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Country Specific Report on Circular Economy

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1. Introduction

1.1. Circular Economy in the focus of the European Union

In the context of developing a modernized and sustainable economy, in December 2015, the EU Commission introduced the Circular Economy Package, which defines economy as 'where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste is minimized'.⁸

As half of total greenhouse gas emissions and more than 90% of biodiversity loss and water stress come from resource extraction and processing, the European Green Deal¹ launched a concerted strategy for a climate-neutral, resource-efficient and competitive economy. Scaling up the circular economy from front-runners to the mainstream economic players will make a decisive contribution to achieving climate neutrality by 2050 and decoupling economic growth from resource use, while ensuring the long-term competitiveness of the EU and leaving no one behind.

According to the A New Circular Economy Action Plan² for a cleaner and more competitive Europe, to fulfil the above mentioned ambition, the EU needs to accelerate the transition towards a regenerative growth model that gives back to the planet more than it takes, advances towards keeping its resource consumption within planetary boundaries, and therefore strives to reduce its consumption footprint and double its circular material use rate in the coming decade.

The transformation from a linear economy based on the 'take-make-dispose' approach towards circular economy allows for a more ecological use of natural resources, low carbon emission, energy saving, and environmental protection, considering that natural resources are depleting at a fast pace with the world population increasing rapidly.¹ Further, it will stimulate the competitiveness between business companies by creating new prospects and innovative solutions to produce environmentally friendly products and services, expand job market at all levels and build chances for social integration.¹³ Such advantages align well with the EU priorities on job growth, investments, social agenda and industrial innovation as foreseen in the Agenda for Sustainable Development 2030.⁴

As defined earlier, circular economy has in its core the sustainable developing process of the product throughout its life-cycle, from the production phase to the end-of-life phase. The phases that shape the life cycle of a product are described briefly in the following paragraphs.

On December 11, 2019, the European Commission presented the EU Green Deal,⁵ which consists of a package of ambitious measures aimed at creating a sustainable European economy. This package aims to turn environmental challenges into economic opportunities for citizens and businesses. The package

¹ COM (2019) 640 final

² A New Circular Economy Action Plan

<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN>

³ Sustainable Products in a Circular Economy - Towards an EU Product Policy Framework contributing to the Circular Economy (4)

https://ec.europa.eu/environment/circular-economy/pdf/sustainable_products_circular_economy.pdf

⁴ On a monitoring framework for the circular economy (14)

<https://ec.europa.eu/environment/circular-economy/pdf/monitoring-framework.pdf>

⁵ https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

consists of a roadmap with measures, which directly and indirectly contribute to the achievement of the EU's objectives for the transition to a Circular Economy.

With the introduction of the Green Deal, the European Commission pledged to develop a new action plan for Circular Economy. This commitment was reached in March 2020, when the EC approved and introduced the new Action Plan.

Production

Production and design define the very first phase of the life cycle of the product or service and where the circular economy begins. The attributed design of the product and service affects directly the use of natural resources, the impact on the environment and waste generation during its lifecycle.

Improved production processes allow for a more efficient energy consumption, better resource use, and limited hazardous chemical components and reduced waste generation. Since the processes differ from one product to another, the EU provides practices that will apply to each industrial sector through the 'best available technique reference documents' (BREFs), which will serve as guidance to the Member States when issuing production licenses. Other policies introduced by the EU in support to small and medium enterprises (SME) are the European Resource Efficiency Excellence Centre and the Enterprise Europe Network, which enable SMEs to take advantage of opportunities to progress resource efficiency and create innovative technologies.^{1,6}

To further boost innovative processes, the Commission has proposed legislation that improves the rules on by-products waste, in the so-called process of industrial symbiosis, where the waste product from one company becomes a resource for product creation for another company^{7,8}

In support of policies that promote innovative production processes, EU has put forward the Ecodesign Working Plan and Energy Labelling regulation to prevent the loss of natural resources, extraction of valuable materials from consumed products and excessive waste generation. Acting together, the EU imposes rules on producing more efficient design materials used for the energy consuming products (electrical and electronic products) to be energy efficient and environmentally friendly. In perspective, Ecodesign Working Plan aims to also extend its regulation on non-energy consuming products by applying criteria on product reparability, component dismantling, availability of spare products, endurance and end-of-life treatment.^{9,10}

In order to stimulate producers to manufacture products that are easy to recycle and comply to EU directives, based upon the revised Waste Framework Directive, the producers will be provided with financial incentives on the budget dedicated to the cost of waste generation from their products, under provisions on extended producer responsibility schemes.^{1,2}

⁶ On the implementation of circular economy action plan (9)

https://ec.europa.eu/commission/sites/beta-political/files/report_implementation_circular_economy_action_plan.pdf

⁷ Circular Economy, closing the loop, the production phase of the circular economy (2)

https://ec.europa.eu/commission/publications/production-phase-circular-economy_en

⁸ Closing the loop - An EU action plan for the Circular Economy (1)

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015DC0614>

⁹ Ibid (1)

¹⁰ Ecodesign Working Plan, 2016-2019 (13)

https://ec.europa.eu/energy/sites/ener/files/documents/com_2016_773.en_.pdf

The main beneficiaries profiting from the transformation of the production process and design towards a more ecological approach are small and medium enterprises (SME), consumers and the environment. SMEs benefit from applying more efficient production technologies and design materials, controlled usage of resources and effective use of energy, which in turn improves their financial budgets. Also, it will allow them to brand their products as reliable, reproducible and ecological, which in turn will have a positive impact on consumers' choice. While consumers will be informed about the product design, robustness and recyclability and helped to make smart choices.^{11(1,2,9)} Finally, the environment will profit from the efficient use of natural resources and reduction of waste generation, which allows for a better resource recovery and less polluted areas from industrial wastes.

Global material productivity (the efficiency of material use) has grown substantially slower than labour and energy productivity.¹² It started to decline around the year 2000, and has been stagnating in recent years. Even though material productivity (defined as GDP per tonne of materials used) has improved rapidly in both old and new industrialized countries, the simultaneous shift of global production away from economies that have a higher material productivity to economies that have a lower material productivity explains how difficult it is to bring about a rapid improvement in global material efficiency. This means that the average environmental pressure and impact per euro of products and services have been increasing in the global economy since the start of the new millennium.¹³

Consumption to waste management

Consumption constitutes the second phase of circular economy and its weight in the cycle is heavily dependent on consumers' choice.

As half of total greenhouse gas emissions and more than 90% of biodiversity loss and water stress come from resource extraction and processing, the European Green Deal¹⁴ launched a concerted strategy for a climate-neutral, resource-efficient and competitive economy.

For business, working together on creating the framework for sustainable products will provide new opportunities in the EU and beyond. This progressive, yet irreversible transition to a sustainable economic system is an indispensable part of the new EU industrial strategy. Building on the single market and the potential of digital technologies, circular economy can strengthen the EU's industrial base and foster business creation and entrepreneurship among SMEs. Innovative models based on a closer relationship with customers, mass customization, sharing and collaborative economy, and powered by digital technologies, such as the internet of things, big data, blockchain and artificial intelligence, will not only accelerate circularity but also the dematerialization of our economy and make Europe less dependent on primary materials. For citizens, circular economy will provide high-quality, functional and safe products, which are efficient and affordable, last longer and are designed for reuse, repair, and high-quality recycling. A whole new range of sustainable services, product-as-service models and digital solutions will bring about a better quality of life, innovative jobs and upgraded knowledge and skills.¹⁵

EU initiatives and legislation already address to a certain extent sustainability aspect of products, either on a mandatory or voluntary basis.

