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# THE MODEL OF STAGED ACCESSION TO THE EUROPEAN UNION

## ADDRESSING THE FOUR KEY CONCERNS



Think *for* Europe Network

The **model of staged accession** has captured some attention in the discussions on the future of the EU enlargement policy. Initially published in October 2021, the proposal has so far inspired several cross-European **debates**, and gained support by numerous members of the expert community as well as some policymakers. Although the proposal has had a promising start, it is yet to gain recognition by the EU institutions and wider support from EU member states. Finding consensus on such an out-of-the-box solution becomes all the more warranted at the time when the enlargement process seems to be at an impasse. In order to take a step closer towards overturning the status quo, this paper discusses the doubts and concerns about the model that have been raised in the discussions held to date.

### From a paper exercise to a truly new momentum for enlargement

The basic premise of the staged accession model is built upon the fact that the two-decade long approach to enlargement has not produced the desired result to transform the Western Balkan countries and make EU membership an attainable prospect. As a result, some countries continue to stagnate whereas others even backslide in terms of their reform pace. For example, the Freedom House's "Nations in Transit" 2021 **ranking** depicts all Western Balkan countries as hybrid regimes. The lack of EU perspective has also opened the door to **external actors**, such as China, Russia, Turkey and United Arab Emirates, to keep extending their foothold, at the cost of EU's political, economic, and societal leverage in the region. The sense of stagnation, in parallel, risks proliferating deep Euro-disillusionment among citizens, particularly in Serbia. The combination of these circumstances do not make it any easier to address the increasingly visible destabilisation trends, which are most notably detected on Bosnia and Herzegovina. The Western Balkan region is, therefore, evidently in dire need of an alternative solution to the alarming present state of affairs.

Although a window of opportunity was created when **the revised enlargement methodology** was introduced by the European Commission in 2020, and endorsed by the Council of the EU in 2021, it has so far failed to instil substantive change into the enlargement process. The fact it introduced the opportunity for Western Balkan countries to be gradually integrated into EU policies and programmes – including possible observer status in relevant EU meetings on matters of substantial importance to them – seemed, at first, as something that could give a new impetus to the entire

process. One year later, however, none of the countries have been newly integrated into any EU policy or programme, nor has any of them gained access to relevant EU meetings. This is the consequence of the fact that the Commission has not given any official proposal or roadmap on how to operationalise the gradual integration. At present, it seems that the windows that the new methodology initially opened have already closed and the region is left to the old accession-related instruments, now slightly repackaged.

Realising that momentum needs to be created rather than awaited, think tanks - notable the European Policy Centre (CEP) in Belgrade and the Centre for European Policy Studies (CEPS) in Brussels - took the initiative to offer a way forward by envisaging and detailing the staged accession model.<sup>1</sup> This model allows for overcoming the existing "in/out" approach to enlargement by introducing accession in 'stages': two pre-accession stages (Stage I – Initial Accession Stage; and Stage II – Intermediate Accession Stage) and two membership stages (Stage III – New Member State Stage, and Stage IV – Conventional Membership Stage). The idea is to extend the 'carrot', by envisioning a graduation of degrees of participation in the institutions and access to increasing financial assistance for those who meet the conditions for each stage. Most notably, in the third stage, new member states would be subject to limited voting rights in the Council (granted only in matters decided by QMV) and they would not be able to propose a member of the Commission and a judge in the Court of Justice. For this proposal to produce substantial changes in practice, any decision to increase the level of participation and share of funds would need to be based on a more detailed, coherent, and quantifiable methodology for properly monitoring and assessing the political and rule of law reforms.<sup>2</sup>

Recognising that conditionality has been at the core of EU's approach to reforms in the past, whereas it appears to have **lost its potency** to induce changes or sanction the lack of reforms today due to the prolongation of the entire process and lack of tangible benefits, the model also envisions strengthening the conditionality mechanism.<sup>3</sup> It stipulates that if average ratings fall significantly below the established norm or quantifiable rating, it would correspond both to lower levels of institutional participation and funding of the acceding country. For it to be effective, the model proposes that matters of regression should be decided via qualified majority voting (QMV) of member states.

