

# **REINVIGORATING THE EU ENLARGEMENT POLICY: PHASING-IN AS A WAY TO OVERCOME THE ENLARGEMENT IMPASSE**

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## Introduction

The concepts of accelerated or gradual integration were formally introduced in early 2020 when the European Commission presented the enhanced enlargement methodology<sup>1</sup> with the ambition to improve the process, re-establish the transformative power of EU enlargement and make the candidates' European path more predictable and dynamic. The new methodology reorganized the negotiating chapters into larger clusters to ensure a faster and smoother process of their opening and closing, introduced a stronger system of rewards and sanctions with the EU's fundamental values in the center of the accession process, and established the possibility for accelerated and gradual integration of the (potential) candidate countries into different EU policies, institutions and funds. Concrete steps toward the application of these new possibilities were, however, lacking for a long time. In order to address this gap, numerous proposals from the think-tank community emerged over the course of past years with concrete suggestions on how the EU should progress on the issue of partial integration of candidates already in the pre-accession phase.

Since the introduction of the new methodology, and especially in reaction to the Russian war in Ukraine which highlighted the necessity to deepen the cooperation with the EU's closest neighbors, the idea of accelerated, gradual or staged integration gained traction also among the EU institutions. During its June 2022 meeting, the European Council invited the European Commission, the High Representative and the Council to further advance the gradual integration between the EU and the Western Balkans during the enlargement process.<sup>2</sup> In the recommendations on a new EU enlargement strategy from the European

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<sup>1</sup> European Commission. "Enhancing the accession process." [https://neighbourhoodenlargement.ec.europa.eu/enhancing-accession-process-credible-eu-perspective-western-balkans\\_en](https://neighbourhoodenlargement.ec.europa.eu/enhancing-accession-process-credible-eu-perspective-western-balkans_en).

<sup>2</sup> European Council. "European Council conclusions, 23-24 June 2022." <https://www.consilium.europa.eu/en/press/press-releases/2022/06/24/european-council-conclusions-23-24-june-2022/>.

Parliament, the ideas of accelerated or gradual integration are also present, for example in the form of inviting the candidates' representatives to EU institutions in the status of observers.<sup>3</sup> The most recent example is the speech of Ursula von der Leyen, the European Commission's President, at the GLOBSEC conference in May 2023 where she laid out principles of a new approach to enlargement rooted in the concept of accelerated integration.<sup>4</sup>

So far, however, the steps towards speeding up the integration of the candidate countries into the EU have been rather modest and not systemic enough. In order to bring the countries closer to the Union and build a stronger partnership with a credible perspective of their future membership, a more concrete and ambitious approach is needed. The objective of this paper is to provide a comprehensive analysis of the proposals initiated by the think-tank community as well as the current initiatives and discussions at the EU level, identify opportunities and areas where tangible progress can be achieved, and provide recommendations to policymakers on how to turn these concepts into reality in a foreseeable future.<sup>5</sup>

## Proposals from the think-tank community

The proposals from think tanks generally reflect two dimensions of the concept of phasing-in. The first dominant approach is the division of the accession process into several stages, associated with different levels of integration and accessible benefits. The second approach is focused on the existing development gap between the Western Balkan countries and EU Member States and human-development needs of the region which need to be addressed first in order to

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<sup>3</sup> European Parliament. "European Parliament recommendation of 23 November 2022 to the Council, the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy concerning the new EU strategy for enlargement." November 2022. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022IP0406>.

<sup>4</sup> European Commission. "Keynote speech by President von der Leyen at the GLOBSEC 2023 Bratislava Forum." May 2023. [https://ec.europa.eu/commission/presscorner/detail/en/speech\\_23\\_2993](https://ec.europa.eu/commission/presscorner/detail/en/speech_23_2993).

<sup>5</sup> In order to provide a complex analysis, the authors of this paper conducted interviews with experts from think tanks, EU institutions and national state administrations (a total of 12 interviews).

enable the membership aspirants to catch up with the EU and align with its standards.

### Accelerated/staged accession proposals

One of the early and most prominent proposals comes from the European Stability Initiative (ESI)<sup>6</sup> which proposes **introducing an interim stage into the accession process**, in the form of **joining of the European Single Market**, which is a less politically sensitive step for the EU and independent of the Union's internal reform. The aim of this two-stage model is to provide an additional incentive to the candidates to adopt the required reforms and to boost the weak economies of these countries, building on data mapping improvement of the economic performance of the new EU Member States in terms of GDP per capita compared to the EU average. In practice, this interim goal would grant the candidate countries access to all four freedoms entailed in the EU's market (free movement of goods, capital, services, and people). The authors draw a comparison with a similar experience during the "northern" EU enlargement in 1995 with Austria, Finland and Sweden first joining the European Economic Area in 1994.

As regards the conditionality of this interim step, the authors state that the conditions for joining the Single Market should be just as demanding as the conditions for full membership and the monitoring of their fulfillment even stricter, as the areas of rule of law and good governance are fundamental for the market integration. A crucial aspect of the ESI proposal is also the reversibility principle applied in cases of human rights violations or undermining of the independence of the judiciary to suspend the accession process and potentially freeze the pre-accession funds. The suspension as well as restarting of the accession process should be possible with a simple majority vote of the Member

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<sup>6</sup> "Hamster in the Wheel: Credibility and EU Balkan policy." ESI Report. January 2020. <https://www.esiweb.org/publications/hamster-wheel-credibility-and-eu-balkan-policy>.

States. While this proposal flexibly reacts to the current reality in the EU enlargement process and some EU Member States' fear about future enlargements making the Union dysfunctional, there are concerns about the candidates' readiness for Single Market integration and the attractiveness of this goal without corresponding integration into decision-making processes.

While the ESI's proposal divides the accession process into two stages, with the access to Single Market as the first interim goal and full EU membership as the final goal, the ***staged accession template***<sup>7</sup> developed by the Centre for European Policy Studies and the European Policy Centre in Belgrade goes further and divides the process into four stages accompanied by a detailed methodology. The main idea of the proposal is to break away from the present binary procedure of 'in' or 'out' which would help to incentivize Western Balkan political elites to engage in reforms by providing gradual institutional access and financial benefits in return, and simultaneously address concerns about new Member States' potential undermining of the EU's functioning by removing the voting rights before full membership and implementing enhanced conditionality mechanisms.

The model introduces **four different stages** a country aspiring to become a member of the EU would go through, each **associated with gradually increasing access to EU institutions and financial benefits** (see table 1).

A country's progress through the stages would depend on its fulfillment of the criteria, especially in the area of fundamentals where higher demands would be applied for the country to go from one stage to another. One of the most innovative aspects of the staged accession proposal is the introduction of a "new Member State" stage (stage III) which the country would enter after all chapters have been closed and it reaches an advanced level of preparedness across all

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<sup>7</sup> M. Emerson, M. Lazarević, S. Blockmans, S. Subotić. "A Template for Staged Accession to the EU." Centre for European Policy Studies. October 2021. <https://www.ceps.eu/ceps-publications/a-template-for-staged-accession-to-the-eu/>.

clusters. At this stage, the newly acceding country would participate fully in EU policies, benefit from all EU funds as other members, and participate conventionally in the European Parliament but would not have the veto power in the Council votes nor would it have a member of the Commission. This proposed form of membership aspires to ensure that the acceding country would enjoy all the major benefits of EU membership while simultaneously responding through an intermediary phase to the concerns of the EU Member States about the impacts of enlargement on the EU’s functioning and unity.