¹¹ On the implementation of circular economy action plan (9)

https://ec.europa.eu/commission/sites/beta-political/files/report_implementation_circular_economy_action_plan.pdf

¹² IRP (2019), Global Resource Outlook 2019,

¹³ Leading the way to a global circular economy: state of play and outlook

https://ec.europa.eu/environment/circular-economy/pdf/leading_way_global_circular_economy.pdf

¹⁴ World Bank (2018), *What a Waste 2.0: A Global Snapshot of Solid Waste Management to 2050*.

¹⁵ A new Circular Economy Action Plan, For a cleaner and more competitive Europe

<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN>

In response to the lack of accurate information over the environmentally impact of products, the EU, in cooperation with stakeholders, will introduce new measures and more restricted rules on claiming standards as 'Green' products. Product Environmental Footprint (PEF) and Organization Environmental Footprint (OEF) are the two methods which will examine the environmental effect of the product during its lifecycle and how to convey such information to the end-user; therefore, this will allow for environmental claims to be more straightforward, reliable and distinguishing. For instance, EU Ecolabel is being used to mark a product that is categorized as environmentally friendly.¹⁶

Special attention is paid to electric and electronic equipment and home appliances, which are labeled mainly on energy consumption criteria. Through such labeling, consumers will be informed over the energy consumption class of equipment, their performance durability and robustness. Economic incentives over the environmentally related costs of the product and extension of the user's guarantee are considered as part of the measurements that facilitate consumers' purchase choices.^{17¹⁸}

Waste management, like consumption, is an important component of a circular economy. The success of turning waste into valuable material through recycling and extraction of precious components depends highly on the hierarchy of waste management. For this purpose, the most preferred methods are prevention, minimization, reuse and recycling. Otherwise, the least preferred alternatives where most of the materials are lost are incinerators and disposal in landfills.¹⁹

In order to prevent waste generation, the EU Commission will propose shortly new legislation on different sectors and will put forward waste reduction targets for specific streams in the context of Directive 2008/98/EC. It will also enhance the implementation of the recently adopted requirements for extended producers responsibility schemes, provide incentives and encourage sharing of information and good practices in waste recycling.

Considering that the percentage of recycled household waste is relatively low in the EU and varies greatly between EU Members, the Commission has proposed strict legislations to reduce the amount of waste disposed in landfills and incinerators. Moreover, this legislation emphasizes the strategies that need to be adopted in order to achieve the objectives regarding the recycling of packaging materials and urban wastes from industrial manufacturers. The methodology applied for the calculation of recycling rates has also been the object of revised legislation in order to increase the accuracy of statistical data and effective estimation of recycled material.

Assuming that recycling is an important process of waste management, the EU has undertaken several steps and commitments to help this process as well as increase recycling rates. At first, the Commission has introduced several promotional initiatives on waste collection and sorting. Also, it has been recognized that awareness campaigns and financial aids have proven to be successful in reducing household waste.

¹⁶ Closing the loop - An EU action plan for the Circular Economy (1)

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015DC0614>

¹⁷ Ibid

¹⁸ On the implementation of circular economy action plan (9)

https://ec.europa.eu/commission/sites/beta-political/files/report_implementation_circular_economy_action_plan.pdf

¹⁹ Closing the loop - An EU action plan for the Circular Economy

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015DC0614>

Through EU Cohesion Policy Funding, the Commission aims to improve waste management infrastructure in cases when the recycling rate capacity exceeds the number of facilities in hand. However, funding gives priority to sustainable waste management practices in the waste hierarchy; only on exceptional occasions, where the recycling of materials is not effective, funds will be granted for new landfill constructions. Illegal waste transportation across EU and non-EU borders has further decreased the recycling rates through uncontrolled waste treatment, which are mainly disposed of in landfills and incinerators. To prevent the flows of recycling rates, the EU has revised the waste regulation and imposed strict rules to tackle illegal shipments.²⁰

However, not all waste products are feasible to be treated ecologically; therefore, the EU aims to turn waste to energy through a ‘Waste to energy’ set of actions that combine the EU energy and climate policy while the waste hierarchy is respected and recycling rates initiatives are not violated.

Waste to resource

Recycling remains at the core of circular economy, where wastes are reused as a resource to create a new product through recovering or dismantling; resource wastes are categorized as “secondary raw material”.

However, the circulation rate of secondary raw materials in general remains at a low level within the EU (e.g. 5% of plastics), which depends mainly on waste management actions, trade conducting easiness, and the recognized quality standards of the wastes. To increase the availability and efficiency of secondary raw materials, the EU has proposed several measures aiming to stimulate the course of secondary raw materials in the market.

To increase the value of secondary raw materials in the market, the Commission has taken actions to set high quality standards and support trade between the Member States.²¹ The revision of legislations on waste management will determine whether the secondary raw materials are no longer considered as ‘end-of-waste’, which in turn will increase the safety standards of secondary raw materials and acceptance of recycled products.

Recycled fertilizers coming from food waste are particularly vulnerable to quality standards as they are directly injected into soils as nutrition for the production of organic products, while preserving the environment through substitution of mineral-based fertilizers. As such, the EU is working to improve the regulations on waste-base fertilizers to set widely recognized quality standards and establish a safety circulation in the EU-market.²²

The reuse of water from treated wastewater is another alternative that falls under the category of secondary raw material. Bearing in mind that water resources are depleting over time, water treatment has become a necessity; it may find a wide application in agriculture which in turn comes in handy to stimulate nutrients recycling in the soil, and recovery of water resources through groundwater recharge. The EU Commission has revised the legislation over the requirements for water treatment to improve the

²⁰ Closing the loop - An EU action plan for the Circular Economy (1)

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015DC0614>

²¹ Circular Economy, closing the loop, from waste to resource (7)

https://ec.europa.eu/commission/publications/waste-resources_en

²² Ibid

water recycle in the most efficient method.^{23²⁴} The revised legislation on water reuse, which was proposed in May 2018, has set ambitious goals that aim to increase the rate of the amount of treated wastewater from 1.7 billion m³/year at present to 6.6 billion m³/year by 2025, which will help to diminish the stress on natural water resources by 5%.²⁵

Non-toxic materials in the frame of secondary raw materials are being treated carefully by the EU legislation on waste management as they pose risks to our health and environment. However, to encourage the circulation of non-toxic products by facilitating the flow restrictions and effective tracking of the chemicals, the Commission will review the legislation framework on wastes, products, and chemicals without compromising the safety of health and environment.¹

Formalities on trading secondary raw materials within and out of the EU have reduced at a certain level the smooth flow of and the demand for raw materials in terms of circular economy. However, to ensure an efficient circulation, EU has pledged to simplify the bureaucratic procedures, create an electronic data exchange platform and Raw Materials Information System.²⁶

1.2. Circular Economy in Albania

Regarding the situation in the Republic of Albania, the concept of 'circular economy' is still at an early stage. The concept of circular economy has been used earlier in the draft Strategy on Integrated Waste Management (2018-2023) produced in January 2018. The revised Integrated Waste Management Strategy is developed over the vision or perception of the concept of "zero waste", so that the waste is collected and treated as raw materials and management is done under the concept of circulatory systems, serving the criterion of use and preservation of raw material resources.

