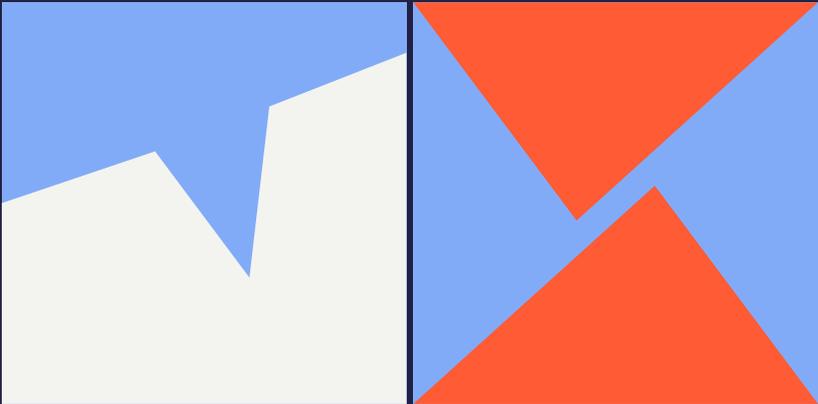


# STRENGTHENING WASTE MANAGEMENT AND EPR IN THE WESTERN BALKANS

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ALIGNING WITH EU STANDARDS  
THROUGH THE CRM FRAMEWORK

POLICY  
BRIEF



# Strengthening Waste Management and EPR in the Western Balkans

## Aligning with EU Standards through the CRM Framework

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# EXECUTIVE SUMMARY

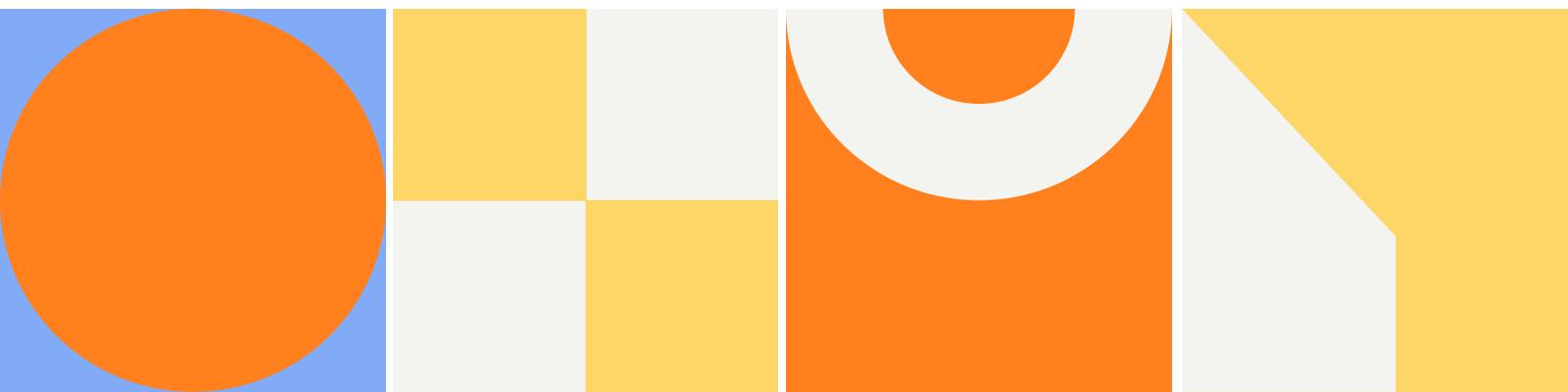
The Western Balkans Six (WB6) economies have largely adopted the legal frameworks for Extended Producer Responsibility (EPR), but implementation remains fragmented and inconsistent. **Key challenges include insufficient enforcement, limited infrastructure, low data reliability and fragmented regional approaches that raise costs and hinder investment.** The Common Regional Market Action Plan 2025–2028 (CRM 2.0) provides a set of umbrella measures that can address these systemic weaknesses by improving cross-border logistics, enhancing regulatory alignment with EU legislation and digitalizing procedures and traceability systems tailored to the EU Single Market and simplified cross-border waste shipments while boosting market demand for recycled content. **Aligning national EPR systems through the Common Regional Market (CRM) would reduce compliance costs, create economies of scale and accelerate convergence with the EU Single Market.** To achieve this, WB6 governments should prioritize harmonisation of packaging, textile and metal waste streams, develop regional recycling chains, and adopt coordinated deposit-return systems.

## KEY MESSAGES

- **EPR harmonisation is essential.** Aligning packaging, textile and metal waste systems across the Western Balkans will lower compliance costs, attract investment and strengthen competitiveness in EU markets.
- **Regional cooperation drives efficiency.** Embedding EPR implementation within the Common Regional Market (CRM 2.0) framework enables shared infrastructure, harmonised legislation, and economies of scale.
- **Digitalisation ensures transparency.** Establishing regional producer registries, digital product codes and interoperable data systems will improve traceability, prevent free-riding and align with the EU's digital waste shipment system.
- **Deposit-return systems are catalysts for change.** Coordinated regional DRS rollout for beverage packaging can significantly raise collection rates, reduce litter, and support circular value chains for plastics and metals.
- **Timely EU alignment brings economic gains.** Early compliance with the PPWR, Waste Framework Directive and upcoming ELV and WEEE regulations ensures continued EU market access and positions the WB6 as a reliable supplier of recycled materials.
- **Strong governance ensures sustainability.** A regional clearinghouse and EPR coordination platform under CRM/CEFTA can provide oversight, data reconciliation, and transparent financial management for sustainable long-term implementation.

