



Weekly Briefing

**Bulgaria external relations briefing:
Bulgaria Hosted the sixth Summit of the
Three Seas Initiative on July 8-9
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Summary

Energy, transport and digital connectivity. These were the sectors in the focus of the Sixth Three Seas Initiative Summit held in Sofia at July 8th and 9th. The meeting brought together 11 European Union member states from Central and Eastern Europe. This was the meeting with the broadest representation of heads of state in Bulgaria, at least since 2018, when Bulgaria held the presidency of the European Council. President Rumen Radev and his caretaker government welcomed six presidents (Estonia, Latvia, Poland and Slovenia, who are part of the initiative, and Germany and Greece, who are not), as well as three deputy prime ministers and ministers (Czech Republic, Slovakia and Austria), together with the Managing Director of the International Monetary Fund Kristalina Georgieva.

Bulgaria hosted the Sixth summit of the Three Seas Initiative (3SI) on 8-9 July. The 3SI is viewed as a US-favored initiative, although it was officially launched by Poland and Croatia in 2015. It gathers 12 EU countries at the level of presidents, mostly from Eastern Europe (from north to south: Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Austria, Hungary, Slovenia, Croatia, Romania, and Bulgaria) which link the geographic space between the Baltic, the Adriatic, and the Black Sea. This territory is strategically critical. The 12 countries in the 3SI account for almost 30 per cent of European Union territory and 22 per cent of its population, but only for about 10 per cent of its GDP.

According to many political analysts the 3SI largely mirrors an earlier Chinese initiative, 16/17+1, aimed at promoting the Belt and Road. At the same time China's "17+1" is currently losing momentum. Lithuania pulled out of that bloc in May, and Beijing's influence in Central and Eastern Europe is facing increasing resistance. This is making the Three Seas Initiative an increasingly viable alternative for many of the countries in the region. The 3SI became apparently geopolitical project in 2017, when the US President Donald Trump attended a summit in Warsaw in an effort to patch up relations with the Eastern flank of European allies after a tense NATO gathering two months before. A year later in Bucharest, Trump's Secretary for Energy Rick Perry added to it the energy dimension and some financing, with the objective of reducing the energy dependence from Russia.

The topic of the Sixth Summit was *Three Seas Initiative: A Path to a Stronger, United and Competitive Europe*. The meeting was attended by high-level representatives of all 12 members, as well as the European Commission, Germany, the United Kingdom, and the United States, alongside other delegations from other parts of the world.

U.S. Congressional delegation consisted of dozen of members from the U.S. Congress visited Bulgaria to demonstrate support for the Three Seas Initiative and also to engage with Bulgaria's leaders and its people about their shared values and basic human rights. The Members of Congress assured the Bulgarian Head of State of the consistent support of the US for the Three Seas Initiative, including its Investment Fund. They also pointed out the contribution of the Three Seas Initiative to energy diversification in the region and to the development of infrastructure connectivity between countries in Central and Eastern Europe, which according to the US position is of importance for the sustainable development of a united and prosperous Europe.

The Sixth 3SI summit placed great emphasis on fostering business opportunities for the region. Bulgaria's vision for the event focused on increasing connectivity within the region, and between the region and the world. At the top of the agenda was further strengthening the 3SI Investment Fund. Since December 2020, nine member states have pledged to invest, as has the US Development Financial Corporation.

In his speech, the Bulgarian Head of State pointed out that the increase in priority projects within the Three Seas creates the need to attract much more investment for implementing them. Therefore, it is necessary to develop clear and transparent criteria for identifying and financing priority projects on behalf of the Fund.

The topic that Bulgaria brought up within the Three Seas Initiative was on achieving greater regional connectivity in scientific research and innovations. According to the Bulgarian President "Better cooperation in science, education, technology and innovations is a premise and guarantee for our prosperity, for our future development and for achieving competitiveness on the world economic and social arena."