1. Michael Emerson, Milena Lazarevic, Steven Blockmans, and Strahinja Subotic, "A Template for Staged Accession to the EU," Centre for European Policy Studies (CEPS - Brussels) & European Policy Centre (CEP - Belgrade), 2021, available at: [www.ceps.eu/ceps-publications/a-template-for-staged-accession-to-the-eu](http://www.ceps.eu/ceps-publications/a-template-for-staged-accession-to-the-eu) or [www.cep.org.rs/en/publications/a-template-for-staged-accession-to-the-eu](http://www.cep.org.rs/en/publications/a-template-for-staged-accession-to-the-eu)

2. The performance of the applicant states would need to be monitored for each chapter, going beyond the present qualitative assessments, with the addition of quantified ratings, for example in the range from 0 (no implementation of EU acquis and other standards) all the way to 5 (good implementation of EU *acquis*).

3. As a consequence, although there may be improved levels of formal compliance in the region with the EU *acquis*, this does not translate into positive developments with regards to democratic performance in practice. Moreover, the fact that the activation of **the imbalance clause** requires unanimity in the Council of the EU explains why it has never been used so far, despite the obvious stagnation or even backsliding in some countries of the region.

By simultaneously extending both the stick and the carrot, the aim of the model is twofold. On the one hand, by providing gradual institutional access and financial benefits along the way to EU membership, it incentivises political elites of the Western Balkans to engage in reforms, while simultaneously sustaining and boosting pro-EU sentiments in the region. On the other hand, by taking away the ability of new member states to vote when unanimity is required, and proposing enhanced conditionality mechanisms, it dispenses the legitimate fears of many in the EU that new member states could potentially undermine the functioning of the Union. In short, the implementation of this proposal has the potential to restore reform and integration incentives, while retaining safeguards for key concerns of existing member states and preserving the legal order of the EU.

## Deflating the concerns

It would not be an exaggeration to argue that any proposal introducing substantial change to EU's *modus operandi* often draws concerns whether and to what extent it risks causing undesirable turbulence of the status quo. In a way, this is legitimate fear, as each and every decision that is related to the legal order and relevant practicalities requires unanimous approval of 27 member states whose interests and viewpoints may diverge. Despite this inherent inertia of the EU, it nevertheless keeps channels for communication and advocacy open – at least to the sufficient extent necessary to allow relevant stakeholders to present and potentially inspire new ideas into its functioning. The same has happened with the model of staged accession, with some stakeholders being rather explicit about their approval of the proposal, whereas others readily expressing their genuine concerns about whether and how it could be implemented in practice. Considering the feedback acquired from relevant stakeholders, the following sections present the key doubts, with the aim to address them systematically and argue that the model has a realistic perspective of being fully implemented in practice.

### Concern 1: “It is questionable whether and how it would be legally feasible”

The EU is a *sui generis* entity whose foundations were established with the founding treaties and later further developed via secondary legislation, as well as some protocols and declarations. It is a community of law. Therefore, taking a look at legal considerations is a good starting point to test the credibility of any proposal – including this one. So, how does the model of staged accession fit within the EU's legal order?

The staged accession model directly builds upon [Article 49](#) of the Treaty on European Union (TEU), which is the single provision in the treaties serving as the legal basis for accession. Although the first two accession stages entail gradual access to EU institutions, the relationship with candidates would in these stages continue to rely on the stabilization and association agreements that are already in place. So far, the EU has had [enabled](#) for a political dialogue with the acceding countries to take place via the Stabilisation and Association Parliamentary Committee and the Stabilisation and Association Council, all while allowing for meetings to take place, when necessary, with the Council Presidency and High Representative for the Common Foreign and Security Policy. This showcases that further integration of the region into the EU would not be something that would take place out of nowhere, as it would build upon the existing levels of institutional cooperation and financial assistance.

For more meaningful pre-accession institutional cooperation to take place, further steps forward need to be taken by relying on the existing precedents. There are non-EU mem-

ber states cooperating with and participating in Schengen Area and Permanent Structured Cooperation (PESCO), as well as European Border and Coast Guard Agency (Frontex) and the European Union Agency for Law Enforcement Cooperation (Europol). This is made possible based on international and administrative agreements. When it comes to the core EU institutions, the European Parliament has traditionally allowed members to be delegated as [observers](#) upon signing the Accession Treaty. This enabled the delegated members to attend plenary sittings (without speaking and voting rights) and committees and delegations (with speaking and without voting rights) prior to the ratification and official completion of the accession process. All of these examples should be taken into account when considering the proposal to allow more substantive participation of candidate countries in the work of various EU institutions in the staged accession approach.

