

**MONITORING OF THE CLIMATE CHANGE  
STRATEGY IN ALBANIA, 2020-2030  
FOR 2019-2021**

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**NOVEMBER 2021**

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## ABBREVIATIONS

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<b>CABRA</b>	Conservation of Agrobiodiversity in Rural Areas
<b>CC</b>	Climate Change
<b>CD</b>	Capacity Development
<b>CSO</b>	Civil Society Organization
<b>EEA</b>	European Economic Area
<b>EFTA</b>	European Free Trade Association
<b>ERTMS</b>	European Rail Traffic Management System
<b>ETS</b>	Emissions Trading System
<b>EU</b>	European Union
<b>GDP</b>	Gross Domestic Product
<b>GEF</b>	Global Environment Facility
<b>GES</b>	Green Emission Substances
<b>GGEs</b>	Greenhouse Gas Emissions
<b>GHG</b>	Greenhouse Gases
<b>GIZ</b>	German Corporation for International Cooperation
<b>INDC</b>	Intended Nationally Determined Contribution
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>ITS</b>	Intelligent Transport System
<b>KfW</b>	German Bank for Development
<b>LRIT</b>	Long Range Identification and Tracking
<b>LUCF</b>	Land Use Change and Forestry
<b>MoF</b>	Ministry of Finance
<b>MoIE</b>	Ministry of Infrastructure and Energy
<b>MoTE</b>	Ministry of Tourism and Environment
<b>MTBP</b>	Mid-Term Budget Plan
<b>NAP</b>	National Adaptation Plans
<b>NAPA</b>	National Agency for Protected Areas
<b>NEA</b>	National Environmental Agency
<b>NANR</b>	National Agency of Natural Resources
<b>NFA</b>	National Forest Agency
<b>NCA</b>	National Coastal Agency
<b>NDC</b>	National Determined Contribution
<b>NGO</b>	Non-Governmental Organization
<b>NSCC</b>	National Strategy for Climate Change and Plans
<b>NZEB</b>	Near Zero-Energy Building
<b>OECD</b>	Organization for Economic Development and Cooperation
<b>PIB</b>	Public Internal Debt
<b>REC</b>	Resource Environmental Center Albania
<b>RIS</b>	River Information Services
<b>SANE</b>	Supporting Albania in Negotiations for Environment
<b>SESAR</b>	Single European Sky ATM Research
<b>SIDA</b>	Swedish International Development Cooperation Agency
<b>SNAP</b>	Stocktaking for National Adaptation Planning
<b>SSN</b>	Safe Sea Net
<b>SWAN</b>	Solid Waste reuse Platform for Balkan
<b>TEN-T</b>	Trans-European Transport Network
<b>TNC</b>	Third National Communication
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>UNIDO</b>	United Nations Industrial Development Organization
<b>VAT</b>	Value-Added Tax
<b>WFD</b>	Westminster Foundation for Democracy

## 1. EXECUTIVE SUMMARY

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National Strategy for Climate Change and Plans (NS CC) is the main strategic document on addressing climate change in Albania, which was approved by the Albanian Government in July 2019. It is designed to support the implementation of EU legislation on environment and climate, aimed at strengthening coordination across sectors pertaining to climate adaptation measures, environmental protection, and sustainable development. The NS CC focus is put on mitigation and adaptation of climate change in Albania.

Albania received European Union candidate status in June 2014. Albania's EU accession process is a driving force in the reform of the environmental sector and cross-sectoral coordination needful for climate change adaptation responses. Integration directly implies close cooperation with EU regulations. The Ministry of Tourism and Environment through its Climate Change Unit is the national UNFCCC focal point. The Unit collaborates with an interdisciplinary and inter-institutional technical team to fulfil Albania's duties as a UNFCCC member. The State Environmental Inspectorate identifies and responds to issues related to environment and climate change.

This first report on the implementation of the National Strategy for Climate Change, 2020-2030 is based on the monitoring of indicators linked up with availability of 'inputs' to climate change, given that Albania is a country with an underdeveloped economy that is characterized by a long transition referring that the finances, legislation, and institutional development are enabling factors in country response to climate change, given also that approval of the National Strategy for Climate Change by the Government of Albania is a relatively of late development (July 2019), from where the progress in the period 2019-2021 has been influenced by two very important factors with a significant impact:

- ✓ The earthquake that hit the country in November 2019
- ✓ The lock down due to pandemics of COVID-19

The main objectives of this monitoring report are:

- ✓ To provide decision makers with an information framework that improves the decision-making process towards climate change;
- ✓ To increase knowledge among civil society actors on progress of strategy implementation;
- ✓ To encourage active participation CSOs in climate decision-making processes.

It is unclear what mechanism was used in relocating strategy planned budget to involved sectors, or how the spending on these funds is filed. Due to unavailability of such information, REC Albania analysed MTBPs of the Ministry of Tourism and Environment, Ministry of Infrastructure and Energy, and the Ministry of Agriculture and Rural Development for the period 2019-2021.

Implementation of the National Strategy for Climate Change will have to be in conjunction with adoption of a Capacity Development Policy deriving from Strategy for Climate Change. This would create a greater playing field for involved sectors across governance or institutions to

interact and coordinate, as well as better positioning for the country in the UN Framework Convention on Climate Change (UNFCCC). Key bottlenecks for limited adaptation support from public institutions and their inability to play better role in building resilience to climate change relate to the gaps in management, non-availability of financial and physical resources as well as lack of or insufficient training.

## 2. MONITORING METHODOLOGY

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This monitoring report aims to assist legislative and decision-making authorities at the central level, the units responsible for cross-sectoral policies at the relevant institutions, the sectors covering technical and monitoring aspects for climate, and civil society actors.

This first monitoring report on the implementation of the National Strategy for Climate Change, 2020-2030 is based on the development of indicators linked up with the **delivery of 'inputs'** to climate change, given that Albania is a country with fragile economy characterized by a long transition.

**Input Indicators** refer to the resources needed for the implementation of the strategy. Finances, legislation, and institutional development are esteemed enabling factors for country's preparedness in responding to climate change. Assessment of resources is a first step that helps to better understand how government decisions are made to prioritize measures defined within the strategy for CC and follow up with 'process/result' based monitoring of strategy implementation.

Approval of the National Strategy for Climate Change by the Government of Albania is relatively of recent development (July 2019), from where the progress over the last two years has been influenced by two very important factors with a significant impact on the country finances:

- ✓ The earthquake which hit the country in November 2019
- ✓ The lock down imposed by COVID 19 pandemics

**Timing of the monitoring assessment:** The report attempts to scale the government commitment on climate change and examine whether the latest are anchored in financial and capacity development inputs for the period from adoption of the strategy and to date.

**The Input based Indicators** that were observed include:

- ✓ Governmental funding, technical assistance, agencies, and bilateral funding sources on climate.
- ✓ Technical and institutional capacities, through which the government is expected to be obtained with required capacities needed for implementation of the strategy.
- ✓ Development of climate related legislation to examine the progress of compliance or shortcomings in the implementation of the strategy.

For the preparation of this report, the analyses focused on secondary the data from online sources of information, as well as it was made a dedicated collection of information at the central government institutions (i.e., the MTBPs, training and qualification reports). Semi-structured interviews with key-authorities at the Ministry of Tourism and Environment and Ministry of Infrastructure and Energy, serving as climate focal points have also taken place.

The methodology was prompted in the view of Strategy for Climate Change highlighting the need to develop in the mid-term the institutional capacities, which are essentially important for implementation of the strategy, especially for a country like Albania. The methodology used for the design of this report is based on the sorting of an *Input Based Monitoring Matrix*.

Additionally, the key points of the monitoring analyses is based in viewing financial, legal, and institutional capacities that permit implementation of the strategy.

Monitoring matrix consists of three important pillars, with various inter-related aspects framed for the analyses, as in below:

**Financial pillar:**

1. Analyse the disbursing trend of public finances envisaged in Government's 3-year financial commitment to climate transition action plan expanded over 2019-2022.
2. Assess funds4climate mobilized by Donor Coordination Office near the Prime Minister through the potential support that might have been received by various donors on climate related projects; or IPA II funds.

**Legal and policy pillar:**

3. Screen climate related new acts of legislation adopted and endorsed from 2019.

**Institutional and capacities pillar:**

4. Assess level of enhanced capacities among public institutions and agencies relevant to climate action.
5. Assess government perspective in establishing the climate monitoring system for implementation of climate strategy.

## 2.1 Monitoring limitations

During the monitoring process, several limitations were observed by the assessment team, which had an impact on the monitoring process and the quality of information provided in the deliverables of the assignment. The main limitations include:

- ✔ There is no monitoring instrument for this strategy in keeping track neither on the progress of implemented measures, nor on the dedicated inputs and resources to the strategy. Distribution of climate responsibilities among several central governmental agencies, without having a lead agency assigned with supervision, interagency coordination, data collection and monitoring roles, creates fragmentation and loss of the data series in the monitoring of entire strategy objectives' framework.
- ✔ The government's financial commitment expressed in three-year plans is not traceable because the budget lines included in the Strategy for Climate Change are not adjusted by codes to make such allocations identifiable and align them with the budget format (MTBPs) of involved sectors.
- ✔ The share of activities directly contributing to climate, as part of the entire program/project budget within MTBPs is unavailable. Consequently, the analyses of financial data linked with climate is quite gross.
- ✔ There is lack of a framed intersectoral objective and database on institutional building figured within the basket of programs and projects that are underway. Availability of such information is important to ensure that knowledge is improving all the time across sectors, and it is tailored to needs of the different sectors.

- ✔ The database with information on the climate related foreign assistance projects provides insufficient information that is not linked to the monitoring indicators of the Strategy. In order to prevent wrong perceptions and incorrect figures, this report includes only the projects approved by the Government of Albania. Furthermore, there are no traces of lower range climate projects.

### 3. ADDRESSING CLIMATE CHANGE

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Many countries are increasingly vulnerable to destructive weather events – floods, droughts, windstorms, or other parameters. The vulnerability is driven in part by recent extremes in climate variability, but also countries' sensitivity to events exacerbated by past practices, socio-economic conditions, or legacy issues. The degree to which vulnerability to weather affects the countries' economies is driven by their coping or adaptive capacities.

Albania is one of the most vulnerable countries in the region in terms of changing climate trends. Changing weather patterns have already been observed over the last 15 years with increasing temperatures, decreasing precipitation, and more frequent extreme events like floods and droughts. Projections indicate a decline in summer rainfalls of about 10 percent by 2020 and 20 percent by 2050. Two sectors that are acutely impacted by these shifts in climate are energy and agriculture. Over the years, the European Commission Reports have marked Albania with unsatisfactory progress related to Climate Change, which stands as a specific sub chapter within Chapter 27. Nevertheless, there is a progressive shift in the EC's 2020 and 2021 Reports, stating that "Albania has achieved some level of preparation in tackling the climate change, but alignment with the *acquis* is still limited"<sup>1</sup>.

Hence, the EC Report 2020 acknowledges specifically the approval of the National Strategy on Climate Change for 2019-2030, with objectives for 2050. However, all the reports state the huge challenges laying ahead due to the new climate targets set by the EU. Lack of specific administrative structures and available staff for handling climate change issues are a matter of serious concern<sup>2</sup>.

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<sup>1</sup>[https://ec.europa.eu/neighbourhood-enlargement/albania-report-2021\\_en](https://ec.europa.eu/neighbourhood-enlargement/albania-report-2021_en) page 116

<sup>2</sup>[https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwixwKn7q9zzAhWLCOwKH0ZCmgQFnoECAYQAQ&url=https%3A%2F%2Fec.europa.eu%2Fneighbourhood-enlargement%2Fsystem%2Ffiles%2F2020-10%2Falbania\\_report\\_2020.pdf&usq=AOvVaw29NByoceEd8O9244xPX9dC](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwixwKn7q9zzAhWLCOwKH0ZCmgQFnoECAYQAQ&url=https%3A%2F%2Fec.europa.eu%2Fneighbourhood-enlargement%2Fsystem%2Ffiles%2F2020-10%2Falbania_report_2020.pdf&usq=AOvVaw29NByoceEd8O9244xPX9dC) page 107

## **4. INTRODUCTION ON NS CC GOAL AND OBJECTIVES**

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National Strategy for Climate Change and Plans (NS CC) is designed to support the implementation of EU legislation for environment and climate, aimed at strengthening coordination across sectors to climate adaptation measures, environmental protection, and sustainable development. The NS CC strategy represents a general cross-cutting sectoral plan providing a summary of goals, policy objectives and measures lined up with mitigation and adaptation to climate change in the relevant sectors proposing a low carbon development plan.

The NS CC on mitigation takes into account the long-term objectives to be reached by 2050, which ones should be coped with long term emission reductions and the increase of emission absorbers in the relevant sectors in line with EU objectives for 80% - 95 % CO<sub>2</sub> reduction by 2050, as compared to 1990 levels. The document covers four reporting sectors of Albania's Greenhouse Gas Inventory: Energy with special focus put on Transport, Land Use Change and Forestry, covering 80% of Albania's CO<sub>2</sub> emissions and Waste, Building and Industry.

## 5. ALBANIA'S CLIMATE RISK PROFILE

This profile provides an overview of climate risk issues in Albania, including how climate change will potentially impact agriculture, water resources, human health, coastal zones, ecosystems and energy and infrastructure. The briefing includes an overview of Albania, the climate, and projected changes.

### 5.1. Socio-environmental overview

Albania is a small county with a fragile economy reliant on the service, industrial and agriculture sectors that faces a range of challenges in addressing climate change risks. Economic growth has been uneven. Albania's mostly mountainous landscape is endowed with abundant water resources, diverse flora and fauna and an extensive coastline on the Adriatic and Ionian Seas. Its terrain is conducive to seasonal flooding. Other challenges include both man-made and natural soil erosion, under regulated coastal development, tenure insecurity and contamination of the water supply, compounded by low public awareness of climate change. The vulnerability of Albania's energy supply and agriculture sector to climatic changes, combined with a series of recent heavy floods and landslides, are elevating climate change preparedness as a priority within Albania's development planning.

### 5.2. Climate summary

Albania's climate follows the country's topography, with temperatures and precipitation varying by altitude and distance from the sea. Most of the country's rainfall occurs between November and March, with lower amounts during the June to September growing season.

*Table 1: Albania's Climate Summary*

Historical climate	Future climate
<p>Historical climate trends since the 1960s include:</p> <ul style="list-style-type: none"> <li>✓ Increase in annual mean temperatures by 1°C.</li> <li>✓ Across the eastern Mediterranean, a six- to eight-fold increase in the intensity, duration, and number of heat waves.</li> <li>✓ A slight but statistically insignificant decrease in annual mean precipitation.</li> <li>✓ Rising Adriatic Sea levels, linked to increased storm surges and damage from the Bora, a cold, dry northeasterly wind, and Sirocco, a south-southeasterly wind.</li> </ul>	<p>The changing dynamics of rainfall in Albania are uncertain, but the latest scientific evidence suggests a tendency to see milder winters, warmer springs and hotter and drier summers and autumns.</p> <p>Climate scenarios by 2050 project:</p> <ul style="list-style-type: none"> <li>✓ Intense increases in temperature (2.4°C to 3.1°C) from June to August.</li> <li>✓ Decreased annual precipitation (less than 10 percent), with largest decreases from June to September.</li> <li>✓ An increase in precipitation falling as rain instead of snow, potentially reducing snowpack.</li> <li>✓ Increase in intensive rain episodes.</li> <li>✓ Flooding along coastlines.</li> <li>✓ Climate projections in Albania include increases in temperature, more extreme weather, with floods, droughts and heat waves, and rainfall variability with decreasing summer averages.</li> </ul>

### 5.3. Agriculture Production

Agriculture, a highly climate-sensitive sector, contributes 22.6 percent to GDP<sup>3</sup> and is the main source of employment for Albania's rural population. Farming is predominantly subsistence-level and dedicated to livestock (more than 50 percent of production value), field crops like wheat and maize (around 30%) and fruit production<sup>4</sup>. The topography of the landscape limits mechanization potential, and opportunistic land reclamation and pasture conversion have accelerated deforestation and erosion, exacerbating risks from floods and landslides. A 2021 government plan aims to improve irrigation works and drainage to reduce damage from periodic flash floods and landslides<sup>5</sup>.

