Discussion Brief

Gradual Integration of the Western Balkans into the Single Market: Accelerating Convergence with the EU

High-Level Policy Dialogue
Brussels, 3 November 2026
Strategers Institute in cooperation with the CEFTA Secretariat
Satellite Event of the EU Enlargement Forum 2026

Key Message

- EU enlargement should become a process of measurable economic and social convergence, with gradual Single Market integration, structural reforms and investment reinforcing one another for a better living standard for citizens.

- Gradual integration offers an opportunity to accelerate convergence by providing candidate countries with earlier access to the EU Single Market, financing instruments and structured participation in relevant EU policy processes, where appropriate. However, gradual integration must remain a pathway towards full membership - not an alternative to membership or a comfort zone that weakens incentives for completing accession reforms.

- Three drivers are essential for success: political will and sustained commitment, institutional and administrative capacity, and effective financing linked to implementation and measurable outputs. These must be underpinned by merit-based conditionality, with credible rewards for progress and proportionate consequences for non-compliance.

Acknowledgements. *Strategers Institute gratefully acknowledges the valuable contributions of the distinguished participants in the High-Level Policy Dialogue held in Brussels on 3 November 2026:* ***Ms. Valentina Superti****, Director for the Western Balkans, DG ENEST, European Commission;* ***Ms. Maida Gorčević****, Minister of European Affairs of Montenegro;* ***Ms. Pranvera Kastrati****, Director of the CEFTA Secretariat;* ***Mr. Nicholas Whyte****, Senior Director, APCO Global Solutions, who moderated the discussion; and* ***Prof. Dr. Fatmir Besimi****, Strategers Institute, former Deputy Prime Minister for European Affairs and Minister of Finance of North Macedonia. Their perspectives and expertise contributed to the discussion on advancing gradual EU integration and accelerating economic convergence in the Western Balkans.*

Disclaimer. *This discussion brief presents Strategers Institute's independent synthesis of the Brussels High-Level Policy Dialogue, complemented by relevant policy developments and evidence-based analysis. The findings, conclusions and policy recommendations are those of Strategers Institute and do not necessarily reflect the individual views or official positions of the participants or the institutions they represent.*

Context

On 3 November 2026, Strategers Institute, in cooperation with the CEFTA Secretariat, convened a high-level policy dialogue in Brussels on *"Gradual Integration of the Western Balkans into the Single Market: Accelerating Convergence with the EU*. The dialogue explored how the EU Growth Plan, the Common Regional Market (CRM), gradual integration and the forthcoming Multiannual Financial Framework (MFF) could reinforce the link between accession and economic convergence. The discussion highlighted five interconnected issues: (1) Accession and convergence: EU integration should generate measurable improvements in productivity, competitiveness, employment, incomes and living standards; (2) Earlier integration benefits: Gradual integration should provide tangible Single Market opportunities, funding and structured engagement in relevant EU policy processes before membership, while preserving the objective and incentives of full accession; (3) Merit-based progress: Benefits should be conditional on demonstrated reforms and implementation, with clear rewards, safeguards and consequences for non-performance; (4) Implementation and financing: Political commitment, institutional capacity, mature investment projects and effective financing must reinforce one another; and (5) Human capital: Education, skills, innovation, health and workforce participation should be integral to competitiveness and convergence. These messages complement the Commission's October 2026 pre-enlargement policy reviews and the 4 November Enlargement Package, which emphasise gradual integration, fundamental reforms and credible enlargement.

Evidence and Policy Implications

Despite closer economic integration with the EU, Western Balkan convergence remains slow. The OECD Economic Convergence Scoreboard 2026 identifies substantial remaining gaps in income, productivity, institutional performance, infrastructure, skills and competitiveness. The IMF's *Bridging Borders: Making the Most of EU Accession* (2026) estimates that domestic reforms, deeper Single Market integration and effective EU financing could raise GDP per capita by approximately one-third within a decade, with productivity improvements accounting for most of the gains. These outcomes are conditional on successful reform implementation. The Strategers Institute Policy Brief of 17 September 2026 similarly identifies institutional weaknesses, inadequate project readiness, financing constraints, demographic pressures and insufficient investment in human capital as key obstacles. The central policy implication is that gradual integration, institutional reform, human-capital development and financing should operate as one coherent convergence strategy, with country-specific priorities and measurable results.

Policy Recommendations

1. Accelerate gradual Single Market integration

- *Establish country-specific Single Market Integration and Convergence Roadmaps*. The European Commission and Western Balkan governments should develop country-specific, measurable roadmaps connecting accession reforms, institutional readiness, progressive Single Market access and economic convergence objectives. Each roadmap should establish priority sectors, reform and investment requirements, implementation responsibilities, financing needs, timelines and measurable performance indicators. Roadmaps should reflect different levels of economic development, institutional capacity and accession progress, while maintaining common EU standards and transparent merit-based conditions.

- *Advance gradual integration through the Common Regional Market*. The CRM should function as a practical stepping stone towards the EU Single Market, prioritising trade facilitation, transport and energy connectivity, digital infrastructure, regulatory recognition, cross-border payments and integration into European value chains. The EU should offer earlier, conditional access to relevant Single Market opportunities, financing programmes and structured consultations in EU policy development, consistent with applicable legal arrangements.
- *Gradual integration should accelerate accession, not replace it*. Its benefits must generate incentives to complete reforms and achieve membership, rather than create a permanent intermediate status.

