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2025 Berlin Process: RCC-led Deliverables Explained

Building on years of regional cooperation, the Western Balkans Six (WB6) have rolled out a comprehensive package of **15 new deliverables** and additional initiatives facilitated by the **Regional Cooperation Council (RCC)** under the **Common Regional Market (CRM)** and the **Green Agenda for the Western Balkans (GAWB)**. All these landmark initiatives feed into the **2025 Berlin Process** and represent a transformative effort to accelerate economic integration and advance the green transition and sustainability more broadly across the WB6.

Common Regional Market: RCC-led Economic Deliverables

This year's RCC-led economic deliverables under the Common Regional Market (CRM) encompass a wide range of areas spanning **sustainable finance, investment, industry, tourism, social portability, digitalisation, innovation**, and related fields, reflecting a comprehensive and forward-looking approach to strengthening regional economic integration while also addressing sustainability considerations.

The gap between global development ambitions and the financial resources to achieve them remains vast. Around **USD 4 trillion in additional investment is needed each year** for developing regions to meet sustainable development and climate goals. In this context, global appetite for sustainable finance is surging, with **sustainable bond issuance, for instance, topping USD 1 trillion last year**. The WB6 has stepped into this momentum with the **WB6 Green Bond Standard**, a practical instrument that guarantees funds are directed to genuine green initiatives, backed by strict transparency and independent oversight. By opening the door to a wider pool of investors, it will channel fresh capital into projects people can see and feel every day, from cleaner energy and modern transport to healthier communities and new jobs.

How does a WB6 Green Bond work in practice?

A WB6 public institution could issue a green bond under the *WB6 Green Bond* label to finance energy efficiency projects. Investors from the region, the EU, and beyond could buy the bond, assured their funds support verified green initiatives. The raised funds would retrofit schools and hospitals with insulation, solar panels, and efficient heating, while third-party reviewers verify that the funds are properly allocated to maintain credibility.

Moreover, the WB6 have developed a **Whitelist of the Sustainable Finance Taxonomy**, the region's first step towards a full Sustainable Finance Taxonomy. It serves as an initial common language for identifying economic activities that are genuinely green and sustainable, helping governments, investors, and businesses apply the same definitions and criteria. By reducing the risk of misleading green claims and improving transparency, it helps channel funds towards projects that truly benefit the environment, such as renewable energy, clean transport, and sustainable agriculture. Aligned with EU taxonomy principles, the Whitelist lays the groundwork for a comprehensive taxonomy that will guide sustainable investment across the region.

Example of a green activity from the Whitelist

Activity: Energy-efficient building retrofit

Renovating an old school or hospital to cut energy use by at least 20% or to upgrade its energy class from C to A qualifies as a sustainable activity.

The region has also approached sustainable finance through a gender lens, recognising that a truly fair green transition must include everyone. Around the world, women entrepreneurs face a **USD 1.7 trillion financing gap**, a reminder of how much potential remains untapped. The WB6 have therefore developed a **Joint Call for Action on Regional Gender-Responsive Green Finance** to encourage partnerships and coordinated measures across policymakers, financial institutions, SMEs, and civil society in the region to strengthen women's access, inclusion, and empowerment in the green transition.

Yet sustainable finance, and finance in general, is only as strong as the understanding of those who participate in it. Empowering citizens with the knowledge and confidence to make informed financial choices is essential for building trust in the system and ensuring that finance serves people as much as markets.

Financial literacy is where empowerment begins. With the **WB6 Financial Literacy Framework for Individuals**, the region has taken a major step towards building confidence and understanding in how people manage money, use digital financial tools, and participate in the economy. The framework brings together **more than 600 outcome-based financial competencies** encompassing the knowledge, behaviour, and attitudes needed to improve financial wellbeing. Policymakers in the region can use it to design smarter strategies, educators to shape curricula and training programmes, financial institutions to improve their products and services, and civil society to advocate for inclusion. By making financial literacy a shared regional goal, the WB6 are investing not only in more financially capable citizens but also in stronger and more inclusive societies.

How does financial literacy work in practice?

A learning institution in the WB6 draws from the Financial Literacy Framework to develop a module on debt management. Students learn what borrowing means, how interest works, and practice real-life budgeting to avoid debt traps.

Complementing these efforts, foreign direct investment (FDI) is a powerful source of sustainable finance, a clear example of how private capital can drive sustainable development. Globally, around **30 percent of all investment in renewables comes from FDI**, underscoring its vital role in supporting the green transition and sustainable development more broadly. With the **Recommendation on Sustainable FDI in the Western Balkans Six**, together with the supporting **Policy Toolkit on Sustainable FDI**, the region has committed to embed sustainability into investment policy, promotion, and international agreements to attract investment that not only drives growth and innovation but also protects the environment, empowers communities, and advances long-term sustainability.

