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The perspective of the Czech Republic, Hungary, and Slovakia on the Three Seas Initiative

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TABLE OF CONTENTS

Summary	3
Recommendations	5
Introduction	6
1. Czechia: from Cold Distance to Inconsistent Pragmatism	8
2. Slovakia: a Hesitant Member, Committed to European Integration	11
3. Hungary: Pragmatic Pursuit of Increasing Interconnectedness	14
Conclusion	19



Summary

→ Through the five years of its existence, the development of the Three Seas Initiative (3SI) has been marked by three major processes: (1) the **clarification of the 3SI objectives**, (2) engaging participating and partnering countries and gradually **increasing the political resources invested in the project**, (3) a **broadening of the focus** of the 3SI.

→ The 3SI keeps its focus on the infrastructural and economic development of the region. It has also **acquired a strong (geo)political label**, since it has U.S. support and is often perceived as a tool for strengthening Central and Eastern European (CEE) resilience vis-à-vis Russia and China.

→ The **original doubts about the Polish intention** to create a new center of gravity in the EU that would balance Germany and France **were dispelled**. Such thoughts never completely disappeared from influential Polish intellectual circles but are not anymore part of any official narrative about the 3SI.

→ Neither the Czech Republic, nor Slovakia, nor Hungary were among the proponents of the creation of a new cooperation format in Central and Eastern Europe. They considered the number and scope of existing cooperation formats sufficient. **The Visegrad Group continues to play a pivotal role for Central European cooperation and coordination.**

→ The Czech Republic and Slovakia underline that the 3SI makes sense only if it develops within the EU's framework and if it connects, and not divides the EU member states. Therefore, both countries **welcomed Germany's observatory status in the initiative**. Similarly, Hungary highlights that the 3SI should play a role in connecting those participating in the initiative and the regions beyond.

→ The **active involvement of the Czech Republic, Slovakia and Hungary is essential for the 3SI's main objective** – the improvement of the infrastructural interconnectedness in the CEE – as the three countries lie in the center of the region's north-south axis.

→ The **US-commitment increased the credibility and weight of the 3SI in the three capitals**. They acknowledge the political significance which the 3SI plays in CEE relations with the United States. They also welcome the U.S. engagement in the Three Seas Initiative Investment Fund (3SIIF), which for Hungary was a factor for its own involvement.

→ **Hungary sees in the 3SIIF much greater potential for infrastructural development than the Czech Republic and Slovakia**. Budapest even revised its priority projects to match current needs and to fundraise for their realization. However, Prague and Bratislava are even skeptical about the feasibility of the projects they themselves put on the table, according to unofficial conversations with representatives responsible for the 3SI. Their focus on tangible results is, in fact, unconvincing and their alleged pragmatism quite contradictory.



- **Unlike Hungary, the Czech Republic and Slovakia have not contributed to the 3SIIF.** Prague is willing to do so as soon as it finds funds in the national budget constrained by COVID-19 pandemic cuts. Slovakia would like to first restructure the priority projects and see the input of private investors, for whom the 3SIIF was primarily designed.

- The three countries do not expect the 3SI Summit in Sofia to be an event of huge significance. **The development of the 3SIIF is right now seen as the major issue** and the Summit itself can hardly bring new impulses on this matter.



Recommendations

→ The 3SI should remain a loosely formalized, results-oriented, flexible and low-cost endeavor on the political level, as a strong **push for institutionalization or the creation of a political bloc would discourage less enthusiastic participating countries** like the Czech Republic or Slovakia.

→ The **number of regional initiatives in Central Europe has increased significantly** in the last decade, 3SI being one of them. The countries of the region, and particularly the Czech Republic and Slovakia, should analyze properly the added value of each of the initiatives and search for synergies among them. In this context, the **3SI should occupy a solid place, as it aims to improve interconnectivity in the region and bring economic benefits to the participating countries.**

→ 3SI should be considered as **one of the tools for enriching and cementing the trans-Atlantic link in economic terms.** Prospective U.S. private investment in the region via the 3SIIF would give the CEE region a more important role in U.S. policy making for the next decades. Such a reading of the initiative should be comprehended and promoted by strong pro-transatlantic communities in the three countries.

→ The **importance of the 3SIIF for the investment needs of the region will probably remain low, given the massive inflow of EU funds and loans in the next decade.** However, the authorities should understand that the EU's resources will be increasingly linked to certain policy priorities. Moreover, the countries will need to adapt to new financing in future as the EU's cohesion support will decrease and terminate at some point. In this context the 3SIIF could serve as a good test-case for the ability to use alternative sources of financing of infrastructure projects.

→ Proponents of the 3SI in the region or from the United States should **invest in public diplomacy on that topic**, since the understanding of the 3SI and its potential is low even among the expert community.

→ Czech and Slovak **self-governing regions might get interested in the 3SI.** Czech regions and municipalities could be attracted by the 3SIIF and the Forum of 3SI Regions could be used for the improvement of ties between the regions in CEE.



Introduction

The Three Seas Initiative (3SI) is a forum of twelve Central and Eastern European EU member states¹ established in 2016. The declared aim of the 3SI is **to contribute to the cohesive economic growth of the region by improving transport, energy and digital infrastructure between the Adriatic, Black and Baltic Seas, especially on the north-south axis.**²

The development of the 3SI over the past five years has involved three major processes: **(1) the clarification of the 3SI objectives, (2) engaging participating and partnering countries and gradually increasing the political resources invested in the project, (3) a broadening of the focus of the 3SI.**

The initiative was developed³ by Croatian President Kolinda Grabar-Kitarović and Polish President Andrzej Duda in 2015-16 and **inaugurated at the summit in Dubrovnik in August 2016.** Though the infrastructural nature of the cooperation was put to the forefront from the outset of the project, the leading role of Poland, newly led by the Law and Justice government, caused many concerns. The Law and Justice party signaled their discontinuity with the previous government's policies in particular in relations with Germany and the European institutions. It also got into a conflict with the European Commission over the rule of law in Poland in January 2016, just a few months after taking political power. Therefore, the initiative was widely seen as a Polish project primarily aimed at balancing the Franco-German engine in the EU which prompted caution and hesitation among many capitals.⁴

Furthermore, the second summit in Warsaw in July 2017 was attended by the U.S. President Donald Trump. **His support for the initiative gave it major significance, but at the same time did not dispel doubts about the real objectives of the project.** Rather the contrary, as Trump's policies were highly transactional and in many areas contradictory to the goals of the EU, thus the 3SI was seen as a "Trojan Horse" and "a threat to European unity".⁵ Nevertheless, as in the case of the Dubrovnik Summit, the declaration from Warsaw⁶ dealt predominantly with infrastructural issues.