Climate change is already underway in Europe, and it is accelerating, reinforcing the need for immediate, medium-, and long-term solutions which can help everyone involved in agriculture to reduce its adverse impacts. Changes in precipitation patterns, rising temperatures, and increases in the frequency and severity of natural disasters are forcing people to address these impacts in new and innovative ways and begin adapting to a changing climate. While these changes in climate and their resulting effects on agriculture will have an impact on the population at large, it is the rural populations who are most vulnerable.

With increases in precipitation and more natural disasters expected in the country over the next decades, the government is working with farmers to help better understand the consequences of these changes and helping to mitigate many of the most serious consequences resulting from the shifts in climate.

*Table 2: Climate stressors and risks for Agriculture Production.*

Climate stressors and climate risks Agriculture Production	
Stressors	Risks
Increased winter and summer temperatures	Accelerated crop development, shortened growing cycle
	Increased yields of some crops (wheat); reduced yields of others (maize) as well as reduced forage for livestock
Reduced water availability during critical summer months	Increased soil salinization and desertification
	Elevated livestock mortality and reduced productivity
	Increased exposure to new pests and diseases

### 5.4. Water Resources

Albania has ample freshwater resources, but there are seasonal variations and water use inefficiencies that climate can magnify. Powerful rivers are highly erosive, and seasonal flooding is common – the highest risk is in the western and southern plains. Poor management and lack

<sup>3</sup>World Bank Group (2021): Albania – Climate Risk Country Profile, page 16

<sup>4</sup>World Bank Group (2021): Albania - Climate Risk Country Profile, page 16

<sup>5</sup>Draft NDC update (2021) on approval process

of investment in flood protection, irrigation and drainage infrastructure exacerbated the damage and losses from heavy rainfall in 2014, 2015, 2016, and 2018<sup>6</sup>.

*Table 3: Climate stressors and risks for Water Resources.*

<b>Climate stressors and climate risks</b>	
<b>Water Resources</b>	
<b>Stressors</b>	<b>Risks</b>
<b>Reduced precipitation and shift from snow to rain</b>	Altered or lowered river flows, especially in summer
	Groundwater affected due to decreased water percolation and loss of soil moisture
<b>More frequent droughts and flooding</b>	Shift in runoff patterns: potential spring decrease, winter increase
	Damage to water infrastructure from flooding

## 5.5. Human Health

The government's Health Vulnerability National Adaptation Process identified extreme weather events, air quality and communicable diseases as priority health risks under a changing climate. Heat-related deaths, especially among the elderly, are the most-researched direct health impact predicted for the Balkans in general; information on other direct or indirect effects of climate change on human health is limited.

*Table 4: Climate stressors and risks for Human Health.*

<b>Climate stressors and climate risks</b>	
<b>Human Health</b>	
<b>Stressors</b>	<b>Risks</b>
<b>Increased temperatures</b>	Increased mortality from heat stroke and exacerbation of pre-existing conditions
<b>More frequent, longer, and intense heat waves</b>	Higher temperatures affect concentration/dispersion of air pollutants
	Increased range of vector-borne disease carriers (e.g., mosquitos)

## 5.6. Coastal Zones

Climate impact may affect almost of the 97 percent of the population that lives within 100 kilometers of the coast. This means that it also affects the population on the outskirts of the capital. Taking into consideration the population in Durres and other western areas, this affects half or more of the population at national level.

Unregulated urban development up to the shoreline exposes infrastructure and the population to high risk of damages from storms, flooding and – in the future – sea level rise. Deforestation of coastal areas, agricultural development and use of gravel and sand for construction have contributed to coastal erosion, thereby increasing vulnerability. Climate change impact to the

<sup>6</sup>World Bank Group (2021): Albania - Climate Risk Country Profile, page 18

artisanal fishery sector have not been studied in detail, but the sector could be affected by projected sea surface temperature increases<sup>7</sup>.

*Table 5: Climate stressors and risks for Coastal Zones.*

<b>Climate stressors and climate risks</b>	
<b>Coastal zones</b>	
<b>Stressors</b>	<b>Risks</b>
<b>Raising sea levels</b> <b>Increased intensity of storm surges</b>	Damage to coastal infrastructure, including tourism facilities and agricultural land
	Altered lagoon, wetland, and coastal forest ecosystems
<b>Increased sea surface temperatures</b>	Increased salinity of coastal freshwater aquifers
	Increased coastal flooding by 2100

## 5.7. Energy and Infrastructure

Albania relies on the Drini River Basin for more than 90 percent of its domestic hydropower supply. This river basin could see reduced flows due to climate change that would affect energy supply. Albania is already vulnerable to fluctuations in precipitation, evidenced by the 2007 drought that led to severe energy shortages. Along with the damages to coastal infrastructure, landslides and floods in the plains and lowlands caused extensive infrastructure damage in past years. Albania's urban congestion, aging motor vehicles and dust from gravel roads contribute to air pollution, which may be exacerbated by higher temperatures and longer periods without precipitation. Shifts in climate are projected to have significant impacts on the energy sector in Albania.

*Table 6: Climate stressors and risks for Energy and Infrastructure.*

<b>Climate stressors and climate risks</b>	
<b>Energy and Infrastructure</b>	
<b>Stressors</b>	<b>Risks</b>
<b>Increased temperatures</b>	Reduced hydropower potential
<b>More frequent droughts</b>	Changes in seasonal demand for heating and cooling/refrigeration
	Competition for water resources between hydropower and agriculture (irrigation) sectors
<b>Increased frequency of extreme weather events</b>	Reduced efficiency of transmission and distribution lines with increased heat
	Flood-caused infrastructure damages

## 5.8. Ecosystems

Nearly 10 percent of Albania is terrestrial or marine protected area, but nearly 19 percent of flora and fauna species are endangered, due in part to pollution, overfishing and land conversion. Plant stress and drying due to high temperatures are associated with a record number of forest fires in the summers of 2007 and 2021. Illegal or underregulated construction, particularly in coastal zones, has increased human and ecosystem vulnerability to storm surges.

<sup>7</sup>World Bank Group (2021): Albania - Climate Risk Country Profile page 26

Table 7: Climate stressors and risks for Ecosystems.

Climate stressors and climate risks Ecosystems	
Stressors	Risks
Increased temperatures Increased frequency of extreme weather events	Increased risk of forest fires
	Habitat shifts, loss and fragmentation, disrupting species migration patterns
	Reduced stream flow, threatening wetlands

## 5.9. Disasters

Albania currently suffers from heat waves, droughts, landslides and floods, which may be exacerbated by climate change. Soil erosion, deforestation and unregulated construction compound the impact of extreme weather events, as does the concentration of urban migrants in vulnerable informal settlements. Data collection and sharing between institutions to monitor risks and enhance early warning systems is a challenge. Hydrological and meteorological station functioning has declined in recent decades. Albania currently has donor financing aimed at strengthening disaster risk management systems.

### 5.10. Policy Context

Albania received European Union candidate status in June 2014. Albania's EU accession process is a driving force in the reform of the environment sector and of cross-sectorial coordination needful for climate change adaptation responses. Integration directly implies compliance with EU regulations.

### 5.11. Institutional Framework

The Ministry of Tourism and Environment through its Climate Change Unit is the national UNFCCC focal point. The Unit collaborates with an interdisciplinary and inter-institutional technical team to fulfil Albania's duties as a UNFCCC member<sup>8</sup>. The State Environmental Inspectorate identifies and responds to issues related to environment and climate change. The responsibilities of the National Environmental Agency include permitting, environmental impact assessment, and public information. Albania's National Draft-Strategy for disaster risk reduction and civil protection, yet to be approved, emphasizes the need to retrofit and expand the existing observational network of weather and hydro-met stations. The EC Report 2021 states "it requires a rapid revision of the outdated national strategy and national plan and a review of the related prefectural and local emergency plans. The administrative capacity, infrastructure and systems for early warning, prevention, preparedness and response are still inadequate"<sup>9</sup>.

The Ministry of Infrastructure and Energy (MIE) is responsible for the energy sector and is designated to prepare, periodically review and update the National Energy Strategy; develop energy policies and mid-term and long-term strategies for the energy sector; develop market

<sup>8</sup>Ministry of Tourism and Environment [www.turizmi.gov.al](http://www.turizmi.gov.al)

<sup>9</sup>[https://ec.europa.eu/neighbourhood-enlargement/albania-report-2021\\_en](https://ec.europa.eu/neighbourhood-enlargement/albania-report-2021_en), page 115

reforms in the sector to meet the national objectives and comply with European Union (EU) directives; formulate adequate legal framework; and promote energy efficiency, renewable energy resources and investments in the sector through enabling investment environments<sup>10</sup>. The Ministry of Infrastructure and Energy is responsible for national climate policy and international cooperation on climate change related to energy efficiency and renewable energies in Albania<sup>11</sup>. The Directorate of Development Programs on the Energy and Energy Efficiency.

## 5.12. National Frame for Climate

The national climate framework has been dynamic, but the first documents were drafted in the early 2000s. Although 20 years have flown away, the most substantial developments have taken place in recent years, with approval of national strategy and climate law. Main climate documents are chronologically presented in below:

- ✓ [First National Communication](#) (2002) and [Second National Communication](#) (2009). The second communication focuses on the Drini River Cascade area. [Third National Communication](#) (2016). [Forth Communication](#) in process
- ✓ [Energy National Strategy](#) (2018 – 2030)
- ✓ [Strategy for Climate Change](#) (2019)
- ✓ [Law on energy efficiency](#), changed (2021)
- ✓ [Nationally Determined Contribution](#) (NDC) 2015. NDC+5 in process
- ✓ [National plan for energy and climate](#), in process
- ✓ [Climate Change Adaptation in the Drini Mati River Delta and beyond](#) (2013) proposes policy strategies to mainstream climate change adaptation considerations into national, regional and commune-level development planning.

<sup>10</sup>International Renewable Energy Agency (IRENA), 2021: Albania - Renewables, Readiness, Assessment, page 25

<sup>11</sup>Ministry of Infrastructure and Energy [www.infrastruktura.gov.al](http://www.infrastruktura.gov.al)

## 6. EU'S CLIMATE AND ENERGY FRAMEWORK

Albania, as a European country and part of accession processes has guided its political will and the efforts to climate change in the light of commitment that EU Frame instructs the countries to follow. EU represents the highest legal standards in the world for environment.

Table 8: EU's Climate and Energy Framework<sup>12</sup>.

	Main points/Targets	Summary
<b>DIRECTIVE (EU) 2018/2002 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2018 amending Directive 2012/27/EU on energy efficiency</b>	<ul style="list-style-type: none"> <li>✔ 30% energy efficiency target by 2030;</li> <li>✔ Reducing primary energy consumption by 32.5% by 2030 at EU level.</li> </ul>	Reducing energy consumption and waste is of growing importance to the EU. In 2007, EU leaders set a target to cut the annual energy consumption of the EU by 20% by 2020. In 2018, as part of the 'Clean Energy for all Europeans' package, a new target was set to cut energy consumption by at least 32.5% by 2030. Energy efficiency measures are increasingly recognized as a means not only to achieve a sustainable energy supply, cut greenhouse gas emissions, improve security of supply, and reduce import bills, but also to promote the EU's competitiveness. Energy efficiency is therefore a strategic priority for the Energy Union, and the EU promotes the principle of 'energy efficiency first'. The future policy framework for the post-2030 period is under discussion.
<b>GREEN PAPER A 2030 framework for climate and energy policies</b>	<ul style="list-style-type: none"> <li>✔ At least 40% cuts in greenhouse gas emissions (from 1990 levels);</li> <li>✔ At least 32% share for renewable energy;</li> <li>✔ At least 32.5% improvement in energy efficiency.</li> </ul>	The 2030 climate and energy framework include EU-wide targets and policy objectives for the period from 2021 to 2030. The 40% greenhouse gas target is implemented by the EU Emissions Trading System, the Effort Sharing Regulation with Member States' emissions reduction targets and the Land use, land use change and forestry Regulation. In this way, all sectors will contribute to the achievement of the 40% target by both reducing emissions and increasing removals. All three pieces of climate legislation will now be updated with a view to implement the proposed at least 55% net greenhouse gas emissions reduction target. The Commission will come forward with the proposals by July 2021.
<b>WHITE PAPER Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system</b>	<ul style="list-style-type: none"> <li>✔ Halve the use of 'conventionally-fuelled' cars in urban transport by 2030; phase them out in cities by 2050; achieve essentially CO2-free city logistics in major urban centres by 2030.</li> </ul>	A transformation of the European transport system will only be possible through a combination of manifold initiatives at all levels. The various actions and measures indicated in this Road Map will be further elaborated. The Commission will prepare appropriate legislative proposals in the next decade with key initiatives to be put forward during the current mandate. Each of its proposals will be preceded by a thorough

<sup>12</sup>[https://ec.europa.eu/environment/nature/natura2000/platform/news/eu\\_guide\\_environmental\\_directives.htm](https://ec.europa.eu/environment/nature/natura2000/platform/news/eu_guide_environmental_directives.htm)

	<ul style="list-style-type: none"> <li>✓ Low-carbon sustainable fuels in aviation to reach 40% by 2050; also, by 2050 reduce EU CO2 emissions from maritime bunker fuels by 40% (if feasible 50%).</li> <li>✓ 30% of road freight over 300 km should shift to other modes such as rail or waterborne transport by 2030, and more than 50% by 2050, facilitated by efficient and green freight corridors. To meet this goal will also require appropriate infrastructure to be developed.</li> <li>✓ By 2050, complete a European high-speed rail network. Triple the length of the existing high-speed rail network by 2030 and maintain a dense railway network in all Member States. By 2050 most of the medium-distance passenger transport should go by rail.</li> <li>✓ A fully functional and EU-wide multimodal TEN-T 'core network' by 2030, with a high quality and capacity network by 2050 and a corresponding set of information services.</li> <li>✓ By 2050, connect all core network airports to the rail network, preferably high-speed; ensure that all core seaports are sufficiently connected to the rail freight and, where possible, inland waterway system.</li> <li>✓ Deployment of the modernized air traffic management infrastructure (SESAR) in Europe by 2020 and completion of the European Common Aviation Area. Deployment of equivalent land and</li> </ul>	<p>impact assessment, considering EU added value and subsidiarity aspects. The Commission will ensure its actions increase the competitiveness of transport while delivering the minimum 60% reduction of GHG emissions from transport needed by 2050, orienting itself along the ten goals which should be seen as benchmarks.</p>
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	<p>waterborne transport management systems (ERTMS, ITS, SSN and LRIT, RIS). Deployment of the European Global Navigation Satellite System (Galileo).</p> <ul style="list-style-type: none"> <li>✓ By 2020, establish the framework for a European multimodal transport information, management, and payment system.</li> <li>✓ By 2050, move close to zero fatalities in road transport. In line with this goal, the EU aims at halving road casualties by 2020. Make sure that the EU is a world leader in safety and security of transport in all modes of transport.</li> <li>✓ Move towards full application of “user pays” and “polluter pays” principles and private sector engagement to eliminate distortions, including harmful subsidies, generate revenues and ensure financing for future transport investments.</li> </ul>	
<p><b>SUBMISSION BY LATVIA AND THE EUROPEAN COMMISSION ON BEHALF OF THE EUROPEAN UNION AND ITS MEMBER STATES</b> Intended Nationally Determined Contribution of the EU and its Member States</p>	<ul style="list-style-type: none"> <li>✓ At least 40% domestic reduction in greenhouse gas emissions by 2030.</li> <li>✓ Economy-wide absolute reduction from base year emissions.</li> <li>✓ All greenhouse gases not controlled by the Montreal Protocol (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>)</li> <li>✓ 100% of Emissions Covered.</li> </ul>	<p>The EU and its Member States are committed to a binding target of an at least 40% domestic reduction in greenhouse gas emissions by 2030 compared to 1990, to be fulfilled jointly, as set out in the conclusions by the European Council of October 2014.</p>
<p><b>DIRECTIVE (EU) 2018/410 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 March 2018 amending Directive 2003/87/EC to</b></p>	<p><b>Phase I (2005-2007)</b> This was a 3-year pilot of ‘learning by doing’ to prepare for phase 2, when the EU ETS would need to function effectively to help the EU meet its Kyoto targets. Key features of phase 1:</p>	<p>The EU Emissions Trading System:</p> <ul style="list-style-type: none"> <li>✓ operates in all EU countries plus Iceland, Liechtenstein, and Norway (EEA-EFTA states),</li> <li>✓ limits emissions from around 10,000 installations in the power sector and manufacturing industry, as well as</li> </ul>

