

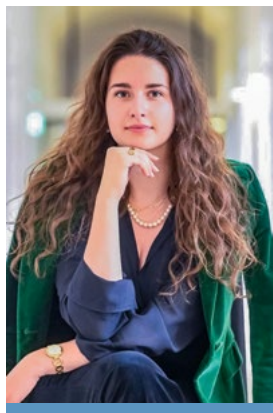
THREE SEAS PARTNERSHIP

— SPECIAL REPORT —

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INSTITUTE



Dear Readers,



It is a great pleasure to present to you the issue of the Three Seas Partnership Special Report of The Warsaw Institute's Three Seas Partnership project, prepared especially for English-speaking readers around the world.

The goal of the Three Seas Partnership Special Report is to present recommendations for policymakers within the Three Seas region, outline the progress and key achievements of the Three Seas Partnership, highlighting the significance of this initiative in advancing cooperation and democratic development across the region.

The Three Seas Partnership Project is a strategic initiative aimed at fostering cooperation among institutions and experts from the Three Seas countries, with a focus on enhancing collaboration between the nations of Central and Eastern Europe. This network is designed to strengthen the ties between states and civil societies in the Three Seas countries, while also providing a platform for the development and implementation of initiatives proposed by the participating NGOs. A key aim is to amplify the voice of civic initiatives, promoting democratic values and fostering closer cooperation within the region. Over the course of the project, several dozen international experts and journalists have contributed to its success, helping to establish a robust network of European organizations. The Warsaw Institute, as the project leader, has invited 24 NGOs from all Three Seas countries to participate, furthering the shared political and economic goals of the region's EU members situated between Russia and Germany. By promoting common values and ideas, the project not only strengthens regional ties but also contributes to the broader political and economic stability of Central Europe.

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THREE SEAS PARTNERSHIP

— SPECIAL REPORT —

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THE WARSAW INSTITUTE
WARSAW, POLAND

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PRINTING:
www.sindruk.pl

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PUBLISHER
WARSAW INSTITUTE
WILCZA 9, 00-538 WARSAW,
POLAND
WWW.WARSAWINSTITUTE.ORG



The task was financed by the National Institute of Freedom -
Civil Society Development Center
as part of the Government Program Civic Initiatives Fund
NOWEFIO for the years 2021-2030



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A trigger for a geopolitical European Union?

Rainhard Kloucek, President of Paneuropa Austria

The Three Seas Initiative started as a cooperation platform to improve the infrastructure in the region. It was a project only for EU countries plus USA. The full-scale invasion of Russia into Ukraine changed the character of the 3SI. Security policy becomes more and more important in the platform, non-EU countries as partners were integrated and strategic partners attracted. Could this development be the trigger for a more geopolitical acting European Union? Some members have ambitions to play a more active political role, some countries like Austria will stay passive.

The Republic of Austria has been a member of the

Three Seas Initiative since its founding in the year 2016. Bringing together central European countries between the Baltic, Black and Adriatic seas (Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia – Greece became member in 2023), it was logical for Austria to join this initiative. Two reasons were and are important for Austria to be part of this platform. First, there is the historic dimension. Most of the countries have historic ties.

Looking back to the kingdom of the Bohemian king Ottokar Přemysl, to the Polish-Lithuanian

nian kingdom or to the Habsburg-Empire, you will find a lot of historic and cultural ties. In the second half of the 20th century the totalitarian Soviet-Union controlled most of these countries. Croatia and Slovenia were not part of the USSR, but of Yugoslavia, which was also ruled by the communist ideology. Only the Republic of Austria did not belong to this „evil empire”, as the late US-president Ronald Reagan once called the Soviet-Empire.

Forced into a status of neutrality, Austria was part of the free Europe. Mentioning this historic aspect does not mean that we should fall into some sentimental feelings. This would be the wrong approach. But historic and cultural ties are important for the understanding of developments. And we have to develop our future.

The second – and from the perspective of the Republic of Austria more important – reason is the economic dimension. Austrian companies are Zactive in the 3SI member countries, in some countries they are top investors. Economic cooperation is important for a small country like Austria, international investment (in both directions) and export play a crucial role for the welfare of Austrian citizens.

AUSTRIA AND REGIONAL COOPERATION

Regional cooperation also affects the Western Balkan countries. Even if they are neither members of the European Union nor of the 3SI, these countries border countries of the Three Seas initiative. A look at the map shows that they represent a white spot surrounded by EU countries. With Greece as a new 3SI-member their southern border is now also marked by this format of regional cooperation. The admission of these states into the European Union, which was de facto promised in Thessaloniki in 2003, is a strategic goal for Austrias EU-enlargement policy.

Attempts to create a counterpoint to Brussels, such as in the Visegrad platform, have always been rejected by Austria. Membership in the Eu-

ropean Union is more important than attempts to profile itself as a nation state. This applies not only to Austria, but also to other countries in the Three Seas Initiative. This might be the reason, why Austrias role in the cooperation is a passive one. Austrian politics does not have any ambitions in developing any political dimension in 3SI. Depending on the setting of the summits, the country is represented by the state president or just by diplomats.

There is also a practical motivation behind this Austrian perspective. A comparison of the money available for example for infrastructure in the Three Seas Initiative and on the other hand in the European Union clearly shows that much more can be done with the EU programs because the budget is significantly higher here. Within the Three Seas Initiative, Austria is the only EU net contributor country.

Especially energy infrastructure or energy supply shows another difference between the republic of Austria and all the other 3SI countries. In 1979 Austria held a referendum on the use of nuclear power. A nuclear power plant in Zwentendorf was already built, but a green movement forced the government (at this time a government of the socialist party under Bruno Kreisky) to hold a referendum. Kreisky promised to retire if he loses the referendum. Peoples party, the opposition, therefore decided to vote against the nuclear power plant. The referendum ended with a vote against nuclear power. Since that time an anti nuclear power position is a fundamental principle in Austrian politics.

ALL COUNTRIES COUNT ON NUCLEAR POWER – EXCEPT AUSTRIA

For all the other members and partners in 3SI nuclear power is an important source of energy supply and therefore also important for energy diversification. The decarbonization of energy is on the one hand motivated by the green transition (climate politics) and on the other hand by cutting

AUSTRIA

the dependency of several European countries on oil and gas supply from Russia. Whereas several countries which were under Moscow's energy control because of their occupation by the Soviet Union were able to cut this dependency, Austria is still buying most of its gas from Russia. This dependency varies from month to month because consumption also fluctuates, but in some months this dependency is still at 90 percent.

It was already stated in 2019 – three years before Russia's war of annihilation against Ukraine began, but five years after the annexation of Crimea and the invasion in Donbas region – that the Initiative wanted to reduce dependence on Russian oil and natural gas in order to increase energy security in the region. Not all countries in the Three Seas Initiative - Austria is an example - wanted to recognize the importance of this goal at the time. Now, in summer 2024, the Austrian government established a group of experts which should find a solution for a way out of Russian dominance in this sector.

In this case the Three Seas Initiative can be of help. Its role in energy diversification lies in the name itself. She has access to three seas. Two of them are open. This allows LNG terminals to deliver gas from different regions of the world.

If we summarize Austria's position on the initiative, the picture shows that we are a member because regional cooperation plays an important role, especially for economic reasons. Political considerations or efforts to give the initiative a security or geopolitical role, however, play no role in the official position of the Republic of Austria.

This rather passive role is also reflected in the awareness of the Three Seas Initiative and the activities of civil society organizations, think tanks or business associations. In 2022, for example, the Federation of Austrian Industries organized an event in cooperation with the embassies of the USA, Romania, Poland and Latvia. The Austrian Chamber of Commerce was represented at several summits as part of the Economic Forum. The think tank AIES (Austrian Institute for European and Security Policy) was represented at

the Economic Forum in Bucharest. In Austria, it is working in cooperation with the Ministry of Defense, on a project dealing with energy security and security policy. The Pan-European Movement Austria, the Austrian part of the oldest European unification movement Pan-European Union, is a partner in a civil society project on the Three Seas Initiative, which is led by the Warsaw Institute in Poland.

THE FUTURE ROLE OF 3SI

The second part of this article will now address the question of what role the Three Seas Initiative can play in the future and what recommendations it can give for politics. The starting point for these considerations is, on the one hand, the Pan-European position, which advocates a Europe that is strong in foreign and security policy based on a constitution of freedom, and, on the other hand, the current situation in Europe in combination with steps already taken in 3SI.

Europe, the European Union, is characterized by strong polarization. On the one hand, this is ideological polarization, and on the other hand, it is also foreign and security policy polarization. The ideological polarization is evident in various forms of the ideology of „wokism“, which in various areas opposes the basic European values, which are based on the foundation of a Judeo-Christian tradition and the rule of law, the constitutional state. The rule of law guarantees justice and freedom. It is not the task of the constitutional state to enforce any ideas of happiness or welfare by law, i.e. by state coercion. These contradictions shape life in Europe in many areas and thus weaken Europe because ideology is placed above reason.

The polarization in foreign and security policy is particularly evident in the assessment of Russia's war of annihilation against Ukraine and thus the question of how the European Union and its members should respond to this threat. On the one hand, there are the defenders of Europe, who advocate a clear and tough stance against Russian aggression and thus support for Ukraine. This

support for Ukraine must be designed in such a way that this European country can drive the Russian aggressors out of Ukraine.

On the other side is the group of appeasement politicians who believe that Russia's war against Ukraine does not affect Europe. We should continue to do business with Russia as normal, because Ukraine is just corrupt anyway and has historically always been a part of Russia. Here, the typical Russian narratives are adopted. The reason for this is partly due to a lack of knowledge, but also pure opportunism. You can win votes among the population and thus votes in elections with simple populist statements.

POLARIZATION IS WEAKENING EUROPE

What is interesting about this group of appeasement politicians is their composition. On the one hand, there are the networks that still exist from the Soviet era. These are in countries that were under Moscow's control, but also in countries in Western Europe. The second part of this coalition are partly newly formed populist, nationalist movements that want to return to the protectionist nation state, reject European unification and also want to reduce European cooperation, and are characterized by strong anti-Americanism. Both parts of this coalition see NATO as the cause of the Russian raid, even if their countries are members of NATO.

Both forms of polarization weaken Europe and thus its ability to resist Russian aggression. Necessary measures in foreign and security policy - for example, a massive strengthening of Europe's defense capabilities or massive support for Ukraine with military equipment - cannot be implemented or can only be implemented to a limited extent because the necessary basic consensus is lacking in politics and among the population.

In addition, there is a general weakness of the welfare state, which no longer pursues state policy goals, but sees its right to exist in the redistribution of wealth. Even the creation of wealth is neglected in the ideology of the welfare state.

From a Western European perspective, this development in Western Europe can be explained by the decline in the importance of two large party families. Over the decades after the end of the Second World War, politics in Western Europe was dominated by the Social Democrats and the Christian Democrats. Both parties were popular parties, but not populist parties. Over many years, both parties managed to integrate positions that were on the more radical fringes of the party. Both parties stood on the foundation of a free West that was ready to defend this freedom. The enemy was clearly recognizable: real existing socialism, the Soviet empire.

The end of the Iron Curtain in 1989 and the end of the USSR in 1991 were celebrated in the West as a victory for freedom and democracy and the end of the Cold War. People believed that eternal peace would now prevail in Europe. However, a new political system was never able to establish itself in the center of the former enemy, in Moscow. The end of the Iron Curtain was seen as the defeat of a great battle in the Cold War, but not as the end of the Cold War.

In the years under Boris Yeltsin, this interpretation was obscured by massive corruption and economic chaos. When Putin came to power, the new danger from Moscow became visible. However, most politicians in Western Europe did not want to see this danger. Anyone who warned about Putin was denounced as a Cold Warrior. Politicians in the newly liberated countries of Central Europe who warned about Putin and the danger from Moscow were not taken seriously. Not even in 2014.

WILL THE DESPOT IN MOSCOW UNIFY EUROPE?

Only the beginning of the war of annihilation against Ukraine proved that all the warnings about the policies of the despot in Moscow were correct. However, the necessary consequences were only drawn to a limited extent. The polarization mentioned above is one reason for this. The past two years have shown, however, that the

resilience towards Moscow is much more pronounced in those peoples who were locked behind the Iron Curtain for over half a century. This is reflected, for example, in the support for Ukraine. Measured by GDP, this is significantly higher in the countries closer to Russia than in Western European countries, which still have a higher level of prosperity. Hungary is an exception here.

The Three Seas Initiative has taken this development into account through appropriate resolutions. The intention to become independent of Russian oil and gas supplies has already been mentioned above. In many cases, the necessary measures have also been taken.

The statements made at the 3SI Summit in Vilnius in April this year were also very clear. Lithuanian president Gitanas Nausėda for example said in his invitation-video to this years „Three Seas Initiative Summit“ in Vilnius: „After Russia launched its unprovoked and unlawful war against Ukraine, the geopolitical importance of intensified cooperation and better connectivity in the north-south axis corridor has increased dramatically.“ And he added: „The Three Seas Initiative serves as a political platform to facilitate this cooperation to build stronger connections ...“ When he was saying that he was also talking about „military mobility“.

The Joint Declaration as result of the summit declares: „We reaffirm our unwavering support for Ukraine, its sovereignty and territorial integrity within its internationally recognized borders. We reiterate that Russia must immediately and unconditionally withdraw all of its military forces from the entire territory of Ukraine within its internationally recognized borders and encourage to establish a future compensation mechanism for all the destruction and injuries caused.“

Sanctions against Russia must be strengthened and a strategy for the reconstruction of Ukraine is needed. The initiative wants to become more involved as a platform here. The Joint Declaration also addresses the „geostrategic importance“ of 3SI for the development of strategic interests by a clear commitment to the enlargement policy of the European Union.

THE DEVELOPMENT OF A GEOPOLITICAL DIMENSION IN THE EU

The status of Ukraine and Moldova as participating states already sent a clear security policy signal. Both countries are not members of the European Union, therefore not full members of 3SI. Countries of this platform, which belong to the younger countries in the EU can be very supportive with their experience for these two countries on their way into the EU through the process of accession negotiations. The inclusion of Japan as a strategic partner clearly shows the geopolitical objectives of the initiative.

Security policy in all its dimensions (from energy to infrastructure to defence capability) is therefore becoming increasingly important in the policy of the Three Seas Initiative. The European Union currently lacks a corresponding basic consensus, even if it is often hinted at in speeches. And the EU also lacks leadership. The German-French engine no longer works today for many reasons. This leadership role could be taken over by strong countries in 3SI in the question of security policy. Countries such as Poland and the Baltic states are leading the way in defence policy. They are therefore a good example in the European Union.

With Kaja Kallas from Estonia, a politician from this region will become High Representative for the Common Foreign and Security Policy of the EU. This means greater competence in the European Commission for the necessary geopolitical dimension of the EU. The political decision-makers in the countries of the Three Seas Initiative should therefore become the driving force behind the further development of this dimension. Not as a counterweight to Brussels, but for a strong and free Europe. ■



Bulgaria and the Three Seas Initiative: A Patchy Record

Dr. Rumena Filipova, Institute for Global Analytics

POLITICAL ATTITUDES: GRADUALLY INCREASING BUT UNEVEN IMPETUS

The political commitment to the Three Seas Initiative in Bulgaria has been inconsistent and often subdued, lacking in vigor and sufficient publicity. A measure of wariness and only a slowly developed embrace of the Initiative were especially characteristic in the period following the 2016 launch of the platform. Limited public aware-

ness combined with opposition on the part of Kremlin-related and nationalist social and political networks served to constrain Bulgaria's fully-fledged anchoring in the format and confined discussions to the technical-economic dimensions of regional cooperation. For their part, the political-conceptual aspects of the Three Seas have been subject to unfounded interpretations proliferated in pro-Russian disinformation. The latter has dubbed the project a 'cordon sanitaire', a new 'Iron Curtain' and 'geopolitical battlefield' allegedly motivated by Polish-led Russophobia

BULGARIA

aimed at isolating Russia and China and promoting Western hegemony, including through military means.¹

A major push for the popularization of the format in Bulgaria was realized through the Sofia Summit of the Three Seas Initiative in 2021. The Bulgarian hosts prioritized innovation, entrepreneurship and attracting investment as key directions for the development of the format, putting forward the establishment of a specially dedicated innovation fund.² In the ensuing years, the Initiative has received greater political attention in the country. In 2022, a step was taken towards the institutionalization of the decision-making framework in relation to the Three Seas as it was stipulated that the Minister of Innovation and Growth would become Bulgaria's permanent national coordinator for the platform (irrespective of the individual occupying the post). Previously, each cabinet could appoint a coordinator in a discretionary manner without observing specific institutional criteria.

In terms of concrete policies, an emphasis began to be laid on enhancing regional cooperation with Romania, particularly in the areas of digital transformation and innovation.³ This culminated in the signing of the 2023 Bulgarian-Romanian

Memorandum of Understanding for Cooperation in the field of innovation, digitalization, start-up ecosystem, high-tech development, digital connectivity and research.⁴ At the beginning of 2024, then Minister of Foreign Affairs Mariya Gabriel designated the Three Seas Initiative as strategically important on the European as well as global level.⁵

Nevertheless, the unstable political environment in Bulgaria, characterized by frequent and inconclusive parliamentary elections and the inability to form a long-lasting regular government, means that Bulgaria's position towards the Three Seas (as indeed all foreign policy positions) will continue to be subject to vacillation as the domestic political struggle takes center stage. Accordingly, with the collapse of the Denkov-led coalition government (June 2023 – April 2024) and advent of short-lived care-taker cabinets, political attention to the Initiative has once again been scaled back.

In these uncertain political circumstances, the business community's commitment to the Three Seas can provide a degree of continuity. The American Chamber of Commerce in Bulgaria, in particular, has upheld the platform, and Bulgaria is also represented in the Three Seas Legal Alliance, which aims to inform clients about the

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- 1 Malishev, V., 2022, 'Британците и Одеса', 26 юни 2022 г., ('The British and Odesa', 26 June 2022), Pogled info
Pogled info, 2022, 'Полша и Румъния се готвят за война с Русия по море', 1 юли 2022 г., ('Poland and Romania are preparing for a war with Russia at sea', 1 July 2022)
 - 2 President.bg, 2021, 'Президентът Румен Радев: Осъществяването на ключовите проекти на Инициативата „Три морета“ е решаваща стъпка към устойчивото развитие на региона и на Европа', ('President Rumen Radev: The realization of the key projects of the Three Seas Initiative is a decisive step towards the sustainable development of the region and Europe')
Ministry of Economy and Industry, 2021, 'Министър Петков: Предлагаме да отворим специален иновационен фонд в рамките на инициативата „Три морета“', ('Minister Petkov: We propose to create a special innovation fund within the framework of the Three Seas Initiative')
 - 3 Ministry of Innovation and Growth, 2023, 'Министър Пулев: "Три морета" е политически и финансов механизъм за развитие на Русе' ('Minister Pulev: The Three Seas is a political and financial mechanism for the development of Ruse')
Ministry of Innovation and Growth, 2023, 'Министър Пулев: С Румъния можем да задълбочим сътрудничеството в сферите на цифрова свързаност, стартиращи компании и научни изследвания', ('Minister Pulev: We can deepen cooperation with Romania in the fields of digital connectivity, start-up companies and scientific research')
 - 4 Ministry of Innovation and Growth, 2023, 'The Ministries of Innovation of Bulgaria and Romania signed a Memorandum for Cooperation in the field of innovation, digitalization and the startup ecosystem'
 - 5 Markov, A., 2024, 'Мария Габриел: Инициативата „Три морета“ е от стратегическа важност за Европа и света', БНТ, 16 януари 2024 г. ('Mariya Gabriel: The Three Seas Initiative is of strategic important to Europe and the world', BNT, 16 January 2024)

Initiative and the business opportunities it offers through targeted legal advice.⁶

MAJOR INVESTMENTS AND PROJECTS: ROOM FOR GROWTH

The Three Seas Initiative Investment Fund has made two landmark investments related to Bulgaria. In 2021, the fund acquired a significant stake in Austrian renewable energy group Eney Development. The latter owns a 60 MW solar plant in Bulgaria and operates a 2 GW pipeline for solar energy generation in Bulgaria, the Czech Republic, Slovakia, Austria and Romania.⁷

In 2022, the fund made its first port investment in the Three Seas region by acquiring a major interest in BMF Port Burgas, which is an operator of the Port of Burgas located on Bulgaria's Black Sea coast. The investment has kickstarted the expansion of capacities and capabilities,⁸ which assumes a strategic importance in the contested waters of the Black Sea. The development of a deep-water container port and creation of new oil and gas terminals, in particular, represent strategic and economic assets as Russia undermines freedom of trade and navigation and China is set to develop a deep-water port at Anaklia in Georgia.

