

ANNEX IV

to Commission Implementing Decision on the financing of the annual action plan in favour of
Albania for 2021

Action Document for “EU for Circular Economy and Green Growth”**SYNOPSIS****1.1. Action Summary Table**

Title	EU for Circular Economy and Green Growth Annual Action Plan in favour of Albania for 2021			
CRIS number	IPA III/2021/ 043-666/4			
Basic Act	Financed under the Instrument for Pre-accession Assistance (IPA III)			
Team Europe Initiative	No			
Zone benefiting from the action	The action shall be carried out in Albania			
Programming document	IPA III Programming Framework			
PRIORITY AREAS AND SECTOR INFORMATION				
Window and thematic priority	W 3 - Green Agenda and Sustainable Connectivity TP 1 - Environment and climate change			
Sustainable Development Goals (SDGs)	Main SDG: 11 - Make cities inclusive, safe, resilient and sustainable. Other significant SDGs (up to 9) and where appropriate, targets: 12: Ensure sustainable consumption and production patterns. 13: Climate Action: Take urgent action to combat climate change and its impacts. 14: Conserve and sustainably use the oceans, seas and marine resources			
DAC code(s) ¹	Main code 14050: Waste management/disposal 62% Sub-code 1: 41010 Environmental policy and administrative management 38%			
Main Delivery Channel	13000 - Third Country Government (Delegated co-operation)			
Markers (from DAC form)	General policy objective	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

¹ DAC sectors (codes and descriptions) are indicated in the first and fourth columns of the tab 'purpose codes' in the following document:
<http://www.oecd.org/dac/financing-sustainable-development/development-financestandards/dacandscodelists.htm>

	Inclusion of persons with Disabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal markers	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Migration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
Amounts concerned	Budget line: 15.020201.02 Total estimated cost: EUR 30 900 000 Total amount of EU budget contribution EUR 30 900 000			
MANAGEMENT AND IMPLEMENTATION				
Type of financing and method(s) of implementation	Project Modality Direct management through procurement. Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.4.			
Relevant priorities and flagships from Economic and Investment Plan for the Western Balkans	Priorities: Green Agenda Flagships: VII Waste and Waste Water			
Final Date for conclusion of Financing Agreement	At the latest by 31 December N+1			
Final date for concluding contribution / delegation agreements, procurement and grant contracts	3 years following the date of conclusion of the Financing Agreement, with the exception of cases listed under Article 114(2) of the Financial Regulation			
Indicative operational implementation period	72 months following the conclusion of the Financing Agreement			

Final date for implementing the Financing Agreement	12 years following the conclusion of the Financing Agreement
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1.2. Summary of the Action

Albania maintains a constant and strong public political commitment towards European integration. Albania has initiated the first steps towards introducing Circular Economy and Green Growth actions that will contribute to a cleaner and more competitive Europe in co-creation with economic actors, consumers, citizens and civil society organisations. The National Waste Management Strategy with the Action Plan and the Sector Investment Demand (Masterplan) represent an essential step for full compliance with the EU waste management *acquis* and negotiations for *Chapter 27: Environment and Climate Change*. They provide ambitious targets for the Circular Economy and completing the network of infrastructure facilities for meeting EU requirement throughout the country.

The Action will contribute to improving the protection of the environment and developing inclusive and gender responsive circular economy and sustainable green growth in Albania. Activities include for example aligning legislation, introducing Extended Producer Responsibility (EPR), supporting regional waste infrastructure and ensuring engagement of communities and private sector in circular economy and green growth. The Action will support the transposition of key waste directives, and boosting their implementation by preparing key planning documents for legal compliance, waste prevention, the circular economy and hazardous waste. Moreover, it will support the strengthening of the capacity of waste management authorities at central and local levels, and will provide them with tools to implement, monitor and enforce waste management policies including the setting up of an integrated system for waste data collection. Thus, the Action will support the National Environmental Agency (NEA) to fulfil its reporting requirements and the National Agency for Water Supply, Sewerage and Waste Infrastructure (AKUM), in the implementation of its responsibilities².

This action will enable the regulatory framework for EPR and its implementation as well as the establishment of supporting instruments for the implementation of the circular economy, the EPR system and waste separation and recycling. Third parties, such as the private sector, Producer Responsibility Organisations (PRO), environmental civil society organisations, social businesses and local governments will be supported in implementing actions to facilitate and promote inclusive and gender responsive circular economy and green growth.

The action complements policy development and implementation and provides examples to municipalities. It will implement models for integrated municipal solid waste management and the closure of non-compliant landfills / dumpsites, including recycling and reuse in the waste areas of Kukës and Gjirokastrë—Vlora South. These models will be based on the feasibility study on integrated solid waste management developed for both waste zones. Activities are aimed at the introduction and implementation of the know-how and best practices of similar services in the EU countries while meeting targets defined in the national waste management plan.

Social and community behaviour is highly impacted by the growing economy and the increased consumption by a large part of the population. A comprehensive, tailor-made campaign to raise awareness and encourage consumer participation in waste prevention, circular economy and green growth activities will accompany the Action.

2. RATIONALE

2.1. Context Analysis

Between 2012 and 2018, the number of jobs linked to the circular economy in the EU grew by 5% to reach around 4 million. Circularity can be expected to have a positive net effect on job creation provided that workers acquire the skills required by the green transition. Due to cultural norms and occupational and physical differences, men's and women's consumption patterns differ. At the same time, unsustainable production, waste generation and pollution often have

²AKUM is tasked with the implementation of all the competencies that the Ministry of Infrastructure and Energy has with regard to waste management infrastructure and territorial planning.

distinct harmful impacts on women, in particular on those from socially disadvantaged layers, through various channels – from straining natural goods on which they depend for subsistence, to poor labour conditions in the “feminised” workforce, to increasing amount of unpaid work related to waste management. Women are more often in charge of waste management, hence more waste means more work for them.

As an EU candidate country, Albania is introducing Circular Economy and Green Growth actions contributing towards achieving a cleaner and more competitive Europe in co-creation with economic actors, consumers, citizens and civil society organisations. National strategies provide policy declarations and some initiatives on renewable energy, energy efficiency and tourism. They need to be managed within a common framework for the principles of green and circular economy, and stipulating incentives or deterrents to operationalise the green agenda.

Implementation of the waste management legislation is at early stage due to the complexity of the area, significant financial recourses needed for waste infrastructure, partially aligned legislation with the EU, insufficient administrative capacity at national and local levels, and the absence of planning documents for special waste streams and regional waste management. Despite the existing legal provisions, the amount and origin of generated hazardous waste is unknown, mostly due to the lack of data collection, which partly results from the lack of separate collection of hazardous waste. The lack of data and lack of inclusiveness hampers the sound management of hazardous waste.

Integrated Municipal Waste Management in Albania is organised in 10 waste zones (regions), based on economy of scale and connectivity. Municipalities are responsible for organising integrated waste management, from collection to final treatment, and reporting data to relevant bodies of the Government: Ministry of Tourism and Environment (MTE) and the NEA. Four regional waste management facilities are operational: Maliq Landfill and Transfer Stations (Korça Waste Zone), Bajkaj Landfill and Himara Transfer Station (South Vlora—Gjirokastrë Waste Zone), Bushat (Shkodër—Lezhë Waste Zone) and Sharra Landfill (Tirana—Durrës Waste Zone), as well as the Elbasan Incinerator (Elbasan Waste Zone). Complex treatment facilities remain in the pipeline of infrastructure development.

Hundreds of old/non-compliant landfills/dumpsites need to be closed, and separate collection of waste streams needs to start, together with increasing recycling and reuse, and composting bio-waste. Only 65% of waste is collected and there is no recycling of demolition waste. Economic instruments to promote separate collection, recycling and preventing waste generation remain limited. The operational incinerator in Elbasan and the construction of two incinerators in Tirana and Fier pose concerns in terms of compliance with EU Waste Directives, the waste hierarchy principle with incineration as the least preferred waste management option, and with the EU recycling targets.

2.2. Problem areas by support

This Action shall focus on several inter-linked areas for the development of circular economy and green growth (CE&GG) concept.

AREA OF SUPPORT #1: Limited transposition and implementation of the EU waste acquis

The Integrated Waste Management Strategic Policy Document and National Plan 2020 -2035 represent a step towards **full compliance with the EU waste management acquis**, and negotiations for *Chapter 27–Environment and Climate Change*. It defines measures for advancing integrated waste management and places focus on addressing current system deficiencies, transposing and implementing legislation and preparing for upcoming policy requirements and European Directive amendments. However, the Commission Albania 2020 report³ observes *limited progress in further aligning the policies and legislation with the acquis, in areas such as waste...* in addition to the significant efforts still needed *...on implementation and enforcement, especially on waste management*. The legislation on integrated waste management has transposed 53.7% of the EU *acquis*. Most of the directives are at the initial stages of implementation. Therefore, additional impetus for transposition is needed for the implementation to progress. The current legislative and regulatory framework does not provide for a clear division of the competencies among the relevant sector authorities. The responsibilities are divided between the MTE, responsible for policy and legislation development, and the Ministry of Infrastructure and Energy (MIE) with responsibilities regarding infrastructure.

³ SWD(2020) 354 final

The EU action plan for the Circular Economy⁴ (production, consumption, raw materials, innovation and investments, and monitoring) remain to be integrated into Albania's policy documents. A **Circular Economy (CE) Roadmap** integrating the actions for the achievement of the circular economy targets is to be developed. Complementing the national waste management action plan, limited regional (zone) and municipal waste management plans have been drafted. The framework directive requirement for a **Waste Prevention Programme** remains void. A gender analysis in the sector will contribute inputs in the process of preparation of gender sensitive legislation. Activities are tailored to be gender responsive, to respond to the different needs of women and men, boys and girls at all diversities.

Albania cooperates in marine litter management in the Adriatic region in the context of the Mediterranean Action Plan. During EU negotiations Albania will need to define the means and timeline for implementation of the main EU waste directives. The development of Directive Specific Implementation Plans (DSIP) is a basis for strategic approach within the EU negotiation process and the implementation and monitoring of progress on meeting the EU requirements for the waste sub-chapter.