<p><b>enhance cost-effective emission reductions and low-carbon investments, and Decision (EU) 2015/1814</b></p>	<p>Covered only CO<sub>2</sub> emissions from power generators and energy-intensive industries; Almost all allowances were given to businesses for free; The penalty for non-compliance was €40 per ton;</p> <p>In this phase, trading volumes rose from 321 million allowances in 2005, to 1.1 billion in 2006 and 2.1 billion in 2007, according to the World Bank’s annual Carbon Market Reports.</p> <p><b>Phase 2 (2008-2012)</b> Phase 2 coincided with the first commitment period of the Kyoto Protocol, where the countries in the EU ETS had concrete emissions reduction targets to meet. Some of the key features of phase 2:</p> <ul style="list-style-type: none"> <li>✓ Lower cap on allowances (some 6.5% lower compared to 2005);</li> <li>✓ The proportion of free allocation fell slightly to around 90%;</li> <li>✓ The penalty for non-compliance was increased to €100 per ton;</li> <li>✓ Businesses were allowed to buy international credits totalling around 1.4 billion tons of CO<sub>2</sub>-equivalent;</li> <li>✓ In 2010, EU allowances accounted for 84% of the value of the total global carbon market. Trading volumes jumped from 3.1 billion in 2008 to 6.3 billion in 2009. In 2012, 7.9 billion allowances were traded (worth €56 billion).</li> </ul> <p><b>Phase 3 (2013-2020)</b> In phase 3 of the EU ETS (2013-2020), the Union-wide cap for stationary installations decreased each year by a linear reduction factor of 1.74%. The 2013 cap was set on the basis of the average total quantity of allowances issued annually in 2008-2012.</p>	<p>airlines operating between these countries,</p> <ul style="list-style-type: none"> <li>✓ covers around 40% of the EU's greenhouse gas emissions.</li> </ul>
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	<p><b>Phase 4 (2021-2030)</b> In phase 4 of the EU ETS (2021-2030), the cap on emissions continues to decrease annually at an increased annual linear reduction factor of 2.2%.</p>	
<p><b>COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS</b> <b>A Roadmap for moving to a competitive low carbon economy in 2050</b></p>	<p><b>Sectors and GHG reductions by 2050</b></p> <ul style="list-style-type: none"> <li>✔ Power – 93 to 99%</li> <li>✔ Industry – 83 to 87%</li> <li>✔ Transport (incl. aviation, excl. Maritime) – 54 to 67%</li> <li>✔ Residential and services – 88 to 91%</li> <li>✔ Agriculture (non-CO<sub>2</sub>) – 42 to 49%</li> <li>✔ Other non-CO<sub>2</sub> emissions – 70 to 78%</li> </ul>	<p>EU countries should reduce its GHG emissions up to 80% by 2050 compared to 1990, by following the perspectives below:</p> <ul style="list-style-type: none"> <li>✔ A secure, competitive, and fully decarbonized power sector.</li> <li>✔ Transport transition to a more efficient and sustainable system.</li> <li>✔ Improvement of the energy performance of buildings.</li> <li>✔ Raising land use productivity sustainably.</li> <li>✔ GHG emissions in the industrial sector should be reduced by 83 to 87 % in 2050.</li> </ul>
<p><b>Third National Communication of the Republic of Albania</b></p>	<p><b>Energy sector baseline scenario</b></p> <ul style="list-style-type: none"> <li>✔ Current structure of energy supply and demand in all economic sectors.</li> <li>✔ A continuous prevalent use of electrical energy for heating and warm water in residential and the service sector.</li> <li>✔ A considerable portion of future demand for electricity shall be covered through the extension of the thermal generating capacities (based on imported natural gas) and hydro energy.</li> <li>✔ National energy intensity will get not significantly decreased during period 2009-2030, compared to mitigation scenario.</li> </ul> <p><b>Agriculture Sector</b> Introducing mitigation measures in both agriculture and livestock activities, it can result in a reduction of 47.01% of the agricultural sector emissions by year 2050. TNC suitable mitigation measures in agriculture.</p>	<p>Albania's Third National Communication goes beyond the reporting commitments as an Annex I country, by developing a Greenhouse Gases Inventory for 2000-2009, by updating the mitigation analysis in line with EU objectives and the INDC document and by developing an action plan for the adaptation of coastal areas. A series of priority measures have been recommended regarding the reduction of greenhouses gases, the decrease of the demand for energy and the increase of energy supply by contributing to the sustainable development and by enabling Albania to activate resources based on the policy and market mechanisms.</p>

	<p>Re-introducing the practice of planting trees in agricultural lands, Reorganization of agricultural farms, their unions, and cooperatives.</p> <p>Introducing anaerobic digestion as a unique treatment since it can deliver positive benefits related to multiple issues, including renewable energy, water pollution and GHG emissions.</p> <p><b>LUCF Sector</b></p> <p>Reforestation of large timber forests in conjunction with natural regeneration. -Avoid deforestation.</p> <ul style="list-style-type: none"> <li>✔ Forest management i.e., forest regeneration.</li> <li>✔ Avoid wildfires.</li> <li>✔ Insect and disease management programs.</li> <li>✔ Extending carbon retention in harvested wood products.</li> <li>✔ Improve utilization of technology in forest harvesting.</li> </ul> <p><b>Waste management</b></p> <p>The landfill Governmental Decree is fully implemented during 2016–2025.</p> <p>Again, in this scenario there are no waste treatment systems other than properly engineered landfills which will become operative within the deadlines foreseen in plans with the exception of the Elbasan incinerator. The cities of Tirana, Durres, Korçë, Sarandë, Shkodër, Lezhë and some of the surrounding communes of these cities will be served by these new landfills.</p> <p>The region of Elbasan will be served by an incinerator by early 2017. The landfill gas emissions will be significantly reduced as a result of a proper functioning landfill capturing systems and diversion from biodegradable mass landfills.</p> <p>Wastewater treatment systems started functioning gradually since 2010 in the cities of Pogradec, Korçë, Kavajë, and it is expected that wastewater treatment plants will start functioning in other cities, by</p>	
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	<p>early 2025, 70% of wastewater will be treated before release into the environment.</p> <p>Recycling will increase, reaching 30 % of all mass recyclables by 2025 because of some green activities.</p>	
<p><b>COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS “The European Green Deal”</b></p>	<p>Main Initiatives / objectives:</p> <ul style="list-style-type: none"> <li>✔ Increasing the EU's climate ambition for 2030 and 2050.</li> <li>✔ Supplying clean, affordable, and secure energy.</li> <li>✔ Mobilizing industry for a clean and circular economy.</li> <li>✔ Building and renovating in an energy and resource efficient way.</li> <li>✔ Accelerating the shift to sustainable and smart mobility.</li> <li>✔ From ‘Farm to Fork’: designing a fair, healthy, and environmentally friendly food system.</li> <li>✔ Preserving and restoring ecosystems and biodiversity.</li> <li>✔ 8. A zero pollution ambition for a toxic-free environment.</li> </ul>	<p>The European Green Deal resets the Commission's commitment to tackling climate and environmental-related challenges that is this generation's defining task. It is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient, and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use.</p> <p>It also aims to protect, conserve, and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts.</p>
<p><b>COMMISSION STAFF WORKING DOCUMENT Guidelines for the Implementation of the Green Agenda for the Western Balkans</b></p>	<p>There are five pillars of the Green Agenda:</p> <ul style="list-style-type: none"> <li>✔ Climate action, including decarbonisation, energy and mobility.</li> <li>✔ Circular economy, addressing in particular waste, recycling, sustainable production and efficient use of resources.</li> <li>✔ Biodiversity, aiming to protect and restore the natural wealth of the region.</li> <li>✔ fighting pollution of air, water and soil.</li> <li>✔ (5) Sustainable food systems and rural areas.</li> </ul>	<p>The Green Agenda for the Western Balkans is a new growth strategy for the region, leaping from a traditional economic model to a sustainable economy, in line with the European Green Deal. It is embedded in the Economic and Investment Plan, which has a truly transformative potential and aims to spur the long-term recovery of the Western Balkans and their economic convergence with the EU. The plan will be backed by a twin green and digital transition.</p>

## 6.1 EU Reports on Albania's progress in Climate Change

The Commission has monitored developments in Albania. According to progress reports Albania has to implement the national strategy on climate change and related action plans on mitigation and adaptation: Adopt the relevant legislation and develop its integrated National Energy and Climate Plan in line with Energy Community obligations. Progressive EU consideration about climate is enclosed in the following:

### - EC Report on Climate, 2019

**Progress:** Albania has achieved some level of preparation to climate change, but alignment with the EU acquis is still limited. Some progress was made by ratifying the Kigali Amendment to the Montreal Protocol. Regarding its reporting obligation under the United Nations Framework Convention on Climate Change, Albania is preparing its Fourth National Communication and its First Biennial Update Report.

**GAP:** A national strategy on climate change consistent with the EU 2030 framework on climate and energy policies needs to be adopted and a National Energy and Climate Plan in line with Energy Community recommendation has to be developed. No specific administrative structure for handling climate change issues is in place. The law on climate change and accompanying decisions, partly transposing provisions the EU Emissions Trading Directive, still need to be adopted. Further efforts should be made on emission standards for new cars and vans and related consumer information. Similar efforts are needed regarding effort sharing, geological storage of CO<sub>2</sub>, and greenhouse gas emissions from land use, land use change, and forestry. Considerable strengthening of administrative capacity, allocation of the necessary financial resources as well as awareness-raising activities are needed.

### - EC Report on Climate, 2020

**Progress:** Albania has achieved **some level of preparation** for tackling climate change, but alignment with the **acquis is still limited**. It made progress by ratifying the Kigali Amendment to the Montreal Protocol. In July 2019, Albania adopted a national strategy on climate change for 2019-2030, with objectives for 2050. The strategy focuses on energy, transport, agriculture, land use and forestry, with a 32% renewable energy target. As per reporting under the UN Framework Convention on Climate Change, Albania is preparing its fourth national communication and its first biennial update report.

**GAP:** Despite the progress, updating is required if Albania is to come closer to accession, due to the new climate targets set by the EU. Lack of specific administrative structures and available staff for handling climate change issues are a matter of serious concern.

### - EC Report, 2021

**Progress:** Albania shows **some level of preparation** in this area. **Limited progress** was made in further aligning the policies and legislation with the acquis, in areas such as water management, chemicals, environmental crime and civil protection. However, significant efforts are still needed on implementation and enforcement, especially on waste management, water and air quality and climate change.

**GAP:** Albania should in particular, implement the national strategy on climate change and related action plans on mitigation and adaptation, adopt the relevant legislation and develop and adopt its integrated National Energy and Climate Plan in line with Energy Community obligations.

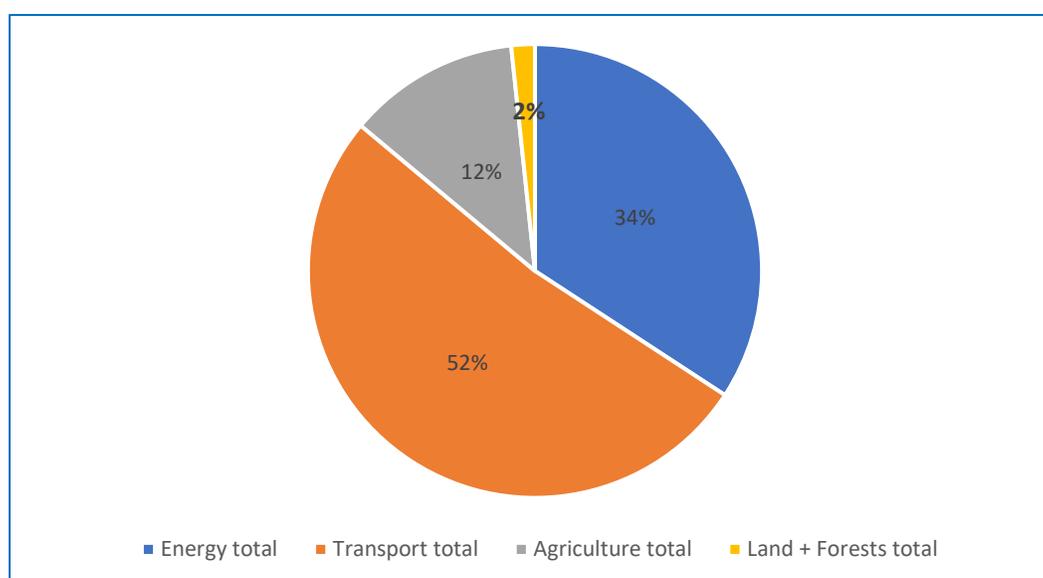
## 7. PERFORMANCE MONITORING

### 7.1. Financial Pillar

The Strategy for Climate Change highlights the need to develop in the mid-term the institutional capacities, which are essentially important for implementation of the strategy, especially for a country like Albania. Methodological choice used for the design of this report is based on the sorting of an *Input Based Monitoring Matrix*. The monitoring analyses itself is grounded in viewing the financial, legal, and institutional setting enabling implementation of the strategy.

In below it is incorporated the mid-term public funding envisaged in the Strategy for CC, covering years 2019-2022.

*Graph 1: Financing Resources by Sector in Albania.*

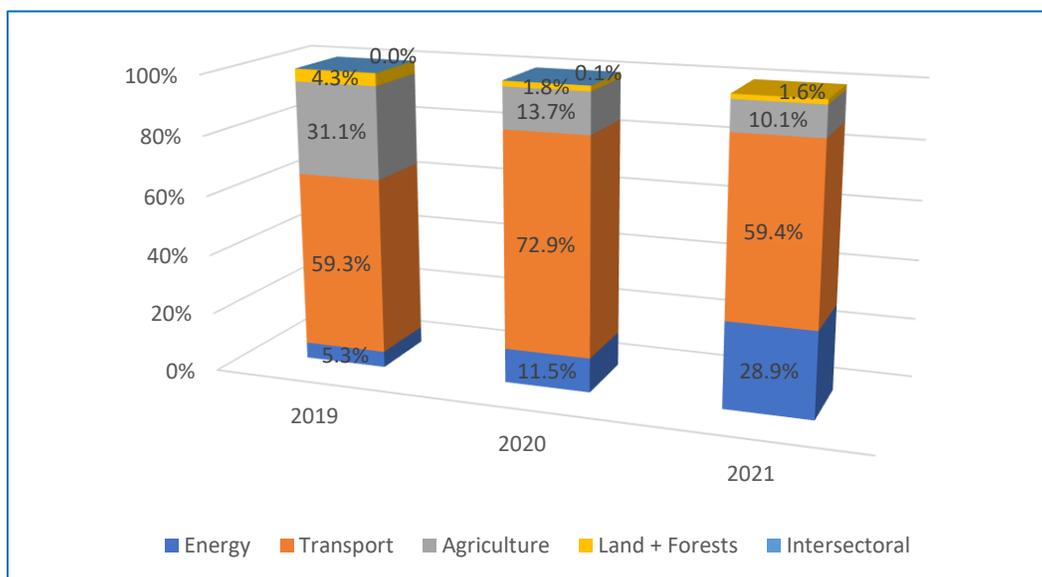


*Source: National Strategy for Climate Change and Action Plan 2020-2030*

*Table 9: Fund Distributions by Year.*

	2019	2020	2021	Total
<b>Energy</b>	405,200	2,578,362	7,445,752	10,429,314
<b>Transport</b>	4,490,150	16,309,586	15,320,984	36,120,720
<b>Agriculture</b>	2,355,607	3,065,704	2,591,000	8,012,311
<b>Land + forests</b>	325,386	403,640	413,600	1,142,626
<b>Intersectoral</b>		15,000		15,000
<b>Total</b>	<b>7,576,343</b>	<b>22,357,292</b>	<b>25,771,336</b>	<b>55,719,971</b>

*Source: National Strategy for Climate Change and Action Plan 2020-2030*

*Graph 2: Total Financing Resources by Donor in Albania.*

*Source: National Strategy for Climate Change and Action Plan 2020-2030*

To assess the financial component of the monitoring matrix, REC Albania submitted an official request for information to the Directory of Budget at the Ministry of Finance and the line ministries in charge of the sectors that are subject of the monitoring work.

The scope was to develop an analysis on the disbursement trend as stated in the three-year financing projection of the Strategy for Climate Change. The request is passed around from one institution to another for absence of competence. Consequently, several communications with the focal points for climate at the respective ministries served to consolidate the understanding that there is no mechanism to trace back the way how these funds were allocated, or the spending has been filed.