# LIST OF ABBREVIATIONS

CE	Circular Economy
CEFTA	Central European Free Trade Agreement
CRM	Common Regional Market
CSO	Civil Society Organisation
CRM 2.0	Common Regional Market Action Plan 2025–2028
DPP	Digital Product Passport
DRS	Deposit-Return System
EEA	European Environment Agency
ELV	End-of-Life Vehicle
EPR	Extended Producer Responsibility
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
OECD	Organisation for Economic Co-operation and Development
PFAS	Per- and polyfluoroalkyl substances
PRO	Producer Responsibility Organisation
PPWR	Packaging and Packaging Waste Regulation
RCC	Regional Cooperation Council
RVM	Reverse Vending Machines
UNDP	United Nations Development Programme
WB6	Western Balkans Six
WEEE	Waste Electrical and Electronic Equipment
WFD	Waste Framework Directive



## POLICY CONTEXT

In the six Western Balkan economies, the process of alignment with the European Union acquis has reached a decisive stage. This is a critical moment for coordinated action towards a shared objective: the timely transposition and effective implementation of EU legislation, coupled with the achievement of measurable circular economy targets, while preserving competitiveness and ensuring stable access to the EU single market.

In line with the European Green Deal and the transition towards a circular economy, the EU has substantially strengthened its waste management framework. **The revised Waste Framework Directive ([Directive 2008/98/EC](#), amended by [Directive \(EU\) 2018/851](#)) introduces general minimum requirements for Extended Producer Responsibility schemes and imposes an obligation for Member States to establish separate collection of textiles by 1 January 2025.** The Packaging and Packaging Waste Regulation (PPWR) (EU 2025/40), adopted in January 2025, sets stricter requirements on prevention, recyclability and reuse, and establishes harmonised standards that the WB6 countries will need to progressively align with.

Furthermore, [Regulation \(EU\) 2024/1157](#) on waste shipments, applicable from 2026, introduces the digitalisation and streamlining of procedures for monitoring transboundary waste movements — a development of critical importance for ensuring the economic viability of EPR systems that rely on efficient regional flows of secondary raw materials. The overarching political framework for this transition is provided by the Common Regional Market ([CRM 2.0 Action Plan 2025–2028](#)) and the Green Agenda for the Western Balkans. Building on these existing frameworks, governments in the WB6 can further advance regulatory harmonisation by using them as a common vehicle to design harmonised EPR approaches, establish regional monitoring and reporting mechanisms, and facilitate the cross-border circulation of secondary raw materials within the region — thereby strengthening regional integration and supporting closer alignment with EU market rules.

## THE CASE FOR ACTION NOW



Timely alignment is not only a legal obligation, but also a strategic opportunity to attract investment, foster job creation, and strengthen resource efficiency, while safeguarding access to the EU market.

- **Economic benefits.** Recyclates, which represent materials directly recovered from waste, and secondary raw materials, which are standardized outputs ready to replace primary resources, reduce import dependency, lower production costs, and create new jobs in processing, logistics and related services.
- **EU alignment.** Timely introduction of new packaging measures under PPWR, deposit-return systems, separate collection of textiles and advanced reporting standards accelerates accession processes and reduces regulatory risks.
- **Regional competitiveness.** Harmonised rules, faster border procedures, and reliable data make the region more predictable and attractive for investors in circular value chains.

## FOCUS OF THIS BRIEF



1. **Food packaging:** Development and alignment of EPR systems with the EU PPWR.
2. **Textiles:** Ensuring compliance with the EU obligation on separate collection by 2025 and laying the groundwork for EPR.
3. **Industrial waste streams** (including metals, industrial packaging and end-of life products): strengthening monitoring and regional value chains, in line with the rules on transboundary waste movements. EU rules on transboundary waste movements, as set out in the Waste Shipments Regulation.



## FOOD PACKAGING IN THE WB6: ADVANCING EPR AND PREPARING FOR PPWR COMPLIANCE

Food packaging represents a significant fraction of municipal solid waste in the Western Balkans Six economies. Covering plastics, aluminium, paper and cardboard, and glass, this stream is still largely disposed of together with mixed waste, which severely limits material recovery and reduces the availability of valuable secondary raw materials.



The scale of this challenge highlights the need for systemic policy responses that shift responsibility upstream to producers and incentivize circular practices throughout the packaging value chain.

In this context, progress on Extended Producer Responsibility (EPR) for packaging, a key policy instrument to promote producer accountability and improve recycling performance, remains uneven across the region:

- **Albania** is still drafting legislation, with no operational system in place.
- **Bosnia and Herzegovina** have partial implementation, with functional schemes in the Federation but weaker enforcement in Republika Srpska.
- **Kosovo** has introduced a legal basis but lacks operational structures, leaving functionality minimal.
- **Montenegro** incorporated EPR into its 2024 Waste Management Law, though implementation is at an early stage.
- **North Macedonia** operates a functioning system aligned with EU law, but coverage and enforcement gaps persist.
- **Serbia** has the most established EPR framework in the region, but challenges remain in ensuring transparency of Producer Responsibility Organizations (PRO) operations, consistent enforcement, and full producer compliance.

The heterogeneity in EPR implementation across the region demonstrates that, while the concept of producer responsibility is not new, its practical application remains fragmented and far from aligned with EU standards. This fragmentation reflects a number of systemic barriers that continue to undermine the effectiveness of EPR schemes in the WB6. Overcoming these barriers would not only improve compliance, but also unlock the economic efficiency and circular-economy gains that effective EPR schemes can deliver. The key barriers include:



## SYSTEMATIC BARRIERS

- **Inconsistent enforcement** allows part of the producer base to remain outside formal systems, creating unfair competition and undermining cost recovery.
- **Weak transparency and efficiency of Producer Responsibility Organisations (PROs)** result in underreporting, misuse of fees, and limited accountability in how obligations are fulfilled.
- **Insufficient and unreliable data on packaging waste flows**, particularly from small and medium-sized enterprises, hampers evidence-based policymaking and progress tracking toward recovery targets.
- **Underdeveloped and uneven recycling infrastructure** keeps recycling rates low across all materials. Facilities remain concentrated on plastics, while systems for paper and glass recycling are still commercially fragile.
- **Limited public awareness and low household participation** in separate collection reduce the quality and volume of collected recyclables, weakening the overall effectiveness of EPR schemes.