AREA OF SUPPORT #2: Constrained stakeholder capacities and instruments for CE and recycling

The Albanian National Waste Management Strategy and the Action Plan includes **ambitious targets for the Circular Economy**. It addresses integrated waste management and touches upon circular economy aspects such as extended producer responsibility, green procurement and waste prevention. The country aspires to endorse the European Green Deal⁵ and the EU Agenda 2030, with the transformation towards circular economy and sustainable growth. Such transformation requires innovation, and design of products and incentives for businesses and consumers. However, environmental policy is underfunded and unable to provide sufficient resources for human capacity development and the implementation of legislation. This undermines the MTE's efforts to integrate environmental policy into other policies of the country.

The Commission Albania 2020 report highlights that *separate collection of waste streams and economic instruments to promote recycling and reuse and to prevent waste generation remain limited*. The OECD's Competitiveness Outlook for South East Europe 2018 observes that circular economy initiatives are just starting: Albania scores 0.5 out of 5 on circular economy framework, 2.5 for municipal waste management, and has an average score of 1.66 out of 5 on resource productivity. For policies on green growth, Albania scores 1.33 out of 5, and for environmental quality of life the score is 2 out of 5. Targeting gender roles and behavioural preferences in consumption, as well as waste generation and prevention could be a key pillar in transition to circular economy not only by reducing waste but also by addressing some gender inequalities through recognising the value of jobs supporting circular economies.⁶

The amended Law for Environmental Protection (No.10431/2011) provides the basic principles to support circular economy and green growth. It provides instruments for eco-labelling, eco-management and auditing, voluntary agreements, education and training. Operational and administrative processes to support their implementation are still missing. The Law on integrated waste management (No. 10463/2011) and Law on environmental permitting (No.10448/2011) generally provide a nurturing environment for circular economy schemes and instruments. However, such schemes or instruments are yet to be developed, and some secondary legislation and regulatory framework are missing. Some official waste prevention initiatives have been implemented, such as a small fee of EUR 0.02 on plastic bags. MTE aims to follow-up on the example of the EU's ban on single use plastic items.

The average national waste collection rate for municipal waste is estimated at 70% (2019) and the current overall recovery and recycling rate is estimated to be around 17% (2019)⁷. Several recycling companies have invested in recycling infrastructure, but few are state-of-the-art in separating and collecting clean recyclables. There is great potential for further recycling, especially of municipal solid waste. The domestic recycling industry is running with a low utilisation of its capacity due to the lack of access to recyclable materials, largely because of the lack of separation of waste at source.

The transition towards the circular economy also needs to address Albania's capacity for **innovation**. It remains low and generates few positive effects for the economy with a very low level of engagement of the private sector in Research, Development and Innovation programmes. The action needs to address the regulatory framework, economic opportunities and consumer awareness on CE&GG, in order to produce showcases and boost public involvement. Legally established system, procedures and economic instruments are needed for the **separate collection** of specific

⁴ COM(2020) 98 final

⁵ COM(2019) 640 final

⁶ OECD Note on Gender and Waste management.

⁷ National Integrated Waste Management Strategy and Action Plan 2018-2033

waste streams (packaging and packaging waste, waste of electrical and electronic equipment (WEEE)) and other current and potential waste streams. Separate collection systems and deadlines to meet waste targets set by DCMs have not been met because there is no EPR legislation in place addressing producer's responsibility in line with the polluter-pay principle.

AREA OF SUPPORT #3: Incomplete network of waste management infrastructure facilities

A yet to be implemented Integrated Network of Waste Management Facilities is outlined by the National Waste Management Plan to provide waste treatment in line with the EU standards. The Sector Study on Investment Demand (Masterplan) for municipal and construction and demolition waste has delineated the waste zones (regions) based on waste amounts that provide economy of scale and connectivity for treatment facilities. The integrated network of facilities to-date includes five⁸ out of ten waste zones with constructed⁹ regional treatment facilities, two¹⁰ with facilities under construction, and three¹¹ with facilities at a planning stage. However, the transfer stations network is under developed jeopardising the full scale utilisation of the waste facilities. One waste zone only, has a regional facility that is well-connected with the waste area through transfer stations and a long-distance transport system.

Implementation is focused on waste treatment. From a stage where waste was disposed of in dumpsites or illegally, a few environmentally compliant sanitary landfills have been established, bringing waste facilities closer to EU standards. However, the 199 non-compliant¹² landfills/dumpsites need to be closed and replaced by compliant facilities. Completing the integrated network of waste treatment facilities should remain a priority to offer all municipalities a safe treatment and disposal alternative.

Investment funding for the regional treatment facilities has been provided through state budget for the three incinerators, and through international financial support for the other regional facilities. Investment is needed to complete the network of treatment facilities and the long-distance transport systems giving all municipalities in the waste zone access to the facility. Participating municipalities should plan resources to match operational costs of treatment facilities, in addition to current municipal activities on collection and removal of waste. The Masterplan estimates these costs to be above the affordability threshold of the population. A long-term fiscal policy towards full coverage of waste management costs by waste fees, in accordance with the polluter pay principle, needs to be developed and adopted by most Albanian municipalities. Under the masterplan estimates are provided for investment needs for the regional level facilities, investment needed for upgrading local level waste activities, and for closure and aftercare of current dumpsites. The Commission 2021 Albania report¹³ states that the “construction of a new incinerator apart from the two existing ones in Elbasan and Fier poses growing concerns in terms of compliance with the EU waste acquis including the waste hierarchy principle and the recycling targets” To meet the EU targets for material recovery, multifaceted support is needed for step-by-step installation and for operation of advanced technologies.

AREA OF SUPPORT #4: Lack of self-financing schemes for solid waste management in Albania

The Medium-Term Budget Programme (MTBP) analysis¹⁴ shows that the resource gap between the budget ceilings for waste management, and the estimated needs is approximately EUR 163 million for investments required for regional solid waste management infrastructure during 2021-2023. For that period, EUR 65.5 million of state funds were budgeted for the urban waste management, of which 23% covers costs of the three incinerators, and 76% improvements of current regional facilities, rehabilitation of dumpsites and investment support for the construction of regional facilities. Government submitted the draft budget 2022 and MTBP 2022-2024¹⁵ to Parliament on 25 October 2021. The Prime Minister publicly appealed to mayors to make waste management a priority at municipal level. However, the investment list of the MTBP 2022 to 2024 does not foresee new expenditure programmes for waste management, but the continuation of already started programmes/projects. For 2022-2024, the proposed budget for total urban waste management is EUR 90.1 million including concessions/PPPs¹⁶, of which EUR 69.5 million are funded through own revenues and EUR 20.6 million through grants.¹⁷ These costs largely relate to waste treatment. Other aspects of waste management, e.g. recycling and reuse, are underfunded and policies supporting private investments in the sector are lacking. The estimated investment required for regional facilities in all waste zones until 2027 is around EUR 228 million. In addition, investment costs of EUR 118 million are estimated for waste management at the local level. The National Integrated Waste Management Strategy observes low fee levels and collection efficiency in many

⁸ WZ Elbasan, WZ Korçë, WZ Shkodër—Lezhë, WZ Tiranë—Durrës, WZ Vlorë South—Gjirokastrë.

⁹ Including here the constructed landfill for WZ Tiranë—Durrës, where the construction of the incinerator is also ongoing.

¹⁰ WZ Fier and WZ Vlorë South.

¹¹ WZ Berat, WZ Kukës and WZ Dibër.

¹² Some of these non-compliant landfills/dumpsites are under rehabilitation

¹³ SWD(2021) 289 final

¹⁴ <http://www.financa.gov.al/programi-buxhetor-afatmesem-2021-2023-faza-iii>

¹⁵ <https://www.parlament.al/ProjektLigje/ProjektLigjeDetails/55649>

¹⁶ Mainly Landfill construction, incinerator and rehabilitation of existing Tirana landfills.

¹⁷ Calculations based on information from tables 1, 1.1, and 1.2 of the draft budget and “Relacion per projektligjin per buxhetin e vitit 2022”.

municipalities: only 60% (2019) of fees are collected. There are no fiscal policies for cost recovery with a 40% (2019) service cost coverage from fee revenues. Moreover, current service costs at the municipal level, do not include waste treatment costs in most cases. The lack of reliable data on waste quantities and professional cost estimations for the whole cycle of waste, impede municipalities from preparing accurate fiscal policies to address the issue. On the other hand, an incremental increase of waste fees towards cost recovery requires strong political support and commitment. Several municipalities with the highest yield of waste collection fees are using the well-established fee collection system set up for water companies. Other alternatives of fee collection systems offer a limited tax-payers base, particularly in the rural areas. An analysis of the social implications is needed, in particular the role of women in leading the necessary transformations in the circular economy, the skills set needed, and the impact on women's job opportunities. Capacity building and legislation are needed to develop a functional self-financing scheme for solid waste management, and other incentives to shift private funding for reusing and remanufacturing materials and keeping in the production circle.

AREA OF SUPPORT #5: Limited civil society participation in circular economy

Social and community behaviour is highly impacted by the growing economy and the possibility for increased consumption by large parts of the population. Therefore, there is an urgent need for awareness building on separate waste collection, recycling and saving of resources, coupled with opportunities and new technologies that can be used for profitable businesses using secondary materials (recyclables, bio-waste, etc.). Civil society organisations are promoting and implementing circular economy initiatives, with some small, but innovative start-ups that create products out of recycled items. The strategy on Business Investment Development 2014-2020¹⁸ includes measures for providing advice and guidance to SMEs on improving resource efficiency, and emphasises the need to increase the range of ecological products. It also includes measures for development of the recycling industry. However, despite the green policies targeting SMEs, their implementation remains limited. Impediments include the limited budget for SME greening measures, combined with delays in mobilising funds for implementation, in addition to the weak monitoring of performance indicators for greening policies. Engaging women in the circular economy – awareness-raising on sustainable consumption and encouraging participation in leadership and managerial roles - is indispensable to create good circular systems. A move towards circular economy can be designed to encourage gender equality. As women are more often segregated into jobs with low pay, low security and limited social mobility, the rise of green jobs as part of the circular economy movement offers an opportunity to empower women.¹⁹ Overall, a greater focus on implementation is needed as well as incentives in building partnerships, developing success stories of SMEs' green products and addressing the financial barriers for SME greening efforts.

