ALBANIAN INVESTMENT CORPORATION

DURANA TECH PARK SCIENCE AND TECHNOLOGY PARK

DRAFT DETAILED DEVELOPMENT PLAN

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Introduction of the Albanian Macroeconomic Framework and the Albanian Investment Corporation

Albania is located in Southeastern Europe, on the Western Balkan Peninsula, bordered by North Macedonia to the east, Greece to the south, and Kosovo and Montenegro to the north. It has coastlines along the Adriatic and Ionian Seas to the west and southwest, with Italy less than 72 km away across the Adriatic Sea. Albania's terrain is predominantly mountainous (covering about 70%), combined with a beautiful coastline and numerous rivers and lakes, spanning an area of 28,748 km².

Albania has a population of 2.8 million. Thanks to a strong resurgence in the tourism sector, economic growth in 2022 surpassed expectations, reaching nearly 5%. By 2023, the Gross Domestic Product (GDP) grew by 3.6%, reaching USD 23 billion at current prices, compared to USD 12.3 billion in 2012, underscoring Albania's economic vitality and potential. In 2024, GDP growth is projected at 3.7%. Inflation in 2023 was estimated at 4.7% and is expected to decrease to 3.9% in 2024.

According to the three major international credit rating agencies, namely Moody's, S&P, and TE, Albania has seen continuous improvement in its country rating over the years. In September 2023, the international credit rating agency Standard & Poor's (S&P) upgraded Albania's outlook from "stable" to "positive." At the same time, S&P reaffirmed Albania's credit rating at "B+." This shift to a "positive outlook" reflects S&P's confidence that Albania's fiscal indicators will continue to improve beyond the agency's previous projections. Similarly, in October 2024, Moody's upgraded Albania's foreign and domestic currency issuer ratings from B1 to Ba3, reflecting ongoing improvements in the country's economic and fiscal strength. This positive development is driven by sustained economic growth, fueled by EU funding, foreign investments in tourism and energy, and reforms that enhance productivity and labor market participation. The reduction in government debt relative to GDP and projected fiscal stability further reinforces this upgrade, while the stable outlook indicates that economic and fiscal risks remain balanced.

The key factor influencing this reaffirmation is Albania's strong economic growth outlook, with Moody's forecasting a potential growth rate of around 3%. The medium-term growth prospects are supported by solid foreign direct investment, particularly in the tourism and energy sectors, further development in tourism and agriculture—such as extending the tourism season and increasing the importance of high-end tourism and agritourism—as well as reforms aimed at boosting competitiveness in line with Albania's progress in the EU accession process.

Located in the heart of the Balkan Peninsula, Albania captivates with its blend of natural beauty and cultural richness. From pristine beaches to the rugged Albanian Alps, the diverse landscapes offer opportunities for development and growth. Albania proudly boasts UNESCO World Heritage sites, including the ancient city of Butrint and the medieval charm of Gjirokastra, presenting a unique narrative of historical significance and modern potential.

This integration of natural beauty and cultural treasures makes Albania an attractive destination for those interested in exploring its rich heritage, unique landscapes, and contributing to its economic growth.

[1] DOING BUSINESS IN ALBANIA Report, 2024

[1] https://ëëë.moodys.com/research/Moodys-Ratings-upgrades-Albanias-ratings-to-Ba3-and-changes-outlook-Rating-Action--PR_496379[1]

The Albanian Investment Corporation (publicly known with acronym of AIC) is a key instrument of the Albanian Government for attracting investments by offering and realizing business opportunities. Established under Law No. 71/2019, its primary mandate is to revitalize and commercialize underutilized public sector assets with the aim of driving economic growth. As a state-owned entity, AIC operates under the guidance of the Albanian government, serving as a strategic tool to attract, facilitate, conceptualize, and manage both domestic and foreign investments. The establishment of AIC demonstrates Albania's commitment to improving the investment climate, modernizing infrastructure, and positioning itself as a competitive player in regional and global markets.

As a trusted agent of the government, AIC leverages its legal authority to expedite the consolidation and transfer of state assets in the context of investment realization, ensuring swift and efficient transactions that comply with regulatory standards. Furthermore, the Corporation serves as a strategic bridge between the public and private sectors, orchestrating synergistic collaborations that drive sustainable development. By facilitating public-private partnerships and engaging in investment projects alongside the private sector, AIC creates an environment where businesses thrive, investments flow, and economic opportunities multiply.

AIC's mandate extends beyond transactional activities to encompass a holistic approach to developing investment projects that impact the economic and social advancement of the country. The unwavering support of the government for AIC underscores its commitment to fostering a favorable business environment and advancing Albania's economic agenda for 2030. Through continuous improvements in processes and practices, AIC maximizes returns on investments, laying the groundwork for a sustainable future.

AIC was registered with the National Registration Center (QKB) as a Joint Stock Company on July 17, 2020, with NIPT M01917011D. The capital of AIC is valued at 4,318,000,000 lek.

The Corporation currently manages a wide portfolio of assets and opportunities across various sectors, including real estate, exhibition centers, free economic zones, and science and technology parks, which support the development of a dynamic economy in the country.

One of AIC's primary functions is to identify, conceptualize, and promote attractive investment opportunities across different industry sectors. By leveraging its extensive network of local and international partners, the Corporation is well-positioned to serve as a promoter and co-developer of investments in the country, attracting substantial foreign direct investments (FDI). Preliminary data on incoming foreign direct investment (FDI) flows for 2023 indicate a 3% increase in global FDI flows compared to 2022, reaching $1.37 trillion (approximately €1.27 trillion). In Europe, geopolitical conflicts and a complex international landscape have affected FDI flows in recent years. However, the situation appears to be improving, as incoming FDI flows in the region reached $70 billion (around €65 billion) in 2023, compared to an outflow of

$107 billion in 2022 (approximately €161 billion). This suggests that the European market continues to maintain its attractiveness for investors despite ongoing geopolitical uncertainties.

Albania is positioning itself as an attractive market for investments. This is supported by the fact that, over the past five years, Albania has consistently attracted foreign direct investment (FDI) at levels that exceed the average of the previous ten years, totaling €1.004 billion. In 2022, the country welcomed €1.372 billion in FDI, and between January and September 2023, it received approximately €1.089 billion. This trend indicates that, despite the défis posed by geopolitical uncertainties and higher interest rates that hinder investments, Albania is emerging as an appealing destination for investors.

The favorable economic landscape and abundant opportunities within the country, particularly in the thriving tourism sector, present promising indicators for sustainable growth. According to data from the Bank of Albania, between 2014 and the third quarter of 2023, the sectors that attracted the highest inflows of FDI were electricity, gas, and water supply (25.5% of total FDI), followed by mining activities (24.5%), real estate activities (11.4%), and financial and insurance activities (11.1%). However, sectors that have shown significant growth in attracting FDI inflows post-pandemic include health and social work activities, information and communication, other service activities, and real estate.
Aligning its strategies with national development objectives and best international practices, AIC is positioned to play a key role in shaping the economic future of Albania. With a clear vision, a robust governance framework, and an unwavering commitment to excellence, AIC stands as a symbol of progress and prosperity for Albania.

1.Summary of the DURANA Tech Park Project

1.1 Mission of Durana Tech Park

The creation and operation of Durana Tech Park aims to position this technology park as a powerful economic and innovation hub, competing in regional and global markets while delivering strategic advantages and fostering sustainable economic development in the region. Durana Tech Park will serve as a catalyst for innovation and technological advancement, offering an integrated ecosystem where enterprises, start-ups, academic institutions, and research centers can collaborate to develop new solutions.

1.2 Scope of Durana Tech Park

The scope of Durana Techpark is to create a unique economic and technological environment that offers favorable conditions for the development of advanced industries. Its focus is to stimulate both domestic and foreign investments by establishing a territory with facilitated fiscal and customs regimes, which not only attracts businesses and high-tech companies but also creates an innovation ecosystem, develops local capacity, and support local and national development.

By providing fiscal and customs incentives, the Techpark aims to attract both foreign and domestic investors, strengthening the technology sectors of Albania and enhancing economic competitiveness.
Through this development, the Tech Park will create a unique collaborative platform among industry stakeholders, businesses, academia, and supportive policies for start-ups in Albania. This initiative will foster the formation of young professionals and their integration into the market, laying the groundwork for new job opportunities for skilled professionals in fields such as information technology, engineering, and advanced sciences. It will also contribute to the development of the local workforce's skills and the enhancement of human capital capacities within the country.
As an innovation hub, the Techpark will play à key role in accelerating regional development by creating strong links between the national and international markets. Collaborations in research and development, technology transfer, and Albania’s integration into global trade and innovation networks are among its main objectives.
Additionally, Durana Techpark supports the introduction of advanced technologies such as artificial intelligence, robotics, cloud computing, big data, and sustainable energy, accelerating innovation and the economic transformation of Albania into a more sustainable and competitive economy.

Durana Techpark is designed to develop according to a business model that responds to the dynamics of the sector by diversifying it. It is intended to be developed in phases and with cluster-groupings of activities that address not only the need for cohesion in the ecosystem but also the specific needs of the services/businesses/activities that are intended to be developed in the park.

In addition to creating a business model that starts virtually and evolves into physical and hybrid phases, Durana Techpark begins its journey with a series of initial activities focused on developing software and technological services that can be delivered online. These initial activities include software development, cloud services, and projects that can be fully managed remotely. Later, Durana Techpark will expand to include specialized activities such as data centers and initiatives in specific sectors like tourism, pharmaceuticals, gaming, robotics, and artificial intelligence (AI).
Collaboration with universities is also a key component of Durana Tech Park's activities. Durana Tech Park aims to establish strategic partnerships with local and foreign universities and research institutions to create an ecosystem of innovation and technology transfer. Through joint research projects and the transfer of technology from university campuses to the private sector, the park seeks to support the development of new technologies and professional skills. Universities will also have the opportunity to provide access to training activities and technology skill enhancement for students, professors, and other interested individuals. This will support the preparation of a qualified workforce that meets industry demands.
Supporting collaboration with startups is one of the park's objectives: Durana Tech Park will provide a supportive ecosystem for startups through incubation and acceleration programs, ensuring they receive mentoring, seed funding, and support in product development. Startups will have opportunities to connect with international investors and mentors, as well as benefit from an open innovation model that facilitates collaboration with other companies within the park, accelerating their growth and the dissemination of new technologies.

1.3 Objectives of Durana Tech Park

The primary objective of Durana is to develop a model that integrates technology companies, startups, digital nomads, universities, and research centers into a park where stakeholders collaborate. The proposed model is commercially oriented, focusing primarily on attracting established companies by offering them fiscal incentives and support for R&D and business expansion. The park aims to generate revenue based on the economic activity of its users (no less than 1% of the annual turnover of companies operating in the park), as well as additional income through rent, services, and other sources.

