



Brussels, 20.3.2024
COM(2024) 146 final

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE EUROPEAN COUNCIL AND THE COUNCIL**

on pre-enlargement reforms and policy reviews

Communication on pre-enlargement reforms and policy reviews

'In a world where size and weight matters, it is clearly in Europe's strategic and security interests to complete our Union... the next enlargement must also be a catalyst for progress'.

President von der Leyen, State of the Union, 2023

1. Introduction

Since 1957, the European Union, and the European Communities before it, have successfully gone through several rounds of enlargements, developing into today's Union of 27 Member States. Europe's modern history is one of a social market economy consisting of liberal democracies **getting stronger and more prosperous together**.

Pursuant to Article 49 of the Treaty on European Union (TEU), *'any European State which respects the values referred to in Article 2 and is committed to promoting them may apply to become a member of the Union'*. The enlargement countries belong to the European family and are an intrinsic part of a Europe united and free. In an increasingly volatile geopolitical context, with Russia's war of aggression against Ukraine being fought on our continent, the European Union remains an **anchor of peace, prosperity and security**.

Enlargement is in the Union's **own strategic interest**. This does not mean that enlargement comes without challenges. That is true for the candidate countries and potential candidates, which will need to carry out substantive political, institutional and policy reforms to be ready for membership, and it is also true for the Union, which will have to deal with, inter alia, increased heterogeneity, the need for new resources, further complexity of decision-making processes and the need to maintain undisputed respect for and continued application of the EU's core values.

A larger Union has greater geopolitical weight and influence on the global stage, including as an economic partner. This also helps reduce external dependencies, enhances resilience and allows us to act more autonomously where needed. Enlargement strengthens the competitiveness and growth potential of the Single Market, creating new economies of scale and opportunities for EU citizens and businesses. It boosts energy security and promotes higher environmental, health, social and consumer standards as well as global climate action. Most fundamentally, a well-managed enlargement expands and anchors democracy, the rule of law, stability, external and internal security and respect of fundamental rights across our continent.

These benefits can materialise once **both the EU and future Member States are well-prepared**. This requires full and sustained political commitment and engagement, from the candidates and potential candidates, but also from the EU itself. **While reforms were necessary before, with enlargement they become indispensable**.

In the 2022 Versailles Declaration, EU Heads of State and Government reaffirmed the EU's long-term ambitions and pointed to action to achieve them. Building on it, in the Granada Declaration of October 2023, Leaders stated that, looking ahead to the prospects of a larger

Union, both the EU and future Member States need to be ready, and that the EU needs to lay the necessary internal groundwork and to implement reforms for a stronger Union.

The European Council in December 2023 further reiterated this point, making clear that both future Member States and the EU need to be ready at the time of accession, and both tracks should **advance in parallel**. Enlargement countries need to be ready for accession and assessed on their own merits. At the same time, the EU needs to keep its commitments and be ready to welcome new Member States. The EU must deepen as it widens. We must start preparing today for the Union of tomorrow and use enlargement as a catalyst for progress.

EU accession is and remains based on fair and rigorous conditionality, the **principle of own merit** and concrete progress on the ground, in line with the ‘fundamentals first’ approach. **Each candidate country and potential candidate will be assessed on its own progress in fulfilling**, in particular, **the Copenhagen Criteria**, which are the essential conditions that all enlargement countries must satisfy to become a Member State. Hence, a timeline or sequence of any future accession cannot be prejudged.

The European Parliament and the Council of the European Union are currently conducting their internal assessments on how to meet the prospect of a larger Union, looking both at existing provisions of the Treaties and beyond.

This Communication is the Commission’s contribution to the discussions leading to the adoption by Leaders of a roadmap for future work on enlargement and reforms, by summer 2024. It looks at the implications of a larger EU in four main areas: values, policies, budget and governance. With this, it lays the ground for the **pre-enlargement policy reviews** announced by President von der Leyen in her 2023 State of the Union address. It considers the impact of enlargement on already evolving EU policies as well as the need to equip candidate countries and potential candidates with the tools to adapt and the EU with tools matching its ambition.

2. Getting ready for a larger Union

Twenty years ago, 10 countries joined the European Union. The total number of Member States increased from 15 to 25 countries, to the current 27. **All of Europe gained from it**. Enlargement helped anchoring the new democracies in Central and Eastern Europe and made the EU the world’s largest integrated market. It opened trade and financial flows, thus contributing to economic growth in the EU and in acceding countries alike, and strengthened the EU’s weight in global affairs. It doubled inward foreign direct investment as a percentage of GDP from 2004 to 2012 and resulted in aggregate welfare gains in the entire EU. These fundamental opportunities also apply to future enlargements.

Increased scale brings clear advantages: a larger Single Market and labour market, more emissions reductions, stronger social convergence, enhanced health protection and a more powerful voice in the world. Yet, the EU’s policies, budget and governance will inevitably be impacted by a larger Union, and enlargement can potentially bring unintended consequences. As the Union’s policies must continue to deliver effectively, measures will need to be taken to **reconcile the opportunities of a larger Union with the challenges** it poses.

The EU **successfully managed previous enlargements**. This was achieved by **adjusting EU policies** ahead of accession; by a **rigorous accession process** ensuring enlargement countries are fully prepared in advance of accession; and through targeted **assistance**.

This approach has contributed to closing the gaps between old and new Member States. Formal EU accession did not come as a disruptive shock to new and existing Member States, but as a further stage in a smooth integration of new Member States into the EU's policies and budget. This was complemented, where needed, by **transitional periods** after accession, such as the phasing-in of funds and access to the EU labour market.

Thanks to the **lessons learned** from previous enlargements, the EU is **now even better prepared**. It has refined its enlargement policy, by putting the fundamentals, such as democracy, rule of law and the protection of fundamental rights, even more at the core of the accession process. Also, as reflected in the 2020 revised enlargement methodology, it offers to candidate countries and potential candidates enhanced avenues for '**gradual integration**' of enlargement countries into selected EU policies, already before their accession, by frontloading certain benefits and obligations of EU membership. In line with the conclusions of the European Council of 23-24 June 2022, this should be merit-based and reversible. The possibilities offered by this **gradual integration** will be fully exploited, with EU membership remaining the final objective.