Building on the Recommendation on Sustainable FDI, the regionally-developed **Model Clauses for Sustainable Investment** provide governments with modern, ready-to-use legal language to integrate sustainability into treaties, contracts, and legislation. They help balance investor protection with the investment host's right to regulate in the public interest. In a region **facing over USD 7 billion in investor arbitration claims**, it is essential to establish an investment regime that promotes transparency, responsible business conduct, and environmental and social safeguards to ensure that future investments support sustainable development and reduce the risk of disputes.

How do the Model Clauses work in practice?

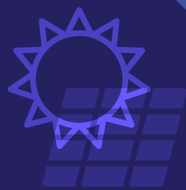
When negotiating an investment treaty with an investment partner, a WB6 institution can use the Model Clauses for Sustainable Investment to include clear legal language on environmental protection, labour rights, and transparency. The result is a balanced deal that attracts sustainable investment while safeguarding the public interest.

Taking this commitment a step further, the **Joint Principles for Investment Facilitation** mark another milestone in building a transparent and predictable investment environment across the WB6. They focus on practical improvements: cutting red tape, simplifying procedures, and improving access to information. More than efficiency, they are about building trust and stability, helping investors operate with confidence while ensuring that investment contributes to sustainable and inclusive growth. Effective investment facilitation reforms have the capacity to deliver **economic welfare gains of up to 1.7 percent**. This shows their potential to bring tangible benefits to people and businesses across the region.

Public spending has enormous power to shape markets and drive the transition to a greener economy. Green Public Procurement (GPP) ensures that this power is used responsibly and that public institutions choose goods, services, and works with a lower environmental impact throughout their life cycle. This can mean buying electric buses for public transport, using recycled materials in construction, building energy-efficient schools, or procuring eco-labelled cleaning products for schools and offices. With **public procurement accounting for around 10 percent of GDP in the WB6**, adopting green practices can make a measurable difference to sustainable growth and resource efficiency. The **Joint Statement on Regional Green Public Procurement Criteria** calls for the gradual alignment with EU directives and the voluntary use of green criteria to foster innovation, competitiveness, and sustainable industrial transformation across the region.

How does green procurement work in practice?

In Croatia, where public procurement makes up nearly 20% of GDP, the City of Koprivnica launched a tender for renewable electricity supply for six public institutions, including public lighting, awarding 10% of evaluation points to bidders offering the greenest options.



Beyond finance, investment and industry, sustainability principles are also being integrated into other key sectors of the regional economy. Tourism continues to show strong momentum in the WB6, with **an average 23 percent increase in tourist arrivals in 2024 compared to the previous year**. At the same time, rapid growth places pressure on biodiversity and landscapes, highlighting the need for more sustainable tourism practices that place communities, wildlife, and natural resources at the centre. Against this backdrop, the **Declaration on Western Balkans Six Tourism Branding** calls for a unified and sustainable regional tourism brand that enhances global visibility while safeguarding the region's natural and cultural heritage.

What does a regional tourism brand mean?

- Position the WB6 as one sustainable destination
- Build a positive regional image of shared identity and hospitality
- Increase visibility in key global tourism markets.
- Maximise impact through coordinated regional promotion

Turning to mobility, the WB6 face a pressing challenge: how to avoid “getting old before getting rich” in a region already affected by workforce outflow. The **Leaders’ Declaration on Coordination and Portability of Social Security** sets the foundations for mobility across the WB6, allowing people to move, work, and live within the region without losing their social rights. By aiming to recognise service periods and improve coordination on pensions, healthcare, and digital data exchange, the initiative supports *drain, gain, and retain* as pillars of a fair and mobile labour market. It also supports aligning social protection systems with EU standards, ensuring that progress toward integration goes hand in hand with social cohesion. In essence, it prepares the ground for a region where mobility strengthens, not weakens, its people and its future.

In today’s world, digitalisation is no longer optional; it is essential for competitiveness and connectivity. Two practical enabling initiatives have been launched: the **Platform on Regional Digital Identity Wallets and Interoperability of Trust Services** and the **Cyber Security Database**. The former will advance dialogue and coordination on digital identity and trust services, while the latter will help identify regional needs, strengthen institutional cooperation, and improve coordination with international partners.

How does the digital trust interoperability platform work in practice?

It brings together experts and institutions to advance tools like a digital wallet, a secure app that keeps your IDs and documents on your phone. No more papers or long lines; people can prove who they are and access services quickly, safely, and with just a tap.

All these economic deliverables and initiatives, together with ongoing work in **innovation** and further progress in **roaming** charges reduction with the EU, form an integrated package that strengthens the region’s competitiveness, supports sustainable growth, and prepares the WB6 for deeper economic integration with the European Union.