Table 1: Four stages of integration according to the *staged accession template*

I. INITIAL ACCESSION	II. INTERMEDIATE ACCESSION	III. NEW MEMBER STATE	IV. CONVENTIONAL MEMBERSHIP
<ul style="list-style-type: none"> <li>• Functioning association agreement</li> <li>• Application for membership accepted (Article 49 TEU)</li> <li>• Minimum “moderate” (3) ratings for cluster averages</li> <li>• Funding level at 50% of conventional membership</li> <li>• Policy dialogue or observer status selectively in institutions</li> </ul>	<ul style="list-style-type: none"> <li>• Further conditions, a mix of “moderate” (3) to “good” (4) ratings</li> <li>• Funding level at 75% of conventional membership</li> <li>• More substantial participation in the institutions (e.g. with speaking rights but without voting rights in the Council and Parliament)</li> </ul>	<ul style="list-style-type: none"> <li>• Further conditions, mainly “good” ratings (5)</li> <li>• Funding level at 100% of conventional membership</li> <li>• Full participation in the policies of the EU, possibility to accede to Schengen and euro on standard conditions</li> <li>• Generalised QMV voting rights in the Council (no veto powers)</li> <li>• Full participation in the institutions, subject to exclusion from veto power in Council and having a member of the Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Full participation in all policies and institutions</li> <li>• Accession to Stage IV implies that the EU will have worked out solutions for the limitation in Stage III</li> </ul>

Source: Centre for European Policy Studies

The staged accession model is certainly the most advanced and methodologically elaborated proposal to date which addresses both the political reality of the lack of consensus on enlargement within the Union and the economic as well as institutional aspects of the candidates’ integration. However, due to this level of ambition and precision, the proposal would probably require more substantial changes to the current enlargement process and its methodology and the necessary will from the EU institutions and the Member States to adopt these changes.



Another more recent example of the think-tank and expert community's reaction to the absence of dynamism in the enlargement process and the impacts of Russia's aggression toward Ukraine came ahead of the June 2022 European Council meeting. A group of fellows and alumni of the **Europe's Futures** initiative, led by the Institute for Human Sciences and ERSTE Foundation, formulated a **six-point proposal** on how to fix the enlargement process.<sup>8</sup> These consist of the following:

- 1) A relentless focus on the fundamentals in practice not just on paper: As the implementation of the reforms in the area of the fundamental conditions is usually the source of problems which is often overlooked by the European Commission and the EU Member States and due to the EU's own internal issues with rule of law in some EU countries, the authors suggest to include the candidates EU monitoring mechanisms such as the Rule of Law report, EU justice scoreboard, the European Semester and others. This would in turn lead to a more objective assessment of their progress, comparing them with the EU Member States.
- 2) Gradual phasing-in of candidate countries in various sectors to build institutional capacity and enhance cooperation and trust between candidates and EU countries. The examples include the Fit for 55 package on the energy and green transitions or participation in the EU internal market for all countries which align with economic policies regulating the internal market cluster, economic criteria, and associated chapters within the fundamentals cluster.
- 3) Increased socialization (including financial) in European institutions based on meeting the criteria and standards in specific areas leading to access to

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<sup>8</sup> Z. Nechev and T. Judah (eds.) "What is to be done? The war, the Western Balkans and the EU." Institut für die Wissenschaften vom Menschen. June, 2022. <https://www.iwm.at/blog/what-is-to-be-done-the-war-the-westernbalkans-and-the-eu>.

EU funds now available only to EU Member States and participation as observers (with a right to contribute to discussions but without voting rights) in meetings of the Council and its bodies in specific policy areas. Such participation would further help the socialization of officials from the region into the EU's organizational culture.

- 4) Earlier access to structural funds that would help to reduce the gap in available financial support for candidates and EU Member States and increase socio-economic convergence which would in turn decrease the countries' reliance on Chinese financing. The experience with the implementation of rules and procedures regulating EU structural funds would also strengthen the region's absorption capacities in advance of their accession.
- 5) Elevating foreign and security conditionality to an equal footing with the fundamentals and applying the equilibrium principle to the external relations cluster, making the fundamentals and external relations the two pillars that determine progress and/or backsliding in the accession process and closer association, gradually leading to the inclusion of the candidates in EU defense cooperation platforms and institutions, such as PESCO.
- 6) Streamlining the decision-making process on enlargement in order to reduce the number of opportunities for veto by Member States due to bilateral disputes or their own domestic politics. The introduction of the QMV in the Council for all intermediary stages of EU accession negotiations would make the process fairer and more effective, the decision on admitting a candidate country into the EU, however, would still require unanimity.

Compared to other proposals focused on staged or accelerated integration, the *Six fixes for Western Balkan Six* paper provides a more complex and practical approach addressing not only the need for and benefits of phasing-in of the candidates but also the required changes in EU's decision-making or the security cooperation aspects.

## Development convergence approach to EU integration of the Western Balkans

The lack of socio-economic convergence between the Western Balkan countries aspiring for EU membership and the current EU Member States lies at the core of other proposals coming from the think-tank community, both from the region and from the EU. In the **German Institute for International and Security Affairs** publication,<sup>9</sup> the authors offer a less hopeful view on the economic convergence of newly acceded countries during the 2004 enlargement and emphasize that the **convergence gap** is even widening for the Western Balkans. According to the authors, the rapid opening of the transition economies further weakened by the wars following the dissolution of Yugoslavia resulted in economic growth primarily due to the inflow of foreign capital but did not lead to the restructuring and modernization of the Western Balkan economies, causing further deindustrialization and trade deficit with the EU instead.<sup>10</sup> The funds from the Instrument for Pre-accession Assistance proved to be too modest and insufficient to help bridge the development gap between the candidates and the EU and no other financial instruments were available to boost the countries' economic growth. Since then, the European Commission has tried to address this problem with the introduction of the Economic and Investment Plan for the

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<sup>9</sup> M. Bonomi, D. Reljić. “The EU and the Western Balkans: So Near and Yet So Far: Why the Region Needs Fast-Track Socio-Economic Convergence with the EU.” Stiftung Wissenschaft und Politik. December 2017. [https://www.swp-berlin.org/publications/products/comments/2017C53\\_rlC\\_Bonomi.pdf](https://www.swp-berlin.org/publications/products/comments/2017C53_rlC_Bonomi.pdf).

<sup>10</sup> Ibid, p. 2.

Western Balkans,<sup>11</sup> the recovery package<sup>12</sup> provided to the region to deal with the consequences of the Covid-19 crisis and to initiate the socio-economic recovery, or the Energy Support Package<sup>13</sup> in response to the energy crisis and necessary energy transformation in the region.

While these initiatives demonstrated the EU's increased awareness of the lack of available funds and the increasing gap the Western Balkan countries need to overcome in order to align themselves with the standards of the EU, especially in relation to the green and digital transitions, they are not systemic nor robust enough to truly kick-start the region's economies.<sup>14</sup> Furthermore, all these support plans and packages rely to various extents on the already approved IPA budget and do not necessarily increase the overall funding provided to the region. The asymmetrical economic relations marked by a large trade deficit, repayments of loans from the EU or subsidies to attract foreign investors, and worrying trends of brain drain<sup>15</sup> combined with the absence of access to EU structural funds, available to economically weaker EU countries to help them catch up with their richer EU peers (such as cohesion funds), result only in widening of the development gap between the Western Balkans and surrounding EU Member States.<sup>16</sup>

These problematic socio-economic aspects of EU integration of the Western Balkans were further elaborated in the **human development-centred EU**

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<sup>11</sup> European Commission. "Commission Communication on An Economic and Investment Plan for the Western Balkans." October 2020. [https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-10/communication\\_on\\_wb\\_economic\\_and\\_investment\\_plan\\_october\\_2020\\_en.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2020-10/communication_on_wb_economic_and_investment_plan_october_2020_en.pdf).

