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Preparing the Private Sector in the Western Balkans and Ukraine for EU Integration:

Unlocking the EU Before Accession Through Early Engagement

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Summary

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EU integration should begin well before formal accession. This policy brief examines how the private sectors in Albania, Ukraine and Serbia can be better prepared to participate in the EU single market and benefit from European funding, regulatory frameworks and value chains. Based on stakeholder consultations, it identifies persistent gaps in EU-related knowledge, regulatory preparedness, funding access, advocacy capacity and institutional support, with SMEs and businesses outside capital cities facing particularly significant barriers.

The brief argues for a shift from fragmented, project-based assistance towards a coordinated system of long-term 'EU preparedness'. Governments and EU institutions should make existing opportunities more accessible by simplifying procedures, strengthening intermediary organisations, expanding regional outreach and providing targeted financial and technical support. Dedicated EU business one-stop shops, compliance accelerators, regional hubs and stronger public–private dialogue could help firms build the capabilities needed to operate effectively within the single market.

Early engagement could also generate benefits before accession by facilitating access to European value chains, investment, technology transfer and innovation networks. For Ukraine, in particular, reconstruction provides a unique opportunity to embed EU standards and technologies into emerging industries from the outset. The brief ultimately calls for a more proactive and economically focused approach to enlargement: one that equips businesses to contribute to the integration process rather than simply preparing them to adapt to membership once it arrives.

Keywords EU enlargement – EU integration – Western Balkans – Ukraine – SMEs – Single market

Introduction

With no new member state having joined the EU since Croatia's accession in 2013, questions remain about the pace of enlargement, the EU's absorption capacity and the political sustainability of future accessions. However, the acceleration of accession negotiations in 2026, further increases the urgency of building private-sector readiness alongside formal acquis alignment.

From the perspective of this project, this opens up a very important opportunity, most notably the idea that future EU enlargements should not be viewed as solely binary, that is, joining the EU or not. Rather—and emphasising the need to avoid keeping these countries in the waiting room for years or decades as has sometimes been the case previously—a scenario-based approach should be used to consider new ways to deepen the relationship between candidate countries and the EU and to help undertake reforms and preparatory work on both sides. In this endeavour the private sector plays an essential role, further underlining the *raison d'être* of this project to ensure that it is well-prepared before accession.

This policy brief illustrates that in the current political, economic and social context there is a need for a smarter, context-adapted approach to enlargement, which aligns with today's geopolitical realities. Enlargement should be economically self-reinforcing by building the private sector's EU participation capacity before accession—through intermediary institutions, simplified access and targeted compliance finance. Strengthening the preparedness of the private sector for EU integration requires a concerted effort by both national governments in candidate countries and the EU itself. While businesses must take proactive steps, supportive institutional frameworks and targeted measures are essential to ensure that firms of all sizes can participate meaningfully in the integration process. With the buy-in of the private sector, support for EU membership can be strengthened, which in turn may lead to a later reduction in the politicisation of issues, such as rule-of-law and related reforms, ensuring that the matter of accession is not held hostage on the national level to larger political debates which may arise.[1]

Amid looming trade wars and global uncertainty, the EU as a peace project has arrived at a critical juncture and a choice needs to be made: make a politi-

[1] This policy brief is based on stakeholder consultations in Albania, Ukraine and Serbia.

cal decision and fully support widening integration, which could upset the already fragile European budget (the multiannual financial framework) or make an economic choice, risking the political clout and legacy of the European peace project by allowing aspiring candidate countries to be swayed by other influences. While support for counteracting Russian aggression against Ukraine is widespread across most EU member states, inflation-driven economic fatigue among citizens, and enlargement fatigue among decision-makers rarely allow for an objective debate on the pros and cons of enlargement—particularly when it comes to smaller countries such as Albania.

While the EU provides financial support to candidate countries through various programmes, the private sector is often not sufficiently equipped to reap the full benefits. For instance, in countries that joined in 2004 or more recently, the private sector is still not able to make efficient use of EU opportunities (such as more diversified participation in programmes and advocacy), besides the obvious benefits granted under the four freedoms. To address this, this policy brief will

1. analyse the current gaps in private-sector preparedness for EU integration in Albania, Ukraine and Serbia, and identify barriers that have hindered private-sector engagement in Central and Eastern European countries after accession;
2. map the opportunities that the EU already provides in terms of regulatory participation and funding instruments which support economic integration, alongside making proposals to make them more accessible and effective;
3. develop a practical toolbox to help businesses in candidate countries prepare for EU integration; and
4. provide policy recommendations for both national governments and EU institutions to better support private-sector readiness.

Methodology

This project is based on semi-structured interviews with private-sector representatives and business associations in Albania, Ukraine and Serbia. These countries were chosen as Albania is currently one of the front-runners in the EU accession process, while Ukraine and Serbia are some of the largest candidate countries both in terms of territory and population. The interviews were conducted in a written form for two reasons: first, to prevent any communication difficulties in terms of language, and second, to avoid complications with securing an Internet connection as a result of the volatile and unpredictable situation in Ukraine. That they were written also enables comparisons to be drawn across participants while providing the flexibility to capture diverse perspectives and context-specific insights. Nonetheless, due to the limited scope of these interviews, the policy brief also draws on stakeholder consultations in Albania, Ukraine and Serbia and derives implications relevant for Western Balkan candidate countries more broadly.

