

Sector fiche – IPA National programmes / Component I

1 IDENTIFICATION

Title	Pilot Sector Programme on Environment and Climate Change
MIPD Sector Code	Environment and Climate Change
ELARG Statistical code	03.27 - Environment
DAC Sector code	41010 – Environmental policy and administrative management 31210 - Forestry policy and administrative management 14050 – Waste management / disposal
Total cost (VAT excluded) ¹	EUR 8 800 000 (EUR 8 M of EU contribution + EUR 0.8 M of contribution from the Government of Albania)
EU contribution	EUR 8 000 000, divided in the following policy areas: <ol style="list-style-type: none">1. Climate change and environment – 2 M EUR2. Nature protection - 4 M EUR3. Waste management - 2 M EUR
Management mode	Centralised management
EU Delegation in charge	Delegation of the European Union to Albania
Implementation management	Ministry of Environment Mr Alqi Bllako, General Secretary e-mail: Alqi.Bllako@moe.gov.al Ministry of Transport and Infrastructure Mr. Florian Bilali Senior Programme Officer e-mail: Florian.Bilali@mppt.gov.al
Implementing modality	Projects
Zone benefiting from the action(s)	Albania

2 RATIONALE

2.1 LINKS WITH NATIONAL SECTOR OBJECTIVE(S) AND MIPD SECTOR OBJECTIVE(S)

NSDI

The Strategic Goals of the Republic of Albania in the field of environment are defined in the **National Strategy for Development and Integration** (NSDI). The Environmental Cross-cutting Strategy (ECS) as an integral part of the NSDI defines the vision: the sustainable

¹ The total cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

development of the country, protection of our natural resources from pollution and degradation, and promotion of environmental values.

As regard the waste management strategic priorities in this field are defined in the **National Strategy and Plan on Integrated Waste Management** (NSPIWM). The strategy and subsequent plan aims to minimize the impact of waste on the environment, both locally and globally, and to improve resource use efficiency in Albania. Two interim targets were set to reflect the short-term need to focus on municipal waste: to increase the amount of waste collected by local authorities who is recycled or composted to 25% by 2015; and to increase the amount of waste collected by local authorities who is recycled or composted to 55% by 2020.

MIPD

In the **Multi-annual Indicative Planning Document for Albania 2011-2013** Environment and Climate Change is part of the six sectors in which the EU assistance will be primarily focused. As EU environment and climate legislation together are one of the largest parts of the *acquis*, the European Partnership addresses environmental protection in its short and medium-term priority setting. It is also important to improve the administrative capacity, in particular with view to the proper implementation and enforcement of legislation in this field.

The main objective in the environment and climate change sectors is to support Albania to comply with EU environmental and climate change legislation requiring the adoption and implementation of all relevant Directives and legislation, as well as the necessary associated investments, which will help create a cleaner and safer environment for citizens and mitigate climate change.

PROGRESS REPORT 2012

The **progress report 2012** states that efforts are urgently needed to align with EU *acquis*, implement and enforce legislation. Public awareness and consultation on legislative initiatives or public investments remain weak. There is a need for greater political commitment and coordinated action in these sectors.

Substantial investment is needed while current resources allocated remain limited. Environment needs to be better integrated into other policy areas, such as energy or transport. Concerning **climate change**, substantial efforts are required on awareness-raising, setting a more strategic approach for the country, aligning with and implementing the *acquis*, as well as strengthening administrative capacities and inter-institutional cooperation.

Little progress can be reported in the field of **nature protection**. Preparatory work has started for approximation with and implementation of the EU nature legislation and for establishment of the NATURA 2000 network. There was no progress in the area of industrial pollution control and risk management, as well as chemicals, noise and civil protection sectors.

Adoption of the already prepared regional **waste management** plans of Fier, Elbasan, Tirana and Durres is still pending. Medical and veterinary waste treatment is not properly managed. Municipalities are facing difficulties in managing the growing volume of waste. There is still no procedure for management and control of the landfills in place and several uncontrolled dumpsites are still in use. Little progress has been achieved on water quality. There is little capacity to assess the quality of water or of waste water discharged by industrial plants. In this respect, there was no progress on identifying sensitive areas.

2.2 SECTOR ASSESSMENT – POLICIES AND CHALLENGES

1) *National sector policy, strategy and context*

Environmental problems typically are not stand alone issues, but are mutually related and inter-dependent. For this reason the sector comprises a considerable number of strategies, as below mentioned:

A. The Environmental Cross-cutting Strategy (ECS) for the period 2007-2013 has identified concrete goals in order to have a healthy and ecological environment through the development of sustainable use of natural resources, the prevention of environmental contamination and degradation and the promotion of environmental protection in Albania. The goals include:

- Achievement of required standards (EU and World Health Organisation) for air quality, water supply and treatment, noise, urban waste, industrial pollution and risks assessment, chemicals and protected areas with the purpose of improving the life quality;
- Reduction of greenhouse gas emission and ozone depleting substances with the aim of contributing to prevention of climate changes;
- Protection and improvement of biodiversity, protected areas and species with the purpose of preserving the natural and cultural heritage of our environment in line with our European and international commitments.

These goals are partly integrated in other inter-ministerial strategies such as the Strategy and Action Plan for the Development of the Albanian Tourism Sector (2005), Integrated Coastal Zone Management and Clean-up Programme (2010) and the National Strategy and Plan on Integrated Waste Management (2011).

In cooperation with the Albanian Department for the Strategy and Donor Coordination, the Ministry of Environment is proceeding with the revision of the ECS (2007-2013), which will be completed by March 2013. The overall objective is to finalise the transposition of environmental *acquis*, to further strengthen the administrative capacity of the institutions involved in environmental protection both at national and local levels and to ensure the full implementation of the transposed legislation.

B. The National Biodiversity Strategy and Action Plan (NBSAP), 2000 aims at:

- Protection and improvement of biological and landscape diversity;
- Incorporation of the principles and policies required for sustainable biodiversity use and management; and
- Promoting sustainable development for present and future generations.

