
Memo to the commissioner responsible for enlargement

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Russia's full-scale invasion of Ukraine dramatically changed geopolitical risk calculations and brought new momentum to enlargement, especially in relation to Moldova and Ukraine. The accession process for the countries of the Western Balkans has also gained new impetus. However, continuing Russian aggression brings security challenges not faced in previous enlargements, and an inconsistent accession process for Western Balkan countries has undermined the EU's credibility.

In this context, you will need to renew the EU's commitment to enlargement and propose, but not guarantee, a target date for countries to join. You should ensure that the focus on Ukraine and Moldova does not disadvantage the Western Balkans, and that each country can advance on its merits within a streamlined process. You should find new ways to ensure post-accession compliance with rule-of-law standards, while dispelling myths about the EU being unable to cope with further enlargement.

Recommit to enlargement and boost credibility

Remove blockages from the accession process

Involve candidates progressively in EU policies

State of affairs

Russia's attack on Ukraine dramatically changed geopolitical risks and brought new momentum to enlargement

Enlargement is back. Before Russia's full-scale invasion of Ukraine in February 2022, the enlargement prospect for the countries of the Western Balkans was at best remote, negotiations with Türkiye remained frozen, while eastern neighbourhood countries were not expected to enter the European Union in the foreseeable future. But the Russian attack dramatically changed geopolitical risks and brought new momentum to enlargement. After applying and receiving candidate status in 2022, Moldova and Ukraine have just started official negotiations, while Georgia's candidate status was confirmed in 2023.

After slow progress over two decades, the process for the countries of the Western Balkans gained new impetus, with Bosnia and Herzegovina gaining candidate status, along with Albania, North Macedonia, Montenegro and Serbia. Kosovo remains a potential candidate, partly because five EU countries have not yet recognised its independence. Accession negotiations with Albania and North Macedonia have continued since 2022. Montenegro and Serbia have not passed any major milestone towards the EU since 2021, but the new political leadership in Podgorica is now accelerating the process.

The Commission's new Western Balkans Growth Plan aims to advance inclusion in the EU's single market, boost economic integration within the region and accelerate fundamental reforms. The plan adds to pre-accession assistance €2 billion in grants for investments and €4 billion in loans for reforms for 2024-27. While these amounts are small, they could foster progressive integration with the EU ahead of membership.

The eleven countries that joined the EU in 2004-2013 have substantially narrowed the gap with advanced EU economies, contrasting sharply with the weak convergence record of the three eastern and the six Western Balkan countries. This has likely fuelled emigration, especially of the young, from these candidate and potential candidate countries. From 2000 to 2021, the combined population of the three eastern countries declined by 15 percent, while that of the six Western Balkan countries declined by 4 percent, partly due to net emigration. However, actual emigration

could have been higher, as indicated by the large amounts of remittances some of these countries receive (between 9 percent and 17 percent of GDP in five western Balkan countries), suggesting that a large share of the population lives abroad.

The EU has lost influence over the past decade. The slow progress of enlargement after Croatia joined in 2013 has coincided with rising Russian and Chinese influence in both the Western Balkans and the EU's eastern neighbourhood. Ruling political parties in several Balkan countries have turned towards autocracy and stalled reforms that would have improved governance and economic performance, and many actors on the EU side prefer stability over democracy in their surrounding regions.

Challenges

You will face numerous challenges in fostering domestic reforms in candidate countries.

This is the first enlargement where the EU faces strong external opposition. Ukraine is preparing for accession negotiations and making deep reforms while fighting an existential war that is draining its human and financial resources. Moldova, Georgia and Armenia remain vulnerable to Russian hybrid warfare, with disinformation and strategic use of corruption affecting elections and political debate, as in several of the Balkan countries. Moldova's pro-EU government is successfully continuing reforms, but Georgia's current government has turned towards Russia, and Armenia's has not applied for membership.

Accession conditionality for the Western Balkans is less effective since citizens became disillusioned. In the 20 years since the EU declared that the future of the Western Balkans lies in joining the Union, only Croatia has joined; other countries have made slow progress. Bilateral disputes – especially with Greece and Bulgaria – have several times undermined the EU conditionality intended to encourage governance and economic reforms. The delay in providing European vaccines during COVID-19 further soured public opinion.

Deep reforms are needed for domestic institutions, governance

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and the rule of law. When ruling parties in Belgrade and Podgorica sought to reduce checks on their power and to take over state institutions, the EU failed to respond strongly and in a manner that showed to the Serbian and Montenegrin people that authoritarianism slows progress towards membership. In Ukraine, surveys show that citizens perceive corruption as pervasive. Disinformation from Russian and other anti-western influences is helping self-serving elites in the Balkans and Caucasus to resist reforms intended to improve governance, such as independence of the judiciary and transparency in public procurement.

There are several internal challenges for the EU to overcome as well.

An inconsistent accession process has undermined the EU's credibility

An inconsistent accession process has undermined the EU's credibility. The EU failed to maintain a fully merit-based process under your predecessor because one or two of member states have several times prevented countries from advancing, because of party political preferences or bilateral issues. In particular, the EU's failure to support a reformist and pro-European government in North Macedonia after the resolution of the name issue in 2019 caused people across the region to lose trust in the EU's objectivity. The reversibility principle – under which benefits can be withdrawn if a candidate stops meeting certain conditions – has not yet been applied in practice.

