Republika e Kosovës
Republika Kosova
Republic of Kosovo

ZKA
ZYRA KOMBËTARE E AUDITIMIT
NACIONALNA KANCELARIJA REVI
NATIONAL AUDIT OFFICE

AUDIT REPORT ON THE SPECIAL PURPOSE FRAMEWORK FINANCIAL STATEMENTS FOR IMPROVEMENT AND REHABILITATION OF IRRIGATION SYSTEMS PROJECT IN KOSOVO FOR THE PERIOD 1 JANUARY 2025 TO 31 DECEMBER 2025

Pristina, July 2026

CONTENTS

1 Audit Opinion

This report summarizes the main issues arising from the audit of the Special-Purpose Framework Annual Financial Statements for the project Improvement and Rehabilitation of Irrigation Systems in Kosovo' for the period 1 January 2025 to 31 December 2025, which sets out the Opinion given by the Auditor General. The examination of the Special-Purpose Framework Financial Statements for the audit period was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our audit approach included the tests and procedures that were necessary to reach an opinion on the financial report.

We have detailed our issues concerning management reporting, internal controls, and implementation of recommendations in a management letter accompanying the audit report

1.1 Audit Opinion on the Annual Financial Statements of the Improvement and Rehabilitation of Irrigation Systems Project in Kosovo

Our audit of the Special-Purpose Framework of Annual Financial Statements considers the compliance with the reporting requirements of the agreement as well as the quality and accuracy of the information presented in the financial statements.

Unmodified Opinion

We have audited the Special-Purpose Framework Financial Statements of the World Bank-funded project for the period 1 January 2025 to 31 December 2025, which include a summary of the source of funds and expenditures incurred, a statement of applications for withdrawal of funds, and disclosures.

In our opinion, the Special-Purpose Framework Financial Statements regarding Improvement and Rehabilitation of Irrigation Systems Project in Kosovo for the period 1 January 2025 to 31 December 2025, give a true and fair view, in all material respects, complying with the reporting requirements in the agreement between the parties, and in accordance with cash-based accounting principles.

Basis for Opinion

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

Emphasis of Matter – Basis for Accounting

1 We draw your attention to the fact that the financial statements were prepared in accordance with the Special-Purpose Framework and therefore the financial statements may not be suitable for other purposes.

Our opinion has not been modified on this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of true and fair view of the special purpose frameworks financial statements, in accordance with the agreement signed between the Republic of Kosovo represented by the Minister of Finance and the International Development Association. This information consists of the Statement of Funds and Their Use and the Statement of Funds Withdrawal.

The Minister of the Ministry of Agriculture, Forestry and Rural Development is responsible for ensuring oversight of the financial reporting process of the Ministry of Agriculture, Forestry and Rural Development.

Auditor General's Responsibility for the Audit

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

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

In performing the risk assessment procedure, we consider internal control relevant to the entity's preparation of the financial statements, but not for the purpose of expressing an opinion on their effectiveness. However, we will communicate to management and those charged with governance in writing any significant deficiencies in internal control relevant to the audit of the financial statements that we identify during the audit.

2 Audit Scope and Methodology

The National Audit Office (NAO), under the agreement/contract with the World Bank, is responsible for conducting the financial audit. This audit includes the examination and evaluation of the financial statements and other financial data, as follows:

· Whether the Special-Purpose Framework Financial Statements give a true and fair view of the accounts and financial position for the audit period;

· Whether all external funds have been used in accordance with the terms of the relevant financing agreements;

· Whether the financial data, systems and transactions comply with the laws and regulations applicable to the funds allocated by the World Bank;

· Whether the financial statements comply with the requirements of the special agreement with the World Bank; and

· The adequacy of internal control functions.

The audit is based on a risk assessment. We have analysed the activity of the Project " Improvement and Rehabilitation of Irrigation Systems in Kosovo " which currently operates within the Ministry of Agriculture, Forestry and Rural (MAFRD), the extent of reliance on management controls to determine the extent of detailed tests, which are necessary to provide evidence and support the opinion of the AG.

