Policy Measures Related to Mobility-Driven Research & Innovation in the New Growth Plan for the Western Balkans

Disclaimer

This working paper is written by Xaira Shurdha for the *Center Science and Innovation for Development (SCiDEV)*, representing a continuation of the organization's strategic efforts to enhance mobility-driven research and innovation in the Western Balkans as a pathway to sustained economic growth and convergence with the European Union.

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Tirana, June 2025

This working paper is developed within the framework of the Open Society Foundations | Western Balkans Initiative #IGNITA, a regional collaboration among civil society organizations aimed at fostering cooperation and advancing EU integration across the Western Balkans. Within the IGNITA initiative, SCDIEV implemented the *"Enhancing Mobility-Driven Research and Innovation in the Western Balkans for Sustained Economic Growth and Convergence with the European Union"* Project.

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List of Abbreviations

AI	Artificial Intelligence
AIDA	Albanian Investment Development Agency
CEI	Central European Initiative
CERN	European Organization for Nuclear Research
CEEPUS	Central European Exchange Program for University Studies
COST	European Cooperation in Science and Technology
CRM	Common Regional Market
CSOs	Civil Society Organizations
DG R&I	Directorate-General for Research and Innovation (European Commission)
EDIH	European Digital Innovation Hub
EIB	European Investment Bank
EIT	European Institute of Innovation & Technology
EIT RIS	EIT Regional Innovation Scheme
ERA	European Research Area
ERC	European Research Council
ERDF	European Regional Development Fund
ERASMUS+	EU Programme for Education, Training, Youth and Sport
ESFRI	European Strategy Forum on Research Infrastructures
EU	European Union
EU4DigitalSME	EU Programme to Support Digital SMEs in the Western Balkans
FITD	Fund for Innovation and Technology Development (North Macedonia)
GDP	Gross Domestic Product
GERD	Gross Expenditure on Research and Development
ICT	Information and Communication Technology
IPA III	Instrument for Pre-accession Assistance III
ITP	Innovation and Training Park
JRC	Joint Research Centre (European Commission)
KIC	Knowledge and Innovation Community (EIT)
MSCA	Marie Skłodowska-Curie Actions

List of Abbreviations

MSMEs	Micro, Small and Medium-Sized Enterprises
NASRI	National Agency for Scientific Research and Innovation (Albania)
NCPs	National Contact Points
OECD	Organisation for Economic Cooperation and Development
R&D	Research and Development
R&I	Research and Innovation
RCC	Regional Cooperation Council
RGF	Reform and Growth Facility
DG R&I	Directorate-General for Research and Innovation (European Commission)
S3	Smart Specialisation Strategy
SMEs	Small and Medium-Sized Enterprises
STEM	Science, Technology, Engineering and Mathematics
STP	Science and Technology Park
WB6	Western Balkans Six
WB	Western Balkans
WB EDIF	Western Balkans Enterprise Development and Innovation Facility
WBIF	Western Balkans Investment Framework
WBF	Western Balkans Fund

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1
Executive Summary

This working paper analyses the role of mobility-driven research and innovation (R&I) in implementing the European Union's New Growth Plan for the Western Balkans (2024–2027), focusing on how R&I contributes to socio-economic convergence, regional integration, and long-term competitiveness. The €6 billion Reform and Growth Facility has catalyzed significant changes across the Western Balkans 6 (WB6), with five out of six countries adopting EU-approved reform agendas that embed R&I-related targets, such as support for Smart Specialisation Strategies (S3), researcher mobility, and innovation infrastructure. Despite this progress, Bosnia and Herzegovina remains an outlier due to political fragmentation. Regional participation in Horizon Europe, European Cooperation in Science and Technology (COST), and European Institute of Innovation & Technology (EIT) initiatives has also increased, alongside the expansion of national innovation funds, digital hubs, and mobility programs.

However, significant structural challenges persist. R&I expenditure remains well below EU averages, particularly in the private sector, and most national systems are hindered by limited monitoring capacity, brain drain, outdated legislation, and fragmented infrastructure. Researcher mobility continues to be largely donor-driven and project-based rather than institutionally embedded, while inter-ministerial coordination remains weak. The lack of robust data systems, limited interoperability of infrastructures, and insufficient links between academia and industry further undermine efforts to build sustainable, innovation-led ecosystems. Without stronger domestic investment, good governance, and continuity beyond donor cycles, the impact of the measures as part of the Growth Plan on R&I may prove short-lived.

To address these challenges, this paper recommends a combination of national and regional actions. Governments should increase public R&I investment, establish mobility frameworks aligned with Horizon Europe, and ensure that S3 implementation is adequately funded and well-coordinated. At the regional level and with EU support, creating a Western Balkans Research Foundation and a Facility for Skills, Research and Innovation could institutionalize cooperation and provide targeted support for brain circulation, shared infrastructure, and cross-border research. Strengthening governance, transparency, and accountability in R&I systems is critical to ensuring that reforms deliver tangible benefits, build trust, and accelerate integration into the European Research Area.

2
Mobility-Driven R&I Context in WB6

Adopted by the European Commission on 8 November 2023, the European Union's New Growth Plan for the Western Balkans represents a strategic shift in EU enlargement policy towards the Western Balkans region.[1] This plan seeks to accelerate the six Western Balkans economies' convergence with the EU by frontloading some benefits of EU membership ahead of their accession. The plan focuses on faster integration into the EU Single Market, stronger regional economic cooperation, and deepened EU-aligned reforms.[2] By incentivizing reforms with financial support, the Growth Plan aims to drive significant socio-economic progress. According to the European Commission, it "has the potential to double the size of the Western Balkans economies within the next decade".[3] Beyond economic impact, the Growth Plan also holds substantial potential to reinvigorate the EU enlargement process and counter the sense of stagnation experienced by both the EU and the region.[4]

A central component of the plan is the new €6 billion Reform and Growth Facility (RGF) for 2024–2027, comprising €2 billion in grants and €4 billion in highly concessional loans for the region.[5] This facility is strictly performance-based, with disbursements tied to each country's implementation of agreed reforms in areas such as rule of law, public administration, economic competitiveness and the green and digital transitions. The plan does not replace the regular accession process or IPA III assistance but rather complements them, offering an "EU economic toolbox" to incentivize candidate countries in exchange for accelerated reforms on their path to membership. The success of the Growth Plan will ultimately hinge on effective implementation. The EU must ensure rigorous enforcement of conditionality, reward positive reform progress, and increase funding for countries that demonstrate genuine progress.[6]

[1] European Commission (2024) Enlargement and Eastern Neighbourhood, Growth Plan for the Western Balkans. Available at https://enlargement.ec.europa.eu/enlargement-policy/growth-plan-western-balkans_en. Accessed on 13 May 2025.
[2] Ibid.
[3] Ibid.
[4] Atlantic Council (2024) The European Union Growth Plan for the Western Balkans: A Reality Test for EU Enlargement. Available at https://www.atlanticcouncil.org/in-depth-research-reports/report/the-european-union-growth-plan-for-the-western-balkans-a-reality-test-for-eu-enlargement/. Accessed on 14 June 2025.
[5] WeBalkans (2024) EU's Growth Plan for the Western Balkans: Economic Development and Opportunities for All. Available at https://webalkans.eu/en/stories/eus-growth-plan-for-the-western-balkans-economic-development-and-opportunities-for-all. Accessed on 14 March 2025.
[6] Atlantic Council (2024) The European Union Growth Plan for the Western Balkans: A Reality Test for EU Enlargement. Available at https://www.atlanticcouncil.org/in-depth-research-reports/report/the-european-union-growth-plan-for-the-western-balkans-a-reality-test-for-eu-enlargement/. Accessed on 14 June 2025.

