

# **GEOPOLITICAL GREENERY: HOW DECARBONISATION CAN SPEED THE WESTERN BALKANS TOWARDS THE EU**

**Lea Fanku, Engjellushe Morina**

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## **SUMMARY**

- The European Green Deal and the Green Agenda for the Western Balkans aim to bring countries of the Western Balkans into alignment with the EU's green goals; and to integrate more closely with the bloc and its single market.
- Western Balkan states' progress in the circular economy and transport decarbonisation has been weaker than in other policy areas, such as the energy transition, where the EU has provided more political focus and financial support.
- Stronger investment in the circular economy would help modernise Western Balkan economies, improve their competitiveness and promote stronger integration among the countries of the region.
- Sustainable mobility would also enhance regional cooperation, such as projects to deliver cross-border rail networks and other joint green infrastructure investments.
- EU and Western Balkan decision-makers can kill many birds with one stone by strengthening their formal cooperation on the circular economy and transport.

# A flagship at half-sail

The European Green Deal is the European Union's flagship policy to decarbonise the economy. Beyond the borders of the EU, the bloc attempts to promote decarbonisation with its partners, including through the Green Agenda for the Western Balkans. This is a practical roadmap for Western Balkan countries to integrate into the EU: the Green Agenda has strong overlap with the requirements made of countries in the accession process.

The EU argues that meeting the Green Agenda's objectives will help the region's candidate countries facilitate the green transition. Alongside this, in 2023 the European Commission adopted the Growth Plan for the Western Balkans, which aims to simplify trade with the EU and prepare Western Balkan states for eventual entry to the single market.

While participating countries have made some progress on delivering Green Agenda provisions, most activity has concentrated taken place in the area of energy security and the transition to clean energy. In other areas, they have been slow to make progress, including on the circular economy and decarbonising the transport sector.

This situation poses a problem. Failure to meet the environmental requirements via the Green Agenda could undermine accession prospects for Albania and Montenegro. This is either because their progress is so poor that there is no realistic possibility to reach the Green Agenda targets on time; or because any changes in political circumstances within the EU could cause enlargement-sceptic countries to block these countries' accession on technical grounds.

This policy brief assesses the headway made on the circular economy and sustainable transport by three Western Balkan states: Albania, Montenegro and Kosovo. It draws on studies of national legislation and interviews with subject-specific experts and policymakers from the three countries. It examines Albania and Montenegro because momentum is currently picking up in their bids to join the EU: the latter finally has a stable pro-EU government which has “unpaused” the country's technical work towards accession and recently closed three new negotiation chapters; the former has just recently opened its first chapters. Kosovo is a specific case, since it is the only non-candidate country in the region and is not a signatory to the Paris climate agreement—yet it is voluntarily developing guidelines and setting objectives for the transition. All three countries have made reasonable progress in different areas of environmental policy, but could go further with the right support.

To address the risks of inertia in these tricky policy areas, the EU should start now to play a

more active role to help these countries. This can include assisting Kosovo in order to prepare it for an eventual accession process. In general, promoting green economic development within the Western Balkans would ease the region's future integration into the single market, bringing benefits to all parties.

## The green agenda and enlargement

In 2020, Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia signed the Sofia Declaration on the Green Agenda for the Western Balkans. This took place as part of the Berlin Process, which aims to improve regional cooperation among Western Balkan countries as well as cooperation with the EU in policy areas such as economic development, energy security and the energy transition. The ultimate goal of the process is to prepare participating states for EU membership.

The Sofia Declaration committed signatory states to align with European climate targets and become carbon-neutral by 2050. The agenda contains five broad pillars of the green transition: decarbonisation (including the energy transition), climate action, circular economy and the protection of biodiversity and the environment. The Green Agenda derives from the European Green Deal and is tailor-made for Western Balkan countries by addressing the areas of environmental policy they need to make most progress in. The Green Agenda's overarching goal is the same as that of the European Green Deal—to achieve carbon neutrality by 2050 and a recycling rate above 50% by 2030, along with many other similar goals with the same end-of-decade goal.

Over the last five years, the energy transition has been Western Balkan governments' main focus from among Green Agenda provisions. The EU's funding priorities and mechanisms have driven this in large part. However, the circular economy and transport components of the Green Agenda remain crucial, for several reasons.

