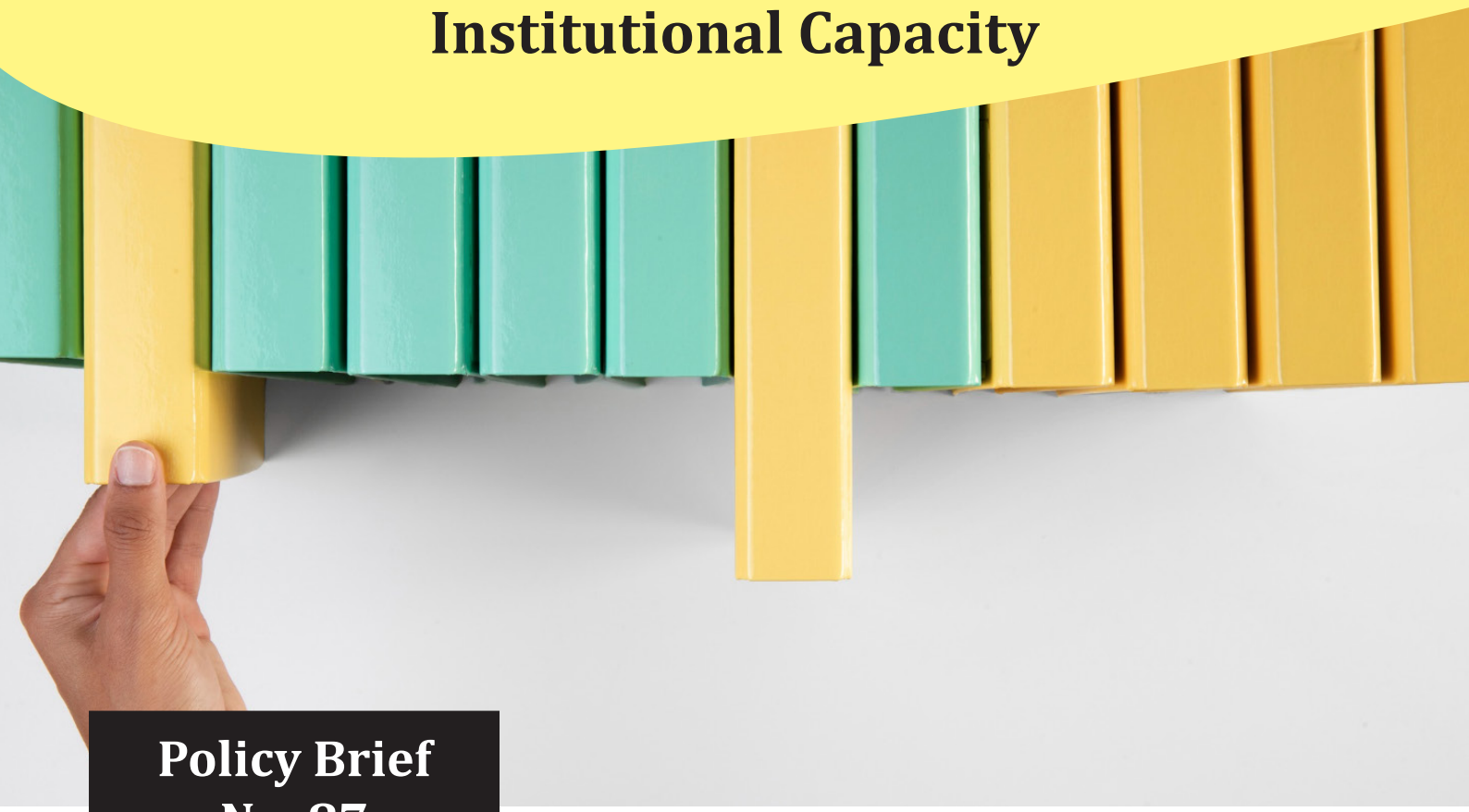
State Aid Control in the Western Balkans: A Comparative Assessment of the Institutional Capacity



Policy Brief No. 87

1. Introduction

State aid control is an essential part of sound public-resource governance. It determines whether public support to undertakings is granted within an appropriate legal framework, whether potentially distortive interventions are subject to scrutiny, and whether unlawful or incompatible aid can be addressed (European Commission TEFU, Articles 107 and 108). For the Western Balkan economies, institutional capacity in this area is increasingly important as governments deepen alignment with the EU state aid acquis and as the volume and complexity of public support measures grow (Finance Think, 2026).

