

## Corridor VIII between Bulgaria and North Macedonia – Sluggish Progress Amidst Political Confrontation

Yasen Georgiev, Economic Policy Institute

Thirty years after its conceptualization and formal inception during the Second Pan-European transport conference in Crete (1994), Corridor VIII continues to be partially operational and to have vague prospects for full completion in the foreseeable future. This transport corridor, conceived as the only one multi-modal transport system between the Black and Adriatic Sea, is meant to stretch from the costal cities of Varna and Burgas in Bulgaria over Sofia, Skopje and Tirana to Durrës in Albania and then to Bari in Italy. Among the main bottlenecks of this 1000 km-long route are further on the missing railway on both sides of the border between Bulgaria and North Macedonia and the underdeveloped road connectivity between the two countries. Expectations for overcoming these connectivity shortages are largely bound to the prospects for a membership of North Macedonia in the European Union (EU).

From cooperation and endorsement to political deadlock

Promoting the enlargement of the European Union is at the core of Bulgaria's agenda within the European Union. Based official on numerous positions and statements, Bulgaria actively and consistently supports the process of EU enlargement of all countries of the Western Balkans and Turkey, after the implementation of the necessary reforms, which corresponds to the interest of the country to build a region of stability, security and prosperity where the values, principles and standards of the EU are guaranteed.

In 1992 Bulgaria was the first country to officially recognise the Republic of Macedonia. In 1993 both counties established diplomatic relations at the embassy level.

In 2017 both countries signed a Treaty of Friendship, Good Neighbourliness and Cooperation, which entered into force in February 2018.

In February 2019 Bulgaria's National Assembly ratified the accession of the Republic of North Macedonia to NATO, which was the second of all ratifications before the country joined it as the 30th ally in 2020.

In line with this policy direction, the Bulgarian Presidency of the Council of the EU (January - June 2018) made significant efforts to ensure that the enlargement policy continues to occupy an important place on the EU agenda. What is more, one of its four priorities was formulated as the European Perspective and Connectivity of the Western Balkans, which underlined the Bulgarian Presidency's ambition to be perceived als a kind of Balkan Presidency. With regards to regional cooperation, the topic of the connectivity of the Western Balkans was of particular importance under the "Sofia Connectivity Agenda" that aimed to improve the links with the EU Single Market.

The Bulgarian Presidency undertook an inclusive approach and opened a number of Council formats to participation by Western Balkan partners, which is evident from the number of the events in the calendar of the Bulgarian Presidency at both political and expert level in which the representatives of the region have taken part - 76 out of 330. In addition, one of the key achievements of the Bulgarian Presidency was the informal Summit of the Heads of State and Government devoted to the Western Balkans that took place in May 2018 in Sofia. This was the first meeting of this kind in fifteen years after the Thessaloniki Summit in 2003. The EU-Western Balkans Summit reaffirmed the European perspective of the region and launched concrete and visible initiatives to improve the

physical and human connectivity, which was agreed within the Sofia Declaration and the Sofia Priority Agenda, annexed to the summit Declaration. The focus on 'connectivity' and its various dimensions included a focus on the Pan-European road transport corridors VIII and X that are meant to contribute to a better cohesion with EU Member States of the Western Balkans region through development of the transport infrastructure network, connecting current and future Member States, Black and Adriatic Seas, and Europe with Asia.

At the end of the Bulgarian Presidency, a key moment was the General Affairs Council meeting on 26 June 2018 in Luxembourg with the adoption of Council Conclusions on Enlargement for the first time in two and a half years. The conclusions reaffirmed the EU's commitment to the enlargement process and to the European perspective of the Western Balkans. The Council agreed to respond positively to the progress made by the at that time Former Yugoslav Republic of Macedonia (FYROM) and Albania, and set out the path towards opening accession negotiations with both countries in June 2019. By that time the name dispute with between Greece and FYROM was resolved with the Prespa Agreement and its ratification and as a result Greece agreed to drop objections to North Macedonia's eventual European Union membership.

While the path of North Macedonia to accession negotiations seemed afterwards clear, in 2020, Bulgaria announced a **veto on the start of the process**. Sofia claimed that Skopje had violated the Treaty of Friendship, Good Neighbourliness and Cooperation. Bulgaria's accusations were related to deviations from the formulations on history and language, stagnation in the work of the historical and intergovernmental commissions, Skopje's claims for recognition of a Macedonian minority in Bulgaria, hate speech and others, all complaints which Bulgaria started to vocalize since 2019. As a response, North Macedonia accused Bulgaria of violating the treaty by imposing the veto.

