



## **Weekly Briefing**

**Romania External Relations briefing:  
Romania was the host of the Three Seas Initiative Summit in  
September  
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## **Romania was the host of the Three Seas Initiative Summit in September**

*Romania was the host of the third edition of the Three Seas Initiative (TSI) Summit, a regional framework of cooperation for convergence and interconnectivity, which took place between 17-18 September in Bucharest. The initiative aims to contribute to the economic development of its member states through improved connectivity in the transport, energy and digital fields, especially on the North-South axis, thus boosting economic relations, energy security, trade and investment in the region, as well as with other partners in the Euro-Atlantic community. In short, the Summit led to the adoption of 27 priority projects of interconnecting the countries of TSI in three key areas (transportation, energy and digital area), occasioned the organization of the first Business Forum of the TSI, and ended with the initiation of the Investment Fund and the establishment of the Chambers of Commerce Network. The importance of the Summit was achieved by the high-level participation, as partners, of the European Commission, the United States and Germany.*

The Three Seas Initiative was launched by the presidents of Poland, Andrzej Duda, and Croatia, Kolinda Grabar-Kitarović, in 2015, at the United Nations General Assembly in New York, as a regional security project in the context of the conflict in Ukraine. The format of the Initiative gathers the 12 countries between the Baltic Sea, the Adriatic and the Black Sea: Poland, Hungary, the Czech Republic and Slovakia, the three Baltic countries (Lithuania, Latvia, Estonia), then Austria, Slovenia, Croatia, Romania and Bulgaria, thus connecting the North with the South of Europe. In August 2016, a joint declaration of the 12 states was adopted at the Summit in Dubrovnik. The second Summit of the Initiative took place in the summer of 2017 at Warsaw, as

a manifestation dedicated to the relationship transatlantic, to which the US President Donald Trump attended.

The 12 countries were represented at the highest level at the third summit in Bucharest by nine State Presidents, two Presidents of National Parliaments and a Prime Minister. In addition, the reunion also gathered the partners of the Initiative, namely the President of the European Commission, Jean-Claude Juncker, the United States Energy Secretary Rick Perry, the German Foreign Minister Heiko Maas, the European Commissioner for Regional Policy Corina Cretu and other representatives of the European and international financial institutions, such as the European Bank for Reconstruction and Development, the European Investment Bank and World Bank.

The declared aim of the Three Seas Initiative, according to the joint declaration signed by the representatives of the participant countries at the end of the Summit, is to act in a coordinated manner for enhancing the economic potential of the countries in the region and to facilitate a more rapid development in order to increase economic convergence with the rest of the UE. There are three main pillars and objectives of the Initiative: the strong growth of economic development, the strengthening of the EU cohesion and the enrichment of transatlantic ties. The first objective of the Summit is the economic development of the Central and South-Eastern European countries by increasing the interconnectivity, especially on the North-South axis, in three main areas – transport, energy, and digitalisation – and stimulating the competitiveness of the economies of the participating states. The second objective is to increase real convergence between EU Member States, thus contributing to strengthening unity and cohesion within the Union, in order to continue the European integration policy and to relaunch the European project. Thirdly, the Initiative has the role of contributing to strengthening the transatlantic relationship by encouraging the US economic presence in the region as a catalyst for enhanced cooperation and as part of the transatlantic partnership.

A positive signal favored by the Summit and its adopted projects resides in the desire of the countries in the region to act together through complementary projects, through promoting hub and platform strategies, whose synergies resides in the neighboring capacities, not only in the connections with the more developed region of Western Europe. TSI looks like a strategy with high potential, based on interconnectivity, in the context of demographic decline and the relatively small size of markets for large investors, able to cover the needs of its members where the EU and NATO are less involved, mainly in regional infrastructure and energy.

