



Co-funded by the
Erasmus+ Programme
of the European Union



Policy recommendation 2

Improving dual system and WBL



FAST
FORWARD



Improving Dual System and WBL - Formalizing Processes of Recognition and Validation of Learning Outcomes / Credits.

In a world where business is a driving force, the issues of the climate crisis, social responsibility, climate action and sustainability continue to grow and require attention. The concept of ESG (Environment, Social, Governance) has become a key framework for managing these issues. Although the term "ESG standards" can often be heard, in fact, there are no universal ESG standards in the true sense of the word. Several different frameworks / methodologies / standards can be used to define the criteria by which ESG performance is measured, disclosed and evaluated.

Sustainable entrepreneurship and innovation are gaining more and more importance, encouraging entrepreneurship focused on sustainability and the creation of innovative solutions that respect the framework of three norms: do good, avoid harm and protect both society and the planet. An insight into the level of development of business practices that contribute to sustainability, which is an important task of every business entity, can be seen on the basis of reporting on this issue. Identifying ecological aspects of sustainability, economic aspects of sustainability, social aspects of sustainability, is essential as businesses grow and become more competitive in our world.

Lifelong learning in sustainability and climate change is crucial for business communities as they navigate the transition toward a greener economy. With evolving regulations, market demands, and environmental risks, continuous education allows businesses to stay ahead of sustainability trends and adopt innovative solutions. Investing in ongoing learning enhances corporate social responsibility, strengthens resilience against climate-related disruptions, and fosters a culture of environmental stewardship. By equipping employees and leaders with up-to-date knowledge on sustainable practices, businesses can drive meaningful change, improve efficiency, and gain a competitive advantage in the global marketplace.

However, to make lifelong learning successful, it is crucial to address the issue of credit recognition. Credit recognition is essential in climate change education as it ensures that learners receive formal acknowledgment for their acquired knowledge and skills. Standardized accreditation systems facilitate the mobility of students and professionals across institutions and countries, allowing them to apply their learning in diverse settings. Recognized credentials enhance employability, encourage continuous education, and promote the integration of climate change knowledge into various sectors. By establishing global accreditation frameworks, institutions can increase participation in climate-related courses and foster a skilled workforce capable of addressing sustainability challenges on a global scale.

Key Challenges in Recognition of Formal Education

European Union industrial policy strengthens competitiveness, facilitates structural change and encourages a business-friendly environment that stimulates small and medium-sized enterprises (SMEs). Overall, the enterprise and industrial policy would benefit from improved coherence and institutional coordination while the impact of the policies for private sector development remain unclear. The legal framework for sustainable and digital finance is partially in place whereas the institutional framework needs further strengthening. The financial support is crucial for introducing innovations in digital and green sectors that need improvement to all types of enterprises including start-ups. The sustainable finance framework outlines the commitment of the economy to sustainable development, focusing on ESG policies.

The diverse strategies intended to contribute to the UN SDGs, supporting global decarbonisation and promoting social inclusion. The framework should serve as a guide for issuing Green, Social and Sustainable Finance Instruments to raise funds from international capital markets. A general lack of awareness and understanding of sustainable finance principles among stakeholders in the Western Balkan presents a significant barrier to the effective adoption and implementation of sustainable finance practices. Many stakeholders are not fully informed about the benefits and requirements of sustainable finance. Without a clear understanding of sustainable finance principles, stakeholders may underestimate the potential long-term economic and environmental benefits, such as increased resilience to climate risks, enhanced reputation and access to new markets and funding opportunities.

