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Access Before Accession: Rethinking the EU's Gradual Integration

Stefan Lehne, Zoran Nechev, and Richard Grieveson

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Carnegie Endowment for International Peace
Publications Department
1779 Massachusetts Avenue NW
Washington, D.C. 20036
P: + 1 202 483 7600
F: + 1 202 483 1840
CarnegieEndowment.org

Carnegie Europe
Rue du Congrès, 15
1000 Brussels, Belgium
P: +32 2 735 56 50
CarnegieEurope.eu

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Contents

Introduction

Enlargement is widely recognized as the most effective foreign policy tool of the European Union (EU).[1] However, since the EU promised the Western Balkans a future in the union at its 2003 summit in Thessaloniki, progress has been painfully slow.[2] Only Croatia has joined, in 2013. Currently, ten countries are waiting in line as candidates or potential candidates. Albania, Montenegro, and Serbia are negotiating their accession. Moldova, North Macedonia, and Ukraine have been invited to enter such talks, but for various reasons, they have not started yet. Bosnia and Herzegovina has been accepted as a candidate but needs to fulfill certain conditions before negotiations can begin. Kosovo has applied for membership but is not recognized as a state by five EU members. The accession processes of Turkey and Georgia are currently frozen or stalled because of their governments' authoritarian tendencies.

Today's changed political context has made enlargement not only more important but also more challenging. This situation has raised interest in gradual integration—that is, offering candidate countries that are committed to reforms some of the benefits of membership well ahead of accession. This concept has found broad support, but its implementation so far has been very cautious and limited in ambition. To realize the full potential of gradual integration, the EU must develop this approach into a structured, transparent, and predictable process with a well-defined connection to the broader accession trajectory.

The EU's Enlargement Conundrum

The long stagnation of the EU enlargement process is due to several challenges, both in the candidate countries and in the EU. In the Western Balkans, the EU—distracted by a series of severe crises—has not engaged sufficiently over the past fifteen years and has allowed enlargement to degenerate into a technical and procedural exercise. This situation has reinforced the reluctance of political elites in the candidate countries to tackle necessary reforms.[3] Democratic backsliding and rule-of-law deficits are widespread. The tendency of some EU member states to block progress to obtain bilateral concessions from candidates has further damaged the credibility of the process. Over the last two years, signs of new momentum have emerged, and Albania and Montenegro now hope to join the EU before 2030. But many obstacles remain, and it is unclear whether the tide of EU enlargement in the Western Balkans is genuinely turning.

As for the Eastern dimension of enlargement, which consists of Georgia, Moldova, and Ukraine, the EU had long been divided over granting these countries the perspective of membership. Gradual access to the European single market was the best offer on which the member states could agree; this became the central idea of the Deep and Comprehensive Free-Trade Area (DCFTA), a part of the Association Agreements signed in 2014.[4] However, Russia's full-scale invasion of Ukraine in 2022 convinced the EU that a gray zone between it and Russia would threaten European stability. To anchor these countries firmly in the West and prevent further Russian encroachment, the EU therefore recognized them as candidates for membership.

More now than in the past, EU enlargement has thus become a factor in a geopolitical contest between the West and Moscow.[5] This has increased the political relevance of enlargement but also made it more difficult, as advancing the process now takes place in the context of a military conflict, while Russia does what it can to frustrate the EU's objectives. Also, it has become more challenging to uphold the EU's doctrine of a merit-based approach. There is an obvious tension between the political need to achieve rapid progress in the interest of European stability and the time required to accomplish the reforms to qualify for membership.

The bureaucratic requirements of EU accession pose a further challenge. Adopting well over 100,000 pages of EU legislation and preparing national institutions to implement this effectively is by its nature a lengthy endeavor.[6] But the member states' ambivalence about enlargement has burdened the process with additional complexity and procedural impediments. For the purpose of enlargement, the body of EU legislation is divided into clusters and chapters. On the basis of proposals by the European Commission, the EU Council defines benchmarks that candidates have to meet to move forward. This approach results in a proliferation of decision points, each subject to unanimity among the member states. This cumbersome machinery is hard enough to move forward at the best of times; today's divisions in the EU make progress even more difficult.

So far, the EU's institutions and members have shown little appetite to revamp the methodology of enlargement and change the rules of the game while it is being played.[7] However, the idea of offering candidates some of the benefits of integration before accession has found widespread support and been endorsed by both the commission and the European Council.[8] The concept of gradual integration—also known as phasing in—is not new. In addition to free-trade agreements, which mirror the earlier approach with Central and Eastern Europe (CEE), the EU has launched several initiatives aimed at supporting and adapting this framework to the specific postconflict conditions of the region. Notably, the Energy Community, cooperation on justice and home affairs, and the Transport Community extended key elements of the EU to the Western Balkans. Candidate countries already participate in a large number of EU projects and initiatives.

