| 14  | Investments in energy efficiency improving equipment                             | \$160,000 (planned)  | Phase I (diagnostic) of technical scoping completed in Year 2. Phase II (prescriptive) technical study being finalized, end of Year 2. Tender, procurement and installation planned for Year 3 |
|   | <b>Sub-total Prizren for Equipment</b>   | <b>\$1,043,000</b>   |  |
| <b>Total Planned / Committed for Equipment and Training</b> |  |  | <b>\$2,056,000</b>   |

|  |   |                  |   |
|--|---|------------------|---|
|  | <b>Grants related Training, TS, and Administration</b>  | <b>\$197,000</b> |   |
|  | K-WISER Jr. Engineer Tech Support and Liaison w/Peja RWC – 18 months (Years 2 and 3). USAID approval received in Year 2                             |                  | Position is supporting RC and RTC in detailed technical scoping and training dedicated to Peja activities   |
|  | K-WISER Jr. Engineer Tech Support and Liaison w/Prizren RWC – 16 months (Years 2 and 3). USAID approval received in Year 2                          |                  | Position is supporting RC and RTC in detailed technical scoping and training dedicated to Prizren activities  |
|  | 110 days in Years 2 and 3 RTC time for technical management and administration of Training and Equipment Program. USAID approval received in Year 2 |                  | Reflects additional RTC days needed to accommodate expanded training program, DMA implementation, ERP implementation, technical equipment and infrastructure scoping, plus environmental work |
|  | <b>Contingencies</b>  | <b>\$60,000</b>  |   |
| <b>TOTAL Planned / Committed for K-WISER Component 3</b> |   |                  | <b>4,200,000</b>  |

### Delivery of Management Information Systems Training and Capacity Building Support

In Year 1 a comprehensive baseline assessment of existing systems and information flows, including extensive consultative sessions with staff and executive levels of each of the two RWCs was completed by K-WISER. The assessment established levels of effectiveness and obstacles to efficiency, as well as identified future needs. Areas examined included operational and financial indicators, real time operations, plus demographic and geographic information. Four targets for MIS improvement were identified:

- Hardware architecture (including the establishment of appropriate LANS and WANS)
- Financial Information System (FIS) and Enterprise Resource Planning (ERP) capacity
- Development / Enhancement of GIS systems
- Hydraulic simulation models

The results of the baseline assessment were used to develop the implementation program for delivery of training and equipment during Years 2 and 3. Subsequent implementation activities were split into two phases.

In Phase I computer hardware, servers, operating systems, and equipment enabling data connectivity were supplied to each of the two RWCs (including operational units). Phase I was carried out in Year 2 and completed in July of 2011.

Phase II seeks to modernize and streamline the operating capacity of the two beneficiary RWCs and consists of the installation and customization of software user modules in three areas: Enterprise Resource Planning (ERP), Financial Information Systems (FIS), and Geographic Information Systems (GIS).

Implementation of Phase II tasks will be carried out in Year 3. Kick-off meetings for Phase II activities were held on Sept 1 and Sept 2, 2011 at each of the beneficiary RWCs.

Key outputs included:

- i. Verification with the RWCs specific ERP related needs and objectives in practical, detailed terms and common understanding of approach to be taken to meet these
- ii. Securing of full buy-in, ownership, and participation commitment on the part of the RWCs
- iii. Clarified participating parties and their responsibilities
- iv. Ensured focus is on installing appropriate, practical, achievable tools
- v. On the technical side, developed final implementation plan for customization and installation of software modules

### 5.6.3 Deliverables – Task 3.1 & 3.2

#### Deliverables during Year 1

| No | Task   | Output             | Completion                         |
|----|--|--------------------|------------------------------------|
| 1  | <i>Technical Baseline Performance Assessment</i> of Hidroregjioni and Hidrodrini (including all satellites) – in conjunction with Component 2's baseline of managerial and technical staff performance   | Report             | Both companies<br>April 30, 2010   |
| 2  | <i>Defined Set of Performance Criteria/Targets</i> as incentives for RWCs to realize institutional reform  | Report             | Both companies<br>April 30, 2010   |
| 3  | <i>List of Infrastructure Investments</i> reviewed, refined, and prioritized – with Component 2 capacity building and training needs   | Report             | Both companies<br>July 31, 2010    |
| 4  | <i>Final Priority Investment Implementation Plan and Budget</i> for the two RWCs – with Component 2 <ul style="list-style-type: none"> <li>• For 3.2 – Purchase of technical equipment to help measure and improve system performance</li> <li>• For 3.1 – Targeted investments to rapidly reduce technical losses and rehabilitate infrastructure</li> <li>• Training investments complementing equipment/systems installation</li> </ul> | Investment Plan    | Both companies<br>July 31, 2010    |
| 5  | <i>Grants under Contract Intermediate Outputs</i> , execution of Investment Plan: <ul style="list-style-type: none"> <li>• Grants documents (tendering, evaluation, procurement, and implementation)</li> <li>• Environmental Compliance – ERs, EAs, MMPs (see Section 4)</li> </ul>   | Relevant Documents | Appropriate for each grant project |
| 6  | Implement pilot infrastructure projects in Hidrodrini and Hidroregjioni Jugor  | Award of Contracts | August 31, 2010                    |

### Deliverables during Years 2 and 3

| No | Task  | Output  | Planned Completion                                      | Reason for delay |
|----|---|---|---|------------------|
| 1  | <i>Commit remaining funds</i> - Grants under Contract Scoping and Environmental Assessments, Design, Tender Documentation, and for the Infrastructure Rehabilitation Projects Identified in Table 5.1             | Award of Contracts and Project Documentation as required for each step                                    | Ongoing throughout Year 3 until approximately June 2012 | N/A              |
| 2  | <i>Execute Construction</i> - Grants Under Contract construction of Infrastructure Rehabilitation Projects to RWCs, Project Progress Reporting and Monitoring   | Commissioning and Handover to RWCs  | July 2012   | N/A              |
| 3  | Procurement, installation of domestic water meters in the Peja "Dardania" DMA zone  | Award of contracts, commissioning and handover of installed meters  | April 2012  | N/A              |
| 4  | Procurement, installation of bulk and production water meters   | Award of contracts, commissioning and handover of installed meters  | March 2012  | N/A              |
| 5  | Procurement, installation of energy efficiency improving equipment at RWC Prizren and Peja  | Award of contracts, commissioning and handover of installed equipment                                     | June 2012   | N/A              |
| 6  | Select, procure, and install ERP, FIS, and GIS hardware and software at both RWCs   | Procurement, customization, and installation of ERP, FIS, and GIS hardware and software; handover to RWCs | February 2012   | N/A              |
| 7  | Deliver ERP, FIS, and GIS training at both RWCs   | Training plan developed / finalized for each RWC; training delivered                                      | February 2012   | N/A              |
| 8  | Review hydraulic network modeling software options, procure and install software at each RWC  | Targeted survey of hydraulic modeling software options (report), procurement documents, handover          | March 2012  | N/A              |
| 9  | Deliver training in use of hydraulic network modeling software at each RWC  | Training plan developed/finalized for each RWC. Training delivered  | April 2012  | N/A              |
| 10 | Assist RWC Prizren in establishing and training a DMA team (leak detection equipment supplied by K-WISER)<br><br>Assist RWC Peja in building capacity of its existing DMA team (leak detection equipment supplied | Combined classroom and in-the-field training delivered  | April 2012  | N/A              |

