

# New Growth Plan for the Western Balkans

An important step forward,  
while much is yet to be done

## 1. Introduction: A new EU proposal for the Western Balkans

A stimulating new package in support of Western Balkan countries' accession is on the EU decision-making table. Half a year after the big announcement by the Commission President, the details of the New Growth Plan for the Western Balkans (the Plan) were presented on 8 November 2023, along with the standard annual Enlargement Package. The Commission's proposal is in line with the European Council's June 2022 invitation "to further advance the gradual integration between the European Union and the region already during the enlargement process itself in a reversible and merit-based manner"<sup>1</sup>.

Aligned with the objective of "a determined geostrategic investment in a stable, strong and united Europe" and accelerating "the speed of the enlargement process and the growth of [the Western Balkans'] economies", the Plan rests on four key pillars: 1. Economic integration with the single market, 2. Regional economic integration through the Common Regional Market, 3. Fundamental reforms, and 4. Increased financial assistance through the Reform and Growth Facility for the Western Balkans (RGFWB, Facility)<sup>2</sup>. Rather than reforming the accession process, the Plan intends to stimulate and build on the existing approach – primarily based on the Stabilisation and Association Agreements and the Instrument for Pre-accession Assistance (IPA) – with a

1 European Council meeting (23 and 24 June 2022) – Conclusions, <https://www.consilium.europa.eu/media/57442/2022-06-2324-euco-conclusions-en.pdf>

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#WesternBalkans  
#GrowthPlan  
#enlargement

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view to increasing its effectiveness and bringing forward greater benefits for candidate countries.

Although the new funds needed for the RGFWB were only approved on 1 February 2024, in late 2023 the Commission already invited each Western Balkan partner to prepare a “Reform Agenda”. These documents will stipulate the socio-economic and fundamental reforms that will serve as the basis for disbursing the newly proposed funds. The Commission seems – more than ever in the past decade – eager to show to Member States that Western Balkan countries are deserving of an additional push in their integration efforts. At the same time, the region still seems lulled in its awkwardly comfortable position, in which the EU is to blame for the lack of progress and the dire state of its rule of law and democratic reforms<sup>3</sup>.

In this article, we discuss the novelties of the proposed Plan, including proposals on market integration and links between funding and reforms. In addition, we assess the Plan’s shortcomings and certain potential risks associated with its implementation. In conclusion, the article discusses the current positions of the Western Balkan countries in the accession process, to determine how they affect their capacity to seize the new enlargement momentum and to leverage the potential offered by the Plan.

## II • Towards the EU single market – opportunities and limits of market integration before accession

Broadly speaking, one can agree<sup>4</sup> with the point made by the Commission: “Economic convergence is a significant benefit of EU membership. The positive impact on a country’s GDP and income levels that arise from the integration with the EU’s single market, combined with EU Cohesion Policy, has been clearly demonstrated in the past”<sup>5</sup>. If implemented efficiently and with due regard to the specificities of the Western Balkan economies, enhancing economic integration with the EU’s single market would certainly bring a number of tangible and visible benefits to the candidate countries, their businesses and citizens. The seven priorities<sup>6</sup> identified by the Commission are relevant and should give new impetus to the region and its European perspective. The Commission’s proposal also has the merit of linking steps towards greater integration into the single market to some objectives with a strong political dimension: progress on the fundamentals (through the implementation of “Reform Agendas”) and regional cooperation (greater integration into the EU single market must go hand in hand with progress in building a common regional market), including the normalisation of relations between Serbia and Kosovo.

Yet the decision to place so much emphasis on the economic dimension and the ambiguity<sup>7</sup> regarding the possible separation between EU membership and integration into the single market, with the latter possibly taking precedence over the former, raise questions and call for caution. While the Plan is not advocating such a separation, it could be perceived to be pointing in the same direction.

3 Prolonged lack of progress in the accession process has led to Serbia being described as a “limbo state”. See: Strahinja Subotic, “What is a ‘limbo state’? The case of Serbia,” European Policy Centre – CEP, 13 November 2023, <https://cep.org.rs/en/blog/what-is-a-limbo-state-case-of-serbia/>

4 See, for instance, <https://cepr.org/voxeu/columns/how-much-do-countries-benefit-membership-european-union> or [https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/EZ\\_Study\\_SingleMarket.pdf](https://www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/EZ_Study_SingleMarket.pdf)

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6 1. Free movement of goods; 2. Free movement of services and workers; 3. Access to the Single Euro Payments Area (SEPA); 4. Facilitation of road transport; 5. Integration and de-carbonisation of Energy markets; 6. Digital Single Market; 7. Integration into industrial supply chains.

