

## Policy Brief:

# Towards Regional Circular Supply Chains in the Western Balkans

### Introduction

The transition to a circular economy is critical for fostering sustainability, resource efficiency, and economic growth in the Western Balkans (WB). The regional study *“Towards Regional Circular Supply Chains: Knowledge Exchange from V4 to WB”* highlights the role of circular supply chains in addressing waste management, reducing resource dependency, and aligning with the European Green Deal. This policy brief outlines the study's findings, policy recommendations, and strategies to foster regional cooperation and innovation in circular practices.

The Western Balkan countries (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, and Serbia), faces significant challenges in managing its waste. The region generates substantial amounts of municipal, industrial, and hazardous waste, with municipal solid waste being a predominant component. Waste collection coverage varies widely across the region, with urban areas generally better served than rural areas. A large proportion of waste is still disposed of in landfills, many of which do not meet EU environmental standards, leading to environmental degradation and health risks. Recycling rates in the Western Balkans are low, with most countries recycling less than 10% of their municipal waste. Informal waste pickers play a crucial role in recycling but operate under unsafe and unregulated conditions. The lack of comprehensive waste management infrastructure, inadequate regulatory frameworks, and insufficient public awareness contribute to the persistence of these issues.

### Importance of Circular Economy

The concept of a circular economy represents a paradigm shift from the traditional linear economy, which follows a 'take-make-dispose' model. In contrast, a circular economy aims to close the loop by designing out waste and pollution, keeping products and materials in use for as long as possible, and regenerating natural systems. This approach encompasses strategies such as recycling, reusing, repairing, refurbishing, and remanufacturing. In the context of waste management, the circular economy is particularly relevant as it offers sustainable solutions to the pressing waste challenges in the Western Balkans. By adopting circular economy principles, the region can reduce its reliance on landfills, minimize environmental impact, and create new economic opportunities. Circular waste management can lead to significant reductions in greenhouse gas emissions, conservation of natural resources, and enhancement of resource efficiency. Moreover, it can foster innovation, boost economic growth, and generate green jobs, contributing to the

overall sustainable development of the region. The current waste management practices in the Western Balkans are not in line with the EU standards and therefore the project consortium aims to propose actionable recommendations for transitioning towards a circular waste management system considering the key steps to:

1. **Assess** the existing waste management infrastructure, practices, and regulatory frameworks in the Western Balkans.
2. **Identify** the key challenges and barriers to effective waste management and the adoption of circular economy principles.
3. **Highlight** the environmental, economic, and social benefits of implementing circular waste management.
4. **Provide** evidence-based policy recommendations to policymakers, stakeholders, and communities for developing and implementing circular waste management strategies.
5. **Encourage** regional cooperation and the sharing of best practices to foster a cohesive approach towards circular waste management in the Western Balkans.

## Key Insights from the Study

### 1. Current Status in the WB Region

- a. **Challenges Identified:** The WB countries face limited adoption of circular economy practices due to insufficient infrastructure, lack of awareness, weak regulatory frameworks, and underdeveloped markets for secondary materials.
- b. **Opportunities:** There is significant potential to capitalize on the region's industrial base, growing interest in green business models, and alignment with EU accession priorities.

### 2. Lessons from the V4 Countries

- a. The Visegrad Group (V4) countries (Czech Republic, Hungary, Poland, and Slovakia) have implemented successful policies and practices that can guide WB economies, including:
  - i. Integration of circular principles into national waste management systems.
  - ii. Development of public-private partnerships (PPPs) for resource efficiency.
  - iii. Use of EU funding to promote green innovation and sustainable supply chains.

### 3. Regional Cooperation Potential

- a. Increased regional collaboration among WB countries and between WB and V4 countries is essential to establish cross-border circular supply chains and share best practices.

## Policy Recommendations for the Western Balkans

### ***Adopt Comprehensive Circular Economy Policies***

Drawing from V4 countries, Western Balkan nations should develop comprehensive circular economy roadmaps and national strategies that integrate sector-specific goals, waste management innovations, and eco-innovation incentives.

### ***Enhance Regional Collaboration***

Leveraging platforms like the Cross-KIC initiative and the RECONOMY program, Western Balkan countries can foster regional cooperation, share knowledge, and implement joint projects that promote circular economy principles.

### ***Implement Green Public Procurement and EPR Systems***

Inspired by Slovakia and the Czech Republic, Western Balkan nations should introduce green public procurement policies and EPR systems to enhance resource efficiency and sustainable practices.

### ***Invest in Eco-Innovation and R&D***

Following the example of Hungary and Slovakia, Western Balkan countries should increase investments in eco-innovation and R&D, providing financial incentives and support for businesses to develop circular economy solutions.

### ***Strengthen Waste Management Infrastructure***

Countries like Poland and Hungary have made significant progress in waste management. Western Balkan nations should focus on building robust waste management infrastructure, including recycling facilities and controlled landfill areas.

By adopting these strategies and leveraging the experiences of V4 countries, the Western Balkans can effectively transition towards a sustainable circular economy, enhancing environmental quality and economic resilience.

## Proposed Actions for Implementation

### 1. Regional Circular Economy Platform

Establish a multi-stakeholder platform for WB and V4 countries to share knowledge, coordinate efforts, and track progress toward circular economy goals.

### 2. Green Skills Development Program

Develop a regional program to train workers in the skills needed for emerging circular economy jobs, such as recycling management, eco-design, and sustainable manufacturing.

### 3. Circular Economy Investment Fund

Launch a dedicated investment fund to provide grants and loans to businesses adopting circular practices, with a focus on SMEs and startups.

### 4. Monitoring and Evaluation Framework

Create a robust framework to measure progress, ensuring accountability and continuous improvement in circular economy initiatives.

## Conclusion

The Western Balkans face a unique opportunity to transition to a circular economy by leveraging the experiences of the V4 countries. By adopting the recommendations outlined above—focused on policy reform, capacity building, regional collaboration, and financial support—WB countries can address key challenges, align with the European Green Deal, and position themselves as leaders in sustainable development.

This transformation requires a coordinated effort from governments, businesses, and civil society, supported by international funding and knowledge-sharing initiatives. Through regional circular supply chains, the Western Balkans can achieve a greener, more resilient future.