Despite these significant investments, however, Bulgaria still has only 4 active priority projects, including the construction of a tunnel under Petrohan Pass, restoration of the design parameters of the Ruse-Varna railway line, expansion of underground gas storage Chiren and the development of a Black Sea highway. This represents the lowest number of priority projects among the Three Seas country members, only trailed by Czechia, and

outnumbered by the 7 newly registered projects of Greece, a recent entrant since 2023. Associate members Ukraine and Moldova also far outstrip Sofia's projects, each having respectively registered 12 and 13 new initiatives.⁹

Moreover, Bulgaria's projects tend to be distinguished by a pattern primarily confined to national-level, infrastructural development. Yet, this specific orientation may prevent taking full advantage of the regional as well as digital opportunities that the Three Seas provides.

THE PATH FORWARD FOR GREATER ENGAGEMENT

The intensification of Bulgaria's engagement with the Three Seas Initiative can be fostered along a number of informational, diplomatic and economic dimensions.

- **Detailed information about Bulgarian activities under the Initiative needs to be presented in a systematic manner** on the websites of the government institutions involved in the coordination and promotion of the country's efforts, especially the Ministry of Innovation and Growth and the Ministry of Foreign Affairs. The information currently provided is piecemeal, incomplete and frequently outdated.
- As a unique platform that brings together frequently diverse North-South perspectives that may not otherwise come into close contact, the Three Seas Initiative can be utilized as a **site for socialization, mutual learning and knowledge exchange between Baltic and Balkan/Black Sea views and practices**. A dialogue about various historical experiences

6 Veselinova, M., 2023, 'Правен алианс „Три морета“ събира адвокатски фирми от 13 страни', Капитал, 3 октомври 2023 г. ('The Three Seas Legal Alliance brings together law firms from 13 countries', Capital, 3 October 2023)

7 Petrova, A., 2021, 'Three Seas investment fund investing in owner of PV assets in Bulgaria', SeeNews

8 Three Seas Summit, '3SIIF makes its first investment in the port sector' Shtilyanova, T., 2023, 'Разширяват порт Бургас с 80 млн. евро', 24 часа, 13 септември 2023 г. ('Port of Burgas is being expanded with 80 million euros', 24 hours, 13 September 2023)

9 Three Seas, 'Status Report of 2024'

BULGARIA

with Russian domination and the degree of success of contemporary policies vis-à-vis the Kremlin's as well as Beijing's influence operations in the northern and southernmost flanks of the Three Seas can bridge differences among the members of the format and forge deeper common ground.

- Building on enhanced mutual understanding can open up avenues for joint diplomatic initiatives and amplifying the collective voice of the region. **The Three Seas Initiative provides a platform for Bulgaria to diversify and transform the traditional patterns of its foreign policy** based on passivity, reactivity and focusing on the immediate Balkan neighborhood.¹⁰ The Initiative thus represents an opportunity for Sofia to consider and become involved in further geographical and issue-area domains by, for instance, deepening relations with Poland and the Baltic states on questions related to confronting Russian aggression and dealing with the challenges of China's economic and cultural inroads into Central and East European countries.
- **Bulgarian business can put forward more projects that are regional in nature** rather than strictly national in conception and implementation. A concrete step in that direction could be the establishment of better transport links between Bulgaria and Romania (through more bridges over the Danube and improvement of railway connections, for example).
- **A more sustained and long-term funding perspective should be fostered within Bulgarian business and financial institutions** in the direction of raising additional funds and making a greater financial commitment to the Three Seas Investment Fund beyond the initial contribution of 20 million euros on the part of the Bulgarian Development Bank. A habit of pooling and increasing resources dedicated to the Fund must be promoted between the Bulgarian contributors and their Three Seas counterparts.
- The Three Seas Initiative can further carve out a greater role in the field of media and cybersecurity, for instance through the creation of a coordinated counter-disinformation center and forging a collective regional stance regarding the EU's media and digital policies. As a country highly vulnerable to foreign authoritarian-state disinformation, **Bulgaria can benefit from participating in regional media and cybersecurity resilience efforts** by consulting best practices and fostering cross-country journalistic networks.
- **Bulgaria should take a much more active part in terms of devising digital connectivity projects of a cross-country scope** (similar to the cross-border optical fiber networks and 5G cross-border transport corridors implemented in the Baltic states). In the future, a robust standardization of rules regarding telecommunications networks and pooling resources can even out widely diverging outcomes as manifested in the different extent to which Huawei equipment has been restricted in the construction of 5G networks in Central and Eastern Europe. ■

¹⁰ Filipova, R., 2022, 'Neither In, Nor Out: The Thin Europeanisation of Bulgarian Foreign Policy', Ch. 6 in *Constructing the Limits of Europe. Identity and Foreign Policy in Poland, Bulgaria, and Russia since 1989*, Ibidem/Columbia University Press



Croatian policy toward the Three Seas Initiative

Daniel Hinšt, Vice President of the Centre for Public Policy and Economic Analysis (CEA), a Croatian think tank advocating strong transatlantic partnership, especially through the Three Seas Initiative, EU, and NATO.

INTRODUCTION

The Three Seas Initiative (3SI) encourages trade, energy security, vertical transport connectivity, and investments in infrastructure. Croatia's role within the 3SI has mainly been associated with

the LNG terminal on the island of Krk, strongly backed by the EU and the US, while other infrastructure and energy projects would be important for military mobility. The 3SI was launched in 2015 by Croatian President Kolinda Grabar Kitarović and Polish President Andrzej Duda.¹¹

¹¹ <https://www.cea-policy.hr/inicijativa-tri-mora/>

CROATIA

Therefore, Croatia and Poland have important roles within the 3SI.

Considering the 3SI, Polish President Duda stresses the great importance of the EU enlargement to Ukraine, Moldova, Georgia, and the Western Balkans, and their reforms that will determine the speed of a merit-based enlargement, based on upholding European values and full alignment with the EU's CFSP (*Common Foreign and Security Policy*). Duda also welcomes the fact that Croatia will host the 2026 3SI Summit and Business Forum.¹² Hereby, it is important to stress the vital geopolitical role of Poland in strengthening the 3SI.

The Croatian think tank Centre for Public Policy and Economic Analysis has a potential for 3SI cooperation in several policy areas, especially in increasing defense spending, close intelligence cooperation¹³, detecting disinformation, policy coordination of free market reforms, and other areas.¹⁴

CROATIAN POLICY TOWARD THE 3SI

While the populist center-left Croatian President Zoran Milanović sees 3SI as potentially harmful and unnecessary, against Moscow and Berlin, forcing countries to purchase US LNG and isolating Russia¹⁵, the center-right Government led by Andrej Plenković, strongly supports the Three Seas Initiative.

THE BUCHAREST SUMMIT

In September 2023, at the 3SI summit and Business Forum in Bucharest, Prime Minister Andrej

Plenković confirmed Croatia's political commitment to cooperation within the Three Seas Initiative and continuous support to energy and transport projects. Moreover, numerous Croatian businesses participated in the Business Forum¹⁶, which shows the interest of Croatian businesses in regional cooperation and partnerships.

Plenković offered Croatia's ports for the export of Ukrainian grain due to the collapse of the Black Sea route. He explained that Croatia sees itself as the Mediterranean gateway to Central Europe, especially the port of Rijeka, and emphasized the importance of the Croatian railway connection between Rijeka on the Adriatic Sea and the port of Vukovar on the Danube. Also, Romanian President Klaus Werner Johannis underlined the importance of the economic presence of the United States in the region, as a strategic catalyst for security.¹⁷ Like Johannis, Plenković emphasized the importance of cooperation with the United States, which gives a transatlantic dimension. In addition, Plenković mentioned Croatia's energy independence policy supported by investments in the increased capacity of LNG terminal (Krk) a lot of gas pipelines (Zlobin-Bosiljevo), as a contribution to the Three Seas Initiative, and strengthening the European energy market. Concerning Ukrainian food security, Minister of Economy of Ukraine Yulia Svyrydenko confirmed that Ukrainian grain has been exported through Croatian ports.¹⁸

THE VILNIUS SUMMIT

In April 2024, during the 9th Summit of the Three Seas Initiative in Vilnius, Croatian Minister of

12 <https://www.president.pl/news/joint-declaration-of-the-ninth-summit-of-the-three-seas-initiative,83857>

13 <https://www.cea-policy.hr/untapped-potential-three-seas-initiative/>

14 <https://threeseaspartnership.com/index.php/potencjal-polityczny-inicjatywy-trojmorza/>

15 <https://n1info.hr/english/news/a565888-milanovic-says-three-seas-initiative-unnecessary-potentially-harmful/>

16 <https://vlada.gov.hr/news/croatia-is-committed-to-strengthening-cooperation-within-the-three-seas-initiative/42333>

17 <https://glashrvatske.hrt.hr/en/foreign/three-seas-initiative-leaders-meet-in-bucharest-11017738>

18 <https://www.croatiaweek.com/the-three-seas-initiative-summit-and-croatias-important-role/>

Foreign and European Affairs Gordan Grlić Radman encouraged stronger cooperation in military mobility, critical infrastructure, and cyber security. He stressed that the 3SI gathers almost half of the EU Member States, and strategic partners such as the US, EU, Germany, and Japan. That way, Croatia remains anchored within the transatlantic community and as a reliable partner in the energy diversification within Central Europe. The Croatian foreign minister mentioned that, in comparison to the 2023 Bucharest Summit, Croatia has nominated seven new EU-funded projects in the Catalogue of Strategic Projects of 3SI. The total value of these projects is around 4 billion euros, and all of them have been accepted. Furthermore, Grlić Radman had a bilateral meeting with Lithuanian Foreign Minister Gabrielius Landsbergis. The two ministers confirmed excellent bilateral relations, including Lithuania's strong support for Croatia's OECD membership by sharing its accession experiences, and gratitude for Croatia's participation in NATO Enhanced Forward Presence activities in Lithuania. Finally, it was confirmed that Croatia will host the 2026 3SI Summit and Business Forum, considering the 10th anniversary of the Dubrovnik Declaration, the establishing document of the 3SI.¹⁹ The Croatian foreign minister said that by co-founding the initiative together with Poland, Croatia showed a far-reaching vision of geopolitical circumstances.²⁰

Many Croatian companies participated in the Vilnius Business Forum.²¹ The discussion included the strategic LNG and Rijeka Gateway projects, and potential funding of geothermal projects

through the Three Seas Initiative Investment Fund.²²

THE VIRTUAL SUMMIT

At a virtual summit of the Initiative in October 2020, formally hosted by Estonia, Prime Minister Andrej Plenković confirmed the Croatian government's commitment to the strategic goals of 3SI. He announced Croatia's contribution up to of 20 million euros to the 3SI investment fund through the Croatian Bank for Reconstruction and Development. Also, he expressed hope for a stronger future role of Germany and the European Commission in the 3SI.²³

LNG TERMINAL ON KRK

The LNG terminal on Krk is certainly the most important strategic project, which brings a strong Croatian contribution to the 3SI and broader European energy security.

Considering energy independence and security, Croatia made a strategic decision to increase the capacity of its LNG terminal on Krk from 3.1 to 6.1 billion cubic meters (bcm) of gas per year. Moreover, Croatia plans investments in renewable energy sources – geothermal, solar, and wind energy, continued functionality of the nuclear power plant in Krško, and building gas pipelines that will be suitable for future transporting of hydrogen.²⁴ The capacity growth gas pipeline investment on the Zlobin-Bosiljevo route, and towards Hungary and Slovenia. The total investments are worth around 533 million euros, as a part of

19 <https://mvep.gov.hr/press-22794/croatia-confirms-commitment-to-3si-goals-assumes-presidency-in-2026/272178>

20 <https://glashrvatske.hrt.hr/en/politics/grlic-radman-croatia-showed-a-far-reaching-vision-by-co-founding-the-three-seas-initiative-11462510>

21 <https://izvoz.gov.hr/vijesti/hrvatske-tvrtke-na-poslovnom-forumu-inicijative-triju-mora-u-litvi/6157>

22 <https://novac.jutarnji.hr/novac/infobox/poslojni-forum-inicijativa-triju-mora-u-vilnius-ondje-su-i-predstavnici-hrvatskih-gospodarstvenika-15449555>

23 <https://mvep.gov.hr/press-22794/croatia-remains-committed-to-three-seas-initiative/196850>

24 <https://vlada.gov.hr/vijesti/sastanak-europske-politicke-zajednice-lng-terminal-cini-hrvatsku-ozbiljnim-energetskim-cvoristem/42756>

efforts for Croatia to become the energy hub.²⁵

In May 2024, the European Commission approved 25 million euros of Croatian state aid for the expansion of the LNG terminal on Krk. Such a measure is partially financed by the EU Recovery and Resilience Mechanism (RRF). In particular it will finance the installation of an additional gasification module with a capacity of 250 000 cubic meters, to achieve a new maximum gasification capacity of 700 000 cubic meters per hour, corresponding to 6.1 billion cubic meters (bcm) per year. The support is a direct grant to LNG Hrvatska, the state-run company that is a holder and operator of the terminal. The project is necessary for gas supply for Croatia and South-east Europe, in order to end dependence on Russian fuels, which is in line with the REPowerEU plan. Therefore, the Commission concluded that such aid is proportionate because it represents a limited necessary minimum, while its positive effects outweigh possible negative effects on market competition in the EU.²⁶

POLICY RECOMMENDATIONS

The Centre for Public Policy and Economic Analysis sees a policy potential in several key areas where individual national efforts and cooperation could be improved. The most important one is defense.

Croatia's defense spending in GDP exceeded 2% several years ago.²⁷ However, due to strong GDP growth rates²⁸ Croatia's ratio of defense spending was estimated by NATO at 1.81% of GDP in 2024, while Poland exceeded 4% and occupied the leading position within NATO.²⁹ Considering the challenge, Croatia plans to further modernize its military equipment³⁰, including tanks³¹, after procurement of 89 US Bradley tanks³², 8 US Black Hawk helicopters³³, 12 French Rafale fighter jets³⁴, and other equipment.

However, it has been a long time since the 2% target was agreed upon; before Russia's full-scale invasion of Ukraine, which has increased the geopolitical risk for Europe. Moreover, Europe needs to consider strengthening its anti-missile defense, especially in Central and Eastern Europe. In addition, there is an opportunity for intelligence cooperation with 3SI, under the model of the Five Eyes (the UK, US, Canada, Australia, and New Zealand), with openness for private intelligence enterprises, and their additional and complemen-

25 <https://vijesti.hrt.hr/hrvatska/prosirenje-kapaciteta-lng-terminala-na-krku-11591506>

26 <https://www.hina.hr/vijest/11612701>

27 <https://mvep.gov.hr/press-22794/by-investing-in-its-own-defence-and-security-croatia-is-strengthening-nato/249318>

28 https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/croatia/economic-forecast-croatia_en

29 https://www.nato.int/nato_static_fl2014/assets/pdf/2024/6/pdf/240617-def-exp-2024-en.pdf

30 https://armyrecognition.com/news/army-news/army-news-2024/croatia-plans-to-modernize-military-equipment-and-may-transfer-old-gear-to-ukraine#google_vignette

31 <https://www.tportal.hr/vijesti/clanak/hrvatska-kupuje-30-novih-tenkova-evo-o-kojem-modelu-se-radi-20240810>

32 <https://www.morh.hr/en/acquistion-of-bradely-infantry-fighting-vehicles-is-a-continuation-of-strategic-partnership-between-croatia-and-the-united-states/>

33 <https://news.lockheedmartin.com/2024-07-12-Croatia-Triples-Black-Hawk-Fleet-with-Purchase-of-Eight-Additional-Helicopters>

34 <https://www.dassault-aviation.com/en/group/press/press-kits/the-rafale-enters-service-in-the-croatian-air-force/>

tary contributions to national securities³⁵ based on the US outsourcing model.³⁶ Accordingly, 3SI members could coordinate their national efforts regarding military aid to Ukraine, which directly depends on efforts to increase defense spending within the EU and NATO.

Furthermore, there is an additional opportunity to create policy communities and jointly funded clusters for detecting disinformation³⁷ from Russia and China that represent serious risks for NATO, the EU³⁸, Ukraine, Taiwan, and Israel. In addition, Iran, and its allied proxies also deserve strong attention since their pro-Hamas and pro-Palestinian disinformation seriously affects public opinion across the EU and US, including in the 3SI region. Therefore, 3SI members should work together, and directly with Ukraine, Taiwan, and Israel, to tackle such security threats from disinformation and hostile influence, especially through educational curriculums.

Also, 3SI countries could cooperate closely on coordinating their policies, to learn best practices, especially regarding economic freedom³⁹, its methodology⁴⁰ and important institutional reforms⁴¹, including the rule of law. Deficits in institutional governance pose a risk for joint foreign and security policy efforts within the EU and NATO. Therefore, all members of the 3SI should work on themselves to ensure short-term and long-term governance improvements concerning freedom and democracy. Also, adding new policies can create a broader framework for de-

velopment⁴² in the region that faced communism.

Finally, 3SI could offer an alternative engagement model to the Chinese Belt and Road Initiative, and potentially strengthen dual-use infrastructure for NATO. Moreover, the 3SI is a part of the wider efforts of democratic countries to drive values- and market-based investments into connectivity. Therefore, the Three Seas Initiative should be developed into a platform for private-sector investments building private-public partnerships, and the transatlantic alliance.⁴³ Moreover, The Three Seas Initiative is a golden opportunity to defend the interests of its members on the global stage.⁴⁴ Such interests can only be defended based on strong values and clear positions against adversarial actors like Russia, China, Iran, and their proxies.

CONCLUSION

The additional policy potential should be discussed amid the celebration of ten years since the initiation of the Three Seas Initiative. Strengthening further cooperation depends on investing more in defense and intelligence capacities, detecting disinformation, additional freedom-oriented reforms, and strategic public, and valuable private projects. In addition, there is a strong potential for broader policy cooperation between policymakers, institutions, non-governmental organizations, and the private sector. ■

35 <https://threeseaspartnership.com/index.php/potencjal-polityczny-inicjatywy-trojmorza/>

36 <https://austriancenter.com/croatia-could-take-outsourcing-lessons-from-america-and-britain/>

37 <https://threeseaspartnership.com/index.php/potencjal-polityczny-inicjatywy-trojmorza/>

38 <https://hrcak.srce.hr/en/267456>

39 <https://threeseaspartnership.com/index.php/potencjal-polityczny-inicjatywy-trojmorza/>

40 <https://hrcak.srce.hr/257707>

41 <https://hrcak.srce.hr/266914>

42 <https://threeseaspartnership.com/index.php/potencjal-polityczny-inicjatywy-trojmorza/>

43 <https://www.heritage.org/europe/commentary/3-seas-initiative-americas-opportunity-europe-advance-national-interests>

44 https://newdirection.online/event/three_seas_initiative



CZECH REPUBLIC

Years of hesitating finally over? The Czech Republic and the Three Seas Initiative (3SI)

David Plášek

The Czech Republic used to belong among the least active members of 3SI during the first seven years of its existence, despite the clearly immense opportunities of the project for the country and the aligned main strategic goals of Prague with the rest of the member states. This fact was caused mainly by the domestic political reasons such as disputes between the main actors on Czech

intra-political scene – namely between the president and his opponents, regarding a particular controversial infrastructural project included in 3SI, which consequently also negatively impacted the public opinion towards the entire 3SI. The new government created after the 2021 parliamentary election promised a different, more active direction towards 3SI in its official documents, yet

initially carried on with a very careful approach. Nevertheless, the changes taking place during the last 15 months – including the registration of two new priority projects and the position of national coordinator for the initiative – seem to show that also the leaders from Prague finally realized 3SI's unrepresented economic potential and are currently attempting to catch on with the rest of the group.

The Czech Republic has been part of the initiative since its beginning in 2016. Unlike most other members of the group, Czech circumstances were specific. The country is one of mere four 3SI member states that are landlocked which obviously impacts the plans for its infrastructural projects. Nevertheless, the general long-term objectives were in line with the other countries. Majority of Czech politicians and experts were very aware that 3SI is the biggest event in Central and Eastern Europe since the EU enlargement in 2004 and 2007 and even as an economic project it has the ambition to make the less developed countries into an organic whole, which is supposed to help the economically weaker parts of the EU. Since its beginning, 3SI has been mainly about infrastructure, security, geopolitical position towards Russia and preparedness for the future, which are all topics that had long been highly accentuated by Prague. Especially the inadequate north-south connection poses a great challenge for the country, given its outward directed economy. Energy security is also a priority for 3SI, and for the Czech Republic it is one of the central themes of its strategic agenda, with diversification as the main focus. As the Czech Republic is rather dependent on Russian gas, it must constantly look for alternative energy sources. At the same time, the Czech Republic is also one of the loudest promoters of strong ties with the US, and greater integration with Washington is again one of the intended impacts of the 3SI in the CEE region as well. It is also the largest and most concrete Euro-Atlantic project since this region joined NATO.

