

E-PAPER

Policy Paper

Rebuilding Credibility in EU Enlargement Policy

Impetus for the EU
reform debate

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Foreword

The war in Europe, the worsening climate crisis, the pressure on liberal democracies and Europe's unresolved position in the global power structure – the European Union is facing historic challenges. In order to maintain its future viability, the EU must become more capable of taking action. The Russian war of aggression against Ukraine also shows us that the enlargement and neighbourhood policy is in urgent need of readjustment. However, the enlargement process makes the institutional reform of the EU, which is already needed to strengthen its capacity to act, even more pressing. There is currently no uniform position in the EU on the question of how broadly such a reform should be structured and how it should be implemented. Suggestions and ideas have been put forward, though reservations and concerns have also been expressed. An agreement can only be reached if all sides are listened to and taken seriously. As the largest Member State, Germany has a special responsibility in this regard.

Against this backdrop, the Heinrich Böll Foundation has invited experts from various policy areas to provide impetus for the EU reform debate. Based on current challenges, common goals for sustainable policy-making and recommendations for institutional reforms have been formulated. In their entirety, they are intended to improve the EU's capacity to act, as well as make it more democratic, ecological, and socially just. In doing so, we have not limited ourselves to the interaction of the EU institutions in the narrower sense but have also looked at policy areas that are central to the future viability of the EU: European foreign and security policy as well as energy, agricultural, fiscal, and enlargement policy. The result is a series of policy papers, some of which propose pragmatic approaches, others a change of direction. Many of the recommendations can be achieved without treaty amendments. What is needed above all is the political will to exploit the existing potential. All texts conclude with the question of how Germany can contribute to the success of the reform process. We hope this will provide impetus for the relevant debate.

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Executive summary

Russia's war of aggression against Ukraine in February 2022 fundamentally changed the security landscape in Europe and led to a revival of EU enlargement policy. With the opening of accession negotiations with Albania, North Macedonia, Ukraine, Moldova and, most recently, Bosnia and Herzegovina (conditional approval granted by the European Council), the EU has opened a new chapter. It now faces the major task of countering the serious loss of credibility that the enlargement process has suffered over the last two decades, both in the EU and in the candidate countries, and of redesigning its enlargement policy and strengthening its credibility.

The challenges and pitfalls are great. First and foremost, there are the new geopolitical necessities, which could lead to new Member States being admitted before they are actually ready, thereby further undermining the EU's fundamental values. Secondly, there is the veto practice, which has often paralysed the enlargement procedures in recent years and sacrificed credibility in the process. Thirdly, we have Russia's invasion of Ukraine and the hitherto unknown challenges posed by the accession of Ukraine. The fourth issue concerns the socio-economic divergence between the candidate countries and the EU, which fuels the local brain drain and thus jeopardises the successful implementation of institutional reforms in the candidate countries. The fifth and final challenge is the waning support for the enlargement process, both in the EU and in many of the accession countries.

In order to balance the tensions between democracy and stability, geopolitics and economic interests in a better and more credible way, the EU needs to realign its enlargement policy. The aim must be to prioritise the development of democracy and the rule of law, to dismantle long-standing blockades, to effectively promote economic harmonisation, and to coordinate with the parallel process of EU institutional reform. The proposed reforms and recommendations for action do not require any changes to the EU treaties, but they do require the political will for change. Some of the reform recommendations will be fairly easy to implement politically, while others may prove more difficult. The implementation of all reforms, especially those that are harder to implement, would have the most positive impact on the enlargement process.

The upheaval of the European security architecture following the Russian attack on Ukraine and the resulting geopolitical imperative for enlargement provide a strong impetus for a reform of EU enlargement policy and create new scope for negotiations on the recommendations for action listed in this paper. The debate in the EU should not only focus on the costs of a further enlargement, but also on the costs of failed enlargement. Germany can assume a leading role and play a positive part in shaping the EU reform debate with concrete proposals, particularly with regard to the rule of law mechanism and socio-ecological transformation.