<sup>12</sup> European Commission. "Commission Communication on Support to the Western Balkans in tackling COVID-19 and the post-pandemic recovery." April 2020. [https://commission.europa.eu/system/files/2020-04/communication-support-western-balkan-regions-covid19-recovery\\_en.pdf](https://commission.europa.eu/system/files/2020-04/communication-support-western-balkan-regions-covid19-recovery_en.pdf).

<sup>13</sup> European Commission. "The EU disburses €450 million to the Western Balkans partners delivering on the Energy Support Package for the region." June 2023. [https://ec.europa.eu/commission/presscorner/detail/en/AC\\_23\\_3196](https://ec.europa.eu/commission/presscorner/detail/en/AC_23_3196).

<sup>14</sup> D. Reljić. "Geopolitics and loans." <https://www.swp-berlin.org/publikation/geopolitics-and-loans-the-eu-does-not-want-to-lose-the-western-balkans>.

<sup>15</sup> D. Reljić. The EU's quest for strategic autonomy in the Western Balkans: Why it flopped. *Euractiv*. September 2021. <https://www.euractiv.com/section/enlargement/opinion/the-eus-quest-for-strategic-autonomy-in-the-western-balkans-why-it-flopped/>

<sup>16</sup> "The long way round: Lessons from EU-CEE for improving integration and development in the Western Balkans." Bertelsmann Stiftung (ed.) June 2022. <https://www.bertelsmann-stiftung.de/en/publications/publication/did/the-long-way-round>

**enlargement model** developed by Matteo Bonomi, Ardian Hackaj and Dušan Reljić in 2020.<sup>17</sup> According to this model, the EU's approach to enlargement to the Western Balkans should be rooted in geopolitical considerations (through closer political, economic and social links with the EU) and should provide a convergence mechanism that would boost sustainable growth in the region. To achieve this, the authors propose the **inclusion of the Western Balkan countries in the structural funds of the EU** or providing the necessary funds to the region in the form of grants, and possible renewal of the European Agency for Development and Reconstruction. Apart from the access to funds, the model also proposes deeper integration of the region with the EU through widening of the Western Balkan Connectivity Agenda to encompass all connectivity dimensions, such as energy, transport, digital and other value chains, people-to-people contacts, and link them better with the EU. In this regard, the extension of the EU's TEN-T network to the Western Balkans, Ukraine and Moldova was an important first step to closer integration of the region with the EU and to accessibility of certain funds by the countries (Western Balkans Investment Framework and Connecting Europe Facility).<sup>18</sup> The proposal also assumes gradual institutional integration through the **involvement of Western Balkan representatives in the policy-making and implementation structures across different sectors.**<sup>19</sup>

Authors from the Cooperation and Development Institute in Albania further dealt with the issue of **cohesion frontloading in the EU accession process** in their recent publication based on expert discussions held in the scope of the Tirana Connectivity Forum.<sup>20</sup> Their suggestion is that due to the challenges candidates

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<sup>17</sup> M. Bonomi, A. Hackaj, D. Reljić. "Avoiding the Trap of Another Paper Exercise: Why the Western Balkans Need a Human Development-centred EU Enlargement Model." Istituto Affari Internazionali. January 2020.

<https://www.iai.it/sites/default/files/iaip2004.pdf>

<sup>18</sup> European Commission. "Connecting Europe: Commission signs high-level agreements with Western Balkans to improve transport links." May 2023. [https://transport.ec.europa.eu/news-events/news/connecting-europe-commission-signs-high-level-agreements-western-balkans-improve-transport-links-2023-05-16\\_en](https://transport.ec.europa.eu/news-events/news/connecting-europe-commission-signs-high-level-agreements-western-balkans-improve-transport-links-2023-05-16_en)

<sup>19</sup> "Avoiding the Trap of Another Paper Exercise." <https://www.iai.it/sites/default/files/iaip2004.pdf>, p. 16.

<sup>20</sup> "2022 Tirana Connectivity Forum: Conditionality and Solidarity: Frontloading Cohesion into EU Enlargement to Southeast Europe 6." Cooperation and Development Institute (ed.). April 2023.

face in aligning with the EU standards while lacking the necessary resources for the costly transformation, the **EU Cohesion Fund should be accessible to countries in the pre-accession phase**. The fund’s purpose is to provide support to EU Member States with weaker economic performance in order to strengthen the economic, social and territorial cohesion across the EU, based on the principle of solidarity.<sup>21</sup> The authors argue that the same rationale and principles should be applied to boost cohesion between the candidate countries and the EU, helping to prepare them both economically and institutionally for EU membership beyond the limits of the IPA funding. The CDI further emphasizes the **development benefits** which might be less obvious at first sight but empower actors across levels and sectors – the increased resilience of institutions, enhanced learning effect for the state administration, improvement of good governance, creation of conditions motivating young and educated citizens to stay in the region, or more favorable position of local administration, civil society and non-governmental sector. While this approach could strengthen the candidate countries in various aspects, it would also react to the current enlargement impasse in which the EU is preoccupied with its internal reform discussions.

### EU initiatives and feedback on existing proposals

Concepts of gradual and accelerated integration are still very new, and it is difficult to set a clear line between the positions of individual EU Member States. In

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general, there is a positive attitude of the Member States concerning these concepts as long as they are in line with the work of the European Commission and the conditionality of the accession process. There is a common understanding of the need to further enhance the cooperation with the candidate countries from the

<https://cdinstitute.eu/wp-content/uploads/2023/04/2023-04-05-TCF22-Conditionality-for-and-Solidarity-with-WB6-b.pdf>.

<sup>21</sup> European Commission. “Cohesion Fund.” [https://ec.europa.eu/regional\\_policy/funding/cohesion-fund\\_en](https://ec.europa.eu/regional_policy/funding/cohesion-fund_en)



Western Balkan and Associated Trio countries, incentivize their economies and revive the enlargement process which has been stalling for a decade. After initial concerns and distrust over the French argument of a need for a new enlargement methodology, later developed by the European Commission, there is a prevailing appreciation of the new concept which offers more dynamism and flexibility. At the same time, the approaches of the EU Member States differ regarding specific aspects of the innovative models of integration proposed by both governmental and non-governmental actors.

There are currently various aspects that influence the positions towards the concepts of accelerated or gradual integration, such as specific policy areas but also foreign policy priorities of a given EU country, as the enlargement process outgrew the region of the Western Balkans. Some important EU Member States, such as Germany or Italy, perceive that the newly presented initiatives could potentially endanger the whole process and **prefer that the European Commission plays a crucial role in setting the direction of the process under the new methodology**. These countries are generally in favor of a fast accession process, but within the lines of already existing tools and depending on full compliance with the criteria set in the negotiation framework.