2.3. Relevance and complementarity with strategies supported by key national stakeholders

Albania has made some progress in its waste management policy, including circular economy and green growth by developing relevant strategies clearly identifying the main areas of work. The Action supports the national strategies.

The **National Sectorial Plan of Solid Waste Management 2019–2032** defines a waste investment plan for local and regional infrastructure. Its objectives are: i) to determine the proper methodology and technology for future investments in the SWM sector, ii) to determine the proper costs and tariffs, iii) to provide an objective, verifiable and transparent prioritisation system of ISWM infrastructure investments, iv) to provide a phased investment plan for local and regional ISWM infrastructure for the short, medium and long term, concerning waste collection and transport, reduction and recycling of waste and treatment and/ or disposal facilities, v) to propose necessary legal and institutional changes, vi) to propose other accompanying measures. The Sectorial Plan is guided by the National SWM Sector objectives, namely the provision of reliable SWM services to the whole country, the reduction and recycling of waste fractions, the reduction of the number of uncontrolled and unsanitary dumpsites and the protection of the environment.

The Action complements the objectives of the **National Cross-cutting Strategy for Decentralisation and Local Governance 2015-2020** and Action Plan extended until 2022. It includes *fostering sustainable local development*, among others, through adoption of new *standards for the integrated administration and management of urban waste by means of economic mechanisms to encourage the sorting and differentiated collection of waste at the source, as well as promoting waste recycling, as an effort to reduce landfills and enable their incineration for purposes of producing electric energy*. The **updated Action Plan** outlines actions to improve both the financial foundations and performance of local governments. It envisages building the capacities and fostering an enabling environment for local governments to carry out their functions. Moreover, the Action supports the efforts at local level encoded in the following areas of Action plan: Strategic Objective C: Foster Sustainable local development; C.1 Efficient implementation of own functions based on a clear and harmonised legal framework; C 1.5 Increase quality and efficiency of the integrated waste

¹⁸ The draft Business Investment Development Strategy 2021-2027 is undergoing consultations with the stakeholders' groups.

¹⁹ ILO, 2015

management service. The action is aligned with the EU GAP III²⁰ and the strategy on Gender Equality 2021- 2030 for Albania- objective related to promoting and supporting women and youth entrepreneurship in urban and rural areas, including innovative ideas aimed at green economy and digitalisation.

2.4. Relevance and complementarity with EU policy and EU and other donors' assistance

The Action falls under the IPA III Programming Framework strategic objectives under the Thematic Priority 1– Environment and Climate Change within Window 3–Green Agenda and Sustainable Connectivity. The IPA III Programming Framework provides for improving energy efficiency, increasing the share of renewable energy sources, for assisting beneficiaries in attaining the Sustainable Development Goals and for addressing other environmental issues, such as the efficient use of resources, cutting pollution and improving the sustainable production of raw materials. Circular economy is expected not only to contribute to environmental protection, but also to support economic growth, job creation and citizens' health, therefore having macroeconomic relevance.

This Action is in line with objectives of the **European Green Deal**²¹, for the transition to circular economy as an opportunity to expand sustainable and job-intensive economic activity. The Action shall accelerate the transition of industry to a sustainable model of inclusive growth. Circular economy action plans shall include measures to encourage businesses to offer, and to allow consumers to choose, reusable, durable and repairable products.

According to the **Western Balkans Strategy**²², the IPA countries shall boost entrepreneurship and innovation, building on the scheme supporting technology transfer and start-ups across the region, and support efforts aimed the circular economy that the Commission will roll out.

The **Economic and Investment Plan for the Western Balkans**²³ anticipates support for integrated regional waste management systems that go hand-in-hand with the closure of non-compliant landfills.

The circular economy is one of the pillars of the **Green Agenda for the Western Balkans**²⁴, addressing waste, recycling, sustainable production and efficient use of resources. The Green Agenda includes Flagship 7 on Waste and Water Management. It recognises that sustainable and reliable ways of managing waste disposal are crucial for the protection of the environment and for the health of citizens. They can have positive impact on tourism, and on health and welfare.

Additionally, the Action follows-up on the **Circular Economy Action Plan for a cleaner and more competitive Europe 2020**²⁵ which states that *for countries with an EU accession perspective, our closest neighbours in the South and the East, emerging economies and key partners across the world, the new sustainable models will open up business and employment opportunities, while strengthening the ties with European economic actors. To support a global shift to a circular economy, the Commission will: ...continue promoting the circular economy in the accession process with the Western Balkans, and in the context of bilateral, regional and multilateral policy dialogues, fora and environmental agreements, as well as of pre-accession assistance and neighbourhood, development and international cooperation programmes, including the International Platform on Sustainable Finance*".

EU Council conclusions on the **Enlargement and Stabilisation and Association Process** in 2020²⁶ highlighted the need *'to carry out and complete the process of analytical examination of the EU acquis with the country'*.

The **Commission Albania 2021**²⁷ **Report** outlines that *"Albania should promote circular economy and should incentivise preventing, reducing and recycling waste to cut down landfilling. The implementation of the waste streams legislation should be speeded up. The enforcement and compliance-checking role of the institutions should be clarified and strengthened, with appropriate staffing and budget. The recommendations of the waste master plan are sometimes in conflict with the national waste legislation and EU acquis on waste. This should be reviewed."*

The EU Agenda 2030 defines the transition to a circular economy as an important opportunity to create competitive advantages on a sustainable basis. Moving towards a Circular Economy will require new designs of materials and products to be properly equipped to increasingly re-use, repair and recycle.

²⁰ JOIN(2020) 17 final

²¹ COM(2019) 640 final

²² COM(2018) 65 final

²³ COM(2020) 641 final

²⁴ SWD(2020) 223 final

²⁵ COM(2020) 98 final

²⁶ 7002/20 (<https://data.consilium.europa.eu/doc/document/ST-7002-2020-INIT/en/pdf>)

²⁷ SWD(2021) 289 final

The Action has strong links with the **Economic Reform Programme 2020–2022, Reform measure 06** stating “...service standards in the tourism sector and that tourism development implies a greater influx of tourists ...In order to mitigate the negative impact on the environment, a number of measures are intended such as: ...implementing policies to minimise pollution from urban waste by separation at source for recycling, composting and dumping; collection and disposal of urban waste at approved landfills, etc.”

The **National Plan for European Integration (NPEI) 2021-2023** recognises that the legal framework on Integrated waste management is aligned to the EU *acquis* at a rate of 54%. Implementation of the new action plan for the waste management prepared for all EU directives and regulations including transposition and implementation needs to start. The priorities are the rehabilitation / closure of non-compliant waste dump sites in the country, speeding up the source separation of waste streams, and economic instruments to promote recycling, reuse and to prevent waste generation.

2.5. Lessons learned and links with previous financial assistance

Over the last decade, several activities have been implemented with financing and technical assistance by international donors, including the EU. The findings and lessons learned from these activities can be summarised as follows:

- The lack of capacities of technical staff is a major obstacle at central and local level. Sustainability of capacity building initiatives has been low due to staff being replaced after political change or leaving the public service.
- The SIDA funded programme “Supporting Albanian Negotiations in Environment, Chapter 27” (SANE27) analysed that the national legislation on integrated waste management has transposed 53.7% of the EU *acquis* (September 2019), with 60% of directives at initial stages of implementation. Future initiatives should focus on implementation. This should be seen together with the preparation and implementation of DSIPs to support EU Negotiations and waste management plans for the zones (regions), as well as the establishment of the needed waste infrastructure. Support INSTAT is needed in developing the statistical system for the environment.
- Municipalities are responsible for managing municipal waste treatment facilities, i.e., landfills and dumpsites. In view of their limited financial and technical means, future initiatives should increase funds available to local governments and facilitate management of existing landfills, including through public-private partnerships.
- Rural and mountainous areas are moderately or not at all covered by the waste collection services, due to long distances and small quantities of waste. Up to 60% of waste in these areas is organic. Future initiatives should include planning biodegradable waste management and bio composting or other similar treatment.
- A recent GIZ-funded waste management project identified that the whole chain, from production to processing and disposal should be considered, with a focus on organic waste which is more than half of the municipal waste. There is potential for reducing packaging, introducing compostable packaging and regional cooperation.

The Solid-Waste Management Programme in Korçë region financed through KfW covers the regional and municipal waste activities in 6 municipalities. The programme has built a modern sanitary landfill with accompanying transfer stations, in compliance with EU requirements. It has supported primary collection, composting and recycling initiatives and supported the association of Korça Regional Waste Management.

3. DESCRIPTION OF THE ACTION

3.1. Planned results and intervention logic

The Action aims to contribute to improving the protection of the environment and developing circular economy and sustainable green growth in Albania. It will produce six outputs that will lead to the achievement of four outcomes. The activities aim at generating positive environmental impact on a number of different aspects, such as:

- Reduced waste on dumpsites. Diverting waste streams from the dumpsites to recycling will reduce the generation of leachate and reduce pollution of groundwater or surface water. Smaller amounts of waste (in particular organic waste) on the dumpsites, will result in reduced emission of greenhouse gases in the atmosphere.
- Reduced waste on the newly established sanitary landfills will also result in less emission of green-house gases.
- Reduced pollution of Albania's and its neighbours' shores with marine litter.
- Increased recycling of waste will reduce the extraction of virgin raw materials and thereby reduce the pressure on the environment and scarce natural resources.
- Eco-design of new products can be developed and results in reduction of emissions from manufacturing and use less amounts of virgin materials.

