



PROJECT TITLE “INNOVATIVE ECONOMY ECO-SYSTEM”

PROJECT ACRONYM “**INECO**”

***ANNEX II: TERMS OF REFERENCE***

*External Expert for:*

*Activities 3.1, 3.2, 3.3, 3.4 & 4.1*

*In “INECO” Project*

*“The Project is co-funded by the European Union and by national funds of the countries participating in the “Interreg IPA II Cross-border Cooperation” Programme “Greece – Albania 2014 – 2020”*



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# **1. BACKGROUND INFORMATION**

## **1.1. Partner country**

Albania

## **1.2. Contracting authority**

Studies and Development Center - Albania (Partner)

## **1.3. Country background**

Albania transitioned from being one of the poorest countries in Europe in the 1990s to gaining middle-income status in 2008. Albania was granted EU candidate status in June 2014. In the aftermath of the global financial crisis, Albania's growth decelerated, with growth rates as low as 1.9 percent in recent years. However, growth strengthened to 3.4 percent in 2016 and is projected to average 3.5 percent during 2017-2019. Continued growth, and job creation are expected to sustain poverty reduction in the coming years. GDP per capita was 4,078 US\$ in 2016, and the poverty rate was 7.7 percent, while 39.1 percent of population lives below the upper middle-income poverty rate of US\$5.5 (2012 figures). All figures show a steady decline in poverty rates. Growth has been supported by robust domestic demand. Services were the main driver for growth, followed by construction and agriculture. Average annual inflation has fallen to 1.3 percent in 2016. However, higher food prices lifted inflation to 2.2 percent in the first half of 2017.

Albania's main exports are minerals, fuel and electricity (40.4%), textiles and footwear (28.2%) and construction materials and metals (14.7%). The main trading partner is the EU with a traditional surplus in favour of the EU. The overall industrial and trade performance is characterised a lack of competitiveness of the economy. Competitiveness is hampered by deficiencies in the rule of law, including enforcement of contracts, unclear property titles, lack of specialised and skilled labour force, and a large informal economy.

The National Strategy for Development and Integration (NSDI) 2015–2020 was approved in May 2016. The NSDI rests on four pillars: (a) ensuring fiscal, macroeconomic and financial stability, (b) Enhancing competitiveness, (c) making public services transparent and accountable, and (d) Promoting efficient use of natural resources. The operation therefore remains relevant in this Context and supports the NSDI pillars. Recent elections in 2017 did not change direction and the Government continues its strong commitment to the sector.

## **1.4. Current situation in the sector**

Albania has considerable investment needs, for instance in transport, environment or energy infrastructure. To illustrate: Albania had in 2011 113 km of roads and 14 km of rail per 100 000 inhabitants which represent 13.8 % and 32% of the EU-27 average of 821 km and 43 km per 100 000 inhabitants of roads and rail respectively. A similar picture exists in other sectors requiring infrastructure investments. In particular, water treatment and waste management are at early stages of their development.

The country is susceptible to effects of climate change, in particular flooding and drought, as well as possible electricity shortages due to a high dependence on hydro-power which requires seasonal energy imports.

Services constitute the largest sector of the Albanian economy. They contribute about 53% to gross value added (agriculture 22.9%, industry 13.2% and construction close to 10.5%).

Therefore, their importance and potential for further development should be recognised in meaningful strategies and not be given less attention than the industrial or agriculture sectors.

In this context, it is important to underline that the export of services is in surplus and that tourism already has a high economic impact in Albania, even though it performs below potential. The total contribution of travel and tourism to GDP, including indirect effects, is estimated at around 20%. However, the sector faces numerous challenges linked to the lack of skills of tourism professionals, widespread informality, low accessibility of tourism services, the absence of a sustainable natural and cultural offer, and the lack of coordination and planning both within the sector and with other relevant sectors such as vocational education and training.

Albania is still challenged by low productivity of agriculture and underdeveloped rural areas. Farmers and agri-business operators are not yet sufficiently prepared to manage the opportunities and challenges originating from the integration in EU agricultural markets and policies. Currently, agriculture is mainly subsistence-oriented and average farm sizes are small due to fragmentation. Farming is labour intensive with low levels of labour productivity and efficiency as a result of low level of technological advancement and insufficient adoption of know-how. The overall investment in agro-food sector is limited. Advisory and extension services are weak, and agriculture-related information systems are not well developed (land register, functional farm and animal registers). Further harmonisation with EU legislation in order to optimise the access to EU market opportunities is not yet ensured with respect to food safety, veterinary, and other related areas. The country lags behind in having in place functioning quality policy legislation (organic farming, protection of geographical indications).