| No | Task   | Output   | Planned Completion | Reason for delay |
|----|--|--|--------------------|------------------|
|    | by K-WISER)  |  |                    |                  |
| 11 | Implement DMA demonstration project at each of the two RWCs            | DMA isolated, diagnostics completed, leaks repaired; pipes / service connections replaced; meters installed; NRW reduced; team trained | May 2012           | N/A              |
| 12 | Staff training modules developed and delivered on O&M of new equipment | Training plan developed/finalized for each RWC. Training delivered   | March 2012         | N/A              |

## ***ANNEX 1: CONSTRUCTION WORK IN PROGRESS***

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### **Emin Duraku Project - Prizren:**



Construction work progresses despite very narrow roads

### **Bujar Godeni Project – Prizren:**



Opening of the trench-existing pipe



Covering of the trench with fine sand

**Haziz Ismail Project – Prizren:**



Installing new HDPE pipe



Welding of HDPE Pipe



Household connections

## Dedication Ceremony all 3 Projects - Prizren



██████████, RWC Prizren Director  
Presentation



██████████, Special Advisor to USAID  
Presentation



██████████ – Opening the tap  
and water is flowing

## Sahat Kulla Project – Peja



Preparing the trench for the pipe



Constructing the valve manhole



Installing a gate valve



Pipe and bridge crossing the river

**Istog Project – Gurakoc Village (Peja Region)**



Delivery of pipe



Constructing a valve manhole



Digging the trench for installing pipe



Constructing a valve manhole

## Zatrat Project – Peja



Constructing the retaining wall along the river



Pipe truss structure across the river



Inside of valve chamber



Typical manhole cover on pipeline

**ANNEX 2: ANNUAL FINANCIAL STATUS**

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At the end of the second year of the project the financial status was as follows:

|           |  |                |
|-----------|--|----------------|
| <b>A.</b> | <b>Funds Obligated</b><br><b>To Date: September 28, 2012</b>                                       | \$7,313,677.00 |
| <b>B.</b> | <b>Total Actual Expenditures at End of Previous Quarter</b><br><b>(As of June 30, 2011)</b>        | \$2,233,464.00 |
| <b>C.</b> | <b>Projected Expenditures for Current Quarter</b><br><b>(July 1, 2011 – September 30, 2011)</b>    | \$676,897.35   |
| <b>D.</b> | <b>Projected Life of Project Expenditures at End of Current Quarter (As of September 30, 2011)</b> | \$2,910,361.35 |
| <b>E.</b> | <b>Projected Balance of Funds at End of Current Quarter</b><br><b>(As of September 30, 2011)</b>   | \$4,403,315.65 |

### ***ANNEX 3: BIBLIOGRAPHY OF DOCUMENTS***

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The following documents have been provided to USAID in accordance with the Task Order:

| <b>Document Title</b>   | <b>Date of Submission</b> |
|---|---------------------------|
| Branding and marking plan   | November 24, 2009         |
| Grants manual   | December 12, 2009         |
| Initial life-of-program work plan   | December 22, 2009         |
| First quarterly report  | January 5, 2010           |
| Memo on World Bank Kosovo water sector appraisal                                | January 21, 2010          |
| Discussion document on water sector in Kosovo                                   | March 25, 2010            |
| Request for approval and environmental review of Sahat Kulla project – Peja     | April 2, 2010             |
| Second quarterly report   | April 14, 2010            |
| Request for approval and environmental review of Emin Duraku project – Prizren  | April 19, 2010            |
| Baseline study report   | April 20, 2010            |
| Report on core competencies of executive management teams                       | April 20, 2010            |
| Performance monitoring report   | April 21, 2010            |
| Report on Memoranda of Understanding between RWCs and municipalities            | May 4, 2010               |
| Third quarterly report  | July 6, 2010              |
| Report on private sector participation in the water sector in Kosovo            | July 15, 2010             |
| First quarterly report on performance indicators                                | July 30, 2010             |
| Request for approval and environmental review of Bujar Godeni project – Prizren | August 17, 2010           |

|   |                    |
|---|--------------------|
| Request for approval and environmental review of Haziz Ismail project – Prizren | August 17, 2010    |
| Second year life-of-program work plan   | August 31,2010     |
| Request for approval and environmental review of Zatrati project – Peja         | September 22, 2010 |
| Report on strengths and weaknesses of RWC management teams                      | October 4, 2010    |
| First annual report   | October 19, 2010   |
| Development plan report for RWC Hidroregjioni Jugor                             | October 26, 2010   |
| Development plan report for RWC Hidrodrini                                      | October 26, 2010   |
| Customer consultative committees needs assessment report (Part 1)               | October 31, 2010   |
| Second quarterly report on performance indicators                               | November 3, 2010   |
| Fourth quarterly report   | January 13, 2011   |
| Request for approval and environmental review of Istog project – Peja           | January 28, 2011   |
| Third quarterly report on performance indicators                                | February 2, 2011   |
| Report towards reliable key performance indicators                              | February 8, 2011   |
| Customer consultative committees needs assessment report (Part 2)               | February 14, 2011  |
| Request for approval and environmental review of Istog project – Peja (revised) | February 16, 2011  |
| Private sector participation in Kosovo water sector                             | April 15, 2011     |
| Fifth quarterly report  | April 15, 2011     |
| Fourth quarterly report on performance indicators                               | May 20, 2011       |

|  |                   |
|--|-------------------|
| Sixth quarterly report   | July 19, 2011     |
| Fifth quarterly report on performance indicators   | August 12, 2011   |
| Third year life-of-program work plan   | August 29, 2011   |
| Third year life-of-program work plan (revised)   | October 16, 2011  |
| Pusi i Atit pipe replacement – Suhareka environmental assessment report                            | October 28, 2011  |
| Pusi i Atit pipe replacement – Suhareka environmental assessment report (1 <sup>st</sup> revision) | November 29, 2011 |
| Pusi i Atit pipe replacement – Suhareka environmental assessment report (2 <sup>nd</sup> revision) | December 5, 2011  |
| Second annual report   | January 13, 2012  |

