

7 Monitoring framework

This chapter proposes a monitoring framework featuring specific indicators for each recommendation developed for the three priority areas for Albania's Circular Economy Roadmap. This framework will help the effective implementation of the circular economy roadmap, and will be instrumental for evaluating progress towards strategic targets and goals for Albania's circular transition.

Defining key indicators and monitoring progress

Establishing a circular economy monitoring framework is crucial for assessing progress towards the targets and goals outlined in the roadmap over time and the circular economy transition in Albania more generally, using a set of indicators. This framework will assist Albanian policy makers in comprehending the country's performance on selected circular economy indicators and pinpoint areas that require further intervention. The monitoring process should also serve as the foundation for setting new long-term priorities for the circular economy (European Commission, 2023^[1]) and offer feedback for strategy and planning development for various actors in the economy (Alaerts et al., 2019^[2]). This aligns with the dual purpose of indicators: forward-looking to provide guidance and backward-looking to provide feedback and assess performance (Ekins et al., 2019^[3]).

A circular economy monitoring framework can take a variety of forms, drawing upon an extensive array of existing indicators and those under development. Existing circular economy monitoring frameworks encompass a broader collection of relevant indicators, recognising the difficulty of capturing the circular economy through a single indicator due to its cross-cutting and wide-ranging definition. These monitoring frameworks can adopt the structure of a set of individual indicators, not necessarily linked, or they can be organised using a multi-tiered approach with a limited number of headline indicators (for communication purposes), complemented by a dashboard featuring specific thematic indicators. Employing a multi-layered approach allows for incorporating more detailed information at additional levels (e.g. regional, city, sectoral or product groups levels) or concerning specific strategic objectives and recommendations.

Academic literature strongly advocates moving beyond commonly used macro-level indicators to include indicators that offer direct feedback to policy makers on specific products and services, and that address consumer and business behaviour, as well as societal needs, related to the circular economy (Alaerts et al., 2019^[2]; Ekins et al., 2019^[3]; Giljum et al., 2011^[4]; Potting et al., 2018^[5]). Moreover, there is a need for supplementary indicators to precisely measure the effects and process of the transition itself, connecting the circular economy to environmental impacts while capturing possible rebound effects (Potting et al., 2018^[5]; Alaerts et al., 2019^[2]).

Two sets of indicators are proposed for Albania's monitoring framework

The proposed monitoring framework to support the implementation of the recommendations of the roadmap (Table 7.1) has a two-tier structure:

1. A set of headline indicators to monitor the economy-wide circular transition in Albania (Table 7.2). These indicators are largely based on the European Union's circular economy monitoring framework (Eurostat, 2023^[6]) and are grouped into five categories: 1) production and consumption; 2) waste management; 3) secondary raw materials; 4) competitiveness and innovation; and 5) global sustainability and resilience.
2. Additionally, a set of indicators per priority area to monitor the progress made on specific recommendations (Table 7.3). Some of these indicators could be qualitative, for instance, certain operational indicators monitoring the progress made on a specific recommendation (e.g. the implementation has started, is ongoing or completed). Others are currently at an experimental stage, requiring further development of the indicator or additional data collection (e.g. monitoring the revenues generated from specific environmental taxes).

The proposed sets of indicators intend to provide a comprehensive overview of relevant indicators that can help monitor the implementation of the recommendations as well as Albania's overall circular economy transition. Albania may want to consider these all-encompassing lists of indicators during the preparation of the future policy framework or an action plan and select those for which data are or might become available. That said,

to ensure effective and evidence-based policy making, data collection and co-ordination of the collection process should be improved, and existing gaps in the availability and quality of key circular economy-related data should be addressed, starting with those related to waste generation and waste management. Establishing an impact assessment mechanism is a potential solution to ensure that the monitoring framework is effectively executed and to secure its long-term continuity.