First, these two components can contribute to the environmental ambitions of the EU while also forming part of Western Balkan states' EU integration. Adopting the Green Agenda helps candidate countries fulfil the EU *acquis communautaire*, particularly Chapter 27: Environment and Climate Change. This chapter includes stringent regulations on environmental protection, energy efficiency and sustainable development. Progress in these areas is a critical benchmark in the accession negotiations. It also has a practical effect: as countries improve against these measures, they become eligible for more EU financial support for more activity in the same areas. Furthermore, Western Balkan countries' compliance with these standards prepares them for integration into the EU's single market.

Second, progress on the circular economy and sustainable transport can promote economic growth. Transitioning to a circular economy reduces waste and promotes resource efficiency, generating cost savings and new business opportunities. The emergence of industries focused on recycling, remanufacturing and eco-design creates local jobs and reduces dependence on imports. Aligning with EU standards broadens access to European markets and attracts investment.

Developing sustainable transport systems improves connectivity, reduces logistics costs and enhances trade potential. Investment in green infrastructure, such as railways and public transport, creates employment opportunities and decreases reliance on fossil fuel imports. Efficient transport networks boost regional trade and integration. Additionally, reducing air pollution from transport lowers healthcare costs and improves worker productivity.

Third, stronger work in these areas can promote regional cooperation and integration. The Green Agenda itself explicitly encourages regional cooperation in the Western Balkans. Successful joint working could foster public support in the region for EU integration.

Finally, by promoting renewable energy, carbon reduction policies and financial incentives, the EU deepens its own economic and political ties with Western Balkan states. These new relationships offer the bloc ways to strengthen its influence in the region. This can help it counter the growing presence of other actors such as Russia and China, which often focus on less environmentally sustainable investments.

However, governments in the region have so far done too little to develop the circular economy and promote sustainable transport. As one civil society representative remarked: “The Green Agenda is a well-known platform with concrete plans for the future of green transition in our region. However, it has remained on the level of agreements and declarations so far.”[1]

This situation puts these countries’ future accession prospects at risk. It could widen the gap between the Western Balkan and EU economies, harming trading relations between the two and undermining their shared prosperity.

## The circular economy

The circular economy is central to the European Green Deal given its importance to achieving carbon neutrality. A circular economy is not only about increasing recycling but about supporting the reuse and reduction of materials—rather than the production of new products,

which inevitably has a carbon impact.

The European Green Deal began to adopt specific roadmaps on the circular economy in 2019. However, work in this area dates back as early as 2015, when the EU published the first circular economy action plan (CEAP), in which the bloc agreed key objectives and measures. An updated action plan was produced in 2020. The CEAPs propose action on numerous aspects of the circular economy and aim to deliver on EU laws such as the Packaging Waste Regulation, Waste Framework Directive and Batteries Regulation. The 2020 CEAP in particular focuses on increasing the amount of recycled waste (especially municipal waste) to a rate of 60% by 2030. The Green Agenda for the Western Balkans integrates the CEAPs into its circular economy pillar.

To date, most EU member states have adopted national legislation and circular economy action plans that set out clear objectives covering most aspects of the circular economy. However, many EU states fall short of CEAP goals, and the same is true—indeed, more so—for Western Balkan states. The goals they have signed up to in the Green Agenda are extremely ambitious—and, in light of the levels of funding and expertise they currently have access to, are likely to be too stretching to achieve by 2030.

## Circular economy in the Western Balkans: State of play

### Policy

Since Western Balkan states signed the Sofia Declaration in 2020, progress towards circular economy objectives has been slow.

## National circular economy policy in Albania, Montenegro and Kosovo: Key documents

National strategic documents	Albania	Montenegro	Kosovo
Circular Economy Roadmap	Adopted in 2022 <a href="#">↗</a>	Adopted in 2022 <a href="#">↗</a>	Adopted in 2023 <a href="#">↗</a>
National Waste Management Plan	Adopted in 2020 <a href="#">↗</a>	Adopted in 2020 <a href="#">↗</a>	Adopted in 2021 <a href="#">↗</a>
Waste Management Law	Included in Laws on Environmental Protection and on Integrated Waste Management, adopted in 2011 <a href="#">↗</a>	Adopted 2024 <a href="#">↗</a>	Adopted 2012, amended 2022 <a href="#">↗</a>

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All three countries have adopted legal frameworks for municipal waste management that draw on or align with EU waste legislation, particularly the EU waste framework directive. Montenegro adopted a waste management law in 2024, which the minister for tourism and environment described as vital for the environment and for aligning with the EU acquis. However, further legal harmonisation with this directive is still required for most of these countries, especially in the case of Albania and Montenegro.