So far, however, gradual integration has remained conceptually and structurally underdeveloped. Important questions about its governance, sequencing, and monitoring have not been resolved. The EU has deployed a wide variety of tools of gradual integration, from intergovernmental treaties to so-called soft instruments, such as action plans and road maps. Yet, the oversight mechanisms have frequently been weak, and a credible enforcement capacity has been lacking. As a result, the overall impact of this approach in terms of driving reforms has been modest. To fully leverage the potential of gradual integration, the EU must develop it into a structured and predictable process that can deliver on the central promise of the gradual opening of the single market.

Through the Growth Plans for the Western Balkans and Moldova and the Priority Action Plan for Ukraine, the commission has recently taken some steps toward upgrading gradual integration. The first experiences of these new initiatives are positive. However, in these initiatives, too, the commission has chosen a cautious approach. In its 2024 communication on pre-enlargement reforms and policy reviews, the commission revealed some of its hesitations.[9] It insisted that candidate countries' participation in the single market cannot be "à la carte" in terms of policy areas or governance. The communication referred to unresolved legal questions, particularly whether including acceding countries in these policies would create directly enforceable rights and obligations and what safeguards would be required if a candidate country did not comply with such obligations. The commission also warned against a risk of fragmentation of the single market.

In his report on the future of the single market, also released in 2024, former Italian prime minister Enrico Letta endorsed the gradual integration of acceding countries, though he too indicated several conditions and constraints.[10] According to the report, the inclusion of candidates in EU policies would need to be firmly aligned with political integration and, in particular, with progress on the rule of law. Letta noted that the EU would need to take the interests of existing members fully into account and prevent cherry-picking by acceding states. He also insisted on the need to identify the right financial support mechanisms.

A similarly cautious approach toward gradual integration was reflected in the coalition agreement of the German government that took office in May 2025.[11] While the coalition partners supported "the gradual integration approach for candidate countries that do not yet meet all accession criteria but are courageously implementing reforms," they also underlined that there cannot be any "compromise on criteria or on the integrity of the single market."

The almost universal rhetorical support for extending the single market to candidate countries thus contrasts with an extremely wary approach to translating this concept into practice. The EU will have to resolve several political, legal, economic, and procedural concerns before the policy can be implemented in a dynamic fashion.

The Political Case for Gradual Integration

EU enlargement has always been characterized by a long period of work-intensive preparations with significant constraints on an aspiring member's national sovereignty and only limited financial support from the EU. Eventually, after all negotiation chapters are closed and all member states have ratified an accession treaty, this multiyear effort is suddenly rewarded by the new member's inclusion in all EU programs and policies, its participation in all decisionmaking, and its full access to EU structural funds, which are many times the amount of financial assistance the country received from the EU as a candidate.

In the past, on average, roughly a decade passed between a country applying for EU membership and acceding to the union. But this century, the time spent in the waiting room has lengthened significantly. The pre-accession phase has grown progressively longer, reflecting not only the increasing complexity and volume of EU law but also the more challenging political and institutional contexts in candidate countries.

It takes enormous commitment to pursue a difficult policy that promises concrete rewards only in some future decade. Waiting periods that exceed the shelf lives of most national politicians inevitably diminish the motivation of administrations to tackle difficult and costly reforms. Also, many years of being constantly on the receiving end of the commission's recommendations and member states' demands inevitably burden the collective psyche of a country. Decades of followership eventually lead to cynicism or resentment, particularly if the promised reward of membership keeps being pushed back.

And even if, in the end, accession can be achieved, a country's sudden introduction into the cosmos of benefits and obligations of EU membership has its own problems. Many new member states find the transition difficult. Even after careful negotiations, national institutions still require tough adjustments to the practical reality of life in the EU. Learning the ropes of the union's internal politics also takes time, and most acceding countries experience difficulties in absorbing the funding that is suddenly available.[12]

The radical jump from almost no integration to full membership that is inherent in the traditional enlargement concept creates challenges for the existing members, too. A lack of familiarity with the newcomers can lead to concerns about the risk of inadequate preparation. With every accession, the nature of the EU club changes somewhat, and worries that the new members could make it harder to pursue established national interests can reduce governments' openness to further enlargement.

For all these reasons, a more gradual approach to the integration of candidate countries promises great advantages. Earlier participation in EU programs and policies helps states familiarize themselves with EU practices and procedures well ahead of accession. It also reduces the risks for existing members, as candidates' inclusion in policies and programs can be reversed if they do not respect EU standards. Intensive and structured cooperation between candidates and members in certain EU policies builds mutual understanding and confidence, and makes eventual full accession easier to achieve. A gradual scaling up of financial support in parallel to progress on reforms also offers more effective incentives for difficult adjustments.