All six Western Balkans countries were invited to participate in the Growth Plan by developing national Reform Agendas outlining their policy commitments for 2024–2027.[7] These agendas serve as country-specific roadmaps of fundamental and sectoral reforms required to unlock RGF funding. They typically focus on priority areas such as rule of law and democratic governance, public administration, the green transition, digitalization, human capital development, and business climate improvements. Within this framework, Research and Innovation is positioned as a cross-cutting enabler. The EU encouraged WB governments to embed R&I measures aligned with the European Research Area (ERA), particularly in relation to Smart Specialisation Strategies (S3), researcher mobility, and support for start-ups and MSMEs.[8] By mid-June 2025, five out of the six WB countries had formally submitted and obtained EU approval for their Reform Agendas under the Growth Plan. In October 2024, following an assessment conducted by the European Commission and a positive opinion provided by EU Member States, the Commission approved the Reform Agendas of Albania, Kosovo, Montenegro, North Macedonia and Serbia.[9] These five governments committed to ambitious reform milestones aimed at fostering growth and accelerating convergence with the EU, thereby becoming eligible for RGF financing. Bosnia and Herzegovina remains the only outlier. As of June 2025, its state-level authorities had yet to finalize a Reform Agenda acceptable to all governing stakeholders, delaying its submission to Brussels.[10]

By spring 2025, the first tranches of Growth Plan funding had started to be disbursed to countries with approved Reform Agendas. In March 2025, Albania[11] and North Macedonia[12] became the first to receive EU pre-financing payments under the facility, each amounting to 7% of their total allocation, followed shortly by Montenegro.[13] Serbia and Kosovo have not yet received their prefinancing as they are required to demonstrate constructive commitment to the EU-facilitated dialogue on normalising relations.[14] Looking ahead, payments from the RGF will be made semi-annually to each country based on performance. Western Balkans governments must submit payment requests every six months, and the European Commission will verify compliance with the agreed reform milestones and general conditions before approving each disbursement.

[7] European Commission (2024) Enlargement and Eastern Neighbourhood, Growth Plan for the Western Balkans. Available at https://enlargement.ec.europa.eu/enlargement-policy/growth-plan-western-balkans_en. Accessed on 13 May 2025.
[8] SCiDEV (2024) Working Paper: Driving Research and Innovation through Mobility – Perspectives on the New Growth Plan for the Western Balkans. Available at https://scidevcenter.org/2024/08/05/working-paper-driving-research-and-innovation-through-mobility-perspectives-on-the-new-growth-plan-for-the-western-balkans/.
Accessed on 14 April 2025.
[9] European Commission (2024) Commission Approves Reform Agendas of Albania, Kosovo, Montenegro, North Macedonia, and Serbia, Paving the Way for Funding under the Growth Plan. Available at https://enlargement.ec.europa.eu/news/commission-approves-reform-agendas-albania-kosovo-montenegro-north-macedonia-and-serbia-paving-way-2024-10-23_en.
Accessed on 13 April 2025.
[10] Euronews (2025) European Council President António Costa Urges Progress on Bosnia and Herzegovina's EU Path. Available at https://www.euronews.com/my-europe/2025/05/14/european-council-president-antonio-costa-urges-progress-on-bosnia-and-herzegovinas-eu-path.
[11] European External Action Service (2025) Albania Receives Pre-financing under Growth Plan. Available at https://www.eeas.europa.eu/delegations/albania/albania-receives-pre-financing-under-growth-plan_en.
Accessed on 14 June 2025.
[12] European External Action Service (2025) North Macedonia First Country to Receive Pre-financing under Growth Plan. Available at https://www.eeas.europa.eu/delegations/north-macedonia/north-macedonia-first-country-receive-pre-financing-under-growth-plan_en?s=229. Accessed on 14 June 2025.
[13] European External Action Service (2025) Montenegro Receives Pre-financing under EU Growth Plan. Available at https://www.eeas.europa.eu/delegations/montenegro/montenegro-receives-pre-financing-eu-growth-plan_en.
Accessed on 16 May 2025.
[14] European External Action Service (2025) Montenegro Receives Pre-financing under EU Growth Plan. Available at https://www.eeas.europa.eu/delegations/montenegro/montenegro-receives-pre-financing-eu-growth-plan_en.
Accessed on 16 May 2025.

A distinctive feature of the Growth Plan is its emphasis on R&I as a driver of long-term growth across multiple sectors. In response, WB6 have increasingly integrated R&I initiatives into their national reform agendas and development strategies. Most notably, Smart Specialisation Strategies, which identify priority R&I domains tailored to each economy, have now been adopted by most WB6 countries. Albania approved its National S3 Strategy 2025–2030 (along with an accompanying action plan) in December 2024,[15] joining Montenegro, Serbia and North Macedonia, which had each formalized their smart specialisation strategies in recent years.

In parallel, efforts to strengthen national innovation ecosystems are gaining momentum under the reform agendas. Several WB6 governments have launched or expanded Innovation Funds and support programs targeting start-ups and SMEs. Another key development is the modernization of research infrastructure and human capital to meet European standards. Several countries have adopted research infrastructure roadmaps and invested in upgrading laboratories, university research centers and digital research networks.[16]

The WB6 are also deepening their integration into EU research and innovation programs, complementing the Growth Plan's reform efforts. All six countries are now associated members of the Horizon Europe, EU's flagship framework programme for research and innovation.[17] The region's engagement in other European initiatives, such as European Cooperation in Science and Technology (COST) networks and EUREKA clusters, has also grown, driven by a growing policy emphasis on researcher mobility and networking. To align and support these efforts, the EU launched a comprehensive Western Balkans Agenda on Innovation, Research, Education, Culture, Youth and Sportin 2021.[18] This long-term cooperation agenda promotes scientific excellence, strengthens education systems, and expands opportunities for youth, with the overarching goal of reducing brain drain and advancing the integration of the WB6 into the European Research Area.

Furthermore, the WB6 are benefiting from the EU's EIT Regional Innovation Scheme (EIT RIS), which extends the activities of the European Institute of Innovation & Technology to newer EU member states and associated countries. Through EIT RIS, innovation hubs connected to EIT's Knowledge and Innovation Communities have been established across the region. For example, an EIT Raw Materials Regional Innovation Hub was launched in Elbasan, Albania, to integrate local industry and researchers into broader European value chains.[19] The EIT has also established community hubs in North Macedonia (2023) and Montenegro (2024), followed by new hubs in Albania and Serbia in early 2025. A hub in Bosnia and Herzegovina is planned for launch by the end of 2025.[20]

[15] https://s3albania.org/about-s3
[16] Western Balkans Info Hub (2025) Part 1: WB6 Reporting on the Implementation of Reform Agendas and the Growth Plan. Available at https://westernbalkans-infohub.eu/wp-content/uploads/2025/05/Part-1_WB6-Reporting. Accessed on 14 June 2025.
[17] European Commission (2021) Five Western Balkan Partners Join Horizon Europe Research and Innovation Programme. Available at https://research-and-innovation.ec.europa.eu/news/all-research-and-innovation-news/five-western-balkan-partners-join-horizon-europe-research-and-innovation-programme-2021-12-06_en. Accessed on 14 June 2025.
[18] European Commission (2025) Western Balkans – Regional Dialogue and International Cooperation in Research and Innovation. Available at https://research-and-innovation.ec.europa.eu/strategy/strategy-research-and-innovation/europe-world/international-cooperation/regional-dialogues-and-international-organisations/western-balkans_en. Accessed on 14 June 2025.
[19] EIT RawMaterials (2024) EIT RawMaterials Partners with Government of Albania. Available at https://eitrawmaterials.eu/sites/default/files/2024/04/240423_Pressrelease_EIT-RawMaterials-partners-with-Government-of-Albania.pdf. Accessed on 14 June 2025.
[20] European Institute of Innovation and Technology (2024) Strengthening Europe's Innovation Landscape: Three New Countries Join EIT RIS. Available at https://www.eit.europa.eu/news-events/news/strengthening-europes-innovation-landscape-three-new-countries-join-eit-ris. Accessed on 14 June 2025.

The New Growth Plan for the WB6 has initiated a wide-ranging reform agenda, positioning research and innovation (R&I) as a key driver of sustainable development and convergence with the EU. While the Plan is designed with rigorous conditionality, linking disbursements to the achievement of concrete reform milestones, questions remain regarding the consistency and credibility of its enforcement across all participating countries.[21] Moreover, although the financial support is politically significant, its scale remains modest when compared to the structural and investment funds allocated to EU member states in Southeast Europe.[22] The scope and ambition of the required reforms, particularly those related to regulatory alignment, market integration, and governance, are substantial, and their successful implementation will heavily depend on sustained political commitment and robust institutional capacity, both of which have, at times, proven insufficient across the region over the past two decades.

