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THE THREE SEAS INITIATIVE:

UKRAINE'S OPPORTUNITY FOR PRACTICAL EUROPEAN INTEGRATION

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On September 17-18, the third summit of the Three Seas Initiative (TSI) is taking place in Bucharest (Romania), which should become a landmark for the practical side of the economic and infrastructure components of the project with the launching of the first business forum.

The initiative to create a partnership bloc from the Baltic to the Black and the Adriatic seas, launched in 2015 by the Presidents of Poland and Croatia Andrzej Duda and Kolinda Grabar-Kitarović and aimed at deepening the integration of the countries of Central and Eastern Europe, has got the chance in three years to turn from the idea to the ambitious project¹.

The project brings together 12 countries of Central and Eastern Europe: four countries of the Visegrad Group, the Baltic States, Austria, Croatia, Romania, Slovenia, and Bulgaria. All member states, except Austria, have several common denominators, such as the recent communist past and membership in the NATO obtained before accession to the EU. Austria, which has been a member of the EU for

¹ On September 29, 2015, the first meeting between the representatives of 12 states has been held and the project has been discussed during the UN General Assembly; the first summit of the TSI took place in 2016.

a longer time, is present in the project due to its strategic location and numerous important regional ties.

At the moment, the support of the Initiative among its members is increasing, compared to the first inauguration summit in Dubrovnik (Croatia) in 2016; it should be noted that Ukraine has also been invited, but did not delegate its representative. The next summit in Warsaw was marked by the participation of Donald Trump as a special guest, which was essential to increase the weight of the project.

Trump's visit also provided arguments in favor of strengthening the political component of the TSI; however, the Bucharest Summit should prove that the project has economic side to it, outline its perspectives, and prioritize projects.

What are the windows of opportunities for Ukraine in today's project, and what should be the general approach of Ukraine to the Three Seas Initiative?

Fig. 1. Countries-participants of the Three Seas Initiative



THE THREE SEAS INITIATIVE: THE REVIVAL OF HISTORICAL GEOPOLITICAL IDEAS?

When the launch of the TSI has been announced two years ago, in Ukraine the Initiative was perceived as an intention to realize Piłsudski's idea of the Baltic-Black Sea Union or «Intermarium» from the first half of the 20th century. However, the Dubrovnik Summit showed that the idea presented differs from historical projects.

In the case of the Baltic-Black Sea Union, Ukraine should have been among the key member states (alongside, for instance, Belarus). However, in 2017, the format was narrowed down exclusively to the members of the European Union. The idea was to strengthen the «Eastern lungs» of the EU, connect various macroregions and strengthen the European unity.

However, despite certain common goals, there are differences in the approaches of the member states: regardless of the unanimity in support for the sanctions against Russia, as well as for the NATO's role in Europe, and solidarity with the US foreign policy since the 1990s, the member states of the Initiative have completely different visions of relations with Moscow. Consequently, involvement of Ukraine in the format, according to the member states, would automatically make it political and directed against Russia. On the eve of the Warsaw Summit, Polish initiators emphasized that it was exclusively about the Three Seas Initiative, not about the historical and geopolitical Intermarium. Meanwhile, in Ukraine, even among the officials there is still a confusion: the TSI is often referred to as Intermarium.



Thus, today the Three Seas format is positioned primarily as an economic and infrastructure one, while for the political nature of the association, its members lack mutual trust and common interests. We should mention the Bucharest Nine regional format, which is complementary to the Initiative (all members of the Nine are participating in the TSI) and used to promote the security interests of Central and Eastern Europe within NATO and the EU-NATO cooperation, while the TSI is rather a catalyst for the region's economic development. Energy, transport, and telecommunications have been chosen as the primary areas for deepening cooperation on the North-South axis.

THE TSI AND TRANSATLANTIC RELATIONS

The Three Seas Initiative is actively supported by the US, which is confirmed by regular positive statements about the project coming from major American politicians. The US interest has been also confirmed by Donald Trump's visit to the Warsaw Summit in 2017 and his official speech, during which he voiced unequivocal support to the project. The Bucharest Summit will also be, without a doubt, attended by the US high level representatives. It is expected that the President of the European Commission Jean-Claude Juncker will also attend the summit this year.

