

# BUDGETARY IMPLICATIONS OF UKRAINE S ACCESSION TO THE EUROPEAN UNION: WORKSHOP-BASED ANALYSIS AND POLICY RECOMMENDATIONS

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# Budgetary Implications of Ukraine's Accession to the European Union: Workshop-Based Recommendations

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## Executive summary

This policy paper summarizes the budgetary impacts of the possible accession of Ukraine to the European Union and adds the perspective of the individual states of the Visegrad Four.

The main finding is that a possible accession would represent one of the largest enlargements of the European Union. It would mean a significant macroeconomic burden, while the greatest pressure would be on the two most important chapters of the European budget, namely the CAP (Common Agricultural Policy) and Cohesion Policy. Ukraine would become one of the largest recipients due to the size of its agricultural sector and the low level of GDP per capita.

Ukraine's accession would be one of the largest EU enlargements with major budgetary implications.

Specifically for the Visegrad Group states, Ukraine's accession would mean a relative decrease in allocations, due to the redistribution of the CAP and due to the decline in the EU's average GDP. The V4 states would nevertheless probably remain net recipients.

From the experience with Poland's EU accession, as a state similar to Ukraine (population size and the level of economic development that Poland had at the time of its accession to the EU), we can say that the budgetary impacts are manageable. However, gradual integration of Ukraine complemented by a reform of the MFF is necessary. The impacts can be managed through transitional periods, absorption limits and the gradual introduction of direct payments.

Poland's accession shows that Ukraine's integration is manageable with gradual integration and MFF reform.

It can therefore be argued that Ukraine's accession is possible and budgetarily manageable. However, the key factor is the political setting of rules and timing. Proper transitional mechanisms can mitigate redistribution shocks. At the same time, accession can strengthen the long-term stability and geopolitical position of the EU.

## Identification of key problems

1. Redistribution pressure on the Common Agricultural Policy (CAP) and Cohesion Policy. How would Ukraine's accession affect the structure and volume of EU expenditure?
2. The statistical effect within Cohesion Policy. How would the financing of the V4 countries change?
3. Political sensitivity in Member States. V4 positions?
4. Ukraine's absorption capacity

## Policy recommendations

1. Introduction of transitional periods within the CAP and Cohesion Policy
2. Reform or increase of the Multiannual Financial Framework (MFF)
3. Safeguards for existing Member States
4. Strategic communication towards the public and among V4 countries
5. Reflect the differing positions of the Visegrad countries

# The Visegrad region and lessons from Poland's EU accession

## V4 Countries in the framework of EU enlargement

Ukraine's potential accession to the European Union must be assessed within the broader regional context of Central Europe, particularly from the perspective of the Visegrad (V4) countries. Due to its low GDP per capita and large agricultural sector, Ukraine's accession would significantly affect the most redistributive parts of the EU budget, namely the Common Agricultural Policy and Cohesion Policy. While enlargement could bring geopolitical and economic benefits, it may also reduce cohesion funding for current V4 countries under the current Multiannual Financial Framework (2021–2027).

The prospective accession of Ukraine to the European Union must be assessed within the broader regional context of Central Europe, particularly from the perspective of Visegrad (V4) countries, Poland, Czechia, Hungary and Slovakia. These states share a common historical experience of post-socialist transformation, relatively recent EU accession, and continuous reliance on EU cohesion and agricultural policies. No longer being the poorest member states, yet still structurally dependent on the redistributive mechanisms rooted in the EU budget.

Ukraine's potential accession would differ fundamentally from other EU enlargements. Compared to the 2004 and 2007 enlargements, Ukraine combines a significantly lower GDP per capita, and a disproportionately large agricultural sector. These characteristics directly affect the most redistributive components of the EU budget, the Cohesion Policy and Common Agricultural Policy (CAP), which are essential for the V4 economies. Hence, enlargement raises concerns about the redistribution of EU funds, possible "crowding out" effect, as well as the long-term sustainability of current budgetary arrangements.

For the V4 region the challenge is double. On one hand, Ukraine's accession promises substantial geopolitical, security, and economic benefits, including greater regional stability, expansion of internal markets, and strengthening of supply chains with the EU. On the other hand, the enlargement could accelerate the relative decline of cohesion funding for current V4 countries, especially if the accession were to occur under unchanged budgetary rules and within a constrained current Multiannual Financial Framework (MFF) 2021-2027.

## Budgetary redistribution and convergence risk

Ukraine's accession would primarily affect the distribution of EU budget resources rather than the overall affordability of enlargement. Due to its low GDP per capita and large agricultural sector, Ukraine would likely become one of the largest beneficiaries of cohesion funding and CAP payments. While this could reduce funding for V4 countries still undergoing economic convergence, historical experience shows that transitional arrangements and phased integration can mitigate these risks.