For these reasons, Prague associated joining the 3SI with truly high expectations. However, the initial ambitions soon clashed with the realities of Czech domestic politics.

FIVE YEARS OF INACTIVITY

The peripheral position of the Czech Republic in the first years of the initiative was most of all evident in the preparation of the projects that were listed under the 3SI. We could have found only one Czech project throughout the years – the very ambitious but historically also very controversial Danube-Oder-Labe (D-O-L) canal. It is a project that has been the subject of a huge controversy within the Czech public, and an important dispute among leading politicians. Although this project predates the existence of the 3SI itself by several years, its inclusion in 3SI has caused a large part of Czech society to associate it with this particular unpopular project in the first place, especially due to the immense media coverage of the dispute over it. This was the main reason for the Czech overall hesitant attitude towards 3SI after 2016. The D-O-L was considered by a part of public as a personal megalomaniac plan of President Zeman, who was the main proponent and advocate throughout his administration (2013-1/2023), despite the protests of experts about its economic costs and environmental impact. The D-O-L has thus been negatively affecting the views of the 3SI initiative as a whole. (Leaving aside the paradox that this canal was planned to connect a different trinity of seas than those to which the 3SI refers.) A clearly negative attitude towards the D-O-L canal project was also taken by the opposition at the time. The dispute over this issue thus also became one of the significant disagreements between President Zeman (and the government that was aligned with him, led by prime minister Andrej Babiš) and the opposition, which subsequently came to power at the end of 2021.

But even the Babiš's government itself (2017-2021) failed to be active in the initiative. D-O-L was literally the only project submitted on behalf of the Czech Republic out of a total of 82 projects listed under 3SI at that time. For the potential billion dollars from US and other investors, the Czech Republic had prepared nothing at all otherwise. For example, Hungary had five projects ready at

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that time, Slovakia three, and significantly smaller Croatia even eleven. We can demonstrate the reserved approach of the Czech Republic also on the representatives who represented the Czech Republic at 3SI summits. Prague sent the deputy foreign minister to the first meeting in Dubrovnik, Croatia. A year later, the Speaker of the Chamber of Deputies (the upper house of Czech bicameral legislature) went to the Warsaw Summit, where US President Donald Trump was a guest. The Speaker also went to Bucharest in 2018. It was not until the next summit in Ljubljana, Slovenia, that Czech interests were represented by President Miloš Zeman. The Czechs sent the head of the state himself only after 3 meetings, which is very different from the approach of the other countries.

AFTER THE ELECTION OF 2021

The results of the elections at the end of 2021, which brought the end of Babiš's government and the formation of a cabinet by the former opposition led by Prime Minister Fiala, were thus associated with big expectations regarding higher Czech activity in its relation to 3SI. This was mainly represented by the official program statement of the new cabinet, where the government promised that “we are committed to cooperation within Tri-Sea project.”

But the baggage from the past in the form of the D-O-L canal project persisted. This was the leading reason why even the new cabinet was hesitant to enter the 3SI investment fund. Discussions about contributing to the fund in the past gave the impression that the money was to be for this particular project. Although this was never the case, the public image of the initiative unfortunately remained distorted. The issue finally progressed, when the new government decided to permanently cancel the D-O-L channel project in 2023, and its biggest proponent, President Zeman, left office the same year. The main obstacle in the Czech relationship with 3SI was thus removed and optimistic expectations for finally tapping the enormous economic potential of the initiative prevailed once again.

However, for the first two years of Fiala's government, the change in approach to 3SI still remained rather just on paper. The governmental approach was still very cautious and therefore the pressure from experts and the public for more activity increased, with references that it would bring undeniable benefits especially to the current deteriorating security situation in CEE. The continued hesitation even under the new administration can be also seen in the way the agenda has been moved between ministries. 3SI was initially addressed at the Ministry of Transport, where the initiative was handled by the Deputy Minister. From autumn 2022, the Fiala's government transferred the main responsibility to the Foreign Ministry, under its EU Policy Unit. However, there was no 'liaison officer' or a coordinator established in charge of the initiative. At the same time, after the abolition of the D-O-L, Prague did not come up with any other priority project.

FINALLY GETTING ON BOARD?

In the summer of 2023, however, the government finally began discussing and subsequently approving specific documents bringing practical steps to substantially strengthen the Czech role in the 3SI. They were mostly related to the two main points of previous expert criticism - the zero number of registered priority projects and the lack of a 3SI coordinator. Thus, the government of Petr Fiala added two projects on behalf of the Czech side to the list of priority projects that focus primarily on transport, energy and digital infrastructure - the STORK II gas pipeline, and a high-speed line to Poland and then to the Baltics. These are therefore projects that have the potential to advance both the Czech Republic and its entire region in energy security and, in particular, to improve its north-south connectivity. The Czech-Polish gas pipeline will aim to achieve increased capacity and easier reliable transport of natural gas between the countries. At the same time, this will reduce Czech dependence on Russian gas, as it will open the way for Prague to access other sources in Poland, including LNG terminals in Gdansk, which

are estimated to start operating in 2025.

Regarding the position of the coordinator, the Ministry of Foreign Affairs called on the government to give it a mandate to appoint a national coordinator. His task would be inter-ministerial coordination, and he would also oversee official communication with foreign partners. This was eventually approved, and Deputy Foreign Minister Jan Marian was appointed as a coordinator the same summer. At the same time, according to unofficial information, there are for the first time appearing debates within the administration about a 3SI summit happening in Prague in the future. None has ever been held in the Czech Republic and, for instance, it was held in Bucharest already twice. Even as a symbolic step to show how Prague thinks about Central and Eastern Europe, such an event on Czech territory would send a clear signal. The new President Pavel, who replaced his predecessor Zeman, has also jumped on the course started by the government in the summer of 2023, and personally attended the 3SI summit in Vilnius in April this year. Among others, a business delegation flew with Pavel to Vilnius. Thus, after a long period of time, Prague has again sent its highest representative to the summit.

Concurrently, there was also debate on the involvement in the 3SI investment fund, where reticence to join the fund prevailed. The reason is the initial deposit of 20 million EURO in the current budget deficit situation. However, there is no direct link between participation in the investment fund and inclusion on the list of priority projects. Nine out of twelve members contribute to the fund, the exceptions being the Czech Republic, Slovakia and Austria. The Czech Republic eventually did not become part of the investment fund, which has already been closed, but since 2024, it loudly states its goal of full participation in the new 3SI Innovation Fund. So far, the Czech National Development Investment Inc, a subsidiary of the state-owned National Development Bank, has already contributed €20 million (CZK 500 million) to the fund. The government believes that the 3SI Innovation Fund will have a significant

impact on the Czech environment for start-up and growing SMEs.

LOOKING AHEAD

Despite being a long anticipated breakthrough, these new steps taking place within the last 16 months are still smaller scale activities compared to other members of 3SI. Yet, according to other plans discussed in Prague by officials from the administration, NGOs, and IR and economic experts, it is an expected decision for Czech activities to expand even more. Given government documents and public statements of highest state representatives, Czech decisionmakers and stakeholders do realize the growing needs of accelerated cooperation in CEE in current times, and next steps regarding 3SI will very likely be aligned with the following Czech priorities and interests.

Czech leaders know that they need to strengthen ties with other states in the region simply because trade with them is growing. Therefore, the countries of the CEE represent a very promising market. Economic statistics over the last ten years show that exports and investment by Czech companies to the 3SI countries are increasing faster than trade with the old EU members. Regional connectivity in transport, energy, digital can create new opportunities for prosperity and further investment between the Baltic, Adriatic and Black Sea, perhaps together with post-war Ukraine. As a state located in the center of Europe, everything related to infrastructure connections between north and south is of high relevance to Prague, being an export and transport country. The north-south connection is significantly weaker than others, which must be addressed soon, no matter what government is in power, and 3SI has this issue as one of its absolute priorities.

Yet, the most crucial circumstance is the fact that, in the near future, the Czech Republic will not have as significant access to EU cohesion funds as at present and will gradually become a net payer, which forces decision makers to think in a broader context and look for long-term substitutes. In addition, the 3SI fund has the ambition

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to cater for non-European resources. Especially with the promised involvement of US financial institutions and their capital, the potential resource portfolio should expand substantially. At present, US participation in the Czech Republic in the infrastructure sector is completely lacking. The fact that the proposal to include the U.S. in the project was put forward by the previous Republican administration shows that the two main political parties in Washington are in agreement on their support for Central Europe, and therefore can be counted on for the long term.

President Peter Pavel personally stated during the last 3SI Summit in Vilnius, that „we will of course be looking into the future of the initiative, and we will be looking into the funds; the current investment fund is closed, so we will be focusing on the new Three Seas Innovation Fund, aimed at infrastructure and other projects.”

At the same time, the security dimension is growing with each passing month, given that the countries of NATO's eastern wing and the countries neighboring the Western Balkans are also part of the Tri-Sea. Russia's aggressive war against Ukraine has made the work of 3SI even more urgent for the Czech Republic, as the country is one of the biggest supporters of Ukraine in Europe (apart from various aid and initiatives, it is even the country with the very highest number

of accepted Ukrainian refugees per capita in the world). Ukraine and Moldova as associate members will then be yet another reason for Prague to get involved as much as possible. The 3SI is on a trajectory to become a platform to counter China's efforts to increase its influence in Central Europe with all its negative consequences. This is a very important topic for the Czech Republic as a country with exceptionally good and expanding relations with Taiwan and as a country with fresh experience of several scandals regarding malign Chinese influence. The US intention to invest one billion dollars in 3SI projects with the ambition to compete with and displace Chinese interests in the region is exactly in line with the Czech Republic's (often unofficial) interests in this area.

The aforementioned Czech Republic's changes of approach towards 3SI in the last year and a half - especially finally pursuing its own priority projects, introducing a 3SI coordinator, a strong commitment and tangent contribution to the new Innovation Fund, and the clear shift in the statements by the country's leading representatives - are in combination with the increasingly challenging economic and security situation in this part of Europe making the further strengthening of the cooperation with 3SI very probable in the near future.

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ESTONIA

Estonia and the Three Seas Initiative

Jacek Plaza

Since the inception of the Three Seas Initiative, Estonia has approached the project with considerable caution. This stance stemmed from concerns among certain EU political circles, who viewed the Three Seas Initiative as a potential „Trojan horse“ within the Union—an alternative to deeper European integration. These sentiments were heard most prominently from Germany, a vital economic partner to Tallinn. Moves like Estonia’s adoption of the euro over the past decade underscore that advancing integration within EU structures is a top priority for the Estonian government. It is therefore unsurprising that ambiguity surrounding Brussels’ future stance

on the TSI has led to restraint and skepticism in Estonia. Western elites became more skeptical of the Three Seas Initiative after U.S. President Donald Trump’s 2017 visit to Warsaw. At that time, Berlin recognized the Three Seas Initiative as a strategy by the United States to enhance its economic foothold in Central and Eastern Europe, which could pose a serious challenge to German economic interests in the region. The involvement of German Foreign Minister Heiko Maas and European Commission President Jean-Claude Juncker at the Bucharest summit in 2018 sent a strong message to Estonia about a potential shift in Germany’s and the EU’s approach to the Three

Seas Initiative. Since then, Tallinn has recognized the TSI as a project aligned with EU integration, leading to increasingly bold actions within the Three Seas Initiative. Among these initiatives was the 2020 TSI summit held in Tallinn, spearheaded by then-President Kersti Kaljulaid of Estonia. In the same year, Estonia became the third nation to participate in the Three Seas Fund, after Poland and Romania, and initially contributed €20 million, which enhanced the ability of Estonian companies to attract investment. Estonia's remote geographical position makes international infrastructure projects essential to its progress. Of these initiatives, the Via Baltica route and the Rail Baltica railway are the most significant. Both form part of the transport route connecting Warsaw and Tallinn, which is vital in boosting Estonia's economic competitiveness in the European market and supporting national defense. Via Baltica is expected to stretch 193 km in Estonia, with some 20 percent of this route ready for use as of September 30, 2024. Rail Baltica, the envisioned modern railway connection between the Baltic States and Warsaw as well as the Western European railway network, aims to cut the travel time from Tallinn to Warsaw to roughly seven hours. The collaborative projects implemented by the TSI countries have also resulted in strains in their relationships, stemming from the partners' inability to adhere to their obligations. A case in point is the Estonian authorities' intervention in Riga, prompted by delays in the implementation of Rail Baltica in Latvia. Within the Three Seas Initiative, Estonia is focused on boosting energy security through investments such as an LNG terminal in Paldiski on the north coast and a new 500 MW electricity storage facility featuring a heat pump.

Since 2022, the Three Seas Initiative has been carried out against the backdrop of a full-scale war in Ukraine. Countries directly adjacent to the Russian Federation have felt a heightened sense of threat from Russian aggression, which has spurred increased efforts to integrate the region with nations facing military and hybrid pressures from Russia. Officials from Estonia have often stressed that the Three Seas Initiative

should play a crucial role in helping Ukraine improve its infrastructure and establish road and rail connections with Europe. At the TSI summit held in Vilnius in 2024, Estonian President Alar Karis called on all member countries to join the IT Coalition founded by Luxembourg and Estonia, aimed at co-financing efforts to enhance Ukraine's cybersecurity.

Estonia stands to gain immensely from its participation in the TSI, owing to both the nature of the investments and its strategic location. By advancing infrastructure projects, Estonia will move closer to the core of Europe, streamlining travel and boosting economic exchange. From the viewpoint of Tallinn, a notable benefit of the Three Seas Initiative is its informal and non-binding approach. The government is capitalizing on the opportunities provided by its participation in the initiative, and the positive impacts of these projects will continue to grow over time. However, it remains free from strict obligations that might be hard for Estonia to fulfill, particularly because of its size and limited financial resources. Moreover, by participating in the Three Seas Initiative Investment Fund (3SIIF), Estonia finds itself in a strong position, as it incurs a low investment risk with a relatively modest contribution. Yet, Estonia remains the centerpiece of one of 3SIIF's most substantial investments thus far. Specifically, it is Greenenergy Data Centers, the largest facility of its kind in the Baltic states, being developed by a company with 92 percent ownership by the Fund.

Estonia's active involvement in the TSI is likely to continue in the future. The government in Tallinn regards the initiative's projects as essential to ensuring the country's security. Strengthening cross-border cooperation will significantly augment trade with European partners, an essential strategy amid the severely constrained relations with the Russian Federation, Estonia's largest neighbor. In the realm of regional cooperation, Estonia may also prioritize the inclusion of Finland into the Three Seas Initiative. Bringing this scenario to life would make it easier to secure funding for the long-planned underwater tun-

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nel connecting Tallinn and Helsinki, leading to major benefits for economic exchange between the two countries. Finland stands as Estonia's closest neighbor in culture and language, as well as being an essential economic partner. If it joined the initiative, Estonia would no longer be its northernmost member state. However, in Finland, the political elite is not on board with the idea of participating in the Three Seas Initiative, and cooperation with the Baltic states remains focused on the Nordic-Baltic Eight (NB8). While this perspective from the northern side of the Gulf of Finland is unlikely to shift, Finland's recent entry into NATO could potentially change things. Crucial for the protection of the alliance's eastern flank, Three Seas Initiative infrastructure projects might now seem markedly more appealing to Finland.

Estonia stands out as one of the most developed countries within the Three Seas Initiative, boasting relatively strong capabilities for executing plans and projects. Its location also holds strategic

significance, particularly with Finland now being a NATO state. Looking ahead, it may evolve into a bridge between Central and Eastern Europe and Scandinavia. The region has a vested interest in encouraging cooperation with wealthy Finland through the TSI, which will require visible results from the initiative and timely execution of projects that may also include Helsinki in the future. Should this situation persist, not only might Finland, which is not a member of the Three Seas Initiative, turn away from the bloc, but the Estonians could also revert to the skepticism they initially held. Therefore, the continued appeal of the Three Seas Initiative to Tallinn and Helsinki relies on support from neighboring Latvia, which, due to financial limitations, announced a temporary suspension of Rail Baltica construction in October 2024. The current circumstances surrounding Estonia's southern neighbor may prompt its disconnection from the other members of the initiative, fostering a realignment toward broader engagement with the Nordic countries.

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The Participation of Hungary in the Three Seas Initiative

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ABSTRACT

Hungary's short- and medium-term plans strongly align with the goals of the Three Seas Initiative. Ensuring energy security is a top priority of the Hungarian government, and the diversification of energy supply routes is a prerequisite for this. The destruction of the North Stream gas pipelines will reinforce the role of the Central and Eastern European regions in the European distribution of natural gas. Establishing connections among pipelines in the CEE countries will reduce the region's unilateral exposure to the Russian Federation. The Three Seas Initiative is increasingly moving from abstract declarations to project implementation. In 2024, Hungary ranks second in the number of registered projects.

Keywords: Hungary, Three Seas Initiative, Central and Eastern Europe, energy security, infrastructure development, diversification, raw material supply, pipelines

INTRODUCTION

Direct access to the world's oceans is a recurring prerequisite for success in the international environment. Although in terms of statehood, Hungary is one of the longest-standing players in the Central and Eastern European region, it lost a significant part of its territory, including its direct access to the world's oceans after the First World War. This historical loss continues to shape Hungary's geopolitical landscape. The country is located in the middle of a triangle bounded by the Baltic Sea, the Adriatic Sea and the Black Sea, in the heart of the Carpathian Basin. For this geopolitical reason, it must develop and maintain excellent infrastructural connections with the countries bordering the surrounding waters.

Hungary's foreign policy principle is to maintain good relationships with neighbouring states. However, this policy has been challenging due to historical reasons. When Hungary lost almost 70 per cent of its territories in 1920, it lost two-thirds of its population, too. Millions of ethnic Hungarians had to continue their lives under the

jurisdiction of another country. After more than a hundred years, an estimated 2.4 million ethnic Hungarian people still live beyond Hungary's borders in neighbouring countries. Since the 1990s, bilateral relations have had much tension regarding guaranteeing these communities' collective rights and well-being. However, after almost three decades, the importance of this issue has gradually declined for several reasons. In recent years, neighbouring countries have understood that Hungarian-speaking citizens do not pose a national security threat to them. Equally significant is the fact that the number of individuals with Hungarian ethnicity has been decreasing organically through natural causes and emigration, further diminishing the issue's relevance.

The goals of the Central and Eastern European states have been the same since the end of the Cold War. Initially, they were to achieve independence and a rapid democratic transition, later to join the Western alliance systems. Their aspirations remain broadly the same today: to catch up more and more rapidly with Western European living standards in a secure environment. However, it is challenging to achieve prosperity alone. The accession of the Central and Eastern European region to the European Union has removed all legal and physical limits to synergies from cooperation between these states. The legal framework for cooperation is provided by EU legislation, and the Three Seas Initiative (TSI), which has been in place for eight years as regional cooperation beyond the geographical limits of the Visegrad Cooperation, provides an excellent framework for overcoming physical barriers to development. With its focus on infrastructure and energy network development, digitalisation, and its potential to overcome physical obstacles, this initiative is vital to Hungary.

One of the big lessons of the Russia-Ukraine war is that the issue of energy security cannot be over-emphasised. A region unable to diversify its imports of raw materials becomes utterly vulnerable to their source. The one-way exposure is not without its dangers in peacetime but can pose a critical risk to national security in an unpeaceful era. Like

almost all TSI participants, Hungary was a member of the Eastern Bloc throughout the Cold War. This meant energy vulnerability to the Soviet Union. Although Hungary made a fatal attempt to change its political status by force in 1956, it was unsuccessful. Moreover, after the revolution was crushed, the permanent Soviet military presence made similar aspirations for freedom impossible. Although Hungary was primarily an agricultural state throughout its earlier history, as a people's republic, its government launched significant heavy industrial developments from the 1950s onwards, following five-year plans and socialist principles. As a result, urbanisation accelerated, creating new, heavily populated areas. This led to a massive demand for energy, which could not have been met by relying solely on internal resources. This applies as much to electricity as to crude oil and natural gas. The Soviet Union was the leading energy exporter to the Eastern Bloc; most of the crude oil and natural gas pipelines were built in an east-west direction. However, the installation of networked systems was not typical, mainly for reasons of military policy. The construction of north-south interconnections was contrary to the exporter's interests. Without them, the Central and Eastern European states could not have, even if they had wished, come to each other's aid if the transport supplying them were to be cut off.