The presence of the US President in Warsaw has become both an opportunity and a challenge. On the one hand, it raised the level of the Initiative in the eyes of its members and drew the attention of the international community. On the other hand, it allowed talking about the

threat of a renewed divide between the two Europes and the prevalence of the US interests over the interests of the European Union. At least, Western countries, such as Germany, the largest economic partner for the CEE countries, demonstrated restrained reaction to the development of the Initiative and perceived it as the one aimed (deliberately or involuntarily) at strengthening the disintegration processes in the European Union, despite all the statements of the participants of the Initiative that it is not an attempt to create an alternative to the EU².

Overall, it is hard to ignore the political significance of this association: increasing the weight of the region of Central and Eastern Europe in the European Union and NATO, maintaining close transatlantic relations as a key goal of the Initiative, a common approach to the EU reform and decision-making, raising standards and achieving greater similarity with Western European colleagues make this subregional format vital for its member states in terms of strengthening their own roles as the EU members without remaining on the periphery. This format of regional integration will largely depend on how the EU will be further transformed: into a more federal structure, into «multi-speed Europe» or into something else.

The recent statement by Germany, the main trading partner and investor for most of the participating countries, became an important step for the Initiative. It officially expressed interest in partnering with the TSI and participating in the Bucharest Summit as an observer.

² A. Getmanchuk. *How Ukraine got lost on the way from the Intermarium to the Three Seas Initiative*, *Ukrainska Pravda*, <https://blogs.pravda.com.ua/authors/hetmanchuk/595cce73ce7a7/>, 18.08.18.

According to the President of Romania, "Germany's involvement will strengthen the Initiative's capacity to attain its goal of boosting the growth of the region's economic development and interconnection, to the very benefit of the entire European Union, as well as that of the German companies interested to extend their operations in Central and Eastern Europe."³ However, only time will tell if this will be a confirmation of the viability of the integration project and its successful development. It is also unknown whether it is about Germany's stable interest in interacting with the TSI or just participating in the Bucharest Summit as a gesture of Berlin's respect to the Romanian President of the German origin, Klaus Iohannis, who enjoys surprisingly warm relations with German leadership. It is possible that Berlin also realized that the Three Seas Initiative is now irreversible, and it would be wise to participate in it at least as an observer rather than ignore the project, risking at some point to damage Germany's own interests in developing cooperation with the countries of the region.

Along with the desire to optimize cooperation with Germany, the maintenance of close transatlantic relations is vital to the participants of the TSI. The Initiative fits perfectly into the strategy announced by Donald Trump for the US to increase American LNG exports to external markets, which is directly linked to the policy of

supporting Europe's independence⁴. The US also opposes the Nord Stream 2 project and supports the need to diversify energy supplies and energy security. To summarize, in his Warsaw speech Trump said: "If one of you need energy, just give us a call."⁵

The latest example of the US interest in the energy sector under the auspices of the TSI is the political and technical support provided by the US for the project of a natural gas terminal on the island of Krk (Croatia). In January 2018, during the visit of the Croatian Interior Minister to Washington, the Assistant Secretary of State for European and Eurasian Affairs stated that the Krk LNG energy project "enjoys full support" from the US and is seen as one of the "strategic projects" of the US government under the President.⁶

However, for the United States, cooperation with 12 members of the TSI is not only about energy sector, but also about returning to the region and increasing its own influence, especially when dramatic transformations are taking place in the EU. Relations with the region have intensified, both in the military and in the economic spheres.

On the other hand, the US is not the only side interested in the new format. China's attention as a global actor to the project is connected to its desire to find its own ways to the region and willingness to invest in it. Potentially, this means

³ Agerpres News. President Iohannis hails Germany's decision to get involved in Three Seas Initiative, participate in Bucharest Summit, <https://www.investingromania.com/en/news/agerpres-news/president-iohannis-hails-germany-s-decision-to-get-involved-in-three-seas-initiative-participate-in-bucharest-summit>, 28.08.18.

⁴ The White House. President Trump Vows to Usher in Golden Era of American Energy Dominance, <https://www.whitehouse.gov/articles/president-trump-vows-usher-golden-era-american-energy-dominance/>, 12.08.18.