The new geopolitical relevance of enlargement has reinforced the case for gradual integration. The need to help Ukraine in its existential struggle has motivated the EU not only to increase its financial, humanitarian, and military assistance but also to remove barriers to trade and include the country in some EU policies, such as transportation and energy.[13] The EU's decision in March 2022 to offer temporary protection to refugees from Ukraine came close to granting free movement to 4 million Ukrainians.[14] The level of day-to-day engagement of EU and national officials in supporting and working with Ukrainian authorities exceeds any previous experience with other candidate countries.

Broad Support but Limited Ambition

So, the political case for gradual integration has become more urgent, and there is broad support for developing enlargement policy further in this direction. The European Council included this approach in its strategic agenda for 2024–2029.[15] Some member states have submitted working papers on this subject. The commission, too, has pledged its support in principle while pointing to the complex challenges of implementing this concept in practice.

Meanwhile, think tanks and nongovernmental organizations have come forth with concepts for what one report called "staged accession."[16] Most of these proposals would allow candidate countries to participate in some programs and policies and have partial access to structural funds before accession but would also limit the decisionmaking rights of new members during an initial period. The proposals aim at strengthening incentives for reforms while allaying existing members' concerns that the accession of candidates that are not fully prepared would disrupt the union's work.

These schemes have elicited some interest, but at present, EU member states and institutions appear disinclined to radically revamp the current approach to enlargement. For the time being, the only practical form of gradual integration consists of the continued implementation of the EU's Association Agreements and other initiatives for its neighbors. As will be seen, these initiatives, as currently conceived, are unlikely to unlock the full potential of gradual integration.

The Economic Case for Gradual Integration

The candidate and potential candidate countries remain economically distant from the EU, their reform momentum is faltering, and broader geoeconomic competition is growing. In this context, gradual economic integration could help drive faster convergence and reduce the temptation for candidates to deepen their economic and financial ties with non-EU partners. The case for this approach rests on three pillars: delivering significant economic benefits on the way to accession, given that the process now takes much longer than in the past; ensuring that sufficient measures are in place to offset the unintended negative effects of European integration; and adapting to today's geoeconomic context, which is fundamentally different from that of twenty years ago.

Delivering Economic Benefits

First, the current arrangements under the Stabilization and Association Agreements (SAAs) negotiated with the Western Balkan countries twenty years ago or the 2014 Association Agreements with the three Eastern candidates fall well short of the economic benefits of full single market access. Empirical evidence shows that EU membership significantly boosts a country's exports—often much more than an SAA does.[17] The candidate countries' trade integration remains partial, and without access to the full single market and regional value chains, their growth potential is constrained.

The scale of opportunity is enormous: The EU's nominal gross domestic product (GDP) is roughly one hundred times that of the Western Balkans, according to Eurostat data.[18] Removing barriers to trade and investment could catalyze export growth and spur industrial upgrading in the region. This is not hypothetical—the CEE countries that joined the EU in 2004 and 2007 experienced a dramatic convergence from 45 percent of the EU's average GDP per capita in 2000 to 80 percent by 2023, according to Eurostat data. In contrast, Western Balkan countries moved from 23 percent of the EU average to just 38 percent in the same period.[19] The trends in Ukraine and Moldova have been even less positive.

The success of the CEE countries was driven by pre-accession reforms, large inflows of EU funds, and foreign direct investment (FDI) in the tradable sector. By contrast, the current candidates have received much less investment and fewer reform incentives. A model of gradual integration—especially if linked to clear reform benchmarks—could set in train a positive and mutually reinforcing trend of improving competitiveness, institutions, infrastructure, and overall economic development.

Offsetting Agglomeration Effects

The second case for gradual integration is to offset the agglomeration effects that are happening anyway as part of broader European integration, whether or not candidate countries accede to the EU. These effects refer to the concentration of capital, skilled labor, and infrastructure in already wealthy regions. As the candidates integrate more deeply with the EU in terms of trade or labor mobility, they face the same challenges as the rest of Southern and Eastern Europe: strongly competitive firms at the EU core and the loss of large parts of their populations to places with higher wages. Yet, while EU members in the South and East receive substantial financial and technical support to help offset this trend, the candidate countries get much less.

Unlike most CEE countries, the current candidates have struggled to build robust manufacturing bases and attract strategic FDI. Their trade deficits with the EU are large and persistent. Liberalizing trade further—without compensating measures—may deepen these imbalances. To avoid this, the EU must provide substantial support to help candidate countries' firms compete in the single market. The EU should deploy funds to improve infrastructure, upgrade industrial capacity, and support digital and green transitions. The union should place a special focus on business competitiveness and support for small and medium-sized enterprises (SMEs) to close the productivity gap.

The design of funding flows must also reflect lessons from the CEE experience. Over the past two decades, EU cohesion funds have played a critical role in offsetting agglomeration effects. Extending this logic to the candidate countries through higher pre-accession funding would help manage structural imbalances.

