

July 2023



## Sectoral policy integration in advance of accession – an alternative or complement to the Staged Accession model?

---

Michael Emerson and Steven Blockmans

### Summary

This paper reviews suggestions that the enlargement process, currently rather stagnant in the Western Balkans, might be re-dynamised with elements of sectoral policy integration before accession, with a cacophony of terms being used to seemingly express the same broad idea (accelerated, gradual, advanced, enhanced, etc.). The sectoral integration idea has yet to be fully worked out, and the paper sketches what it could mean in practice for major sectors of policy (internal market, the green and digital agendas, foreign and security policy, and monetary policy), and also how this may relate to the proposed Staged Accession model.

Several ongoing sectoral initiatives can be helpful in preparing compliance with the EU acquis, including cooperative initiatives in the case of the Western Balkans for the Regional Common

Market, and the green and digital agendas. Yet, these are not formal parts of the accession process, and should not be substitutes to it.

The lists of EU policy sectors that candidate states could apply before accession covers virtually all the clusters of the formal enlargement process, irrespective of whether these have been ‘opened’ or not. This can cause confusion over the EU’s effective enlargement policy, and in any case highlights the current stagnation of the formal enlargement process for the Western Balkans.

In conclusion, advanced sectoral integration can be a positive complement to the official enlargement methodology, but not an alternative to its reform as proposed under the Staged Accession model. Indeed the ‘gradual’ or ‘sectoral’ approach sees no systematic application of the principle of conditionality with regard to the ‘fundamentals’ of the enlargement process (respect for democracy, the rule of law, and justice sector reform), which highlights that the approach can hardly be touted as enhancing accession in a holistic and predictable fashion. On the contrary this approach may be viewed by some of its proponents as an alternative to enlargement, or as some kind of compensation for its lack of progress.

## Contents

1. Introduction .....	1
2. Sectoral integration: ideas under discussion.....	1
3. Major blocks of EU sectoral policy .....	3
3.1 The internal market .....	3
3.2 The Green Agenda .....	6
3.3 Digital Europe .....	6
3.4 Foreign and security policy .....	7
3.5 Justice, borders and Schengen .....	8
3.6 Monetary Europe.....	8
4. Participation in agencies and programmes .....	9
5. Conclusions .....	10
Annex: Agencies and programmes of the EU with which Western Balkan states can or do have relations .....	12
Box 1. Internal market treatment under Stabilisation and Association Agreements .....	5
Table 1. Sectoral policy elements in recent documents and statements on enlargement .....	2

---

*Michael Emerson is an Associate Senior Research Fellow at CEPS. Steven Blockmans is Director of Research at CEPS (Brussels), Senior Fellow at ICDS (Tallinn) and Visiting Professor at the College of Europe (Bruges and Natolin). The authors thank Milena Mihajlovic (ex Lazarevic) and Strahinja Subotic for helpful comments and suggestions. Image credit: <https://www.pxfuel.com/>.*

# 1. INTRODUCTION

---

The idea of ‘sectoral’ integration by EU candidate states ahead of actual accession is currently being discussed in EU circles as a possible means to inject some new dynamism into the formal enlargement process, which in the case of the Western Balkans has been stagnating for some years. A wider vocabulary of terms is being used, including ‘accelerated’, ‘gradual’, ‘advanced’, ‘enhanced’, ‘phasing-in’, as well as ‘sectoral’ integration. This at least testifies to the pressure felt by EU Member States to create some new and positive momentum to the enlargement process.

The most authoritative reference comes from the [conclusions](#) of the European Council at its 23-24 June 2022 meeting with:

*‘Building on the revised methodology the European Council invites the Commission, High Representative and the Council to further advance the gradual integration between the European Union and the (Western Balkan) region during the enlargement process itself in a reversible and merit-based manner’.*

This was followed up by work undertaken in various Council working parties under the Czech presidency, leading in November 2022 to an unpublished but widely distributed ‘*Non-paper on accelerated/gradual integration*’, which cites many examples of sectoral cooperation<sup>1</sup>.

Indeed the sectoral aspect, among the plethora of terms being used, is most self-evidently meaningful and supported by many examples, which is why it has been made the focus of this paper.

For a substantial reform of the present (revised) enlargement methodology references will be made to the several steps of the [proposed Staged Accession model](#).

