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# Leading the transition towards circular economy and livable cities

## Background

Albania's current solid waste sector operates within a linear approach, not applying for the waste hierarchy. This traditional approach lacks incentives for transitioning towards a Circular Economy, where waste is managed as a valuable resource rather than just disposed of. According to INSTAT, Albania manages approximately 1.8 million tonnes of household waste per year. In urban areas, 78% was treated in landfills and disposed of with varying degrees of environmental control, while only 18% was segregated for recycling. Regarding waste composition, more than 50% of brown and green waste could be used as fertilizer in agriculture after composting, which avoids greenhouse gas emissions if organic waste is not incinerated or landfilled.

In July 2022, the EU opened accession negotiations with Albania. It becomes imperative for the country to proactively adopt EU legislation, especially on Chapter 27 – environment, including the European Green Deal, the Circular Economy Action Plan, and the Albanian National Strategy of Development and European Integration (NSDI).

Despite substantial progress in transposition, the Albanian law on waste management and the National Strategy for Waste Management 2020-2035 are not fully in compliance with the targets of the EU waste framework directive. Incentives for waste prevention and waste separation at source via a dual system (Extended Producer Responsibility (EPR)) are still missing to achieve the EU target values, i.e., increasing the recycling rate from the current 18% to 65% and gradually reducing the amount of residual waste sent to landfill to 10% by 2035.

Legislation does not consider gender transformation and does not yet respond to the different needs of socially disadvantaged groups working in the informal sector, following the principle of Leave No One Behind (LNOB) of the Agenda 2030. A successful transition to a circular economy requires more commitment and investment from businesses, policymakers, and citizens. The involvement of the private sector, non-profit organisations and academia has been neglected so far in developing innovative and gender-responsive green products, services and business models for a more robust circular economy value chain with green growth.

Project name	EU for Circular Economy and Livable Cities
Funding / commissioned by	The European Union (EU) and the German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Albania and 15 Partner Municipalities
Lead executing Agency / main beneficiary:	Ministry of Tourism and Environment (MoTE)
Duration	July 2023 - June 2027

## Our Approach

The EU for Circular Economy and Livable Cities project is co-financed by the European Union (EU) and the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by GIZ Albania in collaboration with the Ministry of Tourism and Environment (MoTE). It supports Albania in achieving the transition towards a circular economy and empower Municipalities to build sustainable cities of tomorrow, contributing to improved citizens' health, green job creation, and improved energy efficiency.

The project focus is on creating synergies among different stakeholders, leading to more efficient waste management services, with particular attention on data management and key performance indicators, allowing to set clear objectives, track progress, and ensure accountability. This involves capacity development and training of waste management authorities at all levels to effectively manage circular economy initiatives. We provide upstream solutions through prevention and reduction concepts, and downstream solutions like recovery concepts and tracking of material flows.

Furthermore, we are providing necessary funding through a Financing Mechanism for Local Government and Grant Schemes for Private Sector Participation to incentivize and support businesses in their transition to more sustainable practices.

The project contributes to the achievement of the Sustainable Development Goals (SDG) 6, 11, and 12 and to the implementation of the European Green Deal. In addition, it contributes to the BMZ 2030 Agenda in the field of sustainable urban development, in accordance with the concept for transition partners of the Western Balkans.

## What is the project all about?

At the national level, the project supports MoTE in aligning the regulatory framework for waste management with the EU acquis and policy documents like Directive Specific Implementation Plans, while fostering a circular economy in the waste sector championing gender inclusivity and robust financial strategies.

A particular focus is on strengthening the institutional capacities of the National Environmental Agency (NEA) and the National Agency of Water Supply (AKUK) in gender-sensitive data collection, monitoring and enforcement of professionalized digital data management for informed decision-making.

The project assists in implementing Extended Producer Responsibility schemes for Packaging Waste, WEEE, and batteries and accumulators and introduces economic instruments to support waste reduction and separation. A regulatory framework and financial environment are developed that steer towards sustainable production and consumption patterns. Technical support provides the necessary legal acts and structures, like Producer Responsible Organisations (PRO), procedures, templates and guidelines for the private sector.

At the local level, the project will closely collaborate with 15 partner municipalities to make services delivery more environmentally sound and efficient, with a special focus on recycling and composting as well as energy efficiency measures in wastewater treatment plants.

By fostering private sector involvement in circular economy activities, non-profit organizations and academia to develop innovative and gender-responsive green products, services, and circular business models, the project will sustainably improve the structural framework conditions in the sector.



## Expected results:

By 2027, the Government of Albania has achieved key objectives in the field of environmental protection and economic green growth, namely, to accelerate the transformation to a circular economy, improve citizen's health, contribute to job creation and green growth and improve energy efficiency.



By then, partner municipalities with improved circular economy measures can demonstrate **cost savings of 10%**.



Throughout private sector promotion and improved sustainable productivity, **150 people, out of which 25% are women**, were employed in green jobs, according to ILO standards.



Albania has approached EU environmental standards by **transposition of 85% of the EU Waste Framework Directive** with a functional EPR scheme in the waste zone of Kukës and Gjirokastra.

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