The interview questions were grounded in established theoretical frameworks: Europeanisation theory (how domestic actors adapt to and influence EU norms), multilevel governance (the dispersion of authority across EU, national and regional levels) and the concept of absorptive capacity (the ability of organisations to recognise, assimilate and utilise new knowledge and resources). These frameworks informed the question clusters on perceptions of EU integration, awareness of regulatory and funding mechanisms, advocacy and engagement practices, competitiveness and innovation, and needs and expectations.

This approach ensured that the qualitative data captured both cognitive dimensions (knowledge, perceptions, expectations) and behavioural dimensions (advocacy strategies, innovative practices, cross-border collaboration). Insights from the interviews will thus provide a grounded understanding of how private-sector actors in candidate countries prepare for EU accession, and will feed directly into the practical toolbox and policy recommendations developed in this brief.

Diagnosis: current gaps in private-sector preparedness

Across candidate countries, the private sector faces a series of structural, informational and institutional gaps—overcoming these would help candidates to become a lot better equipped for EU integration. For instance, the lack of understanding of the EU legislative cycle prevents businesses from anticipating regulatory changes and from influencing legislation at earlier, more strategic stages. Awareness of EU programmes is similarly fragmented: although initiatives such as Horizon Europe, the Single Market Programme, Digital Europe and InvestEU provide substantial opportunities, knowledge of these instruments remains uneven and national contact points are often under-utilised. Equally, many firms lack familiarity with core mechanisms such as EU procurement procedures, competition rules and state-aid frameworks, all of which are essential for successful participation in the single market.

These informational deficits intersect with deeper capacity challenges. Few companies—particularly small and medium-sized enterprises (SMEs)—maintain dedicated EU affairs expertise, whether for monitoring EU policy developments, preparing project proposals, navigating English-language documentation or managing multi-country projects. Without targeted support, these capabilities remain beyond reach for large segments of the business community.

Weak networks and limited representation at EU level compound the problem. Linkages between local firms and European associations or cross-border consortia remain weak. National chambers of commerce and business associations, often under-resourced, are not able to advocate on behalf of domestic companies in Brussels or build stable alliances with their European counterparts. As a result, firms lack collective representation in EU policymaking processes, reducing their ability to shape or anticipate rules that will determine their competitiveness.

Financing challenges further restrict firms' ability to engage. Many SMEs struggle to secure co-funding for EU projects, hindering their participation in relevant EU programmes, such as Horizon Europe. Long payment cycles, limited access to credit for intangible investments, and the under-use of blended finance instruments—such as InvestEU and European Investment Bank and European Bank for Reconstruction and Development facilities—create additional bottlenecks. These issues disproportionately affect innovation-oriented companies that need patient capital to meet EU requirements.

Crucially, preparedness is uneven across the private sector. Large firms—especially those embedded in foreign value chains—are significantly better positioned to adapt, whereas domestic SMEs, rural enterprises, and companies led by women or young entrepreneurs face steeper barriers due to fewer resources, limited networks and less institutional support. This unevenness risks deepening internal inequalities within candidate economies and undermining the inclusive benefits of EU integration.

It is against this backdrop that the questionnaire was developed. The aim was to gather direct insights from private-sector actors in Albania, Ukraine and Serbia to better understand how these structural gaps manifest in practice, what obstacles firms face in preparing for EU membership, and what types of support, guidance and institutional reform are needed. Their responses provide an evidence base for identifying targeted solutions that could strengthen early engagement with the EU, accelerate economic alignment and ensure that the benefits of integration are shared across the entire private sector.

Perceptions of EU integration and the political economy of expectations

Across both Albania and Ukraine, private-sector actors articulate a broadly positive outlook on EU integration, seeing it as an unprecedented opportunity for economic transformation, market access and institutional modernisation. Yet the tone and underlying motivations differ in important ways. Albanian respondents describe accession as 'transformational' but emphasise the long, demanding transition ahead, stressing that alignment with EU standards will require sustained investment, capacity building and improved public-sector coordination. In contrast, Ukrainian businesses perceive EU integration not only as an economic horizon but as a fundamental governance shift—particularly in anti-corruption, legal harmonisation and the creation of a transparent, rules-based environment. Several Ukrainian respondents explicitly frame EU integration as the single most important pathway to eradicating the bureaucratic opacity and political interference that continue to restrict economic development.

Evidence from Serbia reinforces the structural nature of these challenges and demonstrates that they persist even in countries at more advanced stages of the accession process. Serbian stakeholders emphasise that while legal approximation with EU legislation has improved regulatory transparency, predictability and the overall business environment, private-sector preparedness remains uneven and adjustment costs—particularly for SMEs—are significant. This suggests that prolonged engagement in accession negotiations does not automatically translate into stronger business readiness, especially in the absence of targeted support, transition periods and effective public–private dialogue.

These expectations are informed by the experiences of countries from Central and Eastern Europe, including Poland, Croatia, Slovenia and the Baltic states. Respondents point to the transformative effects of early investment in quality standards, food safety systems and institutional reform—elements they believe their own countries must adopt urgently. Yet expectations also carry risks: if reforms stall or deliver only superficial alignment, the private sector fears a loss of credibility, growing Euroscepticism and structural barriers.

