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United Nations Development Programme

Country: Albania

PROJECT DOCUMENT

Project Title: Third National Communication to the UNFCCC

UNDAF Outcome(s): Outcome 1: A transparent and accountable government, developing and implementing effective national policies

Expected CP Outcome(s): Outcome 2: Policies developed and implemented that support the achievement of the Millennium Development Goals

Implementing Partner: Ministry of Environment, Forests and Water Administration

Brief Description

This Enabling Activity project will assist Albania to prepare the Third National Communication (TNC) to the UNFCCC. The Major objectives are to update the annual Albanian Inventory of Anthropogenic GHGs to the period 2000-2005, focusing on the sectors/gases that have a significant share of GHG emissions such as the transport sector; downscaled global models will be developed to regionalize climatic forecasts and apply these new forecasts in V&A assessments that are focused on the entire coastal region; state-of-the-art GHG mitigation modeling frameworks will be used to developed a national low carbon development strategy. Albania's description of national circumstances will be updated, as well as the steps to be taken or envisaged to implement the Convention. Finally, the project will continue to build institutional capacity for implementing the Convention in Albania including undertaking activities related to climate change education and awareness.

Programme Period: 2012-2015
Atlas Award ID: 00060398
Project ID: 00076031
PIMS: 4467
Start date: January 2012
End date: December 2015

Total resources required: 480,000 USD
Total allocated resources: 510,000 USD
○ Donor –GEF 480,000 USD
In-kind Contribution:
○ Government 30,000 USD

Agreed by Ministry of Environment, Forests and Water Administration

Agreed by United Nations Development Programme

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[Signature]



1.06.2012

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LIST OF ACRONYMS

CDM	Clean Development Mechanism
CH ₄	Methane
CO	Carbon monoxide
CO ₂	Carbon dioxide
CoP	Conference of the Parties
CP	Country Programme
CPAP	Country Programme Action Plan
EU	European Union
GCM	Global circulation model
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GHG	Greenhouse Gas
HFCs	Hydrofluorocarbons
ICZM	Integrated Coastal Zone Management
IMF	International Monetary Fund
INC	Initial National Communication
IPCC	Intergovernmental Panel on Climate Change
LEAP	Long – range Energy Alternative Planning
LUCF	Land Use Change and Forestry
MEFWA	Ministry of Environment, Forestry, and Water Administration
N ₂ O	Nitrous oxide
NAMA	Nationally Appropriate Mitigation Action
NC	National Communication
NEAP	National Environmental Action Plan
NGOs	Non – Governmental Organizations
NMVOG	Non-methane volatile organic compounds
NO _x	Nitrogen oxides
PFCs	Perfluorocarbons
PMSU	Project Management and Secretariat Unit
PSC	Project Steering Committee
SBAA	Standard Basic Assistance Agreement
SF ₆	Sulfur hexafluoride
SO _x	Sulfur oxides
TNA	Technology Needs Assessment
TNC	Third National Communication
TOR	Terms of Reference
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention on Climate Change
V&A	Vulnerability and Adaptation
WHO	World Health Organization

1. Situation analysis

Since transitioning from a centralized to market economy in 1992, Albania has implemented an ambitious set of reforms that have yielded significant results in macro-economic stability. The country has enjoyed consistent and sustained economic improvement over the last ten years and unemployment is in steady decline. As a result, Albania has one of the highest rates of poverty reduction in the European and Central Asia region. Today, Albania is one of the fastest growing countries in Europe.

Nevertheless, Albania still faces a number of social and economic challenges. The country is heavily dependent on agriculture; yet productivity is low. Albania is not self sufficient in food, making the population vulnerable to any increase in food commodity prices. Energy and infrastructure are inadequate. As of 2008, only 39% of the roads were paved and, outside the capital, there are frequent power shortages and blackouts, which lower economic potential. Albania also has demographic challenges - its ageing population is putting increased pressure on pension and health systems. Finally, despite high growth rates, Albania remains one of the poorest economies in Europe. Large fiscal deficits opened up between 2007 and 2010. The IMF estimated that the external debt was \$2.6 billion in 2008, 20% of GDP.

Albania has undertaken several major advances in the development of an overall sustainable development policy framework. In 2002, Albania adopted a National Environmental Action Plan 2002-2005 (NEAP), which outlined government policy and general programs in the environmental sector. Other main policy documents include the National Water Strategy (2004); National Strategy for Development of non - Food Industry Sector (2004); National Energy Strategy (2003); National Strategy for the Development of Agriculture and Food (2003); National Biodiversity Strategy and Action Plan (2000); and the National Waste Management Plan (1996). Albania's National Strategy for Development and Integration (NSDI) 2007-2013 contains a large set of sector and crosscutting sustainable development strategies and priorities intended to enhance the country's profile regarding accession to the EU.

Bilateral donors such as the Italy, Germany and Austria and multilateral organizations such as the World Bank and UNDP have provided considerable financial support to help Albania address climate change. The One UN Programme, signed by the Government of Albania and UN agencies on October 24, 2007, is meant to guide the UNDP Country Programme Document and Action Plan for Albania. The One UN Programme builds on the United Nations Development Assistance Framework (UNDAF) 2006-2010 but is also guided by Albania's efforts to join the European Union. The assistance of the UNDP in Albania translates into project initiatives related to Climate Change to promote sustainable livelihoods and decrease the vulnerability of local populations. Energy efficiency and the adoption of cleaner technologies are pursued.

Albania has progressed from being the poorest country in Europe to a potential candidate for accession to the European Union (EU). The Stabilisation and Association Agreement with the European Union entered into force on 1 April 2009. Albania submitted its application for EU membership and became a NATO member country in the same month, both considered

major milestones in the country's history. Albania still faces significant challenges on its path towards EU integration, mostly associated with economic and democratic reforms.

The UNDP has also provided financial assistance for Albania to complete its obligations under the UNFCCC. The UNDP/GEF Enabling Activity project enabled Albania to prepare its Initial National Communication (INC), which was submitted to the UNFCCC in July 2002. The core focus of the INC was the preparation a GHG emissions inventory, which considered three direct GHGs (CO₂, CH₄, and N₂O) and four indirect GHGs (CO, NO_x, SO_x and NMVOC) for the baseline year of 1994. It also considered seven main GHG-emitting sectors: (i) energy, (ii) industrial processes (iii) agriculture and livestock, (iv) land use change and forestry (LUCF); (v) waste; (vi) solvents; and (vii) international bunkers.

The inventory was the basis for the GHG mitigation analysis, which projected GHG emissions for each year up to the end of 2020. The INC also provided a vulnerability and adaptation assessment that addressed vulnerability in all relevant sectors throughout Albania. When assessing vulnerability, three time horizons were considered: years 2025, 2050 and 2100 and the INC provided a list of adaptation options up through 2025. The main challenge when completing the INC was a great lack of emission factors and activity data for several greenhouse gases and sectors. The most significant contributor in the combined uncertainty of CO₂ emissions was Land Use Change and Forestry, followed by the category of emissions released by stationary fuel combustion, industrial processes, manufacturing industries and construction.

Albania's SNC was submitted to the UNFCCC in November 2009. The SNC built off the results of the INC and the 2004 Technology Needs Assessment (TNA). The TNA identified technology transfer needs for climate change mitigation and adaptation. The SNC extended the inventory of anthropogenic GHG emissions and removals to the period 1990-2000, with 2000 being the base year. In addition to considering the three direct and four indirect GHGs that were in the INC, the SNC provided estimates for HFCs, PFCs and SF₆. The SNC considered six main GHG-emitting sectors: i) energy, ii) industrial processes, iii) agriculture, iv) waste, v) LUCF, and vi) solvent and other product uses. The inventory was the basis for the GHG mitigation analysis, which was extended to 2025 and had a pronounced focus on energy and transport (the main emitting sectors).

The vulnerability and adaptation assessment of the SNC was more focused than the broad assessment able to be performed in the INC. The SNC assessment of vulnerability and adaptation options focused on the Drini River Cascade (area from Kukës up to the Lezha Plain). When assessing vulnerability, three time horizons were considered: years 2025, 2050 and 2100 and the SNC provided a list of adaptation options up through 2025. Overall uncertainty in the second GHG inventory was much less than for the INC though data gaps remained in certain categories, particularly fuel wood consumption.

