

# **Achieving the Sustainable Development Goals (SDGs) in the Western Balkans - Progress and Perspectives**

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## **SDGs – overall perspective**

In 2015, the United Nations (UN) introduced the 2030 Agenda for Sustainable Development as a global action plan aimed at achieving global peace and eradicating poverty in all its dimensions (UN, 2015). The Agenda appeals to all global institutions and national governments to immediately act on shifting the current development patterns to sustainable path integrating the three interrelated development dimensions – economic, social and environmental. Unlike the previous global development initiatives reflected in Rio Declaration on Environment and Development (UN, 1992) and the UN Millenium Declaration (UN, 2000), often criticized as not sufficiently concrete and operationalized (Fehling et al. 2013), the 2030 Agenda provides systematic monitoring and evaluation framework on the specific goals to be achieved by 2030 (UN, 2015). However, respecting development priorities often put in front of the policy makers certain dilemmas forcing them to choose between the short-term political interests on one side, and sustainable development goals as long term aspirations (Radovanovic and Djukic, 2014). Dahl (2016) detected six critical challenges for the effective SDG implementation in the Western Balkans: Government leadership, Balkan collaboration, Involving the wider society, Local communities, Individual initiatives and Accountability. Six years after the new goals came into effect, the main barriers still refer to translation of the global objectives into national policy priorities given the different national realities and capacities. Therefore, the most important questions are still on how to develop national planning processes, facilitate interinstitutional collaboration, and strengthen the link between the ongoing socio-economic trends and sustainable development issues.

This paper provides more details on the existing progress in SDG implementation in the four WB countries – Albania, Montenegro, North Macedonia and Serbia as the EU candidate countries. It highlights the fields where the greatest success has been achieved and identifies the main barriers. Analysed progress follows the EU SDG indicator framework which differs from the UN global SDG indicator framework. In order to assess how the EU countries progressed towards SDGs, the EU adopted the EU SDG indicator set, aligned with the UN indicators set, but focusing on the EU Commission Political Guidelines<sup>1</sup>, including the relevant programme initiatives such as European Green Deal (European Commission, 2019), Circular Economy Action Plan (EU Commission, 2020), etc. The overall EU approach towards SDGs is based on the document ‘Delivering on the UN’s Sustainable Development Goals — A comprehensive approach’ (EU Commission, 2020c). The EU indicator set has been developed around 17 SDGs, and includes up to six indicators per goal. Given that the WB countries have aspirations to join the EU and naturally belong to the EU policy context, comparisons with the EU members seems more appropriate when assessing their progress (Bradas, 2021).

## **SDGs development in the Western Balkans vis-à-vis the EU**

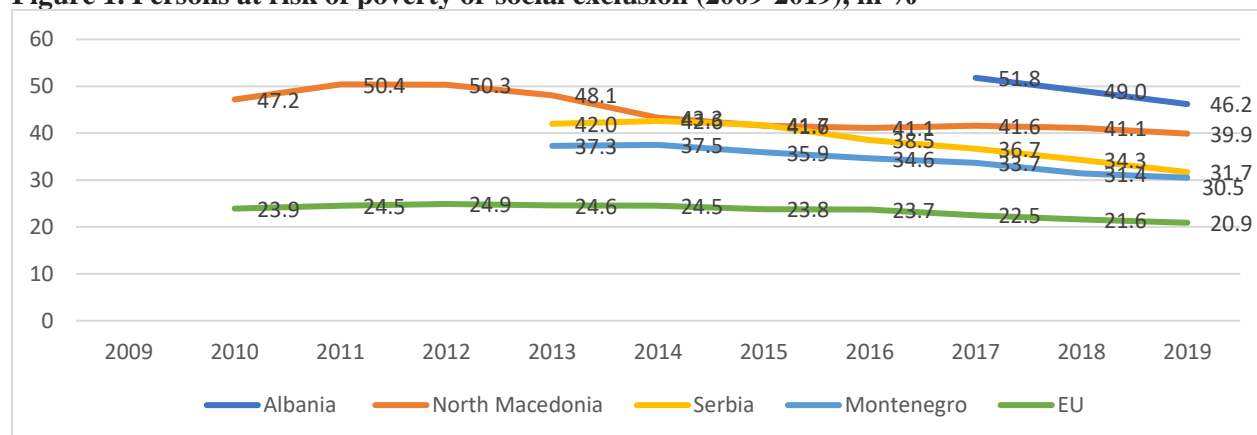
The EU countries are considered as the global SDG leaders since the top 10 countries ranked by the global SDG index are European (out of which 9 are the EU members). However, the EU leaders are aware of the long way ahead. Persisting differences across European countries are one of the most important challenges.

