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22 June 2012

**IMPLEMENTED ACTIVITIES FOR THE PERIOD JAN 2012 – JUNE 2012 AND RECOMMANDATIONS
FOR THE IMPLEMETATION OF THE PROJECT FOR THE SECOND HALF OF 2012**

UNDER

**THE COUNTRY PROGRAMME OF ALBANIA UNDER THE GLOBAL SOLAR WATER HEATING MARKET
TRANSFORMATION AND STRENGTHENING INITIATIVE**

Albania
Solar Water Heating Market Transformation and Strengthening Initiative
PIMS 3611

The activities of the Project during the first 6 months of 2012 have been focused mainly in finalizing the draft National Renewable Energy Action Plan by the year 2020 with the base year 2009, and discussion of the legal acts prepared for the promotion of solar panels for hot water at a national/local level; capacity building of architects, professionals from the building sector as well as students from different faculties of Polytechnic University regarding the application of the SWH technology since the planning phase of the buildings; capacity building of Professional Training Centers to develop specific training courses for solar thermal systems; formalization of an agreement with the Albanian Tourism Association and assistance for a series of hotels to increase the quality of the already installed SWH systems associated with the awareness raising activities to promote SWH technology by the hotels which have not yet installed such a technology; capacity building of the installers of SWH systems; awareness raising of visual written and electronic media journalists to represent professionally the SWH issues in particular and renewable energy issues in general; monitoring of hot water consumption for study purposes; and installation of solar thermal systems by (i) the AKBN building, (ii) in three “Guesthouses” by the alpine area of Thethi, and (iii) in three Vocational Training Centers, respectively in Tirana, Durrës and Fier. Below are listed the up to now findings of the Project according to the expected outcomes.

Outcome 1 (An enabling legal and regulatory framework to promote sustainable SWH market (policy)):

- Following the drafting of laws/regulations to promote solar energy, a round table discussion took place with broad participation of all stakeholders and run by the Ministry of Economy, Trade and Energy (May 10, 2012). The project is available to assist even further, after the adoption of the renewable energy law, which is still in draft form, in anticipation of the World Bank comments;
- Following the request of the Ministry of Economy, Trade and Energy (METE), the draft National Renewable Energy Action Plan is discussed and finalized (in previous 4 technical tables with participation of METE, AKBN and technical experts, and then in a round table discussion with broad participation from line ministries and other state institutions, academia, donors and non-profit organizations, organized on May 10, 2012 lead by the METE). The draft plan sets a target for Albania of approximately 38% taking into account all sources of renewable energy, with specific targets for solar water heating: the draft involves technical and legislative measures for the country until 2020, in line with the respective EU directives, the obligations to the Energy Treaty and the National Energy Strategy’s objectives.

Outcome 2 (Enhanced awareness and capacity of the targeted end-users and building professionals to consider and integrate SWH systems into different types of buildings (information)):

- Monitoring devices on the consumption of hot water for 20 families in three climatic zones in Albania are installed: first results of the monitoring are recorded, which will be used for research purposes to better definition of financial indicators of solar panels for hot water used in the country;

- The technical specifications are drafted and a bid process (international) is opened for the procurement of monitoring equipment for large solar thermal systems (surveillance of monitoring equipment installations and processing of data still expected from the international expert working in the field of solar panels' certification, after their procurement);
- Following the installation of solar panels for hot water and the supporting set of tools to better develop the specific courses for "Installers and Repairmen of solar panels for hot water" in three Vocational Training Centers, respectively in Tirana, Durres and Fier, it is realized also (i) the preparation and delivery of training manual for instructors of specific courses of all vocational training centers, (ii) training of instructors on the basis of improved curriculum approved by the Minister of Labour, Social Affairs and Equal Opportunities, and (iii) a promotional event organized in Vocational Training Centre No.1 in Tirana with broad participation and in collaboration with the Ministry of Labour, Social Affairs and Equal Opportunities, the National Employment Service and the Directory of the Centre (by May 3, 2012).
- The cooperation agreement with the Italian association CeLIM is finalized, due to which, the latter is expected to provide for three other Vocational Training Centers which develop specific courses for solar energy (in Shkodra, Vlora and Korca) and for the professional high school "Karl Gega" in Tirana, the same set of solar panels/tools as it is already provided from the SWH project for Tirana, Durres and Fier, thus closing all the training cycle of VTCs. In addition, the Harry Fultz Institute is expected to open a specific course for solar installer/repair in September, 2012.
- The programme is finalized, the experts are recruited (national and international) and the second phase of the training is carried out for the needs of the architects, other professionals in the building sector and an interested group of students from different faculties of the Polytechnic University of Tirana and other non-public universities (by 28 to 30 March 2012, at the premises of Epoka University in Tirana) in the field of the application of solar water heating systems;
- In cooperation with the German Development Agency-GIZ, three solar thermal systems are procured and installed to support three of the guesthouses in the tourist area of Thethi. Following, a promotional event is planned in Thethi (in July 2012) for public awareness on the use of solar energy for hot water, especially in relatively isolated areas and touristic places.
- A one-day training program is finalized and successfully delivered to the representatives of press and visual media to increase their capacity to professionally cover the issues/success stories related to renewable energies in general and solar energy in particular (on June 13, 2012);
- Upon their request, the project is about to procure and install solar water heating systems in the central building of AKBN (actually going through a major renovation).