[21] Atlantic Council (2024) The European Union Growth Plan for the Western Balkans: A Reality Test for EU Enlargement. Available at https://www.atlanticcouncil.org/in-depth-research-reports/report/the-european-union-growth-plan-for-the-western-balkans-a-reality-test-for-eu-enlargement/. Accessed on 14 June 2025.
[22] wiiw – The Vienna Institute for International Economic Studies (2024) The EU's New Growth Plan for the Western Balkans: Solid Foundations but Shaky Details. Available at https://wiiw.ac.at/the-eu-s-new-growth-plan-for-the-western-balkans-solid-foundations-but-shaky-details-n-622.html. Accessed on 14 June 2025.

3
Key Findings on R&I in the Western Balkans (2024–2025)

The six WB countries have made some progress in aligning their research and innovation policies with EU standards, but significant gaps in investment, infrastructure and capacity confront the region. Across the WB6, R&I has gained prominence in national reform agendas, new innovation infrastructure is being developed, and participation in EU programs is steadily increasing. However, R&I spending continues to fall well below EU averages, private-sector engagement in innovation is limited, and challenges like brain drain, limited mobility and weak monitoring systems continue to hinder progress.

3.1 Regional R&I Policy Trends and EU Alignment

The Reform Agendas are generally aligned with EU innovation priorities. The approved agendas prioritize human capital, innovation, digitalization, and business environment reform, closely mirroring EU accession benchmarks and the European Research Area objectives. This alignment is intentional: the EU's new €6 billion Reform and Growth Facility incentivizes such reforms by conditioning disbursements on the achievement of specific targets, including those related to R&I.

According to the European Commission's assessments, the agendas are expected to "spur growth and convergence with the EU" and fulfill the Facility's objectives of accelerating socio-economic catch-up.[23] In principle, the region's policy direction is increasingly aligned with EU frameworks. R&I is now recognized as a cross-cutting enabler of development, and the Western Balkans are integrating ERA priorities, such as open science, mobility of researchers, and support for start-ups, into national strategies.

[23] European Commission (2024) Commission Approves Reform Agendas of Albania, Kosovo, Montenegro, North Macedonia, and Serbia, Paving the Way for Funding under the Growth Plan. Available at https://enlargement.ec.europa.eu/news/commission-approves-reform-agendas-albania-kosovo-montenegro-north-macedonia-and-serbia-paving-way-2024-10-23_en. Accessed on 07 May 2025.

However, a deeper examination of the ERA Country Reports reveals that alignment with European Research Area priorities remains partial and uneven across the Western Balkans. Researcher mobility is still largely driven by donor-led or pilot schemes, with few countries having adopted systemic, ERA-aligned mobility frameworks.[24] Open science policies are inconsistently implemented, and infrastructure interoperability remains weak or entirely lacking across the region.[25]

Additionally, knowledge transfer mechanisms remain underdeveloped, with research commercialization typically confined to isolated projects rather than embedded within national innovation ecosystems.[26] This fragmented approach not only weakens the credibility of ERA alignment efforts but also reflects deeper institutional and governance challenges.

Bridging the gap between strategic declarations and operational realities will require not only sustained political commitment and cross-ministerial coordination but also targeted investment in capacity building, data systems, and long-term integration into EU research governance structures.

3.2 Progress on Smart Specialisation Strategies (S3) Is Mixed but Advancing

Progress in developing and implementing Smart Specialisation Strategies, a key EU-recommended reform, is uneven but advancing across the Western Balkans. Montenegro and Serbia were early adopters, with S3 strategies in place since 2019 and 2020 respectively.[27] North Macedonia formally adopted its S3 in late 2023, while Albania finalized and formally launched its first S3 in 2024, focusing on sectors such as ICT, agriculture, and tourism, though implementation is still at an early stage. In Kosovo and Bosnia and Herzegovina, S3 development is still in progress or at preparatory phase.[28]

Despite varying timelines, all WB6 economies have at least embarked on the S3 process, recognizing it as a valuable tool for identifying competitive advantages and aligning with EU funding priorities. Common S3 priority domains across the region include ICT and digital industries, renewable energy and energy efficiency, and agriculture/food technology, reflecting both shared economic needs and the alignment with the EU's green and digital transition goals.[29]

[24] European Commission (2024) ERA Country Reports 2023. Available at https://european-research-area.ec.europa.eu/era-country-reports-2023. Accessed on 14 June 2025.
[25] Ibid.
[26] Ibid.
[27] OECD (2024) Western Balkans Competitiveness Outlook 2024 – Regional Profile. Available at https://www.oecd.org/en/publications/western-balkans-competitiveness-outlook-2024-regional-profile_170b0e53-en.html. Accessed on 14 June 2025.
[28] BCT – Osservatorio Balcani e Caucaso Transeuropa (2024) The S3 Strategy in the Western Balkan Countries. Available at https://www.balcanicaucaso.org/eng/Areas/Balkans/The-S3-strategy-in-the-Western-Balkan-countries-233351. Accessed on 21 May 2025.
[29] OECD (2024) Western Balkans Competitiveness Outlook 2024 – Regional Profile. Available at https://www.oecd.org/en/publications/western-balkans-competitiveness-outlook-2024-regional-profile_170b0e53-en.html. Accessed on 14 June 2025.

Despite progress in adopting S3 across most WB6 economies, effective implementation has been hampered by a combination of structural, institutional, and political constraints. A key barrier has been the limited allocation of financial and human resources, Montenegro being a notable exception, having demonstrated stronger investment and commitment.[30] In other countries, the initial phases of S3 design were marked by insufficient government funding, limited technical expertise, and fragmented coordination between managing authorities and line ministries. These challenges were further exacerbated by political volatility, which disrupted the continuity and strategic coherence needed to embed S3 within broader development frameworks.[31] Successful implementation requires robust governance arrangements, sustained high-level political support, and a dedicated team with both operational and analytical capacities to manage the strategy's complex demands of the strategy.[32]

In many cases, S3 governance structures have, however, remained ad hoc or under-resourced, marked by weak inter-ministerial coordination and limited capacity to attract and plan for external funding sources such as Horizon Europe or IPA III.[33] In the absence of a well-designed and context-sensitive monitoring and evaluation system, implementation efforts risk becoming reactive and fragmented rather than evidence-based and strategic. To address these challenges, governments must ensure that S3 is not treated as a stand-alone innovation policy, but rather integrated as a cross-cutting framework connected to industrial, education, employment, and regional development strategies.[34] This calls for integrated planning, clearly defined mandates, and the institutional capacity to mobilize both domestic and international resources in a timely and coordinated manner.[35]

3.3 Public Funding for R&I and Innovation Has Increased but Remains Modest

Western Balkans countries have continued to reform their R&I frameworks to better align with EU standards and ERA priorities. Serbia has maintained its momentum by expanding the scope and funding of the Science Fund and advancing implementation of the 2022 Law on Science and Research.[36]

[30] Radovanovic, N. and Bole, D., Smart Specialisation in the Western Balkans and Türkiye – Lessons learned, Publications Office of the European Union, Luxembourg, 2024.
[31] Ibid.
[32] BCT – Osservatorio Balcani e Caucaso Transeuropa (2024) The S3 Strategy in the Western Balkan Countries. Available at https://www.balcanicaucaso.org/eng/Areas/Balkans/The-S3-strategy-in-the-Western-Balkan-countries-233351. Accessed on 21 May 2025.
[33] Radovanovic, N. and Bole, D., Smart Specialisation in the Western Balkans and Türkiye – Lessons learned, Publications Office of the European Union, Luxembourg, 2024.
[34] Ibid
[35] European Commission (2025) Smart Specialisation Community of Practice – About. Available at https://ec.europa.eu/regional_policy/policy/communities-and-networks/s3-community-of-practice/about_en. Accessed on 21 May 2025.
[36] World Bank (2024) Serbia to Enhance Competitiveness by Boosting Science, Innovation Links, Artificial Intelligence and Biotech with World Bank Support. Available at https://www.worldbank.org/en/news/press-release/2024/09/26/serbia-to-enhance-competitiveness-by-boosting-science-innovation-links-artificial-intelligence-and-biotech-with-world-ba. Accessed on 24 May 2025.