The merit of Romania, according to analysts, is the anchoring of the Initiative in the space of the strategic partners, namely USA, EU and Germany. The range of political representatives taking part on the Summit, including for the first time the simultaneous participation of the EU, the USA and the largest European economic power, Germany, transmitted the message that TSI is an European regional platform with an Atlantic profile. The anxieties of the EU related to the emergence of a new regional cooperation structure, which launches financial instruments complementary and distinct from the structural and cohesion funds, managed to be tempered, at least partially, in this way. The EU will be positively affected by the spillovers that will emerge given the creation of a space that could relaunch the EU's economic development engine along with the development of the region and its convergence towards Western European states. TSI is gathering 12 EU Member States, out of which 11 are also NATO members, representing 28% of the EU's GDP (meaning 1,400 billion euro) and 114 million inhabitants.

Another important political success of the Summit was the decision to accept Germany as partner country to the Initiative, given that Germany has multiple economic interests in the region. The presence of the US representative reinforced the support given to these states. The US Secretary mentioned that USA will make use of their position as the world's leading oil and gas producer to reduce Europe's dependence on the Russian gas and that Central and Eastern

European countries can count on the United States as a trustworthy partner in the field of energy.

During the Summit, Romania also organized the first Business Forum of the Three Seas Initiative, which enjoyed over 600 participants, among which: companies and government officials from the partner countries of the Initiative, the other EU Member States, the United States of America, the Western Balkans, the Republic of Moldova, Ukraine and Georgia, representatives of the European Commission and European and international financial institutions, as well as representatives of think-tanks and academia.

The Forum was the tool for drawing the attention on the reliability of the Initiative, beyond political declarations, and for making the step from intentions to actual measures. The objective of the Forum was to stimulate business initiatives and investments in the region, to debate the implementation of priority projects, and also to address potential growth and innovation factors such as SMEs, young entrepreneurs, start-ups and business incubators region. One aim of the Forum was to unfold meetings between businesses and government representatives for policy debates analysing the strategic implications of the Initiative. The Forum was politically assumed by Romania and, through the projects and initiatives launched, it has the potential to become emblematic for the countries in the region.

Therefore, within the Forum, six of the participant countries (Croatia, Czech Republic, Latvia, Poland, Romania and Slovakia) signed an intention letter related to the establishment of an Investment Fund of the Initiative, meant to support the implementation of the economic projects of the countries in the region. The Fund amounts to 100 billion euro.

In addition, another interconnection initiative was the creation of the Chambers of Commerce Network with the participation of the National Commerce Chambers of Bulgaria, Slovenia, Croatia, Hungary, Poland, Lithuania and Romania. Its aim is to support the works of the Business Forum and to ensure the interconnection of business communities in the region.

Another important stage in the TSI development was achieved once with the Summit in Bucharest, namely in establishing a list of 27 projects that not only constitutes the palpable aim of the Initiative, but could also provide an instrument for measuring its further development.

The list of projects was established based on the contributions of the States participating in the Initiative. The selection criteria were related to the regional impact, economic feasibility, compatibility with the priorities and policies of the EU, preference given to projects involving new technologies or providing modernization of existing infrastructure. The aim of the list, according to the Romanian President, is to provide a political signal to investors related to the major interconnection projects of the TSI countries' priorities. Among the projects, there are the initiatives of developing Via Carpatia, a highway to link the Mediterranean Sea to the Baltic Sea, to create an intelligent digital platform for real-time monitoring of waters in river basins located in the TSI region, a digital platform for the trading of transport and logistics services and in the field of energy storage, to start the modernization and development of railway line Gdansk – Constanta, the development of the national gas transmission system on the Bulgaria - Romania - Hungary - Austria (BRUA) Corridor etc. Romania announced six projects, two for each area of strategic importance on the regional and European agenda, namely, digital, energy and transport. Given the outcomes of TSI, Romanian President Klaus Iohannis considers that TSI has reached full maturity.

The Summit could be considered the most important event hosted by Romania under the Presidency of Klaus Iohannis, during which Romania was placed at the heart of the most important engagements assumed within TSI since the launch of this format in 2015. The following edition of the Summit will be held in 2019 in Slovenia.