The UNDP and other development partners have been recently involved in assessing the prospects for carbon financing in Albania. A UNDP supported project on "Building capacities to carbon financing in Albania" was completed in mid-2010 and resulted into a policy paper and a related action plan for carbon financing in Albania. As part of an initiative concerning the vulnerability of European and Central Asian (ECA) countries to climate change, the World Bank identified possibilities for carbon financing in every sector of the

Albanian economy. Such outputs represent essential starting points for assessing the extent and pace of future implementation in Albania.

2. STRATEGY

Project Rationale

The proposed Enabling Activity Project will assist the Government of Albania to perform the activities necessary to prepare the Third National Communication to the Conference of Parties in accordance with the UNFCCC. The project comprises several components with related outcomes, outputs, activities and sub-activities and will build on the results of the First and Second National Communications and the resulting human and institutional capacities that were developed.

The Government of Albania joined the UNFCCC in January 1995 and ratified the Kyoto Protocol on December 16, 2004. The commitments of developing countries, including Albania, as Parties to the UNFCCC establish common obligations for all Parties taking into account the common but differentiated responsibilities of countries and their specific national and regional development priorities, objectives and circumstances. Developing countries Parties will provide the UNFCCC with adequate information on the status of implementation of such obligations. National communications are required to include an inventory of net anthropogenic emissions of GHGs not included in the Montreal Protocol, and a general description of the steps taken or envisaged to implement the Convention in the country.

The Convention further specifies the rationale for GEF involvement, which has been confirmed by the GEF Council in its Strategy Paper for GEF-4. The COP-14 requests GEF to give top priority to the countries that are about to initiate its third and fourth NCs by the end of GEF-4. The present proposal to request resources from GEF to implement the Third National Communication (TNC) in Albania fits within the described context and is prepared in accordance with UNFCCC guidance. The envisaged TNC Project will build on the results of the First and Second National Communications, benefiting from the human and institutional capacities developed as part of those projects.

Country Ownership

The Government of Albania considers the preparation of NCs as a highly valuable exercise and has put substantial resources and efforts into past Communications. Many institutions and specialists have been trained and institutional capacity has been built and sustained. To ensure country ownership, the design of the TNC project integrated extensive stakeholder consultations during the stocktaking exercise to ensure that goals and objectives in this project proposal were consistent with national sustainable development priorities.

Project objectives, outcomes and outputs/activities

The objectives of the TNC are to enable Albania to enhance available GHG emission data, perform targeted research, and strengthen technical capacity and institutions to address GHG inventory, GHG mitigation and adaptation to climate change. The TNC project comprises five main components as summarized in the bullets below and described in the subsections that follow.

National circumstances assessment and steps taken or envisaged to implement the UNFCCC in Albania;

- II. National GHG inventory 2000-2005;
- III. Climate change and vulnerability assessment;
- IV Greenhouse gas mitigation analysis;
- V. Publication and promotion of national communication.

Outcome #1: National circumstances, steps taken or envisaged, constraints and needs have been assessed as input for the implementation of the UNFCCC in Albania.

- *Output #1.1:* National circumstances in Albania have been assessed, taking into account development priorities, institutional arrangements and concerns that derive from climate change impacts. This project output will prepare a report on national circumstances which will include both National and Regional Development Priorities and their linkages with climate change issues.
- *Output #1.2:* Activities and measures to implement the UNFCCC in Albania have been defined and described, including an assessment of needs and constraints. This output will include the description of programs containing measures in Albania regarding climate change mitigation and adaptation and other information considered relevant to the achievement of the objective of the Convention. Also covered are other important topics: geography, climate, economy, biodiversity, demography, health, and education, research and systematic observation, training and public awareness, capacity building activities and information, and networking related to climate change.

Outcome #2: The time series for the national GHG inventory 2000-2005 has been produced with refined time-series results for the period 1990-2005, and emphasis on key emission sectors.

- *Output #2.1:* The national GHG inventory for the sectors: (i) energy; (ii) industrial processes; (iii) agriculture; (iv) land use, land-use change and forestry (LUCF); and (v) waste has been produced for the period 2000-2005, with refinement for transport sector. The third national GHG Inventory shall use the Revised 1996 IPCC Guidelines and the IPCC Good Practice Guidance.
- *Output #2.2:* An analysis of key GHG emission categories has been carried out, an uncertainty analysis has been carried out, and a QA/QC plan and a database of emission factors have been established. This output includes the development and implementation of quality control and quality assurance procedures (QC/QA) for the information and data collected. Archiving procedures will be updated to improve transparency and data security. This project component will further include a Key Category analysis and an Uncertainty Analysis following the IPCC Good Practice Guidance.
- *Output #2.3:* Capacities of the country to adopt the national emissions factors and to undertake the inventory of the GHG emissions at the bi-annual periods have been assessed, including the needs, constraints and recommendations for the future.

Outcome #3: Sector and regional vulnerabilities to climate change have been assessed using improved methodologies and climate models.

- *Output #3.1:* The regional climate in Albania has been modeled using appropriate dynamic downscaling techniques in combination with models from climate centers

abroad, including simulation of relevant climate change scenarios. At least four different global climate models will be considered. Emission scenarios A2, A1B and B1 will provide a quantitative basis to assess uncertainty margins.

- *Output #3.2:* Studies along the entire Albanian coastal zone using different climate change scenarios and impact assessments for key sectors (i.e., agriculture, human health, water resources management, natural disasters, tourism, and biodiversity) have been carried out for various emission scenarios until at least 2050.
- *Output #3.3:* An adaptation action plan based on Integrated Coastal Zone Management (ICZM) has been prepared based on vulnerability mapping, stakeholder consultations, and impact reports for the near- to mid-term (2012-2050).

Outcome #4: Greenhouse gas mitigation assessment using updated emission inventories and modeling frameworks.

- *Output #4.1:* Detailed bottom-up modeling of the costs and benefits of a wide range of potentially relevant GHG mitigation options using the Long-range Energy Alternatives Planning (LEAP) model, with a particular focus on options in the transport and energy related sectors.
- *Output #4.2:* Development of a climate change mitigation plan has been carried out based on a national stakeholder-driven process to identify, prioritize, and characterize the costs and benefits of GHG mitigation strategies in the transport and energy related sectors, and incorporates any mitigation strategies that may have been formulated through NAMA project conceptualization.

Outcome #5: The Albanian Third National Communication has been published and presented to the Government and national stakeholders.

- *Output #5.1:* The Third National Communication has been published and presented to the national Government, national stakeholders and the general public.
- *Output #5.2:* A monitoring and evaluation program has been designed and implemented in accordance with UNDP guidelines.

Sustainability and Replicability

The Government of Albania considers the preparation of NCs as a critical part of its efforts to cope with the impact of climate change. However, resources for NC activities are scarce due to Albania's pressing social and development needs. Therefore, UNDP/GEF support is critical for the sustainability of the NC process. With regards to replicability, this will be ensured by broad stakeholder involvement throughout the TNC project. Not only will broad stakeholder involvement promote appropriate policy proposals, it will also generate improved knowledge, methodologies, and human and institutional capacities that are necessary for the continued success of the NC process.

3. PROJECT RESULTS FRAMEWORK:

This project will contribute to achieving the following Country Programme Outcome as defined in CPAP or CPD:					
Outcome 2: Policies developed and implemented that support the achievement of the MDGs					
Country Programme Outcome Indicators:					
Integrated action plans to implement Albania's commitments to the UNFCCC, CBD and UNCCD approved by the government					
Primary applicable Key Environment and Sustainable Development Key Result Area (same as that on the cover page, circle one):					
1. Mainstreaming environment and energy					
Applicable GEF Strategic Objective and Program:					
Enabling Activities: Climate Change					
Project Objective ¹	Indicator	Baseline	Targets	Source of verification	Risks and Assumptions
Preparation of the Third National Communication (TNC)	(A) Publication of the TNC. (B) Building institutional capacity in Albania for education, training and public awareness related to climate change.	Information provided in the SNC.	The TNC will be endorsed and submitted to the UNFCCC.	Project evaluation, documentation from the UNFCCC.	Risks: Given the Government of Albania's strong commitment to its obligations under the UNFCCC, there are no major risks to the TNC project. Assumptions: Strong political support for the preparation of the TNC.
Outcome 1 National Circumstances	(A) Assessment of Albania's national circumstances, including institutional arrangements, development priorities and climate change concerns. (B) Assessment of constraints and needs to implement the Convention in Albania. (C) Identification of activities and measures to implement the Convention in Albania. (D) Publication of national circumstances chapter.	Information provided in the SNC	(A) Based on last year for which official statistics are available. (B) Complete National Circumstance chapter is prepared for TNC.	National statistics from official sources	Risk: (1) Limited political support to climate change issues; (2) difficulty in hiring qualified personnel Assumptions: (1) TNC will benefit from knowledge gained with INC and SNC
Outcome 2 ²	(A) National GHG inventory for the sectors (i) energy; (ii)	(A) GHG inventory available for 1990-	(A) Analysis of GHG emission categories and	(A) Technical report and IPCC	Risks: (1) Coordinating stakeholders from a diverse set of economic sectors

¹ Objective (Atlas output) monitored quarterly ERM and annually in APR/PIR

² All outcomes monitored annually in the APR/PIR.