7 See commissioner Várhelyi’s speech to the European Parliament: “We want to gradually integrate the Western Balkans into the EU’s Single Market, even prior to the full EU membership” (8 November 2023, [https://ec.europa.eu/commission/presscorner/detail/en/speech\\_23\\_5655](https://ec.europa.eu/commission/presscorner/detail/en/speech_23_5655)).

However, suggesting setting integration into the single market as an interim goal on the road towards the EU membership<sup>8</sup> is highly problematic. The main challenge to this idea can be summed up in a simple question: if a country is fit for the single market, why should it not be fit for full EU membership? The answer is definitely - and fortunately - not that economic integration can be divorced from the question of commitment to political values such as democracy, fundamental rights, the rule of law or the alignment with the EU's common foreign and security policy (CFSP). The Commission makes it very clear that any substantial step towards further integration into the single market will be subject to the same political conditionality as membership itself. Thus, given the level of preparation (see table below) and the difficulty of making rapid and sustained progress on the economic criteria (establishment of a functioning market economy, competitiveness sufficient to withstand the pressures of the single market, as well as adoption and implementation of the *acquis*), why should it take longer to prepare for the non-economic dimension of EU membership? The 1995 enlargement illustrates this most eloquently: for Austria, Finland, and Sweden - which were already integrated into the single market through their participation in the European Economic Area - less than 17 months elapsed between the opening of negotiations and the signing of their accession treaties.

The suggestion that integration into the single market should be a goal to be achieved prior to EU membership therefore raises the question of whether it has more to do with the readiness of the EU than that of the candidate countries. In a way, it is reminiscent of Romano Prodi's formula «everything but institutions» - an unacceptable proposal for any country wishing to join the EU. Telling the people of the Western Balkans that they are good enough to become consumers and workers in the EU's single market, but not good enough to become EU citizens, is a message that would undermine the credibility of the European project itself. The EU should make it very clear that integration to the single

market and EU membership go hand in hand. This is certainly not an argument against the Plan, but it is one in favour of complementing the Plan with similarly bold proposals on gradual integration in areas other than the single market.

These general political and symbolic considerations are quite important when dealing with countries frustrated by the feeling that EU Member States refuse to treat them as equal members of the European family. However, beyond their symbolic meaning, the Commission's proposals also raise some doubts on the following points:

- Given the above-mentioned difficulty and complexity of achieving progress in terms of economic preparedness, but also the key conditions set by the Commission (progress on the Fundamentals and the commitment to regional cooperation), not only is it rather difficult to consider accession to the EU single market as an interim goal, but it is also questionable whether the single market is the area with the highest potential for accelerating the accession process (which is the underlying logic of the Plan). As stated above and developed below, the idea of “gradual integration” should not be limited to the single market.
- Except for the strong conditionality in the proposal for the Reform and Growth Facility (discussed below), the Plan offers no explicit elaboration of the reversibility of market-related pre-accession benefits in the event of significant and persistent democratic regression or other negative developments. The principle of reversibility is already present in the 2020 revised enlargement methodology, but its credibility is questionable. The fact that the Plan not only does not seek to find ways to make it more operational, but even fails to mention it, is regrettable.
- Even if, overall, increased integration into the single market would certainly bring “benefits that could be felt directly by the citizens<sup>9</sup>”, possible negative or at least

8 Suggestion made namely by the European Stability Initiative (ESI), which sees membership of the single market as «a credible and achievable interim goal» for candidate countries (see ESI: “Offer the four freedoms to the Balkans, Ukraine, and Moldova. For a merit-based EU accession process with a credible goal” (<https://www.esiweb.org/proposals/offer-four-freedoms-balkans-ukraine-and-moldova>).

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ambivalent consequences should not be overlooked and merit further analysis and mitigation measures. So far, except for North Macedonia, the Western Balkan countries have significant trade deficits with the EU<sup>10</sup> and there are relevant questions regarding their ability to cope with the competitive pressure of the single market in the short to medium term. The Plan includes no measures to monitor and redress such negative consequences should they emerge.