In the last years, the EU has successfully dealt with the COVID-19 pandemic, agreed and implemented NextGenerationEU, shown unprecedented unity and solidarity in the face of Russia's war of aggression against Ukraine, and effectively addressed the energy crisis. It has also solved issues that had divided our Union for years – from the Pact on Migration and Asylum to the Economic Governance Review. We must continue on this reform path. As we **further improve our policies at 27, we also become better prepared for a larger Union**.

A successful enlargement will also require the EU and its aspiring members to communicate effectively to their respective societies on the accession process and engage in constructive debate with their citizens on its strategic importance and benefits for all.

The prospect of enlargement is also an opportunity to simplify EU rules and better apply the subsidiarity and proportionality principles, including by identifying what could be better addressed at national level.

A) VALUES

Article 2 TEU sets out the values on which the Union is founded, notably democracy, respect for human rights, including rights of minorities, and the rule of law. At times where these values face challenges, both from outside and from within the EU, it is crucial that the EU protects and upholds these values and its democratic principles. Compliance with those values and principles is a condition for the enjoyment of all the rights deriving from EU membership. It must continue to be a priority of the EU to ensure a deep-rooted transformation in enlargement countries, leading to lasting respect of democracy, equality and non-discrimination, fundamental rights, including childrens' rights and the rule of law, before *and*

after they join the EU. Member States are required to ensure that there is no regression of their laws implementing those values.

The **rule of law** is one of those **core values**. It ensures that democracy, equality and fundamental rights are protected across the Union. It creates the conditions for judicial independence, fair and well-functioning justice systems, combatting corruption, organised crime and state capture, safeguarding fundamental rights, freedom of expression, including media freedom and pluralism, and preserving checks and balances including well-functioning democratic institutions and public administration, a free and empowered civil society, and effective engagement of citizens – all of which are at the centre of strong democracies. The prevention of and the fight against corruption are crucial to safeguard EU values and uphold the rule of law and trust in those who govern and public institutions. They are also prerequisites for a strong economy, the proper implementation of EU policies and the sound use of the EU budget.

Functioning democratic institutions, the protection of fundamental rights and the rule of law are a vital part of the Copenhagen Criteria and thus a **fundamental precondition for joining the EU** in the first place. Continuous progress on these fundamental reforms determines the overall pace of accession negotiations. During the negotiations, enlargement countries must show tangible and continuous progress on the rule of law, as a condition for progress in the accession negotiations overall. Beyond accession, that progress needs to be constant. Yet the EU has had to deal with significant challenges to the rule of law, including in Member States.

Over the past years, the EU has put in place **dedicated tools to ensure that the rule of law is respected across the EU**, including the annual rule of law reports backed with recommendations, and the Conditionality Regulation designed to protect the EU budget from breaches of the principle of rule of law in Member States.

As announced by President von der Leyen in her 2023 State of the Union address, the annual **Rule of Law Report cycle** has now been extended to those enlargement countries which are the most advanced in their accession negotiations, in order to drive their rule of law reforms even further. This means that certain enlargement countries are assessed in the same way as current Member States. This will support their reform efforts to achieve irreversible progress on democracy and the rule of law, ahead of accession, and guarantee lasting high standards after accession.

Looking forward, the EU will need to reflect on how to further strengthen its tools to ensure the rule of law is truly and consistently upheld across the EU, beyond accession.

B) POLICIES

The **European Single Market** – the world's largest integrated market – is one of the greatest achievements of the EU. Through its four freedoms – the free movement of goods, persons, services and capital - and common policies it has, over 30 years, fuelled economic growth, created opportunities and simplified everyday life of European consumers and businesses.

In order to allow its citizens to reap the full benefits of the Single Market, the Treaties have created the area of freedom, security and justice without internal frontiers that facilitates the free movement of persons, while providing for appropriate measures as regards external border controls, the management of migration and asylum and the prevention and combating of serious and organised crime. The last enlargements in 2004, 2007 and 2013 provided more than 100 million citizens with the benefits of the Single Market, such as lower prices, more choice, quality jobs and a high degree of health, safety and consumer protection, and facilitated the access of EU businesses to new markets. On the tenth anniversary of the 2004 enlargement in 2014, the combined EU GDP had grown to €13 trillion.

While not being without challenges or unintended consequences and conscious that it should be monitored closely and addressed thoroughly, a larger Union significantly enlarges the benefits of **the Single Market** (as well as of the Customs Union). The next enlargement is bound to bring further opportunities and prosperity for the Union as a whole, strengthening the competitiveness of the EU economy in today's fierce global competition. This will happen notably through increased trade opportunities and higher productivity; greater energy security; reduced critical dependencies on third countries for instance on critical raw materials; enhanced resilience and more secure supplies; greater choice of goods and services at competitive prices for consumers; additional benefits and lower costs of financial and banking services for consumers and firms, thanks to economies of scale.

Early and gradual access to the Single Market will also allow enlargement countries' economic operators to further integrate in European value chains. To this end, strategic partnerships in industrial ecosystems of mutual interest (e.g. raw materials, batteries, tourism, circular economy, machinery) could be established.

Taking over the *acquis* of the Single Market is at the core of any EU accession. This entails full adherence to a single comprehensive set of rights and obligations, which **cannot be 'à la carte' either in terms of policy areas or governance**. This raises the issue of **how to further roll out gradual access to the Single Market** before accession, both in terms of determining target areas and the conditions for it.

Notably, it will need to be decided whether **gradually granting access to enhanced internal market treatment** would create directly enforceable rights and obligations in the legal order of the Union and of the enlargement countries. The specificities of different sectors will need to be taken into account when considering internal market treatment before accession. It also needs to be decided which safeguards are required, in terms of uniform interpretation, application and enforcement of the EU *acquis*, and possibilities for the Union to react in case an enlargement country does not comply with its obligations.