Outcome 1 -waste legislation further aligned with EU *acquis* and properly enforced, enabling the implementation of circular economy

Output 1: Regulatory framework for waste management and CE&GG improved in line with EU *acquis* and policy documents

Technical assistance will be provided in transposing EU waste directives, in drafting legal instruments and to boost implementation. Responsibilities between the national and local authorities will be established to avoid overlapping and to ensure clear competencies. Planning documents such as Directive Specific Implementation Plans (DSIP) for the implementation of the EU waste requirements will enable better planning and implementation of waste management legislation and conducting EU negotiations. Authorities will be supported to develop the Waste Framework Directive requirement for the Waste Prevention Programme, in partnership with the local authorities, economic operators and civil society. Assessment of hazardous waste generation will be conducted and a Feasibility Study for Hazardous Waste Management and a Hazardous Waste Management Plan (HWMP) will be prepared. This Feasibility study will identify the needed funds and treatment as per type of hazardous waste. Capacities will be raised in preparing policies, legislation and a Circular Economy Roadmap in response to the EU Circular Economy Action Plan, including integrated actions with relevant sectorial policies and programmes. The roadmap should provide gender responsive measures covering policies on Production, Consumption, Green Procurement, Economic instruments for waste management, Secondary raw materials, Sectorial action (plastic, food waste, critical raw materials, construction and demolition, biomass and bio-based materials), Green Growth and Innovation and investments. The activity will support the development/adaptation of legislative measures for data collection, monitoring and reporting, reflecting the sector gender analysis, provided by the Circular Economy Roadmap and the achievement of policy and strategic targets.

Output 2: Institutional capacities strengthened at all levels for waste management, CE&GG gender sensitive data collection, monitoring and enforcement

The activity shall support the strengthening of the capacity of waste management authorities at the central and the local level, and provide them with tools and processes to implement, monitor and enforce waste management legislation, CE&GG policies, and in particular the Waste Prevention Plan and Roadmap on Circular Economy and Green Growth. At the central level, a wide range of stakeholders will need support, in particular the MTE with the National Environmental Agency (NEA), and Ministry of Infrastructure and Energy (MIE) with the National Agency for Water Supply, Sewerage, and Waste Infrastructure (AKUM) and Institute of Statistics of Albania (INSTAT). A needs assessment for training and capacity development will be carried out. Technical specifications will be prepared for IT equipment for the collection of waste data and reporting through an e-platform establishing an integrated system for waste data collection and for reporting. The system will provide the statistical data that Albania should report to the EEA and will be designed to allow multi-user data entry and reporting requirements for municipalities, regional councils, waste producers, producers under EPR system, ministries responsible for infrastructure, etc. The e-platform, will have to tackle the lack of data on waste and its streams, as well as on meeting the targets for recycling and circular economy. On the local level, measuring the municipal waste generated and collected will be on focus. The activity will select pilot municipalities, and streamline the process of producing the needed statistics as well as using them for populating the e-platform. NEA, AKUM, and the selected municipalities will be provided on-the-job assistance, to develop capacities for generating waste data, waste management, enforcing, monitoring, and reporting as well as sharing them with public and other stakeholders.

Outcome 2 -the Extended Producer Responsibility (EPR) system for specific waste streams established

Output 1: Legal system for implementing EPR schemes for at least three special waste streams established and enforced

Establishment and enforcing of the legal system for the EPR schemes will enable the implementation of the obligation of the producers generating waste after consumption, to have extensive duty of care of the post consumption phase of their products. Regulatory framework and financial environment that steer towards sustainable production and consumption patterns for at least three special waste streams will be developed. Participation of women and girls in the process of developing the regulatory framework, public consultations and decision-making will be ensured. Financial instruments will be developed to support the implementation of EPR system and waste separation and recycling of special waste streams. A minimum of three waste streams shall be included: packaging, WEEE and Batteries and Accumulators. Producers will be provided clear obligations, while not jeopardising the market. The revenues generated from the financial instruments should be used to support circular economy. Implementation will take place in close cooperation with the private sector and producers, to identify barriers for implementation. Technical support will be

provided in preparation of necessary legal acts, procedures, templates and guidance for completing the EPR legal framework that will support establishment of Producer Responsibility Organisation (PRO). Legislation on cooperation among different authorities (market surveillance inspectorate, Public Revenue Authority, Environmental inspectorate) and reporting of their activities should also be developed. PROs will be assisted in providing technical support, guidance, legal and organisational support, data collection and reporting support to meet their legal obligations related to EPR. Other stakeholders, such as traders will be supported in their obligations and role within EPR system and in the raising public awareness of the EPR objectives and participation.

Outcome 3 - resource efficiency, eco-design and greening of production improved in increasingly "regenerative" businesses and supply chains

Output 1: Support provided for businesses, non-profit organisations and research capacities in the country, to develop innovative and gender responsive green products, services and circular business models

Third parties, such as private sector, Producer Responsibility Organisations, environmental civil society organisations, social businesses, universities, and local governments will be supported in actions to facilitate and promote circular economy and green growth. Universities, researchers, CSOs and the industry will be brought together through innovation support providers. The aim is to support start-ups and eco-design through a sub-granting scheme which will decouple economic growth from intensive virgin material extraction and from environmental pressure, and will stimulate the development of green jobs. Support can range from assistance and capacity building to grants for actions which may include investments in infrastructure and innovation. The implementation of the new legislation, is supported. This would also cover improvement in the entrepreneurship and investment climate policy framework to support 'circular' businesses and supply chains/ private sector development, as well as implementation of EPR schemes, separate collection facilities and recycling yards on special waste streams. The MTE will have a key role in providing support to the potential grant beneficiaries and in promoting the circular business models. The programme will assess options to make this financing scheme sustainable and embedded in the national system, and propose policy changes.

An indicative list for the type of activities which could be supported includes, but is not limited to:

- Development of reuse, repair and upcycling centres similar to those in the EU;
- Eco-innovation/eco-design platforms, early-stage green start-ups promoting ecological and social innovations and Green Incubator-like initiatives;
- New business models, especially those which offer concrete measures to promote reuse and stimulate industrial symbiosis (by turning one industry's by-product into another industry's raw material), EPR schemes;
- Development of biodegradable products, which will substitute current single use-plastics;
- Greening of products and production systems, including the support to recovery and recycling schemes;
- Innovative solutions that lower fuel consumption and emissions, allow recycling of bio-waste and food waste, improve packaging with biodegradable or better recyclable packaging, address reuse and recycling of demolition and construction waste, innovation in insulation and energy saving, etc.

Output 2: Communication, awareness and engagement of communities and private sector in circular economy green growth and regional waste management increased

The Action recognises the importance of raising awareness and encouraging consumer participation in waste prevention, the circular economy and green growth. A comprehensive, gender responsive and inclusive campaign will be conducted to encourage consumers to make better-informed purchase choices and to use reusable, durable and repairable products, thus playing more active role in the ecological transition. To inform this campaign and consultative meetings, a survey on the understanding, perception and aspirations of the population with regards to CE&GG will be conducted. Role of women, men and children in the handling of household waste, the readiness and willingness to participate in recycling activities and to cover the costs for integrated waste management, as well as other aspects of CE&GG will be studied. Campaigns will be conducted at both national and local levels, tuned to the local conditions and target groups. Campaigns for the wider public will include e.g. billboards and TV broadcasting. Social media channels with direct involvement in green activities, the highest audience reach in the country, or coverage at targeted local level will be exploited. Awareness on environmental crime legislation and sanctions will be considered. Empowerment of the civil society on CE&GG may include introducing topics into school curricula, and modules in technical departments of polytechnics and agricultural/environment related university faculties.

Outcome 4 -infrastructure capacities supporting CE&GG, resource efficiency, recycling and reuse increased at zone (regional) level:

Output 1: Regional (zone) waste management systems and related (infrastructure) facilities supported to operate fully in line with the circular economy

This activity will support the implementation of models for integrated municipal solid waste management in the waste zones of Kukës and Gjirokastrë—Vlora South, following the feasibility study on integrated solid waste management comprising 15 municipalities in Albania. The activity will demonstrate an example to other municipalities on steering towards CE&GG. Introduction of the know-how and best practices employed in the EU countries is pursued. Infrastructure design and implementation will be supported to move towards higher recycling and reuse, creating green jobs, while lowering pressure on the environment and climate. Completion of designs, tender documents, procurement for the regional waste treatment facility and transfer stations will be supported. Creation of inter-municipal waste management companies will be supported. Integration of circular economy in public procurement schemes, and funding for investments in completing treatment facility and transfer stations for regional activities of the integrated solid waste management systems in the waste zone of Kukës and Gjirokastrë—Vlora South will be provided. The aim is to shift focus from waste management perspective to an industry/business perspective, with waste seen as a material to be re-injected in the production (manufacturing businesses, recycling industry, tourism, agriculture, catering and respective stakeholders). As most of the waste is organic in these waste zones, compost for agriculture would be a priority. The action will also support closure and rehabilitation of non-compliant landfills/dumpsites. Public campaigns and awareness raising in these two waste zones will be conducted. Circular economies can generate economic opportunities for women in recycling and waste management, while helping to tackle the risks of waste picking and manual recycling. Leveraging these opportunities requires a consideration of a gender perspective in the development of national and local circular economy strategies and measures, as well as initiatives at the business level. Cooperation between CSOs, social businesses, PRO, private enterprises, and universities with the regional municipal waste management companies and local governments will be promoted.

3.2. Indicative type of activities

The Action will support the achievement of **Outputs 1 and 2 (related to Outcome 1)** and **Output 1 (related to Outcome 2)** with **technical assistance** activities that will cover the following:

- Support drafting Law on Waste Management in compliance with EU waste management directives i.e., Waste Framework Directive (WFD), Landfill Directive, Shipment of Waste Regulation and Ship Recycling Regulation.
- Developing or updating Directive Specific Implementation Plans (DSIPs) for the WFD, the LD and special waste streams directives on Packaging, WEEE and Batteries and Accumulators.
- Developing a Waste prevention programme, aligned with the WFD standards, a Roadmap on circular economy and Green Growth and a Hazardous Waste Management Plan (HWMP) with a Feasibility Study and Gender sector analysis.
- Capacity building to the waste management authorities on the application of Circular Economy and Green Growth (CE&GG) and waste management legislation, on gender sensitive data collection, monitoring and enforcement of the legislation.
- Preparing the technical characteristic and specification for the IT and other equipment, software and hardware for collection of waste data and reporting in line with the EU waste legislation requirements. An e-platform will be established for an integrated system for waste data collection and fulfilment of the NEA reporting requirements.
- Drafting of laws and secondary legislation for the special waste streams that will be in full compliance with EU directives (at least Packaging, WEEE and Batteries and Accumulators) and using a gender sensitive approach informed by the gender analysis.
- Introduction of economic instruments to support waste reduction and separation and recycling of waste, as well as supporting the implementation of EPR scheme following the Producer Responsibility Organisations (PRO) and other stakeholders for extended producer responsibility obligations for at least three waste streams.
- Transposing key EU waste EU directives and drafting legal instruments for implementation.