The main objectives are:

- **Attract Established International Companies**: Focus on bringing in internationally consolidated companies, ideally those listed on global stock exchanges, to introduce innovative economic activities in the park. These companies will generate revenue, enhance local capacities, and create innovative services and products.
- **Promote Research and Development (R&D)**: Encourage collaboration with universities and research institutions, providing park companies and users access to advanced research and talent. This facilitates innovation and technology transfer.
- **Networking and Collaboration**: A core value of the Tech Park is its ability to create networks among companies, researchers, investors, and startups. These networks foster collaboration, enabling firms to share knowledge and resources.
- **Infrastructure and Support Services**: Durana will offer both physical and virtual infrastructure, including office space, labs, and specialized facilities to support high-tech companies. It will also provide business incubation services, mentoring, and access to financing opportunities for startups.
- **Regional Development**: Positioning as a regional hub to attract businesses and talent, fostering innovation clusters within the region.
- **Creation of a Virtual Platform for International Collaboration**: In the initial phase, the park will operate virtually, offering a platform that facilitates remote global collaboration. The goal is to ensure easy and cost-effective access to international markets, promoting partnerships among companies, startups, and researchers across various technology fields.
- **Expansion and Data Center Development**: In later phases, the park will expand to include a dedicated data center, providing the necessary infrastructure for data processing and storage to support the operations of major tech companies and startups.
- **Development of Advanced Technology Activities**: The park's expansion will encompass the growth of advanced technology sectors, including digital tourism, robotics, artificial intelligence (AI), digital gaming, and pharmaceuticals. This aims to attract investors and create an innovative ecosystem to support the growth of these industries.

1.4 Business Models of Technology Parks: Their Role in Innovation and Economic Development

In today's digital era, Science and Technology Parks (STPs), also known as Tech Parks, have emerged as essential hubs for driving innovation, research, and economic development. These

parks function as dynamic ecosystems where technology-based companies, research institutions, and startups converge to advance technological innovations. The primary objective of a Tech Park is to create an environment that accelerates technological progress while promoting collaboration among various stakeholders, including businesses, academia, and government entities. Although there is no universally accepted definition for the different types of clusters or STPs, they all share the common goal of stimulating regional and national economic growth by fostering innovation.
Both the World Bank and UNCTAD classify Science and Technology Parks (STPs) under the broader category of Special Economic Zones (SEZs). SEZs are areas where business regulations differ from the rest of the country, often offering a range of incentives to attract investment. These incentives can benefit businesses across various industries, including manufacturing, technology, and services, making SEZs a powerful tool for promoting economic and industrial development. In this context, Tech Parks serve as key platforms for supporting the growth of high-tech industries and driving sustainable economic progress.

A Science and Technology Park (STP) can be virtual or hybrid, with provisions for future expansions while considering environmental and social impacts. It offers shared infrastructure such as workspaces, business incubation, and digital facilities, enabling economies of scale. The governance team manages the property and selects tenants/users of the Park while promoting knowledge and technology exchange.
Users, including firms focused on research and development and innovation, collaborate to develop new products and businesses, often supported by incubation mechanisms. The mission of the STP is to promote innovation, encourage collaboration in R&D, and support startups, with funding coming from operational budgets and external projects.

Science and Technology Parks (STPs) play a crucial role in the development of innovative ecosystems by fostering collaboration between research institutions, universities, and high-tech businesses. Their primary mission is to create an environment that encourages the establishment and growth of innovative companies, particularly in the technology sector. However, despite this common goal, STPs are not homogeneous entities, and the business models they adopt can vary significantly based on local factors, industrial traditions, sociocultural dynamics, and the economic environment of the region in which they are located.

Diversified Business Models

Despite sharing similar objectives, Science and Technology Parks (STPs) operate under different business models influenced by various factors, such as regional industrial traditions, the nature of firms that are users within these parks, and fiscal packages.

- Institutional Perspective: This approach focuses on the role STPs play in creating competitive advantages for companies operating in the park and the positive effects they generate for the local economy. In this sense, STPs are viewed as catalysts that help firms innovate more effectively by providing access to resources, talent, and collaborative networks.

- Economic-Geographic Perspective: This perspective views STPs as part of a broader innovation ecosystem that includes local firms, research institutions, and other

stakeholders. The idea is that the park, along with its surrounding region, forms an innovation cluster that benefits from agglomeration effects, such as increased knowledge sharing, collaboration opportunities, and economies of scale.

Regarding business models, STPs are typically characterized by several key components:

- **Value Creation:** This involves providing the infrastructure, knowledge, and networking opportunities necessary for innovation and growth. Parks create value by fostering synergies among companies and research institutions, supporting the commercialization of new technologies.
- **Customer Segmentation:** Parks often aim to attract specific types of companies, such as startups, scale-ups, or firms operating in sectors like biotechnology, information technology, or environmental technology. The business model may be designed to support these companies at different stages of their development.
- **Revenue Streams:** STPs generate revenue through various channels, including participation fees, rent from companies operating in the park (tenants), consulting services, incubation programs, and funding from government or EU sources. Many parks also seek partnerships with investment firms, venture capital funds, etc., to provide funding for tenant companies in exchange for equity.
- **Sustainability and Growth:** A challenge for many STPs is ensuring long-term financial sustainability. While some parks receive ongoing support from the government, others rely more heavily on private investments or the success of the companies operating in the park. A successful business model must balance these funding sources while ensuring the park remains a vibrant center for innovation.

A comparative analysis of various STPs in Europe shows that parks tend to adopt business models that reflect their local context. For example:

  - **Public-Private Partnerships:** Many STPs are developed as public-private partnerships, where governments provide funding and infrastructure, while private firms contribute expertise and innovation. This model is particularly common in countries with strong governmental support for innovation.
  - **Cluster-Based Models:** Some parks, especially in regions with consolidated industrial sectors, follow a cluster-based model. In this approach, the park focuses on fostering collaboration within a specific industry, such as life sciences or green technology. For instance, Sophia Antipolis in France is renowned for its focus on information and communication technology, while Bio Valley in Germany emphasizes biotechnology.
  - **University-Linked Models:** STPs closely linked to universities often pursue models where academic research plays a central role in value creation. These parks emphasize the transfer of knowledge from academia to industry, and many of their tenants are spin-offs from university research departments.
  - **Commercially Oriented Models:** Some STPs adopt a more commercial business model, focusing on attracting established companies and offering them tax incentives and facilities for R&D and business expansion. These parks tend to concentrate on revenue generation through rent and services, with less emphasis on public funding.

1.5 Examples of Technology Parks Around the World

1. Cambridge Science Park (United Kingdom)

- Established: 1970
- Focus: Physical and environmental sciences, life sciences, and technology.
- Key Features: Linked to the University of Cambridge, it is one of the oldest and most prestigious science parks in Europe. It houses over 100 companies, including major global firms like AstraZeneca and Huawei. The park has played a key role in making Cambridge a global hub for technology and innovation.
- Notable Companies: Astex, Bayer, British American Tobacco.

2. Singapore Science Park (Singapor)

- Established: 1982
- Focus: Research and Development in IT, electronics, life sciences, and sustainable technology.
- Key Features: Singapore Science Park is a 55-hectare center that hosts over 350 companies, research institutions, and technology startups. It fosters innovation through extensive infrastructure, including laboratories, coworking spaces, and a 5G-enabled urban collaboration lab that supports smart city solutions.
- Notable Companies: Merck, Dyson, Johnson & Johnson

3. Technology Park Ljubljana (Slovenia)

- Established: 1996
- Focus: ICT, biotechnology, and digital health.
- Key Features: As a center for startups and established companies, this park supports over 300 businesses by providing services such as incubation, coworking spaces, and collaboration with universities (RISI_AIC_Study on SPTs…).

4. Technopark Zagreb (Croatia)

- Focus: IT, renewable energy, and biotechnology.
- Key Features: Provides incubation spaces, research laboratories, and coworking offices for startups and established enterprises in Croatia (Presentation_TP_EN_13.0…).

5. Athens Technology Park (Greece)

- Established: One of the oldest technology parks in Greece.
- Focus: IT, pharmaceuticals, and biotechnology.
- Key Features: Strong partnerships with universities and research institutes, promoting collaboration in technology and innovation.

6. Pomeranian Science and Technology Park (Poland)

- Established: 2001
- Focus Areas: Biotechnology, environmental protection, IT, industrial design
- Size: 76,196 m²
- Tenants: 250 companies
- Job Opportunities: 1,000
- Key Facilities: Office spaces/Laboratories/Conference center/Restaurants/Coworking spaces
- Services: Intellectual property support/Innovation financing/Incubation programs for startups

7. Bilkent CYBERPARK (Turkey)

• Established: 2002
• Focus: Advanced technology and scientific research
• Key Characteristics: Affiliated with Bilkent University, this technology park encompasses over 300 research and development companies, 4 research centers, and a micro-nanofabrication facility. It covers an area of 135,000 m² and employs more than 5,400 individuals. CYBERPARK supports startups and technology for international export, contributing to Turkey's innovation ecosystem

8. Zhanjiang High-tech Park (China):

- Operated by: Shanghai Zhanjiang Hi-Tech Park Development Co., Ltd.
- Ownership: Public-private partnership initiated by the Shanghai Government.
- Focus Areas: Biotechnology, electronics, IT, and energy research

9. IT Park Tashkent (Uzbekistan):

- Focus: Development of IT and promotion of digital startups.
- Key Characteristics: Government support through the Ministry of Information Technology and Communication Development.
- Incentives: Tax incentives streamlined visa processes for foreign workers, and strategic partnerships with local universities.

10. Astana Hub (Kazakhstan):

- Established: 2018
- Size: 22,000 m²
- Focus Areas: IT startups, web development, blockchain, and Big Data.
- Tenants: 1,385 startups and companies
- Job Opportunities: Over 25,668 employees

- Key Offerings: Coworking spaces, business development programs, educational support, and tax and visa incentives for startups.

These parks represent various models of successful technological and innovative centers that have inspired the Durana Tech Park model, including collaboration between academia, startups, and large enterprises to drive economic growth. By combining elements from the successful models presented above, Durana Tech Park has the potential to become a leading innovation hub in the Balkans. Furthermore, its hybrid model, which combines virtual and physical spaces, can attract global startups and large companies seeking low-cost locations to relocate their operations, particularly in developing fields such as AI, cloud computing, and software development.
In contrast to the previously mentioned models, the success stories highlighted below exemplify the importance of integrating incubators, accelerators, and innovation hubs within Durana Technopark to facilitate the coordination of support for startups in the market. These examples underscore the need for integration. Success stories from Europe provide compelling evidence of how these components can foster innovation, attract foreign investment, and ensure long-term profitability.

1. **Barcelona Activa (Spain):** As part of Barcelona's broader initiative to establish itself as a leading tech hub, Barcelona Activa focuses on providing extensive mentoring, networking opportunities, and access to funding, driving the success of local startups. It has been a key contributor to economic growth and job creation in the city, attracting startups that significantly bolster the local economy. By cultivating such a network, Durana Technopark can emulate this model, which has proven profitable by securing long-term tenants as companies scale up and continue to occupy space.
2. **STATION F (France):** Located in Paris, STATION F is the world's largest startup campus, accommodating over 1,000 startups. This incubator not only offers office space but also vital resources, including mentorship, networking opportunities, and access to venture capital. This ecosystem has attracted global tech giants, positioning it as a hub of innovation and investment. A similar model in Durana Technopark could establish it as a central hub for startups, generating continuous income through rent and services.
3. **EIT Digital Accelerator (Belgium):** This accelerator aids digital tech startups in scaling internationally by providing access to mentorship, investment networks, and strategic partnerships. Startups within this program have secured millions in funding, rendering the accelerator a profitable entity. For Durana, adopting a similar approach could enhance investment in local startups, generating revenue not only from tenant fees but also by attracting international investors and large corporations.
4. **Turin Tech Park (Italy):** Turin’s incubators and tech parks have effectively leveraged the city’s robust university framework to create a thriving innovation ecosystem. Companies within Turin’s parks benefit from proximity to academic research and a network of venture capitalists. These incubators have been instrumental in fostering deep-tech startups, thereby creating value for both the park and the city’s economy. Durana Technopark can adopt this model by cultivating strong academic partnerships and positioning itself as a hub for high-tech innovation, which would attract higher rents and long-term tenants.

