



EU Enlargement Package **2023**

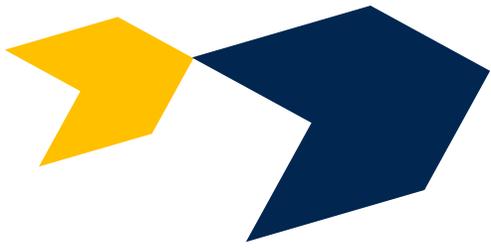
New Growth Plan & Reform and Growth Facility for the **Western Balkans**

Technical background briefing

8 November 2023

EU ENLARGEMENT PACKAGE 2023





Enlargement Package 2023

- The **EU enlargement policy agenda** represents, now more than ever, a clear and necessary geostrategic investment in long-term peace, stability, and security. It reinforces the EU's political and economic strength and has a **powerful transformative effect** on the countries concerned.
- The enlargement package consists in a detailed **assessment of the progress made by candidate countries and potential candidates on their respective paths towards the European Union**, with a particular focus on implementing fundamental reforms, with clear guidance on the reform priorities ahead.
- **10 candidates and potential candidates:** Albania, Bosnia and Herzegovina, Georgia, Kosovo*, Moldova, Montenegro, North Macedonia, Serbia, Türkiye, & Ukraine



* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo Declaration of Independence.



Ukraine

State of play

- EU candidate status created a powerful reform dynamic in Ukraine, with strong support from civil society and the wider population.
- The Ukrainian government and Parliament made substantial progress on implementing issues defined in the 7 steps of the Opinion recommendations since June 2022. Over 90% is completed.
- **The Commission recommends that the Council opens accession negotiations with Ukraine.**



Next steps

- Ahead of the adoption of the negotiation framework, Ukraine will need to implement specific reforms in relation to:
 - Fighting corruption,
 - Reducing the influence of oligarchs on lawmakers,
 - Protection of national minorities.
- The Commission will continue monitoring progress and compliance and will report to the Council by March 2024.
- The EU will support Ukraine's reform efforts through the "Ukraine Facility" currently in legislative and budgetary approval process.



Moldova

State of play

- EU candidate status created a powerful reform dynamic in Moldova.
- Moldovan authorities made substantial progress on implementing issues defined in the 9 steps of the Opinion recommendations since June 2022. Over 90% is completed.
- **The Commission recommends that the Council opens accession negotiations with Moldova.**



Next steps

Ahead of the adoption of the negotiation framework, Moldova will need to implement specific reforms in relation to :

- Reinforcing the judicial and prosecution systems;
- Strengthening anti-corruption bodies;
- Implementing the de-oligarchisation action plan.
- The Commission will continue monitoring progress and compliance and will report to the Council by March 2024.



Georgia

State of play

- The enlargement process has provided impetus for important reforms in Georgia.
- **The Commission therefore recommends that the Council grants Georgia the status of a candidate country** on the understanding that a number of steps are taken.



Next steps

- Georgia will need to implement specific reforms in relation to :
- Aligning with EU CFSP and fighting EU disinformation;
- Addressing polarisation, finalising electoral reforms, ensuring parliamentary oversight and institutional independence of key institutions;
- Implementing judicial reforms;
- Fighting corruption with effective anti-corruption bodies and implementation of the action plan on de-oligarchisation;
- Implementing human rights strategy, protecting media freedom and engagement of civil society.



Montenegro

State of play

- A candidate country
- Progress on EU accession reforms has largely stalled as the country suffered from deep polarisation and political instability.
- The EU welcomes the constitution of the new parliament and the formation of the new government.

Next steps

- Overall progress in the accession negotiations depends on the fulfilment of the rule of law interim benchmarks set in Chapters 23 and 24



Serbia

State of play

- A candidate country
- Continued with the implementation of EU accession related reforms, including in the area of rule of law, but more work is needed.
- The key issue of alignment with CFSP, including on sanctions against Russia, remains.
- Needs to take further steps to normalise relations with Kosovo.
- Has technically fulfilled the benchmarks to open cluster 3 (Competitiveness and inclusive growth).

Next steps

Progress on the rule of law and the normalisation of relations with Kosovo will determine the overall pace of the accession negotiations with Serbia



Albania

State of play

- A candidate country.
- Continued to demonstrate its determination to implement needed reforms.
- Has been fully aligned with EU CFSP.
- Further efforts are needed on freedom of expression, minority issues and property rights, as well as in key areas of the Rule of Law such as the fight against corruption and organised crime.
- The screening process has progressed smoothly, and the authorities have shown a high level of commitment in it.