In all three countries, national waste legislation focuses on recycling, waste collection and reducing landfill use. Similar goals are embodied in national strategies such as National Strategies on Integrated Waste Management, National Strategies for Green Transition and Sustainable Development/Climate Change and their respective action plans. These countries generally aim to align their waste targets with those set by the EU.

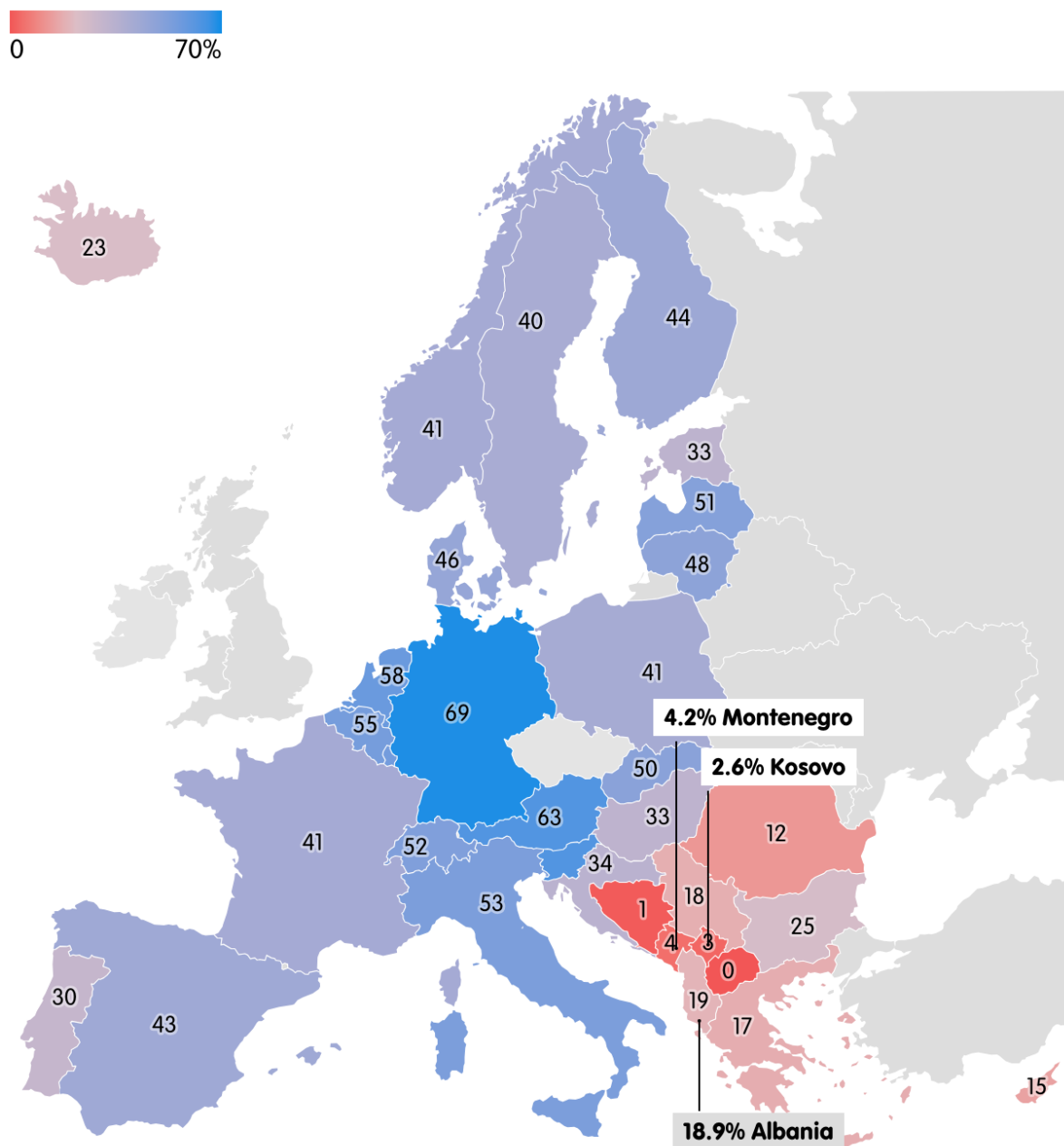
However, as noted, it is unlikely these targets will be met. At present, Western Balkan states have not yet put in place the necessary measures to achieve these goals, particularly on recycling. Additionally, a lack of high-quality data makes it difficult to accurately track progress toward meeting these targets. [2]

## Implementation

While Albania, Montenegro and Kosovo have adopted circular economy roadmaps and put legislative frameworks in place, there is significant room for improvement in terms of implementation. Interviews suggest the most urgent circular economy question in the region is the ineffective management of waste. Over the past decade, the Western Balkans has experienced a steady rise in per capita waste generation, while the recycling rate for municipal waste remains low. In Albania, rates of municipal waste generation have fallen—which is a positive development—and in Kosovo rates remain low at 250kg per capita annually. Montenegro, on the other hand, displays rates of almost 500kg per capita. Overall, these figures remain too high.