The core budgetary problem linked to the Ukraine's accession is not absolute affordability of the enlargement, rather than the distributional consequences on the EU budget. Ukraine would likely qualify as a major beneficiary of cohesion funding due to its low level of GDP per capita, while simultaneously becoming one of the largest recipients of CAP payments because of the scale of its agricultural sector. This combination has no precedent in previous enlargements.

From the perspective of V4 countries, which are still in the process of catching up with the EU average GDP per capita, a rapid reallocation of funds could weaken cohesion policy as a toll for completing convergence process. Several V4 regions remain eligible for substantial cohesion support, and premature reduction of these funds would result in slowed structural transformation, particularly in less developed, rural or peripheral areas. This risk is amplified by ongoing pressures on the EU budget stemming from new policy priorities such as security, defence, migration, and climate transition.

Nevertheless, historical experience suggests that these risks can be mitigated through institutional design. EU enlargement has never been implemented through immediate and full access to budgetary instruments. Instead, it has relied on transitional arrangements, phased integration into key policies, and advance budgetary planning. These mechanisms are essential for balancing solidarity with fiscal sustainability and remain central to current enlargement debates.

## Lessons from Poland's accession

Poland's accession provides a relevant benchmark for assessing Ukraine's potential integration due to similar structural characteristics, including a large population, lower income levels, and a significant agricultural sector. Budgetary concerns were mitigated through transitional mechanisms such as gradual CAP payments and limits on cohesion funding absorption. The Polish experience shows that phased integration can maintain EU budget stability while supporting economic convergence and regional benefits.

Poland's accession to the EU provides the most relevant benchmark for assessing Ukraine's future integration. At the time of accession, Poland shared several structural similarities with present day Ukraine. Large population, relatively low income levels compared to the EU average, and a sizable agricultural sector. Pre-accession debates frequently emphasized the potential budgetary burden Poland would place on the EU, particularly in relation to CAP and cohesion expenditures.

In practice, these concerns were addressed through a combination of policy instruments. Direct payments under the CAP were introduced gradually over a ten-year transitional period, significantly reducing the immediate fiscal impact. Cohesion funding was subject to absorption limits relative to national GDP, ensuring that fiscal inflows remained consistent with administrative and economic capacity. Additionally, the costs of enlargement were anticipated within the EU's fiscal framework, allowing for smoother integration without abrupt reallocations.

The outcome of Poland's accession demonstrates that phased integration can successfully reconcile enlargement with budgetary stability. Poland experienced rapid economic convergence, substantial infrastructure development, and productivity gains, while the EU budget remained manageable. Importantly, enlargement also generated positive spillover effects for neighbouring countries through trade expansion, investment flows, and regional integration. These are the benefits that extended beyond just direct budgetary transfers.

## Implications for V4 on Ukraine's accession path

Gradual integration is essential for Ukraine's accession, as immediate full access to CAP and cohesion funding would be neither economically efficient nor politically feasible. A staged accession model with pre-accession assistance, transitional periods, and conditional access to EU funds would provide a more sustainable approach. Such mechanisms can help integrate Ukraine while maintaining EU budget stability and limiting negative redistribution effects for V4 countries.

The Polish experience highlights the importance of gradual accession into the EU. For Ukraine, immediate access to full CAP and cohesion entitlements would neither be economically efficient nor politically feasible. Instead, a staged accession model, which would combine enhanced pre-accession assistance, extended transition period, and conditional access to EU funds, would offer more sustainable path.

For V4 countries, this approach aligns with both convergence objectives and fiscal realism. It preserves cohesion policy as a long-term development tool, limits disruptive redistribution effects, and ensures that enlargement strengthens rather than undermines EU's economic and political cohesion. At the same time, it supports Ukraine's gradual integration into the EU framework, allowing institutional capacity and absorptive potential to develop in parallel with financial support.

Concisely, Ukraine's prospective accession poses a significant but manageable challenge for the EU budget. The lessons from the Poland's accession demonstrate that even large and relatively poor countries can be integrated without destabilising the EU finances, provided that the enlargement is accompanied by well-designed transitional mechanisms and forward-looking budgetary planning. For the V4 countries, these lessons are central to shaping a balanced and credible approach to future of EU enlargement.

This chapter is based on Spasojevic (2025)

# Impact of Ukraine's Accession on EU budget

Ukraine's accession to the EU would have a significant impact on the EU budget, mainly on the two largest expenditure chapters – CAP and cohesion policy (Darvas, Moës and Wolff, 2024a). The Tony Blair Institute for Global Change (2023) states that Ukraine would become the sixth most populous EU Member State and works with IMF estimates of 33 million inhabitants and also has a huge area of agricultural land and is one of the poorest states in Europe.