- The key issue is access to the EU cohesion policy to foster socio-economic convergence with the EU. As we argue below, the financial pillar of the Growth Plan is certainly an important step in the right direction. However, even if the current Commission's proposal is implemented, the gap in terms of access to EU funding between the Western Balkan countries and some of their EU neighbours remains significant<sup>11</sup>.

### III • More funding for more reforms – what's needed to make it work?

The Plan includes a new performance-based financial assistance instrument, inspired by the Resilience and Recovery Facility, which EU member states have been implementing since 2021 as part of post-pandemic recovery. This Reform and Growth Facility for the Western Balkans (RGFWB), which is being regulated in detail<sup>12</sup>, comprises a mix of grants (EUR 2 billion) and concessional loans (EUR 4 billion) and is to be implemented until the end of the current Multiannual Financial Framework (MFF) of the EU (2021-2027). While part of these funds will be directed towards the candidates' budgets, at least

half (including the entire grant amount) will be channelled into projects through the Western Balkan Investment Framework (WBIF).

The most novel feature of the Facility is that access to it will be strongly conditioned by a set of general preconditions for support<sup>13</sup> as well as a set of selected rule-of-law and socio-economic reforms based on the implementation of Reform Agendas<sup>14</sup> which the Western Balkan governments are to submit to the Commission. The preconditions for gaining access to the new funds revolve around basic democracy, rule-of-law and human rights protection requirements. Moreover, they include a specific obligation for Kosovo and Serbia “to engage constructively in the normalisation of their relations with a view to fully implementing all their respective obligations” from the agreements reached through the Belgrade-Pristina dialogue. Biannual payments will depend both on the assessment of fulfilment of the general preconditions and on the achievement of the actions agreed within the Reform Agendas. Importantly, the Commission will reserve the right to withhold payments if the preconditions are not met or if the agreed reform measures are not completed, and even redistribute those funds to other Western Balkan countries. In case the recipient's actions negatively affect the EU's financial interests or breach the agreed obligations, the Commission may reduce or recover the funds, adding an element of reversibility to the proposal. The Commission has thus opted for a more robust model of conditionality in comparison to the Instrument for Pre-accession Assistance (IPA III).

This new-generation conditionality promises to ensure that EU funds are spent only in countries which are tangibly committed to

10 See: <https://wiiw.ac.at/keeping-friends-closer-why-the-eu-should-address-new-geo-economic-realities-and-get-its-neighbours-back-in-the-fold-dlp-6487.pdf>

11 See for instance calculations made by CEPS (<https://cdn.ceps.eu/wp-content/uploads/2023/11/the-2023-enlargement-package.pdf>): if the six Western Balkan countries were treated exactly like Croatia in 2022, they should receive approximately EUR 5.3 billion per year (in grants). Cumulative support for the region from the IPA and the Growth Plan amounts to EUR 3.5 billion annually (EUR 2.5 billion in grants, EUR 1 billion in concessional loans). However, rather than focusing too much on the potential amount available to the region, perhaps the most important issue to address is the absorption capacity of the candidate countries.

12 European Commission, Proposal for a Regulation of the European Parliament and of the Council on establishing the Reform and Growth Facility for the Western Balkans, Brussels, 8.11.2023, COM(2023) 692 final, 2023/0397 (COD).

13 Ibidem, Article 5.

14 Ibid, Article 11.

their EU membership aspirations, demonstrated through continuous implementation of the agreed reform priorities<sup>15</sup>. At the same time, it signals to countries that stagnate or backslide on the basic democratic and rule-of-law reforms that their allocations might be better spent elsewhere in the region. This means that, contrary to the IPA III framework, the administrative and technical capacities of the beneficiaries' administrations will not be the main factor dictating absorption. This approach can help level the playing field among candidates, as well as offer the more reform-minded countries with weaker administrations an opportunity to use a part of this new financial boost to build their capacities and better prepare for challenges related to the upcoming EU accession, as well as future membership.

