# GreenFORCE

Foster Research Excellence for Green Transition in the Western Balkans

Deliverable 2.5

2nd group of policy briefs formulated for the steering of green transitions in the WB – 3 briefs


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**List of Abbreviations**

| | |
|---|---|
| **RNM** | Republic of North Macedonia |
| **WB** | Western Balkans |
| **TPP / TPPs** | Thermal Power Plant(s) |
| **MoE** | Ministry of Economy |
| **JTR** | Just Transition Roadmap |
| **R&D** | Research and Development |
| **CSO / CSOs** | Civil Society Organization(s) |
| **NGO / NGOs** | Non-Governmental Organization(s) |
| **CIF** | Climate Investment Funds |
| **EBRD** | European Bank for Reconstruction and Development |
| **EU** | European Union |
| **NECP** | National Energy and Climate Plan |
| **PPP / PPPs** | Public-Private Partnership(s) |
| **JGT** | Just Green Transition |

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| | |
|---|---|
| **IPA / IPA III** | Instrument for Pre-Accession Assistance (Phase III) |
| **WB6** | The six Western Balkan countries (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia) |
| **SEECP** | South-East European Cooperation Process |
| **BSEC** | Black Sea Economic Cooperation |
| **CoE** | Council of Europe |
| **CEFTA** | Central European Free Trade Agreement |
| **EIP** | Economic and Investment Plan (for the Western Balkans) |
| **WBIF** | Western Balkans Investment Framework |
| **EUSAIR** | EU Strategy for the Adriatic and Ionian Region |
| **EUSDR** | EU Strategy for the Danube Region |
| **IPA ADRION** | Interreg Adriatic-Ionian Programme under IPA |
| **NEXT MED** | Interreg Next Mediterranean Programme |
| **ESPON** | European Spatial Planning Observation Network |
| **EUKI** | European Climate Initiative |
| **BMWK** | German Federal Ministry for Economic Affairs and Climate Action |
| **GIZ** | Deutsche Gesellschaft für Internationale Zusammenarbeit |
| **UNDP** | United Nations Development Programme |
| **Sida** | Swedish International Development Cooperation Agency |
| **SDC / SECO** | Swiss Agency for Development and Cooperation / State Secretariat for Economic Affairs |
| **NALAS** | Network of Associations of Local Authorities of South-East Europe |
| **TG-WeB** | Territorial Governance Western Balkans Network |
| **OSF-WB** | Open Society Foundations – Western Balkans |
| **IFIs** | International Financial Institutions |
| **GAWB** | Green Agenda for the Western Balkans |
| **EC** | European Commission |
| **DG NEAR** | Directorate-General for Neighbourhood and Enlargement Negotiations |
| **EFSD+** | European Fund for Sustainable Development Plus |
| **SDG / SDGs** | Sustainable Development Goal(s) |

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## Executive Summary

This deliverable (D2.5) consists of a second set of policy briefs (x3) totalling five policy briefs developed within WP2 – Task 2.4 of the GreenFORCE, Horizon Europe project. The project aims at fostering excellence in the "Western Balkans' green transition" and scientific research capacities of Co-PLAN, Institute for Habitat Development (Albania), Center for Economic Analysis (North Macedonia), and University of Belgrade, Faculty of Geography (Serbia), by working together in twinship with Nordregio - Nordic Institute for Regional Development and Planning - (Sweden) and Politecnico di Torino (Italy). The collaboration is working to produce territorial knowledge through exploratory research and institutional learning.

Developing policy relevant documents based on research results is one key focus of this consortium towards increasing capacities of Western Balkan (WB) organisations, particularly in reaching out to policy makers with evidence-based information about the most pressing issues surrounding the Just Green Transition. To meet these objectives, project partners underwent training led by Nordregio with the support of POLITO on how to develop content of policymaking. Based on this, partners put this knowledge into practice by developing policy briefs and policy recommendations stemming from the research outputs of the project

## 1.Summary of the Policy Briefs

### 3rd Policy Brief: "Building up Governance Pathways for Just Energy Transition: The case of North Macedonia"

This policy brief and recommendations build on the research conducted by CEA on the "Implications of Transition in the Energy Sector at the Regional Level", in addition to contributions of researchers from the GreenFORCE consortium partnership. This policy brief examines energy transition policies and the extent to which governance and stakeholder engagement processes can deliver policies and outcomes which are socially and spatially just. The case of the Republic of North Macedonia is used as an example to uncover the governance challenges associated with decarbonisation and the just energy transition. The policy brief argues that effective governance, embedded in local realities, is crucial for achieving a fair and sustainable energy transition. Engaging local stakeholders and developing place-based policies are essential steps to address the social and regional impacts of decarbonization across different communities. Policy recommendations provide some hints to how to achieve this, emphasising particularly on the need for collaborative efforts between several government entities and various stakeholders from the civil society and the private sector to secure a more just transition.

*See full document in Annex 1.*

### 4th Policy Brief: "Shifting Gears: Advancing green and inclusive mobility in Western Balkan medium-sized cities"

This policy brief and recommendations build on research conducted by UB-GEF on 'Sustainable Mobility – Transitioning Public Transportation at Local Level' with the support of GreenFORCE partners. Focusing on Kragujevac, Serbia, the policy brief highlights practical steps for Western Balkan cities to overcome challenges like



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traffic congestion, air pollution, and unequal access, and move towards greener and more inclusive transport systems. The policy brief goes beyond technical fixes. It emphasizes the importance of institutional reform, improved governance, cross-sector coordination, and public engagement. It also outlines the need for cities to strengthen their capacity to access and manage EU funds, leverage public-private partnerships, and embed sustainability principles in urban planning. The brief demonstrates that ambitious reforms are not only essential to address the environmental crisis but also economically sustainable, with benefits for health, equity, and local economies.

*See full document in Annex 2.*

**5th Policy Brief: "A strategic approach to macroregional collaboration in the Western Balkans"**

This policy brief and recommendations build on the assessment of macroregional collaboration typologies across Europe conducted by Nordregio with the support of WB partners, in addition to an evaluation of the GAWBs as an experimental example of macroregional collaboration. The policy brief explores existing macroregional collaboration between WB countries and other European states, highlighting the main challenges and benefits of existing cooperation structures. The policy brief outlines a strategic approach to building macroregional collaboration and provides reflections on the future direction of macroregional cooperation for the Wester Balkan Region.

*See full document in Annex 3.*

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**Annex 1:** Policy Brief 3: "Building up Governance Pathways for Just Energy Transition: The case of North Macedonia"

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Green FORCE

Policy Brief #3
December 2024

# BUILDING UP GOVERNANCE PATHWAYS FOR JUST ENERGY TRANSITION

## THE CASE OF NORTH MACEDONIA

**Building effective governance structures, anchored in the local realities, is vital to deliver a just energy transition. Identifying and implementing good practices around local stakeholder engagement is an essential precondition for developing place-based policy measures that address the possible impacts of energy transitions on different social groups and across regional territories in a country.**

This policy brief examines energy transition policies and the extent to which governance and stakeholder engagement processes can deliver policies and outcomes which are socially and spatially just. The case of the Republic of North Macedonia (RNM) is used as an example to uncover the governance challenges associated with decarbonisation and the just energy transition. Although the subject is complex and cannot be directly transposed to other places, the experience of the RNM provides lessons relevant to other countries in the Western Balkan (WB) region and beyond with shared just energy transition challenges.

Recommendations aim to support policymakers in making informed decisions for improving energy transition governance structures and stakeholder engagement processes. They also contribute towards highlighting the roles and responsibilities of different stakeholder groups in delivering energy transitions, including public authorities, industry and sectoral experts, businesses, NGOs and civil society groups, and local communities.

# Energy Transition in North Macedonia: context

Coal-based dependency is gradually decreasing in the RNM. In fact, the coal-fuelled TPP Oslomej has marked a low point in electricity production, mainly due to the depletion of nearby coal reserves and low efficiency. However, coal fuelled thermal power plants (TPPs) remain the primary energy source. As of today, coal-based lignite still contributes to almost 70% of the domestic electricity production in the RNM – which corresponds to the WB average (except for Albania), whereas 32% of the total energy mix derives from renewables, including 5% from solar, 26% from hydro and to a small degree from wind and bioenergy[1].

