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The Green Agenda for the Western Balkans

A dead letter or a genuine opportunity?

By signing the [Sofia Declaration on the Green Agenda](#) for the Western Balkans in October 2020, leaders from the region recognised the importance of the [European Green Deal](#) (EGD), which is the EU's new growth strategy towards a modern, climate neutral, resource-efficient and competitive economy. In order for this acknowledgement to materialise in practice, the leaders of the Western Balkans (WB) also agreed to incorporate elements of the EGD into all interrelated sectors and policies, based on the European Commission's Guidelines, with the common goal of developing carbon-neutral and sustainable economies in the region. Given that it has been a year and a half since the Sofia Summit, it is warranted to break down the complex notion of the Green Agenda and analyse whether and to what extent it has the potential to truly induce changes in the Western Balkans. Therefore, the paper presents key issues identified in the five pillars of the Green Agenda, examines certain cross-cutting aspects of the green transition that could be essential for achieving a climate-neutral Western Balkans, and provides concrete measures and proposals for effective Green Agenda implementation.

Unpacking the Green Agenda

The Western Balkan region has long lagged behind the EU with regard to fighting climate change. As such, it has long lacked an overall approach that would make all relevant policies climate-sensitive. That is where the [Guidelines](#) for the Implementation of the Green Agenda for the WB step in. Originally proposed by the European Commission, the Guidelines establish five pillars of action: decarbonisation; circular economy; depollution; sustainable food systems and rural areas; and biodiversity. The emphasis is on the implementation of the Green Agenda in conjunction with technological progress and innovation, based on the concept of the dual green and digital transition. For the objectives to be carried out, the Commission proposed the Economic and Investment Plan (EIP) – with €9 billion in grants and expected €20 billion in guarantees. Although it is too early to tell whether all funds will be absorbed, by interconnecting the EIP and the Green Agenda and by laying out roadmaps for implementation, the EU sends a signal that it is ready to put its words into action.



Pillar I: Making the region carbon-neutral

Carbon neutrality is a concept that has not dominated the region's policies so far. If the region is to join the EU's efforts of achieving such neutrality by 2050, this practice has yet to change. In that context, WB countries are supposed to carry out a clean energy transition by phasing-out coal, shifting to renewable energy sources and greener transport networks, as well as advancing energy efficiency and reducing energy poverty. This is especially important in light of the fact that data shows that **coal** is still the primary energy source in the WB, accounting for around 70% of electricity produced in the region. Furthermore, two-thirds of households in the region still use solid fuels (mostly wood and coal) for heating in **outdated fireboxes**. Given the region's existing overreliance on coal, decarbonisation and reduction of greenhouse gas emissions are likely to take much time and effort.

When it comes to renewable energy sources, it seems like the WB countries have not fully utilised their significant potential. Although in some parts of the region there is noticeable use of hydropower (e.g. in Albania) and solid biomass (e.g. in Serbia), the Commission recommends diversifying these sources and tapping into their solar and wind potential. Additionally, the energy sector in the WB could be much more efficient. There are vast energy **losses** in the transmission and distribution systems and due to a **lack** of proper thermal insulation, many buildings remain energy-inefficient. Moreover, the region also struggles with how to reduce energy poverty. According to some **studies**, more than half of households in Serbia spend over 15% of their income on energy, and 56% of them have to reduce their living space during the heating season. Altogether, there are numerous challenges in the WB's path to resource-efficient and low-carbon economies, the achievement of which would contribute to Europe's response to climate change.

Pillar II: From linear to circular economy

When tackling the issue of sustainable growth, particularly in the context of the wider EGD, **circular economy** is one of its fundamental building blocks. As stated in European Commission's Guidelines, the circular economy model implies that resources are maintained in the economy for as long as possible hence minimising waste generation. In practice, this is to lead to the adoption of **measures** which more effectively manage the entire life of products by using same resources repeatedly, not only once. To achieve such circularity, steps need to be taken to prevent waste from being generated in the first place, and if waste nevertheless occurs, to be transformed into high-quality resources.

Yet, the Western Balkans continue to be massive waste producers. To make things worse, this waste is not being used as a resource, as it is mainly disposed of in local landfills. It could be even argued that the waste is being "wasted". This trend is alarming particularly considering that current **recycling rates** in the WB are significantly lower (under 3%) when compared to the EU average (about 44%). This is explained by the fact that there is no effective primary selection system, i.e. proper waste disposal and sorting, which prevents the implementation of modern waste management practices. This demonstrates the necessity not only to establish proper recycling facilities and invest in modern waste management infrastructure, but also to raise citizens' awareness of the importance of recycling.