In the EU, overblown fears about the impact of enlargement on the EU's budget and institutions, and on the Common Agricultural Policy, are cited as reasons not to move forward, which risks demotivating the candidates.

Recommendations

Restore the transformative power of the accession process

This requires consistent commitment from the EU side, which must reward progress based on merits without favouritism. The EU must set clear and detailed conditions for reforms, and then support and reward those reforms or use reversibility to deter backsliding.

To catalyse difficult reforms, countries need to feel like accession is just over the horizon

Propose a target date for the next enlargement but never guarantee it

Motivation depends on momentum: to catalyse difficult reforms, countries need to feel like accession is just over the horizon. If the EU were to set an indicative target date for its next enlargement, that could promote positive competition among candidate countries to be among the first new joiners. Voters could see whether their government is falling behind others, improving political accountability.

Nevertheless, a target date should never be communicated as a guarantee of accession, and if a candidate fails to meet the conditions, it should drop behind. However, there is a risk in setting a date: if the EU decides not to admit new members that have met the conditions because one or more of its members vetoes the accession for reasons not related to merit, it would cause huge disillusionment and negative political repercussions for pro-EU governments across the region.

Ensure merit-based treatment of candidates

The rapid start of Ukraine and Moldova should not disadvantage the Western Balkans. Rather, each country should advance on its merits and readiness.

Foster greater specificity

To preserve democratic governance, you must hold firm on conditionality on media freedom, human rights, the rule of law and democratic practice. The enlargement methodology should be adapted with clearer conditions and more detailed reform requirements. Ukraine will need detailed guidance for the removal of martial law after the war and the restoration of full independence to state institutions.

Streamline the accession negotiations

EU officials have calculated that the 27 members have more than 150 veto-points during the negotiations. In addition, the European Parliament and every current member must ratify the eventual accession treaty. Some of these veto-points are the result of the Commission submitting more and more micro-stages in the

Countries that block enlargement decisions should have to justify their objections in an open debate

negotiations to unanimous votes in the Council. The process needs streamlining so that current members still decide unanimously on major steps, particularly the start and end of negotiations, but technical steps no longer require unanimity, which is too often used to delay decisions for reasons unconnected to whether the candidate has met the conditions. When an individual member state blocks a candidate's progress on an issue unrelated to the accession conditions, it weakens the EU's collective leverage to push for domestic reforms. Countries that block should have to justify their objections in an open debate and risk being outvoted.

Support dispute resolution with and in the Western Balkans

A functioning bilateral dispute mechanism – one that can resolve issues raised by members with candidates, not only between candidates – is vital to restore credibility and consistency to enlargement. The EU should play an active role in the normalisation of Serbia-Kosovo relations, which is a precondition for the EU entry of the two countries.

Promote progressive integration

Focus on what brings benefits directly to citizens, and bring candidates into EU policies and funds progressively as they meet key conditions, rather than giving them benefits only once they are members. Prioritise the positive steps proposed in the Western Balkans Growth Plan to extend the Single European Payments Area in the Balkans (which would reduce transaction costs in a region where the euro is used widely and many families depend on remittances), and to abolish roaming fees and geo-blocking for all the candidates. Moldova and Ukraine would benefit from rapid certification of their organic products, including wine and food. You should explore further steps for integration into EU policies and programmes to reward progress in difficult areas, and to help vulnerable candidates with their security and defence.

Integrate candidate countries into EU energy policies and infrastructure

Energy is a key area for sectoral integration, to deliver benefits for citizens and counter Russia's attempts to preserve fossil-fuel

The EU should bring the candidates into the European energy system

infrastructure. Extend the European Green Deal to candidates, using the Western Balkans Growth Plan and other programmes to invest in interconnectors, grid upgrades and renewables deployment, to bring energy independence and the immediate benefits of reliable supply, fewer blackouts and lower prices. Candidates should join the EU's emission trading system to avoid the carbon border adjustment mechanism, and to facilitate their integration into clean-tech supply chains. The EU should bring the candidates into the European energy system and involve them in the governance of its energy market.

Involve candidates in the European Semester process

The experience gained by the six Balkan countries and Türkiye in participating in national Economic Reform Programmes since 2014 would help integration in the European Semester economic surveillance process. The risks and costs for the EU are low and it could benefit both sides (Darvas, 2023).

Better communication about EU membership requirements

This should be done especially on rule of law and governance, so that citizens can hold their governments to account. The EU's requirements for reforms should be very clear, visible and widely discussed – also to prevent disinformation.

Design Ukraine's reconstruction with other donors in synergy with the accession process

The EU's Ukraine Facility provides €17 billion in grants and €33 billion in loans for 2024-2027 to support recovery, reconstruction and modernisation, including technical assistance to support the accession process. This funding accounts for a small share of the estimated €400 billion needed over the next ten years. The Commission should coordinate the reconstruction process with other donors, prepare a follow-up EU instrument in the next Multiannual Financial Framework (MFF) due to start in 2028, explore options to make Russia pay for the damages it caused and foster connectivity with Ukraine's other neighbours.

