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STATE AID WESTERN BALKANS SPOTLIGHT

POLICY IMPULSE #3: IMPROVING THE TRANSPARENCY OF STATE AID INCENTIVES

AWARENESS DEFICIT

FINDING

Public and private sector awareness of state aid rules remains low

RATIONALE

Raise awareness among aid grantors and beneficiaries

ACTION

- Organize outreach campaigns and training workshops
- Develop and distribute user-friendly guides

BENEFIT

Higher compliance and fewer breaches of state aid rules

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STATE AID WESTERN BALKANS SPOTLIGHT

POLICY IMPULSE #3: IMPROVING THE TRANSPARENCY OF STATE AID INCENTIVES

IMPACT ASSESSMENT BLINDSPOT

FINDING

Ex-post impact assessments of aid schemes are rarely conducted

RATIONALE

Evaluate whether aid schemes deliver their intended economic or social outcomes

BENEFIT

Smarter and more cost-effective state aid policies

ACTION

- Develop national methodologies and guidelines for impact evaluation
- Conduct periodic evaluations and publish findings

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STATE AID WESTERN BALKANS SPOTLIGHT

POLICY IMPULSE #3: IMPROVING THE TRANSPARENCY OF STATE AID INCENTIVES

AID CONTROL GAPS

FINDING

Many aid schemes are not properly notified or monitored

RATIONALE

Ensure all state aid measures undergo proper ex-ante and ex-post controls



BENEFIT

Greater legal certainty and improved quality of state aid

ACTION

- Introduce sanctions for non-notification and misreporting
- Conduct regular ex-post evaluations of approved aid schemes

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STATE AID WESTERN BALKANS SPOTLIGHT

POLICY IMPULSE #3: IMPROVING THE TRANSPARENCY OF STATE AID INCENTIVES

HIDDEN AID DATA

FINDING

There is no regular, centralized publication of granted state aid in most WB6 countries

RATIONALE

Improve transparency and accountability in state aid disbursement

BENEFIT

Transparent and trackable aid spending, enabling evidence-based policymaking and greater investor confidence

ACTION

- Develop national state aid reporting platforms
- Publish data by year, investor origin, aid type, amount, and purpose
- Ensure timely, online publication of all decisions and reports in machine-readable, open-data formats
- Base system design on the EU State Aid Scoreboard

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STATE AID WESTERN BALKANS SPOTLIGHT

POLICY IMPULSE #2: IMPROVING THE IMPLEMENTATION OF STATE AID INCENTIVES

HARD-TO-REACH SUPPORT

FINDING

State aid incentive systems are fragmented, complex, and difficult to access

RATIONALE

Simplify and centralize information on available incentives

BENEFIT

Greater transparency and accessibility, reducing investor confusion and boosting interest

ACTION

- Create a national one-stop online registry in each WB6 country
- Provide clear details on eligibility, duration, amount, and legal basis
- Ensure English-language access for international investors

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STATE AID WESTERN BALKANS SPOTLIGHT

POLICY IMPULSE #1: IMPROVING THE EFFICIENCY OF STATE AID SPENDING

INCENTIVE LIMITS

FINDING

Incentives alone are not enough to attract sustainable foreign investment

RATIONALE

Complement incentives with broader improvements in the business environment

BENEFIT

Improved long-term competitiveness and more sustainable, high-quality investment inflows across the WB6

ACTION

- Invest in education, infrastructure, and digitalization
- Enhance regulatory quality and rule of law
- Strengthen SME linkages to foreign investors

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STATE AID WESTERN BALKANS SPOTLIGHT

POLICY IMPULSE #1: IMPROVING THE EFFICIENCY OF STATE AID SPENDING

OFF-TARGET SPENDING

FINDING

State aid is not strategically aligned with economic or SDG-related gaps

RATIONALE

Align state aid with country-specific development needs and SDG priorities

BENEFIT

Stronger developmental impact of public funds and faster progress toward SDGs and economic transformation

ACTION

- Conduct national assessments to identify key macroeconomic gaps
- Target aid accordingly (e.g. employment in Albania, BiH, Montenegro; innovation in North Macedonia; exports in Albania and BiH)
- Link incentives to job creation, skills development, and technology transfer

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POLICY IMPULSE #1: IMPROVING THE EFFICIENCY OF STATE AID SPENDING

CRISIS AID BLINDSPOT

FINDING

Crisis-related aid, such as COVID-19 support, was distributed quickly but lacked long-term evaluation

RATIONALE

Assess the effectiveness and value-for-money of emergency aid schemes

BENEFIT

Better-prepared, evidence-based responses to future economic shocks

ACTION

- Conduct ex-post evaluations of pandemic-related aid
- Use findings to improve future crisis-response instruments