Adapting to a New Geoeconomic Context

The third case for gradual integration is to recognize and react to the fact that the world in which today's enlargement is occurring is not the world of 2004. For one thing, the global investment environment has shifted. FDI into CEE, once a key driver of convergence, is plateauing. German investment, a traditional anchor, is increasingly flowing elsewhere. Nearshoring and friendshoring—the practices of relocating commercial operations to neighboring or friendly countries, respectively—offer theoretical opportunities, but data show little movement toward the candidates and potential candidates so far. Without active EU engagement and financial support, these countries may miss out entirely.

Demographics are also more challenging today than two decades ago. The candidate countries, like much of CEE, face population decline and labor shortages. These trends limit the region's long-term attractiveness to foreign investors and mean that EU support for infrastructure upgrades and incentives for reforms are even more important.

Geopolitical competition, too, is intensifying. China has stepped into the vacuum left by a slow EU enlargement process. Beijing is an increasingly important investor in some candidate countries. While some of this investment addresses infrastructure gaps, it often comes with governance risks, debt exposure, and strategic dependencies. A delayed EU response invites deeper engagement from geopolitical rivals and weakens the union's normative influence.

Challenges of Gradual Integration

While gradual integration offers many clear advantages, it also throws up legal, economic, institutional, and political challenges. If the EU is to fully use the potential of gradual integration, several complex issues have to be resolved.

The Integrity of the Single Market

Commission documents on gradual integration often refer to the need to protect the integrity of the single market and exclude cherry-picking or an à la carte Europe. The EU's insistence on the indivisibility of the four freedoms—the free movement of goods, services, capital, and people—has a long tradition, although it is not directly based on the union's treaties. As various elements of the single market are interrelated and tied together by horizontal rules, there are solid functional grounds for resisting fragmentation.

However, the experience of Brexit hardened the EU's views on this matter. Before the 2016 referendum on the United Kingdom's (UK's) EU membership, then prime minister David Cameron's attempt to limit the free movement of people met fierce resistance. After the referendum, the European Council took a very tough stance on the issue. In approving the guidelines for the Brexit negotiations in 2017, it stated that "preserving the integrity of the Single Market excludes participation on a sector-by-sector approach."[20]

Taken literally, this doctrine would severely limit the scope of gradual integration. It would allow candidate countries to participate only in projects and policies not directly related to the single market. However, even the commission's cautious documents on gradual integration do not seem to be based on such a rigid interpretation. Moreover, there are reasons to believe that the EU is no longer quite as strict on this issue as it was in the immediate aftermath of Brexit. As no other country followed the UK to the exit, the EU shifted toward a more pragmatic attitude. The Brexit withdrawal agreement's Northern Ireland Protocol, which covers the single market for goods but not for services, capital, or people, is a special case, as it is there mainly to safeguard the stability achieved through the 1998 Good Friday Agreement. But the 2024 agreements between the EU and Switzerland that cover much but not all of the single market are a clear indication of new thinking in this area.[21]

After the May 2025 UK-EU summit, which offered the UK access to the single market in the areas of energy and agri-food, the EU ambassador to London commented that the "no cherry-picking analogy was no longer helpful."[22] As the trauma of Brexit recedes, the EU seems to be moving toward a more flexible approach in developing its contractual relations with countries in its neighborhood. Even if such agreements do not encompass the entire single market, their internal balance of interests can benefit both sides.

What is more, the indivisibility of the four freedoms looks quite different when it concerns candidate countries on the way toward membership rather than states on the way out. In this context, sectoral participation in the single market can be considered to mirror post-accession transitional arrangements. After joining the EU in the early 2000s, the CEE countries were excluded from the full enjoyment of the free movement of people for up to seven years. If this arrangement was compatible with the principle of indivisibility, it should also be possible to include candidates in sectors of the single market before accession. If, for some reason, the process does not lead to membership, it will be up to the EU to decide whether to maintain the level of integration achieved at that time.

Open Legal Questions

Experts agree that the Association Agreements (including the DCFTAs) with Georgia, Moldova, and Ukraine offer a better legal basis for gradual integration than the SAAs with the Western Balkans. The SAAs were essentially about trade liberalization and were meant as a preparation for accession, which was expected to take place in a reasonable time frame. By contrast, the more recent Association Agreements explicitly aimed at candidates' gradual integration into the single market precisely because when the agreements were concluded, the EU was not yet ready to offer these countries a membership perspective.[23] The accords offer a more modern and more detailed framework for including the relevant countries in EU projects and policies. Paradoxically, the less ambitious objective of these agreements has turned them into a better instrument to achieve practical progress.

Legal experts disagree on how to remedy this difference, which amounts to a form of discrimination against the Western Balkans. Some suggest adding a protocol to the SAAs, which could be accomplished relatively quickly. As an instrument based on the EU's exclusive competence on trade policy, the SAAs could be amended without a long ratification process involving all the member states. Other lawyers believe that the necessary changes would affect the essence of the SAAs and thus require the full intergovernmental ratification process, which would take several years. Therefore, no concrete proposal has been made for such an amendment.

