

THE WIDER BLACK SEA REGION THROUGH THE LENS OF THREE ALTERNATIVE CONNECTIVITY INITIATIVES – THE BRI, 3SI AND GLOBAL GATEWAY*

Yasen Georgiev, Mariana Trifonova¹

University of National and World Economy, Sofia, Bulgaria

Abstract: The wider Black Sea region is increasingly coming into the spotlight against the backdrop of the war in Ukraine from early 2022. However, aside from the security angle, the region proves to be strategically placed in several connectivity initiatives such as the Belt and Road Initiative (BRI), the Three Seas Initiative (3SI), Global Gateway. In all of them the wider Black Sea region is seen as an opportunity for an enhanced infrastructure connectivity and/or a route for freight transportation. What is more, under the current circumstances, the Black Sea has a potential to compensate for bottlenecks in connectivity arising directly or indirectly from the present situation in countries such as Ukraine but also Russia and Belarus.

However, the immediate Black Sea region as well as its wider area remain examined mainly within the scope of one of the above-mentioned connectivity initiatives. As a result, contemporary academic literature elaborates insufficiently on it in view of the variety of ongoing and – to a large extent – overlapping connectivity concepts between Europe and Asia. In order to address these shortages, the authors conduct a comparative overview of the Black Sea region's current standing and significance for the three main connectivity initiatives. An analytical framework is proposed for assessing the competition vs. compatibility potential of the BRI, 3SI and Global Gateway with regard to the Black Sea region as a prospective tool for outlining future connectivity trends, challenges and opportunities for the countries of the region.

*This publication is part of the “China's One Belt One Road Initiative in the Black Sea Region: analysis of opportunities and risks for Bulgaria” project, funded by The Bulgarian National Science Fund (BNSF), contract KP-06-N55/15

¹ *Yasen Georgiev and Mariana Trifonova are doctoral students at the International Relations Department of UNWE, Sofia. E-mails: georgiev.yasen@unwe.bg, mariana.trifonova@unwe.bg*

Keywords: Black Sea; infrastructure; connectivity; BRI; 3SI

Introduction

The wider Black Sea region is increasingly coming into the spotlight against the backdrop of the war in Ukraine from early 2022. However, aside from the security angle, the region proves to be strategically placed in several connectivity initiatives such as the Belt and Road Initiative (BRI), the Three Seas Initiative (3SI), Global Gateway and the Middle Corridor. In all of them the wider Black Sea region is seen as an opportunity for an enhanced infrastructure connectivity and/or a route for freight transportation. What is more, under the current circumstances, the Black Sea has a potential to compensate for bottlenecks in connectivity arising directly or indirectly from the present situation in countries such as Ukraine but also Russia and Belarus.

However, the immediate Black Sea region as well as its wider area remain examined mainly within the scope of one of the above-mentioned connectivity initiatives. As a result, contemporary academic literature elaborates insufficiently on it in view of the variety of ongoing and – to a big extent – overlapping connectivity concepts between Europe and Asia.

In order to address these shortages, the authors conduct a comparative overview of the Black Sea region's current standing and significance for the three main connectivity initiatives. An analytical framework for assessing the competition vs. compatibility potential of the BRI, 3SI and Global Gateway with regard to the Black Sea region as a prospective tool for outlining future connectivity trends, challenges and provides opportunities for the countries of the region. It will eventually conclude by pinpointing fields of potential research at the intersection between the Belt and Road Initiative, the Three Seas Initiative and Global Gateway.

The paper formulates and examines the hypothesis that the role of the Black Sea region in the various overlapping and sometimes competing, not complementing, connectivity concepts is underestimated and that the region bears significant potential for an enhanced internal and external connectivity.

1. Defining the (wider) Black Sea region

The Black Sea region refers to the geographical area surrounding the Black Sea, which is a large inland sea located in southeastern Europe. The Black Sea is connected to the Mediterranean Sea through the Bosphorus Strait and the Sea of Marmara, and is surrounded by six countries: Bulgaria, Romania, Ukraine, Russia, Georgia, and Türkiye. Their breakdown shows a picture that is dominat-

ed by countries that are members of more than one international cooperation format and one country that stands alone. While the latter is Russia, the former are as follows – two countries are members of the European Union (Bulgaria, Romania), one is to start EU accession negotiations (Ukraine), one country was granted EU candidate status (Georgia), three countries are members of NATO (Bulgaria, Romania, Türkiye).