# 2. SECTORAL INTEGRATION: IDEAS UNDER DISCUSSION

---

There is no formal definition or systematic proposal under the heading of sectoral policy integration before formal accession. However various stakeholders are listing ideas to give more momentum to the integration of candidate states alongside – or within – the formal enlargement process. Table 1 lists many of these. Frequent references are made to the internal market, the green agenda and energy, and the digital sector. The EU has already engaged in several different forms of advanced integration (such as the Energy Community, Transport Community, and the European Civil Aviation Area).

The substance of these ideas is generally covered by the clusters and chapters of the formal enlargement process. Applicant states are able to advance as fast as they wish or are able to in adopting the EU *acquis*, irrespective of whether the chapters in question have been opened or not.

---

<sup>1</sup> Document WK 15317/2022 INIT, 21 November 2022

*Table 1. Sectoral policy elements in recent documents and statements on enlargement<sup>2</sup>*

Austrian foreign minister's non-paper of May 2022:

- Gradual integration into the single market and policy fields such as trade, climate, energy, research, health, and foreign/security/defence policies

Charles Michel's [speech](#) at the EESC Plenary Session, 18th May 2022:

- Certain sectors of internal market access
- Data roaming
- The energy market

The EU-Ukraine Association Council of 5 September 2022:

- The Single Market Programme (SMP)
- Telecommunications services sector, with internal market treatment for this sector
- Eliminating data roaming charges between the EU and Ukraine
- The EU's Digital Europe Programme, and further integration with the EU's Digital Single Market
- Synchronisation of Ukraine's electricity grid with the Continental European Network
- Ukraine's green transition as part of its reconstruction efforts
- The EU4Health Programme
- The Erasmus+ programme, Creative Europe, Horizon Europe etc.

Czech non-paper leaked in November 2022:

- Foreign, security and defence policies
- Judicial affairs, migration
- Energy security
- Transport networks
- Trade
- Data roaming
- Participation in agencies and programmes
- Research, education and culture
- Regional cooperation

The [Tirana Declaration](#) of 6 December 2022:

- Justice and home affairs
- The economy and the EU internal market
- Energy, transport and digital policy
- Civil protection
- Health, social policy, education and research and innovation
- Foreign affairs, security and defence, including tackling cyber and other hybrid threats, and counter-terrorism

[Council conclusions](#) on enlargement and the Western Balkans on 16 December 2022:

- The Green Agenda and sustainable connectivity as key to a sustainable and future-proof recovery

Ursula von der Leyen, [speech](#) in Bratislava, regarding the Western Balkans, 31 May 2023

- Elements of the internal market (such as digital)
  - The Common Regional Market
  - Judicial reform
  - Increased funding
- 

<sup>2</sup> Many of the papers mentioned in the Table go beyond what is included here as relevant for a discussion on sectoral integration. For a review of the ideas contained in the papers, see <https://www.ceps.eu/ceps-publications/next-steps-for-eu-enlargement/>

The Austrian foreign minister's non-paper is the only document that combines sectoral advances with elements of the Staged Accession proposal. On the one hand, it advocates that there should be gradual integration into the single market, trade, climate, energy, research, health, foreign-security-defence policies and EU agencies, but it does not say how this would relate to the opening and closing of the chapters and clusters of the existing enlargement methodology. On the other hand, it advocates that there should be conditionality based on quantitative ratings of reform progress, to determine progressive access to EU funds and institutions, which does correspond to the Staged Accession model.

The main point emerging from the list of policies in Table 1 is that virtually all the content within the 33 negotiated chapters is being advocated for gradual or accelerated treatment, which only underlines the urgency to reform the formal enlargement methodology.

### 3. MAJOR BLOCKS OF EU SECTORAL POLICY

---

The idea of sectoral integration before accession is being suggested as something important, namely to re-dynamise the currently stagnant enlargement process. If so, it would have to involve important policy blocks, offering tangible benefits, visible to citizens so as to bolster popular support for pro-European reformist policies that sometimes require painful and costly decisions. Otherwise sectoral integration would only amount to tokenism. We therefore review what this could mean for a number of major policy sectors.

#### 3.1 The internal market

This is the most cited 'sector', covering over a third of the negotiation chapters. The candidate states already have obligations to gradually align their legal regimes with the EU *acquis* under their association agreements, with detailed schedules and deadlines defined in the 'National Programme(s) for the Adoption of the Acquis' (NPAA), and individual steps that bring their own advantages in terms of market access. For example, when the candidate state adopts EU technical standards for industrial products, this facilitates market access for the products in question.