⁵ M. Farber. Read Donald Trump's Remarks at the Three Seas Initiative Summit in Poland, *The Time*, <http://time.com/4846780/read-donald-trump-speech-warsaw-poland-transcript/>, 10.08.18.

⁶ Balkan Insight. US Confirms Backing for Croatia's LNG Terminal, <http://www.balkaninsight.com/en/article/the-us-again-backs-croatia-s-planned-lng-terminal-01-18-2018>, 08.08.18,



that the TSI might get support and investments not only from the EU, but also from the US or China (in particular, through the 16+1 format, where the same countries are present).

THE EVOLUTION OF THE THREE SEAS INITIATIVE: FROM DUBROVNIK TO BUCHAREST

While the Dubrovnik Summit was attended by leaders of only half of the countries, the representation of all the participants at the highest level is expected in Bucharest. Moreover, the first business forum will be held with the presentation of projects for potential investors and discussion of the ways of cooperation with countries outside the EU, where Ukraine will be represented at the level of the Deputy Minister of Economic Development and Trade⁷. It is possible that Ukraine could count on a higher level of representation in Bucharest if the relations between Ukraine and Romania, and especially between Ukraine and Hungary, were not overwhelmed during the last year by a well-known history around the educational law.

The Bucharest Summit should become a proof of the prevalence of the economic dimension of cooperation within the Initiative and bring concrete results. So far, there is no concrete specification of projects, strategies for raising funds for their implementation, or the structure that would be involved in such planning. In addition to the business forum, the program of the summit includes discussion and selection of the list of priority TSI projects, establishment

of the Investment Fund and the network of Chambers of Commerce of the participating countries, as well as proposals for new projects.

Over a year after the summit in Warsaw, the idea of the “Three Seas” has gained momentum. For instance, on July 3 this year, the first Three Seas Initiative Forum of Regions was held near the city of Rzeszów (Poland)⁸. This meeting was aimed at transforming intergovernmental cooperation into cooperation between the regions of the Three Seas Initiative. Furthermore, the project of the Parliamentary Assembly under the Initiative, which may involve non-EU countries, including Ukraine and Moldova, was announced by the Marshal of the Polish Sejm.

The renewed infrastructure creates opportunities for outlying territories, especially the mountain regions, to become attractive to investors. That primarily concerns the Carpathian macroregion, which also includes Ukraine. In June this year, the First International Forum of Eastern and Central Europe “Via Carpathia” has been held in the village of Kryvorivnya of Ivano-Frankivsk region. The Forum has been attended by the Minister of Infrastructure of Ukraine⁹.

However, it is important to note that the personality factor is very important for the evolution of the Initiative. For instance, the example of Croatia shows that the Three Seas project is rather a solo project of the President, than a concerted effort of all the actors involved in the formation of the foreign policy of Croatia.

⁷ The Three Seas Initiative, Enhancing European and Transatlantic Economic Cooperation, <https://3si-business.com/>, 14.08.18,

⁸ The Three Seas Initiative, Forum of Regions, <http://www.3siforum.com/index.php/en/about-forum>, 09.08.18.

⁹ Polukr.net. The First International Forum of Eastern and Central Europe «Via Carpathia» is being held in the Carpathians, <http://www.polukr.net/uk/blog/2018/06/u-karpatax-trivaye-mizhnarodnij-forum-sxidnoyi-ta-centralnoyi-yevropi-via-carpattia/>, 10.08.18.

Needless to say, the credibility of the Initiative would be doubled both within the country and beyond, if it was also supported by the Croatian Government.

Thus, cooperation within the framework of the Initiative is actively developing and will depend on the political will and reliable investments attracted by the participating countries. Currently, the declared priorities of the TSI are infrastructure and interconnection. The summit in Bucharest aims to assess what can be done in the short and medium term, develop specific methodologies and goals and identify priority projects for their implementation.

ENERGY PROJECTS

With more than 150 potential infrastructure projects, the most important aspect of the cooperation within the Initiative's framework is the development of the energy infrastructure along the North-South axis¹⁰. Close ties with Russia in the energy field have led to the dependence of most of the TSI countries from a single supplier. Moreover, Russia's energy monopoly has shown that the energy aspect can create not only new business arrangements, but also new political and economic frameworks.