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<sup>1</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024_en)

As per Europe Sustainable Development Report (Lafortune, 2021), although notable progress has been made over the last 20 years, WB candidate countries would need around 52 years to reach the SDG indicator levels of the Northern Europe. Currently, the average SDG index score of the candidate countries (Western Balkan + Turkey) in 2020 amounted to 55.5% which is more than 16 percentage points lower if compared to the EU-27 average and around 26 percentage points lower compared to the Northern Europe top performers with an SDG index average of 81%. The gaps in SDG performance could be particularly noticed in the SDG 1, SDG 3 to 9, and SDG 16 (Justice, peace and strong institutions). In order to obtain a broader picture on the position of the WB region, several indicators have been selected. Selection has been made with regards to data availability and policy relevance.

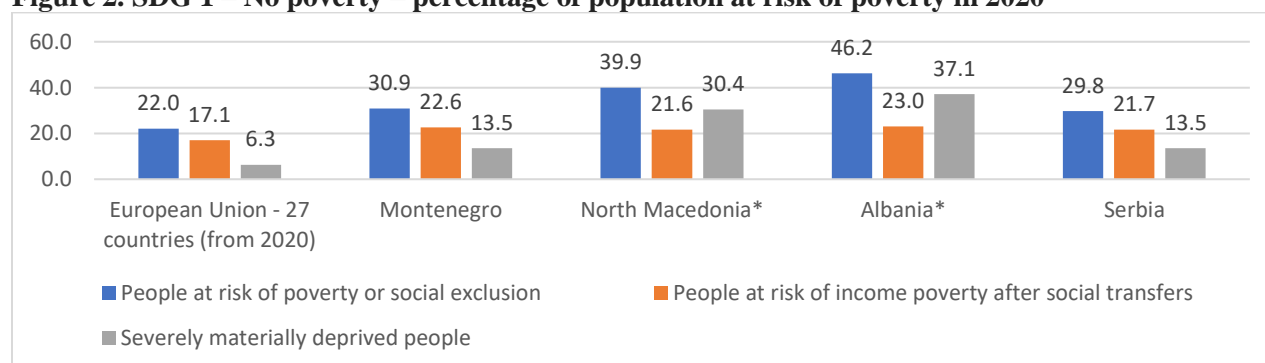
**Figure 1. Persons at risk of poverty or social exclusion (2009-2019), in %**



Source: Eurostat

**SDG 1 - No poverty.** Under the SDG 1, it is envisaged reduction of the population living in poverty in all its dimensions by half. Poverty refers to inability to afford items considered by the most of population as necessary or desirable for decent life (material deprivation), and people living with an income below 60% of the national median (risk of poverty). Most of the WB countries reduced the gap in comparison with the EU average. However, there are still considerable differences, particularly in North Macedonia and Albania where around 40 and 46% respectively live at risk of poverty or social exclusion (Figures 1 and 2).

**Figure 2. SDG 1 – No poverty – percentage of population at risk of poverty in 2020**

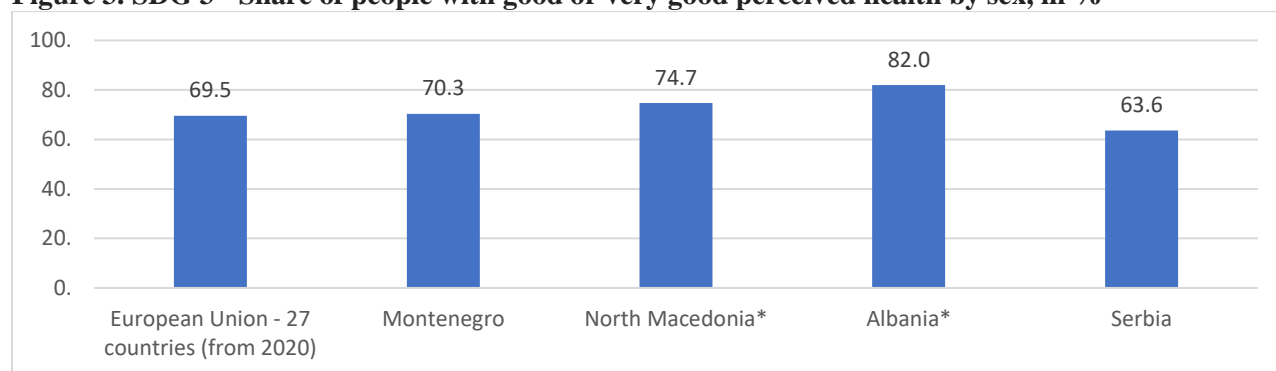


Source: Eurostat, \*Data available for 2019

**SDG 3 – Good health and well-being.** Eurostat collects data on how people judge their health in general on a scale from “very good to very bad”. Although it is subjective measure, this indicator is perceived to be a solid indicator of future mortality and health care use. It could be noticed that people in Serbia are by far most pessimistic with regards to their overall health. On the other hand, population in Albania is one of