The procedures have included evaluating of internal controls, assessing accounting systems, performing related substantive tests, and reviewing related governance arrangements to the extent considered necessary for the effective performance of the audit.

Vlora Spanca, Auditor General

Shkelqim Xhema, Audit Director

Fatbardha Jashari, Team Leader

Altina Selimi Palushi, Team Member

Annex I: Explanation Regarding Different Types of Opinions Applied by NAO

(extracted from ISSAI 200)

Form of Opinion

147. The auditor should express an **unmodified opinion** if he or she concludes that the financial statements are prepared, in all material respects, in accordance with the applicable financial framework.

If the auditor, based on the audit evidence obtained, concludes that the financial statements as a whole contain material misstatements or fails to obtain sufficient audit evidence to conclude that the financial statements as a whole do not contain material misstatements, then he must 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 fail to give a fair presentation, the auditor shall discuss the matter with management and, depending on the requirements of the applicable financial reporting framework and the manner in which 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, based on the audit evidence obtained, the auditor concludes that the financial statements as a whole are materially misstated, or if the auditor has not been able 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: qualified opinion, adverse opinion, and disclaimer of opinion.

Determining the Type of Modification to the Auditor's Opinion

152. The decision as to which type of modified opinion is appropriate depends on:

- the nature of the matter giving rise to the modification – that is, whether the financial statements contain material misstatements or, if it was impossible to obtain sufficient appropriate audit evidence, may contain material misstatements; and

- the auditor's judgment about the extent of the effects or potential effects that the matter has 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, either individually or in the aggregate, are material but not pervasive to the financial statements, or (2) if the auditor has been unable to obtain sufficient appropriate audit evidence on which to base an opinion, but concludes that the effects of any undetected misstatements on the financial statements could have been material but not pervasive.

154. The auditor should express an **adverse opinion if,** after obtaining sufficient appropriate audit evidence, the auditor concludes that misstatements, either 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 an opinion, the auditor concludes that the effects of any undetected misstatement on the financial statements could have been both material and pervasive. If, after accepting the engagement, the auditor becomes aware that management has imposed a limitation on the scope of the audit that the auditor considers may result in the need to express a qualified opinion or a disclaimer of opinion on the financial statements, the auditor should request management to remove that limitation.

156. If the auditor expresses a modified opinion, he or she should also modify the title to correspond with the type of opinion expressed. ISSAI 1705 provides additional guidance on the specific language to be used when expressing an opinion and describing the auditor’s responsibility. It also includes illustrative examples of reports.

Emphasis of Matter Paragraph and Other Matter 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 both important and fundamental to their understanding of the financial statements, but there is sufficient appropriate evidence that the matter does not contain a material misstatement of the financial statements, the auditor should include an Emphasis of Matter paragraph in his or her report. Emphasis of Matter paragraphs should refer only to information presented or disclosed in the financial statements.

158. An emphasis of matter paragraph should:

- To be included immediately after the basis for opinion;
- Have the title that explicitly use the term 'emphasis of the matter' or some other appropriate title;
- Contain a clear description of the matter being emphasized and indicate where in the financial statements the relevant disclosures that fully describe the matter is located; and
- Indicate that the audit opinion is not modified in respect to this matter.

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

Annex II: Confirmation Letter

REPUBLIKA E KOSOVËS - REPUBLIKA KOSOVA - REPUBLIC OF KOSOVA
QEVERIA E KOSOVES - VLADA KOSOVA - GOVERNMENT OF KOSOVO
MINISTRIA E BUJQESISE, PYLLTARISE DHE ZHVILLIMIT RURAL
MINISTARSTVO POLJOPRIVREDE, ŠUMARSTVA I RURALNOG RAZVOJA
MINISTRY OF AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT
Arkivi Qendror - Centralna Arhiva - Central Archive
Nr./Br./No. 2140
Nr. i fq./Br. Str./No. pg. 1
Data/Datum/Date: 31.07.2026
PRISHTINE - PRIŠTINA - PRISTINA