North Macedonia is operationalizing its updated Innovation Strategy through its Fund for Innovation and Technology Development (FITD), with expanded calls targeting green and digital transformation.[37] Montenegro strengthened its innovation ecosystem by formalizing the role of its Innovation Fund, updating its R&I legal framework &I in 2024, and enhancing the role of the Ministry for Science and Technological Development.[38] Albania has approved the Law on Science and Scientific Research[39] and adopted the National Strategy for Scientific Research, Technology, and Innovation.[40] It also established the National Council for Science and Scientific Research. In addition, Albania introduced several initiatives to support innovation, including Durana Tech Park,[41] TEDA Tirana,[42] the first free economic zone of the country, and NanoBalkan,[43] a virtual centre of nanoscience and nanotechnology.

However, the decision to appoint Prime Minister Edi Rama as chair of the newly restructured National Council for Science and Scientific Research has raised serious concerns about the independence and credibility of Albania's research governance model.[44] Moreover, the restructuring process has faced widespread criticism for lacking transparency and genuine stakeholder consultation. Key academic institutions and researchers report limited involvement in shaping the reform, fueling concerns that the changes reflect top-down control rather than a broad-based collaborative effort to enhance research excellence and ERA alignment. Skepticism also surrounds the council's ability to effectively address Albania's systemic R&I challenges, such as low funding levels, inadequate infrastructure, limited private-sector engagement, and the persistent brain rain,[45] particularly when strategic decisions are centralized under executive authority without institutional checks and balances.

All WB6 countries continue to under-invest in R&I compared to European standards. The region's R&I expenditure as a percentage of GDP ranges from just 0.2% in Kosovo to 0.9% in Serbia, well below the OECD average of around 2.4%.[46] This underinvestment is particularly pronounced in the business enterprise sector, where research and development (R&D) accounts for less than 0.5% of GDP in most economies,[47] posing a fundamental barrier to innovation-driven growth.

[37] ZSI – Centre for Social Innovation (2025) POLICY ANSWERS: R&I Policy Support in the Western Balkans. Available at https://www.zsi.at/en/object/partner/6226. Accessed on 14 June 2025.
[38] OECD (2024) Western Balkans Competitiveness Outlook 2024: Serbia – Full Report. Available at https://www.oecd.org/en/publications/western-balkans-competitiveness-outlook-2024-serbia_3699c0d5-en/full-report.html. Accessed on 14 June 2025.
[39] NASRI – National Agency for Scientific Research and Innovation (2024) Law No. 109/2024 on Science and Scientific Research in the Republic of Albania. Available at https://nasri.gov.al/wp-content/uploads/2024/12/Ligj-Nr.-109-2024-Për-Shkencën-dhe-Kërkimin-Shkencor-në-Republikën-e-Shqipërisë.pdf. Accessed on 14 June 2025.
[40] Ministry of Education and Sports, Albania (2023) National Strategy for Scientific Research, Technology and Innovation 2023–2030. Available at https://arsimi.gov.al/arsimi-i-larte/reforma-ne-arsimin-e-larte/strategjia-kombetare-per-kerkimin-shkencor-teknologjine-dhe-inovacionin-2023-2030/. Accessed on 14 June 2025.
[41] Prime Minister's Office, Albania (2024) Durana Tech Park: Innovation and Excellence Center – Certificates Delivered to First Residents. Available at https://kryeministria.al/en/newsroom/durana-tech-park-qender-inovacioni-dhe-ekselence-dorezohen-certifikatat-per-rezidentet-e-pare/. Accessed on 14 June 2025.
[42] More about TEDA here.
[43] More about NanoBalkans here.
[44] Reporter.al (2024) Kryeministri Rama do të Drejtojë Këshillin për Shkencën dhe Kërkimin Shkencor. Available at https://www.reporter.al/2024/10/29/kryeministri-rama-do-te-drejtoje-keshillin-per-shkencen-dhe-kerkimin-shkencor/. Accessed on 14 June 2025.
[5] SCiDEV (2023) Policy Paper: Advancing Mobility-Driven Research and Innovation and Knowledge Transfer in Western Balkans. Available at https://scidevcenter.org/2023/10/19/policy-paper-advancing-mobility-driven-research-and-innovation-and-knowledge-transfer-in-western-balkans/. Accessed on 14 June 2025.
[46] OECD (2024) Western Balkans Competitiveness Outlook 2024: Serbia – Full Report. Available at https://www.oecd.org/en/publications/western-balkans-competitiveness-outlook-2024-serbia_3699c0d5-en/full-report.html. Accessed on 14 June 2025.
[47] OECD (2024) Western Balkans Competitiveness Outlook 2024: Serbia – Full Report. Available at https://www.oecd.org/en/publications/western-balkans-competitiveness-outlook-2024-serbia_3699c0d5-en/full-report.html. Accessed on 14 June 2025.

Despite the overall low levels, there is an upward trend: most WB countries have increased their nominal R&I spending over the past five years, largely due to donor-funded projects and the establishment of national innovation funds. The EU's IPA programs, along with support from other donors such as the World Bank and bilateral partners, contribute significantly to research projects, university reforms, and innovation grants in the region.

As part of the Reform Agendas of the Growth Plan, many Western Balkans governments have committed to increasing R&I spending. Civil society and academics voices have called for an increase of at least 1% of GDP by 2030 with aspirations to move towards 2%.[48]

The Western Balkans Investment Framework (WBIF) has become a major conduit for supporting research and innovation-related investments. While traditionally focused on infrastructure, the WBIF now co-finances projects aimed at modernizing research institutions and boosting innovation capacity. In Serbia, for example, a WBIF-supported public sector R&D project (total €427 million) is underway to "revitalize public research and development institutions". This includes the construction of a new science center, upgrades to university labs and equipment, the creation of facilities for young scientists, and improvements to medical research infrastructure.[49] This kind of comprehensive investment, blending EU grants with development bank loans, is unprecedented in the region's science sector. Likewise, WBIF grants have helped fund Serbia's Science-Technology Park infrastructure and North Macedonia's laboratory upgrades in its universities.[50]

In parallel, the region also benefits from the Western Balkans Enterprise Development and Innovation Facility (WB EDIF), an EU mechanism designed to improve access to finance for innovative SMEs and from various World Bank projects aimed at research commercialization.[51] The WB EDIF[52] has provided equity and loans to high-growth innovative SMEs across the Balkans, complementing national innovation funds. While this external funding has been a major catalyst for improvement in R&I, concerns about sustainability persists. Without increased national investment in R&I, the region risks long-term dependency on external support.

[45] SCiDEV (2023) Policy Paper: Advancing Mobility-Driven Research and Innovation and Knowledge Transfer in Western Balkans. Available at https://scidevcenter.org/2023/10/19/policy-paper-advancing-mobility-driven-research-and-innovation-and-knowledge-transfer-in-western-balkans/. Accessed on 14 June 2025.
[46] OECD (2024) Western Balkans Competitiveness Outlook 2024: Serbia – Full Report. Available at https://www.oecd.org/en/publications/western-balkans-competitiveness-outlook-2024-serbia_3699c0d5-en/full-report.html. Accessed on 14 June 2025.
[47] OECD (2024) Western Balkans Competitiveness Outlook 2024: Serbia – Full Report. Available at https://www.oecd.org/en/publications/western-balkans-competitiveness-outlook-2024-serbia_3699c0d5-en/full-report.html. Accessed on 14 June 2025.
[48] Science|Business (2024) Accelerating Convergence. Available at https://sciencebusiness.net/news/accelerating-convergence#. Accessed on 14 June 2025.
[49] European Commission (2020) Serbia 2020 Country Summary. Available at https://enlargement.ec.europa.eu/system/files/2020-12/country_summary_serbia.pdf. Accessed on 14 June 2025.
[50] European External Action Service (2020) North Macedonia 2020 Country Summary. Available at https://www.eeas.europa.eu/sites/default/files/country_summary_north_macedonia.pdf. Accessed on 14 June 2025.
[51] European Commission (2020) Serbia 2020 Country Summary. Available at https://enlargement.ec.europa.eu/system/files/2020-12/country_summary_serbia.pdf. Accessed on 14 June 2025.
[52] WBIF – Western Balkans Investment Framework (2025) Western Balkans Enterprise Development and Innovation Facility (WB EDIF). Available at https://www.wbif.eu/wb-edif. Accessed on 14 June 2025.

