



## PROGRESS REPORT – RENEWABLE ENERGY

### PROJECT DETAILS:

**1. Title:** *The Entrepreneurial Discovery Process in Albania: Partnership with the quadruple helix actors for developing the country “Smart Specialization Strategy” – The renewable energy sector*

**2. Date and Venue:** The renewable energy roundtable was organized on 16<sup>th</sup> November 2022, at the premises of the Tirana International Hotel .

### 3. Panel Members and A Brief Description of Their Professional Commitments

- **Mr. Arben Shkodra:** Secretary General of Albania Manufacturing Union (AMU), Member of the Inter-Institutional Working Group for the Smart Specialization Strategy and moderator of the event
- **Mr. Gjergji Sinaku:** Deputy Minister for Infrastructure and Energy
- **Mrs. Albana Tole:** Deputy Minister for Education and Sports and Head Member of the Inter-Institutional Working Group for the Smart Specialization Strategy

### 4. Event Organizers

With the support of the European Commission's Joint Research Center (JRC) and the Policy Answer Project (Horizon Europe GA 10105887) Future Center organized this activity in collaboration with Inter-Institution Working Group, particularly Mrs. Albana Tole, who has played a key role in identifying and engaging strategic actors from the public sector and academia; as well as the Albanian Renewable Energy Association (AREA) and Albanian Manufacturing Union (AMU) which were selected by Future Center to assist in reviewing the contact lists prepared for the business helix and to urge the representatives from this helix to participate at the event.

### 5. Event Participants

For the renewable energy sector there were in total 12 representatives from the business helix including representatives from the the “Albanian Renewable Energy Association”, “Albanian Manufacturing Union”, KESH, investors in the sector of solar panels as well as the hydro energy. Academia on the other hand was represented by 2 individuals from 2 different albanian universities being “Polis Univeristy Tirane” and “European University Tirane” and 6 individuals from 6 different vocational high schools which were “Mihal Shahini”, “Professional School Kamez”, "Charles Telford Erickson", “Irakli Terova” and “Kristo Isak”. As for the government helix, we had the participation of 4 representatives in total belonging to the Ministry of Education and Sports, Municipality of Tirana, and Ministry of Energy and Infrastructure. The Civil society on the other hand was represented by Coplan.

*Businesses: 12 Participants; Academia: 8 Participants; Government: 4 Participants; Civil Society: 1 Participants*

## ACTIVITIES & OUTPUT

### 1. Planning

During the planning phase of the renewable energy roundtable, the first stage was to identify relevant actors from this sector who are representative of all four dimensions of the quadruple helix. Referred specifically to the business helix, given the relatively large number of entities that operate in this sector, our research was primarily directed toward the identification of relevant actors in the field of hydro energy, solar energy, and wind energy, whose production capacity goes beyond a certain threshold. As for the actors from the remaining dimensions of the quadruple helix, they were identified primarily through desk research, except for the public sector relevant actors, for whom we identified only



the primary government bodies that should have a representative in the event, as well as the desired hierarchical level and area of expertise.

Other aspects that were covered during the planning phase also included the preparation of an action plan/methodology for the logistics coordination of the activities as well as the facilitation of participant discussions, the preparation of the advertising materials, and coordination with the EDP working group concerning the approximate number of participants, the date of the activity, and the roles and responsibilities of each individual in the working group. In accordance with the action plan developed for the implementation of the EDP process in the Republic of Albania, this stage also included the identification of relevant business organizations in the country that could support in the organization of this activity for which Future Center decided to cooperate with the Albanian Manufacturing Union (AMU) and the Albanian Renewable Energy Association. (AREA)

## **2. *Coordination & Promotion***

As for the coordination and promotion phase, the initial steps consisted of coordinating with Mrs. Albana Tole regarding the actors from the academia and government helix that should be present at the event based on the criteria identified during the planning phase, as well as the Albanian Manufacturing Union and the Albanian Renewable Energy Association (AREA) for the representatives of business and civil society helix. Future Center then proceeded with the identification and communication of invitations to the panel members, confirmed their availability to participate, addressed all the logistics needs of the activity (conference hall, catering, audio system, etc.), printed the advertising materials created during the planning phase, prepared and mailed invitations to the selected actors, and sent a final reminder with the event details.

## **3. *Execution***

Future Center took care of every logistical aspect of the activity, documented the event by keeping the attendance lists, meeting minutes, and taking photographs of the event's key moments, etc., and facilitated the decisions amongst the attendees using the following moderating strategy:

- ✓ At the beginning of the event, Mr. Shkodra gave a presentation on the smart specialization strategy, the results of the mapping phase conducted in 2021, the role of EDP, etc.
- ✓ Mr. Shkodra then moderated two panels of discussions amongst the participants, the first of which was devoted to identifying and discussing the key opportunities, challenges, and outlook for improving the sector's performance, and the second to identifying the key strategic objectives and relevant measures required to boost the sector's performance.