This reflection **does not start from scratch**. The tools and framework that already govern the relations between the EU and the enlargement countries (such as Stabilisation and Association Agreements with the Western Balkans and the Association Agreements/Deep and Comprehensive Free Trade Areas (DCFTAs) with Ukraine, Moldova and Georgia) already offer major opportunities to ensure a smooth transition towards membership, including gradual integration into specific areas of the Single Market. These frameworks are complemented by additional initiatives (see box hereafter).

Examples of gradual integration initiatives:

*The **Priority Action Plan (PAP) under the DCFTA with Ukraine** aims to provide the country with access to areas of the Single Market ahead of accession by including it in the EU's Roam Like at Home, by preparing the access to the Single Euro Payments Area (SEPA) in accordance with the relevant procedures and requirements, as well as allowing for free circulation for certain industrial goods (ACAA). A similar Plan exists also for **Moldova** and is now being put in place with **Georgia**.*

*The **Growth Plan for the Western Balkans** incentivises the region to prepare for EU membership and accelerate the necessary socio-economic and fundamental reforms, notably by bringing forward some of the benefits of access to the Single Market. These priority actions, including extending the EU's Roam Like at Home to the region, preparing the access to the SEPA in accordance with the relevant procedures and requirements, as well as allowing for free circulation for certain industrial goods and opening up some service sectors, will be implemented making full use of the provisions of the Stabilisation and Association Agreements.*

*This initiative is undertaken in parallel with the **Common Regional Market within the Western Balkans** which, based on EU rules and standards, aims to ensure economic integration of the region. The cumulative effect of regional integration, the gradual integration into the EU's single market and structural reforms will accelerate socio-economic convergence prior to their accession.*

*These gradual integration processes are also **supported financially** by the proposed Reform and Growth Facility for the Western Balkans, the Ukraine Facility and the EU Support Package for Moldova. They should ensure the necessary investments to improve economic and social convergence within an EU of 30+.*

Ensuring early integration to certain areas of the Single Market for candidate countries and potential candidates will require not only dynamic alignment to the EU acquis but also, in terms of governance, a uniform and effective implementation and enforcement of all relevant EU rules. This is key to prevent any risk of fragmentation of the Single Market and to maintain trust in the respect of the rules.

The quality, capacity and performance of public administration is fundamental to deliver on EU policies and implement EU legislation. Absorption of the EU acquis will be facilitated by an **increased interaction between administrations** of enlargement countries, Member States and EU institutions. Enlargement countries already participate – often as observers – in preparatory work on EU legislation and policies, or in the work of certain EU decentralised agencies, thus rooting EU standards in their systems early on. Instruments such as the Technical Support Instrument, TAIEX and Twinning should be even further expanded to provide technical and policy support to the public administrations of future EU Member States. Many of the enlargement countries are also already associated to internal market-relevant **EU programmes**, giving them similar opportunities to those of EU actors.

The Commission will also continue to support **people-to-people programmes, such as Erasmus+**, especially with regards to youth, to foster **a common European spirit**, creating synergies for example with the Regional Youth Cooperation Office founded by the Western Balkans, or the network of Young European Ambassadors in the enlargement countries.

Importantly, the integration of enlargement countries in an enlarged Single Market will benefit from reforms in key policy areas identified in the forthcoming pre-enlargement policy reviews listed below. These will also benefit from the ongoing sectorial reflections and in particular the insights of two upcoming high-level reports: the **High-Level Report on the future of the Single Market** commissioned by the Presidency of the Council and by the Commission from Enrico Letta, and the **Report on the future of European competitiveness** from President von der Leyen's Special Adviser Mario Draghi.

i) Enhancing connectivity

Benefits and challenges

A larger Union will bolster **physical connectivity**, with new transport and trade routes, including extended European Transport Corridors, leading to lower logistical costs, smoother trade flows, ultimately bringing tangible benefits to consumers, citizens and businesses.

An extended European Transport Area would offer **the basis for new policy initiatives and investment** to sustain the EU's global leadership across the value chain in various transport sectors (e.g. manufacturing of planes, cars, trucks and rolling stock, production of sustainable fuels, logistic and transport services including the military mobility dimension).

Enlarging the **Energy Union** could further facilitate energy infrastructure development and bolster the EU's energy security, affordability, and decarbonisation. Several enlargement countries have considerable potential for low-carbon energy. This extension could also contribute to sustain the EU's global leadership in deploying renewable energy.

As regards the **Digital Single Market**, the Digital Decade Policy Programme will support future Member States in identifying areas for action to meet the common targets for digital skills, infrastructures, businesses and public services. This would put digital infrastructures and technologies at the service of sustainable, inclusive and prosperous societies. New Member States will also benefit from the application of EU pioneer legislation in the area of personal data protection, artificial intelligence (e.g. AI Act), online platforms (e.g. Digital Markets Act, Digital Services Act and platform workers), data (e.g. Data Act and Data Governance Act) and interoperability.

Likewise, European digital connectivity would be enhanced by deepening roaming cooperation with enlargement countries, whilst aligning electronic trust frameworks would facilitate trade and the movement of people.

Further benefits should stem from an extended application of the EU cybersecurity legislative framework and the early application by enlargement countries of the EU toolbox for 5G cybersecurity. In the context of an already closely integrated cyber space, this should increase the collective capacity to respond to threats and incidents.

Much of this progress will also depend on the **availability of sufficient private and public investment**, notably to ensure the deployment of secure, resilient and high-capacity digital communication infrastructure, and establish European Digital Innovation Hubs for supporting business and public sector organisations to address digital challenges and become more competitive. Other potential challenges include regulatory convergence (such as in the areas of electronic communications, roaming, radio spectrum, electronic trust services), cybersecurity of supply chains, given the exposure of candidate countries and potential candidates to sophisticated malicious cyber actors and the presence of high-risk vendors' technology, which is a key consideration especially for the 5G networks. These challenges of level of investments and regulatory convergence are equally of concern in the energy and transport sectors.

Considerations for upcoming policy reviews

The policy reviews will examine how policy initiatives to enhance resilience through industrial breakthrough innovation could derive greater scale and support from Important Projects of Common European Interest (e.g. as has been done in fields like semiconductors and hydrogen). Similarly, additional strategic partnerships in ecosystems of mutual interest (e.g. raw materials, batteries, tourism, circular economy, machinery, space) could be established. Support to investments should focus on the accelerated development of the extension of energy and transport interconnections under the TEN-E and TEN-T in candidate countries and potential candidates. It could also examine how enlargement countries can build up the necessary administrative capacity to effectively participate in future cross-border and multi-country strategic projects.

