

**Joint Declaration of Intent**  
**between the Leaders of the Western Balkans Six and the Federal Republic**  
**of Germany**  
**on the Regional Climate Partnership**  
**Tirana, 16 October 2023**

The Western Balkans Six and the Federal Republic of Germany herein referred to as ‘the Parties have a long-standing and fruitful cooperation, which is characterized by closeness and a spirit of partnership.

The Parties acknowledge that climate change and its adverse effects are common concerns for humankind, which need to be addressed through wide regional and international cooperation. In this context, they agree on the urgent need to further strengthen efforts towards a socio-ecological transformation of their economies and societies and a just and green energy transition in order to achieve climate-neutrality, resilience and environmental sustainability by 2050. The Parties stress the importance of the European Green Deal and the Green Agenda for the Western Balkans (GAWB) as a common basis to achieve substantial progress and declare their strong commitment to effectively implement the 2030 Agenda for Sustainable Development, and other relevant international agreements on Climate Change, such as the United Nations Framework Convention on Climate Change and the Paris Agreement.

The Parties recognize the Regional Cooperation Council’s role in the overall coordination of the Green Agenda for the Western Balkans processes at the regional level.

The Parties welcome the progress made so far, and the goals set by the Western Balkans Six for the upcoming years, while noting that in order to keep the target of limiting global warming to 1.5 degrees Celsius within reach, further and more ambitious action is required. During the 2022 Berlin Process Summit, the Leaders of the Western Balkans Six reaffirmed their commitment to accelerate implementation of the GAWB through the “Declaration on Energy Security and Green Transition in the Western Balkans” with the German Federal Government announcing its support through a Regional Climate Partnership to intensify the political dialogue well as technical and financial cooperation for the GAWB. During the Leaders’ Dialogue “Implementing the Green Agenda for Economic and Societal Prosperity in the Western Balkans” on 7 June 2023 in Tirana a platform was established with the aim to foster an ongoing strategic climate dialogue and joint action on multiple levels.

Against this background, the Parties declare their intention to formally launch the Regional Climate Partnership between the Federal Republic of Germany and the Western Balkans Six, by deepening the future-oriented strategic dialogue as well as strengthening and expanding cooperation in the following areas:

- a) Just and green energy transition, including energy efficiency and increasing renewable energy generation and security of supply as a way to reduce energy poverty;
- b) Expansion of Trans-European energy networks and the integration of energy markets;
- c) Climate mitigation and adaptation;
- d) Harnessing economic and social opportunities afforded by the twin green and digital transition, and therewith bringing the region closer to the EU Single Market;
- e) Sustainable and resilient urban development, including green mobility and circular economy;
- f) Sustainable agriculture and food systems
- g) Protection, restoration and sustainable use of ecosystems and biodiversity;
- h) Supporting private and public sector innovation e.g. through improved access to finance and technology for green transition as well as capacity development;
- i) Access to foreign and domestic finance for green transition;
- j) Governance, awareness raising and environmental and climate education, research and science;
- k) And further areas to be jointly determined, with the goal to strengthen initiatives, networks and projects.

The German Federal Government reiterates its commitment to provide a substantial financial contribution of up to 1 billion € including grants and development loans until 2030 through KfW Development Bank. In addition, Germany has committed to provide budgetary support through promotional loans from KfW Development Bank amounting up to 0,5 billion € in the short term, subject to reform of individual Western Balkans economies and energy sectors in line with EU policies and legal and regulatory framework in the fields of energy and climate. The Parties declare their intention to undertake efforts in speeding up implementation of relevant programmes such as in the field of solar energy or sustainable transport. Additionally, capacity development and support to comprehensive multi-sectoral reforms will be provided through technical cooperation. In addition the German Federal Government will continue to make available and expand upon its range of climate cooperation instruments.

The Western Balkans Six commit to further the necessary policy reforms for coherence with this important and growing part of the EU acquis and create an enabling environment to reach their 2030 energy and climate targets, and particularly those reforms, which are key for private investors' confidence as outlined in the Green Agenda for the Western Balkans Action Plan.

The Parties intend to employ the following approaches on the areas mentioned above:

- a) Intensifying the high-level political dialogue on climate and energy policy;
- b) Enhancing and implementing policy reforms for an enabling environment;
- c) Strengthening and expanding technical and financial cooperation as applicable;
- d) Promoting efforts in the private sector, civil society as well as research and science;
- e) Intensifying regional cooperation by actively engaging in the platforms and processes of the regional organisations that have activities or mandates in relevant policy areas of the GAWB, including the Regional Cooperation Council (RCC), the Energy Community, the Transport Community, the Standing Working Group on Regional Rural Development (SWG RRD), Network of Associations of Local Authorities (NALAS) and further relevant regional specialist public and non-governmental and non-governmental institutions.