While there seems to be a clear understanding of the importance of future enlargements among the EU Member States, stemming from the geopolitical tensions after the start of the Russian aggression in Ukraine, there are heated discussions among politicians, think tanks, and academia about the **functionality of the enlarged EU of 36 potential members**. Some European leaders<sup>22</sup> condition future enlargement with a larger reform of the EU, notably in the areas

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<sup>22</sup> European Parliament. "Olaf Scholz: 'We need a geopolitical, larger, reformed EU, open to the future'." May 2023. <https://www.europarl.europa.eu/news/en/press-room/20230505IPR85002/olaf-scholz-we-need-a-geopolitical-larger-reformed-eu-open-to-the-future>. T. Théo Bourgery-Gonse, "Enlargement 'could work' without EU reform, says senior French diplomat." *Euractiv*. December 2022. <https://www.euractiv.com/section/politics/news/enlargement-could-work-without-eu-reform-says-senior-french-diplomat/>.

of institutional set-up and the voting procedures in the area of the Common Foreign and Security Policy (CFSP). This idea stems from the difficulties of the decision-making process in the Council and the obstructions that can be caused by any of the Member States, sometimes damaging the EU's reputation on the global level but also blocking the enlargement process. There is a long-term frustration with EU Member States that use their veto powers to boycott joint decisions due to domestic issues or bilateral disputes. At the same time, there is not a clear consensus over the adoption of qualified majority voting (QMV) in the CFSP as there are also countries that promote institutional reforms without the shift to QMV.

In general, dissatisfaction with certain countries that were part of the 2004-2007 enlargements is still a notable obstacle in the path of future membership of current candidate countries. This will play an important role in the institutional set-up if (or rather when) the EU decides to reform. Yet, **there are also many success stories of the enlargement policy and there is a space for a proper reflection on the positive impacts** which could refute the claims over the destructive effects of the Eastern enlargements and improve the perception of the future expansion towards the Western Balkans and Eastern Europe among the EU Member States.

Various groupings of EU countries have been created in the past years to show support towards the enlargement process, or more specifically to the Western Balkan countries, Eastern Europe or Ukraine individually. Although it is imperative that the EU Member States support the process through different channels and formats, the sheer volume of the "Friends of" groupings make the general balancing between the countries that support or oppose the enlargement very complicated. Furthermore, these groupings can also

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create tensions and fragmentation among the EU states as they project their foreign and European policy priorities and visions which can be at times conflicting.

Different approaches applied by the Union to the European perspective of Western Balkans and Eastern Europe until the start of Russia's war are visible also in the working division of EU institutions, for example on the level of Council preparatory bodies, namely the working parties on Eastern Europe and Central Asia (COEST), Western Balkans region (COWEB) and Enlargement and Countries Negotiating Accession to the EU (COELA).<sup>23</sup> **There is currently no working party in the Council of the EU that could jointly discuss the challenges for the candidate countries from both regions.** This can in the future create two parallel processes, causing not only different playing fields but also frustration among the camps.

Both the EU Member States and the European Commission are well aware of the financial gaps between the EU and the candidate countries, but also the structural discrepancies among the candidates themselves. Currently, Associated Trio countries benefit from the Deep and Comprehensive Free Trade Area (DCFTA) agreements which are much more advanced, detailed and legally precise than the Stabilization and Association Agreements (SAA) of the Western Balkan countries.<sup>24</sup> Yet, there seems to be no incentive from the European Commission to open these agreements and assure that the same conditions apply to all the candidates. As economic performance plays a crucial role in the democratization of society and hence the progress in the accession negotiations, this can be seen as a short-sighted approach that could create tensions between the two blocks.

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<sup>23</sup> COEST and COWEB working parties are chaired by a representative of the European External Action Service (EEAS), while COELA is chaired by the rotating Council Presidency.

<sup>24</sup> M. Emerson et al. "Balkan and Eastern European Comparisons: Building a New Momentum for the European integration of the Balkan and Eastern European associated states." March 2021. CEPS. <https://www.ceps.eu/wp-content/uploads/2021/02/Balkan-and-Eastern-European-Comparisons.pdf>.

At the same time, the European Commission has stepped up its financial support to the region of the Western Balkans in the past few years by adopting the Economic and Investment Plan for the Western Balkans and recently pledging to boost the finances available to the candidate countries through the pre-accession fund (IPA III).<sup>25</sup> Most importantly, there is a positive mood regarding the gradual integration of the Western Balkan countries into the EU Single Market through the support of a common regional market and potential integration into the Digital Single Market. However, these positive directions should be further elaborated by providing roadmaps specifying the final objectives in terms of gradual integration, detailing the criteria and the exact steps that should be fulfilled by each Western Balkan country to meet them.

**“The concept of phasing-in appears to be currently the only way how to keep the wider European integration alive in the context of the enlargement impasse caused partially by the lack of reform efforts on the side of candidates and partially by the EU’s lack of consensus on enlargement and its conditioning by EU internal reform.”**

As there is currently a gap in the knowledge as well as practical processes between the EU’s approach to the Western Balkans and to the Associated Trio countries, more efforts are needed in connecting these two dimensions of EU enlargement. The practical aspects of dealing with the two regions in the scope of the EU’s enlargement policy will need to be dealt with through a reorganization of working bodies in different EU institutions. To further connect

the EU with the Western Balkans and Associated Trio, the European Commission should seek political support to **involve the candidate countries in mechanisms and monitoring tools so far reserved for the EU Member States, such as the annual Rule of Law Report or EU Justice Scoreboard**, providing a more objective and visible assessment of the candidates’ position among themselves and vis-à-vis the standards among EU Member States.

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<sup>25</sup> European Commission. “Keynote speech by President von der Leyen at the GLOBSEC 2023 Bratislava Forum.” May 2023. [https://ec.europa.eu/commission/presscorner/detail/en/speech\\_23\\_2993](https://ec.europa.eu/commission/presscorner/detail/en/speech_23_2993).

## Possibilities and opportunities for progress on the integration of (potential) candidates

As described above, it is evident that there is now a positive momentum for turning the provisions for accelerated or gradual integration into practice. Many of the EU Member States generally support the idea which seems to be acceptable also for the enlargement-sceptics. Simultaneously, the concept of phasing-in appears to be currently the only way how to keep the wider European integration alive in the context of the enlargement impasse caused partially by the lack of reform efforts on the side of candidates and partially by the EU's lack of consensus on enlargement and its conditioning by EU internal reform.

**Russia's aggression in Ukraine showed the geopolitical necessity to tie the countries vulnerable to foreign influence closer to the EU through deeper political, sectoral, and institutional cooperation and that the EU has to act immediately.** The year 2024 will be a decisive year for the EU with the elections to the European Parliament and the formation of a new European Commission. Since the current Commission declared to be a geopolitical one and demonstrated interest in and commitment to EU enlargement, the EU Member States should unite their efforts with the Commission until the end of its mandate in an attempt to achieve tangible and significant results in bringing the candidate countries closer to the EU. As the elections to the European Parliament will consume a lot of attention, the aim should be to achieve these results latest in the early spring of 2024.

