Question Time: Strengthened EU Western Balkans enlargement policy

The revised enlargement methodology adopted in February 2020, and a new 'gradual approach' endorsed by the European Council in June 2022, are at the heart of EU accession negotiations with the Western Balkan countries and those countries' accession-related reforms. As the region's six countries differ in population size, political systems and history, their reform agenda and accession tempo also vary. With a budget of €14.2 billion for 2021-2027, the EU Instrument for pre-Accession Assistance (IPA III) supports investment and reform in accession countries. The European Commission and the European Parliament closely monitor candidates’ overall progress and their implementation of the EU acquis.

Current situation

**Background:** According to the European Parliament recommendation on the new EU strategy for enlargement adopted in November 2022, enlargement policy is 'the most effective EU foreign policy instrument and one of the Union's most successful policies'. It is a strategic investment in stability and prosperity on the European continent. In 2019, European Commission President Ursula von der Leyen declared her ambition to head a 'geopolitical Commission' that 'stabilises its neighbourhood, accelerates enlargement and champions multilateralism'. In her 2022 State of the Union address, von der Leyen stated: 'I want the people of the Western Balkans, of Ukraine, Moldova and Georgia to know: You are part of our family, your future is in our Union, and our Union is not complete without you!' However, since Croatia's accession in 2013, the six Balkan countries have made little progress towards EU integration, and accession negotiations with Türkiye are on ice. Difficult internal constitutional reforms in some countries, such as Bosnia and Herzegovina, are compounded by security challenges and external interference, mainly from Russia and China. Bosnia and Herzegovina, Serbia and Kosovo* are the only three countries in the region that have not yet joined NATO.

**Accession negotiations:** Accession negotiations with Montenegro and Serbia began in 2012 and 2014 respectively. In March 2020, EU Member States decided to open accession negotiations with North Macedonia and Albania, and those negotiations began in 2022. Bosnia and Herzegovina applied to join the EU in February 2016, and the Commission published its opinion on the country's application in 2019. EU leaders unanimously decided to grant EU candidate status to Bosnia and Herzegovina on 15 December 2022. Kosovo* remains a pre-candidate country and, according to the Commission, needs to engage more constructively and make further substantial efforts on the implementation of all past agreements and contribute to reaching a comprehensive legally binding normalisation agreement with Serbia. However, some experts consider negotiations too lengthy, tarnishing EU credibility and resulting in 'enlargement fatigue', low public support, and opening a path to 'illiberal democracy' regimes.

**Revised methodology (2020):** The Commission presented a new EU enlargement methodology in February 2020. The new methodology favours a merit-based approach, with greater 'political steer' and a stronger focus on key reforms such as on the rule of law, fundamental freedoms and the functioning of democratic institutions. Implementation of the subsidiarity principle, decentralisation and related constitutional reforms are at the core of EU accession negotiations, in particular within Cluster 1 (rule of law, economic criteria and public administration reform), which plays a central role. Sufficient progress therefore needs to be made under Cluster 1 before the other five clusters can be opened (internal market; competitiveness and inclusive growth; green agenda; agriculture and cohesion; external relations). The new methodology aims to replace the transactional approach and ensure irreversible reforms. Whereas accession negotiations are now largely a technical process in which the Commission plays the dominant role, in future there could be more involvement and scrutiny from the Council and the Member States.
New ‘gradual approach’ proposals: Proposals from EU Member States (such as the 2019 French non-paper on enlargement policy reform) inspired the 2020 methodological reform. New proposals for a ‘gradual approach’ support further financial assistance for accession countries, conditional on their reform progress, and the design of a tailor-made sanctions mechanism. The 23-24 June 2022 European Council conclusions retain this gradual approach, stating, ‘Building on the revised methodology, the European Council invites the Commission, the High Representative and the Council 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’.

EU support

EU-Western Balkans political dialogue: The Western Balkan countries’ prospect of a European future was endorsed at summits in Thessaloniki (2003) and, more recently, in Sofia (2018), Zagreb (2020), Brdo (2021) and Tirana (2022). The Tirana Summit of December 2022 was an opportunity to reconfirm the key importance of the strategic partnership between the EU and the Western Balkans, a region with a clear EU perspective. The main topics of discussion were the consequences of the Russian war on Ukraine and intensifying political and policy engagement.

Enlargement budget: The general objective of the IPA III for the 2021-2027 period is to support beneficiaries in adopting and implementing reforms required to comply with EU values, and to progressively align with EU rules, standards, policies and practices with a view to membership, thereby contributing to their stability, security and prosperity. With an allocation of €14.2 billion, the IPA III is clearly aligned with the flagship initiatives and priorities of the Economic and Investment Plan for the Western Balkans (October 2020), the Commission communication on Enhancing the accession process – a credible EU perspective for the Western Balkans (February 2020), and the Global Gateway strategy, the EU’s contribution to narrowing the global investment gap worldwide in support of sustainable development.

Access to the European single market: Access to the European single market will result in mutually beneficial trade relations between the EU27 and accession countries. In 2021, the EU27’s annual trade surplus with the six Western Balkan countries was €8.7 billion (Eurostat, 2022), which is approximatively equal to the EU Investment Plan for the Western Balkans. In 2021, the EU27 trade surplus was highest with Serbia (€4.5 billion), followed by Albania (€1.6 billion), Kosovo (€1.3 billion), Bosnia and Herzegovina (€1.0 billion) and Montenegro (€0.8 billion). In the words of EU Enlargement Commissioner Olivér Várhelyi, the key to ‘long-term peace and stability’ is closing the ‘enormous gap in terms of economic development’ between Balkan and EU countries, and EU funds could provide additional tools to achieve this objective.

Belgrade-Pristina dialogue: The EU focuses on improving good neighbourly relations in the Western Balkans and promoting reconciliation. It also supports work towards achieving a comprehensive normalisation of relations between Kosovo and Serbia through the engagement of the EU Special Representative for the Belgrade-Pristina Dialogue and other Western Balkan regional issues. In Kosovo, the most sensitive issue remains the application of the 2013 Brussels Agreement with Serbia. The establishment of an association/community of Serb-majority municipalities was the most important element of this agreement, yet Kosovo has made no progress so far in implementing this engagement.

Role of the European Parliament

The European Parliament supports EU enlargement and a European perspective for all Western Balkan countries. Under Article 49 TEU, the Parliament must consent to any accession to the EU. Its budgetary powers give it direct influence over the amounts allocated to tools such as the IPA III. The Parliament also supports the inter-party dialogue in several Western Balkan countries, and holds annual summits with their parliamentary speakers. On 22 November 2022, Parliament debated a report on the new EU strategy for enlargement, stressing the positive results already achieved and the need to nurture constructive political dialogue in accession countries. Parliament also recommends full use of the new enlargement methodology and to ‘accelerate the integration of countries that demonstrate strategic orientation and unwavering commitment to EU-related reforms, democratic consolidation, fundamental values and foreign policy alignment, including sanctions’.

(*) This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICIJ Opinion on the Kosovo declaration of independence.