Outcome 3 (Increased demand for SWH systems by the availability of attractive end-user financing mechanisms or other delivery models, such utility driven models (finance)):

- As per the request for partnership by ATA (Albanian Tourism Association), the project was presented at the Fourth Annual Conference of the ATA as an Official Partner, seeing it as a good opportunity for promotion of SWH systems to the ATA members, via a presentation during the conference course, through subsequent publications like membership CATALOGUE, or through the electronic bulletins of this association;

- The cooperation with ATA (Albanian Tourism Association) for awareness raising and capacity building of the members of the association is finalized. Following and in cooperation with, the project organized on 18 April 2012 the "Roundtable on legal, financial and technical assistance to facilitate the penetration of solar technology for hot water in the hotel/service sector in Albania";
- Several meetings are organized with the Municipality of Tirana for concrete cooperation between the Project and the municipality for the selection of pilot projects in the kindergartens/day-care centers under the jurisdiction of the Municipality, which can be fitted with solar panels for hot water in their reconstruction: the agreement is not been finalized, subject to be detailed by the Municipality of Tirana;

Outcome 4 (A certification and quality control scheme applicable for Albanian conditions and enhanced capacity of the supply chain to offer products and services promoting sustainable SWH market (technology and business skills)):

- The testing of solar panels has continued at the solar testing center (installed at the "Harry Fultz" Institute in Tirana). In the following it is expected a comprehensive training course for testing and evaluating the results from the international expert for certification (to be implemented in July, 2012);
- In cooperation with ATA (Albanian Tourism Association) an advertisement is announced for cooperation with hotels that have already installed solar thermal systems to participate in a practical training to improve their existing installations. In the following, and in collaboration with the Swiss consortium INFRAS, a training week it organized (21 – 25, May 2012) with a number of participating hotels in Tirana, Rinas, Durres and Shkodra. Training team composed of the Swiss consultant and the technical expert of the project, inspected the hotels, provided recommendations in each of them, and coupled the recommendations with the respective new installations' schemes;
- A training seminar for installers of solar water heating systems is organized on 22 May 2012: the Swiss consultant, following the theoretical material, has shared with all participants the findings of its first mission of November 2011, as relates to the wrong practice in the existing installations, and recommendations for their improvement, which are expected to significantly affect the growth of productivity of this technology in Albania. Training was conducted at the solar testing center at the Institute "Harry Fultz" in Tirana;
- Two study visits are organized (on 30 and 31st of May, 2012) by the solar testing center installed at the Institute "Harry Fultz" in Tirana, respectively by the (i) Students/professors of the Mechanical Engineering Faculty, Professional Master - I; and (ii) Students/professors of the Environmental Engineering Faculty, Master of Science - I, of the Polytechnic University of Tirana.

Outcome 5: (The provided support institutionalized and the results, experiences and lesson learnt documented and disseminated (including monitoring, learning, evaluation, and their feedback for adaptive management))

- The estimations on the penetration of solar water heating systems for industry are finalized in addition to updating the relevant analysis for the residential and service sector (for the analyzed period) ;

- A concrete proposal for the Internet website dedicated to solar energy is shared with the representatives of AKBN: the new webpage is designed, while the data upload is expected from the AKBN to be done soon.

Others:

- Prepared reports:
 - The summary report on the current certification schemes in the EU, the requirements to be met by manufacturers to comply with ISO 9000 series of standards as related to quality management system; recommendations regarding the certification scheme of the Albanian solar products and installers; recommendations regarding the various monitoring of solar thermal systems;
 - Validation summary report on the improvements to be made in the testing center to meet the European standards;
 - Final draft of the National Renewable Energy Action Plan associated with the draft governmental decree and the accompanying statement of legislative purpose for its approval;
 - The training manual as related to the development of SWH curricula for training courses delivered by the Vocational Training Centers.
- In cooperation with METE it is worked to support a previous initiative for a new project, which focuses on energy efficiency standards in buildings which are related to solar energy and are in line with European best practices/guidelines;
- Terms of reference are drafted and the international expert is contracted to mid-term evaluate the project as per the GEF guidelines: the evaluation is expected to be finalized in June-July, 2012;
- Promotion materials in the framework of the project activities are prepared/delivered as per the target groups;
- Project is in contact with the Swiss Development Agency in an effort to mobilize additional funds for the promotion of solar water heating in Albania;
- The project is presented in a series of conferences and other activities like the First International Conference on Architecture and Urban Planning, organized by Epoka University, in Tirana on April 19, 2012; at the fourth annual conference of ATA in Tirana on January, 2012; on several television programs; magazines; etc.
- The first number of the Climate Change Programme newsletter is prepared and distributed, reflecting the activities of the solar energy project: The newsletter will be prepared on a quarterly basis.