The main principle for waste management is the waste hierarchy (prevention, reuse, recycling, recovery and disposal). The draft Strategy takes into account the importance of waste management according to the principle of the current economy to enable the fullest protection of natural resources and increase the efficiency of the use of products. Currently, the Strategy is yet to be approved by the Council of Ministers.

In the Strategy Policy Paper and Integrated National Waste Management Plan 2020-2035²⁷ published by GIZ in collaboration with the Ministry of Tourism and Environment, the main aim, mentioned at the very beginning of the document is the transition from linear economy to circular economy.

This document develops on the vision or perception of the "zero waste" concept, that waste is collected and treated as raw material and management is to be done in accordance with the concept of circular economy systems, to benefit the standardized use and preservation of raw material resources.

The specific objectives of the Strategic Policy Paper aim to provide practical solutions in order to:

1. address issues in the current management system,

²³ Ibid

²⁴ Closing the loop - An EU action plan for the Circular Economy (1)

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52015DC0614>

²⁵ Water reuse, setting minimum requirements (27)

²⁶ Circular Economy, closing the loop, from waste to resource (7)

https://ec.europa.eu/commission/publications/waste-resources_en

²⁷ The document of Strategic Politics and National Integrated Waste Management Plan 2020-2035

http://turizmi.gov.al/wp-content/uploads/2020/07/Dokumenti-i-Politikave-Strategjike_AL.pdf

2. implement the legal framework in force and,
3. make the necessary preparations to meet the obligations arising from the amendments stipulated in EU Directives, including the ambitious objectives of the Circular Economy Package.

During 2018 and 2019, the European Commission held all the explanatory meetings on the memorandum of *Acquis Communautaire* for all the 33 chapters, in the framework of the opening of accession negotiations with Albania, approved on March 26, 2020. The explanatory meeting for Chapter 27 took place on 13 -17 May 2019 in Brussels.

Chapter 27 is one of the most important chapters of the EU *acquis* including 73 Directives and Regulations which constitute the legal framework of the EU in the field of Environment and Climate Change.

Chapter 27 is a cross-cutting chapter that includes a range of line ministries and independent agencies, which exercise powers in the field of environment and its respective subfields. All obligations such as reporting, policy planning, strategies and monitoring of their implementation is coordinated by the MTM in the capacity of the leading institution for this chapter.

The document states some actions about the need for every municipality to work on the construction of the schemes of differentiated collection of waste and design of plans on waste management and programs on waste prevention. Also, the document provides suggestions about the introduction of courses and educative content in schools by teaching special classes about the use and reuse of waste.

The current legal framework, including national regulations and national strategic documents and action plans, does not provide a basis for the implementation of the concept of circular economy in the country. Therefore, there is an urgent need for enhancements in the current legal framework that will increase the country's ability to better utilize its resources and the lifecycle of materials, products, and services.

Meanwhile, civil society organizations, researchers, and the media, but ultimately the Ministry of Tourism and the Environment have expressed their interest in this issue by organizing conferences, meetings and publishing articles in the media. However, their level of knowledge and awareness among all stakeholders is still at a low level. The purpose of this report is to present an overview of the state-of-play of the country concerning the current economy and to support the efforts aiming to modernize the economy, making it more future-proof, green and competitive.

During this year the Co-PLAN Institute for Habitat Development organized the second regional Conference on Circular Economy, which was held in Tirana on March 5-6, 2020. In this conference analyses from each country in the region were introduced, followed by discussions of the European perspective, of challenges when it comes to the application of Circular Economy principles, and the role that needs to be played by municipalities to further promote this economic model.

After the welcome speeches by the Executive Director of Co-PLAN and the representative of the EU Delegation to Albania, part of the agenda were some important and interesting topics such as the EU New Green Deal by European Environmental Bureau and also the EU perspective on Circular Economy by Punto.sud.

The role of policy makers in promoting and applying Circular Economy principles was also discussed during the meeting, with the participation of representatives of the Albanian Union of Producers, Strong Municipalities Programme, representatives of Economy in Media and Resource Environmental Centre.

For the region, the representatives of each organization, part of the Env.Net project, made a presentation of their country with specific findings.

In the second part of the first day, there were two topics about the application of circular economy in practice which were addressed by both representatives of the Ministry of Tourism and Environment in Albania and from private companies with practical experiences.

Also, presentations came from the NGO part of the network about circular economy, sharing their experience and providing information on project implementations in Albania.

The second day of the conference was a field trip to a local business applying Circular Economy Principles and also a tour around an agritourism entity.

In this conference the Center of Competitive Skills (CCS) shared some preliminary findings of the study in the framework of the project 'Increasing awareness of CSOs and SMEs on the importance of circular economy, in line with the EU Circular Economy Package' funded by the European Union.²⁸

In January 2020, EDEN Center finalized the "Highlighting Circular Economy - as a new approach to an active society" project implemented through Co-PLAN, with the European Union funds, ENV.Net Factoring the Environmental Portfolio for the Western Balkans and Turkey in the EU Policy Agenda.

The project aimed to increase understanding and reinforce critical thinking about circular economy through practical model approaches to the daily life of cities.

A series of activities took place to achieve the goal of the project. A two days' workshop on Circular Economy, in the 'Map of Circular Economy in the City of Tirana' was held in Tirana, with the participation of organizations from different parts of Albania, businesses, etc., for a total of about 35 participants. In the end, the workshop finalized 4 ideas which were based on the concept of circular economy, and the best idea was implemented in 2 cities, in Berat and Shkodra by local organizations, namely "For social and environmental welfare", "Albanian Alps Alliance" and "Teuta Design ", Berat.²⁹

On September 13, the Center for Competitiveness (CCS) organized an event in order to raise awareness and create a network of cooperation, under the project "Raising awareness of CSOs and SMEs on the importance of Circular Economy in accordance with the EU Circular Economy Package", funded by the European Union. The event was attended by representatives from academia, the private sector (businesses and chambers of commerce), civil society and state institutions.

A study was conducted by the CCS organization presenting the Research methodology about Public and SMEs, and reflecting the work done through qualitative and quantitative questionnaires, surveys or interviews, and also including a summary of Research Findings on Awareness Level.

According to this study 24 % of the public declared to be familiar with CE, but 15% have corrected information on CE as per definition. 51 % of businesses declared to be familiar with CE, but 44% have correct knowledge on CE as per definition. The main source of information for CE declared was Internet/Social Media, followed by Newspapers/Academic journals and publications, School/College/University etc. But, according to the survey question about the statement that applies to the CE, only 15% of the public have accurate information about circular economy. Regarding the familiarity with specific terms the results were 49% on Recycling awareness, 43% on Green economy awareness, 20% on Make-Use-Dispose awareness, 23% on Biosphere rules awareness, 15% on Blue

²⁸ Qarkonomia 'Platform for the Circular Economy in Albania"

<https://qarkonomi.al/2020/09/30/konferences-rajonale-per-ekonomine-qarkulluese-2020/>

²⁹ EDEN Center

<http://www.eden-al.org/index.php/al/lajme/678-ekonomia-qarkulluese-nxiteze-per-bashkine-e-tiranes>

economy awareness, 9% on biomimetics awareness and only 13 % of the public are familiar with Friday for future movement.