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Pillar III: Towards a pollution-free region

The Western Balkans continues to be the most polluted region in Europe, and the Green Agenda aims to assist WB countries in addressing pollution-related issues. Air pollution remains the most serious problem in the region, having a significant impact on human health. According to the United Nations Environment Programme (UNEP) 2019 [report](#), air pollution is directly responsible for up to one in five premature deaths in 19 WB cities. The low level of air quality is primarily caused by greenhouse gas emissions from lignite-fired thermal power plants, but also, to a lesser extent, from household fireboxes, heavy industry combustion and traffic. To address this issue, one of the most important prerequisites is to ensure better air quality monitoring and assessment, with political commitment remaining essential in enforcing the existing legal framework and commitments. In this domain, the third pillar of the Green Agenda is most directly related to the activities that must be implemented in the first one. Decarbonisation of the energy sector, replacement of individual furnaces, and transition to sustainable modes of transportation are all necessary steps toward achieving a pollution-free region.

When it comes to water pollution, the main cause is the ineffectiveness of wastewater management and the lack of proper sanitary services. For example, the majority of cities and many factories in Serbia discharge [wastewater](#) straight into rivers, deteriorating groundwater quality and endangering sources of fresh drinking water. [Hazardous waste](#) is frequently dumped

directly into open spaces rather than being properly stored, resulting in groundwater and soil pollution. Additionally, the release of nitrates and pesticides into groundwater continues to be standard bad practice. Thus, the main task ahead, is the implementation of water-related legislation which will require more resources for investment in water infrastructure. Although this may appear to be a cost at first glance, the preservation of rivers and clean water is a strategic interest of every country, and it would have a positive impact on many aspects of human life as well as on various economic sectors in the long run.

Regarding soil pollution, the region faces significant challenges in addressing land degradation and desertification, particularly as climate change is accelerating. A [Study](#) on Climate Change in the Western Balkans Region warns that the mean annual temperature increase is expected to reach between 0.5-1.0°C over the next fifteen years. This could result in an extension of dry periods, particularly in the region's coastal and southern areas, as well as in an increased frequency and spreading of forest fires and forest defoliation. Such a scenario, accompanied by inaction in the aforementioned areas of water and air pollution, may significantly endanger human health and even existence as such, by jeopardising drinking water resources and fertile lands.



Pillar IV: Establishing sustainable rural areas and food production

Despite the region's abundance of natural resources, agri-food systems in all WB countries face numerous challenges and structural problems. The issues range from very low labour productivity and yields due to underdeveloped technological capabilities, which is rightly pointed out by the Commission, to the fact that the average farm size is several times smaller than in the EU. This becomes all the more important considering that agriculture exposure to climate change, as some [analyses](#) show, is expected to contribute to accelerated extinction of certain species and genes, thereby reducing agrobiodiversity in the region. Moreover, the expected rise of temperature might also increase drought periods and thus jeopardise food production.

Although the countries of the WB are yet to engage in comprehensive agricultural reforms, they find themselves in a dilemma how to simultaneously aim towards "greening" their agricultural sectors without resulting in job losses or further depopulation of rural areas. This question is of high significance bearing in mind that agriculture and other agri-related sectors [contribute](#) to around 10% of the WB countries' GDP and employ a large proportion of the population. Recognising the importance of mitigating the potential negative effects stemming from the process of restructuration of the agricultural sector, the EU has allocated as much as 353 million EUR for the Western Balkan in 2020 alone via the Instrument for Pre-accession Assistance for Rural Development ([IPARD](#)). As the WB countries still have a long way to go in terms of reforming their agriculture sectors, the EU's continued financial and administrative support will be essential to ensure the sustainable development of rural areas.

Pillar V: Fostering conservation of ecosystems and biodiversity

The Western Balkans are thought to be a region rich in habitats and species, including endemic species. On the other hand, it seems that there is insufficient awareness about the importance of preserving ecosystems and biodiversity. The lack of care for biodiversity is best seen in the fact that the construction of small hydroelectric power plants in protected areas across Serbia has endangered the existence of some threatened species, such as [stone crayfish](#) (*austropotamobius torrentium*). As this issue is applicable to the entire region, it is encouraging to see that the leaders of the WB countries have committed to develop and implement the "2030 Biodiversity Strategic Plan", which should be aligned with the [EU Biodiversity Strategy for 2030](#). For this commitment not to remain just a dead letter on paper, the EU will have an important role to coordinate and monitor the implementation of the biodiversity-related strategies in the region.