REPUBLIKA E KOSOVËS /REPUBLIKA KOSOVA/ REPUBLIC OF KOSOVO
QEVERIA E KOSOVËS /VLADA KOSOVA / GOVERNMENT OF KOSOVA

MINISTRIA BUJQËSISË, PYLLTARISË DHE ZHVILLIMIT RURAL
MINISTARSTVO POLJOPRIVREDE, SUMARSTVA I RURALNOG RAZVOJA
MINISTRY OF AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT

LETËR E KONFIRMIMIT

Për pajtueshmërinë me gjetjet e Auditorit të Përgjithshëm për vitin 2025 dhe për zbatimin e rekomandimeve

Për: Zyrën e Kombëtare të Auditimit

Të nderuar,

Përmes kësaj shkrese, konfirmoj se:

- kam pranuar draft raportin e Zyrës Kombëtare të Auditimit për auditimin e Pasqyrave Financiare të projektit 'Përmirësimi dhe Rehabilitimi i Sistemeve të Ujitjes në Kosovë' (Ministrisë së Bujqësisë, Pylltarisë dhe Zhvillimit Rural), për vitin 2025 (në tekstin e mëtejmë "Raporti");
- pajtohem me gjetjet dhe rekomandimet dhe nuk kam ndonjë koment për përmbajtjen e Raportit; si dhe
- brenda 30 ditëve nga pranimi i Raportit final, do t'ju dorëzoj një plan të veprimit për zbatimin e rekomandimeve, i cili do të përfshijë afatet kohore dhe stafin përgjegjës për zbatimin e tyre.

z.Armend Muja

Ministër në detyrë i Ministrisë së Bujqësisë, Pylltarisë dhe Zhvillimit Rural

Data: 31.korrik.2026

REPUBLIKA E KOSOVËS - REPUBLIKA KOSOVA - REPUBLIC OF KOSOVA
QEVERIA E KOSOVËS - VLADA KOSOVA - GOVERNMENT OF KOSOVO
MINISTRIA E BUJQËSISË, PYLLTARISË DHE ZHVILLIMIT RURAL
MINISTARSTVO POLJOPRIVREDE, ŠUMARSTVA I RURALNOG RAZVOJA
MINISTRY OF AGRICULTURE, FORESTRY AND RURAL DEVELOPMENT
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Nr. i fq./Br. Str./No. pg. 13
Data/Datum/Date: 01.07.2026
PRISHTINË - PRIŠTINA - PRISTINA

Improvement and Rehabilitation of Irrigation Systems Project (IRIS)

(Grant No TF0C1898)

(P179737)

Project Financial Statements

for year ended on December 31, 2025

Official Use Only

Improvement and Rehabilitation of Irrigation Systems Project (IRIS)
(Grant No TF0C1898)

Content

Improvement and Rehabilitation of Irrigation Systems Project (IRIS)
(Grant No TF0C1898)

Statement of Sources and Uses of Funds
For year ended on December 31, 2025
(in EUR unless otherwise stated)

	Notes	For the year ended on 31 December 2025	From March 26 to December 31, 2024	From March 26, 2024 (Inception date) to December 31, 2025
Sources of Funds:				
Grant No TF0C1898 funding	4	6,396,461	143,539	6,540,000
Temporary advances by the Government of Kosovo	5	(869,763)	872,716	2,953
Total Sources of Funds		**5,526,698**	**1,016,255**	**6,542,953**
Uses of Funds:				
Works	6	(4,867,504)	(632,403)	(5,499,907)
Goods	7	(200,579)	(3,511)	(204,090)
Consulting services	8	(363,534)	(313,958)	(677,492)
Training and workshop	9	(54,823)	(44,420)	(99,243)
Incremental operating costs	10	(40,258)	(21,963)	(62,221)
Total Uses of Funds		**(5,526,698)**	**(1,016,255)**	**(6,542,953)**

The Statement of Sources and Uses of Funds is to be read in conjunction with the notes set out on pages 3 to 8 and forming an integral part of the financial statements.