**Producer Responsibility Organisations (PRO)** are designed to help producers fulfill their legal obligations under EPR schemes in an efficient and coordinated way. They are usually established by:

- Individual producers or importers,
- Industry associations,
- Consortia of companies within a particular sector that recognize the need for a collective approach to waste management.

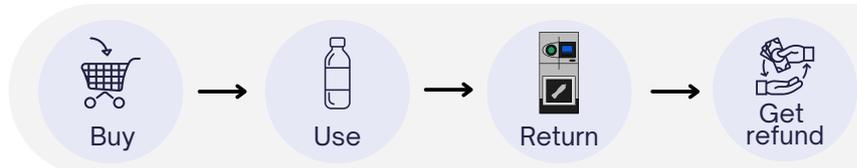


## THE EU'S NEW POLICY FRAMEWORK

The European Union redefined its packaging policy framework in 2025 with the adoption of the Packaging and Packaging Waste Regulation (PPWR), which replaced Directive 94/62/EC. Unlike the previous directive, the Regulation applies directly in all Member States and introduces binding measures that reshape packaging design and management:

- **All packaging must be recyclable by 2030 and recyclable at scale by 2035**
- Progressive recycled content targets are set for plastics
- Substances of concern, including certain PFAS, are restricted
- Reuse and refill systems are to be expanded, particularly in the food and beverage sector

In addition, the PPWR mandates the establishment of Deposit-Return Systems (DRS) for single-use plastic and metal beverage containers by 2029, with binding collection targets of 90% across the EU.



- ! *Although the WFD and PPWR are legally binding only for EU Member States, their impact extends beyond the EU, requiring Western Balkan producers and exporters to meet EU packaging standards to maintain Single Market access.*



## IMPLICATIONS FOR THE WESTERN BALKANS

For the WB6, the adoption of PPWR marks a significant alignment challenge. **As the EU market represents the primary export destination, compliance with packaging requirements will become a precondition for continued market access.** The deposit-return obligation is particularly relevant for the Western Balkans, as it offers a practical and proven mechanism to boost collection rates for beverage packaging. In EU Member States where DRS has been introduced, return rates regularly exceed 85–90%, significantly reducing litter, securing high-quality material streams and lowering reliance on landfilling and incineration.

**The EU is the primary export destination for the Western Balkans, accounting for 77,8% of their exports in 2024.** That makes compliance with the EU's policy framework essential for maintaining market access.



In EU Member States where DRS has been introduced, **return rates regularly exceed 85–90%** lowering reliance on landfilling and incineration.





## OPPORTUNITIES AND WAY FORWARD

### 1 Strengthen and harmonise EPR systems

EPR for packaging remains uneven and in most WB6 economies still lacks full functionality. [Establishing transparent, enforceable and financially sustainable EPR schemes is essential to ensure producer compliance, secure stable financing for collection and recycling and create a level playing field across the region.](#) Functional EPR systems are, therefore, a prerequisite for aligning with the EU's PPWR and for integrating the WB6 into European circular value chains.

### 2 Introduce regional Deposit-Return Systems (DRS)

Building on this foundation, DRS can serve as a complementary instrument, particularly for beverage packaging, to raise collection rates and prevent cross-border leakages. Currently, none of the WB6 economies operate a fully functional, mandatory national DRS, although pilot initiatives exist:

- Serbia's "smart DRS" pilot in Zrenjanin (2023)
- Early reverse vending machine (RVM) deployments in North Macedonia
- Kosovo's formal legislation for a national DRS from 2025

Without coordinated adoption, the region risks falling behind EU standards and facing future compliance pressures. Early, harmonised implementation would align regional practices with the PPWR, prevent market distortions and cross-border leakages and lower compliance costs for producers across the region. [Embedding DRS in the CRM 2.0 framework would unlock economies of scale, support regional recycling chains and strengthen integration with EU secondary raw material markets.](#)

### 3 Enable digitalisation and data transparency

Digital product codes and centralized producer registries enable modern DRS by allowing each container to be uniquely identified and traced. Linking national registries and standardizing codes would create a regional digital DRS that can:

- [prevent fraud and free-riding](#)
- [enable cross-border recognition of deposits](#)
- [generate accurate data on packaging flows](#)
- [support eco-modulated EPR fees](#) by linking producer contributions to product design features such as recyclability and material type

The collected data can help map material flows and uncover regional synergies, strengthening EU trade and the region's recycling and resource efficiency potential.

### 4 Enable digitalisation and data transparency

[Early harmonization with the PPWR, especially through regional DRS, is key to safeguarding EU market access, reducing compliance costs, and building resilient recycling value chains in the WB6.](#) Alignment with the CRM 2.0 framework would further boost regional circularity, improve access to secondary raw materials, and promote sustainable product design across the WB6 and EU markets.



## TEXTILES IN THE WB6: PREPARING FOR SEPARATE COLLECTION AND EPR ALIGNMENT

Textile waste represents one of the fastest-growing waste streams worldwide, driven largely by rising consumption patterns and the spread of fast fashion, a trend increasingly visible across the Western Balkans Six. Unlike other waste streams where infrastructure is gradually being developed, textiles remain largely unmanaged, with post-consumer clothing and footwear predominantly ending up in mixed municipal waste.