The veto was withdrawn in the middle of 2022 after the Bulgarian parliament approved the so-called 'French proposal' to resolve the

dispute. It was presented by the French Presidency of the Council of the EU in an attempt that the enlargement process gets out of the deadlock at that time. The Macedonian parliament approved the proposal and then the foreign ministers of both countries signed a bilateral protocol. Subsequently, Bulgaria withdrew its veto and North Macedonia formally started negotiations with the EU in July 2022.

The proposal envisaged the Bulgarian conditions to Skopje to become part of North Macedonia's commitments to the EU. Skopje committed to include in the preamble of its constitution citizens who live within the borders of the state and are part of other nations, like the Bulgarians. In fact, this was the initial proposal by Macedonian Foreign Minister Bujar Osmani in March 2021. The text of the proposal includes Skopje's obligation to protect the rights of all "minorities and communities" by preventing hate speech and discrimination against them, while the European Commission committed to monitoring how this is being respected and to producing regular reports. Eventually, the proposal also says that during Skopje's negotiation process with the EU, North Macedonia's progress will be measured also based on whether the country complies with its 2017 bilateral treaty with Bulgaria.

After the VMRO-DPMNE party won the parliamentary elections in North Macedonia in May 2024, the newly formed government came up with its plans to renegotiate the 'French proposal' – a request that was rejected by the EU. What is more, in late September 2024, according to a unanimous decision of EU permanent representatives was taken, Albania was separated from North Macedonia on the way to joining the EU. This comes two years after Tirana and Skopje together started negotiations on European integration. However, problems between North Macedonia and Bulgaria have slowed down the process, which has also affected Albania's progress. Thus, as of November 2024 the actual negotiations between Skopje and Brussels had not yet begun because North Macedonia has not met the condition to guarantee the rights of the Bulgarian minority in its constitution.

The EC's North Macedonia Report 2024, released on October 30, 2024 stated that existing bilateral agreements with neighbouring countries need to be implemented in good faith by all parties, including the Prespa Agreement between North Macedonia and Greece and the Treaty of Friendship, Good Neighbourliness and Cooperation with Bulgaria. The report adds that despite attempts, no progress was made on adopting the constitutional changes, with a view to including in the Constitution citizens who live within the borders of the State and who are part of other peoples, such as Bulgarians, as referred to in the Council Conclusions of 18 July 2022, which the country committed to launch and achieve. Further on, the European Commission finds out in the report that in recent months, relations between Bulgaria and North Macedonia were negatively affected by statements made by individual politicians. EC concludes that further efforts to promote an atmosphere of dialogue and mutual respect are needed.

## The progress in Corridor VIII from infrastructure point of view

In 2021, North Macedonia started the implementation of the initial two phases of the infrastructure project - restoration of the Kumanovo-Beljakovce section (31km) and the finalisation of construction for the Beljakovce-Kriva Palanka section (34km). Construction of both of them are reportedly in an advanced stage. Currently, the last section on the Macedonian side remains unfinished – new railway line construction with 22 tunnels and 52 bridges between the town of Kriva Palanka and the Bulgarian border (23.4km) and electrification of the track between Kumanovo and the border (88km). Public procurement procedures were canceled also due to offers significantly exceeding the available funding, which coincided with a series of high level political statements regarding the next steps on Macedonian side, which put into consideration the options for redirecting funding from Corridor VIII towards Corridor X¹. In fact, Corridor X is more advanced than Corridor VIII, which is also stated in the EC's 2024 North Macedonia Report. However, the report states that

<sup>&</sup>lt;sup>1</sup> Pan-European Corridor X stretches between Salzburg in Austria and Thessaloniki in Greece. Between them it passes through Slovenia, Croatia, Serbia and North Macedonia.

European Commission takes into consideration that phase III on the rail Corridor VIII towards Bulgaria was interrupted by the Macedonian authorities and for a consecutive year recommends that North Macedonia should accelerate the progress on the construction and completion of the rail connection along Corridor VIII with Bulgaria. Moreover, the European Commission continues to support the policy of connectivity both from west to east (Corridor VIII) and from north-west to south-east (Corridor X).

Among the main objections expressed by Skopje are the project costs and the missing efforts on Bulgarian side – both for a parallel construction of the future railway tunnel (called Deve Bair) between both countries and for the connecting the tunnel to the railway network of Bulgaria (a 2.5kmlong section between the village of Gyueshevo in Bulgaria and the border with North Macedonia). In terms of funding, the pending railway line of the Macedonian section is financed with app. EUR 560mln in a form of grant by the European Commission (EUR 150mln) and loans by the European Investment Bank and the European Bank for Reconstruction and Development (EUR 350mln). In regards to the pending sections on the Bulgarian territory, the Macedonian position addresses the lack of project readiness for both construction sites. According to official Macedonian statements, until Bulgaria completes its part of the Corridor VIII railway tunnel that connects it with North Macedonia, as well as the kilometres of the railway line from the tunnel to the connection with the railway line of Bulgaria, North Macedonia will not build the third phase of the railway line on its territory. As per official response of the Bulgarian authorities, the section from Gyueshevo railway station to the entrance of the crossborder Deve Bair tunnel is included for implementation in the current programming period of the 2021-2027 'Transport Connectivity' Program with administrative pre-construction procedures currently underway. In fact, the missing railway connection is to be built by 2028 (according to an interactive map by the Ministry of Regional Development and Public Works showing the development of transport infrastructure up to 2040) and by 2030 at the latest (according to press release from October 2024 by the Ministry of Transport and Communications of Republic of Bulgaria). Official statements on the funding and construction cost of the tunnel on the Bulgarian side are not available.

