



Republika e Kosovës
Republika Kosova
Republic of Kosovo



Zyra Kombëtare e Auditimit
Nacionalna Kancelarija Revizije
National Audit Office

IZVEŠTAJ REVIZIJE O GODIŠNJIM FINANSIJSKIM IZVEŠTAJIMA
ZA SPECIFIČNE SVRHE ZA
PROJEKAT PROGRAM ZA KORIŠĆENJE I PODSTICANJE
MOGUĆNOSTI ZA SIGURNOST VODE
ZA PERIOD OD 1. JANUARA 2024. DO 31. DECEMBRA 2024.
GODINE

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Ovaj Izveštaj je prevod sa originalne verzije na albanskom jeziku. U slučaju nedoslednosti prevladava verzija na albanskom jeziku.

1 Mišljenje revizije

Ovaj izveštaj rezimira ključna pitanja koja proizilaze iz revizije godišnjih finansijskih izveštaja za Posebne namene za projekat 'Program za Korišćenje i podsticanje mogućnosti za sigurnost vode' za period od 1. januara 2024. do 31. decembra 2024. godine, kojim se utvrđuje mišljenje Generalnog revizora. Ispitivanje finansijskih izveštaja posebne namene za period revizije izvršeno je u skladu sa Međunarodnim standardima o vrhovnim institucijama revizije (MSVIR). Naš pristup je obuhvatio testove i postupke koji su bili neophodni za dobijanje mišljenja o finansijskom izveštaju.

Za menadžersko izveštavanje, za kontrole i sprovođenje preporuka, nemamo pitanja za pokretanje.

1.1 Mišljenje Revizije o Godišnjim Finansijskim Izveštajima projekta Program za Korišćenje i podsticanje mogućnosti za sigurnost vode

Naša revizija godišnjih finansijskih izveštaja sa posebnom namenom uzima u obzir usaglašenost sa zahtevima izveštavanja u skladu sa sporazumom, kao i kvalitet i tačnost informacija predstavljenih u finansijskim izveštajima.

Ne modifikovano mišljenje

Revidirali smo finansijske izveštaje za posebne svrhe projekta finansiranog od Svetske Banke, za period od 1 januara 2024 do 31 decembra 2024, a koja uključuje sažetak o izvoru sredstava i ostvarenim rashodima, izjavama o prijavama za prikupljanje sredstava i obelodanjivanju.

Po našem mišljenju, Godišnji Finansijski Izveštaji za posebne svrhe vezane za projekat za Program za Korišćenje i podsticanje mogućnosti za sigurnost vode za period od 1 januara 2024 do 31 decembra 2024, predstavljaju realnu i istinitu sliku u svim materijalnim aspektima, u skladu sa zahtevima za izveštavanje u sporazumu između strana, poštujući principe računovodstva zasnovanog na gotovom novcu.

Osnova za mišljenje

Revizija je izvršena u skladu sa Međunarodnim standardima vrhovnih revizorskih institucija (MSVRI). Prema ovim standardima, naše odgovornosti su opisane u nastavku u delu „Odgovornosti revizora za reviziju finansijskih izveštaja“. Smatramo da su revizorski dokazi koje smo dobili dovoljni i prikladni za pružanje osnova za mišljenje.

Isticanje pitanja - Osnova za računovodstvo

- 1 Skrećemo vam pažnju na činjenicu da su Finansijski izveštaji pripremljeni u skladu sa okvirom za posebne namene, stoga finansijski izveštaji se ne mogu koristiti u bilo koju drugu svrhu.

Naše mišljenje nije modifikovano po ovom pitanju

Odgovornosti menadžmenta i organa upravljanja

Menadžment je odgovoran za pripremu i tačno predstavljanje Finansijskih Izveštaja za posebne svrhe, u skladu sa sporazumom potpisanom između Republike Kosova koju zastupa Ministar finansija i Međunarodnog udruženja za razvoj. Ove informacije se sastoje od Izjave o sredstvima i njihovom korišćenju, kao i Izjave o prikupljanju fondova.

Ministarka je odgovorna za obezbeđivanje praćenje procesa finansijskog izveštavanja Ministarstva životne sredine, prostornog planiranja i infrastrukture.