## **4. *Summary of comments and suggestions***

- According to the quadruple helix actors, the renewable energy industry in Albania has expanded enormously over the past few years, mostly as a result of the increased production of hydro energy, but also solar energy, which has had a rapid expansion in the wake of the energy crises. In addition, civil society emphasizes that due to a number of factors, including favorable climatic conditions, adequate natural resources for the development of this sector, more than 50 years of experience in the field of hydropower, as well as very good access to finance for renewable energy related projects, have contributed to making Albania one of the leading countries in the region in this field.

- demand by neighboring countries to purchase and consume the albanian renewable energy as part of their efforts to transition towards a greener economy. Furthermore, according to the representatives of the public and private sector, Albania possesses an impeccable potential for creating the perfect system for the optimization of the electricity production imbalances throughout the year through the use of hydro energy during the winter months and solar energy during the summer months.
- Despite the very positive outlook for this sector, during the renewable energy roundtable a number of factors that hinder its development were identified, two of which were 1) the lack of diversification of renewable energy sources, which the business helix attributed primarily to the absence of a legal framework that encourages investments in the field of photovoltaics and eolians, and 2) the lack of energy efficiency, which Albania has not yet managed to extend to the level of entrepreneurship. In both instances, the actors of the quadruple helix stressed the necessity for reviewing the existing legal framework and presenting financial instruments that encourage investments in these fields.
- Two other quite discussed issues regarding this sector were also the 1) the transmission system's incapacity to accommodate and absorb the total amount of energy produced; 2) as well as the continuous energy production losses caused by the distribution systems' frequent disruptions. Taking these factors into account, the business helix emphasized the need for well-informed investments to be made to improve the performance of the existing transmission and distribution system, particularly in areas that are characterized by high energy production levels or that are expected to become so, such as the region between the Seman and Vjosa rivers. Another proposal made by the business helix in this regard was also for investment to be made in "storage systems".
- The public sector representatives also noted that they frequently had to collaborate with foreign experts for the development of the sector due to lack of experts in the renewable energy sector in Albania, especially in the field of eolic, photovoltaic, and energy efficiency, which remain largely untapped. In light of these challenges, members of the quadruple helix emphasized the necessity to improve the skills of the academic staff to conduct high-quality research on Albania's energy potential, analyze key areas for its growth, pinpoint the specific strategic actions needed to bring that potential to fruition, establish the criteria that every energy-related project must meet in order to be in line with the most recent technological advances and lastly, to be able to design and implement technically and economically successful projects in this field at the request of the private sector.
- Furthermore, in addition to the shortage of personnel, which was identified as a key impediment factor to the development of this sector, another concern raised was also the fact that the ratio of engineers to technicians in Albania is significantly higher than in other countries, which, according to the business helix, is inconsistent with market demands. To solve this issue, the business helix underlined the importance of boosting the role of vocational schools in relation to universities by implementing procedures that orient students below a particular average toward them.
- Another topic brought up during the meeting was also the lack of information on current energy production, consumption levels in Albania, system imbalances, price trends, and other variables essential for better monitoring the performance of this sector and for guaranteeing a more informed decision making process. Regarding this issue, representatives of civil society presented the need for the regulation of the electricity trading market as well as the necessity to create a dedicated platform for the publication of this data.



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POLICY ANSWERS

- Additionally, during the meeting, suggestions were made to reduce the pollution caused by this sector, which included developing an action plan for the management of water basins, cutting back on electric energy imports, and encouraging investment in electric vehicles. The business helix also demanded that the government address
- the frequent legislative changes, the lack of public consultation with the private sector, as well as the lack of legal certainty of investment in this sector
- With regards to innovation and scientific research, the quadruple helix actors have emphasized the importance of determining a successful model for the establishment of national research hubs, improving the pre existing research infrastructure, exempting from taxation the income generated by scientific research, and strengthening collaboration between the business helix and academia. Moreover, in light of the fact that some of the technologies used in this sector are frequently quite outdated, another recommendation from the civil society was to establish a set of standards for the kinds of technology that can be invested in this area (ex: certified technologies from the EU).
- Other ideas presented for the growth of this sector also included the adoption of measures to stimulate private sector investment, the introduction of the concept of agro voltaics, improved implementation of strategies that target the development of this sector, increased electricity exports, increased awareness and information among the business helix concerning the approach that must be implemented to ensure the sustainable development of this sector as well as the simplification of the procedures for obtaining the building permits.