

April 2023

NORTH MACEDONIA



The Staged accession model in practice – Addressing the challenges ahead for North Macedonia?

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Introduction

North Macedonia is a prime example of a candidate burdened by disputes with its neighbouring European Union (EU) member state(s). As a result of (mis)use of the veto power, the start of accession talks with the EU had been halted for over 14 years. In lack of continuous impetus, North Macedonia has lingered to deliver credible reforms and sustainable reforms and prove that it is only the unresolved bilateral matters standing on its way to become a full-fledged EU member. Even after two and a half decades of formal engagement with the EU, the European Commission assesses that the country is moderately prepared in terms of the requirements set in the Copenhagen criteria.

This paper explores the application of the Staged accession model (the Model) and its features in respect to its ability to address the specificities of North Macedonia's accession path to the EU. Section I addresses the shortcomings of the current EU approach under the revised methodology. Section II discusses whether and how the Model can contribute to addressing the country specific issues. A stakeholder analysis that identifies and discusses the importance of relevant actors, political parties and institutions who might be favouring or opposing the Model is elaborated in Section III. The paper concludes with a discussion on the next steps North Macedonia has to take in order to enter stage I and stage II as foreseen in the Model.

Identifying the drawbacks of EU's overall approach to enlargement

The (mis)use of bilateral issues in the accession process of North Macedonia has been damaging for both the country and the EU. In view of the country officials, North Macedonia would have inevitably been better **harmonised** with the EU *acquis* had the Council reached a consensus to start accession talks earlier. The resolution of the dispute lasted for too long, and it took its toll – from **democratic backsliding** under the right-wing VMRO-DPMNE realm to **exhausting political capital** of the pro-European Social democrats. The unfulfilled promises from EU side have caused disillusionment in the public eye on what the true accession criteria are, while the trust in the EU is eroding.¹ There is an increasing sentiment that the EU membership perspective as an anchor in campaigning for reforms is losing its leverage.

Whether or not the 2020 revised methodology will address these issues remains questionable. The EU is yet to expound how accelerated integration to EU policies and programmes will be implemented, so it remains unclear how reform dynamics would be incentivised in the mid and long term. Moreover, whether and how a strengthened conditionality mechanism would be implemented in practice is still not clear. The latest country report did not provide for better guidance on reform priorities or corrective measures as foreseen in the revised methodology. It rather sent a positive general signal that better overall progress has been achieved than previous years, even though that was **not the case** for most of the chapters.

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Above all, the call to **abstain** from misusing outstanding issues in the accession process was never operationalised. Bulgaria blocked the start of the negotiation talks for two years in row. The “French proposal” was accepted only after it formally incorporated Bulgarian demands in the negotiation framework. As a result, the constitutional changes **condition North Macedonia to finalise the phase of opening of accession negotiations**. Moreover, there are no guarantees that Bulgaria would again hinder the process in later stage on the same grounds.

Enter: Staged accession model – addressing the risks and embracing the opportunities

Country Issue 1: Bilateral issues with Member States

The application of the Staged accession model in the context of North Macedonia may be halted from very early phase. Even if the country meets the necessary criteria, which are at grasp (see section 4), only a qualified majority vote in the Macedonian parliament on the constitutional amendments would allow for opening accession talks and enter Stage I. The benefits foreseen by the Model would however raise the stakes. One could argue that more EU funds and access to EU institutions could be an incentive towards dispute resolution. But the pressure will be only on North Macedonia. It is hard to expect that further concessions than the ones already agreed upon would be possible even if the benefits from Staged accession are well received in the public discourse. Moreover, the “carrot” should not be an instrument for single member state(s) to leverage on its demands imposed on an acceding country.

¹ A recent poll reveals an increasing number of citizens (34%) consider **neighbouring countries' obstructions** to be the reason why the country is not an EU member. In 2021, 13.1% of the citizens consider the EU as the country's **biggest ally**, compared to 43.2% in 2019.

In light of the above, it could be argued that these risks were anticipated by the Model's authors. The Template has explicitly called for "*robust EU policy geared towards the resolution of bilateral disputes and issues of statehood in the region*". With the Prespa Agreement and the Friendship Treaty, including the so-called "annual reviews and measures" incorporated into the negotiation framework, Greece and particularly Bulgaria are in a **position** to add new conditions or deliberately use the veto power again. The peculiar case of North Macedonia only shows that an EU policy on bilateral issues that would supplement the Staged accession model must incorporate robust mechanisms to incapacitate member states from misusing their position to promote their own (nationalistic) interests throughout the process.

Country Issue 2: Lack of sustainable reforms and capacities

North Macedonia kept aligning its legislation with the EU *acquis*, including in the area of Fundamentals. According to own quantification of Commission's **annual country reports**, the country is almost on par, in terms of overall level of preparedness, with so-called "frontrunners". Yet, as is the case with Montenegro and Serbia, the practical results are limited. Even in the areas where the country is aligned with the *acquis*, the **capacities of central bodies** responsible for adoption and implementation of EU policies, including the ones responsible for managing EU funds remain an issue of concern. Institutions have even been downgraded in terms of their capacities and functioning, while inter-institutional cooperation remains a serious problem. At least two implications of this "walking in place" exercise should be considered when applied the staged accession model in the case of North Macedonia. It should be noted that North Macedonia has not used all the funds available at the moment. One could expect, however, underuse of further funds at least in the short term.

