



Republika e Kosovës
Republika Kosova
Republic of Kosovo



Zyra Kombëtare e Auditimit
Nacionalna Kancelarija Revizije
National Audit Office

AUDIT REPORT
ON THE SPECIAL-PURPOSE ANNUAL FINANCIAL STATEMENTS
OF THE
FOSTERING AND LEVERAGING OPPORTUNITIES FOR WATER
SECURITY PROGRAM (PROJECT)
FOR THE PERIOD 1 JANUARY 2024 - 31 DECEMBER 2024

Prishtina, June 2025

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This Report is a translation from the original version in the Albanian language. In case of inconsistency, the version in the Albanian language prevails.

1 Audit Opinion

This report summarises the key issues arising from the audit of the special-purpose annual financial statements of the Fostering and Leveraging Opportunities for Water Security Program (Project) for the period 1 January 2024 to 31 December 2024, which sets out the Opinion of the Auditor General. Examination of the special-purpose financial statements for the audit period was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Our approach included tests and procedures which were necessary to obtain an opinion on the financial report.

We have no matter to report to the management regarding controls and implementation of recommendations

1.1 Audit Opinion on the annual financial statements of Fostering and Leveraging Opportunities for Water Security Program (Project)

Our audit of the special-purpose annual financial statements considers compliance with reporting requirements under the agreement and the quality and accuracy of the information presented in the financial statements.

Unmodified opinion

We have audited the special-purpose financial statements of the project funded by the World Bank for the period 1 January 2024 to 31 December 2024, which involves a summary of funds resources and expenditures incurred, statement of applications for withdrawal of funds and the disclosures.

In our opinion, the special-purpose annual financial statements of the Fostering and Leveraging Opportunities for Water Security Project in Kosovo for the period 1 January 2024 to 31 December 2024, give a true and fair view in all material respects, in accordance with reporting requirements agreed by both parties and in accordance with the principles of cash based accounting.

Basis for opinion

We conducted our audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of accounting

- 1 We would like to draw your attention to the fact that the special-purpose financial statements have been prepared in compliance with special purpose framework. As a result, they cannot be used for any other purposes.

Our audit opinion was not modified in this respect.

Responsibilities of Management and Those Charged with Governance

The Management is responsible for the true and fair preparation of the special-purpose financial statements in accordance with the Agreement entered into between the Government of Kosovo, represented by the Minister of Finance, and the International Development Association. This information consist of the Statement of Funds and their Use and the Statement of Funds Withdrawal.

The Minister is responsible to ensure the oversight of the Ministry of Environment, Spatial Planning and Infrastructure's financial reporting. Fostering and Leveraging Opportunities for Water Security Program (Project).

Auditor General's Responsibility for the audit

We conducted our audit in accordance with the Law on National Audit Office and INTOSAI Framework of Professional Pronouncements (IFPP). This law and these standards require that we honour the ethical criteria and plan and carry out the audit to obtain reasonable assurance that the financial statements are free from material misstatements.

The audit involves performing procedures to obtain evidence about the financial records and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the AFS, whether due to fraud or error. The audit also includes assessing the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as assessing the overall presentation of the financial statements.

In carrying out the risk assessment procedure we consider the relevant internal control regarding the entity's preparation of the financial statements but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate in written any significant shortcoming in internal control relevant to the audit of the financial statements, which we identify during the audit.

2 Audit Scope and Methodology

Based on the agreement/contract entered into with the World Bank, the National Audit Office (NAO) is responsible for carrying out the financial and compliance audit. This audit includes the examination and assessment of the financial statements and other financial records as the following:

- Whether the special-purpose financial statements give a true and fair view of the accounts and financial affairs for the audit period;
- Whether all external funds have been used in accordance with respective terms of funding agreements;
- Whether the financial records, systems and transactions comply with laws and regulations applicable for funds allocated by the World Bank;
- Whether financial statements comply with the requirements of the World Bank agreement; and
- Compliance of internal control functions.

Our audit was focused on risk assessment. We have analysed the operations of the Fostering and Leveraging Opportunities for Water Security Program (Project), currently operating under the Ministry of Environment, Spatial Planning and Infrastructure, and the extent management controls could be relied to in order to determine the level of in-depth testing required to obtain evidence supporting the Auditor General's opinion

Our procedures have included a review of internal controls, accounting systems and interrelated substantive tests, as well as related governance arrangements to the extent considered necessary for the effective conduct of audit.