The sustainable finance framework outlines the commitment of the economy to the development of sustainability by focusing on ESG policies. The diverse strategies intended to contribute to the UN SDGs by supporting global decarbonisation and promotion of social inclusiveness. The framework serves as a guide for issuing Social, Green and Sustainable Finance Instruments to raise funds from the international capital markets. A general lack of knowledge and awareness of sustainable finance principles in the WB region presents a significant challenge to the implementation of sustainable finance practices. It is highly important to mention the climate action and sustainability that require greater awareness, policy support, and structured frameworks. Below are the key challenges:

- **Need for Continuous Education on Sustainability.** Many businesses and individuals lack a deep understanding of the concepts in sustainability. Ongoing education and knowledge for environmental issues is essential to foster informed-decision making over time.
- **Absence of a Collaborative ESG Learning Network.** Without having the ESG, businesses can miss the opportunity to learn from the best practices, share opportunities or even advance sustainability efforts. A learning driven network is important to help companies create long-term environmental benefits.
- **Lifelong Learning for High-Polluting Industries.** Companies that have higher environmental impacts struggle to implement sustainable solutions as a cause of lacking standardised guidance. Continuous learning and innovation in technological environmental technologies support long-term ecological sustainability.

- **Incorporating Environmental Education in Financial Decision-Making.** Financial institutions play a crucial role in sustainability development. Banks and investors should incorporate ongoing learning about environmental impacts into their lending practices and this way the business will adopt sustainable models.
- **Building Market Awareness Through Education.** The value of sustainability is not widely recognized in the marketplace. A structured approach is done through transparent evaluation, consumer education, and transparent evaluation systems can have an impact for sustainable services, and long-term sustainability.
- **Enhancing Knowledge in Non-Financial Reporting and IT Integration.** Enhancing Knowledge in Non-Financial Reporting and IT Integration. Most businesses have not yet adopted non-financial reporting or accountability and have more limited transparency. Learning about IT integration, ESG reporting and data management would help companies leverage technology and improve their environmental and social impact.

To push forward sustainable development, the WB region should implement structured policies, support business, and develop an ESG framework for adopting sustainable practices. Formal recognition of continuous education in sustainability through credit learning, certifications and credentials is crucial for long-term commitment. Integration of education is crucial due to professional growth in sustainability, and businesses and individuals should adopt these practises.

Policy Recommendations

Incorporating Sustainable Developments Goals into Curricula

Higher Education Institutions should promote the transfer of knowledge towards the business practices through incorporating ESG's main issues into the academic curricula. In addition, to advance sustainability, policymakers should integrate credit recognition and lifelong learning into higher education and business support initiatives. This will empower young people with knowledge of sustainable development for successfully running entrepreneurial businesses. Meanwhile, higher education institutions should encourage innovation and critical thinking in the skills necessary for developing the Circular Economy. The education approach is closely connected to the economic system, in order to stimulate economic development, by educating young people who will soon be part of the labour market, with innovative and entrepreneurial capacities. By embedding sustainability education into formal credit systems, HEIs can foster a culture of continuous learning, ensuring long-term impact on both economic and environmental sustainability.

Actions. The policymakers achieve the above priority sustainable issues as following: Incorporate Sustainability into Curricula – Develop specialized courses and modules on sustainable development, ensuring that students earn recognized credits for their expertise; Support SMEs Through Research and Innovation – Design academic programs that assist micro, small, and medium enterprises (MSMEs) in adopting circular economy models, with formal credit recognition for participating businesses; Encourage Young Entrepreneurs – Create an educational and financial support system that incentivizes young innovators to develop sustainable business models, with academic and industry-recognized credentials for their learning and achievements.

The Impacts. The impacts of the above-listed actions would encourage: (i) start-ups that will have sustainability, circulation, energy efficiency, etc. at the core of their activity; (ii) employability of students in general since they will graduate with a well-developed skill towards sustainable entrepreneurship; (iii) success of businesses operating in the market to adapt sustainability principles and actions.

Governmental Support for Continuous Education and Credit Recognition in Sustainability

When it comes to successful business experiences, they demonstrated the benefits of sustainable practices. To maximize the benefits, the government should play a role in ensuring that sustainability policies are well-designed and effectively implemented. In the WB region, while sustainability policies and legislation aligned with the EU standards, the afterwards often fall short. Therefore, it is important to strengthen government support for education and credit recognition for long-term success.