Odgovornost Generalnog Revizora za reviziju

Reviziju smo obavili u skladu sa Zakonom o Nacionalnoj Kancelariji Revizije i Okvirom Profesionalnih Izjava INTOSAI (KDPI). Ovaj zakon i ovi standardi zahtevaju da se pridržavamo etičkih kriterijuma i reviziju planiramo i obavimo kako bismo stekli razumno uverenje da finansijski izveštaji ne sadrže pogrešnih materijalnih prikazivanja.

Revizija uključuje obavljanje postupaka radi dobijanja dokaza u vezi sa iznosima i obelodanjivanjima u finansijskim izveštajima. Izabrani postupci zavise od procene revizora, uključujući i procenu rizika od materijalno pogrešnih prikazivanja u finansijskim izveštajima bilo da se ona pojavljuju usled prevare ili greške. Revizija uključuje i procenu prikladnosti korišćenih računovodstvenih politika, opravdanost računovodstvenih procena izvršenih od strane menadžmenta, kao i procenu prezentacije finansijskih izveštaja.

Tokom sprovođenja postupka procene rizika, uzimamo u obzir relevantnu internu kontrolu u vezi sa pripremom finansijskih izveštaja od strane entiteta, ali ne u cilju izražavanja mišljenja o njihove efektivnosti. Međutim, pismeno ćemo vas obavestiti o nekim značajnim nedostacima interne kontrole koji su relevantni za reviziju finansijskih izveštaja koje utvrdimo tokom revizije.

2 Delokrug i metodologija revizije

Nacionalna Kancelarija Revizije (NKR) prema sporazumu / ugovoru sa Svetskom Bankom odgovorna je za obavljanje finansijske revizije. Ova revizija uključuje pregled i procenu finansijskih izveštaja i ostalih finansijskih podataka, kao u nastavku:

- Da li finansijski izveštaji daju pravilan i istinit prikaz finansijskih računa i pitanja za period revizije;
- Da li su sva spoljna sredstva iskorišćena u skladu sa uslovima ugovora odgovarajuće finansiranje;
- Da li su podaci, sistemi i finansijske transakcije u skladu sa važećim zakonima i propisima za sredstva koja dodeljuje Svetska banka;
- Da li su finansijski izveštaji u skladu sa zahtevima posebnog ugovora sa Svetskom bankom; i
- O usklađenosti funkcija unutrašnje kontrole.

Revizija je zasnovana na proceni rizika. Analizirali smo aktivnost Projekta a 'Program za Korišćenje i podsticanje mogućnosti za sigurnost vode', koji trenutno funkcioniše u okviru Ministarstva životne sredine, prostornog planiranja i infrastrukture, nivo oslanjanja na upravljačke kontrole za određivanje nivoa detaljnih testova, koji su neophodni da bi se obezbedili dokazi i koji podržavaju mišljenje GR. Postupci su uključivali pregled unutrašnjih kontrola, računovodstvenih sistema, povezane supstancijalne testove i međusobno povezane aranžmane upravljanja u onoj meri u kojoj smo to smatrali neophodnim za efikasno obavljanje revizije.

Vlora Spanca, Generalna revizorka

Mjellma Dibra, Direktor revizije

Lumturije Sopi, Vođa tima

Hysen Restelica, Član tima

Dodatak I: Objašnjenja različitih vrsta mišljenja revizije primenjenih od strane NKR

(odlomak od MSVIR 200)

Vrsta mišljenja

147. Revizor treba da izrazi **jedno ne-modifikovano mišljenje revizije** **ukoliko** se zaključi da su finansijski izveštaji pripremljeni, sa svih materijalnih gledišta u skladu sa važećim finansijskim okvirom.

Ukoliko revizor zaključi da, na osnovu prikupljenih dokaza revizije, finansijski izveštaji kao celina nisu bez materijalnih grešaka, ili nije u mogućnosti da dobije dovoljno odgovarajućih dokaza revizije da bi zaključio da su finansijski izveštaji kao celina bez materijalnih grešaka, revizor treba da izmeni mišljenje revizije na izveštaju revizora u skladu sa odeljkom "Određivanje vrste modifikacije mišljenja revizora".

148. Ukoliko finansijski izveštaji pripremljeni u skladu sa zahtevima okvira prikazivanja, ne postignu pravično prikazivanje, revizor treba da razmotri pitanje sa menadžmentom, i na osnovu zahteva primenljivog okvira finansijskog izveštavanja i načina na koji je to pitanje rešeno, da odredi da li je neophodno da se izmeni mišljenje revizije.