C. The National Waste Policy was prepared along with **the National Waste Management Plan (NWMP)**, in May 2009, and were approved with DCM no 175 date 19.01.2011 “On the approval of the National Waste Strategy (NWS) and National Waste Management Plan”. The National Waste Strategy aims at preparing for reuse, recycling, recovery and disposal of waste as a strategic move towards sustainable development.

In line with the Strategy, the goals of the National Waste Management Plan are to minimise the impact of waste on the environment, to improve resource use efficiency in Albania, and to remedy the environmental damages, as consequence of inadequate waste management.

2) Sector and donor coordination

In Albania, the **national co-ordination of international assistance** is ensured by the Department of Strategy and Donor Co-ordination (DSDC) located within the Council of Ministers (CoM). The Ministry of European Integration (MEI), represented by the Minister as the National IPA Coordinator (NIPAC), is responsible to co-ordinate the European Union assistance. The process of programming and monitoring the use of donor funds is fully integrated into the Albanian Government's Integrated Planning System (IPS). The Albanian Government also regularly monitors the implementation of:

- The National Strategy for Development and Integration (NSDI –covering seven years, current version: 2007-2013);
- 38 national strategies, on a sectorial or cross-sectorial basis, each under the responsibility of one lead ministry;
- Medium Term Budget Programmes (MTBPs – covering 3 years).

As regards IPA funds, apart from the NSDI, the national strategic document serving as a basis for programming is the National Plan for the Implementation of the Stability and Association Agreement (NPI SAA), which is regularly updated under the lead of the Ministry for European Integration.

The IPS system is designed to ensure a high degree of consistency and national ownership with regard to the use of donor funds. As a key priority for the next planning period (2014-2020) the Albanian government wishes to increase the mutual integration between the NSDI and the NPI SAA even further.

Donor co-ordination at sector level is ensured through sector working groups (SWGs), meeting two or three times a year. During 2012 there was hold one meeting in Water Sector. There are more than 30 specialised SWGs in operation. Lead donors are established for each sector. This mechanism is utilised as forum of discussions on potential joint programming between the GoA and the donor community and also to jointly address sector challenges and project implementation issues. In order to achieve greater aid effectiveness and to facilitate effective cross-cutting government/donors dialogue at environmental sector, the GoA organizes on a frequent basis Sector Working Group meeting for Environment and Integrated Waste Management. The GoA recognizes the need to invest more resources in strengthening the Environment sector working groups and donor coordination.

Ministry of Transport has shown constant commitment to lead donor coordination in the sector. In close cooperation with Austrian Development Cooperation (Donor Focal Point), donors have been called for meetings each quarter during 2011-2012 periods. The donors participating in this working group are: World Bank, EU Delegation; European Bank for Reconstruction and Development (EBRD); France; Germany/KfW (Kreditanstalt für Wiederaufbau), (German Agency for International Cooperation) GIZ, Japan International Cooperation Agency (JICA), Italian Development Cooperation, Swiss Cooperation and Organization for Security and Cooperation in Europe (OSCE). This mechanism was utilised to discuss on potential joint to jointly address sector challenges and project implementation issues such as construction permits not delivered on time and VAT imbursement delays. In spite of all the positive initiatives and efforts done, it still remains a challenge for the day to day management to meet donor expectations and deadlines. Practical inter-sector coordination on middle management level is often hampered by limited human resources or a change of priorities due to urgent tasks.

Proper and efficient implementation of the National Waste on Management Plan calls for the establishment of a three level groups:

1. An Inter-Ministry Committee on Waste (at central and political level);
2. A National Waste Advisory Group on Waste (at central and technical level);
3. Waste Areas Groups (at local and technical level at each Qark/Waste Area).

3) Sector budget and medium-term perspective

The Government's policy intentions are to operationalize objectives and integrate them with the financial realities as expressed in the government's multiannual budgetary frameworks. Furthermore, the Government has created a specific Environment Fund.

Sources of financing of sector policy

Sub-sector	Planned budget €million			
	2011	2012	2013	2014
Planning, Management Administration	0.7	0.83	0.84	0.86
Environmental Protection	2.92	7.51	5.49	4.44
Support to Fisheries	2.4	2.66	2.16	1.86
Water Administration	0.23	0.36	0.37	0.38
Forest Administration	7.22	5.1	5.24	5.40
State budget total	13.47	16.46	14.1	12.94
Foreign investments				
• water supply and sewerage	30.44	48	47,58	51.26
• solid waste		5.8	1.2	2.3
Grant				
• water supply and sewerage	10.52	17.43	20.12	21.05
• solid waste		5.80	1.2	3.4
Loans (IFI)				
• water supply and sewerage	19.92	30.57	27.46	30.21
• solid waste			3.5	2.3
Other foreign investments for environment sector (grant)	2.28	3	3.71	5.85
GRAND TOTAL	63.16	110.6	104.77	110.97

EU MIPD Indicative Financial Allocation

MIPD allocation	2007 – 2011	2011 – 2013	
2011-2013	€million	€million	% of MIPD total
Environment	80.12	51.55	20%
Transport	49.06	51.55	20%

4) Sector monitoring system

The implementation of NSDI, the related national strategies, the Mid-term (multi-annual) Budget Programmes (MTBP) and the annual budgets is monitored on a well-established and result-based performance assessment system, as part of the Albanian Government's Integrated Planning System (IPS). The core elements of that system are Performance Assessment Matrices (PAMs) based on the core strategy indicators of the NSDI and the (cross) sector strategies.

The Environmental Cross-cutting Strategy (ECS) has identified 5 major objectives for the Environment as follows: (i) improving air quality and reducing air pollution and noise pollution in major urban areas, (ii) integrated pollution prevention and control and the risks of

industrial accidents monitor and control the implementation of norms and standards for discharges into the environment from industrial operators, (iii) Fulfilling of national and international standards for integrated waste management with a focus on their correct treatment and increasing social awareness on the harmful effects on the environment; improving chemicals management, (iv) Protection and sustainable management of biodiversity, increasing the surface area of the Protected Areas and their good management and (v) Adaptation to climate change and reduction of greenhouse gases. Their achievement will be monitored by 14 indicators. The Indicators for the implementation of the ECS will be monitored with the participation of the civil society.

