

Cairo Water Week 2026

**MED-RISE Mediterranean Resilience through Investment and Sustainable Ecosystems
Meeting of the UfM Task Force on Water Finance and Investment
(TF-WATFIN)**

WASH Services & Tariff-Setting

Republic of North Macedonia

Ylber Mirta
Head of Department for waters
Ministry of Environment and Physical Planning

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Who does what? Institutional framework



The regulatory framework includes:

- the Law on Waters and
- the Law on Setting the Prices of Water Services (incl.the regulator's tariff Methodology).

Tariff regulation must work alongside municipal planning, utility management, national policy and external investment support.

How tariff-setting works



Key principle

Tariffs should be evidence-based, predictable and transparent.

Important safeguard

Tariff increases should be assessed alongside affordability and service performance.

What services need to be financed?

Raw water

Abstraction and supply of raw water for public supply

Drinking water

Treatment, pumping, storage and distribution

Wastewater collection

Sewer networks, transport and drainage

Wastewater treatment

Treatment plant operation, sludge handling and compliance

Separating service costs improves transparency and helps reveal where revenues, operating costs and investment needs do not match.

Key challenges for WASH services

Financial sustainability

Cost recovery, collection efficiency and funds for asset renewal

Affordability

Tariffs can pressure low-income households without targeted support

Infrastructure gap

Wastewater networks and treatment plants need long-term capital

Utility capacity

Some providers may lack specialist staff, robust data and asset systems

Operational efficiency

Water losses, energy use and ageing infrastructure can raise costs

Trust & transparency

Consumers need clear explanations of bills and service results

Lessons learned to share with other countries

- 1 Regulate predictably** Clear rules and standardised submissions, improve consistency and transparency.
- 2 Protect affordability** Use household-income evidence.
- 3 Link tariffs to outcomes** Publish service targets and report whether investment and quality improve.
- 4 Plan across services** Coordinate drinking-water, sewerage and treatment investment.
- 5 Build utility capability** Improve accounting, metering, billing, asset management and benchmarking.

Priorities for further improvement

For North Macedonia, the next phase of WASH and tariff reform could focus on five practical priorities:

1. **Utility benchmarking**: establish comparable annual indicators for financial performance, water losses, service continuity, wastewater collection and treatment.
2. **Affordability assessment**: assess the household bill for essential water and sanitation services against household income, including low-income and rural households.
3. **Investment-linked tariffs**: connect tariff adjustment plans to clearly defined investment programmes and service-delivery targets.
4. **Integrated financing**: coordinate utility revenues with municipal and national budgets, EU grants and concessional financing for wastewater treatment and network rehabilitation.
5. **Transparent communication**: publish understandable information on tariff decisions, utility costs, service quality and the use of revenues.

The regulator's official water-services portal provides the methodology, rulebook, tariff application forms, adjustment plans and tariff decisions.

EU support - IPA Project “Further support of the Water reform”



Overall objective: To improve access to and quality of water and wastewater services, in line with the EU Acquis



Outcome 1: Municipal water service provision reorganised in clusters at river basin level

A strategy for the reorganisation of municipal drinking water and wastewater services is operationalized

The overseeing functions for inter-municipal cooperation in water service provision are strengthened