In order to meet the growing demand for electricity in Hungary, a political decision was taken as early as the 1960s to build nuclear power plants in the town of Paks. The four reactors were completed by 1987. The Paks nuclear power plant still accounts for about fifty per cent of Hungary's energy production. In addition, new reactor units are under construction. As in other countries in the region, nuclear fuel is procured from the Russian Federation. However, the country's energy mix has changed in recent years, with an increasing share of electricity from renewable sources. This shift towards the growing importance of photovoltaic systems will continue in the future as technology develops and climate change increases. Besides nuclear fuel, Hungary is also

in need of crude oil and natural gas imports. Although the country has independent production of both raw materials, its volume is insufficient to meet the domestic demand. As a landlocked CEE country, crude oil and natural gas supplies are secured through pipelines. As with nuclear fuel, the source country for these pipelines is primarily the Russian Federation. Three pipelines are available for the transport of crude oil: The *Friendship II* oil pipeline (*Druzhba II*) from Ukraine, the recently renovated *Friendship I* oil pipeline (*Druzhba I*), also from Ukraine, through Slovakia, and the Adriatic oil pipeline (*Janaf*) linking the island of Krk in Croatia with Hungary. Construction of the latter began in 1974, and since 1989, it has been able to supply crude oil in the reverse direction, i.e. to Krk from Hungary. According to many, Moscow gave only consent to constructing this pipeline during the Cold War for the latter reason, seeing in it the potential to expand its own oil export to the territories of the former Yugoslavia. Today, this is no longer the case. It has become the only alternative source of crude oil for Hungary and Slovakia, which is not Russian-originated. However, using *Janaf* is far from the ideal solution for both countries since its capacity is less than that of the *Friendship* pipelines, while its operating costs are much higher.

Regarding natural gas supply, Hungary's one-way external exposure is minor, as the transport routes through the country are much more diversified than crude oil's. The country's 5 889 kilometres of high-pressure natural gas transmission pipelines have cross-border entry points from six neighbouring countries—Ukraine, Romania, Serbia, Croatia, Austria and Slovakia—providing access to foreign natural gas fields and remote LNG terminals. There are also several internal entry points scattered throughout the country. A significant development in natural gas supply over the past decade has been the interconnection of the Slovak and Hungarian networks. The new Hungarian-Slovak pipeline, with a total length of 111 kilometres, running north-south and capable of transporting natural gas in both directions, was inaugurated in 2015.

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Since the early 1990s, Hungary's leading regional focus has been on the Visegrad Group, a historical cooperation that has significantly influenced the country's political landscape. However, the intensity of V4 cooperation is highly volatile, often driven by the short-term interests of each country's political formations in power rather than long-term goals. The peak of Visegrad cooperation was between 2015 and 2019. Then, the four countries successfully opposed the mandatory immigration quota policy advocated by the European Commission. However, the V4 unity began to erode with the change of government in Slovakia in 2020, and the elections in Czechia in 2021 further reinforced this process. Many were already talking about Visegrad 2+2 instead of V4; pragmatically, this situation has not changed since then. Initially, the national policy of the Hungarian-Polish duo gradually diverged from the progressive line of the Czech-Slovak tandem. By the time a pro-V4 national government was back in power in Slovakia, a progressive turn had taken place in Poland, resulting in the Visegrad Cooperation being far from functioning optimally today. Moreover, the summer of 2024 saw a political exchange of blows between the Hungarian and Polish top leadership on a scale unprecedented in the last 30 years. Consequently, it does not seem realistic today to expect severe steps to be taken in the Visegrad framework in the coming years.

The present situation of the Three Seas Initiative is in stark contrast to that of the Visegrad Group. The first concrete step towards creating the project occurred in New York in 2015. Central and Eastern European presidents gathered on the occasion of the United Nations' seventieth General Assembly celebrations, met at the initiative of Poland and Croatia and agreed to establish the TSI and hold a summit in Dubrovnik next year. When the Initiative was launched in Croatia in 2016, Poland and Hungary enjoyed an impeccable relationship and saw each other as solid allies. There was a general enthusiasm for the TSI, but scepticism could also be felt. The project was seen by many, mainly but not exclusively in Western Europe, as a power-political tool by the Polish government to

try to create a potential counterweight to Brussels. This fear was reinforced by the presence of the President of the United States of America, Donald J. Trump, at the organisation's summit in Warsaw in 2017. The USA later even contributed financially to the TSI's Investment Fund. However, in the eight years since its creation, the Initiative has neither become an internal antipole of Brussels nor an absolute servant of US interests. It is clear that the TSI, as set out in the Joint Declarations, aims to significantly improve links between the eastern countries of the European Union, thereby boosting the CEE region's economy, building and developing north-south infrastructure, energy and transport networks and enriching transatlantic relations.

The ambitions of the Three Seas Initiative, as outlined at its inception, correlate strongly with Hungary's interests today. Digitalisation, road, rail and energy infrastructure development are all important objectives of the Hungarian government. As time passed, the initial scepticism about the Three Seas Initiative in Western Europe gradually faded, and the emergence of pragmatic projects replaced the theoretical side of cooperation. At the same time, the decline of the V4 has underscored the urgency for Hungary to increase the effectiveness of regional cooperation within the Three Seas Initiative framework.

By the time the Three Seas Initiative was launched, the United States was also changing, with a Republican administration in the lead. The US has been a significant supporter of the TSI from its beginning, sending a clear message to both Western Europe and the Russian Federation. Although the critics of the TSI tend to argue primarily with the *Intermarium* concept's imperial dreams and its Polish-centricity, the roots of the TSI's origins lie in the United States. The idea for the Initiative can be traced back to a 2014 study by the Atlantic Council. From the start, the high-level US presence in the TSI is no coincidence but a result of long-term strategic planning. The priority of the Trump and the subsequent Biden administrations has been to sell US liquefied natural gas (LNG) to Europe. However, the Russian Federation dom-

inated the European gas market when the TSI was launched. The thinking in Washington at the time was that if the north-south natural gas pipeline network between Lithuania and Croatia with the appropriate regional ramifications were established, the biggest winner would be US liquefied natural gas exports, which could supply a significant part of the Old Continent with LNG through the northern and southern entry points. At the time, all the signs were that Germany and Russia could bypass the entire Central and Eastern European region with the *North Stream I* and *North Stream II* pipelines, physically linking the Russian natural gas fields to German industry.

The first Orbán government, in power from 1998 to 2002, had a strained relationship with Moscow. When Orbán's party, Fidesz, was in opposition for eight years, it heavily criticised the socialist-liberal cabinet for its pro-Russian stance. During the 2002-2010 rule of the MSZP-SZDSZ coalition, many large Hungarian companies, including Mol and the then-operating Malév, came under partial or total Russian ownership. In 2010, after eight years in opposition, Viktor Orbán was re-elected as prime minister with a constitutional majority in the parliamentary elections. He aimed to regain control of strategic Hungarian companies. This goal is still relevant today. Over the years, Orbán's stance toward Moscow shifted to a more pragmatic tone of cooperation from the previous principled anti-Russian stance. Despite a challenging economic situation in the early 2010s following the global economic and financial crisis, Hungary managed to buy back and re-nationalize formerly privatised properties, including majority stakes in the mentioned companies. Additionally, Hungary bought out E.ON from its Hungarian gas business in 2013. This preceded the 2014 parliamentary elections, where Viktor Orbán's party's central campaign promised to ensure low energy prices for the population. Fidesz won the elections and secured a constitutional majority once again. Since 2022, the electricity business of E.ON has also been in Hungarian hands.

In 2016, when the Three Seas Initiative was launched, Budapest's relations with Moscow were

excellent again. On top of that, they were involved in a joint megaproject, the extension of the Paks Nuclear Power Plant. In addition, Russia provided a loan to Hungary to finance the construction. Therefore, Budapest was much more interested in maintaining good relations and continuing to import relatively cheap Russian natural gas than moving away from Moscow and purchasing expensive LNG from the US. Germany, Europe's economic powerhouse, did the same; even after Russia annexed Crimea in 2014, Berlin opted to buy Russian natural gas.

However, the Russian-Ukrainian war in 2022 changed everything. The destruction of the northern gas pipeline network under unclear circumstances during the war significantly valorised the TSI region regarding energy security. By the same year, the US achieved its LNG sales targets, becoming the largest exporter of natural gas to Europe. However, Hungary's reliance on Russian oil is even more significant than on Russian natural gas. The only possible substitute for the Friendship Pipelines is the Adriatic Pipeline (Janaf). However, its capacity is smaller than that of Friendship, and the transport fees charged by the Croats are several times higher than those from Russia via Ukraine (and Slovakia). Therefore, constructing new, more efficient oil pipeline networks is not just a priority but an urgent necessity for Hungary. At the same time, the cooperation between Hungary and Slovakia in interconnecting their networks is exemplary. Over the past ten years, the two countries have modernised the Friendship I oil pipeline, and a completely new natural gas pipeline link was also put into service between them.

Although the Three Seas Initiative is often perceived as a presidential club, it's important to note that the Republic's presidential power is primarily representative in most Central and Eastern European countries, including Hungary. This means the President's role is more symbolic and diplomatic, not decision-maker. It can lead to a problematic situation when the president and the government are not from the same political family, and the head of state makes an interna-

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tional commitment that he cannot rally a majority of his country's parliament behind. In the case of Hungary, this problem has not arisen so far, as since 2010, the president and the head of government have been on the same political side, and their foreign policy actions are coordinated. Although Hungary has been criticised in the years following the launch of the TSI for not taking its involvement seriously, this is not the case. In the period since the TSI's inception, Hungary has had three Presidents of the Republic: János Áder, Katalin Novák and Tamás Sulyok. The Hungarian president attended seven of the nine summits between 2016 and 2024. Only on two occasions was the President absent, in both cases, János Áder: in 2018, his participation in the Bucharest summit was cancelled due to an airport accident involving a Hungarian Air Force aircraft, and he was therefore represented at the ambassadorial level. One year later, in 2019, Péter Szijjártó, Minister of Foreign Affairs and Trade, attended the summit in Ljubljana instead of the Head of State. However, the latter's message cannot be seen as unfavourable, as he has been responsible for the country's foreign policy in both political and economic dimensions. Declaring Hungarian unity and commitment, the President and the Foreign Ministry were represented at Tallinn's hybrid (online, offline) summit in 2020. Hungary's financial commitment to the TSI, contributing €20 million to its Investment Fund, is a significant demonstration of its support for the Initiative's goals. This contribution will help fund projects to enhance economic and energy cooperation among the member states. Hungary also supports the establishment of the TSI Secretariat and is willing to provide its headquarters in Budapest. The Hungarian capital will also host the TSI 2025 Summit. Hungary is expected to propose the inclusion of the Western Balkan countries in the initiative. At the Vilnius Summit, President Tamás Sulyok reiterated that the further development of economic and diplomatic relations based on mutual respect and the linking of Central and Eastern European countries is of the utmost importance for Hungary.

The 2024 status report of the Three Seas Initiative reveals a total of 143 interconnection projects valued at a staggering €111 billion. Hungary secures the second position in the list of participating countries with 17 proposed projects, only behind Croatia with 33. It is noteworthy that all projects proposed by Hungary are classified as priority. Two projects related to Hungary have reached completion. The *Rail Freight Corridor Amber*, a collaboration involving six companies managing railway infrastructure in Slovenia, Hungary, Slovakia, and Poland, stands as one of them. This project aims to significantly enhance the quality and efficiency of international rail services by jointly managing and developing their region's rail freight corridor. The project budget amounted to €461.3 thousand. The other completed project, *Fairway*, boasts a total budget of €21.72 million and involves Hungary, Austria, Bulgaria, Croatia, Romania, and Slovakia. Fairway aims to improve the safety, efficiency, and environmental performance of inland waterway transport, as well as to develop coordinated action plans for the implementation of the Master Plan for the restoration and maintenance of the Danube and its navigable tributaries, developed as part of the EU Strategy for the Danube Region.

Hungary is prioritising increased energy connectivity through several key projects. These include extending the pipeline network between Croatia and Hungary to Slovenia at a cost of €577 million and the construction of a gas pipeline linking Slovenia to Hungary, with an investment of €84.5 million. Additionally, projects involve expanding the gas pipeline network between Hungary and Slovakia and building a gas turbine power plant in the Mátra power plant. Of particular significance is the plan to establish a hydrogen research centre and subsequently create a hydrogen production company in Hungary. Hydrogen is poised to become a major renewable energy source in the future, alongside nuclear and solar energy.

According to the Three Seas Initiative's official website data, Hungary has been involved in a total of 35 active projects, 17 as the proposing country. These projects are diverse, spanning various sec-

tors, with 14 in transport, 13 in energy, seven in digital, and one in both energy and digital. All but one of the Hungary-proposed projects were registered in 2020. As of mid-August 2024, two of the 35 projects have been successfully completed,

seven are making significant progress, and three are active. The remaining 23 projects are in the registration phase, with 13 extending beyond Hungary’s borders.

No.	Project	Proposing Country	Participating Countries	Status	Type	Year Registered
1	500 MW CCGT Power Plant to replace the Marta Power Plant	Hungary	Hungary	Registered	Energy	2020
2	Adaption of GSM-R towers to 5G	Hungary	Hungary	Registered	Digital	2020
3	Amber Rail Freight Corridor	Poland	Poland, Hungary, Slovakia, Slovenia	Completed	Transport	2018
4	BRUA	Romania	Austria, Bulgaria, Hungary, Romania	Substantial Progress	Energy	2018
5	Bosiljevo-Sisak-Kozarac-Slobodnica Gas Pipeline	Croatia	Croatia, Hungary, Slovenia	Registered	Energy	2023
6	Construction of A5 Motorway	Croatia	Croatia, Hungary	Substantial Progress	Transport	2018

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7	Construction of a 2nd track between Sopron and Győr, Phase 0	Hungary	Hungary	Registered	Transport	2020
8	Construction of a new road bridge over the Tisza in the Záhony area	Hungary	Hungary, Romania, Slovakia	Registered	Transport	2020
9	Construction of the 2nd railway track between Koper and Divača	Slovenia	Austria, Czechia, Poland, Hungary, Slovakia, Slovenia	Substantial Progress	Transport	2018
10	Construction of the Zalaszentiván (HU) triangle track	Hungary	Hungary	Registered	Transport	2020
11	Development of 130-260 MW PV solar power plant	Hungary	Hungary	Registered	Energy	2020
12	Development of Cross-Border Network of Data Centres	Latvia	Austria, Czechia, Bulgaria, Lithuania, Poland, Croatia, Estonia, Hungary, Romania, Slovakia, Slovenia	Registered	Digital	2020
13	Development of Cross-Border Optical Fibre Network	Latvia	Austria, Czechia, Bulgaria, Lithuania, Poland, Croatia, Estonia, Hungary, Romania, Slovakia, Slovenia	Registered	Digital	2020
14	Development of High-Performance Computing (HPC) infrastructure, establishment and operation of HPC ecosystem in the CEE-n region	Hungary	Austria, Czechia, Poland, Hungary, Slovakia, Slovenia	Registered	Digital	2020
15	Development of intelligent electricity networks	Hungary	Hungary	Registered	Energy	2020

16	Digital Platform on monitoring hydrographic bases in the 3SI region	Romania	Austria, Czechia, Latvia, Bulgaria, Lithuania, Poland, Croatia, Estonia, Hungary, Slovakia, Slovenia	Substantial Progress	Digital	2018
17	Eastring	Slovakia	Slovakia, Bulgaria, Hungary, Romania	Registered	Energy	2018
18	Extraction of unconventional gas	Hungary	Austria, Hungary, Romania, Slovakia	Registered	Energy	2020
19	FAIRway Danube	Romania	Austria, Bulgaria, Croatia, Hungary, Romania, Slovakia	Completed	Transport	2018
20	HU-SI gas interconnector	Hungary, Slovenia	Hungary, Slovenia	Activity Reported	Energy	2018
21	HUSIIT	Hungary, Slovenia	Hungary, Slovenia	Registered	Energy	2020
22	InoBat	Slovakia	Czechia, Hungary, Slovakia	Registered	Energy	2021
23	Interoperability solutions for a digitized and sustainable energy sector in the 3SI area in the field of energy storage	Romania	Austria, Czechia, Bulgaria, Poland, Croatia, Hungary, Slovakia	Activity Reported	Digital Energy	2018
24	Launching a Hungarian-American pilot project in Hungary	Hungary	Hungary	Registered	Energy	2020
25	North-South Gas Corridor – Expansion of existing capacity between Hungary and Slovakia	Hungary	Austria, Czechia, Poland, Croatia, Hungary, Romania, Slovakia	Registered	Energy	2020

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26	Preparation of the electrification on Zalaszentiván – Nagykanizsa railway line (HU)	Hungary	Hungary	Registered	Transport	2020
27	ROHU – Second Phase	Hungary	Austria, Hungary, Romania, Slovakia, Slovenia	Registered	Energy	2020
28	Rail-2-Sea	Romania	Poland, Hungary, Romania, Slovakia	Substantial Progress	Transport	2018
29	Reconstruction and capacity improvement of traction substations in Hungary	Hungary	Hungary	Registered	Transport	2020
30	The 3 Seas Digital Highway	Poland	Austria, Czechia, Latvia, Bulgaria, Lithuania, Poland, Croatia, Estonia, Hungary, Romania, Slovakia, Slovenia	Registered	Digital	2018
31	Transportation stock exchange in the 3SI region	Romania	Austria, Czechia, Latvia, Bulgaria, Lithuania, Poland, Croatia, Estonia, Hungary, Slovakia, Slovenia	Substantial Progress	Digital	2018
32	Upgrade the railway link between the inland Freeport of Budapest and the core network corridor	Hungary	Hungary	Registered	Transport	2020
33	Via Carpatia	Poland	Bulgaria, Lithuania, Poland, Croatia, Greece, Hungary, Romania, Slovakia	Activity Reported	Transport	2018
34	Via Carpatia	Romania	Bulgaria, Lithuania, Poland, Greece, Hungary, Romania, Slovakia	Substantial Progress	Transport	2020

35	Via Carpatia R4 Expressway	Slovakia	Poland, Hungary, Slovakia	Registered	Transport	2021
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Three Seas Initiative - Projects

The table shows that Hungary has been very active in planning since 2020. However, it is essential to allocate resources to implementation in the near future. If all of the currently accepted projects are completed, this will significantly contribute to Hungary's even more intensive integration into the region's transport, digital, and energy circuits.

Visegrad Group, its increasing activity in the TSI is a positive development for the whole region. The rapidly changing security environment is driving Hungary to enhance its energy security. As an excellent facilitator, the TSI plays a crucial role in this lengthy and costly process, creating joint projects that bring optimism about the future among the region's stakeholders. ■

CONCLUSION

Hungary's involvement in the Three Seas Initiative since its inception is a clear sign of its commitment to regional cooperation. While the country's main regional focus remains on the



LATVIA

Latvia's Three Seas Initiative: A Blueprint for Regional Integration and Economic Transformation

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The geopolitical landscape of Central and Eastern Europe has undergone significant transformation since the end of the Cold War, with regional cooperation initiatives emerging as crucial tools for economic development and security enhancement. Among these, the Three Seas Initiative (3SI) stands out as a particularly significant platform for addressing historical infrastructure gaps and promoting regional connectivity.⁴⁶ As emerging global challenges reshape international relations and economic patterns, the success of such regional cooperation frameworks becomes increasingly vital for ensuring stability and prosperity in Europe's eastern flank. Latvia, positioned at the northern edge of the 3SI region, offers an illustrative case study of how smaller nations can leverage regional initiatives to advance both national and collective interests.⁴⁷

This paper examines Latvia's engagement with the Three Seas Initiative, analyzing its strategic approach across multiple dimensions: economic development, infrastructure connectivity, energy security, and digital transformation. By exploring Latvia's experience, this analysis provides valuable insights into the opportunities and challenges facing similar-sized nations in their pursuit of regional integration and economic modernization. The examination is particularly timely given the current geopolitical tensions with Russia, evolving energy security concerns, and the pressing need for digital and infrastructure modernization in Central and Eastern Europe.⁴⁸ Through a detailed analysis of Latvia's strategic objectives, implemented projects, and future aspirations within the 3SI framework, this paper contributes to the broader understanding of how regional

cooperation initiatives can serve as catalysts for national development while strengthening collective resilience.

LATVIA'S ROADMAP FOR GROWTH AND INTEGRATION IN THE THREE SEAS INITIATIVE

Latvia's economic strategy within the Three Seas Initiative (3SI) is centered on infrastructure development, economic transformation, investment, and sustainability to enhance its role in regional growth and integration. As a founding member and consistent contributor to the initiative, Latvia has shown a clear commitment to fostering connectivity, security, and resilience among member states—a stance reflected in its strategic projects and investment priorities within the 3SI framework.⁴⁹

A cornerstone of Latvia's 3SI economic strategy is the advancement of transport, energy, and digital infrastructure to promote connectivity across the EU's north-south axis. Key projects include Rail Baltica and Via Baltica, which form a critical part of Latvia's approach to enhancing regional trade and investment. Rail Baltica, a high-speed rail network connecting the Baltic states with Central and Western Europe, represents an ambitious infrastructure initiative designed to streamline transportation, reduce travel times, and facilitate the movement of goods. This project, funded with substantial EU support, has received approximately €5.8 billion in EU and national fund-

46 Latvia's Perspective on the Three Seas Initiative. [Friedrich Naumann Foundation for Freedom](<https://www.freiheit.org/central-europe-and-baltic-states/latvias-perspective-three-seas-initiative>).