Modifikacije mišljenja revizije na revizorskom izveštaju

151. Revizor treba da modifikuje mišljenje revizije na revizorskom izveštaju ukoliko se zaključi da, na osnovu prikupljenih dokaza revizije, finansijski izveštaji kao celina nisu bez materijalnih grešaka, ili nije u mogućnosti da dobije dovoljno odgovarajućih dokaza revizije da bi zaključio da su finansijski izveštaji kao celina bez materijalno pogrešnih prikazivanja. Revizori mogu dati tri vrste modifikovanih mišljenja revizije: kvalifikovano mišljenje, protivno mišljenje i odricanje od mišljenja

Određivanje vrste modifikacije koje se čini revizorskom mišljenju

152. Odluka o tome koja vrsta modifikovanog mišljenja je prikladna, zavisi od:

- prirode pitanja koje je dovelo do modifikacije – što podrazumeva, da li su finansijski izveštaji sadrže materijalno pogrešna prikazivanja ili, u slučaju da je bilo nemoguće prikupiti dovoljno odgovarajućih dokaza revizije, mogu sadržati materijalno pogrešna prikazivanja; i
- sud revizora o rasprostranjenosti uticaja ili mogućih uticaja pitanja na finansijskim izveštajima.

153. Revizor treba da izrazi **kvalifikovano mišljenje ukoliko**: (1) nakon dobijanja dovoljno odgovarajućih i prikladnih dokaza revizije, revizor zaključuje da netačne tvrdnje, pojedinačno ili zajednički, su materijalne, ali nisu rasprostranjene, na finansijskim izveštajima; ili (2) revizor nije bio u stanju da dobije dovoljno odgovarajućih dokaza revizije na osnovu kojih može da podrži jedno mišljenje revizije, ali zaključuje da uticaj na finansijskim izveštajima bilo kojih neotkrivenih netačnih tvrdnji mogu biti materijalne ali ne i rasprostranjene.

154. Revizor treba da izrazi **protivno mišljenje ukoliko**, nakon dobijanja dovoljno odgovarajućih dokaza revizije, revizor zaključuje da netačne tvrdnje, pojedinačno ili zajednički, su materijalne i rasprostranjene na finansijskim izveštajima.

155. Revizor treba da izrazi **odricanje od mišljenja ukoliko**, pošto nije bio u stanju da dobije dovoljno odgovarajućih dokaza revizije na osnovu kojih može da podrži mišljenje revizije, revizor zaključuje da uticaj na finansijskim izveštajima bilo kojih neotkrivenih netačnih tvrdnji mogu biti materijalne i rasprostranjene. Ukoliko nakon prihvatanja angažovanja, revizor postaje svestan da je menadžment nametnuo ograničenje na delokrug revizije za koju revizor smatra da će verovatno dovesti do potrebe izražavanja kvalifikovanog mišljenja ili odricanje od mišljenja o finansijskim izveštajima, revizor treba da zahteva od menadžmenta da ukloni to ograničenje.

156. Ukoliko revizor daje modifikovano mišljenje, revizor će takođe modifikovati naslov kako bi odgovarao vrsti izraženog mišljenja revizije. MSVIR 1705 pruža dodatna uputstva o specifičnom jezičnom izražavanju koje će se koristiti kada se izdaje mišljenje i kada se opisuje odgovornost revizora. Takođe sadrži ilustrovane primere izveštaja.

Paragrafi Isticanja Pitanja i paragrafi Ostalih Pitanja na revizorskom izveštaju

157. Ukoliko revizor smatra potrebnim da skrene pažnju na pitanje prikazano ili obelodanjeno na finansijskim izveštajima koja je od velikog značaja za njihovo razumevanje finansijskih izveštaja, ali postoje dovoljno prikladnih dokaza da to pitanje nije materijalno pogrešno prikazano na finansijskim izveštajima, revizor će u revizorskom izveštaju uključiti jedan paragraf o Isticanju Pitanja. Isticanje Pitanja se treba odražavati samo na informaciju prikazanu ili obelodanjenu na finansijskim izveštajima.

158. Paragraf o isticanju pitanja treba:

- da se uključi odmah nakon mišljenja revizije;
- da koristi naslov "Isticanje Pitanja" ili neki drugi prikladni naslov;
- da uključi jasnu referencu na pitanje koje se ističe i da naznači gde se mogu naći relevantna obelodanjivanja na finansijskim izveštajima koja u potpunosti opisuju to pitanje; i
- ukazati da revizorsko mišljenje nije modifikovano u odnosu na istaknuto pitanje.

