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## The Three Seas Initiative

The Three Seas Initiative (3SI) is a regional effort in Europe to expand cross-border energy, transportation, and digital infrastructure and boost economic development in the area between the Adriatic Sea, Baltic Sea, and Black Sea. Thirteen countries (Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia) participate in the 3SI (see **Figure 1**). All 3SI countries are European Union (EU) members, and all but Austria are NATO allies. Moldova and Ukraine, which are candidates for EU membership, are associated participating countries.

The United States, along with Germany, Japan, and the European Commission (the EU's executive), has been a 3SI strategic partner. During the first Trump Administration and the Biden Administration, U.S. officials expressed diplomatic support for the 3SI, and senior U.S. officials (including President Trump in 2017) joined its annual summits. The United States has provided financing through the U.S. International Development Finance Corporation (DFC) for the Three Seas Initiative Investment Fund (3SIIF) to support projects that seek to improve energy security, energy supply diversification, and connectivity.

Congress has considered some legislation expressing support for the 3SI. For example, in the 118<sup>th</sup> Congress, a Senate-passed version (S. 2226) of the National Defense Authorization Act for FY2024 (NDAA) included provisions supporting the 3SI; the enacted version of the FY2024 NDAA (P.L. 118-31) did not include these provisions. Proposed legislation (H.R. 3344) that passed the House of Representatives in the 117<sup>th</sup> Congress would have conveyed support for the 3SI “to increase infrastructure resiliency and reduce reliance on malign actors, including in the telecommunication space.” In 2020, during the 116<sup>th</sup> Congress, the House adopted a resolution “expressing support of the Three Seas Initiative in its efforts to increase energy independence and infrastructure connectivity thereby strengthening the United States and European national security” (H.Res. 672).

### Initiative Overview

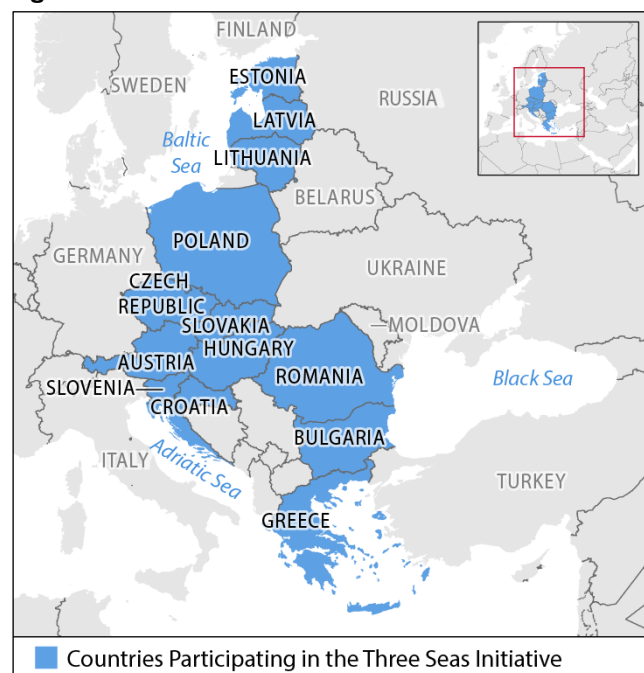
The 2025 3SI Summit, scheduled for April 28-29, 2025, in Warsaw, Poland, marks the 10<sup>th</sup> anniversary of the initiative and is expected to set the direction of the 3SI for the next decade. The 3SI was launched in 2015 by the presidents of Croatia and Poland, and summits have been held annually since 2016.

An overarching goal of the 3SI is to develop a north-south infrastructure corridor in the region. In part as a legacy of the Soviet Union's Cold War-era dominance over most of the region, east-west infrastructure remains considerably more developed than north-south linkages. Particularly with

regard to energy security, the dominance of east-west pipelines and limited alternatives to them have constrained past European efforts to end energy dependence on Russia. Many observers have described the expansion of energy infrastructure, including liquefied natural gas (LNG) terminals, as key to opening up new routes for energy supplies to Europe. Road and railway networks in the 3SI region also are generally less developed and less efficient than in other parts of the EU.

3SI members assess that Russia's full-scale invasion of Ukraine starting in 2022 has made development of resilient, integrated regional infrastructure more imperative. Some supporters also describe the 3SI as a potential counterbalance to the People's Republic of China's (PRC's) involvement in regional projects as part of its Belt and Road Initiative.

**Figure 1. Three Seas Initiative**



Source: Map created by CRS.

### Projects and Financing Mechanisms

The number of 3SI-linked projects has nearly tripled since the participating countries developed an initial list of 48 priority interconnection projects at the 2018 summit. The 2024 3SI status report listed 143 projects spanning the energy, transportation, and digital sectors (for examples, see **Table 1**), with an estimated total investment value of €111 billion (approximately \$120 billion). Nearly 40% of the total budget of all projects has been secured. The 2024

report indicated that 14 3SI projects have been completed and 19 have made substantial progress.