47 Greater Regional Investment and Security Cooperation: Latvian Priorities for the Three Seas Initiative. [Warsaw Institute](<https://warsawinstitute.org/greater-regional-investment-and-security-cooperation-latvian-priorities-for-the-three-seas-initiative/>).

48 Riga Summit 2022. [Three Seas Initiative](<https://3seas.eu/about/past-summits/riga-summit-2022>).

49 The Three Seas Initiative and Latvia: An Attempt to Split Europe or to Complement It? [Latvian Institute of International Affairs](<https://asia.liia.lv/en/analysis/the-three-seas-initiative-and-latvia-an-attempt-to-split-europe-or-to-complement-it/>).

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ing to date⁵⁰ and €1.2 billion awarded from the Connecting Europe Facility (CEF) in July 2024⁵¹, demonstrating the commitment of Latvia and its partners to secure seamless north-south connectivity. Rail Baltica is expected to not only boost Latvia's economic integration but also position it as a logistics hub within the 3SI region, enhancing access to European markets, reducing logistical costs for businesses, and generating jobs for the local workforce.

Complementing Rail Baltica, upgrades to the Via Baltica road network aim to create a seamless north-south transport corridor. These improvements are designed to support cross-border mobility, attract foreign investment, and strengthen Latvia's position as a central link between the Baltic region and the wider European economy.⁵² Furthermore, fostering partnerships with neighboring countries within the 3SI framework can enhance cross-border infrastructure initiatives and create a unified approach to regional development. Together, these infrastructure projects contribute significantly to Latvia's strategic vision of regional economic cohesion, enhancing its appeal to investors and facilitating more robust trade flows.

Aligned with the goals of the 3SI, Latvia's economic strategy also involves a shift towards innovation-driven growth, guided by its Smart Specialization Strategy (RIS3). This strategy focuses on increasing Latvia's competitive advantage by

channeling public R&D investments into areas with high growth potential.⁵³ By concentrating resources on sectors like biomedicine, smart materials, and information and communication technologies (ICT), Latvia aims to build domestic capabilities that can stimulate sustainable economic growth. This effort has led to a notable increase in foreign direct investment (FDI) in Latvia's ICT sector, which saw an 18% growth in 2022,⁵⁴ marking it as one of the fastest-growing sectors in the country.

An essential component of this transformation is the restructuring of Latvia's export base, promoting high-value-added products and services that drive productivity and innovation. Through RIS3, Latvia is committed to inducing growth in traditional sectors while fostering the development of advanced industries.⁵⁵ In addition, developing a robust innovation ecosystem and enhancing the digital economy will be crucial for Latvia to remain competitive within the 3SI region. By shifting its focus towards advanced industries, Latvia is positioning itself as a knowledge-driven economy, reducing reliance on low-value exports and enhancing its global competitiveness. As a result, exports in high-tech and knowledge-based sectors have grown, with high-tech product exports reaching €2.1 billion in 2023, representing a 14% increase compared to the previous year.⁵⁶

Digital development is another critical pillar of Latvia's involvement in the 3SI, serving both eco-

50 [Geopolitical necessity: Rail Baltica receives more EU funding](<https://www.railbaltica.org/geopolitical-necessity-rail-baltica-receives-more-eu-funding/>)

51 Low-speed rail delays implementation of Rail Baltica project](<https://www.osw.waw.pl/en/publikacje/osw-commentary/2024-08-16/low-speed-rail-delays-implementation-rail-baltica-project>)

52 Ministry of Transport unveils first stage scenario for Rail Baltica in Latvia](<https://www.railfreight.com/infrastructure/2024/10/29/financial-strain-may-limit-rail-baltica-to-a-single-track-only/>)

53 Saeima committee doubts Rail Baltica project viability, risk of losing EU funding is real](<https://bnn-news.com/saeima-committee-doubts-rail-baltica-project-viability-risk-of-losing-eu-funding-is-real-260552>)

54 Low-speed rail delays implementation of Rail Baltica project](<https://www.osw.waw.pl/en/publikacje/osw-commentary/2024-08-16/low-speed-rail-delays-implementation-rail-baltica-project>)

55 Saeima committee doubts Rail Baltica project viability, risk of losing EU funding is real](<https://bnn-news.com/saeima-committee-doubts-rail-baltica-project-viability-risk-of-losing-eu-funding-is-real-260552>)

56 [Geopolitical necessity: Rail Baltica receives more EU funding](<https://www.railbaltica.org/geopolitical-necessity-rail-baltica-receives-more-eu-funding/>)

conomic and security interests. Latvia's participation in the "Three Seas Digital Highway," a project aimed at establishing a north-south digital corridor, underscores its commitment to enhancing digital infrastructure to support secure data flows and connectivity across the region.⁵⁷ Latvia's dedication to developing a strong digital foundation, including 5G infrastructure, not only enhances digital competitiveness but also promotes innovation within the technology sector.

NATIONAL SECURITY THROUGH THE THREE SEAS INITIATIVE (3SI)

Latvia's approach to the 3SI places a strong emphasis on energy security, reflecting its priority to reduce reliance on Russian energy sources. Given Latvia's geographical proximity to Russia and historical dependency on its energy, diversifying energy sources has become not only an economic objective but also a critical security imperative for Latvia. A key element in this strategy is the Baltic Synchronization Project, which aims to synchronize the electricity grids of the Baltic states with the Continental European Network. By decoupling from the Russian-controlled grid, Latvia not only advances its energy independence but also bolsters its national security—a crucial move amidst current geopolitical tensions with Russia.

Beyond electricity grid synchronization, Latvia has explored options for developing a Liquefied Natural Gas (LNG) terminal, which would further diversify its energy sources and allow imports from a variety of non-Russian suppliers.⁵⁸ Since 2019, Latvia has also participated in EU-funded energy projects like

the Balticconnector, which linked Finnish and Estonian gas grids, providing Latvia indirect access to further diversified gas supplies. The success of this project has directly contributed to reducing regional reliance on Russian gas, with Baltic states reducing Russian gas imports by 88% in 2023.⁵⁹ While Latvia does not directly participate in the Gas Interconnection Poland-Lithuania (GIPL), this project enhances Latvia's energy security by connecting the Baltic gas networks to the broader European Union, further reducing dependency on Russian gas.

Through active participation in the 3SI, Latvia enhances its geopolitical positioning and influence within the EU. The initiative provides a platform for coalition-building with other member states on issues like regional security and infrastructure development. Latvia's growing partnership with the United States within the 3SI framework underscores this focus on security, with direct U.S. investment contributing to several key infrastructure projects. As a 3SI host and an advocate for greater EU and transatlantic engagement, Latvia strengthens its standing within European and international decision-making bodies. The 3SI's push for stronger collaboration with Western partners, particularly the United States, aligns with Latvia's strategic goals of reinforcing alliances to counterbalance Russian influence. By endorsing the 3SI investment fund, Latvia supports the financing of projects that contribute to regional security and economic resilience, positioning itself as a steadfast partner in initiatives aimed at stabilizing and advancing the broader region.

57 Ministry of Transport unveils first stage scenario for Rail Baltica in Latvia](<https://www.railfreight.com/infrastructure/2024/10/29/financial-strain-may-limit-rail-baltica-to-a-single-track-only/>)

58 LNG Terminal Development](<https://enercee.net/countries/latvia/energy-policy/>)

59 [Balticconnector Participation and GIPL Benefits](<https://www.mk.gov.lv/en/article/latvia-invest-eur-1344-million-energy-security-and-biomethane-production>)

LOOKING FORWARD: RECOMMENDATIONS FOR LATVIA WITHIN THE 3SI FRAMEWORK

Latvia's trajectory within the 3SI framework presents compelling opportunities for economic transformation and regional integration. The completion of major infrastructure projects, particularly Rail Baltica and the Three Seas Digital Highway, is expected to generate substantial economic benefits. Conservative estimates suggest these developments could contribute to annual GDP growth of 1.5-2% through enhanced trade connectivity alone, factoring in both infrastructure benefits of 0.5-1% and projected growth in the ICT sector.⁶⁰ More significantly, these projects will fundamentally reshape Latvia's economic landscape, strengthening its position as a key transit hub between Northern and Central Europe.⁶¹

The emphasis on digital transformation and innovation positions Latvia for significant technological advancement. The ICT sector is projected to grow by 20-25% over the next five years, establishing Latvia as a regional center for digital innovation and fintech.⁶² This digital evolution will likely attract international technology companies and startups, creating new markets and opportunities within the digital service sector. Energy security and sustainability initiatives are expected to yield transformative results. Through coordinated regional cooperation, Latvia is on track to achieve complete independence from Russian energy sources by 2027. This transition will be supported by a projected 40% increase in renewable energy capacity, enabled by regional cooperation and investment in smart grid systems. These developments will not only enhance energy security but also create new energy trading opportunities within the 3SI region.

RECOMMENDATIONS

ENERGY SECURITY AND SUSTAINABILITY

Latvia should prioritize achieving energy independence by accelerating the Baltic Synchronization Project to disengage from Russian-controlled grids. This can be supported by expanding LNG terminal development and increasing investment in renewable energy projects, particularly through collaborative initiatives with other 3SI members. To foster sustainable growth and long-term energy security, Latvia should create targeted incentives to encourage private sector engagement in energy infrastructure modernization.

DIGITAL TRANSFORMATION AND INNOVATION

Rapid advancement in digital infrastructure is crucial. Latvia should fast-track the implementation of the Three Seas Digital Highway while simultaneously expanding 5G infrastructure along critical economic corridors. Establishing specialized technology zones will attract international technology companies, boosting innovation and economic growth. To secure these advancements, Latvia must strengthen cybersecurity collaboration with other 3SI nations and introduce comprehensive digital skills programs to support the ICT sector's expansion.

60 Latvia's Recovery and Resilience Plan](https://commission.europa.eu/business-economy-euro/economic-recovery/recovery-and-resilience-facility/country-pages/latvias-recovery-and-resilience-plan_en)

61 Digital Latvia Overview](<https://www.digitallatvia.lv/about-us/>)

62 Going Digital in Latvia](https://www.oecd-ilibrary.org/science-and-technology/going-digital-in-latvia_8eec1828-en)

TRANSPORT INFRASTRUCTURE MODERNIZATION

Modernizing Latvia's transport network is vital for regional integration and enhanced trade flows. Latvia should prioritize completing Rail Baltica to ensure seamless north-south connectivity. Concurrent upgrades to Via Baltica will further support trade. Establishing multimodal transport hubs and smart logistics systems will enhance efficiency, while public-private partnerships will provide sustainable support for infrastructure maintenance and future developments.

INVESTMENT ATTRACTION AND ECONOMIC GROWTH

To boost foreign direct investment (FDI) and foster economic growth, Latvia should expand its role in the 3SI Investment Fund and develop a streamlined regulatory framework for cross-border projects. Specialized investment programs focused on high-tech and green technologies will help align Latvia's goals with 3SI priorities, while further collaboration on joint investment initiatives with other member states will attract investment in key sectors.

REGIONAL SECURITY AND RESILIENCE

Latvia should enhance its partnerships with the United States and EU allies to bolster regional security. Joint initiatives on cybersecurity and critical infrastructure protection with 3SI members will help mitigate emerging threats. Additionally, Latvia should develop coordinated response mechanisms for hybrid threats and improve intelligence sharing on infrastructure security, ensuring resilience and regional stability.

CONCLUSIONS

Latvia's engagement with the Three Seas Initiative represents a sophisticated approach to addressing multiple strategic imperatives: regional integration, economic modernization, and national security enhancement. As demonstrated throughout this analysis, Latvia has leveraged its position within the 3SI to advance critical infrastructure projects like Rail Baltica and the Baltic Synchronization Project, while simultaneously strengthening its geopolitical standing through enhanced partnerships with both regional allies and transatlantic partners.

The country's strategic approach to the 3SI extends beyond mere infrastructure development, encompassing a comprehensive vision for economic transformation. Latvia's focus on digital innovation, exemplified by its participation in the Three Seas Digital Highway and commitment to developing advanced ICT capabilities, positions it as an emerging hub for technological advancement in the region. This digital transformation, coupled with significant investments in sustainable energy infrastructure and transport connectivity, demonstrates Latvia's commitment to building a resilient, future-oriented economy.

Furthermore, Latvia's hosting of the 2022 3SI Summit in Riga and its investment in the initiative's fund underscore its evolution from participant to strategic stakeholder in regional development. These actions reflect a deep understanding of the initiative's potential to address historical infrastructure gaps while building collective resilience against contemporary challenges, particularly in the context of energy security and reducing dependency on Russian resources.

Looking ahead, Latvia's experience within the 3SI framework offers valuable insights for similar-sized nations seeking to leverage regional cooperation for national development. The success of Latvia's approach—balancing economic modernization with security considerations, while maintaining strong transatlantic partnerships—provides a compelling model for effective

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regional integration. As the Three Seas Initiative continues to evolve, Latvia's strategic engagement suggests that smaller nations can play pivotal roles in shaping regional development while advancing their national interests.

The convergence of Latvia's national objectives with the broader goals of the 3SI demonstrates how regional cooperation initiatives can serve as effective platforms for addressing both individual and collective challenges in an increasingly

complex geopolitical environment. As Central and Eastern Europe continue to face evolving security challenges and economic opportunities, Latvia's strategic approach to the 3SI positions it well to contribute to and benefit from enhanced regional integration, economic resilience, and collective security. ■



Lithuania and the Three Seas Initiative

Matija Horvat, member of the Executive Board of the Croatian think tank Centre for Public Policy and Economic Analysis (CEA)

INTRODUCTION

The Republic of **Lithuania** is a member of the **Three Seas Initiative (3SI)** from the outset of this partnership. It is also a member of the EU, NATO, and OECD, and participates in the Nordic-Baltic Eight (NB8), regional cooperation format, as well as in the organization of Bucharest Nine (B9). From the beginning of the 21st century (and in the 1990s or even before) Lithuania (like other Baltic states or CEE states in general) is aware of all the challenges related to Russian imperialism.

Because of the looming Russian threat, their foreign and security policy remains dedicated to pro-Western values, associations, or alliances. Like all Baltic and (almost all) CEE states, Lithuania is also a staunch advocate for Ukraine in its (and our) fight against Russia and in other matters (like Ukraine's accession to all Western associations, partnerships, or alliances).

Regarding Russian aggression and security through 3SI, current Prime Minister of Lithuania Ingrida Šimonytė underlined the following: "To expect that the aggressor's imperialistic ambitions

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stop in Ukraine is naive, irrational, wishful, short sighted and unforgivable. [...] **Security is not everything, but without it, there is not much else...**⁶³

Lithuania is a good example of a small state that has transformed from a post-soviet republic to an active political player in the regions of East Central and Northern Europe. This proud Baltic State has gone **from initial skepticism to current readiness** to assume leadership in 3SI. Accordingly, Lithuania has increased its participation in the 3SI intensively, especially over the last four years.⁶⁴ It takes the view that the **3SI must be in a close relationship with the EU and NATO policies**. The main Lithuanian priorities in the Three Seas Initiative are energy and transportation development projects, especially **new railway and highway networks**. These projects will deepen Lithuania's integration with the EU, opening new possibilities for cooperation also with Ukraine, bypassing Belarus and Russia.

LITHUANIAN POLICY TOWARD THE 3SI

It is important to emphasize that during 2024 Lithuania - like many other countries - is going through the so-called *super-election year*. Presidential elections were held in May and the outgoing **Head of State, Gitanas Nausėda, was re-elected** with 75.29% of the vote. The Lithuanian people again voted in the European elections in June, where center-right Homeland Union – Lithuanian Christian Democrats (TS – LKD), won most of the votes (approx. 21.3%).

However, in parliamentary elections in October 2024 the oppositional, center-left, Social Democratic Party of Lithuania (LSDP) took the leading place (in 1st round of election) with approximately 20% of the votes. During the second round of voting for the new parliament the Social – Democrats won 52 seats (19.32%) in Parliament (*Seimas*) and will form a coalition with “For Lithuania”, plus “The Farmers” and “Greens” Union.⁶⁵

There is a potential danger in the alignment of the new populist party Nemunas Dawn (*Nemuno aušra*), but all parties agreed to make *cordon sanitaire* against them. The Social Democrats have ruled out going into government with Nemunas Dawn, led by a former MP, Remigijus Zemaitytis, who resigned last year over allegedly antisemitic comments and is on trial on charges of inciting hatred, which he denies.⁶⁶

Despite the expected change in government, **no major foreign policy changes are anticipated**.⁶⁷ Accordingly, it is unlikely to affect Lithuania's position as one of the most vocal critics of Russia's aggression in Ukraine. Parties generally agree that the country needs to increase defense spending, currently at 3.2% of GDP, to prevent Moscow from potentially challenging NATO borders.⁶⁸

Although President of the Republic Nausėda and (until October 2024 ruling) conservative TS – LKD party had its domestic disagreements they see 3SI in a similar affirmative way. For example, president Nausėda emphasized that the 3SI is a strategic tool that contributes to the strengthening of relations between the states of the region and the United States, as well as to regional and

63 <https://www.investmentmonitor.ai/features/the-three-seas-initiative-calls-for-cooperation-and-security-in-central-and-eastern-europe-but-can-it-deliver/?cf-view>

64 The Three Seas Initiative, An original concept of regional cooperation in different approaches Institute, ed. Agnieszka Orzelska-Stączek, 2024.

65 <https://www.reuters.com/world/europe/lithuania-opposition-seeks-cement-election-win-run-off-votes-2024-10-27/>

66 <https://www.theguardian.com/world/2024/oct/28/lithuania-social-democratic-party-election-winner-bolster-defence-russia-threat>

67 <https://www.france24.com/en/live-news/20241013-centre-left-set-to-win-as-pro-ukraine-lithuania-votes>

68 <https://www.bnnbloomberg.ca/business/politics/2024/10/14/income-gap-concerns-drive-opposition-win-in-lithuanian-election/>

national security. He considers 3SI as a unique tool and sees this platform in **strengthening the region's soft power through the development of infrastructure and technology**.⁶⁹

Minister of Foreign Affairs of Lithuania, **Gabrielius Landsbergis** also pointed out the following: “As one of the goals of the Three Seas Initiative is to **strengthen** not only the positions of member states within the European Union but also **bilateral relations between participating countries**, we believe that the Three Seas Initiative can further contribute to the strengthening of their positions at the European Council level.”⁷⁰

Members of the Lithuanian Parliament, e.g. Laurynas Kasčiūnas - chairman of the National Security and Defense Committee - also stressed that 3SI is more an economic project and the main idea is to **strengthen the north-south direction** in the infrastructural sense, and by strengthening this direction **to reduce the divide within the European Union between the west and the east**, so that the economy and infrastructure of the countries of this region are equal to those in Western Europe.⁷¹

THE VILNIUS SUMMIT

Lithuania chaired the Three Seas Initiative (3SI) and organized the 3SI Summit, as well as the 3SI Business Forum in Vilnius, in April 2024. This was the ninth 3SI Summit and the sixth business forum. Lithuania addressed key issues of the 3SI. The fundamental goal of the 3SI remains bold – **to enhance regional cooperation on infrastructure and connectivity for a resilient Europe and a stronger transatlantic partnership**.

