



Progress on EU Enlargement at a Glance: 2008

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On 5 November 2008, the European Commission adopted its [annual strategy document](#) explaining its policy on EU enlargement. The document includes a summary of the progress made over the last twelve months by each candidate country (Croatia, the Former Yugoslav Republic of Macedonia and Turkey) and each potential candidate country (Albania, Bosnia and Herzegovina, Kosovo, Montenegro and Serbia). On the same date the Commission also published its detailed [2008 progress reports](#) measuring the extent and nature of each country's progress against a set of EU-determined criteria. These standards must be met if a country is to advance its membership aspirations.

This standard note serves as a quick reference guide to the Commission's key findings, and includes a glossary. It updates [SN/IA/4502](#) of 12 November 2007. Further information on this subject area is provided in a variety of Library notes on the [EU enlargement subject page](#), including:

- Library Research Paper 07/27: [EU Enlargement: the Western Balkans](#)
- Library Standard Note 4036: [In Brief: The Stabilisation and Association Process for the Western Balkans](#)
- Library Research Paper 08/90: [Turkey today](#)

Contents

A.	Candidate Countries	2
B.	Potential Candidate Countries	3
C.	Glossary of Terms	6

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A. Candidate Countries

COUNTRY	DATE CANDIDATE COUNTRY STATUS AWARDED	STATE OF NEGOTIATIONS	POLITICAL CRITERIA: ACHIEVEMENTS	POLITICAL CRITERIA: AREAS OF CONCERN	ECONOMIC CRITERIA: ACHIEVEMENTS	ECONOMIC CRITERIA: CONCERNS
CROATIA	June 2004	21 out of 33 chapters opened with 4 provisionally closed. Opening benchmarks met for all but 2 chapters. Expected to reach final stage of negotiations by end of 2009.	Continues to meet political criteria. Adopted legislation for reforming judiciary, improving public administration and reducing corruption. Took steps to address problems of minorities.	Inefficient judicial system; organised crime and corruption widespread. Problems continue with minority rights, refugee return and border issues. More cooperation with International Criminal Tribunal for the former Yugoslavia (ICTY) required.	Macroeconomic stability maintained; employment increased; business registration procedures improved.	Inflation has risen considerably; current account deficit growing. Slow implementation of structural reforms. Business environment needs to be improved.
TURKEY	December 1999	8 out of 33 chapters opened with one provisionally closed. Opening benchmarks set for 14 chapters. 8 chapters 'frozen' and no further chapters closed because of Turkish refusal to implement Ankara Protocol relating to Cyprus.	Political crisis linked to Constitutional Court case against the governing party averted. Legislative progress on freedom of expression. Property rights of non-Muslim religious communities enhanced.	Limited progress on political reform. Poor relationships between political parties having a negative impact. Terrorist attacks from Kurdish separatists continued. Further reform of constitution and judiciary needed.	Should be able to cope with market forces in medium term if reform continues. New initiatives to boost infrastructure investment developed. Significant progress in price liberalisation of energy sector.	Economic growth fell below potential. Weak macro-economic stability. Structural rigidities in the labour market continue to hamper job creation.
FYR MACEDONIA	December 2005	Formal negotiations not yet started. Alignment with the <i>acquis</i> in a few chapters only. Progress made in some.	Framework agreement to consolidate multi-ethnic democracy continues. Progress on judicial and police reform.	Does not yet meet political criteria. Recent elections did not meet key international standards. Corruption widespread.	Improved macro-economic stability due to improved tax collection and increased spending on education and infrastructure. Increased flows of foreign investment.	Unemployment remains high; trade balance deteriorated. Business environment hindered by institutional weakness and low legal certainty.