**ANNEX 4: LIST OF SHORT-TERM TECHNICAL ASSISTANCE**

**Year 1 (2009-2010)**

| Short Term Expert | Period of Mission in KS  | Tasks Performed  |
|-------------------|--|--|
| [REDACTED]        | December 01, 2009 to December 22 <sup>nd</sup> , 2009              | <ul style="list-style-type: none"> <li>• Complete the logistical arrangements for EnviroNet's participation in the project</li> <li>• Support preparation of the Project Inception Plan and Workplan</li> <li>• Lead planning and development of the Grants Program (Component 3), and support planning of Components 1 and 2.</li> <li>• Meet with project clients/counterparts, RWCs, USAID Mission (if requested), and other stakeholders in conjunction with development of the Workplan.</li> </ul>   |
| [REDACTED]        | January 18 <sup>th</sup> , 2010 to January 23 <sup>rd</sup> , 2010 | <ul style="list-style-type: none"> <li>• Meet with USAID concerning any contractual issues</li> <li>• Meet with RWC representatives and other beneficiaries</li> <li>• Carry out an initial review of possible private sector participation opportunities</li> </ul>   |
| [REDACTED]        | February 11 <sup>th</sup> , 2010 to April 15 <sup>th</sup> , 2011  | <ul style="list-style-type: none"> <li>• Work with Regional Water Companies to identify energy efficiency measures and investments</li> <li>• Provide completed spreadsheets as indicated above showing the results of the work completed.</li> <li>• Provide explanations to identified measures and investments</li> </ul>   |
| [REDACTED]        | February 19 <sup>th</sup> , 2010 to March 29 <sup>th</sup> , 2010  | <ul style="list-style-type: none"> <li>• Lead detailed baseline performance assessment (Prizren, Peja),</li> <li>• Define performance criteria for the RWCs</li> <li>• Develop MOUs with RWCs</li> <li>• Scope, develop priority pilot projects</li> <li>• Develop Master List of GUC funded investments</li> <li>• Conduct initial environmental and technical scoping of projects, as needed</li> <li>• Meet with project clients/counterparts, RWCs, USAID Mission, and other stakeholders in conjunction with implementation of Component 3 of the KWISER MYP</li> </ul> |
| [REDACTED]        | June 10 <sup>th</sup> , 2010                                       | <ul style="list-style-type: none"> <li>• Technical and environmental scoping of further projects with RWCs for</li> </ul>  |

|            |   |  |
|------------|---|--|
|            | July 4 <sup>th</sup> , 2010   | <ul style="list-style-type: none"> <li>• submission to USAID under the K-WISER Grants under Contract vehicle</li> <li>• Development of the Suhareka demonstration project</li> <li>• Initiation of construction phase of pilot projects</li> </ul>   |
| ██████████ | June 30 <sup>th</sup> , 2010<br>to<br>July 17 <sup>th</sup> , 2010        | <ul style="list-style-type: none"> <li>• Carry out assessment in Water Management Information System in Peja</li> <li>• Carry out assessment in Water Management Information System in Prizren</li> <li>• Prepare reports</li> </ul>   |
| ██████████ | July 01 <sup>st</sup> , 2010<br>to<br>January 31 <sup>st</sup> , 2011.    | <ul style="list-style-type: none"> <li>• Work with WWRO (including the EU funded support project to WWRO) and targeted RWCs to identify shortfalls in reporting and definitions and recommend improvements</li> <li>• Propose mechanisms and programs for adoption of recommendations</li> <li>• Identify technical issues preventing accurate reporting and work with the RWC and the project to provide solutions.</li> <li>• Work closely over project implementation period with the RWCs to monitor and improve measurement and reporting</li> <li>• Prepare training program and materials for relevant staff and WWRO</li> <li>• Prepare relevant reports including a final report</li> </ul> |
| ██████████ | July 16 <sup>th</sup> , 2010<br>to<br>July 27 <sup>th</sup> , 2010        | <ul style="list-style-type: none"> <li>• Identify reporting shortfalls with RWC compliance with WWRO reporting systems</li> <li>• Recommend improvements in conjunction with WWRO</li> <li>• Support the implementation of improved reporting, which will be reviewed in the second mission</li> </ul>   |
| ██████████ | August 26 <sup>th</sup> , 2010<br>to<br>Sept 15 <sup>th</sup> , 2010      | <ul style="list-style-type: none"> <li>• Technical and environmental scoping of further infrastructure projects and equipment packages for the two project beneficiary RWCs for submission to USAID under the K-WISER Grants under Contract vehicle</li> <li>• Development of the Suhareka demonstration project</li> <li>• Construction progress and environmental oversight of pilot projects</li> <li>• Liaise with/debrief two concurrent international consultant missions</li> </ul>   |
| ██████████ | August 31 <sup>st</sup> , 2010<br>to<br>September 11 <sup>th</sup> , 2010 | <ul style="list-style-type: none"> <li>• Review MIS report with Peja and Prizren RWCs and other stakeholders</li> <li>• Prepare and review technical specifications for equipment (software and hardware) for MIS systems in the two water companies</li> <li>• Support RTC and TC in preparing contracts for equipment</li> </ul>   |

|                   |   |  |
|-------------------|---|--|
| <p>██████████</p> | <p>September 01<sup>st</sup>, 2010<br/>to<br/>September 10<sup>th</sup>, 2010</p> | <ul style="list-style-type: none"> <li>• Meet with Chairmen of Customer Councils and representatives of WWRO</li> <li>• Review roles and strengths and weaknesses of Customer Councils</li> <li>• Identify areas for providing support</li> <li>• Prepare support documentation including plans for future training of members.</li> </ul> |
|-------------------|---|--|

