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CHAPTER 20

Green EU Integration: The Role of the Green Agenda in Accelerating Just Green Transitions in the Western Balkans

Erblin Berisha

20.1 Introduction

The Western Balkan (WB) countries are experiencing the effects of multiple crises, which require a profound redefinition of their economic, social and institutional systems (Berisha, 2025). Indeed, climate change (Knez et al., 2022), technological revolution (Popović et al., 2020), and energy crises (Morina, 2022) are straining the regional existing governance structures (Berisha, 2025). Even though not explicitly addressed to the WB, according to the Just Transition Mechanism introduced by the European Union in 2019, these simultaneous transition challenges could be addressed more equally, fairly and justly (Shaker & Berisha, 2025). Since then, the European Union (EU) has actively promoted the European Green Deal as a multi-annual political framework to achieve climate neutrality by 2050. Through this initiative, the EU has defined ambitious targets and supports countries and territories in managing the transition they face. The European effort toward a green transition also extends to candidate countries, such as the WB, to accelerate their convergence with the EU (Berisha, 2023) by increasing cooperation in various fields (Pinnavaia & Berisha, 2021). The transition fatigue in the Western Balkans is particularly evident when it comes to restructuring the existing economic and social models (Imami et al., 2023). These structural challenges must be contextualised into the EU Integration process that sees

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the WB countries involved (Berisha & Cotella, 2021; Berisha et al., 2021). The six WB countries are, to some extent, involved in the integration process recently renovated by the EU with the introduction of the new methodology, "Enhancing the accession process—A credible EU perspective for the Western Balkans," launched in 2020. The EU Integration process, which is seen more as an institutional and technocratic approach, is accompanied by the introduction of several regional focus initiatives like the introduction of the Green Agenda for the Western Balkans passed in 2020 (referred to as the Agenda).

This chapter has the ambition to present the state of the art of the EU Integration process and the just green transition in the WB. It offers an overview of what is happening in the region in relation to the different initiatives activated with a particular focus on the adoption, implementation and monitoring of the Agenda. More specifically, after this brief introduction, the following section offers an overview of the EU integration path. It discusses where the countries stand in relation to the integration process and what they are doing to cope with. This section is then followed by a detailed exploration of where the region stands in relation to the just green transition issue, presenting some good practices and identifying structural pitfalls. This is followed by a detailed presentation of the Green Agenda for the Western Balkans as part of the EU Green Integration process, which discusses the content, objectives, and trajectories. The section on areas of improvement offers a detailed selection of regional priorities where regional actors are expected to intervene to ensure a smooth and fast EU integration process. Finally, the chapter concludes by reflecting on some takeaways and future developments.

20.2 EU Integration Path

The WB are crossing two transformative challenges: the transition toward democratic and free markets linked to EU integration since the early 90s and, more recently, the transition to a sustainable and green economy (Berisha, 2025). Although apparently unrelated, recent developments show these processes are deeply interconnected, reflecting a shared vision of regional stability, economic modernisation, and environmental responsibility. The dual challenges of aligning with European norms and addressing pressing environmental issues offer opportunities and hurdles as the region seeks to redefine its role in a rapidly changing global context. According to Aliaj and Sulmina (2022), indeed, EU integration is more than a political aspiration for the WB; it represents a comprehensive framework for reforming institutions, modernising economies, and fostering regional cooperation. The integration process seeks to align the WBs' political, legal, and economic systems with the *EU acquis communautaire* (Berisha et al., 2021). Progress often reveals entrenched issues such as weak governance structures, pervasive corruption, and inefficient public administration, all of which complicate the reform process (Qorraj et al., 2024). The topic of green transition, meanwhile, is emerging as a parallel and equally vital transformation that requires

deep institutional and social reconfiguration (Djatkov, 2024). Currently, the WB's countries are dealing with the EU integration path. Since the introduction of the new methodology of WB integration in 2020,[1] countries are facing the opening of the so-called "clusters" (Table 20.1). According to the current state of EU Integration, Serbia, Montenegro, Albania, and, in part, North Macedonia are the countries that are performing better: Serbia has 22 of 35 chapters opened; Montenegro has 33 chapters opened, while Albania is focusing on Cluster 1 and Cluster 6, finally, North Macedonia has opened Cluster 1—fundamental.[2] When it comes to Bosnia and Herzegovina and Kosovo*,[3] instead, the process of EU Integration is relatively slow. Indeed, while the former has gained its candidate status in 2022, the latter is still a potential candidate country—in the initial phase of the process.