The existence of legislation and formally designated authorities, however, does not by itself demonstrate effective state aid control. An authority may have a clear mandate but insufficient staff; legally binding powers but weak operational procedures; a bunch of data but limited analytical use of them; or regular cooperation with the European Commission but insufficient internal capacity to translate that cooperation into day-to-day practice. Hence, the purpose of this brief is to examine the institutional conditions that enable authorities to exercise their state aid control functions effectively in practice.

The analysis covers the six Western Balkan economies—Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia—and uses the common institutional-capacity methodology that explicitly seeks to distinguish formal arrangements from actual operation and focuses on mandate, staffing, procedures, resources, transparency, data systems and EU-facing capacity.

The evidence shows a region in which the basic institutional architecture is broadly established, but operational maturity varies substantially across dimensions.

The strongest common foundation is found in legal mandates and the existence of formal state aid control functions. The most persistent constraints concern staffing, specialised economic expertise, institutional independence in practice, data interoperability, systematic transparency, and the capacity to move from formal procedures towards more mature and EU-facing operational systems.

Regional comparison is therefore more informative than a simple country ranking. Different economies demonstrate different strengths: some have relatively strong mandates and enforcement; others have efficient case processing; some have more developed electronic registers; and some benefit from sustained EU technical assistance. At the same time, no country demonstrates mature capacity across all five pillars. The regional policy challenge is consequently to consolidate existing strengths while addressing recurring institutional bottlenecks.

2. Methodology

The brief follows the methodology for assessing the institutional capacity of state aid authorities in the Western Balkans, designed to produce a comparable picture of how state aid control functions in practice and to identify common patterns, strong practices, recurring bottlenecks and reform needs.

The methodology combines several evidence components: desk research, a structured questionnaire and validation interviews with state aid control authorities, and selected internal documents where they materially improve comparability or resolve contradictions. Therefore, the research is based on:

- Primary and secondary legislation governing state aid control, institutional powers and procedures[1];
- Annual activity and state aid reports, public decisions and official registers or databases[2];
- Official budget, organizational and staffing information[3];
- Questionnaire and interview evidence from competent authorities and relevant state aid units[4];
- Selected operational evidence, including workflow, case-handling, monitoring and reporting practices[5].

The methodology uses a 0–3 scale. Scores are structured judgements supported by a short narrative explanation. Pillar scores are synthesis judgements based on the underlying indicator evidence rather than mechanical averages. Half-point scores may be assigned where the evidence places an indicator between two adjacent scoring levels. They represent an evidence-based intermediate judgement and should be accompanied by a brief narrative justification explaining why the indicator does not fully meet either adjacent level.

[1]Law No. 9374 on State Aid (Albania); Law on the State Aid Systems (Bosnia and Herzegovina); Law No. 05/L-100 on State Aid (Kosovo); Law on State Aid Control 89/25 and 70/26 (Montenegro); Law on Protection of Competition 46/26 (Montenegro); Law on State Aid Control 145/10 (North Macedonia); Law on State Aid 73/19 (Serbia)

[2]Work Programme 2025 of the State Aid Secretariat of Bosnia and Herzegovina; Annual Report 2025 of the Commission for Protection of Competition of North Macedonia; Annual Report 2025 of the Agency for Protection of Competition of Montenegro; Activity Report 2025 of the State Aid Control Commission of Serbia

[3]Budget 2025 of the Commission for Protection of Competition of North Macedonia available at https://www.kzk.gov.mk/images/2025/Buzdet-na-KZK-2025.pdf;

[4]Interviews with representatives of the following institutions have been conducted: Ministry of Economy of Albania; State Aid Council of Bosnia and Herzegovina (14 July 2026); Commission for Protection of Competition of North Macedonia (2 June 2026); Ministry of Finance, Labor and Transfers of Kosovo; Agency for Protection of Competition of Montenegro (August 2026); Commission for State Aid Control of Serbia (12 June 2026)