B. Potential Candidate Countries

COUNTRY	CURRENT STATE OF RELATIONS	EXTENT OF ALIGNMENT WITH THE ACQUIS	POLITICAL CRITERIA: ACHIEVEMENTS	POLITICAL CRITERIA: CONCERNS	ECONOMIC CRITERIA: ACHIEVEMENTS	ECONOMIC CRITERIA: CONCERNS
ALBANIA	SAA signed 12.06.06; ratification by Member States ongoing. Interim agreement in force since December 2006.	Alignment of legislation, policies and capacities to European standards has continued. Progress in customs, competition, free movement of goods. Limited progress on energy, transport, intellectual property rights.	Continued progress on democracy and the rule of law. Judicial and electoral reforms proceeding. Continues to play positive role in region.	Democratic culture needs to be developed to enable political system to function effectively. Corruption and organised crime widespread. Specific attention needed to continue judicial reform.	Progress made towards becoming a functioning market economy. Low inflation levels. Fiscal policy improved. Progress in privatisation and improved business environment.	Fast economic growth accompanied by widening trade gap. Insecure energy supplies hampering economic development; restructuring and privatisation of energy sector not accomplished. Further considerable reform efforts needed to cope with competitive pressures and market forces in long term.
BOSNIA AND HERZEGOVINA	SAA negotiations began 2005. SAA signed in June 2008. Interim agreement in force since July 2008.	Progress made in customs, taxation, asylum, migration, visas, border management, transport, agriculture. More effort needed in free movement of goods, persons, services, energy and environment.	Continued public administration reform. Municipal elections in October 2008 adhered to international standards. State court has made progress in prosecuting war crimes.	Reforms have slowed with frequent challenges to Dayton/ Paris agreement. Role of ethnic identity in politics continues to hamper overall governance. Corruption widespread. No progress on constitutional reform.	Some uneven progress towards establishing functioning market economy. Economic growth continued. Fiscal coordination improved with National Fiscal Council established in September 2008.	Macroeconomic stability weakened with worsening trade balance, high inflation and expansionary fiscal policy. High levels of unemployment. Further considerable reform needed to cope with competitive pressure and market forces in the Union.

COUNTRY	CURRENT STATE OF RELATIONS	EXTENT OF ALIGNMENT WITH THE ACQUIS	POLITICAL ACHIEVEMENTS DURING 2007	POLITICAL CONCERNS	ECONOMIC ACHIEVEMENTS	ECONOMIC CONCERNS
KOSOVO	Kosovo unilaterally declared independence 17.02.08. Kosovo's declaration now recognised by 53 states, of which 22 are EU Member States. EULEX mission began 10.12.08.	Some progress on customs, agriculture and free movement of goods; little progress on effective implementation and enforcement of legislation. More effort needed in meeting European standards for fighting organised crime, money laundering, drugs, taxation, energy and employment.	Political developments largely determined by declaration of independence. Constitution in line with European standards. Security situation remained relatively calm. Relations with Serbia await the outcome of an ICJ ruling on the legality of the independence of Kosovo.	Administrative capacity needs strengthening along with rule of law, anti-corruption policy and fight against organised crime. Work needed on enhancing dialogue and communication between communities.	Economy has grown at higher rate than in previous years, driven by private sector dynamism.	Little progress towards establishing a functioning market economy; considerable reform efforts needed to cope with long term competitive pressure and market forces within the Union; unemployment and external balances remain very high; weak budget implementation and growing inflation.
MONTE-NEGRO	SAA signed 15.10.07. Interim agreement entered into force January 2008.	Good progress in free movement of services, customs, taxation and agriculture. Some progress in free movement of goods, competition, public procurement, intellectual property rights, industry, SMEs, food safety, justice, freedom and security. Uneven progress in transport, energy, environment.	Good progress in establishing legal framework and institutions. Government adapting to requirements on independence. Playing active role in international and regional cooperation.	More attention needed on judicial reform; corruption and organised crime widespread; public administration needs strengthening; concerns about freedom of expression; women's rights not improved; conditions of Internally Displaced Persons of serious concern.	Progress towards establishing a functioning market economy continued. High rate of economic growth. Pace of structural reform increased. Accession to WTO entered final stage.	Completion and implementation of ongoing reforms needed to cope with competitive pressure and market forces within the Union over the medium term. Macroeconomic stability weakened; shortcomings in the rule of law and their resolution remain the key challenge for economic development.

COUNTRY	CURRENT STATE OF RELATIONS	EXTENT OF ALIGNMENT WITH THE ACQUIS	POLITICAL ACHIEVEMENTS DURING 2007	POLITICAL CONCERNS	ECONOMIC ACHIEVEMENTS	ECONOMIC CONCERNS
SERBIA	SAA signed 29.04.08 along with Interim agreement on trade-related measures.	Progress in the free movement of goods, customs and taxation. Little legislative output on European standards. Limited progress on information society and media. Poor financial control. Problems with crime and money laundering	Increased political stability following parliamentary elections. Greater consensus on European integration and progress in cooperation with ICTY including arrests of Radovan Karadzic and Stojan Zupljanin. SAA ratified September 2008. European integration structure strengthened.	Political divisions stalled legislative output. Further progress needed on independence and accountability of judicial system. Corruption widespread. Relations with EU affected by Serbia's response to Kosovo's declaration of independence. Cooperation with ICTY is essential element of SAA and progress awaits Council decision on Serbia's full cooperation.	Some progress towards establishing a functioning market economy. Good economic growth rates. Progress in privatisation and greater foreign direct investment.	Global financial crisis has increased vulnerability. Widening external imbalances and increased inflation resulting from expansionary fiscal policies. Unemployment remains major challenge. Competitive and dynamic private sector not yet established. Further efforts needed to enable Serbia to cope in the medium term with the competitive pressures and market forces within the Union.