Next steps

- Follow-up to the screening report on 'Cluster 1- the Fundamentals' is needed, with a view to opening the first Cluster by the end of this year.



North Macedonia

State of play

- A candidate country.
- EU accession remains the strategic goal.
- Needs to deliver on the implementation of EU related reforms, including in the judiciary, the fight against corruption and organised crime, public administration reform, including management of public finances, and public procurement.
- Has continued to fully align with EU CFSP.
- The screening process has progressed smoothly, and the authorities have shown a high level of commitment in it.

Next steps

- Follow-up to the screening report on 'Cluster 1- the Fundamentals' is needed, with a view to opening the first Cluster by the end of this year.



Bosnia and Herzegovina

State of play

- A candidate country
- New government has started to deliver on reforms, specifically through the amendments introducing integrity checks in the judiciary.
- Further efforts are required to fulfil the 14 key priorities set out in the Commission Opinion on the EU membership.
- The secessionist and authoritarian measures introduced in the Republika Srpska entity are not in line with the EU path.

Next steps

- Commission recommends the opening of accession negotiations once the necessary degree of compliance with the membership criteria is achieved.
- The Commission will report to the Council on progress at the latest in March 2024.



Kosovo

State of play

- A potential candidate
- Remained committed to its European path and continued to align with the EU on condemnation of Russia's war of aggression against Ukraine.
- Reached legislative achievements, including adopting an important electoral reform in the past year.
- From 1 January 2024 will benefit from visa liberalization.

Next steps

- Progress on the normalisation of relations with Serbia will determine the progress of Kosovo on its European path;
- More work is needed to implement EU recommendations on justice and public administration reforms and to move forward with energy transition



Türkiye

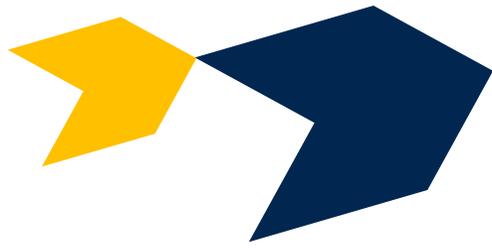
State of play

- A candidate country
- Remains a key partner for the European Union and a candidate country.
- Has not reversed the negative trend of moving away from the EU in the past year, and it pursued accession related reforms to a limited degree.
- Unilateral foreign policy remained at odds with the EU's priorities under the common foreign and security policy.



Next steps

- Specific report on the state of play of EU-Türkiye relations will be adopted by the Commission/HRVP before the European Council in December.
- This report will propose concrete steps in further developing our relationship with Türkiye.



Enlargement Package 2023

Political criteria – <u>State of play</u> - 2023										
Chapter	AL	BiH	KS	MK	MNE	SR	TR	GE	MD	UA
	2023									
PAR	3	1	2	3	3	3	2,5	3	2	2
Chapter 23 overall	2,5	2	1,5	2,5	3	2	1	2	2	2
Functioning of the judiciary	3	1,5	1	2,5	3	2	1	2	2	2
Fight against corruption	2	1,5	1,5	2,5	2	2	1	2	2	2
Freedom of expression	2,5	2	2	2,5	2	2	1	2	2	2,5
Chapter 24 overall	2,5	2	1,5	3	3	2	3	2	2	2
Fight against organised crime	2	1,5	1	2	2,5	2	2	2	2	2
Average*	2,5	1,50	1,50	2,50	2,50	2,20	1,50	2,20	2,00	2,10

Grades and scores

- 1 Early stage
- 2 Some level of preparation
- 3 Moderately prepared
- 4 Good level of preparation
- 5 Well advanced

*The average score is calculated as an average of the score for public administration reform, the functioning of the judiciary, fight against corruption, freedom of expression and fight against organised crime



New Growth Plan & Reform and Growth Facility for the Western Balkans

Growth Plan for the Western Balkans

Challenges and EU response

Where we come from:

- Average income per capita in the Western Balkans varies between 27% and 50% of the EU average income
- Economic convergence and socio-economic & political reforms are not advancing fast enough
- This affects the pace of the accession process

What we want to achieve

- Doubling the size of the Western Balkan countries' economies within the next decade
- Incentivising countries to accelerate the adoption and implementation of the EU acquis
- Accelerate the accession process



A Growth Plan built on four pillars

- 1** To enhance economic integration with the **European Union's Single market**.
- 2** To boost economic integration within the Western Balkans through the **Common Regional Market**.
- 3** To **accelerate fundamental reforms** aimed at accelerating accession, improving economic growth and strengthening regional stability.
- 4** This process will be supported through **increased financial assistance** with a new financing instrument: the *Reform and Growth Facility for the Western Balkans* worth **EUR 6 billion** (among which EUR 2 billion are part of the MFF review proposal).

