

North Macedonia: progress in a void

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Key takeaways:

- It will be of great assistance if Germany continues to work with the Portuguese and the Slovenian EU presidencies and support them in their efforts to find a solution that will unblock the process.
- It would be highly beneficial if Germany supports active trust-building measures between Bulgaria and North Macedonia and closely monitors the implementation of the possible solution.
- The EU needs to build a common strategic outlook for the Western Balkan countries as future member states and develop tailor-made accession partnerships programmes.
- The EC needs to uphold the conditionality to support the change-makers in the country and ensure sustainable reforms to prevent backsliding.
- The Bundestag could facilitate trilateral thematic sessions with members of Parliament from Germany, Bulgaria (and with Greece once accession negotiations began), and North Macedonia as a trust-building platform.
- The German government and the Bundestag can support the country's reform process by providing bilateral support and building the capacities of the Parliament, bringing North Macedonia into the BMZ 2030 reform strategy under the transformation partnerships.
- Particular attention should be placed on strengthening the cooperation with MPs from sister parties in the Bundestag to support the EU accession process and enhance parliamentary oversight.

The leverage of the European Union and Germany in the Western Balkans, especially in North Macedonia, is at stake and takes a negative trend. The charade around the decision to finally start the accession talks and the slow roll-out of Covid-19 vaccines only exacerbated these processes. **The poster child, the success story in South-East Europe, following the leaps of democratization and paying the ground resolving the bilateral issue with Greece, is now at severe risk.** In a lack of tangible and predictable European perspective, both the political leaders and the citizens are increasingly skeptical about the EU's role in the region. They question the high price the country paid for something that did not pay in the end. This is reflected in the public opinion polls, which pressure politicians to justify the course towards the EU. Pro-European politicians and strong advocates among civil society organizations and think tanks are having a harder time explaining to citizens why even after 16 recommendations to start negotiations and the changed name, the country is still blocked in the process. The decision to start accession negotiations is historically important, but to start the negotiations, is even more important. Being the largest donor and trade partner does not help much in shifting these perceptions. This put a high risk and eventuality that this process would serve as a pretext for the rule of law backsliding, as we have already experienced during Gruevski's era, with no guarantee that it cannot be repeated in a new environment and with different actors.

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Authoritarian regimes are increasing their malign activities and influence in the region. This undermines the democratic systems in which the EU invested significant time and resources. The Covid-19 pandemic further accelerated this process. The vaccine diplomacy by China, Russia, and even Serbia outpaced the EU response and negatively altered the EU leverage in North Macedonia. Disoriented Balkans undermines the EU's efforts to establish itself as a global actor and build strategic autonomy. The strong and visible EU presence in the region and the country is a building block in that structure. Building a common strategic outlook for the Western Balkans region, independent of national electoral cycles, is a process that will signal a vision within the Union. In further detail, this means concrete steps for 1) phasing in different EU policies beyond the Area of Justice, Freedom and Security; 2) including North Macedonia and other accession countries in the existing EU mechanism so we can compete as well as compare and contrast with the countries of the EU (the new Rule of Law mechanism and Justice Scoreboard, Economic semester); 3) robust financial packages aimed at huge infrastructural projects and implementation of the green agenda (while taking in consideration the WB capacities to absorb them).

It will be of great assistance if Germany continues to work with the Portuguese and the Slovenian EU presidencies and support them in their efforts to find a solution that will unblock the process. France should be part of these efforts since they will be leading the Presidency first half of next year at the crucial National Presidential elections. As the possible solution will require increased trust among both sides, Germany could support active trust-building measures between Bulgaria and North Macedonia (and in perspective with Greece, once accession negotiations began). It can be done by providing political and economic incentives first by ensuring that Germany will closely monitor the implementation of the agreements. As Parliaments are a crucial part of the trust-building process, the Bundestag could facilitate trilateral thematic sessions with members of Parliament from Germany, Bulgaria (and in perspective Greece), and North Macedonia. This could serve as a trust-building platform, including different neutral experts in particular topics of sensitive nature and common interest.

An accelerated inclusion of Western Balkan countries in existing EU mechanisms (not predominantly on Justice and Home Affairs) would contribute to the EU's future capacity to act by decreasing the dependence on strategic competitors such as China. Enhancing the potential for localization of supply chains to the Western Balkans could be a cost-effective way. The advantages of production in close proximity greatly mirrors the ambitious EU foreign policy agenda and contributes to a stronger Europe in the world. This will mean embedding the Western Balkans in the European economy by applying green, digital, and social properties which distinguish the EU and can contribute to becoming a strategically autonomous actor. Investment in the Western Balkans and enhancing the cooperation between the country and German international companies is one way Germany could help.