Due to unavailability of such information, REC analysed MTBPs of the Ministry of Tourism and Environment, Ministry of Infrastructure and Energy, and the Ministry of Agriculture and Rural Development for the period 2019-2021, by developing an alternative approach on empirical bases of government funding for climate related programs.

Programs for these three ministries were grouped in compliance with categorization established by Organization for Economic Development and Cooperation (OECD). According to adjusted OECD<sup>13</sup> methodology on the Green Budgeting Framework, the state budget is considered:

- ✓ 100% climate change financing if directly connected with energy efficiency and/or renewable energy;
- ✓ 50% climate change financing if non-primary connected to energy efficiency and/or renewable energy;
- ✓ 25% climate change financing if not directly connected to them but incorporated in program specifics;

<sup>13</sup>[www.oecd.org/environment/green-budgeting/](http://www.oecd.org/environment/green-budgeting/)

- ✓ 0% climate change financing if there is entire lack of connection with energy efficiency and/or renewable energy.

By keeping with such categories, a selection of programs developed by each of the ministries was made to assess government financing on climate change through years. Tle 10 shows the amounts for each sector<sup>14</sup>.

This is an alternative analysis of assessing government finances on climate, which not necessarily should be seen correlated to the three-year budget provision stated in the strategy. Monitoring the strategy implementation is ongoing with a second report to follow in a couple of months, which one will eventually shed more light on actualization of budgeting in the strategy (if occurred) and how/to what extent.

Table 10: Climate Related Projects in 2019 from the Ministry of Energy and Infrastructure.<sup>15</sup>

MTBP Energy & Infrastructure: Climate Related Projects 2019			
Industry	Budget 2019	Share	Share Total
Purchase of Detection Equipment for gas monitoring	2,206	100%	2,206
	Total ('000 ALL)		2,206
	Total ('000 EUR)		18
Urban Waste	Budget 2019	Share	Share Total
Waste power generation plant in Tirana	500,000	25%	125,000
Construction of new waste treatment plants and expansion of existing plants	752,772	25%	188,193
Waste power generation plant in Elbasan	661,500	25%	165,375
Closure and rehabilitation of the existing landfill, ECO Park, Durrës	2,700	25%	675
Construction of Bushat landfill continuation (phase II)	20,000	25%	5,000
VAT "Solid waste management in the Southeast of Albania, accompanying measures, second phase (Korça Region)"	19,814	25%	4,954
VAT "Solid Waste Management in Southeast Albania (Phase II)"	37,000	25%	9,250
VAT, "Solid waste management in Vlora Region"	16,155	25%	4,039
Solid waste management in Vlora Region (Loan)	190,000	25%	47,500
Solid waste management in Vlora Region (Grant)	400,000	25%	100,000
	<b>Total ('000 ALL)</b>		<b>649,985</b>
	<b>Total ('000 EUR)</b>		<b>5,284</b>
<b>Programme Total ('000 ALL)</b>			<b>652,191</b>
<b>Programme Total ('000 EUR)</b>			<b>5,302</b>

<sup>14</sup>Ministry of Finance and Economy <https://www.financa.gov.al/projektbuxheti-2021/>

<sup>15</sup>Bank of Albania, Average Exchange Rate 2019, 123.01 (bankofalbania.org)

Table 11: Climate Related Projects in 2020 from the Ministry of Energy and Infrastructure.

<b>MTBP Energy &amp; Infrastructure: Climate Related Projects 2020</b>			
<b>Energy Sector Support ('000 ALL)</b>	<b>Budget 2020</b>	<b>Share</b>	<b>Climate Share (est.)</b>
90602AB - Improved laws in the field of energy efficiency	15,400	100%	15,400
Building reconstruction with efficient measures	25,675	100%	25,675
Building reconstruction with efficient measures 1	430,410	100%	430,410
M064095-VAT-ENERJ Project-Project VAT payment	9,000	100%	9,000
18BI027-Complete feasibility study for the installation of Charging Stations for electric cars in the Republic of Albania	45,059	100%	45,059
19AC202-Greece-Albania cooperation for buildings with zero consumption, (Greece collaborates with Albania for nZEBs)	30,336	100%	30,336
19AC205-Energy Efficiency Sector Support Project and Renewable Energy Development Project	30,832	100%	30,832
19AC202-VAT, Greece-Albania cooperation for buildings with zero consumption, (Greece collaborates with Albania for nZEBs)	171	100%	171
19AC306-VAT PRO Project - ENERGY	1,600	100%	1,600
M064091-Application high efficiency alternative systems for technical arrangements in a residential center. Study and use of highly efficient systems.	15,772	100%	15,772
GM06095-'Student City' Rehabilitation No. 2 - Rehabilitated buildings with efficient measures	125,320	100%	125,320
	<b>Total ('000 ALL)</b>		<b>729,575</b>
	<b>Total ('000 EUR)</b>		<b>5,895</b>
<b>Urban Waste Management</b>	<b>Budget</b>	<b>Share</b>	<b>Climate share (est.)</b>
M064079-Waste power generation plant in Fire	755,500	25%	188,875
M064078-Waste power generation plant in Elbasan	586,770	25%	146,693
18BE207-Closure of the existing landfill EKO - Park, Durres	833,500	25%	208,375
GM06092-Solid waste management in Vlora Region	230,000	25%	57,500
M063998-VAT for solid waste management in Vlora Region	50,058	25%	12,514
18BE304-Solid waste management in Vlora Region (Loan)	130,000	25%	32,500
M064014-VAT and customs duty, Solid Waste Management System in Beret Region	10,000	25%	2,500
18BE310-Solid waste management in the Southeast of Albania, accompanying measures, second phase (Korça region)	45,000	25%	11,250
18BE311-VAT for the project Solid waste management in the Southeast of Albania, accompanying measures, second phase (Korça region)	10,000	25%	2,500
18BE315-VAT, Sustainable and environmentally friendly climate waste program	202	25%	51
18BE316-Sustainable and environmentally friendly climate waste program	5,000	25%	1,250
18BE318-Project on waste financed under the Circular Economy"	10,500	25%	2,625
	<b>Total ('000 ALL)</b>		<b>666,633</b>
	<b>Total ('000 EUR)</b>		<b>5,386</b>
<b>Programme Total ('000 ALL)</b>			<b>1,396,208</b>
<b>Programme Total ('000 EUR)</b>			<b>11,281</b>

Table 12: Climate Related Projects in 2021 from the Ministry of Energy and Infrastructure<sup>16</sup>

<b>MTBP Infrastructure and Energy: Climate Related Projects 2021</b>			
<b>Energy Sector Support</b>	<b>Plan 2021</b>	<b>Share</b>	<b>Climate Share</b>
90602AB - Improved laws in the field of energy efficiency	19,400	100%	19,400
Building reconstruction with efficient measures	8,141	100%	8,141
Building reconstruction with efficient measures 1	500,000	100%	500,000
M064095 - VAT - ENERJ Project - Project VAT payment	6,000	100%	6,000
18BI017 - VAT - The LED Project - The Main Way to Improve Energy Efficiency in Public Schools and Spread the Use of Renewable Resources	1,200	100%	1,200
18BI024 - Project idea, feasibility study and project implementation of the central heating system of Korça excluding timber (new project)	19,000	100%	19,000
18BI027 - Complete feasibility study for the installation of Charging Stations for electric cars in the Republic of Albania	16,000	100%	16,000
18BI031 - Information Billing Project, Awareness Campaigns, Energy Efficiency Education and Training	8,400	100%	8,400
18BI034 - Pilot Project for Improving Energy Efficiency in Wastewater Treatment Plants	10,000	100%	10,000
18BI035 - Pilot Project for Improving Energy Efficiency in Water Supply Plants	10,000	100%	10,000
18BI036 - Pilot project for the construction of a building with "0 Energy"	14,000	100%	14,000
19AC202 - Greece-Albania cooperation for buildings with zero consumption, (Greece collaborates with Albania for nZEBs)	20,224	100%	20,224
19AC205 - Energy Efficiency Sector Support Project and Renewable Energy Development Project	6,000	100%	6,000
19AC202 - VAT, Greece-Albania cooperation for buildings with zero consumption, (Greece collaborates with Albania for nZEBs)	4,000	100%	4,000
19AC202 - Local Costs, Greece-Albania cooperation for buildings with zero consumption, (Greece collaborates with Albania for nZEBs)	1,300	100%	1,300
19AC306 - VAT PRO Project - ENERGY	4,000	100%	4,000
M064091 - Application high efficiency alternative systems for technical arrangements in a residential center. - Study and use of highly efficient systems.	7,000	100%	7,000
GM06095 - 'Student City' Rehabilitation No. 2 - Rehabilitated buildings with efficient measures	390,000	100%	390,000
18BI033 - Project Organization of awareness campaigns and activities for the promotion of Energy Efficiency	2,000	100%	2,000
	<b>Total ('000 ALL)</b>		<b>1,046,665</b>
	<b>Total ('000 EUR)</b>		<b>8,516</b>
<b>Urban Waste Management</b>	<b>Budget 2021</b>	<b>Share</b>	<b>Climate share (est.)</b>
90610AA-Waste power generation plant in Tirana	600,000	25%	150,000
M064079-Waste power generation plant in Fier	752,771	25%	188,193
M064078 - Waste power generation plant in Elbasan	50,000	25%	12,500
18BE201 - Construction of Bushat landfill, continuation of the second phase	10,000	25%	2,500

<sup>16</sup>Bank of Albania for period January to August 2021, Average Exchange Rate 2021, 122.91 (bankofalbania.org)

18BE205 - Additional works of the Bajkaj landfill water treatment plant and layers	20,000	25%	5,000
18BE207 - Closure of the existing landfill EKO - Park, Durres	756,277	25%	189,069
GM06092 - Solid waste management in Vlora Region	175,000	25%	43,750
M063998 - VAT for solid waste management in Vlora Region	243,900	25%	60,975
M063999 - Local costs for solid waste management in Vlora Region	110,000	25%	27,500
18BE304 - Solid waste management in Vlora Region (Loan)	566,515	25%	141,629
GM06054 - Solid Waste Management System in the Region of Berat	45,000	25%	11,250
M064014 - VAT and customs duty, Solid Waste Management System in Berat Region	20,000	25%	5,000
18BE310 - Solid waste management in the Southeast of Albania, accompanying measures, second phase (Korca region)	45,000	25%	11,250
18BE311 - VAT for the project Solid waste management in the Southeast of Albania, accompanying measures, second phase (Korca region)	9,100	25%	2,275
18BE315 - VAT, Sustainable and environmentally friendly climate waste program	73,000	25%	18,250
18BE316 - Sustainable and environmentally friendly climate waste program	172,485	25%	43,121
18BE318 - Waste project funded under the "Circular Economy"	12,000	25%	3,000
	<b>Total ('000 ALL)</b>		<b>915,262</b>
	<b>Total ('000 EUR)</b>		<b>7,447</b>
<b>Programme Total ('000 ALL)</b>			<b>1,961,927</b>
<b>Programme Total ('000 EUR)</b>			<b>15,962</b>

Table 13: Climate Related Projects in 2019 from the Ministry of Tourism and Environment<sup>17</sup>

<b>MTBP Environment &amp; Forestry: Climate Related Projects 2019</b>						
	<b>Budget 2019</b>	<b>Total</b>	<b>Share</b>	<b>Share Total</b>		
Forest Administration	303,190	303,190	25%	75,798		
		<b>Total ('000 ALL)</b>		<b>75,798</b>		
		<b>Total ('000 EUR)</b>		<b>616</b>		
<b>Environment Protection</b>	<b>Product 1</b>	<b>Product 2</b>	<b>Product 3</b>	<b>Total</b>	<b>Share</b>	<b>Share Total</b>
Adaptation to Climate Change in the Field of Transboundary Flood Risk Management in the Western Balkans-GIZ	10,000	1,000		11,000	100.00%	11,000
Bioenergy - UNIDO Project	7,000	4,000		11,000	100.00%	11,000
Kune Vain - GEF Project	10,000	10,000	7000	27,000	100.00%	27,000
Information, Management and Monitoring System (EIMMS) - UNDP Project	10,000			10,000	100.00%	10,000
Prespa Biosphere Park - KFW Project	30,000	8,000	3850	41,850	25.00%	10,463
Conservation of agrobiodiversity in rural areas of Albania - CABRA	2,150			2,150	25.00%	538
The three lakes project CSBL III - GIZ Project	10,000	2,000		12,000	50.00%	6,000
Destimed Project Coastal areas, Maritime Tourism – NAPA	7,500			7,500	25.00%	1,875
Aquanex Project - Conservation and security of water bodies	15,511			15,511	25.00%	3,878
Financial Mechanisms Project - UNDP	10,000	4,000		14,000	25.00%	3,500
Blue Land Project- Ecosystem Service - NAPA	7,600			7,600	50.00%	3,800
Waste Project - IPA 2013	20,000	6,829	5000	31,829	100.00%	31,829
Climate Change related Waste Project - GIZ	20,000	7,590		27,590	100.00%	27,590
SWAN project - Waste reuse platform - Interreg BalkanMed	4,234			4,234	25.00%	1,059
Plastic buster project MPAs- Interreg Med	8,460			8,460	50.00%	4,230
Integrated Waste Management and Marine Waste Prevention Project in the Western Balkans - GIZ	11,000			11,000	25.00%	2,750
Chemicals Management Project - SIDA	10,510			10,510	50.00%	5,255
SANE Project- SIDA	36,000			36,000	25.00%	9,000
				<b>Total ('000 ALL)</b>		<b>170,765</b>
				<b>Total ('000 EUR)</b>		<b>1,388</b>
<b>Programme Total ('000 ALL)</b>				<b>246,563</b>		
<b>Programme Total ('000 EUR)</b>				<b>2,004</b>		

<sup>17</sup>Bank of Albania, Average exchange rate 2019, 123.01 (bankofalbania.org)

Table 14: Climate Related Projects in 2020 from the Ministry of Tourism and Environment<sup>18</sup>

MTBP Environment and Forests: Climate related projects 2020						
	Budget 2020	Total	Share	Climate Share (est)		
Forest Administration	605,533	605,533	25%	151,383		
				<b>Total ('000 ALL)</b>		<b>151,383</b>
				<b>Total ('000 EUR)</b>		<b>1,223</b>
Environment Protection	Product 1	Product 2	Product 3	Total	Share	Climate share (est)
Adaptation to Climate Change in the Field of Transboundary Flood Risk Management in the Western Balkans-GIZ	10,000	1,015		11,015	100.00%	11,015
Prespa Biosphere Park - KFW Project	71,000	11,840	11669	94,509	25.00%	23,627
Climate Change related Waste Project - GIZ	20,000	7,700		27,700	100.00%	27,700
Plastic buster project MPAs- Interreg Med	6,200			6,200	50.00%	3,100
Integrated Waste Management and Marine Waste Prevention Project in the Western Balkans- GIZ	43,360			43,360	25.00%	10,840
SANE Project- SIDA	34,000			34,000	25.00%	8,500
				<b>Total ('000 ALL)</b>		<b>84,782</b>
				<b>Total ('000 EUR)</b>		<b>685,016</b>
<b>Programme Total ('000 ALL)</b>				<b>236,165</b>		
<b>Programme Total ('000 EUR)</b>				<b>1,908</b>		

<sup>18</sup>Bank of Albania, Average exchange rate 2020, 123.01 (bankofalbania.org)

Table 15: Climate Related Projects in 2021 from the Ministry of Tourism and Environment<sup>19</sup>

<b>MTBP Environment and Forestry: Climate Related Projects 2021 Budget Plan</b>						
	Planned 2021	Total	Share	Climate Share (est)		
Forest Administration	502,900	502,900	25%	125,725		
		<b>Total ('000 ALL)</b>		<b>125,725</b>		
		<b>Total ('000 EUR)</b>		<b>1,023</b>		
Environment Protection	Product 1	Product 2	Product 3	Total	Share	Share Total
Closure, rehabilitation of urban waste from existing landfills	80,000	4,000	43,300	127,300	100.00%	127,300
Adaptation to Climate Change in the Field of Transboundary Flood Risk Management in the Western Balkans-GIZ	20,000	5,000		25,000	100.00%	25,000
Prespa Biosphere Park - KFW Project	100,000	11,000	15,000	126,000	25.00%	31,500
Waste Project - IPA 2013	31,000			31,000	100.00%	31,000
Climate Change related Waste Project - GIZ	70,000	3,347		73,347	100.00%	73,347
Plastic buster project MPAs- Interreg Med	6,700			6,700	50.00%	3,350
Integrated Waste Management and Marine Waste Prevention Project in the Western Balkans - GIZ	53,360			53,360	25.00%	13,340
SANE Project- SIDA	52,000			52,000	25.00%	13,000
				<b>Total ('000 ALL)</b>		<b>317,837</b>
				<b>Total ('000 EUR)</b>		<b>2,586</b>
<b>Programme Total ('000 ALL)</b>						<b>443,562</b>
<b>Programme Total ('000 EUR)</b>						<b>3,609</b>