A radical scenario sometimes debated would be accession to all four freedoms of the internal market ahead of EU accession, in a step that would mean either formally acceding to the [European Economic Area](#) (EEA), or through cloning something very similar. In fact, the EEA goes beyond a narrow coverage of the four freedoms (for goods, capital, services and persons) and covers a substantial range of 'EEA-relevant' policies including competition and state aid rules, and certain aspects of education, research, social affairs, consumer protection, company law and the environment. It is notable that recent EU enlargements have imposed transitional delays for the free movement of labour (up to seven years), and it would be a matter for negotiation over whether this would be acceptable for accession to the EEA or a cloned version of it.

The EEA idea has attracted some but not widespread support among the Western Balkans states because the conditions for doing this would be as onerous as for full accession, but without political participation in the EU institutions. It would also require a treaty to be signed by all EU Member States and non-EU EEA members, it would take time to negotiate, and maybe years to be ratified by all EEA states – all without accomplishing the ultimate objective of EU membership. It is also highly questionable whether the non-EU EEA states would favour opening up their trusted regime of dynamic legal harmonisation with the EU *acquis* to countries that suffer from deficiencies in the area of the rule of law and would become net recipients of the EU general budget.

A more limited scenario would be to aim for the free movement of goods by meeting the requirements of the relevant chapters (standards and regulations for industrial and agricultural products, competition policy, etc.). The EU's policy doctrine, however, is to avoid separating the four freedoms, so this would have to be negotiated.

A related scenario would be for accession to the customs union ahead of accession to the EU. This has been done with Turkey, but the experience has not been a happy one. The EU's common external tariff would have to be applied on imports, but for exports there is no guarantee that the EU's preferential terms through its various free trade agreements would be granted by the trade partner state to the non-EU member of the customs union. This has been a major problem for Turkey, and would also be an issue for Serbia given its free trade agreement with the Eurasian Economic Union.

More generally, both the Stabilisation and Association Agreements (SAAs) of the Western Balkans states and the Deep and Comprehensive Free Trade Agreements (DCFTAs) of the new East European applicants already provide the basis for progressive integration into the internal market. The difference between these two groups is that the DCFTAs include explicit lists of EU *acquis* with timetables for implementation, whereas the SAAs are less explicit. However the SAAs still contain general provisions whereby applicant states can go ahead autonomously at any time and adopt whatever elements of the *acquis* they wish to incorporate into their laws and policies. It then remains for the SAA Councils to take decisions marking the equivalence of these measures to the EU's internal market practices, and to grant enhanced market access accordingly (see Box 1).

### *Box 1. Internal market treatment under Stabilisation and Association Agreements*

The SAAs provide for the progressive establishment of a free trade area between the EU and Western Balkans countries in which there is free movement of goods<sup>3</sup>, competition is undistorted<sup>4</sup>, and the cross-border provision of services, capital and movement of workers is liberalised. In particular, the SAAs' free movement of goods rules abolish all import and export customs duties and charges having an equivalent effect, as well as all quantitative restrictions on imports, exports and measures with an equivalent effect<sup>5</sup>.

The internal market treatment of goods is based on the free movement of goods principle. A product legally placed in the Western Balkans (WB) state market is allowed to circulate freely within the entire EU market undistorted by the locally applied national rules on the basis of the SAA's free movement of goods clauses. By prohibiting all measures having equivalent effect to quantitative restrictions to the cross-border circulation of goods, the SAAs' free movement of goods rules provide a legal basis for introducing the internal market treatment of products imported from the WB states. In other words, the SAA demands its parties to disapply local rules that are capable of distorting the freedom of movement of goods as a matter of principle.

However, the SAAs provide an exemption to the free movement of goods principle, i.e. an authorised restrictions clause allowing prohibitions or restrictions to the free circulation of goods justified by the non-equivalence of measures taken by the WB state with those binding on the Member States. Therefore, in duly justified cases, the EU/Member States can restrict access to the internal market to products that have been lawfully marketed in the WB country on the grounds of non-equivalence of their consumer protection and health and safety requirements with the *acquis*. That said, the exemption to the rule must be interpreted restrictively. Once the equivalence between the rules of WB states and the relevant Union *acquis* and the competence to apply them is achieved, restrictions to market access on the grounds provided by the authorised restriction clause are no longer justified.