The political engagements in the Council and other EU bodies as well as the financial incentives, as foreseen by the Model, would put pressure for decision makers to stick to their commitments. The mechanisms to grant and revoke rights and benefits would serve as a carrot and stick for the country to further align and implement the *acquis*. This could lead to credible reforms in the cluster Fundamentals and horizontal and sectoral *acquis* in other clusters as well. The early participation in EU institutions would be motive, while the EU funds the mean for the government to strengthen the capacities of relevant institutions in terms of planning, programming, implementation, monitoring and control of EU funds.

But while it provides for clear incentive structure, the Model could further elaborate the obligations structure. The rights and obligations derived from the *acquis* for both for North Macedonia, and the EU and member states are not very well defined, particularly for stage I and II. With no accession treaty in place, the EU may not have a sound legal base to ensure compliance with EU law. Thus, the Model could re-think existing or provide novel instruments that would serve for clarity on how each stage and grade translated in terms of what a candidate country has to deliver in practice and how it would benefit the citizens and businesses beyond additional funds and participation in institutions. This could translate in clear definition how each stage and grade translated in terms of what a candidate country has to deliver in practice. Clear result-oriented **benchmarks** for each stage should guide candidate country governments on what has to be done to meet the requirement(s) on a given stage. Otherwise, the risk that country would lack sufficient application of the EU *acquis* may be a plausible outcome.

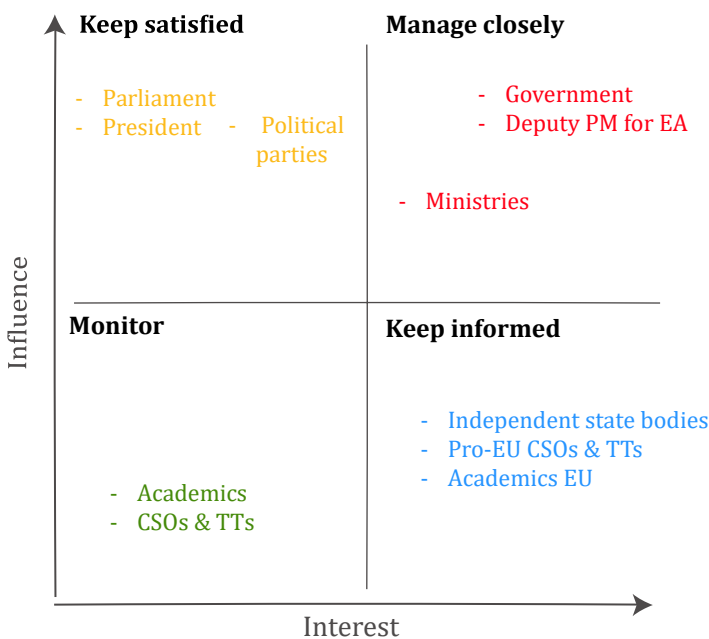
Stakeholder Mapping

The stakeholder mapping is conducted using a power-interest matrix. The power reflects the ability of an actor to affect, stop or change the primary direction and approve the Model entirely. The interest reflects the ability of the Model to affected actors or whose work would be affected by it. The analysis identifies stakeholders and determine which are crucial to aligning the project’s aims. Stakeholders and can be visualised by two-dimensional stakeholder mapping.

High-power/high-interest

The Government competence, among others, is to define the EU accession process strategy. The Secretariat for European Affairs is tasked on implementing and coordinating activities related to the accession process. The **Deputy Prime Minister for European Affairs** leads the Secretariat and serves as the Chief Negotiator therefore s/he should be managed closely with greatest efforts to gain his support. The previous holder of this post, together with the Open Balkan trio has **called** for *advanced integration* as per the new enlargement methodology. At a recent public event, the standing Deputy Prime Minister has **promoted** the Model citing that North Macedonia should adjust to the obvious enlargement fatigue in the EU.

Chart 1. Stakeholder Matrix



The **ministries** individually may not have high influence, but have power to influence and decide on the course of the accession process in the Government. Ministries would have to step up the efforts in implementation of already harmonised acquis in their respective sector, but would also benefit from EU funding that could support building institutional capacities or robust policies. Majority of the ministries in Macedonian government have EU integration sectors which could be primary target of future advocacy activities on technical level. As the Model foresees socialisation with member states in different Councils formations and having a say in the legislative process, the model may be of interest even on highest ministerial level.

Of particular importance may be the **ministries leading working groups** on cluster level as per the adopted negotiation structure. As auxiliary bodies of the SAA Working Committee, the working groups are directly involved in the bilateral screening, draft negotiating positions, conduct assessments and monitor the accession process on technical level.² No matter if the Model is applied monolithically or with differentiated approach, it would directly influence their day-to-day work. Short briefs on the application of the Model for could engage ministries. Convening meetings with the ministers themselves could be a challenge though, therefore case-by-case approach should be considered for different sectors.