New joint purchasing instruments taking inspiration from the EU Energy Platform could associate enlargement countries to secure strategic commodities, such as hydrogen and raw materials critical to the EU's energy transition, digital transition and the competitiveness of the EU economy.

In a larger Single Market, a responsible uptake of new digital products and technologies on financial markets could make a difference. Early involvement of enlargement countries in activities increasing the EU's cybersecurity capacities (including through the EU Cybersecurity Reserve and closer partnership with the EU Cybersecurity Agency) would also be mutually beneficial. A broader use of digital solutions is instrumental to cutting or avoiding red tape both in the existing and future Member States.

Gradual integration

The further integration of candidate countries and potential candidates into these respective parts of the Single Market will be underpinned by strengthening regulatory convergence and infrastructure links with the EU. The Western Balkans Investment Framework is stepping up support to put in place the necessary transport, energy, environment (waste and water management), digital and social infrastructure as set out in their Economic and Investment Plan (EIP). Similar work is underway with Moldova and Georgia through the respective EIPs for the Eastern Partnership. As part of the Ukraine Facility, the Ukraine Plan will set out

reform and investment priorities, and the Investment Framework will catalyse private and public investments along those priorities in the country.

Through the **Energy Community Treaty**, work continues on alignment with the EU energy, environment and climate *acquis* and on the extension of the Trans-European Networks for Energy (TEN-E) to improve energy interconnections between the EU, the Western Balkans, Ukraine, Moldova and Georgia. The synchronisation of Ukraine's and Moldova's electricity grids to the continental European network strengthens energy security and creates opportunities for electricity trade.

Similarly, the **Trans-European Transport Networks** (TEN-T) are extended to improve transport connectivity with the EU and support these countries in implementing the EU transport *acquis*, including under the Transport Community Treaty, where the Commission will consider options to further deepen the participation of Ukraine, Moldova and Georgia. Progressive alignment with the EU aviation *acquis* is pursued through existing aviation agreements.

Reinforcement of and investments in **Solidarity Lanes** as permanent links also bring an important contribution in this respect, alongside a host of other initiatives in the transport sector, such as the participation of enlargement countries to EU agencies and programmes in the area of transport. **Enhanced customs cooperation** can facilitate gradual integration into the Customs Union. Better connectivity will also facilitate military mobility. Through various Global Gateway initiatives, including the Economic and Investment Plans, the Digital Agenda for the Western Balkans and the Ukraine Investment Framework under the Ukraine Facility, the EU is already mobilising considerable public and private investment to support digital transformation of the candidate countries and potential candidates (and in the case of Ukraine, its reconstruction and modernisation).

Furthermore, the EU started the process to bring Ukraine and Moldova into the EU Roam Like at Home area, whilst facilitating voluntary roaming arrangements between telecom operators in the EU and in the Western Balkans, Ukraine and Moldova as well as the preparation of a Regional Roaming Agreement, which will contribute to reduce roaming prices in the Eastern Partnership region by up to 87% in the next years.

Other important initiatives include the EU-Ukraine strategic partnership on critical raw materials, which could serve as an example for similar partnerships with other enlargement countries.

ii) Keeping our climate and environment commitments

Benefits and challenges

As more countries adhere to the EU's ambitious climate and environmental commitments and *acquis*, a larger Union will **positively contribute to addressing climate change and biodiversity loss**, notably by expanding EU decarbonisation efforts. The enlargement countries have strong potential in terms of renewable energies and energy efficiency and are home to important natural resources and biodiversity.

Implementing the EU's ambitious green agenda will also entail **challenges**. Several enlargement countries have highly polluting industries, under-performing water and waste management infrastructures, rely substantially on coal for electricity production and have a high greenhouse gas emission profile and high air pollution levels. At the same time, they have a strong potential for renewable energy (especially solar and wind) and pollution reduction through the introduction of modern abatement technologies. The green transition, in particular the deployment of renewable energy on land and offshore, needs to be accelerated. Their industrial and building stock will require refurbishment to enhance their energy efficiency and facilitate a just transition from a coal-based economy. Significant efforts will be needed to move towards a circular economy and achieve sustainable consumption, production and resource use. This will require adequate investments, namely to cater for impacts on specific regions, sectors and workers.

The inclusion of new countries in the EU Emissions Trading System would provide a powerful tool to decarbonise their economies and raise national financing needed for the transition. The impact of increase of both supply and demand of allowances on carbon price levels need to be assessed under the reviews.

Considerations for upcoming policy reviews

Against this backdrop, the policy reviews would have to examine how to best support the enlargement countries in aligning with the EU's climate and green industrial policies. They would also analyse to what extent new challenges can be addressed by the EU's climate and green industrial policy while safeguarding our ambitions and ensuring predictability. The policy reviews would finally examine whether and to what extent new Member States would need dedicated financial support to ensure that the EU remains on track to meet its climate and broader environmental commitments.

The green transition of industries in enlargement countries should benefit from a European growth-enhancing business environment that is geared towards the development and use of clean technologies and high energy and resource efficiency. This requires setting the right incentives and mobilising the adequate mix of private and public sector investment.

Finally, the policy reviews could look into some key enablers such as public and private investment needed to develop the renewable energy potential, green innovation or skills.

Gradual integration

Some of the climate and energy-related challenges related to enlargement are already being mitigated by the transformation efforts underway in the enlargement countries, under various initiatives.

As Contracting Parties to the **Energy Community**, the Western Balkans, Ukraine, Moldova and Georgia have adopted binding 2030 energy and climate targets aligned to EU ambition and are preparing their National Energy and Climate Plans due in June 2024 thus contributing to their gradual integration into the EU energy market.

Work is also ongoing on developing carbon pricing, including the necessary Greenhouse Gas emissions monitoring framework.