Albania cooperates in the development of a regional transport network in line with the multi-annual plan of the South East Europe Transport Observatory (SEETO). Albania is a signatory of the Energy Community Treaty. Albania has signed the Central European Free Trade Agreement (CEFTA) which prepares the trade policy of the country to meet the standards of EU membership. Finally, Albania participates in the Environment and Climate Regional Accession Network (ECRAN) and the Rural Development Standing Working Group which enhance regional cooperation in the implementation of environmental and agricultural policies.

Cross border cooperation policy is about establishing links across national boundaries to enable joint approaches to common problems and opportunities. The present Programme constitutes a set of proposals for the interventions envisaged under the terms of the cross - border cooperation of European Territorial Cooperation for the period 2014-2020 and the IPA II specific objectives on the regional integration and territorial cooperation involving EU Member States and IPA II beneficiary countries. Albania is participating in three IPA II cross-border programmes with other IPA II beneficiaries, notably Montenegro, Kosovo and the Former Yugoslav Republic of Macedonia. Each programme focuses on three thematic priorities. Environmental protection, climate change and risk prevention and tourism and cultural and natural heritage are common thematic priorities for the three programmes. The Interreg IPA II Cross-Border Cooperation Programme “Greece – Albania 2014-2020” has been approved by the European Commission decision C (2015) 5482 final of 30th July 2015.

The cross-border area of Greece-Albania seems to carry a negative image for both countries and generally Europe. This poor image is further undermined by the ongoing economic crisis that currently defines the area. This fact is particularly visible, when comparing Greece-Albania border area to other European border areas with similar geophysical characteristics. The current, rather undermined, image of the area is not compatible with the true qualities and potentials. It is characteristic that areas of pure natural beauty, cultural resources of tangible and intangible heritage have not yet been propelled or exploited.

## **1.5. Related programmes and other donor activities**

Albania is participating in three IPA II cross-border programmes with other IPA II beneficiaries, notably Montenegro, Kosovo and the Former Yugoslav Republic of Macedonia. Each programme focuses on three thematic priorities: Environmental protection, climate change and risk prevention and tourism and cultural & natural heritage are common thematic priorities for the three programmes. In Albania there are different Projects funded by various donors that provide assistance to the sector with focus in Environmental protection, Tourism, Cultural & Natural heritage and sustainable development. Donors are: IFIs with loans from the World Bank, the EIB, the EBRD, and other donors such as Germany, Italy, Japan, Austria, Sweden, Switzerland and the United Nations.

## **2. OBJECTIVE, PURPOSE & EXPECTED RESULTS**

### **2.1. Overall objective**

The overall objective of INECO project is to address a broader innovative ecosystem in the cross-border area, by creating two pre-incubating supporting mechanisms, in order to encourage new entrepreneurs and teams to prepare and test their business ideas under real conditions, and before taking any business risk. INECO will develop two co-working spaces and support services for teams of people with innovative ideas, helping them to mature, and to integrate smoother within the business world. More specifically, the teams will be supported to: (a) develop a business model, (b) access the market for their ideas, overcoming the so called “Death Valley” and (c) seek seed funding or risk capital. The two co-working spaces that are to be created; one in Kastoria (Greece) and one in Gjirokastra (Albania), will be able to fully support 15 to 20 teams, by providing them with a modern working environment, with all the flexibility needed to adapt to different and changing requirements. These spaces will have adequate infrastructure in terms of hardware and software in order to support the teams’ endeavors. What is more, both these spaces will offer the potential for interaction between the hosted teams – promoting thus more synergies. Coached support will be provided to the hosted teams throughout the whole time during which the premises will be used. This support includes advice on generic issues, including idea validation, business model, revenue model, IPR, legal issues, etc. If and when more specialist advice will be needed and justified by the progress of the hosted team, they will be redirect accordingly. Also, mentoring services will be arranged for areas in which the hosted team operates (or intends to operate). In some cases, the mentor could be a potential client.