Nevertheless, the achievement of these desirable effects will depend greatly on how objectively the Commission will assess the fulfilment of preconditions and the progress in reform implementation. Such objectivity will, in turn, be greatly facilitated by adequate transparency in the monitoring of the Reform Agendas, which should facilitate oversight from social partners, civil societies as well as parliaments in the region. So far, the implementation of the IPA has often suffered from insufficient transparency, thus limiting possibilities for external scrutiny<sup>16</sup>. With the creation of a new funding instrument, the EU and the candidates alike have a chance to improve the track record on trans-

parency and ensure objective assessments in partnership with external stakeholders. Such an approach would go a long way to ensuring that the new funds truly reward those candidates that perform best on their democratic standards and in the implementation of their Reform Agendas, creating tangible results towards meeting membership criteria.

The proposed increase in financial assistance is indeed substantial and promises to support the growth of the region's economies. This is particularly true when considering that the Facility essentially represents an interim measure for the remaining four years of the current MFF. As such, the Facility will effectively supplement the EUR 9 billion which have already been committed through the IPA III Economic and Investment Plan, constituting a 67% increase in total financial support to boost the implementation of key reforms and investments (if accounting for both the grants and loans elements of the RGFWB)<sup>17</sup>. While think tanks have called for even more substantial increases<sup>18</sup>, the Commission's prompt response to such calls cannot be underestimated, especially in light of the current financing challenges at the EU level.

Moreover, one can reasonably expect, if the implementation of the Facility produces positive effects, that for the forthcoming 2028-2034 Multiannual Financial Framework (MFF) the EU will be poised for yet another increase in the total finan-

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15 The same type of conditionality was previously included in the Proposal for a Regulation of the European Parliament and the Council on Establishing the Ukraine Facility, Brussels, 20.6.2023, COM(2023) 338 final, [https://ec.europa.eu/commission/presscorner/detail/bg/qanda\\_23\\_3353](https://ec.europa.eu/commission/presscorner/detail/bg/qanda_23_3353)

16 For example, see: [https://epi.org.mk/docs/partnership\\_in\\_the\\_use\\_of\\_ipa\\_funds.pdf](https://epi.org.mk/docs/partnership_in_the_use_of_ipa_funds.pdf) and [https://www.emins.org/wp-content/uploads/2018/08/2018\\_IPA-and-the-WB-Countries.pdf](https://www.emins.org/wp-content/uploads/2018/08/2018_IPA-and-the-WB-Countries.pdf)

17 The comparison does not account for the Western Balkans Guarantee Facility (WBGf) under the Economic and Investment Plan, which provides guarantees to help reduce the cost of financing for both public and private investments and to reduce the risk for investors. Under the Reform and Growth Facility, on the other hand, the European Commission will borrow the funds on behalf of the EU (Article 17, Proposal for a Regulation of the European Parliament and the Council of the European Union on establishing the Reform and Growth Facility for the Western Balkans, 2023/0397).

18 For example, as part of the Template for Staged Accession to the EU 2.0, the European Policy Centre (CEP) and the Centre for European Policy Studies (CEPS) have called for an increase which would correspond to 40% of the sums that candidates would be eligible for as Member States through the European Structural and Investment Funds. For all Western Balkan countries, this would amount to EUR 2 billion in grants only, on an annual basis. At the same time, the Staged Accession proposal advocates for such an increase in funding only once a country achieves a moderate level of membership preparedness across all negotiation clusters, which would admittedly make it more difficult for some countries to access the additional funds. For details, see: Strahinja Subotic, 'On financial and economic implications of the Staged Accession Model on the EU budget, and on acceding countries' budgets', European Policy Centre (CEP - Belgrade) and Centre for European Policy Studies (CEPS - Brussels), 2023.

cial support to the region. This would be in line with the accepted gradual logic of the accession process and would provide a final push for the region's economies leading up to membership. At the moment, however, many Member States are highly sceptical of the region's willingness to make decisive reform advances as well as of their capacity to absorb larger funds. It is, therefore, of the utmost importance that the countries of the region demonstrate such readiness and capabilities as well as start addressing their absorption capacity challenges (possibly with the help of the RGFWB), in order to prepare for potentially larger funds in the next MFF.

#### IV • What's still missing to offer candidates meaningful gradual integration?

There are two main disappointments with the Plan (and the 2023 enlargement package in general), although it is certainly «the most important for many years»<sup>19</sup>.