3.4 Support R&I Infrastructures Are Expanding

All WB6 have strengthened their innovation infrastructure by establishing science and technology parks (STPs), incubators, and digital innovation hubs, often supported by EU or other donors.[53] Serbia's Science Technology Park in Belgrade stands out as a regional model, spurring similar developments in Montenegro and Bosnia and Herzegovina. Montenegro's STP in Podgorica, North Macedonia's expanding tech zones, and Albania's newly launched Durana Tech Park reflect growing national efforts to integrate infrastructure with S3. A strong example of such alignment is Albania's 2024 launch of the Regional Innovation Centre for Sustainable Raw Materials, in partnership with EIT RawMaterials. Kosovo's Innovation and Training Park in Prizren, along with smaller hubs in Pristina, further underscores the region's focus on entrepreneurship and skills development.

Beyond physical infrastructure, countries are increasingly institutionalizing support through accelerators and innovation funds, such as Serbia's Innovation Fund, North Macedonia's FITD, and Albania's NASRI-led grant schemes. Under the EU DIGITAL programme, Western Balkans hubs have also joined the EU's European Digital Innovation Hub (EDIH) network, improving SME access to artificial intelligence (AI), cybersecurity, and advanced manufacturing services.[54]

On the research side, national roadmaps for infrastructure investment are being operationalized, often with support from the WBIF and RCC.[55] However, regardless of development of new laboratories and upgraded university facilities, research infrastructure in the Western Balkans remains fragmented and underfunded compared to EU standards. Limited absorptive capacity, shortages of skilled personnel, and weak interconnectivity continue to hinder full integration into European research networks.[56]

Most national systems face persistent challenges, including low investment levels, outdated or underutilized facilities, and inadequate maintenance, with significant disparities in access between urban centers and peripheral areas.[57] The absence of a regional database or inventory hampers visibility and shared access, while data gaps on facility performance, usage, and human resources constrain evidence-based decision-making.[58] Administrative and logistical mobility barriers prevent researchers, especially early-career ones, from accessing and benefiting from regional infrastructure, limiting collaboration and deepening the divide between national R&I systems and the ERA.[59]

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[53] European Commission (2024) EU and Western Balkans Deepen Cooperation in Innovation, Research, Education, Culture, Youth and Sport. Available at https://enlargement.ec.europa.eu/news/eu-and-western-balkans-deepen-cooperation-innovation-research-education-culture-youth-and-sport-2024-10-01_en. Accessed on 14 June 2025.
[54] European Commission (2025) New European Digital Innovation Hubs Set Across Western Balkans, Ukraine and Türkiye. Available at https://enlargement.ec.europa.eu/news/new-european-digital-innovation-hubs-set-across-western-balkans-ukraine-and-turkiye-2025-01-30_en. Accessed on 14 June 2025.
[55] RCC – Regional Cooperation Council (2023) A Framework for Research Infrastructure Roadmaps. Available at https://www.rcc.int/pubs/144/a-framework-for-research-infrastructure-roadmaps. Accessed on 14 June 2025.
[56] SCiDEV (2023) Policy Paper: Advancing Mobility-Driven Research and Innovation and Knowledge Transfer in Western Balkans. Available at https://scidevcenter.org/2023/10/19/policy-paper-advancing-mobility-driven-research-and-innovation-and-knowledge-transfer-in-western-balkans/. Accessed on 14 June 2025.
[57] RCC – Regional Cooperation Council (2023) Western Balkans Research and Innovation Infrastructure Roadmap. Available at https://www.rcc.int/download/docs/Western%20Balkans%20Research%20and%20Innovation%20Infrastructure%20Roadmap.pdf/b8cdb6603c0e7171059c5e09f2e93cc4.pdf. Accessed on 14 June 2025.
[58] Ibid.
[59] SCiDEV (2023) Summary of the Prospects of Mobility-Driven Research and Innovation Panel at CSF2023. Available at https://scidevcenter.org/2023/10/17/summary-of-the-prospects-of-mobility-driven-research-and-innovation-panel-at-csf2023/. Accessed on 14 June 2025.

While the region's innovation infrastructure is expanding, unlocking its full potential will require sustained investment, strengthened human capital, and stronger regional and EU linkages.

3.5 Participation in EU Programs and Mobility Schemes

All six Western Balkans countries are now associated members of Horizon Europe, the EU's flagship €95.5 billion research and innovation programme. The results have been encouraging: since 2021, entities from the region have joined over 500 Horizon Europe projects, securing approximately €170 million in EU funding.[60] Despite this progress, excellence in EU programs remains limited. The region continues to show a very low success rate in securing highly competitive grants. For instance, fewer than five European Research Council (ERC) grants have been awarded to WB researchers to date.[61] Nevertheless, the WB6 are increasingly active in other European mobility and R&I initiatives.

The COST Programme (European Cooperation in Science and Technology) is particularly popular in the region, as it helps fund research networking and mobility. As of 2025, hundreds of researchers from WB institutions are participating in COST actions.[62] Notably, in the latest COST Open Call, five new COST research networks (actions) are being led by Western Balkans researchers, with main proposers from Albania, Serbia, and Bosnia.[63] This marks a significant milestone, demonstrating growing leadership and integration of WB6 scientists within European research networks.

The EUREKA initiative, which supports market-driven R&D projects, has also expanded its reach to the WB6. Serbia and North Macedonia have been long-standing members, while Albaniaand Montenegro have recently intensified their participation. In 2024, a dedicated EUREKA Western Balkans call was launched, co-funded by Albania, Montenegro, Serbia and several EU countries (Austria, France, Hungary, as well as Türkiye).[64] The success of this initiative will serve as a model for future regional innovation funding, with WB6 increasingly leveraging EUREKA to spur private-sector R&D.

The region is also strengthening its engagement with the European Institute of Innovation and Technology (EIT) through its Knowledge and Innovation Communities (KICs) and the Regional Innovation Scheme (RIS). Several EIT KICs, such as EIT Climate-KIC, EIT Digital, EIT RawMaterials, have expanded activities into the WB6.

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[60] European Commission (2025) Western Balkans – Regional Dialogue and International Cooperation in Research and Innovation. Available at https://research-and-innovation.ec.europa.eu/strategy/strategy-research-and-innovation/europe-world/international-cooperation/regional-dialogues-and-international-organisations/western-balkans_en. Accessed on 14 June 2025.

[61] European Research Council (2025) ERC Dashboard: Projects and Statistics. Available at https://erc.europa.eu/projects-statistics/erc-dashboard. Accessed on 14 June 2025.

[62] COST – European Cooperation in Science and Technology (2025) Western Balkans Ministerial Meeting. Available at https://www.cost.eu/western-balkans-ministerial-meeting/. Accessed on 14 June 2025.

[63] Western Balkans Info Hub (2025) 70 New COST Actions Approved, Ready to Kick Off in Autumn 2025. Available at https://westernbalkans-infohub.eu/news/70-new-cost-actions-approved-ready-to-kick-off-in-autumn-2025/. Accessed on 14 June 2025.

[64] Western Balkans Info Hub (2024) EUREKA Western Balkans Call for Projects 2024. Available at https://westernbalkans-infohub.eu/calls/eureka-western-balkans-call-for-projects-2024. Accessed on 14 June 2025.

Additionally, an EIT Community Hub was inaugurated in Albania in 2024, joining similar EIT-supported hubs Establish in North Macedonia and Serbia. By 2025, the WB6 have benefitted from EIT's entrepreneurial education programs, such as EIT Jumpstarter, which as supported teams from the region through early-stage start-up training scheme. The growing presence of EIT initiatives is helping to connect local innovators with EU-wide networks of mentors, investors, and potential partners. For instance, in June 2025, the EIT launched an "InfraBooster" programme for Western Balkans practitioners, providing training in innovation infrastructure management.[65]

What is more, WB6 researchers are actively participating in EU mobility programs like the Marie Skłodowska-Curie Actions (MSCA) and Erasmus+. Hundreds of Western Balkans doctoral candidates and postdocs have been awarded MSCA fellowships or participated in MSCA Innovative Training Networks, allowing them to train in EU labs while maintaining ties back home.[66] Erasmus+ exchanges have significantly increased academic mobility between WB6 and EU universities.[67]

Moreover, under the Berlin Process framework, WB6 governments agreed in 2022 to the mutual recognition of academic qualifications, an important step expected to gradually ease intra-regional movement of researchers and students.[68] Regional mobility is also being boosted by broader political agreements: the Common Regional Market initiative explicitly promotes free movement of professionals and researchers among WB6.[69]

While implementation remains slow and administrative barriers persist, there is clear commitment to mobility as a catalyst for innovation. The WB6 also engage in CERN as associate members or contributors, in Central European Initiative (CEI) science and education exchanges, and membership programs such as CEEPUS, a university exchange network in Central/Eastern Europe.