Additionally, the measures related to afforestation and forest restoration need to be conducted which would sustain the natural habitats of many valuable animals and plants. In this context, the new [EU Forest Strategy for 2030](#) recognises the central and multifunctional role of forests as well as foresters' contribution to achieving a sustainable and climate-neutral economy by 2050 and preserving lively and prosperous rural areas. This strategy encourages WB countries to align their policies to the EU and should serve as guidance on effective afforestation in the WB. In addition, coastal and marine habitats in the WB are also jeopardised, and the [EU Strategy for the Adriatic and Ionian region](#), among other things, also addresses this issue. Thus, the Adriatic-Ionian Strategy, as well as the [Danube Strategy](#), are seen by the Commission as a suitable mechanism for Green Agenda implementation in terms of WB's ecosystems protection. To summarise, it is highly important to integrate preservation of ecosystems into other areas of human activities (such as construction and transport) and ensure that economic development does not harm nature, keeping in mind that ecological imbalance could have inconceivable long-term consequences.

Photo 1: *Austropotamobius torrentium*



How should the Green Agenda be implemented?

By signing the Sofia Declaration, WB countries expressed their intention to cooperate with the EU in making the continent climate neutral by 2050. However, the Green Agenda should not be interpreted as EU's coercion but rather as an effort intended to benefit WB citizens that would contribute to resource-efficient and sustainable economic growth. In this regard, implementation of the Green Agenda is primarily dependent on the political will of WB governments, although the EU recommends a number of financing instruments and mechanisms of implementation. Regional cooperation in tackling these common problems, as well as sharing knowledge and best practices, would be essential.

Decarbonisation and economic development

The implementation of the Green Agenda could be considered as a strong impetus to economic growth, resulting in the creation of new jobs and business opportunities. For instance, the average annual energy consumption in Serbian buildings is more than 150 kWh/m², which is three times higher than the average in other European countries. Such a low energy performance of buildings in the WB represents a possibility for renovation investments that would contribute to the energy efficiency of these objects, as well as generate new workplaces. In addition, building capacity for renewable energy production can create new jobs and benefit a variety of related industries.

Further, based on the concept of smart and sustainable mobility, what states should work on is revitalisation of the rail networks and usage of eco-friendly transport modes (such as public transport, car-sharing, public bike-sharing, etc.), as well as cleaner fuels (e.g. bioethanol or biodiesel). It seems this is recognised by the regional leaders, as they have signed the 2021 Declaration to Rail Declaration, which highlights the important role of a connected and digital rail network for the region's development and proposes the restoration of direct express train connections between major cities to establish better connectivity. This would not only provide a safer and environmentally friendly mode of transport, but it would also contribute to economic progress by facilitating flow of goods and people across the WB. Furthermore, measures regarding the improvement of energy efficiency and the introduction of sustainable types of transportation in the WB will reduce carbon dioxide emissions and represent regional contribution to the common European response of keeping global warming as low as possible.

Waste not being wasted

Concerning the circular economy, priority is to establish effective separate collection schemes for various types of waste (paper, metal, plastic, glass, bio-waste, etc.) that would render recycling more extensive and effective. Among most relevant proposals are those, for example, that point out the necessity to construct sorting plants that could, by using sensor technology, read the type of material and its quality and sort waste into five types of plastic, magnetic and non-magnetic metal, mixed paper, and residual waste. Then the resources would be maintained in the economy and could be reused. Regarding food waste, it could be transformed into a biofertiliser for sustainable food production, as well as biogas, which can contribute to en-

vironmentally friendly transportation. Certainly, it is essential to avoid generation of waste in the first place, for instance, by enacting a single-use plastic ban, but when a product eventually becomes waste, the above-mentioned innovative solutions could be implemented. Even though these measures require significant public investments and could produce short-term costs, they would result in long-term social benefits.