Although there is growing recognition of the need to a shift towards a more sustainable energy market, the economic and social costs are a major challenge. Geopolitical turbulence in recent years and the increasingly tough climate policies have led to souring energy prices and volatility in the energy sector. In 2021, the RNM declared a "state of crisis" over energy[2], and the operations of the Oslomej TPP resumed. More recently, the independent Regulatory Energy Commission warned about the atypically higher electricity prices in Southeast Europe[3]. On this basis, authorities in the RNM requested the European Energy Community to evaluate the imbalances of energy prices across countries. Prior to this, some EU members have reacted to the dysfunctional state of the single European energy market due to the lack of interconnections for power transfer from Central to Southeast markets[4]. This brings to light that WB countries, facing additional challenges such as lacking transition mechanisms and more inefficient energy markets, are at a greater risk and will likely experience higher risk premiums and costs than their EU counterparts.

Nevertheless, in the broader context of decarbonisation, closing carbon-based plants is not a question of **if or when**, but rather **how** it will be implemented. The RNM has outlined legislative and policy frameworks for fostering renewables and energy efficiency. While these commitments are commendable, there are areas that could benefit from further attention challenged by 1) unclear operational governance structures; 2) insufficient investments; 3) limited stakeholder engagement; 4) gaps in regulatory frameworks; 5) limited social acceptance; and 6) energy security. Therefore, identifying and applying good energy transition governance and stakeholder engagement practices is essential for overcoming these challenges.

## Impacts of decommissioning coal power plants

Roughly 1,600 people die prematurely every year due to exposure to air pollution in the RNM[5], and on a global scale coal combustion is the number one threat to the environment and humans. On this basis alone, the transition to renewables is imminent. However, this requires painful trade-offs between economic, social and ethical objectives. The TPP represents an important pillar of the national and local economies and are a significant employer in the Pelagonia and Southwest Regions. The two TPPs provide more than five thousand direct and twice as many indirect and induced jobs. TPPs have also substantial indirect effects to local economies around supply chains and services. Diversifying the local economies through investments in renewable energy projects, may provide new job opportunities and reduce the coal reliance, however the displaced labour can only partially be absorbed into the renewables sector and requires significant efforts in reskilling and upskilling. Additionally, it is likely that investments in renewables occur in different regions than the TPP hosts. As a result, substantial job losses are to be expected and possibly a major displacement of residents out of the most affected regions, unless substantial compensatory measures are put in place.

1. Annual Report of the Energy and Water Services Regulatory Commission of the Republic of North Macedonia for 2023
2. https://balkaninsight.com/2021/11/10/north-macedonia-declares-state-of-crisis-over-energy/
3. See more: https://press24.mk/netipichno-visoki-ceni-na-elektrichnata-energija-rke-so-predupreduvanje-do-evropskata-energetska
4. https://www.reuters.com/business/energy/greece-work-with-romania-bulgaria-fight-surging-power-prices-minister-says-2024-09-09/
5. https://energy.economictimes.indiatimes.com/news/coal/north-macedonia-considers-coal-phase-out-between-2025-2040/74296320

# Existing Energy Governance Structures

Governing the just green transition demands a collaborative effort between several government entities and various stakeholders from the civil society and the private sector. The national government sets the overarching regulatory framework and policies, including emissions targets and mechanisms for incentivising renewable energy production and sustainable practices across sectors. This requires coordinated efforts and negotiation across ministries and agencies responsible for practical implementation and monitoring.

In 2023, the Ministry of Economy (MoE)[6] launched the Just Transition Roadmap (JTR) for the RNM, offering pathways for a fair energy transition, focusing on clean energy, private sector development, skills enhancement, and climate action. As illustrated in Figure 1, the JTR proposes a cross-sectoral institutional structure overseen by the Just Transition Council & Secretariat, represented by various ministries and stakeholders. Below the Just Transition Council & Secretariat are three broader thematic working groups, including 1) reskilling and training, 2) entrepreneurship and R&D, and 3) energy transition. Furthermore, two Regional Fora are to be established in the Pelagonia and Southwest Regions. The Regional Fora includes various local stakeholders to ensure the localisation of national policies and instruments to the specificities and needs of the two most affected regions. TPPs are currently located in the Pelagonia and Southwest Regions, which are planned to stop operations by 2030[7]. However, it is still to be seen how the proposed governance structure will be implemented and how roles and responsibilities will be defined in this decarbonisation process.

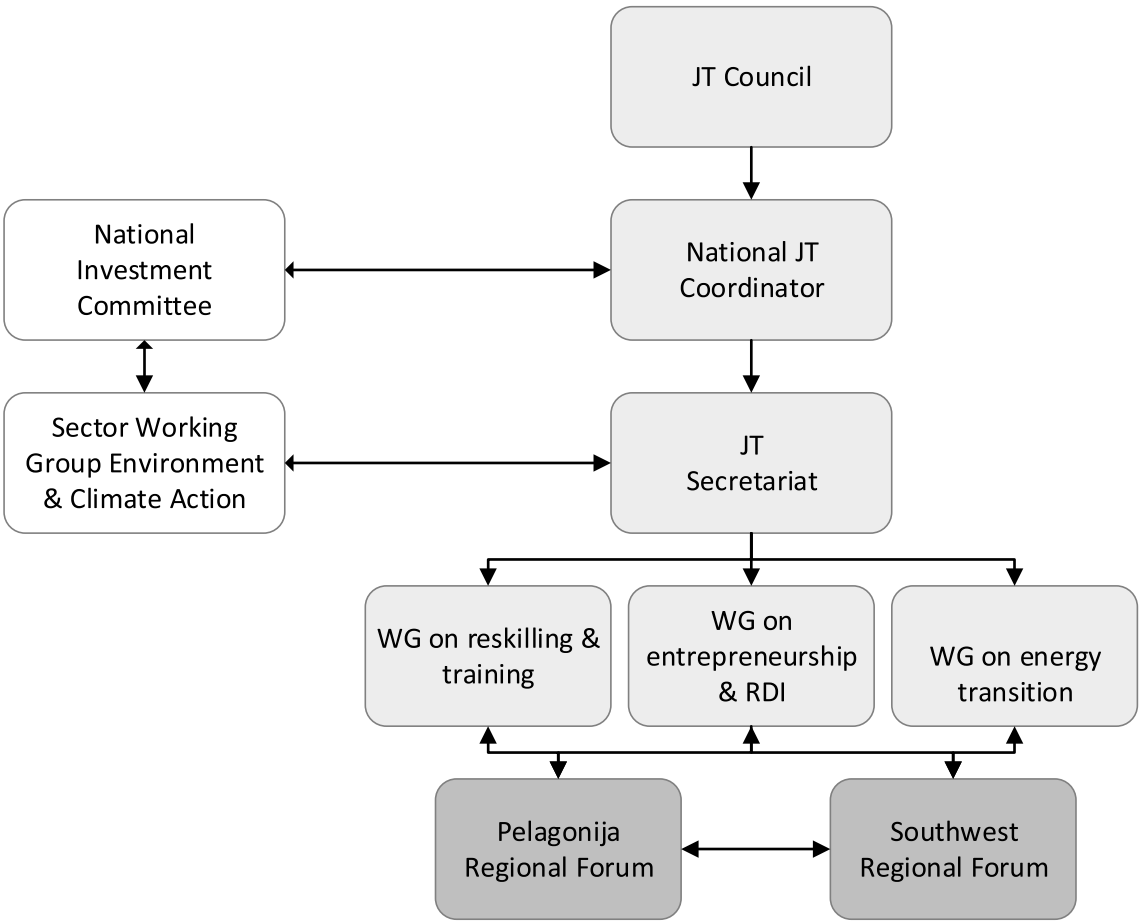



Figure 1: Just green transition governance structure for RNM. Source: Adjusted from Just Transition Roadmap (2023, MoE of RNM)

[6] Now transformed into a new Ministry of Energy, Mining and Mineral Resources

[7] National policies planned the closure of TPP Oslomej in 2021 and TPP Bitola after 2027 (NECP), however, the energy crisis postponed these closures to 2027 and 2040, respectively; nevertheless, these tend to be "moving" time goals.