Actions. Governments need to design funding mechanisms and ensure training programs for all types of enterprises and businesses to develop sustainable business models. These programs should prioritize formal credit recognition and ensure individuals and businesses engage in lifelong learning instead of short-term benefits and disadvantages.

The Impacts. Providing training, education and certification programs will equip businesses and professionals with the relevant knowledge to implement sustainability initiatives effectively.

Develop Incentives for Circular Economy Practices Through Continuous Education and Credit Recognition

Financial support remains crucial to encourage businesses to adopt and improve environmental sustainability. For small and medium enterprises (SMEs) access to structured learning and resources is crucial for transition to sustainable business models. For businesses of all kinds to ensure long-term commitment, incentives should not only provide financial support but also support education and formal credit recognition efforts.

Actions. Provide Grants and Low-Interest Loans with Educational Components – Support SMEs transitioning to renewable energy and circular economy models by providing financial assistance linked to structured learning programs. Businesses that complete accredited sustainability training should be eligible for enhanced financial support. Promote Circular Economy Education and Skill Recognition – Develop certification programs and educational initiatives that formally recognize businesses and professionals who acquire sustainability expertise. These certifications should be integrated into funding criteria, rewarding companies that invest in employee education on circular practices.

Impact. Enhanced education will equip businesses with the knowledge to implement best practices in waste reduction and resource efficiency. Consequently, companies will innovate more effectively when sustainability training and certification are integrated into funding programs.

Promotion of sustainability issues through societal awareness

The overall lack of awareness and understanding of climate change and sustainability principles among stakeholders in the WB region poses a barrier to the effective adoption of formal education in the field. There are situations where various stakeholders are not informed about the requirements and benefits of climate change education due to the lack of understanding of sustainability. Without a clear understanding of sustainable principles, the stakeholders can undermine the potential long-term economic and environmental benefits. Business organizations in cooperation with academia can support the process of raising awareness as well as the strengthening of the capacities to accelerate the approach to sustainability.

Actions. The policymakers achieve the above priority sustainable issues as following: (i) guide the private sector towards more sustainable business models; (ii) provide education and training for health, social and environmental sustainability; (iii) improve alignment of policies and strengthen collaboration across sectors; (iv) foster meaningful inclusive community engagement.

The Impacts. The impacts of the above-listed actions focus towards: (i) businesses bear a social and environmental responsibility to minimize their negative impacts and maximize their positive contributions; (ii) sustainability engagement plays a pivotal role in assisting organizations in meeting their ESG goals; (iii) adopting sustainable behaviours at an individual level, including actions such as saving energy, reducing waste, using sustainable transportation, and buying green products; (iv) Higher Educational Institutions can promote research projects focused on finding innovative solutions to the problems of sustainable development; (v) adopting sustainable practices in our daily lives and supporting social movements and public participation.

About the Fast Forward Project

The project “Engage, connect and empower youth for a sustainable green future” is focused on two European Youth Goals: quality learning and sustainable green Europe. It aims at implementing a creative strategy in terms of capacity building for the new generation actually facing the problems of tomorrow related to environment degradation, climate change, and sustainability issues. The target group of the project is youth trainers/workers, organizations, young activists in Albania, local/national authorities, and citizens of Albania and Europe. The project will focus in bringing the EU practices and translate them into tangible tools for youth in Western Balkan in order to fast forward the green transition.

The core of the project, capacity building, will be achieved through a critical number of activities, such as ToT, Youth exchanges, toolkits and manuals. These activities will spill over throughout non-formal learning providers benefitting staff, youth, and key stakeholders in the process.

This project is implemented in partnership with six organizations: Build Green Group and AlbanianSkills from Albania, BRAVO – Bosnian Representative Association for Valuable Opportunities from Bosnia and Herzegovina, Eco – Logic from North Macedonia, The Balkan Forum from Kosovo and Brigaid EU Project from Spain.

Fast Forward project is co - funded by the European Union. The views and opinions expressed are those of the authors and do not necessarily reflect those of the European Union or the European Education and Culture Executive Agency (EACEA). Neither the European Union nor the granting authority is responsible for them.



May, 2025