### **2.2. Purpose**

The purposes of this contract are as follows:

- To provide data collection from own territory, translation, input and review the produced materials, for the compiling the final study-report entitled "Need Analysis & Action Plan on pre-incubation Strategy in the CB area";
- To provide data collection from own territory, translation, input and review the produced materials, for the compiling the final study-report entitled "Identify the latest innovation trends and Good Practices in Europe. Capitalization of existing methodologies"
  - ✓ To collect and review of secondary data on innovation trends and practices at international & European level
  - ✓ To collect and review of secondary data on innovation trends and practices at national level in Albania
- To provide data collection from own territory, translation, input and review the produced materials, for the compiling the final study-report entitled "Survey to gain deep understanding of potential entrepreneurs attitudes towards pre-incubation"
- To provide data collection from own territory, translation, input and review the produced materials, for the compiling the final study-report entitled "Formulate different scenarios on

pre-incubation strategy based on analyses and debate"

- ✓ To conduct and analysis of in-depth interviews
- ✓ Carrying out & Analysis of semi-structured questionnaires
- To provide data collection from own territory, translation, input, and reviews the produced materials, for the compiling the final study-report entitled "Business Pre-incubating Acceleration Tool- Modules e-material".

### **2.3. Results to be achieved by the contractor**

- Final study-report entitled "Need Analysis & Action Plan on pre-incubation Strategy in the CB area";
- Final study-report entitled "Identify the latest innovation trends and Good Practices in Europe. Capitalization of existing methodologies";
- Final study-report entitled "Survey to gain deep understanding of potential entrepreneurs' attitudes towards pre-incubation";
- Final study-report entitled "Formulate different scenarios on pre-incubation strategy based on analyses and debate";
- Final study-report entitled "Business Pre-incubating Acceleration Tool- Modules e-material".

## **3. ASSUMPTIONS & RISKS**

### **3.1. Assumptions underlying the project**

- Excellent and effective cooperation and interaction between partners involved in the project/the contracting authority and the contractor;
- Execution of the tasks according to a timeframe;

### **3.2. Risks**

Risks that could affect the successful and timely completion of the project are:

- Incorrect partnerships;
- Poor communication with and between partners;
- Delay in the delivering of the tender dossiers;
- Delay in the approval of tender documentation;
- Unexpected changes in the Partnership Contract.

## **4. SCOPE OF THE WORK**

### **4.1. General**

#### **4.1.1. Description of the assignment**

Cross border cooperation policy is about establishing links across national boundaries to enable joint approaches to common problems and opportunities. The present Programme constitutes a set of proposals for the interventions envisaged under the terms of the cross - border cooperation of European Territorial Cooperation for the period 2014-2020 and the IPA II specific objectives on the regional integration and territorial cooperation involving EU Member States and IPA II beneficiary countries. The Interreg IPA II Cross-Border Cooperation Programme "Greece – Albania 2014-2020" has been approved by the European Commission decision C (2015) 5482 final of 30th July 2015.

As the successor to the IPA Cross-Border Programme “Greece – Albania 2007-2013” it will attempt to capitalize on the experience gained and the lessons learned by the participants and the implementing structures in order to bring cooperation to a new level. The global objective of the programme is “to find the balance between sustainable regional development and enhancement of cross-border cooperation among local population & regional institutions, in accordance with EU & national policies, in order to address common challenges through joint interventions”.

The specific objectives of this project are:

The overall objective of INECO - in compliance with the general objective of the priority to which it belongs - is to address a broader innovative ecosystem in the cross-border area. This will be achieved by creating pre-incubating structured mechanisms, in order to encourage new entrepreneurs and teams to prepare and test their business ideas under real conditions, and before taking any business risk. The offered learning will be based on experience, thus lowering the risk of market failures. In contrast to a common business incubator, the pre-incubator supports only entrepreneurial projects (“profit-centres”) and not already registered enterprises. The specific objectives of the project are described as followed:

- The development of a pre-incubation strategy in the CB area based on international experience and capitalizing on existing methodologies.
- The formulation of Business Plans and development of prototypes for potential entrepreneurs and teams.

The development of a Business Pre-incubating Acceleration Tool and Virtual Platform associated with all the particular Modules.