Existing studies broadly agree that the main fiscal effects of accession would concentrate in CAP and cohesion policy, although estimates differ depending on methodology (benchmarking vs application of EU rules), assumptions about Ukraine's post-war development, and whether budgetary ceilings are considered (Darvas, Moës and Wolff, 2024a; Institut der deutschen Wirtschaft Köln, 2023). The studies mentioned suggest that the fiscal impact of Ukraine's accession to the EU would be manageable and Darvas, Moës and Wolff (2024b) considers the net costs of Ukraine's accession to the EU manageable because they range around 0.10–0.13% of EU GDP within the MFF 2021–2027. Darvas, Moës and Wolff (2024b) also states that most likely income per capita in the post-war period will remain below the level of all EU Member States.

## Methodological assumptions and limitations of the analysis

This chapter works with simplified assumptions based on available estimates and the current EU budgetary rules. The calculations apply the rules of the EU MFF 2021–2027, as the parameters of the 2027+ financial perspective are not yet known. The analysis does not include a reform of the EU budget, does not assume a certain development of the war (and therefore neither Ukraine's territorial integrity nor its future population), and does not consider extraordinary expenditures related to post-war reconstruction. GDP/GNI per capita at the time of accession cannot be precisely estimated.

## CAP – Common Agricultural Policy

CAP is one of the largest EU expenditure items and strongly depends on the size of agricultural land and due to its large agricultural sector, Ukraine could become one of the largest recipients of CAP payments after accession. (Darvas, Moës and Wolff, 2024a). Estimates of potential transfers differ across studies depending on assumptions about Ukraine's agricultural land and methodological approaches used to calculate allocations.

It is necessary to distinguish between agricultural land and arable land. Agricultural land includes all land used for farming (including pastures and permanent crops), while arable land refers only to land suitable for crop cultivation. Since CAP payments are largely linked to utilised agricultural area, using different indicators can significantly influence estimates of Ukraine's potential CAP allocations.

## Comparison of estimates on CAP

<b>Study</b>	<b>Methodology assumptions</b>	<b>Estimated CAP transfers (2021–2027)</b>	<b>Area of Land</b>	<b>Estimated impact CAP budget (2021–2027)</b>
<b>Tony Blair Institute for Global Change (2023)</b>	Based on leaked EU Council Secretariat document	€96.5 billion	41 million ha of agriculture land	Could reduce CAP payments to current member states by ~20%
<b>Darvas, Moës and Wolff (2024a) – baseline</b>	Full restoration of agricultural land; current MFF rules	€85 billion	1/5 of agricultural land of EU	CAP budget increases from €379bn to €463bn (+22%)
<b>Darvas, Moës and Wolff (2024a) – alternative</b>	Agricultural land reduced by 20%; current MFF rules	€68 billion	Less than 1/5 of agricultural land of EU	CAP budget increases from €379bn to €446bn (+18%)
<b>IW Köln (2023) – pre-war scenario (2021)</b>	Benchmarking based on Poland and Romania	€68 – 79 billion	32,9 million ha of arable land according to the World bank	Comparable to Darvas, Moës and Wolff (2024a) – baseline
<b>IW Köln (2023) – war scenario (2023)</b>	Benchmarking based on Poland and Romania	€80 – 90 billion	27,9 million ha of arable land according to Emerson et. al (2023)	Comparable to Darvas, Moës and Wolff (2024a) – alternative

## Cohesion funds

The objective of cohesion policy is to support process of economic and structural convergence of EU. (DotaceEU, n.d.) It includes all EU structural funds provided to Member States whose wealth is below 90% of the EU average. (Tony Blair Institute for Global Change, 2023) Darvas, Moës and Wolff (2024a) states that Ukraine's GDP per capita (in PPS) was in 2021 less than 30% of the EU average. And the economic downturn may deepen due to war. Ukraine would be almost entirely classified among "less developed countries" and would become entitled to transfers from cohesion policy. At the same time, this would lead to the reclassification of some regions in EU 27 countries into a higher income category (statistical effect).

## Comparison of estimates on cohesion funds

Study	Methodology / assumptions	Estimated cohesion transfers (2021–2027)	Impact on cohesion policy budget
<b>Darvas, Moës and Wolff (2024a) – baseline</b>	Applies EU cohesion allocation rules and budget ceilings	€32 billion to Ukraine and 24 billion less for EU members	Budget increases from €393 to €401 billion
<b>Darvas, Moës and Wolff (2024a) – alternative</b>	20% reduction in key variables (GDP, population, land)	€27 billion to Ukraine and 19 billion for EU members	Budget increases from €393 to €400 billion
<b>Darvas, Moës and Wolff (2024a) – no cohesion limit</b>	Scenario without 2.3% GDP absorption limit	€170 billion	Illustrates the importance of cohesion policy limits
<b>IW Köln (2023) – Poland benchmark</b>	scaling per capita	Scenario 2021 prewar €87 billion	Higher estimates due to different methodology
		Scenario 2023 due war €62 billion	
<b>IW Köln (2023) – Romania benchmark</b>	scaling per capita	Scenario 2021 prewar €69 billion	Higher estimates due to different methodology
		Scenario 2023 due war €50 billion	