Table 7.1. Complete list of recommendations for each of the three priority areas

Priority area	Short term	Medium term	Long term
Economic instruments	Put in place planned extended producer responsibility (EPR) take-back schemes	Implement landfill taxes with discounts for good sorting/high recycling	Introduce EPR take-back schemes for new products (e.g. textiles)
	Reform household waste charges (introduce a gradual increase of waste charges with discounts for good waste management practices, promote low-cost pay-as-you-throw schemes and improve enforcement)	Gradually increase the (mandatory) use of green criteria as award criteria in public procurement	Consider introducing material taxes on extracted materials/plastics
	Introduce green public procurement, with a focus on priority sectors (capacity building, methodology guidelines)	Consider introducing a tourist tax to account for additional environmental costs related to tourism that are not covered by existing taxation schemes	Introduce minimum recycled content requirements within green public procurement (paper, plastics)
	Introduce reuse and recycling credit schemes that offer payments for the removal of items from municipal waste for recycling and reuse		Strengthen the use of tax relief for a circular economy (e.g. reduced value-added tax for eco-innovation, tax credits for food donations)
			Consider introducing incineration taxes
Circular business models for small and medium-sized enterprises	Provide awareness-raising campaigns and training programmes on the circular economy for small and medium-sized enterprises (SMEs), including showcasing good practices and access to finance	Continue facilitating the exchange of practices and learning from peers, including cross-sectoral knowledge development	Consider additional investment support for SMEs (e.g. accelerated depreciation rate, guarantee schemes, tax incentives)
	Introduce calls for circular business models projects within existing and new funding programmes	Provide support to SMEs on environmental legislation and obligations to ease their administrative burden	Organise investor-entrepreneur matchmaking events
	Provide financial, combined with technical, assistance to SMEs (business support, access to finance support)	Support capacity building and entrepreneurship skills as well as vocational training	
	Support collaboration between SMEs and academia, as well as regional and international collaboration on research and development and innovation		
	Establish a circular economy stakeholder/business platform to strengthen collaboration within and across value chains		
	Consider establishing a dedicated funding programme for SMEs to scale up circular business models		
Plastics, with a focus on marine litter	Improve municipal waste management in general	Introduce eco-modulated fees for plastic packaging within the EPR scheme for packaging	Support and scale up innovation into more recyclable plastic materials, plastics recycling technologies and processes as well as plastics reuse and reduction
	Improve separate collection of plastic waste and other packaging	Develop a strategy to curb plastic pollution, including marine plastic litter	Introduce minimum recycled content requirements for specific plastic waste streams
	Raise awareness and educate businesses, public authorities and households on plastic waste prevention, circular design and	Use green public procurement to favour reusable and recycled plastics	Consider taxes on virgin and non-recycled plastics

	littering		
	Implement an EPR take-back scheme for packaging (including plastic packaging)	Consider a deposit-refund system for plastic bottles	
	Introduce taxes and/or bans on certain single-use plastics		

Table 7.2. Proposed headline indicators based on the European Union's circular economy monitoring framework to monitor the economy-wide circular transition in Albania

No.	Indicator group	Name of the indicator
Production and consumption		
1	Material consumption	Material footprint (tonnes per capita)
2		Resource productivity (Index 2000=100)
3	Waste generation	Total waste generation per capita (kg per capita)
4		Generation of waste excluding major mineral wastes per gross domestic product (GDP) unit (kg per EUR 1 000, chain linked volumes [2010])
5		Generation of municipal waste per capita (kg per capita)
6		Food waste (kg per capita)
7		Generation of packaging waste per capita (kg per capita)
8		Generation of plastic packaging waste per capita (kg per capita)
Waste management		
9	Overall recycling rate	Recycling rate of municipal waste (%)
10		Recycling rate of all waste excluding major mineral waste (%)
11	Recycling rates for specific waste streams	Recycling rate of overall packaging waste (%)
12		Recycling rate of plastic packaging waste (%)
13		Recycling rate of waste from electrical and electronic equipment separately collected (%)
Secondary raw materials		
14	Contribution of recycled materials to raw materials demand	Circular material use rate (%)
15	Trade in recyclable raw materials	Imports (thousand tonnes)
16		Exports (thousand tonnes)
Competitiveness and innovation		
17	Private investment, jobs and gross value added related to circular economy sectors	Private investments (% of GDP at current prices)
18		Persons employed (% of total employment)
19		Gross value added (% of GDP at current prices)
20		Industrial symbiosis initiatives (number)
21	Innovation	Patents related to waste management and recycling (number)
Global sustainability and resilience		
23	Global sustainability from the circular economy	Greenhouse gas emissions from production activities (kg per capita)
24	Resilience from the circular economy	Material import dependency (%)

Sources: Eurostat (2023^[6]); OECD (2021^[7]).

Table 7.3. Proposed dashboard of specific indicators for the three priority areas

