

## North Macedonia's accession prospects dimmed

North Macedonia was the first Western Balkan country to sign a stabilisation and association agreement with the EU in 2004; just one year later, it became a candidate country. However, bilateral disputes with Greece and Bulgaria have blocked accession negotiations so far.

### Background

For many years, North Macedonia's progress towards accession was blocked by a bilateral dispute with Greece, which [protested](#) against the country naming itself Macedonia. The issue was resolved by the 2018 [Prespa Agreement](#), with Athens and Skopje settling on the name (Republic of) North Macedonia. Greece lifted its veto in 2019, and the [Council](#) decided to open accession negotiations in March 2020. Again in March that year, North Macedonia [joined](#) NATO. On 1 July 2020, the Commission [presented](#) its draft negotiating frameworks for the country. To prepare it for membership, the EU allocated [€664 million](#) of funding for the 2014-2020 period. The country also gets regional EU support, including under the [Western Balkans Investment Framework](#), which combines loans and grants for [transport and energy connectivity](#) (e.g. for new and upgraded road and rail links). In 2016, the EU also helped to establish the Regional Youth Cooperation Office ([RYCO](#)). Today, a dispute with Bulgaria presents another hurdle along the country's EU accession path. Although Bulgaria and North Macedonia signed a [treaty on good neighbourly relations](#) in 2017, Sofia [accuses](#) Skopje of distorting and appropriating parts of Bulgarian history.

### New challenges

In addition to the above-mentioned bilateral issues, the EU's new [enlargement methodology](#) approved in February 2020 could also hamper the pace of North Macedonia's accession talks. The new method groups the 35 negotiating chapters in clusters that are interlinked with each other. [Negotiations](#) might be effectively blocked, suspended or reversed by insufficient progress in some clusters, in particular in cluster 1 on the rule of law and democracy, which remains open during the whole negotiation process. The new methodology has prompted critics to [observe](#) that the enlargement process 'has become a shadow of what it was in previous decades when it was seen as the EU's most successful foreign policy'.

Furthermore, North Macedonia faces a challenging economic situation. Government [debt](#) rose strongly from 40.7 % of GDP in January 2020 to 51.25 % in December 2020. The economy shrank by [4.5 %](#) in 2020. Unemployment [remains](#) around 17 %, but a gradual resumption of employment growth is projected for 2021 and 2022, in line with economic recovery. GDP is [expected](#) to rebound to 3.6 % in 2021. On 20 April 2021, the Commission [announced](#) a new vaccines delivery programme from which North Macedonia will receive 119 000 doses. The first delivery started in May, with regular tranches to continue until August 2021. The EU vaccination programme is funded from the €70 million [package](#) under the Instrument for Pre-Accession (IPA) adopted by the Commission on 28 December 2020.

### European Parliament position

The Parliament has endorsed the April 2020 [communication](#) on the provision of €3.3 billion in support to the Western Balkans in tackling Covid-19 and the post-pandemic recovery. In its March 2021 [resolution](#) on the [2019](#) and [2020](#) North Macedonia reports, it expressed regret that Bulgaria and North Macedonia have yet to find an understanding on pending bilateral issues. While acknowledging North Macedonia's progress in addressing widespread corruption, the Parliament urged the country's Public Prosecutor's Office to process serious cases and to follow up proactively on major cases referred to it. It also welcomed the [Economic and investment plan](#) for the Western Balkans of up to €9 billion, which would support green and infrastructure investment in the region.

### EPRS | European Parliamentary Research Service

Author: Branislav Stanicek, Members' Research Service  
PE 690.657 – June 2021



This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2021

[eprs@ep.europa.eu](mailto:eprs@ep.europa.eu) (contact) <http://www.eprs.ep.parl.union.eu> (intranet) <http://www.europarl.europa.eu/thinktank> (internet) <http://epthinktank.eu> (blog)