

Albania's Intended Nationally Determined Contribution

**5 December 2015
COP 21, Paris, EU Pavilion**

INDC planning process

INDC preparation started on 1 June and included:

- the review of available data and modelling work applicable to greenhouse gas reduction pathway;
- consultations with government stakeholders as well as with the public, 14 July and 14 August.
- The scenarios for the INDC were developed taking into consideration draft of the 3rd National Communication of Albania (UNDP) and all available scenario development work related to greenhouse gas emissions.
- Within the preparation process of the INDC it became clear that significant data uncertainty exist regarding the emissions of greenhouse gases other than CO₂ and in sectors outside of sectors covered by the INDC.
- Improvements were made on existing modelling work and the scenarios presented are result of this work.

Political mandate:

- Decision of Council of Ministers nr. 762, dated 16.09.2015, as our national intended determined contribution to the global efforts for GHG emission reduction
- Ministry of Environment /lead institution; Interministerial Working Group on CC

INDC of Albania

- Albania **has unique emission profile**:
 - National emissions of the greenhouse gases **represent only 0,017 % of global emissions** and the net per capita GHG emissions Albania was **2.76 tCO₂e**, which is less than a quarter of emissions of high-income countries
 - at currently the electricity generation is based on renewable energy source, with hydro power providing dominant part of it;
 - electricity system is on a level of decarbonisation;
 - there is limited opportunity for further policies and measures in this sector to reduce emissions;
 - hydro power capacity is vulnerable to climate change impacts.
- **Primary drivers** of the country regarding **mitigation contribution** as INDC:
 - Maintaining the low greenhouse gas emission content of the electricity generation;
 - decoupling growth from increase of greenhouse gas emissions in other sectors;

Choice of INDC type

Choice of gases:

- **The emissions** covered by the INDC **reflects less than 60% of GHG emissions** in the inventory as per National Communications.
- Having high uncertainty of data regarding non CO₂ greenhouse gases results that **Albania provided its INDC regarding CO₂**;
- If data quality of non-CO₂ greenhouse gases improves, Albania intends to expand its INDC to other greenhouse gases as well.

Choice of Sectors:

- Albania's INDC the focus has been on the **Energy and Industrial Processes Sectors**.
- Greenhouse gas emissions and removals from **agriculture, forestry and other land uses are currently not included** in the accounting;
- If data quality of inventory and projections will be improved in sectors outside of sectors covered by the INDC, it is recommended for Albania to expand its INDC to other economic sectors and greenhouse gases as well before 2020;

INDC target

Proposed target:

- The INDC of Albania is a **baseline scenario target**;
- It commits to **reduce CO₂ emissions by (11.5) %**, compared to the baseline scenario in the period of 2016 and 2030;
- This reduction means 708 kT greenhouse gas emission reduction in 2030.
- The emission trajectory of Albania **allows to have a smooth trend of achieving 2 tons of greenhouse gas emissions per capita by 2050**, which can be taken as a target for global contraction and convergence of greenhouse gas emissions;

Fairness and ambition:

- Aims to secure **limited increase of its greenhouse gas emissions** while the country pursues a strong economic development pathway
- Albania took an **emission reduction** ambition level which is **comparable to the EU 2050 political goal**, to the 2 ton/capita level.
- It is **possible to achieve** this with high confidence with the foreseen increase of emissions followed
 - **by decoupling** greenhouse gas emissions from its economic growth and
 - **embarks on a low emission** development pathway
- Albania will take into account the ultimate objective of the UNFCCC in its future development;

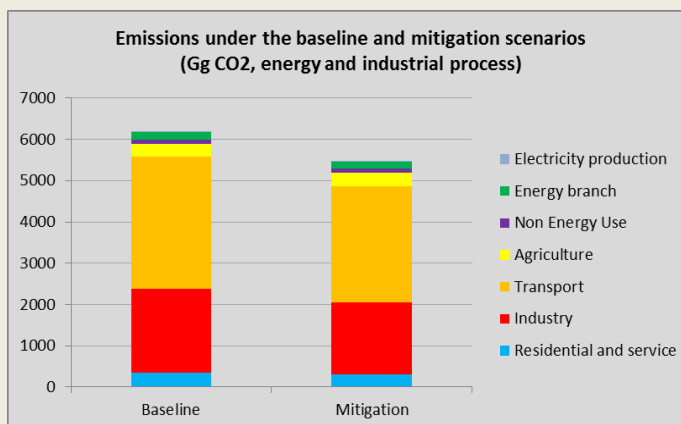
Baseline emission projection and methodology

- **The metric used for the GHG emissions:** Global Warming Potential on a 100 year timescale in accordance with the IPCC's 2nd Assessment Report;
- **Inventory methodology:** IPCC 2006 Guidelines
- **Development of a baseline scenario until 2030;**
 - **Business As Usual scenario of emissions projections based on economic growth in the absence of climate change policies, starting from 2016;**
 - Some models (NC3 UNDP/USAID, PRIMES, SLED buildings, SEE-SEP OPEERA)
 - None of the scenarios of any of the models adequately represent existing and planned policies
 - Drivers of emissions most realistic in PRIMES
 - Improvements were made on existing modelling work and the scenarios presented are result of this work
- **Development of a mitigation scenario;**
 - Assessment of potential measures and their costs and
 - proposed a set of low cost measures to go beyond efforts contained in the baseline

Uncertainties

- **Large uncertainties in base year data**, including:
 - energy consumption data at sectoral level,
 - activity data (e.g. related to the output of industrial subsectors or the performance of the transport sector), and
 - inconsistencies between different data sources;
- **Uncertainties in future evolution of emissions:**
 - particularly high in cases where high economic growth and ongoing structural and socio-economic change may impact emissions in unexpected ways;
 - a single large installation may have a significant impact on the emissions;
- The **limited amount of time available** to address these uncertainties and the **lack of resources** to verify existing data sources in order to improve quality.

Baseline and mitigation scenario emissions



Investment costs for mitigation measures by 2030 (m€)

Sector	Measure	Mitigation ktCO ₂	Investment cost m€	Source/assumptions
Buildings	Thermal insulation	50	21	Albania-specific cost data from the Third National Communication
Industry	More efficient boilers	225	15	From GACMO model used for Third National Communication
Industry	Fuel switching	52	0	Assuming no additional costs for natural gas fuelled equipment vs coal/oil fuelled equipment, and that natural gas is available to main industrial sites under the baseline.
Transport	Cost-effective measures	116	195	All cost-effective measures in transport MACC; EU cost data, assumes natural gas is available to vehicle depots with no additional costs for gas distribution.
Transport	10% biofuels	265	456	Assumes a 100 million litre capacity biofuel plant costs \$250m (UK data)
Total	All above measures	708	687	

Means of implementation

- The results of the preparation of the INDC will be reflected in the Third National Communication of Albania and also **will form the basis of the NSDI and Environmental and Climate Change strategy** which is in preparation.
- Development of the **strategic directions for energy and transport sectors** will take into consideration the INDC.
- Coordination of activities in relation to the strategy is foreseen to be **coordinated by the Ministry of Environment** which is the chair of the inter-ministerial body on Climate Change.
- Albania also **transposes and implements parts of the EU legislation**, including legislation on climate change and builds capacity for its implementation which supports its ability to reduce greenhouse gas emissions.
- Albania is a **contracting party of the Energy Community Treaty** which aims to to create a stable regulatory and market framework which also includes legislation aiming to reduce greenhouse gas emissions.

Thank you for your attention!

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