Other legal questions relate to the safeguards that would be necessary if candidate countries were included in sectors of the single market. Participation would require the candidates not only to accept the relevant parts of EU legislation but also to apply horizontal rules, such as those on state aid and competition. The European Court of Justice would have to play a crucial role in the interpretation of EU law. Possibly, the solution found in the 2024 agreements with Switzerland—of combining an arbitration mechanism with the EU court's exclusive right to interpret EU law—provides a model for overcoming this problem. When it comes to enforcing EU rules and standards, the union will be in a strong position, as it can always reduce or reverse the candidates' integration if major infractions occur.

Economic Risks

The primary economic concern with gradual integration is that it could exacerbate existing imbalances and intensify agglomeration effects, which can leave peripheral areas further behind, especially during market integration. If insufficient policy measures are enacted to offset the lifting of EU trade barriers and the easing of free movement of people, competitiveness and wage disparities will likely increase the candidates' deficits in trade and people with the EU. This could worsen the existing development trap.

It is true that the EU's reform agenda aims at mitigating these risks, for instance by improving the business environment. However, this will not suffice to neutralize the agglomeration effects. The EU and the candidates need to make sure that sufficient public and private funding goes to the affected countries.

The union already has a very powerful tool for this in the form of its cohesion policy, which addresses imbalances by investing in infrastructure, innovation, education, and institutional capacity in lagging regions. This helps them become more attractive to investment and better integrated into EU value chains. In the case of the CEE countries, sustained inflows of cohesion funds—often amounting to the equivalent of several percentage points of GDP annually—were crucial to support convergence with the EU average.[24] These funds not only financed physical improvements, such as roads and broadband, but also helped build administrative capacity and labor market resilience, enabling less competitive regions to catch up economically and participate more fully in the single market.

While the candidate countries' full participation in the cohesion policy may be unrealistic, the EU should seek to support them with the same goal. This kind of backing would be a central pillar of any successful gradual integration initiative. Additionally, targeted support—both financial and technical—for sectors that are especially vulnerable to increased competition, such as SMEs, can help them adapt to the challenges posed by integration.

Institutional Capacity

Addressing structural issues in candidate countries is essential to ensure that the benefits of gradual integration are realized. This includes strengthening institutional capacities and improving governance.

Most candidates still experience considerable constraints in terms of human resources and general administrative capacity.[25] Engaging in gradual integration can place an additional burden on already stretched administrations. They have to identify projects and policies in which the country would particularly benefit from early integration. This requires a detailed knowledge of the competitive strengths and weaknesses of the national economy and a good understanding of EU rules. Once the priorities are set and coordinated with the union, the administration has to prepare to take on the relevant EU legislation and ensure that the country's institutions can implement it correctly. And all this has to move forward in parallel with the normal work of the enlargement process.

The experience so far has shown that candidate countries that are reasonably confident of acceding to the EU within a few years are reluctant to take on this additional burden. It makes more sense for them to devote all resources to moving forward toward accession. By contrast, candidates farther behind in the line, which would benefit the most from gradual integration, sometimes struggle with its inherent technical complexity. Exploiting the full potential of gradual integration will therefore require substantive support for capacity building from EU institutions and member states. This should include exploring ways to incentivize qualified and experienced emigrants in the West to come back to work in government.

Administrative capacity can also be a constraint on the EU side. Taking gradual integration seriously means significant additional work for the EU institutions. Albania, for instance, has submitted more than 150 requests for "accelerated integration" into various EU projects and working areas, but the commission has so far addressed only a small fraction of these bids.[26] If gradual integration is to be upgraded, the commission in particular will need to deploy adequate human resources.

Political Conditionality

According to the EU's current enlargement methodology, the negotiation chapters most relevant to the rule of law form the so-called fundamentals—the cluster that is opened first and closed last in the negotiations. This is to ensure that progress on these issues is critical in determining the pace of the process. In theory, a generous offer of gradual integration could weaken this conditionality. The Letta report therefore rightly insists that such an outcome must be avoided.

Even a relatively modest level of participation in EU programs and policies will function well only if certain basic rule-of-law standards are guaranteed. Thus, the level of ambition for the inclusion of individual candidates will also depend on their progress on the rule of law. However, in the context of gradual integration, the EU can be more flexible than in the concluding phase of the accession negotiations. The risks are lower, because the union can always unilaterally terminate or reduce a candidate's level of inclusion if serious deficits in the rule of law occur. Threatening to withdraw tangible benefits should give the EU more leverage to counter backsliding than simply slowing or pausing accession talks.

Participation in the EU Institutions

Advocates of gradual integration emphasize the importance of involving candidate countries in the work of the EU institutions, in particular the EU Council and its working bodies. Proponents argue that this approach would familiarize the candidates with the EU's working methods, sensitize member states to the concerns of candidates, build trust, and strengthen cooperation between the two groups—and therefore encourage progress on enlargement.