More generally, the EU is empowered by the SAAs to interpret their free circulation of goods provisions<sup>6</sup> in favour of the internal market treatment of WB products and/or to take general and specific measures aimed at eliminating all remaining non-tariff barriers to the free movement of products to comply with SAA rules prohibiting measures having equivalent effect to the quantitative restrictions<sup>7</sup>. Likewise, the SAA Councils have the power to adopt decisions<sup>8</sup> that oblige parties to comply with the rules and conditions for the internal market treatment of goods in accordance with the SAA free movement of goods provisions.

All in all, the SAAs provide a sufficient legal basis to progressively phase in WB products into the internal market on the basis of the equivalence of their rules with the relevant *acquis* and the competence of their authorities to enforce them.

*Based on: Sretic, Z, 'Sectoral integration opportunities in the SAA regime - the case for the internal market treatment of products,' 2023, European Policy Center, available at: <https://cep.org.rs/en/the-initiative-for-a-staged-accession-to-the-eu/>*

---

<sup>3</sup> See SAA Serbia, TITLE IV 'Free Movement of Goods'.

<sup>4</sup> See SAA Serbia, Art. 73.

<sup>5</sup> Measures having equivalent effect to the quantitative restrictions are defined by the EU law as '[a]ll trading rules enacted by Member States which are capable of hindering, directly or indirectly, actually or potentially, intra-Community trade' (Case 8/74 Dassonville [1974] ECLI:EU:C:1974:82).

<sup>6</sup> See Art. 129.2. of the SAA Serbia.

<sup>7</sup> See the SAA Serbia, Art. 129.1

<sup>8</sup> See the SAA Serbia, Articles 8, 121 and 129.3

### 3.2 The Green Agenda

The [Green Agenda for the Western Balkans](#) (GAWB) was launched in November 2020 with a political declaration of the six Western Balkan states (the Sofia Declaration), supported by an Action Plan for its implementation in the years 2021 to 2030. The agenda reflects the European Green Deal's agenda and is extremely wide-ranging, including seven roadmaps for:

- Climate action
- Energy
- Sustainable transport
- Circular transport
- Environmental remediation,
- Sustainable agriculture
- Protection of nature and biodiversity

In all, the Action Plan lists 58 initiatives, which contain references to the EU *acquis* under several chapters (climate law, the EU's Emission Trading System (EU ETS), the Energy Community, technical standards for transport modes, water-related *acquis*, food safety regulations, etc.). The Action Plan also includes numerous desirable policy objectives that are not defined in legally precise terms or with exact references to the EU *acquis*. However, it does embrace three specialised treaty-based initiatives that include all the Western Balkans states, namely in the Energy Community, Transport Community and European Common Aviation Area. These treaties do not add to the energy and transport *acquis* covered within the respective chapters, but have their own organisational and institutional structures to motivate and drive implementation. The overarching GAWB Action Plan has no standing in EU law with no enforcement mechanisms.

Of special interest is the work of the Energy Community secretariat to establish [annual quantified compliance ratings](#) with the relevant EU *acquis*. This could well fit into the proposed Staged Accession model, given that the secretariat's annual reports include specific quantified ratings for the energy, environment and climate *acquis*. Financial incentives could also be added as this sector will see the heaviest investments in new technologies and is the reason why the EU decided to earmark substantial funds for this sector in its post-Covid Recovery and Resilience Facility.

Overall, the GAWB is a cooperative regional initiative intended to boost interest in advancing this vast range of policies and organise comprehensive action at all levels – local, national and regional. It should help with the implementation of obligations under all cluster 4 chapters, even if they have not been opened yet.

### 3.3 Digital Europe

The term 'European Digital Union' surfaces in debates but does not have a precise policy or legal definition. The digital sector is a vast and fast-growing sector of the economy and policymaking, and the '[Digital Single Market](#)' has had official standing since 2015, when the Commission made this initiative a political priority. The most recent EU legislation in this field are the [Digital Service Act](#) and [Digital Markets Act](#), both adopted in 2022, and due to enter into force in 2023, which will

add automatically to the requirements of the relevant chapters. The Commission funds a [‘Digital Europe Programme’](#) for research projects that are open to third countries.