All three countries lack a clear division of waste “at the source” (when people put their recycling and waste out for collection). Redesigning collection systems could address this, but there has been no national drive for this in any of the three case study countries. Moreover, they recycle little of the materials that are thrown away, which means that most goes to landfill—the most environmentally harmful form of waste disposal. This extensive use of landfill places candidate and would-be candidate countries some way from where they need to be in terms of the Green Agenda goals and EU accession criteria. “It is very clear that the use of landfill damages the areas nearby and goes against the EU environmental standards,” warned one respondent from Albania. [3]

**EU recycling rate compared to Albania, Montenegro and Kosovo.**  
Municipal waste, 2022



Source: Eurostat  
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Recycling rates in Albania, Montenegro and Kosovo remain below 20%; the EU's overall recycling rate stands at 44%.

In terms of waste management in Albania, the requisite legal framework is now largely in



place, but implementation is still in the very early stages. In recent developments, Albania has focused on implementing circular economy measures, particularly in recycling and composting, to enhance waste management services, supported also by GIZ, the German development agency. Recycling has gained more attention among Albanian policymakers, as evident in, for example, the introduction of a ban on single-use plastics and efforts to address marine litter. The recycling has risen slightly to over 18 percent in the last two years.

In Montenegro, interview findings suggest the country is experiencing a new wave of enthusiasm and the public administration is eager to work towards a future within the EU. “Young citizens are aware that recycling is very present within EU and that it must start to be present in our country as well. However, a large share of the population is not aware of the benefits of recycling, nor the urgency for a green transition,” said a respondent in Montenegro.[4] Indeed, recycling rates in Montenegro stand at around 4.7%, which is very low compared to the EU average.

Kosovo has made progress through bringing together key stakeholders to drive stronger circular economy practices. The country remains at the start of this reform journey, and there are no clear data yet showing significant progress in recycling rates. But interviews indicate that the government is sticking close to EU green policies and is committed to the implementation of the Green Agenda and the framework of the Paris climate agreement. Kosovo’s vibrant start-up scene is a positive development in circular economy terms, as is the involvement of the private sector in green initiatives.[5] The country’s circular economy roadmap of 2023 contains notable examples of collaboration among businesses in Kosovo to find collective solutions on waste-related challenges.

Across the board, all three countries appear to lack tools to monitor the implementation of waste management laws and national strategies. Environmental agencies in the region are underfunded and understaffed, limiting their ability to develop and implement effective monitoring systems. Furthermore, lack of coordination between national and local authorities results in fragmented enforcement, while frequent changes of government slow the development of long-term monitoring strategies.[6] Finally, there is as yet no sign of flexibility from the EU regarding either altering the targets to make them more plausible or enhancing assistance to Western Balkan states to help them go further.

## Sustainable transport

Promoting sustainable transport is a core element of the European Green Deal. As a result, decarbonising the transport sector is a key focus of the Green Agenda for the Western Balkans and part of the accession criteria. Transport is also the most carbon-intensive sector in the

Western Balkans.

In the EU, transport is responsible for approximately 25% of total greenhouse gas emissions, with road transport accounting for the lion’s share. The situation in the Western Balkans is even more critical, as the region’s infrastructure and vehicle fleets are less modernised than in the EU, leading to higher per capita emissions. According to the World Bank, 95% of greenhouse gas emissions in the Western Balkans comes from the transport sector. The region is heavily reliant on road transport, in part due to inadequate rail and public transport systems.




Progress in sustainable transport systems is essential for economic growth. For the three countries examined in this paper, this would reduce transport costs for businesses, attract foreign investment by improving infrastructure and logistics, and create new jobs in green transport sectors, such as rail infrastructure development, public transit systems and alternative fuel technologies.

## Sustainable transport in the Western Balkans: State of play

### Policy

Progress on sustainable transport practices helps Albania and Montenegro to align with EU standards under Chapter 14: Transport Policy; and Chapter 27: Environment and Climate Change of the acquis. This alignment is critical for advancing EU accession negotiations and ensuring that transport systems meet EU safety, environment and efficiency standards.