Main takeaway

Ultimately, EU integration is understood not merely as joining a market, but as entering an institutional framework that promises predictability, accountability and competitiveness—conditions that businesses in both Albania and Ukraine see as prerequisites for long-term development.

Information, knowledge gaps and the accessibility of EU processes

While information on EU processes is widely available in both Albania and Ukraine, private-sector actors consistently emphasise that access does not equal usability. In Albania, although government portals, EU Delegation channels and intermediary organisations provide updates, the landscape remains fragmented and overly complex—especially for SMEs. Similar sentiments arise in Ukraine, where even well-organised associations such as the European Business Association (EBA) describe an overabundance of unstructured information that rarely translates into practical, sector-specific guidance for companies outside the capital or beyond major export sectors.

Ukrainian SMEs, in particular report, difficulty interpreting EU regulations, certification procedures and compliance timelines. Many acknowledge familiarity with the broad themes of EU law—particularly in agriculture, food processing and product safety—but lack the depth of understanding needed to begin practical alignment. Even larger companies admit that internal awareness is incomplete and often dependent on individual employees' expertise. Several respondents also highlight the asymmetry between Kyiv and the regions, arguing that regional businesses lack the communications channels, networks and advisory support available in the capital. Interview evidence from Ukraine highlights that EU-related information and funding opportunities remain heavily concentrated in Kyiv, with regional actors—particularly in the southern and eastern regions—often excluded from advisory structures and programme outreach. Several innovation-oriented SMEs emphasised the need to work through trusted regional ecosystem builders rather than centralised, government-led channels to ensure effective dissemination and uptake.

The Serbian experience highlights that even where information channels are relatively well developed, they do not fully resolve private-sector capacity gaps. Businesses in Serbia rely heavily on national institutions, the EU Delegation, chambers of commerce and intermediary organisations to understand upcoming EU rules. While this ecosystem enables high-level awareness of EU processes and programmes, accessibility remains constrained by the complexity of procedures and limited national-level technical support.

Main takeaway

This information gap is not caused by an absence of communication from the EU or national institutions, but by a mismatch between the complexity of EU rules and the absorptive capacity of businesses. Without tailored guidance, simplified explanations and regionally accessible advisory services, early engagement risks reproducing existing inequalities rather than broadening participation.

Awareness and accessibility of EU funding opportunities

The private sector in both Albania and Ukraine is aware that the EU provides substantial pre-accession and development funding, yet most actors—particularly SMEs—feel that these resources are out of reach. Albanian organisations reference Instrument for Pre-Accession Assistance (IPA) funds, Horizon Europe, Erasmus+, Creative Europe and Interreg, but stress that the capacity required to participate—proposal writing, financial management, monitoring and reporting—is often beyond the reach of SMEs or local organisations. As a result, funding flows disproportionately towards larger entities or those with existing relationships with donors.

In Ukraine, the situation is even more polarised. Some actors, especially those active in innovation or agriculture, are aware of EU4Business, European Bank for Reconstruction and Development programmes, and opportunities under Horizon Europe. Yet others, especially traditional SMEs or regionally based companies, report no knowledge of EU funding mechanisms at all. Even among informed actors, the perception persists that procedures are excessively bureaucratic, documentation-heavy and insufficiently supported by advisory structures. Respondents note that large macro-financial frameworks, such as the Ukraine Facility and the Ukraine Investment Framework, primarily channel resources through international financial institutions. While useful, these instruments rarely reach the smaller firms or sectoral clusters that are most in need of modernisation support.

Serbian input further illustrates the limitations of existing EU funding instruments for private-sector preparedness. Although organisations are aware of IPA III and major EU programmes such as Horizon Europe and the Single Market Programme, access remains restricted by complex procedures, high co-financing requirements and diminishing development assistance channels. The shift towards the Growth Plan and budget-support mechanisms has reduced opportunities for intermediary organisations to provide direct support to businesses, particularly SMEs. This underscores a broader regional challenge: EU funding frameworks increasingly prioritise macro-level reforms while leaving firm-level transition needs insufficiently addressed.

Main takeaway

Overall, the accessibility challenge is structural: funding exists, but the mechanisms are not tailored to the administrative capabilities of SMEs in accession countries, nor are they sufficiently decentralised to engage regional ecosystems.

Engagement, advocacy and representation in policymaking

There is a notable asymmetry in how different parts of the private sector engage in policymaking related to EU integration. A small number of well-established organisations, such as the EBA in Ukraine or the Albanian-American Development Foundation in Albania, have developed institutionalised channels of dialogue with national governments and EU institutions. The EBA, in particular, plays a significant role in shaping Ukraine's regulatory alignment and economic strategy, coordinating hundreds of advocacy initiatives annually and acting as a recognised interlocutor in Brussels.

However, this level of engagement is the exception rather than the rule. Most businesses, especially SMEs, lack the resources, expertise or staff to participate meaningfully in consultations.

While most SMEs lack the resources for formal EU-level advocacy, the interviews also revealed a smaller group of innovation-driven actors who compensate for this through involvement in informal channels, including international conferences, partnership summits and accelerator-led networks across EU capitals. These practices underline the role of non-traditional intermediaries in amplifying private-sector voices prior to accession.