The Black Sea region has historical, cultural, economic, and strategic significance. It has been a crossroads of civilizations and trade routes for centuries. The region is characterized by diverse landscapes, including coastal plains, mountainous areas, and river valleys.

Economically, the Black Sea region plays a vital role in trade and transportation. Several important ports are located along its shores, facilitating maritime commerce and connecting the region to global trade routes.

Geopolitically, the Black Sea has been a scene of various historical and contemporary geopolitical issues. The presence of different countries with diverse interests has led to complex dynamics in the region. For instance, the annexation of Crimea by Russia in 2014 has heightened tensions and raised concerns about security and stability in the area.

The Black Sea region is also significant for its natural resources, including fisheries and energy reserves. Additionally, it serves as a gateway between Europe and Asia, making it strategically important for both regional and global actors.

Overall, the Black Sea region is a complex and dynamic area with a rich history and diverse geopolitical, economic, and cultural influences.

2. The Belt and Road Initiative – an overview

Considered an essential element of China's global strategy, the Silk Road Economic Belt and the 21st-Century Maritime Silk Road (hereinafter, The Belt and Road Initiative) was first announced publicly 10 years ago. On Sept. 7th 2013, Chinese President Xi Jinping discussed the first component of the initiative, the economic belt, during a speech at Kazakhstan's Nazarbayev University. Shortly after, on October 3rd, 2013, he followed up with the maritime silk road component during a speech at the Indonesian parliament.²

The inspiration comes from restoring and upgrading the historical Silk Road – an “*ancient trade route linking China with the West, that carried goods and ideas between the two great civilizations of Rome and China*”³. However, the

² Belt and Road Portal | Specials:https://eng.yidaiyilu.gov.cn/ztindex.htm?utm_source=pocket_saves (last accessed November 11, 2023)

³ <https://www.britannica.com/money/topic/Silk-Road-trade-route> (last accessed No-

contemporary Belt and Road Initiative is not merely defined by its commercial utility as a massive infrastructure endeavor but instead incorporates the key elements of China's foreign policy vision and geopolitical aspiration. This notion is supported by the proclaimed openness of the initiative: "It covers, but is not limited, to the ancient Silk Road. It is open to all countries, international and regional organizations for engagement, so that the results of the concerted efforts will benefit wider areas"⁴.