The financial statements of the Improvement and Rehabilitation of Irrigation Systems Project (Grant No. TF0C1898 were authorised for issue by the management of the Project under the Ministry of Agriculture, Forestry and Rural Development (MAFRD) on May 20,2026 and signed on its behalf by:

Venera CERKINI
General Secretary

Rrezehana ABAZI
Chief Finance Officer

1
Official Use Only

Summary of Statements of Expenditure
for for year ended on December 31, 2025
(in EUR unless otherwise stated)

Grant No. TF0C1898

Withdrawal application	Type of application	Appl. Pym. Amount	Works	Goods	Training	Consultant services	IOC	SOE	Date received	Value date
IRIS/08	Reimbursement	1,528,248.91	1,346,923.35	46,870.00	(2,429.40)	131,795.01	5,089.95	1,528,248.91	19-Dec-25	24-Dec-25
IRIS/07	Reimbursement	1,003,628.60	891,173.47	-	24,519.34	84,923.67	3,012.12	1,003,628.60	05-Nov-25	14-Nov-25
IRIS/06	Reimbursement	308,504.41	104,863.39	123,889.00	-	77,136.34	2,615.42	308,504.15	04-Sep-25	09-Sep-25
IRIS/05	Reimbursement	1,124,232.44	1,067,827.47	29,820.00	2,327.47	21,253.78	3,003.72	1,124,232.44	13-Aug-25	18-Aug-25
IRIS/04	Reimbursement	932,275.26	857,741.10	-	29,641.42	39,851.58	5,041.16	932,275.26	04-Jun-25	03-Jul-25
IRIS/03	Reimbursement	626,855.43	598,975.00	-	4,577.76	20,897.57	2,405.10	626,855.43	06-Mar-25	12-Mar-25
IRIS/02	Reimbursement	872,716.26	632,402.53	-	(1,456.84)	237,418.31	4,352.26	872,716.26	16-Jan-25	23-Jan-25
Total		**6,396,461**	**5,499,906**	**200,579**	**57,180**	**613,276**	**25,520**	**6,396,461**		

Afrim FRROKAJ
Project MANAGER

Adile OSMANI
Financial Management Specialist

Notes to the Project Financial Statements
for year ended on December 31, 2025
(in EUR unless otherwise stated)

1) General

The Grant Agreement for the Improvement and Rehabilitation of Irrigation Systems Project (IRIS), between the Republic of Kosovo ("Recipient") and the International Bank for Reconstruction and Development and International Development Association ("Bank"), acting as administrator of the European Commission — World Barth Partnership Programme Part III for Europe and Central Asia Programmatic Single-Donor Trust Fund, was signed on October 23, 2023. The Project became effective on March 26, 2024, and its closing date is set on March 31, 2026. The total financing amount will not exceed Euro 9,150,000.

Pursuant to the Grant Agreement, the Ministry of Agriculture, Forestry and Rural Development (MAFRD) is responsible for overall Project implementation with due diligence and efficiency, in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices and in accordance with the provisions of the Financing Agreement. A Project Implementation Unit ("PIU") within MAFRD has been established to implement, monitor, control and complete the Project activities. As of December 31, 2025, the PIU had 8 employees.

Project objective and description

The objective of the Project is to increase the efficiency of water utilization and boost agricultural productivity in the Project area.

The Project consists of the following parts:

Part 1. Rehabilitation and Modernization of the RDIS

1.1. Rehabilitation of the RDIS, including: (a) rehabilitation works to modernize and upgrade the RDIS, including, inter-alia: (i) rehabilitation and upgrade of the regulating structure, aiming at controlling water flow and water use to ensure efficient water management; and (ii) rehabilitation of three irrigation sub-systems; and (b) supervision of the progress and quality of works.

1.2. Modernization of the RDIS through support to the development and establishment of SCADA to: (a) ensure better water use efficiency and institutional and financial sustainability of the irrigation system; (b) enable remote operation of irrigation structures and reduce operating costs and water losses; (c) allow centralized monitoring and control and detect irregularities in real-time; (d) allow safer and faster operation of the valves in outlet structures; and (e) allow for better planning and water release.