By endorsing this Joint Declaration, the Parties aim to deepen their partnership for climate action and a socially just and green energy transition by jointly developing climate-resilient and sustainable economic and productive development models, which fit the region. The Parties intend to create a mechanism for the overarching steering and political direction of the Regional Climate Partnership, which will be designed in connection with the existing cooperation formats within the Regional Cooperation Council, as far as possible and involve all relevant actors. It will also focus political attention on decision-making, prioritization and results. Germany is willing to provide assistance for the development and setting-up of such a steering mechanism.

The Parties invite and encourage other stakeholders to team up with this Regional Climate Partnership by exploring additional cooperation and co-financing potentials to jointly catalyse ambitious climate action in the Western Balkans.

This Joint Declaration is not intended to constitute an international treaty and does not establish rights and obligations under international law.

## **Annex: Ongoing and Forward-looking commitments from Germany for the Regional Climate Partnership**

### **Financial and Technical Cooperation of Germany with the Western Balkans Six**

At the 2022 Berlin Process Summit, the German government announced to provide the Western Balkans Six with up to **500 million €** over the short and medium term to stabilise the energy sector and **1 billion €** (until 2030) for investments in green energy infrastructure in the medium term to speed up the social and environmental transformation in the region. The funding is channelled through KfW Development Bank as part of Germany's **Financial Cooperation**.

70% of the announced short-term budget support (500 million €) for **stabilising the energy sector**, or 345 million €, will be contractually bound before the end of 2023 in the form of PBLs, **policy-based loans to enable major policy reforms** (e.g. moves towards the regionally important **liberalisation of the electricity market**, the introduction/further promotion of **auctions for renewable energy generation**, fulfilment of decarbonisation targets). The budget support is delivered in direct cooperation with international financial institutions (World Bank, EBRD and AFD) and in line with EU and IMF goals and programmes.

A further 111 million € (11% of the medium term 1 billion €) will be concretely signed for medium-term measures to speed up the **green transformation of the energy sector** that will have a regional impact (e.g. the first large-scale solar district heating plant in the Western Balkans or the expansion of the trans-Balkan corridor for the regional and European integration of power transmission networks). By the end of 2023, it is intended to reach a level of 325 million € (for **renewable energies** in district heating, **energy efficiency** in public buildings and for the expansion of local public transport using electric buses). Ultimately, a significant proportion of the German support pledge will reach the region and the beneficiaries by the end of 2023.

The regional climate partnership will serve to strengthen the regional impact of relevant Financial Cooperation programmes (**regional linking of electricity infrastructure projects, regional capacity balancing using renewable energies**, regional synergies of national energy efficiency programmes). We will also expand our efforts in the field of innovative financing. At European level, the **Energy Community (EnC)** plays a major role in determining the shape of policy-based lending and introducing EU standards; cooperation will be further intensified.

Promoting and strengthening capacities in the areas of monitoring, reporting and verification of Greenhouse Gas emissions with regard to the **Carbon Border Adjustment Mechanism** as well as exploring possibilities for regional emissions trading, for example through future Policy Based Loans and/or measures in support of energy utility investments will be a further area of cooperation.

In addition, and as part of **relevant and regional technical cooperation**, the **GIZ** will provide assistance to build capacities and advance broad-ranging multi-sectoral reforms. The main sectors include **decarbonisation** (e.g. in the buildings sector), **grid integration** of renewable energies, **sustainable urban development** (including e.g. mobility, circular economy, climate adaptation), **sustainable agriculture** and the **socio-ecological transformation of the economy**.

There will be contributions to a **socially and environmentally compatible transformation of the economy**, through advice on economic policy, the **sustainable expansion of digital capacities in small and medium-sized enterprises, and education and vocational training measures to create green jobs** (e.g. by supporting SMEs with carbon accounting, ICT solutions and the development of climate strategies) in line with the Common Regional Market Action Plan and Green Agenda for the Western Balkans Action Plan.

Funding (up to 5 million €) will be made available for a new regional project to support the Western Balkans Six in adapting to climate change, which is an urgent issue that has so far been neglected. The Western Balkan Six reform efforts in the field of **climate change adaptation** are being backed up by specific advice and investment projects (e.g. the project on climate-resilient urban development together with the **Green Climate Fund** starting in 2024).

The **regional platform** established in Tirana in June will be developed and supported by a new GIZ regional project (up to 5 million €) to start in 2024 with the aim of promoting the regional dialogue and cooperation on climate action and implementation of the Green Agenda. Through this platform, we seek to strengthen our multi-level cooperation with relevant authorities, **regional organisations like RCC**, the private sector and civil society in the region.

Within the cooperation of the German Federal Ministry of Economic Affairs and Climate Action the **European Climate Initiative (EUKI)** funding program is implemented in the in the Member states of the EU and the Western Balkans to promote civil society and local engagement in the climate action (total at present volume 11-12 million € annually). Yearly new projects are selected through an annual call. In 2022/23-call 10 new projects have been selected to be implemented in the Western Balkans.

The German Federal Government will continue to make available and expand upon its range of climate cooperation instruments.