During its meeting in June 2024 under Belgium's EU Presidency, the European Council should propose **strategic priorities for the next European Commission's mandate** which will be an important moment for enlargement-supportive countries in dialog with other partners to underline the importance of the enlargement process. Furthermore, the **20<sup>th</sup> anniversary of the 2004 "big**

**bang” Eastern enlargement could serve as a catalyst for an open exchange among EU Member States about the importance of enlargement policy and the potential costs of non-enlargement** for Europe. With regard to the next European Commission, the enlargement-supportive EU Member States should try to nominate high-quality candidates for the position of the next EU Commissioner for Neighbourhood and Enlargement and select a person who would be seen by all EU countries as a legitimate and constructive professional. Similar standards should apply to the selection of the next High Representative of the EU for Foreign Affairs and Security Policy. While it can seem that the negotiations over the new Multiannual Financial Framework are still far ahead, **the proposals on the inclusion of EU membership candidates in the EU budget should be put forward already next year.** In order to provide the basis for a factual and open discussion, the European Commission should develop a comprehensive analysis of costs and impacts related to such potential step.

Another important aspect of strengthening the ties between the EU and Western

**“More robust financial support from the EU to the candidate countries beyond the IPA and an adequate mechanism towards socio-economic convergence would make the investments and loans from other global and regional actors less attractive or potentially harder to justify by the national elites as they would no longer be needed to fill in gaps left by insufficient financial assistance from the EU.”**

Balkans is to assure the organization of EU-WB Summits on annual bases in line with the Brdo Declaration.<sup>26</sup> The Czech Presidency of the Council of the EU set a positive milestone by co-organizing the EU-WB Summit in Tirana. This was the first time EU leaders gathered in the region of the Western Balkans sending a strong signal of support to its Western Balkan partners. Co-organization of the summit, which is of utmost importance for the Western Balkans, is a good example of a larger involvement of the candidate countries and should

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<sup>26</sup> European Council. “Brdo Declaration, 6 October 2021.” <https://www.consilium.europa.eu/en/press/press-releases/2021/10/06/brdo-declaration-6-october-2021>.

also be considered in the future. However, as the integration process goes far beyond leaders' meetings, **the EU should consider organizing CSOs or Business Forums on the side of the political meeting**, similar to the example of Civil Society and Business Forums organized on the side of the Berlin Process summits.

The EU Member States should realize that accelerated progress on the integration of and cooperation with the candidate countries is a needed geo-strategic decision that would lead to an increased influence of the EU in the neighboring regions with European aspirations, build trust between the EU Member States and EU membership hopefuls, restore the credibility of the EU and the enlargement process in the Western Balkans and development of candidate countries' institutional capacities across sectors and levels. Furthermore, more robust financial support from the EU to the candidate countries beyond the IPA and an **adequate mechanism towards socio-economic convergence would make the investments and loans from other global and regional actors less attractive** or potentially harder to justify by the national elites as they would no longer be needed to fill in gaps left by insufficient financial assistance from the EU.

In more pragmatic terms, it cannot be overlooked how the EU is interconnected with the surrounding countries and how their falling behind European standards affects neighboring EU Member States. Probably the most visible area where this negative effect is visible is the environment. As aspirants for becoming members of the EU, the countries of the Western Balkans are expected to align over time with the standards and trends inside the EU which has embarked on a very ambitious green transition agenda under the European Green Deal.<sup>27</sup> However, the environmental standards in the region are already significantly worse<sup>28</sup> than in the neighboring EU countries and despite the introduction of the Green Agenda

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<sup>27</sup> European Commission. "A European Green Deal: Striving to be the first climate-neutral continent." [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal_en).

<sup>28</sup> European Commission. "Status of environment and climate in the Western Balkans." June 2022. <https://publications.jrc.ec.europa.eu/repository/handle/JRC129172>.

for the Western Balkans<sup>29</sup> supported by funding through the Economic and Investment Plan, the finances allocated to the region cannot match those available to the EU Member States for their green transition.<sup>30</sup>

It is evident that if the EU wants to truly transform and Europeanize the candidate countries in all aspects, a radical reassessment of the financial support provided to these countries accompanied by the will to invest in the region more both politically and economically will be necessary. In the case of the rather small Western Balkan countries, however, this investment stemming from their deeper integration is relatively small given the potential benefits with geopolitical implications. The more ambitious proposals on accelerated integration suggest early candidates' access to the EU's structural funds and a fundamental question emerges of how much would it burden EU Member States' budgets. According to studies by renowned research institutions, the **potential inclusion of the Western Balkan countries in the EU budget would increase the financial burden for individual EU Member States between 0.009 % to 0.04 % of their gross national income (GNI)<sup>31</sup> or from €1.6 to €10.8 per capita per year<sup>32</sup> (see figure I and table 2).**

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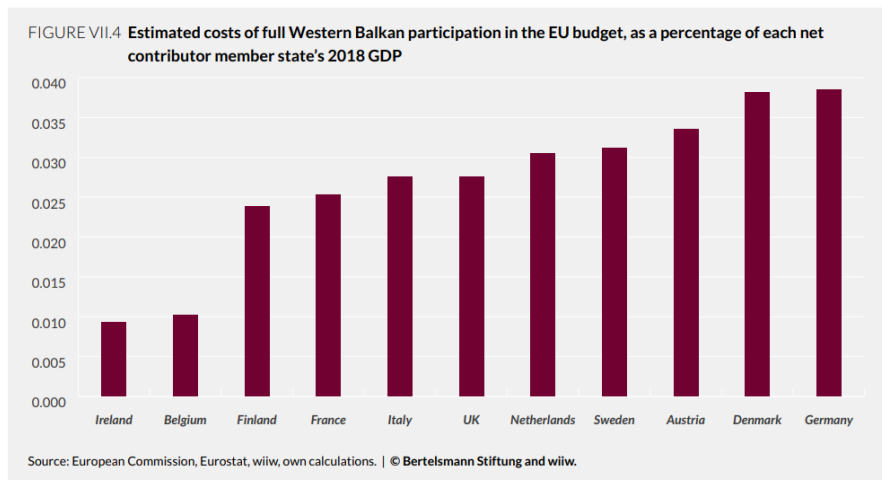
<sup>29</sup> Regional Cooperation Council. "Green Agenda for the Western Balkans." [https://www.rcc.int/priority\\_areas/61/green-agenda-for-the-western-balkans](https://www.rcc.int/priority_areas/61/green-agenda-for-the-western-balkans).

<sup>30</sup> CEE Bankwatch Network. "A Just Transition Fund for the Western Balkan countries." January 2022. <https://bankwatch.org/publication/a-just-transition-fund-for-the-western-balkan-countries>.

<sup>31</sup> Pushing on a string? An evaluation of regional economic cooperation in the Western Balkans, Bertelsmann Stiftung (ed.), August 2020, <https://www.bertelsmann-stiftung.de/en/publications/publication/did/pushing-on-a-string-en>, p. 79.

<sup>32</sup> Vasja Rant, Mojmir Mrak and Matej Marinč, "The Western Balkans and the EU budget: the effects of enlargement," School of Economics and Business, University of Ljubljana, Southeast European and Black Sea Studies 2020, Vol. 20, No. 3, 431–453, p. 442.

**Figure I:** Estimated costs in Western Balkans' inclusion in the EU budget for net contributor EU MS



Source: "Pushing on a string?", Bertelsmann Stiftung (ed.), <https://www.bertelsmann-stiftung.de/en/publications/publication/did/pushing-on-a-string-en>.