The third summit in Bucharest in 2018 was essential for clarifying the scope of the 3SI and bringing new partners on board. The Bucharest summit declaration mentioned "enriching the transatlantic ties"⁷ as one of the objectives and the event was attended by the U.S. Secretary of Energy Rick Perry. However, the meeting also accentuated European cohesion demonstrated by the participation of the European Commission President Jean-Claude Juncker and the German Minister of Foreign Affairs Heiko Maas. German and EU institutions' support for the 3SI helped to put aside accusations that the whole project was about problematizing

¹ The participating countries are Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria, Slovenia, Croatia and Austria.

² "Three Seas Initiative – Objectives," <https://bit.ly/3gzHZpG>.

³ The roots of the idea can be traced firstly in the report "Completing Europe" prepared by the Atlantic Council and the Central Europe Energy Partners which was sponsored by major Polish energy companies. At the same time, the notion of enhancing relations between CEE countries was widely discussed among the Law and Justice party experts on foreign policy. Thirdly, Croatia sought at that time a Central European political platform to be part of.

Mysłąg Polska: Konwencja Programowa Prawa i Sprawiedliwości oraz zjeodnczonej prawicy. Katowice: Prawo i Sprawiedliwość, 2015, 78-87. <https://bit.ly/2QmtUSY>; James Jones, Paweł Olechnowicz. Completing Europe: From the North-South Corridor to Energy, Transportation, and Telecommunications Union. Washington D.C.: Atlantic Council and CEEP, 2014. <https://bit.ly/3uLgKoA>.

⁴ Adam Balcer, Pitor Buras, Grzegorz Gromadzki, Eugeniusz Smolar. In Clinch: The European Policy of the PiS Government. Warsaw: Batory Foundation, 2017. <https://bit.ly/3mO3llZ>.

⁵ Piotr Bajda. The Three Seas Initiative at the end of 2020: in statu nascendi. Warsaw: Collegium Interethnicum, 2020, 7-8. <https://bit.ly/3mO2dyC>.

⁶ "The Second Summit of the Three Seas Initiative – Joint Declaration," <https://bit.ly/3ckUOmg>.

⁷ "Joint Declaration of the Third Summit of the Three Seas Initiative," <https://bit.ly/3gbKbFi>.



relations with Berlin or Brussels for the sake of U.S. or Polish interests.⁸ This was a result of the pressure of some participating countries including the Czech Republic.⁹ The Bucharest summit also brought tangible deliverables. Firstly, a shortlist of priority infrastructure projects was elaborated; secondly, a letter of intent in relation to the establishment of the 3SI Investment Fund (3SIIF) was signed; thirdly a large business forum took place. Furthermore, even prior to the Bucharest meeting, a first Forum of Regions of 3SI took place in Rzeszów.

Further summits in Ljubljana 2019 and the videoconference summit in Tallinn 2020 followed the track set in Bucharest. In the meantime, the 3SIIF was established and nine 3SI countries signed up to the Fund (except for Austria, the Czech Republic and Slovakia). Furthermore, the United States pledged to contribute 1/3 of the fund's value up to 1 billion USD.¹⁰ The 3SIIF also announced in the second half of 2020 its first investments by purchasing the locomotive-leasing company Cargounit¹¹ and acquiring a controlling interest in Greenergy – a CEE data center platform.¹² In May 2021 the 3SIIF followed up with its first investment in the energy sector, as it acquired a significant shareholding in the company Energy.¹³ **The robust U.S. support was underlined by a bi-partisan House Committee on Foreign Affairs resolution passed in October 2020, that reaffirmed American support for the project and linked it to countering Russian and Chinese malign influence in the region.**¹⁴ Thanks to the Estonian efforts around the Tallinn Summit, the 3SI also broadened its scope as a ministerial meeting and a follow up seminar were organized.

This short overview of the development of the 3SI has shown that **it keeps its focus on the infrastructural and economic development of the region.** Furthermore, **it has also acquired a strong (geo)political label, given the U.S. support.** The original doubts about Polish intentions to create a new center of gravity in the EU that would balance Germany and France were dispelled. Such interpretations never completely disappeared but are not anymore part of any official narrative about the 3SI.

This policy paper **looks at the 3SI from the perspective of the Czech Republic, Slovakia and Hungary** – three countries that were at the beginning counted among the more reluctant participating countries. At the same time, they represent the core of Central Europe and are the three remaining Visegrad Group countries apart from the main proponent of the 3SI – Poland. Their involvement is crucial for improving connectivity in the CEE, as they are located in the middle of its north-south axis.

The paper maps how their standpoint vis-à-vis the project has evolved. It describes current expectations about its future development and explores untapped potential. Moreover, the paper examines the relations of the 3SI to other established regional consultative and cooperative bodies like the Visegrad Group or the Slavkov Triangle. Lastly, it answers the question of whether U.S. support for the project constitutes a significant factor for more favorable treatment of the 3SI.