Objective

Prioritise the development of democracy and the rule of law in the accession countries over geopolitical interests and use geopolitical impulses as a push factor

Reform recommendations

- Introduce observer status for MPs from candidate countries in the EP
- Create European platforms for civil society or expand existing platforms
- Increase EU funding at local level
- Make the recognition of the European Public Prosecutor's Office a prerequisite for EU accession
- Include candidate countries in the EU rule of law mechanism at an early stage
- Enforce the rule of law more consistently within EU Member States
- Refine the EU's political communication

Objective

Advance enlargement policy and reforms of the EU institutions hand in hand, while preventing them from blocking each other

Reform recommendations

- Reward reforms quickly through a gradual enlargement process
- Upgrade the office of Commissioner for Enlargement and European Neighbourhood Policy

Objective

Reduce veto and blockade practices in the enlargement process

Reform recommendations

- Introduce qualified majority voting in the EU Council for all intermediate steps in the enlargement process

Objective

Prioritise the economic harmonisation and socio-ecological transformation of the accession countries' economies and societies

Reform recommendations

- Introduce gradual integration into the EU single market and ensure gradually increasing financial transfers from the EU's cohesion and structural funds
- Focus on green, sustainable, and partnership-based economic cooperation and investment

1 Challenges

Russia's war of aggression against Ukraine in February 2022 fundamentally changed the security landscape in Europe and led to a revival of EU enlargement policy. The reason behind the prior enlargement fatigue was not only the large number of economic and political crises that the EU had to contend with, but also the faltering reform processes – and lack thereof entirely – in the candidate countries themselves. There have been years of stagnation and, in some countries, regression – particularly in terms of democratic development and the rule of law.

The most recent revival of the enlargement processes resulted in the granting of candidate status to Bosnia and Herzegovina, Ukraine, Moldova and Georgia. The EU also opened accession negotiations with Albania and North Macedonia in July 2022 and, at a record pace, with Ukraine and Moldova in December 2023. In March 2024, the European Council gave the green light for EU accession negotiations with Bosnia and Herzegovina. The Granada Declaration of the European Council in October 2023 declared the enlargement process a geostrategic necessity and formulated the intention to adopt parallel institutional reforms to prepare the EU for enlargement.^[1] The European Commission, in turn, recently stated that EU reforms are not only necessary, but indispensable for future enlargement.^[2]

Alongside this new impetus for EU enlargement, however, we note a serious loss of credibility in the enlargement process itself, both in the EU and in the candidate countries. The EU must tackle at least five challenges in order to restructure its enlargement policy and make it more credible. These can be inferred from the mistakes made in recent years and are also linked to future domestic and foreign policy tasks.

First and foremost is the fear that a geopolitically motivated enlargement process will **undermine the fundamental values** of the EU by admitting Member States before they are actually ready for it. Above all, this concern relates to democracy and the rule of law and derives from the experience with illiberal tendencies in Hungary and Poland as well as the recognisable regression witnessed in the Western Balkans. It is fuelled by the criticism that the EU is supporting autocratic forces in the accession countries for reasons of stability.^[3] This raises fears that the enlargement process could be undermined from within and without and that illiberal EU Member States could take advantage of this to gain concessions in other policy areas in return for their vote.

1 See: <https://www.consilium.europa.eu/de/press/press-releases/2023/10/06/granada-declaration>

2 See: https://commission.europa.eu/document/download/926b3cb2-f027-40b6-ac7b-2c198a164c94_en?filename=COM_2024_146_1_EN.pdf

3 See: <https://biepag.eu/article/what-is-a-stabilitocracy/>; <https://www.clingendael.org/publication/eu-promoter-stabilitocracy-western-balkans>

Secondly, and related to this, we have the **veto practice**, which has characterised the enlargement processes over recent years. The example of North Macedonia which, despite its name change and far-reaching concessions made to Greece and Bulgaria, was not able to continue in the process until 2022, shows how blockades by individual countries have cost the EU its credibility as a whole. The established veto practice, which often stems from bilateral disputes between individual Member States and accession countries, has caused considerable harm to the enlargement process. There are proposals to abolish the unanimity principle in the Council and to vote by way of a qualified majority. However, it remains questionable whether such a change can be implemented as part of the EU reform.

The third challenge is **Russia's invasion** of Ukraine. Given that the war is not expected to end in the near future, Ukraine, as the largest accession country with the most challenging conditions, will present EU enlargement policy with major and previously unknown challenges. The new impetus in enlargement policy is a consequence of Russia's attack on Ukraine, which is why an enlargement process without Ukraine is inconceivable. At the same time, once the war is over, there will be the challenge of reconciling the enlargement process with the reconstruction of Ukraine.