**Table 2:** Impact of WB6 EU accession on EU budget contributions of individual Member States

EU MEMBER STATE	NET TRANSFERS (%OF GNI) AFTER WB6 ACCESSION TO EU	EU MEMBER STATE	NET TRANSFERS (%OF GNI) AFTER WB6 ACCESSION TO EU
EU-27	0.018	LV	0.016
BE	0.026	LT	0.019
BG	0.017	LU	0.015
CZ	0.017	HU	0.017
DK	0.017	MT	0.015
DE	0.017	NL	0.019
EE	0.016	AT	0.016
IE	0.015	PL	0.017
EL	0.020	PT	0.019
ES	0.019	RO	0.014
FR	0.018	SI	0.018
HR	0.018	SK	0.016
IT	0.020	FI	0.018
CY	0.019	SE	0.016

Source: Vasja Rant, Mojmir Mrak and Matej Marinč, "The Western Balkans and the EU budget: the effects of enlargement," School of Economics and Business, University of Ljubljana, Southeast European and Black Sea Studies 2020, Vol. 20, No. 3, 431–453.

The prospects of access to the EU budget are naturally more problematic for Ukraine which has almost double the size of its economy than all the Western Balkan countries combined (see table 3). However, considering the massive support provided to Ukraine through the international reconstruction financial plans, its inclusion in the EU's structural funds might not be very relevant nor desirable. It would be thus **possible to limit the discussions about access to funds to the Western Balkan Six and Moldova (and potentially Georgia) while providing financial resources to Ukraine through other schemes.**

**Table 3:** Comparison of GDP and population of Western Balkan and Associated Trio countries

COUNTRY	GDP (BILLIONS USD)	POPULATION (MILLIONS)
Albania	18.26	2.81
Bosnia and Herzegovina	23.37	3.27
Kosovo	9.41	1.79
Montenegro	5.86	0.62
North Macedonia	13.83	2.07
Serbia	63.08	6.83
Ukraine	200.09	43.79
Moldova	13.68	2.62
Georgia	18.63	3.71

Based on data from the World Bank for year 2021.

In the area of sectoral integration, **there are already numerous initiatives in place that either directly contribute to connecting the Western Balkan countries with the EU or prepare them for integration** into the EU in the future. These include the Transport Community, Common Aviation Area, Energy Community, Green Agenda for the Western Balkans, inclusion in the Erasmus+ programme, or the Common Regional Market in the Western

Balkans. Close cooperation between the EU and the region is visible also in the area of migration management with the recent example of the proposal on



Frontex deployment on internal borders within the Western Balkans<sup>33</sup> or in the agreement on lowering data roaming fees between the EU and the Western Balkans,<sup>34</sup> Ukraine<sup>35</sup> and Moldova.<sup>36</sup> As these different initiatives are not clearly centralized, it would be desirable if the European Commission provided an **overview of the existing integration means and areas of cooperation and presented options for further integration**, in accordance with the European Council's June 2022 conclusions. As the provisions for gradual or accelerated integration rely on the reversibility principle and merit-based approach, more clarity is also needed on how the progress should be conditioned and reversibility applied.

In the question of accelerated integration into the EU institutions, the *staged accession template* provides the most elaborate proposal with a detailed description of different phases ranging from observer status or policy dialog at the level of the European Council, speaking rights without voting, to full voting rights in all EU institutions, depending on the level of compliance with the accession criteria. While the authors provide a complex approach to institutional integration, some gradual steps have been proposed also by other actors. In its recommendation to the new EU enlargement strategy, **the European Parliament proposes earlier access to the European Parliament for observers from the candidate countries** (previously reserved for acceding countries with signed accession treaty before the date of accession) and invites the EU institutions to establish an enhanced political dialog with the countries aspiring for EU

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<sup>33</sup> European Commission. "EU Action Plan on the Western Balkans." December 2022. [https://home-affairs.ec.europa.eu/eu-action-plan-western-balkans\\_en](https://home-affairs.ec.europa.eu/eu-action-plan-western-balkans_en).

<sup>34</sup> European Commission. "Decrease of data roaming fees between the Western Balkans and the EU." May 2023. [https://neighbourhood-enlargement.ec.europa.eu/news/decrease-data-roaming-fees-between-western-balkans-and-eu-2023-05-03\\_en](https://neighbourhood-enlargement.ec.europa.eu/news/decrease-data-roaming-fees-between-western-balkans-and-eu-2023-05-03_en).

<sup>35</sup> European Commission. "A further step towards a long-term 'Roam like at home' agreement with Ukraine." February 2023. [https://neighbourhood-enlargement.ec.europa.eu/news/further-step-towards-long-term-roam-home-agreement-ukraine-2023-02-14\\_en](https://neighbourhood-enlargement.ec.europa.eu/news/further-step-towards-long-term-roam-home-agreement-ukraine-2023-02-14_en).

<sup>36</sup> European Commission. "Telecom operators in EU and Republic of Moldova agree on lowering roaming tariffs from 1 January 2024." May 2023. [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_3006](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3006).

membership, for example through meetings on the margins of the European Council meetings.<sup>37</sup> The latter form of enhanced institutional cooperation has been significantly advanced during the Czech Republic's Presidency in the Council of the EU in 2022, introducing a good **practice of involving Western Balkan representatives in informal EU ministerial meetings** and involving them as partners in discussions on issues of shared interest, such as energy, foreign policy or migration.<sup>38</sup>

The fundamental question with regard to conditionality is whether gradual or sectoral integration should be somewhat differentiated from the EU enlargement process, in the sense of chapters and clusters, and how the focus on the *fundamentals*<sup>39</sup> should be reflected in the integration process. The approach to accelerated integration under some of the proposals coming from the think-tank

**“As the monitoring capacities of the European Commission are rather limited to encompass in detail the implementation of adopted changes, protected, well-developed and financially independent civil society and media are necessary for a complex assessment of any progress.”**

community is fundamentally different from the current top-down driven EU enlargement process. In contrast, **integration across sectors into various EU policies and access to EU funds which are so far reserved for EU Member States would involve many more different levels of state administration, government agencies and sectoral ministries.** Enhanced cooperation of these actors with their counterparts from EU Member States and different DGs of the European

Commission would further **boost their socialization, mutual learning and trust-building.** If the candidate countries were to gain access to the EU sectoral funds, they would have to comply with the EU rules the same way as the Member

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<sup>37</sup> European Parliament. “European Parliament recommendation of 23 November 2022 on new EU enlargement strategy.” <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52022IP0406>.

<sup>38</sup> J. Juzová. “Czech Presidency of the Council of the European Union: Enlargement as a Strategic Decision.” EUROPEUM Institute for European Policy. January 2023. <https://europeum.org/data/articles/analysis-jj.pdf>.

<sup>39</sup> rule of law, independence of the judiciary, fight against corruption, and protection of human rights including rights and equal treatment of minorities

States currently do, under the EU *regulation on a general regime of conditionality for the protection of the Union budget*.<sup>40</sup>

In relation to the conditionality and monitoring towards the countries aspiring for EU membership, civil **society is an important partner which should be further engaged and empowered**. As witnessed in the Western Balkans' European integration, the problem with reforms required under the accession process is typically their implementation. Oftentimes, the necessary decisions are adopted and the changes look good on paper, however, the turning of the legislation and regulations into practice and their sustainability over time appears to be much more problematic. As the monitoring capacities of the European Commission are rather limited to encompass in detail the implementation of adopted changes, **protected, well-developed and financially independent civil society and media are necessary for a complex assessment of any progress**. The EU institutions have repeatedly acknowledged the importance of civil society as a cornerstone of democracy in the candidate countries but the relations between the European Commission and civil society remain underdeveloped and mechanisms for a more structured cooperation are needed.<sup>41</sup>

## Challenges and threats of accelerated and gradual integration

While the accelerated or gradual integration approach can be acceptable for some EU Member States as it simultaneously ensures closer cooperation with the candidate countries and enhanced links to the EU in the increasingly geopolitically competitive environment, **it can potentially lead to further stalling of the EU enlargement process** for the same reasons. Sectoral integration and enhanced institutional cooperation are not the same process as the EU accession process

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<sup>40</sup> EUR-Lex. "Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget." December 2020. <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32020R2092>.