MAIN CONCLUSIONS AND RECOMMENDATIONS FOR THE SECOND HALF OF THE YEAR 2012

Outcome 1

- According to METE, the final endorsement of the law on renewable energy is expected within 2012. After the approval of this law, the Project could continue to support METE in the preparation/approval of the secondary legislation;
- There is an interest from METE and the Ministry of Public Works and Transport to review/develop new standards of energy efficiency in buildings, in which solar energy can play a role. The project will attempt to explore further opportunities for cooperation and/or to support the launch of a new project focusing especially on standards/norms of energy efficiency in buildings. Funding for this project may be required from other donors, with a possibility from the EU IPA 2012/2013 program, under the environmental component.

Main results expected for the second half of the year 2012 under outcome 1

- Finalization and adoption of secondary legislation for renewable energy law as relates to the specific provisions for solar energy with a potential link to laws and regulations in the construction/housing sector;
- Increase of awareness raising and training of main stakeholders to practically implement the new laws/regulations.

Outcome 2

- The visits done during the first half of the year 2012 have confirmed the interest of the Municipality of Tirana to collaborate with the Project, although not very effective till now. The possible areas of collaboration (included in a draft Memorandum of Understanding since January 2012) are:
 - Adoption and implementation of solar thermal obligations for selected new public buildings and for those going through a major renovation under the administration of the Tirana municipality;
 - Technical and legal assistance by the project in the form of training of the municipal staff, and the recruitment of an experienced solar thermal engineer/architect to support project design and monitoring of the systems installed (the # of targeted buildings in 2012, 2013 and 2014 to be specified in the MoU);
 - Piloting solar thermal installations in municipality multi-apartment owned buildings (e.g. social housing - the # of targeted buildings in 2012, 2013 and 2014 to be specified in the MoU);
 - Joint public awareness raising campaigns.
- The selection of installed systems to monitor, the installation of monitoring equipment and the processing of results will be finalized during the second international expert for certification;

Main results expected for the second half of the year 2012 under outcome 2

- Start of new courses during autumn 2012 regarding solar thermal systems in vocational training centers (and depending on the degree of applicability in professional schools);

- Finalization of the Memorandum of Understanding with the Municipality of Tirana and the successful finalization of joint activities in accordance with the suggestions given above in this document;
- Installing of the equipment for monitoring the performance of solar thermal systems installed and analyzing of the data collected;
- Monitoring of hot water consumption and analysis of data collected;
- Finalizing the design and posting on the specific website for solar energy under the AKBN, which can continue to update it regularly even after the completion of the project.

Outcome 3

- Identified problems with the committed co-financing: the 2012 co-financing of METE was transferred again to the account of AKBN. As a result, the project has not been able to (i) proceed with a financing scheme for giving simple grants to support the installations of solar thermal systems in pilot new and innovative markets like industry, hotels, etc.; or (ii) support the efforts of the Municipality of Tirana for the installation of solar panels on public buildings/social institutions under its jurisdiction.

Main results expected for the second half of the year 2012 under outcome 3

- After the transfer of appropriate co-financing of METE from AKBN to the UNDP account for the project, finalizing the terms for the announcement of an expression of interest for new and innovative uses of solar thermal systems in the hotel sector, etc.. with a breakdown of costs agreed to by the project (% and other conditions of grant to be paid by the project still to be discussed and agreed on the basis of a feasibility study to be prepared by a financial expert);
- Preparation of joint support schemes together with the Municipality of Tirana;
- Awareness and joint marketing campaigns with local banks.

Outcome 4

- The international expert for certification has finalized its evaluation on the further development of the testing center and the certification scheme: in general, the Project is concerned about both: (i) the entity candidate to accept/put in place the testing center (no any added interest by the Harry Fultz Institute), and (ii) interest from local suppliers to use the testing center which does not seem very encouraging. The project suggests that it will be more effective to support the efforts of individual producers for testing/certification of their products by a testing center outside the country, in relation to major funding still needed to bring the testing center on equal terms with similar European/global centers;
- With regard to certification "SOLAR KEYMARK" of quality management system of domestic production, there is an opportunity for the presentation of an Albanian provisional label which seeks to achieve equivalent technical standards for solar thermal systems like "Solar KEYMARK" based on a sample taken at random and allowing an interim period of 5 years during which, the Albanian industry could be prepared to meet all requirements for quality management of production as per the "SOLAR KEYMARK".

Main results expected for the second half of the year 2012 under outcome 4

- Summary of recommendations and conclusions of the report of the international expert for certification;
- As applicable, the introduction of quality control scheme for solar thermal systems manufactured in the country, the imported ones, and as well as their installations;
- Promote the development of domestic solar thermal systems through the support given to their testing and certification abroad (co-financing the efforts).

Outcome 5

- Based on the monitoring report of 2011, identification of further gaps in relation to data and institutional challenges to get the required data is expected by the end of 2012;
- So far no progress regarding the establishment of solar thermal industry association. Notably there is a lack of interest and effort in local solar thermal industry to create such an association;
- So far no progress regarding the operation of the proposed monitoring scheme to AKBN.

Main results expected for the second half of the year 2012 under output 5

- Finalizing the market monitoring report for 2011;
- Creation of a permanent system for monitoring the market, which can continue to function even after project completion.