In the context of the two phases of circular economy, namely consumption to waste management, and waste to resources, the country is still facing difficulties with the transposition and implementation of EU directives related to waste management, water quality, and chemicals. The poor level of transposition and implementation comes mainly as a result of the lack of solid staff structure, capacity building and resources (financial and equipment). In some cases, there is still unclarified coordination between institutions (central or local) and agencies, which are in charge for implementing EU directives. There are several institutions, which have either appointed one person to address a certain directive or have not identified one yet; also, the limited information about obligations deriving from directives are not clear for representatives of municipalities and relevant experts. As such, the implementation process is undermined and fulfillment of deadlines is further delayed.

In Albania there are still no acts or dedicated legislation requiring a transition to circular economy, no subsidy or support for those who reduce, reuse or recycle waste.

Overall, the waste framework is transposed by local legislation at a level of 54% whereas in full we have transposed the 86/278/EEC Sewage Sludge, 96/59/EC PCB/PCT, 2006/66/EC Batteries, 1999/31/EC Landfilling and 94/62/EC Packaging. On the other hand, the implementation of our legislation is overall below 24% due to lack of investments, and lack of both human and technical capacities in place (at the local and central levels), according to the recently approved new WM National Strategy. The term 'circular economy' can be found for the first time in an official document, but without any defined targets.

2. Monitoring progress

Monitoring the adaptation to circular economy is not a straightforward process as it involves the entire economy sectors including products and services and also aims to maintain the value of products, materials and resources for as long as possible by returning them into the product cycle at the end of their use, while minimizing the generation of waste.

The new Circular Economy Action Plan 2020 also includes the Monitoring progress through which the European Commission will reinforce the monitoring of national plans and measures to accelerate the transition to a circular economy³⁰. The last monitoring framework focuses on identifying the key indicators which describe the flow process and components of material flow (lifecycle of products, materials, resources, waste generations, and services) within circular economy. The findings from the framework will pave the way to defining the future strategic plan towards implementing the long-term targets of circular economy while creating administrative incentives for business companies.³¹

The EC will update the Monitoring Framework on Circular Economy and 'new indicators will account of the focus areas in the action plan and the interlinkages between circularity, climate neutrality and the zero pollution ambition'.

³⁰ A new Circular Economy Action Plan -For a cleaner and more competitive Europe
<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1583933814386&uri=COM:2020:98:FIN>

³¹ On a monitoring framework for the circular economy (14)
<https://ec.europa.eu/environment/circular-economy/pdf/monitoring-framework.pdf>

The following table highlights 10 indicators grouped in 4 stages of circular economy which are described in the monitoring framework. The indicators are defined based on several criteria, but not limited to, such as data availability, significance, approval, and reliability, ease of use, robustness, public consultation, stakeholder engagement and dialogue within Member States.³²

2.1. Legislation: general overview and main aspects

No	Name	Relevance	EU levers (examples)	Initial systematization/mapping of key documents in relation to circular economy in Albania
Production and consumption				
1	EU self-sufficiency for raw materials	A circular economy should help to address the supply risks for raw materials, in particular critical raw materials.	Raw Materials Initiative; Resource Efficiency Roadmap.	- National Strategy for Integrated Waste Management, 2018-2023 ³³
2	Green public procurement*	Public procurement accounts for a large share of consumption and can drive circular economy.	Public Procurement Strategy; EU support schemes and voluntary criteria for green public procurement.	- Intergovernmental Environment Strategy, 2015-2020 - National Strategy for Biodiversity Protection, 2016
3a-c	Waste generation	In a circular economy waste generation is minimized.	Waste Framework Directive; directives on specific waste streams; Strategy for Plastics.	-National Environment

³² On a monitoring framework for the circular economy (14)

<https://ec.europa.eu/environment/circular-economy/pdf/monitoring-framework.pdf>

³³ Still to be approved by the Decision of the Council of Ministers and Parliament

4	Food waste*	Discarding food has negative environmental, climate and economic impacts.	General Food Law Regulation; Waste Framework Directive; various initiatives (e.g. Platform on Food Losses and Food Waste).	<ul style="list-style-type: none"> - National Plan for the Renewable Resources Strategy for the Environment, 2014 - National Strategy for Development and Integration, 2015-2020 - Cross-cutting Strategy for Rural and Agricultural Development, 2014-2020 - Draft Strategy for Integrated Waste Management, 2018-2030 - Draft-Intergovernmental Environment Strategy, 2015-2020 - National Strategy for Biodiversity Protection, 2016 - National Strategy for Sustainable Development - Draft-Crosscutting Strategy for Environment, 2015-2020 - National Biodiversity Defense Strategy, 2016 - National Environmental Air Quality Strategy, 2014 - Strategy on the Right to Information and Protection of Personal Data 2018-2020 - National Strategy on Water Resources Management, 2017 - 2027 (Draft) - Cross-cutting Strategy on Public Administration Reform, 2015-2020 - National Energy Strategy for Renewable Resources, 2018 - 2030
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				<ul style="list-style-type: none"> - National Public Financial Management Strategy, 2014 - 2020 - National Strategy for the Development of the Non Profit Industry, 2016-2025 - National Territorial Planning Plan, Albania 2030 - Local Integrated Waste Management Plans - Local Territorial Planning Plans, - Local Development Strategies. - Local Air and Noise Management Plans (applied in 1 Municipality, Shkodra)
Waste management				
5a-b	Overall recycling rates	Increasing recycling is part of the transition to a circular economy.	Waste Framework Directive	<ul style="list-style-type: none"> -National Sectorial Plan for Solid Waste Management
6a-f	Recycling rates for specific waste streams	This reflects the progress in recycling key waste streams.	Waste Framework Directive; Landfill Directive; directives on specific waste streams	<ul style="list-style-type: none"> (Sectorial Strategy)³⁴ -The document of Strategic Politics and National Integrated Waste Management Plan 2020-2035³⁵. - National Strategy for Integrated Waste Management, 2018-2023, - Regional and Local Integrated Waste Management Plans - Local Territorial Planning Plans, <p>In Albania there are about 38 private recycling companies. The market value of this industry's investment amounts to about 234.2 million Euros. (MTM, 2018)</p>

³⁴ Approved by the Decision no.1 date 13.01.2020 from the National Council of Territory

³⁵ https://turizmi.gov.al/wp-content/uploads/2020/07/Dokumenti-i-Politikave-Strategjike_AL.pdf