High-power/Low-interest

The **President** does not decide on the country's EU accession path. Nonetheless, his power to influence the public opinion on the EU membership modalities should not be undermined. The polls reveal that citizens traditionally hold the **most favourable opinion** for the President of the country. Moreover, he has **not been hesitant in the past** to expressing his opinion on EU related topics even if it differs from official government positions. The president was the only country leader that revealed publicly that **EAA membership** was offered but rejected by North Macedonia. In the midst of high media exposure, the President and political parties' leaders reached consensus that the **political integration and adoption of democratic standards** are the most valuable EU membership attribute that economic integration alternatives do not offer. Therefore, his cabinet should be well informed on how the application of the model would benefit North Macedonia so that the President is convinced that it does not constitute an alternative to the EU membership.

The **political parties**, and their leadership in particular, could also be accounted as influential actors. They contribute to creating the public opinion and influence the work of the Parliament, thus making them sort of a make-or-break stakeholder. With clear understanding what the model can bring to their benefit they could become allies. The political parties in North Macedonia should be informed on features of the Model, in particular the changes in the accession dynamics and the process and the benefits the Model provides.

The **Parliament** is a relevant stakeholder in two ways. The adoption of new or amendments of existing laws relevant for alignment with the *acquis* are the Parliament's responsibility. The **European Affairs committee** examines draft laws and directs proposals and opinions to other parliamentary committees related to transposition of the *acquis*. Parliamentarians, committee chairs in particular, may use their power to block these processes if Influenced by their party leaders. On the other hand, parliamentarians would have interest in the perks of the Model that would directly benefit them, particularly observer status in the European Parliament and its Committees. The Parliament's active involvement in the negotiation talks in streamlined through the **National European Integration Council**. The Council gives opinions in the process, including on the negotiating positions and is engages in consultations with the Chief Negotiator. As **Parliament resolution** for 2022 binds the Government to not negotiate the Macedonian language and identity, historical, and cultural peculiarities during the accession process, an EU policy geared to address resolution of bilateral disputes would be welcomed.

Low power/High interest

In the similar vein like the ministries, **independent state bodies** would be interested to know how the model would affect their work. Many of these institutions have responsibilities in creation, implementation or control of national policies. Increased funding and early participation in EU institutions and policies in view of their lack capacities to **implement** EU *acquis* could be relevant for these institutions. Even though their interests may go hand in hand with the Model, in general they would have limited

² The working groups on the cluster Fundamentals and the cluster Internal Market are the only working groups lead by a Deputy Prime Ministers, for European Affairs and economic affairs respectively. The working group on the cluster Competitiveness and inclusive growth is led by the Finance Minister; on the cluster Green agenda and sustainable connectivity is led by the Minister for Ministry of environment and physical planning, the working, the Minister of agriculture, forestry and water economy leads the working group for the cluster Resources, Agriculture, and Cohesion, and lastly, the Foreign Affairs Minister leads the working group for the cluster External relations.

power to change government position on topics of strategic importance. Non the less, anticipating their needs and promoting solutions could incentives institutions to provide the government a valuable feedback on the application of the model.

Any change of the EU integration model would be of high interest for the **civil society sector** in North Macedonia, at least the pro-European. The ability to deliver results from undertaken reforms would be an area of particular concern. Last but not least, they could be promotor of the model to decision makers and the general public. One could explore the sentiment with further engagement with the most relevant ones. The advisory body **Council for Cooperation between the Government and Civil Society**³ would be an important stakeholder as it has been granted power by government decree. **CSOs Networks** could also be relevant stakeholder. Joint positions on governmental policies tend to gain media traction and to some extend reactions from the institutions. Lastly, **pro-European CSOs and TTs** should also be considered to be contacted directly as they could provide valuable feedback for the development of the model in terms of the costs and benefits, both for the EU and WB countries, from early integration in EU institutions and policies. Last stakeholder but not least are the academia, in particular **academics** with research interest in EU integration. Their views and opinion may be of relevance for the government as well as the general public.

Low power/Low interest

Academics with no interest in the accession process with specific knowledge and research interests in areas regulated by the *acquis* are another not interested nor influential group. But unlike most, they have the expert knowledge on how regulatory changes may affect the country, for the better or worse. One should monitor if they ever engage in the expert or public discussions on EU related matters and assess if they have become allies or negative stakeholders. In the same vein, **CSOs** not focused on EU integration have very low power and no interest for the project. Their work is focused on local problems, have limited resources or simply “big picture” discussions do not grab their attention. One should monitor if change in their sentiment affects the perceptions of their beneficiaries.

Towards Practical Application

North Macedonia is close to meet the requirements to enter **Stage I**. The level of preparedness for all negotiating chapters in the Cluster Competitiveness and inclusive growth and the two negotiating chapters in the Cluster External relations are with grade 3 or higher. The grade for the four chapters in the Cluster Green Agenda and Sustainable connectivity is 3 on average, thus fulfilling the criteria in terms of level of preparedness. Some level of preparation, or corresponding grade 2, is noted only in the chapter Environment and climate change. The level of preparedness needs to be improved in 3 out of 33 negotiation chapters. North Macedonia does not meet the set thresholds for **Chapter 23** Judiciary and fundamental rights in the Clusters Fundamentals, **Chapter 2** Freedom of movement of people in Cluster Internal Market and **Chapter 33** Financial and budgetary provisions in the Cluster Resources, Agriculture and Cohesion respectively. Given that an improvement of the level of preparedness of only three chapters would see North Macedonia enter stage I, a closer examination would make use for this paper.

