



CHAMBER OF
COMMERCE AND
INDUSTRY OF SERBIA



DECLARATION OF THE CHAMBER OF COMMERCE AND INDUSTRY OF SERBIA

Green Transformation of the
Serbian Economy

DECLARATION OF THE CHAMBER OF COMMERCE AND INDUSTRY OF SERBIA GREEN TRANSFORMATION OF THE SERBIAN ECONOMY (in ten points)

Climate change, along with global movements in the sphere of economy, finance, availability of critical raw materials, availability of food and energy, and above all, the health of the population, directly affect the reassessment of the strategies of national economies and represent a special challenge for adapting companies to new circumstances. The increase in the exchange of existing and the availability of new products and services, the increase in the mobility of foreign investments, the adaptability of supplier chains, including the change of decades-old practices (the phenomenon of nearshoring), reduced availability of natural resources and energy, and the increasing influence of digitization and communication technologies - together they create new challenges as well as opportunities for sustainable economic development and competitiveness in international markets. Crisis and challenges also represent a chance for change.

The green transformation, which is a comprehensive, complex and demanding process implying, above all, the transformation towards a low-carbon and circular economy, is the biggest generational economic and social challenge. In this context, the activities of the Chamber of Commerce and Industry of Serbia in this area are aimed at initiating opportunities for green growth, improving the industrial competitiveness of the domestic economy and contributing to the further development and placement of domestic products and services on various markets. Changes of this scope and complexity also require a fundamental change in awareness of the importance, content and necessity of the challenge ahead of us.

The transition to a circular economy represents a great potential for new business opportunities. At the same time, domestic companies face challenges related to harmonizing their own operations with the principles of the circular economy, which, to a large extent, have already been implemented by their European and global business partners.

The goal of the support of the Chamber of Commerce and Industry of Serbia is reflected in the advocacy of the establishment of a regulatory framework that will enable companies of all sectors and sizes to innovate processes and create products and services that contribute to the goals of a sustainable economy. We will work together with the economy, representatives of local communities and decision-makers on the development of regulations, financial instruments, transfer of knowledge and exchange of best practices that will further contribute to the harmonization of sustainable business with European standards and rules, observing the principles of market competition that will encourage innovation.

A successful policy of sustainable business and the competitive position of domestic companies on the global market requires a carefully balanced combination of administrative reliefs, economic instruments and access to financing.

We believe that it is of crucial importance that the activities of the Chamber of Commerce and Industry of Serbia are directed towards providing companies with the best possible support for achieving the necessary balance, innovations in business and business models based on further investments in the protection and improvement of the environment and contribution to mitigating and adapting to climate change.

Key topics:

- UN Sustainable Development Goals
- The Paris Agreement
- "Green Agenda" for the Western Balkans (Sofia Declaration)
- The Brdo Declaration
- National legislation
 - Climate package,
 - Energy package,
 - Circular economy, etc.
- Public dialogue

1. Strategic and Regulatory Framework

Starting from the 17 Sustainable Development Goals of the United Nations, international and regional agreements (The Paris Agreement, Sofia Declaration, the Brdo Declaration) and the national regulatory framework (the climate and energy package), the Chamber of Commerce and Industry of Serbia recognizes the European Green Deal as an opportunity for an economic turnaround in order to create a modern, climate-neutral and competitive economy that responsibly and efficiently uses all its resources. The Economic-Investment Plan within the "Green Agenda" for the Western Balkans, as support for the long-term green socio-economic recovery of the region, will be an incentive for sustainable economic growth, the implementation of necessary reforms and support for the economy of the Western Balkans for easier adaptation and access to the European and world markets. Efficient implementation of the strategic and regulatory framework with adequate transitional periods of adaptation of the economy are key to finally achieving the goals of climate and carbon neutrality, while observing vital national interests.

The complexity of Green transformation requires also transparency of public dialogue, and this is in particular relevant in local communities, which should be achieved through inclusion of all relevant actors from the business, academic and civil sectors as well as representatives of local municipalities.