				In 2016, around 224,115 tons / year were recycled in Albania, or 45% of the total urban solid waste. (INSTAT, 2019)
Secondary raw materials				
7a-b	Contribution of recycled materials to raw materials demand	In a circular economy, secondary raw materials are commonly used to make new products.	Waste Framework Directive; Eco-design Directive; EU Ecolabel; REACH; initiative on the interface between chemicals, products and waste policies; Strategy for Plastics; quality standards for secondary raw materials	Draft-National Strategy for Integrated Waste Management, 2018-2023, - National Strategy for the Development of Industrial Industries, 2016 - 2025 - Regional and Local Integrated Waste Management Plans - Local Territorial Planning Plans (approved by 33 municipalities) ³⁶ - Draft Law on Waste Imports No. 92/2016 ³⁷
8	Trade in recyclable raw materials	Trade in recyclables reflects the importance of the internal market and global participation in circular economy.	Internal Market policy; Waste Shipment Regulation; Trade policy	
Competitiveness and innovation				
9a-c	Private investments, jobs and gross value added	This reflects the contribution of circular economy to the creation of jobs and growth.	Investment Plan for Europe; Structural and Investment Funds; InnovFin; Circular Economy Finance Support Platform; Sustainable Finance Strategy; Green Employment Initiative; New Skills Agenda for Europe; Internal Market policy	Strategy for Business and Investment Development, 2014 - 2020 - Action Plan for Business and Investment Development, 2014 - 2020. - National Public Financial Management Strategy, 2014 - 2020 - National Strategy for Employment and Skills, 2014 - 2020 - Cross-cutting strategy, Albanian digital agenda, 2014-2020
10	Patents	Innovative technologies related to circular economy boost the EU's global competitiveness.	Horizon 2020	

³⁶ <http://planifikimi.gov.al/index.php?id=732>

³⁷ Under revision and to be yet approved by the Decision of the Council of Ministers and Parliament

2.2. Quality of Data

To apply and monitor the progress of circular economy of the country, accurate and easily accessible data is needed for each sector, mainly in the sectors that are essential to the development of a circular economy. The most important data consist of resource utilization, design, producing and consumption of products, waste generation and treatment, recyclable raw materials and initiatives with focus on competitiveness and innovation.

Generally, the data are scarce, non-representative and published with annual narrative reports in which it is often impossible to process statistical data from them. INSTAT has created a good database, but remains few and in some cases contradictory with other institutions that publish data of the same type.

The data are mainly extracted from local municipalities and the National Environment Agency. At present, the approximate amount of generated wastes is measurable only in 3 landfills which operate through weighting of waste loads; the rest runs through counting the number of loaded waste containers entering the landfill. Unfortunately, there are no accurate data on the amount of waste generated since there does not exist any study providing reliable data over the rate of generated wastes per capita; this is also due to the lack of accurate data on population number where different institutions publish different figures for the same region.

Recent developments in the waste management sector have been focused on the implementation of by legal acts and on the improvement of strategic documents. The National Waste Management Strategy 2018-2033 aims to establish a minimum standard on waste management in the country's territory and establish a unified methodology to evaluate the costs related to the provision of the integrated waste management service. The adoption of the National Integrated Waste Management Strategy and its implementation is assessed as a key step in improving the waste management situation in the country.

In general, the situation of integrated waste management in the country appears to be extremely problematic. Currently, about 69% of the population receives waste management services; only 30% of waste is dispatched to the landfill, while the rest are disposed on inadequate deposit sites. Regarding the infrastructure and type of landfills, there are no landfills designed to meet EU standards. Most of the waste is deposited on local and illegal landfills. Meanwhile, three incinerators are being built in the Municipality of Tirana, Elbasan and Fier.

Recycling companies in the country have reduced processing capacities, and in 2019 about 38 companies, recycled 4.5% of the total amount of waste, and their number and processing capacity is now somewhat unclear.

2.3. Circular Economy Initiatives in Albania

During the recent years, several business companies in Albania have shifted their business activity towards the circular economy concept, by applying efficient waste management practices and turning waste to resources. This trend has not only benefited their revenues but also has had a positive impact on creating local jobs and preserving the environment. The following paragraphs will show some of the companies, which have embraced the concept of sustainable waste management and treatment.

2.3.1. I.N.C.A Nordfish Sh.p.k.

Established in 2004, the company is known for processing products of animal origin (cattle intestines). It was presented as the only producer of Natural Casing and animal byproducts in Albania.

As the only company of its kind in Albania and the Balkan region, it supplies with products large companies in the country and region, which are specialized in the treatment of meat and sausage products. A considerable part of the revenues is invested in the development of treatment technology, which in turn has increased the volume of production. Currently, the company is employing about 110 workers, which will be doubled in the near future.

However, to avoid the economic loss from the products which do not meet the clients' requirements, faulty products are further recycled through technological processes. After being processed, the products are exported elsewhere in Europe as food for animals under the EU standards.

From 2008 to 2015 they had a linear approach about manufacturing and distribution of natural casing through importing raw materials.

From 2017 they went towards a Circular Approach, thus investing in casing cleaning machineries and collecting and processing 5 tons/month of Albanian casing for the Albanian market. During this time 5% of organic waste disposed by the slaughterhouse was reduced.

Further on, from 2017 to 2018 they started to collect and recycle the entire intestinal tract and to export Albanian products to a lot of European countries.

After 2018, they went to a fully circular system by investing in a new pet chews production facility, new mucosa treatment plant destined for pharmaceutical industry, recycling 40-50% tons/month of organic animal by products. They reduced the organic waste disposed by slaughterhouses and their own company by 30% and continue exporting to EU countries and other countries worldwide.

In 2020 they invested in the only rendering plant in the Western Balkans area, recycled 200 tons/month of organic waste created by the food industry and reduced all organic waste disposed in Albania by 98%.

2.3.2. Agrimona

It is an environmentally friendly initiative (organic shop) with the mission to contribute to social impact in a financial sustainable way, with all profits dedicated to the social mission. Their social goals are to: promote development of high quality local and traditional Albanian food products; support smallholder products and remote areas; promote customer education on healthy nutrition and environmental protection. They aim to reduce waste and pollution by short term inventory and reduce food waste; paper packing and unpacked products; promote natural production techniques; promote reusable shopping bags; buyback used jars and bottles.

2.3.3. City Tex

The CityTex garment factory was just an idea in January 2016, a plan by March, and, during April through June, made its first investment, registered as a new business, and trained their employees. In July, the factory tested products and conducted advanced training. By August, the factory had hired 60 women from the community, all with new skills and salaries designed for the long term.

Like a traditional business, the company produces a product or service that meets a need in an identified market, and then sells it for a profit. As a social business, though, it not only makes a profit, but invests back into the community or works to lift a marginalized sector. Ideally, there are prospects for future growth and shared profitability (actually they helped more than 50 rural women working in the textile industry). USAID's support of CityTex is part of its Growing Social Businesses in Albania project, which is designed to promote entrepreneurship and the development of social businesses in vulnerable and underserved communities in order to generate lasting and positive social, economic and environmental impact in a financially sustainable way.

2.3.4. KeBuono

KeBuono is the only confectionery in Fier where the quality and tradition of Italian confectionery meet the values of legality and social inclusion. KeBuono is an initiative promoted by the ENGIM associations and the Muraldo Social Center. It is the first social enterprise in Albania rebuilt on a property confiscated by the property administration agency, building a strong bridge against organized crime.

Through various activities where the subject is involved, the aim is to inform young people and citizens about violence, the law against violence, addressing it in relevant institutions.

Banners, flash mobs, symbols are used to convey messages against violence and to show support for the victims affected by violence, but also to raise awareness about other sensitive causes for the society.

2.3.5. Kinfolk Coffee Library

Kinfolk Coffee Library is a social enterprise, an initiative undertaken as a measure to prevent the involvement of young people in crime in the city of Durres. The first social enterprise set up in the city of Durres on a property confiscated from organized crime.

This enterprise also works as a social gathering facility for young people in Durres Municipality, offering them a possibility to express themselves and be part of awareness campaigns.