In the context of Russia's war of aggression against Ukraine, the participants, including many internationally renowned experts, discussed the significance of helping Ukraine to defend itself and **the necessity of continuing to support it with all means until victory**. The 3SI reaffirmed its unwavering support for Ukraine, its sovereignty and **territorial integrity**.⁷²

One of the pillars of the 3SI is the **development of digital connectivity in Central and Eastern Europe**. Thus, Lithuania has proposed the establishment of a 3SI **Cyber Security Platform**. The participants agreed that this is the time for effective cooperation among all the services and institutions working with cybersecurity platforms in the Three Seas region, and cybersecurity is more than just a fight against disinformation - it is also essential in building resilient supply chains and protecting our markets.⁷³

Among other things, the participants of the annual Business Forum discussed the long-term goals of the 3SI, with a special focus on **energy security and climate change, neutral economy development, transport improvement, consolidation of transatlantic cooperation**, and **support to the integration** of the associated EU Member States, in particular, **Ukraine and Moldova**.⁷⁴

CURRENT PROJECTS:

Priority project updates are made annually and presented during the 3SI Summits. Currently, Lithuania participates in 11 projects in 3SI:

1. Gas Interconnector Republic of Poland-Republic of Lithuania (GIPL) [completed]

69 <https://lrp.lt/en/media-center/news/the-president-stressed-the-importance-of-transatlantic-cooperation-for-the-three-seas-initiative/36289>

70 <https://mvep.gov.hr/press-22794/croatia-confirms-commitment-to-3si-goals-assumes-presidency-in-2026/272178>

71 https://www.lrs.lt/sip/portal.show?p_r=35403&p_k=2&p_t=285326&p6=28

72 <https://www.3seas.eu/about/past-summits/vilnius-summit-2024>

73 <https://3seas.eu/media/news/the-future-of-cybersecurity-and-the-three-seas-initiative-ultimately-it-all-boils-down-to-trust>

74 <https://3seas.eu/media/news/special-focus-on-lithuania-vilnius-will-host-the-three-seas-initiative-business-forum-on-11-april>

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2. Integration and synchronization of the Baltic States' electricity system with the European networks
3. Connection of offshore wind farm to the electricity transmission grid of Lithuania
4. **Rail Baltica**
5. **Via Baltica**
6. Purchase of the FSRU INDEPENDENCE (Klaipėda LNG terminal)
7. 5G Cross-Border Transport Corridors for Connected and Automated Mobility CAM in Baltics
8. Installation of electricity storage facilities (200 MW) (completed)
9. Development of serial production of M3 class electric buses
10. Power to Gas Pilot Project
11. The green fuel (hydrogen) production plant and public hydrogen refueling stations at Port of Klaipėda.⁷⁵

Some of those projects show how Lithuania cooperates with neighboring countries, e.g. Poland, Latvia, Estonia, and even Finland, but we also emphasize the strategic link with the USA (e.g. Klaipėda LNG terminal).

GIPL GAS PIPELINE

GIPL gas pipeline aims at connecting the gas transmission systems of the Republic of Poland and the Republic of Lithuania, and consequently, integrating the isolated gas markets of Baltic States (and the Republic of Finland) with the Polish and EU gas markets.

This 508 km gas pipeline also strengthens energy independence in the region and increases the utility of the Klaipėda LNG terminal. After Lithuania gave up Russian gas imports completely at the beginning of Russian full - scale invasion on Ukraine, the Energy Ministry said that the country's gas needs would be fully met by Klaipėda LNG terminal, which would receive three large LNG cargoes each month from the USA⁷⁶ and has ensured full occupancy until 2033.⁷⁷

The GIPL gas pipeline was commissioned in May 2022⁷⁸ and has a value of about 500 million EUR (approx. 60% of the funds were allocated by the European Commission) and represents the largest investment in the Lithuanian gas transmission system since the country's independence. Latvian and Estonian gas transmission system operators also contributed to the financing. The 3SI contributed to the project's implementation.

RAIL BALTIC

Rail Baltica is a greenfield (870 km) rail transport infrastructure project with the goal of integrating the Baltic States into the European rail network. The project includes five European Union countries – Poland, Lithuania, Latvia, Estonia, and indirectly Finland, as it will connect Warsaw with Helsinki. This high-speed (max. 249 km/h) train (under - construction) infrastructure project is strategic for Lithuania, and it will be environmentally friendly (fully electrified, without emissions).⁷⁹

When finished, Rail Baltica will be a **symbolic return of the region to the European railway system** (1435 mm rails), after Russian occupation (1945 – 1990/91), because it will mean the return of the North-South railway axis (instead

75 <https://3seas.eu/about/progressreport>

76 <https://www.lrt.lt/en/news-in-english/19/1680297/lithuania-receives-big-lng-shipment-from-us-after-giving-up-russian-gas>

77 <https://www.lngindustry.com/regasification/28112023/klaipda-lng-terminal-ensures-full-occupancy-until-2033/>

78 [https://projects.3seas.eu/projects/gipl-interconnector-republic-of-poland-republic-of-lithuania-\(submitted-by-poland\)](https://projects.3seas.eu/projects/gipl-interconnector-republic-of-poland-republic-of-lithuania-(submitted-by-poland))

79 <https://www.railbaltica.org/about-rail-baltica/>

of Russian-oriented East – West, using 1520 mm gauge system).

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The main objectives of this project are to create a high-quality road infrastructure, to enhance the safety of passengers and freight mobility, to reduce the number of road accidents and fatalities, to save travel time and to ensure a high level of environmental protection. This Baltic route is one of the most important transit arteries in Eastern Europe. There is no other transport corridor for the Baltic states in the North–South direction. **The length of the road in Lithuanian territory is 269 km.**⁸⁰ Some separate sections and implementation traffic management solutions are co-financed by EU investment funds.

Both rail and road projects for the Baltic states are planned to meet the standards required for the **rapid deployment of NATO forces** – this is a logistical necessity for the region.⁸¹ Lithuania is a NATO frontline state that is strongly affected by the Russian threat but has little military potential of its own. Its only defensive strategy, therefore, is to delay an enemy until allied support forces can arrive. This makes transport and communication infrastructure of almost existential significance.⁸²

POLICY RECOMMENDATIONS

In the broader picture of the entire 3SI, some key areas for Lithuania must not be abandoned and some projects must be improved.

It is widely recognized that Lithuania has – in

the most **positive** sense of the word – *vanguard* relation to the assertive People’s Republic of China (PRC) or Chinese communist party (CCP). It has accused China of violating human rights in Xinjiang and conducting fraudulent elections in Hong Kong.⁸³ Moreover, **in 2021 Taiwan opened its representative office in Lithuania.** To be exact, Taiwan and Lithuania have opened trade offices in both capitals, Taipei and Vilnius, and trade between the two countries has grown ever since.

This **valorous diplomatic act** also means political danger for Lithuania. E.g. President Nausėda said in the context of the stabilization of relations with China, he would see the need to **change the name** of Taiwan’s representative office in Lithuania.⁸⁴ This question will probably be one of the challenges for the new government in Lithuania after this year’s October elections. Will the center-left government lead different policies toward the PRC or CCP? Nevertheless, Lithuania should stay on this courageous and moral path despite the belligerent manners of the PRC or CCP.

To be specific, we already know that 3SI could offer an **alternative engagement model to the Chinese Belt and Road Initiative**, and our (we could say) alliance of democratic (European) states (which 3SI certainly needs to be) is already in partnership with the US and Japan. So, *China’s policy* must be firm, and relations with the *de facto* independent Taiwan need to be continued – not just in the case of Lithuania.

We must also emphasize that Lithuania is more (than others) vocal about the Iranian regime. To be specific, Lithuania’s parliament passed a resolution designating Iran’s Islamic Revolutionary Guard Corps (**IRGC**) as a **terrorist organization**⁸⁵

80 <https://projects.3seas.eu/projects/via-baltica-submitted-by-lithuania>

81 <https://www.railbaltica.org/rail-baltica-plays-a-crucial-role-in-enhancing-military-mobility-across-the-baltics/>

82 <https://3si.politic.edu.pl/lithuania-and-the-three-seas-initiative-in-the-context-of-the-upcoming-3si-summit-in-vilnius/>

83 <https://thedi diplomat.com/2024/08/whats-driving-lithuanias-challenge-to-china/>

84 <https://focustaiwan.tw/politics/202405090006>

85 <https://www.lrt.lt/en/news-in-english/19/2377240/lithuania-lists-iran-revolutionary-guard-as-terrorist-organisation-calls-on-eu-to-follow>

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and their stance toward Russia and the Ukrainian fight for freedom is commonly acknowledged. This is the way all Allies (not just in 3SI) should do.

Lithuania should also stay on a stable path with neighboring countries and Allies. Namely, Lithuania **must complete the motorway and railway infrastructure** faster and more efficiently. For example, Polish media are calling for **more pressure on the Baltic States** to complete this road and rail corridor much faster.⁸⁶ Poland sees Via Baltica as a crucial (North-South) artery for NATO logistics in the case of the Russian kinetic threat, while Lithuania thinks that all the problems can be solved through the port of Klaipeda and other Baltic ports.

Although the 3SI is not a military alliance, the infrastructure and energy projects it advocates are of great importance in the event of a potential war, when military mobility and reducing energy dependence are key areas that we all must protect.⁸⁷

If Lithuania looks at the initiative primarily through an economic lens, it does not mean that it should completely ignore the **necessary security or defense aspects**. Namely, the geographical position of Lithuania, along the Suwalki corridor, Kaliningrad, and Belarus does not give anyone the privilege of viewing any partnership only as an economic tool. In any case, the Baltic region needs to be vigilant and ready, because the **enemy never sleeps** – and they know it to be true.

CONCLUSION

Lithuania has a long history of independent statehood (along with Poland). However, after the tempestuous 20th century, was at first skeptical about

the 3SI. Nowadays this nation of approximately 2.8 million citizens has become **one of the most active participating countries in the 3SI**. Their economic priorities, such as transportation, energy, and cyber security are crucial in the context of security and defense. Like in any other nation, their domestic political rivalries must stay firmly on the European and Transatlantic side, with Western values and with the **rule of law** – the backbone of liberal democracy.

Like other Baltic states, Lithuania would also like to engage in **deeper cooperation with Finland**. The participation in the initiative is positive for the Baltic states, which through appropriate investments in infrastructure and connectivity will experience economic growth.⁸⁸ Lithuania would also like to open a discussion about the 3SI's budget and funding.⁸⁹ But the most important theatre now is in Ukraine. We all need the **victory** of freedom, democracy, international law, and Western values. In that context, the 3SI should also do everything that can be done, and potentially strengthen dual-use infrastructure for NATO. Moreover, the 3SI is a part of the wider efforts of democratic countries to drive values and market-based investments into connectivity.

3SI countries are the frontier of Europe, and it is of utmost importance that they are well equipped to defend their borders⁹⁰. Marking 10 years of the 3SI will be a moment to evaluate, not just Lithuania's, but general achievements and reflect on possible policy directions in the future. While we all need to continue with the current projects, there is also room for new policies within the 3SI.⁹¹ ■

86 <https://www.lrt.lt/en/news-in-english/19/2379017/endangering-nato-security-poland-slams-baltics-slow-modernisation-of-via-baltica>

87 <https://www.cea-policy.hr/inicijativa-tri-mora/>

88 <https://warsawinstitute.org/discovering-the-benefits-how-the-three-seas-initiative-empowers-the-baltic-states/>

89 <https://ilte.lt/en/news/108/invega-signs-letter-of-intent-for-the-establishment-of-the-second-initiative-investment-fund-at-the-three-seas-initiative-business-forum:1745>

90 <https://www.cea-policy.hr/untapped-potential-three-seas-initiative/>

91 <https://www.cea-policy.hr/policy-potential-three-seas-initiative/>



Three Seas Initiative: Status Report and Strategic Insights

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As of 2024, it has been nine years since Croatian President Kolinda Grabar-Kitarović and Polish President Andrzej Duda launched the Three Seas Initiative. The format currently unites thirteen countries spanning the Baltic, Adriatic, and Black Seas, working together to promote the development of the European Union's eastern regions, with a particular focus on the north-south axis. Despite recent years' challenges, the member states have succeeded in establishing a formal international framework, positioning the Three

Seas Initiative as a lasting fixture on the European political landscape.

POLAND'S VIEW ON THE THREE SEAS INITIATIVE

Poland views the Three Seas Initiative as a way for the region to tackle current economic and strategic challenges while complementing existing regional and international blocs. As one of

the founding countries, Poland is committed to bolstering the Three Seas Initiative, seeing cooperation as an opportunity to pursue a sovereign regional policy, free from the influence of Berlin and Moscow. At present, the initiative focuses on annual presidential summits, hosted in rotation by member states, during which key declarations are adopted. The Three Seas Initiative has achieved several key milestones, including the creation of the Three Seas Initiative Investment Fund (3SIIF), the organization of the Three Seas Business Forums, the implementation of projects within the Trans-European Transport Network (*TEN-T*) featuring an interactive reporting system, and the launch of a the CEEplus, a stock index for the Three Seas countries⁹².

Since its inception, the Three Seas Initiative has been a cornerstone of Polish foreign policy. Given its size, history, ambitions, and central location, Poland is striving to play a leading role in advancing integration within the Three Seas Initiative. Poland's contribution to the Initiative is particularly prominent in the Investment Fund. The Polish Development Bank (BGK) remains a co-founder and the principal investor in the Fund. In 2023, the Three Seas Investment Fund secured €928 million, with the Polish Development Bank accounting for an impressive €750 million of that total⁹³. Poland's preceding right-wing government prioritized infrastructure projects, with Via Carpathia being the most notably promoted initiative.

The full-scale invasion of Ukraine by the Russian Federation in February 2022 validated Poland's skepticism towards international relations with

Russia and underscored the importance of transatlantic relations, especially with the United States. Since the launch of the Three Seas Initiative, Poland has sought American endorsement for the initiative. Due to Poland's efforts, President Donald Trump participated in the Warsaw summit in July 2017 in an effort to elevate the Initiative to the forefront of global media attention. In addition, the projects advanced under the Three Seas Initiative are aligned with NATO's strategic imperatives, thereby reinforcing the alliance's logistical framework in response to the Russian threat. Notably, this encompasses the Amber Rail Freight Corridor and the Rail-2-Sea railway projects, which would enable the swift and efficient mobilization of troops throughout the Three Seas region in the event of a conflict⁹⁴.

The success of the Civic Platform - Third Way - Left coalition in the Polish parliamentary elections yet casts doubt on the future of Poland's participation in the Three Seas Initiative. However, in his exposé on April 26, 2024, Minister of Foreign Affairs Radosław Sikorski reaffirmed the commitment to maintaining the current political agenda. The foreign minister highlighted the critical importance of developing transportation, energy, and digital infrastructure.⁹⁵ This underscores that Poland's approach to the Three Seas Initiative continues to represent a crucial facet of its foreign policy. This trajectory has gained additional support from President Andrzej Duda, whose term is set to conclude in August 2025.

92 3SI Research Center, Deklaracje przyjęte na szczytach Inicjatywy Trójmorza, [accessed: August 28, 2024] <https://trojmorze.isppan.waw.pl/inicjatywa-trojmorza/deklaracje-szczytow-inicjatywy-trojmorza/>

93 Chancellery of the Sejm, Office of the Parliamentary Committee, "Full Transcript of the Meeting of the Foreign Affairs Committee No. 143 from July 6, 2023," p. 9, [accessed: August 29, 2024] [https://orka.sejm.gov.pl/zapisy9.nsf/0/A7CA90132486654EC1258A0000477E7F/\\$File/0398509.pdf](https://orka.sejm.gov.pl/zapisy9.nsf/0/A7CA90132486654EC1258A0000477E7F/$File/0398509.pdf)

94 3SI Research Center, Wybrane Projekty Priorytetowe, [accessed: August 29, 2024] <https://trojmorze.isppan.waw.pl/news/wybrane-projekty-priorytetowe/>

95 Ministry of Foreign Affairs, "Information of the Minister of Foreign Affairs on Polish Foreign Policy Tasks in 2024," p. 12 [accessed: August 29, 2024]; <https://www.gov.pl/web/dyplomacja/informacja-ministra-spraw-zagranicznych-o-zadaniach-polskiej-polityki-zagranicznej-w-2024-r>

REGIONAL CHALLENGES

In recent years, the international landscape within which the region operates has undergone significant transformation. Due to its central location, the area is especially prone to international crises, making it directly affected by external instability. The key modern threats facing the Three Seas Initiative encompass:

- **The revisionist activities of the Russian Federation.** As a successor to the Soviet Union, Russia asserts some claims over the Three Seas region as part of its sphere of influence. The most poignant example of Moscow's imperialist agenda is the ongoing war in Ukraine. Additionally, the Russian Federation is operating in an informal state of hybrid warfare with NATO. Recent years have witnessed the most egregious examples of Russian hybrid attacks on the Three Seas countries, including the deliberate instigation of a migration crisis at the Lithuanian and Polish borders in collaboration with Belarus; energy coercion, marked by the severing of gas supplies to some Three Seas nations.⁹⁶, with Slovakia being particularly affected; and the 2014 explosion of an ammunition depot in the Czech town of Vrbětice⁹⁷.
- **Undermining the current policy approach of the Federal Republic of Germany.** The Russian threat is currently intertwined with social destabilization in the leading nations of the European Union. This is especially apparent in Germany, which has long emphasized cooperation with Russia at the expense of the region's collective interests. At this time, Ger-

many is dealing with multiple intricate crises that undermine its status as a dependable partner in the medium term. Moreover, the size of the German economy raises concerns about the potential dominance of the Three Seas Initiative and whether Germany should pursue membership in the bloc. At present, the Federal Republic of Germany, along with the United States, the European Commission, and Japan, holds the status of a strategic partner within the Three Seas Initiative.

- **The migration crisis—especially pronounced in the southern Three Seas countries.** The massive arrival of immigrants from conflict-affected regions in Africa and the Middle East is pushing their internal challenges onto European soil. The ongoing liberal migration policy in the leading EU nations contributes to the formation of migration routes that traverse the Three Seas regions, which in turn influences the security of the local population. Additionally, Russia's hybrid activities mentioned earlier have created a new migration route along the borders of the northern Three Seas countries, which will be affected by this issue, though only to a limited degree.

RECOMMENDATIONS

The challenges of recent years also present opportunities for growth and enhanced cooperation within the region. The insights drawn from the 9th Three Seas Initiative Summit in Vilnius indicate that the initiative has garnered international recognition and possesses the potential to

96 Oravcová Veronika, Energy Without Russia The Consequences of the Ukraine war and the EU Sanctions on the Energy Sector in Europe, Friedrich-Ebert-Stiftung: <https://library.fes.de/pdf-files/bueros/budapest/20509.pdf>

97 Mateusz Gniazdowski, Martyna Wasiuta, Rosyjskie zamachy w Czechach – kontekst krajowy, implikacje, perspektywy, Centre for Eastern Studies, April 20, 2021 [accessed: August 31, 2024] <https://www.osw.waw.pl/pl/publikacje/analizy/2021-04-20/rosyjskie-zamachy-w-czechach-kontekst-krajowy-implikacje-perspektywy>

significantly influence and advance the region⁹⁸. Key areas for future cooperation within the Three Seas Initiative should encompass:

- **Enhancement of the Three Seas Initiative Investment Fund.** Estimates suggest that the infrastructure requirements in the Three Seas region amount to around \$500 billion⁹⁹. For the advancement of the fund, it is imperative to persuade all member states of the Initiative to actively engage in the project and to elevate their declared contributions. Currently, the Polish BGK has disbursed €725 million of the total accumulated €928 million, which accounts for 78 percent of the overall budget. Consequently, Poland holds a dominant position in all governing bodies related to the fund, commanding 80 percent of the votes in the General Meeting. This condition poses a considerable disadvantage to the fund and adversely impacts cooperation within the Three Seas Initiative.¹⁰⁰ Additionally, responsible investment in high-return projects is essential, as their potential achievements could serve to entice prospective investors. Special emphasis should be placed on attracting private local investors, as their involvement could effectively harness the fund to aggregate capital within the region.
- **Creating a joint coalition aimed at the EU financial framework 2028–2034.** It is projected that the groundwork for the new EU budget will begin next year as Poland⁷ is poised to take over the presidency of the Council of the EU. This offers a unique opportunity to foster a unified stance, thereby

optimizing our negotiating position, particularly towards Germany and France.

- **Cooperative efforts to enhance security in the region.** The region currently benefits from a robust level of internal security. According to the 2024 Global Peace Index, the countries in the region ranked from 9th (Slovenia) to 36th (Romania) among 163 surveyed nations¹⁰¹, thereby establishing the region as one of the safest areas globally. The nations of the region share a cohesive vision of security, grounded in internal unity, which stands in contrast to globalism. This direction sets the Three Seas countries apart from the rest of Europe, showcasing the region’s appeal during the EU’s ongoing internal security crisis.
- **Fostering social, historical, and cultural awareness of the Three Seas Initiative.** Advancing concepts at the community level contributes to strengthening the democratic governance of the Initiative. It is essential to cultivate awareness among the youth. In 2021, an initiative was launched to establish the Three Seas Youth Parliamentarians Forum in Warsaw, aimed at engaging young people. Sadly, the project has not been carried forward. Creating a permanent annual forum or campus for youth has the potential, in the medium to long term, to build a strong understanding of the Three Seas Initiative, akin to the Erasmus program in the EU. Such an event could be held, for instance, at Lake Balaton in Hungary or in Liptovský Mikuláš, Slovakia. Moreover, broadening the Initiative’s focus on historical and cultural as-

98 3SI Research Center, Joint Declaration of the 9th Three Seas Initiative Summit in Vilnius (Vilnius, April 11, 2024), [accessed: August 31, 2024] <https://trojmorze.isppan.waw.pl/deklaracje/2394/>

99 Three Seas Initiative Investment Fund, Regional Potential, [accessed: August 31, 2024] <https://3siif.eu/potential>

100 Julita Wilczek, Andrzej Rudowski, Fundusz Trójmorza, W stronę instytucjonalizacji Inicjatywy?, Collegium Interethnicum, Warszawa 2021 https://interethnicum.pl/wp-content/uploads/2022/01/BAROMETER_3_final.pdf

101 Institute for Economics & Peace, Global Peace Index 2024: Measuring Peace in a Complex World, Sydney, June 2024. [accessed: August 31, 2024]: <http://visionofhumanity.org/resources>

pects would enable the discovery of common experiences, thus reinforcing the connections among partner nations.

