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An update on EU enlargement to include Ukraine

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- Next December, the EU Council is expected to announce the formal start of the accession process of Ukraine and Moldova to the European Union. No fixed date will be announced because the process is "merit-based", but the general mood is optimistic.
- 2) The acceleration is due to the relentless determination of Ukraine's government. The rate of compliance in reforming laws (the so called "EU pre-screening") is higher than anybody had imagined. Kiev has changed no less than 24,000 norms (out of a total of 29,000). Joining the EU is considered of "existential relevance" both by the government and civil society.
- 3) The last informal European Council in Grenada was very supportive of Kiev, except for the Hungarian government's demand of guaranteeing the rights of ethnic minorities in Trans-Carpathia. The Council asked the Commission to provide an "honest report", meaning neutral and fair, and without political conclusions. Sources at the Commission assume it will be "factual but positively toned".
- 4) The institutional implications for the EU are very relevant. The option of moving to qualified majority voting is considered too impervious because it requires unanimity. Technical stratagems are being studied to circumvent the application of unanimity (the "passerelle" among others). As for the number of commissioners, 29 instead of 27 officials wouldn't make much of a difference.
- 5) The big issue is the size of the EU budget. Washington makes no mystery of the fact that Europe will be responsible for Ukraine's reconstruction. The Commission believes that caps should be applied to the common agricultural policy and the structural funds. A Ukraine Fund might be set up with own resources. If raising taxes is hard, increasing EU debt is easier said than done. Currently, the EU pays interest rates on its debt that are higher than those of the highest-rated countries. Germany may not play ball on this. To have an idea of the costs the Council asked the Commission to provide an "impact report" concerning all policy sectors.