By integrating incubators, accelerators, and innovation hubs, Durana Technopark will not only create an ecosystem conducive to innovation but also ensure its profitability through long-term

tenant occupancy, access to venture capital, and economic growth in the region. These components are essential for establishing Durana as a leader in Albania's tech scene, driving investment, job creation, and sustainable revenue streams

1.6 Innovation Ecosystem, Startups, and Academic and Research Institutions in Albania

In recent years, there has been steady development in the innovation and technology ecosystem in Albania. Major universities in the capital, such as the Polytechnic University of Tirana, the University of Tirana, and private institutions like Western Balkan University, Metropolitan University, Mediterranean University, Polis University, and Epoka University, have made significant strides in advancing programs in computer science and technology. They are fostering international collaborations through initiatives like Horizon Europe and Erasmus+. These universities play a crucial role in preparing young talents to integrate into an increasingly competitive market and accelerate technological development in the country.

The startup ecosystem in Albania is also on the rise, with key initiatives such as EU for Innovation, programs by the Agency for Startups, Tirana Innovation Hub, and Protik Innovation Center providing spaces and support for technology startups. Major sectors where innovation has seen developments include AI, robotics, digital services, and blockchain. These programs and centers have also attracted international investments and contributed to the development of a sustainable network of entrepreneurs and businesses.
Albania's participation in the 2023 European Innovation Scoreboard (EIS) has ranked the country as an "Emerging Innovator." The nation has performed well in environmentally related technologies and innovative products but remains below the EU average in other indicators, such as R&D expenditure and patent applications. However, progress is evident, especially in higher education and widely cited scientific publications, demonstrating Albania's growing commitment to international knowledge networks.

National initiatives, such as the National Strategy for Science, Technology, and Innovation (2023-2030) and the Strategy for Innovative Enterprises, reflect Albania's commitment to furthering research and innovation development. The establishment of the Agency for Startups and the allocation of €3 million in competitive grants for startups in 2023, along with the supportive programs from AIDA and other public institutions, demonstrate the government's efforts to foster innovation and strengthen the ties between academia and the private sector. In this regard, the EU4Innovation program supports collaboration between academia and businesses, creating a sustainable innovation ecosystem.
Despite these advancements, Albania still faces significant challenges, such as engaging the private sector in research and increasing investments in R&D to achieve the target of 1% of GDP for investments in scientific research. Additionally, ensuring collaboration among public agencies, coordinating local and foreign funding programs with businesses and the academic world presents further challenges that can be addressed through DURANA Tech Park.

Integrating this innovative ecosystem into Durana Tech Park presents an excellent opportunity to enhance collaboration between universities and startups, establishing a sustainable hub for technological development and attracting international investment and talent. Durana Tech Park

is strategically positioned to leverage these developments and contribute to building a resilient innovation ecosystem in Albania.

Durana Tech Park will closely collaborate to ensure partnership between businesses and universities, integrating scientific research in line with the needs of the technology industry. Universities will have the opportunity to develop research projects in collaboration with the companies within the park, creating a rich ecosystem of cooperation. These institutions will assist in nurturing young talents and provide access to advanced laboratories and infrastructure, supporting the development of innovative products and solutions.

Promotion of Research Collaboration and Innovation

- University Partnerships and Research Projects: Universities and startups will collaborate on joint innovative projects supported by Durana Tech Park.
- Incubation and Acceleration Programs: Startups will have the opportunity to benefit from the incubation programs offered in the park, gaining access to mentorship and financial support.
- International Connections: Through the park, universities and startups will have the opportunity to access international networks, benefit from global funding, and participate in major research projects.

By incorporating the roles of incubators, accelerators, and innovation centers, Durana will enable the promotion of profitability and sustainability within its business model. These elements are key factors in many successful technologies around the world, including those in Silicon Valley, Stanford Research Park, and other global hubs.

Long-Term Benefits and Revenue Streams

- **Attracting Venture Capital**: Incubators and accelerators help startups grow into scalable businesses, making them attractive to venture capital. By supporting a pipeline of high-potential startups, Durana Technopark can attract investors seeking early-stage investment opportunities. For instance, incubators in Silicon Valley have successfully connected startups with large investor networks, leading to profitable exits for both startups and incubators. By positioning itself as a hub for investment-ready startups, Durana can attract significant capital to fund growth and innovation within the park.
- **Rental Income**: Successful incubators provide flexible, ready-to-use spaces along with tailored programs for early-stage companies. These businesses can grow within the park while continuing to pay rent as they develop. Incubators at Stanford Research Park for life sciences and technology companies generate revenue by offering both physical space and business support. Companies like Tesla and Ford have established research facilities there, contributing to the park's financial ecosystem.
- **Equity Participation Models**: Some incubators and accelerators operate on equity-sharing models, taking a small stake in the companies they support. For example, startups emerging from programs like Y Combinator or StartX often provide equity in exchange for mentorship and resources. This model creates long-term financial benefits for the park as these startups grow and become profitable.

- **Revenue from Support Services**: Durana Technopark can diversify its revenue sources by offering shared services such as legal, marketing, accounting, and advanced R&D facilities. These services create additional revenue streams and reduce the operational burden on startups, allowing them to focus on innovation.

Best International Practices and Success Stories

- **Stanford Research Park**: Stanford's incubators have been highly successful, particularly in fields such as life sciences. Their innovation center is designed to grow alongside companies, offering flexible laboratory spaces and proximity to academic research centers. This model ensures that companies remain longer in the park, increasing occupancy rates and generating continuous rental income.
- **Silicon Valley**: Some of the most iconic success stories originate from Silicon Valley, where incubators like Y Combinator have helped launch companies such as Airbnb and Dropbox. These startups began as small ventures but evolved into multi-billion-dollar businesses, enhancing the local economy, creating jobs, and significantly contributing to the tax base. A similar approach at Durana Technopark would create a ripple effect, turning successful startups into long-term tenants and substantial contributors to the local economy.
- **ICIC Study on High-Tech Incubators**: A comparative study of incubators and accelerators in the U.S. revealed that support for startups in sectors such as biotechnology, green technologies, and health IT generates substantial economic value. These incubators not only drive innovation but also support job creation and local economic development.

How This Model Can Work for Durana Technopark

- **Rapid Economic Growth**: By integrating incubators and accelerators, Durana will develop startups that grow into medium and large enterprises. These enterprises will generate sustainable rental and service fees, contributing to the operational budget of the park.
- **Job Creation**: Successful startups will lead to job creation within the park and surrounding regions. The increase in the number of skilled employees will contribute to the local economy, raising demand for housing, services, and amenities.
- **Long-Term Revenue**: The park could adopt revenue-sharing or equity models, securing a stake in the startups it supports. As these startups achieve success, Durana will benefit from their financial growth.

By leveraging successful international examples and adapting best practices, Durana Technopark can establish itself as a thriving and profitable ecosystem for innovation in Albania.

2.Description of the Entity Implementing the DURANA Tech Park Project

2.1 Durana Tech Park Ltd

Durana Tech Park is a significant initiative aimed at developing a technology and science park in Albania, under the management of the Albanian Investment Corporation (AIC). AIC has received authorization as the developer of Durana STP (Decision of Council of Ministers No. 185, dated March 27, 2024).

In fulfilling its responsibilities as a developer, according to Decision No. 185/2024 and Decision No. 337, which details the procedures and criteria for selecting developers of science and technology parks, the management of the park will be realized through a Special Purpose Vehicle (SPV) in the form of a joint-stock company, with AIC as the sole shareholder.

Durana Tech Park is a joint-stock company operating in the field of technology and innovation, owned by the Albanian Investment Corporation, which is also a joint-stock company with the Ministry responsible for the economy as its sole shareholder

This governance model illustrates the direct involvement of the government in the management and strategic direction of Durana Tech Park, aiming to ensure the alignment of the park's activities with national policies on innovation, economic development, and the advancement of the technological culture in the country. This company will oversee the park's smooth operation by fulfilling all the needs of the companies that will utilize it in close collaboration with the community of park users, who will actively participate in its governance. The administrative organization of the company and its founding documents are an integral part of this document (see Annex 1).

The company will develop and implement a transparency and marketing plan to promote the park and increase public and investor confidence. To attract as many local and foreign investors as well as universities, the company will closely collaborate with the ministry responsible for the economy and innovation, the ministry responsible for science, the ministry responsible for economic diplomacy, and Albania's embassies worldwide, as well as the chambers of commerce in Albania and beyond, AIDA, the agency responsible for innovation.

Partnerships with technology parks, which serve as the foundation for the conceptual model of DURANA, are a functional task for the company from its early days. A crucial step in the company's successful operation is conducting audits through prestigious firms in the field and offering its services through electronic platforms, which will assist not only in delivering services to users but also in leveraging technological excellence in the operation of the first technology park in Albania.

2.2. Activity Structure and Description of the Administrative Diagram of Durana TechPark Ltd

Company Structure:

The governance of the company will comply with Albanian law on joint-stock companies (two levels):

1. **Supervisory Council:** They are responsible for overseeing and confirming the decisions made by the Management Team.
2. **User Board:** Comprising companies, universities, research institutes, venture capitalists, local government, and other experts.

The User Board will serve as a consultative body aimed at involving users in the life of the park and its effective management.
A management team will oversee the entire operation of the park, ensuring effective coordination between virtual and physical components. The management team will be responsible for developing policies, governance structures, legal oversight and compliance, intellectual property protection, and making general decisions.

The General Director proposes the main strategy and investment projects to the Supervisory Board and defines the framework for the work program and management activities.

In the first three years, it is proposed that the structure of Durana Techpark be built according to Table 1 below.

Table 1: Proposed Structure of Durana Techpark

Element of the Structure	Description of the Role
Supervisory Council (5-7 members)	Overseas and confirms the decisions made by the Management Team. Members are elected by the Shareholder.
Users 'Board	Advisory body aimed at involving users in the life of the park and its proper administration.
Management Team	Consists of the General Director and 3 Department Directors. Oversee the entire park's operations, create policies, governance structures, ensure legal compliance, intellectual property protection, and make overall decisions
General Director	Leads the park's operation and ensures its smooth functioning.
Operational Department (1+2)	Focuses on the functionality of the virtual platform, data security, and AI, while also managing the physical park's establishment operations. It is responsible for on-site operations, infrastructure management, and overseeing daily activities. The department coordinates research collaborations, promotes research and development (R&D) in both physical and virtual environments, and coordinates the use of laboratories. It ensures the functionality of the park's physical and digital infrastructure, maintains laboratories, manages IT equipment, and oversees machine learning algorithms on the virtual platform.

Business Development Department (1+2)	Manages incubation and acceleration programs, establishes corporate partnerships, and facilitates market access for startups. Oversee international collaborations and business connections through the virtual platform. This department also coordinates communications and promotes the park, ensuring alignment with its development strategies. It markets the park to investors, potential users, and international partners, organizing activities that enhance its global visibility.
Services & Consulting Unit (1+2)	Drafts and manages agreements with users, ensuring compliance with all regulations. Prepares and maintains financial statements. Oversee registration procedures with government offices, among other responsibilities.