<p>GHG Inventory</p>	<p>industrial processes; (iii) agriculture; (iv) land use, land-use change and forestry; and (v) waste has for the period 2000-2005; with refinement for transport sector. (B) QA/QC plan for GHG emission data per sector. (C) Establishment of continuous data measurement and analysis system. (D) Complete inventory chapter for the TNC. (E) development of a legal framework to address the basis for future updates to the GHG inventory. (F) Capacity building within MoE/WFA and its Agency for the Environment Protection regarding GHG inventory development (including the recommended methodology and the use of the IPCC spreadsheets for GHG inventories).</p>	<p>1994 (INC) and 1990-2000 (SNC). (B) QA-QC pilot has been designed and implemented under SNC. (C) Data base available under SNC.</p>	<p>uncertainty analysis available, and a QA/QC plan established (B) Data base of emission factors available (C) Data measurement and analysis is institutionalized (D) Complete inventory chapter is prepared for the TNC</p>	<p>spreadsheets in support of the summary chapter in the TNC (B) International peer review.</p>	<p>may cause delays, (2) potential lack of qualified personnel, (3) data gaps in the LULUCF sector. Assumptions: (1) Enterprises will be willing and able to share data on their emissions with the project team, (2) TNC will benefit from knowledge gained with INC and SNC</p>
<p>Outcome 3 Vulnerability and adaptation assessment for the entire coastal zone using improved methodologies and regional climate models</p>	<p>(A) Detailed regional climate change scenarios based on at least four different global climate models. (B) Integrated assessment of climate change impacts on key sectors (agriculture, health, water, natural disasters, tourism, biodiversity) in Albania's coastal zones. (C) Adaptation action plan based on ICZM for 2012-2050.</p>	<p>Information provided in the SNC</p>	<p>(A) Dynamic downscaling of climatic forecast using at least four GCMs. (B) Focus on coastal zone vulnerabilities, using an integrated assessment framework. (C) Develop an adaptation action plan based on ICZM for the 2012-2050 period that can be used in national policy dialogues about coastal development. (D) Complete V&A chapter is prepared for TNC.</p>	<p>(A) Technical report regarding downscaled climatic modeling, coastal zone impact analysis, and the adaptation action plan in support of the summary chapter in the TNC. (B) International peer review.</p>	<p>Risks: (1) Coordinating stakeholders from a diverse set of economic sectors may cause delays, (2) potential lack of qualified personnel and data. (3) Lack of methodology/software (other than MAGICC/SCENGEN) for scenario development, dynamic downscaling and of required data for model validation (4) Lack of methodology/software/data for integrated impact assessment Assumptions: (1) Government maintains support to implement the UNFCCC in Albania, (2) TNC will benefit from knowledge gained with</p>

<p>Outcome 4 Greenhouse gas mitigation assessment using updated emission inventories and modeling frameworks</p>	<p>(A) Detailed bottom-up modeling of the costs and benefits of relevant GHG mitigation options using the LEAP model for energy use in the transport and industrial sectors (energy related) and a suitable modeling framework for industrial sector processes. (B) Climate Change mitigation plan for transport and industrial sectors (energy related) based on stakeholder consultations.</p>	<p>Base year (2005) results from updated GHG inventory</p>	<p>(A) Assessment of GHG mitigation options (B) Uncertainty analysis focusing on plausible alternative cost and performance assumptions in sensitivity analysis, including an international peer review. (C) Complete GHG mitigation assessment chapter is prepared for the TNC</p>	<p>(A) Technical report in support of the summary chapter in the TNC (B) International peer review.</p>	<p>INC and SNC (3) Training will be organized in new/improved methodologies for integrated impact assessment and for climate change scenario development.</p>
<p>Outcome 5 The Albanian TNC has been published and presented to the Government and other stakeholders</p>	<p>(A) Development of a communication strategy and action plan for steps to implement the Convention (B) Publication of the TNC (B) Monitoring and evaluation programme designed and implemented according to UNDP guidelines. (C) Sharing project outputs (reports, GHG inventories, website).</p>	<p>Preliminary results</p>	<p>(A) Projects reports, GHG inventories and website updated and published. (B) TNC has been finalized</p>	<p>Assorted peer-reviewed technical reports prepared in support of the GHG inventory, V&A assessment, and GHG mitigation analysis</p>	<p>None</p>

4. TOTAL BUDGET AND WORKPLAN

Award ID:	00060398	Project ID(s):	00076031
Award Title:	Country Name Project Title: ALBANIA Third National Communication to the UNFCCC		
Business Unit:			
Project Title:	Country Name Project Title: ALBANIA Third National Communication to the UNFCCC		
PIMS no. 4467			
Implementing Partner (Executing Agency)	Ministry of Environment, Forestry, and Water Administration		

GEF Outcome/Atlas Activity	Responsible Party / Imp. Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)				
OUTCOME 1: National Circumstances		62000	GEF	71300	Local Consultants	5,000	4,000	3,000	12,000				
				71400	Service contract-indiv	9,600	9,600	9,600	28,800				
				72200	Equipment and furniture	5,000	2,500	2,500	10,000				
				74500	Miscellaneous	1,000	1,000	1,000	3,000				
Total Outcome 1						20,600	17,100	16,100	53,800				
OUTCOME 2: GHG Inventory	MOEFWA	62000	GEF	71200	International Consultants	0	0	10,000	10,000				
				71300	Local Consultants	20,000	15,000	8,000	43,000				
				71600	Travel	2,000	2,000	2,000	6,000				
				71400	Service contract-indiv	9,600	9,600	9,600	28,800				
				72400	Commun.& Audio visual	1,000	1,000	0	2,000				
				72500	Suppliers	2,000	2,500	2,000	6,500				
				74500	Miscellaneous	2,000	1,000	500	3,500				
Total Outcome 2						36,600	31,100	32,100	99,800				
OUTCOME 3: Vulnerability & Adaptation		62000	GEF	71200	International Consultants	0	5,000	10,000	15,000				
				71300	Local Consultants	17,000	15,000	10,000	42,000				
				71400	Service contract-indiv	16,920	16,740	16,740	50,400				
				71600	Travel	2,000	2,000	2,000	6,000				
				72100	Contractual services	0	1,000	1,000	2,000				
				73100	Rental & Maintenance -Premise	2,000	2,000	2,000	6,000				
OUTCOME 4: GHG Mitigation		62000	GEF	73400	Rental & Maintenance Other equipment	1,000	1,000	1,000	3,000				
				74500	Miscellaneous	1,000	1,000	1,000	3,000				
				Total Outcome 3						39,920	43,740	43,740	127,400
				71200	International Consultants	0	5,000	10,000	15,000				
71300	Local Consultants	20,000	20,000	13,000	53,000								
71600	Travel	3,000	3,000	4,000	10,000								

				72100	Contractual services	0	6,000	6,000	12,000
				72400	Commun.& Audio visual	2,000	2,000	2,000	6,000
				74500	Miscellaneous	2,000	2,000	2,000	6,000
					Total Outcome 4	27,000	38,000	37,000	102,000
				71200	International Consultants	0	0	0	0
				71600	Travel	0	0	0	0
				72100	Contractual services	5,000	5,500	0	10,500
				74100	Professional Service	0	15,000	0	15,000
				74200	Audio Visual& Printing Prod.cost	4,000	7,000	7,000	18,000
				74500	Miscellaneous	2,000	3,000	0	5,000
					Total Outcome 5	11,000	30,500	7,000	48,500
				71400	Contractual Services - Individual	8,000	7,000	8,000	23,000
				71400	Contractual Services -- monitoring & evaluation	8,000	8,000	8,000	24,000
				72500	Offices Supplies	500	500	500	1,500
				72100	Contractual Services - Companies	0	0	0	0
				74500	Miscellaneous Expenses	0	0	0	0
					Total Management	16,500	15,500	16,500	48,500
					PROJECT TOTAL	151,620	175,940	152,440	480,000