- **The cooperative initiative focused on new technologies.** The ongoing AI revolution is transforming our understanding of work and redefining the nature of human-machine interaction. In the years ahead, the region's growth will be contingent upon the successful inclusion of artificial intelligence within its economic connections. By leveraging the current revolution, the Three Seas Initiative should build a foundation for working together on AI to prevent a talent drain. In
- **Laying the groundwork for Ukraine's reconstruction.** Currently, the uncertain nature of the Ukraine war makes it difficult to gauge when it could possibly end. Both Ukraine and Moldova seamlessly fit into the goals of the Three Seas Initiative. Efforts to restore Ukraine following the war are essential for the area; if unsuccessful, it may result in a failing state adjacent to the Three Seas Initiative, with far-reaching consequences.

the long term, effective collaboration on new technologies could help the region escape its peripheral status.

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3SI Research Center, *Deklaracje przyjęte na szczytach Inicjatywy Trójmorza*, [accessed: August 28, 2024]:

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<https://trojmorze.isppan.waw.pl/news/wybrane-projekty-priorytetowe/>

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<https://trojmorze.isppan.waw.pl/deklaracje/2394/> ■



ROMANIA

Romania in the Three Seas Initiative. Short overview.

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Abstract. The present informative material summarizes the main Romanian activities in the Three Seas Initiative (with a particular mention of the two Summits that took place in Bucharest) and presents the main projects proposed by Romania with their current status as of 2024. The final part presents some key ideas that surfaced in a series of 2024 events related to the Initiative, which may be put into practice as the 2025 Warsaw Summit approaches.

Keywords: Three Seas Initiative, Romania, projects, challenges, opportunities

INTRODUCTION

The Three Seas Initiative has represented from its beginning an important regional cooperation project for Romania. We have had a first signal of its importance as well as Romania's main lines of interest from the 2015 meeting at the United

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Nations Headquarters of the leaders from the Central and Eastern Europe. According to the Romanian presidency Press Statement:

“The President of Romania emphasized the importance of energy security and the interconnection of transport corridors (road, naval, air), which must unite not only the states of the Black, Adriatic and Baltic Seas, but also the citizens of this European region, in an area of economic prosperity and stability.

At the same time, President Klaus Iohannis highlighted that, for the success of the interconnection project, action should be taken on three levels. First, states must act to advance their own interconnections with their neighbours; secondly, action should be taken to promote transport corridors on the North-South and East-West axes; also, the “three seas” region should aim for integration on a global scale, both with Central Asia and Africa and with the wider Euro-Atlantic region.”¹⁰³

This initial political signal matters because we see there the main axes of interest for Romania at that time that have been followed throughout the next decade as regards the Three Seas Initiative. It was first and foremost about economic prosperity brought by interconnectivity, be it physical or digital. Moreover, the Three Seas Initiative was meant from the beginning to connect the region with the neighbouring states.

A TALE OF TWO SUMMITS

Soon after the interest of the Romanian side started to develop as well as a more concrete vision on what we should expect from the Three Seas Initiative.

Thus in 2018 Romania organized its first Summit of the Three Seas Initiative that brought together European and American leaders strengthening its practical aspects. It was a moment when, after the Russian invasion of Crimea of 2014, the United States representatives underlined the support for “the core principle of energy diversification as a key pillar of the Three Seas Initiative, ultimately as a way to complete Europe” and expressed the will “to catalyse investment in critical infrastructure for a North-South energy corridor”.¹⁰⁴

It was a Summit of firsts: first edition of the Business Summit; shortlisting priority interconnection projects in the three fields – energy, digital, and transportation; signature of the Letter of Intent in relation to the establishment of the Three Seas Investment Fund; the creation of the Three Seas Initiative Network of Chambers of Commerce.^{105, 106, 107}

The 2018 Summit was in line with Romanian intentions of 2015: economic development, closer European cooperation and stronger transatlantic ties.

103 President of Romania, Press Statement, Participarea Președintelui României, domnul Klaus Iohannis, la reuniunea liderilor din statele riverane Mărilor Adriatică, Baltică și Neagră [The participation of the President of Romania, Mr. Klaus Iohannis, at the meeting of the leaders of the states bordering the Adriatic, Baltic and Black Seas], 29 September 2015, <https://www.presidency.ro/ro/media/comunicate-de-presa/participarea-presedintelui-romaniei-domnul-klaus-iohannis-la-reuniunea-liderilor-din-statele-riverane-marilor-adriatica-baltica-si-neagra>

104 U.S. Embassy in Romania, U.S. Secretary of Energy Rick Perry at the Three Seas Initiative Business Forum, 20 September 2018 <https://ro.usembassy.gov/secretary-of-energy-rick-perry-at-the-three-seas-initiative-business-forum/>

105 Three Seas Initiative, Bucharest Summit 2018, <https://3seas.eu/about/past-summits/bucharest-summit-2018>

106 President of Romania, Joint Statement for the creation of the network of the Chambers of Commerce of the “Three Seas Initiative”, 18 September 2018, <https://www.presidency.ro/ro/media/comunicate-de-presa/joint-statement-for-the-creation-of-the-network-of-the-chambers-of-commerce-of-the-three-seas-initiative>

107 President of Romania, Alocuțiunea Președintelui României, domnul Klaus Iohannis, susținută în cadrul deschiderii oficiale a Forumului de Afaceri al Inițiativei celor Trei Mări [The speech of the President of Romania, Mr. Klaus Iohannis, delivered during the official opening of the Business Forum of the Three Seas Initiative], 17 September 2018, <https://www.presidency.ro/ro/media/discursuri/alocutiunea-presedintelui-romaniei-domnul-klaus-iohannis-sustinuta-in-cadrul-deschiderii-oficiale-a-forumului-de-afaceri-al-initiativei-celor-trei-mari>

As a result of this successful Summit in 2023 Romania would become the first participating state in the Three Seas Initiative to hold for the second time a Summit. Yet the conditions for it would be dramatically altered given the Russian aggression against Ukraine. In the years following the first Summit in Bucharest, an increased interest was given to bring in Ukraine, the Republic of Moldova and Georgia closer to the Three Seas Initiative. Add to this we have had a campaign for attractive new investments for the Three Seas Initiative Investment Fund, inviting new relevant states¹⁰⁸ or Romania's natural gas infrastructure and connectivity, by integrating hydrogen transport as well, through the 3SI Investment Fund.¹⁰⁹ As for the Bucharest Summit of September 2023 one of the key elements was the enlargement with a new participating state – Greece, while also granting the status of associated country to the Republic of Moldova.¹¹⁰

IT'S ALL ABOUT THE PROJECTS!

An important element that would define at the end of the day the success of the 3SI is that of the relevance of its projects.

As of 2024 a total of 143 projects were registered under the 3SI Initiative with an estimated investment value of 111 billion euros¹¹¹. Romania has a total of 9 projects that fall under the digital, energy and transport as seen centralised in the Table 1 below. The projects cover all of the main cooperation domains, energy, transportation and digital with a particular focus given to Rail-2-Sea and Via Carpatia.

108 Romanian Ministry of Foreign Affairs, Response to a Parliamentary Inquiry concerning the hosting of the Three Seas Initiative to Bucharest, 13 February 2023, <https://cdep.ro/interpel/2023/r8097A.pdf>

109 Romanian Ministry of Foreign Affairs, Press Statement Semnarea unui acord pentru investiții în infrastructura de gaze naturale din România la Casa celor Trei Mări de la Davos [Signing of an agreement for investments in natural gas infrastructure in Romania at the House of the Three Seas in Davos], 24 May 2022, <https://www.mae.ro/node/58739>

110 Mihai Sebe, “New dynamics” of the Three Seas Initiative Summit and Business Forum in Bucharest?, Three Seas Partnership, Warsaw Institute, 2023, <https://threeseaspartnership.com/index.php/nowa-dynamika-szczytu-i-forum-biznesu-inicjatywy-trojmorza-w-bukareszcie/>

111 Three Seas Initiative, Priority Projects, 2024, <https://3seas.eu/about/progressreport>

NAME OF THE PROJECT	SHORT DESCRIPTION	YEAR INITIATED	STATUS	BUDGET
ENERGY				
BRUA	Development on the territory of Romania of the National Gas Transmission System along the corridor Bulgaria-Romania-Hungary-Austria (BRUA Phase 1 and 2) and Enhancement of the bidirectional gas transmission corridor Bulgaria-Romania-Hungary-Austria (BRUA Phase 3) and the Development on the territory of Romania of the Southern Gas Transmission Corridor for taking over gas from the Black Sea shore (Black Sea-Podisor)	2018	Substantial progress	€14.55B 0% secured
ENERGY AND DIGITAL				
Interoperability solutions for a digitized and sustainable energy sector in the 3SI area in the field of energy storage	Defining and developing a Roadmap for the transition to a digitized and sustainable energy sector.	2018	Activity reported	€10M / 0,01B 0% secured
TRANSPORT				
Via Carpatia	The main aim of the project is to create a transport corridor from the Northern part of Europe to the South through the Republic of Lithuania, Republic of Poland, Slovak Republic, Hungary, Romania, Republic of Bulgaria, and Hellenic Republic (Greece).	2020	Substantial progress	€11.21B 85% secured
FAIRway Danube	The FAIRWAY Project has as general objective: the elaboration of coordinated action plans for the implementation of the Master Plan for the Fairway Rehabilitation and Maintenance on the Danube River and its navigable tributaries, developed within the EU Strategy for the Danube Region. The project aims to contribute to an increased safety, efficiency and environmental friendliness of inland navigation.	2018	Completed	€21.72M / 0.02172B 100% secured

Rail-2-Sea Modernization and development of railway line Gdansk (PL) – Constanța (RO)	Construction of a railway line between port of Gdansk and port of Constanta crosses four countries: Republic of Poland, Slovak Republic, Hungary and Romania.	2019	Substantial progress	€16.68B 51.57% secured
DIGITAL				
Digital Platform on monitoring hydrographic bases in the 3SI region	Creating an intelligent digital platform for real time monitoring of water from hydrographic basins in the region 3SI, digital modelling of pollutants, water discharge, risk analysis, calculation and monitoring of water currents. Monitoring water quality parameters.	2018	Substantial progress	€2.5M / 0.0025B 0% secured
Transportation stock exchange in the 3SI region	Creating an intelligent digital platform for the transaction of transport and logistic services in the 3SI region.	2018	Substantial progress	€4.5M / 0,0045B 0% secured
Development of a Cloud for Artificial Intelligence processing - AI CLOUD	The investment will consist in implementing a specialized Cloud for Artificial Intelligence (AI) processing.	2023	Registered	€120M / 0,12B 0% secured
Development of a High-Performance Computing Cloud - HPC Cloud	The investment will consist of implementing and operationalizing a High-Performance Computing Center (HPC Center) in Romania.	2023	Registered	€80M / 0,08B 0% secured

Table: Romania's projects in Three Seas Initiative, 2024

Source: Three Seas Initiative, Priority Projects, 2024^{112 113}

These projects that show Romania's involvement in the 3SI have been supplemented by an increased interest given to the nuclear energy sector. Thus, Romania has officially assumed in the current governing programme the intention

of becoming a nuclear energy hub in the Three Seas Initiative, and this decision is also being endorsed at the presidential level. "Romania has all the prerequisites for the first development of SMRs in the region on a system of 50 Hz and

112 Three Seas Initiative, Priority Projects, 2024, <https://3seas.eu/about/progressreport>113 Three Seas Initiative, Projects, 2024, <https://projects.3seas.eu/>

may become a hub for the production of SMRs in the region as well as a base for preparing and supporting the operation of this new technology in other countries within the Three Seas Initiative.^{114 115} A series of steps have been done in this direction the most recent one being the signature of an agreement between Fluor Corporation and RoPower for the second phase of the FEED (Front-End Engineering and Design) study, which will position the project to move to a final investment and construction decision¹¹⁶.

CONCLUSION

When speaking about the future of the Initiative the perspectives are mixed.

As 2024 was and still is a super-electoral year the talks about the future of the Initiative are still more or less at a theoretical level. A series of academic conferences have shared some light on

the topic ahead that would need to be addressed in 2025.

Among them are aspects related to the institutionalization of the 3SI, identifying new routes and opportunities, the relationship with the post-soviet region¹¹⁷. Other concerns the aspects related on how the participating states benefit from this format and its relationship with the EU and US.^{118 119}

3SI should also explore the possibility of connecting with the other formats such as the Middle Corridor and thus creating a transportation and energy hub on the crossroads of East and West, or the 3+2 Seas Initiative^{120 121}

From the Romanian perspectives a series of scholars underlined that the Three Seas initiative is the most effervescent form of cooperation regional of Romania. It allows a manifestation of proactive geoeconomy, through interconnection of infrastructures.¹²²

114 Romanian Government, Program de guvernare 2023 – 2024 [Governing Programme 2023 – 2024], 2023, https://gov.ro/fisiere/pagini_fisiere/23-06-16-12-32-52Programul_de_Guvernare_2023-2024.pdf

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116 U.S. Embassy in Romania, U.S. and Romania Announce Milestone in Small Modular Reactor Project, Advancing Romania One Step Closer to Clean Technology Leadership in the Region, 24 July 2024, <https://ro.usembassy.gov/ro/pr-07242024/>

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119 3SI Research Center, Conference Summary: The Three Seas Initiative: An Original Concept of Regional Cooperation, 12 June 2024, <https://3si.politic.edu.pl/conference-summary-the-three-seas-initiative-an-original-concept-of-regional-cooperation/>

120 Hungarian Institute of International Affairs (HIIA), 3+2 Seas Initiative: Connectivity Through the Middle Corridor and the Three Seas Initiative – Meeting at the Hungarian intersection –, 23 April 2024, <https://hiia.hu/en/32-seas-initiative-connectivity-through-the-middle-corridor-and-the-three-seas-initiative-meeting-at-the-hungarian-intersection-2/>

121 Péter Pál Kránitz & Ágnes Vass, 3+2 Facts – 3+2 Seas Initiative, Hungarian Institute of International Affairs (HIIA), 2024, <https://hiia.hu/en/32-facts-32-seas-initiative/>

122*** Dialoguri@IER Rolul mecanismelor regionale de cooperare in contextul geopolitic actual. Oportunități și provocări pentru România [The role of regional cooperation mechanisms in the current geopolitical context. Opportunities and challenges for Romania], European Institute of Romania, 27 March 2024, <http://ier.gov.ro/event/dialoguriier-rolul-mecanismelor-regionale-de-cooperare-in-contextul-geopolitic-actual-oportunitati-si-provocari-pentru-romania-27-martie-2024/>

It was also a moment when the limitations of the Three Seas Initiative were underlined, limitations that need to be overcome if we want to succeed: *limited homogeneity* (despite the common geographical and historical denominator), *limited experience* (in regional cooperation without an external catalyst), *limited resources* (in terms of self-financing of projects) and *limited options* (regarding supplementing the European financing gap).¹²³

All these are in line with a series of 2023 recommendations which spoke about the need to promote regional security and stability; to con-

solidate the engagement with the EU; to take the Three Seas Initiative connectivity to the next stage and last but not least to increase the national commitment to the Three Seas Initiative.¹²⁴

At the end of the day the Three Seas Initiative has gone a long way, yet it needs to prove more if it wants to remain a relevant regional cooperation format. Improving its administrative side as well as its brand identity as regards its projects are essential alongside an increase of investment. It has a lot of untapped potential that the national leaders from the region must put into good use in the coming years.

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¹²³Octavian-Dragomir Jora (coordinator), Marius-Cristian Neacșu, Cezar Teclean, *Rolul mecanismelor regionale de cooperare în contextul geopolitic actual. Oportunități și provocări pentru România* [The role of regional cooperation mechanisms in the current geopolitical context. Opportunities and challenges for Romania] (European Institute of Romania, 2024), pp. 95-97, http://ier.gov.ro/wp-content/uploads/2024/01/Studiul-SPOS-nr.-3_Mecanisme-regionale-de-cooperare_final.pdf

¹²⁴Mihai Sebe (coordinator), *Anticipating the 2023 Three Seas Initiative Bucharest Summit. Advancing the common agenda*, European Institute of Romania, April 2023, p. 6, <http://ier.gov.ro/wp-content/uploads/2023/04/WP-46-Anticipating-the-2023-3SI-Bucharest-Summit.pdf>



Slovakia's Role in the Three Seas Initiative

Péter Szitás

ABSTRACT

Due to its strategic geographical location, Slovakia plays a pivotal role in the Three Seas Initiative (TSI). The country's general need for infrastructure development is being addressed through this endeavour, which holds promising benefits for Slovakia's future. Despite the government's initial lack of explicit interest in the TSI, its involvement has steadily increased. Currently, Slovakia is actively engaged in 29 ongoing TSI projects, the successful implementation of which is a crucial and urgent step in the region's development.

Keywords: TSI, infrastructure, energetics, communication, presidency, power centre, Central Europe

In the 1990s, Slovakia had to cope with many difficulties. The democratic turn ended the relative existential security of the population, which the socialist system had previously guaranteed. At the same time, at the end of 1992, the Czechoslovak federal state split into two, creating additional challenges for the successor countries. Looking at regional competitors in the former Eastern Bloc, Czechoslovakia had a relatively strong industrial and agricultural base. However, the disintegration

and the transition to a market economy brought new conditions for which neither the Slovak economy nor its society was prepared. The uncompetitiveness of state-owned enterprises and the sudden rise in unemployment due to the influx of foreign goods led to a general decline in the living standards of the masses. In addition, organised crime was on the rise, privatisation abuses were frequent and visible, adding to the social tensions that accompanied the political transformation. The country, geopolitically positioned as a bridge between the West and the East, found itself in a unique situation, with no offer from either direction forthcoming to remedy the problems quickly and painlessly.

In the first decade of its existence, Slovakia lagged behind its regional competitors not only economically but politically as well. As the only Visegrad country, Slovakia was not invited to join NATO at the Madrid summit in 1997. However, the coalition government that took office after the 1998 parliamentary elections oriented Bratislava towards the West. As a result of such efforts, in 2004, Slovakia was admitted to the European Union and the North Atlantic Treaty Organisation. On top of that, in 2009, Slovakia became the first—and still the only—Visegrad country to introduce the Euro, the single European currency. In the period before the global economic and financial crisis, Slovakia's economy was often referred to by the metaphor of the “Tatra Tiger”, a reference to the rapid economic growth and development that some Southeast Asian countries had experienced earlier. However, this was certainly an exaggeration, as Slovakia owed its significant development primarily to a single sector, the automotive industry, which had previously enjoyed unprecedented penetration in the region. The Slovak Republic is currently home to four car manufacturer giants: Volkswagen Group, PSA Peugeot Citroën, KIA Motors, and Jaguar Land Rover. The latter three established entire greenfield investments all over the country. These transnational companies collectively produced over one million vehicles in 2023 solely in Slovakia. Most of the vehicles are for export, with Slovakia exporting USD 26.9 bil-

lion worth of cars in 2022, making it the world's tenth-largest exporter of motor vehicles.

The high development of the Slovak car industry is not reflected in the country's transport infrastructure. The motorway network linking Slovakia's two largest cities, Bratislava and Košice, has been under construction for decades but is still incomplete. Moreover, the route of the motorway does not even attempt to follow the shortest distance available, as it makes a massive detour to the North, connecting the major towns of those regions. As a result, today, a significant part of the traffic between East and West is routed through the Hungarian motorway network via Budapest, which is not only a faster and cheaper alternative but a complete one. The situation in the railways is also not good. Until now, intercity trains have operated between Bratislava and Košice, but according to the government's new plans, this will soon cease. In their place, slower trains and state-subsidized aeroplane flights will be available. According to the news, the flights will operate the same fare as the train did. A few years ago, the Bratislava-based low-cost airline SkyEurope flew the track for a ridiculous fare compared to the cost. After a few years of operation, the company went bankrupt.