Some Ukrainian firms explicitly identify as apolitical and avoid advocacy altogether, either out of strategic caution or because they feel excluded from influence. Others express frustration at the limited impact of consultations, or scepticism that their input will be reflected in policy. Albanian organisations similarly note that structured mechanisms exist but are not always inclusive, consistent or sufficiently transparent to build sustained trust.

The Serbian experience also illustrates the importance—and limitations—of structured advocacy. Serbian stakeholders note that limited coordination among business associations, insufficient understanding of EU policymaking processes among firms and restricted access to EU-level consultations continue to weaken collective representation. This reinforces concerns observed across other candidate countries: private-sector voices remain unevenly represented in Brussels, particularly outside capital-based or well-resourced organisations.

Language barriers, lack of procedural knowledge and the complexity of EU decision-making further weaken SME participation. Meanwhile, sector-specific associations—such as those in food processing or agriculture—express a desire for stronger representation in Brussels but lack the organisational capacity to establish it.

Main takeaway

For early engagement to be meaningful, representation must expand beyond capital-based associations to include regional actors, sectoral alliances and emerging innovation ecosystems. Large organisations can play an important aggregating role, but they cannot act as a substitute for a broader, more inclusive system of consultation.

Competitiveness, innovation and preparedness for the single market

Private-sector actors in all three countries recognise that entry into the EU single market will be transformative, but also intensely competitive. For many, this competition is seen as a positive driver that will compel companies to modernise, upgrade technologies and adopt higher standards. Ukrainian respondents in particular view integration as an opportunity to rebuild industries with EU-compliant technologies from the ground up, leveraging post-war reconstruction to accelerate innovation and partnerships with European firms.

Some Ukrainian private-sector actors are already engaging with EU markets ahead of accession by positioning Ukraine as a testing ground for European technologies, organising cross-border innovation accelerators and facilitating pilot projects with EU firms. These bottom-up initiatives demonstrate that early engagement is not only aspirational but already occurring where networks and intermediary capacity exist. Yet readiness levels vary significantly. While some Ukrainian companies, especially medium and large firms, feel mostly prepared to operate under EU rules, small enterprises are far less confident. Many lack the compliance systems, documentation practices, digital tools or quality-control mechanisms required under EU law. In the food and agriculture sectors, producers stress the need for investment in packaging, traceability, laboratory testing and certifications, without which they risk exclusion from EU markets. Albanian respondents express similar concerns: while the private sector is motivated to improve competitiveness, significant gaps persist in standards alignment, digitalisation and management practices.

The Serbian case further confirms that preparedness for the EU single market is unevenly distributed within the private sector. While larger firms are generally better positioned to meet EU standards and integrate into European value chains, SMEs face significant gaps in compliance capacity, innovation financing, skills development, and environmental, social and governance alignment. Without targeted assistance, the risk of these disparities widening during the accession process grows, reinforcing the creation of dual-track economies in which only a subset of firms can fully benefit from integration.

Main takeaway

Businesses consistently identify several forms of support that would improve preparedness: targeted training on EU standards; technical assistance for certification and compliance; co-financing schemes for modernisation; partnerships with EU firms for technology transfer; and clear, predictable regulatory timelines. Without these supports, many SMEs fear that rapid and uncoordinated alignment could overwhelm their capacities, potentially leading to closures or market exits.

The role of governments and the EU in supporting early engagement

In both Albania and Ukraine, businesses articulate a need for governments to play a more strategic and enabling role. They do not expect states to shield them from competition, but rather to provide predictable regulatory frameworks, transparent procedures and effective communication on alignment timelines. Albanian respondents call for better coordination, capacity-building funds, and a national 'EU preparedness facility' that combines training, advisory services and financial support. Ukrainian actors emphasise the need for clear communication, open data, streamlined procedures and robust anti-corruption reforms. Some explicitly state that their expectations of government are low; instead, they ask simply for political determination in pursuing accession and the avoidance of bureaucratic stagnation.

Serbian stakeholders also point to the risks associated with reform fatigue and the uneven implementation of EU-related reforms. While regulatory alignment has advanced on paper, inconsistent enforcement and limited administrative capacity undermine its effectiveness for businesses. This mirrors concerns in other candidate countries and highlights the need for clearer reform roadmaps, predictable regulatory calendars and stronger institutional interfaces that allow firms to anticipate and adapt to EU requirements in a timely manner.

On the EU side, businesses want more accessible, decentralised instruments that engage directly with SMEs, sectoral alliances and regional ecosystems. They recommend expanding participation in EU programmes prior to accession, establishing consultative platforms where business positions are systematically incorporated into negotiations, and launching sector-specific compliance accelerators, particularly in agriculture, food processing, manufacturing and innovation. Respondents also highlight the importance of transitional periods and tailored support to mitigate the risks of regulatory overload.

Main takeaway

Together, these perspectives underline that preparing the private sector for EU integration is not merely a matter of providing information or funding; it requires building predictable institutions, strengthening capacities and establishing an inclusive, multilevel engagement framework.