Moreover, the **Green Agenda for the Western Balkans**, designed to align the region to the ambitions of the Green Deal, facilitates regulatory reforms and investments in the region, particularly in the areas of energy transition, sustainable mobility, air, water and soil depollution, the circular economy, biodiversity protection and ecosystems restoration or sustainable food production.

To support these efforts, the **EU mobilises, promotes and accelerates private and public investments** in the green transition through its Economic and Investment Plans (EIP) for the Western Balkans and the Eastern Partnership, the Ukraine Facility, the New Growth Plan for the Western Balkans, the Energy Support Package for the Western Balkans, or the Central and South Eastern Europe energy connectivity High-Level Group focusing on, for instance renewable energy sources, the energy efficiency ‘renovation wave’, domestic and cross-border infrastructure, energy transition (especially away from coal) and regulatory alignment. To ensure maximum efficiency, the participation of enlargement countries in EU agencies and programmes in this area should be further intensified.

The EU’s support has also been instrumental in strengthening Moldova’s and Ukraine’s energy sector, providing emergency energy equipment, facilitating their integration in the EU energy market and the EU energy platform. This has reduced Moldova’s energy dependence on Russia. Another example of EU support concerns the electricity cable that is being considered to connect the rest of Europe with Georgia.

iii) Improving food quality, safety and security through a competitive, sustainable food sector

Benefits and challenges

One of the key challenges of future enlargement, will be to strengthen the EU’s common agricultural policy’s ability to **support a sustainable and competitive agri-food production** model, while accommodating the needs of farmers and fishers in both current and future Member States as well as the variety of farming models in a wider Union. This will have to be managed in a way that the internal market, the Common Agricultural Policy (CAP) as well as the Common Fisheries Policy (CFP) are preserved, without creating undue shocks or major disruption towards achieving its policy objectives.

Ukraine is one of the most important global food producers, notably on the grain market. Its integration in the EU will help the EU’s food security and position in the global agricultural trade, but the size and structure of its agricultural production will need to be given appropriate attention.

The objectives of the CAP remain valid in a wider Union. Enlargement will require a thorough assessment of its long-term effects on the viability and sustainability of agricultural policies in an EU 30+, paying appropriate attention to the size and structure of agricultural holdings, the structure of agriculture in each economy, coupled with the diversity of agriculture models, and bearing in mind the long-term socio-economic and environmental challenges the sector faces. Ensuring a level playing field for the agricultural sector between current and future Member States will be essential.

Considerations for upcoming policy reviews

The policy reviews will examine the candidate countries and potential candidates' ability to apply the EU legislation on direct farm support schemes and to implement the common market organisations for various agricultural and fisheries products. The role of farming and fisheries for the quality of life in rural and coastal areas, its environmental impact and overall contribution to sustainability of local communities will need to be fully taken into account.

Policy reviews will also analyse how to ensure the full compliance, and effective and coherent application of other related policies that guarantee high safety and quality standards in areas such as food safety, sanitary and phytosanitary measures, animal health and welfare, environment etc.

Gradual integration

The stabilisation and association process for the **Western Balkans** sets out common political and economic goals -including with regard to the agricultural sector, supported by economic and financial instruments to accompany the transition process. The region also benefits from funding under the Instrument for Pre-Accession for Rural Development, including on sustainable agriculture and rural agro-business.

Similarly, the implementation of Association Agreements with **Georgia, Moldova, and Ukraine** via regulatory harmonisation and active support to farmers and businesses have strengthened agricultural and food safety reforms. Roll-out of fast and affordable internet in rural areas also acts as a powerful enabler for the development of rural areas.

iv) Creating the conditions for social, economic and territorial convergence

Benefits and challenges

Membership of the Economic Union brings tangible benefits to the citizens and the economy, such as lowering transaction costs, spurring investment, intraregional trade, economic growth and stronger social rights. It also provides access to larger and more diversified financial markets, thus reducing financing costs and provides consumers with more choices and lower prices.

Moreover, the single currency in the Monetary Union eliminates exchange rates fluctuations and associated transaction costs for companies and citizens alike. Enlarging the Economic and Monetary Union to new members would also support economic resilience of the EU as a whole by facilitating the creation of diversified cross-border value chains. It would also help bolster the role of the EU and of the Euro in the global economy.

Successful integration in an Economic and Monetary Union requires **economic and social convergence** and effective **coordination of economic and social policy making** between Member States to maximise the opportunities it brings and to avoid major disparities at the national or regional level and negative spill-overs in the case of adverse economic shocks. The minimum standards for workers' protection set in the EU acquis and the European Pillar of Social Rights are the foundation for this social convergence, together with sound industrial relations. In particular, well-functioning labour market structures and institutions, effective

social protection systems and strong social dialogue will be crucial to ensure a cohesive enlarged Union, leaving no one behind and ensuring a level-playing field.

Enlargement will have a considerable impact on the **EU's cohesion policy**. The policy has proven successful in contributing and amplifying the benefits of the single market, reducing territorial disparities and spurring upward socio-economic convergence between Member States and regions. The EU's cohesion policy objectives remain valid in a wider Union, both in current and future Member States. However, the limited administrative capacity of implementing authorities and beneficiaries in candidate countries and potential candidates, will create challenges for absorption and the quality of investment. Improving this capacity with technical assistance, phasing-in periods and other measures – such as training - will be key to ensure that the EU support effectively contributes to upward socio-economic and territorial convergence and that the Union's financial interests are protected. As was the case in previous enlargements, there is a need for a comprehensive reflection on the future of Cohesion policy in the EU.

Finally, extending the **EU tax acquis** would be clearly beneficial, as it would spur cross-border activity and trade in the EU for citizens and companies, creating a **level playing field**. However, the existing unanimity requirement in the Council on tax matters will be even more challenging in a larger Union, inviting to consider qualified majority voting in this area. The same would be true for certain aspects of other EU policies (e.g. elements of social policy).

Considerations for upcoming policy reviews

To address challenges linked to the **governance of economic and social convergence policies within a wider group of Member States**, the policy reviews will need to reflect inter alia on how to close legislative and enforcement gaps (e.g., economic and fiscal policy, free movement, social security coordination, labour law, consumer protection, health and safety at work). While the fundamental value of free movement needs to be ensured, additional measures would be needed to mitigate the risks of social dumping or brain drain and depopulation. In this respect, an early involvement of social partners from future Member States is essential, including when adapting existing legislation, adopting new rules and enforcing them.