Part 2. Capacity Building to Increase Water Use Efficiency and Agriculture Productivity

Improving the sustainability and efficiency of infrastructure investments and increasing the capacities of all relevant stakeholders through the provision of technical assistance to:

2.1. existing irrigation providers to improve the overall corporate governance and best practices in management and to prepare quality business plans.

2.2. farmers to support: (i) on-farm irrigation development, including activities to develop and operate a pilot farm in the RDIC area, introducing modern on-farm irrigation technologies and good practices for an efficient on-farm water management; and (ii) agriculture practices, including activities to optimize production costs and ensure the transition to a wore productive agriculture while introducing agro - ecological practices, developing value chains, supporting marketing and empowering farmer groups.

2.3. the MAFRD and the municipalities by strengthening their capacities to: (i) provide irrigation and drainage advisory services to the farmers on irrigation technologies and water use management; and (ii) the organization of knowledge exchanges related to Project activities.

Notes to the Project Financial Statements
for for year ended on December 31, 2025
(in EUR unless otherwise stated)

1) General (continued)

Part 3. Project Management. Coordination, Monitoring and Evaluation

Provision of support for the establishment of the PIU, including technical assistance, training and Operating Costs for Project management, coordination, and monitoring evaluation.

Grant Agreement No. TF0C1898

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, as stated in the original and revised Financing Agreement:

Category	Amount of the Grant Allocated (expressed in Euro)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, consulting services, non-consulting services, Operating Costs and Training the Project	9,150,000	100%
Total amount	**9,150,000**	

The commitment and payment currency are EUR. As of December 31, 2025, the amount of EUR 6,540,000 was disbursed from the Grant proceeds.

2) Basis of preparation

The project financial statements have been prepared for the purpose of complying with grant agreement and standard conditions of the Grant No TF0C1898.

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 period for period to December 31, 2025, 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. 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 credit, 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 Euro ("EUR"), unless otherwise stated.

Kosovo Improvement and Rehabilitation of Irrigation Systems Project (IRIS)
(Grant No. TF0C1898)

Notes to the Project Financial Statements
for year ended on December 31, 2025
(in 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 Recognition of income and expenses

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

3.2 Taxation

The Project is exempt from Value Added Tax (VAT) and Custom Duties, pursuant to the Law No. 05/L-037 dated August 2015 on Value Added Tax (VAT). The local employees of the project are liable for personal income tax and social security contributions.

4) Grant No. TF0C1898 funding

The Grant funding is composed as follows:

	For the year ended on 31 December 2025	For the period from March 26 to December 31, 2024
Reimbursements	6,396,461	143,539
Total	**6,396,461**	**143,539**

5) Temporary advances received by Government of Kosovo

The temporary advances received by the Government of Kosovo are composed as follows:

	For the year ended on 31 December 2025	For the period from March 26 to December 31, 2024
Government funds at the beginning of period	872,716	-
Project eligible expenditures paid from Governments Funds	5,526,698	1,016,255
Reimbursements from Grant proceeds	(6,396,461)	(143,539)
Government funds movement during the period	(869,763)	872,716
Government funds as of December 31, 2025	**2,953**	**872,716**

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Notes to the Project Financial Statements
for year ended on December 31, 2025
(in EUR unless otherwise stated)

6) Works

The expenditure for works is detailed as follows:

	For the year ended on 31 December 2025	For the period from March 26 to December 31, 2024
Renovation works for the irrigation system in the Radoniqi water supply-Janosh subsystem	3,982,911	632,403
Electricity and SCADA System for Radoniqi -Dukagjini	884,593	-
Total	**4,867,504**	**632,403**

Works contract on **rehabilitation of RDIS** signed on October 15, 2024, with works delivery schedule on March 31, 2026**, with an additional 12 months for the defect liability period, for a total value of** EUR 6,339,863. It consists of Rehabilitation of regulating structures: (i) Rehabilitation of 3 sub-systems (4,000 ha); Qerim (1,800 ha); Janosh (1,400 ha) and Sector Dukagjini (800 ha); (ii) Administrative buildings; (iii) Mechanization for operation & maintenance.