In parallel with the formal EU Integration process, the European Green Deal has extended its reach to include the WB through the Green Agenda for the Western Balkans (Berisha, 2025). This initiative emphasises the region's role in achieving Europe's climate goals while addressing local environmental crises that have long plagued it. According to the Agenda, the green transition, however, is not merely an environmental imperative; it has to be considered a pathway to economic resilience, energy independence, and social cohesion. Both processes (i.e., EU Integration and green transition) demand structural changes that are deeply interdependent and mutually influenced (Berisha, 2025). Indeed, aligning environmental policies with EU standards is a critical component of accession negotiations, requiring countries to adopt measures to reduce greenhouse gas emissions, invest in renewable energy, and protect biodiversity (Imami et al., 2023). For a region, as the WB, traditionally heavily reliant on coal and other fossil fuels, this shift represents a profound economic and social challenge (Nikolov et al., 2024). The transition away from coal is both a matter of compliance but also a necessity for addressing the region's disproportionate contribution to air pollution and carbon emissions (Knez, Štrbac & Podbregar, 2022). To cope with these simultaneous transitions, the EU integration is more institutional-based, and the green transition is

[1] The EU Commission communication has adopted in 2020 the "*Enhancing the accession process—A credible EU perspective for the Western Balkans*" of 5 aiming to reinvigorate the accession process by making it more predictable, more credible, more dynamic and subject to stronger political steering. To make the process more credible, the revised EU integration process gathers the 35 chapters into 6 clusters: 1—Fundamentals, 2—Internal Market, 3—Competitiveness and inclusive growth, 4—Green agenda and sustainable connectivity, 5—Resources, agriculture and cohesion and 6—External relations. For more info—Enhancing the accession process - A credible EU perspective for the Western Balkans - European Commission.

[2] The EU Commission presented to the Council further screening reports on both countries (Albania and North Macedonia): in May 2024 for cluster 2—internal market, and in October 2024 for cluster 6—external relations and cluster 3—competitiveness and inclusive growth.

[3] This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

Table 20.1 EU Integration stages and clusters opened by Western Balkan countries (*Source* European Commission, 2024a)

Country	*Integration stage*	*Clusters opened/under negotiation*
Albania	Candidate (Accession Negotiations Started 2022)	Cluster 1: Fundamentals (e.g., judiciary, economic criteria) Cluster 6: External Relations (e.g., foreign policy)
Montenegro	Candidate (Negotiations Started 2012)	All 33 chapters within 6 clusters opened Working on provisional closure of key chapters
Serbia	Candidate (Negotiations Started 2014)	22 of 35 chapters opened Focus on reforms in the rule of law and relations with Kosovo
North Macedonia	Candidate (Negotiations Started 2022)	Screening process ongoing Assessing alignment with acquis in clusters such as Fundamentals
Bosnia and Herzegovina	Candidate (Status granted 2022)	Screening process started Preparing to open specific clusters
Kosovo	Potential Candidate	Early stages of integration Working to meet criteria for candidate status

more economic and social-based, the EU has framed a series of economic and financial packages (Qorraj et al., 2024). Indeed, the EU provides financial support through instruments such as the Instrument for Pre-Accession Assistance (IPA) and the Western Balkans Investment Framework (WBIF). These funds aim to catalyse projects that promote energy efficiency, renewable energy, and environmental protection. In 2023, the EU adopted the Growth Plan for the Western Balkans, which incentivises enlargement partners' preparations for EU membership by bringing forward some of its benefits ahead of full integration into the EU. The plan aims to integrate the Western Balkan partners into the EU's single market, advance regional economic cooperation, deepen EU-related reforms and increase pre-accession funding because of accelerating socio-economic convergence of the Western Balkans to the EU. This joint effort to accelerate the EU integration process not only from an institutional perspective, has been concretised by the adoption of several agendas and promoted by several regional initiatives. The following sections present the state of the art alongside the just green transition process with a particular focus on the Green Agenda for the Western Balkans.