**OUTCOME 5:
TNC
Publication**

**Project
Management,
including
Monitoring
and evaluation**

Summary of Funds:

	Amount Year 1	Amount Year 2	Amount Year 3	Total
GEF	\$151,620	\$175,940	\$157,440	\$480,000
Donor 2 (other donors)	\$0	\$0	\$0	\$0
Government of Albania (in-kind)	\$10,000	\$10,000	\$10,000	\$30,000
TOTAL	\$161,620	\$185,940	\$162,440	\$510,000

5. WORKPLAN

Outputs/Activities	Year 1			Year 2			Year 3					
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Implementation arrangements and project inception:												
Activity 1: Conduct project mobilization activities												
Activity 2: Recruit national consultants for GHG inventory, V&A, and GHG mitigation assessment												
Activity 3: Carry out other project implementation activities as needed												
National circumstances												
Activity 1: Conduct research on Albania's national circumstances, including institutional arrangements, development priorities and climate change concerns												
Activity 2: Assess of constraints and needs to implement the Convention in Albania												
Activity 3: Identify activities and measures to implement the UNFCCC in Albania.												
Activity 4: Publish national circumstances chapter												
GHG inventory												
Activity 1: Collect data for the sectors (i) energy; (ii) industry; (iii) agriculture; (iv) land use, land-use change and forestry; and (v) waste has for the period 2000-2005; with refinement for transport sector												
Activity 2: Develop a QA/QC plan for GHG emission data per sector												
Activity 3: Establish the framework for a continuous data measurement and analysis system.												
Activity 4: Prepare a complete inventory chapter for the TNC												
Activity 5: Develop a draft legal framework to address the basis for future updates to the GHG inventory												
Activity 6: Conduct capacity building within MoEWFA and its Agency for the Environment Protection regarding GHG inventory development												
Vulnerability and adaptation												
Activity 1: Collect data in order to conduct detailed regional climate change scenarios based on at least four different global climate models												
Activity 2: Collect data required to conduct an integrated assessment of climate change impacts on key sectors (agriculture, health, water, natural disasters, tourism, biodiversity) in Albania's coastal zones												
Activity 3: Carry out an integrated assessment of climate change impacts on the key sectors in coastal zones												
Activity 4: Prepare an adaptation action plan based on an ICZM framework for the period 2012-2050												

Outcome 4: GHG mitigation analysis												
Activity 1: Collect data in order to conduct detailed bottom-up modeling of the costs and benefits of relevant GHG mitigation options in priority sectors												
Activity 2: Assess GHG mitigation options in the energy and transport sectors using the LEAP model												
Activity 3: Assess GHG mitigation options in the industrial sector using a suitable modeling framework for industrial processes.												
Activity 3: Prepare a GHG mitigation action plan building off parallel work done in the preparation of NAMAs												
TNC publication												
Activity 1: Develop a communication strategy and action plan for steps to implement the Convention												
Activity 2: Prepare a monitoring and evaluation programme designed and implemented according to UNDP guidelines												
Activity 3: Share project outputs to national stakeholder groups and individuals (e.g., reports, GHG inventories, website).												
Activity 4: Publish the TNC document												

6. MANAGEMENT ARRANGEMENTS

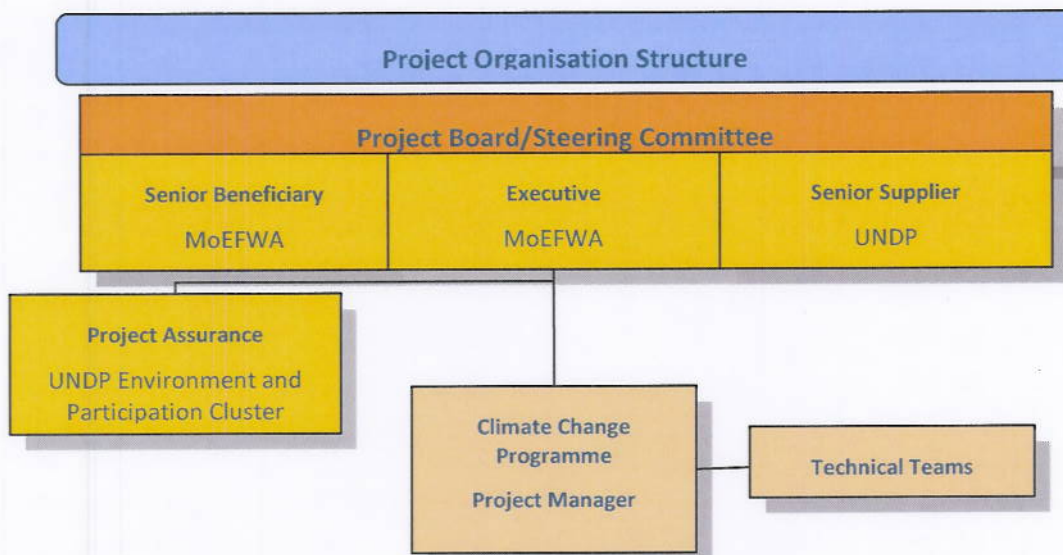
Ministry of Environment, Forestry, and Water Administration as the National Body responsible for the national environmental policy and as National Focal Point for the United Nations Framework Convention on Climate Change (UNFCCC) will serve as the National Executing Agency for this project. The Ministry will provide full support to the project and facilitate coordination of project activities with other government institutions and decision makers. The Ministry will nominate a National Project Director (NPD) who will supervise and provide overall management support to the project.

UNDP Country Office (CO) in Albania will operate as the main interface at the country level with the government and private sector participants. The project will be implemented using the National Implementation Modality (NIM) with the MoEFWA acting as the National Executing Agency. To ensure effectiveness and cost-efficiency of project implementation, the UNDP funded Climate Change Programme (CCP) will be assigned as main implementing unit for the project. A national project coordinator/manager and project assistants will be part of the CCP with cost apportioned among the Programme projects.

The project will maintain links to **the UNDP-GEF NCSP**, which will be regularly updated through UNDP regional office for the status of activities and will provide in the same time technical assistance as required. Technical assistance is also expected by the UNFCCC Secretariat /Consultative Group of Experts (CGE), mainly through the workshops and trainings.

Audit on project will follow UNDP Financial Regulations and Rules and applicable Audit policies.

The project management structure is detailed as following:



7. MONITORING FRAMEWORK AND EVALUATION FRAMEWORK

Project monitoring and evaluation (M&E) will be conducted in accordance with established UNDP and GEF procedures and be led by the project team and the UNDP CO in cooperation with UNDP Headquarters/New York.

Project start:

A Project Inception Workshop will be held within the first 3 months of project start with those with assigned roles in the project organization structure, UNDP country office members, and, where appropriate/feasible, regional technical policy and programme advisors, as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan. The Inception Workshop will address a number of key issues including:

- Assist all partners to fully understand and take ownership of the project. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again as needed.
- Based on the project results framework and the relevant GEF Tracking Tool if appropriate, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed upon and scheduled.
- Discuss financial reporting procedures and obligations.
- Plan and schedule Project Steering Committee meetings. Roles and responsibilities of all project organization structures should be clarified and meetings planned. The first Project Steering Committee meeting should be held within the first 12 months following the inception workshop.

An Inception Workshop report is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

Bi-annually:

- Questionnaires to indicate progress and identify bottlenecks as well as technical support needs will be carried out twice a year.
- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.
- Based on the information recorded in Atlas, a Project Progress Report (PPR) can be generated in the Executive Snapshot.
- Other ATLAS logs can be used to monitor issues, lessons learned, etc.

Annually:

- Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements. Audit will be conducted in accordance with applicable UNDP Financial Regulations and Rules and applicable audit policies.

The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objectives and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative).
- Project outputs delivered per project outcome (annual).

- Lesson learned/good practice.
- AWP and other expenditure reports.
- Risk and adaptive management.
- ATLAS QPR.