³ 16 members out of 31 members are appointed on the recommendation from the CSOs. Each member is appointed to represent a specific issue: Civil sector development; Democracy and rule of law; Promotion and protection of human rights and antidiscrimination; Economic and sustainable development; Science, education and lifelong learning; Youth; Children’s social protection; Protection of marginalized persons; Gender equality; Health protection; Agriculture and Rural Development; Culture; Media and information society; Environmental Protection; Sports, and EU integrations and policies.

Graph 1 – Applying the Model to North Macedonia

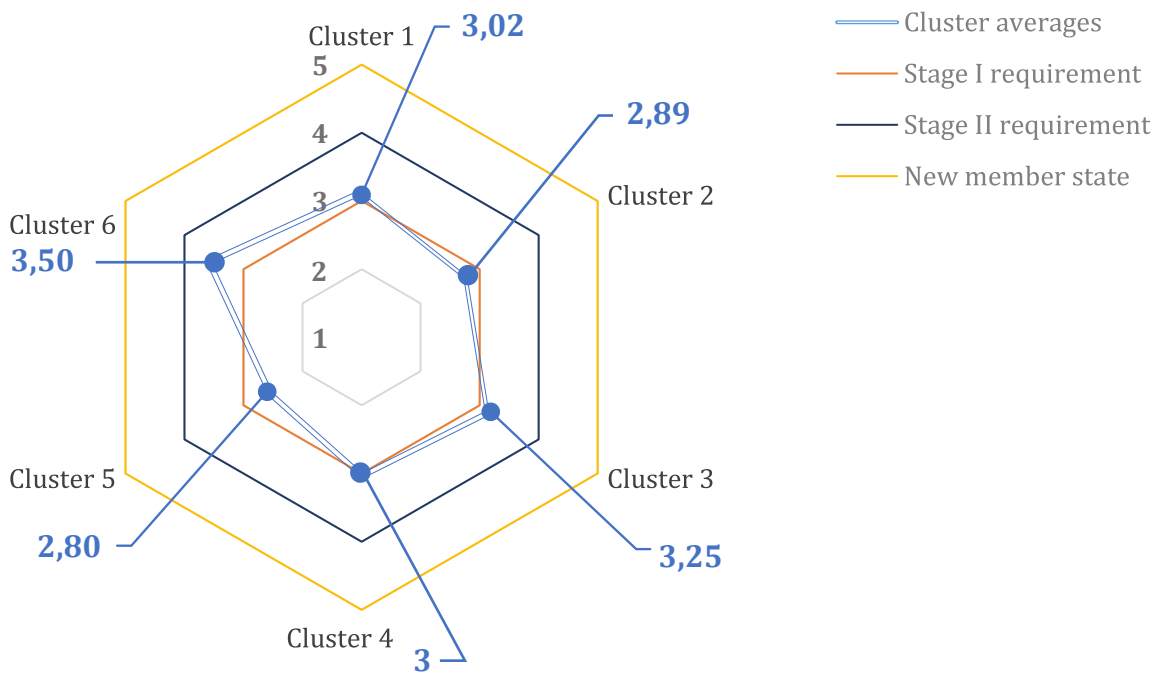


Table 1: European Commission assessment on the level of preparedness for North Macedonia, based on the 2022 Country Report

Cluster	Rating	Preparedness Level
1. Fundamentals	3.02	Moderately prepared
2. Internal Market	2.89	Some level of preparation/ Moderately prepared
3. Competitiveness and inclusive growth	3.25	Moderately prepared/ Good level of preparation
4. Green agenda and sustainable connec-	3	Moderately prepared
5. Resources, agriculture and cohesion	2.8	Some level of preparation/ Moderately prepared
6. External relations	3.5	Moderately prepared/ Good level of preparation

In the Fundamentals cluster, only chapter 23 currently does not meet the requirement of a minimum rating of 3, or moderately prepared. In order to meet this criterion for **chapter 23**, North Macedonia would be expected to show track record across sub-areas in this cluster. The capacities and recourses for prevention and fight against corruption bodies, human rights bodies as well as the human resources in the judiciary and public prosecution should be increased. Implementation of the judicial reform strategy and the preparation of the new one, the existing legislation to ensure protection of fundamental rights should be implemented while a new strategy on media reforms should be developed. The commission requires the country to increase the convictions of high crime cases and to address threats and acts of violence against journalists.

Two chapters are at early stage of preparation, the chapter 2 on Freedom of movement for workers in the cluster Internal Market and chapter 33 Financial and budgetary provisions in the Resources, Agriculture and Cohesion cluster. New agreements on social security and health care insurance may increase the level of preparedness to the desired level in regard to the former. However, alignment with the acquis on non-discrimination of EU nationals on labour markets would be a decisive step forward that may further improve the grade on the level of preparedness in this chapter. In regards to latter, the own resources system should be brought closer to the EU system and the administrative capacities and co-ordination mechanisms be strengthened in this area.

North Macedonia has a lot of work to reach the needed level of preparedness to enter **Stage II** (see Annex II). As the rules applied by the Model allow, North Macedonia would have several options to achieve a grade 4, or good level of preparedness, on average for all cluster but the Fundamentals. For one, the country could to fulfil the Commission's recommendations across the board to improve the level of preparedness for all negotiating chapters. On the other hand, the Government may decide to priorities chapters within each cluster to deal with at early phase and improve the level of preparedness while lagging behind for others as a way to meet the criteria for stage II. For example, sensitive areas like liberalisation of labour markets may be left for later stage while fully aligning with the acquis on goods for cluster Internal Market. Furthermore, demanding and expensive areas like the chapter Environment may progress with slower pace given the country fully implements the request of Energy chapter.