Since 2018 the [‘Digital Agenda for the Western Balkans’](#) has brought together the Commission and the six Western Balkans states. Its priorities are investing in broadband connectivity, increasing cybersecurity, the digitalisation of industry and society, and boosting research and innovation with national research facilities to be a part of the emerging digital European Research Area. The ‘EU–Western Balkan ICT Dialogue’ initiative will monitor the Western Balkans states’ implementation of the Digital Agenda. There are annual ‘summits’ at ministerial level, the fifth being held in Pristina in 2022.

As with the Green Agenda, the Digital Agenda offers significant opportunities for Western Balkan regional cooperation, linked to the EU’s wide-ranging digital agenda, but still distinct from it. There is no specific, legally binding agreement between the EU and the Western Balkans states for advancing integration in this area of EU policy. The content of the Digital Agenda is, however, substantial enough to justify the creation of a formal Digital Community analogous to the Energy Community, with a similar system of quantified ratings tied to Stages I and II of the Staged Accession proposal, and the associated financial incentives.

### 3.4 Foreign and security policy

This has long been a domain for soft cooperation between the EU and associated states, and can be considered an open-door opportunity for accession candidates, easy to develop without heavy legal agreements, relying on functional cooperation with the EU’s Foreign Affairs Council and the European External Action Service. Participation in Common Foreign and Security Policy (CFSP) actions, starting with alignment on EU foreign policy statements, has been ongoing for many years, and there are even percentages-based scorecards to measure how often candidate and associated states sign up to such statements. A more operational step is alignment with and the enforcement of EU sanctions, whose significance has of course risen to unprecedented levels due to Russia’s war in Ukraine. All Western Balkans states with the exception of Serbia have adopted these sanctions. Additionally, candidates are also participating in CSDP missions and operations, with the respective deployment of both civilian and military resources (where Serbia has made substantial contributions).

However, the war in Ukraine has now transformed this low profile cooperation into something of strategic significance. The most striking innovation has been the EU’s funding of EUR 4.6 billion (and rising) of military supplies to Ukraine, with Ukraine’s foreign minister often participating in formal (i.e. not just Gymnich) meetings of the EU Foreign Affairs Council, and President Zelensky himself participating in summit meetings (mainly online but physically in February 2022). This participation confirms a growing practice in the Council of hosting foreign dignitaries from third countries (from the US to Moldova) for high-level consultations ranging from managing acute crises to wider policy dialogues. Because this participation excludes decision-making sessions, the trend may well consolidate into a permanent fixture with Ukraine and the other candidate countries.

Also concerned with geopolitical and security issues is the Macron-led European Political Community (EPC) , which includes every single European country bar Russia and Belarus. The EPC

was launched during a first summit in Prague in October 2022, with the second taking place in Moldova in June 2023. The format is deliberately light, emphasising informal discussion between leaders, so far with no formal concluding statements. However, this initiative is not a requirement of the formal accession process.

### 3.5 Justice, borders and Schengen

The complex number of policies under the headings of Justice and Home Affairs, the rule of law and border controls has not seen comparable comprehensive regional initiatives, since judicial reform in particular is amongst the highest priorities of the formal accession process, notably as the 'fundamentals' cluster is opened first before all others. There are, however, possibilities for cooperation with various EU agencies including Frontex, Europol and Eurojust.

There is already visa-free travel for all Western Balkans states. A further limited initiative at EU borders that they would also appreciate would be their inclusion in the fast lanes for EU/EEA states. An end to border controls requires membership of the Schengen area, which happens only after accession – 10 years after in Croatia's case, with Bulgaria and Romania still waiting to join, 16 years after their formal accession to the EU.

### 3.6 Monetary Europe

The case of monetary policy is particularly interested due to the unilateral adoption of the euro by some of the Western Balkans states in advance of accession, whereas for others it would be postponed under regular procedures for many years after accession. For Montenegro and Kosovo, their use of the euro has functioned smoothly for over 20 years without their participation in the governance of the eurozone, whereas Croatia's regular accession to the euro in 2023 took place ten years after accession. Once again, Bulgaria and Romania have to wait even longer.

There are also the examples of the European micro-states (Andorra, Monaco, San Marino and the Vatican) which use the euro as their currency in cooperation with the EU, even minting their own euro coins. In the context of enlargement policy the EU officially ignores these developments. However, while the Western Balkans cases were each the product of very specific political circumstances, the use of major international currencies by much smaller neighbours, without participation in their governance mechanisms, is a long-established global phenomenon. This is based on a solid economic rationale that emphasises monetary stability and the cutting of transaction costs for trade.