The fourth issue concerns the **economic divergence** between the candidate countries and the EU, which has not improved significantly over the course of all the years of the accession process.^[4] The accession process offers countries and their citizens only limited economic benefits. This applies not only to the Western Balkans, where the standard of living is far behind that of the EU,^[5] but also to the countries of the Eastern Trio, which are still lagging far behind in their economic development despite more extensive economic cooperation with the EU.^[6] This divergence is already contributing to the fact that more and more people from these regions are emigrating to the EU in search of a better life. However, such migration has consequences for capacity-building within the candidate countries. Without a highly qualified workforce, the implementation of institutional reforms is difficult to achieve. The model for economic cooperation between the EU and the candidate countries is thus reaching its limits. Not enough EU money is flowing into the regions to bring about tangible change^[7], creating the impression in the countries in question that they are being treated more as an economic resource than as partners.^[8] All this undermines the belief that EU membership and the associated reform efforts are a stepping stone to a better life.

4 See: <https://www.bertelsmann-stiftung.de/de/publikationen/publikation/did/the-long-way-round>

5 EBRD (2024): Can the Western Balkans converge towards EU living standards? <https://www.ebrd.com/sites/Satellite?c=Content&cid=1395318812388&d=&pagename=EBRD%2FContent%2FDownloadDocument>

6 See: <https://onlinelibrary.wiley.com/doi/full/10.1111/dpr.12547>; <https://www.bertelsmann-stiftung.de/en/publications/publication/did/the-long-way-round>

7 See: <https://www.bertelsmann-stiftung.de/de/publikationen/publikation/did/the-long-way-round>

8 See: <https://www.boell.de/de/2024/01/16/suedosteuropa-der-grosse-raubzug>

Relatedly, the fifth point, concerns the **decline in support for the enlargement process**, both in the EU as well as in the accession countries. After Russia's belligerent attack on Ukraine led to skyrocketing support for enlargement, scepticism has since grown again. In autumn 2023, Eurobarometer showed support in the EU was still at 51 per cent on average. In Germany and France, however, the numbers in favour were only 38 and 37 per cent respectively.^[9] Support is also declining in some candidate countries. A shift away from the EU can particularly be observed in Serbia – fuelled by the current government's cheap propaganda against the EU institutions and their values – whereas expectations in the new candidate countries are very high.

⁹ Standard Eurobarometer 100 (Autumn 2023): Public opinion in the European Union, Report, p. 23–24.

2 Political objectives

In a world of increasing polarisation between democratic and autocratic systems, the EU faces the challenge of balancing the tensions outlined between democracy and stability, geopolitics and economic interests. A number of political objectives for the EU's enlargement policy can be inferred from this.

1. The development of democracy and the rule of law in the accession countries must take priority over geopolitical interests and geopolitical imperatives must be used as a push factor.

Prioritising democracy and the rule of law is not only a normative question, but also an instrumental one. It is indispensable for a functioning EU and, in particular, for the EU's internal market. Democracy and the rule of law are at the heart of the Copenhagen criteria and are enshrined as fundamental values in Article 2 of the Treaty on European Union (TEU). All financial support from the EU should therefore be linked much more closely to fulfilment of the accession conditions. The current geopolitical imperatives of the EU should support a rapprochement process between the EU and the candidate countries based on democracy and the rule of law.

Sustainable stability in the EU's neighbourhood can only be guaranteed by building democratic institutions.^[10] To this end, the candidate countries must receive more intensive support for their reforms. Reform-minded governments and paths to success, such as in Montenegro, must be rewarded more effectively and without delay.

In countries that deviate from their reform path, cooperation with local actors should focus less on the current executive and more on the pro-European opposition and civil society in order to support them and maintain momentum for enlargement. This would also reduce the frustration of these groups, who criticise the EU's strong cooperation with the (often corrupt and undemocratic) executive powers in their countries. Worsening deficits in the rule of law, such as in the candidate country Serbia, must not only be called out in clear terms, but also directly addressed by the EU in order to break through persistent patterns of escalation and appeasement. The EU must neither be awed by threats and escalations, e.g. with regard to the draft UN resolution on Srebrenica or Kosovo's accession to the Council of Europe, nor by appeasement.

