



Republic of Kosovo: Kosovo KEK-01/Prishtina

PROJECT INFORMATION	CASE INFORMATION
<i>Institution:</i> IFC	<i>Case Name:</i> Kosovo KEK-01/Prishtina
<i>Project Name & Number:</i> Kosovo KEK (#29107)	<i>Complainant:</i> Confidential
<i>Company:</i> Kosovo Energy Corporation (KEK)	<i>Date Filed:</i> August 25, 2011
<i>Sector:</i> Advisory Services <i>Commitment:</i> US\$2,022,508	<i>Concerns:</i> Social & environmental impacts of privatization
<i>Region:</i> Europe and Central Asia	<i>Status:</i> Open
<i>Country:</i> Republic of Kosovo	<i>Phase:</i> Compliance

Complaint

IFC Advisory Services is assisting the government of Kosovo with the possible unbundling and privatization of the electricity distribution functions of Kosovo Energy Corporation, the country's publicly owned utility (known by its Albanian acronym, KEK) via private sector participation (PSP). The objective of the project is successful completion of the bidding process, with selection of a reputable private operator. The project was approved by IFC in December 2009, and disclosed in January 2010 with an estimated total budget of just over US\$2 million.

In August 2011 the CAO received a complaint regarding the privatization of KEK's electricity distribution functions. The complainants contend that access to information regarding the privatization was not adequate enough to allow people to address potential adverse impacts of the process, and that failure to conduct an appropriate Social and Environmental Assessment did not take into account project impacts on relevant members of the community and workforce, and the environment. The complainants requested that CAO keep their identities confidential.

In September 2011 the CAO found the complaint eligible for further assessment and the CAO Ombudsman team conducted two field trips to Pristina in November 2011. Numerous stakeholders affirmed their willingness to engage in a collaborative process to address the issues raised in the complaint. However, after a thorough discussion of the CAO mandate, functions, services, and processes, the complainants informed CAO that they considered their interests (and those of the Kosovar public) would be best served by CAO's compliance function.

CAO Action

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Status

The case is now subject to a 45-day appraisal to ascertain whether an audit of IFC's social and environmental due diligence for the project is merited.