Paradoxically, while insisting on the «call of history» and the «geopolitical logic» behind enlargement<sup>20</sup>, the Commission has opted - at least as far as the Western Balkans are concerned - for a predominantly economic approach, reflected in the very name of the communication («New Growth Plan for the Western Balkans»). There is no attempt to apply the logic of gradual accession in areas other than the single market and access to EU funds. Yet much could be done in the areas that used to be part of the second and third «pillars» of the pre-Lisbon EU. Even within the single market agenda, the Commission could have made some proposals of higher political significance. The main blind spot of the Plan (and the whole 2023 Enlargement package) is the (gradual) integration of the

candidate countries into the EU institutions and decision-making process. This would help to overcome the negative feeling among candidates of not being accepted as equal partners. It would also help the candidates gradually develop their administrative capacities to partake in the resource-intensive EU policy-making processes, counting hundreds of working groups and committees. Last but not least, institutional integration would be the best way to promote mutual socialisation between current and future Member States, a dimension that was probably the most neglected during previous enlargements.

Thus, the Growth Plan, some innovative elements notwithstanding, fundamentally appears as a rather voluntaristic attempt to achieve the objectives already set by the Stabilisation and Association Agreements (SAA), which regulate the relationship between candidates and the EU up to accession. This lack of ambition and willingness to explore more innovative scenarios is consistent with the other reason for the disappointment with the 2023 enlargement package: the Commission decided not to re-open the debate on the enlargement methodology, at least at this stage<sup>21</sup>. However, it is not a good idea to draw some (small) inspiration from the gradual accession approach, without explicitly stating it in the proposal<sup>22</sup>. First, because changing the core logic of the enlargement policy<sup>23</sup> in a credible, visible and understandable way is the best means to convince public opinion in the Western Balkans that the «momentum» is real, but also to show possibly unenthusiastic public opinion in the EU that lessons have been learnt from the failings of previous enlargements. Second, and more importantly, because the current methodology - like the previous one - is not able to square the circle of the next enlargements, for the Western Balkans and even more for the Eastern Trio: the (geo)political

<sup>19</sup> See: <https://cdn.ceps.eu/wp-content/uploads/2023/11/the-2023-enlargement-package.pdf>

<sup>20</sup> See: [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_23\\_5641](https://ec.europa.eu/commission/presscorner/detail/en/statement_23_5641)

<sup>21</sup> See CEPS paper: «The Commission judged that the time was not right for the 2023 Enlargement Package to include further measures to reform the existing (defective) methodology. (...) however, a senior Commission official has opined that the summer of 2024 could be a time to take up these issues.» (<https://cdn.ceps.eu/wp-content/uploads/2023/11/the-2023-enlargement-package.pdf>)

<sup>22</sup> The Plan does not mention the word gradual even once, nor does it refer to the European Council June 2022 conclusions which called for advancing the gradual integration of candidates.

<sup>23</sup> Abandoning the «binary nature of the candidate-member relationship and the idea of a «monolithic» accession process» ([https://institutdelors.eu/wp-content/uploads/2023/05/PP290\\_Adhesion-graduelle\\_Macek\\_EN-.pdf](https://institutdelors.eu/wp-content/uploads/2023/05/PP290_Adhesion-graduelle_Macek_EN-.pdf))

imperative is to move forward quickly, while the level of preparedness on both sides makes any “fast-track” accession impossible. This contradiction can only be resolved by making accession a much more gradual process, with this progressivity accepted and endorsed by the political elites and communicated in a transparent and convincing way to the public, both in the candidate countries and in the EU. In other words, there is a strong need for substantial quick wins and for a strong and lasting momentum, perceptible to citizens and providing a solid basis for a new positive political narrative on EU accession (in the candidate countries) and enlargement (in the EU).

As argued above, the gradual accession to the EU should not be limited to economic and budgetary aspects. The CFSP certainly offers interesting possibilities for developing this approach. Relevant participation in the work of EU institutions is another key component. Of course, there may be some reluctance for fear of negative effects on the unreformed EU governance. Yet instead of postponing the accession (and thus increasing politically damaging frustration in candidate countries), the solution proposed by the staged accession model<sup>24</sup> should be considered. It proposes a transitional stage, based on temporary derogations defined by Accession Treaties, in which the “new” Member States enjoy all the rights and benefits and exercise the same responsibilities as the “old” Member States, except for veto rights in the Council and the right to “have” a commissioner. Moreover, a robust network of safeguard clauses applicable in the first ten years of membership would help protect from post-accession backsliding on fundamental values and other key membership obligations.

