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The World Bank

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'Dëshmorët e 4 Shkurtit' Street,

March 31, 2009

[INSERT ADDRESSEE]

Dear [name],

Re: Invitation to participate in climate change vulnerability and adaptation assessment of Albania's energy infrastructure, April 21, 2009 at Tirana International Hotel

As a continuation of our work initiated in March 2009 to understand the risks for Albania's energy sector from changing climatic hazards, our next step is to consider ways in which current energy provision could be adapted to meet the demands of the future.

You are therefore invited to participate in a one day technical workshop on April 21, 2009 to be held at the Tirana International Hotel. The workshop will discuss risk management (adaptation) options, to address key climatic risks and vulnerabilities identified in roundtable discussions in March, and develop a matrix of possible adaptation measures for Albania's energy sector. A detailed agenda and outline of the workshop process is provided in Attachment 1.

To make best use of limited time at the workshop, we would welcome your assistance in collating some additional information in advance of the April 21 meeting. This information is directly related to defining the cost and benefits associated with possible future energy options and your responses will be used to more accurately monetize development options that will be identified at the workshop. Specifically we would welcome your assistance with the following:

[insert data request]

If you feel that a colleague or other organization is better placed to provide the above information please let us know. It should be noted that some data has been requested from multiple stakeholders so that we have a good understanding of the range of opinion that exists.

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Although we are trying to gather potentially relevant data in advance of the workshop, it is likely that additional information or clarification may need to be gathered from attendees and / or their colleagues. To accomplish this, World Bank consultants, Acclimatise and Worley Parsons, will be programming a series of follow-on meetings on April 22 and 23 immediately after this workshop (allowing meetings of about 1 to 1.5 hours with individual attendees). Aferdita Ponari at the World Bank will contact attendees to arrange these meetings separately.

I would be very grateful if you could confirm your attendance at the April workshop, by emailing Aferdita Ponari, <u>aponari@worldbank.org</u>, or calling her at 069 20 88 792 within one week. In addition, please respond to Aferdita Ponari regarding the data request by April 8, 2009.

We look forward to our continuing work with you.

Yours sincerely,

Camille Nuamah

ATTACHMENT 1 – WORKSHOP OUTLINE AND AGENDA

Background –To consider ways in which current energy provision in Albania may adapt to meet the demands of the future, including projected climate change requires a review of potential strategic development options and the consideration of a range of potential risks and opportunities including:

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- projected future energy demand,
- proposed arrangements for import and export of electricity,
- increased capacity in the hydro power generation sector, and
- Development of alternative energy supplies, such as additional thermal and renewable sources.

It is likely, however, that identified strategic development options will all have strengths and weaknesses in the face of climate change. For instance, based on our recent March 2009 workshop discussions it is apparent that there is potential to increase the installed capacity of hydro electricity power generation. While addressing energy supply needs this would increase Albania's existing reliance on climatic conditions and may not guarantee energy security in the longer term. Alternatively, additional thermal power capacity could provide energy security, but this option emits significant levels of greenhouse gases in comparison with hydro power generation and is exposed to international fuel price fluctuations.

Workshop Objective –To identify optimum development options that provide the best balance between investment levels, energy security, climate adaptation and sustainable development, a high-level cost-benefit analysis will be conducted. This cost-benefit analysis will consider internal costs and benefits (e.g., capital and operational cost of increasing power generation capacity) as well as external costs and benefits (e.g., benefit to Albanian society for increased energy security and the damage cost to the environment due to greenhouse gas emissions) for agreed strategic development options.

Workshop Agenda –To complete this next phase a one day workshop is proposed for April 21, 2009. This workshop will be limited to a small number of people, with responsibility for defining and influencing energy sector policy and with a cross section of representatives from key stakeholders in Albania's energy sector.

Agenda

Time	Item	Who
8.30 - 9.00	Registration, coffee and refreshments	
9.00 – 9.05	Welcome	Jane Ebinger, World Bank
9.05 – 9.20	Introduction, workshop objectives and planning	Stuart Arch, Worley Parsons
9.20 – 9.40	Overview of the EcoNomics Analysis Process	Stuart Arch, Worley Parsons
9.40 - 10.40	Agreeing the "Objective of the EcoNomics Assessment"	All participants
10.40 - 11.00	Break	
11.00 - 11.30	Agreeing the boundaries/ limits and constraints of the assessment	All participants
11.30 – 12.30	Identifying options/ solutions to meet the assessment objective	All participants
12.30-13.30	Lunch	
13.30 - 14.30	Identifying options/ solutions to meet the assessment objective continued	All participants
14.30 – 15.30	Identifying risks and opportunities associated with each option	All participants
15.30 – 15.45	Break	
15.45 – 16.45	Identifying data gaps and ways to fill them	All participants
16.45 – 17.00	Summarize actions and timetable	Stuart Arch, Worley Parsons