The largest infrastructure project is the North-South Corridor, a planned natural gas pipeline connecting two LNG terminals, one in Poland and one in Croatia. The main objective is to diversify energy suppliers and supply routes to

the member states. The Poles have already built their LNG terminal in the town of Świnoujście; in early June 2017, the first American tanker has entered it. Croatia plans to build its terminal on the island of Krk in several years. Energy cooperation is actively supported by the US that signed two natural gas supply contracts due after 2022 with Poland. The Initiative is considering the possibility of receiving natural gas not only from the US, but also from Norway, Qatar, from Azerbaijan through the TANAP, etc. The major step will be the creation of a single regional natural gas network, without shortage of resources or dependence on a single supplier.

Energy independence, diversification of delivery methods and suppliers, and orientation of this project against the North Stream 2 are interesting to Ukraine. As of today, the only concrete project involving Ukraine that is already being implemented is the construction of the Polish-Ukrainian interconnector Hermanowice-Bilche-

Fig. 2. Polish-Ukrainian gas interconnector Hermanowice – Bilche-Volytsia



¹⁰ The official website of the President of the Republic of Poland. President Duda: Many infrastructure projects possible in CEE, <http://www.president.pl/en/news/art,493,president-duda-many-infrastructure-projects-possible-in-cee.html>, 12.08.18.



Volysia with a compressor station in Strachocin (Poland), which is scheduled to be completed by 2020. With a planned capacity between 5 to 8 bcm per year, the interconnector's main investors are Gaz-System and Ukrtransgaz¹¹.

In fact, the interconnector is fully in line with Ukraine's interests: its cost is relatively low, in addition, Ukraine and Poland have a common border, without the need for transit through third countries. It will allow Ukraine to rely on imports of natural gas from the EU through Poland, while Poland, in turn, will get additional loading for the LNG terminal in Świnoujście. The construction on the Polish side has already been completed, now it depends on Ukraine.

Furthermore, the operator of the Romanian natural gas transmission system, Transgaz, stated that it is considering the construction of an additional interconnector with Ukraine, which is linked to another project under the Initiative, the Bulgaria-Romania-Hungary-Austria pipeline (BRUA) for the export of natural gas from the Black Sea deposits¹². However, this project is still at an early stage, therefore there are only declarations regarding its potential. Nevertheless, closer cooperation with Romania in reverse gas supplies to Ukraine for the sake of energy security has been recommended by Ukrainian experts as early as two years ago¹³.

In terms of electricity, the project of the so-called power bridge to Poland and the reorientation, in particular, of the Khmelnytskyi NPP for export to this European country, which could be complementary to the energy infrastructure of the TSI, could be promising for Ukraine. However, so far, the Polish side has not demonstrated much interest in that¹⁴.

On top of that, it is impossible not to mention the possibility of storing natural gas in Ukrainian underground storage facilities for the needs of the countries of Central and Eastern Europe. So far, European partners have not demonstrated interest in this opportunity. To be fair, it should also be noted that no serious strategic energy project between Ukraine and Poland has been implemented with an eloquent example of the case of reverse of the Odesa-Brody oil pipeline.

Fig. 3. Potential projects of the Three Seas Initiative, involving Ukraine



¹¹ Przemysław Żurawski vel Grajewski, *Trimarium: a View from the North*, Centre for Global Studies "Strategy XXI", *Black Sea Security*, No. 2 (30), 2017, p. 49.

¹² Romania considers a possibility of constructing a natural gas interconnector with Ukraine, *Interfax*, <https://ua.interfax.com.ua/news/economic/527782.html>, 30.08.18.

¹³ S. Solodkyi, I. Rakeru. *Foreign Policy Audit: Ukraine-Romania*, Institute of World Policy, http://neweurope.org.ua/wp-content/uploads/2017/10/Aud_Ukr_Rom_eng_net.pdf, 18.08.18.

¹⁴ Y. Lapaiev. *Small steps. Energy cooperation between Ukraine and the EU*, *Ukrainskyi Tyzhden*, <http://tyzhden.ua/Economics/203989>, 18.08.18.

In any case, the support of the ties with the new energy infrastructure of the TSI is important for Ukraine both in terms of the opportunities of the cross-border interconnector with Poland, and in terms of belonging to the European system of natural gas transportation and cooperation with European natural gas suppliers.