<sup>41</sup> European Court of Auditors. "EU support for the rule of law in the Western Balkans: despite efforts, fundamental problems persist." 2022. [https://www.eca.europa.eu/Lists/ECADocuments/SR22\\_01/SR\\_ROL-Balkans\\_EN.pdf](https://www.eca.europa.eu/Lists/ECADocuments/SR22_01/SR_ROL-Balkans_EN.pdf).

and neither is necessarily their end goal. In the situation when the EU is dealing with its own internal crises and when there is no consensus among the EU Member States about what the future EU should look like, many EU countries have no appetite for welcoming new members on board, making any consensus even more difficult and increasing the number of potential veto players in the Council of the EU.

On the other hand, while the (potential) candidates for EU membership would benefit significantly from access to various EU policies and funds, they applied to become full EU members, with all the rights and obligations that the membership entails, and it might become a source of frustrations if they are integrated only in some aspects. No country is, however, anywhere close to being ready for EU accession and the process of meeting the criteria will take several years even in the best-case scenario. **For**

**“Without a strict and credible conditionality, the concept of accelerated integration creates a risk of rewarding the very leaders who are responsible for democratic backsliding and rule of law deterioration by granting them funds and political clout in the eyes of their citizens.”**

**the time being, gradual integration can be the only way how to achieve at least some progress in their European paths, tie the countries closer to the EU and take the first steps towards restoring the credibility of the EU and the enlargement policy** as such, while the EU needs to continue the difficult discussions about internal reform. The success of the enlargement process will eventually depend on the results of the candidates’ reform efforts and on the EU’s ability to find a consensus among differing views on the reform.

Another challenge will be the insistence of the EU on alignment in the *fundamentals* for integration in different areas and the strict application of the reversibility principle. For the integration process to be credible and truly merit-based, the European Commission will have to provide detailed monitoring of the situation in individual countries and prepare a report and recommendation to the Council and the Parliament to reverse the achieved integration in case of violations

of human rights, fundamental freedoms and independence of justice. Both the Council and the Parliament will then have to act upon the Commission's report adequately and swiftly. **Without a strict and credible conditionality, the concept of accelerated integration creates a risk of rewarding the very leaders who are responsible for democratic backsliding** and rule of law deterioration by granting them funds and political clout in the eyes of their citizens. In the process of monitoring of the reform's implementation and effects as well as in communication to the citizens, civil society organizations and free media are crucial partners.

Another challenge for the European Commission related especially to the role of *fundamentals* in accelerated integration in different areas will be to **clearly define the baseline that needs to be reached by the candidates to access the available funds**. If accelerated integration was to be applied in a predictable and merit-based way, there needs to be a clear definition allowing for an objective decision on which countries were to access which areas.

Another problematic area of the gradual or accelerated integration is access to the EU's Single Market. The existing provisions under the DCFTAs as well as some of the proposals coming from the think-tank community assume the countries achieve a high level of alignment with the EU standards both in technical and democratic aspects in order to join the Single Market. For example, according to the proposal by the European Stability Initiative, the conditions in the area of the rule of law should be the same for joining the Single Market as they are for full EU membership and the monitoring of their fulfillment should be even stricter.<sup>42</sup> The question then, however, is why the candidates should be interested in joining "only" the Single Market instead of becoming full-fledged members of the EU.

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<sup>42</sup> "Hamster in the Wheel." ESI. <https://www.esiweb.org/publications/hamster-wheel-credibility-and-eu-balkan-policy>

On the other hand, there is a concern present in the expert community that any lowering of the conditions for the Single Market integration would **be harmful to the candidates due to their low level of preparedness and institutional capacity and consequent human capital loss**, and potentially unsustainable for the EU internally as the influx of cheaper products and labor migration would lead to resentment inside the EU Member States. Furthermore, as the recent example of several EU countries restricting the import of Ukrainian grain due to surplus supply showed, the impacts of the accelerated Single Market integration could bring about destructive consequences for the Single Market itself and the relations between EU countries and the candidates as well. In order to prevent other similar situations in the future, the European Commission should create a **detailed overview of the impact of the candidate countries' Single Market accession, providing concrete number estimates and mechanisms to be applied in cases when the integration could lead to disputes** with the EU Member States. Furthermore, the discrepancy between the complex DCFTAs signed with Associated Trio countries, which lay out a solid foundation for their gradual integration into the EU's internal market, and much less ambitious and elaborate SAAs with the Western Balkan countries should be addressed in order to create an equal footing for both regions.

As regards the most ambitious proposals towards the enlargement methodology, the *staged accession template* provides a very elaborate methodology, in detail describing each stage of EU accession, necessary conditions and tools for quantification of progress assessment. However, this level of ambition is also at times cited as the reason why it would be problematic to turn the proposal, requiring this level of precision also in the methodology, into practice. After the still relatively recent negotiations around the new methodology including several non-papers provided by EU Member States to help formulate the final document presented by the European Commission, there seems to be little appetite for any

methodological changes or advancements. The second set of concerns relates to the legality and legitimacy of the voting restrictions in the Council in the stage III. The authors clarify that these limitations would need to be detailed in each country's accession treaty and as such would not pose a threat to the revitalization of the enlargement process.

## Conclusions

The current enlargement process following the same logic as in 2000s is not working and not delivering the expected results of political, societal and economic transformation. The EU has to compete with other foreign actors' influence and for the local actors the decision to unequivocally follow the European path is not a given anymore, at least not beyond rhetorical declarations. The influx of foreign, particularly Chinese, foreign investments and loans creates further debt spirals and undermines the processes aimed at aligning the candidates with the EU rules and standards.

The Western Balkans' political landscape, economic structures and societal fabric are marked by the legacy of the turbulent developments of the 1990s and the multiple transformations have in almost 30 years progressed only to a limited extent. The strongly asymmetrical economic relations of the region with the EU

**“The leader-centered approach of the EU combined with poor communication failing to call out those responsible for the lack of reforms and even democratic backsliding contributed to the strengthening of the position of these elites.”**

have not prompted the hoped-for economic development but instead transformed into a vast trade deficit and alarming extent of brain drain, among other effects. Meanwhile, for long the attention of the EU has been consumed by its own crises and issues with the rule of law in some of its Member States, raising concerns about the continuation of enlargement as

such. The process is increasingly characterized by a lack of reform efforts on the side of candidates, blocking of the accession progress by individual EU countries,

and an unprecedented level of mutual mistrust and fatigue from the lengthy process dragging on for already two decades.

**For the EU enlargement policy to become again an effective transformative tool, it needs to be adapted to the new context** in which enlargement to the Western Balkans and Associated Trio countries is taking place. Russia's war in Ukraine showed how vulnerable the countries outside of the EU are in the face of the interests of other regional and global powers while in the Western Balkans, these actors have a significant role in the societal, economic and environmental deterioration of the countries. The current top-down vertical approach to EU enlargement also proved ineffective as a tool for the transformation of countries led by leaders with autocratic tendencies. Instead, the **leader-centered approach of the EU combined with poor communication failing to call out those responsible for the lack of reforms** and even democratic backsliding contributed to the strengthening of the position of these elites.