Gradual integration

Within the EU, coordination of economic and social policy happens in the context of the European Semester. The European Semester country-specific recommendations, proposed by the European Commission and adopted by the Council, also underpin the financial support provided through the NextGenerationEU Recovery and Resilience Facility (RRF).

Since 2015, the European Semester is being replicated in enlargement countries: all candidate countries and potential candidates submit annual Economic Reform Programmes to the European Commission, focusing on reforms to boost competitiveness and improve conditions for inclusive growth and job creation. These are assessed by the European Commission and the European Central Bank and discussed by the Council of Ministers with the enlargement countries. In the future, stronger alignment between the two processes could be considered.

In the case of the Western Balkans, the Economic Reform Programmes will focus on the macro-fiscal framework and be supplemented by the Reform Agendas related to the new Western Balkans Reform and Growth Facility. The Reform Agendas will identify a set of priority reforms, broken down into measurable steps which will serve as payment conditions.

In the case of Ukraine, the Ukraine Plan which is the main tool for delivering the Facility, sets out the government's priorities, the sequencing of key reforms and investment priority areas, which will bring about economic growth and resilience, foster its integration into the Single Market, and ensure Ukraine gradually align its legislation with the EU *acquis*.

In addition, **pre-accession assistance** helps candidate countries and potential candidates in transforming their societies, legal systems and economies – be it in the form of grants, infrastructure investments or technical assistance to facilitate political, social and economic reforms. This brings societies closer to the European Union's values and standards, allowing them to prosper in the Economic Union upon accession and to contribute to the economic resilience of the EU as a whole. Many of the enlargement countries are also already associated to relevant EU programmes, such as the Employment and Social Innovation (EaSI) strand of European Social Fund (ESF). The participation of enlargement countries in EU agencies in this area should be further intensified, notably the collaboration with the European Labour Authority and in the European Agency for Safety and Health at Work.

Territorial cooperation, including cross-border and transnational cooperation programmes, already enables the enlargement countries to work together and with neighbouring EU Member States in key social and economic sectors (including border connectivity as well as people-to-people actions). Examples include the EU Macro-regional Strategies for the Adriatic, Ionian and Danube Regions, the Common Maritime Agenda for the Black Sea or the Interreg cross-border programmes implemented with Ukraine and Moldova, which received additional funding in 2023.

v) Delivering strong security commitments, migration and border management

Benefits and challenges

In an increasingly challenging geopolitical context, a larger Union with a bigger population would increase its **weight in world affairs and in multilateral settings** – if it is able to act in a united, fast and decisive manner. This external unity and ability to act requires, in the first place, an underlying shared vision and a strong degree of common analysis and views among Member States. Yet, a larger Union might, at least initially, bring a greater diversity of external policy interests and agendas.

New Member States will contribute to and benefit from **additional security commitments**: members of the European Union must act in a spirit of solidarity when one of them is the object of a terrorist attack, hybrid campaign or victim of a natural or man-made disaster under Article 222 Treaty on the Functioning of the European Union (TFEU). Furthermore, under Article 42(7) TEU, if one Member State is the victim of an armed aggression, the others have an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter.

An enlarged Union should not bring with it new challenges in the form of **unresolved bilateral disputes**. The EU will continue contributing to their solution and keep pressing for good neighbourly relations as a key element of the enlargement process. Special arrangements and **irrevocable commitments** must be put in place to ensure that acceding countries are not in a position to block the accession of other candidates.

Enlargement means that a new members' external borders become the external borders of the European Union. Robust and effective external border management must therefore also be part of the accession process. The new borders of an enlarged Union can also bring advantages in the shape of new security assets and experience that can benefit the Union, particularly as regards its security and defence dimension which is under permanent and continued development.

A larger **Union will bring new challenges to the protection and control of the EU's external border** for goods as well as for persons. These include organised and cross-border crime, drug trafficking, the prevention of irregular migration and the smuggling of migrants, trafficking in human beings, the instrumentalisation of migrants for political purposes as well as the trafficking of arms, or other dangerous or illicit goods.

Internal security, and in particular the effective prevention of and fight against terrorism and serious and organised crime, are a prerequisite for a functioning democracy and the free exercise of fundamental rights. This includes measures to counter cybercrime, money laundering, prevent and combat trafficking in human beings. Also, serious and organised crime are frequently linked to corruption and undermining state institutions. Enhanced joint action to deliver on internal security is a key prerequisite for a successful accession and, at the same time, will reinforce the internal security of the EU as a whole.

Furthermore, full accession to the **Schengen area without internal border controls** requires full implementation of the Schengen acquis as well as its flanking measures of consistent and effective security policies and migration and border management. Reflection on practical ways to ensure such consistency in an enlarged Union will be required.

As regards **migration**, a larger Union will have the benefit of being able to better deploy a whole-of-route approach to **migration** management as well as a better contribution to global responsibility sharing for migration and protection. The Western Balkans, currently a region of transit to the EU, are already key partners in joint efforts to ensure effective migration management and address challenges jointly such as migrant smuggling and irregular migration. It is essential to continue strengthening the migration and asylum systems of the region along the lines of the comprehensive approach enshrined in the Pact on Migration and Asylum, notably with support of the EU's agencies, and to ensure alignment of visa policies with those of the EU for effective migration management.

Considerations for upcoming policy reviews

As a global actor, a larger Union has to remain open, resilient and economically successful – and a reliable partner in the world. A truly geopolitical EU must be able to defend its values and preserve its open strategic autonomy and stability while being able to enforce its interests on a global scale.

To this end, EU-unity and swift decision-making are key. The policy reviews should look into the Union's credibility and ability to act externally which depends critically on **efficient decision-making**. For the moment, different areas of the EU's external action are subject to different decision-making mechanisms, bringing challenges in areas of external action governed by unanimity in the Council, notably the Common Foreign and Security Policy. In a Union of 30+ Member States, this bears the risk of being too slow, too reactive and too defensive, offering strategic competitors room to exacerbate divisions between Member States.