Functions of the Supervisory Board

- **Strategic Oversight and Policy Development**:
  - The primary function of the Council is to establish the long-term vision and strategic goals of the park. This includes setting objectives related to innovation, tenant growth, infrastructure development, and global positioning within the technology sector.
  - The Council will develop policies and frameworks to guide the operational and financial management of the park, ensuring that the park's activities align with its mission to foster technological advancements and support economic growth.

Approval of Major Projects and Investments:

- The Council is responsible for reviewing and approving significant capital investments, such as new infrastructure developments, research facilities, and technological upgrades.
- Any major partnerships or collaborations, particularly those involving international entities or large public-private partnerships, will require the Council approval. This ensures that all major initiatives align with the park's strategic objectives and financial sustainability.

Governance and Compliance:

- The Council oversees the park's compliance with laws, regulations, and industry standards, particularly those related to scientific research, technological development, and data security.
- They will ensure that the park operates within the legal and regulatory frameworks established by the Albanian government and international bodies, especially concerning its status as a technology and science park.
- Additionally, the Council will establish ethical guidelines to ensure responsible innovation, data management, and environmental sustainability.

Financial Oversight and Budgeting:

- The Council will monitor the financial health of the park, ensuring it operates sustainably and profitably. This includes approving annual budgets, overseeing revenue sources, and managing expenditure.

- The Council will also establish financial objectives for the park, ensuring that all revenue-generating activities (such as leasing, services, and partnerships) align with the park's financial goals.
- A primary responsibility is to review and approve financial and audit reports, ensuring transparency and accountability in the financial management of the park.

Tenant Relations and Other Stakeholder Engagement:

- The Council will oversee the Tenant Committee and ensure that tenant feedback and concerns are considered in the decision-making processes. This role is essential for maintaining strong relationships with the diverse tenant base of the park.
- They will also manage relationships with key external stakeholders, such as government entities, international partners, universities, and investors, ensuring that the park's interests are well-represented in broader industry and policy discussions.

Performance Monitoring:

- The Council will monitor the performance of the management team, ensuring they achieve strategic objectives and key performance indicators (KPIs).

Promotion of the Park:

- The Council will play an active role in promoting the park, assisting in attracting investors, tenants, and strategic partners.
- This will include participating in industry events, publishing reports and case studies on the park's successes, and engaging with the media to enhance the park's profile in the international arena.

Assessment and Review of Strategies:

- The Board will regularly assess the park's strategies to ensure they are aligned with industry development needs and global technology trends. Reviewing strategies and policies will help the park remain competitive and meet stakeholder expectations.

Like the case of the Tech Park in Ljubljana, the management structure will be limited to providing general functions such as administration, security, building cleaning, maintenance and light repair services, as well as the upkeep of outdoor spaces. Other services, such as those in shared areas (e.g., cafeteria), legal services, accounting, and information technology (ICT), may be provided through subcontracting with other companies.

2.3 Description of Activities at Durana Tech Park

Durana Tech Park will serve as a special economic zone designed to attract both domestic and foreign investors, contributing to the development of the local and national economy while increasing employment opportunities.
With a particular focus on technology and innovation, Durana Tech Park will provide advanced infrastructure and incentives for companies operating in strategic sectors with the potential for

innovative development, such as information technology. This will create new opportunities for economic growth and sustainable development in the region and beyond.

The activities permitted in the park, as approved by Decision No. 337, dated 31/05/2023, regarding the "Procedures and Criteria for Selecting Developers of Science and Technology Parks," and supplemented by Decision No. 185, dated 27/03/2024, which authorizes the Albanian Investment Corporation (AIC) as the developer for the Durana STP, include:

- Software design.
- Development and maintenance of software systems.
- Software testing.
- Design and development of communication systems.
- Design and development of security systems.
- Development of migration systems.
- Analysis of large data systems.
- Innovation consulting.
- Information security consulting.
- Consulting in audits, operations, management, user support, training, and information technology audit consulting for software systems.
- Research in the field of innovative program development, including three types of research:
    - Fundamental research.
    - Applied research.
    - Experimental development.
- Research and development in the field of robotics.
- Activities in the field of cloud computing.

The list of activities mentioned above may be expanded by a decision of the Council of Ministers and a proposal from the ministry responsible for the economy, provided that a justified request is submitted by the Albanian Investment Corporation (AIC), in accordance with the interests of the industry and the developmental needs of the park.

In the future, anticipating technological developments and advancements, the importance of the green economy and related applications, as well as the rapid development of AI and Generative AI, Durana Tech Park will have the opportunity to focus on a wide range of potential activities in its future phases, as follows:

- Design and Development of Artificial Intelligence (AI) Models: Development of advanced algorithms for AI that enhance analytical and predictive capabilities across various fields, such as technology, finance, and the environment.

- Implementation of Machine Learning (ML) Pipelines: Creation of robust frameworks for the deployment and optimization of ML models for various industrial and research applications.
- Experimentation with New AI Paradigms, such as Generalized AI or Hybrid AI Systems: Development of advanced AI systems that involve expanded interaction and more effective learning through enhanced intelligence.
- Audit of AI Applications for Privacy Issues: Creation of auditing mechanisms for data security and compliance with data protection laws in AI applications.
- Development and Design of Sustainable Data Models for AI: Development of methodologies for the more efficient use of data to reduce the environmental impact of data processing.
- Forecasting Environmental Changes: Development of AI models that assist in predicting climate changes and assessing the impact of human activities on natural ecosystems.
- Consulting on the Development and Optimization of Algorithms in Green AI: Providing advisory services for optimizing algorithms that promote sustainable energy resource usage and reduction of carbon emissions.
- Development of Software Solutions for Measuring and Managing Carbon Intensity in Digital Applications: Creation of software that enables measurement of the carbon impact of applications and digital systems.
- Creation of Analytics Platforms for Carbon Footprint Calculation: Development of platforms that monitor and report the carbon footprints of applications and digital services, contributing to improved environmental sustainability.
- Development of Programs for the Utilization of Renewable Energy Resources: Creation of software that helps organizations track and analyze the use of renewable energy in their operations.

These newly identified and proposed areas of activity, suggested by the French company Inetum through a study it is conducting on the development of a Digital Roadmap in Albania, will position Durana Tech Park as a hub for the development of new technologies and will contribute to advancing environmental sustainability through technological innovation.

2.4 Target Users

In general, Durana Tech Park aims to create an integrated ecosystem where actors from the private sector, academia, and startups collaborate to develop technologies and innovations that will contribute to the growth of the local and regional economy. Consequently, the target users of the park include various categories of stakeholders, including:

1. **Large International Companies:** The park aims to attract large companies listed on international stock exchanges, particularly from OECD countries. These companies are expected to transfer advanced technological and innovative activities to the park,

creating products and services for both local and international markets. Participating companies are anticipated to contribute to the enhancement of local capacities and the creation of new jobs.

2. **Startups and SMEs (Small and Medium Enterprises):** The park provides a favorable environment for startups and SMEs operating in technology sectors, offering spaces for incubation, acceleration, and support for business growth. Startups will have access to funding, mentoring, and advanced technologies to assist in their product development.
3. **Research Centers and Universities:** Universities and research centers will play a key role in the park by creating a collaborative ecosystem for research and development. They will provide expertise and new talent to technology companies, assisting in the development of new technologies and practical applications of research.
4. **Digital Nomads and Freelancers:** Durana Tech Park also aims to attract digital nomads and freelancers seeking a flexible working environment. The park's spaces will offer modern solutions for remote work, enabling extensive networking among professionals and industries.

2.5 Legal Framework

On July 14, 2022, the Albanian Parliament approved Law No. 58/2022 "On the creation, organization, and operation of technology and science parks." This law aims to establish a special support regime for parks that create jobs related to:

a) high-tech and innovative industries.

b) research and development for new products and services, as well as the improvement of existing ones.

c) science and technology.

Technology and science parks are a combination of spaces and buildings where interested entities conduct any of the activities described above. Any legal or natural person interested can submit a proposal to open Techparks to the Ministry responsible for the economy, which, after reviewing the application, accepts it and sends it for final approval to the Council of Ministers. The act approving the Techpark also defines the boundaries of the park, and the activities that are permitted to be conducted there may include only:

- Research and development of new technological or scientific knowledge that enables the development of products or services.
- Creation of new methods for producing products or services or the use of advanced technology in software production, data processing, or similar activities.
- Improvement of products and services in a way that brings significant changes to existing products.
- Focus on training and capacity building for professionals to engage them in the production of innovative products and services.

Techpark projects enjoy the same benefits as strategic investments, including, but not limited to, expedited application reviews, land consolidation, assistance in document preparation, provision of guiding comments, utilization of state properties, etc.

The customs and fiscal benefits of Tech parks are:

- The entry and exit of goods intended for the production of the 'innovative product' from and to Tech parks are conducted in accordance with the provisions of the Customs Code.
- The supply of Albanian goods designated for placement in Techparks, which serve to produce the 'innovative product,' is considered an export supply with a tax rate of 0%.
- The tax rate is set at 0% for a period of 15 consecutive years on income generated from activities conducted within the Techparks.
- Salaries of personnel engaged in research and development within Techparks and staff involved in the development of the Techpark are exempt from all taxes for a period of 10 years.
- Goods, equipment, and services used in Techparks for the production of 'innovative products' are exempt from VAT.
- Construction within Techparks is exempt from the infrastructure impact tax.
- Real estate in Techparks is exempt from property tax for a period of 10 years.
- Training costs for scientific and technical staff in the park may be partially reimbursed by the state in accordance with applicable regulations.
- If Techparks are established on public property, the lease agreement must be signed by the Council of Ministers for a minimum of 20 years, with the right to sublease.
- By decision of the Council of Ministers, the government may assist in the construction of general infrastructure up to the boundaries of the park, where feasible.
- Payments within Techparks may be made in local or foreign currencies

The transfer of an existing activity to Albanian territory solely for the purpose of benefiting from the incentives provided by this law is prohibited.

Sub-legal Acts:

Decision No. 337, dated May 31, 2023: Establishes the procedures and criteria for selecting developers of technology and science parks.

Decision No. 416, dated July 7, 2023: Approves the rules and criteria for obtaining fiscal incentives for developers and users operating within technology and science parks.

Decision No. 418, dated July 7, 2023: Define the procedures for selecting users of technology and science parks.

Supplementary Decision No. 835, dated December 28, 2023: Enhance developer selection procedures by adding amendments to Decision No. 337.

Decision No. 185, dated March 27, 2024: Transfers administrative responsibilities to the Ministry of Economy, Culture, and Innovation, and approves the opening of Durana Tech Park.

Park users who meet the legal criteria can benefit from tax incentives and current legislation provisions for mobile employees (digital nomads), as outlined below:

• Exemption from tax residency status for mobile digital workers for up to 12 months.
• No establishment of a permanent presence for foreign entities solely based on the services provided by mobile digital workers.
• Activities of mobile digital workers are not considered to create a permanent business establishment.
• Provision of a unique permit for mobile digital workers in line with existing foreign legislation.
• Simplified entry and stay for IT professionals: Foreign nationals employed by IT companies involved in programming, IT consulting, data processing, and similar activities are allowed to enter Albania without a visa and stay for up to one year. During this period, they may apply for a unique permit.
• Streamlined procedures for visas and residence permits: Simplified procedures apply for visas and residence permits for mobile digital workers. This includes self-declarations regarding employment contracts, accommodation, and financial resources. The process is efficient and designed to facilitate the entry and stay of foreign technology professionals.