20.3 Just Green Transition: Where the Region Stands

As mentioned, the WB faces a complex and multifaceted transition process as it works toward a Just Green Transition aligned with global sustainability goals and EU standards (Berisha, 2025a). Across the region, progress varies significantly, with most countries having started conceptualising Just Green Transition policies, mainly at the strategic level, but struggling with operationalisation, institutional coordination, and implementation (Imami et al., 2023). From December 2020 to December 2023, the EU implemented its first Initiative for coal regions in transition in the Western Balkans and Ukraine[4]—an initiative due to be followed up in 2024. During this first period, the differences in the Western Balkans countries' just transition processes increased. In Albania, for instance, the Just Green Transition seems to be a cornerstone of its broader strategy to align with EU climate goals, while mitigating the socio-economic impacts of industrial transformation (UNECE, 2024). The country emphasises decarbonisation, sustainable industrial practices, and the creation of green jobs: to these purposes the country in 2019 has introduced the Climate Change Strategy and Action Plans in 2019. However, its efforts remain at the strategic level, with no Territorial Just Transition Plans (TJTPs) having been adopted yet. The transition focuses primarily on regions with high concentrations of energy-intensive industries, such as mining and brownfield sites, as identified in a 2024 UNECE study. While there is recognition of the need for workforce upskilling and regional economic recovery, especially in mining areas, tangible policies to address these challenges remain underdeveloped. To tackle with issue, Bosnia and Herzegovina has adopted a central strategy for climate adaptation and low-emission development, covering sectors like construction, waste management, agriculture, and forestry. Key measures include improving building energy efficiency and transitioning to greenhouse gas (GHG)-efficient heating systems. However, the strategy lacks detailed institutional roles and implementation mechanisms, leaving progress largely stagnant and not well implemented. Importantly, the fragmented governance structure in BiH further complicates implementation, as the central government lacks enforcement instruments, and strategic and regulatory frameworks are yet to be developed by the Federation of BiH and Republika Srpska entities' institutions. Kosovo's transition framework, instead, is more advanced at the strategic level, with clear objectives outlined in its Strategy for Industrial and Business Development Support 2030.[5] Specific sub-objectives include promoting recycling, green products, and technological advancements for energy efficiency. However, concrete measures to achieve these goals remain undefined. The strategic groundwork is strong, but without operationalisation and actionable policies, Kosovo's transition

[4] 2024_04_Local-authority-planning-for-A-just-transition.pdf.

[5] 8CE08B27-3741-4544-809F-BF643B97233F.pdf.

efforts risk losing momentum (Battali, 2023). In Montenegro, the Just Green Transition seems to be at an early stage, with TJTPs and coordination mechanisms still to be conceptualised. In this respect, the central government has established a Coordination Body for Industrial Policy to align the country's industrial framework with EU standards (UNDP, 2023). This body operates on both managerial and operational levels, ensuring intra-ministerial and inter-ministerial cooperation. Despite this organisational structure, the absence of concrete implementation plans and performance metrics limits Montenegro's progress in transitioning to a greener economy. Regarding North Macedonia, the country has made significant strides in integrating Just Transition into its climate and energy policies (CEE Bankwatch Network, 2024). Its Long-Term Strategy on Climate Action, adopted by the Ministry of Environmental and Physical Planning, defines Just Transition as a framework to ensure workers' rights and livelihoods during the shift to sustainable production. The country's roadmap focuses on phasing out coal, promoting renewable energy, and fostering socio-economic regeneration in coal-dependent regions like Pelagonia and Southwest North Macedonia (Ministry of Economy, 2023). However, despite announcing an ambitious plan to phase-out coal by 2027, the country extended its timeline to 2030 in 2023. North Macedonia's integrated approach to energy transition and employment alternatives is a promising model, though gaps remain in funding and operationalisation, given its non-eligibility for the EU Just Transition Fund. Finally, Serbia prioritises the Just Green Transition through comprehensive measures to reduce GHG emissions across various sectors, including energy, industry, and transport. The government plays a central role in planning and implementing these policies, while local self-governments monitor and report climate action. However, adopting local climate action plans remains sporadic, and concrete measures for Just Transition are rare. The centralisation of responsibilities and limited local capacity hampers the broader adoption and implementation of green policies.