Periodic Monitoring:

A detailed schedule of project review meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Steering Committee Meetings, (or other relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.

Day to day monitoring of implementation progress will be the responsibility of the National Project Manager, based on the project's Annual Workplan and its indicators. The Project Team will inform the UNDP Tirana Office of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

Periodic monitoring of implementation progress will be undertaken by the Project Steering Committee established for this purpose, under the coordination of UNDP-CO. The Project Steering Committee will meet twice a year or more frequently as deemed necessary. This will allow parties to solve any problems pertaining to the project in a timely fashion to ensure smooth implementation of the project activities. The Project Steering Committee represents the decision body of the project. The detailed TORs of the Project Steering Committee are attached as Annex 2.

End of Project:

During the last three months, the project team will prepare a brief terminal report. This report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met, and areas in which results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

Learning and knowledge sharing:

Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums.

The project will identify and participate in scientific, policy-based, and/or other networks, as relevant and appropriate, which may be of benefit to its implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects.

Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

Monitoring and Evaluation Workplan and Budget:

An overview of the M&E workplan describing responsibilities and timeframe, and a summary of the budget are provided in the tables below.

Type of M&E activity	Responsible Parties	Time frame
Inception Workshop and Report	<ul style="list-style-type: none"> ▪ National Project Director ▪ UNDP Tirana Office, UNDP GEF 	Within first three months of project start up
Measurement of Means of Verification of project	<ul style="list-style-type: none"> ▪ UNDP Tirana Office and the National Project Manager will oversee the hiring of 	Start, mid, and end of project (during evaluation cycle), and annually when

Type of M&E activity	Responsible Parties	Time frame
results.	local/international consultants for specific tasks and delegate responsibilities to relevant team members.	required.
Measurement of Means of Verification for Project Progress on output and implementation	<ul style="list-style-type: none"> ▪ National Project Director ▪ Oversight by UNDP Tirana Office and National Project Manager ▪ Project team 	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> ▪ National Project Manager and team ▪ UNDP Tirana Office ▪ UNDP Headquarters Office 	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> ▪ Project team 	Bi-annually (second and fourth quarter – the latter as part of the annual ARR/PIR)
Project Terminal Report	<ul style="list-style-type: none"> ▪ National Project Manager and team ▪ UNDP Tirana Office 	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> ▪ UNDP Tirana Office ▪ Project team 	Yearly

Budget allocation M&E		
Item	GEF funding	Co-financing (GoA)
Inception Workshop and reports	US\$ 25,000	US\$ 0
Bi-annual and annual auditing/reporting	US\$ 30,000	US\$ 0
Final External Evaluation	US\$ 29,500	US\$ 0
TOTAL BUDGET	US\$ 84,500	US\$ 0

8. LEGAL CONTEXT

This document together with the Country Programme Action Plan (CPAP) signed by the Government and the UNDP, which is incorporated by reference, constitute a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA), or other appropriate governing agreement, and all CPAP provisions apply to this document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried.
- b) Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The implementing partner agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

9. APPENDICES

Appendix A: Summary report of the self-assessment exercise

Description of the process and approach adopted for the stocktaking exercise

The National Self-Assessment on Climate Change Activities in Albania was an initial step toward the preparation of Albania's Third National Communication (TNC) under the United Nations Framework Conventions on Climate Change (UNFCCC). The main objective of the self-assessment is to identify key priorities for implementing the TNC project.

The self-assessment was conducted through (i) a desktop review of relevant documents, with a focus on the Second National Communication (SNC) and (ii) consultations with stakeholders in Tirana. To streamline the process, a 3-person stocktaking team was assembled consisting of an international climate change expert, a local expert on the environment, and the Team Leader/ Project Coordinator of the UNDP Climate Change Programme.

A broad range of national stakeholders was consulted from different ministries, public institutions, NGOs, academia, international organizations, and the private sector. Each stakeholder consultation resulted in a detailed set of notes, the major themes of which have been integrated into this stocktaking report. The self-assessment took approximately three weeks and brought together around 40 experts from 18 different stakeholder groups.

The self-assessment exercise reviewed each chapter of the previously submitted Second National Communication with a view to assessing its content, planning horizons, methodology, gaps, constraints or limitations, accuracy, transparency, institutional capacity, and lessons learned. On this basis as well as input from the stakeholder consultations, a list of proposed enhancements for the TNC was compiled. Below is a synthesis of priority issues for the TNC.

National Circumstances

- *Geography:* Additional information could include: share of land covered by surface water, information on international waters that Albania shares with neighboring countries, and additional information on coastal lagoons which are important areas for migratory birds.
- *Climate Profile:* Historical temperature and precipitation trends in the form of time series charts (e.g., years 1961-2001) and some indication of patterns of climatic extremes would be good to note.
- *Natural Resources:* Given that natural resources encompass biotic resources (i.e., animals, birds, plants), it will be important to include and amplify information in this section that is currently addressed in the environment profile.
- *Economic Profile:* Sector profiles, especially for energy, transport, agriculture, land use change and forestry (LUCF), industrial processes, and waste, need to account for any changes since the last NC. This section will also need to account for any newly adopted strategies for socio-economic development as well as GDP trends for the period 2000 up through the latest year.
- *Resources and Infrastructure:* Update any new trends for each item under this section, where complete data is available. The TNC should also update information on the state of urban air, water, waste and hot spots, as well as institutional framework, legal framework, and public awareness and education on the environment.
- *Environment:* The section should describe the National Communication process, including information on institutional roles and responsibilities in the preparation of the TNC. This section should also be updated to include new laws as well as institutional arrangements both within Albania and between Albania and partner governments.

GHG Inventory

- *Methodology:* The next inventory should be based on the IPCC's Revised 1996 Guidelines. It should have a narrower and deeper analysis than the previous inventory. That is, it should address all emission/sink categories called for in the IPCC methodology with particular focus on bottom-up and detailed focus on the transport sector. The baseline should be the year 2005.
- *Information Sharing:* There is a real interest in developing regional networks to facilitate information and data exchange, particularly with south eastern European countries, many of which now have in-house inventory & mitigation experts in the respective environment ministries. The TNC should indicate the status of these networks.
- *Industrial cement production:* Given the increase in cement production, there is a need for a detailed study on CO₂ equivalent emissions from cement factories which could take the form of a small study for activity data validation or macroeconomic impact.
- *Transport Sector.* Given the role of the energy activity, particularly the transport sector, the inventory should maintain a strong data validation focus on the energy and transport sectors.
- *Data uncertainties:* There is high data uncertainty in the mining and solvents sectors, due to both data shortcomings and lack of trained inspectors. The TNC should identify the number of trained inspectors available and the number needed, along with any policy developments in the mining sector. As for solvents, given their negligible importance to the inventory it is advised that they be excluded from the next inventory.
- *Barriers:* The liberalization, privatization and subsequent fragmentation of the oil and energy sector has made it much more difficult to obtain data. The TNC inventory team should be prepared to apply appropriate estimation techniques to develop the GHG inventory for energy and to undertake the necessary internal consistency checks, including spot surveys for data collection as needed.
- *Sector-specific limitations.* The TNC should provide information on whether and how recent studies in the transport sector have improved data reporting. Also, the TNC should address the issue of inventory uncertainty with regards to wood collection, particularly illegal cutting and individual collection. Finally, to address data limitations associated with emissions from fuel wood use, the TNC team should implement a field data testing program. This is needed because the SNC inventory team found it difficult to harmonize the Energy and LUCF components of the IPCC's methodology regarding fuel wood consumption. Limited field fuel wood surveys and data testing will help to validate consumption levels and establish benchmarks that can be used to harmonize results.

GHG Mitigation

- *Scope.* As a general maintenance issue, the TNC should update information on national strategies, policies and measures relevant to GHG abatement for energy, transport, agriculture, waste, LUCF and the Industrial Sector and discuss their impact (if any) on the abatement potential. The TNC should also catalogue any new tools, models, or selection criteria used to calculate the abatement potential.
- *Data quality.* The TNC should first describe the system of information gathering for the inventory (coordinating/responsible institutions, monitoring mechanisms, key players, etc) and second, flag the informality of previous data collection as well as the fact that energy liberalization policies pose a serious challenge.
- *GHG Mitigation project portfolio:* There should be a clear linkage between the GHG abatement analysis and the production of concrete national projects (NAMAs). At least three projects should be identified for potential funding in the future.
- *Clean Development Mechanism:* The TNC should contribute to building CDM awareness by assessing ongoing and completed CDM projects and their potential impacts on GHG abatement. The

TNC should also identify specific areas in Albania that would be hospitable to CDM projects, which should be made publicly available to potential investors through a webpage and other media outlets.