<sup>19</sup>Bank of Albania for January-August 2021 period, Average Exchange Rate 2021 122.91 (bankofalbania.org)

Table 16: Climate Related Projects in 2019- 2021, the Ministry of Agriculture and Rural Development<sup>20</sup>

<b>MTBP Agriculture and Rural Development: Climate Related Projects 2019-2021</b>						
	<b>Budget 2019</b>		<b>Budget 2020</b>		<b>Planned 2021</b>	
25% of programme total ('000 ALL)	Total	Part of Total	Total	Part of Total	Total	Part of Total
Irrigation and Drainage Infrastructure	3,529,000	882,250	4,125,000	1,031,250	3,690,000	922,500
Salary Fund EXPENSES	246,000	61,500	252,000	63,000	254,000	63,500
Operative EXPENSES	447,000	111,750	397,000	99,250	443,000	110,750
Internal INVESTMENTS	2,080,000	520,000	2,070,000	517,500	2,021,000	505,250
Foreign INVESTMENTS	756,000	189,000	1,406,000	351,500	972,000	243,000
Natural Resource Management and the Sustainability of Agricultural Land	19,000	4,750	15,000	3,750	20,000	5,000
Salary Fund EXPENSES	0	0	0	0	0	0
Operative EXPENSES	19,000	4,750	15,000	3,750	20,000	5,000
Internal INVESTMENTS	0	0	0	0	0	0
Foreign INVESTMENTS	0	0	0	0	0	0
Water Resource Management	0	0	0	0	0	0
Salary Fund EXPENSES	0	0	0	0	0	0
Operative EXPENSES	0	0	0	0	0	0
Internal INVESTMENTS	0	0	0	0	0	0
Foreign INVESTMENTS	0	0	0	0	0	0
Total of programs related to climate adaptation measures ('000 ALL)	3,548,000	887,000	4,140,000	1,035,000	3,710,000	927,500
Total of programs related to climate adaptation measures ('000 EUR)	28,842	7,211	33,450	8,363	30,184	7,546

Table 17: Financing of climate related projects 2019- 2021 ('000 EUR)

<b>MTBP Sector/ Year</b>	<b>2019</b>	<b>2020</b>	<b>Plan 2021</b>
MTBP Energy & Infrastructure	5,302	11,281	15,962
MTBP Environment	2,004	1,908	3,609
MTBP Agriculture & Forestry	7,211	8,363	7,546

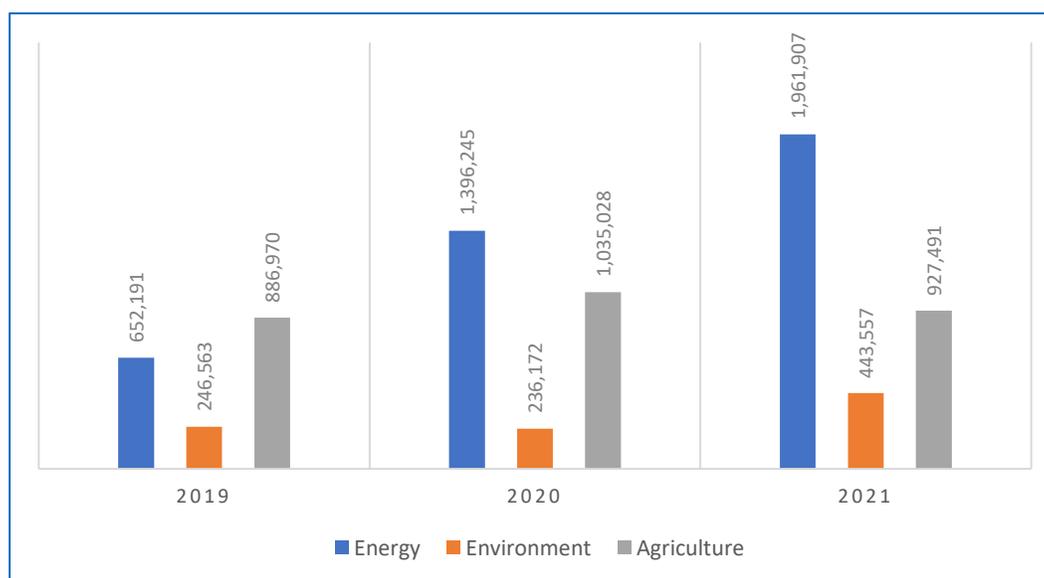
<sup>20</sup>Bank of Albania, Average exchange rate 2019-2021, 123.01 (bankofalbania.org)

Table 18: Financing of climate related projects by sector (in '000 ALL)

MTBP Sector/ Year	2019	2020	Plan 2021	Total
MTBP Energy & Infrastructure	652,191	1,396,207	1,961,927	4,010,343
MTBP Environment	246,563	236,165	443,562	926,292
MTBP Agriculture & Forestry	887,000	1,035,000	927,500	2,849,500
<b>Total</b>	<b>1,785,754</b>	<b>2,667,373</b>	<b>3,332,989</b>	<b>7,786,116</b>

From the tables (no.16 and 17) summarizing the climate expenditure break downs by year and sector, it can easily be noticed a dominance of these expenditures from the energy sector, which represents half of the entire expenditure, (including realizations for three sectors in years 2019, 2020 and the projected expenditure for 2021, which is ongoing year). The performance of climate expenditures, by sectors, seems to have experienced an upward trend from year to year, with the lowest values of these expenditures in 2019. The energy sector does also represent the sharpest extremes between the values (minimum and maximum) of expenditures, which we find at the extremities of the monitored period, respectively in the year 2019 and the 2021. Although we see a fluctuation with over 80% of this indicator when comparing years 2019 and 2020 it should be noted that the value for 2019 is extremely low due to the recession created by the earthquake and pandemic. As for the other two sectors, environment and agriculture, these variances seem to be more stable, but still representing a very low level of outgoings, compared to the needs.

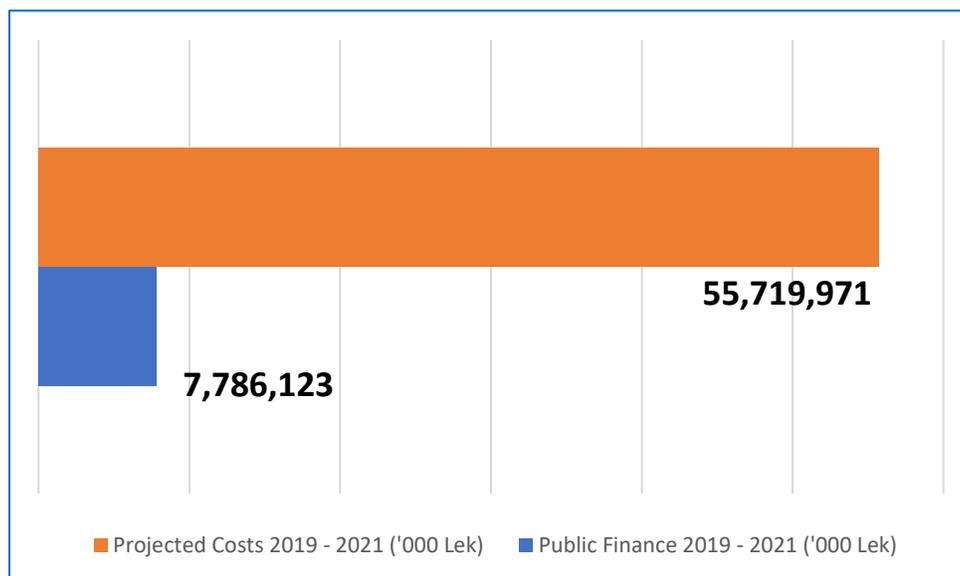
Graph 3: Sectors' distribution in climate related financing by year.



As it can be seen from the graph above, there is a notable increase in the climate financing trend for energy sector. Financing in 2021 is about 1.4 times more than 2020 and about 3 times more than 2019.

In the environmental sector we see a linear performance of financing during 2019 and 2020, with an increase of about 1.8 times in 2021. While the performance of financing in the agricultural sector seems to follow an almost linear realization over three years, with a slight decline of funding in 2021, with about 107,500 (All 000) or 10% less than 2020.

*Graph 4: Estimated financial gap (000 All) for the monitoring period (2019-2021)*



Graph 4 presents the total public funding (blue bar), assessed as climate related for the years (2019-2021), against climate needs specified in the strategy document (Table 9), for the same period of time.

By comparing the climate related outflow for years 2019-2021 and the required resources mentioned in the strategy for the same period of time, the estimated gap goes up to 47,933,848 (000 ALL), or 7 times more than the outflow. This indicates that the financial analysis of the strategy was either unrealistic or not grounded in budget commitment and foreign financing.

## 7.2. Foreign Assistance on Climate Related Projects

Financing climate projects has the potential to strengthen the long-run trend giving to the recipient government greater control over the development process. Transparent and effective information systems in the recipient country is a prerequisite to the initiation and continuation of substantial, country-led, predictable, rules-based, and long-term financial flows.

To obtain information on climate assistance, REC Albania sent official requests to Donors' Coordination Office near the Prime Minister's Office, but it was returned back with the advice to follow the request on information with the Office responsible for Foreign Assistance Projects at the Department of Public Internal Debt at the Ministry of Finance. A new official request was sent through to the Director of the PIB Department, as well as uploaded into e-Albania Portal,

but no response or whatsoever was received by MoF by the time the report was due for submission to WFD<sup>21</sup>.

In the absence of the necessary information, REC screened all foreign-aid agreements approved by the government for the years 2019-2021. Out of this list a selection of projects with impact on climate adaptation was made. The list below presents all the Foreign Assistance Projects approved by the Albanian Government in the period 2019-2021<sup>22</sup>, with results on climate:

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*Year 2019*

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1. **DECISION No. 481, dated 10.7.2019** On the approval of the Financing Agreement between the Republic of Albania, represented by the Ministry of Finance and Economy (recipient), the Municipality of Tirana (Project Implementing Agency, PIA) and KfW Frankfurt AM Main (KfW), for expert services in frame of the project "**Green Transport in Tirana**", financed by German Federal Government special fund.

**Total cost:** 1,670,000 EUR; **Duration:** 30.06.2021

2. **LAW no. 94/2019**, "On ratification of technical cooperation agreement between the Council of Ministers of the Republic of Albania and the Government of the Federal Republic of Germany, for the project "**Modern Waste Management Practice and Recycling Management in Albania**"

**Total cost:** 4,500,000 EUR; **Duration:** 31.12.2022

3. **DECISION No. 868, dated 24.12.2019**, "On the Approval of the amendment agreement, amended by changing the notes of the loan agreement, dated 25 July 2014, between the Republic of Albania and the International Bank for Reconstruction and Development, for "**The Environmental Services**" Project, ratified by Law no. 151/2014

**Total cost:** 16,215,000 EUR; **Duration:** January 2015-December 2019

4. **LAW no. 17/2019**, "On ratification of the financial cooperation agreement for year 2017, between the Council of Ministers of the Republic of Albania and the Government of the Federal Republic of Germany, for the project "**Dormitory Renovation Program on the University Campus of Tirana, based on Energy Efficiency principle, Phase III**"

**Total cost:** 18,8 million EUR; **Duration:** December 2018-September 2020

5. **LAW no. 19/2019**, "On ratification of the technical cooperation agreement for year 2017, between the Council of Ministers of the Republic of Albania and the Government of the Federal Republic of Germany, on the project "**Sustainable Development in Rural Areas**"

**Total cost:** 2,000,000 EUR; **Duration:** 31.12.2021

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<sup>21</sup>Upon review of the Draft-Report, REC Albania was received a list of climate assistance projects, by Dept Department within MoF, which is also enclosed to the report

<sup>22</sup>Qendra e Botimeve Zyrtare (Official publishing center) [www.qbz.gov.al](http://www.qbz.gov.al)

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 Year 2020
 

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1. **DECISION No. 882, dated 12.11.2020** for the approval of additional financing grant agreement letter no. TF0B2002, between the Republic of Albania and the International Bank for Reconstruction and Development, acting as Administrator of Grant Funds provided by the Agency for International Development Cooperation (SIDA), under the Swedish Trust Fund, for **“The Environmental Services” project in Albania.**

**Total cost:** 16,215,000 EUR; **Duration:** January 2015-December 2019

2. **DECISION No. 661, dated 27.8.2020** On the approval of the technical cooperation agreement for 2019, between the Council of Ministers of the Republic of Albania and the Government of the Federal Republic of Germany, for the project **“For an Environmentally Friendly Passenger Transport in Tirana Metropol”.**

**Total cost:** 50,000,000 EUR; **Duration:** 31.12.2023

3. **DECISION No.116, dated 13.2.2020** On the approval of the amending financing agreement between KfW Frankfurt Am Main (KfW), and the Republic of Albania, represented by the Ministry of Finance and Economy (beneficiary), for additional funding on **“Solid Waste Management Programme, Vloa Region”, (Instalment II)**, ratified by Law No. 75/2017.

**Total cost:** 12,5 million EUR + 2 grants; 7.5 and 1.3 million EUR; **Duration:** 31.12.2021

4. **DECISION No. 719, dated 16.9.2020** On the approval of the financing agreement between the Republic of Albania, represented by the Ministry of Finance and Economy (recipient), and KfW Frankfurt AM Main (KfW), for expert services on preparation of the program **“Management of Solid Waste and Climate Friendly Management ”.**

**Total cost:** 1,800,000,00 EUR; **Duration:** 31.12.2021.

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 Year 2021
 

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1. **DECISION no. 417, dated 8.7.2021,** “On the approval of the grant agreement between the Council of Ministers of the Republic of Albania and the Swedish Agency for International Cooperation and Development, **“On Environmental Development”** Program.

**Total cost:** 20,300,000 SEK; **Duration:** 36 months / 2021-2023

2. **LAW no. 68/2021,** “On ratification of the financial cooperation agreement for 2021, between the Council of Ministers of the Republic of Albania and the Government of the Federal Republic of Germany on Program **“Sustainable and Climate Friendly Management in Waste Sector ”.**

**Total cost:** 50,000,000 EUR; **Duration:** 31.12.2022

3. **LAW no. 84/2021,** “On ratification of the financial cooperation agreement for 2019, between the Council of Ministers of the Republic of Albania and the Government of the Federal Republic of Germany for financial cooperation 2019, on the project **“Sustainable Transport in Tirana”.**

**Total cost:** 50,000,000 EUR; **Duration:** 31.12.2023

4. **DECISION no. 29, dated 20.1.2021**, “On the approval of the European Union grant agreement for cleaner environment between the Republic of Albania, represented by the Ministry of Finance and Economy (beneficiary), and KfW Frankfurt AM Main (KfW), representing European Union, on the project “**Support for Wastewater Treatment**”.

**Total cost:** 23,300,000 EUR; **Duration:** June 30, 2025

In short, the Foreign Assistance Projects that were approved by Government of Albania in the period 2019-2021 are about 13 projects in full, amounting to 257.8 M EURs. It should be noted though that the projects are of multiyear commitment, usually with expanded implementation timeline beyond the assessed period. Unfortunately, no direct instrument exists to track down the expended or disbursed amount on project activities having potential impact on climate protection.

*Table 19: Total amount of foreign assistance for climate related projects 2019-2021.*

	Amount (mIn EUR)	Nr. of Projects	Average Duration
<b>Foreign Assistance</b>	257.80	13	Multiyear (1 to 5)

### 7.3. Legal and Policy Pillar

With Ratification by Albania of UNFCCC and Kyoto Protocol, the government is provided with a broad international palette from which to draw in enacting national implementing legislation. Such legislation supplies the primary mechanism for government to undertake the regulation of climate change at the national level.