Besides that, countries have launched several initiatives and projects to cope with just green transition. An example is the Durrës Brownfield Redevelopment Project, an integrated approach to redeveloping former industrial sites in Durrës (World Bank Group, 2022). This project combines environmental restoration with economic revitalisation strategies. It has successfully transformed these areas into hubs for green industries, supported by local SMEs and funded through the Just Transition Fund and other national instruments (Ministria e Financave dhe Ekonomisë, 2021). The project also strengthens local value chains by promoting the use of locally sourced materials and labour. Successful experiences are implemented also in North Macedonia, like, for instance, the revitalization of the Kichevo region, the Climate Coalition launched by CSOs and the Establishing Aarhus Centre. More in detail, in Kichevo region, where the mine feeding the Oslomej power plant has been depleted for years, regional re-development is already taking shape—however, without a clear participatory process to guide it. Most of the employment there

is generated by the trade, processing industry and agricultural sectors, so the domination of the coal sector in employment figures has already been eroded. Coupled with the conversion of old mining fields into solar PV plants, this is a prime example of how the need for transition motivated joint actions by the community, business sector, and decision-makers.[6] Notably, the Climate Coalition launched by CSOs in 2020 has allowed the CSOs active in education and awareness raising on environmental issues in North Macedonia to launch the Climate Coalition to increase citizen participation in decision-making processes and monitor the implementation of energy, climate and environmental legislation. Climate Coalition fosters local synchronised action, strong social influence, and transformation by building climate culture. This initiative can be a good example of how non-public actors can exert bottom-up pressure and get involved in decision-making (OCED, 2022). Moreover, the country has been engaged in establishing the Aarhus Centre, which was set up in 2019 in support of the Aarhus Convention, which establishes specific rights for individuals and CSOs regarding the environment. This has provided a platform to engage citizens, governments and the private sector in dialogue on environmental challenges, support public participation in energy, climate and environment, facilitate access to environmental information and assist governments in implementing the Aarhus Convention. In Bosnia and Herzegovina, instead, the Strategy for Climate Change Adaptation and Low Emission Development (2020–2030) is a starting point for tackling the issue of Just Green Transition. The strategy defines clear objectives and integrates international cooperation to facilitate progress. A notable example is the "Scaling-up Investment in Low-Carbon Public Buildings" initiative, which successfully mobilises significant co-financing for sustainable retrofitting projects. However, challenges remain in translating these strategic plans into actionable policies at the entity and cantonal levels, where regulatory harmonisation is still lacking. Montenegro stands out for its comprehensive approach, driven by the Law on Protection from Negative Effects of Climate Change. This legal framework not only supports broader climate goals but also underscores the importance of a just green industrial transition. Montenegro's Industrial Policy (2024–2028) prioritises green industrial practices and incorporates detailed key performance indicators and monitoring mechanisms to ensure accountability and progress. Despite these strengths, the implementation of industrial greening policies often faces delays due to funding constraints and limited private-sector engagement. Finally, Serbia demonstrates a robust regulatory foundation, with strong interlinkages between climate policies and sectoral strategies. The country has prioritised sustainable energy transitions, focusing on renewable energy and energy efficiency initiatives. However, the private sector plays a limited role in these efforts, as high operational costs and market uncertainties deter the widespread adoption of green technologies. Serbia's industrial sector, while

[6] North Macedonia pioneering energy transition in the Western Balkans: Just Transition.

leading in certain green investments, is still slow to adopt comprehensive decarbonization measures.

Besides these relatively positive examples, Just Green Transition in the WB remains a regional challenge, far from being solved Djatkov (2024). In Albania, the absence of a cohesive strategy for decarbonization sets the stage for stagnation. Despite the introduction of the Green Agenda for the Western Balkans, political will remains lukewarm, and communities remain disengaged. The abandonment of former industrial strongholds, like mining regions, underscores a broader issue: the lack of investment and innovation that could rejuvenate these areas. Compounding this, a "coordination gap" hampers the alignment of national strategies like the National Energy Strategy with regional and local efforts. Small and medium-sized enterprises (SMEs) struggle to adapt to new green standards due to inadequate resources and support, while public awareness of the transition's benefits remains minimal, particularly in rural communities. In Bosnia and Herzegovina, a strategic framework exists, but without the regulatory backbone required to implement sustainable plans at the entity and cantonal levels, progress is stymied. Similarly, Kosovo has yet to operationalize its JTPs, leaving roles and responsibilities across governance levels unclear and unaddressed. Montenegro, too, grapples with inertia, with its strategic and regulatory frameworks for green transition still awaiting adoption. North Macedonia presents a paradox. It boasts ambitious goals, such as the Western Balkans' most aggressive coal phase-out plan, but execution falters. Delayed adoption of key policies, such as the Law on Climate Action and the National Energy Efficiency Action Plan, reflect a broader trend of slow legislative progress. Challenges in attracting private investment for renewable energy projects—particularly in coal-reliant regions like Bitola—impede momentum. Workers in traditional industries face uncertainty, with retraining programmes lagging behind. Meanwhile, plans for new fossil gas units risk undermining the country's renewable energy aspirations, swapping one dependency for another. Serbia, while facing a slower pace of industrial greening, contends with economic vulnerabilities tied to global trends. Only the largest enterprises have significantly invested in sustainable practices, leaving SMEs and smaller industries struggling to keep pace. The high costs and productivity losses associated with green transitions further dissuade broader adoption. Across the region, the common barriers to progress across the region are clear: fragmented governance, regulatory delays, and insufficient stakeholder engagement (Djatkov, 2024). Besides countries' specificities, it can be said that the region faces some shared challenges and opportunities (Table 20.2). Among them, it is essential to mention the gap in public awareness and buy-in, with rural communities often sceptical of the benefits of green practices. At the same time, industries remain hesitant, citing financial and operational constraints.