- *Transport and Energy focus:* Two studies have been carried up to now for the impact of CC on electricity generation from hydro power plants: Drini River and Mati River Catchment areas. The TNC should explore whether the goal of reducing hydropower production due to climate change in other water catchment areas like the Vjosa and Devolli ones. The TNC should also clarify whether the goal of reducing the dependence on water (a very important asset for Albania) for energy production is a realistic one. Finally, the TNC should address the relationship between traffic congestion and emissions.
- *Focus in other sectors:* The TNC GHG mitigation analysis should assess how identified policy barriers (e.g. the new condominium law) impact the efficacy of renewable energy in general and hydro and solar photovoltaics in particular in Albania. Regarding waste management, the TNC should provide updates on Albania's progress in meeting its goals to 1) dispose of 50% of non-hazardous waste in landfills by 2010 2) build an incinerator by 2015 and 3) build two landfills by 2020.³

Vulnerability & Adaptation

- *Focus:* Dynamic downscaling should be undertaken in order to develop regionalized climatic change scenarios. The TNC's V&A assessment could carry out an integrated impact assessment either for the coastal zone or for the Vjosa basin. However, the coastal zone is a preferred focus area.
- *Adaptation.* The TNC should assess the effectiveness of flood protection systems and water retention reservoirs.
- *Disaster risk management:* Disaster risk management should be a priority for the TNC. It should provide information on relevant policies, such as the Strategy on National Protection for Disasters in Albania, which will be completed by the end of 2011. An immediate priority are flood protection measures in northern Albania. Any information on past or planned staff training or commissioned risk assessments should also be included.
- *Institutional capacity for disaster risk management:* Institutional capacity, organization, and cooperation should be explained with regards to risk assessment.
- *Data Collection:* A database system for civil emergencies (floods, fires, etc) is being automated in collaboration with CINE, at the University of Genoa, Italy. If the database is functional by the time of the V&A assessment for the TNC, it will be an important input into the development of an adaptation strategy.
- *Sectoral Aspects:* The TNC should further discuss water resource management and any recent studies that relate to water management (e.g. a French consulting company, funded by the World Bank, recently reassessed the country's hydro potential in six river basins; another World Bank Project focuses on drafting an Action Plan for reducing vulnerability to climate change in Albanian agricultural systems). In addition, the World Health Organization (WHO) recommended a stronger focus on health and climate.
- *Adaptation project portfolio:* At least 3 national projects (NAPAs) should be characterized for potential funding in the future.

Other Information

- *Integration of Climate Change in Social, Economic and Environmental Policies:* The TNC should provide updates on any new measures that the government has taken to encourage sustainable

³ Source: National Strategy for Development and Integration 2007-2013.

transport technologies, any growth in public awareness of sustainable transport, as well as the results and policy impacts of the Tirana Sustainable Transport Strategy of 2009.

- *Technology Transfer Needs:* The TNC should note any additional technology transfer needs that have been identified since the Technology Needs Assessment in 2004, if this is not already being done as part of a separate initiative. Also, identify any technology needs that were listed in the SNC but have since been obtained by Albania.
- *Climate Change Research and Observation:* Note any institutional changes and any changes to the national monitoring and climate research networks.
- *Education, Training, Public Awareness:* This section should further discuss the public awareness raising efforts of NGOs and government bodies as well as any relevant educational programs (or lack thereof) in universities.
- *Capacity Building:* The TNC should discuss how the process of preparing the TNC helped building capacity, particularly within the Environmental Agency which was a key player in the GHG inventory process
- *Cooperation with Annex II Parties and International Institutions:* This section should provide more information on regional information sharing networks as well as efforts to accede to the EU. The effects of the EU accession process on the national environmental agenda should be discussed. That is, the TNC should clarify Albanian obligations relative to the Kyoto Protocol, before and after accession to EU and any change to its non-Annex I status.

Stakeholder consultations

Name of institutions / stakeholders consulted	Stakeholder interests, official position or mandate	Reasons for inclusion	Role in the self-assessment
Ministry of Environment, Forestry & Water Administration	Institutional focal point	Coordinating organization	Consultation
National experts on mitigation	UNDP team	Background	Consultation
National experts on adaptation	UNDP team	Background	Consultation
World Bank	Multilateral organization involved in climate change	Active in adaptation projects	Consultation
Academy of Sciences	Curriculum development	Educational perspectives	Consultation
World Health Organization	Public health	Active in public health initiatives	Consultation
Task force of the Italian Ministry of Environment	Bilateral organization involved in climate change projects	Active in capacity strengthening	Consultation
Institute of Energy, Water & Environment	Air pollution monitoring, data systems	Data and information	Consultation
Round table with line ministries and institutions	Information/data related to GHG emissions and V&A assessment	coordination	Consultation
EU 122delegation	GHG project portfolio	Information	Consultation
Directorate of Civil Emergencies, Ministry of Interiors	Disaster risk management	Data and information	Consultation
Environmental NGOs active in climate change issues	Civil society perspectives	Issue prioritization	Consultation

Appendix B: Technical components of the project proposal

1. Description of components and activities

National circumstances

The national circumstances chapter provided in the SNC will be substantially updated to reflect the major changes that have been underway in Albania since the time the previous data had been collected and synthesized. The update will focus on basic country data categories as summarized in the table below.

Basic country data, based on Albania's Second National Communication data	
Location	42°39'N, 19°16'E / 21°40'N, 39°38'E
Area	28,745 km ²
Population	3.2 million in country, significant number of emigrants
Terrain	77% hilly and mountainous average elevation 708 m (double European average)
Borders	Montenegro, Kosovo, Macedonia, Greece 657 land borders, 48 km river border, 72 km lake border 316 km sea border (Adriatic and Ionian Sea)
Regional division	12 prefectures, 36 districts, 315 communes, 2900 villages
Climate	Mediterranean, average 12–14 °C (lowland), 7 °C (mountains)
Precipitation	1485 mm/year (average), 600–3000 mm/year
River runoff	39,220 x 10 ⁶ m ³ total, over 50 % by the river Drini
Land use	36 % forests, 24 % arable land
Economy	free market economy in transition
Main sectors	services incl. transport (35 %), agriculture (20 %), construction (15 %), industry (10 %), remittances from emigrants (10–15 %)
GDP per capita PPP	\$6,000 (2008 est.)
GDP growth	5.5–6 % annually
Agriculture	mostly subsistence farming on small farms (1,3 ha), employs over half of population
Energy consumption	2000 Mtoe, over 50 % by households, 25 % services
Energy supply	90 % of generated electricity from hydro power (5500 GWh) net imports of electricity and petroleum products
Transport	less than 100 cars/1000 inhabitants, but the number is growing rapidly (have doubled in 5 years) high investments in road infrastructure, 447 km of railway, poor quality public transport in cities, one international airport ("Mother Teresa", Tirana)
Industry	electrical energy, oil, minerals (chromium), cement, lime, steel
Tourism	1 million overnight stays, 15 % of GDP and increasing
Education	770,000 people attend education, 57 % enrollment in secondary school

Greenhouse gas inventory

Provide a brief overview of the main gaps in the GHG inventory of the INC (e.g. data constraints, uncertainties, sectors and/or gases not covered)

Data availability and quality were key barriers in the development of the GHG emission inventory in the SNC. Data gaps existed for mobile combustion, enteric fermentation, fuel combustion in industry, fuel wood burned for energy, and solid waste treatment. The main contributor to uncertainty was the amount of CO₂ emissions from fuel wood, which was 35.32 % of the total value. The main source of uncertainty

was an estimate of the quantity of self-collected fuel wood in rural areas. Moreover, the SNC did not include information on the system for collecting data, a serious gap because information had to be obtained informally and/or by non-professionals often resulting in data errors or insufficient data. In addition, the SNC lacked information on technologies and models utilized during the inventory process.