## **V • Who is ready to seize the momentum?**

There is general consensus that in the past two years the EU has woken up to the reality of the importance and urgency of enlargement. The Commission’s new offer certainly makes a case in point. Yet, while the “new” candidates in the East are filled with beginners’ zeal and enthusiasm, many in the South-East still seem uncomfortably lulled into their fatigued positions, incredulous of the newly presented opportunity. In a way, their scepticism is understandable, following twenty years of hesitation and lack of political impetus on the EU side. The scepticism, however, does not explain or justify the levels of stagnation in implementing basic democratic and rule-of-law reforms in the candidate countries. While searching for culprits would probably be in vain, it is worth observing the current levels of membership preparedness in the Western Balkans (see the table below), in order to understand how they are positioned to take advantage of the new enlargement momentum.

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24 See: <https://cep.org.rs/en/publications/template-2-0-for-staged-accession-to-the-eu/>

**TABLE 1.** Degree of preparedness of candidate countries according to 2023 Commission reports<sup>25</sup>

Cluster	Albania	BiH	Kosovo	Montenegro	North Macedonia	Serbia
Cluster 1: Fundamentals	2.82	1.61	1.82	3.07	3.00	2.79
Chapter 5: Public Procurement	3.00	2.00	2.50	3.50	3.00	3.00
Chapter 18: Statistics	3.00	1.00	2.00	3.00	3.00	3.00
Chapter 23: Judiciary and Fundamental Rights	2.50	2.00	1.50	3.00	2.50	2.00
Chapter 24: Justice, Freedom and Security	2.50	2.00	1.50	3.00	3.00	2.00
Chapter 32: Financial Control	3.00	2.00	2.00	3.00	3.00	3.00
Public administration reform	3.00	1.00	2.00	3.00	3.00	3.00
Economic criteria	2.75	1.25	1.25	3.00	3.50	3.50
Functioning of democratic institutions	N/A	N/A	N/A	N/A	N/A	N/A
Cluster 2: Internal market	2.61	1.94	2.39	3.11	2.89	3.22
Cluster 3: Competitiveness and inclusive growth	2.94	1.50	2.13	3.19	3.31	3.44
Cluster 4: Green agenda and sustainable connectivity	2.38	1.63	1.50	3.25	3.00	3.00
Cluster 5: Resources, agriculture and cohesion	2.40	1.20	1.63	2.60	2.80	2.60
Cluster 6: External relations	2.74	2.00	1.00	4.00	3.50	3.00
<b>Average of all chapters and assessed sub-areas</b>	<b>2.75</b>	<b>1.64</b>	<b>1.96</b>	<b>3.11</b>	<b>3.04</b>	<b>3.06</b>

▲ 1 - Early level of preparedness for membership 2 - Some level 3 - Moderate level 4 - Good level 5 - Very advanced level

▲ Source: Authors' own calculations based on the Commission's 2023 reports

<sup>25</sup> The ratings were quantified by converting the Commission's annual assessments of a country's level of preparedness. This process employed a 1 to 5 rating scale, outlined as follows: Rating 1 = "Early stage of preparation"; Rating 2 = "Some level of preparation"; Rating 3 = "Moderately prepared"; Rating 4 = "Good level of preparation"; Rating 5 = "Well advanced". This includes ratings for 33 chapters and two sub-areas of the Fundamentals (i.e., Public administration reform, and Economic criteria). After the scores were calculated, they were aggregated per chapter and sub-area, and then divided by the total number to obtain the final score. Another quantification of the Commission's assessments was calculated by CEPS (op. cit.): because of methodological differences, some of the CEPS' results differ slightly, but the big picture remains the same.