### National transport policy in Albania, Montenegro and Kosovo: Key documents

National strategic documents	Albania	Montenegro	Kosovo
Multimodal Transport Strategy	Adopted in 2020  (Sectoral strategy and action plan)	Adopted in 2006  (This is being amended to a transport development strategy)	Adopted in 2023 
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While Albania, Montenegro and Kosovo have made some progress in aligning their national

laws with the EU acquis and mapped out strategies that target EU standards, they lack comprehensive strategies dedicated to transport decarbonisation. Regulatory frameworks are often fragmented, with overlapping responsibilities among various government agencies, leading to inefficiencies in implementation.

In 2017, the EU established the transport community as part of the Berlin Process. The goal was to create an entity which deals directly with issues in the field of transport, helps develop transport systems in the region, and assists all six countries of the region to adopt and implement transport-related EU legislation. The transport community also supports projects that improve connectivity both among Western Balkan countries and with the EU. Key pillars of the transport community strategy contain a range of actions from promoting electric vehicles to improving public transport to backing active travel.

Regional integration of the transport sector provides an opportunity to reform and improve the rail network and modernise infrastructure. A strong rail sector in the Western Balkans would boost economies, support multimodality—bringing together different forms of transport—and decrease reliance on road transport. A greater share of sustainable regional transport modes would reduce the use of road transport and contribute to emissions reduction.

## Implementation

Transport decarbonisation efforts are only at a nascent stage in the three case study countries.

Albania's transport sector is heavily road-based, with over 90% of passenger and freight traffic conducted via road networks. The country's vehicle fleet is characterised by old, fuel-inefficient cars, with the average age of vehicles exceeding 15 years. Public transport, particularly buses, plays a limited role due to underinvestment and poor service quality. Additionally, Albania's rail network is underdeveloped. The country's reliance on imported fossil fuels further exacerbates its carbon footprint. Despite some progress in renewable energy, particularly hydropower, the transport sector remains largely untouched by the green transition. The lack of electric vehicles and associated charging infrastructure, coupled with minimal government incentives for green mobility, highlights the challenges ahead.

That being said, Tirana's Urban Mobility Plan is a positive example of change. The Albanian capital has made efforts to promote green mobility through this plan by focusing on improving public transport, expanding cycle lanes and pedestrianising parts of the city centre. The introduction of a bike-sharing system has encouraged more citizens to opt for cycling. While these initiatives are still in their infancy, they offer a blueprint for other cities in the region.

In Montenegro, sustainable transport is an emerging focus. Government ministries are taking steps towards creating a more environmentally friendly transport system, while addressing the challenges posed by the rapid growth of tourism and urbanisation. Montenegro has adopted national strategies for sustainable development that include green mobility goals. These strategies explicitly align with the European Green Deal and aim to reduce the environmental impact of the transport sector. Yet many challenges remain to adapt Montenegro's infrastructure for green mobility. For instance, electric vehicle charging stations and cycle lanes are still underdeveloped. Public awareness is also lacking, and adoption of green mobility options is relatively low. Citizens often prefer traditional fuel-powered vehicles due to cost, convenience and limited infrastructure for alternatives.

Montenegro is gradually increasing its electric vehicle charging infrastructure. Key urban areas such as Podgorica, Kotor and Tivat have started installing electric vehicle charging stations, but the network remains limited. In addition, the government has introduced incentives for the purchase of electric vehicles, including tax reductions and subsidies to encourage more citizens and companies to switch over. However, the overall adoption of electric vehicles is low compared to EU countries.

There appears to be growing interest in promoting cycling as a green mobility option. Several towns have started developing cycle infrastructure, but more is needed. Cities like Podgorica and Herceg Novi have made some strides in this regard. Municipalities such as Kotor and Budva have introduced car-free zones to promote walking and cycling and reduce congestion and emissions.

In Kosovo, the transport sector is among the most carbon-intensive in the region, with road transport being the predominant mode. The vehicle fleet is old and inefficient, with a high proportion of vehicles that fail to meet EU emissions standards. Public transport is underdeveloped, particularly outside the capital Pristina, where private cars are the primary means of transport. Kosovo's energy sector is heavily dependent on coal, one of the most polluting fossil fuels, making the decarbonisation of transport even more challenging because of its use in generating electricity to power vehicles. There have been some initiatives to improve public transport such as an EBRD-funded project for local transport in the Pristina, and initiatives taken by members of parliament to promote cycling, but these are at an early stage. The uptake of electric vehicles is negligible, hampered by economic constraints and the lack of infrastructure.