Current support ecosystems and missing elements

Despite the presence of various EU-funded programmes, donor initiatives and national schemes, businesses in both Albania and Ukraine describe the current support landscape as fragmented, project-based and insufficiently responsive to the practical needs of SMEs preparing for EU integration. Albanian organisations acknowledge the positive impact of IPA–funded interventions, technical assistance projects and cooperation with the EU Delegation, but stress that these initiatives are often short term, limited in sectoral reach and poorly integrated into a broader national strategy for private-sector preparedness. Many programmes provide useful training or advisory services, yet they rarely scale, lack continuity and fail to address the systemic challenges that SMEs face in aligning with EU standards.

The situation in Ukraine presents similar patterns, but the fragmentation is even more pronounced. Several actors report receiving no support at all, either from national institutions or international donors. Others participate in consultations or occasional workshops but see no long-term frameworks that would help them move from awareness to practical implementation. Large associations such as the EBA play a coordinating and advocacy role, yet emphasise that neither government nor EU actors provide sufficient technical or financial instruments for SMEs to undertake complex and costly adjustments. Regional innovation actors and small producers underline that EU-supported ecosystem-building efforts rarely reach outside major cities, resulting in the uneven distribution of opportunities and capacity.

The Serbian input strengthens the core finding of this report: early engagement with EU mechanisms is essential, but it must be accompanied by structured support, simplified funding instruments and empowered local intermediaries. It underlines that without such measures, accession processes risk producing regulatory alignment without sufficient private-sector transformation—underscoring the need for permanent preparedness facilities, SME-focused compliance support and stronger EU engagement with business associations across candidate countries.

Main takeaway

Private-sector respondents point to a shared gap: existing programmes focus heavily on information dissemination or formal consultations, but less on hands-on, sectoral and regionally accessible support that would allow companies to take concrete steps towards EU readiness. The absence of integrated, long-term, country-wide 'EU preparedness ecosystems' means that interventions remain disjointed, limiting their transformative potential. This reveals a clear need for consolidated support architectures—bundling advisory services, training, compliance assistance and targeted finance—that accompany businesses throughout the accession process rather than engaging them intermittently.

Risks and vulnerabilities during the accession process

Private-sector actors across Albania and Ukraine identify a number of risks that could undermine their readiness for the single market and weaken the broader accession process. The most prominent concern is regulatory overload, particularly for SMEs that lack the financial resources, technical expertise or personnel to navigate the volume and complexity of EU regulations. Businesses worry that a rapid or poorly sequenced adoption of the *acquis* could create significant compliance burdens, raise operational costs and force less-prepared companies out of the market. Producers in agriculture and food processing are especially vulnerable, as these sectors require costly upgrades in safety systems, certification, laboratory testing, traceability and packaging.

Another cross-cutting risk relates to institutional weakness within national administrations. Companies fear that political instability, bureaucratic inefficiency or limited administrative capacity may delay or complicate the alignment process. In Ukraine, several respondents express concern that insufficient progress in anti-corruption or judicial reform could erode the trust that businesses have currently placed in EU integration as a pathway to rule-of-law governance. Albanian respondents likewise note that institutional inconsistency or lack of transparent procedures could delay reforms and diminish investor confidence.

Human capital risks also emerge. As EU integration advances, both countries anticipate intensified brain drain, with skilled workers seeking opportunities in existing member states. This compounds the challenges of modernisation, since the very sectors that require upskilling and technological adaptation may struggle to retain qualified personnel. Finally, respondents highlight the risks associated with uneven benefits from EU engagement—where large firms and capital-based actors adapt successfully, while SMEs and regional businesses fall behind, potentially creating socio-economic divides that undermine public support for integration.

Main takeaway

Together, these risks underscore the need for carefully sequenced alignment, transitional periods, targeted SME support and strong communication strategies that ensure private-sector expectations are managed and sustained throughout the accession process.

Opportunities from early engagement: unlocking the EU before accession

While the challenges are significant, private-sector actors in both Albania and Ukraine emphasise that the pre-accession period offers enormous opportunities—many of which can be unlocked through early, structured engagement with EU institutions, markets and regulatory frameworks. Businesses view early engagement not simply as preparatory work but as an opportunity to participate in the single market's logic before formal accession, benefiting from knowledge transfer, network building and gradual compliance.

One of the most substantial opportunities lies in early access to EU value chains and markets. Producers in agriculture, food processing, manufacturing and technology see the prospect of integrating with European partners as transformative. Engaging early allows companies to adapt products, packaging, certifications and logistics systems in collaboration with EU peers, reducing the shock of post-accession competition. For Ukraine in particular, aligning early with EU standards would enable companies to rebuild with 'EU-ready' infrastructure, positioning the country as a unique test bed for innovative European technologies during post-war reconstruction.

Early engagement also opens pathways for investment and technology transfer, especially when partnerships with EU firms are fostered before accession. Respondents highlight the importance of collaborative projects with European investors, joint ventures and pilot initiatives in areas such as green technologies, digitalisation, food safety and sustainable agriculture. Such partnerships not only accelerate compliance but also raise productivity and innovation capacity.

Another opportunity lies in strengthening institutional dialogue and the co-creation of policies. Businesses express a desire for structured, ongoing platforms through which their sector-specific insights can inform negotiations, regulatory sequencing and transitional periods. Associations in Ukraine, for example, have called for formalised platforms within European institutions that channel business expertise into policy processes, while Albanian actors have proposed national-level preparedness facilities that link public institutions, chambers of commerce and development organisations.