Although Stage I and Stage II would introduce some changes to EU's approach to the region, the key change from the legal standpoint would take place between Stage II and Stage III. As with previous accessions, any further accession would also be rendered via the Treaty of Accession. Yet, unlike the previous enlargement cycles, becoming a new member state in Stage III would come with voting limitations in the Council of the EU (no veto right), and limited institutional participation in the European Council, European Commission, and Court of Justice of the EU. These limitations would be detailed in each accession treaty signed between, and then ratified by, the EU member states and acceding countries.

Accession treaties set out the conditions and arrangements regarding accession, including the rights and obligations of the new member state as well as adaptations to the EU institutions. As they are effectively international treaties signed and ratified by the EU, all member states and the acceding state, they have the same legal status as the EU's founding treaties. Therefore, they have the capacity to temporarily derogate certain provisions of the founding treaties for the newly entering states – most importantly those that regulate membership in the European Commission and the Court of Justice, as well as voting rights in the Council of the EU. Temporary derogation of certain rights of new member states is nothing unprecedented: in fact, the 2004-2013 wave of enlargement entails numerous transitional measures that were detailed in the accession treaties. Limitations of the full membership rights would be made temporary, but would still need to extend to a sufficient time period for a new member state to prove that it has fully met all membership criteria and ensured sustainability of the reforms.

### Concern 2: “It would create second-class member states”

As the general understanding of EU accession also implies full access to membership rights and benefits, many would want to avoid creating a second-tier membership. Stakeholders within the EU might oppose it out of fear of creating a multi-speed Europe, while those in the Western Balkans would want to avoid seeing themselves as “second-class citizens” of the EU. Yet, although the acceding countries in the previous cycles did legally become equal partners to their older counterparts in the EU, not all of them have acquired the same rights and obligations from the moment of acquiring membership. In that regard, the Schengen Area and the Eurozone represent areas of closer integration which cannot be accessed with automaticity, but rather and only after certain and additional conditions are fulfilled in the period after the accession to the EU. Moreover, there have already been transitional arrangements in force, that is, temporary derogations from EU rules on free [access of workers](#)

from Croatia (as well as [previously](#) from eight out of ten countries from the 2004 enlargement and two from 2007 enlargement), to the labour markets of (certain) member states over a seven-year period following accession.

The EU also opted for tailor-made solutions in cases where candidate countries faced particular reform problems and were seen to need additional time to ensure either full implementation or sustainability of reforms, particularly in the rule of law area. The introduction of the [Cooperation and Verification Mechanism](#) as the post-accession monitoring and conditionality mechanism for Bulgaria and Romania is the case in point for such EU's originality. Despite numerous points of criticism for this policy in the expert community, Bulgarians and Romanians hold [positive views](#) of these measures and see them as mechanisms that keep their politicians in check. Each time these 'limitations' were first introduced, they represented EU's ingenuity to act for the sake of assisting the aspirant countries join the Union. That is why it is uncommon today to hear that Romania or Bulgaria, for example, are second-class member states. The similar logic could be applied for the Western Balkan countries within the framework of the staged accession model.

From the societal perspective, the fact that the Western Balkan citizens would obtain EU citizenship in Stage III also speaks in favour of the argument that no second-class membership would be created. Like EU citizens from conventional member states, citizens from new member states would have the right to enjoy the four freedoms which are integral to EU's vision and basic functioning, even if some of the temporary limitations seen in the past are repeated for the Western Balkan countries. Citizens of new member states would also have the right to EU passport, right to vote and stand for elections in the European Parliament and local elections in other EU member states, as well as be employed in EU institutions. This way, no form of discrimination would be introduced. By extending these benefits to citizens from acceding countries, there would be no reason to argue that they could be labelled as second-class citizens.

The legitimacy of the model would be quite solid due to the fact that its implementation requires prior approval both by the EU27 and the individual Western Balkan countries. Ideally, by having the leaders of regional countries themselves deciding to agree on the EU temporarily restricting certain institutional rights to new member states, the model would avoid creating a situation in which any restrictions would be introduced due to pressure from conventional member states to do so. In other words, as the intention is to make this a two-way process, there would be little room for Eurosceptics in the region to argue that their countries are being dragged into having a second-grade status. Proper communication to citizens during the Stages I and II regarding both the benefits and the temporary limitations introduced through the staged accession model would minimize the prospects of a public backlash once their countries become members of the EU in Stage III.