Overall, the region's adoption of electric and hybrid vehicles is minimal, with these vehicles making up

less than 1% of the total fleet across the Western Balkans, compared to over 18% in the EU. This highlights a significant gap that decision-makers in the region must address to align with broader EU environmental objectives. The inadequate infrastructure for electric vehicles poses a significant barrier. Charging stations are sparse, and there is little incentive for private investment due to the low number of electric vehicles. Moreover, existing road infrastructure often fails to support efficient transport, leading to increased fuel consumption and emissions.

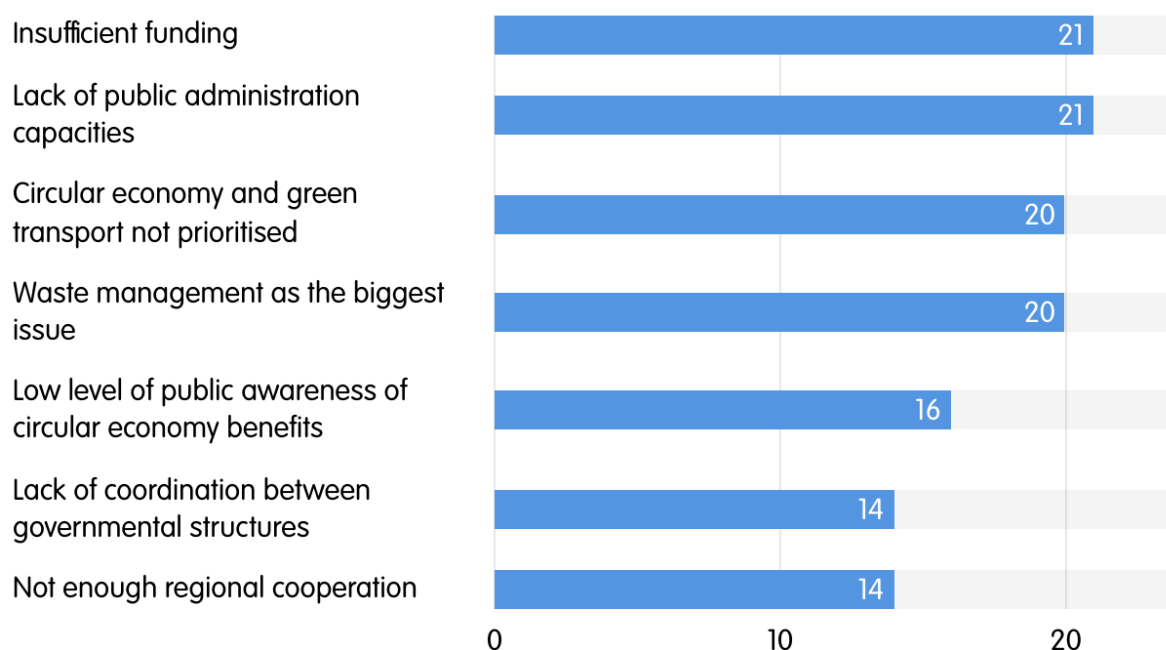
Public transport systems are outdated and underfunded, further hampering efforts to reduce reliance on private vehicles. One of the primary challenges in the Western Balkans is the economic disparity between these countries and the EU. The region's lower GDP per capita limits the financial capacity of both governments and individuals to invest in green technologies. For instance, the high cost of electric vehicles is prohibitive for most citizens, and governments have limited fiscal space to offer subsidies or tax incentives. This economic reality slows the transition to greener transport options. "There is an awareness that sustainable and green transport is beneficial for all, including regional connectivity, but it is not seen as a priority," said a respondent from Montenegro. [7]

Another notable challenge is how to make freight transport sustainable. The region has seen low adoption of rail for both passenger and freight transport compared to the EU, highlighting the need for improved infrastructure and reliability. Western Balkan countries are also working on multimodal terminals, though these are not yet operational. The transport community-CEFTA Green Lanes initiative, supported by the European Commission, was established at the onset of the covid-19 pandemic in order to preserve trade and transport flows in the Western Balkans. Building on this initiative, the expansion of the Green Lanes initiative into EU member states represents a positive example of connected and automated multimodal mobility.