Main takeaway

Early engagement could yield significant governance dividends. By integrating private-sector actors into transparent, EU-driven processes, countries could strengthen rule-of-law institutions, reduce corruption opportunities and build predictable regulatory environments. Many respondents believe that early alignment and EU-led reforms would help overcome long-standing governance challenges and foster a more competitive, innovation-driven economic culture long before accession is complete.

Together, these opportunities illustrate that early engagement is not an administrative exercise but a strategic economic tool—one that can accelerate convergence, enhance competitiveness and embed the private sector into European networks well before the official date of membership.

A strategic toolbox for private-sector actors

Preparing for EU membership requires private-sector actors in candidate countries to move beyond passive adaptation and to engage proactively with EU regulatory processes and funding instruments. To support this objective, this policy brief proposes a strategic toolbox that translates the preceding analysis into a set of practical, structured engagement pathways. The toolbox is intended to help firms build capacity, reduce participation barriers and position themselves to benefit from EU mechanisms well before accession takes place.

Regulatory engagement and advocacy readiness

The first pillar of private-sector readiness concerns the ability to monitor, anticipate and engage with EU policymaking. Firms in candidate countries will ultimately be subject to EU legislation; early familiarity with the legislative cycle would therefore reduce adjustment costs and allow economic interests to be represented upstream.

At a minimum, firms should develop routines to monitor EU legislative roadmaps, policy proposals and public consultations, in particular through the European Commission's 'Have Your Say' portal. Tracking developments in the relevant European Parliament committees and participating in standardisation processes at the national and EU levels would further enable early awareness of forthcoming regulatory obligations.

Participation in EU regulatory processes could be strengthened through registration with the EU Transparency Register, engagement in expert groups and the submission of responses to public consultations. For SMEs, collective representation through European trade associations, alliances or sectoral platforms is often the most effective channel. Such collective advocacy mechanisms allow firms with limited individual capacity to contribute to EU policymaking while simultaneously preparing for future compliance.

Access to EU funding and project participation

A second component of the toolbox focuses on structured engagement with EU funding programmes. Candidate country firms often participate in EU programmes on an ad-hoc basis, which limits learning effects and long-term impact. A more systematic approach is required.

This should begin by identifying a limited number of EU programmes that align with a firm's strategic priorities, such as research and innovation, digitalisation, the green transition or competitiveness. Regular monitoring of EU and national funding portals, supported by national contact points, would allow firms to anticipate calls and prepare in advance.

Participation in most EU programmes requires cross-border consortia. Firms should therefore invest in building durable partnerships with counterparts in EU member states, research institutions and innovation hubs. Existing instruments such as the Enterprise Europe Network, the European Institute of Innovation and Technology's Knowledge and Innovation Communities, and brokerage events could support this process. Developing and maintaining reusable 'core application materials'—including company profiles, standard work packages, data management plans and dissemination strategies—would further reduce administrative burdens and increase application efficiency.

In parallel, firms must anticipate co-financing requirements. Early engagement with banks and financial intermediaries, including those linked to the European Investment Bank, could help to address liquidity constraints and enable access to guarantees or bridge financing that would facilitate participation.

Capability building and institutional capacity

Sustained engagement with EU processes requires investment in internal capabilities. Firms would benefit from gradually developing in-house expertise on EU legislation, funding instruments and compliance requirements. Targeted training in grant writing, project management and regulatory compliance could significantly improve participation outcomes, particularly for SMEs.

Language and legal drafting skills remain a major barrier for many firms. Addressing these constraints through specialised training or shared support structures—often coordinated by chambers of commerce, universities or professional associations—is critical for effective engagement.

At the organisational level, firms should establish clear internal responsibilities for EU engagement, even where resources are limited. Designating focal points for regulatory monitoring and funding participation would improve continuity and institutional learning.

Monitoring progress and measuring readiness

To ensure that engagement efforts translate into measurable progress, firms should track a limited set of indicators reflecting their level of EU preparedness. These could include participation in public consultations, membership of EU-level associations, involvement in cross-border projects, uptake of EU standards or the share of turnover linked to EU-supported activities.

Regular monitoring of such indicators would allow firms to assess readiness over time, identify remaining gaps, and demonstrate progress to partners, investors and financial institutions.

Differentiated pathways to readiness

The application of this toolbox should reflect the varying levels of private-sector readiness across the candidate countries and sectors. In low-participation environments, foundational awareness-raising and intermediary support are essential. Where participation is already concentrated among a limited number of firms, scaling and diffusion mechanisms could broaden impact. In contexts where excellence exists but absorption capacity remains limited, systemic support is required to translate participation into sustained market integration.

Across all contexts, the central objective is not merely increased access to EU programmes, but the development of durable capabilities that allow firms to integrate into EU value chains, comply with regulatory standards and compete effectively in the single market.

Policy recommendations

Translating early engagement into measurable private-sector readiness requires coordinated action, both from national authorities in candidate countries and from EU institutions. The following recommendations focus on reducing structural barriers to participation, strengthening intermediary ecosystems, and enabling firms to engage with EU regulatory and funding mechanisms well ahead of accession.