On one side, **weakened conditionality downgrades the positions of change-makers in the country.** As it was shown in North Macedonia, tough reforms often require making difficult decisions and investing political capital in withstanding pressures from corrupt actors and demanding clientele. So far, reformists made the most significant push in favor of improved governance standards, merit, and decision-making free from private interest by framing it as a necessary step towards the EU and constraint which prevents them from doing favors to demands for corrupt transactions. Domestic reform actors in political parties and civil society will lose from populist and nationalist actors, given the current state of socio-economic development. Anchoring the struggle for the rule of law in as many points as possible, including the hugely important project of EU accession, ensures an environment where reformists can build resilience and ensure sustainability in the future. Starting with the negotiations and thus with the bilateral screening will keep the reformist momentum. The sustainability of reforms will only be provided if we can showcase

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the positive impact the reforms have on the life of citizens and that we need to work on them despite the obstacles in the EU integration process.

On the other side, **civil society will have an increasingly difficult position in their dialogue and pressure towards officials.** As advocates of EU standards and values, CSOs contribute to the external pressure and conditionality, thus facilitating the reform agenda. The leverage comes from the high numbers (69% in 2020) of people supporting the EU accession in North Macedonia. This should not be taken for granted as more and more citizens perceive Russia (23% in 2020 from 20% in 2019) and Turkey (9% in 2020 from 7% in 2019) as potential key allies. The ambivalent path to the EU contributes to more skeptical opinions, with now a quarter of the population thinking that the EU is unwilling to accept the country as a member. If the situation continues, the CSO's EU-bound leverage will dissipate, and it will find it challenging to generate popular support for its demands and expectations.

In the absence of an EU path, the international partners should provide a semblance of external conditionality through their development aid and economic cooperation schemes. Germany can significantly impact such a process due to its established image among Macedonian citizens - they mostly think of Germany when they imagine an EU country. It has a good presence in the investor community and is one of the major trade partners. But above all, it has the most developed leverage with the major political parties due to the long-running work of KAS and FES and other similar networks active in North Macedonia. This gives it a perfect position to incentivize domestic reforms. **Germany can support reformists in the key political parties,** helping to set up political competition driven by different ideas rather than race to the bottom based on backward-looking, fake news and media skirmishes. The German government must communicate more clearly with the local population about the expected standards in governance that North Macedonia must attain to get its support as an international partner. This will favor reformists and civil society not to lose the momentum of necessary support, which gives them leverage to demand improvements. While this kind of open political support to reforms is essential, Germany should continue with technical assistance through EU aid schemes and increase direct presence in the rule of law reforms.

In order to show the importance that Germany gives to the European future of North Macedonia, BMZ 2030 reform strategy could be amended in a way that North Macedonia is not just one of many countries under the title "Multilateral, European and Non-governmental cooperation, but to be moved under the title "Bilateral partners: Transformation partners," together with Albania, Bosnia and Herzegovina, Kosovo, Montenegro, and Kosovo. That will allow direct bilateral programmers to be developed in most pressured areas of common interest that may significantly accelerate Macedonian reform processes and ensure sustainability.

The role of the Parliament

The Parliament of North Macedonia has been struggling to (re)gain its independence and strengthen its role in the check and balances system, which entails a strengthened and advanced oversight role. The Parliament remained unstable throughout 2020/21, as the tight majority often had to negotiate with minority party MPs on legislation, which led to filibustering and other process locking mechanisms. Additionally, with Covid-19 cases on the rise within the Parliament, decimating its staff capacity and affecting many MPs, the Parliament found itself working in extraordinary conditions. However, the opposition, claiming that the majority is trying to undermine the oversight role of the Parliament, refused to move the parliamentary sessions online, which hindered its normal functioning and delayed legislation necessary for the economic security of vulnerable citizens.

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Moreover, the Parliament passed contestable laws faster and without due scrutiny citing harmonization of legislation with the EU. This practice is noted in the European Commission 2020 country report. In the meantime, the National Council for European Integration (NCEI), a parliamentary body established to scrutinize the government activities on the EU integration process, has been reluctant to play a more proactive role. Furthermore, the parliamentary service supporting NCEI and the Committee on European Affairs (CEA), which is the body responsible for checking each piece of legislation whether it complies with the Acquis, lacks the capacity to handle the influx of work the EU negotiation process requires, expecting that such a process is to start soon for the country. The German Bundestag could contribute to addressing this situation by peer-to-peer mentoring, seconded experts to Skopje, and a share of practices.

Most importantly, capacity building is needed for the MPs to increase the Parliament's capacity to exercise oversight over the government regarding the European integration process and more. **Particular attention should be placed on strengthening the cooperation with MPs from sister parties in the Bundestag while avoiding unconditional partisan support and embedding constructive behavior when it comes, at least, to the obstacles and challenges in the EU accession process. This support could be** crucial in moving forward with North Macedonia's accession process to the EU and pushing for more oversight by parliamentary bodies and constructive behavior by MPs from different political backgrounds. This support could be manifested through already established cooperation channels with MPs through the Parliament or other German organizations working on the ground. This support could contribute to a stable Parliament, as a way to avoid frequent disruption and lethargy of the work of the Parliament that affects the reform agenda and the EU accession process. Support from German MPs is welcomed to strengthen the legislative and oversight functions of the Parliament and promote greater institutional transparency and accountability.