2. Climate and Carbon Neutrality

The existing growth model based primarily on the use of fossil fuels and, consequently, the harmful impact on the environment and human health, will gradually but consistently, systematically and in the best interest of the state and citizens be abandoned with the smart development of capacity for renewable energy sources, both in public and in the private sector and households, with further promotion of energy efficiency programs. Approaching the goals of energy and climate transformation through the Integrated National Energy and Climate Plan, implementation of the monitoring, reporting and verification system (MRV system), analysis of the impact of the Carbon Border Adjustment Mechanism (CBAM) on the Serbian economy and preparations for its implementation are some of the key tasks on the way to climate and carbon neutrality. Continue harmonization with the EU Emissions Trading System (EU ETS) and contribute to the development of other carbon pricing instruments to promote decarbonization in the region.

Key topics:

- Energy Transformation
- Decarbonization
- Carbon Border Adjustment Mechanism (CBAM)
- Monitoring, Reporting and Verification (MRV)
- Integration of the National Energy and Climate Plan

3. Circular Economy, Resource Reduction, Zero Waste

Starting from the basic principles of the circular economy - designing products/services without harming the environment, extending the life of products/materials and restoring and preserving natural systems and resources, the Chamber of Commerce and Industry of Serbia strongly supports and promotes the efficient use of natural resources, the reduction of the amount of generated waste and emitted pollution and production/transport with greater use of renewable energy sources. The application of new circular business models is particularly promoted - economic, regulatory, voluntary standards, information, green procurement - which are based on the life cycle and have fewer incorporated hazardous materials, less consumption of raw materials, energy, water both in production and during use, but also services of using instead of owning products - leasing, sharing, renting. Spreading knowledge and strengthening awareness among small and medium-sized enterprises about the key advantages of switching to circular business models. Support to halting biodiversity loss, restoring natural ecosystems, increasing opportunities to use nature-based solutions to mitigate and adapt to climate change impacts.

Key topics:

- Circular Business Models/ Tools
- Material Circulation Strategies (ISO 14009)
- Product Life Cycle (LCA, ISO 14040)
- Product-as-a-Service
- Measuring the Degree of Product "Repairability"
- Evaluating the Company's Circularity

Key topics:

- Eco-design, ISO 1400)
- Ecolabelling, ISO 1402)
- Carbon Footprint, ISO 1406)
- Sustainable Procurement, ISO 2040)
- Non-financial Reporting
- Responsible Consumption

4. Sustainable Production and Consumption

Chamber of Commerce and Industry of Serbia encourages the economy to review its strategies, policies, processes and practices, to turn to eco-design of products suitable for maintenance, repair, alteration, disassembly, recycling, as well as to integrate the principles of sustainability in the processes of exploitation and procurement of raw materials, production, transportation, delivery, maintenance, with continuous information and education of users (instructions for proper use, storage, maintenance, disposal). The transformation of business policy towards the planning of eco-innovative products and the application of the latest requirements for eco-design in engineering and product design are some of the preconditions for faster adaptation to the requirements of the EU and the world market. Integral monitoring and measurement of the product's carbon footprint by observing recognized calculation methods and international standards (ISO 14067), verification of reports on greenhouse gas emissions (GHG), continuous reporting on non-financial (sustainable) operations (CSR Directive), are an additional contribution to transparency and better informing the public about the impact of business on society and the community. Support consumer-focused initiatives to raise citizens' awareness of waste, separate collection and sustainable consumption. Promote environmentally friendly and organic farming and reduce the use of plastics and other artificial chemicals used in food production.

Key topics:

- Educational Programs and New "Green" Jobs
- Professional Practice
- Master Training for Circular and "Green" Professions
- Promotion of "Green" Professions and New Profiles
 - solar panel installer,
 - wind turbine maintenance technician,
 - organic farmer,
 - specialist in GHG measurement,
 - biogas plant operator,
 - green building technician, etc.