### Concern 3: "It would be too costly to accommodate accession in stages"

Although the countries of the region would be net-recipients, the small size of their economies reduces the concerns that the staged accession model would be highly costly for the EU27. In fact, the [combined nominal GDP](#) of all countries of the Western Balkans is just about the size of Slovakia's. From the perspective of the two accession stages, i.e. Stage I and Stage II, the funding would match 50% and 75% of the conventional membership funding accordingly. Meanwhile, only with Stage III, after the Accession Treaty is signed, the acceding countries would acquire equal access to funds as

other member states. Considering the proposed gradual and merit-based access to each of the stages, the amounts of funding would certainly not drastically increase in an instant, particularly considering that the current pre-accession levels of funding already roughly average to 25% of conventional member-state funding.

Some preliminary estimations can already be made when it comes to considering how EU's allocations would increase per Western Balkan country according to the staged accession model. For instance, Montenegro's economy can roughly be estimated to match the size of Malta's – a country which was [allocated](#) with €990 million during a seven-year period (out of which it has spent only 54% of the available funds). Sticking to the same example, while considering that Montenegro has already [received](#) €280mn (IPA II, 2014-20), it would mean that this Western Balkan country would obtain an estimated € 495mn in Stage I, and €743mn in Stage II. As EU's structural funds [amount to](#) €400 bn, the amount for Montenegro in Stage III would amount less than 0.25% of the EU's total cohesion budget. By applying the same method to the rest of the Western Balkans, it quickly becomes clear that providing gradual access to EU funds, according to the staged accession model, would come at a minimal budgetary cost for the conventional EU member states. At the same time, the increased funding levels would be of critical importance in supporting the region's socio-economic development and closing of the convergence gap with the EU27 in a timely and gradual manner.

From a political standpoint, one could also make the case that going beyond the existing pre-accession funds (IPA) is a price worth paying. In the past few years, there's been an increased [involvement of external actors](#), primarily China, which are able to [inject](#) notable amounts of funds (investments and loans) into the economies of the region. This, in return, makes the countries of the region more dependable on these external actors, all the while diminishing EU's economic foothold which has long been undisputed in the region. By opening additional funds, the EU has the opportunity to fully secure its position as the key economic player in the region, and thus further strengthen the European strategic autonomy, while simultaneously and genuinely contributing to socio-economic transformation of the region. Acting from such position could not only boost Euro-optimism in the region, but would at the same time incentivise the political leaders to fully commit to comprehensive (and often painful) reforms.

Even if there was a consensus that it pays off to provide further financial opportunities in stages to the region, some would nevertheless argue that the Multiannual Financial Framework (MFF 2021-27) has already been sealed and that there is nothing one can do about it. Yet, this is not the case in practice. Taking a look at Croatia is worthwhile. Namely, no funds were originally dedicated to accommodating potential new members within the 2007-2013 MFF. Once it became clear that Croatia would manage to open and close all negotiating chapters on time, the EU took a decision to [adjust](#) the MFF and to take account of the expenditure requirements resulting from its enlargement in 2013. The same could take place in case the Western Balkan economies make progress in the course of the current MFF based on the staged accession approach. If there is political will, member states have no legal hurdles stopping them from putting money where their mouth is.



## Concern 4: “It could disincentivize the acceding countries to pursue full or conventional membership”

Considering the nature of the staged accession model, some stakeholders raised fears that leaders of the region might be happy with the benefits derived from stages that precede the final stage, particularly with the funding levels of 50% in Stage I and 75% in Stage II of what they would receive as conventional member states. As a result, they would stop the reforms at the earlier stages (with an average rating 3 out of 5 in Stage I and 4 in Stage II), without fully abiding by the Copenhagen criteria, and still be paid for it. However, the template for the staged accession model envisages access to these benefits as conditional on the progressive advancement towards the EU, and otherwise, on the application of reversibility mechanisms. Thus, any stagnation or even backsliding would not be tolerated as it would then be up to the conventional member states to withdraw funding levels or even go as far as to reverse the status of the acceding country to a lower stage. The possibility of having the previously gained financial and institutional benefits taken away would therefore serve to dissuade local leaders from reform stagnation.