In addition to the JTR, the MoE also launched the Just Energy Transition Investment Platform at COP28 in 2023 to coordinate the far-reaching plans for decarbonisation of the energy sector. The Accelerated Coal Transition investment plan, aims at setting up the direction and be a 'catalyst' for support to the executive in accelerating the retirement of the coal power plants and transition towards renewable energy sources by co-financing the intended plan and investments (for example by CIF, EBRD, etc.)

**Furthermore, CSOs have played a crucial role in pushing for the decarbonisation process and stakeholder engagement,** particularly through research and activism, exerting pressure on national and local governments. These organisations engage in dialogue with local authorities, exchange knowledge, and facilitate the work of the Regional Fora within the overall just transition structure. CSOs substantial contribution is largely possible via the funding they receive from financial institutions, such as the EU, EBRD, and CIF. Although CSOs have a significant role in the process, the focus of CSOs' activities are generally client or funding-based, meaning that they are incentivised to push forward agendas which do not necessarily reflect local concerns and voices. This can reduce CSOs potential to influence the development of place-based and bottom-up policies that meet citizen needs.

## Governance challenges in the energy sector

The status of the RNM as a country in transition has led to a strong reliance on international institutions and funds to achieve a just green transition. The country's efforts to implement EU standards require significant capacity building, knowledge transfer, and funding, which are not always readily available domestically. However, the pressure for a swift harmonisation to EU legislation and standards leads to processes of policy transfer that are ad-hoc, top-down, lacking transparency and participation, and are insensitive to the local context. The lack of spatial anchoring also stems from the conditionalities defined by external donors which influence government's agendas instead of defining priorities based on the domestic capacities and most urgent needs. In addition, the absence of clear and stable governance frameworks leads to fuzzy interactions among different actors and a general confusion about the roles and responsibilities. Moreover, public institutions are overwhelmed by the complexity of the governance structure set in place requiring coordination across a wide range of government agencies and ministries which is leading to a paralysis in implementation.

Insufficient resources represent another key challenge for implementation of the highly ambitions policy goals. The latest Country Climate and Development Report for the RNM estimates that the costs for climate adaptation investments over the next decade are to amount to $6.4 billion[8]. However, the ineffective allocation of existing resources and limited absorption capacity of resources are even greater challenges. Inadequate resource utilisation stems mostly from the technical capacity gaps within the public institutions, especially at a subnational level. This hampers not only the possibility to address sustainability challenges, but also the ability of local actors – public and private - to capture the opportunities that emerge for social and economic development.

Although the governance framework developed within the JTR is well structured, it is currently perceived as lacking the necessary technical back-up and financial support for its operationalisation. So far, the engagement of local authorities the design phase of the governance structure has been limited. Municipalities recognise that they lack the tools and power to influence policy design, as well as for strategic planning and implementation. Yet, municipalities should play a central role in mobilising efforts to generate the necessary diversification of the local economic structure and coordinate infrastructure developments. Therefore, local actors fear the worst-case scenario: a major aggravation to the local economies and employment and acceleration of emigration. Moreover, weak stakeholder engagement generates mistrust in policy and uncertainty around the proposed societal transformations, which can potentially

[8] World Bank 2024 Country Climate Development Report, North Macedonia

lead to opposition or rejection to government's programmes.

In all this, the future of the TPP Oslomej operating in the Kichevo region and its potential transformation remain uncertain, with limited clarity surrounding the implementation of partial energy substitution through renewable energy sources, such as photovoltaic investments. The lack of transparency in this regard is a significant concern, particularly for the long-term resilience of the local economies and labour markets what opportunities would be created to replace obsolete industries.

## Lessons and recommendations

The RNM has made a significant progress in developing its policy and strategic framework for JGT, including a well-defined governance structure. The thematic working groups and Regional Fora set the foundations for better connecting national level policy with regional needs to achieve a place-based just transition. This will, however, require the allocation of financial and technical resources, as well as the design of transparent and smooth processes for co-developing policy measures. A place-based approach can help deliver more effective just transitions by tapping on the potential of local communities to shape their own transformation via the existing knowledge, networks and practices established overtime (Barca, 2009). Anchoring global goals to the local contexts can better reduce social exclusion otherwise generated by external interventions and one-size-fits-all policies. To achieve an effective place-based approach to energy transitions, we propose the following recommendations:

- **Develop a place-based approach to transitions based on spatial justice principles**: Spatial justice requires a fair and equitable distribution of socially valued resources and opportunities across all regions and geographies. Yet, place-based approaches are not merely about fiscal decentralisation but about sharing responsibility for policy design and implementation across different levels of governance (national, regional and local levels). This requires, first to establish dialogue between national and local authorities to generate understanding on both parties of the overarching goals, on the one hand, and of the place specific contexts and needs, on the other. Secondly, this needs to be followed up with developing the capacities and providing the mechanisms necessary for local authorities and actors to drive processes of policy design and coordinate actions for regional development. Ultimately grounding transition strategies in place-based contexts builds trust and ownership over the measures collectively designed.

- **Strengthen multi-level policy collaboration by ensuring local level representation in the Just Transition Council:** This would help ensure that national transition plans adequately address regional challenges and opportunities.

- **Include regional level experts in just transition Working Groups:** including 1) sectoral representatives who understand the technical elements of transitions and building new renewable energy infrastructures; 2) entrepreneurs, businesses and universities that possess ideas on how to diversify regional economies, and 3) trade unions and civil society groups who can elaborate on the potential socio-economic impacts of transitions for workers and citizens.

- **Strengthen coordination and collaboration among local level stakeholders through the Regional Fora:** Successful transition policy implementation requires collaboration and communication among different regional stakeholders. The Regional Fora can act as a platform for bringing key regional

stakeholders together in an open dialogue to address different interests and reach consensus. Building a critical mass of regional stakeholder support around a shared plan can help put pressure on national level actors.

- **Proactively engage local stakeholders and citizens in the work of the Regional Fora:** This is critical to ensure that transition policies reflect the needs and aspirations of local people. Without it, policies may fail to achieve their intended outcomes and may be perceived as unjust. Proactively involving citizens in genuine dialogue around the work of the Regional Fora can help enhance public support and acceptance for policies.

- **Work with statistics experts and CSOs to improve energy transition monitoring and evaluation:** Monitoring and evaluation are essential tools for determining whether policies are achieving their desired results and inform about necessary adjustments. Effective monitoring and evaluation schemes need close interaction between national and local experts to develop measurable evaluation indicators. CSOs are also instrumental in providing oversight, ensuring that environmental and social considerations are considered.

- **Make effective use of regional level CSOs for disseminating and communicating the work of the Just Transition Council to citizens:** Regional CSOs play a vital role in bridging the gap between governments and communities by raising public awareness and understanding of energy transition, in addition to providing technical expertise and support to local authorities, workers, and citizens.

- **Work with regional research institutions to ensure that transition policies are grounded in the latest local data and evidence:** Policymakers should collaborate with research institutions who possess important knowledge on the socio-economic and environmental impacts of energy transitions. This ensures that policies are built on local knowledge and evidence rather than narrow economic or sectoral interests. Universities can also play a role in facilitating stakeholder and citizen involvement through their knowledge of citizen engagement techniques.

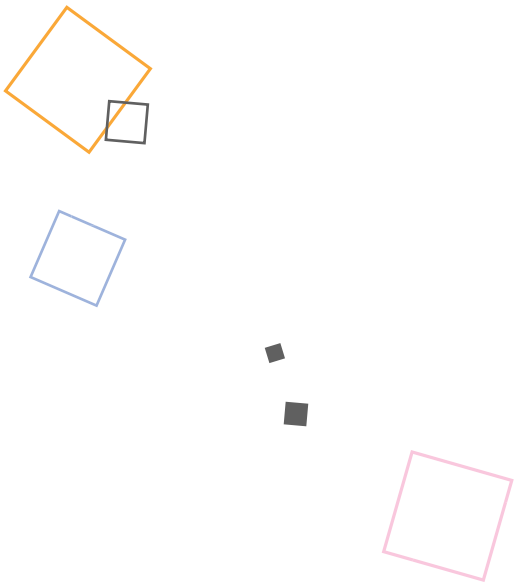
- **Support the emerging opportunities:** create the conditions to support economic diversification tapping on the opportunities stemming from the green transition. Regulations are creating the market for new industries. Building positive narratives can help attract investments and generate the conditions to encourage entrepreneurship.