Skopje's argument on the lack of the respective commitment on behalf of Bulgaria is justified with a similar case from the past - the unfinished construction works of the 'Klepalo' cross-boder checkpoint between Berovo in North Macedonia and Strumyani in Bulgaria. This border crossing, which was initially agreed in 1998, is connected to the Macedonian road network and its premises are constructed on the Macedonian side, while a quick view from Google Earth shows a total lack of connectedness on the Bulgarian part. It was only in 2023, when the infrastructure around the checkpoint was declared of national importance, while nowadays, environment impact assessment is ongoing, construction start is scheduled for 2027 and completion - for 2029.

## The way ahead for Corridor VIII

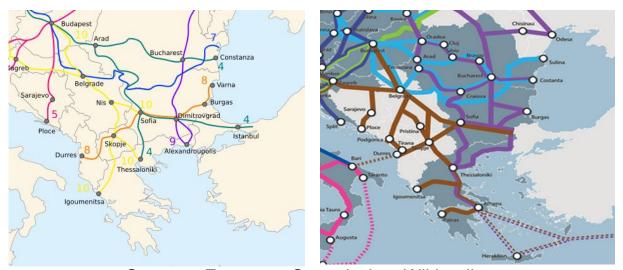
In the second half of October 2024 Bulgaria and the Republic of North Macedonia confirmed their commitment to continue the construction of Corridor VIII under the TEN-T Regulation during a meeting in Brussels between the Deputy Minister of Transport and Communications of Bulgaria, the State Secretary at the Ministry of Transport of the Republic of North Macedonia, representatives of the European Commission, European Investment Bank and the European Bank for Reconstruction and Development, the Secretariat of the Transport Community and the directors of the railway infrastructure companies of the two countries.

However, it remains to be seen how these commitments will translate into practice from both countries. In the case of Bulgaria, the series of seven parliamentary elections in the last three years could serves as an excuse for the lack of progress only in the last few years. It is not without a reason that Skopje complains over the sluggish progress on the territory of Bulgaria. This is also evident from the pending construction and upgrade of major road connectivity projects not only linking Bulgaria with North Macedonia but also along the entire Corridor VIII and its logical branches through the country. In the case of North Macedonia, the progress of Corridor VIII seems to have become a manifestation of the most recent political confrontation with Sofia that is evident since the new VMRO-

DPMNE government came to power in Skopje. Adopting of an approach of decoupling politics from transport connectivity at the highest political level is very much needed in this regard and achieving this will be a clear sign of there is a real political will for walking the walk after talking the talk.

What could intensify the completion if Corridor VIII is its inclusion in the 2024 revised EU regulation for the development of the Trans-European Transport Network (TEN-T). From its inception as a Pan-European Transport Corridor it has been overloaded with expectations that did not come true in full scale due to limitations of political and economic nature but also due to the lack of centralized approach and sources of funding – which goes for the Pan-European Transport Corridors in general. These weaknesses are addressed by the Trans-European Transport Network (TEN-T) that was first established in 1996 a key instrument for the development of a coherent, efficient, multimodal, and high-quality transport infrastructure across the EU. Since Corridor VIII is now covered by the TEN-T and its extension to specific neighboring countries through two TEN-T Corridors: the Baltic Sea-Black Sea-Aegean Sea corridor (in purple on the picture below) and the Western Balkans-Eastern Mediterranean corridor (marked in brown), the prospects for a more significant progress along is length are these days much more present than ever before.

Picture 1. Corridor VIII according to the system of Pan-European Transport Corridors (left) and as part of the revised Trans-European Transport Network (right)



Sources: European Commission, Wikipedia

As the political dynamics in the recent years showed, the EU membership perspective for countries along Corridor VIII per se is important but not enough to offset obstacles of different origin. However, a **strong impetus** for the completion of Corridor VIII in the coming years could to be delivered by the military mobility component that unfolds in the larger geopolitical and security context. Corridor VIII can and should to be seen not only as an infrastructure project but also as a mechanism for securing quick military access from the South Adriatic to the Balkans and from there to Romania and Greece but also to the wider Black Sea region.