The GHG inventory in the TNC will be developed using the 1996 revised IPCC Guidelines. It will have a narrower and deeper analysis than the previous inventory (i.e., more detailed activity levels, data permitting) with a baseline year of 2005, the last year for which it is anticipated that as complete a data record as possible will be available. Given the role of the energy activity, particularly the transport sector, the inventory will adopt the higher tiers of the IPCC methodology and maintain a strong data validation focus on the energy and transport sectors. The inventory will cover the years 2000-2005; refined time-series results will be produced for the period 1990-2005. Since the SNC, there have not been any major studies to improve emission factor or other estimates. A legal framework will be developed to address the basis for future updates to the GHG inventory. Also, the IPCC Good Practice Guidelines will be applied to all categories.

A number of data constraints and other barriers confront the development of an accurate GHG inventory in Albania. Data availability, particularly within the industrial, energy, transport, forestry, and agriculture sectors, is not currently adequate. To overcome these constraints, awareness-raising activities will be integrated into the effort that focus on the industrial sector, particularly cement production, limestone production, as well as the transport sector.

Programmes containing measures to facilitate adequate adaptation to climate change

The SNC assessment of vulnerability and adaptation options (V&A) focused on the Drini River Cascade (the area from Kukës up to the Lezha Plain). It had three main components. First, an assessment was made of current vulnerability. This addressed two main areas associated with current conditions: (i) vulnerability to current climate, and (ii) effectiveness of adaptation measures that may have already been implemented. The assessment included an assessment of current environmental and socio-economic conditions within water resources, agriculture, forestry, energy, tourism, and population/settlements. The second main component was an assessment of future climate related vulnerability. This included the development of a set of future climate change scenarios and an analysis of vulnerability and risk associated with the projected changes in climate. The third main component was an assessment of adaptation measures, which included a set of adaptation measures needed to address the vulnerability system/sector against climate change.

Within the Drini River Cascade, future climate change scenarios were developed for the SNC by using the updated version of MAGICC/SCENGEN (version 4.1) software. Several global GHG emission scenarios were considered in order to bracket the range of potential impacts. These scenarios were the A1BAIM, A2ASF, B1IMA, and B2MES (TAR, IPCC). The temperature and precipitation changes were generated for each global emission scenario for years 2025, 2050 and 2100. In order to account for the uncertainty inherent in climatic modeling of temperature and precipitation, several global circulation models (GCMs) were considered. These were CSM_98, ECH395, ECH498, GFDL90, HAD295, and HAD300. Expected impacts of sea level rise were evaluated by running the Dynamic Interactive Vulnerability Assessment (DIVA) model based on MAGICC/SCENGEN outputs. The impacts of future climate in different fields were evaluated using statistical and multivariate models, expert analysis, and/or analogue studies. Maps were produced for the Drini River Cascade regarding expected changes in average annual temperature and total annual precipitation for the years 2025, 2050, and 2100. Statistical downscaling (resolution 1x1 km) was conducted that accounted for topographical diversity.

For the TNC, an integrated assessment of climate change impacts will be conducted on key sectors in Albania's coastal zones. These key sectors are agriculture, health, water resources, natural disasters, tourism, and biodiversity. The focus on these sectors in coastal zones has been established through

stakeholder consultations which highlighted the important role that coastal zones have in Albania's national development priorities. The scale of the assessment is national (i.e., along the entire coastline). The focus on these areas will also extend/strengthen the capacity of Albanian analysts in the use of new methods and tools.

The scope of the V&A assessment will include both climatic modeling (i.e., downscaling of pertinent GCMs) in order to develop regionalized climatic change scenarios; as well as disaster risk management in order to integrate adaptation response strategies within the national Strategy on National Protection for Disasters. The methodology to be used for climatic modeling is dynamic downscaling. The methodology to be used for adaptation strategies is the development of a project portfolio of adaptation projects. The adaptation measures that could be implemented as part of the Drini-Mati project will be a point of departure and evaluated relative to disaster risk reduction potential within an integrated coastal zone management framework.

There are several critical elements of the V&A assessments. For the vulnerability portion, one or more climatic scenarios to 2050 will be developed, together with one or more socio-economic development scenarios for the coastal region. The expected outputs are physical impacts (e.g., reduced agricultural production) for all the key sectors as well as a integrated set of adaptation strategies that can enhance the resilience of the coastal zone relative to the projected impacts. Stakeholder groups will be identified prior to the start of the assessment and recruited to contribute expertise, feedback, and other input to guide the development of the adaptation strategy.

Programmes containing measures to mitigate climate change

The GHG mitigation analysis for the SNC consisted of two major aspects: (i) the development of a GHG emission scenario under business-as-usual conditions (i.e., the Baseline in which no policy measures are taken to reduce future growth in GHG emissions) and (ii) the development of a GHG mitigation scenario assuming gradual implementation of GHG mitigation technologies, measures and practices.

The baselines and mitigation scenarios were developed at the sectoral level, focusing on energy & transport, agriculture, waste, LUCF, and industrial processes. Three direct GHGs were considered: carbon dioxide, methane and nitrous oxide as well one indirect GHG: NMVOC from solvents. GHG mitigation measures based on national strategies and action plans were developed and analyzed for each main sector, followed by a baseline GHG emission scenario. Mitigation measures were listed, often by sub sectors (e.g. landfills and incinerators for waste, enteric fermentation and field burning of agricultural residue for agriculture, etc). The resulting mitigation scenario evaluated the set of mitigation measures on the basis of the 25-year planning horizon (i.e., emissions over the period from 2000 to 2025).

The GHG mitigation analysis was based on the finding in the inventory that the majority of GHG emissions are emitted from the energy and transport sector. For this reason, the SNC had a pronounced focus on energy and transport, followed by agriculture, waste, LUCF, and industrial process emissions. The analysis concluded that by 2025, emission reductions of up to 48% could be achieved relative to the Baseline scenario in that year, through measures in energy (25 measures yielding 95% of the reduction; 23 measures yielding the remaining 5%) agriculture (4 measures), waste management (2 measures) LUCF (3 measures) and industrial processes (3 measures). One of the mitigation measures identified in the SNC was solar hot water heating, which has been further developed into UNDP's Solar Water Heating Project to abate the GHG emissions from the energy sector.

For the TNC, a focus will be maintained on energy and transport, as they have the most GHG mitigation reduction potential and are closely aligned with national development priorities. Within the transport sector, urban transport is particularly important. This is in line with evidence that high levels of pollution are partially due to traffic congestion, in addition to vehicle age and fuel quality. There have been several studies performed to model traffic but recommendations were not implemented, or were only partially implemented. The TNC will address the relationship between traffic congestion and emissions and

explain the GHG emission implication of previous studies. The TNC will also focus on current local government campaigns, especially in regards to the promotion of non-motorized or “soft” transport modes, and identify and calculate the financial cost and GHG reduction benefits of transport related projects.

Within the scope of the analysis, detailed bottom-up modeling of the costs and benefits of relevant GHG mitigation options using the LEAP model for energy use in the transport and industrial sectors and a suitable modeling framework industrial sector processes. Moreover, an output of the mitigation assessment will be an action plan for transport and industrial sectors that will be vetted by stakeholder consultations. Regarding constraints, gaps, and other needs, the chief concern for the TNC GHG mitigation assessment is data availability. Since data collection in Albania is highly aligned with sectoral responsibility, data sharing across ministries is typically done through informal networks. This practice makes it difficult for experts to obtain data. In addition, past experience has shown that this often results in substantial mismatches and inaccuracies. Hence, any data obtained for the mitigation analysis for the TNC will undergo considerable cross-checking to validate accuracy.

Other information considered relevant to the achievement of the objective of the Convention

On the basis of the UNFCCC guidelines, this section will focus on several topics that are particularly important to Albania. First, the chapter will address the integration of climate change into social, economic and environmental policies. This will cover GHG emissions from road transport, and especially urban transport, and the development of an enabling environment for the adoption of sustainable transport technologies across all sectors. Second, it will identify any additional technology transfer needs since the Technology Needs Assessment in 2004 as well as the experience of any technologies that were identified in the SNC and have since been implemented by Albania. Third, climate change research and observation networks will be discussed, together with any institutional changes and any changes to the national monitoring network. Fourth, education, training, and public awareness will address public awareness raising efforts of NGOs as well as any relevant educational programs (or lack thereof) in universities. Finally, capacity strengthening needs, cooperative arrangement with international partners, and specific projects proposed for financing will be discussed.