TRANSPORT PROJECTS

Compared to the East-West highways, transport infrastructure along the North-South axis in the EU is much less developed. Accordingly, economic relations between the Eastern and Central European countries are significantly below the level of relations between those countries and Western Europe.

The most ambitious project of the TSI in the transport sector is the Via Carpathia trans-

European transport corridor that should connect the Baltic Sea region and the Balkans from Klaipėda to Thessaloniki. The implementation of the project is scheduled for up to 2050. The route offers certain promising additional connections with Ukraine (Rzeszów-Przemyśl-Lviv, Zamość-Volodymyr-Volynskyi-Luts'k and Lublin-Chełm-Kovel). Moreover, it is not only the Polish section that can be extended to Ukraine; connections are possible to the Slovak (via the Mukachevo-Uzhhorod-Košice) and Hungarian (Mukachevo-Debrecen) segments as well¹⁵.

On October 22, 2017, in Przemyśl (Poland), the Minister of Infrastructure of Ukraine and the Minister of Infrastructure and Development of the Republic of Poland signed the Memorandum of Understanding on further cooperation under the Via Carpathia project¹⁶. In June 2018, Minister of Infrastructure of Ukraine Volodymyr Omelyan participated in the First International Forum of Eastern and Central Europe "Via Carpathia. Infrastructure Projects as the Way to Unite the Countries of the Carpathian Macroregion".

According to Volodymyr Omelyan, active participation in the Via Carpathia project implemented by the countries of Central and Eastern Europe provides a unique opportunity to modernize the transport network of the Southern and Western regions of Ukraine, realize the transit

Fig. 4. Transport projects in the Three Seas region with Ukraine's participation



¹⁵ *Forum ekonomiczne w Krynicy. Adriatic-Baltic-Black Sea. Visions of cooperation*, http://www.forum-ekonomiczne.pl/wp-content/uploads/2017/08/Adriatyk-Ba%C5%82tyk-Morze-Czarne16x24_2017en_PDF.pdf, 10.08.18.

¹⁶ *Ministry of Infrastructure of Ukraine. Realization of the Via Carpathia project is a guarantee of the development of the Carpathian region of Ukraine and infrastructure integration of Ukraine – Volodymyr Omelyan*, <https://mtu.gov.ua/news/29935.html>, 10.08.18.



potential and provide the local communities with a new quality of life¹⁷.

Another landmark project under the Initiative is GO Highway Gdansk-Odesa, aimed at connecting Ukrainian Black Sea ports of Mykolaiv and Odesa with Polish Baltic Sea ports of Gdansk and Gdynia. It could also become a part of the Chinese “One Belt, One Road” Initiative¹⁸. The Polish part of the route from Gdansk to the border is already completed, and now it’s Ukrainian turn.

Together with the Ministry of Infrastructure, Ukravtodor is involved in the development of the project; in October last year, for the first time in the history of Ukraine, it signed a contract for the reconstruction of a section of the M-12 motorway, which is a part of the transnational corridor, with the Chinese company Xinjiang Communications Construction Group Co.¹⁹ The feasibility study for the GO Highway project is expected to be completed this year, then the design stage will begin. However, without the EU financial investments, it will be impossible to implement the project on the territory of Ukraine.

Ukrainian railway network is the third largest in Europe; however, international rail transport is more targeted at the states of the former Soviet Union. Therefore, Kyiv-Lviv-Przemyśl railway connection, opened by Ukrzaliznytsia in December 2016, is a success story²⁰. Furthermore,

Kovel-Chełm passenger connection has been launched recently, and others are expected soon.

The new railway capacities along the routes Wrocław-Kraków-Przemyśl-Lviv-Ternopil-Khmelnytskyi-Vinnytsia-Kyiv and Warsaw-Lublin-Chełm-Kovel-Korosten-Kyiv would reduce traffic at the overloaded Polish-Ukrainian road border crossings²¹. In this case, the increase in the capacity of the Ukrainian-Polish border through opening of new checkpoints would be relevant, given that most of the trips between Ukraine and Poland are taken by auto routes.