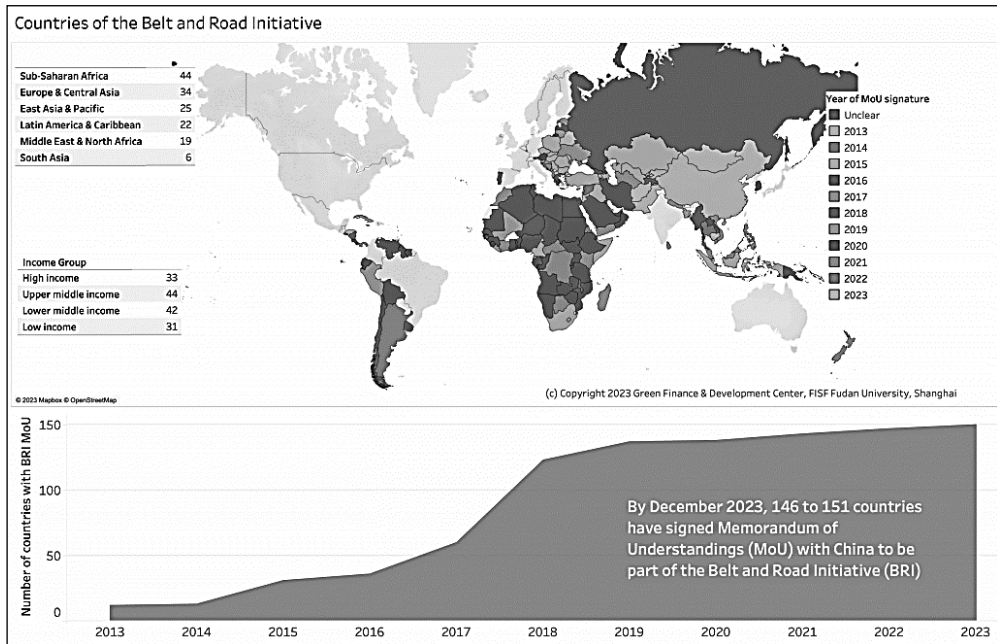


Figure 1: Countries of the Belt and Road Initiative as of December 2023

Source: Nedopil, Christoph (2023): "Countries of the Belt and Road Initiative"; Shanghai, Green Finance & Development Center, FISF Fudan University, www.greenfdc.org

In October 2023 Beijing hosted the Third Belt and Road Forum for International Cooperation which further showcased China's efforts to transform the BRI into a comprehensive global cooperation format. As of December 2023, the Chinese side claims that 151 countries have joined the initiative by signing a Memorandum of Understanding (MoU). However, there are uncertainties pertaining to the binding nature, the scope or the duration of some MoUs. Thus, the number of independently verifiable signatories stands at 146 (Nedopil,

vember 11, 2023)

⁴ Belt and Road Portal, Specials:https://eng.yidaiyilu.gov.cn/ztindex.htm?utm_source=pocket_saves (last accessed November 11, 2023)

2023). Out of those, 34 countries lie in Europe and Central Asia with 17 being also members of the European Union. Notably, on December 6th 2023, Italy announced its intended departure from the BRI following the expiration of its MoU signed back in 2019 for an initial period of 5 years.

3. The Belt and Road Initiative (BRI) and the Three Seas Initiative (3SI) – role and prospects for the wider Black Sea region

The rivalry between the two projects mentioned derives from the structural shifts in the distribution of material power among China and the US and their influence on states' behaviors. (Grochmalski et al., 2021) Since its official inception by 12 countries, which are located between the Adriatic, the Baltic and the Black Sea, with an official summit in Dubrovnik in 2016, the Three Seas Initiative (3SI) is today a forum of thirteen states that are members of the European Union.⁵ Greece became the 13th member of the initiative during the Bucharest summit in September 2023. Additionally, 3SI includes two more countries that are not members of the EU and that joined as partner-participants. Firstly, it was Ukraine that joined in 2022 at the Riga summit and lastly – Moldova during the 2023 Bucharest summit. Last but not least, 3SI has three more partners – the United States, Germany, and the European Commission.

3SI is depicted as a “*politically inspired, commercially driven platform for improving connectivity between twelve EU Member States allocated between Baltic, Adriatic and Black seas*”⁶. What is more, it is stated that it was born out of a shared interest in developing transport, energy and digital infrastructure connections on the EU's north-south axis. Connections thereunder must be trusted, sustainable and inclusive thus strengthening EU cohesion and enriching transatlantic links.⁷

The impetus for launching this previously informal platform at that time is attributed to the formal source of inspiration found in the report titled “Completing Europe: From the North-South Corridor to Energy, Transportation, and Telecommunications Union”. This collaborative report, produced by the Atlantic Council, a U.S.-based think tank, and Central Europe Energy Partners, an international association headquartered in Brussels representing the interests of energy and energy-intensive companies in Central Europe, spans 90 pages.

⁵ From North to South: Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Austria, Croatia, Romania, Bulgaria and Greece.

⁶ Official web page of 3SI – <https://3seas.eu>, last access on December 12, 2023

⁷ Ibid.

Within its contents, the report highlights economic disparities and suboptimal infrastructure in Central and Eastern European countries. Despite efforts from the EU's cohesion and structural funds aimed at fostering a more economically and socially cohesive European Union, these nations continue to lag behind their Western European counterparts. Consequently, the report advocated for revitalizing Europe by injecting new momentum into the North-South connectivity, specifically in the realms of energy, transportation, and digital communication.