- **Accelerate the deployment of renewable energy:** by eliminating regulatory obstacles to encourage public-private partnerships (PPPs) and household investments in renewables, such as 'energy cooperatives'. However, it is crucial that these initiatives maintain the environmental integrity and protect the agricultural land, ensuring a sustainable balance between renewable energy incentives and environmental sustainability.

## ABOUT THIS POLICY BRIEF

This policy brief was developed by GreenFORCE, a Horizon Europe project which aims at fostering excellence in the "Western Balkans' green transition" and scientific research capacities of Co-PLAN, Institute for Habitat Development (Albania), Center for Economic Analyses (North Macedonia), and University of Belgrade, Faculty of Geography (Serbia). In twinship with Nordregio - Nordic Institute for Regional Development and Planning - (Sweden) and Politecnico di Torino (Italy), these organisations work closely to produce territorial knowledge through exploratory research and institutional learning.

The policy brief and recommendations build on case study research conducted by CEA on Just Green Transition focusing on the decarbonisation of the energy sector at regional level and from contributions from the GreenFORCE consortium partnership.



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Cover photo by Karsten Würth on Unsplash
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**Annex 2:** Policy Brief 4: "Shifting Gears: Advancing green and inclusive mobility in Western Balkan medium-sized cities"

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Policy Brief #4
March 2025

# SHIFTING GEARS: ADVANCING GREEN AND INCLUSIVE MOBILITY

## IN WESTERN BALKAN MEDIUM-SIZED CITIES

**Public transport and 'active mobility' are one of the key elements of urban mobility transitions. These means offer higher energy efficiency and lower $CO_2$ emissions per passenger-kilometre compared to private cars. A step-by-step transition to a carbon-free transport system requires, in addition to incentivising sustainable urban planning, a comprehensive set of transport policies, including expanding and improving public transport, promoting walking and cycling, and accelerating the adoption of electric and other low-emission vehicles.** Additional measures include enforcing stricter parking regulations and introducing road pricing to reduce car dependency. These policies help create a more sustainable and accessible urban mobility system.

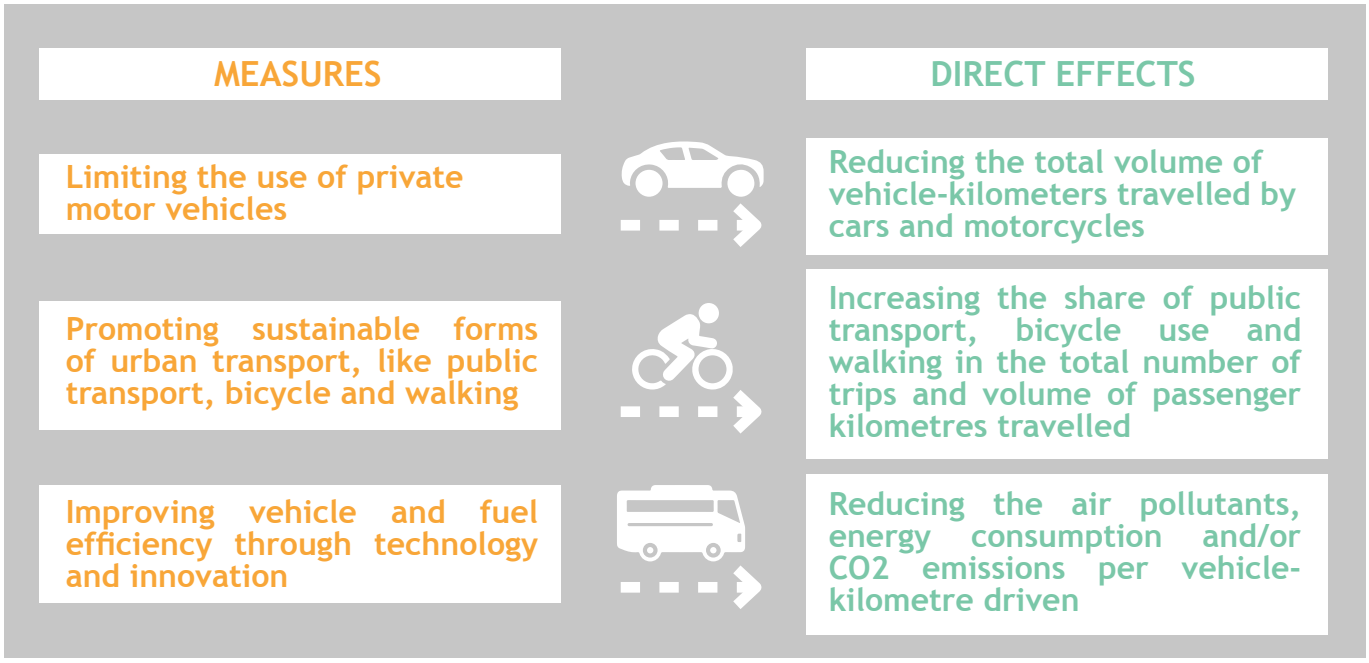
This policy brief examines potential improvements to sustainable urban mobility in the City of Kragujevac in Serbia, focusing on solutions with near-term, practical effects that are relatively easy and cost-effective to implement. The insights drawn from Kragujevac[1] could be applied to other medium-sized cities in the Western Balkans and beyond. The recommendations are intended to assist policymakers, urban transport experts and urban planners, and other professionals within the local public administrations in making informed decisions that will advance the transition to green and inclusive mobility. Additionally, the brief emphasizes the crucial role of citizens as key stakeholders, highlighting their views gathered through a survey on the quality of public transport and its potential transition in Kragujevac, offering essential insights into local needs and expectations for future mobility solutions.

## Key Concepts

**URBAN TRANSPORT SYSTEMS (UTS)** are not limited to the means of transport but integrates several spatial and societal functions, including: housing, work, education, and recreation. The way UTS are organized shapes social behaviours and overall quality of life.

**SUSTAINABLE URBAN MOBILITY** entails designing transport and urban development strategies that reduce environmental harm, boost economic efficiency, tackle social inequality, and pave the way for a cleaner, healthier future.

**TRANSPORT POLICY MEASURES** in the context of sustainable urban mobility are most effectively grouped into three main categories (outlined below[2]). These include regulatory and incentive-based policies designed to mitigate the negative environmental impacts of urban transport, implemented by governments and local authorities. To fully achieve sustainable urban mobility, these measures must be integrated and coordinated with urban planning and land-use policies.




## Urban Transport In Kragujevac (And Western Balkan) - Key Issues

Kragujevac's urban transport system[3], like many medium-sized cities in the Western Balkan, suffers from heavy traffic, frequent jams, increased travel times, high fuel consumption, and significant air and noise pollution, impacting negatively to citizens quality of life and public health. The situation is particularly severe in central areas, which concentrate commercial, administrative, and residential functions.

Kragujevac's public transport[4], relying on conventional buses and taxis, faces challenges such as narrow streets, an inefficient urban layout, and lack of dedicated bus lanes. Diesel-powered buses contribute to high energy consumption and pollution. However, Kragujevac does not particularly stand out in the broader regional context. Air pollution in the Western Balkans is among the highest in Europe, with urban transport being a major source of NOx, and particulate matter (PM2.5, PM10). This largely derives from older vehicles, particularly diesel-powered ones, which have a greater environmental impact than newer ones. While EU countries have rapidly

[1] According to the 2022 Census of Population, Kragujevac has 146 thousands inhabitants (entire LAU has 171 thousands).
[2] According to Vračarević, B. (2023) Sustainable urban development and determinants of urban transport energy consumption. Belgrade: Faculty of Geography [In Serbian]

removed old vehicles from circulation, these remain in the streets of Serbia and other Western Balkan countries. In 2019, air pollution caused nearly 8,500 premature deaths in Serbia[5], with health-related pollution costs surpassing those in all other Western Balkan countries combined[6].


## Citizens' Views On Public Transport Quality And Its Potential Transition In Kragujevac

A survey done in the City of Kragujevac involving public transport users gathered citizens' opinions on the quality of public transport services and potential options for a sustainable transition. A total of 424 respondents participated in the survey, with data gathered through a non-probabilistic convenience sampling method. The survey employed a combination of online self-administered questionnaires and field-based interviews. Public input highlighted the need of improving the basics i.e., reliability, frequency and affordability.