The monitoring of IPA funds is jointly ensured by National IPA Coordinator (NIPAC) and the European Union Delegation to Albania as contracting authority. For all IPA components I and II under implementation, there is the IPA Monitoring Committee (IPAMC), a high-level committee that meets once a year. The meetings of the IPAMC are co-chaired by the NIPAC and a ranking European Commission representative. The use of IPA funds is also part of the IPS exercise.

5) Institutional setting

The **Ministry of Environment** (MoE) is the responsible authority in charge of environmental management and policy at national level. The organization and structure of the MoE corresponds to various environmental sectors, including air and water quality, nature and biodiversity conservation, administration of waste, forestry, Environmental Impact Assessments (EIA), Strategic Environmental Assessment (SEA), climate change, fisheries etc.

In principle, the MoE comprises three separate elements:

- Technical directorates based in Tirana, supported by a legal department, Directorate of Integration and Projects, and administrative departments;
- National Environment Agency, responsible for management aspects of the environment, including permitting, monitoring, natural resource management, and provision of certified analytical results for both monitoring and inspection purposes;
- State Environment Inspectorate, responsible for enforcement of environmental law, and for ensuring state control of environmental protection and the exploitation of natural resources.

The proper setting-up of the Inter-Ministerial Committee on Waste and the National Advisory Group on Waste, as foreseen by the NWMP, as well as the identification of areas for waste management are key actions to achieve. For each waste area – corresponding to the Qark administrative level – there will be a regional advisory group so called waste area group with a wide representation of local technical stakeholders who will be able to advise local government on issues of waste management policy and planning at that regional level.

A number of other ministries and institutions also have important roles as regards approximation of the EU environmental *Acquis*.

The **Ministry of Transport** (MoT) manages a capital investment programme which contributes to the development of communal environmental infrastructure – solid waste management, drinking water supply, wastewater collection and treatment. In line with its mission MoT is the contracting authority for the concessions of economic activities under its responsibility (public services including waste management), thus waste concession projects as well. The Concession Unit within MoT does the identification of potential concessions and estimates their cost-effectiveness and financial appropriateness judging on the given

concessions. MoT is responsible for organizing the procurement procedure, tendering, contracting and implementation of the concession. The MoT also works on the identification of the necessary investments for the construction of the new landfill and closure of the existing dams.

Under a fresh sector approach, the consolidation and clarification of the institutional setting and existing capacities are needed. **Inter-ministerial cooperation between MoT and MoE** should be strengthened and institutionalized in order to allow a better coordination between the two Ministries, respect of legal requirements (EIA, permitting). In addition, an equal treatment as regards budget allocation and decision-making is necessary, as well as right balance between accountability at central and local level.

The **Ministry of Interior** is supervising the activities of the Local Government Units (LGUs). LGUs are important partners as they have taken over around 60 % of forests and pastures in Albania, thus being responsible for their management and sustainable use. As a result of the decentralization process, the LGUs have a very important role in the administration of environmental services. They have responsibilities for collection, transport and disposal of municipal solid waste, as well as management of the drinking water and sewerage facilities.

The **Ministry of Defense** (MoD) is the leading national law enforcement institution on the sea and the responsible institution for the surveillance of maritime domain and the control of blue border (realized through the Interagency Maritime Operational Center - IMOC). Naval Force/Coast Guard is responsible for monitoring the implementation of anti-pollution legislation in the Albanian maritime space. With regard to marine environment, in the field of the prevention of sea pollution has an important role.

6) Macro-economic context and Public Financial Management

Currently, the Albanian government is implementing a reform of public financial management and control (FMC). The reform is lead by the Ministry of Finance and aims at moving closer to international standards and the best practices in public internal financial control applied by EU member states. A new law to this effect was approved and is now being gradually put into practice using, inter alia, international donor assistance.

Thereby, improving the efficiency transparency of the use of taxpayers' money and strengthening the accountability of the state administration are receiving special attention. In this context, the implementation of the new law on Financial Management and Control will demand a significant change in the management of public policies and institutions and require strong financial and institutional support, if it is to deliver the desired objectives.

Furthermore, in line with National Plan for Implementation of Stabilisation Association Agreement (NPI SAA) priorities, the Albanian government wishes to develop and implement a consolidated system of public internal financial control. The reform of FMC will focus not only on spending public money in accordance with relevant laws and regulations, but also on achieving value for money.

7) Sector Assessment

Many of Albania's environmental problems are linked to its historic legacy of a centrally planned economy. The key environmental problems are (not in order of priority): water pollution, air pollution, land degradation/soil erosion, biodiversity losses and waste management, as well as disaster risks and climate variability and change.

Despite positive developments in horizontal legislation, the sector continues to suffer of considerable implementation gaps and many environmental challenges have not been solved and have become more acute.

Policy area 1 - Climate change and environment

Greenhouse gas emissions continue to rise especially in the urban areas, followed by intensive construction and growing demand for private mobility. Furthermore the climate variability and change pose continuous challenge for Albania in regard to disaster risk management in general and flood prevention management in particular.

A national system that includes all institutional, legal and procedural arrangements for estimating anthropogenic emissions, reporting and verification is not established yet.

The future accession to the EU requires additional efforts going beyond the current UN Framework Convention on Climate Change-UNFCCC requirements for non-Annex I countries that have no quantified obligation to reduce GHG emissions. Also, as the EU expects non-Annex 1 countries to take action for climate change mitigation, there is ample scope for assistance. This may include:

- Design the appropriate policy documents and intervention mechanisms in line with UNFCCC and the EU climate change requirements through the development of an Integrated National Strategy to address climate change issues in Albania;
- Approximation of relevant EU Climate Change legislation into the national legislation;
- Build the capacities on establishing the national system for monitoring greenhouse gas emissions and for implementing the Kyoto Protocol. Setting-up of the national expert's network on estimation of the Greenhouse gas (GHG) Emission, completing the CRF report;
- Implementation of the EU Monitoring Mechanism legislation (Monitoring Mechanism Regulation (EU) No 525/2013, its implementing provisions, the UNFCCC Inventory Reporting Guidelines for Annex I countries, etc.).