Recommendations for national governments in candidate countries

National authorities play a central role in creating enabling environments that lower barriers to EU engagement and reduce fragmentation in support structures. They should:

- *Establish EU business one-stop shops.* Governments should establish dedicated 'EU business desks' as central access points for firms seeking information on EU funding opportunities, regulatory developments and standardisation requirements. These desks should be embedded within chambers of commerce, investment promotion agencies or equivalent intermediary institutions, and function as operational interfaces between EU-level processes and domestic firms.

- *Support SME participation through targeted financial instruments.* Regional innovation hubs could serve not only as engines of entrepreneurship, but also as practical EU-preparedness interfaces—combining regulatory guidance, funding navigation, partnership-building and compliance support in a single, locally accessible structure. Voucher schemes should be introduced to help SMEs cover participation-related costs, including for training in intellectual property protection, compliance with EU standards and the preparation of EU project applications. Such schemes could have a strong leverage effect by lowering the fixed entry costs that disproportionately affect smaller firms.

- *Strengthen collective representation and advocacy capacity.* Sustained public support for business associations, clusters and sector platforms is essential to enable coordinated engagement at the EU level. This should include financing for shared or rotating Brussels-based representation, joint policy monitoring and collective consultation responses. Strengthening these intermediaries would amplify private-sector voices and improve the quality of regulatory feedback.

- *Promote visibility and economic diplomacy.* Governments should organise regular, thematic outreach events in Brussels and across the EU member states to showcase national economic strengths, innovation capacity and sectoral expertise. Such initiatives would support business networking, facilitate partnership-building, and contribute to a more informed and favourable environment for future enlargement.

- *Invest in regulatory preparedness and compliance capacity.* National authorities should expand training and certification schemes related to forthcoming EU requirements, particularly in areas such as sustainability reporting, data protection and product safety. Early investment in compliance infrastructure would reduce adjustment costs and support smoother market integration.

- *Address financing constraints linked to EU participation.* In cooperation with international financial institutions, governments should expand access to EU-backed guarantees, risk-sharing instruments and bridge financing, including through EIB and EBRD facilities, EFSD+, the Western Balkans Investment Framework and, where applicable, InvestEU.

Recommendations for the EU

EU-level adjustments could significantly enhance early engagement and maximise the economic impact of enlargement. The EU should:

- *Facilitate structured participation of candidate-country firms.* The EU should further extend eligibility under existing programmes and introduce dedicated or ring-fenced calls for candidate countries within instruments such as Horizon Europe and the Single Market Programme. Clear and predictable participation pathways would strengthen incentives for early engagement and capacity-building.

- *Simplify administrative and financial requirements.* Reducing procedural complexity is essential for improving SME access. Measures could include shorter application forms, standardised templates, increased use of flat-rate cost options and simplified reporting requirements, particularly for first-time applicants from candidate countries.

- *Strengthen intermediary support mechanisms.* EU institutions should reinforce national contact points, Enterprise Europe Network nodes and other intermediaries operating in candidate countries, with a focus on outreach to underrepresented firms and regions. Enhanced coordination between EU-level and national support structures would improve uptake and learning effects.

Strategic rationale

Taken together, these recommendations aim to shift private-sector engagement from sporadic participation to sustained readiness. By combining national-level capacity-building with EU-level simplification and inclusivity, policymakers can ensure that businesses are not only prepared for the obligations of accession, but are also able to contribute actively to the integration process itself. This dual approach would support convergence, strengthen competitiveness and help ensure that the economic benefits of enlargement are shared.

Conclusions

Findings

The successful integration of the private sectors in Albania, Ukraine and Serbia into the EU single market requires a strategic shift from fragmented, project-based assistance towards a coordinated, long-term system of support. The perspectives shared by private-sector actors across all three countries highlight the need for governments and the EU institutions to create an enabling environment that not only informs businesses about the accession process but actively equips them to adapt, modernise and compete. To achieve this, national authorities should establish permanent, integrated support structures—'EU preparedness facilities'—designed to help firms understand and meet EU requirements. Such facilities would act as one-stop shops for guidance, training and compliance assistance, offering co-financing schemes for modernisation and digitalisation, and maintaining regional outreach to ensure that support is not confined to capital cities. They would also serve as platforms for coordination between governments, EU institutions, donors and business associations, providing the long-term continuity needed for meaningful private-sector transformation.

Given that SMEs face the steepest hurdles in aligning with EU norms, a dedicated approach is required to reduce compliance burdens and prevent firms from being overwhelmed during accession. An SME-focused 'EU compliance accelerator' could provide tailored audits, step-by-step guidance, vouchers for certification and testing, and access to technical experts and shared infrastructure such as laboratories and training centres. Such a programme would translate regulatory obligations into practical, manageable processes, addressing one of the most significant sources of anxiety expressed by businesses across sectors.

Improved regional outreach is equally critical. Access to EU-related information and advisory services is heavily concentrated in capitals, leaving regional companies without the tools needed to prepare for integration. The national governments should place more emphasis on establishing regional hubs that provide localised training, certification support and partnership-building opportunities, working with chambers of commerce, agricultural cooperatives, innovation centres and regional business associations. These hubs would help correct regional imbalances and ensure that EU integration does not only benefit a narrow group of firms in metropolitan centres.