[5]Decisions of the State Aid Council of Bosnia and Herzegovina, available at https://www.szdp.gov.ba/Content/Read/15?title=OdlukeVije%C4%87a&lang=bs; Decisions of the Commission for Protection of Competition of North Macedonia, available at https://www.kzk.gov.mk/%D0%BE%D0%B4%D0%BB%D1%83%D0%BA%D0%B8/%D0%B4%D1%80%D0%B6%D0%B0%D0%B2%D0%BD%D0%B0-%D0%BF%D0%BE%D0%BC%D0%BE%D1%88/2026-03-25-08-33-06/

Pillar	Indicators	Core capacity question
1. Mandate and independence	1.1 Legal mandate clarity; 1.2 Binding effect and enforcement basis; 1.3 Independence in practice	Can the authority exercise a clear mandate and take decisions with practical effect, without undue pressure?
2. Organisation and people	2.1 Functional internal structure; 2.2 Adequacy of professional staff; 2.3 Staff continuity and targeted training	Does the authority have a workable structure, sufficient staff and an appropriate legal/economic skill mix?
3. Operational effectiveness	3.1 Guidance, workflow and internal quality review; 3.2 Timeliness and backlog	Can cases be processed in an orderly, reviewed and reasonably timely manner?
4. Transparency and data	4.1 Publication of decisions and reports; 4.2 Data system or register use	Can stakeholders access core outputs and can the authority manage usable state aid information?
5. Resources and EU-facing readiness	5.1 Budget and resource stability; 5.2 EU-facing cooperation and reporting readiness	Are resources sufficiently stable and is the authority equipped for progressive EU-oriented implementation?

- Score 0 (Absent/Non-functional): No meaningful evidence that the function exists or operates.
- Score 1 (Formal/Weak): The function exists on paper, but practice is limited, inconsistent or unreliable.
- Score 2 (Operational/Partial): The function operates in practice, but visible gaps or constraints remain.
- Score 3 (Mature/Effective): The function is established, consistently applied and broadly effective.

3. Regional Assessment by the Five Pillars

3.1 Mandate and independence

The regional picture is strongest on formal mandate and decision-making powers. All six economies have legislation that identifies competent institutions and provides a basis for state aid assessment, supervision and, to varying degrees, recovery or corrective action. The more significant regional difference concerns how those formal powers translate into practical independence and effective enforcement.

All six countries have legally defined state aid functions. Albania's State Aid Commission has legally binding decision-making and recovery powers. Bosnia and Herzegovina combines a central State Aid Council with implementing institutions across different levels of government. Kosovo's framework assigns assessment and decision-making functions to the State Aid Department and State Aid Commission, respectively. Montenegro's Agency has a comprehensive mandate under its state aid control framework. North Macedonia's Commission for Protection of Competition has explicit notification, ex officio control, recovery and monitoring powers. Serbia's Commission operates under a clear statutory mandate covering prior and ex post control, recovery and the state aid register.

The principal weakness is independence in practice. Albania's technical State Aid Directorate remains administratively embedded in a line ministry. Kosovo's State Aid Department is located within the Ministry of Finance, Labour and Transfers, while the independent State Aid Commission has not been functional since 2022. North Macedonia's CPC reports that budget dependence on the Ministry of Finance constrains practical independence despite evidence that substantive decisions have not been politically interfered with. Serbia's statutory safeguards are stronger, but the country input notes that operational independence remains an issue requiring continued attention. Montenegro also retains structural appointment considerations despite a comparatively strong institutional framework.

Country	Mandate & independence	Regional reading
Albania	2.5	Strong mandate and enforcement basis; practical independence constrained by administrative placement of the Directorate.
Bosnia and Herzegovina	2	Clear mandate and operational decision-making; decentralisation and limited specialised capacity constrain resilience.
Kosovo	2	Clear legal mandate, but practical functionality and independence are severely affected by the inactivity of the Commission.
Montenegro	3	Strong and comprehensive mandate; some institutional independence safeguards require continued attention.
North Macedonia	2.5	Clear and binding mandate; substantive decision-making appears independent, but budget dependence constrains practical independence.
Serbia	2	Strong mandate and enforcement powers, with independence remaining the principal qualification.