⁸ Paweł Kowal, Agnieszka Orzelska-Stączek, *Inicjatywa Trójmorza: geneza, cele i funkcjonowanie* (Warszawa: ISP PAN, 2019), 67-74.

⁹ Representative of the Ministry of Foreign Affairs of the Czech Republic in discussion with Vít Dostál, March 25, 2021.

¹⁰ Piotr Bajda, *The Three Seas Initiative at the end of 2020: in statu nascendi*. Warsaw: Collegium Interethnicum, 2020m, 11-13. <https://bit.ly/3mO2dyC>.

¹¹ "The Three Seas Fund agrees its first investment," <https://bit.ly/2QnbaTw>.

¹² "The Three Seas Fund makes its first digital investment," <https://bit.ly/2ONJDKm>.

¹³ "The Three Seas Fund makes its first energy investment," <https://bit.ly/3cndi5F>.

¹⁴ "Kaptur, Kinzinger Resolution Supporting Three Seas Initiative Passes Committee," <https://bit.ly/3sda4XC>.



1. Czechia: from Cold Distance to Inconsistent Pragmatism

1.1. Development of the Czech Stance towards the 3SI

The Czech Republic was not among the proponents for the creation of a new cooperation format in Central and Eastern Europe. Its Central European policy since the mid-2010s has been based on three pillars: dialogue with Germany, promoted – at least nominally – in 2015 to the “strategic” level, Visegrad cooperation, and the trilateral Slavkov Triangle with Austria and Slovakia established in 2015.¹⁵ This combination of two time-proven formats and a new vector towards Vienna was considered sufficient and no urgent need for launching a new initiative was felt among Czech foreign policy makers. Thus, the 3SI was from the beginning perceived as a project that should only contribute to infrastructural connectivity. The highest political representative of the Czech Republic at the first summit in Dubrovnik was the Minister of Transport. At the beginning of the initiative, Czech participation was also driven by the need for information and contact. In other words, from the perspective of the national interest it was better to “be in” and know what is going on, than to “be out” and have zero chances to influence the future course of the project.¹⁶

The leadup to the Summit in Poland in 2017 brought a higher degree of cautiousness or even a clear distance on the side of Czechia. At that time, the 3SI was perceived in Prague as a political project that worried Czech diplomacy.¹⁷ The new Polish Law and Justice government rushed rapidly into conflict with the EU institutions and acquired the label of an unpredictable partner. The 3SI was seen as an initiative that might be used for a Polish power-struggle vis-à-vis Berlin and Brussels. This was clearly signaled around the Warsaw Summit.¹⁸

The Bucharest Summit in 2018 was a turning point for the Czech attitude towards the 3SI. Firstly, the German and European institutions’ high level participation dispelled fears that the project was about rivalry with Berlin and Brussels or that it was a seed for a future alternative to European integration. Secondly, the announcement of the creation of the 3SIIF gave it tangible content. Apart from that, the ongoing U.S. interest and conversion of previously stated American goals in the region (e.g. improvement of the gas pipelines infrastructure) into the 3SI also made Washington’s involvement more credible. It could not be seen anymore as an instrument for Trump’s first contacts with European partners.¹⁹

The 3SI summit in Slovenia was the first one attended by President Miloš Zeman. In 2020, before the Tallinn Summit, the Deputy Minister of Other Transport and International Relations Section Jan Sechter was appointed to coordinate cooperation regarding the 3SI from the governmental level. That moved the center of gravity from the Ministry of Foreign Affairs to the Ministry of Transport and underlined the focus on tangible outputs and the infrastructural dimension. Still the

¹⁵ “Nástupní projev ministra zahraničních věcí Tomáše Petříčka,” <https://bit.ly/3f231MG>. “Koncepce zahraniční politiky ČR,” <https://bit.ly/3fdLQlr>.

¹⁶ Representative of the Ministry of Foreign Affairs of the Czech Republic in discussion with Vít Dostál, March 25, 2021.

¹⁷ Deputy foreign minister Lukáš Kautský at the conference “Role Visegrádské čtyřky ve světle krize evropské integrace,” May 5, 2016, <https://bit.ly/3uqrCS0>.

¹⁸ President Zeman did not travel to Warsaw. Nevertheless, his absence was primarily motivated by the fact that at that time he believed he could meet Donald Trump bilaterally soon and so did not want to exhaust the opportunity in Warsaw at a multilateral event. Michał Kokot, “Wyłom w Trójmorzu. Czesi nie chcą być częścią antyniemieckiego paktu,” *Gazeta Wyborcza*, June 19, 2017, <https://bit.ly/3xTLIWG>.

¹⁹ Representative of the Ministry of Foreign Affairs of the Czech Republic in discussion with Vít Dostál, March 25, 2021. Representative of the Office of the President of the Czech Republic in discussion with Vít Dostál, March 31, 2021.



coordination of summits remains within the Office of the President. The Czech Republic also has a representative in the 3SIIF supervisory board. The position is currently held by Jiří Jirásek, the chairman of the Czech-Moravian Guarantee and Development Bank – the national development bank.

1.2. Foundations of the Czech Policy in the 3SI

As mentioned above, **the key focus of the 3SI, according to the Czech representatives, should be on the infrastructural dimension.**²⁰ They believe that the current debate within the 3SI should primarily focus on the rules and the development of the 3SIIF. Though, here lies one of the contradictions of the Czech approach. On the one hand, Prague wants the initiative to contribute to infrastructural development. **On the other hand, the Czech Republic did not take the process of nominating its own priority projects before the Bucharest Summit very seriously.** The only proposed project was the waterway that should connect the Danube, Oder and Elbe rivers. This idea has always been significantly supported by President Zeman but is largely contested for its questionable economic sense and bad environmental impacts. It is also emblematic that during the consultations about possible Czech priority projects for the 3SI, individual ministries did not come up with any ideas. In the end it was the task of the Office of the President as a coordinating body to come up with a proposal and that is how the President's pet-project made it among the official priorities.²¹