159. Ukoliko revizor smatra neophodnim da komunicira određeno pitanje, osim onih koje su predstavljene ili obelodanjene u finansijskim izveštajima, koja po prosudi revizora je važna za korisniku cilju shvatanja revizije, a pod uslovom da to nije zabranjeno zakonom ili pravilima, treba da se pripremi paragraf sa naslovom "Ostala Pitanja", ili nekim drugim pogodnim naslovom. Ovaj paragraf treba da se pojavi odmah iza mišljenja i nakon svakog pasusa kod Isticanja Pitanja.

Dodatak II: Godišnji Finansijski Izveštaji

2

**Fostering And Leveraging Opportunities for Water
Security Program**

(IDA Credit No:6636-XK)

Financial Statements

For the year ended on 31 December 2024

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Fostering and Leveraging Opportunities for Water Security Program
(IDA Credit No. 6636 – XK)

Statement of Sources and Uses of Funds
for the year ended on December 31, 2024
(in EUR unless otherwise stated)

	Notes	Year ended 31 December 2024	Year ended 31 December 2023	Cumulative to date
Sources of funds				
IDA Credit No.6636 - XK funding	4	2,112,276	210,988	2,323,264
Temporary advances received by Government of Kosovo	5	(525,622)	386,484	35,545
Total sources of funds		1,586,654	597,472	2,358,809
Uses of funds				
Goods	6	(150,390)	(306,610)	(531,140)
Consultants' services	7	(1,241,835)	(268,758)	(1,599,370)
Training and workshop	8	-	(848)	(1,390)
Incremental operating costs	9	(33,480)	(21,256)	(65,960)
Small Grants	10	(160,949)	-	(160,949)
Total Uses of Funds		(1,586,654)	(597,472)	(2,358,809)

The Statement of Sources and Uses of Funds is to be read in conjunction with the notes set out on pages 2 to 10 and forming an integral part of the financial statements.

The financial statements of the Fostering and Leveraging Opportunities for Water Security program (IDA credit No. 6636-XK) were authorised for issue by the management of the Project on April 20, 2025 and signed on its behalf by:



Burim Dula
Project Manager



Gazmend Bajra
Financial Management Specialist

Fostering and Leveraging Opportunities for Water Security Program
(IDA Credit No. 6636 - XK)

Statement of Expenditures/ Withdrawals
for the year ended on December 31, 2024
(in EUR unless otherwise stated)

IDA Credit No. 6636 - XK

Withdrawal application	Disbursement method	Application payment amount	Paid amount	Goods	Consultant services	Training	Small Grants	Operating Costs	Total Statement of Expenditure	Date received	Value date
FLOW 002	Reimbursement	453,439	453,439	306,610	130,164	347,78	-	16,317	453,439	16-Jan-24	23-Jan-24
FLOW 003	Reimbursement	211,216	211,216	148,011	54,628	3,572	-	5,004	211,216	11-Jun-24	23-Jul-24
FLOW 004	Reimbursement	226,705	226,705	-	123,818	-	97,160	5,727	226,705	29-Jul-24	06-Aug-24
FLOW'S 001 HM	Reimbursement	328,040	328,040	-	328,040	-	-	-	328,040	15-Aug-24	24-Sep-24
FLOW'S 005	Reimbursement	309,021	309,021	2,379	264,348	-	37,913	4,381	309,021	02-Oct-24	18-Oct-24
FLOW'S 006	Reimbursement	583,855	583,855	-	553,503	-	25,875	4,477	583,855	05-Dec-24	18-Dec-24
Total Disbursement		2,112,276	2,112,276	457,000	1,454,500	3,920	160,949	35,907	2,112,276		



Burim Dula
Project Manager



Gazmend BAJRA
Financial management

Fostering and Leveraging Opportunities for Water Security Program

(IDA Credit No. 6636 – XK)

Notes to the Project Financial Statements

for the year ended on December 31, 2024

*(in EUR unless otherwise stated)***1. General**

The Financing Agreement for the *Fostering and Leveraging Opportunities for Water Security Program (Project 1)* (IDA Credit 6636 – XK) - (the “Project”), was signed between the International Development Association (“IDA” or World Bank”) and the Republic of Kosovo “Recipient”) on July 13, 2020. The project became effective on March 1, 2022, and its closing date is set on November 30, 2025. IDA agrees to extend to the Recipient, on the terms and conditions set forth or referred to the Agreement, a credit (variously, “Credit” and “Financing”), in an amount equivalent to 25,100,000 Euro to assist in financing the Project. On November 7, 2024 the financing agreement has been amended to revise the category allocation.