More than half of the survey respondents used public transport frequently, indicating a significant dependency on public transport. Even 41% of them do not have access to a car, which highlights the importance of providing efficient and reliable public transport services. On the other hand, a significant share of occasional or non-users, along with 59% of respondents that have access to a car, can be encouraged to use public transport through improved service quality.

To meet users' needs effectively it is necessary to consider various aspects of public transport.

[3] Vehicle ownership is 320 per 1,000 people, slightly above the national average for Serbia.
[4] The total number of public transport trips in 2023 was 10,072,037.
[5] Air pollution data portal. The global health observatory [online database]. Geneva: World Health Organization; (https://www.who.int/data/gho/data/themes/air-pollution).
[6] Green Agenda for the Western Balkans. Brussels: European Commission; (https://enlargement.ec.europa.eu/system/files/2020-10/green_agenda_for_the_western_balkans_en.pdf).

Results show that "comfort of the journey" is the most critical factor (93% of respondents consider it to be "very important" or "mostly important"). Next priorities are "safety" and "information availability". The vast majority (83%) of respondents consider "frequency of public transport" to be "very important" or "mostly important". Furthermore, half of the respondents rated factors such as "cleanliness", "travel time", "station proximity", "cost of transportation", "environmental impact", "ease of connection" and "comfort of waiting" as "very Important".

Transferring between bus lines or other forms of transport appears to be challenging due to long waiting times, poorly synchronized schedules, or complicated transfer processes. Based on survey data, steps that could be taken to improve satisfaction with ease of connection are improved scheduling, real-time updates, increased frequency etc.

A significant portion of respondents are dissatisfied with the current cost of transportation. Reasons could include affordability issues, perceived lack of value for money, or comparison with other transport options. Based on survey data, possible solutions can include service improvements and price adjustment (or even fully subsidised) to make public transport just and available for all, including low-income individuals.

Over a third of respondents have significant concerns about the environmental impact of public transport, including greenhouse gas emissions, and noise pollution. Tackling this challenge requires transition to cleaner technologies, promotion of sustainable practices and awareness campaigns.

A significant majority, 90% of the respondents, indicated they are willing to use electric buses, which suggests that this measure could be well-received by the public. Many of them indicated that an additional transfer would not affect their decision, which suggests a willingness to accommodate minor inconveniences for the benefits offered by electric buses. These results should support policy decisions, investments, and initiatives aimed at improving the public transport system with more sustainable options.

## Possible Pathways To Sustainable Mobility In Kragujevac

In the context of the GreenFORCE project research case of Serbia[7], three distinct scenarios were developed (from the easiest to the most difficult to achieve in practice) through consultations with key stakeholders to explore potential future pathways for the urban transportation system. Stakeholder input was crucial in ensuring that the scenarios reflect the needs and priorities of local communities, businesses, and other relevant parties.

### The "Green baby steps" scenario,

entails the introduction of three lines of electric buses (free service) that will operate within central areas of Kragujevac and partly substitute existing conventional buses. Free services would attract more users of public transport and reduce car dependency and congestion. Additionally, free services would make public transport accessible to all citizens regardless of socio-economic status.

### In the "Moderate transition" scenario,

the city centre is also served by free electric buses. The new dimension involves limiting parking opportunities in and around the centre, primarily achieved through parking restrictions and reducing the number of on-street parking spaces. Parking restrictions can indirectly discourage the use of cars in urban areas, serving as a simple instrument to implement. However, this measure will only be successful if alternatives to private transport, such as an efficient public transport system, are available. Consequently, the surfaces used for parking spaces can be repurposed for other uses.

### The "(Almost) sustainable mobility" scenario

additionally (to the previous two) includes congestion charges as corrective instrument aimed at reducing traffic congestion and thus increasing average driving speed. Combining congestion and parking charges usually leads to the best results in solving traffic congestion problems. Improvements in public transport, including free of charge lines in combination with congestion charges provide a feasible and comfortable solution for users to abandon or reduce the use of private vehicles. As a result, it is expected to increase the average speed of movement and the number of trips by public transport, while the time spent in traffic is expected to decrease significantly.

## Costs And Benefits Of Proposed Scenarios

The costs and benefits analysis (CBA) conducted over a 10-year period indicates that the most ambitious scenario, "(Almost) Sustainable Mobility", has a significantly positive net present value, demonstrating that the project's benefits outweigh its costs. This is primarily driven by expected revenue from the congestion pricing scheme. In contrast, the costs outweigh the benefits in the former two scenarios, with low and mid-level ambition. This suggests that, despite being the most challenging to implement, this scenario would be the most economically viable for the city of Kragujevac.

[7] Research Study Report available at https://greenforcetwinning.net/projects/results-and-deliverables/.

# Key Benefits Of Urban Mobility Transition

## ENVIRONMENT

**REDUCED AIR POLLUTION AND GHG EMISSIONS** from decreased traffic and smoother flow. Lower emissions from vehicles searching for parking, leading to **IMPROVED AIR QUALITY.**

**IMPROVED URBAN ENVIRONMENT** and **REDUCED NOISE POLLUTION** can enhance the overall **QUALITY OF LIFE FOR RESIDENTS.**

## HEALTH

Less traffic congestion can lead to better air quality, **REDUCING RESPIRATORY AND CARDIOVASCULAR PROBLEMS among residents.**

**INCREASED PHYSICAL ACTIVITY:** Enhanced pedestrian and cycling infrastructure can encourage **HEALTHIER LIFESTYLES.** i.e. walking, cycling, and the use of public transportation can contribute to **BETTER PUBLIC HEALTH.**

## SOCIETY

**EQUITY IMPROVEMENTS:** Revenue from congestion charges can be reinvested in public transportation and infrastructure, benefiting the wider community.

**IMPROVED ACCESS TO TRANSPORTATION** for individuals who cannot use a car due to age, physical condition, socio-economic status, or other factors, promoting **GREATER SOCIAL INCLUSION AND MOBILITY EQUITY.**

**STREET SPACE** could be repurposed **FOR** green areas, bike lanes, pedestrian zones, or other **COMMUNITY-BENEFICIAL USES,** resulting in **IMPROVING LIFE QUALITY.**

## ECONOMY

**More EFFICIENT USE OF** public and private **RESOURCES** (in the long run).
Disposable income to be used in ways that dynamize the **LOCAL ECONOMY.**

Revenue from parking and congestion charges to be used for **SUSTAINABLE MOBILITY INVESTMENTS.**
Reduced fuel costs due to improved travel time.

Improved travel times can lead to **INCREASED PRODUCTIVITY** for businesses and individuals.
Improved accessibility by foot can boost local businesses.

Increase in **PROPERTY VALUE** due to improved environmental quality and visual appeal of the streets.

# Greatest Challanges

Implementation of green transition policies in Serbia indicate some, yet limited progress. Addressing challenges requires coordinated efforts across all levels of governance, in addition to public and stakeholder involvement. However, the necessary bridges between policy areas are currently missing as well as the needed expertise within public administrations. Lack of knowledge, or awareness, is also the key reason why there is substantial resistance from both the public and policymakers to adopt well recognised mobility solutions.

Social change is particularly challenging, as pushing people towards adopting 'greener practices' requires changing strongly sedimented

habits, beliefs and perception. For instance, in Serbia, as in other countries, the car is largely perceived as providing the greatest comfort and freedom of movement and often represents a status symbol.

The same condition affects policy makers who tend to favour popular solutions over rational and expert-based ones. The lack of strategic thinking then results in short-term isolated interventions instead of holistic and long-term solutions.

Adding to this, there is a well-to-common challenge with the conduct of policymakers acting on self-interest (whether or not amounting to corruption).

Finally, a challenge for successful transition to sustainable urban mobility include also access to finance both public and private, to invest in infrastructure and new vehicles, as well as the adequate use of the existing resources.

## Policy Recommendations

Since most trips in medium-size urban areas do not exceed a five-kilometre radius, there is considerable potential for increasing more favourable means, from environmental and social perspectives, including "active mobility" (i.e., walking, cycling, and other modes of non-motorized transport) for short distances and public transport for longer journeys. To this end, the following recommendations are meant to advice policymakers and practitioners in their efforts to conduct a transition towards sustainable urban mobility.