US President Joe Biden also took part in the video recording at the beginning of the meeting. "The United States supports the Three Seas. By working together, you will increase your sovereignty and energy independence. There should be no countries sabotaging other countries through cyberattacks," he said, citing Russia as an indication of cyberattacks. "There is incredible potential for increasing cooperation and connectivity among this group that will enhance the security and prosperity of the region and quite frankly benefits the world," Biden said. US President further promised that "the United States will be an unfailing partner of the initiative.

German President Frank-Walter Steinmeier meanwhile hinted that the EU is set to increase its involvement in the project and is to go ahead with integrating 3SI and EU projects. According to him “With the European Green Deal and the Reconstruction Plan, we have two very powerful tools that allow us to meet the challenges of post-pandemic regeneration while keeping our eyes on the challenges ahead – the transformation to a greener and digital Europe.”

Host Rumen Radev said that he is “optimistic” that Central and Eastern Europe will become more attractive for large-scale strategic investments within the initiative, suggesting sustainable transport, energy, and digital connectivity as key investment opportunities.

Managing Director of the International Monetary Fund Kristalina Georgieva also attended the summit and offered a favorable forecast for region. She underlined that the economies of countries in Central and Eastern Europe will grow at a faster rate than those in Western Europe in the next few years. She told a summit that the countries' combined GDP should this year return to the level seen before the COVID-19 pandemic. She said she expected about 1.2% higher annual economic growth in the countries in the Three Seas Initiative than in their western neighbors between now and 2025.

Bulgaria invited Greece to attend the summit for the first time with the status of a guest country, which Greek President Katerina Sakellariopoulou said “adds the Mediterranean to Three Seas Initiative”. Sakellariopoulou suggested that the geopolitical reality of Greece aligns well with 3SI goals, such as addressing developmental differences within the EU by improving vital cross-border infrastructure, as well as curbing Chinese presence in South-Eastern Europe. Radev and Sakellariopoulou expressed particular interest in going forward with joining the 3SI ‘North-South’ infrastructure corridor with the Greek Aegean Sea ports by improving transport, energy and digital infrastructure links.

Speaking at a news conference on Day 2 of the Sixth Annual Summit of the Three Seas Initiative (3SI), Bulgarian President Rumen Radev said that the Presidents and high-level representatives of the 12 participating states in 3SI have adopted a joint declaration. An official ceremony was also held on handover of the hosting of 3SI to the next host, Latvia.

Radev said that the Joint declaration is an expression of the common political will for further developing the Initiative, as well as for improving connectivity in the three key fields – energy, transport and digitalisation, promoting partnerships with the private sector and presenting new innovative development models. Radev underlined that in the two days of the summit and accompanying business forum, important meetings and discussions were held, and important agreements reached. 400 companies from Bulgaria and abroad, including tech giants like Google and Amazon participated in the Three Seas Initiative Summit Business Forum.

At the press conference, President Radev stated that, whatever financial tools we may use for social and economic cohesion and convergence between Eastern and Western Europe, we could not achieve good results without real cohesion in education and culture. “This is the future and the decisive criterion for achieving a high standard of living,” Mr. Rumen Radev emphasized. A main task for countries in the region is to convince young people that their future is in their respective homeland, by creating the conditions for developing their potential. Therefore, this agreement of the Sofia Summit to create a network of innovations agencies to improve cooperation in research and science is key to the success of the Three Seas Initiative, the President further noted.

In conclusion, the Sixth summit of the Three Seas Initiative in Sofia is the most important international event in Bulgaria for the year. Bulgaria has reason to be satisfied with its two initiatives - the first is to transform the three seas into four, by inviting Greece, and the second is to bring out the substantive priority of education, science and innovation, ie. of intelligent connectivity as an emphasis within the "Three Seas". With the inclusion of Greece in the initiative, the doors of the Mediterranean to the region are opened and the importance of the Baltic-Mediterranean connection in the eastern part of Europe sharply increases. Greece's engagement is also changing the geopolitical perspective of the Three Seas initiative, somewhat obscuring its component of security co-operation in the face of confrontation with Russia.