The progress made with the achievements of ECS's goals so far consisted mainly in drafting and adopting primary and secondary legislation transposing EU Directives. However, it is recognised that the proper implementation and enforcement of enacted legislation requires the further development of institutions, strengthening of human resources and substantial capital investments. This regards not only the enforcement of legislation in the area of climate change but also in other correlated sector areas.

As far as **air pollution** is concerned, especially in the urban areas and the surroundings of Tirana and Elbasan, the air quality is poor and largely exceeds national and international standards. Major sources of air pollution include (road) transport, industry, energy production (oil and gas extraction and refining) and rapid urban development.

The challenge on air quality area are related to: (i) adaption of european standarts on air quality and air emission (ii) adopting and implementing the air quality plans in the local level (iii) establishing the system on national air emission inventory as the requirement of the relevant protocols of CLRTAP Convention.

Water pollution poses a severe problem. The quality of drinking water does not, in many cases, comply with the European standards due to the lack of adequate treatment and disinfection. The contamination of surface water is serious, especially close to cities and industrial sites, due to insufficient wastewater collection and treatment, leaking sewers and

waste dumps. Toxic organic compounds and metals from mining and industrial activity are heavily affecting the rivers Shkumbini, Fani, Gjanica and Semani.

Although the legal framework on **chemicals and hazardous substances** is updated, it still remains partially transposed with the respective EU acquis. Moreover, this field is not supported with administrative structures that will enable its implementation. Challenges in chemicals consist on the setting-up of a national system on chemicals management in accordance with the EU regulations, the Rotterdam Convention and the Global Harmonized System (GHS).

In the field of **industrial pollution**, the aim is to guarantee the compliance of major industrial operators with the requirements of the Law No. 10448, of 14.7.2011 “On environmental permits” and the elaboration of secondary legislation for proper implementation and enforcement.

Policy area 2 - Nature protection

Some 15, 8 % of the country's territory has protected status. The current coverage of protected areas is uneven and is not representative of the different habitat types which exist in the country. The national network is still small to have an effective long-term impact on biodiversity protection. Moreover, protection is itself threatened by informal construction and illegal hunting still being widespread. The illegal hunting of birds and mammals is jeopardising efforts for biodiversity management. Fishing resources are also endangered particularly due to the over-fishing near coastal area and use of illegal practices.

Very few investments have been done in the sector of **Protected Areas** and Nature Protection in Albania since more than 10 years. This has led to frequent law breaches within the Protected Areas. Law enforcement is weak and measures are still insufficient to counter the negative trend of biodiversity, fish and forest depletion.

Challenges in the field of nature and **biodiversity protection** consist on: (i) the identification and setting-up of the NATURA 2000 network of protected areas as an ecological network of Sites of Community Importance (SCI-s); (ii) effective implementation of management plans of protected areas and (iii) proper law enforcement that will ensure the long term survival of the species and habitats present in the country by achieving their ‘favourable conservation status’.

In **Forestry** major challenges consist on (i) approximation and enforcement of the EU legislation covering forestry and pasture areas; (ii) increase of managing capacities of communal forests and capacity building; (iii) improvement of the information system and of the forestry database; (iv) strengthening of research, technological development and innovations in forestry.

In **Fisheries** the major challenges consist on (i) setting-up an improved system of data collection on fishing fleet, fishing capture quantities, biological conditions of population in Albanian waters and (ii) structural investments in the fisheries sector.

Policy area 3 – Waste management

The waste management situation in Albania is at a low level and has become a major source of pollution due to:

- Chronic lack of investment in waste management infrastructure by successive central or local governments;

- No strategic approach to waste management and therefore no correlation between waste management planning and investment or operational finance at either regional government or municipal government level;
- No satisfactory taxation of residents for provision of a waste management service at municipal level;
- Continued use of illegal dumpsites and very low level of recycling;
- No segregation of hazardous and non-hazardous waste at healthcare facilities.

Changing this situation will take considerable time, effort and investment. Such undertaking needs to be well planned at local, regional and national levels. Looking at the objectives of the National Strategy and the National Plan on Waste Management, the Ministry of Transport and Infrastructure have planned investments on the feasibility studies for the closure of the existing non environmentally-friendly dumps in each region.

A solution must be found to improve waste management at local level. **New infrastructures for waste treatment** are needed, as well as additional financial resources for Municipalities for waste collection, cleaning, transportation and disposal. Local municipalities should also increase their **capacities for integrated waste management**, focusing on different waste control and disposal methods, such as source reduction, recycling, re-use and also land filling, in order to minimize the environmental impact of commercial and industrial waste streams.

New infrastructure for waste treatment will be planned and designed and pilot actions for integrated waste management will be launched in **Fier and Durres regions**, which are most affected by waste problems.

The **Fier** Region (Fier, Patos, Roskovec, Lushnje, Divjake, Ballsh, Communes) produce 119 104 ton wastes/years. Waste collection in Fier City is carried out by the Municipality. Solid waste is disposed in uncontrolled dumpsites, which are open areas, fenceless and without environmental protection (soil, ground and surface water, odour, air) and do not have facilities for sorting, processing, or waste recycling. These sites are also supposed to sort industrial waste, construction and demolition waste, hospital waste and hazardous waste (such batteries, used oils).

The Metro region Tirana-Durres consists of two qarks/counties. The area stretches over 2,352 km² and hosts the two largest cities of the country, Tirana (pop: 717,426 inhabitants) and Durres (pop: 242,801 inhabitants). Including the smaller municipalities, the total population adds up to 800,347 inhabitants for Tirana Qark and 310,499 inhabitants for Durres Qark, in total some 1.1 million (2009). The waste of the Metro region is currently disposed at two disposal sites, Porto Romano dumpsite for Durres and Sharra landfill for Tirana. Porto Romano is a site far away from being in line with sanitary disposal standards. Therefore, the site needs to be closed as soon as possible. Sharra landfill has been in operation for a long time, consisting of a grandfathered area and an extension area which was built in 2009. The current landfill will be exhausted in mid-2015. The Municipality of Tirana is working on another extension with a designed landfill volume for 5-15 years. As a result of this situation, in the Metro region several irregular sites are still used, causing considerable environment challenges.