This legal framework aims to create a favorable environment for research, innovation, and the development of the high-tech industry, with a structured process for the establishment of parks, regulation, and provision of incentives.

2.6 Location of Durana Techpark

The location of Durana Tech Park is quite strategic, situated near key transport hubs: 16.4 km northeast of Tirana International Airport - Rinas and approximately 10 km from the Port of Durres, the largest in Albania.
According to Decision No. 175, dated March 27, 2024, the area encompasses 26 hectares (divided into three sections), with around 14 hectares approved for the establishment/opening of Durana Tech Park. This property is included in Cadastre 3852 and has been transferred from the Albanian Radio and Television to the administration of the Ministry of Economy, Culture, and Innovation by the decision of the Council of Ministers No. 185, dated March 27, 2024.
The Ministry has made this property available for the development of the park, providing access to the largest and most qualified labor market, as well as being in proximity to 75% of higher education institutions and research centers in the country.
Additionally, state-owned properties adjacent to this land have been identified and are available for the further expansion of the park. Overall, according to long-term planning, the park has the potential to expand to an area of up to 825,000 m² (82.5 hectares) depending on development needs and plans to attract new investors and users.

3. Market Analysis

The following section aims to provide a summarized analysis of the potential market for Durana Techpark, targeting potential investors interested in investing in the technology company park. It will explore the sectors in which these companies operate, the competition at the local, regional, and international levels, and the overall investment landscape.

3.1 Sector Description

Economic free zones, including technology parks, have become significantly widespread over the past few decades. These zones have been extensively utilized by developing countries to provide favorable fiscal, procedural, and administrative conditions for foreign companies looking to invest. The combination of a young population and a readily available workforce, along with these fiscal incentives, has made these areas quite attractive to Western companies.

Scientific and Technological Parks (STPs) play a crucial role in the transfer of knowledge and technology to the market. In the European Union, there are over 450 such parks that host more than 80,000 firms and employ approximately 1 million people, with investments reaching up to 15 billion euros. The success of STPs is not uniform; it depends on local factors such as the economy, research base, and partnerships between the public and private sectors.

The best Scientific and Technological Parks (STPs) are not merely landlords of modern spaces; they are complex organizations that involve multiple governance structures and collaborations to foster economic development and achieve long-term financial sustainability. Key characteristics that distinguish these parks from simple business centers include the careful selection of tenants, prioritization of technologies based on new knowledge, involvement of universities and public research organizations, and professional support for the development of innovative startups.

Academic studies show that the connection between the success of STPs and the strength of the local economy is crucial. Integrated local partnerships can offset some weaknesses of the local economy, but a strong research base is still required to support the innovative ecosystem. The 21st-century STP model encompasses full engagement with the local innovation ecosystem, creating collaborative spaces and offering programs to address the ecosystem's weaknesses.

Technology Parks (TPs) balance the need for short-term financial returns with the potential to accelerate innovation-based economic growth. Key success factors include establishing strategy, engaging universities and research institutions, collaborating with the public and private sectors, securing capital, assessing the local skill base, and creating an environment that stimulates innovation.

Albania ranks 76th in the Economic Complexity Index (ECI), improving one position over the past decade. Export diversification has contributed to economic complexity, with projections for moderate growth in the future. Albania’s performance in the global competitiveness and economic freedom index has seen significant updates in 2024.

Global Competitiveness Index (GCI): Albania continues to advance in several dimensions, particularly in anti-corruption efforts, trade policies, and agricultural reforms. These improvements have enhanced its competitiveness, although challenges remain, especially in the state-owned enterprise (SOE) sector, where reforms are slower. Currently, Albania exceeds the Western Balkans average in 13 out of 15 policy dimensions.

Economic Freedom Index for 2024: Albania ranks 48th globally with a score of 64.8, reflecting a slight decrease of 0.5 points compared to 2023. In Europe, it ranks 27th out of 44 countries. Despite this decline, the country continues to perform well in trade freedom and business regulation but faces challenges in government integrity and judicial effectiveness.

These results highlight Albania's efforts to strengthen its competitiveness, while also emphasizing the need for improvements in governance and institutional reforms

Table 2. Ranking of Economic Complexity of Countries According to the Growth Lab, Center for Development at Harvard University

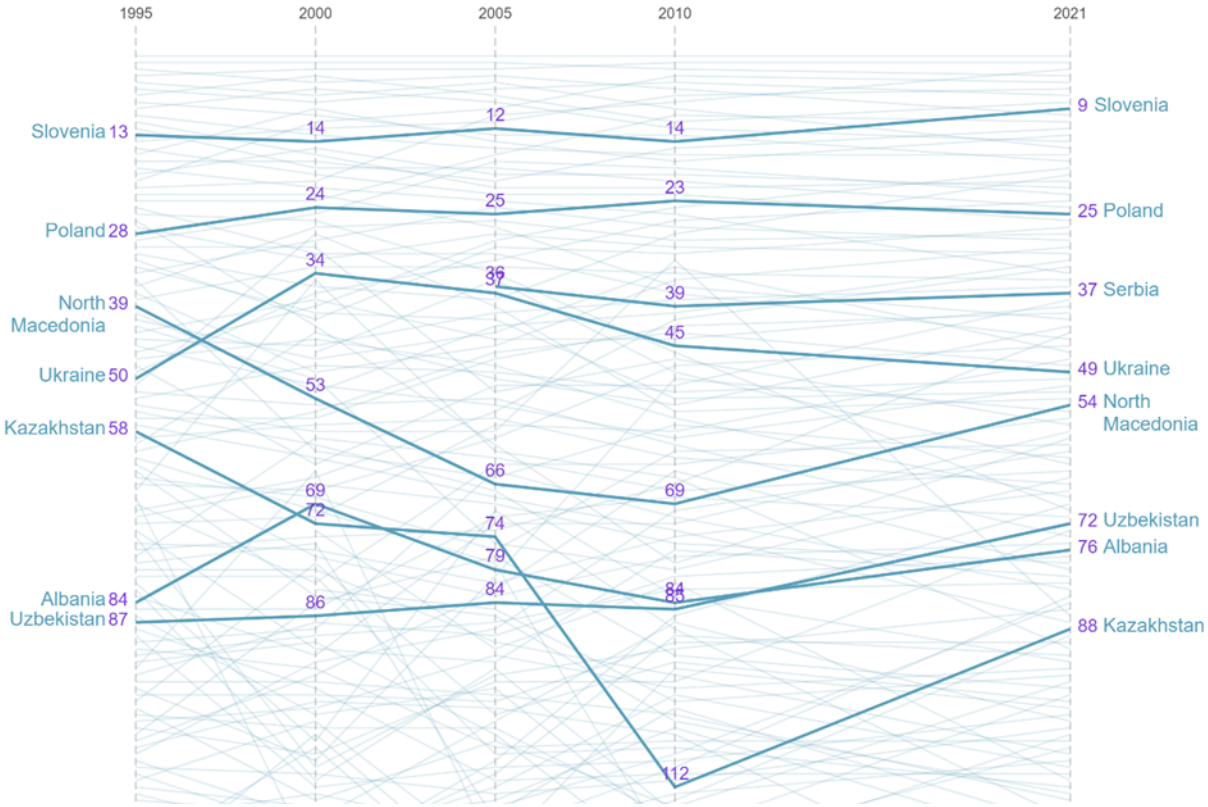

Table 3. Visualization of Albania's Exports for Fiscal Year 2021 from the Growth Lab

[1] OECD iLibrary / OECD Balkans Data Hub

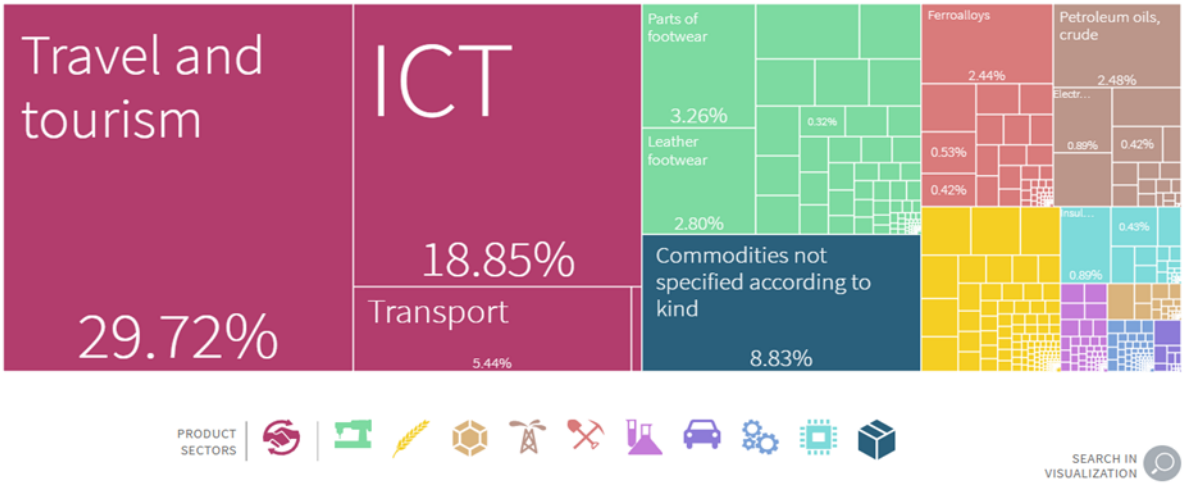

Table 3 provides a detailed overview of the country's export structure. The main exported products include services in tourism and in the field of technology and information. Albania has diversified its export markets, with the EU remaining its largest trading partner, particularly Italy and Germany. Additionally, exports to other regions have begun to show modest growth, improving the country's global competitiveness.

The stock of Foreign Direct Investment (FDI) in Albania is primarily concentrated in the telecommunications and information industry, which accounts for about 25% of the FDI stock. The remainder is distributed among financial and insurance activities (around 17%), the energy and mining industries (12% each), and manufacturing (11%), among others.

Albania belongs to the group of upper-middle-income countries alongside North Macedonia, Bosnia and Herzegovina, Moldova, Ukraine, Belarus, and Georgia. In the 2023 EU Innovation Index, Albania is ranked as a "new innovator," alongside countries such as Ukraine, North Macedonia, and Montenegro.

Albania's economy has undergone significant transformations since the 1990s transition from a planned system to a market economy. Today, the economy is diverse and includes agriculture, manufacturing, services, tourism, and emerging sectors such as information technology and renewable energy. This diverse economic foundation contributes to the resilience and adaptability of Albania's workforce.

The latest statistical data (2023) published by INSTAT are summarized as follows:

- The labor force consists of 1,387,831 individuals, with female participation at 44.6% and male participation at 55.4%.
- The employment rate for the population aged 15-64 is 67.4% in the second quarter of 2023, representing an increase of 2.7% compared to the same period in 2022.
- The official unemployment rate for the population aged 15 and older was 10.7% in the second quarter of 2023, a decrease from 11.5% in 2021. Youth unemployment (ages 15-24) also declined to 22% in 2023, down from 27.1% in 2021.
- Tirana remains the center with the highest percentage of employed individuals in the services sector, while Durres has the highest percentage in the industrial sector.

3.2 Target Market

Based on the main objectives of this project and the current market situation in Albania, the Ministry of Education, Sports, and Innovation (MEKI), through the announcement of the Durana Science and Technology Park, has designated ICT (the Information and Communication Technology sector and its related sub-sectors) as a priority sector for operation in Durana Tech Park.