In addition to the mobility opportunities provided by the EU programmes, recent initiatives have sought to foster "brain circulation" by encouraging short-term mobility and exchanges.[70] In 2024, a pilot Western Balkans Research Mobility Scheme was launched under the EU-funded POLICY ANSWERS project to fund early-career researchers' short-term visits within the region. With an initial budget of €100,000, the scheme provides grants for PhD students and postdoctoral researchers to spend two weeks to two months at a research institution in a neighbouring WB6.[71]

This modest start is expected to lay the foundation for a more comprehensive regional mobility programme, potentially funded under the Common Regional Market or future IPA projects. In addition, the Western Balkans Fund (WBF) and the International Visegrad Fund (IVF) jointly operate a fellowship program that promotes mobility and collaboration

[65] Western Balkans Info Hub (2025) Join the EIT InfraBooster Practitioner 2025 Cohort 2 for Western Balkans and Neighbouring Countries. Available at https://westernbalkans-infohub.eu/news/join-the-eit-infrabooster-practitioner-2025-cohort-2-for-western-balkans-and-neighbouring-countries/. Accessed on 14 June 2025.
[66] Western Balkans Info Hub (2025) MCAA Western Balkans Chapter. Available at https://westernbalkans-infohub.eu/initiatives/mcaa-western-balkans-chapter/. Accessed on 14 June 2025.
[67] European Commission (2020) Erasmus+ Factsheet: Western Balkans – Regional Overview. Available at https://ec.europa.eu/assets/eac/erasmus-plus/factsheets/regional/westernbalkans-regional-erasmusplus-2020.pdf. Accessed on 14 June 2025.
[68] German Federal Foreign Office (2025) The Berlin Process – Results and Initiatives. Available at https://www.berlinprocess.de/#results. Accessed on 14 June 2025.
[69] Regional Cooperation Council (2025) Common Regional Market. Available at https://www.rcc.int/pages/143/common-regional-market. Accessed on 14 June 2025.
[70] SCiDEV (2023) Summary of the Prospects of Mobility-Driven Research and Innovation Panel at CSF2023. Available at https://scidevcenter.org/2023/10/17/summary-of-the-prospects-of-mobility-driven-research-and-innovation-panel-at-csf2023/. Accessed on 14 June 2025.
[71] Western Balkans Info Hub (2024) Western Balkans Mobility Scheme – A POLICY ANSWERS Pilot Programme: FAQ. Available at https://westernbalkans-infohub.eu/documents/western-balkans-mobility-scheme-a-policy-answers-pilot-programme-faq/. Accessed on 14 June 2025.

between the WB6 and the Visegrad countries (Czech Republic, Hungary, Poland, and Slovakia).[72] This program offers short-term fellowships for doctoral students and holders of doctoral degrees.

3.6 Persistent Challenges Undermine R&I Impact

Despite positive momentum in aligning national strategies with EU R&I objectives, the Western Balkans continue to face deep-rooted systemic challenges that hinder the development of a robust, innovation-driven ecosystem. Lack of robust data and monitoring systems for R&I is a recurring issue. Many WB6 countries lack comprehensive up-to-date data on research outputs, innovation performance, and the impact of R&I policies. For instance, Albania and Kosovo have historically struggled to regularly report on gross expenditure on R&D and innovation indicators, while Bosnia and Herzegovina lacks a unified R&I statistics system due to data collection being fragmented across entities.[73]

These gaps makes evidence-based policymaking difficult. Efforts are underway to address this. The POLICY ANSWERS project is helping Western Balkans ministries in establishing monitoring tools and "research trackers" on their reform agendas. Additionally, two Growth Plan monitoring tools were launched in 2025 by civil society organisations to publicly track reform progress, including R&I-related commitments.[74] Nonetheless, building in-house capacity for data-driven R&I policy remains an ongoing challenge for the region.

The primary systemic challenge remains the low R&I investment across the region, both from public and private sectors. Innovation activity within firms is constrained by limited access to finance, weak links to academia, and low overall demand for innovation. Outside of a few high-tech niches, most companies in the region continue to compete on low cost rather than innovation. The academia-industry relationship is identified as the "weakest link" in the regional innovation system.[75] Technology transfer offices within universities are nascent, and only a small number of firms engage in research collaboration with universities. As a result, commercialization of research remains rare.[76]

Compounding the region's innovation challenges is the persistent issue of brain drain and human capital attrition. Skilled researchers and innovators continue to leave the region in large numbers, attracted by better research conditions, higher salaries, and stronger career prospects abroad. Researcher density in the WB6 remains well below the EU average, and many national systems are grappling with an aging scientific workforce with inadequate renewal.[77]

[72] International Visegrad Fund (2025) Western Balkan–Visegrad Fellowships. Available at https://www.visegradfund.org/apply/mobilities/western-balkan-visegrad-fellowships-2/. Accessed on 14 June 2025.
[73] OECD (2024) Western Balkans Competitiveness Outlook 2024 – Regional Profile. Available at https://www.oecd.org/en/publications/western-balkans-competitiveness-outlook-2024-regional-profile_170b0e53-en.html. Accessed on 14 June 2025.
[74] See Reform Tracker and Reform Monitor.
[75] OECD (2024) Western Balkans Competitiveness Outlook 2024 – Regional Profile. Available at https://www.oecd.org/en/publications/western-balkans-competitiveness-outlook-2024-regional-profile_170b0e53-en.html. Accessed on 14 June 2025.
[76] Ibid.
[77] OECD (2024) Western Balkans Competitiveness Outlook 2024 – Regional Profile. Available at https://www.oecd.org/en/publications/western-balkans-competitiveness-outlook-2024-regional-profile_170b0e53-en.html. Accessed on 14 June 2025.

Although national reform agendas include measures to improve research careers, these have yet to translate into effective retention or reintegration strategies. Outdated legislation and bureaucratic rigidity further exacerbate the problem, with some countries still governed by legacy research laws that fail to support contemporary innovation funding mechanisms. Meanwhile, regional R&I collaboration remains sporadic and largely project-based.

There is no institutionalized regional research fund or platform for shared infrastructure access, and cooperation is often hindered by political sensitivities and administrative incompatibilities. Without stronger frameworks for mobility, interoperability, and joint programming, the region risks continued fragmentation.[78] Ultimately, while EU instruments such as Horizon Europe, WBIF, and the Growth Plan provide valuable support, long-term transformation will depend on the Western Balkans' ability to address these structural weaknesses, mobilize domestic investment, and institutionalize reforms beyond the project cycle.

[78] Leopoldina – German National Academy of Sciences (2024) Courage for the Future: Strengthening Democracy in Times of Transformation. Available at https://www.leopoldina.org/en/publications/detailview/publication/courage-for-the-future-2024/. Accessed on 14 June 2025.

4
Mobility-driven R&I in the Reform Agendas

4.1 Reform Agendas Status

Albania, Kosovo, Montenegro, North Macedonia, and Serbia have made significant strides by aligning their national R&D strategies with the EU's New Growth Plan, securing funding, and enhancing innovation infrastructures. In contrast, Bosnia & Herzegovina continues to face challenges stemming from fragmented governance and the pending approval of its reform agenda, which hinders access to EU funds and delays the development of a cohesive R&D strategy.The EU's Reform and Growth Facility, providing €6 billion for the 2024–2027 period, serves as a critical driver of these advancements, incentivizing reforms and investments in R&D across the region.

