

# **3**

## **Selected priority areas of Albania's Circular Economy Roadmap**

---

This chapter describes the selection process that led to the identification of three priority areas for Albania's Circular Economy Roadmap: economic instruments, circular business models for small and medium-sized enterprises, and the plastics life cycle with a focus on marine litter. It details the underlying consultation and decision-making processes and provides insights on the OECD methodology employed to determine these pertinent priority areas.

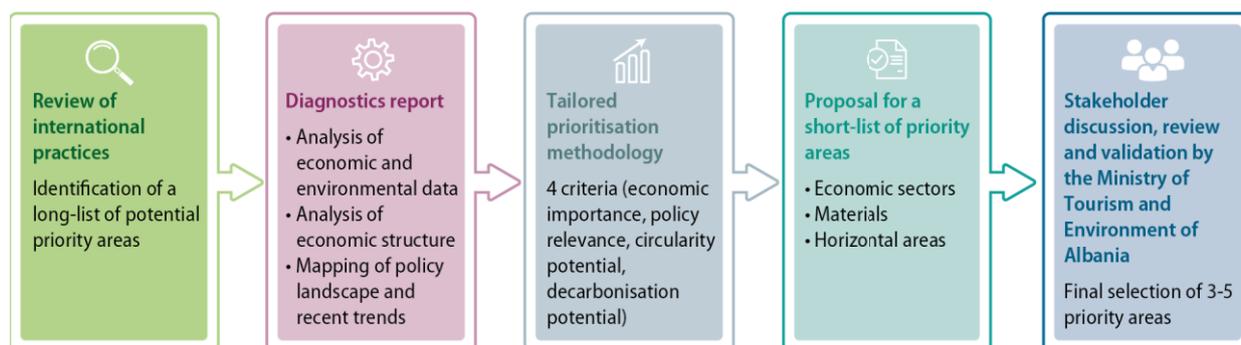
---

## Approach taken to select the priority areas of the Roadmap

A key step to developing a national circular economy strategy or roadmap is to identify and select priority areas. The primary reason for such prioritisation is to help operationalise and ensure the focus of the circular economy roadmap. This is particularly important as the circular economy is a very broad concept, which encompasses actions across the entire economy as well as life cycle. The literature (Järvinen and Sinervo, 2020<sup>[1]</sup>; Ellen MacArthur Foundation, 2015<sup>[2]</sup>; Salvatori, Holstein and Böhme, 2019<sup>[3]</sup>) and the review of existing circular economy strategies and roadmaps that has been conducted in the context of previous OECD work show that there is no consensus on the definition of or approach to the selection of such focus areas. The review also showed that countries tend to focus only on a few priority sectors or areas, for example, on some key value chains, materials or horizontal areas where reforms would be the most impactful.

The review of international practices shows that countries have opted for customised quantitative and qualitative methodologies to inform their choice of specific priority areas. For Albania, the OECD proposed the approach described in Figure 3.1, which was also based on the availability of data and information.

**Figure 3.1. Proposed approach for the selection of the priority areas of the Circular Economy Roadmap in Albania**



The tailored prioritisation methodology falls back on four criteria and their related indicators to inform the choice of (potential) priority areas:

- Economic importance, the assessment of which is largely data-driven. Relevant indicators include value added, employment and trade in sectors and industries, and the position of the sector in the global value chain.
- Policy relevance is assessed qualitatively by analysing whether a specific area has been included in relevant Albanian strategic documents and action plans, and to what extent, and whether a policy gap has been identified in the specific area. Since Albania is an EU candidate country on the path of aligning its regulatory framework with the EU *acquis*, the criterion also considers the policy relevance for the European Union, including whether there are specific EU targets and obligations in the considered area.
- Circularity potential can be assessed using a number of quantitative indicators, such as material productivity, material intensity, resource use, waste generation and recycling rates. Some of these indicators can be compared to an EU average or a specific target, which can provide insights on potential of specific areas to increase their circularity.
- Decarbonisation potential measured as the level of GHG emissions in specific sectors/industries, which can provide insights on sectors that offer the highest GHG emissions reduction potential. While decarbonisation is not a primary goal of a circular economy, it is an important benefit.

The diagnostics of the circular economy for Albania presented in Chapter 2 have been used as the primary source of data and information for the prioritisation exercise. As a result of this exercise, the OECD prepared a list of ten potential priority areas and their preliminary policy recommendations, presented and discussed at a stakeholder meeting in Albania. The working group was then asked to choose three to five priority areas from the proposed list.

Table 3.1 outlines the ten potential priority areas according to their level of priority (first, second and transversal) based on the four criteria discussed above (economic importance, policy relevance, circularity potential and decarbonisation potential). As the strict application of these four criteria was not feasible for horizontal or cross-cutting areas (e.g. economic instruments) that span various sectors and industries, additional indicators were used, such as the potential to achieve environmental outcomes, incentivise innovation, generate revenue, or provide incentives for consumers and businesses. This approach acknowledges the complexity and interconnectedness of sectors while ensuring a comprehensive assessment of different degrees of potential to contribute to decarbonisation and circularity.