The four pillars are interdependent and mutually reinforce one another. Access to the EU's Single market will only be granted if the Western Balkan countries give their neighbours access to their own market.



Priority areas for integration into the EU Single Market



Free movement of goods



Free movement of services



Access to the Single Euro Payments Area



Facilitation of road transport



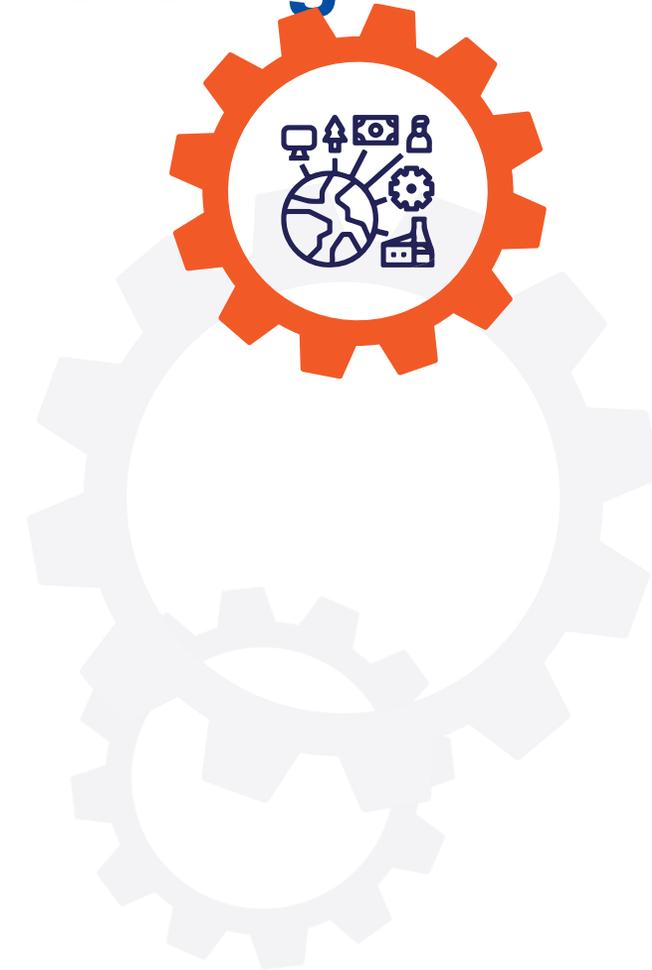
Integration and de-carbonisation of energy markets



Digital Single Market



Integration into industrial supply chains



From Common Regional Market to EU Single Market



The **Common Regional Market (CRM)** is vital to overcome small fragmented markets, make businesses competitive, attract investors and retain workers. Based on EU rules, it is a stepping-stone to the opportunities of the Single Market.



Substantial opportunities for **integration in the EU's single market** will happen only if the region delivers on regional economic integration.



Partners that are not fully committed to the CRM **cannot** expect to benefit from the opportunities for single market integration.