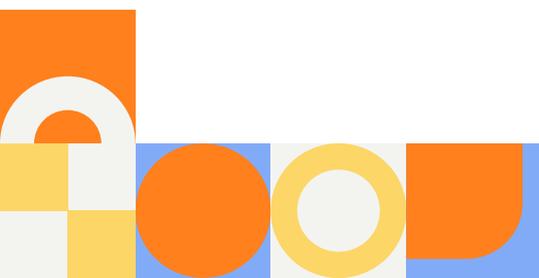
Most WB6 economies still lack adequate systems for the separate collection, sorting, reuse or recycling of textiles. Existing waste management frameworks are fragmented and oriented primarily toward municipal solid waste, leaving textile-specific flows unregulated and without institutional prioritization. The absence of reliable data on textile consumption and waste generation further hampers evidence-based policymaking and obstructs the design of sustainable interventions.



### THE EU'S EVOLVING POLICY FRAMEWORK FOR TEXTILE WASTE

The European Union is significantly tightening its regulatory framework for textiles. In 2025, the EU adopted a revised Waste Framework Directive introducing mandatory EPR for textiles and footwear across all member states. This reform builds on the Circular Economy Action Plan and the EU Strategy for Sustainable and Circular Textiles.

From 1 January 2025, member states are required to ensure the separate collection of textiles, while mandatory national EPR schemes are expected to be established between 2027 and 2028. Producers will be required to take financial and operational responsibility for the collection, sorting, reuse and recycling of textile waste, including unsold goods.





## LEGISLATIVE STATUS OF TEXTILE EPR IN THE WESTERN BALKANS: A SNAPSHOT

Across the Western Balkans, extended producer responsibility for textiles remains at an early stage of development, with national legislations progressing at different speeds toward EU alignment.

In **Albania**, draft waste legislation introduces EPR principles and anticipates the future inclusion of textiles, although no operational system is yet in place.

**Bosnia and Herzegovina** continue to limit EPR to packaging, and existing waste laws do not regulate textile-specific flows.

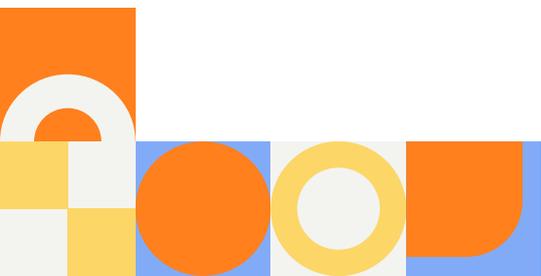
**Kosovo's** Waste Law (2023) provides a legal basis for extending EPR to additional streams, including textiles, while the required secondary legislation is still under preparation.

In **Montenegro**, the Waste Management Law (2024) establishes EPR as a general principle but does not yet cover textiles; amendments currently under preparation are expected to introduce textile-specific obligations.

The Waste Management Law (2024) in **North Macedonia** sets out mandatory separate collection of textiles by 2025 in line with the EU Waste Framework Directive, though an EPR scheme has not yet been implemented.

Finally, **Serbia** is drafting a new Waste Management Law expected to expand the current EPR framework to include textiles, as the existing legislation still omits this waste stream.

While all WB6 economies have now embedded the principle of extended producer responsibility into their waste legislation, none currently operate a functional EPR system for textiles. Progress is uneven: some economies have introduced a clear legal basis or set collection targets, while others remain in the drafting phase. **Advancing coordinated reforms and technical preparedness will be essential to ensure timely alignment with EU requirements and the 2025 obligation for separate textile collection.**





## OPPORTUNITIES AND WAY FORWARD

### 1 Prepare for Textile EPR to strengthen competitiveness

For the WB6, aligning with these EU policies will be essential both for [market access](#) and for [modernizing national waste management systems](#).

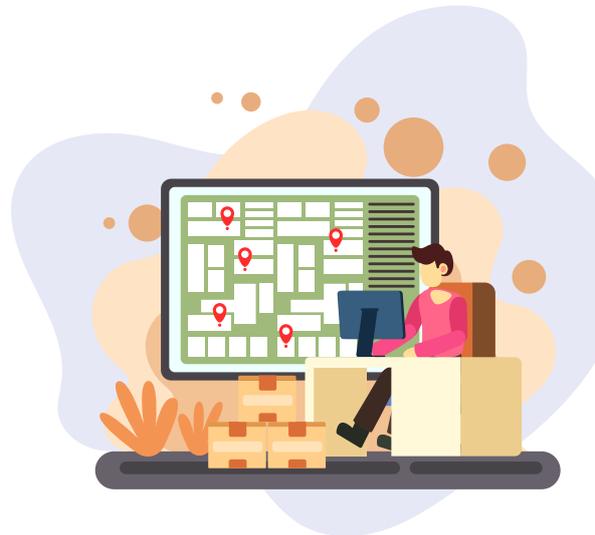
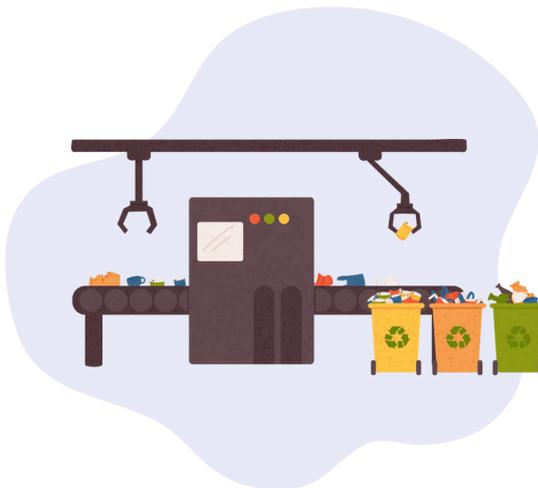
The introduction of EPR schemes in the region could play a transformative role by shifting responsibility for textile waste management to producers and importers. This reform would:

- [stimulate investment](#) in collection and sorting infrastructure
- support the [development of reuse markets](#)
- [create incentives for circular product design](#) in a textile industry that is undergoing a rapid global shift towards circularity

### 2 Act early to capture the benefits of EU alignment

Timely preparation for textile EPR in the WB6 is not only a step towards EU alignment but also an opportunity to:

- [drive investment and innovation](#) in waste and recycling systems
- [foster reuse markets](#)
- and [strengthen competitiveness](#) in a sector increasingly shaped by circular economy principles





## METAL WASTE STREAMS IN THE WB6: INDUSTRIAL PACKAGING AND END-OF-LIFE PRODUCTS

Within the framework of Extended Producer Responsibility, the metal waste stream covers two main categories. **The first category is industrial packaging** and includes steel and aluminium-based containers such as: **drums, barrels, foils, composite packaging with metallic components.**

While part of this stream also enters the household market, a substantial share is placed on the market as B2B packaging, particularly for chemicals and industrial food supply chains.