The Commission and the High Representative have repeatedly pointed to this issue and advocated tapping into the **existing provisions of the Treaty on European Union to move towards qualified majority voting** in a few key areas of the Common Foreign and Security Policy, via the activation of the so-called 'passerelle clauses'. In the meantime, the Commission has underlined the need for Member States to resort to 'constructive abstention' under Article 31(1) TEU whenever their isolated position on a given topic would otherwise obstruct unanimity in the Council. The potential of all these possibilities must be fully tapped into, well before and irrespective of the next enlargement.

Gradual integration

Continuous work will be needed to forge further convergence on the EU's geostrategic vision, interests and priorities. Enlargement countries must embrace and promote EU values firmly and unequivocally, ahead of their accession. They already now need to progressively align with the EU Common Foreign and Security Policy (CFSP) before accession, including restrictive measures. While several candidate countries and potential candidates consistently maintain full alignment already now, the record of others needs to be improved, as a matter of priority, including on sanctions, particularly on Russia and Belarus. **Alignment with the CFSP** is an essential signal of shared values and strategic orientation in the new geopolitical context.

Building on ongoing CSDP engagement, existing projects and programmes, capacity building in areas such as hybrid threats, including foreign information manipulation and interference (FIMI), and cybersecurity should be further developed, both as a comprehensive offer open to all as well as tailored support to specific needs and requests, as a means of strengthening the Union's collective resilience and security against such external threats. In addition, enlargement countries should seek **early integration in other EU security and defence initiatives**, such as specific projects under the Defence Permanent Structured Cooperation (PESCO) and in the European Defence Agency, as well as in programmes relevant to military mobility. With Framework Participation Agreements in place with all candidate countries and potential candidates, they are already contributing to Common Security and Defence Policy (CSDP) crisis management missions and operations – some of them benefitting from such CSDP missions and operations themselves. As a result of the assistance which enlargement countries may receive under the European Peace Facility, their military and defence capacities to participate in CSDP missions and operations will be strengthened.

Participation of enlargement countries in the Hybrid Risk Surveys will help develop an appropriate framework for provision of support in becoming more resilient to hybrid threats, allowing them to make their own democratic choices free from malign interference.

Furthermore, by the time the next enlargement takes place, **the Union's defence dimension will have developed considerably**. As the EU Strategic Compass on Security and Defence goes well beyond traditional CSDP, enlargement countries will have to be ready to commit to its implementation across its different strands of work (act, invest, secure, partner), including to the EU Rapid Deployment Capacity. In case they would decide to participate in the European Defence Agency, they would be ready to, inter alia, align their national defence programming with the EU Defence Capability Development Priorities and the Coordinated Annual Review on Defence. They could also decide to participate in PESCO as participating Members States.

In parallel, in the current contested geopolitical environment, continued **efforts to strengthen the resilience of the space industry and of the Union's Defence Technological and Industrial Base, in line with the European Defence Industrial Strategy, will remain a key priority**. In the specific case of Ukraine, the proposal for a European Defence Industry Programme foresees to treat Ukraine as much as possible as a Member State. In the future, a reflection could be undertaken on how and under which conditions to extend the participation of the enlargement countries in other Union programmes related to the defence industry. This would contribute to avoiding duplication and unnecessary costs whilst promoting greater interoperability.

In the area of integrated **border management**, work will need to focus not only on compliance and implementation of legislation but also the development of operational capacities for the control of goods and persons at the external borders. This will require EU support to police and border guards, including through strong engagement of EU agencies in close coordination with EU Member States. Already now, there is strong cooperation of enlargement countries with Member States' customs and border authorities as well as the EU's justice and home affairs agencies – Eurojust, Frontex, Europol, the European Asylum Agency – often underpinned by formal agreements. This is increasingly delivering results on the ground. Modernisation and digitalisation of border and customs procedures will be crucial. All enlargement countries should continue their work to align themselves to the EU's visa policy.

EU action will also need to include support to judicial authorities to strengthen international cooperation on investigation and prosecution of organised crime of which smuggling of migrants and trafficking in human beings, arms and drugs is a significant part. Cooperation should continue through participation in the European Multidisciplinary Platform Against Criminal Threats to tackle the most pressing criminal threats and dismantle high-risk criminal networks. Enlargement countries need to remain committed to strengthening **internal security** by enhancing their operational law enforcement cooperation with EU Member States and agencies.

C. BUDGET

The precise financial impact of enlargement will primarily depend on its timing and scope, on the result of the accession negotiations which remain merits based, and on the applicable EU *acquis* at the moment of accession. In any event, **enlargement should be factored in the**

reflections leading to the next Multiannual Financial Framework (MFF), including by already providing the necessary legal basis to incorporate EU enlargement related expenditure and revenues as needed.

Enlargement is however far from being the only topic that will put pressure on the future long-term EU budget. Global volatility, significant security threats, the financial impact of post-COVID recovery and the need to rein in national budgetary trajectories are key features to be considered. The specific needs of a larger Union come in addition to the inevitable need for a modernised, simpler and more flexible EU budget that adequately caters for these challenges as well as for key areas requiring common investment, coordinated action and joint reforms, such as the green and digital transitions, research and innovation or security and defence. The EU budget as it stands is already structurally stretched to its limits.

Enlargement is thus an opportunity – but not the trigger – to review the financial sustainability and modernisation of all key policy/spending areas (agriculture and rural development, cohesion, connectivity, migration and border management, etc). EU policies and programmes may need to be redesigned for the next MFF, independently of the enlargement context. This review should also cover specific EU spending instruments currently outside the MFF and the EU budget.

However, **future EU spending programmes should be developed with future enlargement in mind.**

The EU's preparedness also calls for reforming its own resources system, which is the most credible way forward to face the financial impact of the recovery efforts and the implementation of EU priorities (in particular the repayments of NextGenerationEU borrowing and the financing of the Social Climate Fund) while cushioning impacts on national budgets. Additional contributions from new Member States, albeit modest at the start, are also to be considered. In addition, financial contributions from third countries having access and participating to the Single Market (EEA-EFTA States, Switzerland) should be commensurate to the benefits they would gain from a larger Union.