Indicator ¹	Description	Link to recommendation	Source ²
Economic instruments			
Tax revenues or savings generated from circular economy-related tax instruments	Amount (ALL)	Applies to all recommendations concerning tax instruments	Data to be provided by the Ministry of Finance and Economy
Recovery rate of packaging waste	Ratio of overall packaging waste prepared for reuse, recycled or subject to material recovery to packaging waste generated (%)	Effectively implement planned extended producer responsibility (EPR) take-back schemes	Data to be provided by the Institute of Statistics (INSTAT)/National Environment Agency
Establishment of a Special Fund for Circular Economy ³	Action-specific indicator for monitoring the creation of the fund (yes/no)		Data to be provided by the Ministry of Tourism and Environment/ Ministry of Finance and Economy
Share of income distributed to the Special Fund for Circular Economy ³	Income raised from the fund for the fulfilment of the EPR Law (% , ALL)		Data to be provided by the Ministry of Tourism and Environment/ Ministry of Finance and Economy
Establishment of a programme for supporting reuse and recycling credit schemes	Action-specific indicator for monitoring the creation of the programme (yes/no)	Introduce reuse and recycling credit schemes that would offer payments for the removal of items from municipal waste for recycling and reuse	Data to be provided by the Ministry of Finance; municipal authorities
Illegal landfills	Change in the number of illegal landfills, amount of illegally discarded municipal waste (m ³)		INSTAT
Landfill tax proceeds	Amount (ALL)	Implement landfill tax discounts for good sorting/high recycling	Data to be provided by the Ministry of Finance and Economy
Waste collection coverage	Share of households that have access to a reliable waste collection service	Reform household waste charges (introduce a gradual increase of waste charges with discounts for good waste management practices, promote low-cost pay-as-you-throw schemes and improve enforcement)	Data to be provided by the Ministry of Tourism and Environment; municipal authorities
Campaigns to raise public awareness on waste charges	Action-specific indicator monitoring the implementation of comprehensive, culturally appropriate public education and awareness-raising initiatives		Data to be provided by the Ministry of Tourism and Environment; municipal authorities
Waste generation	Generation of municipal waste per capita (kg per capita); generation of waste excluding major mineral wastes per GDP unit (kg per EUR 1 000, chain linked volumes [2010])		INSTAT
Separate collection	Share of municipal waste collected separately compared to all municipal waste generated (%); separate collection of paper, metal, plastic and glass		INSTAT
Uptake of home composting	Measures the extent of home composting		Indicators to be developed, data to be collected by municipal authorities, would require specific surveys
Tax proceeds earmarked to cover environmental and infrastructure costs during tourism peaks	Share of tax revenue that covers increased costs in various environmental fields (e.g. water, waste, etc.)	Consider introducing a tourist tax to account for additional environmental costs related to tourism that are not covered by existing taxation schemes	Data to be provided by municipal authorities
Domestic extraction of raw material	Thousand tonnes	Consider introducing material taxes on extracted materials/plastics	INSTAT
Domestic material consumption of raw material	Amount of virgin material directly used by the economy (thousand tonnes)		INSTAT

Green public procurement	Green public procurement share in public contracts (in volume and value) across all procured products and services (%)	Introduce green public procurement, with a focus on priority sectors (capacity building, methodology guidelines)	Data to be provided by the Public Procurement Office
Products/services covered by minimum recycled content criteria in green public procurement	Number	Introduce minimum recycled content requirements within green public procurement (paper, plastics)	Data to be provided by the Public Procurement Office
Circular business models for small and medium-sized enterprises (SMEs)			
Budget allocated to circular economy projects under a concrete programme	Amount (ALL)	Introduce calls for circular business model projects within existing and new funding programmes that provide grants and soft loans. The financial support in the form of grants and loans should be combined with technical and other assistance to SMEs	Data to be provided by the Albanian Investment Development Agency (AIDA)
Training courses on circular business models	Number of events organised; number of technical modules created as part of funding programmes		AIDA
SMEs benefitting from financial support for the creation of new circular business models	Number of SMEs		AIDA
SMEs benefitting from non-financial support for the creation of new circular business models	Number of SMEs		AIDA
SMEs supported by funding programmes to scale up circular business models	Number of SMEs		AIDA
Creation of a circular economy platform ⁴	Action-specific indicator for monitoring the creation of the platform (yes/no)	Establish a circular economy stakeholder/business platform to strengthen collaboration, information exchange and exchange of good practices²	Data to be provided by the co-ordinating institution (e.g. Ministry of Tourism and Environment)
Number of platform members ⁴	Number		Data to be provided by the co-ordinating institution (e.g. Ministry of Tourism and Environment)
Number of events/workshops organised as part of the platform ⁴	Number		Data to be provided by the co-ordinating institution (e.g. Ministry of Tourism and Environment)
Environment-related R&D and innovation expenditure by state and business sectors	Gross expenditure on research and development (GERD) (%)	Support collaboration between SMEs and academia, as well as regional and international collaboration on R&D and innovation	Indicator to be developed based on Eurostat by the Agency for Research, Technology and Innovation. Data to be provided by the National Agency for Scientific Research and Innovation or AIDA
Matchmaking events organised	Number of events	Organise investor-entrepreneur matchmaking events	AIDA
Awareness-raising campaigns on the circular economy	Number of campaigns	Raise awareness on the circular economy and circular business models for SMEs through additional communication campaigns and training programmes, including showcasing of good practices and access-to-finance possibilities	Data to be provided by AIDA, chambers of commerce and industry
Awareness of SMEs on circular business models	Share of SMEs aware of the circular economy		Regional Cooperation Council (Balkan Barometer Survey) or nationwide survey
Awareness campaigns to reduce	Number of campaigns;	Continue facilitating the	Data to be provided by the