Bosnia and Herzegovina presents a different institutional challenge. Its central decision-making authority operates within a decentralised state aid system in which implementing institutions perform important functions. The evidence indicates functional cooperation and a clear division of responsibilities, but the limited number of specialised officials creates vulnerability to workload and continuity pressures.

3.2 Organisation and people

Human resources are one of the most consistent capacity constraints across the region. The issue is not simply the absolute number of staff. State aid control requires a combination of legal expertise, economics, case assessment, monitoring, data management and knowledge of EU state aid rules. Small teams can function effectively with low caseloads, but become vulnerable when responsibilities expand or when more sophisticated analysis is required.

Albania illustrates this constraint particularly clearly: approximately five staff members perform notification assessment, monitoring, management and reporting. The country input assesses the structure as clear but staffing adequacy as weak and staff continuity/training as constrained. Bosnia and Herzegovina has a functional organisational model, but specialised state aid responsibilities are concentrated among a very small number of officials across institutions. This makes the system vulnerable to staff absence, turnover and increasing workload.

Kosovo has six employees in the State Aid Department against a planned structure of twelve positions. The Department covers legal, economic, monitoring, registry and reporting functions, but recruitment has been difficult and the absence of the State Aid Commission limits the practical use of the Department's capacity. Montenegro has strengthened its staffing and training, with specialised recruitment and continuous professional development identified as priorities. North Macedonia has five staff in its State Aid Division within a CPC of around thirty staff, against a wider systemisation of fifty posts; training is explicitly identified as its most critical unmet need. Serbia has a comparatively larger and more structured professional workforce, with 22 filled posts at end-2025, although some analytical positions remain vacant.

Across the region, specialised economic expertise deserves particular attention. Legal compliance remains the dominant institutional function, while complex assessment increasingly requires the ability to analyse market effects, incentives, counterfactual scenarios, productivity and other economic dimensions. The evidence suggests that this economic capacity is uneven and, in several authorities, insufficiently institutionalised.

Country	Organisation & people	Main capacity issue
Albania	1.5	Very small team; limited specialised economic capacity and continuity.
Bosnia and Herzegovina	1.5	Very small pool of specialised officials across a decentralised system.
Kosovo	2	Dedicated department but only 6 of 12 planned posts filled; Commission inactive.
Montenegro	2	Structure is clear and recruitment/training are improving; retention remains important.
North Macedonia	1.5	Five staff in State Aid Division; staffing and systematic EU-aligned training are major constraints.
Serbia	2	Relatively workable staffing and low turnover, but some professional posts remain vacant.

3.3 Operational effectiveness

Operational effectiveness is a relative regional strength. All six systems have identifiable procedures for handling notifications, preparing assessments and adopting decisions. The differences emerge in internal quality review, monitoring of ex post cases, availability of case-flow data and the ability to manage backlogs.

North Macedonia is the clearest example of strong case-processing performance. The CPC reports that the statutory 60-day deadline is consistently exceeded in the positive sense, with a typical resolution time of around one week. Serbia similarly reports that approximately 99% of complete notifications are decided within the statutory period, although the Commission does not currently publish a formal processing-time series. Bosnia and Herzegovina's ex ante workflow is well defined and statutory deadlines are generally respected, but ex post investigations can remain open for extended periods because they have no equivalent statutory deadline and depend on information from grantors and other institutions.

Albania has established notification, monitoring, complaint and recovery procedures and generally processes cases within legal deadlines, but incomplete notifications and weaknesses at grantor level can create delays. Montenegro's routine workflows are described as functioning smoothly, while complex legacy and multi-annual cases require more extensive processing. Kosovo's very low notification volume makes the current workload manageable, but the inactivity of the State Aid Commission means that operational effectiveness cannot be assessed as a fully functioning decision-making cycle.

A cross-country issue is therefore not simply speed. It is whether the authority can demonstrate a complete and documented workflow: intake, completeness check, legal and economic assessment, internal review, decision, publication, follow-up and—where relevant—ex post control. Case-processing speed is a useful indicator, but it should not be interpreted as a substitute for analytical quality.