The EU has from time to time invited candidate countries to such meetings. With Ukraine and Moldova, this has happened frequently in recent years in the context of crisis management; with the Western Balkans, it has occurred much more rarely. Invitations have always been issued on an ad hoc basis, and no systematic approach has evolved. This is mostly because the organization of the council's work is a prerogative of the country that holds the six-month rotating presidency. Presidencies that have a special interest in enlargement tend to provide for such meetings. Others avoid it, as they fear further complicating the management of already large and unwieldy bodies.

If enlargement and gradual integration move forward, more structured institutional engagement with the candidate countries will be needed. A candidate's participation in informal meetings could be gradually scaled up in parallel to progress on accession talks and/or focused on sectors in which gradual integration is taking place.[27]

Current Instruments of Gradual Integration

The record of gradual integration is quite asymmetric between the two dimensions of EU enlargement—Eastern Europe and the Western Balkans.

For Ukraine and Moldova, gradual integration is linked to efforts to support these countries in the face of Russian aggression. Hence, the EU has emphasized energy, transportation, and better access to the single market. Gradual integration in this region is helped by strong engagement by EU officials and member states as well as significant funding.

For the Western Balkans, the EU Growth Plan for the region offers some additional money and enables the countries to participate in selected EU projects in the hope of incentivizing reforms and boosting regional cooperation.[28] While some projects—in particular, the Single Euro Payments Area (SEPA), which harmonizes euro-denominated bank transfers—are valuable, they will not greatly increase enlargement momentum in the region.[29] Nor will they achieve the plan's stated objective to "integrate the Western Balkan partners into the EU's single market[30]".

Ukraine and Moldova: Gradual Integration as Crisis Management

The EU's actions to link Ukraine to EU projects and policies are inseparable from the union's overall efforts to support the country in its struggle against Russia's full-scale invasion. Thus, connecting Ukraine to the EU power grid in March 2022 was necessitated by Russian attacks on the country's energy infrastructure. When Russia closed the Black Sea route for Ukraine's grain exports, the EU opened alternative routes via rail, road, and inland waterways—so-called solidarity lanes. Associating Ukraine with the EU's infrastructure program, the Connecting Europe Facility, and extending the Trans-European Transport Network to the country were the logical next steps.

When Ukraine's economy faltered under the Russian onslaught, the EU boosted the country's exports by unilaterally removing most remaining trade barriers. Altogether, the union's support for Ukraine led to a much higher level of engagement and funding than has ever been offered to a candidate country. This also creates a solid basis for progress toward gradual integration.

Meanwhile, Moldova was also vulnerable to Russian threats. As with Ukraine, the EU has massively increased its support and engagement for Moldova in recent years, again focusing on energy and transportation connections with the West. There is a widespread understanding in the EU that what is offered to Ukraine should also be offered to Moldova.

The Deep and Comprehensive Free-Trade Areas

The DCFTAs form the primary instrument for bringing Ukraine and Moldova closer to the EU. The Association Agreements that established the areas, while technical in nature, were nonetheless highly politically sensitive.[31] Heavy Russian pressure prompted former Ukrainian president Viktor Yanukovych in 2013 to refuse to sign the agreement to create a DCFTA. This led to the Euromaidan protests that resulted in his downfall and triggered the geopolitical contest between Russia and the EU. Ukraine's new leaders signed the agreement the following year.

Essentially, the DCFTAs were designed to open the markets for goods and services for both sides by reducing tariffs and quotas and enabling trade. Unlike earlier Association

Agreements, those that include a DCFTA also provide for the gradual approximation of candidates' legislation, rules, and procedures to the EU's, with the aim of eventually allowing the partner countries to access parts of the single market. While the reduction of tariffs proceeded smoothly, regulatory alignment and institutional adjustment are inherently long-term processes.

The Priority Action Plan for Ukraine

To enhance the implementation of the DCFTA, the commission and Ukraine agreed in 2020 on a regularly updated Priority Action Plan with concrete targets for the coming years.[32] Beyond setting reform objectives, the plan provides for Ukraine's inclusion in projects such as Roam Like at Home, which allows Europeans to use their cell phones abroad without extra charges, and SEPA.

The plan also calls on the EU and Ukraine to prepare for negotiations on a mutual-recognition agreement that is a key condition for frictionless trade in industrial goods. This would allow Ukrainian businesses to be integrated into European supply chains. The envisaged agreement, which would cover low-voltage equipment, electromagnetic components, and machinery, is so far the only concrete perspective for Ukraine's inclusion in a part of the single market for goods. But it is hard to achieve, because it requires Ukraine to harmonize its legislation with relevant EU law, have the institutional capacity to implement it, and align with several horizontal EU policies, such as competition and state aid.