Durres, located 45 km West of Tirana, is an important harbour and a tourist destination, where 82,886 tons of waste/year are generated equal to 0.75 kg/capita and day. Therefore, appropriate solutions should be identified to solve waste disposal problems in an efficient and best practice manner. An IFC-funded assessment has already identified a site near the villages of Sukhti-Shijak for the construction of a landfill for the region of Durres. This assessment should be further explored with a dedicated feasibility study.

3) DESCRIPTION

3.1 OVERALL OBJECTIVE OF THE IPA SECTOR SUPPORT

The Overall Objective is to develop a cleaner and safer environment for citizens in Albania and mitigate climate change.

3.2 SPECIFIC OBJECTIVE(S) OF THE IPA SECTOR SUPPORT

Specific objectives of the areas identified for IPA support in the environment and climate change sectors are:

1. Climate change and environment

To fulfill the requirements of the UNFCCC and EU climate change regulation, as well as to approximate the Albanian legislation to the relevant EU *acquis* on environment

2. Nature protection

To strengthen biodiversity protection through the establishment of protected areas

3. Waste management

To prepare Albania for reuse, recycling, recovery and disposal of waste as a strategic move towards sustainable development

3.3 RESULTS

1. Enhanced capacity of Albanian Institutions responsible for Environment and Climate Change to transpose, implement and enforce EU climate change and environmental legislation.

Albanian institutions at all levels need to be prepared to meet the EU and other requirements emerging from international treaties related to the environment and climate change, including further progress towards regional cooperation in these policy fields. Enforcement capacity in the field of environmental protection and climate action will be strengthened.

2. Acquis for nature conservation gradually implemented.

Sustainable use of natural resources through the development of protected areas network is improved.

3. Integrated waste management system improved through the definition of new modern waste facilities/landfills in Fier and Durres or other regions, which are most affected by waste problems.

Feasibilities studies for the construction of new landfills, as well as pilot actions in Fier and Durres regions for better management and monitoring of waste streams in accordance with the Waste Framework Directive and National Policy.

3.4 MEASURES/OPERATIONS² TO ACHIEVE RESULTS

1. Measure: institution building at the Ministry of Environment in enforcing Environmental and Climate Acquis

Operation 1.1 Assistance to achieve the administrative obligations under the UN Framework Convention on Climate Change and Kyoto Protocol, as well as assistance to design an Integrated National Strategy on climate change issues.

Operation 1.2 Facilitation to carry out the greenhouse gas inventory and to identify future gas projections.

Operation 1.3 Capacity building for transposition and implementation of EU *acquis*-related legislation, with a special focus on strengthening capacities of central and local institutions for strategic planning and sound implementation (National Environmental Agency, responsible *inter alia* for air monitoring, and the State Inspectorates for Environment, responsible for law enforcement).

Operation 1.4 Supply of equipment for State Inspectorates for Environment

This measure will be implemented via a technical assistance service contract to cover operations 1.1, 1.2 and 1.3 (IPA contribution) and a supply contract to cover operation 1.4 (national contribution)

2. Measure: strengthening the national capacity in nature protection and preparation for Natura 2000 network

Operation 2.1 Implementation of management plans for 10 protected areas, which are supposed to be drafted by the IPA 2010 SELEA project and to be approved within the end of 2013.

Operation 2.2 Improvement of infrastructure in the 10 selected protected areas.

Operation 2.3 Capacity building of protected areas administration, as well as Forestry Services Directorates in charge of the definition of the national legal framework on nature and biodiversity.

Operation 2.4 Identification of the preliminary list of the sites that will form the Natura 2000 network, i.e. the ecological network of sites, which host flora and fauna species and habitat types of interest as defined by the EU Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (Habitats Directive). The operation will also focus on the preparation for the Natura 2000 network, by listing the relevant species and habitats present in Albania. The operation will also contribute to increasing the level of control over natural resources and prevent illegal exploitation in protected areas.

This measure will be implemented via a call for proposals for International Organizations and Member States to cover operations 2.1, 2.2, 2.3 and 2.4

A co-financing of 10 % will be provided by the beneficiary institution according to the work plan that will be jointly prepared with the selected International Organization or Member

² As defined in Article 6(2) of the IPA Implementing Regulation No 718/2006. IPA Component I programmes are subdivided into sectors (priorities), each of which define a global objective to attain and which shall be implemented through measures, which may be subdivided into operations, or directly through operations. Operations shall comprise a project or a group of projects (implemented by the Commission or the beneficiary country).

State. The co-financing, which will cover some of the activities of the project, upon the agreement with the International Organization or Member State, will be in addition to the contribution in kind (office space, facilities, ect.).

3. Measure: improvement of integrated waste management in Fier and Durres or other regions, which are most affected by waste problems.

Operation 3.1 Feasibility studies, including preliminary designs, concerning modern waste facilities for Integrated Waste Management System in the regions of Fier and Durres.

Operation 3.2 Technical Assistance for supporting the Municipalities in planning, operation and maintenance of waste management systems in Fier and Durres and pilot actions for reuse, recycling, recovery and disposal of waste.

This measure will be implemented via a service contract covering operations 3.1 and 3.2

3.5 OVERVIEW OF PAST OR ONGOING ASSISTANCE, LESSONS LEARNED, MECHANISMS FOR DONOR COORDINATION/SECTOR WORKING GROUP AND/OR POLICY DIALOGUE

EU Support

The EU has been one of the main donors in the environment and water sector in recent years. CARDS have also provided administrative support to the Ministry of Environment in the preparation of environmental legislation, in line with the EU acquis.

IPA 2010: A project of 4 Mln Euro is currently ongoing (SELEA) in the Ministry of Environment aiming to strengthening administrative and technical capacity of the Ministry, the National Environmental Agency, and the Environmental Inspectorates.