2.3.6. Social Crafting Garage Saranda

This social enterprise was created by the Institute for Migration Development and Integration, with the financial support of the European Union through the CAUSE project "Use of confiscated properties for social enterprise". This organization helps the women of the region to produce handicrafts, mosaics, etc. aiming to create some know-how and independence, to meet their basic needs and ensure a better future.

2.3.7. Albkalusyan

As a leader in the market, the company is specialized in the field of medicinal herbs treatment. The company collects about 26 kinds of medicinal herbs and processes oil extractions, which are exported abroad. However, at the end of treatment process, a vast amount of plant wastes such as stems and sludge are left behind. In order to make use of wastes, the company has embraced the 'turning waste into resources' approach; through technological investments, the plant wastes are carefully treated to generate steam, which fulfills the company needs for energy consumption.

2.3.8. EuroElektra

EuroElektra company has been operating in the electric and photovoltaics sector for more than 10 years now. They promote the socio-economic impact and benefits of photovoltaic plants. By implementing these systems for energy production, they provide reduction of CO₂ gasses emission, reduction of the electricity bill, reduction of environmental impact, better income for the country and safe investments. They have implemented more than 30 photovoltaics implants during these years.

2.3.9. Aiba Company

Established in 1993, Aiba Company is a leader in the field of cattle food production, breeding and growth of chickens for meat consumption and eggs production. The amount of eggs produced annually reaches around 100 million per year, which in turn generates about 40 tons of waste due to excessive moisture. Nevertheless, Aiba Company has invested in technology that reduces the moisture and benefits about 20 tons of soil fertilizers per day. The end product is compressed in packages and sold to farmers for the production of agricultural products. Also, Aiba company is investing in creating a new system that will make the drying of waste possible. It will improve the quality of fertilizers, ensure better environmental conditions and a higher quantity of products for selling.

2.3.10. GER.ARD Sh.p.k. & IB Recycling

The main focus of the activity of GER.ARD Company is on the dismantling of old or damaged vehicles, trading of spare parts as well as import and export. IB Recycling, in partnership with GER.ARD Company, offers recycling services of vehicles parts and electronic devices. Thanks to its advanced technology, the company can turn wastes into resources for manufacturing of other products. Computer devices and catalytic parts of vehicles are efficiently recycled and then exported to EU countries.

2.3.11. Pastrimi Detar Sh.p.k (Marine Cleaning)

The company focuses on the marine cleaning of the port, particularly in Durres, from the wastes released by ships. At the moment, the company owns a plant where hydrocarbons released from fuels are separated and then exported to EU countries. In the framework of 'returning wastes into resources' approach, the company has recently invested in building a large station with reservoirs and pipelines, which will treat the seawater contaminated by ships anchored in the port of Durres. The oil extracted from this process will then be sold in the market.

2.3.12. Soap production

Soap production is a project initiated by the EU, which takes place in the city of Roskovec located in the south central part of Albania. The city is known for being rich in olive trees, generating large amounts of olives and extracted oil for trade purposes. However, the oil extraction process leaves behind considerable amount of organic sludge. The project aims to refine organic waste into organic soap, which benefits both the environment and the social economy of the region.

2.3.13. Pana – Storytelling Furniture

Established in April 2013, the company focuses both on the design of furniture via Architecture and Furniture Industry, and social integration of craftsmen that can contribute to the development of the company. The company operates through two business processes, projection and production. The former takes place at "Pana Studio", where potential clients are assisted to shape their ideas into conceptual projects; while production is realized at "Pana Storytelling furniture", which enables to bring project designs into life. Based upon client needs, be it restaurants, bars, shops, etc., the company offers products through the reuse of wood material, which is already on the market either disposed as waste or wood for burning, and iron skeletons to frame the furniture.

2.3.14. 1 Mar, 1 Mrapsh

This exclusive enterprise offers unique products which reflect the Albanian traditional style of dress, jewelries, and other home accessories; the clients, Albanians or foreigners, do not only take with them the product but also a piece of Albanian culture. Unlike other boutiques selling imported products, most of the shop's products are handmade from skilled artisans who use local first-hand materials.

2.3.15. Agricultural products initiatives

Over the recent years, agricultural initiatives have been developed increasingly in the market by promoting agricultural products and services in different shapes, be it shops, restaurants, deliveries, etc. The focus of these entrepreneurs is to offer domestic products which either grow them in the backyard, as it happens with restaurants, or collect them from local farmers who provide seasonal products of high quality as it is the case in shops.

Some of the well-known restaurants in the country that serve local food are "Uka Farm", "Mrizi i Zanave", "Agroturizem Huqi", "Ferma Albanik" etc., which are located in remote areas where it is possible to build their own farms and obtain additional products from other farmers without additional cost in transportation.

On the other hand, there are several shops selling local agricultural products collected from farmers from different localities; just to mention a few, “Ferma Jone”, “Agrimona”, “Zepa Natyral”, etc. This way, not only do the local products prevail over imported ones, but they also help in the economic development of rural areas.

During December 2020, from the Environmental Council of Tirana³⁸, a group of professionals in environmental, climate, urban planning and energy issues, brought together voluntarily, was organized an online meeting about the new initiative of Tirana Municipality on “Green Business Grant Tirana”. During this meeting was discussed about the grant that will be disseminated to the green businesses (start-ups or existing ones).

Any project that has access to reduce environmental pollution, installation of new technologies environmentally friendly, adaptation of renewable energy to business needs, etc. will be subject to financial support from the grant of the municipality of Tirana.

3. Findings

The evaluation of the current status of circular economy components in Albania is based upon the structure of the Monitoring framework and indicators put forward by the EU. As such, the assessment criteria are grouped into four phases: 1. Production and consumption, 2. Waste management, 3. Secondary raw materials, and 4. Competitiveness and innovation.

3.1. Production and consumption

Regarding the development trend of production and consumption under the scope of circular economy, Albania has shown little progress in minimizing waste generation. When expanding this phase, the four indicators described in the monitoring framework will be further elaborated below.

As described in the view of circular economy, the self-sufficiency indicator expresses the dependency of the production line of new products and services on raw material.

Judging from the progressive trend of the flow of goods in foreign trade for the period 2015-2019, Albania falls in the category that relies mainly on imported products. The data from the Institute of Statistics show that in September 2020 the flow of goods was 25 billion ALL, increasing by 1.2 % compared with the same period of previous year, while in 2019 it fell by around 4% compared to 2018. On the other hand, import has increased constantly from 2015-2019 by 19%.³⁹ The value of imports increased by 0.3% compared with the same period of the previous year. In the first nine months of 2020, the value of exports decreased by 13.6 % compared with the previous year and the value of imports decreased by 10.9 % compared with the previous year.⁴⁰

Regarding energy production, as a country rich in water resources, Albania uses hydropower plants for electricity production. Although the energy generated by hydropower is considered as ‘clean’ but dependent on weather conditions, the amount of energy production varies accordingly. Based on the statistics for 2019, the amount of net domestic production of electricity decreased by 39.1%, reaching the value 5,208GWh, compared to 2018 for the same period, which was 8,552GWh. Therefore, the gross

³⁸ <https://www.keshillimjedisortirane.al/>

³⁹ Albanian Institute of Statistics, “Flow of goods in foreign trade, 2014-2018”

<http://www.instat.gov.al/en/themes/international-trade/international-trade-in-goods/#tab2>

⁴⁰ Albanian Institute of Statistics

<http://www.instat.gov.al/media/7590/press-releasess-shtator2020.pdf>

imports of electric power increased about 1.8 times, while the gross export of electricity decreased by 3.5 times.⁴¹

According to 2019 statistics from the Institute of Statistics, there were about 1.2mil. ton of urban waste generated, where the dominant constituent is organic waste which counts for about 58.4% of total waste. The rest is a mixture of wood, paper/paperboard, glass plastics, textile, metals, etc. listed in a descending order. The major waste generators include oil industry, cement production, steel and mining, and households.⁴²

In the context of food production, waste is inevitably created from the starting process of food making until its delivery. Most of the food waste comes from home cooking, restaurants, catering and retail stores. Once food turns into waste, all the resources that were used for production, namely water, energy and limited environmental resources are all wasted. This trend of food misusage contradicts the principles of circular economy. Since the data on generated wastes is not available at the current state and given the variability of waste generation sources, it is difficult to manage food waste effectively, which would benefit both social finances and environment.