**Year 2 (2010-2011)**

| <p><b>Short Term Expert</b></p> | <p><b>Period of Mission in KS</b></p>   | <p><b>Tasks Performed</b></p>  |
|---------------------------------|---|--|
| <p>██████████</p>               | <p>February 11<sup>th</sup>, 2010<br/>to<br/>April 15<sup>th</sup>, 2011</p>    | <ul style="list-style-type: none"> <li>• Work with Regional Water Companies to identify energy efficiency measures and investments</li> <li>• Provide completed spreadsheets as indicated above showing the results of the work completed.</li> <li>• Provide explanations to identified measures and investments</li> </ul>   |
| <p>██████████</p>               | <p>July 01<sup>st</sup>, 2010<br/>to<br/>January 31<sup>st</sup>, 2011.</p>     | <ul style="list-style-type: none"> <li>• Work with WWRO (including the EU funded support project to WWRO) and targeted RWCs to identify shortfalls in reporting and definitions and recommend improvements</li> <li>• Propose mechanisms and programs for adoption of recommendations</li> <li>• Identify technical issues preventing accurate reporting and work with the RWC and the project to provide solutions.</li> <li>• Work closely over project implementation period with the RWCs to monitor and improve measurement and reporting</li> <li>• Prepare training program and materials for relevant staff and WWRO</li> <li>• Prepare relevant reports including a final report</li> </ul> |
| <p>██████████</p>               | <p>November 08<sup>th</sup>, 2010<br/>to<br/>November 14<sup>th</sup>, 2010</p> | <ul style="list-style-type: none"> <li>• Identify reporting shortfalls with RWC compliance with WWRO reporting systems</li> <li>• Recommend improvements in conjunction with WWRO</li> <li>• Support the implementation of improved reporting, which will be reviewed in the second mission</li> </ul>   |
| <p>██████████</p>               | <p>November 15<sup>th</sup>, 2010<br/>to<br/>December 12<sup>th</sup>, 2010</p> | <ul style="list-style-type: none"> <li>• Finalization and submission of RfA and ER for Istog rehabilitation project,</li> <li>• Development of the Suhareka project,</li> <li>• Environmental monitoring of on-going construction projects,</li> </ul>   |

|                   |  |  |
|-------------------|--|--|
| <p>[REDACTED]</p> | <p>January 22<sup>nd</sup>, 2011<br/>to<br/>March 5<sup>th</sup>, 2011</p>     | <ul style="list-style-type: none"> <li>• Preparing tender documentation for MIS systems (hardware and software).</li> <li>• Monitoring of implementation of Infrastructure projects,</li> <li>• EA for Suhareka demonstration project and Kristal rehabilitation project in Peja,</li> <li>• Development of DMA projects at RWC Peja,</li> <li>• Phase I of implementation of WIS/ERP systems, and</li> <li>• Development and announcement of ERP/FIS and GIS/hydraulic modeling tenders</li> </ul>                                |
| <p>[REDACTED]</p> | <p>January 30<sup>th</sup>, 2011<br/>to<br/>February 02<sup>nd</sup>, 2011</p> | <ul style="list-style-type: none"> <li>• Facilitators meeting at the K-WISER office</li> <li>• Preparation of all required material for the workshop</li> <li>• Needs Assessment report presentation in the workshop</li> <li>• An evaluation meeting with the K-WISER staff</li> <li>• The workshop report drafted and submitted to the Chief of Party</li> </ul>   |
| <p>[REDACTED]</p> | <p>February 04<sup>th</sup>, 2011<br/>On-going</p>                             | <ul style="list-style-type: none"> <li>• Work with Regional Water Companies to identify all electricity supply points</li> <li>• Confirm electricity supply points with KEK</li> <li>• Identify KEK billing system (e.g. is maxigraph applied)</li> <li>• Analyze energy use as indicated under Specific Deliverables</li> <li>• Provide detailed spreadsheet so that further detailed analysis can be carried out with a view to installing equipment to further reduce electricity costs</li> </ul>                              |
| <p>[REDACTED]</p> | <p>March 02<sup>nd</sup>, 2011<br/>to<br/>March 09<sup>th</sup>, 2011</p>      | <ul style="list-style-type: none"> <li>• To prepare specifications which will form tender documentation annexes for procurement of the ERP/FIS software systems</li> <li>• To develop the Implementation Plan for installing, populating, providing training to staff, and test-driving whatever ERP/FIS and GIS systems</li> <li>• To ensure RWC preparedness for the proposed Activities</li> </ul>  |
| <p>[REDACTED]</p> | <p>May 09<sup>th</sup>, 2011<br/>to<br/>June 4<sup>th</sup>, 2011</p>          | <ul style="list-style-type: none"> <li>• Monitoring of implementation of Infrastructure projects,</li> <li>• Completion of EA for Suhareka demonstration project</li> <li>• Final identification of ER/EAs for remaining infrastructure projects under current K-WISER ending 2012,</li> <li>• Review of energy efficiency investments and preparation of tender documents</li> <li>• Implementation of DMA projects at RWC Peja,</li> <li>• Support to ERP/FIS and GIS/hydraulic modeling selection and implementation</li> </ul> |

|                   |  |   |
|-------------------|--|---|
| <p>██████████</p> | <p>May 29<sup>th</sup>, 2011<br/>to<br/>June 03<sup>rd</sup>, 2011</p>         | <ul style="list-style-type: none"> <li>• Lead evaluation of proposals from bidders for installing, populating, providing training to staff, and test-driving selected ERP/FIS and GIS systems</li> <li>• Monitor and guide the on-going installation of computer hardware and operational software in preparation planned installation of ERP/FIS and GIS systems.</li> <li>• To ensure RWC preparedness for the proposed Activities</li> <li>• Finalize timetable and role of the Consultant in guiding the implementation of the above program.</li> </ul>  |
| <p>██████████</p> | <p>June 28<sup>th</sup>, 2011<br/>to<br/>Sept 3<sup>th</sup>, 2011</p>         | <ul style="list-style-type: none"> <li>• Monitoring of implementation of Infrastructure projects,</li> <li>• Completion of EA for Suhareka demonstration project</li> <li>• Preparation of ER/EAs for remaining infrastructure projects under current K-WISER contract ending 2012 (Nene Theresa St, Prizren, other),</li> <li>• Preparation of Request for Approval for Energy Efficiency improvements</li> <li>• Implementation of DMA projects at RWC Peja and RWC Prizren,</li> <li>• Support to ERP/FIS and GIS implementation</li> <li>• Hydraulic modeling scoping, tendering, and selection</li> </ul>  |
| <p>██████████</p> | <p>July 11<sup>th</sup>, 2011<br/>to<br/>July 15<sup>th</sup>, 2011</p>        | <ul style="list-style-type: none"> <li>• Evaluation of offers for MIS software, including presentations and technical evaluation.</li> </ul>  |
| <p>██████████</p> | <p>August 30<sup>th</sup>, 2011<br/>to<br/>September 03<sup>rd</sup>, 2011</p> | <ul style="list-style-type: none"> <li>• Meet with the winning firm (ASSECO) being contracted by K-WISER to develop and install the ERP software systems and GIS systems at each of the two beneficiary RWCs</li> <li>• Prepare and deliver “Phase II” kick-off meeting to launch implementation of ERP systems at each of the two beneficiary RWCs. Guide the RWCs in framing discussions with ASSECO</li> <li>• Plan next mission steps (Study Tour to Albanian Water Company already using a customized Microsoft NAVISION platform, finalization of detailed implementation plan, data migration and population, module design and customization, etc)</li> <li>• Finalize timetable and role of the Consultant in guiding the implementation of the above program over the next 6 months.</li> </ul> |