C. Glossary of Terms

Acquis: Short form of *acquis communautaire*, which is the body of EU law and policies, including case-law, that each prospective member of the EU must be able to implement before they can join the EU. To make accession negotiations more manageable the *acquis* is separated into different 'chapters'.

Benchmarks: Benchmarks are a new tool introduced after the fifth enlargement. Their purpose is to improve the quality of the negotiations by providing incentives for the candidate countries to undertake necessary reforms at an early stage. Benchmarks are measurable and linked to key elements of each chapter of the *acquis*. In general, opening benchmarks concern key preparatory steps for future alignment (such as strategies or action plans) and the fulfilment of contractual obligations that mirror *acquis* requirements. Closing benchmarks primarily concern legislative measures, administrative or judicial bodies, and a track record of implementation of the *acquis*. For chapters in the economic field, they also include the criterion of being a functioning market economy. If a candidate country no longer fulfils the opening benchmarks in a chapter that is under negotiation, the Commission may propose that negotiations be suspended on that chapter. If a candidate country no longer fulfils the closing benchmarks in a chapter that has been provisionally closed, the Commission may propose to the Member States that accession negotiations on that chapter be re-opened.¹

Candidate Country: Once a potential candidate country has reached certain EU-determined standards, the Commission can recommend to the Council that it be granted candidate status. If the Council agrees, the state is granted candidate country status from the day its application is officially accepted by the European Council. The move also signifies a political willingness to move to the next stage of the accession process: the formal opening of accession negotiations which begins with the 'screening process'.

CEFTA: The Central European Free Trade Agreement (CEFTA) is a trade agreement between countries in Central and South-Eastern Europe. It entered force in July 2007. The EU has encouraged all potential and candidate countries to ratify the agreement.

Chapters: The chapters of the *acquis* form the basis of the accession negotiations for each candidate country. Each chapter relates to a specific policy area, for example competition, fisheries or freedom of

¹ European Commission, [Enlargement Strategy and Main Challenges 2006 – 2007](#), COM(2006) 649 final, 8 November 2006

movement. The candidate countries are required to adapt their administrative and institutional infrastructures and to bring their national legislation into line with Community legislation in each chapter. Their progress is reviewed during the screening process and evaluated regularly by comparison with the 'benchmarks' for opening and closing each chapter.

Economic Criteria: All candidate countries must satisfy the 'accession' or 'Copenhagen' Criteria which were set out by the Copenhagen European Council in 1993 and reaffirmed at the Madrid European Council in 1995. From an economic perspective this means that candidates must have a functioning market economy and the capacity to cope with competition and market forces.

Political Criteria: All candidate countries must satisfy the 'accession' or 'Copenhagen' Criteria which were set out by the Copenhagen European Council in 1993 and reaffirmed at the Madrid European Council in 1995. From a political perspective this means that candidates must have stable institutions guaranteeing democracy, the rule of law and respect for human rights, including the rights of minorities. They must also be able to take on the obligations of membership, including adherence to political, economic and monetary objectives.

Potential Candidate Country: There are currently five potential candidate countries (PCCs) and all hope, ultimately, to become EU members. As a PCC, the state in question will receive assistance from the EU to implement a free trade area, build state institutions and adopt reforms in line with EU standards. During this time, the Commission issues annual reports assessing what progress has been made. Once the EU is satisfied that each state is sufficiently stable (politically, economically and institutionally), it will recommend that the second stage of the process starts. This involves the creation of a Stabilisation and Association Agreement (SAA) between the EU and the individual state.

SAA: SAA is short for Stabilisation and Association Agreement. SAAs are the cornerstones of the Stabilisation and Association Process which is used to guide the process of enlargement. They place relations between the EU and the individual country on a formal footing and create a contractual relationship including mutual rights and obligations. They also help to prepare each country for future membership by introducing EU rules in various areas well in advance of accession. SAAs must be implemented before the PCC can move to the next stage of the accession process – the attainment of candidate country status.

Screening process: Once a state has been granted candidate country status, full accession negotiations can begin. The first stage of these negotiations is a 'screening process' to ascertain the differences between national infrastructures and legislation on the one hand and the *acquis* on the other.