Table 20.2 Comparison of WB countries Just Green Transition challenges and opportunities (*Source* author's own elaboration)

Country	*Strengths*	*Key challenges*	*Opportunities*
Albania	National Energy Strategy in place	Lack of comprehensive decarbonisation plans	Improve coordination between national, regional, and local levels
		Weak coordination among governance levels	
		Public awareness gap	Engage SMEs with better-targeted support mechanisms
		Neglect of former industrial regions	
Bosnia and Herzegovina	Strategic framework present	Regulatory framework not yet adopted	Develop and implement regulatory frameworks to operationalise strategies
		Need for action at entity and cantonal levels	
Kosovo	JTP framework exists	Lack of operationalisation	Clarify governance structure and implement existing JTPs
		Undefined governance roles and responsibilities	
Montenegro	Growing acknowledgement of the need for JGT	Strategic and regulatory frameworks pending adoption	Finalise and adopt frameworks to enable transition
North Macedonia	Ambitious coal phase-out plan Just energy transition investment platform launched (2023)	Delays in adopting laws (e.g., Law on Climate Action, NEAP)	Leverage investment platform to attract private capital
		Non-compliance with emission reduction plans	
		Slow private investment	Accelerate implementation of climate and energy laws

(continued)

Table 20.2 (continued)

Country	*Strengths*	*Key challenges*	*Opportunities*
Serbia	Large enterprises leading green investments	Worker retraining program,es delayed Industry hesitant due to high costs and productivity losses Economy vulnerable to global trends Limited SME participation	Introduce incentives to encourage SME participation Broaden investment efforts beyond large enterprises

20.4 The Green Agenda for the Western Balkans

To facilitate the transition of the WB from a carbon-based to a carbon-free economy, the EU introduced the Green Agenda for the Western Balkans in 2020, also known as the "Sofia Declaration" (European Commission, 2022a). This initiative was further strengthened with the Action Plan presented during the EU-Western Balkans Summit held in Brdo pri Kranju, Slovenia, in 2021. The Agenda is structured around five main pillars: (1) climate action, encompassing decarbonisation, energy, and mobility; (2) promoting a circular economy by addressing waste management, recycling, sustainable production, and resource efficiency; (3) biodiversity conservation, aimed at safeguarding and restoring the region's natural ecosystems; (4) combating pollution across air, water, and soil; and (5) fostering sustainable food systems and rural development. Additionally, digitalisation serves as a cross-cutting enabler, supporting the dual transitions to green and digital economies. The Action Plan provides a structured approach to facilitate, support, and monitor the Agenda's implementation. It outlines 58 specific actions divided into seven components, with provisions for annual evaluation and monitoring to ensure effective execution. Scheduled updates are planned for 2024 and 2027. Financial support for the Agenda's implementation is sourced from various international funding agencies (see for instance: GIZ; SIDA; SDC; USAID and EBRD activities in the region) (Berisha, 2018), EU funds, including the Instrument for Pre-Accession Assistance, the Western Balkans Investment Framework, and tailored funding initiatives. A key financial mechanism supporting this transition is the Economic and Investment Plan for the Western Balkans (2021–2027), which allocates up to €9 billion in EU funds and aims to leverage up to €20 billion in investments through the Western Balkans Guarantee Facility. Since 2021, the European Commission has committed €1.25 billion to the Green Agenda, focusing on technical assistance, energy efficiency, renewable energy, phasing out coal, and environmental management investments (European Commission, 2023). European Commission President Ursula von der Leyen reaffirmed this commitment to mitigating transition fatigue, who stated, "Our €30 billion Investment Plan for the Western Balkans is delivering, with this new €1.2 billion package. It strengthens regional connections with quality infrastructure and brings us closer together, which is our ultimate goal."[7] These initiatives underline the EU's acknowledgement of the significant environmental and economic challenges faced by the Western Balkans. The region remains dependent on coal, struggles with severe pollution, and suffers from ageing infrastructure. Nevertheless, Western Balkan countries are striving to align with the EU by meeting environmental standards, as outlined in the European Green Deal.