2. Establish a Convergence Financing Framework for 2028–2034

- *Integrate reforms, investment and finance into a multiannual convergence framework*. Building on the Reform and Growth Facility for 2024–2027, the next EU financial framework should strengthen the connection between reforms, national investment pipelines, gradual Single Market integration and measurable convergence outcomes. The proposed Global Europe instrument, existing EU programmes, the Western Balkans Investment Framework, international financial institutions, national budgets and private capital should be coordinated around country-specific priorities. Financing should combine grants, concessional loans, guarantees and private capital, matched to project risks, development impacts and fiscal sustainability.
- *Strengthen institutional capacity and human-capital development*. Institutional and administrative capacity should be treated as a central determinant of convergence, not merely a condition for accessing financing. Priorities include public administration, regulatory quality, project preparation, transparent procurement and effective investment management. Human capital should become a strategic pillar of the convergence framework, through sustained investment in education, vocational training, digital skills, research and innovation, healthcare and social inclusion. Greater participation of women and young people, stronger skills retention and improved employment opportunities are essential for addressing demographic challenges and raising productivity. Public investment should also help mobilise productive private capital, particularly for SMEs, innovation, digitalisation and green transformation.

3. Introduce merit-based performance and convergence monitoring

- *Strengthen merit-based conditionality with credible rewards and consequences*. Gradual integration and access to financial support should be governed by transparent, objective and predictable merit-based criteria. Demonstrated progress in reforms and implementation should unlock additional integration benefits, financing and programme participation. Persistent non-compliance or reform reversals should trigger proportionate corrective measures, including suspension or withdrawal of relevant benefits, subject to established procedures. Conditionality should reward actual implementation and measurable outputs, not only legislative alignment, formal milestones or financial absorption. It should preserve fundamental rights and avoid disproportionate harm to citizens.
- *Establish an EU–Western Balkans Convergence Scoreboard*. Building on the OECD Economic Convergence Scoreboard and existing EU monitoring systems, the Commission and Western Balkan partners should introduce a transparent framework connecting reforms, investment and financing to measurable results. Core indicators should include GDP per capita relative to the EU, labour productivity, employment, human capital, private investment, competitiveness, infrastructure, institutional performance and living standards. Annual assessments should identify

implementation bottlenecks and corrective actions. Independent evaluations should assess whether reform and investment measures are generating the expected economic and social benefits.

The Way Forward: EU–Western Balkans Convergence Framework 2028–2034

The EU Enlargement Forum 2026 provides an opportunity to advance an integrated convergence approach built around three mutually reinforcing instruments:

- **Single Market Integration and Convergence Roadmaps:** Country-specific plans linking reforms, institutional readiness, human capital and progressive market access.
- **Convergence Financing Framework:** Coordinated EU, national, international and private financing aligned with reform priorities, project maturity and measurable outcomes.
- **Convergence Scoreboard and Performance Mechanism:** Transparent assessment of economic and social outcomes, supported by merit-based incentives, rewards and corrective measures.

The proposed 2028–2034 framework should be prepared during 2027, ensuring continuity beyond the current Growth Plan and stronger coordination between EU institutions, Western Balkan governments, international financial institutions and the private sector. The ultimate success of enlargement will depend on credible commitments from both sides: Europe providing a credible pathway and opportunities for integration, and Western Balkan governments demonstrating political will, institutional capacity and effective reform implementation. The objective is not simply faster accession or greater financial absorption, but a stronger convergence process delivering higher productivity, more competitive economies, better jobs, rising incomes and improved living standards. A more integrated and prosperous Western Balkans will strengthen both the future Member States and the European Union as a whole.

References:

Ayerst, S., Beyer, R. C. M., Edwards, A., Jeasakul, P., Remo, A., Yao, J., Sosa, S., Weber, A., & Weber, S. (2026). Bridging borders: Making the most of EU accession (Departmental Paper No. 2026/017). International Monetary Fund. https://doi.org/10.5089/9798229056854.087.A001

European Commission. (2026a, October 6). Preparing for a wider Union. https://enlargement.ec.europa.eu/news/preparing-wider-union-2026-10-06_en

European Commission. (2026b, November 4). 2026 Enlargement Package shows that reform commitment delivers progress towards EU membership. https://enlargement.ec.europa.eu/news/2026-enlargement-package-shows-reform-commitment-delivers-progress-towards-eu-membership-2026-11-04_en

Organisation for Economic Co-operation and Development. (2026). Economic convergence scoreboard for the Western Balkans 2026. OECD Publishing. https://doi.org/10.1787/0d625fbe-en

Regional Cooperation Council. (2024). Common regional market action plan 2025–2028. https://www.rcc.int/pubs/189/common-regional-market-action-plan-2025-2028

Strategers Institute. (2026, September 17). From accession to convergence: Financing the European future of the Western Balkans (Policy Brief 260917). https://www.strategers.org/wp-content/uploads/2026/09/PolicyBrief260917.pdf