Beyond the EU budget, enlargement countries will also benefit from a wider array of funding opportunities. Future Member States will be able to draw on the European Investment Bank's and the European Investment Fund's enhanced expertise and financial capability, as well as from other EU financing partners as Team Europe.

In order to absorb certain budgetary effects of enlargement more smoothly, the EU has a well-established and tested financial toolbox for accession. It combines caps, phasing-in periods, the due consideration of statistical effects, increased resort to financial engineering, as well as emergency brakes and safety nets for current Member States.

In parallel, there will also be a need to **look at how pre-accession tools, such as the Instrument for Pre-Accession, can be fine-tuned to better prepare for accession** and the transition towards participating in EU programmes and instruments post-accession. Some

novelties already introduced under the MFF 2021-2027¹ may inspire future pre-accession tools. In the case of Ukraine, the international support to recovery and reconstruction will have to be specifically considered in this context.

D. GOVERNANCE

Since 2022, notably following the Conference on the Future of Europe, there have been reflections on **EU institutional reforms** in the European Parliament, the Council, Member States, think tanks and academia. With the prospect of enlargement, this debate has gained a new sense of urgency.

So far, no consensus has been found on how best to approach this issue. While some call for a reform of the current EU Treaties, in particular the European Parliament, others suggest specific adaptations through the activation of the untapped possibilities enshrined in the Treaties. Finally, some argue that the Treaties were designed to be ‘enlargement proof’.

While the Commission has indicated its support to Treaty change, “*if and where it is needed*”, it believes that the EU’s governance can be swiftly improved by **using to the full the potential of the current Treaties**.

Questions around the EU’s capacity to act exist already in a Union of 27 Member States. This concerns in particular **unanimity voting rules in the Council**. While most decisions are now taken by qualified majority in the Council, in some areas, decisions need to be taken by **unanimity** in the Council, as is the case for tax, foreign policy and certain social matters. In a larger Union, unanimity will be even more difficult to reach, with increased risks of decisions being blocked by a single Member State.

The Treaties already foresee ‘**passerelle clauses**’² **allowing for a shift from unanimity to qualified majority voting** within the Council in key areas. To be activated, these clauses require a unanimous decision either from the Council of the European Union or the European Council. In 2018 and 2019, the Commission made concrete proposals to that effect in the areas of foreign policy, tax policy, social policy, energy and climate policy, but these have not been taken forward. Since then, different solutions, such as new emergency brakes or the extension of constructive abstentions have been tabled.

Some Member States resist moving from unanimity to qualified majority voting as they fear becoming isolated on matters of essential strategic national interest. The Commission believes it is possible to move away from unanimity without putting at risk Member States strategic interests. This can be done by **combining the activation of the Treaties’ ‘passerelle clauses’ with appropriate and proportionate safeguards to accommodate such strategic national**

¹ e.g. better performance orientation, including financial support for the delivery of reforms, policy conditionality etc.

² The Treaties provide for two general ‘passerelle clauses’ under Article 48(7) TEU and six -specific passerelle clauses aimed at modifying decision-making in the following areas: CFSP (Article 31(3) TEU); family law with cross-border implications (Article 81(3) TFEU); social policy (Article 153(2) TFEU); environmental policy (Article 192(2) TFEU); MFF (Article 312(2) TFEU) and enhanced cooperation (Article 333 TFEU).

interests. In practice, this would mean that the Council or European Council decision activating the passerelle could be accompanied by European Council conclusions that provide for the possibility for one or several Member States to invoke exceptional national interest grounds to continue discussions to reach a satisfactory solution, or to seize the European Council to deliberate on the matter.

In addition to voting methods, the Treaties allow for Member States to **integrate at different speeds**. Examples range from enhanced cooperation, which is possible in particular in areas of shared competence – like in the case of the European Public Prosecutor’s Office - to opt-ins and opt-outs where so provided for in the EU Treaties or the inclusion of new Member States in the Permanent Structured Cooperation. Such ‘**differentiation**’ can be part of the equation within a larger Union at 30+ Member States, using the range of tools and mechanisms available under the current EU legal framework. These flexibility options work only as long as the core policies, as well as all fundamental principles and values of the European Union remain shared and respected by all Member States.

In line with the European Council's call for accelerated accession process, the enlargement process itself could be looked at. The possibility of empowering the Council to decide by qualified majority could be explored for **certain interim steps of the enlargement process**. The closing of the negotiating chapters should continue to be taken by unanimity of all Member States, as will the final decision on the actual accession of a new member to the European Union.

Finally, an enlarged Union of 30+ Member States triggers immediate questions on the **composition** of the **EU institutions**. For the European Commission, the Treaties already allow to choose having a smaller executive (corresponding to two thirds of the number of Member States) or maintaining the current system of one member per Member State, as the European Council has so far opted for.

An enlarged Union will also inevitably entail **more work for the EU institutions in many areas**, from policy conception and analysis to implementation, enforcement, sound financial management and administration, in addition to the various new tasks taken up by the Union in the last few years. EU agencies and bodies (e.g. Europol, Frontex, Eurojust, European Supervisory Authorities) or networks (e.g. the European Competition Network, Erasmus+ National Agencies) will equally be impacted. The upcoming enforcement workload will have to be featured in, as it is crucial to preserve the integrity and functioning of the European Union.

3. Conclusion

The present Communication shows that a larger Union is of strategic importance, as it holds significant political and economic potential, both externally and internally. Maximising these opportunities will depend on our ability to identify, define and anticipate areas for improvement, and to set out a clear strategy on how to advance on the parallel tracks of enlargement and EU reforms. It feeds into the discussions in the European institutions and Member States on enlargement.

This Communication kicks off the work on the in-depth policy reviews, announced by President von der Leyen in her 2023 State of the Union address. The Commission will carry out these reviews in early 2025. The reviews may take different forms depending on the sectors and should benefit from stakeholders' input on the specific impacts of a larger Union on individual policies. Building on the outcome of the reviews, substantive reform proposals in individual sectors, including the preparation of the Commission's proposal for the next multiannual financial framework (MFF), could then be a second step in this process.