Information generated under related activities will feed into this section. Key categories include technology needs assessment that has been conducted, as well the needed improvements to data management systems for GHG inventory and mitigation analysis. Moreover, capacity strengthening requirements will be identified on the basis of the lessons learned from the development of the set of assessments undertaken for the TNC.

The strategy proposed for this section will focus on the systematic review of the barriers, challenges, and recommendations regarding the scope of activities discussed above. This section of the TNC will address i) Integration of Climate Change in Social, Economic and Environmental Policies, ii) Technology Transfer Needs, iii) Climate Change Research and Observation, iv) Education, Training, Public Awareness, v) Capacity Building, vi) Cooperation with Annex II Parties and International Institutions and vii) Proposed Projects for Financing.

Constraints and gaps, and related financial, technical and capacity needs

The strategy for the discussion of constraints and gaps, and related financial, technical and capacity needs will ensure complementarity with previous sections. Most, if not all, of the information and priorities to be reported here will have been addressed by the previous sections.

2. Strategy to link process and outcomes of the TNC to relevant planning and decision making processes

The TNC will feed into the policy decision processes of relevant areas, including linkages with national development priorities (e.g. sustainable development, poverty reduction) through a two major activities. First, the UNDP will function as a partner in the overall TNC development process with the role of identifying gaps, constraints, and opportunities to resolve issues. This is an essential starting point that recognizes that the NCs in Albania draw on many years of successful partnership of the Government of Albania with UNDP.

Second, stakeholders will be involved throughout the development of outputs for the TNC. Broad consultation processes will take place among government, academic institutions, private sector and civil society organizations in order to ensure the input of state-of-the-art expertise and building consensus on the action planning processes. All over Albania, a large group of experts and institutions has already been heavily involved in the preparation of the first and second NCs, within or linked to the “country-team” led by the National Project Directors. This strategy will be maintained and enhanced under the TNC as strategic partnerships among stakeholders are instrumental for implementing participatory planning and execution arrangements and create a platform to

Regarding the sustainability of the national communication process, including the consolidation of the institutional framework required, the project will generate improved approaches, methodologies and tools, especially regarding inventory and vulnerability and adaptation assessment, which will prove useful to share with peer organizations, as well as important inputs for the scientific literature review periodically undertaken by IPCC.

3. Detailed Workplan

The workplan for the preparation of the TNC is provided in the table that follows.

Outputs/Activities	Year 1			Year 2			Year 3					
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12
Implementation arrangements and project inception:												
Activity 1: Conduct project mobilization activities												
Activity 2: Recruit national consultants for GHG inventory, V&A, and GHG mitigation assessment												
Activity 3: Carry out other project implementation activities as needed												
National circumstances												
Activity 1: Conduct research on Albania's national circumstances, including institutional arrangements, development priorities and climate change concerns												
Activity 2: Assess of constraints and needs to implement the Convention in Albania												
Activity 3: Identify activities and measures to implement the UNFCCC in Albania.												
Activity 4: Publish national circumstances chapter												
GHG inventory												
Activity 1: Collect data for the sectors (i) energy; (ii) industry; (iii) agriculture; (iv) land use, land-use change and forestry; and (v) waste has for the period 2000-2005; with refinement for transport sector												
Activity 2: Develop a QA/QC plan for GHG emission data per sector												
Activity 3: Establish the framework for a continuous data measurement and analysis system.												
Activity 4: Prepare a complete inventory chapter for the TNC												
Activity 5: Develop a draft legal framework to address the basis for future updates to the GHG inventory												
Activity 6: Conduct capacity building within MoEWFA and its Agency for the Environment Protection regarding GHG inventory development.												
Vulnerability and adaptation												
Activity 1: Collect data in order to conduct detailed regional climate change scenarios based on at least four different global climate models												
Activity 2: Collect data required to conduct an integrated assessment of climate change impacts on key sectors (agriculture, health, water, natural disasters, tourism, biodiversity) in Albania's coastal zones												
Activity 3: Carry out an integrated assessment of climate change impacts on the key sectors in coastal zones												
Activity 4: Prepare an adaptation action plan based on an ICZM framework for the period 2012-2050												

Outcome 4: GHG mitigation analysis												
Activity 1: Collect data in order to conduct detailed bottom-up modeling of the costs and benefits of relevant GHG mitigation options in priority sectors												
Activity 2: Assess GHG mitigation options in the energy and transport sectors using the LEAP model												
Activity 3: Assess GHG mitigation options in the industrial sector using a suitable modeling framework for industrial processes.												
Activity 3: Prepare a GHG mitigation action plan building off parallel work done in the preparation of NAMAs												
TNC publication												
Activity 1: Develop a communication strategy and action plan for steps to implement the Convention												
Activity 2: Prepare a monitoring and evaluation programme designed and implemented according to UNDP guidelines												
Activity 3: Share project outputs to national stakeholder groups and individuals (e.g., reports, GHG inventories, website).												
Activity 4: Publish the TNC document												

Appendix C: Terms of Reference

Project Steering Committee (PSC)

Duties and responsibilities

The Project Steering Committee (PSC) is the main body to supervise the project implementation in accordance with UNDP rules and regulations and referring to the specific objectives and outcomes of the project with their agreed performance indicators. The PSC is headed by the National Project Director and is composed of senior officials from the relevant ministries, UNDP, research institutes, NGOs and academia.

The main functions of the PSC are:

- General monitoring of the project progress in meeting of its objectives and outcomes and ensuring that they continue to be in line with the national development objectives;
- Facilitating the co-operation between the different Government entities, whose inputs are required for successful implementation of the project, ensuring access to the required information and resolving eventual conflict situations raising during the project implementation when trying to meet its outcomes and stated targets;
- Supporting the elaboration, processing and adoption of the required institutional, legal and regulatory changes to support the project objectives and overcoming of the related barriers;
- Facilitating and supporting other measures to minimize the identified risks to project success, remove bottlenecks and resolve eventual conflicts;
- Approval of the annual work plans and progress reports, the first plan being prepared at the outset of project implementation;
- Approval of the project management arrangements; and
- Approval of any amendments to be made in the project strategy that may arise due to changing circumstances, after the careful analysis and discussion of the ways to solve problems.

National Project Manager (full time)

Duties and responsibilities:

Operational project management in accordance with the project document and the UNDP guidelines and procedures for nationally executed projects, including:

- General coordination, management and supervision of project implementation;
- Managing the procurement and the project budget under the supervision of the Executing Agency and with support from UNDP to assure timely involvement of local and international experts, organization of training and public outreach, purchase of required equipment etc. in accordance with UNDP rules and procedures;
- Submission of annual Project Implementation Reviews and other required progress reports (such as QPRs) to the PSC, Executing Agency and the UNDP in accordance with the section "Monitoring and Evaluation" of the project document;

- Ensuring effective dissemination of and access to information on project activities and results, (including an regularly updated project website);
- Supervising and coordinating the contracts of the experts working for the project;
- Communicating with international investors and financial organizations to define fields of cooperation and attracting additional financing in order to fulfill the project objectives; and
- Ensuring successful completion of the project in accordance with the stated outcomes and performance indicators summarized in the project's logframe matrix and within the planned schedule and budget otherwise.

Detailed terms of reference for these positions will be drafted by UNDP-CO during the inception phase of the Project with support from the UNDP-NCSU.

Appendix D: Endorsement letters

- GEF Operational Focal Point
- UNFCCC Focal Point

SIGNATURE PAGE

Country: Albania

Third National Communication to the UNFCCC

UNDAF Outcome(s): Outcome 1: A transparent and accountable government, developing and implementing effective national policies

Expected CP Outcome(s): Outcome 2: Policies developed and implemented that support the achievement of the Millennium Development Goals

Implementing Partner: Ministry of Environment, Forests and Water Administration

Programme Period: 2012-2015
Atlas Award ID: 00060398
Project ID: 00076031
PIMS: 4467
Start date: January 2012
End date: December 2015

Total resources required: 480,000 USD
Total allocated resources: 510,000 USD

- Donor –GEF 480,000 USD

In-kind Contribution:

- Government 30,000 USD

Agreed by (Government):


NAME _____ SIGNATURE _____ Date/Month/Year _____



Agreed by (Executing Entity/Implementing Partner):

NAME _____ SIGNATURE _____ Date/Month/Year _____

Agreed by (UNDP):

NAME _____ SIGNATURE _____ Date/Month/Year _____