The policy of the Albanian Investment Corporation (AIC) for the Durana Tech Park project aims to expand the range of activities, products, and innovative services in this sector by creating diversification to attract more complex activities. Not only will the development of these innovative products and services fill a gap in the national market, but it will also create a supply in response to the ever-increasing demand for this category of products from the international market. Additionally, the development of these new products and services will enhance the skills of the workforce, thereby creating elasticity in learning other work practices.

The target market for Durana Tech Park includes international technology companies, innovative local firms, and startups that will create a collaborative network with these companies and academic institutions. International companies will bring their economic activities to the park, utilizing advanced infrastructure for research and development. Meanwhile, local innovative companies and startups will benefit from collaboration opportunities with universities and research centers, creating a rich ecosystem of innovation and technology in Albania.

3.3 Competition

The main competition for Durana Tech Park comes from technology parks in the region and Southeastern Europe, which offer fiscal incentives and sophisticated infrastructure for innovation. Models such as Technology Park Ljubljana, Pomeranian STP, and Astana Hub have proven successful by fostering collaborations between academia and industry and attracting international investors—challenges that Durana Tech Park must address with innovative programs, modern infrastructure, and strategic partnerships.

Considering the technology market in the Western Balkans region, Durana Tech Park will face several potential competitors in the area that could impact investment attraction and innovation. Some of these technology parks include:

- **Science and Technology Park Novi Sad (Serbia)** – One of the largest parks in Serbia, which supports digital transformation and innovation through training centers and advanced laboratories for automation and digitization of industries. Novi Sad is also one of the main hubs for technology startups and SMEs in Serbia.
- **Belgrade BIO4 Campus (Serbia)** – This park, currently under construction with the support of the EBRD, focuses on biotechnology and innovation in the fields of healthcare and environmental technology. Its aim is to develop an innovative center in Serbia for high-tech enterprises, attracting new startups and SMEs from the region.
- **Skopje Technology Park (North Macedonia)** – This park aims to create a supportive ecosystem for technological innovation and foster collaborations between academic and private sectors. The center offers research and development opportunities for small and

medium-sized technology enterprises, creating a strong connection with universities in North Macedonia.

- **Science and Technology Park Čačak (Serbia)** – This park is supported by a significant investment for the development of technological infrastructure and promotes collaboration between industry and the academic sector to develop new technologies and increase the number of companies in the park.
- **Technology Park Zagreb (Croatia)** – This park is one of the most important centers for innovation and technology in Croatia. It supports startups and small and medium-sized enterprises through incubators and modern technological infrastructure. Technology Park Zagreb is also part of a broader international collaboration network, promoting innovative enterprises and technological research.
- **Technology Park Ljubljana (Slovenia)** – One of the largest parks in the region, focused on technology and innovation. This park serves as a major center for startup development and supports entrepreneurs, with robust infrastructure and close ties to universities and the private sector.
- **Athens Science and Technology Park (Greece)** – This park in Greece focuses on the information technology, energy, and biotechnology sectors. It plays an important role in fostering innovation in the region, closely collaborating with research centers and universities to advance the development of new technologies.

These technology parks constitute competition for Durana Tech Park to attract investments and talent. To compete, Durana Tech Park must differentiate itself through fiscal incentives, modern infrastructure, and international collaborations, while also providing support for local and international startups and SMEs.

Currently, there is no Science and Technology Park in Albania, which means that Durana Tech Park will be the first of its kind in the country. Durana Tech Park is strategically positioned between Albania's two largest cities, Tirana and Durrës, which serve as the main centers for the country's economic and demographic development. Its proximity to the Port of Durrës and Tirana Airport ensures quick and easy access to international markets, positioning the park as an attractive hub for investors and technology companies.

Another significant advantage of Durana Tech Park is its direct access to the largest labor market in Albania, which contains most of the country's qualified workforce. Compared to regional technology parks, Durana Tech Park is presented in a favorable competitive position, not only due to its infrastructure and location but also because of the competitive fiscal package it offers, featuring significant tax reductions and incentives for foreign investors.

In other countries in the region, such as Serbia, Croatia, and Slovenia, many of the development opportunities in the technology and innovation sector have been extensively exploited. Moreover, these countries face higher taxes and a more limited strengthening of the labor market, making Durana Tech Park an appealing alternative for investors seeking a new ecosystem for growth and innovation.

3.4 New Market Opportunities

New market opportunities for Durana Tech Park are closely linked to global and regional developments in the technology and innovation sectors. Some of these opportunities include:

- **Development of the Information Technology (IT) Sector:** With the rapid spread of digital transformation, especially after the pandemic, both global and regional markets are seeking innovative centers that offer advanced infrastructure for software development, artificial intelligence, blockchain, and cloud services. Durana Tech Park is well-positioned to capitalize on this trend by attracting international and local technology companies looking to expand into new markets.
- **Growth of Technology Start-ups:** Innovation ecosystems, especially in the fields of artificial intelligence, IoT (Internet of Things), and fintech, are continuously expanding. Durana Tech Park offers a unique opportunity for start-ups seeking support for incubation, acceleration, and access to mentoring and funding, connecting them with international partners and new markets.
- **Regional Market in Southeast Europe:** Albania has a strategic geographical location that provides easy access to the markets of the Western Balkans and Central and Southeast Europe. Durana Tech Park can serve as a bridge for international companies looking to enter these high-potential development markets.
- **Potential for Digitalization Services in Agriculture and Tourism:** Albania has a strong agricultural sector and a growing tourism industry, offering opportunities for technological innovations. Durana Tech Park can create opportunities for companies developing advanced technologies in agriculture, such as agro-tech and food-tech, well as in the digitalization of tourism services, providing enhanced experience for tourists through technology.

The development of software is undergoing a significant transformation due to advances in Artificial Intelligence (AI). With advanced algorithms and AI capabilities, many global technology companies are rethinking how they develop and use their software. AI is helping to automate several development processes, accelerating product development cycles and reducing the need for human intervention in the early stages of software creation. New markets for software development are emerging as large global companies seek to relocate their operations to countries with lower costs but with close access to EU markets.

Albania, through Durana Tech Park, offers a strategic location for these companies, with a qualified and low-cost workforce, as well as geographical proximity to major EU markets. Companies operating in software development for artificial intelligence, big data, cloud computing, and other technological services will benefit from the modern infrastructure and fiscal incentives provided by Durana Tech Park. This park has the potential to attract large global companies looking to increase their efficiency by taking advantage of the lower labor costs and the advanced information technology capabilities in Albania.

This increase in demand for AI-based software development creates a unique opportunity for Durana Tech Park to position itself as an attractive hub for companies looking to relocate their technological operations to European markets, offering them modern infrastructure, an affordable labor market, and strong investment incentives.

Durana Tech Park është i pozicionuar për të përfituar nga këto mundësi të tregut, duke krijuar një ekosistem inovacioni që mbështet ndërmarrjet e teknologjisë dhe rritjen e sektorëve të rinj ekonomikë. Kombinimi i incentivave fiskale, infrastrukturës moderne dhe vendndodhjes strategjike e vendos parkun në një pozitë të favorshme për të tërhequr investitorë dhe kompani ndërkombëtare.

3.5 Barriers to Market Entry.

To initiate operations at Durana Techpark, the Albanian Investment Corporation (AIC) must fulfill all legal requirements to obtain developer status in accordance with Law No. 58/2022, "On the Creation, Organization, and Functioning of Technology and Science Parks." This law stipulates that the Council of Ministers approves the opening of the park, and AIC is required to submit the necessary documentation for selection as a developer, as per the criteria established in Decision No. 337, dated May 31, 2023, and applicable subordinate legislation.

In compliance with these legal acts and upon the completion of the documentation, AIC can commence operations in the park immediately after obtaining developer status from the Council of Ministers, and it will not face any additional barriers to market entry.

4. Services that Durana Tech Park will Offer

Durana Tech Park will offer services to all foreign and local companies operating in the area in accordance with the provisions of Law No. 58/2022 on "The Creation, Organization, and Functioning of Technological and Scientific Parks Aimed at the Development of High-Tech Industries, Innovation, and the Creation of Qualified Jobs." The area designated as Durana Teknopark, located in Xhafezotaj, will be equipped by the Albanian Investment Corporation (AIC) and other state authorities with all necessary infrastructure, including water supply and sewage systems, electricity, waste management, and more.

4.1 Description of Services

The unique economic model upon which the establishment of Durana Tech Park is based aims to achieve the following objectives:

- Attracting Foreign Direct Investment
- Creating Employment Opportunities and Increasing Income
- Technology Transfer and Workforce Development

Drawing from the documents and successful models of regional and global technology parks, Durana Tech Park aims to generate revenue not only by retaining a percentage of no less than 1% of the gross turnover of the participating companies but also by offering a range of services that will support the growth and development of the innovative ecosystem. These services will serve as significant revenue sources for the Albanian Innovation Corporation (AIC),

contributing to the sustainable development of the park and its technological ecosystem. The services include:

1. Office and Laboratory Rental Spaces

- The AIC can generate revenue through the rental of advanced office and laboratory spaces for technology and science companies. These spaces may include:
- Offices for International Companies and Start-ups: International technology firms and local start-ups will have the opportunity to rent offices equipped with modern infrastructure and specialized services for research and development (R&D).
- Laboratories for Technology Development: Specialized laboratory spaces that can be utilized for product development, testing, and advanced research in sectors such as biotechnology, renewable energy, and information technology.

Revenue will be generated through the rental of these spaces, with competitive rates tailored for start-ups and established companies.

2. Incubation and Acceleration Services

The Albanian Investment Corporation (AIC) can offer incubation and acceleration programs for innovative start-ups and SMEs that are in the early stages of development. These programs may include:

- Mentorship and Advisory Support: Providing strategic and technological guidance to new companies, assisting them in developing and achieving market sustainability.
- Access to Investments and Financing: The park can establish a platform that connects start-ups with investors and venture capitalists, facilitating their growth and expansion.

These programs can generate revenue through registration and participation fees, as well as through small equity stakes that may be acquired in the companies that are incubated and accelerated within the park.

3. Infrastructure and Amenities Management Services

The park will offer a wide range of administrative and maintenance services that will be billed for users, including:

- Building Administration and Management: Daily management office overseeing security, maintenance, and minor repairs of the buildings.
- Common Areas and Support Services: Provision of amenities such as a cafeteria, conference rooms, and other spaces for special events or shared use by tenants.
- Banking and Telecommunication Support Services for the Park: Through partnerships with companies in the sector.

These services can generate revenue through usage fees and maintenance charges for common areas, enhancing the financial sustainability of the park.

4. Specialized Services for Businesses

In addition to providing physical spaces, the park can offer specialized services for technology companies, such as:

- Legal and Accounting Services: Advising on legal and financial matters (tax-related, etc.) related to technology startups and international companies.
- Assistance with Visa and Work Permit Applications: Providing support in navigating the visa and work permit processes for employees.
- Facilitation of Communication with Other Government Agencies: Assisting companies in maintaining effective communication with relevant government bodies.
- Customs Documentation Processing: Helping companies with the necessary documentation for customs clearance.
- Building Permits and Other Licenses: Assisting users with obtaining necessary permits for construction projects if they choose to build on-site.
- Information and Communication Technology (ICT) Services: Support for IT networks (office cabling and workstation setups, maintenance), connectivity services (internet access), data management, and cybersecurity for companies operating within the park.