- The creation of an International Mentors Network / Advisory Board / Pre-incubator Group.
- The installation and equipped of two pre-incubation structured mechanisms.
- The consultation with key stakeholders, policy recommendation and capitalization
- The development of a holistic pre-incubating support program involving training, coaching, mentoring and laboratory activities.

To this end, the project seeks the establishment of a solid and stable platform of cooperation, generating economies of scale and providing opportunities to exploit the comparative advantages that the region offers.

The project is consistent with the strategies and aims of the Interreg IPA CBC Programme related to the Priority 2 “Boosting the local economy”, and it contributes to the Specific Objective 2.2 “Improve cross border capacity to support entrepreneurship, business survival and competitiveness”.

#### **4.1.2. Geographical area to be covered**

The eligible cross-border area spreads from the Ionian Sea to the Prespa lakes, and includes:

- the Regional Units of Grevena, Kastoria, Florina, Arta, Thesprotia, Ioannina, Preveza, Zakynthos, Kerkyra, Kefallinia and Lefkada in Greece, and
- the Region I of Vlorë, the Region of Gjirokastër, the Region of Korçë and the Region of Berat in Albania.

The partnership consists of (6) institutions with competence in entrepreneurship, research & innovation, capacity building and local development, with high level of commitment and expertise: (i)

Kastoria Chamber (LB1-GR), (ii) University of Thessaly (PB2-GR), (iii) Association of Women Entrepreneurs (PB3-GR), (iv) Chamber of Commerce of Gjirokaster (PB4-AL) (v) Studies of Development Center (PB5-AL) and (vi) University “Eqrem Cabej” Gjirokaster (PB6-AL). The Partners have full knowledge of the area, its problems and especially its potentials. Their partnership combines knowledge, experience and expertise in a well-planned insight- out, and bottom-up driven

The eligible cross border area is determined in accordance to the IPA II rules set out in Regulation (EU) No 231/2014 where only Nomenclature of Territorial Units for Statistics (NUTS) III regions are eligible for cross-border cooperation programmes referred to in point (a) of Article 27, without prejudice to potential adjustments needed to ensure the coherence and continuity with 2007-2013 programs. The eligible cross- border area covers an area of 28,526 km<sup>2</sup> (17.445 km<sup>2</sup> for Greece cross- border area and 11.081 km<sup>2</sup> for Albania cross- border area) with a total population of 1,339,804 inhabitants (729.687 inhabitants for Greece cross border area and 610.117 inhabitants for Albania cross- border area) (census data of 2011).

The Programme cross- border eligible area is illustrated on the map below:

Map 1: Greece-Albania 2014 – 2020 eligible area



#### 4.1.3. Target groups

- Young scientists & students
- Young potential entrepreneurs



- Other potential entrepreneurs
- Young entrepreneurs
- Innovative local firms
- Export oriented local firms
- Private business Associations
- Local & regional authorities
- Civil society representatives
- Research institutions
- Policy makers

## **4.2. Specific work**

The Contractor will support the Contracting Authority in overall process for Activities 3.1, 3.2, 3.3, 3.4 & 4.1”, and shall contribute to achieving project objective through:

- Providing data collection from own territory, translation, input and review the produced materials, for the compiling the final study-report entitled "Need Analysis & Action Plan on pre-incubation Strategy in the CB area";
- Providing data collection from own territory, translation, input and review the produced materials, for the compiling the final study-report entitled "Identify the latest innovation trends and Good Practices in Europe. Capitalization of existing methodologies"
  - ✓ Collecting and review of secondary data on innovation trends and practices at international & European level
  - ✓ Collecting and review of secondary data on innovation trends and practices at national level in Albania
- Providing data collection from own territory, translation, input and review the produced materials, for the compiling the final study-report entitled "Survey to gain deep understanding of potential entrepreneurs attitudes towards pre-incubation"
- Providing data collection from own territory, translation, input and review the produced materials, for the compiling the final study-report entitled "Formulate different scenarios on pre-incubation strategy based on analyses and debate"
  - ✓ Conducting & Analysis of in-depth interviews
  - ✓ Carrying out & Analysis of semi-structured questionnaires
- Providing data collection from own territory, translation, input, and reviews the produced materials, for the compiling the final study-report entitled "Business Pre-incubating Acceleration Tool- Modules e-material".