Table 1: Comparative Matrix: R&I Progress in the Western Balkans (2024–2025)

Country	Reform Agenda Status (as of June 2025)	National R&D Strategy & Governance	Public R&D Funding & Innovation Support	EU Integration & Smart Specialization	Innovation Infrastructure & MSME Support
Albania	Approved by EU Commission	S3 Strategy 2024–2030 approved; National Research Council operational	Increased funding for MSMEs via Startup Albania, AIDA, and Innovation Challenge Fund	Active in Horizon Europe; S3 priorities in agriculture, energy, and tourism	Developing innovation hubs; diaspora engagement programs
Bosnia & Herzegovina	Not yet approved (as of Oct 2024)	Fragmented governance; S3 strategy under development	Limited national funding; reliant on EU4DigitalSME and EBRD programs	Associated with Horizon Europe; EU urges reforms for integration	Innovation vouchers via BOOST project; EU-funded digitalization initiatives
Kosovo	Approved by EU Commission	S3 strategy in preparation; institutional coordination improving	Innovation Grant Scheme launched in Oct 2024; co-funded by Luxembourg	Associated with Horizon Europe; focus on ICT and green technologies	Support for startups and MSMEs through grant schemes and innovation hubs
Montenegro	Approved by EU Commission	S3 strategy adopted; Innovation fund active	Funds allocated in 2024 for various innovation programs; energy efficiency initiatives	Participating in Horizon Europe; emphasis on sustainable tourism and energy	Science and technology parks established; support for early-stage startups
North Macedonia	Approved by EU Commission	S3 Strategy 2024–2027 adopted; implementation underway	Co-financed grants for innovation; EBRD digitalization support	Active in Horizon Europe; S3 focuses on ICT, agriculture, and manufacturing	EIT RIS Hub operational; support for digital and green transitions
Serbia	Approved by EU Commission	S3 Strategy (S4) implemented; robust governance structures	Innovation Fund offers various grants; Katapult accelerator program active	Full participant in Horizon Europe; strong alignment with EU R&D policies	Established innovation ecosystems; support for startups and scale-ups

4.2 First Disbursement Tranches From the Growth Plan Facility

Five out of six Western Balkans countries have integrated R&I measures in their reform agendas for Growth Plan implementation. Bosnia and Herzegovina remains the only exception, with its Reform Agenda still pending the submission and approval. The R&I support outlined in these agendas includes innovation grants, start-up and SME support programs, smart specialisation strategies, and mobility-driven research efforts.

Table 2: Comparative Matrix: Allocated funds and disbursement status in the Western Balkans

Country	Total Allocation	First Tranche (7%)	Status	Key Priorities	R&I Measures Included?
Albania	€922.1 million	€64.5 million	Disbursed (March 2025)	Rule of law, digital & green transition, education & skills, MSME support	Yes – Innovation programs & diaspora R&D
Bosnia & Herzegovina	€1.85 billion	€129.5 million (expected)	Not disbursed	No Reform Agenda approved due to political deadlock	No (pending Reform Agenda)
Kosovo	€882.6 million	€61.8 million (expected)	Approved, not paid	Rule of law, green energy, digital innovation, human capital, MSMEs	Yes – Innovation grants & digitalR&D
Montenegro	€383 million	€26.8 million	Disbursed (May 2025)	SOE reform, digitalization, green transition, education, rule of law	Yes – Innovation fund & smart specialisation
North Macedonia	€750.4 billion	€55.2 million	Disbursed (March 2025)	Green/digital transition, education, MSME support, judicial reform	Yes – S3 strategy & FITD innovation grants
Serbia	€1.58 billion	€110.6 million (expected)	Approved, not paid	Innovation, green economy, education, judicial reform, business climate	Yes – Science fund & tech infrastructure

Since the beginning of 2024, the Western Balkans have made significant progress in enhancing regional collaboration in research and innovation, particularly through mobility-focused initiatives. The table below outlines key initiatives that are aligned with, or directly support, the implementation of the New Growth Plan for the Western Balkans. Most fall under Component 3 of the Plan, which focuses on competitiveness, innovation, and digital transition. These initiatives operationalize key Reform Agenda priorities, such as mobility, smart specialisation, and integration into the European Research Area. While some are EU-funded under Horizon Europe or EBRD frameworks, they are strategically interlinked with the Growth Plan and serve as key instruments to fulfil its objectives.

Table 3: Regional initiatives to increase collaboration in research and innovation (2024-2025)

Initiative	Linked to the New Growth Plan?	Explanation
Western Balkans Researcher Mobility Scheme (March 2024)	Aligned	While funded by the POLICY ANSWERS project (Horizon Europe), this scheme directly supports Pillar 3 (Fundamentals and Reforms) and Pillar 4 (Increased Financial Assistance) of the Growth Plan. It aligns with the Reform Agendas' focus on talent mobility and human capital development.
European Digital Innovation Hubs (EDIHs) Network (Oct 2024)	Directly	Participation of WB EDIH hubs is explicitly outlined in the Reform Agendas and Component 3 of the Growth Plan, which prioritizes digital transition, competitiveness, and innovation capacity.
Participation in EU R&I Week (March 2024)	Indirectly	Engagement in these events is a form of soft mobility and ERA integration, supporting Pillar 2 (Regional Economic Integration) and Pillar 4 (Funding and Collaboration), though not directly funded by the Growth Plan.
EU–WB Ministerial Meetings on Research & Innovation (Oct 2024)	Strategic coordination	These high-level meetings were held as part of ongoing coordination between the EU and WB to implement the New Growth Plan, especially on education, ERA integration, and smart specialisation strategies.
EBRD/EU "Go Digital in the Western Balkans" Program (Apr 2025)	Complementary funding	Though technically separate, this €377M programme is complementary to the Growth Plan, particularly in supporting MSMEs, digital transition, and green innovation, and is part of the regional economic convergence effort.

4.3 WBIF's Funding Status on Research and Innovation (R&I)

Component 3 of the WBIF: Competitiveness, Innovation, Digital Transition, and Inclusive Growth explicitly includes R&D as a priority area. This component seeks to enhance access to financial services for innovative and sustainable investments by startups and MSMEs, boost SME competitiveness through business skills development and technological advancements, and improve business performance of early-stage enterprises, including those led by women and youth.

Additionally, the WBIF supports the development of S3, which are instrumental in guiding R&D investments tailored to each country's unique strengths and opportunities. As of early 2025, all six Western Balkans countries are actively engaged in funding agreements under the WBIF, in preparation for the first tranches of disbursements aligned with the EU's Reform and Growth Facility.

Table 4: WBIF's funding status

Country	Funding Status	Key Focus Areas	R&I Inclusion
Albania	Engaged in WBIF agreements; especially grants for railway infrastructure improvements.	Sustainable transport (e.g., railway upgrades), digital infrastructure, clean energy projects.	R&I is included under digital transition and innovation components.
Bosnia & Herzegovina	Engaged in WBIF agreements; EU grant for motorway construction along Corridor Vc.	Transport infrastructure, energy efficiency, support for SMEs through digitalization and innovation initiatives.	R&I is supported through innovation and digital transition programs.
Kosovo	Engaged in WBIF agreements; 100 MW solar plant near Pristina.	Renewable energy projects, digital infrastructure, support for SMEs in innovation and green technologies.	R&I is included under innovation and digital transition initiatives.
Montenegro	Engaged in WBIF agreements; €75 million invested in railway line improvements.	Transport infrastructure, green transition projects, digitalization efforts.	R&I is supported through digital transition and innovation programs.
North Macedonia	Engaged in WBIF agreements.	Digital infrastructure, green energy projects, support for SMEs in innovation.	R&I is included under innovation and digital transition components.
Serbia	Engaged in WBIF agreements; €213 million invested in clean energy infrastructure, including rehabilitation of hydropower plants and installation of advanced electricity meters.	Clean energy projects, digital infrastructure, support for SMEs through innovation and green transition initiatives.	R&I is supported through innovation and digital transition programs.

5 Recommendations to Mobility-Driven R&I Under the Growth Plan

To enhance the impact of mobility-driven research and innovation in WB6, it is essential to strengthen **national governance and cross-sector coordination.** Western Balkans governments must prioritise the development and regular updating of national R&I strategies that are genuinely aligned with the European Research Area (ERA). At the same time, governance structures, such as national research councils or coordinating bodies, must be endowed with institutional legitimacy, operational capacity, and independence to steer implementation effectively. This is particularly critical in contexts marked by political fragmentation and overlapping mandates, where coherent strategy-making and funding decisions remain elusive.