Prioritising democracy and the rule of law also requires credible communication on the part of the EU. The European Commission's most recent course of action is not a good example in this respect. If the Commission emphasises positive reform progress as the motive for its decision when opening accession negotiations with Bosnia and Herzegovina,

10 See: <https://www.routledge.com/Liberal-Peace-Selected-Essays/Doyle/p/book/9780415781756>

even though the country had only hastily caught up with the criteria for candidate status, it is sending the wrong signals. The motives behind decisions must be made transparent. The EU must communicate honestly if it is not to lose any more credibility and support for the accession process. Relatedly, reliable communication with a view to managing expectations vis-à-vis the Eastern Trio of Ukraine, Moldova, and Georgia, will be crucial for the progress of reforms.

2. Enlargement policy and reforms of the EU institutions must advance hand in hand without blocking each other.

The parallelism of enlargement and reform of the EU, which strictly protects democracy and strengthens its capacity to act, could at least partially restore the credibility of the process. Institutional reforms are necessary to prepare the EU for enlargement. However, they must not obstruct the enlargement process. Candidate countries that fulfil the Copenhagen criteria need to have the reliable expectation of being able to join. Particularly with regard to those Member States that are critical of far-reaching EU reforms or enlargement, the possibility of these two processes blocking each other must be prevented.

3. Veto and blockade practices in the enlargement process must be curtailed.

There are currently over 70 veto possibilities during a candidate country's accession process.^[11] Vetoes due to bilateral disputes between Member States and candidate countries that have little or no relations to the adoption of the EU acquis cause long-term blockades and diminish the credibility of the entire process. In order to maintain momentum in the accession process for the Eastern Trio and some countries of the Western Balkans (Montenegro, North Macedonia and Albania), this practice needs to be changed and the possibility of blockades reduced.

4. Economic harmonisation and the socio-ecological transformation of the economies and societies of the accession countries must take priority.

The EU can focus on synergies that already exist between candidate countries and Member States. The Western Balkans, for example, have enormous potential for renewable energies, which are essential both for the local energy transition and for the EU.^[12] At the same time, the region suffers from a major infrastructure deficit, which inhibits economic development.^[13] If the population sees their quality of life improve as a result of enhancements in socio-ecological infrastructure during the accession process, they will be more likely to support EU accession in the long term.

11 See: <https://internationalepolitik.de/de/der-erweiterungs-reform-falle-0>

12 See: <https://www.swp-berlin.org/10.18449/2023C36>

13 See: <https://www.eib.org/en/stories/infrastructure-development-western-balkans>

3 Reform proposals and recommendations for action

In order to achieve these political goals and make EU enlargement policy more credible, concrete institutional reforms are needed on the part of the EU. The conditions in the candidate countries vary greatly. Institutional reforms are context-dependent and have different effects in different settings. Not all recommendations therefore apply to all countries to the same extent. All of the following proposals are possible without amending the EU treaties.

Objective: Prioritise democracy and the rule of law

The EU could come closer to the goal of making the development of democracy and the rule of law the guiding priority of EU enlargement policy (Objective 1) through the following reforms:

Introduce observer status for MPs (from governing and opposition parties) from the candidate countries in the European Parliament

There are currently 46 unoccupied seats in the European Parliament that have become vacant as a result of Brexit. These could be offered to parliamentarians from the candidate countries right now in order to involve them more closely in the EU's democratic decision-making processes and encourage the sharing of good practices.

Create platforms for cooperation and exchange between the civil societies of all candidate countries or expand existing platforms

To account for the varying conditions related to reform progress, democracy, and the rule of law, additional spaces for exchange should be established, allowing civil societies to learn from each other and intensify their cooperation. New platforms need to be created for this purpose, and existing platforms, such as the Civil Society Forum within the Berlin process, could be extended to include civil societies from the eastern candidate countries. For example, dedicating one day of the forum to transregional cooperation would provide a valuable opportunity for a more intensive exchange with civil societies in EU Member States.

Decentralise the financial and political activities of the European Commission in the candidate countries and extend them to local self-governing units/municipalities

Such decentralisation would create more financial independence for democratically oriented municipalities and strengthen them against undemocratic tendencies at national level.