While in terms of overall results Montenegro, North Macedonia and Serbia appear as the obvious frontrunners, a closer look at their positions in the fundamental Cluster 1<sup>26</sup> and important political issues – all crucial for further accession progress – reveal their diverging challenges. Montenegro’s Cluster 1 preparedness stands at 3.1, with all chapters and sub-areas moderately prepared. At the same time, the country currently faces no external limitations, not being subjected to any notable bilateral conditions by Member States. Its two-year-long internal political crisis following the demise of the long-time ruling DPS party seems to have ended with the formation of a pro-European government in autumn 2023<sup>27</sup>. Serbia, on the other hand, falls behind on fundamentals, with its score standing at 2.60. Chapters 23 (Judiciary and Fundamental Rights) and 24 (Justice, Freedom and Security) are at some level of preparedness (2.0) and require significant improvements. Moreover, high levels of corruption and state capture<sup>28</sup>, exacerbated by the highly irregular parliamentary and local elections in December 2023<sup>29</sup>, are alarming civil society and the EU Member States most concerned with democratic and rule-of-law standards. At the same time, Serbia faces significant political challenges due to the sluggish normalisation process with Kosovo and its reluctance to fully align with the EU’s foreign policy towards Russia, both of which have been reiterated as major pre-conditions for further progress in accession talks<sup>30</sup>. Finally, North Macedonia’s Cluster 1 stands at 2.9, very close to moderate level of preparedness, undermined only by Chapter 23, which is currently between the two ratings (2.5). Its accession progress is, however, significantly thwarted by the requirement to amend its constitution due to Bulgaria’s unilateral demands, a task which

has proven politically challenging to achieve due to the stance of the opposition VMRO party, projected to win the upcoming parliamentary election in spring 2024. It therefore results that Montenegro – as a preparedness frontrunner with no notable external challenges – is best placed to catch the current wave of enlargement enthusiasm at the EU level in the short term.

While lagging somewhat behind the frontrunners in terms of overall preparedness, Albania has advanced on some of its fundamental reforms. Its Cluster 1 preparedness stands at 2.8, with Chapters 23 and 24 falling behind the other chapters and sub-areas, halfway between ‘some’ and ‘moderate’ preparedness. Yet, despite the undeniable results achieved in the fight against corruption (namely thanks to the Special Anti-Corruption and Organised Crime Structure which has delivered on several high-profile corruption cases involving prominent officials) and judicial reforms, Albanian civil society and investigative media warn of increasing state capture and organised crime<sup>31</sup>. If left unaddressed, these issues might in the future translate into more critical assessments by the Commission. Moreover, Greece has recently stated its intention to block Albania’s further progress due to a local election fraud issue, involving an ethnic Greek politician (the ‘Beleri’ case)<sup>32</sup>. The case illustrates the severity of the long-standing problem of bilateral disputes between candidates and Member States, which have frequently obstructed the enlargement process and damaged the credibility of the EU’s policy towards the region. It also questions the possibility for Albania to capitalise on the EU’s new geo-political enlargement thrust.

**26** Cluster 1 (“Fundamentals”) consists of 5 chapters (Judiciary and fundamental rights; Justice, freedom and security; Public procurement; Statistics; Financial control) and several sub-areas: public administration reform, functioning of democratic institutions and economic criteria.

**27** See: [https://institutdelors.eu/wp-content/uploads/2024/02/BP\\_231812\\_Montenegro\\_Couteau\\_EN-1.pdf](https://institutdelors.eu/wp-content/uploads/2024/02/BP_231812_Montenegro_Couteau_EN-1.pdf)

**28** See: <https://biepag.eu/publication/beyond-stabilitocracy-unveiling-the-rise-of-autocracy-in-the-western-balkans/>

**29** Popović, M. “Elections in Serbia 2023: One month later”, Blogpost, Paris: Jacques Delors Institute, January 2024, <https://institutdelors.eu/en/publications/elections-in-serbia-2023-one-month-later/>

**30** For a succinct analysis of Serbia’s continuing stagnation in the EU accession process, see op. cit. “What is a limbo state: The Case of Serbia”.

**31** Gjerjji Vurmo, “BiEPAG Reacts: EC Country Report 2023 on Albania,” 10 November 2023, <https://biepag.eu/article/biepags-experts-react-ec-2022-country-report-on-albania/>