IPA 2008: Consolidation of the Environmental Monitoring System in Albania (CEMSA), including the following results: a) An Emission assessment is carried out and followed by an Emission Inventory, which will be established based upon the guidelines of the European Pollutant Release and Transfer Register (E-PRTR) directive; b) The IEMS architecture with regard to air, water, and biodiversity and soil is operational; c) The 6 main laboratories involved in the monitoring network and the National Reference Centre are certified and accredited in compliance with EC standard and Quality System scheme (mainly ISO 9001 and 17025); and d) The Environmental Information Management System (EIMS) is operational.

The European Commission has over the years financed several infrastructure projects within the water sector. Within the infrastructure development projects of IPA 2008, 2009, 2010 and 2011, have also been introduced some institutional strengthening and capacity building elements in the water management sector.

There are also numerous other projects funded through GEF/ UNDP and the World Bank as well as bilateral assistance. To be mentioned:

- **DfID (2003-4):** Support to the Ministry of Environment and 3 regional environmental agencies;
- **World Bank (2004-2011):** International Development Fund (IDA) grants to finance the Strengthening of Aarhus Convention Implementation Project. The actual project is being implemented during 2010-2012;
- **Netherlands Development Organisation (SNV): support to the extension** services for communal forests;
- **Spanish Cooperation (2009):** Development of Environmental Capacity in the Judiciary and University law schools;

- **Italian Cooperation (2008-2011):** Development of management plans for two protected areas; Albania Air Pollutant Emissions Inventory in the frame of the Convention on Long Range Transboundary Air pollution and the Implementation of the Erzeni River Basin Management Plan;
- **Germany/Kfw:** The German bilateral funding bodies, GIZ KfW have focused their activities on waste management, on the assessment of waste management options and specifically on waste disposal in the Korça region and a number of sewage water collection and treatment projects;
- **SIDA (2004-11)** The Swedish bilateral funding agency has supported several projects, in particular on waste management and on the strengthening local and regional authorities and their capacity to meet new requirements, especially the elaboration Operational Plan (OP), as the core element of the Sector Strategy.

The most visible progress Albania has made so far in the environment sector is with the drafting and adoption of primary and secondary legislation. The Albanian Government is committed to continue in aligning the legislative framework with the *Acquis*. Further assistance is required to provide the sector with the necessary resources to implement and enforce legislation, to improve the inspection system, and improve environmental management at national and regional levels.

Also the coordination of activities across sectors in the implementation process has to be improved. This has proved to be particularly true with regard to the implementation of the capital infrastructure projects with the financial support of the international donor community.

Lessons learned:

As regards the implementation of Technical assistance projects the main lessons learned are as follows:

- Better planning of dedicated administrative staff employed on permanent basis, which will ensure the sustainability of the project activities;
- The involvement of high-level decision making structures from the very beginning of the project phases is very important and a precondition for success;
- Better institutional cooperation between all the beneficiaries/stakeholders is needed.

As regards the infrastructure projects, the main lessons learned during the implementation of these projects are:

- Due to fragmentation in previous investments in municipalities, after completion, the impact of investment did not meet expectations as regards its impact on services. In order to avoid fragmentation adequate funds need to be allocated for the full construction of the infrastructures, and investment amounts need to be focussed;
- Local communities and local government units (LGUs) need to be engaged from the very early stages of every project, as many state competences have been decentralised and local municipalities are often responsible for utilities service delivery. Earlier, some local authorities ultimately refused taking ownership of the investments completed. For that reason all stake-holders have to be involved from the early stage of the preparation of feasibility studies and project designs and also during implementation;

- The involvement and commitment of the institutions in charge of spatial planning has to be ensured through an effective and participatory process by engaging them right from the start;
- Delays during construction often resulted in additional cost for consultancy services (supervision). This can be avoided by allocating a certain percentage of the budget for unforeseen situations and the proper planning/preparation of the project.

3.6 SUSTAINABILITY

The development and overall activity of environment sector is repeatedly and indivisibly connected with the social position of the citizens of Albania. Besides direct impact through smarter use of natural resources, the social position is influenced by the possibility of employment, entrepreneurship, additional education, the modernization of technological level of labour structure in Albania, as well as overall quality of life through the achievement of sustainable development. There are reform strategies in place (NSDI, NPI SAA etc.) that ensure a steady progress towards EU harmonisation which will ensure a policy/institutional sustainability. The Government of Albania has the political will to cease cross-parties consensus not only to introduce changes at the regulatory level and steady progress towards EU integration with regard to all Copenhagen criteria, but also to introduce new measures for more sustainable use of natural resources and prevention of problems caused by climate change, and the continued coverage of the costs of environmental investments by enterprises and the population. The funds needed to operate institutions and infrastructure newly created or enlarged under IPA will be incorporated, in line with IPS rules, into the MTBP and the National Budget to ensure the financial sustainability.

3.7 ASSUMPTIONS AND PRECONDITIONS

The successful implementation of the sector programme presupposes the following assumptions:

- **Steady overall economic development** allowing the continued coverage of the costs of environmental investments by enterprises and the population;
- **Political will and cross-party consensus** to adopt new legislation and institutional reforms;
- **Sustainability** of results of reforms and institutions (*Financing, legal status, continuous HR management and training ensured*);
- **Sustainability of new infrastructure** ensured through full application of the polluter pays principle;
- **Awareness of and support for the population** of environmental and climate protection;
- Availability of **appropriate co-financing from the Albanian budget**;
- Ensuring that **agencies and staff concerned adequately participate** in capacity building measures.

The proper preparation of investments – including technical designs, proven financial feasibility, and the availability of necessary permits will be treated as a precondition for works measures.

4. IMPLEMENTATION ISSUES

The IPA contribution amounts to EUR 8 million, distributed among the three measures as follows:

- Measure 1 - Institution Building for the Ministry of Environment in transposing and enforcing the EU *acquis* on environment and climate change - EUR 2 million;
- Measure 2 - Strengthening national capacity in nature protection – preparation for Natura 2000 network - EUR 4 million;
- Measure 3 – Technical Assistance for Integrated Solid Waste Management Systems for the regions of Durres and Fier or other regions, which are most affected by waste problems - EUR 2 million.