Make the recognition of the European Public Prosecutor's Office a prerequisite for accession

All candidate countries should already be obliged to sign cooperation agreements with the European Public Prosecutor's Office during the accession process. This would allow for the prosecution of criminal offences detrimental to the EU, such as fraud, corruption, or money laundering. As the European Commission is already allocating public EU funds to the candidate countries within the framework of the instruments for pre-accession assistance (IPA programmes) or the economic and investment plan, cooperation with the public prosecutor's office would ensure the prevention and containment of corruption and crime during the accession process.

Include candidate countries in the EU mechanism for upholding the rule of law at an early stage

Evaluation of the candidate countries with regard to the rule of law should be based on the same standards and criteria as those of EU Member States. The President of the European Commission, Ursula von der Leyen, had already proposed to include candidate countries in the rule of law mechanism^[14] in 2023. In this way, potential accession countries could be regularly and extensively checked for compliance with rule of law principles. This would significantly increase the quality and transparency of the accession process and strengthen the dialogue between the Commission, the parliaments, and civil society in the accession countries.

Enforce the rule of law more consistently within the EU

To serve as a credible role model for candidate countries, the EU must strengthen the rule of law within its own borders. Early identification of deficits by the mechanism for upholding the rule of law is key, and corresponding sanctions should be imposed more consistently. To achieve this, the conditionality mechanism must be extended to cover as many EU funds as possible. Sanctions should be expedited through the establishment of fast-track procedures.^[15] Upholding the rule of law in EU Member States is essential for maintaining the EU's credibility vis-à-vis accession countries.

Refining the EU's political communication

A key objective of the EU must be to strengthen democratic political culture in the candidate countries. The EU's strategic communication in the candidate countries must be refined and should become more culturally sensitive. EU communication tends to be

14 See: https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/upholding-rule-law/rule-law/rule-law-mechanism/2023-rule-law-report_en

15 See: <https://library.fes.de/pdf-files/bueros/bruessel/20567.pdf>

technocratic, which does nothing to create an emotional understanding of the EU in the candidate countries. More targeted political communication is needed in order to liberate the enlargement process from its technocratic appearance and help target populations identify with EU values and standards.

Objective: Enlargement policy and reforms of the EU institutions must advance hand in hand

To ensure that enlargement policy and reforms advance hand in hand without blocking each other (Objective 2), the EU must take its own reform process seriously. However, the reform of the EU must not obstruct the enlargement process. It is also important to honestly manage expectations of the candidate countries. If accession candidates fulfil the Copenhagen criteria, they need to have the reliable expectation of being able to join. The parallelism of the two processes should be used to develop momentum. One possibility would be for Member States to set a binding timetable for the reform together with the European Parliament, which would be linked to the schedule for enlargement. In addition, both issues could always be jointly discussed at European Council meetings. In view of the planned enlargement by 2030, it is clear that the EU must immediately tackle reform in the new legislative period.

There are various considerations regarding the need for reform in the EU. While some experts propose targeted treaty changes, e.g. in the Common Foreign and Security Policy (CFSP), to strengthen the EU's capacity to act,^[16] others recommend package deals for treaty changes in certain areas, such as «enlargement and the rule of law».^[17] There are also discussions on whether candidate countries should be admitted to the EU en bloc or one after another (according to the regatta principle). A focussed, time-bound debate on these reform proposals is now essential to find ways to positively resolve the tension between necessary reforms and future enlargement.

Introduce mechanisms of gradual integration to quickly reward prompt reform efforts

One way in which the tensions described above could be resolved is to apply the revised enlargement methodology from 2020. It should be used more consistently to enable gradual integration into individual EU policy areas even before full membership. This was also acknowledged by the European Commission as a priority in its pre-enlargement reforms

16 See: <https://feps-europe.eu/wp-content/uploads/2023/09/EU-treaties-why-they-need-targeted-changes.pdf>

17 See: <https://www.auswaertiges-amt.de/blob/2617322/4d0e0010ffcd8c0079e21329bbbb3332/230919-rfaa-deu-fra-bericht-data.pdf>

and policy reviews in March 2024. Gradual integration into individual policy areas can only be ensured through the consistent use of conditionality.^[18]

Fill the post of Commissioner for Enlargement and European Neighbourhood Policy with a person of integrity after the 2024 European elections

A strong, enlargement-friendly personality would strengthen the office institutionally and thus attach more importance to it than has been the case in the current legislative period. This would send a clear signal to the candidate countries that the EU is taking its enlargement policy seriously in the next legislative period.