**ANNEX 5: MAJOR WORKSHOPS – YEARS 1 AND 2**

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**Seminar for Members of Board of Directors**

**Date: February 5, 2010**

**Place: Regional Water Company Pristina, Pristina**

| <b>Company</b>                          | <b>Board of Directors</b>  |
|---|--|
| <b>RWC Pristina</b>                     | ██████████<br>██████████<br>██████████<br>██████████   |
| <b>RWC Hidroregjioni Jugor, Prizren</b> | ██████████<br>██████████<br>██████████<br>██████████<br>██████████<br>██████████<br>██████████ |
| <b>RWC Hidrodrini, Peja/Pec</b>         | ██████████<br>██████████<br>██████████<br>██████████<br>██████████                             |
| <b>RWC Hidromorava, Gjilan</b>          | ██████████<br>██████████<br>██████████<br>██████████<br>██████████                             |
| <b>RWC Ujesjellesi Mitrovica</b>        | ██████████   |

|                                  |   |
|----------------------------------|---|
|                                  | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> |
| <b>RWC Bifurkacioni, Ferizaj</b> | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>                   |
| <b>RWC Radoniqi, Gjakova</b>     | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> |

**Workshop: Ethics and Corporate Governance**

**Date: May 14, 2010**

**Place: Regional Water Company Pristina, Pristina**

| <b>Company</b>                          | <b>Board of Directors</b>   |
|---|---|
| <b>RWC Pristina</b>                     | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>                                     |
| <b>RWC Hidroregjioni Jugor, Prizren</b> | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> |
| <b>RWC Hidromorava, Gjilan</b>          | <p>[REDACTED]</p>   |

|                                  |   |
|----------------------------------|---|
|                                  | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>                   |
| <b>RWC Hidrodrini, Peja/Pec</b>  | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> |
| <b>RWC Ujesjellesi Mitrovica</b> | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> |
| <b>RWC Bifurkacioni, Ferizaj</b> | <p>[REDACTED]</p> <p>[REDACTED]</p>   |
| <b>RWC Radoniqi, Gjakova</b>     | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> |
| <b>WWRO</b>                      | <p>[REDACTED]</p> <p>[REDACTED]</p>   |

**Workshop: Financial Statements**

**Date: May 18, 2010**

**Place: Water and Wastewater Regulatory Office, Pristina**

| <b>Company</b>                          | <b>Members of Board of Directors</b>                               |
|---|--|
| <b>RWC Hidrodrini , Peja/Pec</b>        | ██████████<br>██████████<br>██████████<br>██████████               |
| <b>RWC Hidroregjioni Jugor, Prizren</b> | ██████████<br>██████████   |
| <b>RWC Hidromorava, Gjilan</b>          | ██████████<br>██████████   |
| <b>RWC Radoniqi, Gjakova</b>            | ██████████<br>██████████<br>██████████<br>██████████<br>██████████ |
| <b>WWRO</b>                             | ██████████   |

**Workshop: Financial Statements**

**Date: May 20, 2010**

**Place: Water and Wastewater Regulatory Office, Pristina**

| <b>Company</b>      | <b>Members of Board of Directors</b>                 |
|---------------------|--|
| <b>RWC Pristina</b> | ██████████<br>██████████<br>██████████<br>██████████ |

|   |  |
|---|--|
| <b>RWC Hidroregjioni Jugor, Prizren</b> | ██████████<br>██████████<br>██████████ |
| <b>RWC Hidromorava, Gjilan</b>          | ██████████<br>██████████               |
| <b>RWC Hidrodrini RWC, Peja/Pec</b>     | ██████████                             |
| <b>RWC Ujesjellesi Mitrovica</b>        | ██████████<br>██████████<br>██████████ |
| <b>RWC Bifurkacioni, Ferizaj</b>        | ██████████<br>██████████               |
| <b>WWRO</b>                             | ██████████                             |

**Workshop: MoU between RWCs and Municipalities**

**Date: July 9, 2010**

**Place: SHUKOS Office**

| <b>Company</b>                                 | <b>Corporate Secretary of the Regional Water Company</b> |
|--|--|
| <b>RWC Pristina</b>                            | ██████████   |
| <b>RWC Hidrodrini, Peja/Pec</b>                | ██████████   |
| <b>RWC Hidroregjioni Jugor, Prizren</b>        | ██████████   |
| <b>RWC Hidromorava, Gjilan</b>                 | ██████████   |
| <b>RWC Radoniqi, Gjakova</b>                   | ██████████   |
| <b>RWC Bifurkacioni, Ferizaj</b>               | ██████████   |
| <b>RWC Ujesjellsi Mitrovica</b>                | ██████████   |
| <b>Representatives from other Institutions</b> |  |

|                   |            |
|-------------------|------------|
| <b>POEPMU-MEF</b> | [REDACTED] |
| <b>WWRO</b>       | [REDACTED] |
| <b>SHUKOS</b>     | [REDACTED] |
| <b>SHUKOS</b>     | [REDACTED] |

**Workshop: Key Performance indicators**

**Date: November 11, 2010**

**Place: Regional Water Company Hidroregjioni Jugor, Prizren**

| <b>Company</b>                          | <b>Board of Directors</b>  |
|---|--|
| <b>RWC Hidroregjioni Jugor, Prizren</b> | [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED] |
| <b>RWC Hidrodrini, Peja/Pec</b>         | [REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]<br>[REDACTED]   |
| <b>WWRO</b>                             | [REDACTED]<br>[REDACTED]   |

**Workshop: 1) Duties and Responsibilities of Directors**

**2) Setting the Direction**

**Date: December 17, 2010**

**Place: Regional Water Company Pristina, Pristina**

| <b>Company</b>                          | <b>Members of Board of Directors</b>                 |
|---|--|
| <b>RWC Pristina</b>                     | ██████████<br>██████████<br>██████████               |
| <b>RWC Hidrodrini RWC, Peja/Pec</b>     | ██████████<br>██████████<br>██████████<br>██████████ |
| <b>RWC Hidroregjioni Jugor, Prizren</b> | ██████████<br>██████████                             |
| <b>RWC Hidromorava, Gjilan</b>          | ██████████<br>██████████<br>██████████<br>██████████ |
| <b>RWC Radoniqi, Gjakova</b>            | ██████████<br>██████████<br>██████████               |
| <b>RWC Bifurkacioni, Ferizaj</b>        | ██████████<br>██████████                             |
| <b>RWC Ujesjellsi Mitrovica</b>         | ██████████<br>██████████                             |

|  |                                     |
|--|-------------------------------------|
|  | <p>██████████</p> <p>██████████</p> |
| <b>Representatives from other Institutions</b> |                                     |
| <b>POEPMU-MEF</b>                              | ██████████                          |
| <b>WWRO</b>                                    | <p>██████████</p> <p>██████████</p> |