Currently, there are 12 active checkpoints on the border between Ukraine and Poland: 8 on the auto routes and 4 on the railways (excluding border crossing points purely for freight transportation)²². The opening of one or two additional checkpoints would not change the situation dramatically, thus for today’s transborder mobility their number should be increased at least twofold.

There is also a potential for restoring the river transport connection between the Baltic Sea and the Black Sea through the Vistula, the Western Bug, the Pripyat, and the Dnieper (the E40 international waterway) within the framework of the TSI. However, the feasibility research for the project was completed in 2015 with the European Union’s funding, but it didn’t get development further²³. Moreover, such large-scale projects have environmental implications.

¹⁷ *Ibid.*

¹⁸ *Road Transport Administration in Khmelnytskyi Region. The Go Highway Project: What Is Planned for Khmelnytskyi Region*, http://new.km.ukravtodor.gov.ua/press/news/proekt_go_highway_shcho_planuietsia_na_khmelnychchini.html, 10.08.18.

¹⁹ *Main in Ukraine. M-03 and M-12 motorways will be reconstructed by a Chinese company*, <https://main.in.ua/in-ukraine/trasi-m-03-ta-m-12-remontuvati-metom-kitajskoj-kompaniji/>, 10.08.18.

²⁰ *Przemysław Żurawski vel Grajewski. Trimarium: a View from the North, Centre for Global Studies “Strategy XXI”, Black Sea Security, No. 2 (30), 2017, p. 48.*

²¹ *Ibid.*

²² *State Border Guard Service of Ukraine. Checkpoints on the border with Poland*. <https://dpsu.gov.ua/ua/NA-KORDONI-Z-RESPUBLIKOYU-POLSHCHA-2018/>, 10.08.18.

²³ *Commission on the Development of the E-40 Waterway on the Dnieper-Vistula Section*, <http://e40restoration.eu/en/o-proekte-4>, 10.08.18.

One of Romania's announced transport projects for the Bucharest Summit is the Fairway Danube project aiming to implement the Master Plan for Rehabilitation and Maintenance of the Danube fairway and its navigable branches, which was elaborated during the EU Strategy for the Danube Region²⁴. The implementation of the Danube Strategy opens new perspectives for the development of the regions of Ukraine, providing the opportunity to implement projects aimed at improving the infrastructure and quality of life standards of these territories; therefore, the Romania's proposal within the TSI will also be interesting for Ukraine.

Critics of transport projects within the framework of the TSI, however, point out that for most of the participating countries, Germany is the largest economic partner. Therefore, participation in each transport project should be well-analyzed in terms of cargo flows, export volumes, economic relations between the countries of Central and Eastern Europe, as well as the attraction of reliable investments, since those projects are long-term ones.

TELECOMMUNICATIONS AND DIGITAL TECHNOLOGY

Joint cross-border infrastructure projects that provide better and more secure data transfer from the North to the South of the

region and are able to bridge the gaps in the communication infrastructure, including the 5G technological infrastructure, etc., laconically complement the energy and transport infrastructure projects of the TSI. However, it should be noted that any large-scale projects in this direction have not yet been proposed or developed, and the emphasis was mostly made on the first two areas of cooperation.

Digital communications will be the subject of discussions at the business forum and summit in Bucharest. Currently, Romania has three new proposals for telecommunication projects, such as establishment of an intellectual digital platform for transportation and logistics services²⁵.

The potential of the digital component of the TSI has been analyzed by the Polish Kosciuszko Institute whose project of The Digital 3 Seas Initiative has been granted a financial support from the Ministry of Foreign Affairs. The Institute's experts stand for the strengthening of the digital component during the Bucharest Summit. Among their proposals, which is, in fact, the project portfolio for the TSI are: engagement of the think tanks and experts from the TSI region, the US and the UK to develop a detailed strategy for implementing the digital component in the Initiative; launching the Digital 3 Seas Business Forum; promoting the Initiative's digital component at the European CYBERSEC Forum 2018 in Kraków; establishment of the Digital Innovation Hubs, Competence Centers, etc.

The Digital 3 Seas Initiative should be seen as an additional project that is in line with the

²⁴ Actmedia.eu. Government approves projects for digital, transportation and energy sectors to be promoted at 3 Seas Summit, <https://www.actmedia.eu/daily/government-approves-projects-for-digital-transportation-and-energy-sectors-to-be-promoted-at-3-seas-summit/77047>, 25.08.18.