**The second category consists of end-of-life products rich in metals**, including **vehicles, large and small appliances, electrical and electronic equipment, certain construction and industrial machinery.**

These products represent high-value waste streams given the recoverability of steel, aluminium, copper, and other metals, yet in the WB6 they are often processed informally, with limited environmental oversight and significant data gaps.



### THE EU'S EVOLVING POLICY FRAMEWORK FOR TEXTILE WASTE

The European framework for metal waste is defined by **three complementary instruments**:

1. The [Packaging and Packaging Waste Regulation](#) applies directly to both consumer and industrial metal packaging, setting uniform EPR obligations, eco-modulated fees, and binding recycling targets of 70% for steel and 50% for aluminium by 2025.
2. The [End-of-Life Vehicles \(ELV\) Directive \(2000/53/EC\)](#) establishes producer responsibility for the collection, dismantling, and recovery of metals from vehicles and restricts hazardous substances. It is set to be replaced by a new Vehicle Circularity and ELV Regulation, which will also repeal Directive 2005/64/EC on vehicle recyclability and reusability.
3. The [Waste Electrical and Electronic Equipment \(WEEE\) Directive \(2012/19/EU\)](#) requires producers of electrical and electronic equipment to finance collection, treatment, and recycling of metal-rich components, ensuring high recovery rates and preventing uncontrolled exports.

Together, these instruments create a comprehensive EPR framework for metal packaging and durable products, reinforcing the EU's ambition to secure secondary raw materials and advance the circular economy.



## REGIONAL GAPS AND CHALLENGES

### Fragmented systems:

Metal-related waste management remains uneven and fragmented across the Western Balkans. Dedicated EPR schemes for industrial and B2B metal packaging do not exist. Where general packaging EPR systems are in place (Serbia, North Macedonia and partly Bosnia and Herzegovina) metal packaging is included within broader frameworks, typically with separate reporting obligations.

### Recent developments:

- **Montenegro:** Introduced EPR through the 2024 Waste Law, but implementation is still at an early stage.
- **Albania:** Developing new EPR legislation.
- **Kosovo:** Updated rules but lacks operational structures.

### Sector-specific overview:

- **End-of-life vehicles:** Only partially covered; Serbia and North Macedonia show partial EU alignment, yet dismantling and recovery remain dominated by informal operators.
- **Waste Electrical and Electronic Equipment:**
  - Most developed in Serbia, North Macedonia and the Federation of Bosnia and Herzegovina, where producer responsibility organisations (PRO) operate, though collection remains limited and informal processing widespread.
  - Albania and Kosovo: Lack functional WEEE systems, relying on ad hoc or pilot initiatives.
  - Montenegro: Recently adopted a bylaw on WEEE EPR, still at an early implementation stage.

### Key challenges:

Across all economies, these patterns mirror systemic weaknesses seen in other waste streams:

- Weak enforcement and regulatory oversight
- Limited waste management infrastructure
- Unreliable data and monitoring

As a result, municipalities and informal collectors handle most operational burdens and recovery of valuable secondary raw materials remains far below potential, constraining progress toward formal, regionally integrated recycling systems.



## KEY CHALLENGES

- **Absence of formal EPR schemes** for industrial metal packaging and durable products.
- **Dominance of informal scrap markets**, leading to leakage of valuable materials and uncontrolled environmental risks.
- **Underdeveloped infrastructure** for sorting, shredding, and high-quality recovery of steel and aluminium.
- **Weak compliance monitoring**, with producers rarely registering or reporting packaging placed on the market.
- **Lack of a harmonised approach across WB6**, creating fragmentation that undermines regional value chains.



## OPPORTUNITIES AND WAY FORWARD

### 1 Integrating and formalising systems

Integrating industrial metal packaging into existing PROs and formalising ELV and WEEE systems will help channel valuable metal streams into regulated recovery chains and reduce dependence on informal scrap markets. This integrated approach would close current regulatory gaps, improve compliance and enhance the traceability of secondary raw materials.

### 2 Advancing regional cooperation

Regional cooperation under the Common Regional Market (CRM 2.0) framework can:

- further facilitate the **creation of cross-border recycling value chains**,
- **attract investment** in advanced metal recovery facilities
- ensure stable **access to secondary raw materials** in line with EU market standards.

Strengthened coordination among WB6 economies on EPR implementation for industrial packaging, ELVs, and WEEE will be critical to securing alignment with EU legislation, achieving economies of scale, and accelerating the transition toward a circular economy.