#### - Summary of Climate Change new laws and regulations endorsed during 2020-2021

*Table 20: New laws and regulations about Climate Change during 2020-2021.*

No.	Date Official Gazette	Title of Legal Act
1.	February 2019, Official Gazette No. 21	Law no. 5/2019 dated 07.02.2019 on some changes and additions on Law no. 124/2015 “On Energy Efficiency”
2.	March 2019, Official Gazette No. 36	Decision of the Council of Ministers, no. 154, dated 27.02.2019 “On some changes in the decision no. 633, dated 26.10.2018 of the Council of Ministers “on measures against air pollution from emissions of motor vehicles and emission reduction of gaseous and solid pollutants from motors with positive ignition and those with compression ignition burning natural or liquefied petroleum gas for use in vehicles.
3.	June 2019, Official Gazette No. 84	Decision of the Minister of Tourism and Environment, no. 166, dated 24.05.2019 “On licensing procedure of ozone depleting substances” Code III, and license suspension and revocation criteria.
4.	July 2019, Official Gazette No. 100	Decision of Council of Ministers, no 466, dated 03.07.2019 “On approval of the strategic document and national plan on mitigation of greenhouse gas emissions and adaption to climate change”.
5.	July 2019, Official Gazette No. 103	Instruction of the Minister of Infrastructure and Energy no. 3, dated 20.6.2019 “On approving of a simplified authorization procedure for connection in the distribution system of small-scale solar energy producers.

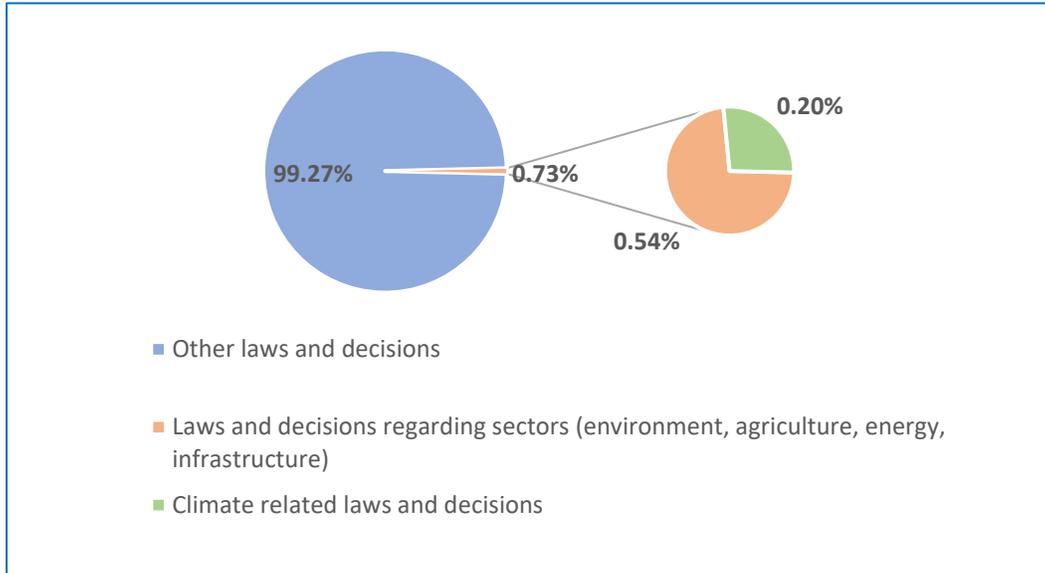
6.	September 2019, Official Gazette No. 122	Decision of Council of Ministers no. 580, dated 28.08.2019 "On approving of the National Consolidated Action Plan for Renewable energy sources, 2019-2020".
7.	October 2019, Official Gazette No. 136	Decision of Minister of Tourism and Environment, no. 330 dated 26.09.2019 on a change in the decision of the minister no.166, dated 24.05.2019 "on licensing procedures of Ozone depleting substances", code III, and license suspension/revocation criteria.
8.	February 2020, Official Gazette No. 22	Decision of the Council of Ministers No. 162, date 19.2.2020 "On approving a detailed regulation about drafting, review, and implementation of emission reduction program".
9.	February 2020, Official Gazette No. 24	Decision of the Council of Ministers No.151, date 19.2.2020 "On approving of the European Integration National Plan, 2020–2022".
10.	February 2020, Official Gazette No. 25	Decision of Energy Regulatory Authority No. 20, dated 31.1.2020,"On the purchase price of energy from small producers of solar based renewable energy with a capacity up to 2MW".
11.	April 2020, Official Gazette No. 58	Decision of Council of Ministers on approval of Methodology to calculate cost-optimal level of minimum energy performance requirements for buildings, building units and elements.
12.	September 2020, Official Gazette No. 171	Law No. 116/2020 dated 17.9.2020, "On the accession of Republic of Albania to Doha amendment of Kyoto Protocol to the United Nations Framework Convent on Climate Change, adhered to by law no. 9334, date 16.12.2004".
13.	January 2021, Official Gazette No. 3	Law no. 155/2020, dated 17.12.2020 – For Climate Change.
14.	January 2021, Official Gazette No. 10	Decision of Energy Regulatory Authority no. 272, dated 28.12.2020, "On initiation of approving procedure for the methodology on setting renewable energy prices/obligations and for compensation of priority electricity producers".
15.	January 2021, Official Gazette No. 10	Decision of Energy Regulatory Authority no. 273, dated 28.12.2020, "On approving of the regulation for secondary sources of electricity".
16.	February 2021, Official Gazette No. 19	Decision of Council of Ministers no. 64, dated 3.2.2021 For a change in decision no. 580, date 28.8.2019, of the Council of Ministers "On approving of a national consolidated plan of action for sources of renewable energy, 2019–2020".
17.	March 2021, Official Gazette No. 31	Decision of Council of Ministers no. 90, dated 17.2.2021, "On approval of European Integration National Plan, 2021–2023".
18.	April 2021, Official Gazette No. 52	Law no. 28/2021, date 8.3.2021, "On some amendments and additions on law no. 124/2015 "For Energy Efficiency", changed.
19.	May 2021, Official Gazette No. 81	Decision of Energy Regulatory Authority nr. 113, dated 26.4.2021 "On setting the electricity purchase price from small renewable energy producers for year 2020".

For the development of Component II of the Monitoring Matrix, REC Albania analyzed the data that is made available by Center of Official Publications. The REC Albania reviewed *564 Official Journals* in total and screened *8,930 Articles* (Laws and Decisions).

With the data collected, few indicators were developed to give a brief quantitative screenshot of the correlation between variables through simple graphs.

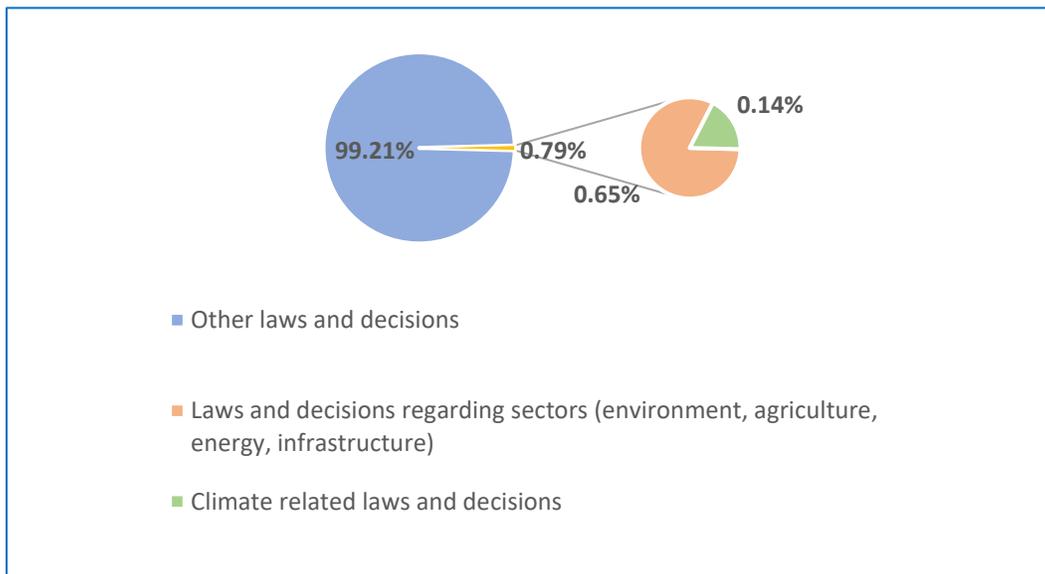
The following graphs present the relationship of the climate related legislation as a portion of: (i) environment related one, and (ii) laws and decisions for all the other sectors, (unrelated to environment) altogether.

*Graph 5: Climate related legal acts and decisions compared to other sectors in 2019.*



The share of climate laws and decisions approved in year 2019 retains 0.2% of all the laws and decisions approved by the Government (Graph. 3).

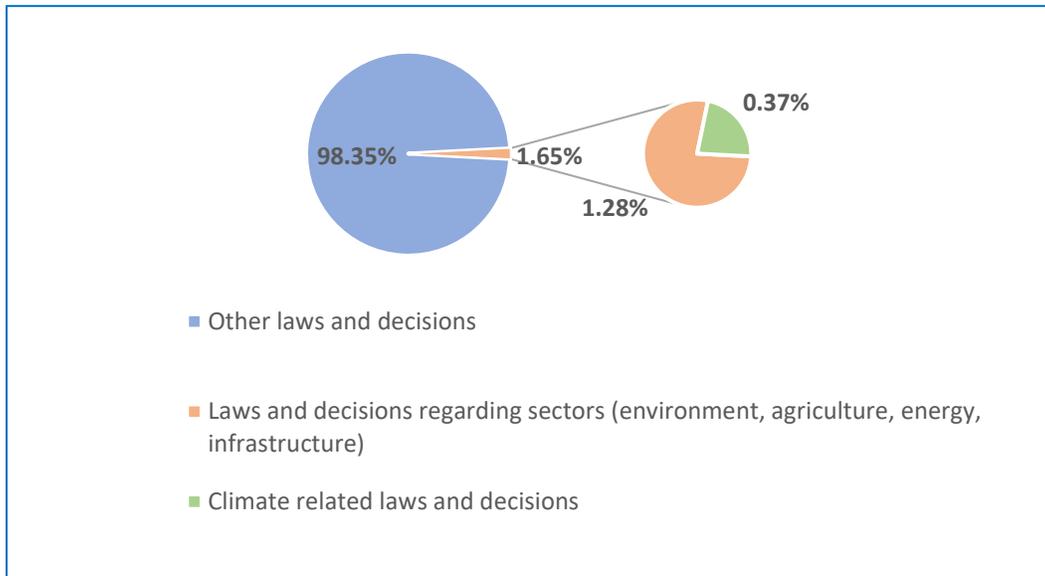
*Graph 6: Climate related legal acts and decisions compared to other sectors in 2020.*



In 2020 this climate portion is slightly smaller. It comprises 0.14 % of all approved laws and decisions.

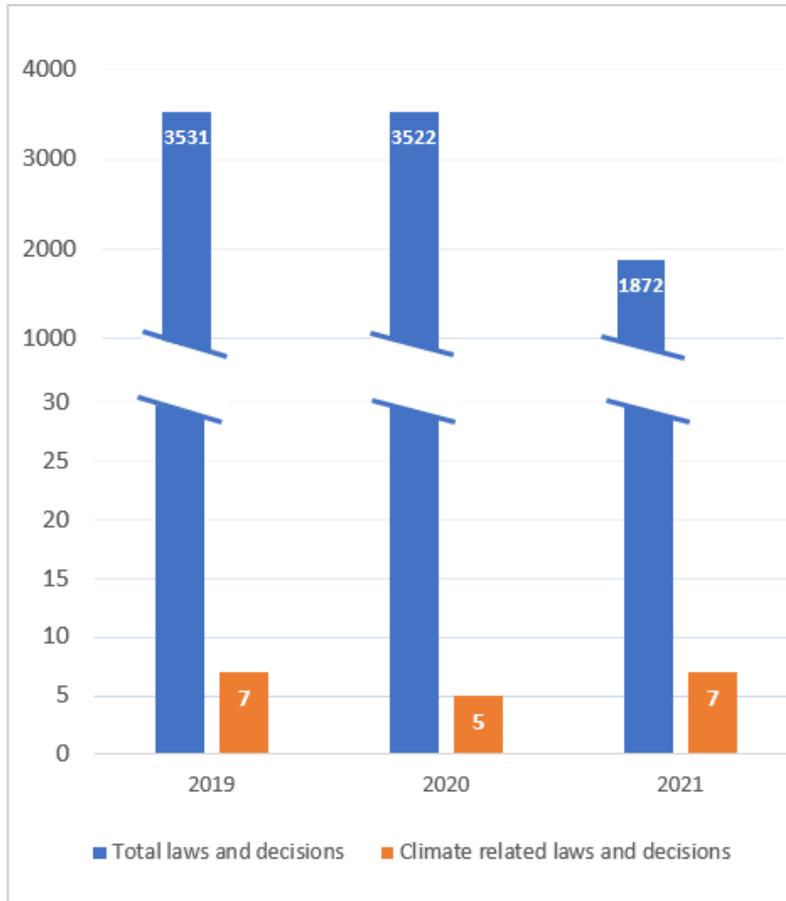
Climate legislation activity in Albania seems to be slow and incomplete. A further analysis will be required to determine consistency of the new law with the Paris Agreement and country's nationally determined contribution. Alignment between national and international goals will be pivotal to meeting the Paris targets. In the words of former Executive Secretary of the United Nations Framework Convention on Climate Change, "Nothing is going to be agreed internationally until enough is legislated domestically" (Figueres, 2013).

*Graph 7: Climate related legal acts and decisions compared to other sectors in 2021.*

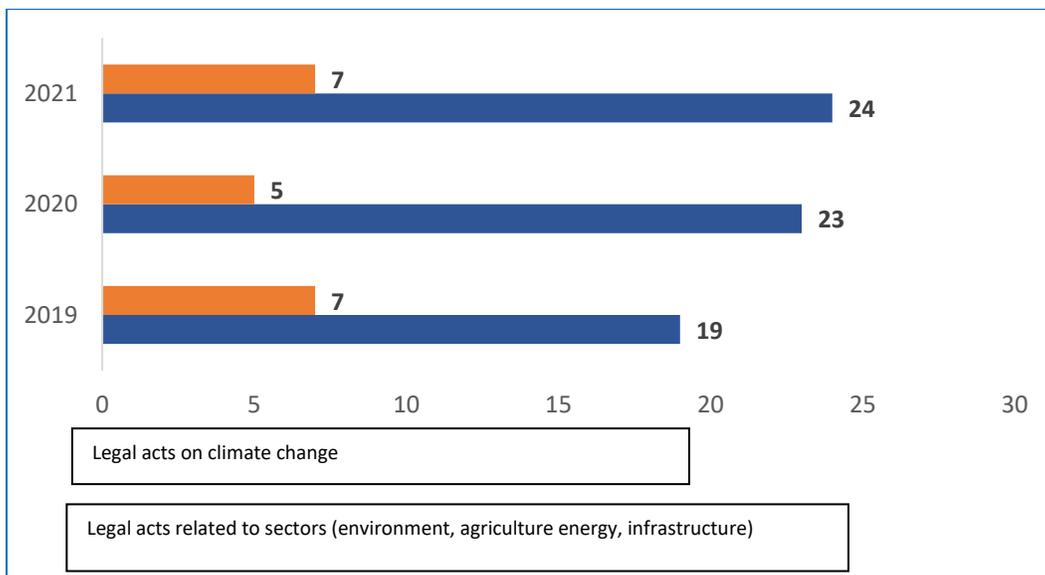


In 2021, this indicator has increased almost twice compared to year 2019. The current climate portion is 0.37% of all approved laws and decisions, even though the year is monitored until end of September 2021.

Graph 8: Number of climate related legal acts and decisions compared to total, per each year.



Graph 9: Climate related acts versus Environmental ones



## 7.4. Institutional and Capacities Pillar

### Capacity development activity reported by the Ministry of Tourism and Environment, 2019-2021

Institutional capacities are an important key consideration when assessing climate policy in Albania. Influencing policy areas so that institutions develop climate-relevant, or even climate-friendly, capacities is perhaps the biggest challenge of climate policy. To get climate policy off the ground, it is important to have a climate change recognition in the structure of institutions and agencies and sufficient level of climate specific capacity.

Development of climate capacity at public institutions has clearly been delineated in the strategy document (Box 1), as a priority to be tackled to open the way for implementation of the national strategy over this decade (2020-2030). Table 21 shows Priority Measure No. 6 on the institutional capacity development, exported from the Strategy document to give a quick perception on government's expressed need on capacities.