- Strengthen the capacity of institutions involved in the implementation of the green transition, including 1) continuous capacity building of personnel and 2) allocated the resources and the structures necessary to enable for better coordination between different levels and sectors of the public administration.

- Improve the quality of institutions by lifting the public interest to the highest priority, eliminating partisan power-games, nepotism, and clientelism. Quality of institutions increases with a service orientated mentality based on expert and user knowledge.

- Improve the capacities to absorb the available EU funds while ensuring long-term financial independence. While external funding can accelerate the transformation of urban transport systems, projects must be designed to be economically viable and self-sustaining beyond initial funding periods. To achieve this, cities should focus on strategic project planning and administrative capacity building.

- Diversify internal funding sources through strategies such as public-private partnerships (PPPs) to leverage private sector involvement, crowdfunding to engage local communities, local investment programs to encourage business and resident contributions, and green bonds to attract environmentally conscious investors.

- Take advantage of the process of preparation and adoption of a new generation of planning documents to incorporate new concepts and mechanisms to better align urban transport interventions with ecological and social goals. Developing and implementing Sustainable Urban Mobility Plans (SUMPs) requires comprehensive transport and urban studies that outline short-term as well as long-term actions to make mobility more efficient, greener, inclusive, and healthier. Tailoring these plans to local contexts through broad public participation is essential.

- Establish well-structured processes for public participation ensuring that diverse perspectives are considered from early stages of planning processes or at the conception of new public policy interventions. Citizen engagement can foster public support for green transition initiatives particularly when counter-measures are planned and communicated about possible social and economic impacts. Genuine engagement processes serve not only to communicate, but involve citizens in refining goals, verifying data and concepts. In turn, this generates a sense of ownership over proposed solutions, ensuring a fair and effective transition, and enhances civil behaviour.

- Encourage public transport use by improving the basics: reliability, frequency and affordability of public transport, and active mobility by improving the quality and safety of the physical infrastructure i.e., sidewalks, bike-lanes, crossings, signalling, illumination, etc. Consider also the needs of different segments of society or individuals, from children, to senior members, individuals with impaired mobility, and a holistic range of perspectives from comfort, health, sound, accessibility of information, smooth transferring from transport means (or bus lines), etc.

- Generate awareness of the economic benefits of sustainable urban mobility transitions. Consider research-based results and cost-benefit analyses that provide economic evaluation, assessing potential gains such as increased productivity from reduced travel times and stress, as well as enhanced business activity driven by improved walking and cycling infrastructure, etc.

- Establish an environmental governance framework providing the general guidelines and mechanisms for environmental matters, including principles, monitoring, and reporting.

## ABOUT THIS POLICY BRIEF

This policy brief was developed by GreenFORCE, a Horizon Europe project which aims at fostering excellence in the "Western Balkans' green transition" and scientific research capacities of Co-PLAN, Institute for Habitat Development (Albania), Center for Economic Analyses (North Macedonia), and University of Belgrade, Faculty of Geography (Serbia). In twinship with Nordregio - Nordic Institute for Regional Development and Planning - (Sweden) and Politecnico di Torino (Italy), these organisations work closely to produce territorial knowledge through exploratory research and institutional learning.

The policy brief and recommendations build on research conducted by UBGeF on sustainable mobility focusing on the transitioning processes in public transportation at local level and from contributions from the GreenFORCE consortium partnership.

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Photos: University of Belgrade - Faculty of Geography (UB-GEF)

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**Annex 3:** Policy Brief 5: "A strategic approach to macroregional collaboration in the Western Balkans"

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Green FORCE

# A STRATEGIC APPROACH TO MACROREGIONAL COLLABORATION IN THE WESTERN BALKANS

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## Introduction

This policy brief (PB) outlines a strategic approach for building macroregional collaboration between both Western Balkan (WB) countries and other European states. Macroregional collaboration is one mechanism for promoting European Union (EU) integration and accession processes in the WBs. Through participation in macroregional collaboration activities, public authorities and other public and private actors from across non-EU states become increasingly entangled in personal and institutional relationships with EU member states, which socialises them to EU norms and procedures. Enhanced macroregional collaboration and EU accession are viewed as important for resolving some of the key challenges facing the WB Region, including promoting political stability, decreasing ethno-nationalism, settling territorial conflicts, and increasing economic growth.

This PB is split into two sections; the first part explores existing macroregional collaboration between WB countries and other European states, highlighting the main challenges and benefits of existing cooperation structures. The second part outlines a strategic approach to building macroregional collaboration, before providing reflections on the future direction of macroregional cooperation for the WB Region. The PB is targeted at policymakers and practitioners across different governance levels (i.e. national, regional, and local levels) in WB countries who are interested in building and participating in effective macroregional cooperation initiatives.

The information outlined in this PB are based on a review and assessment of academic and policy literature on macroregional collaboration in the WBs and Europe. This data is supplemented by semi-structured interviews and focus group interviews conducted in 2024 with 19 stakeholders from across the WBs who are actively involved in macroregional collaboration activities. The interviewees included representatives from the Regional Cooperation Council, national governments and local authority representatives, NGOs, academia, and international political organisations. The interviews focused on discussing the strengths and weaknesses of existing macroregional collaboration structures and the future direction of macroregional cooperation for the WBs.

## 1. What is macroregional collaboration?

The term "macroregional collaboration" refers to a range of transnational and cross-border frameworks, policies, and projects that promote collaboration and cooperation between two or more countries that are close geographically and share common interests (Moodie et al 2025 forthcoming). The notion of macroregional collaboration has become more prominent in policy and academic discourse since the formalisation of the European Union Strategy for the Baltic Sea Region (EUSBSR) in 2009, which represented a new governance tool for promoting EU integration and cohesion (Gänzle and Kern, 2016). An EU 'macro-region' is 'an area including territory from a number of different countries or regions associated with one or more common features or challenges' (European Commission, 2009). The European Commission note that macroregional collaboration is characterised by: 1) an integrated framework involving EU Member States and third countries in the same geographical area; 2) who work together to address common challenges and opportunities; and 3) benefit from collaborating through strengthened cooperation and enhanced economic, social and territorial cohesion (European Commission, 2013). Ultimately, macroregional collaboration aims to substantiate the goal of enhanced territorial cohesion introduced by Article 174 of the Treaty of Lisbon.

## 2. Existing macroregional collaboration in the Western Balkans

WB countries are not disconnected islands, but macroregional connections already exist and continue to develop between WB countries and other Eastern European and Adriatic-Ionian states. Except for Albania, WB countries have already experienced union under the ex-Yugoslavia. Path dependencies pertaining to societal relations, cultural identity, physical infrastructure and economic links remain from that period. A new wave of regional cooperation is represented by the Open Balkan Initiative introduced in 2021. The Open Balkan Initiative, involving Albania, North Macedonia, and Serbia, is an example of this renewed cooperation framework, which seeks to facilitate trade, enhance freedom of movement for people and goods, and ultimately create a more interconnected regional market. Macroregional cooperation between WB countries and other European states is also commonplace, fostered through EU accession (see the Instrument for Pre-Accession Assistance (IPA)) proceedings under the Berlin Process, and the Growth Plan for the Western Balkans adopted by the European Commission in 2023. There is a positive attitude amongst policy and decision-makers across the WBs to participate in macroregional collaborative activities.

A review on ongoing macroregional collaboration activities, outlined in Table 1, identifies different organisations, platforms, and networks that are relevant to promoting macroregional cooperation in the WBs. These are classified as 1) Transnational political-based collaboration: the existing platforms for cooperation are considered top-down, too formal, or too political to be able to establish more hands-on dialogue on issues of common interest. 2) Transnational project-based collaboration: these are too often steered by 'clients' or funders' demands, based on perceptions of what the region needs from the outside, rather than focusing on issues of genuine local interest. And 3) Transnational bottom-up collaboration: these can play a central role in promoting place-based policymaking yet are often ignored or lack the instruments to make a significant and continuous impact.