5. Education and Green Jobs

The International Labor Organization (ILO) estimates that by 2030, 24 million new "green" jobs will be created globally, mostly in the areas of health care, production and processing industry, construction, agriculture, transport, as well as finance, fashion industry and services. Trained personnel, as expected, will be most sought after in the fields of renewable energy sources, as well as circular economy and "green" and sustainable business. Chamber of Commerce and Industry of Serbia strongly supports the development of new educational programs and profiles and the training of pupils and students for "green" professions through the further development of the dual education system, the intensification of professional practices, master training and other forms of acquiring practical knowledge and skills for the new "green" and digital age in industry 4.0. Targeted training in the most affected sectors can help workers acquire the necessary competencies and skills to properly implement the transition and be more innovative and resilient to change. Training is especially important for retaining and upskilling the existing workforce when new technologies are adopted, without jeopardizing existing jobs and positions. We believe that it is also necessary to adapt the curriculum at faculties, primarily faculties of economics and the ones dealing with sustainable development, so that they include new disciplines such as climate change finance and climate change accounting as well as circular economy.

6. Eco-innovations, Science, Smart Technologies, E-mobility

Promoting research, development and eco-innovation and the adoption of sustainable techniques and technological solutions can encourage sustainability and circularity in business. By identifying ways in which research, development, eco-innovation and digital technologies can help to implement the green transition, including reducing the costs of that transition, developing new eco-techniques and technologies or promoting the existing ones, should play one of the key, driving roles. Additional support measures for small and medium-sized enterprises to encourage the adoption of innovative, green and digital technologies in the business ecosystem. Support the further strengthening of the ties between the academic community, science and the economy, in order to find innovative solutions, facilitated adoption of the latest technologies and observe the real needs of companies for knowledge of the new age. Affirm the implementation of EU technical standards and digitization of all types of transport. Develop and implement climate resilience plans for the transport networks of Western Balkan economies, and promote the preparation and implementation of Sustainable Urban Mobility Plans for urban areas in the Western Balkans. Support sustainable mobility solutions at the regional level including plans for the use of alternative fuels and the construction of filling and refueling stations. Increase regional cooperation in the field of alternative fuel infrastructure development.

Key topics:

- Sustainable Technologies
- Eco-innovations
- Support for the Development of Eco-Startup Companies
- Connection between Science/University and Economy
- Smart Transport
- E-mobility

7. Just Transition

Analysis of the socio-economic impact of decarbonization at the national and regional level aimed at the fair transition, while minimizing the impact on the economic and social status of employees in vulnerable activities and envisaging measures and programs that will strengthen the resilience of the social protection systems. Support the development of a program to deal with the problem of energy poverty and a financial scheme for the reconstruction of households and ensuring an appropriate level of living standards. The "green" and digital transition will have a strong social impact, particularly due to the shutdown of certain jobs and the creation of new jobs and working conditions, which is why it is necessary to include fairness and solidarity, as defined principles of the European Green Deal and the EU Digital Strategy. This impact should be considered when creating transition plans, since by timely identifying the expected social consequences of transition, harmful effects can be minimized and prevented. Full support to companies implementing measures so that the transition is socially responsible and therefore sustainable in the long term.

Key topics:

- Social Aspect of Transition
- Energy Poverty
- Social Responsibility
- Retraining Programs
- "Vulnerable" Occupations and Resilience Measures (e.g. mining)
- Just Transition Plan

8. Sustainable Finance

Realization of the sustainable economic growth, increasing the profitability of companies implementing the transition and reducing costs through the application of the circular economy model, as well as the overall mitigation of climate risks, is a key contribution to the implementation of the green transformation, which will be achievable only through the mobilization of financing from various sources. The "polluter pays" principle should be affirmed and fees should be thoroughly analyzed, and the segment of budget financing should eventually be replaced by the principle of co-investment. Develop also innovative financial instruments from the private sector such as corporate green bonds, but due to the limited domestic capital market, the financial sector should also offer loans for special purposes to finance investments in green technologies, combined with the financial incentives and even appropriate technological help for the application of such technologies. Serbia meets the generational challenge of the green transition with fiscal and monetary stability, so with the first issuance of the government green bond, it has generated one billion euros that will be invested in various infrastructural green projects. Various sources of financing from the EU are available, primarily IPA III funds, as well as Western Balkans Investment Frameworks, international financial institutions such as EIB and EBRD, as well as the possibility of targeted use of the guarantee scheme - Western Balkans Guarantee Facility. By changing credit policies, commercial banks will have to respond to the growing needs of the market by assuming the role of a catalyst for green transformation, increase the volume of their green credit portfolio, harmonize their reporting with increasingly rigorous ESG international standards (considering that most banks in Serbia have their headquarters abroad), improve credit offer in the field of energy transformation and efficiency, as well as adapt their risk management to the changed needs of the market. Banks will develop new products, such as, for instance, credit lines for the transformation from a linear to a circular production model. The model of public-private partnership will also be necessary, for instance in the domain of innovation, where, we believe, it is possible to direct the strategic direction of innovation if key actors act as market shaping, and not only as market fixing.