Cohesion policy has a limit of 2.3% of annual GDP for countries with less than 55% of the EU average GNI per capita in purchasing power parity (PPS) (Darvas, Moës and Wolff, 2024a)

## Overall impact

The size of the MFF in the years 2021–2027 would increase from 1,211 billion EUR to 1,313 billion EUR. That is an increase from 1.12% of EU27 GDP to 1.2% of EU28 GDP (including Ukraine) in the baseline scenario. In the alternative scenario, where GDP, agricultural land and population would decrease by 20%, the approved budget would increase from 1,211 to 1,293 billion EUR, i.e. from 1.12% of EU27 GDP to 1.19% of EU28 GDP. (Darvas, Moës and Wolff, 2024a)

In the baseline scenario, the net costs of EU countries would amount to 136 billion EUR in current prices for the period 2021–2027. This represents 0.13% of EU GDP. In the alternative scenario, the net costs for EU members would amount to 110 billion EUR, which

corresponds to 0.1% of EU GDP. Most net contributors in the baseline scenario would have to contribute 0.1% of GDP more. (Darvas, Moës and Wolff, 2024a)

Institut der deutschen Wirtschaft Köln (2023) states that a press study by the EU Council Secretariat concluded that EU enlargement to include Ukraine would mean an additional 186 billion EUR. The sum of CAP and cohesion policy in the seven-year period would amount to 120–180 billion EUR. If based on the Emerson et al. (2023) estimate where other categories of 7 billion EUR are also included. Institut der deutschen Wirtschaft Köln (2023) states that total expenditures for Ukraine in 2021–2027 would therefore amount to 127–187 billion EUR.

# Positions and attitudes of Visegrad Group countries

## Public opinion on Ukraine’s EU accession in V4 countries

From the graph below it is evident that public opinion regarding the granting of candidate status to Ukraine differs among the countries of the Visegrad Four. The Czech Republic and Hungary take a more sceptical stance, while Slovakia and Poland approach it relatively more favourably.

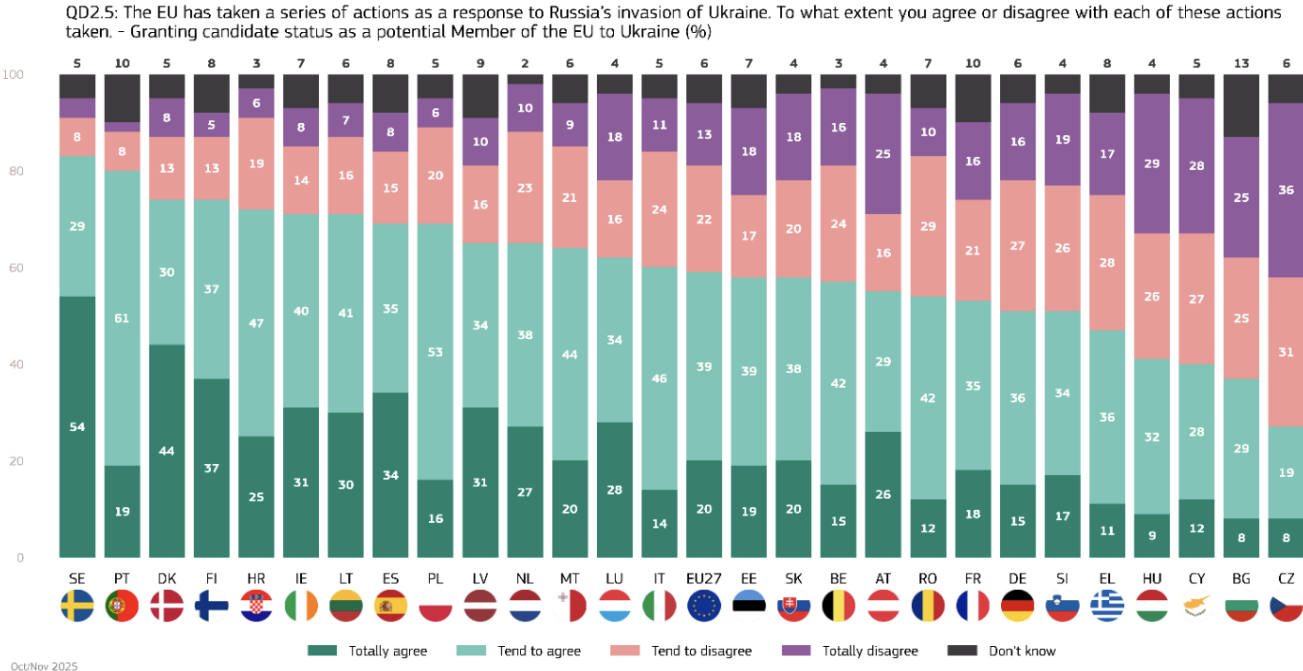
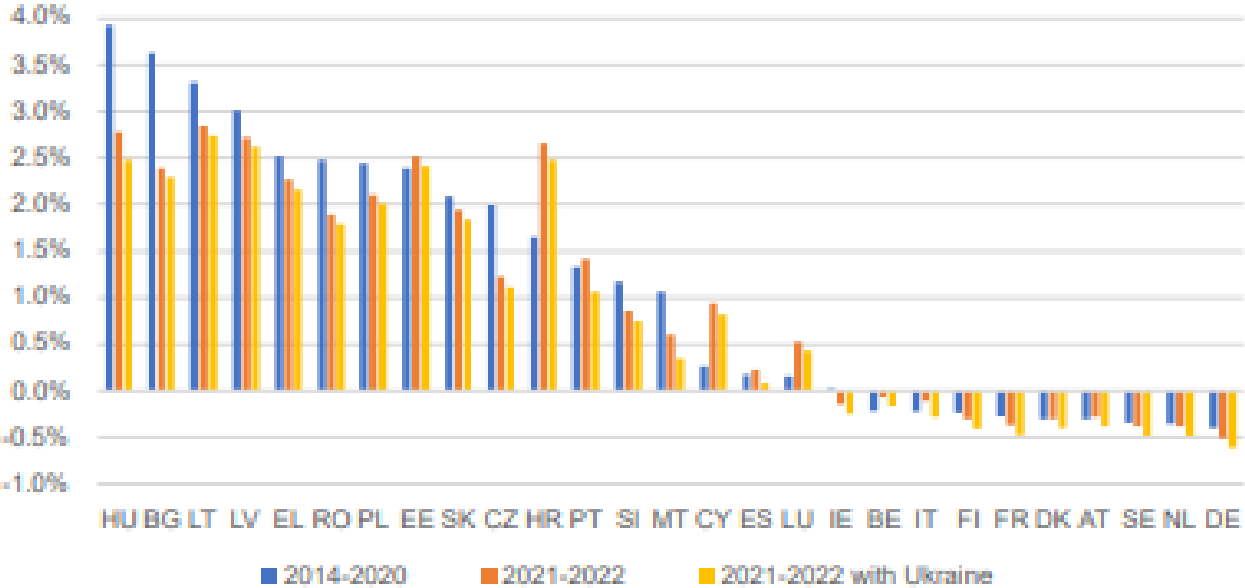