Country	Operational effectiveness	Key comparative observation
Albania	2	Operational procedures work, but monitoring remains compliance-oriented and grantor capacity can cause delays.
Bosnia and Herzegovina	2	Ex ante workflow is well defined; ex post investigations face longer and less predictable timelines.
Kosovo	2	Basic assessment workflow exists, but full decision-making cannot operate while the Commission is inactive.
Montenegro	2	Routine workflows are functional; complex legacy and continuity cases can stretch timelines.
North Macedonia	2.5	Very strong processing speed; guidance and quality review remain less developed than case handling.
Serbia	3	Clear workflow and apparently timely processing, although quantitative case-flow evidence is incomplete.

3.4 Transparency and data

Transparency and data are among the clearest areas of divergence. All countries publish at least some decisions or reports, but the quality of the underlying data systems ranges from manual and fragmented arrangements to centralised electronic registers. Importantly, a register should not be assessed only by its existence. Its usefulness depends on whether it supports case management, data verification, reporting, analysis and—where appropriate—public access.

Montenegro is the only country with developed electronic state aid and de minimis registers that support public dissemination and digital recording. Serbia has a technically completed register and a searchable online database of published acts, although the state aid register itself is not publicly searchable. Kosovo operates an electronic system used by grantors for notification, registration, monitoring and reporting, although the system is not itself the final public State Aid Registry and public access to structured information remains limited.

Albania maintains a state aid database, but the system relies heavily on manual processes and lacks interoperability with tax, treasury and business databases. Bosnia and Herzegovina does not currently have a central electronic state aid register; data are collected by implementing institutions, manually verified and consolidated for annual reporting. North Macedonia has no centralised public register of decisions and no machine-readable dataset, although a registry is under development.

The regional pattern is therefore not simply ‘digital versus non-digital’. A more meaningful distinction is between systems that use data primarily for administrative reporting and systems that can support continuous case management, verification, risk analysis and public accountability. Across the region, interoperability remains underdeveloped and analytical use of administrative data is generally weaker than data collection itself.



Country	Transparency & data	Main issue
Albania	1.5	Operational procedures work, but monitoring remains compliance-oriented and grantor capacity can cause delays.
Bosnia and Herzegovina	1	Ex ante workflow is well defined; ex post investigations face longer and less predictable timelines.
Kosovo	1.5	Basic assessment workflow exists, but full decision-making cannot operate while the Commission is inactive.
Montenegro	3	Routine workflows are functional; complex legacy and continuity cases can stretch timelines.
North Macedonia	1	Very strong processing speed; guidance and quality review remain less developed than case handling.
Serbia	2	Clear workflow and apparently timely processing, although quantitative case-flow evidence is incomplete.

3.5 Resources and EU-facing readiness

Resource stability and EU-facing capacity are closely connected. State aid authorities must maintain a stable core of specialised staff while also adapting to an evolving EU acquis, new reporting requirements and increasingly sophisticated analytical expectations. The evidence indicates that all six economies have benefited to some degree from EU-funded technical assistance, regional cooperation or direct engagement with EU institutions, but the degree to which this capacity is institutionalised varies.

Montenegro has the strongest combined assessment in this pillar. Its budget has grown with institutional needs and EU accession coordination is intensive. Albania has core resources adequate for its current workload and active participation in EU training, but further analytical and digital investment is required. Bosnia and Herzegovina has benefited substantially from EU-funded technical assistance and cooperation, although limited staffing and digitalisation remain constraints. Kosovo's basic budget is relatively stable, but its reduced execution and limited external technical assistance since completion of IPA II reflect the consequences of the inactive Commission and under-staffed Department.

North Macedonia's main constraint is not only the absolute resource envelope but resource autonomy. The CPC prepares its own budget proposal, yet remains subject to Ministry of Finance review and cuts. The country input identifies budget autonomy, training and digital infrastructure as interconnected capacity gaps. Serbia has stable and increasing budget appropriations and extensive EU-facing cooperation, but reporting and accession-linked delivery remain only partially mature.