It should be noted, however, that while stage I seems to be grasp on paper, it may be challenge for North Macedonia to achieve the necessary level of preparedness. If the major political capital is focused on the constitutional changes, it may be a challenge for ensure that the demanding recommendation for chapter 23 are met. Moreover, the progress to stage II could be a challenge given the lack of capacities to implement the acquis. Whatever strategy the country takes to meet the required average level of preparedness, the country would not only have to align but to show implementation results across all cluster and chapters.

Concluding remarks

North Macedonia is very close to meet the requirements to enter **Stage I**. This would grant access to EU policy making trough policy dialogues or observer status within the institutions. Reform commitment and in some cases implementation track records of EU acquis and requirements would be needed for to progress to the **Stage II**. North Macedonia would have to strengthen its institutional infrastructure as well as physical infrastructure to ensure their implementation. Access to larger sums of EU funds in Stage I could serve to support these processes, particularly in areas where meeting the EU acquis requirements demands financial resources which the country cannot secure from its own resources.

However, North Macedonia's path towards EU membership has been seriously impeded by bilateral disputes. The implications to the national identity and language have arguably become the most salient issue in the country's EU accession process. The model needs to offer sustainable solution to the possible blockages by EU member states to ensure it can effectively be applied in the case of North Macedonia. Such a move would enable influential stakeholders to present the model as beneficial for the country. The early participation in EU policies and institutions, and increased funding are the most important attributes of the model. Communicating clearly defined benefits on country and sectoral level could win the support from the holders of power. In any case, it should be made clear how this model guarantees that the country could and would reach full membership. Otherwise, it may face obstructions and public outcry that the EU is again not delivering on its promises.

Annex 1 Overview of the state of play with ratings for level of preparation in all chapters North Macedonia

Cluster	Chapter	Chapter name	Rating	Description	
Cluster 1	5	Public procurement	3.0	Limited progress, improved control of public procurement procedures and further alignment with EU acquis in needed on Public-Private Partnership and concessions is needed.	
	18	Statistics	3.0	Good progress as census data is published. Adequate staffing and sufficient financial resources of the State Statistical office should be secured.	
	23	Judiciary and fundamental rights	2.5	Some progress noted across different areas, but judicial independence and fight against corruption remain persistent issues.	
	24	Justice, freedom and security	3.0	Implementation of the Joint Action Plan on Counterterrorism, and adoption of strategic documents in the field of border management and migration make for some progress in this chapter, continuous implementation is required.	
	32	Financial control	3.0	Limited progress, legislative and implementation framework should be adopted to improve public financial control.	
	Criteria		Political criteria ⁴	3.1	Positive CSO environment, improved transparency of national government and competitive local elections make for positive outlook. Weak democratic dialogue among the country's political forces, shortcomings related to election legislative inconsistencies and decentralisation not being properly implemented remain issues of this area.
			Economic criteria	3.5	Some progress in regards to the two sub-criteria, implementation of newly adopted laws and strategies should follow.
			Public Administration Reform	3.0	Only limited progress, improvement of legal framework is needed by adoption of several crucial laws in this area.

4 The score for the Political critical is equal to the average of the Freedom House indicators on "National Democratic Governance", "Electoral Process", "Civil society" and "Local Democratic Governance" adjusted from 7 points to 5 points scale: $x_5 = (x_7 - 1)(4/6) + 1$

Cluster	Chapter	Chapter name	Rating	Description
Cluster 2	1	Free movement of goods	3.0	Stagnation, screening on non-trade barriers ongoing, and further alignment with general Product safety directive and specific products acquis is needed.
	2	Freedom of movement for workers	1.0	Stagnation as labour market entry barriers for foreigners persist and no new social security agreements are signed with EU member states.
	3	Right of establishment and freedom to provide services	3.0	Limited progress due to the established Point of Single Contact for services, but further harmonisation with the EU acquis on professional qualifications recognition needed.
	4	Free movement of capital	3.0	Good progress noted for 2022 due to the adoption of payment systems legislation and new anti-money laundering law. Implementation and strengthen administrative capacity in this area is needed.
	6	Company law	4.0	The newly adopted Corporate Governance Code makes for some progress in this chapter. Further alignment is needed, particularly on corporate accounting and statutory audit.
	7	Intellectual property law	3.0	Stagnation, enhanced efforts to align with EU legislation in this area are needed, and last year's recommendations remain valid.
	8	Competition policy	3.0	Legislative framework on competition policy is broadly harmonised with EU acquis. Stagnation is noted due financial constraints for the implementation body and low enforcement record.
	9	Financial services	3.0	Some progress, further alignment and implementation of EU acquis in all areas of this chapter should follow.
	28	Consumer and health protection	3.0	Just a limited progress after years of stagnation and last year's recommendations remain valid.