Ukraine has also joined the Single Market Program to support SMEs, the Erasmus for Young Entrepreneurs business exchange program, and the European Cluster Collaboration Platform, an online community for industrial clusters.

While the war in Ukraine has delayed aspects of the DCFTA's implementation, granting the country candidate status gave a strong impetus to the Ukrainian administration's work on EU integration. At present, the focus is on opening the first cluster in the negotiation process, which for the time being is blocked by Hungary.

Financial Support for Ukraine

After the full-scale Russian invasion, the EU massively stepped up its financial support for Ukraine. In 2024, the union launched a new instrument, the Ukraine Facility, which provides €50 billion ($59 billion) for 2024–2027.[33] The assistance aims not only to support Ukraine's recovery, reconstruction, and modernization but also to help the country in making the reforms needed on its path to EU accession. Disbursement is conditional on democracy, the rule of law, and respect for human rights.

The Growth Plan for Moldova

Moldova originally also had a Priority Action Plan, but in 2024 this was folded into the Growth Plan, a new instrument inspired by a similar mechanism for the Western Balkans.[34] In proposing the Growth Plan, the commission noted that the impact of the COVID-19 pandemic, as well as energy and economic coercion and disinformation by Russia, would hold up Moldova's progress toward European integration unless the EU significantly increased its political and economic support.

The new plan aims at accelerating reforms, enhancing Moldova's access to the single market, and increasing financial assistance through a dedicated facility amounting to €1.8 million ($2.1 million) for 2025–2027.[35] To benefit from this funding, Moldova is expected to prepare a reform agenda for these years; disbursement will then take place in parallel with progress on this agenda.

The Growth Plan for the Western Balkans

After a long period of stagnation in the enlargement process, the EU's Growth Plan for the Western Balkans, launched in 2023, is an attempt to accelerate the region's convergence with the union.[36] With up to €6 billion ($7.1 billion) in financial support, €2 billion ($2.4 billion) in grants, and €4 billion ($4.7 billion) in concessional loans, the plan aims to provide tangible benefits of European integration to the citizens of the Western Balkans well before their countries achieve EU membership. Through the Growth Plan, the union wishes to embed structural reforms in the region within a coherent, incentive-based framework. The mechanism is politically meaningful but procedurally demanding and administratively challenging.

At its core, the plan is built on four interconnected pillars: gradual integration into the single market, deepening of the Western Balkans Common Regional Market, acceleration of fundamental EU-related reforms, and financial support through the newly established Reform and Growth Facility. The ambition is to incentivize structural transformation by tying reform efforts to direct financial disbursements, thereby rewarding progress with concrete benefits.

The Reform and Growth Facility introduces a highly conditional approach. The EU releases funding only when agreed-on milestones have been reached and verified. Conditionality includes basic democratic and rule-of-law benchmarks, general governance standards, and reform-specific performance indicators.

One of the plan's major innovations is its explicit link between structural reforms and gradual access to parts of the single market. But the instrument's time frame, initially limited to 2024–2027, raises concerns about its ability to catalyze sustainable change without a longer-term vision or an institutionalized monitoring mechanism.

This doubt is visible if one considers the national reform agendas—the action plans submitted by Western Balkan countries to unlock the Growth Plan's funding. Comparing them reveals significant variation in ambition, design, and implementation readiness. Albania, Kosovo, Montenegro, North Macedonia, and Serbia have submitted detailed agendas, each comprising between thirty and thirty-seven specific reforms.[37] These agendas largely reflect shared regional priorities, including improvements in public financial management, digitization of public services, education and skills reform, and green transition measures.

For example, Kosovo is prioritizing the integration of its energy market and the digitization of its justice system, while Albania is pushing for tax administration reform and green economy incentives. North Macedonia has committed to thirty-seven reform projects across multiple sectors, focused on public financial control, administrative digitization, and anticorruption. Montenegro's agenda, while smaller in scale, includes critical reforms on vocational training, governance of state-owned enterprises, and digital transformation. Serbia's agenda, which comprises thirty-two reforms, features commitments to artificial intelligence regulation, energy liberalization, and management of state-owned enterprises.

Bosnia and Herzegovina is an outlier, having experienced delays in adopting its agenda because of internal political disagreements. Its reform plan is less developed. Limited institutional coherence and weak political commitment could derail the agenda's implementation, risking the country's access to parts of the earmarked funding.

Toward a More Ambitious Approach to Gradual Integration

The gradual integration of partner countries into the EU deserves special attention for three reasons.

First, in recent decades, the accession of new members was time and again delayed by inadequate preparation by the candidates, insufficient EU engagement, and recurring bilateral blockages by neighbors in the EU. A step-by-step opening of the union's programs and policies, linked to concrete reforms and supported by greater EU financial assistance, could help overcome some of these problems and provide new momentum for enlargement.