Works contract on **modernization of RDIS** signed on April 2, 2025, with works delivery schedule on March 28, 2026 **with an additional 12 months for the defect liability period, for a total value of,** for a contract value of XXX. It consists of execution of works for the Electricity and SCADA System for the Radoniqi – Dukagjini Irrigation Scheme.

7) Goods

Goods are detailed as follows:

	For the year ended on 31 December 2025	For the period from March 26 to December 31, 2024
Purchase of Pick-up	43,889	-
Purchase of Wheel Excavator with backhoe loader	80,000	-
Purchase of Scooters	29,820	-
Supply of Truck for Radoniqi-Dukagjini-	46,870	-
Office equipment	-	2,516
Office furniture	-	995
Total	**200,579**	**3,511**

Notes to the Project Financial Statements
for year ended on December 31, 2025
(in EUR unless otherwise stated)

8) Consultant services

Consultant services are detailed as follows:

	For the year ended on 31 December 2025	For the period from March 26 to December 31, 2024
Support preparation of irrigation measures and strategic annual prog.	9,000	7,050
Preparation of the environmental impact assessment	-	2,600
Supervision of works for Radoniqi - Dukagjini irrigation scheme	129,120	64,560
Capacity Building for increasing water use efficiency and agricultural productivity	106,510	159,765
PIU Staff net salaries	95,280	65,494
Personal income tax for PIU	9,867	6,900
Employee pension contribution for PIU	5,157	3,434
Communication and Outreach Campaign	8,600	4,155
Total	**363,534**	**313,958**

9) Training

Expenditures for training are detailed as follows:

	For the year ended on 31 December 2025	For the period from March 26 to December 31, 2024
Fee and subsistence - study tour in France	-	15,833
Transportation expenses - study tour in France	-	5,840
Transportation expenses - study tour in Italy	-	1,836
Fee and subsistence - study tour in Italy	-	20,911
Fee and subsistence - study tour in Netherland	25,073	-
Transportation expenses - study tour in Netherland	4,920	-
Fee and subsistence - study tour in Slovakia	13,590	-
Fee and subsistence – MAFRD/PIU workshop in Greece	9,265	-
Fee and subsistence – procurement training-Budva	1,675	-
Fee and subsistence- Environment Workshop-Skopje	300	-
Total	**54,823**	**44,420**

Notes to the Project Financial Statements
for year ended on December 31, 2025
(in EUR unless otherwise stated)

9) Training (continued)

The training expenditures consist of travel and subsistence costs for the following activities:

(i) A study tour in the Netherlands, organized from 11–15 May 2025, involving 10 participants, including farmers, irrigation providers, and staff from the Ministry of Agriculture, Forestry and Rural Development (MAFRD) and municipalities. The study tour aimed to facilitate learning from the experiences of local farmers, irrigation providers, and institutions, while promoting alignment with EU standards and best practices in irrigation management.
(ii) A study tour in Slovakia, organized from 12–16 October 2025, involving 12 participants, including farmers, irrigation providers, and MAFRD and municipal staff. The tour focused on introducing beneficiaries to advanced irrigation practices and efficient water-use strategies aimed at improving productivity, profitability, sustainability, and overall sector competitiveness.
(iii) A project team workshop in Greece, organized from 6–8 October 2025, involving 13 participants. The retreat was organized to strengthen project coordination and strategic planning, ensuring that investments are directed toward areas where they can achieve the greatest impact, particularly in maximizing agricultural land brought under irrigation.
(iv) A two-day regional procurement training held in Budva, Montenegro, on 16–17 April 2025, involving 4 participants. The training brought together participants from Project Implementation Units (PIUs) in Kosovo, Albania, and North Macedonia, and focused on Procurement Regulations, Selection Methods, Standard Procurement Documents (SPDs), Environmental and Social (E&S) aspects in SPDs, Contract Management for goods and consulting services, and the STEP system.
(v) The regional workshop "From Framework to Practice: Engaging People through the Environmental and Social Framework (ESF) and Citizen Engagement in World Bank Projects," held on 22–23 May 2025 in Skopje, with 1 participant. The workshop focused on strengthening understanding and practical application of the ESF and citizen engagement approaches in World Bank-financed projects.