Cluster	Chapter	Chapter name	Rating	Description
Cluster 3	10	Digital transformation and media	3.0	New e-services and the establishment of emergency service number make for limited progress in this area, but effort to address EC recommendations are needed.
	16	Taxation	3.0	Some progress, specifically in reducing the administrative burden for taxpayers. Tax System Reform Strategy should be effectively implemented.
	17	Economic and monetary policy	3.0	The adoption of the Organic Budget law and strong monetary policy legal framework contribute to the good progress noted in this chapter. Only shortcoming noted in regards to public investment management.
	19	Social policy and employment	3.0	Partial implementation of last year's recommendations, with some progress in lowering unemployment rates.
	20	Enterprise and industrial policy	3.0	Some progress noted in regards to crisis mitigation support for private sector and formalisation of informal economy.
	25	Science and research	4.0	Some progress, research and innovation capacities improved in private and public sector, access to national and EU funds for this purpose secured.
	26	Education and culture	3.0	Limited progress made, but the quality formal and non-formal education and access to education for all citizens should be improved.
	29	Customs union	4.0	Customs legislation is highly aligned with the EU acquis, administrative and operational capacity are relatively strong.
Cluster 4	14	Transport policy	3.0	Broadly aligned with EU acquis in all transport areas, improved operational, administrative and enforcement capacities are needed.
	15	Energy	3.0	Limited progress noted as National Energy and Climate Plan was adopted
	21	Trans-European networks	4.0	Previous recommendations remain valid, operational and technical capacities should be strengthened and sufficient resources needed to implement the Transport Community Treaty.
	27	Environment and climate change	2.0	Some progress in nature protection and climate change frameworks, but implementation remains a concern in all sectors.

Cluster	Chapter	Chapter name	Rating	Description
Cluster 5	11	Agriculture and rural development	3.0	IPARD operating structure need additional staff, but progress made on retention policy.
	12	Food safety, veterinary and phytosanitary policy	4.0	Further alignment with new EU legislation in this area should continue.
	13	Fisheries	3.0	Only limited progress after years of stagnation, multi-annual programming of structural measures is needed.
	22	Regional policy and coordination of structural instruments	3.0	No progress, prompt efforts are needed to strengthen investment policy and capacities for EU funds management.
	33	Financial and budgetary provisions	1.0	National accounts and GNI calculations were further aligned, progress should follow on alignment in regards to own resources system and improvement of administrative structures.
Cluster 6	30	External relations	3.0	Limited progress noted on removing unjustified trade restrictions and adoption of CEFTA protocols.
	31	Foreign, security and defence policy	3.2	Fully aligned with EU common foreign and security policy.

Cluster 1 Fundamentals

Chapter	Curent	Stage I		Stage II		EC recommendations
	Grade	Status	Grade	Status	Option I	Option II
Cluster average	3.02	X	3.08	X	4.00	
5: Public procurement	3.0	✓	3.0	X	4.0	<ul style="list-style-type: none"> - Adopt PPP Law and the Law on Concessions in line with EU acquis - Improve transparency, free competition, equal treatment and non-discrimination - Improve public procurement procedures control
18: Statistics	3.0	✓	3.0	X	4.0	<ul style="list-style-type: none"> - Publish census data and use in decision-making and resource allocation; - Ensure adequate resources for the State Statistical Office; - Align financial and quarterly national accounts with ESA 2010
23: Judiciary and fundamental rights	2.5	X	3.0	X	4.0	<p>Functioning of the judiciary: Implement existing and prepare new judicial reform strategy in line with European standards without delay; Ensure adequate human resources in judiciary and public prosecution; - Ensure ACCMIS is fully functional;</p> <p>Fight against corruption: Increasing support for relevant bodies and enforce GRECO's recommendations; Provide sufficient resources to the Office of the Basic Public Prosecutor for Organised Crime and Corruption; Increase final convictions in high-level corruption cases</p> <p>Fundamental rights: Allocate necessary resources for the Commission for Prevention and Protection against Discrimination; Implement international monitoring bodies with utmost urgency; Provide adequate support and community services to vulnerable categories</p> <p>Freedom of expression: Revise media legal framework in line with EU acquis and European standards; Step up action public broadcaster strategy implementation and appoint programme and media regulator's councils; Promptly address all instances of threats and acts of violence against journalists and ensure that the perpetrators are brought to justice.</p>

24: Justice, freedom and security	3.0	✓	3.0	X	4.0		<ul style="list-style-type: none"> → continue institutional reforms of the structures fighting organised crime; → continue to implement the Joint Action Plan on Counterterrorism; → systematically register migrants and improve protection-sensitive profiling and implement systematic approach to fighting migrant smuggling; align national legislation with the EU's list of visa required third countries.
32: Financial control	3.0	✓	3.0	X	4.0		<ul style="list-style-type: none"> - Adopt PIFC law and methodological tools, and start implementation; - Adopt SAO law, improve parliamentary scrutiny over budget implementation; - Establish and make anti-fraud coordination network functional and, prevent and address EU funds use irregularities.
Public administration reform	3.0	✓	3.1	X	4.0		<ul style="list-style-type: none"> → adopt the law and secondary legislation on organisation and operation of state administrative bodies; → ensure full implementation of the law on general administrative procedure.
Political criteria ⁵	3.1	✓	3.1	X	4.0		
Economic criteria	3.5	✓	3.5	X	4.0		<ul style="list-style-type: none"> → Improve the targeting of fiscal support to help vulnerable households and companies; broaden the tax base. → Implement the Organic Budget Law and establishment of the Fiscal Council; → Widen the range of services on the government's e-portal and streamline para-fiscal charges to improve the business environment,. → Increase financial and human resources for the VET system; → Adopt and implement energy efficiency legislation; → Set up an energy efficiency fund.