Figure 1: Public opinion on granting EU candidate status to Ukraine (%)  
 Source: Standard Barometer 104 – Autumn 2025, 2025

# Budgetary implications of Ukraine's EU accession for current Member States

The figure below illustrates the expected budgetary positions of EU Member States in the baseline scenario of Ukraine's accession to the EU according to Darvas, Moës and Wolff (2024a). Most Central and Eastern European countries, including the Visegrad Group, would remain net beneficiaries of the EU budget, however their net gains would decrease after Ukraine's accession.

Figure 2: Net balances with the EU budget under the baseline scenario (% GNI)



Source: Darvas, Moës and Wolff (2024a), Bruegel.

The two figures below are based on simulations by Rubio et al. (2025), which illustrate the budgetary impacts under different EU enlargement scenarios. The study works with three scenarios: gradual integration (the gradual integration of candidate countries at different times), "small bang" (the simultaneous accession of several candidates, for example the Western Balkan states), and "big bang" (the accession of all candidate countries at once – six Western Balkan states, Georgia, Moldova and Ukraine). Each scenario has differently significant impacts on the EU budget and on individual Member States.

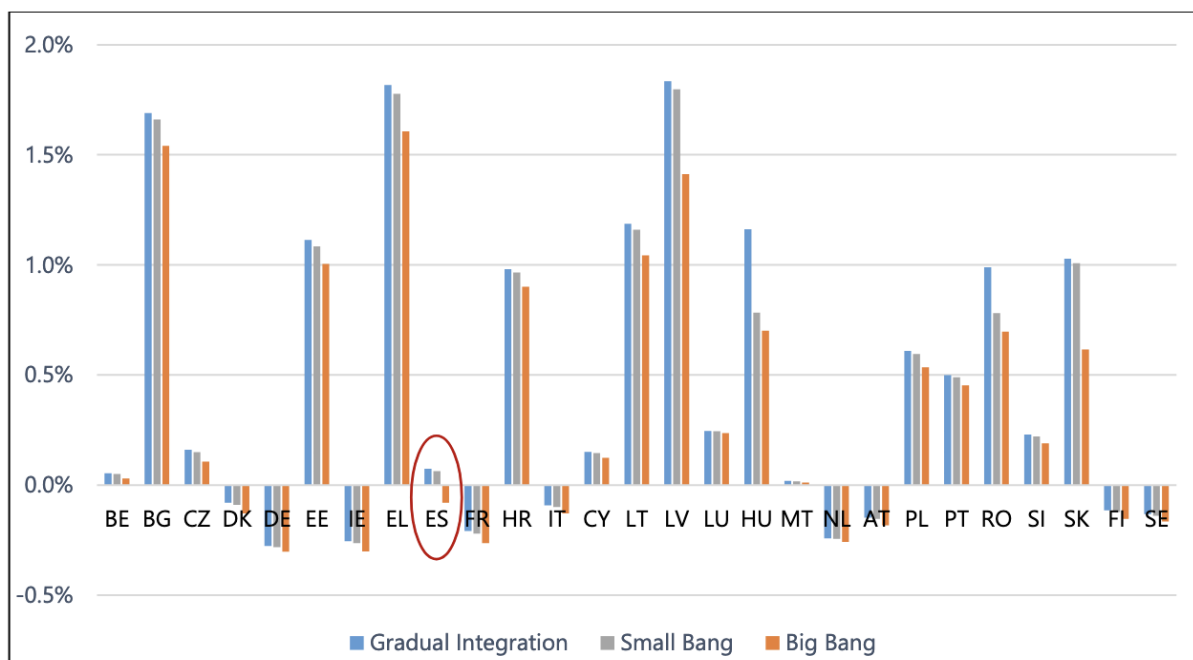


Figure 3: Impact of EU Enlargement Scenarios on Net Balances  
 Source: Rubio et. al (2025) Adapting the EU budget to make it fit for the purpose of future enlargements, 2025

	EU27	EU36	change
FR	9.42	7.46	-1.96
ES	6.62	5.27	-1.35
DE	6.12	5.05	-1.07
IT	5.46	4.45	-1.01
PL	4.53	3.85	-0.68
EL	2.77	2.29	-0.48
RO	3.02	2.57	-0.45
HU	1.71	1.41	-0.30
PT	1.39	1.13	-0.26
IE	1.53	1.27	-0.26
BG	1.14	0.94	-0.20
CZ	1.13	0.94	-0.19

Figure 4: Average annual CAP envelopes, current MFF 2021-2027 vs. hypothetical EU36 MFF 2021-2027 (current prices, EUR billion)  
 Source: Adapting the EU budget to make it fit for the purpose of future enlargements, 2025

# Poland's perspective

Prepared by: Sonia Sobczak, Marta Janus

## Poland's position on Ukraine's accession to the EU

The accession of Ukraine to the European Union is viewed in Poland as a strong political and security rationale. Poland views Ukraine as a strategic buffer and partner and has made strong statements to support Ukraine's accession viewing it as a crucial point to ensure regional stability, security, and democratic development. Poland sees economic opportunities despite reduced EU funding. At the same time, it stresses that the accession should remain merit-based and tied to meeting EU standards and reforms. Poland also argues that enlargement enhances the EU's economic potential and political influence (Fiszer, 2019).

## Budgetary implications of Ukraine's accession to the EU for Poland

A detailed overview of the overall budgetary impact of Ukraine's accession is provided in the chapter *Impact of Ukraine's Accession on the EU budget*.