Outcome 1 and Outcome 2 will include the supply of IT and other digital equipment needed for data collection on waste and development of an Electronic platform for waste data entry sharing and reporting (software and hardware).

The support to be provided for businesses, non-profit organisations and research capacities in the country, to develop innovative green products, services and circular business models as foreseen within **Output 1 (related to outcome 3)** envisages the set up of a **grants scheme** to support the implementation of pilot activities, primarily by non-governmental actors in Albania, on circular economy and green growth, resource efficiency, reuse/recycle, eco-design, etc. These activities will support third parties, such as private sector, Producer Responsibility Organisations, environmental civil society organisations, social businesses, universities, and local governments in implementing actions to facilitate and promote circular economy and green growth.

The increased communication, awareness and engagement of communities and private sector in circular economy and green growth to be achieved under **Output 2 (related to outcome 3)** will be implemented through the organisation of information campaigns on the circular economy and green growth in Albania, as well support to implementation of the new infrastructure thus contributing to broader scope of the circular economy objectives and its contribution in waste management and in society as a whole.

The activities related to increased infrastructure capacities supporting CE&GG, resource efficiency, recycling and reuse (**Output 1 related to outcome 4**) may include technical assistance to support municipalities and their utility companies in managing the new infrastructure, investments in terms of works and supplies, supervision etc. The activity will also provide an example to other municipalities on how to steer towards CE&GG.

3.3. Risks and assumptions

Risk	Risk level (H/M/L)	Mitigating measures
Weak link between policy objectives and financial allocations for implementing the national plan on SWM, including budgetary allocations for Municipalities to fulfil their legal functions on waste management.	H	The action will through technical assistance, EPR financial instruments, and grants mitigate some risks posed by unfunded mandates. Also, alignment between policies, planning and the multi-annual / annual budgeting process will mitigate this risk.
Weak sector coordination may hinder progress, since implementation of several activities relies on the inter-institutional coordination between MIE (responsible for infrastructure), the MTE (responsible for planning) and municipalities (owner of facilities).	H	Support to the MTE (as chair of SSC on Environment, Climate and Waste Management) under this Action will strengthen focus on circular economy, integrated waste management, green growth, policy, planning and budgeting across the sector. The project coordination group will ensure policy dialogue and knowledge management between central and sub-national levels.
Limited commitment /buy-in from local communities.	M	A stakeholder engagement plan shall be developed to ensure engagement and buy-in. The Action shall actively engage local communities during implementation with targeted communication.
Lack of commitment , political support and ownership of the actions moving forward the circular economy agenda.	M	Continuous policy/political dialogue in the context of EU Support for the implementation of the national plan on SWM, in view of EU accession negotiations. The Action is designed in very close and detailed consultations with representatives from the municipalities, civil society and development partners to jointly identify priorities and achieve consensus on realistic results.
Limited involvement of SMEs and innovation capacity to engage in operationalising EPR schemes and tuning the production cycle towards green products. Limited cooperation between the Research centres and universities with industry and low level of investments in innovation.	M	The action will bring together the businesses with universities, researchers, CSOs and within innovation support mechanisms through the grant scheme. Awareness raising activities shall be performed for better understanding the benefits of implementing the circular economy and green production.
Limited absorption capacity , lack of human resources to carry out technical and organisational processes, and frequent staff turnover may hinder the impact of the capacity-building measures.	M	Alternative representatives within the institutions will be recommended at inception to ensure that continuity. Technical guidelines will be developed in English and Albanian to guide new staff that become involved.
Limited capacities within the small and medium scale municipalities or CSOs in project preparation, and implementation.	M	Support through ongoing and proposed complementary capacity building will help mitigate this risk. Technical assistance will provide support in building capacities and the actions of other development partners will further mitigate the risk.

Risk	Risk level (H/M/L)	Mitigating measures
The concession contracts for the incinerators include a minimum guaranteed amount of waste for treatment, thus making it difficult and expensive to align with the EU <i>acquis</i> on waste management, in particular with the material recycling targets , as well as promoting green job creation and economic green growth.	M	Continuous policy/political dialogue in view of EU accession negotiations.
Assumptions		
<p>Outcome 1</p> <ul style="list-style-type: none"> The Government of Albania remains committed to transpose and implement EU waste <i>acquis</i> and circular economy activities. <p>Output 1:</p> <ul style="list-style-type: none"> MTE is committed to revise and prepare new waste management legislation in compliance with the EU waste <i>acquis</i>. Institutions at all levels are willing to cooperate in designing actions for implementing CE and waste management legislation. <p>Output 2:</p> <ul style="list-style-type: none"> Administration on national and local level is committed to participate in trainings and capacity building. NEA and other agencies dedicate sufficient time and staff to manage the new flow of data. Institutions at all levels willing to cooperate in implementing monitoring and reporting systems. The Government of Albania is committed to support implementation of the Roadmap of measures to support CE&GG once developed. The Government is fully committed to implement the recommendations on improving the institutional capacities and provide adequate budget allocations. Municipalities cooperate with the national authorities and are committed to collect and provide data on waste generation. <p>Outcome 2:</p> <p>Industry and local governments willing and supportive in contributing towards circular economy and EPR.</p> <p>Output 1:</p> <ul style="list-style-type: none"> Economic operators are aware and committed to take their responsibility as producers of waste belonging to specific waste streams. The main national and local authorities dedicate sufficient time and staff, at all levels, to participate in establishment of EPR. MTE and NEA dedicate sufficient time and staff to monitoring new data flow from PRO. <p>Outcome 3:</p> <ul style="list-style-type: none"> Government supports and implements actions to incentivise the circular economy and green products and services. Private sector is ready to implement CE. Job statistics on Recycling and Green Industry are available, reliable and gender sensitive. <p>Output1:</p> <ul style="list-style-type: none"> Government supports and implements actions to incentivise the circular economy and green products and services. Businesses, non-profit organisations and research capacities, PRO is willing to engage in implementing activities support CE&GG. MTE is fully committed to support implementation of CE&GG and provide adequate administrative support to the beneficiaries of the grant scheme. <p>Output 2:</p> <ul style="list-style-type: none"> Women and men, boys and girls at all diversities have access or are exposed to the campaign messages and objectives. MTE and other authorities at national and local level are fully committed to actively participate and provide data to support implementation of the awareness campaign. Municipalities in the regions (zones) are committed and actively support the implementation of the campaign. 		

Risk	Risk level (H/M/L)	Mitigating measures
<p>Outcome 4: Private entrepreneurs are interested in valorising secondary materials to establish a profitable business idea</p> <p>Output 1:</p> <ul style="list-style-type: none"> National financing is available to co-fund investments and maintenance in waste management required in the Waste Areas of Gjirokastrë and Kukës - Vlora South to complement the EU funds. The Government is fully committed to implement the feasibility studies and project designs for establishment of waste management infrastructure on regional level. Municipalities in the regions (zones) are committed to cooperate and successfully participate in waste management on regional level. 		

3.4. Mainstreaming

Gender mainstreaming and equal opportunities. This action will support the preparation and implementation of a sector reform. Systematic incorporation of a gender lens in the circular economy design –understanding consumer behaviours, integrating lessons learnt from traditional sustainable practices, of which women are often knowledge holders, and leveraging local value chains for sustainability – would ensure a transition for all, and inform making the new economic paradigm operational and sustainable. Targeting gender roles and behavioural preferences in consumption, waste generation and prevention can be a key to addressing some gender inequalities by recognising the value of jobs supporting circular economies as called by SDG 12 and SDG 5. The action will include a gender sector analysis which will serve as a basis for tailored approaches to gender mainstreaming across actions planned such as legislation, activities, economic instruments, promotion campaign, policies, assessments or evaluations, as well as well as disaggregation of data by gender, as applicable. Proper waste management, and in particular waste prevention and waste segregation for recycling, involves all citizens. It is not well known how men and women are affected differently in this sector, but according to preliminary studies, women, men and children have different attitudes, understanding and behaviour towards waste management and recycling. The gender analysis will further elaborate some of these questions in Albania context to ensure that waste management systems and information campaigns are designed accordingly, and that information reaches men, women and children in the efficient way.

Environment and Climate change. The activities are primarily related to the following directives: i) Waste (amended Directive 2008/98/EC) ii) Landfilling of waste (amended Directive 1999/31/EC), iii) Packaging and packaging waste (amended Directive 94/62/EC), iv) End-of-life-vehicles (amended Directive 2000/53/EC on end-of-life vehicles) v) Batteries and accumulators and waste batteries and accumulators (amended Directive 2006/66/EC), vi) Waste electrical and electronic equipment, WEEE (amended Directive 2012/19/EU) vii) Hazardous waste (Directive 91/689/EEC) viii) Waste oil (Directive 75/439/EEC).

Greenhouse gases are released from many waste management operations, in particular from waste dumping, landfilling and incineration. The activities will help moving waste upwards in the waste management hierarchy, where the emission of greenhouse gases in general is smaller. The activities that will indirectly impact the EU environmental *acquis* deal with capacity building, development of legislation and financial instruments and preparation of plans, programmes and strategies. The resulting environmental impact will depend on the alternatives to dumping and landfilling. Focus on early prevention of waste in form of ‘circular’ business models including repair services, reuse, remanufacturing and recycling will be promoted. Life Cycle Assessments (LCAs) need be conducted in order to determine the option for waste treatment and recovery with least negative and/or highest positive impact on the environment. Strategic Environmental Assessment (SEAs) are required in connection with developing plans for integrated waste management, circular economy and green growth. Environmental Impact Assessment (EIAs) is required before establishing larger plants, in accordance with the relevant legislation.