**Table I. Three Seas Initiative Project Examples by Sector (as of 2024)**

<b>Energy</b>	
• An LNG terminal in Krk, Croatia, with a connecting pipeline to Hungary ( <i>completed</i> )	
• The Gas Interconnection Poland-Lithuania (GIPL), a pipeline that connects the natural gas transmission systems of Poland and Lithuania, thereby integrating the gas markets of Lithuania, Latvia, and Estonia into the wider European gas network ( <i>completed</i> )	
• The Bulgaria-Romania-Hungary-Austria (BRUA) pipeline, to supply Romanian Black Sea gas to the region ( <i>substantial progress</i> )	
<b>Transportation</b>	
• FAIRway Danube, to improve infrastructure and navigation conditions for water traffic on the Danube River in Romania, Bulgaria, Croatia, Hungary, and Slovakia ( <i>completed</i> )	
• The Baltic-Adriatic Trans-European Transport Network (TEN-T), to create north-south transport corridors (road, rail, maritime, and air) connecting the Baltic region with the Adriatic region ( <i>substantial progress</i> )	
• Rail Baltica, to integrate Estonia, Latvia, and Lithuania into the European rail network ( <i>substantial progress</i> )	
<b>Digital</b>	
• Central European Drone Demonstrator project, to integrate the unmanned aerial vehicles (UAV) environment of Poland, Moldova, and Ukraine for a new UAV-based economic sector ( <i>completed</i> )	
• An intelligent digital platform for real-time water monitoring of hydrographic basins in the 3SI region ( <i>substantial progress</i> )	

**Source:** Three Seas Initiative, *Status Report of 2024*.

The 3SIIF was launched in 2019 to facilitate 3SI project financing. The fund includes contributions from 3SI regional development banks and from DFC (see below). In mid-2024, the 3SIIF's investment adviser reported that the fund had "successfully committed over €800 million across nine countries." A second financing instrument, the Three Seas Initiative Innovation Fund, was launched in late 2024 to serve as a "new source of investments for businesses past the early phase of development." The 3SI also has announced plans for a second investment fund (3SIIF II).

3SI projects also receive support from domestic financing in member countries and EU sources. According to the 2024 3SI status report, proposed financing sources for the 143 3SI-linked projects would include the 3SIIF (8%), national funds (27%), the EU's Connecting Europe Facility (27%), the European Bank for Reconstruction and Development and European Investment Bank (12%), other EU funds (11%), and other funds (15%).

## Issues for Congress

The objectives of the 3SI may align with broader U.S. security and economic goals for which some Members have expressed support. In conducting oversight of the second Trump Administration's policy toward the region and Europe more broadly, some Members of the 119<sup>th</sup> Congress may assess the Administration's prospective engagement with the 3SI.

Some Members of Congress have identified European energy security as a U.S. national interest, describing it as critical to European allies' economic prosperity and resilience to malign influence. The European Energy Security and Diversification Act of 2019 (P.L. 116-94, Division P, Title XX) directed the Secretary of State and heads of other relevant agencies to prioritize support for European energy infrastructure and allowed DFC to support qualifying energy projects in European countries without regard to country income classification.

Some Members of Congress may choose to monitor U.S. financial support for the 3SI and, more broadly, DFC's authorities relating to European energy in the context of the agency's potential reauthorization (agency authorities are due to sunset in October 2025). The first Trump Administration pledged up to \$1 billion through DFC to support the 3SI. In December 2020, DFC approved up to \$300 million in financing to the 3SIIF to "help central and eastern European countries bolster their energy security." In November 2021, some Members urged DFC to implement that investment commitment, citing concern that the 3SI region remained "overly dependent on Russia and China for energy and economic needs." In June 2022, DFC announced progress toward finalizing the financing agreement with the 3SIIF and said such financing "will support energy and infrastructure investments." Some Members continued to raise questions about the status of financing, including in a 2023 Senate oversight hearing of DFC. In July 2024, a DFC official reported that the agency had made its first disbursement to the 3SIIF. Separately from the 3SIIF, DFC has supported energy projects in individual 3SI countries, such as Poland, Bulgaria, and Greece.

Members of the 119<sup>th</sup> Congress also may choose to assess the potential role of the 3SI in

- improving infrastructure resilience and military mobility along NATO's eastern flank;
- facilitating U.S. direct investment in the region;
- promoting Ukraine and Moldova's economic integration into the EU economy;
- supporting eventual postwar reconstruction and recovery in Ukraine; and
- offering alternatives to PRC involvement in regional infrastructure projects, including transportation, telecommunications, and digital projects.

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