Objective: Restrict veto practice

To prevent prolonged blockades in the enlargement process, the European Council's decision-making procedures need to be reformed.

Vote by majority on all intermediate steps of the accession process in the Council of the EU

Doing so would remove over 70 veto opportunities in the vote on the closing and opening of the individual chapters of the accession process. This could make the process more dynamic, faster, and more credible. At the same time, concerned Member States would still have the opportunity to veto the final vote on a country's accession at the end of the process. However, this situation should no longer arise if all outstanding issues have already been clarified by the time of the final vote on accession. At the same time, potential spoiler states would be prevented from paralysing the enlargement process with politically motivated vetoes and dragging it out for decades. The fact that the final decision on the admission of new Member States is still governed by the unanimity principle means that this proposal does not require any changes to the treaty. It could be implemented through the adoption of secondary legislation.^[19]

Objective: Reducing economic divergences

The EU must readjust its socio-economic priorities in relation to the candidate countries in order to make the enlargement process more credible and foster stronger, broader social support. In this sense, one priority must be to align economic conditions in the candidate countries more closely with the EU.

18 See: https://commission.europa.eu/document/download/926b3cb2-f027-40b6-ac7b-2c198a164c94_en?filename=COM_2024_146_1_EN.pdf

19 See: <https://www.politico.eu/wp-content/uploads/2023/09/19/Paper-EU-reform.pdf>, page 56; <https://www.bertelsmann-stiftung.de/de/publikationen/publikation/did/the-long-way-round>

Introduce gradual integration into the EU's internal market and gradually increasing financial transfers from the EU's cohesion and structural funds

A central objective of the EU must be to reduce the prosperity gap between Member States and candidate countries and promote the latter's competitiveness. Even before accession, economic cooperation between candidate countries and the EU must be geared towards offering new economic prospects, preventing further haemorrhaging of labour and skilled workers, and reducing the prosperity gap between the EU and accession countries. This can be made possible by adapting the model for economic integration and development used in the EU's eastern Member States, where significant EU budget transfers played a key role.^[20] Increased financial support from the EU budget led to rising wages and more competitive industries, narrowing the prosperity gap. Gradually integrating candidate countries into certain economic sectors of the EU and progressively increasing financial transfers to the candidate countries from the EU's cohesion and structural funds could have a similar impact in the candidate countries. This underscores the importance of applying conditionality more consistently to ensure that benefits actually reach citizens rather than being diverted by the (often) corrupt elites in some countries.

This paradigm shift towards gradual integration into certain EU policy areas is already reflected in the growth plan for the Western Balkans announced in October 2023, which defines internal market integration as an explicit goal. This involves gradual integration into the digital sphere, such as roaming, or into the SEPA system. These areas are also foreseen under the Action Plan for Ukraine as part of the Deep and Comprehensive Free Trade Area (DCFTA) between the EU and Ukraine. There is also a similar plan for Moldova and a draft for Georgia.^[21] This route would have the advantages listed above, though there are also risks. All Western Balkan countries, with the exception of North Macedonia, already have large trade deficits with the EU. Without strengthening the competitiveness of these countries, gradual single market integration will therefore not enable them to achieve economic convergence with the EU.^[22]

The situation will be similar for Ukraine, which will initially be undergoing reconstruction after the war. Moldova, as one of the poorest countries in Europe with a weak industry, will face similar challenges. In Georgia, on the other hand, the lack of exportable industries that would benefit from the DCFTA remains the biggest challenge. In addition, economic cooperation with the EU has helped to consolidate oligarchic structures in the local economy.^[23] Strengthening the rule of law, especially the fight against corruption, is therefore of

20 See: <https://www.bertelsmann-stiftung.de/de/publikationen/publikation/did/the-long-way-round>

21 See: https://commission.europa.eu/document/download/926b3cb2-f027-40b6-ac7b-2c198a164c94_en?filename=COM_2024_146_1_EN.pdf

22 See: <https://www.swp-berlin.org/10.18449/2023C36>

23 See: <https://www.zois-berlin.de/en/publications/georgias-free-trade-with-the-eu-who-benefits>

crucial importance in the candidate countries. Competitiveness can be ensured primarily through more EU funds, as the example of the current eastern EU Member States shows.