To enhance predictability and coherence in the accession process, structured public–private dialogue should also be institutionalised. Governments should form national councils that bring together businesses, sectoral associations and civil society to discuss priorities, regulatory sequencing and transition periods. In parallel, the European Commission should host consultative platforms that enable private-sector actors from pre-accession countries to contribute to policy formulation and negotiation strategies. Such mechanisms would ensure that businesses can anticipate regulatory changes, provide feedback on implementation challenges and become active participants in shaping accession trajectories.

For Ukraine specifically, reconstruction offers a unique opportunity to build economic sectors to EU standards from the outset. Embedding EU norms into reconstruction tenders, establishing EU–Ukraine industrial zones, and promoting joint ventures between European investors and Ukrainian firms could transform rebuilding efforts into drivers of competitive alignment. Pilot projects in logistics, agri-processing, manufacturing and green technologies would enable Ukraine to position itself as a test bed for innovative European solutions and accelerate convergence with EU markets.

Improving access to EU funding is another essential priority. Despite widespread awareness of EU programmes, SMEs describe them as difficult to navigate and bureaucratic. Simplifying application procedures, offering SME-adapted templates, creating 'fund navigator' units within business associations and expanding regional outreach would significantly increase absorptive capacity. Cluster and consortium grants could allow groups of SMEs to benefit collectively, reducing administrative burdens and enabling shared investment in compliance and innovation. Better awareness of these opportunities could also help, for instance, to establish strengthened curricula aligned with EU standards, and support innovation hubs and applied research centres to retain skilled workers and ensure that businesses can meet the demands of the single market.

Taken together, these recommendations chart a pathway towards a more strategic, inclusive and forward-looking approach to private-sector preparedness. By building institutional capacity, simplifying compliance, strengthening regional outreach, enabling early market integration and embedding businesses in EU networks, Albania, Ukraine and Serbia can begin to unlock the benefits of EU membership well before accession.

Limitations of this policy brief

While this report provides a structured diagnosis and forward-looking strategy for strengthening private-sector preparedness for EU integration, several limitations should be acknowledged:

- First, its reliance on qualitative evidence: much of the analysis is based on semi-structured interviews and stakeholder perspectives. These methods are invaluable for capturing perceptions, experiences and emerging needs, but they may not always reflect the full diversity of business realities. Responses can also be influenced by the interviewee's level of awareness or position within the private sector, which may create biases.

- Second, the heterogeneity of the private sector: the business environment across the Western Balkans, Ukraine, Georgia and Moldova is highly diverse, shaped by differences in economic structure, levels of foreign direct investment, institutional capacity and political stability. A common framework has been applied to ensure comparability, but this may understate country-specific challenges or sectoral dynamics and may have led to generalisations.

- Third, the evolving EU policy landscape: EU legislative and funding frameworks are constantly changing, particularly in areas such as the green transition, digitalisation and sustainability reporting. The tools and recommendations outlined here are valid within the current context, but they may need to be updated as EU policies evolve or as new enlargement-related instruments are introduced.

- Fourth, scope constraints: the report focuses primarily on private-sector preparedness. Other important dimensions of integration—such as labour market adaptation, judicial reforms or infrastructure connectivity—are only touched upon indirectly.

- Finally, the report adopts a forward-looking, preparatory perspective: it outlines strategies and recommendations, but their success will depend on political will, institutional reforms, and the capacity of both governments and businesses to implement them. The toolbox presented here is, therefore, a starting point, not a comprehensive solution.

Next steps and areas for further research

Addressing the limitations of this report requires additional enquiry and more targeted evidence gathering. Several avenues for future work stand out.

First, expanding the evidence base through quantitative surveys. A structured, cross-country survey of firms could provide comparable data on awareness of EU mechanisms, regulatory readiness and barriers to funding participation. This would allow for benchmarking across the Western Balkans, Ukraine, Georgia and Moldova, and help to identify which sectors or firm types are most in need of support.

Second, deepening sector-specific analysis. While this report takes a broad, economy-wide perspective, the challenges of EU integration differ across industries. For example, agribusinesses face strict food-safety standards, information and communications technology firms must adapt to digital market rules, and manufacturing companies need to align with product safety and environmental standards. Sectoral case studies would reveal the tailored strategies necessary for compliance and competitiveness.

Third, mapping institutional capacity. Further research should assess the readiness of national administrations, chambers of commerce and business associations to act as intermediaries between Brussels and the private sector. This would help to identify where additional investment in human capital and institutional design is most needed.

Fourth, scenario testing and policy simulation. Exploring how different EU policy developments—such as the expansion of the Green Deal, new digital market regulations or adjustments in accession conditionality—would impact businesses in candidate countries could strengthen strategic foresight and allow governments and firms to prepare accordingly.

Finally, future research should explore the inclusiveness of EU integration. Special attention should be given to SMEs in rural areas, women- and youth-led enterprises, and firms without foreign investment links, to ensure that benefits are shared widely and that EU integration does not deepen existing inequalities within the private sector.

By pursuing these next steps, future studies could complement the strategic toolbox outlined in this report, provide a stronger empirical foundation for recommendations, and support both national governments and the EU in designing evidence-based policies for private-sector integration.

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