Considering the above facts, Slovakia can benefit from an active participation in the Three Seas Initiative, as its main objectives – infrastructure development, energy security, and communication development – correlate with Slovakia's needs and interests. Despite all this, the country's initial participation in the TSI was distanced, and its role was more of an observer than a proactive one. Slovakia did not want to be left out of the project. Still, at the same time, it viewed it with uncertainty due to concerns about potential costs, geopolitical implications, and the initiative's alignment with its own development plans. Nevertheless, from a physical perspective, without Slovakia, neither the Three Seas Initiative's transport nor the energy projects are easy to imagine.

The Three Seas Initiative was launched in 2016 and was initially addressed to the Presidents of

the twelve involved countries. Although the legal systems of all the Central and Eastern European states show local specificities in the definition of the Head of State function, the republic's president usually plays a more formal role than an actual centre of power. The prime minister or the government makes decisions that directly influence the political and economic policies, assuming a parliamentary majority behind them. Consequently, the TSI can only be effective and implementation projects if it can win the backing of the real power-holders of the individual states.

Between 2014 and 2019, the relationship between the Slovakian President and Prime Minister was dreadful. When the first TSI summit set out in 2016, Robert Fico had just completed the formation of his third government. However, the Head of State was Andrej Kiska, who had won a landslide victory over Fico in the 2014 presidential elections. As a result, relations between the two remained frosty during Fico's second government (2012-2016) and only got worse after his third cabinet was formed. In 2018, Fico had to step down as PM, and Peter Pellegrini took his office. At the same time, Andrej Kiska decided not to run for a second term. The new Head of State became Zuzana Čaputová in 2019. In 2020, Pellegrini lost elections, and a right-wing-liberal coalition government was formed. Despite its constitutional majority, it failed after three years. This period can be considered the most chaotic in the history of independent Slovakia. During her five-year mandate, Čaputová had to work with five prime ministers. As a result of such incompetence, Fico returned as PM in 2023, and in 2024, Pellegrini won the presidential elections. Despite Pellegrini's relatively young age, he is the only Slovak politician who has already held all three main public offices.

At the first summit of the Three Seas Initiative, the 'Dubrovnik Forum 2016', six countries were represented at the presidential level. In the name of the Slovak Republic, Peter Pellegrini, the Deputy Prime Minister for Investment and Information Technology, was present. Next year, at the Warsaw Summit, President Andrej Kiska joined Deputy

PM Pellegrini. The importance of the event was greatly enhanced by the participation of the US President, Donald Trump. The main topics of the meeting were transport, infrastructure, energy, and the future direction of the European Union. At the meeting, Kiska praised "the Europe-strengthening aspect of the TSI. This is the aim of the project. The more countries are connected, the stronger the EU will be." The Slovak President also stressed the importance of diversification in the energy sector, a crucial issue: "Energy is often used to blackmail other countries. We remember the gas crisis of 2009. And we should not forget Ukraine. We must do everything to ensure that the planned Nord Stream 2 pipeline does not become a reality because it will be a weapon to blackmail Ukraine." In 2017, this could be considered a pretty harsh statement. The third summit took place in Bucharest in 2018. This was the last TSI meeting where Slovakia was represented by Andrej Kiska, who, as at the previous year's summit, again criticised the Nord Stream 2 pipeline, which he said would lead to even greater dependence on Russian gas. The president called for a vision that ends Slovakia's exposure towards the East. The 2019 summit was held in Slovenia's capital only a few days before the inauguration of the new Slovak president. Thus, the country was represented at the ambassadorial level of the meetings in Ljubljana. The mandate of Zuzana Čaputová as President of Slovakia lasted between 2019 and 2024. However, she attended the Three Seas Initiative Summit in person only once, at the 2023 Forum in Bucharest. She recalled that the "main objective of the TSI is to build closer links, including energy and digital ones. Slovakia must seize opportunities to improve motorways, railways and other infrastructure." The 2024 Vilnius Summit was held immediately before the inauguration of the new Slovak President, Peter Pellegrini. The Deputy Prime Minister and Minister for the Environment, Tomáš Taraba, represented the country. Given that Peter Pellegrini was personally present at the genesis of the TSI, it is assumed that Slovakia will again be represented at the 2025 summit in Budapest at the presidential level.

At the time of writing this paper in October 2024, Slovakia is involved in a total of 29 TSI projects. Of these, ten are classified as transport, six as digital, and twelve as energy. Additionally, one project has a mixed digital/energy classification. The Slovak Republic is the proposing country

for seven of the 29 projects, with only two not being cross-border, indicating a strong focus on the initiator. Notably, Slovakia is also part of two cross-border projects initiated by Ukraine in 2024, both of which are energy-focused.

No.	Project	Proposing Country	Participating Countries	Status	Type	Year Registered
1	ASmber Rail Freight Corridor	Poland	Poland, Hungary, Slovakia, Slovenia	Completed	Transport	2018
2	Baltic – Adriatic TEN-T Core Network Corridor	Poland	Austria, Czeczia, Poland, Slovakia, Slovenia	Substantial Progress	Transport	2018
3	Construction of a new road bridge over the Tisza in the Záhony area	Hungary	Hungary, Romania, Slovakia	Registered	Transport	2020
4	Construction of the 2nd railway track between Koper and Divača	Slovenia	Austria, Czeczia, Poland, Hungary, Slovakia, Slovenia	Substantial Progress	Transport	2018

5	Development of Cross-Border Network of Data Centres	Latvia	Austria, Czechia, Bulgaria, Latvia, Lithuania, Poland, Croatia, Estonia, Hungary, Romania, Slovakia, Slovenia	Registered	Digital	2020
6	Development of Cross-Border Optical Fibre Network	Latvia	Austria, Czechia, Bulgaria, Latvia, Lithuania, Poland, Croatia, Estonia, Hungary, Romania, Slovakia, Slovenia	Registered	Digital	2020
7	Development of High-Performance Computing (HPC) infrastructure, establishment and operation of HPC ecosystem in the CEE-n region	Hungary	Austria, Czechia, Poland, Hungary, Slovakia, Slovenia	Registered	Digital	2020
8	Digital Platform on monitoring hydrographic bases in the 3SI region	Romania	Austria, Czechia, Latvia, Bulgaria, Lithuania, Poland, Croatia, Estonia, Hungary, Slovakia, Slovenia, Romania	Substantial Progress	Digital	2018
9	Diversification of gas supply sources and integration of gas infrastructure in the Three Seas Region	Poland	Poland, Slovakia	Substantial Progress	Energy	2018

10	Eastring	Slovakia	Bulgaria, Hungary, Romania, Slovakia	Registered	Energy	2018
11	Extraction of unconventional gas	Hungary	Austria, Hungary, Romania, Slovakia	Registered	Energy	2020
12	FAIRway Danube	Romania	Austria, Bulgaria, Croatia, Hungary, Romania, Slovakia	Completed	Transport	2018
13	Fuergy – Optimization of Energy Cost of Large Industrial Units	Slovakia	Czechia, Poland, Slovakia	Registered	Energy	2021
14	GridStor - Lead-Sodium Battery	Slovakia	Czechia, Slovakia	Registered	Energy	2021
15	Improvement of railway links between main Polish cities and neighbouring countries	Poland	Czechia, Poland, Slovakia	Activity Reported	Transport	2020
16	InoBat	Slovakia	Czechia, Hungary, Slovakia	Registered	Energy	2021

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17	Interoperability solutions for a digitized and sustainable energy sector in the 3SI area in the field of energy storage	Romania	Austria, Czechia, Bulgaria, Poland, Croatia, Hungary, Slovakia, Romania	Activity Reported	Energy	Digital	2018
18	North-South Gas Corridor – Expansion of existing capacity between Hungary and Slovakia	Hungary	Austria, Czechia, Poland, Croatia, Hungary, Romania, Slovakia	Registered	Energy		2020
19	PWenergy - Geothermal Power Plant Presov	Slovakia	Slovakia	Registered	Energy		2021
20	PWenergy Pilot Project - Geothermal Power Plant Ziar nad Hronom	Slovakia	Slovakia	Registered	Energy		2021
21	ROHU – Second Phase	Hungary	Austria, Hungary, Romania, Slovakia, Slovenia	Registered	Energy		2020
22	Rail-2-Sea	Romania	Poland, Hungary, Romania, Slovakia	Substantial Progress	Transport		2018
23	Reconstruction of the OHL 400 kV Mukachevo-Kapusany section from SS 400 kV Mukachevo to the state border in Zakarpattia region	Ukraine	Slovakia	Registered	Energy		2024

24	The 3 Seas Digital Highway	Poland	Austria, Czechia, Latvia, Bulgaria, Lithuania, Poland, Croatia, Estonia, Hungary, Romania, Slovakia, Slovenia	Registered	Digital	2018
25	The Central European Hydrogen Corridor	Ukraine	Czechia, Slovakia	Registered	Energy	2024
26	Transportation stock exchange in the 3SI region	Romania	Austria, Czechia, Latvia, Bulgaria, Lithuania, Poland, Croatia, Estonia, Hungary, Slovakia, Slovenia	Substantial Progress	Digital	2018
27	Via Carpatia	Poland	Bulgaria, Lithuania, Poland, Croatia, Greece, Hungary, Romania, Slovakia	Activity Reported	Transport	2018
28	Via Carpatia	Romania	Bulgaria, Lithuania, Poland, Greece, Hungary, Romania, Slovakia	Substantial Progress	Transport	2020
29	Via Carpatia R4 Expressway	Slovakia	Poland, Hungary, Slovakia	Registered	Transport	2021

List of TSI projects with the involvement of the Slovak Republic

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The listed projects can all be considered priorities. Their implementation will significantly contribute to the region's development. Besides the continued support of the Three Seas Initiative, it would also be essential to create a long-term funding mechanism that is both automatic and acceptable to all participants. Although the Three Seas Initiative is keen to emphasise that it does not intend to act as a counterweight to Brussels or Western Europe in any form, the situation of the participating countries is more similar with each other than with their Western allies. The region's strength could be enhanced if the countries could also align their political goals better and not see each other as competitors. But the chances of this happening are currently slim.

CONCLUSION

Slovakia benefits significantly from participating in the Three Seas Initiative as a small but strategically located member. The country's involvement in projects to improve transport corridors and energy pipelines contributes to regional integration

and aligns with its interests in bolstering national security, economic growth, and resilience. Slovakia's role in the initiative, especially in energy and transport projects, is crucial. The country is home to several essential transit routes, such as gas and oil pipelines, and is also a critical link in the region's transport networks. Slovakia's participation in joint projects to interconnect energy networks and reduce dependence on Russian energy sources is a significant step. The initiative, supported by the EU and the US, is vital in improving interconnections between European countries and increasing regional security. This participation will contribute to economic growth and sustainable energy supply for Slovakia and enhance geopolitical stability in Central and Eastern Europe. ■



Slovenia's perspectives on the Three Seas Initiative

Andraž Tavčar

Russia's full-scale invasion of Ukraine in February 2022 has precipitated a paradigmatic shift in global politics, reinvigorating longstanding debates in International Relations regarding the primacy of various theoretical frameworks in explicating state behaviour and decision-making processes. Among these, liberalism and realism present arguably the most antithetical perspectives for observing, analysing, and ultimately prognosticating the outcomes of political decisions. Liberalism, with its emphasis on international cooperation and institutional frameworks, stands in stark contrast to realism, which prioritises material determinants and power dynamics in the international system. In the following article, we'll

find that Slovenia's decision to align itself with the Three Seas Initiative (hereafter 3SI or 'the initiative') can be comprehensively understood through the application of both theoretical lenses, ultimately stemming from its historical trajectory towards statehood and its geostrategic position.

The genesis of the Slovene state can be traced back to the 6th century, coinciding with the settlement of Slovenes in territories that traditionally straddled the divide between the West and the East (Tovornik 2022, 37). Geographical fragmentation and insufficient political cohesion impeded the formulation of a unified Slovene polity, as it was split between various political entities. It

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would be only through the revolutions of 1848, when Slovene political actors adopted a strategy of pan-Slavic cooperation within the Austrian Empire to advocate for their interests, that traces of a Slovene state would begin to emerge (Granda and Grdina 2008). This approach would eventually evolve, culminating in the establishment of the Kingdom of Yugoslavia post-World War I and subsequently the Socialist Federal Republic of Yugoslavia (SFRY) following World War II.

Within the latter, Slovenia experienced significant developmental progress and consolidated a larger portion of its ethnic territories than ever before, while maintaining a degree of autonomy. However, it was not until the dissolution of SFRY and the proclamation of independence in 1991 that it emerged as a fully sovereign entity, placing it within an international system undergoing a rapid transformation from a bipolar structure, dominated by the United States and the Soviet Union, to a more complex multipolar arrangement, where the principles of the liberal international order were still being established.

As a small nation with limited military capabilities and significant geostrategic exposure, Slovenia's geopolitical situation precluded the option of isolationism or complacency, primarily due to the persistent instability and armed conflicts in its immediate vicinity (Bebler 2009). Notwithstanding its limited territorial expanse, the country occupies a position of considerable geostrategic significance within the central and southeastern European landscapes. Slovene scholars, including Bufon (2003), Črnčec (2010), and Furlan (2020), consistently conceptualise Slovenia as a nexus, emphasising its distinctive location at the confluence of critical transportation arteries connecting the Pannonian Basin, Pre-Alpine region, Balkan Peninsula, and Northern Adriatic. This strategic locus has historically placed it as a focal point for the ambitions of more formidable neighbouring polities, rendering it as a juncture between differing spheres of influence. This may explain why

Slovenia has typically had to engage in multilateral groupings with other states – initially with other Slavic polities within the Austrian Empire and subsequently within the SFRY – as a means to assert itself. Or why it lacks a meaningful strategic partner in Europe (Tovornik 2022, 45), nor has it been able to develop a partnership with the USA as a “potential ‘protector’ state” (Bojinović Fenko 2022, 178).

Furthermore, the wars in the Balkans presented a significant security dilemma for Slovenia. Its position as a fledgling independent state was threatened by its close proximity to the ongoing conflicts in its immediate neighbourhood, coupled with limited diplomatic and military capabilities to ensure its own security. To that end, Ljubljana began to pursue integration within established Western institutions, eventually leading to Slovenia's accession to the European Union (EU) and North Atlantic Treaty Organisation (NATO) in 2004 (Bebler 2009; Lucarelli 2002), enabling it to enhance its own security posture through collective defense mechanisms and allow it to indirectly pursue its own national interests by supporting these organisations' broader objectives of stabilising the Western Balkans (Bebler 2009, 20).

Given Slovenia's geostrategic position and its trajectory towards statehood during a transformative period in the international system, as the Cold War's realist paradigm – central to global relations for half a century – began to unravel, the country's engagement in multilateral frameworks has been twofold: ensuring its own security and contributing to the stabilisation of its immediate neighbourhood. Acknowledging that unilateral action would be insufficient to achieve peace in its immediate vicinity, Slovenia has consistently pursued a strategy of enhancing its influence through international cooperation, by which its involvement in the 3SI represents but the latest in a series of efforts aimed at promoting regional stability and broader international collaboration.

WITHIN THE THREE SEAS FRAMEWORK

Established in 2015 through the collaborative efforts of several nations, primarily instigated by the then-incumbent President of Croatia, Kollinda Grabar-Kitarović, the initiative's inception originated on the sidelines of the 70th session of the United Nations General Assembly, with the United States assuming an observational role in this nascent phase. The preliminary groundwork culminated in the inaugural 3SI summit, convened in Croatia in 2016, where the 3SI's primary objective was crystallized: to facilitate infrastructure and economic integration along the north-south axis of Central and Eastern Europe ("The Dubrovnik Statement" 2016). Furthermore, the initiative was designed to augment the competitiveness of central and eastern Europe and enhance its contribution to the EU by fortifying interstate cooperation between "Old Europe" and "New Europe" (member states that acceded post-Cold War) (Kunstelj 2024).

Subsequently, Slovenia demonstrated its commitment to the initiative by hosting the fourth 3SI summit in 2019, as well as paying over 20 million EUR into the common fund, thereby realizing its aspirations as a significant contributor to the collaborative framework three years after the initial gathering. Since then, 3SI's cooperation with the US as a strategic partner has provided Slovenia with another avenue for cooperation. 3SI also maintains relations with Germany, the European Commission and most recently, Japan, by way of strategic partnerships, and as a way to widen its investment portfolio of private backers. Despite this, Slovenia's interests within the 3SI extend beyond mere infrastructural considerations.

Slovenia's legislative framework precludes foreign investment participation in infrastructure initiatives, particularly those classified as critical national assets (Government of Slovenia 2024). It has largely managed to self-finance some of the projects it has listed within the 3SI through various fiscal mechanisms, including credit facilities and

loan instruments. According to our discussion with ambassador Tomaž Kunstelj (2024) from the Slovene Ministry of Foreign and European Affairs, there is an "ongoing reassessment of the projects and potential synergistic opportunities for Slovenian enterprises within the 3SI framework," and whether it is tenable for Slovenia to push through with them. Kunstelj further states that Slovenia's decision to abstain from participation in the 3SI investment fund stems from the fund's stipulated 14% return requirement, a benchmark that presents a considerable challenge for infrastructure projects, which typically operate on narrower profit margins.

The geopolitical configuration of Slovenia diverges significantly from that of the Baltic states and other central European countries, owing to its historically established and relatively robust connections with Western Europe. While acknowledging deficiencies in its rail infrastructure, the country generally does not encounter substantial connectivity challenges along its Western, Northern, or even Eastern axes. Consequently, its engagement with the 3SI oscillates between developmental prospects and political considerations. It maintains an active presence in the initiative's operational framework and fund management, and, through its participation, demonstrates a strategic intent to remain integrated within a cohort of nations that not only possess substantial economic growth potential but also, in light of the Russia's invasion of Ukraine, are poised to assume an increasingly pivotal role in the European security architecture. In the future, these countries will exercise greater leadership in defense matters and wield enhanced influence within both NATO and the EU.

FUTURE AMBITIONS

While some of the parallels of 3SI serving as a vehicle for Slovenia's international interests have already been highlighted, that's not to say the country does not intend to make good use of 3SI's primary purpose – infrastructural cooperation. Following its reevaluation of listed 3SI projects,

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Slovenia intends to pivot its focus toward cybersecurity and digitalisation, areas in which it boasts a cadre of small, yet impactful companies, so as to better leverage the potential of the 3SI's proposed innovation fund (Kunstelj 2024). This is in line with the country's broader strategic commitment to digitalisation and reflects its consistent efforts towards enhancing digital skills, infrastructure, and public sector digitalisation. It boasts good research facilities and is among the countries with the highest share of doctoral degrees in the OECD (OECD 2024).

Despite its relatively beneficial environment to spur innovation, Slovene academic achievements have failed to translate into economic success. It has a nascent start-up sector, with successful buyouts of companies like Outfit7 (known for Talking Tom) to the tune of \$1 billion, but lags behind comparable countries with significant high-quality internet infrastructure and extensive e-government services like Estonia. The companies that do find success, remain largely limited to pharmaceuticals and ICT, serving as suppliers to larger partners (EIU 2024). Furthermore, Slovenia's 2024 Digital Decade Country Report underscores critical areas requiring attention. Digitalisation of SMEs should be supported by various initiatives, as only 50.4% have adopted basic digital tools, and a concerning shortage of ICT specialists hampers recruitment efforts (European Commission 2024a).

Concurrently, its digitalisation efforts coincide with EU-wide challenges in innovation and productivity, prompting policy recommendations in the 'Draghi report' to address the bloc's weak economic growth. (European Commission 2024b). However, achieving political consensus on additional EU-level financing and implementing key

reforms is likely to prove challenging. To secure its spot among digitally advanced peers, Slovenia intends to invest approximately 1.5% of its GDP into enhancing its digital landscape, focusing on increasing SME technology uptake and improving digital skills education (European Commission 2023). In this respect, 3SI's innovation fund has the potential to play a significant part as an additional, alternate source of financing.

Notwithstanding these economic considerations, Slovenia also remains acutely cognisant of the precarious security situation in the Western Balkans. In the aftermath of Russia's incursion into Ukraine and the region's renewed geostrategic significance, it actively advocates for the integration of Western Balkan countries into euro-atlantic structures, which extends to supporting North Macedonia and Montenegro's petitions for participation in the 3SI. However, thus far, there has been a lack of consensus among 3SI member states to grant Western Balkan countries the same status as Ukraine and Moldova, which were designated as 'participating partners' post-2022. Nonetheless, the Western Balkans are consistently acknowledged in the final communiqués signed by the heads of state of participating countries.

Given Slovenia's historical trajectory and experience throughout history as a small state, it intends to advocate and actively participate within multilateral fora so as to extend its influence and make its voice heard in an increasingly geopolitically tumultuous global environment. Evidenced by the observations in this article, its interests are two-fold: securing its southern neighbourhood by maintaining peace in the Western Balkans through increased efforts of euro-atlantic integration and utilising the 3SI's innovation fund to close the development gap with its peers.

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**The task was financed by the National Institute of Freedom -
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