Focusing on green, sustainable, and partnership-based economic cooperation and investment

Green, sustainable, and partnership-based economic cooperation and investment should be prioritised. Competitiveness can be significantly strengthened by promoting a green economy. The Western Balkan states have enormous potential for sustainable energy, such as solar and wind. However, they are still heavily dependent on coal and oil for their energy supply. A green transition can be actively promoted through the growth plan, funding under the Instrument for Pre-Accession Assistance (IPA III), from the Multiannual Financial Framework, and through direct investment. This would create incentives for green growth. The prerequisites for this are already in place: The Western Balkan countries have already committed themselves to adhering to the green agenda. All nine candidate countries are already parties to the Energy Community Treaty. The reconstruction funds earmarked for Ukraine should also be made more conditional on sustainability criteria.^[24] This would require all candidate countries to recognise and comply with the guidelines and standards of the European Environment Agency (EEA). The Western Balkan states are already cooperation partners of the EEA through their membership of the European Environment Information and Observation Network (Eionet).

Up until now, the green orientation of the EU's economic cooperation with candidate countries has often been characterised by double standards. Environmental standards have been upheld in the EU that have been ignored in the candidate countries of the Western Balkans.^[25] However, the green agenda has the potential to secure clean air and energy not only for EU Member States, but also for candidate countries, which will be required to meet these standards at the time of accession. Potential funding for accession countries from the cohesion and structural funds as part of a gradual accession process would have to be consistently linked to the priorities of the European Green Deal, such as a circular economy, renewable energies, and organic farming. A «Green Deal Marshall Plan» would also be conceivable, which could offer incentives for reforms and benefits for candidate countries on the way to full membership and unrestricted access to the single market. Here too, sensible and consistent conditionality is crucial.

Through the European Carbon Border Adjustment Mechanism (CBAM), the EU has created an instrument that incentivises investments in low-CO₂ industries and energy supply in third countries. The EU should explicitly support candidate countries in this endeavour.

24 See: <https://www.euronews.com/green/2024/02/24/green-recovery-in-ukraine-is-a-strategic-imperative-for-the-european-union>

25 See: <https://www.boell.de/de/2024/01/16/suedosteuropa-der-grosse-raubzug>

Finally, tailored advisory services should be developed to better inform producers in the organic farming sector about European standards, as well as EU export and import guidelines, while providing them with the relevant expertise.

The EU should engage in more strategic communication concerning these potential benefits, both in candidate countries and within the EU in order to secure the necessary public support. Green-oriented economic cooperation between candidate countries and the EU represents a win-win situation for everyone involved.

4 Analysing conflicts and potential: A starting point for reform debates

When it comes to implementing the proposals, the question of feasibility inevitably arises. Although none of the proposals require amendments to the EU treaties, they all require the political will for change. Some of the reform recommendations will be relatively easy to implement in political terms, while others could prove rather difficult. It is a strategic decision for the EU to consider whether to quickly implement the simple measures before addressing the more difficult reforms, or to aim directly for comprehensive reform. Implementing the more challenging and difficult reforms would have the greatest positive impact on restoring the credibility of the enlargement process.

Degree of difficulty for implementing the proposed reform recommendations

Simple implementation

- Introduce observer status for MPs from candidate countries in the EP
- Create European platforms for civil society or expand existing platforms
- Make the recognition of the European Public Prosecutor's Office a prerequisite for EU accession
- Include candidate countries in the EU rule of law mechanism at an early stage
- Upgrade the position of Commissioner for Enlargement and European Neighbourhood Policy
- Refine the EU's political communication

Challenging implementation

- Increase EU funding at local level
- Enforce the rule of law more consistently within EU Member States

Difficult implementation

- Introduce qualified majority voting in the Council of the EU for all intermediate steps in the enlargement process
- Introduce a gradual enlargement process as a quick reward for reforms
- Introduce gradual integration into the EU's internal market and ensure gradually increasing financial transfers from the EU's cohesion and structural funds
- Focus on green, sustainable, and partnership-based economic cooperation and investment

The upheaval of the European security architecture following the Russian attack on Ukraine and the resulting geopolitical imperative for enlargement provide a strong impetus for a reform of EU enlargement policy and create new scope for negotiations on the recommendations for action listed above. This raises the question of the costs associated with a failed enlargement process. In other words: What would Europe look like in 10 to 30 years if enlargement does not take place? In this case, it can be assumed that Russia may allow the frozen conflicts in Georgia and Moldova to escalate again and the future of Ukraine would be uncertain. Without timely accession^[26], the political unrest in the Western Balkans could intensify. This would also increase the likelihood of escalation scenarios on NATO's eastern flank. These hotspots could generate regional spillover effects and directly threaten security throughout Europe.^[27]

The debate in the EU should therefore not only focus on the costs of a new enlargement round, but also on the costs of non-enlargement. In the context of the threat level resulting from Russia's war of aggression against Ukraine, the EU's financial concessions are not too high a price to pay for a more stable Europe.