*Table 21: Priority Measure No. 6 in the National Strategy for Climate Change*

<p><b>Priority Measure no. 6</b></p> <p><i>Capacity building for climate change adaptation</i></p> <p><i>Leading Agency / Ministry:</i> Ministry of Tourism and Environment</p> <p><i>Existing situation based on which priority action is developed:</i> Climate change adaptation, as a relatively new approach, is not yet supported by adequate local capacity. Situation assessment performed with the assistance of SNAP instrument (Chapter 3 of the NAP document) has identified significant institutional and human capacity development needs. Adaptation, planning, and implementation imply a need for institutional capacity development and individual skills among institutions at several administrative levels (from policy department to operational level). Required individual skills are not simply related to technical knowledge on climate, but also to leadership and participation skills, so needful in achieving change.</p> <p><i>Presented approaches for capacity development, to be commenced within first phase of NAP process include:</i></p> <ul style="list-style-type: none"> <li>-Basics on adaptation to climate change, contextual understanding, and their integration with NAP process.</li> <li>-Assessment of climate finances.</li> </ul>
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Public institutions of particular interest for the monitoring assessment with regards to capacity development include the line ministries of sectors relevant to climate change (Environment, Transport and Energy, Agriculture). Capacity development is an ongoing activity that happens within a discrete institutional work-setting, therefore the challenge of collecting data from the ministries became a challenge of a different scale. During the monitoring, the institutions were under the period of government transition with new cabinet confirmed in September 2021 (after the electoral June general elections). The assessment was pretty much dependent on the information made available by central governmental institution sources. In the best case,

institutions were providing a chronological assembling of seminars and workshops with focus in climate topics, while others were not able to respond due to lack of data and monitoring tools for capacity development of their personnel.

While the formulation of the national strategy for climate change and goals – embedded in the international agreements – are an important milestone, it has practically marked only the beginning of the domestic processes necessary for implementation of measures required to reach the goals that have been set. Whereas a fair amount of policy design has taken place with development of this document, in fact it does not include an assessment of which approach, or a combination of approaches are best suited to the national circumstances. The design of strategy measures was rather an amalgam of plans extrapolated from other sector strategies possibly by assuming that the grand total of plans would be applicable. This crucial moment demonstrates lack of climate capabilities to the marrow part of institutional capacities of public sector.

Limited human resources within the central government structure were observed while examining the institutional setting of relevant sectors and communicating with respective representatives. Central institutions responsible for climate issues are MoTE and the MoIE. Both these institutions are tasked with the responsibility to develop legal and regulatory framework, and strategic climate documents. MoTE is more focused in the policy aspect of climate in general, whereas the MoIE is responsible for development of legal and regulating framework in energy sector (renewable energy and energy efficiency with particular attention on climate mitigation measures). Based on the structure analyses of these two institutions, it is observed that there is no represented sector in the MoET, as responsible for climate. Hence there is a unit responsible for climate within the Environmental Policies sector.

At the MoIE, the structure responsible for climate exists as a special sector covering renewable energy and energy efficiency, with a work-frame focused on investment projects and in this area. Generally, the number of employed people within such units is small. In some cases, it is no more than 2-3 persons, which is entirely insufficient in addressing climate needs at each institution.

Agencies at the central level that contribute to climate are the Agency for Energy Efficiency (AEE), as well as other agencies such as NEA, NANR, NFA, NCA, etc. Except for AEE, which was established in 2016 with a set objective “aimed at improving and promoting energy efficiency throughout energy cycle, in all sectors and economic zones of the country to enable consumers reduce energy supply costs and reduce negative impacts of pollution to environment and climate change<sup>23</sup>”, none of the other agencies has a separate sector responsible for climate. NEA is responsible for collection of data on polluters, without differentiating climate related polluters. The other agencies deal with the climate issues mainly by addressing arising effects from climate.

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<sup>23</sup>[www.eficenca.gov.al](http://www.eficenca.gov.al)

*Table 22: Capacity development activities reported by the Ministry of Tourism and Environment, 2019-2021*

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**(March 2019)**

A Memorandum of Understanding was established between UNDP, Ministry of Tourism and Environment (MoTE), Tirana Polytechnic University and “Eqrem Cabej” University of Gjirokastra to enable:

- ✔ Development of capacities on information management (collection and review of the information needed for the reporting to Environmental Conventions, and simplification for use at local level).
- ✔ Visualization of environmental indicators and data on nature protection in accordance with requirements of European Environmental Agency and the Rio Convention on Biological Diversity, Climate and Desertification, to raise awareness on international and national issues.
- ✔ Capacity building with interested actors on the gender perspective in: (i) development process of environmental indicators and drafting of reports aimed at improving environmental policies (ii) GGE Calculation methodology and measuring of global warming impacts by economic sector.

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**(04 March 2019)**

A series of activities on nature protection at the University of Gjirokastra settled with planting of 120 saplings in the city.

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**(29 March 2019)**

‘The Hour of Land’, a one-day awareness raising event with students and teachers at ‘Sami Frasheri’ general high school. Talking topics were about climate change and mitigation;

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**(19 April 2019)**

On the opening occasion of the first Master of Science, (MsC) Program in Risk Management (including natural disasters/climate change risk), the Faculty of Economics at the Tirana University hosted a talking session on climate change concept and Albania’s effort on mitigation with students of the master’s program.

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**(May 15-17, 2019)**

Three Days Training at the Civic Engineering Faculty of Tirana University on GGE Inventory based on IPCC methodology. Activity was organized by Dean of the Faculty (Neritan Shkodrani) in cooperation with the Ministry of Tourism and Environment. The training was facilitated by Ms. Mario Lopez Blanco, an international expert who offered her insights on the topic. Participants were from the Ministry of Environment and Tourism, Ministry of Agriculture and Rural Development, National Agency of Natural Resources, National Agency for Energy Efficiency, National Environmental Agency, and second level master’s programs of Polytechnic University (Department of Environmental Engineering - Energy and Water Treatment) and Agricultural University.

First part of the training focused on inter-sectoral issues:

- ✔ What are the Greenhouse Emission Substances, GES?
  - ✔ Albanian GES Inventory calculated based on Albania’s Third Communication to UNFCCC
  - ✔ Introduction to GES inventories methodology. Elements, Principles and Cycles.
  - ✔ Introduction on IPCC inventory software.
  - ✔ Methodological solutions and identification of main categories.
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- ✓ Cohort trend consistency.
  - ✓ Collection of data, AQ/QC, Verification, and assessment of uncertainty.

Second part of the training focused on methodological aspects of the IPPC 2006: (i) Energy; (ii) Industrial processes and use of products; (iii) Agriculture, Forestry, and other land uses; and (iv) Waste.

**(June 7, 2019)**

In these parallel sessions a summarized coverage on Albania's rationale was presented, which was followed by presentations on emission categories, as well as on principles and emission calculating methodologies. Presentations were combined with practical exercises. Participants were also trained on IPPC inventory software.

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**(23 September 2019)**

One-day promotional event under the slogan "Environmental protection and climate change action" followed by a series of awareness raising activities, organized in Vlora in the framework of United Nations Summit on Climate Change with participation to the activity of protected area administration, local government, education institutions and local environmental organizations.

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**(February 2020)**

A discussing session on Gender & Climate Change with participation of UNFCCC focal point for Albania, the focal point for gender issues at the Ministry of Tourism and Environment, national experts, and UNDP representatives. The discussion focused on efforts made by Albania in frame of Forth National Communication and on links between climate change and gender issues. A Team of Albanian representatives was selected to participate in the Third Regional Meeting on climate – organized by UNDP/UNEP Support Prog for the National Communications of UNFCCC non-Annex I countries.

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**(15-17 May 2020)**

Training seminar on GGE inventory based on IPPC Methodology and the practical results of Albanian Inventory (for 2010 – 2016 cohort series) about (i) Energy, (ii) Industrial Processes and Use of Product and (iii) Waste sectors. Participants to this seminar were from state institutions and Tirana Polytechnic University (Environment and Mechanical Engineering branches). Same seminar was organized with lecturing staff /students at Tirana University of Agriculture.

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**(21-23 Sep; 30 Sep 2020)**

Two online trainings on review of National Determined Contributions in view of Policies for Disaster Risk Reduction, organized by Global Support Program for the National Communications of non-Annex I countries of UNFCCC and UNDP Office for Arab Countries.

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**(November 26, 2020).**

In frame of UNDP's Climate Promise Initiative and in cooperation with the UNFCCC Partnership for Nationally Determined Contributions, which supported with the international expertise, a preliminary discussion on revised NDC drafting methodology was organized with participation of the representatives from Ministry of Tourism and Environment, the Partnership for NDCs, UNDP, line institutions and of other national experts.

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**(Oct 28, Nov 20, and Dec 2, 2020)**

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Three online training activities were organized by the Global Support Program for Development of National Communications, (non-Annex I countries) and UNDP's regional office in Istanbul responsible for GGE inventory on 'Monitoring, Reporting and Verification of GGE Inventory and climate policy'.

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**(January 25, 2021)**

Virtual workshop on (i) Paris Agreement, (ii) the Nationally Determined Contribution, (iii) the update process and steps needed for the review of First NDC Update, with the participation of interested actors.

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**(January 27<sup>th</sup>, 2021)**

A first meeting of Regional Experts' Network was organized to encourage participation of Albanian experts in development process of the Nationally Determined Contribution and collect their recommendations in setting priorities for 2021. The meeting was organized by Global Support Program, UNDP's Regional Office for NDCs in Istanbul.

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**(March 12, 2021)**

An exchange seminar with participation of UNDP Office, Albanian and North Macedonian respective Ministries of Environment, representatives from the Public Relations office at the MoTE and National Environmental Agency, was organized about lessons learned in field of climate change communication.

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**(April 13-14, 2021)**

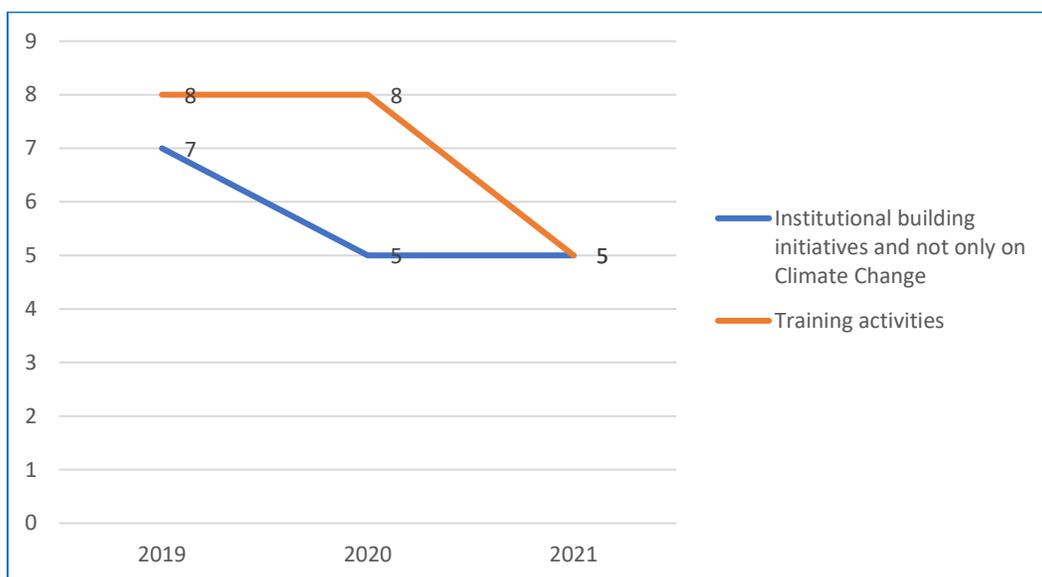
NDC Update has finished and is shared with the Ministry of Tourism and Environment. The document is distributed to interested parties at the national level, development agencies/banks, NGOs and universities. The first draft was discussed in two-day sessions and comments were reflected to the final draft which was submitted to UNFCCC Global Support Program for non-Annex I countries, for a last quality assurance check on the document's compliance with international methodology.

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**(Ongoing work)**

The Draft Plan for Implementation of Revised NDC Document has finished and is shared with The Ministry of Tourism and Environment, the line ministries and all the other actors, for comments and recommendations. The document is discussed in a meeting with participation of MoTE, line Ministries, development agencies/banks, and diplomatic representation in Albania, UNDP office, civil society, and university representatives. The draft is expected to be completed with financial impact assessment (to be conducted by the World Bank in cooperation with MoTE).

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*Graph 10: Climate change activities organized by the Ministry of Environment, by year.*

### Capacity development activity reported by the Ministry of Agriculture and Rural Development, 2019-2021

The following data were reported as climate related capacity development activities rendered along monitoring period by the ministry:

Awareness-raising campaign on climate change: 21 events (17 events with schools, 4 events with farmer groups).

- ✓ Two National consultations on climate change impact in agriculture with participation of central government, farmer groups, NGOs, and academia.
- ✓ Seven training activities on role of agriculture in environment and climate change with participation of central and local government, farmers, private sector, and NGOs.
- ✓ Three trainings on Climate Smart Agriculture and Integrated Pest Management with participation of agriculture extension service, farmers, agriculture, and agri-processing entrepreneurs.

### 7.5 Capacity Development activities reported by the Ministry of Infrastructure and Energy, 2019-2021

No capacity development activities on climate were reported by Ministry of Infrastructure and Energy. REC Albania was received monitoring reports on MoIE work for years 2019, 2020, which include eleven programs:

*Table 23: MoIE working programs for 2019-2021*

1. Planing, Management and Administration
2. Road Transport
3. Sea Transporti
4. Railroad Transport
5. Airway Transport
6. Water Supply and Sewerage
7. Urban Waste Management
8. Energy Support
9. Support for Natural Resources
10. Support for Industry
11. Urban Planning

Monitoring Reports of MoIE make explicit mention of Institutional capacity building within Planning, Management and Administration Program. Funds under this program were envisaged for the functioning and strengthening of administrative capacity within the Ministry of Infrastructure and Energy to improve standards and institutional performance in meeting the objectives.

Although this report does not rule out the possibility that institutional development has happened as a mainstreamed component within the programs stated in box above, the format in which reporting is maintained makes it impossible to lock in the capacity building activity. It makes much less possible the disaggregation of climate related capacity development activity (if any).

## 7.6 Progress made in establishing the Climate Monitoring System

The progress in establishing the GGEs inventory is at the very first steps. The Law on Climate Change specifies the obligation for establishing the GGEs database, although the bylaws for this action are not approved yet. Therefore, the GGEs emissions continue to be calculated indirectly.

On the other hand, there is progress, both legally and institutionally for establishing other pollutant databases, which will overlap with the GES reporting.

The Albanian Pollutant Release and Transfer Register, PRTR is a public electronic database that facilitates public participation in environmental decision-making, aimed at prevention and reduction of environmental pollution.

Specifically, the Albanian Pollutant Release and Transfer Register enables the public to have access to environmental information regarding annual amounts of pollutants' release in air, water, and land as well as off-the site transfers of waste and treatment of urban wastewater.

Thanks to CEMSA (Consolidation of the Environmental Monitoring System in Albania) Project, which was financed by the EU through IPA 2008 funds and managed by the EU delegation in Albania it was made possible development of following registers and procedures:

- ✓ PRTR Manual Guidelines
- ✓ PRTR Design and structure
- ✓ Computer systems
- ✓ Preliminary List of Companies

Again, with the EU support and through IPA 2010 funds, in 2012 was started implementation of SELEA/INPAEL Project, aimed at strengthening the capacities of MoTE for the drafting and implementation of national environmental legislation. The Project closed in 2014.

While the progress made so far on PRTR implementation include:

- ✓ Approval of the Decision on implementation of PRTR's in September 2015.
- ✓ Transfer of the Permits Sector under the National Environmental Agency. (To ease compilation of operators' list that are subject to PRTR).
- ✓ Installation of servers/databases at National Information Society Agency, and the PRTR Software in May 2014. (Donated by the CEMSA project)
- ✓ Development of a new format for environmental permits.
- ✓ Merge of State Inspectorate for Environment and Forests under the National Environmental Agency
- ✓ Transfer of the Regional Inspectorate with the Regional Environmental Directory (REA), a sub-ordinate structure to The National Environmental Agency.