The practical question is whether this model of advanced sectoral policy adoption has a future among Western Balkans candidate states. The first case in line would be Bosnia and Herzegovina, which is already almost in the eurozone, with a fixed exchange rate for its convertible marka against the euro, backed by a currency board regime, which means that its central bank backs its currency with one-on-one euro holdings. This would make it a straightforward operation to switch to the euro, which would have the usual advantages mentioned above. Next in line would be Albania, which is now the only part of the Adriatic coastline that is not using the euro as its official currency

following Croatia's recent accession to the eurozone. This is a significant disadvantage for the competitiveness of its tourist sector in relation to its neighbours.

Overall monetary integration through adopting the euro is a clear-cut case where sectoral integration before accession can have a solid functional rationale as well serve as a symbolic example of concretely observable European integration by the population on a day-to-day basis. Yet this is contrary to the EU's current policy doctrine, which favours 'euroisation' only after a long post-accession transitional period. The logic of this official position is to avoid still-economically fragile Member States having a role in the eurozone's governance.

However, adopting the euro unilaterally before accession, without any say in its governance, avoids this risk. The example of unilateral euro adoption clearly indeed highlights that the longer the accession process is stretched out, the more relevant it will become for the EU's neighbours to consider taking unilateral steps to integrate themselves to EU policies – albeit without a say in their governing bodies.

#### 4. PARTICIPATION IN AGENCIES AND PROGRAMMES

---

The debate over sectoral integration also includes references to more technical institutional and policy possibilities which, while important in themselves, are of second-level significance to the big issue about re-dynamising the enlargement process.

In particular, there is already considerable scope for candidate states to accede to various EU agencies and programmes before accession. In many cases this can only happen after a candidate state has adopted the related EU policy *acquis* (civil aviation standards for example), and this is formalised in the final administrative agreements. This also normally requires a contribution to the operating costs of the agency and programme participation fees. Several programmes, such as the Horizon research programme, are also subject to competitive conditions that candidate states may not be in a strong place to benefit from, thus their governments may consider it disadvantageous and not worth it to pay the participation fees.

The Czech non-paper includes details on how each of the Western Balkans states relate to as many as 19 agencies and 11 programmes – see the Annex below.

Regarding the 19 agencies there is a complex spectrum of arrangements depending on individual cases, with the Western Balkans states' participation supported by IPA funding. For example, the asylum agency (EUAA) has seen the adoption of 'Joint Roadmaps'. Europol sees 'Agreements on Operational and Strategic Cooperation', whilst Eurojust sees 'Cooperation Agreements'. For the European Environment Agency, the Western Balkans states participate in the 'European Environment Information and Observation Network'.

Regarding the 11 EU programmes, of which Erasmus, Horizon and Creative Europe are arguably the most well known, the Western Balkans states – with the exception of Kosovo – are already enthusiastic participants.

## 5. CONCLUSIONS

---

With the current stagnation of the formal enlargement process in the Western Balkans, there is currently a proliferation of terms seeking to signal the opening of a renewed integration dynamic between the EU and the candidate states: ‘sectoral’, ‘gradual’, ‘accelerated’, ‘advanced’, ‘enhanced’, ‘phased-in’ etc. The term with the most self-evident meaning is the ‘sectoral’, and this has also been illustrated with lists of various sectors advocated by different parties, hence why this has been the focus of this paper.

The most authoritative reference comes from the European Council whose conclusions at its 23-24 June 2022 meeting called for *‘building on the revised methodology ..... gradual integration .... already during the enlargement process’*. However, operational specification is lacking. There are no current proposals from the EU institutions for linking ‘gradual integration’ to the existing enlargement methodology or its reform to overcome its current stagnation.

However, the proposal for a Staged Accession process offers a clear framework for integrating gradual advances into the enlargement process, since these advances would be registered under the proposed quantified ratings for each chapter, and would guide the passage from stage to stage. In this way the proposal actually fits well with the European Council’s wish that gradual integration should ‘build on the revised methodology’.

Our review identifies a number of major policy domains that can or already do see a gradual alignment of the laws and policies of applicant states to the EU *acquis*, for example the internal market, and the green and digital agendas.