Green Public Procurement (GPP) has a significant role in fostering circular economy at local and central levels by purchasing goods and services that help to develop a more sustainable production and consumption without causing harm to environment. Unfortunately, there are no statistical data to be found whether Albania has embraced the GPP approach; however, considering the relatively significant weight that public procurement has on GDP, its application will be a step forward for transition towards circular economy. In turn, it will boost the production for environmentally friendly products and services in the domestic market.

3.2. Waste management

Sustainable waste management in Albania remains at a relatively low level, with urban waste management services only covering about 87.9% of the resident population, residing mainly in urban areas (referring to statistics in 2019), thus marking an increase by 22.2% compared to the previous year. The government, through the National Territory Council, has approved the National Plan for Solid Waste Management⁴³ on 1st of January 2020.

The plan mainly focuses on ensuring sustainable services for Solid Waste Management within all the country, reducing and recycling all the waste fractions, reducing the number of uncontrolled and not sanitary deposits/landfills and also environmental protection.

Like in the previous strategy it also focuses on the standardization of national waste management directives in compliance to EU legal framework. The strategy ambition is taking measures to protect the environment and human health, through commitment to shift its policies towards sustainable waste management, finance the efficient waste management practices, and boost the separation of waste streams in source and stimulate business to recycle and minimize waste production⁴⁴.

⁴¹ Balance of electric power 2019
<http://www.instat.gov.al/media/6747/balance-of-electric-power->

⁴² Ibid, "Urban Solid Waste, 2018"
http://www.instat.gov.al/media/6252/urban-solid-waste-2018_.pdf

⁴³ National Plan for Solid Waste Management

⁴⁴ Municipal Waste Management (18)

Regardless of this forward initiative, there is a big discrepancy between the goals set in the strategy and the reality, because most of the goals were very ambitious and currently the development has clearly lagged far behind the agreed targets. Albania lacks the plan and infrastructure to manage wastes in an environmentally-friendly manner by reducing, reusing, separate collection of waste materials and recycling, regarded as the most ecological practices determined in the waste hierarchy pyramid. The general trend of waste management is by depositing them in landfill sites (run by the municipality and illegal ones), burning them in the open air (mainly household wastes) and incinerators.⁴⁵⁴⁶

According to the EU delegation in Tirana, Investing in incinerators could delay the implementation of directives and policies required by the European Union and make it more difficult to meet the necessary objectives. Investing in lower levels of the EU waste hierarchy may delay the implementation of the Waste Framework Directives and its policies and make it more difficult to meet EU recycling targets.

Closing landfills and dumpsites is also a challenge. A specific collection of waste types and economic mechanisms to promote recycling and reuse as well as to prevent waste generation remain limited.

The issue of incinerators is highlighted in the Progress Report published during October 2020. The report states that not only is "closing landfills and multiple landfills out of standard" a "challenge", but that there is a limited amount of alternative options. for waste disposal and recycling.⁴⁷

Based on 2019 statistics, the total amount of urban wastes generated reached about 1.2mil tones, marking a decrease of 18%, compared to 2018, where around 78% of them are disposed of in landfill areas. Unfortunately, most of them are illegal and do not meet the minimum standard requirements for waste storage and environmental prevention from pollution such as leachate and gas.⁴⁸⁴⁹ This comes due to the poor choice of waste disposal sites (nearby rivers, urban areas, agricultural lands, etc.), discarding solid and untreated waters into the rivers and lakes and unrestrained measures to limit the emission of gases when wastes are burnt in open areas.

In 2019, around 1.08 mil tones of urban waste were managed, resulting to 381 kg/inh compared to 462 kg/inh from the previous year.

Although there has been some minor effort from municipalities to maintain a cleaner environment, it is the poor infrastructure of dumpsites, insufficiency of waste collection vehicles and weak law enforcement that hinder the improvement of the situation. To close these dumpsites, the government has planned to build 12 regional controlled landfill areas (based on DCM no.389, 2018). However, it comes into attention that the closure of illegal dumpsites still presents a risk to the environment, if the rehabilitation process is not performed in compliance with the requirements set in the feasibility study projects.⁵⁰

In addition to building new landfill areas, the government is heavily investing in the construction of incinerators which will be used to burn municipal wastes. In Tirana, which withholds the largest amount of urban solid wastes, the landfill site is under maintenance as there is about to be built a new incinerator.

⁴⁵Ibid

⁴⁶ 2019 Communication on EU Enlargement Policy – Albania Report (19)

⁴⁷COMMISSION STAFF WORKING DOCUMENT Albania 2020 Report

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/albania_report_2020.pdf

⁴⁸Ibid

⁴⁹ INSTAT

<http://www.instat.gov.al/media/7502/eng-mbetjet-e-ngurta-urbane-ne-shqiperi-20119-ref-18-pres-relase.pdf>

⁵⁰Vleresimi Strategjik Mjedisor per perqatitjen e "Studimit te sektorit mbi nevojen per investime ne menaxhimin e integruar te mbetjeve te ngurta (MIMN) ne Shqiperi" (21)

However, there are concerns among community, civil society, and environmental organizations whether such practices align with EU framework on waste management, complying with waste hierarchy and cost estimate feasibility. Even though the incinerators have been part of the strategy plan, it has also been recognized the negative impact they have on human health and environment. This assessment comes into agreement with EU waste management directives, which considers the incinerator construction as the last resort to be deployed, in case other waste management methods are ineffective.

At the moment there are 2 large capacity incinerators under construction (in the municipality of Tirana and Fier), while the one in Elbasan is fully operational and incinerates 122,994 t/year out of 470,000 t/year capacity. However, to make them fully efficient and feasible, the technology applied must be of a cutting edge and the amount of wastes to be burnt must exploit the full capacity of incinerators. Specifically, the total treatment capacity of three incinerators of Tirana, Fier, and Elbasan is way above the overall waste volume designed for burning, with the latter reaching only 26% of the full incinerators' capacity.