In fact, the Danube-Oder-Elbe waterway is not perceived as a feasible project by other Czech authorities, as it does not fit for the conditions for 3SIIF financing at the current stage and as it would be a long-term project that needs broad political support. Nevertheless, the Ministry of Transport holds the improvement of the navigability of the Oder and Elbe rivers as the first steps in the mid-term perspective for getting closer to the construction of the whole waterway.²²

The second contradiction in the Czech infrastructure-centered approach is the Czech government's **lack of a contribution to the 3SIIF.** Despite repeated expressions of interest, the government has still not decided about joining the Fund and so endorsing the economic dimension of the 3SI. Currently, the main reason for this reluctance is budgetary constraints caused by the COVID-19 pandemic. However, there are also other structural causes for Czech restraint. Czech actors are well used to grant processes for the financing of public and private projects. The 3SIIF with its investment logic²³ is therefore currently not seen as a highly necessary instrument. Nevertheless, as the Czech-Moravian Guarantee and Development Bank underlines, as the Czech Republic gradually improves its relative socio-economic position within the EU, the granting schemes will fade out perhaps as soon as in the EU's next financial framework from 2028 on. Before that time, Czech actors will have to learn how to use other instruments like the 3SIIF. One of the other assets of the 3SIIF (and similar public-private instruments) is the fact that unlike EU financial sources, it is not strictly bound with other policy priorities e.g. climate goals. Because of that, interest in the 3SIIF resources may in future come not only from the national, but also from the regional and municipal levels.²⁴

²⁰ Representative of the Ministry of Foreign Affairs of the Czech Republic in discussion with Vít Dostál, March 25, 2021. Representative of the Office of the President of the Czech Republic in discussion with Vít Dostál, March 31, 2021. Representative of the Ministry of Transport of the Czech Republic in discussion with Vít Dostál, March 31, 2021.

²¹ Representative of the Office of the President of the Czech Republic in discussion with Vít Dostál, March 31, 2021.

²² Representative of the Ministry of Transport of the Czech Republic in discussion with Vít Dostál, March 31, 2021.

²³ Unlike EU grants, the 3SIIF expects return on investment.

²⁴ Representative of the Czech-Moravian Guarantee and Development Bank in discussion with Vít Dostál, April 12, 2021.



Some Czech officials also see a certain contradiction in the goals of 3SIIF. On the one hand it should finance projects that would contribute towards reaching the goals of the 3SI, i.e. improving CEE connectivity and so its geo-economic importance. On the other hand, the Fund itself must seek investments that will produce profit, so that its good performance attracts more private contributors. The trouble is, that the former goal is political, whereas in order to achieve the latter goal, the 3SIIF must be managed independently without political pressure.²⁵ Still, the **Czech representatives endorse any investments in the region and do not limit themselves to the shortlisted priority projects, since the CEE is perceived as a natural arena for the Czech export-oriented economy.**

The Czech Republic does not see the urgency for the creation of a permanent seat and secretariat in one of the participating countries. The current way of functioning with the technical secretariat and the quasi-presidency dedicated to the country responsible for the next summit is considered sufficient.²⁶ Having said that, the governmental 3SI coordinator has rather a neutral stance on the secretariat. He understands the possible benefits of it, such as being a focal point for external actors or the attraction of new partners.²⁷

Prague also does not want the 3SI to become a substitute for any of the functioning formats, especially the Visegrad Group. The 3SI has a place in the Czech Central European policy only if it remains complementary to existing activities and if it brings some added value.²⁸ One of the political benefits of the 3SI is that it draws U.S. interest to the region and therefore creates some platform for future CEE-U.S. engagement.²⁹ Last but not least, **the Czech Republic would in future be open to Germany's full membership** of the 3SI, as it would be natural to have Berlin on board for the development of the infrastructure in the region.³⁰

So far, the Czech debate on the 3SI has been held mainly within the state administration and among think-tankers. References to it from political actors were just fleeting. The far-left Communist Party clearly rejected the project for as they put it "serving American interests".³¹ To the contrary, the electoral coalition of liberal-conservative parties SPOLU ("Together") supports the 3SI in its recently published electoral manifesto. It refers to it as a "geopolitical platform for strengthening cooperation between the United States and Central and Eastern Europe". Nevertheless, SPOLU as well as the other major electoral coalition of the Pirate Party with Mayors and Independents, unequivocally reject the Danube-Oder-Elbe waterway, the only Czech priority infrastructural project for the 3SI.³²

²⁵ Representative of the Ministry of Foreign Affairs of the Czech Republic in discussion with Vít Dostál, March 25, 2021.

²⁶ Deputy Director of the Foreign Affairs Department of the Office of President Pet Pirunčík at the conference "České priority v rámci iniciativy Trojmoří," September 29, 2020, <https://bit.ly/33iOhn9>.

²⁷ Representative of the Ministry of Transport of the Czech Republic in discussion with Vít Dostál, March 31, 2021.

²⁸ Representative of the Ministry of Foreign Affairs of the Czech Republic in discussion with Vít Dostál, March 25, 2021. "Nástupní projev ministra zahraničních věcí Tomáše Petříčka," <https://bit.ly/3f231MG>.

²⁹ Representative of the Ministry of Foreign Affairs of the Czech Republic in discussion with Vít Dostál, March 25, 2021.

³⁰ Deputy Director of the Foreign Affairs Department of the Office of President Pet Pirunčík at the conference "České priority v rámci iniciativy Trojmoří," September 29, 2020, <https://bit.ly/33iOhn9>.

³¹ "Stanovisko VV ÚV KSČM k průběhu a výsledkům návštěvy ministra zahraničních věcí Spojených států M. Pompea v České republice," <https://bit.ly/33ntGOB>.