**32** See: <https://greekreporter.com/2023/12/13/greece-threatens-albania-eu-accession-beleri/>

The most backward Western Balkan countries in terms of overall preparedness are Bosnia and Herzegovina and Kosovo, both facing political obstacles, albeit of a different nature. Bosnia and Herzegovina (BiH) was recently granted candidate status and a promise of opening membership negotiations “once the necessary of compliance with the membership criteria is achieved”<sup>33</sup>. In translation, this means that the country needs to make progress in fulfilling the 14 priorities which revolve around Cluster 1 issues<sup>34</sup>. The cluster stands at 1.8, below “some level of preparedness”, with Chapter 18 (Statistics) having the lowest score of 1 (early stages). BiH is, however, internally obstructed by the increasingly anti-European stance of the government in the Republika Srpska entity, which has recently shown significant backsliding in the fundamental reform areas. Kosovo shows a similarly low result in Cluster 1 (1.9), with Chapters 23 and 24 standing between early stages and some level of preparation (1.5). Besides the need to improve on fundamental reforms, Kosovo’s EU accession progress is externally affected by the fact that five EU Member States<sup>35</sup> refuse to recognise its statehood. Implementation of the agreements on normalisation of relations with Serbia is a clear pre-condition for the prospect of changing the positions of the non-recognisers. Therefore, internal and external political challenges prevent both countries from making the most of the enlargement momentum in the short term.

The EU is in search of a success story in the Western Balkans, to prove the legitimacy of its political declarations of readiness to integrate the once war-torn region. The challenge is made more difficult due to numerous voices accusing the EU of being far too stringent in its South-East, while

viewing the ‘new’ candidates in the East through rose-tinted glasses. However, the Commission’s assessments clearly indicate that all candidates have a long way to go in their transformation into credible Member States, with notable challenges across the whole range of fundamental membership conditions.

Rather than stagnating in complacency, the Western Balkan governments would be better off demonstrating their resolve to meet the EU’s new, and possibly temporary, enlargement enthusiasm with adequate reform zeal, backed by a solid national consensus. Doing so might just help them to prove that their EU aspirations are sincere, while making it harder for those Member States that abuse the asymmetry in their relationship with the candidates to push their advantage in their bilateral disputes.

At the same time, the EU should continue to make improvements to its enlargement policy based on the specific context of the Western Balkan region in which political leaders are increasingly contesting the EU membership perspective. This should ideally proceed in parallel with the work on the roadmap for internal EU reform planned during the Belgian Presidency of the Council in the first half of 2024. As numerous think tanks and governments have either supported the model of ‘Staged Accession’ or made their own proposals on gradual integration<sup>36</sup>, the EU institutions ought to engage more proactively in introducing additional interim benefits for candidates, such as participation in the work of EU institutions. Moreover, to tackle one of the most alarming problems in the recent enlargement experience, the EU must engage much more proactively in addressing bilateral

**33** European Council Conclusions, 14-15 December 2023, <https://www.consilium.europa.eu/media/68967/european-council-conclusions-14-15-12-2023-en.pdf>.

**34** See: European Commission, Bosnia and Herzegovina Report 2023, Brussels, 8.11.2023, SWD(2023) 691 final, [https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD\\_2023\\_691%20Bosnia%20and%20Herzegovina%20report.pdf](https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_691%20Bosnia%20and%20Herzegovina%20report.pdf), pp. 9-13.

**35** Cyprus, Greece, Romania, Slovakia, Spain.

**36** The count includes over 100 think tank publications and 12 official government documents. More details are available in the forthcoming paper: Strahinja Subotic, “The Role of Civil Society in Re-shaping EU Enlargement Policy in the Context of Geopolitical Changes: The Model for Staged Accession to the EU as a Case Study”, in *The 2023 Serbian Political Science Association Annual Conference Proceedings*, the Serbian Political Science Association and the Faculty of Political Sciences, University of Belgrade, 2024.

issues between its members and candidates, just as it did in the past enlargements<sup>37</sup>, as well as with the intra-regional Serbia-Kosovo dispute. In doing so, it needs to ensure that such issues find political solutions outside the accession process instead of blocking the rewards for candidates that deliver on their political and reform commitments, as has been the case with North Macedonia (twice!). If everyone really agrees that enlargement is a top priority, then all sides must do whatever is in their power to prevent the process from suffering from ailments that hold little relevance to the common objective of a stronger, wider Union. •

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**37** For instance, in the Austrian – Czech dispute over nuclear energy, with Günther Verheugen, European commissioner in charge of enlargement who personally mediated the negotiation of a protocol in which Austria promised not to use the Czech accession as a bargaining chip (<https://www.rferl.org/a/1098554.html>).

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