Engagement with Civil Society. The consultation and communication processes with the civil society and the public are crucial for establishing and enhancing circular economy and green growth. Civil society representatives including women’s rights, Roma and child rights organisations are a key interlocutors to promote and mobilise the community and local institutions on circular economy and green growth measures. Hence, they have been consulted during the development of this action. Activities are envisaged for engagement of local authorities and communities and awareness raising, which either relate to or target civil society organisations.

Minorities and vulnerable groups. The collection of recyclable materials is to a great extent run by vulnerable and minority groups. It is estimated that there are about 12,000 individuals, mainly from the Roma community, whose living is based mainly on collecting and selling recyclable waste materials from public containers, businesses and other potential sources. Institutionalising and expanding the recycling activities involves a risk that these groups will lose their only income base. Therefore, their situation must be analysed and they need to be involved with the purpose of providing decent jobs and income as part of the further development of the sector. In addition, children are involved in the waste management and recycling activities, causing health issues, school dropout etc. The action will ensure that the issue is tackled and linkages are created with the responsible institutions to ensure that child labour is prevented and safety rules are implemented for all those engaged in the activity. Furthermore, actions are designed to promote access for minorities and vulnerable groups to social protection services, education and employment opportunities, to ensure their incorporation into the mainstream economy, and to support the implementation of the Government's social inclusion policies. In this context, the principal target groups will include the Roma and Egyptians, vulnerable families and young persons. Targeted approaches and services are introduced for the persons belonging to the aforementioned groups, thus creating equal opportunities for them to access the offered services. The indicators will be segregated by ethnicity and vulnerability wherever possible for the action monitoring. The impact of this Action on promoting equal opportunities will be considered as part of its evaluation, where relevant.

3.5. Conditions for implementation

Given the requirement that certain preconditions are met prior to the start of activities within Output 1 related to Outcome 4, the signature of the Contribution Agreement with the selected International Organisation and the start of the implementation of the activity within outcome 4 shall be conditioned upon the completion of the following:

- Feasibility Studies for the establishment of an integrated solid waste management system in Kukës and Gjirokastrë Waste Zones are approved by the Government of Albania (GoA) and by the relevant municipalities.
- The respective municipalities shall adopt their Local Waste Management Plan in line with the Master Plan adopted in 2020. The GoA shall provide support for the respective municipalities that have yet to approve them.
- The GoA, together with the MIE and MTE, shall
 - complete the activities for approval of the Feasibility Studies by the National Territory Council (KKT) during 2021, in accordance to the national legislation,
 - complete and approve the Strategic Environmental Assessment,
 - Issue the construction permits and other required permits before the start of the works activities envisaged within Outcome 4.

The Albanian authorities must support the municipalities under this programme, to ensure effective collection and separation at source, in relation to the implementation of Output 1 related to Outcome 4. Effective collection and separation at source in the 15 municipalities under Output 1 related to Outcome 4 of this programme, must be completed at least for the urban areas, within two years from the start of the programme.

The Ministries and agencies responsible for the waste sector need to have appropriate staffing and budget within one year from the start of the programme, according to the assessments and findings from the SANE27 project.

A project Implementation Unit shall be established within the MoTE composed of representatives of the MIE and MTE and at least one representative from each of the municipalities of Kukës and Gjirokastrë as lead municipalities in the waste zones, and/or other and more representatives from other municipalities in the above waste zones.

Failure to comply with requirements set out above, may lead to a suspension and/or a recovery of the funds under the outcomes of this programme and/or reallocation of future funding.

3.6. Logical Framework

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (2020 or as indicated) ²⁸	Targets (2025)	Sources of data (1 per indicator)	Assumptions
Impact	To contribute to improving the protection of the environment and developing circular economy and sustainable green growth in Albania.	<ul style="list-style-type: none"> - Environmental quality of life score - Score of Resource productivity: municipal solid waste management framework. - Score of Resource productivity: circular economy framework. - Waste production per GDP. 	<ul style="list-style-type: none"> - Level 2 out of 5 (2017) - Level 2.5 - Level 0.5 - 0.88 t/Mln ALL (2016) 	<ul style="list-style-type: none"> - Level 4 out of 5 - Level 4 - Level 3 - 0.70 t/Mln ALL 	<ul style="list-style-type: none"> - OECD biannual Competitiveness in South East Europe: A Policy Outlook. - NEA Report on state of environment. - NEA Report on state of environment. - Institute of Statistic of Albania (INSTAT). 	<i>Not applicable</i>
Outcome 1	Waste legislation further aligned with EU <i>acquis</i> and properly enforced enabling implementation of circular economy.	Level of transposition of EU directives in the field of waste (%)	Waste EU Directives 53.5% - medium level of transposition (2019).	Waste EU Directives 85% - advanced level of transposition.	Commission Albania Report	The Government of Albania remains committed to transpose and implement the EU waste <i>acquis</i> and circular economy activities.
Outcome 2	Extended Producer Responsibility (EPR) system for specific waste streams established.	<ul style="list-style-type: none"> - EPR schemes operating accordingly within the enabling environment. - Producer Responsibility Organizations take part in implementation of the circular economy. 	<ul style="list-style-type: none"> - No EPR system in place - No Producer Responsibility Organizations (PRO) established in Albania. 	<ul style="list-style-type: none"> - EPR system is operational for minimum three special waste streams. - At least 3 PROs established for three special waste streams 	<ul style="list-style-type: none"> - MTE report on issued permits per EPR waste streams. - Annual PRO reports submitted on data for collection and recycling for at least 3 special waste streams 	Industry and local governments willing and supportive in contributing towards circular economy and EPR.
Outcome 3	Resource efficiency, eco-design and greening of production improved in increasingly "regenerative" businesses and supply chains.	Number of jobs created in the CE&GG domain (SDG 8 & 12),	1249 (2019) in recycling and green industry ²⁹ , with around 70% of them being women	- 62500 in recycling and green industry disaggregated by green jobs and sex.	- INSTAT	Government supports and implements actions to incentivise the circular economy and green products and services. Private sector is ready to implement CE. Job statistics on Recycling and Green Industry are available, reliable and gender sensitive .

²⁸Baseline date is indicated as official data exist for the relevant indicators. In case data is not specifically indicated the base year is 2020.

²⁹ Integrated Waste Management Strategic Policy Document

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (2020 or as indicated) ²⁸	Targets (2025)	Sources of data (1 per indicator)	Assumptions
Outcome 4	Infrastructure capacities supporting CE&GG, resource efficiency, recycling and reuse increased at zone (regional) level.	<ul style="list-style-type: none"> - Volume (absolute and %) of secondary material channeled into recycling and reuse. - Share of population with access to waste into circular supply chains and deviated from landfills/dumpsite (contributing to SDG 9 & 11) - Share of population with access to waste differentiation/ sorting at source in Kukës and Gjirokaštër Waste Zones. - Number of people disaggregated by sex served with EU compliant integrated waste management infrastructure at regional (zone level) in Kukës and Gjirokaštër. 	<ul style="list-style-type: none"> - 18,7% of waste (2019) - 8% of population (2018) - 0% in Kukës and Gjirokaštër - 0 inhabitants in Kukës and Gjirokaštër 	<ul style="list-style-type: none"> - 25% of waste - 30% of population disaggregated by sex - 30% in Kukës and Gjirokaštër. - 85,209 inhabitants in Kukës and 87,940 inhabitants in Gjirokaštër. 	<ul style="list-style-type: none"> - Ministry of Infrastructure and Energy - Ministry of Tourism and Environment - INSTAT 	Private entrepreneurs are interested in valorising secondary materials to establish a profitable business idea
Output 1 related to outcome 1	Regulatory framework improved for waste management and CE&GG improved in line with EU <i>acquis</i> and policy documents.	- New Law of Waste Management and accompanied secondary legislation fully in compliance with waste management EU directives ³⁰	- National waste management legislation is not in line with EU waste <i>acquis</i> .	- WFD, LD, Shipment of Waste Regulation and Ship Recycling Regulation fully transposed in the Law on Waste Management and secondary legislations adopted by the Government.	<ul style="list-style-type: none"> - Commission Albania report - ToC - Published decisions of the Council of Ministers (government) and respective website. 	<p>MTE is committed to revise and prepare new waste management legislation in compliance with the EU waste <i>acquis</i>.</p> <p>Institutions at all levels are willing to cooperate in designing actions for implementing CE and waste management legislation.</p>

³⁰ EU directives: Waste Framework Directive (WFD), Landfill Directive (LD), Shipment of Waste Regulation and Ship Recycling Regulation.

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (2020 or as indicated) ²⁸	Targets (2025)	Sources of data (1 per indicator)	Assumptions
		<ul style="list-style-type: none"> - Directive Specific Implementation Plans (DSIPs) for WFD, LD and special waste streams directives on Packaging, WEEE and Batteries and Accumulators. - Roadmap on circular economy and green growth - Hazardous waste management plan (HWMP) with Feasibility study with integrated recommendation from the gender sector analysis 	<ul style="list-style-type: none"> - No DSIPs - No Roadmap of measures to support CE&GG implementation. - No HWMP feasibility study developed. 	<ul style="list-style-type: none"> - DSIP approved by the Government. - Roadmap adopted by the Government. - One Feasibility Study for HWMP developed and approved. 		
Output 2 related to outcome 1	Institutional capacities strengthened at all levels for waste management, CE&GG, gender sensitive data collection, monitoring and enforcement.	<ul style="list-style-type: none"> - Number of gender responsive and inclusive capacity building activities delivered to the waste management authorities on the application of CE&GG and waste management legislation, data collection, monitoring and enforcement. - Electronic Platform for waste data entry, sharing and reporting. - Number of municipalities with data collection and reporting system in place, disaggregated by sex, as required by national legislation. 	<ul style="list-style-type: none"> - Low capacity and capabilities of administration for waste management and CE&GG. - No integrated system for waste data collection and reporting - No (0) municipalities with data collection and reporting system in place, disaggregated by sex. 	<ul style="list-style-type: none"> - 20 trainings delivered, and 150 people trained. - Software developed and operational and equipment provided. - Nine (9) municipalities with data collection and reporting system in place as 	<ul style="list-style-type: none"> - Project reports (for indicator 1) - NEA database (for indicator 2). - AKUM reports (for indicator 2) - Selected municipalities' reports and records (indicator 3) 	Administration on national and local level is committed to participate in trainings and capacity building. NEA and other agencies dedicate sufficient time and staff to manage the new flow of data. Institutions at all levels willing to cooperate in implementing monitoring and reporting systems. The Government of Albania is committed to support implementation of the Roadmap of measures to support CE&GG once developed. The Government is fully committed to implement the recommendations on improving the institutional capacities and provide adequate budget allocations.