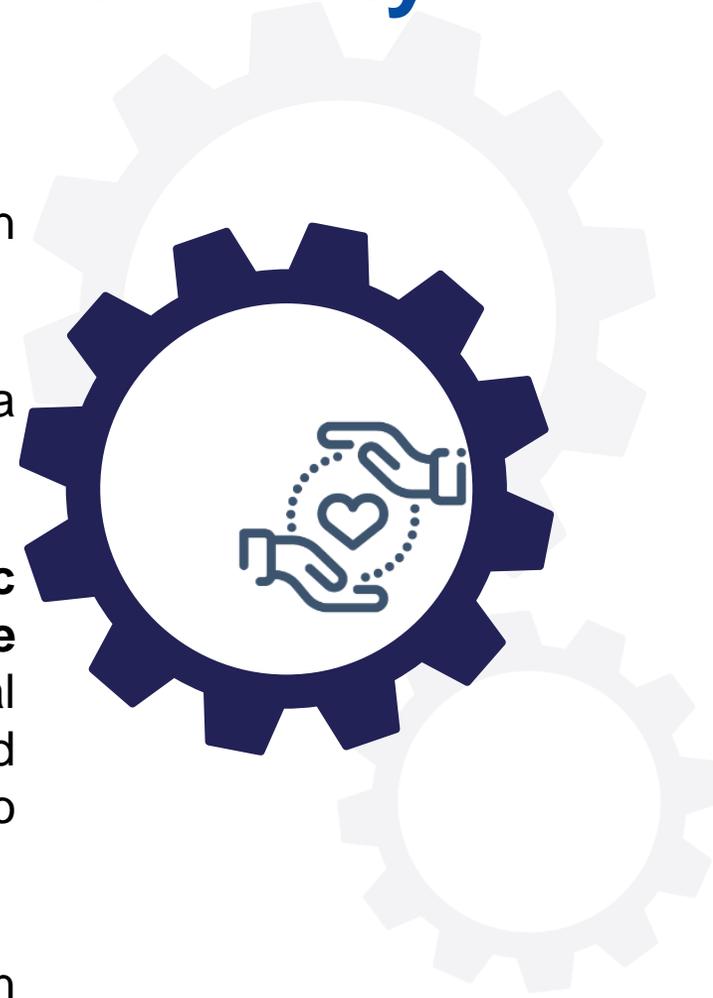


However, you can only block yourself and not your 5 partners.



A merit-based process through conditionality

- The accession process is **merit based** and so is the new Growth Plan for the Western Balkans.
- Extensive **ex-ante** conditionality, which required the set-up of a completely new instrument.
- An entirely new design: payments linked to **specific socio-economic reforms** and **specific reforms related to fundamentals of the enlargement process**, including the rule of law. Macro-financial stability, sound public financial management, transparency and oversight of the budget are **general payment conditions** that have to be fulfilled for any release of funds.
- Specific pre-condition that Serbia and Kosovo engage constructively in the normalisation of their relations.



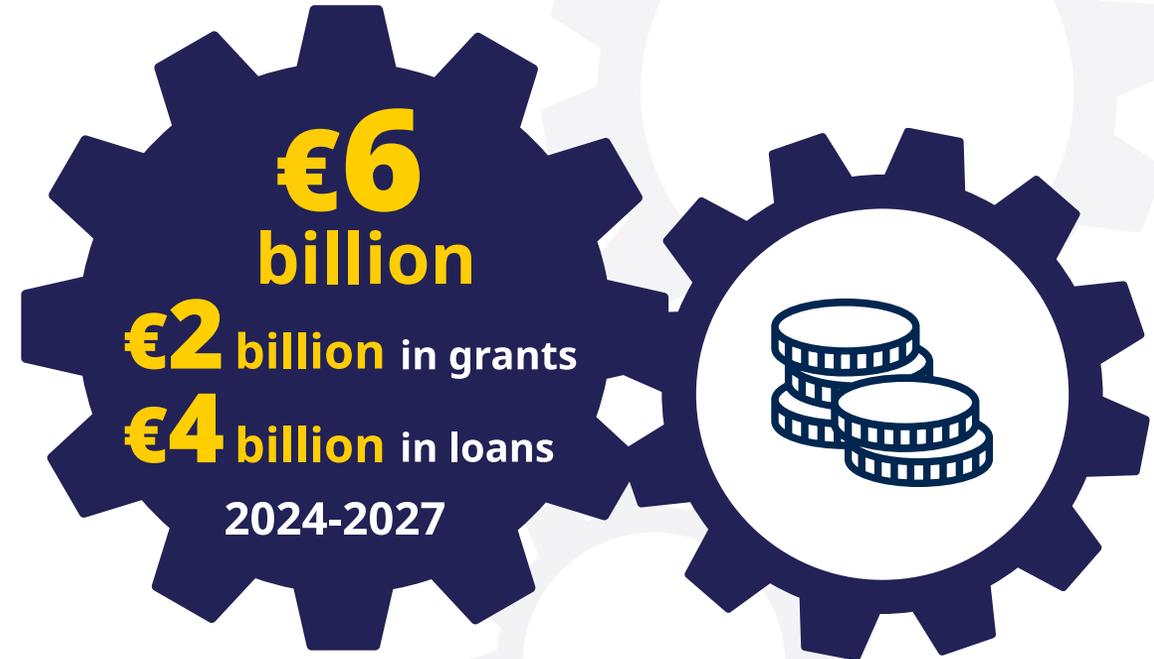
Reform & Growth Facility

Half of the total amount will be channeled through the **Western Balkan Investment Framework (WBIF)**; the other half will directly support the **national budgets**.

Payments will occur **twice a year**.

The Facility will have **country envelopes**. It will reinforce the current financial assistance under IPA III.

Lack of implementation by a country will mean that funding can be transferred to the other countries.



Thank you



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