*A coherent regional approach to metal packaging, ELVs, and WEEE in the WB6 is critical to closing material loops, reducing informal practices, and securing integration into EU value chains for strategic secondary raw materials.*

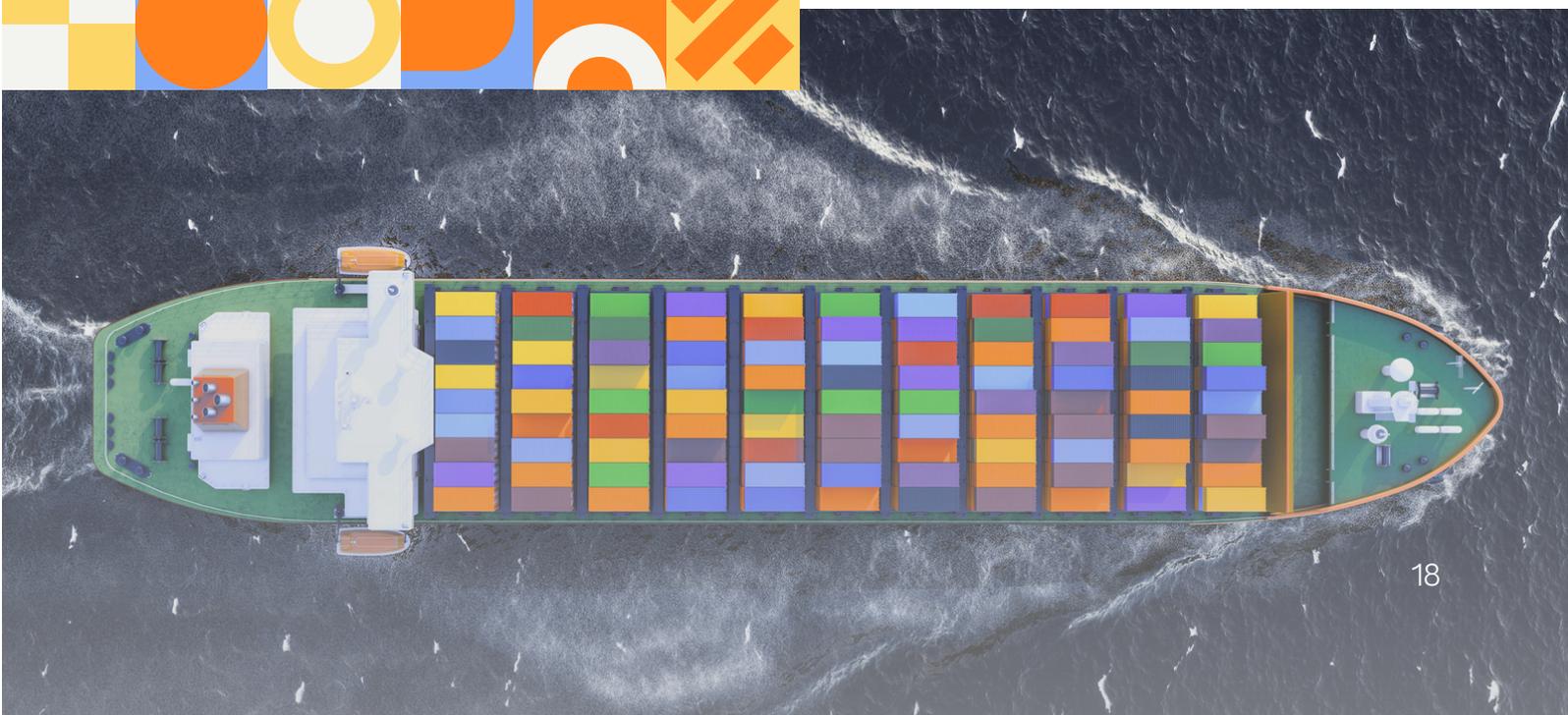
# SECURING MARKET ACCESS UNDER THE EU WASTE SHIPMENTS REGULATION

Serbia, Bosnia and Herzegovina and North Macedonia have already submitted their formal notifications under Regulation (EU) 2024/1157 on shipments of waste, thereby securing their inclusion on the [European Union's "positive list" of destinations eligible for the import of certain non-hazardous recyclable waste streams](#). This status ensures continued access to valuable secondary raw materials originating from EU member states and provides an important signal of commitment to gradual regulatory convergence with EU waste management standards.

At this stage, Montenegro, Albania and Kosovo have not yet completed the notification process. Their absence from the EU's positive list may affect opportunities for the recycling sector and limit access to recyclable inputs that support domestic industries. Timely notification would help ensure continued participation in intra-European waste trade flows and contribute to the development of a more circular economy in the region.

While the submission of a notification does not in itself constitute full regulatory alignment with EU legislation, it represents an important initial step toward practical engagement with the *acquis* in the field of waste management. Notification indicates a level of institutional readiness and regulatory awareness and it provides the basis for maintaining access to secondary raw materials. Ensuring timely progress in this area can support continued participation in relevant markets and contribute to the broader process of aligning with EU waste shipment and circular economy requirements.

Across all six Western Balkan economies, several systemic barriers continue to undermine the effectiveness of waste management and EPR systems, slowing progress toward full alignment with the EU *acquis*.





## KEY CHALLENGES OF WASTE MANAGEMENT

- **Fragmented and incomplete frameworks.** Many laws and by-laws remain unfinished or unevenly applied, leading to legal uncertainty and delays in implementation. Preparations for upcoming EU obligations, such as separate textile collection by 2025 and mandatory deposit-return systems by 2029, are still insufficient, creating risks of costly late adjustments.
- **Weak institutional capacity and enforcement.** Limited administrative resources, overlapping mandates between municipalities, utilities, and Producer Responsibility Organisations (PROs), and insufficient inspection capacity hinder consistent oversight and allow non-compliant producers to remain outside formal systems.
- **Infrastructure and scale gaps.** Recycling and sorting capacities remain underdeveloped, while regional cooperation on waste treatment and recovery is limited. This fragmentation prevents economies of scale and slows the creation of cross-border recycling value chains.
- **Data, transparency and digitalisation deficits.** Incomplete producer registries, inconsistent reporting, and limited transparency of PRO operations obstruct policy planning and eco-modulation of fees. The lack of digital producer registers and paperless procedures further delays convergence with the EU's digitalised waste shipment system entering into force in 2026.
- **Economic and market-related barriers.** Uncertainty over EPR design, overlapping fiscal charges, and concerns about double payments reduce business participation and private investment. Municipalities are often undercompensated for collection and sorting services, while market demand for recycled materials remains weak due to slow uptake of green public procurement and private-sector circularity standards.
- **Informality in secondary raw material markets.** Informal operators continue to dominate high-value waste streams such as metals, WEEE, and end-of-life vehicles, leading to material leakage, lost value, and uncontrolled environmental impacts.