Second, the EU's current political divisions and the geopolitical challenges in its neighborhood make it highly likely that the union will have to move toward greater flexibility in its structures and policies, internally as well as externally. In view of the heterogeneity of the partners in the EU's region, there will be a need for variable levels of engagement and integration. The EU will therefore have to go beyond its doctrine of the indivisibility of the four freedoms and accept a more pragmatic interpretation of the integrity of the single market.

Third, it is probable that not all ten countries currently aiming to join the union will actually become members. In the past, the EU has found mutually beneficial ways of including such countries in some of its policies: the European Economic Area, which comprises the EU plus Iceland, Liechtenstein, and Norway; the passport-free Schengen Area, which includes a similar set of countries; and the 2024 agreements with Switzerland. As EU enlargement becomes more challenging in the age of geopolitics, such schemes will gain even greater importance.

The increasing focus on gradual integration in recent years is therefore to be welcomed, and the overall experience so far has been encouraging. However, the policy is currently implemented in a very cautious manner and, as such, is unlikely to deliver on the core objective of gradually including the partner countries in the European single market. There is a clear need for the commission and the member states to consider a more ambitious approach. The following ideas are meant as an input to such a reflection.

Ideally, gradual integration should proceed in close coordination with **progress on accession negotiations**. Once a chapter, or a cluster of chapters, is closed and the commission and the council assess that the country concerned is ready and able to comply with the relevant EU legislation, the candidate should be allowed to participate in the respective policy. This should include taking part as an observer in relevant meetings of the council.

While synchronizing gradual integration with the accession negotiations should be the rule, the EU should also provide the option of **sectoral integration** when accession talks are blocked or even abandoned, if it is in both sides' interest to do so. In these cases, too, the partner countries should be involved in the relevant work of the EU institutions, possibly through regular consultations.

Gradual integration should, from the beginning, involve more regular and structured **institutional engagement** with candidate countries. This would send a stronger signal than the EU's present practice of sometimes inviting candidates on an ad hoc basis to informal meetings of the council and other working bodies. The EU could scale up its engagement incrementally in parallel to progress on accession talks and gradual integration.

Candidates' insufficient **administrative capacity** is one of the biggest constraints to exploiting the potential of gradual integration. A more ambitious approach therefore requires the EU to limit the procedural and bureaucratic burden involved as well as ramp up the commission's and the member states' programs to support institutional capacity building.

Sectoral participation in the single market will require not only the implementation of relevant EU legislation but also adequate standards on **the rule of law**, without which such participation cannot function well. EU decisions on opening parts of the single market need to take this factor into account. In cases of backsliding, the EU should be able to reverse or reduce a partner country's participation in EU integration.

The inclusion of the candidates' industries in EU **supply chains** would be particularly helpful for economic development. The EU and the candidates should therefore prioritize early access to the free movement of goods in sectors where the candidates may have a comparative advantage. As this step demands complex legal and institutional adjustments, it will require proactive engagement by the commission and the member states.

Investing in concrete **infrastructure and communication** links to connect the candidates to the EU is one of the most promising ways of integrating them into the EU economy. The Energy and Transport Communities, to which EU members and most candidate countries belong, aim at extending to the Western Balkans and Eastern Europe the EU's legal framework in two areas that are crucial for economic development. However, progress on aligning national legislation with the EU's norms has been very slow. Both communities could become more effective if the EU provided more financial assistance for infrastructure projects.

The EU should harmonize its **two dimensions of enlargement**. Experts agree that the SAAs with the Western Balkans offer a weaker legal basis for gradual integration than the Association Agreements with Georgia, Moldova, and Ukraine. The commission and the council should rectify this imbalance by amending the SAAs or adding a protocol to them. According to some experts, this could be done on a legal basis that avoids a lengthy ratification process involving the member states.

As **military security** moves to the top of the EU's agenda, and given that the security of the candidates is closely tied to that of the members, the EU should consider extending gradual integration to its programs in this area; these include the European Defense Fund, the European Defense Industry Program, and Readiness 2030.[38] Opening these policies should be tied to each country's alignment to the EU's Common Foreign and Security Policy.

Finally, a more ambitious approach to gradual integration will require greater **financial support** from the EU. Currently, candidate countries receive only a fraction of the financing available to new members. In its next multiyear budget, the EU should significantly reduce the funding differential between candidates and members. The union should offer candidates gradual increases of funding in parallel to progress on reforms and gradual integration. A bigger carrot would also be a powerful incentive to build the institutional capacity necessary to absorb these funds successfully.

About the Authors

Stefan Lehne is a senior fellow at Carnegie Europe, where he researches EU institutions and reforms and the development of EU foreign policy. He is also a Europe's Futures fellow.

Zoran Nechev is a policy and advocacy fellow at Think Europe and a Europe's Futures fellow.

Richard Grieveson is the deputy director of the Vienna Institute for International Economic Studies and a member of the Balkans in Europe Policy Advisory Group.

Notes

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