To address the connectivity gaps within and between participating countries and to attract substantial investments, the Three Seas Initiative Investment Fund (3SIIF) was proposed during the 2018 Bucharest summit. Its official establishment was declared at the Ljubljana summit a year later, and it was formally registered in Luxembourg in May 2019. Official information indicates that the fund's planned total volume is expected to range between EUR 3 and 5 billion.

Simultaneously, the Three Seas Initiative encompasses priority interconnection projects submitted by participating countries. The list of priority interconnection projects was one of the main outcomes of the 3rd Three Seas Initiative Summit held in Bucharest in 2018. Back then it comprised 48 projects in energy, digital and transport infrastructure. According to the 2023 Status Report, the total number of interconnection projects under the Three Seas Initiative reached 102, while their estimated gross investment value totaled EUR 190 billion. The number of priority projects has increased by 112.5% since 2018 when the first List of priority interconnection Projects was presented.

In early 2020, the initial investors and signatories to the memorandum of association of the Three Seas Initiative Investment Fund were the Polish Development Bank and the Bank Gospodarstwa Krajowego (BGK), each committing EUR 500 million, and the Export-Import Bank of Romania (EximBank), contributing EUR 20 million. Subsequently, from September 2020 to February 2021, seven additional Three Seas Initiative (3SI) countries joined the fund: Latvia, Estonia, Hungary, Slovenia, Bulgaria, Croatia, and Lithuania.⁸ With the exception of SID Bank, Slovenia's development and export bank, which committed EUR 23 million, the remaining partner countries pledged EUR 20 million each.

The Three Seas Initiative Investment Fund secured an additional commitment of 250 million Euros from Poland's BGK, elevating the country's share in the fund to 82% of all 3SI countries. As shown above, the Three Seas Initiative (3SI) primarily involves countries from Central and Eastern Europe. The 3SI is a forum that aims to enhance cooperation and connectivity among the countries

⁸ The commitments from these institutions are as follows: ALTUM (Latvia), Estonian Ministry of Finance, Eximbank (Hungary), Bulgarian Development Bank, HBOR (Croatia), and VIPA (Lithuania)

situated between the Baltic, the Adriatic, and the Black Sea. Hence the Black Sea region and/or the wider Black Sea region is not officially part of the core member states of the initiative. What is more, the Black Sea region itself has a distinct geopolitical and economic significance, and it is not directly included in the 3SI framework. However, there may be potential for collaboration or connectivity projects that extend beyond the core 3SI countries into the broader European context. As has been the case so far, geopolitical situations and regional cooperation initiatives can evolve and include a further outreach to the Black Sea. To a significant extent, the formal acceptance of Ukraine and Moldova as partner-participants could be regarded as a step closer towards embedding the immediate and indirect Black Sea neighborhood into 3SI.

4. Global Gateway – role and prospects for the wider Black Sea region

As explicitly defined by the European Commission, the Global Gateway is “*Europe’s offer for connecting the world with investments and partnerships*”⁹. It is framed as a “*qualitatively superior alternative to other public offers, that is in line with the European model of sustainable and transparent investment*”¹⁰. The approach is values-focused and centered in compliance with good governance, transparency, sustainability and high standards for project implementation.¹¹ In fact, the project is a New Instrument of Geopolitics (Heldt, 2023).

The funding is projected to come from both public source contributions through a Team Europe model via EU member states as well as through the active involvement of the private sector for investments. For the 2021–2027 period the overall budget pledge is estimated at EUR 300 billion. As of 2023, at least 90 projects are counted as launched under the Global Gateway spanning across the transport, energy and digital domains with expected impact on health, education, research and innovation, sustainable development.

A comparative framework for assessing the competition vs. complementarity potential of BRI, 3SI and Global Gateway with regard to the (wider) Black Sea region allows to draw an important conclusion:

⁹ European Commission. Global Gateway portal: https://international-partnerships.ec.europa.eu/policies/global-gateway_en (last accessed December 8, 2023)

¹⁰ Ibid.

¹¹ Ibid.

