



PROGRESS REPORT – AGRITOURISM

PROJECT DETAILS:

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

2. Date and Venue: Future Center organized the agrItourism roundtables on *November 3rd, 2022*, at the premises at *Xheko Imperial Hotel*. This roundtable was organized in accordance with the calendar of activities discussed and agreed with the inter-institution working group for developing the country's smart specialization strategy on October 18th.

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
- **Mrs. Matilda Naco:** Executive Director of the Albanian Tourism Association (ATA)
- **Mr. Enio Civici:** Deputy Minister for Agriculture and Rural Development
- **Mrs. Kornelia Ferizaj:** Executive Director of the National Agency of Tourism

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. Albania Tole, who has played a pivotal role in identifying and engaging strategic actors from the public sector and academia; and the Albanian Tourism Associations (ATA) which was 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

At the event for the Agrotourism sector, 14 people from the business helix took part, including representatives from agrobusiness units, tour operators and travel agents, and business associations like the Albanian Tourism Association, the Agritourism Association in Albania, and the Albanian Manufacturing Union (AMU). As for the representatives from albanian universities and research centers, we had the participation of nine representatives in areas with a high concentration of agritourism activities such as Tirana, in which we had the participation of representatives from “University of Tirana”, “Agriculture University of Tirana” and “University College of Business”, from Vlora with the participation of representatives from “Ismail Qemali University” and one from Korca with representatives from “Fans.Noli University”. Government helix was also well represented in this activity with the participation of the representatives from the Municipality of Tirana (DPZHIT), Ministry of Education and Sports (Deputy Minister, AKKSHI, NASRI etc), Ministry of Agriculture and Rural Development (Deputy Minister), Ministry of Tourism and Environment (Director of National Tourism Agency) and AIDA. As part of the civil society, we had a representative from GIZ, which is actively involved in projects concerning the development of this sector in Albanian Rural Areas.

Businesses: 14 Participants; Academia: 9 Participants; Government :7 Participants; Civil Society: 1 Participant



ACTIVITIES & OUTPUT

1. *Planning*

As in the case of the agriculture sector, the approach implemented to successfully organize this activity initiated with the identification of the relevant stakeholders within this sector, the organization of their contact details in a excel spreadsheet according to the helix they represent as well as sector, the methodological approach to be implemented for organizing this event as well as the preparation of all the communication materials both from a design and content point of view. Another important step in the organization of this activity was also the identification of a reputable business organization in the country with experience in the tourism industry to collaborate with in hosting this activity, for which Future Center decided to engage the Albanian Tourism Association (ATA).

After reaching consensus with the rest of the S3 team on the format activity, the approximate number of participants, the moderating methodology and the responsibility of everyone in the working group on October 18th, we proceeded with the organization of the activities accordingly.

2. *Coordination & Promotion*

For the organization of this activity, we have cooperated with Mrs. Albana Tole, Deputy Minister of Education and Sports, who has supported with the identification and mobilization of strategic actors from the public sector as well as the review of the list of actors from Albanian universities and research centers, as well as Matilda Naco, Executive Director of the Albanian Tourism Association, who supported in the review of list of actors from the business helix. After finalizing the final version of the contact list of actors to be invited in this event, we proceeded with the following steps:

- Identification of relevant agritourism industry actors who can contribute to our panel, brief them on the EDP process and its status in Albania, and confirm their availability to participate.
- Identification and reservation of the conference room, catering, equipment, and other aspects required for the event.
- Preparation and distribution of the invitations to the preselected actors through various communication channels and confirmation of their availability to participate.

3. *Execution*

The roundtable for the agrotourism sector was organized on November 3rd at Xheko Imperial Hotel. Within this day, Future Center covered all the logistics aspects, including participant registration, note-taking, and the organization of guests, panelists, and service providers. Another key responsibility covered by Future Center was also facilitating the discussions amongst the participants which Mr. Shkodra implemented according to the action plan developed for the EDP process in Albania.