In parallel, **public investment in R&I must be significantly increased,** not solely through donor support or ad hoc project funding, but through sustained national budget commitments. Without a stable financial foundation, efforts to scale up researcher mobility, develop competitive infrastructure, or retain talent will fall short. Countries should work to allocate at least 1% of GDP in public R&I expenditure, including dedicated lines for research mobility, cross-border collaboration, and innovation grants, with a longer-term goal of reaching 2% of GDP together with private funding. Transparent monitoring of this funding, supported by better statistical systems and robust policy evaluation mechanisms, is essential to ensure that investment translates into measurables outcomes.

Expanding regional research mobility programs is critical to address the systemic challenge of brain drain and to foster brain circulation. This requires full implementation of the mobility agreements and the establishment of a regional dedicated and sustained mobility scheme. Governments and regional platforms should design mobility programs that include doctoral, postdoctoral, and visiting researcher opportunities, with a particular focus on supporting early-career researchers, underrepresented groups, and diaspora engagement. Mobility should also be embedded into national R&I programs and linked to participation in Horizon Europe, COST, and EIT, with clear co-financing mechanisms and streamlined administrative facilitation.

To complement mobility efforts, the region must continue **developing inclusive and interconnected research infrastructures.** While progress has been made in building science parks, hubs, and accelerators, disparities in access and quality persist. Infrastructure planning should be more closely aligned with smart specialisation priorities and guided by comprehensive regional mapping to avoid duplication and maximise shared use. Equally important is strengthening human capital within these facilities. Investments in physical infrastructure must be matched with staffing, training, and mobility pathways that support knowledge transfer and cross-border collaboration.

In this context, the proposed establishment of a **Western Balkans Facility for Skills, Research and Innovation**, as advocated by the Joint Science Conference signatories of the Berlin Process, including SCiDEV, presents a unique opportunity to institutionalise support for research careers, training systems, and mobility. The facility should be co-designed with national governments and regional stakeholders, with a clear mandate to bridge skills gaps, promote science-based education reform, and enhance labour market relevance of research. It could serve as a single platform for pooling resources, coordinating donor support, and aligning national strategies with EU programs such as Horizon Europe and the European Innovation Agenda.

Moreover, building on the call made by the Civil Society and Think Tank Forum, the Joint Science Conference of the Berlin Process, and echoed in the FP10 Recommendations of WB6 by POLICY ANSWER, there is growing consensus on the need to establish a dedicated **Western Balkans Research Foundation.** This foundation should serve as a permanent mechanism for funding collaborative, excellence-driven research projects across the region. Modeled after successful EU instruments, such as the European Research Council, it would be adapted to specific needs and capacities of the Western Balkans. Its core mission would be to reduce fragmentation, promote regional integration, and provide stable, merit-based funding for joint research initiatives, mobility fellowships, and regional research infrastructures. Crucially, the foundation would also serve as a buffer against political volatility, ensuring continuity of funding beyond donor cycles or changes in national leadership.

Regional coordination and integration into EU frameworks must be systematically strengthened. Establishing a regional observatory for R&I could facilitate data exchange, monitor talent flows, and identify funding gaps. Where appropriate, S3 strategies should be harmonised to enhance interoperability and reduce fragmentation. Continued efforts are needed to advance the recognition of academic qualifications, streamline researcher mobility, and align research career systems across the region must continue under the Common Regional Market framework. Fostering long-term institutional linkages, rather than short-term project partnerships, will be essential to embed mobility as a structural driver of research excellence and innovation-led growth in the Western Balkans.

Good governance in research and innovation is essential to ensure the effective use of public resources, equitable implementation of reforms, and alignment of outcomes with national and regional priorities. Transparent decision-making, clearly defined institutional mandates, and inclusive stakeholder engagement are foundational elements of governance that enhance the credibility and legitimacy of R&I policies. Robust accountability mechanisms, such as independent evaluation, open data on funding allocations, and peer review processes, are vital to prevent politicization, build public trust, and ensure that investments generate measurable scientific and societal impact. Strengthening governance structures across the WB6 will be vital for advancing alignment with ERA and achieving long-term innovation-driven development.

[78] Leopoldina – German National Academy of Sciences (2024) Courage for the Future: Strengthening Democracy in Times of Transformation. Available at https://www.leopoldina.org/en/publications/detailview/publication/courage-for-the-future-2024/. Accessed on 14 June 2025.

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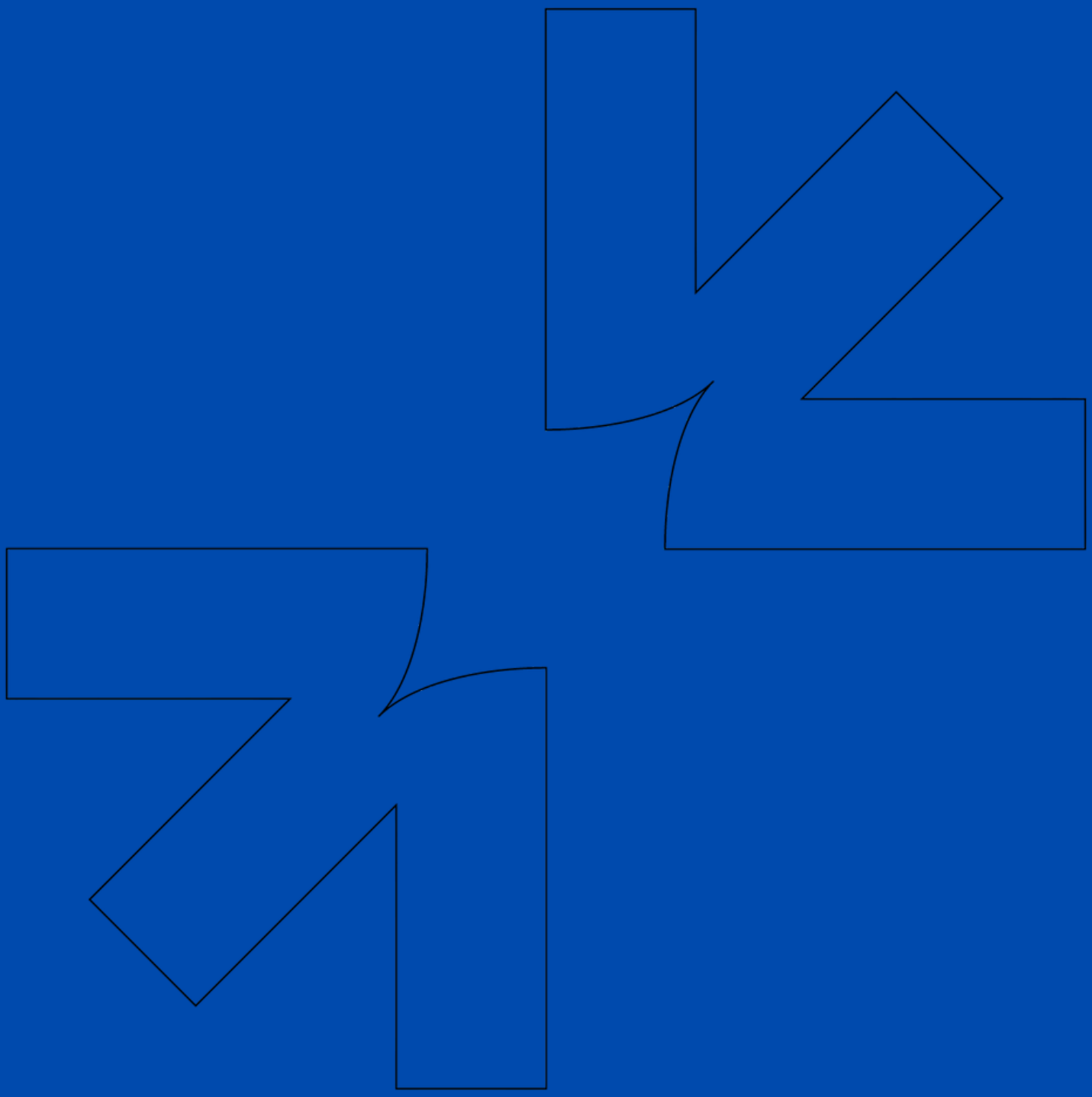

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