On December 26, 2024 IDA acting as administrator of grant funds provided by the Swiss Agency for Development and Cooperation (SDC) under the Kosovo Fostering and Leveraging Opportunities for Water Security Program Single-Donor Trust Fund, extended to the Recipient, a grant (TF C6255-XK) in an initial amount of US\$2,500,000 (Initial Amount) plus any subsequent amount or amounts as shall be specified by notice to the Recipient and which shall not exceed in the aggregate US\$5,325,000, to finance selected activities of the Project.

On Jul 24, 2024 IDA acting as administrator of grant funds provided by the WBIF under the Kosovo Fostering and Leveraging Opportunities for Water Security Program Single-Donor Trust Fund, extended to the Recipient, a grant (TFC0266-XK) amounting of Euro 1,000,000, on the terms and conditions set forth in the respective agreement to finance selected activities of the project.

The Ministry of Environment, Spatial Planning and Infrastructure (MESPI) is responsible for the implementation of the project, while the Hidromorava RWC is responsible for carrying out the part 2.2 of the project. Pursuant to the requirement of the financing agreement, at the start of the project MESPI established a Project Management Team (“PMT”), which includes a PMT Manager, procurement specialist, social specialist, evaluation and monitoring specialist, environmental specialist and financial management specialist, to oversee the management and broad implementation of the project, including fiduciary and safeguard requirements, as well as project monitoring and evaluation. On December 31, 2024, the Project had 12 employees hired as consultants under the project.

The Project development objective is to: (i) strengthen national capacity for managing water security, and (ii) improve water security in Morava e Binces basin.

The Project constitutes a phase of the Program, and consists of the following parts:

Part 1. Foundational measures for water security.*A. Strengthening National Water Resources Investment Planning.*

Provision of technical assistance to support activities including the following:

- (i) update the hydrological, technical and economic analysis underlying water resources investment planning in Kosovo in consideration of projected drought and flood impacts; and
- (ii) prepare a prioritized bankable investment pipeline for concrete water sector investments and interventions to support the socio-economic and sustainable development needs of Kosovo.

B. Enhancing information services for water management.

- (i) Provision of technical assistance to support activities, including, the improvement of spatial information systems for data production, analysis and dissemination for the Kosovo Cadastral Agency.
- (ii) Provision of equipment, civil works, and software to support, inter alia, upgrade of hydrometeorological facilities, systems to integrate various meteorological and hydrological information, and decision support systems for risk forecasting and early warning for floods and droughts.

Fostering and Leveraging Opportunities for Water Security Program
(IDA Credit No. 6636 – XK)

Notes to the Project Financial Statements
for the year ended on December 31, 2024
(in EUR unless otherwise stated)

1. General (continued)

C. Enhancing regulation of dam operation and safety.

- (i) Carrying out of assessments and provision of training for dam safety surveillance programs.
- (ii) Provision of dam safety surveillance equipment to improve dam operation.
- (iii) Provision of a dam safety panel to ensure sustainability of dam operations improvement and safety management practices.

Part 2. Addressing water crisis with catalytic investments.

A. Preparation of FLOWS2 investments.

- (i) Finalization of technical, environmental and social studies for the Kike-Kremenata hydro-system-
- (ii) Development of updated, detailed design, geotechnical investigations, procurement and financial packaging, environmental and social impact assessments, and management plans for critical water infrastructure.
- (iii) Preparation of an investment pipeline for priority projects, including feasibility studies and designs for a targeted number of prioritized investments or interventions.