Country	Resources & EU-facing readiness	Comparative reading
Albania	2	Adequate for current workload and active EU cooperation; needs investment for more complex functions.
Bosnia and Herzegovina	2	Stable resources and extensive EU support, but staffing and digital gaps remain.
Kosovo	2	Basic resources cover current reduced workload; full readiness is constrained by staffing and institutional inactivity.
Montenegro	3	Strongest combination of resource growth, training and EU accession coordination.
North Macedonia	1	Budget dependence, training gaps and weak digital infrastructure materially constrain readiness.
Serbia	2	Stable resources and strong EU cooperation; EU-style reporting and delivery remain partial.

4. Cross-Country Patterns and Institutional Capacity Gaps

The pillar analysis points to several regional patterns that are more important than the differences in institutional design. These patterns show where the WB6 share common capacity constraints and where individual country experience provides useful examples for regional learning.

» Strong legal foundations, weaker practical autonomy

Formal legal mandates are generally clearer and more mature than the institutional conditions needed to exercise them. The authorities can usually receive notifications, assess compatibility and adopt decisions. The weaker link is practical independence—particularly budget autonomy, institutional placement and the resilience of decision-making structures. This is most visible in North Macedonia, Albania and Kosovo, but remains relevant elsewhere.

» Human resources are the most persistent operational constraint

Small specialised teams are common. This is not necessarily problematic where caseloads are small, but it creates systemic vulnerability and limits the ability to expand into more demanding functions such as economic analysis, monitoring, evaluation and digital data quality control. Training is also frequently dependent on donor or EU-funded opportunities rather than a predictable institutional programme.

» Case processing is generally more mature than ex post capacity

The region is comparatively capable of processing notified measures. By contrast, ex post investigations and monitoring are less consistently resourced, less standardised and less measurable. Bosnia and Herzegovina illustrates the difficulty of ex post investigations without clear deadlines; Kosovo illustrates the consequences of an inactive decision-making body; Albania and North Macedonia show that strong case processing does not automatically produce mature monitoring or data systems.

» Data availability does not equal data capability

All countries collect some state aid information. The key differences concern how the information is verified, connected and used. Manual registers, spreadsheets and fragmented reporting remain widespread. Interoperability with tax, business, employment and other administrative databases is generally limited. This reduces the ability to verify cumulative aid, identify risks, monitor beneficiaries over time and produce evidence for policy decisions.

» EU-facing readiness is closely linked to domestic capacity

EU cooperation and technical assistance have been important capacity multipliers across the region. However, external support cannot substitute for permanent institutional capacity. The most sustainable systems are those in which EU training, reporting and technical cooperation become embedded in regular staff development, internal procedures and data systems.

» Institutional model matters less than functional capacity

The six economies use different organisational models: dedicated commissions, competition authorities, councils supported by secretariats, and ministry-based departments. The evidence does not support the conclusion that one model is automatically superior. What matters is whether the model delivers clear responsibility, independent decision-making, adequate expertise, workable workflows, reliable data and stable resources.

» No country is mature across all five pillars

Montenegro has the strongest overall pillar profile in the current evidence, particularly in mandate and resources. Albania has strong legal and enforcement foundations but weaker people and data capacity. Serbia has strong operational effectiveness and relatively stable resources but a more qualified independence and data picture. Bosnia and Herzegovina has functioning procedures and stable cooperation but remains constrained by decentralisation, staffing and the absence of a central electronic register. North Macedonia combines strong case-processing with significant structural resource, training and data gaps. Kosovo has a relatively complete formal architecture and an operational electronic case system, but the inactivity of its Commission is a fundamental practical constraint.

The matrix below consolidates the five-pillar assessment, which can be interpreted as follows:

- Mandate and independence: Montenegro and North Macedonia show the strongest formal mandate profiles, while Albania and Bosnia and Herzegovina also have strong foundations. Kosovo's formal mandate is clear but cannot be fully exercised while the Commission remains inactive.

- Organization and people: Serbia has the most substantial documented professional staffing base; Montenegro shows positive recruitment and training developments. Albania, Bosnia and Herzegovina and North Macedonia face more acute staffing constraints.