5 The score for the Political critical is equal to the average of the Freedom House indicators on "National Democratic Governance", "Electoral Process", "Civil society" and "Local Democratic Governance" adjusted to from 7 point to 5 points scale: $x5 = (x7 - 1)(4/6) + 1$

Cluster 2 Internal market							
Chapter	Curent	Stage I		Stage II			
	Grade	Status	Grade	Status	Option I	Option II	EC recommendations
Cluster average	2.9	X	3	X	4	4	
1: Free movement of goods	3.0	✓	3.0	X	4.0	5.0	<ul style="list-style-type: none"> - Transpose EU consumer product safety directive; - Complete screening quantitative restrictions to trade in view to comply with TFEU articles 34-36; - Strengthen capacities of enforcement bodies in this area.
2: Freedom of movement for workers	1.0	X	2.0	X	4.0	3.0	<ul style="list-style-type: none"> - Adapt legal framework on labour market access in line with the EU acquis; - Sign agreements on social security and healthcare insurance with EU Member States, and identify implementation measures.
3: Right of establishment and freedom to provide services	3.0	✓	3.0	X	4.0	4.0	<ul style="list-style-type: none"> - Align with EU acquis on postal services and mutual recognition of professional qualifications; - Enhance e-application on government service portal.
4: Free movement of capital	3.0	✓	3.0	X	4.0	3.0	<ul style="list-style-type: none"> - Prepare a Roadmap and timelines to apply EU rules in the area; - Implement legislation on payment systems and services, and anti-money laundering and financing of terrorism in line with the EU acquis.
6: Company law	4.0	✓	4.0		4.0	5.0	<ul style="list-style-type: none"> - Align with Company Law and Corporate accounting and statutory audit acquis; - Strengthen audit regulatory body
7: Intellectual property law	3.0	✓	3.0	X	4.0	3.0	<ul style="list-style-type: none"> - Align with Intellectual property acquis - Implement Intellectual Property Strategy
8: Competition policy	3.0	✓	3.0	X	4.0	4.0	<ul style="list-style-type: none"> - Align state aid and antitrust implementing legislation - Strengthen national competition authority capacities - Increase State aid transparency
9: Financial services	3.0	✓	3.0	X	4.0	4.0	<ul style="list-style-type: none"> - Adopt Bank Resolution Law and designate bank resolution authority - Tackle and prevent unregistered and uninsured vehicles - Establish a financial Ombudsperson and address consumer protection
28: Consumer and health protection	3.0	✓	3.0	X	4.0	4.0	<ul style="list-style-type: none"> - Align with consumer protection acquis and strengthen operational structures - Intensify tobacco control

Cluster 3 Competitiveness and inclusive growth

Chapter	Curent	Stage I		Stage II			
	Grade	Status	Grade	Status	Option I	Option II	EC recommendations
Cluster average	3.25	✓	3.25	X	4	4	
10: Digital transformation and media	3.0	✓	3.0	X	4.0	4.0	<ul style="list-style-type: none"> - Adopt ICT strategy and align national legislation with EU acquis; - Strengthen independence and capacity on media institutions; - Improve the functioning of the 112 emergency number
16: Taxation	3.0	✓	3.0	X	4.0	4.0	<ul style="list-style-type: none"> - Develop integrated IT tax system and improve compliance risk management, and extend e-services for tax payers; - Prepare for automatic tax information exchange mechanism with EU Member States in line with OECD Global Standard; - Amend Law on Technological and Industrial Development Zones.
17: Economic and monetary policy	3.0	✓	3.0	X	4.0	3.0	<ul style="list-style-type: none"> - Implement Organic Budget Law and timely establish independent Fiscal Council; - Exclude Central Bank employees from Laws on administrative servants and Public Sector employees to safeguard independence.
19: Social policy and employment	3.0	✓	3.0	X	4.0	3.0	<ul style="list-style-type: none"> - Implement and evaluate labour market activation measures - Improve State Labour Inspectorate capacities, and develop system to address injuries and fatalities at work; and reinforce social dialogue; - Establish social services monitoring and evaluation system, and continue the social protection reform.
20: Enterprise and industrial policy	3.0	✓	3.0	X	4.0	4.0	<ul style="list-style-type: none"> - Consolidate relevant public bodies' institutional structure and mandates Political commitment on informal economy commitments - Develop measures to support competitiveness and value chains integration other than state aid
25: Science and research	4.0	✓	4.0	✓	4.0	4.0	<ul style="list-style-type: none"> - Effectively promote Horizon Europe and other EU financing instruments in the area; - Ensure sufficient financing for the Innovation Fund; - Adopt and develop measures to implement Smart Specialisation Strategy.
26: Education and culture	3.0	✓	3.0	X	4.0	4.0	<ul style="list-style-type: none"> - Adopt VET law, and establish and operationalise regional VET centres; - Finalise and adopt Law for Adult Education.
29: Customs union	4.0	✓	4.0	✓	4.0	5.0	<ul style="list-style-type: none"> - Update and implement IT systems in line with Commission's Multi-Annual Strategic Plan modules; - Ratify Protocol on Elimination of Illicit Trade in Tobacco Products.