Key topics:

- Sustainable Growth
- Funding Sources
- Diversification
- Corporate and Government Green Bonds
- ESG International Standards
- Investments in Green Infrastructure Projects
- Banks as Catalysts of Green Transformation

9. Regional Networking and Cooperation

In order to enhance regional connection and cooperation, as well as more efficient establishment of a common regional market, the Chamber of Commerce and Industry of Serbia, together with the partner chambers of commerce and industry of the Western Balkans, founded a Regional Association - Western Balkans 6 Chamber Investment Forum (WB6 CIF). The Association represents the interests of over 350,000 companies and is a response to the political processes within the Berlin process. WB6 CIF called on the governments of the region to enable decarbonization, transition to a circular economy, reduction of pollution, sustainable agriculture and protection of nature and biodiversity through the implementation of the Green Agenda for the Western Balkans. The necessity of joint planning and cooperation on the diversification of energy sources and energy distribution routes with sustainable projects that will enable countries in the region to rely on domestic resources of clean and sustainable energy to the greatest extent possible is emphasized. The Chamber of Commerce and Industry of Serbia welcomes the "Open Balkan" Initiative, which is aimed at the efficient implementation of the obligations of establishing a common economic space based on the freedom of movement of people, goods, services and capital. We invite the governments of all six economies of the Western Balkans to harmonize the national goals of energy and climate transformation within the framework of the Open Balkan, which would ensure a coordinated and effective response of the region to the challenges faced by mankind.

Key topics:

- Guidelines for the Implementation of the Green Agenda for the Western Balkans
- Action Plan for the Implementation of the Sofia Declaration 2021- 2030
- Western Balkans 6 Chamber Investment Forum (WB6 CIF)
- The "Open Balkan" Initiative
- Regional, Competitive, Common Market
- Approaching the Goals of the Energy and Climate Transformation of the Western Balkans

Key topics:

- Digital & Green Transformation
- Reduction of Waste in Production, Reduction of Costs
- Paperless Business
- Increasing the Energy Efficiency of Buildings
- Reduction of Energy and Resource Consumption
- The DT Center Certified 68 Consultants
- Support for more than 700 SMEs

10. Twin Transformation

Digital transformation is one of the most important segments of the overall green transformation and in many EU documents these two processes are treated as related and interdependent. Solutions from the digital domain can significantly reduce the amount of waste in production processes, adjust the volume of production to the changing requirements of the market and demand, reduce surplus production that can become unusable, as well as enable complete paperless business. Solutions from the domain of digital transformation can also improve the energy efficiency of residential and industrial buildings, reduce energy consumption or adapt it according to the needs. The Center for Digital Transformation of the Chamber of Commerce and Industry of Serbia successfully trained and certified 68 consultants in this area in 4 years, according to the international standard ISO 17024. Through various programs of the Center, which were implemented with the great help of the Ministry of Economy and GIZ, the consultants have so far successfully cooperated with over 700 micro, small and medium enterprises and helped them implement digital transformation, focusing on - digital marketing and e-trade, business processes and models, digital data security and business. The certification of the first group of consultants for the domain of artificial intelligence (AI) is being prepared, and it will help companies improve their business by applying these advanced solutions. The Center has also developed an interactive online academy for digital transformation, intended for owners and managers of micro, small and medium enterprises in Serbia.



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