## Key challenges

Experts interviewed in Albania, Montenegro and Kosovo warn that governments in the region are failing to prioritise the circular economy and sustainable transport. They believe this is because these pillars of the Green Agenda have less funding attached to them, certainly in comparison to energy projects. They also detect the EU's greater interest in energy as a policy area and efforts to help countries transition from coal.

## What are the main obstacles to EU countries grasping the business opportunities of the green transition?



Source: Authors' in-depth interviews with 24 experts (civil society experts, and public administration experts and some international organisation representatives). Most interviews were held in person in Tirana, Albania; Podgorica, Montenegro and Pristina, Kosovo in June 2024. The rest of the interviews were held online in September 2024.  
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Indeed, the EU appears to be providing insufficient financial support to achieve Green Agenda targets. The only available funding dedicated to the Green Agenda takes place through IPA III funding, which is part of the current EU multiannual financial framework 2021-2027. Just 37% of New Growth Plan funding is to be used on climate action, only a portion of which supports circular economy objectives. One expert remarked that the national envelope of EU funds for each Western Balkan country operates according to the size of the population and GDP per capita. This means that countries such as Montenegro receive relatively small levels of funding. Another added: "IPA II,I which covers the green transition funds, is not sufficient for achieving Chapter 27 benchmarks, which are quite expensive and challenging." [8]

To resolve this challenge, interviewees suggested combining increased funding with a boost in the level of expertise on issues such as waste management. They identified a general lack of administrative capacities in all three countries to deal with the topics of the Green Agenda. It appears that small numbers of civil servants within central ministries or local

municipalities are tasked with overseeing large numbers of varying environmental policy areas for which they lack concrete knowhow. Respondents from Albania and Kosovo claimed that, when experts are in post, they tend to move from one position to another, or are limited in number. Some interviewees proposed targeting capacity building support from the EU on the municipal level to help mitigate understaffing and existing skills deficits. They also pointed to numerous green fund initiatives provided by different international organisations present in Montenegro—but stronger capacities within public administration would help access these.

Experts emphasised that the present lack of regional cooperation among Western Balkan countries prevails in the circular economy and transport fields. They believe regional leaders require an incentive to cooperate with their neighbours in this field. Their recommendation is for the EU to push them to cooperate in this regard.

Public awareness is another impediment identified and, together with populations' limited interest in green mobility options, it does not bode well for the region. Respondents worry that many citizens are unaware of the environmental impact of their transport choices or the benefits of green alternatives. They recognise a cultural attachment to private car ownership, which is seen as a status symbol in many parts of the region. Changing this mindset is crucial for the successful adoption of green mobility solutions.

## Recommendations

### For EU policymakers

First, EU leaders and policymakers should provide support for green infrastructure in the Western Balkans region, building on the assistance they already provide to companies within the bloc. This would enhance trade between these states and the EU and help reduce dependencies on Russia and China. The EU must allocate more such funding from IPA III to Western Balkans businesses and industries as well as encourage innovation in the region. It must also support capacity building initiatives in this field to boost innovation in such a way that, once capacities are in place, local people can lead on these initiatives and on other research and development projects.

Second, the EU must increase funding for the green transition in the region. The current proportion in the New Growth Plan specifically directed to circular economy or transport initiatives is insufficient. The environment and climate chapter of the enlargement negotiations poses costly benchmarks for Albania and Montenegro (and other candidates).



Without this form of extra support, both countries will struggle to meet Green Agenda goals by 2030. Alongside this, the EU should consider agreeing more achievable objectives for Western Balkan states in the circular economy and green mobility.

Third, the EU must promote the green transition as an opportunity to build regional cooperation. This could be combined with renewed efforts to build a functioning common regional market in the Western Balkans, as required by the New Growth Plan. To inspire more political will, the EU can promote the Green Agenda as an opportunity to improve economic convergence between the region and the EU, as well to simplify trade. Speeding up this economic convergence would be beneficial for both sides as it would simplify later accession for candidates. Improved economies and legal frameworks in Albania, Montenegro and Kosovo would also attract more EU investors.

Furthermore, the EU has committed to providing financial and technical assistance to help these countries transition to a low-carbon economy. This support can be crucial in modernising transport infrastructure, promoting electric vehicles and enhancing public transport systems. Regional cooperation can also facilitate the development of cross-border transport networks, making green mobility more viable. For instance, investing in rail networks could create a more efficient and less carbon-intensive alternative to road transport for both passengers and freight. Supporting and linking the Western Balkans to the Trans-European Transport Network is an important starting point.