Table 1: Types of macroregional collaborative structures involving WB countries

| ORGANISATION/ PLATFORM/ NETWORK | DESCRIPTION |
|---|---|
| Transnational political-based collaboration | |
| Berlin Process | High-level intergovernmental forum initiated by Germany involving WB6, EU Member States, UK, and EU institutions. Aims to foster regional cooperation and support the WB's EU perspective. |
| Open Balkan Initiative | Initiative involving Albania, North Macedonia, and Serbia aimed at creating a common economic zone based on the EU's four freedoms (goods, services, capital, people). |
| Regional Cooperation Council (RCC)<br><br>(Political Interface) | Regional cooperative framework for South East Europe (including WB6), successor to Stability Pact. Operational arm often linked to political processes like SEECP and Berlin Process. |
| Organisation of the Black Sea Economic Cooperation (BSEC) | Intergovernmental forum including Albania, North Macedonia, Serbia alongside Black Sea littoral states. Aims to foster interaction, peace, stability, prosperity through cooperation in various areas. |
| Council of Europe (CoE)<br><br>(Political / Normative) | Pan-European organization (including all WB6) dedicated to upholding human rights, democracy, and the rule of law. |
| Central European Free Trade Agreement (CEFTA)<br><br>(Trade Focus) | Trade agreement among WB6 + Moldova, aiming to enhance trade, eliminate barriers, attract investment through harmonized rules based on EU/WTO standards. |
| Energy Community<br><br>(Regulatory) | International organisation bringing EU and neighbours (incl. WB6) together to create an integrated energy market based on EU rules |
| Economic and Investment Plan (EIP) for the Western Balkans<br><br>(EU Funding Strategy) | EU strategy (2020) aiming to spur long-term economic recovery, support green/digital transition, foster regional integration and convergence with EU. Mobilises up to €9bn EU grants and aims to leverage up to €20bn investments via guarantees. |
| Western Balkans Investment Framework (WBIF)<br><br>(EU Funding Mechanism) | Joint initiative of EU, International Financial Institutions (IFIs), bilateral donors, and WB beneficiaries. Main vehicle for implementing the Economic and Investment Plan (EIP). Blends EU grants (IPA) with loans from IFIs (EIB, EBRD, WB etc.) and contributions from bilateral donors to finance strategic investments, primarily infrastructure, and provide technical assistance. |
| Transnational project-based collaboration | |
| EU Strategy for the Adriatic and Ionian Region (EUSAIR)<br><br>Project-Based (Macro-Regional Strategy) | The EUSAIR (2019) is a macroregional strategy promoting cooperation across the region. It addresses shared challenges in blue growth, environmental quality, tourism, and connectivity, aiming to foster sustainable development, EU integration, and regional territorial cohesion. |
| EU Strategy for the Danube Region (EUSDR)<br><br>Project-Based (Macro-Regional Strategy) | The EUSDR(2011), is a macroregional framework involving several countries spanning from Germany to the Black Sea. It promotes coordinated action across a diverse region through four pillars: connectivity, environment, prosperity, and governance. |
| Interreg Programmes (IPA ADRION, Danube, NEXT MED, etc.)<br><br>Project-Based (Cross-Border/Transnational Cooperation) | Interreg Programmes, such as IPA ADRION and Danube, are EU funding instruments that support cross-border and transnational cooperation, involving WB countries alongside EU regions. These programmes explicitly target both governance improvements, like enhancing institutional capacity and supporting EUSAIR governance, and the green transition, funding numerous projects focused on climate action, clean energy, circular economy, biodiversity, and sustainable mobility. |

| | |
|---|---|
| ESPON (European Spatial Planning Observation Network) - Research<br><br>Project-Based (Research/Network) | ESPON is an EU research programme providing evidence on territorial development trends to inform policy-making. Although WB countries are not formal members, they are included in specific ESPON research projects. This research offers valuable comparative insights, identifying WB spatial governance systems and highlighting challenges related to state control, potential corruption, and informality, which are relevant to both governance and environmental outcomes. |
| EU Horizon Europe<br><br>Project-Based (EU Research Programme) | Horizon Europe is the EU's key funding programme for research and innovation, tackling climate change, helps to achieve the UN's SDGs and boosts the EU's competitiveness and growth. Horizon Europe funds research and knowledge exchange projects across WB and EU countries e.g., GreenFORCE project – one channel to fuel knowledge exchange on more specific issues, re. green transitions, planning, governance, etc. |
| EUKI (European Climate Initiative)<br>Project-Based (EU Climate Initiative) | The EUKI is a funding instrument from the German Ministry for Economic Affairs and Climate Action (BMWK), implemented by GIZ, financing cross-border climate action projects in EU Member States and WB candidate countries. It supports projects across various climate topics, including policy development, energy transition, just transition, and sustainable mobility, focusing on practical solutions, capacity building, and network creation. |
| UNDP (United Nations Development Programme)<br><br>Project-Based (UN Agency) | UNDP works in about 170 countries and territories, helping to eradicate poverty, reduce inequalities and exclusion, and build resilience so countries can sustain progress. As the UN's development agency, UNDP plays a critical role in helping countries achieve the SDGs. UNDP connects countries with the knowledge, resources and networks they need to achieve development breakthroughs. |
| National development funds (bilateral co-operation)<br><br>Project-Based (Bilateral Agency) | Bilateral development funds, such as Germany's GIZ, Sweden's Sida, and Swiss Cooperation (SDC/SECO), operate as key project-based partners in the WBs, implementing technical cooperation and funding initiatives aligned with their national priorities. Collectively, these agencies provide targeted technical assistance and project funding that contribute to advancing both governance reforms and green transition objectives across the region. |
| Transnational bottom-up collaboration | |
| Network of Associations of Local Authorities of Southeast Europe (NALAS) | Network of 13 national associations of local authorities from SEE, including WB6. Aims to promote decentralisation, local self-government, and improve local services. |
| Western Balkan Network on Territorial Governance (TG-WEB) | TG-WeB is a voluntary platform established in 2018. It unites researchers, civil society organisations, and academic institutions from the WBs and EU member states. TG-WeB aims to enhance territorial governance practices in the WBs, aligning them with EU standards and facilitating the region's integration into EU frameworks. |
| Open Society Foundations - Western Balkans (OSF-WB)<br><br>Bottom-Up (Foundation) | Part of the global Open Society Foundations network, supporting civil society, democracy, human rights, and social justice in the WB. |
| CEE Bankwatch Network<br><br>Bottom-Up (CSO Network) | International network of CSOs monitoring public finance (IFIs, EU funds) in Central/Eastern Europe, including WB. |
| Other project-based Civil Society Organisation (CSO) networks in the WB | Diverse CSO networks are actively engaged in the GAWB, specialising in areas like civil society in general (e.g., BCSDN), environmental monitoring (e.g., CEE Bankwatch), research (e.g., TG-WeB, GreenFORCE), capacity building (e.g., ENV.net, REC), local governance (NALAS), and journalism (EJN). These networks play crucial roles in implementing the GAWB and supporting EU integration through monitoring, advocacy, research, and capacity building. |

## 3. The Green Agenda for the Western Balkans - an exercise of experimental macroregional collaboration?

The Green Agenda for the Western Balkans (GAWB), endorsed in 2020, appears to be a pilot exercise in EU macroregional strategy in the WBs under the climate and environmental policy themes central to the EU Green Deal. Firstly, the overarching green agenda theme and corresponding sub-themes, are still in their relative infancy, meaning there are high levels of uncertainty, volatility, and a lack of knowledge on different climate and environment related topics. This context creates a need for experimental macroregional governance approaches based on multi-actor deliberative dialogue in which participants can share knowledge and learn from each other's experiences in the preparation of new policy frameworks. Secondly, the GAWB has an underlying experimental macroregional governance logic based on the preparation of a broad overarching strategic framework complemented by measurable indicators used as a structure for implementation and monitoring. Thirdly, the GAWB also respects the 3 no's logic behind EU macro-regional strategies. There were no new institutions created to guide the development of the GAWB. The overarching GAWB framework and Action Plan were created within existing RCC institutional structures. An extensive consultation process was coordinated by the RCC working in collaboration with national authorities from WB countries, regional organisations active in policy areas covered by the GAWB, international financial institutions (IFIs), and civil society organisations (CSOs), with the support of the European Commission (EC), Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR). The GAWB resulted in no additional costs as it was financially supported through existing EU funds including the IPAIII, the Western Balkans Investment Framework, and the European Fund for Sustainable Development Plus (EFSD+). Finally, the GAWB gave rise to no specific or binding EU legislation for the WB Region.