## **4.3. Project management**

### **4.3.1. Responsible body**

Studies and Development Center – Albania (PB 5).

### **4.3.2. Management structure**

The Contracting Authority - Studies and Development Center;

Studies and Development Center – Project Management Team of INECO Project;

Executive Director of SDC / Project Manager of the Project;

#### **4.3.3. Facilities to be provided by the contracting authority and/or other parties**

Desk office if necessary

## **5. LOGISTICS AND TIMING**

### **5.1. Location**

Tirana & Gjirokaster/Albania and travel in the other Partner's Cities or Countries as defined in Project timetable.

### **5.2. Start date & period of implementation of tasks**

The intended start date is June 06, 2019 and the period of implementation of the contract will be approximately 10 months, started from this date. Please see Articles 19.1 and 19.2 of the special conditions for the actual start date and period of implementation.

## **6. REQUIREMENTS**

### **6.1. Staff**

Note that civil servants and other staff of the public administration of the partner country, or of international/regional organisations based in the country, shall only be approved to work as experts if well justified. The justification should be submitted with the tender and shall include information on the added value the expert will bring as well as proof that the expert is seconded or on personal leave.

#### **6.1.1. Key experts**

Key experts have a crucial role in implementing the contract. These terms of reference contain the required key experts' profiles. The tenderer shall submit CVs and statements of exclusivity and availability for the following key experts::

##### **Key expert**

###### Qualifications and skills

- University Degree in any discipline i.e. economics, engineering, natural sciences, social sciences or any other related applied sciences.
- Fluency in speaking, reading and writing Albanian and English is required.

###### General professional experience

- At least 5 years of professional experience.
- IT skills are welcomed.

###### Specific professional experience

- Experience in implementing national development projects.
- Previous experience in collaboration with national or international development agencies will

be a strong advantage.

- Experience in planning and management of Integrated Operational Programs (priority axis, measures, interventions, time scheduling, outputs / impact / results indicators)
- Previous experience in codification, classification, categorization of development projects' data, will be a strong advantage
- Strong communication skills and cooperation skills.
- Involvement in territorial cooperation related projects.

#### **6.1.2. Other experts, support staff & backstopping**

No other experts are required for this contract.

#### **6.2. Office accommodation**

Office accommodation for each expert working on the contract is to be provided by the contracting authority.

#### **6.3. Facilities to be provided by the contractor**

The contractor shall ensure that experts are adequately supported and equipped. In particular it must ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support their work under the contract and to ensure that its employees are paid regularly and in a timely fashion.

#### **6.4. Equipment**

No equipment is to be purchased on behalf of the contracting authority / partner country as part of this service contract or transferred to the contracting authority / partner country at the end of this contract. Any equipment related to this contract which is to be acquired by the partner country must be purchased by means of a separate supply tender procedure.

### **7. REPORTS**

#### **7.1. Reporting requirements**

The contractor will submit the following reports in English in one original and one copy:

- **Inception Report** of maximum 12 pages to be produced after 3-4 months from the start of implementation. In the report the contractor shall describe e.g. initial findings, progress in collecting data, any difficulties encountered or expected in addition to the work programme and staff travel. The contractor should proceed with his/her work unless the contracting authority sends comments on the inception report.
- **Interim Report** of maximum 12 pages to be produced after 2 months from the delivery of Inception Report. In the report the contractor shall describe e.g. initial findings, progress in collecting data, any difficulties encountered or expected in addition to the work programme and staff travel. The contractor should proceed with his/her work unless the contracting authority sends comments on the inception report.

- **Draft final Report** of maximum 20 pages (main text, excluding annexes). This report shall be submitted no later than one month before the end of the period of implementation of tasks.
- **Final Report** with the same specifications as the draft final report, incorporating any comments received from the parties on the draft report. The deadline for sending the final report is 20 days after receipt of comments on the draft final report. The report shall contain a sufficiently detailed description of the different options to support an informed decision. The detailed analyses underpinning the recommendations will be presented in annexes to the main report. The final report must be provided along with the corresponding invoice (if it is applicable).

## **7.2. Submission and approval of reports**

The report referred to above must be submitted to the project manager identified in the contract. The project manager is responsible for approving the reports.

## **8. MONITORING AND EVALUATION**

### **8.1. Definition of indicators**

NA

### **8.2. Special requirements**

NA