Calculations also show that the costs of enlargement and the necessary financial compensation are manageable in the donor-recipient constellation of the EU budget. Only Spain would change from a net recipient to a net contributor.^[28] The Western Balkan states' share of the EU budget remains manageable. Together, they currently only have a gross domestic product comparable to that of Slovakia.

The year 2024 marks the 20th anniversary of the EU's first eastward enlargement. Years of conflict with the illiberal governments of Hungary and Poland have overshadowed its positive effects. The anniversary is a good opportunity to highlight and celebrate the successes of the 2004 enlargement round. EU membership has not only ensured stability and security in Europe, but has also brought democracy and the rule of law to most of the new Member States.

If enlargement is understood as a geopolitical necessity, this has at least three consequences for the proposed reforms. Democracy and the rule of law as a top priority (Objective 1) cannot be achieved without protecting the core principles of the EU, even after a potential enlargement. Since the current enlargement process is not achieving the necessary democratic and constitutional reforms in the candidate countries, restoring these core principles must become a top priority and mainstreamed throughout the entire process. Democracy

26 See: https://read.zeit-stiftung.com/report_cost_of_non_enlargement/index.php

27 See: <https://www.tandfonline.com/doi/full/10.1080/21582041.2023.2289661>

28 See: <https://www.ceps.eu/ceps-publications/the-potential-impact-of-ukrainian-accession-on-the-eus-budget>

and the rule of law must be understood as guiding principles of enlargement policy, as they are indispensable for access to the internal market.

To ensure that reform and enlargement advance hand in hand without blocking each other (Objective 2), consensus must be established on the priorities of enlargement policy. Institutional reforms to strengthen the EU's capacity to act are necessary either way – with or without enlargement. The expansion of qualified majority voting in the Council is a good step towards accelerating decision-making processes within the EU. However, majority decisions are controversial. Smaller Member States do not want to relinquish their veto rights. There is – also upon initiative of Germany – a group of larger Member States which, together with some smaller countries, are campaigning for the extension of qualified majority voting to the area of foreign policy.^[29] In this context, Germany could make a decisive contribution by simultaneously campaigning for an extension of majority decisions in relation to enlargement policy (Objective 3), as many concerns regarding new rounds of enlargement centre on the potential increase in veto powers.

Germany can adopt a leading role and help shape the EU reform debate. The German government should advocate for the rapid accession of Montenegro and link this to the abolition of veto rights. Specifically, Germany could advocate for abolishing vetoes for intermediate steps in the enlargement process. This is possible without treaty changes and would have a major impact in minimising the «spoiler» potential of states such as Hungary in relation to Ukraine.

Germany can also play a leading role in the EU when it comes to green investments (Objective 4). It has already signed climate partnerships with the Western Balkans and pledged funding of up to €1.5 billion by 2030.^[30] Extending the climate partnership to the countries of the Eastern Trio would be advisable. At the same time, Germany's model of climate partnerships with the candidate countries could serve as a model for other EU Member States that are interested in investing there.

Furthermore, Germany should lobby for reforms in individual policy areas, such as agricultural, energy, or fiscal policy, which are indispensable for enlargement, so that the processes of reform and enlargement do not block each other. Another important contribution by Germany would be to work towards mainstreaming the core principles of promoting democracy and the rule of law. Germany, as a consolidated democracy with a strongly anchored constitutional state,^[31] can use its weight to ensure stronger conditionality of as many EU funds as possible that flow into the EU and the candidate countries.

29 See: <https://www.auswaertiges-amt.de/en/newsroom/news/-/2595304>

30 See: <https://www.bmz.de/resource/blob/206782/factsheet-p-westbalkan-de-06.pdf>

31 See: <https://worldjusticeproject.org/rule-of-law-index/global>

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