Outcome 2: Reviewing and adjusting the water pricing approach

The water tariff mechanism and enforcement is upgraded nation-wide

The National benchmarking system is established

MAKBIS is operationalised

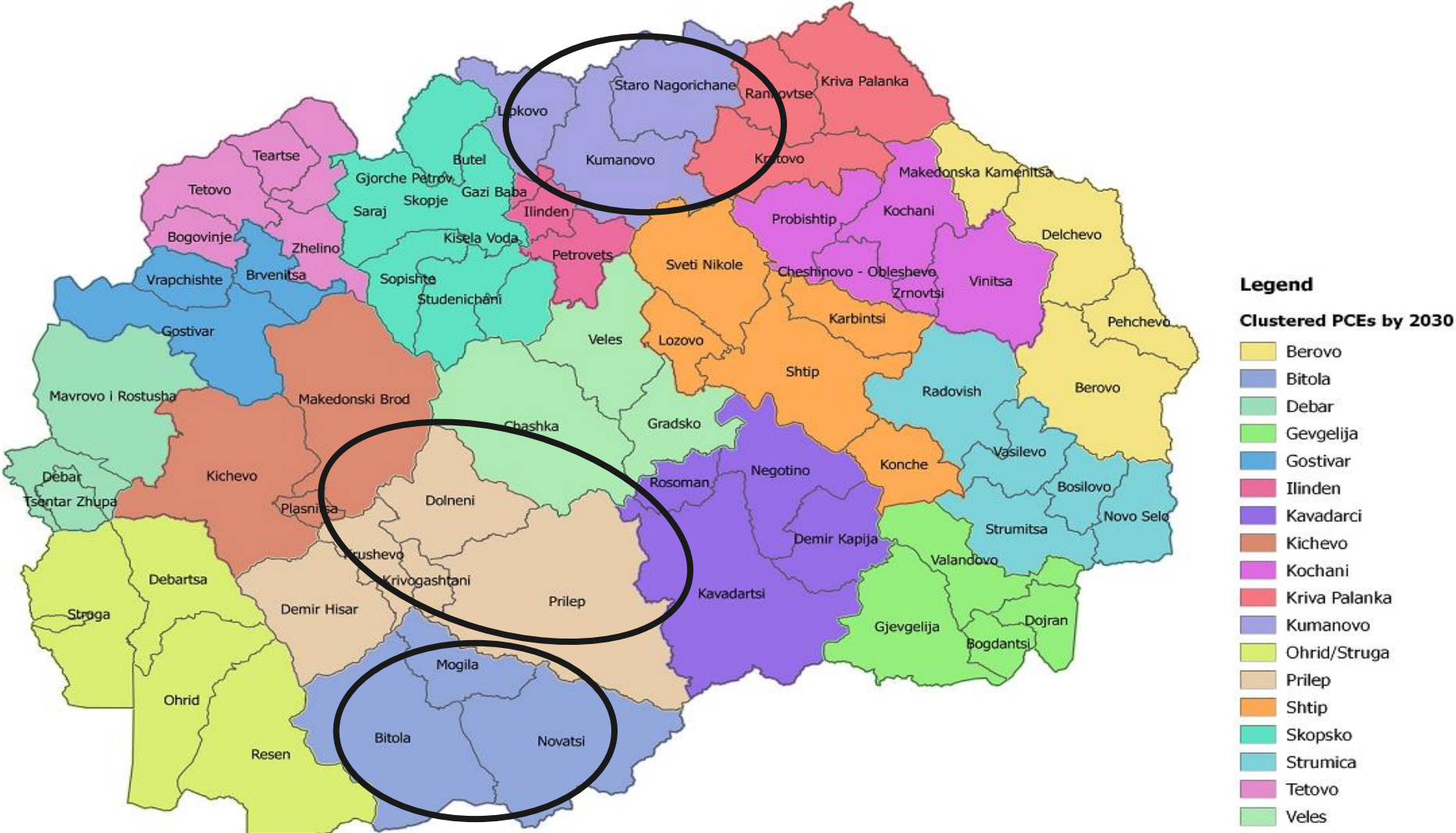


Outcome 3: Support implementation of reform measures in pilot areas

Inter-municipal water service provision in pilot areas is established

Financial and operational performance of water service provision in pilot areas is improved

3 - pilot areas (Kumanovo, Bitola and Prilep)



Project plan

Phases	1. Inception	2. Planning	3. Piloting
Duration	Months 1-4	Month 5-14	Month 15-30
Period	May -Sept 2025	Oct 25 – July 2026	Aug 26 – Nov 2027
Events	Inception workshop	Workshops and conferences	Workshops, trainings and conferences
Outputs	Inception Report	<ul style="list-style-type: none"> National Working Group 3 Detailed clustering studies in pilot areas Sector reorganization strategy and action plan Clustering toolkit Capacity Development Plan ADKOM and ZELS Upgrading the tariff setting methodology and platform Interim Report 1 	<ul style="list-style-type: none"> 3 clustering pilots, asset inventories, FOIPs, BPs and TAPs Software development for digital management Cost & Profit Centre accounting Upgraded MAKBIS and National benchmarking system Interim Report 2 and Final Report

Thank you for your attention!