Together, these challenges demonstrate that EPR implementation across the WB6 still lacks the coherence, transparency and regional scale needed to achieve effective circular economy transition and full regulatory convergence with the European Union. Addressing them requires a coordinated regional response which harmonises legislation, strengthens enforcement and builds economies of scale through shared infrastructure and data systems. The Common Regional Market (CRM 2.0) framework provides the mechanism for achieving this integration, offering a platform for aligning EPR implementation and facilitating the regional circulation of secondary raw materials.



## BRIEF ANALYSIS: COMMON REGIONAL MARKET AND WB6

Although the Western Balkan Six economies have largely adopted legal frameworks on Extended Producer Responsibility, implementation on the ground remains limited.

Persistent challenges include:

- slow cross-border procedures
- fragmented and non-comparable data
- weak product traceability
- low demand for recycled content

The CRM 2.0 provides a set of umbrella measures that can directly address these systemic weaknesses and support the shift of EPR from legislation to practice. The table below links priority challenges with policy recommendations and the corresponding CRM measures. Cross-border flows of recyclables in the WB6 remain slow, fragmented and largely paper-based, creating costs and uncertainties for producers and recyclers.

The [Waste Shipment Regulation \(EU 2024/1157\)](#) provides a model for the region, demonstrating how digital notifications, pre-approved facilities and real-time tracking can reduce delays and improve traceability. [Embedding similar measures within the CRM framework would not only facilitate faster regional circulation of secondary raw materials but also prepare the WB6 for eventual compliance with EU requirements.](#)

Addressing systematic weaknesses in EPR implementation through the [CRM Action Plan 2.0](#):

Challenge	Recommendation	Relevant CRM umbrella measures (2025–2028)
Incomplete and uneven EPR frameworks	Harmonise secondary legislation and adopt regional model by-laws for packaging, textiles, and metals	<ul style="list-style-type: none"> <li>• <a href="#">1.2.1</a> – Mutual recognition of conformity assessments</li> <li>• <a href="#">1.2.2</a> – Harmonised chemical/product labelling</li> <li>• <a href="#">1.2.4</a> – Market surveillance cooperation</li> <li>• <a href="#">3.2.4</a> – Transparency package &amp; statistical portal</li> </ul>
Weak institutional capacity and enforcement	Establish twinning programmes and joint inspections, with standardised procedures for compliance control	<ul style="list-style-type: none"> <li>• <a href="#">3.2.3</a> – Rapid information exchange on non-compliant products</li> <li>• <a href="#">3.1.2</a> – Regional risk management framework</li> <li>• <a href="#">1.2.4</a> – Market surveillance cooperation</li> </ul>
Low recycling rates and underdeveloped infrastructure	Phase-in DRS and channel investments into sorting and treatment plants; introduce eco-modulated fees	<ul style="list-style-type: none"> <li>• <a href="#">3.7.2</a> – CEFTA framework for non-hazardous waste trade</li> <li>• <a href="#">5.5.2</a> – Regional guidelines for Green Public Procurement (GPP)</li> <li>• <a href="#">5.5.3</a> – Industrial symbiosis &amp; eco-industrial parks</li> </ul>
Lack of transparency and reliable data	Establish a regional producer register with harmonised data schemes and public dashboards for EPR indicators	<ul style="list-style-type: none"> <li>• <a href="#">3.2.1</a> – Electronic data exchange &amp; paperless trade</li> <li>• <a href="#">3.2.4</a> – Transparency package</li> <li>• <a href="#">3.6.1</a> – Harmonisation of trade statistics</li> <li>• <a href="#">5.5.1</a> – Digital Product Passports</li> </ul>
Informal economy in secondary raw materials	Ensure traceable flows via registers of pre-approved facilities and targeted inspections, with incentives for formalisation	<ul style="list-style-type: none"> <li>• <a href="#">3.7.2</a> – CEFTA framework for non-hazardous waste trade</li> <li>• <a href="#">3.1.2</a> – Regional risk management</li> <li>• <a href="#">3.2.3</a> – Rapid information exchange</li> <li>• <a href="#">1.2.4</a> – Market surveillance cooperation</li> </ul>
Fragmented regional approach and lack of critical mass	Harmonise procedures and fee structures, define cross-border PRO rules, and jointly plan capacities	<ul style="list-style-type: none"> <li>• <a href="#">3.7.2</a> – CEFTA framework</li> <li>• <a href="#">3.1.1–3.1.4</a> – Green Lanes &amp; mutual recognition</li> <li>• <a href="#">3.2.1</a> – Digital data exchange</li> <li>• <a href="#">3.6.1</a> – Trade statistics</li> </ul>
Weak market demand for recyclates	Introduce regional GPP criteria for steel/aluminium with recycled content and industrial specifications	<ul style="list-style-type: none"> <li>• <a href="#">5.5.2</a> – Green Public Procurement</li> <li>• <a href="#">5.5.3</a> – Industrial symbiosis</li> </ul>
Low digital maturity of systems	Accelerate rollout of SEED and e-certificates; integrate CRM producer register with EPR/DPP modules	<ul style="list-style-type: none"> <li>• <a href="#">3.2.1</a> – Paperless trade</li> <li>• <a href="#">3.2.4</a> – Transparency package</li> <li>• <a href="#">3.6.1</a> – Statistics harmonisation</li> <li>• <a href="#">5.5.1</a> – Digital Product Passports</li> </ul>