Table 1: A comparison table of main aspects of the Belt and Road Initiative, the Three Seas Initiative and Global Gateway

	Belt and Road Initiative	Three Seas Initiative	Global Gateway
Member states in the (wider)* Black Sea region	Joined in 2015: Armenia Azerbaijan Bulgaria Romania Turkiye Joined in 2016: Georgia Joined in 2017: Ukraine Joined in 2018: Greece* Russian federation (status unclear)	Members: Bulgaria Romania Associated participating states: Moldova Ukraine	Team Europe members: Bulgaria and Romania Partners: Armenia Azerbaijan Georgia Moldova Ukraine
Main Principles	<ul style="list-style-type: none"> – Community of shared future; – open, green and clean cooperation; – high-standard, people-centered, sustainable cooperation. 	Promoting cross-border engagement and international cooperation to develop energy, transport and digital infrastructure	<ul style="list-style-type: none"> • Democratic values and High Standards • Good Governance & Transparency • Equal Partnerships • Green and clean • Security focused • Catalyzing private sector investments
Key Connectivity Areas	Transport Infrastructure, Trade, Digital connectivity, Energy, Health, Education & research	Energy, transport, digital sector	<ul style="list-style-type: none"> • Transport • Digital sector • Climate and energy • Health • Education & research
Relevant projects	Synergy opportunity with the Trans-Caspian Middle Corridor initiative	143 submitted projects by member states.	<ol style="list-style-type: none"> 1. Economic and Investment Plan for the Eastern Partnership 2. Black Sea Connectivity – Submarine Electricity Cable 3. Flagship 5 – Energy:

			<p>3.1. Flagship 5 – Investing in a Green Yerevan: energy efficiency and green busses (Armenia)</p> <p>3.2. Flagship 5 – Increasing Energy Efficiency (Azerbaijan)</p> <p>4. Flagship 2 – Digital connectivity:</p> <p>4.1. Supporting the digital transport corridor (Azerbaijan)</p> <p>5. Flagship 3 – Increasing Energy Efficiency (Moldova)</p>
Source of Funding	AIIB, Silk Road Fund, China Investment Corporation, Policy banks (loans only)	AIIB, Silk Road Fund, China Investment Corporation, Policy banks (loans only)	EUR 300 bln. until 2027 (Team Europe public funding and private investments)
Priority Impact Areas	regional economy	regional economy and policy	regional economy and policy

Source: Compiled by the authors from official portals or websites of BRI, 3SI and Global Gateway

Conclusion

Despite diverging views and methodological difficulties associated with defining and conceptualizing the (wider) Black Sea region, recent geopolitical and security developments, especially with regard to the war in Ukraine, point towards its increased significance not only as a transit trade route utilized for freight transportation between Asia and Europe but also as a geopolitical hub with multifaceted development potential.

At present, the Black Sea region's perceived potential based on its increased level of visibility and global significance for supply chains is not fully matched by the state of its connectivity. The comparative review of three main connectivity initiatives with some degree of relevance to the (wider) Black Sea region and its countries (BRI, 3SI and Global Gateway) suggests that there is room for

cooperation and complementarity between them. However, commercially viable interlinks between them may be overlooked due to the underlying geopolitical alignments and specific objectives embedded in them by the key global actors supporting or implementing them. This places the burden on the Black Sea region countries to proactively engage in diplomatic efforts and cooperation formats that could narrow the gaps and offer synergies for the various connectivity projects implemented under the frameworks of the three initiatives.

BIBLIOGRAPHY

Grochmalski, Lewandowski, Paszak 2023: Grochmalski, Piotr; Lewandowski, Piotr; Paszak, Paweł. Three Seas Project (3SI) and the Belt and Road Initiative (BRI): The Security Dimension, *European research studies journal* 24(1): 1230 – 1239, February 2021, DOI:10.35808/ersj/2020

Heldt 2022: Heldt, Eugénia C. Smith, Europe's Global Gateway: A New Instrument of Geopolitics, Politics and Governance 11(4), November 2023, DOI:10.17645/pag.v11i4.7098

Nedopil 2023: Nedopil. Countries of the Belt and Road Initiative, Shanghai, Green Finance & Development Center, FISF Fudan University, 2023, Available at: www.greenfdc.org