These services can be subcontracted and offered through partnerships with other companies, generating AIC a percentage of the revenue for each contract established.

5. Training and Education for the Workforce

The Albanian Investment Corporation (AIC) can offer training programs tailored for the workforce in technology and innovation sectors, aiming to prepare a qualified pool of individuals to meet market demands. The training services may include:

- Professional and Technical Training Programs: Ongoing programs designed to develop advanced skills in programming, software design, project management, and innovation.
- Collaborations with Universities: Providing space for academic research and student projects related to innovation and technology.

These training and educational programs will serve as an additional revenue stream through participation fees for courses and specialized programs. By fostering a skilled workforce, AIC will not only enhance employability but also contribute to the growth of the local economy and the technology ecosystem.

6. International Cooperation Projects and Grants

Durana Tech Park can participate in international projects funded by the EU and other international organizations that support innovation and technology development. These projects will bring in funding and grants that can be used for the expansion of the park and for offering new services.

AIC can leverage these projects to support the development of the park and to contribute to its long-term financial sustainability.

Based on the listed services above and the experience of neighboring countries, the services and corresponding fees to be offered at Durana Tech Park are approximately calculated as follows:

5. Marketing Activities

Durana Tech Park will be promoted in the international market through all promotional and advertising channels of the Albanian Investment Corporation (AIC) and the institutions of the Albanian government.

5.1 Defining the Marketing Strategy

The objective of this strategy is to attract innovative, high-tech companies, startups, universities, and research centers to Durana Tech Park. The focus is on fostering collaboration, innovation, and sustainable development, ensuring that the park's users meet the criteria outlined in the qualification document.

Identification and Segmentation of the Target Audience

i. Primary Target Audience:

- **International Technology Companies:** Established firms seeking to expand operations into new markets.
- **National ICT Companies:** Businesses operating in Albania that collaborate with international partners.
- **Startups:** Innovative companies in the early stages of development in fields such as software, AI, IoT, robotics, and similar areas.
- **Universities and Research Institutions:** Entities with strong capabilities in research and development (R&D).
- **Digital Nomads:** Entrepreneurs and independent technology professionals looking for a modern collaborative workspace.

Secondary Target Audience:

- **Incubators and Accelerators:** Organizations that support startups and would benefit from a strategic location within a technology park.
- **Government and Non-Governmental Organizations (NGOs):** Entities focused on technology, innovation, and economic development.
- **Venture Capitalists:** Investors seeking opportunities to support startups and rapidly growing businesses within the park.

ii. Key Attraction Points for Users

• Fiscal **Incentives:** 0% profit tax for 15 years, VAT exemptions, customs relief, and exemptions from real estate taxes for 10 years, among others.
• Strategic **Location:** Proximity to European markets and major Albanian cities, making it attractive for regional and international players.

• High-**Tech Infrastructure:** Modern facilities designed for R&D, innovation, and technology-focused activities.
• Focus **on Sustainability:** The park's commitment to sustainable development, appealing to environmentally conscious companies.

• Collaboration **Opportunities:** Synergies among startups, universities, and established companies for mutual growth and innovation.

iii. Interaction Channels:

Digital Marketing:

- **Website:** A dedicated website for Durana Tech Park will provide comprehensive information on benefits, leasing opportunities, and application processes. It will include sections such as FAQs, video showcasing the park's facilities, success stories, and promotional materials to engage potential users.
- **Social media:** Leverage platforms like LinkedIn, Twitter, Instagram, and Facebook to target technology companies and professionals globally. Share engaging content that highlights the park's offerings, success stories of resident companies, and updates on events and initiatives.
- **Email Marketing:** Develop a targeted email campaign aimed at technology companies, universities, and startup ecosystems. This campaign will provide updates on park developments, success stories, and invitations to events, fostering a sense of community and connection.
- **Online Advertising:** Utilize Google Ads, LinkedIn Ads, and other digital advertising platforms to target specific regions and industries, such as software development, AI, and robotics. This approach will enhance visibility and attract interest from relevant businesses seeking innovative environments.

Events and Conferences:

- **Participation and Exposure:** Actively participate in global and regional technology conferences such as Web Summit, TechCrunch Disrupt, and regional innovation forums. These events will provide a platform for showcasing Durana Tech Park, networking with industry leaders, and establishing connections with potential tenants and partners.
- **Organizing Meetings and Events:** Host virtual roundtable discussions and informational meetings to present the opportunities available at Durana Tech Park. These sessions will invite potential tenants to learn more about the park's offerings, share insights into the benefits of joining the ecosystem, and foster discussions about collaboration and innovation.

Partnerships:

- **Collaboration with Embassies and Trade Offices:** Leverage Economic Diplomacy channels through Albanian embassies and trade offices abroad to promote Durana Tech Park to international technology companies. This collaboration can help build relationships with potential investors and businesses interested in expanding into the Albanian market.

- **Partnerships with Universities:** Collaborate with universities and research institutes in Albania and Europe to attract research centers and departments focused on technology to establish a presence in the park. These partnerships can facilitate knowledge transfer, joint projects, and innovation-driven initiatives.
- **NGOs and Incubators:** Work together with organizations focused on innovation, entrepreneurship, and economic development to reach startups and small businesses. These collaborations can enhance the support ecosystem for new companies and foster a culture of innovation within Durana Tech Park.

Direct Engagement:

- **Direct Contact:** Identify and directly reach out to potential tenants, especially major technology companies and promising startups in sectors such as AI, big data, IoT, and robotics. Personalized outreach can help establish relationships and showcase the unique advantages of relocating to Durana Tech Park.
- **Referrals from Tenants:** Encourage existing tenants or partners to refer companies within their network that could benefit from moving to the park. Building a community of satisfied tenants can generate organic growth through word-of-mouth and referrals.
- **Business Delegations:** Organize delegations to key markets (e.g., EU, USA, and Asia) to meet with technology companies or industry associations and chambers of commerce. These trips can promote the benefits of Durana Tech Park and establish valuable connections with potential tenants.

iv. Monitoring and Follow-up:

- Lead **Tracking and Follow-Up:** Implement a CRM (Customer Relationship Management) system to monitor interactions with potential tenants and ensure ongoing follow-up.
- **Performance Analysis:** Regularly assess the effectiveness of engagement activities through key metrics (website visits, inquiries, lease contract signings) and adjust the strategy as needed.
- **Feedback Mechanism:** Collaborate with current tenants to gather feedback on the facilities, services, and value of the park, using this information to enhance offerings and marketing materials.

5.2 Sales Strategy Overview

The sales strategy will be based on three key elements:

1. Fiscal Incentives Offered by Durana Tech Park
2. A Young, Educated, and Relatively Affordable Workforce
3. The Geographical Position of Albania

Given that the fiscal legal framework in Albania for companies operating in the technology sector is quite favorable, offering very low tax rates compared to Western countries, the promotion of Durana Tech Park will significantly emphasize these incentives. The fact that Durana Tech Park provides an even more supportive fiscal legal framework further facilitates promotion.

The workforce is one of Albania's strongest points concerning attracting foreign investments. The country has a very young average age, one of the youngest in Europe, and this workforce is predominantly well-educated and bilingual. Compared to other countries in the region, this presents a significant competitive advantage.

Thirdly, Albania's geographical position, located within European transport corridors, enables easy access to all Western countries.

These three elements represent important comparative advantages for Albania in the region, and therefore, they will serve as the foundational pillars upon which the sales strategy will be based.

5.3 Credit Control

The administration of Durana Tech Park will sign standard lease agreements with all companies/users operating within the area. These contracts will include penalties for delays or non-payments, in accordance with the applicable legal framework and in alignment with the best international practices.

6. Operations

The operations of Durana Tech Park will be conducted in accordance with the existing legal framework and in compliance with the law governing the creation and operation of technology parks. An internal regulation will be developed for the functioning of the park, detailing the responsibilities of all parties involved. This regulation, in alignment with the law, will also outline the procedures and criteria that a user must meet to gain entry to the area.

6.1 Project Implementation Phases

The development of Durana Tech Park is divided into two main areas:

Phase I: VIRTUAL Model

The first phase of Durana Tech Park will operate virtually, enabling global collaboration with reduced costs, low environmental impact, and opportunities for scaling operations. This model creates a flexible and interconnected research ecosystem that allows businesses and researchers to benefit from the fiscal incentives offered by the park. Furthermore, the use of artificial intelligence (AI) to match solution seekers with global talent enhances efficiency, reduces the time required to find the right partners, and improves the quality of research outcomes.

This innovative model allows Durana Tech Park to commence project implementation immediately upon receiving the developer's permit. Interested companies can begin operations as park users after being selected through a procedure based on legal criteria. For companies seeking physical space, Durana Tech Park will lease and provide temporary office space for subleasing, where they can develop their operations until the construction of the physical park is completed.

The virtual park also fosters a close connection between start-ups, small and medium-sized enterprises (SMEs), and post-secondary educational institutions. This platform offers an impartial matching opportunity between solution seekers and their providers, promoting collaboration and the international development of innovation.

Phase II: HYBRID Model - Combining Physical and Virtual Spaces for Innovation

The second phase transitions from a fully virtual platform to a hybrid model, combining the benefits of digital and physical spaces. This phase establishes a physical center in Albania, serving as a collaborative space that complements the virtual infrastructure of Phase I. This model provides start-ups, researchers, and companies with opportunities to conduct practical research, create prototypes, and access advanced equipment while maintaining the flexibility of remote collaboration through the virtual park.

Key Features of the Hybrid Model

1. **Physical Infrastructure:** a. **Offices, Co-working Spaces, Conference Rooms, and Common Areas:** A well-designed environment to foster collaboration and productivity.

   b. **Innovation Hubs and Research Laboratories:** A physical campus designed for research, development, and testing, including advanced laboratory spaces for IT, biotechnology, renewable energy, and materials science.

   c. **Prototyping and Testing Center:** Provides access to specialized equipment and technology for prototype creation and testing, ranging from 3D printing to advanced robotics.

2. Collaborative Spaces:

a. **Integration of Physical and Virtual:** Utilization of digital tools, including Augmented Reality (AR) and Virtual Reality (VR), to enable real-time cross-border collaboration.
b. **Flexible Usage:** Businesses and institutions can choose to participate fully online, physically, or through a combination of both, depending on project needs and geographical preferences.

3. Development of the Workforce and Training:

a. **Training and Workshop Centers:** Dedicated spaces for industry-specific training on new technologies such as AI, machine learning, cybersecurity, and green technologies.

b. **Academic-Industry Collaboration Curriculum:** Training programs developed in collaboration with insights from the virtual park on global challenges, integrating real problem-solving with academic learning.

4. Access to International Markets:

a. International Collaborations: A global network of companies, universities, and research institutions that visit the park for workshops, hackathons, and conferences while maintaining virtual partnerships.

5. Smart Park Features:

a. Sustainability and Green Technology: The park will be designed with a focus on sustainability, incorporating smart building technologies, renewable energy sources, and low-carbon infrastructure.

6.Cultural and Social Integration:

a. Cultural Exchange Programs: Cultural events and seminars for knowledge sharing that encourage intercultural exchanges and celebrate innovative achievements from around the world.