B. Investments in water infrastructure and services addressing the water crisis.

Provision of critical water supply infrastructure, equipment and activities focused on alleviating current water supply crisis in the Morava e Binces basin (the Hidromorava Regional Water Company service area) through improved Water Demand Management and creating conditions for long term, reliable water supply for the basin population and industry in a drought-prone area, including:

- (i) investments to rehabilitate and modernize critical municipal water supply system infrastructure;
- (ii) development and implementation of Water Demand Management activities (including communications, development of progressive tariffs, regulation of the efficiency of water using appliances (in new buildings), water leak detection and elimination, establishment and management of pressure management zones);
- (iii) purchase, replacement and installation of equipment and development of measures needed to improve energy efficiency, reduce commercial water losses and establish efficiently control and management of water supply systems;
- (iv) preparation of a non-revenue water survey for selected water supply systems; and
- (v) Project documentation for works, implementation support, Project supervision, utility performance improvement plans, staff training, and related Operating Costs of the Hidromorava Regional Water Company.

C. People-centered Water stewardship investments.

Engagement of communities and individuals in water stewardship activities including:

- (i) preparation of sub-watershed action plans by community groups; and
- (ii) implementation of a pilot Small Grants program to provide Small Grants to community groups, civil society organizations and individuals in selected sub-basins to (a) promote, test and demonstrate innovative practices to increase water security that leads to improved resilience to drought and flood, (b) enhance sustainable natural resources management, and (c) raise awareness about water security and environmental protection.

Part 3. Project Management.

A. Provision of assistance to the Project Management Team ("PMT") in Project management, including:

- (i) in the areas of procurement, financial management, environmental and social safeguards, coordinators for the components, liaison, and communications;
- (ii) Project audits, planning and monitoring and evaluation, architecture, irrigation engineer, water supply, hydropower engineer, catchment management, civil engineer, facilitators, water quality, legal expertise, information technology services; and
- (iii) Operating Costs for the PMT. B. Provision of Operating Costs to other Recipient agencies in the execution of Project activities through the technical working group. C. Provision of Training and internships in support of Project activities.

Fostering and Leveraging Opportunities for Water Security Program
(IDA Credit No. 6636 – XK)

Notes to the Project Financial Statements
for the year ended on December 31, 2024
(in EUR unless otherwise stated)

1. General (continued)

IDA Credit No. 6636 - XK

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Financing allocated (in EUR)	Percentage of expenditures to be financed	Amount ¹ of the Financing allocated (in EUR)	Percentage of expenditures to be financed
1. Credit financed Contracts Training, and operating costs under the Project, except Part 2,B	12,400,000.00	100%	10,570,000	100%
2. WBIF Grant-Financed Contracts under Part 2.A of the Project	-		-	
3. Credit Financed Contracts, Training, and operating costs under Part 2.B of the Project	12,400,000.00	100%	14,230,000	100%
4. Small Grants under Part 2.C(ii) of the Project	300,000.00	100%	300,000	100% of the amount disbursed
5. SDC Grant-Financed contracts under the Project,			-	
Total amount	25,100,000.00		25,100,000	

The balance of the undrawn Credit and funds facilities from IDA - Credit No. 6636 - XK as of 31 December 2024 is EUR 22,776,735.81.

SWISS Grant TF C6255-XK

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the grant allocated (expressed in USD)	Percentage of expenditures to be financed
SDC Grant-Financed Contracts under the project	2,500,000.00	100%
Total amount	2,500,000.00	

¹ As amended on November 7, 2024

Fostering and Leveraging Opportunities for Water Security Program
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Notes to the Project Financial Statements
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1. General (continued)

WBIF Grant TF C0266-XK

The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the grant allocated (expressed in EUR)	Percentage of expenditures to be financed
WBIF Grant-Financed Contracts under Part 2.A of the Project	1,000,000.00	100%
Total amount	1,000,000.00	

2. Basis of preparation

The financial statements of the project for the year ended December 31, 2024, have been prepared for the purpose of complying with the provisions of the Project's objectives, the World Bank guidelines and terms and conditions of the IDA Credit No. 6636-XK.

The financial statements comprise the Statement of Sources (Cash Receipts) and Uses (Payments); the Statement of Expenditure used as the basis for the submission of withdrawal applications for the year ended December 31, 2024, and a summary of significant accounting policies and other explanatory notes.

The financial statements have been prepared in accordance with cash basis IPSAS - Financial reporting under the Cash Basis of Accounting, which differs from Kosovo and International Financial Reporting Standards. On this basis, income is recognised when received rather than when earned and expenses are recognised when paid rather than when incurred. Accordingly, direct and indirect payments of the Project's expenses, which are made from the proceeds of the grants, are recognised as sources and uses of funds at the time the payment is made.

The financial statements prepared for the special purpose are presented in Euros ("EUR"), unless otherwise stated.