[7] European Commission announces additional €1.2 billion investment package for infrastructure and support to entrepreneurship in the Western Balkans—European Commission.

These efforts come when the EU is undergoing major economic and social transformations, further intensifying the region's push toward integration.

Under the EU's revised enlargement methodology adopted by the European Commission (2020b), Cluster 4, titled "Green Agenda and Sustainable Connectivity," encompasses Chapter 27, "Environment and Climate Change." This chapter emphasises helping candidate countries align with EU standards across various environmental areas, such as air and water quality, waste management, nature conservation, industrial pollution control, chemicals, noise, climate change, and civil protection. The alignment process involves adapting to over 200 EU legal acts, making Chapter 27 one of the most resource-intensive and institutionally demanding in the accession process (European Commission, 2024b). It also necessitates significant shifts in societal and industrial practices. Consequently, this endeavour should not be seen merely as compliance with legislative frameworks but as part of a strategic approach that integrates alignment with a transparent regional strategy. The Green Agenda provides a politically oriented framework for candidate countries to outline their strategies within a shared EU-endorsed vision. This Agenda is intrinsically linked to EU accession aspirations, as environmental reforms are central to the *acquis communautaire*. Adhering to EU environmental standards is a critical milestone in progressing toward membership. Recognising its dual role, the European Commission acknowledges that the Agenda helps Western Balkan (WB) countries meet EU environmental and climate goals and is a pivotal element of the broader enlargement process (European Commission, 2020c). The transition to a green economy is widely seen as a way to strengthen regional integration into the EU by showcasing candidates' commitment to sustainable development and economic modernisation. The Agenda's first Implementation Report (2022), prepared by the Regional Cooperation Council (2023), shows that countries are gradually implementing their priorities and action plans. While progress monitoring is still limited due to the short implementation timeframe, the report indicates a general commitment across countries to adhere to the Agenda's goals. The implementation process has been acknowledged as gradual and incremental, with its societal and economic impacts not yet fully evident.[8] Nonetheless, measurable progress is reported in several areas. For example, five of the

[8] Civil organisations have largely criticised the process of monitoring and assessment due to the lack of transparency and involvement of key stakeholders. More here: This year's Green Agenda Action Plan update must be participatory - Bankwatch.

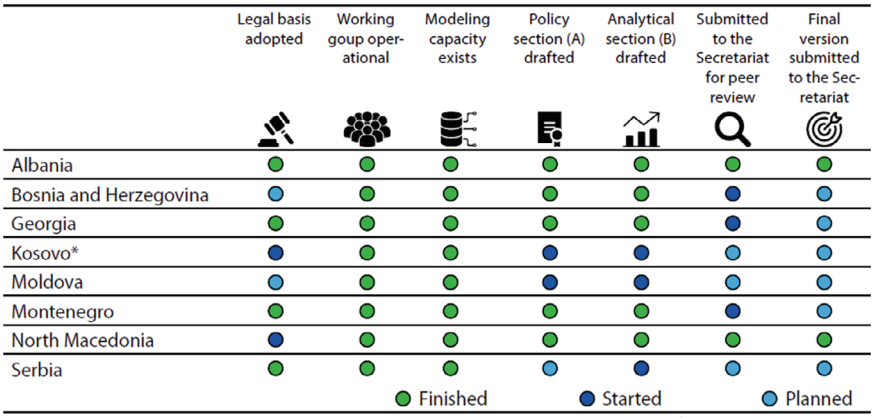
six WB economies have enacted or are in the process of enacting climate-related legislation,[9] and all have set energy and climate targets in Nationally Determined Contributions or government strategies.