- Operational effectiveness: Serbia and North Macedonia provide the clearest evidence of timely and structured case processing. Bosnia and Herzegovina and Albania also have functioning procedures, but ex post and grantor-dependent processes are weaker.

- Transparency and data: Montenegro and Serbia have the most developed electronic and publication arrangements. Albania, Bosnia and Herzegovina and North Macedonia have significant interoperability and public-access gaps.

- Resources and EU-facing readiness: Montenegro has the strongest combined profile. Serbia and Bosnia and Herzegovina also benefit from stable resources and extensive EU cooperation, while North Macedonia faces a pronounced budget/training/digital constraint.

Country	Mandate & independence	Organisation & people	Operational effectiveness	Transparency & data	Resources & EU readiness	Overall regional reading
Albania	2.5	1.5	2	1.5	2	Strong mandate/enforcement; human-resource and data constraints
Bosnia and Herzegovina	2	1.5	2	1	2	Functional but decentralised; weak central data infrastructure
Kosovo	2	2	2	1.5	2	Formal architecture and digital case system; Commission inactivity is critical
Montenegro	3	2	2	3	3	Strongest formal/resource profile; operational sophistication still uneven
North Macedonia	2.5	1.5	2.5	1	1	Very efficient case processing; major structural capacity gaps
Serbia	2	2	3	2	2	Strong operational performance and resources; independence/data remain qualified

6. Country Profiles

The country profiles are intentionally concise. Their purpose is to provide a quick reference to the regional findings rather than reproduce the detailed country inputs. Each profile uses the same structure: overall assessment, principal strengths and main capacity gaps.

» Albania

Albania has a strong formal state aid control framework, including clear notification, monitoring and recovery powers. The State Aid Commission and Directorate provide a functional institutional architecture, and decisions are legally binding. Case processing and enforcement are operational. The principal constraints are the very small specialised team, limited advanced economic expertise, fragmented/manual data systems and limited public digital transparency. Monitoring remains primarily compliance-oriented, with limited systematic ex post evaluation.

» Bosnia and Herzegovina

Bosnia and Herzegovina has a functioning decentralised state aid control system combining a State Aid Council with implementing institutions. Ex ante procedures are clearly organised and statutory deadlines are generally respected. The main capacity challenge is fragmentation: few specialized staff, ex post investigations can be prolonged, and there is no central electronic state aid register. The system is supported by sustained EU cooperation, but further digital and analytical capacity is needed.

» Kosovo

Kosovo has a clear legal architecture and a dedicated State Aid Department with legal, economic, monitoring and registry responsibilities. It also operates an electronic case-management/reporting system. The fundamental weakness is institutional functionality: the State Aid Commission has not been operational since 2022, preventing the full exercise of its decision-making and enforcement role. Staffing remains below the planned structure and public transparency is limited.

» Montenegro

Montenegro presents the strongest overall pillar profile in the current assessment. Its state aid authority has a comprehensive mandate, strong enforcement powers, systematic publication and centralised digital state aid and de minimis registers. Resources and EU-facing cooperation are comparatively strong. The main remaining challenges concern staffing, the complexity of legacy cases and the need to deepen analytical use of data and maintain practical institutional independence.

» North Macedonia

North Macedonia demonstrates a striking contrast between strong operational case processing and weak structural capacity. The Commission for Protection of Competition has a clear legal mandate, binding decisions and evidence of substantive decision-making independence. Notifications are reportedly processed very quickly. At the same time, only five staff work in the State Aid Division, training is largely ad hoc, budget autonomy is constrained, there is no operational central state aid register and EU Scoreboard-compatible reporting is not yet available.

» Serbia

Serbia has a relatively mature operational state aid control system. The Commission has a clear mandate, a defined organisational structure and a substantial professional workforce. Workflow and internal review are established, and around 99% of complete notifications are estimated to be decided within the statutory period. Publication is strong and resources are stable. Remaining issues concern practical independence, incomplete public accessibility of the state aid register, limited quantitative case-flow reporting and only partial EU-facing readiness.



7. Regional Reform Priorities

The comparative findings suggest that regional reform should focus less on creating new formal structures and more on strengthening the operational conditions under which existing authorities function. The following priorities are common across several or all WB6 economies, although their sequencing differs by country.