For Poland, the key implications connected with the accession are the redistribution effects and the Common Agricultural Policy. As Poland is one of the largest beneficiaries of both these measures, the country could experience a relative reduction in allocations under unchanged EU budgetary rules. The enlargement of a large, lower-income member state could intensify the competition for EU funds and shift Poland's position (Darvas et al., 2024). However, the final scale of these effects would depend on the design of arrangements and possible reforms of the Multiannual Financial Framework (MFF). Historical enlargements demonstrate that integration and budgetary safeguards can cause redistribution shocks.

## Financial gains and costs for Poland

Ukraine's accession to the EU would create both economic opportunities and fiscal pressures for Poland.

On the fiscal side, enlargement may reduce Poland's transfers from the EU budget and increase its contribution as a financial support to a new member state. These pressures are closely linked to the redistribution mechanisms described in the budget chapter (*Ukraine's path to European Union membership and its long-term implications*, 2025).

On the economic side, deeper integration could stimulate trade, investment flows and regional integration. According to the Polish Economic Institute, Poland's GDP could increase by approximately 0.17% as a result of enhanced trade and market integration („Ukraine's GDP Could Grow by up to 26% as a Result of EU Accession – Polish Economic Institute”, 2025). Regulatory harmonisation and improved legal certainty in Ukraine could also facilitate the expansion of Polish enterprises. In the medium to long term, while Poland's relative position as a major net beneficiary of EU funds may weaken, enlargement could strengthen Poland's role as a regional hub.

## Czech Republic's perspective

*This policy paper contains a shortened version of the full report on the Czech Republic, which provides more detailed information and comprehensive data prepared by: Klára Kočí*

### Czech Position on EU Enlargement and Ukraine's Accession

The Czech Republic has traditionally perceived EU enlargement as a strategic tool for promoting stability and security in Europe; however, this position weakened after the October 2025 elections. While the previous government adopted a "European internationalist" approach and viewed Ukraine's path to EU membership as a moral obligation, the current government takes a significantly more sceptical and isolationist stance towards European integration and EU enlargement, including Ukraine's accession (Kaniok and Hloušek, 2024). This is reflected in more sceptical public opinion according to Eurobarometer data, illustrated in Figure 1.