3. Summary of significant accounting policies

A summary of significant accounting policies underlying the preparation of the Project's financial statements is presented below.

3.1 Foreign currency transactions

The project accounts are maintained in Euros ("EUR") the legal currency of Kosovo. Transactions in foreign currencies are translated to the functional currency at exchange rates on the dates of the transactions.

Initial Credit amount is maintained at the historical exchange rates. The project translates the undrawn grant balance at the rates in effect on the year end. The exchange rates in effect as of 31 December 2023 were as follows:

Currency	31.12.2024	31.12.2023
US\$/EUR	0.96	0.90
EUR/ USD	1.04	1.11
XDR/EUR	1.25	1.21

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Notes to the Project Financial Statements
for the year ended on December 31, 2024
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3. Summary of significant accounting policies (continued)

3.2 Recognition of income and expenses

Income is recognised when received rather than when earned, and expenses are recognised when paid rather than when incurred.

3.3 Taxation

The Project activities financed by the grants are exempt from income Tax, Value Added Tax (VAT) and Custom Duties pursuant to Kosovo Law nr.05/L-037. However, project activities financed by the credit are subject to both VAT and Customs. The local employees of the project are liable for personal tax and social security contributions.

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4. IDA Credit No.6636 - XK funding

IDA funding is composed of disbursement methods as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Reimbursements	2,112,276.12	210,988.07
Total	2,112,276.12	210,988.07

The reimbursements relate to regular project expenditures incurred during the financial year 2023 and 2024.

5. Temporary advances received by government of Kosovo

The temporary advances received by the Government of Kosovo represent the movement between the opening and closing balance of the funds to be returned to GoK through reimbursements. The movement for the year ended on December 31, 2024, is presented below:

Financed by:	Year ended December 31, 2024	Year ended December 31, 2023
Balance as of January 1	386,483.99	174,682.93
Project eligible expenditure prefinanced by government funds	1,586,653.80	597,472.06
Reimbursements from IDA credit (note 4)	2,112,276.12	210,988.07
Movement during the year	(525,622.32)	386,483.99
Balance as at December 31	35,544.60	561,166.92

Fostering and Leveraging Opportunities for Water Security Program
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Notes to the Project Financial Statements
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6. Goods

Expenditures for goods are detailed as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Procuring Hydrological Equipment for HIK	148,011.47	301,659.90
IT Equipment	2,378.99	4,950.00
Total	150,390.46	306,609.90

7. Consultants' services

Expenditures for Consultant services are detailed as follows:

	Year ended 31 December 2024	Year ended December 31, 2023
Technical documentations for the new water storage tank in Gjilan	104,318.80	107,728.20
International Procurement expert	26,824.98	14,818.24
Employee net salary	152,496.46	121,164.65
Personal income tax withheld	10,068.21	11,466.04
Employee and Employer pension contribution	12,326.09	13,581.27
DSPE Hydro Electrical and Mechanical Specialist	28,469.00	-
DSPE Geotechnical Specialist	16,187.97	-
DSPE Dam Specialist and Chairperson	8,750.00	-
DSPE Hydrology and Hydraulic Specialist	10,175.00	-
Reservoir in the Kike Kremenata System	548,397.46	-
Preparation of the EIA	11,000.00	-
Development of the Kosovo WRIPS	200,128.00	-
Preparation of the Preliminary and Main Technical Design	112,693.00	-
Total	1,241,834.97	268,758.40

8. Training and workshops

Expenditures for training and workshops are detailed as follows:

	Year ended 31 December 2024	Year ended December 31, 2023
Procurement training	-	847.78
Total	-	847.78

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Notes to the Project Financial Statements
for the year ended on December 31, 2024
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9. Incremental operating costs

Expenditures for Incremental operating costs are detailed as follows:

Item	Year ended 31 December 2024	Year ended 31 December 2023
Rent for PIU Office	10,200.00	8,605.97
Withholding tax on rent	850.00	923.70
Security Services	325.00	275.00
Office table	400.00	
Maintenance of A/C	50.00	1,014.80
Internet and communication expenses	1,745.10	1,430.18
Office supply	68.00	306.58
Advertisement and marketing	1,520.00	701.50
Cleaning services for PMT Office	2,268.80	2,367.20
Vehicle registration for PMT	3,027.58	1,914.24
Utilities	879.34	385.16
Maintenance for PMT Vehicles	343.88	322.30
Fuel for vehicle	1,987.14	-
Workshops for dam safety and retreat	9,621.63	964.00
Website maintenance	-	1,400.00
Official lunch	193.40	-
Total	33,479.87	21,255.98