Weaknesses on implementation of PRTR include:

- ✓ Difficulties in identifying all industrial operators subject to PRTR
- ✓ Lack of technical capacity within companies to carry out monitoring on released emissions to environment and produce reliable data.
- ✓ Questionable data quality, lack of certified laboratories
- ✓ PRTR software, accessible only by the NEA, not the general public and industrial operators.
- ✓ Difficulties in raising awareness among industrial operators on annual reporting in accordance with the recently adopted format.
- ✓ Lack of nationally tailored guidelines to help industrial operators and NEA to implement the PRTR.
- ✓ Lack of capacity to calculate deriving emissions released as result of the industrial activities.

Currently PRTR progress and operation of work is assisted by the project "Support Establishment and Advancement of Pollutant Release and Transfer Registers (PRTRs) in Western Balkan Countries and in Moldova, "funded by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety's Advisory Assistance Programme (AAP)

for environmental protection in the countries of Central and Eastern Europe, the Caucasus and Central Asia and other countries neighboring the European Union. It is supervised by the German Federal Environment Agency (UBA) and implemented by REC Albania.

During the monitoring period of strategy implementation, no progress has been observed about development of the GGE inventory. PRTR is the only register in which NEA collects data from a part of business operators. Based on the new Law for Climate Change, reporting of greenhouse gas is required, but due to the coming into effect of the law in July 2021 and lack of other regulating acts have hold back collection of data on GGEs.

## 8. FINDINGS AND RECOMMENDATIONS

### Findings

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**Financial Pillar:** No mechanism could be found to trace back the way in which committed funds in the strategy is allocated through sectors, or how the spending on these funds has been filed. Due to unavailability of such information, REC Albania analyzed MTBPs of the Ministry of Tourism and Environment, Ministry of Infrastructure and Energy, and the Ministry of Agriculture and Rural Development for the period 2019-2021, by developing an alternate approach to empirically estimate governmental funding for climate related programs. Lack of budget codes makes it impossible to identify transactions and operate reports to track the costs.

**MTBP expenditure is several times less** than the forecast stated in The National Strategy for CC. Financial gap is estimated to be around 49.7 billion Albanian ALLs (7x less), however given that budgets are not linked to each other, and the possibility of making real assessment of climate financial gap is disabled.

Results of the financial measures included in the strategy **cannot be assessed based only on quantity of resources and not on their impact.**

Usually, climate strategies attempt to cover both categories of action: decarbonization (referred to as “mitigation”) and adaptation. Decarbonization primarily attempts to modify the rate of climate change over a longer period to avoid catastrophic global outcomes. Adaptation focuses on responding to the effects of climate change as they exist now, often at the community level. With limited resources the Government is pressured to prioritize one over the other. However, both are important and mutually reinforcing. **From the screening of MTBPs the resources seem to be asymmetrically allocated to energy efficiency projects (otherwise ‘mitigation’), whereas ‘adaptation’ is part of the plan only.**

**In period 2019-2021 major part of climate related money flow has come from foreign agencies** and technical bilateral support. Nevertheless, the obtained data is partial and not specified as share of the contribution, or whatever indicator to earmark financial contribution to climate.

**Foreign assistance projects** affined to CC with an implementation timespan varying from 1-5 year are 13 in total, amounting to around **258 Mln EUR**. It is unclear though the type of assistance each project falls under (on whether the assistance is a grant, or a soft loan). The information fails to provide indication on what has been Government’s financial contribution to the project, and what share (in %) of the foreign assistance money is directly related to climate activities.

Foreign assistance projects provide unique advantages in building political will, encouraging interagency coordination, and soliciting diverse financing sources on climate. **But in a wide perspective this should not come at the expense of mainstreaming climate into everyday foreign assistance practices.**

**Legislation Pillar:** Albania has ratified the most recent amendment to the Montreal Protocol known as Kigali Amendment, the Kyoto protocol and is a state party to the Rio Convention on climate change.

Recent approval of Law on Climate Change is of particular importance as it has partly transposed the Directive 2003/87/EC *Emission Trading System (EU ETS)* as amended, as well as aligned the Regulation (EU) No 525/2013 *on Monitoring mechanism*. The law aims to provide for a comprehensive legal and institutional framework in relation to actions to be undertaken towards climate at the national level and in accordance with EU acquis on climate change. New Law is anticipated to contribute to global efforts towards climate change, through fulfilment of country obligations as a party of the Convention, and to speed up the adoption against climate changes by mitigating the harmful effects of climate changes, as well as to contribute to reduction of the greenhouse gas emissions.

However, the subsidiary acts due to be adopted are still lacking and the implementation of legislation lags behind. Sometimes the legislation is too advanced vis-à-vis the administrative, institutional, and financial capacities in place.

**Institutional Capacity Development:** Based on the information obtained from MoTE on the capacity development activities carried out by MoTE independently/ (or) in partnership with foreign agencies, the activities have been resumed in three main categories: (i) *Awareness raising* (ii) *Technical workflow* (iii) *Trainings*.

By involving a one-by-one review of the activities, the ones that seem to be falling under (iii) *institutional development* category are quite few. The substantial and worthy part to of the activities that are key to development of institutional capacities on climate issues, include training activities linked to **IPCC software and GGE inventory; Development of gender responsive indicators on climate; and Risk reduction in policymaking.**

The group of activities (ii) engaging preliminary discussions and/or reviewal of national contributions to climate related targets, (as for instance the National Communications, Albania's NDC update or fulfilment of other obligations arising from international agreements where Albania is a signatory part), are esteemed to be more outrightly connected to the technical workflow categorization of efforts within MoTE, assigned roles and responsibilities in frame of CC country obligations. Whilst the role of these activities is undoubtedly tied up with development of personal and institutional capacities within MoTE, their primary purpose is to contribute to the requirements laid out in the National Communication Report and NDC update.

Group (i) of activities consisting of meetings with school/university students are appraised for being important tools in facilitating behavioral change and support on the need to reduce greenhouse gas emissions, however these activities appear to not have a distinguished relevance on capacity development of state agencies at both levels on climate change issues.

The activities reported by the MARD are bounded with rather wide and general topics. They have been grouped in three primary categories: (i) Awareness raising, (ii) Workshops and (iii) Trainings.

No information was provided on the narrow or the specific topic the reported activities were about. Nor there is any specification on the partnerships (donors or aid agencies), the year, or the period when the activities have taken place. Understandably, it has not been possible to develop simple comparisons of the activities by years, or indications on implementation trends.

**Presented information is more like a numerical assemblance of various types of activities, rather than a substantive description of institutional training and capacity development.**

Almost all activities tightly related to climate change, have been introduced as realized in shared responsibility with the Foreign Assistance & Development Programs, which role seems to be essential in capacity development process at the central government institutions. **The capacity of those institutions continues to suffer from a lack of maturity in delivering technical workflow settings.** It is worth to note that important documents, such as drafting of the National Strategy for CC, action plan, preparation of national communications, NDC+5 (update) are all prepared with the support of foreign assistance.

**Cases when carried institutional development on climate issues was driven by a sector-wide integrating approach, are quite few.** The underlying cause for this challenge could be limitations in the work of administration, such as lack of expertise, lack of resources, tendency towards hierarchical bureaucracies, and poor coordination.

**The Paris Agreement**, Article 11 states that **capacity-building** must be an effective, iterative process that is participatory, cross-cutting and gender-responsive. To some degree, the adoption of a domestic commitment – has assisted capacity development within the institutions but the reliance and dependence on foreign experts for climate issues is inevitable. This institutional dimension can be illustrated with the case of National Communications on Climate Change. Albania through own resources or foreign assistance, has hired and/or trained experts to prepare a national communication. However, a successful completion of the does not guarantee that the country has the institutional capacities to prepare national communications - or inventories- on a regular basis.

**Institutional climate capabilities:** Institutional capacities are not the only factor in deciding on future policy options and climate-related action in Albania. Managing the impacts of climate change is particularly difficult given the scale and uncertainty involved, the complex and cross-cutting nature of climate change, and the urgency required.

**The urgency on need to tackle climate change has frequently led to reliance on short-term and ad hoc efforts** to boost capacity, such as one-off training sessions and workshops. Adaptation has consistently been fragmented, with different sectors and agencies acting in closed offices, which works against the objective of mainstreaming adaptation and interdisciplinary approaches.

## Recommendations

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In the light of data collected from NDC+5, **the National Strategy for Climate Change and Action Plan needs to be revised** to put down strategic approaches of intervention by the sectors of higher priority, such as for example the transport. This process should take into consideration setting of 2030/2050 country objectives on emission reduction.

**The action plan should be revised and should be based on a fair and realistic assessment**, not only regarding priority actions needed, but also the sources made available by state budget or the foreign assistance operating in Albania.

**Financing of the Climate Change action:** A review and adjustment of the budget for the terms (2022-2024), (2025-2027), (2028-2030) of the CC Strategy needs to be made **to allow for the possibility of tracing expenditures** (through budget codes) and of explicating roots how climate earmarked budget is substantiated in the MTBPs' of affected sectors. Linking budget lines with codes is of special importance because it enables the institutions themselves to make own performance monitoring and assessment, but also allows organizations or agencies involved in climate issues to work with the government in analyzing financial effectiveness of government and the foreign assistance programs to guide the process in clearheaded manner.

Programs / projects that are part of the MTBP, whether financed by state or in co-finance with foreign agencies, **should make visible (as a share in % of the entire program budget) the components directly related to mitigation and adaptation to climate change.** The availability of disaggregated information regarding climate financing within MTBP programs or projects would create the possibility to share financial information with interested parties, CSOs or other actors, which in the current setting is impossible to be offered.

In frame of government action, it would be useful if a **data system at the central level could be set up** (i.e., the Donors' Coordination Office at the Prime Minister's Office) to also include climate related foreign assistance projects that do not come as co-financing with government (meaning are entirely supported by donors). Such resources should be considered of added value by the government and can be utilized in assisting institutions on awareness raising and capacity development.

**Legislation:** Lack of by-laws on the Law for Climate Change and Energy Efficiency impedes the *in-site* enforcement of law. **There is a considerable number of by-laws related to Law on Energy Efficiency yet to be adopted.**

In addition, rapid action should be taken to transpose other EU acquis and approve the legal and regulatory acts which will establish the foundations for the reporting of GGEs. **Considering the reporting state of affairs with which industrial facilities attempt to comply with PRTR and LCP inventories, setting of an integrated reporting mechanism**, as an additional measure to increase efficiency for both the institutions, and the industrial operators and facilities would be advisable.

**Institutional Capacity development:** Implementation of the **National Strategy for Climate Change should be coupled with adoption of A Capacity Development Policy** steaming

from the Strategy for Climate Change to create more playing field for involved sectors across governance or institutions to interact and coordinate, as well as for the country in the framework of UNFCCC. Capacity is required in all phases of the policy process. Policy development runs in parallel with a strong monitoring, reporting and review system that enhance the effectiveness of the climate strategy and measures over the time. Building knowledge among the institutions and leveraging the know how among agencies and so on are important boundary factors for government to cope with climate change transition.

**The government should develop its own Institutional Capacity Development Plan for CC, as part of a stand-alone policy where it can be incorporated partnership with the UN programs and/or other donor agencies.** A more strategic thinking of the government is needed in this regard.

**Models:** There is no one 'prototype' model of what constitutes institutional climate capabilities. Institutional capacity-building should focus on improving functional performance, represented through integrated planning and decision-making processes.

**Accessing resources:** Institutions need to be able to make a compelling case for resources to respond to climate change, for instance on information and personnel, additional climate finance, reallocation of core budgets, etc. This requires outlining the additional costs of climate adaptation and articulating the contribution to priority objectives.

**Better utilization of e-Albania** portal is expected, which even though functional fails to assist users on various requests recognized by the law on the right to information. Available information is at best not filterable upon requested format or does not exist at all.

**Key bottlenecks** for limited adaptation support from public institutions and their inability to play better role in building resilience to climate change relate **to the gaps in management, non-availability of financial and physical resources as well as lack of or insufficient training.**

## Annex 1:

### List of foreign assistance projects under implementation during the monitoring period 2019-2021<sup>24</sup>

Projects	Donor	Amount (USD)
Training, education and afforestation for sustainable forestry in Albania	Austria	400,000
Environmental Services project	World Bank	22,840,000
EU for circular economy and green growth	EU	23,116,500
ALTOUR	EU	175,586
Fire-PREP	EU	71,461
Resource	EU	131,000
TUNE-UP	EU	110,635
Projet de renforcement de la gestion des zones humides dans les Balkans pour la conservation du pelican frise	France	425,794
Solid Waste Management Programme	Germany	12,649,726
Climate friendly Public Transport in Tirana	Germany	4,000,000
Climate-friendly integrated Waste and Recycling Management	Germany	300,000
Conservation of Agrobiodiversity in Rural Albania	Germany	2,902,981
Transboundary Biosphere Reserve Prespa	Germany	3,500,000
Preparation of a geographic information database system supporting the Albanian adaptation policy	Hungary	70,000
Community Action aimed at conservation of protected areas in Albania	Italy	2,021,870
Environmental sustainability in Albania	Italy	20,000
Improving coverage and management effectiveness of marine and coastal protected areas	Italy	1,184,475
Sustainable and Ecotourism Programme - Albania National and Regional Roads Project	Italy	20,000
Greening for Environmental Improvement in Korça Municipality	Japan	90,000
Providing Waste Collection Truck for Kukesi Municipality	Japan	90,000
Chemicals management Albania	Sweden	951,786
Monitoring and advisory services Gender and environment 2020-23	Sweden	84,873
Monitoring and advisory support for the environment sector in Albania	Sweden	296,685
Monitoring the gender perspective in nature resources 2017-20	Sweden	78,385
Nature resources Monitoring 2017-19 Alb	Sweden	270,326
Planning water and wastewater for EU-negotiations	Sweden	2,115,081
Natura 2000	Sweden	67,129
SEPA, support to EU negotiations	Sweden	2,346,320
SANE27 Albania phase 2	Sweden	2,085,462

<sup>24</sup>Office of Foreign Donor Assistance at the Directorate of Public Dept, Ministry of Finance and Economy (as September 2021)

Support to Ministry of Environment	Sweden	2,204,197
We Effect frame	Sweden	6,168
Environment Services project	Sweden	13,185,323
Marine and coastal protected areas 2	UNDP	1,093,266
Maritime OSR and Risk Assessment	UNDP	244,047
Flood Protection Infrastructures	UNDP	6,966,748
Development of Albanian Maritime Sector	UNDP	1,007,510
Adaptation to climate change through management of cross border risks from flooding in the Western Balkans (regional)	Germany	3,450,000
Preservation and sustainable use of biodiversity in the Ohrid, Prespa and Shkodra lakes (phase III)	Germany	800,000

## Annex 2:

### Semi structured interviews with focal points in the Central Governmental Institutions

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#### 1. Legal framework: developments and needs

1.1 In your institution's perspective what is the state of implementation of the Strategy? Are there any concerns about development and implementation of legislation regarding climate? What are any important gaps in climate related legal framework?

1.2 How do you assess the progress made so far into aligning climate legislation with the EU climate legislation framework?

1.3 Are the processes of global engagement on climate impacting the development progress of Climate related legislation? What is going on related to COP26?

1.4 Does the Government's vision or political program promote climate engagement and preparedness?

1.5 How has the program been aligned with finances for climate action? Is there any traceable data to monitor results and efficiency of funds in climate actions? Is there any system for tracing the climate dimension in financed projects?

#### 2. Climate Change and Green Agenda for Western Balkan envisaged by European Green Deal

Throughout the world, climate change adaptation policies supported by the United Nations Framework Convention on Climate Change (UNFCCC) have provided significant sources of funding and technical support to developing countries. Yet often the adaptation responses proposed belie complex political realities, particularly in politically unstable contexts, where power and politics shape adaptation outcomes.

2.1 How do you see the role of your Institution in reducing climate change effects? What sector do you envisage as more important to intervene?

2.2 Is the Climate Change recognized by the Institutional structure? Have any climate programs been supported by your Institution and to what extent there is interaction between climate change and your institutional activity?

2.3 Are there incentives/barriers that encourage/hamper your institution in developing training and capacity building for adopting climate policies? Are there any efforts made to pushing climate policy legislation and how proactively your Institution is engaged into addressing barriers and constraints in fulfilling obligations?

2.4 Are there well developed and break down projections by Government in terms of emission reductions and country preparedness at increasing targets by restructuring the economy (transport and mobility, land use, recycling economy, etc.)?

2.5 What are the untapped resources, capacities and needs of institution for nurturing green innovation and climate change principles for achieving the objectives of the National Strategy on Climate Change?

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