The Albania Government has earmarked EUR 0.8 million as national contribution to cover 10% of the pilot sector programme.

4.1 INDICATIVE BUDGET (AMOUNTS IN EUR)

Sector Programme on Environment and Climate Change			TOTAL EXPENDITURE	SOURCES OF FUNDING								
				IPA CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(c)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Measure 1												
Service contract for technical assistance (operations 1.1;1.2 and 1.3)	X		2.000.000	2.000.000					-	-		-
Supply contract (operation 1.4) National contribution		X	400.000			400.000						
Measure 2												
Call for proposals with international organizations and member states (operations 2.1,2.2,2.3 and 2.4)	X		4.000.000	4.000.000					-	-		-
Contract – national contribution (operations 2.1,2.2,2.3 and 2.4)	X		400.000			400.000						
Measure 3												
Service contract (operations 3.1 and 3.2)	X		2.000.000	2.000.000					-	-		
TOTAL IB												
TOTAL INV												
TOTAL SECTOR SUPPORT			8.800.000	8.000.000	90%	800.000	10%					

NOTE: DO NOT MIX IB AND INV IN THE SAME OPERATION ROW. USE SEPARATE ROW

Amounts net of VAT

- (1) In the Operation row, use "X" to identify whether IB or INV
- (2) Expressed in % of the Total Expenditure (column (a))

4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN PER QUARTER)

Operations	Start of Tendering/ Call(s) for proposals	Signature of contract(s)	Activity Completion
Measure 1			
Service contract for technical assistance (operations 1.1;1.2 and 1.3)	1Q 2014	3Q 2014	3Q 2016
Supply contract (operation 1.4) National contribution	2Q 2014	4Q 2014	3Q 2015
Measure 2			
Call for proposals with international organizations and member states (operations 2.1,2.2,2.3 and 2.4)	1Q 2014	3Q 2014	3Q 2016
Contract – national contribution (operations 2.1,2.2,2.3 and 2.4)	1Q 2014	3Q 2014	3Q 2016
Measure 3			
Service contract (operations 3.1 and 3.2)	1Q 2014	3Q 2014	3Q 2016

4.3 CROSS CUTTING ISSUES

4.3.1 Equal Opportunities and non-discrimination

The beneficiaries of the planned measures are equal opportunity employers. Equal access of all employees to the benefits of the project, especially trainings.

Based on the fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability and age

4.3.2 Environment and climate change

All measures and operations under this SF directly contribute to the implementation of EU environmental legislation in Albania. Projects will comply with the entirety of EU environmental law, regardless of whether the relevant rules have already been transposed into Albanian legislation. The planned measures contribute to the improvement of the state of the environment and the adjustment to / prevention of climate change. They affect the environment positively, by strengthening of environmental management on central and local levels as well as strengthening coordination between different institutions active in the sector.

4.3.3 Minorities and vulnerable groups

Minorities will equally benefit from the project. The training activities will include a specific component to address equal opportunities of minorities and vulnerable groups through a) assessment of the particular requirements of dealing with minority and vulnerable group issues within the subject matter the beneficiary's mandate – mainstreaming minority and vulnerable group issues throughout the policy and implementation sequence, and c) assist the beneficiary to implement an 'internal minority and vulnerable group assessment' to identify

areas where it could improve its internal performance vis-à-vis minorities or other vulnerable groups.

4.3.4 Civil Society/Stakeholders involvement

Civil society and stakeholder involvement during the project identification and preparation has been ensured through the consultation in the respective fields to be covered by the project like natura and biodiversity protection, climate change and waste management. Environmental specialized NGO-s have also been consulted and their comments and suggestions have been taken into account when writing the sectoral fiche.

The Environmental Crosscutting Strategy (ECS) has been widely discussed within the administration and with other stakeholders including NGOs and municipalities. An Operational Plan (2012-2014) for the environment sector has been completed in spring 2011 for implementing the ECS, using a Program Based Approach, a process in which all concerned ministries were involved. However, in order to implement the provisions indicated in the Operational Plan, it is necessary to strengthen capacities and raise awareness in all line ministries that have responsibilities for environmental protection. Moreover general mainstreaming of the environment into other sector plans and Strategic Environmental Assessment of sector plans needs a better introduction in the country.

ANNEXES

1. Description of Institutional Framework

The Ministry of Environment as the main institution responsible for environment and climate change policies has the following structure:

- Technical directorates based in Tirana, supported by a Legal Department, Directorate of Integration and Projects, and administrative departments;
- National Environment Agency, responsible for management aspects of the environment, including permitting, monitoring, natural resource management, and provision of certified analytical results for both monitoring and inspection purposes;
- State Environment Inspectorate, responsible for enforcement of environmental law, and for ensuring state control of environmental protection and the exploitation of natural resources;
- Directorates of Forestry Services in districts (which include protected Areas administrations and Forestry Police).

The organization of Environmental Working Group is carried out by Ministry of Environment, Forestry and Water Administration, in coordination and communication with Swedish Embassy/ Sida acting as donor focal point. The other donors participating in this working group are: World Bank, EU Delegation, UN/UNDP, OSCE, Austrian Development Cooperation, EBRD, Germany /GIZ -KfW, Italian Cooperation, Japan/JICA, and USAID. The presentation of the Environmental Operational Plan (EOP) was the main topic during the last meeting agenda held on 17 June 2011. This meeting was particularly relevant since it gave the possibility to consult with donor's community and other stakeholder this innovative instrument in the sector

The central institution in charge of environment policy is the Ministry of Environment, including all aspects relating to climate change. However with regard to infrastructural investment in key areas related to the environment it is the **Ministry of Public Works and Transport** who is responsible, within the relevant policy frameworks, for the design and implementation of particular investment programmes and projects.