10. Small Grants

Expenditures for training and workshops are detailed as follows:

	Year ended 31 December 2024	Year ended December 31, 2023
		-
Small grants	160,948.50	
Total	160,948.50	-

The Small grants are provided to community groups, civil society organisations and individuals in selected sub-basins to (a) promote, test and demonstrate innovative practices to increase water security that leads to improved resilience to drought and flood, (b) enhance sustainable natural resources management, and (c) raise awareness about water security and environmental protection.

Pursuant to the financing agreement, the budget allocated for the small grants, is of 300,00 Euro. Eight (8) small grants have been awarded during Y2024 for a total amount of Euro 194,620. As of December 31, 2024, a total amount of Euro 160,948 has been disbursed, while the remaining amount of Euro 33,672 has been paid during Y2025, upon completion of the projects.

Fostering and Leveraging Opportunities for Water Security Program
(IDA Credit No. 6636 – XK)

Notes to the Project Financial Statements
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11. Expenditures by project activities

The expenditures by Project Parts for the year ended on 31 December 2024 is as follows:

Parts	Consultant services	Training	Incremental operating costs	Goods	Works	Small grants (Under Part 2.C)	Total December 31, 2024
<i>Foundational measures for water security</i>							
<i>Part I</i>							
	263,709.97	-	-	148,011.47	-	-	411,721.44
<i>Addressing water crisis with catalytic investments</i>							
<i>Part II</i>							
	776,409.26	-	-	-	-	160,948.50	937,357.76
<i>Project Management, Coordination, Monitoring and Evaluation</i>							
<i>Part III</i>							
	201,715.74	-	33,479.87	2,378.99	-	-	237,574.60
Total Year ended on December 31, 2024	1,241,834.97	-	33,479.87	150,390.46	-	160,948.50	1,586,653.80
Total Year ended on December 31, 2023	268,758.40	847.78	21,255.98	306,609.90			597,472.06

Fostering and Leveraging Opportunities for Water Security Program
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Fostering and Leveraging Opportunities for Water Security Program

(IDA Credit No.6636- XK)

Statement of Cumulative Expenditures Withdrawal Schedule

for the period from March 01, 2022 (inception date) up to December 31,
2024

(Supplementary schedule to the Annual Financial Statements)

Fostering and Leveraging Opportunities for Water Security Program
(IDA Credit No. 6636 – XK)

Notes to the Project Financial Statements
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IDA Credit No. 6636 – XK

Withdrawal application	Disbursement method	Application payment amount	Paid amount	Goods	Consultant services	Training	Small Grants	Operating Costs	Total Statement of Expenditure	Date received	Value date
FLOW 001	Reimbursement	210,988.07	210,988.07	74,140.00	120,143.01	542.19	-	16,162.87	210,988.07	05-Jun-23	21-Jun-23
FLOW 002	Reimbursement	453,438.72	453,438.72	306,609.90	130,163.56	347.78	-	16,317.48	453,438.72	16-Jan-24	23-Jan-24
FLOW 003	Reimbursement	211,215.77	211,215.77	148,011.47	54,628.05	3,572.13	-	5,004.12	211,215.77	11-Jun-24	23-Jul-24
FLOW 004	Reimbursement	226,705.38	226,705.38	-	123,817.82	-	97,160.25	5,727.31	226,705.38	29-Jul-24	06-Aug-24
FLAWS 001 HM	Reimbursement	328,040.00	328,040.00	-	328,040.00	-	-	-	328,040.00	15-Aug-24	24-Sep-24
FLAWS 005	Reimbursement	309,021.28	309,021.28	2,378.99	264,348.04	-	37,913.25	4,381.00	309,021.28	02-Oct-24	18-Oct-24
FLAWS 006	Reimbursement	583,854.97	583,854.97	-	553,502.83	-	25,875.00	4,477.14	583,854.97	05-Dec-24	18-Dec-24
Total Disbursement		2,323,264.19	2,323,264.19	531,140.36	1,574,643.31	4,462.10	160,948.50	52,069.92	2,323,264.19		



Burim Dula
Project Manager



Gazmend BAJRA
Financial management