³² „Program | SPOLU pro bezpečnou zemi," <https://bit.ly/3tjgq8o>. "Piráti jsou proti koridoru Dunaj-Odra-Labe. Přínosy pro ekonomiku sporné, ekologické dopady drtivé - Pirátské listy," <https://bit.ly/3vg8OoJ>.



2. Slovakia: a Hesitant Member, Committed to European Integration

2.1. Slovakia's Involvement in the 3SI

From a geographical perspective **the territory of Slovakia is of crucial importance for the development of infrastructural interconnections on the North-South axis**, just to name the gas interconnector with Poland and Hungary or the Via Carpatia project as examples.³³ Though Slovakia participated in the 3SI from the outset, thanks in part to friendly ties between the then president Andrej Kiska with his Polish counterpart Andrzej Duda, it rather considered it as just another platform for communicating joint regional priorities. Though the 3SI was perceived as a presidential initiative, the second summit in Warsaw in 2017 was also attended by Peter Pellegrini, the then vice prime minister responsible for investments (prime minister of Slovakia between 2018-2020). In his statement following the summit president Kiska placed the 3SI in a broader European context: “At the 3SI meeting we discussed the connectivity of the region, in order to make the European Union stronger. This is the main goal of the project. The more the countries are interconnected, the stronger is the EU”³⁴. Andrej Kiska also took part in the 2018 summit in Bucharest.

Zuzana Čaputová, who replaced him as president of the Slovak Republic, then delivered a contribution at a virtual summit organized by Estonia in October 2020. In her message she underlined the importance of cooperation and coordination among European countries, as the pandemic severely affected the economies of the 3SI countries. She also highlighted the fact that 16 out of the 20 least developed regions in the EU lie in the 3SI countries. Similarly to her predecessor Andrej Kiska, she assured the participants that Slovakia “will support every initiative that will enhance connectivity within the European Union and will be governed by its principles and policies”³⁵.

In Slovakia, the **3SI is a topic for discussion for a very limited number of stakeholders who are directly connected to the initiative**. 3SI is present neither in the media nor in political discourse. As the 3SI was originally a presidential initiative, the Office of the President is involved, particularly when it comes to political issues. The main contact point is the “sherpa” – currently the president’s chief foreign policy advisor. The Ministry of Foreign and European Affairs (MFEA) is also involved in the co-creation of the Slovak position through its Section of Economic Cooperation and its Department of Economic Diplomacy Management. However, the main sectoral contact point, especially when the 3SIIF is considered, is the Ministry of Finance (Section of International Relations, Department of Financial Instruments and International Institutions).

2.2. Slovakia's Perspective on 3SI

Both manifestos of the Slovak government from 2020 and 2021 pay attention to the continuous involvement of Slovakia in the Visegrad Group. They also emphasize the “development of partnerships with other states and regional groupings.”³⁶ However, this does not imply that other regional groupings occupy an increasingly more important role in Slovakia’s foreign (and European) policy. Slovakia still ranks among

³³ “Via Carpatia,” <https://bit.ly/2RyDOC9>.

³⁴ “Slovensko v rámci iniciatívy Trojmorja zohráva kľúčovú úlohu,” <https://bit.ly/3fcR6wP>.

³⁵ “Three Seas Virtual Summit, the Presidents’ virtual panel,” <https://bit.ly/3vhFQVM>.

³⁶ “Programové vyhlásenie vlády Slovenskej republiky na obdobie rokov 2020–2024,” [Government Program Manifesto for 2020–2024], <https://bit.ly/3vpCakE>. “Programové vyhlásenie vlády Slovenskej republiky na obdobie rokov 2021–2024,” <https://bit.ly/2T7EFKb>.



the most hesitant participating countries of the 3SI. However, a change in the attitude of the other two “hesitant” 3SI members – Czech Republic and Austria – might contribute to the modification of Slovakia’s position.

The need to maintain the 3SI in the framework of the EU and the overall European character of the initiative has not only been accented in the statements of the presidents. It can be considered as the leitmotif of Slovakia’s position vis-à-vis the 3SI in general. Slovakia is not interested in any “political emancipation” of the 3SI.³⁷ It is perceived as a relatively new regional initiative, which is still in the process of development and should exist in parallel with other Central European regional groupings.

Any attempts – open or latent – to transform the 3SI into a political bloc are strongly opposed by Slovakia. Bratislava also prefers the existing model of the rotating quasi-presidency.³⁸ Ideas of establishing a permanent secretariat of the 3SI are perceived as attempts to strengthen the institutional structure of the initiative and are therefore not supported.³⁹ Priority is given to the economic dimension of cooperation. Therefore, the Ministry of Finance plays the most important role and the economic orientation of the 3SI has also been highlighted by the MFEA.⁴⁰

Slovakia’s hesitant position towards the 3SI has been influenced by several factors. Firstly, the **unclear roadmap for financing priority projects.** Given the 3SI’s ambition to (co-) finance large infrastructural projects, Slovakia included in its list of priority projects the Easting pipeline, as well as the upgrade of the railways and highways. In fact, these projects were taken from a “wish-list” of politicians, while their anchoring in reality was missing.⁴¹ Expected minimum national contributions (20 million EUR) to the 3SIIF implied that such large investment projects are beyond the real possibilities of the Fund and it remains so even after the much larger contribution of Poland or possibly of the United States. The reprofiling of the Fund’s priorities in terms of realistically set project goals is considered to be one of the preconditions for changing Slovakia’s attitude regarding its contribution to the 3SIIF. Instead of big infrastructure projects, Slovakia prefers to concentrate on the digital agenda and smaller energy projects (e.g. support of the solar energy or steam-gas cycle) and it aims to change the list of priority projects accordingly. A small working group consisting of representatives of the MFEA, the Office of the President and the Ministry of Finance is in charge of discussing these changes with the 3SIIF.