Reasons for concern would diminish by the time the acceding countries would meet criteria to join Stage III. Namely, in this stage a country would already have almost complete level of implementation of the *acquis* (average rating 4.5 out of 5), which means it would already be properly prepared to become a new member state. Potential stagnation at this stage would thus not cause damage to the EU’s legal order or values, as the aforementioned level of reform implementation would probably outmatch the level of democratic consolidation of some of the current member states. In fact, this stage would be regarded, in a way, as *avant-garde* in that the exclusion of new member states from veto voting power would take them closer to where the EU would like to get to in due course when unanimity requirements are progressively reduced using the “*Passerelle clause*” introduced by the Lisbon Treaty. Encouragingly, the leaderships of France and Germany have very recently gone on record advocating the *extension* of qualified majority voting at the expense of veto powers, which fits perfectly with the idea of Stage III as *avant-garde*, alongside the agenda for the Future of Europe. Underlining this point, Stage IV would in time, with progressive reform within the EU, be converging on Stage III.

Meanwhile, as countries of the Western Balkans could progress at different pace in case of implementation of the proposed model, this could encourage positive competition among them. Namely, if one country starts lagging behind and thus risks losing the acquired rights, whereas another advances and gains additional benefits, this might nudge the citizens to demand accountability of their respective government in case of lack of reforms. By taking a look at the benefits enjoyed by their counterparts in neighboring countries, the local population, as well as political opposition, would have the room to emphasize the need to stick to EU’s values and policies, considering that these benefits would be more visible and tangible than ever before. By making

the EU perspective into something attainable and credible, there is potential to create a fertile ground for increased scrutiny of government’s actions and citizen engagement – something which is currently visibly lacking.

## What can Germany do about it?

Flying new ideas across the EU’s horizon is always a bold attempt. This particularly applies to the model of staged accession, since it stipulates an alternative method of addressing a relevant EU policy such as enlargement. Germany has always been a strong promoter of enlargement, first to the Central and Eastern Europe, and now to the Western Balkans. As such, its launch of the Berlin Process back in 2014 was a notable initiative when it comes to providing incentives to stabilisation and reconciliation efforts in the region. Building upon this experience, which has also allowed civil society to voice its concerns and provide ideas, Germany now has the opportunity to help revive the dormant process it has so vehemently supported in the past.

As a member state which has been supporting further integrative processes of the Union throughout the past decades, Germany has little reason to be sceptical of attempts to change something which is obviously ineffective. At best, the model could indeed bring an end to the enlargement impasse (which would serve both the EU’s and Germany’s interests); at worst, the proposed changes would not produce the intended results and thus result in prolongation of the status quo. In any case, Germany has nothing to lose but all to gain by endorsing this proposal. So far, the leaders from North Macedonia, Albania and Serbia, have already publicly and jointly *endorsed* a some sort of “phased-in accession”, whereas Montenegro has similarly albeit separately *affirmed* the importance of identifying “early integration measures” that would precede the membership. This showcases that a potential future endorsement of the staged accession model by Germany and other EU member states would not be witnessed by the candidate countries as inappropriate and intrusive.

Germany’s positioning on this model becomes all the more warranted considering that the adoption of the 2020 revised methodology has proven to be an exercise with little practical implications. Focusing on light reforms would be, therefore, in no-one’s interest, as the region and the EU have both lost a significant amount of time trying to fix something that cannot be fixed under the existing circumstances. This is, in fact, recognised by some member states, which is why they have already shown appreciation of the model of staged accession. Yet, they are unprepared to publicly endorse it, as their key concern is whether Germany would be willing to follow suit. In order to overcome any potential puzzlement, Germany has solid interest in at least engaging in direct and active dialogue with its peers in the EU and the region on this matter. For this to happen, getting out of the comfort zone is needed, particularly as big issues require bold solutions. As bold ideas are often met with a dose of scepticism which needs to be overcome, the model intends to produce a ripple effect of enlargement enthusiasm which may best be summarised with the following: “Perpetual optimism is a force multiplier”.<sup>4</sup>

4. Quote by Colin Powell, former US State Secretary