²⁵ Ibid.



existing EU schemes, such as the Digital Single Market and the Connecting Europe Facility²⁶. Given Ukraine's experience of IT projects, it could offer expertise and seek partnerships with other interested countries, such as Estonia.

THE THREE SEAS INITIATIVE: PRAGMATIC APPROACH FOR UKRAINE

What should Ukraine's approach to the TSI be and how to take advantage of the available opportunities?

Firstly, Ukraine has the opportunity to engage in certain infrastructure projects, thus implementing European integration not in a declarative, but in practical way. It should be noted that among other things, Ukrainians expect improvements in the infrastructure from the European integration²⁷.

Moreover, using of the TSI as a platform for establishing effective communication with the Western neighbors on the issues of mutual interest would be useful for strengthening Ukraine's positions in the region of Central and Eastern Europe.

RECOMMENDATIONS:

Today, the Three Seas Initiative is based on pragmatic infrastructure projects that are capable of overcoming the differences between Central and Eastern European countries and, certainly, has great potential. Therefore, below we propose a list of recommendations on the steps that Ukraine should take regarding the TSI at this stage.

1. The dominant approach among the countries participating in the Initiative today is as follows: strengthening of the political component of the TSI and formal accession of the countries from outside the EU would lead to additional conflicts. The observer status could be an acceptable option for Ukraine. In this way, it would formalize the relations with the association and would be able to monitor the project's dynamics more closely.
2. A state which is more successful and stable in terms of internal reforms is regarded as a more reliable partner for the countries of Central and Eastern Europe. Therefore, the more successful the reforms of the transport infrastructure or the energy market, or the conditions of doing business are, the higher will be the level of confidence in Ukraine and, accordingly, the willingness to cooperate with it.
3. It is vital to determine the priority projects of the TSI for Ukraine and have a clear and structured position on their implementation, including sources of financing. Moreover, it is important to monitor the development of the Initiative and engage in interesting opportunities for Ukraine, such as the Forum of Regions, the planned Interparliamentary Assembly and Digital Forum, etc.

²⁶ The Kosciuszko Institute. *The Digital 3 Seas Initiative: A Call for A Cyber Upgrade Of Regional Cooperation*, https://newstrategycenter.ro/wp-content/uploads/2018/06/WHITE_PAPER_The-Digital-3-Seas-Initiative.pdf, 18.08.18.

²⁷ New Europe Center. *New Europe: What Do Ukrainians Think? Results of the opinion poll*, <http://neweurope.org.ua/en/analytics/nova-yevropa-yak-yiyi-bachat-ukrayintsi/>, 10.07.18.

4. It is important for Ukrainian stakeholders to clearly understand the difference between the Three Seas project and the so-called Piłsudski's Intermarium. "Intermarium" is a geopolitical term that historically involves elements of a certain security alliance, as well as deterrence or at least a diminution of the role of both Russia and Germany. On the other hand, the TSI is positioned primarily as an economic and infrastructure project within the EU.
5. Appropriate coordination of activities of Ukrainian ministries and agencies regarding the Three Seas Initiative is required, given that each aspect of cooperation within the project is undertaken by different structures. Furthermore, Ukraine's overall approach to the Initiative could become more effective and targeted through establishing contacts between representatives of state agencies, business structures, and the non-governmental sector involved in the promotion of Ukrainian interests within the Initiative. Involvement of Ukrainian businesses in the Three Seas Business Forum is particularly urgent, if this format proves its effectiveness after the pilot meeting in Bucharest.
6. Ukraine should take advantage of all opportunities of cooperation within the framework of the Carpathian macroregion offered by the Initiative. One of the most attractive geographical regions of Central Europe is in fact characterized by a low level of social and economic development. Priority projects are road construction, establishment of new checkpoints, green light for business, etc. Moreover, the development of mountain areas is one of the priorities of the 2020 State Strategy for Regional Development approved by the Ukrainian Government. Thus, Ukraine's participation in the First «Via Carpathia» Forum has become the first step towards mutually beneficial infrastructure cooperation.

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