In 2019, France with several other EU Member States blocked the opening of the accession negotiations with Albania and North Macedonia precisely on these grounds, arguing that the enlargement process under the present rules was not delivering and they needed to be changed. The new enlargement methodology introduced by the European Commission in early 2020 was supposed to make the whole process more credible and dynamic, put a stronger emphasis on the fundamental accession criteria and provide more incentives to the candidate countries throughout the process. However, three years later there are still no clear examples of the application of the new rules. Despite the breakthroughs in the EU enlargement in 2022 – the granting of candidate status to Ukraine, Moldova and Bosnia and Herzegovina, the opening of accession negotiations with Albania and North Macedonia, and the submission of application for membership by Kosovo – **concrete steps putting into practice the provisions of accelerated or gradual integration in terms of different policies, institutions and funds,**



**remain to be seen.** While the full potential of the enlargement methodology has not manifested yet, the think-tank community outlined a number of proposals on how these concepts should be applied.

The proposals which gained probably the most traction are the European Stability Initiative's proposal of access to the Single Market as an interim goal, and the *staged accession template* developed by the Centre for European Policy Studies and the European Policy Centre. The phasing-in rationale is present also in the Europe's Futures alumni's *Six Fixes for the Western Balkan Six*, embedded in a context of a more complex proposal on a reformed approach to EU enlargement. While these proposals are generally focused on changes to the EU's enlargement policy and take into account the Union's interests, goals and concerns, another stream of proposals revolves around the development aspects of the candidates' EU integration. At the center of proposals developed by authors from the Stiftung Wissenschaft und Politik, Istituto Affari Internazionali or the Cooperation and Development Institute lies the development gap between the candidates and the EU Member States. According to these proposals, the elemental first objective of the EU accession process is a socio-economic convergence stimulated through the allocation of sufficient resources from the EU.

Despite the European Commission's will to increase the IPA III funds, the increased amount would probably still be insufficient to address the existing development gap and stimulate the necessary economic growth. It is becoming clear that immensely more resources, that are more structural in nature rather than tied to single projects, will need to be allocated to the candidate countries. As the funds currently available to the candidate countries are not suitable nor large enough to create this effect, the proposals from the think-tank community suggest

**“Accelerated institutional integration through the inclusion of the (potential) candidate countries' representatives in the status of an observer or with speaking rights in different EU institutions and bodies would have a strong learning, socializing and trust-building effect.”**

including the candidates in the funds currently reserved only for the EU Member States. While this might seem like an ambitious idea with associated high financial costs, **research shows that the financial burden for individual EU countries would be almost negligible, ranging from 0.009 % to 0.04 % of their GNI per year.**<sup>43</sup>

Furthermore, in terms of sectoral integration, there are **already existing initiatives aimed toward enhanced cooperation and gradual integration** of the (potential) candidate countries with the EU. Some examples are the Transport Community, Common Aviation Area, Energy Community, Green Agenda for the Western Balkans, inclusion in the Erasmus+ programme, or the Common Regional Market in the Western Balkans, cooperation in the area of migration management or through agreements on lower data roaming fees. The EU should build on this good practice and explore how these initiatives can be advanced further to even closer integration. They need to be reviewed by the European Commission and accompanied by clear roadmaps defining specifically for each country how to progress from the current level of integration to full inclusion in the given sectoral policies. **Accelerated institutional integration** through the inclusion of the (potential) candidate countries' representatives in the status of an observer or with speaking rights in different EU institutions and bodies **would have a strong learning, socializing and trust-building effect.** The EU Member States should continue the efforts of the Czech Presidency of the Council of the EU and invite regularly the candidates' representatives to informal or working-level meetings of the Council on topics of common interest. The European Commission and the European Parliament should further explore the possibilities of including observers from the countries aspiring for EU membership also in other institutions.

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<sup>43</sup> "Pushing on a string?", Bertelsmann Stiftung (ed.), <https://www.bertelsmann-stiftung.de/en/publications/publication/did/pushing-on-a-string-en>.

## Recommendations

- The Council of the EU should initiate an immediate discussion on possible enhanced sectoral, financial and institutional integration of the candidate countries with the Union, utilizing the European Commission's expertise, in line with the European Council's conclusions from June 2022.
- The Council of the EU should address the deficiencies of the Council's preparatory bodies and create a functioning working party that would encompass all candidate countries. By doing so, the EU would be able to better address the needs of the candidate countries and assess their common challenges instead of creating further divisions between the Western Balkans and the Associate Trio.
- The European Commission should provide a comprehensive overview of the existing initiatives in areas where some steps toward accelerated or gradual integration are already present and possibilities of their further enhancement including possible access to relevant EU funds. This undertaking should be coordinated by the DG NEAR but relations with other DGs should be further developed in agendas that are under their responsibility.
- The European Council should task the European Commission with the provision of an analysis of costs and impacts related to the inclusion of the candidate countries (WB6, Moldova and Georgia) in the EU budget under the next Multiannual Financial Framework. It is understandable that Ukraine is a more complicated case due to its large economy but given the funding provided for the reconstruction of the country by the EU and other international donors, in line with the alignment with EU standards, resources from the EU structural funds might not be even that relevant or significant.

- The European Council should task the European Commission with an opening of discussion on how to level the playing field between the candidate countries in the area of trade. Differences between the DCFTAs with Associated Trio countries and SAAs with the Western Balkan countries should be revised also in view of future integration into the Single Market.
- The EU should better involve civil society organizations from the candidate countries in the monitoring of the implementation of reforms. The role of civil society in the candidate countries could be further enhanced through structured cooperation with the European Commission, specifically through regular meetings and inputs into Commission's reports.
- The European Commission should also establish a platform for cooperation between the civil society representatives from the candidate countries and the EU member states. This Civil Society Forum would serve as a platform for sharing of knowledge, establishing networks and supporting the common vision of Europe's future and could be built on the model of the already existing Eastern Partnership Civil Society Forum.
- EU Member States should initiate a complex evaluation of the impacts of the 2004 enlargement which has over the past years gained negative connotations and is sometimes used as an argument against further enlarging of the Union. The 20<sup>th</sup> anniversary of the Eastern enlargement in 2024 is an important symbolic opportunity to start such an endeavor. This initiative could also open a discussion over the potential costs (economic, political) of future non-enlargement.
- EU Member States should strive to further strengthen the contacts with the Western Balkans representatives not only through invitations to the informal meetings of ministers on the EU level but also through other regional and cross-regional initiatives.

- To create a positive environment supportive of further enlargements, the Member States should establish tools for strategic communication towards their citizens about the importance and benefits of the EU's enlargement policy. This should be further supported by increased people-to-people contacts through existing EU programmes (Erasmus+, Horizon, European Solidarity Corps etc.) and trainings provided to civil servants from the candidate countries.

## Figures and tables

Figure 1: Estimated costs in Western Balkans' inclusion in the EU budget for net contributor EU MS by Bertelsmann Stiftung and Vienna Institute for International Economic Studies

Table 1: Four stages of integration according to the *staged accession template* by Centre for European Policy Studies and European Policy Centre

Table 2: Impact of WB6 EU accession on EU budget contributions of individual Member States by University of Ljubljana

Table 3: Comparison of GDP and population of Western Balkan and Associated Trio countries

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