**Table 3.1. List of potential priority areas for the Circular Economy Roadmap in Albania**

Proposed as the first priority	Proposed as the second priority	Proposed to be included transversally, across the chosen priority areas
Construction	Textile	Tourism
	Mining	
Biomass and food (agri-food system)	Plastics with a focus on marine litter	Municipal waste
Economic instruments	Circular business models for small and medium-sized enterprises	Awareness raising and education

Note: Areas shaded in grey correspond to horizontal areas that cut across sectors and materials.

Preliminary policy recommendations to illustrate all ten priority areas were proposed based on the diagnostics included in this document (see Chapter 2), additional desk research and stakeholder discussions, drawing on OECD expertise and previous work on the development of circular economy roadmaps.

The proposed policy recommendations are categorised into short, medium and long term. The emphasis in the short term (up to two years) is often on low-hanging fruit or measures that help to achieve a legal target/obligation, whereas the medium- (two to eight years) to long-term ones (eight years up to 2040) require certain foundations and prerequisites to be fulfilled. The approach also aims to encompass the entire value chain, from design and material sourcing to use and waste management.

## Final selection of the priority areas

### ***The three selected priority areas for the circular economy transition of Albania***

Out of the ten identified potential priorities for the circular economy transition, Albania has chosen three priority areas for which the OECD provided more in-depth analysis and recommendations (details for each priority area are outlined in their respective chapters): 1) economic instruments; 2) circular business models for SMEs; and 3) plastics, with a focus on marine litter. Economic instruments and circular business models for SMEs are both cross-cutting areas, but while economic instruments focus on measures that change the behaviour of private actors through price signals, circular business models pay specific

attention to providing an enabling framework for businesses. Plastics is a material-specific area, which covers measures to address (marine) plastic pollution throughout the life cycle.

Within the scope of the three selected priorities, stakeholders have emphasised the need for a specific focus on:

- Municipal waste management, which remains a major challenge in Albania, as more than 80% of waste is landfilled, recycling rates are low, the sector is heavily dependent on the informal waste sector and waste infrastructure is not functioning optimally.
- The tourism sector, on which Albania's economic growth is highly reliant. Given the recent growth of this industry, especially in coastal areas, which has caused environmental pressures, stakeholders considered it crucial to integrate circular economy principles into tourism. This would allow the destination to develop sustainably and generate a positive impact on the environment, local value chains and the labour market.
- Knowledge and awareness of the circular economy, which is generally limited in Albania, with authorities, enterprises and citizens alike often lacking an understanding of the opportunities and benefits that arise from a wider application of circular economy principles throughout society. This area has been identified as a key challenge that must be addressed in various sectors to facilitate a successful transition towards a circular economy.

### **Decision-making process**

Stakeholder engagement played a key role in the development of this roadmap. Throughout the process, regular consultations with the circular economy working group (i.e. key circular economy stakeholders, including the government, private sector, civil society and academia) were held. Their views, experiences, challenges, needs and concerns regarding the circular transition were taken into consideration when developing diagnostics and they also informed the choice of priority areas (see Annex A).

Such consultations harbour the risk of some bias in the selection of the final priority areas. While the ten priority areas proposed were informed by indicators defined by the OECD, the final choice was the result of a decision-making process of the circular economy working group, endorsed by the Ministry of Tourism and Environment, the co-ordinating institution, responsible for the circular economy in Albania. While informed by OECD guidance, priority areas were thus selected in line with the Albanian government's economic and political agenda and the perspectives of a wide range of relevant stakeholders. This does not imply that some of the identified areas are considered irrelevant for Albania, but that they will not be the focus of this document. Instead, the diagnostics conducted by the OECD, included herein, provides a sound basis for the development and inclusion of other circular economy-related areas in relevant sector-focused strategies.

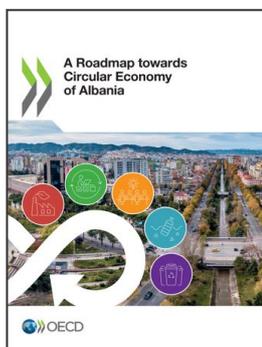
### **References**

- Ellen MacArthur Foundation (2015), *Delivering the Circular Economy: A Toolkit for Policymakers*, [2]  
Ellen MacArthur Foundation, <https://www.ellenmacarthurfoundation.org/a-toolkit-for-policy-makers> (accessed on 10 December 2020).
- Järvinen, L. and R. Sinervo (2020), *How to Create a National Circular Economy Road Map: A Guide to Making the Change Happen*, SITRA Studies No. 170, SITRA, Helsinki, [1]  
<https://www.sitra.fi/en/publications/how-to-create-a-national-circular-economy-road-map> (accessed on 14 January 2021).

Salvatori, G., F. Holstein and K. Böhme (2019), *Circular Economy Strategies and Roadmaps in Europe: Identifying Synergies and the Potential for Cooperation and Alliance Building – Study*, European Economic and Social Committee, Brussels, <https://doi.org/10.2864/554946>.

[3]





**From:**  
**A Roadmap towards Circular Economy of Albania**

**Access the complete publication at:**  
<https://doi.org/10.1787/8c970fdc-en>

**Please cite this chapter as:**

OECD (2024), "Selected priority areas of Albania's Circular Economy Roadmap", in *A Roadmap towards Circular Economy of Albania*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/62af477e-en>

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.