Cluster 4 Green agenda and sustainable connectivity

Chapter	Curent	Stage I		Stage II			
	Grade	Status	Grade	Status	Option I	Option II	EC recommendations
Cluster average	3	✓	3	X	4	4	
14: Transport policy	3.0	✓	3.0	X	4.0	4.0	<ul style="list-style-type: none"> - Strengthen inspection bodies, including enforcement capacity; - Implement connectivity reform measures, finalise border-crossing agreements and protocols, and set up national data collect system on road crashes; - Adopt legislation and produce intelligent transport systems (ITS) and combined transport strategies.
15: Energy	3.0	✓	3.0	X	4.0	5.0	<ul style="list-style-type: none"> - Finish certification of the gas transmission system and increase implementation capacities; - Adopt and implement energy efficiency implementing legislation. - Utilise Energy Community guarantees of origin in line with EU standards
21: Trans-european networks	4.0	✓	4.0	✓	4.0	4.0	<ul style="list-style-type: none"> - Strengthen capacities of all TEN-T and TEN-E networks' relevant institutions, and harmonise with TEN Regulation; - Ensure sufficient resources to implement Transport Community Treaty; - Fully implement Railway Border-Crossing Protocol with Kosovo.
27: Environment and climate change	2.0	X	2.0	X	4.0	3.0	<ul style="list-style-type: none"> - Reduce air pollution and pollution of freshwater resources; - Establish regional waste management system; - Adopt a climate Law, consistent with EU 2030 framework and Paris Agreement

Cluster 5 Resources, agriculture and cohesion

Chapter	Curent	Stage I		Stage II			EC recommendations
	Grade	Status	Grade	Status	Option I	Option II	
Cluster average	2.8	X	3	X	4	4	
11: Agriculture and rural development	3.0	✓	3.0	X	4.0	4.0	<ul style="list-style-type: none"> - IPARD adequate operating structure and fully use IPARD III programme' - Prepare Action Plan for Agriculture and Rural Development Strategy - Align with direct payments and common market organisation acquis.
12: Food safety, veterinary and phytosanitary policy	4.0	✓	4.0	X	5.0	5.0	<ul style="list-style-type: none"> - Align with the new EU legislation on official controls; - Strengthen Food Veterinary Agency capacities for data analysis; - Implement actions to achieve sustainable use of pesticides.
13: Fisheries	3.0	✓	3.0	X	4.0	3.0	<ul style="list-style-type: none"> - Align with the EU acquis, structural measures and State aid; - Improve data collection system and reporting; - Establish multi-annual programming of structural measures.
22: Regional policy and coordination of structural instruments	3.0	✓	3.0	X	4.0	5.0	<ul style="list-style-type: none"> - Improve management capacities and accelerate implementation of allocated EU funds; - Strengthen the investment policy in line with priorities and principles; - Accelerate reforms to support regional policy and development.
33: Financial and budgetary provisions	1.0	X	2.0	X	3.0	3.0	<ul style="list-style-type: none"> - Improve the legal basis for the own resources system; - Strengthen administrative capacities and co-ordination mechanisms in the system.

Cluster 6 External relations

Chapter	Curent	Stage I		Stage II			EC recommendations
	Grade	Status	Grade	Status	Option I	Option II	
Cluster average	3.5	✓	3.5	X	4	4	
30: External relations	3.0	✓	3.0	X	4.0	3.0	<ul style="list-style-type: none"> - Remove unjustified trade restrictions; - Establish legal framework on international cooperation, development policy and humanitarian aid towards non-EU countries in line with EU policies and principles; - Implement CEFTA Protocol 6 on trade in services and adopt CEFTA Protocol 7 on dispute settlement.
12: Food safety, veterinary and phytosanitary policy	4.0	✓	4.0		4.0	5.0	<ul style="list-style-type: none"> - Maintain full alignment with the EU common foreign and security policy



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The **National Issue Paper Series** was developed within the project “**Support for further development of the model of the Western Balkans staged accession to the European Union**” implemented by the **European Policy Centre (CEP – Belgrade)** and the **Centre for European Policy Studies (CEPS – Brussels)**. The essence of the Project has been to focus on operationalising the **Staged accession model**, co-designed by CEP Belgrade and CEPS Brussels. In order to achieve the set goal, the Project has been supporting the research and analysis needed to develop a series of 14 issue papers. **Six national issue papers** have been created on potential application of the Staged accession model in each of the Western Balkan countries, with a focus on the political and economic specificities of each WB country, the potential implementation dynamics at national level, the stakeholder analysis, as well as the analysis of opportunities and risks that should be considered in the context of the potential model application.

The national issue paper series will directly contribute to the full elaboration of **the Staged Accession Model 2.0** and showcase its application in practice in all the countries in the region.

The core project team has also counted on the valuable expertise of **prominent regional researchers**, as well as individual members of the **Think for Europe Network (TEN)**, such as the **European Policy Institute (EPI – Skopje)**, **Institut Alternative (IA – Podgorica)**, and **Foreign Policy Initiative Bosnia and Herzegovina (FPI BH – Sarajevo)**.

The Project is funded by the **Open Society Foundations (OSF)**. The responsibility for content and information in this publication rests solely with the European Policy Centre and the Centre for European Policy Studies. Opinions expressed in this publication do not necessarily represent those of the Open Society Foundations.



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