### Budgetary implications of Ukraine's accession to the EU for Czech republic

Ukraine's accession to the European Union would have a significant impact on the redistribution of EU funds to the Czech Republic, primarily driven by the "statistical effect" in Cohesion Policy and the need to accommodate Ukraine's vast agricultural sector within a constrained Common Agricultural Policy (CAP) budget. (Rubio *et al.*, 2025)

Based on simulations provided for a hypothetical "EU36" (the current EU27 plus nine candidate countries, including Ukraine), the impacts on the Czech Republic are summarized as follows:

The current situation of the Czech Republic in the area of regional development is defined by a total allocation from Cohesion Policy amounting to EUR 21.761 billion for the period 2021–2027. Ukraine's accession would reduce the allocation of funds from Cohesion Policy as a result of the so-called statistical effect due to Ukraine's significantly lower GDP per capita, which would lead to some Czech regions shifting into the category of "wealthier" regions with lower eligibility for support. In a hypothetical EU-36 scenario, the annual allocation would decrease by EUR 0.51 billion – approximately a 24% reduction. (Rubio *et al.*, 2025)

Ukraine's accession would also affect the Czech Republic through the Common Agricultural Policy (CAP). Ukraine's accession would mean a reduction in allocations through the CAP. Ukraine's agricultural sector is exceptionally competitive due to its fertile soil, large-scale farm structures, and significantly lower production costs compared to current Member States. (Bendarzsevszkij, 2025) In a hypothetical EU-36 scenario, the Czech Republic's annual CAP allocation could decrease by EUR 0.19 billion, which is illustrated in Figure 4. (Rubio *et al.*, 2025) At the same time, Czech producers would face unequal competition from large-scale Ukrainian farms that are not yet subject to the same stringent environmental and regulatory costs of the EU. (Baranyi *et al.*, 2025)

Overall, despite these reductions, the Czech Republic is expected to remain a net recipient of the EU budget in the first years following Ukraine's accession, as illustrated in Figure 3. However, in the hypothetical EU-36 scenario the Czech Republic moves closer to the zero axis. (Rubio *et al.*, 2025)

## Slovakia's perspective

*This policy paper contains a shortened version of the full report on Slovakia, which provides more detailed information and comprehensive data prepared by: Iryna Taliian*

### Slovakia's position on Ukraine's accession to the EU

Slovakia perceives Ukraine as a specific candidate country because it is its direct neighbour. According to a policy paper prepared by the Office of the Deputy Prime Minister of the Slovak Republic, Slovakia supports further enlargement of the EU, including Ukraine's accession, provided that the candidate country fully complies with the *acquis communautaire* and fulfils all accession criteria. Slovakia's position is therefore conditional on the observance of these rules and emphasizes the need for institutional reforms, strengthening the rule of law, effective governance, and alignment with EU standards before membership is granted.

At the same time, the Slovak Republic recognizes that Ukraine's integration will gradually deepen trade relations, regulatory harmonisation, and economic interdependence, which could create new business opportunities not only for Ukraine but also for current EU Member States and contribute to further strengthening European economies. However, it is also necessary to consider potential challenges associated with this integration, particularly in the agricultural sector, where Ukraine's entry into the single market could increase competition for farmers and put pressure on prices, market shares, and the sustainability of production in some regions.

### Budgetary implications of Ukraine's accession to the EU for Slovakia

For the Slovak Republic, the key issue is how enlargement would affect its relative position within the system of net contributors and net recipients of the EU budget. According to the figures and interpretation presented above, Slovakia is not expected to become a net contributor, although the volume of cohesion policy funds available to the country would likely decrease. The redistribution of funds within the Common Agricultural Policy (CAP) would also affect Slovakia. While deeper market integration may put pressure on prices of cereals and oilseeds and increase competition within the single market, it also creates opportunities for Slovak firms to participate in logistics, processing industries, technological cooperation, and the export of agricultural machinery. Slovakia's strategic response should therefore focus on increasing value-added production, crop diversification, and strengthening domestic processing capacities rather than relying solely on price-based competition. At the same time, this implies that Slovakia will need to compensate for potential reductions in direct budgetary transfers through greater involvement in trade, investment, and projects related to Ukraine's reconstruction.

*The full report provides a detailed comparison of institutional quality between Slovakia and Ukraine, particularly in terms of control of corruption, government effectiveness, political stability and the rule of law.*

### Labour mobility

Ukraine's potential accession to the EU would affect labour mobility within the EU. This could lead to an outflow of labour from Ukraine to EU Member States, including Slovakia. Slovakia should not be perceived only as a transit country, but rather as a destination country, mainly due to its geographical and cultural proximity. (Alliance of Sectoral Council, 2026; Administration of the Bratislava Self-Governing Region, 2026).