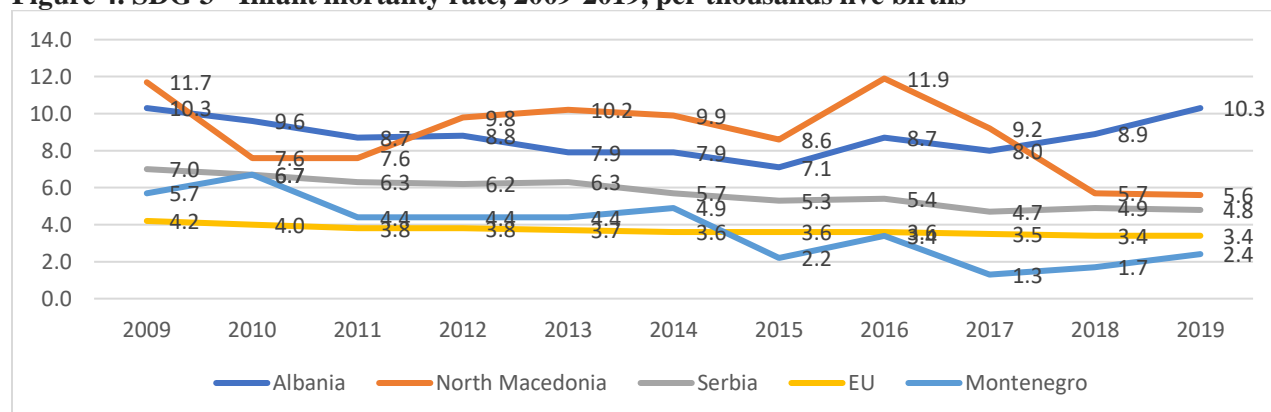
the most optimistic if compared to the rest of the Europe. Only Swiss and Irish consider themselves in better health condition if compared to Albanians. At the same time, with more than 10 infant deaths per 1000 births, infants in Albania have almost three times greater risk of death before the first birthday if compared to the EU average and almost two times greater if compared to North Macedonia being second worst in the region, and the only WB country that has made no progress over the last decade.

**Figure 3. SDG 3 - Share of people with good or very good perceived health by sex, in %**



**Source:** Eurostat, \*Data available for 2019

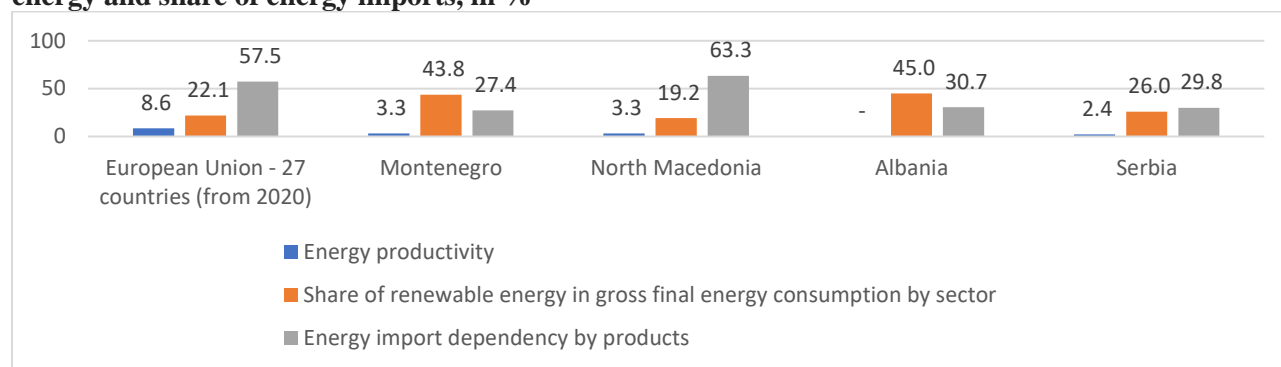
**Figure 4. SDG 3 - Infant mortality rate, 2009-2019, per thousands live births**