Another problem is that **international financial institutions, such as the European Investment Bank or the EBRD are not included in the 3SIIF.** The involvement of these international institutions is perceived as a guarantee of professionalism, a balanced approach and the independence of the 3SIIF by Slovakia. Slovakia perceives that at a certain point, the overall character of the Fund started to change. Nowadays Poland plays a dominant role in it, as it contributes the largest share of the finances.⁴² The argument in favor of the involvement of international financial institutions is also that they could provide the 3SIIF with project planning and development models.

Yet another reason for Slovakia’s hesitancy is the **continued absence of private investors in the 3SIIF.** Without the contribution of private investors, the 3SIIF will just be composed of the, sometimes quite modest, contributions of the governments of individual member countries.

³⁷ Representative of the Office of the President of the Slovak Republic in discussion with Tomáš Strážay, April 19, 2021.

³⁸ Representative of the Ministry of Foreign and European Affairs of the Slovak Republic in discussion with Tomáš Strážay, April 14, 2021.

³⁹ Representative of the Office of the President of the Slovak Republic in discussion with Tomáš Strážay, April 19, 2021.

⁴⁰ “Videokonferencia ministrov zahraničných vecí krajín Trojmoria,” <https://bit.ly/3hXnAgr>.

⁴¹ Representative of the Ministry of Finances of the Slovak Republic in discussion with Tomáš Strážay, April 23, 2021.

⁴² Ibid.



All in all, Slovakia has certain doubts about whether the Fund, though rather symbolic, would bring any added value. And as there are not any country-specific “financial envelopes” in the 3SIIF, it is not even sure that the invested funds would return back to Slovakia through the supported projects, which is considered as a problem by Slovakia, although the changes in the list of priority projects should make the projects proposed by Slovakia more competitive and feasible. In addition, the country is in quite a comfortable situation when it comes to the funding of different kinds of projects, as massive funding from the EU was secured at least for the next seven years.⁴³ In contrast to the Czech Republic, in Slovakia the 3SIIF is not seen even as a good test for using alternative financing of projects.

Despite Slovakia’s current hesitant stance to its contribution to the 3SIIF, its position may be reconsidered relatively soon, if the character of the projects is reprofiled and if the 3SIIF comes to involve private investors.

On the other hand, the **3SI, especially through its Forum of the Regions, is considered to be a useful tool for cooperation on the regional level.** This especially applies to the two (out of eight) self-governing regions that share their borders with Poland, and particularly to the easternmost Prešov Self-governing Region.⁴⁴

The participation of the United States increases the attractiveness of the 3SI in the eyes of the Slovak stakeholders. However, the U.S. interest would be still more attractive, were it to be backed up by a financial contribution to the 3SIIF. Slovakia also welcomed the involvement of Germany in the 3SI, though it is for now only in the position of an observer. The more intensive participation of Germany in the 3SI and German investors in the 3SIIF in the future would be appreciated.⁴⁵

⁴³ Generally, the lack of money is not considered as an obstacle, given the massive funding coming to Slovakia from EU resources. The problem rather is the lack of viable projects that would be financed through the EU funds.

⁴⁴ “Improving the European cooperation of local authorities in order to streamline territorial self-government”, Slovak-Polish online roundtable, 8 December 2020.

⁴⁵ Representative of the Ministry of Foreign and European Affairs of the Slovak Republic in discussion with Tomáš Strážay, April 14, 2021.



3. Hungary: Pragmatic Pursuit of Increasing Interconnectedness

3.1. Elements of the Hungarian Stance toward the 3SI

Hungary expressed support for the 3SI from the start, but its initial attitude was rather reserved toward the project. President János Áder participated at the Dubrovnik and Warsaw summits in 2016 and 2017, but the events received little attention domestically and found limited resonance in policy circles. President Áder was due to attend the Bucharest summit in 2018, as well, but due to an airplane malfunction, he cancelled his trip last minute,⁴⁶ and Budapest was represented only on the ambassadorial level. Considering the limited activity in the first years, Hungary came to be seen as a reluctant partner, and the participation of Minister of Foreign Affairs and Trade Péter Szijjártó instead of President Áder at the Ljubljana summit in 2019 seemed to confirm the impression.⁴⁷ **The shift of representation toward the executive, however, may actually signal a growing practical interest in the project.** Unlike in some other member countries of the 3SI, the position of the head of state in Hungary is symbolic, and consequently, the president has no role in policymaking or even policy discussions. At the 2020 online Tallinn summit, logging in from Budapest, both the President⁴⁸ and the Ministry of Foreign Affairs and Trade (MFAT) were represented, albeit the latter only on state secretary level.⁴⁹

Hungary's interest gradually developed at least in part as a response to the United States' growing commitment to the 3SI, as also illustrated by shifting the handling of the initiative toward the government following the U.S. commitment to co-fund the 3SIIF announced in Bucharest in 2018.⁵⁰ **Seeing Washington's growing supportive stance and financial commitment announced in February 2020⁵¹ admittedly influenced Budapest's approach to the 3SI, as with this, the government sees value added.**⁵² Hungary announced in June 2020 that it would join the 3SIIF with 20 million EUR⁵³ – the same amount as other small members, and the Hungarian Export-Import Bank finalized the transfer to the Fund the same year in December.⁵⁴ To showcase its commitment, **Budapest also offered to host a future**

⁴⁶ András Király, "Még a földön összetörték a kormánygépet, amivel Áder utazott volna Bukarestbe," 444.hu, September 18, 2018, <https://bit.ly/3uZTHzK>.

⁴⁷ See e.g. the critical takes from Dominik Héjj, "The Three Seas Initiative in the Foreign Affairs Policy of Hungary," *Rocznik Instytutu Europy Środkowo-Wschodniej* 17, no.3. (2019): 115–135. Or Piotr Bajda, "The Three Seas Initiative at the end of 2020 in statu nascendi." Warsaw: Collegium Interethnicum, November 2020, 29. <https://bit.ly/2QCVL1Q>.