Specific achievements include North Macedonia and Albania advancing renewable energy, particularly in hydropower and solar energy (International Energy Agency, 2021). Despite environmental concerns about hydropower, Albania generates most of its electricity from renewable sources and is exploring new renewable technologies.[10] North Macedonia has implemented laws to encourage solar energy investments, aiding its greenhouse gas emission reduction goals. All WB nations are committed to cutting emissions under the Paris Agreement. However, the region's energy market remains relatively detached from the EU, experiencing price volatility exacerbated by the Ukraine conflict. For instance, North Macedonia declared an energy crisis (Nikolov et al., 2024). Coal-fired power plants still dominate energy production in the region, with lignite accounting for around 70% of domestic electricity generation, except in Albania, where nearly 100% comes from renewables like hydropower and solar.[11] This disparity in energy resources contributes to widespread energy poverty, with up to 40% of the population affected, compared to just 10% in the EU (Robić, 2016). High energy costs have sparked political tensions and protests, as households often spend over 10% of their income on energy (Esser et al., 2018). To address these challenges, countries are devising integrated energy and climate plans (see Fig. 20.1). Additionally, they are adopting climate adaptation strategies, promoting nature-based solutions, and supporting initiatives for sustainability. Although legislative and regulatory frameworks are evolving steadily, implementing them remains a significant hurdle. Differences in economic structures and stages of EU integration mean each country follows its unique transition path, making the Agenda's implementation uneven and complex compared to neighbouring EU member states.

[9] Albania adopted the Law on Climate Change, Bosnia and Herzegovina still has not started working on the Climate Law. Kosovo* and North Macedonia are currently drafting the Law on Climate Change with the Energy Community Secretariat'' active support. Montenegro is preparing a new Law on Protection against Negative Impacts of Climate Change with the aim to transpose elements of EU Climate Law. Serbia adopted its Law on Climate Change in March 2021.

[10] The implementation of hydropower plants has significant impacts on the environment by impacting on water quality and life as have been underlined by several external observatory and NGOs—Hydropower in Albania: Vanishing rivers strangle rural life.

[11] According to the data of International Energy Agency (IEA), Albania is ranked as the first (together with Iceland) in Europe in renewables share of electricity generation in 2022.



Source: Energy Community Secretariat, WB6 Energy Transition Tracker[15]

Fig. 20.1 State of National Energy and Climate Plans preparation (*Source* Regional Cooperation Council[12])

20.5 Remaining Gaps

Although progress has been uneven across the region, significant challenges remain. For example, the region's water and waste management systems are often inadequate or poorly maintained (European Environmental Agency, 2022). Untreated wastewater is frequently discharged into rivers, and illegal waste dumping is widespread (World Bank, 2018). The River Drina, heavily polluted by industrial waste, exemplifies these issues, while waste recycling rates in the WB fall far short of EU standards. A lack of modern waste management infrastructure presents a critical problem requiring substantial investment. Enhanced efforts are needed to upgrade wastewater treatment facilities and adopt sustainable waste management practices, such as recycling and waste-to-energy projects.

In addition to water and waste management issues, air pollution poses one of the most urgent problems, especially in major metropolitan areas like Sarajevo, Skopje, and Belgrade (World Bank, 2021). These cities regularly record air quality levels exceeding EU safety limits due to coal-based energy and heating systems, outdated industrial processes, and vehicular emissions (World Health Organization, 2020). Coal-fired power plants, particularly prevalent in Serbia, Bosnia and Herzegovina, and Kosovo, are significant contributors to poor air quality. This pollution results in high rates of respiratory diseases and premature deaths. Notably, Serbia leads European countries in pollution-related mortality rates and ranks ninth globally, surpassing even India, according to the World Bank. A 2020 study by the European Commission's Joint Research Centre emphasised the need for the WB to prioritise

[12] Regional Cooperation Council|Green Agenda for the Western Balkans Action Plan—Implementation Report 2022.

reductions in air pollutants and greenhouse gas emissions, though alignment with the EU's *acquis* on environment and climate remains at an early stage.[13]