Increase funding for Western Balkans following the Growth Plan

The €6 billion Western Balkans Growth Plan – €1.5 billion annually – should be upgraded to a larger facility under the next MFF to focus on energy and other areas of progressive integration. The current Growth Plan provides all €2 billion in grants (plus €1 billion loans) for investments and €3 billion in loans for reforms, but the opposite would be better. Most investments should pay for themselves by generating future revenues and economic growth, which allows for the repayment of loans. The economic returns on reforms, especially those which include politically difficult measures, are more indirect and therefore better supported by grants.

Develop effective post-accession compliance

In further enlargement, the EU cannot afford to compromise on the quality and resilience of the rule of law, which is fundamental to democratic accountability and the functioning of the single market (Grabbe and Lehne, 2019). However, the EU has very limited institutional means to contest violations once a country has joined. The accession process is therefore a vital opportunity to improve the quality of governance and to root out corruption.

The EU has several options to enhance its capability to improve rule of law. The first and least controversial is to start applying the rule-of-law toolbox in advance of accession, whereby candidate countries would join the annual reporting cycle to establish across the public administration clear standards that are capable of lasting after accession. If it proves possible to change the EU's treaties, that could include reform of Article 7 TEU, the extension of rule of law conditionality to all EU funds and the MFF, and the creation of a joint chamber of the higher courts and tribunals of the EU (as recommended by Costa *et al*, 2023).

Accession treaties should include institutional reforms to protect the rule of law

If treaty change proves impossible, accession treaties should include institutional reforms to protect the rule of law in future, such as the suspension of voting rights or access to EU funds. Accession treaties have the force of primary law in the EU, which can be used to institutionalise important changes. Any sanctioning measures would also apply to existing members through the accession treaty.

Budgetary conditionality is another way to discipline ruling parties that capture state institutions and remove democratic checks and balances after accession.

Combat myths about the implications of future enlargement for the EU's budget and institutions

Fears are exaggerated about further enlargements creating an excessive financial burden

Fears are exaggerated about further enlargements putting an excessive financial burden on current members and stopping the EU from functioning effectively with 36 members. Although the candidates' economies are much poorer than the EU average and more dependent on agriculture, the budgetary impact can be managed through the creation of a long transition period. In the previous enlargements to Central Europe, the EU took 12 years to phase in agricultural subsidies in the new members. That gives plenty of time for the EU to introduce a 50 percent national co-financing rate for Common Agricultural Policy (CAP) direct payments in the next MFF. In addition to freeing-up one-sixth of the MFF funds for the provision of European public goods, this would reduce the cost of enlargement via the EU budget by one-fifth. This should be introduced along with a fundamental reform of the CAP to improve its environmental impact; the CAP could otherwise damage biodiversity in the candidate countries.

Moreover, even under unchanged budget allocation rules, the annual cost of adding nine countries to the EU budget would be 0.17 percent of EU GDP, or €26 billion per year (Darvas and Lopez, 2024). This would hardly change the net recipient/payer positions of current EU members. Payments to ten net beneficiaries (Bulgaria, Czechia, Hungary, Greece, Latvia, Lithuania, Malta, Poland, Romania and Slovenia) already fell in 2021-2022, and additional reductions due to enlargement would be small in comparison. Most net payers would need to contribute about 0.13 percent more of their GDP to the EU budget in this scenario.

In practice, these costs are bound to be much lower. The EU is likely to change its budget rules and impose transition periods on new members' access to the funds. Unfortunately, it is also possible that Russian aggression will result in a reduction in Ukraine's territory, population and GDP, also lowering its budget receipts.

Some of the budget transfers to the new members would come

back to the current EU members via their companies participating in EU-funded projects in the new members. Enlargement would boost current EU members' GDP via trade, migration and foreign direct investment, as well as employment, production and tax revenues

The EU institutions would cope with further enlargement. The combined population of the nine candidates is 57 million, so the enlarged EU's population would not regain its level when the United Kingdom was a member. Seats in the European Parliament and votes in the Council of the EU could be reallocated, as happened in previous enlargements, while other EU governing bodies and institutions, such as the Court of Justice of the EU, are sufficiently regulated for future accessions by the current treaties. As for the Commission, the Lisbon Treaty declared that a reduced number of Commissioners could be selected "*on the basis of strictly equal rotation*" between the members. If the members insist on maintaining one Commissioner per country, the President will have to give Commissioners different levels of responsibility.

**Lack of progress
on EU institutional
reform should not
block enlargement**

While reform of the EU's institutional framework would be desirable, lack of progress on it should not block enlargement. Many potential solutions can be found as long as the new members observe the EU's fundamental principles after their entry.

Prepare for opportunities and crises in the eastern and southern neighbourhood

The current leaders of Türkiye and Georgia are not oriented towards EU accession, although significant sections of their society would like to move closer to Europe. Future elections could change this situation, giving you the opportunity to create a new agenda with these countries.

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