Vlora Spanca, Auditor General

Mjellma Dibra , Audit Director

Lumturije Sopi , Team leader

Hysen Restelica, Team member

Annex I: Explanation of the Different Types of Opinion Applied by NAO

(Extract from ISSAI 200)

Form of opinion

147. The auditor should express **an unmodified opinion** if it is concluded that the financial statements are prepared, in all material respects, in accordance with the applicable financial framework.

If the auditor concludes that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement, or is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement, the auditor should modify the opinion in the auditor's report in accordance with the section on "Determining the type of modification to the auditor's opinion".

148. If financial statements prepared in accordance with the requirements of a fair presentation framework do not achieve fair presentation, the auditor should discuss the matter with the management and, depending on the requirements of the applicable financial reporting framework and how the matter is resolved, determine whether it is necessary to modify the audit opinion.

Modifications to the opinion in the auditor's report

151. The auditor should modify the opinion in the auditor's report if it is concluded that, based on the audit evidence obtained, the financial statements as a whole are not free from material misstatement, or if the auditor was unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement. Auditors may issue three types of modified opinions: a qualified opinion, an adverse opinion and a disclaimer of opinion.

Determining the type of modification to the auditor's opinion

152. The decision regarding which type of modified opinion is appropriate depends upon:

- The nature of the matter giving rise to the modification – that is, whether the financial statements are materially misstated or, in the event that it was impossible to obtain sufficient appropriate audit evidence, may be materially misstated; and
- The auditor's judgment about the pervasiveness of the effects or possible effects of the matter on the financial statements.

153. The auditor should express **a qualified opinion** if: (1) having obtained sufficient

appropriate audit evidence, the auditor concludes that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or (2) the auditor was unable to obtain sufficient appropriate audit evidence on which to base an opinion, but concludes that the effects on the financial statements of any undetected misstatements could be material but not pervasive.

154. The auditor should express **an adverse opinion** if, having obtained sufficient appropriate audit evidence, the auditor concludes that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.

155. The auditor should **disclaim an opinion** if, having been unable to obtain sufficient appropriate audit evidence on which to base the opinion, the auditor concludes that the effects on the financial statements of any undetected misstatements could be both material and pervasive. If, after accepting the engagement, the auditor becomes aware that management has imposed a limitation on the audit scope that the auditor considers likely to result in the need to express a qualified opinion or to disclaim an opinion on the financial statements, the auditor should request that management remove the limitation.

156. If expressing a modified audit opinion, the auditor should also modify the heading to correspond with the type of opinion expressed. ISSAI 170519 provides additional guidance on the specific language to use when expressing a modified opinion and describing the auditor's responsibility. It also includes illustrative examples of reports.

Emphasis of Matter paragraphs and Other Matters paragraphs in the auditor's report

157. If the auditor considers it necessary to draw users' attention to a matter presented or disclosed in the financial statements that is of such importance that it is fundamental to their understanding of the financial statements, but there is sufficient appropriate evidence that the matter is not materially misstated in the financial statements, the auditor should include an Emphasis of Matter paragraph in the auditor's report. Emphasis of Matter paragraphs should only refer to information presented or disclosed in the financial statements.

158. An Emphasis of Matter paragraph should:

- Be included immediately after the opinion;
- Use the Heading "Emphasis of Matter" or another appropriate heading;
- Include a clear reference to the matter being emphasised and indicate where the relevant disclosures that fully describe the matter can be found in the financial statements; and
- Indicate that the auditor's opinion is not modified in respect of the matter

emphasised.

159. If the auditor considers it necessary to communicate a matter, other than those that are presented or disclosed in the financial statements, which, in the auditor's judgement, is relevant to users' understanding of the audit, the auditor's responsibilities or the auditor's report, and provided this is not prohibited by law or regulation, this should be done in a paragraph with the heading "Other Matter," or another appropriate heading. This paragraph should appear immediately after the opinion and any Emphasis of Matter paragraph.

Annex II: Letter of Confirmation

**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) (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 Bince 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
(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)

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

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)

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
<i>Movement during the year</i>	<i>(525,622.32)</i>	<i>386,483.99</i>
Balance as at December 31	35,544.60	561,166.92

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)

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

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)

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
for the year ended on December 31, 2024
(in EUR unless otherwise stated)

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
(IDA Credit No. 6636 – XK)

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

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
for the year ended 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 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
FLows 001 HM	Reimbursement	328,040.00	328,040.00	-	328,040.00	-	-	-	328,040.00	15-Aug-24	24-Sep-24
FLows 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
FLows 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