10) Incremental operating costs

Expenditures for incremental operating costs are detailed as follows:

	For the year ended on 31 December 2025	**For the period from March 26 to December 31, 2024**
Office rent	11,124	8,266
Translation services	-	750
Employer pension contribution	5,157	3,434
Telecommunication/mobile phone/internet	1,405	1,382
Office supplies/printing services/advertisement	9,180	1,290
Utilities	621	249
Rental of chairs and tents (inauguration of irrigation system in the Radoniqi-Dukagjini)	-	600
Representation expenses	2,018	2,533
Vehicle (maintenance/insurance and fuel consumption)	2,103	2,659
Small purchases for office supplies	1,300	800
Transport expenses	4,957	-
Office cleaning	2,400	-
Money returned from Petty cash	(7)	-
Total	**40,258**	**21,963**

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Notes to the Project Financial Statements
for for year ended on December 31, 2025
(in EUR unless otherwise stated)

11) Liabilities

There are no liabilities as of December 31, 2025.

12) Expenditures by parts

The expenditures by Project Parts and nature are as follows:

Project Parts/ Type of expenditure	Works	Goods	Consultant Services	Training	IOC	Total year ended on December 31, 2025	Period March 26 to December 31, 2024
Part 1: Rehabilitation and Modernization of the Radoniqi-Dukagjini Irrigation Scheme	4,867,504	200,579	129,120	-	-	**5,197,203**	**699,563**
Part 2: Capacity Building to increase water use efficiency and agriculture productivity	-	-	111,010	43,467	-	154,477	**211,235**
Part 3: Project Management, Coordination, Monitoring and Evaluation	-	-	123,404	11,356	40,258	**175,018**	**105,457**
Total	**4,867,504**	**200,579**	**363,534**	**54,823**	**40,258**	**5,526,698**	**1,016,255**

The balance of the undrawn funds from Grant TF0C1898 as of December 31, 2025, is EUR 2,753,538.69

Statement of cumulative expenditures withdrawal schedule

(IRIS)

(TF 0C1898)

Statement of Cumulative Expenditures Withdrawal Schedule
(Supplementary schedule
to the Annual Project Financial Statements)
for period since inception toDecember 31, 2025

Improvement and Rehabilitation of Irrigation Systems Project (IRIS)
(Grant No TF0C1898)

Statement of cumulative expenditures withdrawal schedule
for the period since inception to December 31, 2025
(in EUR, unless otherwise stated)

Grant No. TF0C1898

Withdrawal application	Type of application	Appl. Pym. Amount	Works	Goods	Training	Consultant services	IOC	SOE	Date received	Value date
IRIS/08	Reimbursement	1,528,249	1,346,923	46,870	(2,429)	131,795	5,090	1,528,249	19-Dec-25	24-Dec-25
IRIS/07	Reimbursement	1,003,629	891,173	-	24,519	84,924	3,012	1,003,629	05-Nov-25	14-Nov-25
IRIS/06	Reimbursement	308,504	104,863	123,889	-	77,136	2,615	308,504	04-Sep-25	09-Sep-25
IRIS/05	Reimbursement	1,124,232	1,067,827	29,820	2,327	21,254	3,004	1,124,232	13-Aug-25	18-Aug-25
IRIS/04	Reimbursement	932,275	857,741	-	29,641	39,852	5,041	932,275	04-Jun-25	03-Jul-25
IRIS/03	Reimbursement	626,855	598,975	-	4,578	20,898	2,405	626,855	06-Mar-25	12-Mar-25
IRIS/02	Reimbursement	872,716	632,403	-	(1,457)	237,418	4,352	872,716	16-Jan-25	23-Jan-25
IRIS/01	Reimbursement	143,539	-	3,191	35,877	87,994	16,477	143,539	04-Dec-24	16-Dec-24
Total		**6,540,000**	**5,499,906**	**203,770**	**93,057**	**701,270**	**41,997**	**6,540,000**		

Afrim FRROKAJ
Project MANAGER

për

Adile OSMANI
Financial Management Specialist

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