Energy poverty is another pressing issue in WB. Programs aimed at addressing this challenge, such as financing schemes for household renovations and ensuring basic living standards, are still in their infancy. Despite the Tirana Declaration's[14] focus on the EU's €1 billion Energy Support Package, which aims to support vulnerable families, SMEs, and energy transitions, many households allocate a significant portion of their income to energy expenses. The transition to renewable energy must be managed carefully to avoid exacerbating social inequality (UNDP, 2015). Affordable energy prices are critical during this shift to ensure equity. As highlighted by the energy crises following the Russian invasion of Ukraine in 2022, energy provision has become a geopolitical issue. Some WB countries, like Serbia, have hesitated to align their energy systems with EU standards. Serbia's reliance on Russian gas remains high, averaging 74% dependency between 2009 and 2019. While Serbia has opened Chapter 15—Energy in its EU integration process to modernise its energy sector, it continues to benefit from discounted Russian natural gas delivered via the Black Sea, Turkey, and Bulgaria, bypassing Ukraine (Brkić, 2024).

The region's vulnerability to climate change is also increasing, with more frequent and severe weather events, such as floods and droughts. The devastating floods of 2014 in Serbia and Bosnia and Herzegovina underscored the WB's lack of resilience to climate-related disasters. These events are becoming more common and intense, as demonstrated by the floods and landslides in Bosnia and Herzegovina in October 2024, which caused extensive infrastructure damage and human casualties. Such disasters have already cost the region billions of euros and displaced thousands of people. Agriculture, a cornerstone of many WB economies, faces significant risks due to shifting weather patterns and reduced water availability. Without improved water resource management and agricultural risk mitigation, the region is likely to experience a further 20% decrease in precipitation and an increase in dry days, exacerbating vulnerabilities (Županić et al., 2021).

20.6 Conclusions

The WB is making significant strides toward adopting a sustainable model to transition from a carbon-dependent to a carbon–neutral society. These efforts are largely guided by the Green Agenda for the Western Balkans under the EU's supervision and economic support (Berisha, 2025). However,

[13] JRC Publications Repository - Status of air pollutants and greenhouse gases in the Western Balkans (europa.eu).

[14] The so-called Tirana declaration was adopted during the EU-Western Balkans Summit of 2022 by the European Union (EU) and its Member States in consultation with Western Balkans leaders and in the presence of regional and international stakeholders. More info here: tirana-declaration-en.pdf.

the path is fraught with challenges, particularly in reducing coal reliance, improving waste and water management, and addressing energy poverty. In parallel, the EU integration process demands extensive structural reforms, requiring additional efforts to meet EU standards. These dual challenges—transitioning to sustainability and advancing EU integration—could become mutually reinforcing if approached with unwavering political commitment. This commitment was emphasised in the Hamburg Declaration on the Green Agenda for the Western Balkans,[15] issued in Germany on October 8, 2024. WB6 affirmed their "commitment to the full and timely implementation of the Green Agenda for the Western Balkans and its Action Plan 2021–2030," underscoring the importance of accelerating efforts, fostering cross-sectoral collaboration, and embracing multi-level governance.

A Regional Adaptation Strategy, expected by 2026, aims to serve as a cornerstone for this transition. However, while progress is evident, the Agenda and its Action Plan could benefit from further refinement. Implementing and monitoring the Agenda has often been criticised as overly insular and technocratic. The Regional Cooperation Council's role in overseeing progress has also faced scrutiny. Outsourcing the monitoring phase to regional research centres, universities, and NGOs could enhance transparency and enable meaningful contributions from civil society, local communities, businesses, and youth. Additionally, translating the collaborative principles of the Hamburg Declaration into actionable reforms will be vital. Strengthening regional governance frameworks and institutional capacities will be key to addressing persistent challenges. Moreover, to accompany these dual challenges of EU integration and transition, it seems crucial to focus on improving coordination between different governance levels in a multi-level perspective (including cooperation with the EU). Notably, the involvement of various stakeholder categories seems paramount, as well as increasing transparency of the monitoring and evaluation processes. It can be summarised that the WB faces a critical juncture where the dual challenge of green transition and EU integration can either synergies or result in fragmented efforts (Berisha, 2025). The question remains whether the WB approach to "green integration" can serve as a model for broader EU integration processes or if it will persist as an isolated, inadequately coordinated initiative. As Mitrovic (2022) stated, the agenda can be a dead letter of genuine opportunity, and it's up to regional actors to take the momentum toward green-based EU integration.

[15] hamburg-declaration-on-the-green-agenda-for-the-western-balkans_1729083604.pdf.

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