⁴⁸ "Áder: A természet által létrehozott infrastruktúrára is figyelni kell! – Hirado.hu," <https://bit.ly/3bHZAKt>.

⁴⁹ "Sztáray Péter államtitkár részvétele a Három Tenger Kezdeményezés virtuális csúcstalálkozóján – Magyarország Kormánya," <https://bit.ly/342HQoR>.

⁵⁰ Piotr Bajda, "The Three Seas Initiative at the end of 2020 in statu nascendi." Warsaw: Collegium Interethnicum, November 2020, 10. <https://bit.ly/2QCVL1Q>.

⁵¹ "US commits \$1 billion dollars to develop Central European infrastructure – Atlantic Council," <https://bit.ly/3foG8KL>.

⁵² Head of the Energy and Climate Department of the Ministry of Foreign Affairs and Trade of Hungary Tamás Vörös at the conference of the Antall József Knowledge Center titled "Central European Visions: The Three Seas Initiative and its Possible Impact for Central Europe" in November 2020. "Central European Visions: A Három Tenger Kezdeményezés és lehetséges hatásai Közép-Európára – Antall József Tudásközpont," <https://bit.ly/3vaeVv6>.

⁵³ "Magyarország továbbra is elkötelezett a Három Tenger Kezdeményezés sikere iránt – Magyarország Kormánya," <https://bit.ly/2TouJ7>.

⁵⁴ Following Hungary's accession to the 3SIIF, a director of the Hungarian Export-Import Bank has joined the Fund's Management Board, whereas the Hungarian delegate to the Fund's Supervisory Board is Foreign Minister Szijjártó's head of cabinet. This underlines the growing role of the MFAT in the initiative, even though the President's Office remains involved, as well. Regarding the priority projects, both the MFAT and the Ministry of Innovation and Technology are involved in the coordination, depending on the thematic focus.



3SI secretariat in the Hungarian capital,⁵⁵ though this offer has more to do with the Hungarian intention to attract international representations to Budapest, and thus increase the standing of Hungary, than with the concrete initiative in this case.

The 3SI is seen strictly as an economic project that may provide an additional framework to support the North-South interconnectedness of Central Europe. Its value is assessed through its ability to mobilize new, additional funding from various sources in order to implement, first and foremost, energy and transport infrastructure projects that support the development and cohesion of the region. The Hungarian approach is pragmatic and results-oriented in this regard, going as far as Minister Szijjártó stating that the 3SI “only makes sense in the case that we are able to implement projects.”⁵⁶ For this reason, the 1 billion USD pledge backed up by the bipartisan support of the House committee was seen as encouraging: something that may indeed facilitate such implementation.⁵⁷ The Hungarian government having been on more positive terms with the Trump administration than with the Biden one, the bipartisan support may also be seen as a guarantee that potentially more strained ties between the US and Hungary will not come in the way of the 3SI priorities. Representatives of the Hungarian National Bank also see potential primarily in the 3SI’s contribution to the development of Central Europe’s infrastructure, but warn that maneuvering between the interests of great powers (the US and China) may raise diplomatic difficulties for the region.⁵⁸ Overall, the 3SI is seen through the lens of additionality, not as a rival or competing initiative to other regional frameworks Hungary is active in. It is expected to avoid an “artificial exclusiveness” and remain open in practice for projects connecting the 3SI countries toward their neighborhoods in the East and the South.⁵⁹ Meanwhile, the **Hungarian government continues to see the Visegrad Group as the core and engine of Central European cooperation that should be preserved.**⁶⁰

Hungary submitted five multilateral priority projects in 2018 already before joining the 3SIIF, among them the Hungarian section of the Via Carpathia or a Romanian–Hungarian–Slovak gas transmission corridor, but these were deactivated in 2020 as Hungary did not update their status.⁶¹ In 2020, 16 new projects were submitted,⁶² and Hungary declared its participation in 16 more that were put forward by other member countries.⁶³

⁵⁵ “Magyarország továbbra is elkötelezett a Három Tenger Kezdeményezés sikere iránt – Magyarország Kormánya,” <https://bit.ly/2Tou2J7>.

⁵⁶ Péter Szijjártó (@szijjarto.peter.official), “Három Tenger Kezdeményezés – külügyminiszterek tanácsa,” Facebook, February 11, 2021, <https://bit.ly/33WYXs4>.

⁵⁷ Head of the Energy and Climate Department of the Ministry of Foreign Affairs and Trade of Hungary Tamás Vörös at the conference of the Antall József Knowledge Center titled “Central European Visions: The Three Seas Initiative and its Possible Impact for Central Europe” in November 2020. “Central European Visions: A Három Tenger Kezdeményezés és lehetséges hatásai Közép-Európára – Antall József Tudásközpont,” <https://bit.ly/3vaeVv6>.

⁵⁸ Márton Fenyő and Dorina Kirtág, “A KKE-régió infrastrukturális fejlődési lehetőségei az USA-Kína versengés kontextusában,” Portfolio, March 24, 2021, <https://bit.ly/3oz6QgE>.

⁵⁹ Péter Szijjártó (@szijjarto.peter.official), “Három Tenger Kezdeményezés – külügyminiszterek tanácsa,” Facebook, February 11, 2021, <https://bit.ly/33WYXs4>.

⁶⁰ “Orbán Viktor interjúja a TVP lengyel állami televízióknak – Magyarország Kormánya,” <https://bit.ly/3yreE8L>.

⁶¹ “Status Reports of 2020 – Three Seas,” <https://bit.ly/35kMGOS>.

⁶² “Magyarország több projektre is javaslatot tett a Három Tenger Kezdeményezés Alapjában – Magyarország Kormánya,” <https://bit.ly/3ykVNfT>.

⁶³ See the full list of projects at: “Projects – Three Seas,” <https://bit.ly/3cJ4Fmh>.