In the frequently cited case of the internal market, the applicant states are in any case able to advance their alignment with the EU *acquis* as far and as fast as they wish or are able to. This applies to the Western Balkans states under the SAAs with open-ended legal enabling provisions, and is thus hardly an innovation. One mega-idea is to accede to the entire internal market without or before EU accession, for which there is a clearly identified model, namely to join or clone the European Economic Area, but so far this has had no takers since the candidate states’ priority is still full political accession to the EU.

For the Western Balkans there are a number of important sectoral initiatives that can come under the heading of gradual integration, notably the Common Regional Market, and the green and digital agendas. However, these initiatives contain no clear incentives for the individual candidate states to press on with major reforms as they are addressed collectively to the entire region, without making any distinction based on the countries’ reform commitment and progress towards fulfilling membership criteria.

The Energy Community offers an interesting possibility for applying the Staged Accession model, since the secretariat subjects the whole of its energy-environment-climate agenda in its annual reports to the same quantified ratings on a scale of 1 to 5. This also serves as a reminder to the Commission of how it could perfectly well do the same for all chapters, and for which they already

do the groundwork with qualitative ratings (the key difference is that qualitative ratings cannot be summed and averaged).

An open question could be whether the vast and growing digital agenda should be more formalised for accession candidates following the Energy Community model.

Crucially, the 'gradual' or 'sectoral' approach sees no systematic application of the principle of conditionality with regard to the 'fundamentals' of the enlargement process (respect for democracy, the rule of law, justice sector reform), which highlights that the approach can hardly be presented as enhancing accession in a holistic and predictable fashion. On the contrary, this approach may be viewed by some of its proponents as an alternative to propelling enlargement forward, or as some kind of compensation for its lack of progress.

In conclusion, the sectoral approach (as for the other terms being promoted) can consist of useful complementary activities in parallel to – but separate from – the formal enlargement process. It may help prepare for the opening and closing of clusters and chapters, but is not in itself either a reform of or alternative to the formal legal process of enlargement. It evades the tough political issues evident in the current stagnation of the formal process and concentrates on looser cooperation. Moreover, if it requires the negotiation and signing of separate international agreements, it may draw away crucial administrative capacities on both the candidates' and the Commission's side from the main task of preparing and conducting EU accession negotiations.

The Commission should be making proposals to reform the enlargement process and help it advance faster, but is currently silent. The Staged Accession model is the only fully structured proposal on offer that could do this, and one that builds on the clusters and chapters of the current methodology in line with the European Council's orientations. It would not disturb the negotiation processes between the EU and candidate states, but add incentives for the candidate states to implement the *acquis*.

**ANNEX: AGENCIES AND PROGRAMMES OF THE EU  
WITH WHICH WESTERN BALKAN STATES CAN OR DO HAVE RELATIONS<sup>9</sup>**

**Agencies**

1. European Border and Coast Guard Agency (Frontex)
2. European Union Asylum Agency
3. Europol
4. European Union Agency for Law Enforcement Training
5. European Monitoring Centre for Drugs and Drug Addiction
6. Eurojust
7. European Union Aviation Safety Agency
8. Bureau of European Regulators for Electronic Communications
9. European Centre for Disease Prevention and Control
10. European Environment Agency
11. European Chemicals Agency
12. European Food and Safety Authority
13. European Institute for Gender Equality
14. European Medicines Agency
15. European Maritime Safety Agency
16. European Union Agency for Railways
17. European Agency for Health and Safety at Work
18. European Foundation for the Improvement of Living and Working Conditions
19. European Union Agency for Fundamental Rights

**Programmes**

1. Civil Protection Mechanism
2. Competitiveness of Enterprises and SMEs
3. Creative Europe – Culture sub-programme
4. Creative Europe – Media sub-programme
5. Customs 2020
6. Employment and Social Innovation Programme
7. Erasmus+
8. Europe for Citizens
9. Fiscalis 2020
10. Horizon 2020 / Horizon Europe
11. Justice Programme

---

<sup>9</sup> Source: Czech presidency of EU Council, 'Non-paper on accelerated/gradual integration for COELA capitals', 21 November 2022 (WK 15317/2022 INIT).



**OPEN SOCIETY  
FOUNDATIONS**



This issue paper 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. These issue papers 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 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)**, **Institute 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.



institut alternativa

[www.cep.org.rs](http://www.cep.org.rs)

[www.ceps.eu](http://www.ceps.eu)

All rights reserved.