**Source:** Eurostat

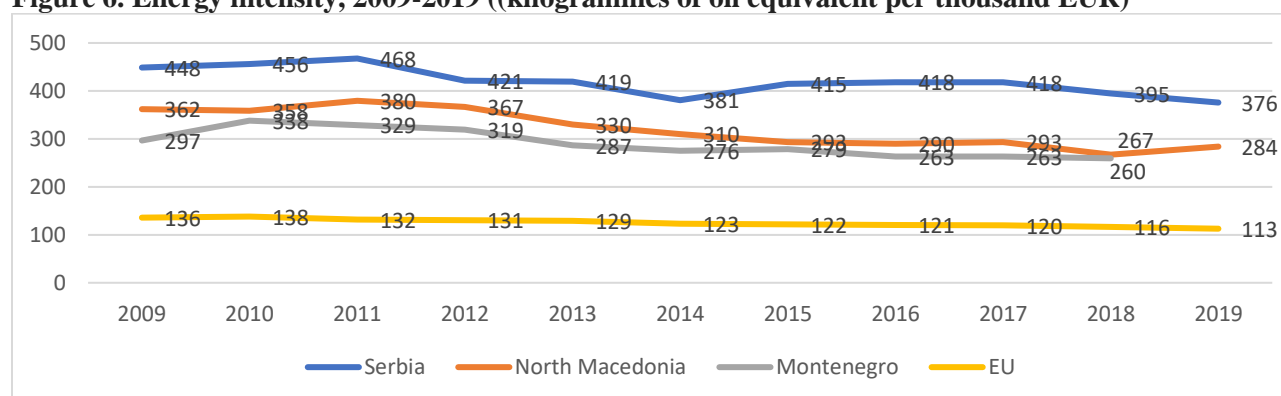
**SDG 7 – Affordable and clean energy.** Energy productivity in the WB region, measured as the amount of economic output that is produced per unit of gross available energy, is about 2.5 times lower comparing to the EU average, with Serbia at the bottom. Share of renewable energy sources is however comparable to the rest of Europe. In Albania and Montenegro, the share of renewable energy sources is considerably higher if compared to the EU average. Increase of the renewable energy sources in the EU is also a political priority aimed at reducing energy dependency which is still high since almost 60% of the energy is imported. Observed trends indicate that WB countries has made very little progress and the energy intensity gap remained the same over the last decade. For the unit of GDP, the EU countries spend around 36% of the energy being used in the WB countries.

**Figure 5. SDG 7 – Affordable and clean energy indicators – energy productivity, share of renewable energy and share of energy imports, in %**



Source: Eurostat, no data for energy productivity in Albania

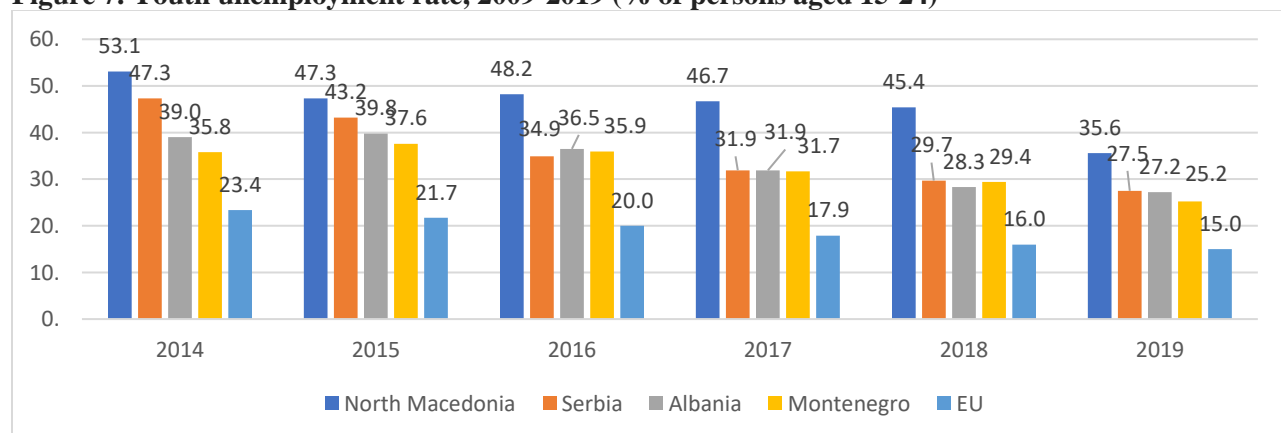
**Figure 6. Energy intensity, 2009-2019 ((kilogrammes of oil equivalent per thousand EUR)**



Source: Eurostat, no data for energy intensity in Albania

**SDG 8 – Decent work and economic growth.** Current development patterns in the WB face serious challenge in terms of efficient use of resources including youth population as important determinant of future growth perspectives. As shown in the Figure 7, youth unemployment in WB countries is considerably higher in comparison to the EU average. The share of NEET youth in the EU-27 accounts for 10.1%, which is around 1.5 times lower if compared to Serbia, and 1.8 times lower if compared to North Macedonia and Montenegro (Eurostat, 2021).