Active projects submitted by Hungary as of May 2021

	National	Multilateral
Energy	<p>500 MW CCGT Power Plant to replace the Mátra Power Plant</p> <p>Development of 130-260 MW PV solar power plant</p> <p>Development of intelligent electricity networks</p> <p>Launching a Hungarian-American pilot project in Hungary</p>	<p>Extraction of unconventional gas</p> <p>HUSIIT</p> <p>North-South Gas Corridor – Expansion of existing capacity between Hungary and Slovakia</p> <p>ROHU – Second Phase</p>
Transport	<p>Construction of a 2nd track between Sopron and Győr, Phase 0</p> <p>Construction of the Zalaszentiván (HU) triangle track</p> <p>Preparation of the electrification on Zalaszentiván – Nagykanizsa railway line (HU)</p> <p>Reconstruction and capacity improvement of traction substations in Hungary</p> <p>Upgrade the railway link between the inland Freeport of Budapest and the core network corridor</p>	<p>Construction of a new road bridge over the Tisza in the Záhony area</p>
Digital	<p>Adaption of GSM-R towers to 5G</p>	<p>Development of High-Performance Computing (HPC) infrastructure, establishment and operation of HPC ecosystem in the CEE-n region</p>

Source: Zsuzsanna Végh's compilation based on "Projects – Three Seas," <https://bit.ly/3cJ4Fmh>.

Whereas initiative in the digital sphere clearly lags behind the other two areas, it is apparent that Hungary puts the most emphasis on the area of energy, which is where it proposes the most multilateral projects, too. This preference can be explained by Hungary's geographic location in the middle of the region and at the (potential) crossroads of various energy networks. Considering the stable supply of natural gas as a matter of national security, the Hungarian government seeks to expand the interconnectedness of the country's gas infrastructure by increasing capabilities with Slovakia (North-South Gas Corridor) and Romania (ROHU), and building new connections with Slovenia (HUSIIT), which is the only neighbor of Hungary with which it does not have a pipeline connection. A connection to Slovenia, which was also on the table on the sides of the Ljubljana summit,⁶⁴ would allow Hungary to connect to Italy, as well, and would contribute to further possibilities of diversification. The multilateral project of extracting unconventional

⁶⁴ "Sziijártó Péter külgazdasági és külügyminiszter ljubljanaai látogatása – Magyarország Nagykövetsége Ljubljana," <https://bit.ly/3u3RNwX>.



gas as well as the four energy projects of national relevance submitted by Hungary all concern already announced projects (like the modernization of the Mátra power plant) or potential new avenues (like the Hungarian-American pilot project that would explore the potential of hydrogen as an alternative energy resource) that would also support Hungary's green transition. The Matra power plant project, which receives EU funding as well, is, just as with the various interconnectors, a good example of the 3SI being seen through the lens of additionality. In the field of transport, Hungary clearly prioritizes projects that would develop its domestic infrastructure along various corridors. Although Hungary's Via Carpathia project was removed from the active projects list, it should be noted that construction has nonetheless been ongoing and the approximately 340 km section of the route going through Eastern Hungary is expected to be finished by the end of 2021.⁶⁵

Heading toward the Sofia summit, Hungary maintains its earlier offer to host the 3SI's international secretariat in Budapest should the participating countries decide that the cooperation has reached a level where a secretariat can hold added value for the operation of the initiative. It will continue to emphasize the importance of project implementation and **keep primarily the interconnectedness of the region's energy infrastructure on the top of its agenda**. Hungary's longer-term commitment to the 3SI will depend on how the initiative is able to raise funding from public and private investors in the upcoming years.

⁶⁵ Gergely K. Kiss, "Két autópályát hosszabbítanak meg a határig 2021-re," Napi.hu, February 22, 2020, <https://bit.ly/3ovZb2K>. Gergely Hegedűs, "Három tengert köt majd össze ez a közlekedési folyosó," Magyar Építő, February 24, 2020, <https://bit.ly/3yoOIut>.



TIMELINE OF THE THREE SEAS INITIATIVE AND PERCEPTION OF MAJOR EVENTS BY THE CZECH REPUBLIC, HUNGARY AND SLOVAKIA

2016

3SI is inaugurated with the aim to improving infrastructure in Central and Eastern Europe



2017

2nd 3SI Summit in Warsaw is attended by Donald Trump and doubts about the real intentions of the project arise



2018

Bucharest Summit hosts EU institutions and Germany as observers



2019

The Three Seas Initiative Investment Fund is established



2020

House of Representatives Committee on Foreign Affairs passes bi-partisan resolution to support the U.S. engagement in the 3SI



2021

Discussions about the establishment of a 3SI permanent secretariat evolve



Source: authors



Conclusion

This paper presented an overview of the Czech, Slovak and Hungarian positions towards the 3SI. The three countries were considered as “reluctant participants” of the initiative, but as the 3SI developed over the past 5 years, their positions evolved as well. **After initial doubts about the real intentions of this endeavor, Prague, Bratislava and Budapest incorporated it into their portfolios of Central European cooperation formats in which they participate. The Bucharest Summit in 2018 could be marked as a turning point, as it brought on board Germany as an observer country and set tangible goals for the 3SI.**







In the past few years, Hungary has become more active in the 3SI and even offered to host a permanent secretariat. However, any institutionalization is strongly opposed by the Czech Republic and Slovakia. They underlined that the **3SI should remain pragmatic and centered on the infrastructural projects and the 3SIIF.** Nevertheless, unlike in the Hungarian case, their participation even in this infrastructural dimension is lukewarm, conditional or even contradictory, as the research revealed.

Strong U.S. support for the project makes the initiative more attractive for its reluctant members as it offers a long-term item for the agenda of relations between Washington D.C. and the CEE countries. The 3SI will continue to be part of the Central European policies of Prague, Bratislava and Budapest, yet additional effort is needed to make it a serious priority and to tap the potential it offers.



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