food waste in the tourism sector	number of restaurants/hotels involved	exchange of practices and peer learning, including cross-sectoral knowledge development	Ministry of Tourism and Environment
Awareness campaigns to reduce textile waste	Number of campaigns; number of businesses involved		Data to be provided by AIDA or the Ministry of Finance and Economy
Mainstreaming education for the circular economy into university-level curricula	Action-specific indicator for monitoring the implementation of the recommendation (yes/no)	Support capacity building and entrepreneurship skills as well as vocational training on the circular economy	Data to be provided by the Ministry of Education and Sports
Plastics			
Introduction of EPR schemes planned by law	Action-specific indicator for monitoring the implementation of EPR schemes	Improve waste management in general: separate collection of plastic (and other packaging) waste and implement an EPR take-back scheme for packaging, including plastic packaging	Data to be provided by the Ministry of Tourism and Environment
Collection facilities installed	Number of collection facilities installed	Consider introducing a deposit-refund system for plastic bottles	Data to be provided by the Ministry of Tourism and Environment
Collection of plastic bottles	Share of separate collection of plastic bottles of all single-use bottles placed on the market (%)		
Introduction of a ban on all single-use plastic bags (full alignment with the EU Single-Use Plastics Directive)	Action-specific indicator for monitoring the introduction of the ban (yes/no)	Introduce taxes and/or bans on certain single-use plastic products	Data to be provided by the Ministry of Tourism and Environment
Eco-modulated fees within EPR for packaging	Action-specific indicator for monitoring the introduction of the fees (yes/no)	Introduce eco-modulated fees for plastic packaging	Data to be provided by Ministry of Tourism and Environment
Funding and training for new recycling technologies	Number of programmes for innovation and R&D activities in the field of plastics	Support and scale up innovation into more recyclable plastics materials, plastics recycling technologies and processes	Data to be provided by the National Agency for Scientific Research and Innovation, AIDA, Innovation Fund
Public expenditure on R&D related to plastics recycling	Amount (ALL)		Data to be provided by the National Agency for Scientific Research and Innovation
Awareness-raising activities carried out for plastic use reduction, reuse and recycling targeting businesses	Number of activities	Raise awareness and educate businesses, public authorities and households on plastic waste prevention, circular design and littering (campaigns, catalogues, online platforms; mainstreaming the circular economy into education programmes in schools)	Data to be provided by the Ministry of Tourism and Environment
Public awareness raising and education campaign on plastic waste and marine litter	Number of campaigns		Data to be provided by the Ministry of Tourism and Environment
Municipal or regional web catalogues or platforms for information on plastic waste prevention	Number of established platforms; number of materials and resources accessible on line; level of traffic on the web platform		Data to be provided by regional or municipal authorities
Circular economy in the educational system	Number of students educated/trained on circular economy fields of activity; number of events organised in relation to pedagogical circular economy activities		Data to be provided by the Ministry of Education, Sports and Youth
Strategy with all the necessary elements adopted (timeline, budget, responsible institution, consultation process)	Action-specific indicator for monitoring the adoption of the strategy (yes/no)	Develop a strategy to curb plastic pollution, including marine plastic litter	Data to be provided by the Ministry of Tourism and Environment

1. Headline indicators outlined in Table 7.2 serve as the main benchmarks for monitoring progress in the implementation of the proposed recommendations. The indicators outlined in this table are complementary to those, capturing additional implementation aspects.
2. The source column refers to institutions already collecting relevant data or those that could be in charge of collecting such data in the future.

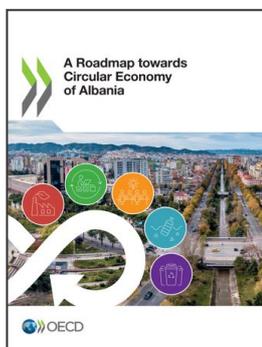
3. The establishment of the Special Fund for Circular Economy is a measure envisaged as part of the draft Extended Producer Responsibility Law, under public consultation at the time of drafting, and is hence subject to change.

4. Circular economy stakeholders' platform-related indicators might differ depending on the format of the platform (on line, physical, hybrid).

Note: ALL: Albanian lek.

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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), "Monitoring framework", in *A Roadmap towards Circular Economy of Albania*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/bc10997b-en>

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