6.2 Project Implementation Timeline

Implementation Timeline includes phases such as:

- **Planning and Initiation (Months 1-3)**: Securing permits and allocating resources, enclosing the park.
- **Design (Months 3-6)**: Developing and detailing architectural and technical projects.
- **Procurement and Contracting (Months 6-8)**: Selecting subcontractors and finalizing contracts.
- **Execution (Months 8-30)**: Constructing the park's infrastructure and installing IT systems.
- **Commissioning and Handover (Months 30-36)**: Testing, final inspections, and delivery of completed facilities.
- **Operation and Maintenance (Post Month 36, Ongoing)**: Continuous operations and improvements of the park.

Durana Tech Park offers an innovative approach that integrates physical and virtual spaces to support research, innovation, and economic development at both regional and international levels.

6.3 Competitive Advantages

The potentials of Durana Tech Park are outlined as follows:

- **Qualified and Flexible Workforce**: The two cities near Durana Tech Park, Tirana and Durrës, are characterized by a young population and a highly educated workforce. This is particularly significant as Tirana and Durrës host 75% of the country's higher education institutions and research centers, providing access to the largest and most qualified labor market.
- **Multilingual Workforce**: Approximately 50% of the workforce in Tirana is proficient in English and Italian, while 20% can communicate in Greek.
- **Competitive Base Costs**: Average salaries in Tirana and Durrës, along with payroll taxes, are among the lowest in EU countries and the region. Additionally, the cost-benefit ratio for starting a new business is favorable for investors.
- **Improved Infrastructure**: Infrastructure in Albania, particularly in Tirana and Durrës, has seen significant improvements in recent years, enhancing competitiveness with developed countries in Europe and the region.
- **Positive Business Climate**: Albania offers one of the lowest tax systems in the region, along with expedited business registration (within one day at a cost of 1 Euro) through the National Registration Center (QKB). The country also provides options for online tax payments, ease of market entry, and support and protection for both domestic and foreign investors through various agencies operating in Albania for many years.
- **Presence of Foreign Investments**: Approximately 70% of foreign investments are concentrated in Tirana and Durrës.
- **Strategic Geographical Position**: The location of this park is quite strategic, situated near key transport hubs: 16.4 km northeast of Tirana International Airport - Rinas and around 10 km from the Port of Durrës, the largest port in Albania.

7.Assessment of Social, Economic, and Environmental Impact for Durana Tech Park

Durana Tech Park aims to develop an innovation and technology hub in Albania, positively impacting the social, economic, and environmental aspects of the region. As a park focused on technology and innovation, its impacts will be felt in areas such as employment, economic development, and the protection and enhancement of the surrounding environment.

7.1 Social and Economic Impacts

1. **Impact on Employment and Skills Development:** Durana Tech Park will create job opportunities in the technology and innovation sector, helping to enhance the skills of the local workforce. Fields such as programming, artificial intelligence (AI), big data, robotics, and cloud computing will be prioritized. This will help prepare a skilled group of professionals for the global technology market.
2. **Creation of New Jobs:** The park is expected to create between 1,000 and 2,500 new jobs during its operational phase, along with approximately 500 to 800 temporary jobs during the construction phase. This will contribute to reducing unemployment and increasing the standard of living in the region.
3. **Technology and Innovation Transfer:** The park will facilitate the transfer of international technologies and innovations through collaborations with large companies

and research centers. This will support the development of new innovations and enhance the competitiveness of local companies.

4. **Infrastructure Development and Innovative Ecosystem:** Durana Tech Park will create an innovative ecosystem that encourages collaboration between technology companies, universities, and researchers, contributing to the development of new technologies and innovative products. This ecosystem will position Albania as an innovation hub in the Balkan region.
5. **Impact on Microeconomics and Regional Development:** The park is expected to assist in the economic diversification of the region and attract domestic and international investments. Innovative activities will contribute to increasing the competitiveness of the local economy and fostering sustainable economic development.

7.2 Environmental Impact

1. **Air Quality Preservation:** During the construction phase, environmental impacts will include the generation of dust and emissions from machinery and vehicles used on-site. To minimize these impacts, measures such as dust suppression through watering the roads and utilizing advanced equipment with low air pollution impact will be implemented.
2. **Water Management:** During the operational phase, the park will have integrated systems for managing wastewater and constructing treatment facilities to protect local water resources. This will ensure that no harmful discharges occur into rivers and groundwater.
3. **Land Impact and Waste Management:** During the construction phase, measures will be taken to minimize land pollution and ensure proper management of waste generated from construction activities. Waste will be handled according to international waste management standards, reducing the risk of soil contamination and protecting surrounding areas.
4. **Energy Efficiency and Sustainability:** Durana Tech Park will utilize green technologies and renewable energy sources to reduce its environmental impact. Energy efficiency systems will be installed, and renewable resources such as solar and wind energy will be used to minimize carbon emissions and ensure that the park operates with a minimal environmental footprint.
5. **Biodiversity Conservation:** The area designated for the park has a low impact on biodiversity due to poor soil quality and a lack of dense forests. However, measures will be taken to preserve surrounding ecosystems and minimize disturbances to the local flora and fauna.

8. Risk Analysis

Durana Tech Park, as an ambitious project in Albania, faces a range of risks that could impact its success. These risks are associated with economic, political, technological, and

infrastructural factors. This risk analysis aims to identify and assess these challenges, providing a framework to manage and minimize their impact during the development and operation of the park.

8.1 Potential Risks

1. Economic Risk

- **Global Economic Uncertainty**: Global developments, such as potential recessions or changes in financial markets, could negatively impact foreign investments in Albania. Declines in key sectors like tourism and energy may reduce investor interest.
- **Rising Financing Costs**: If Albania faces high-interest rates or increased inflation, it could hinder the financing of projects within the park and raise operational costs for user companies.

2.Political Risk

- **Sudden Political Changes**: As Albania is a developing country with aspirations for EU membership, changes in government policies or political leadership may create uncertainty for investors and park developers. These changes may include unexpected fiscal reforms or alterations to laws regarding strategic investments.
- **Slow EU Integration Process**: Throughout the negotiation period with the EU, slow progress may lead to ambiguity regarding the implementation of reforms and the stability of incentives for investors.

3.Legal and Regulatory Risk

- **Complex Regulations**: A complicated legal system and delays in approving requests from developers or users may create challenges for companies seeking to establish themselves in the park. This includes legal uncertainties regarding the use of state properties or benefiting from tax incentives.
- **Contradictions with EU Laws**: Due to negotiations for EU membership, some national laws and regulations may change to align with EU standards, creating challenges for legal compliance.

4. Infrastructure Risk

- **Delays in construction and infrastructure:** The complete construction of the park requires significant investments in infrastructure, including the energy network, water supply systems, and high-speed internet. Any delays or non-compliance with the planned standards could affect project timelines and the attraction of user companies.
- **Support from authorities:** If government assistance for building general infrastructure (roads, energy, etc.) is insufficient or does not arrive on time, it may impact the park's functionality.

5.Virtual Phase Risk

- **Delays in adopting virtual technology:** The initial virtual phases of the project require companies to be ready for remote operation. If potential users do not have the necessary technological capabilities or are not prepared to operate in a virtual environment, this could negatively affect their attraction to the park.
- **Issues with digital infrastructure:** If the digital infrastructure (servers, data centers, internet connections) does not operate at maximum efficiency, this may cause delays or difficulties for companies operating virtually.
- **Low trust in the virtual ecosystem:** Some investors may have reservations about fully operating in a virtual phase, questioning the sustainability and success of remote operations. This may slow the onboarding of new companies in the initial phases.
- **Cybersecurity:** With the virtual phase involving the transfer and storage of data in a digital environment, there is a risk of cyberattacks that could harm companies and undermine their trust in the park.

6. Technological Risks

- **Technological Adaptability:** If the technological infrastructure of Durana Tech Park is not regularly updated to keep pace with innovations in AI, robotics, and information technology, there is a risk that the park will lose its competitive edge both regionally and in global markets.
- **Cybersecurity Threats:** Given that the park is focused on technology and innovation, it is vulnerable to cybersecurity risks, which could damage its reputation and disrupt operations.

7. Competition Risks

- **Competition with Other Regional Parks:** Other technology parks in the region, such as those in Turkey, Serbia, and other Balkan countries, offering similar incentives and infrastructure, may attract investors and hinder the growth of Durana Tech Park.
- **Ability to Retain Large Companies:** If Durana Tech Park fails to provide adequate incentives and the necessary infrastructure, large technology companies may opt for other locations in the region that offer more attractive packages.

8. Market Risks

- **Growing Demand for Technological Developments:** If the demand for technological innovation in Albania and the region does not develop at the expected pace, there could be a decline in interest in the park's spaces.
- **Changes in the Global Technology Market:** Fluctuations in international technology markets and global trends may alter the flow of technological investments in the region, directly impacting the park's growth.

8.2 Risk Management Strategy for Durana Tech Park.

Risk management is a fundamental element for the success of Durana Tech Park, helping to identify and prevent challenges that may affect the project at various stages of its development.

With such a complex project, encompassing both virtual and physical phases, as well as international collaborations, a detailed strategy is necessary to minimize negative impacts from economic, political, legal, technological, and infrastructural factors. The goal of this strategy is to create a sustainable environment for innovation and development

1.Economic Risk

- **Diversification of Funding Sources:** Seeking investments from various sources (both national and international) to reduce dependence on a single sector.
- **Securing Strategic Partnerships:** Collaborating with the EU and international financial institutions to secure funds and guarantees.

2. Political Risk

- **Compliance with EU Policies:** Ensuring that the park aligns with EU standards, minimizing uncertainty regarding legal changes during the integration process.
- **Active Lobbying for Supportive Government Policies:** Advocating for fiscal incentives and infrastructure development.

3. Legal and Regulatory Risk

- **Simplification of Administrative Procedures:** Establishing a single-window system for processing legal requests from developers and park users.
- **Engagement of Legal Experts:** Involving legal professionals to implement international legislation and EU regulations to avoid regulatory conflicts.

4.Infrastructure Risk

- Careful planning of construction timelines to ensure the timely implementation of various project phases.
- Partnerships with strong infrastructure companies for the construction and management of energy, water, and road systems.

5. Technological Risk

- Continuous innovation: Regular investments in upgrading technological infrastructure and integrating new technologies such as AI, cloud computing, and IoT to maintain competitiveness.
- Strengthening cybersecurity: Implementing strict security protocols and data protection measures to safeguard the park's virtual operations.

6. Competitive Risk

- Creating a supportive ecosystem for startups and technology companies by offering collaborative spaces, mentoring, and funding.
- Providing unique incentives to attract international companies, such as subsidies for research and development, tax exemptions, and rental concessions.

7. Virtual Phase Risk

- Developing secure and sustainable digital infrastructure, including robust servers and high-speed internet to support online operations.
- Engaging major technology companies to ensure trust in the virtual phase, creating a sustainable ecosystem that supports fully virtual operations.

8. Overall Risk Management

- Establish a dedicated risk management team that continuously monitors developments and takes swift action to address risks.
- Conducting regular risk assessments to anticipate and prepare for new challenges.

9.Management and Ownership Structure

Durana Tech Park will be developed by AIC and managed by Durana Tech Park sha through the utilization of its capabilities or in collaboration with international excellence.

9.1 Cadastral Map

The cadastral map is attached as an annex to this Business Plan.

9.2 Geological Map

The geological map is attached as an annex to this Business Plan.

9.3 Development Map

The development map is attached as an annex to this Business Plan.

9.4 Ownership

The land on which Durana Tech Park will be constructed will be state-owned and utilized by AIC in its capacity as the developer of the park.