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (2020 or as indicated) ²⁸	Targets (2025)	Sources of data (1 per indicator)	Assumptions
				required, including provisions for gender- disaggregated data.		Municipalities cooperate with the national authorities and are committed to collect and provide data on waste generation.
Output 1 related to outcome 2	Legal system for implementing EPR schemes for at least three special waste streams established and enforced.	<ul style="list-style-type: none"> - Percentage of the transposition of legislation transposing special waste streams legislations fully in compliance with EU directives (minimum Packaging, WEEE and Batteries and Accumulators) - EPR scheme operational for three special waste streams. 	<ul style="list-style-type: none"> - Existing legislation for special waste streams not in compliance with EU relevant directives: - Packaging and packaging waste - 81% transposition level - WEEE – 38 % transposition level - Batteries and Accumulators – 82% transposition level - No EPR scheme established. 	<ul style="list-style-type: none"> - Laws for special waste streams and complementing secondary legislation fully in compliance with EU <i>acquis</i> approved - 100% transposition level - 100% transposition level - 100% transposition level - EPR schemes operational for three waste streams. 	<p>For all indicators:</p> <ul style="list-style-type: none"> - Commission Albania report - ToC - Official gazette - Published decisions and ordinances at the CoM and respective ministry website. - NEA database 	<p>Economic operators are aware and committed to take their responsibility as producers of waste belonging to specific waste streams.</p> <p>The main national and local authorities dedicate sufficient time and staff, at all levels, to participate in establishment of EPR.</p> <p>MTE and NEA dedicate sufficient time and staff to monitoring new data flow from PRO.</p>
Output 1 related to outcome 3	Support provided for businesses, non-profit organisations and research capacities in the country, to develop innovative and gender responsive green products, services and circular business models.	<ul style="list-style-type: none"> - Number of pilot activities supporting gender responsive and inclusive circular economy and green growth, resource efficiency, reuse/recycle, eco-design, implemented - Number of entities, i.e., economic operators, non- 	<ul style="list-style-type: none"> - Limited or close to no activities related to CE&GG. - 0 	<ul style="list-style-type: none"> - At least 20 activities implemented related to CE&GG 	<ul style="list-style-type: none"> - Project reports - CSOs, recycling industry, 	<p>Government supports and implements actions to incentivise the circular economy and green products and services.</p> <p>Businesses, non-profit organisations and research capacities, PRO is willing to engage in implementing activities support CE&GG.</p>

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (2020 or as indicated) ²⁸	Targets (2025)	Sources of data (1 per indicator)	Assumptions
		profit organisations, research institutions benefiting from the grant scheme disaggregated by type of entity - Number of proposed (private/public-private) projects to support gender responsive 'circularity'	- 0	- 20 entities benefit from the grant scheme. - 10 proposed projects supporting gender- responsive circularity	universities reports, PRO - MTE.	MTE is fully committed to support implementation of CE&GG and provide adequate administrative support to the beneficiaries of the grant scheme.
Output 2 related to outcome 3	Communication, awareness and engagement of communities and private sector in circular economy and green growth and regional waste management increased.	- Number of effective campaigns to raise awareness and encourage consumers' participation in waste prevention, CE and GG conducted - Number of persons disaggregated by sex reached by campaigns on circular economy and green growth. - Share of respondents disaggregated by sex aware and willing to participate in CE&GG. - Public awareness campaign about the implementation and benefits of the regional waste management system.	- No awareness campaigns. - No (0) persons reached out. - To be established the baseline survey at the beginning of the campaign. - No awareness campaigns on regional waste management	- One awareness campaign implemented. - 200.000 persons reached out - 30% increase in respondents aware and willing to participate in CE&GG. - One awareness campaign implemented on regional waste management.	For all indicators: - Project Baseline Report - Project Final Report	Women and men, boys and girls from all diversities have access or are exposed to the campaign messages and objectives. MTE and other authorities at national and local level are fully committed to actively participate and provide data to support implementation of the awareness campaign. Municipalities in the regions (zones) are committed and actively support the implementation of the campaign.
Output 1 related to outcome 4	Regional (zone) waste management systems and related (infrastructure) facilities supported to operate	- Number of integrated solid waste management (infrastructure) facilities	- No (0) regional ISWM facilities in pilot areas.	- 2 regional ISWM facilities in pilot areas	For all indicators: - Project Reports - INSTAT - MTE/NEA reports	National financing is available to co-fund investments and maintenance in waste management required in the waste areas of

Results	Results chain: Main expected results (maximum 10)	Indicators (at least one indicator per expected result)	Baselines (2020 or as indicated) ²⁸	Targets (2025)	Sources of data (1 per indicator)	Assumptions
	fully in line with circular economy	put in place in 2 pilot areas - regions (zones) - Number of non-compliant landfills/dumpsites closed/rehabilitated.	- No (0) landfills / dumpsites closed /rehabilitated	- Minimum 6 non-compliant landfills / dumpsites closed or rehabilitated.		Gjirokaštër and Kukes – Vlora South to complement the EU funds The Government is fully committed to implement the feasibility studies and project designs for establishment of waste management infrastructure on regional level. Municipalities in the regions (zones) are committed to cooperate and successfully participate in waste management on regional level.

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing agreement

In order to implement this action, it is foreseen to conclude a Financing Agreement with the Republic of Albania.

4.2. Implementation of the budget support component

N/A.

4.3. Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures³¹.

4.3.1. Direct Management (Grants)

N/A.

4.3.2. Direct Management (Prizes)

N/A.

4.3.3. Direct Management (Procurement)

Output 2 related to outcome 3 will be implemented through a service contract.

Subject	Indicative type (works, supplies, services)	Indicative trimester of launch of the procedure
Communication, awareness and engagement of communities and private sector in circular economy and green growth and regional waste management, increased.	Services	Q2 2022

4.3.4. Indirect management with [an] entrusted entity[ies] (i.e. Member State Organisation, third donor country, EU specialised (traditional/regulatory) agency, international organisation)

A part of this action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria:

- Mandate of the entrusted entity covering the nature of the action.
- Experience of the potential entity in particular in the context of the European Union and in Albania.
- Operational capacity/technical expertise, logistical & management capacities, including at the local level.
- Impact, results, leverage effect of cooperation with other entities/donors, also covering effectiveness of the delegation of tasks, included in Albania.
- Reduced transaction costs
- The capacity of the entity for providing possible co-financing
- Experience in the sector of environment, waste, and in managing *grant schemes*

The implementation by this entity entails Outcome 1 (both Output 1 and 2), Outcome 2, and Output 1 of Outcome 3.

Another part of this action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria:

- Mandate of the entrusted entity covering the nature of the action.
- Experience of the potential entity in particular in the context of the European Union and in Albania.
- Operational capacity/technical expertise, logistical & management capacities, including at the local level.
- Impact, results, leverage effect of cooperation with other entities/donors, also covering effectiveness of the delegation of tasks, included in Albania.

³¹www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

- v. Reduced transaction costs
- vi. The capacity of the entity for providing possible co-financing
- vii. Experience in investments in the sector of environment and solid waste.

The implementation by this entity entails Outcome 4.

4.3.5. Indirect management with an IPA III beneficiary

N.A.

4.3.6. Contribution to <name of the relevant Regional Blending Facility/Platform>

N.A.

4.3.7. EFSD+ operations covered by budgetary guarantees

N.A.

4.3.8. Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

In case negotiations with an entrusted entity under section 4.3.4. fail, that part of this action may be implemented in direct management with the implementation modalities identified in section 4.3.3.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provision:

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

4.5. Indicative budget

	EU contribution (amount in EUR)	Indicative third-party contribution, in currency identified
Output 2 (related to Outcome 3): Communication, awareness and engagement of communities and private sector in circular economy and green growth increased. Composed of:	1 000 000	N.A.
Direct management (Procurement) cf. section 4.3.3	N.A.	
Output 1 (related to Outcome 1): Regulatory framework improved for waste management and CE&GG in line with EU <i>acquis</i> and policy documents. Output 2 (related to Outcome 1): Institutional capacities strengthened at all levels for waste management, CE&GG, data collection, monitoring and enforcement. Output 1 (related to Outcome 2): Legal system established and enforced for implementing EPR schemes for at least three special waste streams.	4 000 000	N.A.
Output 1 (related to Outcome 3): Support provided for businesses, non-profit organisations and research capacities in the country, to develop innovative green products, services and circular business models. Composed of:	6 600 000	N.A.

Indirect management with (an) entrusted entity(ies) – cf. Section 4.3.4	10 600 000	N.A
Output 1 (related to Outcome 4): Regional (zone) waste management systems and related (infrastructure) facilities supported to operate fully in line with circular economy Composed of:	19 000 000	N.A
Indirect management with (an) entrusted entity(ies) – cf. Section 4.3.4	19 000 000	N.A
Procurement - total envelope under section 4.3.3	1 000 000	
Evaluation, (cf. section 5.3)	will be covered by another decision	N.A.
Audit/Expenditure verification(cf. section 6)	will be covered by another decision	N.A.
Communication and visibility (cf. section 7)	0	N.A.
Contingencies	300 000	N.A.
Total	30 900 000	

4.6. Organisational set-up and responsibilities

The Action will rely on a variety of partners such as national authorities, international organisations, member state agencies and organisations, civil society organisations, international and development financial institutions in objectives where they have a clear added value, building on the experience achieved and the lessons learned.