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Farms protection and organic food affirmation

Regarding food production and rural areas, there is a lot of space for development of climate resilience. Given that climate change manifestations (floods, droughts, fires, etc.) are already causing massive losses in the agricultural sector, immediate and decisive action is necessary. In the case of Serbia, for instance, the Faculty of Agriculture estimates that drought-related annual losses range between 60 and 160 million EUR. In this regard, investment in systems for efficient water supplies and efficient hail protection, as well as the establishment of an insurance system in agriculture, are important for mitigating effects of various types of natural disasters.

Although the small size of the average farm in the WB countries represents an obstacle in producers' capability to cope with competitive pressure, it can also be seen as an opportunity. According to the International Assessment of Agricultural Knowledge, Science and Technology for Development, small-scale farms are more suitable for organic food production, which is more environmentally friendly and represents the future of agriculture. Accordingly, promotion of organic farming and reducing the use of synthetic chemical products in food production (such as pesticides, herbicides, fertilisers, etc.) is not only an act toward environmental protection. Bearing in mind that the market for organic products is rising, organic agriculture also has a high commercial sense which offers opportunities for increasing farmers' income. To summarise, the agricultural sector has a great potential to accelerate economic progress in the WB while also being environmentally friendly, but significant investments and incentives are required.

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Bringing people and nature together

Providing clean air, fertile land, safe drinking water, and healthy food is strongly intertwined with ecosystem protection and restoration. There are numerous methods for protecting and conserving biodiversity in the ecosystem, and the EU supports the region in developing and implementing the WB 2030 Biodiversity Action Plan. It is important that all WB countries completely align with the EU acquis in the field of nature protection (e.g. the [EU Birds](#) and [Habitats Directives](#)) and ensure full implementation of it. In this context, addressing illegal hunting and lodging more effectively, as well as preventing any infrastructure projects that endanger nature, are regarded as adequate measures. The prohibition on building in protected areas needs to be strictly enforced.

There are also many ways for citizens to help preserve biodiversity. For example, by planting plants, fruits and vegetables in their backyards or by adhering to the walking paths when they are outdoors, people could contribute to the local ecosystem protection. Furthermore, different forms of [sustainable living](#), such as taking shorter showers, riding a bike to work, or buying eco-labelled products, would aid in the preservation of the ecosystem. Therefore, besides the fact the WB governments need to strive to align with and properly enforce EU biodiversity standards, it is necessary to put more effort into providing adequate formal and informal education to citizens about their potential contributions to ecosystem protection.

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Developing a Holistic Approach

Following the dual green and digital transition concept, it is crucial that the Green Agenda be implemented using innovative solutions that reduce costs as much as possible. The interconnectedness of the five Green Agenda pillars demonstrates the importance of a holistic approach and coordinated action in all of the aforementioned areas in order to achieve a carbon-neutral and sustainable economy in the region. In this regard, incorporating environmental protection into other policies and development programs should result in the establishment of a green economy, in which economic activities are carried out with low carbon emissions and efficient resource use. To fully realise the green transition, administrative capacity at both the national and local levels has to be strengthened, as well as law enforcement. This means that transition to the green economy should be accompanied by public administration and judiciary reforms. The socio-economic impact of this transition needs to be taken into account, and the Green Agenda has to be implemented in a socially just and inclusive manner.

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Having in mind that environmental threats do not respect national borders, regional cooperation would be essential. The [Regional Cooperation Council](#), as well as other regional initiatives (such as [Energy Community](#) or [Transport Community](#)), could play a significant role in assisting the region's governments to achieve the WB's common Green Agenda goals. Aside from activities conducted by WB governments, civil society organisations can also contribute, particularly by raising public awareness about the importance of the Green Agenda and also by providing professional assistance to the governments. For this to happen, the Governments need to open up and establish more systemic cooperation with the civil society – something which has to a great extent been lacking so far.

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Towards a Greener Western Balkan

The Western Balkans have significant potential for developing a sustainable economy. The natural resources of the Western Balkans provide an excellent base for shifting to renewable energy sources, organic agriculture, etc. Although this cannot be accomplished overnight, the green transition must be launched with enthusiasm. It is primarily based on the political will of the region's countries, with European Union's support serving as a bonus incentive for reforms.

All things considered, the Green Agenda for the Western Balkans represents a valuable platform for making the region's economies grow sustainably. Such growth would be in accordance with environmental protection and reduce various forms of pollution, thereby significantly increasing welfare and health among the WB population. The Western Balkans are an inseparable part of Europe and, by implementing the Green Agenda, they will demonstrate their potential to contribute to making Europe the first climate-neutral continent in the world.

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