This practice contradicts the goals of the National Strategy on Waste Management, which aims to increase recycling capacities by 50% in 2020 and up to 75% by 2025. From the risk assessment point of view, unfortunately, Albania does not have enforced regulations on controlling the amount of nanoparticles chemicals emitted in the atmosphere from incinerators, which makes it even more difficult to evaluate the negative impact they pose on human health and environment located nearby.⁵¹⁵²⁵³

Considering that the government has given priority to construction of landfills and incinerators, there is little effort and allocated financial resources to create recycling plants, which reflects the small percentage of recycled wastes compared with the total waste amount⁵⁴, 18.7% (in 2019), with a difference of only 0.2% compared with the previous year (in 2018 18.5% of waste was recycled). The low level of recycling and differential waste collection lead to the loss of potential valuable natural resources, negative impact on the environment and increase of the amount of wastes needed for disposal. This poses a challenging task for Albania to fulfill its commitment determined in the National Strategy on Waste Management and comply with EU *acquis*. Currently, there are only a few recycling facilities that process glass materials, paper, and cardboard, aluminum, steel scrap, etc.

Eco Tirana was established more than 4 years ago, as a collaboration initiative between AGSM Albania and Tirana Municipality, with the main focus on collection of differentiated collection of recyclable materials. By June 2017, half of Tirana should have accumulated waste in a differentiated way and the rest would be covered by June 2018. So far, this collection is still challenging due to the high percentage of final waste in recycling containers. Changes to the system are planned to improve separation of waste from families but still there is no concrete plan about this.

In Albania most facilities belong to persons who collect recyclable materials. Some other activities for the collection of recyclable materials take place formally. For example, in Lezha there is a recycling cooperative that cooperates with the municipality and collects recyclable materials from shops and offices. In Shkodra the obligation for the distribution of recyclable materials is included in the service contract for the private waste collection company. Furthermore, in some cities recycling companies collect recyclable materials directly from businesses or offices.⁵⁵

⁵¹ Ibid

⁵² Municipal Waste Management

⁵³ National Strategy for Management of Integrated Waste

⁵⁴ Institute of Statistics, “Urban Solid Waste”

⁵⁵ National Sectorial Plan for Solid Waste Management Albania 2020

In 2013, Albania also drafted the law on integrated water management, which, according to the EU report, has found little application. The 2019 progress report found that there were discrepancies with the EU directives on urban waste water treatment, drinking water and groundwater, and deficiencies in the regulation to enforce the implementation. The report stresses that the sewage system and water treatment facilities must extend to serve a wider area of urban population and particularly coastal cities. In the meantime, a number of existing waste water treatment facilities require rehabilitation to make them more efficient.⁵⁶

The 2020 progress report mentioned that the 2019 recommendations remain valid. The report mentions that Albania shows some level of preparation but limited progress was made for further aligning the policies and legislation with the acquis, in some areas including waste management and it recommends to accelerate capacity development for national agencies including Sewerage and Waste⁵⁷.

The report mentions the fact that the new approved 2020-2035 national strategy for integrated waste management aims to incorporate circular economy principles in the national waste management system. Closure of non-compliant landfills and dumpsites is still a challenge as it is the separate collection of waste streams and economic instruments to promote recycling and reuse and to prevent waste generation.

Based on the World Bank paper on 'Albania Water Supply and Sanitation Sector Financing Strategy', it emerges that only 63% of the population residing and working in urban areas are covered by a sewage system. There is a considerable difference between urban and rural areas, because the sewage system coverage in rural areas is almost negligible, only 6% of the population is provided with this service. Until 2017, in Albania were constructed 12 wastewater treatment plants, which serve the population in urban areas. So far, no plant has been constructed to treat wastewater in rural areas. Also, during 2018 and 2019, none of the 61 municipalities received funds for the construction of wastewater treatment plants. Concerning Directive 91/271/EEC On Urban Waste Water Treatment, there is no new development with regard to its transposition.

3.3. Secondary raw materials

The usage of secondary raw materials accounts for a low or insignificant amount of materials used for making new products, considering that the amount of recycled and reused wastes constitutes a small portion of the total waste volume. Currently in Albania exist about 60 recycling companies spread throughout the country, with a total recycling capacity rounding at 500,000 tones. Most of the recycled/separated at source wastes include glass bottles (reused for beverage companies), paper and cardboard, steel scrap (processed in the metallurgical plant of Elbasan), etc.⁵⁸

3.4. Competitiveness and innovation

In the spectrum of a circular economy, there are not any explicit data from any reliable sources, which reflect the development of competitiveness and innovation between the companies aspiring to offer products and services of the same nature. The only development to be mentioned is related to the investment in technology that the above mentioned companies have put in place to enhance their production line and manage waste treatment. Judging from the number of circular economy nature initiatives, it is believed that Albania is at an early stage of ensuring competitiveness and innovation to

⁵⁶ 2019 Communication on EU Enlargement Policy – Albania Report (19)

⁵⁷ 2020 Communication on EU Enlargement Policy – Albania Report

https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/albania_report_2020.pdf

⁵⁸ Municipal Waste Management (18)

push forward the sustainable processes of all elements included in the loop of circular economy. The Institute of Statistics possesses data obtained from the analysis of innovative contributions from small and medium companies, particularly in the field of technological information services, telecommunication and the production of optical, electronic and computer devices.

4. Concluding notes

The principles of circular economy are referred to in the draft National Strategy for Integrated Waste Management (2018-2023) in Albania and also in the document of Strategic Politics and National Integrated Waste Management Plan 2020-2035 with the aim of transitioning from linear to circular economy.

In the National Sectorial Plan for Solid Waste Management (Sectorial Strategy) 2020, the concept of Circular Economy is not mentioned thus indicating a lack of attention in this area.

Addressing circular economy only through waste management issues shows that the concept of circular economy is still in its early stages. Although there has been some progress as compared to last year on behalf of private business companies to move their activity towards circular economy through waste management and waste to resource phases, there is still a lot to be done by the central government or local municipalities to embrace the circular economy approach and impose strict regulations on waste management. Unfortunately, considering the latest waste management plan, the government is lacking the will to reduce the amount of wastes by respecting the waste hierarchy steps, for most of the budget is poured into building incinerators and landfills. Ensuring a successful transition to circular economy, however, requires efforts on many different fronts; circular economy goes beyond waste management.

Putting forward the implementation of circular economy practices in the Albanian market, there are a number of processes that all the involved stakeholders must be committed to, including here the key player, the Albanian government. Said that, below are listed some recommendations that must be considered by the governing authorities, be it central or local:

- The closure of illegal and poor landfills that do not fulfill the minimum requirements for environmental protection;
- Provision of economic incentives for producers who bring green products to the market and which support recycling and recovery schemes (e.g. packaging, batteries, electrical and electronic equipment, vehicles) and stimulate 'Green make' innovations on goods and services;
- Developing sustainable policies towards waste treatment while respecting waste hierarchy;
- Reducing the investments on building new landfills and incinerators, which are to be considered as the last choice after all waste treatment methods have been exploited;
- Drafting regional and local plans in favor of waste integrated management;
- Institutional coordination over the management of urban/hazardous wastes;
- Raising economic investments and law enforcement towards a more environmentally friendly waste production and management;
- As a major consumer, public authorities must adapt to the Green Public Procurement (GPP) approach as much as possible, by choosing to purchase goods and services which are environmentally friendly throughout their lifecycle;
- Guarantee participation in Horizon 2020 and prioritize investment seeking to boost innovation and competitiveness;
- There is no integrated approach to the country. It is therefore recommended that Albania has to transpose and implement EU directives related to the current economy.

- Launching education programs, mainly at preliminary school level, to involve the citizens in the waste management operations and the achievement of circular economy.

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