Green Agenda for the Western Balkans: RCC-Led Green Agenda Deliverables

This year's RCC-led Green Agenda deliverables under the 2025 Berlin Process reaffirm the region's commitment to climate resilience, just transition, circularity, sustainable agriculture, depollution, and biodiversity restoration. The Second GAWB Ministerial in Dubrovnik endorsed the **Dubrovnik Declaration** and key regional frameworks developed through an inclusive, EU-aligned process led by the RCC with support from WB6, the European Commission, and regional partners. These deliverables mark a more results-oriented and socially inclusive approach, embedding climate adaptation across sectors and strengthening regional accountability through SMART indicators and the forthcoming GAWB Observatory Platform.

Dubrovnik Declaration represents the WB6 collective vision for the next phase of the GAWB. It underscores the importance of a just and inclusive transition, addressing social and labour impacts on vulnerable groups, and calls for targeted re-skilling, social protection, and gender-sensitive policies to ensure no one is left behind. It calls for reinforcing cooperation with donors and the European Commission through the Growth Plan, IPA III, and related instruments.

Dubrovnik Declaration endorses five strategic regional deliverables and outputs:

1. The Revised GAWB Action Plan (2025-2030)
2. The WB6 Climate Adaptation Roadmap
3. The Regional Action Plan on Plastic Pollution Prevention, including Marine Litter –
4. The Outline of the WB6 Biodiversity Strategic Plan
5. 2024 Report on the Implementation of the Green Agenda for Western Balkans

The **Revised Green Agenda Action Plan (2025–2030)** builds on the original plan endorsed at the 2021 EU–Western Balkans Summit, transforming it into a streamlined, results-oriented roadmap. With **41 bold actions**, it introduces clear timelines, SMART indicators, and stronger alignment with the European Green Deal and acquis. The revision integrates new regional deliverables, while reinforcing the social dimension through just transition and energy poverty measures, turning political commitments into measurable, inclusive, and accountable action.

The WB6 Climate Adaptation Roadmap guides regional efforts to adapt to climate change, strengthen resilience, and integrate adaptation measures into planning for energy, transport, agriculture, biodiversity, and infrastructure. The Roadmap lays the foundation for developing a *Regional Adaptation Strategy by 2026*, ensuring full alignment with the Revised GAWB Action Plan and setting a unified, climate-resilient, and EU-aligned development path for the WB6.

Studies show that every unit invested in climate adaptation measures brings a sevenfold return by 2050, making timely action crucial to protect human health, the economy, and natural resources.

The region is seeking around USD 37 billion in investments over the next decade to implement climate adaptation measures. If these investments are made on time and effectively implemented, the projected savings could reach about USD 74 billion per year by mid-century, along with countless benefits in saved lives, resilient communities, secure jobs, and protected natural resources.

The Regional Action Plan on Plastic Pollution Prevention including Marine Litter operationalises the Regional Joint Statement endorsed in 2023 by outlining 6 goals, 26 measures, and 100 activities aimed at safeguarding marine and riverine environments, as well as marine resources and ecosystems.

The Outline of the WB6 Biodiversity Strategic Plan represents an initial output that sets the direction for development and endorsement of the full Plan next year.

- The RAP on Plastic introduces a regional framework for the **phase-out of single-use plastics** (SUPs). By 2030, the region will *ban or significantly restrict the five most polluting SUP items, ensure 30% recycled content in plastic packaging and by 2028: 80% reduction in the availability of the top 5 SUPs in the market (compared to 2023 baseline).*
- The WB6 will *harmonise chemical safety standards for plastics by 2026 and phase out intentionally added microplastics in products by 2030, protecting health and ecosystems from hazardous plastic pollution.*

It aims to ensure that, by 2030, the region effectively **conserves 30% of terrestrial and marine areas**, with **at least 10% under strict protection**, in line with EU standards. The document also emphasises the importance of ecosystem restoration, targeting the effective **recovery of at least 20% of degraded terrestrial, inland water, marine, and coastal ecosystems** as a foundation for long-term resilience. Moreover, it recognises that the WB6 host exceptional biological richness, including numerous endemic and globally threatened species.

The forthcoming Biodiversity Strategic Plan will seek to *halt biodiversity loss and improve the conservation status of* **at least 30% of species currently at risk** through specific measures such as strengthening protected area networks, implementing species action plans, and restoring priority habitats.

Delivering Together

Regional economic integration and the green transition form a single and coherent agenda. By pursuing both together, the WB6 are building a future of sustainable growth, resilience, and convergence with the EU. Implementing these initiatives requires urgency and coordination to ensure they deliver real benefits for citizens and businesses across the region.