

Smart Specialization Strategy (S3) in Albania: A new strategic approach for innovation

In recent years, countries and regions in the European Union (EU) have developed Smart Specialisation Strategies (S3) as a new tool for boosting innovation and regional development. The S3 approach, that is gaining increasing interest worldwide, represents a place-based innovation policy concept that seeks to identify promising areas for public and private intervention in terms of promising innovation niches and domains where knowledge-based value-added can be increased. It stresses the potential of cross-sectoral linkages, besides traditional industries and promotes the diversification on the basis of these linkages.

Being the S3 a participatory process, the priority domains are not to be defined top-down by policymakers alone, but rather agreed through a comprehensive dialogue between the stakeholders of the territory, called as Entrepreneurial Discovery Process (EDP), that includes policymakers from different government ministries and agencies, private-sector stakeholders, academia, and civil society or the so-called “Quadruple Helix”.

Such priority domains are identified based on the economic, innovation, and scientific strengths of a region or a country, expert knowledge, and stakeholder dialogue, the latter being one of the main features of the strategic process.

Nowadays, a strong focus on innovation policies is even more urgent due to the growing need of addressing the societal challenges of the last decade.

The introduction of S3 to the Western Balkans has to be seen within the context of the EU's enlargement strategy that provides an accession perspective and envisages support for several policy areas including socio-economic development. S3 became part of the WB6 regional agenda, as part of the Smart Growth pillar in MAP REA and now part of the Common Regional Market Action Plan 2021-2024 in the context of the Berlin Process, and of the EU Agenda for the Western Balkans 2021-2027. S3 is also part of the Chapter 20 “Enterprise and Industrial Policy” and 25 “Science and research” EU Acquis in the framework of Albania EU integration.

To assist Western Balkan economies in the design process of their S3 JRC of EC has developed an S3 Framework that includes all steps to the final draft of the strategic document to be used as a guideline.

Smart Specialisation is expected to be of high importance for the growth of Albanian's economy, unlocking the innovation and competitiveness potential in specific domains.

Albania started the process of designing its S3 in 2016 and in 2017 Albania registered in the platform of the Joint Research Centre (JRC) of the European Commission for S3. Albanian S3 team developed an S3 Roadmap based on the JRC Framework and so far several steps have been taken to develop a Strategy at national level by keeping a regional perspective.

According to the S3 Framework, Albania finalized the first steps of context analysis, through the Quantitative and Qualitative mapping of the economic, innovative, scientific and technological potential of the country identifying potential vertical and horizontal S3 priority areas to be further explored during the EDP phase as follows:

Domains: **Agriculture Fisheries and Aquaculture; Manufacturing; Energy; Accommodation and support service activities; Information and Communication; Administrative and support service activities.**

Cross-sectorial identified areas: **Blue economy; Healthy food; Renewable resources energy; Extended BPOs**

Inputs from EDP working groups will complement outcomes from the mapping phase and will be developed for drafting the final S3. During the EDP in Albania there are foreseen different types of events: national events, sectorial workshops, roundtables, bilateral meetings with cross-border countries, interviews, etc. National S3 experts will facilitate the discussion and help collect the inputs. EDP it is foreseen to be finalised within July 2023 while the Albanian S3 strategy is foreseen to be finalised within the first semester 2024.

Considering the importance of this process for the Albanian Government and the fact that it covers a wide number of sectors, from February 2023 the process is coordinated by the Deputy Prime Minister leading the S3 Interministerial Committee and assisted by the National S3 Team.

Smart Specialization Strategy will be a priority of the Government of Albania and an important instrument for directing future investments in the priority areas and in developing a knowledge based society.

In order to raise awareness on the S3 process and its importance for all the actors involved, as well as to set the scene on how the Albanian Smart Specialization Strategy will be finalized, the **Government of Albania will held on April, 12^{ve} 2023 the Launching Event “Smart Specialization Strategy (S3) in Albania: Entrepreneurial Discovery Process (EDP) on S3 priority areas”**. This event will highlight:

- The importance of this process for the Albanian Government and the new set up of the process with the DPM leading the S3 Interministerial Committee with the

participation of many ministers and relevant actors and stakeholders, including non-governmental sector considering the importance of a participatory process.

- The achievements of the first mapping phases and the consultative processes already taken place guided by the methodology of best practices of EU member' states and the Joint Research Center of the European Commission.
- The identification of priority areas selected followed by a broad consultative Entrepreneurial Discovery Process with other 20 events to be realised till June 2023.

This launch event will also be a platform and kick-start 20 nation-wide roundtables and workshops in Albania with participants from the quadruple helix (central and local government authorities, academic and research, business sectors, as well as civil society), which is a very important step for cross-sectoral cooperation and networking with key actors in the identified priority areas.