**Figure 7. Youth unemployment rate, 2009-2019 (% of persons aged 15-24)**



Source: Eurostat

**SDG 16 – Peace, justice and strong institutions.** Institutional development represents important precondition of managing sustainable development. Improvement of the institutional deficits is therefore considered as the main determinant of the WB catching-up processes. One of the key challenges refers to widespread corruption which is limiting opportunities for equal development and fair redistribution of resources. Available data shows that, all WB countries perform well below EU average and other SEE countries.

**Table 1. Corruption Perceptions Index (2015-2020)**

	2015	2016	2017	2018	2019	2020
<b>EU – 27 average</b>	65	64	64	64	64	64
<b>Montenegro</b>	44	45	46	45	45	45
<b>North Macedonia</b>	42	37	35	37	35	35
<b>Albania</b>	36	39	38	36	35	36
<b>Serbia</b>	40	42	41	39	39	38

Source: Transparency International

## Critical issues related to the SDG implementation in the WBs

Presented data indicate that WB countries in most of the observed sustainable development areas experienced solid improvements over the last decade. GDP growth helped reducing the gaps in SDG 1 poverty reduction and SDG 3 – health improvement. However, considerable gaps with regards to energy efficiency (SDG 7) and quality of institutions (SDG 16) still exist. There are several important conclusions which highlight the main factors to determine success in the following period:

- 1. EU integrations.** SDGs achievement in the WB countries is highly dependent on the EU integration process and Acquis Communautaire<sup>2</sup> requirements that are supposed to be translated into national legislation. Large part of the reforms which depend on the pace of EU integrations include energy management, use of resources and strengthening institutional capacities. Slowing down the integration process over the last years have resulted with noticeable stagnation in these fields. The WB countries are therefore experiencing economic growth without development since achieved GDP growth rates failed to impact reduction of the social and environmental costs.
- 2. Green growth.** Greening growth is one of the most important issues and, at the same time, opportunities for speeding up development trends (World Bank, 2021). There is a notable lack of political will to change the existing development pattern as the national planning systems and strategic frameworks are not reformed to support sustainable development. An issue of “early deindustrialization” has to be taken into account when redesigning policy framework. National Governments are prone to mimic reforms without performing serious institutional changes. As noted by Silajdzic et al. (2021), initiatives aimed at reducing CO2 emissions through higher taxes only to comply with the EU sustainability initiatives could be particularly worrying in case side effects are not taken into account. Such policies may result in lowering competitiveness of the local firms and failing to ensure integration into EU-based value-added chains.
- 3. Institutional development.** Another problem refers to unclear mandate for implementation of the sustainable development agenda. Sormaz (2021) analysed Serbian institutional framework for sustainable development arguing that sustainable development is hardly considered priority in local policy agenda. Serbian Government, President of the Republic and other institutions showed lack of commitment towards sustainable development through formal strategic documents. As Dahl (2016) argued, 107 out of 169 targets could be implemented at the local level. Currently, there is a lack of initiatives to support bottom-up approach in supporting sustainable development.

<sup>2</sup> <https://www.eurofound.europa.eu/observatories/eurwork/industrial-relations-dictionary/acquis-communautaire>

- 4. National development plans.** WB economies showed started preparing monitoring reports and intensified data collection efforts. At least two third of the EU SDG indicators are regularly collected through the national statistical systems. Most of the indicators are also incorporated into the national development documents. However, none of the observed countries introduced national development plan, neither established system of financing SDG activities. Responsibility for achieving SDG goals has not been set, whereas large investment projects are often introduced without serious public consultations. Environmental and long-term social effects have not been assessed, while external evaluations have been rarely conducted. There is a lack of financial resources to support smooth transition to renewable energy sources and reduction of CO2 emissions. Local policy makers are largely in favour of attracting foreign investments at any price, even the ones using “dirty technologies”. Sustainable growth would require regionwide efforts on accelerating low-carbon emissions, improvement of the energy efficiency and structural reforms aimed at supporting green growth.

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