**Workshop: Customer Consultative Committee & Challenges**

**Date: February 1, 2011**

**Place: Villa Germia, Pristina**

| <i>Company</i>                                 | Members of CCCs   |
|--|---|
| <b>RWC Pristina</b>                            | <p>██████████</p> <p>██████████</p> <p>██████████</p> <p>██████████</p> |
| <b>RWC Hidrodrini RWC, Peja/Pec</b>            | <p>██████████</p> <p>██████████</p>                                     |
| <b>RWC Hidroregjioni Jugor, Prizren</b>        | <p>██████████</p> <p>██████████</p>                                     |
| <b>RWC Hidromorava, Gjilan</b>                 | ██████████  |
| <b>RWC Radoniqi, Gjakova</b>                   | <p>██████████</p> <p>██████████</p>                                     |
| <b>RWC Bifurkacioni, Ferizaj</b>               | ██████████  |
| <b>RWC Ujesjellsi Mitrovica</b>                | ██████████  |
| <b>Representatives from other Institutions</b> |   |
| <b>USAID</b>                                   | ██████████  |

|               |   |
|---------------|---|
|               | <p>██████████</p> <p>██████████</p>   |
| <b>WWRO</b>   | <p>██████████</p> <p>██████████</p> <p>████████████████████</p> <p>██████████████████</p> |
| <b>SHUKOS</b> | <p>██████████</p>   |

**Workshop: Private Sector Participation in Kosovo Water Sector**

**Date: May 25, 2011**

**Place: Regional Water Company Pristina, Pristina**

| <i>Company</i>                          | Members of Board of Directors   |
|---|---|
| <b>RWC Pristina</b>                     | <p>██████████</p> <p>██████████</p> <p>██████████</p>                           |
| <b>RWC Hidrodrini RWC, Peja/Pec</b>     | <p>██████████████</p> <p>██████████</p> <p>██████████████</p> <p>██████████</p> |
| <b>RWC Hidroregjioni Jugor, Prizren</b> | <p>██████████</p> <p>██████████████</p> <p>██████████</p> <p>██████████</p>     |
| <b>RWC Hidromorava, Gjilan</b>          | <p>██████████████</p> <p>██████████</p> <p>██████████</p>                       |

|  |   |
|--|---|
| <b>RWC Radoniqi, Gjakova</b>                   | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> |
| <b>RWC Bifurkacioni, Ferizaj</b>               | <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>                   |
| <b>Representatives from other Institutions</b> | [REDACTED]  |
| <b>POEPMU-MEF</b>                              | <p>[REDACTED]</p> <p>[REDACTED]</p>                                     |
| <b>WWRO</b>                                    | <p>[REDACTED]</p> <p>[REDACTED]</p>                                     |
| <b>Delloitte/USAID Contractor</b>              | <p>[REDACTED]</p>   |

## **ANNEX 6: EQUIPMENT AND FURNITURE PURCHASED**

| Item Description                         | Unit Cost (EURO) | Unit Cost (USD) | Purchase Date | Exch. Rate (Date of Purchase) | Destination               |
|--|------------------|-----------------|---------------|-------------------------------|---------------------------|
| Printer (HP DJ F2280)                    | 62.00            | 91.26           | 11/12/2009    | € 1.47                        | COP Apartment             |
| Photocopy machine (Canon PC D320)        | 299.14           | 450.42          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Printer (Samsung CLP-315, color printer) | 126.90           | 191.07          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Lap top (Dell NB Inspiron 1545)          | 458.62           | 690.54          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Lap top (Dell NB Inspiron 1545)          | 458.62           | 690.54          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Desktop - Dell Optiplex 755              | 406.90           | 612.67          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Desktop - Dell Optiplex 755              | 406.90           | 612.67          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Desktop - Dell Optiplex 755              | 406.90           | 612.67          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Desktop - Dell Optiplex 755              | 406.90           | 612.67          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Monitor - Dell, 18.5" E1910H             | 112.93           | 170.04          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Monitor - Dell, 18.5" E1910H             | 112.93           | 170.04          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Monitor - Dell, 18.5" E1910H             | 112.93           | 170.04          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Monitor - Dell, 18.5" E1910H             | 112.93           | 170.04          | 12/9/2009     | € 1.51                        | K-WISER Office - Pristina |
| Office desk 200x76                       | 140.00           | 203.35          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 200x76                       | 140.00           | 203.35          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 160x76                       | 107.00           | 155.42          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 160x76                       | 107.00           | 155.42          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 160x76                       | 107.00           | 155.42          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 160x76                       | 107.00           | 155.42          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 160x76                       | 107.00           | 155.42          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 160x76                       | 107.00           | 155.42          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 160x76                       | 107.00           | 155.42          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 160x76                       | 107.00           | 155.42          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 160x76                       | 107.00           | 155.42          | 12/18/2009    | € 1.45                        | COP Apartment             |
| Corner for desk                          | 51.00            | 74.08           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Corner for desk                          | 51.00            | 74.08           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Corner for desk                          | 51.00            | 74.08           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Corner for desk                          | 51.00            | 74.08           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |

| Item Description  | Unit Cost (EURO) | Unit Cost (USD) | Purchase Date | Exch. Rate (Date of Purchase) | Destination               |
|-------------------|------------------|-----------------|---------------|-------------------------------|---------------------------|
| Corner for desk   | 51.00            | 74.08           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Corner for desk   | 51.00            | 74.08           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Corner for desk   | 51.00            | 74.08           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Corner for desk   | 51.00            | 74.08           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 80x76 | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 80x76 | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 80x76 | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office desk 80x76 | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Drawers for desk  | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Drawers for desk  | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Drawers for desk  | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Drawers for desk  | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Drawers for desk  | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Drawers for desk  | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Drawers for desk  | 78.00            | 113.30          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office chair      | 106.00           | 153.97          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office chair      | 106.00           | 153.97          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office chair      | 106.00           | 153.97          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office chair      | 106.00           | 153.97          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office chair      | 106.00           | 153.97          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office chair      | 106.00           | 153.97          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office chair      | 106.00           | 153.97          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office chair      | 106.00           | 153.97          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Office chair      | 106.00           | 153.97          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair      | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair      | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair      | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair      | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair      | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |

| Item Description                        | Unit Cost (EURO) | Unit Cost (USD) | Purchase Date | Exch. Rate (Date of Purchase) | Destination               |
|---|------------------|-----------------|---------------|-------------------------------|---------------------------|
| Static chair                            | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair                            | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair                            | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair                            | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair                            | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair                            | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair                            | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Static chair                            | 23.00            | 33.41           | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Bookshelves with doors                  | 155.00           | 225.14          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Bookshelves with doors                  | 155.00           | 225.14          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Bookshelves with doors                  | 155.00           | 225.14          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Bookshelves with doors                  | 155.00           | 225.14          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Bookshelves with doors                  | 155.00           | 225.14          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Bookshelves with doors                  | 155.00           | 225.14          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Bookshelves with doors                  | 155.00           | 225.14          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Bookshelves with doors                  | 155.00           | 225.14          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| File cabinet with four drawers          | 171.00           | 248.38          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| File cabinet with four drawers          | 171.00           | 248.38          | 12/18/2009    | € 1.45                        | K-WISER Office - Pristina |
| Shredder 360S - Rexel                   | 44.83            | 64.44           | 1/22/2010     | € 1.44                        | K-WISER Office - Pristina |
| Security Safe Box                       | 426.72           | 613.41          | 1/28/2010     | € 1.44                        | K-WISER Office - Pristina |
| 24 port network switch, 10/100MB        | 85.00            | 122.19          | 1/29/2010     | € 1.44                        | K-WISER Office - Pristina |
| Telephone switchboard 3CO, 8 extensions | 350.00           | 503.13          | 1/29/2010     | € 1.44                        | K-WISER Office - Pristina |
| Main telephone with LCD display         | 118.00           | 169.63          | 1/29/2010     | € 1.44                        | K-WISER Office - Pristina |
| Telephone KX-TS50000                    | 13.00            | 18.69           | 1/29/2010     | € 1.44                        | K-WISER Office - Pristina |
| Telephone KX-TS50000                    | 13.00            | 18.69           | 1/29/2010     | € 1.44                        | K-WISER Office - Pristina |
| Telephone KX-TS50000                    | 13.00            | 18.69           | 1/29/2010     | € 1.44                        | K-WISER Office - Pristina |
| Telephone KX-TS50000                    | 13.00            | 18.69           | 1/29/2010     | € 1.44                        | K-WISER Office - Pristina |
| Telephone KX-TS50000                    | 13.00            | 18.69           | 1/29/2010     | € 1.44                        | K-WISER Office - Pristina |
| Telephone KX-TS50000                    | 13.00            | 18.69           | 1/29/2010     | € 1.44                        | K-WISER Office - Pristina |
| Telephone KX-TS50000                    | 13.00            | 18.69           | 1/29/2010     | € 1.44                        | K-WISER Office - Pristina |
| Fridge - Samsung RA 21VASS              | 224.14           | 304.83          | 2/19/2010     | € 1.36                        | K-WISER Office - Pristina |
| Projector, EPSON EB-X72                 | 413.79           | 562.34          | 2/26/2010     | € 1.36                        | K-WISER Office - Pristina |

| Item Description                                     | Unit Cost (EURO) | Unit Cost (USD) | Purchase Date | Exch. Rate (Date of Purchase) | Destination               |
|--|------------------|-----------------|---------------|-------------------------------|---------------------------|
| Server TX100S1, Interl Quad Core Xeon X3220          | 890.00           | 1,220.32        | 3/12/2010     | € 1.37                        | K-WISER Office - Pristina |
| UPS, APSX 1250 Tripp Lite inverter                   | 650.00           | 891.25          | 3/12/2010     | € 1.37                        | K-WISER Office - Pristina |
| External HDD, 1TB, for regular backup of server data | 145.00           | 198.82          | 3/12/2010     | € 1.37                        | K-WISER Office - Pristina |
| HP LaserJet M1522NF Multifunction                    | 335.34           | 459.97          | 3/15/2010     | € 1.37                        | K-WISER Office - Pristina |
| Cooling fan  | 9.90             | 11.99           | 6/14/2010     | € 1.21                        | K-WISER Office - Pristina |
| Cooling fan  | 9.90             | 11.99           | 6/14/2010     | € 1.21                        | K-WISER Office - Pristina |
| Cooling fan  | 9.90             | 11.99           | 6/14/2010     | € 1.21                        | K-WISER Office - Pristina |
| Samsung Airconditioner AQ 18 FC                      | 454.00           | 555.70          | 6/15/2010     | € 1.22                        | K-WISER Office - Pristina |
| Samsung Airconditioner AQ 09 SA                      | 200.00           | 244.80          | 6/15/2010     | € 1.22                        | K-WISER Office - Pristina |
| Samsung Airconditioner AQ 09 SA                      | 200.00           | 244.80          | 6/15/2010     | € 1.22                        | K-WISER Office - Pristina |
| Samsung Airconditioner AQ 09 SA                      | 200.00           | 244.80          | 6/15/2010     | € 1.22                        | K-WISER Office - Pristina |
| Lap top (Gigabyte M1022G(1.66/1GB/160GB-GPRS))       | 308.62           | 420.65          | 10/1/2010     | € 1.36                        | K-WISER Office - Pristina |
| LCD TV, Sony   | 399.00           | 554.58          | 10/30/2010    | € 1.39                        | COP Apartment             |
| Wireless Broadband Router 54 MBPS sweex              | 30.00            | 41.70           | 10/30/2010    | € 1.39                        | COP Apartment             |
| Electrical Heater                                    | 24.99            | 33.07           | 12/13/2010    | € 1.32                        | K-WISER Office - Pristina |
| Electrical Heater                                    | 24.99            | 33.07           | 12/13/2010    | € 1.32                        | K-WISER Office - Pristina |
| Telephone KX-TS580FX                                 | 45.00            | 61.10           | 1/31/2011     | € 1.36                        | K-WISER Office - Pristina |
| UPS, 650 VA Smart                                    | 32.80            | 44.35           | 2/14/2011     | € 1.35                        | K-WISER Office - Pristina |
| UPS, 650 VA Smart                                    | 32.80            | 44.35           | 2/14/2011     | € 1.35                        | K-WISER Office - Pristina |
| UPS, 650 VA Smart                                    | 32.80            | 44.35           | 2/14/2011     | € 1.35                        | K-WISER Office - Pristina |
| UPS, 650 VA Smart                                    | 32.80            | 44.35           | 2/14/2011     | € 1.35                        | K-WISER Office - Pristina |
| Lap top, IdeaPad G560L Intel Core Duo P6200/3GB      | 430.17           | 612.34          | 4/4/2011      | € 1.42                        | K-WISER Office - Peja     |
| Printer, HP LaserJet P1102                           | 94.83            | 134.99          | 4/4/2011      | € 1.42                        | K-WISER Office - Peja     |
| Digital Camera EX-Z350, CASIO (black)                | 111.21           | 161.72          | 4/22/2011     | € 1.45                        | K-WISER Office - Peja     |
| Digital Camera EX-Z350, CASIO (silver)               | 111.21           | 161.72          | 4/22/2011     | € 1.45                        | K-WISER Office - Pristina |
| Bookshelves without doors (open)                     | 130.00           | 191.64          | 4/28/2011     | € 1.47                        | K-WISER Office - Pristina |
| Lap top, IdeaPad G560L Intel Core Duo P6200/3GB      | 430.17           | 614.22          | 6/1/2011      | € 1.43                        | K-WISER Office - Prizren  |
| Printer, HP LaserJet P1102                           | 86.21            | 123.10          | 6/1/2011      | € 1.43                        | K-WISER Office - Prizren  |
| Digital Camera EX-Z350, CASIO                        |                  |                 | 6/21/2011     | € 1.43                        | K-WISER Office - Prizren  |

