



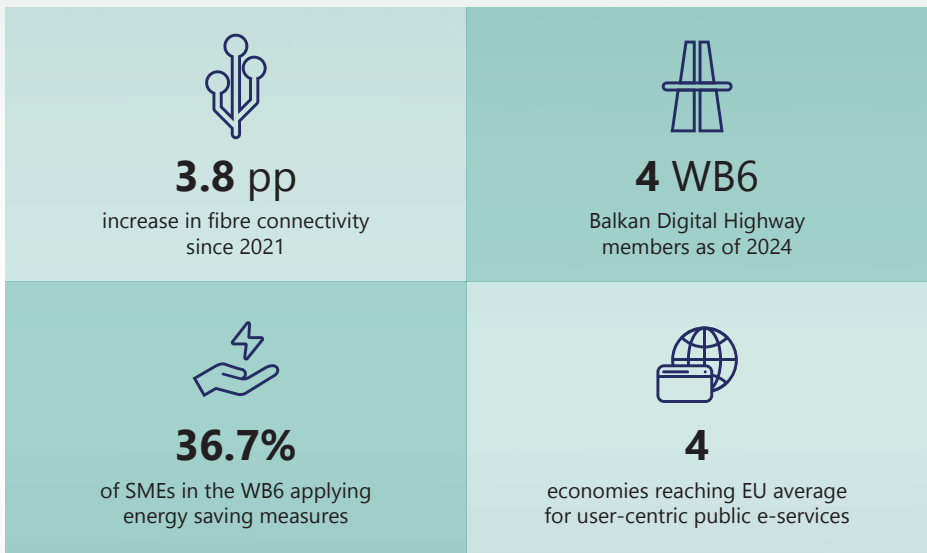
Digital and Green SMEs:
**Accelerating the Twin Transitions
in the Western Balkans**

Project Rationale

In the EU, the carbon footprint of SMEs remains significant, accounting for around 40% of business-driven emissions and nearly half of all business-driven energy consumption¹. As we race to net-zero, policy makers face the dual challenge of accelerating the green transition while enhancing digitalisation to boost competitiveness, resilience and well-being.

These 'twin' transitions imply a shift towards a carbon-neutral economy that leverages the power of digital technologies. Although these transitions can mutually reinforce each other, alignment is not automatic, especially when SMEs lack the incentives to go green.

The six Western Balkan (WB6) economies are no exception. Despite the region's advancements and commitment to digitalisation across the board:



the WB6 often lag behind their peers in the EU in adopting more advanced technologies, slowing down the region's competitiveness and sustainable development. In the Western Balkans, SMEs make up 99% of all businesses² and remain key to accelerating the twin transition and meeting green and digital goals.

¹ OECD (2023), Assessing greenhouse gas emissions and energy consumption in SMEs: Towards a pilot dashboard of SME greening and green entrepreneurship indicators, OECD SME and Entrepreneurship Papers, No. 42, OECD, Paris.

² OECD (2022), SME Policy Index: Western Balkans and Turkey 2022. Assessing the Implementation of the Small Business Act for Europe, OECD Publishing, Paris.

About the Project

Digital and Green SMEs: Accelerating the Twin Transitions in the Western Balkans is a three-year project implemented by the OECD with the financial support of Croatia. It is designed to provide analytical and capacity-building support to all WB6 economies to scale up the digitalisation of SMEs and make progress in reaching the targets set in the Green and Digital Agendas for the Western Balkans.

The project is based on three pillars:

1

Regional Peer Dialogue

- Facilitate mutual learning among WB6 economies
- Share knowledge with OECD experts
- Exchange of good practices with OECD countries

2

Capacity Building

- Raise awareness and strengthen capacities for the twin transitions
- Build a network of relevant actors to work together (SMEs, business associations, SME support agencies, government)
- Accelerate the convergence with EU and OECD standards

3

Analytical Support

- Assess SMEs' needs for digitalisation and greening
- Identify policy priorities for the Western Balkans
- Make recommendations to support the SME twin transitions
- Improve business support services in the region



PROJECT DURATION: 2024-2026



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