» Protect practical independence

Legal mandates are generally clear, but budget dependence, institutional placement or appointment arrangements can constrain practical autonomy. Reform should focus on transparent appointment safeguards, predictable resource planning and clearer functional separation between state aid control and aid-granting interests.

» Build a stable specialist workforce

Authorities should establish minimum staffing plans based on workload and mandate, with a balanced mix of legal and economic expertise. Training should move from ad hoc donor-supported participation towards predictable, recurring EU-aligned professional development. A regional training programme could reduce costs and create a common skills base.

» Strengthen economic and analytical capacity

As state aid measures become more complex, authorities need stronger capacity to assess incentives, market effects, proportionality, additionality and, where relevant, counterfactual scenarios. This does not require every authority to build a large analytical unit, but it does require access to specialised economic expertise.

» Standardize operational workflows and ex post procedures

Authorities should document case workflows from notification through decision, publication and follow-up. Ex post procedures should have clear triggers, responsibilities and, where appropriate, indicative timelines. This is particularly important where ex post investigations currently depend heavily on grantor cooperation.

» Move from registers to interoperable data systems

The regional objective should not be digitalisation for its own sake. Registers should support case management, verification, reporting and analysis. Interoperability with business, tax, employment and treasury data should be developed progressively, subject to legal and data-protection requirements.

» Improve public transparency

Publication should progressively move beyond decisions and annual reports towards accessible information on aid schemes, beneficiaries and implementation. Public access should be designed around usability: searchable information, downloadable data where feasible, and clear explanations of institutional decisions.

» Institutionalise EU-facing readiness

EU reporting and cooperation should be integrated into ordinary institutional processes rather than treated as standalone donor activities. Authorities should maintain internal responsibility for EU reporting, systematically record training and cooperation, and build capacity for machine-readable and comparable reporting.

» Develop a regional learning mechanism

The country inputs reveal useful practices that can be shared. Montenegro's electronic registers, Serbia's structured workflow and publication, North Macedonia's rapid case processing, Albania's legal/enforcement framework and Kosovo's electronic notification system each provide elements that can inform other WB6 authorities. Regional exchange should focus on transferable functions rather than copying institutional models.



8. Conclusion

The brief shows that the Western Balkans have moved beyond the stage of establishing only the formal legal foundations of state aid control. All six economies have identifiable authorities or institutional functions, legal mandates and basic procedures for controlling state aid. The central issue is now whether these structures have sufficient operational capacity to deliver consistent, independent and EU-oriented control in practice.

The strongest regional capacity is found in the basic legal and operational functions: notification, assessment, decision-making and, to varying degrees, enforcement. The weakest and most uneven dimensions are human-resource depth, specialised economic expertise, practical independence, interoperable data systems, public transparency and institutionalised EU-facing capacity. The evidence also shows that these weaknesses are interconnected. Limited budgets constrain recruitment and training; limited staffing constrains monitoring and data quality; weak data systems limit transparency and EU reporting; and weak institutional resilience makes formal mandates harder to exercise consistently.

The country comparison should therefore not be reduced to a single ranking. Montenegro currently shows the strongest overall combination of mandate and resource capacity, while Albania and Serbia have important strengths in legal/enforcement and operational performance respectively. Bosnia and Herzegovina has a functional but decentralised model, North Macedonia combines very strong case-processing with substantial structural constraints, and Kosovo has several formal and digital building blocks but a critical gap in the functioning of its independent decision-making body.

The common regional direction is clear: state aid authorities need to move from capacity that is primarily sufficient for formal control towards capacity that is resilient, analytical, transparent and able to support increasingly complex EU-oriented implementation. This does not necessarily require new institutions. It requires stronger people, clearer operational routines, stable resources, interoperable data and a more systematic connection between national practice and EU-facing requirements.

The most important regional opportunity is therefore to build on existing institutional strengths and share practical solutions across the WB6. A regional capacity-building approach can be particularly valuable for specialised training, data standards, EU reporting and exchange of operational practice. Such cooperation would complement—not replace—the domestic institutional reforms required in each economy.

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