The action will have a national-level component, focusing on designing and streamlining national policies and models of service and product provision for circular economy, and a regional and local-level component focusing on the development of sound practices in integrated service provision. Beneficiaries of the actions strive to be represented in the steering structures of the action.

In the case of direct management, the Contracting Authority will be **the EU Delegation in Albania**. The EU Delegation shall be responsible for all contractual arrangements with the selected contractors.

The main counterpart to the Contracting Authority during implementation of the Action shall be the **Ministry for Tourism and Environment (MTE)**, as the Lead Beneficiary of the Action. The MTE shall closely coordinate the implementation with national stakeholders, such as private sector and community organisations, the Ministry of Infrastructure and Energy, as well as the local governments in participating municipalities.

The **National IPA Coordinator (NIPAC)** has the mandate for the overall coordination of the programming of the IPA, and shall be the main counterpart of the European Commission for the overall process of strategic planning, coordination of programming, monitoring of implementation, evaluation and reporting of IPA II assistance.

For overall policy and assistance coordination the Government of Albania has an inter-institutional and operational organisational structure in place for managing the implementation of a broad sectoral/cross-sectoral approach through the Integrated Planning System (IPS), which acts as the main system that sets the tools and mechanisms for integrated public policy planning. The Prime Minister Order (No. 157) of 22 October 2018 revised the Integrated Policy Management Groups (IPMGs) and associated sectoral steering committees' structures for implementation of a broad sectoral/cross-sectoral approach to manage and coordinate policies of priority areas and sectors of special importance, as well as inter-sectoral programming through the formation of a sectoral / cross-sectoral management mechanism. The Sectoral steering committees (SSCs) for Environment, Climate and Waste Management provides for cooperation at the steering level, within the sectors of special importance for reforms and inter-institutional coordination. The Thematic Group (TG) for Solid Waste Management ensures cooperation at technical level including with development partners, within the specific sectors of the respective priority area.

The SSC on Environment, Climate and Waste Management is convened under the direction of the Minister of Tourism and Environment and also serves as one of the seven IPA Sector Monitoring Committee. It will oversee the overall implementation of the action. Specific coordination will be conducted with participating municipalities and other implementing partners, to ensure policy dialogue and knowledge management between the central and sub-national levels of government. CSOs will also be consulted during the implementation of this action.

In addition to the monitoring mechanism established at the level of the national institutions/authorities and the reporting lines among them, to secure appropriate monitoring at project level, for each project, a **Project Steering Committee (PSC)** will be established that will steer the project implementation. The PSC shall involve representatives from the main stakeholders, as well as from the NIPAC, EU Delegation. The PSC shall closely monitor the fulfilment of the project objective and the project results. The NIPAC shall have the role of monitoring the fulfilment of the objectives at the level of Action.

5. PERFORMANCE/RESULTS MONITORING AND REPORTING

5.1. Internal monitoring

The Action will be subject to monitoring from the EU Delegation in Albania and the Beneficiary at national level.

The NIPAC Office having the overall responsibility over the implementation of the IPA Assistance in the Country shall monitor the implementation of the Action and the fulfilment of the set objectives. The respective Contracting Authority shall monitor the implementation of the activities at contract level. The MTE, as part of the Operating Structure, will follow the achievement of the indicators and the outputs defined within the Action. The MTE will regularly inform NIPAC and the relevant stakeholders on the implementation of the indicators. The MTE shall follow the implementation of the respective activities and alert on any delays and the reasons for such delays.

The respective institutions shall use the Results-Oriented Monitoring tool in reporting on the performance and results of the Action. It should make reference to four criteria (relevance, efficiency, effectiveness, sustainability). This exercise can provide basic information that can be exploited to orient future monitoring/evaluation/audit and management decision at the action level. A performance monitoring framework for the sector is yet to be developed. Further support will be needed to strengthen analytical capacities of the ministries, to develop and apply policy monitoring tools in line with OECD-DAC Guidelines and to streamline structures and processes for receiving and commenting monitoring reports.

The Sector Monitoring Committee (SMC) on Environment and Climate Change shall oversee the overall implementation of the action(s) financed under IPA III Window 3. Specific coordination will be conducted with participating municipalities and other implementing partners, to ensure policy dialogue and knowledge management between the central and sub-national levels of government. CSOs will also be consulted during the implementation of this action.

In line with the European Commission rules and procedures set in the Financing Agreement, an IPA Monitoring Committee will be organised, with the participation of NIPAC, the Beneficiary Institutions, the Implementing Agencies, and the EU Delegation in Albania, to review IPA related actions and progress.

5.2. Roles & responsibilities for data collection, analysis & reporting

The monitoring arrangements concerning performance and results shall be in line with the established monitoring system as described in Section 5.1. above.

The NIPAC shall be responsible at national level to monitor, review and evaluate the progress on the implementation of the indicators established within the Action's logframe matrix and to communicate the information with the European Commission services.

The beneficiary institution directly involved in the implementation of the Action shall have the responsibility to collect the data concerning the indicators and timely to report to NIPAC. As the sector monitoring systems are currently limited, and this action will contribute to developing better capacities for data collection and reporting at the sector strategy level.

The donor coordination in the waste sector in Albania is led by Germany and MoTE. Reporting from this programme will be shared in this forum.

5.3. Evaluation

Having regard to the importance and the nature of the Action, a mid-term and ex-post evaluation(s) will be carried out for this action or its components via independent consultants, contracted by the Commission.

The mid-term evaluation will be carried out for, learning purposes, as well as for assessing the impact of the proposed activities regarding circular economy and green growth, thus providing basis for planning further activities in this area in Albania in next phase to be supported by IPA III.

The ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the implementation of the economic opportunities for non-state actors in CE&GG, the regulatory framework for CE&GG and the impact of the infrastructure activities concerning waste management.

The Commission shall inform the implementing partner at least three months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

6. AUDIT

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

7. COMMUNICATION AND VISIBILITY

Visibility of EU funding and communication about objectives and impact of Actions are a legal obligation for all Actions funded by the EU, as set out in the EU communication and visibility requirements in force.

In particular, the recipients of EU funding shall acknowledge the origin of the EU funding and ensure its proper visibility by:

- Providing a statement highlighting the support received from the EU in a visible manner on all documents and communication material relating to the implementation of the funds, including on an official website and social media accounts, where these exist; and
- Promoting the actions and their results by providing coherent, effective and proportionate targeted information to multiple audiences, including the media.

Visibility and communication measures shall be implemented, as relevant, by the national administrations (for instance, concerning the reforms linked to EU budget support), entrusted entities, contractors and grant beneficiaries. All actions will be coordinated with and planned in agreement with the EU Delegation. Appropriate contractual obligations shall be included, respectively, in financing agreements, delegation agreements, and procurement and grant contracts.

The measures shall be based on a specific Communication and Visibility Plan, established and implemented in line with the EU communication and visibility requirements in force. The plan shall include, inter alia, a communication narrative and master messages for the Action, customised for the various target audiences (stakeholders, civil society, general public, etc.).

Visibility and communication measures specific to this Action shall be complementary to the broader communication activities implemented directly by the European Commission services and/or the EU Delegation.

Communication and visibility will be given high importance during implementation of the Action due to its specific nature. Therefore, a separate activity is aimed for visibility that should support preparation of a dedicated Communication and Visibility Plan for all the project activities envisaged within the Action. Additionally, coordination of communication strategies needs to be enhanced with a view to sharing the same level of information on implementing partner websites while also improving on reinforcing messages. All necessary measures shall be taken to publicise the

fact that the Action has received support and funding from the EU and besides, strongly supports EU priorities, such as the European Green Deal.

Relevant communication and visibility plans shall be developed and planned strategically at the beginning of the implementation with clear communication objectives with defined messages and identified target groups. Monitoring of the communication activities will ensure that the objectives set at the beginning are applied or revised if needed throughout the lifetime of the actions. Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be aimed at strengthening general public awareness and support of interventions financed and the objectives pursued. Communication shall be considered as an integral part of the dialogue with the main stakeholders and beneficiaries and shall play an important role in explaining and reporting on the national strategy and the results of the actions (and not on the technicalities of the modality). The actions shall aim at highlighting to the relevant target audiences the added value and impact of the EU's interventions and will promote transparency and accountability on the use of funds.

8. SUSTAINABILITY

An important precondition for the sustainability of the Action outputs is the good cooperation between the Project Teams and the direct beneficiaries during implementation of the action. Considering the design of the activities, which introduce an approach of involvement of different stakeholders related to the circular economy and green growth from both the governmental and non-governmental sector, it is to be expected that ownership over the results to be achieved shall be protected. Greater ownership should contribute to securing sustainable results that shall be maintained in the long run.

Sustainability of the results is incorporated throughout the Action's implementation approach of targeting sustainability at the institutional and financial level.

With a focus on **institutional sustainability**, the Action shall look into both the municipal and the central level, with participation from political and technical levels of partner central-level institutions and pilot municipalities. Furthermore, the proposed Action will contribute to investing in systematic sustained effort to raise the skills within the domestic companies, upgrade the methods and technologies, and support a smart economy based on national research and innovation strategies and policies. This Action will also support socio-economic development by crowding in funds for transition to a more sustainable private sector and civil society concerning the green growth concept.

With a focus on **financial sustainability**, the Action looks into the waste fees and policies to match implementation of the circular economy with the polluter pays principle. The affordability by households in Kukës and Gjirokastrë regions to pay for advanced SWM services has been assessed, based on statistical data, while in cooperation with INSTAT and all other relevant national and local institutions, the Action sets the basis for the continuous monitoring of waste data and cost coverage of the system.

Feasibility studies consider the willingness and affordability of the local population to pay by proposing a stepwise development in line with the targets and timelines of the national WM policies.

At the same time, the Action will also strengthen the capacity of the national institutions to serve as a driver of the green recovery in Albania and to continue with similar activities.