## 4. What are the challenges of macroregional collaboration in the region?

Macroregional collaborations are complex multi-actor processes beset by challenges and obstacles, including:

- **Low levels of political support:** The political will and support of national level actors are central in the development of macroregional collaboration. There is often a lack of strong political leadership and commitment to promote macroregional collaboration, especially if cooperation does not come with its own funding resources.

- **Weak stakeholder engagement:** Macroregional collaboration has been criticised for being predominantly top-down and driven by intergovernmental discussion rather than a bottom-up stakeholder engagement. This is exacerbated by an unwillingness of national level actors to devolve responsibility for the development of collaborative activities to regional and local levels institutions and actors. Many relevant actors also lack the time and resources to participate, including SMEs, NGOs, and other societal groups.

- **Limited funding:** The lack of a formal funding framework devoted to macroregional collaboration means that agreed goals and objectives can only be met if there is a close alignment with existing funding structures at EU, national, regional and local levels.

- **Complex multi-level governance coordination:** Different national level legal, regulatory, and administrative frameworks can create obstacles for collaboration. Strict public procurement laws and regulations make macroregional collaboration demanding. Inflexible rules are a barrier in the development of targeted macroregional implementation projects. Procurement rules and regulations are hard to overcome and there is no political will to change procedures and assist implementation. This differentiation can slow the development and implementation of macroregional collaborative activities.

## 5. What are the benefits of macroregional collaboration?

Many of today's main policy priorities transcend national borders (e.g., pollution, transport infrastructure, etc.), therefore, countries can increase their capacities to solve shared challenges by working together. The challenges of macroregional collaboration can be offset by the benefits and advantages of cooperating with other countries, including:

 Increasing cohesion: macroregional collaboration is an important mechanism for promoting EU policy alignment and cohesion. This contributes towards EU integration processes and can increase the leverage of WB countries in negotiating with the EU on the accession conditions and shape the focus of international donors towards the domestic priorities. Collaboration promotes territorial cohesion and supports neighbourhood region building, which can speed up policy and spatial integration between different countries.

- **Strengthening multi - level networks:** Working together can strengthen multi-level governance networks both vertically (between government tiers/ geographical scales) and horizontally (between stakeholders and across sectors), while also strengthening existing networks or building new ones.

- **Enhancing place-based policymaking:** Macroregional collaboration provides a framework for encompassing international and supranational strategies and agendas, ensuring they become more targeted at relevant territorial scales.

- **Building social capital and knowledge:** Working together increases levels of social capital, respect, and trust between actors through knowledge exchange and learning. Sharing successful and failed experiences increases institutions and non-state actors capacities to address issues of common interest.

## 6. A strategic approach to macroregional collaboration building in the Western Balkans

Based on what was discussed, above, this section of the policy provides a practical step-by-step strategic guide to macroregional collaboration building. Policymakers and practitioners must ask themselves a series of essential questions when determining whether to participate in macroregional cooperation activities. The following five key strategic questions should be addressed to determine the focus and direction of macroregional collaboration in the WBs.

1. **Why do we need to collaborate?** There must be a clear need for collaboration, which can act as both the catalyst and driver that incentivises and binds countries to collaborate in a macroregional context. There are several factors that can drive macroregional collaboration processes, including 1) common political ambitions in the international arena e.g., in relation to the EU accession 2) common socio-economic and environmental challenges; 3) shared regional development and growth opportunities; and 4) establishing a critical mass and economies of scale in areas where working alone is not a viable option due to limited infrastructure and finances. The identification of a clear need for cooperation is essential to ensure the full and sustainable commitment and support for collaborative activities amongst participants.

2. **What is the appropriate scale for collaboration?** The geographic and territorial scale of collaboration needs to be determined at the outset. The challenge and policy theme should guide the geographic and territorial focus of collaboration. Depending on the context, policymakers must decide whether bilateral of multi-country collaboration is needed and whether cooperation should be focused solely on the WBs or involve other surrounding and neighbouring European countries.

## 7. The future of macroregional collaboration in the Western Balkans

A fundamental issue identified during discussions with WB stakeholders is that the notion of the "Western Balkans" as a bloc constitutes a fictitious geography in the eyes of citizens, organisations, and political entities alike. It is perceived that the term has been imposed on the region externally, mostly in connection with the EU accession process and foreign aid funding mechanisms targeting the region. Without explicitly designating the WBs as an EU Macroregion, the EU has tended to group the six Balkan countries via common policy frameworks, such as the EU Growth Plan for the Western Balkans and the Western Balkans Investment Framework. Consequently, the term "Western Balkans" has become normalised in international policy settings around supranational investment programmes and support instruments but remains an artificial construct outside this context. In contrast, regional identity seems to transcend this limited territorial boundary to include other different geographic constellations (e.g., the broader Balkan region, Eastern European and Adriatic-Ionian linkages). The notion of the "Western Balkans", therefore, needs to be understood within the context of EU accession, but manifestations of macroregional collaboration need not be limited to this narrow geographic delineation.

There is little enthusiasm for the concept of an EU Macroregional Strategy for the Western Balkans, as there is no political support for transnational activities without funding or those that only promote knowledge-sharing projects. A question for WB countries is whether they wish to be part of an EU Macroregion for the WBs or a broader geographical unit along the lines of the original South-East European Cooperation Process or in the more recently constituted European Union Strategy for Adriatic-Ionian Region (EUSAIR). In the event of joining the EU, maintaining the WB6 aggregation via a newly emerging strategy for macroregional collaboration may reinforce the perceptions of these countries as separate from the rest of Europe and other negative connotations, such as political instability, economic underdevelopment, and conflicts.

Moreover, there is a range of existing macroregional structures available for transnational and cross-border cooperation activities that can strengthen cooperation, networking, and cohesion, including the RCC, the EU macroregional strategies for the Adriatic-Ionian, mentioned above and the Danube Regions, and Interreg programmes. Different forms of macroregional collaboration can become more institutionalised at different political and governance levels, as well as promoted more informally at practitioner and non-state levels. Based on discussions with various stakeholders, the best course of action would be to build on existing structures depending on the purpose of collaboration. The Berlin Process and the Open Balkan Initiative are considered useful platforms in the short term for the purpose of EU accession. However, it would be beneficial to break away from the WB6 logic in the long run, not to reinforce the perception of the region as alienated from the rest of Europe. EUSAIR and EUSDR could better deliver on the macroregional collaboration ambitions of WB countries in relation to different policy themes and local priorities (e.g., transport routes and infrastructure, conservation of the Danube River, and trade across the Adriatic and Mediterranean seas). Simultaneously, the EU and public authorities in the WBs could support other forms of bottom-up macroregional collaboration building, particularly at local levels (e.g., in the academic community, with NGOs and civil society groups, and amongst other practitioners like industries and SMEs).

The search for narrow transnational and cross-border functional areas between WB countries might be a more fruitful alternative to grander macroregional strategy plans. These functional collaborations could be built up incrementally through existing macroregional structures, beginning with small-scale collaborations based on common territorial and thematic challenges and opportunities, and then seeing if these networks can grow into more formal institutionalised collaboration structures which can be integrated into the EU space. The nature and type of macroregional collaborative pathways the WBs choose to go down should largely be determined by the answers to the strategic questions outlined above.

# ABOUT THIS POLICY BRIEF

This policy brief was developed by GreenFORCE, a Horizon Europe project which aims at fostering excellence in the "Western Balkans' green transition" and scientific research capacities of Co-PLAN, Institute for Habitat Development (Albania), Center for Economic Analyses (North Macedonia), and University of Belgrade, Faculty of Geography (Serbia). In twinship with Nordregio - Nordic Institute for Regional Development and Planning - (Sweden) and Politecnico di Torino (Italy), these organisations work closely to produce territorial knowledge through exploratory research and institutional learning.

The policy brief builds on research conducted as part of the project examining existing macroregional collaboration activities involving WB countries, focusing on assessing the challenges and benefits of collaboration, and exploring the potential future directions of macroregional collaboration for the WBs.

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## Further reading

Moodie, J.R., Giacometti, A., Itänen, M. & Berisha, E. (2025) Macroregional Pathways for the Green Agenda in the Western Balkans.


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