4. *Summary of Comments and Suggestions*

- According to the quadruple helix actors, this industry has undergone tremendous growth in recent years, a portion of which may be credited to the Albanian government's support for its development. Despite this fact, civil society indicated that we must be cautious about classifying this sector as one of the country's top priority given its small size in comparison to other tourism sectors as well as the intense competition from neighboring countries such as Italy and Greece.
- The lack of labor force is another issue brought up by the business helix in regard to the growth of this sector, which they attributed to two primary factors being 1) the expansion of the tourism industry in Albania, which has led to an increase of demand for labor force; and 2) the unfavorable demographic trends, particularly with regard to emigration and rapid urbanization towards Tirana. As a solution, the quadruple helix actors

emphasize the importance of 1) bolstering rural areas' access to healthcare and education, and 2) improving transportation connections in these regions by constructing new roads and upgrading the existing ones.

- The failure to coordinate the innovation efforts between the corporate world and academic institutions was also highlighted as a key barrier to the development of this sector. According to the business helix, the primary reason behind their lack of willingness to engage with academia is their advanced knowledge and capabilities. Therefore, the business helix emphasized the significance of making efforts to improve the performance of Albania's universities and research institutes by adjusting their curricula to the market's needs and ensuring that their academic staff is appropriately qualified. As for the academia, they indicate that their contribution to scientific research has been minimal due to the incapacity of a university department to independently seek and manage funds for scientific research.
- Another concern highlighted was also the lack of information and studies that would make it possible to formulate a strategy for the growth of this sector. To address this issue, the following needs were identified:
 - Predict the growth of the Albanian tourism sector, its most strategic areas, estimate the number of workers required, evaluate the country's capacity to meet those demands, and name any other strategic measures required to boost this sector's performance.
 - Examine the causes of the region-wide uptick in tourism, and their potential implications (e.g., over the last 3 years the number of tourist from Kosovo to Montenegro has quadrupled)
 - The publication of reliable statistics by Instat as well as their enrichment through the incorporation of indicators such as the number of tourists who have entered the Republic of Albania, their nationalities, the cities they have visited, the days they have stayed, the expenses they have incurred, etc.
- The effectiveness of the Albanian government's agrotourism-supporting policies was also a topic of discussion. In particular, the business helix discusses the "100 Villages" initiative implemented by the Albanian government in support of the agrotourism sector, indicating that this program has not been adequately leveraged in support of this sector due to the following factors:
 - The lack of a property deed prevents many agritourism businesses from qualifying for this government program. In this regard, the business helix emphasized the need for a revision of the procedures for obtaining the property deed, or for the removal of this condition altogether.
 - Another troublesome point raised by the business helix was the criteria for having accommodation facilities, which they recommended to be removed given that it is not consistent with the reality of the majority of the businesses operating within this sector.
 - Thirdly, the private sector representatives stress that the small enterprises dominating this sector, do not have the competence in writing project proposals that are required to profit from the funds available for this sector. This has resulted in a bias favoring large corporations, neglecting in return the strong value chain's reliance on small firms.
 - The absence of innovative ideas and experts in the sector who can guide and assist Albanian enterprises in improving their market offer was another factor noted by the business helix.

Regarding this matter, government representatives stated that they are now updating the law for the categorization of the agritourism businesses in Albania, in which the requirement to provide lodging would be made optional. In response, business helix noted that these measures would only solve one of the four previously outlined concerns.



- To improve the performance of the Albanian Agrotourism sector, academia also emphasized the importance of promoting locally sourced products such as the Boronica of Tropoje, the chestnut of Kukes, and so on. Regarding this matter, the Albanian government indicated that they have adopted the law on designation of origin, which permits the registration of Albanian indigenous products. In turn, the civil society proposed that for this measure to have a greater impact, an agreement must be reached between the Albanian government and the European Union to ensure that Albanian-origin products are automatically incorporated into the respective Eu platform once the Albanian government has granted t this status.

- Last but not the least, the Albanian Tourism Association proposed that the management approach of the agrotourism sector be enhanced by encouraging the implementation of the following measures:
 - Educate and train the business community on the most effective sales management systems, so that businesses can more easily identify the essential elements that will help them improve their service quality and overcome issues such as reservation overlap and a labor shortage.
 - Another aspect stressed by the association was also the significance of the expansion of digital services in this sector, such as online booking and digital access to lodging.