Ministry of Public Works, Transport is in charge of preparation and implementation of policies and objectives and relating to road transport, railway, sea, water, air, sewerage, waste management facilities

Within the Ministry of Public Works and Transport is set up the Directorate of Policies on Solid Waste Treatment). It is composed by two sectors:

1. Technical sector of Solid Waste, which is responsible for the technical issues on the construction of the landfills;
2. Monitoring Sector of Solid Waste, which is responsible for the identification and monitoring of investments in solid waste sector.

(Including composition of the relevant sector Steering Committee, Sector Monitoring Sub-Committees, and sectoral working group)

2. Political, legal and institutional framework

1. Law No. 10431, of 14.7.2011. "On Environmental Protection"
 2. Law no. 10463, dated 22.09.2011 "On integrated waste management".
 3. Law No. 8094, dated 21.03.1996 "On the public disposal of waste."
 4. Law no. 8672, dated 26.10.2000, for the ratification of the "Aarhus Convention on public access to information, to participate in decision-making and addressing the court on environmental issues"
 5. Decision of the Council of Ministers No. 103, dated 31.03.2002 "On Environmental Monitoring in the Republic of Albania" The Ministry of Public Works, Transport and Communications to develop the National Register for the annual amount of solid waste and municipal level, district and Republic;
 5. Law No. 8405, dated 17.09.1998 "On Urban Planning" relevant amendments.
 6. Council of Ministers Decision No.34, dated 28.01.2002 "On the Approval of the National Action Plan for the Environment";
 7. DCM Nr.1189, dated 18.11.2009, "On the rules and procedures for the design and implementation of the national program Regulation No. 1, dated 30.3.2007, "On the treatment of construction waste from creation, transport to their destruction";
 8. 10. Law 8402, dated 10.9.1998, "On the control and discipline of the construction works." 11. Law no. 9663, dated 18.12.2006, "On Concessions";
- Reference to sector strategies and national / sector investment plans:
- The Environmental Cross-cutting Strategy (ECS)
 - The National Biodiversity Strategy and Action Plan (NBSAP), 2000
 - The National Waste Policy has been prepared together with the National Waste Management Plan (NWMP)
 - Regulation on management of bulky waste (article 17 of Law 9010). It is not drafted yet.
 - Cross-border waste management (article 19 of Law 9010). It is not drafted yet.

3. Visibility activities

The EC rules for the visibility will be implemented. Billboards giving detailed information will be placed at nature sites selected for project implementation. Also all equipment supplied will have a sticker and a logo with EU visibility requirements.

ANNEX 4: Logical framework matrix for sector support in standard format

LOG FRAME PLANNING MATRIX FOR Sector Fiche		Sector support name and number	
		Contracting period expires	Execution period expires
		Total budget 8.8 million Euro	
		IPA budget: 8 million Euro	
National sector or sub sector objective	Objectively verifiable indicators (OVI)	Sources of verification	
<ul style="list-style-type: none"> To contribute to the compliance of Albania with EU environmental and climate change legislation. 	<ul style="list-style-type: none"> Share of population having access to safe water supply and wastewater treatment Share of population having access to sustainable waste management services Greenhouse gas emissions and industrial emissions of pollutants gradually reduced 	<ul style="list-style-type: none"> National statistics (INSTAT) EU progress report 	
Sector support objective within the MIPD sector	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
<ul style="list-style-type: none"> To improve the environmental management and climate action of Government Institutions with respect to a cleaner and safer environment for citizens and the mitigation of climate change 	<ul style="list-style-type: none"> Steady progress of Albania towards compliance with EU standards, in line with NPI SAA and European Partnership 	<ul style="list-style-type: none"> EU Annual Progress Reports on Albania IPA project reports Albania's Official Journals (publication of new legislation) 	<ul style="list-style-type: none"> Steady overall economic development allowing the continued coverage of the costs of environmental investments by enterprises and the population
Results of the sector support	Objectively verifiable indicators (OVI)	Sources of Verification	Assumptions
<ul style="list-style-type: none"> Result 1: Enhanced capacity of Albanian Institutions responsible for Environment and Climate Change to transpose, implement and enforce EU 	<ul style="list-style-type: none"> Transposition rate of EU legislation steadily improves in line with NPI SAA Nature conservation acquis implemented 	<ul style="list-style-type: none"> National statistics INSTAT Reports to government and EU Commission on implementation of NPI 	<ul style="list-style-type: none"> Political will and cross-party consensus to adopt new legislation and institutional reforms

<p>environmental and climate change legislation.</p> <ul style="list-style-type: none"> • Result 2: Acquis for nature conservation gradually implemented. • Result 3: Integrated waste management system improved through the definition of new modern waste facilities in Fier and Durres and/or other regions, which are most affected by waste problems. 	<p>in line with NPI SAA</p> <ul style="list-style-type: none"> • Waste management facilities implemented in line with Eu Directives. 	SAA	<ul style="list-style-type: none"> • Sustainability of results of reforms and institutions (<i>Financing, legal status, continuous HR management and training ensured</i>) • Sustainability of new infrastructure ensured through full application of the polluter pays principle • Awareness of and support for the population of environmental and climate protection
Measures to achieve results	Means / operations	Costs	Assumptions
<p>Measure 1: Institution building at the Ministry of Environment in enforcing the Environmental and Climate Acquis</p> <p>Measure 2: Strengthening the national capacity in nature protection and preparation for Natura 2000 network</p> <p>Measure 3: Technical assistance for conducting feasibility studies and detailed design for new landfills construction in Fier and Durres and/or other regions, as well as pilot actions for integrated waste management.</p>	<p>Technical assistance service contract</p> <p>Supply contract (national contribution)</p> <p>Call for proposals with international organizations and member states</p> <p>Contract (national contribution)</p> <p>Technical assistance service contract</p>	<p>Eur 2 mln</p> <p>Eur 0.4 mln (national contribution)</p> <p>Eur 4 mln</p> <p>Eur 0.4 mln (national contribution)</p> <p>Eur 2 mln</p>	<ul style="list-style-type: none"> • Availability of appropriate co-financing from the Albanian budget • Ensuring that agencies and staff concerned adequately participate in capacity building measures