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STATE AID WESTERN BALKANS SPOTLIGHT

POLICY IMPULSE #1: IMPROVING THE EFFICIENCY OF STATE AID SPENDING

REGIONAL SPENDING DISPARITIES

FINDING

State aid spending varies significantly across countries, with Serbia and North Macedonia spending far more than others like Kosovo

RATIONALE

Align state aid levels with fiscal capacity and national development priorities

BENEFIT

Prevention of fiscal imbalances and more strategic use of limited public funds

ACTION

- Introduce state aid ceilings or budget frameworks tied to macroeconomic conditions and national strategies

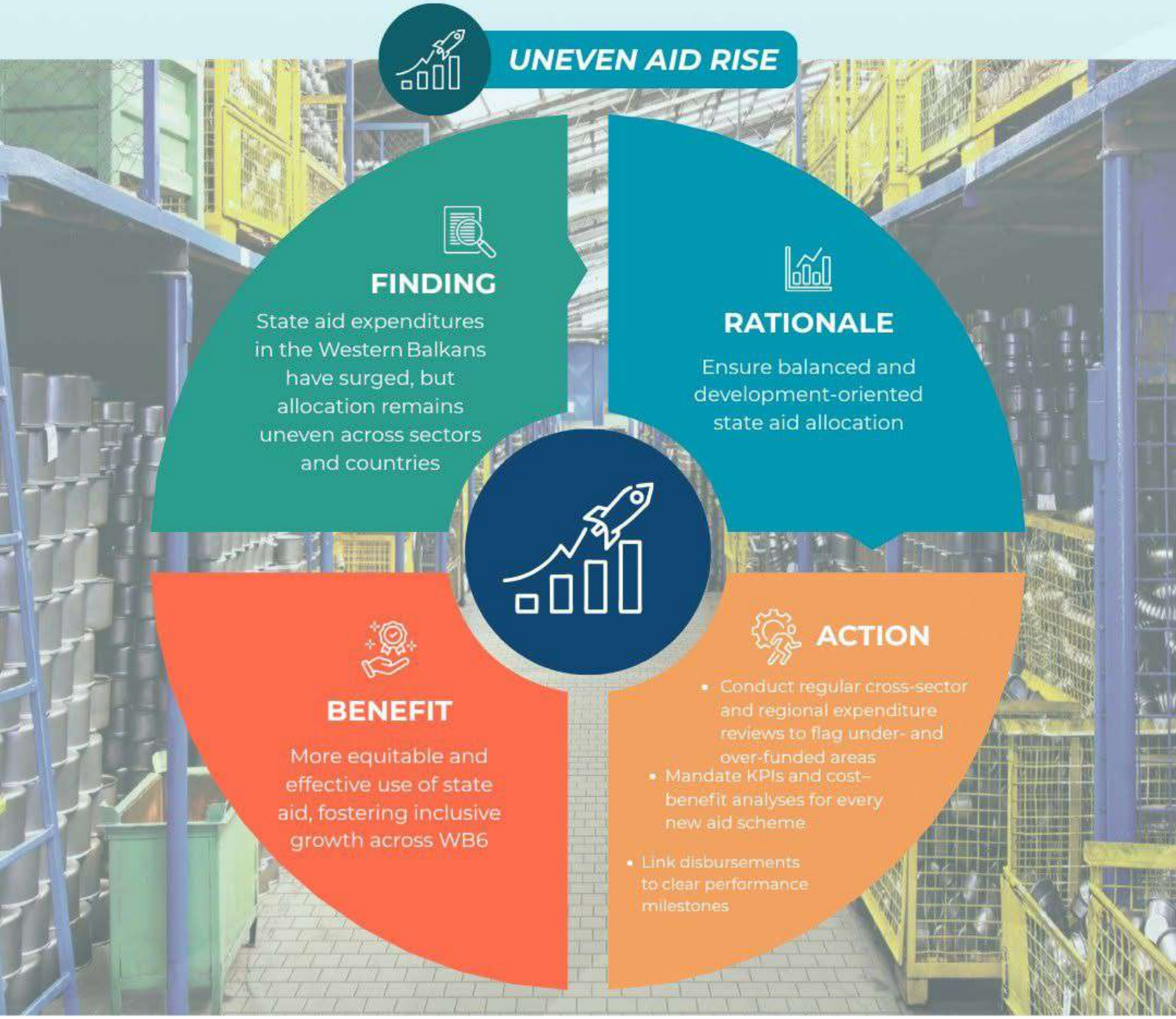
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