Fourth, the EU can reinforce its role as a long-term partner for the region by increasing support for capacity building and knowledge transfer. In initiatives and projects funded by the EU, the bloc should specify targets for training local public administration and NGOs on circular economy matters. Moreover, training and funding for research and innovation can also be provided to local businesses and industries.



Finally, the EU must emphasise the political importance of implementing the Green Agenda. It must make clear to national governments that the agenda is directly linked to progress on the common regional market, economic convergence, competitiveness and trade simplification as part of the accession process. In the cases of Albania and Montenegro, such messaging can help encourage progress on accession negotiations. In Kosovo, such EU demands (or such an EU push) can encourage decision-makers to continue to follow green standards and work to diversify the economy. To advance green mobility in the region the European Commission must continue to work with governing institutions in the region and emphasise the importance of a green transition for all. Overall, EU leaders must continue to support the Berlin Process, which offers a platform for regional leaders to meet and discuss initiatives pertinent to the Green Agenda.

## For policymakers and government representatives in Albania, Montenegro and Kosovo

The risk of faltering progress on the circular economy and transport should not go unnoticed by political leaders in Albania, Montenegro and Kosovo. Those in favour of EU integration and decarbonisation should recognise the mutually supportive nature of action in this area. Such action also offers opportunity for regional cooperation, bringing practical economic and environmental benefits

The political will to drive these changes can come from various stakeholders, particularly national governments, local leaders and influential policymakers. National governments can set the framework by aligning policies with EU green objectives. In the circular economy, policymakers at all levels must improve waste management systems and address their countries' low levels of recycling. A solid legal framework and its correct implementation can be combined with initiatives to raise public awareness of the importance of recycling and circular economy. Local leaders, such as mayors and regional authorities, can adapt green policies to the local context. Moreover, policymakers in both the public and private sectors can create incentives, such as tax breaks or subsidies, that encourage businesses to invest in green technologies and sustainable practices. Through concerted effort, clear vision and decisive action, these leaders can guide the transition.

Policymakers in Albania, Montenegro and Kosovo should set up structures to monitor the implementation of their national strategies and action plans on the circular economy and transport. They should also increase the level of coordination between national governments and local municipalities, in order to exchange knowledge and use local expertise. They can do

this by decentralising decision-making and providing local governments with more authority, budgetary autonomy and decision-making power. Furthermore, they should establish regular advocacy projects and map out joint planning and budgeting. Capacity building for the public administration and training on the circular economy and transport is also essential.

## The future is green

This policy brief identifies the importance of the circular economy and sustainable transport to the EU's European Green Deal and the Green Agenda for the Western Balkans and to strengthening its own neighbourhood. Progress in these areas can enhance European competitiveness and improve regional integration.

This analysis of the state of play in Albania, Montenegro and Kosovo shows these countries are only just beginning their journey towards building a circular economy and greening transport. The most pressing point of weakness is the lack of proper waste management infrastructure in these countries, and their recycling rates, which are far below the European average. In transport, the excessive use of fossil fuel-powered road transport is the key challenge, combined with the lack of developed public transport infrastructure. The EU has an important role to play here—it has a wealth of funding and expertise it can deploy to work with decision-makers in Western Balkan countries.

It is vital for the EU that decarbonisation initiatives in the field of circular economy and transport in the region grow in number and become effective as soon as possible. This will help countries in the Western Balkans simplify trade and prepare for future participation in the single market.

## About the authors

Lea Fanku is a visiting fellow with the Wider Europe programme at ECFR, contributing to the “Green Agenda for the Western Balkans” project. Fanku is an expert on EU-Western Balkan relations and has previously conducted research on the European Union's enlargement policy with a focus on the region.

Engjellushe Morina is a senior policy fellow with ECFR's Wider Europe programme, based in Berlin. Her work mainly addresses the geopolitics of EU enlargement, Kosovo-Serbia relations and the geopolitical aspects of the green agenda.

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Federal Foreign Office

[1] ECFR interview with a civil society expert in Montenegro, June 2024.

[2] ECFR interviews with experts from civil society and ministries in Albania, Montenegro and Kosovo, June 2024.

[3] ECFR interview with a green expert in Albania, June 2024.

[4] ECFR interview with a civil society expert in Montenegro, June 2024.

[5] ECFR interviews with a government representative in Kosovo, September 2024.

[6] ECFR interviews with civil society experts in Albania, Montenegro and Kosovo, June 2024.

[7] ECFR interview with a civil society expert in Montenegro, June 2024.

[8] ECFR interviews with ministry experts in Albania and Montenegro, June 2024.

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