# MOVING FROM FRAMEWORK TO IMPLEMENTATION

- **Bridge EPR gaps by matching identified weaknesses with relevant CRM 2.0 actions** (e.g., [measure 3.7.2](#) for cross-border shipments, [3.2.1](#) for digital traceability, [5.5.2](#) for market demand), and adopt a regional EPR alignment framework with phased approximation to the EU Packaging and Packaging Waste Regulation.
- **Establish a common data exchange and clearing system.** Create a digital CRM producer register integrated with product codes and EPR/DRS modules to ensure traceability, compliance oversight, and cross-border recognition. Build on CRM measures [3.2.3–3.2.4](#) and [3.6.1](#).
- **Pilot innovation.** Launch pilots on Digital Product Passports ([5.5.1](#)), Green Public Procurement ([5.5.2](#)), and eco-industrial parks ([5.5.3](#)) in priority streams such as plastics, textiles, and metals.
- **Eco-industrial parks.** Initiate at least two regional pilots focusing on plastics, metals, and textiles, linked to faster cross-border shipments of non-hazardous waste ([5.5.3](#) and [3.7.2](#)).
- **Deposit-return systems.** Develop a joint roadmap for DRS design, interoperability, and settlement mechanisms under measure [3.7.2](#) to ensure high collection rates and limit cross-border leakages.
- **Invest in recycling value chains.** Channel regional investment into sorting, recycling, and secondary raw materials markets through CRM mechanisms.
- **Leverage CEFTA** as a driver for standardising labelling, eco-modulated fees, and customs procedures, facilitating freer movement of recyclables and convergence with the EU Single Market.



# GOVERNANCE AND PARTNERSHIPS



**Coordination.** Establish a WB6 working group under the CRM/CEFTA framework, engaging line ministries, chambers of commerce, municipalities, inspectorates and PROs. This platform should ensure consistent of EPR implementation, facilitate technical exchange and provide a structured dialogue with industry.



**Clearinghouse.** Set up a neutral regional clearinghouse as a central platform for EPR and DRS coordination under CRM 2.0, with the following functions:

- **Collect, verify and reconcile data** from producers, importers, PROs, municipalities, recyclers, customs and inspectorates.
- **Prevent double-counting and fraud** through harmonised reporting and oversight.
- **Calculate and settle financial flows**, including eco-modulated fees, municipal compensation, recycler payments, and deposit-return settlements.
- **Monitor performance using common indicators**, such as collection and recycling rates, shipment clearance times, and uptake of digital product passports and green procurement tools.



**Financing.** Combine EU and development funds with public-private partnerships through Green Public Procurement and eco-industrial parks to mobilise investment in recycling infrastructure and ensure financial sustainability.

## STEPS TO A COORDINATED REGIONAL APPROACH

A coordinated regional approach is vital for the WB6 to overcome fragmented systems, cut compliance costs, and build scale for competitive circular value chains. The steps below outline how this can be achieved under the CRM and CEFTA frameworks.



**Align EPR frameworks** for packaging, textiles and metals across WB6 to reduce compliance costs, ensure fair competition, and facilitate cross-border trade in secondary raw materials.



**Establish a digital CRM producer register**, linked with product coding systems, to enhance transparency, prevent free-riding, and provide robust data for eco-modulated fees and evidence-based policymaking.



**Scale up regional recycling value chains and DRS** to achieve economies of scale, attract private investment, and strengthen regional circular value chains.



**Use CEFTA mechanisms** to standardise labelling, eco-modulation structures and border procedures, removing bottlenecks and deepening market integration with the EU Single Market.

## CONCLUSION



A coordinated regional approach to Extended Producer Responsibility for packaging, textiles, and metals within the Common Regional Market offers the WB6 a clear path from fragmented frameworks to effective implementation.



By harmonising EPR systems across these priority material streams, supported by a CRM-wide digital producer registry and regionally coordinated deposit-return systems, the region can reduce compliance costs, unlock economies of scale, and improve transparency.



Leveraging CEFTA mechanisms to align labelling, fee structures and border procedures would further facilitate cross-border flows of secondary raw materials.



Embedding EPR for these streams in the CRM framework would accelerate EU convergence while delivering tangible economic, environmental, and social benefits for the region.



To ensure this vision translates into measurable progress and actionable reforms, targeted policy measures will be essential at both national and regional levels.



## For Decision-Makers

Decision-makers in the WB6 should prioritise the following actions to accelerate alignment with EU circular economy legislation and strengthen regional EPR implementation:

-  **Harmonise EPR legislation for packaging, textiles and metals** to ensure consistent producer obligations, transparent fee structures, and effective enforcement aligned with EU standards (PPWR, WFD).
-  **Establish a regional digital producer registry within the Common Regional Market (CRM 2.0) framework** to enhance traceability, prevent free-riding, and provide reliable data for eco-modulated fee setting and monitoring.
-  **Coordinate the rollout of regional deposit-return systems** for beverage packaging to achieve high collection rates, reduce system costs, and enable cross-border deposit recognition.
-  **Use CEFTA mechanisms** to harmonise labelling requirements, eco-modulated fees and customs procedures, facilitating trade in secondary raw materials and integration with the EU Single Market.
-  **Mobilise financing and investment incentives** through EU pre-accession funds, development banks, and public-private partnerships to strengthen collection, sorting, and recycling infrastructure.
-  **Build institutional capacity and regional cooperation by establishing a WB6 EPR/DRS coordination platform** to exchange data, align enforcement practices, and ensure consistent implementation across economies (Establish a WB6 working group under the CRM/CEFTA; Create a regional clearinghouse).
-  **Designate national focal points for EPR coordination within environmental authorities**, in cooperation with finance and trade ministries, to ensure that implementation is aligned with national waste management plans and regional CRM 2.0 mechanisms.
-  **Establish a regional monitoring mechanism to track EPR performance** and share progress among WB6 economies, ensuring transparency and continuous policy learning.

Embedding these actions within the CRM 2.0 framework would enable the WB6 to move from fragmented national systems toward an integrated regional model, reducing compliance costs, attracting investment and accelerating convergence with EU circular economy standards.