| Item Description                                    | Unit Cost (EURO) | Unit Cost (USD) | Purchase Date | Exch. Rate (Date of Purchase) | Destination               |
|---|------------------|-----------------|---------------|-------------------------------|---------------------------|
|   | 111.21           | 159.03          |               |                               |                           |
| Bookshelves without doors (open) 222x316x32         | 350.00           | 503.12          | 6/23/2011     | € 1.44                        | K-WISER Office - Pristina |
| Printer, HP OfficeJet 7000 A3                       | 318.00           | 457.12          | 6/23/2011     | € 1.44                        | K-WISER Office - Pristina |
| Water machine (cooler)                              | 80.00            | 113.46          | 6/27/2011     | € 1.42                        | K-WISER Office - Pristina |
| Beko Airconditioner A/C BPK 120-121                 | 220.00           | 310.93          | 7/15/2011     | € 1.41                        | K-WISER Office - Pristina |
| Banner 3m x 1.5m                                    | 160.00           | 230.32          | 8/31/2011     | € 1.44                        | K-WISER Office - Pristina |
| Catalog (DVD): Customer Service for Water Utilities | 134.49           | 195.00          | 9/20/2011     | € 1.45                        | K-WISER Office - Pristina |
| Catalog (DVD):On the Job: Customer Service          | 68.28            | 99.00           | 9/20/2011     | € 1.45                        | K-WISER Office - Pristina |

| Project Name                           | Subcontractor      | Contracted Amount | Contract Period                  | Completed | Destination             |
|--|--------------------|-------------------|----------------------------------|-----------|-------------------------|
| Hardware & Software - Peja and Prizren | CACTTUS            | 64,803.83         | March 11, 2011-<br>July 29,2011  | Y         | RWC Peja<br>RWC Prizren |
| Leak Detection - Prizren               | CMC Ekocon         | 50,075.72         | May 12, 2011-<br>July 12,2011    | Y         | RWC Prizren             |
| Leak Detection - Peja                  | AGS                | 16,256.00         | April 12, 2011-<br>June 15,2011  | Y         | RWC Peja                |
| MIS, GIS, GPS Software & GPS Hardware  | Asseco SEE sh.p.k. | 292,518.15        | August 31, 2011-<br>June 30,2012 | N         | RWC Peja<br>RWC Prizren |

## ***ANNEX 7: NARRATIVE SUCCESS STORIES***

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### **Narrative 1**

#### **Board of Directors Development Program**

The K-wiser project has successfully implemented a training and development program for members of the boards of directors of the seven regional water companies in Kosovo. The boards members were appointed after the incorporation of the water companies by the Government of Kosovo, in accordance with the Law on Publicly Owned Enterprises. This was the first time that many of the appointees had been appointed to a board, and the particular role of representing the citizens of Kosovo as owners and shareholders of the companies added an extra challenge.

The K-WISER project, funded by USAID, recognized this challenge and in conjunction with the Policy and Monitoring Unit for POEs of the Ministry of Finance and Economy, prepared a detailed training program for the 37 board members of the regional water companies. A separately funded USAID project had just completed preparation of an ethics code and guidance on responsibilities for board members and it was agreed that this should be incorporated into the training program.

The first objective was to understand the development needs of the board members and so a workshop was arranged in which the objectives of the K-WISER project were explained after which the participants were invited to take part in discussions based on situations which a board member could encounter, to work in small groups to identify specific needs and to brainstorm ideas for their role. The workshop clearly showed needs across all areas including, knowledge of the sector, financial understanding, business planning, resource management, target setting, sector reporting, roles of executive and non-executive directors etc.



At the seminar

Following this initial workshop the K-WISER team prepared a detailed training program which was rolled out starting in May 2010. The training included sessions on ethics, financial management and background to the water industry. All board members have attended the

training and are gaining understanding and experience of their roles as directors of the water companies.



Board members at Albaniku Water Treatment Plant Pristina



Formal training on financial matters

## Narrative 2

### Improving Water Supply in Prizren

Lack of investment over many years has led to serious deficiencies in the water supply networks in many cities and towns in Kosovo, not least in Prizren where USAID is funding the K-WISER project to help build capacity of the infrastructure to meet the growing needs of the population of the ever expanding cities. Prizren has a high level of water losses from its old pipe network, and from a large number of illegal connections.

The objectives of K-WISER include reducing the amount of water lost through leakage and illegal use, thereby bringing a more sustained level of service to all customers. Replacement of out-dated infrastructure is one way in which the project is meeting these goals. Several pipe-lines in the Hidroregjioni Jugor RWC water supply area (the Prizren region) are in need of replacement and are included in the project program. These include Emin Duraku, Bujar Godeni and Haziz Ismail streets in Prizren and a major cross country pipe-line in Suhareka.

All of these projects go through a rigorous review for technical and environmental compliance before being approved for funding, after which a detailed design is prepared and a construction contract awarded. The first of these projects in Prizren, the Emin Duraku project has started and is well on the way to completion. The project uses local designers and construction companies to carry out the works.

The Emin Duraku project consists of the replacement of an existing water distribution pipe along the Prizren City water supply network that is aging, leaky, and inadequate to meet growing demand. The 40 year-old Asbestos Cement (AC) distribution pipe with the Outside Diameter (OD) 90 mm will be replaced with High Density Polyethylene (HDPE) pipe in length of 680 m.

The “Emin Duraku” distribution segment serves 368 connections/customers in all, or about 2,760 inhabitants, representing 1.6% of the total number of inhabitants served by the Prizren municipal supply network.

Figure 1 below shows an aerial map of the proposed project site with the planned supply pipes highlighted. The planned path of the [replacement segment](#) is shown in [BLUE](#).



Pipe-laying in the narrow streets of Prizren