## Economic Opportunities and Strategic Implications for Slovakia

Ukraine's accession could also bring economic opportunities related to its post-war reconstruction and infrastructure modernization. In the agricultural sector alone, total damages are estimated at approximately USD 10 billion, with a significant share related to destroyed or damaged machinery and equipment. Given Slovakia's industrial specialization in machinery production, automotive manufacturing and engineering, Slovak firms may benefit from participating in the restoration of agricultural and industrial capacities (Office of the Deputy Prime Minister of the Slovak Republic for the Recovery Plan and Knowledge Economy, 2025; Fedáková et al., 2026). From a trade perspective, an increase in bilateral trade flows is expected. However, this requires proactive engagement, identification of strategic cross-border projects and targeted support for Slovak sectors that may face intensified competition (Office of the Deputy Prime Minister of the Slovak Republic for the Recovery Plan and the Knowledge Economy in cooperation with the central state administration bodies of the Slovak Republic, 2025).

The overall economic impact for Slovakia will depend primarily on its ability to take advantage of new trade, investment and reconstruction opportunities associated with Ukraine's integration. Ukraine's accession should therefore not be perceived solely as a question of redistributing EU budget resources, but also as an opportunity to strengthen regional economic cooperation.

## Hungary's perspective

*This policy paper contains a shortened version of the full report on Hungary, which provides more detailed information and comprehensive data prepared by: Kata Csenge Gál*

### Hungary's Balanced Approach: Humanitarian Support for Ukraine Amid EU Accession Debate

Hungary's position clearly distinguishes between humanitarian assistance and political integration. Despite significant support for Ukraine in the form of humanitarian aid, energy products, and financial contributions through EU mechanisms, the Hungarian government firmly rejects Ukraine's accession to the European Union. It argues that admitting a country involved in an ongoing military conflict could increase security risks for Europe and would require substantial financial resources. At the same time, it emphasizes that EU enlargement requires the unanimous consent of all Member States. Hungary therefore supports humanitarian solidarity with Ukraine and temporary forms of economic cooperation but rejects its EU membership on security, economic, and sovereignty grounds. (Orban, 2025)

### Fiscal Implications of Ukraine's EU Accession for Hungary

Ukraine's accession to the EU would likely mean a deterioration of Hungary's net fiscal position within the current budgetary framework. First, it would lead to an increase in Hungary's gross contribution to the EU budget; according to estimates based on proportional burden-sharing, the additional annual contribution could amount to approximately EUR 190–235 million depending on the enlargement scenario (Kutasi, 2025). Second, Hungary would likely face a reduction in revenues from the EU budget, particularly from the Common Agricultural Policy (CAP) and Cohesion Policy funds. Conservative estimates suggest a reduction in cohesion funding of up to 20% (Bernath, 2025), while Hungary could also experience a significant decrease in agricultural support.

Increased competition from Ukrainian agricultural exports could additionally put downward pressure on prices within the EU single market, further affecting Hungarian producers (Bernath, 2025). Overall, a negative net fiscal impact can be expected, with Hungary potentially being particularly sensitive to these changes due to its relatively high dependence on transfers from Cohesion Policy and CAP under the current multiannual financial framework (Kutasi, 2025).

### Quantified Budgetary Impact for Hungary

Following the narrative overview above, the expected direct and indirect costs of Ukraine's accelerated accession for Hungary can be summarized as follows: total direct costs could amount to approximately EUR 4.79 billion per year. These include, for example, reductions in cohesion and CAP funds, migration pressures, EU-funded reconstruction contributions, or GDP-based support for Ukraine. Among the main indirect costs are losses in the agricultural sector due to increased competition or impacts on financial markets, such as higher government and corporate borrowing costs (Századvég, 2025).

### Economic Opportunities for Hungary from Ukraine's EU Accession

Ukraine's accession to the EU could, in the most optimistic "Rapid Convergence" scenario, increase Hungary's GDP by approximately 0.13–0.17% due to rising trade, investment, and deeper integration into regional supply chains (Polish Economic Institute, 2025). Key Ukrainian sectors that would benefit from EU membership—such as construction, textiles, and agriculture—could increase demand for Hungarian exports and create new opportunities for regional investment (Polish Economic Institute, 2025).

## Conclusion

Ukraine's accession to the European Union would represent one of the largest EU enlargements in history and would have significant budgetary implications, particularly in the area of the Common Agricultural Policy (CAP) and Cohesion Policy. Analyses of the impact of Ukraine's accession to the EU show that the budgetary impact is manageable; however, the main challenge will be the redistribution of resources among Member States. For the countries of the Visegrad Four, Ukraine's accession would likely mean a relative reduction in the volume of funds from the European budget, although these states would very likely remain net recipients. At the same time, it could also bring new opportunities for the V4 in the form of investments, the expansion of trade relations, and participation in the post-war reconstruction of Ukraine. It will therefore be crucial to properly design the accession process, particularly through gradual integration, transitional periods, and a possible reform of the EU's Multiannual Financial Framework.

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